South Africa’s Value Proposition for BPO&O
SOUTH AFRICA’S VALUE PROPOSITION FOR BPO&O

- South Africa offers a high quality, low cost destination for offshoring business processes, in a stable investment environment supported by world class infrastructure.

- South Africa has a vibrant offshoring industry, which draws on the country’s linguistic, cultural and product affinity with the USA, UK and Europe to deliver distinctive quality across service lines.

- The public sector in South Africa has made a high-profile, long-term commitment to the offshoring industry, resulting in strong investor support and sustainable reductions in costs over the next several years.

Source: SSF Team Analysis
3 REASONS TO CONSIDER SOUTH AFRICA

1. A solid foundation
   - Low cost position
   - Superior quality levels
   - Deep talent pool
   - Attractive social, economic and political environment
   - Quality lifestyle
   - World-class connectivity and infrastructure

2. Structural distinctiveness
   - Distinctive quality levels in service industries (e.g. banking & insurance)
   - Vibrant offshore trade
   - Western business ethics
   - Cultural affinity with Europe and the USA

3. Public sector commitment
   - Public sector commitment to developing BPO
   - Five year development plan
   - Focus on talent development and
   - Broadening access to the labour pool
   - Commitment to continually securing competitive cost position

SOUTH AFRICA OFFERS A SOLID, HIGH QUALITY AND LOW COST SOLUTION FOR BUSINESS PROCESS OFFSHORERS

Source: SSF Team Analysis
SOUTH AFRICA OFFERS A SOLID FOUNDATION

1. A solid foundation
   - Low cost position
   - Superior quality levels
   - Deep talent pool
   - Attractive social, economic and political environment
   - Quality lifestyle
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   - Public sector commitment to developing BPO
   - Five year development plan
   - Focus on talent development and
   - Broadening access to the labour pool
   - Commitment to continually securing competitive cost position

Source: SSF Team Analysis
SOUTH AFRICA IS AN ATTRACTIVE VALUE BASED OFFSHORING DESTINATION

South Africa:
- A fair balance between cost and quality
- An excellent nearshore option for Europe due to time zone

“South Africa is also a very attractive location for us”
Pramod Bhasin
CEO, Genpact

Source: Dimension Data, SSF Team Analysis
SOUTH AFRICA OFFERS SUPERIOR QUALITY COMBINED WITH HIGH SAVINGS POTENTIAL

Estimates

Savings offered are ~50% on near-shore locations...

<table>
<thead>
<tr>
<th>Location</th>
<th>Cost for a 1000 seat centre (US$ million)</th>
<th>First call resolution (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland</td>
<td>67</td>
<td>89-95</td>
</tr>
<tr>
<td>SA</td>
<td>30</td>
<td>66</td>
</tr>
<tr>
<td>India</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

"... can deliver cost effective top quality sales and services functions to an international client base" - Chief Executive, Budget Group

Source: Deloitte-Calling the Cape Key Indicator Report, SSF Team Analysis
SOUTH AFRICA OFFERS SIGNIFICANT SAVINGS

1. A solid foundation

Cost of operating a 1,000 seat BPO&O centre

<table>
<thead>
<tr>
<th>Country</th>
<th>US $ million</th>
<th>Facilities*</th>
<th>Telecom</th>
<th>Labour**</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>54-74</td>
<td>50</td>
<td>24</td>
<td>18</td>
</tr>
<tr>
<td>Ireland</td>
<td>67</td>
<td>67</td>
<td>40</td>
<td>30</td>
</tr>
<tr>
<td>Hungary</td>
<td>9</td>
<td>6</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>SA</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

*Including equipment maintenance/upgrades
**Wage and benefits, recruiting costs and support labour costs

Source: SSF Team Analysis

South Africa offers savings greater than 50% on existing facilities

ESTIMATE

Key cost drivers

-59%
**THE COUNTRY OFFERS A LARGE, WELL EDUCATED LABOUR POOL**

### A solid foundation

**a large labour pool …**

<table>
<thead>
<tr>
<th>Potential workers with formal Education</th>
<th>million</th>
</tr>
</thead>
<tbody>
<tr>
<td>School leavers</td>
<td>6</td>
</tr>
<tr>
<td>Graduates</td>
<td>2</td>
</tr>
</tbody>
</table>

