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Chilean Companies Reduce Capital Stock In Joint Venture With Chinese Firm

by Barbara Khol
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On May 3 in Santiago, local media sources reported that the private Madeco company and the state-run Codelco firm had reduced capital stock participation in a copper tubing manufacturing facility in Beijing, China. The two Chilean companies' participation in the joint venture with the Chinese Non-ferrous Metal Corporation was reduced from 25% each to 12.5%. The tubing plant, inaugurated in 1989, is equipped to produce 10,000 metric tons per year. As a result of economic recession in China, however, demand has plummeted, and factory output is down to half capacity. The Chinese corporation now controls 75% of the stock in the plant, constructed at a cost of $10.6 million. The copper tube manufacturing facility was the first joint venture with a Latin American counterpart. (Basic data from AFP, 05/03/91)

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