

AN EXPLORATION OF THE EFFECTS OF FOREIGN DIRECT INVESTMENTS ON SOUTH AFRICA'S ECONOMIC GROWTH

Meshel Muzuva

Durban University of Technology Durban, South Africa

Email: meshmuzuva@gmail.com

Rishi Balkaran

Cape Peninsula University of Technology, Cape Town, South Africa

Email: balkaranr@cput.ac.za

&

Veena Parboo Rawjee

Durban University of Technology, Durban, South Africa

Email: rawjeeve@dut.ac.za

ABSTRACT

This study examines how foreign direct investment (FDI) impacts South Africa's economic growth. Interviews were conducted with experts in economics and business to gain insight into their perspectives on South Africa's FDI attraction strategy and impact on economic growth. The findings reveal both advantages and disadvantages associated with FDI. While experts acknowledge that FDI has the potential to stimulate economic growth, they also raise concerns regarding unequal distribution of benefits and potential harm to the economy. To maximize the positive effects of FDI while minimizing risks, the participants recommend several actions. These include making regulations clearer and more predictable, improving infrastructure to make South Africa more competitive, and attracting investment to growing industries. Collaboration between different groups is also seen as important for sharing knowledge, developing skills, and creating new ideas. Additionally, addressing skill shortages, making it easier for businesses to get funding, and promoting South Africa more effectively are seen as crucial. In conclusion, this study emphasizes the need for a well-rounded approach to attracting FDI, considering economic, social, and government-related factors. By implementing targeted policies and encouraging collaboration, South Africa can become more attractive to investors and achieve its full economic potential. However, it's important to constantly monitor how well these strategies work to ensure FDI truly benefits South Africa's long-term economic growth and development.

Keywords: Foreign Direct Investments; Economic Growth; South Africa, Qualitative Study.