JTEC Annual Report FY 2013

April 2013 – March 2014

JTEC

Japan Telecommunications Engineering and Consulting Service

JTEC Mission Statement

Vision

Education, knowledge, information and communication are at the core elements of human progress, endeavor and well-being. ICT's has an immense impact on virtually all aspects of our life. Rapid progress of these technologies created new opportunities for attaining higher levels of development. These technologies can be a powerful instrument to increasing productivity, generating economic growth, creating jobs, and improving quality of life for all.

Mission

Our mission is to provide effective international cooperation services in the field of ICT's to improve the daily life in the developing world. JTEC provides support to developing countries for enhancing telecommunications and broadcasting, vital infrastructures for developing their economies and societies.

Core Values

JTEC is a non-profit organization established by the Japanese government and private sector with expertise in telecommunications and broadcasting. JTEC is in a position to effectively utilize 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. ICT's 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 ICT's,
・Provide consulting and project support services to establish and enhance telecommunications and broadcasting facilities,
・Support international cooperation projects on ICT's and correlated activities,
・Formulate and implement training programs and human resources development related projects,
・Coordinate and interact with Japanese ICT companies strengthening overseas operations.
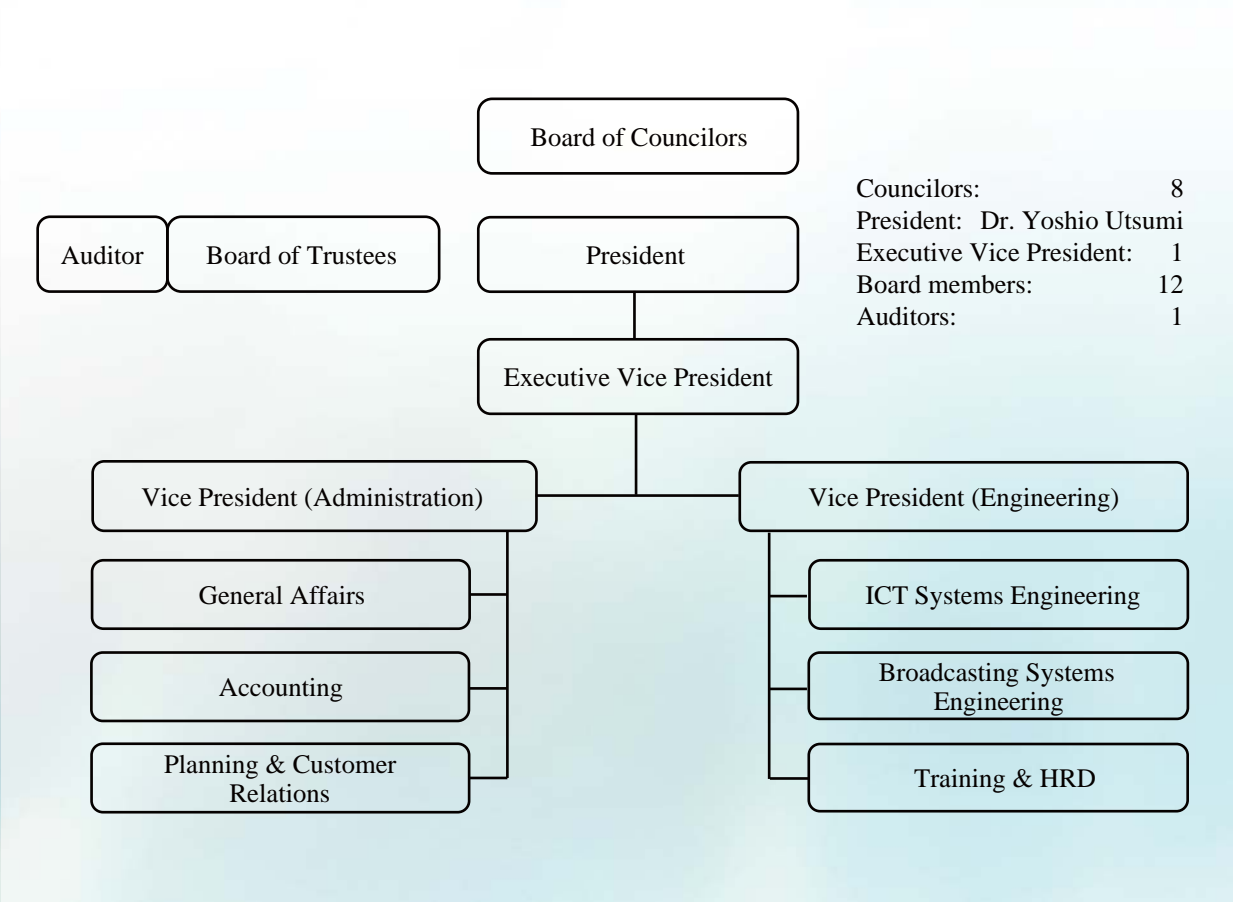
Due to the worldwide deregulation and privatization in recent years, the telecommunications and broadcasting business sectors have been diverting their dependence from ODA funds to private sector funds. With the changing environments, JTEC is also diverting its conventional dependence on ODA to business 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 activities 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.

