



Global Private Capital Association

**20
24**

**TRENDS
IN GLOBAL
TECH**

About GPCA

The Global Private Capital Association, which was founded as the Emerging Markets Private Equity Association (EMPEA) in 2004, is a non-profit, independent membership organization representing private capital investors who manage more than USD2t in assets across Asia, Latin America, Africa, Central & Eastern Europe and the Middle East.

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For more information on GPCA's research methodology, visit globalprivatecapital.org.

Overview

GPCA markets are searching for a new normal. After an unprecedented wave of activity during COVID-19, venture capital (VC) deal value and count fell for the second straight year in 2023. As startup valuations and deal activity stabilize, experienced fund managers across global markets remain well capitalized and positioned to back startups with strong unit economics and a path towards profitability.

GPCA's annual *Trends in Global Tech* report traces VC flows across Africa, India, China, Southeast Asia, Latin America, Central & Eastern Europe and the Middle East. This report highlights common investment themes across GPCA markets, as well as notable transactions at a time of continued market adjustments amidst a shifting geopolitical landscape.

Underlying data from this report is available to GPCA Members at globalprivatecapital.org. For additional questions or feedback, contact research@gpcapital.org.

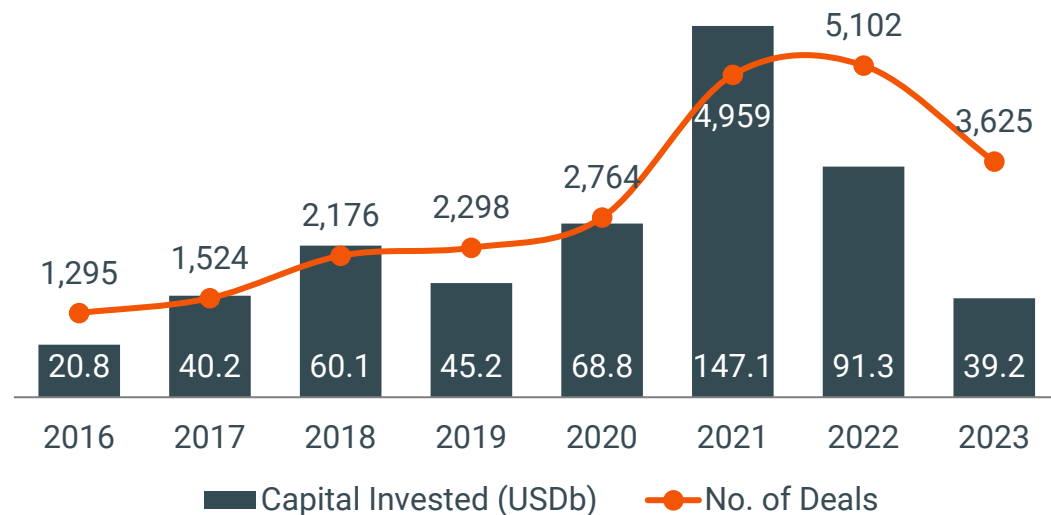
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Key report takeaways

- **VC maintained its dominance vis-à-vis other asset classes in 2023, drawing 42% of all private capital deal value across GPCA markets.** However, it also experienced the steepest decline, falling 57% year-over-year to USD39.2b.
- **Amidst the ongoing market correction, seed and early-stage have taken center stage, with USD22.2b deployed compared to USD15.3b for late-stage deals.** Fund managers also raised USD10.1b for startups at seed and early stages.
- **Global investors concentrated capital in cleantech, e-commerce and biotech startups in 2023,** diversifying from traditional sectors such as fintech and enterprise software.
- **As entrepreneurs turn towards alternative forms of non-dilutive financing, interest in venture debt has grown,** with over USD7.2b deployed since 2021.
- **Africa and the Middle East were relative bright spots,** recording their third-highest year on record for VC investment, supported by the maturation of local investors, cross-border capital and government policies.
- **Public markets activity in China and India drove the bulk of VC exit value across GPCA markets,** bolstered by regulatory updates to listing requirements in China and strong performance in India. Sales to strategics remained the main exit avenue for managers in other markets.
- **Frontier markets such as Azerbaijan, Bulgaria, Georgia, Guinea and Zambia saw new activity,** with some recording their first venture investments ever.

VC dealmaking continues its global reset

VC Investment in GPCA Markets, 2016-2023



“Southeast Asia continues to be a beneficiary of geopolitical uncertainty in other parts of the world. Examples include experienced Chinese founders settling in Indonesia or Singapore to start new companies, growth-stage companies expanding into the region after achieving product-market fit elsewhere and the consequences of supply chain shifts into Vietnam. More than ever, startups are operating in multiple countries across Southeast Asia.”

