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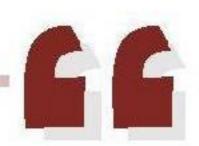
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as offering potential employment opportunities. To harness this untapped potential, the Department of Communications and Digital Technologies has devised a Digital Economy Master Plan and is currently engaging various stakeholders to ensure the plan's implementation.



The Digital Economy
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economic contribution
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GDP per annum

"The Department's vision is to see all South Africans digitally empowered to create and participate in tech-enabled opportunities that drive inclusiveness, employment and economic transformation across our cities, towns and provinces," – Hon. Ndabeni-Abrahams.

"It is envisaged that the implementation of the Digital Economy Master Plan will see the achievement of economic contribution upwards to 4.5% of GDP per annum, creation of 1 million jobs over the next 10 years, [and] create massive opportunities for SMMEs."

## Zoning for sector growth

According to Minister Ndabeni-Abrahams, developing the ICT sector to produce locally manufactured products is a key focus for the Department: 'The sourcing of locally manufactured products remains a key priority focus under the Department's Digital Economy Master Plan and the 4IR Programme. Together with the industry, we have identified a number of products that can be locally produced: these include phones and accessories; manufacturing of components for infrastructure/5G network expansion; sensors and telematics which includes lidar, smart metres for water and electricity and other tracking applications; and satellites and drone components."

To ensure the development of locally manufactured products, the Department plans to boost the ICT sector through the creation of a special economic zone (SEZ). SEZs are geographically designated areas of the country set aside for specifically targeted economic activities, supported through special arrangements and systems that are often different from those that apply in the rest of the country. The Department of Trade, Industry and Competition is the custodian of the Special Economic Zones programme and aims to use these

SEZs to increase trade, investment and jobs through special incentives such as a preferential corporate tax rate, employment incentives and relief from VAT and customs and excise duties.

The creation of an ICT SEZ is expected to boost the local production of technology and products such as cellphones, tablets and related components.

"As part of the implementation of these programmes, the Department is working with the Department of Trade, Industry and Competition (DTIC) to facilitate the establishment and operationalisation of an ICT Special Economic Zone. To date, suitable land has been identified where this SEZ will be situated. The two Departments are working towards the digital products for local manufacturing, with government procurement capacity being utilised as a lever to enable the sector," - Hon. Ndabeni-Abrahams.



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## Creating a skilled youth

But to grow the sector, skills development will remain at the forefront of the Department's plan. To keep up with the speed of change in science and technology, the Department has developed the National Digital and Future Skills strategy. This strategy aims to establish an education and skills development ecosystem that provides all South Africans with the required skills to create and participate in the digital economy.

"We are partnering with both the public and private sector, with the intent to bridge the digital divide. For this reason, our training programmes will be conducted everywhere in South Africa including the remote areas", Minister Ndabeni-Abrahams commented.

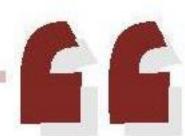
To this end, the Department will collaborate with the Department of Higher Education and Training to train around 20 000 young people in the Fourth Industrial Revolution and related skills. Over the next year, six Technical and Vocational Education and Training (TVET) colleagues in the Eastern Cape, Mpumalanga, Limpopo, North West and KwaZulu-Natal will be included in the training programme.

"We are deliberate in exposing and stimulating the young minds in these TVET colleges to be innovators and not just endusers of technologies", said Hon Ndabeni-Abrahams.

"We are also working with the Department of Employment and Labour to train 73 000 unemployed youth. Our model pools together a given craft, skill and entrepreneurship such that every learner finishes their training already having an exit strategy."

To bolster these efforts, a partnership with the Digital Council for Africa will see young people from Eastern Cape, Mpumalanga and Limpopo trained in fibre splicing.

"Never again, shall our youth be only trench diggers. Already we have trained 12 young people, and the Council is in a process of placing them in various companies. More of these young people will be benefiting from this partnership," – Minister Ndabeni-Abrahams.



The South African ICT industry contributes an estimated **4%** of the country's GDP

## Building a connected economy

Training the youth to take up jobs in the industry is essential for future economic performance, as the sector holds the key to creating numerous job opportunities. To encourage this growth, Hon. Ndabeni-Abrahams has announced that R27-billion has been pledged collectively by the operators and vendors to expand the 4G network and to deploy the 5G and fibre technologies in South Africa.

"This network expansion is also extending to rural and

underserved areas, which will benefit communities and create jobs", she said.

"In line with the government's vision of connecting 80% of public buildings by 2024, our entities will connect 6687 sites across the country. Through investment in digital infrastructure expansion, 5920 jobs have already been created by the sector and it is envisaged that there will be an increase of at least 25% of this target."

While the ICT sector holds great promise for creating future job opportunities, it holds the promise of aiding in the country's economic recovery after the effects of Covid-19. The sector has proven itself to be reasonably resilient in light of the pressures caused by the pandemic, compared to other sectors relying on consumer activity. This resilience is no doubt rooted in the role connectivity plays in supporting economic and social activity across the country.

But even before the pandemic, the sector played a vital economic role. The South African ICT industry contributes an estimated 4% of the country's GDP, which equates to around R194-billion.

Encouraging growth in the ICT sector will not only lead to a more robust industry, capable of supporting high levels of employment and creating significant economic revenue but will also enable other industries to grow by providing a foundation for e-commerce and connectivity.