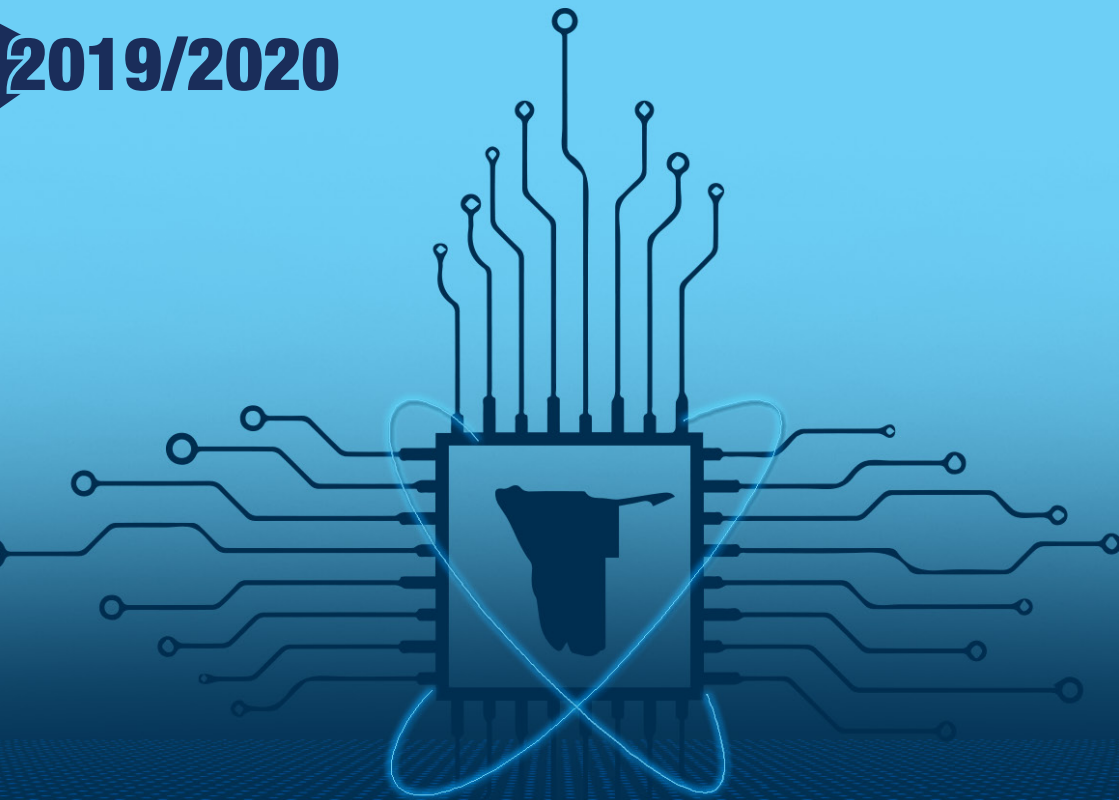


2019/2020



# BUDGET STATEMENT FOR VOTE 29

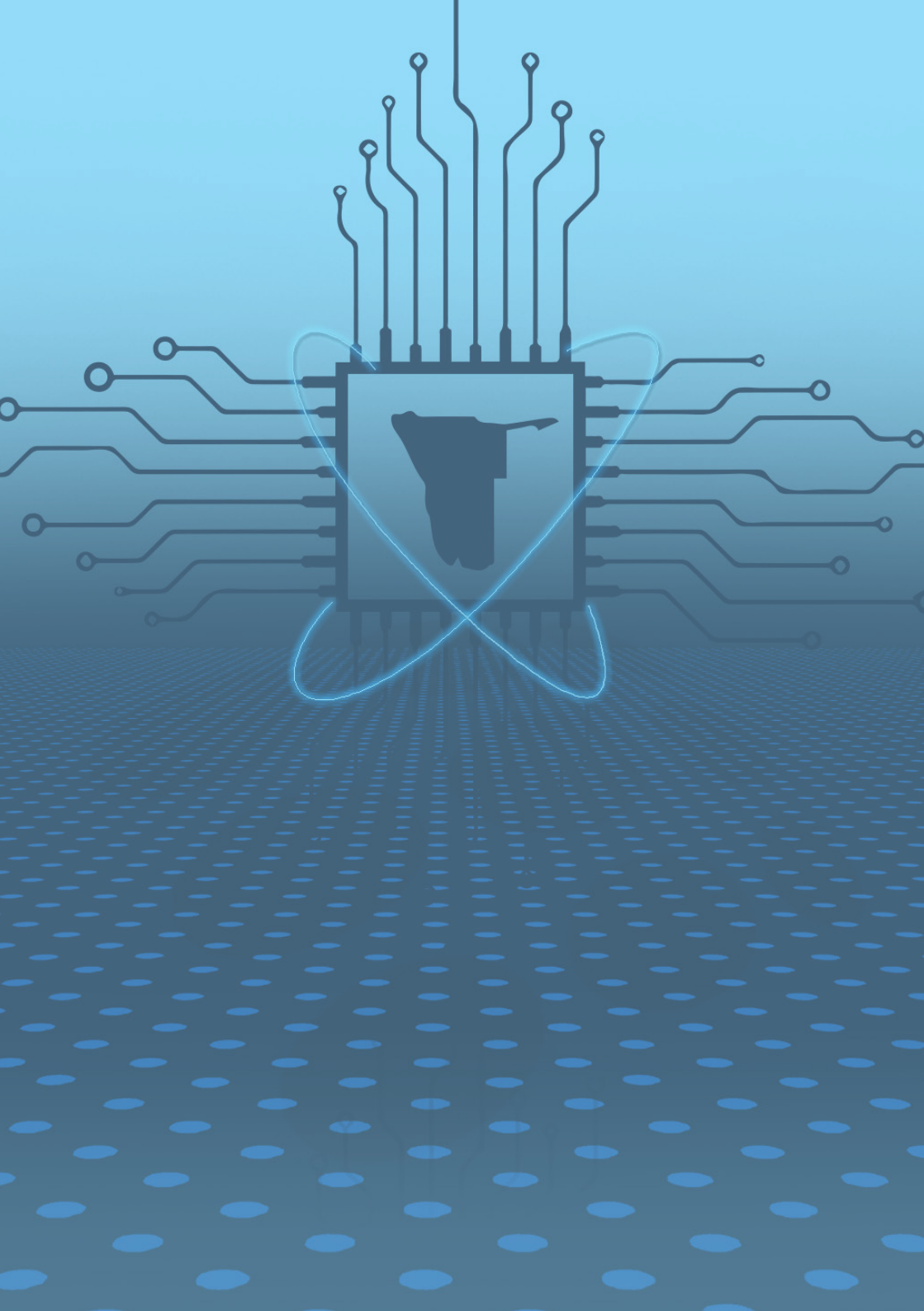
**BY:**

**HON. STANLEY MUTUMBA SIMATAA, MP**

MINISTER OF INFORMATION AND COMMUNICATION  
TECHNOLOGY

“ACCELERATING DIGITAL TRANSFORMATION”





## 2019/2020 BUDGET SPEECH

Hon. Chairperson of the Whole House Committee  
Hon. Members

Once again have the privilege to present Vote 29. In doing so, let me first offer my gratitude to the Hon. Ministers of Finance and Economic Planning and Director General of the National Planning Commission and their able teams for placing before this Assembly an Appropriation Bill whose allocations are aligned with the set national priorities. I know for a fact that this was not an easy task. The negative rhetoric from certain quarters on the budget as tabled, is not surprising at all, as some of the critics operate in their own realm which may be far detached from reality!

