

Metropolitan Guatemala City Telecommunication Expansion Project



Centro Station

Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥5,875 million / ¥5,616 million
Loan Agreement	February 1988 / February 1990
Terms and Conditions	Interest rate: 3.75%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	June 1997

Project Profile

The aim of this project was to expand and modernize the telephone network of metropolitan Guatemala City in order to meet a backlog in demand for telephone services. The improvements were intended to build core urban functions, develop infrastructure in a way that would have a positive impact on citizens' daily lives, and stimulate social and economic activity.

Results and Evaluation

Line capacity reached the planned 50,000 lines in 1997, after the project was completed, and the number of subscribers reached that number in 1998. In 1997, there was a backlog of 6,000 customers waiting for lines, but by 2000 this had been halved. At the time of the appraisal, there were 7.2 telephones for every 100 people in the capital region, which improved to 18.3 by the end of 2000. The fault rate improved to 4.7% that same year, better than the target 7% and the call completion rate rose to 55.7%, exceeding the 50% target figure. The project clearly helped to improve the reliability of telephone services.

The facilities for the project were privatized after loan disbursement in 1997, with the aim of raising management efficiency and improving service. The private company operates and maintains the facilities without problems, and the quality of telephone service has improved. The outlook is good for continued sustainable development.