

Foreign direct investment projects

The [TIPS Foreign Direct Investment Tracker](#) monitors FDI projects, on a quarterly basis, using published information. This quarter 17 projects were added to the Tracker. The pledged investment value recorded for the quarter amounted to R9.8 billion from nine projects. The other projects did not report investment values. A total of 19 pre-existing projects were updated in the Tracker, largely related to the Renewable Independent Power Producer Procurement Programme (REIPPPP).

Table 1. FDI projects captured in Q4, 2022

	ANNOUNCED	FEASIBILITY	PROJECT PREPARATION	CONSTRUCTION/IMPLEMENTATION	COMPLETE
Number of projects	9	1	1	1	5
Value (R billions)	9.1	Not reported	0.06	Not reported	0.404
Industries	4 Utilities 2 Services 2 Manufacturing 1 Mining	Utilities	Manufacturing	Services	3 Utilities 2 Manufacturing
Type	Greenfield	Expansion	Greenfield	Greenfield	3 Brownfield 1 Upgrade 1 Greenfield
Company	Google Envesa/ Anglo American/ EDF Renewables Sasol/Arcelor Mittal TotalEnergies EDF Renewables AMEA Power Equinix	Pan African Resources	Orion Engineered Carbons	Vantage Data Centres	Hyundai Volkswagen South Africa (VWSA) Dräger Safety Zenith

Source: TIPS FDI Tracker database.

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

New and existing projects

Utilities

Enel Green Power projects were selected as preferred bidders in the 6th round of REIPPPP. The firm plans to develop the facilities in the North West for an estimated R2 billion¹ per project. The individual 150MW Kutlwano and Boitumelo solar plants will have an expected generation capacity between 165GWh and 205GWh per annum. They will feature battery storage facilities with a capacity of up to 500MW at each site.

¹ Based on FDI Tracker calculations.

The 100MW Doornhoek solar photovoltaic project was also among projects awarded preferred bidder status in Bid Window 6 of REIPPPP. It will be developed by AMEA Power – based in the United Arab Emirates – for about US\$120 million (R2.2 billion). The facility is expected to produce over 325GWh of renewable energy.

VWSA completed two projects this quarter at its Kariega manufacturing plant in the Eastern Cape. The firm constructed a wastewater recycling facility onsite, investing about R20 million. The facility will recycle wastewater, related to production, from various areas of the plant for further use in manufacturing. The firm further installed 3 136 solar photovoltaic panels on the roof of the manufacturing facility for an undisclosed amount. These have the capacity to generate about 2 500MWh of electricity, supplying up to 3.5% of the plant's energy needs.

Hyundai Automotive South Africa has installed solar power infrastructure across the firm's properties in Gauteng for R14 million. These properties include Hyundai's head office and various dealerships in the province. The head office features over 240 solar panels on the roof of the building, which deliver about 110kW of electricity a day. The firm is further exploring battery power storage for some of its facilities.

Anglo American and EDF Renewables have partnered to establish a new company, Envusa Energy. The company will develop a regional renewable energy ecosystem for Anglo's operations in South Africa to meet Anglo American's energy needs, and broadly contribute to decarbonisation in the country. Envusa Energy is starting with the launch of over 600MW of wind and solar projects. The value of the investment has not been reported.

Pan African Resources has completed a feasibility study exploring the expansion of the recently commissioned Elikhulu solar plant. The expansion would result in the plant being able to generate about 22MW of electricity, higher than the current 10MW produced at the Elikhulu facility. The company has not yet disclosed the value of investment.

Manufacturing

Sasol and ArcelorMittal South Africa have signed a joint development agreement intending to produce sustainable chemicals and fuels. In the Western Cape, the partners plan to initiate the Saldanha green hydrogen and derivatives study to investigate the region's potential to host an export hub. In Gauteng they further plan to explore the Vaal carbon capture and utilisation project. The study will investigate the potential of using renewable energy and green hydrogen to transform captured carbon from ArcelorMittal's Vanderbijlpark steel facility into cleaner chemicals and fuels.

Luxembourg-based Orion Engineered Carbons has committed to invest R60 million towards the development of carbon black feedstock storage facilities. The project includes upgrading key equipment, the development of two tanks for the storage of carbon black feedstock, and other infrastructure. It further entails the relocation of the liquid fuel storage facilities (Dom Pedro Tank Farm) from the Port of Port Elizabeth to the Port of Ngqura. The Dom Pedro Terminal is due to be closed. The Department of Trade, Industry and Competition (the dtic) is further providing an additional R200 million for the initiative.

