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## **SA and Eastern Cape Trade Flows & Foreign Direct Investment with Russia-2023**

Compiled by the Office of the Chief Economist: ECDC

Report: Economic Research, Analysis and Forecasting

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## I. Introduction

This report discussed the short Russia 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 Russia from the period 2018 to 2022 and Foreign Direct Investment trends from year January 2003 to April 2023. The trade analysis between South Africa and Russia exposed that the country is the net importer of commodities from Russia in all the years in the period under review. Similarly, trade between Eastern Cape and Russia showed that the province is the net importer of commodities from Russia in all the years in the period under review, except 2020 and 2022.

The mostly exported commodities by the province include: Edible fruit and nuts; peel of citrus fruit or melons, Preparations of vegetables, fruit, nuts or other parts of plants and 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. Whereas the most imported commodities include: Rubber and articles thereof, Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes and Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes.

## 2. Russia Economic short profile

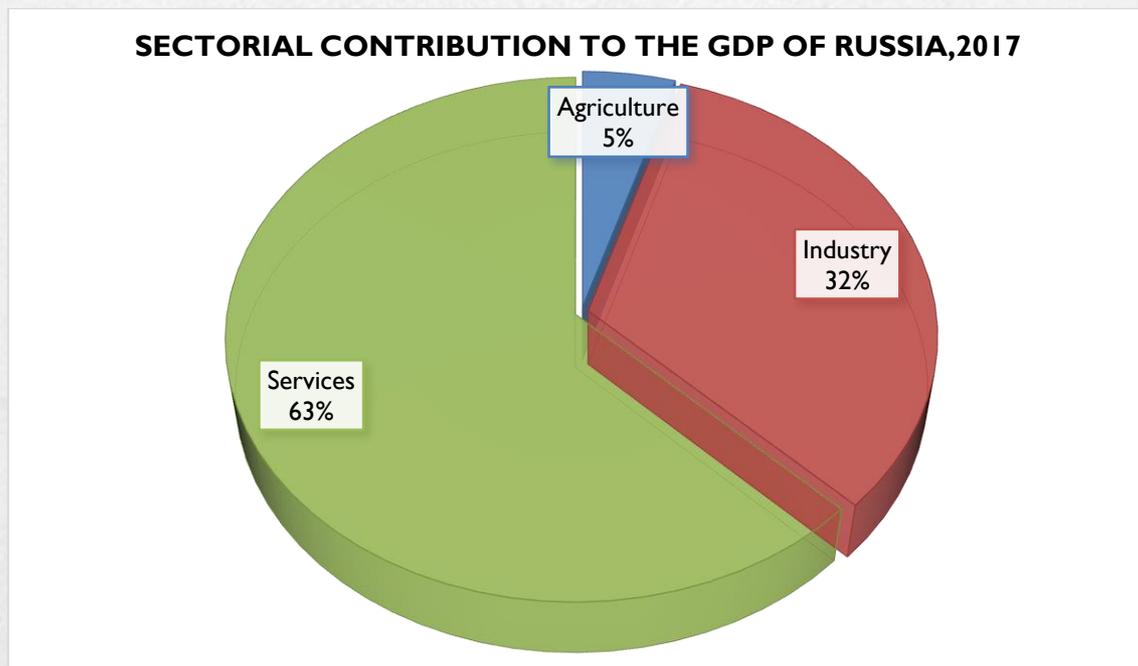
Table I: Russia Fact Sheet

Russia Fact Sheet (2019* Estimated figures)	
<b>Basic Information</b>	
Area	Area 17,098,246 sq. km
Population (2021)	142.3 million
Life expectancy (2021)	Total population 72.2 years (Male: 66.6 years and Female: 78.1 years)
<b>Economic development</b>	
GDP*	\$ 3.97 trillion
GDP per capita*	\$ 27,044
Inflation rate*	4.4%
Unemployment rate*	4.6%

Source: <https://www.indexmundi.com/russia,2023>

Table I tabulate the Russia fact sheet expressed in year 2019 estimated figures denoted by a star in the table and stated if other years. The Russian population of 142.3 million in 2021 is more than double the South African total population of 60.04 million and SA is only 42 percent of the Russian total population. The Gross Domestic Product (GDP) is \$3.97 trillion with per capita GDP of \$27,044, a moderate inflation rate of 4.4 percent and, lower than South Africa and Eastern Cape unemployment rate of 4.6 percent in 2020.

