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Venezuela: $150 Million In Debt-equity Swaps

by John Neagle
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On Nov. 3, the Venezuelan government auctioned off $146.4 million in foreign debt paper. The transactions were organized as follows: 1) Investors purchased debt paper at a discount from commercial creditor banks in the secondary market. 2) The debt paper acquisition was turned over to the Venezuelan central bank by the investor who received bolivars. Discounts on debt face value in the Friday auction ranged from 46.262% to 35.5%. The new investments are to be applied in tourism, chemicals, cement and other basic industries. Under an agreement with the International Monetary Fund, Venezuela plans to auction off $600 million worth of foreign debt every year for a period of three years. Due to delays, however, this year's total will be only $150 million. (Basic data from Xinhua, 11/03/89)

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