

MTS Resuming Services in Turkmenistan

By [The Moscow Times](#)

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More than 2 million MTS customers were left without service after Uzbek authorities suspended a subsidiary's license in late 2010. **Andrei Makhonin**

ASHGABAT, Turkmenistan — Mobile TeleSystems said that it will resume services in the Central Asian nation of Turkmenistan at the end of August after 20 months offline.

Authorities suspended MTS subsidiary Barash Communication Technologies' license in late 2010, leaving 2.4 million subscribers without service, and its return is expected to prove a boon to mobile phone and Internet users in the isolated ex-Soviet state.

The company, however, warned in state newspaper advertisements Monday that customers might initially experience poor quality connections.

Government-owned Altyn Asyr has been the sole provider in the country of 5 million, but while it has promised to improve the quality of service it offers, progress has been negligible.

With the return of the MTS license, visitors will once again be able to use roaming services — which Altyn Asyr did not provide.

While quality of service of mobile communications will almost certainly improve in Turkmenistan over the coming months, draconian restrictions will likely remain in place. Although authoritarian President Gurbanguli Berdymukhamedov has professed a desire to see communications and education improve in the country, free access to information is still strictly monitored and views dissenting from the government line are not tolerated.

Turkmen Internet users, who generally rely on mobile connections as broadband contracts are prohibitively expensive, are unable to access a host of popular social networking sites. News sites focusing on Central Asia or that carry coverage critical of Berdymukhamedov are also barred.

In its second quarter report, MTS is planning to write off the value of its assets in Uzbekistan, two sources at AFK Sistema, which owns MTS, told Vedomosti. The amount to be written off is about \$1 billion, approximately equaling the value of MTS's investment in its Uzbek subsidiary, Uzdunorbita, since it acquired the firm in 2004. Turnover for the mobile operator in Uzbekistan in 2011 was \$411 million, or about 3.6 percent of the total turnover of MTS.

The Uzbek telecommunications authority canceled all of MTS's licenses in the country using a court order issued last week. Sources said the company is still trying to negotiate a settlement to the situation in Uzbekistan, which might then negate the need to write off the investment.

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