



TRADE & INDUSTRIAL POLICY STRATEGIES



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

# FOREIGN DIRECT INVESTMENT TRACKER

## AN ANALYSIS OF THE TOP FIVE SOURCES OF FDI IN SOUTH AFRICA

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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.

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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 several 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. The barriers and constraints investors face indicates policy blockages that can be removed to improve the investment environment and lead to economic growth.

This brief focuses on the top five leading investor countries highlighting recent trends and sectoral dynamics across these investor nations, using insights from the South African Reserve Bank (SARB) and the Trade & Industrial Policy Strategies (TIPS) FDI Tracker.

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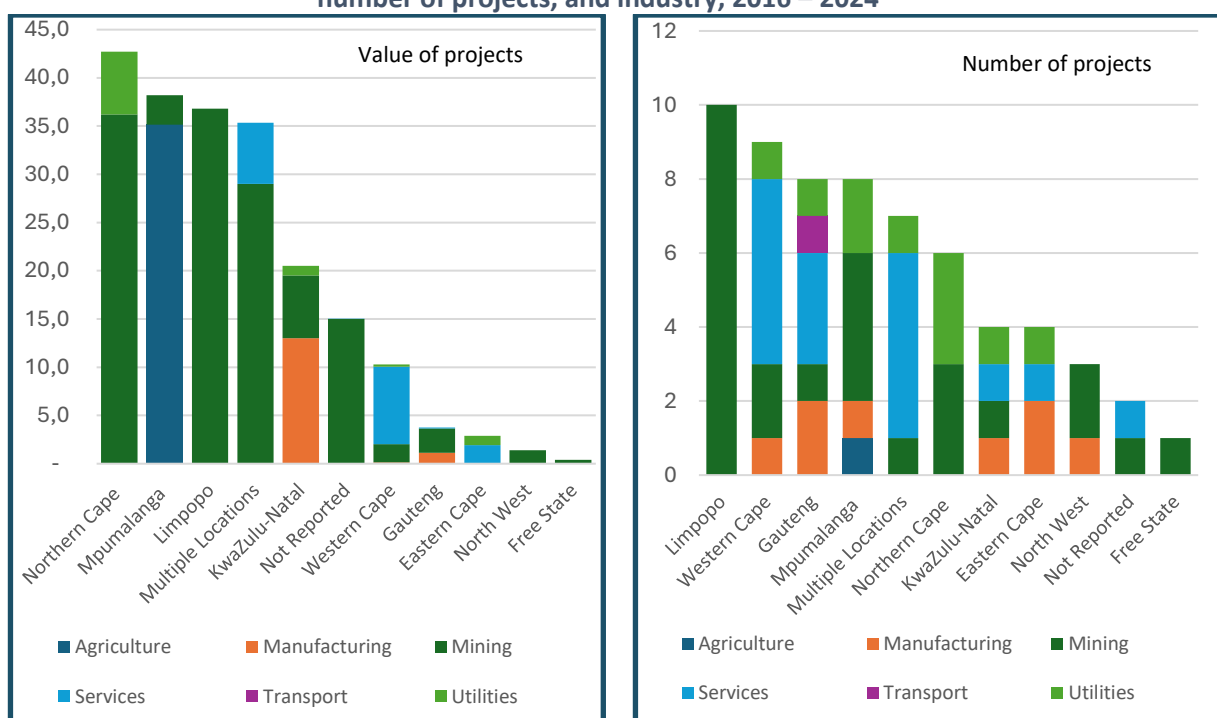
## TOP FIVE SOURCES OF FDI IN SOUTH AFRICA: AN OVERVIEW

Foreign direct investment (FDI) remains a critical source of capital and technology transfer for South Africa. As of 2023, the top five sources of FDI are the United Kingdom (UK), the Netherlands, Belgium, the United States (US), and Germany. These countries collectively account for over R1.4 trillion in inward FDI stock. This brief outlines recent trends and sectoral dynamics across these leading investor countries, drawing on data from the South African Reserve Bank (SARB) and the Trade & Industrial Policy Strategies (TIPS) FDI Tracker.

