

IN·SEC·M

MARKET FACT SHEET

South Africa



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INTRODUCTION

South Africa offers a dynamic and expanding market for cybersecurity companies looking to establish or grow their presence in the region. The country is experiencing significant digital transformation across various sectors, driven by both public and private investments in technology infrastructure. South Africa's skilled workforce, with a strong background in information technology and cybersecurity, provides a solid foundation for companies aiming to tap into this market. The South African government is actively promoting the development of the cybersecurity sector through strategic initiatives and funding programs, which can be advantageous for companies seeking to enter or expand within the market.

Understanding the regulatory landscape is crucial for successful operations in South Africa. Companies must stay informed about the evolving cybersecurity regulations and compliance requirements to ensure smooth and lawful business activities in the country.

MAIN DATA

GENERAL DATA¹¹

Area	> The southernmost country in Africa > 1,221,037 square kilometers
Capital	> Cape Town > Bloemfontein > Pretoria
Time Zone and Time Difference with Ottawa	South Africa Standard Time (UTC + 02:00) (6 hours ahead of Toronto)
Languages	12 Official Languages: Ndebele, Pedi, Sotho, South African Sign Language, Swazi, Tsonga, Tswana, Venda, Afrikaans, Xhosa, Zulu, and English.
Population	59.9 million (2024)
Religions	About 80% of South Africans are Christian, 15% have no religious affiliation and 5% are Muslim, Hindu, Jewish or of other faiths. Freedom of religion is guaranteed by the constitution. ²
Major Holidays²	> New Year's Day (January 1) > Human Rights Day (March 21) > Good Friday (April 18) * > Family Day (April 21) > Freedom Day (April 27) > Public Holiday Freedom Day Observed (April 28) ** > Workers' Day (May 1) > Youth Day (June 16) > National Women's Day (August 9) > Heritage Day (September 24) > Day of Reconciliation (December 16) > Christmas Day (December 25) > Day of Goodwill (December 26) > * Note: Good Friday is a religious holiday, and its date may vary each year. > ** Note: When a public holiday falls on a Sunday, the following Monday is typically observed as a public holiday.

1. [South Africa - ACET](#)
2. [Religions - South African Embassy to the Kingdom of the Netherlands](#)
3. www.gov.za

Typical Working Hours	› Normally working 40 hours › 5-day workweek, Monday to Friday › The statutory limitation of 45 hours per week means that the employee may not work more than 45 hours per week normal time.⁴
Entry Requirements	› Passport Validity: Your passport must be valid for at least 30 days beyond the date you expect to leave South Africa. Your passport must contain at least 2 empty visa pages for the necessary South African Temporary Residence Permit. Without it, you will be denied entry into the country. › Visa Requirements for Canadians:⁵ - Tourist visa: not required for stays up to 90 days - Business visa: not required for stays up to 90 days - Student permit: required - Employment permit: required
Tax Treaties	The "Convention Between the Government of Canada and the Government of the Republic of South Africa for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income" (E102407 - CTS 1997 No. 20)⁶ aims to eliminate double taxation and prevent fiscal evasion for residents of Canada and South Africa. The treaty outlines the allocation of taxing rights between the two countries, covering various types of income such as business profits, dividends, interest, and royalties. It defines key terms, establishes criteria for residency, and specifies what constitutes a permanent establishment. The Convention includes provisions for the exchange of information between tax authorities to prevent tax evasion and ensure compliance. It also addresses the taxation of income from immovable property, shipping and air transport, and capital gains. Special rules are provided for the taxation of income from employment, pensions, government service, and income earned by students, entertainers, and sportsmen. To avoid double taxation, the treaty allows for tax credits and exemptions, ensuring that income is not taxed twice. It also includes non-discrimination clauses to ensure that nationals of one country are not subjected to more burdensome taxation in the other country. The Convention provides mechanisms for resolving disputes and mutual agreement procedures to address any issues arising from its interpretation or application.

POLITICAL DATA⁷

Type of Political System	South Africa is a constitutional democracy with a three-tier system of government and an independent judiciary. The national, provincial and local levels of government all have legislative and executive authority in their own spheres, and are defined in the Constitution as distinctive, interdependent and interrelated. Operating at both national and provincial levels are advisory bodies drawn from South Africa's traditional leaders. It is a stated intention in the Constitution that the country be run on a system of cooperative governance. Government is committed to the building of a free, non-racial, non-sexist, democratic, united and successful South Africa.
Leaders	Matamela Cyril Ramaphosa (born 17 November 1952) is a South African businessman and politician serving as the 5th and current President of South Africa since 2018.
Regime Stability	Stable

ECONOMIC DATA (MAIN ECONOMIC INDICATORS)

