Brazil: Second State-run Company Enters Privatization Process

Barbara Khol
Brazil: Second State-run Company Enters Privatization Process

by Barbara Khol

Category/Department: General

Published: Tuesday, July 16, 1991

On July 11, President Fernando Collor de Mello approved legislation for privatization of the Companhia Eletromecanica Celma. The government expects to obtain $73 million in the public auction of company shares, scheduled to begin Oct. 22. Celma is linked to the Aeronautics Ministry. The US firm United Technology currently has a 13% stake in Celma, which could be increased to 40%, the ceiling established for foreign participation in domestic companies. The only enterprise of its kind in Latin America, Celma specializes in repairs of sophisticated aviation turbines and motors. The plant is located in Petropolis, 66 km. from Rio de Janeiro. Government-owned stocks in the first company to be privatized, the steelworks Aominas, are to be made available for acquisition Sept. 24 on domestic stock exchanges. (Basic data from AFP, 07/11/91)

-- End --