



Invest in the Services Sector in Cape Town & the Western Cape

September 2025

**Wesgro is the
tourism, trade and
investment promotion
agency for Cape Town
and the Western Cape**



- Wesgro is part of the broader economic leadership team in Cape Town & the Western Cape
- Proudly South African
- Responsible for ensuring that the region is positioned to compete in a challenging global economy
- Our mandate
 - Differentiate Cape Town & the Western Cape as a leading regional economy
 - Increase foreign and domestic investment into Cape Town & the Western Cape
 - Grow Western Cape exports of goods and services
 - Grow leisure tourism consideration in international and local markets as well as growth in business events
 - Be a future-fit, relevant and trusted Tourism, Trade & Investment Promotion Agency (TTIPA)
- Publicly-funded with a private sector Board, +100 Staff
- Located in the nexus between
 - Government & Private Sector
 - Present & Future Economies
 - Local & Global Stakeholders

Key messages – Services

1

The Western Cape is a strategic springboard into the rest of the African continent, and beyond, linking businesses to high growth opportunities through preferential market access

2

The Western Cape offers substantial growth potential across key services sub-sectors, including business services, financial services, e-commerce, ICT and creative industries

3

High quality digital connectivity, an world renowned financial system and affordable, high quality talent, close cultural and linguistic ties to established markets all form part of a compelling value proposition for investors

4

Many global businesses have already established operations in the Western Cape, recognising its strategic advantages and with

5

The Western Cape provides an enabling business environment with Wesgro providing support throughout the investment lifecycle

South Africa A vibrant, emerging market connecting Africa with the world



USD363 billion economy



Market of 63 million people



Africa's most industrialized and most diversified economy



50% of multinationals in Africa located in SA



AfCFTA gateway with preferential access to African markets



Sophisticated financial services and banking sector

JSE

Deep bench of powerful & well managed corporations which via the JSE have the highest capitalization to GDP ratio in the world



Western Cape A leading regional economy

- Unprecedented, multi-billion USD public & private sector infrastructure investment pipeline, reshaping the economic future
- Leading South Africa's job recovery
- Modern, services-led economy
- Growth sectors aligned to the future
- Leading tourism destination
- Institutional stability and good governance
- Global connectivity
- GFCF is rising, however needs spatial rebalancing

South Africa's most resilient & investable province



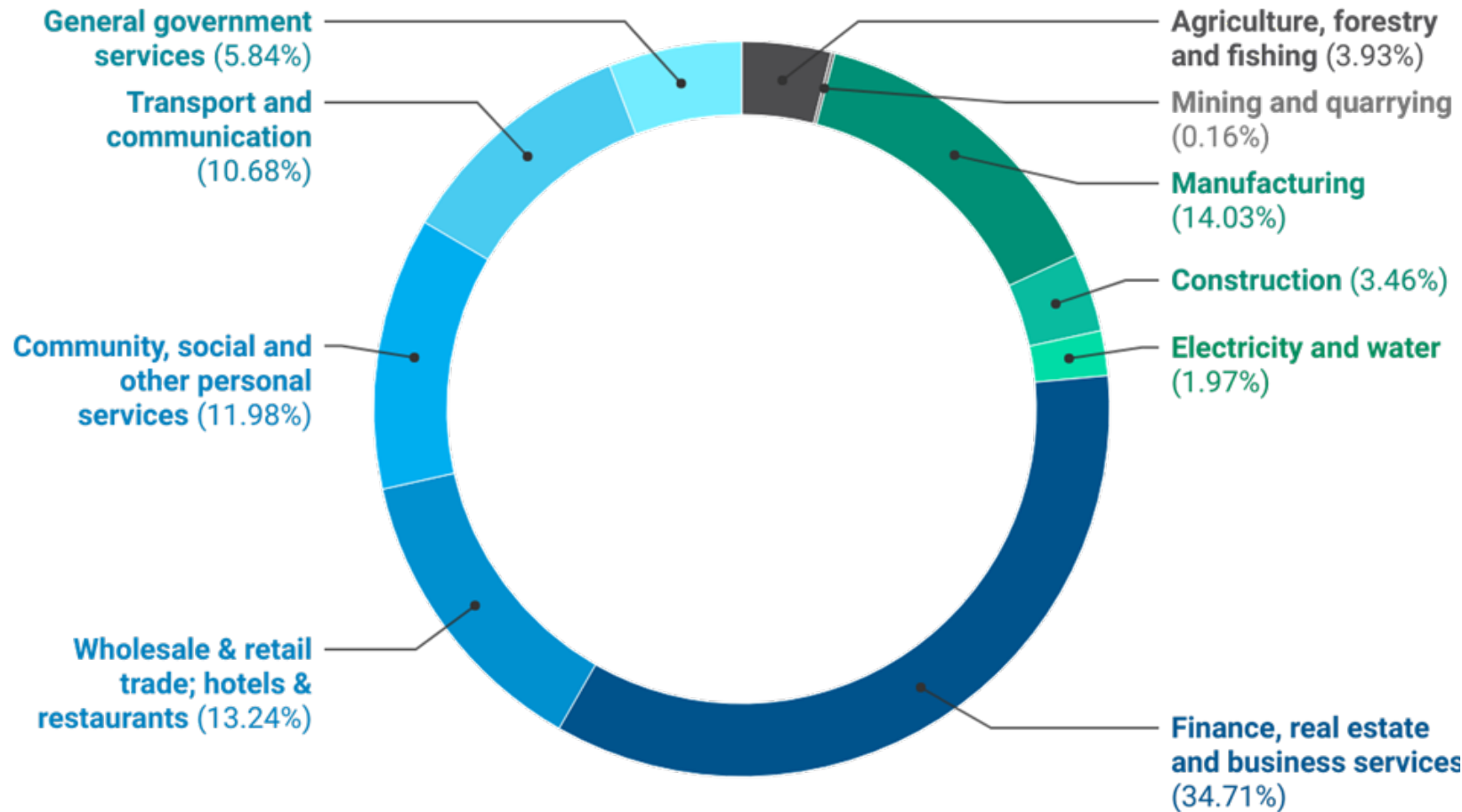
Western Cape Diverse & resilient economy with a well-developed services sector, 76% of GVA

