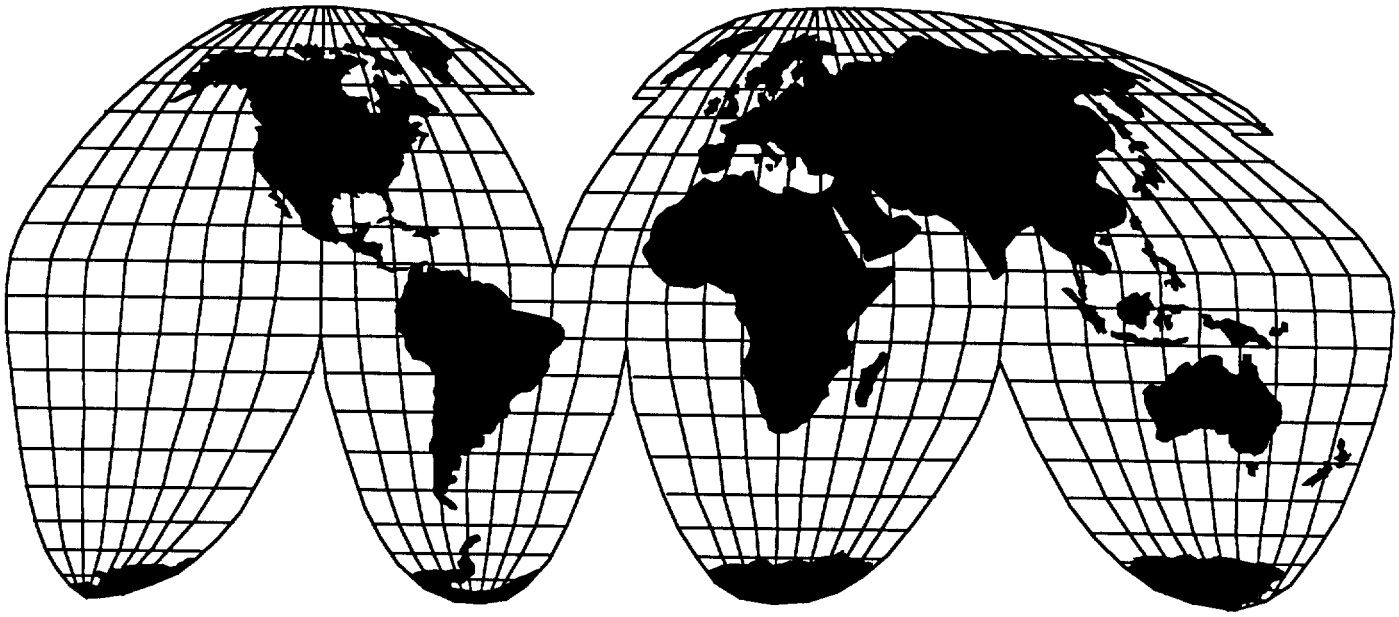
PN-ABY-654

# Worldwide Transactions Database Report

*Volume I*



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**April 1996**

**Office of Economic and Institutional Reform**
**Bureau for Global Affairs, Field Support & Research**
**U.S. Agency for International Development**

*Price Waterhouse* LLP
International Privatization Group

PN-ABY-654

# Worldwide Transactions Database: Summary Report

**April 30, 1996**

Prepared for the U.S. Agency for International Development
Bureau for Global Affairs, Field Support & Research
Office of Economic and Institutional Reform

under the Privatization and Development (PAD) Project

Prime Contractor: Price Waterhouse LLP

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# Main Report

## A. Executive Summary

The Worldwide Transactions Database, maintained by the International Privatization Group at Price Waterhouse LLP (PW/IPG), is a tool for the dissemination of information on privatization to USAID personnel, privatization practitioners, consortium members, and the general public. The material in the database is taken from 21 business and economic periodicals, and covers transactions in 112 countries and Puerto Rico. It is different from other privatization information sources because it tracks privatization in developing and transitional economies, the areas of greatest interest to USAID and the development community. The Transactions Database reached its target audience through the *Abstracts of Press Clippings on Privatization Transactions* publication, mailed to 300-500 USAID and other interested parties, or via custom reports provided free of charge to interested PW/IPG Documentation Center visitors.

This document provides a detailed explanation of the database's purpose, characteristics, and operations. Appendix I is a technical note on hardware requirements and Appendix II includes data entry standards, a list of database fields, and examples of two templates. Appendix III contains all the transactions recorded in the database through April 15, 1996.

## B. Database Overview

The Transactions Database was designed, in the beginning, to address the dearth of information on privatization and privatization transactions around the world. As privatization became a common policy choice for countries with economies in development and/or transition, numerous sources of information on privatization emerged. The database became the means by which this heavy volume of privatization information could be distilled quickly and provided to USAID personnel, consortium members, concerned practitioners, and the public at a relatively low cost.

Because the information in the database comes from numerous media sources (see list in the following section), it may be subject to the errors and biases of these publications. Although we have made every effort to verify the validity of the information contained in the database. It should be understood that this database is for informational purposes only, and as such it does not necessarily contain complete and/or accurate data on each transaction but repeats the information as it was presented in the cited source. Collection of all relevant data on every privatization transaction around the world is an enormous task well beyond the scope of the PW/IPG Documentation Center. This charge challenges even the largest organizations, such as the World Bank group, who consult with us regularly in their efforts to construct a comprehensive database.

Although the Transactions Database is not an exhaustive resource, it is unique. Unlike the information presented by Fin-Mark Research (publishers of the *International Privatization Update*) the database does not provide estimates on the dollar volume of privatization around the world. Incomplete data, inconvertible currencies, and voucher activity are some of the factors which we believe make dollar volume estimates problematic. The Transactions Database, by contrast, covers privatization activity that takes place in countries with economies in development and/or transition.



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Another high cost provider of privatization information, *Privatisation International*, maintains a database that focuses on privatization transactions taking place in developed markets.

| Transactions Database Records By Region | | |
|---|---|---|
| **Region** | **Number of Records** | **Percent (%)** |
| Africa & Middle East | 670 | 21 |
| Asia & Pacific | 488 | 16 |
| Europe* | 847 | 27 |
| Latin America & Caribbean | 929 | 30 |
| NIS* | 190 | 6 |
| Total | 3124 | 100 |

*Some records describe sector-wide mass privatizations too numerous to list in this database. Therefore, the number of records is not equal to the number of enterprises in the database.

## C. Methodology

*Data Collection*

Sources

The information used to populate the database was gathered from a number of sources including periodicals, journals, and mailings from certain host country privatization agencies. The following table lists the commercial publications that were used in the creation of the database. Although an emphasis was placed on covering a broad range of privatizations, the information in our sources often focused on sales involving larger, more valuable state-owned enterprises.

| Publication | Regional Coverage |
|---|---|
| African Business | Africa |
| Africa Research Bulletin | Africa |
| Asia Money & Finance | Asia |
| Business Africa | Africa |
| BMI Latin America Publications | Latin America/Caribbean |
| Central European | Eastern Europe/NIS |
| BMI Eastern Europe Monitor | Eastern Europe/NIS |
| The Economist | Global |



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| Publication | Regional Coverage |
|---|---|
| Far Eastern Economic Review | Asia |
| Finance & Development | Global |
| Financial Times | Global |
| International Privatization Update | Global |
| Jeune Afrique Economique | Africa |
| Lagniappe Letter | Latin America/Caribbean |
| Latin Finance | Latin American/Caribbean |
| Middle East Economic Digest | Middle East |
| PlanEcon | Eastern Europe/NIS |
| Privatisation International[1] | Global |
| Project Finance International | Global |
| Wall Street Journal[2] | Global |
| US/Latin Trade | Latin America |

*Privatisation International* restricted the use of information from their publication, as did the *Wall Street Journal*. As a result, only certain articles on privatization from these publications were entered into the Transactions Database. We also received regular updates from the privatization ministries in Croatia and Lithuania and, periodically, information was received from the ministries in Hungary, Bulgaria, the Philippines, and several other countries. Additionally, the details on certain privatization transactions were reported by PW/IPG consultants directly involved in the sale.[3]

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*Privatisation International* limited our use to four articles in each issue of our *Abstracts of Press Clippings on Privatization Transactions* publication. As a consequence, we used *Privatisation International* as a source for information on privatization transactions that were not reported in any of the periodicals that gave full authorization.

The *Wall Street Journal* prohibited the use of abstracts from their articles in the *Press Clippings on Privatization Transactions*. They were used as a source of information for the Transactions Database, however.

Although these are the primary database sources, occasionally data from other places was used. Additionally, in the database the names of certain sources are sometimes abbreviated (e.g. "FT" for *Financial Times*, "PI" for *Privatisation International*, etc.).

## Data Selection Criteria

The information taken from the sources above was specific to privatization transactions of all types executed in the countries listed below.

| | | | | | |
|---|---|---|---|---|---|
| Albania | Cape Verde | Ghana | Latvia | Papua New Guinea | Sudan |
| Antigua | Chile | Greece | Lebanon | Paraguay | Taiwan |
| Argentina | China | Grenada | Lithuania | Peru | Tanzania |
| Armenia | Colombia | Guatemala | Malaysia | Philippines | Thailand |
| Austria | Congo | Guinea-Bissau | Mali | Poland | Trinidad and Tobago |
| Azerbaijan | Costa Rica | Guyana | Malta | Puerto Rico | Tunisia |
| Bahamas | Cote D'Ivoire | Honduras | Mauritius | Qustar | Turkey |
| Bahrain | Croatia | Hong Kong | Mexico | Romania | Uganda |
| Bangladesh | Cuba | Hungary | Moldova | Russia | Ukraine |
| Barbados | Czechoslovakia/Czech Republic | India | Mongolia | Sao Tome and Principe | United Arab Emirates |
| Belarus | Dominican Republic | Indonesia | Morocco | Saudi Arabia | Uruguay |
| Belize | Ecuador | Iran | Mozambique | Senegal | Uzbekistan |
| Benin | Egypt | Israel | Nepal | Singapore | Venezuela |
| Bolivia | El Salvador | Jamaica | Nicaragua | Slovak Republic | Vietnam |
| Brazil | Estonia | Jordan | Nigeria | Slovenia | Zaire |
| Bulgaria | Former Yugoslav Republic of Macedonia | Kazakhstan | Oman | South Africa | Zambia |
| Burundi | Gambia | Kenya | Pakistan | South Korea | Zimbabwe |
| Cameroon | Germany | Kuwait | Panama | Sri Lanka | |

A piece from a publication or mailing was selected if it contained data on the privatization of at least one state-owned enterprise. Articles fitting these criteria were then entered into the Transactions database in the following manner.

### *Data Entry*

Certain data from each article was selected for abstract into the Transaction Database. The source of the information and the title of the item to be abstracted were included and the following data were always entered, if available, into separate data fields: the name and industry of the state-owned enterprise in question; the country and the region in which the enterprise was located; the status of the transaction (i.e. whether it was planned or completed); the date on which the privatization was/was to be completed; and the method of privatization.

A prose description of the enterprise's privatization, including all of the facts mentioned above, was then entered into another data field. These descriptions were the primary output of the database in



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the form of custom reports delivered to Documentation Center users or in an issue of the *Abstracts of Press Clippings on Privatization Transactions*, both of which are described in the next section.

Because the database was "enterprise specific," individual records were created for every enterprise mentioned in a particular piece. Thus, an article mentioning two or more enterprises is cited in multiple database records.[4] Additionally, if a number of items were collected on the privatization of a specific enterprise it was sometimes necessary, due to space constraints, to create multiple records for that company. Consequently, the number of records in the database does not reflect the number of enterprises covered. Finally, it should be noted that information not directly relevant to the privatization transaction(s) discussed in an article was omitted to allow faster and more precise data entry. The complete guidelines for appropriate data entry are included in Appendix III.

## D. Purpose of the Database

The information entered into the Transactions Database provided a brief description of over 1,000 transactions that have taken place since 1991. Although the database is not comprehensive, it provides excellent comparative information on the privatization transactions of greatest interest to the development community. The Transactions Database served two primary audiences, the recipients of the *Abstracts of Press Clippings on Privatization Transactions*, and the users of the PW/IPG Documentation Center.

### *Abstracts of The Press Clippings on Privatization Transactions*

The *Press Clippings* was a regular publication assembled by the PW/IPG Documentation Center and mailed to USAID Missions, host country government officials, practitioners, and other interested parties. It was designed to keep them informed about general privatization trends and events. Each issue included a general overview of recent privatization events, 60 to 90 abstracts from the database detailing specific transactions, and a more in-depth report on privatization in a particular country. On average, each issue was sent to 300-500 individuals around the world. The abstracts for each issue of the *Press Clippings* were generated using a special database template and a sample issue is provided in Appendix III.

### *Documentation Center Resource*

At the request of Documentation Center users, any number of different reports were generated using the Transactions Database. Meaningful queries on a number of variables were possible including searches by region, county, industry, date, and enterprise. As mentioned previously, all important data was summarized in the description field and, consequently, the information in this data field made up the bulk of most database reports. Queries were run free of charge for all interested Documentation Center users. More information on the operation of the Documentation Center including users, requests, and research studies is contained in the PAD Quarterly Reports.

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Certain articles covered a large number of enterprises and were entered into the database as "macro" or "multiple enterprise" records to facilitate data entry.

# Appendix I: Technical Note

## A. Software: History and Technical Requirements

When it was started in 1991, the Worldwide Transactions Database utilized FileMaker software produced by the Claris Corporation of Santa Clara, California. FileMaker is a non-programmed and user-friendly database package designed for the Macintosh operating system. In 1992, the database was upgraded to FileMaker Pro, a more advanced Claris software package. The change increased our ability to manipulate data and facilitated data entry.

It became necessary to maintain the database on a PC-based system in the fall of 1994, and since that time the Transactions Database has used FileMaker Pro for Windows, a PC version of the Claris software package. The recommended hardware for this software are a 386-based processor with 4MB of RAM.[5] The database itself requires 6MB of hard drive space.

FileMaker Pro for Windows is easy to install and to use. It is the recommended choice for operating the database, and it readily translates files into (or from) spreadsheet, tab or comma separated text, and Dbase formats.

## B. Database Upgrade and Translation Issues

As noted above, the database software was upgraded once and then transferred from a Macintosh to a PC based system. Although there were never any problems with the integrity of the data, the upgrade, translation, and certain data entry inconsistencies have caused a limited data formatting problem.

The appearance of the data is usually dictated by commands given in the template used to present it. Font codes have become imbedded in certain records, however, and the information contained in these entries sometimes appears in an incorrect font. This has always been rectified wherever it was noticed, but because FileMaker does not allow queries by font type, no systematic effort to eliminate these problem records can be made. Though this is a nuisance, it has no effect on the quality of the information in the database.

[5]The Claris technical support line is available at (408) 727-9054 for specific questions regarding the software's requirements or operations.

# Appendix II:

# Data Entry Standards, Data Fields List, and Template Examples

These are the instructions, on both format and content, given to the staff of the PW/ IPG Documentation Center regarding the entry of data into the Transactions Database .

1) Spacing

   a) There should never be more than one space in any place a space is required. This applies to the fields for the name and date of the source periodical, as well as to the text box in which the abstract is written. A magazine dated January 12, 1995 should be entered "January 12, 1995" **not** "January 12,1995."

   b) All records are fully justified and use proportional spacing, so it is not necessary to insert two spaces at the end of a sentence. **Please use only one.**

2) Spelling

   a) Filemaker Pro has a "spell check" component which should be used whenever significant edits to the PCOPT have been entered. If you do not know how to activate/use it, please see me.

3) Abbreviations

   a) Abbreviations like SOE (state-owned enterprise), IPO (initial public offering), ADR (American Depository Receipt), etc., while necessary, should be used sparingly. They are most appropriate in a longer abstract where a concept is referred to repeatedly.

   b) Abbreviating the names of long companies is admissible only when the abbreviation is commonly accepted (i.e. it has appeared in print either as part of the article you are writing up, or can be found in some other printed article), and when the firm's name is used in the abstract at least twice.

   c) **Percentages** should always appear with the "%" sign. Please do not write out the word "percent." In addition, when indicating a change in the amount of an enterprise's equity held by the government, for example, make certain both number are followed by the "%" sign. Write "the government's equity stake fell from 82% to 55%" **not** "the government's equity stake fell from 82 to 55%."

   d) The abbreviation of the words "million" and "billion" are to be used **only in reference to units of currency**. Thirty-eight million dollars should appear as "$38m" and thirty-eight billion dollars should be written "$38bn." For any other number, like the number of shares in a particular offering, the words "million" and "billion" should be used. Thus thirty-eight million shares is written as "38 million shares" and thirty-eight billion shares is "38 billion shares."

e) Please note from the above example that all values should appear in numeric form (i.e. "38" and **not** "thirty-eight").

4) Denomination of Currency

a) All currency units entered into data fields in the Micro Database **must be** converted into US Dollars. The only place where denomination in a currency other than US Dollars is acceptable is the text field in which the abstract is written. In this case, however, the foreign currency units should be enclosed in parentheses following a figure given in US Dollars. So "100DM" will appear in an abstract write up as "$65 (100DM)."

b) As far as the placement of foreign currency abbreviations is concerned, it is done various ways in the different periodicals. For our purposes, foreign currency abbreviations can be placed before **or** after the numeric value, but there should never be a space between the number and the abbreviation. Thus, one hundred Deutsch Marks will be "100DM" and **not** "100 DM;" one hundred forints (Hungary) will be "Fts100" and **not** "Fts 100."

5) The combination of records on the same enterprise

a) This is of special importance for articles on the same enterprise that appear at different times in the same month. An article indicating that "the government is considering different methods for the privatization of Hanny's Egg Farm" which appears at the beginning of the month must be combined with an article saying "the government has decided that Hanny's Egg Farm will be sold to its employees" (regardless of whether the articles appeared in the same periodical).

b) In general, articles on the same enterprise should also be combined **even if they will be listed in different editions of the PCOPT**[6]. This is not always practical, however, as each micro record is only designed to accommodate two sources. In the case where too many articles on the same enterprise exist, a decision must be made:

i) Omit one or more articles because they do not contain any original information (that is not present in the articles already entered).

ii) Begin another record as the information contained in all the articles is original and important.

When option ii is chosen, please make certain that the name of the enterprises is entered in exactly the same way as it is recorded in existing records (no different abbreviations, etc.).

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[6]Please note this may mean that certain parts of an abstract will appear verbatim in different issues of the PCOPT.



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6) Incomplete Data Fields

a) Though it is difficult to get information for a number of the "Micro Record" data fields, we still need to be as thorough as possible. Please make certain that the following fields are **always completed:**

Press Clippings? (completion may imply leaving this field blank)
Headline
Source of Data:
Region
Country
Activity
Activity Date (two fields)
*Method*
State-Owned Enterprise
*Sub-Sector*
Description of the SOE's Privatization

b) I have noticed that the fields in italics are sometimes left incomplete even though the information is provided in the article on which the record is based, so please pay them extra attention. Because it is sometimes necessary to make judgements on limited information, do not hesitate to consult with your fellow DC staffers, or with me.

7) Target Record Entry Levels

a) In order to spread the data entry task equally among DC Staff members, I believe that each intern should aim to enter **at least**[7] 8 records per week until Michael Cianci joins our team. Once he is working, each intern should enter at least 5 a week. It is understood that there may be periods when it is not possible to meet this objective due to a lack of reported privatization activity, though this will be rare.

b) Please note that a new field has been created in the Micro Database called "DC Staff." It is located in the lower right hand corner of the "Micro Record" layout and it contains a list with each of our initials. When you have completed a record, please use this field to record your initials. In this way we can track the number of records entered by each staff member.

[7] This does not mean that more cannot be entered, instead it is designed to encourage the entry of a minimum number of records.



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| Field Name | Field Type | Formula / Entry Option |
|---|---|---|
| Market Share | Text | |
| Method | Text | Value List:<br>Private Offering<br>Public Offering<br>BOT<br>ESOP<br>Contracting Out<br>Voucher<br>Liquidation<br>Dutch Auction<br>Other<br>Required value |
| Method of Payment | Text | |
| Page Number | Number | |
| Press Clippings | Text | Value List:<br>December/January 1995<br>February 1995<br>March 1995<br>April 1995<br>May 1995<br>June 1995<br>July/August 1995<br>September/October 1995<br>November/December 1995 |
| price per share | Number | |
| PW Advisor | Text | |
| Region | Text | Value List:<br>Africa & Middle East<br>Asia & Pacific<br>Europe<br>Latin America & Caribbean<br>NIS<br>Required value |
| role | Text | |
| sale price | Number | |
| Sales | Text | |
| Second Headline | Text | |
| Second Source | Text | |
| Sector | Text | Value List:<br>Infrastructure<br>Manufacturing<br>Natural Resources<br>Other<br>Services<br>Trade<br><br>Required value |
| SOE | Text | Required value |
| SOE Count | Summary | = Count of Country |
| Source of Data | Text | Required value |
| Staff Count | Summary | = Count of DC Staff |
| state | Text | |
| state.a | Number | |

| Field Name | Field Type | Formula / Entry Option |
|---|---|---|
| # of employees | Text | |
| # of shares | Number | |
| Activity | Text | Value List:<br>Planned<br>Complete<br>Required value |
| Activity Date | Number | Value List:<br>1<br>2<br>3<br>4<br>5<br>6<br>7<br>8<br>9<br>10<br>11<br>12 |
| advisor | Text | |
| corporate | Text | |
| corporate.a | Number | |
| corporate.b | Number | |
| Country | Text | |
| Date Last Entered | Date | Auto-enter the: "Creation Date" |
| DC Staff | Text | Value List:<br>AR<br>CE<br>CM<br>HL<br><br>Required value |
| Delivery Order | Text | Auto-enter: "" |
| Description | Text | Required value |
| employee | Text | |
| employee.a | Number | |
| employee.b | Number | |
| Exchange Rate | Text | |
| Firm Profitable? | Text | Value List:<br>yes<br>no |
| foreign | Text | |
| foreign.a | Number | |
| foreign.b | Number | |
| Headline | Text | Required value |
| Headline Count | Summary | = Count of Headline |
| individual | Text | |
| individual.a | Number | |
| individual.b | Number | |
| Investment | Number | |
| Mark | Text | Value List:<br>Mark |

| Field Name | Field Type | Formula / Entry Option |
|---|---|---|
| state.b | Number | |
| Subsector | Text | Value List:<br>Agriculture & Food Production<br>Aerospace/High Tech<br>Banking<br>Cement and Concrete<br>Chemicals & Fertilizers<br>Construction<br>Electronics<br>Finance, Insurance, Real Estate<br>Heavy Machinery/Metals<br>Leather, Stone, Clay, Glass<br>Lumber & Furniture<br>Media<br>Mining & Extraction<br>Manufacturing<br>Other<br>Other Services<br>Paper & Printing<br>Petroleum, Oil, & Gas<br>Ports<br>Power<br>Public Utilities<br>Rubber & Plastic<br>Telecommunications<br>Textile & Apparel<br>Tourism & Hotels<br>Trading & Distribution<br>Transportation Equipment<br>Transportation Service<br>Wholesale, Retail Stores<br>Required value |
| Trends? | Text | |
| valuation | Number | |
| Valuation Method | Text | |
| value of shares | Number | |
| Year | Number | Auto-enter: "1995"<br>Value List:<br>1993<br>1994<br>1995 |

# MICRO RECORDS

Headline: Air Maroc to be Privatized

Source of Data: African Business March 1995

Data last entered on: 3/1/95

Press Clippings? February 1995

Region: Africa & Middle East

| COUNTRY | Activity | | Activity Date | Method |
|---|---|---|---|---|
| Morocco | Planned | | 1995 | Private Offering |

| STATE-OWNED ENTERPRISE | Sector | Sub-Sector |
|---|---|---|
| Royal Air Maroc | Services | Transportation Service |

Market Share:

# of Employees:

Exchange Rate 1 US$=

| OWNERSHIP | Before Transaction | After Transaction | |
|---|---|---|---|
| % State-Owned | 84 | | |
| % Foreign | 5.3 | | Air France(4%), Iberia(1.3%) |
| % Employee | | | |
| % Domestic Individual | | | |
| % Domestic Corporate | | | |

Price per Share: US$

# of Floated Shares:

Total Value of Floated Shares: US$Mill.

Sale Price: US$Mill.

Was the Firm Profitable?

Sales: 565m US$:

Company Valuation Amount: US$Mill.

Expected New Investment: US$Mill.

Description of the SOE's Privatization

Royal Air Maroc (RAM), whose stock is presently held by the government of Morocco (84%), Air France (4%), and Iberia (1.3%), is to be privatized by 1996. In preparation for the sale, the airline will open its capital to other airlines, tour operators, as well as financial institutions located in Europe, Africa,and the Middle East. RAM had revenues of $565m in 1994 and announced a slight profit. The carrier saw its traffic increase only 1.4% in 1994, due to the drop in traffic between Morocco and Algeria.

| Outside Advisor | Role: | If PW Who? |
|---|---|---|
| | | |

DC Staff: SF

Trends?

☐ Mark

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# Air Maroc to be privatised

Royal Air Maroc (RAM), whose stock is presently held by the Government of Morocco (84%), Air France (4%) and Iberia (1.3%) is to be privatised by 1996, according to the airline's Chairman Mohammed Mekouar.

Between now and then, the airline will open up its capital to other airlines as well as tour operators, and financial institutions located in Europe, Africa and the Middle East. Mr Mekouar says that talks are already underway with a number of major international airlines as well several unspecified tour operators. Israeli financial institutions are high on RAM's target list.

Although RAM was able to generate a turnover of $565m in 1994, and is about to announce a slight profit, the carrier saw its passenger traffic increase by only 1.4% in 1994, with a total of 2.3m passengers.

RAM had expected a much larger increase, but given the airline's dependence on the tourist trade for 75% of its traffic, it has suffered a severe drop of passengers as a result of the crash last summer of a Royal Air Maroc ATR aircraft near Agadir, and the growth in fundamentalist activity in neighbouring Algeria. The killing of foreigners residing in that country, and the December 24 hijacking at Houari Boumedienne airport has done little to help the tourist trade.

Because of the drop in traffic between Morocco and Algeria, RAM has had to cut back its number of flights, which are normally daily, to only two per week.

In an attempt to recapture lost passengers in 1995 as well as attract new customers, RAM will participate in an important marketing campaign being organised by Morocco's Minister of Tourism, Mr Serge Berdugo. 10,000 travel agents from around the world have been invited to visit Morocco, and Mr Berdugo has also undertaken the rehabilitation of the country's hotel sector to make it more appealing to a more upmarket clientele.

Particularly targeted by the campaign are France and Italy, two countries which have traditionally provided the lion's share of tourists but whose numbers were severely reduced in 1994. Israel is another focus. That country provided 20,000 tourists last year is expected to provide upwards of 100,000 per year in the near future.

**Paul Michaud**

# Uganda Airlines makes profit

## Lo Omoro reports on Uganda Airline's valiant attempts at expansion in the face of a reticent debtor

Uganda Airlines Corporation made a profit of Ushs 1.375bn ($1.38m) in the first nine months of 1994 using a single Boeing 737-200.

But the company's Managing Director, Mr Benedict Mutyaba, has demanded that the Government pay its outstanding debt with the corporation amounting to Ushs 9bn, saying it is a major bottleneck to the corporation's continued success. Mr Mutyaba noted that despite reminders, the Government had still failed to settle.

"We are expected to perform as a commercial enterprise, but this is impossible unless those who owe us money pay up in order for us to meet our obligations and fund our plans," said Mr Mutyaba.

The major problem has been that the corporation's resources have been depleted by its own debt servicing obligations. In December 1990 it owed $10m, has so far managed to reduce the figure to $3.4m. Payment of the Government debt would help the situation immeasurably.

Looking on the bright side however, the airline's regional routes covering Nairobi, Mombasa, Harare, Johannesburg and Dar es Salaam are expected to make a net profit of Ushs 1.9bn ($2m) by the end of the year. Indeed, the airline plans to acquire a second Boeing 737 and extend operations to Goma, Kinshasa, Lusaka and the Middle East.

"Our traffic figures for 1994 increased to 60,719 from 39,461 in 1993," says Mr Mutyaba, adding that the airline made profits on all its routes. Upgraded systems such as newly installed computerised reservations linked to travel agents and computerised departure control to ease checking in appear to have had a good impact.

The corporations cash reserves of Ushs 500m ($543,478) are small but indicative of the upward trend of the parastatal, which only a few years ago had only debt to talk of. In a bid to continue this trend the corporation has entered alliances with British Airways, Lufthansa, Royal Air Swazi, and US African Airline to boost the airline's marketing system in the region.

Mr Mutyaba says the corporation has already invested Ushs 800m ($869,565) in ground handling equipment and the refurbishing of its old equipment. It has also asked the Civil Aviation Authority for space at Entebbe International Airport to put up its own warehouse.

The corporation has also signed an agreement with a South African company, Site Services, to set up in-flight catering and an airport restaurant company at Entebbe. "We are also negotiating with a South African hotel firm, Protea, to build a three star hotel in Kampala for transit passengers," says Mr Mutyaba.



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MICRO RECORDS

Data last entered on: 7/18/95
Press Clippings? July 1995

Headline
Manila Hotel

Source of Data:
Privatization International July 1995

Region: Asia & Pacific

COUNTRY: Philippines

Activity:

Activity Date: 1995

Method:

STATE-OWNED ENTERPRISE: Manila Hotel

Sector: Services

Sub-Sector: Tourism & Hotels

Market Share:

# of Employees:

Exchange Rate
1 US$=

| OWNERSHIP | Before Transaction | After Transaction | |
|---|---|---|---|
| % State-Owned | | | |
| % Foreign | | | |
| % Employee | | | |
| % Domestic Individual | | | |
| % Domestic Corporate | | | |

Price per Share: US$

# of Floated Shares:

Total Value of Floated Shares: US$Mill.

Sale Price: $54.7 US$Mill.

Was the Firm Profitable?

Sales: US$:

Company Valuation Amount: US$Mill.

Expected New Investment: US$Mill.

Description of the SOE's Privatization

After long delays, the Philippine government has amended the terms and conditions for the public bidding of **Manila Hotel**. The government has reduced the price, but a recent law requiring a government corporation to offer 10% of its stock via public offering before any stake sale to a strategic investor may again postpone the bidding. The minimum price for the entire property has been set at $54.7m, or $16.4m for the 30% being auctioned off.

| Outside Advisor | Role: | If PW Who? |
|---|---|---|
| | | |

Trends?

DC Staff
IL

17

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# HK AIRPORT LINK SEEKS FINANCING

CHINA AND the UK have clinched agreement on the financial support arrangements for Hong Kong's new airport, which is now due to be up and running in April 1998. The railway link will be operational three months later.

The accord was signed on 30 June exactly two years before the handover of sovereignty. Agreement followed weeks of intensified discussions as it became clear new work on key elements of the project would cease if the finance support agreements were not approved before the Legislative Council (LegCo), the colony's parliament, goes into recess at the end of July.

The Provisional Airport Authority (PAA), which is responsible for core elements of Hong Kong's HK$158 billion (US$20.5 billion) airport project, is running out of funds and would not have been able to sign up new contracts without the agreements, which amount to government guarantees and will allow it to raise debt to finance outstanding work.

However, last week's go-ahead frees both the PAA and the Mass Transit Railway Corporation (MTRC), which is masterminding the railway project that will serve the new airport, to borrow up to HK$23 billion ($3 billion). The MTRC is scheduled to start tapping the international debt markets immediately, while the yet-to-be-corporatised Airport Authority is more likely to opt for syndicated loans raised in Hong Kong.

Despite reaching agreement on the financial structure of the project in November last year, which allowed the AA and MTRC to raise respectively up to HK$11.6 billion ($1.5 billion) and HK$11.4 billion in debt and receive the balance from the Hong Kong government in the form of equity, Britain and China had continued to argue over the wording of the financial support agreements. As the project will straddle July 1997, when Hong Kong reverts to Chinese sovereignty, it requires approval from Beijing.

The financial support agreement provides for additional equity from the government under certain circumstances, including force majeure or circumstances outside the control of the government or of the two corporations or "other justifiable reasons". The Chinese government had been concerned the original wording would create a "bottomless pit" into which the post-1997 government would have to pour money.

The support agreements have still to be endorsed by the LegCo finance committee, but no problems are envisaged.

Work on the airport itself is going ahead at a frantic pace and is 62% complete, funded either by government money or not yet paid for (where payment does not fall due until completion). Projects which the government and franchisees are funding are proceeding along with the work being carried out under the PAA and MTRC.

The PAA awarded a HK$231.7 million ($30 million) contract at the end of last month to GEC (Hong Kong) for flight information display systems — the last of nine information and communication systems contracts which are together worth HK$1.1 billion ($145 million).

Earlier in the month the MTRC completed the first section of its new underwater cross-harbour crossing, having laid four concrete tunnel units. The HK$600 million ($78 million) airport tunnel is being constructed by a joint venture between Japan's Kumagai Gumi and Britain's Tarmac International.

Beyond the airport, work has begun on Route 3 Country Park Section (CPS), the HK$7.25 billion ($940 million) dual 3-lane expressway linking the Hong Kong-China border and North West New Territories to the urban districts and the new airport. The expressway will stretch for a total of 10.1 km.

Some 65% of the project's costs have been provided by an underwritten financing package of HK$4.72 billion ($610 million). The 15-year project loan, arranged by China Development Finance and HSBC Capital was oversubscribed to the tune of HK$7 billion ($905 million).

The project is being undertaken by a consortium comprising Sun Hung Kai Properties, which has a 50% shareholding, China Resources Holdings (20%), Bank of China (20%) and China Travel Services (10%). The consortium will construct and manage the project for a 30-year franchise period.

# Korea Telecom

THE FULL-SCALE privatisation sale of **Korea Telecom** by 1998 is one of the options under discussion by the Korean government. Another is lowering the state's equity to 35%. These two proposals have been made by research analysts from Seoul National University, Samil Accounting Corp. and Ahn Jin & Co. The government will finalise the schedule for the privatisation of Korea Telecom later this year.

Current government plans are predicated on the basis that 14% of the 80% government's equity ownership of Korea Telecom is expected to be sold during the second half of 1995 and 15% more in 1996, thus lowering the equity share to 51% by the end of 1996.

# Manila Hotel

THE PHILIPPINE government has amended the terms and conditions for the long-delayed public bidding for the **Manila Hotel** but a new state ruling may delay the process further.

Whilst the owner of the hotel the Government Service Insurance System (GSIS), has reduced the price and revised certain other terms, a recent rule requiring a government corporation to offer 10% of its stock to the public before any stake sale to a strategic investor may postpone the bidding indefinitely.

The government had set a minimum price of 1.4 billion pesos for the entire property, or 420 million pesos for the 30% being auctioned off. The original plan was to sell 30% of the hotel to a foreign partner, then 20% to government employees and later sell five per cent to the public with GSIS retaining a 45% stake.

# PUB sale

THE GOVERNMENT of Singapore tabled a bill on 26 May to further its plans to privatise the provision of electricity and gas by the **Public Utilities Board (PUB)**. The Public Utilities Bill provides for the transfer of property, rights, liabilities and staff to the PUB's successor companies; makes financial arrangements for the companies; and provides for their sale.

The PUB's power and gas departments will be corporatised into Singapore Power and Gas (SPG) by September this year, before a public offer scheduled for the middle of next year. SPG will become a holding company overseeing two power generation companies, a transmission and distribution company, an electricity supply company and a gas company.

The PUB will be responsible for licensing and regulating the electricity industry.

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Privatization Int'l July 1995

# ICRO RECORDS

Headline: Auctions Declared...

Source of Data: Information Bulletin on Hard Currency

Data last entered on: 2/13/95

Press Clippings? December/Janu

Region: Europe

| COUNTRY | Activity | | Activity Date | Method |
|---|---|---|---|---|
| ithuania | Planned | | 1995 | Public Offering |

| STATE-OWNED ENTERPRISE | Sector | Sub-Sector |
|---|---|---|
| akioji Neris | Services | Tourism & Hotels |

Market Share:

# of Employees:

Exchange Rate 1 US$=

| OWNERSHIP | Before Transaction | After Transaction | |
|---|---|---|---|
| % State-Owned | 100 | | |
| % Foreign | | | |
| % Employee | | 29.22 | |
| % Domestic Individual | | | |
| % Domestic Corporate | | 70.78 | |

Price per Share: US$

# of Floated Shares:

Total Value of Floated Shares: US$Mill.

Sale Price: US$Mill.

Was the Firm Profitable?

Sales: US$:

Company Valuation Amount: US$Mill.

Expected New Investment: US$Mill.

Description of the SOE's Privatization

he Lithuanian Central Privatization Commission announced the sale of **Takioji Neris**, a state owned tourism nterprise. The government will sell 70.78% of its stock, with the remaining stock issued to the firm's mployees. Proposals are due March 1, 1995. The government also announced the sale of **Pienas Company**. he state will sell 50.25% of the state owned enterprise with the rest of the stock designated for the employees. roposals are due on March 20, 1995. Other firms up for tender include: state catering companies **Zuvedra** and altija, state printing house **Titnagas**, and various state-owned buildings in the Jurbakas, Kedainiai, and arinjapole districts.

| Outside Advisor | Role: | If PW Who? |
|---|---|---|
| | | |

DC Staff: CE

Trends?

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CENTRAL PRIVATIZATION COMMISSION
L A U N C H E S  A  R E P E A T E D  T E N D E R
for privatization of Klaipėda Joint
Stock State Enterprise
. "Pienas"
for hard currency

Notice is hereby given of the proposed privatization of Klaipėda Joint Stock State Enterprise "Pienas" which will involve the sale of the part of state capital, which makes up 50,25% of present authorised capital in the company. The remainder of the 'capital is the share capital of employees.

Detailed Tender rules, documentation and information about the Klaipėda Joint Stock State Enterprise "Pienas" may be obtained until March 20, 1995 from Mrs. Dzintra Sakevičienė the officer at the Ministry of Economics, Room 807, Gedimino Ave. 38/2, 2600 Vilnius, Lithuania (telephone (3702) 62-40-03; telefax (3702) 62-39-74) or from KPMG Peat Marwick as financial advisers to the Government of the Republic of Lithuania at 2001, M Street NW, Washington, DC 20036, USA (Telefax No. (202) 728 0546) from 09.30 local time on 20 January, 1995 until 16.30 local time on 20 March, 1995, upon receipt of the application letter and a certified cheque for US$ 250 in the name of the Ministry of Economics or bank document, confirming the transfer of this sum (paid in cash) into the current hard currency account of Ministry of Economics No. 7080030, State Commercial Bank of Lithuania (code 260101596), Basanavičiaus 7, 2600 Vilnius, Lithuania (tel. 22 46 90, telefax 22 72 10, telex 26 12 46 OPERA SU, if a payments are made by foreign legal or natural person at their present in abroad. Legal and natural persons at their present in the Republic of Lithuania make payments in litas into the account No. 141653 in the name of Ministry of Economics, Commercial Bank "Aurabankas" (code 260101701), Gedimino Ave.6, 2600 Vilnius, Lithuania (tel. 626890, fax: 628646) according to the official exchange rate of litas and foreign currency, established by the Bank of Lithuania on the day of payments.

This sum will not be funded.

Sealed envelopes containing 5 copies of Tender Proposals submitted by any person purchasing the Tender Documents are addressed to "Mrs. Dzintra Sakevičienė, the Ministry of Economics, Gedimino Av. 38/2, 2600 Vilnius, Lithuania, "Tender Proposal for Privatization of Klaipėda Joint Stock State Enterprise "Pienas"." The Tender Proposals will be received at the above address until, but not after 16.30 local time, 20 March, 1995. Tender Proposals are to be submitted in English and Lithuanian .

The Central Privatisation Commission reserves the right to reject any Tender Proposal or to cancel the Tender without any losses to the Republic of Lithuania.

December 1994, Vilnius.

CENTRAL PRIVATISATION COMMISSION
LAUNCHES TENDER
for the Privatisation of Kaunas Joint
Stock Company 'Takioji Neris'
for Hard Currency

Notice is hereby given of the proposed privatisation of Kaunas Joint Stock Company 'Takioji Neris' (former Neris state owned tourism enterprise) which will involve the sale of the part of state capital, which makes up 70.78% of present authorised capital in the company. The remainder of the capital is the share capital of employees.

Detailed Tender rules, documentation and information about the Kaunas Joint Stock Company 'Takioji Neris' may be obtained from December 1, 1994 from Mrs. Dzintra Sakeviciene the officer at the Ministry of Economics, Room 807, Gedimino Ave 38/2, 2600 Vilnius, Lithuania (telephone (3702) 62-40-03; telefax (3702) 62-80-11; (3702) 62-56-04) from 09.30 local time till 16.30 local time on 1 March, 1995, upon receipt of the application letter and a certified cheque for US$ 250 in the name of the Ministry of Economics or bank document, confirming the transfer of this sum (paid in cash) into the current hard currency account of Ministry of Economics No. 7080030, State Commercial Bank of Lithuania (code 260101596), Basanaviciaus 7, 2600 Vilnius, Lithuania (tel. 22 46 90, telefax 22 72 10, telex 26 12 46 OPERA SU, if a payments are made by foreign legal or natural person at their present in abroad. Legal and natural persons at their present in the Republic of Lithuania make payments in litas into the account No. 141659 in the name of Ministry of Economics, Commercial Bank 'Aurabankas' (code 260101701), Gedimino Ave. 6, 2600 Vilnius, Lithuania (tel. 626890, fax: 628646) according to the official exchange rate of litas and foreign currency, established by the Bank of Lithuania on the day of payments.

This sum will not be refunded.

Sealed envelopes containing 5 copies of Tender Proposals submitted by any person purchasing the Tender Documents are addressed to 'Mrs. Dzintra Sakeviciene, the Ministry of Economics, Gedimino Ave. 38/2, 2600 Vilnius, Lithuania, 'Tender Proposal for the Privatisation of Kaunas Joint Stock Company 'Takioji Neris'. The Tender Proposals will be received at the above address until, but not after 16.30 local time, 1 March, 1995. Tender Proposals are to be submitted in English and Lithuanian .

The Central Privatisation Commission reserves the right to reject any Tender Proposal or to cancel the Tender without any losses to the Republic of Lithuania.

November 1994, Vilnius.

INFORMATION BIULLETIN ON HARD CURRENCY PRIVATISATION
IN REPUBLIC OF LITHUANIA February 1995

| Register code | The amount of indexed authorized capital | The structure of authorized capital, thousand Lt/thousand USD | | | | | | | | | | | Capital (shareholding) privatised on hard currency | | The starting price of object (shareholding) (thousand USD) | The time and place of the auction |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Fixed assets | Inventories and not completed agreements | Cash in bank accounts, cash on hand (excluding hard currency) | Hard currency | Unfinished construction and prepayments | Share capital | | Share premiums (reserve of share capital) | Securities and investment | State capital and state capital reserve | Accounts payable and liabilities | Thousand USD | % from the state capital | | |
| | | | | | | | Total | For employees | | | | | | | | |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |

**Auctions declared for the second time**

Kėdainiai District

Auctions are run by Kėdainiai District Privatisation Service. 36 Basanavičiaus St., Kėdainiai
tel. (8-257) 52378, fax 52009, open: 9 a.m. - 5 p.m.

**Paveramenio Estate:** Paveramenio village, Kėdainių district;
Former estate is located at 1 km distance from future highway "Via Baltica", 27 km from Kėdainiai town. The ensemble of estate consists of 5 buildings (built in XIX century) and a park. The total area of the buildings is 3020.97 sq.m. Plot of land attached to the estate is 54753.6 sq.m. People who have been renting the living premises of the estate can be moved only if the future owner pays a compensation or gives an appropriate living place. It is necessary to order individual regulations for protection and usage, and carry out all requests of monument protection agencies.

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10100037 | 145.88 / 36.47 | 145.88 / 36.47 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 145.88 / 36.47 | 0.00 / 0.00 | 36.47 | 100.0 | 150.00 | 11 a.m. 18.02 |

Inspection time of the object : 9a.m. - 5p.m. 06.02.1995 - 17.02.1995
Register time for people who are willing to take part in the auction : 9a.m. - 5p.m. 13.02.1995 - 24.02.1995

**Auctions declared for the third time**

Klaipėda

Auctions are run by Klaipėda Privatisation Service. 10 Vilties St., Klaipėda
tel. (8-261) 16504, open: 9 a.m. - 5 p.m.

The shareholding is on sale ( 69.94% )

**State catering enterprise "Žuvėdra";** 10 Kepėjų st., Klaipėda;
The enterprise operates as a restaurant. It is located in the old town. The building was built in 1908. Total floor space is 719.6 sq. m. Staff of the enterprise consists of 13 employees, 11 workers among them. It is necessary to keep requests of monument protection agencies.

Share par value 10 Lt, 2.50 US $. Number of shares : total 3790 units; shares to be sold 2653 ;

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4050917 | 35.20 / 8.80 | 35.70 / 8.90 | 1.00 / 0.25 | 0.60 / 0.15 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 37.90 / 9.48 | 13.10 / 3.30 | 6.63 | 69.9 | 250.00 | 5 p.m. 18.02 |

Inspection time of the object : 11a.m. - 12a.m. 06.02.1995 - 17.02.1995
Register time for people who are willing to take part in the auction : 9a.m. - 5p.m. 06.02.1995 - 17.02.1995
Person entitled to work with foreign investors : Žita Šaloševičienė
A hotel where you can stop at : "Klaipėda" - N.Sodo 1, "Pamarys" - Saulių 28
Public transport by which you can reach the place in a most convenient way : From bus and railway stations by bus No.8, 11.

INFORMATION BIULLETIN ON HARD CURRENCY PRIVATISATION
IN REPUBLIC OF LITHUANIA February 1995

| Register code | The amount of indexed authorized capital | The structure of authorized capital, thousand Lt/thousand USD | | | | | | | | | | | Capital (shareholding) privatised on hard currency | | The starting price of object (shareholding) (thousand USD) | The time and place of the auction |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Fixed assets | Inventories and not completed agreements | Cash in bank accounts, cash on hand (excluding hard currency) | Hard currency | Unfinished construction and prepayments | Share capital | | Share premiums (reserve of share capital) | Securities and investment | State capital and state capital reserve | Accounts payable and liabilities | Thousand USD | % from the state capital | | |
| | | | | | | | Total | For employees | | | | | | | | |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |

Jurbarkas District

Auctions are run by Jurbarkas District Privatisation Service. 96 Dariaus ir Girėno St., Jurbarkas
tel. (8-248) 55445, fax 5 14 08, open: 9 a.m. - 5 p.m.

**Building;** 55 Vytauto Didžiojo st., Jurbarkas;
Brick building, built in 1939. Total floor space is 359.32 sq. m. Plot of land attached to the building - 4463 sq. m. It is necessary to keep requests of monument protection agencies. All questions concerning reconstruction must be coordinate with heritage inspection.

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10100034 | 5.90 / 1.50 | 5.90 / 1.50 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 5.90 / 1.50 | 0.00 / 0.00 | 1.50 | 100.0 | 20.00 | 9 a.m. 11.02 |

Inspection time of the object : 10a.m. - 1p.m. 30.01.1995 - 10.02.1995
Register time for people who are willing to take part in the auction : 10a.m. - 1p.m. 30.01.1995 - 10.02.1995

**Auctions declared for the fourth time**

Marijampolė

Auctions are run by Marijampolė Privatisation Service. J.Basanavičiaus Av., 1, Marijampolė
tel. (8-243) 52628, fax 623974, open: 9 a.m. - 5 p.m.

**Premises;** 13 Vaičaičio st., Marijampolė;
Premises are situated in the old town. The building was built in 1981. Premises to be privatised consist of trading hall (the floor space - 166.6 sq m), basement, garage, store - room. There are two living flats in the second floor of building.

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10100026 | 69.50 / 17.40 | 69.50 / 17.40 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 69.50 / 17.40 | 0.00 / 0.00 | 17.40 | 100.0 | 100.00 | 11 a.m. 18.02 |

Inspection time of the object : 9a.m. - 5p.m. 06.02.1995 - 17.02.1995
Register time for people who are willing to take part in the auction : 9a.m. - 5p.m. 06.02.1995 - 17.02.1995
A hotel where you can stop at : J.Basanavičiaus a.8, Marijampolė; tel. 53870
Public transport by which you can reach the place in a most convenient way : From the raylway station by bus No.2, from the bus station by bus No.2, No.6, No.11, No.3

Šiauliai

Auctions are run by Šiauliai Privatisation Service. 77 Dvaro St., Šiauliai
tel. (8-214) 20525, fax 2 75 75, open: 9 a.m. - 5 p.m.

The shareholding is on sale ( 70.47% )

**State stock printing - house "Titnagas";** 52 Vasario the 16th st., 5419 Šiauliai, tel. 33473: Printing services
The printing - house was established in 1923 and reconstructed in 1967. The building is located in the cent[illegible] three floors. The total floor space is 1972 sq.m.

