

Note on the annual Investment Conferences

In 2018 President Ramaphosa held the first Investment Conference where he set a target of achieving US\$100 billion in new foreign and domestic investment over five years. Reports suggest that, of the 31 projects announced in 2018, eight projects have been completed, with seventeen in construction or at implementation. Together, these projects represent R238 billion in investments. Concluded projects include the Mara phone manufacturing plant and upgrades of the Proctor and Gamble manufacturing facility.

The second Investment Conference garnered additional commitments from foreign and domestic companies. By the end of the conference, 71 investors had pledged over R300 billion in investments more than double the commitments received in 2018. As with the first conference, some of these projects were already in the pipeline, and had been covered by the quarterly [TIPS FDI Tracker](#) and Investment News Updates. They include the new MSC Cruises terminal in Durban (R259 million), Rio Tinto/Richards Bay Minerals (R6,5 billion) and Atterbury property development (R6 billion), among others.

Foreign direct investment projects

The TIPS Foreign Direct Investment Tracker monitors FDI projects, on a quarterly basis, using published information. The total investment value captured this quarter was R52.4 billion

Table 2 records new announcements from the investment conference. It excludes projects that were announced earlier and have not change, but it includes some that expand on earlier plans.

Table 2. Investments announced at the 2019 Investment Conference

Company	Value (R billions)	Country of Origin	Location	Industry
French companies in South Africa	20	France	Various	Various
Coca-Cola	14.7	United States	Various	Manufacturing
Liquid Telecom	8.5	United Kingdom	Various	Services
Astron Energy/ Glencore	6	Switzerland	KwaZulu Natal	Petroleum
Orion	4	Australia	Northern Cape	Mining
Vopak	3.1	Netherlands	KwaZulu Natal	Services
AMG-WEGO	2.79	China	Northern Cape	Mining
Toyota	2.43	Japan	KwaZulu Natal	Manufacturing
Triple Flag	2.1	Canada	Limpopo	Mining
Heineken	1.48	Netherlands	Gauteng	Manufacturing
Wilmar	1.5	Singapore	KwaZulu Natal	Manufacturing
Ivanhoe	1	Canada	Limpopo	Mining
Wesizwe	0.73	China/South Africa	North West	Mining

Company	Value (R billions)	Country of Origin	Location	Industry
KLT	0.53	India	North West/ Gauteng	Manufacturing
MA Automotive	0.512	Italy	Eastern Cape	Manufacturing
Defy	0.462	Turkey	KwaZulu Natal	Manufacturing
B. Braun	0.3	Germany	Gauteng	Manufacturing
Faurecia	0.25	France	Western Cape	Manufacturing
ZF Lemfoerder	0.24	Germany	Eastern Cape	Manufacturing
Econet Energy	0.21	Mauritius	Various	Utilities
Hisense	0.16	China	Western Cape	Manufacturing
Motherson	0.12	India	Gauteng/KwaZulu Natal	Manufacturing

Source: South Africa Investment Conference Announcements https://sainvestmentconference.co.za/wp-content/uploads/2019/11/2019-Announcements_7Novemberxls_.pdf.

Additional projects identified outside the investment conference are outlined in Table 3.. Investment values were available for four of the eight projects identified. They amounted to R5.9 billion. Most of the projects are in manufacturing, predominantly for upgrades on existing plants. Several projects updated in this quarter were announced in the 2018 Investment conference.

Table 3. FDI Projects Captured in Q4, 2019 (excluding investment conference projects)

	Announced	Pre-Feasibility	Construction/ Implementation
Number of projects	5	1	2
Value (R billions)	5.5	Not Reported	0.4
Industries	4 Manufacturing 1 Services	1 Mining	1 Manufacturing 1 Services
Type	1 Expansion 4 Upgrade 1 Brownfield	1 Greenfield	1 Upgrade 1 Expansion
Company	Bridgestone Toyota Volkswagen Citroen Isuzu	URU Mining	Isuzu Google

Source: TIPS FDI Tracker database

New projects

Bridgestone South Africa announced plans to invest a further R300 million across its tyre production facilities in South Africa. It is also completing a R400-million investment at its main plant in Brits, North West Province. The company's investment will come to about R700 million over the current and coming financial year.