USD51 billion regional economy

7.5 million people

Diversified & export-oriented

Composition of GVA at constant 2015 prices (2024Q4), WC



Services Sector Powering the competitiveness of the Western Cape

1

Cost-Effective Advantage

The region delivers world-class quality at significantly lower costs than global cities, thanks to more affordable labour and real estate.

2

Highly skilled English speaking Workforce

Home to top universities and over **120,000** software developers in SA, the region boasts South Africa's highest concentration of skilled professionals

3

Gateway to Africa & Global Regions

Market access through FTAs (EU, UK, SADC) and direct flights via Cape Town International airport.

4

Strategic Time Zone (GMT+2)

Cape Town's time zone allows real-time collaboration across Europe, the Middle East and Africa, making it ideal for global business.

5

World-Class Infrastructure & Connectivity

Five undersea cables and cloud regions from AWS, Microsoft, and Oracle, along with **4G coverage**, ensure fast, reliable digital connectivity. **99%**

6

Thriving Ecosystem

Home to global giants like Amazon and PwC, the Western Cape leads South Africa in BPO, tech innovation, and startup hubs.

7

Stable & Business-friendly Government

Stable regulations and strong governance ensure long-term investment security

8

Strong Financial & Regulatory Framework

A major financial hub with a strong legal system that protects investors and intellectual property.

9

Business Support & Networking

A strong ecosystem of associations, government support, and talent makes the region ideal for startups and multinationals.

10

Incentives

For additional information scan here:



Services Sector Diverse, with global reach, driving economic output with investment potential



Business Services

- Management Consulting
- Architecture and Engineering
- Advertising and marketing
- Legal
- BPO



Financial Services

- Fintech
- eCommerce
- Banking
- Currency Exchange
- Primary and Secondary markets
- Accounting, tax and related services



Information, Communication & Technology (ICT)

