



small business
development

Department:
Small Business Development
REPUBLIC OF SOUTH AFRICA

SPEAKING NOTES FOR THE SAMSUNG INNOVATION CAMPUS PROGRAMME, 17 February 2023

**Programme Director
WSU Leadership and officials present
Samsung Representatives
Students, honoured guests
Ladies and Gentleman**

The Fourth Industrial Revolution represents a new era of innovation in technology. It enhances and unlocks new market opportunities and fuels growth across the global economy. To unlock the opportunities associated with the 4IR, we need the skills and human capabilities. Here we need to gear up our basic and higher education system to be future fit.

Government has three major policies that have been developed to ensure we optimise the 4IR. These include the National Development Plan 2012, National Broadband Policy 2013 (South Africa Connect) and the National Integrated Strategy on ICT Policy White Paper 2016. The NDP: proposes an ICT sector by 2030, that is inclusive and dynamic expanding the knowledge economy, the National Broadband Policy: emphasizes an integrated approach regarding supply and demand to achieve the NDP goals and, whilst the White Paper aims to achieve universal access through quality services, devices, infrastructure, and content made available to all citizens to enable economic growth, employment, and wealth creation.

As some of you know, I previously served as Deputy Minister and later Minister of Communications and Digital Technologies. These policies and their intent to transform our society are still very close to my heart.

4IR will enable massive new opportunities for all sectors of the economy. The past decade has recorded huge economic developments with the sector contributing

approximately 15% to the global GDP (\$11.5 trillion) in 2016 and expected @ 25% in about 5 years. ICT-related employment grew by 5 million jobs 2010-2015.

In South Africa, the digital economy is estimated @ 3% to GDP (\$12 billion) (DoC, 2020). Digital technologies offer South Africa a chance to unlock new pathways for rapid economic growth, innovation, job creation and access to services. At the same time, there is the very real risk of a growing digital divide. Digital transformation requires a concentrated effort to build up the core foundations of the digital economy, including digital infrastructure, digital platforms, digital skills, digital payments and an environment supportive of digital business and entrepreneurship. A simultaneous effort will be needed to ensure cybersecurity and an open digital market.

We must not be consumers of digital products and services produced elsewhere. We need to invest in innovation, and develop and adapt technology that meets our socio-economic needs – in energy security, improving agriculture, health care and education. We must ensure that the youth in the African continent are enrolled to study computer science, technology, engineering, and math and other technical fields. A strong pipeline of graduates in these fields is crucial to support the growth of online businesses and the transition to online businesses.

There is no doubt that sufficient supply of advanced engineering talent needs to be produced by academic institutions. The demand for professionals skilled in data science and advanced analytics has grown exponentially.

Our South African reality is that the country is already faced with huge unemployment challenges, with the majority of our population being employed in lower-skilled jobs. Of concern is our digital economy, with skills shortages especially within the context of job creation and the promotion of local businesses.

4IR is key to addressing our economic competitiveness. In 2020, South Africa ranked 59th out of 63 economies in the Institute for Management Development's (IMD) World Competitiveness Yearbook - its lowest ranking since the inception of the yearbook.

In the IMD's digital ranking results, which measure the capacity and readiness of economies to adopt digital technology, South Africa ranked 60. Its overall top weaknesses were listed as digital and technological skills, as well as higher education achievement. This information is hard to swallow, but on a positive side – it tells us

where we need to focus. This must be at the centre of our collective efforts going forward, around which partnerships must be built.

In this regard, we are grateful to Samsung for stepping up, in partnership with WSU to avail much needed opportunities for our young people and arm them with valuable skills for the future economy.

While a lot of employed people are improving their skills set for a digital world, there are also thousands of digitally illiterate school leavers who graduate each year. Apart from the lack of digital skills training at schools, we have to consider an improved technical education system so that people are equipped with the skills they need to be productive and competitive in the digital age. Youth who fail to develop these higher-order skills will increasingly find themselves excluded from opportunities.

According to SERR Synergy 2019, 5,7 million jobs in South Africa will be digitally automated within the next 10 years. By 2030, robot automaton will fill approximately 800-million employment positions globally. In the SA context where nearly two-thirds of young people aged 15-24 are without a job, this could be catastrophic if we fail to pivot around 4IR. We need to make sure as lose jobs to automation, we at the same time create new opportunities through digitalization and 4IR. This initiative by Samsung and WSU is an important step in the right direction.

We welcome this initiative to provide future skills and give students practical understanding of the technologies that will shape their future. We have our own incubation and youth start-up support programme as the DSBD, which need to synergise with this initiative. We are committed to Government's MTSE target of supporting 100,000 competitive SMMEs and 10 000 youth-led businesses each year. We will target entrepreneurs from townships and rural areas.

WSU is a family to me, and through this initiative, we have gained a friend in Samsung. May this partnership continue to prosper and yield many sustainable and innovative entrepreneurs in the region and country.

I thank you