



education
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

NKANGALA
EDUCATION DISTRICT

GRADE 12

ECONOMICS CASE STUDY
AUGUST 2026

This question paper consists of 4 pages.

INSTRUCTIONS AND INFORMATION

1. This task must be carried out in class under supervised conditions and should be completed in ONE sitting.
2. Answer all questions
3. **OPEN BOOK TASK/ REFERENCE MATERIALS CAN BE USED**
4. Learners should **NOT** be exposed to the task before the writing time but should be informed of the topics covered, so that they can bring the right reference sources to class.
5. Internet is allowed for reference purposes
6. Number the answers correctly according to the numbering system used in this question paper.
7. Use only black or blue ink.
8. Write neatly and legibly.

QUESTION 1

1.1 Read the case below and answer questions that follow

FOREIGN DIRECT INVESTMENT IN SOUTH AFRICA

Chery Motor corporation, from China has officially opened manufacturing plant in Roslyn Pretoria. This is a shift from Cherry cars being imported from China to fully being produced in South Africa. The Cherry subsidiary cars to be produced are: Jaecoo J5, and Jetour T-Series, and Omoda from 2027 January.

This marks Chery's transition from a car seller to a long-term industrial partner in South Africa, with ambitions to make Rosslyn its African manufacturing, export, and R&D headquarters. The Rosslyn facility, established in 1963 and formerly operated by Nissan, is now a full-scale Chery production hub.

The Car manufacture is aiming at exporting many of the cars to the rest of the African continent. With the African Continental Free Trade Area (AfCFTA) operational though only 20 countries out of 55 are participating in so far. Many analysts think South Africa can be a major beneficiary of the AfCFTA since its manufacturing base is the biggest in the continent, so new the new Foreign Direct investment from Cherry play a role in that regard.

To benefit from the foreign direct investments such as Cherry, infrastructure such as energy (electricity) needed for production is important. South Africa managed to secure an investment from China involving Chinese firms directly producing energy related products such as solar panels, inverters in South Africa.

[Adapted from: www.bing.com]

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|-------|--|--------------|
| 1.1.1 | Identify ONE of the Cherry subsidiary car models to be produced in Pretoria from January 2027? | (1) |
| 1.1.2 | Identify ONE of the energy related products that will be produced in South Africa as part of the China investment in South Africa. | (1) |
| 1.1.3 | Name the car producer which used to produce their cars in the facility taken by the Cherry Motor group. | (1) |
| 1.1.4 | Name any FOUR African countries that are already fully participating in the AfCFTA. | (4) |
| 1.1.5 | Briefly describe the term <i>industrial development</i> | (2) |
| 1.1.6 | Why is the Cherry Motors investment in Roslyn termed foreign direct investment (FDI)? | (2) |
| 1.1.7 | Explain the objectives of the AfCFTA. | (3 x 2) (6) |
| 1.1.8 | If you were the Minister of Trade, industry & Competition how will you think the Cherry Motor investment can help the country to achieve its aims of industrial development? | (5 x 2) (10) |
| | | [27] |

QUESTION 2

2.1 Read the case below and answer the questions that follow.

SOUTH AFRICA 'S ECONOMIC GROWTH & DEVELOPMENT THROUGH SMALL AND MICRO BUSINESSES

For generations, spaza shops have been an integral part of South Africa's township and rural communities, reflecting the resilience, entrepreneurial spirit and determination of ordinary people to create economic opportunities despite challenging circumstances. Through the Department of Small Business Development and the Department of Trade, industry & Competition, South Africans can be assisted to start their small businesses. The programme is Not a charitable course, as such there are still requirements needed for one to qualify for the funding. Ownership being 100% South African, registration with the South African Revenue Services (SARS), location being rural or township are some of the six eligibility criteria.

[Adapted: www.google.co.za]

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| 2.1.1 | Identify ONE government departments involved in the spaza shop initiative. | (1) |
| 2.1.2 | List any 4 requirements for an applicant to qualify for the Spaza shop funding. | (4) |
| 2.1.3 | Briefly describe the term economic development. | (2) |
| 2.1.4 | Explain what the Spaza shop support package consists of. | (3 x 2) (6) |
| 2.1.5 | Why do you think it is important for the spaza's to be registered with the SARS? | (2 x 2) (4) |
| 2.1.6 | How can spaza shop entrepreneurship contribute to the economy? | (6) |
| | | (3 x 2) [23] |

GRAND TOTAL 50