



MINISTRY
COMMUNICATIONS AND DIGITAL TECHNOLOGIES
REPUBLIC OF SOUTH AFRICA

Private Bag X860, PRETORIA, 0001 – iParioli Office Park, 1166 Park, Hatfield, PRETORIA
Tel: +27 12 427 8000 – Email: Media@DCDT.gov.za URL: www.dcdt.gov.za

**MINISTERIAL WELCOME FROM THE DEPARTMENT OF COMMUNICATIONS AND DIGITAL
TECHNOLOGIES BY MINISTER MONDLI GUNGUBELE DURING THE AFRICA TECH
FESTIVAL 2023, CAPE TOWN, 14 NOVEMBER 2023**

Programme Director Your Excellencies:

Ministers of ICTs from Botswana, Guinea, Tanzania, and Zimbabwe The Deputy Minister of
Communications and Digital Technologies

Ambassadors, High Commissioners, and members of the Diplomatic Community The Secretary-
General of the African Telecommunications Union

The Director-General of the Department of Communications and Digital Technologies and all
Government officials present

The President of Huawei

The Chairpersons, CEOs and captains of industry, Distinguished guest, Ladies and Gentlemen,

All protocol observed

A warm welcome to the vibrant mother city- Cape Town. For more than a quarter of a century, the
city has stood as the perennial rendezvous, an annual pilgrimage for visionaries, business leaders,
tech luminaries, policymakers, and investors who spearhead Africa's digital transformation. This
year, the Department of Communications and Digital Technologies, South Africa is proud to be a
partner in the hosting of the biggest tech festival on the African soil.

For 26 years, Cape Town has become more than a venue; it is a nexus where ideas are forged,
partnerships are kindled, and the blueprint for Africa's digital future is continually refined by those
at the forefront of innovation and progress.

Cape Town serves as a microcosm of South Africa's complexities, embodying both the affluent and the indigent. From tech-savvy professionals and students to entrepreneurs, researchers and everyday citizens who enjoy the benefits of seamless communication, access to information, and participation in the global digital economy.

On the other hand, we are looking at individuals with limited resources to connectivity, poor digital literacy, preventing them from fully engaging with the online world. This demographic may miss out on educational resources, job opportunities, and the ability to connect with the global digital village to innovate.

And this remains the dire situation of Africa

The data from the International Telecommunication Union (ITU) underscores a notable digital divide between Africa and more developed regions, particularly Europe. While approximately **40% of Africa's population is connected** to the internet, Europe boasts a much higher internet penetration rate of 89% or more.

A large proportion of the African population (60%) is excluded from the digital economy due to physical infrastructure barriers or the limited availability of suitable and affordable digital applications and services.

Within South Africa, the **2023 ICASA State of the ICT Sector Report** provides a more nuanced perspective. A significant portion of the population, around 69%, can access the internet through mobile devices, showcasing the widespread use of mobile technology.

However, a notable disparity emerges when considering internet access from home, where only about 10% of the population has access to internet connectivity, be it through fibre or fixed wireless access.

This discrepancy indicates that while mobile connectivity is relatively prevalent, there is ample room for improvement in providing reliable and affordable home-based internet access.

This Africa Tech Festival present opportunities for meeting of minds to explore innovative solutions to intensifying rapid infrastructure development. Since last year's edition of Africa tech festival, we have rolled out more wireless sites and fibre networks in the continent. Africa's total inventory of operational fibre optic network reached 1,1 million kilometres by June 2022, and a further 119 thousand kilometres of fibre optic network is under construction; a further 125 thousand kilometres is planned, and another 69 thousand kilometres is proposed. This is complemented by the boom in submarine cables, with the Google Equiano boosting Africa's capacity by 144 terabits, making it the

largest of any installed submarine cables on the African continent. Huawei also supported the deployment of high-speed internet to Mount Kilimanjaro.

These partnerships are great example of meaningful collaboration, affirming that Africa remains a great investment destination hub.

As we transcend this journey of meaningful digital connectivity, we hope to see more emerging opportunities in the telecoms and networking industry than before, with focus on improving network connectivity in Africa, ensuring more SMMEs and new players build their businesses in Africa, and greater collaborative partnership in fibre and cloud services.

It is estimated rollout of fibre-optic backbone increases the GDP of African countries by up to 5%; further it increase productivity and efficiency. Yesterday, we released South Africa's "Fibre Broadband Initiative- unpacking the vision towards a gigabit Society in South Africa". This is the collaborative work between Digital Africa Council, Africa Analysis, the Department and Huawei: a great example of government-industry collaboration.