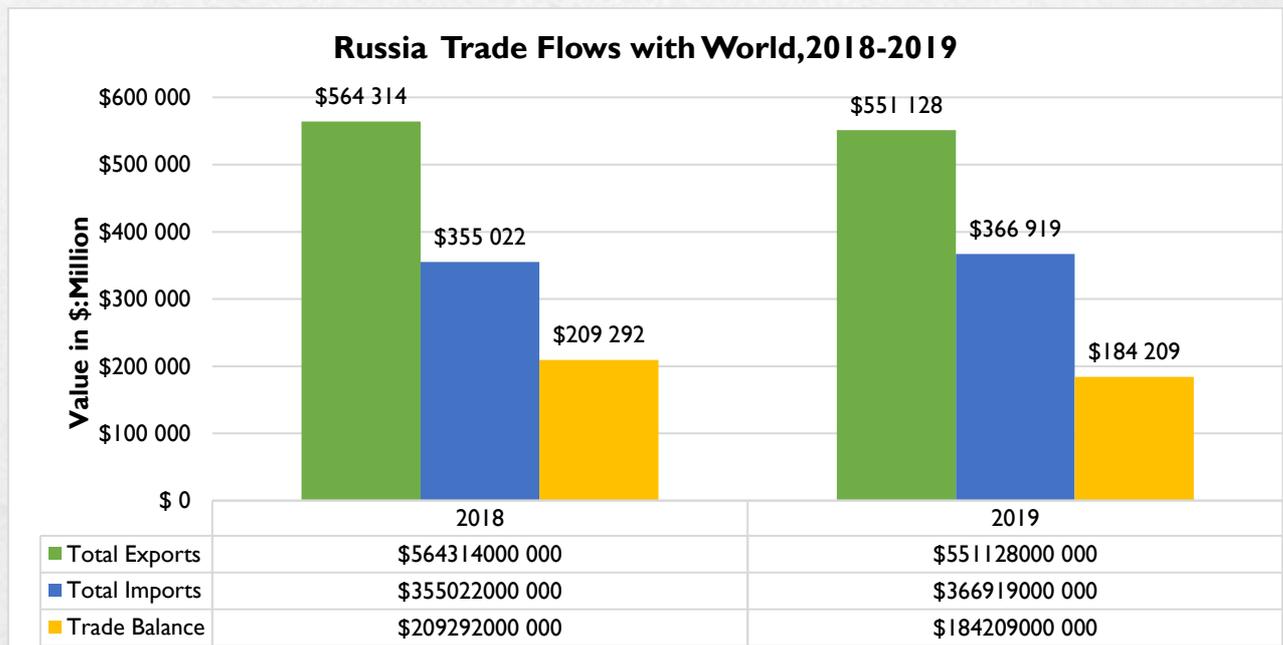
Figure I: Sectorial contribution to the GDP of Russia, 2017



Source: <https://www.indexmundi.com/russia,2023>

Figure 1 above reveals the major sectors that contribute to the Gross Domestic Product of Russia in year 2017. The services sector is the biggest contributing sector (government activities, communications, transportation, finance, and all other private economic activities that do not produce material goods) to the GDP of Russia with 63 percent, trailed by industry sector (coal, oil, gas, chemicals, and metals; all forms of machine building from rolling mills to high-performance aircraft and space vehicles; defense industries (including radar, missile production, advanced electronic components), shipbuilding; road and rail transportation equipment; communications equipment; agricultural machinery, tractors, and construction equipment; electric power generating and transmitting equipment; medical and scientific instruments; consumer durables, textiles, foodstuffs and handicrafts) with 32% and Agriculture (wheat, sugar beet, milk, potatoes, barley, sunflower seed, maize, poultry, oats and soybeans) with 5 percent small contribution similar to South Africa and Eastern Cape.

