

# **JTEC Annual Report 2011**

April 2011 – March 2012

Japan Telecommunications Engineering and Consulting Service

The logo for JTEC, consisting of the letters "JTEC" in a bold, teal-colored, sans-serif font.

## **JTEC Mission Statement**

### **Vision**

Education, knowledge, information and communication are at the core of human progress, endeavor and well-being. ICTs have an immense impact on virtually all aspects of our lives. The rapid progress of these technologies opens completely new opportunities to attain higher levels of development. These technologies can be a powerful instrument, increasing productivity, generating economic growth, job creation and employability and improving the quality of life of all.

### **Mission**

Our mission is to provide worthwhile international cooperation services in the field of ICTs for the betterment of everyday life of the people of developing world. JTEC will support developing countries in enhancing telecommunications and broadcasting, that are vital infrastructures for developing their economies and societies.

### **Core Values**

JTEC is a non-profit entity established by the Japanese government and private sector with expertise in telecommunications and broadcasting. We are able to effectively use our industry relations and Japan's knowledge and technologies for the progress of developing countries.

## Message from the President

Japan Telecommunications Engineering and Consulting Service (JTEC) is the sole non-profit organization engaged in promoting international cooperation activities in the field of telecommunications and broadcasting in Japan. ICTs are extremely important infrastructures that support national development enabling its people to benefit in every spheres of life.

Since its establishment over 30 years ago, JTEC is committed to promote the development of ICTs in developing countries together with the Japanese government and private sector partners.



Dr. Yoshio Utsumi

Our major activities and core business lines are as follows.

- Study and research to promote development of telecommunications and broadcasting sectors in developing countries
- Plan and conduct study meetings, technology & policy forums emanating information contributing to international cooperation on ICTs.
- Consulting and project support services to establish and enhance telecommunications and broadcasting facilities
- Support international cooperation projects on ICTs and correlated activities.
- Formulation and Implementation of training programs and human resources development related projects.
- Coordinate and interact with Japanese ICT companies strengthening overseas operations.

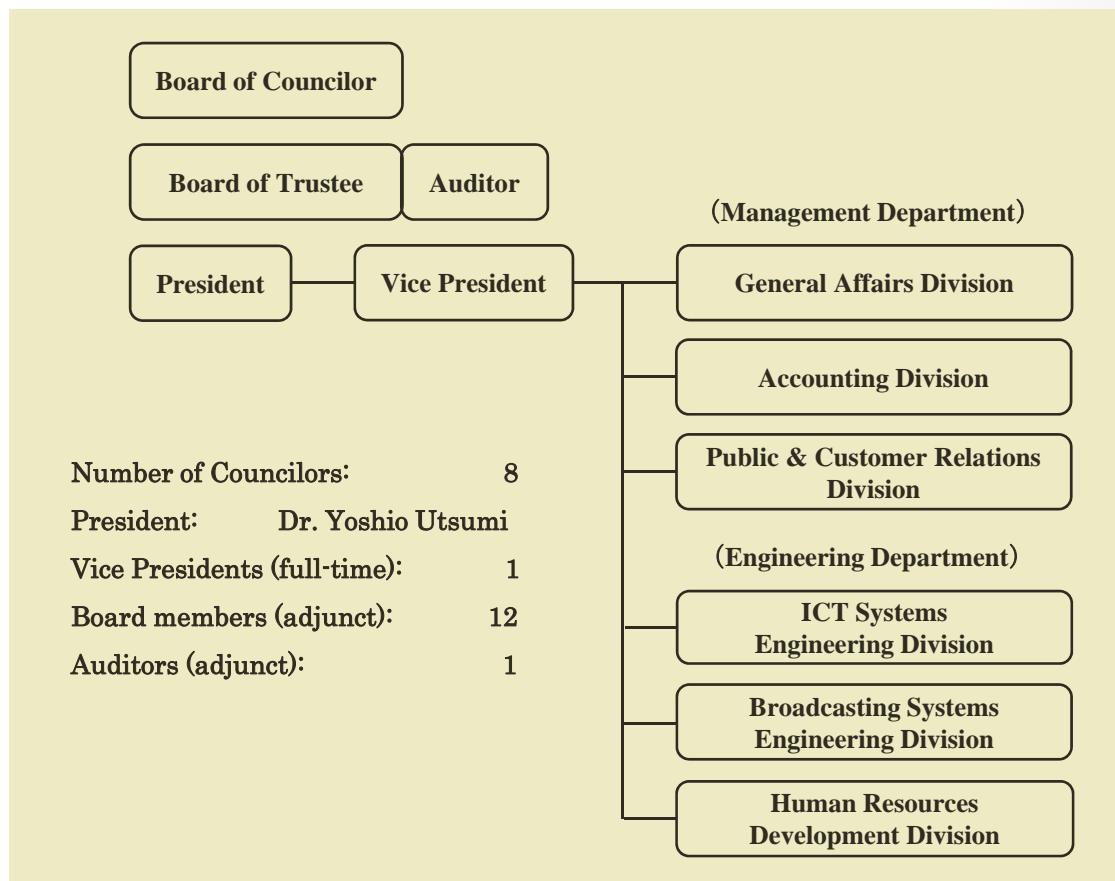
Due to the worldwide deregulation and privatization in recent years, the telecommunications and broadcasting business sectors have been diverting their dependence from ODA funds to private sector funds. With the changing environments, JTEC is also diverting its conventional dependence on ODA to business activities by private sector.

