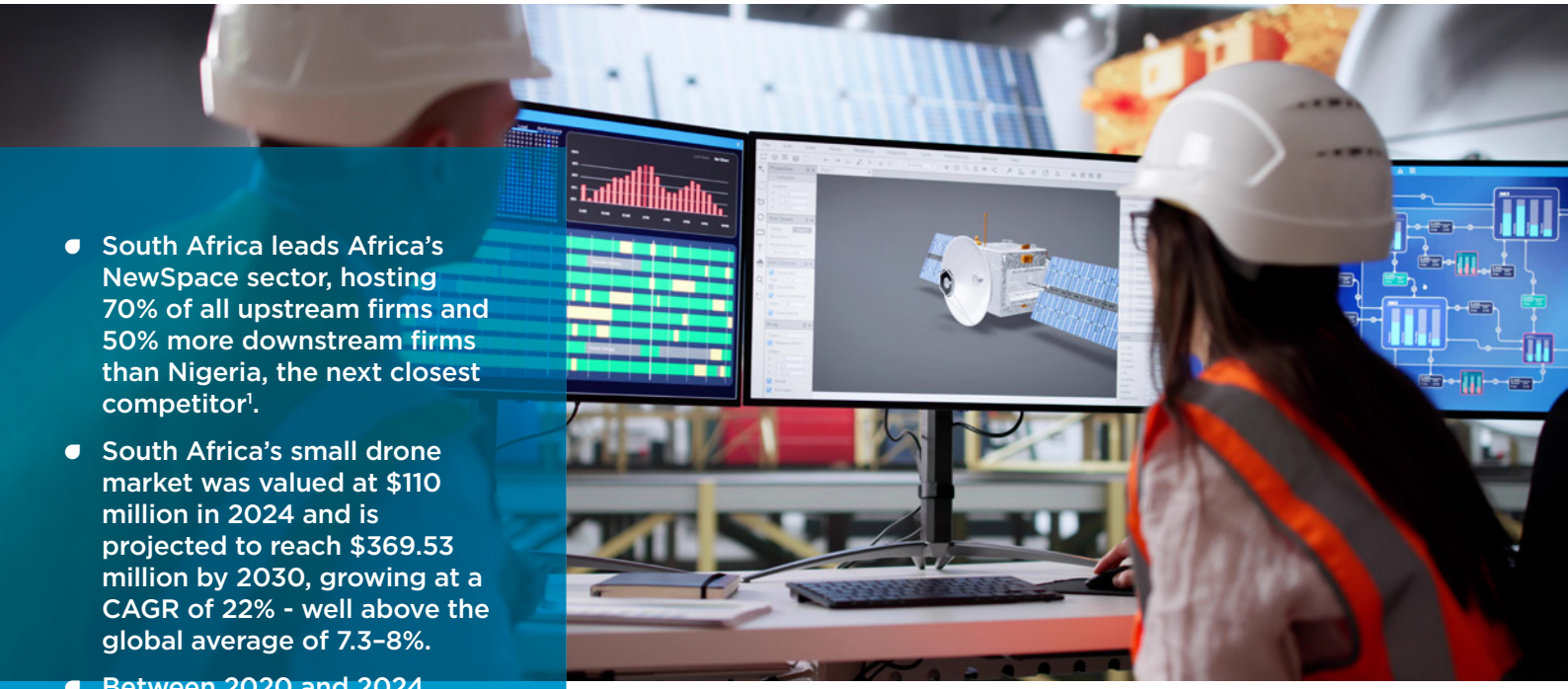
Western Cape Government

wesgro
cape town & western cape
tourism, trade & investment



- South Africa leads Africa's NewSpace sector, hosting 70% of all upstream firms and 50% more downstream firms than Nigeria, the next closest competitor[1].
- South Africa's small drone market was valued at $110 million in 2024 and is projected to reach $369.53 million by 2030, growing at a CAGR of 22% - well above the global average of 7.3–8%.
- Between 2020 and 2024, Western Cape exports of aircraft, spacecraft, and related parts grew at a CAGR of 34%, with light aircraft exports accelerating at a remarkable CAGR of 504.4% over the same period[2].

WESTERN CAPE AEROSPACE INVESTOR OPPORTUNITY FACTSHEET

OUR UNIQUE SELLING POINTS

1 Established Aerospace Clusters

One in five satellites currently in orbit contain components made by **NewSpace Systems, a Western Cape-based aerospace company**—highlighting not only the sophistication of South Africa's aerospace sector but also the strength of the adjacent industries that support it.

