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SA & Eastern Cape Trade Flows and Foreign Direct Investment China - 2023

Compiled by the Office of the Economists: ECDC

Report: Economic Research, Analysis and Forecasting

I. Introduction

This report discussed the short China economic profile looking at key social and economic indicators between the periods 2019 to 2021. In details the report tabularised and graphically reveals the trade relationship between South Africa, Eastern Cape and China from the period 2018 to 2022 and Foreign Direct Investment trends from January 2003 to April 2023. The trade analysis between South Africa, Eastern Cape and China disclosed that the country and the province are the net importer of commodities from China in all the years in the period under review.

The mostly exported commodities by the province include: Wool, fine or coarse animal hair; horsehair yarn and woven fabric, Raw hides and skins (other than furskins) and leather and Edible fruit and nuts; peel of citrus fruit or melons. Whereas the most imported commodities include: Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof, Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles and Articles of iron or steel.

2. China Short Economic Profile

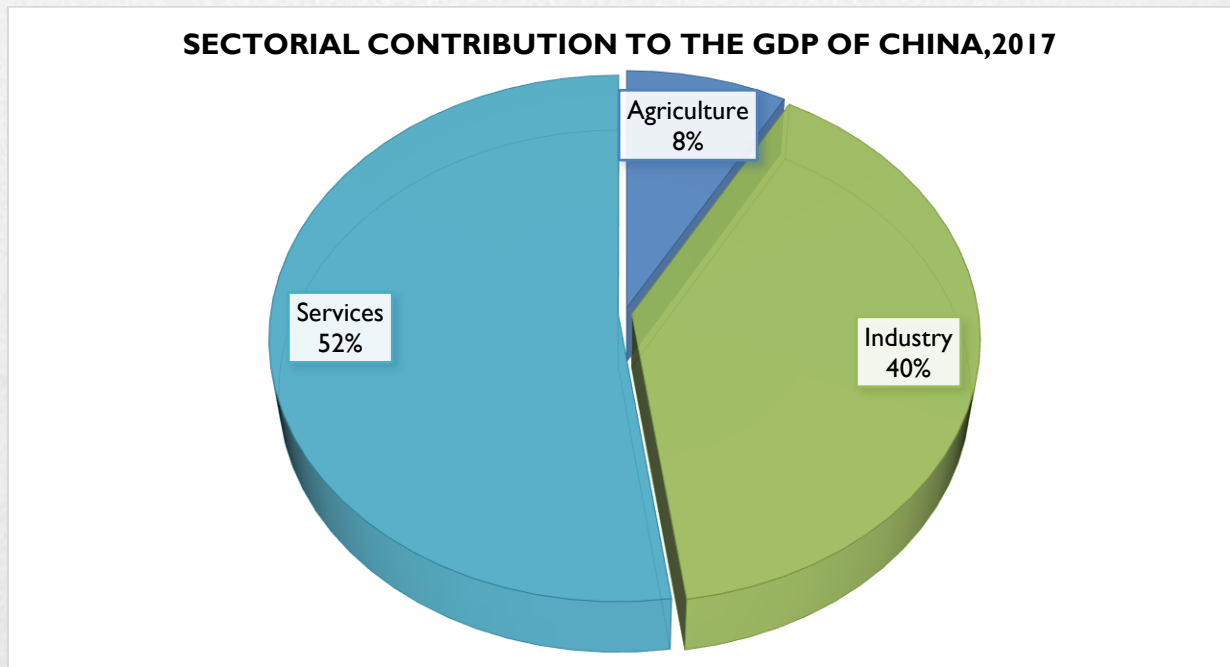
Table 1: China Fact Sheet

China Fact Sheet (2019* Estimated figures)	
Basic Information	
Area	Area 9,596 960 sq. km
Population (2021)	1.4 billion
Life expectancy (2021)	Total population 76.3 years (Male: 74.2 years and Female: 78.6 years)
Economic development	
GDP *	\$ 22.52 trillion
GDP per capita*	\$ 16,117
Inflation rate*	2.8%
Unemployment rate*	3.64%

Source: www.indexmundi.com/china/economy_profile.html,2022

Table 1 expressed the China fact sheet expressed in year 2019 estimated figures denoted by a star in the table and stated if other years. The China population of 1.4 billion in 2021 is 1.3 billion more than the South African population of 60.04 million. The Gross Domestic Product (GDP) is US\$22.5 trillion with per capita GDP of \$16,117, inflation rate of 2.8 percent and low unemployment of 3.6 percent as compared to South Africa and Eastern Cape.