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INFORMATION BIULLETIN ON HARD CURRENCY PRIVATISATION
IN REPUBLIC OF LITHUANIA February 1995

| Register code | The amount of indexed authorized capital | The structure of authorized capital, thousand Lt/thousand USD | | | | | | | | | | | Capital (sharehol-ding) privatised on hard currency | | The starting price of object (sharehol-ding) (thousand USD) | The time and place of the auction |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Fixed assets | Invento-ries and not comp-leted ag-reements | Cash in bank accounts, cash on hand (excluding hard currency) | Hard currency | Unfi-nished construc-tion and prepay-ments | Share capital | | Share premiums (reserve of share capital) | Securi-ties and invest-ment | State capital and state capital reserve | Accounts payable and liabili-ties | Thousand USD | % from the state capital | | |
| | | | | | | | Total | For employees | | | | | | | | |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |

Kėdainiai District

Auctions are run by Kėdainiai District Privatisation Service. 36 Basanavičiaus St., Kėdainiai
tel. (8-257) 52378, fax 52009, open: 9 a.m. - 5 p.m.

**Premises:** 23 Didžioji st., Kėdainiai;
Building is situated in the centre of the town. It was built in 1900. The first floor of the brick building is on selling. Floor space - 155.42 sq.m. It is necessary to keep request of protection of nature and monument, all questions concerning new construction or reconstruction must be coordinate with the cultural heritage inspection

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10100028 | 26.82 / 6.71 | 26.82 / 6.71 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 26.82 / 6.71 | 0.00 / 0.00 | 6.71 | 100.0 | 35.00 | 11 a.m. 25.02 |

Inspection time of the object : 9a.m. - 5p.m. 13.02.1995 - 24.02.1995
Register time for people who are willing to take part in the auction : 9a.m. - 5p.m. 13.02.1995 - 24.02.1995
Public transport by which you can reach the place in a most convenient way : From the railway station by bus No.1, from the bus station by bus No.1, No.2, No.4, No.7

**Premises:** 87a Sėtos st., Kėdainiai;
Building is situated in the district of Vilainiai in Kėdainiai. It was built in 1987. The part of the first floor of the living house is on selling. Floor space - 132.63 sq.m.

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10100029 | 10.74 / 2.69 | 10.74 / 2.69 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 10.74 / 2.69 | 0.00 / 0.00 | 2.69 | 100.0 | 20.00 | 10 a.m. 25.02 |

Inspection time of the object : 9a.m. - 5p.m. 13.02.1995 - 24.02.1995
Register time for people who are willing to take part in the auction : 9a.m. - 5p.m. 13.02.1995 - 24.02.1995
Public transport by which you can reach the place in a most convenient way : From the railway station by bus No.1, from the bus station by bus No.1, No.2, No.4, No.7

**Premises:** 17 Basanavičiaus st., Kėdainiai;
Building is situated in the centre of the town. It was built in 1948. The first floor of the living brick building is on selling. Floor space - 196.31 sq.m.

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10100030 | 23.83 / 5.96 | 23.83 / 5.96 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 0.00 / 0.00 | 23.83 / 5.96 | 0.00 / 0.00 | 5.96 | 100.0 | 30.00 | 9 a.m. 25.02 |

Inspection time of the object : 9a.m. - 5p.m. 13.02.1995 - 24.02.1995
Register time for people who are willing to take part in the auction : 9a.m. - 5p.m. 13.02.1995 - 24.02.1995
Public transport by which you can reach the place in a most convenient way : From the railway by bus No.1, from the bus station by bus No.1, No.2, No.4, No.7

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INFORMATION BIULLETIN ON HARD CURRENCY PRIVATISATION
IN REPUBLIC OF LITHUANIA February 1995

| Register code | The amount of indexed authorized capital | The structure of authorized capital, thousand Lt/thousand USD | | | | | | | | | | | Capital (shareholding) privatised on hard currency | | The starting price of object (shareholding) (thousand USD) | The time and place of the auction |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Fixed assets | Inventories and not completed agreements | Cash in bank accounts, cash on hand (excluding hard currency) | Hard currency | Unfinished construction and prepayments | Share capital | | Share premiums (reserve of share capital) | Securities and investment | State capital and state capital reserve | Accounts payable and liabilities | | | | |
| | | | | | | | Total | For employees | | | | | Thousand USD | % from the state capital | | |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |

**Auctions declared for the eighth time**

Siauliai

Auctions are run by Siauliai Privatisation Service. 77 Dvaro St., Siauliai
tel. (8-214) 20525, fax 2 75 75, open: 9 a.m. - 5 p.m.

The shareholding is on sale ( 72.17% )

**Public catering complex "Baltija"**; 166 Vytauto St., 5419 Siauliai, tel. 36785;
The enterprise was founded in 1961. It is a three-storey brick building with the biggest culinary and confectionery shop and canteen in the town. There are two spacious restaurant halls with 240 seats on the second floor. A workshops, administrative and auxiliary premises are situated on the third floor. The freezing equipment are installed in the basement, so there are good conditions for the storing of the goods and raw materials. The building has an own boiler room. The total useful floor space is 3156 sq m and occupies a plot of 2020 sq m. The staff consists of 129 employees, 110 workers among them. The turnover (9 months) 772.9 th Lt.

Share par value 5 Lt, 1.25 US $. Number of shares : total 91943 units; shares to be sold 66475 ;

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4445326 | 457.00 / 114.00 | 469.00 / 117.00 | 61.00 / 15.00 | 40.00 / 10.00 | 0.00 / 0.00 | 0.00 / 0.00 | 127.00 / 32.00 | 127.00 / 32.00 | 0.00 / 0.00 | 0.00 / 0.00 | 332.00 / 83.00 | 94.00 / 24.00 | 83.00 | 100.0 | 500.00 | 10 a.m. 11.02 |

Inspection time of the object : 9a.m. - 5p.m. 30.01.1995 - 10.02.1995
Register time for people who are willing to take part in the auction : 9a.m. - 5p.m. 30.01.1995 - 10.02.1995
Person entitled to work with foreign investors : Sartauskas, 77 Dvaro St., Siauliai; tel.: 20-525

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Registration fee for auction participants (50 USD), initial contribution (10% per cent of the starting price of an object) before registration and payments for the purchased objects, are paid as follows: legal and natural persons of the Republic of Lithuania as well as foreign legal and natural persons at their present in the Republic of Lithuania all payments made in litas into corresponding account indicated by local privatisation on agency according to the official exchange rate of litas and USD. Foreign legal and natural persons may pay in hard currency when the payments are done abroad: (for US $ only) currency is transferred into account of the Bank of Lithuania BANKER TRUST COMPANY, indicating: account No 04-098-607 in the name of the Bank of Lithuania in favour of Ministry of Finance account No 001070903; or (for German Marks only) currency is transferred into account of the Bank of Lithuania DEUTSCHE TRUST BANK indicating: account No 949760300 in the name of the Bank of Lithuania in favour of Ministry of Finance account No 001070903. If payments is made in German marks an official average foreign exchange rate of US dollars against German marks established by Frankfurt on Main Stoch Exchange, and published at 12 o'clock noon the day before the payment was made shall be applied.

N O T E S:

1. During the first year of enterprise privatisation the staff can not be reduced more than by 30 per cent.
2. Consume services, food trade, health, cultural and education objects (enterprises) within three year after their privatisation have no right without the permission of the Republic of Lithuania to change the main character of their activity.
   The period of time which is required for renovation or restructuring is not taken into the period of time necessary for shift of activity.

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# MICRO RECORDS

Data last entered on: 8/2/95

Press Clippings?

Headline: Brazil Auctions Electrical Concern, In Bid To Revitalize Privatizations

Source of Data: Wall Street Journal July 11, 1995

Region: Latin America & Caribbean

| COUNTRY | Activity | Activity Date | | Method |
|---|---|---|---|---|
| Brazil | Planned | 8 | 1995 | Private Offering |

| STATE-OWNED ENTERPRISE | Sector | Sub-Sector |
|---|---|---|
| Espirito Santo Centrais Electricas SA (Escelsa) | Infrastructure | Power |

Market Share:

# of Employees:

Exchange Rate 1 US$=

| OWNERSHIP | Before Transaction | After Transaction | |
|---|---|---|---|
| % State-Owned | | | |
| % Foreign | | | |
| % Employee | | | |
| % Domestic Individual | | | |
| % Domestic Corporate | | | |

Price per Share: US$

# of Floated Shares:

Total Value of Floated Shares: US$Mill.

Sale Price: US$Mill.

Was the Firm Profitable?

Sales: US$:

Company Valuation Amount: US$Mill.

Expected New Investment: US$Mill.

Description of the SOE's Privatization

Bidding for the Brazilian government's controlling stake in **Espirito Santo Centrais Electricas SA,** or Escelsa, an electrical utility in eastern Brazil, began this month. The minimum bid is $320m, but many multinational corporations have been discouraged by Brazil's restriction of foreigners to a minority position in an acquiring consortium. Another problem is that the 30-year operating concession offered by the government does not make adequate provisions for review and adjustment of Escelsa's rates. Under the terms of the sale, bidders must pay at least 67% cash for the stake, which is 50% plus one share. Brazil has received approximately $12bn from privatizations, but it has been concentrated in the steel and petrochemical industries. In addition, only $2bn of the receipts have been in cash.

| Outside Advisor | Role: | If PW Who? |
|---|---|---|
| | | |

DC Staff: IL

Trends?

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# Brazil Auctions Electrical Concern, In Bid to Revitalize Privatizations

By MATT MOFFETT
*Staff Reporter of* THE WALL STREET JOURNAL

RIO DE JANEIRO — Today's auction of a state-owned electrical distribution company will be the first test of President Fernando Henrique Cardoso's pledge to reinvigorate Brazil's long-stalled privatization program.

Several U.S. companies, including Chase Manhattan Corp. and Southern Co., are among prospective bidders for the federal government's controlling stake in Espirito Santo Centrais Electricas SA, or Escelsa, a utility in eastern Brazil. But some foreign electricity concerns are reluctant to enter the bidding, which starts at a minimum of about $320 million, because they are dissatisfied with terms of sale.

A few multinational companies have been put off by Brazil's restriction of foreigners to a minority position in the acquiring consortium. Even more problematic for some would-be investors are concerns that the 30-year operating concession offered by the government doesn't make adequate provisions for review and adjustment of Escelsa's rates.

Despite the complaints, analysts are betting that keen interest from Brazilian bidders will make the Escelsa sale a success. And Brazilian officials insist that criticism of the rate structure has been isolated. "Most of the companies we've talked to don't have any problem with the tariff-review system," says Elena Landau, director of privatization for the national development bank.

In the hours leading up to the sale, an electrical-workers union was fighting to block it. But two courts so far have rejected the union's requests for an injunction and analysts expect the sale to proceed on schedule.

Brazil sees the Escelsa sale as the first step in turning around the country's lackluster track record in privatizations. In the past five years, Brazil has received about $12 billion from privatizations concentrated in its steel and petrochemical sectors. But just $2 billion of the receipts have been in cash and Brazilian sell-offs have been marred by slip-ups. Escelsa, for instance, was originally scheduled to be sold last fall, but was pulled off the market for political reasons.

Ms. Landau says President Cardoso, who took office in January, is more committed to privatization than his predecessors. "Things have changed a lot," she says. "Privatization has become a part of the stabilization program."

Indeed, Mr. Cardoso is counting on hefty privatization proceeds, projected at $3.5 billion this year, to help balance the country's budget. The electrical sector, which has seen investment decline by two-thirds in the past decade, is especially starved for capital. Brazil's electrical grid is so burdened that brownouts could hit population centers by 1997, especially if the economy continues its strong recovery, says Jonathan Arnold, an analyst at J.P. Morgan Securities in London.

The eagerness of Brazilian industry to lock up a reliable power source is stimulating interest in Escelsa from Brazilian manufacturing and banking groups, analysts say. Under terms of the sale, bidders must pay at least 67% cash for the stake being sold, which is 50% plus one share.

But some foreign companies, including Chilectra SA, a Chilean electrical utility, and Sociedad Comercial del Plata SA, an Argentine utility operator, have raised questions about Brazil's rate-review process. "The regulatory system lacks the clarity that would make us want to risk a major investment," says Pedro Sebess, managing director of Comercial del Plata. Given Brazil's history of high inflation, critics say Brazil should devise a mechanism to ensure that Escelsa's rates keep pace with inflation.

Ms. Landau says the only way to assuage critics is to adopt a rate-indexation system, a policy that Brazil's government is abandoning as it tries to eradicate inflation. "I can't allow indexation while I'm part of a government that has a policy of de-indexation," she says. The government recently did agree to clarify regulations providing for periodic rate review.

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# MICRO RECORDS

Headline: Moscow Share Offering

Source of Data: Financial Times November 30, 1994

Data last entered on: 1/5/95

Press Clippings? December/January 1995

Region: NIS

| COUNTRY | Activity | Activity Date | | Method |
|---|---|---|---|---|
| Russia | Planned | 11 | 1994 | Public Offering |

| STATE-OWNED ENTERPRISE | Sector | Sub-Sector |
|---|---|---|
| Red October | Manufacturing | Agriculture & Food Production |

Market Share:

# of Employees:

Exchange Rate 1 US$=

| OWNERSHIP | Before Transaction | After Transaction | |
|---|---|---|---|
| % State-Owned | | | |
| % Foreign | | | |
| % Employee | | | |
| % Domestic Individual | | | |
| % Domestic Corporate | | | |

Price per Share: US$

# of Floated Shares: 3.5 million

Total Value of Floated Shares: US$Mill.

Sale Price: US$Mill.

Was the Firm Profitable? yes

Sales: Rbs71.2bn US$:

Company Valuation Amount: US$Mill.

Expected New Investment: 22 US$Mill.

Description of the SOE's Privatization

**Red October** (Krasney Oktyabr), a confectionery company with 250 product lines including Clumsy Bear chocolates and Lobster Tail sweets, is set to offer 3.5 million shares in hopes of earning $22m for new investment. The company which earned profits of $4.15m on turnover of $17.75m in the first six months of 1994, will offer 1 million shares to Russian retail investors, 1.5 million to local institutional investors and .5 million to international investors in London. The public share offering for cash is part of a broader government sponsored plan to encourage industry to raise equity finance.

| Outside Advisor | Role: | If PW Who? |
|---|---|---|
| | | |

DC Staff: DT

Trends?

☐ Mark

FT [redacted] 11/30/94

# Moscow share offering

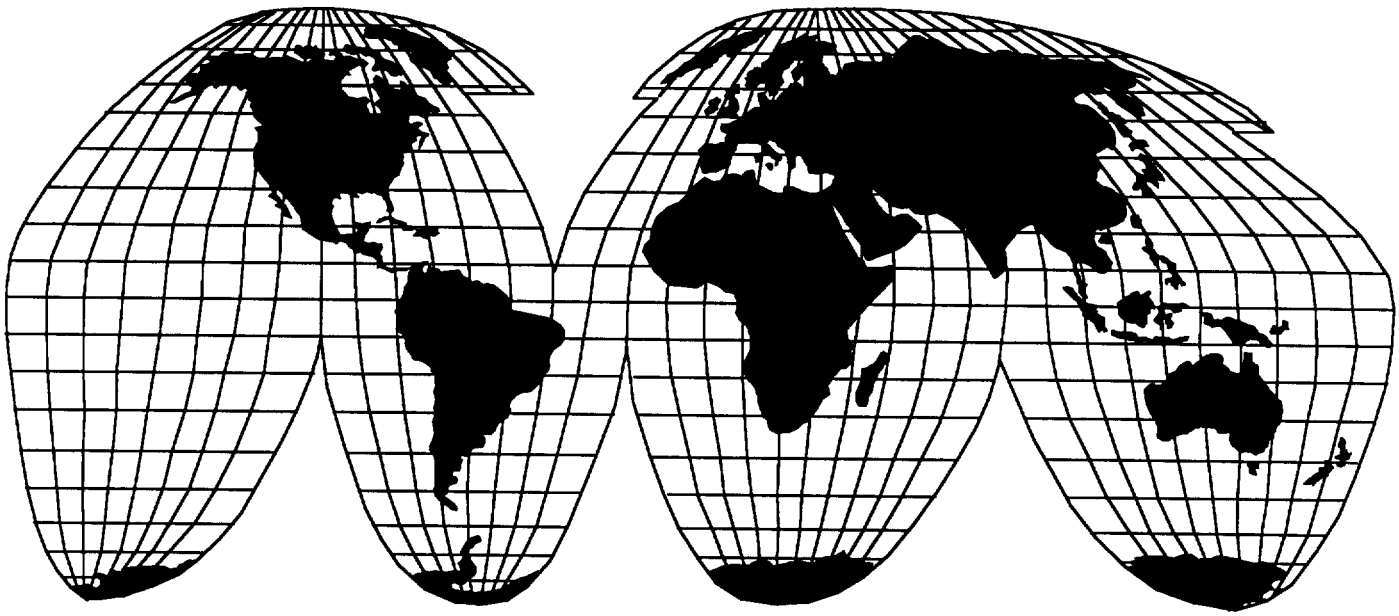
Red October, a Moscow-based confectionery company, yesterday launched Russia's biggest public share offering for cash as part of a broader government-sponsored effort to encourage industry to raise equity finance. The issue, which has been underwritten by Russian companies and financial institutions, will raise Rbs70bn ($22m) for new investment. Red October, or Krasny Oktyabr, is one of the best known companies in Moscow, occupying an imposing red-brick site on an island opposite the Kremlin. Its 250 confectionery lines, including Clumsy Bear chocolates and Lobster Tail sweets, have been popular with generations of Russians.

The issue is being part-financed by the UK government's Know-How fund. Mr Richard Wilson, adviser to the fund, said the first stage of the Russian privatisation programme had created a large secondary market for trading shares but had not established a primary market for companies wishing to raise equity finance.

Of the 3.5m shares being offered, 1m will be allocated to Russian retail investors, 1.5m to local institutional investors, with the rest being marketed to international investors in London. Unlike most Russian companies, Krasny Oktyabr has maintained stable production levels in the past few years and made profits of Rbs16.6bn on turnover of Rbs71.2bn in the first six months of 1994. *John Thornhill, Moscow*

*Abstracts of*

# Press Clippings on Privatization Transactions



## January/February 1996

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*Price Waterhouse* LLP
International Privatization Group

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The *Press Clippings on Privatization Transactions* consists of abstracted articles from a number of economic and development periodicals. It is published by the International Privatization Group at Price Waterhouse (PW/IPG) which is implementing the Privatization and Development (PAD) project financed by the Office of Economic and Institutional Reform of the US Agency for International Development (USAID/G/EG/EIR). The purpose of the *Press Clippings*, funded under the PAD project, is to inform USAID Missions and privatization practitioners about the latest developments in privatization worldwide.

PW/IPG's integrated activities consist of technical assistance, applied research, and training in all aspects of privatization. In addition to the *Press Clippings*, PW/IPG operates a Privatization Documentation Center which contains the latest publications and primary source materials on privatization issues and developments around the world. PW/IPG also maintains a database on privatization transactions around the world which is available to others conducting research on privatization.

PW/IPG welcomes new subscribers and correspondence from those interested in exchanging information and creative ideas. Please use the address form at the back of this issue of the *Press Clippings* for any inquiries you may have on our activities. Thank you.

Price Waterhouse LLP
International Privatization Group
Documentation Center
Phone: (703) 741-1947

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# Privatization Overview

## Regional Analysis

### *Africa and the Middle East*

In **Benin**, the government proposal to sell 75% of its stake in the National Oil Products Marketing Company (Sonacop), imperative for continued structural adjustment aid from the international community, was rejected by workers. **Congo**'s government announced plans to privatize the state-owned companies overseeing its petroleum sector as well as water and electricity utilities and a telecommunications company. In **Cote d'Ivoire**, the government partially privatized Societe Multinational de Bitume (SMB), reducing its stake from 91.9% to 20%. Privatization in **Ghana** is accelerating. The government plans to privatize Ghana Rubber Estates, offer a 30% stake and management control of Ghana Telecom, and complete the sale of the Cocoa Processing Company (CPC). Additionally, a 6.2% stake in Ashanti Goldfields was sold for $112.2m.

The government of **Kenya** sold a 26% stake in Kenya Airways to the Dutch carrier KLM, a further 48% stake is expected to be offered through an IPO. The government also expects to raise $17m through an offer of 40 million shares of the National Bank of Kenya. **Namibia**'s government plans to phase out subsidies and commercialize its state-owned airports through the creation of a self-financing parastatal. In **Nigeria**, the government plans to privatize road construction and toll collection services through build-operate-transfer contracts this year. The privatization program in **Senegal** will move forward with the sale of the state owned cotton firm SODEFITEX, a 66% stake in the telecommunications monopoly Sonatel, and a 49% stake in the state water company SONEES.

In an effort to move ahead with its privatization program, the government of **South Africa** announced that it will seek minority partners for the state telecommunications operator Telkom and South African Airways. The government is ready to dispose of three other state-owned companies, but opposition from trade unions has escalated and may slow the pace of privatization. In **Zambia**, the country's banking crisis was blamed for the undersubscription of Rothmans of Pall Mall. Meanwhile, the government announced that it is seeking to privatize Zambia Consolidated Copper Mines (ZCCM).

**Algeria** passed a law allowing municipalities to contract out the management of water resources and related services as part of its privatization program. In **Bahrain**, the government sold its remaining 21% stake in the Bahrain Aluminum Extrusion Company to the Stock Exchange and Investment Company for $5.3m. **Egypt**'s privatization program is likely to advance in 1996 with offers for a majority stake in Al-Ahram Beverages, Egypt's sole beer producer. Among the bidders, however, is a public sector consortium which appears to contradict the objectives of privatization. Additionally, the Egyptian Electricity Authority plans to build three plants through build-operate-transfer tenders, bids have been opened for the public sector stakes in three leading hotel companies, and the government announced it is in favor of privatizing power distribution companies.

The privatization program in **Israel** is expected to accelerate this year with plans to offer the telephone monopoly Bezeq and Zim Israel Shipping through and IPO, after which the stock will be traded on the Tel Aviv Stock Exchange. Furthermore, the government plans to sell up to 40% of Bank Hapoalim to a strategic partner for up to $850m and has also invited prequalifying bids for the first stage of the Cross

Israel Toll Road. In **Lebanon**, prequalification bids have been requested for plans to build a complex composed of a public garden, car park, and commercial center through a build-operate-transfer tender. Privatization is moving forward in **Morocco** which plans to privatize the steel company Societe Nationale de Siderurgie (Sonasid), the country's largest oil refinery Societe Marocaine de I'Industrie du Raffinage (Samir), and the Societe Cherifenne des Petroles. The government expects to generate $500m in privatization revenues during the first half of the year and investment is also expected to rise as a result of new privileges and incentives to local and foreign investors through the state's 'Investment Charter.' The government's sale of privatization bonds has boosted the Moroccan market and raised prospects for 1996.

The government of **Tunisia** will seek bids from private investors for the purchase of the ceramics company Ceramique Tunisienne and the sulfur refinery Raffinerie Tunisienne du Soufre. In addition, the country's largest petroleum distributor, Societe Nationale de Distribution des Petroles (SNDP), will be partly privatized on the stock exchange and will likely involve a sell-off. The sale of another minority stake in Tunis Air is also planned; however, the government would retain a majority stake. The Privatization Administration of **Turkey** (OIB) is selecting a consortium to provide consultancy services for the international offering of shares in Turk Telekom, the largest planned offering in Turkey's privatization program, which is expected to provide much of the 1996 $20bn privatization target. Yet, the government continues to face political opposition that has hindered greater progress. Revenues raised in 1995 were one-tenth of the year's $5bn target. Meanwhile, the OIB received no bids in the fourth attempt to sell the loss-making tiremaker Petlas.

*Asia*

The IMF has found that India's economy has experienced "robust economic growth" led by private investment and exports. Recently, the Supreme Court cleared the way for further privatization in the telecommunications sector by dismissing petitions that discriminated against foreign investors. Future plans in **Indonesia** call for privatizations in the steel, banking and electricity sectors. In **Pakistan**, delays in the privatization of the telecommunications and banking sectors has raised questions about the country's entire privatization program, according to the *Middle East Economic Digest*. The **Philippines** has reduced its shares in the country's largest bank and is preparing to privatize Manila's water utility. Stating the need to further restructure Singapore Power, the government of **Singapore** has decided to delay the company's flotation for several years. **Taiwan** has partially privatized China Steel, the country's largest steel manufacturer, reducing its stake to 47%.

*Europe*

In **Bulgaria**, plans to privatize more than 1,000 companies via the mass distribution of vouchers have been well-received by the thousands of Bulgarians who have purchased the vouchers, which may be exchanged for shares in privatized firms or pooled in investment funds. Through November, the **Czech Republic** had privatized nearly 70% of all assets slated for privatization, garnering approximately $25bn. The National Property Fund, however, is seeking to have the courts annul the 1993 sale of a 55% stake of Poldi Ocel, one of the country's largest steel plants. If the courts take such an action, Poldi will revert to state ownership.

In **Hungary**, the government applied the $672m surplus from privatization revenues to the national debt. Privatization proceeds are projected to be lower than in previous years as the majority of the remaining firms scheduled to be privatized are smaller in size and still unprofitable. The privatization agency APV



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Rt. expects to privatize 30 companies through an IPO by the end of the year, after which they are expected to be listed on the Budapest Stock Exchange. Privatization in **Poland** during the next year will concentrate on the mass privatization program, which has received the endorsement of the World Bank and the European Bank for Reconstruction and Development. The unique plan calls for 60% stakes in 512 state sector companies to be distributed to 15 National Investment Funds (NIFs), which are managed by Polish and foreign investment banks. Shares in the funds are on sale to all adult Polish citizens, with share prices based on a fee that will not exceed 10% of the average national monthly wage. Foreign investors can buy shares from Polish citizens who want to trade them or they can purchase shares in the NIFs themselves when they are listed on the Warsaw Stock Exchange. Sectors slated for privatization in 1996 include minerals, steel, transportation, chemicals and wholesale distribution. Privatization plans for copper producer KGHM Polska Miedz entail a direct listing on the London Stock Exchange.

The World Bank has approved a $280m loan to **Romania** intended to bolster the government's privatization program, which has yet to take off. The mass privatization program, which allows Romanians to exchange coupons for shares in nearly 4,000 state companies or one of five state-run mutual funds, has been extended as a result of disappointing public response. The deadline to exchange coupons for shares has been extended from December 31, 1995 to March 31, while the deadline for the mutual funds is now April 30. The program has been plagued by criticisms of complexity and a lack of information. The government was, however, able to sell via auction 40% equity in 20 of 32 state-owned enterprises. In the **Slovak Republic**, the constitutional court's December 20 decision to back measures to convert vouchers into public-sector bonds may mean that citizens will only be able to redeem vouchers for housing or pensions, rather than shares.

***Latin America and the Caribbean***

In **Argentina**, the government sold stakes in two electricity distribution companies for approximately $550m. Congress, however, blocked the sale of Yacreta, a hydroelectric company owned jointly by Argentina and Paraguay, over the terms of the agreement between the two nations. The congress of **Bolivia** thus far has failed to pass the national hydrocarbon law, which has delayed the government's attempt to privatize Yacimentos Petroliferos Fiscales Bolivianos, the country's oil company. The government in **Brazil** selected investment banks Merrill Lynch and N.M. Rothschild to set a minimum price and to prepare privatization recommendations for the mining conglomerate, CVRD. However, a new gold find in northern Brazil could lead to increased calls to halt the privatization due to the amount of unprospected areas controlled by CVRD. In January, Light, the electricity distributor of Rio de Janeiro state, spun off its share in loss-making Electropaulo, the last expected hurdle to Light's privatization in April.

The government of **Chile** is planning to sell two state railroad companies and ports, possibly this year. The privatization of banks, power utilities, and telephone services is expected to take place this year in **Colombia** after delays in 1995. In **Costa Rica**, the president suspended the privatization program due in part to opposition from labor groups. The suspension may jeopardize the country's economic agreement with the IMF. The government of the **Dominican Republic** completed the first of 20 sell-offs in its privatization program, selling Cementos Nacionales to Cemex of Mexico. The Dominican government has come under increasing pressure from the World Bank and the IDB to complete these privatization transactions as a condition to receive $700m in development funds.

The new president of **Guatemala** has been advised to start his privatization program as soon as possible, in order to avoid a repetition of delays experienced by his predecessor. The first privatizations are

expected to be the telecommunications provider, Guatel; the rail network, FEGUA; and the National Electricity Institute. The president of **Haiti** has indicated that he is in favor of restarting the privatization program, which stalled under former President Aristide. A resumption of the program is a precondition for the release of aid from the World Bank, the IMF, and the United States. In **Mexico**, the Ministry of Communications and Transportation submitted a bill to congress late last year that would allow the privatization of extant and future airport facilities. Despite the current sell-offs of several petrochemical complexes and intense interest from international firms, the Energy Minister stated that Mexico would not privatize the oil and gas reserves controlled by Pemex.

In **Panama**, the sale of telecoms giant Intel is expected in mid-1996 and should raise over $1bn. The government of **Peru** sold Siderperu, the country's largest steel producer, for over $100m. Merrill Lynch and JP Morgan Securities are advising the government on the sale of Telefonica de Peru, which is valued at $1.5bn and is expected to be the largest equity offering in Latin America in 1996. Privatization efforts in **Venezuela** are expected to accelerate this year, with the sales of Banco Popular and several electricity companies, cement companies, and ports.

### *NIS*

The government of **Armenia** is in the process of valuing many of its medium to large firms in order to convert them into joint stock firms that will then be privatized. It is expected that 20% of these firms will be given to the employees, while the remainder will be sold in exchange for privatization vouchers as well as for cash. According to the *Financial Times*, the voucher privatization program in **Moldova** got off to a good start, with 90% of all Moldovans using their vouchers to acquire shares in privatization investment funds or to buy shares directly in the privatized firms; 2,232 companies were privatized through the program. The government is also continuing its cash privatizations that are expected to raise $22.3m for the state budget in 1996. The government announced that it would release a list March 1 consisting of 41 companies in the hotel, pharmaceutical, food, cement and light industries to be privatized this year.

It appears that privatization in **Russia** is on hold until after the presidential elections in June. President Boris Yeltsin has distanced himself from the privatization program, and fired several pro-reform ministers including Anatoly Chubais, the deputy Prime Minister who headed the privatization efforts. The Communist Party, which gained control of the Duma in the December elections, threatened to slow economic reform and reverse the privatization program if their presidential candidate, Gennady Zyuganov, is elected. Additionally, separate investigations were launched in February by a Duma committee and by the chief Russian prosecutor into the charges of illegal activities in the privatization process and, according to the Duma committee, to "establish the responsibility of officials for its negative results". Intense scrutiny is expected to be directed towards Russia's loans-for-shares (LFS) program, which gave several of Russia's large banks control over key natural resource firms. Charges of bid-rigging by several of the banks that both managed and bid on the sale of several of the firms have been made and this is the impetus for the investigations. The LFS program is also under attack by the management of Norilsk Nikel, the world's largest nickel producer, which informed the parliament that it wanted to buy back the majority stake of the firm controlled by Oneximbank. After Oneximbank took control of the firm in the LFS program, it called for financial and operational reforms, which has angered Noriksk's managers. Furthermore, the sale of Svyazinvest, one the domestic telecommunications providers, to Stet, an Italian group, was put on hold by the Russian government. Because the bidding for Svyazinvest included foreign investors, and had been carried out transparently, it had been seen as a model for future privatizations.

In late February, the IMF announced a $10.2bn loan to Russia. One of the conditions imposed by the IMF for Russia to receive regular payments on the loan is that the privatization program not be reversed.

Leonid Kuchma, the president of **Ukraine**, vetoed a bill passed by the congress that would have given the collective farm directors a free 51% stake in the country's agro-industrial companies, even those that had previously been privatized. Subsequently, President Kuchma has asked that the IMF resume disbursements on the $1.6bn stand-by loan that it suspended in January after passage of the bill by the congress. According to the *Financial Times*, the nullified bill would have effectively recollectivized the agro-industrial industry.

## Sectoral Activity

Privatization activity in January and February was heaviest in the Power, Hydrocarbon, and Transporation Services sectors.

*January/February 1996: Reported Activity in the Power, Hydrocarbon, and Transporation Service Sectors*

| Sector | SOE | Country | Status | Equity Offered % | Volume (in $m) |
|---|---|---|---|---|---|
| Power | Colbun-Machicura | Chile | Planned | 33 | NA |
| | Demasz | Hungary | Planned | 8 | 136 |
| | Dominica Electricity | Dominica | Planned | NA | NA |
| | Edenor | Argentina | Planned | 39 | 156.2 |
| | Egyptian Electricity Authority | Egypt | Planned | NA | NA |
| | Ente Binacional Yacyreta | Argentina | Planned | NA | NA |
| | Etenvensa | Peru | Complete | NA | NA |
| | INECEL | Ecuador | Planned | 49 | NA |
| | Jamshoro power plant | Pakistan | Planned | 26 | NA |
| | Light Servicios de Eletricidade, SA (Light) | Brazil | Planned | 70 | NA |
| | Matra power plant | Hungary | Complete | 38 | NA |
| | National Power Corporation | Philippines | Planned | NA | NA |
| | Singapore Power | Singapore | Planned | NA | NA |
| | Tocopilla | Chile | Complete | 51 | 749 |
| | Ventanilla | Peru | Complete | 60 | NA |
| Hydrocarbon | DEGAZ | Hungary | Complete | 50 | NA |
| | Gazprom | Ukraine | Planned | NA | NA |
| | HYDRO-CONGO and CORAF | Congo | Planned | NA | NA |
| | Kogaz | Hungary | Planned | 50 | 67.3 |
| | Lukoil | Russia | Complete | 5 | 35 |
| | Mossgas | South Africa | Planned | NA | NA |
| | Promigas | Colombia | Complete | NA | 100 |
| | Slovnaft | Slovak Republic | Planned | NA | NA |

| *January/February 1996: Reported Activity in the Power, Hydrocarbon, and Transporation Service Sectors* | | | | | |
|---|---|---|---|---|---|
| **Sector** | **SOE** | **Country** | **Status** | **Equity Offered %** | **Volume (in $m)** |
| | Societe Marocaine de l'Industrie de Raffinage (Samir) | Morocco | Planned | 25 | 147 |
| | Societe Nationale de Distribution des Petroles (SNDP) | Tunisia | Planned | NA | NA |
| Transporation Services | Ceske Drahy | Czech Republic | Planned | 30 | NA |
| | Dominica de Aviacion | Dominica | Planned | NA | NA |
| | Empresa Nacional de Ferrocarriles (ENFE) | Bolivia | Complete | 50 | 39 |
| | Estonian Air | Estonia | Planned | 66 | NA |
| | Ferrocarriles Nacionales de Mexico | Mexico | Planned | NA | NA |
| | Kenya Airways | Kenya | Planned | 48 | NA |
| | Leeward Islands Air Transport (LIAT) | Trinidad & Tobago | Complete | 29 | NA |
| | LOT | Poland | Planned | NA | NA |
| | Mahart | Hungary | Planned | NA | NA |
| | motorway | Panama | Planned | NA | NA |
| | state-owned airports | Namibia | Planned | NA | NA |
| | Tunis Air | Tunisia | Planned | NA | NA |

For more information on the transactions discussed above, please see the individual abstracts and the country report on South Africa.



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## *Water Management to Be Privatized*

Middle East Economic Digest February 9, 1996

A law passed in December allows municipalities in Algeria to contract out the management of **water resources** and **related services**. A local company has taken control of the water resources in Touggourt and Ouargla and other municipalities are expected to follow their lead.

## *In Brief*

Middle East Economic Digest January 19, 1996

The government of Bahrain sold its remaining 21% stake in the **Bahrain Aluminium Extrusion Company** to the Stock Exchange and Investment Company for $5.3m.

## *Privatization*

Business Africa February 1-15, 1996

The workers at **National Oil Products Marketing Company** (Sonacop) rejected a proposal by the government to sell 75% of its stake in the company. Privatization of Sonacop is one of the conditions imposed on Benin by donors and lenders for the continuation of structural adjustment aid.

## *Congo*

Business Africa February 1-15, 1996

Within the next year, the government plans to privatize the **Agence Transcongolaise de Communications**, which operates the river port at Brazzaville, the ocean port at Pointe-Noire, water and electric utilities, and the telecommunications branch of the state post and telecommunications bureau.

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## *Republic of Congo*

Financial Times December 29, 1995

The Government of the Republic of Congo has announced plans to privatize **HYDRO-CONGO** and **CORAF**, the state-owned companies that oversee Congo's petroleum sector. The closing date to submit proposals is January 20, 1996.

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## *Privatization*

Business Africa December 1-31, 1995

Cote d'Ivoire's state-owned bitumen company, **Societe Multinational de Bitume** (SMB), has been partially privatized, including the sale of 20.9% of its equity in a domestic initial public offering. The government has reduced its stake from 91.9% to 20%.

## *Consultants Bid for BOT Power Projects*

Middle East Economic Digest December 22, 1995

The **Egyptian Electricity Authority** plans to build three power plants via build-operate-transfer (BOT) arrangements. Six consultants prequalified in a December 14 bid for the contract to draw up the terms of reference for the first Egyptian BOT power stations. The consultants included Rust Kennedy & Donkin, Price Waterhouse, Lahmeyer International, K&M Engineering & Consulting Corporation, Stone & Webster Engineering Corporation, and Burnd & McKenzie. The Egyptian government has announced it is in favor of privatizing power distribution companies.

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## *Egypt and Morocco Set the Pace for 1996*

Middle East Economic Digest January 12, 1996

## *In Brief*

Middle East Economic Digest January 9, 1996

The Egyptian privatization program is likely to advance in 1996 with the opening of two technical offers for a majority stake in **Al-Ahram Beverages**, Egypt's sole beer producer. The bidders are a partnership of the Egyptian Finance Company and Al-Ahly, and a public sector group headed by National Bank of Egypt and Misr Insurance Company. Both groups hope to acquire 90% of the company, with 10% of the shares held by workers.

The Egyptian Holding Company for Housing, Tourism and Hotels was due to open bids on February 1 for the sale of a majority stake in beer producer **Al-Ahram Beverages**.

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## *In Brief*

Middle East Economic Digest February 16, 1996

Investors have been invited to bid for the public sector stakes in three leading hotel companies including a 28.87% stake of the **Semiramis Hotels Company**, a 12.5% stake of the **Taba Tourism Development Company**, and a 25.3% stake of the **Ismailiya Tourism Company**. The closing date for bids is March 5. Commercial International Bank and its affiliate Commercial International Investment Company are advising on the sale.

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## *Announcement*

Financial Times February 5, 1996

The Ministry of Transport and Communications has announced that it is accepting expressions of interest regarding a future offering of a 30% stake and management control of **Ghana Telecom**. CS First Boston and Ecobank Ghana Limited are acting as advisors.

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## *Privatization*

Business Africa December 1-31,1995

The German company Pontania is expected to take over Ghana's state-owned **Cocoa Processing Company** (CPC) after bidding $21bn. The government of Ghana will retain a partial stake in CPC.

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## *Watch for...*

Business Africa December 1-31, 1995

The government of Ghana is privatizing the state-owned **Ghana Rubber Estates** and several international companies have submitted bids. The winning bid will be announced in January and the Ghanaian government will retain a 10% to 20% stake.

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## *What's New in Your Sector*

Business Africa February 16-29, 1996

The Ghanaian government sold 5.1 million shares, which represent a 6.2% stake, in the **Ashanti Goldfields** for $112.2m.

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## *Cross Israel Toll Road Tendered*

Middle East Economic Digest December 22, 1995

Israel has invited companies to prequalify for the first stage of the **Cross Israel Toll Road**. Application prequalifications for phase one are due by the end of March.

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## *High-Tech Trade*

Financial Times February 1, 1996

Several large privatizations are expected for Israel this year including the telephone monopoly, **Bezeq** and **Zim Israel Shipping** through the Tel Aviv Stock Exchange. Some American securities firms have set up offices in Israel in anticipation of increased business.

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## *Way Cleared for Bank Hapoalim Privatization*

Financial Times December 15, 1995

The privatization of **Bank Hapoalim** will proceed now that two international investor groups have stated that they will still participate in bidding despite the government's insistence that the bank liquidate all of its nonfinancial assets by 1998. The government's plan calls for selling up to 40% of the bank to a strategic partner for up to $850m.

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### *Privatization Boost for NSE*

Business Africa February 1-15, 1996

### *KLM Buys into Kenya Airways*

Business Africa January 16-31, 1996

The government of Kenya is expected to offer 55 million shares, 48% of the total equity, in **Kenya Airways** (KA) for $.89 per share. After the initial public offering, 34% of the total equity will be offered to Kenyan investors and 14% will be offered internationally. This offering follows the purchase of a 26% stake in the airline by KLM in December. The government holds 23% of the remaining stake while the company's employees hold 3%.

In a surprise move, a 26% stake in KA was sold to the Dutch carrier KLM. British Airways' subsidiary Speedwing had managed KA since 1992, and thus was considered the likely buyer. KA has significantly improved its financial position since the Kenyan government took responsibility for the enterprise's debt in late 1994. KA reported a profit of $15.23m on sales of $1.57bn for the year to March 1995.

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The government of Kenya hopes to raise $17m through its expected offer of 40 million shares of the **National Bank of Kenya** for $.42 per share in mid-1996.

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## *Republic of Lebanon*

Financial Times December 20, 1995

The Municipality of Beirut has announced plans to build a complex composed of a **public garden**, a **car park**, and a **commercial center** through a tender to build, operate and transfer. The deadline for prequalification documents was February 5.

## *Morocco*

Middle East Economic Digest January 12, 1996

The government of Morocco expects to generate about $500m in privatization revenues during the first half of the year through the sale of a 25% stake in the state-owned refinery company **Societe Marocaine de l'Industrie du Raffinage** (Samir) and the **Societe Cherifienne des Petroles**. Investment is also expected to rise with the granting of new privileges and incentives to local and foreign investors through the state's 'Investment Charter.'

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The government of Morocco plans to privatize the steel company **Societe Nationale de Siderurgie (Sonasid)** immediately after the privatization of the refinery company Samir. The government also plans to sell the state company **Societe Cherifienne des Petroles** by June.

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## *Morocco in Refinery Flotation*

Financial Times February 23, 1996

## *Strong Demand For Moroccan Issue*

Financial Times January 19, 1996

The government of Morocco announced that it would sell 25% of **Societe Marocaine de l'Industrie du Raffinage** (Samir) through an initial public offering of 5.2 million shares at $28.30 per share. An additional 55% stake in the firm is expected to be sold to a strategic investor. The enterprise, which has a capacity of 6 million tons per year and expects a profit of $64m for 1995, is valued at $582.55m.

The Moroccan ministry of privatization announced that the country's largest oil refinery, Samir, with an 82% share of the fuel market, will be privatized through the stock exchange on March 4.

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## *Privatization*

Business Africa January 16-31, 1996

Namibia's cabinet has decided to phase out subsidies and commercialize its **state-owned airports** through the creation of a self-financing parastatal that would own, operate, maintain, and establish airports.

## *Privatization*

Business Africa February 1-15, 1996

The government of Nigeria is expected to privatize **road construction** and **toll collection services** through build-operate-transfer contracts this year.

## *What's New in Your Sector*

Business Africa February 16-29, 1996

The government of Senegal is expected to sell its stake in the state-owned cotton firm, **Societe de Developpement des Fibres Textiles** (SODEFITEX) this year. The state currently owns a 77.5% stake in the firm.

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The Senegalese parliament approved legislation governing the privatization of **Sonatel**, the telecommunications monopoly. The government will sell off 66% of the enterprise to the public by the end of the year.

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**SONEES**, the state water company, is expected to be partially privatized in March. The government will make 49% of its shares available to Senegalese investors. A French firm, Bouygues Group, is expected to be chosen as a partner for part of the remaining stake; the remainder of the firm will be held by the government.

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### *Buyers Sought*

Business Africa January 16-31, 1996

### *But Will They Buy?*

Economist December 16, 1995

The government of South Africa has bowed to union pressure and agreed to defer the hiring of privatization experts until January for the telecommunications provider, **Telkom**.

The government has indicated that it is interested in selling up to a 20% minority stake in **Telkom**, the telecommunications operator, to a strategic partner before it initiates a public flotation. The company made $357m pre-tax profits in the year through March 1995 but potential foreign partners' enthusiasm has been tempered by the government's intention to retain management control.

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### *Power Play*

Business Africa December 1-31, 1995

South Africa's state-owned electricity utility **Eskom**, which has a virtual monopoly in power generation and transmission, is unlikely to be privatized in the short term due to government fears that competition in the electricity industry could obstruct the country's present electrification drive. A National Electricity Regulator (NER), however, has been established to aid other distributors in future restructuring and privatization.

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### *South Africa*

Business Africa February 1-15, 1996

Over 40 firms from 12 countries have indicated an interest in acquiring the **Mossgas** offshore complex. A local consortium, in addition to a number of Taiwanese petrochemical groups, are among the interested bidders. The apartheid government previously invested $3.3bn in the project and an additional $235m will be required for the project to continue beyond 1996.

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### *South African Unions to Fight State Sell-Off Plans*

Financial Times December 12, 1995

### *South African Unions Strike Over Sell-Off Plans*

Financial Times December 14, 1995

The South African government announced it would prefer to seek minority partners for **South African Airways** and is prepared to dispose of three other state-owned companies as part of a program to reorganize state assets.

South African trade unions have increased their protests to the government's privatization plans through strikes in domestic air services, rail freight, and ports.

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## *In Brief*

Middle East Economic Digest December 8, 1995

The government of Tunisia has invited private investors to bid for the purchase of ceramics company **Ceramique Tunisienne** by January 15 as part of its privatization program.

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## *SNDP to Be Privatized*

Middle East Economic Digest December 8, 1995

Tunisia's largest gasoline distributor, **Societe Nationale de Distribution des Petroles** (SNDP), will be partly privatized on the stock exchange in the second half of 1996. The privatization is likely to involve a sell-off, offering a large minority stake to the public while maintaining management under state control. The SNDP expects about 20% of the company to be transferred to the private sector through a capital increase.

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## *Tunisia*

Middle East Economic Digest February 9, 1996

The Tunisian government will again seek bidders for sulfur refinery **Raffinerie Tunisienne du Soufre** in February. The government would like to sell the enterprise to a single buyer. A previous sell-off attempt failed due to lack of bidders.

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The Economic Development Ministry of Tunisia is pushing for the sale of another minority stake in **Tunis Air**. The government would retain a majority stake.

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## *Final Offers in for Telecoms Sale Consultancy*

Middle East Economic Digest January 5, 1996

## *Six to Bid for Telecoms Privatization Study*

Middle East Economic Digest December 8, 1995

The final bids for a contract to advise the Turkish Privatization Administration (OIB) on the sale of **Turk Telekomunikasyon** (Turk Telekom) have been submitted. The winning consortium will provide consultancy services for the international offering of shares in Turk Telekom which will amount to nearly 39% offered to private individuals and 15% to company employees. The remaining shares will remain in state control.

The sell-off of **Turk Telecom** in 1996 will be the largest in Turkey's privatization program. The telecoms flotation is expected to provide much of the $20bn target in the 1996 privatization. Six bids by international consortia were submitted in December 1995.

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## *In Brief*

Middle East Economic Digest December 8, 1995

The Privatization Administration of Turkey (OIB) received no bids for money-losing tiremaker **Petlas**. This marks the OIB's fourth unsuccessful attempt at selling the company.

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## *Selling ZCCM*

Business Africa December 1-31, 1995

The Zambian government is seeking to privatize **Zambia Consolidated Copper Mines** (ZCCM). It is likely that South Africa's Anglo American Corporation, which has a 27.3% stake in ZCCM, will lead a consortium that will buy the ZCCM as a single unit. Anglo is also likely to invest $592m in developing the Konkola copper project to supply ore.

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## *Tobacco*

Business Africa January 16-31, 1996

The December issue of **Rothmans of Pall Mall** (Zambia) shares failed after six institutions acquired only one-third of the 30 million shares on offer. The Zambia Securities and Exchange Commission blamed the undersubscription on the country's banking crisis. Earlier in the year, 20 institutions bought three-quarters of the shares offered in Chilanga Cement's successful privatization issue.

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## *Raising the Bar*

Far Eastern Economic Review December 7, 1995

The privatization of India's **telephone service** seems to be slowing after the government changed the rules in order to impose a minimum price for bids. The Indian government rejected 10 winning bids for licenses to operate basic telephone services.

## *Indonesia Undeterred By Telekom Issue Experience*

Financial Times January 22, 1996

Indonesia is planning to sell-off **Krakatau Steel**, **Bank Negara Indonesia**, the toll-road operator **Jasa Marga**, and the state-electricity company **PLN** in the future through dual international and domestic offers.