Figure 2: Russia trade flows with the rest of the world, 2018-2019



Source: <https://www.indexmundi.com/russia,2023>

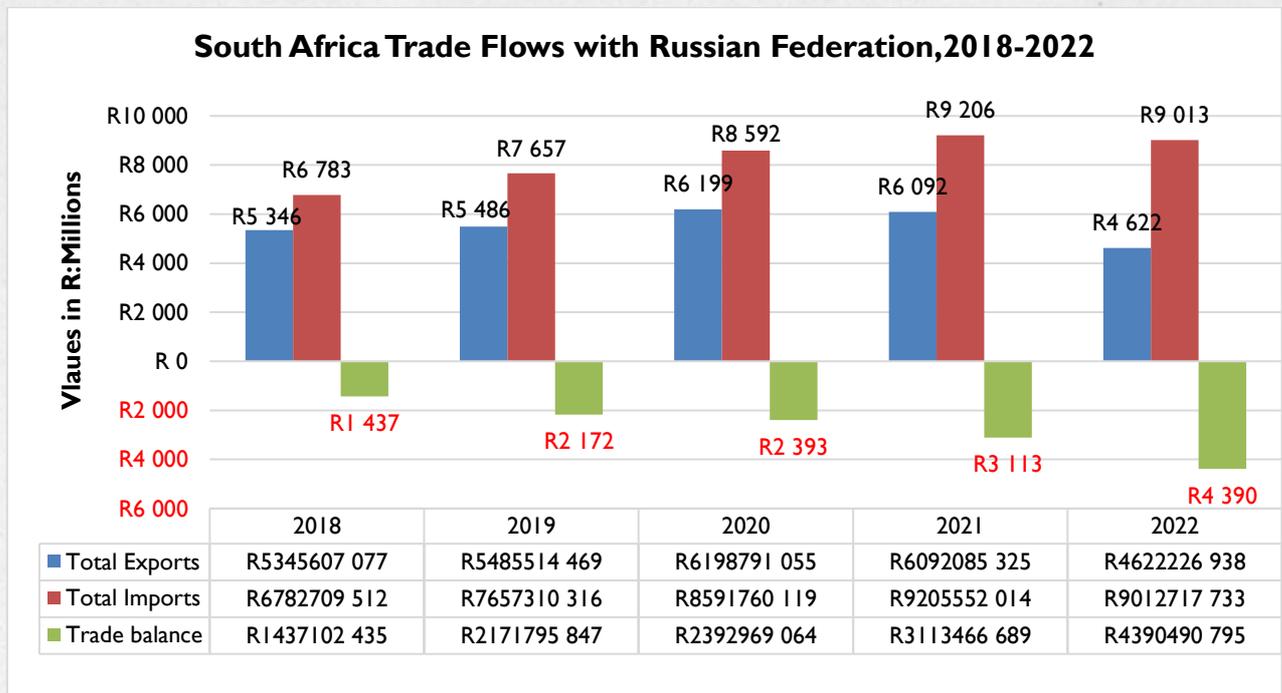
Russia total exports and imports of all products with the world from 2018 to 2019 are shown in figure 2 above. In 2019, Russia exported \$551.13 billion (down from \$564.14

billion recorded in 2018) and imported \$366.92 billion (up from \$355.0 billion recorded in 2018), resulting in a surplus in the trade balance of \$174.21 billion. The commodities that contributed most to the Russia exports were crude petroleum, refined petroleum, natural gas, coal, wheat and iron. When it comes to imports, the most dominant commodities in Russia include cars and vehicle parts, packaged medicines, broadcasting equipment, aircraft and computers. Russia recorded a trade surplus (where exports of all commodities exceed imports) in the balance of trade in all the years under review, \$209.30 billion in 2018 and \$18421 billion in 2019. The top export destinations of Russia in 2019 were China (14%), Netherlands (10%), Belarus (5%) and Germany with 5% percent. The top import origins were China (20%), Germany (13%) and Belarus with 6 percent.



### 3. South Africa Trade flows with Russia

Figure 3: South Africa trade flows with Russian Federation, 2018-2022



Source: Quantec and own calculations, 2023

Figure 3 above revealed the South Africa total imports and exports of all commodities with Russia from 2018 to 2022. South Africa is a net importer of commodities from Russia Federation in all the years in the period under review. The trade deficit in the balance of trade amounted to R1.4 billion in 2018 and increased to R4.4 billion in 2022. The country's exports have been fluctuating from R5.3 billion in 2018 to R4.6 billion in 2022. On the same token, the provincial imports fluctuated from R6.8 billion in 2018 to R9.0 billion in 2022.

