Early Warning System

MIGA-3512

HyalRoute Fiber Optic Cable Network Project

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Quick Facts

Countries	Myanmar
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Status	Approved
Bank Risk Rating	B
Voting Date	2016-11-03
Borrower	Bank of China (Hong Kong) Limited
Sectors	Communications, Construction
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 105.74 million
Project Cost (USD)	$ 118.60 million

Project Description

On January 24, 2017, MIGA issued a guarantee of $105.74 million covering an investment by Bank of China (Hong Kong) Limited (the “Lender”) into the HyalRoute Fiber Optic Cable Network Project in Myanmar. The coverage is for a period of up to five years against the risks of currency inconvertibility and transfer restriction, expropriation, and war and civil disturbance.

The project involves the construction of a 4,500 km fiber optic cable network in Myanmar by Myanmar Fiber Optic Communication Network Co., Ltd. It constitutes the first part of the phase II project. The total investment for the project is estimated at US$118.6 million, including US$18.6 million in equity from HyalRoute Communication Group Limited and US$100 million in debt financing from the Lender. Construction for the project is expected to start in February 2017.

Installation of FOC involves digging a trench approximately 50 cm wide and 1.2 – 1.5 m deep, laying the FOC and then back filling the trench. In urban areas FOC is duct buried, and in urban outskirts and rural areas the FOC is directly buried. The FOC network includes the construction of ‘core facilities’, where FOC connects to communications equipment. Two types of core facilities will be built: Type A (200 m2) and Type B (60 m2). Both facilities will include a base transceiver station (BTS), electricity transformer, backup generator and an area reserved for telecommunication towers (if required). Type A core facilities will also have an equipment laydown area and accommodation for the maintenance teams. Core facilities have a dual purpose: i) to provide greater capacity for the operators in the telecommunication sector and ii) to improve both outdoor and indoor coverage for service providers

The project's major expected development impact is the improvement of the telecommunications infrastructure sector and promotion of economic growth in Myanmar. The construction of the fiber optic cable as part of the national network is expected to: increase access to telecom services in urban and rural areas; provide additional tax revenues for the government; and boost economic activity and employment opportunities, directly and indirectly, during the construction and operational phases. The project is in line with the Government of Myanmar's Telecom Master Plan (2016-2020), which promotes fiber optic cable network development and foreign direct investment in the telecom sector.

Investment Description

- Multilateral Investment Guarantee Agency (MIGA)

Contact Information

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ACCOUNTABILITY MECHANISM OF MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Bank Documents

- Environmental and Social Review Summary [Original Source]

Other Related Projects

- MIGA-SECONDHYALROUTEFIB Second HyalRoute Fiber Optic Cable Network Project