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## *PTT Telecom in Indonesia Buy*

Financial Times February 15, 1996

PTT Telecom of the Netherlands agreed to purchase a 17.28% stake in the Indonesian GSM mobile phone service, **PT Telkomsel**, for $304m. A local group, PT Setdco Megasel Asia, will also take a 5% stake for $88m. PT Telkomsel is owned jointly by Indonesia's national telecommunications company, PT Telkom, and PT Indosat, the international telecommunications company.

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## *A Sale Gone Sour*

Far Eastern Economic Review February 15, 1996

The government of Pakistan is expected to sell a 26% stake plus management control in the **Jamshoro power plant** in 1996. The plant has assets of $430m and a generation capacity of 880MW.

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## *Bank Privatizations Press Ahead*

Middle East Economic Digest January 19, 1996

The government of Pakistan stated that its local financial advisor, BMA Capital Management, would announce those companies that had prequalified for bidding for a 26% stake of **Bankers Equity** (BE) before the end of January. Six Middle Eastern companies have applied for prequalification. Final bids are expected four weeks after prequalification.

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## *Blow for Pakistan as Bank Sell-Off is Delayed Again*

Financial Times January 23, 1996

The government of Pakistan announced another delay in the planned sale of **United Bank** (UBL), the country's second largest bank. The sale has diminished confidence in Pakistan's privatization program which is under pressure to privatize UBL in order to secure an IMF loan and gain foreign exchange returns.

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## *Failed UBL Sell-Off Raises Privatization Doubts*

Middle East Economic Digest February 9, 1996

Pakistan's privatization program has been questioned due to delays in recent privatization efforts. According to government sources, the sale of **Pakistan Telecommunications Corporation** (PTC) is likely to miss its scheduled privatization date of March 31 by at least six weeks.

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The government of Pakistan has set its privatization agenda for 1996 including the privatization of **Sui Southern Gas Company**, **Sui Northern Gas Pipelines**, **Oil & Gas Development Corporation**, and **Habib Bank**. The agenda also includes textile mills, power stations, and cement and fertilizer plants. The government's extensive plans are an attempt to satisfy the IMF, although critics of the privatization program claim that the plans are unrealistic and overly ambitious.

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## *In Brief*

Middle East Economic Digest January 12, 1996

The government of Pakistan has converted **Pakistan Telecommunication Corporation** (PTC) into a public limited company called Pakistan Telecommunication Company (PTCL) as part of the country's planned privatization of the telecommunications service. The government expects to complete privatization in the sector by April. Prequalifiers for a 26% management stake will be announced in February and bids will be received in March. Deutsche Morgan Grenfell is advising the government.

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## *Pak Saudi Fertiliser and Wah Cement to be Privatized*

Middle East Economic Digest December 8, 1995

The Privatization Commission of Pakistan announced it will privatize **Pak Saudi Fertilisers**. Bidding will take place on December 27 and transfer of the project should take place by mid-February. Ten to 15 consortia have bid on the project thus far. Plans also exist for the privatization of Wah Cement.

## *Pakistan Bank Sale Off Again*

Financial Times January 30, 1996

The government announced that the sale of a 26% stake in **United Bank** (UBL) will be delayed for a second time in order to give the prequalified bidders more time to prepare their bids. The delay is raising doubts about the country's entire privatization process.

## *Privatization in Pakistan Faces New Test*

Financial Times January 29, 1996

**Habib Bank**, Pakistan's largest bank, may be partly privatized by the government before the end of the year, with the privatization commission offering 26% of the bank's shares and transferring management functions to the new buyer.

The 1600MW **Kot Addu power plant**, one of Pakistan's largest power facilities, with assets of $1.3bn, may be privatized by the middle of the year.

## *Promises, Promises*

Far Eastern Economic Review January 11, 1996

The government expects the planned privatization of a 26% stake in **Pakistan Telecommunications Corp**. by April and the sale of **United Bank** in the summer to generate between $1bn and $2bn.

## *Napocor Chooses Advisors*

Project Finance International January 31, 1996

The **National Power Corp** selected Merrill Lynch and Rothschild to oversee its restructuring and privatization program. Napocor intends to separate into a holding company and several generating arms to compete with private power generators. Under its 10 year restructuring program, Napocor plans to install 12,828MW of capacity, requiring $18.6bn in investments.

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## *PNB Lifts Price of Share Offer*

Financial Times December 15, 1995

The **Philippine National Bank** (PNB), the country's largest, increased the price of its third public share offering because of strong interest from subscribers. The third tranche reduces the government's share in the PNB from 57% to 49.8%. Expect 7.2% of the bank's capital to be sold off with 25% of the shares reserved for small investors in the form of warrants.

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## *Trying to Stop Profits Leaking Away*

Financial Times January 30, 1996

The International Finance Corporation, which is acting as lead consultant to the privatization of the **Manila Public Water Authority**, hopes to submit plans for the utility's restructuring by the middle of the year and complete the sale by December. It is estimated that over $4bn in new investment will be required to update the water system, which loses more than half its carrying capacity through leaks and theft. The main issues hampering the sale include the possibility of laying off many of the authority's 9,000 workers and finding a way to get around a law limiting foreign ownership of strategic industries to 40%.

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## *Singapore Power Flotation Postponed 'For Years'*

Financial Times February 13, 1996

The Singapore government announced that it will postpone the flotation of **Singapore Power**, planned for the middle of 1996, for several years. Government officials stated that the company needs more time to complete its reorganization. A successful flotation would have made it the second largest company on the Stock Exchange of Singapore and increased the liquidity of the stock market.

## *Court Challenge to Telecom Award*

Financial Times January 26, 1996

The government has indicated that state-owned **Sri Lanka Telecom** is scheduled for privatization by the middle of the year.

## *China Steel's Long Road to Privatization*

Asiamoney December 1995/January 1996

The partial privatization of **China Steel** was completed in March when Taiwan's largest steel manufacturer made its biggest stock offering to date. The offer represented slightly less than 20% of China Steel's outstanding shares and reduced the government's stake to 47%. The $1.65bn issue consisted of 443 million shares offered to employees, 280 million shares to individual investors, and 720 million shares to individual investors in a private placement. Shares were offered at a fixed price of $.81.

## *Bulgaria Steps Forward*

Privatisation International February 1996

The government of Bulgaria announced that it sold a 75% stake in the **Prima Lacta dairy** in December for $3.5m. The enterprise was bought by a Bulgarian businessman, Hristo Nonov, who paid for the dairy with a combination of Brady bonds, foreign debt bonds, and cash. He agreed to invest an additional $2.62m in the firm over the next five years.

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## *Crumbs of Comfort....*

Eastern European Monitor February 1996

After having liquidated over 1,500 state enterprises worth nearly $10m, the government has indicated that it will sell 70 larger companies this year, with the international offering of a 25% to 30% stake of **Bulgarian Telecom** garnering the most attention.

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## *Pliva Plans Global Offering*

Financial Times February 23, 1996

A Croatian pharmaceuticals firm owned mostly by the Croatian Privatization Fund, **Pliva**, announced that it planned to sell 30% of its equity in a public offering. The offering will be split between domestic and international markets, and is expected to take place in June. Pliva hopes to raise $100m from the offering.

## *Czech Oil Stake Sale Finalised*

Financial Times February 8, 1996

Three international oil groups have acquired a 49% stake in **Czech Refineries**. Royal Dutch/Shell, Conoco of the US and Agip of Italy each acquired a 16.33% stake. The consortium will pay a total $173m for the stake. Unitpetrol, a state-controlled holding company, owns 51%. The sale is an important step for the restructuring of the Czech oil and petrochemical industry.

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## *Czech Rail Sell-Off Proposed*

Financial Times January 27, 1996

The board of the state-owned rail service, **Ceske Drahy**, has proposed privatizing nearly 30% of its 3,500 km network. State ministers must approve the plan to allow foreign companies to bid for parts of the company, which has 107,000 employees and is the largest employer in the Czech Republic.

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## *News Round-Up*

Central European February 1996

Stratton, the Bahamas-based investment company, has expressed interest in the chemical producer **Spolana** that is due to be privatized in 1996.

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## *Estonian Sale*

Privatisation International February 1996

A 51% stake in the **Tallinn Sea Factory**, a shipyard, was sold in January to the Estonian firm Vavekor for $3.2m. Vavekor also committed to $6.16m in new investment and to retain current employment levels for at least three years.

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## *SAS Offers to Buy Estonian Air Stake*

Financial Times February 16, 1996

## *Estonian Air*

Financial Times December 15, 1995

Scandinavian Airlines System (SAS) has offered to enter into a strategic partnership with the state-owned air carrier, **Estonian Air**. SAS would like to acquire a 66% stake in the enterprise, although part of this stake would be held by Estonian private parties to ensure that majority ownership is Estonian. SAS is dealing directly with the Estonian Privatization Agency in the sale.

The government of Estonia has announced a public tender for the privatization of **Estonian Air** of up to 66% of its shares. The closing date for bids was January 25.

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## *Greek Telecom Sell-Off Dispute*

Financial Times February 13, 1996

The Greek government plans to sell a 6% stake in the telecommunications firm, **OTE**, in a public offering. The shares are unofficially valued between $15.30 and $16.95 each. The privatization has sparked protests from the firm's employees who plan to stage a strike. Labor opposition scuttled previous attempts to sell a stake in OTE.

## *Announcement*

Financial Times January 31, 1996

APV Rt., the Hungarian privatization agency, announced that it was modifying its invitation to bid on **OAM Ozdi Acelmuvek Kft**. Bids must now be submitted by March 1 for a 50% plus one share stake in the enterprise.

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## *BNP, Dresdner in Hungary Move*

Financial Times January 24, 1996

Banque Nationale de Paris and Dresdner Bank of Germany acquired the remaining 26% stake in **BKD Bank** of Hungary that was held by the state-owned Kereskedelmi Bank. Each bank previously held 37% stakes in BKD, and this latest acquisition brings these stakes to 50% each.

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## *Bristol-Myers Set For Hungarian Buy*

Financial Times December 14, 1995

The US pharmaceuticals group, Bristol-Myers Squibb, offered $110m for **Pharmavit**, Hungary's leading manufacturer of vitamin pills. The offer of $62.35 per share or $12.47 per global depository receipt is conditional on Bristol-Myers acquiring a 90% share. The offer to minority shareholders, at the same price accepted by the majority owners, closes on January 26. If successful, the offer would be the first public takeover of a listed company in Hungary.

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## *Businesses For Sale*

Financial Times December 29, 1995

The Hungarian Privatization and State Holding Company, APV Rt., announced the winning tenders in the sale of the state owned shares of eight companies within the **Hungarian Electricity Industry**. RWE Energie AG Consortium won **Budapest Electricity Works Ltd., Eszakmagyarorszagi Supply Ltd**., and **Matrai Power Plant Ltd**. EDF International (Paris) won **Delmagyarorszagi Supply Ltd**. and **Eszakdunantuli Supply Ltd.** Bayernwerk AG (Munich) won **Deldunantuli Supply Ltd**., Isar Amperwerke AG (Munich) won **Tiszantuli Supply Ltd**., and Powerfin S.A. (Brussels) won **Dunamenti Power Plant Ltd**. The APV Rt. also voided the tenders for six other companies within the industry.

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## *German Consortium Buys Matra*

Financial Times December 11, 1995

A German consortium consisting of RWE Energie and Energie-Versorgung Schwaben plans to invest $2.07bn in Hungary's **Matra Power Plant**. It acquired a 38% stake in the plant as well as stakes in two of the country's six electricity distribution companies for an undisclosed sum as part of Hungary's privatization of the energy sector.

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## *Hungarian Bank Assets Acquired by ING*

Financial Times February 19, 1996

The Dutch banking group ING has acquired the Hungarian state-owned bank, **Dunabank**. ING plans to integrate Dunabank's nine branches into its regional subsidiary. Four other banks took part in the closed tender.

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The government of Hungary plans to begin the privatization of **Magyar Hiltel Bank** and **Kereskedelmi Bank**, the largest remaining state owned commercial banks, before the end of the year.

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## *Hungarian Electricity Privatization*

Financial Times January 10, 1996

Hungary's electricity privatizations advanced with the acquisition of **ELMU Rt., EMASZ Rt.,** and **Matrai Eromu Rt.,** by the RWE Energie--EVS Consortium. The Consortium was advised by Price Waterhouse.

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## *Hungary Agrees on Matav Sale*

Financial Times December 13, 1995

## *Hungary to Give Up Control of Matav*

Financial Times December 20, 1995

Hungary has agreed on the sale of a majority stake in **Matav**, its partly privatized telecommunications company, to a consortium of Germany's Deutsche Telekom and Ameritech of the US. The consortium already holds a 30.3% stake and is seeking to increase its stake to 60% to 70%. The consortium is expected to float the company and reduce its stake to around 51% at a later date. The state privatization agency, APV Rt., holds about 65% of the company. A 25% stake plus one vote is to remain in state hands while management and employees will be offered shares.

Hungary is expected to sell up to 40% of its stake in **Matav**, giving up majority control of its national telecoms operator.

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## *Hungary Set to Sell Budapest Bank Stake*

Financial Times December 19, 1995

Hungary is set to sell a majority stake in **Budapest Bank** to GE Capital and the European Bank for Reconstruction and Development. They are expected to buy a 60% stake for about $87m.

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## *Hungary to Decide on Buyer for Kogaz Stake*

Financial Times December 13, 1995

Hungary is considering the sale of a 50% share in **Kogaz**, its second largest regional gas distribution company. A consortium of Bayernwek of Germany and EVN of Austria is likely to be awarded the stake following their first-round bid of $67.3m. Hungary is also divesting all six of its electricity distribution companies as part of its plan for privatizing its energy sector.

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## *Hungary to Privatize Hotel*

Financial Times February 23, 1996

The Hungarian state privatization agency, APV Rt., has decided to sell a 95% stake in the top class **Forum Hotel**. APV Rt. stated that it would invite 15 potential investors to participate in a private bid. The bid deadline will be in April.

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## *Hungary to Sell Rest of MKB Bank Stake*

Financial Times January 21, 1996

The state privatization agency APV Rt. has indicated that it will sell the state's remaining 24.67% stake in **Magyar Kulkereskedelmi Bank** (MKB), the foreign trade bank, by March. The transaction will take place via a closed tender where only foreign shareholders will be allowed to participate. MKB, which is Hungary's third largest commercial bank, had pre-tax profits of $21m in the first half of 1995.

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## *Hungary to Sell Stake in Chemicals Concern*

Financial Times January 26, 1996

The government has announced plans to reduce its holdings in **Borsodchem**, the country's second largest chemical company, from nearly 88% to under 30%. Borsodchem will be sold off through various means, including domestic and employee offerings and an international private placement coordinated by West Merchant Bank of Germany and HSBC Investment Bank, part of Hongkong and Shanghai Banking Corp. Borsodchem, which manufactures PVC and MDI, a polymer used in construction, is profitable but is potentially hampered by structural problems and environmental concerns.

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## *Hungary to Start Power Sell-Off*

Financial Times January 26, 1996

APV Rt. will offer 8% stakes worth $149m in the country's six electricity supply companies to holders of government-issued coupons. The first exchange will be for shares in **Demasz**, the Hungarian supply company. Electricite de France paid $155m for a 47.7% stake in Demasz last year. The privatization of **MVM**, the national electricity company and **MOL**, the national oil and gas company will also follow. APV Rt. sold 48% stakes in electricity supply companies at the end of last year.

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The privatization agency APV Rt. will offer 8% stakes in Hungary's six state-owned electricity supply companies with a total value of $136m to holders of government-issued coupons beginning in February. **Demasz**, in southern Hungary, will be the first to be offered, with 20% of the allotted shares specifically allocated to coupon-holders living abroad. Following Demasz will be MVM, the national electricity company, and MOL, the petroleum concern.

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### *Invitation to Bid*

Financial Times December 15, 1995

The Hungarian Privatization and State Holding Company, APV Rt., has invited bids for an open, one-tier tender for the purchase of a majority stake in **Csepel Metal Works**. Bids are submitted for the purchase of 70% of the subscribed capital. The closing date for bids is February 28.

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### *News Round-Up*

Central European February 1996

APV Rt. announced that the Hungarian shipping company, **Mahart**, will be privatized at the end of this year. Currently APV Rt. holds a 100% stake in Mahart, which builds, repairs, and operates river boats and manages dock facilities.

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### *Privatization of the Hungarian Regional Gas Distribution Companies*

Financial Times February 1, 1996

The Hungarian Privatization and State Holding Company (APV Rt.) sold 50% plus one share in **DEGAZ** and **EGAZ** to Gaz De France; **DDGAZ** to a German consortium made up of Ruhrgas and VWE Energie; **KOGAZ** to a Bayernwerk (German) and EVN (Austrian) consortium; and **TIGAZ** to the Italian consortium of Italgas and Snam. The APV Rt. received $460m in revenues from the sale of these share holdings. The transactions were advised by NM Rothschild & Sons Limited.

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### *US-German Team Secures Matav Deal*

Financial Times December 21, 1995

Ameritech and Deutsche Telekom will acquire an additional 37% stake in **Matav**, the national telephone operator, for $852m. With the current transaction, Ameritech and Deutsche Telekom will now own 67.3% of Matav since the two firms had previously acquired a 30.3% share in 1993. The American-German consortium will lower that percentage to 50% plus one vote while the government will continue to hold a 25% plus one vote stake. Matav's employees will hold up to 2.7% of the firm. CS First Boston is advising APV Rt, the government privatization agency.

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## *Latvia*

Central European February 1996

The Latvian privatization agency has announced that it will finalize a list of 250 companies to be privatized in an effort to accelerate the privatization process. The list will include **Ventspils Nafta**, the oil port and **Latvenergo** the energy group.

## *Lithuania's Government Moves Swiftly to Counter Bank Collapse*

Financial Times January 30, 1996

The government of Lithuania has proposed to parliament to merge and nationalize the two large **commercial banks** that went bankrupt before Christmas. A trust would take over $350m in bad loans, and the government would inject enough capital into the banks to allow them to reopen. This new institution would then be privatized within 18 months.

## *Bank Gdanski Sell-Off Rescued*

Financial Times December 13, 1995

Bank IG has acquired 24.07% of **Bank Gdanski** for $45.3m, ensuring that Daiwa Europe and HSBC Bank complete Gdanski's initial public offering.

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## *Banks to Be Picked for Plum Polish Sell-Off*

Financial Times February 12, 1996

The government of Poland is expected to choose a short list of investment banks that will manage the privatization of the copper producer **Polska Miedz** by the end of February. A final choice of managers will be made shortly thereafter. Thirteen consortia submitted proposals on February 2, including groups led by Goldman Sachs, SBC Warburg, and CS First Boston. Polska Miedz controls 5% of world copper reserves and made an estimated $176.5m to $196.5m profit on sales of $1.48bn last year. According to the privatization ministry, after the initial public offering, global depository receipts representing approximately a 15% stake will be offered in international markets, a 10% stake will be reserved for domestic markets, and 15% will be offered to employees.

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## *Contracts and Tenders*

Financial Times December 20, 1995

The Lodz City Council has offered an invitation to tender for the sale or a perpetual lease of a **building plot** in the city center. The minimum offer price is $1.2m. The closing date for tenders is March 12.

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## *Moderates Gain from Mud-Slinging*

Eastern European Monitor February 1996

**Bank Zachodni** and Powszechny Bank Kredytowy (PBK) are expected to be privatized later in the year, while Bank Depozytowo-Kredytowy (BDK) had been the target of Korean car maker Daewoo, which had wanted to purchase the bank along with the FSO car plant. However, since BDK will merge with Polska Kasa Opieki, Daewoo has been setting its sights on PBK instead.

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Approximately 90 large state-owned firms are scheduled for privatization this year, including prominent companies such as the airline **LOT**, the mining concern KGHM and the engineering group Polimex-Cekop.

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## *Philip Morris in $227m Polish Move*

Financial Times January 31, 1996

Poland's ministry of privatization has agreed to sell a 33% stake in **ZPT Krakow**, Poland's largest tobacco factory, to Philip Morris for $227m along with the rights to purchase a further 32% stake after investing an additional $145m over three years. This will be the largest capital transaction by a foreign investor in Poland since 1989.

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## *Poland to Sell 49% of State Telecom Group*

Financial Times February 2, 1996

The telecommunications minister has indicated that the government will privatize up to 49% of **Telekomunikacja Polska** over the next two years, although it has yet to decide whether to offer shares to strategic investors or sell them via the Warsaw Stock Exchange. In 1995, the telephone company earned a net profit of $315m on net sales of $1.9bn. The company also forecasts a sharp increase in the number of installed lines and subscribers.

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## *Polish Privatization Plan Survives Cabinet Changes*

Financial Times February 8, 1996

Despite some calls for less haste in the privatization program, planned privatizations of enterprises such as the **Ruch newspaper distribution network** and the DT Centrum chain of urban department stores will continue as planned.

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## *Pressure Builds for Faster Bank Privatization*

Eastern European Monitor January 1996

## *Investors Dismayed by Polish Bank Plan*

Financial Times January 23, 1996

The Polish government has devised a plan to privatize some state-owned banks by first merging smaller banks and then turning over 51% of their shares to pension funds of other state-owned companies. The plan will combine **Bank Handlowy**, previously the state foreign-trade bank, with Przemyslowo-Handlowy and Pomorski Kredytowy banks, while Polska Kasa Opieki, which once specialized in hard-currency deposit-taking, will merge with Powzechny Bank Gospodarczy, Bank Depozytowo-Kredytowy and the Polish Development Bank.

According to the Financial Times, the head of Bank Przemyslowo-Handlowy (BPH) has voiced concerns over the government's plan to transfer its 46% treasury-owned stake in BPH to state-owned Bank Handlowy, citing the desire to maintain BPH's brand name and autonomy. ING Bank and the European Bank for Reconstruction and Development, which are both significant shareholders in BPH, have expressed reservations over not being consulted about the government's plan.

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## *Seita in Polish Cigarette Deal*

Financial Times December 24, 1995

## *Tobacco Group in Polish Talks*

Financial Times December 14, 1995

The French tobacco company Seita has agreed to pay $64m for a 33% equity stake in **ZPT Radomiu**, the Polish cigarette producer, and invest $40m in the next three years. Seita also has the option to acquire another 32% stake after the initial 3 year period. Deutsche Morgan Grenfell is advising the government while Rothschild and Access, a local firm, are advising Seita.

The French tobacco group Seita has entered into negotiations to purchase the **Radom** tobacco factory, which produces 12.5 billion cigarettes annually and has 13% of the domestic market. The factory is valued up to $100m. Other potential bidders include Philip Morris and Tabacalera, a Spanish tobacco concern.

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## *The Ministry of Privatization of the Republic of Poland*

Financial Times January 23, 1996

Poland's Ministry of Privatization announced the sale of strategic share holdings in the tobacco company **Przebsiebiorstwo Wyrobow Tytoniowych w Augustowie S.A.** to BATIG Gmbh (BAT Group). Deutsche Morgan Grenfell advised the Ministry of Privatization on the transaction.

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## *Mixed Signals Continue*

Eastern European Monitor January 1996

The management of **Slovnaft**, which owns 39% of the company, has rebuffed the government's efforts to attach special privileges to the 25% stake that it still retains, prompting the company's other owners to be optimistic about attracting a foreign strategic partner and achieving full privatization.

## *Chileans Buy Argentine Holding*

US/Latin Trade February 1996

The Chilean power investment group, Enersis, has purchased the Argentine government's 39% stake in **Edesur**, the Argentine utility, for $390m. Enersis and one of its subsidiaries now controls 64% of Edesur.

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## *Menem Advances on 'Superpowers'*

Business Monitor International January 1996

The sale of electric utility **Edenor** and electric transmission company Transener did not live up to expectations. The government only managed to sell half of its 39% stake to Endesar, a Spanish firm, for $156.2m. The sale of Transener was canceled when the sole bidder, Maipu Inversora, failed to increase its $65m bid.

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## *Trade Agreement for Mercosur and the EU*

Business Monitor International January 1996

Privatization efforts in the bi-national hydroelectric company **Ente Binacional Yacyreta** (EBY) have stalled due to Argentine congressional opposition to the terms of the Argentine-Paraguayan agreement. The sale was to generate revenue for Argentina in exchange for canceling Paraguay's debt, but the Argentine government claims that the agreement does not fully compensate Argentina.

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## *Update*

Latin Finance December 1995

Argentina sold its state-owned petrochemical company, **Petroquimica Bahia Blanca SA**. It was priced between $250m and $350m. Two consortia purchased the bidding rules for Petroquimica. One was made up of YPF SA and Dow Chemical while the other consisted of Perez Companc and Copesul. The Argentine government is also expected to sell 90% of its shares in its electrical distribution company.

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## *Rail Sell-Off Goes Ahead*

Business Monitor International January 1996

Chile's Cruz Blanca has acquired 50% of the shares in state-owned **Empresa Nacional de Ferrocarriles** (ENFE) for $39m. ENFE is the fourth state-owned company to be capitalized since March 1995, with prominent companies such as Empresa Metalurgica Vinto, a tin-smelting concern, and Yacimientos Petroliferos Fiscales Bolivianos, an energy producer, still awaiting capitalization.

## *YPFB Enabling Law*

Project Finanace International January 31, 1996

The capitalization of **Yacimientos Petroliferos Fiscales Bolivianos** (YPFB) has been delayed several times, hampered by the Bolivian Congress' indecision concerning the passage of the national hydrocarbon law. The law, which is a prerequisite for capitalization of YPFB, would deal with the gas pricing and establish a regulatory framework for producers and distribution networks. The government remains undecided on whether to bill gas customers on the basis of the transportation capacity used or the distance the gas must travel to reach them. Because the distribution network has already been developed, the second proposal is considered inefficient, but has support of Bolivia's World Bank advisors. Salomon Brothers is advising YPFB on the transaction. The company is valued at $1.5bn.

## *Banking on Success*

Latin Finance December 1995

## *Ailing Bank Put in Private Hands*

Financial Times January 4, 1996

The government of Brazil issued a tender to select a "special administrator" for **Banerj**, the government-owned bank of Rio de Janeiro State. The special administrator, who is to settle financial issues that might prejudice the privatization process, will assume control of Banerj early this year. Interested companies were to have submitted their proposals by December 5. Foreign companies were allowed to participate as members of a consortium with local firms. Firms that indicated an interest were Arthur Andersen and banks Garantia, Cindam, Brascan, Fonte, BJR, Cambial, Credit Commercial France, and Bozano, Simonson.

The state of Rio de Janeiro has selected Banco Bozano, Simonson to administer Banerj for approximately one year as it prepares Banerj for privatization.

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## *Brazil's Missed Opportunity*

Economist January 20, 1996

Control of **Banespa**, the troubled state bank of Sao Paulo that was taken over by the central bank over a year ago, has been turned back over to the Sao Paulo government, possibly signaling that the bank may not be privatized any time soon.

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## *Ceterp Lauches IPO*

Latin Finance January/February 1996

The Brazilian municipality of Ribeirao Preto in Sao Paulo state is set to launch an initial public offering for its telecommunications provider, **Companhia Telefonica de Ribeirao Preto** (Ceterp). Ceterp is one of five telephone companies that is independent from the national company, Telebras. The government expects to raise $58.7m from the sale of 5.7 billion shares. The shares will be offered both domestically and internationally, with Banco Fator handling the domestic placement and Fator Securities doing the same in the United States.

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## *Electricity Sell-Off in Rio Moves Closer*

Financial Times January 30, 1996

A substantial stake in **Light Servicios de Eletricidade, SA**, the partially state-owned electricity company of the Brazilian state of Rio de Janeiro is expected to be sold in April. The current shareholders approved a plan on January 29 that would split off Light's holdings in the loss-making electricity company of Sao Paulo state, Eletropaulo, which will remain under the control of the federal electricity holding company, Eletrobras. The exact date of privatization is expected to be announced February 1 by BNDES, the federal development bank. The auction had previously been scheduled for March 13, but was delayed due to a legal challenge by trade unions. A 60% stake will be sold to the public for cash at the auction, with an additional 10% offered to employees, and 12% will be held for a future sale. At present 18% of the company is already publicly traded. The company reported a $113m loss in 1995, however, much of this loss is reported to be a result of a large loss by Eletropaulo. The company is currently valued at $3.7bn.

## *Merrill Group Wins CVRD Mandate*

Latin Finance January/February 1996

A Merrill Lynch-led group won the mandate to advise the Brazilian mining conglomerate **Companhia Vale do Rio Doce** (CVRD) in its privatization endeavor. The consortium of Merrill Lynch, N.M. Rothschild, KPMG Peat Marwick, along with four local partners Banco Bradesco SA, Projeta Consultoria, Graphus SA, and Engevix Engenharia Ltda, beat fierce competition for a contract to oversee CVRD's sale. The sale of the Brazilian government's 51% stake in CVRD is anticipated to be the largest privatization to date in Latin America, with expected profits of $3bn. A group led by Morgan Stanley was disqualified after submitting a fee estimate which was lower than the minimum threshold set by the Brazilian government.

## *New Tensions Over Pinochet's Role*

Business Monitor International February 1996

The government has indicated that it will sell a 33% stake in the **Colbun-Machicura** electric company, preferably to a private international firm with previous experience in the power sector. To promote competition, local generating companies will not be allowed to bid for the shares. Corfo, the state holding company, currently holds 85% of the company, with the remaining share in private hands. As of mid-January, Colbun was valued at $1.18bn.

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Codelco, the state copper company, has awarded 51% of power company **Tocopilla** to a consortium made up of Belgian, Spanish and Chilean firms, which reportedly offered $749m. Further plans call for Codelco to offer another 30%-35% on local and international stock markets with an additional 10% reserved for employees.

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## *Columbia Political Crisis May Bring Economic Woes*

Financial Times January 31, 1996

In late January, the US-based Enron Corporation bought a stake in **Promigas**, the Colombian gas transportation company, from the Colombian state oil corporation for $100m.

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## *Stock Market Performance Expected to Again Disappoint*

Business Monitor International February 1996

The Colombian government suspended the sale of the cement company **Cementos Paz del Rio SA** late last year, which along with the revisions to foreign investment regulations, has eroded the confidence of international investors.

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## *Telephone Timetable*

US/Latin Trade January 1996

Two companies will be selected to compete with state-owned **Telecom**. The privatization of Colombia's state monopoly of telephone services will begin with the opening of bids for private companies interested in providing national and international telephone services in mid-January. On June 30 the two companies will be selected and service will begin on December 1.

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## *Trouble with the Cuban Telephone Bill*

Financial Times February 8, 1996

Domos, a Mexican group headed by Javier Garza Calderon, has failed to make a final $320m installment to the Cuban government for a 49% stake in **Etecsa**, the Cuban telecommunications monopoly, casting a shadow on the future of the joint venture. Domos agreed in 1994 to pay $706m for its stake in Etecsa and to invest an additional $750m over the next seven years to expand service. Mr. Garza has been seeking additional investors to shore up the deal. Soon after signing the deal, he sold a 25% stake in the company that holds Domos' share in the venture to Italy's Stet for $281m; now he is seeking an additional $500m-$600m investment for an additional 24% stake in the holding company. Potential investors have balked at the size of this investment despite the fact that KPMG Peat Marwick valued the firm at $6bn, up from a $1.5bn valuation in 1994, due in part to the surge of international calling in 1995 resulting from the lifting of the US telecommunication embargo.

## *UWP Calls in the IMF*

Business Monitor International February 1996

The government has sought the advice of CDC and EDF, two French companies, regarding the privatization of **Dominica Electricity Ltd** (Domlec) and the Agricultural, Industrial and Development Bank. The Dominica Association of Industry and Commerce has also called for the privatization of the Dominica Import Export Agency, which would mean the end of the agency's import monopoly on sugar and rice.

## *20 State Firms For Sale*

Business Monitor International January 1996

The government of the Dominican Republic has announced plans to divest 20 loss-making state enterprises including the airline **Dominicana de Aviacion** and manufacturing assembly units. The energy sector was excluded from privatization plans.

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## *Privatization Kicks Off*

Business Monitor International February 1996

The Dominican privatization program got off the ground in December when the government sold the national cement producer, **Cementos Nacionales**, to Mexico's Cemex.

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## *Heading for a Second Round*

Business Monitor International February 1996

Congress approved measures to sell off a 49% stake of power utility **INECEL**, but utility workers protested, causing the government to send in troops to occupy the plants. The plan would have called for a 39% stake to be sold off to foreign investors with a 10% share offered to INECEL employees.

## *Jamaica*

Project Finance International January 31, 1996

The government of Jamaica is planning to sell a majority stake in **Jamaica Public Service Co.** by early May but will retain a minority stake. Local participation in the bidding groups is expected to play a major role in the selection process. Several consortia have already been formed with local Jamaican companies.

## *Privatization Tops Legislative Agenda*

Business Monitor International February 1996

The partial privatization of **Intel**, the Panamanian telecommunications enterprise, is expected by mid-1996. Little opposition to the sale is expected from the enterprise's employees. A 49% stake is expected to be offered to the public and a 2% share will be offered to the employees. The government expects the sale to raise over $1bn. The sale of Intel is expected to restart the privatization program in which the government hopes to sell its sugar mills, a racetrack, several electric plants, ports, casinos, the prison service, and the National Convention Center.

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## *Tension in Congress Mounts*

Business Monitor International January 1996

The government was expected to approve a Mexican company's $223m bid to build and operate a 20-km **motorway** linking Panama City to the Pan-American Highway via the Tocumen Airport. Ingenieros Civiles Asociados SA will post $26.5m to guarantee the project's completion and use toll fees to finance the motorway's construction and operation. Upon the conclusion of the undisclosed concession, the government will regain control of the road.

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### *Flow Loses Pace*

Financial Times February 1, 1996

### *Spending Cuts Still Required...*

Business Monitor International February 1996

The final stage of privatization of **Telefonica de Peru**, the Peruvian phone monopoly, will take place this year when the government sells its remaining 28.5% stake by issuing American Depositary Receipts. The remaining stake could be worth as much as $1.6bn, making it one of the largest Latin American deals ever completed.

JP Morgan and Merrill Lynch have been named as managers for Telefonica de Peru's offering on global markets.

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### *One Bid for Centromin*

Project Finance International January 31, 1996

### *Power Sector Expansion Vital*

Business Monitor International January 1996

Inversiones Mineras del Sur, a unit of Buenaventura, submitted the only bid for **Centromin** in its tender for five of its small gold properties located in southern Peru. The government-set minimum price of $900,000 for the five assets, has discouraged potential investors. Centromin's first attempt to privatize in 1994 failed due to its high price and environmental liabilities. Subsequently, the government decided to sell off the firm in pieces, hiring CS First Boston and Macroinvest to advise in the process.s.

Bidding for five gold prospects belonging to **Centromin**, the largest state-owned mining company, are scheduled for January 24. The government plans to fully privatize Centromin, which encompasses seven mines and a metallurgical complex, by the end of 1996.

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### *Power Station Sold Off*

US/Latin Trade February 1996

A group of companies headed by Endesa of Spain has acquired a 60% stake in **Ventanilla**, the thermal power generating facility in Lima, thus making it the first state-owned company to be transferred to the private sector via the capitalization process. The planned sale of Sedapal, the water and sewage utility, however, has been postponed until 1997.

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### *Privatization Forges Ahead*

Business Monitor International February 1996

The local unit of Spanish-owned Endesa and two Peruvian firms purchased the government's stake in **Etevensa**, a thermoelectric plant. The firms agreed to invest $121m to raise the output of the plant by 40% to 280MW.

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The Peruvian Commission for the Promotion of Private Investment (COPRI) announced that it had accepted two bids for **Siderperu**, the country's largest steel company. Six other bidders pulled out leaving Asarco SA and Aceros Arequipa as the remaining bidders. The floor price for Siderperu is $106m and there is an investment commitment of $33m.

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In preparation for the privatization of **Telefonica de Peru** the government has turned over control of its 28.6% stake to Banco de Credito. The government's stake, valued at $1.4bn, is expected to be sold in the first half of the year.

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## *UWP Calls in the IMF*

Business Monitor International February 1996

**Diamond Dairy**, a money-losing milk-processing and fruit juice plant that is 59% state-owned by the government, will be privatized in June. There are also plans to sell the Mount Bentick rum distillery, in which the government owns a 90% stake. Unlike Diamond Dairy, Mount Bentick is profitable.

## *LIAT Privatization Deal Finished*

Business Monitor International January 1996

The government has sold a 29% stake in **Leeward Islands Air Transport**, a regional commuter airline, to BWIA, an airline based in Trinidad that was recently privatized. The government of Antigua and a consortium of five other Caribbean governments have also acquired shares.

## *Bank Stake Sold to Consortium*

US/Latin Trade February 1996

The consortium Consorcio Investock has acquired 80% of state-owned **Banco de Guayana**. The remaining 20% will remain in the hands of Banco de Guayana.

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## *Privatization Speeded Up*

Business Monitor International January 1996

Privatization efforts in Venezuela are expected to accelerate in 1996. **Banco Popular** will be the first sale of the year. The state also plans to sell **Fesilven**, the ferro-silicon company. There are also expectations for the divestment of state-owned electricity companies including **Enelbar, Enelven**, and **Enelco**. The sale of the cement firm **Cemento Andino** and the country's major port authority, **Puertos del Litoral Central** are also planned.

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The government of Venezuela expects to divest itself of the final stake in the telephone company **CANTV**. The government sold a 40% stake of the company's stock for $1.88bn to the VenWorld consortium in November 1991. The government plans to raise about $2.5bn from the final sale.

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Privatization efforts in Venezuela are expected to accelerate and raise about $6bn in revenues in 1996-97. The state will divest of the heavy industry holding company **Corporacion Venezolana de Guyana** (CVG), including the state-owned steel company **Sidor**, bauxite mining company **Bauxilum**, carbon anode producer **Carbonorca** and smelters **Alcasa** and **Venalum**, along with the region's largest thermoelectric generating plant, **Planto Centro**.

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## *Solly Wins Sidor*

Project Finance International January 31, 1996

The Venezuelan Investment Fund announced that its privatization of steel company **Siderurgica del Orinoco** (Sidor) and iron company **Ferro Silicio de Venezuela** (Fesilven), both subsidiaries of the natural resources conglomerate Corporacion Venezolana de Guyana, will be advised by Salomon Brothers. There is still no timetable for the privatizations.

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## *Buy-Out Offer at Top Nickel Plant*

Financial Times February 3, 1996

The management of **Norilsk Nikel**, the world's largest nickel producer, is attempting to raise $170.1m to buy back the 38% stake in the firm that was acquired by Oneximbank in Russia's controversial loans for shares privatization program.

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## *Communists to Profit From Painful Transition*

Financial Times December 11, 1995

Russia sold 5% of **Lukoil**, its biggest oil company, for $35m to a consortium which includes Lukoil management. The sale strengthened the perception that the Russian government privatization practices favor insiders.

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## *Economic Reform Unscathed by Election*

Eastern European Monitor February 1996

**Rosgosstrakh**, the national insurance conglomerate, may soon undergo consolidation, after which it may be offered up for privatization before the end of the year.

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## *Italian Group Denies Russian Telecom Deal is Off*

Financial Times December 28, 1995

## *A Long-Distance Call*

Financial Times December 14, 1995

Stet, the Italian state-owned telecoms group, announced that it is still interested in acquiring a 25% stake in the Russian telephone company, **Svyazinvest**. The Russian government, however, refuses to accept Stet's conditions for the completion of the acquisition.

Italy's state-owned telecoms holding company, Stet, agreed to pay $630m for a 25% stake in Russia's newly-created telecommunications company, **Svyazinvest**. Stet also committed to investing $770m in new telecommunications infrastructure. The Russian government expects additional capital from the sale of a further 24% of Svyazinvest shares to international investors next year.

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## *Russian Bank Wins Control of Oil Giant*

Financial Times December 10, 1995

The powerful Russian bank Menatep gained control of **Yukos**, the country's third biggest commercial oil company. The bank agreed to lend the government $159m in return for managing a 45% state share holding in Yukos until next year, but it is expected to attain full ownership thereafter. Menatep also acquired an additional 33% through an investment tender in which it pledged to invest $150.1m.

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## *Energy Blockage Threatens Budget*

Eastern European Monitor January 1996

Spurred by public protests over the course of reform, parliament has put oil and gas firms on the list of state-owned companies exempt from privatization. The action may reduce revenue from oil distribution sales already in progress and contradicts plans to trade debts to **Gazprom** for shares in the downstream gas industry.

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# South Africa

South Africa is experiencing a gradual move towards privatization spurred by the realities of the state's economy. Although the privatization process has been slow, and political pressures abound, the government is moving forward focusing on the restructuring and reorganization of public enterprises and state assets. In 1991, the post-apartheid government of South Africa, under political pressure, delayed the privatization program and contemplated the nationalization of state assets. In April of 1994, however, South Africa's political landscape changed momentously after its first all-race elections were held. The government's new perceptions of the role of privatization have marked the course for further advancement in 1996.

## Motivation

The economy has shown signs of recovery since its earlier contractions due in part to trepidation over the elections. South Africa's foreign debt has been greatly reduced from 43% of GDP in 1985 to 14% in 1993. Yet the South African government is still faced with overcoming inherited economic constraints in the midst of rapid political changes. The budget deficit in the year to March 1995 was 6.4% of GDP, falling short of the targeted 5.6%. GDP grew at 3% in 1995, about half of the minimum needed to provide jobs for the 40% of the workforce that is unemployed. South Africa's total public debt accelerated to about 55% of GDP in 1995 and economists warn that in the absence of both reductions in the budget deficit and a debt-repayment program the debt to GDP ratio could reach 80% by 1998. The state's debt-service burden currently absorbs 25% of state revenues and the government spends six times more a year on servicing debt than it does on the politically crucial Reconstruction and Development Program (RDP). However, the Old Mutual, South Africa's largest financial institution, estimates that privatization revenues could generate in excess of $50bn over the next five to ten years. As financial worries increase the government is likely to speed up the sale of state assets, albeit with much caution and discretion.

## Privatization Environment

### *Opposition to Privatization*

There is considerable resistance to privatization, both among South Africa's labor rank-and-file as well as their rather politicized union organizations. Moreover, the ANC was elected as part of an alliance with trade unions which are strongly opposed to any sell-offs by the state. The unions believe that the state-owned enterprises should be used to benefit the underprivileged with jobs. The Congress of South African Trade Unions has lobbied against all of the government's proposed privatizations and many politicians are also averse to privatization.

The government has sought to assuage the fears of those opposing privatization by categorizing the sale of partial stakes in SOEs as restructuring, and by conducting extensive studies and programs of public consultation with the goal of gathering views on the future of state enterprises. Thus far the

government has been unable to reach any agreement in terms of establishing concrete privatization laws.

*The Consensus Framework*

The ANC endorsed the government's privatization policy in 1994 and decided to use the proceeds of privatization to repay debt and to finance the RDP. Privatization revenues will be used as a fiscal tool as well as a means for raising the status of disadvantaged communities. Plans for the restructuring of state enterprises were announced in 1995. The following considerations have been stated:

- privatization must serve the objectives of the RDP, ensure a net benefit to the economy, and promote growth;
- proceeds from the sale of state assets should not be used to finance the budget deficit, but to reduce debt and thereby lower the burden of interest payments;
- if state enterprises are privatized they must be done within a regulatory mechanism that doesn't add to the state's bureaucracy;
- any sell-off would have to provide jobs and spread wealth to disadvantaged communities. This eliminates the outright sale of any enterprise, especially to foreigners to whom the government fears losing control;
- joint ventures and partnerships may be possible if they merge the expertise of foreign companies with the empowerment of local black businessmen and attract technology and investment;
- the government is likely to maintain a controlling interest in privatized entities in order to ensure that socio-economic priorities are not left behind;
- private investors taking over state assets will have to conform with the state's labor, environmental, and safety standards;
- the government will dispose fully of those assets that have no role in the state sector, while parastatals that provide a more improved socio-economic service as a government arm will remain in the public sector.

## Privatization and South African Capital Markets

The Johannesburg Stock Exchange (JSE) in South Africa was the best performing emerging stock market outside of Latin America in 1994, and has more than tripled its capitalization since 1992. It is expected that South Africa's stock market will play an increased role in future privatization if the parliament legislates the changes it is considering which would relax restrictions on foreign participation and ownership of stock brokerages, allow corporate membership, and encourage the entry of first-time investors. South Africa's privatization program is still in its early stages, with the focus not on divestiture but on reconstruction, therefore IPOs of SOEs are not likely to occur soon.

## Transaction Activity

South Africa had a limited record of privatizations before the delay in its program in 1991. In 1989 Iscor, the country's largest iron and steel company, was sold in a public offering for about $1bn. In

1990 National Sorghum Breweries was sold for about $10m, with 100% divested through private placement to black interests and individuals.

In 1993 two cellular licenses were awarded to private investors. The government also sold a controlling stake in South African Micro-Electronic Systems (Sames), South Africa's sole producer of integrated circuits in 1995.

Currently, a cabinet committee is trying to identify potential buyers for the first three government offerings, regional carriers Sun Air, Transkei Air, and Autonet, the state road transportation company most likely to occur through public offerings. Engen, South Africa's largest oil company, will transfer all of its oil and gas assets to form Africa's first international oil exploration and production company. The new company will be listed on the JSE. The sale of six commercial, regional radio stations owned by the South African Broadcasting Corporation (SABC) is also planned. The shares will be offered to private operators and is expected to raise $55m. Despite much speculation the privatization of Eskom, which produces over 95% of South Africa's electricity and supplies over 50% of total electricity produced in all of Africa, is not a likely candidate in the foreseeable future. While distribution, transmission, and generation will probably not be privatized soon, some of Eskom's non-core activities may be open for consideration.

The most attractive candidates for privatization are the state-owned telephone company Telkom and South African Airways. The government has previously vacillated in its position towards these privatizations and is unlikely to sell more than a portion of their total equity. Yet, revenue from foreign investment in these two companies is essential to fulfilling the state's ambitious reconstruction plans.

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96 pp.

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95/12
6 pp.

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23 pp.

C:MOR/SAU.13
Selected Materials on Morocco
Al Saulniers
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William L. Megginson
Robert C. Nash
Matthias Van Randenborgh
94/06
50 pp.

I:PRI/BEL
Sharing the Wealth
Stuart Bell
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31 pp.

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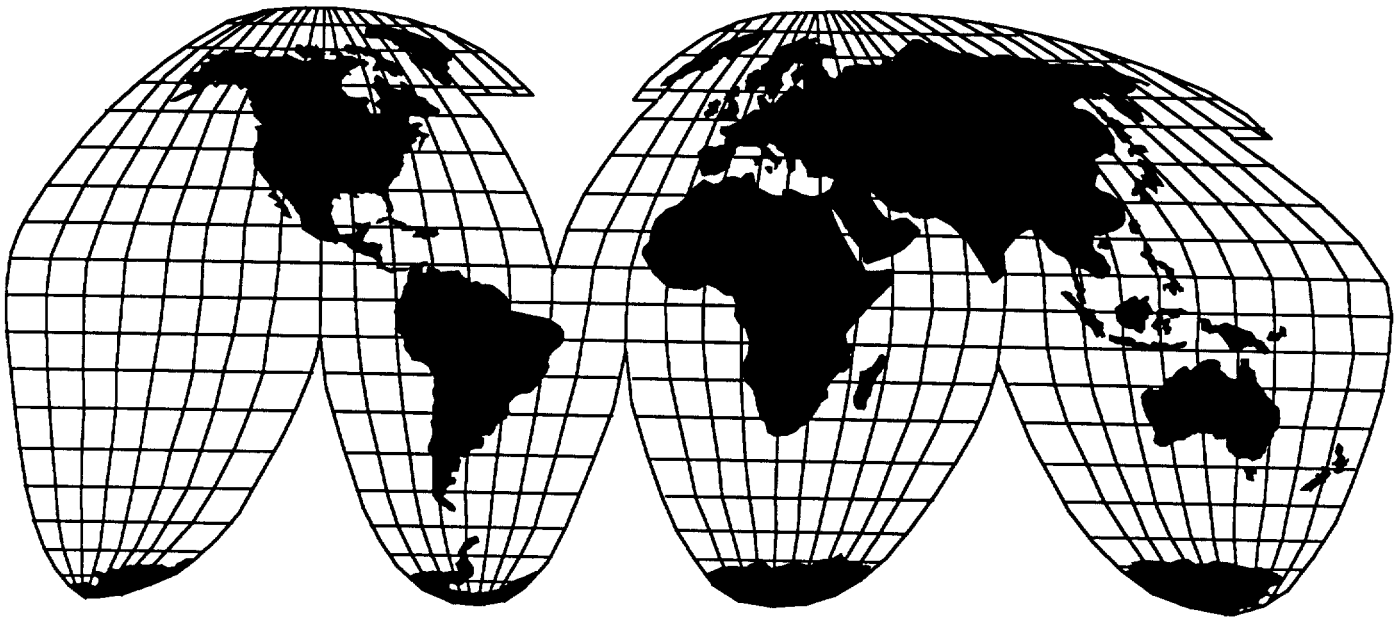
# Worldwide Transactions Database Report

*Volume II*



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International Privatization Group

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# Worldwide Transactions Database Records

**Sorted by**

- **Region**
- **Country**
- **State-Owned Enterprise**
- **Year**
- **Activity Date**

# Africa and the Middle East

## Algeria

**water resources and related services**

**Activity Date:** 1996

A law passed in December allows municipalities in Algeria to contract out the management of **water resources** and **related services**. A local company has taken control of the water resources in Touggourt and Ouargla and other municipalities are expected to follow their lead.

