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Japanese & French Capital Participate With Venezuelan Banks To Finance Construction Of Polypropylene Plant

by John Neagle

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On May 18, government officials announced that a group of Venezuelan commercial banks had agreed to contribute a \$15.89 million loan to help finance the construction of a polypropylene plant in the western state of Zulia. The loan was extended to Propilven, 49.4% owned by Pequiven, an affiliate of Venezuela's state-run oil conglomerate, PDVSA. Promotora Venoco, a private Venezuelan company, and the Grupo Zuliano both hold 17.8% of Propilven shares. The remaining shares are owned by Mitsui of Japan. The banks providing the loan include the Maracaibo, Provincial, Mercantil, Consolidado, Latino, Del Orinoco, Del Caribe, Caracas Provincial, Bancarac, Consolidada, Cavain, and Sofimara. Propilven's total investment in the new plant projected annual output capacity of 70,000 tons will be \$135.13 million. The company's four shareholders are to contribute 40% of the investment. Pequiven has announced that \$87 million in loans have been obtained from the French bank, Paribas, and the International Financial Corporation, a World Bank affiliate. Mitsui will provide technology incorporated into the plant. Plant construction is to be performed by Venezuelan and Italian firms. Production will be sold in domestic and external markets. (Basic data from OPEC News Agency, 05/18/89)

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