



Invest in Green Manufacturing in Cape Town & the Western Cape September 2025

**Wesgro is the
tourism, trade and
investment promotion
agency for Cape Town
and the Western Cape**



- Wesgro is part of the broader economic leadership team in Cape Town & the Western Cape
- Proudly South African
- Responsible for ensuring that the region is positioned to compete in a challenging global economy
- Our mandate
 - Differentiate Cape Town & the Western Cape as a leading regional economy
 - Increase foreign and domestic investment into Cape Town & the Western Cape
 - Grow Western Cape exports of goods and services
 - Grow leisure tourism consideration in international and local markets as well as growth in business events
 - Be a future-fit, relevant and trusted Tourism, Trade & Investment Promotion Agency (TTIPA)
- Publicly-funded with a private sector Board, +100 Staff
- Located in the nexus between
 - Government & Private Sector
 - Present & Future Economies
 - Local & Global Stakeholders

Key messages

1

The Western Cape is a strategic springboard into the rest of the African continent, and beyond, linking businesses to high growth opportunities through preferential market access

2

South Africa's renewable energy programme and regulatory reforms are driving large investments in energy projects, as well as the demand for components (solar, wind, battery) and related infrastructure

3

The Western Cape is the Green economy hub for Sub-Saharan Africa, with many global and local investors already located in the province

4

The Western Cape provides a strong talent pool, services company throughout the supply chain, manufacturing capabilities and opportunity to localise manufacturing for global supply chains

5

The Western Cape provides an enabling business environment with Wesgro providing support throughout the investment lifecycle

WESGRO

cape town & western cape
tourism, trade & investment

South Africa A vibrant, emerging market connecting Africa with the world



USD363 billion economy



Market of 63 million people



Africa's most industrialized and most diversified economy



50% of multinationals in Africa located in SA



AfCFTA gateway with preferential access to African markets



Sophisticated financial services and banking sector

JSE

Deep bench of powerful & well managed corporations which via the JSE have the highest capitalization to GDP ratio in the world



Western Cape A leading regional economy

- Unprecedented, multi-billion USD public & private sector infrastructure investment pipeline, reshaping the economic future
- Leading South Africa's job recovery
- Modern, services-led economy
- Growth sectors aligned to the future
- Leading tourism destination
- Institutional stability and good governance
- Global connectivity
- GFCF is rising, however needs spatial rebalancing

