

MTN signals it is keen to get into Zimbabwe

MTN has confirmed that it is eager to enter Zimbabwe, and may make its move by taking control of the existing mobile operator, Telecel.

By [Lesley Stones](#) 4 May 2009

Africa's cellular giant has taken the unusual step of declaring its interest ahead of firming up any precise moves by exhibiting at the Zimbabwe International Trade Fair in Bulawayo this week.

Spokeswoman Nozipho January-Bardill said yesterday plans were still preliminary, but operating in Zimbabwe was definitely high on the agenda.

"We have always said we are looking for value-enhancing opportunities, and Zimbabwe presents us with one," she said. "Zimbabwe is our neighbour sitting there waiting. The government is embarking on a reinvention of itself and has opened up to South African companies to go in and operate there."

Asked if MTN was most likely to enter through an acquisition or if a new licence might be issued, January-Bardill said: "It's not an answer I can give right now. We will see what is available. Some governments are very slow at opening up completely, and don't always tell you exactly what they are doing, so we will see once things are clearer."

Sceptics may fear that Zimbabwe is too volatile or its population too poor for phone calls, but MTN confounded critics with its success in Nigeria and Iran.

Analyst Richard Hurst of research house IDCNews welcomed the news. "It makes a hell of a lot of sense to go in now. The market is at rock bottom, but there is massive opportunity for someone like MTN," he said.

"MTN is very good at managing risk whether it's political or otherwise, and they are right to prepare for change in Zimbabwe."

The country is already served by three mobile networks: Econet and Telecel and government-owned NetOne. Hurst believes MTN's most obvious route is to buy the 60% of Telecel owned by the Egyptian operator Orascom. The other 40% is owned by the Empowerment Corporation of Zimbabwe.

"Orascom has hinted that it would like to get out because it wants to concentrate on north Africa and the Middle East. With three mobile operators already in place, I think it's going to go in through an acquisition rather than a new licence."

January-Bardill said exhibiting at the trade fair had let MTN raise its visibility and had shown people the services it could offer.

The degree of competition in Zimbabwe was not a problem, she said, as cellphone penetration was still low and MTN was accustomed to entering emerging markets against several rivals.

"MTN has taken risks in much poorer countries and from what we are seeing there seems to be a commitment to grow and redevelop the economy," January-Bardill said.

Zimbabwe's Sunday Business newspaper said existing operators had failed to serve the market well, leaving it with one of the worst communication networks in the region, a concern for businesses, which complained that they paid way above the regional average for calls.

SIM cards could cost US\$10, but were rarely available on the formal market so customers often paid up to US\$50 on the black market, the newspaper said.

Source: Business Day

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