

VTB to Appoint New Tele2 Boss

By [The Moscow Times](#)

May 29, 2013

The  **Moscow Times**

State-controlled bank VTB is making changes to Tele2 Russia's managerial lineup, with former Rostelecom chief Alexander Provotorov expected to be appointed president and general director on Wednesday.

Provotorov's candidacy to head the Russian unit of Swedish telecom operator Tele2, Russia's fourth largest telecom operator was put forward at an informal meeting between VTB and Tele2 managers, Vedomosti reported.

VTB bought Tele2 Russia for \$3.5 billion in March, but at the end of April VTB's chief financial officer said the bank wants to cut its holding to below a controlling stake by the end of the coming year.

Provotorov has attracted frequent criticism from the Communications and Press Minister Nikolai Nikiforov, who said Rostelecom investments were inefficient under his guidance. The minister also proposed several times that the government replace Provotorov, who headed Rostelecom for three years.

Provotorov was tasked with reorganizing Rostelecom when he headed the company. The first phase was completed in April 2011 when the operator took over seven regional companies belonging to Svyazinvest and Dagsvyazinform. The third phase, namely adding Svyazinvest to Rostelecom, was to be completed in the fall of 2013.

Provotorov's anticipated appointment is likely to lead to an alliance between Tele2 Russia and Rostelecom, industry experts told Vedomosti. Such an alliance has been under discussion since 2012. Tele2 is lacking 3G and 4G frequencies to develop mobile access to the Internet, but Rostelecom has these resources.

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