



MINISTRY
COMMUNICATIONS AND DIGITAL TECHNOLOGIES
REPUBLIC OF SOUTH AFRICA

Minister Stella Ndabeni-Abraham's keynote address at WTIS/Africa Day High Level round Table Discussion

Date: 25 May 2021

Theme: Accelerating Digital Transformation in challenging times", throughout the year with national, regional, and international initiatives to accelerate digital transformation.

Programme Director

Hon Ministers,

Leaders of International organisations,

Business leaders and experts,

Esteemed guests

Ladies and gentlemen

This year we deemed it proper that we celebrate Africa Day together as SADC ministries responsible for the ICTs under the theme: Accelerating digital transformation in challenging times, throughout the year with national, regional and international initiatives. We agreed to converge here in a high level virtual round table discussion to commemorate the founding of the Organisation of African Unity in 1963, the African Union as it is currently known. This year we celebrate Africa Day under the cloud of COVID-19 pandemic, a challenge which has put human genius to test in a manner that knows no parallel in recent history. Whether we win or lose one thing certain we will put our best effort to finding the solution our challenges. As we deep our banners in memory of those we lost as a result of COVID-19 we rededicate ourselves as a region to work together in confronting the pandemic.

In spite of our limited resources, we have coped well so far. The economic impact has been severe, and it has knocked many countries off-course from the promising growth trajectories that were prevalent in much of our continent before the crisis. On the other hand, the COVID-19 crisis must be viewed as an opportunity to leapfrog Africa to new heights exploiting new

opportunities brought about by the advent of Fourth Industrial Revolution (4IR) This gives new impetus to our global priority of connecting the unconnected and demonstrate the importance of access to broadband. There has been a significant increase in the demand for ICTs and the use of the internet. Unfortunately, this has been accompanied by rising inequality, whereby lack of access to the internet leaves our disadvantaged communities more vulnerable. Access to broadband will enable our peoples to access health services, education and governmental services on-line when necessary, and thus reduce the need for public gatherings. It will also enable greater access to the rapidly growing e-commerce sector.

It is in this context that our commemoration of Africa Day is to reflect on our responsibility to accelerate digital transformation in challenging times – the theme from World Telecommunications and Information Society Day this year. For today's purpose we lined up topics that we consider relevant to our situation under this theme. We already have a comprehensive programme as SADC countries, which is updated regularly to respond to emerging issues. The idea of today's discussion is to focus on just three topical issues, which offer great potential for the development of our region. Allow me to outline the topics that the discussants will share insights on.

Firstly the 21st century financing models for sustainable broadband development. The issue of financing broadband roll-out has long been a challenge for many developing countries around the world. We all agree on the priority of rolling out broadband, the benefits it brings to society and to our economies, and the importance of extending participation in the digital economy. The recurring challenge that we continue to face is that of funding.

The UN Broadband Commission was established in 2010, with the Mission 'to bridge the digital divide and bring the goal of universal connectivity to the forefront of policy discussions. It brings together a group of influential leaders from government, business, and experts from international organisations, academia and development organisations. It has produced some valuable reports addressing a range of important subjects. Of particular relevance is the work that is currently being finalised, on Innovative Financing models for Sustainable Broadband Development. We are fortunate that today we will benefit from the insights of Mr Bocar Ba, who is the Broadband Commissioner who chairs the working group that is studying this subject.

As South Africa, we are interested in this work which is done under the able leadership of Mr Boca Ba, as it may further assist us in implementing the SA Connect programme, which is our national broadband roll out strategy. SA Connect seeks to ensure universal service and access to reliable, affordable and secure broadband services to all South Africans, prioritising

rural and under-serviced areas. A key goal of the Programme is to enable schools, health facilities and government offices to access connectivity through high-speed internet access. Through this programme, over 44 000 government facilities will be provided with high-speed broadband connectivity. Government will be collaborating with the private sector, including greater participation of SMMEs, in rolling out broadband in an efficient, cost-effective and sustainable manner.

SA Connect seeks to pool public sector demand for broadband, in order to stimulate investment into broadband infrastructure. In the process, cross-border connectivity will also be addressed by upgrading infrastructure and increasing network capacity to improve regional integration.

The benefits of broadband to economic growth have been widely recognised by international organisations such as the World Bank and the ITU. The recent research from the Broadband Commission recognises that broadband investment is not just about the traffic that goes on the network. Rather, broadband investment creates an ecosystem of economic activity.

