

MTN exits Yemen in Middle East pull-out

The MTN Group said on Thursday it would exit Yemen, as Africa's largest mobile operator pursues a plan to leave the Middle East and focus on core operations.



The logo of MTN is pictured in Abuja, Nigeria, on 11 September 2018. Reuters/Afolabi Sotunde/File Photo

MTN said it would transfer its 82.8% stake to a unit of an affiliate of Zubair Corp LLC, MTN Yemen's minority shareholder, adding that no further material impact was expected on earnings as it had fully impaired the Yemeni assets as of 30 June.

MTN's chief executive Ralph Mupita told analysts on a call that the transfer of the stake was for one Dirham.

"The important thing is we've passed (on) any potential liabilities and that was quite a key consideration as part of the de-risking," Mupita said.

Last year, MTN announced an exit from the Middle East to focus on Africa as part of its efforts to simplify its structure and reduce exposure to riskier markets.

It was also prompted by increased competition from its main rival Vodacom, the African unit of Britain's Vodafone, which had been striking partnerships to expand aggressively in the continent and pushing into financial services.

"The decision to exit Yemen was driven by a need to simplify the portfolio and focus our limited resources on executing a

pan-African strategy," Mupita said.

MTN abandoned its business in Syria in August, saying operating there was "intolerable".

With 278 million subscribers across 21 markets, MTN has also been exiting non-core assets including its tower business to free up investments in its network capacity and services.

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