Figure 1: Sectorial contribution to the GDP of China, 2017



Source: www.indexmundi.com/china/economy_profile.html,2022

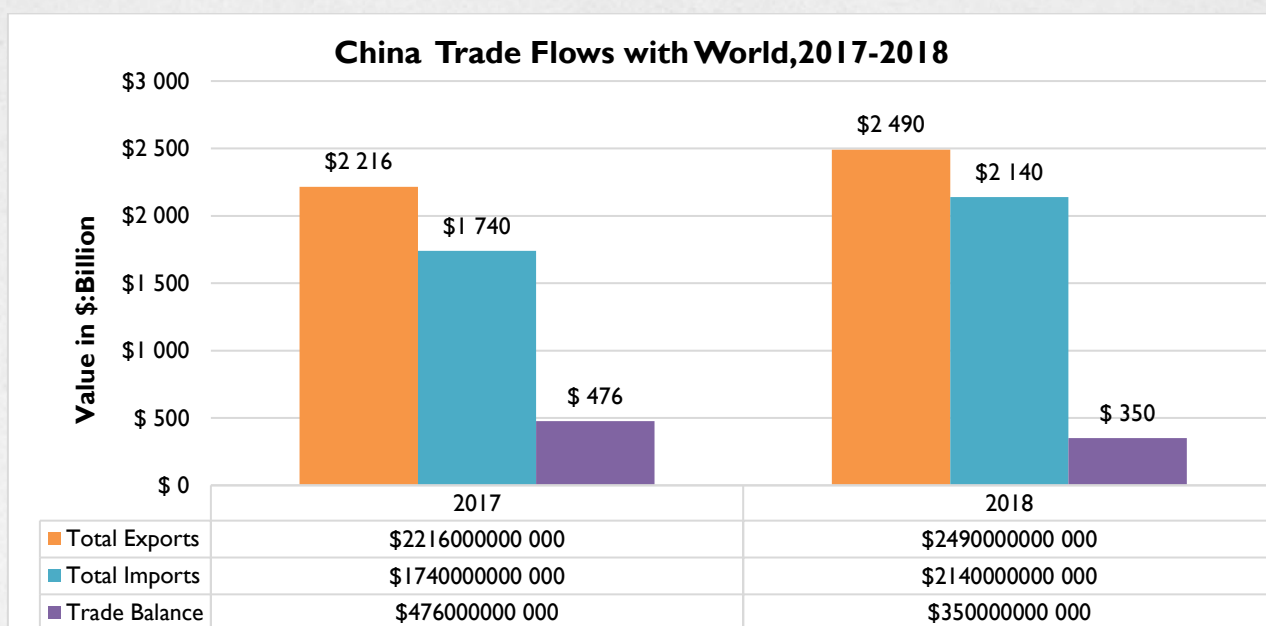
Figure I above shows the major sectors that contribute to the Gross Domestic Product of China in year 2017. The services sector (government activities, communications, transportation, finance, and all other private economic activities that do not produce material goods) is the biggest contributing sector to the GDP of China with 52 percent, followed by industry sector (mining and ore processing, iron, steel, aluminum, and other metals, coal; machine building; armaments; textiles and apparel; petroleum; cement; chemicals; fertilizer; consumer products (including footwear, toys, and electronics); food processing; transportation equipment, including automobiles, railcars and locomotives, ships, aircraft; telecommunications equipment, commercial space launch vehicles, satellites) with 40% and Agriculture (world leader in gross value of agricultural output; maize, rice, vegetables, wheat, sugar cane, potatoes, cucumbers, tomatoes, watermelons and sweet potatoes) with only 8 percent bigger contribution unlike South Africa and Eastern Cape.



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Figure 2: China trade flows with the world, 2017-2018

