



TRADE & INDUSTRIAL POLICY STRATEGIES



Tracking quarterly trends and analysing foreign direct investment, imports and exports

FOREIGN DIRECT INVESTMENT TRACKER

THIRD QUARTER 2021

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TIPS TRACKERS

TIPS FDI Tracker monitors inward foreign direct investment projects. It reports on new FDI projects, analyses these, and adds them to an ongoing list of investment projects.

TIPS Export Tracker provides updates on export trends, and identifies sectors and products that are performing well and those that are lagging.

TIPS Import Tracker provides an overview of import patterns and looks at the causes of surges in manufacturing imports, and their likely impact on industry.

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ABOUT THE FDI TRACKER

The FDI Tracker traces the foreign direct investments that are made in South Africa every quarter, based on publicly available and published data. This information is synthesised into a database and categorised across a number of important variables. These include investment values, project timeframes, number of jobs created, and the identity of the investor, among others. The Tracker also includes an analysis of the investment environment within the country, analysing key metrics of investment activity. Due to the sensitivity of private investment data, all variables cannot be publicly accessed, and when this is the case, the absence of data and assumptions are noted.

The FDI Tracker aims to assist policymakers and other relevant stakeholders in understanding the types of investments made each quarter. It also assists in assessing the extent to which pro-investment policies support actual investments. Extracting the barriers and constraints investors face indicates policy blockages that can be removed to improve the investment environment and hence economic growth.

New Investments refer to investments that were not previously captured in the database. The investment is dated from when it first appears in the database. Updated Projects refer to any substantial change in a project already profiled.

The new projects for the quarter are included as comprehensive profiles at the end of the report.

FDI PROJECTS, Q3 2021

The Q3 2021 analysis identified 13 projects with a total pledged investment value of R45.4 billion from nine projects.¹ The Tracker further recorded 8 487 employment opportunities. Most of the jobs (8 000) stem from a single project, De Beers Venetia Underground Project. Progress updates were reported for 10 projects this quarter.



New FDI project descriptions by sector

Overall, mining investments dominated investments in Q3 2021, with a single mining project accounting for the majority of investment value and jobs. This was followed by manufacturing, which had the highest number of projects with four investments captured this quarter. Services also recorded three projects while one project was captured in utilities. Projects are described by industry in the following subsections.

Mining

De Beers is transitioning the Venetia Diamond Mine from an open-pit operation to an underground mine inclusive of a new mining complex. The Venetia Underground Project in Limpopo is valued at about US\$2 billion (R32 billion). The project was designed to transform the mine over a period of 10 years, extending the life-of-mine by 23 years to 2046 and producing an estimated 94 million carats. The project is further expected to support about 8 000 direct job opportunities (De Beers Group, n.d; 2021). The excavation work began in 2013 and construction is expected to be completed in the next four to five years. The project involves investments into underground and surface infrastructure. Underground infrastructure includes investments into vertical shaft systems for transport, routing services, access levels and shaft bottoms. Surface infrastructure investments include a surface terrace with consumer substation, an office complex, concrete batch plant, ventilation fans, and a shaft service workshop. The investment also includes a training facility to prepare employees for the transition and equip them with appropriate skills to effectively operate underground and in accordance the mines changing processes and procedures (Cornish, 2021; Parker, 2021).

Glencore and Ntsimbintle Holdings have started production at their new mine, Mokala manganese mine in the Northern Cape. The partners developed the mine for an undisclosed sum. Ntsimbintle contributed the exploration and mining rights, while Glencore is the project's technical partner, holding 49% and 51% respectively in the venture. Mokala is an opencast manganese mine with more than 10 years' life-of-mine, anticipated to produce over one-million tonnes of manganese annually, with additional reserves to draw on. There are plans to further install a solar power facility to reduce the mine's carbon footprint. Mining is ramping up with steady state production expected in the third

¹ Data on investment values are not always reported for projects so the total investment value for the quarter is based off of available investment data. In Q3 2021, eleven projects were tracked but investment values were only reported for seven projects.

quarter 2021 (Creamer, 2021). Site establishment began in May 2020, with the first ore from the mine extracted in March 2021. The first export load was shipped in May 2021 (Ntsimbintle Holdings, 2021).

Orion Minerals plans to develop the Okiep Copper Project (OCP) for an estimated AU\$58 million (R656 million), according to a recent scoping study. The project area encompasses a historical copper district in the Northern Cape that operated for more than 150 years ending in 2003. Orion aims to re-establish the previous scale of production of between 30 000 and 40 000 tonnes of copper a year, over the long term. To progress the investment, Orion Minerals is developing a smaller proof-of-concept-scale copper mining operation at the OCP. Thus far, Orion Minerals has been conducting feasibility studies for the foundation phase development while undertaking exploration programmes. There has also been a further application for additional prospecting rights to supplement the current mining rights. The scoping study estimates that the project has potential peak annual production of nine tonnes of copper-in-concentrate that could supplement Orion's Prieska Project. Orion intends to have the mining rights held in two new companies, the New Okiep Exploration Company and the New Okiep Mining Company. Orion will initially own 100% of the former and 56.3% of the second company with the balance of 43.7% held by the Industrial Development Corporation (IDC) of South Africa (Orion Mineral Resources, n.d.; Slater, 2021a).

Manufacturing

Aspen Pharmacare will be investing in expanding its operations, including the production of vaccines and other therapies in African and emerging markets. The International Finance Corporation (IFC) has mobilised a joint €600 million (R10.8 billion) funding package for Aspen Pharmacare to refinance its existing debt and strengthen the company's balance sheet. The funding is sourced from four institutions: €200 million (R3.6 billion) from the IFC, €156 million, (R2.8 billion) from Proparco, €144 million (R2.6 billion) from the German investment corporation Deutsche Investitions- und Entwicklungsgesellschaft (DEG), and €100 million (R1.8 billion) from the United States International Development Finance Corporation (DFC) (Proparco, 2021).

Aspen's current activities include its partnership with Johnson & Johnson to compound, finish, fill and package the Janssen COVID-19 vaccine in South Africa, and the recent construction of an injectables facility in Gqeberha (Dayimani, 2021).

Draslovka Holding is a Czech-based global manufacturer of specialty chemicals, particularly cyanide products and agrochemicals including fumigants and biocides (Draslovka, n.d.). Draslovka is in the process of acquiring Sasol's sodium cyanide facility in Sasolburg. Commercially, sodium cyanide is used for fumigation, electroplating, extracting precious metal like gold and silver from ores, and chemical manufacturing. Pending the Competition Commission's approval, the firm announced plans to invest an estimated US\$50 million (R797 million) into the facility to modernise the plant, improve efficiency, and increase productivity. Sasol would continue to supply key feedstock, utilities and site services to Draslovka. Draslovka aims to supply the South African mining industry and growing African export demand.

A consortium comprising ENERTRAG South Africa, Earth and Wire, and 24Solutions are conducting a feasibility study to produce e-methanol from green hydrogen, produced using desalinated water, renewable energy and syngas (produced from biomass and municipal waste). The feasibility assesses a plant that produces 120 000 tonnes a year of e-methanol. The consortium is funding the feasibility study and will take up its rights to invest if the project is found to be viable. The consortium aims to manufacture the e-methanol through an electrolyser powered by renewable energy, desalinated water, with a synthesis gas derived from a feedstock mixture of locally sourced biomass and unrecyclable municipal solid waste fed into a gasifier. The partners estimate about 150MW of wind

and 150MW of solar technology will be required to fully power the 120MW electrolyser, desalination plant and e-methanol plants. The desalination plant is expected to provide 110 000 cubic meters a year of water to the facility. The developers are also looking to expand and provide potable water to local communities. Earth and Wire will be responsible for the delivery of the wind and solar power. ENERTRAG will be responsible for the green hydrogen and e-methanol synthesis and business, while 24Solutions will oversee biomass sourcing and commercial offtake in addition to using a large portion of the e-methanol in its own telecommunications fuel-cell network. Should the feasibility study for the project prove commercially viable, construction could start in 2025 and production 2027. The plan is to set up the plant in the Eastern Cape. The value of the project has not been disclosed nor specific timeframes or the roll-out of the project (Earth and Wire, 2021).

Sasol announced a joint venture (JV) with Enaex to grow Sasol's existing explosive business. The new venture is called Enaex Africa and will replace Sasol Explosives. The JV aims to target mining consumers throughout Africa. Enaex is the majority shareholder responsible for management and operation of the company's activities (Sasol, 2019). Enaex Africa will consist of certain assets and associated activities spun off from the current explosives and rock fragmentation value chain of the base chemicals business of Sasol South Africa. This includes an assembly plant in Secunda. This assembly facility will be located in the Secunda Complex and is expected to start operating in the second half of 2023. The R16 million Mpumalanga based plant will produce detonators and, at full capacity, it is expected to manufacture about 800 000 detonators a year. In addition, Enaex Africa inaugurated a new R15 million detonator distribution centre in Weilaagte, operational since June 2020. The facility is expected to supply about 2 000 tons of explosives a month. The firm also announced plans to grow existing capacity with an approved R10 million expansion of the existing bulk emulsion facility in Secunda. The investments are a response to supply chain blockages around importing detonators and the local content requirements of the Mining Charter III, which warranted the setting up of a local assembly plant (Bulbulia, 2021a).

Services

Turkish appliances manufacturer Arçelik launched a new Defy distribution and warehouse facility in KwaZulu-Natal following a R170 million investment. The facility has capacity to store up to 100 000m³ of product and the ability to process loading and unloading over 200 trucks a day. The facility is strategically located to facilitate transportation of products to the Port of Durban port 250km way, improving supply to African export markets of Defy and sister brand Beko's appliances (Silaule, 2021).