– Jessica Huang Pouleur, General Partner, Openspace Ventures

Source: GPCA. Data as of 31 December 2023.

VC deal value fell in 2023 driven by cautious investor sentiment due to persistent inflation, sluggish growth and recessionary concerns, along with a significant decline in activity in China.

Although **deal volume remained above pre-pandemic levels**, total capital invested fell to USD39.2b, marking its lowest point since 2016.

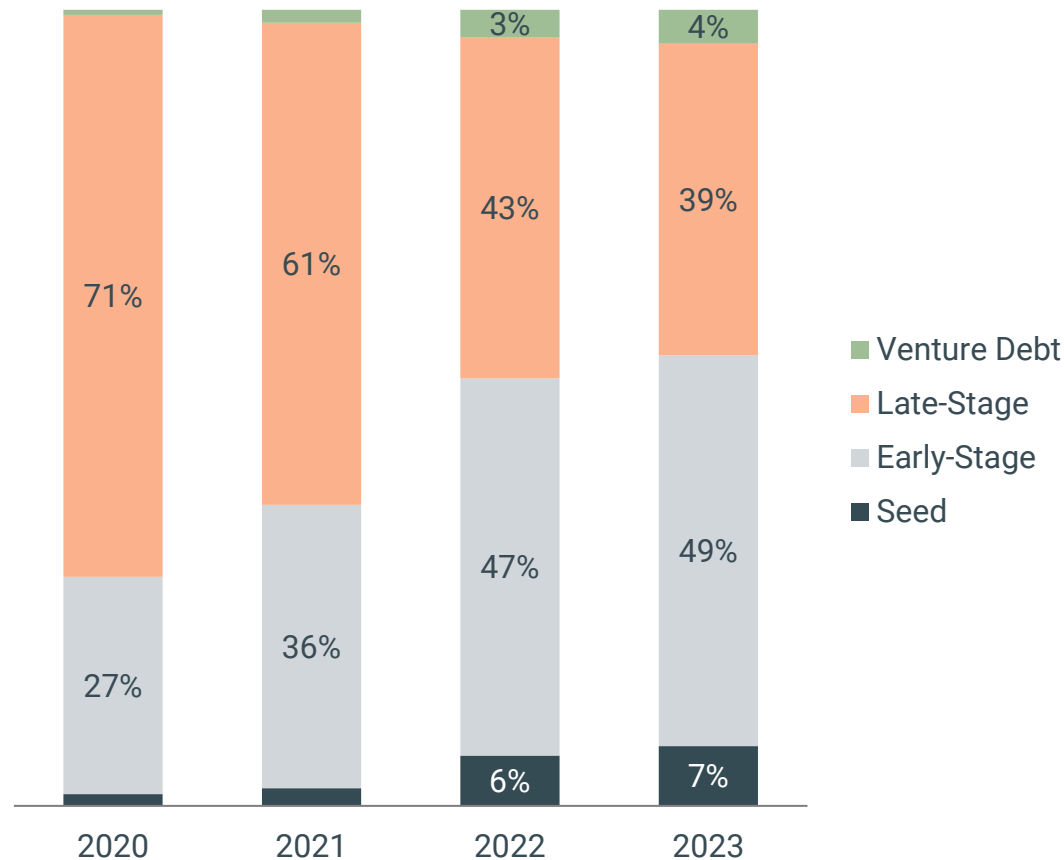
Significant bright spots with secular growth drivers remain in local ecosystems in Africa and the Middle East, which remain well above pre-pandemic levels.

VC Investment by Geography, 2016–2023 (USDb)

Geography	2016	2017	2018	2019	2020	2021	2022	2023
Africa	0.1	0.2	0.2	0.9	0.5	3.2	2.7	1.1
India	2.3	5.8	6.4	9.8	8.0	34.9	19.1	7.4
China	15.8	30.4	44.8	22.1	50.4	72.2	44.6	20.6
SE Asia	1.1	2.2	5.2	5.5	3.7	10.6	9.1	3.1
Latin America	0.6	1.1	2.2	5.0	4.2	16.0	7.9	4.0
CEE	0.1	0.2	0.6	1.1	1.2	7.1	5.1	1.2
Middle East	0.7	0.1	0.1	0.3	0.3	1.8	2.1	1.5
GPCA Markets Total	20.8	40.2	60.1	45.2	68.8	147.1	91.3	39.2

Seed and early-stage deals comprised majority of VC capital invested in 2023

VC Investment in GPCA Markets by Stage, 2020-2023
(% of Capital Invested)



Source: GPCA. Data as of 31 December 2023.