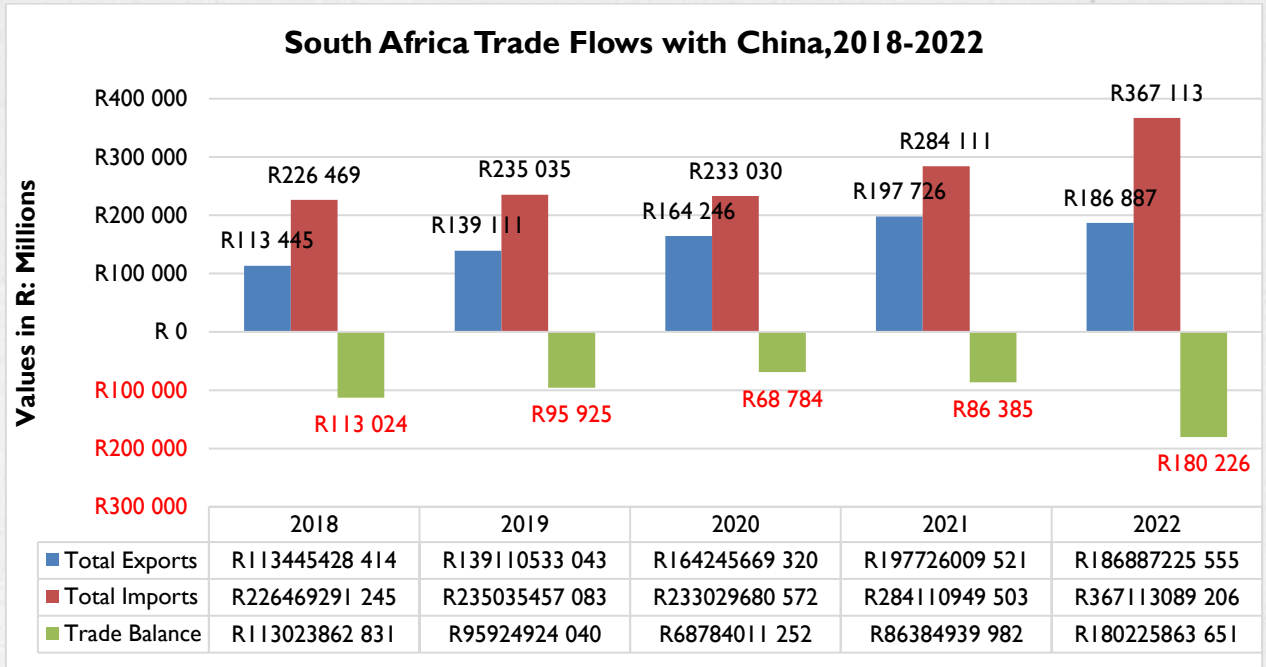


Source: www.indexmundi.com/china/economy_profile.html, 2022

China total exports and imports of all products with the world from 2017 to 2018 are disclosed in figure 2 above. In 2018, China exported US\$2.5 trillion (up from US\$ 2.2 trillion recorded in 2017) and imported US\$2.1 trillion (improved from US\$1.7 trillion recorded in 2016), resulting in a surplus in the trade balance of US\$350 billion. The commodities that contributed most to the China exports were broadcasting equipment, computers, integrated circuits, office machinery and parts and telephones. When it comes to imports, the most dominant commodities in China include crude petroleum, integrated circuits, iron, natural gas, cars and gold. China recorded a trade surplus (where exports of all commodities exceed imports) in the balance of trade in all the years under review, US\$476 billion in 2017 and US\$350 billion in 2018. The top export destinations of China in 2019 were United States (17%), Hong Kong (10%) and Japan with 6 percent. The top import origins were South Korea (9%), Japan (8%), Australia (7%), Germany (7%), US (7%) and Taiwan with 6 percent.

3. South Africa Trade flows with China

Figure 3: South Africa trade flows with China 2018-2022



Source: Quantec and own calculations, 2023

Figure 3 depicted South Africa total imports and exports of all commodities with China between 2018 and 2022. South Africa is a net importer of commodities from China in all the years in the period under study. The balance of trade (where import of all commodities exceed exports) recorded a trade deficit of R113.0 billion in 2018, fluctuating to R180.2 billion in 2022. The total exports uncovered a fluctuating pattern from R113.4 billion in 2018 to R186.9 billion in 2022. Similarly, the total imports revealed a fluctuating pattern from R226.5 billion in 2018 to R367.1 billion in 2022.

Table 2: South Africa top 15 Exports to China, 2018-2022

South Africa top 15 exports to China, 2018-2022					
Year	2018	2019	2020	2021	2022
1. Ores, slag and ash.	R77 613 232 636	R101 941 513 499	R114 385 322 841	R121 009 509 766	R117 282 816 725
2. Iron and steel	R10 251 504 425	R13 586 342 815	R15 590 298 711	R15 672 451 376	R21 574 199 337
3. Copper and articles thereof	R4 435 656 789	R5 027 331 569	R6 857 798 369	R10 289 091 292	R12 293 639 893
4. Edible fruit and nuts; peel of citrus fruit or melons	R2 970 289 094	R3 500 093 346	R4 054 896 596	R4 108 697 773	R6 764 904 264
5. Natural or cultured pearls, precious or semi-precious stones, precious	R2 595 007 784	R1 102 495 360	R2 109 012 186	R9 428 823 341	R6 719 209 775

metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin					
6.Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard	R3 391 864 467	R1 958 503 588	R4 301 669 310	R2 749 304 525	R4 036 084 603
7.Wool, fine or coarse animal hair; horsehair yarn and woven fabric	R3 911 574 357	R2 591 420 735	R3 493 002 314	R3 814 409 782	R2 705 558 267
8.Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes	R311 709 243	R380 257 390	R1 103 311 379	R821 784 228	R2 493 721 837
9.Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	R250 424 774	R225 882 108	R808 955 546	R17 827 028 899	R2 474 264 130
10.Nickel and articles thereof	R413 284 422	R667 325 433	R746 867 882	R2 117 927 657	R2 223 551 835
11.Wood and articles of wood; wood charcoal	R310 987 616	R466 263 236	R792 761 332	R1 056 505 225	R1 170 591 559
12.Aluminium and articles thereof	R273 056 327	R241 265 435	R348 675 121	R494 730 974	R612 968 749
13.Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder	R28 396 221	R125 709 361	R211 216 289	R387 695 582	R608 084 694
14.Salt; sulphur; earths and stone; plastering materials, lime and cement	R455 137 752	R352 720 118	R476 812 542	R611 359 462	R524 013 333
15.Organic chemicals	R336 056 300	R552 646 749	R566 193 769	R324 206 802	R493 959 485
Total Exports: All commodities	R113 445 428 414	R139 110 533 043	R164 245 669 320	R197 726 009 521	R186 887 225 555

Source: Quantec and own calculations, 2023

The South Africa top 15 export commodities to China from year 2018 to 2022 are revealed in table 2 above. The Ores, slag and ash are number one in the top 15 most exported commodities by the country in 2022 amounting to R117.3 billion from R77.6 billion in 2018 fluctuated over the period under study. Followed by the Iron and steel in the second place of the top 15 export commodities with an amount of R21.6 billion in 2022 from R10.3 billion registered in 2018 trending up over the period under review. The Copper and articles thereof in the third place displayed a trending up pattern over this period posting R4.4 billion in 2018 and R12.3 billion in 2022. The country was a net importer in the period under study of the commodities from China which is not a favourable term of trade for the country, total exports registered R113.4 billion in 2018 and fluctuated to R186.9 billion in 2022.