### UNITED KINGDOM

As of 2023, UK FDI in South Africa amounted to R493.2 billion (SARB, 2024). This makes it South Africa’s largest source of FDI. The enduring economic partnership was recently strengthened by the UK-South Africa Growth Plan (announced in November 2024), targeting agriculture, job creation, and export growth. UK firms operate nationwide across a variety of sectors. Historically, investment was dominated by mining and financial services, which extend to South Africa’s banking and insurance sectors. In recent times, however, there is an increasing focus on sustainable development. An overview of FDI projects by UK companies in South Africa reveals that, between 2016 and 2024, approximately R207.3 billion was invested from 52 out of 65 projects announced during this period (TIPS, 2024). A significant proportion of this is in the mining industry of the Northern Cape and Limpopo, and the agricultural industry of Mpumalanga. In terms of the number of projects, UK investment is quite diversified (Graph 1).

**Graph 1: Location of UK FDI projects by value (R’billion), number of projects, and industry, 2016 – 2024**



Source: TIPS FDI Tracker project data. Note: “Not reported” refers to projects whose locations have not been identified.

At the intersection between mining and sustainability, key investments include Pan African Resources’ installation of solar power plants at their sites, and Anglo Platinum’s prototype hydrogen-powered haul truck at its Mogalakwena mine. In terms of sustainability, the UK is a prominent supporter of South Africa’s decarbonisation plans, as evidenced by its participation in the US\$12.8 billion Just Energy Transition Partnership (JETP) (Presidency, 2025) to advance clean energy and green hydrogen. The UK’s British International Investment (BII), launched in South Africa in 2022, also supports renewable projects, including the Kenhardt projects, under the Risk Mitigation Independent Power Producer Programme. In addition, UK-based, private-sector firms, such as BioTherm and Globeleq, have participated in the Renewable Energy Independent Power Producers Procurement Programme and the Battery Energy Storage Independent Power Producers Procurement Programme, respectively.

In the services sector, UK projects focus largely on information and communications technology (ICT), with firms like Africa Data Centres establishing data-centre facilities. Other service-related investments include business process outsourcing, such as the Ascensos Customer Service Centre in the Western Cape. Investments are primarily greenfield projects or expansions of existing operations, with target markets extending across Africa and globally. Several companies have reported socioeconomic benefits tied to their projects, including partnerships with local firms under the Broad-Based Black Economic Empowerment (B-BBEE) Programme, skills development initiatives, and employee and community training programmes (TIPS, 2024). Table 1 lists the top five FDI projects from the UK, captured by the TIPS FDI Tracker project data.

**Table 1: Top 5 UK FDI projects, as per TIPS FDI Tracker**

PROJECT NAME	INVESTOR FIRMS	PROJECT SECTOR	VALUE (ZAR BILLION)	ENTRY PERIOD
Anglo American Operations Life Extension	Anglo American	Coal and Metals	86.9	2018
Terragrñ agroforest	Terragrñ	Agroprocessing	35.1	2023
Venetia underground project	De Beers/ Anglo American	Mining of diamonds	32	2021
Anglo American mining operations 2023	Anglo American	Mining of metal ores	29	2023
Gamsberg Mine Project	Vedanta Zinc International	Mining of metals	21.4	2018

*Note:* Entry period refers to when the project was first captured in the TIPS FDI Tracker.