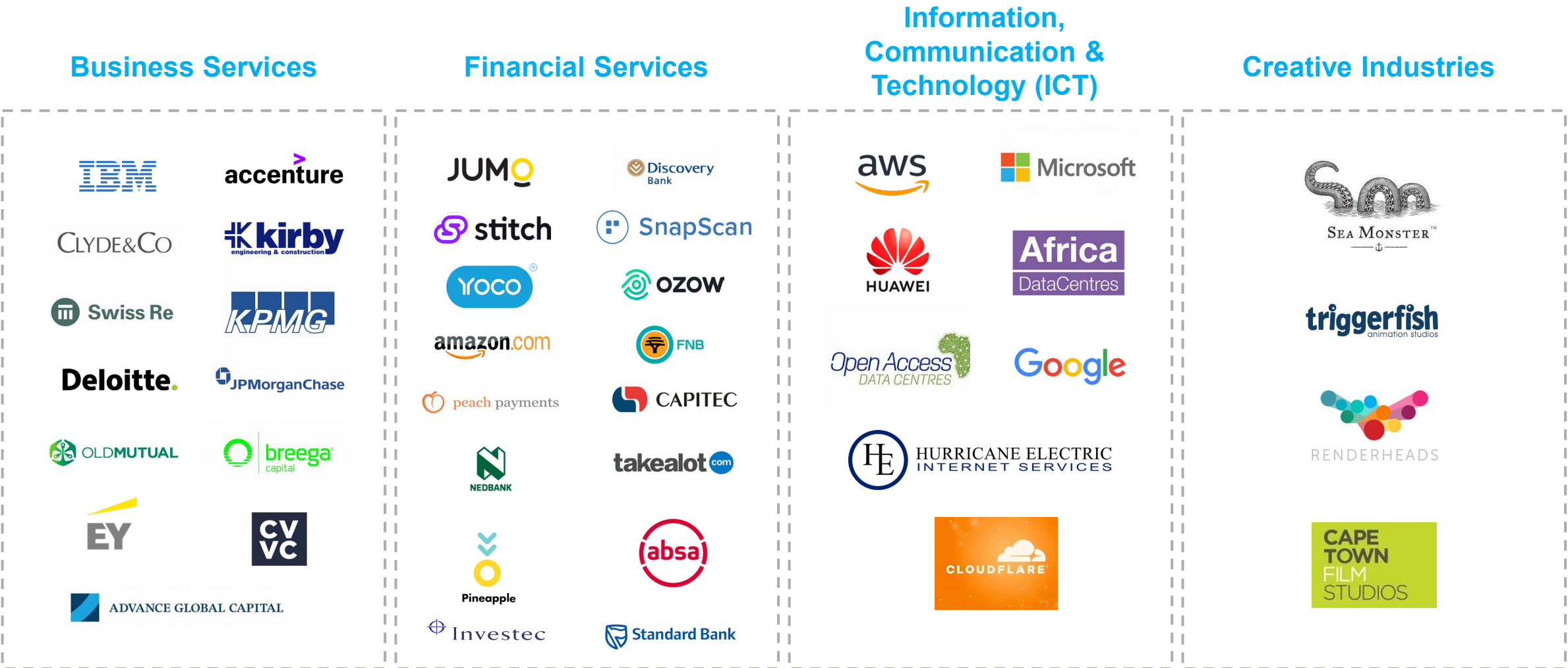
- Data Centres
- Software
- Machine Learning (AI)
- Digitisation
- Robotics (Machinery)
- Communication Systems



