

The Market in 2010

For an industry that is used to dramatic changes from year to year, the most striking aspect of the submarine fiber optic cable market in 2010 was how much it resembled that of 2009. Among the similarities:

- The number of route-kilometers of submarine fiber optic cable awarded to suppliers in 2010 increased only slightly over those awarded in 2009
- In both years, the vast majority of new contracts went to one supplier – Alcatel-Lucent
- On a positive note, many new projects were announced in 2010, as in 2009, indicating an enthusiasm for future growth
- On the negative side, a relatively small number of these awarded supply contracts in 2010 and some seem to be moving only very slowly forward, as funder sources continue to be cautious before fully committing to new projects
- The underlying factors behind the growth of the market – bandwidth demand, access to capital, financial stability of large carriers, etc. – were solid in 2010, as in 2009

During 2010, 14 new submarine fiber optic cable supply contracts were awarded totaling just under 45, 000 route-kilometers. This compares to 16 contracts totaling 40,058 route-kilometers in 2009.

Project	Route-km	Month	Supplier(s)
Tata Gulf Cable	4,500	February	TE Subcom
GPCS Martha's Vineyard	24	February	Alcatel-Lucent
CanaLink	2,000	May	Alcatel-Lucent
EASSy Somaliland	300	May	Alcatel-Lucent
East West Cable	2,000	May	Not announced
Africa Coast to Europe (ACE)	17,000	June	Alcatel-Lucent, TE Subcom
BMG Israel-Cyprus	300	June	Not announced
WACS Portugal-UK extension	2,000	August	Alcatel-Lucent
eFive South Africa-Nigeria	5,000	September	Alcatel-Lucent
eFive Angola-Brazil	6,800	September	Alcatel-Lucent
Balkans Italy Network (BIN)	250	October	Alcatel-Lucent
Silphium	420	November	Huawei Marine
Seychelles East Africa System (SEAS)	2,000	November	Alcatel-Lucent
Bezeq Israel-Italy	2,297	November	Alcatel-Lucent
Total	44,891		

Table 2. Contracts Awarded in 2010

Our methodology counts supply contracts using two criteria:

- 1] There is a formal announcement of the contract award by the customer or the supplier, or
- 2] Construction of the cable system has begun, even if no supply contract was announced, or

Category 1: Submarine Cable Systems under Contract in 2010

1. Africa Coast to Europe (ACE)

Owner/Developer	Landing Points	Route-km	Supplier	Region	RFS
Consortium of 25 parties including Orange (France Telecom), Baharicom and African carriers	France, Portugal, Morocco, Canary Islands, Mauritania, Senegal, Cape Verde, Gambia, Guinea Bissau, Guinea, Sierra Leone, Liberia, Cote d'Ivoire, Ghana, Togo, Benin, Nigeria, Cameroon, Gabon, DRC, Angola, Namibia and South Africa	17,000	Alcatel-Lucent, TE Subcom	Sub-Saharan Africa	2012

Status: France Telecom announced this system in December 2008. As originally planned, it would only extend as far south as Gabon, but in June 2009 it was announced that the cable would run all the way to South Africa, landing in the Democratic Republic of the Congo, Angola and Namibia along the way. In June 2010, a C&MA was signed with Alcatel-Lucent as the prime contractor and TE Subcom as the subcontractor.



2. ALBA-1

Owner/Developer	Landing Points	Route-km	Supplier	Region	RFS
Telecomunicaciones Gran Caribe (TGC)	Siboney, Cuba, to La Guaira, Venezuela, with a branch to Jamaica	1,550	Alcatel-Lucent	Caribbean	2011

Status: Financing for this project was finalized in the fall of 2009 and the supply contract was awarded to Alcatel-Lucent in October 2009. Construction began in 2010 and RFS is expected in 2011.

Grid Interconnection and Island Connectivity Projects

Anglo-Scottish HVDC Western Link

Owner/Developer	Landing Points	Route-km	Supplier	Region	RFS (est, timeframe)
National Grid, Scottish Power	Ardneil, Scotland to East Hoyle Bank, England	100	To be awarded	Europe	2011-2013

Status: The marine survey for this project began in October 2010.

Aniwa-Whawon

Owner/Developer	Landing Points	Route-km	Supplier	Region	RFS (est, timeframe)
KEPCO	Aniwa to Whawon Island, Korea	25	LS Cable, SBSS	Asia/Pac	2011-2013

Status: Installation was completed in November 2010.

BelBrit

Owner/Developer	Landing Points	Route-km	Supplier	Region	RFS (est, timeframe)
Imera Power	UK to Belgium	98	To be awarded	Europe	2011-2013

Status: Imera Power is an independent developer of offshore power transmission projects connecting the UK with Belgium and with Ireland. Imera Power dissolved its partnership with Oceanteam in 2010 and is currently restructuring. The future of its planned cables is not clear.

Britned

Owner/Developer	Landing Points	Route-km	Supplier	Region	RFS (est, timeframe)
National Grid, TenneT	UK to Netherlands	260	ABB	Europe	2011-2013

Status: Construction was completed on in October 2010 and services will begin in early 2011.