**… with world class universities**

**THE UNIVERSITY OF WITWATERSRAND**

- Business School ranked 45th in Financial Times Executive Education rankings
- 87 Rhodes scholars
- 4 Nobel Prize winners

**THE UNIVERSITY OF CAPE TOWN**

- Exchange programmes with 16 leading US and UK universities
- 18 scientists rated as “world leaders” in their fields
- 3 Nobel Prize winners

---

Over 300 000 new school leavers and 100 000 new graduates enter the labour pool each year

"The labour market is extremely growth enabling”

Bev Cunningham, HR Manager, CSC

Source: Economist Intelligence Unit, SSF Team Analysis
## Political and economic environment

**Emerging market**
- sophisticated and promising
- entrepreneurial
- dynamic investment environment

**Stable democracy**
- adhering to standards of fair and transparent governance
- playing a leading role on the continent (e.g., through NEPAD*)
- and globally (e.g., attendance at G8)

**Constitution**
- world respected
- high economic management standards

**Sound monetary policy**
- leading to highly stable exchange rates
- steadily declining inflation

**Free market principles**
- open to foreign trade and investment

## Key economic indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP growth (2005)</td>
<td>4.9</td>
</tr>
<tr>
<td>Inflation (CPIX 2005)</td>
<td>3.9</td>
</tr>
<tr>
<td>Budget deficit/GDP (average, 2000 - 2004)</td>
<td>1.8</td>
</tr>
</tbody>
</table>

## Major recent foreign investments in SA

- **BARCLAYS**
  - ~$4.5bn in 2005 to gain control of SA’s largest bank

- **vodafone**
  - ~$2.5bn, in 2005/6 to gain control of largest cellphone operator

*New Partnership for Africa’s Development

Source: Statistics South Africa, South African Reserve Bank, press, SSF Team Analysis
**SOUTH AFRICA HAS WORLD CLASS INFRASTRUCTURE…**

*The CIA World Factbook:*

“South Africa has … financial, legal, communications, energy and transport sectors … a modern infrastructure supporting an efficient distribution of goods to major urban centers throughout the region”

| **Telecoms** | • End to end domestic fibre network with **uptime of 99.99%**  
|             | • High **international bandwidth available**, with 120 Gbps available to the US  |
| **Property** | • Over 16 million square feet of premier grade property available in **prime locations**  
|             | • vacancy rates from 10% to 25% in major cities  
|             | • Premier international **conference centres** premier hotel chains (e.g., Hyatt, Sheraton)  |
| **Connectivity** | • **55 weekly flights to the UK**, direct from Johannesburg and Cape Town  
|             | • **48 weekly flights to the USA**, direct from Johannesburg and Cape Town  |
| **Power** | • **Lowest electricity price** in the world, according to independent UK research  
|             | • US $14bn expansion plan over next 5 years  |

Source: SSF Team Analysis
... AND A LIFESTYLE HIGHLY ATTRACTIVE TO EXPATRIATE STAFF

ATTRACTIVE LIFESTYLE

Quote from expatriate from the UK:
“I came to South Africa for the energy and diversity … a lifestyle I’m used to, with a developing world buzz that’s alive with possibility”

Easy connectivity to the rest of the world

Sophisticated cities - Johannesburg, Durban and Cape Town

Excellent living standards and medical services

Year-round temperate climate

Diverse and abundant natural splendour

Quote from expatriate from American:
“It is a great place to live … a comfortable life and distractions for my family. I am going to stay around!”

International schools

Source: SSF Team Analysis
SOUTH AFRICA OFFERS STRUCTURAL DISTINCTIVENESS

1. A solid foundation
   • low cost position
   • superior quality levels
   • deep talent pool
   • attractive social, economic and political environment
   • quality lifestyle
   • world-class connectivity and infrastructure

2. Structural distinctiveness
   • distinctive quality levels in service industries (e.g. banking & insurance)
   • vibrant offshore trade
   • Western business ethics
   • cultural affinity with Europe and the US

3. Public sector commitment
   • public sector commitment to developing BPO
   • five year development plan
   • focus on talent development and
   • broadening access to the labour pool
   • commitment to continually securing competitive cost position

Source: SSF Team Analysis
SOUTH AFRICA IS ABLE TO DELIVER A DISTINCTIVE QUALITY SERVICE

Example of the quality differential of the service levels

<table>
<thead>
<tr>
<th>Average speed to answer seconds</th>
<th>SA</th>
<th>Globally recommended best practice</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>27</td>
<td>30</td>
</tr>
</tbody>
</table>

Source: SSF Team Analysis

Jamie Wishart, Business Development Manager, Sykes Global Services

‘… has a cultural alignment, minimal attrition rate and cost structure and that genuinely appeals.’

