

Untapped opportunity in Africa's emerging startup hubs

 By [Tom Jackson](#)

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African startups are in a unique position to leverage innovation to answer some of the continent's most pressing challenges, but urgently need an enabling environment.



This is according to Abu Cassim, founder and director of [Jozi Angels](#), an angel network that invests in early-stage startups.

“Exciting opportunities exist in VC frontier markets like South Africa, Kenya and Nigeria along with other international emerging markets such as Indonesia, Poland, Mexico and the UAE,” he said.

Successfully developing Africa’s VC sector hinges on a number of factors, including identifying additional sources of funding for co-investment, for example, suitable combinations of government and corporate funding.



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“Startups stand to benefit enormously if we begin to align our efforts and pool our resources from across all corners of the continent,” Cassim said.

“Forums like the Africa Innovation Summit bring the continent’s pioneers together. Relationships developed here will go a long way to developing common objectives and pan-African networks that will benefit the investment and startup communities.”

He said regulatory and tax reform have the potential to give the continent’s investment landscape a much-needed boost.



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“Changes made to South African legislation are a good example of what is possible. In 2009 the government introduced amendments to the Income Tax Act, with further amendments in 2014. These changes established tax incentives for investors who can claim deductions for funds invested in approved venture capital funds,” said Cassim.

“As at the end of November 2017 there were over 60 registered S12J venture capital funds in South Africa and investment by the VC sector is growing at an impressive 23% annually.”

ABOUT TOM JACKSON

Co-founder @DisruptAfrica. Tech and business journalist in Africa. Passionate about the vibrant tech startups scene in Africa, Tom can usually be found sniffing out the continent's most exciting new companies and entrepreneurs, funding rounds and any other developments within the growing ecosystem

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