



TRADE & INDUSTRIAL POLICY STRATEGIES

**Trade & Industrial
Policy Strategies (TIPS)**
is a research
organisation that
facilitates policy
development and
dialogue across three
focus areas: trade and
industrial policy,
inequality and
economic inclusion,
and sustainable
growth

info@tips.org.za
+27 12 433 9340
www.tips.org.za

Foreign Direct Investment Tracker

Quarter 4 2018

Report prepared for the Department of Trade and Industry

**Kelello Mashiane, Muhammed Patel,
and Christopher Wood**

February 2019

Contents

FDI Trends, Q4 2018	2
Categorisation of projects from the Investment Conference	2
Quarterly trends.....	2
Investment environment	7
FDI Projects, Q4 2018	9
New FDI projects	9
Updated FDI projects.....	12
Credibility classification	12
Investment Profiles, Q4 2018	14
Figure 1: Value of FDI projects by location, R' billion for Quarter 4, 2018	4
Figure 2. Value of FDI projects industry by sector, R' billion for Quarter 4, 2018	5
Figure 3: Value of FDI projects by origin, R' billion for Quarter 4, 2018.....	6
Figure 4: Value and count of FDI projects by target market for Quarter 4, 2018	7
Figure 5: Inward investment	8
Table 1: Investment stages	3
Table 2: Investment type	3
Table 3: Classification of project by credibility of investment pledge	12
Table 4: Credibility assessment for projects in Q4 2018	13

FDI Trends, Q4 2018

Categorisation of projects from the Investment Conference

With a number of projects announced at the Investment Conference it is important in analysing the investment data to ensure accurate categorisation of what constitutes a new investment project and an existing project. Some of the commitments announced were either pre-existing pledges, or build on and expand existing project plans. When pledges build on existing commitments, key details like the value sometimes include established projects in their calculation. While the conference likely played a role in reinforcing support for these projects, the blending of existing and new commitments complicates the categorisation of projects in this quarter.

Of the largest foreign investment projects, only one is considered entirely new - the commitment by Mara Corporation. Four of these projects are established initiatives (including pledges by Mercedes-Benz, Ivanplats, Sumitomo, and ACWA Power) and are already captured in the Tracker. Three pledges (including commitments by Vedanta Resources, Mondi and Anglo American) build on pre-existing initiatives, and seem to be a blend of old and new. They are captured as “new” for the purposes of the Tracker, with details of what is new and what is old explained below in the section detailing the projects. The remaining two projects by Procter & Gamble and Nestlé South Africa feature limited information and may reflect incorrect reporting on older, completed projects.

Quarterly trends

Monitoring for Quarter 4 added 18 projects not previously captured by the FDI tracker. These are a mix of projects announced during the Investment Conference held in October 2018, and announced or taking place before the conference. The quarter rounds out the year with a total pledge value for projects of R174,2 billion from 15 projects, a marked increase from the R47,7 billion recorded in Quarter 3 2018. This increase is mainly attributable to the large pledges coming out of the conference. Tracking further identified 27 864 job opportunities from six projects split into 14 500 permanent opportunities and 13 364 temporary opportunities. The largest contributor to permanent employment opportunities was the announced expansion by McDonalds creating 7 000 jobs, followed closely by the ongoing construction of a mixed-use development by UEM Sunrise, creating 6 750 jobs. The UEM Sunrise project creates the greatest number of temporary opportunities, with 11 000 jobs.



Twelve new projects were announced. These contributed R120,86 billion to the total investment value. 72% of the new project amount came from mining company Anglo American’s US\$6 Billion¹ (R86,9 billion)² project to extend the life of its operations in South Africa. Three of the projects

¹ Based on public comment by Anglo American’s Executive Head, Andile Sanqu. In the media, this has been reported as the R71, 5 billion investment.

² Calculated based on the US\$6 billion and the average exchange rate for October 2018.

announced were outside the investment conference. These include a project by Liquid Telecom South Africa, contributing R1,3 billion to the pledged investment value, and expansions by Marriott International and Agni Steel South Africa. Industrial technology and automation company, Bosch Rexroth, along with Rolls-Royce and another project by Liquid Telecom make up completed investments added to the Tracker, which also constitute projects not announced at the Investment Conference. Projects under construction were dominated by a UEM Sunrise mixed-use development with a pledged value of 35 billion, all projects under construction are also independent of the investment conference.

Table 1: Investment stages

Stage	Value (R billion)	Number
Announced	134,9	12
Complete	1,5	3
Construction	37,7	3
Total	174,2	18

Note: Numbers may not all always sum exactly due to rounding.

Most projects captured this quarter are expansions, though the largest type of contributor to the pledged investment value is upgrades, mainly due to Anglo American's R86,9 billion project. Anglo Platinum also has a project under construction entailing an upgrade of its operations in Polokwane added to the tracker this quarter, with a R2,5 billion pledged investment value. Half of the expansion projects were announced during the Investment Conference. In value terms, the largest expansion project was Vedanta Zinc International's Gamsberg mine development project with a R21,4 billion pledge. Five of the projects were greenfield investments with UEM Sunrise's Durban Point mixed-use development making up the bulk of this investment type, with a value of R35 billion.

Table 2: Investment type

Type	Value (R billion)	Number
Expansion	34,8	10
Greenfield	37,0	5
Upgrade	102,4	3
Total	174,2	18

Note: Numbers may not all always sum exactly due to rounding.

There is a natural geographical variation in investments across the country. Investment data disaggregated by province is difficult to ascertain, particularly where projects are dispersed across multiple sites (which at times may cross provincial boundaries), and due to firms being hesitant to discuss investment allocations at such a detailed level. To mitigate against inaccuracies, the Tracker uses the most current and credible data on investments sourced from publicly available sources, and in difficult cases, confirms the greatest amount of detail from investors. Using this approach the Tracker does its best to present the most accurate provincial investment activity and mitigate the margin of error; however, some margin of error is inevitable.

Monitoring identified five provinces covered by Anglo American's US\$ 6 billion (R86,9 billion) life of operations extension project namely: Mpumalanga, North West, Limpopo, Gauteng, and Northern Cape. Other than indicating that US\$ 2 billion (R29 billion) would be invested in its mine in Limpopo, the company has not reported on how the balance of the investment will be distributed across the other provinces. Renewable energy company Building Energy is developing the Roggeveld wind farm and the Krusvallei hydroelectric power plant for an aggregate R340 million. The wind farm borders

two provinces – the Western Cape and Northern Cape - with both due to benefit from the project. Liquid Telecoms South Africa Data Centre (SADC) project is another identified project with two sites –in Gauteng and the Western Cape - covered by a total R1,3 billion investment value. The value of pledged investment for these projects is apportioned across the relevant locations based on the area (in m²) of the two locations.

