

# Strategic hiring in a budget-constrained environment: South African talent revealed



# Making the most of your critical hires in a budget-constrained environment

Hiring and retaining top-tier software developers remains one of the most critical challenges for business growth. As traditional hiring pools become increasingly saturated, European tech leaders are looking towards emerging talent markets to expand their reach and secure the skilled professionals they need to drive innovation and growth.

Many, however, are still unaware of a talent pool that ticks many of their boxes right off the bat: South Africa is home to a growing pool of experienced software developers who are based in GMT+2, English-proficient, have a growth mindset and whose salaries are, important in times of cost-efficient growth, cost-effective for European companies.

This comprehensive data report tells you everything you need to know about why the South African talent pool is worth your time.

## In this data report, you'll get insights on:

- 1 Benefits of the South African talent pool
- 2 How South African salaries compare
- 3 What "hidden costs" you should expect



## Why the **South African** talent pool?

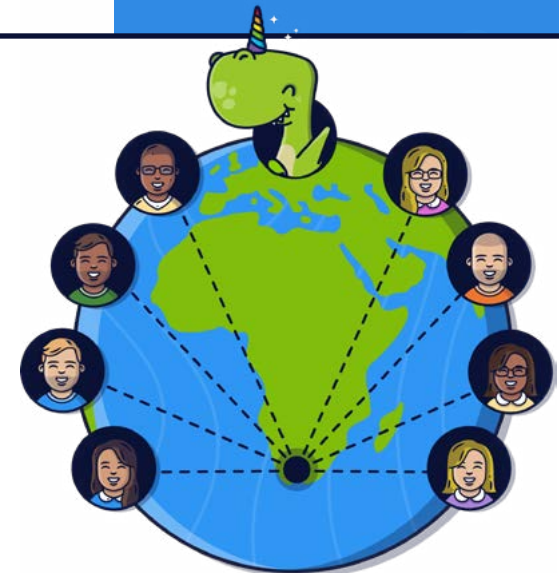
South Africa sits in the same time zone as most of Europe. The country shares a time zone with both Germany and the Netherlands, which makes synchronous remote work easy to execute across teams. They're incredibly hard working (did you know AWS was started in Cape Town?) and their primary work language is English.



**South Africa is in the  
GMT+2 timezone**



**English is the primary  
work language in SA**



**There are 120k  
developers in SA**

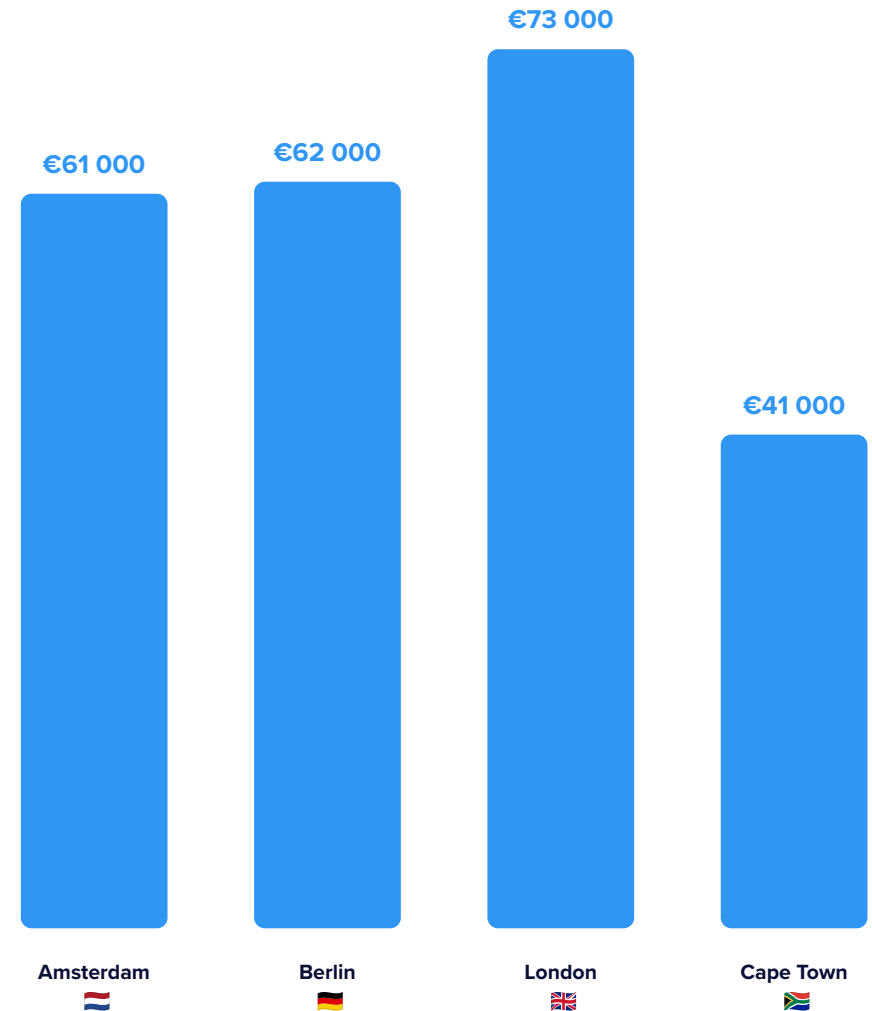
## How do South African salaries compare?