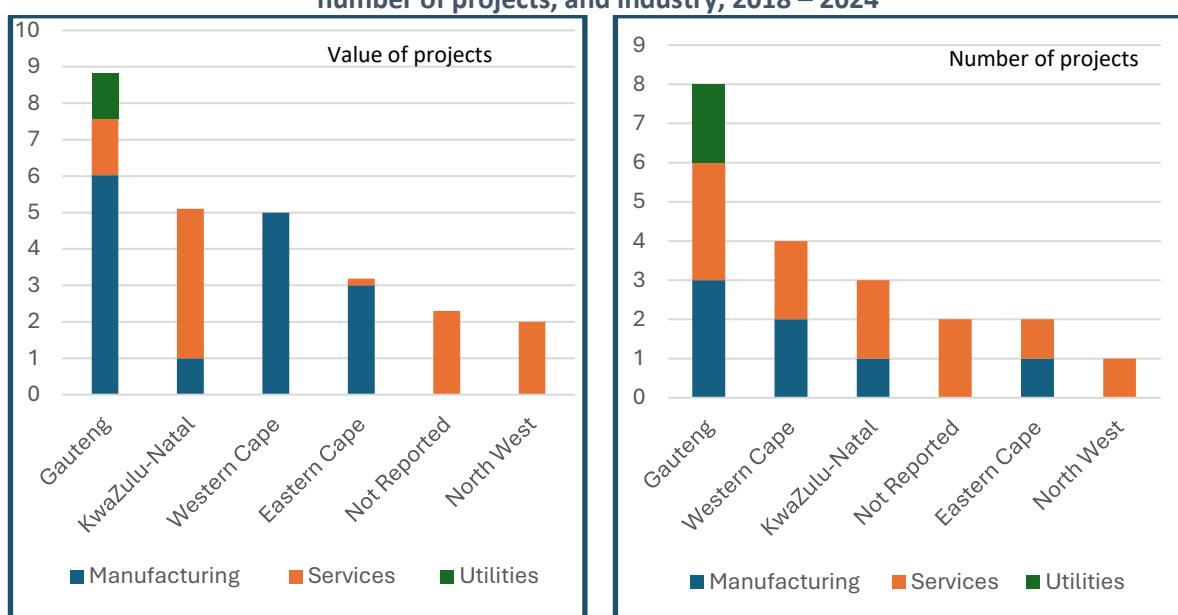
*Source:* TIPS FDI Tracker project data.

## NETHERLANDS

Dutch FDI in South Africa amounted to R364.1 billion as of 2023, making the Netherlands South Africa’s second-largest source of investment (SARB, 2024). The value of projects, recorded between 2018 and 2024, by Dutch companies in South Africa amounts to R21 billion from 15 out of 21 projects (TIPS, 2024). Manufacturing (R12 billion) and services (R8 billion) are the two largest recipients of investment, in both value and number of projects.

Dutch companies, such as Heineken, Unilever, and Shell have long-standing operations in South Africa. Although Shell is divesting its local downstream business, the company has previously announced that it would roll out electric vehicle charging stations in various parts of the country. The Netherlands has also funded green energy projects, through the Dutch Development Bank. The country is also one of the participating members of the JETP.

**Graph 2: Location of Netherlands FDI projects by value (R'billion), number of projects, and industry, 2018 – 2024**



Source: TIPS FDI Tracker project data. Note: “Not reported” refers to projects whose locations have not been identified.

In terms of recent developments, in manufacturing, automotive company Stellantis is building a R3 billion greenfield production plant in the Eastern Cape, at the Coega Special Economic Zone. In addition, Heineken has been expanding its presence in the country with multiple investments in various projects – most recently, a R10 billion commitment following its acquisition of Distell. A notable project in services is the R3.1 billion Royal Vopak LPG Terminal and distribution facility in KwaZulu-Natal, that facilitates imports of cleaner energy into South Africa. Companies mainly engage in the expansion of existing operations. Table 2 lists the top five investments from the Netherlands, captured in the TIPS FDI Tracker project data.

**Table 2: Top 5 Netherlands FDI projects, as per TIPS FDI Tracker**

PROJECT NAME	INVESTOR FIRMS	PROJECT SECTOR	VALUE (ZAR BILLION)	ENTRY PERIOD
Heineken/Distell Capital Investment (Gauteng)	Heineken/Distell	Manufacture of beverages	5	2022
Heineken/Distell Capital Investment (Western Cape)	Heineken/Distell	Manufacture of beverages	5	2022
Royal Vopak LPG Terminal and distribution facility	Royal Vopak	Storage and warehousing	3.1	2019
Stellantis manufacturing plant	Stellantis	Automotive	3	2023
Heineken returnable glass bottling programme	Heineken	Recycling	2.3	2024

