



ICT Cooperation in Bulgaria

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ICT Cooperation in Bulgaria

- Bulgarian ICT Status
- Bulgaria - Korea Internet Plaza
- Netpia technology and Bulgaria perspective



Bulgarian ICT Status

IT Industry

- **Traditions** (35 years experience) in this area, and
- **Very well developed educational system** in electronics, engineering sciences and computer sciences
 - Over 1,000 small and medium size IT enterprises
 - Over 100 ICT companies certified under the ISO 9001-2000
 - 15 companies certified under the ISO 14000
 - 80% of Bulgarian software companies' revenues result from contracts with European and US partners
 - Bulgarian IT companies successfully complete EU projects in consortiums with European IT companies



Bulgarian ICT Status

Recent development of outsourcing activities in Bulgaria

- ✓ Bulgaria ranks 15th for the first time in the top 40 outsourcing destinations for 2005 in the annual Kearney index
 - *financial factors constitute 40 % of the total index weight*
 - *people skills and availability - 30 %*
 - *business environment 30 %*
- ✓ Outsourcing operations in Bulgaria are expected to increase by 30-40% in 2006

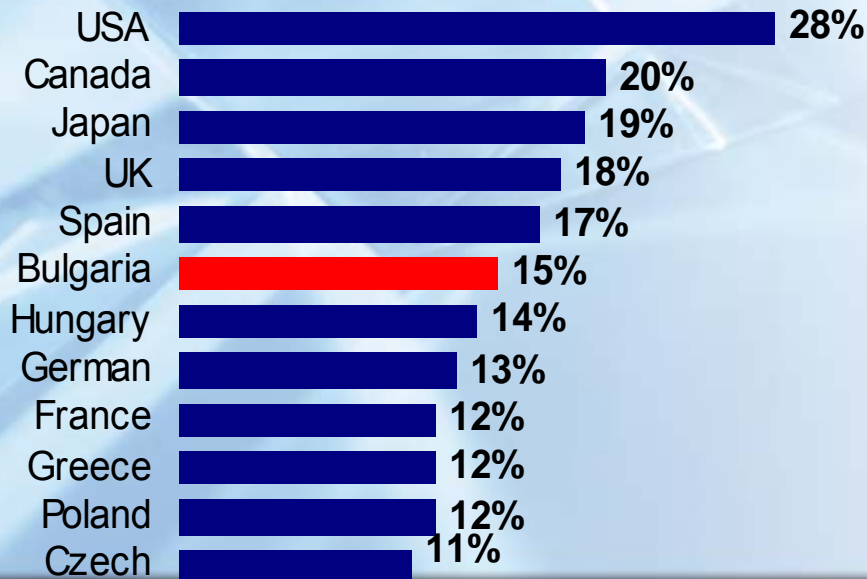


Bulgarian ICT Status

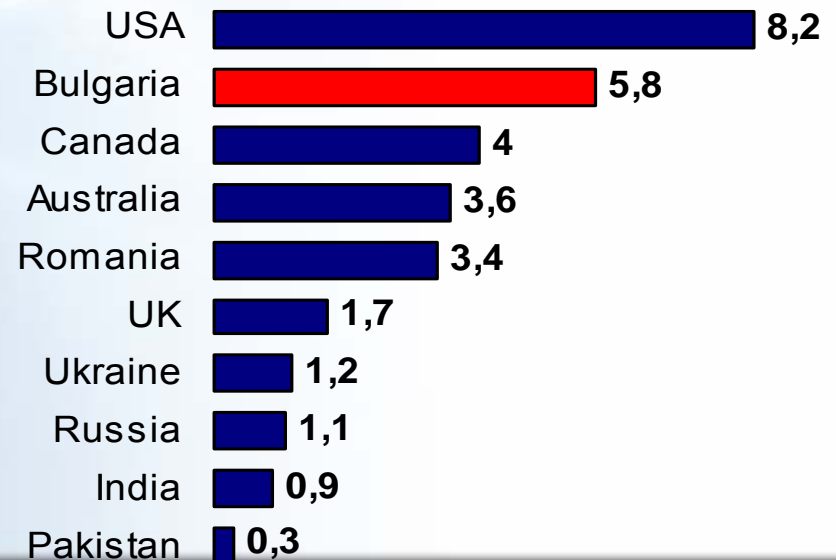
Human resource capacity

- ✓ 12% of IT specialists in Eastern Europe
- ✓ 15 000 IT specialists in the country
- ✓ 110 Cisco academies in 32 towns and cities

Tertiary education (at least bachelor)



