

ACTION PLAN

Objectives, activities and responsible parties in the execution of the Strategy for the Development of Telecommunications in the Republic of Serbia from 2006 until 2010

#	Objective	Activity	Responsible party
1.	Role of the Government	<p>The Government of the Republic of Serbia is dedicated to the telecommunications sector development through the Strategy which is consistent with sector reforms implemented in the EU.</p> <p>Accept the recommendations of the e-Europe 2005, particularly regarding the procedure of creating the methodology for measuring of success of the development of the telecommunications sector, as well as the identification of the development indicators of the sector.</p> <p>Enforce all already assumed international obligations in the development of the information society.</p> <p>Enhance the level of competency in all public administrations which are engaged in telecommunications.</p>	GOVERNMENT, Ministry of Capital Investments, RATEL
2.	Enhancement of the regulatory framework	<p>Harmonization of the regulatory framework with the relevant EU regulations, to be carried out in accordance with the results of the implementation of the Law and the degree of market liberalization.</p> <p>Implementation of fully transparent and non-discriminatory regulatory framework in accordance with the best European practice</p> <p>License issuance, interconnection regulation, enforcement of tariff policy, in accordance with the Law.</p> <p>Harmonization of the existing laws and simplification of the regulations for building telecommunications structures.</p> <p>Creation of a regulatory framework which will enable the application of the latest technological solutions and make all benefits these solutions provide available to the service users.</p> <p>Creation of a regulatory framework which will enable, in line with the best European practice and available technology, convergence of networks and convergence of services.</p>	GOVERNMENT, Ministry of Capital Investments, RATEL
3.	Liberalization and privatization of the telecommunications sector.	<p>Definition of conditions for the issuance of licenses and authorizations to new operators.</p> <p>Definition of conditions for carrier pre-selection and carrier selection and for number portability.</p> <p>Definition of conditions for the usage of VoIP.</p> <p>Gradual further privatization of "Telekom Srbija", with the possibility for the state to keep a package of shares.</p>	GOVERNMENT, Ministry of Capital Investments, RATEL
4.	Obligation of Universal Service provision and enhancement.	<p>Definition of the initial set and initial volume of the services of the universal service.</p> <p>Designation of an operator with the obligation to provide universal service.</p>	GOVERNMENT, Ministry of

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		Establishing the universal service fund, in accordance with the Law. Define the criteria and program for universal service provision to the socially disadvantaged.	Capital Investments, RATEL
5.	Growth of the telecom services market (absolute growth of the service volume by around 20% on annual level)	Encouragement of the increase in the share of the telecommunications services in GDP and absolute growth of the service volume and revenues from them. Stimulation for entrance of foreign investors in the telecommunications sector. Encouragement of strategic partnerships between domestic and prominent foreign operators.	GOVERNMENT, Ministry of Capital Investments, RATEL, operators
6.	Development of telecommunications infrastructure.	Uniform development of the telecommunications infrastructure and migration from circuit switched voice networks to packet switched networks. Development of infrastructure in the undeveloped areas. Development of third generation mobile networks and improvement of the quality of service of GSM networks. Development of advanced access networks, including wireless access networks. The development of data transfer networks and high rate Internet access networks, with emphasis on observing the principles of technological neutrality. Reconstruction of the broadcasting capacities of the public broadcasting service and application of digital technology. Support of operators' plans regarding regional expansion and interconnection. Initiate the procedure of forming the land registry for telecommunications ducts.	Operators, RATEL, Ministry of Capital Investments.
7.	Enhancement of the level of development of the telecommunications sector (penetration in PSTN of 42%, 100% in public mobile telecom networks, over 30% in Internet usage and over 10% in broadband Internet access)	Full PSTN digitalization, elimination of party-lines and creating conditions for carrier pre-selection and carrier selection. Provision of number portability for fixed and mobile networks. Reaching envisaged level of third generation service coverage. Provision of Internet access in all elementary and secondary schools. Provision of universal access to ICT. Make preparations to form a exchange point of the national Internet traffic, within the preparations for establishing an independent, non-profit body for management of Internet domain.	Ministry of Capital Investments, Ministry of Science and Environment Protection, operators, RATEL.
8.	Enhancement of tariff policy.	Reach prices of services acceptable for the citizens and industry, with cost-based structure of prices and elimination of disparity in prices in fixed telephony. Cessation of call-unit tariff system and introduction of modern tariff system. Tariff rebalance of the fixed operator will be performed simultaneously with the market liberalization so as to enable the application of the principal of forming the prices of services in proportion with the costs.	GOVERNMENT, Ministry of Capital Investments, RATEL,