Projects in KwaZulu-Natal make up the bulk of the pledged investment value contributing R56 billion from three projects. These comprise the UEM Sunrise development in the construction industry (R35 billion), and a project by BP South Africa (Shell and BP South African Petroleum Refineries (SAPREF) upgrade) and Mondi in the manufacturing industry contributing a combined R21 billion to KwaZulu-Natal. In Mpumalanga and North West provinces, the Anglo American operations extension projects comprise total provincial investment, with an apportioned value of a R14, 5 billion pledged value in each province, out of the total R86,9 billion referred to above. In Figure 1, the Northern Cape Province is second to KwaZulu Natal with a pledged value of R36 billion from three projects in mining and utilities. The largest contributor to mining in the province is Vedanta’s Gamsberg mine project with R21,4 billion while Anglo’s life of operations extension project adds R14,5 billion to the investment value. The province has further gained another project in utilities with the construction of the Roggeveld wind farm by Building Energy, adding R119 million to investment in the province.

With R31,5 billion, Limpopo has the third highest pledged investment value: Anglo American’s project contributes R29,9 billion, in addition to a R2,5 billion sulphur dioxide (SO₂) abatement project by Anglo Platinum. Five projects were identified in Gauteng with only four reporting investment values. Anglo’s project was the largest contributor to the provinces total (R15,13 billion) investment value, adding an estimated R14,5 billion to the provinces mining industry. The remaining R1,3 billion is from three projects – R300 million from Procter’s manufacturing project, and two in construction, including Liquid Telecoms SADC project, with an estimated total investment of R813 million investment. The fifth project identified is in the transport industry, by Rolls-Royce, and has no reported investment value.

Figure 1: Value of FDI projects by location, R' billion for Quarter 4, 2018

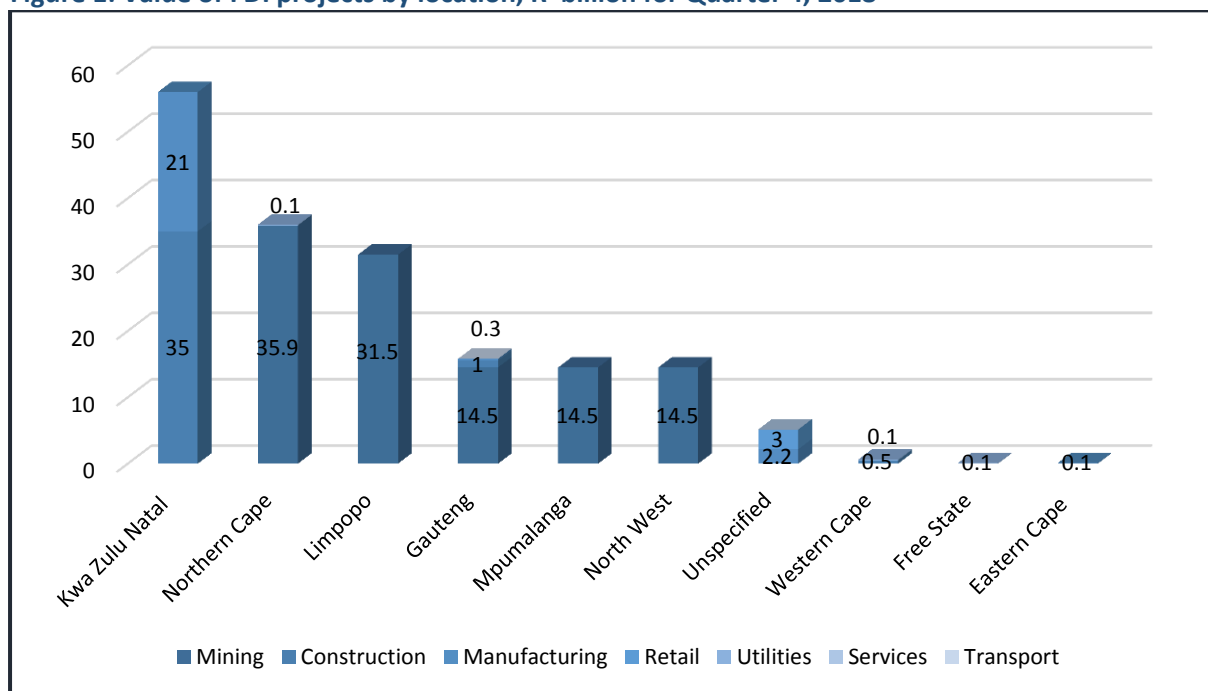
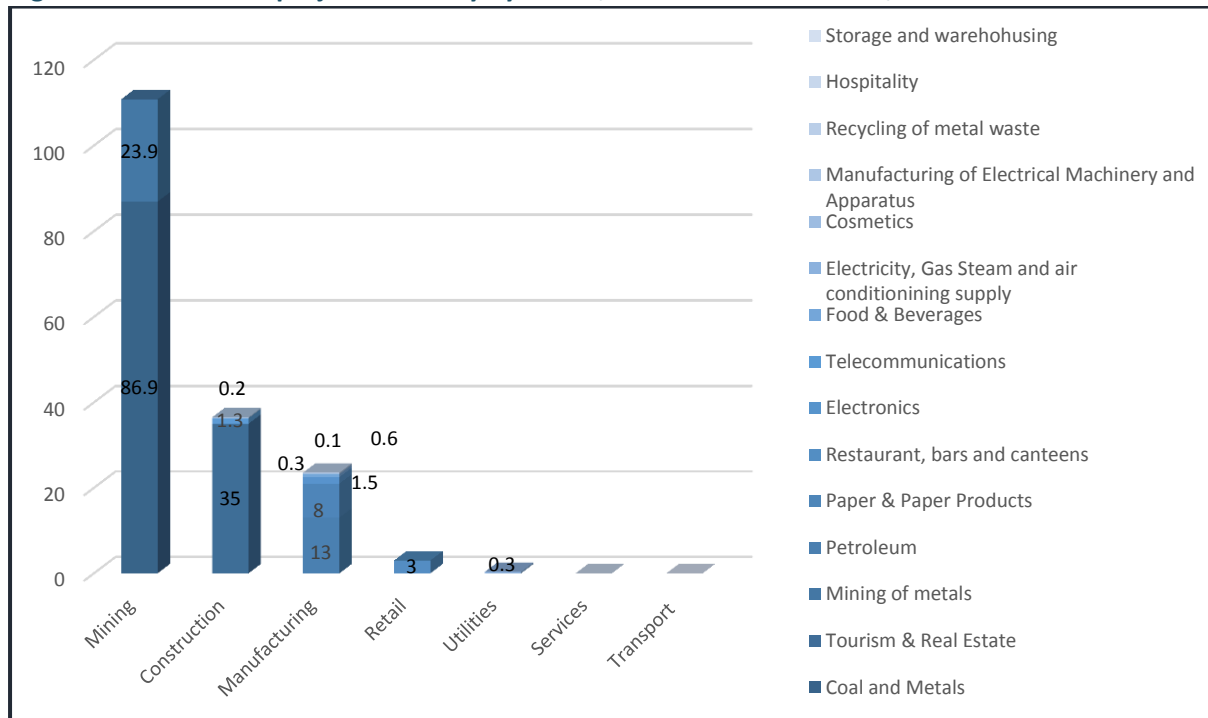


Figure 1 above also shows that the Western Cape, Free State and Eastern Cape provinces had the lowest investment values this quarter. Two projects make up the Western Cape’s total R 607 million investment value. These include Building Energy’s Roggeveld wind farm utilities project and Liquid Telecom’s SADC construction project, which contributed approximately R119 million and R488 million respectively. The Free State’s single project is in utilities with the Building Energy Kruisvallei small hydroelectric power plant comprising a R102 million investment value. The Eastern Cape also has one project, with Agni Steel South Africa’s R100 million project in manufacturing. The “Unspecified” category in Figure 1 refers to five projects for which locations were not reported or for which investment data at a provincial level could not be ascertained. This category has a total of R5,16 billion pledged investment, lead by McDonalds with its R3 billion national rollout, while the investments in services by Marriot international and Liquid Telcoms (4G/LTE network project) have no reported investment value.

