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World Telecommunication Development Conference

Buenos Aires, 21 – 29 March 1994

For media information only. Not an official record

PRESIDENT OF ARGENTINA OPENS FIRST WORLD TELECOMMUNICATION DEVELOPMENT CONFERENCE

"Telecommunications have been instrumental to the hopes of mankind for a better world. The phenomenal explosion of communications systems, with first and foremost radio and television, contributed to people's aspirations for democracy" said Dr Carlos Menem at the inaugural ceremony of the first World

} Telecommunications play a key role in the
protection of the
environment, human
rights or efforts to
eradicate poverty. ~

Telecommunication Development Conference earlier today. US Vice-President Al Gore as well as Argentina's Minister of Economy, Minister of Foreign Affairs and Undersecretary of

Communications of Argentina also took part.

Giving a panorama of the achievements of Argentina in the development of its telecommunications, Dr Menem also hailed the role of the ITU in bringing not only technical proposals but also political and economic solutions to the problems of telecommunication development.

Telecommunications are not only important for economic and social purposes but "they are also indispensable to effectively control sea and land pollution, to inform of human rights violations and to improve the efficiency of food production in our permanent fight against hunger", the President also said.



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In a keynote address, Vice-President Gore

singled out telecommunication and the creation of a global information infrastructure as a prerequisite for sustainable development, economic growth without damage

} Creating a global information infrastructure offers the promise of enhanced prosperity and enhanced democracy in all of our countries~

to the environment and for the promotion of democracy around the world.

"Information superhighways, or more accurately networks of distributed intelligence, will allow us to share information, to connect and to communicate as a global community. From these connections, we will derive robust and sustainable economic progress, strong democracies, better solutions to global and local environmental challenges, improved health care, and, ultimately, a greater sense of shared stewardship of our small planet". Mr Gore said. But the power of the Global Information Infrastructure will be diminished if it cannot reach large segments of the world population." He urged the conference to set an ambitious agenda that will help all governments, in their own sovereign nations and in international cooperation, to build this GII. Having outlined the US plan for their national information infrastructure, Mr Gore indicated that the principles that underlie their domestic development could inform and aid the development of the Global Information Infrastructure as well.

The need for top-level leadership and commitment to foster investment in telecommunications and adopt policies that would ensure the rapid deployment and widespread use of the information infrastructure was also underlined. He outlined the five principles on which will rests the US plan for the national information infrastructure (NII): private investment, competition, flexible regulatory framework, open access and universal service. Given the general applicability of these principles, Mr Gore advocated their inclusion in the Buenos Aires Action Plan guiding the next four years of telecommunication development.

"The commitment of all nations to enforcing regulatory regimes to build the GII is vital to

} Over the next nine days, we have a unique opportunity to send a clear message *immense* potential that telecommunications can offer in promoting economic, social and cultural development~

world development and many global social goals." Mr Gore also said. The countries that will flourish to the world on the in the twenty-first century will be those that have telecommunication policies that give their citizens access to a wide choice of information services" Mr Gore added.

> ITU Secretary-General, Pekka Tarjanne,

highlighted the fact that the Buenos Aires Conference was the culmination of a process of evolution over the last forty years during which the Members of the organization had focused their efforts on extending the benefits of telecommunication technologies to all peoples of the world.

Dr. Tarjanne stated "The challenge before us is to ensure that telecommunication remains a central concern to policy-makers long after the conclusion of the Conference." Dr Tarjanne also recalled a conclusion of the Brandt Commission Report which argued over a decade ago that the best way to fight unemployment and sluggish growth in the rich North as by stimulating economic demand in the poorer South and pointed out that this argument was even more relevant today.

"While there is no blueprint for success", he said, "there are common elements which are essential and which can be adopted by most developing countries, provided there is

sufficient political will". He added that it was the developing themselves that must play the major role in changing the situation through the establishment of new regulatory frameworks, through sector reform, and through accelerated investment programmes. But the development gap is a problem which affects us all." concluded Dr. Tarianne. The conference, which is to last until Tuesday, 29 March, brings together well over 800 policy-makers from 135 countries at the Buenos Aires Sheraton Hotel.

The first objective is to adopt an Action Plan which contains a far-reaching strategic plan on Integrated Rural Development to provide new opportunities for small-scale business activities, particularly in rural areas.

