

Foreign direct investment projects

The TIPS Foreign Direct Investment Tracker monitors FDI projects, on a quarterly basis, using published information. Twelve projects were added to the Tracker in the third quarter of this year. The pledged investment value recorded for the third quarter of 2022 was just over R22.6 billion, captured from nine projects. Information was updated for nine investments previously captured in the Tracker.

Table 2. FDI projects captured in third quarter of 2022

	ANNOUNCED	FEASIBILITY	PROJECT PREPARATION	CONSTRUCTION/IMPLEMENTATION	COMPLETE
Number of projects	1	2	1	2	6
Value (R billions)	10	2.3	12	0.64	9.3
Industries	Manufacturing	2 Mining	Manufacturing	1 Manufacturing 1 Mining	3 Utilities 2 Services 1 Manufacturing
Type	Expansion	2 Expansion	1 Greenfield	1 Greenfield 1 Upgrade	5 Greenfield 1 Expansion
Company	Heineken/ Distell	Bushveld Minerals	Sasol/Air Liquide	YFPO (Plastic Omnium and Yanfeng Joint Venture) Ironveld	Enel Green Power Elawan Energy LG Electronics Kimberly-Clarke CostCertified

Source: TIPS FDI Tracker database

New and existing projects

Utilities

Enel Green Power RSA's two wind farms Karusa and Soetwater are commercially operational. Each 147 megawatts (MW) facility has an expected generation capacity of over 500 gigawatt hours (GWh) per year. They were individually developed for €200 million (R3.5 billion). The wind farms are part of Bid Window 4 of government's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP). They will be supported by a 20-year power supply agreement (PPA) with Eskom. Karusa was completed in the Western Cape while Soetwater wind farm is located in Northern Cape.

The Copperton wind farm in Northern Cape was completed by Spanish firm Elawan Energy for about €145 million (R2.3 billion). The project was also a participant in the REIPPPP Bid Window 4, supplying energy to Eskom through a 20-year PPA. The wind farm has a capacity of 102 GWh, and an estimated annual production of 360 GWh. Construction started in 2018, and the facility has been fully operational since the end of 2021.

Sasol and Air Liquide announced plans in April 2021 to jointly procure 900 MW of renewable-energy from independent power producers by 2030. During the initial procurement phase, Air Liquide will procure 400 MW and Sasol 200 MW. The electricity generated will supply Sasol's operations in Secunda, in Mpumalanga. It is estimated the project will require an investment between R12 billion and R13 billion, excluding costs during construction. The request for proposal process has been completed, and five projects await regulatory approval.

Manufacturing

The Competition Commission approved Heineken's acquisition of the Distell Group with conditions, including a requirement that Heineken invest R10 billion in Distell's local operations over a period of five years. Distell owns cider brands such as Hunters Dry and Savannah while Heineken operates the Sedibeng Brewery locally.

YFPO is a joint venture between Yanfeng, a Chinese automotive firm and Plastic Omnium, a French automotive company. They manufacture automotive components and trims. In South Africa, YFPO supplies BMW in Rosslyn. The company is investing in a 25 000 square metre facility to be developed for R600 million in Gauteng. This will be YFPO's first facility in Africa.

Kimberly-Clark Professional is expanding its manufacturing capacity in South Africa through an investment in a new production line at the company's Enstra Mill in Gauteng, for an undisclosed sum. A new converting line was installed in April and the firm has since been ramping up production. The expansion has facilitated local production of previously imported products, such as the firms' Scott Control centrefeed toilet paper.

Mining

Bushveld Minerals has conducted feasibility and pre-feasibility studies to determine the ideal development path to expand production – to 8 000 tonnes per annum – at the mineral company's Vametco (North West) and Vanchem (Mpumalanga) operations. The expansion will require a total capital expenditure of about US\$151 million (R2.3 billion) and includes refurbishing the facilities' infrastructure. Bushveld Minerals is a vertically integrated primary vanadium producer headquartered in Guernsey.