Dr. Yoshio Utsumi: Former Secretary General of ITU

Organization and History

Organization

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                    ┌─────────────────────┐
                    │ Board of Councilors │
                    └─────────────────────┘
                               │
┌────────┬──────────────────┐  ┌───────────┐
│ Auditor│ Board of Trustees│  │ President │
└────────┴──────────────────┘  └───────────┘
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                    │ Executive Vice President │
                    └──────────────────────────┘
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┌────────────────────────────────┐   ┌──────────────────────────────┐
│ Vice President (Administration) │   │ Vice President (Engineering) │
└────────────────────────────────┘   └──────────────────────────────┘
         │                                      │
  ┌──────────────────┐                  ┌──────────────────────────┐
  │ General Affairs  │                  │ ICT Systems Engineering  │
  └──────────────────┘                  └──────────────────────────┘
  ┌──────────────────┐                  ┌──────────────────────────┐
  │ Accounting       │                  │ Broadcasting Systems     │
  └──────────────────┘                  │ Engineering              │
  ┌──────────────────┐                  └──────────────────────────┘
  │ Planning & Customer│                ┌──────────────────────────┐
  │ Relations        │                  │ Training & HRD           │
  └──────────────────┘                  └──────────────────────────┘
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Councilors: 8
President: Dr. Yoshio Utsumi
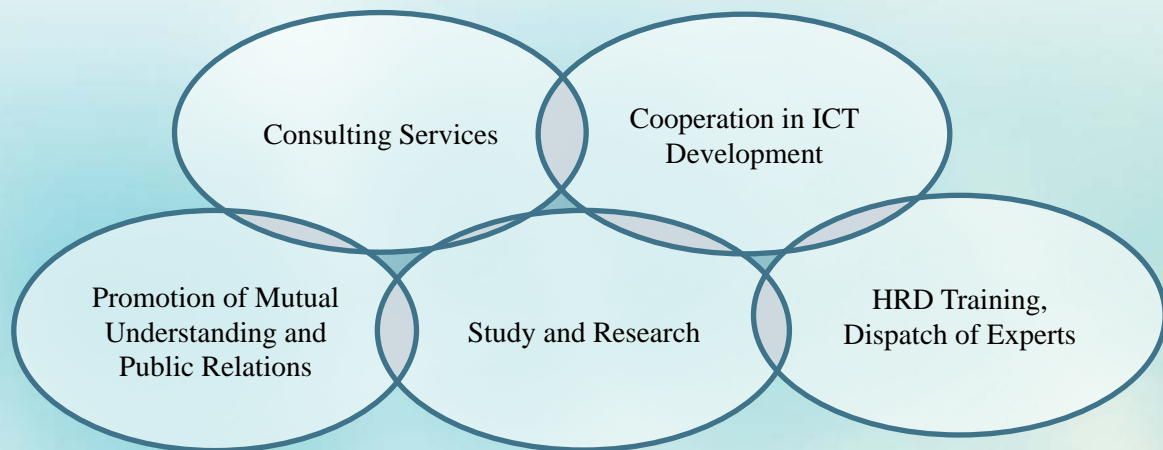Executive Vice President: 1
Board members: 12
Auditors: 1

