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# Aerolineas Argentinas: Notes On Privatization Contract

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## **Aerolineas Argentinas: Notes On Privatization Contract**

*by Barbara Khol*

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After last-minute delays, Aerolineas Argentinas was finally transferred Nov. 21 to the Iberia-Cielos del Sur consortium. On Nov. 25, airline president Amadeo Rivas said the new owners are negotiating the sale of a 19% share in the company to a group of French banks. In the privatization deal, the private consortium acquired a 30% share in the airline. Another 36% went to a group of Argentine investors, 10% to airline employees, 5% remained in government hands, and 19% was designated for sale to the banks. The national government sold 85% of the airline for \$130 million cash, plus another \$130 million to be paid over five years, and a debt-equity swap involving Argentine foreign debt with a face value of more than \$2 billion but worth only \$300 million in secondary markets. (Basic AFP, 11/25/90)

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