

Orascom elects listing Zimbabwean unit on ZSE

Orascom Telecom has spurned members of an investment consortium bidding for shareholding Telecel Zimbabwe and instead proposed a listing of its Zimbabwean unit on the Zimbabwe Stock Exchange (ZSE).

By [Dumisani Ndlela](#) 22 Jun 2010



President Robert Mugabe's nephew, Leo Mugabe, exiled businessman James Makamba and businesswoman Jane Mutasa, who are individual members of Empowerment Corporation (EC), an empowerment consortium that holds a 40% stake in Telecel Zimbabwe, have been jostling for a 20% stake they allege should be disposed to the group under terms of the telecommunication's licence.

Could not raise cash

EC is owned by Kestrel (23%), IEG (18%), Indigenous Business Women's Organisation (17%), National Miners' Association (14%), Zimbabwe Farmers' Union (14%) and Magamba eChimurenga (Liberation war heroes) (14%). The consortium has pre-emptive rights but could not raise cash as a block due to infighting.

A statement issued on Sunday, 20 June 2010 said Orascom would only reduce its 60% shareholding in Telecel Zimbabwe to 49% and not to 40%.

Orascom, owned by Egyptian billionaire Naguib Sawiris, holds its stake in Telecel Zimbabwe through Tele International. It originally held a 40% stake but acquired an additional 20% shareholding from EC in exchange for a significant capital injection and guarantee on an international debt to allow the building of the network in 1999.

Fresh capital, indigenisation

The announcement said the majority shareholder had presented its proposal to government for a listing of Telecel Zimbabwe on the ZSE.

"This would provide the company with fresh capital to expand its network and ensure a broad-based indigenisation of the company," the announcement said.

It said the plan, if accepted by government, would enable ordinary Zimbabweans to participate in the value creation of Telecel, as well as allow past and present shareholders of EC "to become direct shareholders Telecel Zimbabwe".

ABOUT DUMISANI NDLELA

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