

Audit | Advisory | Tax

# **Africa's offshoring potential**

Article by: **Ryan Smit** (Director: Business Process Solutions)



# It's time to offshore to Africa!

Africa has significant potential to become a global leader in offshoring, driven by several key factors:



# 1. Large, Young, and Growing Workforce

Africa has the world's youngest population, with a median age of around 19 years. This demographic advantage means a growing labor force that can meet global demand for offshore services.



# 2. Expanding Digital Infrastructure

Many African countries are investing in fiberoptic networks, data centers, and mobile connectivity, enabling better access to remote work opportunities. Tech hubs like Nairobi, Lagos, and Kigali are emerging as innovation centers.



# 3. Cost-Effective Labor Market

Labor costs in Africa are significantly lower than in traditional outsourcing hubs like India or the Philippines, making it an attractive destination for companies looking to reduce operational expenses.



# 4. Multilingual Talent Pool

With English, French, Arabic, Portuguese, and local languages spoken widely, Africa can cater to diverse markets, making it an ideal destination for call centers, IT services, and back-office support.



#### 5. Rising Tech and Startup Ecosystem

Countries like Nigeria, Kenya, South Africa, and Egypt are experiencing a tech boom, with growing investments in Al, software development, and fintech. African developers are increasingly contributing to global projects.



#### 6. Favorable Time Zones

Africa's geographic location allows for convenient time zone alignment with Europe, the Middle East, and even North America, making real-time collaboration easier.



#### 7. Government Support and Policy Reforms

Many African governments are introducing policies to attract foreign investment, such as tax incentives, startup-friendly regulations, and investments in digital education.



#### Challenges to Address

For Africa to become a true leader in offshoring, it must overcome obstacles like inconsistent power supply, bureaucratic inefficiencies, and the need for more skilled professionals in high-demand fields like Al, cybersecurity, and cloud computing.



### Conclusion

With the right investments in education, infrastructure, and policy reforms, Africa has the potential to rival traditional outsourcing giants and become a global leader in offshoring. Countries that capitalize on these opportunities will be at the forefront of the continent's economic transformation.

Article by:



**Ryan Smit** Director: **Business Process Solutions SNG Grant Thornton** 



© 2024 SNG Grant Thornton - All rights reserved.

"Grant Thornton" refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. SNG Grant Thornton is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.