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Venezuela: Iberia-headed Consortium Submits Winning Bid For Purchase Of Controlling Stock In State-run Airline

by Barbara Khol

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On Aug. 9, government officials announced that a 60% stake in the state-run airline VIASA will be acquired by a consortium comprised of the Spanish airline Iberia, and Banco Provincial, Venezuela's largest private financial company. The consortium offered \$145.5 million for controlling shares in VIASA, \$10.5 million above the minimum price established by the government. Iberia is to purchase 45% of VIASA stock for \$123.68 million, and Banco Provincial, 15% for \$21.82 million. The government will retain 20% of the airline's stock, and employees are to control the remaining 20%. The Spanish airline has already purchased a 30% stake in Aerolineas Argentinas (recently privatized), and a 35% share in the Chilean commercial airline, Lineas Aereas del Cobre (LADECO). At present, Iberia is also negotiating the purchase of 40% of Dominicana de Aviacion, and 30% of LAN Chile. After the purchase of VIASA is complete, Iberia plans to add three or four Boeing 727s or DC-9s to the airline's fleet toward increasing passenger traffic on the American continent. The VIASA fleet consists of five DC-10s and two Airbus planes. VIASA employees number 2,900. VIASA financial losses in 1990 totaled \$35 million, following four consecutive years of profits. (Basic data from EFE, 08/09/91)

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