

China

Lanzhou-Xining-Lhasa Optical Fiber Cable Construction Project



Sign marking optical fiber cables in Qinghai Province

Outline of Loan Agreement

| | |
|--------------------------------|----------------------------------------------------------------------------|
| Loan Amount / Disbursed Amount | 3,046 million yen / 2,229 million yen |
| Loan Agreement | December 1996 |
| Terms & Conditions | Interest rate 2.3%p.a. Repayment period 30 year (Grace period 10 years) |
| Final Disbursement Date | April 2002 |

Project Outline

An optical fiber long-distance transmission line was to be established in Gansu Province, Qinghai Province, and Tibet Autonomous Region in western China, with the aim of meeting increased demand for telecommunications in these regions.

Results and Evaluation

Under the project optical fibers and transmission equipment with a total length of 2,739km, were constructed in Gansu Province, Qinghai Province, and Tibet Autonomous Region. This was the first main line optical cable to be installed in Tibet Autonomous Region, and by connecting this with the already completed main line optical cable in Gansu Province, optical fiber transmission lines linking Qinghai Province, Tibet and the coastal regions were accomplished.

A comparison of pre-project (1995) and post-project (1998) figures shows that the capacity of switching equipment has increased significantly from 810,000 lines to 1.59 million lines in Gansu Province, from 140,000 to 310,000 lines in Qinghai Province, and from 50,000 to 150,000 in Tibet Autonomous District. Subscriber lines also more than doubled in the same period, from 430,000 to 950,000 in Gansu, 90,000 to 220,000 in Qinghai, and 30,000 to 60,000 in Tibet. Moreover, between 1995-2000, long-distance calls in the three regions increased by an annual average of around 25%, thus the project is evaluated as having made a major contribution to increased demand for telecommunications in each of the target regions.

The operation and maintenance of the facilities is being undertaken by provincial/district subsidiaries of China Telecom, and no specific problems have been identified in terms of technical capacity.