6-13-1991

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Brazil: Vice President Opposes Privatization Of Usiminas Steelworks

by Barbara Khol
Category/Department: General
Published: Thursday, June 13, 1991

On June 6, Vice President Itamar Franco told reporters that he opposed privatization of the Usiminas steelworks, the first state-run company slated for transfer to the private sector. Franco said privatization would damage the economy of Minas Gerais state, since one quarter of total output is destined to Minas industry. Usiminas accounts for 40% of domestic steel output. Government officials say the company is worth $1.8 billion. According to opposition political parties, including the Democratic Labor Party (PDT) and the Workers Party (PT), the official appraisal is too low. Beginning this month, current and retired employees of the steel plant can purchase a total of 10% of company shares at low prices and special payment terms. Seventy-five percent of the stocks are to be auctioned off in September and October. The remaining 15% are owned by Japan's Nippon Steel. The government plants to sell 20 companies by December 1992 in hopes of obtaining $18 billion in revenues. (Basic data from EFE, 06/16/91)

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