Arçelik further plans to expand the company's portfolio in Southern Africa by launching a new brand, the above mentioned Beko. About R1 billion will be invested to achieve this endeavour over a period of five years. Beko plans to open an additional eight to 10 stores over 2021-2024, which will be operated by local business partners, and will also sell through premium independent retailers. Beko is being introduced with standalone stores in Johannesburg and Durban, followed by the further investment broadening availability. As demand increases, it aims to create jobs within warehousing, logistics, sales, marketing and services. Ultimately it aims to commence domestic manufacturing, creating additional capabilities and employment.

The brand is already available in 20 African countries, including Nigeria, Kenya, Angola and Rwanda, and more than 100 other countries worldwide (Brandstories, 2021; The Citizen, 2021) .

Teraco has completed the construction of a new facility (the JB3 Data Centre), which extends its Isando campus in Gauteng. The investment amount was not publicly available at the time of reporting. The expansion is a response to the growing demand by both cloud providers and enterprises for data centre capacity within the country and throughout Africa. JB3 consists of 45 000m² of building

structure, 12 000m² of data hall space and 29MW of critical power load. The facility is part of the broader Platform Teraco offering that provides information technology services to numerous enterprises (Moyo, 2021; Slater, 2021b).

Utilities

EDF Renewables South Africa has completed, commissioned and connected the Wesley-Ciskei Wind Energy Farm and is supplying electricity into the national grid. The wind project is part of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) Bid Window 4. Located in the Eastern Cape, the 34.5MW wind farm project was completed for an undisclosed amount (EDF Renewables, 2021).

Updates

Progress

Italy's Instituto Nazionale di Astrofisica (INAF – National Institute of Astrophysics) has committed R100 million towards the extension of the SKA MeerKAT telescope in the Northern Cape. This follows an R800 million contribution in 2020 from the South African and German governments towards the project. The new funding will be used to further support development of new dishes.

The National Energy Regulator of South Africa (NERSA) granted Karpowership SA generation licences to operate in three of the country's ports: Coega, Richards Bay and Saldanha Bay. This is after the Department of Forestry, Fisheries and the Environment refused environmental authorisation for Karpowership SA's three floating power projects on environmental grounds amid contestation from opponents to the initiative. There are still other authorisations Karpowership SA needs to secure before it can move ahead with the project.

Diamcor Mining concluded Phase 1 of planned upgrades at the Krone-Edora at Venetia project in Limpopo. These include an expanded and refined diamond concentration system and a new electronic diamond X-ray recovery unit, among other improvements. Despite delays as a result of COVID-19, Diamcor has managed to complete the first phase ahead of schedule. The expansion initially planned for 2020 was delayed by the COVID-19 pandemic.

The Kropz Elandsfontein phosphate project in the Western Cape has been cleared for production after an appeal opposing the mine's integrated water use licence was dismissed by the Water Tribunal. Environmentalists opposed the licence because of Elandsfontein mine's proximity to the Langebaan Lagoon and the potential ecological damage the mine could cause.

South 32 divested subsidiary Southern African Energy Coal (SAEC) under which it was developing the Klipspruit Life Extension Project. By the time SAEC was acquired by South African mining firm Seriti Resources, South 32 had completed the R4.3 billion Klipspruit project. The project aims to extend the life of the Klipspruit Colliery by 20 years.

Anglo American Platinum has commenced with the R1.3 billion modernisation of the Amandelbult underground platinum group metals mine in Limpopo. The improvements are in two parts and entail enhancing safety and efficiency for conventional mining and on the other hand mechanisation and installation of low-profile equipment in newer areas of the mine.

The R365 million Radisson Red Hotel has officially been opened in Rosebank, the second hotel of its kind in Africa under the Radisson Hotel Group. In addition to 222 standard rooms and suites it features meeting rooms and offers workspace for remote workers.

The 140 megawatt Oyster Bay Wind Farm in the Eastern Cape has reached commercial operation. It was developed by Enel Green Power for €180 million (R3.2 billion). The facility has the capacity to generate over 568 Gigawatts per hour of power annually. The project is a part of REIPPPP under Bid Window 4.

The Sitatunga Resources R250 million flagship mine, East Manganese in the Northern Cape, is in operation. East Manganese is an opencast mine with one 14 hectare mining pit. It is expected to produce 30 000 tons a month run of mine manganese ore. First ore was mined this quarter and a 350 ton per hour dry crushing and screening plant has been commissioned. Sitatunga Resources is a subsidiary of Luxembourg resource company Menar.

FDI TRENDS, Q3 2021

Investment values

Data on investment values were disclosed for nine out of 13 projects. More than 70% of the investment value recorded this quarter is attributed to the De Beers Venetia Underground Project, which contributed about R32 billion to the total investment value. This was followed by the €600 million (R10.8 billion) Aspen Pharmicare’s vaccine production investment.

The Tracker captured three projects valued between R500 million and R1 billion. These included the Beko R1 billion brand expansion, Draslovka’s facility upgrades valued at about US\$50 million (R797 million) and Orion Minerals AU\$58 million (R656 million) Okiep Copper Project.

Four projects recorded this quarter are valued below R500 million.: the R170 million Defy warehouse and Enaex Africa’s total R41 million investment in three projects. Four investors have not yet disclosed values for their respective projects. These include EDF Renewable’s Wesley-Ciskei Wind Energy Farm, Glencore and Ntsimbintle’s Mokala manganese mine, Teraco’s data centre and a proposed e-methanol plant by ENERTRAG.

Investment stages

Table 1: Investment stages

	VALUE (R BILLION)	NUMBER
Construction/Implementation	42.8	2
Announced	1.8	5
Exploration	0.7	1
Complete	0.2	5
Total	45.5	13

Note: Values may not always sum to the total due to rounding.

An analysis of projects by investment stage indicates projects under construction/implementation make up the largest share (94% or R42.8 billion) of the total investment value. This is because of two projects, De Beers Venetia Underground Project (R32 billion) and the €600 million (R10.8 million) Aspen investment.

Five projects announced this quarter add R1.8 billion to the total investment recorded, for which four projects reported investment values. Announced projects include Beko’s planned expansion (R1 billion), Draslovka facility upgrades (R797 billion) and two of Enaex Africa’s manufacturing facilities (R16 million assembly plant and R10 bulk emulsion facility). The ENERTRAG South Africa project was announced with no reported investment value.

Exploration was by a single project, the AU\$58 million (R656 million) Okiep Copper Project being developed by Orion Minerals. Completed projects totalled R0.2 billion, which was made up by the R170 million Defy warehouse and Enaex Africa's R15 million distribution facility. Other completed projects for which investment value were not reported include Teraco's data centre, EDF Renewable's wind farm and the Mokala Manganese mine.

Investment type

Table 2: Investment type

TYPE	VALUE (R BILLION)	NUMBER
Brownfield	32.7	2
Greenfield	11	7
Expansion	1	3
Upgrade	0.8	1
Total	45.5	13

Note: Values may not always sum to the total due to rounding.

Brownfield projects dominated in Q3 2021, with a total investment value of R32,7 billion. This comprised the De Beers R32 billion Venetia Underground Project and the Orion Mineral's Okiep copper project valued at about AU\$50 million (R656 million).

Greenfield projects accounted for R11 billion with the largest number of projects recorded. The total project value comprises three reported investment values: the €600 million (R10.8 billion) commitment towards Aspen Pharmacare's operations, R170 million for Defy's Danskraal Warehouse and Enaex Africa's investment in two new facilities totalling R25 million. No investment values were reported for Teraco's data centre, EDF Renewables wind farm, Enaex Africa's assembly plant and ENERTRAG's e-methanol production plant.

The R1 billion expansion value was comprised of Arçelik's R1 billion investment and Mokala manganese mine developed by Glencore and Ntsimbintle (value not reported). Draslovka announced a US\$50 million (R767 million) investment that would go towards facility improvements, representing the single upgrade project.

Investment by location and industry

Figure 1 presents investments distinguished by location and industry. The Eastern Cape captured the highest number of projects with three commitments. KwaZulu-Natal, Northern Cape and Gauteng recorded two projects each, while other provinces individually captured only one investment.

