

Foreign direct investment projects

The TIPS Foreign Direct Investment Tracker monitors FDI projects on a quarterly basis, using published information. It added 11 projects across four industries – electricity, services, manufacturing and mining – in the second quarter 2024. Less than a handful of projects reported values for their respective investments; the R8.1 billion investment value reported for the quarter comes from only three projects. The Tracker updated progress for 17 projects recorded previously.

New and existing projects

This quarter's projects centre on renewable energy and recycling. Six initiatives provide renewable energy infrastructure, including the R5.7 billion Red Sands Battery Energy Storage System (BESS) by Globeleq, the fifth project selected under bid window 1 of the Battery Energy System Independent Power Producer Programme. Heineken is investing R2.3 billion investment in a returnable glass programme. The main source of investment is Europe.

Table 1: FDI projects captured in the second quarter of 2024

Investor Company	Country Of Origin	Pledged Value (R bns)	Location	Project Summary
Electricity: R5.7 billion				
Globeleq	United Kingdom	5.7	Northern Cape	153 MW Red Sands standalone Battery, Energy Storage System (BESS) project, 5th preferred bidder under the Battery Energy Storage IPP Procurement Programme (BESIPPPP)
Enertrag	Germany	Not reported	Mpumalanga	Developing the 210MW Hendrina Wind Energy Facility
Yellow Door Energy	UAE	Not reported	North West	240 MW Leeudoringstad (Naledi) solar photovoltaic solar PV plant
Yellow Door Energy	UAE	Not reported	Limpopo	Overyssel Boerdery hybrid renewable energy and micro grid system (Solar PV and BESS)
BP Southern Africa	United Kingdom	Not reported	Multiple locations	Piloting solar PV installations on four sites
Sunfarming	Germany	Not reported	Multiple locations	Agri-solar power plant for energy generation and food production
Services: R2.3 billion				
Heineken	Netherlands	2.3	Multiple locations	Expanded returnable glass bottle programme and redesigning bottle
Bp Southern Africa	United Kingdom	0.02	KwaZulu-Natal	Adding new service stations
DPD Laser	France	Not reported	Multiple locations	Expanding courier delivery fleet
Manufacturing: Not reported				
ArcelorMittal South Africa	Luxembourg	Not reported	Gauteng	Converting one of three blast furnaces to an electric arc furnace
Mining: Not reported				
Menar	Luxembourg	Not reported	Northern Cape	Proposed underground manganese mine

Note: Numbers may not always sum to the exact amounts due to rounding. Source: FDI Tracker database

Greenfield projects make up the majority of the announced projects, as Table 3 shows shows.

Table 3: Value of projects by investment stage and type, second quarter 2024, in billions of rand

	Stage	Announced	Feasi- bility	Prepara- tion	Implemen- tation	Com- pleted	Total value	Number
Invest- ment type	Green- field	n.a.	n.a.	5.7	n.a.	-	5.7	7
	Upgrade	n.a.	-	-	-	-	n.a.	1
	Expan- sion	0.02	-	-	-	2.3	2.3	3
Total value		0.205	2.5	5.7	n.a.	n.a.		
Number		4	1	4	1	1		

Note: Numbers may not always sum to the exact amounts due to rounding. Source: TIPS FDI Tracker database.

Updates

The second quarter of 2024 saw a mix of government and private renewable energy generation projects advance. Notably, under the Renewable Energy Independent Power Producer Programme (REIPPPP), Scatec has commenced construction of the Grootfontein solar projects. Private sector initiatives include the Crossroads green energy cluster, which will supply Hive Energy's planned green ammonia export facility that was announced at the 2023 South African Investment Conference (SAIC). Another project announced at SAIC 2022, the expansion of Tetra Pak's manufacturing facility, was completed this quarter.

In the automotive sector, Volkswagen announced a facility upgrade and a new vehicle model, while Stellantis is gearing up to begin construction of its manufacturing plant. In mining, several projects made progress, with permits being granted and operations, such as the Zandfontein underground restart project, beginning. The service sector saw limited updates, with Amazon's newly launched digital marketplace being the sole development reported.

Table 2: Project updated in the second quarter of 2024

Project	Company	Announced value (R bns)	Sector	Progress update
Complete/ Operational				
Tetra Pak aseptic packaging material plant expansion	Tetra Pak	0.5	Mfg	Completed upgrades and re-opened facility. Pledged the investment in 2022 SAIC
Amazon marketplace	Amazon	Not reported	Services	Officially launched the Amazon online store for South Africa
Crocodile River Mine: Zandfontein underground restart project	Eastern Platinum	0.4	Mining	The restart of Zandfontein mine initiated
Menar coal project pipeline: Gugulethu Colliery	Menar	0.6	Mining	Started producing first Run-of-Mine in January, processing plant hot and cold commissioned
Construction/implementation				

Project	Company	Announced value (R bns)	Sector	Progress update
Grootfontein (1, 2 and 3) solar PV projects	Scatec	3	Utilities	Construction started
Ener-G-Africa manufacturing operation	Ener-G-Africa	0.1	Mfg	Opened new biomass stove and cookware manufacturing facility. To focus on solar panel manufacturing plant next.
VWA sustainability projects: Solar 2	Volkswagen Group Africa	0.1	Utilities	Installation commissioned
Africa Data Centre solar PV power plant	Africa Data Centre	Not reported	Utilities	Broken ground, construction commencing
Project-preparation				
Doornhoek PV	AMEA Power	14	Utilities	Reached financial close and signed PPA with Eskom
TGME gold project	Theta Gold Mines	7	Mining	Project fully permitted, finalising construction contracts
Green Ammonia export plant- Green energy cluster	Hive Energy and others	3	Utilities	Received EIA authorisation for cluster of nine projects
Steelpoortdrift vanadium project	Vanadium Resources/V8	1.1	Mining	Finalising plans and regulatory permits pending
Stellantis manufacturing plant	Stellantis	Not reported	Mfg	The Coega Development Corporation is preparing the site where the facility will be built.
Early- stage developments: regulatory approvals, studies and exploration				
Vitol/ Vivo capital investment	Vivo Energy/ Vitol	10	Mfg	Competition Tribunal approved acquisition of Engen assets in South Africa – one of the conditions is a sizeable capital investment
VWA new vehicle model	Volkswagen Group Africa	4	Mfg	VWA confirmed investment to upgrade the Kariega facility and introduce new SUV model vehicle. Work scheduled for end of 2024
Sasol/ArcelorMittal Decarbonisation initiatives: Saldanha green hydrogen	Arcelor Mittal	3	Utilities	Prefeasibility report nears completion