**Headline:** Water Management to Be Privatized

**Source:** *Middle East Economic Digest February 9, 1996*

## Angola

**coffee production**

**Activity Date:** 1 1996

According to the Angolan state secretary for the coffee industry, **coffee production** will be fully privatized in 1996.

**Headline:** Watch For ...

**Source:** *Business Africa February 1-15, 1996*

## Bahrain

**Bahrain Aluminium Extrusion Company**

**Activity Date:** 12 1995

The government of Bahrain sold its remaining 21% stake in the **Bahrain Aluminium Extrusion Company** to the Stock Exchange and Investment Company for $5.3m.

**Headline:** In Brief

**Source:** *Middle East Economic Digest January 19, 1996*

**General Trading and Food Processing Company (Trafco)**

**Activity Date:** 1 1994

The government of Bahrain has sold off its 20% holding in the largest local food company, **General Trading and Food Processing Company (Trafco).** The 5.5 million shares worth BD3.9 million ($10.3 million) were placed on the stock exchange for a period of 5 days.

**Headline:** News--Bahrain--In Brief

**Source:** *Middle Eastern Economic Digest January 28, 1994*

**Gulf Air**

**Activity Date:** 5 1994

According to a May announcement, the Gulf Investment Corporation (GIC), Gulf Investment Bank (GIB) and Chase Manhatten will be the lead strategic advisors on the public equity offering of **Gulf Air**. The airline is equally owned by the governments of Bahrain, Qatar, Oman, and Abu Dhabi. The privatization of Gulf Air has been repeatedly postponed since 1991, when it was first proposed.

**Headline:** Banks Secure Gulf Air Privatisation Mandate

**Source:** *Middle East Economic Digest May 27, 1994*

**Tourism Projects Company**

**Activity Date:** 3 1995

The **Tourism Projects Company** (TPC) was taken over by the privately-owned Gulf Tours. The move was seen as a part of a government plan to encourage privatization, and Gulf Tours intends to upgrade many of the services provided by TPC.

**Headline:**
In Brief

**Source:**
*Middle East Economic Digest March 24, 1995*

## *Benin*

**Air Afrique**

**Activity Date:** 4 1996

The privatization of **Air Afrique** is being contemplated in Benin with a significant stake likely to be sold to United Airlines.

**Headline:**
Air Afrique "Critical"

**Source:**
*African Business March 1996*

**Bank of Africa-Benin**

**Activity Date:** 9 1993

The International Finance Corporation's Africa Enterprise Fund is to take a 5 percent equity stake, worth $314,000 in Bank of Africa-Benin, Benins largest commercial bank.

**Headline:**
UN Agencies

**Source:**
*Africa Research Bulletin*
*July 16-August15, 1993*

**National Oil Products Marketing Company (Sonacop)**

**Activity Date:** 1 1996

The workers at **National Oil Products Marketing Company** (Sonacop) rejected a proposal by the government to sell 75% of its stake in the company. Privatization of Sonacop is one of the conditions imposed on Benin by donors and lenders for the continuation of structural adjustment aid.

**Headline:**
Privatization

**Source:**
*Business Africa February 1-15, 1996*

## *Burundi*

**ONAPHA**

**Activity Date:** 7 1993

The sale of remaining shares in the state-owned pharmaceutical firm, **ONAPHA**, was suspended due to the coup. Price Waterhouse IPG conducted the valuation.

**Headline:**

**Source:**
*PW/IPG Staff*

## *Cameroon*

**macro**

**Activity Date:** 8 1994

The government of Cameroon has slated 15 parastals for privatization or liquidation following a presidential decree. These companies include: **National Railroad Company, Cameroon Airlines,** the **Cameroon Shipping Line,** the **Urban Transport Company,** the **Cameroon Development Corporation** and the **Cameroon Rubber Company**.

**Headline:**
What's New in Your Sector: Cameroon

**Source:**
*Business Africa August 1-31, 1994*

## *Cape Verde*

**Hotel Mar**

**Activity Date:** 5 1993

Price Waterhouse IPG conducted the valuation for **Hotel Mar**, which operates two of Cape Verde's most prominent hotels. The government presently owns 71%, private parties control 12%, and the remaining 17% is not yet subscribed, leaving the government in control of the company. Due to heavy debt, and anticipated high costs of refurbishment, the value was determined to be near zero, based on its negative cash flow. Assuming a number of conditions and scenarios, including various levels of debt forgiveness, its value was placed in the range of 100 to 200 million cve (about $1.5 million to $3 million). Price Waterhouse recommended, among other things, arranging for a management contract.

**Headline:**

**Source:**
*PW/IPG Staff*

## *Congo*

**Agence Transcongolaise de Communications**

**Activity Date:** 1996

Within the next year, the government plans to privatize the **Agence Transcongolaise de Communications**, which operates the river port at Brazzaville, the ocean port at Pointe-Noire, water and electric utilities, and the telecommunications branch of the state post and telecommunications bureau.

**Headline:**
Congo

**Source:**
*Business Africa February 1-15, 1996*

**Banque Commerciale Congolaise (BCC)**

**Activity Date:** 10 1993

The Congolese government plans to privatize the biggest banking establishment in the country, **Banque Commerciale Congolaise** (BCC), in which the state has a 60% stake. The bank employs more than 600 people and accounted for 55% of the national market before it was closed in November 1992 due to enormous losses and the lack of funds. Its branches remain open only to pay salaries of civil servants and employees of state or private companies. The union representing BCC employees is opposed to the privatization plans on social grounds. The French Development Fund (CFD) has set aside CFA4 billion ($13.6 million) to support the BCC restructuring program. Crédit Lyonnais of France, which already owns 20%, has renewed negotiations with the government about taking over BCC.

It was reported in October that parliament would soon review legislation which would permit the government to sell off its 60% share.

**Headline:**
Banque Commerciale Congolaise (BCC)

**Source:**
*Africa Research Bulletin August 16-September 15, 1993*

### Elf-Congo and Agip-Congo

**Activity Date:** 6 1995

It was reported in June that the government of the Congo had sold its stake in two joint ventures with foreign oil producers. The sale of the government's shares in **Elf-Congo** and **Agip-Congo** raised $50m. The government was forced to sell in order to pay workers of the Congo Confederated Union who were on strike following 14 months of pay arrears. The sale was also undertaken as part of a program to reduce government involvement in the economy.

**Headline:**
Oil Producers Privatized...

**Source:**
*Business Africa June 1-15, 1995*

### HYDRO-CONGO and CORAF

**Activity Date:** 1 1996

The Government of the Republic of Congo has announced plans to privatize **HYDRO-CONGO** and **CORAF**, the state-owned companies that oversee Congo's petroleum sector. The closing date to submit proposals is January 20, 1996.

**Headline:**
Republic of Congo

**Source:**
*Financial Times December 29, 1995*

## *Cote d'Ivoire*

### Air Ivoire

**Activity Date:** 10 1995

The government has announced plans to privatize the national airline, **Air Ivoire**, in 1997. The airline provides domestic and regional flight service.

**Headline:**
What's New in Your Sector

**Source:**
*Business Africa October 16-31, 1995*

### BIAO-Cote d'Ivoire Bank

**Activity Date:** 4 1996

The government plans to sell an 80% stake in **BIAO-Cote d'Ivoire**. A 30% stake will be offered to Ivorian businesses, 25% to financial and institutional investors, 10% to small investors, and 5% to employees.

**Headline:**
Banking

**Source:**
*Business Africa April 1, 1996*

### CAPRAL - Nestle

**Activity Date:** 4 1993

In a government communique dated April 17, it was reported that CAISTAB, the Ivorian agricultural product fund, would sell off its 15.75% share in CAPRAL-Nestle, a local producer of coffee and cocoa drink products. CAPRAL-Nestle has a capital valuation of CFA 3.6 billion.

**Headline:**
Privatisation Plan

**Source:**
*Africa Research Bulletin April 16, 1993*

### Cavally Rubber Plantation

**Activity Date:** 4 1996

A 75% stake in **Cavally Rubber Plantation** was sold to Britain's Commonwealth Development Corporation (CDC) for $5.12m. A 23% stake will go to Ivorian investors, and employees will take the remaining 2%.

**Headline:**
Privatization

**Source:**
*Business Africa April 1, 1996*

## CI-Telcom

**Activity Date:** 7 1995

The government of Cote d'Ivoire has announced plans to privatize 15 state-owned enterprises by the end of the year. Forty of the 58 companies originally slated for privatization, including the **Palmindustrie** palm oil group will remain unsold. One company, **CI-Telecom**, the state telecommunications company, will offer 10% of its shares to private investors. The government intends to retain its 35% stake, while a majority ownership of 51% will be sold to a telecoms multinational that already holds shares in the company. The remaining 4% stake will be offered to employees.

**Headline:**
Privatisation of the Ivorian Telecoms Company Later This Year

**Source:**
*Business Africa July 16-31, 1995*

**Activity Date:** 9 1995

Cote d'Ivoire's state-owned telecommunications company, **CI-Telcom**, is to be privatized by "ceding" a 55% stake to a buyer for an initial period of seven to ten years. A 12% stake will be offered to employees and to Ivorian investors, reducing the government's stake to 35% from 98%.

The country's largest private company, Sifcom, is expected to bid with France Telecom for a stake in the company which has a projected turnover of $160m for this year and an estimated value of $8m. The government will likely reduce its 98% holding to at least 30%.

**Headline:**
What's New in Your Sector

**Source:**
*Business Africa October 16-31, 1995*

## Cosmivoire

**Activity Date:** 4 1993

In a government communique dated April 17, it was reported that the Ivorian government would sell off its 30% stake in **Cosmivoire**, a manufacturer and marketer of beauty products and food products with CFA 720 million in capital. The sale of the state's equity will be reserved for the Ivorian private investors who already hold the remaining 70% of Cosmivoire's equity.

**Headline:**
Privatisation Plan

**Source:**
*Africa Research Bulletin April 16, 1993*

## Elf-Oil

**Activity Date:** 4 1993

In a government communiques dated April 17, it was reported that the National Ivorian Oil Company (PETROCI) will sell off its 50.05% stake in the state-owned Elf-Oil, valued at CFA 511 million. Elf-Oil is 49.95% owned by Elf-Aquitaine of France.

**Headline:**
Privatisation Plan

**Source:**
*Africa Research Bulletin 4/16/93*

## Filtisac

**Activity Date:** 4 1994

**Filtisac**, Côte d'Ivoire's major bag and packaging material manufacturer, was privatized via a public offering in April. The share price was set at a relatively cheap CFA 17,500 ($30.64) to allow the participation of small investors. The offer was reportedly oversubscribed, raising CFA 903 million ($1.6 million) for the government. The transaction was viewed as extremely successful since it was directed exclusively to Ivoirien investors. Filtisac is a leading supplier to the country's large cocoa and coffee industries, with annual sales of CFA 10.5 billion ($18.4 million) and 1300 employees. The transaction moved ownership of the company into the hands of 2300 individual investors, with the Aga Khan Fund for Economic Development (AKFED), the International Finance Corporation (IFC), and the French bilateral development agency (Proparco) taking institutional shares.

**Headline:**
Packaging Firm Moves Into Private Hands

**Source:**
*African Business April 1994*

## Hotel Ivoire

**Activity Date:** 10 1995

In Cote d'Ivoire, international hotel groups have been invited to tender for the **Hotel Ivoire**. A minimum investment of $22m for renovations is required of the winning bidder. The hotel is currently managed by Intercontinental Hotels.

**Headline:**
What's New in Your Sector

**Source:**
*Business Africa October 16-31, 1995*

## Ivorian Railway Company (SICF)

**Activity Date:** 10 1993

The government announced its plans to sell two-thirds of the **Ivorian Railway Company** to the private sector. The remaining 23% will be divided among the government (5%), Burkina Faso (15%) and railway employees (3%). The managing director of the state-owned company, Abdel Aziz Thiam, said discussions on the divestiture are in progress and are expected to be implemented by mid-1994. Management of the railway will also be transferred to the private sector.

The privatization of the railway was decided in 1979 following the break-up of the regional railway jointly owned by the government, Burkina Faso and Niger. The government currently owes the company CFA 5,000 ($17 million). After the privatization, the private sector will operate the line from Abidjan to Kaya in Burkina Faso, while the rail infrastructure and rolling stock will remain the property of ther member states whose national companies will in turn lease them to the operating firm.

**Headline:**
Roads and Railways

**Source:**
*Africa Research Bulletin August 16-September 15, 1993*

## Novalim-Nestle

**Activity Date:** 4 1993

In a government communique dated April 17, it was reported that CAISTAB, the Ivorian agricultural product fund, would sell off its 7.8% share in Novalim-Nestle, a local marketer of cocoa products, to CAPRAL-Nestle. Novalim-Nestle has a capital valuation of CFA 2.8 billion, and is also owned by Nestle (79%) and Maggi (13%).

**Headline:**
Privatisation Plan

**Source:**
*Africa Research Bulletin April 16, 1993*

## Palmindustrie

**Activity Date:** 1995

The government of Cote d'Ivoire announced plans to privatize 15 state-owned enterprises by the end of the year. Forty of the original list of 58 state-owned enterprises slated for privatization are still left to be sold to investors., including **Palmindustrie** palm oil group, which will be broken up into 5 regional companies. Among the firms on the current list, **CI-Telcom,** the state telecommunications company, will be offering 10% of its shares to private investors. The government intends to retain its 35% stake, while a majority ownership of 51% will be sold to a telecoms multinational that already holds some shares. The remaining 4% stake will be offered to employees.

**Headline:**
Privatisation of the Ivorian Telecoms Company Later This Year

**Source:**
*Business Africa July 16-31, 1995*

**Activity Date:** 10 1995

The government of Cote d'Ivoire will privatize the agro-processing business, **Palmindustrie**, on a piecemeal basis. The company, which has a turnover of $90m, will be divided into five companies owning the palm oil plantations and oil mills. The government will retain a 20% stake in each of these companies. The company's coconut plantations will be controlled by another group of six operators.

**Headline:**
What's New in Your Sector

**Source:**
*Business Africa October 16-31, 1995*

## Shell-Cote d'Ivoire

**Activity Date:** 4 1993

In a government communiques dated April 17, it was reported that the National Ivorian Oil Company (PETROCI) will sell off its 50% stake in the state-owned Shell-Cote d'Ivoire, valued at CFA 1.8 billion. Shell-Cote d'Ivoire is half owned by Shell Petroleum.

**Headline:** Privatisation Plan

**Source:** *Africa Research Bulletin 4/16/93*

**Activity Date:** 5 1995

The government of Cote d'Ivoire is planning to sell 30% of its stake in the Royal Dutch/Shell-Cote d'Ivoire joint venture. The Shell group will receive 14% of the shares bringing their total holdings to 64%, another 14% will be offered to shareholders and the employees will receive 2%. The government will retain a 20% stake.

**Headline:** Privatisation: Cote d'Ivoire

**Source:** *Business Africa May 16-31, 1995*

**Activity Date:** 9 1995

The government's sale of a 30% stake in the joint venture, **Shell-CI**, was oversubscribed. Shell International's stake has increased to 64% from 50%, and the government's stake has been reduced to 20% from 50%. An additional 2% was sold to Shell employees and 14% was offered to the public.

**Headline:** Privatisation Round-Up

**Source:** *Business Africa September 1-15, 1995*

## Sicable

**Activity Date:** 4 1993

In a government communique dated April 17, it was reported that the Ivorian government would sell off its 35% stake in Sicable, a manufacturer of insulated electric cables with CFA 740 million in capital. The remaining shares are held by Pirelli of Italy (51%) and Ivorian private investors (14%).

**Headline:** Privatisation Plan

**Source:** *Africa Research Bulletin April 16, 1993*

## Societe Agricole et Industrielle de Bettie

**Activity Date:** 6 1995

The government of Cote d'Ivoire has announced the recent sale of the **Societe Agricole et Industrielle de Bettie** rubber plantation and factory. A 70% stake in the company, which had a turnover of $3m in 1994, was purchased by UK-based Eurofund for $8.8m. The company's management will retain 20% of the shares and the employees 10%. The company, which has 2,600 hectares of land for rubber production, also processes raw rubber for small scale producers. This sale follows the February sale of a 60% stake in the country's largest rubber producer, Societe de Caoutchoucs de Grand Bereby, to a Belgian/Ivorian group for $34m.

**Headline:** Sale Agreed

**Source:** *Business Africa June 16-30, 1995*

## Societe des Caoutchoucs de Grand-Bereby

**Activity Date:** 10 1994

The government of Cote d'Ivoire in October called for bids on a 51 to 60% stake in the country's largest rubber plantation, **Societe des Caoutchoucs de Grand-Bereby (SOGB)**. The government currently holds a 95% stake in the company and is planning to divest a second 15-24% stake through a public offering in the Abidjan Stock Exchange following completion of the first round. The government will retain a 20% stake in the company whose annual production of 30,000 metric tons is valued at $28 million. The French tire group Michelin currently holds the remaining 5% of shares and has management control over the 35,000 hectare estate.

**Headline:** Privatisation-Cote d'Ivoire

**Source:** *Business Africa October 16-31, 1994*

**Activity Date:** 2 1995

In February, the government of Cote d'Ivoire authorized the privatization of its largest rubber plantation, **Societe des**

1995

In February, the government of Cote d'Ivoire authorized the privatization of its largest rubber plantation, **Societe des Caoutchoucs.** Socfinal-Koffy, a consortium of local and Luxembourg based investors, has purchased a 60% stake in the rubber plantation, valuing the company at $34m. The government will retain a 20% stake, Michelin of France will retain 5% and 15% will be sold to the plantation's employees. The plantation has 13,400 hectares dedicated to rubber production and a plant capable of processing 30,000 tons per year.

**Headline:**
The Ivory Coast Relinquishes Control of its Biggest Rubber Plantation

**Source:**
*Financial Times February 16, 1995*

**Activity Date:** 10 1995

The sale of a 20% stake (432,000 shares) in Cote d'Ivoire's state-owned rubber producer, **Societe des Caoutchoucs de Grand-Bereby** (SOGB), will be completed on October 13. The shares will be offered to the public at a price of $16.66 each. The government's holding will be reduced to 14.8%, the French company, Michelin, has a 5% stake, and a Belgo-Ivorian firm owns the remaining 60% which it purchased in a February 1994 share offering.

**Headline:**
Privatisation

**Source:**
*Business Africa October 1-15, 1995*

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**Societe Ivoirienne de Fabrication de Lubrifiants (SIFAL)**

**Activity Date:** 4 1993

In a government communique dated April 17, it was reported that the National Ivorian Oil Company (PETROCI) will sell off its 30% stake in the state-owned Ivorian Lubricant Manufacturing Company (SIFAL), valued at CFA 140 million. SIFAL is also owned by Shell (20%), Elf (20%), Total (15%), and Mobil (15%).

**Headline:**
Privatisation Plan

**Source:**
*Africa Research Bulletin April 16, 1993*

**Activity Date:** 5 1995

The Ivoirian government has also announced that it plans to sell two thirds of its 30% stake in **Societe Ivoirienne de Fabrication de Lubrificants** (SIFAL), a distributor of lubricants. The employees will receive 2% of the shares and the two current shareholders, Shell and Mobile, will split 18%.

**Headline:**
Privatisation: Cote d'Ivoire

**Source:**
*Business Africa May 16-31, 1995*

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**Societe Ivoirienne de Transports Maritime (Sitram)**

**Activity Date:** 5 1995

The government of Cote d'Ivoire is planning to sell the national shipping line, **Societe Ivoirienne de Transport Maritime** (Sitram), by the end of the year. The company has debts of $91.6m and only 2 vessels, which are currently detained in Europe due to unpaid bills. The company will be restructured and renamed La Nouvelle Sitram, prior to its sale.

**Headline:**
Privatisation: Cote d'Ivoire

**Source:**
*Business Africa May 16-31, 1995*

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**Societe Multinational de Bitume (SMB)**

**Activity Date:** 12 1995

Cote d'Ivoire's state-owned bitumen company, **Societe Multinational de Bitume** (SMB), has been partially privatized, including the sale of 20.9% of its equity in a domestic initial public offering. The government has reduced its stake from 91.9% to 20%.

**Headline:**
Privatization

**Source:**
*Business Africa December 1-31, 1995*

### The Tuna Cannery, PFCI

**Activity Date:** 4 1993

In a government communique dated April 17, it was reported that the Ivorian government would sell off its 18% stake in The Tuna Cannery, PFCI, which has CFA 250 million in capital. Other shareholders are French private investors (66%) and Ivorian private investors (16%).

**Headline:**
Privatisation Plan

**Source:**
*Africa Research Bulletin April 16, 1993*

## *Egypt*

### Al-Ahram Beverages

**Activity Date:** 4 1994

In April, the Egyptian state-owned Holding Company for Housing, Tourism and Cinema announced plans to privatize **Al-Ahram Beverages Company**. The holding company called for offers from a principal investor to take a controlling interest and directly manage the firm. Al-Ahram produces and distributes alcoholic and non-alcoholic beverages. July 14th is the closing date for offers.

**Headline:**
Government Speeds Up Pace of Privatization

**Source:**
*Middle East Economic Digest April 15, 1994*

**Activity Date:** 8 1994

The Egyptian government announced in August that it had received over 20 bids for **Al-Ahram Beverages Company**, the country's only brewer. The company is among 10 companies that have been offered for quick sale under the privatization programme.

**Headline:**
Egypt: In Brief

**Source:**
*Middle East Economic Digest August 5, 1994*

**Activity Date:** 1996

The Egyptian privatization program is likely to advance in 1996 with the opening of two technical offers for a majority stake in **Al-Ahram Beverages**, Egypt's sole beer producer. The bidders are a partnership of the Egyptian Finance Company and Al-Ahly, and a public sector group headed by National Bank of Egypt and Misr Insurance Company. Both groups hope to acquire 90% of the company, with 10% of the shares held by workers.

The Egyptian Holding Company for Housing, Tourism and Hotels was due to open bids on February 1 for the sale of a majority stake in beer producer **Al-Ahram Beverages**.

**Headline:**
Egypt and Morocco Set the Pace for 1996

**Source:**
*Middle East Economic Digest January 12, 1996*

**Activity Date:** 1996

Egypt is expected to accellerate its privatization program with the sale of the state-owned monopoly beer producer, **Al Ahram Beverages Company**. Strategic investors are being sought for this privatization.

**Headline:**
Egyptians Get Serious About Economic Reform

**Source:**
*Financial Times March 7, 1996*

### Alexandria Portland Cement Company

**Activity Date:** 1 1995

The third offering of shares in the **Alexandria Portland Cement Company** was scheduled for December 27 to January 5. A total of 165,000 shares will be offered, 15,000 of which are designated for employees. A share price of $94 has been established and individuals will be limited to a purchase of 100 shares while institutions and mutual funds are limited to 2,000 shares. The government hopes to avoid the massive oversubscription that has occurred in other sales. The company had reported profits of $9.3m by June 1994 on sales of $37.7m. Current production is 750,000 tonnes per year.

**Headline:**
Alexandria Cement Shares go on Sale

**Source:**
*Middle East Economic Digest January 6, 1995*

## Amereya Cement Company

**Activity Date:** 7 1994

It was revealed in December 1993 that the privatization of **Amereya Cement Company** was being negotiated with Investments & Securities Group of Egypt and Bankers Trust of the US. The firm, presently controlled by the Holding Company for Mining, Building Materials & Refactories, produces 2.3 million tons of cement annually from its two plants. Egypt's total output is roughly 16 million tons per year.

The government of Egypt plans to float 2 million shares in Ameriyan Cement Company at the end of July.

**Headline:**
ISG/Bankers Trust to Prepare Cement Firm for Sale

**Source:**
*Middle East Economic Digest December 10, 1993*

**Activity Date:** 8 1994

An August announcement by Egypt's Holding Company for Metallurgical Industries said that beginning August 1st, 2 million shares in the **Amreya Cement Company** will be offered to the general public at a fixed price of $7.95 per share. The sale is expected to be the second largest sale on the Cairo stock exchange since last year's $116 million sale of shares in Commercial International Bank. The maximum nuber of shares that an individual may purchase is 5,000. The shares represent a 10% stake in the company which is predicting a net profit of $29.5 million for the 1993/94 financial year. Shares may be offered to institutions later this year.

**Headline:**
Egypt: In Brief

**Source:**
*Middle East Economic Digest August 5, 1994*

## Beni Suef Cement Company

**Activity Date:** 10 1994

The Holding Company for Mining and Refractories announced in October that it had postponed the closing date for bids on the **Beni Suef Cement Company** until November 5. A group of local contracting companies is reportedly putting together a bid for the company.

**Headline:**
In Brief

**Source:**
*Middle East Economic Digest October 7, 1994*

## Cairo Meridien

**Activity Date:** 9 1992

In September 1992, the Cairo Meridien, a luxury state-owned hotel, was privatized through a private offering. The hotel was sold to individual investors, primarily from Saudi Arabia. Citibank of the US and Coopers & Lybrand of the US provided valuation assistance in the deal.

**Headline:**

**Source:**
*PI/9/'92*

## Cairo Sheraton

**Activity Date:** 9 1992

In September 1992, it was announced that the **Cairo Sheraton**, one of Egypt's superior state-owned luxury hotels, is to be privatized. According to Fouad Sultan, the Minister of Tourism and Civil Aviation, 60% of the authorized shares in the hotel will be floated on the Egyptian stock exchanges. "Anchor" investors will hold on to the remaining 40% of the shares. A state holding company, the Egyptian Organization for Tourism and Hotels (Egoth) presently owns the Sheraton hotel. The hotel is on a fully developed site to reduce the hindrance on small investors. The Cairo Sheraton is included in the first hotel package to be privatized, and is expected to encourage future sales in other hotels and sectors. The World Bank is financing the study of the evaluation of the assets of the hotel. The valuation is being carried out by Citibank of the US and Coopers & Lybrand.

**Headline:**

**Source:**
*PI/9/'92*

**Activity Date:** 8 1993

The Egyptian General Company for Tourism and Hotels (EGOTH) announced the tender for sale of the **Cairo Sheraton Hotel, Towers & Casino** in August. Written requests for an information memorandum and other bid documents are to be sent to Misr Iran Development Bank in Giza, Egypt. Bids are due on

and other bid documents are to be sent to Misr Iran Development Bank in Giza, Egypt. Bids are due on October 4, 1993. Salomon Brothers International Limited is acting as the financial co-advisor.

**Headline:** Cairo Sheraton Hotel

**Source:** *Financial Times August 31, 1993*

**Activity Date:** 7 1994

Cairo has announced that it will restart the bidding process for the **Cairo Sheraton hotel.** The transaction is being reinitiated after the leading bid by the Korean group was withdrawn and the only other bid from a group of Arab investors was deemed unacceptable. The five star hotel has 547 rooms, 113 suites, a casino, and it covers 95,000 square meters. Misr Iran Development Bank is acting as financial advisor. The new bid is set to close on January 30,1994.

The general assembly of the Holding Company for Housing, Tourism & Cinema will convene on July 20 to discuss approval of the privatization of Cairo Sheraton hotel. The sale would include transfer of the hotel's ownership from Egyptian General Company for Tourism and Hotels (Egoth). Egoth will retain a 58% stake, while the holding company will retain 2% and 40% will go to the Arab Investment Company for Development and Tourism(AICDT). AICDT originally proposed to pay about $147 million for an 80% share in the hotel. However, a reduction took place due to financing problems. Following the sale, Egoth plans to further divest its shares to an individual buyer or through floating shares on the stock exchange.

**Headline:** News--Egypt--More Bids Sought For Cairo Sheraton

**Source:** *Middle East Economic Digest January 28, 1994*

**Activity Date:** 8 1994

According to an August announcement, the Arab Investment Company for Touristic Development has purchased a 40 percent share in the 547 room **Cairo Sheraton Hotel** for $70 million. The agreement, approved by the Egyptian General Company for Tourism and Hotels, a subsidiary of the Holding Company for Housing, Tourism and Cinema, includes provisions enabling the company to gradually increase its shares in the hotel.

**Headline:** Egypt: In Brief

**Source:** *Middle East Economic Digest August 5, 1994*

**Activity Date:** 1995

The **Cairo Sheraton Hotel** was sold for $147m to a newly established company that is 70% owned by the Arab Investment Company for Development & Tourism (AICDT). The remaining shares in the hotel are held by the Egyptian General Company for Tourism and Hotels (Egoth). The Cairo Sheraton Hotel, one of three hotels originally slated for privatization by the government, is the only one that has been sold. This is AICDT's second major investment in Egypt following its previous acquisition of a 48% stake in Victoria United Hotels in 1991.

**Headline:** Cairo Sheraton Sale Finalized

**Source:** *Middle East Economic Digest June 2, 1995*

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**Cement Companies**

**Activity Date:** 3 1994

The Public Enterprise Sector Minister of Egypt identified four profitable cement companies to be privatized in March 1994: **Helwan Portland Cement Company, Tora Cement Company, Ameriya Cement Company,** and **Asyut Cement Company**. Financial statements on these companies will be released prior to the flotation of 10% of their shares on local stock exchanges.

**Headline:** News

**Source:** *Middle East Economic Digest February 18, 1994*

**Commercial International Bank (CIB)**

**Activity Date:** 9 1993

Only four days after the September 15 launch of the public offer to buy 1.5 million new shares in Commercial International Bank of Egypt, subscription has been overwhelmingly successful. The early response to the offer, which remains open until September 23, shows that it will be heavily oversubscribed. On September 15, the number of subscribers was 3,000 indicating an active participation of small investors. The bank expects to raise $116 million from the issue, making it Egypt's largest single share offering ever. The International Finance Corporation, the largest bidder in the deal, bid for 200,000 shares, and the Riyadh-based Arab Investment Company bid for 160,000 shares priced at $78 each. The minimum subscription was 10 shares. In the process, the stake of the state-owned National Bank of Egypt in CIB will fall from 70 percent to 43 percent.

**Headline:**
CIB Share Issue Goes With a Bang

**Source:**
*Middle Eastern Economic Digest September 24, 1993*

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**Development Industrial Bank**

**Activity Date:** 1 1994

In January, it was announced that the Central Bank of Egypt is leaning towards privatizing the **Development Industrial Bank** to boost capital enabling it to play a more proper role in financing the major industrial projects that Egypt needs.

**Headline:**
News--Egypt--In Brief

**Source:**
*Middle Eastern Economic Digest January 28,1 994*

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**Eastern Company**

**Activity Date:** 1995

**Eastern Company**, Egypt's state-owned cigarette manufacturer, will sell 10% of its equity through a public offering. The sale of the 2.5 million shares is expected to have a minimum value of $29.4m.

**Headline:**
In Brief

**Source:**
*Middle East Economic Digest June 2, 1995*

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**Egyptian Bottling Company**

**Activity Date:** 12 1993

The venture led by Pepsi-Cola of the US was successful in its bid to acquire the state-owned **Egyptian Bottling Company**. The Egyptian Holding Company for Food Industries approved the move, and a special session of the holding firm's general assembly was to be held December 16 to give the final OK. Egyptian Bottling was valued at $46 million by the holding company. Pepsi owns 60% of the consortium purchasing the bottling enterprise which includes Egyptian Alkhan (20%) and Saudi AS Bugshan & Brothers (20%). The venture is called Alkhan Bugshan Investments, and its partners agreed to retain existing employees for an unspecified period, distribute shares to the work force, and offer 30% of the venture's equity on the stock market. Egyptian Bottling has eight plants around the country and produces 22 million cases of Pepsi annually. The venture is considering moving the firm into the canning industry.

**Headline:**
Pepsi Bid Accepted

**Source:**
*Middle Eastern Economic Digest December 24, 1993*

## Egyptian Electic Cables Corporation

**Activity Date:** 1995

900,000 shares of the **Egyptian Electric Cables Company** were offered in a public offering that began on February 23. The shares were offered at a price of $26.50 each and of the 900,000 shares offered, one-third were reserved for employee purchase. The remainder were available to the public in blocks of 50 or 100 shares, and mutual fund groups were permitted to buy larger numbers after receiving permission. The sale was expected to raise $23.8m. In 1993-94, the company made $10.4m on sales of $94.5m, and 12% of its volume was taken up by exports.

**Headline:**
Egypt Starts a Series of Sales for 1995

**Source:**
*Privatization International March 1995*

## Egyptian Electricity Authority

**Activity Date:** 12 1995

The **Egyptian Electricity Authority** plans to build three power plants via build-operate-transfer (BOT) arrangements. Six consultants prequalified in a December 14 bid for the contract to draw up the terms of reference for the first Egyptian BOT power stations. The consultants included Rust Kennedy & Donkin, Price Waterhouse, Lahmeyer International, K&M Engineering & Consulting Corporation, Stone & Webster Engineering Corporation, and Burnd & McKenzie. The Egyptian government has announced it is in favor of privatizing power distribution companies.

**Headline:**
Consultants Bid for BOT Power Projects

**Source:**
*Middle East Economic Digest December 22, 1995*

## Egyptian Free Shops

**Activity Date:** 4 1994

In April, the Egyptian state-owned Holding Company for Housing, Tourism and Cinema announced plans to privatize **Egyptian Free Shops**. The holding company is called for offers for a principal investor to take a controlling interest and directly manage the firm. Egyptian Free Shops is the major duty-free shop in the country with fourteen warehouses and a large distribution network. August 31st is the closing date for offers.

**Headline:**
Government Speeds Up Pace of Privatization

**Source:**
*Middle East Economic Digest April 15, 1994*

## Egyptian Vineyard Company

**Activity Date:** 4 1994

In April, the Egyptian state-owned Holding Company for Housing, Tourism and Cinema announced plans to privatize **Egyptian Vineyards Company**. The holding company is called for offers for a principal investor to take a controlling interest and directly manage the firm. Egyptian Vineyards is the country's only wine producer. July 31st is the closing date for offers.

**Headline:**
Government Speeds Up Pace of Privatization

**Source:**
*Middle East Economic Digest April 15, 1994*

## El-Nasr Automotive Manufacturing Company (NASCO)

**Activity Date:** 8 1994

In August, the chairman of Engineering Industries Company announced that the response to bids for the privatization of **El-Nasr Automotive Manufacturing Company** has been less than enthusiastic. To date, only one firm offer has been made by Italy's Iveco which currently has a licensing agreement with NASCO for the production of trucks and buses.

**Headline:**
Egypt: In Brief

**Source:**
*Middle East Economic Digest August 12, 1994*

## El-Nasr Bottling Company

**Activity Date:** 12 1993

It was reported on November 29, 1993 that the Egyptian state-owned **El-Nasar Bottling Company** was sold to Mak for Investments for approximately $95 million. The sale of El-Nasr will be the first transaction to be completed under the government's new privatization phase. The sale will be formalized once the terms have been approved by the Holding Company for Food Industries, the Egyptian holding company which presently controls El-Nasr. The Mak bid also included a promise to invest approximately $149 million in upgrading the plant over the next ten years. Mak will also be in consultation with Coca-Cola International of the US regarding operational procedures, licensing, and franchising.

**Headline:**
Sale of Coca-Cola Bottler Goes Through

**Source:**
*Middle Eastern Economic Digest December 10, 1993*

## El-Nasr Garments & Textiles Company (KABO)

**Activity Date:** 2 1995

A privatization public offering of 100,000 shares in Kabo, a state-owned clothing manufacturer was 25% to 50% oversubscribed in one day of business. The highest bidders will receive all the shares they requested at the bidding price. The **Kabo** offering was the first of its kind in the Egyptian privatization program.

The share price was set at $59 following the rapid increase in share value from a previous sale of 5,000 shares at $31 each. The sale of the 100,000 shares represents a 6.5% stake in the state-owned enterprise. The company, whose net profit exceeded $6m on a turnover of $27.6m, will be sold in its entirety to the private sector, after which it is expected that its operations will be expanded substantially.

**Headline:**
Egypt Sell-off Oversubscribed

**Source:**
*Financial Times February 10, 1995*

**Activity Date:** 5 1995

A public offering of 100,000 shares in **Kabo**, a state-owned clothing manufacturer, was 25% to 50% oversubscribed in one day of business. The highest bidders received all the shares they requested at the bidding price. The Kabo offering was the first of its kind in the Egyptian privatization program.

The Public Enterprise Ministry is considering a proposal to privatize the remaining public sector stake in the El-Naser Garments & Textiles Company (Kabo). The plan would implement the privatization in stages. In the first stage, a steering committee would produce a detailed business plan and propose a stock option scheme to existing management.

**Headline:**
Egypt Sell-off Oversubscribed

**Source:**
*Financial Times February 10, 1995*

## Extracted Oils and Derivatives

**Activity Date:** 4 1995

Shares for Egypt's **Extracted Oils and Derivatives**, offered at a price of $13 each, were eleven times oversubscribed.

**Headline:**
Cairo

**Source:**
*Financial Times April 19, 1995*

## Greater Cairo Electicity Distribution Company

**Activity Date:** 6 1994

The **Greater Cairo Electricity Distribution Company** announced on June 26 the offering of its shares to the public in the first privatization of an Egyptian utility company. The first step of the privatization was the establishment of an employee shareholders' association, representing 16,000 employees, that will hold 10% of the company's shares. The government has agreed to sell the block of shares to employees at a 20% discount.

**Headline:**
In Brief: Egypt

**Source:**
*Middle East Economic Digest July 8, 1994*

## Helwan Portland Cement Company

**Activity Date:** 3 1994

The Egyptian government plans to float shares in **Helwan Portland Cement Company** at the end of March 1994. Authorities expect to raise $37 million from the sale. The state holding company will retain at least 55 percent of the stock, and plans to transfer some of the funds from the offering to the company's reserves. Helwan reported profits of $9.7 million in 1993 with production of 2.8 million tons. The purpose of the sale is to achieve a financial restructuring of the cement company in order to help increase production and invest in anti-pollution equipment. National Bank of Egypt is advising of the issue of the shares. The company's modernization is backed by international donors, including the World Bank.

**Headline:**
Cement Company Share Issues Go Ahead

**Source:**
*Middle East Economic Digest March 18, 1993*

**Activity Date:** 11 1995

The government of Egypt sold a 10% stake in **Helwan Portland Cement Company**, the country's second largest cement producer via flotation. The offer opened at $10 per share with domestic and foreign investors purchasing all available shares. The Egyptian Financial Group is advising Helwan's holding company.

Helwan's two day flotation closed seven times oversubscribed, with the 500,000 shares set aside for the public at $10 per share receiving the strongest demand. Another 1 million shares were allocated to mutual funds and financial institutions. Misr Exterior Bank arranged the offering.

**Headline:**
News Round-Up Egypt

**Source:**
*Financial Times November 6, 1995*

## Holding Company for Electric Power Distribution &

**Activity Date:** 1995

Distribution companies affiliated with Egypt's **Holding Company for Electric Power Distribution & Construction** will be sold via public offering.

**Headline:**
BOT Power Projects Take Shape

**Source:**
*Middle East Economic Digest April 14, 1995*

## Hurghada Sheraton

**Activity Date:** 9 1992

In September 1992, the Hurghada Sheraton, a luxury state-owned hotel, was privatized through a private offering. The hotel was sold to individual investors, primarily from Saudi Arabia. Citibank of the US and Coopers & Lybrand of the US provided valuation assistance in the deal.

**Headline:**

**Source:**
*PI/9/'92*

## Luxor Sheraton

**Activity Date:** 9 1992

In September 1992, it was announced that the Luxor Sheraton, one of Egypt's superior state-owned luxury hotels, is to be privatized. According to Fouad Sultan, the Minister of Tourism and Civil Aviation, 60% of the authorized shares in the hotel will be floated on the stock exchanges in the country. "Anchor" investors will hold on to the remaining 40% of the shares. A state holding company, the Egyptian Organization for Tourism and Hotels (Egoth) presently owns the Sheraton hotel. The hotel is on a fully developed site to reduce the hindrance on small investors. The Luxor Sheraton is included in the first hotel package to be privatized, and is expected to encourage future sales in other hotels and sectors. The World Bank is financing the study of the evaluation of the assets of the hotel. The valuation is being carried out by Citibank of the US and Coopers & Lybrand. The privatization of state-owned enterprises in Egypt is expected to cover the $45 billion in government assets.

**Headline:**

**Source:**
*PI/9/'92*

**macro**

**Activity Date:** 1994

The Egyptian government in June announced that without a significant rise in private investment and more progress in the slow moving privatization programme, that the goal of higher economic growth would be difficult to achieve. The economic reform programme threatens to be derailed by the huge liquidity surplus in the banking system. The liquidity surplus, roughly 4,400 million Egyptain pounds, is the result of the strong movement of funds into Egyptian pounds, attracted by a large interest rate differential favouring the local currency. The key to absorbing the excess liquidity is the introduction of new financial instruments into the market. Included among these instruments are long-term treasury bonds, corporate bonds and shares in privatized companies. Purchase of these instruments will be either conducted directly or through participation in investment funds.

**Headline:** Clouds loom over reform programme

**Source:** *Middle East Economic Digest June 3, 1994*

**Activity Date:** 1994

The Egyptian securities market, in the months leading up to June, has experienced a revival following the implementation of law 95 by an appointed board of the Capital Market Authority (CMA) in early 1994. The law, originally passed in 1992, provides a regulatory framework for securities and offers tax exemptions on income from equities and bonds. It is expected to provide a boost to the privatization process, which has seen only a few companies offer shares, as companies seeking to qualify for the full tax exemptions must have at least 150 shareholders and 30% of capital raised by public subscription. Many companies are expected to consider going public as a means of taking advantage of the new tax breaks.

**Headline:** Progress, but still a long way to go

**Source:** *Middle East Economic Digest June 3, 1994*

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**North Cairo Flour Mills Company**

**Activity Date:** 1995

Egypt's Food Industries Holding Company is planning to sell 600,000 shares in the **North Cairo Flour Mills Company**. The shares, equal to 10% of the company's equity, will be offered for $12.40 each.

**Headline:** In Brief

**Source:** *Middle East Economic Digest June 2, 1995*

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**Paints and Chemical Industries**

**Activity Date:** 7 1994

The government of Egypt plans to float 250,000 shares in **Paints and Chemicals Industries** at the end of July.

**Headline:** In Brief: Egypt

**Source:** *Middle East Economic Digest July 15, 1994*

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**Semiramis Hotels Company**

**Activity Date:** 3 1996

Investors have been invited to bid for the public sector stakes in three leading hotel companies including a 28.87% stake of the **Semiramis Hotels Company**, a 12.5% stake of the **Taba Tourism Development Company**, and a 25.3% stake of the **Ismailiya Tourism Company**. The closing date for bids is March 5. Commercial International Bank and its affiliate Commercial International Investment Company are advising on the sale.

**Headline:** In Brief

**Source:** *Middle East Economic Digest February 16, 1996*

## Sheraton Floating Hotels Group

**Activity Date:** 9 1992

In September 1992, it was announced that the Sheraton Floating Hotels, one of Egypt's superior state-owned luxury hotels, is to be privatized. According to Fouad Sultan, the Minister of Tourism and Civil Aviation, 60% of the authorized shares in the hotel will be floated on the stock exchanges in the country. "Anchor" investors will hold on to the remaining 40% of the shares. A state holding company, the Egyptian Organization for Tourism and Hotels (Egoth) presently owns the Sheraton hotel. The hotel is on a fully developed site to reduce the hindrance on small investors. The Sheraton Floating Hotels is included in the first hotel package to be privatized, and is expected to encourage future sales in other hotels and sectors. The World Bank is financing the study of the evaluation of the assets of the hotel. The valuation is being carried out by Citibank of the US and Coopers & Lybrand. The privatization of state-owned enterprises in Egypt is expected to cover the $45 billion in government assets.

**Headline:**

**Source:**
*PI/9/'92*

## Suez Cement Company, El-Nasr Bottling, Egyptian

**Activity Date:** 10 1993

The decision on the privatization of the **Suez Cement Company** and the two firms that bottle Pepsi and Coca-Cola have not been realized because of the uncertainty surrounding President Mubarak 's plans to appoint a new cabinet. According to Cairo observers, Suez Cement Company is likely to go to a rebid because of the authority's inability to reach a decision with regard to the unidentified Saudi investor's offer submitted in August. The investor offered to buy most of the 38.5 percent stake advertised for sale at a price of $5.40 a share. The market value of Suez Cement shares is about $6.70. The slowdown in closing the deal was due to the reluctance of prospective vendors--state-owned cement companies, banks and insurance companies-- to make a substantive decision, which, in turn, results from uncertainty about their jobs. Similar considerations are reported to be holding up the sales of **El-Nasr Bottling Comapany** and **Egyptian Bottling Company**, which produce Coca-Cola and Pepsi, respectively. MAK for Investments submitted the highest bid for the former, ahead of Coca-Cola International of the US. Pepsi-Cola International quoted the highest price for Egyptian Bottling.

**Headline:**
Privatisation Deals Held Up By Political Uncertainty

**Source:**
*Middle Eastern Economic Digest October 15, 1993*

## The Aswan Oberoi Hotel

**Activity Date:** 8 1993

The Egyptian General Company for Tourism and Hotels (EGOTH) announced the sale and commencement of formal bidding for the Aswan Oberoi Hotel. It is a five star hotel, with 180 rooms, 10 cabanas, 38 suites, and 8 villas, located on Elephantine Island near Central Aswan Egypt. The bids are due on Thursday, 21 of October, 1993. Advisers for sale are the Export Development Bank of Egypt and Merill Lynch International Limited.

**Headline:**
Invitation for Bids

**Source:**
*The Wall Street Journal August 4, 1993*

**The Egyptian Vineyards Company**

**Activity Date:** 9 1993

As part of the privatization program the Housing, Tourism and Cinema Company, a state-owned Egyptian joint stock holding company, offered for sale a majority interest of at least 60% of its affiliate, the Egyptian Vineyards Company. The company owns four plants in Gianacils and Alexandria and two production facilities in Matrouh and about 5000 acres of agriculture land. It produces grapes, natural and industrial wines and spirits, dried fruits, pickled olives, olive oil, pressed dates and carbonated grape juice. Total sales in 1992 amounted to about 40 million Egyptian Pounds (approximately $12 million). The Holding Company has offered to sell 180,000 shares of the 300,000 shares outstanding of Egyptian Vineyards Co. Bids are due on Thursday, October 14, 1993. Bank of Alexandria serves as a financial adviser to the owner.

**Headline:**
Invitation to Bid

**Source:**
*Financial Times September 24, 1993*

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**The Shepheards Hotel and Casino**

**Activity Date:** 8 1993

The Egyptian government announced the tender for sale of the Shepheards Hotel and Casino in August. The Shepheards Hotel and Casino is a 332-room, five-star hotel located on the Nile River in Cairo, Egypt. Written requests for an information memorandum and other bid documents are to be sent to either the Export Development Bank of Egypt or Merrill Lynch International Limited. Bids are due on October 28, 1993. Merrill Lynch International Limited is acting as the financial co-advisor to the Export Development Bank of Egypt (EDBE).

**Headline:**
The Shepheards Hotel and Casino

**Source:**
*Financial Times August 31, 1993*

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**Torah Portland Cement Company**

**Activity Date:** 3 1994

The Egyptian government plans to float shares in **Torah Portland Cement Company** in the end of March 1994. Authorities expect to raise $46 million from the sale. The state holding company will retain at least 55 percent of the stock, and plans to transfer some of the funds from the offering to the company's reserves. Helwan reported profits of $7.2 million in 1993 with production of 2.8 million tonnes. The purpose of the sale is to achieve a financial restructuring of the cement company in order to help increase production and invest in anti-pollution equipment. National Bank of Egypt is advising of the issue of the shares. The company's modernization is backed by international donors, including the World Bank.

**Headline:**
Cement Company Share Issues Go Ahead

**Source:**
*Middle East Economic Digest March 18, 1993*

**Activity Date:** 12 1994

It was reported in December that the recent offering of 2.98 million shares in **Torah Portland Cement Company** was oversubscribed by 38%. The initial offer was for 2.98 million shares at $8.60 per share, however, in light of the heavy demand, the Holding Company for Mining & Refractories and the National Bank of Egypt have decided to offer the additional shares bringing the final sale to 3.3 million shares at a price of $9.10 each. The National Bank of Egypt served as the investment advisor for the transaction.

