

Algeria Trip Yields Leads, No Closure

By [The Moscow Times](#)

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Algerian President Abdelaziz Bouteflika welcoming President Dmitry Medvedev at the Algiers airport Wednesday. **Ouahab Hebbat**

ALGIERS, Algeria — President Dmitry Medvedev failed to get a public pledge from Algeria on Wednesday that VimpelCom would be allowed to take over the North African nation's biggest mobile phone company.

At stake is VimpelCom's bid to become the world's fifth-largest mobile operator and enter the developed European market by buying control of Egyptian tycoon Naguib Sawiris' telecoms assets, including Orascom and Wind, for \$6.6 billion.

"We agreed that we will look at investment projects in a whole number of sectors," Medvedev said at a joint briefing with Algerian President Abdelaziz Bouteflika, who could sanction the sale of Djezzy, an Orascom unit.

"I hope we can cooperate on a host of new projects which we spoke about with the president," Medvedev said. Medvedev mentioned neither VimpelCom nor Orascom's disputed local unit

Djezzy during the briefing at the end of the visit, and Bouteflika remained silent.

VimpelCom's CEO Alexander Izosimov, who traveled with Medvedev's delegation, said he would have a meeting with officials from Algeria's Finance Ministry to discuss the fate of Djezzy. Before the talks, Izosimov had said VimpelCom would consider selling Djezzy to the Algerian state "if the Algerian government insists."

Algerian law gives the government the right to block any sale of Djezzy to a foreign firm, and the trip was seen as a test of Medvedev's ability to do the mega deals for Russian business that are the hallmark of his predecessor, Vladimir Putin.

There was progress for the oil and gas sector, but no specific deals. Gazprom said it plans to bid on hydrocarbon exploration and production in Algeria and agreed with state-run Sonatrach to consider joint activities in other companies and fields. Gazprom has a "common understanding" with Algeria about the situation on the gas market, chief executive Alexei Miller said in Algiers, after talks with Sonatrach.

Gazprom is exploring the El Assel field with Sonatrach after winning rights to the area in 2008. The field is the only joint project so far since the two companies signed a memorandum of understanding in 2006.

TNK-BP billionaire shareholder and interim chief executive Mikhail Fridman was accompanying Medvedev and scouting out BP's Algerian assets. Fridman said he hopes "their fate is decided positively." TNK-BP has the financial and technical resources to develop the fields in which BP may sell stakes, Fridman said.

Discussions about aircraft purchases also took place. Transportation Minister Igor Levitin believes that An-140 aircraft could meet Algeria's needs for aircraft with small seating capacity and said Algiers is interested in aircraft that can hold 20 to 40 passengers.

United Aircraft Corporation representatives are currently in Algiers meetings with their Algerian counterparts. Levitin said Algeria needs up to 40 aircraft.

(Reuters, Bloomberg, Interfax)

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