



Market Trends Report

A geographical focus research

Oct. 2023 edition



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Focus Updates

Macroeconomic Situation in Focus Geographies



Overview

Based on the metrics representative of our focus countries for October, it seems the momentum from July may have been lost; judging from the minimal updates in Gross Domestic Product (GDP) Growth, Inflation Rates and Unemployment Rates, and maintenance of the status quo in Interest Rates.

	Egypt	Ghana	Kenya	Morocco	Nigeria
GDP (%)	3.90 Q4 22 YOY	3.20 Q2 23 YOY	5.40 Q2 23 YOY	2.30 Q2 23 YOY	2.51 Q2 23 YOY
Inflation (%)	38.00 SEPT 2023	38.10 SEPT 2023	6.90 ↑ OCT 2023	4.60 SEP 2023	26.72 SEP 2023
Interest (%)	19.25 OCT 2023	30.00 OCT 2023	10.50 OCT 2023	3.00 OCT 2023	18.75 OCT 2023
Unemployment (%)	7.00 Q2 23 YOY	3.90 Q4 22 YOY	4.90 Q4 22 YOY	13.50 ↑ Q3 23 YOY	4.10 Q1 23 YOY

i The figures in red do not have the appropriate values on par with those in respective groups

GDP

- **Egypt** has not updated its figures since Q4 2022. This most likely due to its ongoing economic crisis and ballooning inflation. However, the government plans to [launch 27 reform measures totalling \\$5billion](#) from next month to help bolster its economy. The top 3 contributors to its GDP, based on the current report, were Manufacturing (\$10.1billion), Agriculture (\$9.2billion), and Construction (\$4.3billion).
- **Ghana** has not released its Q3 2023 Report. As previously reported, there was a slight decline to 3.20% in Q2 2023 from 3.30% in Q1 2023, which was attributed to contractions in its Construction and Manufacturing subsectors.

The top 3 contributors to its GDP, based on the available/last report, were Services (\$1.9billion), Agriculture (\$900million), and Construction (\$500million). Its Q3 2023 GDP is expected to tick up slightly again as its economic position continues to improve.

- > **Kenya** has not released its Q3 2023 Report. As previously reported, there was a slight increase to 5.40% in Q2 2023 from 5.30% in Q1 2023; following the incredible improvement from 3.7% in Q4 2022, which was attributed to its revived Agriculture sector. The top 3 contributors to its GDP, based on the available/last report, were Agriculture (\$3.4billion), Transportation (\$1.6billion), and Manufacturing (\$1.4billion). Its Q3 2023 GDP is expected to continue on an upward trajectory.
- > **Morocco** has not released its Q3 2023 Report. As previously reported, there was a significant decline to 2.30% in Q2 2023 from 3.50% in Q1 2023, which was attributed to an increase in Government spending that corresponded with a decline in investments. The top 3 contributors to its GDP, based on the available/last report, were Services (\$16.3billion), Manufacturing (\$4.0billion), and Public Administration (\$3.3billion). Its Q3 2023 GDP is expected to decline slightly due to reduced economic activity and tourism that followed the devastating earthquake that occurred in September.
- > **Nigeria** has not released its Q3 2023 Report. As previously reported, there was a slight increase to 2.51% in Q2 2023 from 2.30% in Q1 2023, which was attributed to the reforms instituted by the then, newly-elected President Tinubu. The top 3 contributors to its GDP, based on the available/last report, were Services (\$9.9billion), Agriculture (\$5.3billion), and Manufacturing (\$2.0billion). Its Q3 2023 GDP is expected to decline significantly due to weak oil production and runaway inflation exacerbated the fuel subsidy removal.

i

Agriculture and Manufacturing continue to be major contributors to the GDPs of most African countries. This may be a good indicator of the sectors an infusion of technology could be GDP-transforming.

INFLATION

Inflation in **Egypt** for October 2023 has not been released. The value in September 2023 was 38.00%. The value in August 2023 was 39.70%.

**The Egyptian Government has been able to stabilize the price of bread, grains, poultry, and meat.*

Inflation in **Ghana** for October 2023 has not been released. The value in September 2023 was 38.10%.

**The Ghanaian Cedi has been relatively stable since receiving the \$3billion ECF from the IMF.*

Kenya increased by 10 bps to 6.90% in October 2023. The value in September 2023 was 6.80%.