Added to the fibre deployment, is the growing demand for cloud platform services, especially in the era of digital transformation. The demand for data processing is growing rapidly. Thus, African countries are turning their focus to the cloud. The national cloud platform can serve as the foundation for a country's advanced technological innovation, and can greatly improve the capabilities of governments and enterprises to adopt new technologies

A few examples of this demand:

- Amazon recently announced it was launching its e-commerce service in South Africa—the second in Africa, after it operationalised in Egypt.
- in tandem, Microsoft and Oracle are also building and increasing their cloud services market.

According to the World Wide Worx "Cloud in Africa 2023" report, 61% of organisations are increasing their spending in cloud service – this is estimated at 5.5 billion US dollars. I acknowledge the expansion, many African countries have made significant progress in building cloud infrastructure.

- The State IT Agency of South Africa provides cloud services to over 28 government departments in the 9 provinces; and intends to roll out over 400 e-government applications by 2024.
- Kenya's Konza National Data Center has supported the migration of more than 200 government and enterprise applications to the cloud.

- Uganda's government has connected frontline government departments. Typical government services such as e-visa processing have been reduced from 22 days to 4 days.

According to digital research consultancy, Xalam Analytics, demand for cloud computing services in Africa is growing at between 25% and 30% annually. This compares favourably with Europe where compound annual growth rates (CAGR) is estimated at 11.27% between 2023 and 2028. In North America, the figure is 10.34%.

With the national cloud platform and cloud infrastructure, Africa is unlocking huge potential public and private cloud and the demand for cybersecurity enhanced systems is ever greater.

I am illustrating these initiatives and opportunities to show great potential in investing in Africa. As the continent with youngest population and fast-growing population- I repeat: we are both youngest and second fastest expanding in numbers (I may not be the perfect example), our prospects are promising.

What are the horizon anchors for Africa's digital development?

1. Real meaningful connectivity

As governments we have adopted national broadband strategies, with the intent to achieve broadband connectivity by 2025. In South Africa, the successful conclusion of the high-demand spectrum licensing process by the Regulator, ICASA in March 2022 marked a significant milestone in advancing South Africa's mobile broadband landscape.

The allocated spectrum is poised to play a pivotal role in facilitating the expansion and enhancement of both 4G and 5G networks across the length and breadth of our country.

Following hot on the heels of spectrum auction by ICASA, I gazetted the National Rapid Deployment Policy and the associated policy direction in March 2023. This marks a critical intervention by the Department to tackle challenges in the deployment of electronic communications networks and facilities, particularly focusing on broadband infrastructure such as fibre-optic cable and 4G / 5G sites.

A primary goal of this policy is to foster the rapid deployment of broadband infrastructure in a manner that is not only efficient but also cost-effective and environmentally responsible. By streamlining the deployment process, reducing bureaucratic hurdles, and promoting responsible practices, the policy aims to create an environment conducive to the swift expansion of essential digital communication networks across the nation.

This is a crucial step in fostering digital inclusion, empowering communities, and driving economic development across diverse regions.

2. Addressing digital constraints

In addressing digital constraints, last week in the Eastern Cape, we officially launched the SA Connect Phase 2 project, whose objective is to ensure that 80% of South Africans have a secure, reliable, and affordable high speed internet access by 2024.

Access to affordable data prices was one of the barriers for uptake to broadband services. South Africa carried a negative reputation of high data costs. But with the introduction of new players such as Internet Service Providers (ISPs), Wireless Application Service Providers (WASPs) and SMMEs, the data costs have reduced from 5 US dollars to 0.27 cents per gig of data. We anticipate this revolution to drastically reduce cost and make access more feasible. And our focus is in bridging the digital divide, by providing these services in rural and underserved areas.

The Department is now working on strategy to make devices more affordable – I invite you to partner with us in localising the manufacturing and assembling of smartphones and laptops so to accelerate digital adoption.

Ladies and Gentlemen,

The initiatives we've highlighted represent just a glimpse of the government's commitment to keeping South Africa at the forefront of the digital revolution. To achieve this, we must collaborate. As Government, we aim to foster a conducive environment for investment, and create a vibrant market for any business. As we gather here, we eagerly anticipate discovering new and innovative strategies that will propel Africa and South Africa's digital transformation to greater heights.

The rapidly evolving landscape of technology demands not just adaptation but proactive and innovative approaches. The department is delighted to partner with Africa Tech Festival – The home of AfricaCom and Africa Tech. Allow me to give my appreciation to James Williams and the sponsors for co-creating the 2023 edition.

I also wish to thank all participants, my colleague ministers from the continent, the exhibitors and partners who travelled from near and far. Together, we can ensure that South Africa and the broader African continent continue to rise to new heights in this era of unparalleled technological advancement.

I thank you!