Table 3: South Africa top 15 Imports from China, 2018-2022

South Africa top 15 Imports from China,2018-2022					
Year	2018	2019	2020	2021	2022
1.Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	R60 293 281 199	R62 884 552 409	R60 398 037 239	R68 711 760 848	R98 072 423 846
2.Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	R45 846 262 438	R48 382 302 464	R48 633 788 645	R62 270 978 287	R71 780 989 640
3.Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	R6 666 711 685	R6 737 639 555	R6 990 895 493	R11 861 667 020	R20 029 415 960
4.Organic chemicals	R7 227 141 274	R7 345 149 467	R7 881 288 918	R10 235 023 725	R13 281 756 144
5.Iron and steel	R4 052 828 942	R4 732 720 545	R4 531 167 772	R12 133 749 605	R12 283 688 634
6.Plastics and articles thereof	R7 884 985 846	R6 765 909 774	R6 295 412 882	R8 613 202 200	R10 942 879 641
7.Footwear, gaiters and the like; parts of such articles	R7 734 246 678	R7 632 183 901	R6 540 773 053	R7 778 721 482	R9 577 932 808
8.Articles of iron or steel	R5 961 097 575	R6 391 810 519	R5 738 107 221	R7 929 453 138	R9 354 062 374
9.Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	R3 076 126 100	R2 082 030 580	R915 209 326	R2 041 055 655	R8 867 838 223
10.Articles of apparel and clothing accessories, knitted or crocheted	R5 751 534 276	R6 235 732 775	R5 732 453 751	R6 797 679 842	R7 920 513 240
11.Articles of apparel and clothing accessories, not knitted or crocheted	R6 019 494 270	R6 279 178 044	R6 247 343 336	R6 110 324 813	R6 875 452 445
12.Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof	R3 926 028 459	R4 467 842 311	R5 898 422 459	R5 623 147 534	R6 423 525 469
13.Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes	R2 618 738 453	R2 542 012 496	R2 694 379 095	R3 199 354 682	R6 364 708 244
14.Miscellaneous chemical products	R2 633 097 351	R2 641 937 283	R3 433 157 697	R3 890 550 434	R5 795 312 881
15.Rubber and articles thereof	R4 109 655 794	R4 300 591 158	R4 188 586 528	R5 615 160 942	R5 736 835 235
Total Imports: All commodities	R226 469 291 245	R235 035 457 083	R233 029 680 572	R284 110 949 503	R367 113 089 206

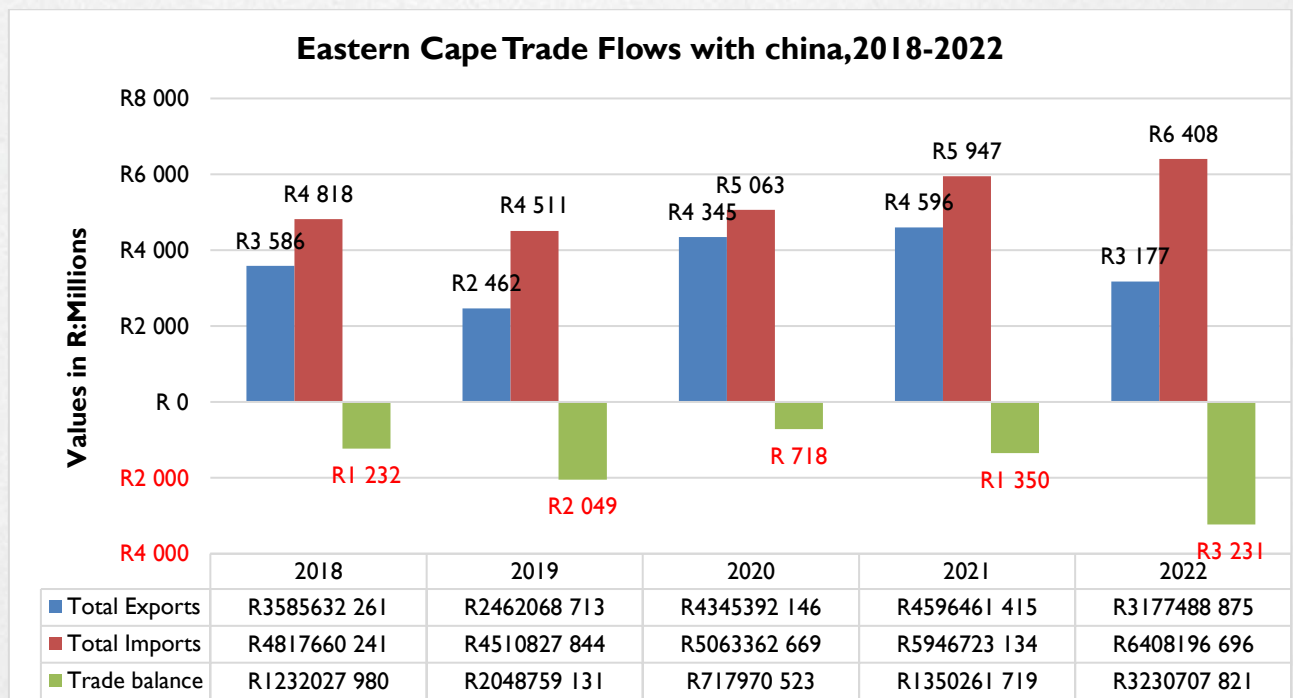
Source: Quantec and own calculations, 2023

The South African top 15 import commodities from China between years 2018 to 2022 are illustrated in table 3 above. The Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles are number one in the top 15 imported commodities from China recorded an amount of R60.3 billion in 2018 and R98.1 billion in 2022 with a fluctuating pattern over this period under review. Second most imported commodities in the top 15 are nuclear reactors, boilers, machinery and

mechanical appliances; parts thereof from R45.8 billion to R71.8 billion between 2018 and 2022 with an uptrend pattern. The third most imported commodities are Vehicles other than railway or tramway rolling stock, and parts and accessories thereof amounting to R6.7 billion in 2018 increasing to R20.0 billion in 2022, with trending up pattern over the period under study. The total imports of all commodities revealed a fluctuating trend from R226.5 billion in 2018 to R367.1 billion in 2022.