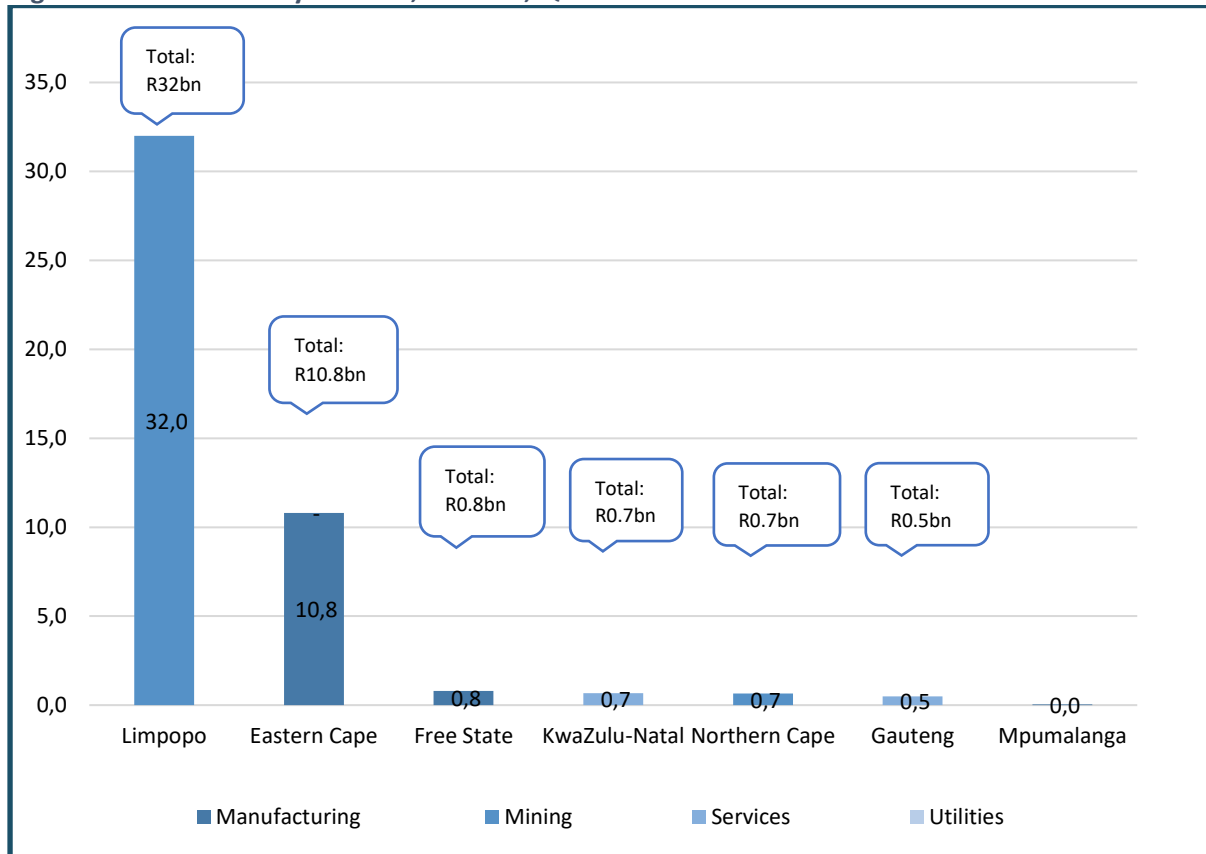
Given the size of the project, Limpopo recorded the highest investment value this quarter through De Beers Venetia underground diamond mine project injecting about R32 billion into the province's mining industry.

Projects captured in the Eastern Cape contributed to investment in two industries, manufacturing and utilities. The entire R10.8 billion investment value in the province is attributed to the Aspen Pharmacare development of vaccines and other operations. Manufacturing in the province also benefits from a planned e-methanol production facility announced by the ENERTRAG consortium. EDF Renewables' Wesley-Ciskei Wind Energy Farm represents investment in utilities.

Investments into the Free State totalled US\$50 million (R797 million) commitment to upgrade a cyanide manufacturing facility pending approval by the Competition Commission for the acquisition of the business by Draslovka.

KwaZulu-Natal captured R670 million in investment from two projects in services. This was attributed to Arçelik’s projects recorded in the province. The investor completed the new warehouse for the Defy brand of products for about R170 million while about R500 million² will go towards expanding the Beko brand of appliances and establishing local stores in the province.

Figure 1: Value of FDI by location, R billion, Q3 2021



Source: TIPS FDI Tracker project data. Note: Numbers may not always sum to the exact total investment amounts due to rounding.

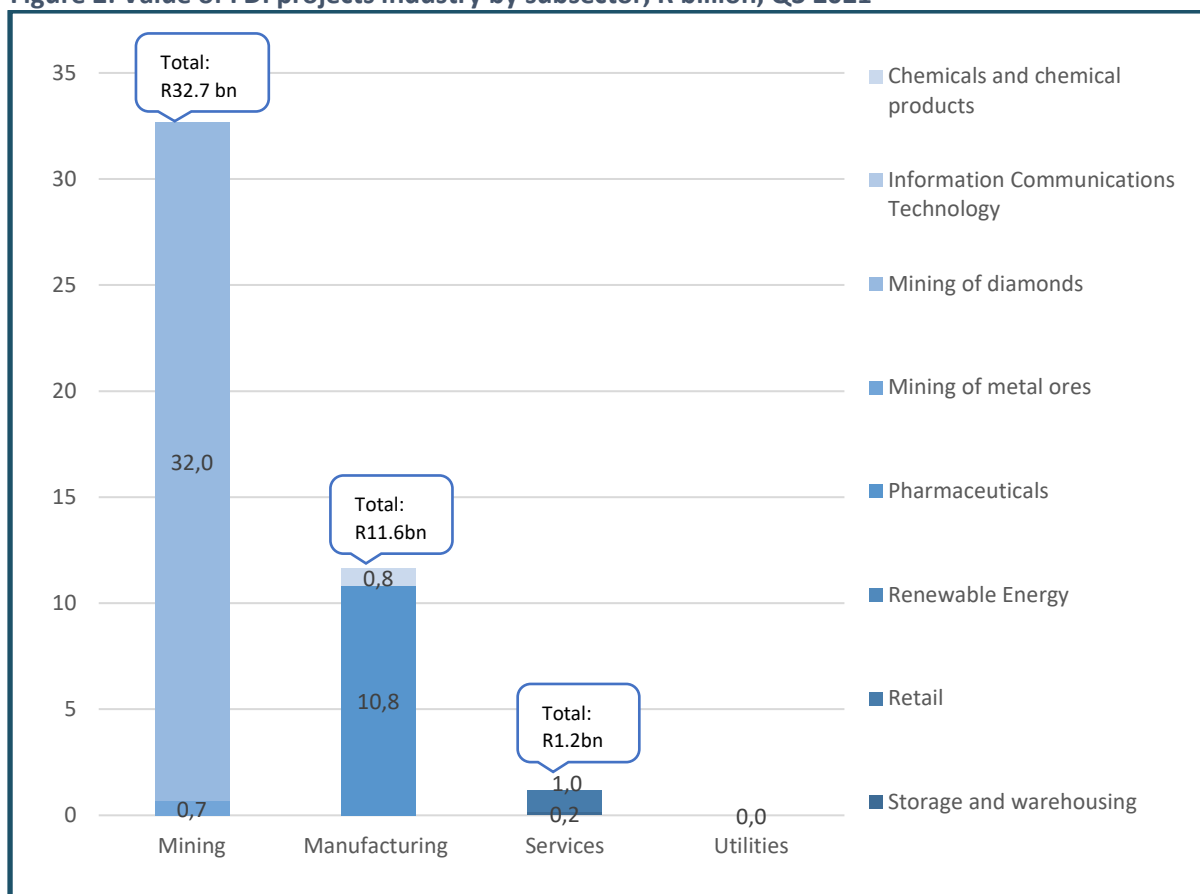
The two investments identified in the Northern Cape contribute to the province’s mining industry. The total investment value recorded in the province of AU\$50 million (R656 million) is attributed to Orion Minerals Okiep Copper Project. Value data was not available for the Mokala manganese mine.

Gauteng benefited from Arçelik’s planned expansion of the Beko brand, potentially gaining about R500 million from the project. The commitment accounts for the total value of investment captured in the province. Gauteng also benefits from Teraco’s investment in the JB3 data centre, completed for an undisclosed sum. Both projects contribute to the provinces services industry.

Enaex Africa represents the R41 million investment value captured in Mpumalanga. The explosives specialist contributed to the province with three projects that include a recently completed explosives distribution centre, a planned detonator assembly plant, and future expansion of its bulk emulsion facility.

² The total pledged value of the investment is R1 billion. Arçelik plans to establish flagship stores in KwaZulu-Natal and Gauteng. The value of the investment is split evenly (R500 million) between the two locations.

Figure 2: Value of FDI projects industry by subsector, R billion, Q3 2021



Source: TIPS FDI Tracker project data. Note: Numbers may not always sum to the exact total investment amounts due to rounding.

Figure 2 differentiates projects by subsector, within their respective industries. Investment was recorded across four industries – which have become key in industries, consistently represented in the Tracker – and eight subsectors. Mining garnered the largest share of investment while manufacturing recorded the highest number of projects.

The total value of investment captured in mining was R32.7 million from two of the three projects identified in the industry. Most of the investment is attributed to the De Beers R32 million Venetia underground diamond mining project, with smaller contributions from Orion Minerals AU\$50 million (R656 million) Okiep Copper Project and Glencore and Ntsimbintle’s Mokala manganese mine project (value not yet disclosed) in the mining of mineral ores.

Six projects were identified in manufacturing and captured in two subsectors. The investment value totalled R11.6 billion , recorded from five projects. The highest pledged value was recorded in pharmaceuticals, from the €600 million (R10.8 billion) Aspen Pharmacare project. The other five manufacturing projects are in chemicals. The total investment into chemicals amounted to R838 million from Dravslowska’s US\$50 million (R797 million) investment and Enaex Africa’s R41 million investment in three facilities. The ENERTRAG consortium investment is included, for which no investment amount was reported.