In 2023, investors reaffirmed their commitment to early-stage investing, with seed through Series B rounds comprising 56% of all capital invested – a figure that has doubled since 2020.

Late-stage funding remained scarce, falling by 61% to USD15.3b in 2023, largely due to tepid interest from global investors.

Although local managers continued to provide the majority of early-stage financing, cross-border investors, particularly Japanese funds such as **Genesia Ventures, Incubate Fund, Beyond Next Ventures** and **SBI Investment**, significantly increased their investments in Southeast Asia and India, growing their local teams to signal their permanent in-market presence.

"We note that many tech companies globally have hit a wall in raising their next financing round or cutting costs, including laying off thousands to preserve cash, while companies from Ukraine and our region are lean, resilient and able to withstand global tech shocks."
– **Lenna Koszarny, Founding Partner, Horizon Capital**

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Cleantech and e-commerce startups attracted most of the key funding rounds in 2023

Notable VC Investments in GPCA Markets, 2023

■ E-Commerce
 ■ Cleantech

Company	Investor(s)	Country	Vertical	Stage	Deal Value (USDm)
Shein	Coatue, General Atlantic, HongShan, Mubadala, Tiger Global	China	E-Commerce	Series G	2,000
Hithium	CDIF, CDH, Fenghe Capital, Goldstone Investment, Matrix Partners and others	China	Cleantech	Series C	621
Tabby	Endeavor Catalyst, Mubadala, PayPal, Peak XV Partners, Partners for Growth and others	UAE	Fintech	Late-Stage	458*
Pharmeasy	ADQ, Amansa Capital, CDPQ, Eight Roads, LGT Capital Partners, Prosus, Temasek, TPG	India	Healthtech	Late-Stage	420
Tamara	Impulse VC, Pinnacle, Sanabil, Shorooq Partners, SNB Capital	Saudi Arabia	Fintech	Series C	340
Udaan	DST Global, Lightspeed, M&G Investments	India	E-Commerce	Series E	340
Kredivo	GMO, Jungle Ventures, Mizuho Bank, Naver, Openspace Ventures, Square Peg Capital	Indonesia	Fintech	Series D	270
M-Kopa	BII, Cygnum Capital, FMO, IFC, Mirova, Nithio	Kenya	Cleantech	Venture Debt	255*
Marco Financial	Castlelake, MidCap Financial	Latin America	Fintech	Venture Debt	208*
QI Tech	Across Capital, General Atlantic	Brazil	Fintech	Series B	200
eFishery	42X Fund, 500 Global, Aqua-Spark, KWAP, responsAbility Investments, SoftBank, Temasek, Northstar Group	Indonesia	Agtech	Series D	200
Floward	Bank Aljazira, Rainwater Partners, Saudi Technology Ventures	Kuwait	E-Commerce	Series C	156
PVcase	Elephant, Energize Capital, Highland Europe	Lithuania	Cleantech	Series B	100
Preply	Horizon Capital, Hoxton Ventures, Reach Capital	Ukraine	Edtech	Late-Stage	70
Nuru	Aster Capital, Gaia Impact Fund, IFC, Proparco, Schmidt Family Foundation and others	Congo	Cleantech	Series B	42*

* Total deal value raised across multiple rounds in 2023. Source: GPCA. Data as of 31 December 2023.

Enterprise software remains one of the most attractive sectors across GPCA markets

VC Investment in Select Technology Verticals, 2023

Vertical	Africa		India		China		SE Asia		Latin America		CEE		Middle East	
	% of Deals	% of USDm	% of Deals	% of USDm	% of Deals	% of USDm	% of Deals	% of USDm	% of Deals	% of USDm	% of Deals	% of USDm	% of Deals	% of USDm
Agtech	6%	4%	3%				5%	9%	5%					
Biotech, Medical Devices & Diagnostics					26%	24%	3%	5%	3%			3%		
Cleantech	4%	29%			6%	14%	6%	4%	3%	3%		11%		
Computer Hardware, Semiconductors & Optics					17%	14%								
E-Commerce Platforms & Marketplaces	12%	7%	7%	14%		11%	10%	7%	8%	4%			7%	12%
Edtech			4%	3%			4%		4%		8%	7%	7%	4%
Enterprise Software & IT Services	14%	8%	18%	10%	14%	12%	20%	10%	30%	19%	39%	20%	30%	6%
EV, AV & Automotive Tech		3%	5%	6%	5%	6%		3%						
Fintech	28%	25%	16%	24%			21%	35%	25%	46%	12%	5%	21%	66%
Food Delivery, Cloud Kitchens & Restaurant Tech	3%			3%								42%	6%	
Healthtech	10%	11%	4%	8%			6%	10%	5%	3%	4%		3%	
Logistics Tech	7%	7%	4%	3%				3%	4%	6%	6%		4%	

Source: GPCA. Data as of 31 December 2023. Values below 3% have been omitted.

