

# BHARTI AIRTEL ACQUIRES RESOURCES AND COMPANIES

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In June 2010, *Bharti Airtel* acquired *Zain Africa BV* for \$10.7 billion. *Zain Africa* was one of the leading mobile telecom companies in Africa, with operations in 18 countries. Sunil Mittal, the charismatic entrepreneur and founder of *Bharti Airtel* stated:

*This agreement is a landmark for global telecom industry...a pioneering step towards South-South cooperation and strengthening of ties between India and Africa. With this acquisition, Bharti Airtel will be transformed into a truly global telecom company with operations across 18 countries fulfilling our vision of building a world-class multinational.*

This deal came hot on the heels of *Bharti Airtel's* acquisition of a 70% stake in Bangladesh's *Warid Telecom International*, a subsidiary of UAE's *Dhabi Group*, in January 2010.

Few people in Europe or the USA would have heard of these companies. *Bharti Airtel* is India's largest mobile network operator and, with around 300 million customers, it is the fourth-largest in the world by subscription base. Its customer base grew by around 68% every year from 2001 to 2009, reaching 100 million subscribers. As impressive as that growth is, the subscriber base doubled to 200 million between 2009 and 2012 and surpassed 300 million in 2014. The *Zain Africa* and *Warid* deals demonstrate *Bharti Airtel's* ambition and capability to raise capital globally during a global recession to finance deals. It also signals, as Sunil Mittal stated, *Bharti Airtel's* 'intent to further expand our operations to international markets where we can implant our unique business model and offer quality and affordable telecom services'. Is the *Bharti Airtel* case evidence of a new confidence in emerging economy MNEs as they attempt to become the new kids on the global stage?

*Bharti Airtel's* growth story is remarkable. Started in 1995 by Sunil Mittal, it has grown to become a major player on the world telecom stage and now acts as a beacon for Indian firms looking to expand globally. *Bharti Airtel* is much more global than it looks at first glance. The *Zain* and *Warid* deals mean that *Bharti Airtel* now operates in eighteen countries. Prior to 2010 it only operated in India, Sri Lanka and the Seychelles. But a closer look reveals the global scope of this firm in terms of its value chain, leadership and mindset.