Birgit Thümecke, Managing Director
Lufthansa GlobalTeleSales

‘… it also offers competitive labour costs, manageable attrition rate, industry experience and flexible working shift models.’
SOUTH AFRICAN CENTRES CAN EXCEED BENCHMARKS WITHIN A SHORT PERIOD

**Performance against service level agreement**

<table>
<thead>
<tr>
<th>Centre</th>
<th>Time to reach 75%+ satisfaction (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>South African centre</td>
<td>0.5</td>
</tr>
<tr>
<td>Alternative low cost destination</td>
<td>3.0</td>
</tr>
</tbody>
</table>

“*We are attracted by the quality of the workforce, the infrastructure and professionalism of the service providers we met*”

Steve Loose, SA G.M., Fusion Outsourcing

Source: SSF Team Analysis
RECENT DEVELOPMENTS

COMMITMENT TO QUALITY ASSURANCE

BETWEEN NOVEMBER 2005 AND MAY 2006

- Industry working groups formed under the auspices of BPeSA (previously SACCCOM) to agree on national quality standards for operations in the sector
- International best practices were studied
- Potential investors were consulted regarding their needs
- Specific South African challenges were also considered
- Views and comments from all over SA were actively sought and considered

Source: SSF Team Analysis
COMMITMENT TO QUALITY ASSURANCE

THE RESULT

• A set of 3 new standards geared towards service quality
• Address Inbound and Outbound Contact Centres and Back-Office Processing Operations standards in four categories:
  • Leadership and Customer Service Management
  • Human Resource Management
  • Operations Management
  • Technical Resource Management
• SA Bureau of Standards (SABS) is now turning these into national standards
• ISO is interested in the standards for the first global standard for BPO&O
INTERNATIONAL WORK CONSULTED

- ISO 9001:2000
- COPC
- CCA standard
- ISO 20000, 27001
- UNI Call Centre minimum standards
- Six Sigma
- Merchants’ Global Benchmarking reports
- the Baldrige Awards
- Call Centre Operations and Establishment Guidelines (Australia and Canada)
- Benchmarking (Scotland)

MEMBERS OF BPeSA HAVE AGREED:

to adopt the new standards and obtain certification when available

Source: SSF Team Analysis
SOUTH AFRICAN BPO&O HAS ATTRACTED A SIGNIFICANT NUMBER OF GLOBAL BPO&O OPERATIONS

<table>
<thead>
<tr>
<th>IBM</th>
<th>FUJITSU</th>
<th>Lufthansa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virgin Mobile</td>
<td>SYKES</td>
<td>ADMIRAL</td>
</tr>
<tr>
<td>FINNAIR</td>
<td>ASDA</td>
<td>CSC</td>
</tr>
<tr>
<td>SMART PEOPLE</td>
<td>BUDGET</td>
<td>AVIS</td>
</tr>
<tr>
<td></td>
<td>SITELE</td>
<td></td>
</tr>
</tbody>
</table>

Source: SSF Team Analysis
A VIBRANT INDUSTRY SERVING LOCAL AND OFFSHORE CUSTOMERS

• Approximately **70 service providers** serve local and offshore customers
• Almost 4,500 agents serving offshore customers
• 5,000 serving local customers (excluding local captives)

• Concentrated in contact centres and back office processing
• Geographically within Johannesburg, the Western Cape and Durban
• Coega is an emerging centre in the Eastern Cape

• 14 **top service providers** each have more than 200 agents
• Together account for 70% of agents

---

**Size of companies split (2004)**

<table>
<thead>
<tr>
<th>Service Providers</th>
<th>Captives</th>
<th>SA BPO Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serving mainly local Companies</td>
<td>70-80</td>
<td>1</td>
</tr>
<tr>
<td>Serving Both</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Serving mainly offshore Clients</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