UK-based Ironveld is overhauling the Ferrochrome Furnaces smelting complex in the North West for approximately £2 million (R40 million). The plant comprises four 2.5 MW tilting electric arc furnaces, four convertors with ladles, cranes and associated buildings and equipment. The upgrades will bring three of the four furnaces into production with operations starting with the first furnace while the others are being brought back into production. Ironveld is an iron, vanadium and titanium miner and developer.

Services

LG Electronics has launched a new Premium Service Centre in Gauteng to expand the company's service network in South Africa, which provides after-sales services and repairs. The service centre was completed for an undisclosed amount.

CostCertified, a Canadian tech start-up, opened its global headquarters in the Western Cape. The company provides cost-estimating software for the residential construction industry. The project aims to create at minimum 300 jobs over the next two years. The value of the investment was not disclosed.

Updates

After announcing a US\$1 billion (R15 billion) investment in South Africa, Vantage Data Centers has opened its first data centre in Gauteng offering 16 MW of information technology capacity. Construction on Phase 1 started in October 2021 and was completed in July 2022. Vantage Data Centers has further entered into a 20-year PPA with SolarAfrica, which will enable Vantage to supplement the local grid that sustainably powers the data centre campus.

Scatec announced that it reached financial close on the Kenhardt projects under the Risk Mitigation Independent Power Producer Procurement Programme. The three facilities will be developed for about R16 billion in the Northern Cape. The proposed development will deliver a combined 150 MW of photovoltaic solar energy, overall production capacity of 540 MW and 1.1 GW of battery storage.

Helium producer Renergen has completed Phase 1 of the Virginia Gas project in the Free State. The project entails development of a gas pipeline and cryogenic liquefaction processing facilities. Phase 1 of the project aims to produce about 50 tons of liquefied natural gas (LNG) and 350 kilograms of helium per day. Phase 2 targets 5 000 kg of helium and 700 t/d of LNG. Completion of the first stage of Phase 2 is planned for 2025. Investment in the project at this stage amounts to R1 billion.

Ford Motor Company has completed upgrades to the Struandale Engine Plant. Following a R600 million investment Ford has started production of the new 3.0L V6 and updated 2.0L diesel engines. The project was announced in December 2021 and production started in August 2022. The project includes the introduction of a third engine programme which supports the production of the next-generation Ranger. The plant has an initial installed capacity of 21 000 units of the 3.0L V6 diesel engine a year.

Vedanta Zinc International subsidiary Black Mountain Mining broke ground on the R7 billion Gamsberg Phase 2 expansion. The project aims to double the mine and plant capacity from four-million tons to eight-million tons a year, increasing output from 300 000 t/y to 500 000 t/y of metal.

The Ardagh Group has commissioned the R1.5 billion extension of its Nigel production facility in Gauteng. The investment more than doubles the facility's capacity to produce sustainable glass packaging. The plant incorporates a new furnace and production lines. The Ardagh group recently acquired Consol.

Google's Equiano undersea fibre optics cable has reached South Africa. The project aims to provide high-speed internet to South Africa and the region. It connects from Europe to South Africa, landing at Melkbosstrand. The cable will run along the West Coast of Africa with branching units along the route, that can potentially extend connectivity to additional African countries. The overall investment value is R2.3 billion.

Africa Data Centres announced the expansion of its capacity in Gauteng to 100 MW of IT load. The company has started expanding its Samrand facility from 10MW to 40MW of IT load. First phase construction will deliver 20MW by 2023, and the next phase of 10MW of IT load by the end of 2025. The development follows the launch of the 10MW Midrand facility in 2021.

Audi partnered with South Africa's GridCars to install electric vehicle charging station infrastructure across the country. The roll-out is complete with 33 stations installed across 33 sites, representing 70 new electric vehicle charge connectors that expand the existing public charging network in South Africa. The charge points are expected to provide up to 150 kilowatts charge to electric vehicles.