Struggling to keep up with skyrocketing senior developer salaries? Many CTOs have a lower hiring budget, allowing for fewer hires. That means each hire is critical and, oftentimes, needs to be able to fill a bigger gap.

That's why the overview on the right focuses on senior developers for a quick comparison, so developers with 6+ years of experience.

The average annual salary for a senior developer is €41,000 in Cape Town, but €61,000 in Amsterdam and €62,000 in Berlin. That means, you have access to talent with similar experience, but a lot more cost-effective salaries.

If you are looking to gain an advantage, you have a clear hiring budget benefit here.







Average annual developer salaries for developers with 6-10 years of experience

## What about hidden costs, like South African taxes?

In South Africa, employers have a relatively lighter administrative load when it comes to tax and social security deductions. You're only paying towards two things:

- Unemployment Insurance fund (worker pays 1% and employer contributes 1%)
- Skills Development Levy (SDL is due by employers who have been registered - then you are liable for 1% of the total amount paid in salaries to employees)

Compare this to the taxes in other countries 🤔

	Netherlands  (±26%)	Germany  (±20%)	United Kingdom  (±13.8%)	South Africa  (±1.2%)
Employer Est Taxes & Contributions	Holiday allowance	Unemployment insurance fund	Pension fund	Unemployment insurance fund
	Health Insurance (ZVW)	Pension Fund	National insurance	Skills development levy
	Work & income scheme (WIA)	Employer allocation health insurance		
	Unemployment benefits scheme	Government health insurance		
		Long-term care insurance		
Tax overhead				

# What about hidden costs, like South African taxes?

Coming back to the cost of hiring a South African senior developer, we can see that the budget benefit persists even when considering overheads:

Annual Costs / Location				
	Amsterdam	Berlin	London	Cape Town
Salary	€61 000	€62 000	€73 000	€41 000
Overhead	€15 869 (26%)	€13 768 (20%)	€10 145 (13.8%)	€515 (1.2%)
Total	€76 869	€75 768	€83 145	€41 515

Tax overhead

# Without a legal entity in South Africa, won't this still get expensive?

The short answer is: No. With a partner like Playroll, you'll pay a monthly fixed fee to cover all your EOR needs.

As you can see, you're saving nearly 50% in employment costs when hiring a South African developer compared to one in the Netherlands, Germany or the UK, even with the same salary. That means, you'd likely be able to afford either more hires or someone with more experience.

Annual Costs / Location	Amsterdam	Berlin	London	Cape Town
				
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Overhead	€15 869 (26%)	€13 768 (20%)	€10 145 (13.8%)	€515 (1.2%)
EOR (with Playroll)	€4 502.40	€4 502.40	€3 638.40	€2 988
Total	€81 371	€80 270	€86 783	€44 813

Overhead including EOR costs

# Resources



## OfferZen South African hiring guide

The definitive guide to hiring South African developers, costs, structures, and everything else you need to know.



## South Africa's Developer Nation Report

OfferZen conducted a survey to find out more about skills, work experience and job search behaviour of developers.



## OfferZen Software engineer salaries hub

We've gathered insights and data from the community to showcase developer salaries in the Netherlands, Germany and SA

# Playroll

## Playroll country playbooks

-  [South Africa](#)
-  [Netherlands](#)
-  [Germany](#)
-  [United Kingdom](#)



## OFFER ZEN

OfferZen is a developer hiring marketplace where CTOs can do more with their time and budget. Developers on OfferZen are vetted. They're actively looking for new opportunities, on average responding within 48 hours. Average time to hire? 25 days.

Join 2000+ companies in GMT+2 and get 10% off your recruitment costs:

## Playroll

Playroll is a global workforce platform that empowers companies of all sizes to hire, pay and manage a global workforce. They handle international payroll, taxes, benefits, stock options, and compliance.

Built for distributed business, with over 25 years of tax & compliance experience, by the founders of VAT IT group. By leveraging the VAT IT group infrastructure, Playroll makes it easy for people and companies to come together to do big things, with the right tools and expert guidance every step of the way.

