



**SPEECH BY C.M. LEKAUKAU, EXECUTIVE CHAIRMAN OF
BOTSWANA TELECOMMUNICATIONS AUTHORITY
DURING THE CLOSING OF THE RESTRUCTURING OF THE
MASCOM WIRELESS BOTSWANA (PTY) LTD -
GABORONE - 7 SEPTEMBER 2004**

I am grateful that today we end a long chapter in this restructuring process which started last year. Whilst, Botswana Telecommunications Authority (BTA) has just signed off the restructuring documents, Mascom was given a go-ahead on 10 August 2004 to consummate the restructuring thus paving way for this amicable end.

2. It took a long time to sanction the restructuring because, perhaps, this was the first major acquisition in the telecommunications sector since liberalisation started in 1998. However, the process should have long closed if all the parties to the transaction realised that it is a commercial transaction governed by the Telecommunications Act, 1996 (15 of 1996) rather than trying to put pressure on the regulator from several quarters. We have a country which respects its own laws after they have been enacted by Parliament. I hope that the new partners in Mascom will respect the

rule of law which is uppermost in our country and learn the procedures which the BTA has put in motion for the smooth operations of the industry.

3. We herald Mascom into a new, and exciting, era in that this market leader will now be majority owned by citizen companies. Even if the corporate veils of these companies are pierced, you still find genuine citizen shareholders. Hitherto, the company was owned 50.01% by PT Moveis (PTM) which is a subsidiary of Portugal Telecom International; 30% by DECI Investments (Pty) Ltd (DECI) and 19.99% by the T.S. Masiyiwa Holdings (Pvte) Ltd and TSM International (TSMI) all under the apron strings of Mr. Strive Masiyiwa. The extent of citizen ownership was just the 30% in DECI comprising initially of our young enterprising Batswana who came together to team up with Mr. Strive Masiyiwa and Portugal Telecom. Later they sold a portion of their stake to BIFM and finally divested completely and sold the remaining portion to Botswana Public Officers Pension Fund through African Alliance which is one of the pension funds administrators. Therefore the 30% has always remained in citizens' hands.

4. The restructuring has now resulted in DECI owing 60.01% and the T.S. Masiyiwa Group of companies and Citizens Investments owning 39.99%. The result is that both the shares owned by DECI and Citizens Investments (Pty) Ltd are in the hands of citizens of Botswana which is a great achievement in the sector in such a large

corporate entity. I am indeed grateful for this stellar achievement and so is my Board and the staff. We have started a liberalisation process which is paying dividends to the policies of the government.

5. It is my hope that the liberalisation study which we are undertaking now will pave way for further liberalisation so that market performers like Mascom could get involved in other value added services rather than just to eke out a living from their main core activity which is **voice**. Without pre-empting what the study will say and the acceptance of or otherwise of its recommendations, I was happy to learn that our neighbours South Africa have now taken a big leap in further liberalisation after undertaking a similar study in December 2003. The Honourable Minister of Communications Dr. Ivy Matsepe - Casaburri announced good and far reaching measures in her policy statement on 2 September 2004 in order to infuse a more competitive ICT environment in South Africa effective 1 February 2005. Some of these measures which may be of interest to you are as follows:-

- Mobile operators may utilise any fixed lines made available by Telecon S.A. or any other person providing a public switched telecommunication service. This will allow mobile operators to provide their own links if they choose to;

- Value added network services may also be provided by means of telecommunications facilities other than those provided by Telkom S.A or the Second Network Operator;
- Value added network services may carry voice over internet;
- Preparation of youth for the knowledge economy by entitling public schools and public further education training institutions a 50% discount on internet service provision.

6. These are very interesting developments in the region and worth noting in respect of further liberalisation.

7. In conclusion, I would like to thank Portugal Telecom for making sure that they offload their shareholding to citizens of Botswana. They have been a co-operative partner in the development of the telecommunications sector in Botswana and versatile as well. I know that they are not leaving altogether because they still have a management contract for Mascom and we look forward to their continuing to enrich Mascom with the worldwide experience at their disposal. I would, at this juncture, also like to pay tribute to the other founding shareholders being Mr. Strive Masiyiwa who was a smooth and vibrant facilitator during the application process for the licence and a group of our citizens who were bold enough to venture into a green field venture with its unknowns during that time. I cannot forget the stellar performance of the successive Chief

Executive Officers and staff which were seconded from the Portugal Telecom and its affiliates as well as our local staff who cap it up with their dedication and the ever Mascom smile.

8. May I wish the company a success under the new shareholders but with the same management and perhaps some boardroom changes. I also wish to thank our attorneys Webber Wentzel Bowens in Johannesburg who have backed us up in this process making sure that the well founded legal principles and procedures which we coined and agreed with Mascom in 1998 are not traversed. Mr. Gal Batsri, the partner in charge still gave support to his assistant though he was not well most of the time. We wish him a speedy recovery.

PULA!!! PULA!!! PULA!!!