5-30-1991

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Recommended Citation
Brazil: Government Announces Schedule For Privatization Of Usiminas Steelworks

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Category/Department: General
Published: Thursday, May 30, 1991

On May 29, officials announced the schedule for privatization of the USIMINAS steelworks complex, valued at $1.8 billion. The sale of 75% of company stock will proceed in four stages. The first offering of common stocks is to take place beginning Sept. 24 on the Rio de Janeiro and Sao Paulo stock exchanges. The second stage, sale of preferred stock, is scheduled for late October. A total of 10% of company stock is to be made available for purchase by USIMINAS current and retired employees beginning next week. The remaining 15% is owned by the Japanese firm Nippon Steel. Under Brazilian law, ownership of company stock by foreign companies cannot exceed 40%. Nippon Steel will be accorded priority status in bids for voting stock. Next in line for privatization are the railroad equipment manufacturer MAFERSA, the steelworks Acero Fino Piratini, and CELMA, producer of electrical mechanical equipment. A total of 27 companies are to be privatized before year-end 1992. Government officials expect $18 billion in revenue from the sales. The National Social and Economic Development Bank (BNDES), charged with administering the privatizations, hopes to be publishing by year-end a monthly bulletin on stock offerings. On May 28, the National Monetary Council granted authorization to the nation's largest steelworks, Companhia Siderurgica Nacional (CSN), to negotiate 100% of its bank debt. The measure was interpreted by financial specialists as the first step toward eventual privatization. (Basic data from AFP, EFE, 05/29/91)

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