The second objective is to raise public awareness of the benefits of investment in telecommunications to society as a whole.

Finally, it is to listen with open minds, learn and share experiences on the successes and failures of the past decade, to establish a dialogue between countries, between private and public sector and between telecommunication professionals and specialists in other areas, to provide guidance on how best to structure the sector.

UNDERSECRETARY OF COMMUNICATIONS OF **ARGENTINA, OSCAR** GONZÁLEZ: CHAIRMAN OF THE CONFERENCE

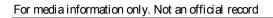
The first Plenary meeting of the Conference elected by acclamation Mr Oscar González, Undersecretary of Communications of Argentina as its chairman. The structure was also adopted and the chairpersons of committees elected.

After an overview presented by the Telecommunication Development Bureau of the ITU on the evolution of telecommunication development in the past ten years, the Conference started, in the afternoon, to analyze the Global goals and objectives for telecommunication development up to the year 2000 and beyond.

} Adopting policies that allow private sector participation and competition in the telecommunication sector has provided an enormous spur to telecommuni-cation development in dozens of countries including Argentina~

World **Telecommunication Development Conference**

Buenos Aires, 21 – 29 March 1994



MALTA INVITES SECOND WORLD TELECOMMUNICATION DEVELOPMENT CONFERENCE IN 1998

Dr Francis Zammit Dimech, Minister for Transport and Communications who addressed the WTDC 94 yesterday afternoon, announced Malta's invitation to host the second World Telecommunication Development Conference in1998.

Dr Zammit Dimech's invitation was accepted by acclamation. In his address, Dr Zammit Dimech also highlighted how rapid socioeconomic and technological developments of recent years have brought about a radical change in the environment of the telecommunication sector of his country. "The liberalization process represents one of the Government's plan for an open, competitive and technologically leading economy." said the Minister.

He also spoke about how telecommunication operating organizations are adapting to this new environment through appropriate strategic development and deregulation with a view to establishing sustainable development not only within the sector but also within sectors to which telecommunication is a catalytic factor.

CONFERENCE SETS UP STRUCTURE

The Conference set up two substantive committees and one working group and elected the conference officers. In addition to the chairman (Dr. Oscar González of Argentina), 5 vice-chairmen were elected (Mssrs. Zhu Gaofeng of China, A. Kroupnov of Russia, S. Al-Basheer of Saudi Arabia, R. Rodrigues of the United States and A. Lipou-Massala of Congo. BUENOS AIRES 1994

Issue N° 2 – 23 March 1994

Committee 3

Development policies, investment strategies and mobilization of resources under the chairmanship of Mr A. Berrada of Morocco assisted by Messrs. C. Colavito of Italy and L.M. Brown of Mexico.

Committee 4

Harmonization of telecommunication networks, human development and management under the chairmanship of N. Vittal of India assisted by Messrs K. Suzuki of Japan and Shingirah of Kenya.

A working group of the Plenary for Least Development Countries and rural development was also set up under the chairmanship of Benin assisted by Mr T. Zeitoun of Canada and Mr M.A. Yusoff of Malaysia.

Monday afternoon, Tuesday and Wednesday were devoted to ministerial statements and to addresses from eminent personalities.

The minister for Works, Communications and Transport of Tanzania announced that the telecommunication sector was being restructured following the adoption of a Parliamentary Act in 1993.

"The role of government will be limited to setting the country's telecommunication policy", said Mr. Kiula. He also indicated that an independent regulatory body would be created to oversee the operator or operators and implement the government policies. Mr Kiula also said that the post and telecommunication have

} The plight of Africa is the plight of mankind. Unless collective action is taken, the global network will be nonexistent for another decade~ N. L. Kiula, Minister of Works, Communications and Trasnportation (Tanzania) been separated resulting in the creation of a commercial state-owned telecommunications operating company. "Private sector involvement will be possible, particularly in the non-basic services and tariff policies are being liberalized to maximize resources for investment", he also said.