South Africa's most resilient & investable province



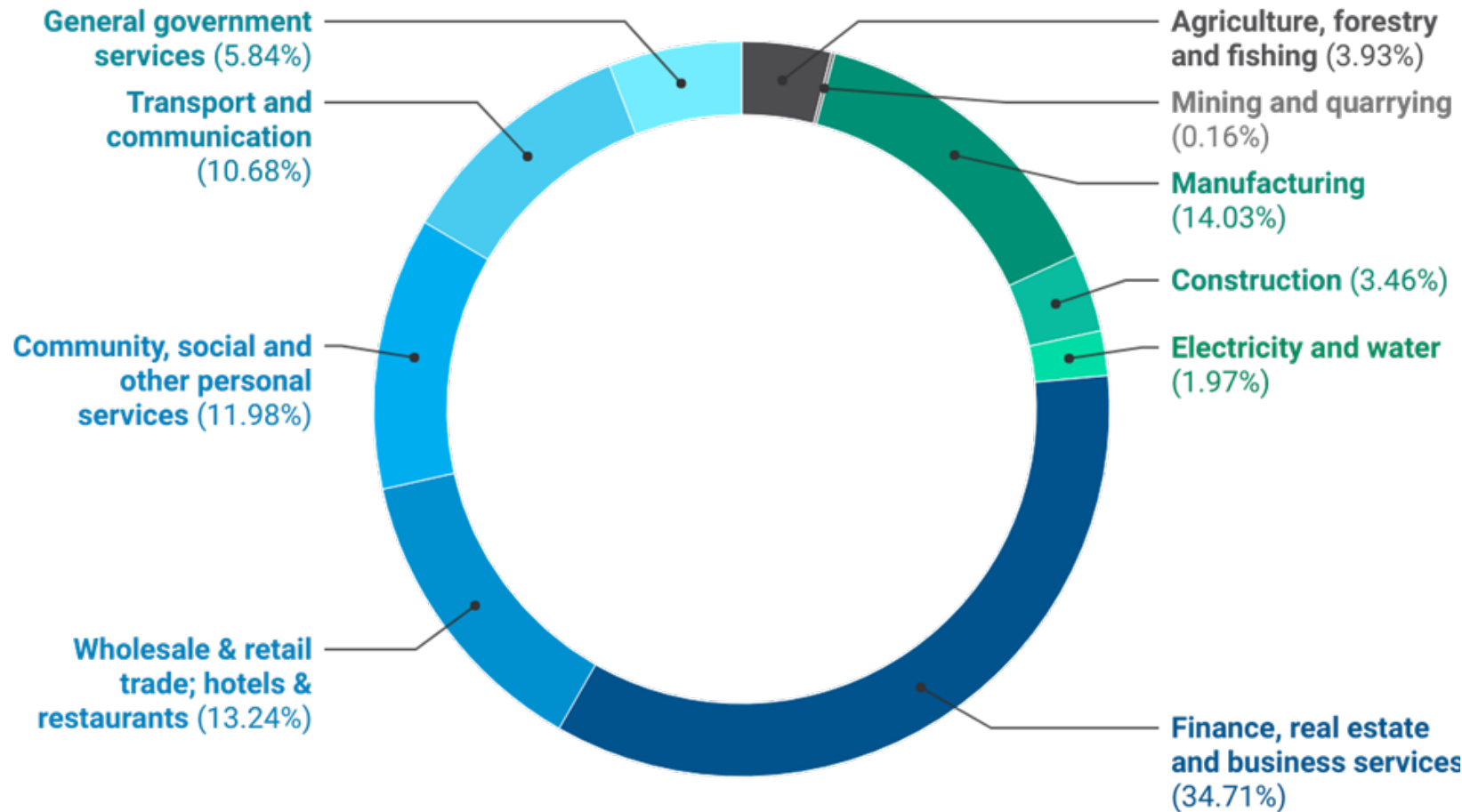
Western Cape Diverse & resilient economy with a well-developed services sector, 76% of GVA

USD51 billion regional economy

7.5 million people

Diversified & export-oriented

Composition of GVA at constant 2015 prices (2024Q4), WC



Green Manufacturing Compelling reasons to invest in the Western Cape

1

Strong Demand in South Africa

With a plan to add 3-5GW of renewable energy capacity each year to 2030, South Africa's demand for localised manufacturing is also set to rise sharply.

2

Expanding EV & Battery Sector

Rising demand for batteries and EVs is creating local manufacturing opportunities for components, with South Africa's established auto sector poised as a key off-taker. The Western Cape is already an investment hub for last-mile delivery vehicles.

3

Digital Readiness

A digital hub with major data centres and three submarine cable landing stations, offering high-speed connectivity vital for smart manufacturing, research, & advanced energy systems.

4

Access to Key Markets

Three major ports & a world-class airport connect investors to export opportunities, with preferential access to UK, EU, US, SADC and soon the African Continental Free Trade Area (AfCFTA).

5

Africa's Leading Green Tech Hub

Cape Town is home to many of South Africa's utility-scale renewable energy developers, with solar PV assembly projects and battery pack manufacturers in operation. The Western Cape hosts top firms expanding into EV charging, green hydrogen, and circular materials.

6

World-Class Research & Innovation

Hydrogen Competency Centres at the University of Cape Town & the University of the Western Cape, Africa's first dedicated renewable energy training facility and significant engineering capabilities.

7

Stable Governance & Supportive Policy

Energy liberalisation reforms, coupled with well-run local and provincial government, provides a supportive policy environment for investors.

8

Hubs for Sustainable Investments

The Atlantis Special Economic Zone, Africa's first green tech manufacturing hub, offers unparalleled access to green infrastructure, just 40 km from Cape Town. Freeport Saldanha set to be prominent Green Hydrogen hub in southern Africa.

9

Cost competitive Western Cape manufacturing and established value chain

Benchmarked cost and quality competitiveness in green component manufacturing, supported by strong talent pool and ecosystem.

