

PTA Bank approves loan for fiber optic network

PTA Bank has approved a loan of US\$11.5million to Burundi Backbone Systems Company S.M. (BBS) with a guarantee of US\$1,767,058 for the construction of a national fiber optic network in the country. The financing was approved by the board members of PTA Bank during a board meeting of the bank in Nairobi early in April 2013.



The network will connect all 17 provinces of Burundi and will facilitate connection to the international submarine cables landing at Dar-es-Salaam and Mombasa through border point connections with neighboring countries. The project will be implemented in three phases.

Speaking after the approval, David Easum, the CEO of BBS stated that the loan would play an important role in financing a project of national importance to Burundi.

"The loan would revolutionize the telecommunications sector by bringing the benefits of high speed, high bandwidth connectivity at a more affordable cost. An immediate impact of the project will be to increase the internet and mobile penetration in Burundi making communication services available to a larger part of the population."

On his part, Admassu Tadesse, president and CEO of PTA Bank said that project fits well into PTA Bank's mandate of supporting infrastructure development in member states, in particular, the emerging markets.

"In support of the BBS fibre optic backbone project, PTA Bank has approved an aggregate of US\$13.2 million comprising of a direct loan and performance guarantee," said Tadesse. "It will have a significant development impact by facilitating e-government, tele-medicine and taking connectivity to rural areas."

By creating direct communications channels between Burundi and the rest of the world, the project will help minimize costly and inefficient dependence on satellite transmission. Improved communication will promote trade within the country and between Burundi and the rest of the COMESA region.

The loan has a tenor of ten years.

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