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Brazil: President Of State-run Oil Company Resigns

by Barbara Khol

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On Oct. 19, Luis Octavio da Motta Veiga, president of the state-run oil company, Petrobras, announced his resignation due to conflicts with Economy Minister Zelia Cardoso de Mello over the firm's administration. At a press conference in Rio de Janeiro, Motta Veiga said Cardoso was exaggerated in her criticisms of Petrobras and its directors, and asserted that the government's rate structure was "illegal." Cardoso de Mello told a congressional commission on Oct. 17 that Petrobras had not informed senior government officials of the extent of its financial crisis. She also asserted that Petrobras employees were over-paid. At the press conference, Motta Veiga confirmed that Petrobras has purchased \$150 million worth of the government's foreign debt paper in the secondary financial market, and had negotiated the deal with the Central Bank for its nominal value of \$600 million. On the same day, Economy Ministry executive secretary Eduardo Teixeira was appointed to succeed Motta Veiga. The Petrobras workforce in Brazil numbers over 60,000. Sales in 1989 totaled \$12.109 billion. (Basic data from AFP, 10/19/90)

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