

SA's green tech startups rebooting the green economy

By [Terry Billson](#)

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South Africa presents potentially lucrative opportunities for US firms involved in green building technologies. According to McGraw-Hill Construction in the [World Green Building Trends survey](#), the growth of green building in South Africa exceeds that of established sustainability building regions such as Europe, Australia, United States, United Arab Emirates, Singapore and Brazil.



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While we are playing catch-up to our developed and developing counterparts, the survey pegged the take up of green building to grow three-fold, from a measured 16% in 2012 to 52% in 2018. A total of 60% of firms in the survey reported future green commercial developments by 2018, while retrofits came in at 58%. The South African government, with the private sector, recognises the need for energy-efficient building systems and practices. But to achieve a green and sustainable building culture, South Africa requires extensive financial and technical support from developed countries around green building technologies and practices.

Massive opportunity

Once considered a niche and potentially risky investment, clean energy technology is now mainstream and is a massive opportunity for businesses, which marries South Africa's youthful tech startup scene with a well established international green energy sector. Robust support from governments and hunger for green solutions offers an additional reason to be optimistic.

The declining costs of clean energy, cheaper data processing and consumer demand is driving investor interest in clean energy assets. The momentum behind South Africa's push to build a leaner, cleaner economy is likely to accelerate green tech startups racing to corner the market.

With large-scale change very likely to happen as Eskom decommissions ageing coal plants, there's a need to begin to understand the world of innovation rather than the world of energy generation and distribution. And we suspect the objective is to learn and make more strategic decisions in energy production.

Pursuing green projects

As increasing environmental pressures take hold in South Africa, our major construction companies and developers have shown they are focusing on pursuing green practices and projects, particularly in renewable energy where opportunities are emerging. There is a growing recognition that climate change opportunities exceed risks, and companies now seek to develop capabilities around greener practices and technologies on a wide-scale across business units.

The Industrial Development Corporation (IDC) plans to inject billions of rand into green industries over the next five years as part of a larger disbursement plan. The IDC has indicated that the green economy has emerged as a primary focus for the development finance institution (DFI), owing to its potential to create jobs and lower the carbon intensity of the South African economy, and as a result, is planning to inject substantial funds into green industries.

For clean energy tech startups, this represents an unprecedented opportunity to benefit from this boost in investment and interest and create new systems to power homes, businesses, and vehicles and to bolster growing demand and incorporate clean energy into the mainstream supply in a riposte to naysayers who have criticised the intermittent and unreliable supply from renewables in the past.

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