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Government Extends Deadline For First Phase Of Grain Elevator Auction

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Category/Department: General
Published: Wednesday, November 10, 1993

The Finance Secretariat (Secretaria de Hacienda y Credito Publico, SHCP) has extended the deadline by one month for agricultural cooperatives to submit bids for a portion of the government-run network of grain elevators, which are part of the national warehouse system (Almacenes Nacionales de Deposito, ANDSA) system. Only non-profit agricultural cooperatives were allowed to submit bids during the first phase of the privatization, which was originally due to conclude on Oct. 20, but the deadline was extended to Nov. 22. The first set of ANDSA elevators being sold to the agricultural cooperatives and non-profit groups can store a total of more than 760,000 metric tons of grain and oilseeds (for previous coverage of ANDSA grain elevator privatization see SourceMex, 08/18/93). SHCP officials did not specify a reason for extension of the deadline. However, ANDSA director Emilio Salim said the extension gives the government time to put together a low-interest financing package that could offset about 85% of the cost, since most of the organizations lack funds to complete the purchases. According to Roberto Guardarrama Sistos, adviser to Banpais (which was commissioned to handle the sale of the elevators), about 104 applications had been submitted by the original Oct. 20 deadline. The second phase of the privatization which will include 96 distribution centers in Sonora, Michoacan and Veracruz states will be open to private companies. However, SHCP officials told El Financiero International weekly business newspaper that private investors will have a better chance of winning the auction if they bid jointly with a cooperative or a non-profit agricultural group. ANDSA is also in the process of selling storage installations at the Pantaco railroad terminal near Mexico City, administrative offices in the Mexican capital, and also nine warehouses in Guadalajara. (Source: El Financiero International, 11/01/93)