2. That said, this year I am presenting Vote 29 under the theme “**Accelerating Digital Transformation**” to once again draw attention to the need for sustained focus on the imperative to accelerate the provision of digital products and services. We need to embrace the digital economy as the preferred conduit to deliver our economic and social development agenda. Many commentators have asserted that ICT is the nexus of economic and social transformation. Digitalisation forms part of a plethora of technological advancements ushered by the advent of ICT.

A quick scan of the global economy, reveals that the digital economy is the bedrock of many economies worldwide. In the case of Namibia, while the digital economy's contribution to our country's GDP is minute, in most resilient economies such as the USA, China & Europe, the contribution of the digital economy to the country's GDP, stands at 13 -25 percent and still rising! In 2016, a Report published by Oxford Economics entitled “Digital Spill Over” established that the digital economy worldwide was worth USD 11.5 trillion or 15.5% of the global economy. This is expected to grow to 24.3% of the global GDP in 2025. In essence, economies that continue to ignore the immense benefits of the digitalization, risks stagnation, ultimately insolvency! I do not fathom Namibia being one such economy when our country is endowed with modern ICT infrastructure not to mention adequate broadband through WACS which meets the fundamentals for digital operations.

Hon. Chairperson of the Whole House Committee  
Hon. Members

3. ICT infrastructure initiatives embarked upon such as the improvement and expansion of connectivity in rural areas, are enormous investments in the ICT sector that should, over time, yield dividends by triggering the desired adoption of digital products and services. In advocating for the acceleration of digital operations, one is not oblivious to the need to address lingering affordability, reliability, quality and security concerns of our networks. However, these are issues that should and must be addressed methodically without impairing our digital transformation initiatives! The imminent tabling of the Electronic Transactions Bill, coupled with heightened efforts to conclude the development of the Broadband Policy, the Cybersecurity and Data Protection Bills, are all aimed at providing agile and comprehensive policy and legislative frameworks that will effectively regulate digital operations. Additionally, the Ministry is hard at work to articulate a comprehensive national digital policy and strategic framework that will illuminate the path for digital operations in our country. However, in order to keep the current momentum on digitalisation, the Ministry will soon engage a host of stakeholders both in the public and private sector, to generate a range of products and services that should be prioritised. This is necessary to provide clarity and ensure orderly and appropriate sequencing of products and services to be digitized in different sectors.

4. With the 4th Industrial Revolution having dawned on us, we cannot afford to be benign to technological advances. We must sharpen our appetite and rekindle our passion and hunger for digital operations. In the face of rising unemployment, we need to take advantage of emerging job opportunities. The United Nations Conference on Trade and Development (UNCTAD, 2017 Publication on Information Economy Report (Digitalization, Trade and Development) speaks of four sets of changes to the labour market to be expected. These are: job creation, job destruction, job changes and job shifts. Hence given the pervasive unemployment rate, economies must embrace emerging jobs in cyber security, software developers, hardware designers, data scientists and developers of applications. In the same vein, we must strive to create an ecosystem that will support young innovators and entrepreneurs. A system that will nurture and embrace credible innovation outcomes that have potential to morph into large scale enterprises in Namibia and beyond.

During the 5th National ICT Summit held at the Safari Hotel last year, young people displayed an array of applications and innovations which can assist those involved in different sectors. Such innovations amongst other things included:

- The School Payment and Receipt System;
- Maggy's Infinite Employees' payroll system focuses on improving the payment method of the business and highly designed to ensure that only authorized users have access to stored information.
- Playbit App is an internet based music streaming service catering for a huge collection of Namibian music catalogue widely open to subscribers and normal users with many custom dynamic playlists and charts.
- Coffee Times App is a proudly Namibian Advertising Application, whose aim is to grow Namibian businesses into well-known global brands.
- 3D Animation is at the heart of games and virtual reality, but it may also be used in presentation graphics to add flair to the visuals. 3D objects appear in a three-dimensional space, 3D objects (models) are built on the computer monitor (modelled) and all frames are rendered after the modelling is complete.
- Katoshe D30 & Village Power solar charger is a Namibian manufactured mobile phone specifically designed for village use and can be operated in five native Namibian languages namely; Silozi, Oshiwambo, Rukwangali, Otjiherero and Damara/Nama.
- An automated irrigation system for crop farmers in Namibia availing data onto a web-page in chart formats where farmers can analyse to find certain patterns, and therefore help to maintain and improve crop production.
- Artificial Doctor Application which is also known as "A Doctor in a pocket", is a health monitoring device that updates a health status daily, it allows the person log in the illness symptoms and the device diagnoses the illness and generate the treatment prescriptions.

