

SA losing to Kenya in tech race

South Africa appears to be losing its status as the preferred investment destination on the continent for international technology companies. That honour, increasingly, is going to Kenya, which may be on the cusp of a technology-fuelled era of economic growth.



By [Duncan McLeod](#) 10 Jun 2013

When apartheid ended in 1994, there was a flood of investment into South Africa by international technology companies. Microsoft, IBM, Intel, Motorola, Xerox, Hewlett-Packard: they all poured millions into establishing local offices to serve not only South Africa but often markets across Southern Africa and even sub-Saharan Africa. The view was that South Africa was the gateway to the continent.

Twenty years later, and perceptions are shifting.

...Last year, when IBM decided to set up its first research laboratory in Africa, it chose Kenya, not South Africa, as the location for the facility. The Kenyan lab joined existing IBM facilities in the US, Switzerland, Israel, Japan, Ireland, India, China, Brazil and Australia.

Over the years, the labs have been credited with inventing many of the foundations of the IT industry, including the relational database, computer disk storage and dynamic random-access memory.

The Kenyan lab, which includes pre- and post-doctoral scientists and researchers from academia, government and industry, will conduct basic and applied research focused on solving problems relevant to Africa and contribute to the building of a science and technology base for the continent, IBM said.

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ABOUT DUNCAN MCLEOD

Award-winning Duncan McLeod is the founder and editor of TechCentral (www.TechCentral.co.za, [@TechCentral](#)), South Africa's latest technology news site offering breaking news, depth analysis and opinion that launched in September 2009. Before that, he was associate editor at the *Financial Mail/FM*. Contact Duncan on email duncan@techcentral.co.za and follow him on Twitter at [@mcleodd](#).
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