

# THE REAL ECONOMY BULLETIN

TRENDS, DEVELOPMENTS AND DATA

FOURTH QUARTER 2025

*The Real Economy Bulletin is a TIPS review of quarterly trends, developments and data in the real economy, together with a comprehensive analysis of the main manufacturing industries and key data in Excel format.\**

## GDP

*The non-agricultural GDP climbed only 0.7% in 2025, with a 4% decline in construction and utilities and a 1% fall in manufacturing. Business services and trade each grew around 2%. The data on agriculture are still plagued by extraordinary swings. The crisis in ferroalloys production depressed figures for manufacturing and depressed outcomes in both electricity and exports.*

At 0.4%, growth for the quarter in the non-agricultural GDP was only slightly behind population growth. For the year as a whole, however, the non-agricultural GDP climbed only 0.7%. (Graph 1) The figures reported for agriculture continue to seem unreliable, with growth of 17% recorded for the full year. Including agriculture, the GDP reportedly expanded by 1.1% in 2025 as a whole, more slowly than the population. Including agriculture, GDP growth has more than doubled compared to 2024.

Growth rates diverged sharply by sector, as shown in Graph 2. Business and financial services continued to drive non-agricultural growth. In contrast, non-agricultural goods production shrank in the fourth quarter of 2025, continuing a long-term decline. Gross value added in manufacturing for all of 2025 was 7% lower than in 2019, before the pandemic downturn. It was down by 6% in mining and an astonishing 17% in construction and utilities.

\*Available at [www.tips.org.za/the-real-economy-bulletin](http://www.tips.org.za/the-real-economy-bulletin)

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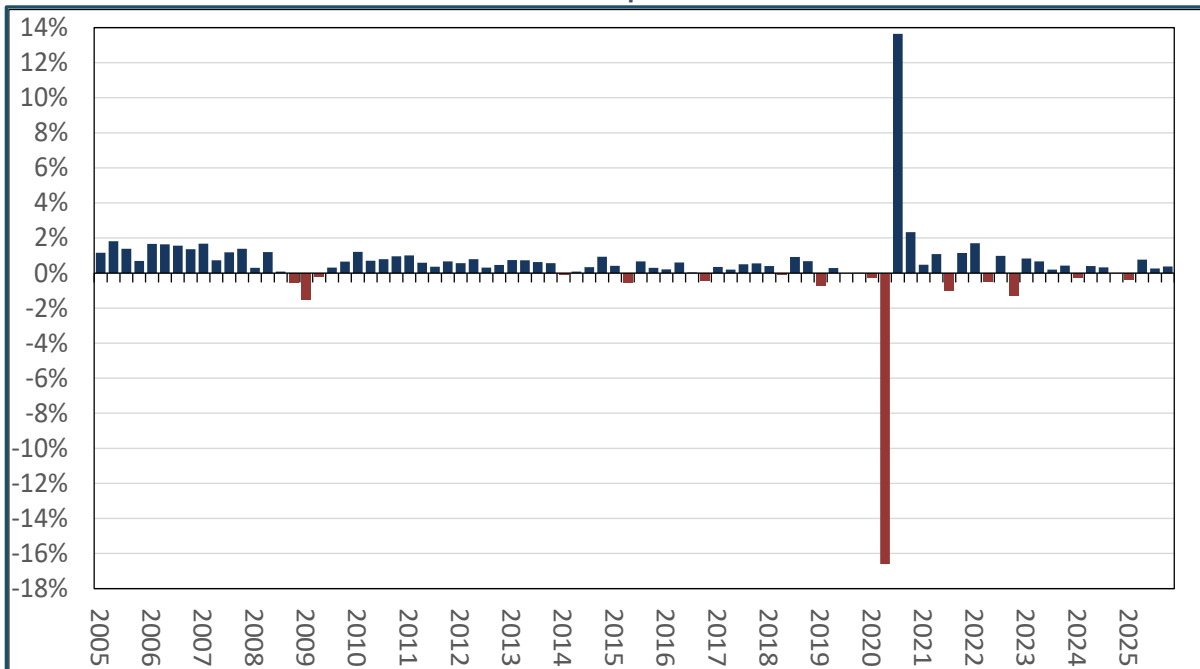
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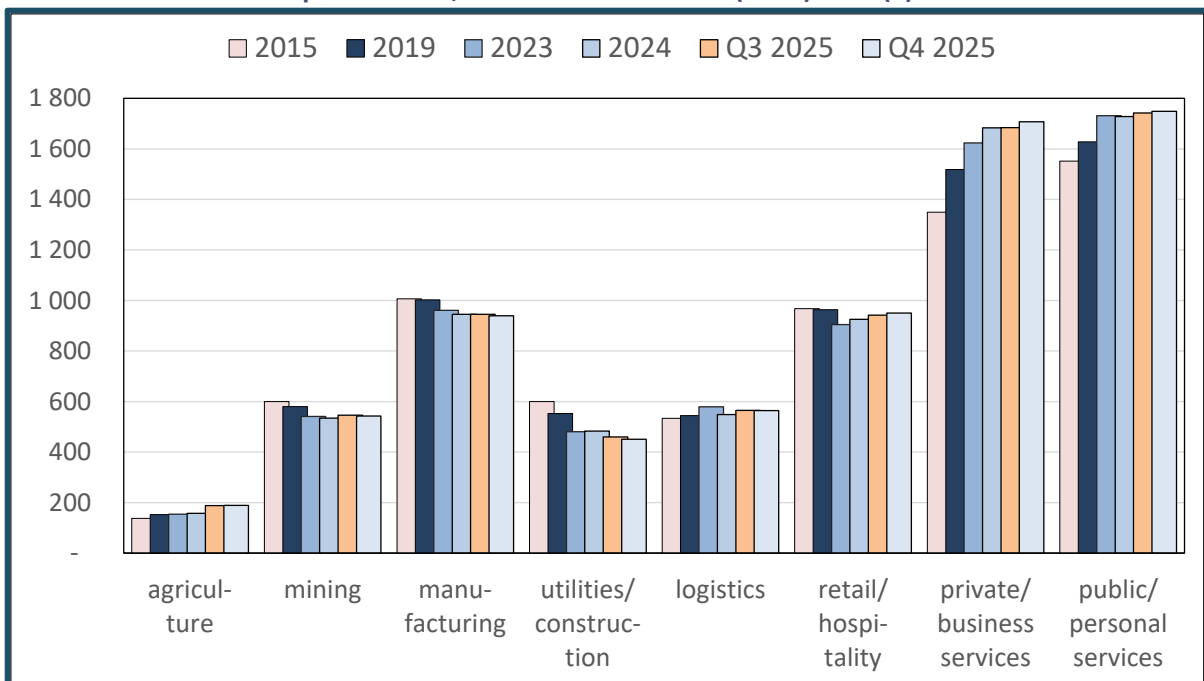
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**Graph 1. Quarterly change in non-agricultural GDP, seasonally adjusted, 2000 to fourth quarter 2025**



Source: Calculated from Statistics South Africa. Gross Domestic Product (GDP), 4th Quarter 2025. GDP P0441 – 2025Q4. Excel spreadsheet. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) in March 2026.

**Graph 2. Value added by sector, fourth quarter 2015 and 2019 to 2024, and third and fourth quarter 2025, in billions of constant (2025) rand (a)**

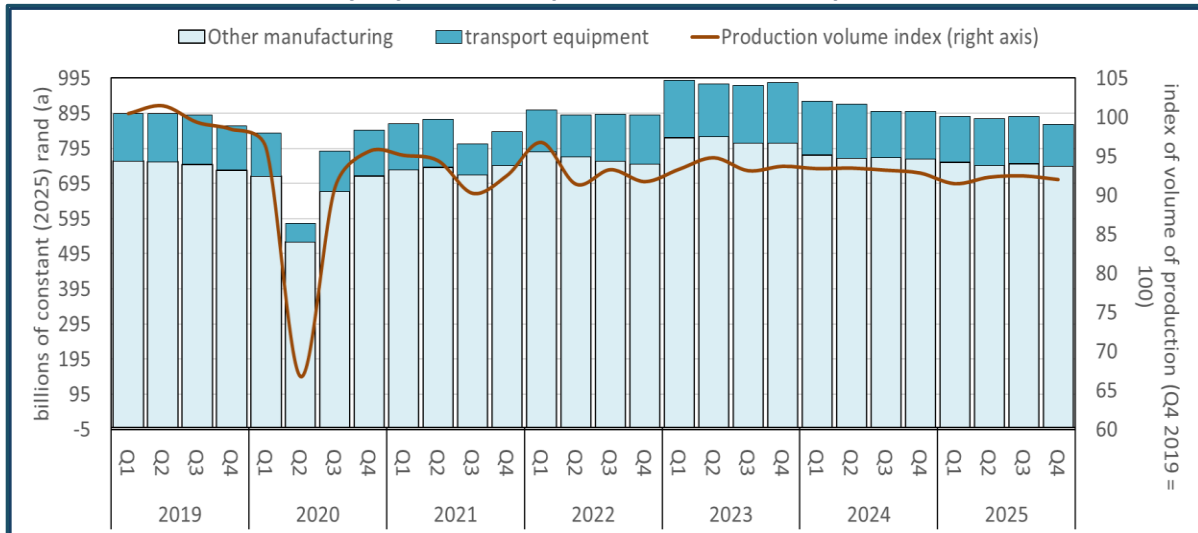


Note: (a) Refflated with implicit deflator per sector. Source: Calculated from Statistics South Africa. Gross Domestic Product (GDP), 4thQuarter 2025. GDP P0441 – 2025Q4. Excel spreadsheet. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) in March 2026.

Manufacturing sales dipped by 4% in the fourth quarter of 2025, in constant, seasonally adjusted terms. By volume, the change was much smaller, at 0.5%. (Graph 3) The decline was largely driven by a sharp fall in auto sales, reversing modest gains in the previous quarter. Auto output fell 12% in value

terms and 10% by volume in the final quarter of 2025. Although the contraction was undoubtedly aggravated by the high US auto tariffs from April 2025, it started in 2023, suggesting broader difficulties. At R118 billion, auto production was 30% lower than two years ago in constant rand terms, and 20% lower by volume. Sales by the rest of manufacturing in 2025 were 2% lower than two years earlier, with a 3% drop in the final quarter of 2025 alone.

**Graph 3. Quarterly manufacturing sales in billions of constant 2025 rand (a) and volume index, seasonally adjusted, first quarter 2019 to fourth quarter 2025**

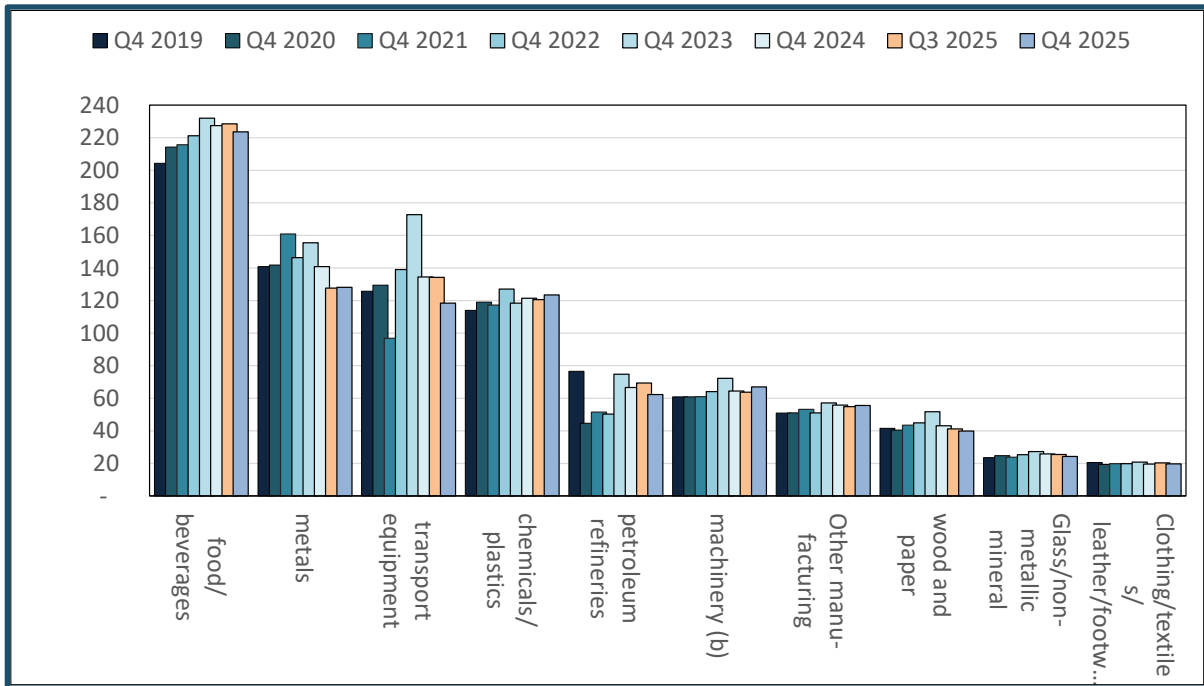


Note: (a) Seasonally adjusted. Sales in billions of constant rand reflated using CPI rebased to Q4 2025. Monthly data summed for sales and averaged for index. Source: Calculated from Statistics South Africa. Manufacturing Production and Sales. Excel Spreadsheet. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) in February 2026.