Biotech was the second-most-active vertical followed by enterprise software

Fintech remained a magnet for investors, with nearly USD6.3b invested across startups offering microcredit, insurance and investment services, among others. Notable investments included **Tamara** (Saudi Arabia), **Kredivo** (Indonesia), **Tabby** (UAE) and **QI Tech** (Brazil).

China dominated biotech, accounting for 92% of all capital deployed within the vertical in GPCA markets. Nonetheless, momentum has significantly slowed in China, dropping from USD18b in 2021 to USD5b in 2023.

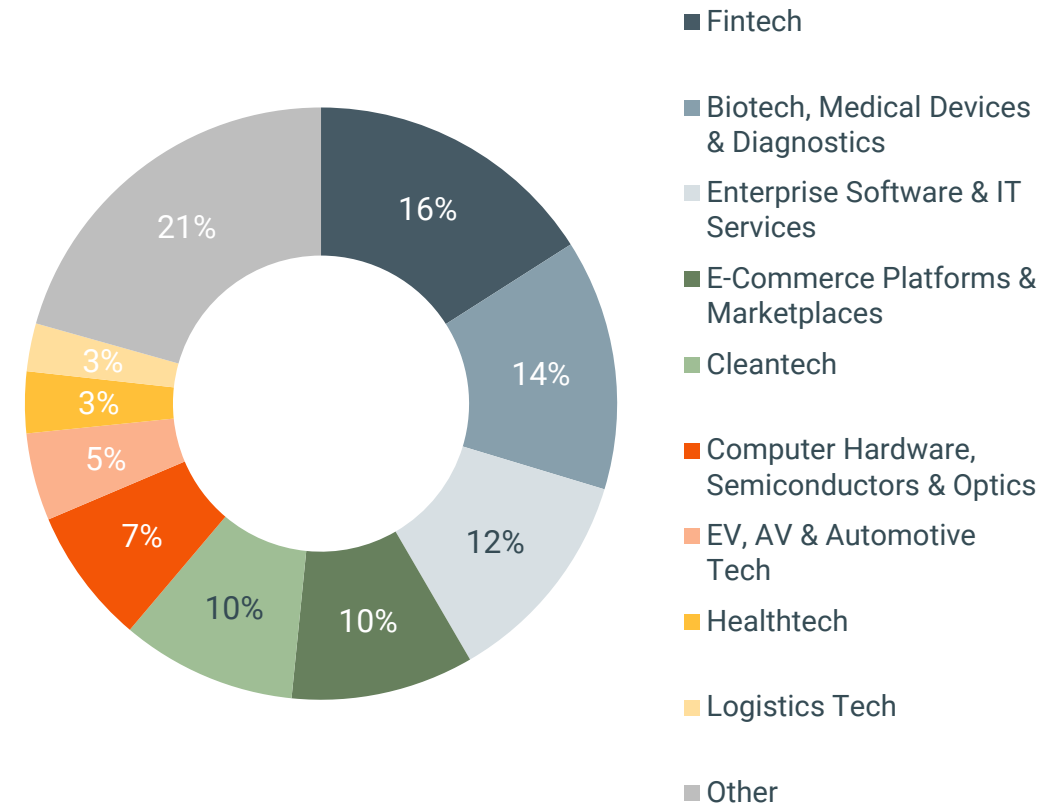
Enterprise software dealmaking was bolstered by increased business digitalization and automation, reaching USD4.7b in 2023. Notable deals include a USD300m Series A for China-based **Baichuan AI**, USD85m Series F for Brazil-based **Gympass** and a USD85m Series C for India-based **Pixis**.

“There is a clear opportunity for traditional businesses to become more efficient and scalable by embracing digital and AI technologies. These tools can revolutionize go-to-market, retention and customer service, transforming conventional retail models into lower-cost, technology-enabled customer-centric enterprises. For example, in Indonesia, we are seeing the emergence of digital-first brands in fast-moving consumer goods, beauty and health, which appeal more to the internet-native generation.”