Economic Situation	Entire economy: › USD \$381 billion GDP (2023)⁸ › The digital economy is projected to account for 15-20% of South Africa's GDP by 2025, an increase from approximately 8-10% in 2020. The anticipated annual growth rate of the digital sector is 10-15% for the next five years.⁹ › South Africa's e-commerce market has seen rapid growth, accelerated by the COVID-19 pandemic. It is expected to grow at a compound annual growth rate (CAGR) of around 12% through 2025. The market is projected to grow to \$10 billion by 2025, accounting for 5-6% of overall retail sales, up from 2-3% in 2020.¹⁰
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4. [Working Hours and Overtime - Labour Guide South Africa](#)

5. [Travel advice and advisories for South Africa](#)

6. [View Treaty - Canada.ca](#)

7. [Structure and functions of the South African Government | South African Government](#)

8. [GDP \(current US\\$\) - South Africa | Data](#)

9. [South Africa - Digital Economy](#)

10. [South Africa - Digital Economy](#)

Financial Situation	› Currency: The South African rand, or simply the rand, (sign: R; code: ZAR) is the official currency of South Africa. › 1 South African Rand equals 0.078 Canadian Dollar (as of March 2025) › Inflation Rate: Inflation Rate: 4.8% (estimated in 2024)¹¹
Economic Policies Relating to IT Sector	ICT and Digital Economy Masterplan for South Africa:^{12 13} The South African government, notably through the Department of Communications and Digital Technologies (DCDT), has launched several key initiatives to speed up the growth of the digital economy. The Department of Communications and Digital Technologies (DCDT) prepared an initial draft of the ICT and Digital Economic Master Plan in 2020 to establish a digital economy education and skills ecosystem. Under DCTD's direction, a Digital Master Plan was completed in 2021, and stakeholders were included in the process of drafting an implementation plan. DCDT confirmed in January 2024 that the Final Draft of the Digital Economy Masterplan, which was developed in 2020 and dated February 22, 2021, is the final version of this document. South Africa's Digital Economy Mission Plan (DEMP) primary objective is to achieve the National Development Plan (NDP) goals to improve digital infrastructure, create digital skills, encourage digital innovation, strengthen e-government services, stimulate digital commerce, increase cybersecurity, and promote digital transformation across vital industries. The strategy includes: › Digital Infrastructure: Expanding broadband access, promoting 5G rollout, and investing in data centers to ensure universal and affordable internet access. › Digital Skills Development: Addressing the skills gap through education and training programs, preparing the workforce for the Digital Economy. › Digital Innovation and Entrepreneurship: Supporting tech startups and SMEs through incentives, innovation hubs, and funding to foster a culture of digital innovation. › E-Government Services: Enhancing digital government platforms to improve efficiency and accessibility of public services. › Digital Commerce: Stimulating e-commerce growth by creating supportive regulatory frameworks and enabling digital payment systems. › Cybersecurity and Data Governance: Strengthening cybersecurity infrastructure and data protection laws to ensure a secure digital environment. › Sector-Specific Digital Transformation: Integrating digital technologies into critical economic sectors like agriculture, manufacturing, mining, and financial services to boost productivity and competitiveness.
Digital Transformation › Internet penetration rate › Digital literacy ranking › Cybersecurity investments › Other relevant data	› Internet penetration Rate: 75% (2022)¹⁴ › Digital literacy ranking: In 2022, African countries scored between 1.8 and five on the Digital Skills Gap Index. This is below the global average of six. About 87 percent of African business leaders identified digital literacy skills development as a focus area needing further investment¹⁵ › Other relevant data: N/A

POLITICAL AGREEMENTS AND RELATIONS WITH CANADA

Political Agreements and Relations with Canada	› Canada established diplomatic relations with South Africa in 1939. › Canada and South Africa are both members of a number of multilateral organizations, including the Commonwealth and the G20, and collaborate on important issues such as women's empowerment, the environment and climate action, and regional security. Canada and South Africa hold strategic annual bilateral consultations, which cover issues as diverse as foreign policy, trade and investment, environment and climate change, education, culture as well as science, technology and innovation. › Canada-South Africa relations are also characterized by extensive and enduring people-to-people ties in all areas of life, including arts, education and scientific research. Many Canadians recall with appreciation the extensive support that South African firefighters have provided during Canadian wildfire seasons since 2015, and most recently in 2023.¹⁶
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11. [South Africa Economic Outlook | African Development Bank Group](#)
12. [Digital-Economy-Masterplan-22-Feb-2021v1-updated.pdf](#)
13. [South Africa - Digital Economy](#)
14. [Individuals using the Internet \(% of population\) - South Africa | Data](#)
15. [Accelerating Digital Literacy to Benefit Education Systems in Africa - CNBC Africa](#)
16. [Canada-South Africa relations](#)

MAJOR PLAYERS



Government

Department of Communications and Digital Technologies (DCDT)¹⁷

The South Africa Department of Communications and Digital Technologies (DCDT) is a government department responsible for the development and implementation of policies and strategies related to communications, digital technologies, and the information and communications technology (ICT) sector in South Africa. The DCDT aims to foster a digitally inclusive society by promoting the widespread adoption of digital technologies, enhancing digital skills, and ensuring affordable access to ICT services for all citizens.