Figure 2 gives a a sectoral breakdown of investments this quarter. The largest investment in mining is in metals with the investments by Anglo American and Vedanta. Manufacturing has the highest number of project sectors with 6 investment pledges. The biggest contributor is from petroleum, with BPSA’s R13 billion upgrade of SAPREF, followed by paper and paper products on account of Mondi’s R8 billion investment. Construction is second to manufacturing with 3 sectors contributing to investment. The tourism and real estate sectors contribution occurs through EUM’s mixed-use development, and the telecommunications sector contributes through the Liquid Telecom’s SADC project. Services and transport had no reported investment values to record this quarter. This investment comprises the investment in hospitality through Marriott International’s expansion plans. In terms of transport, the storage and warehouse sector gained from Rolls-Royce’s investment in a lease storage facility.

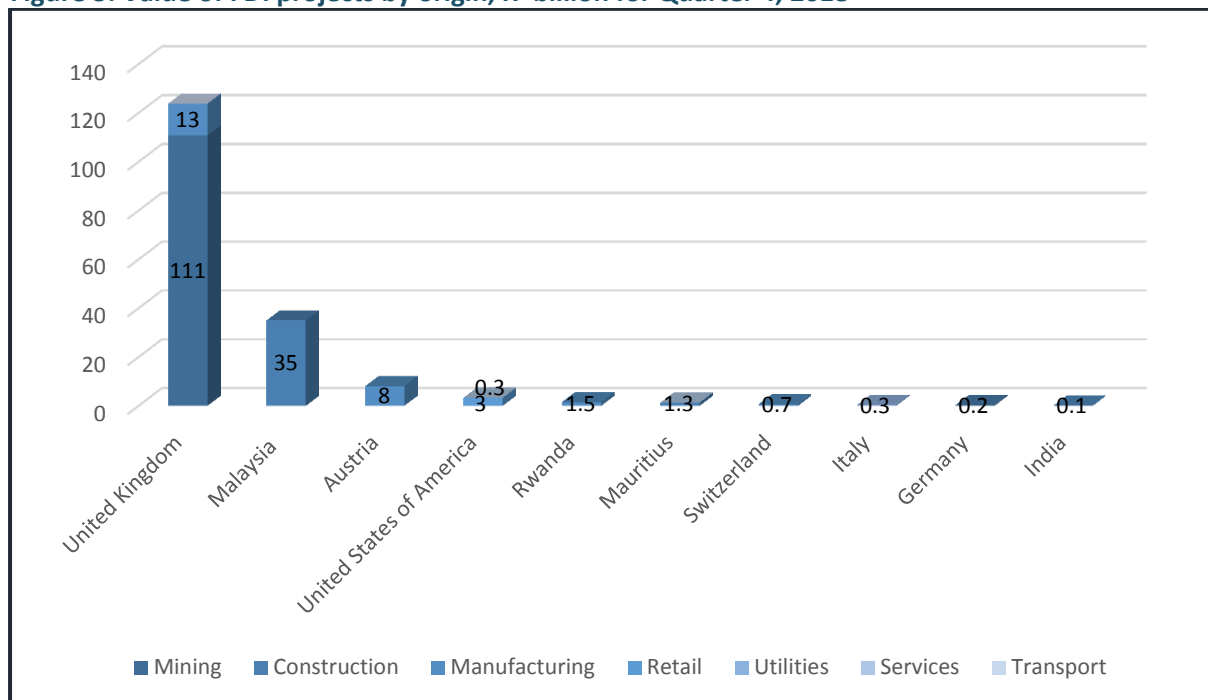
Figure 2. Value of FDI projects industry by sector, R’ billion for Quarter 4, 2018



European countries lead investment this quarter in both investment value and number of investments (see Figure 3). The United Kingdom (UK) has the highest single investment value, with

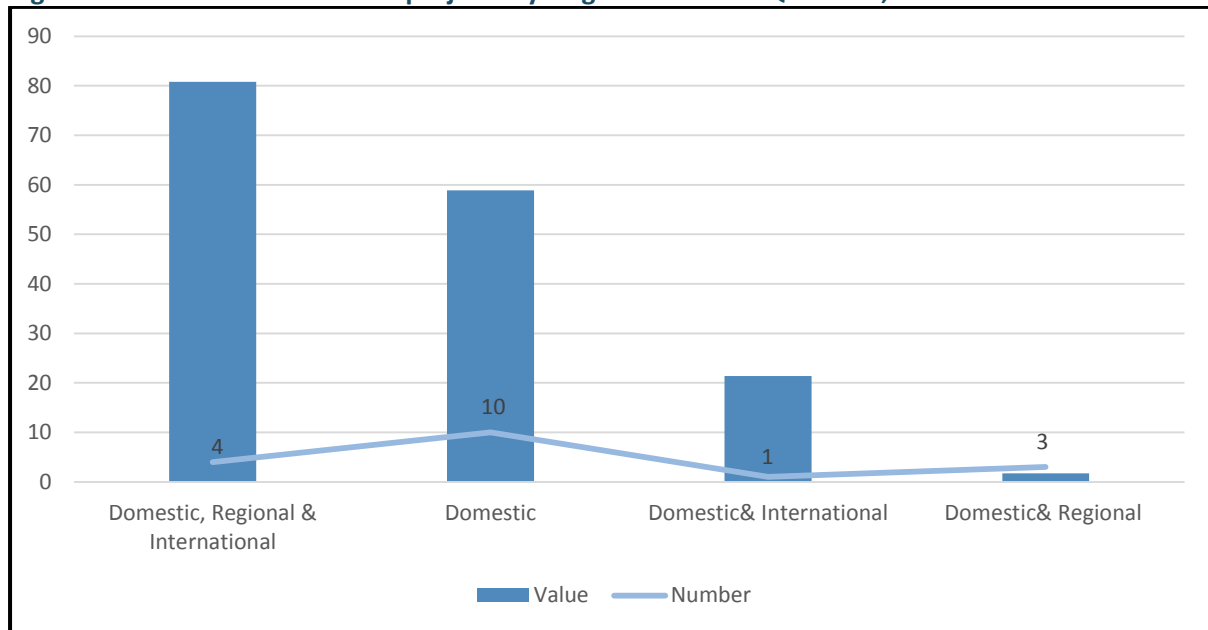
five investments and the most projects of this quarter. The biggest contributors to the UK's investment are projects in mining from Anglo American with two projects contributing a combined R89,4 and Vedanta with its R21,4 billion project. After the UK, Malaysia headquartered UEM Sunrise contributed the second highest pledged investment value (R35 billion). In terms of number of investments, the United States of America (US) has the second highest number, with three companies having pledged to invest - including Procter and Gamble's R300 million investment announced during the Investment Conference.

