

Zimbabwe shuts down mobile phone firm over black empowerment

HARARE - Zimbabwe on Wednesday shut down the country's second largest mobile phone service provider, Telecel Zimbabwe, partly for breaching black empowerment laws, officials said.

International telecom firm VimpelCom, based in the Netherlands, has a 60 percent stake in Telecel Zimbabwe, making it the major shareholder. Zimbabwe's indigenisation law compels foreign companies to cede majority shares to local partners.

"The Telecel Zimbabwe licence has been cancelled... with effect from 28 April 2015," the Postal and Telecommunications Regulatory Authority (POTRAZ) said in a statement.



POTRAZ did not give reasons for the move, but Information and Communication Technology Minister Supa Mandiwanzira warned last month of Telecel's impending closure for a breach of the black empowerment law and failing to pay a licence fee.

"Our position that Telecel has been operating without a licence and failed to honour local empowerment laws is the same position that has been adopted by Cabinet," Mandiwanzira said.

To minimise the inconvenience to Telecel's two million subscribers, POTRAZ said it had issued a special 30-day licence to enable Telecel to wrap up its business.

"During this period, it is expected that Telecel Zimbabwe subscribers switch to alternative networks," the authority said. "A further 60 days has been given to Telecel Zimbabwe to decommission their telecommunication equipment," it added.

The International Monetary Fund has urged Zimbabwe to review its "indigenisation" policy, which has scared off much-needed investment in the country's moribund economy.

Zimbabwe's economy has been on a downturn for more than a decade since veteran President Robert Mugabe's government oversaw the violent eviction of white farmers under controversial land reforms.

Source: AFP

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