

## Qingdao Development Project (Telecommunication)



Shandong Telecom, Qingdao Branch

### Outline of Loan Agreement

Loan Amount / Disbursed Amount	4,034 million yen / 2,547 million yen
Loan Agreement	March 1991
Terms & Conditions	Interest rate 2.5%p.a. Repayment period 30 year (Grace period 10 years)
Final Disbursement Date	April 1996

### Project Outline

The project covered the installation of additional local switchboards, breaker transmission lines/center equipments, primary cables in Qingdao, with the aim of meeting increased demand for telecommunications and expanding / modernizing telecommunication networks.

### Results and Evaluation

The project installed telephone switchboards with a total capacity of 93,000 lines (the number of lines was increased from the original figure of 80,000 in response to changes in the demand forecast) at 7 telephone exchanges in Qingdao. An optical fiber cable system and primary cables (1,822km) were also established. Equipments procurement/installation was executed between 1991-93, and those equipments became fully operational in 1994.

As a result, telephone diffusion rate has increased from 1.7% in 1990 to 6.5% in 1995, and to 27.8% in 2001. Moreover, the number of subscriber lines has increased significantly, from 60,000 in 1990, to 925,000 in 2000. Meanwhile, the subscriber waiting list, which stood at 47,000 in 1990, had been reduced to zero by 1999. The project is thus inferred to have contributed to improving telecommunications in Qingdao.

Switchboards installed under this project have been undergoing systematic upgrading since 1998, since problems have emerged in handling the broadband services and expanding to the network, which occurred as a result of rapid technical innovations in recent years. Otherwise, equipments are effectively and properly operated and maintained, and no problem has been detected with the high technical capacity of the executing agency.