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An Address by President Vaira Vike-Freiberga at the "Baltic IT&T 2000" Conference, Radisson SAS Hotel, April 6, 2000

Mr.chairman,

ladies and gentlemen:

We have passed from the Industrial Age to the Information Age, when availability of information has become one of the key factors of democracy. The modern world is moving toward the Information Society - one in which information is available to everyone and understood by everyone. Information has power and strength. In a totalitarian system information is carefully controlled and hidden, and it circulates only among the privileged classes. Democracy, by comparison, ensures information openness and free access to all of society. In a free society, only an informed citizen can take adequately justified decisions.

The Information Society is based on the development of information technologies, and informatics have become a necessary tool for business. One can no longer work effectively without a computer and the communications network. The Internet and electronic business have become a matter of survival for every company. Knowledge and information today determine a company's value far more than its buildings or machinery do.

In the present-day economy, all of the Baltic States must be competitive in the European Union and at the global level. We must not permit our countries to become nothing more than a source of cheap labour and a consumer society to which large and developed countries can send their out-of-date and low-quality goods. We will not accomplish this with the forms of activity that have been traditional in this part of the world. We will not accomplish it with single-family farms, with fishing or with the export of raw wood materials. We must find new niches - the ones which the world requires today. Luckily, there are many such niches, and over the course of time more and more will certainly emerge. We need only to find far-sighted and clever people who can see the niches and use them. We must have far-sighted government policies which support such pioneers with targeted action and investments so that working together, we can achieve expanded exports and economic growth in our country.

Today the economic weight of any nation in the world is becoming increasingly dependent on the nation's ability to organize and promote knowledge, use modern technologies and develop intellectual potential in favorable environs. This is a magic circle in which information technologies increase welfare, but at the same time there must be a certain level of welfare to allow the Information Society to develop.

Let us remember that in the Information Society there are those who give and those who take, those who buy and those who produce, those who sell. We must not remain in the role of the eternal consumer. We must participate actively in all phases of this process, and that means that we must participate in the production and provision of information products and services. Economists forecast that the world's IT service market in 2003 will be worth 472 billion dollars, and there is absolutely no reason why the Baltic States cannot take a proper share of this market. That is why the subject of your conference - information and technologies and telecommunications - is so very important. The rapid development of these technologies has launched the unbelievable spread of the Internet and e-communications in the world. This, in turn, creates enormous demand for specialists,

products and services in this area of activity. I have not the slightest doubt that all investments in this sector will be recouped many times over in the future.

The deficit of qualified specialists in the ITT sector in the world is expanding at a dramatic pace, and specialists say that the lack of professionals in Europe will expand by 19% through 2002 - that is, over the next two years. Specialists also say that if this sector is developed in Latvia, in a short period of time an export-based industry could be developed with 40,000 jobs income of approximately one billion dollars a year, and contributions to the national budget of nearly 100 million lats each year. Similar numbers can be applied to Estonia and Lithuania, too. In order to reach this goal, however, there must be expanded opportunities to educate specialists. The IT industry and universities must participate in this process, and there must be active support from the government.

All of the conditions are in place in the Baltic States for rapid development of the ITT industry and we are not starting from scratch. This year we mark the 40th anniversary of the first computer to be assembled in Latvia - the LM3, which was assembled by the VEF factory and developed by the Academy of Sciences. Today we have several highly qualified companies that have earned a reputation among leading Western companies as trustworthy partners. They have received awards and ISO-9000 certificates, and they produce high-quality software, already enjoying a positive export balance.

We have universities that train specialists to the highest level of qualifications, we have thousands of students among whom there are some who have done exceedingly well in various knowledge-based Olympiads. Our high schools are not lagging behind. The basic goal of the informatization of Latvia's educational system - that every school have at least one computer - has already been reached. There is at least one permanent Internet connection in each district, and thousands of teachers have been trained. We must continue to supply our schools with the most modern computer technologies, we must expand telecommunications network connections. The development of Internet-based distance learning programs is important, and that is one of the subjects of discussion at this conference.

One prerequisite for the Information Society is a unified communications network that is available to everyone, beginning with the farmer on a remote farm, continuing with a child at school in one of the country's parishes, and ending with the scientist in her laboratory. The rapid spread and use of the Internet in the Baltic States, as elsewhere in Europe, is presently still being hampered by excessively high telecommunications tariffs that must be paid for every minute of the connection. Solutions must be found to reduce Internet access costs and to increase communications capacity. Information network structures, of course, are not linear like a blade of grass. They are multidimensional like a large tree with many branches along which information and knowledge flows are strengthened and multiplied. For that reason we will achieve a much greater effect if we work toward common goals in cooperation with the other Baltic States instead of going the road alone. I am truly pleased that this is a Baltic-level conference, and I wish you success in information exchange so that at the beginning of this century we can work together to ensure that our three countries become an Information Society in the full sense of the word.