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Worldwide fibre-optic internet is real

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A sample of fibre optic cable is on display at the CommunicAsia 2008 exhibition in Singapore in June. Roslan Rahman / AFP

Expect the worldwide roll out of fibre-optic internet systems to continue despite the global financial storm, industry insiders say.

Bringing fibre-optic cables directly to every home and office requires an enormous capital investment, something that is increasingly hard to come by in the current economic environment. But as a piece of core infrastructure that will remain relevant for upwards of 30 years, it is a safe bet in tricky times, many delegates at an industry conference in Dubai said this week.

“Yes, there’s a real financial, emotional situation going on right now,” said Joeri Van Bogaert, the president of the European Fibre to the Home (FTTH) Council, an industry body. “But will it effect the deployment of this new technology? No.”

In the UAE, Etisalat and du are rolling out fibre-optic internet connections, with Etisalat saying its national fibre network already reaches 300,000 homes.

“We have planned that this technology will be available to all homes within three years,” said Ahmed Abdul Karim Julfar, the chief operations officer at Etisalat. “Each home will have its own fibre cable that allows very high-speed internet, along with fixed-line services and cable TV.”

While companies from around the world slow or cancel new investments in the face of escalating financing costs and risk-averse lenders, the telecommunications industry sees opportunity. New fundamental infrastructure that will be central to the future of the internet must be built, they say, with steady, reliable returns guaranteed.

“I haven’t seen any indication of any slowing down at this point,” said Floyd Wagoner, a director of the home and networks mobility division of Motorola. “This is evolutionary technology, and we’re at the cusp here – the service demand curve will continue to grow. Staying ahead of that curve is the ultimate goal.”

Mr Wagoner said the demand for high bandwidth internet services like streaming online television – a key factor spurring the roll-out of optic fibre – would stay solid during this financial crisis, and future ones.

“What you usually see is that people won’t get rid of home entertainment services like their internet and television,” he said. “They might stop going out to dinner as much, or cancel a vacation, but in our experience they are much less inclined to give up their internet or TV.”

Even with most capital markets contracting, the German bank West LB is actively searching for opportunities to invest in fibre-optic deployments, according to Mr Bogaert. As the dotcom bubble burst in 2000, the bank was a lead financier of the US\$1.1 billion (Dh4.04bn) FLAG Pacific-1 undersea communications system linking North America with East Asia.

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