

## Foreign direct investment projects

The TIPS **Foreign Direct Investment Tracker** monitors FDI projects on a quarterly basis, using published information. Seven of the 11 projects recorded this quarter reported on the value of the investment, for a total of R10.6 billion. Further, eight projects that were previously captured in the Tracker have been updated.

**Table 2: FDI projects captured in Q1, 2022**

	ANNOUNCED	FEASIBILITY	PROJECT PREPARATION	CONSTRUCTION/IMPLEMENTATION	COMPLETE
<b>Number of projects</b>	5	2	2	1	1
<b>Value (R billions)</b>	6.7	2.5	0.15	0.5	Not reported
<b>Industries</b>	2 Utilities 1 Manufacturing 1 Mining 1 Services	2 Mining	Manufacturing Services	Manufacturing	Services
<b>Type</b>	3 Greenfield 1 Expansion 1 Brownfield	1 Brownfield 1 Expansion	1 Greenfield 1 Expansion	Expansion	Greenfield
<b>Company</b>	Ardagh Group Tronox Mineral Sands African Data Centres Sustineri Energy (Kibo /Industrial Green Energy) Solutions Eastern Platinum	Pan African Resources	Kinetiko Energy/ Afro Energy/IDC  African Data Centres	Fuchs Lubricants South Africa	Acronis

Source: TIPS FDI Tracker database

## New and existing projects

### Energy

Tronox Mineral Sands has contracted the Sola Group to develop, finance, build and operate two solar photovoltaic plants. The R3.2 billion 100MW projects are the first registered by the National Energy Regulator of South Africa (Nersa) following the amendment of Schedule 2 of the Electricity Regulation Act to allow power generation projects below 100MW to proceed without a licence. Tronox is a global US-based producer of titanium dioxide and inorganic chemicals.

Sustineri Energy is a joint venture between Ireland-based Kibo Energy (65%) and local firm Industrial Green Energy Solutions (35%). Sustineri will develop and operate a 2.7MW plastic-to-syngas power plant in Gauteng for approximately R180 million. The plant will produce electricity through a high-temperature pyrolysis process, degrading non-recyclable plastic to syngas that feeds gas engines to generate electricity and heat.

Afro Energy, a local subsidiary of Australian oil and gas exploration firm Kinetiko Energy, has partnered with the Industrial Development Corporation (IDC) to develop a gas field in

Mpumalanga. The development will be implemented through a special purpose vehicle – Afro Gas Development. The estimated project value is R155 million, with Afro Energy taking a 55% stake and the IDC accounting for the rest. The proposed gas field will consist of about 20 wells with the capacity to produce approximately 500 million standard cubic feet per annum.

## **Manufacturing**

The Ardagh Group announced plans to invest US\$200 million (R3 billion) in two new glass furnaces at locations still to be specified, and a third furnace at Consol's Nigel facility in Gauteng. The project will create more than 250 employment opportunities. This commitment follows Ardagh's acquisition of Consol. The Group supplies recyclable metal and glass packaging and is headquartered in Luxembourg.

Germany-based Fuchs Lubricants South Africa has commenced the implementation of the second phase of its expansion project on the back of the recently completed first phase. The R500-million Phase 2 includes a new lubricants plant.

## **Data centres**

Africa Data Centres announced the expansion of its capacity in Gauteng to 100MW of IT load. The firm further plans to expand hyper-scale and enterprise-focused facilities at two existing campuses in the province, with a third location still to be determined. It has already completed a data centre in the Western Cape, and plans to build a second facility. It has not disclosed the investment value of these investments. The second data centre will span 15 000 square meters in eight data halls. Africa Data Centres is part of Cassava Technologies, a technology group headquartered in the United Kingdom.

Acronis, a global provider of cyber protection solutions from Switzerland, announced the completion of its first data centre in South Africa. The new facility is one of 111 being developed by Acronis worldwide, part of a Global/Local Initiative that provides global management for data centres, among other services. The company has not published the value of its investment in South Africa.

## **Mining**

Pan African Resources has completed a definitive feasibility study for the development of Mintails, a resource that contains surface gold, in Gauteng. The plan focuses on the Mogale section of Mintails, which could be developed for about R2.5 billion. The company estimates a mineral reserve of 124 million tons of surface gold and production of 50 000 ounces a year over 13 years.

Canadian platinum and chrome producer Eastern Platinum has filed a technical report detailing plans to restart underground mining operations at the Zandfontein section of its Crocodile River Mine in the North West province. The section was placed under care and maintenance in 2013. It estimates the value of the project at US\$21 million (R360 million). The Zandfontein section has a measured and indicated resource of 3.9-million ounces of platinum, palladium, rhodium and gold.

Tronox KwaZulu-Natal Sands (part of Tronox) indicated plans to extend its Fairbreeze Mine life-of-mine to 2037. The current mine area of operation is nearing depletion. Work is ongoing to quantify the mine's additional reserves. The project will include an upgrade of the current mining

system and the mineral concentration facility. The value of the investment has not yet been reported.

## Updates

Following the South African Breweries (SAB) pledge to invest R4 billion at the national investment conference this year, the firm provided some detail of what the investment will entail. It includes R270 million to be invested into SAB's Ibhayi Brewery in the Eastern Cape. SAB will channel another R650 million into expansion of its Prospecton Brewery in KwaZulu-Natal.

The Kerry Group has completed a new €38 million (R650 million) manufacturing facility named Ikusasa in KwaZulu-Natal. The 10 000 square meter plant includes sustainable features such as solar power generation and waste heat capture. The group initially pledged R600 million during the 2019 Presidential Investment Conference, and followed up with an additional R50 million increment. The facility will create 232 job opportunities.

Swedish battery operator Polarium has opened a manufacturing plant in the Western Cape following an investment of R30 million. The facility will produce lithium battery modules, with 90% exported to the rest of Africa. It will create about 200 jobs. The investment was among those announced at the 2022 Investment Conference.

Equities Property Fund has completed the construction of a logistics campus named Khomanani in Gauteng. The project was completed for Swedish mining and excavation engineering firm Sandvik, which will lease the property. The facility was completed for about R317 million. In addition to being Sandvik's South Africa headquarters, it includes a warehouse and specialised workshops.

Pan African Resources has commissioned a 10MW solar photovoltaic plant at its Evander gold mine in Mpumalanga. The R150-million plant covers 20 hectares and comprises 26 640 solar modules. Electricity supply to the Elikhulu gold tailings retreatment plant has started. It will provide 30% of the complex's power needs, reducing the firm's carbon footprint and reliance on the national grid. Pan African Resources plans to extend the solar facility by about 12MW.

Vedanta Zinc International has approved a R7-billion investment into the Gamsberg Phase 2 expansion project in the Northern Cape, which will double the mine and plant capacity to eight million tonnes a year. Construction of the project will take 18 to 22 months, providing 2 000 to 2 500 jobs during construction and 800 to 1 000 permanent jobs on completion. The project is part of Vedanta's R21-billion commitment announced at the inaugural Investment Conference.

Enaex Africa has completed and commissioned its expanded bulk emulsion explosives plant in Mpumalanga. The R10-million facility will enable Enaex Africa to increase production output, growing its manufacturing capacity by about 20%. The firm is also investing in a R16-million electronic initiation systems assembly plant, now set for completion two years early at the end of 2022.

Fuchs Lubricants has launched the firm's newly constructed R250 million warehouse and head office in Gauteng. The development formed Phase 1 of a broader expansion programme initiated five years ago. The new facilities will support and serve the South African market exports.