

# *IIRT-Tech WG*

## **Presentation to DPG**

### **The Role of ICT in Tanzania's Economic Development**



**By: Ali A. Mufuruki**

**CEO-Infotech Investment Group**

**Chairperson – IRT Technology Workgroup**

**May 26, 2005**

# *ICT 4 Development in Tanzania*

## *Broadband Magic*

- ▶ According to the telecom regulatory authority of India (**TRAI**) Broadband means “an always-on data connection that is able to support various interactive services, and has the capability of a minimum download speed of **256 Kbps**.”
- ▶ ITU, OECD and Regulators specify the minimum download speed of a broadband connection as **256 Kbps – 2 Mbps** or higher
- ▶ It is an established fact that today that availability of broadband internet access at affordable prices has a significant impact on the gross domestic product growth, ability to attract new investments, create new jobs made up of a larger more qualified labour pool and to increase productivity through infrastructure creation and access to new ways of doing business

# *ICT 4 Development in Tanzania*

## *Examples of Successful ICT Leverage*

- ▶ Over the past six years South Korea has enhanced its GDP growth rate by 2 percentage points through increased use of broadband internet services
- ▶ This level of economic change was achieved through targeted and massive Government investments in new ICT backbone infrastructure in South Korea. Similar initiatives have been undertaken in India, Malaysia, South Africa, Mauritius and even Mozambique.
- ▶ **We believe Tanzania** too can emulate these successful initiatives

# *ICT 4 Development in Tanzania*

*Infrastructure is not Everything!*

- ▶ **But is Broadband a panacea for our poverty problem?**
- ▶ It is an established fact that ICTs cannot deliver the development outcomes if linkages do not exist between local firms and those attracted into the country by state of the art ICT infrastructure (eg Cyberparks)
- ▶ The issue of human capacity for ICT leverage is also critical because the necessary “spill over” effect of foreign firms and technology depends on the absorption capacity of the host country.
- ▶ Here is where Tanzania’s development partners come in

# *ICT 4 Development in Tanzania*

## **The Problem of Access**

	<b>Internet (2002)</b>				<b>Population (2002)</b>
	<b>Users per 10.000 inhab</b>	<b>PC per 100 inhab.</b>	<b>Int. Internet bandwidth mbit/s (2001)</b>	<b>Internet tariff (20 hrs/mth-2003US\$)</b>	<b>Rural pop. (% of total pop)</b>
<b>TANZANIA</b>	<b>23.23</b>	<b>0.42</b>	<b>4</b>	<b>117</b>	<b>66</b>
<b>WORLD AVERAGE</b>	<b>981.79</b>	<b>9.26</b>	<b>1,607,470</b>	<b>36.91</b>	<b>52</b>
<b>SSA AVG</b>	<b>93.04</b>	<b>1.05</b>			<b>67</b>
<b>SADC AVG</b>	<b>202.03</b>	<b>2.25</b>	<b>38.5</b>		





**‘IDEAL’  
National ICT  
Backbone  
Infrastructure**

Tanzania Railway Corporation

TanESCO

TTCL

SONGAS

TAZARA

Southern Circuit

Western Circuit

North Western Circuit

Trans-Border Link

# *ICT 4 Development in Tanzania*

## *The Human Capacity Problem*

- Successful Cyberpaks that exist in Taiwan, Indonesia, Malaysia and the Philippines have the ambitious goal of developing high-tech industries by integrating technologically modern facilities with technical universities, research centers, business incubators and other support services.
- The software industry (especially programming in Open Source Software systems) is a critical ICT cluster with high growth potential if the human capacity necessary to sustain it exists
- Services, especially tourism, are becoming ever more complex and individualized. Technology is essential in creating packaged service offerings
- ICT clusters are invaluable inputs for competitive firms and for the average citizen to participate more actively in the local and global economy



# *ICT 4 Development in Tanzania*

## *Recommendations to Donors*

- ▶ Facilitate access by assisting the government efforts to build a modern ICT backbone infrastructure
- ▶ Improve Human Capacity by assisting the government effort to improve tech-skills for both public and private sectors (expand tertiary enrolment, facilitate training workshops, seminars and trade associations training programs)
- ▶ Support services to firms e.g. financing start-ups in the technology sectors, financing business incubators, academic institutions and government agencies involved in this effort e.g. Consultancy services, research and feasibility studies for projects, etc.
- ▶ Support regional harmonisation of key policy areas related to ICT e.g. legal enforcement of electronic documents, protection of intellectual property, etc.

# *IIRT-Tech WG*

## **Presentation to DPG**

### **The Role of ICT in Tanzania's Economic Development**



*Thank you for listening!*