

The corporation has tried to apply for this plan the Government's Development Strategy. The Ethiopian Democratic Republic Government has given attention to the wide spread and distribution of the telephone services including the rural area. According to the country's Economic and Social Development, the corporation tries to satisfy the social need.

In the five-year plan, the corporation will try to the best as far as his ability. In the future plan the Corporation will work based on the Government's policy which is Strategic Partner. So the difference between demand and supply will become narrow.

When this plan is prepared, it is based on review of past 5 years plan on the weakness and strong part of the plan: so the future five years plan is prepared based on the main objectives and application strategy.

As it is mentioned above, obstacles of the plan to be practical are planning without knowing the study and the ability, lack of modern project management, lack of strong organized regions and zones & lack of selecting good management and technology because of limited power (ability). To avoid these difficulties the corporation plans the following works in the coming 5 years plan.

- To improve the quality and quantity of the service. Those 500,000 lines which have 201 additional digital automatic exchanges has to be replaced by establishing old and new stations because of that at the end of 1997 E.F.Y (2004/2005) plan year it is tried to increase the total number of line exchange to 1,000,000.
- To replace 8 analogue exchanges to the Digital's by 54,000 lines in Addis Ababa.
- To prepare additional 540,000 lines for sale and the numbers of total lines will be reached to 800,000 at the end of the year 1997 E.F.Y. (2004/5)
- To develop the coin and card telephones which were not planned in the past years. 4,500 coin and card telephones will be established in the coming plan.
- Regarding new services to increase Internet and mobile customers will be 31,961 and eight towns, which are in the different regions, will be provided the service.
- The customers who are using mobile telephones will be reached to 61,727 at the end of the year 1997 E.F.Y. (2004/5). Other 12 towns will be provided.
- To provide telephone services for 197 rural towns, among which 116 are wereda towns.
- For more than 145 towns by establishing the 10 base stations using DRMASS digital transmission systems giving them telephone services.
- For far and other regions, which are found in rural areas having to get telephone, services in VSAT system are the main points.

1.4. Evaluation of past five years plan performance

The corporation has supervised the plan to be performed from 1988-1992 and its problems has provided a five year plan some of thee points raised are:

- The corporation has changed its structure and adjusted or revised the regulation and it becomes profit maker organization
- Up to the end of 1993 there is a plan to install total of 550,000 digital automatic exchange lines. Up to the end of 1992 354310 digital automatic exchange lines are installed. This is 64.4% of the plan excluding 15,000 lines, which are on the way to give service in short time.
- Lines which are installed in the place of existing and new exchange cables net work area was a plan to install total of 500,000 lines at the end of 1994 but at the end of 1992 only 150,000 lines installed.
- In the 5 years plan there is a plan to sale 233,908 lines by finishing the line installation but the performance is 127,136 or it is 54.4% of the plan. At this time the total number of clients above 249,000.
- For the past five years as the plan of the corporation organization to improve the quantity and quality of the service the corporation planned to give service for 826 rural towns who have backward connection service and who have no connection at all by using DRMASS, VSAT & UHF/VHF system but it give the service only for 405 rural towns. When it compared with the plan it is 49%.
- As it is a time to extend new services for the society the organization gives Internet service for 2461clients and mobile service for 17,721 clients.
- The number of telephone distribution plan at the end of 1987 was 0.26 /to 100 persons/ but at the end of 1992 plan it increased to 0.4/to 100 persons/ because the above mentioned points became practical.
- Regarding finance at the end of 1987 plan the organizations 130.3 million Birr capital increase to 1.4 Billion Birr at the end of 1992 plan. The net profit that the organization get from the service is increased from 144 million Birr to 240.3 million /assumption/ when this compare with the profit of 1987 it shows 66.9% growth.
- Luck of working without monopoly like business organization give service to customers properly and lack of working as profit making organization.

In general the performance of the past five years plan was not sufficient but when it compared with the limited management and finance ability the result is not bad.

Regarding the above mentioned points the table is shown below

Main problems on the performance

- Lack of necessary study and preparation on the establishment of the plan
- Lack of modern project management
- Inability of zones and regions to work on the project
- Lack of foreign exchange for the development
- Shortage of management /limited ability of management/
- Lack of trained human resources
- Lack of efficiency, thinking as commutative and profit maker organization.