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

South Africa top 15 Exports to Russian Federation, 2018-2022					
Year	2018	2019	2020	2021	2022
1.Edible fruit and nuts; peel of citrus fruit or melons	R2 294 090 092	R2 127 259 313	R3 575 991 494	R3 297 126 434	R3 732 225 593
2.Preparations of vegetables, fruit, nuts or other parts of plants	R232 961 943	R158 486 820	R210 708 185	R264 203 892	R211 074 428
3.Ores, slag and ash	R1 707 384 436	R1 498 677 361	R693 205 941	R1 011 075 302	R192 355 108
4.Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	R126 034 767	R722 822 695	R889 355 726	R708 665 611	R158 243 254
5.Beverages, spirits and vinegar	R270 472 410	R288 955 792	R182 724 250	R179 180 083	R122 532 404
6.Iron and steel	R391 916 934	R223 938 771	R197 821 102	R204 862 158	R69 872 923
7.Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof	R10 871 056	R13 027 629	R12 426 576	R15 893 806	R27 058 931
8.Miscellaneous chemical products	R35 737 354	R52 544 937	R40 810 666	R62 028 042	R14 849 278
9.Railway or tramway locomotives, rolling stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electromechanical) traffic signalling equipment of all kinds	R887 196	R1 397 939	R1 250 988	R8 533 093	R10 614 787
10.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	R37 024 788	R54 228 498	R37 232 953	R16 706 882	R9 812 886
11.Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter; paints and varnishes; putty and other mastics; inks	R7 594 936	R12 226 584	R17 449 268	R12 991 337	R8 062 710
12.Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder	R9 343 829	R16 027 903	R10 211 239	R9 937 925	R7 125 944
13.Products of animal origin, not elsewhere specified or included	R444 707	R511 123	R570 082	R687 621	R6 055 148
14.Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	R89	R328	R933 467	R120	R5 934 169
15.Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	R5 142 146	R134 588	R1 698 600	R11 164 723	R5 765 906
<b>Total Exports: All commodities</b>	<b>R5 345 607 077</b>	<b>R5 485 514 469</b>	<b>R6 198 791 055</b>	<b>R6 092 085 325</b>	<b>R4 622 226 938</b>

Source: Quantec and own calculations, 2023

Tables 2 above illustrated the South Africa top 15 export commodities to Russian Federation from year 2018 to 2022. The Edible fruit and nuts; peel of citrus fruit or melons are number one in the top 15 most exported commodities by the country in 2022 amounting to R3.7 billion from R2.3 billion in 2018 fluctuated over period under review. Then trailed by the Preparations of vegetables, fruit, nuts or other parts of plants in the second place of the top 15 export commodities with an amount of R232.9 million

in 2018 and fluctuated to R211.1 million in 2022. The Ores, slag and ash in the third place illustrated a fluctuating pattern over this period posting R1.7 billion in 2018 and R192.4 mmillion in 2022. The country was a net importer in the period under study of the commodities from Russian Federation which is not a favourable term of trade for the country, total exports registered R5.3 billion in 2018 and R4.6 billion in 2022 with a fluctuating trend over the period under review.