History

Mar. 1978 Japan Telecommunications Engineering and Consulting Service (JTEC) was established as an incorporated foundation.
First president: Shigeo Nagano (then President of the Japan Chamber of Commerce and Industries)
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. (until Oct. 2013)

Aug. 2006 Indonesia project office opened. (until Mar. 2012)

Dec. 2012 Bangladesh project office opened.

Feb. 2013 The office moved to current location.

Oct. 2013 Myanmar liaison office opened.

Reference URL   http://www.jtec.or.jp/

JTEC Businesses and Activities

JTEC has built up substantial business achievements and experience with governments, government-related organizations, telecom operators, broadcasting operators, and other parties in more than 80 nations.

JTEC covers various business activities as described below. JTEC has supported developing countries/emerging countries in establishing telecommunications infrastructure and broadcasting infrastructure, introducing social infrastructure such as e-Government, disaster prevention/mitigation systems, and ICT systems in the fields of health and education. Furthermore, JTEC has provided human resources development programs as well.

Consulting Services

Cooperation in ICT Development

Promotion of Mutual Understanding and Public Relations

Study and Research

HRD Training, Dispatch of Experts

1. Consultancy services for planning and implementing ICT networks

JTEC provides consultancy services for telecom and broadcasting operators from the planning phase to the operation and maintenance phase. For example, JTEC provides field surveys, preparation of specifications and tender documents as well as assistance with the evaluation of tenders and the procurement process. JTEC also supports supervisory services for construction work by vendors.

2. Study and research on telecommunications

JTEC conducts study and research on telecommunications, broadcasting and ICT. For example, JTEC prepares proposals on telecommunications networks with cost effective solutions. These services include feasibility studies (F/S), research on the formulation of relevant master plans, and surveys on the formation of projects. Furthermore, JTEC also conducts study/research on telecommunications/broadcasting markets and international joint study/research on the uses of ICT.

3. Human resources development, training, and dispatch of experts

JTEC implements training programs in Japan and on site as well for the overseas government sector and private sector relating to telecommunications, broadcasting and ICT utilization. JTEC also dispatches experts on site to conduct study and training.

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

JTEC, as a non-profit, neutral and impartial organization, provides intermediary support for overseas customers introducing state-of-the-art Japanese technology and through related suppliers.

5. Promotion of mutual understanding and public relations

JTEC promotes mutual understanding of the status of telecommunications and broadcasting among nations to promote international cooperation in the sector by organizing relevant study and lecture meetings as well as seminars in Japan and by visiting agencies concerned in overseas countries. JTEC also disseminates information through special bulletins, its website, and mail magazines for the above purpose.

Overview of JTEC Businesses and Activities in Fiscal Year 2013

1. Consultancy Services for Planning/Implementation of Building Telecommunication Networks

(1) Consultancy services for North-South Submarine Fiber Optic Cable Link Project in Vietnam

The consortium of JTEC and KDDI Foundation (formerly KEC) contracted with VNPT (Vietnam Posts and Telecommunications Group) for consultancy services related to the North-South Submarine Optical Fiber Cable Link Project, which was financed by a Japanese ODA loan. JTEC led this consortium.

The consortium started providing the consultancy services in January 2005 and completed them in October 2013.

(2) Telecommunications Network Development Project in Bangladesh

The consortium of JTEC and IS International Inc. has contracted with BTCL (Bangladesh Telecommunications Company Limited) for consultancy services related to the Telcommunications Network Development Project, which is financed by a Japanese ODA loan. JTEC leads this consortium. This project covers an NGN (Next Generation Network), FTTB (Fiber to the Block), backbone network expansion, and other work. The consortium started providing the consultancy services in December 2010.