Most manufacturing industries posted falling sales and production volumes in the fourth quarter of 2025, and for the year as a whole. (Graph 4) The exceptions were machinery, which expanded by 4% in constant rand terms, and chemicals, which grew 2%. Auto fell most sharply in the final quarter, with a 12% decline in both sales and volume. Petroleum refineries saw a 10% fall in sales, while the volume of production dropped 7%. Metals as a whole contracted some 9% in sales although its output was reported as flat. The other manufacturing industries generally lost a few percentage points in both sales and production volumes.

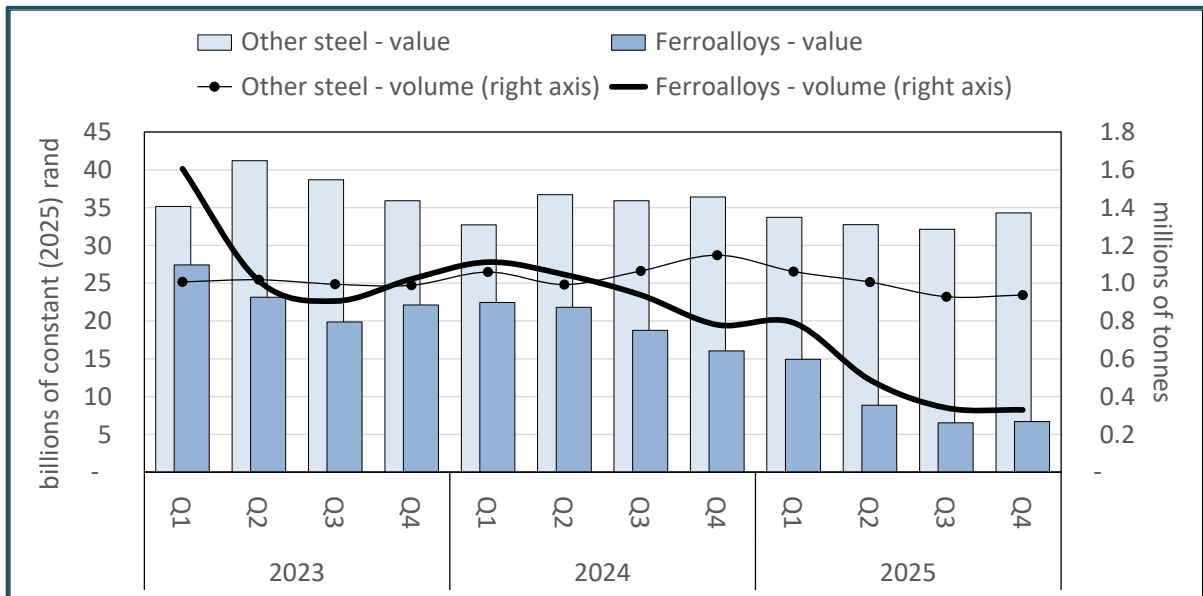
The extraordinarily steep decline in ferroalloys over the past year proved a significant drag on overall growth in manufacturing. Production figures are not reported separately for these metals. Still, they show up in the broader category of basic metals, where output plummeted by a third in value terms and a quarter by volume over the year. In this period, ferroalloys exports dropped over half by weight, losing almost R9 billion in value terms. (Graph 5) The main causes were persistently high ore prices combined with soaring electricity costs. Energy accounts for around a third of input costs for ferroalloys, so the collapse of the industry has also affected Eskom sales (as discussed in more detail in the section on infrastructure). Current proposals to restore the industry seek either to put the cost on government, in the form of subsidies for their electricity use, or on coal suppliers, which could provide coal at cost for energy-intensive users.

**Graph 4. Sales by manufacturing industry, fourth quarter 2019 to 2024, and third quarter and fourth quarter 2025, in billions of constant 2025 (a) rand**



Notes: (a) Values are seasonally adjusted. Rebased using CPI rebased to Q4 2025. (b) Includes electrical machinery. Source: Calculated from Statistics South Africa. Manufacturing Production and Sales. Excel Spreadsheet. Downloaded from www.statssa.gov.za in February 2026.

**Graph 5. Quarterly exports of ferroalloys by volume and in billions of constant rand (a), 2023 to 2025**



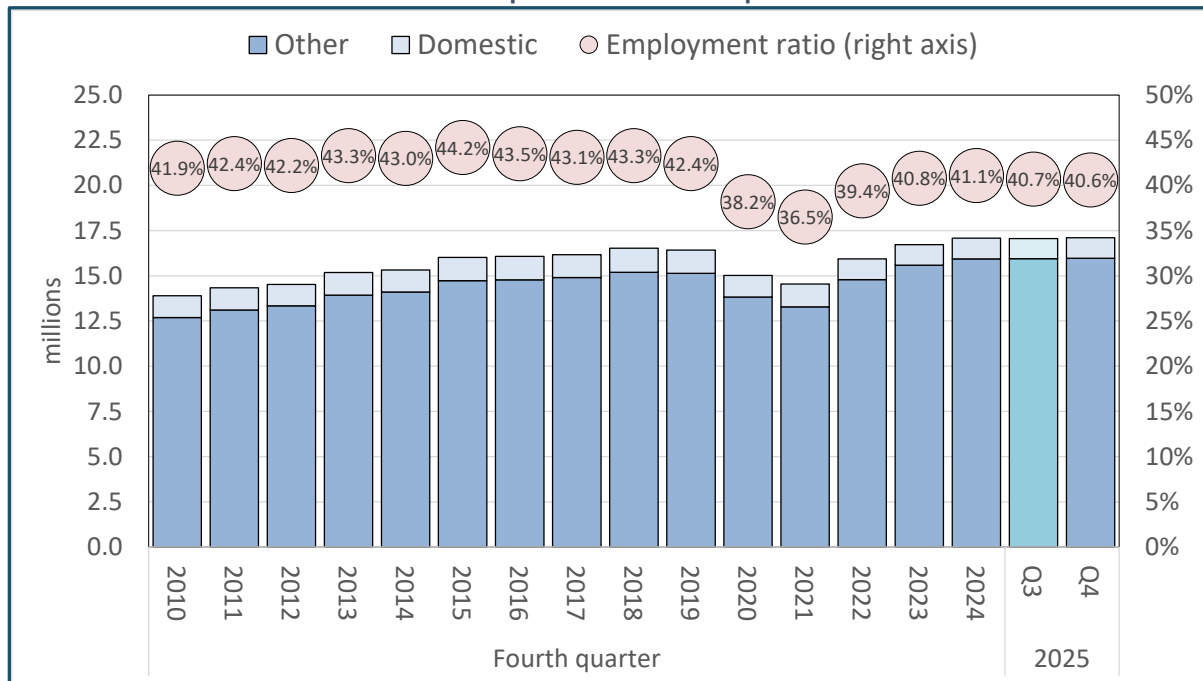
Note: (a) Rebased with CPI rebased to 2025. Source: Calculated from Quantec. EasyData. Series on South African national trade at 8-digit HS level. Downloaded from www.quantec.co.za in March 2026.

## Employment

In the year to the fourth quarter of 2025, total employment was reported as stagnant, growing much slower than the GDP. As a result, the share of adults with employment declined year on year, reversing the slow recovery since the pandemic downturn in 2020.

Employment expanded by around 100 000 jobs in the year to the fourth quarter of 2025, for a marginal 0.1% expansion. (Employment data are not seasonally adjusted, so quarterly trends are not reliable.) The share of all adults with employment fell from 41.1% in the fourth quarter of 2024 to 40.6% at the end of 2025. That cut short the gradual recovery from the extraordinary job losses during the COVID-19 pandemic in 2020. (Graph 6). Just before the pandemic, in the fourth quarter of 2019, 42.4% of adults were employed, down from the 2015 peak at 44%. In 1994, the figure was 39%, reflecting the structural joblessness entrenched by under apartheid. Internationally the share of working-aged adults with employment hovers around 60%.

**Graph 6. Employment numbers and the employment ratio (a), fourth quarter 2010 to 2024 and for the third quarter and fourth quarter of 2025**



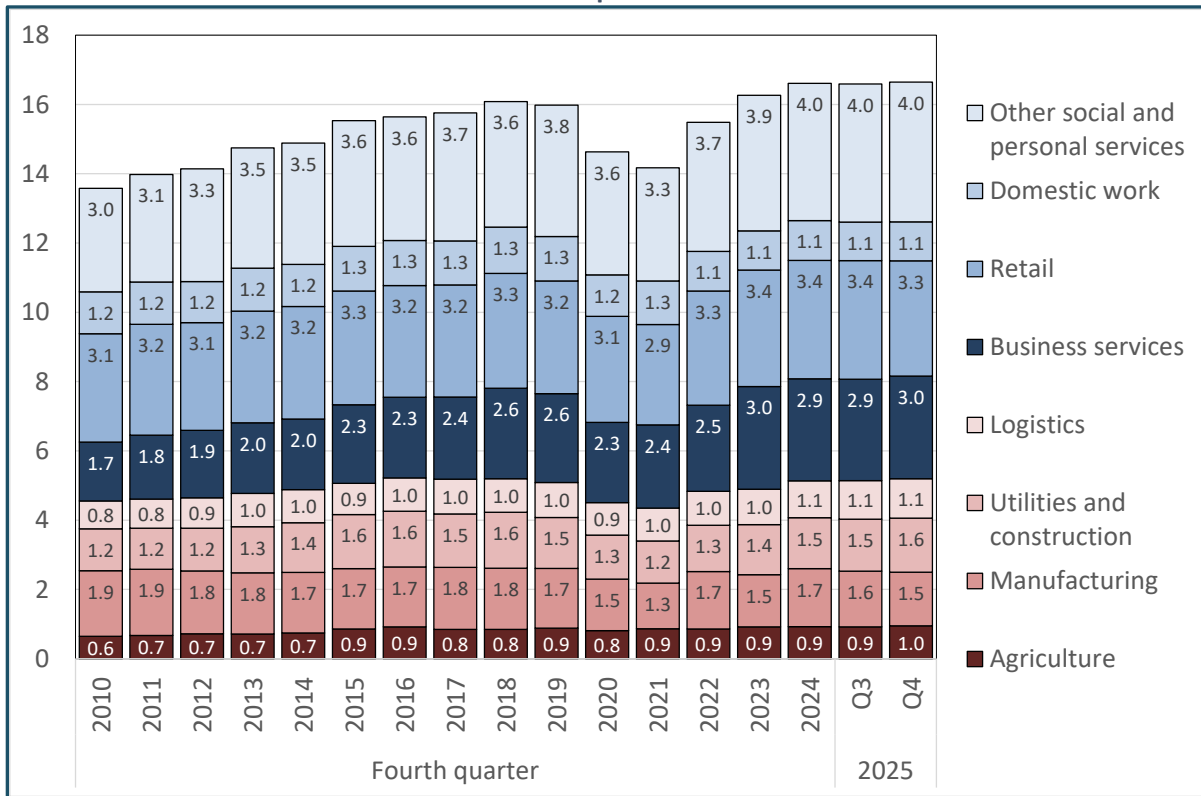
*Note: (a) The employment ratio equals the number employed as a percentage of the total working-age population. Source: Statistics South Africa. Quarterly Labour Force Survey (QLFS). QLFS Trends 2008-2025 Q4. Excel spreadsheet. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) in February 2026.*

In mid-2025, Statistics South Africa changed its definition of informal employment to align with the International Labour Organization. The changing definition makes it impossible to analyse trends in informal employment over the past year. The new definition effectively defines formal employment largely in terms of access to standard European employment benefits, including a private pension and medical aid, rather than the level of income or the technologies used. In the dataset for the fourth quarter of 2025, all employers and self-employed people are categorised as informal workers.

In the year to fourth quarter of 2025, manufacturing reported the loss of just over 125 000 jobs, or 7% of the total. (Graph 7) Retail shed around 95 000 jobs in the year to December 2025, and domestic work lost another 17 000. The rest of the economy excluding mining gained 200 000 jobs. Almost half came from construction and utilities, despite their economic downturn.