**Table 3: South Africa top 15 Imports from Russian Federation, 2018-2022**

<b>South Africa top 15 Imports from Russian Federation,2018-2022</b>					
<b>Year</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>1.Fertilisers</b>	R776 423 390	R1 015 148 339	R945 880 528	R2 250 356 746	R4 170 681 438
2.Copper and articles thereof	R760 490 010	R2 271 170 141	R2 761 338 754	R2 632 880 218	R1 144 371 988
3.Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	R789 444 108	R760 929 116	R1 051 610 578	R1 306 228 923	R923 910 540
4.Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes	R204 368 873	R107 007 487	R80 896 338	R384 210 187	R511 108 662
5.Paper and paperboard; articles of paper pulp, of paper or of paperboard	R439 491 775	R364 457 169	R255 871 000	R153 987 004	R370 865 316
6.Fish and crustaceans, molluscs and other aquatic invertebrates	R100 151 394	R109 463 499	R16 599 779	R341 524 606	R368 529 129
7.Cereals	R2 314 690 111	R1 424 415 862	R2 118 172 581	R495 097 663	R324 469 423
8.Iron and steel	R173 728 417	R450 123 200	R392 974 340	R115 434 501	R313 574 007
9.Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof	R25 710 700	R13 579 763	R27 917 763	R30 994 398	R115 966 589
10.Plastics and articles thereof	R35 161 921	R51 780 122	R52 423 192	R174 264 881	R100 887 014
11.Rubber and articles thereof	R90 423 635	R81 217 468	R54 905 203	R94 869 833	R89 666 452
12.Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	R68 441 122	R62 666 353	R54 361 794	R89 855 782	R86 578 983
13.Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard	R233 369 872	R76 801 064	R127 101 763	R162 269 386	R82 177 155
14.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	R65 676 456	R144 042 281	R57 842 484	R89 268 250	R70 453 042
15.Wood and articles of wood; wood charcoal	R71 266 366	R70 685 920	R42 965 240	R50 430 246	R54 788 685
<b>Total Import: All commodities</b>	<b>R6 782 709 512</b>	<b>R7 657 310 316</b>	<b>R8 591 760 119</b>	<b>R9 205 552 014</b>	<b>R9 012 717 733</b>

Source: Quantec and own calculations, 2023

The South African top 15 import commodities from Russia between years 2018 to 2022 are illustrated in table 3 above. The Fertilisers are number one in the top 15 imported