JTEC is committed to consolidate its resources by reorganizing its activities to achieve sustainable growth to comply with industry expectations. JTEC will continue to make every effort to promote international cooperation to support and contribute to the development of ICT sector of developing world as well as of Japan.

I would like to invite your cooperation and support for JTEC businesses and activities.

# Organization and History

## Organization

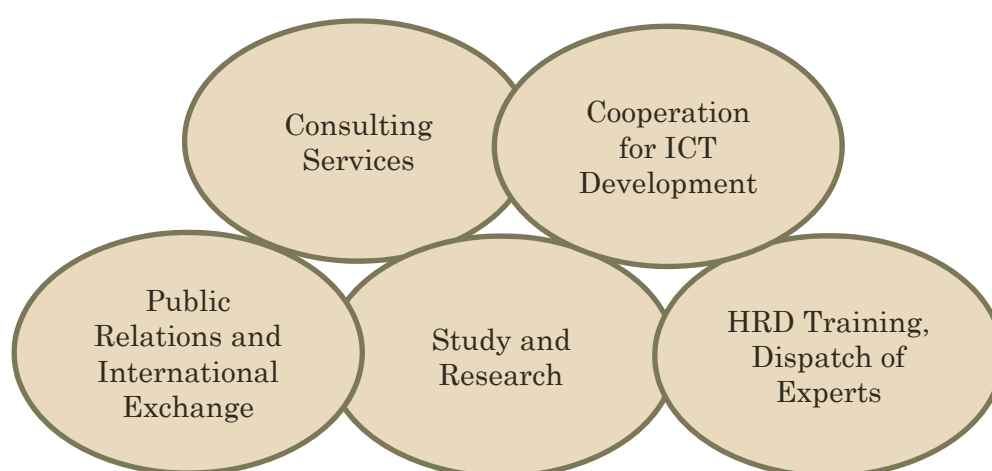


## History

- |           |  |
|-----------|--|
| Mar. 1978 | Japan Telecommunications Engineering and Consulting Service (JTEC) was established as an incorporated foundation.<br>First president: Shigeo Nagano (then President of the Japan Chamber of Commerce and Industries)<br>Office: Azabudai, Minato-ku, Tokyo |
| Nov. 1978 | JTEC representative office in Cairo opened. (until Jun. 2001)  |
| Jun. 1995 | The office was moved to Nishi-gotanda, Shinagawa-ku, Tokyo.  |
| Sep. 2000 | Angola project office opened. (until Nov. 2010)  |
| Jan. 2005 | Vietnam project office opened.   |
| Aug. 2006 | Indonesia project office opened. (until Mar. 2012)   |
| Dec. 2012 | Bangladesh project office opened.  |
| Feb. 2013 | The office moved to current location.  |

## JTEC Business and activities

JTEC implements international cooperation and supports human resources development. Through the various businesses and activities shown below, JTEC supports developing countries in establishing telecommunications and broadcasting infrastructures. JTEC also supports these countries in establishing social infrastructures, helping to construct e-Governments, improve disaster prevention communications systems, and use ICT for health care, education, etc. JTEC has been working on these businesses and activities together with governments, government-related organizations, telecommunications companies and broadcasters in over 80 countries to date.



### 1. Study and research on telecommunications

JTEC conducts studies and draw up proposals on establishing telecommunications networks in developing countries. The studies include feasibility studies (F/S) on the establishment of telecommunications networks, research on the formulation of relevant master plans, and surveys on formation of projects for future telecommunications networks. JTEC also performs studies and research on telecommunications markets of developing countries and conducts international joint research on ICT uses.