It will be tragic if these innovations would go to waste when there are opportunities to midwife them into national, regional and global enterprises. This is how many other nations have built large scale enterprises! If we do not support our innovators, who will?

If we do not buy locally developed products and services who will? As a country, we must address our obsession with foreign products and services.

We must take pride in what is truly Namibian! I am therefore challenging digital natives in this Chamber to launch a hash tag "procure locally produced goods and services". Perhaps this would address the appalling perennial neglect of locally produced goods and services!

Hon. Chairperson of the Whole House Committee  
Hon. Members

5. The need to refine the Draft Bill on Access to Information regrettably impaired the desired progress in tabling the Bill in this Chamber. Following the engagement of a very experienced Legal Drafter, good progress has been made to conclude the refinement of this long awaited Bill. We are hopeful that this Bill will be finalized by September this year in time for the International Day for Universal Access to Information celebrations. We are elated that Namibia reclaimed its number one spot as Africa's leader in Press Freedom! We have also managed to claw back our rating on World Freedom Index to 23. Namibia being the "den" where the Windhoek Declaration was birthed, deserves its prime position in this domain.

Hon. Chairperson of the Whole House Committee  
Hon. Members

6. The development of My Namibia song which was previously aborted, has gained traction and will soon be concluded. This time around, there was overwhelming involvement of the cream de la cream of all our artists, composers and producers. I would like to thank all those who invested their energies in realising this project.



7. As custodians of the Nationhood and National Pride Campaign, we are concerned by the steady erosion of moral and ethical values in our society more so amongst our young people, the future bearers of our nation. This trend is a cause for concern. It demands the indulgence of the entire spectrum of our society - in our homes, in our schools, in our traditional and cultural engagements, in our churches and indeed in all social gatherings. A society without a solid foundation of morals and values, is doomed to failure! We cannot continue to be spectators when this great nation is being driven deep into the bowels of moral and ethical abyss! In spite of the Presidential clean-up campaign launched in 2018, littering continues unabated. It is futile for us to embark on periodic cleaning campaigns in our villages, towns and cities only to relapse into the "littering coma" immediately thereafter. We need to build a resilient culture of care and cleanliness supported by a harmonised waste management and disposal system. This is necessary to curtail intermittent disease outbreaks, Hepatitis E being a classical example! I would like to thank the Regions that have so far sustained the clean-up campaigns in their respective localities and encourage others to do the same. I am also hopeful that Namibia will follow suit and join the league of progressive nations that have banned the use of plastic bags!



Hon. Chairperson of the Whole House Committee  
Hon. Members

8. The perpetual underfunding of the Film industry which is compounded by the private sector's unwillingness to invest in this emerging industry, is a cause for concern. This industry has potential to unlock job opportunities particularly in locations where blockbuster films are shot. It also contributes immensely to the local economy in the hospitality and many other sectors. Indeed, it has the added value to market our country to millions of the captive entertainment industry.

## 9. Let me now present the programs for which the different allocations are sought:

### 9.1 Information and Communications Technology Development.

An amount of **Seven Million, Nine Hundred and Eighty Eight Thousand Namibian Dollars (N\$7 988 000.00)** is set aside to provide for activities aimed at establishing a policy and regulatory regime that will ensure that the ICT sector continuous to be in sync with national, regional, continental and global developments in the ever changing ICT domain.



