

**REMARKS BY THE MEC FOR ECONOMIC DEVELOPMENT, TOURISM AND
ENVIRONMENTAL AFFAIRS, REV. MUSA ZONDI**

BPO SKILLS LAUNCH

07 AUGUST 2025

UMHLANGA, GATEWAY HOTEL

Programme Director;

Mayor of eThekweni, His Worship, Cllr Cyril Xaba;

Head of Ministry, Mr. Archie Khumalo;

Acting DDG: Trade, Sector & Tourism Development, Ms. Fikiswa Pupuma;

KZN Unemployment Insurance Fund (UIF) Representatives;

BPeSA's KZN Regional Manager, Mr Yogan Naidoo;

CEO of BPO Skills Academy, Mr Chemsley Schubart;

CEO of Amalfi Outsourcing, Mr Campbell Pletts;

Departmental Staff Present and Responsible for the BPO Program;

Members of the Media;

Osingabo – Our Graduates;

Ladies and Gentlemen, I greet you all!

Today marks what is arguably a very significant milestone in our gruelling task of fighting against very stubborn high unemployment levels in South Africa. Fighting the high levels of youth unemployment becomes even more daunting given the stagnant economic growth that has been recorded over the years in our country.

The recent Statistics SA data which reported a disturbingly high youth unemployment level hovering at more than 60% can no longer be treated as normal.

Ladies and gentlemen, the foregoing dictates that new and innovative approaches must be adopted if we are to curb the ever-rising unemployment, particularly amongst our youth. It is therefore an honour for me to be part of this very collaborative job creation initiative which involves both the private and public sectors.

THE GLOBAL BUSINESS SERVICES (GBS) SECTOR AND JOB CREATION

The Global Business Services (GBS) sector has undoubtedly become one of the fastest growing sectors in South Africa for more than a decade now. Its resilience and growth capability was probably more pronounced during the Covid-19 pandemic when most sectors were decimated, the GBS sector grew. It is therefore not surprising that the sector has recorded about 41% growth over a decade. That the sector created about 19,300 new jobs and generated USD309 million in export revenue in 2023, demonstrates its resilience and upward growth trajectory.

It is also very encouraging to note that BPeSA's 2024 (Q3) report indicated that the province of KwaZulu-Natal contributed approximately 33% to the 6,290 international-facing BPO job opportunities that were recorded during that quarter for the country. More pleasing is the fact that over 42% of the job opportunities created during the same period were taken up by individuals from previously disadvantaged communities, through what the industry calls "impact sourcing." Even more encouraging, is that 92% of the job opportunities created were secured by young people aged between 18 and 34 and approximately 65% of those hired were female. Given that we have just started Women's month, I believe the industry deserves a round of applause, Ladies and Gentlemen.

EDTEA'S SUPPORT FOR THE GBS SECTOR

Our department's prioritization of the GBS/BPO sector was demonstrated by the establishment of a BPO Business Unit within the Sector Development sub-program of Program 3. This we did because we believe that the sector requires dedicated and focused support for it to grow to its full potential. Hence, we have and continue to give support through collaborations with the *Industry Association (BPeSA); Skills Development Facilitators such as Harambee; Business Process Outsourcing Academy; Operators such as Amalfi; EtheKwini Metro* and many other strategic stakeholders.

Our support as the KZN Department of Economic Development, Tourism and Environmental Affairs ladies and gentlemen will always be biased towards the programs/initiatives that guarantee the creation and retention of job opportunities. Hence, we have placed a “non-negotiable” of graduate placement upon completion of the training programs.

We are therefore very grateful for the commitment demonstrated by companies like BPO Skills Academy and Amalfi Outsourcing in collaborating with our department as we support the growth of the GBS/BPO sector.

Being a passionate advocate for economic transformation and spatial inclusion in KwaZulu-Natal, I believe that as we navigate an increasingly digitized global economy, the time has come to fully harness the untapped potential of our 2nd and 3rd tier cities to drive inclusive growth through the Business Process Outsourcing (BPO) sector.

