

# Telecommunication Expansion Project



PTC Harare Central Switchboard Station

## Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥5,246 million / ¥5,246 million
Loan Agreement	October 1989
Terms and Conditions	Interest rate: 3.5%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	December 1996

## Project Profile

The project was to replace dilapidated step-by-step telephone switchboards with digital switchboards in Mashonaland and Manicaland states, and to install a new optical fiber line in Harare as the local transmission channel between major exchanges in the city. These developments aimed to meet demand for telephone services and to improve those services.

## Results and Evaluation

The project made telephone communications more reliable in the area covered and simplified maintenance of the network. Telephone traffic has been rising in most of the areas covered since. It also increased capacity by 72,300 lines, and the number of telephone subscribers grew by 32.4% in the five years between 1996 and 2000. However, the lines added and rehabilitated under the project filled to capacity immediately, and the waiting list for lines began growing again. Even now, Zimbabwe needs additional measures to cope with its rising demand for telephone services.

There are no technical problems with the maintenance of the project. However, some of the equipment is difficult to repair within Zimbabwe. The financial condition of the executing agency, PTC is deteriorating, so it will have to take measures to remedy its financial condition by expanding revenue and reducing expenses. It is now being reorganized in preparation for the privatization of its communications division, and is working to build new systems.