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		Establishing a special tariff regime for the SMP operator, which will not disturb macro-economic stability of the economy.	operators.
9.	Increase in business efficiency of the national operator "Telekom Srbija".	Reform "Telekom Srbija" in terms of structure and organization, in order to adapt to market demands, requirements of efficient business and technological modernization, and to increase the value of the company in the liberalized market. Stimulating introduction of new technologies and new managing methods.	GOVERNMENT, "Telekom Srbija"
10.	Efficient and rational radio frequency spectrum management.	Radio frequency spectrum management applying new systems for spectrum planning, allocation of adequate bands for new technologies, which enable greater efficiency. Application of adequate procedures in the frequency assignment, enabling a non-discriminatory usage of this resource. Planning of reconstruction and building of the infrastructure for public broadcasting service should be planned in such way that the migration to digital technologies can be performed easily and with minimum costs. Upgrading of radio-frequency spectrum monitoring system. Preparing the Action Plan for migration to digital broadcasting, in order to satisfy in the best possible way the needs for broadcasting services and adoption of adequate frequency allocation plan. Vacating radio frequency bands used by the Serbian Army and the Ministry of Internal Affairs for the needs of broadcasting and mobile telephony in accordance with the Radio Frequency Allocation Plan.	GOVERNMENT, Ministry of Capital Investments, RATEL, Serbian Army, Ministry of Internal Affairs.
11.	Enhancement of the numbering and addressing plan	Harmonization of the numbering and addressing plans with the system applied in the EU. Vacating initial digit "1" in the subscriber number. Ensuring the directing of the single emergency number (112) to a single contact centre for these purposes. Transferring all subscribers from those analogue telephone exchanges with subscribes number starting with digit "1" and vacating this digit for carrier selection service and introduction of single emergency number 112. Application of Internet addressing regulation principles.	RATEL
12.	Strengthening of all safety and security aspects of the telecom sector.	Provision of multiple levels of protection of telecommunications systems from malevolent attacks, i.e. telecommunications systems have to be safe enough to build trust of consumers in electronic payment and business. Security and safety should be achieved in accordance with the EU standards. Aligning of network safety with possible violation of users' privacy. Definition of national standards regulating privacy and safety of data, as well as standards on data and communications which provide international compatibility and connection. Incorporation of adequate solutions into regulations regulating protection of intellectual property concerning the usage of electronic communications and into regulations concerning the access to information sources, both national and international, including the Internet.	GOVERNMENT, Ministry of Capital Investments, RATEL, operators.

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13.	Education, professional and scientific training of engineers and scientific and research human resources in the field of ICT.	<p>Definition of priority scientific and research and development telecommunications projects of national importance, which would enable the fulfilment of the objectives from this Strategy.</p> <p>Enhancement of international cooperation and participation in the research and development projects within the EU programs.</p> <p>Involving young researchers in the scientific work as much as possible, in particular through programs of master and doctoral studies.</p>	Responsible ministries, operators, RATEL, telecom industry, institutes, universities.
14.	Development of market competitiveness of the national telecommunications industry.	<p>Increase in the participation of the domestic industry in the development of telecommunications in the Republic of Serbia.</p> <p>Stimulation of the development of the national telecommunications industry through strategic partnership with telecommunications operators, private networks holders and state systems.</p> <p>Encouragement of domestic telecommunications industry to enter strategic partnerships with renowned world manufacturers.</p> <p>A part of telecommunication industry, which is engaged in the development and production of equipment and materials should include scientific and research institutions in their development projects on the basis of long-term programs. In this way, employment is provided for young experts of different profiles.</p>	Other operators, industry, responsible ministries, RATEL. GOVERNMENT