4. Eastern Cape Trade flows with China

Figure 4: Eastern Cape trade flows with China, 2018-2022



Source: Quantec and own calculations, 2022

The Eastern Cape total imports and exports of all commodities with China between 2018 and 2022 are presented in figure 4. The Eastern Cape province is a net importer of commodities from China in all the years in the period under review. The trade deficit in the balance of trade of the province of R1.2 billion was recorded in 2018 fluctuating to R3.2 billion in 2022. The total exports have been going up and down from R3.6 billion

in 2018 to R3.2 billion in 2022. On the same token, imports shown a fluctuating pattern from R4.8 billion in 2018 to R6.4 billion in 2022.

Table 4: Eastern Cape top 15 Exports to China, 2018- 2022

Eastern cape top 15 Exports to China,2018-2022					
Year	2018	2019	2020	2021	2022
1.Wool, fine or coarse animal hair; horsehair yarn and woven fabric	R2 957 112 294	R1 833 308 544	R3 492 906 561	R3 812 376 847	R2 705 549 448
2.Raw hides and skins (other than furskins) and leather	R179 551 575	R104 592 430	R211 887 202	R299 617 382	R193 204 881
3.Edible fruit and nuts; peel of citrus fruit or melons	R152 342 872	R98 550 236	R213 166 328	R111 780 033	R80 703 107
4.Ceramic products	R93 575 829	R132 024 888	R265 701 616	R254 852 601	R47 175 866
5.Fish and crustaceans, molluscs and other aquatic invertebrates	R528 361	R4 135 299	R3 658 469	R5 300 434	R42 889 306
6.Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	R40 780 785	R47 702 627	R29 767 226	R30 448 025	R30 362 894
7.Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder	R0	R8 797 938	R0	R4 352 804	R20 526 240
8.Tobacco and manufactured tobacco substitutes	R1 043 219	R22 834 889	R12 724 472	R15 255 907	R15 825 030
9.Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	R4 259 788	R1 468 186	R28 604 458	R625 316	R10 014 502
10.Articles of iron or steel	R3 204 174	R10 032 920	R4 535 816	R6 578 701	R6 798 762
11.Ores, slag and ash	R14 826 032	R47 006 615	R25 000 935	R18 317 983	R6 403 719
12.Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof	R0	R241	R6 785 218	R2 676 307	R3 233 561
13.Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	R108 712 761	R86 280 692	R7 156 403	R5 212 092	R2 585 362
14.Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes	R3 760 075	R4 835 178	R2 390 778	R4 610 470	R2 564 857
15.Iron and steel	R61 385	R10 094	R13 833 871	R632 872	R1 857 015
Total Exports: All commodities	R3 585 632 261	R2 462 068 713	R4 345 392 146	R4 596 461 415	R3 177 488 875

Source: Quantec and own calculations, 2023

Table 4 above tabularise the Eastern Cape top 15 export commodities to China from year 2018 to 2022. The top 3 most exported commodities by the province are as follows: Wool, fine or coarse animal hair; horsehair yarn and woven fabric which demonstrated a fluctuating trend over the period under study, from R3.0 billion in 2018 to R2.7 billion in 2022. Followed by Raw hides and skins (other than furskins) and leather which recorded an amount of R179.6 million in 2018 fluctuating to R193.2 million in

2022. The third most exported commodities are Edible fruit and nuts; peel of citrus fruit or melons which shown a fluctuating trend recorded R152.3 million in 2018 and R80.7 million in 2022. The province was a net importer during this period under review, recorded total imports of R3.6 billion in 2018 fluctuating to R3.2 billion in 2022.

