



THE PRESIDENCY

**Bureau of Public Enterprises**

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## **PRESS RELEASE**

President Goodluck Jonathan has approved that the Bureau of Public Enterprises (BPE) conclude the privatisation of Nigerian Telecommunications Ltd (NITEL) and its mobile arm, M-TEL and that staff of the two organisations be paid their entitlements.

In this regard, the President has approved that New Generation Telecommunications Consortium, pay a bid security of \$750 million as a pre-condition for the issuance of an offer letter in its bid to acquire NITEL and M-TEL. In accordance with the provisions of the Requests for Proposal (RFP), the bid security sum is to be paid within ten calendar days from the date of issue of a demand letter from the BPE. The balance of the bid amount of \$1, 750 million should be paid within sixty days from the date of the issue of an offer letter.

It would be recalled that New Generation Consortium had emerged the preferred bidder with an offer price of \$2.5 billion during the opening of financial bids for the privatisation of NITEL and M-TEL which was held on February 16, 2010 in Abuja. The reserve bidder is Omen International with an offer price of \$956,996,091.

The National Council on Privatisation (NCP) had at its meeting of March 12, 2010 set up an eight-member ad-hoc committee under the chairmanship of the Attorney-General of the Federation to review the NITEL/ M-TEL sale transaction. The Committee found out that the transaction complied strictly with due process as outlined in the BPE's Procedures Manual and that necessary approvals were obtained through the Technical Committee (TC) and the NCP at every stage of the transaction.

President Jonathan also approved that staff entitlements and outstanding salaries of all employees of NITEL/M-TEL be paid. The President's decision was based on the recommendation of the Presidential Task Force on NITEL/M-TEL Labour Restructuring Taskforce which was tasked to address the issue of outstanding salaries and allowances owed the workers. The Committee which was chaired by the Minister of Labour was re-activated at the NCP's meeting of June 11, 2010.

The Debt Management Office has been authorised to issue a bond while the Federal Ministry of Finance has been directed to raise the amounts immediately required to resolve the matter of staff liabilities. The bonds will be subsequently redeemed from the proceeds of the sale of the twin corporate units.

**CHUKWUMA NWOKOH**

BPE Spokesman

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