



**MINISTRY OF INDUSTRIALIZATION, TRADE AND ENTERPRISE
DEVELOPMENT**

OFFICE OF THE CABINET SECRETARY

**CABINET SECRETARY'S KEY NOTE SPEECH DURING THE SWEACC
BUSINESS & INVESTMENT FORUM**

THEME: *DIGITALISATION FOR SOCIETAL DEVELOPMENT IN EAST AFRICA*

WEDNESDAY, 27TH APRIL 2022

08:45-11:00 EAT

NAIROBI SERENA HOTEL

Salutations

Dr. Peter Mutuku Mathuki, Secretary General, the EAC. (TBC)

Hon. Francis Mwebesa, Minister of Trade, Industry & Cooperatives, Uganda.

Dr. Richard Masozera, High Commissioner of Rwanda in Kenya.

Amb. Johnson Weru, Principal Secretary State Department of Trade.

Mr. Ally S. Gugu, Deputy Permanent Secretary (Investment), Ministry Investment, Industry and Trade of Tanzania

Amb. Louise Bergholm, Ambassador for Trade – Africa Department, Ministry of Foreign Affairs of Sweden

Mr. Jan Furuvald, Chairman, the Swedish East African Chamber of Commerce.

Ms. Flora Mutai, Chairperson, Kenya Private Sector Alliance.

Representatives from:

The **Tanzania Chamber of Commerce, Industry and Agriculture (TCCI)**;

The **Uganda National Chamber of Commerce and Industry (UNCCI)**;

The **Kenya National Chamber of Commerce and Industry (KNCCI)**;

Kenya private sector Alliance (KEPSA);

Rwanda's Private Sector Federation.

Private Sector representatives from the East African region and from Sweden.

Distinguished Guests

Ladies and Gentlemen

- It gives me great pleasure to join you this morning for this year's **Swedish – East African Chamber of Commerce Business and Investment Forum** (SWEACC- Business Forum).
- This is a great opportunity to further **strengthen our ties**, and for all the Countries represented here, this annual forum is an **important platform** for **exploring and building lasting and mutually beneficial partnerships**.

Ladies and Gentlemen

- I have taken note of the theme for this year's conference which is; **“Digitalisation for Societal Development in East Africa”** and I must say that it is quite befitting of our current circumstances.
- As we have all seen, the **COVID-19 Pandemic** has **altered** our **personal and professional** lives quite **profoundly**, and most of these changes will **stay with us long into the future**.
- Whereas the past decade has witnessed **a surge of innovations** that have **intertwined our personal and our digital lives** inseparably, the **COVID-19 Pandemic** has **further accelerated these changes** and made them **even more imperative**.
- Increasingly, we have seen **technology play a much bigger and more important role in all spheres of our lives**, and it, therefore, goes without saying that **technology and technological innovations** will become even **more integral** to how we live and what we do.

Ladies and Gentlemen,

- I am truly gratified to see that the focus areas of this year's forum; - **Healthtech; Edutech; Fintech; Greentech and Agritech** - are Africa's critical **high-impact sectors**, which if fully unlocked, can **unleash our full potential** and bring us to the **realization of our development objectives** as a region and also as a continent.
- To achieve this, it will be necessary that we **harness innovation** and the **potential** brought by **digital technologies**. This prerequisite will also be crucial for the **continent's recovery** from the effects of the **COVID-19 pandemic**.
- If you may recall, at the **height of the Pandemic, digital technologies** were at the forefront of **fighting the health crisis** (for instance by tracking the virus), as well as the **socio-economic crisis** by ensuring continuity in **education, business, and family** links.
- While it is clear that **digital solutions** can definitely bring **efficiency gains** and **improve competitiveness**, experiences during the pandemic are also highlighting the **challenges of the digital divide** in many African countries, which has **not allowed Africa to fully benefit** from this opportunity.
- For instance, only **28%** of Africa's almost **1.4 Billion** population has **access to the internet**. However, this low number also presents the **largest potential for progress**.

Ladies and Gentlemen

- The **Fourth Industrial Revolution** — characterized by the **fusion of the digital, biological, and physical worlds**, as well as the growing utilization of **new technologies** such as **Artificial Intelligence, Cloud**

Computing, Robotics, 3D Printing, the Internet of Things, and Advanced Wireless Technologies, among others—has ushered in a new era of economic disruption and opportunities for Africa.