10

Incentives

For additional information scan here:



Green Manufacturing A dynamic sector presenting strategic investment opportunities

Renewable Energy (Solar & Wind)



Solar:

- Cells/Modules
- Mounting structures & trackers (profiles, rails, clamps)

Wind:

- Wind towers (sections, anchor, cage, extender, internals)
- Nacelle (generator, gearbox, covers)
- Rotors (blades, hub)

Batteries:

- Lithium-ion cells (anode, cathode, separator, electrolyte)
- Vanadium Redox Flow (VRFB) stacks

Cross-Cutting:

- Transformers
- Inverters
- Switch Gears
- Fasteners
- Cabling (armour, conductor, insulation, connectors)

E-mobility



Last Mile Delivery

- Bicycle
- Motorised bikes (2-3 wheels)
- Panel Vans

Public Transport

- Buses
- Minibuses

Passenger Vehicles

Or parts thereof

Freight & Logistics

Charging

- Charging stations or Parts thereof

Green Hydrogen



Catalysts:

- Membrane electrode assemblies (MEAs)

Systems:

- Fuel Cell Stacks
- Refuelling Stations
- Generators
- Mobility (drones, vehicles)

Green Manufacturing A well established and vibrant ecosystem helping to unlock new opportunities



Government



Universities & Training Institutions



Professional Service Providers



Local & International Businesses



Green Manufacturing Western Cape home to prominent global & local investors across numerous value chains