**The marginal increase was again due to the increase in the prices of diesel, petrol, and kerosene.*

Inflation in **Morocco** for October 2023 has not been released. The value in September 2023 was 4.60%.

Inflation in **Nigeria** for October 2023 has not been released. The value in September 2023 was 26.72%.

**The once celebrated reforms introduced by President Tinubu have increased the cost living and economic hardship for most Nigerians even as [food] inflation balloons and the naira depreciates.*

INTEREST

The Central Bank of **Egypt** maintained the interest rate at 19.25% in October (from August). The rate was **increased by 100 bps to 19.25% in August 2023.**

The Bank of **Ghana** maintained the interest rate at 30.00% in October (from July). **The rate was increased by 50 bps to 30.00% in July 2023.**

The Central Bank of **Kenya** maintained the interest rate at 10.50% in October (from June). The same rate has been maintained since June 2023.

The Bank Al-Maghrib of **Morocco** maintained the interest rate at 3.00% in October. The same rate has been maintained since March 2023.

The Central Bank of **Nigeria** maintained the interest rate at 18.75% in October (from July). **The rate was increased by 25 bps to 18.75% in July 2023.**

i

Egypt, Ghana, and Nigeria have high interest rates as they grapple with relatively high inflation.

UNEMPLOYMENT

The Q3 2023 Unemployment Report for **Egypt** has not been released. However, it was **7.00% in Q2 2023**.

Unemployment rate in **Ghana** has not been updated (3.90% in Q4 22 YOY). However, it is **expected to reduce** in line with the improvements in its economy.

Unemployment rate in **Kenya** has not been updated (4.90% in Q4 22 YOY). However, it is expected to reduce in line with the boom in the Agriculture and Services sectors.

Unemployment rate in **Morocco** increased by 110bps to **13.50% in Q3 2023**. However, it was 12.40% in Q2 2023.

The Q3 2023 Unemployment Report for **Nigeria** has not been released. However, it was 4.1% in Q1 2023.



Funding Entries

Investments in African Tech



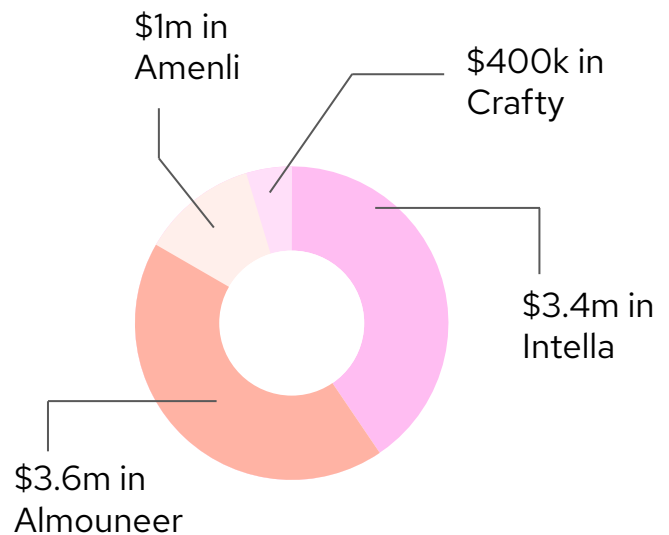
EGYPT



\$8.4M+

Raised in VC funding for Oct. 2023. The investments were in **DeepTech, EdTech, FinTech, HealthTech, and InsurTech**

i Undisclosed Amount in MoneyHash, and OBM Education



[Amenli](#), an Egypt-based platform that offers a variety of insurance packages and processes claims on behalf of clients, raised [\\$1million in funding](#), notably led by Alter Global and Digital Venture Partners (Qatar Insurance Company VC Fund). + *Qatar Insurance Company is one of the biggest insurance groups in the MENA region.*



[Almouneer](#), an Egypt-based platform for the lifestyle and disease management of diabetes and obesity patients, raised [\\$3.6million in Seed funding](#), notably led by Global Ventures, Proparco, and Digital Africa.

Crafty

[Crafty Workshop](#), an Egypt-based platform for online creative courses and workshops, raised [\\$400K in Seed funding](#), solely led by EdVentures.

intella

[Intella](#), an Egypt-based platform that provides real-time business intelligence and consumer insights to business clients, raised [\\$3.4million in Pre-Series A funding](#), notably led by Hala Ventures and Wa'ed Ventures (Aramco VC Fund).



