

Baobab Network Report
For
ZENMONDO Members
[Teaser version]

**Baobab Weekly - News, views and analysis on tech and VC in
Africa**

24th September 2019

Issue #11



Share



Tweet



Forward

Hello everyone,

Uber has acquired Dubai based ride-hailing app Careem for a record breaking \$3.1bn

After months of speculation, Uber has announced its acquisition of Careem in a record breaking \$3.1bn deal in what is the biggest tech deal the Middle East has ever seen. Founded in 2012, Careem has dominated the ride-hailing market in the Middle East and North Africa, and now has a presence in 100 cities.



The deal offers Uber an exciting platform for expansion in a part of the world that hasn't historically been its strongest. The transaction, expected to close in Q1 2020, will be made up of \$1.7bn in convertible notes and \$1.4bn in cash.

We wanted to find out whether this was a one-off or whether the news follows a broader trend within VC and mobility in Africa. Our chart below (showing funding into African mobility start-ups since 2013 in USD millions), suggests that ride-hailing and taxi services have scooped the majority of investment in the last three years:

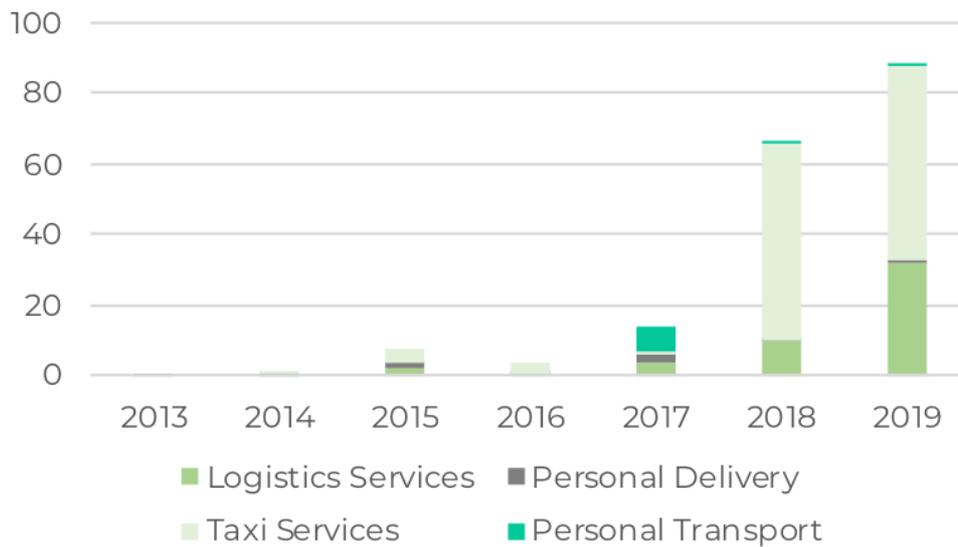


Chart Source: [Baobab Insights 2019](#) | Story source: [Weetracker](#)

News

Andela cuts 420 junior developers

Andela has let 420 of its junior developers go, [citing](#) a shift in the market for more experienced talent as the main reason. The layoffs come as the company released first-time earnings figures indicating it will surpass \$50 million in annual revenues for 2019.

Source: [Tech Crunch](#)

Google's Play Store places restriction on lending apps

Google has announced this week that any mobile lending apps available through the Play Store must ensure the repayment period is not below 60 days. Although a global policy change from the tech giant, this announcement is expected to especially affect the booming mobile lending market in Kenya.

Source: [The Star](#)

Tala winds up operations in Tanzania

Tala, the mobile lending platform with operations in Kenya, India, Mexico and The Philippines, has announced it will close its operations in Tanzania, for the time being. Citing

legal issues as the main reason, Tala may open up lending again in the future depending on developments in the market. Excited customers were quickly informed that any outstanding loans were still expected to be paid back in full.

Source: [Weetracker](#)

Deals

[PEG Africa](#) has raised \$5m from ElectriFI to continue West Africa expansion.

