

Africa's GBS sector on the rise

With Africa's domestic and international global business services (GBS) sector estimated to be \$15.1bn and expected to grow to \$19.8bn by 2023, Africa is emerging as a favourable region for GBS and outsourcing.



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This is according to the 2021 *Africa Global Business Services (GBS) Benchmarking and Market Report*, by Knowledge Executive, which states that the past year has accelerated outsourcing adoption to reduce costs and maintain revenue across the globe – with Africa emerging as a significant beneficiary despite the crippling Covid-19 crisis.

The report states that while the continent is still in the developing stage of the GBS lifecycle, it is already showing signs of global competitiveness and rapid maturity.

Business process outsourcing (BPO) and information technology outsourcing (ITO) are at the forefront of Africa's rapid growth rates. This growth is bolstered by multiple factors, including improved economic governance, relative political stability, an abundance of educated youth within the continent's labour pool, comparatively lower salary and labour costs, in addition to focused efforts from African policymakers to support this crucial sector.

South Africa

According to the report, South Africa is the continent's largest GBS player by market share (domestic and international), valued at an estimated \$4.7bn.

The local sector employs over 261,082 domestic and international-service workers from the country's sizeable English-speaking workforce with competencies across most outsourcing services, including digitally-enabled contact centre and customer experience lifecycle management services. Surveyed enterprise executives rated the country best for contact centre voice, back-office processing and customer administration service delivery.

Egypt

Egypt has the second largest domestic and international GBS market share on the continent, valued at \$4bn (excluding IT services). The country offers a highly skilled, multilingual, diverse talent pool, with competitive labour costs and the second-largest youth population in Africa (36.3-million citizens aged between 18-35 years). The native Arabic language also opens

Egypt to the Arabic market of 300-million consumers.

Nigeria

Africa's largest economy by GDP (\$448bn), Nigeria, boasts a well-established ICT sector – the largest on the continent. This feature serves as an excellent foundation for developing the country's GBS industry, which is already valued at an estimated \$286.8m and employing approximately 16,540 workers.

Coupled with a focus on sector-specific skills and education, the country stands poised to take advantage of the largest population of English speakers in Africa and the highest number of youths aged between 18-35 years in Africa (53-million).

Other nations

Smaller nations are also capitalising on this increasing international demand. Rwanda is an emerging GBS market with a large population of English and French speakers able to service English and Francophone countries. It offers reliable and advanced communications infrastructure with 95% LTE network coverage.

Botswana is another emerging GBS location. The country boasts macroeconomic stability and offers attractive investment incentives and a growing pool of educated, English-speaking workers.

Senegal has become a popular French alternative market for BPO services. Ghana boasts a scalable pool of English-speaking and computer literate talent and a growing youth population. Zimbabwe has bold GBS development plans based on its highly educated talent pool for niche services.

The report is based on interviews with over 140 global enterprise executives from North America and European organisations that outsource, or plan to outsource, to Africa. In addition, profiling surveys were conducted on over 500 GBS service providers and delivery centres across 19 African countries.

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