The State Secretary for Posts and Telecommunications of Cambodia, Mr S. Khun, estimated to US\$140 million the cost of rehabilitation, over the next four years, of the telecommunication infrastructure in the country. "The capital investment is to be a combination of donor assistance. concessional loans and private sector funds",

Mr Khun said

} Growth in demand is likely to mirror the 6% per annum ... With the quick, safe India to bridge the returns, the telecom sector provides very attractive investment opportunities for financial institutions expansion of the and lending agencies~ S. Ram, Minister of Communications (India)

New and innovative growth rate in GDP of methods of financing are being examined in and appreciable resource gap that could affect the implementation of an ambitious plan for the network and improved quality of service. "These cover the entire range of deferred payments, leasing,

Build-and-operate, build lease & transfer, build-transfer-operate, etc" the Minister of Communications said. He described the main achievements in telecommunications in the past few years, forecasting a network growth of 15% to 17%.

He pointed out that 200 of the 840 million inhabitants constituting the middle class with varying degrees of purchasing power, this made India one of the single largest market

}A single worldwide information network with a capability to toward a global economv~ S. Ram

block of any country. "It is no wonder, said the Minister, that there is communicate voice, already considerable data, text and images interest among various will drive the change financial institutions and lending agencies." India indicated their intention to float the biggest ever single Euro Issue of

their public sector enterprise VSNL which is expected to raise US\$1 billion.

Mr Ram also announced the consideration, by his government, of India's new National Telecom Policy that will introduce competition including in basic services, open the sector to private participation and separate regulatory and operational functions. "We also have an ambitious plan of covering all our Panchayat villages by 31 March 1995, and all villages thereafter in a phased manner", Mr Ram added.

Mr. R. Hundt, Chairman of the US Federal Communications Commission pleaded the cause of telecommunications development, providing concrete examples of applications and benefits of telecommunication to social and economic development.

} Where people are in communication, there is a possibility of health care, of education, of democracy, of economic growth, of sustainable development~ R. Hu ndt, Chairman FCC (USA)

Mr Hundt underlined the problems of lack of communications infrastructure and the resulting frustration of sustainable development. He also reiterated the five principles which US Vice-president Gore had developed in his keynote address on the opening of the Conference for the creation of a global information infrastructure.

But "achieving it will require in each country a careful assessment of economic efficiencies, technical capabilities and social benefits" Mr Hundt stated. "Fortunately, he continued, expanding communications markets and diverse new low-cost technologies offer regulators new solutions to the problem of universal service." He also expressed the hope that the conference participants would follow up on the proposal made by Mr Gore to connect every school and library in the world to the Internet and ultimately to the Global Information Infrastructure.

Mr Hundt concluded "the issue before us is not whether technological innovation and business investment will take place, but whether the potential for economic growth through telecommunications development can be fully realized and whether its benefits will be available to all the world's people".

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"Since the internal markets of the developed countries are sluggish and highly competitive, it is only by promoting the communications and the economy of a large number of developing countries and achieving worldwide economic prosperity that the developed countries can find greater vistas for development", said the Vice-Minister of Communications of China, Mr Zhu Gaofeng. He described the conditions under which cooperation between developed countries (governments and private companies) should take place. He also provided a general overview of the development of Chinese

} The rapid expansion started to alleviate the grave shortage in Chinese telecommunications, playing an important part in promoting China's economic growth, improving the forecast. investment environment and opening up further to the outside world~ Goafeng, China

telecommunications, highlighting a traffic in the past decade has growth of 68.5% and the addition of 10.8 million main lines in 1993. The completion of a digital trunk transmission network by 1995 was also

> "Our objective is to reach a 16-fold Vice-Minister of increase in the Communications communications capacity of the country over that of 1980, by

the end of the century," said Mr Gaofeng. To reach this target, high speed transmission and wideband switching including SDH and ATM, common channel signalling and digital mobile communications will be rapidly put into use.

Spanish Secretary-General of Communications, Dr Elena Salgado Méndez indicated that through an extension Plan for rural cellular telephony, truly universal service would be available throughout Spain by 1996. Today, nearly half a million of inhabitants of Spain do not have access to telecommunication in rural



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or remote areas despite an average of 35 main lines per 100 inhabitants. The Plan is financed 75% by Telefónica de España and 25% by budgets of the region.

Dr Méndez stressed that one of the problems of telecoms development was that of financing. "In this respect," she said, "access to external capital is a necessity which requires the adoption of national policies, but public initiatives will remain indispensable". Commenting on the proposal of information superhighways, Dr Méndez said that they should not contribute to divide people in information 'haves and have-nots'.