Top 10 countries as per number of certified professionals per 10,000 inhabitants

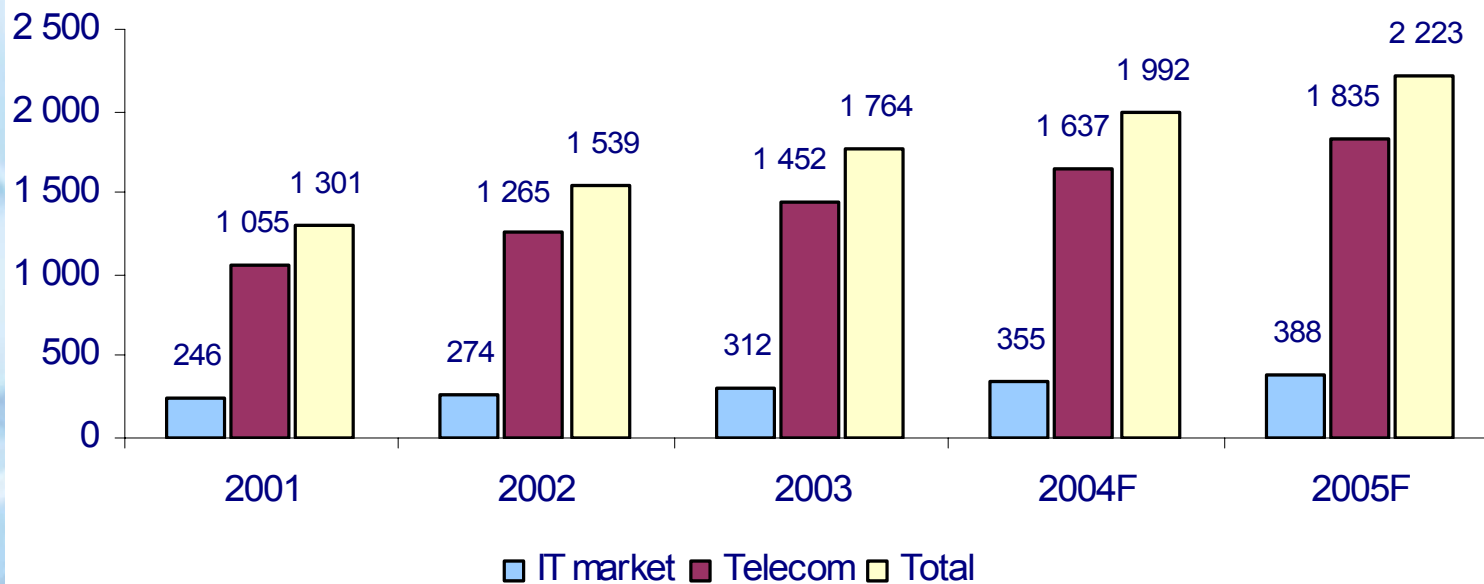




Bulgarian ICT Status

Steadily Growing ICT Sector

ICT market in Bulgaria, EUR million



- € 1.8 billion investment in ICT sector in 2003
- ICT is expected to continue growing
- Telecom will keep developing faster than IT



Bulgarian ICT Status

Fixed Market

Digitalization



Bulgaria: telecoms and technology, key indicators

	2000	2001	2002	2003	2004	2005
Telephone main lines ('000)	2,928	2,963	3,232	3,333	3,339	3,274
Telephone main lines (per 100 pop)	36.9	37.5	41.3	42.8	43.2	42.6
Mobile subscribers ('000)	738	1,585	2,537	3,362	4,708	5,238
Mobile subscribers (per 100 pop)	9.3	20.1	32.4	43.2	60.9	68.2
Internet users ('000)	380	631	1,568	1,871	2,186	2,338
Internet users (per 100 pop)	4.8	8.0	20.0	24.0	28.3	30.4
Personal computers (stock per 1,000 pop)	40	53	70	90	111	135

Sources: Pyramid Research; IDC; Economist Intelligence Unit.