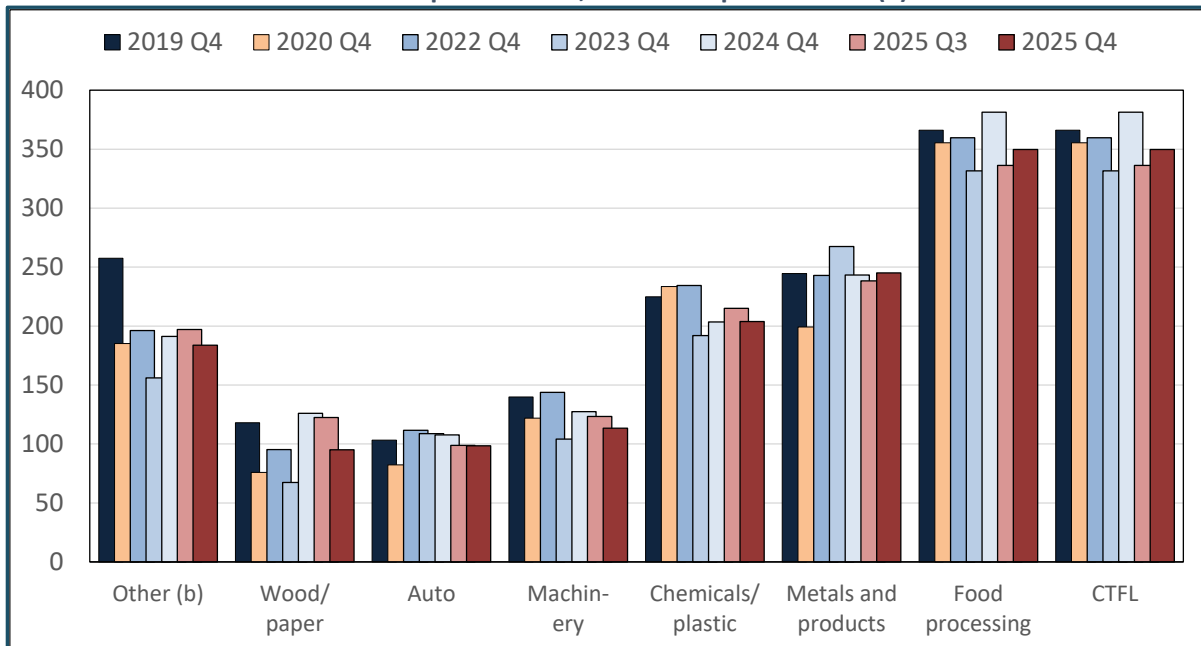
Three quarters of the decline in manufacturing came from food processing, clothing and textiles, and wood and paper. Each of these industries lost over 30 000 positions. Machinery and auto together shed another 20 000. Chemicals and plastics were basically unchanged, as were metals and metal products. (Graph 8)

**Graph 7. Employment by sector (excluding mining), in millions, fourth quarter 2010 to 2025, and third quarter 2025**



Source: Statistics South Africa. Quarterly Labour Force Survey. QLFS Trends 2008-2025 Q4. Excel spreadsheet. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) in February 2026.

**Graph 8. Employment by manufacturing industry, in thousands, fourth quarter 2019 to fourth quarter 2025, and third quarter 2025 (a)**

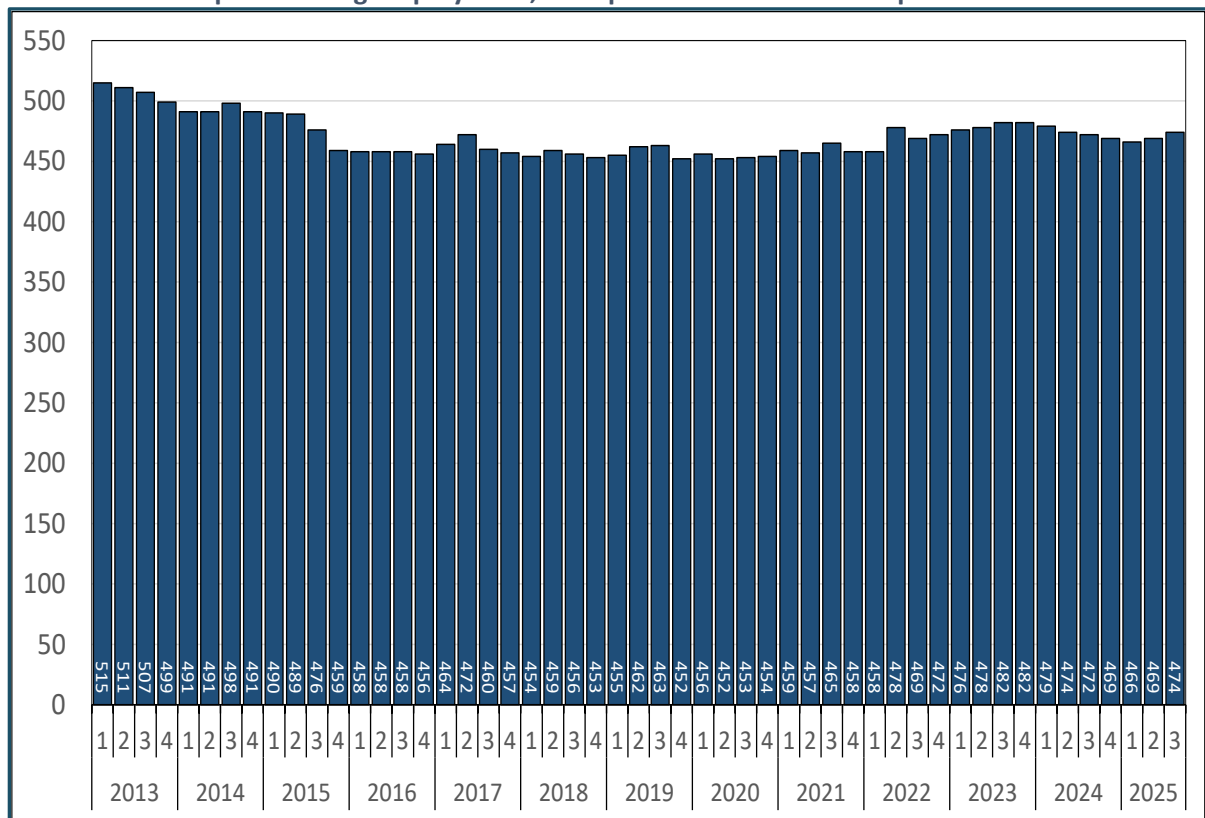


Note: (a) Excludes 2021 because of the very low response rate in the fourth quarter of that year. (b) Includes publishing and printing; glass and non-metallic minerals; furniture; and other. Source: Statistics South Africa. Quarterly Labour Force Survey. Q4 2019 to Q4 2025. Electronic dataset. Downloaded from [www.isibaloweb.statssa.gov.za](http://www.isibaloweb.statssa.gov.za) in February 2026.

For data on mining employment, Statistics South Africa recommends the survey of formal businesses, the Quarterly Employment Survey (QES), rather than the QLFS, which samples households.

The QES is published a quarter behind the QLFS. According to the QES, mining employment edged up slightly in the year to the third quarter of 2025, adding 2 000 jobs (less than 1%). Still, the mines gained jobs through the second and third quarter of 2025, reversing the 2024 decline. However, these are well below the peak in 2012, at the end of the international commodity price boom of the 2010s.

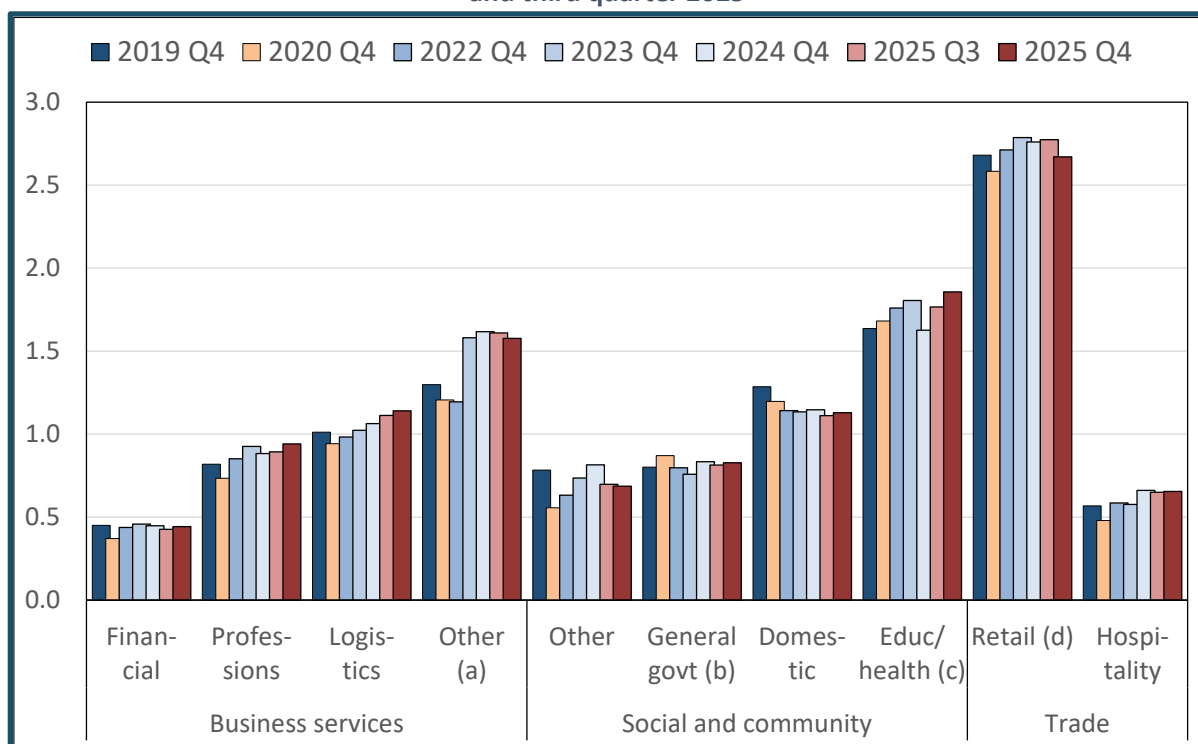
**Graph 9. Mining employment, first quarter 2010 to second quarter 2025**



Source: Statistics South Africa. Quarterly Employment Statistics. Detailed breakdown. Third Quarter 2025. Excel spreadsheet. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) in February 2026.

In the tertiary sector, business services gained 90 000 positions in the year to the fourth quarter of 2005, with net gains in the professions and logistics. Social and community services added 80 000 positions, almost exclusively in education. Retail and hospitality shed almost 100 000 positions, however. (Graph 10)

**Graph 10. Employment in services industries, in thousands, fourth quarter 2019 to 2025, and third quarter 2025**



Notes: (a) Mostly cleaning and private security. (b) includes public security services. (c) The reported figures do not match administrative sources on numbers employed. (d) Includes motor services. Source: Statistics South Africa. Quarterly Labour Force Survey. Q4 2019 to Q4 2025. Electronic dataset. Downloaded from [www.isibaloweb.statssa.gov.za](http://www.isibaloweb.statssa.gov.za) in February 2026.

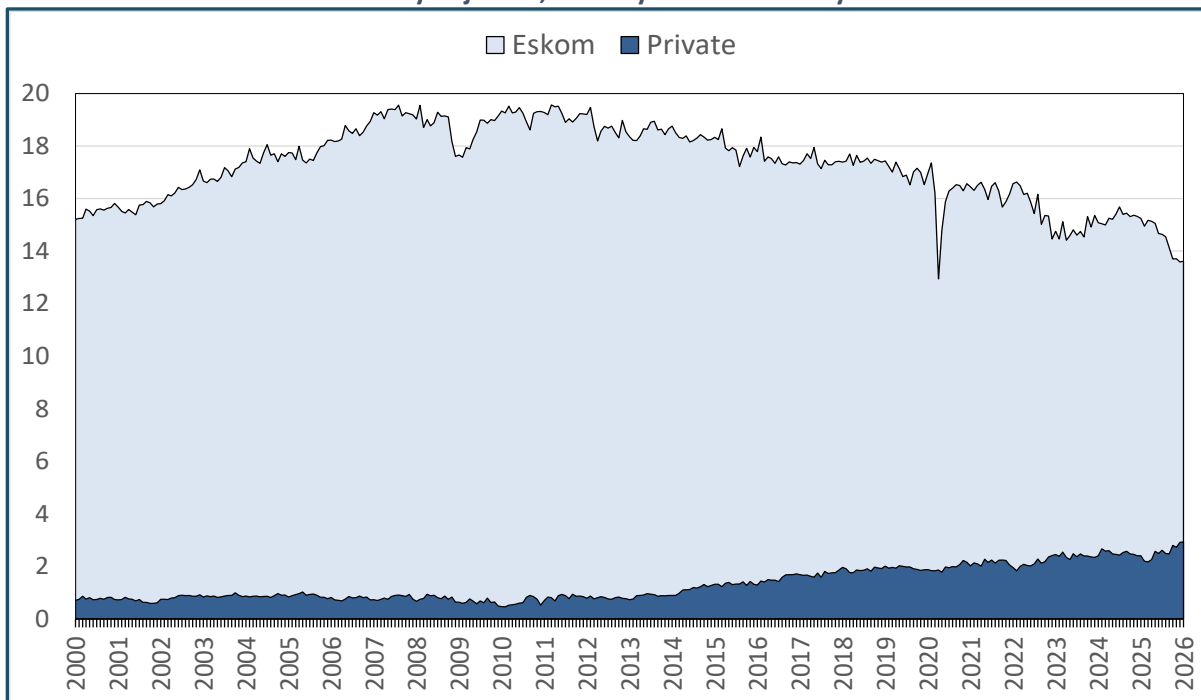
## Infrastructure

*Eskom sales fell more than a tenth in the course of 2025 as private generation climbed and ferroalloys production plummeted, largely due to soaring Eskom tariffs. The latter trend is typical of the “utility death spiral”. Overall freight tonnage was stagnant, reflecting slow economic growth, although rail freight continued to recover slowly.*

Eskom’s sales shrank 11% from January 2025 to January 2026 (Graph 11). As a result, they are now lower than in 2000. In contrast to the 2023 decline in Eskom generation that brought on loadshedding, however, the 2025 drop reflected falling demand. The main driver was sharp downsizing at the electricity-intensive ferroalloys refineries. Eskom’s sales were further squeezed by increased private electricity generation for the grid. In January 2026 private suppliers contributed 18% of grid electricity, up from 5% in 2014. These figures understate private generation, much of which is entirely off-grid. In January 2026, over 18 GW of off-grid generation capacity was registered with the National energy Regulator (NERSA), of which two thirds were solar and most of the rest wind.<sup>1</sup> Renewables do not ensure continuous supply, which makes it difficult to estimate the actual amount of electricity generated, but the total is likely around three gigawatt hours.

