



Privatizing Bezeq-The Right Thing To Do

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ILAN BIRAN: "PRIVATIZING BEZEQ IS THE RIGHT THING TO DO"

Bezeq's CEO was speaking at the Israeli Management Center's congress. "Bezeq is not selling itself," said Biran, "and the State is fully entitled to decide it doesn't want to sell" but in my opinion, that would be a grievous error."

"Anyone asking whether privatization is necessary is right to ask. As far as I am concerned, the answer is that Israel must decide whether it is part of a "correct" economy and of the modern and global communications market" or not. Is it possible, over time, in an intensely competitive communications market, to maintain Bezeq as a government company? My answer is "No!" Biran was speaking at the Israel Management Center Congress, in a special panel which discussed the question of Bezeq's privatization.

Biran went on to say: "The management of Bezeq is living in a rented apartment. The landlords are the State and the public. Bezeq's job is to show the apartment to potential buyers, but it is not the seller.

"The State can decide it doesn't want to sell Bezeq" it is fully entitled to make such a decision. If it doesn't want to sell, it can find a thousand reasons why not, but I believe that would be a grievous error."

Biran reviewed the privatization process, which has been going on for several years now, and gave some of the main reasons why he believes it is essential to continue that process. Over-supervision of Bezeq prevents it from functioning in competitive conditions, he said.

"Bezeq cannot function when the State controls its employees' salaries, the Finance Committee controls the telephone tariffs, and because of the Tenders Law the company finds itself in court every other day. The question is whether the State sees Bezeq as something

it owns or as overlord and regulator. Trying to be both is a conflict of interests by definition."

"So why don't they privatize? We know the government intends to privatize Bezeq. All our prime ministers have said so, but the question is can the State do it? The privatization process started 12 years ago â€" but it's all sound and fury, signifying nothing," Brian summed up.

Biran also tried to shed light on the newspaper reports about the Bezeq-Shamrock transaction for the acquisition of Pelephone, and complained bitterly about the incorrect reports. "It is the State of Israel which decided that Shamrock, after buying Pelephone's shares, could not bid for Bezeq. And whoever forbade it, can allow it. It's the decision of the seller of Bezeq â€" the State. And if and when the State concludes that Bezeq should look into the matter of changing the option it was given to buy Shamrock's shares in Pelephone, then Bezeq will look into it," said Biran.