### 2. Consulting services for planning and implementation of ICT networks

JTEC carries out consulting services for feasibility studies for telecom & broadcast systems, planning for enhancement and refurbishment of networks, specifications and tender documents preparation as well as assistance to evaluation of tenders and procurement process. JTEC also provides services of oversight on construction works of networks, their operation and maintenance.

### **3. Human resources development, training, and dispatching experts**

JTEC organizes training programs in Japan for overseas governments, and private organizations relating to telecommunications and broadcasting. JTEC also dispatches experts of telecommunications and broadcasting technologies abroad for conducting studies and training .

### **4. Cooperation with public and private sectors for development of ICT in other countries**

From the characteristic position of JTEC as a non-profit, neutral and impartial organization, it can provide an intermediary support for foreign customers through introducing the best Japanese technology in their needs and its suppliers.

### **5. International cultural exchange and public relations activities**

JTEC takes part in forums and seminars both in Japan and abroad to introduce the status of telecommunications of Japan to government agencies and companies abroad.

JTEC also provide information to Japanese entities to further understand the status of telecommunications abroad through holding relevant study, lecture meetings and seminars in Japan. JTEC also disseminate information through special bulletins, websites and magazines for JTEC member companies.

# Overview of JTEC businesses and activities in Fiscal 2011

## 1. Consulting services for planning and implementation of ICT networks

### ■ North-South Submarine Fiber Optic Cable Link Project in Vietnam. /Yen-loan Project (Phases I, II, and III; since January 2005)

JTEC provided consulting services for the Vietnam Posts and Telecommunications Group (VNPT) to implement the project. JTEC implemented the project jointly with the KDDI Foundation.

### ■ Maritime Telecommunications System Improvement Project (IV) in Indonesia / Yen-loan Project (July 2006 - March 2012)

JTEC provided consulting services for the Department of Transportation, Government of Indonesia, jointly with "Pantel International Co. Ltd". The project was completed in March 2012.

### ■ Telecommunications Network Development Project in Bangladesh / Yen-loan Project (since December 2010)

JTEC provided consulting services for Bangladesh Telecommunications Company Limited (BTCL). JTEC implemented the project jointly with IS International Inc.

### ■ Rural Community Internet Use Development Project in Vietnam / Yen-loan Project

Working jointly with the local company IPT-IS, JTEC carried out ground works expecting to receive contract for consulting services in the pilot project business.

## 2. Study and research on telecommunications

### ■ Study promoting the expansion of 3R business in ICT field in the ASEAN region

JTEC conducted surveys on appropriate processing for thrown-away IT equipment, the promotion of e-Waste/3R (reduce, re-use, recycle) for the collection of rare metals, and the possibility of forming relevant business alliances in the ASEAN region (Indonesia, Cambodia and Vietnam).

### ■ Joint research on improving health and medical environment with ICT for rural areas of Lao PDR

JTEC conducted joint research on formulating a roadmap action plan for developing e-health with the National Authority of Posts and Telecommunications of Lao PDR (APT-J2).

### ■ Joint research on agricultural support using ICT in Indonesia

JTEC promoted the transparency of agricultural commodity market through realization of a mobile marketplace, and implemented an engineer exchange program to support studies on the use of ICT for agricultural development in rural areas of Indonesia (APT-J2).

### 3. Human resources development, training, and dispatching experts

#### ■ Training conducted

JTEC accepted trainees from a number of countries, and provided the following group training under the "APT Sponsored Training Program" APT (J1).

1. FTTH and Wireless Access Technologies to Support Development of Broadband Networks. Trainees from 12 countries participated. (APT-EBC-J4)
2. Next Generation Network (NGN) and Services/Solutions Realized on NGN and their Standardization. Trainees from 9 countries participated. (APT-EBC-J4)

#### ■ Dispatched experts for JICA training program in Vietnam

JTEC dispatched an expert to provide guidance and lectures on Internet protocol at the Vietnam Posts and Telecommunications Group (VNPT) Training Center in December 2011, on a JICA Third Country Training program Project on IP & NGN Telecommunications Technology.

#### ■ Dispatched expert for ICT Capacity Building Project in the University of the South Pacific, Fiji (First and Second)

The JICA project 'ICT for Human Development and Human Security' was contracted by Padeco Co. Ltd where JTEC dispatched expert on Satellite network expansion, and Cloud computing curriculum development at the University of the South Pacific \*.This university provides extensive distance education program including ICT engineering for member countries through satellite networks.

### 4. Cooperation with public and private sectors for development of ICT in other countries

#### ■ Feasibility study in Myanmar

JTEC visited Myanmar Authority and related organizations prior to dispatch of a mission and conducting a workshop in Yangon (January 2012).

