

Nigeria Government wants ailing NITEL sold in 60 days



President Umaru Musa Yar'Adua

President Umaru Musa Yar'Adua has directed the newly inaugurated board of ailing telecommunications company, NITEL/Mtel, to complete the process of appointing a new core investor within 60 days.

This development came as the Board of the Nigerian Communications Commission (NCC) met to review the 2.3GHz frequency spectrum licensing process that was cancelled.

Vice-President Goodluck Jonathan delivered the President's directive yesterday at the Presidential Villa Abuja, while inaugurating the new interim board of directors of the company, chaired by the Permanent Secretary, Ministry of Information and Communication, Mrs. Ammuna Ali.

The president has given an unwritten order that we must conclude the privatization of Nitel and Mtel within 60 days," said Jonathan.

He also asked the board not to embark on any new projects until the company is handed over to the new core investor. He, however, said the board could give an explanation to the president, in the event a core investor is not found within the stipulated period.

"But if we cannot achieve what we have to do within the 60 days, we can write to him (President Yar'Adua) and explain. You do not need to go into new investments, but if there are some critical things you need to do you can clear with my office," he explained.

Jonathan acknowledged that the issue of NITEL and Mtel had been a source of worry to Yar'Adua. The President had therefore directed that the interim board be inaugurated as soon as possible to fast-track the process of appointment of the core investor, he explained. Jonathan admitted that over a period of time, a lot of things have gone wrong in NITEL and Mtel." He urged the new board to ensure a core investor is found within the 60-day time frame.

He exonerated the past government from the current woes of the company. He advised the board to choose the most senior staff of NITEL as the acting Director-General.

In response, Ali declared that the challenges are surmountable. She admitted that NITEL has a complicated history of privatization. But the inauguration of the new board makes it an important milestone in the history of these companies and we hope there will be a turnaround before their privatization," she stated.

Other members of the interim board are Dr. Christopher Any-anwu, Director General of the Bureau of Public Enterprises (BPE); Steve Oronsaye, Head of the Civil Service of the federation; the acting Managing Director of NITEL (to be appointed); Ibrahim Kashim, Director, Information and Communication, BPE; Sam Worlu, Senior Special Adviser (SSA) on Economic Matters to the VP to represent Jonathan on the board; the NCP; and the managing director NIGCOMSAT Limited.

Transnational Corporation of Nigeria Plc (Transcorp) took over the management in 2006 after it was declared the preferred bidder by BPE in the last quarter of 2005. Transcorp, on December 26, 2006, went to the capital market to raise N60 billion, but got only N22 billion.

The Federal Government, through the Minister of State for Information, Alhaji Aliyu Bilbis, had early this year revoked the 51 per cent equity stake of Transcorp in NITEL/Mtel, citing a breach of the Share Sale Purchase Agreement (SSPA) among others as reason.

Bilbis said the constitution of a Technical Board to manage the affairs of the two organisations until a new core investor was engaged by NCP, had been approved. Consequently, the Council demanded that further sale of the assets of the organisation be stopped. In addition, it provided security to the organisation's facilities.

Meanwhile, the NCC has initiated a new programme to conduct a fresh bidding round for the licences on the 2.3GHz frequency, following the directive by the President. A statement signed by the Head of Public relations of the commission, Rueben Muoka, said the full details of a new programme would be announced in due course.

The Commission advised stakeholders to look out for public announcements on the full programme later. It urged all interested parties to join the NCC in the attempt to make telecoms services accessible and affordable to all.

NCC pledged its commitment to due process, respect for law and unequivocal commitment to openness and transparency. It stated that it had always been guided by these principles in all its licensing processes.

It solicited the support and understanding of all stakeholders in the quest to sustain the gains made in the Nigerian telecoms industry in the last nine years for the benefit of the Nigerian people and the future of the nation.

Source: Thisday.com

Story from Modern Ghana News:

<http://www.modernghana.com/news/234658/1/nigeria-government-wants-ailing-nitel-sold-in-60-d.html>

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