Annex 2

Increase in income of certain ICT market segments in the EU and their share in GDP

Year	2003	2004	2005	2005/2003
Telecommunication equipment	307.1 (0.9%)	303.3 (0.9%)	287.1 (0.8%)	-6.5%
Telecommunication services	1098.5 (3.3%)	1192.2 (3.4%)	1290.8 (3.5%)	17.5%
IT hardware	415.6 (1.2%)	442.9 (1.3%)	471.1 (1.3%)	13.3%
IT software and services	583.5 (1.7%)	649.3 (1.9%)	721.5 (2.0%)	23.6%
Audiovisual services	329.8 (1.0%)	346.3 (1.0%)	365.6 (1.0%)	10.8%
Consumer electronics	218.6 (0.7%)	232.7 (0.7%)	246.1 (0.7%)	12.6%
TOTAL	2953.1 (8.9%)	3166.7 (9.1%)	3382.2 (9.3%)	14.5%

Increase in the ICT market in the EU by sectors in billions of EUR; the share (%) in GDP is given in the brackets.

Annex 3

Basic data on the telecommunications sector in some EU countries in 2005 and in some of the countries in the region

Country	GDP per capita (EUR)	FT100	MT100	Internet (users)	xDSL 100
Scandinavian countries	39,800	71.54	93.31	3,373,000	68.5
Germany	33,156	66.57	95.78	48,721,997	61.3
Italy	25,048	43.12	123.14	28,870,000	48.8
Greece	16,228	56.69	90.31	3,800,000	33.7
Slovenia	12,980	41.5	89.44	950,000	55.6
Croatia	6,280	41.51	65.55	1,303,000	32.5
Hungary	9,126	33.24	92.3	3,050,000	30.3
Romania	2,720	20.22	61.51	4,940,000	23.2
EU 25	22,500	50.61	97.05	49.8%	51.9
SEE	3,021	26	61.38	16.93%	1.02

(FT100 – fixed and MT100 - mobile telephones per 100 inhabitants and xDSL100 number of xDSL connections per 100 inhabitants)

Average digitalization rate in the EU is almost 100%, fixed penetration is 50.61%, mobile penetration is 91.05% and rate of Internet usage is around 50%.

Annex 4

Data on broadband penetration in developed European countries

Country	2000 (%)	2005 (%)	2005/2000
Scandinavian countries	2.3	30	13
Germany	0.9	17	18.9
Italy	0.1	10	100
Spain	0.2	8	40
France	0.6	10	16.7
UK	0.3	15	50

Annex 5

An overview of data used for preparing the second report of the SEE Observatory with the situation on the 1st November 2005

analogue extensions	digital extensions	ISDN	total number of subscribers	penetration
549 312	1 717 154	25 706	2 292 172	30.57%

Data on the number of subscribers of PSTN / 100 inhabitants for 2005 (residential users)

analogue extensions	digital extensions	ISDN	total number of subscribers	penetration
40 796	222 708	19 706	238 210	3.78%

Data on the number of subscribers of PSTN / 100 inhabitants for 2005 (business users)

1 st January 2003	1 st January 2004	1 st January 2005	1 st November 2005	31 st July 2006	31 st December 2006
53.21	64.87	67.35	77.78	85.33	89.00

Data on digitalization rate of fixed network in percentage

	1 st January 2004	1 st January 2005	1 st November 2005
1.00	1.30	1.40	1.43

Data on the number of public payphones per 1000 inhabitants

Total number of Internet users	Internet users penetration	Internet users / 100 households
640 000	8.50%	25.40%

Data on the number of Internet service users / 100 inhabitants

Annex 6

Data on the number of mobile subscribers per 100 inhabitants used in preparing the second report of the SEE Observatory

1 st January 2003	1 st January 2004	1 st January 2005	1 st January 2005	Fixed penetration (1 st November 2005)
32.14	43.80	56.98	73.03	34.35
Telekom Srbija	Telekom Srbija	Telekom Srbija	Telekom Srbija	
18.14	23.80	30.98	40.03 31.12.2005	
Mobtel	Mobtel	Mobtel	Mobtel	
14.00	20.00	26.00	33.00	

