

ICT AS A CATALYST FOR NIGERIA'S ECONOMIC DEVELOPMENT IN THE 21ST CENTURY



BEING A CONVOCATION LECTURE

BY

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All Protocols duly observed.

May Peace, Mercy and Blessings be upon you!

It gives me great pleasure to deliver this Convocation Lecture today as we celebrate the achievement of the graduands and encourage them to leave their footprints on the sands of time. I use this opportunity to sincerely thank the entire management team of Nile University for the honour. To the graduands I say, Congratulations! Your hard work has paid off and you are being celebrated today.

In Africa, we are community-minded and realise that one person's success is usually a collective effort that is linked to the support and encouragement of family, friends and well-wishers. As such, I use this opportunity to also congratulate everyone that has contributed to the success of everyone that will be graduating from Nile University this weekend. Well done! The Convocation ceremony is potentially a stepping stone to greater success and an invitation to join hands in building Nigeria's economy.

Nigeria just celebrated her 59th independence anniversary. Our geographic and financial position on the continent make it a very strategic country. In terms of the nation's geographic position, it is located just between the central and western parts of Africa and offers immediate access to over half of the African continent, represented by those that reside in Western and Central Africa as well as the approximately 200 million people living in Nigeria. With an average age of just over 18 years, Nigeria has a potential

critical mass of 'digital natives' that can transform the country into a regional and global ICT power house.

With a Gross Domestic Product (GDP) valued at \$397 Billion, Nigeria has the largest economy in Africa based on this World Bank estimate. Nigeria is 6th largest producer of oil and has the 10th largest oil reserves in the world and this sector has had a defining role on the economy of Nigeria. However, there is a committed effort by the administration of President Muhammadu Buhari, GCFR, to change this by diversifying the economy.

Today I want to share some thoughts with you on *The Role of Information and Communications Technology (ICT) as a Catalyst for Nigeria's Economic Development in the 21st Century*. We now stand on the brink of a technological revolution, known as the Fourth Industrial Revolution (4IR) and it will fundamentally alter the way we live, work, and relate to one another.

This Revolution is building on the current Third Industrial Revolution and expanding into disruptive technologies like the Internet of Things (IoT), Virtual Reality (VR), Artificial Intelligence (AI), Big Data Analytics, Robotics, autonomous (driving) vehicles, 3D printing, nanotechnology, biotechnology, materials science, energy storage, quantum computing and much more. The interesting thing is that these terms are not just buzz words, rather they represent new industries that are creating jobs and developing economies around the globe.

A digital economy refers to any economic activity that depends on ICTs, either fully or partially. According to a 2016 Report by Oxford Economy, the global digital economy is valued at \$11.5 trillion dollars or approximately 16% of the Global Economy. The global digital economy is also projected to account for a quarter of the global economy in the next 10years. Nigeria currently does not has a large slice of the global digital economy but we are ambitious enough to position ourselves to play a leading role in contributing to this economy. The increasing influence of ICT on our GDP gives us the impetus required to further develop the digital economy in Nigeria.

The development of Nigeria's digital is very important and this led His Excellency, President Muhammadu Buhari, GCFR, to recently approve the naming of the Federal Ministry of Communication to the *Federal Ministry of Communications and Digital Economy*. The Federal Ministry of Communications and Digital Economy will create an enabling environment for the creation of digital jobs across all the geopolitical zones in the country. We want to help a large number of Nigerians to acquire digital skills to the point that we become a potential destination for digital jobs from across the globe.

ICTs can help with Direct Job Creation and the number of jobs created in a country gives a good indication of the state of that economy. The World Economic Forum (WEF) classified the ICT industry as one of the fastest

growing industries which has directly created millions of jobs. WEF also acknowledged ICT as an important enabler of innovation and development.

Many of us grew up hearing the proverb *all work without play makes Jack a dull boy and all play without work makes Jack a mere toy*. The interesting thing is that ICT can be used to generate jobs and develop the economy whether it is used for traditional work or just for play. In Nigeria, the ICT sector accounts for 13.85% of the GDP of Nigeria, higher than the 8.82% contribution by the oil and gas sector. ICT also plays a significant role in the economy of other countries. For example, the ICT sector contributed \$160 billion to the economy of the United Kingdom (UK) in 2016, representing a growth of over 20 % from the 2011 value. The sector also accounts for 5% of all the jobs in the UK.