#### ■ Presentation/Participation in International Conferences & Forums

1. JTEC President was invited to attend the inaugural ceremony of the 'Japan Pacific ICT Center' at the University of the South Pacific main campus in Fiji, 'constructed with Japanese ODA grant aid (February 2012).
2. JTEC President was invited to give a keynote address in the conference "ICTs and Oceanian Cultures" organized for commemorating the opening of the Multipurpose Theatre at the Japan Pacific ICT Center (February 2012).
3. JTEC engineers participated in the "National Workshop on ICT for Inclusive Socio-Economic Development and Poverty Reduction" hosted by the Myanmar government (February 2012).
4. JTEC adviser to the president was invited to give a presentation in the "SPICTEX - South Pacific Information & Communications Technology Exposition & Conference" held in Suva, Fiji (July 2011).



5. JTEC adviser to the president was invited to give a presentation in the “APT Workshop on Future Trends of ICT for Pacific Policy Makers” held in Tokyo, Japan (September 2011).

6. JTEC engineers participated in “APT Workshop on Disaster Management / Communications” held in Tokyo, Japan (October 2011).

### ■ Study to support Japanese companies in expanding operations overseas with the BOP business

JTEC conducted a study on Laos’ Information Station “Michinoeki” Project to determine the potential of the BOP business in Laos and Bangladesh.

### ■ Supporting study and research on promoting ASEAN smart network plan

JTEC supported the study and research on improving the broadband environment among ASEAN members and within individual member countries, promoting introduction of advanced ICT systems into disaster prevention and environmental issues.

### ■ Donation of broadcasting equipment to countries that adopted Japanese terrestrial digital broadcasting system

JTEC with a request from the Ministry of Internal Affairs and Communications, cooperated to donate broadcasting equipment to South American countries that adopted Japanese terrestrial digital broadcasting system (ISDB-T). (The equipment was donated to the ministry of Information and Communication, Paraguay (SICOM) in April 2011.)

## 5. International cultural exchange and public relations activities

JTEC continued to carry out information collection and public relations activities on telecommunications, broadcasting, in other countries, as follows.

### ■ Holding study and lecture meetings

1. First Study and Lecture Meeting (June 14, 2011)

Title: “Information-related Measures of the Ministry of Economy, Trade and Industry,” “Japan’s Strength in the ICT Field and the Global Expansion of ICT”

2. Second Study and Lecture Meeting (January 18, 2012)

Title: “Current Status and Future Prospects of the Expansion of ICT in the Asia Pacific Region”

### ■ Public relations

1. JTEC Reports No. 68 and 69 issued and circulated among the member organizations .

2. Mail Magazine No. 6, 7, and 8 distributed.

## Balance Sheet

### Balance Sheet For the year ended March 31, 2012

(in JPY)

Assets		Liabilities	
Accounts	Amounts	Accounts	Amounts
<b>I Assets</b>	<b>606,281,007</b>	<b>I Liabilities</b>	<b>501,685,718</b>
Cash and bank deposits	122,938,771	Short-term loan payable	62,000,000
Marketable securities	569,262	Accounts payable - other	3,555,183
Supplies	50,000	Accrued expenses	370,919,390
Advance payments	2,000,000	Advance received	50,730,893
Accounts receivable – other	479,990,735	Deposits received	14,410,252
Suspense payment	317,200	Income taxes payable	70,000
Advances Paid	415,039	<b>II Fixed Liabilities</b>	<b>13,291,309</b>
<b>II Fixed Assets</b>	<b>822,958,056</b>	Reserve for retirement allowance	6,103,809
1. Tangible Fixed Assets	2,043,276	Reserve for directors' retirement benefits	7,187,500
Buildings accompanying facilities	482,964	<b>Total Liabilities</b>	<b>514,977,027</b>
Vehicles & delivery equipment	624,413	<b>Net Assets</b>	
Tools, furniture & fixtures	935,899	<b>I Accumulated earnings</b>	<b>914,262,036</b>
2. Intangible Fixed Assets	1,362,746	Other Accumulated earnings	914,262,036
Software	1,362,746	Earned Surplus	914,262,036
3. Investments and other assets	819,552,034	<b>Total Net Assets</b>	<b>914,262,036</b>
Investment securities	805,068,034	<b>Total Liabilities and Net Assets</b>	<b>1,429,239,063</b>
Security deposits	14,484,000		
<b>Total Assets:</b>	<b>1,429,239,063</b>		

# Profit and Loss Statement

## Profit and Loss Statement For the year ended March 31, 2012

(in JPY)