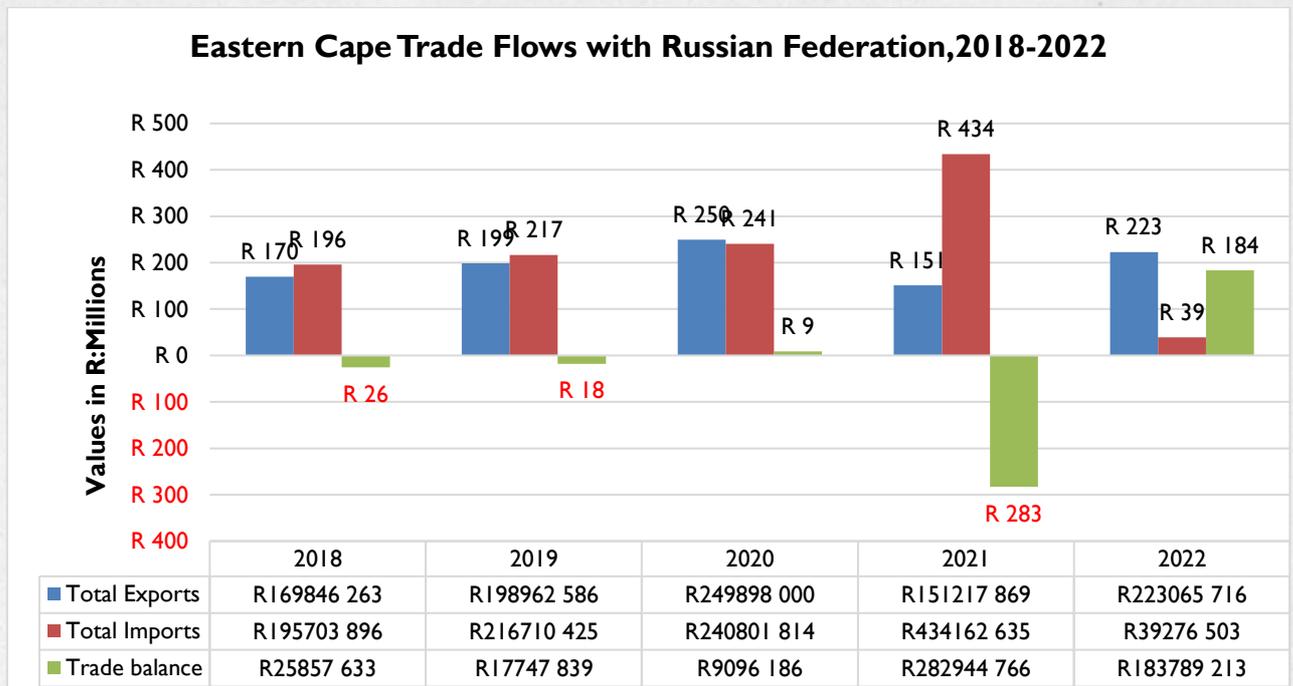


commodities from Russia between years 2018 to 2022 recorded an amount of R776.4 million and R4.2 billion respectively with a flatulating trend over this period under review. Second most imported commodities in the top 15 are Copper and articles thereof from R760.5 million in 2018 to R1.1 billion in 2022 with a fluctuating pattern. The third most imported commodities are Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes amounting to R789.4 million in 2018 up to R923.9 million in 2022 with a fluctuating trend over the period under study. The total imports of all commodities shown a trending up pattern from R6.8 billion in 2018 to R9.0 billion in 2022.



## 4. Eastern Cape Trade flows with Russian Federation

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



Source: Quantec and own calculations, 2023

Eastern Cape total imports and exports of all commodities with Russian Federation from 2018 to 2022 are showed in figure 4 above. The province is a net importer of goods from Russia in all the years in the period under review, except in 2020 and 2022 where a trade surplus of R9.1 million and R183.8 million respectively were recorded. The balance of trade (where import of all commodities exceed exports) recorded a trade deficit of R25.9 million in 2018, increased to R282.9 million in 2021. The total exports showed a fluctuating trend from R169.8 million in 2018 up to R223.1 million in 2022 over the period under review. On the same token, the total imports showed a fluctuating trend from R195.7 million in 2018 to R39.3 million in 2022.

Table 4: Eastern Cape top 20 Exports to Russian Federation, 2018-2022

Eastern Cape top 15 Exports to Russian Federation, 2018-2022					
Year	2018	2019	2020	2021	2022
1. Edible fruit and nuts; peel of citrus fruit or melons	R123 032 679	R137 261 811	R205 875 003	R91 926 077	R197 067 377
2. Preparations of vegetables, fruit, nuts or other parts of plants	R12 401 451	R14 080 686	R22 433 984	R40 606 557	R22 701 292
3. 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	R7 355 957	R10 551 196	R7 550 295	R10 263 697	R2 097 488
4. Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	R2 920 358	R2 767 919	R3 152 452	R3 491 759	R707 309
5. Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silkworm gut)	R0	R0	R0	R78 983	R163 189
6. Furskins and artificial fur; manufactures thereof	R153 938	R66 887	R5 155	R1 805 032	R101 719
7. 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	R0	R0	R0	R0	R92 051
8. Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal	R0	R0	R0	R0	R82 459
9. Products of animal origin, not elsewhere specified or included	R34 493	R9 898	R29 000	R8 665	R35 573
10. Essential oils and resinoids; perfumery, cosmetic or toilet preparations	R0	R0	R0	R0	R17 259
11. Wool, fine or coarse animal hair; horsehair yarn and woven fabric	R401 467	R112 805	R158 275	R1 136 530	R0
12. Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	R10 966 092	R20 127 840	R2 425 640	R828 904	R0
13. Tobacco and manufactured tobacco substitutes	R4 929 947	R11 716 543	R7 047 405	R361 183	R0
14. Works of art, collectors' pieces and antiques	R779 080	R150 545	R104 571	R438 611	R0
15. Articles of iron or steel	R272 804	R566 272	R21 201	R95 836	R0
<b>Total Exports: All commodities</b>	<b>R169 846 263</b>	<b>R198 962 586</b>	<b>R249 898 000</b>	<b>R151 217 869</b>	<b>R223 065 716</b>

Source: Quantec and own calculations, 2023

Table 4 above tabulate the Eastern Cape top 15 export commodities to Russian Federation from year 2018 to 2022. The top 3 most exported commodities by the province are as follows: Edible fruit and nuts; peel of citrus fruit or melons which shown a fluctuating trend over the period under study, from R123.0 million in 2018 up to R197.1 million in 2022. Trailed by Preparations of vegetables, fruit, nuts or other parts of plants which recorded an amount of R12.4 million in 2018 fluctuating to R22.7 million in 2022. The third most exported commodities are 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 which showed a

fluctuating pattern over the period under review recorded an amount of R7.4 million in 2018 and R2.1 million in 2022. The province was a net importer during this period under review except 2020 and 2022, recorded total exports of R169.8 million in 2018 fluctuated to R223.1 million in 2022.