Figure 3: Value of FDI projects by origin, R' billion for Quarter 4, 2018



As in the previous three quarters of 2018, most investments target the domestic market (see Figure 4). This picture changes when analysing investment values however, where combined domestic, regional and international investment is the largest, on the back of Anglo American's expansion plans. Three investments have a domestic and regional outlook while only the Vedanta investment targets combined domestic and international markets.

Figure 4: Value and count of FDI projects by target market for Quarter 4, 2018

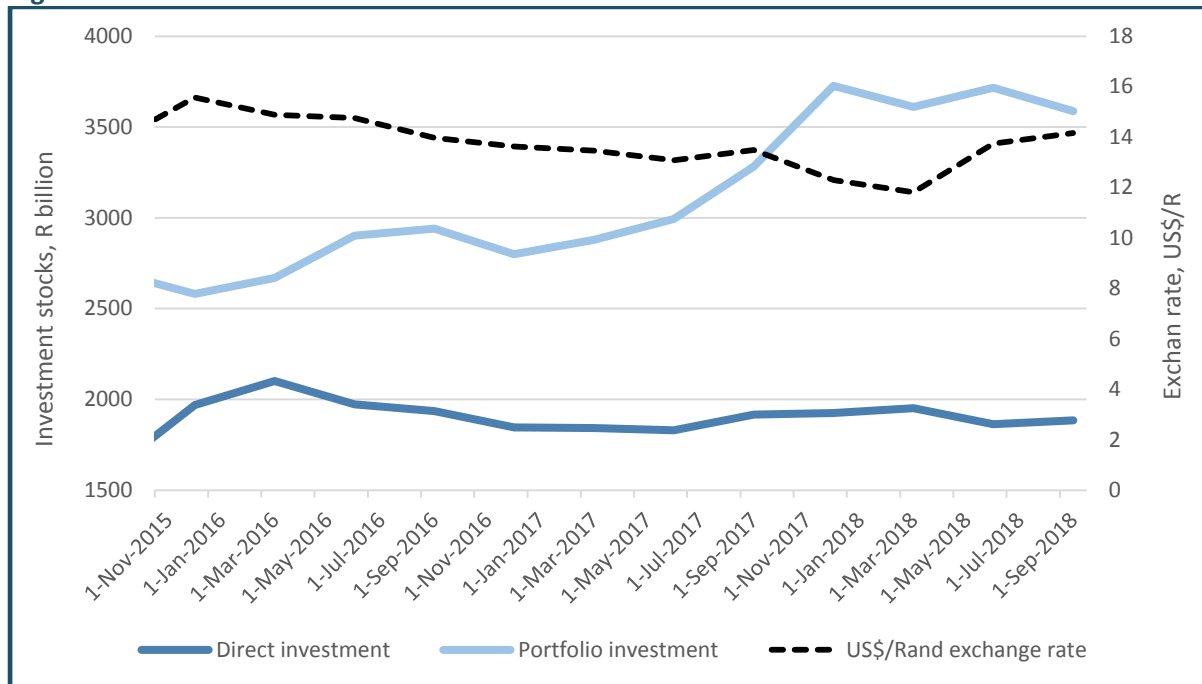


Investment projects that were associated with social benefit programmes were identified to be fewer in number in this quarter, relative to previous quarters. Unlike the 17 programmes from Quarter 3, 2018, monitoring recorded 7 programmes – from five projects – of which only three are renewable projects. As with all renewable energy projects under the Renewable Energy Independent Power Producer Programme (REIPPP) they have to comply with the stipulated requirements for socio-economic development, including local content, community development and local suppliers. Broad-Based Black Economic Empowerment (B-BBEE) partnership is represented by one project while employee training and development features in two projects.

Investment environment

Following a decrease in the previous quarter, direct investments show an improvement (see Figure 5). This is despite the deterioration of the rand, as investors increased loan financing extended to the domestic private sector with the exception of the banks, according to the South African Reserve Bank (SARB). On the opposite end, portfolio investments experienced a decline. The SARB sees it likely due to the sales of domestic equity securities by non-residents countering the US\$1, 5 billion in international bonds issued by a public corporation.

Figure 5: Inward investment



Source: SARB, South Africa's international investment position, downloaded 28/01/2018

FDI Projects, Q4 2018

New FDI projects

The largest investment commitment at the investment conference was by Anglo-American and it represents a general pledge to investment in Anglo's core assets, rather than a major expansion or a new project. According to comments by Anglo American South Africa Executive Head, Andile Sangqu, US\$6 billion (R86,9 billion) will be spent on, "*sustaining and extending the lives of our mining operations in South Africa, ...preserving 72 000 jobs at our operations, stimulating the regional economies of Limpopo, Mpumalanga, North West, and Northern Cape where many of our mining operations are located in South Africa.*" Specific details on the investment are not available, beyond the timeline for rollout of between 2018 and 2022. In addition, US\$2 billion (R29 billion) of the investment includes the proposed extension of the Venetia diamond mine, an existing project already captured in the FDI Tracker. The Tracker further added (as a new project) Anglo Platinum's R2,5 billion Polokwane sulphur dioxide (SO₂) abatement project, under construction as of August 2018. A brief description of the project is provided below. For the purposes of the Tracker, it was captured separately and will be monitored to determine if Anglo American included this amount in the overall investment pledge or if it is separate.

Anglo American's pledge follows years of restructuring, which follows from the instability at the end of the global commodity super-cycle in 2013. The restructuring included efforts to sell many of Anglo's existing assets to new local owners, while maintaining marketing and offtake arrangements with the new owners. This has resulted in the company cutting the number of mines it owns in South Africa from 31 to 17, with global mine ownership by Anglo reduced from 68 to 37 mines. The investment pledge now appears to indicate a second stage of this restructuring, in which Anglo moves from offloading mines, towards a consolidation of remaining assets and investment in the higher-quality mines that it continues to own.

In an effort to minimise the environmental impact of mining activity Anglo Platinum (Amplats) is implementing an SO₂ abatement project at its smelter in Polokwane, Limpopo. The project is more importantly a measure to comply with new Minimum Emissions Standards for SO₂ issued by the Department of Environmental Affairs. The plant will implement new Wet Sulphuric Acid (WSA) Technology, which is predicted will reduce SO₂ emissions by approximately 92% to deliver targeted abatement levels at the Polokwane smelter. The WSA process captures SO₂ gas from the furnace, converting it into sulphuric acid. This will be the first time WSA technology is applied in a Platinum Metals Group (PMG) electric arc furnace to produce high strength acid. The company asserts that the technology will ensure its operations meet the Anglo American Group's air quality standard goals in addition to international best practice standards.

Vedanta's R21,4 billion pledge to invest in two zinc mines likely refers to Phase 2 of the company's Gamsberg megaproject. The Gamsberg project aims to create three zinc mines - a concentrator, a zinc smelter and refinery complex. These projects and the related infrastructure would be at the company's site in the Northern Cape. Phase 1 of project began in 2015, with blasting and mine preparation, reaching completion in 2018. The concentrator plant and key infrastructure, such as power lines and water supply, similarly reached completion in 2018. The company is now undertaking feasibility studies on the zinc smelter and refinery, as well as on the next two phases of the mine project. Feasibility is also to be conducted on projects that link Gamsberg to a broader hub incorporating the nearby Black Mountain Mining site and Skorpion Zinc in Namibia. Understanding exactly what is included in the Investment Conference pledge is complex. The initial phase of

development cost US\$400 million, while the smelter complex is expected to cost a further US\$700 million. The next phase could cost between US\$350 and US\$400 million. A number of combinations could thus be included in the R21, 4 billion pledge, but in the short term, it seems likely the investment project will coalesce around the projects already under feasibility study, namely phase 2 of the mine and the zinc smelter.

