

Defense Ministry wants China excluded from Israeli 5G - report



A bar on Chinese firms participating in telecommunications infrastructure has implications for Hutchison's stake in Partner.

The Ministry of Defense recommends against allowing Chinese firms to participate in the construction of 5G mobile telecommunications infrastructure in Israel, Channel 12 News correspondent Nir Dvori reports. This raises the question of whether the Ministry of Defense will oppose the grant of a permit to Hong Kong-based Hutchison to control Partner Communications Ltd. (Nasdaq: PTNR; TASE: PTNR). Hutchison owns 30% of Partner, a controlling stake, but it cannot exercise control without approval from the Ministry of Defense, hence its Partner shares are at present held by a trustee on behalf of the court.

The Channel 12 News report did mention Hutchison by name, but at present, there is no intention on the part of any other company from China or Hong Kong to enter into telecommunications infrastructure in Israel, and so the report almost certainly refers to Hutchison and the possibility of it acquiring control of Partner, which is currently competing in a tender for the construction of 5G infrastructure.

Hutchison also failed to win the tender for the construction of an additional desalination plant at Soreq, the reason reportedly being that it is a Hong Kong-based corporation, and the US administration has been demanding that Israel

should not let companies like it participate in infrastructure projects.

If Hutchison is unable to obtain a permit to control Partner, it will have to decide whether to sell its shares through an auction or on the capital market.

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