

Main One gets USD 66 million from African Development Bank for Undersea fibre optic cable project

Tunis – 29 May 2009 - The Board of Directors of the African Development Bank Group (AfDB) has approved financing of USD 66 million towards the Main One Cable Company for developing a submarine fibre optic cable connection along the West African coast. With this investment, the Bank has further expanded its wide support for African ICT projects following investments in the East African “EaSSy” submarine cable and the two satellites Rascom and New Dawn.

The Main One cable project which totals USD 240 million will involve the laying of 7,000 Kilometres of submarine fibre optic cable between Seixal (a suburb of Lisbon) in Portugal, Accra in Ghana, and Lagos in Nigeria, respectively. The system will be based on a trunk-and-branch topology and include branching units to the Canary Islands, Morocco, Senegal, and Côte d’Ivoire. The 1.92 Terabits per second of available bandwidth will be leased wholesale to telecom operators and internet service providers on an open access basis, thereby encouraging competitive pricing and a large customer base. The project has already attracted broad interest and MST, the Nigerian based sponsor, is in the process of securing long term contracts with a number of the largest operators in Nigeria and Ghana.

This investment comes at an opportune time to unlock the constrained West African telecommunications market and catalyze the economic potential of the region. A compelling opportunity exists to lower the restrictive cost of international telecommunications and significantly expand internet access via submarine cable, which will lead to greater efficiency and more competitive business. Main One is an important step towards realizing this opportunity.

The considerable increase in available bandwidth from the Main One cable will provide telecom operators with the additional capacity they require to expand networks and mobilize a broader range of services. The system will contribute to an immediate 50 percent drop in the price of bandwidth in Nigeria and Ghana, and continued price reduction is anticipated over time:

According to Tim Turner, AfDB Private Sector Director, “The project’s main positive outcomes stem from its strong infrastructure development effects. By dramatically lowering the cost of ICT services, annual cost savings to West African consumers will range from USD 30 million in the early years to USD 160 million within 10 years.”

The Main One project aligns closely with the Bank’s infrastructure orientation and private sector development strategy, and the ICT Strategy for 2008-2010 in particular. Specifically, the project is congruent with the Bank’s Country Strategy Papers (CSP) for Nigeria and Ghana, both of which underscore private sector intervention in the infrastructure space. In addition, Main One ties in with the Bank’s role as a lead agency implementing the medium-to long-term strategic framework of the New Partnership for Africa’s Development (NEPAD).

According to Funke Opeke, Chief Executive Officer of Main One Cable Company, “we are elated at the additional impetus which the 66 million USD facility from AfDB brings to the Main One cable project. This tranche of financing again underscores the confidence which

key stakeholders repose on the Main One project, and our commitment to conclude the first phase of this project in mid-2010 as promised.”

The Main One cable project has recorded considerable progress that signposts a clear commitment to on-time project completion. Last December it was the beneficiary of the first ever submarine cable landing licenses to be awarded by Nigeria and Ghana respectively. Last March, following the completion of the 27 Kilometre in-shore survey operation near Portugal, it commenced its main route survey operations.

Even while the survey work is ongoing, said Opeke, manufacturing of cable and sophisticated electronics within the submerged repeaters are also proceeding ahead of plan. The various suppliers on the Main One project, she said, are working steadily towards realizing the vital goal of on-time completion of a unique initiative that is expected to breathe a new life of vibrancy and reduced cost into the Broadband penetration regime in West Africa and subsequently, all over Africa.

Driven by a team of African entrepreneurs, the Main One cable project, ranks among the major ongoing infrastructure projects in Africa. It is expected to radically boost internet access, crash tariffs and provide open access to regional telecom operators and internet service providers and expand skills transfer and job provision across the continent.

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