3. The objectives of the plan and implementation strategy and strategy And assumptions

3.1 The objective of the plan

- Based on the five years Development plan of the Government, it planned to distribute telephone services to all regions
- By using modern technology, improving the quality, quantity and efficiency of the telephone service and distribute for the society with reasonable price.
- To provide modern and new services for the society
- By developing the profit of the corporation increase the financial capacity which helps to expand the service.

3.2. Implementation's strategy

To implement the planned projects within five years, different strategies are planned. Main strategies are:

- Regarding the sector prepare medium and long term plan
- The project implementers should work integrated to use the necessary resources for the project
- Improving service rendering by updating regulations.
- Making detail action plan and modern project follow-up systems.
- Giving the necessary authority to regional and zonal offices and allocating manpower for them. The participation will increase in the project implementation.
- Giving sustainable developmental and technical management training's for the workers.
- By developing the capacity of the training institute increasing the quality and quantity of the training.
- Changing step by step from analogue systems to digital system.

- Not only concentrating on rendering vast service but also on the quality. And also to solve customers problems, changing the bad working culture by giving intensive training.
- Decreasing the workload by contracting out works which can be done by domestic and foreign contractors.
- By evaluating the existing structure make the necessary adjustments for implementation.
- Studying the development of domestic and international traffic, and other income development study.
- We should organize the management information system, which helps to have the right decision.
- Studying the new technologies and bringing to practice.

3.3. Main Considerations

To implement the planed projects, the following considerations are taken

- The corporation planned to cover most of the project expense by income and in addition by finding aids from outside.
- To make change in the telephone tariff by considering the international competition.
- Improving foreign exchange supply
- Even tough there is no market study; it is assumed that the society demand will be increased.

4. 1993-1997 detailed plan

4.1. Service target

4.1.1. Additional customers

- To satisfy the society demand the corporation has planed to give service 500,000 additional customers in the coming five years plan. In addition the corporation planed to develop the coin and card telephone to 4500 public telephone in Addis Ababa and other towns. This coin and card telephone did not develop as the society demand in the past five years.

Regarding the new services the corporation planed to provide the Internet services for the capital cities regions that are Baher Dar, Mekele, Desse, Awassa, Dre Dawa, Jimma, Nazerate and Nekemt. Therefore the additional customers will be 29,500. At the end of 1997 the total number of this service users will be 31961.

Establishing data communication in the following towns that are Addis Ababa, Dre Dawa, Nekemt, Shashemene, Debretzet, Awwassa, Desse, Mekele, Baher Dar and Jimma. This instrument helps for the banks, Insurance's, research Institutes, Education Institute can

exchange with their branches and also they can develop according their interest. This net work cans orate suitable conditions for the Internet services and it helps to provide customers outside Addis Ababa can rendered internets services in reasonable price.

In these five years plan, the main attention is given to the mobile services. Based on this 44,000 additional mobile customers will be rendered the services. Therefore the number of mobile customers will be reached 61,727 at the end of 1997. In this plan time the plan is to distribute the services outside of Addis Ababa, Jimma, Shashemene, Nekemt, Gonder, Desse, Asela, Harer. By using these instruments it is planed to rendered for these towns. As mentioned above, these days the plan gives the attention to the Data Services. Therefore there is a plan to provide Data Services. That means short messages like E-mail will be rendered by mobile terminate instruments. This helps for the strengthening information exchange.

4.1.2. Traffic

A. Telephones Traffic

The assumption was based on the net works, which were finished I n 1993 which was 1,413,205,000 /pulse/ of town telephone traffic grow to 3,325,190,482 /pulse/ at the end of 1997. Instruments, which are working manually, will be automatic. The number of domestic calls decrease from 4,500,000 to 2,500,000 per minute because those lines which work by operator will change to automatic exchange.

Regarding international outgoing traffic will increase from 19,273,828 to 45,350,184 per minute and International domestic traffic will increase from 51,937,824 to 122,206,645 per minute.

B. Mobile Traffic

In the coming 5 years it is planned to provide telephone service for 12 towns so it is expected a large number of traffic growth. Based on this in 1993 the International outgoing calls 2,204,045 and domestic incoming calls will be 41,850,587 per minute. So in 1997 the traffic is expected to grow to 4,906,738 and 93,169,516 per minute.

C. Internet Traffic

On this service for the next five years there will be traffic growth service to expand only eight towns. The expected Internet extra time service at the end of 1993 was 946,314 but in 1997 it is expected that it will increase to 4,344,943.