Creative Industries

- Film Studios
- Gaming
- Animation
- Design and Visual Arts
- Music
- Education

Services Sector Prominent global and local investors located in the region



Services Sector Supported by a well-established and vibrant ecosystem

Investors



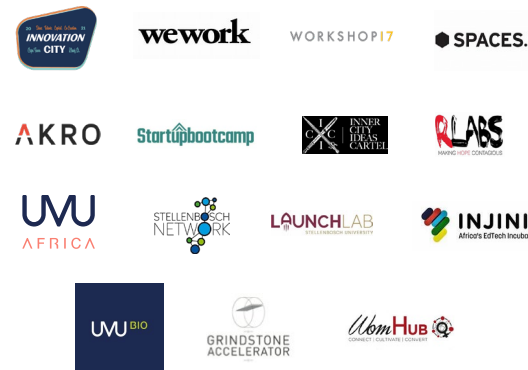
Local & international business



Universities & demand-led training



Ecosystem support



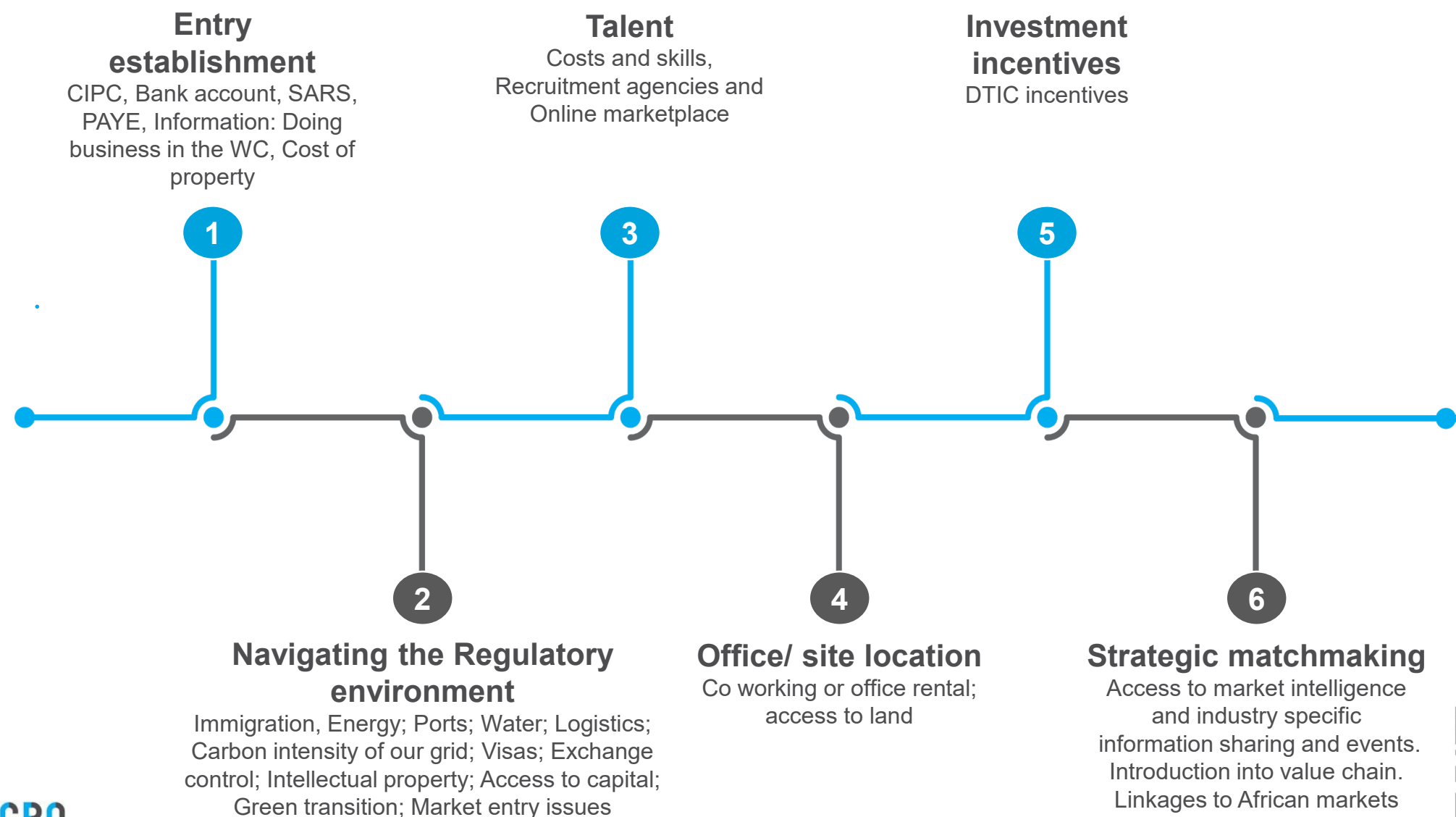
Industry associations



Events - networking



Investment Facilitation How Wesgro supports investors



Business Services Untapped global market opportunity growing to USD13.8 trillion by 2032

Global market opportunity	Africa/ Sub-Saharan African market opportunity	South African market opportunity
• In 2023 the market was estimated to be valued at USD 203.7 billion. • The value of the GBS market is expected to reach USD 13.8 trillion by 2032. • 69% of organizations currently operate under the GBS model or actively transitioning towards it.16% are planning adoption within 5 years. • Moving towards hybrid global delivery models – businesses to take advantage of cost efficiencies while ensuring proximity to key markets.	• Africa’s Global Business Service market size is estimated to be USD 18.6 billion. • Established GBS markets on the African continent are led by South Africa and Egypt. • Kenya, Rwanda, Ghana and Nigeria are emerging GBS markets.	• South Africa’s market size is estimated at USD 5.26 billion as of 2022. • Johannesburg, Durban and Cape Town are key hubs for Global Business Service operations and account for 97% of GBS related employment. • 2/3 Gauteng account for the largest number of jobs. • Emerging locations include Gqeberha and Tshwane.

