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On Buy-out Of Engesa, Brazil's Largest Private Defense Contractor

by Barbara Khol
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On Aug. 10, daily newspaper Jornal do Brasil reported that British Aerospace acquired a 40% stake in Brazil's largest private defense contractor, Engesa. Remaining shares in the company were distributed among three Brazilian companies and Engesa managers as follows: Norberto Oderbrecht, 20%; Schahin Cury, 20%; Imbel, 11%; and, management, 9%. Although the Jornal did not mention purchase price, the newspaper said British Aerospace had been willing to pay $70 million for its share and to assume Engesa debt. According to Engesa's March 1990 financial report, the debt totals about $400 million. The arms manufacturer's financial problems began in 1987, when its biggest customer, Iraq, failed to pay $80 million owed to the company.

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