

## 5 China

### Guangzhou-Kunming-Chengdu Optical Fiber Cable Construction Project



A marker pole where optic cables were laid by this project (Sichuan Province)

#### Outline of Loan Agreement

Loan Amount / Disbursed Amount	5,349 million yen / 3,819 million yen
Loan Agreement	December 1996
Terms & Conditions	Interest rate 2.3% p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	June 2002

#### Project Outline

Long-distance optic transmission network extending over Guangdong Province, Guangxi Zhuangzu Autonomous Region, Yunnan Province and Sichuan Province was constructed, to accommodate the growing communication demand in these regions, as well as to improve the investment environment in inland regions with a view to promoting economic development.

#### Results and Evaluation

Through this project, fiber optic cables (total length: 4,174km) and transmission facilities were constructed in three provinces and one ward, the total long distance switch capacity that was 770,000 lines in 1995 significantly grew to 1.6 million lines by 2001. Moreover, the number of long-distance calls handled in the targeted regions, including mobile phones was estimated to be 14.6 billion (96% of the plan) in actual results of 2000. This project has provided a high quality communications service to a larger number of people than before through optic cables. In regard to the improvement of an environment suitable for investment in the targeted regions, it is generally recognized that correlation exists between the conditions of communication infrastructures and expansion of investments and economic development, and it is believed that this project has made some contributions toward industrial development, though there have been effects by third factors outside the project.

The overall operational management facilities of this project are executed by subsidiaries of China Telecommunications Corporation in the three provinces and one ward, and the branch offices of these subsidiaries are actually conducting the operational management. No particular problem, such as a shortage of personnel or lack of required skills has been so far reported.