<sup>1</sup>South African Photovoltaic Industry Association (SAPVIA). Nersa Registered Plants Dashboard. Accessed at <https://sapvia.co.za/nersa-registered-plants-dashboard/> in March 2026.

**Graph 11. Monthly sales of grid electricity by Eskom and private suppliers, seasonally adjusted, January 2000 to January 2026**



Source: Statistics South Africa. Electricity generated and available for distribution. Excel table from 2000. Series on total Eskom generation, imports, exports and own use, and total available. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) in March 2026.

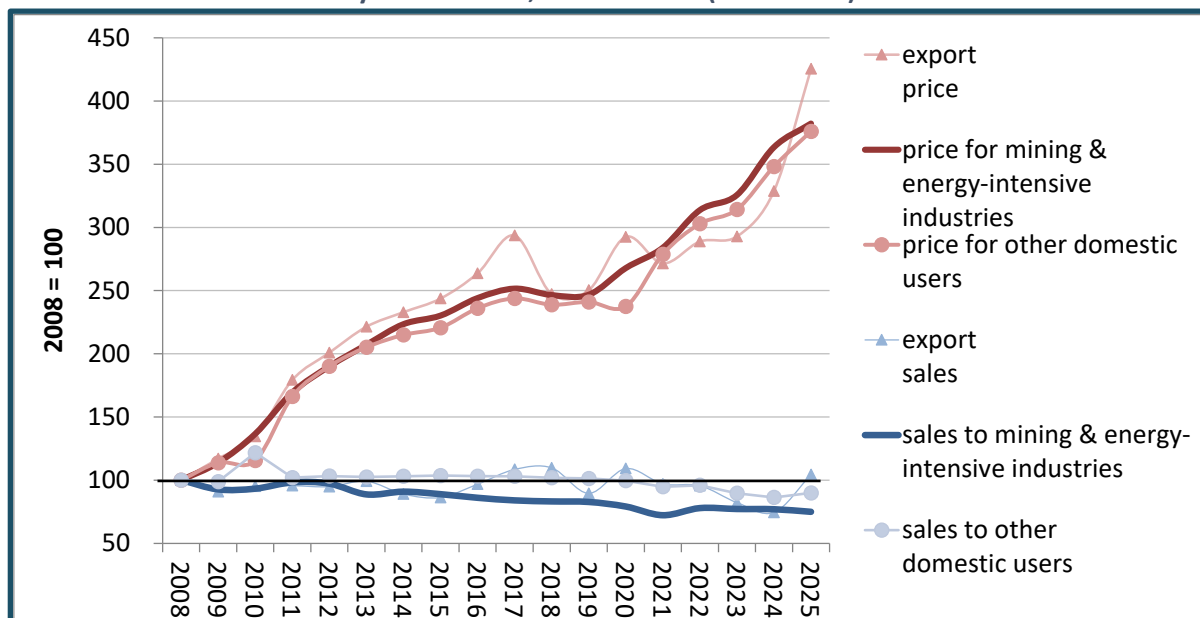
The fall in demand for electricity suggests that Eskom now faces a classic utility death spiral. Because utilities have very high fixed costs, declining demand typically leads to higher prices, which in turn further depresses demand. Eskom's average price per kilowatt hour in South Africa jumped around 280% above inflation from 2008 to 2025, while its sales to energy-intensive industries and mining fell 25% by volume, and to the other users by 10%. The share of energy-intensive industries, dominated by metals refineries, dropped from 30% of Eskom's total sales of electricity in the late 1990s to 23% in the year to March 2025 (the latest available data). The share of mining dropped from 19% to 14% over the same period. (Graph 12)

The ferroalloys refineries exemplify the challenges facing Eskom. Together, they consume approximately a tenth of Eskom's electricity, for over a quarter of their costs. Near-continuous large real increases in electricity prices have increasingly squeezed them. In 2025, they began to downsize rapidly. In the year to the fourth quarter of 2025, their exports declined by almost 60% in volume terms. In the same period, Eskom tariffs climbed around 9% above inflation even as its total sales shrank. It has been pressed primarily by the half a billion rand sunk into its new plants, Medupi and Kusile, where the costs have been vastly inflated by the decade-long delays in reaching planned output levels.

In response to its crisis in demand, from 2024, Eskom rapidly reduced imports of electricity, most of which come from Cabora Bassa in Mozambique. From the second quarter of 2024 to the end of 2025, they dropped by 40% in volume terms. The value of electricity imports from Mozambique fell from R2 billion at the start of 2024 to around R1 billion for the first three quarters of 2025, before collapsing to R300 million in the final quarter. As a result, total imports from Mozambique dropped by 26%, and the country's share in South Africa's total imports fell from over 1% for most of 2023 and 2024 to 0.7% in the final quarter of 2025.

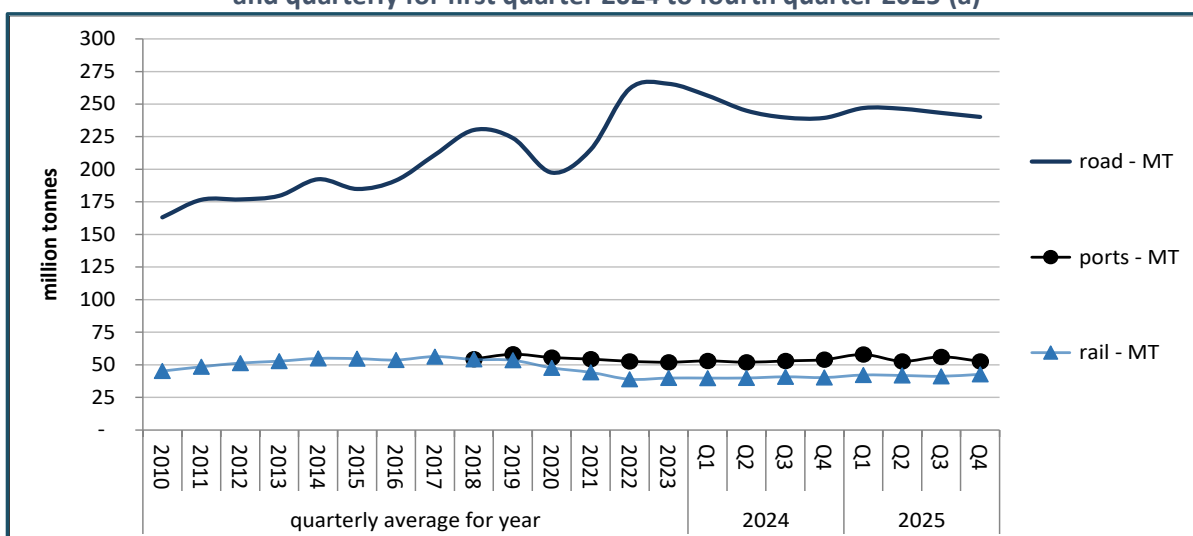
Land freight continued to stagnate in 2025, reflecting the slow economy. (Graph 13) Rail grew 6% in the year to the fourth quarter of 2025, reaching 43 million tonnes. In the fourth quarter alone it added two million tonnes for a 4% uptick. Road freight, however, continued to fall from its high in the first quarter of 2025. It carried 240 million tonnes in the fourth quarter of 2025, just a million tonnes more than a year earlier. Port volumes were down 2% for the year to the fourth quarter, and 6% lower than in the third quarter of 2025, largely due to lower ferroalloys exports.

**Graph 12. Indices of Eskom average price by category of user in constant rand (a), year to March, 2008 to 2025 (2008 = 100)**



Note: (a) Deflated with CPI. Source: Calculated from Eskom. Annual Integrated Reports for relevant years. Statistical section. Downloaded from [www.eskom.co.za](http://www.eskom.co.za).

**Graph 13. Road, rail, and ports payloads in million tonnes), quarterly average for 2010 to 2023 and quarterly for first quarter 2024 to fourth quarter 2025 (a)**



Note: (a) Figures for rail and road freight are seasonally adjusted; ports figures are actuals. Source: Statistics South Africa. Land Transport Survey. Excel spreadsheet. Downloaded from [www.statssa.gov.za](http://www.statssa.gov.za) in February 2026. For ports, Transnet National Ports Authority. Port Statistics. Webpage. Accessed at <https://www.transnet.net/SubsiteRender.aspx?id=24332214> in February 2026.

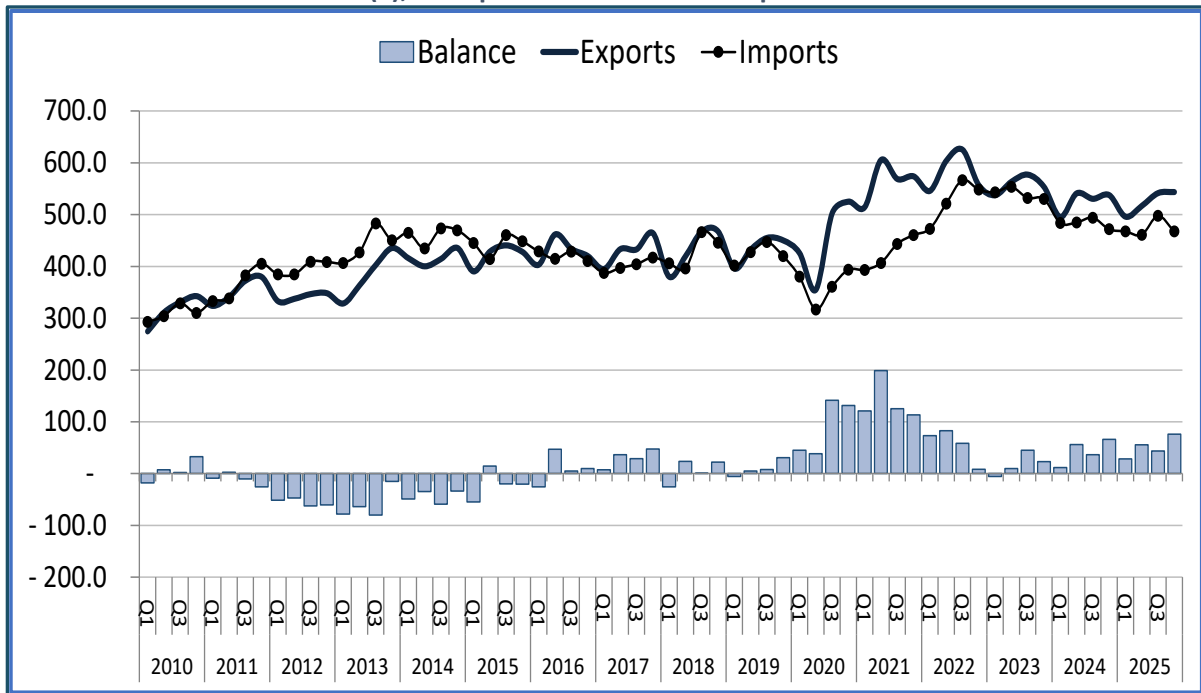
## International trade

*South Africa posted its eleventh straight surplus in goods trade in the fourth quarter of 2025. Year on year, exports increased by 1.1% while imports fell 0.9%. Mining exports jumped by 6.6%, offsetting a 3% decline in manufacturing. The shift was due in large part to increased exports of chromium ore as local processing into ferroalloys collapsed. Petroleum imports were held down by stagnant world prices, a trend that reversed sharply with the US invasion of Iran in March 2026.*

The surplus in goods trade climbed from R44 billion in the third quarter of 2025 to R76 billion in the fourth quarter (Graph 14). Over the year to the fourth quarter, in real terms, exports of mining products surged, but agriculture saw only marginal growth and manufacturing exports declined. Mining exports soared some 7% to R259 billion, up from R243 billion in the fourth quarter of 2024. A key factor was the run up in gold prices since late 2023. Quarterly values have fluctuated, but South African gold exports were worth almost R50 billion more in constant 2025 rand for the year than they were for all of 2023, despite a 10% fall in their volume. For 2024, another key driver was a 60% jump in platinum exports by volume in the fourth quarter of 2025, while chromium and manganese ore exports rose over 25%. The increase in chromium ore exports reflected the sharp fall in local processing into ferroalloys over the year. Ferroalloy exports dropped by almost R9 billion, which accounted for most of the decline in manufactured exports.

