



# SiMODiSA Research: Entrepreneurship Visa

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**impact**trust

**SiMODiSA**  
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# Special Entrepreneurial Visa: Challenge Overview

- Attracting & retaining entrepreneurs to establish business in SA.
- Create jobs, innovation, revenue, & “economic dynamism” .
- Other countries are pulling hard to get the people we’re discouraging.
- Is SA open for business?



# Status Quo: Current Business Permit (BP)

24 Month BP if:

- Entrepreneur invests R2.5M in a South African Business
- Submits comprehensive business plan
- Undertakes to employ 5 South Africans
- Same requirements at 24 months to extend.



# Status Quo: Limitations

- Application mechanism is unpredictable, and frustratingly complex.
- This uncertainty is crippling in business decisions as big as immigration & relocation.
- Application is through foreign embassies , in person.
- Marketing – Poor awareness, and reputation.



# Status Quo: Advantages

- Current business permit is well-structured, if it works.
- Applicants can apply for permanent residency at 5 years .
- We are English-speaking, time-zoned with Europe, & on Africa's doorstep, with a climate that people want to live in.



# International Precedent:

Defining features of other programs:

- Applications handled by a single Govt. Designated Organisation
- Documentation: Business Plans, Funds, Points Ratings.
- Requirements always job-creation and capital/funding.
- Process which determines viability: Through Chamber of Commerce, a panel of judges, or a transparent, tick-box system.
- Sector targeting: Reduced criteria for high-tech, export-orientated, or job-creating sectors, and foreign graduates.



# International Precedent

## Post-immigration support:

- Chile subsidises rent, due diligence costs, & even import of skilled labour.
- Peru, Chile & UK give loans to start-ups.
- Canada grants permanent-stay even if company fails, & subsidises wages of Canadian employees.
- Most offer a “soft-landing” through incubators & links with VC/ Angels.



# Framework of International Policy

Economic benefit is a function of:

Job creation

Revenue generation

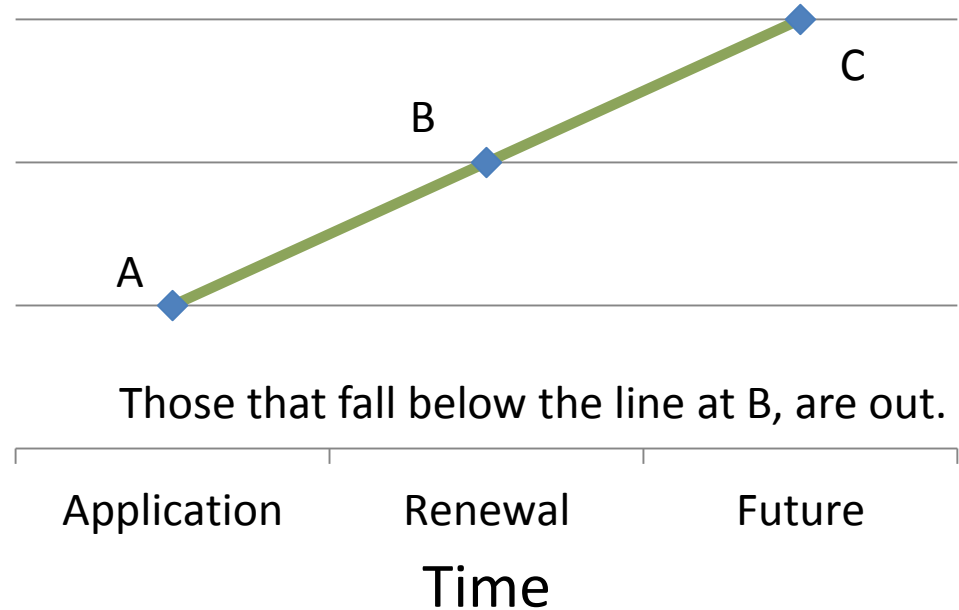
Innovation

Ecosystem growth

Pipeline Potential

Economic Benefit

## Growth path of venture



Time of renewal is pivotal, and is often multi-phase.





# Pilot Program Recommendations

5 year Pilot– grow employment, innovation and productivity.

- One co-ordinator, supported by DoHA, DTI & DoL.
- Minimise subjectivity of application process & maximise transparency & predictability.
- Local jobs: 30% in 2 years, 60% in 5, skilled local wage subsidies.
- Multiple entrepreneurs, and 5 year visa allows second-chance.
- Reduced funding for foreign graduates of SADC tertiary institutions
- R2.5M investment includes loans, and reduced figure for ICT.
- Soft Landing. National Angel, Incubator networks and SAVCA –  
Critical future consideration: foster skill-swap & human capital flow.



# Thank you

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