Mondi's R8 billion investment pledge is billed as expanding the company's capacity, with Chief Executive Viv McMenamin stating that the investment demonstrates Mondi's commitment to South Africa and its attempts at "*reaching across the table*" to improve the country. However, no details are yet available on the project. Mondi maintains two plants in South Africa, in Merebank and Richards Bay, and there is evidence that the company has been shifting certain production lines in and out of the plants. In 2018, Mondi cut the production of newsprint at its Merebank plant, citing "*the accelerated rate of local demand decline*", and cut back on wood pulp production at Richards Bay. While these trends seem to complicate the picture of positive investment, they primarily result from investment pushes by Mondi in select factories in key emerging markets, such as Syktyvkar in Russia and Świecie in Poland. Thus, the pledge may indicate a commitment to similar investments in South Africa. Initial moves may already have begun with the company having recently begun scaling up production of uncoated fine paper at its Merebank plant, aiming to produce 70 000 tons of the paper product targeting the local market.

Rwanda's Mara Corporation announced plans to build a R1,5 billion facility in South Africa, aimed at producing the company's first mobile phone, the Mara X. The company had previously announced its intention to locate production of the first African-built phone in South Africa and Rwanda, but details remain limited. The phone's initial launch date of Q2 2018 appears to have been pushed back, and does not seem to align with yet-to-be-built facilities on the continent. Further information is required on the project, which appears to remain unclear.

Completing pledges that emerged from the Investment Conference -pertinent to the Tracker- are announcements by Procter & Gamble (R300 million) and Nestlé SA (R663 million). Limited details are available on either of the investments, including from company sources. Reporting with respect to Procter and Gamble's plans indicate the company intends to use the investment to increase sanitary pad facilities and to add 300 jobs to its 3000-employee complement in South Africa. The aim of Nestlé SA's investment is not clear with one report citing capital expenditure starting in 2017 while another suggest the company plans to implement of green technologies and strengthening the brand. These projects have been entered into the FDI Tracker and flagged for further monitoring to determine if the investments are new and not misreporting of older projects previously undertaken by the companies.

Outside of the Investment Conference, Rolls Royce's civil aerospace division announced the opening of a lease-engine storage facility at O.R. Tambo International Airport, which will aim to offer additional servicing to engine-lease customers. The facility will be located at South African Airway's Technical (SAAT), which is the wholly owned SAA subsidiary that provides maintenance to SAA, Mango, and Comair. A training programme that helps SAAT staff in conducting inspections and on-wing servicing of Rolls-Royce engines, will accompany the facility.

Three new consumer-focused retail investments were announced and indicate confidence in the growth of the consumer market in South Africa.

McDonalds announced a major expansion of the company's operations in the country, committing to R3 billion in investment that supports 7 000 jobs at 120 new restaurants opening over the next

five years. The company also pledges to open a “*Hamburger University*” in Johannesburg, which will provide additional training to the company’s 12 000 local employees, offering support to career paths that include “crew, restaurant managers, mid-managers and executives.”

Marriott International, the owner of Protea Hotels and Starwood Hotels, announced a US\$250 million expansion across several African countries, including South Africa. Details of the plans are not available but they include the acquisition of five new hotels. The value of activity that is specific to South Africa is not clear at present.

Mauritius-headquartered Zimbabwean group Liquid Telecom, which acquired Neotel in 2017, announced that it will establish a 4G mobile network in South Africa, potentially adding further competition to the mobile network market. The company reports that it plans to provide services to Internet Service Providers (ISPs), and through its own mobile network offering. The company has also completed its investment in expanding data centre facilities, with a launch in Johannesburg earlier in the year. Recognising international and domestic demand for cloud server space, the company built two data centres in the country - one in Johannesburg and the other in Cape Town. They are referred to as South Africa Data Centre (SADC) in light of them being carrier-neutral and in order to emphasise their independence from Liquid Telecom. The data centres do not carry the Liquid Telecom branding. In fact, Liquid Telecom is expected to procure services from the facilities on the similar terms to other clients. The Johannesburg facility spans 3 000 m² of rack space with a total power capacity of 7 MW while Cape Town covers 1 800 m² of rack space with a 5.5 MW capacity. The facilities host around 100 customers globally including large enterprises, ISPs and other telecoms operators. They are connected by fibre routes of major telecoms carriers in South Africa and customers can also connect to INX-ZA’s Johannesburg Internet Exchange at the Johannesburg South Africa Data Centre facility, or the Cape Town Internet Exchange point at Liquid Telecom’s facility in Cape Town. This is the first phase of the company’s five year expansion plan to increase space at the facilities five-fold.

Bosch Rexroth South Africa, an industrial machinery, hydraulics and technology company, launched its high-tech facility, the Rexroth Hytec Unified by Bosch (HUBB). The German-headquartered company invested R 200 million into the construction of the Rexroth HUBB, following the takeover of Hytec Holdings completed in March 2018. This followed a longstanding partnership between Bosch and The HUBB, which houses the Bosch Rexroth Group of Companies. Bosch Rexroth Group of Companies in turn comprises six firms: Hytec, Automation, Hytec Services Africa, Hagglunds, Tectra, HYSA, and Bosch Rexroth Africa. The companies completed their move into the new facility in June that year with the official inauguration of the building, taking place in October. The new facility boasts centralised training facilities, engineering, sales and support offices. Housing the Bosch Rexroth group of companies in one facility allows for the consolidation of the group’s internal business activities. Sharing the premises with Bosch Rexroth’s South African product development and support divisions further consolidates the Hytec Group/Bosch Rexroth.

Italian energy firm Building Energy will be developing two renewable projects, a wind farm in the Karoo and a small hydroelectric plant in the Free State Province, for a combined R340 million. The 147 MW Roggeveld Wind Farm will comprise 40 AW125/3150 and seven AW125/3000 wind turbines, to be sourced from European wind turbine manufacturer Nordex/Acciona. These turbines will generate about 613 GWh/y of electricity, enough to power roughly 49 200 households and it is expected to become Southern Africa’s most efficient wind farm. The Kruisvallei small hydroelectric plant is a 4.7 MW power plant that can generate about 28 GWh/y of energy and power more than 2 330 households. The plant will also save 23 800 tons of emissions. Both projects were granted

preferred bidder status in the fourth round of the South African Department of Energy’s REIPPP in April 2015.

Agni Steel South Africa is expanding its facility at the Coega Industrial Development Zone, which is being rolled out in three phases. The Eastern Cape Department of Economic Development and Tourism approved the Phase 2 and Phase 3 expansion. Phase 1 is complete and comprised the installation of a set of induction furnaces for reclaiming scrap metal. The induction furnaces had a capacity of 25 tons and produced 90 000 tons of mild steel billets a year. Phase 2 entails the addition of a ladle furnace and two more induction furnaces that will double production and allow for production of 180 000 tons of steel billets a year.

