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Argentina: Somisa Steelworks To Be Privatized

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On May 21, President Carlos Menem appointed former labor minister Jorge Triaca as president of the state-run SOMISA steelworks. Triaca replaces Juan Carlos Cattaneo, perceived by the government as obstructing privatization of the company. According to official statistics, SOMISA's debt totals $760 million, of which $450 million are owed to Paris Club government creditors. In 1990, the company produced 2.2 million metric tons of steel. In first quarter 1991, output dropped by as much as 20% due to a decline in domestic demand, and world market price deterioration. SOMISA is Argentina's largest steel producer and exporter. During the past year, the company dismissed 1,700 employees, bringing the workforce total to 10,750. Unidentified private sector sources cited by the Agence France-Presse said the Italian multinational Techint was expected to be the first company to place a bid on Somisa. Government sources said investors from Brazil, Japan and Italy were interested in buying the company. (Basic data from AFP, 05/21/91)

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