Ocean Specialists, Inc.

Compiled from briefings in Submarine Cable World Daily Newsfeed, November 4, 2016:

Submarine Fiber Optic Cable Project Announcements

Submarine Cable World Daily Newsfeed has updated its list of new submarine cables announced in 2016. Tracking new systems provides insight into the level of level of optimism in the industry for the need for new cables and the ability to raise money to build them.

2014 and 2015 were extremely strong years for the submarine cable industry. The two-year period saw continued strength in new project announcements and near-record levels of new contract awards, many for large-scale, trans-oceanic systems.

In the January 2016 edition of the Radar Screen Report, we predicted slower growth in 2016 as the industry "took a breath" before a new wave of cable systems took shape. This was borne out in the first quarter of the year and even through the summer there was slow growth in some areas, such as new contract awards. While contract awards picked up late in the year, project announcements – the most telling metric for the level of optimism among submarine cable developers -- were made at a consistent rate throughout 2016.

Through November 2016, 30 new projects were announced, which will require over 133,000 route-kilometers of cable. The number of projects compared to 2015 has stayed constant – 30 in 2016 versus 31 for full-year 2015 – but the scale of the 2016 announcements was considerably higher. The total route-kilometers for 2015's announced projects were only 106,000. This means that there has been a 25% increase in the amount of cable in 2016's announcements already, with one month left to go in the year.

2016's totals also compare favorably with the four-year averages from 2012-2015. During that period, the average number of new projects announced each year was 31. Again demonstrating the larger scale of 2016's projects, the annual average route-kilometers called for in new cable announcements from 2012-2015 was 110,000, well below the 133,000 kilometers in 2016. The average amount of cable per project in 2016 was 4,400 kilometers, compared to 3,500 kilometers per project from 2012-2015.

The number and scale of new project announcements indicates that the market should remain strong in the near term as Internet bandwidth demand continues to grow, OTTs build their own cables, the need for redundancy remains a paramount issue for governments and financing for new systems is still accessible.

Project	Route-km	Developer(s)	Month announced
AEConnect extensions	3,000	Aquacomms	January
MainOne extensions	2,000	MainOne Cable Company	January
G2A	4,000	Omantel, Ethio, Golis, Telesom	February
BRUSA	11,000	Telefonica	March
Palapa Ring East	6,300	Govt. of Indonesia	March

Chart continued:

Palapa Ring West	2,000	Govt. of Indonesia	March
Palapa Ring Central	2,700	Govt. of Indonesia	March
Africa-1	12,000	MTN, PCCW, STC, TE and Telkom SA	April
Africa-1 extensions	5,000	MTN, PCCW, STC, TE and Telkom SA	April
EllaLink Fernando de Noronha extension	60	Telebras	May
Northeast Passage	12,000	To be determined, currently a Finnish govt project	May
MAREA	6,600	Microsoft, Facebook, Telxius	May
DARE	5,500	Djibouti Telecom and others	June
Labuan-Brunei Cable System (LBC)	52	BIG, CTSB	June
C-Lion1 Finland extensions	300	Cinia	June
Thailand-India	1,500	CAT, Tata	June
Guantanamo-Puerto Rico	800	US Navy	July
China-Indian Ocean	5,000	China Telecom and others	July
GlobalNexus	8,000	GlobalNexus	July
PNG National Submarine Fiber Cable Network Project	2,400	Telikom PNG	July
Austal	2,000	Government of Chile	July
Lofoten-Mainland	109	Telenor	August
Belize-San Pedro Island	24	BTL	August
IGG	5,300	PT Telkom	September
SEAX-1	250	Super Sea Cable	September
PLCN	12,800	PLDC, Google, Facebook	October
SEAX-2	12,000	Super Sea Cable	October
SEAX-3	5,000	Super Sea Cable	October
IOX	2,500	Super Sea Cable	November
SEAX-1	250	Super Sea Cable	November
Total	**133,255**		

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