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Barbara Khol

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Brazil: Privatization Of Petrochemical Plant, Alcalis

by Barbara Khol

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On July 15, the government sold 89.98% of stock in the Companhia Nacional de Alcalis (CNA) for US \$80 million on the Rio de Janeiro stock exchange. The majority stockholder prior to the sale was the state-run oil company Petrobras. All stock in CNA sold on Wednesday was acquired by the Cirne consortium headed by the Brazilian high seas navigation company Frota Oceanica. The remaining shares were set aside for Alcalis employees. Located in Arraial do Cabo municipality, Rio de Janeiro state, Alcalis is Brazil's only producer of caustic potash. The plant employs 1,200 people, and annual output capacity is 247,000 metric tons. Since October 1991, the government has obtained about US \$3 billion through the privatization of 10 companies. Eduardo Modiano, president of the National Economic and Social Development Bank (BNDES), and head of the federal privatization program, said that at least 15 companies would be transferred to the private sector in 1992. The sale of 74% of stock in the Tubarao steel plant (located in Espirito Santo state) is scheduled for July 16. Under Brazilian law, foreign investor participation is limited to 40% of voting stock in a company slated for privatization. Up to 10% of company stock can be set aside for employees. (Source: Agence France-Presse, 07/15/92)

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