2. Study and Research Activities

(1) Survey on early warning and disaster information system in the coastal area of Bangladesh

Since JTEC has strong expertise in the ICT field in the area of disaster prevention/mitigation, a consortium comprising JTEC and a consulting company with strong expertise in the disaster prevention/mitigation field contracted with JICA (Japan International Cooperation Agency) for the survey. The consortium started the survey in March 2013 and completed it successfully in July 2013.

(2) Pilot project for medical information systems to enhance public safety and improve health & medical services with ICT for rural areas in Lao P.D.R

This pilot project was supported by the EBC-J3 program scheme of APT (Asia Pacific Telecommunity). The aim of the project was to develop medical systems such as patient databases and to introduce remote medical systems to rural areas of provinces and districts in Lao P.D.R.

JTEC carried out this project together with a partner company based on the previous output of the APT EBC-J2 Joint Researchers/Engineers Exchange Program, which was conducted by JTEC in cooperation with the Ministry of Health and the Ministry of Posts and Telecommunications of Lao P.D.R, and the partner company in FY2011. This pilot project was completed successfully in March 2014.

(3) Pilot project for a disaster information system with the Kingdom of Tonga: e-Disaster communication network in rural environments

This pilot project was also supported by the EBC-J3 scheme of APT. The aim of this project was to develop a disaster information system based on the output of the APT EBC-J2 Joint Researchers/Engineers Exchange Program implemented in FY2012.

JTEC developed a pilot system successfully in cooperation with a partner company, ICT overseas volunteers and the Government of Tonga. The completion ceremony was held in Tonga in March 2014, and the Government of Tonga has started operating the system.

(4) Survey on e-Waste in Bangladesh

JTEC planed this survey to study the possibility of expediting a 3R (Reduce, Reuse, Recycle) for e-Waste (electronic waste: electric and electronic device waste) business in Bangladesh and to provide information to help Japanese companies expand their business activities into Bangladesh. JTEC carried out the survey successfully and delivered a report to the companies concerned including JTEC member companies. JTEC also held a seminar to share the survey results. This survey was undertaken with the budgetary support of JKA, a nonprofit organization under the auspices of the Ministry of Economy, Trade and Industry of Japan.

(5) e-Village Project in Myanmar

JTEC started a special activity this fiscal year. The aim of this activity is to assist developing countries by enhancing the opportunities for JTEC member companies to expand their business to developing countries. As a first project, JTEC launched the e-Village Project in Myanmar in November 2013 in cooperation with MCF (Myanmar Computer Federation) of Myanmar. The aim of the project is to identify how to utilize and apply ICT systems in rural development and examine measures to ensure the sustainability of this kind of project through joint research with MCF.

JTEC, together with MCF, selected a location in an area of Yangon District as a pilot site for a rural ICT center called the "Community Information Center (CIC)".

All necessary facilities such as computers, power, and Internet access were implemented by the end of March 2014 at CIC.

3. Human Resources Development and Dispatch of Experts

(1) Implemented training courses

JTEC implemented the following two training courses under the EBC-J1 program scheme of APT in FY 2013.

"Technology and Standardization to Support the Expansion of Broadband Networks in Asia-Pacific Region" This training course was held from the 2nd to 13th of December, 2013. The number of trainees was 10 participants from 10 countries.

Overview of JTEC Businesses and Activities in Fiscal Year 2013

"Strengthening Disaster Preparedness Utilizing ICT for Public Safety in Asia-Pacific Region"
This training course was held from the 17th to 28th of February, 2014. The number of trainees was 13 participants from 12 countries.

JTEC also implemented the following two training courses upon request from Japanese consultancy companies.
・e-Government in Japan (11th to 12th of October, 2013) 4 participants from the Republic of the Philippines
・Japan's broadband network (3rd to 14th of February, 2014) 9 participants from the Republic of Iraq

(2) Participation in the APT HRD experts meeting

JTEC sent a staff member in charge of training to participate in the 2nd APT HRD Experts Meeting (June 2013, Bangkok, Thailand). The meeting was held to allow training personnel in each APT member country to come together and share their knowledge based on the situation and experiences in each country as well as assess APT training and discuss future improvements.
One major topic discussed at the meeting was the implementation of online training programs to increase training opportunities within the limited budgets of APT.