– Adrian Li, Managing Partner, AC Ventures

Note: ‘Other’ includes advanced materials, aerospace, agtech, AR/VR/Metaverse, digital media & electronic games, edtech, fitness/wellness tech, food delivery, foodtech, proptech, robotics, social networking, super apps, mobility and traveltech. Source: GPCA. Data as of 31 December 2023.

VC Investment by Vertical in GPCA Markets, 2023 (% of Capital Invested)

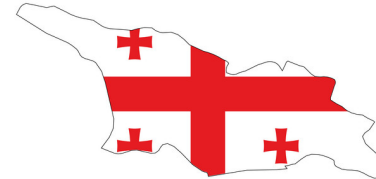


At the frontier: VCs back startups in new markets



South Africa

Exhibited resilience in 2023 with USD253.4m, a significant 3.9x increase, in VC investments compared to 2020. Notable investments include **Lulalend**, **RapidDeploy** and **Peach Payments**.



Georgia

500 Istanbul relaunched as 500 Emerging Europe – with a USD75m fund focused on CEE – which is driving activity in the region. Notable investments include **Kovzy**, **Pyme** and **Quickshipper**.



Zambia

Displayed growth in 2023 with USD16.9m, a 5.6x increase in VC deal value compared to 2020. Notable investments include **Good Nature Agro** and **Lupiya**.



Azerbaijan

Received its first disclosed VC investment with **Glorri**, an HR platform for streamlining the hiring process, raising an undisclosed seed round from 500 Emerging Europe.



Guinea

Received its first-ever VC investment with **YMO**, a payments platform, raising a USD3m seed round from Breega Capital and INCO Ventures.



Bulgaria

Recorded 15 deals in 2023, breaking its previous all-time high of ten transactions in 2021. Notable investments include **Dronamics**, **Ampeco** and **Endurosat**.

Source: GPCA. Data as of 31 December 2023.

India and China led VC exit activity, with the listing window closed for other regions

Notable VC-Backed Strategic Sales in GPCA Markets, 2023-Present

Acquiror	Target	Investor(s)	Country	Deal Value (USDm)
Walmart	Flipkart	Accel Partners, Binny Bansal, Tiger Global	India	3,500
Visa	Pismo	Accel, Amazon, Headline, SoftBank, Redpoint eventures and others	Brazil	1,000*
BioNTech	InstaDeep	AfricInvest, Chimera, Endeavor Catalyst, GFC, Google, Harvard Management Company, Orange Ventures, Village Capital and others	Tunisia	399
VLCC	Happily Unmarried	360 ONE, Info Edge, Wipro Enterprises	India	31
Albo	Delt.ai	Foundation Capital, Y Combinator	Mexico	20

India and China were the only two markets with increased exit activity for VC-backed companies in 2023.

Bolstered by strong public markets activity and strategic sales, Indian startups recorded 84 VC-backed exits with USD6.4b in total exit value – a 70% increase from USD3.8b in 2022.

China-based investors recorded USD12.2b in VC-backed exit value, a 44% increase from 2022. Public market transactions accounted for 69 of the 70 exits, propelled by the recent momentum of Hong Kong's STAR Market, under which loss-making entities can be listed, and the amendment of HKSE's Listing Rules Chapter 18A, allowing biotech companies to list without proof of revenue or profit.

Global players provided notable strategic sale opportunities for Africa-based startup companies, with BioNTech's acquisition of Tunisia-based InstaDeep being the largest exit of a VC-backed startup for the region in 2023.

“The acquisition of InstaDeep signifies not only that strategic sales are possible in African tech, but also that African companies can adapt technologies that have been developed somewhere else to a local context. InstaDeep's success shows a new model of development for deeptech startups, attracting talent from underserved markets and combining it with specialized talent in advanced ecosystems.”

– Ziad Oueslati, Founding & Co-Managing Partner, AfricInvest

* Announced in 2023 but closed in January 2024. Source: GPCA. Data as of 31 December 2023.

Established managers raised 64% of all capital committed to seed and early-stage funds

Despite a sluggish global fundraising environment, experienced fund managers remain well-capitalized for the next market cycle. The Middle East pulled in a record-breaking USD482m led by seed and early-stage funds. Africa mirrored this trend, with its second-highest year for VC fundraising. A total of USD679m was raised for the region by 22 funds, with a record USD508m specifically targeting early-stage investments. Notably, Partech Partners reached a USD262m first close for its latest early-stage Africa fund, marking the largest VC fund on record in the region.

