Western Cape Government

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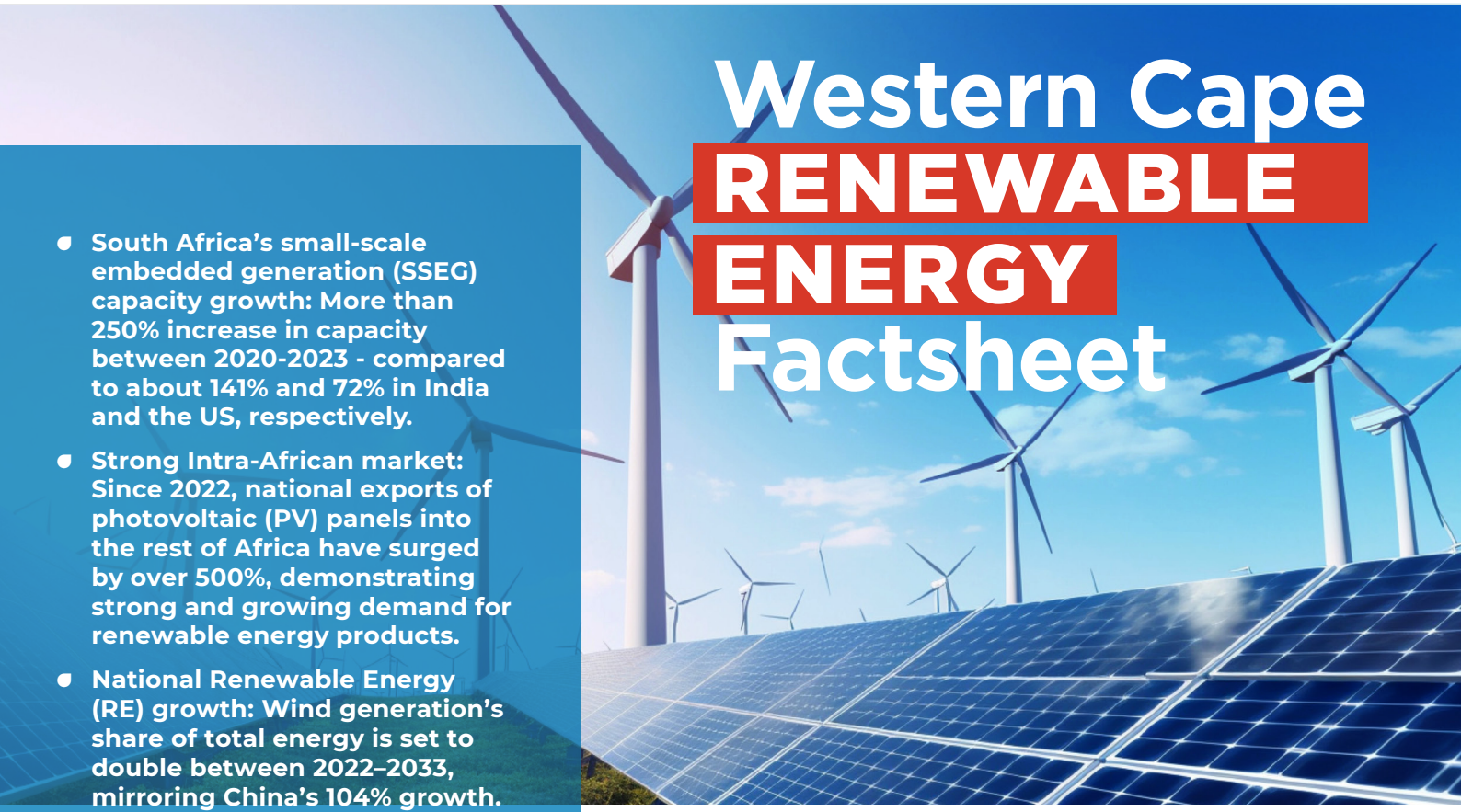
tourism, trade & investment

