

CAPE TOWN

NO. 1 RANKED AFRICAN TECH ECOSYSTEM

Cape Town's tech ecosystem is almost 2 decades old and is one of the most established in Africa, while other tech hubs around the continent average only 4.3 years. Cape Town is home to sophisticated, globally focused tech businesses and entrepreneurs, who recognise the value of the tech community, lifestyle and talent in this innovative city.

SOUTH AFRICA: COUNTRY DATA

POPULATION **55 million**

AVERAGE AGE **25.4** years old

GDP PER CAPITA **\$5695**

BUSINESS LANGUAGE English

Ranked 47th most competitive country.

Ranked 25th in capacity for innovation.
(2016/17 World Economic Forum's Global Competitiveness Index)

Located in the euro time zone. **8.3%**

TECH IN SOUTH AFRICA Largest telecommunications market in Africa.

4th fastest growing mobile communication market in the world with 50 million subscribers. **52%** internet penetration. **37%** Smartphone penetration.

ECONOMIC SNAPSHOT OF CAPE TOWN

POPULATION **3,95 million**

60% of the population is under 35.

Fastest growing economy in South Africa. **Best Run city** in South Africa.

Property prices up 12% per annum over last decade – 2x national average. **Lowest unemployment rate** in South Africa.

CONNECTING THE ECOSYSTEM **60%** internet penetration.

One of the largest open access fibre optic networks on the continent. **275** public free Wi-Fi hotspots rolled out across province in private & public partnership.

780 km of optic fibre cables laid to date in private & public partnership. 300+ additional hotspots to public free Wi-Fi hotspots rolled out over next 2 years.

Completed network will span 1800km.

START-UP FUNDING CAPITAL OF AFRICA

NUMBER SOUTH AFRICAN VCs 2013 - 2015

Active angel investor community & the potential for more **49 000+** South African millionaires in US\$ terms

up **41%** over period.

58% of South Africa's VCs are headquartered in Cape Town.

WHY GLOBAL AND LOCAL ENTREPRENEURS AND INVESTORS CHOOSE CAPE TOWN



ACCESS TO AFRICA



ACCESS TO FUNDING



LIFESTYLE



TALENT



CULTURE OF INNOVATION



COMMUNITY



TAX INCENTIVES

+1200 early-stage investors invested in South African start-ups.

NUMBER OF SOUTH AFRICAN VC TRANSACTIONS 2013 - 2015

ave. ROI **20%** per annum.

up by **46%** annualized over 3 years.

56% of South African VC transactions in 2015 relate to tech compared to 29% in 2013.

75% of South African VC transactions concluded in Cape Town.

ENTREPRENEURS BUILDING GLOBAL START-UPS

On average one high growth, business in tech sector creates **200 direct jobs**.

60% of South Africa's tech start-ups are based in Cape Town.

AREAS OF INNOVATION



FINTECH



EDTECH



TRAVEL TECH



E-COMMERCE



GAMING & ENTERTAINMENT



DIGITAL SERVICES



HEALTH & BIO TECH

TECH BUSINESSES TO WATCH



HIGHEST NUMBER OF ACCELERATORS AND CO-WORKING SPACES

Cape Town is home to Africa's oldest tech incubator, which is still operating. **It has incubated 750+ businesses and supported 2000+ of entrepreneurs** through its programmes.

20+ acceleration programs in Cape Town.

25+ co-working spaces in Cape Town.

MOST OF ANY AFRICAN CITY

On average one accelerator programme will support **10 -15 startups per year**.

WORLD CLASS PROFESSIONAL SERVICES & FINANCIAL MARKET

Some of the best local and international financial services, audit, law and consulting firms have established offices in Cape Town.

WORLD ECONOMIC FORUM RANKS SOUTH AFRICA

1st /138 in strength of auditing & reporting standards.

2nd /138 in financial services meeting business needs.

2nd /138 in soundness of banks.

1st/138 in financing through local equity market.

AFFORDABLE, SKILLED, CREATIVE PEOPLE

In a 50km radius Cape Town has 4 world class universities, 2 globally recognised business schools, research councils and numerous private and public technical colleges.

UNIVERSITIES

University of Cape Town
Highest QS World Ranking university in Africa.

University of Stellenbosch
Second highest university in South Africa.

UCT Graduate School of Business
Ranked within the Financial Times Top 100 MBA.

Stellenbosch Business School

University of the Western Cape

Cape Peninsula University of Technology

12 000+ graduates produced annually.

Majoring in **ENGINEERING SCIENCES TECH MATHEMATICS**

CAPE TOWN HAS NUMEROUS CODING ACADEMIES & SKILLS DEVELOPMENT INITIATIVES.

500+ coders trained per annum.

Software engineers & developers

40%-80% less expensive than developed markets.

CORPORATES INVESTING IN INNOVATION

25+ Johannesburg Stock Exchange (JSE) listed companies have head offices in Cape Town.

KEY SECTORS



RETAIL



TOURISM



ASSET MANAGEMENT



BPO



AGRI PROCESSING



SUSTAINABLE ENERGY



TECH



OIL & GAS

CAPE TOWN IS HOME TO GLOBAL INNOVATORS



The largest global media company outside of the USA.



Globally awarded as the world's best bank.



EC2 cloud was built in Cape Town and Amazon Web Services runs from Cape Town.

GLOBAL INVESTMENTS INTO THE CAPE TOWN TECH SECTOR



SUPPORTED BY



ENABLED BY



For more information on the tech ecosystem visit

www.capetown.gov.za
www.wesgro.co.za
www.siliconcape.com
www.citi.org.za

SOURCES

SAVCA 2015 Venture Capital Survey | World Bank website 2016 | World Economic Forum website 2016/17 | Ernst and Young Attractive Index 2016 | BMI Research | IHS Globalinsight | City of Cape Town 2011 Census | FNB property barometer | Wesgro | SA Cities Network TNS Surveys (2016) | Seedstars Index (SSI) of Global Emerging Markets Ecosystems 2016 | www.citi.org.za | www.capetown.gov.za | FNB Endeavour research | www.siliconcape.com | www.Coworking.co.za | www.GSMA.com | Economic Performance Indicators for Cape Town 2014-2015 | Statistics South Africa | www.businesstech.co.za | www.PayScale.com | South African Electro-technical Export Council (SAECC) | www.internetlivestats.com | Research ICT Africa | City of Cape Town IDP information 2016