

MTN to enter Zim through Telecel, NetOne?

By [Dumisani Ndlela](#)

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Recent reports of MTN's talks with Orascom Telecom have triggered speculation the telecommunications firm could finally buy the Egyptian group's Zimbabwean asset, Telecel Zimbabwe.



First, MTN sought to enter Zimbabwe through the acquisition of a 51% stake in government-owned NetOne in the late 1990s, but failed due to disagreements over valuation.

In 2007 it was linked to a proposed acquisition of Telecel Zimbabwe after Egyptian billionaire and Orascom chairman Naguib Sawiris indicated that he was putting together an ambitious deal under which Telecel Zimbabwe was to become part of a bigger pan-African group.

But the planned pan-African transaction failed, and with Telecel Zimbabwe's recovery last year to take second spot, MTN then thought to pursue the struggling NetOne, with talks having recently reached advanced stage for a 49% shareholding.

Orascom, however, is now desperate to dispose of its Algerian unit, Djezzy, because the Algerian government wants Orascom out of the country over an acrimonious tax dispute, as well as the Zimbabwean asset which has also put it in a spot of bother: An empowerment partner, Jane Mutasa, with whom Orascom has fallen foul, is demanding a 20% share in terms of an agreement it entered into on inception.

Regulators are insisting Telecel Global, the Orascom unit which holds 60% Telecel Zimbabwe shares, honour the deal, and has proposed it whittles down its shareholding in Telecel Zimbabwe to 49% and list the rest of the shares on the Zimbabwe bourse.

ABOUT DUMISANI NDLELA

Dumisani Ndlela is a Zimbabwean journalist specialising in business and financial reporting, with experience reporting on commodities, stock and financial markets, advertising, marketing and the media. He has previously reported from a number of regional countries as well as from the UK and Germany on commodities and regional integration. He can be contacted on dndlela@yahoo.co.uk.

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