(3) Dispatch of experts

a) USP-JICA ICT for Human Development and Human Security Project, Fiji (Phase 2)

The University of the South Pacific (USP) was established jointly by twelve Pacific nations including Fiji. JICA has assisted USP and provided this project as a JICA technical cooperation project. Upon request from the consultancy company that contracted with JICA for this project, JTEC dispatched an ICT expert to this project and helped to improve the capacity of distance learning using a satellite network.

b) Project for establishment of an early warning system for natural disasters in the Republic of the Union of Myanmar

Upon request from the consultancy company that contracted with JICA for this project, JTEC dispatched an expert in the field of wireless communication to this project and contributed to the planning of the early warning system.

(4) Dispatch of ICT engineers

JTEC dispatched ICT engineers for the following projects and meetings.

a) Survey on the Kosovo media sector

In the year 2000, broadcasting equipment was installed in a Japanese ODA project. JICA planned to dispatch experts to the Republic of Kosovo to check the operational conditions of the above equipment, to investigate the current circumstances of the Kosovo media sector and to hold a technical seminar. Upon request from JICA, JTEC dispatched a broadcasting expert to Kosovo in July 2013.

b) Survey on Tunisia media sector

JICA planned to dispatch experts to the Republic of Tunisia to hold a lecture on the topic of fair and unbiased election news at a media seminar and to exchange views with journalists and

engineers from the Tunisian National Broadcasting Corporation. Upon request from JICA, JTEC dispatched a broadcasting expert to the Republic of Tunisia in September 2013.

c) Ghana Human Resource Development Project

JTEC dispatched an expert to the Republic of Ghana to evaluate the output of the Ghana Human Resource Development Project, which was financed by Japanese ODA as a technical cooperation project.

d) ITU Connect Asia Pacific Summit 2013

JTEC dispatched an expert as a member of the Japanese government delegation team to the "ITU Connect Asia Pacific Summit 2013" held in Bangkok, Thailand, and contributed one recommendation paper entitled "Satellite Based Telecommunications System for Disaster Management and Climate Change Applications for South Pacific Island Nations" at the summit.

e) APT / ITU conferences & meetings

JTEC dispatched an expert to the APT/ITU jointly organized "Pacific Forum 2013" held in Apia, Samoa to gather information on the current status of ICT in Pacific nations. JTEC also dispatched an expert to the 10th Asia Pacific Telecommunication and ICT Development Forum (ADF-10), and gave a presentation on the JTEC assisted APT EBC-J3 projects.

4. Cooperation with Public and Private Sectors in Development of ICT in Other Countries

(1) Support for feasibility study and research project to promote "ASEAN smart network"

This project aims to achieve a range of usages and applications for ICT as well as development of a ubiquitous environment targeting the establishment of the ASEAN Community in 2015. To that end, it promotes the development of broadband environments in the ASEAN member nations and the early introduction of advanced ICT systems in the fields of disaster management and the environment. Continuing on from the previous year, JTEC prepared for the feasibility study and research project and coordinated with the project stakeholders.

(2) Support for installation of "Community One-Seg TV" in rural areas of ASEAN region

This project aims to address the digital divide in rural areas in ASEAN through the introduction and installation of a "One-Segment broadcasting* (Community One-Seg TV)" system with data broadcasting in Thailand and Indonesia. In FY2013, JTEC supported preparation for the project and coordinated with project stakeholders.

* One-Segment broadcasting: A mobile terrestrial digital audio/video and data broadcasting service that originated in Japan based on the use of one segment of ISDB-T channel allocation.

5. Activities for Promotion of Mutual Understanding and Public Relations

JTEC implemented conferences and study seminars to promote mutual understanding by disseminating the latest information concerning telecommunication and broadcasting in overseas countries. JTEC also conducted public relations activities through publications and its website by providing relevant news and information.

