

## Cape Town, Western Cape – Africa's leading digital hub

A place with a world-class digital ecosystem, where resources and talent meet commercial and social opportunity



# SOUTH AFRICA: INNOVATIVE, BUSINESS FRIENDLY COUNTRY



POPULATION

**56,7 Million**

MEDIAN AGE

**27,1 YEARS**

GDP PER CAPITA

**\$6377**

TIMEZONE

**EUROPEAN**

BUSINESS LANGUAGE

**ENGLISH**

FDI (2018) \$5.3bn of inflows

**+165.8 %**

South Africa was the Top African destination for FDI, attracting

**139** projects in 2016

WORLD ECONOMIC FORUM '18/19  
OUT OF 141

**60<sup>th</sup>** most competitive  
country

**46<sup>th</sup>** in innovation  
capability

South Africa remains one of  
the **10** best countries for  
doing business in Africa 2019

# TECH IN SOUTH AFRICA



South Africa has the  
**largest telecoms  
market in Africa**

MOBILE PENETRATION  
**169%**

SMART MOBILE USAGE  
**60%**

**31,18 million** active  
internet users

South Africa has one of the  
**most robust mobile  
infrastructures**

INTERNET PENETRATION  
**54%**

Mobile share of web traffic in  
South Africa: **71 %**

South Africans Average Daily  
Internet Usage Per Day  
**8Hrs & 32Min**

Tech governance ranking is **73**  
of **141** countries

Ecommerce Penetration  
**74%**

**28,99 million** active  
mobile internet users

# WORLD-CLASS PROFESSIONAL SERVICES & FINANCIAL MARKETS



Some of the best local and international financial services, governance, have established offices in Cape Town and operate across South Africa and the continent

## WORLD ECONOMIC FORUM RANKS SOUTH AFRICA

**49<sup>th</sup>** in strength of auditing & reporting standards

**37<sup>th</sup>** in shareholder governance

**19<sup>th</sup>** most competitive financial sector

**26<sup>th</sup>** in corporate governance



# CAPE TOWN: SOPHISTICATED, WELL-RUN, GLOBALLY-FOCUSED CITY



## POPULATION

**4.5 MILLION 2019**

## POPULATION UNDER 35

**63%**

## INTERNET PENETRATION

**63%**

Home to **50%** of SA's  
emerging tech companies

One of the **largest open access  
fibre networks** in Africa

**One of the lowest  
unemployment rates in SA** &  
the only province to decrease  
unemployment in 2019

## GROWTH IN PROPERTY VALUES PER YEAR

**12%**  
over last decade –  
2x national average

## THE BEST RUN CITY

The Western Cape has  
widespread fibre networks and

**4G** coverage with  
**5G** being rolled out

NETWORK TO SPAN  
**+1800 km**

FREE WIFI HOTSPOTS  
AROUND THE CITY  
**715**

---

# CAPE TOWN: SOPHISTICATED, WELL-RUN, GLOBALLY-FOCUSED CITY

---



FREE WIFI HOTSPOTS  
LOCATIONS **225**

---

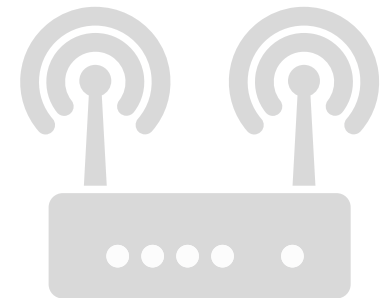
Cape Town is ranked  
in the top **30** cities  
at the forefront of global tech

The Western Cape is connected  
to the world via **multiple  
submarine cable networks** to  
Europe and Asia

---

**Ubiquitous fibre networks**  
available on an open access basis:  
Extensive FTTB (fibre to the  
business) and FTTH (fibre to the  
home) coverage

Several thousand **wifi hotspots**



# START-UP FUNDING CAPITAL OF AFRICA – 2018



## VALUE OF SOUTH AFRICAN VC INVESTMENTS

**R1.5bn** in start-ups in 2018

---

**67%**

MORE FUND MANAGERS ACTIVELY SEEKING INVESTMENT

---

**48.2%**

businesses located in the WC account for the largest way of transactions by value

## NUMBER OF SOUTH AFRICAN VC INVESTMENTS

181 deals in 2018, and increase of 14% from 159 deals in 2017

---

**56%**

OF SOUTH AFRICAN VC TRANSACTIONS CONCLUDED IN SA COMPANIES ARE HEADQUARTERED IN CAPE TOWN

## SOUTH AFRICA VC RATES OF RETURN

Ave ROI / per annum  
**20%**

---

More than **50%** of VC exits in SA were positive in 2017

---

Software sector comprised **5.2%** of deal value

---

Deals involving the ICT sectors account for **5.2%** in 2018



# ACTIVE ANGEL INVESTOR COMMUNITY

South Africa has an active angel and family office investing community and the potential for more:

**+38 200** South African  
US\$ millionaires

## INVESTORS ARE ATTRACTED TO CAPE TOWN BY



**ECOSYSTEMS OF  
QUALITY STARTUPS**



**TAX INCENTIVES**



**CULTURE FAMILIARITY**



**OPPORTUNITY FOR  
SOCIAL IMPACT**



**EASE OF ACCESS TO  
MARKETS**



**ENTREPRENEURIAL  
CULTURE**



**EXISTING DIGITAL  
ECOSYSTEM AND  
INFRASTRUCTURE**



**LIFESTYLE**



**LOCAL AND  
INTERNATIONAL  
TALENT**

# ENTREPRENEURS BUILDING GLOBAL BUSINESSES

1 high growth tech enabled business  
creates 200+ direct jobs

60% of South African Startups  
call Cape Town home

**Cape Town is ranked as the most entrepreneurial city in South Africa**



**INTERNATIONAL &  
LOCAL TALENT &  
CULTURE**



**ACCESS TO FUNDING**



**QUALITY OF LIFE**



**COMMUNITY**



**COST OF TALENT**



**ENTREPRENEURIAL  
CULTURE**



**CULTURE**



**ECOSYSTEMS OF  
QUALITY STARTUPS**



**ACCESS TO AFRICA**



**EDUCATIONAL  
INSTITUTIONS**

---

# AREAS OF INNOVATION

---



**FINTECH**



**SCREENTECH**



**GREENTECH**



**AGRITECH**



**EDTECH**



**TRAVELTECH**



**HEALTHTECH**



**eCOMMERCE**



**DIGITAL  
SERVICES**

# TECH SECTOR SUCCESS STORIES



SCREENTECH



eCOMMERCE



DIGITAL SERVICES



HEALTHTECH



# TECH SECTOR SUCCESS STORIES



FINTECH



EDTECH



TRAVELTECH



AGRITECH



GREENTECH



TIMBUKTU



# HIGHEST NUMBER OF ACCELERATION & CO-WORKING SPACES IN AFRICA



Cape Town is home to  
**The oldest tech incubator**  
in Africa.

INCUBATED BUSINESSES  
**+2000**

ENTREPRENEURS SUPPORTED  
**+3000**

**25+** CO-WORKING SPACES



WORKSHOP17

ACCELERATION PROGRAMS SUPPORT  
**10 – 15**  
Start ups per annum

**20+** LOCAL INTERNATIONAL ACCELERATORS



Startupbootcamp



seedstars\*

# AFFORDABLE, TALENTED PEOPLE & GLOBALLY RECOGNISED UNIVERSITIES



In a 50km radius there are **4 world-class universities**, **2 globally recognised** business schools, research councils, private & public coding schools

## STELLENBOSCH UNIVERSITY & BUSINESS SCHOOL



## UNIVERSITY OF CAPE TOWN & GRADUATE SCHOOL OF BUSINESS

**+12000**

graduates produced annually in **ENGINEERING, SCIENCE, TECH & MATHEMATICS**

Software engineers & developers in Cape Town are

**40-80%**

less expensive than developed markets

**+500**

Coders trained per annum

The Western Cape ecosystem is better developed with institutions that have highly effective Technology Transfer Office's (TTO), and an emerging innovation specialist capability in the life sciences

# THE WESTERN CAPE: KEY SECTORS & CORPORATE ACTIVITY

25 Johannesburg Stock Exchange (JSE) listed companies are headquartered in Cape Town



RETAIL



TOURISM



BPO



TECH



HALAL FOOD



OIL, GAS AND  
MARINE



AGRI PROCESSING



ASSET MANAGEMENT



SUSTAINABLE  
ENERGY



GREEN ECONOMY



---

# CAPE TOWN IS HOME TO GLOBAL INNOVATORS

---



One of the top 10 tech investors in  
the world



Globally voted as  
"the world's best bank"



EC2 cloud built in Cape Town & Amazon  
Web Services operates from the city

# GLOBAL INVESTORS INTO THE CAPE TOWN TECH SECTOR



THOMSON REUTERS



Microsoft

**Panasonic**



Google

Construct

**Hisense**



BARCLAYS

ORACLE

---

# KEY ECOSYSTEM ENABLERS PUBLIC & PRIVATE COMPANIES ENABLING THE TECH SECTOR

---



**References:**

World Investment Report (2019), World Economic Forum (2019), StatsSA (2019), We Are Social (2018), Statista (2019), World Bank Ease of Doing Business (2019), Ernst & Young (EY) Africa Attractiveness Survey (2018), State of ICT Sector in SA (2019), Africa - Mobile Network Operators and MVNOs (2019), SAVCA Industry Survey (2019), StatsSA Quarter Labour Force Summary (2019), AfrAsia Bank South Africa Wealth Report (2019), Economic Performance Indicators for Cape Town (2019), South African Oil & Gas Alliance (SAOGA) (2019), Global State of Digital in 2019 Report (2019), Provincial Economic Review and Outlook (WC) (2019), Saville Consulting (2019).