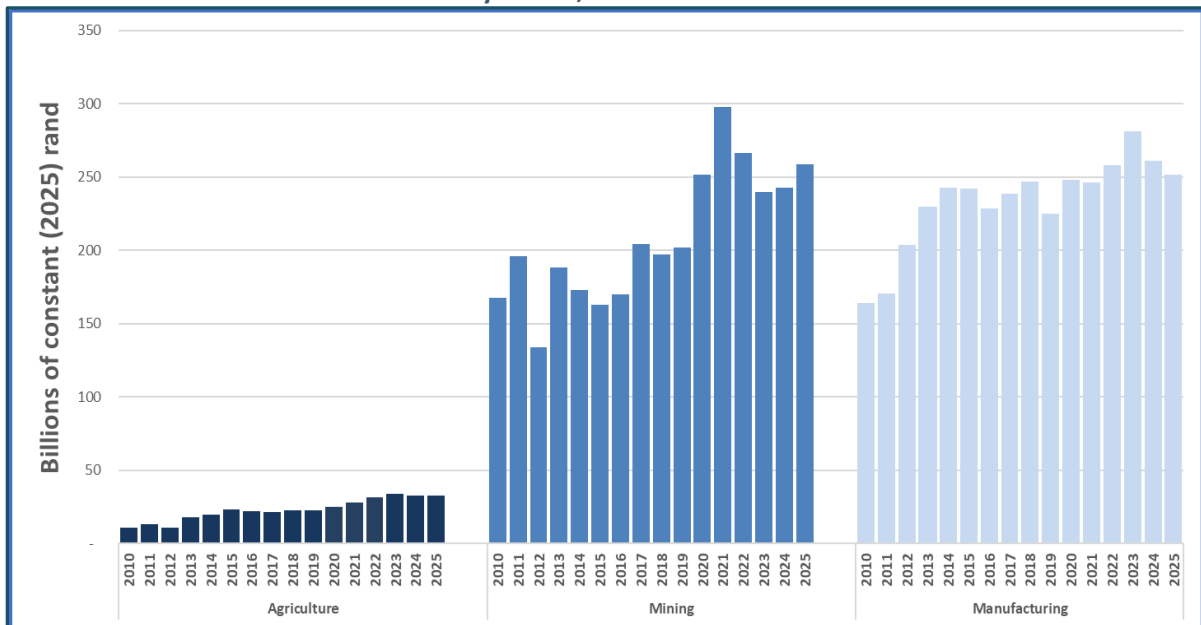
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**Graph 14. Quarterly goods exports, imports and balance of trade in billions of constant 2025 rand (a), first quarter 2010 to fourth quarter 2025**



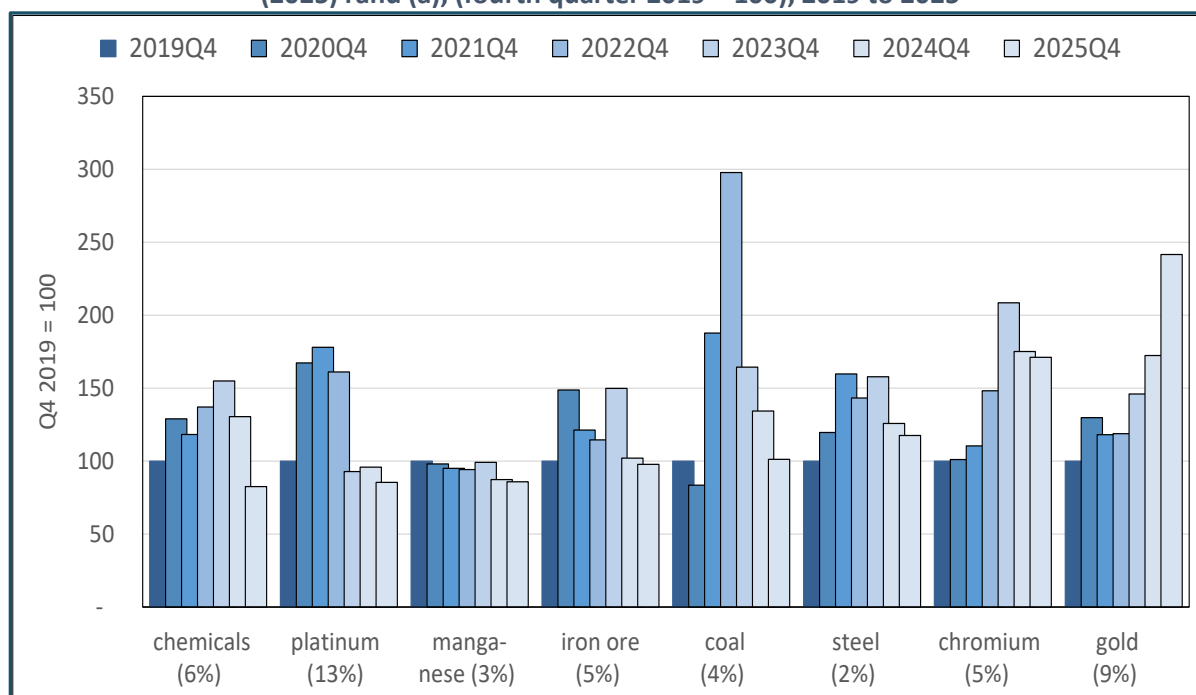
*Note:* (a) Refflated with CPI, rebased to the third quarter of 2025. *Source:* Calculated from monthly data kindly provided by the South African Revenue Service.

**Graph 15. Fourth quarter goods exports in billions of constant 2025 (a) rand, by sector, 2010 to 2025**



*Note:* (a) Refflated with CPI, rebased to the fourth quarter of 2025. *Source:* Calculated from monthly data kindly provided by the South African Revenue Service

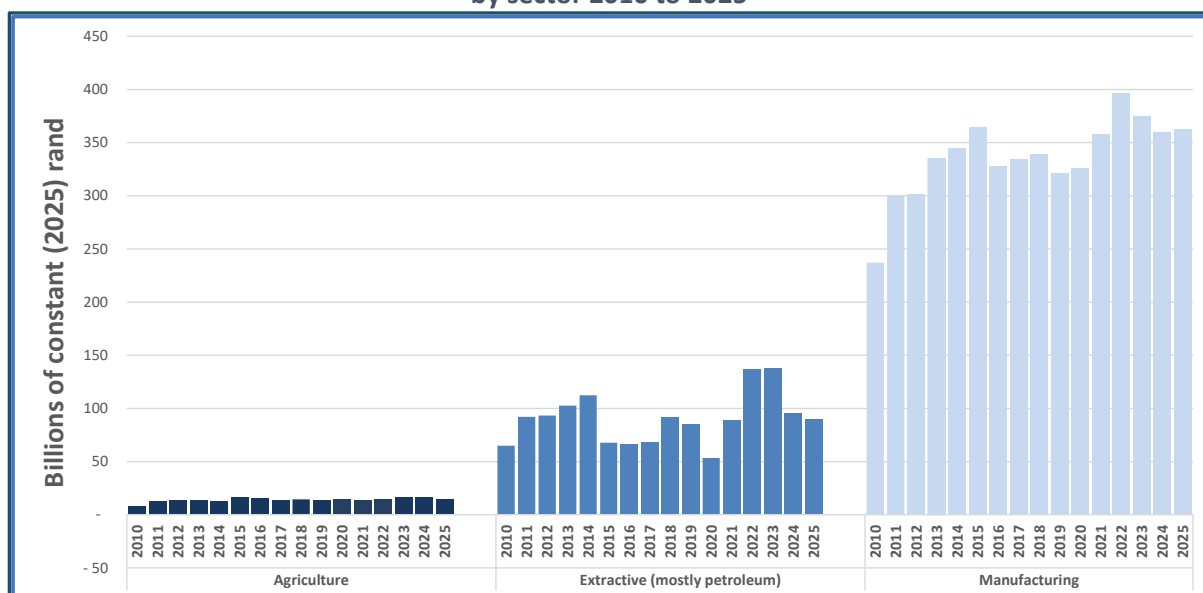
**Graph 16. Indices of fourth quarter unit export prices for South African mineral exports in constant (2025) rand (a), (fourth quarter 2019 = 100), 2019 to 2025**



*Note:* Refflated with CPI, rebased to the fourth quarter of 2025. Figures in parentheses represent the share in total export revenues. *Source:* Calculated from Quantec. EasyData. National trade series at HS-8 level. Accessed at [www.easydata.co.za](http://www.easydata.co.za) in February 2026.

In the year to December 2025, imports of fuels and agriculture fell. Imports of manufactures rebounded, however, arresting a decline that started three years ago. Still, manufactured imports were down by 8% compared to three years ago, for a fall of over R33 billion in constant rand. Imports of refined and crude petrol dropped by 6% from the end of 2024, mostly due to lower demand. The US invasion of Iran has, however, brought extreme volatility to petrol prices, with a price rise of over 30% on 12 March 2026, at the end of the second week. Since liquid fuels account for around a fifth of South African imports, the result will likely be seen in renewed pressure on the balance of trade and the value of the rand in 2026. As noted, electricity purchases from Mozambique dropped sharply in the last quarter, but they are very small compared to imports of liquid fuels.

**Graph 17. Fourth quarter goods imports, in billions of constant 2025 (a) rand, by sector 2010 to 2025**



Note: (a) Rebased with CPI, rebased to the fourth quarter of 2025. Source: Calculated from monthly data kindly provided by the South African Revenue Service.

Table 1 shows the change in exports and imports by manufacturing industry. The figures for basic metals underscore the impact of the collapse of ferrochrome production. In contrast, the auto industry gained 3%, despite the anticipated impact of high US tariffs specifically on auto. Most other industries also saw gains. On the import side, only autos and machinery reported positive year-on-year gains in constant rand terms.

The auto industry continues to face a 20% tariff on exports to the US. Other industries are more fortunate, since efforts by the US government to impose national tariff rates were overturned by the US courts. The US government recently imposed a new universal tariff of 10% for all countries, however. It is valid for the next 150 days. The new rate is a significant improvement for South African manufacturers and farmers as the US government had set the (now reversed) national level for South Africa at an unusually oppressive 30%.

**Table 1. Trade by manufacturing subsector**

Industry	VALUE (BILLIONS)		% CHANGE FROM Q4 2024		CHANGE IN BILLIONS	
	USD	Rand	USD	Rand	USD	Rand
<b>EXPORTS</b>						
Food and beverages	1.49	25.56	5%	-3%	0.07	-0.81
Clothing and footwear	0.58	9.99	13%	5%	0.07	0.44
Wood products	0.22	3.74	31%	21%	0.05	0.65
Paper and publishing	0.48	8.30	-7%	-13%	-0.03	-1.28
Chemicals, rubber, plastic	2.33	39.93	3%	-5%	0.06	-2.11
Glass and non-metallic mineral products	0.12	2.02	3%	-5%	0.00	-0.10
Metals and metal products	2.39	41.01	-13%	-20%	-0.36	-9.95
Machinery and appliances	2.58	44.17	13%	4%	0.29	1.79
Transport equipment	4.14	71.03	11%	3%	0.41	2.00

Industry	VALUE (BILLIONS)		% CHANGE FROM Q4 2024		CHANGE IN BILLIONS	
	USD	Rand	USD	Rand	USD	Rand
<b>IMPORTS</b>						
Food and beverages	1.25	21.33	7%	-1%	0.08	-0.14
Clothing and footwear	1.40	23.98	2%	-5%	0.03	-1.34
Wood products	0.11	1.85	4%	-4%	0.00	-0.07
Paper and publishing	0.34	5.80	-6%	-13%	-0.02	-0.89
Chemicals, rubber, plastic	3.99	68.43	4%	-4%	0.14	-2.84
Glass and non-metallic mineral products	0.23	3.86	3%	-4%	0.01	-0.18
Metals and metal products	1.34	22.96	-5%	-12%	-0.07	-3.04
Machinery and appliances	7.48	128.07	13%	4%	0.85	5.29
Transport equipment	4.59	78.60	17%	8%	0.65	5.87

Source: Calculated from monthly data kindly provided by the South African Revenue Service.

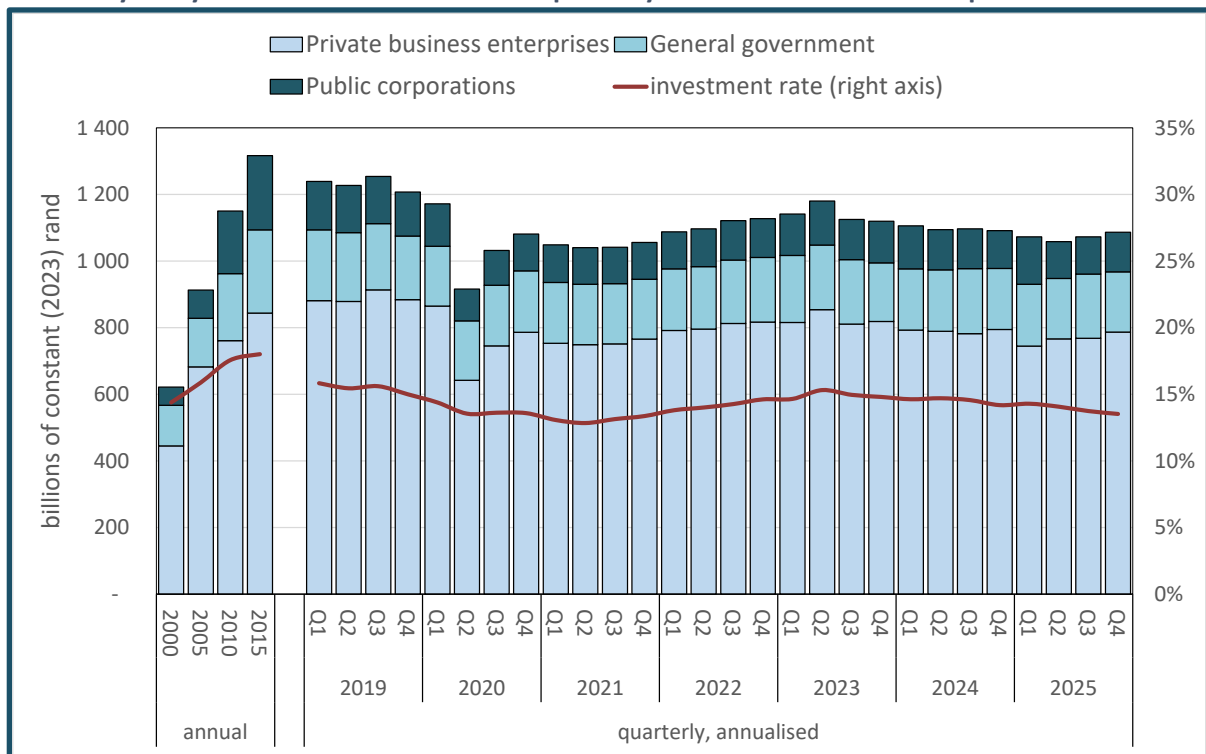
## Investment and profitability

*Investment climbed 1.3% for the quarter in seasonally adjusted terms, marking the third quarter of growth. While public investment shrank 1.5%, it was more than offset by a 2.4% bounce back in private investment. Still, the sharp drop in private investment in the first quarter of 2025 more than offset growth since then, so investment at the end of the year was still lower than in 2024. The annual decline was concentrated in logistics, construction and mining, with modest growth in investment in manufacturing and the tertiary sector.*

Investment recovered somewhat in the last three quarters of 2025, but not enough to offset the 6.3% drop in private investment in the first quarter of 2025. (Graph 18) Private investment climbed over 5% in the nine months to December 2025. Overall, its volatility, as measured by the standard deviation of quarterly growth, doubled in the past decade compared to the period from 1995 to 2015. Public sector investment has grown less rapidly than private holdings despite the repeated commitments to expand infrastructure investment. It is also even more volatile.

