

PRESENTATION ON THE PROPOSED EAST AFRICA OPTICAL FIBRE SUBMARINE CABLE SYSTEM

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1. INTRODUCTION TO THE PROJECT

- **EAST COAST IS THE ONLY PART OF THE AFRICAN CONTINENT THAT HAS NEITHER INTRA – AFRICAN NOR DIRECT ACCESS TO WORLDWIDE INTERNATIONAL CABLE NETWORKS**
- **EAST AFRICAN COUNTRIES ARE SOLELY DEPENDENT ON ACCESS VIA SATELLITES**
- **PAST INITIATIVES TO DEVELOP A SYSTEM HAVE NOT MATERIALISED**
- **TO REDRESS THE CRITICAL SITUATION, TO PROVIDE ROUTING DIVERSITY, AT THE EAST AFRICAN BUSINESS SUMMIT MEETING HELD AT NANYUKI IN KENYA LAST NOVEMBER IT WAS DECIDED TO DEVELOP A SUBMARINE CABLE SYSTEM ALONG THE COAST OF EASTERN AFRICA FROM DURBAN TO DJIBOUTI**

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2. CURRENT STATUS OF THE PROPOSED PROJECT

- **AS A FOLLOW UP OF THE DECISION TAKEN AT THE E.A. BUSINESS SUMMIT, TELKOM KENYA CALLED A CONSULTATIVE MEETING OF THE INTERESTED PARTICIPANTS AT NAIROBI IN KENYA ON 31ST JANUARY 2003**
- **PARTICIPANTS COMPRISED CEO'S AND SENIOR REPRESENTATIVES OF THE PARTIES**
 - **TELKOM KENYA**
 - **UGANDA TELECOM**
 - **MTN UGANDA**
 - **TANZANIA TELECOMMUNICATIONS COMPANY**
 - **ZANZIBAR TELECOM**
 - **TELKOM SOUTH AFRICA**
- **PURPOSE OF THE MEETING WAS TO AGREE ON THE WAY FORWARD TO DEVELOP THE PROPOSED PROJECT**
- **IT WAS ALSO STRESSED THAT THE BUSINESS COMMUNITY AND THE OTHER STAKEHOLDERS WISH TO SEE THE PROJECT ACCOMPLISHED AT THE EARLIEST**
- **THE CONSULTATIVE COMMITTEE AGREED AS FOLLOWS: -**
 - **POTENTIAL LANDING POINTS:**
 - ❑ **DJIBOUTI**
 - ❑ **MOMBASA - KENYA**
 - ❑ **ZANZIBAR - TANZANIA**
 - ❑ **DAR ES SALAAM - TANZANIA**

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- ❑ **MAPUTO – MOZAMBIQUE**
- ❑ **MAHAJANGA - MADAGASCAR**
- ❑ **MTUNZINI – SOUTH AFRICA**

- **MEMBERSHIP WOULD INITIALLY BE LIMITED TO TELECOMMUNICATION OPERATORS WITH LICENSED INTERNATIONAL GATEWAYS**

- **OTHER OPERATORS FROM LAND LOCKED COUNTRIES TO BE APPROACHED TO DETERMINE THEIR INTEREST**

- **INITIAL MEMBERS ARE**
 - **ZANZIBAR TELECOM**
 - **TELKOM SOUTH AFRICA**
 - **TANZANIA TELECOMMUNICATIONS COMPANY**
 - **TELKOM KENYA**
 - **UGANDA TELECOM**
 - **MTN UGANDA**

SINCE THE CONSULTATIVE COMMITTEE MEETING, DJIBOUTI AND MOZAMBIQUE HAVE INDICATED THEIR WISH TO BECOME MEMBERS

- **CONSULTATIVE COMMITTEE APPOINTED THE INITIAL PROJECT COORDINATION TEAM HEADED BY ZANTEL AND ASSISTED BY A REPRESENTATIVE OF EACH OF THE INITIAL MEMBERS**