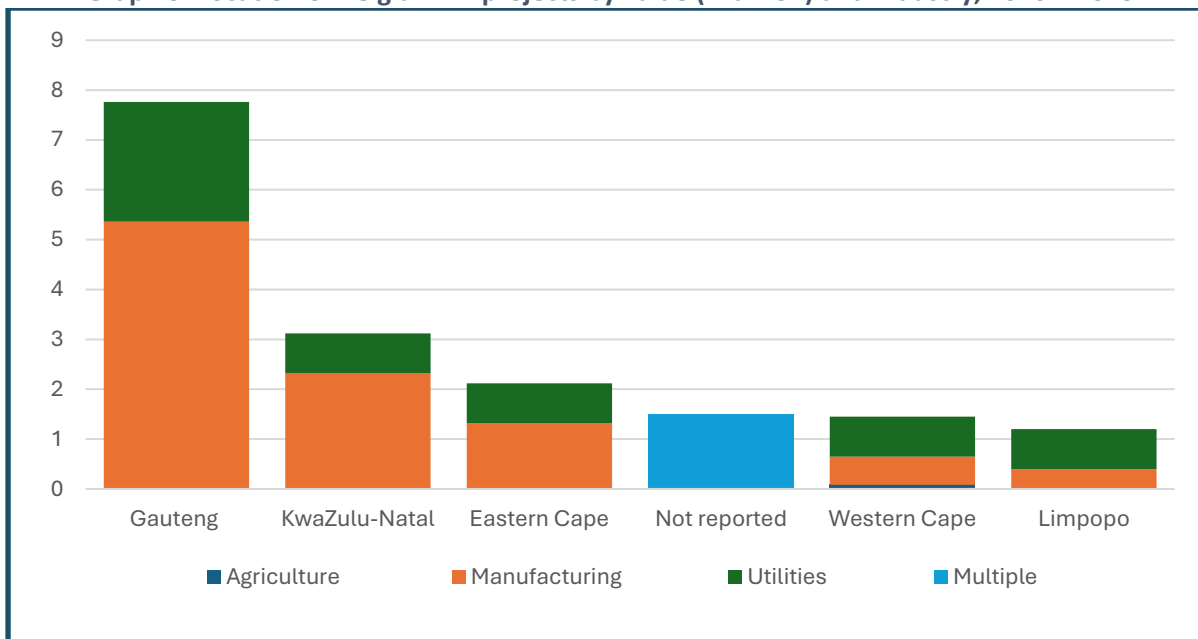
Note: Entry period refers to when the project was first captured in the TIPS FDI Tracker.

Source: TIPS FDI Tracker project data.

## BELGIUM

Belgium is South Africa’s third-largest source of investment, with a value of R244.6 billion in 2023 (SARB, 2024). In the period 2016 to 2023, nine projects led by Belgian companies were identified in South Africa, representing a total investment of R17.1 billion (see Graph 3). The majority of this investment (R9.9 billion) was concentrated in the manufacturing sector. Anheuser-Busch InBev (AB InBev) accounts for a significant proportion of this investment (TIPS, 2024).

**Graph 3: Location of Belgian FDI projects by value (R’billion) and industry, 2016 – 2023**



Source: TIPS FDI Tracker project data. Note: “Not reported” refers to projects whose locations have not been identified.

Following its acquisition of South African Breweries (SAB) in 2016, AB InBev announced initiatives to modernise and expand its operations, including investments in renewable power generation at its production plants. Beyond AB InBev, a consortium of Belgian firms invested R1.5 billion across manufacturing, energy, food, and logistics. Key contributors include Beka Schreder (specialising in lighting) and Magotteaux (producing grinding elements and crushers for mining).

Another significant investment came from Lotus Bakeries, which established a confectionery manufacturing facility. Geographically, Gauteng emerged as the primary hub for these investments. The available projects reflect a focus on increasing production capacity and market expansion, aiming to serve South Africa’s domestic market, as well as regional and global demand.