Services registered three projects across three subsectors. Two of these investments are from one investor, Açerlik, and represent the R1.2 billion investment value recorded in the industry. The largest commitment in services is Açerlik’s R1 billion expansion of the Beko brand in the retail subsector while the firm’s investment in the Defy Danskraal Warehouse accounts for the R170 million in storage and

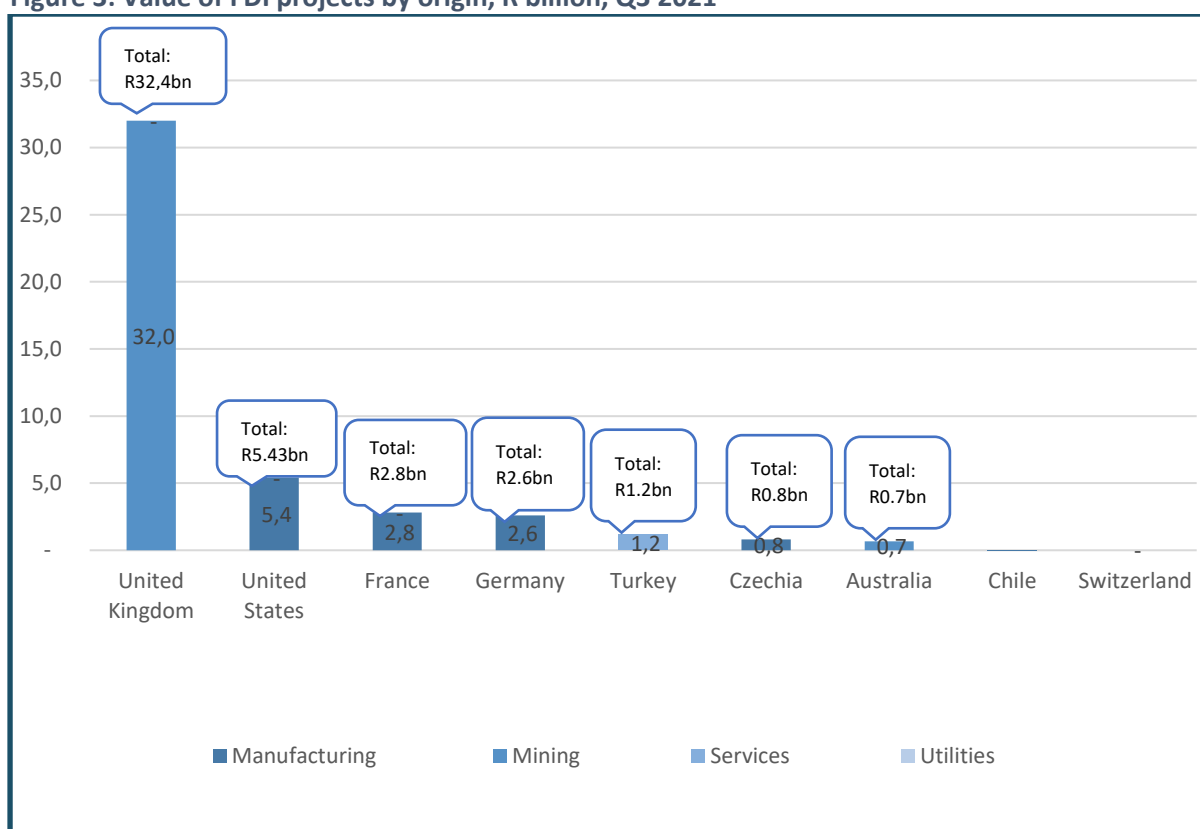
warehousing. Teraco’s JB3 Data Centre represents investment in information and technology and the value of the investment was not reported.

Utilities is represented by one renewable energy project with the Wesley-Ciskei Wind Energy Farm completed by EDF Renewables (value not reported).

Investment by country of origin

Figure 3 shows investment according to the country of origin and industry. Investments were identified from nine countries with European investments accounting for the largest number of projects and largest investment value. About R39.3 billion was recorded from six projects from Europe. The bulk of the total value this quarter was captured from the United Kingdom with R32 billion for De Beers Venetia Underground Project. Investment from the United Kingdom also included Teraco’s JB3 Data Centre. The value of this investment was not reported.

Figure 3: Value of FDI projects by origin, R billion, Q3 2021



Source: TIPS FDI Tracker project data. Notes: Numbers may not always sum to the exact total investment amounts due to rounding.

France, Germany and Turkey recorded two investments each, while Czechia and Switzerland had one project each. Investment towards Aspen Pharmicare represents the entirety of the commitment values in France and Germany, with R2.8 billion and R2.6 billion respectively. EDF Renewables Wind Energy Farm represents the other investment from France and ENERTRAG’s joint e-methanol plant from Germany. Arçelik is responsible for both projects captured from Turkey with the R1 billion expansion of the Beko brand and Defy’s new R170 million warehouse. The R797 million project from Czechia is represented by Draslovka’s commitment towards upgrades of a cyanide facility. Investment identified from Switzerland is Glencore and Ntsimbintle’s Mokala manganese mine.

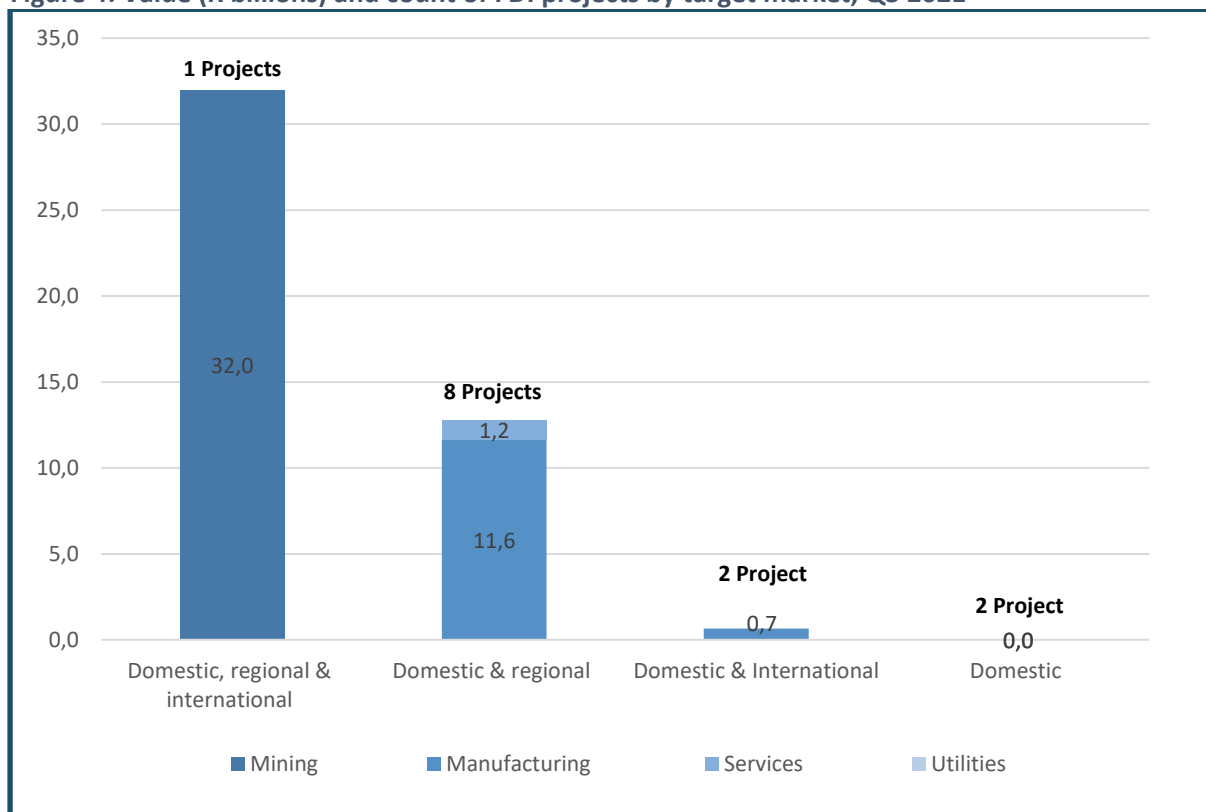
The second highest investment value recorded this quarter was outside of Europe for R5.4 billion from the United States with two projects registered from the country, however, the value is attributed to one project, the IFC and DFC’s contributions towards Aspen Pharmacare’s vaccine production with other countries as indicated above. The other project identified from the US is Teraco’s data centre. The Tracker also captured one investment from Australia with Orion Minerals AU\$50 million (R656 million) Okiep Copper Project. Three projects by one investor – Enaex Africa – constitute investment recorded from Chile, contributing a total R41 million from the country.

Investment by target market

Figure 4 presents projects categorised by target market. De Beers has the only project focussed on the domestic, regional and international market, with the R32 billion Venetia Underground Project.

Eight projects concentrate on the domestic and regional market. Five are in manufacturing with the bulk of the value recorded from a €600 million (R10.8 billion) commitment towards Aspen Pharmacare’s production activities. Manufacturing is further represented by the proposed US\$50 million (R797 million) Draslovska factory upgrades and Enaex Africa’s R41 million investment in three facilities. The other three projects represent services, two of which are by Arçelik’s with a combined R1.2 billion in investment this quarter.

Figure 4: Value (R billions) and count of FDI projects by target market, Q3 2021



Source: TIPS FDI Tracker project data. Note: Numbers may not always sum to the exact total investment amounts due to rounding.

The two projects that target the domestic and international market are in the mining industry, the Mokala manganese mine project and Orion Minerals’ Okiep Copper Project, the latter which makes up the entire AU\$58 million (R656 million) value registered in the segment. There were two projects with an exclusively domestic outlook in two industries, EDF Renewables’ wind farm represents

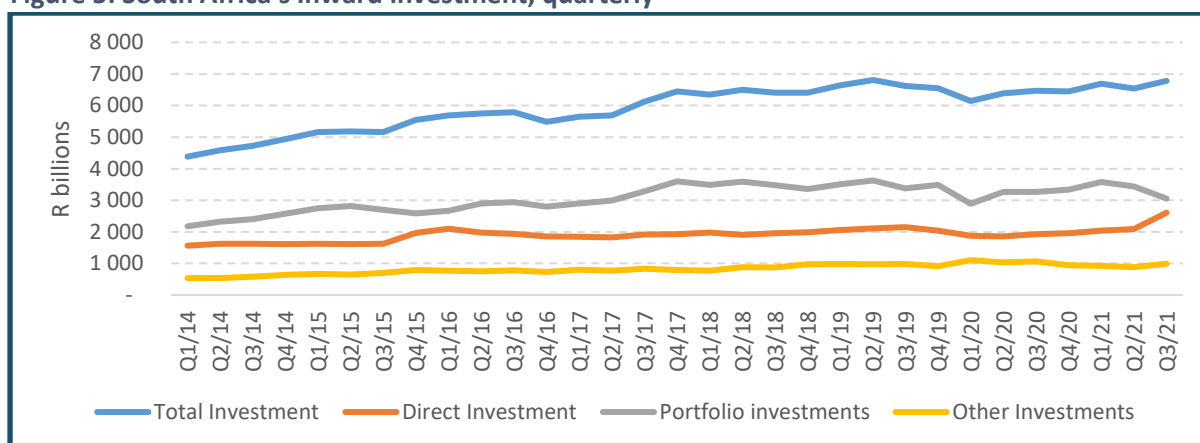
utilities, and manufacturing is represented the e-methanol plant announced by ENERTRAG and its local partners. The investors have not yet publicised the project values.

