



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

FINANCIAL REGULATORY APPROVALS SOUGHT BY MTN SA FOR THE PROPOSED MERGER WITH BHARTI AIRTEL, INDIA

The Minister of Finance Pravin Gordhan held discussions this morning with MTN Chairman Cyril Ramaphosa and CEO Phuthuma Nhleko, regarding the proposed merger between MTN and Bharti Airtel. MTN advised the Minister that the two companies have mutually decided to terminate further discussions on the proposed merger, as they were not able to conclude all outstanding matters to enable the transaction to proceed.

In principle, the South African government is supportive of local companies that want to grow and diversify offshore from a domestic base. We particularly welcome such diversification to emerging and developing countries, as South Africa is committed to deeper South-South relationships.

The South African government believes that the structuring of such partnerships is best left to the companies themselves, who must make their decisions on commercial grounds. However, when companies structure their relationships outside the current exchange control regulatory framework for such transactions, they require the approval of the Minister of Finance. This was the case with the proposed MTN-Bharti merger, which required certain exchange control and other approvals.

The Finance Ministries of both South Africa and India are committed to working closely together to lay the basis for the development of mutually beneficial mechanisms for such mergers. In this regard, the National Treasury has invited our Indian counterparts to South Africa to continue working towards a framework to support the growth and expansion of companies in both countries.

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