While the precise number of Belgian companies in South Africa is not available, the Belgian Chamber of Commerce in South Africa lists over 100 businesses operating in the country, or facilitating trade between the two countries. However, it is noted that this includes South African businesses. The companies operate in a range of sectors including chemicals, renewable energy, and engineering. Table 3 displays the top five Belgian FDI projects, as captured in the TIPS FDI Tracker project data.

**Table 3: Top 5 Belgian FDI projects, as per TIPS FDI Tracker**

PROJECT NAME	INVESTOR FIRM	PROJECT SECTOR	VALUE (ZAR BILLION)	ENTRY PERIOD
SAB Breweries Expansion	AB Inbev	Manufacturing of beverages	2.8	2017
ABInbev renewable energy initiative	AB Inbev	Renewable Energy	2.4	2020
SAB breweries capacity expansion	AB Inbev	Manufacture of beverages	1.9	2023
Belgium Collective Investment	Multiple	Unspecified	1.5	2020
SAB 2023 investment programme	AB Inbev	Manufacture of beverages	1.2	2023

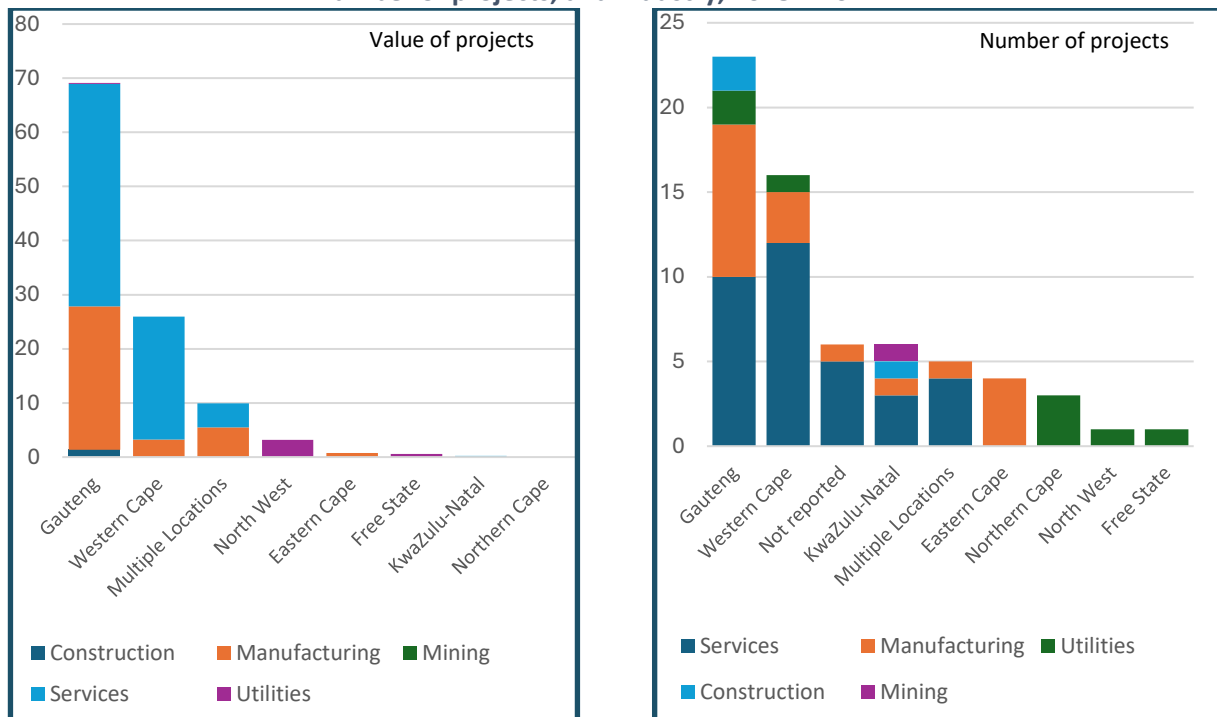
*Note:* Entry period refers to when the project was first captured in the TIPS FDI Tracker.

*Source:* TIPS FDI Tracker project data.