Investment environment

Analysis of the domestic investment environment provides insight into the general environment in which investments happen. This analysis is important for the following reasons. First, metrics that measure investment indicate the extent to which pledged investments materialise into actual investments. Further, analysing the investment environment provides a glimpse into investor sentiment on future growth prospects in the economy. A flurry of investment activity is typically a sign of future growth. During times of lacklustre growth investors tend to hold back investments given a pessimistic view of future growth and the risk of tying up capital, hampering the returns on that capital. With the President’s annual investment conferences, it is important from a policy point of view to monitor whether the pledges made at that event are materialising as a substantial improvement in investment levels. To evaluate the investment environment, a number of key investment metrics have been incorporated, which are further detailed in the Appendix.

The total market value of South Africa’s inward investment increased from a revised R6 541 billion at the end of June 2021 to R6 785 billion at the end of September 2021, an increase of 3.7% between the Q2 2021 and Q3 2021. The increase in inward investment between Q2 2021 and Q3 2021 was attributable to indirect and other investments (SARB, 2022). Direct³ investments were driven chiefly by the 45% share acquisition of Naspers Ltd by Prosus N.V., which was classified as direct investment.⁴ Other investments were driven primarily by the Special Drawing Rights (SDRs) allocation from the IMF to the value of SDR2.9 billion (equivalent to US\$4.2 billion or R62 billion) to South Africa in Q3 2021. Portfolio investment liabilities decreased significantly due to two impacts. First, investors exchanged Naspers Ltd N ordinary shares for Prosus N.V. ordinary shares – that is the exchange of non-resident holdings in a resident entity for holdings in a non-resident entity. Second, the FTSE/JSE All Share Index declined in Q3 2021.

Figure 5: South Africa’s inward investment, quarterly



Source: TIPS, based on South Africa’s international investment position data by (SARB, 2021a).

³ Direct investment is defined as: the objective of obtaining a lasting interest by a resident entity in one economy (direct investor) in an entity resident in an economy other than that of the investor (direct investment enterprise). This refers to foreign investment into South Africa (see (SARB, 2019)).

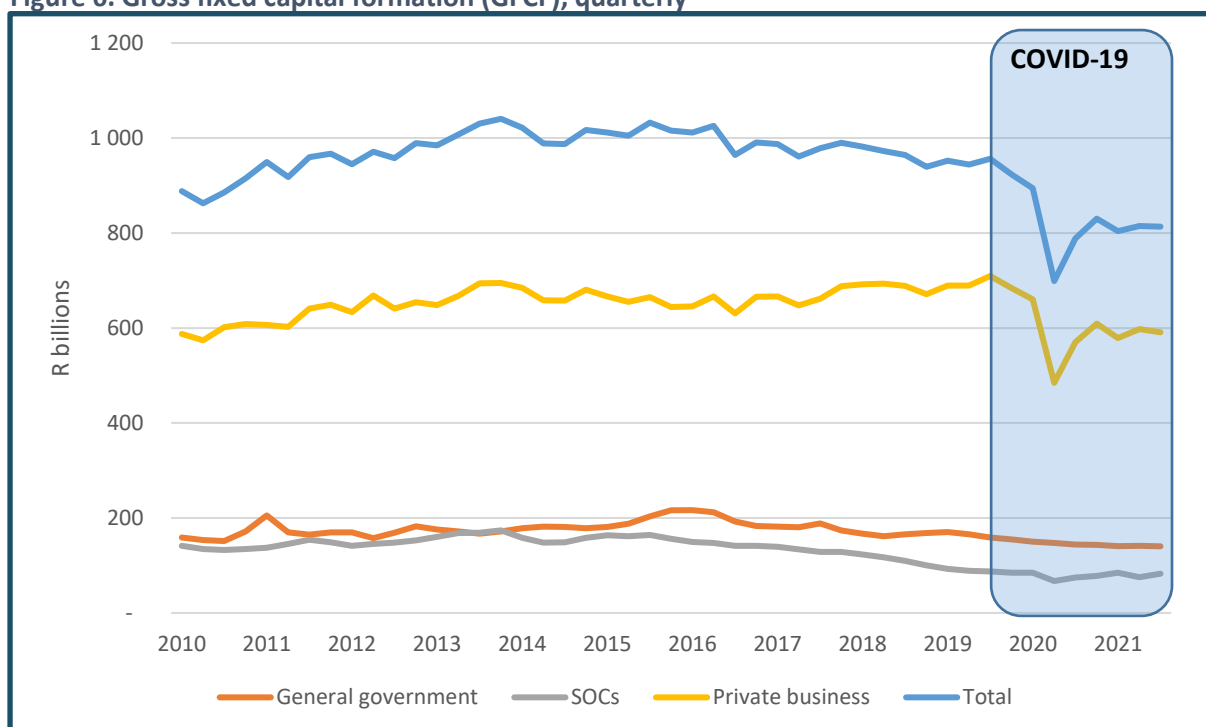
⁴ The standard international benchmark for direct investment characterises ownership of 10% or more, either individually or with affiliated entities. This is distinguished from portfolio equity investment and other forms of foreign financing, where portfolio equity and other forms of financing do not provide a significant role for the investor in the management of the firm (see (National Treasury, 2011)).

Over the period, portfolio investments decreased by 11% from R3 437 billion in Q2 2021 to R3 054 billion in Q3 2021. Direct investments increased significantly by 25%, from R2 085 billion in Q2 2021 to R2 609 billion in Q3 2021. Other investments increased by 13% from R879 billion to R990 billion over the period.

The increase in total investment followed a decrease in total investment of 2% between Q1 2021 and Q2 2021. Compared to the Q3 2020, total investments were about 5% higher in Q3 2021. Direct investments were 35% higher in Q3 2021 compared to Q3 2020. Portfolio investments were 7% higher in Q3 2021 compared to Q3 2020, while other investments were 7% lower.

Stats SA calculates gross fixed capital formation (GFCF) as part of the expenditure component of gross domestic product (GDP). The metric is an important measure of overall investment in the economy. It includes money spent on improvements to land, equipment purchases, and road and building construction. The total GFCF decreased marginally by 0.1% between Q2 2021 and Q3 2021 in constant 2021 prices, seasonally adjusted, and annualised. Stats SA reported this change as flat between the quarters (Stats SA, 2021a). Ahead of the Presidential 2022 Investment Conference, South Africa’s investment performance has been scrutinised, specifically the level of GFCF (Bulbulia, 2021b). In Q3 2021, GFCF as a proportion of GDP stood at approximately 13%, which is far below the National Development Plan goal of 30% by 2030, and below the pre-pandemic rates seen in 2019 of between 15% and 16% (TIPS, 2021). Identified issues were largely systemic and related to the need for further momentum on licensing for private sector renewables generation under 100MW; modernising port infrastructure; and reducing transport costs via rail and road (Arnoldi, 2022). The July 2021 riots were also identified as muting investment confidence.

Figure 6. Gross fixed capital formation (GFCF), quarterly

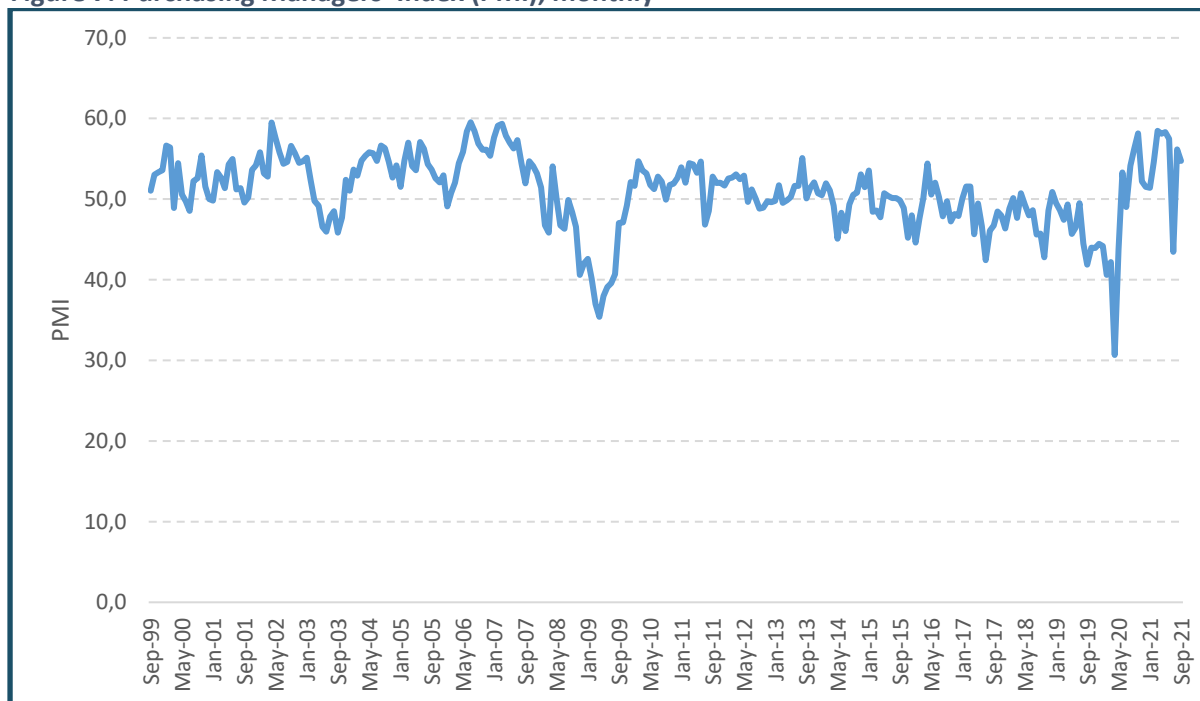


Source: (TIPS, 2021), based on StatsSA GDP data. Notes: Values are on a constant 2021 prices, seasonally-adjusted, and annualised basis. Value are deflated using an implicit deflator, rebased to Q3 2021.