Private Sector

Dimension Data¹⁸

Dimension Data, a South African-founded company, is a global leader in IT services, including cybersecurity. They offer a comprehensive range of cybersecurity solutions such as threat intelligence, managed security services, and incident response. Dimension Data leverages its extensive experience and global reach to deliver cutting-edge security solutions tailored to the needs of businesses in South Africa and around the world.

BCX¹⁹

BCX, formerly known as Business Connexion, is a major South African IT services provider with a strong focus on cybersecurity. They offer a comprehensive suite of cybersecurity services, including risk assessments, security consulting, and managed security services. BCX is committed to helping organizations safeguard their information assets and maintain compliance with regulatory requirements.

Securicom²⁰

Securicom is a leading cybersecurity company in South Africa that specializes in providing managed security services. Their offerings include email security, web security, endpoint protection, and vulnerability management. Securicom is known for its proactive approach to cybersecurity, helping businesses detect and mitigate threats before they can cause significant harm.



Academic

Council for Scientific and Industrial Research²¹

CSIR (Council for Scientific and Industrial Research) The CSIR is one of the leading scientific and technology research organizations in Africa. It has a dedicated cybersecurity research group that focuses on developing advanced cybersecurity solutions and conducting research in areas such as network security, cyber defense, and digital forensics. The CSIR collaborates with various stakeholders to enhance South Africa's cybersecurity capabilities.

Nelson Mandela University - Centre for Research in Information and Cyber Security (CRICS)²²

The CRICS at Nelson Mandela University is focused on research and education in information and cybersecurity. The center offers postgraduate programs, conducts research projects, and engages in industry collaborations to address pressing cybersecurity issues. CRICS aims to develop skilled cybersecurity professionals and contribute to the body of knowledge in the field.

17. [DCDT - Home](#)

18. [Delivering digital transformation | NTT](#)

19. [Your Partner in Digital Transformation | BCX](#)

20. [Securicom IT Solutions SA | Managed Security Services Provider South Africa](#)

21. [CSIR |](#)

22. [About Us - Centre for Research in Information and Cyber Security](#)

University of Johannesburg – Academy of Computer Science and Software Engineering (ACSSE)²³

The ACSSE at the University of Johannesburg offers a range of programs and courses related to computer science and cybersecurity. The academy is involved in research and development activities in cybersecurity, providing students with the opportunity to engage in practical and theoretical aspects of the field. ACSSE aims to produce graduates who are well-equipped to tackle cybersecurity challenges.



Association

ISACA South Africa Chapter²⁴

ISACA is a global professional association focused on IT governance, risk management, and cybersecurity. The South Africa Chapter of ISACA provides resources, certifications, and training for IT and cybersecurity professionals. The chapter organizes events, webinars, and conferences to promote knowledge sharing and professional development in areas such as information security, audit, and risk management.

IITPSA (Institute of Information Technology Professionals South Africa)²⁵

IITPSA is a professional body for IT practitioners in South Africa, including those specializing in cybersecurity. The institute aims to promote the development and recognition of IT professionals through education, certification, and advocacy. IITPSA offers various programs and events to support the professional growth of its members and to advance the IT and cybersecurity industry in South Africa.

INTERNATIONAL COMPETITION

Research on cybersecurity-related foreign direct investment projects in South Africa since 2021 has identified a total of 9 projects. Of these, 4 are from the UK and 3 are from India, with one each from Germany and Canada. This indicates a strong presence of the UK and India in South Africa's cybersecurity FDI market.

STRENGTHS AND WEAKNESS OF CYBER SECURITY ECOSYSTEM ^{26 27 28}



STRENGTHS

- › **Government Initiatives and Legislation:** South Africa has established foundational cybersecurity policies like the National Cybersecurity Policy Framework (NCPF) and the Protection of Personal Information Act (POPIA), providing a legal framework to address cyber threats and protect personal information.



WEAKNESS

- › **High Incidence of Cyberattacks:** South Africa is a top target for cybercrime in Africa, with significant occurrences of ransomware and infostealer attacks, highlighting vulnerabilities and the need for enhanced defenses.