Investment by sector is only available on an annual basis. The data suggest that a 20% fall in investment in logistics more than equalled the entire decline in total capital formation in 2025. Both mining and construction saw investment fall by just over R3 billion, which represented a 4% decline for mining but an extraordinary fall of almost 30% in construction. These declines were partially offset by higher investment in manufacturing, utilities and business services.

**Graph 18. Investment by type of investor in constant 2025 rand and the investment rate (a), every five years from 2000 to 2015 and quarterly from 2019 to the fourth quarter of 2025**

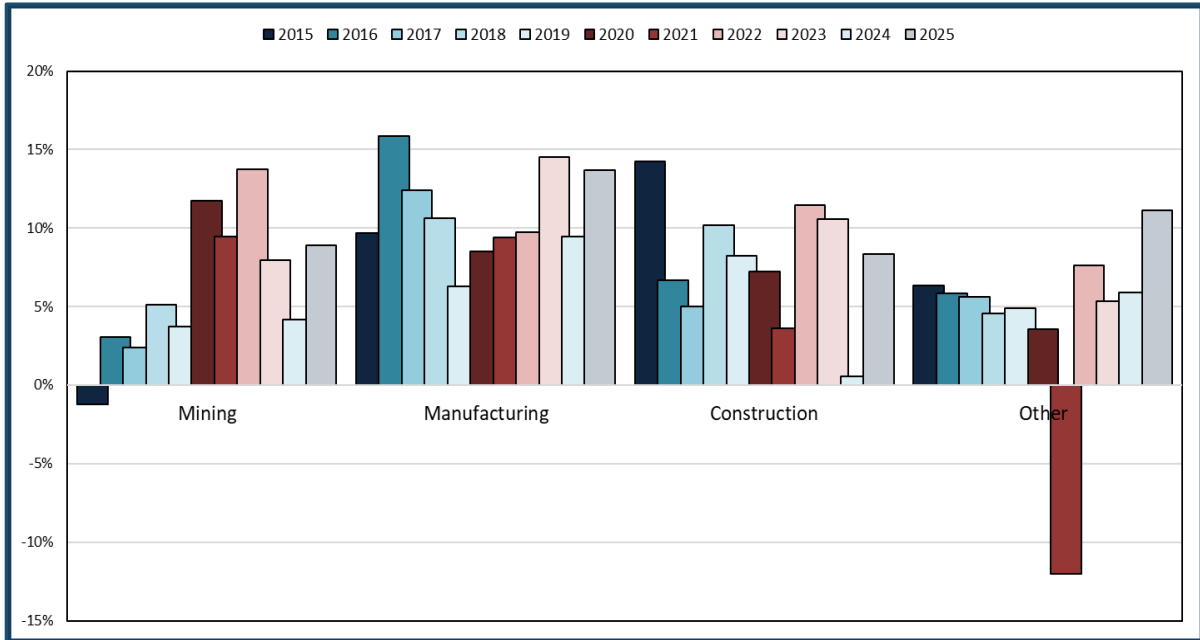


Note: (a) Figures for investment are reflat with implicit deflator rebased to fourth quarter 2025. The investment rate is gross fixed capital formation as a percentage of expenditure on the GDP. Source: Calculated from Statistics South Africa. GDP quarterly figures. GDP P0441 – 2025Q4. Excel spreadsheet.

Figures for business returns on assets are only available through the third quarter of 2025. Profitability in the manufacturing, mining, and construction sectors generally improved in the third quarter of 2025. The return on assets in construction saw the largest increase, rising by seven percentage points from 1% in the third quarter of 2024 to 8% in the year to the third quarter of 2025. The other sectors all increased by five percentage points. (Graph 19)

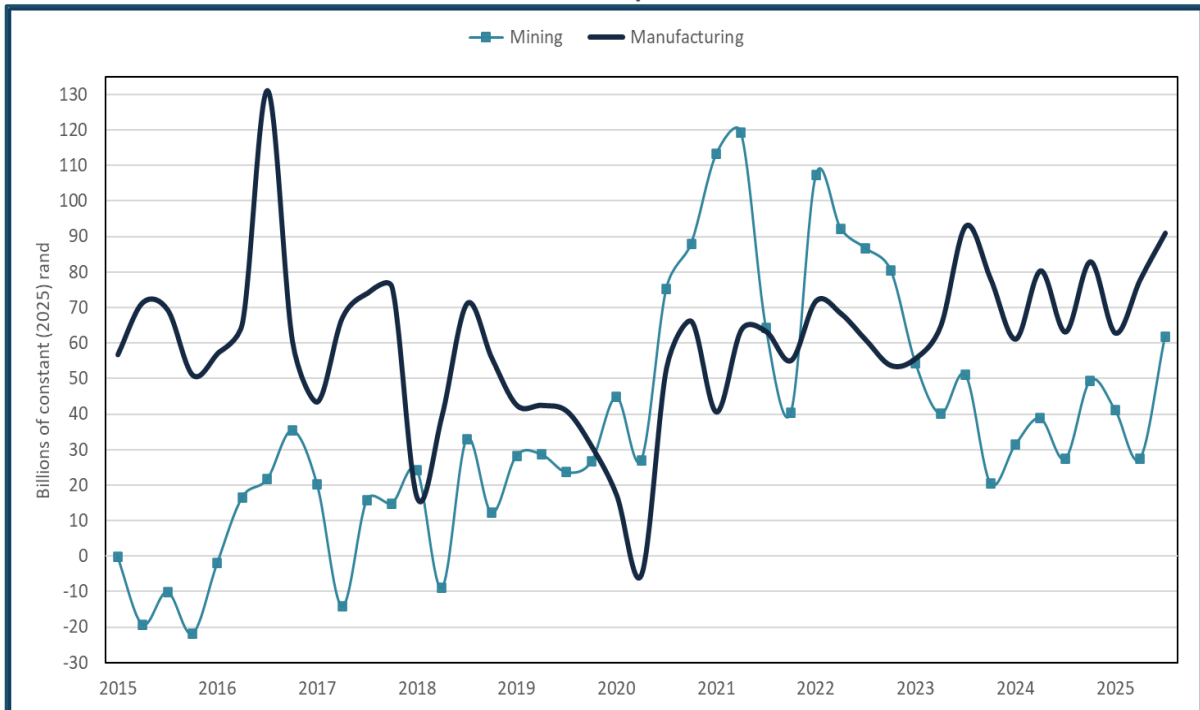
In constant rand terms, profits in both the manufacturing and mining sectors grew in the third quarter of 2025. On a quarterly basis, mining profits more than doubled, jumping by an extraordinary 127% to reach R62 billion in the third quarter. In contrast, manufacturing profits climbed 17% quarter-to-quarter, rising from R78 billion to R91 billion.

**Graph 19. Return on assets by sector, fourth quarter 2015 to 2025**



Source: Calculated from Statistics South Africa. Quarterly Financial Statistics. Excel spreadsheet. Accessed at [www.statssa.gov.za](http://www.statssa.gov.za) in February 2026.

**Graph 20. Quarterly profits in manufacturing and mining in billions of constant 2024 rand (a), 2015 to the fourth quarter of 2025**



Note: (a) Rebased with CPI rebased to fourth quarter 2025. Source: Calculated from Statistics South Africa. Quarterly Financial Statistics. Excel spreadsheet. Accessed at [www.statssa.gov.za](http://www.statssa.gov.za) in February 2026

## Foreign direct investment projects

The TIPS Foreign Direct Investment Tracker monitors FDI projects on a quarterly basis, using published information. It added 22 projects in the fourth quarter of 2025. The 15 projects with an announced investment value amounted to R63.2 billion.

## New and existing projects

Services led announced investment, driven by the IFA Hotels and Resorts proposed Zimbali resort development valued at R20 billion. Four additional projects were awarded preferred bidder status under Bid Window 7 of the Renewable Energy Independent Power Producer Programme (REIPPPP). These totalled R16 billion this quarter, adding 890 MW in renewable energy capacity. Off-grid energy projects comprise the Acciona Energia-led R4.8 billion wind facilities development and a hydroelectric power plant. Mining investment includes Shell’s plan to implement an exploration programme off the west coast, pending approval from the Petroleum Agency of South Africa. Announcements in manufacturing includes auto companies aiming to establish complete knocked down (CKD) assembly operations. Foton is already preparing full-scale production as the company nears completion of its R241-million facility upgrade. In construction, the Chinese electric vehicle company BYD plans to roll out electric vehicle charging infrastructure.

In terms of investment by country of origin, the highest announced value was recorded from Kuwait with R22.2 billion for its Zimbali developments, followed by Cyprus represented by Tharisa’s planned transition to underground mining. The Zimbali project is in KwaZulu-Natal. As always with property developments, the amounts cited should be treated with some caution. The Free State is getting R13.3 billion from renewable energy investment, including three REIPPPP projects.

**Table 2. FDI projects captured in the fourth quarter of 2024**

INVESTOR	NATIONALITY	ANNOUNCED VALUE R BNS	PROVINCE	PROJECT SUMMARY
<b>Services: R30.2 billion</b>				
<b>IFA Hotel and Resorts</b>	Kuwait	20	KwaZulu-Natal	Zimbali Marina and Country Estate as part of development node
<b>IFA Hotel and Resorts</b>	Kuwait	2.2	KwaZulu-Natal	Expanding Zimbali Lakes resort facilities and amenities
<b>DHL Group</b>	Germany	5.7	Multiple Locations	Expanding logistics network infrastructure and services
<b>Maersk</b>	Denmark	1.72	Multiple Locations	Established cold storage facilities for perishable goods
<b>ASB Hospitality/ Hotel Properties Limited</b>	Multiple	0.403	Gauteng	Hotel facilities upgrades
<b>Leroy Merlin</b>	France	0.22	KwaZulu-Natal	Opened home improvement retail store at new location
<b>BYD South Africa</b>	China	n.a.	Multiple Locations	Expanding dealership network
<b>Lactalis</b>	France	n.a.	Western Cape	Refurbished old warehouse into a distribution centre
<b>Massmart/M &amp; F Giuricich</b>	US	n.a.	Eastern Cape	Opened new Makro store developed by local company
<b>SMA-Altense</b>	Germany	n.a.	Western Cape	Established a regional operation, Altense Africa
<b>Utilities: R21.2 billion</b>				
<b>Acciona Energia (51%)/ Chariot Limited (24%)/ H1 Capital (25%)</b>	Multiple	4.8	Western Cape	Plan to develop two wind farms with a combined 194 MW capacity
<b>Abo Energy/Red Rocket</b>	Multiple	4.3	Free State	240MW solar facility

INVESTOR	NATIONALITY	ANNOUNCED VALUE R BNS	PROVINCE	PROJECT SUMMARY
<b>Abo Energy/Red Rocket</b>	Multiple	4.3	Free State	240MW solar facility
<b>ENGIE</b>	France	4.3	Free State	240MW solar photovoltaic (PV) facility
<b>Red Rocket</b>	Multiple	3.1	Mpumalanga	170MW solar facility
<b>Serengeti Energy</b>	Mauritius	0.4	Free State	5 MW hydro power plant
<b>Mining: R11.5 billion</b>				
<b>Tharisa Minerals</b>	Cyprus	9.4	North West	Phased transition from open pit to underground PGM and chrome mining
<b>Shell Offshore</b>	United Kingdom	2.1	Northern Cape	Three well exploration programmes, pending regulatory approvals.
<b>Manufacturing: R241 million</b>				
<b>Foton</b>	China	0.241	Eastern Cape	Launching a CKD production facility
<b>DAF Trucks/Babcock</b>	Netherlands	n.a.	Not reported	Plan to establish complete knock down truck assembly plant
<b>Mahindra</b>	India	n.a.	KwaZulu-Natal	Conducting feasibility study for CKD assembly plant
<b>Construction: No values reported</b>				
<b>BYD South Africa</b>	China	n.a.	Multiple Locations	Installing charging infrastructure country wide

*Note:* Numbers may not always sum to the exact total investment amounts due to rounding.

*Source:* TIPS FDI Tracker database.

Expansion projects make up the highest announced value, but the number of greenfield projects reported this quarter increased compared to the third quarter of 2025.

