

Zambia investigates telecom sale to Libya

LUSAKA: New Zambian President Michael Sata on Friday, 30 September 2011, launched an investigation into the sale of public telecommunications company Zamtel to a Libyan state firm.

Following up an election campaign pledge, Sata said authorities would look into the Zamtel deal and the sale of Finance Bank to South Africa's First Rand Bank.

"We want to see whether the sell of Finance Bank was transparent or if it was fraudulent," he told new justice minister Sebastian Zulu at the swearing in of his new cabinet in Lusaka.

"Also you have to look into the sale of Zamtel. The people of Zambia suffered to build these institutions and (they) can't be given away just like that."

LAP Green, a state-owned Libyan company investing in African development, paid US\$257 million (€191 million) in June last year for a 75% stake in a move that sparked public condemnation in Zambia.

Sata defeated incumbent Rupiah Banda in last week's presidential election. During his campaign, Sata had promised voters he would reverse the sale of the company once elected. He swore in new cabinet ministers at a ceremony attended by Zambia's founding president Kenneth Kaunda.

Finance Bank was seized by the central bank last year after breaking financial laws. Since then it has been managed by First Rand, and sold for US\$5.6 million (€4 million) a few days before the September 20 elections.

Zulu has 30 days to present a full report on the controversial sales.