VWSA completed upgrades at the firm's Kariega manufacturing plant featuring a new wax flooding facility. Wax flooding prevents corrosion by coating metal with a layer of wax. The

upgrades aim to improve production efficiency by 25% and reduces CO2 emissions by 55% for the Volkswagen Polo and Polo Vivo.

Dräger Safety Zenith, subsidiary of Dräger, manufactures safety and medical equipment including dust masks used by mining and construction companies. The company completed a manufacturing plant for about R135 million. The dtic contributed a further R81 million towards the construction of the factory in the Eastern Cape.

Mining

TotalEnergies announced plans for oil exploration off the West Coast in the Western Cape. TotalEnergies and its joint venture partners hold an exploration right over Block 5/6/7, which allows for the various exploration activities within the Block. The company intends to start by drilling one exploration well, and, based on the result, TotalEnergies would drill an additional nine wells. The firm has launched an Environmental and Social Impact Assessment study. The value of the project has not yet been reported.

Services

Google has selected South Africa as one of five countries in which the company plans to establish a new Google cloud region. The new region aims to support users, developers, business and institutions of learning. It will link users' on-site networks with Google's grid in three African countries including South Africa, the first on the continent. Services that can be accessed through Google cloud include cloud storage, compute engine, and management systems. Google plans to further leverage its private subsea cable, Equiano, which recently landed in South Africa and connects Europe and Africa.

Vantage Data Centres is constructing a second data centre campus, JNB2. The first building of the JNB2 campus will consist of a 20MW 355 000 square foot (33 000 square meters) two-story data centre and will be operational in mid-2024. Vantage is repurposing a portion of an existing warehouse for the initial phase, reducing the embodied carbon of the development. Vantage has further initiated the next phase of the development of the company's inaugural data campus JNB1 in Midrand.

United States-based firm Equinix is entering the South African market with a US\$160 million (R2.9 billion) project. The firm plans to develop a 4MW data centre, JN1, in Gauteng. The complete facility will feature a 20MW campus that spans over 9 000 square metres of colocation space.

Updates

Thirteen solar photovoltaic projects from Bid Window 5 of the REIPPPP have signed power purchase agreements (PPA) with Eskom, paving the way for the projects to proceed. These solar projects will add about 975MW to the grid once they are complete. These include projects that will be developed by the Ikamva Consortium (six projects), Engie-Pele Consortium (three projects), Scatec (three projects) and TotalMulilo with one project.

Two of EDF Renewables – and partners – projects, under Bid Window 5 of the REIPPPP achieved financial and commercial close, meaning construction can commence. These are the San Kraal and Phezukomoya Wind Energy facilities that total 280MW. EDF's third wind project under Bid

Window 5 is expected to reach the same status in early 2023. The PPA for all three projects was signed with Eskom in Q3 2022. The projects have a combined investment value of R11.5 billion.

The 100MW Redstone Concentrate Solar Power Plant is under construction and is at 45% completion. The R11.6 billion project is being developed by ACWA Power in the Northern Cape. Construction started in 2021 and the planned commercial operation date is Q4 2023. The project was awarded preferred bidder status in Round 3 of the REIPPPP programme.

The Tshwane Automotive Special Economic Zone (TASEZ) has started operating and the 10 component manufacturers that will supply Ford have commenced production. Of the R4.2 billion commitment estimated for the TASEZ, R3.62 billion has been invested. Ford recently started production of the next generation Ranger.

PepsiCo has started implementing capital investment projects that are a result of public interest commitment – totals R6.5 billion – in the firm's acquisition of Pioneer Foods. The company opened a new R300 million production line at the firm's Weet-Bix facility in the Western Cape. Further, PepsiCo implemented upgrades at company's Malmesbury Mill for an additional R60 million.

Vanadium Resources completed a definitive feasibility study for the Steelpoortdrift vanadium project. The study suggests that the project could be developed for about US\$211 million (R3.8 billion) and proposes construction of a solar power plant. The investment decision is still pending. The Steelpoortdrift project involves the open pit mining of vanadium ore.

Teraco has completed the first phase of the JB4 data centre expansion in Gauteng. The first phase of JB4 comprises 30 000 square metres of building structure, 8 000 square metres of data hall space, and 19MW of critical power load. Teraco has secured adjacent land and power for the Phase 2 expansion. The value of the project is R4.4 billion.

Nippon Telegraph and Telephone Corporation (NTT) has officially opened the Johannesburg 1 Data Centre. The facility has a capacity of 12MW, covering 6 000 square metres of IT space, and forms part of NTT's expansion into the African continent. The facility will cater to hyper-scalers and enterprises with services that include a managed hybrid cloud and application monitoring, among others. When it was announced the project was valued at R875 million.