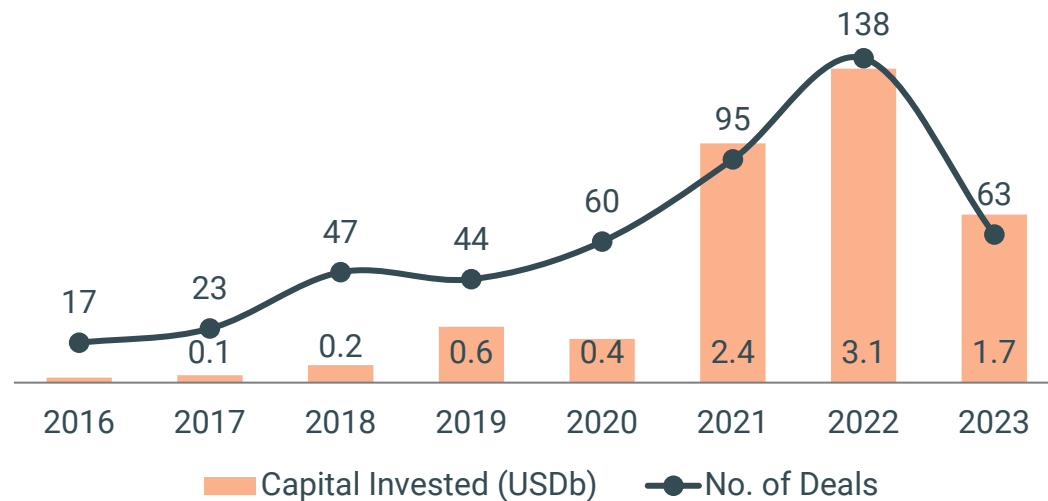
Select VC Funds Achieving a Close, 2023

Fund Manager	Fund Name	Fund Type	Geography	Capital Raised to Date (USDm)
Partech Partners	Partech Africa Fund II	Early-Stage	Africa	262
Norrsken22	Norrsken22 African Tech Growth Fund	Multi-Stage/Oppportunistic	Africa	205
Matrix Partners	Matrix Partners China VII	Early-Stage	China	1,600
Qiming Venture Partners	Qiming Venture RMB Fund VII	Multi-Stage/Oppportunistic	China	958
Nexus Venture Partners	Nexus India Capital VII	Early-Stage	India	700
Matrix Partners	Matrix India IV	Early-Stage	India	550
Monk's Hill Ventures	Monk's Hill Ventures Fund III	Early-Stage	SE Asia	200
The Northstar Group	Northstar Ventures I	Early-Stage	SE Asia	138
Inovo Venture Capital	Inovo Venture Fund III	Early-Stage	CEE & Russia	115
Spire Capital	Spire Capital Fund I	Multi-Stage/Oppportunistic	CEE & Russia	61
KASZEK	Kaszek Ventures VI; Kaszek Opportunity III	Early-Stage; Late-Stage	Latin America	540; 435
Bicycle Capital	Bicycle Capital I	Late-Stage	Latin America	440
Shorooq Partners	Bedaya Fund II	Seed	Middle East	150
Energy Capital Group	Energy Capital Fund	Early-Stage	Middle East	150

Source: GPCA. Data as of 31 December 2023.

Venture debt financing has multiplied over the last three years

Venture Debt Investment in GPCA Markets, 2016-2023



Entrepreneurs are seeking additional sources of non-dilutive financing to manage runway and avoid down-rounds. **USD1.7b in venture debt was invested across 63 transactions in GPCA markets in 2023 – the third-highest year on record.**

Fintechs raised USD1.2b or 70% of all venture debt financing in 2023, with traditional banks and financial institutions also granting credit lines and secured loans to support startups in their path to profitability.

