**CHILEAN GOVERNMENT CHOOSES A ROUTE THROUGH NEW ZEALAND AND UP TO AUSTRALIA TO IMPLEMENT THE TRANSOCEANIC CABLE**

* *The Feasibility Study concluded it as the most profitable route for the development of this project.*

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The Chilean Government, through its Ministry of Transportation and Telecommunications, informed this morning that the route to implement the Transoceanic Cable would be through New Zealand and up to Australia. In this manner, the digital initiative will connect the country with Oceania, accessing data from Asia.

The decision to choose this route (Continental Chile - Auckland - Sydney) was made based on the results of the Feasibility Study, which had as its first analysis the projection of traffic between both continents for the next 20 years. This considering as the main driver of the model the disruptive demand that will be generated both in users and in different industries from solutions that will be developed based on 5G technology such as the Internet of Things (IoT) and Artificial Intelligence (AI).

Subsequently, and based on the above, business cases of the different routes under evaluation were obtained, in which many components were considered, such as customer segment, product mix, price curve, value proposition, relationship with customers, costs and financial resources, finally determining that the mentioned route is the most recommended to deploy. In this manner, it turned out that the lane through Auckland, and up to Sydney, is the most profitable option since it considers fewer kilometers of fiber optics and because Australia is the Digital Hub of Oceania (it has more than 12 interconnection cables with the rest of the world) and an Emerging Hub of Asia, currently having excellent connectivity with this continent.

In this sense, the business model considers that by coming with the cable to Sydney, this can subsequently join existing systems. In fact, in Australia today are five cables in operation that can reach Asia. Also, there are two cables in deployment plans.

“We are taking a great step by defining the layout of our Transoceanic Cable project, which is the first initiative that will connect the region with Oceania and finally with Asia. This decision opens enormous opportunities for Chile to become the Digital Hub of South America on the Pacific side, making it an attraction for various investments such as data centers and related to digital commerce”, the Minister of Transportation and Telecommunications from Chile, Gloria Hutt, said.

Otherwise, the Vice-Minister of Telecommunications from Chile, Pamela Gidi, stated that “this project considers a route of approximately 13,180 kilometers to Australia, contemplating, also a connection through New Zealand. Both countries have a large and developed telecommunications market with a significant deployment of digital infrastructure. In this line, I would like to highlight that Sydney is a great digital access point to the Asian continent, and all the financial indicators in our studies pointed to this route as the most convenient”.

Moreover, Mrs. Gidi implied that "Chile, in parallel, is holding conversations with different actors in the region who are interested in joining this initiative, which will have a high impact in South America".

Nevertheless, with the selection of the route, the project begins its third and final stage of analysis, which considers the engineering study, and this will provide detailed information on the costs and characteristics of the one. This information will be the first input for the tender for the construction of the Transoceanic Cable.

Furthermore, with this announcement, the most valuable stage of the process of raising the financing of this infrastructure begins, since it contemplates the delivery of the business case of the selected route to all the organizations that have shown international interest such as foreign banks, multilateral banks, and investment funds so that they can carry out their analyzes and ultimately decide the form of participation in the project.

Finally, it should be, pointed out, that once the most profitable route has been selected the Chilean Government, through the public company "Desarrollo País" which generates investment in projects with private profitability, is also in the process of analysis to determine the contribution of Chile in the future public-private consortium that will be in charge of financing the infrastructure.