[MoneyHash](#), an Egypt-based platform that provides flexible payment orchestration and revenue operations, raised [Undisclosed Amount in Seed funding](#), notably led by Tom Preston-Werner.

+ Tom Preston-Werner is the Founder of GitHub and has invested ahead of their proposed seed round.



[OBM Education](#), an Egypt-based platform that enables high schoolers select college majors, along with access to career advice and training programs, raised [Undisclosed Amount in funding](#), solely led by Value Maker Studio.

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Last month, over \$850K was raised, with investments in AI, FinTech, and Identity - \$750K in Talents Arena, Undisclosed Amount in Hedg, and \$500K in Buguard, respectively.

GHANA



No investments were made in October 2023.

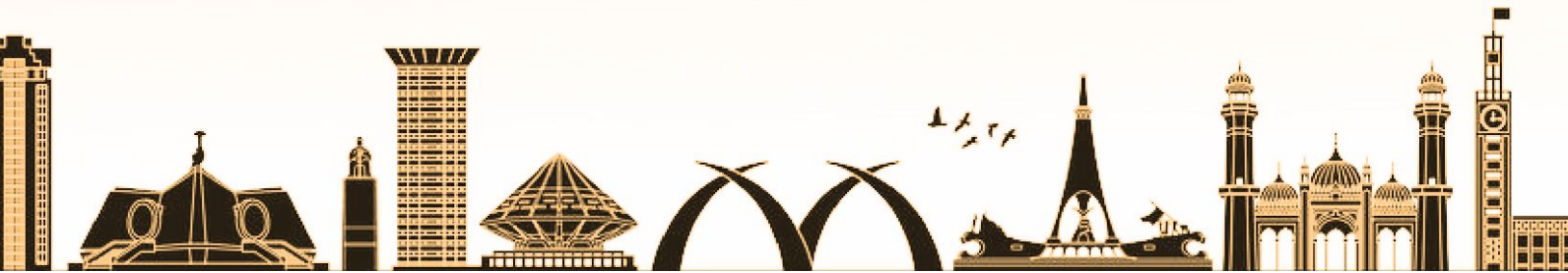
Last month, \$10.4million was raised, with investment in AgriTech - \$10.4million in Complete Farmer.



[Complete Farmer](#), a Ghana-based AgriTech platform that connects African farmers to global industries, raised [\\$10.4million in Pre-Series A funding](#), notably led by Acumen Resilient Agriculture Fund (ARAF), Alitheia Capital, Goodwell Investments, Proparco, Newtown Partners, and The VestedWorld Rising Star Fund.

i Complete Farmer is an Ingressive Capital Portfolio Company

KENYA



\$1.5M

Raised in VC funding for October 2023. The investment was in Social Commerce/SaaS



Sukhiba, a Kenya-based platform that enables trade through WhatsApp, raised \$1.5million in Seed funding, notably led by CRE Ventures, Antler, and Goodwater Capital.

Last month, \$12.3million was raised, with investments in Crypto and FinTech - \$2million in Kotani Pay and \$10.3million in Untapped Global, respectively.

MOROCCO



No investments were made in October 2023

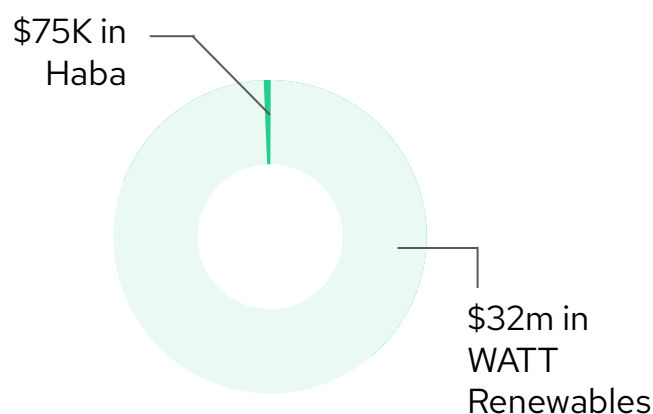
There were also no investments made in September 2023, but the inactivity may have been due to the [devastating earthquake](#) that rocked the Marrakech-Safi region earlier in the month.