Renewable Energy



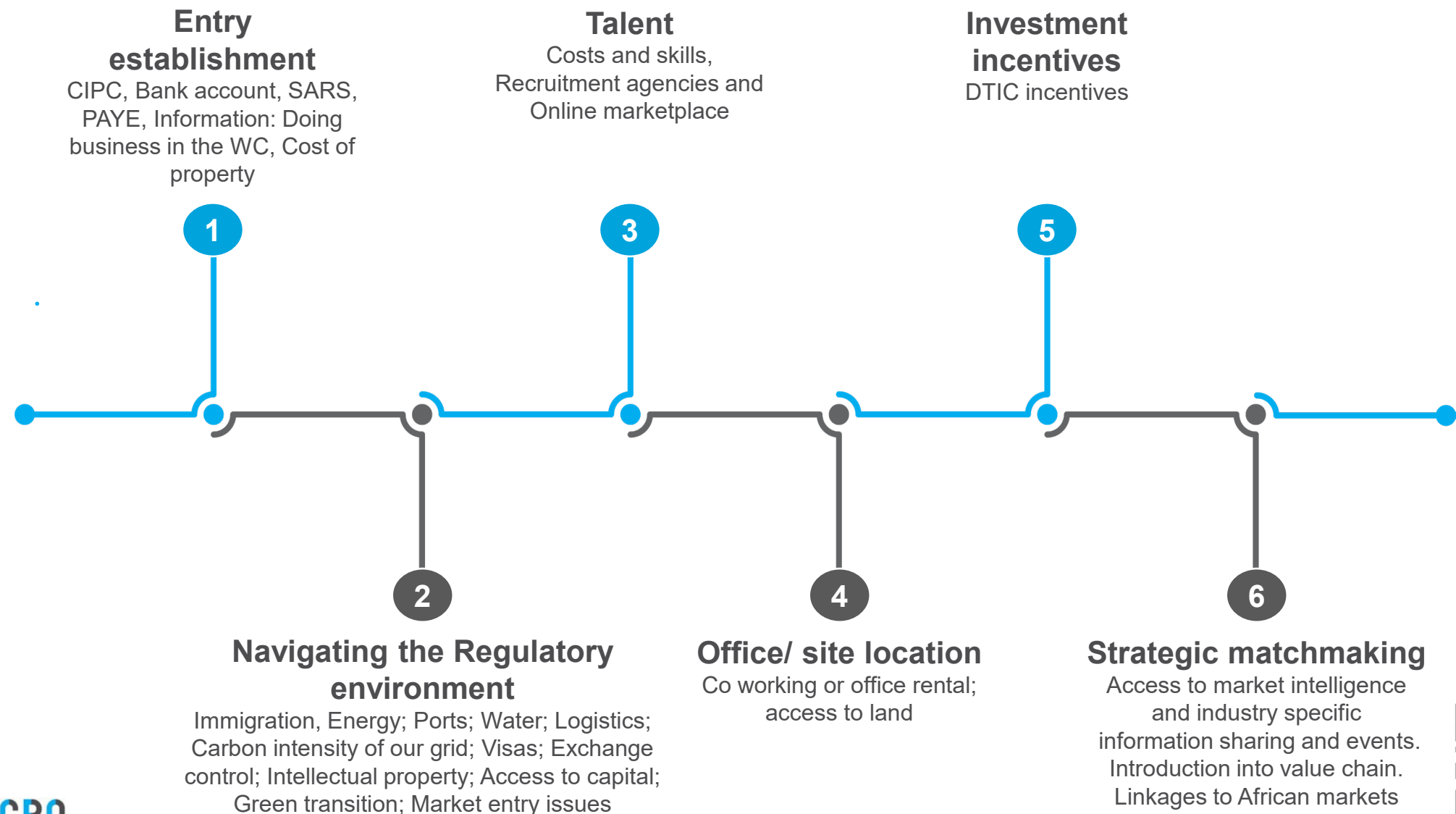
E-Mobility



Green Hydrogen



Investment Facilitation How Wesgro supports investors





More detail

17 September 2025

Renewable Energy SA targeting \$USD 900 million in investments for Renewable Energy component manufacturing by 2030

Global Market Opportunity

By 2030, the global renewable energy market is projected to reach 5.4–10.8 TW, with a sharp rise in trade of renewable tech components from 2022 levels:

- Solar Panels: US\$66 billion
- Wind turbines: US\$6 billion
- Inverters: US\$95 billion
- LIBs: US\$100 billion

Source: Bloomberg NEF 2023, IRENA 2022

Africa/ Sub-Saharan African market opportunity

Africa's Renewable Energy Manufacturing Initiative (REMI) is poised to unlock 1.2 terawatts of clean energy, driven by:

- The continent's unparalleled solar potential, abundant wind, hydro, and geothermal resources,
- A rapidly growing energy demand, and
- Its strategic advantage in supply chain diversification due to critical mineral reserves.

Source: The Climate Foundation, 2023

SA market opportunity

By 2030, the estimated manufacturing opportunities in South Africa:

- \$900M (R16B) in investments:
 - Solar PV components: R8.6 billion By 2030
 - Wind power components: R7.6 billion by 2030
- Training 10,000 professionals to support the sector.

Source: SAREM, 2025

Renewable Energy Growth driven by policy changes and mature market in SA

Global competitive production capabilities

- Manufacturing skills developed among workforce in other industries
- Compared to China, India, Morocco, and Kenya, South Africa ranks high on profitability and quality, with low operating costs, competitive labor, and affordable utilities
- Free trade agreements offer opportunities for export beyond local market (SADC, EU, UK, AGOA, AfCFTA potential)

Local demand & industrialization

- Li-ion batteries are now the leading backup alternative to diesel generators in South Africa.
- Significant increase in the adoption of solar PV at utility scale, as well as C&I, installations across various sectors, driven by declining costs and supportive policies.
- Significant capacity allocated to wind energy projects through various bid windows of the REIPPPP program
- 60% local content in renewable energy and storage providing long term strategic benefits.

An emerging local value chain primed to serve global markets

- Competitive battery pack assembly positioning with 4 leading companies already present – SolarMD, Balancell, Polarium, Blue Nova
- 8,000 MWh battery assembled in South Africa in 2023, 61% of which occurred in Cape Town.
- Local Manufacturing market of Private EVs worth ~R620Bn (SA)
- Lithium-ion cell manufacturing project in the Western Cape will boost local value-add and reduce raw material export impact.

A supportive regulatory environment

- The South African Renewable Energy Masterplan (SAREM) - aims to foster an industrial and inclusive development of renewable energy value chains in South Africa.
- Unbundling of Eskom into distinct generation, transmission, and distribution entities, boosts local manufacturing by driving demand for locally produced energy infrastructure and components.
- JET-IP aims to create quality jobs and growth, supported by SAREM.

Renewable Energy Western Cape home to prominent global and local investors



E-Mobility Large addressable EV manufacturing market valued at USD32 billion

Global market opportunity

- The global EV market is booming—set to soar from \$1.79 trillion in 2025 to \$22.6 trillion by 2034, growing at over 32% annually. This reflects a significant surge in global demand, with growth momentum expected to extend into emerging and developing markets worldwide.

Source: International Energy Agency, 2025

Africa/ Sub-Saharan African market opportunity

- The EV market in Africa is expected to grow to \$28.3 billion by 2030, at a CAGR of 10.2% presenting a significant opportunity to localize EV manufacturing and component supply chains.
- The demand will increasingly justify local assembly, component production, and supply chain development

Source: Mordor Intelligence, 2025

SA market opportunity

- 620 000 private passenger vehicles valued at R620 billion a year to meet global market demand.

