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Barbara Khol

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Guyana: Government Plans To Hire Australian Firm To Manage Bauxite Industry

by Barbara Khol

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In mid-April, President Desmond Hoyte announced that the Sydney-based Minproc Engineering Ltd. will soon take over management of the government's bauxite mining and processing company, the Guyana Mining Enterprise (Guymine). Minproc, he said, is to run Guymine from Monthend. Turning over operations to the foreign company, prelude to partial privatization, is part of a deal with creditors for upgrading the industry's management capacity while an agreement for writing off a US$85 million debt is brokered. The seven managers, including a chief executive and a head of finance, will be on the job for 18 months. Minproc will also take over responsibility for marketing bauxite products from the state-owned Bauxite Industry Development Company (BIDCO). Bauxite is Guyana's second most important export after sugar. The company has been in financial trouble since 1982, when foreign exchange shortages and a depressed world market forced the closure of the sole alumina plant. In 1991, Guymine produced about 1.5 million metric tons, and earned slightly more than US$90 million. The industry was nationalized from the US-based Reynolds International Company and Alcan of Canada in the 1970s. At that time, Guyana accounted for 85% of global calcined bauxite exports. Since then, Guyana's share of the world market for high-grade calcine bauxite is about 40%. (Basic data from Inter Press Service, 04/17/92)

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