



**EMBASSY OF DENMARK**  
*Pretoria, South Africa*

---

# **INVESTMENTS SOUTH AFRICA**

---



**SOUTH AFRICA - AN ATTRACTIVE INVESTMENT DESTINATION**

South Africa is the largest recipient of Danish investments in Africa. South Africa is an attractive investment destination for investors seeking enhanced diversification and higher returns. The country has a relatively diversified economy and is rich in natural resources, providing a promising climate for the shift towards sustainable, green energy initiatives. Investments in infrastructure projects will not only give economic growth but also pave the way for job creation, contributing to overall prosperity.

South Africa, however, faces significant investment needs, exacerbated by an underperforming economy since the 2008 financial crisis. This has led to deteriorating infrastructure, load-shedding, polluted water sources, high unemployment, and other socio-economic challenges. To address economic challenges, South Africa needs to triple its current investment level.

The South Africa National Development Plan 2050 aims to increase the investment ratio to 30% of GDP, particularly in the energy, logistic, and water & sanitation sectors. To achieve this, South Africa must raise annual investments from R800 billion to more than R2,000 billion. The government has initiated efforts to create a more investment-friendly environment after three decades of inadvertence and detrimental economic and social reforms. However, the high level of government debt necessitates private sector and international funding.

Danish private companies play a crucial role in these investments, with Copenhagen Infrastructure Finance (CIP), Mulilo Energy, and A.P. Moller Capital actively involved in the energy and logistics sectors. Additionally, companies like Novo Nordisk, Kamstrup, Haldor Topsoe, Maersk, Lundbeck, ALK-Abelló, GN Resound, Coloplast, Danfoss, Grundfos, Kamstrup, and AVK-vaults have expanded their operations in South Africa.

Danish public finance institutions contribute to South Africa's development as well. Since 1994, the Investment Fund for Development Countries (IFU) has engaged in over 40 projects across various sectors. IFU offers equity, blended finance, including loans and guarantees, and has in June 2023 committed USD 75 million to South Africa's Just Energy Transition Partnership (JETP).

DANIDA Sustainable Infrastructure Finance (DSIF) focuses on public water and energy sectors, contributing to public infrastructure projects and in June 2023 pledged USD 67 million to JETP. DSIF provides grants for technical assistance and concessional loans.

The Export and Investment Fund of Denmark (EIFO), the Danish ECA and a leading global wind park financier, extends guarantees and loans for projects involving Danish technologies. Besides typical export financing, EIFO offers products that address political, technical, and contractual risks.

**FACTS**

- South Africa's investments to GDP ratio is at 13%, well below the global norm of 25-30% (2021)
- South Africa JETP funding requirements until end of 2027 amount to USD 98 bn.
- Danish investments in South Africa total USD 838 mill., equivalent to 37% of all Danish investments in Africa (2022)
- Danish Government Financial Institutions with activities in SA are IFU, DSIF, and EIFO.
- IFU has created more than 1.100 jobs in South Africa since its first democratic election in 1994.
- DSIF extended its operations to South Africa in 2022.

**CONTACT**

Embassy of Denmark in Pretoria,  
Investment Advisor  
Jeppe Skaarhøj

[jepska@um.dk](mailto:jepska@um.dk)