"In the mobile satellite sector", stated Mr O. Lundberg, Director-General of INMARSAT, "technology and services advances have already changed the landscape. Today, we have INMARSAT-M, the briefcase satellite telephone – usable anywhere - at about a third the cost of

INMARSAT A. In a few years, the briefcase will shrink to about half the current size once **INMARSAT** brings into service its powerful thirdgeneration satellite series." Mr Lundberg explained that with

} In many countries, there is a new intellectual and political flexibility a readiness to explore new models. new ideas, new approaches. And it seems to be working~ O. Lundberg, Director-General. INMARSAT

INMARSAT-M satellites, for example, reliable phone service could be extended to any village or remote area instantly and at low cost. "Using INMARSAT-M", he said, "it may be possible for a medium-sized country to extend a rudimentary telephone service to every village at the cost of installing cellular in a single city".

The INMARSAT Director-General also expressed confidence that plans in Kenya, Nigeria, and the Sudan to privatize telecommunications under the tutelage of the World Bank would provide new ways of doing business and provide impetus for modernization. "The move towards different regulatory regimes in Asia, Eastern Europe and the CIS republics would yield similar results", Mr Lundberg stated.

"Today, we have a growing catalogue of success stories where, through regulatory reform, often combined with new commercial and investment vehicles, remarkable progress and turnarounds can be made in a relatively short time," Mr. Lundberg concluded.

Speaking for France Télécom, Mr B. Brochier, Deputy Director-General outlined the new approach to development which France

} Our approach to partnerships is fully Aires Action Plan to which we have with a broad vision~ B. Brochier Vice-President

Télécom is adopting. He said that while continuing to support old-style consistent with the technical assistance thrust of the Buenos activities which are being pursued under the aegis of subscribed in advance public authorities and by our actions. The remain extremely useful, it Action Plan is an was also moving into new ambitious and forms of exchange and intelligent document transfer, more germane to a private enterprise, thus making a full and effective France TELECOM contribution to world telecommunication

development.

Mr Brochier also stressed the need to foster synergies from balanced and lasting partnerships. "It is with this in mind, that we have recently embarked on an important strategic alliance with German operator Telekom in order to respond without delay to the highly sophisticated needs of the world market for business communications".

"We have no doubt that the work of the Conference will feed and consolidate the lines of action already drawn in the Action Plan and France Télécom will endeavour to foster this process", said Mr Brochier.

Dr Paul Laufs, Parliamentary State Secretary of Germany emphasized the special challenge for every country of which the growing importance of information technology is

posing, for it is this that will be one of the main factors determining competitiveness.

He also stressed that the financing of telecommunication development could not be met entirely by assistance funds. "The worldwide need for investment in telecommunications is so great that an improvement in telephone provision in the developing countries cannot be brought about by development cooperation only. Well thought out financing models must be drawn up and applied that ensure the participation of the private sector", Dr Laufs said.

"The ITU can help to bring the relevant parties together, but the ITU itself is not a financing organization", he added.

The Director-General of International Relations of the Ministry of PTT, Mr Utsumi, announced Japan's plan to prepare the advent of the future multimedia society. "This

plan calls for the construction of a fiberoptic network across the whole country by the year 2010 to pave the way for the information society of the 21st century" Mr. Utsumi said.

} In order to make the public aware of the importance of telecommunications. we. in the telecommunication business, have a mission to publicize that importance, even to the extent of being overbearing~ Mr Y. Utsumi, MPT, Japan

45 other speakers made statements in the first three days of the

conference. Most speeches are available, as delivered, on request.

On Wednesday afternoon, in addition to the presentation of the report by the Director of **ITU's Telecommunication Development** Bureau and by the Telecommunication Development Advisory Board as well as a background document on the policy perspectives on the role of the ITU in development, the draft Buenos Aires Action Plan was tabled in Plenary. The draft Buenos Aires Action Plan was drafted prior to the Conference, by a group of countries having taken part in the work of a group called "support group" set up to prepare the Conference.

Proposals relating to the Action Plan were introduced on Thursday morning. A long debate followed the introduction of a proposal from Morocco which put forward a substantially different approach to the structure and focus of the Action Plan. The Plenary decided to assign to the two substantive committees (3 and 4) the parts of the Action Plan relevant to their respective work together with the related proposals.