Disentangling GFCF by the type of institution reveals the contributions to investment levels by the public and private sectors. In Q3 2021, private investment decreased by 1.2% from Q2 2021 in constant 2021 prices, seasonally adjusted and annualised basis. Public corporation investment levels decreased by 9.5%, and investments by general government decreased by 0.9%.

According to Stats SA, the marginal increase in total GCF was driven by opposed movements in the underlying datasets. Increases were driven by other assets⁵ (8.8%), machinery and equipment (1.8%), residential buildings (1.5%) (Stats SA, 2021b). Declining datasets were transport equipment (12.6%), Non-residential buildings (2.1%), construction works (1.5%) and transfer costs (0.4%).

Figure 7. Purchasing Managers' Index (PMI), monthly



Source: TIPS, based on PMI data by the Bureau for Economic Research (BER), 2022. Note: The PMI data are seasonally adjusted by BER.

The Absa PMI focuses on business conditions in the manufacturing sector, and points to challenges within the sector. These challenges may inform and influence investor decisions in the future. A value that exceeds a value of 50 implies an improvement from the previous month, and vice versa.

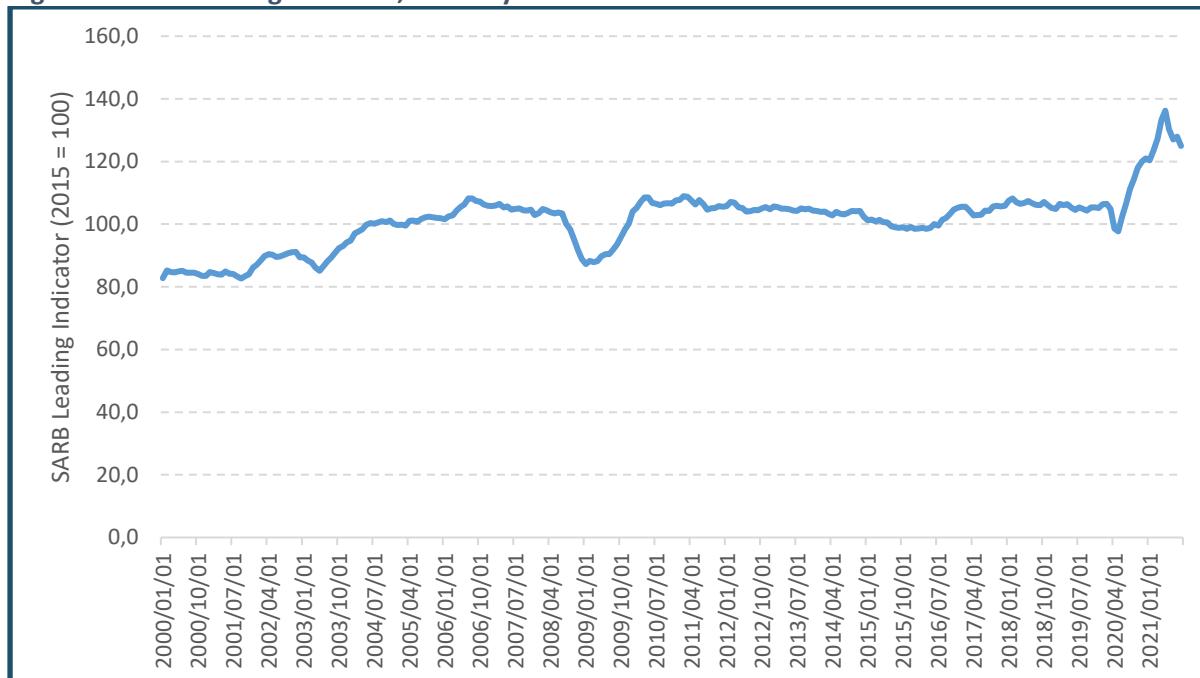
In Q3 2021, the seasonally adjusted Absa PMI declined sharply in the early quarter and subsequently recovering in the mid, while remaining fairly stable in the late quarter. The PMI decreased sharply between June and July 2021 (from 57.4 to 43.5) breaking the neutral 50 floor, then increased between July and August (from 43.5 to 57.9) and subsequently declined marginally between August and September (from 57.9 to 57.8) (BER, 2021a, 2021b, 2021c).

The initial shock in July 2021 took the PMI to the lowest level since May 2020, and was a lower level than seen during the hard lockdown in April 2020 (BER, 2022). The impacts on the PMI in July 2021 were attributed to the third wave of COVID-19 and adjusted level 4 lockdown restrictions, the July looting and riots in KwaZulu-Natal and Gauteng, and the cyber-attack on Transnet. These impacts disrupted supply chains and industrial output, and port operations in the case of Transnet. The various impacts manifested in the underlying datasets through effects on the business activity and new sales orders, which both declined significantly. Export orders were also impacted, likely due to the July riots and the Transnet security breach. In August the PMI recovered due to looting ceasing and less harsh lockdown restrictions. This was reflected in the data on business activity, new sales orders, export orders and inventories. This was in part driven by the ceasing of looting and a rise in orders within the hospitality and alcohol industries, which saw increased demand due to relaxed lockdown restrictions.

⁵ "Other assets" includes research and development, computer software, mineral exploration and cultivated biological resources.

After the erratic first two months of the quarter, the PMI stabilised in September. BER identified ongoing constraints on manufacturing from worsening global supply-side bottlenecks. These included supply and shipping constraints, the weaker rand exchange rate in late September, and the rise in the price of Brent crude oil prices (BER, 2021b).

Figure 8. SARB leading indicator, monthly



Source: TIPS, based on (SARB, 2021b).

The South African Reserve Bank (SARB) also reports a composite leading indicator that aims to predict future growth in the economy and serves as supplementary evidence for future changes in the economy. The composite leading business cycle indicator is calculated based on a number of underlying datasets that predict growth (see Appendix).

In Q3 2021, the SARB leading indicator mainly declined throughout the quarter. The leading indicator decreased in July 2021 (2.5%), increased marginally in August (0.7%), and subsequently declined in September (2.3%) (SARB, 2021c, 2021d, 2021b). The largest drivers of decreases in the leading indicator in Q3 2021 were: declines in job advertisements, the commodity price index for South Africa’s main export commodities, the number of new passenger vehicles sold, the number of building plans approved, average factory worker hours, the Rand Merchant Bank (RMB)/BER Business Confidence Index Commodity price index, and the volume of orders in manufacturing.

Barriers and constraints

The FDI Tracker aims to inform and improve policymaking by assisting the state in better understanding the environment in which investors operate. To gain deeper insight into investor experiences, the FDI Tracker captures concerns and challenges of companies. Challenges include those related to the business environment, infrastructure blockages and service constraints. In addition to barriers and constraints, the analysis highlights challenges that have been unblocked or resolved.

Three projects indicated challenges in the course of progressing their respective investment. Lockdown measures delayed certain aspects of the implementation of the Venetia Underground Project, in particular, development of the bottom of the mine due to resourcing challenges. The issues

were addressed, timelines adjusted and productivity is improving with first production on track for the third quarter of 2022.

Enaex Africa previously imported the DaveyTronic electronic detonators from Davey Bickford in France. The decision to establish a local manufacturing base – despite a successful trade relationship – was in part influenced by challenges experienced during COVID-19, and the Mining Charter’s directives concerning local content, leading the firm to review how services and products are delivered to customers (Bulbulia, 2021a). The outcome of these considerations has been positive for local investment in manufacturing.

During the construction of THE EDF Renewables Wesley-Ciskei Wind Energy Farm, COVID-19 level 5 lockdown halted construction activity for eight weeks. The impact of the delay was not significant, however, transportation of the large turbine components on South African roads was challenging.

Credibility classification

FDI pledges are subject to frequently changing plans and may not happen in the form initially announced. For this reason, the FDI Tracker assigns a subjective measure of credibility to each project, based on the standard described below.

Table 3: Classification of project by credibility of investment pledge

GRADING	EXPLANATION
Commitment	Project has been announced, but the plan lacks details (such as company commitment or clear development plan) or is too early to be substantive.
Potential	Project has been announced, shows possibility for future development and the company has a strong track record, but the plan lacks some details or there are doubts on specific aspects of the announcement.
Likely	Project has been announced, and is highly credible, often with plans that are partially in progress, such as completed feasibility studies or regulatory approval.
Construction/ implementation	Projects that are underway. Figures will be updated to reflect changes to the project during the construction/implementation period.
Cancelled	The project is no longer moving ahead.