## UNITED STATES

The US was the fourth-largest contributor to FDI in South Africa in 2023 with about R165.4 billion (SARB, 2024). US firms have expanded their footprint in South Africa between 2018 and 2024, with 64 projects announced — 33 of which account for the R110 billion investment value. The majority of these projects (33) focus on the services sector (see Graph 4), particularly ICT, driven by growing demand for data centres and cloud computing. Major tech companies, such as Google, Microsoft, Amazon, Equinix and Teraco have deepened their presence through major investments in digital infrastructure. Projects announced by the latter three companies collectively amount to R45.5 billion (TIPS, 2024).

**Graph 4: Location of US FDI projects by value (R'-billion), number of projects, and industry, 2018 – 2024**



*Source:* TIPS FDI Tracker project data. *Note:* “Not reported” refers to projects whose locations have not been identified.

Manufacturing is another key sector, attracting projects in automotive, pharmaceuticals, cosmetics, and food and beverages. Ford leads with ongoing upgrades to its manufacturing plants, while Procter & Gamble and Pfizer have invested in production facilities. Restaurant chains, such as Starbucks and McDonald’s, have also been increasing their store presence. Geographically, Gauteng and the Western Cape dominate as the locations for US investment, holding most manufacturing and services investments.

US firms are also increasingly integrating renewable energy into their operations, contributing to South Africa’s electricity generation capacity. Investments are split between expansions of existing operations, greenfield projects and upgrades that introduce new technologies into existing facilities. While most projects primarily target the domestic market, several aim to leverage South Africa’s strategic position to reach broader African markets.

Table 4 lists the top five US FDI projects captured in the TIPS FDI Tracker project data.

**Table 4: Top 5 US FDI projects, as per TIPS FDI Tracker**

PROJECT NAME	INVESTOR FIRMS	PROJECT SECTOR	VALUE (ZAR BILLION)	ENTRY PERIOD
Ford Investment Programme	Ford Motor Company South Africa (Ford)	Automotive	15.8	2021
Vantage Data Centers Campus	Vantage Data Centers	ICT	15.3	2021
AWS South Africa expansion (Western Cape)	Amazon Web Services	ICT	15	2023
AWS South Africa expansion (Gauteng)	Amazon Web Services	ICT	15	2023
Teraco JB7 Hyperscale Data Centre	Teraco	ICT	8	2024

*Note:* Entry period refers to when the project was first captured in the TIPS FDI Tracker.

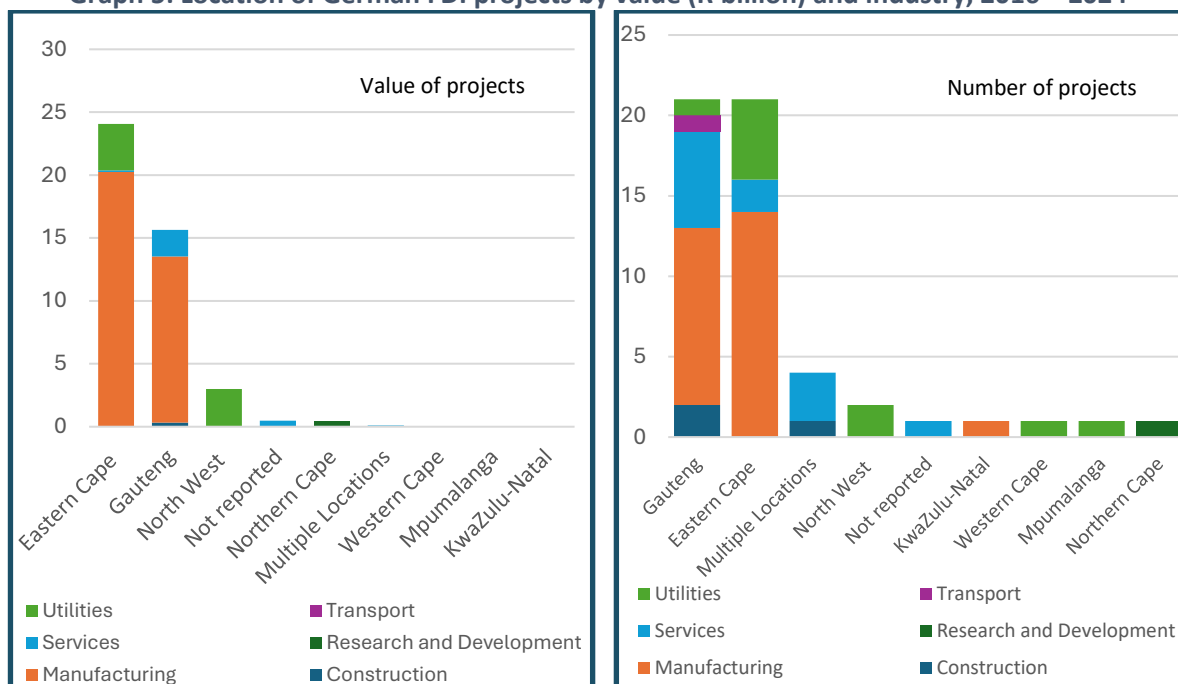
*Source:* TIPS FDI Tracker project data.