Source: [2024 Global Business Services Industry Report](#)

Source: [Global Business Services Benchmarking & Market Report - GBS World](#)

Source: [Global Business Services Benchmarking & Market Report - GBS World](#)

Business Services

The Western Cape offers significant cost advantages, strong ecosystem support and robust digital infrastructure to establish a regional hub

Cost Competitive

- Accounting & Finance positions 30% - 40% of the cost in the US – **significant cost arbitrage opportunity.**
- Cost of lawyers & accountants 30% of the cost compared to Europe.
- Software developers cost between 25% - 30% of the cost in Europe.

Ecosystem Support

- Strong commitment from government to provide ongoing support to increase benefits and incentives for GBS sector
- DTIC Global Business Services **Incentive**
- Wesgro
- BPESA
- Western Cape Government

Digital transformation & Infrastructure

- Cloud computing platforms revolutionizing businesses
- Providing scalable, flexible and cost-effective infrastructure for delivering services.
- Good uptake of cloud computing in South Africa
- **47 data centres** in South Africa.
- **5 undersea cables** land in the Western Cape (Equiano (Google), Wacs, Ace and SAT-3) 2Africa
- **74,7% internet penetration** rate vs global average of 62,5%

Time Zone & Cultural Advantage

- Access to the African market, offers businesses the chance to establish a **regional hub** for expanded market access.
- **Time zone**
- Neutral accent
- Cultural affinity with American and European Businesses – confirmed by numerous companies

Business Services The Western Cape is home to global and local investors



Financial Services Significant growth potential with African market to reach USD47 billion by 2028

Global Market Opportunity

- Financial Services market size has escalated from USD 31 trillion in 2023 to USD 33 trillion in 2024.
- Global fintech market was valued at approximately USD 179 billion.
- It is projected to reach USD 833 billion by 2030.
- Digital payments dominates the sector and is expected to reach USD 245 billion in 2026.

Africa/ Sub-Saharan African market opportunity

- The Financial Services Sector in Africa was valued at between USD 130 billion to USD 150 billion in 2023.
- Financial Services contributes 10-15% of Africa's total GDP
- According to McKinsey Africa's financial services market could grow 10% per annum reaching about USD 230 billion in revenues.(USD 150 billion excluding South Africa – which has the largest and most mature market on the continent.)
- As of 2024, the fintech market is estimated to be worth USD 35 billion.
- Expected to grow to USD 47 billion by 2028.

South African market opportunity

- South Africa's financial services market is valued at between USD 35 – 50 Billion in 2023.
- Financial Services contributes to around 20% of South Africa's GDP
- South African Fintech market was worth USD 5 billion in 2024 and expected to grow to USD10 billion by 2028.
- Remittance market worth over USD10 billion annually.

Financial Services Innovative ecosystem and well developed financial markets provide robust foundation for investment growth

Innovation and Fintech Growth	Financial Inclusion	Well Developed Financial Market	Regulatory Framework
• Rapid adoption of Fintech which has transformed the financial services landscape. Technologies including mobile payments, digital banking and peer to peer lending has revolutionised industry. • In 2023 Cape Town fintech startups raised USD150 million.	• 27 million South Africans remain unbanked creating a substantial opportunity to provide digital payment solutions, micro lending, mobile banking and digital insurance. • 85% of South Africans own a mobile phone – leverage mobile first solutions • Rapid adoption of mobile wallets and payment platforms is growing rapidly – Snapscan, zapper and Payfast and mobile money solutions – easier access to digital platform services.	• Established banking sector is one of the most advanced in Africa – range of services including retail, commercial and investment banking. • Major Banks – Standard Bank, First Rand, ABSA and Nedbank. • These institutions represent potential clients and partners – Pineapple, Old Mutual.	• SA's regulatory environment has been a key factor in attracting fintech. SA government and financial regulators made significant efforts to foster innovation while ensuring financial stability and consumer protection. • SARB - regulatory sandbox – framework that allows fintech startups to test their product in a controlled and safe environment with regulatory oversight.