One project qualifies as “likely”; three projects are classified as “potential”; and another is classified under commitment (see Table 4). The following analysis considers the circumstances surrounding a project, applying the credibility standard to determine the category for a project.

Likely

Arçelik is expanding its global footprint with the introduction of the Beko brand in South Africa and the region. Two stores have already been launched in Johannesburg and Durban with plans for additional investment. Arçelik has a long-standing history locally with extensive investment in South Africa through Beko’s sister brand, Defy.

Potential

Enaex Africa – previously Sasol Explosives – is a JV between Sasol and Enaex, between two firms with an extensive global footprint. Enaex Africa has already fulfilled one investment, and the proposed assembly plant and expansion project build on an established business expands existing infrastructure and creates a local manufacturing base for previously imported electronic detonators. While the project plan is sufficiently detailed, the projects have only been announced with internal company approval. The status of the progress of the plan and factors such as regulatory approval have not yet been confirmed.

Orion Minerals has provided a detailed development plan for the Okiep Copper Project with a complete scoping study, continuing exploration activity and progressing feasibility studies. The firm has further applied for additional prospecting rights to add to the existing mining rights. Orion Minerals is an established company with another project in the pipeline, the Prieska copper mine. The Okiep Copper Project could potentially supplement the flagship Prieska project.

The consortium comprising ENERTRAG, Earth and Wire, and 24Solutions is conducting a feasibility study to develop an e-methanol plant. The development plan for the project is detailed; however, neither the investment value for the feasibility study nor the specific project timeframes have been provided yet. Should the project prove to be commercially viable, construction could start in 2025 and production in 2027.

Commitment

Draslovka is subsidiary to Draslovka Holding, a global manufacturer of specialty chemicals. At the time of reporting Draslovka was waiting for the Competition Commission to make a decision concerning the acquisition Sasol's sodium cyanide business in Sasolburg. The firm plans to upgrade the facility. This is would the company's first major investment on the African continent, however, it has been operating Draslovka Services, a soil fumigation company, and the value for this future investment has been shared as well as broadly what it aims to accomplish through the investment. Since the acquisition had not yet been finalised, subject to regulatory approval it could be too early for the development plan to be substantive as details have not yet been disclosed.

Table 4: Project credibility grading

PROJECT	CLASSIFICATION
Beko brand expansion	Likely
Enaex Electronic facilities investment: Electronic Initiation Systems assembly plant	Potential
Enaex Electronic facilities investment: Bulk emulsion facility expansion	Potential
Orion Minerals Okiep Copper Project	Potential
Earth and wire; ENERTRAG e-methanol	Potential
Draslovka facility upgrades	Commitment
Defy Danskraal Warehouse	Complete
Aspen Pharmcare COVID vaccine production	Complete
Teraco JB3 Data Centre	Complete
Wesley-Ciskei Wind Energy Farm (WEF)	Complete
Mokala Manganese mine	Complete
Enaex Electronic facilities investment: Weilaagte explosives distribution plant	Complete

INVESTMENT PROFILES, Q3 2021

PROJECT NAME	VENETIA UNDERGROUND PROJECT	DEFY DANSKRAAL WAREHOUSE
Investment value	US\$2 billion	Not reported
Invest Rand value	R32 billion	R170 million
Project location: Province	Limpopo	KwaZulu-Natal
Project location: City/Town	Alldays	Danskraal
Investor firms	De Beers/Anglo American	Arçelik/Defy
Investor country	United Kingdom	Turkey
Investor city	London	Istanbul
Indicative start date	2013	Not reported
Indicative end date	2026	May 2021
Project phase	Construction/Implementation	Complete
Project type	Brownfield	Greenfield
Project industry	Mining	Services
Project sector	Mining of diamonds	Storage and warehousing
Permanent jobs	8000	130
Temporary jobs	Not reported	Not reported
Government partnership	Department of Mineral Resources and Energy	KwaZulu-Natal provincial government
Target market	Domestic, regional and international	Domestic and regional
Social Development Programme	Employee training and skills development (new Training facility)	Not reported
Project description	De Beers is transforming the Venetia Diamond mine from an open-pit to an underground mine and develop a new mining complex. The underground infrastructure consists of two vertical shaft systems for personnel transport, ore transport, routing of services, lateral access levels and shaft bottoms for the service and production shafts respectively. Surface infrastructure and other facilities will include a surface terrace hosting a main consumer substation, winder houses and headgears, an office complex, change house, concrete batch plant, compressor house, and shaft service workshop, among others. The transition will ultimately extend the life-of-mine to 2046 and produce about 94 million carats over this period. Excavation work began in 2013 and construction is expected to be complete in the next four to five years. The investment includes an operational training facility to institute transitional training of employees, in preparation for the change in the mine operation.	A distribution and warehouse facility that has the capacity to store up to 100 000m ³ of product and the ability to process loading and unloading over 200 trucks a day. The facility is strategically located to facilitate the transportation of goods to the Port of Durban 250km away, improving supply to African export markets of Defy and sister brand Beko's appliances.
Motivation	Resource seeking; increase production	Market expansion, export growth and a response to the commencement of African Continental Free Trade Area (AfCFTA)

PROJECT NAME	ASPEN PHARMCARE COVID VACCINE PRODUCTION	DRASLOVKA FACILITY UPGRADES
Investment value	EUR600 million	US\$50 million
Invest Rand value	R10.8 billion	R797 million
Project location: Province	Eastern Cape	Free State
Project location: City/Town	Gqeherha	Sasolburg
Investor firms	Aspen Pharmcare, International Finance Corporation (IFC), Proparco, Deutsche Investitions- und Entwicklungsgesellschaft (DEG), US International Development Finance Corporation (DFC)	Draslovka Holding
Investor country	United States, France and Germany	Czechia
Investor city	Washington, Paris and Cologne	Kolin
Indicative start date	June 2021	July 2021
Indicative end date	Not reported	Not reported
Project phase	Construction/Implementation	Announced
Project type	Greenfield	Upgrade
Project industry	Manufacturing	Manufacturing
Project sector	Manufacture of pharmaceuticals, medicinal chemical and botanical products	Manufacture of chemicals and chemical products
Permanent jobs	Not reported	Not reported
Temporary jobs	Not reported	Not reported
Government partnership	Department of Health, Department of Trade, Industry and Competition, The Presidency	Competition Commission; Department of Trade, Industry and Competition
Target market	Domestic and regional	Domestic and regional
Social Development Programme	Not reported	Navuka Investment Holdings is its broad-based black economic empowerment (B-BBEE) partner. Navuka will own 25% plus one share of the South African operations; localisation
Project description	The World Bank Group's International Finance Corporation (IFC) mobilised a joint funding package for Aspen Pharmcare to support the development of vaccines for African countries. Aspen will receive €600 million (R10.8 billion) from four institutions. This includes €200 million (R3.6 billion) from the IFC, €156 million (R2.8 billion) from Proparco, an arm of Agence Française de Développement (AFD Group), €144 million (R2.6 billion) from Germany's Develop DEG, and €100 million (R1,8 billion) from the United States. International Development Finance Corporation (DFC). Aspen is manufacturing COVID-19 vaccines at its new fully certified internationally accredited sterile manufacturing facility. The financing will assist Aspen refinance existing debt, strengthen the balance sheet, and support product manufacturing mainly targeting but not exclusive to vaccines.	Draslovka Holding is a Czech based global manufacturer of specialty chemicals focused on cyanide-based chemicals and agrochemicals including fumigants and biocides. Draslovka is in the process of acquiring Sasol's sodium cyanide business in Sasolburg, following which the firm has announced plans to invest in upgrading the facility and modernise the plant, improving efficiency and increase productivity. Commercially, sodium cyanide is used for fumigation, electroplating, extracting precious metal like gold and silver from ores, and chemical manufacturing. The products were previously imported into South Africa. The company's existing South African operations involve Draslovka Services operating as a licensed soil fumigation company, based in Stellenbosch. Sasol will continue to supply key feedstock, utilities and site services to Draslovka.
Motivation	Increase production capability and capacity for a new product (vaccines) in the region	Market expansion

PROJECT NAME	BEKO BRAND EXPANSION	TERACO JB3 DATA CENTRE
Investment value	Not reported	Not reported
Invest Rand value	R1 billion	Not reported
Project location: Province	Gauteng and KwaZulu-Natal	Gauteng
Project location: City/Town	Johannesburg; Durban	Isando
Investor firms	Arçelik/Beko	Teraco/Permira/Birkshire Partners
Investor country	Turkey	United Kingdom and United States
Investor city	Istanbul	London and Boston
Indicative start date	September 2021	Not reported
Indicative end date	2026	August 2021
Project phase	Announced	Complete
Project type	Expansion	Greenfield
Project industry	Services	Services
Project sector	Retail	Information Communication Technology
Permanent jobs	Not reported	Not reported
Temporary jobs	Not reported	Not reported
Government partnership	Not reported	Not reported
Target market	Domestic and regional	Domestic and regional
Social Development Programme	Localisation with future introduction of local manufacturing	Not reported
Project description	<p>Beko is a sister brand of appliances from Defy manufacturer Arçelik. The company is expanding its portfolio in Southern Africa by launching the new brand – available in Europe – in South Africa. It has launched standalone stores in Johannesburg and Durban, to be followed by further investment broadening availability over the next five years with the inclusion of Beko in the market. The company plans to open an additional eight to 10 stores over the next three years which will be operated by local business partners. Beko is already available in 20 African countries, including Nigeria, Kenya, Angola, Rwanda, Mauritius, Ghana and Tanzania, and more than 100 other countries worldwide</p>	<p>The building structure of JB3 Data Centre spans 45 000 square metres while data hall space covers 12 000 square metres with 29 megawatts of critical power load. The facility is part of the broader Platform Teraco providing information technology services to numerous enterprises. It is located at the Isando campus which now has 40MW of capacity with the addition of the JB3 facility.</p>
Motivation	Market expansion with introduction of a new brand of products	Market expansion, responding to growing demand for ICT infrastructure

