



PRESS RELEASE

Tellumat

March 23, 2010

Page 1 of 2

Skills shortage easing, but public and private sectors must do more, says Tellumat

The acute shortage of skills in the hi-tech sector is easing off, but more extensive training programmes must be introduced to keep the technology sector pumping.

The skills crunch has eased as the global recession saw many foreign opportunities dry up, and that slowed down South Africa's brain drain, says Tellumat CEO Rasheed Hargey. Many local companies also scaled back or went bust during the recession, meaning there were fewer vacancies to fill and more workers on the market.

Yet those are just temporary halts, and the crisis will return as forcefully as ever unless more is done to create a generation of new entrants to the workplace with better skills than their predecessors.

"The brain drain has slowed but there is still a big market pull from overseas," says Hargey. "Tellumat is heavily involved in the development of technologies and we export a lot of it overseas, so it's very important for us to ensure that the country retains its skills. Our technologies are sophisticated so we need people with a lot of experience."

The government has made some progress in addressing the problem but must do more, Hargey says. "There is still a mismatch between what the universities are pushing out and what industries actually require. There must be more alignment between the Department of Science and Technology and the Education Department, and more alignment with the corporate world so the universities can prepare students for the commercial challenges."

President Jacob Zuma in his State of the Nation speech announced one very positive step in February, with plans for the government to encourage the private sector to hire inexperienced youngsters. It will give subsidies or tax incentives to firms that recruit young graduates who have no work experience.

Tellumat's finance director Graham Meyer says the final details still need to be clarified, but it is a very welcome policy. "If you employ a new entrant into the marketplace, aged 18 to 24, there will be a subsidy for up to two years. This will make employers more willing to take on inexperienced people because they can do it cheaply. It will give people some initial work experience and help them become valuable to a company instead of being a burden."

It will also free up skilled and experienced staff to focus on more demanding work, by letting inexperienced youngsters tackle some of the easier tasks, Meyer says.

The appointment last year of Dr Blade Nzimande as the first minister of Higher Education and Training should also create more focus on improving higher-level skills, Tellumat believes.

But schools must promote mathematics and science lessons from the very earliest days, Hargey says. "It starts right at the bottom by getting a child to understand maths and science when they are four or five years old. We tend to focus on students in grade 10 to 12, but if the foundation hasn't been laid earlier it's too late. We still need to bang this drum because there is a lot more that needs to be done. We have a



PRESS RELEASE

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Page 2 of 2

long way to go compared with Malaysia and Singapore in producing people skilled in maths, science and the engineering fields.”

Private companies must also play their part by investing in more training initiatives, he says. Tellumat liaises with several universities and technical colleges to influence their curricula, and it conducts many internal learnerships and staff mentoring programmes to boost their skills. The company reinvests about 10% of its annual turnover in research and development, fuelling a constant need for top engineers and technicians.

Ends.

About Tellumat

Tellumat is an innovative, black empowered, South African technology company that has achieved a B-BBEE Status Level 3 rating, as well as being a “Value-Adding Enterprise” in terms of the DTI’s Codes of Good Practice. It consists of three major trading divisions; Communications, Defence and Contract Manufacturing, and three partly owned companies; SIA Solutions (Pty) Ltd, Encee Engineering (Pty) Ltd and SIMpill (Pty) Ltd. Tellumat services three primary market areas, namely wireless voice and data communications, defence communication systems and high precision electronic and mechanical manufacturing. Tellumat is a world-class business focused on innovation, offering our customers dynamic and competitive technology products and services. We focus on understanding our customers’ needs and forming long-term strategic alliances with likeminded enterprises worldwide.

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