Source: Benchmark International GBS industry report

Financial Services

The western Cape is home to prominent global and local investors



Information, Communication & Technology (ICT) South Africa's data centre market expected to grow to USD3.7 billion by 2029

Global Market Opportunity

- Cloud services market is expected to reach USD 832 billion by 2025.
- Data centre infrastructure market is projected to reach USD 300 billion by 2026

Source: Gartner

Africa/ Sub-Saharan African market opportunity

- Africa Data centre markets is approximately USD 6.5 billion.
- Africa alone needs 1000MW and 700 facilities to meet growing demand of 7.18% by 2029, resulting in a market volume of USD 9.15 billion.
- This also creates investment opportunities in renewable energy.

Source: Statista & Africa Business Communities

South African market opportunity

- SA's data centre market value was valued at USD 2.28 billion in 2023.
- It is expected to grow to USD 3.7 billion by 2029.
- The ICT industry has the potential to grow to USD 60 billion by 2028 with the support of increased Data Centre infrastructure

Source: Business Wire

Information, Communication & Technology (ICT) Increasing digital transformation & renewable energy adoption accelerating the sector's growth potential

Increased Demand for Data and Cloud Services

- Growth of cloud computing – adoption of cloud-based services. As businesses increasingly move their operations to the cloud the need for data storage increases.
- Important in sectors like finance, retail and telecommunications that rely on cloud infrastructure.

Data Sovereignty and Regulatory compliance

- Data protection regulations like POPIA require companies to store data locally, fostering the development of data centres.

Growing internet and Mobile Penetration

- Mobile first economy – South Africa is a growing mobile first economy with many relying on mobile devices for internet. This increases the demand for data centres to handle the traffic and data needs.

Strategic Location & Infrastructure Development

- The country's well-developed infrastructure, including its connectivity to international submarine cables.
- Renewable energy available to data centres from local IPPs to build green power for them.
- Land more readily available than Europe, Japan.

Information, Communication & Technology (ICT) The Western Cape is home to global and local investors



Creative Industries South Africa's cultural & creative industry market contributes USD10.6 billion to the country's GDP, with further growth potential

Global Market Opportunity	Africa/ Sub-Saharan African market opportunity	South African market opportunity
• In 2024, the creative industries market was valued at USD 2.9 trillion. • Projected to reach USD 3 trillion this year. • Could escalate to USD 4.3 trillion by 2033	• Africa's creative economy is valued at USD 59 billion.	• South Africa's cultural and creative industries contributed USD 10.6 billion to the country's GDP. • Sector employs approximately 1.14 million individuals – accounting for 7% of the total workforce in SA.

Source: www.businessresearchinsights.com

Creative Industries Established creative infrastructure and skilled labour force are driving growth and global recognition in the sector

Established creative infrastructure	Skilled workforce and educational excellence	Government Support and strategic initiatives	Vibrant creative community and global recognition
• Cape Town Film Studios: Africa's first world-class, custom-built Hollywood-style film studio complex, hosting major productions. • Prevalence of Gaming Studios: Over half of South Africa's gaming studios are based in Cape Town, making it a significant hub for the gaming industry. • Triggerfish Animation Studio: Africa's largest animation studio, known for internationally acclaimed works such as Revolting Rhymes, which was nominated for an Oscar for Best Animated Short Film.	• University of Cape Town's D School: One of only three design schools globally, providing a steady stream of highly skilled graduates. • Supportive Ecosystem: Organizations like the Craft + Design Institute and the Cape Chamber of Commerce & Industry facilitate enterprise development and networking within the creative sector	• 'Growth For Jobs' Strategy: A provincial economic growth strategy aiming to increase private-sector investment to 20% of regional GDP by 2035, with a focus on sectors including creative industries. • Investment Incentives: The Western Cape government offers various incentives to attract and support creative industry investments.	• UNESCO Creative City of Design: Cape Town was designated as the first African city in this category in 2017, highlighting its commitment to fostering creativity. • Design Indaba: An internationally acclaimed event held annually in Cape Town, showcasing innovation and creativity across various disciplines.

Creative Industries The western Cape is home to global and local investors



THANK YOU



Contact us for more information

For further information on setting up or expanding your business in Cape Town & the Western Cape please contact Wesgro's Investment Team

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