Accounts	Amounts	
<b>I Sales</b>		
Business income	85,270,457	
Membership fees income	66,875,00	152,145,457
<b>II Cost of Sales</b>		
Cost of Sales	193,172,453	193,172,453
<b>Gross Loss on Sales</b>		<b>41,026,996</b>
<b>III Selling and General administrative expenses</b>		28,672,520
<b>Operating Loss</b>		<b>69,699,516</b>
<b>IV Non-Operating Income</b>		
Interest income and dividend received	9,941,645	
Subsidy received	755,248	
Miscellaneous income	17,219,105	27,915,998
<b>V Non-Operating Expenses</b>		
Interest expenses and discounts	1,127,198	
Warranty fees	2,392,801	
Loss on foreign exchange	3,777,278	7,297,277
<b>Ordinary Loss</b>		<b>49,080,795</b>
<b>VI Extra ordinary Gains</b>		
Unrealized gain from investment securities	53,510,549	53,510,549
<b>VII Extra ordinary Losses</b>		
Unrealized loss from investment securities	326,521,529	326,521,529
<b>Loss before taxes</b>		<b>322,091,775</b>
<b>Net Loss</b>		<b>322,091,775</b>

## [ Reference ]

### JTEC Activities Overview

<Accumulated figures>

Classification	Accumulated Figures April 2000 – March 2012		Remarks
	Number of projects	Number of countries	
Consulting Service -Consulting -Consigned studies, etc.	9 41	7 32	Funds from World Bank, JICA & other sources
Study and research	65	51	Subsidized projects of Govt. of Japan, and funds from Japan Keirin Association
International cooperation -APT project * -Dispatch of experts -Secretariat of study meetings, others	3 10 7	2 9 -	* Extra budgetary contribution from Govt. of Japan through APT projects
Training and human resources development	118	73	Funds from Govt. of Japan, APT and other sources In total 767 trainees accepted since 2007
Study meetings and conferences	13		Since 2007

<JTEC's business activities, and target countries for training, etc.>

(121 countries in total)

**Asia**  
Bangladesh, Bhutan, Brunei, Cambodia, China, India, Indonesia, Korea, Laos, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Singapore, Sri Lanka, Thailand, Timor-Leste, Vietnam

**Oceania**  
Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Tonga, Tuvalu, Vanuatu

**Middle East**  
Afghanistan, Bahrain, Iran, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, UAE, Yemen

**Africa**  
Algeria, Angola, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Djibouti, Congo, Egypt, Ethiopia, Gabonese, Gambia, Ghana, Guinea, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Tunisia, Uganda, Zambia, Zimbabwe

**Europe & NIS**  
Czech Republic, Russia, Belgium, Bulgaria, France, Germany, Kazakhstan, Kyrgyzstan, Rumania, Russia, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan

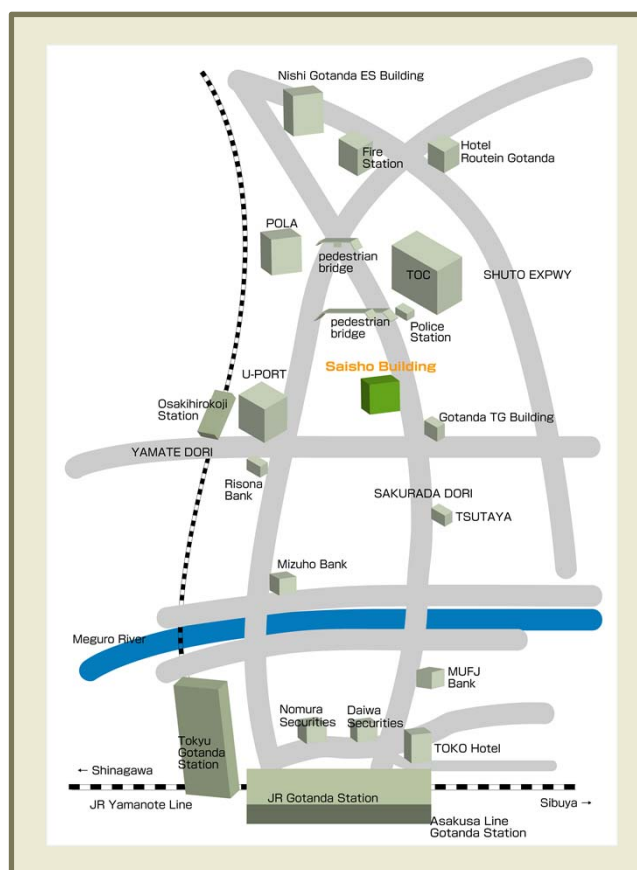
**Latin America**  
Argentina, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Uruguay, Venezuela





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