(1) JTEC conferences

Session	2013 Theme	Subjects
Jun. 25, 2013	International ICT development and relevant trends	・Trends in international discussions concerning the Internet ・Development of telecommunications in the Asia-Pacific region ・Business expansion in South East Asia and other regions
Nov. 21, 2013		・IT policies of the Ministry of Economy, Trade and Industry ・Provisional survey for the development of an e-Waste project for the IT field in Bangladesh

(2) Study meetings for member companies

Session	2013 Theme	Subjects
Oct. 09, 2013	ICT industry promotion	・IT business expansion in Mongolia
Jan. 22, 2014		・International expansion in the ICT field in ASEAN

(3) Public relations activities

・Published the 2nd issue (April) of the public relations magazine "JTEC" and distributed it to member companies and stakeholders, etc.

・Published the 11th and 12th issues of the JTEC e-mail magazine

・Revised JTEC pamphlet (March, 2014)

・Released the website for the "eVillage Project" in Myanmar (December, 2013)

Financial Statements

Financial Statements

(a) Balance Sheet*

Year ended March 31, 2014

(in JPY)

Assets		Liabilities	
Accounts	**Amounts**	**Accounts**	**Amounts**
[Current Assets]	**[732,619,080]**	**[Current Liabilities]**	**[144,203,695]**
Cash in hand and Cash in bank	388,289,687	Accounts payable - other	362,103
Marketable securities	200,000,000	Accrued expenses	93,715,551
Accounts receivable – other	141,911,453	Advance received	48,195,590
Cost of uncompleted contracts	1,095,552	Deposits received	1,018,351
Suspense payment	938,208	Income taxes payable	70,000
Prepaid expense	384,180	Consumption taxes payable	842,100
		[Non-Current Liabilities]	**[5,761,063]**
[Fixed Assets]	**[514,047,924]**	Reserve for retirement allowance	5,097,000
(Tangible Assets)	(8,870,881)	Reserve for directors' retirement benefits	664,063
Building	282,625	**Total Liabilities**	**149,964,758**
Buildings accompanying facilities	7,243,981	Net Assets	
Tools, furniture & fixtures	1,344,275	**[Accumulated earnings]**	**[1,096,702,246]**
(Intangible Assets)	(836,318)	(Other Accumulated earnings)	(1,096,702,246)
Software	836,318	Earned Surplus	1,096,702,246
(Investments and other assets)	(504,340,725)		
Investment securities	494,148,400		
Long-term prepaid expense	1,259,525	**Total Net Assets**	**1,096,702,246**
Security deposits	8,932,800		
Total Assets:	**1,246,667,004**	**Total Liabilities and Net Assets**	**1,246,667,004**

* NB: In order to make it easier for the stakeholders to understand the financial statements prepared on the basis of the public interest corporation accounting standards in Japan, these financial statements, which have not been audited by auditors or others, have been converted to a corporate accounting base and provided as reference information.

(b) Profit and Loss statement*

Year ended March 31, 2014

(in JPY)

Accounts	Amounts	
[Sales]		
Business income	67,853,678	
Membership fees income	64,454,918	132,308,596
[Cost of Sales]		
Cost of Sales	132.706,105	132,706,105
Gross Loss on Sales		**397,509**
[Selling and General administrative expenses]		27,843,010
Operating Loss		**28,240,519**
[Non-Operating Income]		
Interest income and dividend received	24,562,939	
Subsidy received	456,343	
Miscellaneous income	8,946,908	33,966,190
[Non-Operating Expenses]		
Warranty fees	1,147,909	
Loss on foreign exchange	1,611,592	2,759,501
Ordinary profit		**2,966,170**
[Extra ordinary Gains]		
Gain from investment securities	79,253,600	79,253,600
[Extra ordinary Losses]		
Loss on retirement of fixed assets	633,400	633,400
Income before taxes		**81,586,370**
Net income		**81,586,370**

Explanatory notes for financial statements

1. Significant Accounting Policy

(1) Basis for valuation of securities

a. Marketable securities: Stated at market price as of the balance sheet date.

b. Non-marketable securities: Stated at cost pursuant to the moving average method.

