

# Press Release



SOUTH AFRICAN  
INSTITUTE OF  
RACE RELATIONS

South Africa's Leading Research and Policy Organisation

[www.sairr.org.za](http://www.sairr.org.za)

For immediate release

16 January 2012

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## Are we attractive enough?

The mining and quarrying sector was the major recipient of foreign direct investment (FDI) into South Africa in 2009, followed by the manufacturing and financial sectors, according to the latest *South Africa Survey*, to be published by the South African Institute of Race Relations next week.

A comprehensive section on the composition of both local and foreign investment is included in the *Survey*.

FDI in the mining and quarrying sector as a proportion of total FDI stock — as opposed to flow — increased from 5.7% in 1989 to 33.4% in 2009. Investment in the manufacturing sector decreased from 47% in 1989 to 27.9% in 2009. Investment in the financial sector increased from 26.5% in 1989 to 39.3% in 2000, and subsequently decreased to 27.1% in 2009, according to the data sourced from the South African Reserve Bank.

South African FDI in African countries in 2009 amounted to R116bn. The largest proportion was held in Mauritius (42.6%), followed by Mozambique (5.5%).

FDI flows to South Africa decreased by 71% from \$5.4bn in 2009 to \$1.6bn in 2010, according to the United Nations Conference on Trade and Development (Unctad) World Investment Report 2011. Foreign direct investment flows to South Africa as a proportion of gross fixed capital formation (GFCF) decreased from 14.5% in 2008 to 8.4% in 2009, and to 1.9% in 2010, despite increased flows to developing countries as a whole.

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