D. Telegram Traffic

In 1993 plan 80,000 domestic telegram message and 950 international telegram messages will be rendered. This number is decrease to 40,000 and 750 respectively at the end of 1997. This is because of the most preferable of Fax and e-mail.

E. Telex Traffic

In the plan of 1993 the number of domestic telex messages will be 36,809 per minute. And also the international messages will be 276,191 per minutes. In 1997 this will decrease to 6,469/minute/ 48,536 /minute/. Because of wide spread of Fax and E-mail the telex traffic is expected to decrease.

The corporation has planned 1993-1997 service targets and shown traffic assumptions in the following table.

4.2 Recurrent Revenue And Expenditure

For the next five years plan the corporation has two options with regard to rendering service to the public.

The corporation's income is estimated to be Birr 838,757,000 by the end of 1993 according to the first option. It is estimated that the corporation will get a total of Birr 1,968,676,000 by the end of 1997 budget year. This income will be from expanding and establishing digital automatic lines, networks, sale of lines, cordless phones and other services to be rendered to the public. The corporation's net profit is estimated to be 1,042,511,000 Birr. Tables on the income statement and cash flow statement are enclosed herewith.

4.3 Investment

To broaden the service rendering for those Weredas and Zone Cities who have not get the service by improving the service distribution. And plant automatic exchanges for those towns that have no automatic service by improving its service quality

In the coming five years plan (1993-1997) the following are given attention.

- Increasing the existing digital automatic lines,
- Replacing the old communication equipment, which are found in rural cities, and which were exposed to frequent damage with new and improved digital communication equipment.
- And giving service to those rural cities that has no service before.

In addition, by using new technology, increasing and expanding service rendering and quality of international and domestic service will be made side by side.

Telecommunication service gives great contribution for a country's development. Therefore, in many countries telephone distribution is considered as a measure of development.

As telecommunication service greatly contributes to the development of a country it is used to show the level of development in many countries. The Ethiopian Telecommunication Corporation knows the decisive role the service plays to the economic and social development of the country and thus the corporation has designed its next 5 years plan in such a way that the service will be used to help its effort to develop the regions. This plan is presented in brief. However, the detailed program is being prepared.

The main objectives of capital projects to be done in the above mentioned plan years are:

- Opening new service giving stations, giving telephone service to those rural cities that have no telephone service. Therefore in the next five years it is planned to give service for about 197 rural cities. About 116 Wereda cities are included. In addition, those, which are not Wereda towns, will render the telephone service based on their population and trade exchange. The remaining rural cities will get the service through near neighbors in the near future. It is believed that this will shorten the way the society travels to get the service.
- To render internationally in use and new services to the society.
- Expanding the existing service and make proportional the demand and supply of the service.
- Increase the kind and quality of the service. The growth of traffic due to the increase in number of customer's causes over load on the commonly shared equipment and on the connector line. So it is difficult to get service in that time. Therefore giving efficient service by minimizing the traffic load.
- Increasing the ability of the digital exchange to 75%.
- It is estimated that at the end of 1997 the population will increase to 22 million. So the telephone distribution is expected to reach 1.1 percent. The gap between rural areas and cities is very wide, but in the future the maximum effort will be made to narrow this gap.

On the rural area houses are built scattered. Therefore it is difficult to develop the distribution of telephone service. So the measurement will be access or getting telephone service on the near by areas.

In this time, it is expected that the telephone service and distribution of new services in the country will be highly improved and in the country will be highly improved and in the rural cities, the distance the society travels to get telephone service is expected to be shortened.

From the main projects of the corporation more attention is given to planting digital automatic exchanges. On the beginning of 1993 plan year, the number of digital automatic exchange is expected to reach 140, and at the end of 1997 it is planned to reach 290. This will increase the number of digital exchange to 968,150.

Total exchanges (digital, analogue and manual exchange) capacity will reach 1,000,000 at the end of 1997. In the mean time the number of connected lines is expected to reach 800,000. At the end of 1999 it is also planned to change all analogue automatic exchanges by digital exchanges. The digitalization program provides the society not only quality service but also helps to get additional service.

In addition it is planned to provide services which are the result of technology growth. Such as Internet, mobile and data communication for capital cities found in different regions.

