

Ethio Telecom profit more than doubles before planned stake sale

Ethiopian state-owned telecoms company Ethio Telecom's profit more than doubled in its latest financial year to about 18.8bn Birr (\$344m), as revenue and subscriber numbers also rose, its chief executive said on Tuesday, 12 July.



Ethio Telecom employees work inside their call centre in the Bole neighbourhood branch in Addis Ababa, Ethiopia on 29 July 2022.
Reuters/Tiksa Negeri/File Photo

The government is planning to sell a stake of up to 45% in Ethio Telecom, after reviving a previously postponed privatisation process.

The telecoms industry is seen as a big prize in Prime Minister Abiy Ahmed's push to open up one of East Africa's largest economies after he took over in 2018, thanks to a large population of about 120 million.

But efforts to lure investment have been slowed by a nearly two-year war in northern Tigray that has killed tens of thousands and uprooted millions.

Ethio Telecom CEO Frehiwot Tamiru told a news conference that the company's subscribers had risen by 8% to 72 million,

while subscribers to its financial service Telebirr rose to 34.3 million from 27.2 million six months earlier.

Revenue rose more than 23% to 75.8bn Birr in the latest financial year.

The government's economic liberalisation agenda includes a plan to issue a telecoms licence for a third operator. Ethio Telecom currently competes with a consortium led by Kenya's Safaricom which started operations in October 2022.

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