

Foreign direct investment projects

The TIPS Foreign Direct Investment Tracker monitors FDI projects, on a quarterly basis, using published information. Twenty-four projects were recorded this quarter with an investment value of about R40.7 billion. Most of the projects reported this quarter were already under way or complete but were not captured in the Tracker. The effect of lockdown measures on individual projects becomes clearer in the second quarter, when these measures slowed the progress of existing projects. In compliance with lockdown regulations, company's adapted activities suspending operations.

Table 2. FDI projects captured in Q1, 2020

	Announced	Pre-feasibility	Feasibility	Construction/ Implementation	Complete
Number of projects	4	4	7	2	8
Value (R billions)	2.5	1.12	23.1	7.8	6.2
Industries	1 Construction 3 Mining	4 Mining	7 Mining	1 Utilities 1 Mining	4 Utilities 3 Manufacturing 1 Mining
Type	4 Greenfield	3 Expansion 1 Brownfield	3 Upgrade 1 Expansion 2 Brownfield	2 Greenfield	3 Upgrades 4 Greenfield 1 Expansion
Company	Menar BMW South Africa	Anglo American Platinum Jupiter Mines (Tshipi é Ntle Manganese Mining)	Anglo American Platinum	AB InBev/ South African Breweries (SAB) Kropz	Hyundai Menar Scatec Solar BASF, Impala Platinum & Sibanye-Stillwater Mahindra Multotec Astron Energy

Source: TIPS FDI Tracker database

New projects

BMW announced the construction of a new school in the township of Ga-Rankuwa in Pretoria, near the Rosslyn plant. Construction of the US\$6.6 million (R113 million) school is expected to start in 2021.

Australian mining company Jupiter Mines completed a concept study exploring the expansion of the Tshipi Borwa Mine. The company expects to complete the study in a year and, subject to the outcome, the total investment is expected to be R1.03 billion.

Luxembourg mining investment company Menar has four operations in South Africa: Canyon Coal, Zululand Anthracite Colliery, Kangra Coal and Sitatunga Resources. Menar has announced a R7 billion investment for coal projects between end the 2019 and 2022, with the potential for about 5 600 jobs.

Existing projects

Renewable Energy

Norway-based solar power producer, Scatec Solar, completed the development of two of three solar plants that make up a 258 MW solar photovoltaic (PV) power complex in Upington. Scatec and its partners have invested approximately R4.76 billion in the project.

Anheuser-Busch InBev (AB InBev) is rolling out the installation of solar power facilities at seven major breweries in South Africa. The investment is part of the company's 2025 global sustainability goals,

which include sourcing 100% of energy needs across manufacturing facilities from renewables. This initial investment will come to about R5.6 billion.

Multotec, a mineral processing original equipment manufacturer, completed the installation of renewable power at a moulding facility in Johannesburg. The investment value was not reported.

Hyundai Automotive South Africa completed the installation of a R3 million solar energy system at the company's parts distribution in Ekurhuleni. The investment is to reduce downtime due to loadshedding, in addition to savings in electricity costs in the long term, and environmental concerns.

Manufacturing

Astron Energy invested about R400 million to upgrade its refinery in Milnerton, Cape Town for the production of very low sulphur fuel oil that meets the new International Maritime Organisation. The refinery also produces petrol, diesel, jet fuel, liquid petroleum gas and other speciality products.

German chemical company BASF launched the Tri-Metal Catalyst, a technology that enables partial substitution of palladium with platinum in light-duty gasoline vehicles. It was developed in collaboration with Sibanye-Stillwater and Impala Platinum as co-investors.

Mahindra South Africa has opened a new specialist fitment centre in Gauteng. It was established to enable the introduction of special edition models that are designed and tested locally. The company further intends to source parts from local suppliers. The value of this investment was not reported.

Mining

Anglo American is undertaking a series of investments, including upgrades and expansions for multiple mining operations in Limpopo and one in the North West. So far, R89 million has gone towards the project studies. The combined value for these projects come to approximately R3.3 billion.

Platinum Group Metals (PTM) plans to develop the Waterberg PGM mine, an underground platinum group metals resource. The estimated investment value of the project is US\$1.06 billion (R18 billion).

Kropz is developing the Elandsfontein phosphate mine in the Western Cape. The mine was commissioned in 2017, but production stopped soon after to improve the processing plant, as well as a low phosphate price at the time. Kropz has invested about US\$120 million to date on developing the project, with a substantial portion spent on implementing green mining practices.

Updates

Google is ending the Google Station initiative, a free public Wi-Fi offering. In South Africa it was launched in partnership with Think WiFi. Google will be transferring the local operations to Think WiFi and will provide support through the transition until the end of 2020.

WeWork's Cape Town location is operating, after expansion to the city was announced in 2019. WeWork offers workspace with other locations in Rosebank and Sandton. Globally, the company has had increasing financial challenges since it filed papers for an initial public offering in August 2019. In addition to empty office spaces and closures, employees in some locations have been retrenched.

Saudi Aramco has selected Richards Bay as the location for the planned US\$10 billion (R138 billion) crude oil refinery and petrochemical plant. Saudi Aramco and the Central Energy Fund have also started working on a pre-feasibility study.

Construction at Rio Tinto's Richard Bay Minerals' R6.5 billion Zulti South project was paused at the end of 2019. The shutdown was preceded by tensions in the surrounding communities. While not related to the company, these caused disruptions. Following an intervention by provincial authorities and a three-week shut down operations were being phased in at the beginning of 2020.

Orion Minerals Prieska copper/zinc project in the Northern Cape has been granted an environmental authorisation for the Vardocube resource in the southeast extension of the Prieska orebody. This is a move towards securing a mining right for the southeast extension for the ore deposit. The investment for the project comes to about A\$378-million (R4.4 billion).