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Ethiopian Telecommunication Corporation Program of
The Budget year 2002/03

Introduction

This book has four parts that shows the program of the budget year 2002/03. These are service goals of the budget year, normal income and expense, capital projects/ need of cash and physical work/ and additional human resource and capacity building program.

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A. Service Goals

Additional customers of different services and estimation of traffic program for the budget year 2002/03 is described in detail below.

1. Additional Customers

In the budget year it is planned to serve additional customers of 80,000 telephone, 30,000 mobile telephone, 6000 Internet and 100 data communication. Private branch exchange, telex and Tele fax service will be given based on the request of customers. The planned program is shown in table 1.

Table 1
The Planned Program of the Budget Year 2002/03 to Serve Additional Customers

No.	Type of Service	measu rment	Plan of 2002/03 budget year	First quarter year			Second quarter year			Third quarter year			Fourth quarter year					
				July	Aug.	Sep.	Oct.	Nov.	Dec.	Total	Jan.	Feb.	Mar.	Total	Apr.	May	June	Total
A	Number of additional customers																	
1	Around Addis Ababa																	
1.1	Northern Addis Ababa Zone	in num.	6,000	420	720	1,560	540	600	660	600	1,800	600	480	480	480	360	240	1,080
1.2	Central Addis Ababa Zone	>>	4,000	280	320	1,000	440	440	400	1,280	400	1,280	400	320	320	240	160	680
1.3	Southern Addis Ababa Zone	>>	7,000	630	770	2,030	630	630	630	1,890	700	1,890	700	560	560	420	280	1,260
1.4	South Western Addis Ababa Zone	>>	3,500	280	280	840	385	350	385	1,120	350	1,120	350	280	280	210	140	630
1.5	Western Addis Ababa Zone	>>	6,000	420	660	1,500	600	600	660	1,860	600	1,860	600	480	480	360	240	1,080
1.6	Eastern Addis Ababa Zone	>>	5,500	385	605	1,375	550	550	605	1,705	550	1,705	550	440	440	330	220	990
	Sub Total		32,000	2,415	3,435	8,305	3,145	3,170	3,340	9,655	3,200	9,655	3,200	2,560	2,560	1,920	1,280	5,720
2	Around Regional Offices																	
2.1	Eastern Region	in num.	3,000	180	360	750	300	300	330	930	300	930	300	240	240	180	120	540
2.2	North Eastern Region	>>	4,000	240	480	1,000	400	400	440	1,240	400	1,240	400	320	320	240	160	720
2.3	Northern Region	>>	6,000	60	720	1,500	600	600	660	1,860	600	1,860	600	480	480	360	240	1,080
2.4	North Western Region	>>	4,000	240	480	1,000	400	400	440	1,240	400	1,240	400	320	320	240	160	720
2.5	South Eastern Region	>>	5,000	300	600	1,250	500	500	550	1,550	500	1,550	500	400	400	300	200	900
2.6	Southern Region	>>	6,000	360	720	1,500	600	600	660	1,860	600	1,860	600	480	480	360	240	1,080
2.7	South Western Region	>>	4,000	240	480	1,000	400	400	440	1,240	400	1,240	400	320	320	240	160	720
2.8	Western Region	>>	2,500	150	300	625	250	250	275	7,075	250	7,075	250	200	200	150	100	450
	Sub Total		34,500	2,070	4,140	8,625	3,450	3,450	3,795	10,695	3,450	10,695	3,450	2,760	2,760	2,070	1,380	6,210
	Total (1+2)		66,500	4,485	7,575	16,930	6,595	6,620	7,135	20,350	6,650	20,350	6,650	5,320	5,320	3,990	2,660	11,930
3	With the help of head office		13,500	810	945	3,375	1,350	1,350	1,485	4,185	1,350	4,185	1,350	1,080	1,080	810	540	2,430
	Total (1+2+3)		80,000	5,295	8,520	20,305	7,945	7,970	8,620	24,535	8,000	24,535	8,000	6,400	6,400	4,800	3,200	14,360
B	Mobile Telephone Customers	in num.	30,000	4,000	5,500	14,000	-	-	-	-	-	-	-	-	-	4,000	5,000	16,000
C	Internet Service Customers	>>	6,000	361	420	1,238	557	537	574	1,668	576	1,668	576	540	520	474	424	1,418
D	Data Communication Customers	>>	100	7	12	26	10	11	11	32	10	32	10	7	7	7	4	18

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2. Traffic

Traffic estimation of the traffic for the coming budget year 2002/03 is done considering the following factors.