It is for this reason that as part of its contribution to the GBS/BPO 2023 Masterplan, my department is aggressively supporting a drive to attract the sector's investments into Tier 2 and 3 Towns and Cities within the province. This is intended to decentralize economic growth and locate work opportunities at the doorsteps of talent-catchment areas utilized by the sector. It is on this basis that the department is inviting operators and investors within the BPO/GBS sector to partner with us towards achieving this objective.

While cities like Durban and Umhlanga have attracted major BPO investments, we believe the future growth frontier lies in our secondary cities – places like Newcastle, Pietermaritzburg, Richards Bay, Port Shepstone, and Ladysmith.

These cities are brimming with human potential, boast lower cost bases and offer a strategic opportunity to decentralize economic activity and ensure that no region is left behind.

These areas have high youth unemployment but a strong appetite to learn, work and grow. In terms of affordability & infrastructure, the operational costs, from real estate to support services, are significantly lower. Further, fibre rollout and SMME tech innovation are making these towns viable BPO hubs among other reasons to expand and locate there. The attrition rate is also significantly lower compared to Tier 1 BPOs.

GOVERNMENT'S COMMITMENT

As the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs, we are:

- Finalizing an inclusive BPO strategy with a geographic diversification focus.
- Investing in training pipelines and youth digital hubs aligned to global customer service, data management and fintech requirements.
- Unlocking underutilized public buildings and land for BPO development.
- Coordinating with municipalities, TVET colleges, and broadband providers to prepare locations for anchor tenants.
- Providing targeted incentives for early investors who take the lead in Tier 2 and 3 towns.

However, we cannot do this alone. We need the private sector as our co-architects so that when the world looks for the next best destination for business process services, it finds not just Durban, but Richard Bay, Vryheid, Estcourt, and beyond.

We are therefore calling on:

- BPO operators and outsourcing firms: to pilot satellite offices in high-potential towns and partner with local skills providers.

- Telecom and IT companies: to fast-track infrastructure rollouts with government support.
- Impact investors and property developers: to co-develop digital service parks and smart workspaces.
- Industry associations and global clients: to recognize the long-term business case of inclusive, sustainable growth beyond metros.

MORE THAN A GRADUATION CEREMONY

So, Ladies and gentlemen, today's ceremony is not just about celebrating our youth that have successfully completed training in six SAQA accredited unit standards. It is more about celebrating a cohort of young people who (through this program) are active participants in the economy of the country. It is about young people whose dignity; confidence and dreams and social status has been positively enhanced.

We are therefore grateful to them for first applying to the program but also for working hard to complete the tasks given to them and thus declared competent.

Their professional journey has surely begun.

To the partnering organizations (KZN EDTEA; Amalfi; BPO Skills Academy), today's session is a demonstration of what can be achieved when the Public and Private sector combine their effort to fight unemployment. Today's ceremony is a demonstration of:

- Targeted, industry-led and "demand -driven" skills development;
- Public-private partnerships that deliver tangible outcomes;
- Creation of pathways into the digital economy;
- Creation of 54 new job opportunities for the youth from marginalised communities.
- Most importantly, today is about restoration of hope, dignity and sense of belonging to these young people.

Allow me therefore Ladies and gentlemen, to once again commend our EDTEA team; the host employer (**Amalfi Outsourcing**) and **BPO Skills Academy** for ensuring that this program is implemented with success.

This program and session resonate with one of the department's strategic mission – ***of being a catalyst for economic transformation; job creation and sustainable development***. It further aligns with the 7th Administration's priority number one which is: **Inclusive Economic Growth and Job Creation**.

To the graduating youth today, you are ambassadors of your families; communities; peers and the entire nation. There are millions of young people out there who are dying to have this opportunity. As you will get your certificates today, receive them with pride but also appreciate that you have a responsibility to be well-behaved and professional at your work-place. We do not want to hear stories that some of you are misbehaving and have to be retrenched. It is not always going to be easy at work, such is the nature of a work environment. You must always be disciplined, focused and humbled.

I wish you all a great future and may the Amalfi and BPO Skills Academy relationship with our department grow even bigger so that in future we may celebrate thousands of graduates.

Ladies and Gentlemen, I thank you.