**Headline:**
In Brief

**Source:**
*Middle East Economic Digest December 23, 1994*

**White Goods Factory**

**Activity Date:** 9 1993

El-Nasr Company for Electrical and Electronic Apparatus, a joint stock company, which is half-owned by the Egyptian government, and half by the Dutch "Philips" Orient B.V. , has offered for sale the White Goods Factory. The factory is located about 60 Km southwest of Alexandria at Borg Al Arab. It produces refrigerators and washing machines presently under the trademark "Philips", which expires upon sale. The factory enjoys a tax holiday until the year 2001. As of December 31, 1992, the total assets amounted to about 43 million Egyptian Pounds ($12.8 million). The bids are due on Thursday, October 14, 1993. Financial advisor to the owner is the Bank of Alexandria.

**Headline:**
Invitation to Bid

**Source:**
*Financial Times September 24, 1993*

## *Gambia*

**Gambia Produce Marketing Board (GPMB)**

**Activity Date:** 7 1993

In January 1992, Price Waterhouse/International Privatization Group conducted an assessment of the prospects and constraints for the privatization of the the **Gambia Produce Marketing Board**. A complete business review and valuation was completed in July 1992. Consequently, a new limited liability stock company, Gambia Oilseed Processing and Marketing Company (GOPMAC), was created with the core assets of GPMB, but free of all encumbrances, liens, and debts.

Negotiations between the government and an informal joint venture between the Gambia Cooperative Union (GCU) and Alimenta S.A. of Switzerland concluded in July 1993 when it was agreed that GOPMAC would sell for 20 million Delasi (about $2 million) to be paid over two years, with a down payment of 6 million Delasi due in the first six months. Alimenta subsequently dropped GCU as its JV partner when it became clear that GCU could not fulfill its financial commitments.

No conditions placed on the terms of the transaction were made available. For example, it was assumed that the high labor redundancy of the new company, the Gambia Groundnuts Corporation (GCC), would initially result in significant job displacement, and that none of 350 employees would be guaranteed of keeping their jobs. Despite this, the government expects that the new owners will be able to revitalize the groundnut industry, a mainstay of the Gambian economy.

**Headline:**

**Source:**
*PW/IPG Staff*

**The Gambia Utility Corporation**

**Activity Date:** 9 1993

Franco-Danish consortium Management Services took over the **Gambia Utility Corporation** and its management for a ten year period. The first action taken by the new management was to dismiss 270 of the 720 company's employees.

**Headline:**
Electricity Privatization

**Source:**
*African Research Bulletin July 16-August 15, 1993*

## *Ghana*

**Accra Brewery**

**Activity Date:** 2 1994

The government of Ghana solds all of its holdings in seven companies including **Accra Brewery** on February 22, 1994. The total value of the offers is estimated at $25 million. Shares from each firm were transferred to two international fund management companies, Databank Brokerage of Ghana and Blakeney Management of London. The shares offered varied in size from 18% to 40%.

**Headline:**
Ghana Sells Stakes in Seven Companies

**Source:**
*Financial Times February 23, 1994*

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**Achimota Brewery Company**

**Activity Date:** 7 1993

Ghana's **Achimota Brewery Company** will be rehabilitated and privatized, with the assistance of a $3.5 million IFC loan and $1 million equity investment. The total cost of the project, which is being sponsored by Germany's Holsten Brauerei AG, will be $24.5 million. This sale represents the largest non-mining privatization in Ghana to date. ABC plans to increase its annual production from 54,000 to 250,000 hectolitres by 1977, and it is also to diversify into the production of soft drinks.

**Headline:**
IFC Finances Achimota Brewery

**Source:**
*Project Finance International July 23, 1993*

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**African Timber and Plywood**

**Activity Date:** 7 1993

The Divestiture Implementation Committee (DIC) of Ghana solicited bids in July for African Timber and Plywood, located in the Samreboi rain forest. The plant was rehabilitated in 1988 and has a capacity of 192,000 cubic meters per year. The deadline for the receipt of bids is September 30, 1993. The DIC will consider any bid method, but prefers methods that promote the development of the Ghana Stock Exchange.

**Headline:**
Some State Enterprises for Sale in Ghana

**Source:**
*Financial Times July 29, 1993*

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**Akwatia diamond mine**

**Activity Date:** 5 1994

The government of Ghana plans to privatize 80% of the **Akwatia diamond mine**, with a completion date set for September 1995. A joint venture agreement was signed in 1993 with South Africa's DeBeers and Lazarre Kaplan. The project will be pre-financed by De Beers until a $1.25 million loan for working capital from Barclays Bank is approved along with a $2.6 million grant for equipment from Caisse Francaise de Developpement.

**Headline:**
Mining

**Source:**
*Business Africa May 16-31,1994*

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**Aluworks Ltd.**

**Activity Date:** 10 1995

In Ghana, the government is planning to offer 1.5 million shares, a 60% stake, in **Aluworks Ltd**. Shares in the company, which produces aluminum rolled sheets, will be traded on the Ghana Stock Exchange beginning next year.

**Headline:**
What's New in Your Sector

**Source:**
*Business Africa October 16-31, 1995*

**Ashanti Goldfields Corporation**

**Activity Date:** 5 1993

The Finance Minister revealed in late June that although he has not ruled out selling a 20-25% share in the state-owned mining concern **Ashanti Goldfields Corporation** through a public share offer, a private offering seemed more likely. He did say that a small portion of the company would be floated on the Ghanan stock exchange. This privatization is expected to raise nearly $100 million, although, the firm is conservatively valued at over $500 million. The government presently owns 55% of Ashanti, while the remainder is held by Lonrho PLC of the U.K.

In an announcement in September, the Ghanan government revealed plans to seek a London listing for Ashanti in 1994, which could value the company at up to $604 million. In this plan, the government would reduce its holdings to below 30%. Lonrho expects to retain operational and managerial control of the company.

**Headline:**
Company Roundup Business Africa

**Source:**
*Africa Research Bulletin August 16, 1993*

**Activity Date:** 3 1994

Ghana's parliament has ratified the agreement of the partial sale of **Ashanti Goldfields Company** (AGC) one of the largest and richest gold mines. The sale should now go ahead with a 20% stake offered on the London stock exchange and a 5% sale on the domestic market. The government expects to raise between $250-300 million on the sale, with proceeds going for development projects. AGC is currently 55% state owned, with the remaining 45% held by the Lonrho corporation of Britian. The government and Lonrho have entered into an agreement stating that neither will seek to increase their percentage holding after the flotation. Ashanti is a keystone of the Ghanaian economy, as 35% of export earnings come from gold. Ashanti currently operates at a profit and has recently received a 30 year license from the government to continue digging.

**Headline:**
Ghanian Goldfield Stake Sale Ratified

**Source:**
*The Financial Times March 10, 1994*

**Activity Date:** 4 1994

As of April the Ghanaian government raised more than $400 million by selling nearly half of its 55% stake in the gold mining industry **Ashanti Goldfields Company (AGC).** Of the 25% equity sold on the Accra stock exchange, 5% (2.8 m shares at $17-20 per share) was offered directly to resident and non-resident Ghanaian investors; 18% (17.4 m shares) was offered to major international institutions particularly in the US and Britain; and 2% (1.2 m shares) is scheduled to be offered at a fixed price beginning on May 17th and closing June 24th to individual Ghanaian residents and those in other countries.

An agreement to convert government liabilities to public-sector workers into Ashanti shares virtually ensured the success of AGC's stock market offering. A complex transaction, the offer included two flotations on the Ghanaian exchange and one in London. The government of Ghana owes employees backpay and termination benefits. About $15-20 million worth of shares have been created through conversion, while $18-25 million have been purchased in conventional fashion. The stock offer was open to nearly 100,000 workers which helped widen the base of investors in AGC. Although the public offer is worth only 3% of the firm, it is valued at 10% of total bank liquidity in Ghana. Many dealers are happy with the outcome of the deal as the sale represents a strenuous demand on public savings in Ghana.

**Headline:**
Finding a New Focus

**Source:**
*Business Africa April 1-15, 1994*

**Activity Date:** 6 1994

Shares in **Ashanti Goldfields Corporation**, sold on the Ghanan Stock Exchange, were traded at a premium 15% above the initial $20 share price in June. During a second offer of shares, 1.4% was reserved for Ghanaians only and priced at $20 per share.

**Headline:**
Mining: Ghana

**Source:**
*Business Africa June 1-15, 1994*

**Activity Date:** 2 1996

The Ghanaian government sold 5.1 million shares, which represent a 6.2% stake, in the **Ashanti Goldfields** for $112.2m.

1996

$112.2m.

**Headline:**
What's New in Your Sector

**Source:**
*Business Africa February 16-29, 1996*

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**Cocoa Processing Company (CPC)**

**Activity Date:** 12 1995

The German company Pontania is expected to take over Ghana's state-owned **Cocoa Processing Company** (CPC) after bidding $21bn. The government of Ghana will retain a partial stake in CPC.

**Headline:**
Privatization

**Source:**
*Business Africa December 1-31,1995*

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**Equity Insurance**

**Activity Date:** 2 1994

The government of Ghana solds all of its holdings in seven companies including **Equity Insurance** on February 22, 1994. The total value of the offers is estimated at $25 million. Shares from each firm were transferred to two international fund management companies, Databank Brokerage of Ghana and Blakeney Management of London. The shares offered varied in size from 18% to 40%.

**Headline:**
Ghana Sells Stakes in Seven Companies

**Source:**
*Financial Times February 23, 1994*

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**Ghana Airways**

**Activity Date:** 7 1993

The Divestiture Implementation Committee (DIC) of Ghana announced in July its intention to privatize Ghana Airways, one of the larger West African carriers.

**Headline:**
Some State Enterprises for Sale in Ghana

**Source:**
*Financial Times July 29, 1993*

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**Ghana Commercial Bank**

**Activity Date:** 3 1993

Ghana announced in March its intention to privatize the Ghana Commercial Bank through a public offer on the Ghana Stock Exchange. The bank is currently undergoing a restructuring to make it more attractive to investors, though it has consistently performed well financially.

**Headline:**

**Source:**
*African Business 3/93*

**Activity Date:** 3 1996

The government of Ghana has announced that it will privatize the **Ghana Commercial Bank** (GCB), the country's largest bank. Shares will be floated to local and foreign buyers between February 26 and March 26.

**Headline:**
Ghana's Oldest Bank on Sale

**Source:**
*African Business March 1996*

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**Ghana Film Industry Corporation**

**Activity Date:** 10 1995

The government of Ghana has announced plans to accept bids for the sale of a majority stake in the **Ghana Film Industry Corporation**. The government will retain a 49% stake in the company which produces newsreels, documentary, feature, television and other films. The corporation also distributes and exhibits the movies. The closing date is November 10.

**Headline:**
Announcement

**Source:**
*Financial Times October 16, 1995*

## Ghana National Manganese Corporation

**Activity Date:** 7 1994

The **Ghana National Manganese Corporation** is scheduled for privatization. Interest has been expressed for purchase of majority stakes by Australia's BHP and Portman mining. The company will produce 300,000 metric tons of manganese this year.

**Headline:**
Privatisation: Ghana

**Source:**
*Business Africa July 1-15, 1994*

**Activity Date:** 11 1995

The government of Ghana sold a 90% stake in **Ghana National Manganese Corporation** (GNMC) for $4m to Elkem of Norway. Elkem is expected to invest $6m in GNMC in the next five years. The firm will be renamed the Ghana International Manganese Corporation.

**Headline:**
Privatization: Ghana

**Source:**
*Business Africa November 16, 1995*

## Ghana Posts and Telecommunications

**Activity Date:** 7 1993

The Divestiture Implementation Committee (DIC) of Ghana announced in July its intention to privatize Ghana Posts and Telecommunications. The postal service will be separated and the telecommunication operation sold off.

**Headline:**
Some State Enterprises for Sale in Ghana

**Source:**
*Financial Times July 29, 1993*

## Ghana Rubber Estates

**Activity Date:** 12 1995

The government of Ghana is privatizing the state-owned **Ghana Rubber Estates** and several international companies have submitted bids. The winning bid will be announced in January and the Ghanaian government will retain a 10% to 20% stake.

**Headline:**
Watch for...

**Source:**
*Business Africa December 1-31, 1995*

## Ghana Rubber Estates & Bonsa Tyre Factory

**Activity Date:** 7 1993

The Divestiture Implementation Committee (DIC) of Ghana solicited bids in July for Ghana Rubber Estates & Bonsa Tyre Factory, a combined enterprise which produces 40% of Ghana's rubber. The tire factory, which may be sold separately has a rated capacity of 450,000 tires per year and currently operates at 80,000 tires per year. The deadline for the receipt of bids is September 30, 1993. The DIC will consider any bid method, but is planning on reserving a minority share for listing on the Ghana Stock Exchange.

**Headline:**
Some State Enterprises for Sale in Ghana

**Source:**
*Financial Times July 29, 1993*

## Ghana Telecom

**Activity Date:** 1996

The Ministry of Transport and Communications has announced that it is accepting expressions of interest regarding a future offering of a 30% stake and management control of **Ghana Telecom**. CS First Boston and Ecobank Ghana Limited are acting as advisors.

**Headline:**
Announcement

**Source:**
*Financial Times February 5, 1996*

**Activity Date:** 3 1996

**Activity Date:** 3 1996

A 30% stake of **Ghana Telecom** will be offered to a single operator and a 21% stake to institutional investors. US multinationals AT&T and Southern Bell are the most likely candidates to acquire the company. CS First Boston and Ecobank Ghana are handling the privatization.

**Headline:**
Privatization

**Source:**
*Business Africa March 16, 1996*

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**Gihoc Pharmaceutical**

**Activity Date:** 7 1993

The Divestiture Implementation Committee (DIC) of Ghana solicited bids in July for Gihoc Pharmaceutical, a recently modernized factory with annual capacity of 1.64 billion tablets, 2 million capsules, and 5.8 million ampules. The deadline for the receipt of bids is September 30, 1993. The DIC will consider any bid method, but is planning on reserving a minority share for listing on the Ghana Stock Exchange.

**Headline:**
Some State Enterprises for Sale in Ghana

**Source:**
*Financial Times July 29, 1993*

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**Guinness Ghana**

**Activity Date:** 2 1994

The government of Ghana solds all of its holdings in seven companies including **Guinness Ghana** on February 22, 1994. The total value of the offers is estimated at $25 million. Shares from each firm were transferred to two international fund management companies, Databank Brokerage of Ghana and Blakeney Management of London. The shares offered varied in size from 18% to 40%.

**Headline:**
Ghana Sells Stakes in Seven Companies

**Source:**
*Financial Times February 23, 1994*

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**Kumasi Brewery**

**Activity Date:** 2 1994

The government of Ghana solds all of its holdings in seven companies including **Kumasi Brewery** on February 22, 1994. The total value of the offers is estimated at $25 million. Shares from each firm were transferred to two international fund management companies, Databank Brokerage of Ghana and Blakeney Management of London. The shares offered varied in size from 18% to 40%.

**Headline:**
Ghana Sells Stakes in Seven Companies

**Source:**
*Financial Times February 23, 1994*

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**Kumasi City Hotel**

**Activity Date:** 7 1993

The Divestiture Implementation Committee (DIC) of Ghana solicited bids in July for the Kumasi City Hotel, located in the center of Ghana's gold and timber producing region. The deadline for the receipt of bids is September 30, 1993. The DIC will consider any bid method, but prefers to support methods which promote the development of the Ghana Stock Exchange.

**Headline:**
Some State Enterprises for Sale in Ghana

**Source:**
*Financial Times July 29, 1993*

**macro**

**Activity Date:** 7 1994

A June announcement reported that $68 million dollars was raised through the sale of over 100 state-owned enterprises since 1988 by the government of Ghana. However, only $23 million in revenues has been recovered. Of the amount raised, $44 million is still owed to the government and another $13 million is due from the sale of 12 firms that had to be re-sold due to defaulted payments.

Bids have also been submitted for the privatization of the following companies: GIHOC Cannery, GIHO pharmaceutical, Ghana Oil Palm Development Corporation, and Tema Shipyard and Drydock Corporation.

**Headline:**
Privatisation: Ghana

**Source:**
*Business Africa July 1-15, 1994*

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**National Investment Bank**

**Activity Date:** 5 1995

The government of Ghana has announced that it plans to offer a 55% stake in the **National Investment Bank**. Shares will be available to foreign and domestic investors. The offering will be handled by the USA's Equator Investment Services, South Africa's Nedbank Investment Bank, and CAL Merchant Bank of Ghana.

**Headline:**
Financial Services: Ghana

**Source:**
*Business Africa May 16-31, 1995*

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**Pioneer Tobacco**

**Activity Date:** 2 1994

The government of Ghana solds all of its holdings in seven companies including **Pioneer Tobacco** on February 22, 1994. The total value of the offers is estimated at $25 million. Shares from each firm were transferred to two international fund management companies, Databank Brokerage of Ghana and Blakeney Management of London. The shares offered varied in size from 18% to 40%.

**Headline:**
Ghana Sells Stakes in Seven Companies

**Source:**
*Financial Times February 23, 1994*

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**Rights to privatize**

**Activity Date:** 11 1995

The government of Ghana has invited 24 private companies to bid for the **rights to privatize** nine state-owned enterprises. The Ghanan Divestiture Implementation Committee hopes that the sale of the rights to privatize will speed up the state divestiture of shipping, sugar, hotel, construction, tire, footwear, and palm oil industries. The 24 firms invited to tender include banks and consultants.

**Headline:**
Privatization: Ghana

**Source:**
*Business Africa November 16, 1995*

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**Standard & Chartered Ghana**

**Activity Date:** 2 1994

The government of Ghana solds all of its holdings in seven companies including **Standard & Chartered Ghana** on February 22, 1994. The total value of the offers is estimated at $25 million. Shares from each firm were transferred to two international fund management companies, Databank Brokerage of Ghana and Blakeney Management of London. The shares offered varied in size from 18% to 40%.

**Headline:**
Ghana Sells Stakes in Seven Companies

**Source:**
*Financial Times February 23, 1994*

**State Shipping Corporation (Black Star)**

**Activity Date:** 7 1993

The Divestiture Implementation Committee (DIC) of Ghana announced in July its intention to privatize the State Shipping Corporation (Black Star) which manages four vessels and buildings in Tema.

**Headline:**
Some State Enterprises for Sale in Ghana

**Source:**
*Financial Times July 29, 1993*

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**Tarkwa**

**Activity Date:** 8 1993

The Gold Fields of South Africa, a private South African company, has assumed control of the state-owned **Tarkwa** mine, a gold mining company of Ghana. This transaction is a first acceptance of major South African involvement in Ghana's economy.

**Headline:**
Gold Fields in Ghana

**Source:**
*Africa Research Bulletin July 16 - August 15, 1993*

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**Tema Food Complex**

**Activity Date:** 7 1993

The Divestiture Implementation Committee (DIC) of Ghana solicited bids in July for Tema Food Complex, an integrated group of food processing plants. The deadline for the receipt of bids is September 30, 1993. The DIC will consider any bid method, but is planning on reserving a minority share for listing on the Ghana Stock Exchange.

**Headline:**
Some State Enterprises for Sale in Ghana

**Source:**
*Financial Times July 29, 1993*

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**Tema Oil Refinery**

**Activity Date:** 7 1993

The Divestiture Implementation Committee (DIC) of Ghana announced in July its intention to privatize the Tema Oil Refinery, which was rehabilitated in 1988 to expand its capacity to 28,000 barrels per day.

**Headline:**
Some State Enterprises for Sale in Ghana

**Source:**
*Financial Times July 29, 1993*

**Activity Date:** 3 1996

Ghana's state-owned oil refinery, **Tema**, will be privatized after the government raises new capital to reduce the refinery's debt burden and finance its rehabilitation and expansion.

**Headline:**
Privatization

**Source:**
*Business Africa March 16, 1996*

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**Tema & Takoradi Cocoa Factories**

**Activity Date:** 7 1993

The Divestiture Implementation Committee (DIC) of Ghana announced in July its intention to privatize the Tema & Takoradi Cocoa Factories.

**Headline:**
Some State Enterprises for Sale in Ghana

**Source:**
*Financial Times July 29, 1993*

**Unilever Ghana**

**Activity Date:** 2 1994

The government of Ghana solds all of its holdings in seven companies including **Unilever Ghana** on February 22, 1994. The total value of the offers is estimated at $25 million. Shares from each firm were transferred to two international fund management companies, Databank Brokerage of Ghana and Blakeney Management of London. The shares offered varied in size from 18% to 40%.

**Headline:**
Ghana Sells Stakes in Seven Companies

**Source:**
*Financial Times February 23, 1994*

## *Guinea-Bissau*

**C.M.V.**

**Activity Date:** 1995

The Ministry of Finance of the Republic of Guinea-Bissau has invited companies and organizations to register their interest in aquiring **Socotram,** a wood processing company, **Folbi**, a laminated wood manufacturer, or **C.M.V.**, a car maintainance company, as part of the national structural adjustment program. The Ministry also announced that the **Guinave Shipyards** will be offered for sale in the near future.

**Headline:**
Announcement

**Source:**
*The Economist May 6, 1995*

**Folbi**

**Activity Date:** 1995

The Ministry of Finance of the Republic of Guinea-Bissau has invited companies and organizations to register their interest in aquiring **Socotram,** a wood processing company, **Folbi**, a laminated wood manufacturer, or **C.M.V.**, a car maintainance company, as part of the national structural adjustment program. The Ministry also announced that the **Guinave Shipyards** will be offered for sale in the near future.

**Headline:**
Announcement

**Source:**
*The Economist May 6, 1995*

**Guinave Shipyards**

**Activity Date:** 1995

The Ministry of Finance of the Republic of Guinea-Bissau has invited companies and organizations to register their interest in aquiring **Socotram,** a wood processing company, **Folbi**, a laminated wood manufacturer, or **C.M.V.**, a car maintainance company, as part of the national structural adjustment program. The Ministry also announced that the **Guinave Shipyards** will be offered for sale in the near future.

**Headline:**
Announcement

**Source:**
*The Economist May 6, 1995*

**Socotram**

**Activity Date:** 1995

The Ministry of Finance of the Republic of Guinea-Bissau has invited companies and organizations to register their interest in acquiring **Socotram,** a wood processing company, **Folbi**, a laminated wood manufacturer, or **C.M.V.**, a car maintenance company, as part of the national structural adjustment program. The Ministry also announced that the **Guinave Shipyards** will be offered for sale in the near future.

**Headline:**
Announcement

**Source:**
*The Economist May 6, 1995*

## *Israel*

## Bank Hapoalim

**Activity Date:** 6 1993

Israel successfully floated twenty percent of **Bank Hapoalim** on the Tel Aviv Stock Exchange in June. The public offering was heavily over-subscribed. This IPO was part of Israel's effort to increase competition in the banking sector by selling off some state-owned assets. In an announcement in October, the bank will offer a further 105 in secondary offerings on the Tel Aviv Stock Exchange. The planned timetable is to sell shares in the second half of November, depending on Israel's SEC. The international component has not been included into the secondary offerings.

**Headline:** International Overview

**Source:** *Privatisation International July 1993*

**Activity Date:** 10 1994

The Israeli Ministry of Finance announced in January 1994 that the government would issue the tender for sale of at least 20% of the shares of **Bank Hapoalim** before the year's end. Bank Hapoalim, Israel's largest bank, reported net profits of $90 million on assets of $36 billion. This tender was preceded by the sale of shares last year through the Tel Aviv Stock Exchange.

The sale of 20% of Bank Hapoalim is set to go by tender in October.

**Headline:** Move On Israeli Bank Shares Sell-off

**Source:** *Financial Times January 19, 1994*

**Activity Date:** 12 1995

The privatization of **Bank Hapoalim** will proceed now that two international investor groups have stated that they will still participate in bidding despite the government's insistence that the bank liquidate all of its nonfinancial assets by 1998. The government's plan calls for selling up to 40% of the bank to a strategic partner for up to $850m.

**Headline:** Way Cleared for Bank Hapoalim Privatization

**Source:** *Financial Times December 15, 1995*

**Activity Date:** 4 1996

**Bank Hapoalim**, Israel's largest and most profitable bank, is in the process of privatization. The sale of a controlling stake to an international consortium of investors is expected later this year. The Renaissance Group, comprising the Bronfman family of Canada, the US investment bank, and international financier Mr. George Soros, is expected to be awarded a controlling stake of between 20% and 40%, worth between $400m and $850m. The bank has had to divest some of its non-financial holdings, totalling 25% of its $2.16bn equity, in anticipation of the privatization.

**Headline:** Bank Hapoalim Registers Record Profit for Year

**Source:** *Financial Times April 2, 1996*

## Bank Leumi

**Activity Date:** 8 1993

On August 12 the Israeli government announced the sale of 20% of the nation's second largest bank **Bank Leumi**. The government expects to collect between $298 million and $386 million. It is expected that the sale of Bank Leumi will be heavily oversubscribed.

Indeed, the sale of 20% was 200 times oversubscribed. This response, however, partly reflects the rules under which offers are currently made in Israel, namely a tender process with a price cap and an obligation to allocate shares pro rata to applications. In an announcement in October, the bank will offer a further 10% in secondary offerings on the Tel Aviv Stock Exchange. The shares are planned to be sold in the second half of November.

**Headline:** Israel to Sell 20% of Bank Leumi Stake

**Source:** *Financial Times August 13, 1993*

**Activity Date:** 2 1994

The Israeli Ministry of Finance announced in January 1994 that the government would issue the tender for sale of at least 20% of the shares of **Bank Leumi** within a month. Bank Leumi reported net profits of $76 million on assets of $28 billion. This tender was preceded by the sale of shares last year through the Tel Aviv Stock Exchange.

On February 1st, the MI Holdings opened the tender for the sale of between 20% and 40% in the bank, saying that foreign and local investors would have until April to submit bids and a $20 million deposit. Following a sale of shares last year, the government now owns about 73%, while the public and bank employees together own about 23%.

The original owners, Jewish Colonial Trust, still owns almost 5%.

**Headline:**
Move On Israeli Bank Shares Sell-off

**Source:**
*Financial Times January 19, 1994*

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**Bank Mizrahi**

**Activity Date:** 10 1993

There are 7 consortia expressing interest in buying a stake (between 26% and 51%) in **Bank Mizrahi.** Expressions of interest were due by September 14. The plan is to offer a majority of the bank by tender before moving to a public offer. The next stage for potential bidders for Bank Mizrahi is to gain the approval of the central bank, discuss with MI Holdings the exact shape of a purchase agreement and examine the confidential information which will be made available to them. Full bids are likely to be invited around the beginning of the new year, either from all seven or from a shorter list of qualifiers. The book value of Mizrahi is about $350 million, though the market value is likely to be considerably higher.

**Headline:**
Israeli Issues

**Source:**
*Privatisation International October 1993*

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**Bezeq**

**Activity Date:** 1995

Merrill Lynch, the US-based global investment house, will lead a global stock offering for 25% of **Bezeq**, the state-owned telecommunications firm. The offering, expected in June or July, is worth up to $650m and will be Israel's biggest equity issue. Bezeq is the flagship of the Israeli privatization program and could stimulate US and European investment in Israeli companies. The offer will reduce the government's holding to 51% and the money raised will be used to pay Bezeq's debt to the government. The company reported revenues of $93.7m in 1993.

**Headline:**
Merrill Lynch Leads Offer for Israeli Telecoms Group Bezeq

**Source:**
*Financial Times February 17, 1995*

**Activity Date:** 1995

**Bezeq**, Israel's state-owned telecommunications company, is seeking to clarify its relationship with the UK's Cable and Wireless (C&W) after C&W made a controversial purchase of a 10% stake in the company. Bezeq is concerned that C&W's strong position in the firm will deter other telecommunications firms from seeking a role as Bezeq's strategic partner. But, C&W has stated that its ownership in Bezeq will not interfere with the privatization of the company. The Israeli government wants to secure an agreement with C&W so that a 25% global share offering and search for a strategic partner can go ahead as planned.

**Headline:**
Bezeq Seeks to Clarify Relationship with C & W

**Source:**
*Financial Times June 21, 1995*

**Activity Date:** 1996

Several large privatizations are expected for Israel this year including the telephone monopoly, **Bezeq** and **Zim Israel Shipping** through the Tel Aviv Stock Exchange. Some American securities firms have set up offices in Israel in anticipation of increased business.

**Headline:**
High-Tech Trade

**Source:**
*Financial Times February 1, 1996*

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**Cross Israel Highway, Ltd**

**Activity Date:** 3 1996

The state of Israel has invited interested parties to participate in an international prequalification procedure for the selection of a company or a consortium to finance, design, construct, operate, and maintain the **Cross Israel Highway**. Responses should be submitted no later than March 28, 1996.

**Headline:**
The State Of Israel Issues An Invitation

**Source:**
*Financial Times December 7, 1995*

## Cross Israel Toll Road

**Activity Date:** 3 1996

Israel has invited companies to prequalify for the first stage of the **Cross Israel Toll Road**. Application prequalifications for phase one are due by the end of March.

**Headline:** Cross Israel Toll Road Tendered

**Source:** *Middle East Economic Digest December 22, 1995*

## El Al

**Activity Date:** 5 1994

The Israeli government is expected to announce plans to partially privatize **El Al**, the national airline, through a stock market flotation of about 51%. The finance ministry has appointed two consortia of advisors including Barclay de Zoete Wedd, the UK investment bank. The final selling price will be determined following a secondary valuation. Israel's privatization rules require the government to seek a second opinion on the value of state-owned enterprises.

**Headline:** Israel May Float 51% of El Al

**Source:** *Financial Times May 18, 1994*

**Activity Date:** 6 1994

An announcement in June indicated that a 51% stake in **El Al**, the national airline, would be targeted for privatization by the end of the year as part of the Israeli government's privatization agenda. The remaining 49% of El Al is scheduled for privatization at a later date. The planned sale of the airline is a reflection of the progress of the government's privatization plans. Future sales will include divestiture of the government's holding in the main banks, estimated to raise $1 billion for the year.

El Al will be relinquished of a 13 year receivership in October, upon which its shares will be sold on the Tel Aviv stock exchange in the form of public offerings and later on foreign stock exchange markets. The state will be offered a "golden share" in the airline to protect vital interests, such as maintaining flights to and from Israel when those routes are not serviced by other airlines.

The airline, despite a bleak financial history, earned approximately $10 million in net profits on revenues in excess of $1 billion last year. One obstacle to the airline's financial stability is the $55 million in annual security costs that result from the high risk of terrorist attacks. The government currently pays 80% of the bill.

**Headline:** 51% Sale of El Al Planned

**Source:** *Financial Times June 7, 1994*

**Activity Date:** 6 1994

The government of Israel announced in June plans to privatize a 51% stake in the national airline, **El Al Israeli Airlines**. The government intends to offer "golden shares" to the state in order to maintain take over rights in the company in case of emergencies. The company is reported to operated between 20 and 30 jets and is profitable, though figures have not been confirmed. The company will be sold through the Tel Aviv Stock Exchange and may move onto foreign stock exchange markets if deemed necessary.

**Headline:** Israel is Planning to Sell at Least 51% of El Al Air

**Source:** *The Wall Street Journal June 7, 1994*

**Activity Date:** 1995

The Israeli government postponed the privatization of the national airline, **El Al**, for six months, to clarify the value of the company. El Al, which has an unbroken nine year profit record, came out of a 12 year receivership last February. The postponement follows incongruities in the valuation of future revenue between the government and its independent advisor. El Al is presently owned by the state and has plans for a 51% share flotation.

**Headline:** Israel Postpones Airline Sell-off

**Source:** *Financial Times April 4, 1995*

**Activity Date:** 3 1995

**El Al**, Israel's state-owned airline slated for privatization later in the year, reported net profits of $14m for 1994. The government plans to sell a 51% share in the airline, 18% in Tel Aviv and 33% in a foreign market, most likely New York. The first offering is scheduled for May in Tel Aviv and the whole process is expected to be complete by March 1996. The share has been valued at $150m, compared to a $200m estimate by the Israeli government.

**Headline:**
El AL Posts Strong Gain in Profits

**Source:**
*Financial Times March 21, 1995*

**Activity Date:** 4 1995

Plans for an offer of shares in the airline **El Al** are moving closer to fruition with a decision by the government to cover up to 75% of the $50m a year in security costs. The government is due to set the government's air transport policy shortly. It is expected that Mercer, BZW and Ernst and Young will present their valuation of the airline shortly. A flotation is planned for April 1995.

**Headline:**
Private Sales in Israel

**Source:**
*Privatization International December 1994*

**Activity Date:** 6 1995

A consortium headed by Koor Industries, one of Israel's largest holding companies, has dropped its bid for a 51% stake in the airline **El Al**. The consortium decided to drop their bid for the Israeli carrier following the government's decision to delay the sale until October.

**Headline:**
Koor Industries Drops Bid For El Al Stake

**Source:**
*Financial Times June 1, 1995*

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**Elta**

**Activity Date:** 8 1993

One of Israel's largest companies currently attempting to make a transition into non-military production, Israel Aircraft Industries will be offering 25% of its electronics subsidiary Elta. It specializes in manufacturing, development and marketing of electronic warfare, radar, communications and information systems. IAI, a company of 16,100 employees has been hit hard by the worldwide spread in defense cuts.

**Headline:**
Israel to Sell 20% of Bank Leumi Stake

**Source:**
*Financial Times August 13, 1993*

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**Environmental Services Company**

**Activity Date:** 5 1992

In May 1992, it was announced that 100% stake of Environmental Services Company, a state-owned environment company is to be privatized through a public offering.

**Headline:**

**Source:**
*PI/May 1992*

**Activity Date:** 11 1992

In November 1992, the Israeli government announced that it intended to privatize Environmental Services Company through private tender.

**Headline:**

**Source:**
*PI 11/92*

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**Housing and Development**

**Activity Date:** 1994

Israel will soon issue an international tender offer for **Housing and Development**, it was reported in August. The tender offer will invite bids for between 52 and 100% of the company, with preference going to larger amounts.

**Headline:**
Housing and Development to Sell Up to 100%

**Source:**
*Privatisation International August 1994*

**Activity Date:** 2 1995

The Israeli government sold **Housing and Development**, a large state-owned property development company, to a consortium of private foreign and local investors for $283m. The consortium consists of Azorim, an Israeli property company; Israel Corporation, owned by Mr. Shoul Eisenberg; and the Renaissance Fund, a $158m fund of Israeli,

company; Israel Corporation, owned by Mr. Shoul Eisenberg; and the Renaissance Fund, a $158m fund of Israeli, Canadian, and American investors. Azorim will hold 50.1%, Israel Corporation 25.1% and Renaissance the remaining 24.8%. Mr. Yossi Nitzani, director of government companies, said the sale reflects the government's determination to increase the pace of privatization this year.

**Headline:**
Israel Raises Shk850m From Sale of Property Developer

**Source:**
*Financial Times February 17, 1995*

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**Industrial Building**

**Activity Date:** 11 1992

In November 1992, the Israeli government announced its intentions to privatize its remaining 51% share in Industrial Building through a private tender in the coming 2-3 months. The government's share is valued at approximately $200 million. Forty-nine percent of this company's shares are already listed on the Tel Aviv Stock Exchange.

**Headline:**

**Source:**
*PI 11/92*

**Activity Date:** 7 1993

It was announced in July that the government's remaining 51% share in **Industrial Building** would be sold through a private tender offer, raising an expected $200 million.

**Headline:**
International Overview

**Source:**
*Privatisation International July 1993*

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**Israel Chemicals**

**Activity Date:** 2 1992

The first stage of Israel's privatization of Israel Chemicals was accomplished with the flotation of 20% of the company on February 25. A total of 226.6 million shares, representing 18.9% of the issued capital, was offered to the public at 2.4 shekels (US$ 1) per share, a further 15.2 million shares, or 1.4% being sold at a reduced price (about half) to employees.

**Headline:**

**Source:**
*PI/May 1992*
*Prv Yrbk '93*

**Activity Date:** 5 1992

In May 1992, it was announced that the government expects to move to the second stage of the privatization of Israel Chemicals. This will involve the sale of 15% of the company to a strategic investor. The first stage was accomplished with the flotation of 20% of the company on February 25. A total of 226.6 million shares, representing 18.9% of the issued capital, was offered to the public at 2.4 shekels per share, a further 15.2 million shares, or 1.4% being sold at a reduced price to employees.

A third stage is planned in which up to 37% will be sold to the public, including tranches to be offered on foreign stock exchanges. This will bring the government's interest down to a minimum of 28%.

**Headline:**

**Source:**
*PI/May 1992*

**Activity Date:** 1994

The Israeli Finance Ministry said it will make a public offering of 25% of the shares of **Israel Chemicals**, along with a 4% private placement in the next few months. The government also expects the sell off of **EL AL Isreali Airlines** as a part of a broad privatization program. The government previously sold 25% of Israel Chemical and will hire an investment bank to handle the lates offering. Plans for EL Al could be ready this year but there is much contraversy of how security would be handled once the airline is privatized.

**Headline:**
Israel Details-Sell-Offs

**Source:**
*Wall Street Journal October 13,1994*

**Activity Date:** 8 1994

In June, the Israeli government announced its intention to offer a 15 percent stake in the country's premier chemicals group, **Israel Chemicals (ICL)**, later this year. Previous attempts by the government to conduct the divestiture were

group, **Israel Chemicals (ICL)**, later this year. Previous attempts by the government to conduct the divestiture were complicated by a legal challenge to the company's concession to exploit deposits near the Dead Sea. An international public offering will be held following the completion of the strategic investment.

**Headline:**
ICL to Tender 15 P.C.

**Source:**
*Privatisation International June 1994*

**Activity Date:** 8 1994

The Israeli government in August confirmed details of a transaction first announced in June for the sale of a 15 percent stake in **Israel Chemicals (ICL)**. According to the recent report, 15 percent will be sold to a core investor before the year's end, followed by a public offer of 32 percent on international equity markets. Investment banks from London and New York are being sought for advisors.

**Headline:**
Housing and Development to Sell Up to 100%

**Source:**
*Privatisation International August 1994*

**Activity Date:** 1 1995

The government is conducting negotiations with potential buyers of **Israel Chemicals**. The deal will include a sale of 15%-24.9% of the state-owned entity. The government is in discussion with four unnamed groups, mostly foreign, and a decision is expected at the end of the year. The sale will be followed by a public offering, reducing the government's holding from its present 75% to 28%.

**Headline:**
Private Sales in Israel

**Source:**
*Privatization International December 1994*

**Activity Date:** 2 1995

The Israeli government sold a 24.9% stake in **Israel Chemicals**, the country's largest chemicals and fertilizer company, to a group controlled by Mr. Shoul Eisenberg, a leading Israeli businessman. The sale which values the company at $925m, paves the way for a further 22% sale in markets abroad. The company, whose profits went up by 12% in 1994 to $34m, had revenues of $908m.

**Headline:**
Israel Sells 24.9% Stake in Chemicals Group

**Source:**
*Financial Times February 8, 1995*

**Activity Date:** 5 1995

The Israeli government's public offering of 8.18 million shares in **Israel Chemicals** was delayed when bids failed to meet the government's target price. Investors bid at a 10% discount to the price at which the stock was trading on the Tel Aviv exchange. The government, along with its advisor, Lehman Brothers, decided to wait until market conditions improved before selling the shares. Dealers believe that investor reluctance was due to the high price/earnings ratio of Israel Chemicals which makes it look expensive compared to other stocks. This delay is not expected to impede the privatization of other Israeli companies.

**Headline:**
Israel Chemicals Share Offer Pulled

**Source:**
*Financial Times May 19, 1995*

**Activity Date:** 5 1995

The Israeli government announced that it will sell 22% of its 51.6% stake in **Israel Chemicals**, a major chemical and fertilizer company. The sell-off is the government's first global public offering of a state-owned company and it is expected to be followed by the sale of **El Al**, the national airline; **Bezeq**, a telecommunications company; **Zim Israel Navigation**, a shipping company; and **Housing & Development**, property developers, later in 1995.

**Headline:**
Chemicals In Debut Public Offering

**Source:**
*The Emerging Markets Monitor May 15, 1995*

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## Israel Discount Bank

**Activity Date:** 10 1993

No decision has been made on how to proceed with the privatization of MI Holding's remaining major asset, **Israel Discount Bank**. The government is considering whether to launch an IPO or a negotiated tender as the first stage. The delay is partly a result of indecision over how to split off Discount's subsidiary Discount Mercantile Bank.

**Headline:**
Israeli Issues

**Source:**
*Privatisation International October 1993*

## Israel Shipyards

**Activity Date:** 2 1995

The Israeli government accepted a bid of $13.5m for the **Israel Shipyards**. The bid, submitted by a group of investors and led by SKO Car, was accepted on February 22.

**Headline:**
Israel: Government Continues Privatization Program

**Source:**
*Middle East Economic Digest March 10, 1995*

## Lapidot

**Activity Date:** 2 1995

Despite unfavorable market conditions, plans for a 49% offer of oil company **Lapidot** will continue. A $10m share will be offered to the public.

**Headline:**
Private Sales in Israel

**Source:**
*Privatization International December 1994*

## Mizrahi Bank

**Activity Date:** 5 1992

In May 1992, it was announced that Mizrahi Bank, a state-owned bank will be privatized by a private tender. Bids for the bank closed at the end of April.

**Headline:**

**Source:**
*PI/May 1992*

**Activity Date:** 10 1992

In October 1992, it was announced that Israel had sold a 26% share of Mizrahi Bank to Mr. Gad Ze'evi for $100 million. He has the option to purchase another 25% for $85 million.

**Headline:**

**Source:**
*PI 11/92*

## Municipal Waste Disposal and Light Rail

**Activity Date:** 9 1992

In September 1992, it was announced that Municipal Waste Disposal and Light Rail services might be financed through BOT techniques. The new Israeli government under Yitzhak Rabin is presently seeking supply and financing possibilities. There is the possibility of negotiations on the grant of $10 billion of US loan guarantees and also project finance for B-O-T schemes. A team is supposed to visit Israel from the Ministry of Transport and Energy as well as the Mayors of major Israeli cities. They will have discussions of likely financing options for light rail and municipal waste projects. The British Overseas Trade Group for Israel is sponsoring the visit.

**Headline:**

**Source:**
*PI/9/'92*

## Shekem

**Activity Date:** 11 1992

In November 1992, the Israeli government announced the privatization of Shekem, a department store chain, through a two-tier public offering on the Tel Aviv Stock Exchange. The offering, expected to raise about 300 million shekels ($120 million), would initially offer 20% equity and include options for convertible bonds which would make available a total of 65% of Shekem's equity to the private sector.

The government has selected the two-tier public offering because the company is rich in assets and has low earnings. Negotiations for management contracts are also taking place in the hopes that it might improve Shekem's long-term investment outlook.

**Headline:**

**Source:**
*PI 11/92*

**Activity Date:** 12 1992

**Activity Date:** 12 1992

In December 1992, it was announced that Israel would privatize 65% of the Shekem department store chain by early 1993, for an expected $120 million.

**Headline:**

**Source:**
*PI 12/92*

**Activity Date:** 7 1993

It was announced in July that a public bond-equity offer of 65% of the Shekem department store chain will be offered soon this year for about 300 million shekels ($120 million).

**Headline:**
International Overview

**Source:**
*Privatisation International July 1993*

**Activity Date:** 12 1994

The remaining 35% of **Shekem**, a department store chain owned by the government, was sold to the local electronics group Elco for $53m. The deal still has to be approved by the finance committee of the Knesset. The other 65% was sold via a public offering.

**Headline:**
Private Sales in Israel

**Source:**
*Privatization International December 1994*

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## Tahal

**Activity Date:** 6 1994

The Israeli government announced plans in June to offer a 49% stake in the state-owned irrigation company, **Tahal**, sometime in August. Plans are also being made for a public offering for the remaining 51% share of the company later this year.

**Headline:**
ICL to Tender 15 P.C.

**Source:**
*Privatisation International June 1994*

**Activity Date:** 2 1995

The irrigation firm **Tahal** was headed for a public flotation but because of current market weakness the offer might be delayed. A minority interest of 49% is expected to be offered.

**Headline:**
Private Sales in Israel

**Source:**
*Privatization International December 1994*

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## Union Bank

**Activity Date:** 3 1992

In March 1992, it was announced that a minimum stake of 51% would be sold in Union Bank, a state-owned bank. This is half owned by the government and half by Bank Leumi. The bank is valued at $100 million and made a profit of Shk 19.2 million (US$ 8.4 mill) in 1991. In 1990 Union Bank just broke even.

**Headline:**

**Source:**
*FT/Mar 1992*

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## Water and Sewerage

**Activity Date:** 9 1992

In September 1992, it was announced that new water and sewage investments in Israel might be pursued through a BOT technique. The new Israeli government under Yitzhak Rabin is presently seeking potential supply and financing possibilities. There is the possibility of negotiations on the grant of $10 billion of US loan guarantees and also project finance for B-O-T schemes. A team is supposed to visit Israel from London on November 8 to discuss likely water and sewerage projects and have discussions with service companies, consultants and suppliers. The British Water Industry Group and the trade and industry department are sponsoring this visit.

**Headline:**

**Source:**
*PI/9/'92*

**Zim Israel Navigation**

**Activity Date:** 7 1993

The Israeli government plans to dilute its 48% shareholding in Zim Israel Navigation through an international offer.

**Headline:**
International Overview

**Source:**
*Privatisation International July 1993*

**Activity Date:** 3 1995

The Israeli government plans to sell an additional 24% of the **Zim Israel Navigation Company** before the end of the year. A 51.5% stake in the firm has already been privatized.

**Headline:**
Israel: Government Continues Privatization Program

**Source:**
*Middle East Economic Digest March 10, 1995*

## *Jordan*

**Intercontinental Hotel**

**Activity Date:** 1 1995

The government of Jordan announced in January that it plans to sell its 87.5% stake in the **Intercontinental Hotel** in oder to raise money for new investments. The Jordan Investment Corp. will offer the 3.21 million shares to both foreign and domestic investors.

**Headline:**
Jordan to Sell Hotel Stake

**Source:**
*Wall Street Journal January 6, 1995*

**Jordan Hotels and Tourism Company, Intercontinental**

**Activity Date:** 2 1995

It was announced that the Jordan Investment Corporation (JIC), the investment arm of the government, has accepted a bid for a 54% stake in the five star, 382-room hotel, **Intercontinental Jordan**. The sale was for 2 million shares of a total of 3.6 million shares in the **Jordan Hotels and Tourism Company**. JIC will retain a 32.7% stake in the hotel, down from 87.7%. The shares will be purchased by the Zara Investment Company, consisting of Arab and Jordanian investors. The sale, Jordan's first big step towards privatizing state holdings, is expected to receive approval next week.

**Headline:**
Jordan in First State Share Sale

**Source:**
*Financial Times February 21, 1995*

## *Kenya*

**African Diatomite Industries (ADIL)**

**Activity Date:** 1 1994

The Kenyan government has classified **African Diatomite Industries (ADIL)** as a non-strategic parastatal and will move ahead with its privatization. The Parastatal Reform Programme Committee (PRPC) will most likely accept Crown Berger Kenya's bid of KSh54m ($780,000). This bid was accepted despite the KSh67m bid offered by Casablanca Investments. The PRCP contended that Crown Berger was the only firm that met their criteria. This is the beginning of a move to privatize all mining operations in the country. According to Environment and Natural Resources Minister John Sambu, the Mining Act of 1940, which granted ownership of all mineral deposits to the government, will be repealed.

**Headline:**
Privatisation - Kenya

**Source:**
*Business Africa December 1, 1993*

**Dawa Pharmaceuticals, Alson Plastics**

**Activity Date:** 1995

The Industrial and Commercial Development Corporation (ICDC) of Kenya will sell a 34.8% stake in the state-owned company **Dawa Pharmaceuticals**. The ICDC and the Industrial Development Bank will sell a 16.6% stake and a 7.5% stake respectively in **Alson Plastics**.

**Headline:**
Kenyan Sales

**Source:**
*Privatisation International December 1995*

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**Kenya Airways**

**Activity Date:** 9 1993

Minister of Transport and Communications Dalmas Otieno announced the government's position with regard to the privatization of the **Kenya Airways**. According to his statements, the airline was considered a non-strategic parastatal. The government had contracted Speedwing Consulting of Britain to prepare the airline for eventual privatization, possibly within three years. The minister promised that the government and the airliner would be providing a safety net for people who are to be retired voluntarily from the airline.

**Headline:**
Communications and Transport

**Source:**
*Africa Research Bulletin July 16 -August 15, 1993*

**Activity Date:** 5 1994

**Kenya Airways** is in the midst of preparing itself for privatization by the end of 1994. After a period of financial and managerial remodeling, the airline bounced back with a minor profit after suffering a total loss of $110 million from the previous 17 years. Appointed in 1992 as financial advisor, Speedwing Consulting will now focus on restructuring Kenya Airline's balance, with the possibility that the government will write off the $110 million in accumulated losses. A privatization strategy is still to be constructed, as well as further employee training and development.

