Summary notes of my speech at the SABPI event last night... if the ideas discussed pique your interest and would like to continue the conversation please contact me... mi@ayuub.org

If you prefer to watch... point your mouse to the URL below.

https://m.facebook.com/groups/418181468318264?view=permalink&id=1238826042920465
Good evening and thank you for the opportunity to share my thoughts with you tonight. It is good to be back in Melbourne and to catch up with old friends.

I feel honoured and want to thank the Somali Australian Business and professional group for giving me this opportunity. I will try my best to share with you my limited knowledge and experience in this field. I am asked to talk about Teleco Industry Challenges and Currency Disruption in Somalia, a very complex topic for variety of reasons.

Since this is a technical topic, I decided and will try to limit my talk within that arena. However, having spent sometime in politics and away from vigorous research, forgive me for doing what many of you will not do and certainly universities and serious academic institutions will tell you not to do. I Googled!

Yes, comrades, I searched for ‘Teleco Industry Challenges’ and Google kindly told me...About 4,820,000 results (in 0.57 seconds), Showing results for Telecom Industry Challenges... I also Search instead for Teleco Industry Challenges ... Google informed me it found about 315,000 results (in 0.70 seconds).

This is amazing. I then searched for ‘Currency Disruption in Somalia’ and yes ... Google informed me it found about 371,000 results (in 0.58 seconds)

So what more can I add? In fact a lot can be derived from the above Google Search results. I can even argue this is one of the major challenges teleco industry is facing. To get this fast response from the vastly huge Google servers that are in many parts of the world, I used my mobile phone (without a simcard). This is accessing data from remote servers via a mobile phone’s wifi facility using infrastructure built by telecom companies without paying them a cent. The story is the same for voice, as many of you are aware and am sure use skype, whatsup and many other apps. This is just the beginning and as you probably already know with all the apps and business applications running on mobile phones, the challenges the telecos face today and continue to face will increase.

What is the solution? Who wins and who losses? Can governments help? Should the telecos be helped? I will try to briefly answer these questions before I move onto the more interesting part of the talk, the currency disruptions in Somalia.
There is no quick solution to this problem. The fourth Industrial Revolution is not kind to industries that resist change. Telecos are known to resist change. We went through foraging, agrarian, industrial to today’s digital revolution. The history of innovation, especially in the technology sector clearly gives us some indications on the way forward. Improvements in capacity and processing power coupled with almost in all technology components, in huge price reductions, will and must force telecos to revisit their business models and pricing regimes. Imagine hard drive cost per gigabyte, from more than $1m in 1980 to less than 10 cents in 2009.

In 1985, the Cray-2 supercomputer was the fastest machine in the world. The iPhone 4, released in June 2010 had the power equivalent to the Cray-2; now the apple watch has the power equivalent speed of two iPhone 4s just five years later.

With all these innovative changes, dramatic drops in prices across the tech sector, etc. surely telecos cannot continue to resist change. They can slow or delay change with the help of governments and institution like the ITU (remember 1988 ITU ITR in Melbourne, and 2012 in Dubai). At the end the speed, scale and direction of technological innovation will continue its upward and forward trend and this cannot be stopped. In fact, telecom industry as we know it might not exist at all.

Internet of things (IOT), Smart Cities, Big data, AI and Robotics and many other innovations and platforms will make telecom as we know today redundant.

Of course digital currency (or mobile money as some call it), or cryptocurrencies (crypto assets) also rely on telecom services, and this might be good time to deal with the second part of our discussion, i.e. the currency disruptions in Somalia.

What currency disruptions in Somalia? The word currency in this case, referring to money, just to be sure. Generally speaking, there are three definitions or functions of money: medium of exchange, unit of accounting, stores value.

To discuss currency disruptions in Somalia, we need to keep those definition in my mind. We should also remind ourselves the role of governments in this area. While the private sector can innovate and advance technology, issues related to
money (especially as store of value) there has to be an authority that manages this area. If we go back in history when the years of the Wan Li reign (1573 - 1619) of Emperor Shen Zong of the Ming Dynasty in China, they used to have a coin with square central hole that allowed the coins to be conveniently and safely strung together; it also symbolizes the union of heaven (round) and earth (square).