NIGERIA



\$13M+

Raised in VC funding for October 2023. The investments were in CleanTech and InsurTech



[WATT Renewables Corporation](#), a Nigeria-based renewable energy firm that delivers hybrid solar solutions [with social impact] to commercial & industrial businesses, financial service providers, and mobile network operators, raised [\\$13million in funding](#), solely led by Empower New Energy.



[Haba](#), a Nigeria-based platform that offers a variety of insurance packages for individuals and businesses, raised [\\$75K in Pre-Seed funding](#), notably led by Upscale Management Services.

Last month, \$10.2million was raised, with investments were in Crypto, FinTech, Mobility, and RegTech - \$1.9million in Nestcoin, \$2million in Anchor, \$4.3million in FixIt45 and Mecho Autotech, and \$2million in Itana, respectively.

Others

Over **\$30.3million** was raised in VC funding for October 2023 across other geographies. The investments were in AI, Entertainment, FinTech, Logistics, SaaS, and Talent across Ivory Coast, Senegal, and South Africa.



[Cue](#), a South Africa-based AI-powered platform that enables businesses respond to customers quickly and efficiently using chatbots and live chat on WhatsApp and other social media channels, raised [\\$500K in funding](#), from Undisclosed Backers.



[Lengo](#), a Senegal-based platform that provides real-time data on product sales by informal retailers to FMCG companies, raised [Undisclosed Amount in Pre-Seed funding](#), notably led by Ventures Platform, Acasia, P1 Ventures, Launch Africa Ventures, and PayPal Ventures.



[Outsized](#), a South Africa-based AI-powered platform that provides talent on-demand to large enterprises and consulting firms, raised [Undisclosed Amount in Series A funding](#), notably led by Knife Capital.



[StarNews Mobile](#), an Ivory Coast-based subscription mobile video network that offers celebrity-based content, raised [\\$3million in funding](#), notably led by Jango Capital. *Others notably investors included international football players - Aurelien Tchouameni of Real Madrid FC, Jules Kounde of Barcelona FC, and Mike Maignan of AC Milan FC*



[Stitch](#), a South Africa-based payments infrastructure company that helps businesses scale faster, raised [\\$25million in Series A Extension funding](#), notably led by Ribbit Capital and PayPal Ventures.



[Tripplo](#), a South Africa-based platform that streamlines and automates business processes for cargo owners, brokers, and transporters, raised [\\$1.8million in funding](#), notably led by Futuregrowth Asset Management (on behalf of Old Mutual Life Assurance Company), Galloprovincialis, Founders Factory Africa, Digital Africa, and Standard Bank of South Africa.

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Last month, approximately \$76million was raised, with investments in AgriTech, eCommerce, CleanTech, FinTech, and InsurTech across Ivory Coast, South Africa, Uganda, and Zambia

Summary

\$53M+

Invested in startups all across Africa in Oct.. 2023.

15

Tech startups received funding

FinTech (2)

EdTech (2)

InsurTech (2)

SaaS (2)

DeepTech (1)

Entertainment (1)

CleanTech (1)

HealthTech (1)

Logistics (1)

Talent (1)

- This month, rather than take the lead, **FinTech** tied with **EdTech**, **InsurTech** and **SaaS**, with two (2) investments each - MoneyHash and Stitch (over \$25million), Crafty Workshop and OBM Education (over \$400K), Amenli and Haba (over \$1million), and Cue and Sukhiba (\$2million) respectively.
- Next came in AI (Lengo), CleanTech (WATT), DeepTech (Intella), Entertainment (StarNews Mobile), HealthTech (Almouneer), Logistics (Tripplo), and Talent (Oversized) with one investment each.



Hub Focus

Noteworthy developments from
around africa



Fundraising

Major Closes



[Kuramo Capital](#) raised [\\$150million to back African women-led startups](#) through its Moremi Fund over the next 10 years, aiming to assist 40 female entrepreneurs and fund managers annually. *Kuramo Capital Management is a prominent investment management firm that has mobilized over \$3.5billion to support more than 200 companies in Sub Saharan Africa since 2011.*



[Novastar Ventures](#) raised \$80million in [partnership with SBI Holdings Japan](#). The partnership will see \$40million invested into Novastar's upcoming funds and another \$40million to match commitments from Japanese institutional investors to Novastar's funds.

+ Novastar is one of the largest Pan-African Funds dedicated to financing early and growth stage businesses in Africa, and SBI Holdings is one of the largest VC groups in Japan.