**Headline:**
Turning Kenya Airways Around

**Source:**
*Business Africa May 1-15, 1994*

**Activity Date:** 1995

The government of Kenya will consider proposals from international airlines interested in acquiring a stake in **Kenya Airways**. The government originally intended to sell 20% of the carrier to a strategic investor, but has recently increased the possible level of foreign participation to 40%. This move has greatly increased the chances of foreign participation in the firm. The airline posted a $7m profit last year, a figure that is expected to climb to $20m for 1995. Under the current plan, 20% of the shares will go directly to the strategic investor, 30% will be floated in a public offering, 20% will be placed with Kenyan financial institutions, 20% will be held by the government, and 10% will be sold to the company's employees.

**Headline:**
Kenya Airways Flies the Route to Privatization

**Source:**
*Financial Times June 21, 1995*

**Activity Date:** 1 1995

Following lengthy discussions over the method that should be used to privatize **Kenya Airways**, an agreement has finally been reached. According to company officials, an unidentified international airline will be allocated a 30% stake, 20% will go to domestic institutional investors, employees will receive 10% and 35% will be offered to the general public. Further, the government of Kenya will only be allowed to purchase 20% of the shares offered to the general public on the Nairobi Stock Exchange. The airline reported profits of between Kshs450m ($11.4m) and Kshs398m ($10.1m) in 1993, the first in its 17 year history. The IFC is advising on the sale.

**Headline:**
Controversy Clouds Kenya Airways Sell Off

**Source:**
*African Business January 1995*

**Activity Date:** 10 1995

In Kenya, the managing director of **Kenya Airways** announced that plans to sell a 20% stake to a foreign airline are well advanced and that the company's privatization should be complete by March 1996. South African Airways and British Airways are believed to be interested in the minority share offering. Citibank has been appointed as the

British Airways are believed to be interested in the minority share offering. Citibank has been appointed as the airline's financial advisor for the sale.

The government of Kenya will consider proposals from international airlines interested in acquiring a stake in Kenya Airways. The government originally intended to sell a 20% stake to a strategic investor, but has recently indicated that foreign participation may reach 40%, greatly increasing foreign interest in the firm. The airline posted a $7m profit last year, a figure that is expected to climb to $20m for 1995. Under the current plan, 20% of the shares will go directly to the strategic investor, 30% will be floated in a public offering, 20% will be placed with Kenyan financial institutions, 20% will be held by the government, and 10% will be sold to the company's employees.

**Headline:** Watch For....

**Source:** *Business Africa October 16-31, 1995*

**Activity Date:** 11 1995

The Kenyan privatization committee is looking for a strategic partner for **Kenya Airways**. The partner will take a 20% stake in the airline, as well as management control. British Airways, Lufthansa, South African Airways, and Swiss Air have expressed interest in the company. After a partner has been found, the committee is expected to offer a 20% stake in the firm to institutional investors, 20% to employees, and 20% in an initial public offering. The government also plans to retain a 20% stake.

The government of Kenya may be close to selling a 26% stake in **Kenya Airways** to the Dutch national carrier KLM. It was reported that the government has already agreed to KLM's bid in principle and that only some minor details remain. The sale is expected to take place in early 1996 and will be the first privatization of an airline in sub-Saharan Africa. The government will retain a minority stake and will sell the remaining shares to private investors.

**Headline:** Watch For ...

**Source:** *Business Africa November 16, 1995*

**Activity Date:** 1 1996

The government of Kenya is expected to offer 55 million shares, 48% of the total equity, in **Kenya Airways** (KA) for $.89 per share. After the initial public offering, 34% of the total equity will be offered to Kenyan investors and 14% will be offered internationally. This offering follows the purchase of a 26% stake in the airline by KLM in December. The government holds 23% of the remaining stake while the company's employees hold 3%.

In a surprise move, a 26% stake in KA was sold to the Dutch carrier KLM. British Airways' subsidiary Speedwing had managed KA since 1992, and thus was considered the likely buyer. KA has significantly improved its financial position since the Kenyan government took responsibility for the enterprise's debt in late 1994. KA reported a profit of $15.23m on sales of $1.57bn for the year to March 1995.

**Headline:** Privatization Boost for NSE

**Source:** *Business Africa February 1-15, 1996*

**Activity Date:** 3 1996

**Kenya Airways** offered a 51% stake, 235m shares, on Nairobi's stock exchange to raise $44.7m.

**Headline:** Postscripts

**Source:** *Wall Street Journal March 26, 1996*

**Activity Date:** 4 1996

**Kenya Airways** has been oversubscribed by as much as 200%. 34% of the state-owned carrier's stock is reserved for the Kenyan public and institutions, with another 14% allotted for international investors. KLM bought a 26% stake in January, the government retains a 23% stake, and a 3% stake will be used for an employee share ownership scheme.

**Headline:** Kenya Airways Float Popular

**Source:** *Financial Times April 9, 1996*

**Kenya Ports Authority**

**Activity Date:** 5 1994

The government announced in May its intentions to include **Kenya Ports Authority** on its list of companies to be privatized. The parastatal was formerly deemed too strategic for privatization along with Kenya Railways, Kenya Posts and Telecommunications, the National Cereals and Produce Board, and Kenya Tea Development Authority. The privatization of the company will be part of the country's multilateral aid support.

**Headline:**
Strategic Sell-Off

**Source:**
*Business Africa May 16-31, 1994*

**Kenya Posts & Telecommunications**

**Activity Date:** 5 1994

The government announced in May that **Kenya Posts &Telecommunications** will be placed on the privatization list. The parastatal was formerly thought of as too strategic for privatization, along with Kenya Railways, Kenya Ports Authority, the National Cereals and Produce Board, and Kenya Tea Development Authority. The privatization of the company is part of the country's multilateral aid support.

**Headline:**
Strategic Sell-Off

**Source:**
*Business Africa May 16-31, 1994*

**Kenya Power and Lighting (KP&L)**

**Activity Date:** 1995

The partial privatization of **Kenya Power and Lighting** (KP&L) has moved up the agenda as the French power utility Electricite de France has been brought in by the Kenyan government to recommend changes to the existing system. However, full privatization of the company is unlikely since the government considers the company to be a strategic entity. KP&L's profits in 1994 were $17m (KSh763m) compared to a $5.8m (KSh261m) loss the year before.

**Headline:**
Power Privatization Plan

**Source:**
*Business Africa April 16, 1995*

**Kenya Railways**

**Activity Date:** 5 1994

In May, it was announced that **Kenya Railways** would be placed on the list of companies to be privatized. The parastatal was formerly regarded at too strategic for privatization, but is now considered a part of a multilateral aid support package for the country.

**Headline:**
Strategic Sell-Off

**Source:**
*Business Africa May 16-31,1994*

**Kenya Tea and Development Authority**

**Activity Date:** 5 1994

In May, the government announced that **Kenya Tea Development Authority** would be placed on the privatization list, along with Kenya Railways, Kenya Ports Authority, Kenya Posts &Telecommunications, and the National Cereals and Produce Board. The parastatals were formerly thought of as too strategic, but would now be considered as part of the country's multilateral aid support once privatized.

**Headline:**
Strategic Sell-Off

**Source:**
*Business Africa May 16-31, 1994*

**Kibos Cotton Ginnery**

**Activity Date:** 11 1994

A cotton ginnery in Kibos, Kenya was sold by auction in November 1993 to Ima Agencies for KSh 13 million ($188,000), somewhat below its reserve price.

**Headline:**
Privatisation - Kenya

**Source:**
*Business Africa November 16, 1993*

**Makueni Cotton Ginnery**

**Activity Date:** 11 1994

A cotton ginnery in Makueni, Kenya was sold by auction in November 1993 to Machakos Cooperative Union, whose bid amounted to KSh 13 million ($188,000). Machakos already owned a KSh43 million stake in the ginnery, about 77% of the total amount.

**Headline:**
Privatisation - Kenya

**Source:**
*Business Africa November 16, 1993*

**Mepal Plastics**

**Activity Date:** 11 1993

Mepal Plastics of Kenya was sold by auction in November 1993 to Minolta Industries for KSh 20 million ($290,000), somewhat below its reserve price.

**Headline:**
Privatisation - Kenya

**Source:**
*Business Africa November 16, 1993*

**Meru Cotton Ginnery**

**Activity Date:** 11 1994

A cotton ginnery in Meru, Kenya was sold by auction in November 1993 to the Mugo Ngai Farmers Company for KSh 30 million ($435,000), somewhat less than its reserve price.

**Headline:**
Privatisation - Kenya

**Source:**
*Business Africa November 16, 1993*

**Mount Kenya Textile Mills (MounTex)**

**Activity Date:** 2 1992

In February 1992, it was announced that a 51.43% share of Mount Kenya Textile Mills was sold to three debenture holders. This recent sale is part of the Parastatal Reform Program Committee's restructuring plan to divest the government of 22 consistent loss-making state-owned enterprises.

**Headline:**

**Source:**
*Xinua 12/25/92*

**National Bank of Kenya**

**Activity Date:** 6 1994

The Finance Ministry announced in October 1993 that it intends to sell shares of the **National Bank of Kenya** to the public in June 1994. The National Bank is one of several state-owned enterprises which have been categorized as non-strategic investments identified for privatization.

**Headline:**
Privatisation - Kenya

**Source:**
*Business Africa October 1, 1993*

**Activity Date:** 12 1994

With three investors bidding for the 40 million shares on offer in the recent **National Bank of Kenya** (NBK) flotation, it is evident that the offer was underpriced. The $.20 per share offer attracted 131.8 million applications, many of whom will not get their request filled. NBK says 70% of the shares will be sold to individual applicants-- most of whom are applying for between 500 and 1000 shares each. The other 30% came from over 950 companies and 150 pension funds. Such high demand would seem to indicate that the price was too low, that the advertising campaign was a success, and that NBK could have offered more than a 20% stake.

**Headline:**
Demand for Kenya Bank

**Source:**
*Privatization International December 1994*

**Activity Date:** 1 1996

The government of Kenya hopes to raise $17m through its expected offer of 40 million shares of the **National Bank of Kenya** for $.42 per share in mid-1996.

**Headline:**
Privatization Boost for NSE

**Source:**
*Business Africa February 1-15, 1996*

**Activity Date:** 4 1996

The government of Kenya has decided to further reduce its stake in the **National Bank of Kenya** by selling an additional 20% stake. This will leave the government with a minority shareholding of 22.5%. The 20 million shares are worth $3.4m., with a par value of $0.17 a share, and may trade at between $0.40 and $0.43 a share. The sale will bring between $16.4m and $17m for the Treasury.

**Headline:**
Nairobi Feels Weight of New Shares

**Source:**
*African Business March 1996*

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**National Cereals and Produce Board**

**Activity Date:** 5 1994

In May, the government announced that the **National Cereals and Produce Board** would be placed on the privatization list, along with Kenya Railways, Kenya Ports Authority, Kenya Posts &Telecommunications, and Kenya Tea Development Authority. These parastatals were formerly thought of as too strategic, but would now be considered as part of the country's multilateral aid support once privatized.

**Headline:**
Strategic Sell-Off

**Source:**
*Business Africa May 16-31, 1994*

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**Sunset Hotel, Homa Bay Hotel, Golf Hotel, Mweya Cotton**

**Activity Date:** 11 1995

The government of Kenya sold four state enterprises--**Sunset Hotel, Homa Bay Hotel, Golf Hotel**, and the **Mweya Cotton Ginnery**--in November for $5.3m through competitive bidding.

**Headline:**
Kenyan Sales

**Source:**
*Privatisation International December 1995*

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**Uchumi**

**Activity Date:** 6 1995

The state-owned Kenya National Trading Corporation (KNTC) made a surprise offering of 7.5 million shares in the country's largest supermarket chain, **Uchumi**. The 18.5% stake is being offered at a time when there are no other large competing offers and KNTC is expecting to raise revenues of KSh364m ($6.57m). Foreign investors are invited to purchase a total of up to 20% of the shares and a limit of 2.5% of Uchumi's total issued share capital has been established for individual investors.

**Headline:**
Kenya: Uchumi Goes Private

**Source:**
*Business Africa June 16-30, 1995*

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## *Kuwait*

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**Commercial Facilities Company**

**Activity Date:** 9 1994

The Kuwaiti government announced its first public offering in over a decade in September. The Kuwaiti Investment Authority, a division of the Ministry of Finance, sold 30 million shares in the **Commercial Facilities Company** for approximately $70.8 million. Shares were valued at KD0.70 ($2.36) each, an 11.4% discount from the price of KD0.79 ($2.66) on August 28 when trading of shares was suspended. The government's stake in the company has been reduced to 37 percent from 54 percent in a deal that was managed by the National Bank of Kuwait. This is the first of some 60 expected sales since the government announced it would be divesting itself of shares in state-owned enterprises in 1991. Commercial Facilities has estimated assets of $420 million supported by $115 million in shareholder's equity.

**Headline:**
Kuwaiti Public Offering Draws Strong Demand

**Source:**
*Financial Times September 23, 1994*

**Activity Date:** 9 1994

**Commercial Facilities Company**, a consumer finance house, was the first public offering of equity in Kuwait for over

1994

**Commercial Facilities Company**, a consumer finance house, was the first public offering of equity in Kuwait for over 10 years. The sale is the first step in a $12bn privatization program. Originally the Kuwait Investment Authority (KIA) planned to sell 30m shares, but due to an unseen increase in demand, the sale was boosted by 135% to 70.5m shares, reducing KIA's holding to 14%. Approximately 2036 investors applied for shares, and allotments had to be scaled back to 5000 shares per individual. This sale not only gave a tremendous boost to the Kuwaiti capital market but as well a confidence boost for the Kuwaiti Business community.

**Headline:**
Kuwait Privatization Gets a Boost

**Source:**
*Euromoney October 1994*

**Activity Date:** 10 1994

The sale of shares in the **Commercial Facilities Company (CFC)**, a loan-financing company that had profits of $42 million in 1993, was five times oversubscribed when the deal closed September 22, 1994. A total of 70.6 million shares were sold after heavy demand for the initial 30 million shares led to the offering of an additional 40 million shares. The National Bank of Kuwait served as the lead manager for the sale in which 90% of applicants were first time shareholders.

**Headline:**
CFC Offer Heavily Oversubscribed

**Source:**
*Middle East Economic Digest October 7, 1994*

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**Downstream petroleum sector**

**Activity Date:** 2 1994

One of the recommendations made to the Kuwaiti cabinet on January 30 was to privatize the downstream petroleum sector, which will likely involve **Kuwait Oil Tanker Company, Kuwait Foreign Petroleum Exploration Company**, the engineering company **Santa Fe, Kuwait Aviation Fuelling Company**, and the gas stations owned by the national refiner **Kuwait National Petroleum Company (KNPC)**. The committee did reject the World Bank proposal to sell 25% of KNPC.

**Headline:**
Privatisation Gets the Green Light

**Source:**
*Middle Eastern Economic Digest February 11, 1994*

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**Gulf Cables and Electrical Industries**

**Activity Date:** 3 1996

The Kuwait Investment Authority (KIA) sold 12 million shares of **Gulf Cables and Electrical Industries** at $3.34 per share in early February. The sale was oversubscribed more than six times. In January, local investors paid $3.24 per share for 4 million shares. These two sales raised $53m for the government.

In another sell-off in January, a 40% stake of the **Kuwait Securities House** was bought by a consortium of management and local clients. The 20m shares sold fo $0.58 each totaling $11.7m. The KIA plans to liquidate state-owned equity in another 28 companies by 1998, hoping to raise $2.67bn in privatization revenues.

**Headline:**
Kuwaiti Offer Oversubscribed

**Source:**
*Privatisation International March 1996*

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**Kuwait Airways**

**Activity Date:** 6 1992

In June 1992, it was announced that Kuwait Airlines, the state-owned airline, is to be privatized. State-owned companies presently have a monopoly in the airline sector. It is believed that British firms will act as advisers and also purchase shares in the company. According to reports, British Airways is to participate in the privatization process. Once the stock market in Kuwait improves, it is expected that shares will be offered to the local public. The government hopes that the company will benefit from the technology and managerial skills which will be offered by British firms.

**Headline:**

**Source:**
*PI/June 1992*

**Activity Date:** 2 1994

One of the recommendations made to the Kuwaiti cabinet on January 30 was to sell **Kuwait Airways Corporation (KAC)**, reserving at least 25% of the shares for Kuwaiti citizens.

(KAC), reserving at least 25% of the shares for Kuwaiti citizens.

**Headline:**
Privatisation Gets the Green Light

**Source:**
*Middle Eastern Economic Digest February 11, 1994*

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**Kuwait Commercial Markets Complex Company**

**Activity Date:** 5 1995

The Kuwaiti government recently sold a 15.5% stake in the **Kuwait Commercial Markets Complex Company** for $9m. The buyer was al-Shall Economic Consultants, which owns and manages commercial property. Kuwait Commercial Markets Complex Company had profits of $1.33m in 1994. The sale is part of a greater Kuwaiti effort to revive the nation's non-oil economy.

**Headline:**
Kuwait Sells Property Stake

**Source:**
*Financial Times May 22, 1995*

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**Kuwait Insurance Company**

**Activity Date:** 10 1995

In Kuwait, the Kuwait Investment Authority (KIA) is planning to auction 12 million shares in the **Kuwait Insurance Company** on October 18. The KIA expects to raise $20m through the sale in which shares will be offered at a minimum price of $1.67 each. The Kuwait Insurance Company had profits of $12.3m in the first half of 1995 and total assets valued at $285m.

**Headline:**
KIA to Sell Stake in Kuwait Insurance

**Source:**
*Middle East Economic Digest October 6, 1995*

**Activity Date:** 10 1995

On October 18, the Kuwait Investment Authority (KIA) auctioned one-fourth of the 12 million shares it had held in the **Kuwait Insurance Company**, leaving it with 9 million shares which must be sold. The Kuwait Foreign Trading, Contracting & Investment Company, representing an anonymous bidder, submitted a $2.1m offer for the 3 million shares.

**Headline:**
In Brief

**Source:**
*Middle East Economic Digest November 3, 1995*

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**Kuwait Investment Authority (KIA)**

**Activity Date:** 2 1994

One of the recommendations made to the Kuwaiti cabinet on January 30 was to sell off all the companies that comprise the **Kuwait Investment Authority (KIA)** by 1996, excluding strategic interests. Shares in these companies would likely be made available through mutual funds, direct auctions, and public offers.

**Headline:**
Privatisation Gets the Green Light

**Source:**
*Middle Eastern Economic Digest February 11, 1994*

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**Kuwait National Petroleum Corporation**

**Activity Date:** 6 1992

In June 1992, it was announced that 77 local petrol stations, all owned by the state firm, Kuwait National Petroleum Corporation, will be sold by public flotation in early 1993. The sale is expected to be limited to Kuwaiti individuals and Kuwaiti companies. The Gulf Investment Corporation (GIC), an investment bank based in Kuwait has been chosen to provide privatization advise to the government. GIC is owned by Saudi Arabia and five other Gulf states. It will go through a committee which is to be supervised by the Ministry of Finance. The committee will describe the objectives and policies of privatization and rank activities to be privatized.

**Headline:**

**Source:**
*PI/6,9/ 1992*

**Activity Date:** 9 1995

Over the next three years, the government of Kuwait is planning to offer 90 petrol stations currently owned by the **Kuwait National Petroleum Corporation** (KNPC). The first stage of the sale will establish a shareholding company to own and operate 20 petrol stations. If this proves to be successful, the remaining stations will be offered via public

to own and operate 20 petrol stations. If this proves to be successful, the remaining stations will be offered via public subscription to individual investors. Investors will be able to purchase individual stations but measures will be in place to prevent any one individual from gaining a monopoly. Potential problems that could delay the sale include the likely loss of 500 well paid KNPC jobs and the doubtful economic viability of some stations.

**Headline:**
Kuwait: In Brief

**Source:**
*Middle East Economic Digest September 22, 1995*

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**Kuwait Public Transportation Corporation (KPTC)**

**Activity Date:** 2 1994

One of the recommendations made to the Kuwaiti cabinet on January 30 was to sell **Kuwait Public Transport Corporation (KPTC)**.

**Headline:**
Privatisation Gets the Green Light

**Source:**
*Middle Eastern Economic Digest February 11, 1994*

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**Kuwait Telecommunications**

**Activity Date:** 6 1992

In June 1992, it was announced that Kuwait Telecommunications, the state-owned telecommunications company is to be privatized. This will be the first privatization attempt in Kuwait. It is believed that British firms will act as advisers and also purchase shares in the company. According to reports, British Telecom is to participate in the privatization process. Once the stock market in Kuwait improves, it is expected that shares will be offered to the local public. The government hopes that the company will benefit from the technology and managerial skills which will be offered by the British firms.

**Headline:**

**Source:**
*PI/June 1992*

**Activity Date:** 9 1992

In September 1992, it was announced that Kuwait Telecommunications, the state-owned telecommunications company, is to be privatized. A Kuwait-based investment bank, the Gulf Investment Corporation (GIC) is to advise the government on privatization of the firm. The assets of the telecommunications firm are estimated to be about $ 1 billion. GIC, which is owned by Saudi Arabia and five other Gulf states is to go through a steering committee which will be supervised by the Ministry of Finance. This committee will describe the objectives of privatization and rank activities to be privatized.

**Headline:**

**Source:**
*PI/9/'92*

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**Macro Article**

**Activity Date:** 2 1994

On January 30, a government committee recommended that the Kuwaiti cabinet accept the World Bank plan for privatization. The plan, released in 1993, recommends that Kuwait begin privatizing immediately all industries including the downstream petroleum sector. The Gulf Investment Corporation (GIC) has apparently been appointed to assist in the implementation of what will be Kuwait's first definitive and comprehensive privatization strategy. The Minister of Finance and Planning said that the privatization process would last at least five years and require a great deal of new legislation.

The recommendation to the cabinet included six points: the partial privatization of the downstream petroleum sector, the establishment of a privatization office within the Finance Ministry, an immediate review of all laws and regulations regarding state-owned corporations, privatization of all state-owned enterprises not involved in oil production or national security, encouragement of foreign participation and investment, and the hiring of a public relations firm to communicate the privatization strategy.

**Headline:**
Privatisation Gets the Green Light

**Source:**
*Middle Eastern Economic Digest February 11, 1994*

**National Industries Company**

**Activity Date:** 7 1995

The Kuwait Foreign Trading Contracting & Investment Company (KFTCIC) purchased a 49% stake in the **National Industries Company** for $650m. The $3.87 per share price paid by KFTCIC was approximately two and one-half times the initial asking price. The sale raises the value of Kuwaiti assets divested since September 1994 to $1.09bn.

**Headline:**
Privatisation Revenues Pass $1 Billion Mark with NIC Sale

**Source:**
*Middle East Economic Digest July 7, 1995*

**Taweelah**

**Activity Date:** 10 1995

The government of Kuwait has begun a study to examine the possible privatization of the **Taweelah** power and desalination complex in Abu Dhabi. The study will cover the potential participation of Giat and Total, and the sale of shares to the public.

**Headline:**
Kuwait: In Brief

**Source:**
*Middle East Economic Digest October 13, 1995*

**Telecommunications sector**

**Activity Date:** 2 1994

One of the recommendations made to the Kuwaiti cabinet on January 30 was the complete privatization and deregulation of the telecommunications sector.

**Headline:**
Privatisation Gets the Green Light

**Source:**
*Middle Eastern Economic Digest February 11, 1994*

**United Real Estate Company**

**Activity Date:** 3 1995

The **United Real Estate Company** will sell 120 million shares in a public offering as part of the government's privatization program. The stocks will be sold for $0.39 each for a total sale price of $47m. The offer will be open until April 9, and a minimum purchase of 5,000 shares has been set.

**Headline:**
United Real Estate Share Issue Opens Up

**Source:**
*Middle East Economic Digest March 17, 1995*

**water and power**

**Activity Date:** 2 1994

One of the recommendations made to the Kuwaiti cabinet on January 30 was the corporatization and privatization of the power and water utilities.

**Headline:**
Privatisation Gets the Green Light

**Source:**
*Middle Eastern Economic Digest February 11, 1994*

## *Lebanon*

**Lebanese Oil Company (LOC)**

**Activity Date:** 1995

Pritchard Corporation, an American firm, is holding talks with the Lebanese government so that it may establish a joint public/private sector oil company. Under current proposals, Pritchard will hold 37.5% of the shares in the **Lebanese Oil Company** (LOC); another 37.5% would be offered to the public while the remaining 25% would still remain under state control. LOC would receive a 20-year contract to repair, expand, and operate Lebanon's two oil refineries.

**Headline:** Growing Confidence in Lebanon

**Source:** *Privatisation International May 1995*

**Public Garden**

**Activity Date:** 2 1996

The Municipality of Beirut has announced plans to build a complex composed of a **public garden**, a **car park**, and a **commercial center** through a tender to build, operate and transfer. The deadline for prequalification documents was February 5.

**Headline:** Republic of Lebanon

**Source:** *Financial Times December 20, 1995*

## *Mali*

**National Tobacco and Matches Company (Sonatam)**

**Activity Date:** 5 1995

In Mali, the government announced that it plans to sell the **National Tobacco and Matches Company** (Sonatam). The company employees over 800 people and has an annual turnover of $28.5m. The government is hoping that by selling the company, problems concerning debt, outdated equipment and corruption will be resolved.

**Headline:** Privatisation: Mali

**Source:** *Business Africa May 16-31, 1995*

## *Malta*

**Bank of Valleta**

**Activity Date:** 3 1995

The Maltese government has announced it will sell its majority stake in **Bank of Valleta** (BOV) in March 1995, reducing the state's interest in the island's second largest bank from 51.2% to 25%. Malta's 43,000 member General Worker's Union, which opposes the privatization of sound state run companies, has threatened to wage a fierce battle to stop the sale of BOV shares.

**Headline:** Malta to Sell Control of Bank

**Source:** *Financial Times February 3, 1995*

## *Mauritius*

### Air Mauritius

**Activity Date:** 9 1994

The government of Mauritius announced in September that it plans to issue MRs500 million ($28 million) of shares in the state airline, **Air Mauritius**, on the Port Louis exchange in December. Participation by foreign investors will be welcomed since Mauritius is also in the process of liberalizing its portfolio investment rules. British Airways currently holds a 12 percent stake in the company.

**Headline:**
Watch For...

**Source:**
*Business Africa September 1-15, 1994*

## *Morocco*

### ASMAR

**Activity Date:** 7 1993

Price Waterhouse IPG completed a valuation and transaction strategy plan for **Asmar,** one of the state-owned cement manufacturing companies. The government subsequently decided not to sell ASMAR separately but rather to divest of its larger holding company, SNI. The first phase of this privatization took place in 1994.

**Headline:**

**Source:**
*PW/IPG Staff*

### Azghour Hotel

**Activity Date:** 2 1995

The **Azghour Hotel** in Ouarzazate was sold by the Moroccan government to the Moroccan Tourism Company for $1.7m (MD14.7m). According to the terms of the deal, the Moroccan Tourism Company has agreed to invest an additional $1.1m (MD11m) for hotel renovations.

**Headline:**
In Brief

**Source:**
*Middle East Economic Digest February 17, 1995*

### Banque Marocaine du Commerce Exterieur (BMCE)

**Activity Date:** 5 1994

In May, the government of Morocco awarded Coopers and Lybrand of the U.K. an auditing contract for the privatization of **Banque Marocaine du Commerce Exterieure (BMCE)**.

The closing date for bids for the remaining government shares of **BMCE** was extended to April 14. The minimum price for the 26% stake has been set at MD 845m ($100.2m). The government imposed ceilings on the stake that local and international banks could take in order to spread the shareholding.

**Headline:**
News in Brief: Morocco

**Source:**
*Middle East Economic Digest May 20, 1994*

**Activity Date:** 6 1994

The president of **Banque Marocaine du Commerce Exterieur (BMCE)** announced in June that plans for the bank's privatization would be complete by the end of 1994 and a sale is expected in early 1995. The state curently holds a 50.39% share of BMCE's capital, international banks hold 12.5% and the rest is traded on the Casablanca bourse. The bank's objective is to internationalize its operations through the sale and therefore it plans to seek listings on the Paris and Madrid stock exchanges. It has also established a Madrid-based subsidiary, BMCE International. To prepare itself for the sale, BMCE has implemented significant cost-cutting measures while continuing to expand its client base to include smaller private sector companies. BMCE reported a profit of more than $21 million in 1993, a 7.9% increase over 1992.

**Headline:**
BMCE Gears Up for Privatization

**Source:**
*Middle East Economic Digest June 24, 1994*

**Activity Date:** 9 1994

Morocco is planning to sell five firms with a total turnover of Dirhams 3.85bn ($438.4m) before the end of the year. The state owns between 35% and 99% of the following firms: **Banque Marocaine du Commerce Exterieur** (BMCE), **Simef** diesel and motor maker, **Sonasid** steel mill, **Somas** oil company, and **Sochepresse** publication distributor.

**Simef** diesel and motor maker, **Sonasid** steel mill, **Somas** oil company, and **Sochepresse** publication distributor. BMCE had a turnover of Dirhams 1.97bn ($224.4 million), and is expected to be sold quiclky.

**Headline:**
Morocco in more state sell-offs

**Source:**
*Financial Times September 28, 1994*

**Activity Date:** 1 1995

The first of two planned issues for a 50% stake in Morocco's second largest bank, **Banque Marocaine du Commerce Exterieur (BMCE)**, was expected to have been complete by January 20 and raise an expected $47.3m. This first issue for a 14% stake is being offered to domestic investors for a price of $11.40 per share. The second issue, for which a consortium of foreign and domestic investors is expected by bid by March 6, will consist of an additional 26% stake. The government will retain a 7% stake and 3% will be offered to the bank's employees. The bank, with a market capitalization of $370m, currently has 14% of the market for deposits and accounts for 8.5% of the Casablanca stock market's capitalization. Furthermore, net income, $18.5m in 1993, is expected to increase significantly once the bank is privatized. S.G. Warburg is advising the government on the sale.

**Headline:**
Morocco Launches First Bank Float

**Source:**
*Financial Times January 19, 1995*

**Activity Date:** 1 1995

The first phase of Morocco's privatization of **Banque Marocaine du Commerce Exterieur** (BMCE) was five times oversubscribed. The Casablanca Stock Exchange's preliminary results show demand for the offering, which closed the 20th of January, exceeded 8m shares. In its first bank privatization the Moroccan governement sold 14% of its 50% stake in the country's second largest bank. A further 26% is being offered to a consortium of bankers and investors. Employees will keep 3% and the state 7%.

**Headline:**
Moroccan Bank Sales Generates High Demand

**Source:**
*Financial Times January 25,1995*

**Activity Date:** 3 1995

The Moroccan government has announced a minimum stock price in the sale of **Banque Marocaine du Commerce Exterieur** (BMCE). The 2.6 million shares will be offered at a minimum price of $36.73 each. The total $95.5m sale accounts for 26% of the company's capital. Of the 26%, 13% is restricted to local non-bank investors, with the other 13% open to all bidders. Foreign banks investing in BCME must purchase a minimum of 5% of the shares.

Two groups led by insurance companies have bid for the 26% stake in BCME, and their offers were to be announced in late April. This sale, once executed, will complete the privatization of BCME. The government will continue to hold 6% of the bank's shares.

**Headline:**
In Brief

**Source:**
*Middle East Economic Digest February 10, 1995*

**Activity Date:** 3 1995

The final date for receiving bids on a 26% stake in **Banque Marocaine du Commerce Exterieur (BMCE)** was extended to March 31 after only one bid was placed. The bank is reserving 13% of the offered capital for local non-bank institutions, while the rest can be purchased by anyone who does not already hold a 20% stake in BMCE. The legal minimum for the sale to proceed was three bids and the minimum purchase price had been set at $99m. Bankers say that the bidding process had been disrupted by the Ramadan and Eid al-Fitr holidays and the extension was only a matter of giving people a little more time to prepare their bids.

George Soros, Morgan Stanley and four British and Swiss banks aquired 11% of **BMCE's** 2.6 million shares, which were sold on April 19. The 2.6 million shares were collectively worth 1.24 bn. dirhams ($147.2 m.)

**Headline:**
BMCE Sell-Off Closing Date Extended

**Source:**
*Middle East Economic Digest March 17, 1995*

**Activity Date:** 5 1995

The sale of a 26% stake in Morocco's **Banque Marocaine du Commerce Exterieur** (BMCE) earned $144m (MD1,200M). The revenue was 42% more than if the shares had been offered at the established minimum price of $18 each and ranks as the largest privatization to date. The shares, which were sold at a price of $57 each, were purchased by a consortium consisting of Royale Marocaine d'Assurances (RMA), Morgan Grenfell & Company, the US' Morgan Stanley group and US investor George Soros. Sonad, a consortium headed by the Aouad family that includes Societe Marocaine de l'Industrie du Raffinage (Samir), was unsuccessful in its bid for the stake.

**Headline:**
BMCE Sale Yields Record Receipts

**Source:**
*Middle East Economic Digest May 12, 1995*

**Banque Nationale pour le Developpement Economique**

**Activity Date:** 1 1994

An audit and valuation for the privatization of **BNDE**, a development and retail bank, purposes, was being prepared in January 1994.

**Headline:**

**Source:**

**Activity Date:** 5 1994

In May, the government of Morocco awarded an auditing contract to Ernst & Young of the U.K for assistance in the privatization of **Banque Nationale de Developpement Economique (BNDE)**.

**Headline:**

News in Brief: Morocco

**Source:**

*Middle East Economic Digest May 20, 1994*

**Activity Date:** 9 1995

In order to reach its privatization goal of $403m by the end of 1995, the Moroccan government has renewed its efforts to sell three companies: **Societe Nationale de Siderurgie (Sonasid), Societe Marocaine de l'Industrie du Raffinage (Samir),** and **Banque Nationale pour le Developpement Economique (BNDE)**. A 51% stake in Sonasid will be sold through direct negotiation after an open bid invitation failed earlier this year; the privatization ministry stated that the minimum price of $106m is non-negotiable. Deutsche Morgan Grenfell is conducting an evaluation of Samir, after which a minimum price and sale method will be determined. Analysts expect the price to be between $600-$900m. Negotiations with a buyer are not expected to be completed before 1996, however. A 25% stake in BNDE is to be offered through Lazard Freres & Compagnie to one or more buyers. Additionally, a 6% stake will be floated in a domestic IPO.

**Headline:**

Privatization to Go Back on Track

**Source:**

*Middle East Economic Digest September 29, 1995*

**Activity Date:** 10 1995

In Morocco, the government has announced plans to privatize the **Banque Nationale pour le Developpement Economique**. The government will offer a strategic stake in the bank, which had profits of $2.7m for the first half of 1995, to other banks. A smaller stake will be sold via public offer later this year.

**Headline:**

Morocco: In Brief

**Source:**

*Middle East Economic Digest October 6, 1995*

**Banque Populaire**

**Activity Date:** 5 1994

In May, the government of Morocco awarded Price Waterhouse of the U.S. with an audit contract for the privatization of **Banque Populaire.**

**Headline:**

News in Brief: Morocco

**Source:**

*Middle East Economic Digest May 20, 1994*

**BCP**

**Activity Date:** 1 1994

An audit and valuation for the privatization for **BCP**, the country's largest retail bank, was being prepared in January 1994.

**Headline:**

**Source:**

## Chelco

**Activity Date:** 5 1992

In May 1992, it was announced that **Chelco**, a state-owned textile firm will be privatized. The firm manufactures a combination of articles for the European export market. Moroccan accounting firms are preparing audits and evaluations to present to the government.

**Headline:**

**Source:**
*PI/May 1992*

**Activity Date:** 4 1993

In April 1993, 32% of **Chelco**, a textile and clothing manufacturer, was sold to Courtalds of England through a direct negotiation.

**Headline:**

**Source:**
*C:MOR/PSE*

## Cimenterie Nouvelle de Casablanca (Cinouca)

**Activity Date:** 11 1993

The French company Lafarge Coppee says it may take full control of two cement plants as part of the Moroccan governments privatization plans. One of which includes the **Cimenterie Nouvelle de Casablance (Cinouca)**, in which it controls a 26.97 per cent stake in the largest Moroccan cement plant, located in Casablanca. It's capacity has been lifted to 1.9 million tons.

**Headline:**
News...French Look to Cement Privatisation

**Source:**
*Middle Eastern Economic Digest November 26, 1993*

## CIOR (Cimenterie de l'Oriental)

**Activity Date:** 12 1992

In December of 1992, it was announced that the Privatization Ministry of Morocco would soon offer an international tender of 51% of **Cimenterie de l'Oriental** (CIOR), a cement firm located in Oujda. Speculation about this transaction has included several large French groups as possible buyers. Following the privatization of this majority share, the government plans to sell the remaining shares in three tranches: 24% through the Casablanca stock exchange, 10% through a limited regional tender, and 1.22% to be reserved for CIOR's workers. The remaining equity (13.78%) is presently owned by the Islamic Development Bank, acting as a silent partner in this venture. Cior is the largest cement manufacturer in Morocco, with 660 employees in 1991, and reported sales of $100 million.

**Headline:**

**Source:**
*Privatisation Yearbook 1993*

**Activity Date:** 8 1993

The Privatization Ministry of Morocco sold 51% of **Cimenterie de l'Oriental** (CIOR), a cement firm located in Oujda, to a subsidiary of Holderbank of Switzerland for 614 million DH (approximately $67.5 million) in August 1993. Following the privatization of this majority share, the government plans to sell the remaining shares in three tranches: 24% through the Casablanca stock exchange, 10% through a limited regional tender, and 1.22% to be reserved for CIOR's workers. The remaining equity (13.78%) is presently owned by the Islamic Development Bank, acting as a silent partner in this venture. With 660 employees in 1991, it reported sales of $100 million.

**Headline:**

**Source:**
*Privatisation Yearbook 1993*

**Activity Date:** 12 1993

An $8 million international offering of **Cimenterie de l'Oriental (CIOR)** in December 1993 was 150% oversubscribed. A domestic offering was also placed and was eight times over subscribed. Altogether, the public offer was worth 329 million DH (about $36.2 million). Cior was valued at $100 million and 25% was offered to the public. Holderbank, a Swiss-based bank, had previously purchased a controlling 51% of CIOR. The shares were issued at $24.10 and rose to $25.00. Approximately 16,000 retail investors applied for shares in the domestic offering. In response to this heavy demand, the state decided to sell, immediately, its remaining 9% share. A long-term advisor provided by Price Waterhouse provided assistance with the IPO.

**Headline:**

**Source:**

**Headline:**
News--Morocco--Cement Privatisation Wins Strong Support

**Source:**
*Middle East Economic Digest January 14, 1994*

**Activity Date:** 10 1994

As of October 1994, the 1.22% of **Cimenterie de l'Oriental (CIOR)** reserved for employees were still retained by the state pending financial arrangements of the sale. The shares are to be sold at 195.50 DH (about $21.72) each, a 15% discount from the share listing on the stock exchange.

**Headline:**
News--Morocco--Cement Privatisation Wins Strong Support

**Source:**
*Middle East Economic Digest January 14, 1994*

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## CMH (Compagnie Marocaine des Hydrocarbures)

**Activity Date:** 3 1993

An international sealed tender offer for the government's 51% share of **CMH (Compagnie Marocaine des Hydrocarbures)**, a petroleum product distributor, was announced March 11, for a minimum of $11 million. The foreign company Agip already owns 31.25% of CMH. The Moroccan government soon plans to amend legislation to allow foreigners to own up to 100% of Moroccan companies. CMH had profits of $1.3 million in 1991.

**Headline:**

**Source:**
*Privatization International April 1993*

**Activity Date:** 3 1994

In March 1994, Hogespar purchased 50% of **CMH (Compagnie Marocaine des Hydrocarbures)**, a hydrocarbon refining company, for 101.1 million dirhams (approximately $10.5 million) through direct negotiation. Hogespar already owned 18% of the company's holdings prior to privatization.

**Headline:**
OGESPAR purchases CMH for 101.1 MDH

**Source:**
*La Vie Economique May 6, 1994*

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## Comagri

**Activity Date:** 5 1992

In May 1992, it was announced that Comagri, the state-owned agricultural management firm, is to be privatized. Tenders on the 27 farms being managed by this agricultural firm will be placed soon.

**Headline:**

**Source:**
*PI/May 1992*

**Activity Date:** 12 1992

In December of 1992, Comagri, the state-owned farm management corporation, was finally liquidated after farmland reverted to the public domain and assets were sold off. Earlier efforts to privatize Comagri through private tender offers were abandoned when major financial and managerial difficulties were revealed.

**Headline:**

**Source:**
*Priv Yrbk 1993*

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## Compagnie Marocaine de Gestion des Exploitations

**Activity Date:** 11 1993

Agricultural company **Compagnie Marocaine de Gestion des Exploitations Agricoles** was leased out for Dh 20 million ($2.1 million) a year to a group of farmers.

**Headline:**
Investors May be Attracted as Target Looks Set to be Beaten

**Source:**
*Financial Times November 3, 1993*

## Compagnie Marocaine des Transports-Lignes Nationales

**Activity Date:** 10 1994

The Moroccan government on October 5, 1994 sold its remaining 18.86% stake in **Compagnie Marocaine des Transports-Lignes Nationales (CTM-LN)**, Morocco's largest bus company. The shares, which were nearly three times oversubscribed, were sold on the Casablanca stock exchange and earned revenues of $5.5 million.

CTM-LN reported profits for this past 12 month period up 50% from the previous period. The remaining 2.6% of shares will be sold to the employees at 212.50 DH (about $23.60), a 15% discount from their share price on the stock exchange. Shares are retained by the state pending financial arrangements.

**Headline:** Government Completes Road Haulage Privatisation

**Source:** *Middle East Economic Digest October 21, 1994*

## Credit Eqdom

**Activity Date:** 5 1995

Morocco's **Credit Eqdom**, a firm specializing in consumer credits for durable goods, will be privatized through a public offer in late May or early June. The Privatization Ministry is updating an evaluation of the enterprise in order to fix a sale price. The privatization plan calls for the sale of between 17% and 25% of Eqdom's shares. In addition, an independent company will be enlisted to manage the government's 32% stake.

**Headline:** In Brief

**Source:** *Middle East Economic Digest April 28, 1995*

**Activity Date:** 6 1995

The government of Morocco is planning to offer 18% of its stake in the credit company, **Credit Eqdom**, later this month. The government is planning to sell a total of 20 companies by the end of the year. These companies include five mines that produce cobalt, silver, manganese, and fluorite, two oil refineries, three sugar refineries, and possibly the Banque Commerciale Populaire.

**Headline:** Privatization to the Rescue?

**Source:** *Business Africa June 16-30, 1995*

## Credit Immobilier and Hotelier (CIH)

**Activity Date:** 1 1994

An audit and valuation for the privatization for **CIH**, a Morrocan retail bank, was being prepared in January 1994.

**Headline:**

**Source:**

**Activity Date:** 7 1994

Preparation for the privatization of **Credit Immobilier and Hotelier (CIH)** called for a capital increase of MD252 million ($28 million) in CIH on the Casablanca stock exchange. CIH is a leading state housing bank and major source of hotel finance. Its assets have increased by 6% in 1993 to MD19,037 million($2115 million). Profits rose from MD229 million ($25.4 million) in 1992 to MD248 million ($27.6 million) in 1993.

**Headline:** CIH Boost Balance Ahead of Privatisation

**Source:** *Middle East Economic Digest July 22, 1994*

**Activity Date:** 7 1995

The Moroccan government's plans to privatize **Credit Immobilier & Hotelier** (CIH) have been postponed due to debt problems in the company's core tourism and real estate units.

**Headline:** In Brief

**Source:** *Middle East Economic Digest July 7, 1995*

## CTM-LN

**Activity Date:** 5 1992

In May 1992, it was announced that **CTM-LN**, a large state-owned inter-urban bus company, would be privatized in the third quarter of 1992. Price Waterhouse/IPG conducted a valuation of the company.

**Headline:**

**Source:**
*PI/May 1992*

**Activity Date:** 5 1993

Morocco's first initial public offering (IPO) was completed on May 28 through the sale of a 40% stake in **CTM-LN**, an inter-urban bus company. A total of 377,224 shares were floated on the Casablanca Stock Exchange for 250 Dirhams per share. Minimum purchase was set at 20 shares while maximum was 3,000, with an average purchase of 100 shares per buyer. Of these shares, more than 90% of the sales went to Moroccans, raising a total of DH94.3 million ($10.7 million). An advisor provided by Price Waterhouse advised on the pricing for the public offer.

**Headline:**

**Source:**
*Privatisation International June 1993*

**Activity Date:** 7 1993

A 35% share of **CTM-LN** was sold through a tender offer to a consortium of Moroccan financial institutions in July 1993 for 111.6 million DH (about $12.7 million). The consortium is made up of Interfina (10%), Asma Invest (5%), Bank Al Amal (5%), CIMR (5%), Banque Centrale Populaire (5%), and Al Amane (5%), and was formed to guaranatee management and financial continuity. Following the offering, the consortium retained its 35% share, 3.94% remains held by previous shareholders, 40% by new private investors via the stock exchange, and 21.06% by the government. Shares are being reserved for workers.

**Headline:**

**Source:**
*Privatisation International June 1993*

## Dragon Gas

**Activity Date:** 2 1994

In February, Dragofina Investment Trust of Italy re-purchased the state's 50% share in **Dragon Gas**, a Tangier based butane distribution company, for 850,000 DH (about $90,000). In addition, Dragofina plans to invest $1.6 million in the company. Dragofina had been the sole owner of Dragon Gaz until 50% of the company was passed to the state during the 1973 Moroccanisation drive.

**Headline:**
New Privatisations In Prospect

**Source:**
*Middle East Economic Digest March 25, 1994*

## Electricity Generating

**Activity Date:** 1995

Morocco has begun privatizing its utilities, in hopes of transfering half of the country's **electricity generating** capacity to the private sector by mid-year. The plan is to sell two nearly completed plants at Jors Lasfar and to build two new ones under a BOT arrangement. The deal is expected to raise revenues of $2bn-$2.5bn. Three groups of investors have prequalified to enter negotiations. According to the proposed arrangement, the winning group will receive a concession to operate the plants for 30 years, after which the plants will return to state control. The Moroccan Government has said that the group can sell the electricity and that the lowest price will win the bid.

**Headline:**
Morocco's Innovative Power Sale

**Source:**
*Privatisation International February, 1995*

## Fertima

**Activity Date:** 1 1994

Morocco's largest distributor of fertilizer, **Fertima**, is scheduled to be privatized in the near future. An advisor provided by PW prepared a list of potential international investors to be contacted and advised on the transaction structure. Fertima's transfer to the private sector will be sold by means of an open tender. International and national investors will be invited to submit a bid for 51% of the share capital. A further 10% will be sold by means of regional tender and 4% reserved for employees. The government will retain a 35% interest in the company.

**Headline:**

**Source:** *PW/IPG Staff*

## General Tire and Rubber Company of Morocco

**Activity Date:** 3 1994

According to March reports, finalization of the privatization of Morocco's **General Tire of Marocco** has been postponed due to technical problems and disagreement over pricing. Continental, a German firm which currently holds a 53.1% stake, is expected to bid on the remaining shares yet reportedly believes the going price is too high. The state's remaining 22.2% is scheduled to be floated on the Casablanca stock exchange.

**Headline:** New Privatisations In Prospect

**Source:** *Middle East Economic Digest March 25, 1994*

**Activity Date:** 6 1994

The Ministry of Privatization has announced its intention to sell 22.2% of **General Tire of Marocco** by means of an IPO. Continental, the German tire company and principal shareholder, has informed the Ministry of Privatization that it intends to take advantage of GTM's privatization and dilute its ownership from 52% to 33%. It will commit to continue to manage the company and safeguard its development. The target is to go to the stock market by June 94. An advisor provided by PW is assisting in the structure of the IPO.

**Headline:**

**Source:** *PW/IPG Staff*

**Activity Date:** 11 1994

The government has sold 20% of its equity stake **General Tire and Rubber Company of Morocco** (GTM) to local investors. Germany's Continental remains the largest shareholder, with a 53.1% stake. GTM says it will invest $17 million in expansion programs over the next five years.

**Headline:** What's New in Your Sector

**Source:** *Business Africa November 16-30, 1994*

**Activity Date:** 1 1995

A public offer for shares in **General Tire and Rubber Company of Morocco** was oversubscribed when it closed on January 31, 1995. Shares are limited to 5 per investor at a price of $25.80 each. The share offer will raise the company's capital by 57% to $17.9m.

**Headline:** In Brief

**Source:** *Middle Eastern Economic Digest February 10, 1995*

## Hotel Basma Casablanca

**Activity Date:** 11 1993

**Hotel Basma Casablanca** was sold through a sealed tender bid for Dh 50 million ($5.3 million) to a Moroccan-Libyan consortium.