### 9.2 Print Media Affairs

An amount of **Thirty Five Million, Seven Hundred and Forty Eight Thousand Namibia Dollars (N\$35 748 000.00)** is allocated to amongst other things provide for the continuation of interventions to provide the policy and legislative framework to ensure access to information for the citizenry and to also provide for the continuation of the Nationhood and National Pride Campaign. Of this amount, **Ten Million Namibia Dollars (10 000 000.00)** is allocated to New Era to enable the Corporation to continue with its operations while **Five Million Namibia Dollars (N\$5 000 000.00)** is allocated to NAMZIM.



## PRINT MEDIA AFFAIRS

### 9.3 Audio Visual, Media and Regional Offices

An amount of **Two Hundred and Six Million, Forty Nine Thousand Namibia Dollars (N\$206 049 000.00)** has been allocated to this program to amongst other things provide for:

- a) The collection, compilation, production and dissemination of information.
- b) The continued operations of the fourteen Regional Offices, whose operations have been decentralised.

An amount of **Three Million, Six Hundred and Twenty Six Dollars (N\$3 626 000.00)** which I must say is grossly inadequate, is allocated to the Namibia Film Commission to enable them to roll out local film content development.

The Namibia Press Agency (NAMPA) has been allocated **Fifteen Million Namibian Dollars (N\$ 15 000,000.00)** as subsidy to enable them to continue executing their mandate.



The Namibia Broadcasting Corporation (NBC) has been allocated **One Hundred and Forty Million Namibia Dollars (140 000, 000.00)**, an allocation I hasten to indicate, is grossly inadequate to enable the entity to carry out its mandate. It should be stated that the NBC is currently not funded at the optimum level that would allow the Corporation to carry out its mandate. It should also be noted that given its mandate, the NBC does not operate entirely as a commercial entity and going forward, will always rely on the state for funding. This is the trend for all Public Broadcasters!





## 9.4 Coordination and Support

An allocation of **Sixty Five Million, Nine Hundred and Thirty Three Thousand Namibia Dollars (N\$65 933 000.00)** has been made to provide for logistics, administrative support services, organizational procedures, transport services and the development of relevant policies. The program also includes Eighteen Million, Four Hundred and Fifty Two Thousand Namibia Dollars (N\$18 452,000.00) to cater for the ongoing construction of modern and ICT compliant Ministerial Regional Offices in Nkurenkuru, Kavango West and Katima Mulilo, Zambezi Region respectively. For these projects to be completed as per Contract agreement, in March 2020 there will be a shortfall of **Twenty Nine Million (N\$29 000 000.00)**.



Hon. Chairperson of the Whole House Committee  
Hon. Members

10.1 Let me thank all my colleagues in the Ministry, our partners in the private sector and State Owned Enterprises for their diligence in pursuing the Ministry's mandate.

10.2 I am convinced that the digital proposition I have advanced, is not an exotic one. We need to place the digital economy as the axis of our developmental initiatives. The time is now for us to reap the dividends of regional and global trade. The time is now for us to enjoy the full benefits of e-agriculture, e-environment, e-health, e-education and most importantly e-Parliament!

I now have the pleasure to submit for your consideration and support Vote 29 to the amount of **Three Hundred Twenty One Million, One Hundred Forty Eight Thousand Namibia Dollars (N\$321 148 000.00)**

**I THANK YOU**

## **KEY SECTORAL FACTS**

### **1. AUDIO VISUAL MEDIA AND REGIONAL OFFICES**

For Local content development projects to the tune of 2.3 million Namibia dollars this has:

1. Created employment for 69 Namibians
2. Trained 12 aspiring filmmakers
3. Afforded the opportunity to 30 filmmakers to sharpen their skills in the preparation of their scripts as well as the marketing and the distribution of their content.
4. The Commission provided full tuition bursaries to 10 students from the College of the Arts, specializing in Television Production and Script writing.
5. In the area of foreign film investment, the Commission issued 128 film permits to foreign film productions to the value of over 74 million Namibia dollars. This has created employment for 725 Namibians.