The second topic for our discussions concerns the African Continental Free Trade Area. This is a critical and timely intervention for the development of the African continent. It embodies the ideal of greater integration and of a united Africa. Currently 80-90% of Africa's trade is directed to the rest of the world, which is higher than any other region. Consequently, we have very low levels of intra-regional trade. The COVID-19 pandemic has underscored the importance of reducing the external economic dependencies of the continent. Currently we carry excessive risk from the fortunes or attitudes of the major economic powers and regions, which cannot be good in times of crisis.

Of greater importance in the longer term is that, by easing the ability to trade within the continent, we will provide a platform for African businesses to flourish and benefit from economies of scale within the region, thus increasing regional economic activity. This could create a virtual dynamic effect, creating further opportunities for our businesses to benefit from a thriving regional economy. African companies need other African markets to thrive and develop capabilities to build more value-added products. However, there is much work to do to fully benefit from the AfCFTA. We need to strengthen the infrastructure that links our economies, businesses and people together. This must include not only the transport infrastructure, but also the ICT sector. ICTs will be critical in linking business and people together, providing the first step in strengthening regional integration.

It is therefore important to continue to prioritise and strengthen our programmes to build our regional and national ICT infrastructure and the digital economy. The implementation of the African Digital Transformation strategy will no doubt be critical to support regional integration. In particular, we must look to create an enabling environment, and develop appropriate policies and regulations for the sector that will support the development of our digital infrastructure, digital skills and capacity-building, entrepreneurship and innovation. We must also address the cross-cutting issues (digital content and applications, digital ID, emerging technologies, cybersecurity, and personal data protection, research and development) to ensure we transform our digital future.

Equally important, the draft African e-commerce strategy will provide the basis for dramatically improving e-commerce in the region. This could be critical to ensure African countries benefit from this rapidly growing sector, both in terms of participating meaningfully in the logistics supply chain, and by providing platforms for SMMEs and manufacturers to benefit from intra-regional trade and international exports through e-commerce. This will include implementing measures to modernise our customs services in line with the World Customs Organisation and capacitating our postal services through the UPU.

In addition, it is critical we also look at the ICT sector from the perspective of local economic development. How can we develop and nurture local production of ICTs, including both hardware and software, as well as in the creative industries?

We are fortunate to have with us today Mr Wamkele Mene, the Secretary-General of the AfCFTA to help us reflect on the opportunities of greater free trade within Africa, and the role of the ICT sector in strengthening regional integration. Mr John Omo of the African Telecommunications Union has also agreed to assist us to unpack the role of ICTs and the digital economy, both to support greater regional integration, and to flourish from it.

Lastly, we will have a number of experts who will provide short interventions on the topic of SMMEs and innovation. It is critical to our future as Africa, to find ways to unlock the potential of local innovation. We must create an environment that will allow our innovative SMMEs and entrepreneurs to flourish and to access regional and global opportunities. This will contribute to local economic development, with local innovation often creating solutions that are relevant for our local circumstances and challenges. Often such solutions can resonate globally too. Local innovation and SMME development can lead to an increase in our local intellectual property, higher value employment creation, and increased local and regional investment and production, as well as exports.

Encouragingly, at the ITU Digital World Exhibition and Forum last year, an impressive number of SMMEs from SADC were recognised for their innovative ideas at a global level. Appy Saude of Angola won the award for e-health. Companies from Botswana, Malawi, Mozambique, South Africa and Zambia were shortlisted in all the remaining categories, which is an impressive showing from our region. Clearly, we have great potential. However, more needs to be done to create an environment that is conducive, that will enable these creative and mostly young entrepreneurs to convert their ideas into a successful business.

In each of the preceding 3 years, young South Africa entrepreneurs have won awards in the ITU Digital World. In 2018 we dominated the prizes, winning the overall SMME global award, and 3 of the 4 category prizes. That year however, we took approximately 50 SMMEs to the event, as we were the hosts!

We need to harness the energy and creativity of our young aspiring entrepreneurs in the region. We must find ways to help them to develop their business plans and skills, and to create a supportive ecosystem that will allow them to develop. They need access to finance and to markets. Their success will encourage others and will unleash the creative potential of our youth to solve the developmental challenges we face. Our youthful population is a significant demographic asset. However, they need opportunities to shine.

Their success will assist in the upliftment of our people and our economies.

Ladies and gentlemen, I look forward to the insights and discussions that will follow on these important topics. May I take this opportunity to wish the discussants fruitful deliberations. I wish this high-level round table discussion a successful engagement which will not be an end in itself but will find expression in the manner in which we influence development in our respective countries.

I thank you.