Fundraising

Major Plans

- [LeapFrog Investments](#) is looking to [raise a \\$1billion Emerging Consumer Fund IV](#) by February 2024 in order to invest \$30million - \$70million in 18-20 high-growth businesses in financial services and healthcare across Africa. ***AIA Group has contributed \$200million and Prudential Financials has contributed \$500million. Temasek Singapore has pledged \$500million, while European Investment Bank (EIB) and International Finance Corporation (IFC) have committed \$60million and \$50million respectively.***
- [Absa Bank](#) plans to [invest Sh100billion \(\\$665million\)](#) in Kenyan MSMEs over the next 3 years in order to help businesses weather the unexpected downturn in the economy. ***MSMEs play a pivotal role in Kenya's economic growth and development. According to the Kenya National Bureau of Statistics, MSMEs account for over 98% of all businesses in Kenya, employ over 14.9 million Kenyans, and contribute approximately 40% to Kenya's GDP.***
- [Sony Group](#) plans to invest [\\$10million in African entertainment startups](#) through the Sony Innovation Fund. It will invest in early-stage startups in gaming, movies, music, and content distribution.

Major Investments

\$10M and Above

stitch

Stitch raised [\\$25million in Series A Extension funding](#) with Ribbit Capital and PayPal Ventures as its notable investors. [Stitch](#), a South Africa-based payments infrastructure company that helps businesses scale faster. *The CoFounders are Kiaan Pillay (CEO), a South African Computer Scientist; Priyen Pillay (COO), a South African Computer Engineer; and and Natalie Cuthbert (CTO), a South African Developer.*



WATT Renewables raised \$13million in funding with Empower New Energy as the sole investor. WATT Renewables Corporation is a Nigeria-based renewable energy firm that delivers hybrid solar solutions [with social impact] to commercial & industrial businesses, financial service providers, and mobile network operators. *The founder is Oluwole Eweje, a Nigerian Civil Engineer with significant experience in sustainable energy, conventional energy, and unconventional energy.*

MNT-Halan raised \$130million in funding through a bond issuance led by CI Capital. [MNT-Halan](#) is an Egypt-based platform that provides microfinance lending and electronic financial services to the unbanked in the MENA region. *This bond issuance brings its total raise this year to \$530 million, following its \$400million raise in February in equity and debt financing from Chimera Investments.*

Others

COMMERCE

September 2023 saw three investments in eCommerce - ANKA, Ariika, and Rentoz - totalling over \$11million across Egypt, Ivory Coast, and South Africa respectively. In the earlier months, there was always at least one investment in eCommerce. This would suggest that commerce, given right digital conditions can flourish in Africa. According to TechCabal, Social Commerce is the next phase in the evolution.

Social Commerce is the use of social media platforms to buy and sell goods and services. This year, 67% of small and medium enterprises in Kenya, Nigeria, and South Africa utilise social media for their business; and with a projected growth rate of 55.2% and valuation of \$41.9billion in Africa and Middle East by 2028, it is the new single biggest trend in African business.

Due to increased mobile penetration, more affordable data plans, and wide adoption of social media platforms, like Instagram, Messenger and WhatsApp, social commerce has become the most accessible way to shop and do business online. In fact, WhatsApp, being the most data-efficient and widely used of all the social media/messaging platforms, has the most volume; so much so that Conversational Commerce is becoming a niche.

WhatsApp usage is also widespread in Africa, especially the countries with the largest populations - Nigeria, Ethiopia, South Africa, and Egypt. Off the back of this trend, is the B2B tool that Sukhiba built for conversational commerce through WhatsApp. It offers sellers the ability to manage orders, accept local payment methods like Mobile Money and M-Pesa, send notifications, and group customers. Buyers are also able to browse product catalogs, add/remove products to carts and even check out without leaving WhatsApp. [Blu Penguin in Ghana has also built an app](#) that enables merchants to accept payments via card, mobile money, or QR code, all managed from the same device.

GREEN FUNDING

Nigeria may be getting an injection of [500 solar mini-grids over the next 5 years](#) through US-based cleantech startup, Husk Power Systems. The company recently completed a \$103million Series D raise to expand within South Asia and sub-Saharan Africa. This follows the over 200 mini-grids it has installed in Nigeria and India.