**Highlights**

- **Approximately 70 service providers** serve local and offshore customers
- Almost 4,500 agents serving offshore customers
- 5,000 serving local customers (excluding local captives)

- Concentrated in contact centres and back office processing
- Geographically within Johannesburg, the Western Cape and Durban
- Coega is an emerging centre in the Eastern Cape

- 14 **top service providers** each have more than 200 agents
- Together account for 70% of agents

---

Source: Interviews; SSF Team Analysis
BUDGET GROUP HAS MATCHED OR EXCEEDED UK K.P.I.’s AFTER 9 MONTHS OF OPERATIONS

Overview
- Budget is one of the UK’s leading insurance intermediaries providing motor insurance sales and services.
- Set up a contact centre in Cape Town South Africa in 2004

Type of operation
- 200 seat, inbound sales and customer service call centre
- A virtual call centre seamlessly blended with 3 UK centres
- Established as Fusion Outsourcing and now taking on 3rd party business

Business objectives
- Reduce pressure on UK centres for after hours/weekend work
- Save up to 40% of UK costs

After 9 months, the operation is matching or exceeding all UK KPIs and has achieved 30% cost savings compared to the UK, with plans to grow to 700 seats plus over 3 years

“… can deliver cost effective top quality sales and services functions to an international client base”
Chief Executive, Budget Group

Source: SSF Team Analysis
SYKES INTERNATIONAL SERVES MULTIPLE MNC's FROM ITS SOUTH AFRICAN LOCATION

Overview
- Sykes is an international service provider with locations in Costa Rica, India and the Philippines
- Set up operations in Johannesburg in January 2004

Type of operation
- A service provider offering call centre and BPO&O services
- Call centre operations in English, German, Dutch, French, Italian, Spanish and Greek

Business objectives
- Established to supplement its operations in Costa Rica, India and the Philippines
- Focus on Western European clientele due to SA’s multilingual labour pool

Clients include Sony Ericsson, Camera Provider, Sun Microsystems, Nokia and Virgin Rail

“... has a cultural alignment, minimal attrition rate, and cost structure that genuinely appeals”
Jamie Wishart, Business Development Manager, Sykes Global Services

Source: SSF Team Analysis
VARIOUS INSURANCE BPO SERVICE PROVIDERS HAVE SET UP OPERATION IN SOUTH AFRICA

Services offered

- CSC South Africa offers fully managed BPO services for the short-term and life insurance industries for the following service lines
  - Policy Administration
    - New business quotation
    - Client maintenance
    - Endorsements, cancellations and reinstatement of policies
    - Printing and distribution of policies
  - Billing/Payments:
    - Debit order processing
    - Salary deductions of premiums
  - Helpdesk

Place in CSC globally

- CSC has two BPO locations in India and one in SA
- CSC’s SA facility complements the work done in India
- High volume, low complexity work is done in India
- More complex, low volume work in SA
- Ensures risk spreading and work load balancing

CSC’s Cape Town BPO centre

- employs around 150 agents
- has won more than $200m offshoring business
- expected to grow to 1000 FTEs in the next 5 years

Source: Interviews, CSC website, media reports, SSF Team Analysis
SOUTH AFRICA’S ADVANTAGES GIVE IT DISTINCT STRENGTHS IN SEVERAL INDUSTRIES AND SERVICE LINES

### South Africa’s advantages

- Mature industries in **insurance, banking** and **telecoms**
- Widespread use of **English**, with similar accents and usage to UK and US
- **Cultural similarities** to the US and UK
- Strong **product similarities** in banking and insurance
- Compliance with **international regulations**

### Industries

<table>
<thead>
<tr>
<th><strong>Insurance</strong></th>
<th><strong>Banking</strong></th>
<th><strong>Telecoms</strong></th>
</tr>
</thead>
</table>
| - many large, experienced players with scalable insurance infrastructure  
  - product sophistication; similar life products to the UK  
  - mature industry; first world insurance operations | - sophisticated banking environment  
  - well regulated financial services environment e.g., FAIS, FSA (UK) & FSB (SA) links  
  - compliance to international regulations eg., Basel II, Data Privacy Act | - large scalable telecom infrastructure  
  - many experienced players  
  - flexible operations (call-centre virtual model)  
  - good technical know-how and capability |

