12-16-1998

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LADB Staff

LADB Latin America Data Base
News & Educational Services
SourceMex
LADB Article Id: 54484
ISSN: 1054-8890

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by LADB Staff
Category/Department: Mexico
Published: 1998-12-16

Tribasa-led consortium wins first airport concession

A consortium led by Mexican engineering company Triturados y Basalticos (Grupo Tribasa) won the concession to operate the southeast cluster of airports. The cluster, anchored by the Cancun airport, is the first of four regional airport groupings opened to the private sector. According to the Secretaria de Comunicaciones y Transportes (SCT), Tribasa and its three European partners Danish-based Copenhagen airports, French-based Groupe GTM SA, and Spain's Cintra Concessions paid 1.17 billion pesos (US$118 million) to acquire a 15% share in the southeast cluster.

The consortium will have the right to acquire another 5% share in five years. The remaining 80%, which is currently in government hands, will be sold on the Mexican stock exchange (Bolsa Mexicana de Valores, BMV) in the next two to three years. Francisco Aparicio Varela, Tribasa's project director for the airport bid, told reporters the consortium is planning to invest US$160 million over the next five years to upgrade the nine airports in the southeast cluster. In addition to Cancun and Cozumel in Quintana Roo, the cluster includes airports in Yucatan, Tabasco, Oaxaca, and Veracruz states.

The Secretaria de Comunicaciones y Transportes (SCT) is planning to award operating concessions for the western and northern clusters, and Mexico City in 1999. The privatization is designed to attract private capital and management expertise to improve operations at 35 major airports in Mexico in the near future (see SourceMex, 05/20/98 and 08/19/98). The western cluster, which is anchored by the Guadalajara airport, will be opened to bids from private groups in February. This cluster also includes airports in the key industrial cities of Tijuana, Hermosillo, Mexicali, Morelia, and Aguascalientes and in the tourism-oriented communities of La Paz, Puerto Vallarta, San Jose del Cabo, Los Mochis, and Manzanillo.

After the privatization of the western cluster is completed, the government will proceed to the northern cluster, which is anchored by the Monterrey airport. The Mexico City airport, which will get a new terminal, will be privatized last.

SatMex launches new satellite

In early December, Satelites de Mexico (SatMex) launched Mexico's fifth satellite into orbit from French Guyana. The SatMex V satellite will replace the Morelos II unit, which has completed its useful life. SatMex V will have 10 times more power than Morelos II and twice as much capacity and will transmit telephone signals, data banks, and video images to clients throughout the Americas. SatMex spokespersons said the SatMex V satellite will allocate 51% of its operations to Mexican clients, another 21% to specific regions in Latin America, and the remaining 28% for continent-wide coverage.

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The new satellite, which was constructed by California- based Hughes Space & Communications at a cost of US$240 million, will allow SatMex to increase its earnings by 70% and its transmission capacity by 50%, said SatMex president Sergio Autrey Maza. Autrey Maza said the launching of SatMex V will allow the company to compete with US giant telecommunication company Panamsat. SatMex also operates the Solidaridad I and Solidaridad II satellites. SatMex, which was previously a state-run company, was acquired by Grupo Autrey and Loral Space Communications in October 1997 (see SourceMex, 10/01/97 and 04/22/98).

On a related matter, the US and Mexico signed a protocol agreement in early December to allow mobil telecommunications companies in the two countries to use either Mexican or US satellite services. Javier Lozano Alarcon, president of the Comision Federal de Telecomunicaciones (COFETEL), said the accord will facilitate the entry of satellite signal providers like DirectTV and SKY to offer their direct-to-home transmissions (DTH) in Mexico.

Government finally sells off state-run paper company

After several attempts to privatize the state-run paper mill company (Productora e Importadora de Papel, PIPSA), the Zedillo administration succeeded in selling the newsprint and paper milling operation. In mid-December, government lender Nacional Financiera (NAFINSA), which is handling the privatization, accepted a bid from Grupo Industrial Durango (GIDUSA). GIDUSA paid 1.114 billion pesos (US$112 million) for PIPSA and three paper mills, beating out its only competitor Organization Editorial Mexicana (OEM).

Under terms of the transaction, GIDUSA agreed to absorb all of PIPSA's assets and liabilities, including debts owed to the federal government. GIDUSA would take over four operations from the government: PIPSA's import operations and three milling subsidiaries Papel Tuxtepec (FAPATUX), Mexicana de Papel Periodico (MEXPAPE), and Productora Nacional de Papel Destintado (PRONAPADE). GIDUSA also agreed to construct a new water-treatment plant at the PROPANDE mill. In addition to its viable economic offer, NAFINSA spokespersons said GIDUSA was chosen because of its involvement in the Mexican paper and forestry industry. GIDUSA is involved in the manufacture of bond paper, cardboard, plywood, and other forestry products.

The latest attempt to sell PIPSA was conducted via a private auction, since previous attempts through public auctions had failed. In most cases, participating companies presented offers that were much lower than the government's asking price (see SourceMex, 07/08/98 and 11/04/98). [Note: Peso-dollar conversions in this article are based on the Interbank rate in effect on Dec. 16, reported at 9.90 pesos per US$1.00] (Sources: Spanish news service EFE, 11/10/98; Notimex, 12/06/98; El Financiero International, 12/07/98; The News, 12/09/98; Reuters, 12/08/98, 12/10/98; El Economista, 11/13/98, 11/23/98, 12/09/98, 12/16/98; Novedades, 11/24/98, 12/15/98, 12/16/98; Excelsior, 12/04/98, 12/08/98, 12/09/98, 12/15/98, 12/16/98; La Jornada, 12/06/98, 12/16/98; El Universal, 12/07/98, 12/08/98, 12/09/98, 12/11/98, 12/16/98)

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