The main points taken into consideration while choosing new cities to get digital automatic service and to expand existing stations are:

- It is obvious that the increase in the number of population is most of the time based on the cities economic and social movement. Cities with accelerated economic and social movement have also accelerated population growth.
- The criteria for the selection of cities to get automatic service in the next five years are based on population. I.e. cities with 5,000 and above population will get digital automatic exchange. In addition, according to the work of ETC cities with manual exchange with customers 40 and above will be candidates of automatic exchange.
- Some towns have backward services, which is not proportional with the town's development. Therefore including this towns who have already applied for the administrative region (zone) office or for different regional offices to get improved service
- The corporation performs its different activities using the income it gets by sailing its services. Therefore, it focuses on their economic importance during its choice of cities. Priority will be given to cities that give a better income if they get digital automatic lines.
- To implement the above mentioned projects purchase of cable accessories, transmission, power supply other necessary equipment and vehicles will be carried out. Moreover, installations of communication equipment are part of the plan and will be given due consideration.

- For implementation of the various activities including purchase of equipment in the five year plan Birr 3.6 billion is required. Out of this 2.5 billion will be in foreign currency and it will be utilized for the purchase of communication equipment different accessories and vehicles. The remaining 1.1 billion will be in local currency and will be used for the projects.
- The tables attached here will show the lists of
 1. New centers that will receive digital automatic services
 2. Existing centers that will receive digital automatic lines
 3. Rural cities that will get VSAT and DRMASS services
 4. Rural cities that have old and obsolete communication lines that will receive better digital service
 5. District cities with no services

It is believed that the attached plan will show the effort the corporation is making to distribute the service to all the country in the coming years.

The cash required for the projects to be implemented in the five-year plan is presented in the summary table. This is divided in 9 main titles and the other table shows the details of the cash needed for capital projects. (See table 7)

4.4 Human Resource and capacity building plans

The Telecommunication technology is growing rapidly to use and maintenance accessory equipment; training of human resource (manpower) in a better and strengthened manner should be given at most importance. Accordingly recruitment and employment of new staff training them locally and abroad is crucial for the implementation of the projects or it is planned to strengthen them the trained manpower capacity through recruiting and employing training them locally and abroad.

Training of manpower should be given importance to couple up with the rapidly growing telecommunication technology. Capacity building through training would help to utilize and maintain different accessory equipment. Timely implementation of the projects could be achieved through training.

4.4.1 Human Resource Development and productivity

- A) The number of permanent employees of the corporation is estimated to show an average growth of 7.3% and will reach 10067 1997. (details show in figure 8-1)
- B) Regarding productivity index the aim is to have 21 workers in average for 1,000 connected telephone lines in every budget year. It is planned to improve the existing 28 workers/1000 direct lines to 14 workers/ 1000 direct lines by the end of 1997.

4.4.2 Training

- A) According to the five year plan 1984 permanent employees will be trained in each budget year and by the end of 1997 10152 staff would be trained 14% of these staff will be new recruits and 86% would receive on the job training. Additionally it's estimated to train 3410 clients by 1997. (Detail shown in fig.8.2)
- B) The corporation has planned to train in average 85 administrative heads and professionals every year. According to plan the total number of trainees will be 425. The training will be given both locally and abroad. The objective of the training is to familiarize its personnel with the rapidly growing technology and modern management system. They will be trained in different management development and advanced telecom skill development. The detail is shown in figure (table) 8-3.
- C) There is a plan to upgrade the training institute to a college level. This will help to train better skilled manpower with great number & this will help to improve the capacity of regional institute.

4.4.3 Capacity building & structural Design

- To solve the problem around the structure is to improve the structure itself.
- In consideration of the market especially those sections which are planned to operate and make profit in the field of civil construction, Mobile, Telephone service, Transport, Internet and Training. It will be important to plan a convenient way for them to operate and be encouraged.

- In many work places they don't use the new procedure system so to make it practical consultation by 3rd party will be necessary.
- In the field of manpower Administration employment, promotion, Transfer, etc and in related fields it will be advisable to help them operate by there own.
- Driving standard evaluation methods performance of a job can be evaluated between the management and the employees.
- The carrier development program will attract new professionals, keeping interest of existing professionals and improve productivity. Further it can be broaden and can embrace many professionals in the organization.
- So as to help the corporation for quick distribution of telecommunication service in different areas it should be emphasized that other professionals origination to attend in the project