Table 5: Eastern Cape top 15 Imports from China, 2018-2022

Eastern Cape top 15 Imports from China, 2018-2022					
Year	2018	2019	2020	2021	2022
1. Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	R649 454 318	R576 074 203	R704 264 156	R795 948 464	R1 010 469 216
2. Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	R728 926 278	R642 588 914	R948 023 971	R830 590 815	R770 714 377
3. Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes	R347 623 662	R317 205 553	R333 187 401	R411 629 971	R523 860 471
4. Articles of iron or steel	R189 070 258	R194 849 350	R409 925 209	R536 668 315	R485 191 942
5. Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	R328 408 301	R365 066 093	R204 464 951	R381 769 604	R450 034 892
6. Plastics and articles thereof	R425 200 756	R199 238 059	R240 235 754	R321 593 445	R397 695 109
7. Ceramic products	R137 815 065	R175 844 900	R144 955 447	R338 820 513	R373 076 384
8. Organic chemicals	R266 834 240	R171 280 492	R133 206 956	R179 475 580	R325 206 018
9. Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use	R167 014 375	R154 565 515	R94 409 858	R118 690 888	R222 042 937
10. Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof	R121 819 718	R137 194 348	R149 700 014	R242 147 166	R168 445 617
11. Aluminium and articles thereof	R58 682 271	R60 401 451	R66 697 570	R140 351 577	R142 848 392
12. Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like; prefabricated buildings	R398 336 522	R439 000 657	R280 610 388	R378 035 753	R138 900 240
13. Miscellaneous chemical products	R48 022 047	R89 817 940	R66 541 736	R112 664 638	R110 829 583
14. Wood and articles of wood; wood charcoal	R60 014 518	R67 990 530	R56 773 039	R70 402 075	R93 420 743
15. Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal	R29 715 705	R21 682 300	R38 444 372	R63 314 249	R79 977 769
Total imports: All commodities	R4 817 660 241	R4 510 827 844	R5 063 362 669	R5 946 723 134	R6 408 196 696

Source: Quantec and own calculations, 2023

The Eastern Cape top 15 import commodities from China between years 2018 to 2022 are depicted in table 6. The Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and

parts and accessories of such articles are number one in the top 3 imported commodities recorded R649.5 million in 2018 and R1.0 billion in 2022 displaying a fluctuating trend over the period under review. Second most imported commodities in the top 3 are nuclear reactors, boilers, machinery and mechanical appliances; parts thereof fluctuating from R728.9 million in 2018 to R770.7 million in 2022. The third most imported commodities are Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes recorded an amount of R347.6 million in 2018 fluctuating to R523.9 million in 2022. The total imports of all commodities revealed a fluctuating trend from R4.8 billion in 2018 to R6.4 billion in 2022.

5. South Africa Foreign Direct Investment from the China

The South African economy absorbed a total of US\$13.29 billion in foreign direct investment from China and created approximately 26 164 job opportunities between January 2003 and April 2023. Over this period under study, total of 120 Foreign Direct Investment projects were attracted with an average project size in terms of jobs of 218 and average project size in terms of capital investment of US\$110.80 million.

Table 6: South Africa Headline FDI trends by year from China, 2003-April 2023

South Africa Headline FDI trends by year from China, 2003- April 2023					
Year	Number of projects	Jobs created		Capital investment	
		Total	Average	Total (USD million)	Average (USD million)
2023	3	181	60	59.90	20.00
2022	6	293	48	92.30	15.40
2021	2	60	30	20.50	10.30
2020	5	384	76	348.20	69.60
2019	8	933	116	495.50	61.90
2018	9	848	94	254.80	28.30
2017	4	687	171	233.30	58.30
2016	8	3,335	416	2,108.50	263.60
2015	8	1,347	168	121.40	15.20
2014	17	6,216	365	7,907.40	465.10
2013	7	1,316	188	138.60	19.80
2012	11	2,261	205	175.70	16.00
2011	9	791	87	167.70	18.60

2010	7	2,068	295	376.70	53.80
2009	5	1,403	280	233.40	46.70
2008	5	3,361	672	516.30	103.30
2007	3	653	217	35.70	11.90
2006	2	18	9	2.40	1.20
2004	1	9	9	2.80	2.80
Total	120	26,164	218	13,291.00	110.80

Source: FDI Markets database from The Financial Times Ltd, 2023

Table 6 above shows the number of Foreign Direct Investment into the country by years, project number, jobs created and capital investments between January 2003 and April 2023. The country attracted high capital investment of US\$ 7.9 billion and, 17 number of projects in 2014 and an estimated total of 6216 job opportunities, investments by these projects are equating to 59 percent of total capital investment over the period under review. The largest number of projects again was announced in 2014 with 17 projects in that year. Average project size peaked in 2014 for capital investment and in 2008 for jobs created with US\$ 465.10 million and 672 respectively.

Table 7: South Africa Top 10 Companies: Jobs Created and Capital Investment, 2003-April 2023

South Africa Top 10 Companies from China: Jobs Created and Capital Investment, 2003-April 2023				
Company Name	Jobs created		Capital investment	
	Total	Average per project	Total (USD million)	Average (USD million)
1.Huawei Technologies	1,439	110	633.70	48.70
2.Hisense	1,748	291	128.20	21.40
3.Powerway Renewable Energy	1,093	273	7.10	1.80
4.Seraphim Solar System	452	150	32.00	10.70
5.China Mobile International (CMI)	106	53	163.20	81.60
6.China Telecom	86	43	166.00	83.00
7.GRMSearch	28	14	55.60	27.80
8.IP Global	36	18	36.40	18.20
9.Suntech Power Holdings	50	25	12.80	6.40
10.Trina Solar	76	38	22.00	11.00

Source: FDI Markets database from The Financial Times Ltd, 2023.

A total of 90 companies from China invested in South Africa between January 2003 and April 2023, out of a total of 120,270 companies investing in FDI globally.

The top 10 companies account for 19.5 percent of job creation and 9.5 percent of capital investment. The top company that generated the greatest investment of US\$ 633.70 million and second highest number of jobs of 1439 was China Huawei Technologies. Trailed by China Telecom registering US\$ 166.00 million capital investment and created 86 job opportunities. China Mobile International (CMI) was the company that invested a third largest capital investment of US\$ 163.20 million and created approximately 106 job opportunities in the country (see table 7).

