

Pakistan

Telex Network Expansion Project



Multan Telex Exchange Station

Outline of Loan Agreement

Loan Amount / Disbursed Amount	1,900 million yen / 1,351 million yen
Loan Agreement	September 1987
Terms & Conditions	Interest rate 2.75% p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	September 1992

Project Outline

The project targeted quantitative and qualitative improvements in telex services via the additional construction of digital telex exchanges in hub cities throughout Pakistan.

Results and Evaluation

Initial plans called for construction of telex exchanges in 16 cities with a capacity of 9,200 lines (of which 3,500 in Karachi), however, in light of changes in the patterns of demand, the project was scaled back to 11 cities with a capacity of 5,430 lines (of which 3,000 in Karachi).

The bidding for, manufacture, and installation of equipment was implemented between 1988-92, and became fully operational in May 1993. Close to ten years have now elapsed since the project was completed and during that time the numbers of telex subscribers in the 11 cities grew some 6.5 times, from the pre-project level of around 700 in 1991 to roughly 4,500 between 1994-96. Thus the project is considered to have met telex demand based on the estimates made at appraisal.

However, numbers of subscribers have been falling off since 1997, and the average exchange utilization rate for the 11 cities has dropped from 76% in 1997 to 36% in 2000. This is attributed to the spreading popularity of fax and Internet communications, which were not anticipated during planning.

It will be necessary to adequately consider the potential for future technical innovations when selecting projects in the field of telecommunications.