- **APART FROM CARRYING OUT OTHER RELATED TASKS, THE INITIAL COORDINATION TEAM HAS BEEN TASKED TO:**

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- **PREPARE AND OBTAIN LETTERS OF INTENT FROM THE MEMBERS, PROPOSED LANDING POINT PARTIES**
- **UNDERTAKE A PRELIMINARY FEASIBILITY STUDY**
- **PREPARE DRAFT MEMORANDUM OF UNDERSTANDING – MOU AND BUDGET**
- **CIRCULATE THE FEASIBILITY STUDY REPORT TO THE CONSULTATIVE COMMITTEE MEMBERS BY MID APRIL, 2003**
- **FOLLOWING THE CIRCULATION OF THE PRELIMINARY STUDY, CONSULTATIVE COMMITTEE WILL MEET IN THE FIRST WEEK OF MAY 2003 TO JOINTLY DELIBERATE ON THE STUDY AND THE DRAFT MOU**

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4. WAY FORWARD

- **MEMBERS WOULD EXECUTE THE MOU THEREBY COMMITTING TO THE DEVELOPMENT OF THE PROJECT**
- **MOU WILL REQUIRE SOME FORM OF FINANCIAL COMMITMENT TO PROGRESS THE PROJECT FURTHER**
- **ESSENTIALLY, THE SIGNING OF THE MOU WILL BE THE “KICK - START” OF THE PROPOSED PROJECT**

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5. CRITICAL SUCCESS FACTORS

- **DIVERSITY OF INTERCONNECTS WITH OTHER WORLDWIDE CABLE NETWORKS, ACHIEVED AT DJIBOUTI AND SOUTH AFRICA**
- **MODE OF FUNDING – SHOULD NOT “BURDEN” SCANT RESOURCES OF PARTICIPANTS, ESPECIALLY THE LANDING PARTIES**
- **STRATEGIC VALUE OF THE SYSTEM IS IN THE MACRO ECONOMIC DEVELOPMENT OF THE REGION – LONG TERM DEVELOPMENTAL ASPECTS**
- **INITIAL TRAFFIC VOLUMES MAY BE MARGINAL IN TERMS OF GENERATED REVENUE TO WARRANT DEVELOPING THE SYSTEM**
- **DUE ATTENTION MUST BE GIVEN TO THE “BACK HAUL” TERRESTRIAL LINKS THAT WILL “FEED” THE PROPOSED CABLE’S CAPACITY**

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6. FUNDING

- **INVOLVEMENT OF SUPPLIER – IT’S A “BUYERS MARKET” TODAY**
- **NOT AN EASY TASK TO MUSTER ENTHUSIASM OF POTENTIAL FINANCIAL INSTITUTIONS, INVESTORS, IN TODAY’S DOWN TURNED SECTOR ENVIRONMENT**
- **POTENTIAL PARTICIPANTS CLEARLY SEE THE NEED TO DEVELOP THE SYSTEM, THE BUSINESS SECTOR NEEDS IT, THE MEDIA, ISP’S AND RELATED SERVICE PROVIDERS, THE PUBLIC, ARE HUNGRY FOR THE CAPACITY**
 - **HISTORICAL EXPERIENCE – ONCE THE SYSTEM AND THE CAPACITY IS THERE IT FAST EXCEEDS THE CAPACITY TAKE UP FORECASTS**
- **SUPPORT OF, FOR EXAMPLE, NEPAD WOULD BE VITAL TO THE DEVELOPMENT OF THE PROJECT**
- **ESTIMATED BUDGETARY PROJECT COSTS ARE IN THE REGION OF US \$ 250 – 300 MILLION**

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7. CONCLUSION

- **THE URGENCY TO DEVELOP THE PROPOSED SYSTEM CANNOT BE OVERSTATED**
- **RAPID GROWTH IN TRAFFIC, FURTHER AUGMENTED BY LOWER TARIFFS, LOWER OUTPAYMENTS, DEMAND FOR NEW SERVICES, MACRO REGIONAL ECONOMIC GROWTH, REGIONAL SUSTAINABLE DEVELOPMENT, ALL BUT LEAD TO THE DEVELOPMENT OF THE PROJECT**
- **THE WAY AND THE WILL IS NOW THERE TO PROGRESS THE DEVELOPMENT, IT DOES HOWEVER REQUIRE A HELPING HAND**
- **THANK YOU ITU FOR ORGANISING THIS SYMPOSIUM AND BRINGING A HOST OF VERY IMPORTANT INSTITUTIONS, OFFICIALS WHO MAY CONSIDER EXAMINING AND SUPPORTING THIS PROJECT**