

# Chinese company makes proposal to pay US\$5M owed for GTT shares

By  
[\*Staff Writer\*](#)

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Representatives of Chinese company Hong Kong Golden Telecom Limited (HKGTT) recently put forward a proposal regarding the payment of the outstanding US\$5 million for the sale of government shares in the Guyana Telephone and Telegraph Company (GTT) and this will be studied by the National Industrial and Commercial Investments Limited (NICIL) Board and government before a final decision is made.

This is according to newly appointed NICIL Chief Executive Officer Horace James, who told Stabroek News yesterday that following a decision a statement will be issued.

When contacted, James confirmed that officials from the Chinese company were in Guyana last week and met with NICIL last Thursday.

“We spoke and they made a proposal,” he said.

According to James this proposal will be discussed by the board and the government after which “a statement will be issued”.

The entire issue has been shrouded in controversy.

In March last year, Minister of State Joseph Harmon and a delegation controversially travelled to China to engage in discussions with regard to the payment of the balance owed to the government for the purchase of 20% of GTT shares by Chinese company Datang Telecom Technology and Industry Group, the parent company of HKGT from NICIL in 2012. This deal was entered into by the PPP/C administration but only US\$25 million of the agreed US\$30 million was known to have been paid.

It was later stated that Harmon had obtained documents which showed that the money was paid over prior to the APNU+AFC coalition taking office and efforts were underway to track the money. “So, we are trying to track down to whom, how and where,” Minister of Natural Resources Raphael Trotman had said during a post-cabinet press briefing.

On April 28, 2016 NICIL released a statement which said that it had not received the outstanding balance (US\$5 million). Since then the previous administration and government have been trading blame and pointing fingers at each other. James’ declaration yesterday would vindicate the PPP/C’s position that the money was not received despite the purported finding by Harmon.

President David Granger, during a recording of the Public Interest last May, had made it clear that it was former president Donald Ramotar who had to provide the answers.

“You have to ask Mr Ramotar where the money is,” he said. “I don’t know where it is. I would like to find out but the money went missing under the previous administration and it is certainly missing and that is what Mr Harmon’s mission was all about. We are trying to find out ourselves,” he added.

Ramotar, in a response to what Trotman had said, stated, “The claim by the APNU+AFC government that the money was received is a lie and I challenge the government to present the documents it has

received [under suspicious and questionable circumstances] so that the veracity of the evidence can be tested and authenticated.”

Trotman had later clarified that he had been mistaken in his interpretation of the matter.

During an end-of-year press conference, James who at the time was the Officer in Charge of NICIL made it clear that the company was still owed and that NICIL was preparing to begin arbitration to recover the money.

“Let it be clear, NICIL has not received the remaining [US] \$5 million that is owed...NICIL is in the process of executing all the relief measures that are in the sales agreement in order for us to recover the \$5 million,” he told reporters.

James had said that NICIL had already started consultations with the US lawyer that helped the company to draft the sales agreement. A firm in the UK was recommended for the arbitration aspect of the matter, he said, before explaining that it was important that UK-based legal experts were used as the arbitration would take place in London. “We will seek all the relief measures that the agreement grants to us, which will be among other things not only the recovery of our US\$5 million but also interest, legal fees... We are going for the entire thing and also not only the signatory to the agreement, we are also going after the guarantor,” he said, explaining that NICIL’s lawyers have presented all the issues concerning the share sale and have since advised that NICIL has a “very good chance” of getting all the relief that is being sought.

NICIL, in its statement, outlined in detail the agreement that had been made between NICIL and HKGT. It said that that on November 8, 2012, US\$25 million was wired to NICIL and the remaining balance of US\$5 million became due and payable to NICIL on October 22, 2014.

“Despite several written requests by NICIL, HKGT has still failed to pay the balance of the purchase price,” the release said, while adding that NICIL, in an attempt to bypass the court which would be costly and time-consuming, approached the Guyana Government for help in encouraging the payment of the outstanding balance through diplomatic channels.

“To NICIL’s knowledge, neither HKGT nor its related companies have alleged that the balance of US\$5 million was paid. What was alleged by the purchaser’s signatory to the agreement was that following a series of communications with the former Guyana Ambassador to China [to be authenticated] HKGT was assured that they were not required to pay the balance of US\$5 million, because the HKGT had not been granted the same minority protection rights enjoyed by NICIL (ie two, instead of one, representatives on the GT&T Board of Directors) which HKGT alleged were promised to them. HKGT also alleged that the decision to waive the US\$5 million was contained in a side agreement,” NICIL said.