Toyota South Africa announced a R450 million investment at its Prospecton Plant near Durban. The investment is aimed at boosting production of the Hiace Ses'fikile minibus range. It entails an upgrade of the existing workshop and securing more specialised equipment. Toyota also

announced the commencement of export operations to support the assembly of semi-knocked down vehicles in Kenya, with R20 million invested in a packaging facility at Prospecton towards this end.

Volkswagen Group South Africa (VWSA) announced plans to move its manufacturing plant in Uitenhage off the national electricity grid. The R3.5 billion project will cover some of its components suppliers in a facility adjacent to the production plant. The company intends to install a biogas facility to generate electricity. The facility will include a waste separation set-up and once operational it will also produce fertilizer that could be sold for US\$400 a ton. VWSA projects an 18-month construction period, and will take two to three years to fully leave the national grid. The project should create about 1 000 jobs.

Isuzu will be building the new model of the D-Max bakkies in South Africa as part of a R1.2-billion investment. In addition to a full redesign – the first in eight years – Isuzu has also upgraded the three-litre turbodiesel engine. The bakkie will be engineered to meet the requirements of the South African and key Sub-Saharan Africa markets.

Canada-based company URU Metals plans to open a nickel mine in Limpopo. The company's South Africa subsidiary is waiting for feedback on its application for the mining rights, comprising three prospecting rights for a further 30 years. The value of this project was not reported.

Existing projects

Google launched over 100 WiFi towers, called Google Stations, across Langa, Khayelitsha, Gugulethu and Delft in the Western Cape. They will provide WiFi services to residences, public areas, universities, transportation hubs and shopping malls. Google intends to roll out more Google Stations in South Africa, but has not yet indicated the locations or the value of the investment.

French company Groupe PSA has returned the Citroën car brand to South Africa through a subsidiary, Peugeot Citroën South Africa. The company plans to relaunch Citroën with minimal investment, leveraging Peugeot's infrastructure and sharing resources such as human resources and finance. Citroën and Peugeot sales forces and showrooms will, however, be separated. The company plans to have 35 Citroën dealers by the end of 2020. Three car models were launched for the South African market: the C3 hatchback, C3 Aircross sports-utility vehicle (SUV) and C5 Aircross SUV. The value of the investment was not reported.

Updates

Liquefied natural gas and helium company Renergen broke ground for a new pipeline in its US\$40 million (R592 million) commercial liquid helium plant for the Virginia gas project in the Free State. The project will be rolled out in two phases. Phase one is expected to be complete by 2021 with capacity to produce an estimated 350kg of helium a day. Phase two is expected to come online between 2022 and 2033.

Beijing Automotive Industry Corporation SA has received a cash injection to cover higher investment cost and address delays in its local project. It was initially announced as costing R11 billion rand, but recent developments have increased the sum by R0.5 billion. The project at Coega, just outside Port Elizabeth, is now six months behind schedule.

Procter and Gamble (P&G) completed a R300-million investment in the company's manufacturing facility. The project was among those announced at the first investment conference in 2018. The investment includes upgrades to the company's Pampers production facility, for better waste management and improved energy efficiency.

Rwanda-based Mara Group has opened the company's first smart phone factory at the Dube Trade Port in Durban. The manufacturing facility is part of a five-year, R1.5-billion investment plan for South Africa. Two cellphone models will be manufactured at the factory – the Mara X and Mara Z – with capacity of over 1.2 million handsets annually. The phones will be sold in South Africa through FNB (via FNB Connect) and Vodacom. The project has created employment for 200 people. The project was also among investments pledged at the inaugural SA Investment Conference in 2018.