**Table 5: Eastern Cape top 15 Imports from Russian Federation, 2018- 2022**

<b>Eastern Cape top 15 Imports from Russian Federation,2018-2022</b>					
<b>Year</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
1.Rubber and articles thereof	R80 635 714	R71 100 235	R47 811 319	R42 370 190	R24 152 192
2.Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	R21 668 136	R21 582 717	R7 501 688	R10 142 819	R6 969 876
3.Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes	R494 372	R0	R623 803	R6 580 538	R5 264 539
4.Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	R540 265	R367 517	R246 713	R797 397	R1 207 443
5.Plastics and articles thereof	R422	R237	R1 184	R45	R811 097
6.Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	R1 529 733	R642 478	R360 467	R297 573	R399 089
7.Glass and glassware	R67 138	R125 406	R178 110	R393 487	R262 193
8.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	R8 615	R13 186	R81 025	R43 782	R165 139
9.Other made-up textile articles; sets; worn clothing and worn textile articles; rags	R84	R0	R0	R0	R28 600
10.Wood and articles of wood; wood charcoal	R0	R0	R0	R21 030	R15 220
11.Miscellaneous articles of base metal	R0	R0	R0	R554	R883
12.Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silkworm gut)	R0	R6 092	R973	R203	R232
13.Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin	R50 744 149	R118 350 898	R182 578 047	R372 521 012	R0
14.Paper and paperboard; articles of paper pulp, of paper or of paperboard	R0	R0	R3 226	R785 904	R0
15.Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof	R0	R997	R0	R102 205	R0
<b>Total Exports: All commodities</b>	<b>R195 703 896</b>	<b>R216 710 425</b>	<b>R240 801 814</b>	<b>R434 162 635</b>	<b>R39 276 503</b>

Source: Quantec and own calculations, 2023

The Eastern Cape top 15 import commodities from Russian Federation between years 2018 to 2022 are depicted in table 5. The Rubber and articles thereof are number one in the top 3 imported commodities recorded R80.6 million in 2018 trending down to

R24.1 million in 2022. Second most imported commodities in the top 3 are Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes fluctuating from R21.7 million in 2018 to R7.0 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 R494 thousand in 2018 fluctuated to R5.3 million in 2022. The total imports of all commodities proven a fluctuating pattern from R195.7 million in 2018 to R39.3 million in 2022.

### 5. South Africa Foreign Direct Investment from the Russia

The South African economy absorbed a total of US\$ 589.12 million in foreign direct investment from Russia and created approximately 3203 job opportunities between January 2003 and April 2022. Over this period under study, total of 24 Foreign Direct Investment projects were attracted with an average project size in terms of jobs of 133 and average project size in terms of capital investment of US\$ 24.50 million.

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

South Africa Headline FDI trends from Russia by year,2003-April 2023					
Year	Number of projects	Jobs created		Capital investment	
		Total	Average	Total (USD million)	Average (USD million)
2022	1	91	91	28.70	28.70
2019	4	1,626	406	90.10	22.50
2018	2	30	15	11.40	5.70
2017	1	22	22	9.50	9.50
2016	1	22	22	9.50	9.50
2015	1	22	22	9.50	9.50
2014	1	27	27	7.60	7.60
2013	2	151	75	34.70	17.40
2012	2	50	25	15.00	7.50
2011	1	50	50	5.00	5.00
2010	2	30	15	13.80	6.90
2009	1	10	10	2.20	2.20
2008	1	9	9	5.80	5.80
2007	1	1,012	1,012	319.90	319.90
2006	1	16	16	7.50	7.50
2005	1	14	14	7.90	7.90
2004	1	21	21	11.00	11.00
<b>Total</b>	<b>24</b>	<b>3,203</b>	<b>133</b>	<b>589.10</b>	<b>24.50</b>

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 from Russia. The country attracted high capital investment of US\$ 319.9 million and, 1 number of projects in 2007 and an estimated total of 1012 second highest job opportunities, investment by this project is equating to 54 percent of total capital investment over the period under review. The average project size peaked in year 2007 for both capital investments to US\$ 1319.90 million and highest average number of jobs created to 1012. The second highest capital investment of US\$ 90.10 million and highest number of jobs of 1626 were attracted in 2019.

