

**Item 5 – Capturing value in the digital economy**

**Mr. President, H.E Michael Gaffey**

**Mr. Mukhisa Kituyi, Secretary General of UNCTAD**

**Mrs. Shamika Sirimanne, Director of the Division of Technology and Logistics**

**Panelists**

**Excellences,**

Kenya delegation fully associates itself with the statements delivered by the distinguished Ambassador of Ecuador on behalf of G77 and China and the distinguished Representative of Togo on behalf of the African Group.

**Mr. President,**

The Kenya delegation commends UNCTAD and in particular, the Division of Technology and Logistics for producing a well analysed Digital Economy Report (2019). The Report gives very invaluable information and policy guidelines for digital economy for the developing countries moving into the future.

The Report notes that digital revolution has economically and socially transformed the world with unprecedented speed. It has generated enormous growth in record time. However, in the words of the Secretary General of the United Nations, “that wealth has been concentrated around a small number of individual companies and countries”. This is likely to contribute to more inequality.

**Mr. President,**

Developing countries, Kenya included, appreciate the significant role that digital economy plays in our societies. However, we note, with regrets, that Africa and many other developing countries are only recipients and consumers in this digital revolution and are likely to be left behind in this agenda if requisite policies and regulations are not put in place. This is contrary to the clarion call of the SDGs that “No One is Left Behind.”

The Report clearly specifies that Africa and Latin America account for only 1% of world’s global platforms, trailing considerably behind other regions. These and other developing countries lack

the capacity to collect, store, analyse and transform data for value creation. Data is the critical resource for digitization. How then can these countries fully participate in this revolution? Requisite human and financial resources are a prerequisite for tapping into the digital economy.

**Mr. President,**

Despite the current state of affairs, some progress has been made but a lot of work is required on policy and related issues in order to bridge the growing gap between developed and developing countries if developing countries are to fully reap the benefits of the digital economy and move towards realization of Agenda 2030 and Sustainable Development Goals. This calls for committed multilateral partnership and support.

**Mr. President,**

On May 15, 2019, Kenya unveiled its Digital Economy blueprint. Through this blueprint, the Kenya government aims at enhancing the contribution of ICTs to the economy through digital governance solutions, digitizing business processes, facilitating infrastructure delivery, innovation driven entrepreneurship and promotion of digital skills and values. This implies taking advantage of the digital economy. However, challenges remain, among them, the relevant legal frameworks and enabling environment for digital trade and other digital-related activities, trust issues, data storage and privacy, cyber security. Development cooperation through financing, capacity building and technology transfer will go a long way in helping Kenya, Africa and developing countries to address these challenges and benefit from digital economy. This can be done with the relevant dialogue, consensus building and policies at the international level. UNCTAD can play an intercessory role in this regard.

This Report provides a profound analysis on how to move forward. However, given the capacities of both developing and Least Developed countries, the Kenya delegation joins other delegations in calling for support to enhance the capacities in order to exploit the many opportunities that exist for economic development in digital economy. Once again, we thank UNCTAD for the great job.

**I thank you.**

