

**Statement by  
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**ICT-4-All Tunis+4  
ICT Innovation as a Tool for Strengthening Competitiveness and  
Growth**

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*AS PREPARED FOR DELIVERY*

Mr. Prime Minister,  
Excellencies,  
Distinguished Participants,  
Ladies and Gentlemen,

It is a great pleasure for me to participate in this Opening Session of the *ICT4All Forum, Tunis+4*. First of all, allow me to express my congratulations to His Excellency President Zine El Abidine Ben Ali, for his election last month to a new term as President of the Republic of Tunisia. I also wish to express my gratitude to the Government of Tunisia for hosting this very important event, in collaboration with UNCTAD and ITU, and in partnership with other international and regional institutions.

From its inception, in 2006, the Forum has been instrumental in keeping the information society at the top of the international community's agenda. It has now evolved into one of the most important global forums for addressing the contribution of information and communication technologies (ICTs) to development. As many of you know, last July, the United Nations Economic and Social Council welcomed "the efforts undertaken by Tunisia to organize the ICT-4-All Forum and technological exhibition as a platform to promote the business

environment for the information and communication technology sector worldwide”. UNCTAD is proud to be a co-sponsor of this event.

This year’s theme – *“ICT Innovation as a Tool for Strengthening Competitiveness and Growth”* – is of great relevance for our work on ICT for Development. For more than a decade, UNCTAD has contributed to the availability of ICT statistics; we have provided information to governments and other stakeholders on relevant ICT trends and developments; we have reviewed national policies; and we have helped build the capabilities of countries and regions to improve their legal and regulatory frameworks. UNCTAD also assumes a central role in the follow-up process to the World Summit on the Information Society (WSIS).

In many respects, the diffusion of ICTs continues to be a great development success story. Since the second gathering of world leaders at the WSIS here in Tunisia, in 2005, we have witnessed dramatic growth in the use of various ICT applications, notably mobile phones. Developing country populations now account for more than half of all Internet users. Improved connectivity has also enabled more firms to gain access to critical information, finance and knowledge – all key factors for enhancing competitiveness.

Nevertheless, huge gaps remain in many areas, both between and within countries. The greatest divide is today found in broadband access. For example, Australia, a country with 21 million inhabitants, has more broadband subscribers than the entire African continent [of 900 million]. The broadband divide is further aggravated by the fact that existing

networks in many poor economies often offer lower speeds at higher costs than elsewhere.

Within countries, the use of ICTs by business varies a great deal as well. As shown in our recent *Information Economy Report 2009*, large companies are more likely to use ICTs than small and micro-enterprises. This has important implications given that the great majority of enterprises in developing countries are small. There is also a significant divide between companies in rural and urban areas. This applies in particular to the use of computers and the Internet, whereas mobile telephony has become more widespread in relatively remote locations.

In emerging and developed economies improved broadband connectivity has transformed the ways services are produced and traded both nationally and internationally. As reported in the *Information Economy Report 2009*, market estimates suggest that the value of “off-shoring of services” between 2004 and 2008 tripled from \$30 billion to \$90 billion – and this may well be a low estimate. A large part of this business is conducted in developing countries.

While developing Asia, led by India and the Philippines, still dominate the exports of such services, it is encouraging to see that many new locations are emerging on the radar screen. In Africa: Tunisia, Egypt, Morocco, Mauritius and South Africa are front-runners.

A critical area which will improve connectivity between Africa and the rest of the global economy is the increased use of international fibre-optic cables. Sub-Saharan Africa has been largely excluded from the network of such cables, but it is encouraging that a number of initiatives are

finally coming to fruition, such as the SEACOM cable, linking the east coast of Africa with Europe and India, and the East African Marine System (TEAMS) cable. These improvements in international connectivity will help more African countries to develop their export-oriented services industries.

In spite of the economic crisis, it appears that the trend towards the off-shoring of services has not been overly affected. Although exports of ICT goods have fallen dramatically, the trade in services has been more resilient. In fact, UNCTAD expects that the crisis will lead to a further, perhaps rapid, expansion of services off-shoring – with new opportunities for developing countries. But let me stress that it takes more than infrastructure to succeed in this area. Having the right skills mix and an environment conducive to international trade in services are other key requirements.

Let me conclude my intervention with a few words related to the importance of poverty eradication. The increased use of ICTs, especially by business, can help fight poverty. Micro enterprises and SMEs, many of which are in the informal sector in developing countries, appear to be the most affected by the adoption of mobile telephony. In the agriculture and fisheries sectors in many developing regions, cell phones are used to sell and purchase goods and services and to negotiate prices. In many countries they are used extensively for voice communication and SMS, and increasingly also for applications such as ‘mobile-commerce’ and ‘mobile-banking’. In Kenya, South Africa, Tanzania and Zambia, for example, mobile phones offer the possibility to make person-to-person payments, transfers and pre-paid purchases without a bank account.

Governments in developing countries should give more attention to ICT uptake and use by micro-enterprises and SMEs, which lag behind larger firms. Despite increases in connectivity, various bottlenecks still prevent entrepreneurs and small firms from using ICTs efficiently, and in remote rural areas connectivity still remains poor. ICT use is often limited by technical and economic factors, such as the slow speed of connection and high costs of use, but also by social factors including low levels of literacy and a lack of local content.

It is important that we continue to explore how new technological innovations and government policy can help ameliorate these problems. How can we ensure that the spread of ICTs reaches the poor in our societies? Anecdotal evidence shows that new applications of ICTs are helping reduce poverty, but systematic research remains patchy. The ICT-4-All Forum will showcase many interesting examples that can provide important lessons. International organizations, governments, the private sector and civil society must learn from available evidence of both successes and failures.

Addressing all of this, however, will require resources. Two recent meetings of the UN Group on the Information Society, and the Commission on Science and Technology for Development reported on financing issues. I encourage all of you to review the reports of these meetings, which suggest ways forward in the financing of ICT for development. Financing is becoming all the more urgent as we approach the half-way point between the Tunis phase of WSIS and 2015, when the United Nations General Assembly will review progress towards achieving the WSIS targets. I believe that the targets are achievable and that this Forum will make an important contribution to our efforts to

improve ICT policy, connectivity and technical innovation, and financing. I wish you a very productive and interesting meeting.