BPSA’s planned upgrading of its SAPREF refinery indicates some progress on the ongoing stand-off between government and petroleum refineries on upgrading to cleaner fuel standards. Durban-based SAPREF is a joint venture between BP and Shell, and is the country’s largest crude refinery, accounting for 35% of South Africa’s refinery capacity. The R13 billion project aims to, introduce cleaner standards like D50 and D10, and will require the plant to shut down between May and June 2019.

Finally, a selection of investment opportunities in KwaZulu-Natal has been compiled by Trade and Investment KwaZulu-Natal, and includes projects with opportunities for foreign investment. While some of the projects appear to be in project-preparation stage, they are nevertheless worth noting as potential new projects. Projects include a mixed-used property development at eThekweni’s Point Waterfront area led by Malaysian group UEM Sunrise. It will feature residential units, restaurants and retail outlets, five-star and six-star hotels, A-grade and B-grade office blocks, and a beachfront promenade with public amenities. The project is being rolled out in three phases with the aim of contributing to the socio-economic development of the area.

Updated FDI projects

Four projects mentioned that were unannounced at the Investment Conference – namely Mercedes-Benz’s R10 billion investment in its East London plant, Ivanplat’s R4, 5 billion Platreef project, Sumitomo’s R963 million investment in a new Ladysmith manufacturing facility, and ACWA’s solar power plant investments – represent existing projects captured in the investment database. Details on the Mercedes-Benz investment can be found in the [Q1/Q2 2018](#) report, while details on the ACWA and Sumitomo investments can be found in the [Q3 2018](#) report.

Credibility classification

FDI pledges are subject to frequently changing plans, and may not materialise 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
Uncertain	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.

Credible	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.

Table 4 shows the credibility ranking of projects added or updated during Q4 2018. Four projects are considered particularly uncertain. Mara Corporation's project is classified as uncertain because of a lack of publicly available information, a lack of apparent progress on approvals or construction planning, and the inconsistency of the company's announcements on timelines for the production of the Mara X mobile phone. The projects of both Nestlé SA and Procter & Gamble are considered uncertain because minimum information is not available on either, and because of limited reporting on the projects by only a few news outlets. UEM Sunrise's development is classified as uncertain because the project seems to still be seeking funding, and because of ongoing regulatory issues around the development of the Point area in eThekweni.

Table 4: Credibility assessment for projects in Q4 2018

Project	Credibility
ACWA Power solar plants	Construction
SAPREF upgrading	Credible
Anglo American reinvestment	Credible
Vedanta Resources zinc mines	Credible
Mercedes Benz East London plant expansion	Credible
Ivanplats Platreef project	Credible
McDonald's expansion	Credible
Marriott International Africa expansion plans	Credible
Rolls-Royce SAAT Lease Storage Facility	Credible
Mondi export capacity investment	Potential
Liquid Telecom 4G/LTE Network	Potential
Mara Corporation cellphone manufacturing plant	Uncertain
Nestle SA unspecific investment	Uncertain
Procter & Gamble unspecific investment	Uncertain
UEM Sunrise mixed use development	Uncertain
Liquid Telecom South Africa Data Centre (SADC) Expansion	Complete
Anglo American Operations Life Extension	Credible
Bosch Rexroth Hytec Unified by Bosch (HUBB)	Complete
Anglo American Polokwane sulphur dioxide (SO ₂) abatement project	Construction
Agni-Steel SA Expansion Project	Potential
Roggeveld Wind Farm	Construction
Kruisvallei small hydroelectric plant	Potential

Investment Profiles, Q4 2018

Liquid Telecom South Africa 4G/LTE Network and roaming services	
Invest Value	Not reported
Invest Rand Value	Not Reported
Project location: Province	National
Project location: City/Town	National
Investor firms	Liquid Telecom South Africa
Investor country	Mauritius
Investor city	n/a
Indicative start date	2017
Indicative end date	2018
Project phase	Announced
Project type	Expansion
Project industry	Services
Project sector	Telecommunications
Permanent jobs	Not Reported
Temporary jobs	Not Reported
Government partnership	Unspecified
Target market	Domestic
Social Development Programme	Unspecified
Project description	Liquid Telecom will build a fully aligned 4G/LTE network across the country. In addition it will offer its whole roaming service countrywide. It will provide open- access to its network using 1800 MHz band spectrum to mobile operators and internet service providers.
Motivation	Part of the company's expansion strategy in an effort to provide telecommunication services in underserved areas.

Liquid Telecom South Africa Data Centre (SADC) Expansion	
Invest Value	Not Reported
Invest Rand Value	R 1, 3 Billion
Project location: Province	Gauteng and Western Cape
Project location: City/Town	Johannesburg and Cape Town
Investor firms	Liquid Telecom South Africa
Investor country	Mauritius
Investor city	n/a
Indicative start date	30/01/2018
Indicative end date	Unspecified
Project phase	Announced
Project type	Expansion
Project industry	Construction
Project sector	Telecommunications
Permanent jobs	Not Reported
Temporary jobs	Not Reported
Government partnership	Unspecified
Target market	Domestic, Regional and International
Social Development Programme	Unspecified
Project description	<p>The Johannesburg facility spans 3000 m2 with a total power capacity of 7 MW while Cape Town covers 1 800 m2 of rack space with a 5.5 MW capacity. They are connected by fibre routes of major telecoms carriers and customers can also connect to INX-ZA's Johannesburg Internet Exchange at the Johannesburg South Africa Data Centre facility, or the Cape Town Internet Exchange point at Liquid Telecom's facility in Cape Town. The data centres are referred to as South Africa Data Centre (SADC) in light of being carrier neutral and not carrying the Liquid Telecom branding. They are independent from Liquid Telecom, which is expected to procure services from the facilities as any other client. This is the first phase of the expansion with plans to increase space at the facilities five-fold over the next five years. The facilities currently host around 100 customers globally including large enterprises, internet service providers and telecoms operators.</p>
Motivation	Response to market demand for cloud server space domestically and internationally and an effort to ensure hosting services are provided on African continent.

Marriott International Africa expansion plans

Invest Value	US\$250 Million
Invest Rand Value	Not Reported
Project location: Province	Unspecified
Project location: City/Town	Unspecified
Investor firms	Marriott International
Investor country	United States of America
Investor city	Maryland
Indicative start date	31/12/2018
Indicative end date	Unspecified
Project phase	Announced
Project type	Expansion
Project industry	Services
Project sector	Hospitality
Permanent jobs	Not Reported
Temporary jobs	Not Reported
Government partnership	Unspecified
Target market	Domestic, regional and international
Social Development Programme	Unspecified
Project description	<p>South Africa is one of five countries in which Marriott will establish new hotels. The projects will generate substantial economic activity. The US\$ 250 Million includes South Africa, the company has however not indicate how much will be allocated to activities in South Africa.</p>
Motivation	<p>Expansion drive across Africa in response to demand for select-service brands and property conversion opportunities. It is also tapping into the tourism potential of the continent. The investment reinforces its commitment to Africa.</p>

Rolls-Royce SAAT Lease Storage Facility	
Invest Value	Not Reported
Invest Rand Value	Not Reported
Project location: Province	Gauteng
Project location: City/Town	Kempton Park
Investor firms	Rolls-Royce
Investor country	United Kingdom
Investor city	London
Indicative start date	Unspecified
Indicative end date	4/10/2018
Project phase	Complete
Project type	Expansion
Project industry	Transport
Project sector	Storage and warehousing
Permanent jobs	Not Reported
Temporary jobs	Not Reported
Government partnership	South African Airways (SAA), Department of Trade and Industry (the dti) through the National Industrial Participation Programme (NIPP)
Target market	Domestic and regional
Social Development Programme	Employee training and development
Project description	A lease engine storage facility, a first in Africa for Rolls Royce. The facility has the capacity to store the full range of Rolls-Royce engine types which can meet the requirements of airline and business jet customers. The facility is located at the South African Airways Technical (SAAT) site at O.R. Tambo International Airport.
Motivation	The company is in the process of developing services and increasing capacity across Africa.