### **Regional Offices**

Description	Number of People
Number of people who accessed the Regional ICT Centres was	6986
Number of people using the equipment and services of the centres	5137

### **2. INFORMATION AND COMMUNICATION TECHNOLOGY DEVELOPMENT**

The percentage of population coverage by	
2G	94%
3G	91%
4G	48%

The Percentage of Geographical Coverage by	
2G	87%
3G	14%
4G	0.06%

According to the 2018 Global Competitiveness Index Report Namibia is ranked 6th as a most competitive economy in Sub-Saharan Africa with Mauritius being the best performers in the region, followed by South Africa at the second position, Seychelles taking a third position, Botswana and Kenya occupying fourth and fifth position respectively.

In the 2018 United Nations e-Government Survey, the e- Government Development Index (EGDI) indicates that although in most countries the human capital development indices are quite high (ranging from 0.5484 to 0.8339), telecommunications infrastructure is unevenly developed (TII ranging from 0.2009 to 0.7394), resulting in lower EGDI scores despite having relatively advanced levels on online services delivery. Namibia, has however recorded an improvement in ranking from position 125 in 2016 to 121 in 2018 globally. Across the continent and SADC level Namibia is ranked number ten (10<sup>th</sup>) and four (4<sup>th</sup>) in terms of EGDIs respectively.

The 2018 Index of African Governance Report (IIAG) produced by the Ibrahim Foundation, it quantifies, monitor and measure governance across 54 African countries, taking into account 14 dimensions, such as infrastructure development, education, health, law and information accessibility. According to this report in terms of overall governance Namibia is ranked at 4th position a one-point improvement from a 5th position in 2017. Above, Namibia is Mauritius at position one (1), followed by Seychelles and Cabo Verde at second and third position respectively. With regards to overall Infrastructure development Namibia is ranked number 6 and specifically to Digital and IT infrastructure Namibia is at 13 position.

### Mobile Broadband

	M.Broadband	Population (NSA projections)	P/100
2015	1 406 299	2 280 716	61.7
2016	1 580 133	2 324 388	68.0
2017	1 377 323	2 368 747	58.1
2018	2 070 952	2 143 643	96.6

On average, mobile broadband is on an increasing trend. The downward spike experienced in 2017 might be due to mobile subscribers using other means to access internet such as via wireless, etc.