South Africa is currently experiencing its worst power outages in recent times in. Experts speculate that it may worsen by 2024. Following these developments, the World Bank has approved a [\\$1billion development policy loan](#) to support electricity market reforms and decarbonisation in South Africa. The loan will be used to restructure the power structure, unbundle Eskom, and redirect resources toward investments in transmission and plant maintenance. This will be third policy loan that South Africa has received since November 2022.

Just last month, the United States Millennium Challenge Corporation (MCC) and Kenyan Government launched the \$60million Kenya Urban Mobility and Growth Threshold Program for 4 mobility projects - Integrated Transport Planning, First and Last Mile Connections, Detailed Land Use, and Bus Rapid Transit (BRT).

MARKET ENTRY

Amazon has confirmed it will be launching a locally-dedicated shopping website in [South Africa in 2024](#). This will be its second locally-dedicated store in Africa (after Egypt) and its 21st local site worldwide.

PHOSPHATE

Morocco holds 70% of the world's phosphate reserves. This is significant because phosphate is a naturally occurring (cannot be chemically created) mineral that is crucial for fertilizer-production. The 3 most important minerals for proper crop growth are Nitrogen, Phosphorus and Potassium. This means [Morocco is crucial for the world's food security](#). This was also the conclusion reached at the [Annual Meetings of the Boards of Governors of the World Bank Group \(WBG\) and the International Monetary Fund \(IMF\)](#) held in Marrakech last month. Besides, fertilizer production, phosphate is also a major component for the batteries that power EVs. As the world focuses on its transition from fossil fuel-powered machinery to battery-powered machinery, the demand for phosphate will dramatically increase. This will make Morocco a highly significant country for energy and food production in the next couple of years.

TRAINING

Nigeria has committed to equip 3 million early-to-mid-career Nigerians with tech skills by 2027. This is part of the country's Ministry of Communications, Innovation, and Digital Economy's strategic blueprint, as announced by Bosun Tijani, the honorable minister. 3 Million Technical Talent Programme or 3MTT will have 1% of the 3 million intended participants trained by February 2024.

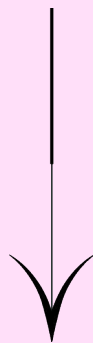
VISAS

Rwanda recently changed its immigration laws to permit [visa-free entry](#) of all citizens/passport holders of the African Union member states. This has been widely applauded as a step in the right direction for Intra-Africa trade and development.

Conversely, **South Africa** seems to be alienate itself by making [visa acquisition unnecessarily difficult](#) for foreigners - even fellow Africans! A lot of global companies, like Volkswagen and BMW, have warned that further delays in the visa acceptance process could threaten their business continuity and expansion plans in the country. There are also worries that investments and jobs in South Africa is soon be hampered as universities and enterprises also complaining their inability to admit international students and skilled workers due to the same delays (as long as 48 weeks in some cases).

Word About

Global Developments that could
Impact African Businesses



Real Estate - China

China's real estate sector has been facing falling prices and sharp decline in sales, as well as loan defaults from leading developers, like Evergrande. This decline has led to abandoned projects scatter across to country, signalling an [imminent risk for the Chinese economy; possibly the world](#). Hopefully, this is not deja vu because despite its optimistic view on the country's economic growth, the IMF has warned of the risks posed by China's financial and property sectors.

Curtains Close

Conclusion on Research



Conclusion

15 tech startups collectively pulled in **over \$50million** in venture capital investments in October 2023. Though a dip in the trajectory experienced since July (\$120million), August (\$145million), and September (\$109million). This may be an effect of the year winding down. It is however not expected to impede Q4 2023 (or H2 2023) closing on a positive note.

AgriTech, FinTech, and HealthTech continue to be darlings as they get a lot of funding. This could be tied to their relevance as they are attached to basic needs of Africa's burgeoning young population, as well as Agriculture and Services being two of the top contributors to the GDP of most African nations.

CleanTech, EdTech, and InsurTech are also continue to get the interest and backing of investors - both foreign and domestic. Similarly, Francophone Africa is growing in innovation and VC dollars are taking notice. A prime example is the level of interest growing in Ivory Coast.

We will continue investments in our specified focus countries, as we closely monitor the developments in [DRC](#) (particularly tech for Agriculture and Infrastructure), [Rwanda](#) (particularly tech for Agro Processing and Technology), [Senegal](#) (particularly tech for Agriculture), [Tunisia](#) (particularly tech for Manufacturing and Services), and [South Africa](#) (particularly tech for Services and Trade) for opportunities.

