

Opening SA borders crucial to revitalising job market

It has been reported that when South Africa went into a hard lockdown in March, it had the highest unemployment rate out of all the major economies in the world, recorded at 30.1% in Q1 2020. On the back of an expected increase in Q2 as a result of the impact of Covid-19, it is vital to find ways to boost employment opportunities in the country.



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Nora Dawud, founder and CEO at Black Pen Recruitment and Immigration Specialists, says that this can be done by encouraging international businesses to open their doors in South Africa and thus unleash more job opportunities in the country. “This will also assist with bringing talent into the country to grow the critical skills, which we so desperately need, that will in turn assist in upskilling locals.”

Dawud refers to the recent results of [Xpatweb's 2019/20 Critical Skills Survey](#), which reveals the skills that employers find great difficulty in attracting when it comes to local recruitment, with ICT being at the top of the list at 19%. “One of the foremost reasons for South Africa’s present economic woes is a shortage of technical, managerial and e-commerce skills,” she explains.

Key growth opportunities

Dawud points out that the tech space is a key sector for growth opportunities, particularly in the fintech, healthtech, insurtech and business process outsourcing industries.

She says that as economies across Africa have experienced tremendous growth powered by technology, that South Africa is leading the charge. “This is because the country boasts one of the continent’s largest and most advanced technological industries, with particular strength in mobile and financial software development. This presents great business opportunities for international companies that operate in this industry to come into our market and excel at extremely high rates.”

South Africa also presents many advantages for international businesses, especially from Europe, as it offers a similar time zone, she adds. “Most South Africans are also fluent in English as well as many other languages.”

Ways to stimulate international investment

With the international borders reopening on 1 October 2020 at midnight following the announcement of Alert Level 1 by President Cyril Ramaphosa, Dawud outlines the following key pointers that Government can consider to encourage international companies to open in South Africa:

Introduce tax benefits: “Mauritius and Malta have great tax advantages for international companies that operate in their countries,” says Dawud. “For example, in Mauritius, depending on the business structure, offshore companies can benefit from double taxation treaties and tax exemptions.”

Such is the case in Malta, where the country offers double taxation treaties with 50 countries as well as significant tax refunds for company shareholders.

Flexible immigration rules: “Skills are mobile, and multinational companies need to be able to transfer key personnel to South Africa,” explains Dawud. “Every foreign skilled person contributes to economic growth, which creates work opportunities for locals. However, the current visa regulations have impacted this severely and need to be relooked to bolster these opportunities in the county.”

“In order to tackle the unemployment rate in South Africa, it is vital that the Government and the private sector work together to boost economic growth,” she says.

“Encouraging as much skilled immigration as we can attract, along with encouraging international companies to open in South Africa, is one way to start unlocking job opportunities and upskilling South Africans to grow their careers and the country,” she concludes.

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