

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

60th most competitive
country

46th 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

49th in strength of
auditing &
reporting standards

37th in shareholder
governance

19th most competitive
financial sector

26th 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 rate's 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



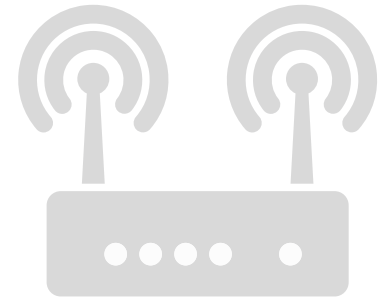
FREE WIFI HOTSPOTS
LOCATIONS **225**

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**

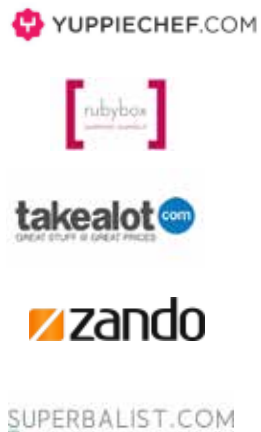
TECH SECTOR SUCCESS STORIES



SCREENTECH



eCOMMERCE


































DIGITAL
SERVICES



HEALTHTECH



TECH SECTOR SUCCESS STORIES

				
FINTECH	EDTECH	TRAVELTECH	AGRITECH	GREENTECH
				
				
				
				
				
				

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**

+500

Coders trained per annum

Software engineers & developers in
Cape Town are

40–80%

less expensive than
developed markets

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



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).