Table 8: South Africa FDI trends from China by source city, 2003-April 2023

South Africa FDI trends by source city, 2003- April 2023						
Source city	Projects		Companies		Jobs Created	Total (USD million)
	No	%	No	%		
1.Beijing	23	19.17	21	25.61	9,713	4,173.20
2.Hong Kong	17	14.17	14	17.07	509	251.70
3.Shenzhen	16	13.33	4	4.88	1,591	650.70
4.Changzhou	6	5.00	3	3.66	693	67.70
5.Qingdao	6	5.00	1	1.22	1,748	128.20
6.Foshan	5	4.17	2	2.44	1,237	16.10
7.Guangzhou	5	4.17	4	4.88	1,126	204.60
8.Shanghai	5	4.17	5	6.10	3,331	6,469.80
9.Hangzhou	3	2.50	3	3.66	63	13.30
10.Nanjing	3	2.50	3	3.66	70	24.40
11.Baoding	2	1.67	2	2.44	916	144.20
12.Changchun	2	1.67	2	2.44	1,064	180.60
13.Chengdu	2	1.67	2	2.44	115	39.50
14.Jining	2	1.67	2	2.44	39	7.80
15.Wuxi	2	1.67	1	1.22	50	12.80
16.Baotou	1	0.83	1	1.22	614	124.50
17.Changle	1	0.83	1	1.22	150	3.00
18.Changsha	1	0.83	1	1.22	50	12.40
19.Changshu	1	0.83	1	1.22	37	4.10
20.Dongguan	1	0.83	1	1.22	33	6.60
21.Other source cities	13	10.83	13	15.85	979	271.80
22.Not Specified	3	2.50	3	3.66	2,049	436.10
Total	120	100.00	90	109.76	26,164	13,291.00

Source: FDI Markets database from The Financial Times Ltd, 2023

Table 8 tabulate South Africa Foreign Direct Investment trends from China by source province between January 2003 and April 2023. Out of a total of 33 source cities, the top five account for the majority of projects. Beijing is the top source city accounting

for almost one-fifth of projects tracked. Shanghai has generated greatest investment of US\$ 6.47 billion investment and the second highest number of total jobs of 3331 jobs. Beijing is the second source city of South Africa FDI from China registering US\$ 4.17 billion capital investment and the highest total number of 9,713 job opportunities.

Table 9: South Africa FDI trends from China by destination province, 2016-April 2023

South Africa FDI trends from China by destination City,2003-April 2023				
Destination state	No of projects	No of companies	Jobs Created	Capital investment
			Total	Capital Investment (USD m)
1.Gauteng	47	38	9,429	9,316.90
2.Western Cape	23	17	2,456	449.90
3.Eastern Cape	10	8	2,184	1,121.60
4.Northern Cape	5	2	1,114	180.70
5.KwaZulu-Natal	4	4	132	55.40
6.Mpumalanga	2	2	177	27.90
7.Limpopo	1	1	273	119.10
8.North West	1	1	106	33.70
9.Not Specified	27	24	10,293	1,985.80
Total	120	90	26,164	13,291.00

Source: FDI Markets database from The Financial Times Ltd, 2023

South Africa Foreign Direct Investment from China by destination province between 2003 and April 2023. Out of a total of 8 destination provinces, the top five account for the majority of projects. Gauteng has received the highest number of total jobs and greatest investment with a total of 9429 jobs and US\$9.32 billion investment. Gauteng and Limpopo have the largest project size on average in terms of investment and jobs creation, respectively. Eastern Cape is the second province with highest total investment of US\$ 1.12 billion and third highest number of 2184 jobs (see table 9).

6. Eastern Cape Foreign Direct Investment from the China

The Eastern Cape Province attracted a total of US\$1.12 billion in foreign direct investment from China and created approximately 2,184 job opportunities in the province between January 2003 and April 2023. During this period under review, a total of only 10 Foreign Direct Investment projects landed in the province with an average



project size in terms of jobs of 218 and average project size in terms of capital investment of US\$ 112.20 million.

Table 10: Eastern Cape Headline FDIs from China trends by year, 2003-April 2023

Eastern Cape Headline FDIs from China trends by year,2003-April 2023					
Year	Number of projects	Jobs created		Capital investment	
		Total	Average	Total (USD million)	Average (USD million)
2022	1	100	100	35.10	35.10
2019	2	718	359	133.35	66.75
2018	3	452	150	32.00	10.66
2014	3	464	154	865.08	288.36
2011	1	450	450	56.06	56.06
Total	10	2,184	218	1,121.59	112.20

Source: FDI Markets database from The Financial Times Ltd, 2022

The number of Foreign Direct Investment into the province by years, project number, jobs created and capital investments between January 2003 and April 2023 are shown in table 10. The Eastern Cape attracted high capital investment of US\$ 865.08 million from only 3 number of projects in 2014 and approximately second highest of 450 total job opportunities were created, investments by these projects are equating to 77 percent of total capital investment over the period under study. The largest number of projects of 3 were announced in both 2014 and 2018. The average project size peaked in 2014 for capital investment and in 2011 jobs created, recorded an amount of US\$ 288.36 million and created 450 job opportunities, respectively.

