Western Cape Government

wesGRO
cape town & western cape
tourism, trade & investment

- South Africa boasts the largest pharmaceutical market in sub-Saharan Africa, coupled with annual R&D spending of R10.0 billion in 2022/23. This positions SA on par with well-established mid-sized European MedTech clusters such as Leuven in Belgium and Lund in Sweden.
- Western Cape secures $207mn for R&D annually, fuelling advancements in health tech and biotech, with local firms reinvesting up to 9% of turnover into R&D compared to just 5-7% in competitor markets like India.
- Western Cape pharma and medical device exports grew 60.1% in 2024 – stemming from breakout growth in the Australian (182%, 5y-CAGR) and SADC (30%, 5y-CAGR) markets. More than 70% of Western Cape health tech exports service African demand - highlighting its global position as a leading health tech hub of Africa.

Western Cape HEALTH TECH AND PHARMA Factsheet

OUR UNIQUE SELLING POINTS

1 WHO-Certified Good Manufacturing Practice
South Africa is the only SADC country compliant with WHO's GMP standards, ensuring high-quality pharma production.

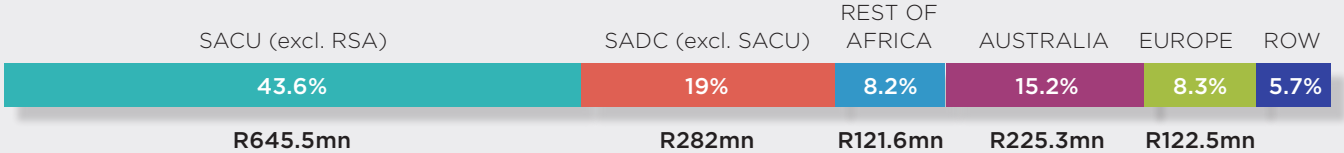
2 Leading Hub for Health Tech
WC is home to four universities including UCT – the only African university to reach the global top 100 in medicine.

3 High Quality Talent Pool
WC health tech ecosystem thrives with top-tier engineers, scientists, and clinicians from leading universities and hospitals - at 40 to 50% the cost of similar talent in the US and EU.

4 Sophisticated Digital Infrastructure
Cape Town's large cloud and data centres support AI-driven healthcare, making digital health a scalable investment.

5 Global recognition Cape Town stands out as Africa's leading tech hub and the only city on the continent recognised among the world's top 30 for technological innovation. One major Square Kilometre Array (SKAO) data centre project in Stellenbosch is designed to operate at speeds orders of magnitude faster than existing systems, and is set to drive global technological innovation, opening opportunities particularly in MedTech research. Additionally, between 2019-2023, the Western Cape accounted for 84%(R 2.36 bn) of total healthcare deals nationally.

GLOBAL EXPORT MARKETS (2024)



WHY INVEST IN THE WESTERN CAPE?

- **Export growth:** Western Cape has a strong and growing export market for health tech and pharma, recording 165% export growth in past five years, signalling strong international demand, creating high-return opportunities in pharma and health tech manufacturing.
- **Strategic Access:** South Africa is currently one of the top three vaccine manufacturers in Africa. With the continent's vaccine market projected to reach $5.4 billion by 2030, presenting significant opportunities for investors.
- **Government Incentives & Industry Support:** Western Cape benefits from government-backed incentives designed to strengthen pharmaceutical manufacturing, health tech R&D, and medical device production.
- **Strategic Tech Initiatives:** Western Cape is advancing the development of the Cape Health Technology Park, while SKAO is building a science processing centre in Cape Town – featuring a world-class supercomputer with a processing speed of 135 PFlops, placing it among the top five supercomputers globally in 2022.

WHERE TO INVEST IN THE WESTERN CAPE

- **Top health tech and pharma sectors to invest in are biotechnology, microbiology, biomedicine, and chemistry.**
- **Existing clusters of health tech and pharma firms dominate in the City of Cape Town, Cape Winelands, Overberg, Garden Route and the West Coast regions.**

Scan for more information

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TOP GLOBAL COMPANIES OPERATING IN OR SERVICED BY THE WESTERN CAPE

Johnson & Johnson · Cipla · Pfizer · BIOVAC · H3D · GSK GlaxoSmithKline · Sinapi biomedical