Western Cape RENEWABLE ENERGY Factsheet

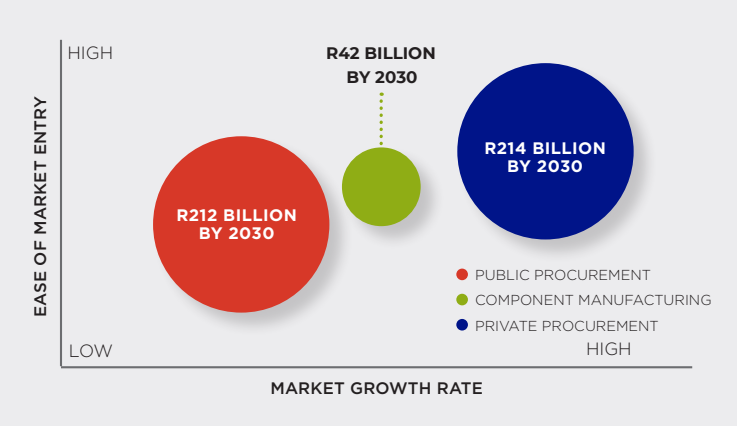


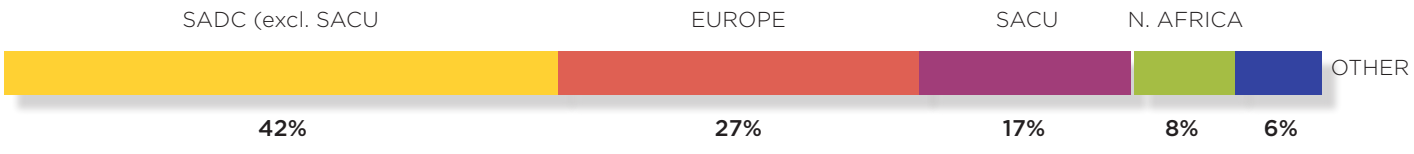
- South Africa's small-scale embedded generation (SSEG) capacity growth: More than 250% increase in capacity between 2020-2023 - compared to about 141% and 72% in India and the US, respectively.
- Strong Intra-African market: Since 2022, national exports of photovoltaic (PV) panels into the rest of Africa have surged by over 500%, demonstrating strong and growing demand for renewable energy products.
- National Renewable Energy (RE) growth: Wind generation's share of total energy is set to double between 2022–2033, mirroring China's 104% growth. Total non-hydro renewables (% of total) are projected to grow 130%, surpassing the US's 66.8% growth.

WHY INVEST IN THE WESTERN CAPE?

- Four globally recognized local universities produce a steady stream of skilled engineers, scientists, and project managers. UCT and Stellenbosch rank among Africa's top five universities for electrical engineering, with labour costs 40 - 50% less than equally skilled talent in the U.S. and EU and fewer regulatory requirements compared to China.
- SSEG Market growth: Rooftop photovoltaic (PV) market more than doubled since 2020 – and is poised to grow up to R14.7 billion ($788 million) annually.
- Large-scale Renewable Energy: Market is set to surge to R468 billion, offering investors significant growth potential in the budding sector.
- Manufacturing Dominance: Western Cape captures 70% of the country's renewable energy component manufacturing – solidifying its status as the renewable energy hub of South Africa.

LARGE-SCALE RE MARKET





WHAT ARE THE OPPORTUNITIES?

1 **NEXT FIVE YEARS:**
Strong short-term demand for SSEG and battery installations driven by greater grid independence demands. The local SSEG markets offers faster returns on investment compared to large-scale generation, however, the latter represent a broader long-term market opportunity.

2 **LONG-TERM GROWTH:**
Long-term investment into large-scale RE and exports present a broader selection of investment opportunities. These include:

- **Manufacturing** of metallic frames, polymers, conductive materials, and adhesives for PV panels. Li-ion batteries, inverters, and battery cabinets etc. for storage solutions.
- **Installation/construction** of RE infrastructure including solar and wind farms, and system software monitoring/ maintenance.
- **Expansion** into the broader Southern African market as neighbouring economies develop toward RE.

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E-mail:
Investment@westerncape.gov.za

KEY COMPANIES PROVIDING WESTERN CAPE RE-RELATED SERVICES