7-23-1991

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Category/Department: General
Published: Tuesday, July 23, 1991

In a petition submitted to President Andres Rodriguez on July 22, Tito Scavone, head of the Federation of Commerce, Industry and Production Entrepreneurs (Federacion de Empresarios para la Produccion, la Industria y el Comercio- FEPRINCO), requested immediate action to accelerate privatization of state-run companies. Rapid privatization is necessary, said Scavone, to avoid ever-increasing unemployment. If the Rodriguez administration fails to quickly transfer unprofitable companies to the private sector, economic recession will continue. At present, said Scavone, about 50,000 persons of a labor force numbering 1.5 million fail to find employment. The current government's success in ending price inflation, he added, is attributable to "strangulation" of the national economy. The consumer price index rose 48% in 1990, compared to 6% in the first half of 1991. Since President Rodriguez took office two years ago, he has expressed support for privatization. However, only one state-run enterprise has been transferred to the private sector. Several bills authorizing the sale of other companies have not yet been approved by the national congress. Private sector spokespersons are particularly critical of continued government control over the following activities: cement (Industria Nacional del Cemento-INC); steel products (Aceros Paraguayos-ACEPAR); airline (Lineas Aereas Paraguayas- LAP); merchant marine (Flota Mercante del Estado-FLOMERES); and, alcohol (Administracion Paraguaya de Alcoholes-APAL). (Basic data from AFP, 07/22/91)

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