PROJECT NAME	WESLEY-CISKEI WIND ENERGY FARM (WEF)	E-METHANOL MANUFACTURING PLANT
Investment value	Not reported	Not reported
Invest Rand value	Not reported	Not reported
Project location: Province	Eastern Cape	Eastern Cape
Project location: City/Town	Peddie	Humansdorp
Investor firms	EDF Renewables	ENERTRAG, Earth and Wire, 24Solutions
Investor country	France	Germany
Investor city	Leuven	Stuttgart
Indicative start date	2019	July 2021
Indicative end date	August 2021	Not reported
Project phase	Complete	Announced
Project type	Greenfield	Greenfield
Project industry	Utilities	Manufacturing
Project sector	Renewable energy	Manufacture of chemicals and chemical products
Permanent jobs	Not reported	Not reported
Temporary jobs	Not reported	Not reported
Government partnership	Eskom, Department of Mineral Resources and Energy	Not reported
Target market	Domestic	Domestic
Social Development Programme	REIPPPP economic development commitments criteria including SMME development and a community upskilling programme	Not reported
Project description	The 34.5MW wind farm comprises 10 turbines with a hub height of 117m and each blade being 63m long each standing 180 metres tall. The project was part of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) Bid Window 4.	ENERTRAG is a German renewable energy and green-hydrogen company. A consortium comprising subsidiary ENERTRAG South Africa and local companies Earth and Wire and 24Solutions plan to develop a facility that will produce 120 000 tonnes per year of e-methanol. Instead of fossil fuels, the consortium aims to manufacture the e-methanol through an electrolyser powered by renewable energy, desalinated water, with a synthesis gas derived from a mixed feedstock of biomass and unrecyclable municipal solid waste fed into a gasifier. It estimates that approximately 150MW of wind and 150MW of solar technology will be required to fully power the 120MW electrolyser, desalination plant and e-methanol plants. The desalination plant is expected to provide 110 000 cubic meters a year of water to the facility. Earth and Wire will be responsible for the delivery of the wind and solar power. ENERTRAG will be responsible for the green hydrogen and e-methanol synthesis and business. 24Solutions will oversee biomass sourcing and commercial offtake in addition to using a large portion of the e-methanol in its own telecommunications fuel-cell network. The feasibility study for the project is underway and should it prove commercially viable construction could start in 2025 and production 2027.
Motivation	Participation in the REIPPPP programme	Market entry/market opportunity

PROJECT NAME	MOKALA MANGANESE MINE	ENAEX ELECTRONIC INITIATION SYSTEMS ASSEMBLY PLANT
Investment value	Not reported	Not reported
Invest Rand value	Not reported	R16 million
Project location: Province	Northern Cape	Mpumalanga
Project location: City/Town	Hozatel	Secunda
Investor firms	Glencore/Ntsimbintle Holdings	Enaex Africa
Investor country	Switzerland/ South Africa	Chile/ South Africa
Investor city	Bologna	Santiago
Indicative start date	May 2020	June 2021
Indicative end date	September 2021	2024
Project phase	Complete	Announced
Project type	Expansion	Greenfield
Project industry	Mining	Manufacturing
Project sector	Mining of metal ores	Manufacture of chemicals and chemical products
Permanent jobs	357	Not reported
Temporary jobs	Not reported	Not reported
Government partnership	Department of Mineral Resources and Energy; Department of Water Affairs	Competition Commission; Department of Trade Industry and Competition
Target market	Domestic and International	Domestic and regional
Social Development Programme	Broad-Based Black Economic Empowerment (B-BBEE); Mining Charter related	Localisation; Broad-Based Black Economic Empowerment (B-BBEE)
Project description	Glencore (49%) and local joint-venture partner Ntsimbintle Holdings (51%) have started production at the new Mokala manganese mine. Ntsimbintle contributed the exploration and mining rights, Glencore is the project's technical partner. The partners developed the mine for an undisclosed sum. First ore from the mine was shipped in May. Mining is ramping with steady state production expected from the third quarter 2021. Mokala is an opencast mine with over 10 years' life of mine expected to produce over one-million tonnes of manganese annually. The mine also has additional underground resource. The mine further plans to install a solar power facility to reduce its carbon footprint.	Enaex Africa – previously Sasol Explosives – is a joint venture between Enaex and Sasol, specialising in the manufacture of explosives and blasting services. Enaex is the majority shareholder responsible for management and operation of Enaex Africa. It will be developing an assembly plant for the Enaex Electronic Initiation System (an electronic detonator), for the Africa region. The plant will produce detonators and at full capacity it is expected to manufacture about 800 000 detonators a year. Previously DaveyTronic detonators were imported under a distribution agreement with Davey Bickford based in France, however, supply challenges during Covid-19 and local content stipulations by the Mining Charter are some of the considerations leading to the setup of the local assembly plant.
Motivation	Resource seeking; market expansion	Market growth; security of supply

PROJECT NAME	ENAEX ELECTRONIC FACILITIES INVESTMENT: BULK EMULSION FACILITY EXPANSION	ENAEX ELECTRONIC FACILITIES INVESTMENT: WEILAAGTE EXPLOSIVES DISTRIBUTION PLANT
Investment value	Not reported	Not reported
Invest Rand value	R10 million	R15 million
Project location: Province	Mpumalanga	Mpumalanga
Project location: City/Town	Secunda	Weilaagte
Investor firms	Enaex Africa	Enaex Africa
Investor country	Chile	Chile
Investor city	Santiago	Santiago
Indicative start date	June 2021	Not reported
Indicative end date	Not reported	June 2020
Project phase	Announced	Complete
Project type	Expansion	Greenfield
Project industry	Manufacturing	Manufacturing
Project sector	Chemicals and chemical products	Chemicals and chemical products
Permanent jobs	Not reported	Not reported
Temporary jobs	Not reported	Not reported
Government partnership	Competition Commission; Department of Trade Industry and Competition	Competition Commission; Department of Trade Industry and Competition
Target market	Domestic and regional	Domestic and regional
Social Development Programme	Localisation; Broad-Based Black Economic Empowerment (B-BBEE)	Localisation; Broad-Based Black Economic Empowerment (B-BBEE)
Project description	Approved the expansion of a bulk emulsion plant to grow the company's existing capacity. There are plans for additional capacity expansion at the site and this project would be the first phase.	Enaex Africa completed the construction of an explosives distribution centre. The facility is expected to supply about 2 000 tons of explosives a month.
Motivation	Market expansion; security of supply	Market growth; security of supply

PROJECT NAME	ORION MINERALS OKIEP COPPER PROJECT
Investment value	AU\$58 million
Invest Rand value	R656 million
Project location: Province	Northern Cape
Project location: City/Town	Okiep
Investor firms	Orion Minerals
Investor country	Australia
Investor city	Melbourne
Indicative start date	August 2021
Indicative end date	Not reported
Project phase	Exploration
Project type	Brownfield
Project industry	Mining
Project sector	Mining of metal ores
Permanent jobs	Not reported
Temporary jobs	Not reported
Government partnership	Department of Mineral Resources and Energy; Industrial Development Corporation (IDC)
Target market	Domestic & International
Social Development Programme	Broad-Based Black Economic Empowerment (B-BBEE); Mining Charter related
Project description	Orion Minerals plans to develop the Okiep Copper Project. The estimated value of the project according to a scoping study is AU\$58 million (R656 million). Orion is in the process of conducting feasibility studies for the development of the foundation phase, while conducting exploration programmes. The study also estimates the project has a potential peak annual production of nine kilotonnes of copper-in-concentrate, a prospective supplement to Orion's Prieska Copper-Zinc Project. Orion Minerals exercised its exclusive option to acquire a controlling interest in the majority of the properties comprising the Okiep Copper Project, the company has also applied for additional prospecting rights to supplement the OCP mining rights. Orion intends that the mining rights be held by the New Okiep Exploration Company, which will initially be 100%-owned by Orion and the New Okiep Mining Company, which will initially be held 56.3% by Orion and 43.7% by the Industrial Development Corporation of South Africa (IDC)
Motivation	Resource seeking

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APPENDIX

Table 5. Investment-related metrics used in the analysis

METRIC	SOURCE	FREQUENCY	DESCRIPTION
Inward investment data	SARB	Quarterly	Inward investment is composed of direct investments, portfolio investments, financial derivatives, and other investments.
Gross fixed capital formation	Stats SA	Quarterly	GFCF is a component of GDP that groups transactions on the net acquisitions (acquisitions less disposals) of capital assets, both existing and new, by general government, private enterprises (i.e. private and quasi-corporations) and public corporations and in addition households and unincorporated enterprises.
Purchasing Managers' Index (PMI)	Absa/BER	Monthly	The survey is conducted by way of questionnaires to a panel of purchasing managers in the manufacturing sector. The questionnaire consists of nine questions on the monthly changes in business conditions in the manufacturing sector. Respondents indicate qualitatively whether a particular activity has increased, decreased or remained unchanged.
Leading indicator Index	SARB	Monthly	The leading indicator index aims to predict future economic activity. The index is based on job advertisements, building plans passed, interest rate spread, real M1 money supply, an index of commodity prices for export commodities, the composite leading business cycle indicator of South Africa's major trade partners, gross operating surplus as a percentage of GDP, the RMB/BER Business Confidence Index, the average number of hours worked per factory worker, the net balance of manufacturers observing an increase in the volume of domestic orders received, and the number of new passenger vehicles sold.