- Africa is seizing the opportunities offered by the digital revolution and moving **beyond existing models of innovation, entrepreneurship, and digital growth**. There is a recognition of the **need to leverage** and **avoid the risk of falling behind**, further exacerbating the global **“digital divide”** and **lowering our global competitiveness**.
- The **Transformative Potential** of the **Fourth Industrial Revolution in Africa is substantial** and will accelerate **economic growth** and **structural transformation**.
- Investing in **broad-based digitalization, geographically** and at the **sector level**, has become a **key success factor** to address **socio-economic challenges** to unlock **development** and **economic growth**.

Ladies and Gentlemen,

What can digitalisation do for Africa?

- **Digitalisation is reinventing labour, skills, and production:** By 2030, **Africa’s potential workforce** will be among the **World’s largest**. Therefore, paired with the **needed infrastructure** and **skills for innovation** and **technology use**, the Fourth Industrial Revolution represents a **massive opportunity for growth**.
- **It is also increasing financial services and investment:** Digitization has impacted **economic growth** through **inclusive finance**, enabling the unbanked to **enter formality** through **retail electronic**

payments platforms and **virtual savings** and **credit supply technological platforms**.

- Digitization is enabling entrepreneurs and businesses to **rethink business models** that are more **impactful, sustainable, and connected** to other sectors of the economy.
- For example, with **fintech**, digitization has gone **beyond the financial sector** to affect the real sector and households, **transforming product designs** and **business models across market segments**.
- Businesses are able to **design products and trade online**, and **individuals** are able to **operate financial services and payments** for shopping and investments. **Governments** are also **migrating to online platforms** to conveniently provide public services.
- Other digital technologies are also having an impact. For example, in **Kenya**, Blockchain has enabled **efficient verification of property records and transactions** and **expanded access to credit** in some previously **informal sectors** of the economy.
- **Digitalization can exceptionally modernize Agriculture and Agro-Industries:** Africa has **yet to harness the full potential** of its agricultural sector, and digital technologies provide an opportunity to do so.
- Farming alone accounts for **60 percent of total employment in sub-Saharan Africa** and the **food system** is projected to add **more jobs** than the rest of the economy between **2010 and 2025**.
- Information on **competitive pricing, monitored crop information, disease prevention tips, and disaster mitigation** support has the potential to **transform the agriculture sector to improve income, production, and demand** throughout the continent. Furthermore,

as **incomes rise** across the continent, **growing consumer demand** for food and beverages will coincide with **business-to-business growth** in **agro-processing**.

- African entrepreneurs and start-ups are also using **the Internet of Things** to help farmers **optimize productivity** and **reduce waste** through data-driven “**precision farming**” techniques.
- **Digitalisation can significantly improve health care and human capital:** Our countries face numerous **health challenges** exacerbated by **climate change, limited physical infrastructure,** and a **lack of qualified professionals**. Digital technologies can help **mitigate these threats** and build **sustainable health care systems**, especially in fragile states. Mobile technology has become a platform for **improving medical data and service delivery**, and **illness detection** and **pharmaceutical production** have most immediately benefited from digitization.
- **Finally, education and training will be increasingly virtual: Remote Learning Technology and Online Courses and content** provide **greater access**, thereby “democratizing” education, particularly in critical STEM disciplines, by making **quality education available to students everywhere**. It is also expected that we can further expand **vocational training** services to address critical areas of need in **different sectors** in our respective countries.

Ladies and Gentlemen,

- As I conclude, let me re-affirm that digitalisation, while **changing Industry significantly**, is also offering us **new ways to tackle social challenges, boost economic growth,** and be **transformational**. It, therefore, presents significant **opportunities**, and the key question for us is **how to position our economies to benefit from it while managing the challenges that it presents**.

- We need to fix the **labour-skills mismatch** by investing in education and re-skilling; we need to reinforce **state and institutional capacity** to **drive and support innovation**; and finally, **develop physical and digital infrastructure** critical not only for **upgrading technology** in the region but also for **reaching and lowering unit costs for the underserved**.
- This calls for a **stronger collaboration** between the **public and private sectors**.
- Towards this, the East African Community is keen to continue **creating an enabling investment environment** for both public and private sector investors, **through appropriate policy measures** and **targeted transformative actions**.
- The **EAC Common Market** and the **African Continental Free Trade Area** offer **unique opportunities** to **enhance governance** around digitalisation. With **aligned policies and procedures**, the region and the continent can adapt to the rapid changes and leverage them to **accelerate participation in global value chains and for our mutual socio-economic development**.
- I, therefore, welcome and encourage you all to continue **identifying new niches for investment and Industry**, and to **work with us** to **address emerging issues** in our **legislative and regulatory** frameworks, so that together we can **maximize the opportunities** that digitalization has presented to us, for our **mutual good**.

I thank you very much.

END