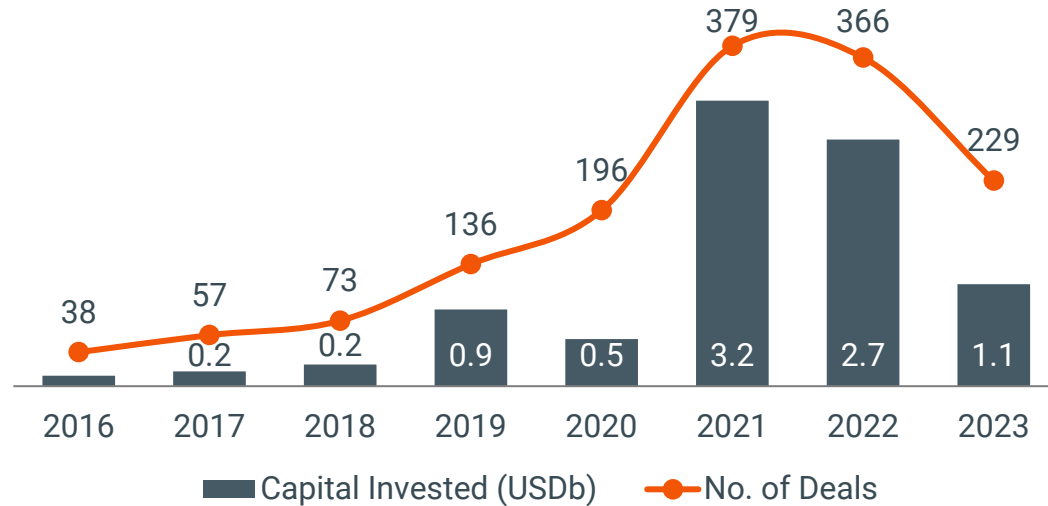
Select Alternative Financings in GPCA Markets, 2023

Company	Country	Vertical	Investor(s)	Deal Value (USDm)
M-Kopa	Kenya	Cleantech	BII, Cygnum Capital, FMO, IFC, Mirova, Nithio	200
Tabby	UAE	Fintech	Atalaya Capital Management, CoVenture, Partners for Growth	150
Stashfin	India	Fintech	Blacksoil Advisory, InnoVen Capital, Trifecta Capital Partners	100
Zolve	India	Fintech	Community Investment Management	100
Habi	Colombia	Proptech	Victory Park Capital	100
Klar	Mexico	Fintech	Victory Park Capital	100
SunCulture	Kenya	Agtech	Mirova, Nithio, Triodos Investment	12

Source: GPCA. Data as of 31 December 2023.

Global investor interest confirms the resilience of Africa VC

Africa VC Investment, 2016-2023



VC Investment in Africa reached USD1.1b in 2023, its third-highest year on record and a 117% increase from 2020. Kenya registered the largest VC deal in its history in 2023, with cleantech M-Kopa raising a USD250m round.

Global investor and corporate interest remained resilient in the region, with Japan-based investors emerging as active supporters of African entrepreneurs. Verod-Kepple Africa Ventures and Asia Africa Investment and Consulting each reached fund closes in 2023, while Sony Ventures and SBI Holdings launched dedicated CVC arms or committed capital to local managers.

E-commerce startups have reported restructurings as entrepreneurs weigh alternatives amidst the relative scarcity of follow-on financing. A broad trend of company consolidation might be on the horizon as signaled by the pending merger between e-commerce platforms MAXAB (Egypt) and Wasoko (Kenya).

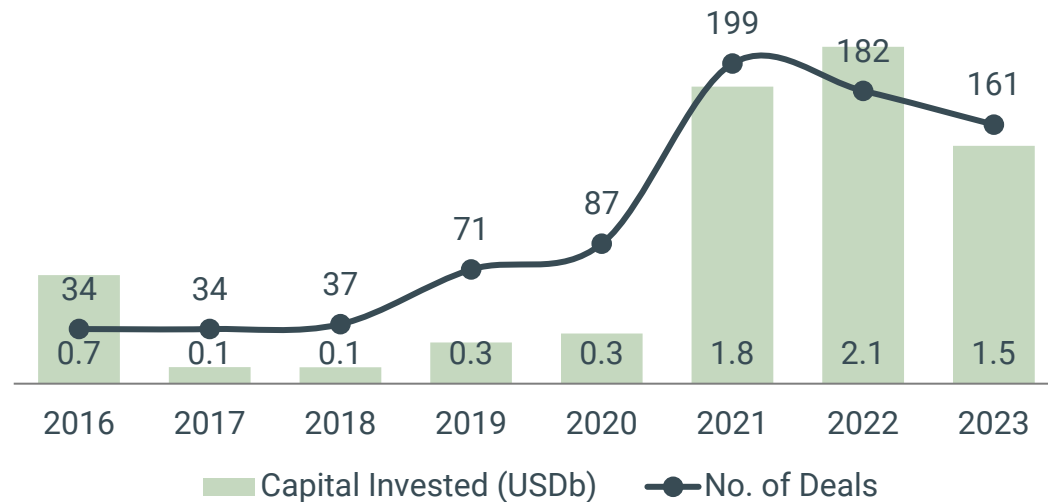
Most Active VC Dealmakers in Africa, 2023



Source: GPCA. Data as of 31 December 2023.

