

Algeria And VimpelCom Sparring Over Djezzy

By [The Moscow Times](#)

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ALGIERS, Algeria — Algeria will not negotiate the future of mobile telephone operator Djezzy, which it aims to nationalize, with would-be buyer VimpelCom, a newspaper quoted an unnamed government source as saying Friday.

VimpelCom signed a \$6.6 billion dollar deal to buy the assets of Egypt's Orascom Telecom, the centerpiece of which is the lucrative Algerian mobile operator Djezzy.

But Algeria's government says no transfer of Djezzy's ownership is valid without its agreement.

"It is out of the question that Algeria will negotiate Djezzy's case with the Russians. We will talk only to the Egyptians, full stop," the El Watan newspaper quoted an unnamed government official as saying. "The arm-wrestling match" between Algeria and Orascom Telecom chairman Naguib Sawiris over Djezzy would continue "whatever the consequences,"

the official told the paper.

Those remarks appeared to be at odds with the view of VimpelCom chief executive Alexander Izosimov, who told Reuters in an interview Friday that he believed the Djezzy dispute could be resolved in weeks, rather than months. Russian officials raised the issue of Djezzy's future with the Algerian authorities during a visit to Algeria last week by President Dmitry Medvedev, but more talks are needed, Izosimov said.

VimpelCom is “happy” to sell Algeria’s largest mobile-phone company for \$7.8 billion and will pursue legal action if the Algerian government won’t pay a fair price, the Financial Times reported, citing an interview with Izosimov.

Izosimov said he would prefer to own Djezzy, though a compromise is possible under which Algeria would own a stake in Djezzy and VimpelCom would run it. Going to court would be a “last resort,” Izosimov said.

The government of Algeria rejected VimpelCom's price, valuing Djezzy at \$2 billion to \$3 billion.

Analysts say the deal could be scuttled if VimpelCom is unable to acquire Djezzy, or at least sell it to the Algerian state for something approaching its market price.

If it goes ahead, the deal would create the world's fifth largest mobile telephone operator.

(Reuters, Bloomberg)

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