

Tables 4.8 and 4.9 are proforma summaries covering the source and application of funds and balance sheets for all cases as to the end of Year 10. Detailed source and application of funds statements covering the implementation period of project development for all cases are presented in Annex B.

Case B1.02 as compared with B1.01 reflects an increase in revenue base as required to service debt obligations. Hence B1.02 becomes a new base case against which all other cases should be compared. Case A represents the situation without equity participation and may be compared with Case B1.02 in which equity has been introduced.

Case B1.03 as compared with B1.02 illustrates the impact of changing the debt equity ratio from 4:1 to 9:1.

Cases B1.04 and B1.05 as compared with B1.02 illustrate the impact on cost of a 2% change in the average cost of foreign borrowings; to 8% in the case of B1.04 and 12% for B1.05.

Case B1.06 as compared with B1.02 illustrates the impact of increasing the cost of domestic borrowings from 3.6% to 8%.

Case B1.07 as compared with B1.02 illustrates the impact of a capital cost increase of 15%, and is considered to be at the upper limit which would be expected within the normal range of reliability of feasibility level cost estimates.

Case C1.01 as compared with B1.02 reflects the impact of reducing the implementation schedule from 10 to 8 years.

Other variations such as may arise from a change in foreign exchange conversion rate or changes in the foreign exchange component of capital cost have not been specifically examined. The general impact of such changes may be inferred from the comparisons presented for the Three Gorges development.