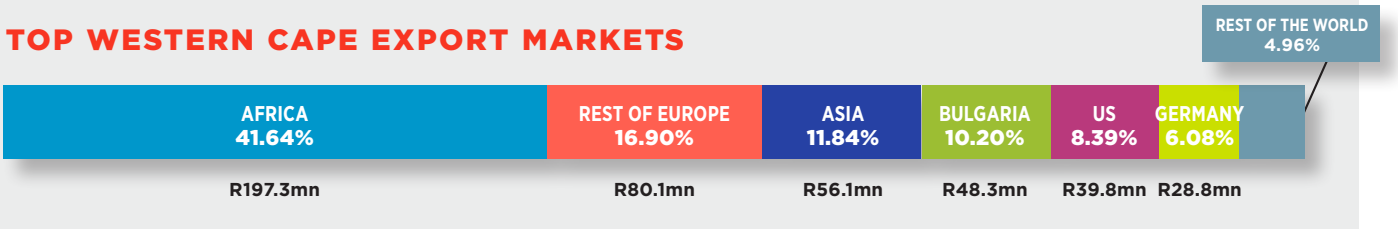
2 Affordable Skilled Workforce

Personnel expenses for aerospace engineers are approximately **65% lower than US counterparts**, and about 30% less than similar talent in Germany – offering a significant cost advantage[3].

3 Critical Material Access

South Africa provides global access to extensive platinum group metal reserves, rare minerals and ranks among the top five global sources of titanium.

TOP WESTERN CAPE EXPORT MARKETS



[1] *Downstream refers to ground operations (operation centres, ground stations, data processing etc.), network operations, and end-user engagement – typically of governments.*

[2] *Determined using HST 88: Aircraft, spacecraft, and parts thereof.*

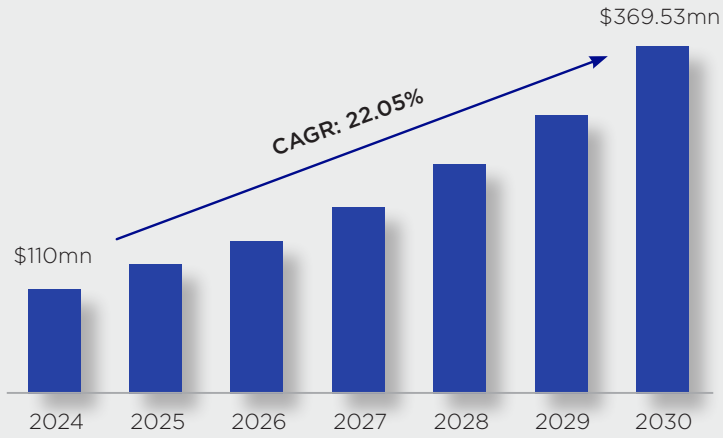
[3] *Glassdoor estimates based on median pay*

[4] *CAGR = Compound Annual Growth Rate.*

WHY INVEST IN THE WESTERN CAPE?

- **Engineering Talent Pipeline:** The **universities of Cape Town (UCT) and Stellenbosch consistently rank among Africa's top five engineering institutions**, supplying a skilled, bilingual workforce to the sector.
- **Business-focused Incentives:** Offering a **150% tax deduction on R&D expenditure**, access to the Atlantis Special Economic Zone for advanced manufacturing, and the Aerospace Industry Support Initiative (AISI), which provides prototype funding, supports international compliance, and fosters academic-industry collaboration.

SOUTH AFRICA DRONE MARKET, 2024 - 2030



Source: IndustryArc, 2023

WHERE TO INVEST IN THE WESTERN CAPE

- **Unmanned aerial systems manufacturing:** Demand for unmanned aerial systems is rising, driven by precision agriculture and logistics applications across Africa.
- **Precision component production:** Significant opportunities exist in precision component manufacturing for satellites, radar systems, turbines, and additive manufacturing within the aerospace sector.
- **Ground infrastructure and data services:** Growth in ground infrastructure and data services is accelerating, particularly with the SKAO's development of a state-of-the-art supercomputer in Stellenbosch.
- **Satellite services:** Satellite services for intelligence gathering and connectivity offer strong market potential across Africa, addressing critical infrastructure gaps in underdeveloped regions.

KEY INDUSTRY OPERATORS IN THE WESTERN CAPE

sansa SOUTH AFRICAN NATIONAL SPACE AGENCY

Cape Aerospace Technologies

AISI Aerospace Industry Support Initiative an initiative of the dtic

LambdaG Applied EM

REUTECH RADAR SYSTEMS

DRAGONFLY aerospace

NEWSPACE SYSTEMS

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