**Headline:** Investors May be Attracted as Target Looks Set to be Beaten

**Source:** *Financial Times November 3, 1993*

**Hotel des Iles, Essaouira**

**Activity Date:** 11 1993

**Hotel des Iles, Esaouira** was put up for sale by the Moroccan government through a sealed tender bid for Dh 20 million ($2.1 million).

**Headline:**
Investors May be Attracted as Target Looks Set to be Beaten

**Source:**
*Financial Times November 3, 1993*

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**Hotel le Almoravides**

**Activity Date:** 9 1995

The Privatization Ministry of Morocco said that it will announce the winners of **Hotel Riad, Hotel le Almoravides** and **Hotel Splendid** in early September. Bids were closed on July 24.

**Headline:**
Morocco: In Brief

**Source:**
*Middle East Economic Digest September 8, 1995*

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**Hotel Les Amandiers**

**Activity Date:** 11 1993

**Hotel les Amandiers** was sold through sealed tender bid for Dh 5 million ($535,000) to the Floride company.

**Headline:**
Investors May be Attracted as Target Looks Set to be Beaten

**Source:**
*Financial Times November 3, 1993*

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**Hotel Riad**

**Activity Date:** 9 1995

The Privatization Ministry of Morocco said that it will announce the winners of the tender for the **Hotel Riad**, **Hotel le Almoravides** and **Hotel Splendid** in early September. Bids were closed on July 24.

**Headline:**
Morocco: In Brief

**Source:**
*Middle East Economic Digest September 8, 1995*

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**Hotel Rissani**

**Activity Date:** 7 1994

An advertisement posted a call for bids for **Hotel Rissani** in Morocco. The sale is being conducted by the Ministry of Privatization by means of a public offer. The minimum offer price to be accepted is set at 7 million dirhams. Bids must be submitted by September 5.

**Headline:**
Publicite

**Source:**
*Liberation July 14, 1994*

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**Hotel Splendid**

**Activity Date:** 9 1995

The Privatization Ministry of Morocco said that it will announce the winners of **Hotel Riad, Hotel le Almoravides** and **Hotel Splendid** in early September. Bids were closed on July 24.

**Headline:**
Morocco: In Brief

**Source:**
*Middle East Economic Digest September 8, 1995*

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**Hotel Tarik Tangler**

**Activity Date:** 11 1993

**Hotel Tarik Tangler** was sold through a sealed tender bid for Dh 15.5 million ($1.6 million) to the Union of Moroccan Hotels.

**Headline:**
Investors May be Attracted as Target Looks Set to be Beaten

**Source:**
*Financial Times November 3, 1993*

## Hotel Terminus

**Activity Date:** 7 1994

An advertisement posted a call for bids for **Hotel Terminus** in Morocco. The sale is being conducted by the Ministry of Privatization by means of a public offer. The minimum offer price to be accepted is set at 20 million dirhams. Bids must be submitted by September 5.

**Headline:** Publicite

**Source:** *Liberation July 14, 1994*

**Activity Date:** 8 1994

The Moroccan government in August announced its plan to sell two state-owned four star hotels, the **Terminus** in Oujda and the **Rissani** in Erranchidia. The sale of the hotels is part of a larger sale of 112 state-owned enterprises scheduled to close September 5. Sale price for the hotels is $3 million. Seven hotels worth $23.1 million have recently been sold by the government which plans to sell a total of 43 hotels by the end of 1995.

**Headline:** What's New in Your Sector: Morocco

**Source:** *Business Africa August 1994*

## Hotel Toubkai

**Activity Date:** 11 1993

**Hotel Toubkai, Marakesh** is being sold by the Moroccan government through a sealed tender bid for Dh 35 million ($3.7 million)

**Headline:** Investors May be Attracted as Target Looks Set to be Beaten

**Source:** *Financial Times November 3, 1993*

**Activity Date:** 5 1994

The **Hotel Toubkai** was sold for 38.5 million dirhams. The minimum sale price was fixed at 35 million dirhams.

**Headline:** Restarting Hotel Privatisation

**Source:** *La Vie Economique May 6, 1994*

## Hotel Volubilis

**Activity Date:** 11 1993

**Hotel Volubilis, Fez** is being sold by the Moroccan government through a sealed tender bid for Dh 30 million ($3.2 million).

**Headline:** Investors May be Attracted as Target Looks Set to be Beaten

**Source:** *Financial Times November 3, 1993*

**Activity Date:** 5 1994

The Fram purchased the **Hotel Volubilis** in Meknes for 35 million dirhams with a minimum offer price established at 30 MDH.

**Headline:** Restarting Hotel Privatisation

**Source:** *La Vie Economique May 6, 1994*

## Iboval

**Activity Date:** 5 1992

In May 1992, it was announced that Iboval, a state-owned textile firm will be privatized. Iboval produces a combination of articles for the European export market. Moroccan accounting firms are preparing audits and evaluations to present to the government.

**Headline:**

**Source:** *PI/May 1992*

## Icoz

**Activity Date:** 5 1992

In May 1992, it was announced that Icoz, a state-owned textile firm will be privatized in the third quarter of 1992.

**Headline:**

**Source:**
*PI/May 1992*

## Industries Cotonnieres d'Oued Zem (ICOZ)

**Activity Date:** 7 1995

The government of Morocco announced that the privatization of **Industries Cotonnieres d'Oued Zem** (ICOZ), a local textile manufacturer, was completed on June 26. The buyers included Rabat-based Mediholding, the Tangier-based Hyphen Holding Offshore, and French businessman Michel Hauchard. The group paid $1.2m plus $5.9m to repay ICOZ's debts. They have also agreed to invest an additional $35m over the next three years to upgrade and expand the plant.

**Headline:**
In Brief

**Source:**
*Middle East Economic Digest July 14, 1995*

## Macro

**Activity Date:** 7 1994

In July the new prime minister of Morocco revealed his plans to expand privatization in Morocco into new sectors, citing the necessity to attract higher levels of investment to address unemployment. Although the government will continue to maintain strategic control of some companies, particularly those in the banking sector, by holding majority shares, there are no plans to automatically exclude entire sectors. The program, which has already privatized 22 state-owned enterprises, is initially targeting 75 companies and 37 hotels to be sold off by the end of 1995, raising an expected 17 billion dirham (about $1.87 billion). New sectors to be included are public utilities, electricity plants and power stations, the **Samir** oil refining company, and the **Office Cherifien des Phosphate**.

**Headline:**
Morocco Plans to Extend Scope of Privatisation

**Source:**
*Financial Times July 6, 1994*

## Malabata hotel

**Activity Date:** 5 1994

The most notable privatization of the government's hotel divestiture efforts will be that of the **Malabata hotel** in Tanger. The minimum bid accepted will be set at 70 million MDH. The sale of the hotel is hoped to attract major investors from abroad.

**Headline:**
Restarting Hotel Privatisation

**Source:**
*La Vie Economique May 6, 1994*

## Mobil-Maroc

**Activity Date:** 4 1994

It was announced in March that negotiations are under way for the privatization of **Mobil** and Total. The Privatization Agency indicated that the sale of shares may favor current partners, but that outside investors will not be ruled out.

Privatizing authorities announced in April that the two petrol distributors, Mobil and Total, would be sold to foreign investors within the month.

**Headline:**
Mobil and Total: Already in Negotiations

**Source:**
*L'Economiste March 1, 1994*

**Activity Date:** 5 1994

Morocco's 50% share of **Mobil-Maroc** was sold to Mobil Petroleum Corporation of the U.S. in March 1994 for 100.1 million DH (about $11.1 million).

**Headline:**

**Source:**
*C:MOR/PSE*

**National Electricity Board (ONE)**

**Activity Date:** 4 1994

Invitations to bid for private sector production of electricity, alongside the **National Electricity Board (ONE)**, were given out in 45 dossiers by the Ministry of Energy and Mining. However, reports did not indicate to whom the dossiers were given.

**Headline:**
Private Electricity Production

**Source:**
*L'Economiste April 12, 1994*

**Office National des Postes & Telecommications (ONPT)**

**Activity Date:** 1995

The government of Morocco announced plans to sell a large stake in the state-owned telecoms company, **Office National des Postes & Telecommunications** (ONPT) to a strategic partner and offer the remaining shares to the public.

**Headline:**
Morocco: Time To Modernise

**Source:**
*Business Africa August 1995*

**Activity Date:** 1995

The government of Morocco will present a law to privatize the telecommunications sector to parliament at the end of 1996. It is the first step in the government's plan to offer a 25% to 50% stake in the telecommunications utility, **Office National des Postes & Telecommunications** (ONPT). The government is seeking a strategic investor for some of the shares and is also expected to place additional shares in an initial public offer. Despite the preference of potential investors for control of the company, political considerations may require the government to retain a golden share allowing it to veto certain management decisions.

In an initial public offer on October 8, Privatization Minister Abderrahmane Saaidi disclosed that the draft law to privatize the **Office National des Postes & Telecommunications** (ONPT) would be submitted to the parliament in early 1996, rather than late 1996 as he had previously announced. ONPT will remain a virtual monopoly while it undergoes the commercialization process. An independent regulator will oversee the telecommunications market as it is liberalized over a two to three year period.

**Headline:**
Telecoms Sell-Off Schedule Set

**Source:**
*Middle East Economic Digest September 22, 1995*

**Activity Date:** 4 1995

Morocco's Privatization Minister, Abderrahmane Saaidi, has said he favors the privatization of the **Office National des Postes & Telecommunications** (ONPT). Several international telecommunications companies have already indicated their enthusiasm for the proposed sale which may involve selling a 25% to 50% stake to a single investor. The sale, however, faces several obstacles including the fact that ONPT is not currently on the list of companies approved for privatization and that a law allowing for the sale of the company must be passed by the parliament before any sale of shares can take place. There is also concern about whether or not the government would insist on retaining a golden share in the company or if control would be given to a strategic investor. Considerable opposition to the sale is expected.

**Headline:**
Telecoms Investors Show Interest in ONPT

**Source:**
*Middle East Economic Digest April 21, 1995*

**Activity Date:** 10 1995

On October 8, Privatization Minister Abderrahmane Saaidi disclosed that the draft law to privatize the **Office National des Postes & Telecommunications** (ONPT) would be submitted to the parliament in early 1996, rather than late 1996 as he had previously announced. ONPT will remain a virtual monopoly while it undergoes the commercialization process. An independent regulator will oversee the telecommunications market as it is liberalized over a two to three year period.

**Headline:**
Morocco In Brief

**Source:**
*Middle East Economic Digest October 27, 1995*

## Petrom

**Activity Date:** 3 1993

An international tender offer for the government's 51% share of **Petrom**, a petroleum product distributor, was announced March 11, for a minimum of $13.6 million. A joint Kuwaiti-Moroccan holding company already owns 49% of Petrom. The Moroccan government soon plans to amend legislation to allow foreigners to own up to 100% of Moroccan companies. Petrom returned $3.5 million in profits in 1991.

**Headline:**

**Source:**
*Priv Int'l April 1993*

**Activity Date:** 7 1993

The international tender offer for the government's 51% share of **Petrom**, a petroleum product distributor, was conducted in July 1993, for 145 million DH (about $16.5 million). The buyer was Groupe Bouaida of Morocco. A joint Kuwaiti-Moroccan holding company already owns 49% of Petrom, which returned $3.5 million in profits in 1991.

**Headline:**

**Source:**
*C:MOR/PSE*

## refineries

**Activity Date:** 1995

The Moroccan Privatization Ministry is examining options for the privatization of two government-owned refineries. **Societe Marocaine de l'Industrie du Raffinage** and **Societe Cherifienne des Petroles** are being audited in preparation for an invitation to bid or a public offering.

**Headline:**
In Brief

**Source:**
*Middle Eastern Economic Digest February 10, 1995*

## Rissani

**Activity Date:** 8 1994

The Moroccan government in August announced its plan to sell two state-owned four star hotels, the **Rissani** in Erranchidia and the Terminus in Oujda. The sale of the hotels is part of a larger sale of 112 state-owned enterprises scheduled to close September 5. Sale price for the hotels is $3 million. Seven hotels worth $23.1 million have recently been sold by the government which plans to sell a total of 43 hotels by the end of 1995.

**Headline:**
What's New in Your Sector: Morocco

**Source:**
*Business Africa August 1994*

## Royal Air Maroc

**Activity Date:** 1995

**Royal Air Maroc** (RAM), whose stock is presently held by the government of Morocco (84%), Air France (4%), and Iberia (1.3%), is to be privatized by 1996. In preparation for the sale, the airline will open its capital to other airlines, tour operators, as well as financial institutions located in Europe, Africa,and the Middle East. RAM had revenues of $565m in 1994 and announced a slight profit. The carrier saw its traffic increase only 1.4% in 1994, due to the drop in traffic between Morocco and Algeria.

**Headline:**
Air Maroc to be Privatized

**Source:**
*African Business March 1995*

## Scior (Cimenterie de l'Oriental)

**Activity Date:** 8 1993

It was reported in August that the Moroccan government sold a 51% share of **Scior (Cimenterie de l'Oriental)**, a state-owned cement manufacturer, to Swiss Holderbank Group for $134 million. The government plans to follow this sale with a public offer of 24% on the Casablanca Stock Exchange, a 10% stake sold through local auspices in Oujda and Fes, and a 30,000 share offer to Scior's employees.

**Headline:**

**Source:**

## Shell Maroc

**Activity Date:** 12 1993

In December 1993, Royal Dutch/Shell agreed to purchase the state entity Societe Nationale des Produits Petroliers' (SNPP) 50% stake in **Shell Maroc** for 450 million DH (about $46.2 million). Royal Dutch/Shell already owns 50% of the company. Shell Maroc's capital is Dh90million ($9.5 million). Shell Maroc also has a tank capacity of 13,750 cubic meters and it has 480 sales outlets.

**Headline:**
News--Morocco--In Brief

**Source:**
*Middle Eastern Economic Digest January 28, 1994*

## SNEP (Societe Nationale d'Electrolyse et de Petrochimie)

**Activity Date:** 3 1993

An international tender offer for **Societe Nationale d'Electrolyse et de Petrochimie (SNEP)**, a state-owned chemical producer near Casablanca, was announced March 1, 1993, as the government revised legislation to allow 100% foreign ownership. SNEP is the largest Moroccan producer of PVC, chlorine, and caustic soda, holding 85% of the domestic market. In 1991, it returned a net profit of $6 million on a turnover of $53 million. The tender offer was for a single 90% equity block, while the remaining 85,000 shares were to be reserved for the 470 employees of the company. In an announcement in November, Group Chaabi purchased the company through the sealed tender bid for Dh 100 million.

**Headline:**

**Source:**

**Activity Date:** 10 1993

An international tender offer for **Societe Nationale d'Electrolyse et de Petrochimie (SNEP)**, a state-owned chemical producer near Casablanca, was completed in October 1993 to a Moroccan group. The tender offer was for a single 90% equity block worth 364.3 million DH (about $41.4 million). Shares amounting to 5.31% of the company are to offered to employees at 215.05 DH, a 15% discount from the price paid by shareholders.

**Headline:**

**Source:**
*C:MOR/PSE*

## Sochepresse

**Activity Date:** 9 1994

Morocco is planning to sell five firms with a total turnover of Dirhams 3.85bn ($438.4m) before the end of the year. The state owns between 35% and 99% of the following firms: **Banque Marocaine du Commerce Exterieur** (BMCE), **Simef** diesel and motor maker, **Sonasid** steel mill, **Somas** oil company, and **Sochepresse** publication distributor.

**Headline:**
Morocco in more state sell-offs

**Source:**
*Financial Times September 28, 1994*

## Sochocarbo

**Activity Date:** 11 1993

In November, it was announced that the coal distributing company, **Sochocarbo,** was put up for sale by the Moroccan government through a sealed tender bid for Dh 46.81 million ($5.2 million).

**Headline:**
Investors May be Attracted as Target Looks Set to be Beaten

**Source:**
*Financial Times November 3, 1993*

## Societe Anonyme Marocain de l'Industie de Raffinage

**Activity Date:** 7 1995

Morocco's two oil refineries, **Societe Anonyme Marocain de l'Industrie de Raffinage** (SAMIR) and **Societe Cherfienne de Petroles**, are being offered for sale in the country's largest privatization to date. SAMIR, which has a crude oil capacity of 6.5 million metric tons/year, is valued at $1bn. The government hopes to complete the sale by the end of 1996.

**Headline:**
...As Two Oil Refineries Go on Sale

**Source:**
*Business Africa July 16, 1995*

## Societe Chellah Confections

**Activity Date:** 11 1993

The textiles manufacturer, **Societe Chellah Confections**, was sold through private placement for Dh 10 million ($1 million) to Courtaulds.

**Headline:**
Investors May be Attracted as Target Looks Set to be Beaten

**Source:**
*Financial Times November 3, 1993*

## Societe Cherfienne de Petroles

**Activity Date:** 1995

Morocco's two oil refineries, **Societe Anonyme Marocain de l'Industrie de Raffinage** (SAMIR) and **Societe Cherfienne de Petroles**, are being offered for sale in the nation's largest privatization ever. SAMIR, which has a crude oil capacity of 6.5m metric tons/year, is valued at $1bn. The government hopes to finish the sell-offs by the end of 1996.

**Headline:**
...As Two Oil Refineries Go on Sale

**Source:**
*Business Africa July 16, 1995*

**Activity Date:** 5 1995

The government of Morocco has announced that the audit of **Societe Cherifienne de Petroles** is set to start in May and be complete by July or August. Following completion of the audit, the government is planning to privatize the oil refinery which has a production capacity of 1.2 million tonnes per year.

**Headline:**
In Brief

**Source:**
*Middle East Economic Digest May 12, 1995*

## Societe de Financement des Achats a Credit (Sofac-Credit)

**Activity Date:** 11 1993

In November 1993, the Moroccan government reported the impending sale of the credit and leasing company, **Sofac Credit**, through a public offering and sealed tender bid for Dh 87.5 million ($9.3 million).

**Headline:**
Investors May be Attracted as Target Looks Set to be Beaten

**Source:**
*Financial Times November 3, 1993*

**Activity Date:** 3 1994

**Societe de Financement des Achats a Credit (Sofac-Credit)** is slated to be the first financial services company to be privatized in Morocco. The sale of the Casablanca-based leasing company will be carried out through the stock market and is set to begin after the holy week of Ramadan. Saudi investors appeared to show strong interest.

The results of a a 35% tender of Sofac-Credit were unsatisfactory and a secondary offering on the Casablanca exchanged for nationals is expected.

**Headline:**
Morocco In Brief

**Source:**
*Middle Eastern Economic Digest March 11, 1994*

**Activity Date:** 4 1994

Consultants funded by PW/IPG supported the privatization unit in the negotiation between the Ministry and BMCE (lead underwriter) for the placement contract of **Sofac-Credit**, a vehicle leasing company. The deal was structured with a six month stabilization clause. Shares in the April 1994 sale were oversubscribed 4.3 times. The minimum number of shares offered were 10 the maximum 100. The final allocation was 9 share per person at an issue price of 290 dh/share (about $32). The number of shares sold was 137,500, valuing this issue at $4.4 million. The number of applicants was 15,158.

**Headline:**

**Source:**
*PW/IPG Staff*

**Activity Date:** 4 1994

A 35% share in **Sofac Credit** was sold in April 1994 through a tender offer to a consortium of Moroccan financial institutions, in a deal worth 89.3 million DH (about $10 million). Shares amounting to 1.8% of the company will be sold to employees at 246.50 DH, a 15% discount from the share listing price on the stock exchange.

**Headline:**

**Source:**

**Headline:** **Source:**

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**Societe des Ciments Artificiels de Meknes (Cadem)**

**Activity Date:** 11 1993

The French company Lafarge Coppee reported in November 1993 that it may take full control of two cement plants as part of the Moroccan governments privatization plans. One of these companies is **Societe des Ciments Artificiels de Meknes (Cadem)**, of which Lafarge controls a 40 per cent stake. PW/IPG conducted a valuation of this company. The Moroccan government has decided to divest this company through the sale of its parent holding company, SNI, the first phase of which took place in 1994.

**Headline:** News...French Look to Cement Privatisation

**Source:** *Middle Eastern Economic Digest November 26, 1993*

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**Societe des derives du sucre**

**Activity Date:** 11 1993

The sugar and yeast producer, **Societe des Derives du Sucre,** was sold through a sealed tender bid for Dh 18.49 million ($1.9 million) to Lessaffre.

**Headline:** Investors May be Attracted as Target Looks Set to be Beaten

**Source:** *Financial Times November 3, 1993*

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**Societe des Industries Mecaniques and Electriques (Simef)**

**Activity Date:** 9 1994

Morocco is planning to sell five firms with a total turnover of Dirhams 3.85bn ($438.4m) before the end of the year. The state owns between 35% and 99% of the following firms: **Banque Marocaine du Commerce Exterieur** (BMCE), **Simef** diesel and motor maker, **Sonasid** steel mill, **Somas** oil company, and **Sochepresse** publication distributor.

**Headline:** Morocco in more state sell-offs

**Source:** *Financial Times September 28, 1994*

**Activity Date:** 8 1995

The government of Morocco announced that it has sold **Societe des Industries Mecaniques et Electriques** (SIMEF), a manufacturer of small engines and pumps, to a group of private investors for a symbolic 10 cents. The buyers are Alexis International of Belgium, CYCP Trading Velo-Moto of Tunisia, and Moroccan businessman Mohamed Belghandoria, a former SIMEF general manager. The buyers have committed to pay $2.6m for modernization of the plant and to pay off the company's debt.

**Headline:** In Brief

**Source:** *Middle East Economic Digest August 18, 1995*

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**Societe Marocaine de l'Industrie du Raffinage (Samir)**

**Activity Date:** 1995

In order to reach its privatization goal of $403m by the end of 1995, the Moroccan government has renewed its efforts to sell three companies: **Societe Nationale de Siderurgie (Sonasid), Societe Marocaine de l'Industrie du Raffinage (Samir),** and **Banque Nationale pour le Developpement Economique (BNDE).** A 51% stake in Sonasid will be sold through direct negotiation after an open bid invitation failed earlier this year; the privatization ministry stated that the minimum price of $106m is non-negotiable. Deutsche Morgan Grenfell is conducting an evaluation of Samir, after which a minimum price and sale method will be determined. Analysts expect the price to be between $600-$900m. Negotiations with a buyer are not expected to be completed before 1996, however. A 25% stake in BNDE is to be offered through Lazard Freres & Compagnie to one or more buyers. Additionally, a 6% stake will be floated in a domestic IPO.

**Headline:** Privatization to Go Back on Track

**Source:** *Middle East Economic Digest September 29, 1995*

**Activity Date:** 5 1995

The government of Morocco has announced that the audits of **Societe Marocaine de l'Industrie du Raffinage** (Samir) and **Societe Cherifienne des Petroles** are set to begin in May and will be completed by July or August. Following completion of the audits, the government is planning to privatize the oil refineries, which have production

Following completion of the audits, the government is planning to privatize the oil refineries, which have production capacities of 5 million and 1.2 million tonnes per year respectively.

**Headline:**
In Brief

**Source:**
*Middle East Economic Digest May 12, 1995*

**Activity Date:** 11 1995

The Ministry of Privatization has been making preparations to sell **Societe Marocaine de l'Industrie du Raffinage** (Samir), Morocco's largest refinery, through a public offering and the sale of a majority stake to a strategic investor. The refinery is valued at approximately $1bn, and it will be Morocco's largest flotation thus far.

Samir will be the first company to be privatized via a privatization bond issue, with the government using convertible three-year bonds, each with a nominal value of $119, worth a total of $237m. Bondholders will have priority access to recently privatized companies since they will be able to convert up to 50 bonds for equity when a company is privatized via public offer. If exchanged for shares, the bonds will earn 6.5% interest; otherwise, the rate will be 9% if exchanged after three years. Banque Commerciale du Maroc and Wafabank are managing the local issue while Morgan Stanley, Nomura Securities and Banque Paribas will manage the international issue scheduled for 1996.

**Headline:**
News Round-Up Morocco

**Source:**
*Financial Times November 6, 1995*

**Activity Date:** 1996

The government of Morocco expects to generate about $500m in privatization revenues during the first half of the year through the sale of a 25% stake in the state-owned refinery company **Societe Marocaine de l'Industrie du Raffinage** (Samir) and the **Societe Cherifienne des Petroles**. Investment is also expected to rise with the granting of new privileges and incentives to local and foreign investors through the state's 'Investment Charter.'

**Headline:**
Morocco

**Source:**
*Middle East Economic Digest January 12, 1996*

**Activity Date:** 3 1996

The government of Morocco announced that it would sell 25% of **Societe Marocaine de l'Industrie du Raffinage** (Samir) through an initial public offering of 5.2 million shares at $28.30 per share. An additional 55% stake in the firm is expected to be sold to a strategic investor. The enterprise, which has a capacity of 6 million tons per year and expects a profit of $64m for 1995, is valued at $582.55m.

The Moroccan ministry of privatization announced that the country's largest oil refinery, Samir, with an 82% share of the fuel market, will be privatized through the stock exchange on March 4.

**Headline:**
Morocco in Refinery Flotation

**Source:**
*Financial Times February 23, 1996*

**Activity Date:** 3 1996

Shares in the Moroccan refinery company **Societe Marocaine des Industries du Raffinage (Samir)** will be offered on the stock exchange on March 4. The price and number of shares to be offered will be announced 15 days prior to the opening.

**Headline:**
Morocco

**Source:**
*Middle East Economic Digest February 9, 1996*

**Activity Date:** 4 1996

The privatization of Morocco's largest refinery, **Societe Marocaine de l'Industrie du Raffinage** (SAMIR), was delayed when Mobil Oil Maroc decided to freeze investments in the country. The government has had difficulty finding a strategic buyer willing to take a majority stake in the refinery. The government plans to offer a 15-20% stake to the public, with the remaining stakes placed with a strategic investor through an international bid offer. The sale of SAMIR is valued between $581m and $1bn.

**Headline:**
Privatization in Progress

**Source:**
*Business Monitor International March 1996*

**Societe Marocaine des Fertilisants (Fertima)**

**Activity Date:** 1995

The Moroccan government announced the privatization of **Societe Marocaine des Fertilisants** (Fertima), however, they are planning a stock offering and not a tender as originally planned. Fertima currently has a 63% share of the Moroccan market.

**Headline:** Fertilizer Company Offered for Sale

**Source:** *Middle East Economic Digest April 14, 1995*

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**Societe Nationale d'Investissement (SNI)**

**Activity Date:** 4 1994

According to March reports, the Moroccan government plans to sell the state holding company, **Societe Nationale d'Investissement (SNI)** as a single entity throught the Casablanca stock exchange. SNI has holdings in a variety of industries, with 26% of its portfolio in the cement sector, 20% in beverages, 13% in finance and 6% in the paper manufacturer Cellulose du Maroc.

In an effort to attract foreign investors, the Moroccan government announced on April 15th that SNI will be offered as one company to a core group (30-35%) and on the stock market (65-70%). The transaction is scheduled to be completed by the end of 1995. In a follow-up report on the privatization of SNI, an audit contract was awarded to Asmoun, a local firm, and it will be working along with Segos of France.

**Headline:** New Privatisations in Prospect

**Source:** *Middle East Economic Digest March 25, 1994*

**Activity Date:** 8 1994

The privatization of the government's 67 percent stake in the state holding company **Societe Nationale d'Investissement (SNI)** is expected to come to market in September. The Privatization Ministry announced the sale of SNI on August 11 that the company would be sold as a going concern. The sale may include a combined stock market issue on the Casablanca exchange and the sale of a tranche to a strategic investor. Shares in SNI are currently held by the Moroccan government, Banque Nationale de Developpment (BNDE) and Banque Marocaine du Commerce Exterieur (BMCE). SNI itself has holdings in 41 concerns, which include companies in the cement and agro-industry areas. It has paid-up capital worth MD385 million ($43 million), divided into 7.7 million shares. Its net profit is reported at MD88 million ($9.9 milllion) in 1993 and total holdings are valued at MD505 million ($57 million). The government is seeking a strategic investor willing to purchase one third of SNI shares. The government will also reserve up to 15 percent of the shares for small investors.

**Headline:** SNI Offered for Privatization

**Source:** *Middle East Economic Digest August 26, 1994*

**Activity Date:** 9 1994

Morocco is planning to sell five firms with a total turnover of Dirhams 3.85bn ($438.4m) before the end of the year. The state owns between 35% and 99% of the following firms: **Banque Marocaine du Commerce Exterieur**, **Simef** diesel and motor maker, **Sonasid** steel mill, **Somas** oil company, and **Sochepresse** publication distributor. In addition, the government solicited bids for the **Societe Nationale d'Investissement**, in a public offering of 16% closing at the end of October, and a tender for 51%, to be made up of institutional investors, closing in mid November.

**Headline:** Morocco in More State Sell-Offs

**Source:** *Financial Times September 28, 1994*

**Activity Date:** 10 1994

The Casablanca Stock Market paused this month to prepare for subscriptions for a partial flotation of the government stake in **Societe Nationale d'Investissement** (SNI). Analyst say they expect some liquidations of holdings as investors prepare to raise the capital for the offering, which is to be priced at a discount.

Morocco's largest privatization passed one of its most important hurdles when a 16% equity stake in **Societe Nationale d'Investissement (SNI)**, a holding company with stakes in 41 companies from cement to financial services, was oversubscribed 7 times.

**Headline:**

**Source:**

**Headline:**
Stock Market Watch: Morocco

**Source:**
*Middle East Economic Digest October 21, 1994*

**Activity Date:** 11 1994

The Moroccan government announced the sale of a 51% stake in **Societe Nationale d'Investissement** (SNI) for about $190m. SNI, a holding company which owns many local entities as well as some overseas interests, is viewed as a jewel among Moroccan state owned companies, and the sale is seen as one of the most significant privatizations to date in Africa and the Middle East. Foreign investors purchased 16% of the equity and the rest was sold on the Casablanca Stock Exchange.

**Headline:**
Morocco Completes Withdrawal from SNI

**Source:**
*Financial Times November 18, 1994*

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**Societe Nationale de Siderurgie (Sonasid)**

**Activity Date:** 9 1994

Morocco is planning to sell five firms with a total turnover of Dirhams 3.85bn ($438.4m) before the end of the year. The state owns between 35% and 99% of the following firms: **Banque Marocaine du Commerce Exterieur** (BMCE), **Simef** diesel and motor maker, **Sonasid** steel mill, **Somas** oil company, and **Sochepresse** publication distributor. Sonasid had a turnover of Dirhams 1.60bn ($182.6 million), and is expected to be sold quiclky.

**Headline:**
Morocco in more state sell-offs

**Source:**
*Financial Times September 28, 1994*

**Activity Date:** 12 1994

A 51% stake in the steel-maker **Societe Nationale de Siderurgie (Sonasid)** was offered to international investors in December. Potential investors bid on a total of 198,900 shares with a reserve price of $103.3m. The company has a capitalization of $43.5m split into 390,000 shares worth $112.50 each. The company had profits of $27m in 1993 on a turnover of $180m.

**Headline:**
In Brief

**Source:**
*Middle East Economic Digest December 16, 1994*

**Activity Date:** 1995

To reach its $403m privatization revenue target by the end of 1995, the Moroccan government has renewed its efforts to sell shares in three companies: **Societe Nationale de Siderurgie** (Sonasid), **Societe Marocaine de l'Industrie du Raffinage** (Samir), and **Banque Nationale pour le Developpement Economique** (BNDE). A 51% stake in Sonasid will be sold through direct negotiation following a failed open bid invitation earlier this year. The privatization ministry maintains that its minimum price of $106m is non-negotiable. Deutsche Morgan Grenfell is conducting an evaluation of Samir, after which a minimum price and sale method will be determined. Analysts expect the price to range from $600m to $900m. Negotiations with potential buyers are not expected to be complete before 1996. A 25% stake in BNDE is to be offered through Lazard Freres & Compagnie to one or more buyers. An additional 6% stake will be floated in a domestic initial public offering.

**Headline:**
Privatization to Go Back on Track

**Source:**
*Middle East Economic Digest September 29, 1995*

**Activity Date:** 2 1995

Bids for 51% of the state-owned steel mill **Societe Nationale de Siderurgie** (Sonasid) have been extended to the end of February. The Moroccan government hopes to realize a minimum price of $104m in the sale of its majority stake to a strategic investor. The government is seeking to find a partner willing to increase Sonasid's capacity of 420,000 tons/year by building an electric arc furnace and a continuous caster.

**Headline:**
In Brief

**Source:**
*Middle Eastern Economic Digest February 10, 1995*

**Activity Date:** 3 1995

The Moroccan government will decide how to proceed with the privatization of **Societe Nationale de Siderurgie** (Sonasid) following a weak response by investors to an invitation to bid on a 51% stake in the steel company. A privatization ministry spokesman said that the minimum price of $108m for the stake will not be lowered. Sonasid requires significant investment if it is to bring its mills up to date, and it is looking for a private partner to help it accomplish such goals.

**Headline:**

**Source:**

Sonasid Privatization Set Back *Middle East Economic Digest March 24, 1995*

**Activity Date:** 1996

The government of Morocco plans to privatize the steel company **Societe Nationale de Siderurgie (Sonasid)** immediately after the privatization of the refinery company Samir. The government also plans to sell the state company **Societe Cherifienne des Petroles** by June.

**Headline:** Morocco

**Source:** *Middle East Economic Digest February 9, 1996*

**Activity Date:** 4 1996

The government of Morocco plans to privatize the steel company **Societe Nationale de Siderugie** (Sonasid), Banque Nationale pour le Development Economique (BNDE), Societe Chrifienne des Petroles (SCP), Housing Bank Credit Immobilier and Hotelier (CIH), and fertilizer company Fertima and Banque Centrale Populaire (BCP).

**Headline:** Privatization in Progress

**Source:** *Business Monitor International March 1996*

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**Societe Nationale des Produits Petrolieres**

**Activity Date:** 5 1994

The remaining 50% of equity in a joint venture between Total Maroc and state-owned **Societe Nationale des Produits Petrolieres** was sold to France's Total in May.

**Headline:** Privatization

**Source:** *Business Africa May 16-31, 1994*

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**Societe Petroles du Mahreb (SPM)**

**Activity Date:** 11 1993

The gas distribution company, **Societe Petroles du Mahreb**, was sold through a sealed tender bid for Dh1 22.4 million ($13 million) to Bouaida Group.

**Headline:** Investors May be Attracted as Target Looks Set to be Beaten

**Source:** *Financial Times November 3, 1993*

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**Soders**

**Activity Date:** 5 1992

In May 1992, it was announced that a stake of 35.73% of Soders, a yeast manufacturer located in Fez, would be sold. Soders presently employs about 180 persons and reported sales of $9.6 million in 1991. All government shares, currently the property of the industrial development agency and a sugar refiner, are being offered.

In December 1992, it was further revealed that 33.34% of the company would go to a management group, and 2.39% would be reserved for the workers.

**Headline:**

**Source:** *PI/May 1992*

**Activity Date:** 2 1993

A tender offer worth 33.34% of **Soders** was sold in February 1993 for 27 million DH (about $3.1 million). Share were also sold to employees at 297.50 DH, a 15% discount. The total amount sold to the 82% of the workers who participated was worth 1.6 million DH, or 2.39% of the company.

**Headline:**

**Source:** *C:MOR/PSE*

**Somas**

**Activity Date:** 9 1994

Morocco is planning to sell five firms with a total turnover of Dirhams 3.85bn ($438.4m) before the end of the year. The state owns between 35% and 99% of the following firms: **Banque Marocaine du Commerce Exterieur** (BMCE), **Simef** diesel and motor maker, **Sonasid** steel mill, **Somas** oil company, and **Sochepresse** publication distributor.

**Headline:**
Morocco in more state sell-offs

**Source:**
*Financial Times September 28, 1994*

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**Sonasid, Simef, Somas, Sochepresse, BMCE**

**Activity Date:** 10 1994

The Moroccan government announced in October that it is formulating plans for the sale of another five companies currently owned by the state. These companies include the steel mill **Societe Nationale de Siderurgie (Sonasid)**, the diesel and electric motor maker **Societe des Industries Mecaniques & Electriques de Fes (Simef)**, an oil and gas distribution company **Societe Marocaine de Stockage (Somas)**, the state publications distributor **Societe Cherifienne de Distribution & de Presse (Sochepresse)** and the **Banque Marocaine du Commerce Exterieur (BMCE)**.

**Headline:**
Five More Privatisations Planned

**Source:**
*Middle East Economic Digest October 21, 1994*

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**state-owned hotels**

**Activity Date:** 1995

The government of Morocco is accepting bids from private investors for **Hotel Ouzoud** in Beni Mallal and **Hotel Le Zat** in Ouarzazate. The minimum bids for the two 60-room, four-star properties are $2.4m and $1.9m, respectively. The closing date is November 30.

**Headline:**
Morocco

**Source:**
*Middle East Economic Digest November 10, 1995*

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**Sucrerie de Beni Mellal, Sucrerie Nationale du Tadla and**

**Activity Date:** 11 1994

The Moroccan government announced in October that it had issued tenders for the sale of three sugar refineries. The companies, **Sucrerie de Beni Mellal, Sucrerie Nationale du Tadla** and **Sucrerie Raffinerie de Tadla**, will be sold in one lot with a minimum asking price of $46 million. November 28 is the closing date for bids.

**Headline:**
Morocco

**Source:**
*Middle East Economic Digest October 7, 1994*

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**Sucrerie de Beni-Mellal (SUBM)**

**Activity Date:** 1994

An audit and valuation of **SUBM**, a sugar mill, was completed in 1994. Rothschild Paris and Credit Agricole Morocco have been selected to arrange the placement of shares. Under privatization law farmers will have first priority of shares.

**Headline:**

**Source:**

**Activity Date:** 5 1994

According to an April report, the Moroccan government plans to privatize three sugar companies this May. The current sale will include: Sucrerie de Beni Mellal **(SUBM)**, the Soul Es-Sebt based **SUTA** and Sucrerie du Tadla **(SUNAT)**. Following the May offering, the govenment plans to privatize an additional seven sugar companies.

**Headline:**
Morocco In Brief

**Source:**
*Middle East Economic Digest April 1, 1994*

**Activity Date:** 8 1994

Morocco's Privatisation Ministry announced in August that it had issued tenders for the sale of three sugar companies. Together the three companies, **Sucrerie de Beni-Mellal (SUBM), Sucrerie de Souk es-Sebt and Sunat**, have a

1994

Together the three companies, **Sucrerie de Beni-Mellal (SUBM), Sucrerie de Souk es-Sebt and Sunat**, have a turnover valued at $78.5 million. The sale of these companies will take place in October.

**Headline:** Morocco: In Brief

**Source:** *Middle East Economic Digest August 12, 1994*

**Activity Date:** 7 1995

The sale of three Moroccan sugar factories has been delayed for the second time because of problems regarding import liberalization. The government hopes to finalize the sales of **SUBM, SUMAT**, and **SUTA** by the end of the year and to privatize an additional ten plants by the end of 1998.

**Headline:** Moroccan Sale Delayed Again

**Source:** *Business Africa July 16, 1995*

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**Sucrerie de Souk es-Sebt**

**Activity Date:** 8 1994

Morocco's Privatisation Ministry announced in August that it had issued tenders for the sale of three sugar companies. Together the three companies, **Sucrerie de Souk es-Sebt,** Sucrerie de Beni-Mellal (SUBM) and Sunat, have a turnover valued at $78.5 million. The sale of these companies will take place in October.

**Headline:** Morocco: In Brief

**Source:** *Middle East Economic Digest August 12, 1994*

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**sugar mills**

**Activity Date:** 2 1995

In February, the Moroccan government will be taking bids for a 51% stake in three government owned sugar mills. The mills, **Sucrerie de Beni Mellal, Sucrerie Nationale de Tadla**, and **Sucrerie Raffinange de Tedla** will be sold under one contract for $46.1m.

**Headline:** In Brief

**Source:** *Middle Eastern Economic Digest February 10, 1995*

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**SUMAT**

**Activity Date:** 1995

The sale of three Moroccan sugar factories has been delayed for the second time because of problems regarding import liberalization. The government hopes to finalilze the sales of **SUBM, SUMAT**, and **SUTA** by the end of the year and privatize and additional ten plants by the end of 1998.

**Headline:** Moroccan Sale Delayed Again

**Source:** *Business Africa July 16, 1995*

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**Sunat**

**Activity Date:** 1994

An audit and valuation of **Sunat**, a sugar mill, was completed in 1994. Rothschild Paris and Credit Agricole Morocco have been mandated to arrange the placement of shares. Under privatization law farmers will have first priority of shares.

**Headline:**

**Source:**

**Activity Date:** 8 1994

Morocco's Privatisation Ministry announced in August that it had issued tenders for the sale of three sugar companies. Together the three companies, **Sunat,** Sucrerie de Beni-Mellal (SUBM) and Sucrerie de Souk es-Sebt, have a turnover valued at $78.5 million. The sale of these companies will take place in October.

**Headline:** Morocco: In Brief

**Source:** *Middle East Economic Digest August 12, 1994*

## SUTA

**Activity Date:** 1994

An audit and valuation for the sugar mill **SUTA** was completed in 1994. Rothschild Paris and Credit Agricole Morocco have been mandated to arrange the placement of shares. Under privatization law farmers will have first priority of shares.

**Headline:**

**Source:**

**Activity Date:** 1995

The sale of three Moroccan sugar factories has been delayed for the second time because of problems regarding import liberalization. The government hopes to finalilze the sales of **SUBM, SUMAT,** and **SUTA** by the end of the year and privatize and additional ten plants by the end of 1998.

**Headline:**

Moroccan Sale Delayed Again

**Source:**

*Business Africa July 16, 1995*

## Tetouan Power Station

**Activity Date:** 4 1995

Morocco's **Office National de l'Electricite** (ONE) will select a consortium of contractors to build and operate a wind-driven 50MW power plant. A US group which includes the Merrill Corporation and US Windpower has been short listed along with a consortium headed by Spain's Endesa and a joint venture between Vestas Wind Systems and Tramontana of Denmark and France, respectively. The winning consortium will build and operate a $60m facility which is to be returned to the ONE after 19 years.

**Headline:**

Wind-powered BOT Station Award Expected Soon

**Source:**

*Middle East Economic Digest April 28, 1995*

## Total Maroc

**Activity Date:** 4 1994

It was announced in March that negotiations are under way for the privatization of Mobil and **Total Maroc**. The Privatization Agency indicated that the sale of shares may favor current partners, but that outside investors will not be ruled out.

Privatizing authorities announced in April that the two petrol distributors, Mobil and Total, would be sold to foreign investors within the month.

**Headline:**

Mobil and Total: Already in Negotiations

**Source:**

*L'Economiste March 1, 1994*

**Activity Date:** 5 1994

The 50% share of **Total Maroc** held by the SNPP was privatized May 5 for 300 million dirhams. Total Maroc is the second hydrocarbon distribution company in Morocco with a 17% share of the world petroleum market. The company markets one millin tons of petroleum per year.

**Headline:**

Total Maroc Purchased for 300 MDH

**Source:**

*La Vie Economique May 13, 1994*

## Transatlantic hotel

**Activity Date:** 5 1994

The **Transatlantic hotel** in Meknes was privatized and sold to the TIKIDA-ISMAILIA S.A. gorup for 41 million dirhams. TIKIDA-ISMAILIA is one of the world's largest operators of "Holiday Services"

**Headline:**

Untitled

**Source:**

*L'Opinion May 18, 1994*

### Vetnord

**Activity Date:** 5 1992

In May 1992, it was announced that Vetnord, a state-owned textile firm will be privatized. Vetnord produces a combination of clothing items for the European export market. Moroccan accounting firms are preparing audits and evaluations to present to the government.

**Headline:**

**Source:**
*PI/May 1992*

## *Mozambique*

### Agro-Alfa E.E.

**Activity Date:** 1995

The government of Mozambique announced that it will invite investors to prequalify for the partial sale of **Emocha**, the sole producer of tea; **Boror,** a copra plantation; **Citrinos de Manica** and **Citroinos de Maputo**, two citrus fruit plantations; and **Emarna**, a shipyard. In addition, shares of **Steia**, an equipment maintenance company, **Estaleiros Navais da Beira**, a shipyard; **Encatex**, a textile distributor; **Dimac**, a car repair workshop; **Prosul**, a construction company; **Agro-Alfa E.E.** and **Metecna**, two agricultural equipment companies; and **Hidromoc**, a water system supply company, will also be available. Since the start of Mozambique's privatization program, over 600 small to medium-sized companies have been sold off to investors and since 1992, 23 large companies have been privatized.

**Headline:**
Mozambique Investment Opportunities

**Source:**
*The Economist August 5-11, 1995*

### Boror

**Activity Date:** 1995

The government of Mozambique announced that it will invite investors to prequalify for the partial sale of **Emocha**, the sole producer of tea; **Boror,** a copra plantation; **Citrinos de Manica** and **Citroinos de Maputo**, two citrus fruit plantations; and **Emarna**, a shipyard. In addition, shares of **Steia**, an equipment maintenance company, **Estaleiros Navais da Beira**, a shipyard; **Encatex**, a textile distributor; **Dimac**, a car repair workshop; **Prosul**, a construction company; **Agro-Alfa E.E.** and **Metecna**, two agricultural equipment companies; and **Hidromoc**, a water system supply company, will also be available. Since the start of Mozambique's privatization program, over 600 small to medium-sized companies have been sold off to investors and since 1992, 23 large companies have been privatized.

**Headline:**
Mozambique Investment Opportunities

**Source:**
*The Economist August 5-11, 1995*

### Caju de Moçambique, E.E.

**Activity Date:** 5 1994

In January 1993 it was announced that the government of Mozambique would completely privatize its cashew processing industry during the year. The industry, which is the second highest generator of foreign exchange in the country, is facing increasing financial losses. An international tender is to be opened for the privatization of the six cashew processing plants that are currently state-owned.

An advertisement posted in May 1994 announced for sale **Caju de Moçambique, E.E.**, the country's largest cashew nut processor through the restricted tender of shares. The company operates four units in Angoche, Chamanculo, Beira, and Machava, and had sales of $12.4 million in 1992. This company is one of several currently in the pre-qualification stage with the government's Privatisation Execution Commission (CEP). Preference is being given in the tender stage to Mozambican nationals, followed by consortiums of foreign and national business interests.

**Headline:**
Mozambique

**Source:**
*Africa Research Bulletin 2/16/93*

## CETA, E.E.

**Activity Date:** 8 1993

CETA, E.E. will be open for privatization in April-July 1994. Pre-qualifications will be announced in January-March 1994. The company is involved in civil works of large engineering projects in the Provinces of Maputo, Sofala, Tete and Zambezia with reported sales of $5 million in 1991.

**Headline:**
Tenders for the Sale of the Enterprise's Qualifications

**Source:**
*Financial Times August 2, 1993*

## Cimentos de Mocambique

**Activity Date:** 8 1993

The **Cimentos de Mocambique** company is expected to be sold after a June-September bid period. It owns three factories in Matola, Dondo and Nacalo and produces cement with an installed capacity of 990,000 tonnes a year. In 1991, it reported sales of $8.4 million. The bidding announcement will occur in 1994.

**Headline:**
Tenders for the Sale of the Enterprise's Qualifications

**Source:**
*Financial Times August 2, 1993*

**Activity Date:** 5 1994

A May announcement reported that the government of Mozambique plans to privatize a 51% stake in **Cimentos de Mocambique** and expects to receive approximately $18 million for the cement producing parastatal. Tender submissions are anticipated from PP Cement and Anglo Alpha. Bids will also be accepted for the following factories: Matola(currently being upgraded), Dondo(operating at capacity), and Nacola(inoperative). Blue Circle Cement of South Africa will conduct the feasibility study for the factories to be privatized.

**Headline:**
Privatization: Mozambique

**Source:**
*Business Africa May 1-15, 1994*

## Citrinos de Manica

**Activity Date:** 1995

The government of Mozambique announced that it will invite investors to prequalify for the partial sale of **Emocha**, the sole producer of tea; **Boror,** a copra plantation; **Citrinos de Manica** and **Citroinos de Maputo**, two citrus fruit plantations; and **Emarna**, a shipyard. In addition, shares of **Steia**, an equipment maintenance company, **Estaleiros Navais da Beira**, a shipyard; **Encatex**, a textile distributor; **Dimac**, a car repair workshop; **Prosul**, a construction company; **Agro-Alfa E.E.** and **Metecna**, two agricultural equipment companies; and **Hidromoc**, a water system supply company, will also be available. Since the start of Mozambique's privatization program, over 600 small to medium-sized companies have been sold off to investors and since 1992, 23 large companies have been privatized.