**Table 3: Value of projects by investment stage and type, fourth quarter of 2025, in billions of rand**

	Stage	Announced	Pre-feasibility	Project -prep	Implementation	Complete	Value	Number
<b>Investment type</b>	Expansion	25.7	-	9.4	2.2	-	<b>37.3</b>	14
	Greenfield	18.1	-	4.8	0.5	2.1	<b>25.5</b>	4
	Upgrade	-	0	-	-	0.4	<b>0.4</b>	3
	Not reported	0	-	-	-	-	-	1
<b>Value</b>		<b>43.8</b>	<b>0</b>	<b>14.2</b>	<b>2.7</b>	<b>2.5</b>	<b>63.2</b>	
<b>Number</b>		<b>10</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>6</b>		<b>22</b>

*Note:* Numbers may not always sum to the exact total investment amounts due to rounding.

*Source:* TIPS FDI Tracker database.

## Updates

Under the REIPPPP, Scatec and EDF Renewables commenced commercial operations at their solar and wind facilities from Bid Window 5. EDF is also nearing full operation at its Umoyilanga hybrid project comprising the 15 MW Dassiesridge wind facility (which entered provisional commercial operation) and 115 MW Avondale solar PV project in the Northern Cape. The facilities were approved under the Risk Mitigation Independent Power Producer Procurement Programme (RMIPPPP) and include battery storage.

In manufacturing, a new factory was inaugurated by wire and cable manufacturer Malesela Taihan Electric Cable. The Beijing Automobile International Corporation (BAIC) plans to expand capacity to introduce a new model to the production line at its Coega plant in the Eastern Cape.

Mining investment in progress includes the initiation of production at Ivanhoe Mines and at West Wits Mining. Pan African Resources is planning to develop the prospective Soweto Cluster processing as an expansion circuit to the Mogale Tailings Retreatment Complex. URU Metals is undertaking a definitive feasibility study for Zebediela Nickel Mine Project, for which it has obtained a mining right.

International Container Terminal Services signed a joint venture agreement with Transnet to operate and modernise the Durban Container Terminal Pier 2 after the KwaZulu-Natal High Court decision in favour of the company.

In the tertiary sector, Walmart opened the company's first two branded stores and Teraco completed expansion of the CT2 data centre.

**Table 4. Project updated in the fourth quarter of 2025**

PROJECT	COMPANY	VALUE (R BNS)	SECTOR	PROGRESS UPDATE
<b>Complete/ Operational</b>				
REIPPPP BW5: Grootfontein solar PV	Scatec	5.1	Utilities	Started commercial operations
REIPPPP BW5: San Kraal wind energy facility - Koruson 1	EDF Renewables	2.7	Utilities	Started commercial operations
M-TEC SAIC 2023 commitment	Malesela Taihan Electric Cable	0.11	Manufacture	Inaugurated a new continuous vulcanisation factory
Teraco CT2	Teraco	n.a.	Services	Completed expansion of CT2 hyperscale data centre
<b>Construction/Implementation</b>				
Platreef Mine	Ivanhoe Mines	19.8	Mining	First concentrate production; preparing for phase 2 expansion
RMIPPPP: Umoyilanga Hybrid Energy Project	EDF Renewables	14.6	Utilities	Dassiesridge facility complete, full operations expected after Avondale commissioning
Beijing Automobile CKD Plant	BAIC	11	Manufacture	Increasing production capacity to manufacture new CKD model
Witwatersrand Basin: Qala Shallows phase 1	West Wits Mining	0.7	Mining	Mine inaugurated, entered production phase
Walmart branded stores	Walmart	n.a.	Services	Opened two stores in Gauteng
<b>Project preparation</b>				
Durban Container Terminal Pier 2	International Container Terminal Services	11.1	Services	JV agreement signed with Transnet following favourable court decision
Evander Mines Elikhulu Solar PV expansion	Pan African Resources	n.a.	Utilities	Construction planned in 2026 for 20MW
<b>Feasibility</b>				
Soweto Cluster Plant	Pan African Resources	2.8	Mining	DFS progressing on expansion circuit added to MTR Complex
<b>Prefeasibility</b>				
Zebediela Nickel Mine Project	URU Metals/Zeb Nickel Corp	11.2	Mining	Mining right granted

Source: TIPS FDI Tracker database.

## Briefing Note 1: Employment Vulnerabilities in South Africa’s PGM Sector - Considerations for a Just Transition

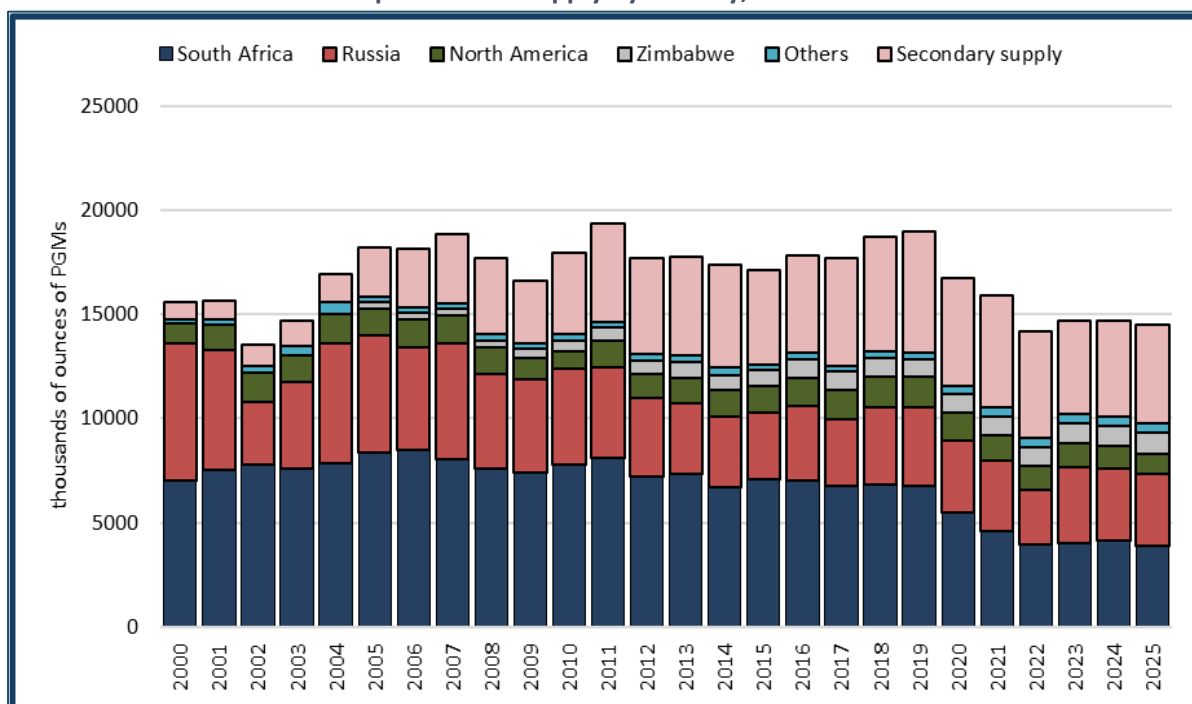
Lesego Moshikaro

This briefing note draws on a forthcoming TIPS publication on the state of the platinum group mining industry and the implications for employment.

South Africa's platinum group metals (PGM) account for over a quarter of South Africa's total mining sector gross value add. Over the past two decades, they have overtaken the maturing gold industry in South Africa as a critical source of exports and employment. The industry is, however, currently confronting simultaneous challenges on both the supply and demand side. That has brought uncertainty to its long-term trajectory and by extension to the workers and communities that depend on it.

South Africa holds the largest PGM reserves in the world, estimated at 88% of the global total. It is also the dominant PGM producer globally, alongside Russia and Zimbabwe. However, output has declined since 2019. As a result, South Africa’s share in global supply fell from 72% in 2019 to 70% in 2025. (Graph 21)

Graph 21. PGM supply by country, 2000-2025



Data source: Johnson Matthey PLC and PGM Market Report May 2025 (a) This data is based on the latest available data reported up to May 2025.

On the demand side, the transition to electric vehicles poses a long-term challenge. The main industrial use of PGM over the past two decades has been for catalytic converters, which reduce emissions from combustion engine cars but are not needed for full battery vehicles. In the mid-2020s, catalytic converters accounted for around a third of platinum consumption, more or less equal to jewellery. The share used in auto had dropped from closer to half a decade earlier.

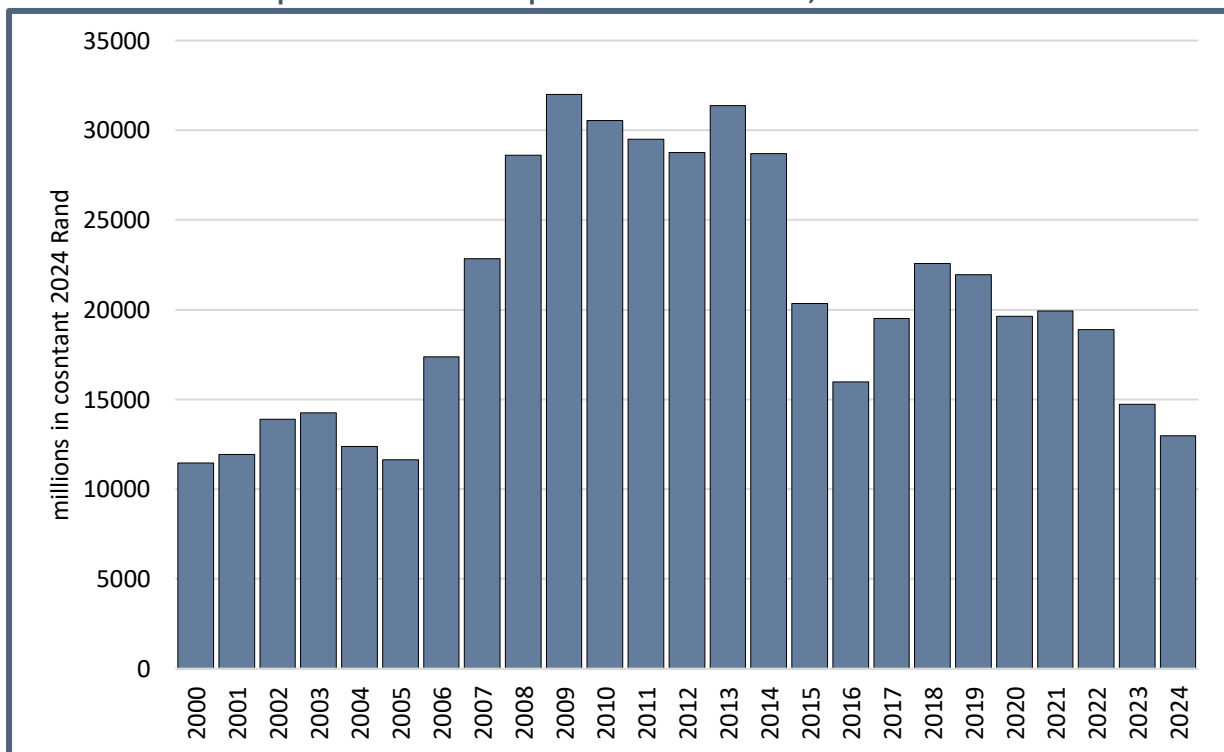
The impact on PGM will depend on the scale and of the transition to battery electric cars. In the interim, it may be offset by higher emissions standards for petrol vehicles and increased sales of hybrid petrol and plug-in hybrid cars, which require catalytic converters. In addition, it is possible that new

technologies such as fuel cells will require PGM; however, this market is still nascent and its trajectory, especially for fuel cell cars, is likely to remain limited to niche mobility applications. Still, the structural shift away from catalytic converters will place substantial downward pressure on demand over the coming 20 to 30 years.

On the supply side, production has also faced significant challenges. Output, mainly from mines owned by Valterra Platinum (formerly Anglo-American Platinum), Impala Platinum, Sibanye Stillwater (formerly Lonmin) and Northam Platinum, has declined. New platinum mining projects have not attracted substantial investment. (Zadeh, 2025). Total investment in PGM mining has fallen by half since 2024. (Graph 22) The downturn reflect both the maturing of the PGM resources and broader structural pressures facing the overall mining sector, including rising electricity, logistics and infrastructure costs.