It also decided to prepare two documents (DT/36 and DT/37) for the consideration of Committees 3 and 4. Document DT/36 consists of:

- a draft resolution on telecommunication policy and strategy
- a resolution on the establishment of Study Group 1 on Telecommunication Development Strategies and Policies including:
 - □ the mandate (see press release ITU/95-5)
 - □ a set of questions to be studied during the next cycle (1995–1999) and
 - the procedures to be applied by the Study Group for the adoption of Questions and Recommendations. Recommendations represent the output of Study Groups.

The document integrates, within the text, the various proposals tabled by delegations for discussion.

Document DT/37 consists of a draft resolution prepared by the Support Group on the establishment of Study Group 2 and the draft Questions to be assigned to it (see press release ITU/94-6). The procedures to be applied by the Study Group for the adoption of Questions and Recommendations are also included (the same as those examined by Committee 3).

Discussions of these two documents began on Friday.

Committee 3 considered and adopted the draft resolution on telecommunication policy and strategy and started only towards the end of its meeting, consideration of the mandate of Study Group 1.

The resolution provides guidelines for governments and administrations when establishing and implementing their telecommunication policies. With respect to the structure of the sector, the following reforms are to be considered with a view to favouring investments, increasing efficiency, broadening the supply of services and improving service quality:

- separation of the postal and telecommunication services in order for their respective policies to be more specific to the requirements of each branch
- separation of the regulatory and operational functions for a more efficient management based on customers' needs for more cost-effective services
- creation of a regulatory body to ensure objectivity and transparency of decisions regulating the sector and for the development and impartial supervision of competition rules
- provision of financial and management independence to operators to enable them to develop commercial policies adapted to market requirements

The guidelines also stress the need for a clear, consistent and transparent regulatory framework to ensure, on a stable basis, the long-term development of the sector while facilitating technological innovation, infrastructure modernization, service diversification and improved quality of service.

National regulatory frameworks should also aim at promoting the provision of basic services in rural or remote areas at an affordable price and at allowing sufficient flexibility to adapt to technological and commercial changes and to the growing market segmentation. Moreover, national regulatory frameworks should allow opportunities for all interested parties including users and the private sector, to provide opinions into the regulatory policy-making process.

In the area of general policies, one of the chief objectives at which telecoms policies should aim is to promote access to all basic telecoms services at an affordable charge and encourage the development of networks and services to reduce not only regional but also national disparities. The global interoperability of networks should also be fostered. General policies should also consider the use of wireless telephone networks to introduce telecommunication services in rural and remote areas. Policies promoting, where appropriate, the development of local or regional telecoms industries were advocated.

To this end, opening up at least certain markets to competition should be considered. So should the need to develop a pool of highly-trained manpower in all aspects and of the need to encourage greater R&D efforts.

In order to meet the considerable investment needs arising from the development of modern telecoms infrastructures, it is proposed that administrations explore every possibility of attracting investment from national savings and encouraging internal and external private participation including through investment policies and alternatives such as Official Development Assistance, leasing, Build-Operate-Transfer, or joint ventures. The choices will have to take into account the degree of access to multilateral, bilateral and private sources of funding based on the status of the operator (and its evolution within the framework of the restructuring), the degree of liberalization in regulations governing foreign investments, the regulatory framework and the tariff policies/pricing regulation.

Committee 4 considered and approved DT/37 with the exception of two proposals by the US delegation, to be discussed on Saturday and one joint proposal by France and the US concerning coordination between the two study groups of issues concerning human resources development. One concerned issues arising from the work of by the Radiocommunication and Telecommunication Standardization sectors which are of particular concern to developing countries; the other related to the planning, management, operation and maintenance of telecommunication networks.

Committee 4 also examined the 5 programme areas of the draft Buenos Aires Action Plan which were assigned to it and approved them with minor modifications to the text. These are:

- Human Resources Management and Development
- Business-oriented development plan guidelines, network planning, maintenance and frequency management
- Integrated Rural Development
- Broadcasting

 Development of telematics and electronic networks

An informal working group of the Steering Committee under the chairmanship of Mr A. Berrada of Morocco, was convened on Friday night to review the draft Plan of Action taking account the proposals of the various countries. The revised draft Action Plan is due to be considered in Plenary on Monday.