UEM Sunrise Mixed Use Development (p 23)

Invest Value	Not Reported
Invest Rand Value	R35 million
Project location: Province	KwaZulu-Natal
Project location: City/Town	Durban
Investor firms	UEM Sunrise
Investor country	Malaysia
Investor city	Kuala Lumpur
Indicative start date	7/7/15
Indicative end date	2030
Project phase	Construction
Project type	Greenfield
Project industry	Construction
Project sector	Tourism and real estate
Permanent jobs	6750
Temporary jobs	11 000
Government partnership	eThekwin Municipality (50% Partnership)
Target market	Domestic
Social Development Programme	B-BBEE partner (19% Rockpoint)
Project description	<p>A beachfront / waterfront mixed-use development that will feature residential units, restaurants and retail outlets, five-star and six-star hotels, A-grade & B-grade office blocks, and a beachfront promenade with public amenities. The project is being rolled out in three phases.</p>
Motivation	<p>Waterfront developments have historically yielded good results in turning marginal / underutilised land into high end retail, restaurants and accommodation while contribute to the socio-economic development of the area. The concession of the land by the municipality along with existing investments in the area.</p>

Mondi export capacity expansion	
Invest Value	Not reported
Invest Rand Value	R8 billion
Project location: Province	National
Project location: City/Town	National
Investor firms	Mondi
Investor country	Austria
Investor city	Vienna
Indicative start date	Oct 2018
Indicative end date	Unspecified
Project phase	Announced
Project type	Expansion
Project industry	Manufacturing
Project sector	Paper and paper products
Permanent jobs	Not Reported
Temporary jobs	Not Reported
Government partnership	Unspecified
Target market	Domestic, regional and international
Social Development Programme	Unspecified
Project description	The project aims to expand the company's export capacity. Specifics on the project are not yet available.
Motivation	Streamlining global operations.

Mara Corporation Manufacturing Facility

Invest Value	US\$100 million
Invest Rand Value	R1,5 billion
Project location: Province	National
Project location: City/Town	National
Investor firms	Mara Corporation
Investor country	Rwanda
Investor city	n/a
Indicative start date	2019
Indicative end date	Unspecified
Project phase	Announced
Project type	Greenfield
Project industry	Manufacturing
Project sector	Electronics
Permanent jobs	0
Temporary jobs	0
Government partnership	Unspecified
Target market	Domestic and regional
Social Development Programme	Unspecified
Project description	The company is investing in the production of the company's first mobile phones, the Mara X. It intends to launch it as part of Google's Android One portfolio, running the Android 8.0 Oreo operating system.
Motivation	Developing a manufacturing base of mobile phones made in Africa.

McDonalds expansion	
Invest Value	US\$206 million
Invest Rand Value	R3 billion
Project location: Province	National
Project location: City/Town	National
Investor firms	McDonald's Corporation
Investor country	United States of America
Investor city	California
Indicative start date	October 2018
Indicative end date	2023
Project phase	Announced
Project type	Expansion
Project industry	Retail
Project sector	Restaurant, bars and canteens
Permanent jobs	7 000
Temporary jobs	0
Government partnership	Unspecified
Target market	Domestic
Social Development Programme	Employee skills and training
Project description	McDonald's South Africa plans to open an additional 120 restaurants over the next five years. The expansion includes a new "Hamburger University" in Johannesburg to improve the skills of its 12 000 workforce. The institution will offer internal and external accredited courses as part of the curriculum.
Motivation	Growth in South Africa consumer market.

Nestle South Africa

Invest Value	Not Reported
Invest Rand Value	R656 million
Project location: Province	National
Project location: City/Town	National
Investor firms	Nestle
Investor country	Switzerland
Investor city	Vevey
Indicative start date	October 2018
Indicative end date	Unspecified
Project phase	Announced
Project type	Expansion
Project industry	Manufacturing
Project sector	Food and Beverages
Permanent jobs	Not Reported
Temporary jobs	Not Reported
Government partnership	Unspecified
Target mmarket	Domestic
Social Development Programme	Unspecified
Project description	It is not clear what the project entails, details are limited and different sources present different scenarios. There is a report of the investment being capital expenditure that started in 2017 while another indicates the project would be increasing green technology and marketing brand recognition.
Motivation	

Procter & Gamble	
Invest Value	Not Reported
Invest Rand Value	R 300 Million
Project location: Province	Unspecified
Project location: City/Town	Unspecified
Investor firms	Procter & Gamble
Investor country	United States of America
Investor city	Cincinnati
Indicative start date	October 2018
Indicative end date	Unspecified
Project phase	Announced
Project type	Expansion
Project industry	Manufacturing
Project sector	Cosmetics
Permanent jobs	300
Temporary jobs	Not Reported
Government partnership	Unspecified
Target market	Domestic
Social Development Programme	Unspecified
Project description	The company will be developing a new plant as it increases its facilities for manufacturing sanitary pads, while it will also increase its workforce of 3000 by 30%.
Motivation	

BP SAPREF Upgrade

Invest Value	US\$1 billion
Invest Rand Value	R13 billion
Project location: Province	KwaZulu-Natal
Project location: City/Town	Durban
Investor firms	BP
Investor country	United Kingdom
Investor city	London
Indicative start date	11/18/2019
Indicative end date	2023
Project phase	Announced
Project type	Upgrade
Project industry	Manufacturing
Project sector	Petroleum
Permanent jobs	0
Temporary jobs	0
Government partnership	Unspecified
Target market	Domestic
Social Development Programme	Unspecified
Project description	<p>A quarter of the investment will be to upgrade the refinery to produce lower sulphur diesel. The upgrade will further ensure the refinery can meet specifications in terms of low sulphur and Marpol regulations. The plant will be shut down from May to June 2019. In addition to the upgrades BPSA will also be expanding its retail activities in the country with 40% of this investment allocated toward this end.</p>
Motivation	<p>New rules requiring lower fuel sulphur content and changes in customer preferences for cleaner diesel such as D50 and D10. The investment is also part of the company's efforts to grow its footprint in the country.</p>