Domestic market uptake by 2030:

- Passenger vehicles R13.9 billion
- Electric buses R2.9 billion
- Freight & logistics R1.18 billion
- Last-mile delivery vehicles R1.2 billion

Source: Green Cape, 2024

E-Mobility Western Cape well positioned to take advantage of expanding global market

Local demand & industrialization

- Availability of key minerals in the battery cell manufacturing value chain to develop battery precursor inputs.
- Competitive cost of labour and currency exchange rate which favours manufacturing for export
- The last-mile delivery industry experienced a surge in e-commerce platform usage during the Covid-19 pandemic, and this growth remains strong.

Global trends supporting local EV manufacturing

- Global bans on the sale of new internal combustion engine (ICE) vehicles in key South African automotive export markets
- Investors are looking to diversify global supply chains away from established manufacturing hubs in Asia.

An emerging local value chain primed to serve global markets

- Established automotive and components manufacturing and assembly readily able to transition towards the EV value chain.
- Modular design of micro vehicles well suited for local assembly and local component integration
- Growing local supply chain for electric micro-vehicles, e.g Mellow Vans uses 70% local components to manufacture its electric three-wheeler - this enables rapid scaling for last-mile delivery.
- A few local companies already assembling - Zimi Charge, Green Riders, Mellow Vans, Stroom.

A supportive regulatory environment

- EV white paper released in 2023 by DTIC – direct government incentives and support towards building local manufacturing and value chain development
- EV regulation framework released by DoT – ensuring standardization of charging hardware in SA market
- Investment allowance incentive introduction in 2026 allowing producers to claim 150% of qualifying investments
- SA government has prioritized nearly R1 billion over the medium term to support EV transition in SA market

E-Mobility Western Cape home to prominent investors



Green Hydrogen South Africa estimated to have market value of USD855 million by 2030, thereby driving demand for components

Global market opportunity

- Global demand for green hydrogen is estimated at 70 to 154 million metric tons (Mt) by 2030
- South Africa is well positioned to service key offtake markets: including the European Union, Japan and South Korea

Source: International Energy Agency, 2024

African market opportunity

- Africa holds significant potential for green hydrogen production due to its abundant renewable energy resources, and strategic location for exports.
- The continent could become a major producer of green hydrogen and components thereof, feasibly exceeding 50 million tonnes per annum by 2035.

Source: European Investment Bank

South African market opportunity

- South Africa will be a net exporter of Green Hydrogen in the short to medium term
 - South Africa’s annual green hydrogen export potential at 2.1 Mt per annum by 2050.
- South Africa is advancing the local manufacturing of key green hydrogen components, including membrane electrode assemblies (MEAs) — a vital element in fuel cell production.

Source: Western Cape Green Hydrogen Strategy 25, ISONDO 2025

Green Hydrogen Opportunity driven by global demand and renewable energy potential in SA

Rapidly increasing global demand to meet global decarbonization agenda

- Transitioning global value chains towards net zero requires clean energy that can provide load stability
- Most realistic use case for hard to abate sectors (steel and cement production, ammonia, heavy duty transport)

Natural resource potential to drive down cost LCOE

- SA (WC and NC) have a globally competitive renewable energy development zones
- Coastal desalination fraction of project cost, with potential for oversizing
- Abundance of private and public land at competitive rates

Supportive national and provincial ecosystem

- Established strategies and frameworks – GHS Road Map and Commercialization strategy
- Consolidated secretariat in the IDC and provincial working groups
- JET P- commitments of ~\$16BN (R319bn) for the sector with global partnership support

Embedded capabilities and integrated RD&I value chain

- Legacy oil and Gas expertise and transferable infrastructure
- Established research capabilities through national HySA programme (Catalysis and Systems located in WC)
- Priority Fischer tropesch technology, established hydrogen production capabilities and transferable infrastructure
- Strategic GH clusters and export terminals
- HYSA Catalysis designs and manufactures commercially relevant membrane electrode assemblies (MEA's) a critical component in hydrogen fuel cells and electrolyzes

Green Hydrogen Western Cape home to prominent global and local investors



THANK YOU



Contact us for more information

For further information on setting up or expanding your business in Cape Town & the Western Cape please contact Wesgro's Investment Team

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