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

South Africa Top 10 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. Grand Capital	88	22	38.00	9.50
2. Gefco	30	15	12.20	6.10
3. Kaspersky Lab	19	9	8.00	4.00
4. Renaissance Capital	43	21	20.50	10.30
5. Bercut	16	16	7.50	7.50
6. Gazprombank	27	27	7.60	7.60
7. Neoflex	231	231	5.10	5.10
8. Norilsk Nickel	1,012	1,012	319.90	319.90
9. Novolipetsk Steel (NLMK)	8	8	1.90	1.90
10. PhosAgro	12	12	3.20	3.20

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

A total of 18 companies from Russia invested in South Africa between January 2003 and April 2022, out of a total 120,270 companies investing in FDI globally. The top 10 companies account for 46.4 percent of job creation and 72 percent of capital investment. The top company that generated the highest number of jobs of 1012 and greatest investment of US\$ 319.90 million was Norilsk Nickel. Trailed by Grand Capital registering US\$ 38.00 million capital investment and created 88 job opportunities. Renaissance Capital was the company that invested a third largest capital investment of US\$20.50 million and created approximately 43 job opportunities in the country (see table 7).

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

South Africa FDI trends from Russia by source city,2003-April 2023						
Source city	Projects		Companies		Jobs Created	Capital Investment (USD million)
	No	%	No	%		
1.Moscow	20	83.33	14	73.68	1,804	499.50
2.Alexandrov	1	4.17	1	5.26	1,361	72.30
3.Lipetsk	1	4.17	1	5.26	8	1.90
4.St Petersburg	1	4.17	1	5.26	16	7.50
5.Tyumen	1	4.17	1	5.26	14	7.90
<b>Total</b>	<b>24</b>	<b>100.00</b>	<b>18</b>	<b>94.74</b>	<b>3,203</b>	<b>589.10</b>

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

Table 8 illustrate South Africa Foreign Direct Investment trends from Russia by source city between January 2003 and April 2022. Out of a total of 5 source cities, Moscow accounts for the majority of projects. Moscow is the top source city accounting for more than 84 percent of projects tracked with the greatest total capital investment of US\$ 499.50 million and highest number of 1804 total jobs created. Alexandrov has the largest project size on average in terms of both investment and jobs creation. Alexandrov has generated the second highest number of total jobs and investment with a total of 1361 jobs and US\$72.30 million investment respectively. Tyumen is the third source city of South Africa FDI from Russia registering US\$ 7.90 million capital investment and 14 job opportunities.

**Table 9: South Africa FDI trends by destination Province,2003-April 2023**

South Africa FDI trends from Russia by destination Province,2003-April 2023						
Destination state	No of projects	No of companies	Jobs Created		Capital investment	
			Total	Average	Total (USD million)	Average (USD million)
Gauteng	13	11	1,919	147	176.30	13.60
Western Cape	5	5	107	21	28.40	5.70
Mpumalanga	1	1	22	22	9.50	9.50
North West	1	1	22	22	9.50	9.50
Not Specified	4	4	1,133	283	365.40	91.30
<b>Total</b>	<b>24</b>	<b>18</b>	<b>3,203</b>	<b>133</b>	<b>589.10</b>	<b>24.50</b>

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

South Africa Foreign Direct Investment from Russia by destination province between January 2003 and April 2023. Out of a total of four destination states, Gauteng accounts



for the majority of projects. Gauteng has received the highest number of total jobs and greatest investment with a total of 1919 jobs and US\$ 176.30 million investment. Gauteng also has the largest project size on average in terms of both investment (US\$ 13.60 million) and jobs creation (147). The Western Cape is the second province attracted the highest investment of US\$ 28.40 million and second highest of 107 jobs created (see table 9).

## 6. Eastern Cape Foreign Direct Investment from the Russia

There were no foreign direct investments tracked from Russia to Eastern Cape between January 2003 and April 2023.



# 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

**Major cities:** Port Elizabeth & East London

**Business languages:** English

**Population:** 6.56 million, 12.7% of SA population

**Area:** 168 966 km<sup>2</sup>, 13.9% of total SA area



- 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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