### Service lines

<table>
<thead>
<tr>
<th><strong>Customer contact</strong></th>
<th><strong>Payment service</strong></th>
<th><strong>High end offshoring</strong></th>
</tr>
</thead>
</table>
| - strong customer service culture in SA  
  - South Africans are perceived abroad as helpful and personally warm  
  - accent neutral leading to high conversion rates | - successful track record (Nedbank and Swisscard)  
  - understanding of credit due to strong credit culture  
  - suitable infrastructure with appropriate technological platforms | - capable of delivery to SLAs within a short period of time  
  - scalable infrastructure |

Source: SSF Team Analysis
MATURE INSURANCE AND BANKING INDUSTRIES ARE AN ADVANTAGE OVER LOWER COST DESTINATIONS SUCH AS INDIA

<table>
<thead>
<tr>
<th>South Africa</th>
<th>India</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Insurance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>product sophistication</td>
<td>• industry has only recently liberalized (since 1999)</td>
<td>• actuarial services</td>
</tr>
<tr>
<td>• generating more than $2bn</td>
<td>• low life insurance penetration</td>
<td>• asset-liability matching</td>
</tr>
<tr>
<td>• introduced at the same time as the UK</td>
<td>• little product knowledge in general population</td>
<td>• NAV calculation</td>
</tr>
<tr>
<td>world class players</td>
<td>• lack of adequate knowledge of the business by its agents</td>
<td>• Redemptions and outflows processing</td>
</tr>
<tr>
<td>• total market cap over $50bn</td>
<td>• few high-quality training opportunities</td>
<td>• inbound customer call centre</td>
</tr>
<tr>
<td>• and writing premiums &gt; 10% of SA’s GDP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>International qualifications</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• (e.g., actuarial) well regulated environment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Banking</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>large, world-class banks</td>
<td>• highly nationalised banking sector</td>
<td>• credit &amp; fraud risk modeling</td>
</tr>
<tr>
<td>• total market cap greater than $75bn</td>
<td>• absence of credit bureaus</td>
<td>• asset management administration</td>
</tr>
<tr>
<td>• operations in the developed and developing world</td>
<td>• weak credit culture</td>
<td>• credit card processing</td>
</tr>
<tr>
<td>strong credit culture</td>
<td>• low conformance to Basel II</td>
<td>• collections</td>
</tr>
<tr>
<td>• almost US$4bn annual income per product from consumer finance</td>
<td>• proficiency in financial services and business English restricted to urban areas</td>
<td>• inbound customer call centre</td>
</tr>
<tr>
<td>strong domestic regulatory authorities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• complying to international regulations e.g., Basel II</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Interviews; press searches
SOUTH AFRICA HAS A CLOSE CULTURAL AFFINITY WITH Europe AND THE USA

South Africans have a lifestyle and culture similar to those of the US and UK and the workforce can therefore relate to customers’ experiences

“The South African culture provides a unique balance of sales skills, and a strong customer service ethos”

Chief Executive, Budget Group, UK
SOUTH AFRICA HAS PUBLIC SECTOR COMMITMENT

1. A solid foundation
   - low cost position
   - superior quality levels
   - deep talent pool
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3. Public sector commitment
   - public sector commitment to developing BPO
   - five year development plan
   - focus on talent development and
   - broadening access to the labour pool
   - commitment to continually securing competitive cost position

Source: SSF Team Analysis
SOUTH AFRICA’S GOVERNMENT HAS ALREADY PRIORITISED THE BPO&O INDUSTRY

"… we will be responding to the skills we require for … the priority sectors - tourism and business process outsourcing in particular"

Phumzile Mlambo-Ngcuka
Deputy President of the Republic of South Africa
Chair of the Accelerated and Shared Growth Initiative
**Public Sector Commitment**