Fixed Telephony

2004

- Incumbent BTC privatized in June is a landmark of CEE private equity deal, total effect of privatization proceeds plus investment of over Euro 1.1 billion
- **15 new operators of fixed voice service licensed**
- **Broadband in an upward trend**

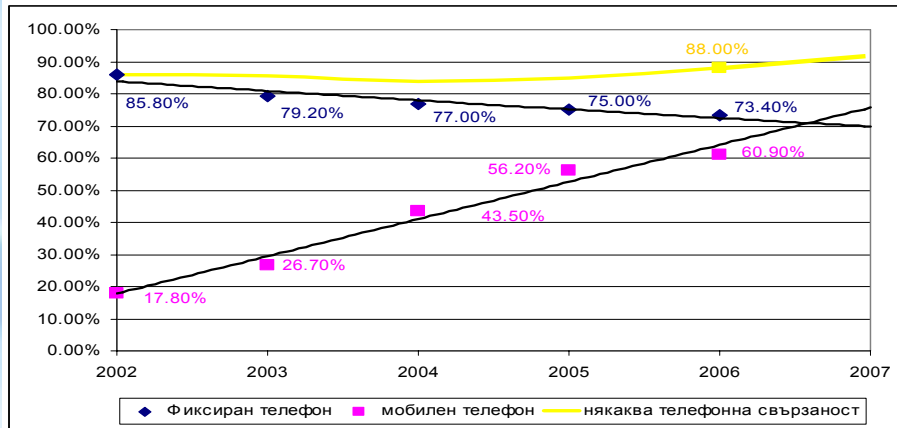
Fixed network digitalization

Growing rate of digitalization - according to the pre-accession negotiation commitments taken under Chapter 19 "Telecommunications and Information Technologies (included in the draft new BTC license)

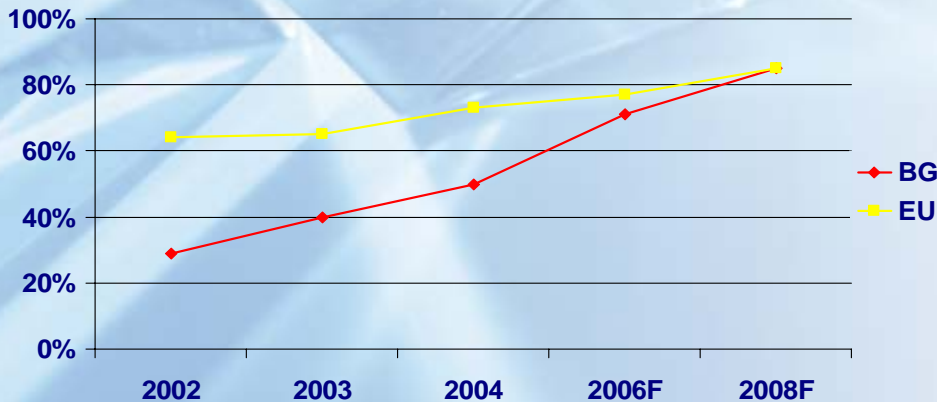


Bulgarian ICT Status

Mobile Market



Mobile subscribers



Mobile market – increasing competition

2005

UMTS license is issued in April;

2006

WiMAX licenses in March;

GSM penetration rate – 60.9%

Fixed phone penetration – 73.4%

➤ **MTel** – a leader in the market with almost **80% of mobile market** revenues and 67% of subscribers

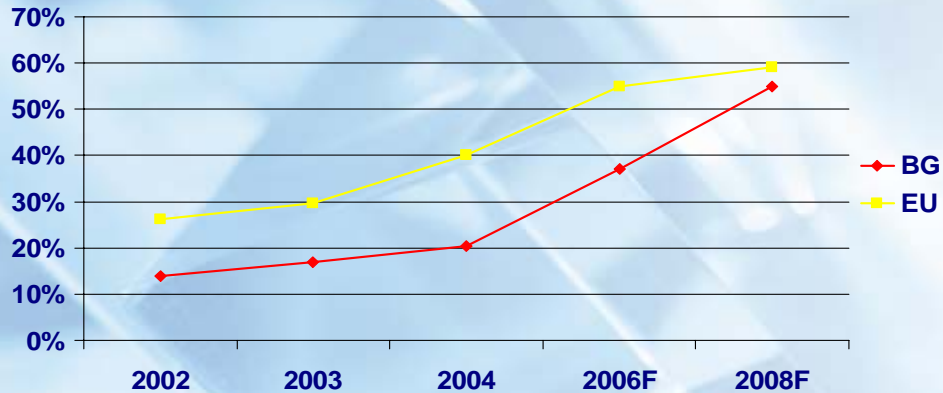
➤ Second GSM operator **Globul** – increasingly growing market share (almost 30% growth in the number of subscribers in a half year period), but just 17% of the revenues

➤ Third GSM operator - **Vivatel** since 2004 – double decrease in prices;