Anglo American Life of Operation Extension

Invest Value	US\$8 billion
Invest Rand Value	R86, 9 billion
Project location: Province	National
Project location: City/Town	National
Investor firms	Anglo American
Investor country	United Kingdom
Investor city	London
Indicative start date	October 2018
Indicative end date	2023
Project phase	Announced
Project type	Upgrade
Project industry	Mining
Project sector	Coal and metals
Permanent jobs	0
Temporary jobs	0
Government partnership	Department of Mineral Resources
Target market	Domestic, regional and international
Social Development Programme	Unspecified
Project description	The investment will go towards extending the life of the company's existing operations.
Motivation	

Bosch Rexroth Hytec Unified by Bosch (HUBB)

Invest Value	Not reported
Invest Rand Value	R200 million
Project location: Province	Gauteng
Project location: City/Town	Kempton Park
Investor firms	Bosch Rexroth
Investor country	Germany
Investor city	Lohr am Main
Indicative start date	2016
Indicative end date	2018
Project phase	Complete
Project type	Greenfield
Project industry	Construction
Project sector	Manufacturing of electrical machinery and apparatus
Permanent jobs	Not Reported
Temporary jobs	Not Reported
Government partnership	Unspecified
Target market	Domestic and regional
Social Development Programme	Unspecified
Project description	<p>The company built a facility that would house its group of companies. The central hub houses the Bosch Rexroth Group of Companies, previously the Hytec Group. The group of six companies Hytec, Tectra Automation, Hytec Services Africa, HYSA, Hagglands and Bosch Rexroth Africa, completed their move into the new facility in June, with the official inauguration of the building taking place in October. The new facility boasts centralised training facilities, engineering, sales and support offices.</p> <p>Consolidation of the group's internal business activities and streamlining capabilities to efficiently supply its technology to markets with increased speed. The investment is a show of commitment and confidence in South Africa and its industries. Sharing the premises with Bosch Rexroth's South African product development and support division further consolidates the Hytec Group/Bosch Rexroth partnership that has existed for over 50 years, and increases proximity between Bosch Rexroth's R&D and manufacturing centres in Germany and the 40 branches across Africa.</p>
Motivation	

Anglo American Polokwane sulphur dioxide (SO₂) abatement project

Invest Value	Not Reported
Invest Rand Value	R2,5 billion
Project location: Province	Limpopo
Project location: City/Town	Polokwane
Investor firms	Anglo American Platinum
Investor country	United Kingdom
Investor city	London
Indicative start date	October 2018
Indicative end date	2020
Project phase	Construction
Project type	Upgrade
Project industry	Mining
Project sector	Mining of metals
Permanent jobs	30
Temporary jobs	500
Government partnership	Department of Environmental Affairs (DEA)
Target market	Domestic
Social Development Programme	Unspecified
Project description	<p>Anglo American Platinum is constructing a sulphur dioxide (SO₂) abatement where it will implement new Wet Sulphuric Acid (WSA) Technology with is predicted will reduce SO₂ emissions by around 92% to deliver targeted abatement levels at the Polokwane smelter. The WSA process captures SO₂ gas from the furnace, converting it into sulphuric acid. This will be the first time WSA technology is applied in Platinum Metals Group (PGM) electric arc furnace to produce high strength acid.</p>
Motivation	<p>Compliance with new Minimum Emissions Standards for SO₂ by DEA. Efforts to minimise environmental impact of activity, the technology will ensure operations meet the group's air quality standard goals and international best practice standards.</p>

Agni-Steel SA Expansion Project	
Invest Value	Not reported
Invest Rand Value	R100 million
Project location: Province	Eastern Cape
Project location: City/Town	Port Elizabeth
Investor firms	Agni Steel SA
Investor country	India
Investor city	Perundurai
Indicative start date	July 2018
Indicative end date	Unspecified
Project phase	Announced
Project type	Expansion
Project industry	Manufacturing
Project sector	Recycling of metal waste
Permanent jobs	0
Temporary jobs	150
Government partnership	Eastern Cape Department of Economic Development Environmental Affairs and Tourism, Industrial Development Corporation (shareholder)
Target market	Domestic
Social Development Programme	Unspecified
Project description	The expansion is being rolled out in three phases, the Eastern Cape Department of Economic Development and Tourism approved the Phase 2 and Phase 3 expansion. Phase 1 consisted of the installation of a set of induction furnaces for reclaiming scrap metal. The induction furnaces had a capacity of 25 tons and produced 90 000 tons of mild steel billets a year. Phase 2 entails the addition of a ladle furnace and two induction furnaces, which will double production allowing for production of 180 000 tons of steel billets a year.
Motivation	

Roggeveld Wind Farm	
Invest Value	€342 million
Invest Rand Value	R52 billion
Project location: Province	Northern Cape
Project location: City/Town	Laingsburg
Investor firms	Building Energy
Investor country	Italy
Investor city	Milan
Indicative start date	June 2018
Indicative end date	2021
Project phase	Construction
Project type	Greenfield
Project industry	Utilities
Project sector	Electricity, gas steam and air conditioning supply
Permanent jobs	Not Reported
Temporary jobs	700
Government partnership	Eskom (Power Purchase Agreement – PPA), Department of Energy (DOE) (REIPPP)
Target market	Domestic
Social Development Programme	Local suppliers and local community development.
Project description	The Roggeveld project will comprise 40 AW125/3150 and seven AW125/3000 wind turbines, with a 125 m rotor diameter and 100 m hub height, from European wind turbine manufacturer Nordex/Acciona. These turbines will deliver electricity at a capacity factor of more than 47%, generating about 613 GWh/y of electricity, enough to satisfy the needs of about 49 200 households. It is expected to become Southern Africa's most efficient wind farm.
Motivation	REIPPP Programme

Kruisvallei small hydroelectric plant	
Invest Value	Not Reported
Invest Rand Value	Not Reported
Project location: Province	Free State
Project location: City/Town	Bethlehem
Investor firms	Building Energy
Investor country	Italy
Investor city	Milan
Indicative start date	June 2018
Indicative end date	2021
Project phase	Unspecified
Project type	Greenfield
Project industry	Utilities
Project sector	Electricity, gas steam and air conditioning supply
Permanent jobs	720
Temporary jobs	714
Government partnership	Eskom (PPA), DOE (REIPPP)
Target market	Domestic
Social Development Programme	Unspecified
Project description	The small 4.7 MW hydro-electric power plant will have the capacity to generate about 68 GWh of energy and power for more than 2 330 households. The plant will also save 23 800 tons of emissions. The project was granted preferred bidder status in the fourth round of the South African Department of Energy's Renewable Energy Independent Power Producer Procurement Programme in April 2015.
Motivation	REIPPP Programme

Gamsberg Mine Project	
Invest Value	Not reported
Invest Rand Value	R21,4 billion
Project location: Province	Northern Cape
Project location: City/Town	Aggeneys
Investor firms	Vedanta Zinc International
Investor country	United Kingdom
Investor city	London
Indicative start date	October 2018
Indicative end date	Unspecified
Project phase	Announced
Project type	Expansion
Project industry	Mining
Project sector	Mining of metals
Permanent jobs	Not Reported
Temporary jobs	Not Reported
Government partnership	Department of Mineral Resources
Target market	Domestic and international
Social Development Programme	Unspecified
Project description	Likely Phase 2 of the larger Gamsberg project which aims to develop three zinc mines, a concentrator, a smelter and refinery complex, and the related infrastructure.
Motivation	