

Ukraine Seeks \$7Bln From Telecom Selloff

By [Unknown](#)

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KIEV -- Ukraine expects to sell a 67.8 percent stake in the state fixed-line operator this year for \$7 billion, a government minister said Monday, which would make the privatization the country's biggest yet.

A series of governments has tried to sell Ukrtelecom for over 10 years. The largest sell-off in Ukraine was steel mill Kryvorizhstal, for which ArcelorMittal paid almost \$5 billion in 2005.

"We are going to sell 67 percent. Realistically, I think it will stand at \$7 billion on the market. ... The government would retain 25 percent plus one share," Transport and Communications Minister Yosip Vinsky told journalists.

The conditions and timing of the tender are not yet known. From 2000 to 2001, the government sold 7.14 percent of Ukrtelecom to the company's workers and foreign investors. Some of that stake is now traded on Ukraine's illiquid stock exchange.

Ukrtelecom, which became the sixth firm to enter Ukraine's mobile telephone market in November, estimated its 2007 revenue at 7.77 billion hryvnas (\$1.55 billion) from fixed-line services, below the 7.88 billion hryvnas it earned in 2006.

Operators like Russia's MTS and VimpelCom and Norway's Telenor generally welcome the sale, though with large stakes in Ukraine's fast-growing mobile phone sector, few seem taken by buying the mainly fixed-line firm.

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