(2) Depreciation methods for fixed assets

a. Building accompanying facilities, vehicles & delivery equipment, tools, furniture & fixtures: Declining-balance method.

For assets acquired on March 31, 2007, or before, the remaining value from the depreciation limit are depreciated using the straight-line method over five years from the year following when depreciation hit the limit.

b. Building, intangible properties: Straight-line method.

(3) Basis for reserve provision

a. Reserve for retirement allowance: The reserve is stated at the estimated payment amount at the balance sheet date to be prepared for future payments to employees.

b. Reserve for directors' retirement benefits: The reserve is stated at the amount which has been incurred at the balance sheet date based on the bylaws of the Association.

(4) Basis for revenue and expense recognition

Revenue from long-term consulting (more than a single-year contract period) is accounted based on the completion of contract activity.

(5) Accounting for consumption tax

Consumption tax is accounted for using the tax-inclusive method.

JTEC Activities Overview

<Cumulative Figures>

Classification	Cumulative Figures April 2000 – March 2014		Remarks
	Number of projects	Number of countries	

Consulting services
  -Consulting
  -Consigned studies, etc.
	9
	41
		7
		32
			Funds from World Bank, JICA & other sources

Study and research	67	51	Subsidized projects of Govt. of Japan, and funds from Japan Keirin Association

International cooperation
  -APT projects *
  -Dispatch of experts
  -Secretariat for study meetings
  -Others
	6
	12
	7
	
	1
		4
		9
		-
		
		1
			* Extra-budgetary contribution from Govt. of Japan through APT projects

Training and human resources development	125	73	Funds from Govt. of Japan, APT and other sources In total 828 trainees accepted since 2000
Study meetings and conferences	17	-	Since 2007

<JTEC' Projects and Countries for which Training, etc. is Offered (Cumulative Total: 121)>

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

◆**Pacific**
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, Gabon, 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 Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Uruguay, Venezuela
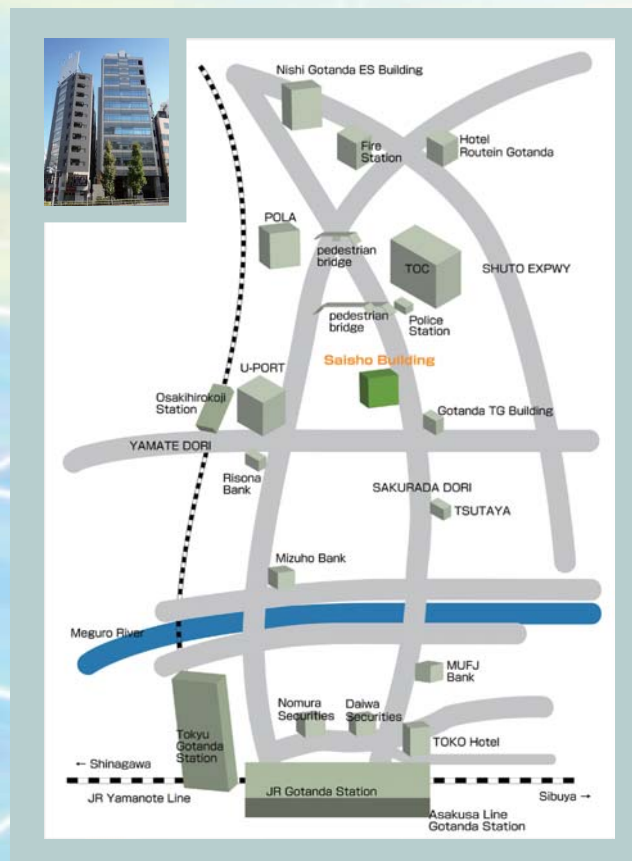
一般財団法人 海外通信・放送コンサルティング協力

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