## GERMANY

Germany is South Africa’s fifth-largest investment source, with inward FDI valued at R151.8 billion in 2023 (SARB, 2024). German companies are present across a range of sectors in the South African economy and are increasingly involved in the development of South Africa’s renewable energy infrastructure. Along with other countries like the UK, Germany is part of the JETP.

Between 2016 and 2024, German companies announced 55 investment projects in South Africa, with 38 of these representing a combined value of R43.6 billion (Graph 5). These investments are concentrated in three key sectors, namely manufacturing, services, and utilities. Manufacturing dominates, particularly in automotive production and related subsectors. Major brands such as Volkswagen Africa, BMW, and Mercedes-Benz have established vehicle assembly plants, while suppliers like Schnellecke (which produces exhaust systems for Ford) support the industry’s supply chain. Automotive firms are also expanding into electric vehicle infrastructure, with Audi and Mercedes-Benz partnering locally to roll out charging networks.

**Graph 5: Location of German FDI projects by value (R'billion) and industry, 2016 – 2024**



Source: TIPS FDI Tracker project data. Note: “Not reported” refers to projects whose locations have not been identified.

Services investments focus on logistics, including storage and warehousing projects by companies like Rhenus and DHL Global Forwarding. In addition, South Africa has become a strategic base for regional operations, with firms such as Daimler Trucks and Buses Southern Africa, SEW-Eurodrive, and newcomer Energiquelle establishing regional headquarters or hubs. In utilities, activity centres on renewable energy. Companies are installing solar capacity to power their operations. This includes Volkswagen’s solar carport installations, highlighting growing private-sector engagement in green energy. Gauteng and the Eastern Cape are the primary recipients of German investment, primarily due to manufacturing projects. Most projects are greenfield ventures or expansions, particularly in manufacturing and services, where firms build new plants or upgrade facilities to boost production. While the majority target South Africa’s domestic market, many manufacturers also leverage the country as a springboard to serve regional and global markets. Table 5 lists the top five FDI projects from Germany, captured in the TIPS FDI Tracker data.

**Table 5: Top 5 German FDI projects, as per TIPS FDI Tracker**

PROJECT NAME	INVESTOR FIRMS	PROJECT SECTOR	VALUE (ZAR BILLION)	ENTRY PERIOD
Mercedes-Benz East London Plant Expansion	Daimler AG	Automotive	9.5	2018
Volkswagen SA Upgrading at Uitenhage plant	Volkswagen Group South Africa	Manufacturing, Automotive	6.1	2016
BMW Rosslyn Plant Investment Programme	BMW South Africa	Manufacture of motor vehicles, trailer and semi-trailers	6	2016
BMW Rosslyn plant electrification project	BMW	Automotive	4.2	2023
VWSA Sustainability investment- Biogas Plant	Volkswagen Group South Africa	Renewable Energy	3.5	2019

Note: Entry period refers to when the project was first captured in the TIPS FDI Tracker.

Source: TIPS FDI Tracker project database.

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