Activity in the Middle East was dominated by fintech platforms Tamara and Tabby

Middle East VC Investment, 2016-2023



Widespread adoption of BNPL services across the GCC continued to fuel fintech growth. In 2023, two of the region’s leading fintech startups, **Tamara** and **Tabby**, announced a combined USD798m in late-stage and venture debt. Tamara secured an additional USD350m* in debt financing from Goldman Sachs, while Tabby received USD700m* from J.P. Morgan.

Notable global VCs opened regional offices in Abu Dhabi, Dubai and Riyadh as they continued to see the Middle East as a prominent fundraising hub including **Golden Gate Ventures, IVP, Andreessen Horowitz** and **Tiger Global**.

Government-backed SWFs and CVCs are significant drivers of capital deployed and ecosystem growth, with active investors including **Sanabil Investments** of PIF, **Saudi Technology Ventures** of Saudi Telecom and **Wa'ed Ventures** of Aramco.

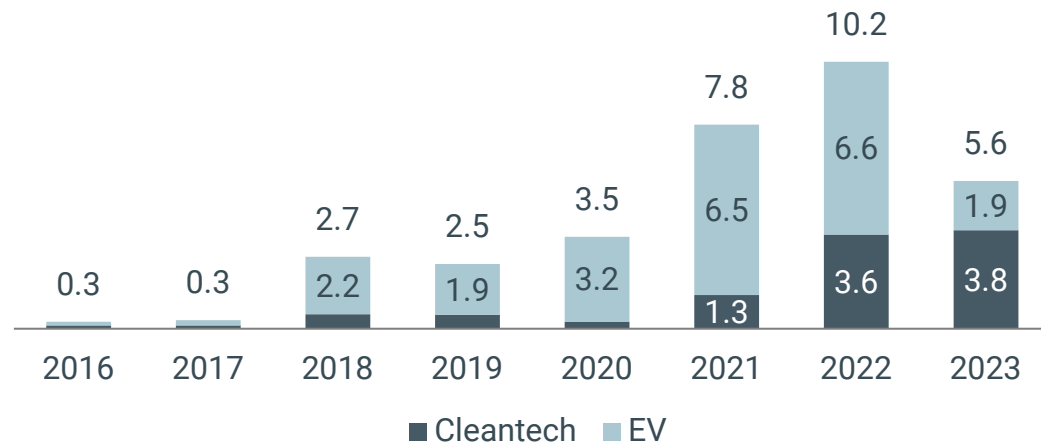
Select SWFs and Fund of Funds Active in Venture Capital in the Middle East



* Bank financing activity is excluded from GPCA’s data coverage. Source: GPCA. Data as of 31 December 2023.

Cleantech startups in GPCA markets attracted a record USD3.8b in 2023

VC Investment in Cleantech and EVs, 2016-2023 (USDb)



Cleantech refers to startups addressing environmental challenges and promoting sustainability through initiatives like distributed solar financing, waste reduction, energy efficiency, pollution prevention and tracking and more.

“The shift towards sustainability in Indonesia, particularly in two-wheeler EV mobility transition, represents significant investment opportunities in 2024-2025. The country’s ambitious plans to become a regional EV hub align with our focus on startups that are leading this transition, addressing both environmental and demand concerns for cleaner transportation options.”

– Adrian Li, Managing Partner, AC Ventures

Source: GPCA. Data as of 31 December 2023.



China | Early-Stage | USD295m | January 2023
Dayone Capital, GLP Capital Partners, Jiuwan Capital and others
Manufacturer and distributor of solar equipment



Indonesia | Seed | USD38m | July 2023
AC Ventures, Openspace Ventures, Northstar Group and others
Manufacturer of electric motorbikes



Mexico | Late-Stage | USD32m | July 2023
Investment Fund for Developing Countries
Distributed solar financier



Czech Republic | Early-Stage | USD22m | June 2023
ArcTern Ventures, Fifth Wall, Inven Capital, Kaya VC and Westly Group
SaaS platform for household renewable energy installations



Rwanda | Early-Stage | USD11m | December 2023
Hard Edged Hope Foundation, The Ecosystem Integrity Fund and TotalEnergies
Provider of integrated electric motorcycle and transport energy solutions

Methodology

For more information on the methodology behind GPCA's VC and tech dataset, [visit the GPCA website](#) or contact research@gpccapital.org.

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