

EASSy construction imminent

Construction of the 10,000 kilometre undersea fibre-optic cable is to begin next month following the announcement on Monday that the International Finance Corporation (IFC) and others have come up with \$70.7 million in financing for the project. The project is aimed at moving Africa closer to reliable telecommunications and affordable Internet access, by connecting 21 east, southern, and central African countries to west Africa and Europe.

"The project will transform the African telecommunication landscape and have a direct positive impact on business in East Africa," Lars Thunell, Chief Executive at the World Bank's private sector arm, said on Monday.

In Africa, the Internet reaches only 4% of the population and users pay the world's highest fees to connect at the slowest speeds when the continent's notoriously erratic electricity supply and satellite connections permit.

The situation is worse in the countries to be served by the new cable.

The East Africa Submarine Cable System, or EASSy, is intended to change all this. Once completed, it is expected to provide digital access to 250 million people, or one in four Africans.

Consumers along Africa's east coast typically pay \$200 to \$300 a month for Internet access, the IFC said. EASSy will cut the cost by two-thirds at the outset and the number of subscribers will triple.

The cable will run along the floor of the western Indian Ocean and connect South Africa, Mozambique, Madagascar, Tanzania, Kenya, Somalia, Djibouti and Sudan. At its southern end, it will join cables serving West Africa and Europe.

Thirteen adjoining countries will be linked to the system as additional networks are completed through a broader World Bank initiative. These countries are Botswana, Burundi, the Central African Republic, Democratic Republic of Congo, Chad, Ethiopia, Lesotho, Malawi, Rwanda, Swaziland, Uganda, Zambia and Zimbabwe.

The IFC said it would provide \$18.2 million out of \$70.7 million in long-term loans sought by the EASSy consortium of companies.

The rest would come from the African Development Bank, European Investment Bank, German development bank KfW, and French development bank AFD. The European Union also would provide some financing.

The international lenders are channelling their financing through the West Indian Ocean Cable Company Ltd., formed specifically for the project, the IFC said.

Most of the money for the \$235 million project is to come from 25 private telecommunications operators that make up the 29-company EASSy consortium, the others being government entities. Of the private firms, 21 are African and these will be the cable's main users, the IFC said.

French firm Alcatel-Lucent Submarine Networks is to lay the cable. Firms from Britain, India, Saudi Arabia, the United Arab Emirates, and the United States also are taking part in the venture, according to business documents.

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