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INFORMATION AND COMMUNICATION TECHNOLOGY - OFFSHORING DIGITAL SKILLS

Part of the new realities resulting from radical shifts in how we work after the pandemic are an increasing dependency on Information and Communication Technology (ICT). This can in part explain the growing number of skills related to ICT on the UK's shortage occupation list for 2022. From programmers and software developers to cyber security specialists, web designers, and graphic designers and beyond these skills shortages reflect a work environment which is increasingly digitised and dependent on a variety of skills within the ICT sector.[1]

Within this context of a growing skills gap many industries are seeking world-class talent from beyond its borders to address these shortages. Providing offshore operational and technical digital skills is rapidly emerging as being able to provide solutions to some of these pressing issues in both the short and long term.[2] In this regard Africa is emerging as fertile ground for companies looking for ICT quality skills at affordable prices in a very competitive market.[3] The role of ICT and digital services together with the digital infrastructure these depend on has become central to the continued economic and societal development of this region.[4] This development has resulted in an exponential increase in tech hubs, a flourishing AI landscape and general growth of quality Tech Ecosystems.

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IN THIS REGARD AFRICA IS EMERGING AS FERTILE GROUND FOR COMPONIES LOOKING FOR ICT QUALITY SKILLS AT AGGORDABLE PRICES IN A VERY COMPETITIVE MARKET

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This is particularly the case for South Africa which was identified as Africa's tech frontier by being ranked first in the Foreign Direct Investment African Tech Ecosystem of the Future for 2021/2022.[5] This is a crucial achievement as the better the tech ecosystem, the more and better ICT professionals it breeds.[6] South Africa's top notch tech ecosystem has played a crucial role in fostering more than 80 tech hubs, specifically in Johannesburg and Cape Town, second only to Nigeria on the continent.[7]

SOUTH AFRICA'S ITC AT A GLANCE

- South Africa's overall IT market is projected to experience the **sharpest growth** in the Middle East and Africa region.
- South Africa has **more than 80 tech hubs**, specifically in Johannesburg and Cape Town, second only to Nigeria on the continent.
- South Africa has been identified as **Africa's tech frontier** by being **ranked first** in the Foreign Direct Investment African Tech Ecosystem of the Future for 2021/2022.
- South Africa is home to **one of the most developed virtual circuit networks** globally.
- South Africa's overall IT market is projected to experience the **sharpest growth in the Middle East and Africa region**.
- South Africa has **120 000 professional software developers**, almost 20% of the total developers on the continent.

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The last decade especially has seen numerous tech hubs emerging, driving innovation and skills development across the board.[8] Contributing to this boom in tech related industries and skills growth is the fact that South Africa is home to one of the most developed virtual circuit networks globally[9] combined with about 17% of the continent's professional software developers.[10]

Beyond just the development of tech hubs and ecosystems South Africa's overall IT market is projected to experience the sharpest growth in the Middle East and Africa region for the foreseeable future.[11] This relates to the increasing digitisation of the South African and African economy, for example, with the region being responsible for nearly half of the mobile money accounts worldwide by 2018 and is expected to experience the fastest growth in mobile money and banking through 2025.[12] With mobile money's popularity in the region Artificial Intelligence (AI) and Information Security Management are increasingly crucial with South Africa once again leading the way on the continent. From financial services, agriculture and health care South Africa has witnessed the successful deployment of AI technology at scale.[13] This is an indication not only of the growth in the ICT sector but also of an environment which produces highly skilled completive talent.

With all of the above revealing a flourishing overall ICT sector it becomes evident that with a combination of factors such as its tech business climate, professional skills per capita and good language skills South Africa is particularly attractive as an affordable outsourcing option.[14] In this regard it is important to consider that since the mid-1990s service exports through offshoring to Africa grew six times faster that merchandise exports. [15] As this trend is showing growth in the context of increasing digitisation globally the result has been that South Africa is a front-runner in attracting foreign companies looking to outsource software development and ICT services. South Africa's success goes beyond the continent as it has won an award as the top global location for business services sector for 2021.[16] All things considered we at GCO believe that considering the high quality of South Africa's ICT and tech skills and services that there has been no better time than now to tap into and benefit from these developments.

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