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Venezuela: Congressional Committee Requests Delay On Privatization Of State-run Airline

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On July 27, Gerver Torres, chair of the Venezuelan Investment Fund (Fondo de Inversiones de Venezuela-FIV), privatization of the state-run airline VIASA should not be delayed. The FIV is responsible for privatization of state-owned companies. On July 25, a congressional committee investigating the privatization deal formally requested a delay. The government plans to sell 60% of company shares, and retain control over a 20% stake. The remaining 20% of VIASA stocks are to be purchased by airline employees. Consortiums led by Iberia and KLM are currently the major competitors for acquiring majority control of VIASA. The low-end price established by FIV for the deal is $130 million. The congressional commission, headed by Deputy Luis Raul Matos Azocar, suggested the possibility of postponing the sale to "guarantee transparency." Spokespersons for opposition parties assert that the base price is much too low, while others claim foreign control of the company would constitute a violation of national sovereignty. The two major contenders for the majority stake are controlled by the Spanish and Dutch governments, respectively. Torres said the Aug. 9 date must not be postponed in order to sustain the Venezuelan government's credibility in international markets. He added that a meeting with VIASA managers and congressional committee members was scheduled for the following Monday. (Basic data EFE, 07/25/91, 07/27/91)