

## Untapped opportunity in Africa's emerging startup hubs

African startups are in a unique position to leverage innovation to answer some of the continent's most pressing challenges. To achieve this, an enabling environment is mission critical, according to Abu Cassim, founder and director of [Jozi Angels](#), an angel network that invests in early stage startups.

Growing venture capital (VC) in Africa was a focal point of discussions at the recent [Africa Innovation Summit](#) in Kigali, Rwanda. "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," notes Cassim.

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. Cassim went on to state "Startups stand to benefit enormously if we begin to align our efforts and pool our resources from across all corners of the continent. 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."

Cassim adds that regulatory and tax reform has the potential to give the continent's investment landscape a much-needed boost. "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. 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 percent annually."

Discussion contributors also included Nairobi-based Héloïse Zimmermann from [I-DEV International](#) "Sharing success stories will assist in attracting more capital to the continent. While leveraging local investors will allow the ecosystem to benefit from business networks that each investor brings to the table."

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