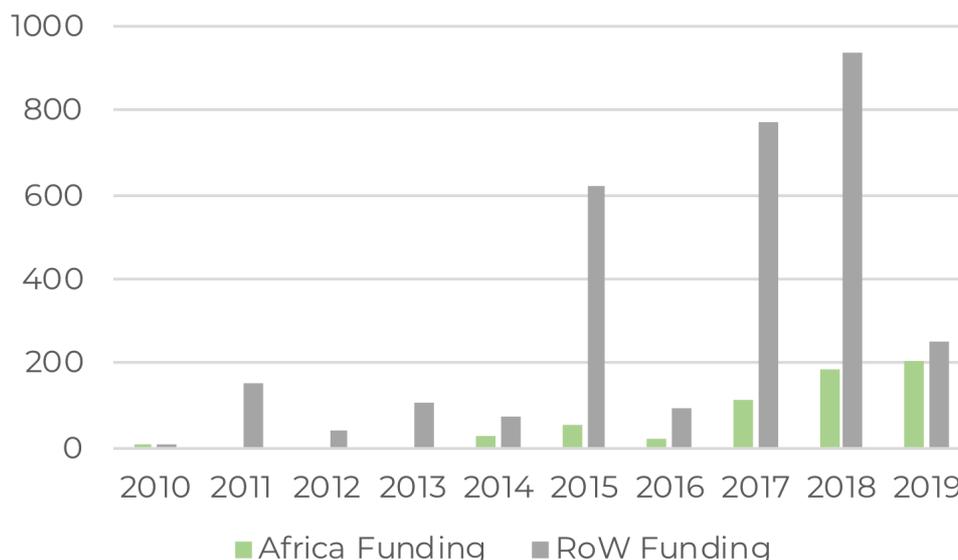
[Career180](#) has raised \$100k in a seed round led by EdVentures

E-commerce platform [Dabchy](#) has raised \$300k led by 500 Start-Ups, Saudi Venture Capital Company and Vision Ventures

Challenger bank [Fairmoney](#) raises \$11m Series A led by Flourish, DST Global partners and existing partners Newfund, Speedinvest and Le Studio VC to fuel expansion into Nigeria.

Chart of the week

The mobile lending industry made the headlines again this week with Google's policy shift and Tala's struggles in Tanzania. Despite recent challenges in the sector, funding into personal lending and credit scoring start-ups in Africa has grown steadily since 2014, breaking the \$200m mark at the beginning of 2019.

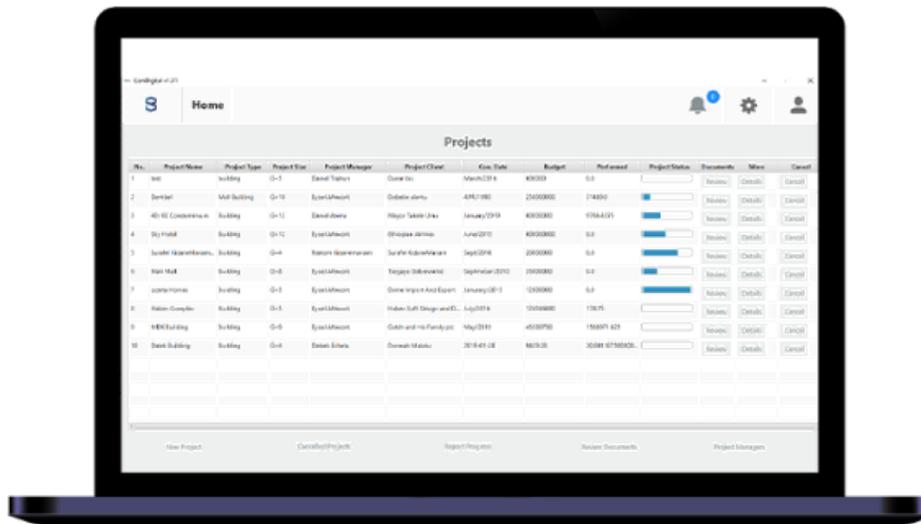


Source: [Baobab Insights 2019](#)

Start-up spotlight

This week we spotlight [ConDigital](#), an Ethiopia based SaaS tool offering construction companies slick and efficient end to end project management tools. Global construction is

expected to reach a total value of \$10 trillion in 2020, a large proportion of this flowing into developing markets. But this industry remains largely un-disrupted when it comes to process management and data analytics.



ConDigital are one of the first start-ups we have seen in Africa in this space, but [here](#) are 10 European construction-tech companies that have made the headlines recently in a vertical that we expect to expand quickly in the coming years.

Know a company building something cool?

Nominate them for our weekly spotlight at team@baobabinsights.com.

Get in touch

Want to learn more about our content or send us feedback? Email us on team@baobabinsights.com.



Share



Tweet



Forward



Share

Data in this newsletter comes from [Baobab Insights](#). Join Accenture, Sanofi, Standard Chartered, Engie, Johnson & Johnson and tonnes of other clients to get access to Africa's best technology and VC data.

Start your free trial

Subscribe to this newsletter

Copyright © The Baobab Network Ltd, UK Company Number 09729873

Our mailing address is:

81 Rivington Street, London EC2A3AY, UK | M2, Mirage Building, Nairobi, Kenya

Want to change how you receive these emails?

You can update your preferences or unsubscribe from this list.