With regard to using ICT to play, the ICT mobile gaming industry has a 2019 valuation of \$68.5Billion and the cost of entry into the sector is not that high. For the last 4 years, Finland has generated at least \$2Billion every year from the Mobile Gaming Industry. This industry can also provide opportunities for Nigerians to earn foreign exchange and further boost the economy of the nation.

Recent research efforts also point to the fact that ICT has a direct impact on the economy of countries. For instance, a report by the International Telecommunications Union (ITU) stated that a 10% increase in broadband penetration is associated with a 1.4% increase in GDP. In a similar vein, a

Global System for Mobile Communications Association (GSMA) report also stated that doubling of mobile data can boost GDP per capita growth rate by 0.5% globally.

A March 2019 Report by Brookings Institution on Trends in the Information Technology sector stated that "Digital technologies have risen to prominence as a critical determinant of economic growth, national security, and international competitiveness. The digital economy has a profound influence on the world's trajectory and the societal well-being of ordinary citizens. It affects everything from resource allocation to income distribution and growth." The Brookings Report also noted that the Information Technology industry in the United States of America was the most promising domain with respect to job creation between 2006 and 2016.

E-commerce platforms like Amazon, Alibaba and our very own Jumia have created a global market for millions of 3rd-party micro small and medium enterprises. Today with a creative idea translated into an app and sold on these E-commerce platforms, young software engineers are able to get a good source of income.

In a December 2017 interview, Tim Cook, Apple's CEO stated that the choice of China as a production base for iPhones was not merely due to the low cost of labour, rather it was due to the intersection of the craftsman kind of skill, sophisticated robotics and the computer science world. The Apple CEO also said "you could fill multiple football fields" with tooling engineers in China; in the United States however, "I'm not sure we could fill the room."

The teeming digital natives in Nigeria can provide a ready pool of high quality. In order to prepare Nigerians to take advantage of digital opportunities, we are making arrangements to embark on a large scale intensive ICT digital literacy programme and ICT competency programme which we call the *Digital Nigeria* programme. It will ensure that Nigerians from all walks of life have the digital skills required to contribute to the digital economy. The programme is a deliberate effort to make Nigeria a regional hub of software engineers and a global outsourcing destination.

Change is inevitable and a wise person rides the tide and soars to great heights like the eagle. The ICT is highly dynamic and as young people you need to keep a tab on developments in the sector. I make a clarion call to you as well as to the over 30 million Nigerian youths today to ride on ICT to create a successful career for yourselves and play your part in developing our nation's economy.

Be willing to start small. Today we celebrate the likes of Jeff Bezos and Jack Ma- 2 young entrepreneurs that defied adversity, stuck to their dreams and used ICT to create jobs and wealth to such a degree that in just 25 years, their combined wealth is about 7% of the entire nominal GDP of the African Continent, comprising over 1.2Billion people!

There is power in an idea. Einstein's $e=mc^2$ was a simple theoretical idea that has translated into a multibillion dollar industry. The development of the MRI machine was driven by curiosity and some of the early pictures were from an okra seed in Dr. Peter Mansfield's garden! He later went on to win

the 2003 Nobel Prize in Medicine for his work and today a single unit of this machine costs between \$150,000 and \$1.2 million. Imagine what can happen if like the Skypes, Facebooks and Googles of this world, Nigerian youths use ICTs to bring their innovative ideas to life, both the individuals and the nation will be the better for it.

Nigerian entrepreneurs are highly innovative and the global investor community is taking note. This explains why there has been a progressive increase in the level of investment in Nigerian startups. As an example, the funding to Nigerian startups exceeded the \$100 million barrier in 2016 and increased further to \$117 million in 2018.

The fintech sector deserves special attention; there were 1.9 trillion transactions in 2018, valued at a whopping ₦92 trillion and this explains why United Nations Conference on Trade and Development called Nigeria Africa's biggest B2C market and McKinsey projected that Nigeria's ecommerce market will be worth \$75 billion by 2025.

Challenge your success. The felicitations you are receiving today are very well in order but I would like to extend one of my guiding principles to you and this is it: "always challenge your success!" In fact, I usually urge those that work with me to ridicule their success because unless you do this, your level of success can easily plateau. Isaac Newton's 1st law of motion put it nicely by stating that an object continues in a state of uniform motion or rest unless compelled to do otherwise by an external force. I am here to urge you to

never be comfortable with your success or lack of success, rather be compelled to make progress and ICT is a ready platform to support this process.

Be passionate about your career, be very hardworking and ensure that you always raise the bar of your level of integrity. This way you will position yourself for notable success. Once again, Congratulations, Class of 2019!