

## **BUDGET VOTE 32 ADDRESS BY MS STELLA NDABENI-ABRAHAMS, DEPUTY MINISTER OF TELECOMMUNICATIONS & POSTAL SERVICES**

17 May 2018, Parliament, Cape Town

### **Theme: Building the 4th Industrial Revolution Army**

Honourable House Chairperson Minister Siyabonga Cwele Chairperson & Honourable Members of the Portfolio Committee The Director-General Chairpersons and CEOs of State Owned Entities Captains of the Industry Members of the media Ladies and gentlemen Molweni, Dumelang, Avuxeni, Ndi Matshihari, Good Afternoon, Goeie Middag. Introduction A few weeks ago, South Africa and the global community paused to salute Mama Winnie Madikizela-Mandela who was the first Deputy Minister of Arts, Science and Technology in 1994. During her tenure she pioneered youth and women's programmes in Science and Technology. As we deliver this budget vote under the theme "building the 4th Industrial Revolution Army", let us remember that before 1994 there was no dedicated Ministry of Science and Technology, hence the ANC, in its ready to govern policy document of 1993, saw technology as a critical ingredient for the 21st Century knowledge economy.

Compatriots, President Ramaphosa emphasises that our most grave and pressing challenge is youth unemployment. Accordingly, at the centre of our national agenda in 2018, is the creation of jobs and "reskilling revolution" especially for the youth and women. In the age of Artificial Intelligence, Big Data and Machine Learning; reskilling our young force is imperative. The 4th industrial revolution is upon us, on the other side millennials of Africa are the biggest group in the world today. By 2030, African millennials will be 25% of the world youth workforce. It is for this reason that we need to prepare our youth for this digital knowledge driven future. A Report on the 2017 Budget Vote Commitments House Chairperson, In the previous year, we made commitments and we are happy to give you a report on the progress made. Cabinet approved the iNeSI Bill and it is now before parliament. Cabinet further approved the ICT SMME strategy and the accompanying implementation plan is finalised.

The Digital Development Fund Bill will be taken to Cabinet for approval of public consultations to commence. The fund will play a major role towards the realisation of a connected South Africa and support the development of ICT SMMEs. Through USAASA:

- 14 primary health care facilities and 89 public schools, have been connected at Mhlontlo Local Municipality.
- In the King Sabata Dalindyebo (KSD) Local Municipality, 25 primary health facilities and 204 schools, have been connected.
- 277 sites are yet to be commissioned and these will be operational by the end of June 2018. This year, USAASA will rollout broadband infrastructure for Ngquza Hill and Port St Johns Local Municipalities; thus completing OR Tambo District Municipality rollout. The network infrastructure for Impendle and Nyandeni is complete and services are being rolled out at schools, clinics, government offices and hotspots. Honourable Members, The digital divide is most pronounced in rural South Africa. Citizens are still subject to low levels of connectivity, and at prices which are not affordable to them. To this end the department, through Broadband Infracore and SITA, will collaborate with the University of the Western Cape and its Non-Profit spin-off, Zenzeleni Networks Mankosi, to deliver affordable internet to rural

communities in the Eastern Cape. As part of our SMME strategy, we will extend the current network in Mankosi, by initiating community-based ISP co-operatives, who will own and manage their own network.

This community ownership model advances components of the ICT Development Index and development goals highlighted in the White Paper. The model further addresses the key barriers for universal access which the department's Internet for All project seeks to address. In terms of schools connectivity, since the inception of the programme, 4366 schools have been connected through the universal service obligations for mobile operators. This includes 1115 schools connected in the last financial year. This year, 200 more will be connected, with the focus being on special needs schools. On cybersecurity, the youth-targeted hackathon was conducted during Govtech and the locally developed Business Intelligent tool is now operational. Furthermore, we have developed the cybersecurity National Skills Framework which will be formally adopted in this financial year. We have also developed the Cybersecurity Awareness Portal, which is a repository for all Cybersecurity Awareness materials and programs.

The 2017 cybersecurity readiness survey was conducted. Its report provides a baseline understanding on national cybersecurity readiness; and identifies interventions that need to be undertaken to improve the country's threat posture. This year, we will focus on monitoring the increased service offerings and operations of the Cybersecurity hub; developing local cybersecurity tools; and on interventions that harness the cybersecurity SMME sector. Honourable members, On e-skills, the target was achieved with NEMISA having trained over 7500 people on various ICT skills. In partnership with three universities, SENTECH is also developing skills in preparation for the 4IR. The entity has also established a research and innovation group focusing on developing new solutions for customer problems. The department collaborated with .zaDNA to offer an Internet Service Provider (ISP) training programme to 396 young people in rural and peri-urban communities.

Furthermore, zaDNA has developed an integrated system that enables CIPC users to reserve .ZA domain names at the time of registering companies. To date, more than 1000 domain names have been registered through the CIPC platform. Lastly, the e-skills summit was held in Mpumalanga in March 2018. As an outcome, a 2-year National e-Skills Plan of Action (NeSPA) document will be finalised in July 2018. Building the Fourth Industrial Revolution Army Distinguished guests, The 2005 World Summit on the Information Society held in Tunis, anticipated that we are at the brink of a technological revolution. This 4IR era has indeed emerged with advantages and disadvantages that have a direct and indirect impact on the country's skills sets, thus rapidly transforming the world around us and will drive the world economies; AND this revolution will be driven by the youth. As you might have seen from online news and media in the recent past, there has been turmoil in cryptocurrency environment. While Blockchain is a great distributed technology that can close the financial divide, Cryptocurrency still requires both entrepreneurs in this field, financial regulators, internet policy makers and broader stakeholders to clearly define rules of the game. Members of the public and you honourable members must be very careful, this nascent environment still requires regulatory and policy clarity. Capacity building and skills development are, therefore, a critical measure towards preparing for the 4IR and ensuring that we meet the goals set out in the National ICT Integrated Policy White Paper.