Another example, even when one country uses another country’s money, there has to be an authority that manages this. A good example is the use of holy dollar in Australia

We have to be careful to differentiate and understand the different functions of money, and it is here that many are confused when discussing cryptocurrencies and the advantages of having no third party between a buyer and seller, or some even claim that there is no need for government or banks to be involved in this area etc.

In the case of Somalia, the story is more complex due to our lengthy vacation over two decades from the international community, global systems, rule of law, etc. During this period those who in one way or another managed to fill certain government services such as telecommunication and banking did well to provide those services. However, that was a period of chaos and minimum or no rule of law. War economy flourished during this period. However, after transitional governments and now functioning federal government, it seems that war economy mentality is still with us. There is ideas vacuum, and lack of deeper
understanding of the digital economy and by extension, digital and cryptocurrencies. Digital economy with dollarized currency (though never legislated) is the source of the real disruption.

I will briefly mention EVC+ and Zaad, mobile money solutions implemented by Hormuud and Telesom in Somalia and why this is different from Safaricom’s Mpesa in Kenya. I will also briefly cover the need or lack of need for non-digital currency in Somalia.

On Feb 11, 2017 The governor of Somalia's central bank, Bashir Issa Ali, told VOA in an exclusive interview, that Somalia intends to resume printing banknotes this year for the first time since the government collapsed in 1991. Then on Oct 6, 2017, The Somali Minister of Finance announced that the International Monetary Fund (IMF) was taking the lead in helping Somalia with a grant to print new currency before the end of that year. HE Abdirahman Duale Beileh said that the IMF will work with the Somali government.

Briefly I will mention issues linked to this discussion such as Banks’ Derisking policies, cashless day and better than cash movement (https://www.betterthancash.org/) and why I believe governments can fight corruption by joining the digital payment revolution.

To conclude Gentlemen and Ladies (am Somali), seriously I write or address (Dear Madam or Sir) in my cover letters without name, but more seriously I want to challenge (wero) you as the Maori in NZ used to do outside their marae (whare), with their guests (manuhiri) to determine whether they were friend or foe, to either agree with me and join me in the struggle to rebuild our country or disagree and ‘show cause’ as they say in court bail hearings in the following Q&A session. I thank you all.
Somali Australian Business and Professionals Inc

Presents

9th Information Sharing & Networking Event

DATE: 14 April 2018
TIME: 5PM-8PM

Topic: Challenges to the telco industry and currency disruption in Somalia
Speaker: Mohamed Aden Ibrahim
Position: Head of National ICT and Digital Office, Somalia & Former Minister of Telecommunications
Current role: ICT Consultant
Two Themes

1. Telecos’ Challenges – They cannot continue to resist change. They can slow or delay change with the help of governments and institution like the ITU (remember 1988 ITU ITR in Melbourne, and 2012 in Dubai).

2. What currency disruptions in Somalia?

- There are three definitions or functions of money; medium of exchange, unit of accounting, stores value.

- keep those definition in my mind and remember the role of governments in this area. While the private sector can innovate and advance technology, issues related to money (especially as store of value) there has to be an authority that manages this area.
There has to be authority to manage a national currency
governments can fight corruption by joining the digital payment revolution
Currency Disruptions in Somalia

EVC+ and Zaad, mobile money solutions implemented by Hormuud and Telesom in Somalia and why this is different from Safaricom’s Mpesa in Kenya?
Our challenge as a Somali community in Australia

Banks’ Derisking policies

cashless day and

better than cash movement

https://www.betterthancash.org/
Mohamed Ibrahim, Concerned Somali citizen, former Minister of Telecommunication.

April 6th, 2018

other issues...... as requested by some of you.
My thoughts regarding the recent political tension in Somalia and International transparency (IT)'s report on Somalia

‘.....May cool heads and reason prevail to help us avoid destroying the institution we have painfully established over the last few years. Mr President, Speaker of Parliament and Prime Minister; accepting the rule of law and separation of powers will be the first right step towards constitutional government...
We are doing fine......
Or are we?
I want to challenge (wero) you as the Maori in NZ used to do outside their marae (whare), with their guests (manuhiri) to determine whether they were friend or foe, to either agree with me and join me in the struggle to rebuild our country or disagree and ‘show cause’ as they say in court bail hearings in the following Q&A session.

I thank you all.