Table 11: EC Only Top 7 Companies: Jobs Created and Capital Investment, 2003-April 2023

Eastern Cape Only Top 7 Companies: Jobs Created and Capital Investment,2003-April 2023				
Company Name	Jobs created		Capital investment	
	Total	Average per project	Total (USD million)	Average (USD million)
1.BAIC International	120	120	839.08	839.08
2. First Automotive Works (FAW)	1064	532	180.56	90.28
3.Seraphim Solar System	452	150	32.00	10.66
4.Berda Fruit	100	100	35.10	35.10
5.JA Solar	200	200	17.00	17.00
6.Powerway PV	144	144	9.00	9.00
7. Hengtong Aberdare Cables	104	104	8.85	8.85



Source: FDI Markets database from The Financial Times Ltd, 2023

The above table 11 tabulated the only top 7 companies invested in the Eastern Cape between January 2003 and April 2023 by jobs creation and capital investment. The only top 7 companies account for 100 percent of job creation and 100 percent of capital investment. The top company that generated major capital investment of US\$ 839.08 million and created 120 number of jobs was BAIC International based in Gqeberha/Port Elizabeth Coega SEZ. The second biggest capital investment in the province was made by First Automotive Works (FAW) invested US\$ 180.56 million and created highest of approximately 1064 job opportunities in the province, landed in Gqeberha/Port Elizabeth. Berda Fruit was the company that invested a third largest capital investment of US\$ 35.10 million and created approximately 100 job opportunities in the province, landed in Kirkwood.

Table 12: Eastern Cape FDIs from China trends by sector, 2003-April 2023

Eastern Cape FDIs from China trends by sector,2003-April 2023					
Sector	No of projects	Jobs Created		Capital investment	
		Total	Average	Total (USD million)	Average (USD)
1.Automotive OEM	3	1184	395	1,019.64	339.88
2.Alternative/Renewable energy	5	796	159	58.00	11.60
3.Food & Beverages sector	1	100	100	35.10	35.10
4.Electronic components sector	1	104	104	8.85	8.85
Total	10	2,184	218	1,121.59	112.20

Source: FDI Markets database from The Financial Times Ltd, 2022

Out of a total of four sectors, Automotive OEM accounts for 91 percent of projects investments in the Eastern Cape between January 2003 and April 2023. The Automotive OEM has generated the highest number of total jobs and greatest investment with a total of 1184 jobs and US\$ 1.02 billion investment. Automotive OEM have the largest project size on average in terms of investment and jobs creation, respectively. The second sector that accounted for the majority of capital investment of US\$ 58.00 million and created 796 job opportunities was Alternative/Renewable energy (see table 12 above).



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Table 13: Eastern Cape FDI from China trends by source city, 2003- April 2023

Eastern Cape FDI from China trends by source city,2003-April 2023						
Source city	Projects		Companies		Jobs Created	Capital Investment (USD million)
	No	%	No	%		
1.Beijing	1	10	1	14.28	120	839.08
2.Changchun	2	20	1	14.28	1,064	180.55
3.Changzhou	4	40	2	28.57	553	67.10
4.Shanghai	1	10	1	14.28	200	17.00
5.Foshan	1	10	1	14.28	144	9.00
6.Hengtong	1	10	1	14.28	104	8.85
Total	10	100	7	100	2,184	1,121.59

Source: FDI Markets database from The Financial Times Ltd, 2022

The Eastern Cape Foreign Direct Investment trends from China by source city between January 2003 and April 2022 are publicized above (table 13). Out of a total of 6 source cities the top 1 account for 75 percent of capital investment. Changchun is the top source city accounting for capital investment amounting to US\$ 839.08 million and created 120 jobs. Changchun has the second highest total capital investment at US\$ 180.55 million and highest of 1064 jobs created in the province.

Table 14: Eastern Cape FDI from China trends by destination city, 2003-April 2023

Eastern Cape FDI from China trends by destination city,2003-April 2023						
Destination city	Projects		Companies		Jobs Created	Capital Investment (USD million)
	No	%	No	%		
1.Port Elizabeth	7	70	6	75	1776	1,063.49
2. Kirkwood	1	10	1	12.50	100	35.10
2.East London	2	20	1	12.50	308	23.00
Total	10	100	8	100	2,184	1,121.59

Source: FDI Markets database from The Financial Times Ltd, 2023

The Eastern Cape Foreign Direct Investment from China by destination city between January 2003 and April 2023 exemplified that Gqeberha/Port Elizabeth has received largest number of projects tracked of 7 with a total of 1776 jobs and largest of US\$ 1.06 billion capital investment into the region and the province. Followed by Kirkwood with 1 project amounting US\$ 35.10 million and created 100 job opportunities in the regions and the province (table 14).

South Africa



- Positioned for prime access to the 14 countries comprising the Southern African Development Community (SADC)
- Vibrant country alive with possibility and opportunities
- Popular and heavily sought after tourist destination
- Southern-most tip of Africa

Eastern Cape

Capital: Bhisho

Population:
6.56 million,
12.7% of SA population

Major cities:
Port Elizabeth &
East London

Area:
168 966 km²,
13.9% of total SA area

Business languages:
English

- Easy access to Sub-Saharan African & global markets by sea, road, rail & air
- Home to two custom-built industrial development zones

Investment opportunities in key growth sectors

- General manufacturing
- Automotive and components
- Agriculture and agro-processing
- Renewable energy
- Aquaculture
- Business processing outsourcing & offshoring (BPO & O)
- Tourism



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