- There will be no change on the traffic
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- The newly planned exchanges and transmission network that is going to be built in regions will be finished and begin work. And
- Expecting that the network transmission quality level will be practical as planned

It is expected that in the coming budget year Inter-urban & international and mobile traffic will increase compared to the previous years. Service quality and other related matters are expected to show high increment. The traffic estimation plan of the budget year 2002/03 is described as follows.

- Regarding telephone traffic it is estimated to serve:
 - 1,823,444,000 Inter urban automatic calls
 - 7,000,000 International calls done by operators
 - 14,000,000 minute International /outgoing/ telephone calls
 - 42,000,000 minute International /incoming/ telephone calls
- Mobile traffic
 - 2,100,000 Total hour Internet service and
 - 600,000 extra hour Internet is expected.

Depending on the above plan, Additional customers and traffic estimation of the budget year is described in the following table.

Table 2
The Planned Program of the Budget Year 2002/03 to Serve Additional Customers

No.	Type of Service	measurement in	Plan of 2002/03 budget year	First quarter year			Second quarter year			Third quarter year			Fourth quarter year						
				July	Aug.	Sep.	Total	Oct.	Nov.	Dec.	Total	Jan.	Feb.	Mar.	Total	Apr.	May	June	Total
1	Telephone traffic																		
1.1	Local area calls	thous. pulse	1,823,444	131,288	134,935	138,582	404,805	142,229	145,876	149,522	437,627	153,169	156,816	160,463	470,448	167,757	171,403	171,404	510,564
1.2	Inter urban calls through operator	>>	14,000	1,008	1,036	1,064	3,108	1,092	1,120	1,148	3,360	1,176	1,204	1,232	3,612	1,288	1,316	1,316	3,920
1.3	International calls /outgoing	>>	42,000	3,024	3,108	3,192	9,324	3,276	3,360	3,444	10,080	3,528	3,612	3,696	10,836	3,864	3,948	3,948	11,760
1.4	International calls /incoming	>>	7,000	504	518	532	1,554	546	560	574	1,680	588	602	616	1,806	644	658	658	1,960
2	Mobile telephone traffic																		
2.1	Inter urban mobile calls	thous. min.	166,000	11,620	11,620	11,620	34,860	13,280	13,280	14,940	41,500	14,940	14,940	14,940	44,820	14,940	14,940	14,940	44,820
2.2	International mobile calls	>>	2,910	209	215	221	645	227	233	239	699	244	250	256	750	268	273	275	816
3	Internet traffic																		
3.1	Internet extra hour	thous. hr	600	42	42	42	126	48	48	48	144	48	54	54	156	54	60	60	174
3.2	Internet regular hour	>>	2,100	168	168	168	504	168	168	168	504	168	168	189	525	189	189	189	567
4	Telex traffic																		
4.1	Inter urban	munite	17,403	1,253	1,288	1,323	3,864	1,357	1,392	1,427	4,176	1,462	1,497	1,531	4,490	1,601	1,636	1,636	4,873
4.2	International /outgoing/	>>	130,584	9,402	9,663	9,924	28,989	10,186	10,447	10,708	31,341	10,969	11,230	11,491	33,690	12,014	12,275	12,275	36,564
5	Telegram traffic																		
5.1	Inter urban	number	60,000	4,320	4,440	4,560	13,320	4,680	4,800	4,920	14,400	5,040	5,160	5,280	15,480	5,520	5,640	5,640	16,800
5.2	International /outgoing/	>>	850	61	63	65	189	66	68	70	204	71	73	75	219	78	80	80	238

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B. Regular Income and Expense

It is expected to collect Birr 1,016,387,000 from rendered service and different service payments. For performing the work, administrative and other different expenses 437,306,000 Birr is planned. After deduction of excess tax Birr 203,723,000, it is expected to get net income of 375,358,000. The quarter year and monthly program is shown on the following table.