**ACTIONS ARE UNDERWAY TO SPUR DEVELOPMENT**

<table>
<thead>
<tr>
<th>Government-led initiative</th>
<th>Sector Support Programme Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Department of Trade and Industry (the dti) and the Business Trust* have initiated a program which will enable stakeholders in the public and private sectors to work together to strengthen and grow South Africa as a preferred BPO&amp;O location.</td>
<td>Accelerate growth and deepening of a pool of internationally competitive talent</td>
</tr>
<tr>
<td>The program is governed by a partnership committee consisting of:</td>
<td>Creation of industry standards to ensure the quality of South Africa’s offering</td>
</tr>
<tr>
<td>• Mr Mandisi Mpahlwa, <em>Minister: the dti</em></td>
<td></td>
</tr>
<tr>
<td>• Ms Thoko Didiza, <em>Minister: Public Works</em></td>
<td>Strengthen the industry body to further mobilize and represent key stakeholders</td>
</tr>
<tr>
<td>• Ms Elizabeth Thabethe, <em>Deputy Minister: the dti</em></td>
<td></td>
</tr>
<tr>
<td>• Mr Tshediso Matona, <em>Director General: the dti</em></td>
<td>Strengthen the enabling environment of infrastructure and incentives to support the sector</td>
</tr>
<tr>
<td>• Mr Derek Cooper, <em>Chairman: Standard Bank</em></td>
<td>Market South Africa as an attractive, competitive BPO&amp;O location</td>
</tr>
<tr>
<td>• Mr Eddie Funde, <em>Chairman: SABC and BPeSA</em></td>
<td></td>
</tr>
<tr>
<td>• Mr Brian Whittaker, <em>Chief Executive: Business Trust</em></td>
<td></td>
</tr>
</tbody>
</table>

The programme is scheduled to run until 2009, to ensure the continued development of the industry.

* The Business Trust is an initiative of SA companies working in partnership with government. It undertakes targeted job creation and capacity building programs. BPeSA is Business Processing enabling South Africa, a representative industry body.

Source: SSF Team Analysis
### A VARIETY OF INCENTIVES ARE BROADENING THE TALENT POOL

#### Overarching government objectives

- Develop and improve the skills of the broader South African workforce
- Reduce unemployment in the country through increased economic growth
- Empower previously disadvantaged South Africans, both economically and socially
- Encourage greater investments in training
- Create opportunities for the introduction of new advanced skills

#### Initiatives in place

<table>
<thead>
<tr>
<th>Skills Development Act</th>
</tr>
</thead>
<tbody>
<tr>
<td>offers incentives with a value of up to US$840k for a 1 000 seat centre over five years. The programme provides:</td>
</tr>
<tr>
<td>training grants for eligible training costs</td>
</tr>
<tr>
<td>learning development grants for developing customised training programmes</td>
</tr>
<tr>
<td>capital grants for installation of training capacity</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Skills Support Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>available for employers offering approved learnership programmes.</td>
</tr>
<tr>
<td>provides up to US$430k over five years for a large centre</td>
</tr>
</tbody>
</table>

A range of support is available to investors for job creation and skills development

Source: SSF Team Analysis
### OTHER INCENTIVES FOCUS ON IMPROVING OPERATIONS

<table>
<thead>
<tr>
<th>Assistance and support</th>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Start up assistance</strong></td>
<td>Urban development allowance</td>
<td>Tax allowance for building or refurbishing buildings in urban development zones</td>
</tr>
<tr>
<td></td>
<td>Private public partnership</td>
<td>Tax allowance for effecting leasehold improvements to government property</td>
</tr>
<tr>
<td></td>
<td>Foreign Investment Grant</td>
<td>Reimburses transport cost of moving capital equipment to SA</td>
</tr>
<tr>
<td><strong>Enterprise development</strong></td>
<td>SME Development Programme</td>
<td>Enterprise investing in qualifications, new assets or expansions of existing projects</td>
</tr>
<tr>
<td><strong>Export assistance</strong></td>
<td>Export Market and Investment Assistance (EMIA)</td>
<td>Assist exporters to establish export markets for their products</td>
</tr>
<tr>
<td><strong>Finance</strong></td>
<td>Technology industry finance</td>
<td>Competitive risk related rates based on prime interest rates for investments in technology intensive businesses</td>
</tr>
</tbody>
</table>

A range of incentives provide assistance and support to smoother operations.

Source: SSF Team Analysis
THE INDUSTRY IS SUPPORTED BY A NATIONAL PARTNERSHIP OF GOVERNMENT AND THE PRIVATE SECTOR

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Source: SSF Team Analysis
CONCLUSION

1. A solid foundation
2. Structural distinctiveness
3. Public sector commitment

BPO2SA
Value Offshoring