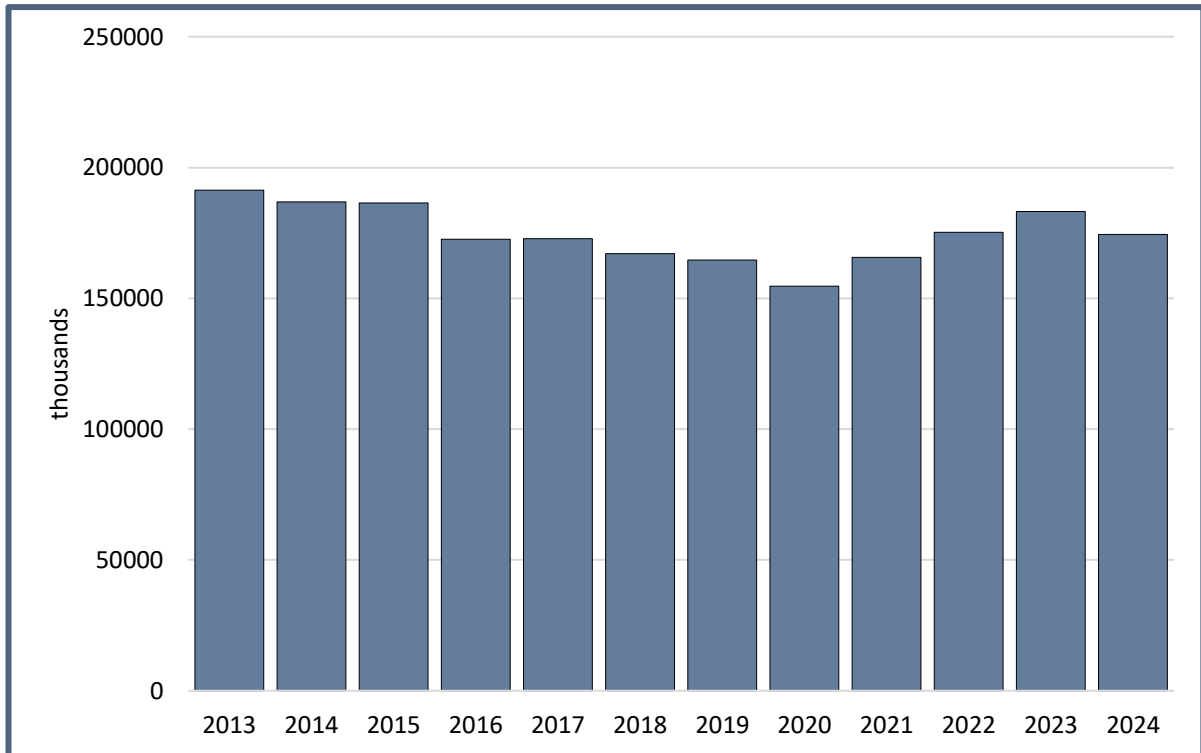
PGM is the largest employer in South Africa’s mining sector, despite recent downturns. In 2023, it accounted for more than 40% of the sector’s total workforce, with 180 000 workers. Still, it recorded 8 500 job losses in 2024, losing 4.7% of the total. (Graph 23) The difficult conditions have prompted widespread restructuring, cost-cutting and labour force rationalisation across the industry (Minerals Council, 2025).

**Graph 22. Gross fixed capital formation in PGM, 2000 to 2024**



Source: Calculated from Quantec EasyData. Interactive dataset.  
 Accessed at [www.quantec.co.za](http://www.quantec.co.za) in January 2026

**Graph 23. Direct employment in PGM mining**



*Data source: Calculated with data from Department of Mineral Resources*

The extent to which retrenched workers are being adequately supported is unclear. Workers have few options because labour-sending regions continue to be marginalised and mining town municipalities often lack the capacity to respond.

Among PGM workers, vulnerability is unevenly distributed. Contract workers represent a considerable share of the workforce. They typically often have weaker job security and limited access to benefits and retrenchment packages. On average, they only earn around 60% of permanent worker's remuneration (Makgetla and Levin, 2016). Since contractors rather than mining companies typically bear responsibility for this type of workers, transition planning and support mechanisms frequently exclude them, increasing their exposure to job losses (Mhaka and Mahlangu, 2025).

Social and Labour Plans (SLPS) represent one of the key instruments through which a just transition for PGM workers could be secured. They provide a framework for ensuring that workers, their households and related communities receive adequate support during periods of retrenchments and restructuring. However, research suggests that implementation and enforcement remain inconsistent. Worker consultation is often limited, commitments are poorly monitored, and municipalities are insufficiently integrated into planning processes. Strengthening regulatory oversight, establishing clearer standards for retraining and severance, and extending accountability to contractors would improve the effectiveness of SLPs in supporting a just transition.

## Briefing note 2. Access to broadband in South Africa

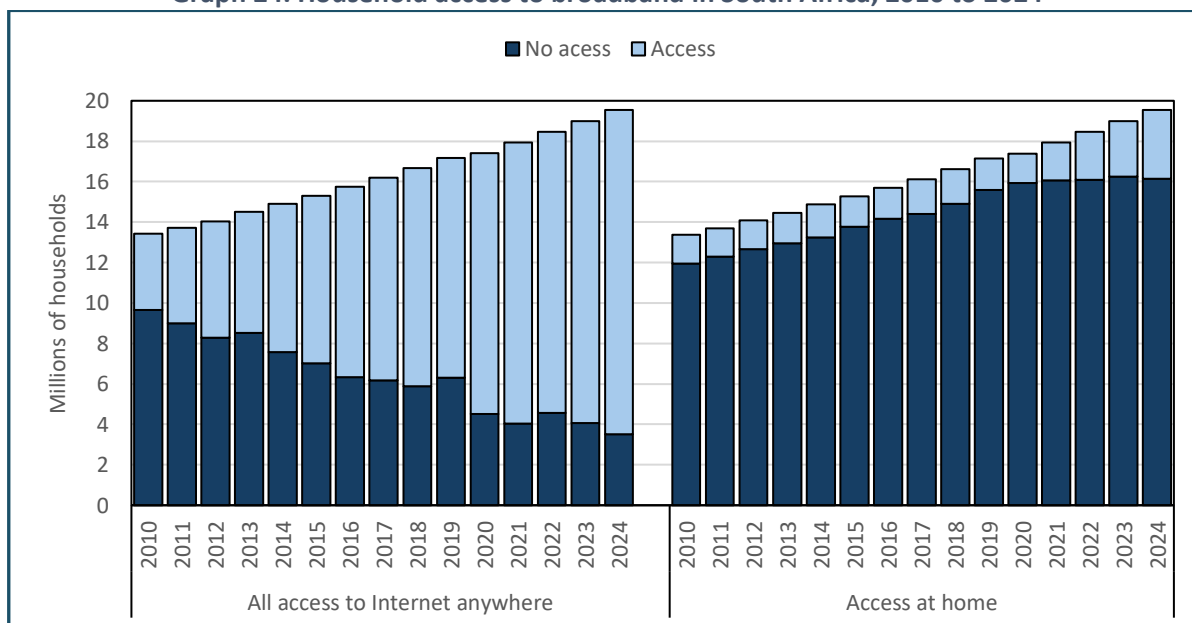
Lucas Mthembu

This briefing note draws on a TIPS study of logistics infrastructure study that evaluates South Africa's network industries, including road, telecommunications, rail and ports. The study is forthcoming.

The South African telecommunications industry is shaped by unequal access at both business and household levels. Given the deep reliance of modern production systems on digital accounting and relationships of all kinds, this digital divide has become an important element in slow overall growth as well as persistent inequalities. Cellphone ownership, mostly now smartphones, is comparatively equitable, but access to home-based broadband remains both limited and comparatively expensive.

Graph 24 shows internet access in South Africa. In 2024, over 80% of South African households had some access to the internet, up from 20% in 2010. Most relied on their cellphones, however, with only a fifth having access to more powerful broadband connections at home. Less than 5% of households in the poorest 40% by income had broadband connections at home, compared to around 60% of households in the richest decile.

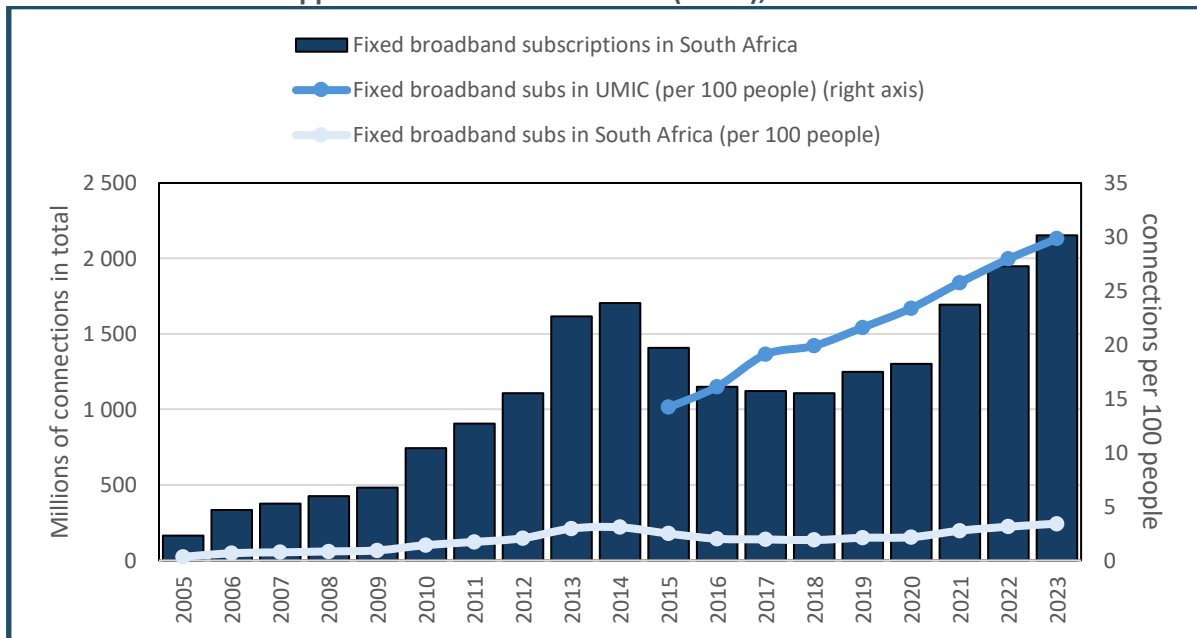
**Graph 24. Household access to broadband in South Africa, 2010 to 2024**



Source: Statistics South Africa. General Household Survey 2024. Excel spreadsheet: GHS 2024 Time Series of selected variables, 2002-2024. Downloaded from [statssa.gov.za](http://statssa.gov.za) in February 2026. Note: weighted by household

Access to broadband lags behind peer economies. In 2023, there were three active fixed broadband subscriptions per 100 people in South Africa compared to 30 in other upper-middle-income countries (Graph 25). The Independent Communications Authority of South Africa (ICASA), however, reported that fixed broadband subscriptions have grown rapidly in the past decade, almost doubling from 1.4 million in 2015 to 2.7 million in 2024.

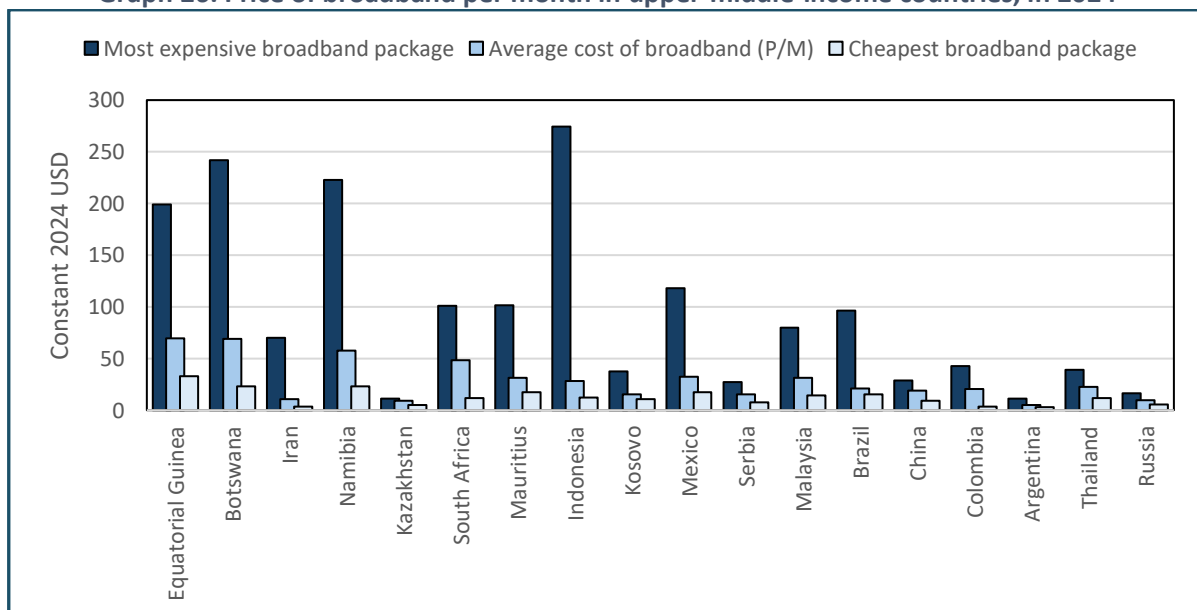
**Graph 25. Fixed broadband subscriptions in South Africa and upper middle-income countries (UMIC), 2005 to 2024**



Source: World Bank. World Development Indicators. Series on fixed broadband subscriptions. Downloaded from [databank.worldbank.org](https://databank.worldbank.org) in February 2026.

Qualitative assessments for both mobile data and broadband indicate that the cost of internet access is expensive in South Africa. Graph 26 compares the cost of broadband with other upper-middle-income countries. While South African broadband competes on price with African countries, it is significantly above most of Asia, Latin America and Europe. The cheapest broadband connection in South Africa was US\$12 (R215) in 2024, while in China it was \$9. The average broadband package in South Africa was R900 in 2024. That said, South Africa is not an outlier in terms of megabytes, with a megabyte per second costing R9.30 in 2024.

**Graph 26. Price of broadband per month in upper-middle-income countries, in 2024**



Source: Best broadband deals; Cable UK. Broadband price comparison data Excel spreadsheet. Downloaded from <https://bestbroadbanddeals.co.uk/broadband/pricing/worldwide-comparison/#resources> in February 2026. Note: prices were converted from local currencies into 2024 USD.