As part of building internal capacity, a number of DTSPS and ICASA employees will be identified for Policy and Regulation capacity building programmes to enable them to respond to 4IR challenges.

Youth Development and Skills Training House Chairperson, There is a significant mismatch between how institutions of learning prepare their students and the skills demanded in the labour market. It is my conviction that young people – budding entrepreneurs, graduates who account for 7% of the unemployed, students and learners – are hungry for practical measures, which will enable their sustainable participation in the digital economy. In this respect, and in line with the conclusions of the Tunis Summit, we will embark on an extensive skills development programme aimed at training one million young people by 2030 on the following data science skills:

- Robotics;
- Artificial Intelligence;
- Coding;
- Cloud computing; and
- Networking. This requires a collaborative effort between government and the private sector. Through these training programs, the youth must take charge of their future to become entrepreneurs and form cooperatives. This revolution must unleash the potential in our youth. Honourable members, This year, NEMISA will facilitate ICT training for over 7000 people. In our midst are two beneficiaries of the NEMISA programme. Firstly, we have Sandile Banjwa who is the Founder of Usiba Loluntu and a beneficiary of the coding program, currently working with the Western Cape CoLab to conduct training programmes on coding and cyber security. Secondly, Yaseen Khan is a Master's student from the UKZN CoLab whose research project on the #FeesMustFall Twitter Campaign found intriguing evidence of software robots commonly called bots which were deployed to drive public sentiment. I invite them to stand! Through .zaDNA, we will train 155 youth throughout the country, which includes 20 in two correctional facilities on ISP, specifically domain name reselling. During Youth Month, together with the Deputy Ministers of Trade & Industry, Small Business Development, Communications and others, we will conduct a youth walk for economic opportunities in the Gert Sibande District in Mpumalanga. This inaugural, inter-departmental event will include training programmes and enable young people to apply for bursaries, develop CVs, business plans and proposals, apply for jobs, register companies and domain names, open bank accounts and apply for government services on wheels. We will replicate similar programmes in other provinces; and we invite all stakeholders to be part of these milestone events. Honourable Members In building the 4IR army, we will together with our partners, implement programmes targeting women, children, people with disabilities and SMMEs. These include digital literacy training for 100 women per province and "Girls-who-Code" program, targeting 100 girls. Indeed, there is no capable army without women! We will further host a National ICT Accessibility Symposium in Mafikeng, North West, as well as a comprehensive Child Online Protection Programme in collaboration with Child Line SA.

As part of implementing our ICT SMME Strategy, working together with the dti and DSBD, through our entities, .zaDNA and SEDA, we will facilitate the establishment and capacitation of 30 SMMEs in the NHI districts to become Internet Service Providers. Lastly, we will build relations with the Venture Capital community such as Southern African Venture Capital and Private Equity Association, SAVCA. A partnership between the Digital Development Fund and SAVCA is critical in particular with regards to supporting Black Start-Up firms and SMMEs. In this regard, 20 ICT SMMEs will be trained. International Engagements and Partnerships Honourable members, Concurrent to SADC objectives such as

strengthening regional economic development, the country's foreign policy priorities Africa's development. As mentioned by the Minister, South Africa will host ITU Telecom World in Durban.

A key legacy project for this conference is the African Centre for the Fourth Industrial Revolution. Whilst located in South Africa, the centre will service Africa to ensure that the continent is at the cutting edge of ICTs. This centre will further enable conformance standards testing of technologies such as 3D printing, biotechnologies and blockchain, amongst others. It will also enable the development and manufacturing of local technologies; and participation of SMMEs in the innovation value chain. Hosting of the ITU Telecom World and BRICS ICT Ministers' Meetings will further expose 40 ICT SMMEs to opportunities through exhibition at the SA pavilion and participation in the ITU Global Awards. Following ITU Telecom World, UAE will host the Plenipotentiary conference of the ITU. One of the critical debates at this year's Conference is 5G; and as a department, we are actively engaged in all these processes. Honourable members, South Africa is pursuing candidature for the Council of the ITU, which is the highest decision making body of the Union and holds the key to being part of decisions that bring about transformation in the ICT landscape. South Africa is currently the Chair of SADC and as part of playing an active role in regional activities, we are at the forefront of supporting our candidate, Dr. Cosmas Zavazava from Zimbabwe for the position of Director of the Development Bureau of ITU. Corporate Social Investment Compatriots, Creating the 4IR army requires teamwork, partnerships and collaboration.

Working with our SOCs and the private sector, we will consolidate CSI initiatives focused on universal access for rural and underserved areas in a coordinated manner. To this end, we have constituted a departmental task team and are finalising stakeholder consultations on a 'Smart District' consolidated CSI approach. As I move towards conclusion, I call upon all young people not to allow themselves to be swept along only by negative headlines and public discourse. Discover for yourselves how we are planning to move South Africa forward and the role you can play in this radical economic transformation movement of the 4IR Army. Conclusion The 100-year anniversary of Madiba's life provides us with a unique opportunity to reflect on the values that he left us with. In closing, I take this opportunity to express my sincere appreciation to my husband – Thato Abrahams and our lovely children for the support that you continue to give me. Minister Cwele for his stewardship and steering the industry towards achieving the sector-specific NDP Goals. Efforts of the private sector in enabling a connected society. The DG and departmental staff, for your commitment and dedication; DTPS entities for playing your part as the delivery arms of government. I therefore command all our soldiers in the Department to marshall our forces towards the 4IR.

I thank you.