23. [Academy of Computer Science and Software Engineering - University of Johannesburg](#)

24. [About - South Africa Chapter](#)

25. [IITPSA - South Africa](#)

26. [Cybersecurity in Africa—a call to action](#)

27. [Advancing cybersecurity capabilities for South African organisations through R&D](#)

28. [In-Sec-M Mission Report](#)



- › **Strategic Importance:** South Africa is recognized as a regional leader in cybersecurity, with efforts to align with international standards and increase investment in cybersecurity infrastructure.
- › **Sector-Specific Regulations:** The financial services sector is subject to Joint Standards aimed at enhancing IT governance, risk management, and cyber resilience, underscoring a proactive approach in critical sectors.
- › **Growing Market Investment:** There is a projected increase in cybersecurity market value from \$2.5 billion in 2020 to \$3.7 billion by 2025, indicating a growing recognition of cybersecurity importance and investment potential.
- › **Public-Private Partnerships and Collaboration:** Initiatives like the Absa Cybersecurity Academy highlight efforts to address skills shortages through partnerships, contributing to capacity building and workforce



- › **Skills Shortage:** There is a notable shortage of cybersecurity experts and professionals, exacerbated by global competition for talent, which affects the ability to implement robust cybersecurity measures.
- › **Underinvestment and Economic Constraints:** Economic challenges and limited awareness lead to underinvestment in cybersecurity, particularly in preparation and response strategies, leaving organizations vulnerable.
- › **Fragmented Approach and Misconceptions:** Many organizations perceive cybersecurity as an IT problem rather than a business risk, resulting in a piecemeal approach to building cyber resilience and inadequate integration into overall business strategy.
- › **Slow Implementation of Comprehensive Strategies:** Despite existing policies, there is a lack of a cohesive national strategy that aligns with broader regional efforts, limiting effective collaboration and threat intelligence sharing.

MAIN NEEDS/END CUSTOMERS/MAJOR PROJECTS IN PROGRESS TO COME

Development of a Skilled Cybersecurity Workforce: Research released by Fortinet in 2023 found that 40% of South African companies struggle to hire and retain cybersecurity talent. And 86% said they had experienced more than one cyberattack that could be at least partially attributed to a lack of cybersecurity skills over the past 12 months.²⁹

Increased Investment in Cybersecurity Infrastructure and Education: There is a need for greater investment in cybersecurity infrastructure to enhance the country's defenses against cyber threats. Investment in education and research is crucial to develop innovative solutions and stay ahead of emerging threats.³⁰

MARKET PENETRATION: OPTIMAL APPROACH AND OTHER CONSIDERATIONS³¹

Canadian companies looking to enter the South African market should adopt a well-planned and strategic approach, considering the sophisticated nature of the market. Partnering with local firms can be highly beneficial, especially those that are Broad-Based Black Economic Empowerment (B-BBEE) compliant, to navigate the regulatory landscape and gain procurement advantages. Establishing representation, agency, or distributorship agreements with qualified local importer-resellers and service providers can mitigate risks and facilitate market entry. Additionally, leveraging South Africa's position as a gateway to Sub-Saharan Africa can provide broader regional opportunities. Canadian firms should also be mindful of the price-sensitive nature of consumer demand, the volatile Rand-dollar exchange rate, and the challenges posed by the unreliable electricity supply. A sustained market development effort is essential, given the conservative market bias that favors known suppliers.

29. [How South Africa Can Protect Its Cyber Infrastructure](#)

30. [CSIR issues national survey results on the state of cybersecurity in South Africa | CSIR](#)

31. [South Africa - Market Entry Strategy](#)

EVENTS

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|--|---------------------|
| › Cyber Security Summit | March 13, 2025 |
| › ITweb Security Summit | June 3-4, 2025 |
| › SASE Summit | September 3-5, 2025 |
| › MyBroadband Cloud & Security Conference | TBD |

BUSINESS ENVIRONMENT AND PRACTICAL ADVICE

South Africa boasts the most advanced, diversified, and productive economy in Africa, making it an attractive destination for foreign investment. The country has a well-developed infrastructure in urban areas, a stable banking and financial services sector, and a top-ranking Johannesburg Stock Exchange (JSE) among emerging markets. Despite facing challenges such as high unemployment, political and economic uncertainties, and infrastructure issues, South Africa remains conducive to investment. The services sector dominates the economy, accounting for around 73% of GDP, with significant contributions from finance, real estate, and business services. South Africa's integration into regional economic structures, such as the Southern African Development Community (SADC) and the African Continental Free Trade Agreement (ACFTA), enhances its appeal. The country's membership in global organizations like the WTO, G20, and BRICS further strengthens its economic position. However, businesses must navigate issues like energy reliability, labor market constraints, and regulatory complexities to succeed in this dynamic market.³²

32. [South Africa - Market Overview](#)

Useful Contacts

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Find Out More

- › [Please see footnotes](#)

In-Sec-M's Mission Report 2025