### Global Competitiveness Report: Technological Readiness (ICT USE)

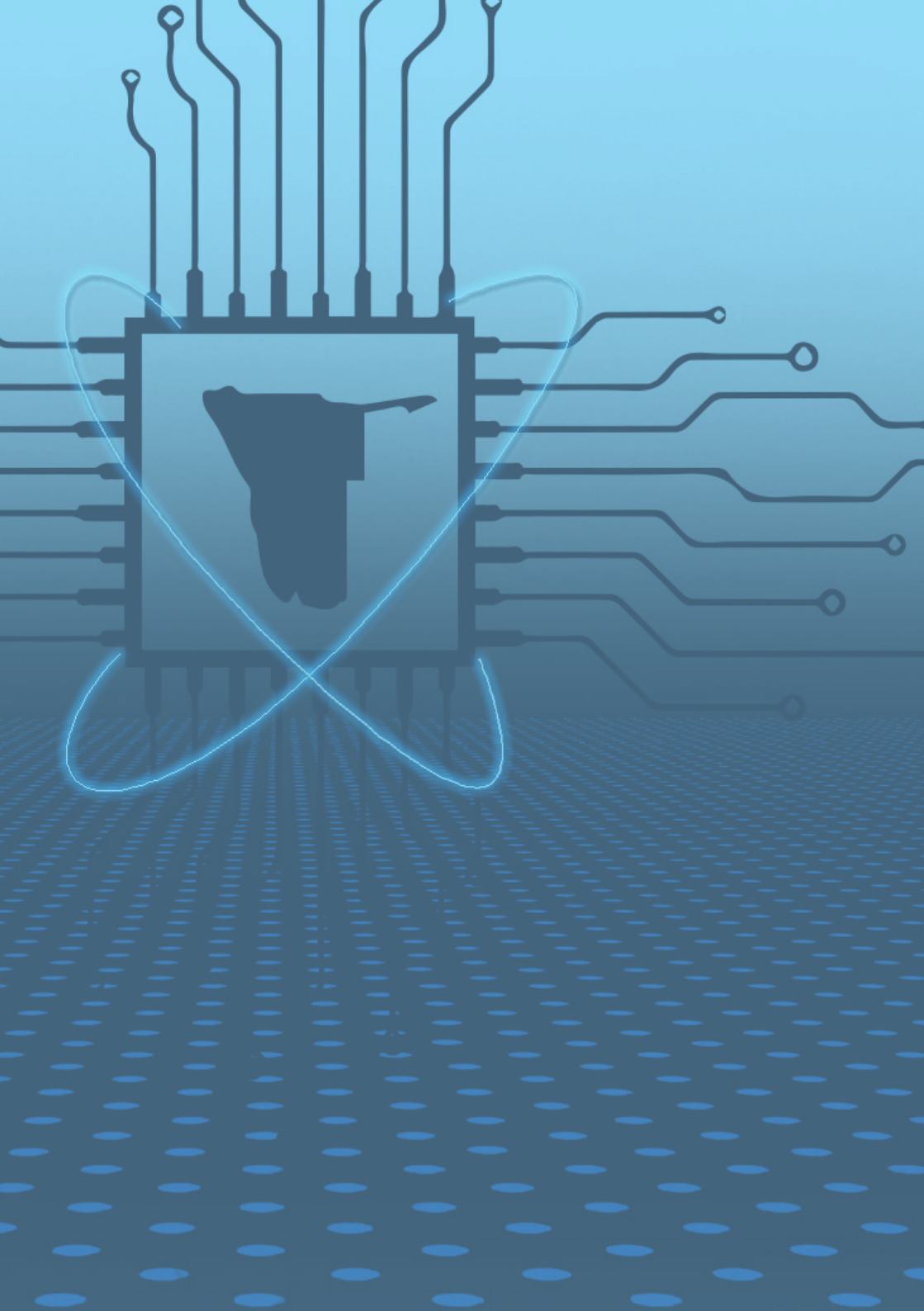
Indicator	Namibia			
	2017/18 Rank	2017/8 Value	2018/9 Rank	2018/2019 Value
Mobile-cellular telephone subscriptions (per 100 population)		111.6		113.0
Mobile-broadband subscriptions (per 100 population)	62	66.1		85.8
Fixed-broadband internet subscriptions (per 100 population)	102	2.2		2.5
Optical fibre subscriptions (per 100 population)		0.01		0.02
Individuals using Internet, %*				NA
Int'l Internet bandwidth, kb/s per user*	103	15.9		15.6
Fixed-telephone lines/100 pop.*				6.4

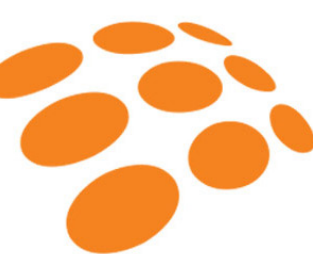
### 3. Print Media Affairs

Namibia is ranked number 26 out of 180 countries in the world according to 2018 World Press Freedom Index compiled by Reporters without Borders. This is a reduction from being ranked 24 out of 180 in 2017.

Furthermore Namibia was the best ranked African country when it comes to press freedom in 2017. However, the country's rank went down from number one and was ranked second in 2018, overtaken by Ghana.







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