



Indonesia

22 Extension and Improvement of Telecommunications Networks in Expanded Jakarta Areas (1) (2)

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The project's objectives were to meet demand for communications services in the Jakarta region and to improve connections between Jakarta and other regions by expanding and developing its telecommunications networks, and thereby contribute to countrywide improvements in communication quality and to IT-related developments.

Loan Amount/Disbursed Amount: 17,353 million yen/16,656 million yen

Loan Agreement: November 1993 / November 1994

Terms and Conditions: Interest rate, 2.6%; Repayment period, 30 years (grace period, 10 years); General untied

Final Disbursement Date: December 2000/December 2001

External Evaluator: Atsushi Fujino (KRI International Corp.)

Field Survey: August 2003



Evaluation Result

Switchboards and subscriber cables were installed and/or upgraded almost as planned, and the implementation period and project costs were also almost as planned. The implementation of this project resulted in the establishment of 111 switching centers in metropolitan Jakarta with a total circuit capacity of 360 thousand terminals, and the number of lines available to subscribers was also increased by approximately 210 thousand. These additional subscriber lines account for 60% of all additions made in metropolitan Jakarta during the same period. Prior to completion, telephone density in metropolitan Jakarta was 7.8% (1998), but rose to 10.7% by 2001. In addition, there were marked improvements in the call completion rate (CCR)* both for local calls, which rose from 32.2% (1993) to 80.0% (2001) and for long distance calls, which increased from 27.5% to 71.1% in the same period. According to a beneficiary survey towards residents, more than 60% stated that they were "highly satisfied" or "satisfied" with current telecommunications services, including the improved CCR, while similar responses were given by more than 70% of respondents in connection with customer services, such as faster maintenance activities, confirming that services have

become more convenient for residents in the area. Ten companies in the Cikarang district were also surveyed, with all ten stating that the content of telecommunications services either "improved dramatically" or "improved", confirming that the project is helping to stimulate commercial and industrial activity. There are no problems in the technical capacity, operation and maintenance system of TELEKOM Indonesia - the project's executing agency, and its financial condition is also favorable.

*The ratio of calls placed to calls connected.

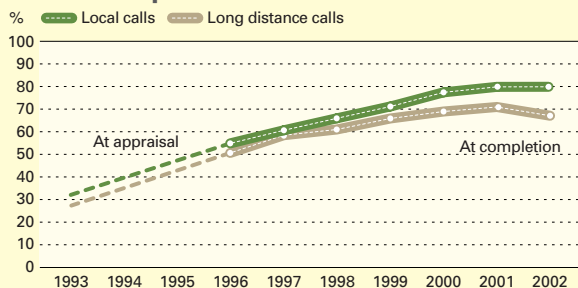
Third-Party Evaluator's Opinion

This project with aims at building of comprehensive extensions to and improvement of the communications network in the Jakarta Region contributes to improving communication conditions throughout Indonesia. It also pointed out that this project had positive socio-economic impacts on local economic activities.

Third-Party Evaluator: Mr. Pande Radja Silalahi

Obtained a post graduate diploma in economics from University of Commerce, Kobe. Presently holds the post of Commissioner, Commission for the Supervision of Business Competition Republic of Indonesia (KPPU). Specializes in macro economics.

CCR in Metropolitan Jakarta



There have been significant improvements in the CCR for both local and long distance calls in metropolitan Jakarta over the levels recorded at appraisal.



The beneficiary survey conducted at the Cikarang industrial estate confirmed that the project was helping to stimulate commercial and industrial activity in this area.