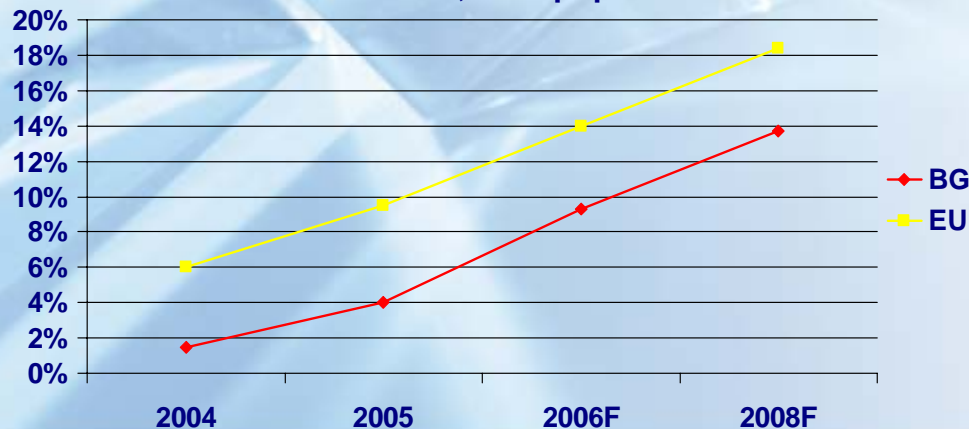


Internet Penetration Dynamics

Internet Penetration



Broadband ADSL + cable, % of population



- **Internet** penetration - 33.8%
- **Broadband** Internet - 10.6% of the households
- **ADSL** offered by 8 companies
- ISPs – free of licensing
- Market segment with future potential – supply of wide range of new services, good “price-quality” offers for the consumer



BULGARIA-KOREA INTERNET PLAZA





BULGARIA-KOREA INTERNET PLAZA

- Opened on 20th December 2004 in the presence of the then Minister of transport and communication Nikolay Vassilev and special guests from Korea: representatives of the Korean national agency KADO – lead by their president Yong Ji Son, the director of MIC Yong he Choi, and other managers from some of the biggest South Korean corporations in the area of information technology - Samsung, LG, Hyundai, etc.
- The initiative is part of the KADO strategy to help the development of information society. Partners on Bulgarian side are the State Agency for Information Technology and Communications and the iCentres Project (www.icentres.net).
- BKIP is an accredited centre for European Software Institute Certification and training.



BULGARIA-KOREA INTERNET PLAZA Resources

- Computer lab – 30 PCs
- Conference Hall – 35 seats
- Presentation tools:
 - MM projectors with screen
 - Audio system, DVD, Public Address System
 - White board, flipcharts
- Internet
 - Group
 - Individual
 - Hot-spot
- Copy center



BULGARIA-KOREA INTERNET PLAZA

Training resources

- Curriculum and courseware
- Certified instructors
 - Business IT skills – core and expert levels
 - Cisco Networking Academy
 - Language skills
 - Business skills
- Partners



BULGARIA-KOREA INTERNET PLAZA

i-Centre

ИЦЕНТЪР

- Using the experience of the BKIP, a network of more than 100 public iCentres will be established by the end of 2006 to provide services to the widest possible range of users in small or economically underdeveloped communities.
- For Bulgaria, i-Centres are considered a strategic project as they are seen as facilitating ICT and helping engender a positive attitude towards the benefit of information technology and its application to every-day activities, among them on-line contact with administrative authorities and on-line administrative services (e-Government), distant working, information enquiries, learning, affordable communications, etc.



BULGARIA-KOREA INTERNET PLAZA

Success factors

- Sound management
- Schedule's efficiency and effectiveness
- Modern facilities
- Top center area with high attendance rate
- Good marketing tools
- Sound curriculum and courseware
- Government support
- IT companies partnerships
- Other corporate businesses awareness
- User acceptance



NETPIA TECHNOLOGY AND BULGARIA PERSPECTIVE

netpia Native Language Internet Address

*Easier Access to Internet
in Your Language*

NLIA for People All Around the World

address 山不業

address 네티피아

address HETPIIA

address ネットピア

To 山田太郎@メール



NETPIA TECHNOLOGY AND BULGARIA PERSPECTIVE

- The technology developed by P.J.Lee some 12 years ago allows the use of natural names in a country's mother language when entering a name in a browser and allows addressing various sites with their natural names.
- Thanks to our cooperation with NETPIA, Bulgaria became the first country in Europe to implement the related technology and test use and support an own server for natural names locally.
- Since September 2005, Bulgaria is a member of NLIA Global Alliance (NLIA – Native Language Internet Address)
- What is upcoming is the negotiation and development of the necessary business model.
- This project is successful in its development in Korea, Japan, China, and recently the consortium of implementing states consisting of 16 members, included Bulgaria.
- It is planned to involve UN in the global distribution process.



Thank you for your attention!

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