Table 3

The Planned Program of the Budget Year 2002/03 to Serve Additional Customers

/in thousand birr/

No.	Type of Service	Plan of 2002/03 budget year	July	Aug.	Sep.	Total	Oct.	Nov.	Dec.	Total	Jan.	Feb.	Mar.	Total	Apr.	May	June	Total
1	Service Income																	
1.1	Local automatic telephone	443,238	33,852	34,894	35,415	104,161	35,293	36,379	36,922	108,594	36,733	37,864	38,429	113,026.00	38,176	39,348	39,936	117,460
1.2	Inter urban telephone	24,290	1,855	1,912	1,941	5,708	1,934	1,994	2,023	5,951	2,013	2,075	2,106	6,194	2,092	2,156	2,189	6,437
1.3	International telephone																	
	1.3.1 International calls /outgoing traffic/	174,160	13,301	13,711	13,915	40,927	13,867	14,294	14,508	42,669	14,434	14,878	15,100	44,411	15,000	15,461	15,692	46,153
	1.3.2 International calls /incoming traffic/	109,760	8,383	8,641	8,770	25,794	8,740	9,009	9,143	26,892	9,096	9,376	9,516	27,989	9,453	9,744	9,889	29,086
1.4	Mobile service	169,208	12,923	13,321	13,520	39,764	13,473	13,888	14,095	41,456	14,023	14,455	14,670	43,148	14,573	15,021	15,246	44,840
1.5	Internet service	67,556	5,160	5,318	5,398	15,876	5,379	5,545	5,627	16,551	5,599	5,771	5,857	17,227	5,818	5,997	6,087	17,902
1.6	Telegram	3,069	234	242	245	721	244	252	256	752	254	262	266	783	264	272	277	813
1.7	Telex	1,285	98	101	103	302	102	105	107	314	106	110	111	328	111	114	116	391
1.8	Digital data network service	2,000	153	157	160	470	159	164	167	490	166	171	173	510	172	178	180	530
	Total	994,566	75,960	78,297	79,466	233,723	79,192	81,629	82,847	243,668	82,425	84,961	86,629	253,614	85,657	88,293	89,610	263,560
2	Service giving expenses																	
2.1	Local automatic telephone	159,602	12,190	12,565	12,752	37,507	12,708	13,099	13,295	39,102	13,227	13,634	13,837	40,699	13,746	14,169	14,380	42,295
2.2	Inter urban telephone	68,341	5,220	5,380	5,460	16,060	5,442	5,609	5,693	16,744	5,664	5,838	5,925	17,427	5,886	6,067	6,158	18,111
2.3	Mobile service	20,498	1,566	1,614	1,638	4,818	1,632	1,682	1,707	5,021	1,699	1,751	1,777	5,227	1,765	1,820	1,847	5,432
2.4	Internet service	3,167	242	249	253	744	252	260	264	776	262	271	275	808	273	281	285	839
2.5	Telegram	8,516	650	670	680	2,000	678	699	709	2,086	706	727	738	2,172	733	756	767	2,256
2.6	Telex	3,257	249	256	260	765	259	267	271	797	270	278	282	831	281	289	293	863
	Working performance expense total	263,381	20,116	20,735	21,044	61,895	20,972	21,617	21,940	64,529	21,828	22,499	22,835	67,162	22,684	23,382	23,731	69,797
3	Net of total expense /1-2/	731,185	55,844	57,563	58,422	171,829	58,221	60,012	60,908	179,141	60,597	62,461	7	186,452	62,973	64,911	65,880	193,764
4	Different incomes		21,821	1,667	1,743	5,128	1,737	1,791	1,818	5,346	1,808	1,864	1,892	5,564	1,879	1,937	1,966	5,782
	Total income less working capital /3x4/	753,006	57,511	59,280	60,165	176,956	59,958	61,803	62,725	184,486	62,405	64,326	65,286	192,017	64,853	66,848	67,846	199,547
5	Administrational expenses																	
5.1	salary,allowanc,insentive and others	119,459	9,124	9,404	9,545	28,073	9,512	9,805	9,951	29,268	9,900	10,205	10,357	30,462	10,288	10,605	10,763	31,656
5.2	Interest and bank services	49,040	3,745	3,861	3,918	11,524	3,905	4,025	4,085	12,015	4,064	4,189	4,252	12,505	4,224	4,354	4,419	12,997
5.3	Defferent change amortization	2,312	177	182	185	544	184	190	193	567	192	198	200	590	199	205	208	612
5.4	Doubtful accounts	2,984	228	235	238	701	238	245	249	732	247	255	259	761	257	265	269	791
5.5	Auditing expense	130	10	10	10	30	10	11	11	32	11	11	11	33	11	12	12	35
	Administrational and miscellaneous exp. /5/	173,925	13,284	13,692	13,897	40,873	13,849	14,275	14,488	42,612	14,414	14,858	15,079	44,351	14,979	15,440	15,671	46,090
6	Net Income	579,081	44,227	45,588	46,269	136,084	46,109	47,528	48,237	141,874	47,991	49,468	50,206	147,666	49,873	51,408	52,175	153,456
7	Income Tax 35%	203,723	15,559	16,038	16,277	47,874	16,221	16,721	16,970	49,912	16,884	17,403	17,663	51,949	17,546	18,085	18,355	53,986
8	Income after Income tax	275,358	28,668	29,550	29,991	88,209	29,888	30,808	31,267	91,963	31,108	32,065	32,544	95,716	32,328	33,322	33,820	99,470