

**Address by Dr. Plamen Vatchkov, Chairman of the State Agency for  
Information Technology and Communications of the Republic of Bulgaria  
to the High Level Segment at the 2007 ITU Council Session  
4 September 2007, Geneva**

**Mr. Chairman of the Council of the Union,  
Mr. ITU Secretary General,  
Honourable Ministers,  
Excellencies,  
Dear Councilors,  
Ladies and Gentlemen,**

**I am deeply grateful for your confidence in appointing me as an ITU Council Vice Chairman and Chairman.**

**I should like to join previous speakers and express our condolences to the Delegation of Argentina and in particular to Mr. Christiani's family. We highly appreciate the innovative idea of the ITU Secretary General Dr. Hamadoun Toure to set up this High Level Segment.**

**This gathering is an excellent opportunity to exchange views and experience in relation to the highly topical issues proposed by the ITU general secretariat for this purpose.**

**I am going to briefly share with you the recent experience of the Republic of Bulgaria, and more specifically – of the State Agency for Information Technology and Communications - which is the national policy maker for this sector, in making the national ICT policy as active contributor to the Bulgarian knowledge economy. I will start by pointing out some key figures illustrating the current and projected positioning of ICT industry in the Bulgarian economy.**

**After 11 years of steady growth, the ICT percentage of GDP is 8.4 %, which has placed ICT as one of the leading sector of the national economy. The expected IT growth for 2007 is 15% on annual basis. Bulgarian software market growth is 13.5 % for 2006. By the end of 2008 the Bulgarian ICT industry is expected to top 2.314 billion EURO. Bulgaria ranks 9<sup>th</sup> among the outsourcing destinations in the annual Kearney index for 2006, compared to**

the 15<sup>th</sup> place for 2005. At the same time Bulgaria is one of the outsourcing centres for 2007, according to the study from Tholons.

Among the main factors for the success of the ICT growth in Bulgaria are:

- Macroeconomic stability and high growth
- Long traditions in IT development
- Legal framework focused on attracting and protecting foreign investments
- Very well developed educational system in electronics, engineering sciences and computer sciences
- Excellent labour quality/ IT expert manpower cost ratio
- Liberalized, modernized, competitive telecommunications sector
- More than 5 000 ICT companies acting on the market.

Bulgaria has long traditions in the ICT sector, a liberalized telecommunications market and competitive ICT industry. It is a fact that, despite the difficulties of the transition period, the ICT sector remains one of the leading sectors of our economy. The entrepreneurial and innovative spirit of the Bulgarian ICT companies should be pointed as the main driving force for success.

This current year the State Agency for Information Technology and Communications (SAITC) drafted a National Programme for Accelerated Information Society Development 2007-2010, which draws out key directions for the Information Society Development by 2010. The Programme is going to unite and focus the efforts of all involved parties to a more dynamic IS development in the country. We strongly believe that this policy measure will improve the Bulgarian ICT market environment and will facilitate an enhanced quality of services as well as consumer satisfaction. Speaking of ICT development, the availability of a predictable environment is of utmost importance to enable the business to predict its activities and development for the next few years.

We are fully aware that the role of a policy-maker for the future ICT development in Bulgaria is to create the conditions where all firms embrace innovation in their strategies for the future. In order to achieve this goal we need to work in close cooperation with all ICT companies, the associations of the ICT industry, the universities, as well as with the consumers.

The world trends, our citizens and business needs, as well as the WSIS commitments oblige us to pay more attention to promote ICT education and training, support the modernization of public ICT infrastructure and the investment in research and development activities. In all these areas the government will continue the policy of partnership with all stakeholders. In

order to achieve our goals we envisage measures to extend the Bulgarian National Research and Educational Network to connect 3 200 schools. This will provide the workforce at universities and the scientific organizations with broadband access and will help the process of technology transfer and the development of innovations.

One of the main priorities of SAITC is developing the National State Network (NSN) which is to provide efficient, reliable and secure communications between public organizations. All regional centres (27 and capital) in Bulgaria are expected to be connected in a high-speed fibre-optic ring with an initial transmission capacity of about 2.5 Gbps and with an option for further increase to 10 Gbps by the end of 2008

Our vision for the future is that creativity and inventiveness of our people is our country's greatest asset and has always underpinned Bulgaria's economic success. Innovation and exploitation of new ideas are absolutely essential to safeguard and deliver high-quality jobs, successful businesses, better products and services for our consumers and new, more environment-friendly processes. We see ICT Policy as an instrument for promoting favourable and enabling environment for entrepreneurship and innovation, where the private sector could fully realize its potential. At the same time the participation of Bulgaria in the ITU activities is regarded both as an integral part of our ICT Policy and a never ending source of useful ideas and approaches for the ICT development.

In this regard the current High Level Segment provides an excellent demonstration of the continuing innovative spirit in ITU.

Bulgaria will be honoured to host a cyber security forum. I should like to invite the ITU Council to consider favourably that a Cyber Security Forum for both ITU Regions B & C will take place in Sofia, Bulgaria at convenient time next year.

Bulgaria is one of the oldest ITU members since 1884, which has served in the ITU Council for five terms. This country, and in particular myself, having the honour to serve as Vice-Chairman at this the Council of the Union as of today, and as its Chairman at the Council next year, are determined to contribute actively and constructively for the implementation of the policy, strategy and the goals of ITU.

Thank you for your attention!