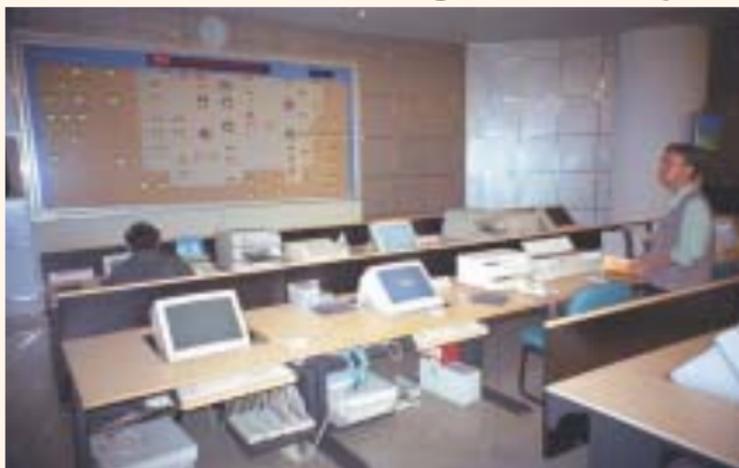


Indonesia

Junction Network for Expanded Jakarta Multi-exchange Area Project



Central monitoring system

Outline of Loan Agreement

Loan Amount / Disbursed Amount	3,556 million yen / 2,450 million yen
Loan Agreement	September 1991
Terms & Conditions	Interest rate 2.6%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	October 1996

Project Outline

The project targeted to meet increasing demand for the telephones lines by upgrading and extending the telephone network in the Jakarta metropolitan area.

Results and Evaluation

The project involved the introduction of an optical fiber cable system capable of handling a large volume of telephone lines in the Jakarta metropolitan area, and between 1993-96. Approximately 422km of optical transmission lines were newly installed on 47 routes and 4 routes added.

Since 1991, prior to project implementation, the number of telephone subscribers has increased year-by-year, and by project completion in 1996 roughly 1 million lines had been newly installed. The introduction of optical fiber cables resulted in a dramatic expansion of the telephone network capacity, which is judged to have facilitated the increases in lines for new subscribers. Moreover, the call completion rate of the metropolitan Jakarta area (which will drop in the event that the volume of calls exceeds network capacity), which was less than 30% in 1993, exceeded 50% in 1996, the year the project was completed. It has subsequently improved up to nearly 80% in 2001. The work undertaken in this project to reinforce the telephone network is also considered to have contributed to this improvement.

The executing agency, Perusahaan Umum Telekomunikasi (PERMUTEL) was privatized in 1991. The financial status of the company and its technical standards are favorable, and no problems have been observed in the operation and maintenance of the communications equipment.