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Venezuela: Update On Privatization Of State-run Airline

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On June 12, Eduardo Quintero, president of the state-run airline Venezolana Internacional de Aviacion S.A. (VIASA), told reporters that six foreign companies have expressed interest in acquiring a 60% stake in VIASA: Iberia (Spain), Alitalia (Italy), British Airways, Swissair, KLM (Holland), and Northwest (US). Quintero said that on Aug. 2, bid figures will be published. The company will be transferred to new owners on Sept. 6. The government's Venezuelan Investment Fund (Fondo de Inversiones de Venezuela-FIV) is in charge of privatization procedures. Twenty percent of VIASA shares are to be made available to company employees. The government will retain the remaining 20% of airline company stock. According to preliminary figures on VIASA's finances for 1990, the company lost 2.392 billion bolivars (about US$43 million). Quintero said most of the loss is attributable to higher fuel prices (up 65% in Venezuela, and 300% abroad), and the Persian Gulf crisis which caused a decline in air traffic. (Basic data from EFE, 06/12/91)

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