

Opening Speech
Evropska ministrska konferenca
3. junij 2002, Ljubljana
Grand Hotel Union

Dear Prime Minister, Ministers,
Dear guests and colleges

It is my privilege to talk to such a distinguished audience. I come from the ICT industry in which I work for more than 20 years. Today I will talk about how I understand the Information Society concept is linked to the Information Technology and Information Industry.

On a general level it is nearly self evident, once observed, that those nations, national states and unions that were the inventors, producers or were in control of the high technologies of the time, were the most powerful and influential nations and states. The Knowledge Based Industry is widely accepted concept of employing the knowledge as the key component in the creation of market advantages on micro and macro economic levels. The concept is often extended also in political arena. The entire concept is vitally dependent on information technologies while the knowledge itself became the strategic good equal to energy, water, environment and other, natural, resources. Since there is no knowledge without people, the human resources and the management of those are, or should be, in the real focus of any truly valuable development policy in the developed world.

The Information Society is based on wide use of products and services provided by the Information and Communication Technologies. The terms Information and Communications Technologies are on the convergence trajectory. I prefer to use term Information Technology and predict that the two will be intermixed to a level where only experts will be aware of the differences similar to the development in the production, distribution and availability of electric power. It was the ICT industry that used the inventions of ICT technologies and create affordable products and services. There would be no Information Society without PC with powerful, yet affordable software, without cheap access to fast Internet (which include dramatic drops in prices of telecom equipment) and dramatic improvements in storage technologies. The ICT industry had immense positive influence on the inception of Information Society.

The Technology sector of economy and in particular the ICT industry is currently in big trouble experiencing a very serious drop of their stock prices because of two prime reasons: the burst of the DOT COM bubble and I call the 3G license Rush. The biggest European Telco operators spent an embarrassing amount of money while competing for 3G licenses. This Rush for Gold was caused by, I dare to say, the greed of governments. This was in direct contradiction to the declared EU policy on Information Society. Huge costs for licenses declined the investment capacity of telcos which in turn triggered the doubts in investment community that 3G will ever be implemented as profitable business. The consequent drop in share prices caused by investors fear further deteriorated their purchasing power which ultimately caused problems in entire ICT industry. This domino effect destroyed a much bigger shareholder value than the total amount collected for the licenses. This would not have happened if only the governments would stick to the declared strategy. I am afraid that Europe will lose one of the rare evident strategic advantages – the leadership in mobile communications. The services provided by mobile, high speed access to internet, that not to be confused with individual browsing through the internet, will be absolutely essential part of the developed Information Society – it will actually become the synonym for it. Always on / Always connected / Always informed / Always in control

I hope we learned something from this.

Regardless of current problems the ICT industry is the industry of the future. Europe must strive to further develop its own ICT industry and position itself for the winning in the global ICT market. Europe was the source of many inventions which made it to a business success only when properly exploited in US. In this respect the human resource potential of East, Central and South Europe including Balkan ideally positioned to be used as the strategic reservoir very much like India, China and Pacific Rim are for US. The strategy to achieve this should be to export work to these areas and to import people from these or even more distant areas. While this is commonly accepted as the right and logical choice the practice is weak. In fact the US companies exploit it more than European companies.

In the Information Society the ICT technologies will be exploited more and more. The industry that will supply these technologies will be therefore more and more important creating new job opportunities to, predominately young and educated workforce in EU and adjacent countries. EU needs to continue with aggressive programs that will support the development of indigenous ICT industry.

The elements of Information Society such as the application of e-everything in the commercial world will happen at the speed and to the extent required by the genuine needs of the businesses to economize, rationalize and optimize their business processes which depend on the competitive environment they are exposed to. In contrast to the commercial world the institutions of states and the Union itself need internal leadership to achieve the same. It is this leadership that must set goals and engage the means for demanding technology projects on European scale that will enforce, by nature of the project, the cooperation between the research communities and commercial organization to which such projects should be entrusted. I have in mind space, military, transport, environmental, medical and other pan-European projects. We see this trend in the 6th framework program which is in progress.

As I mentioned before, the human potential of the CEE could be treated as a natural strategic reservoir for the ICT industry of Europe. Our Company, HERMES SoftLab is proof of the concept. From virtually zero to 700 plus professionals aged 29 on average, coming from 15 different nations and exporting more than 35 M EUR in 2001 to leading ICT companies such as Hewlett-Packard. We work together, through a Joint Venture, with a leading Irish company with idea to bring to market a new disruptive technology. We work with a German company in creation of largest storage devices in the world attracting interest to buy such product from organizations like NSA in US.

I see no reason why not to repeat the story of Ireland in Slovenia and establishing Slovenia as the Silicon Valley of CEE and South Europe – and for EU. I hope we shall find the support for such ambitious goals in our local, Slovenian government as well as in EU – for the good of all.

Thank you.