

Venture Capital

A Strategic Investment Opportunity
in Cape Town & the Western Cape

July 2025



Western Cape
Government
FOR YOU



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Cape Town, City Centre

Sector Overview

Home to a vibrant tech scene and a strong culture of innovation, the Western Cape is leading the charge in South Africa's venture capital landscape. With a thriving start-up ecosystem and a business environment that champions entrepreneurship, the region is well positioned as the country's venture capital powerhouse.

In 2024, global venture capital investment hit US\$368.3 billion across over 35,000 deals – a 5.4% increase from 2023. South Africa is keeping pace, and the Western Cape is at the forefront.

In 2023 alone 92 South African start-ups raised US\$162 million through 184 deals supported by 72 active funds, driving the VC asset class to US\$597.4 million, up 17.8% year-on-year.

Over the period, the Western Cape drew more than half of South Africa's VC activity – 49% by value and 55.6% by deal volume – cementing its role as the heart of South Africa's start-up ecosystem.

With a high concentration of VC firms, easy access to funding, and a rich pool of talent, the Western Cape gives start-ups the edge they need to grow, scale, and succeed.

Key segments include:

- **Independent Funds:** Typically privately managed VC firms raising capital from a mix of institutional and private investors.
- **Captive Corporate Funds:** Operate as investment arms of large companies, backing start-ups aligned with their strategic goals.
- **Angel Investors:** Usually high-net-worth individuals investing in early-stage, high-potential ventures.



Stellenbosch



WHY CAPE TOWN & THE WESTERN CAPE

1. A Leader in Venture Capital Activity

The Western Cape leads South Africa in VC activity – demonstrating deep investor confidence and a thriving start-up base.

2. Globally Recognised Start-Up Ecosystem

Cape Town ranks among the top emerging start-up ecosystems worldwide and stands out as a leading start-up hub in Sub-Saharan Africa.

3. Financial Services & VC Headquarters Hub

Roughly a third of South Africa's fund manager offices are in the province, with Cape Town and Stellenbosch attracting significant VC decision-making capacity and deal flow.

4. Strong Tech Talent & Reputation

Cape Town's reputation as South Africa's "Silicon Valley" stems from its globally competitive talent pool, strong entrepreneurial culture, and access to funding.

5. Academic Institutions Driving Innovation

Local universities actively invest in start-ups, with recent funding rounds led by the University Technology Fund supporting biotech and aerospace ventures.

6. Diverse & Growing Tech Clusters

Specialised clusters in fintech, edtech, agritech, healthtech, traveltech, and e-commerce offer sector-specific growth opportunities and attract targeted investment.

7. Innovation Meets Exceptional Living

The region offers world-class infrastructure, a high quality of life, and a relatively low cost of living - making it easier for start-ups to attract and retain top talent.

8. Gateway to Global Markets

Its strategic coastal location, strong digital infrastructure, and direct air links position Cape Town as a launchpad for scaling into African and global markets.

9. Supportive Government Environment

The Western Cape's well-run, pro-business government supports innovation, entrepreneurship, and investment through stable policies and targeted initiatives.

10. Incentives

For additional information scan here:



Venture Capital Companies Shaping Cape Town & the Western Cape

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SOUTHERN AFRICAN VENTURE CAPITAL
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