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Mexican Government Announces Modified Plan to Privatize Airports

by LADB Staff

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In mid-November, the Mexican government announced plans to modify the privatization of the country's airports by offering shares via the stock market rather than solely through direct concessions. Under the original plan announced by the Secretaria de Comunicaciones y Transporte (SCT) in mid-August, 35 Mexican airports were to be auctioned off directly to private investors in three separate packages: the Mexico City airport, the eastern region, and the western region (see SourceMex, 08/20/97).

The scheme was later modified to divide the privatization into four separate packages, with the Monterrey, Guadalajara, and Cancun airports each serving as anchors for three regions. The Mexico City airport will be privatized as a single and separate unit.

Government to sell shares in airports through stock exchange

According to Alfredo Elias Ayub, director of the government agency Aeropuertos y Servicios Auxiliares (ASA), the government has now made even larger changes in the airport privatization plan. Under the new plan, the government will sell 90% of the shares via the Bolsa Mexicana de Valores (BMV), with only 10% to be offered to private investors via a direct concession. Elias Ayub said the changes in the privatization scheme, which will be launched in the first quarter of 1998, will ensure that the country's airports do not fall into the hands of just a few investors, since it will allow smaller investors to place their capital in a "highly profitable venture," made available through the stock market.

The decision on the Mexico City airport could eventually include a second terminal. For now, the government has postponed a final decision on construction of a second airport until the privatization process is concluded. According to the daily newspaper Novedades, the government will locate the second airport northeast of the city, in Hidalgo state. According to the weekly news magazine Proceso, there are some legitimate concerns within the federal government about allowing a few private companies or individuals to gain control of operations at some Mexican airports.

In its Nov. 9 issue, Proceso said the SCT conducted investigations in 1995 and 1996 into allegations that the Cancun international airport had become a refueling center for drug traffickers. The SCT investigation uncovered the unexplained loss of airplane fuel and the disappearance of several million pesos from the airport budget. However, Proceso said the SCT took no action against airport administrators. (Sources: Novedades, 11/03/97; Reuter, 11/04/97; Proceso, 11/09/97; Notimex, 10/30/97, 11/09/97, 11/12/97; El Universal, 11/13/97, 11/14/97)

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