**Headline:**
Mozambique Investment Opportunities

**Source:**
*The Economist August 5-11, 1995*

## Citrinos de Maputo

**Activity Date:** 1995

The government of Mozambique announced that it will invite investors to prequalify for the partial sale of **Emocha**, the sole producer of tea; **Boror,** a copra plantation; **Citrinos de Manica** and **Citroinos de Maputo**, two citrus fruit plantations; and **Emarna**, a shipyard. In addition, shares of **Steia**, an equipment maintenance company, **Estaleiros Navais da Beira**, a shipyard; **Encatex**, a textile distributor; **Dimac**, a car repair workshop; **Prosul**, a construction company; **Agro-Alfa E.E.** and **Metecna**, two agricultural equipment companies; and **Hidromoc**, a water system supply company, will also be available. Since the start of Mozambique's privatization program, over 600 small to medium-sized companies have been sold off to investors and since 1992, 23 large companies have been privatized.

**Headline:**
Mozambique Investment Opportunities

**Source:**
*The Economist August 5-11, 1995*

**Cometal**

**Activity Date:** 8 1993

The Republic of Mozambique announced in August pre-qualification tenders for the sale of state-owned enterprises by means of buying shares, creation of joint-ventures with private partners, and buying assets separately. The Enterprise Restructuring Technical Unit of the Ministry of Finance is administering the project. Cometal, a metal working factory in Maputo, specializing in heavy-metal works and the production of railway wagons, tanks, and towers, is to be open for bids in October-December 1993. Cometal's sales in 1992 were $1.33 million and its production capacity was 2.240 tons of 174 wagons a year.

**Headline:**
Tenders for the Sale of the Enterprise's Qualifications

**Source:**
*Financial Times August 2, 1993*

**Commercial Bank of Mozambique (BCM)**

**Activity Date:** 1995

The government of Mozambique announced on July 13 that it will sell all of **Commercial Bank of Mozambique** (BCM). Foreign investors will be able to buy 51% of the shares, while Mozambican citizens will be able to purchase 29% and employees will be allocated 20%. In the case of the **People's Development Bank** (BPD), 51% of the capital will remain with the state while 49% will be sold to private investors. The first phase of privatization of **Emocha**, the Mozambican tea company, includes the sale of the fixed assets of the eleven individual tea production units worth approximately $27.7m. So far, 14 of 55 large state-owned enterprises in Mozambique have been sold off, mainly to Portuguese and South African investors.

**Headline:**
Mozambique Bank Plan

**Source:**
*Privatisation International August 1995*

**Companhia Industrial Da Matola**

**Activity Date:** 5 1994

December - February 1994 bidding is planned for **Companhia Industrial Da Matola** after the October - November 1993 pre-qualification period. The company's two factories are involved in milling of wheat and corn flour, production of pasta, animal feed, candies and chocolates. Their sales in 1992 amounted to $5.5 million.

An advertisement posted in May 1994 again announced the tender of Companhia Industrial da Matola, a state-owned milling and agricultural processing company, this time reporting sales in 1992 of $11.2 million. It is one of several currently in the pre-qualification stage with the government's Privatisation Execution Commission (CEP). Preference is being given in the tender stage to Mozambican nationals, followed by consortiums of foreign and national business interests.

**Headline:**
Tenders for the Sale of the Enterprise's Qualifications

**Source:**
*Financial Times August 2, 1993*

**Distribuidora de Materials de Construcao (DIMAC)**

**Activity Date:** 8 1993

A construction materials trading company, DIMAC, Distribuidora de Materials de Construcao, is to be open for bids in October - December 1994. Pre-qualification process continues until the end of September 1993. The company has 22 warehouses all over the country and had sales of $6.5 million in 1991.

**Headline:**
Tenders for the Sale of the Enterprise's Qualifications

**Source:**
*Financial Times August 2, 1993*

**Activity Date:** 1995

The government of Mozambique announced that it will invite investors to prequalify for the partial sale of **Emocha**,

1995

The government of Mozambique announced that it will invite investors to prequalify for the partial sale of **Emocha**, the sole producer of tea; **Boror,** a copra plantation; **Citrinos de Manica** and **Citroinos de Maputo**, two citrus fruit plantations; and **Emarna**, a shipyard. In addition, shares of **Steia**, an equipment maintenance company, **Estaleiros Navais da Beira**, a shipyard; **Encatex**, a textile distributor; **DIMAC**, a car repair workshop; **Prosul**, a construction company; **Agro-Alfa E.E.** and **Metecna**, two agricultural equipment companies; and **Hidromoc**, a water system supply company, will also be available. Since the start of Mozambique's privatization program, over 600 small to medium-sized companies have been sold off to investors and since 1992, 23 large companies have been privatized.

**Headline:**
Mozambique Investment Opportunities

**Source:**
*The Economist August 5-11, 1995*

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**Emarna**

**Activity Date:** 1995

The government of Mozambique announced that it will invite investors to prequalify for the partial sale of **Emocha**, the sole producer of tea; **Boror,** a copra plantation; **Citrinos de Manica** and **Citroinos de Maputo**, two citrus fruit plantations; and **Emarna**, a shipyard. In addition, shares of **Steia**, an equipment maintenance company, **Estaleiros Navais da Beira**, a shipyard; **Encatex**, a textile distributor; **Dimac**, a car repair workshop; **Prosul**, a construction company; **Agro-Alfa E.E.** and **Metecna**, two agricultural equipment companies; and **Hidromoc**, a water system supply company, will also be available. Since the start of Mozambique's privatization program, over 600 small to medium-sized companies have been sold off to investors and since 1992, 23 large companies have been privatized.

**Headline:**
Mozambique Investment Opportunities

**Source:**
*The Economist August 5-11, 1995*

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**Emocha**

**Activity Date:** 1995

The government of Mozambique announced on July 13 that it will sell all of **Commercial Bank of Mozambique** (BCM). Foreign investors will be able to buy 51% of the shares, while Mozambican citizens and employees will buy or have reserved 29% and 20% respectively. In the case for the **People's Development Bank** (BPD), 51% of the capital will remain with the state while 49% will be sold to private investors. The first phase of privatization of **Emocha**, the Mozambican tea company, includes the sale of the fixed assets of the eleven individual tea production units worth approximately $27.7m. So far, 14 of 55 large state-owned enterprises in Mazambique have been sold off, mainly to Portuguese and South African investors.

**Headline:**
Mozambique Bank Plan

**Source:**
*Privatisation International August 1995*

**Activity Date:** 1995

The government of Mozambique announced that it will invite investors to prequalify for the partial sale of **Emocha**, the sole producer of tea; **Boror,** a copra plantation; **Citrinos de Manica** and **Citroinos de Maputo**, two citrus fruit plantations; and **Emarna**, a shipyard. In addition, shares of **Steia**, an equipment maintenance company, **Estaleiros Navais da Beira**, a shipyard; **Encatex**, a textile distributor; **Dimac**, a car repair workshop; **Prosul**, a construction company; **Agro-Alfa E.E.** and **Metecna**, two agricultural equipment companies; and **Hidromoc**, a water system supply company, will also be available. Since the start of Mozambique's privatization program, over 600 small to medium-sized companies have been sold off to investors and since 1992, 23 large companies have been privatized.

**Headline:**
Mozambique Investment Opportunities

**Source:**
*The Economist August 5, 1995*

**Empresa Estatal de Confeccoes de Vestuario (SOVESTE),**

**Activity Date:** 5 1994

**Empresa Estatal de Confeccoes de Vestuario (Soveste), E.E.,** a manufacturer of clothing and fur in Maputo with sales of $1.72 million, will be offered for sale in December - February 1994.

An advertisement posted in May 1994 again announced the tender of Soveste, this time reporting sales in 1992 of $1.1 million - mostly to export markets. It is one of several currently in the pre-qualification stage with the government's Privatisation Execution Commission (CEP). Preference is being given in the tender stage to Mozambican nationals, followed by consortiums of foreign and national business interests.

**Headline:**
Tenders for the Sale of the Enterprise's Qualifications

**Source:**
*Financial Times August 2, 1993*

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**Encatex**

**Activity Date:** 1995

The government of Mozambique announced that it will invite investors to prequalify for the partial sale of **Emocha**, the sole producer of tea; **Boror,** a copra plantation; **Citrinos de Manica** and **Citroinos de Maputo**, two citrus fruit plantations; and **Emarna**, a shipyard. In addition, shares of **Steia**, an equipment maintenance company, **Estaleiros Navais da Beira**, a shipyard; **Encatex**, a textile distributor; **Dimac**, a car repair workshop; **Prosul**, a construction company; **Agro-Alfa E.E.** and **Metecna**, two agricultural equipment companies; and **Hidromoc**, a water system supply company, will also be available. Since the start of Mozambique's privatization program, over 600 small to medium-sized companies have been sold off to investors and since 1992, 23 large companies have been privatized.

**Headline:**
Mozambique Investment Opportunities

**Source:**
*The Economist August 5-11, 1995*

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**Estaleiros Navais da Beira**

**Activity Date:** 1995

The government of Mozambique announced that it will invite investors to prequalify for the partial sale of **Emocha**, the sole producer of tea; **Boror,** a copra plantation; **Citrinos de Manica** and **Citroinos de Maputo**, two citrus fruit plantations; and **Emarna**, a shipyard. In addition, shares of **Steia**, an equipment maintenance company, **Estaleiros Navais da Beira**, a shipyard; **Encatex**, a textile distributor; **Dimac**, a car repair workshop; **Prosul**, a construction company; **Agro-Alfa E.E.** and **Metecna**, two agricultural equipment companies; and **Hidromoc**, a water system supply company, will also be available. Since the start of Mozambique's privatization program, over 600 small to medium-sized companies have been sold off to investors and since 1992, 23 large companies have been privatized.

**Headline:**
Mozambique Investment Opportunities

**Source:**
*The Economist August 5-11, 1995*

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**Fábrica De Cerveja 2M**

**Activity Date:** 5 1994

It was earlier reported that **Fábrica De Cerveja 2M**, one of the national breweries, would be open for bids in December-February 1993. This recently rehabilitated enterprise, which reported sales in 1992 of $9.5 million, specializes in the production and trade of two brands of national beer.

An advertisement posted in May 1994 again announced the tender of Fábrica de Cerveja 2M, a state-owned brewery with an annual capacity of 350,000 hl and this time reporting sales of $4.5 million in 1992. It is one among several others currently in the pre-qualification stage with the government's Privatisation Execution Commission (CEP). Preference is being given in the tender stage to Mozambican nationals, followed by consortiums of foreign and national business interests.

**Headline:**
Tenders for the Sale of the Enterprise's Qualifications

**Source:**
*Financial Times August 2, 1993*

**Fábrica De Cerveja Da Beira**

**Activity Date:** 5 1994

Earlier, it was reported that the producer of the national beer, **Fábrica De Cerveja Da Beira,** with sales in 1992 of $3.7 million, would be offered for sale in an open bidding in December - February 1994. The pre-qualification period was to have been in October - November 1993.

An advertisement posted in May 1994 again announced the tender of Fábrica de Cerveja Da Beira, this time reporting an annual capacity of 630,000 hl and sales of $2.6 million in 1992. It is one among several others currently in the pre-qualification stage with the government's Privatisation Execution Commission (CEP). Preference is being given in the tender stage to Mozambican nationals, followed by consortiums of foreign and national business interests.

**Headline:**
Tenders for the Sale of the Enterprise's Qualifications

**Source:**
*Financial Times August 2, 1993*

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**FRIGO, Entreposto Frigorifico da Matola**

**Activity Date:** 8 1993

FRIGO, Entreposto Frigorifico da Matola, a Maputo company specializing in production of 56x679 cubic meter refrigeration chambers for vegetables and fruits, will be due for pre-qualification by the end of October 1993. Bids for the sale are to be announced in November - January 1994.

**Headline:**
Tenders for the Sale of the Enterprise's Qualifications

**Source:**
*Financial Times August 2, 1993*

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**Hidromoc, E.E.**

**Activity Date:** 8 1993

Maputo-based HIDROMOC, E.E. will be open for investors' pre-qualification procedure until the end of October 1993. It specializes in design, supply, and erection of water supply systems. It has delegations in the north, center and the south of the country and sales of $1.26 million in 1992. Pre-qualified investors will be able to bid for participations in November - January 1994.

**Headline:**
Tenders for the Sale of the Enterprise's Qualifications

**Source:**
*Financial Times August 2, 1993*

**Activity Date:** 1995

The government of Mozambique announced that it will invite investors to prequalify for the partial sale of **Emocha**, the sole producer of tea; **Boror,** a copra plantation; **Citrinos de Manica** and **Citroinos de Maputo**, two citrus fruit plantations; and **Emarna**, a shipyard. In addition, shares of **Steia**, an equipment maintenance company, **Estaleiros Navais da Beira**, a shipyard; **Encatex**, a textile distributor; **Dimac**, a car repair workshop; **Prosul**, a construction company; **Agro-Alfa E.E.** and **Metecna**, two agricultural equipment companies; and **Hidromoc**, a water system supply company, will also be available. Since the start of Mozambique's privatization program, over 600 small to medium-sized companies have been sold off to investors and since 1992, 23 large companies have been privatized.

**Headline:**
Mozambique Investment Opportunities

**Source:**
*The Economist August 5-11, 1995*

## Ifloma

**Activity Date:** 5 1994

An advertisement posted in May 1994 announced the sale of **Ifloma**, the state-owned producer of lumber and wood products. The company had sales of $1.1 million in 1992. This company is one of several currently in the pre-qualification stage with the government's Privatisation Execution Commission (CEP). Preference is being given in the tender stage to Mozambican nationals, followed by consortiums of foreign and national business interests.

**Headline:**
Advertisement

**Source:**
*The Economist* *May 7, 1994*

## Leite e Lacticínios de Maputo

**Activity Date:** 5 1994

An advertisement posted in May 1994 announced the sale of **Leite e Lacticínios de Maputo**, a state-owned producer of milk and dairy products. The company had sales of $1.1 million in 1992. This company is one of several currently in the pre-qualification stage with the government's Privatisation Execution Commission (CEP). Preference is being given in the tender stage to Mozambican nationals, followed by consortiums of foreign and national business interests.

**Headline:**
Advertisement

**Source:**
*The Economist* *May 7, 1994*

## MacMahon and Beira Breweries

**Activity Date:** 8 1995

Two of Mozambique's state-owned breweries have been sold to Indol International, a Dutch subsidiary of South African Breweries. The **MacMahon Brewery** and the **Beira Brewery** will merge to form Cevejas de Mozambique. Indol paid $14m for the breweries and is expected to invest $8.4m to modernize the facilities over the next three years.

**Headline:**
Mozambique Sales

**Source:**
*Privatisation International* *September 1995*

## Metecna

**Activity Date:** 1995

The government of Mozambique announced that it will invite investors to prequalify for the partial sale of **Emocha**, the sole producer of tea; **Boror,** a copra plantation; **Citrinos de Manica** and **Citroinos de Maputo**, two citrus fruit plantations; and **Emarna**, a shipyard. In addition, shares of **Steia**, an equipment maintenance company, **Estaleiros Navais da Beira**, a shipyard; **Encatex**, a textile distributor; **Dimac**, a car repair workshop; **Prosul**, a construction company; **Agro-Alfa E.E.** and **Metecna**, two agricultural equipment companies; and **Hidromoc**, a water system supply company, will also be available. Since the start of Mozambique's privatization program, over 600 small to medium-sized companies have been sold off to investors and since 1992, 23 large companies have been privatized.

**Headline:**
Mozambique Investment Opportunities

**Source:**
*The Economist* *August 5-11, 1995*

## Mocargo

**Activity Date:** 5 1994

An advertisement posted in May 1994 announced the sale of **Mocargo**, the state-owned freight and shipping agent. The company had sales of $5 million in 1992. This company is one of several currently in the pre-qualification stage with the government's Privatisation Execution Commission (CEP). Preference is being given in the tender stage to Mozambican nationals, followed by consortiums of foreign and national business interests.

**Headline:**
Advertisement

**Source:**
*The Economist* *May 7, 1994*

## Navique

**Activity Date:** 5 1994

An advertisement posted in May 1994 announced the sale of **Navique**, a state-owned shipping company operating 12 ships with 12,254 dwt dry cargo. The company had sales of $12.4 million in 1992. This company is one of several currently in the pre-qualification stage with the government's Privatisation Execution Commission (CEP). Preference is being given in the tender stage to Mozambican nationals, followed by consortiums of foreign and national business interests.

**Headline:**
Advertisement

**Source:**
*The Economist* *May 7, 1994*

## People's Development Bank (BPD)

**Activity Date:** 1995

The government of Mozambique announced on July 13 that it will sell all of **Commercial Bank of Mozambique** (BCM). Foreign investors will be able to buy 51% of the shares, while Mozambican citizens and employees will buy or have reserved 29% and 20% respectively. In the case for the **People's Development Bank** (BPD), 51% of the capital will remain with the state while 49% will be sold to private investors. The first phase of privatization of **Emocha**, the Mozambican tea company, includes the sale of the fixed assets of the eleven individual tea production units worth approximately $27.7m. So far, 14 of 55 large state-owned enterprises in Mazambique have been sold off, mainly to Portuguese and South African investors.

**Headline:**
Mozambique Bank Plan

**Source:**
*Privatisation International* *August 1995*

## PROJECTA, Projectos de Arcuitectura

**Activity Date:** 8 1993

PROJECTA (Projectos de Arcuitectura), a company involved in development of urban, agricultural and industrial projects, tourism development, and construction supervision, will be offered for sale in the months of October - December 1993.

**Headline:**
Tenders for the Sale of the Enterprise's Qualifications

**Source:**
*Financial Times* *August 2, 1993*

## Prosul

**Activity Date:** 1995

The government of Mozambique announced that it will invite investors to prequalify for the partial sale of **Emocha**, the sole producer of tea; **Boror**, a copra plantation; **Citrinos de Manica** and **Citroinos de Maputo**, two citrus fruit plantations; and **Emarna**, a shipyard. In addition, shares of **Steia**, an equipment maintenance company, **Estaleiros Navais da Beira**, a shipyard; **Encatex**, a textile distributor; **Dimac**, a car repair workshop; **Prosul**, a construction company; **Agro-Alfa E.E.** and **Metecna**, two agricultural equipment companies; and **Hidromoc**, a water system supply company, will also be available. Since the start of Mozambique's privatization program, over 600 small to medium-sized companies have been sold off to investors and since 1992, 23 large companies have been privatized.

**Headline:**
Mozambique Investment Opportunities

**Source:**
*The Economist* *August 5-11, 1995*

### Steia

**Activity Date:** 1995

The government of Mozambique announced that it will invite investors to prequalify for the partial sale of **Emocha**, the sole producer of tea; **Boror,** a copra plantation; **Citrinos de Manica** and **Citroinos de Maputo**, two citrus fruit plantations; and **Emarna**, a shipyard. In addition, shares of **Steia**, an equipment maintenance company, **Estaleiros Navais da Beira**, a shipyard; **Encatex**, a textile distributor; **Dimac**, a car repair workshop; **Prosul**, a construction company; **Agro-Alfa E.E.** and **Metecna**, two agricultural equipment companies; and **Hidromoc**, a water system supply company, will also be available. Since the start of Mozambique's privatization program, over 600 small to medium-sized companies have been sold off to investors and since 1992, 23 large companies have been privatized.

**Headline:**
Mozambique Investment Opportunities

**Source:**
*The Economist August 5-11, 1995*

### TTA

**Activity Date:** 4 1996

The government of Mozambiqe is attempting to sell its light aircraft company, **TTA**, for $4.3m. It did not receive any acceptable bids in a previous attempt to sell TTA. The government is seeking to sell the company either as a single entity or as three divisions.

**Headline:**
Privatization

**Source:**
*Business Africa April 1, 1996*

## *Namibia*

### State-owned Airports

**Activity Date:** 1996

Namibia's cabinet has decided to phase out subsidies and commercialize its **state-owned airports** through the creation of a self-financing parastatal that would own, operate, maintain, and establish airports.

**Headline:**
Privatization

**Source:**
*Business Africa January 16-31, 1996*

## *Nigeria*

### Afribank Nigeria

**Activity Date:** 4 1994

Nigeria's Bureau of Public Enterprises is in the process of selling over 200 million shares in eight banks including **Afribank Nigeria.** Shares have been offered to investors at March 31 prices. Shares have been allocated proportionally amongst the federation's 30 states and the federal capital. Some of the shares offered were shelved after an earlier sell-off in which all shares allocated to specific states were not sold. The issue will close on May 6, 1994.

**Headline:**
Privatisation Nigeria

**Source:**
*Business Africa April 16-30, 1994*

## Air Nigeria

**Activity Date:** 6 1993

The Technical Committee on Privatisation and Commercialisation (TCPC) was to set up a new national airline, Air Nigeria, in May by privatizing the international routes of the existing **Nigeria Airways**. The federal government was expected to own twenty percent of the shares, 40 percent would be offered to the Nigerian public, and 40 percent to foreign airline investors.

The privatized spinoff of Nigeria Airways' international division into a new AirNigeria subsidiary was delayed again in June because of a dispute about its management. Air Nigeria has already been commercialized and incorporated as a public company, and the government is still planning on retaining a 20% share. Swiss Air and Sabena, both of which have already paid fees for the rights for several international routes through Nigeria, have expressed interest in the new venture.

**Headline:**

**Source:**
*Nexis 6/30/93*

## Allied Bank of Nigeria

**Activity Date:** 4 1994

Nigeria's Bureau of Public Enterprises is in the process of selling over 200 million shares in eight banks including **Allied Bank of Nigeria.** Shares have been offered to investors at March 31 prices. Shares have been allocated proportionally amongst the federation's 30 states and the federal capital. Some of the shares offered were shelved after an earlier sell-off in which all shares allocated to specific states were not sold. The issue will close on May 6, 1994.

**Headline:**
Privatisation Nigeria

**Source:**
*Business Africa April 16-30, 1994*

## commercial banks

**Activity Date:** 1995

An investigation into the privatization of Nigeria's four largest **commercial banks** has cleared the new boards of malpractice allegations in the allocation of shares last year. The decision undermines the government's plan to retake control of the banks. The report by the Securities and Exchange Commission and the Bureau of Public Enterprise concludes that the cases of multiple applications discovered are few and amount to insignificant shareholdings in the banks. While the government may want to retake control of the banks to prevent collapse of the system, financial audits show that performance has improved since privatization.

**Headline:**
Inquiry Clears Nigerian Banks

**Source:**
*Financial Times August 19, 1995*

## First Bank of Nigeria

**Activity Date:** 4 1994

Nigeria's Bureau of Public Enterprises is in the process of selling over 200 million shares in eight banks including **First Bank of Nigeria.** Shares have been offered to investors at March 31 prices. Shares have been allocated proportionally amongst the federation's 30 states and the federal capital. Some of the shares offered were shelved after an earlier sell-off in which all shares allocated to specific states were not sold. The issue will close on May 6, 1994.

**Headline:**
Privatisation Nigeria

**Source:**
*Business Africa April 16-30, 1994*

## FSB International Bank

**Activity Date:** 4 1994

Nigeria's Bureau of Public Enterprises is in the process of selling over 200 million shares in eight banks including **FSB International Bank.** Shares have been offered to investors at March 31 prices. Shares have been allocated proportionally amongst the federation's 30 states and the federal capital. Some of the shares offered were shelved after an earlier sell-off in which all shares allocated to specific states were not sold. The issue will close on May 6, 1994.

**Headline:**
Privatisation Nigeria

**Source:**
*Business Africa April 16-30, 1994*

**International Merchant Bank of Nigeria**

**Activity Date:** 4 1994

Nigeria's Bureau of Public Enterprises is in the process of selling over 200 million shares in eight banks including **International Merchant Bank of Nigeria.** Shares have been offered to investors at March 31 prices. Shares have been allocated proportionally amongst the federation's 30 states and the federal capital. Some of the shares offered were shelved after an earlier sell-off in which all shares allocated to specific states were not sold. The issue will close on May 6, 1994.

**Headline:**
Privatisation Nigeria

**Source:**
*Business Africa April 16-30, 1994*

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**NAL Merchant Bank**

**Activity Date:** 4 1994

Nigeria's Bureau of Public Enterprises is in the process of selling over 200 million shares in eight banks including **NAL Merchant Bank.** Shares have been offered to investors at March 31 prices. Shares have been allocated proportionally amongst the federation's 30 states and the federal capital. Some of the shares offered were shelved after an earlier sell-off in which all shares allocated to specific states were not sold. The issue will close on May 6, 1994.

**Headline:**
Privatisation Nigeria

**Source:**
*Business Africa April 16-30, 1994*

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**Nigerian Railway Corporation (NRC)**

**Activity Date:** 7 1992

The privatization of Nigerian Railway Corporation (NRC) was announced for July 1992, following a recommendation from Nigeria's Technical Committee on Privatisation and Commercialisation (TCPC). The privatization will likely involve the break up of NRC into three separate firms: Nigerian Railway Authority which will be responsible for passengers and cargo, Railway Engineering Services Limited which will be involved with manufacturing and repair, and Nigerian Rail Services which will provide maintenance of railway buildings.

**Headline:**

**Source:**
*Africa Research*
*5/16/92*

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**road construction and toll collection services**

**Activity Date:** 1 1996

The government of Nigeria is expected to privatize **road construction** and **toll collection services** through build-operate-transfer contracts this year.

**Headline:**
Privatization

**Source:**
*Business Africa February 1-15, 1996*

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**Savannah Bank of Nigeria**

**Activity Date:** 4 1994

Nigeria's Bureau of Public Enterprises is in the process of selling over 200 million shares in eight banks including **Savannah Bank of Nigeria.** Shares have been offered to investors at March 31 prices. Shares have been allocated proportionally amongst the federation's 30 states and the federal capital. Some of the shares offered were shelved after an earlier sell-off in which all shares allocated to specific states were not sold. The issue will close on May 6, 1994.

**Headline:**
Privatisation Nigeria

**Source:**
*Business Africa April 16-30, 1994*

**Union Bank of Nigeria**

**Activity Date:** 4 1994

Nigeria's Bureau of Public Enterprises is in the process of selling over 200 million shares in eight banks including **Union Bank of Nigeria.** Shares have been offered to investors at March 31 prices. Shares have been allocated proportionally amongst the federation's 30 states and the federal capital. Some of the shares offered were shelved after an earlier sell-off in which all shares allocated to specific states were not sold. The issue will close on May 6, 1994.

**Headline:**
Privatisation Nigeria

**Source:**
*Business Africa April 16-30, 1994*

## *Oman*

**Gulf Hotel**

**Activity Date:** 10 1993

The government plans to sell a 40% stake in the **Gulf Hotel at Qurum**. Sales began on the 7th of September and they are expected to go on for two months. The company's capital is RO 2 million ($5.2 million).

**Headline:**
News

**Source:**
*Middle Eastern Economic Digest October 1, 1993*

**National Insurance Company**

**Activity Date:** 10 1993

The government sold its 15% stake in **National Insurance Company**. The public share offer was fully subscribed and was closed in September. The company's capital is RO 5 million ($12.9 million).

**Headline:**
News

**Source:**
*Middle Eastern Economic Digest October 1, 1993*

**Oman Development Bank (ODB)**

**Activity Date:** 12 1994

The government of Oman announced in December that it had decided upon two possible methods for the sale of a 54% stake in the **Oman Development Bank**. One option would offer the shares to a consortium of commercial banks and investment companies. The other option is to allow a single commercial bank to take all of the shares and no longer maintain the bank as an independent bank. By privatizing the bank, the government hopes to end government subsidies thus increasing the government's lending power. The bank currently lends only $7.8m to $10.4m each year. None of the bank's shares will be offered to the public.

**Headline:**
Oman Development Bank to be Privatized

**Source:**
*Middle East Economic Digest January 6, 1995*

**Oman Emirates Holding Investment Company**

**Activity Date:** 10 1993

The share issue for **Oman Emirates Holding Investment Company** was postponed until October. This will give the company time to set up a new locally registered investment company as a joint venture between Oman and the UAE. It will have capital of RO 30 million ($77.3 million), of which 40% is to be offered to the public in Oman and the UAE. The remainder will be divided equally between private investors in the two countries.

**Headline:**
News

**Source:**
*Middle Eastern Economic Digest October 1, 1993*

### Oman Mining Company (OMC)

**Activity Date:** 7 1995

The government of Oman announced that Peat Marwick Mitchell & Company will advise the **Oman Mining Company** (OMC) on its privatization. OMC is seeking to expand its capacity and modernize its refinery.

**Headline:**
Peat Marwick to Advise on Mining Privatisation

**Source:**
*Middle East Economic Review July 21, 1995*

### Power plant at Manah

**Activity Date:** 3 1993

The government of Oman released further details in March on the new BOT-financed **power plant at Manah**, run by a consortium led by Tractebel and also comprising WS Atkins, AES Corp., National Trading Company, Tawoos, WJ Towell & Co., and Zubiar Enterprises. The 90 MW power plant will be financed by 1/3 equity and 2/3 debt financing. The concession is expected to run for 22 years, after a construction period of two years. The consortium members will take 31% ownership in a new project company, United Power Group, while another 40% of the shares will be floated on the Muscat stock exchange. The IFC will take a 5% stake as well.

**Headline:**

**Source:**
*Project Finance International March 19, 1993*

## *Qatar*

### Gulf Air

**Activity Date:** 1995

**Gulf Air**, Qatar's national carrier, awarded Chase Manhattan Bank and Gulf International Bank a mandate to perform a feasibility study for the privatization of the airline. The study is expected to cover legal issues, a valuation, and a review of the structural make-up of the airline. Officials said a percentage of the airline will be offered to the public though it is not known if this only applies to Qatari citizens.

**Headline:**
Qatar Airways to go Public

**Source:**
*Privatization International December 1994*

### Qatar Power & Electricity

**Activity Date:** 1992

The government insisted on a P4 million cash bid base price, allowing the rest to be composed of discounted debt paper • The total revenue to the government from the sale should equil P4.6 million • Korean Airlines is a non-equity technical advisor to the winning bidders.

**Headline:**

**Source:**
*PI 11/92*

## *Sao Tome and Principe*

### Rosema

**Activity Date:** 1 1993

It was announced in January that the state-owned brewery, Rosema, would be sold off as part of Sao Tome and Principe's new economic program. Other companies which will likely be privatized are in commercial, industry, and agro-industrial sectors.

**Headline:**

**Source:**
*Africa Research Bulletin 1/16/93*

## *Saudi Arabia*

**Sabic Basic Industries Corporation (Sabic)**

**Activity Date:** 8 1994

On August 17, it was announced by the Saudi Arabian Industry & Electricity Minister that the government intended to reduce its holdings in **Sabic Basic Industries Corporation (Sabic)** from 70 percent to 25 percent. The privatization will be conducted in a series of stages through which 10 percent of shares will be offered until the 25 percent remaining holding is reached. Sabic is currently the highest capitalized joint stock company in the Middle East with paid-in capital of $2,700 million and an August market capitalization of $6,850 million.

**Headline:**
Sabic Unveils Privatisation and Expansions

**Source:**
*Middle East Economic Digest August 20, 1994*

**Saudia**

**Activity Date:** 7 1994

A July 24 announcement by the Saudi Arabian Commerce and Agriculture Minister said that the privatization of **Saudia** and the telephone system would take place following an improvement of the condition of both companies and completion of feasibility studies. According to a speech given by King Fahd in May, all of the government shares in the companies, with an estimated market value of at least $11,000, could be sold.

**Headline:**
Saudi Arabia: In Brief

**Source:**
*Middle East Economic Digest August 12, 1994*

**Activity Date:** 1995

The Saudi Arabian Defense and Aviation Minister announced that the privatization of **Saudia**, the national airline, was under serious study and that results of the inquiry will be released in due course.

**Headline:**
In Brief

**Source:**
*Middle East Economic Digest May 5, 1995*

## *Senegal*

**Societe Nationale d'Exploitation des Eaux de Senegal**

**Activity Date:** 1995

The government of Senegal announced the partial privatization of the state water company, **Societe Nationale D'Exploitation des Eaux de Senegal.** While water resource management will remain under government control, the distribution services will be privatized.

**Headline:**
Senegal

**Source:**
*Business Africa April 16, 1995*

**Societe Nationale de Commercialisation des Olegineux du**

**Activity Date:** 1 1993

Price Waterhouse IPG conducted a valuation of **SONACOS** and created a restructuring plan for this processing company.

**Headline:**

**Source:**
*PW/IPG Staff*

**Activity Date:** 11 1995

The government of Senegal announced that it is seeking a single strategic partner to take a controlling interest in **Societe Nationale de Commercialisation des Olegineux du Senegal** (SONACOS). SONACOS is an integrated groundnut processor, vegetable oil processor, and marketing company. A pre-bid conference will take place in Dakar on December 7.

**Headline:**
Announcement

**Source:**
*Financial Times November 16, 1995*

### SODEFITEX

**Activity Date:** 1 1996

The government of Senegal is expected to sell its stake in the state-owned cotton firm, **Societe de Developpement des Fibres Textiles** (SODEFITEX) this year. The state currently owns a 77.5% stake in the firm.

**Headline:** What's New in Your Sector

**Source:** *Business Africa February 16-29, 1996*

### Sonatel

**Activity Date:** 1 1996

The Senegalese parliament approved legislation governing the privatization of **Sonatel**, the telecommunications monopoly. The government will sell off 66% of the enterprise to the public by the end of the year.

**Headline:** What's New in Your Sector

**Source:** *Business Africa February 16-29, 1996*

### SONEES

**Activity Date:** 1 1996

**SONEES**, the state water company, is expected to be partially privatized in March. The government will make 49% of its shares available to Senegalese investors. A French firm, Bouygues Group, is expected to be chosen as a partner for part of the remaining stake; the remainder of the firm will be held by the government.

**Headline:** What's New in Your Sector

**Source:** *Business Africa February 16-29, 1996*

## *South Africa*

### Abacor

**Activity Date:** 7 1993

The privatization of **Abacor**, one of South Africa's meat marketing agencies, was postponed indefinitely in July 1993, due to strong opposition from the ANC. A short-term working group of the National Economic Forum, which represents the collective interests of government, business, and labor, persuaded the government to temporarily abandon the scheme. Privatization in other sectors could meet a similar fate, unless the ANC adopts a more favorable position.

**Headline:** Privatisation - South Africa

**Source:** *Business Africa August 1-31, 1993*

### airport operations company

**Activity Date:** 12 1995

The South African cabinet announced that it had accepted the recommendations of two task teams to pursue privatization for **Telkom**, the state telecommunications company; **South African Airways**; the **airport operations company**; **Sun Air**; **Transkei Air**; and **Autonet**, the road transportation company.

**Headline:** Mbeki to Speed Up Reform of State Sector

**Source:** *Financial Times December 8, 1995*

### Airports Co.

**Activity Date:** 11 1995

The government of South Africa announced that it intends to sell a minority stake in **Airports Co**. The exact size of the offering and sale schedule has yet to be set.

**Headline:** South Africa Unveils Sell-Offs

**Source:** *Wall Street Journal December 8, 1995*

## Autonet

**Activity Date:** 12 1995

The South African cabinet announced that it had accepted the recommendations of two task teams to pursue privatization for **Telkom**, the state telecommunications company; **South African Airways**; the **airport operations company**; **Sun Air**; **Transkei Air**; and **Autonet**, the road transportation company.

**Headline:**
Mbeki to Speed Up Reform of State Sector

**Source:**
*Financial Times December 8, 1995*

## Engen

**Activity Date:** 1995

All of the oil and gas assets of **Engen**, South Africa's largest oil company, will be transferred to form Africa's first international oil exploration and production company. The new company, which will be listed on the Johannesburg Stock Exchange, will be controlled by Engen with an undisclosed amount of shares available for outside investors. Under the rules of the Johannesburg Stock Exchange though, at least 25% of the company must be offered. Engen, which has a 25% share of the South African markets, has wanted to expand its upstream operations to offset business cycles in its refining and marketing business. The aim is for the new company to be independently funded, with the ability to raise capital in South Africa and internationally.

**Headline:**
Engen Assets To Provide Core For New Oil Company

**Source:**
*Financial Times August 2, 1995*

## Eskom

**Activity Date:** 1995

South Africa's state-owned electricity utility **Eskom**, which has a virtual monopoly in power generation and transmission, is unlikely to be privatized in the short term due to government fears that competition in the electricity industry could obstruct the country's present electrification drive. A National Electricity Regulator (NER), however, has been established to aid other distributors in future restructuring and privatization.

**Headline:**
Power Play

**Source:**
*Business Africa December 1-31, 1995*

## Mossgas

**Activity Date:** 1996

Over 40 firms from 12 countries have indicated an interest in acquiring the **Mossgas** offshore complex. A local consortium, in addition to a number of Taiwanese petrochemical groups, are among the interested bidders. The apartheid government previously invested $3.3bn in the project and an additional $235m will be required for the project to continue beyond 1996.

**Headline:**
South Africa

**Source:**
*Business Africa February 1-15, 1996*

## Portnet Ship Repair

**Activity Date:** 5 1993

South Africa's ship repair facilities are set to be privatized, it was announced in late May. Port authority Portnet, which has previously been responsible for these activities in Cape Town and Durban, is about to agree with two private groups, Durban Dry Dock Co. and Cape Town Dry Dock Co. for either the complete sale of the facilities or of operating licenses. Portnet is anxious to prevent the creation of a private monopoly, however, and plans to break up the equity ownership into a number of private concerns.

**Headline:**

**Source:**
*Nexis 6/30/93*

## South African Airways

**Activity Date:** 11 1995

The government of South Africa announced that it intends to sell a minority stake in **South African Airways**. The exact size of the offering and sale schedule has yet to be set.

**Headline:** South Africa Unveils Sell-Offs

**Source:** *Wall Street Journal December 8, 1995*

**Activity Date:** 12 1995

The South African cabinet announced that it had accepted the recommendations of two task teams to pursue privatization for **Telkom**, the state telecommunications company; **South African Airways**; the **airport operations company**; **Sun Air**; **Transkei Air**; and **Autonet**, the road transportation company.

**Headline:** Mbeki to Speed Up Reform of State Sector

**Source:** *Financial Times December 8, 1995*

## South African Broadcasting Corporation (SABC)

**Activity Date:** 9 1995

It was announced that the government of South Africa is planning to sell six regional commercial radio stations owned by the **South African Broadcasting Corporation** (SABC). The station's name, format and frequency will also be sold. The shares will be offered to private operators in a deal that is expected to raise $55m. The company will retain its national commercial stations.

**Headline:** What's New in Your Sector

**Source:** *Business Africa September 1-15, 1995*

## South African Micro-Electronic Systems (Sames)

**Activity Date:** 7 1995

Austria Mikrosysteme International (AMS) bought a 51% stake in **South African Micro-Electronic Systems** (SAMES), South Africa's sole producer of integrated circuits. The South African government, under a state-owned holding corporation, Industrial Development Corporation, will retain the remaining shares.

**Headline:** Electronics: South Africa

**Source:** *Business Africa August 1995*

## Sun Air

**Activity Date:** 12 1995

The South African cabinet announced that it had accepted the recommendations of two task teams to pursue privatization for **Telkom**, the state telecommunications company; **South African Airways**; the **airport operations company**; **Sun Air**; **Transkei Air**; and **Autonet**, the road transportation company.

**Headline:** Mbeki to Speed Up Reform of State Sector

**Source:** *Financial Times December 8, 1995*

## Talcum

**Activity Date:** 12 1995

The South African cabinet announced that it had accepted the recommendations of two task teams to pursue privatization of **Telkom**, the state telecommunications company, **South African Airways**, the **airport operations company**, **Sun Air**, **Transkei Air**, and **Autonet**, the road transportation company.

**Headline:** Mbeki to Speed Up Reform of State Sector

**Source:** *Financial Times December 8, 1995*

## Telkom

**Activity Date:** 1995

In June, the South African government announced that it would be offering a 15% to 20% stake in **Telkom**, the state's telecommunications firm. But the government has decided that it will not sell the enterprise because it believes that foreign competition would decrease Telkom's profits and prevent it from expanding its coverage. The firm is currently seeking to award a contract to a foreign firm, which would install 1 million telephone lines in rural areas by 1998.

**Headline:**
South Africa: No Competition Yet

**Source:**
*Business Africa August, 1995*

**Activity Date:** 3 1995

South Africa announced that the state-owned **Telkom** group is under consideration for partial privatization. Options leading to a "strategic partnership" between government and business are currently being considered. Telkom is seeking to invest $1.7bn to increase the number of telephone lines from 8 phones per 100 people to 20 by the end of the 1990s.

**Headline:**
What's New in Your Sector

**Source:**
*Business Africa March 16-31, 1995*

**Activity Date:** 7 1995

The government of South Africa has announced that it will not allow free competition in its telecommunications market. Citing possible domination by American and British firms, the Minister of Posts, Telecommunications and Broadcasting announced that there would not be an early decision on the partial sale of **Telkom**, the state-owned telecom. The state plans to continue with the formulation of a plan to restructure all of the state's assets.

**Headline:**
South African Telecoms Market to Stay Closed

**Source:**
*Financial Times July 10, 1995*

**Activity Date:** 11 1995

The government of South Africa announced that it intends to sell a minority stake in **Telkom**. The exact size of the offering and sale schedule has yet to be set.

**Headline:**
South Africa Unveils Sell-Offs

**Source:**
*Wall Street Journal December 8, 1995*

**Activity Date:** 12 1995

The government of South Africa has bowed to union pressure and agreed to defer the hiring of privatization experts until January for the telecommunications provider, **Telkom**.

The government has indicated that it is interested in selling up to a 20% minority stake in **Telkom**, the telecommunications operator, to a strategic partner before it initiates a public flotation. The company made $357m pre-tax profits in the year through March 1995 but potential foreign partners' enthusiasm has been tempered by the government's intention to retain management control.

**Headline:**
Buyers Sought

**Source:**
*Business Africa January 16-31, 1996*

**Activity Date:** 4 1996

The South African government announced it will privatize the state-owned telecommunications company **Telkom** which is valued at $8.9bn. The government is seeking to sell minority stakes, between 20-30%, in the company. Labor unions are currently protesting the government's privatization program.

**Headline:**
Focused on Deficit Target

**Source:**
*Business Monitor International March 1996*

### Telkom and South African Airways

**Activity Date:** 12 1995

The South African government announced it would prefer to seek minority partners for **South African Airways** and is prepared to dispose of three other state-owned companies as part of a program to reorganize state assets.

South African trade unions have increased their protests to the government's privatization plans through strikes in domestic air services, rail freight, and ports.

**Headline:**
South African Unions to Fight State Sell-Off Plans

**Source:**
*Financial Times December 12, 1995*

### Transkei Air

**Activity Date:** 12 1995

The South African cabinet announced that it had accepted the recommendations of two task teams to pursue privatization for **Telkom**, the state telecommunications company; **South African Airways**; the **airport operations company**; **Sun Air**; **Transkei Air**; and **Autonet**, the road transportation company.

**Headline:**
Mbeki to Speed Up Reform of State Sector

**Source:**
*Financial Times December 8, 1995*

## *Sudan*

### Sudan Airways

**Activity Date:** 9 1992

In September 1992, the Sudanese government announced its intention to privatize the national airline Sudan-Air as part of its policy to divest the state of unprofitable enterprises.

**Headline:**

**Source:**
*Africa Research*
*9/16/92*

**Activity Date:** 4 1995

In Sudan, the government has announced that it will authorize the sale of a 50% stake in **Sudan Airways**. The Al-Rajhi Banking & Investment Corporation and the Dallah Albaraka Group of Saudi Arabia have already expressed interest in the company, which is valued at $150m. The company, which owns two A310 Airbuses and leases two others, is planning to expand its services by offering flights to Nigeria and the Comoros Islands this summer. The government had first discussed selling a stake in 1992.

**Headline:**
Sudan

**Source:**
*Middle East Economic Digest April 21, 1995*

## *Tanzania*

### Cooperative and Rural Development Bank

**Activity Date:** 12 1994

Tanzanian officials have announced that 250,000 shares in the state-owned **Cooperative and Rural Development Bank** will be offered. It is expected that investors will begin to receive dividends in 1995. In preparation for the sale, the bank has reduced its staff level from 1,600 to 1,000 and cut the number of directors to 12 from 27. The Danish aid agency, DANIDA, is assisting the bank's restructuring and will assume a 20% stake in the bank.

**Headline:**
Privatization: Tanzania

**Source:**
*Business Africa December 1-31, 1994*

**Morogoro Canvas Mill (MCM) Ltd.**

**Activity Date:** 5 1994

The Presidential Parastatal Sector Reform Commission (PSRC) of Tanzania advertised in May for offers to purchase either the whole or majority of the ordinary share capital in state-owned **Morogoro Canvas Mill (MCM) Ltd**. The company operates three separate spinning, weaving, and dyeing departments, producing about 7 million linear meters per year, and employs approximately 1000. Offers are to be submitted either in Tanzanian shillings or U.S. dollars, with at least 60% of the capital paid up front. The conditions of the sale must also stipulate investment and training plans, marketing initiatives, and the treatment of existing debt. The PSRC has also required that the buyer maintain the existing line of products, and that the buyer may not re-sell any share of the business for at least five years. The deadline for submission of offers is June 10, 1994.

**Headline:**
Invitation for Outright Purchase (Advertisement)

**Source:**
*The Economist* *May 7, 1994*

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**Stamico**

**Activity Date:** 3 1995

It was announced in March that **Stamico,** Tanzania's State Mining Corporation, is to be restructured and privatized as part of the government's economic reform program. The company, with assets of $18m, owns a dozen mining firms in diamonds, gold, gemstones, and coal. The restructuring plan calls for closing the Tanzania Diamond Cutting Company, the sale of the loss-making Tanzania Gemstone Industries, and the partial sale of the Mining Phosphate Company. The government will retain 100% ownership of Kiwira Coal Mines due to its perceived strategic interest.

**Headline:**
What's New in Your Sector

**Source:**
*Business Africa* *March 16-31, 1995*

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**Tanzania Breweries**

**Activity Date:** 11 1993

It was revealed in November 1993 that Indol International BV of South Africa had purchased 50% of the state-owned **Tanzania Breweries**. Indol plans to rehabilitate two breweries and build a new one by 1995, investing TSh 10 billion ($21.7 million) in the venture. It hopes to increase output to six million crates in the next 15 months and to 10.4 million crates by the end of the decade.

**Headline:**
Privatisation - Tanzania

**Source:**
*Business Africa* *November 1, 1993*

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**Tanzania Sisal Authority**

**Activity Date:** 1994

The state owned **Tanzania Sisal Authority(TSA)** is to be privatized within the next three years. The government is looking for a strategic investor to buy some of the shares, the rest will be offered to the public. Tanzania was the world's largest importer of sisal in the 1960's, producing 180,000 tons/year, but following nationalization output fell to 30,000 tons/year. Output has currently risen to 40,000 tons/year due to private involvement. TSA produced 10,500 tons of sisal in 1993.

**Headline:**
Tanzania

**Source:**
*Business Africa* *October 1-15,1994*

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**Tanzania Telecommunications (TTL)**

**Activity Date:** 8 1994

It was reported in August that the Tanzanian postal and telecom company had been split up, forming **Tanzania Telecommunications (TTL)** and Tanzania Postal Company, a move deemed necessary prior to the privatization of both services. The plan involves contracting out for many of the telecom's services

**Headline:**
Tanzania's Programme

**Source:**
*Privatisation International* *August 1994*

**Activity Date:** 8 1994

The Tanzanian government announced in August that it will be conducting a review of other countries' experience with private telecom services with a regulated framework. Pending a positive outcome of the review, the government may

private telecom services with a regulated framework. Pending a positive outcome of the review, the government may implement a similar program to help overcome the shortage of adequate communication service in Tanzania. Plans have already been made to contract out some telecom functions such as preparation and printing of directories, wiring of subscriber's premises and vehicle maintenance. Changes already made involve the separation of post and telecoms functions into **Tanzania Telecommunications** and Tanzania Postal Company.

**Headline:** Tanzania's Programme

**Source:** *Privatisation International August 1994*

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**Tanzanian Post Bank**

**Activity Date:** 12 1994

It was announced in December that the 19% share offering in the **Tanzanian Post Bank** (TPB) was oversubscribed. The government has retained a 41% stake in the bank and the Tanzanian Posts & Communications Corp. holds an additional 30% stake. The TPB has plans to expand its operations into trade finance, foreign exchange operations and loans to entrepreneurs establishing small and medium sized businesses.

**Headline:** Privatization: Tanzania

**Source:** *Business Africa December 1-31, 1994*

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## *Tunisia*

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**Air Tunis**

**Activity Date:** 1 1993

**Air Tunis**, the national carrier of Tunisia and the eighth largest carrier in Africa/Middle East region, will be privatized through a local IPO, to be conducted by a local firm. Price Waterhouse IPG conducted the valuation.

**Headline:**

**Source:** *PW/IPG Staff*

**Activity Date:** 1994

Following the passage of legislation converting the Tunis stock exchange into a private company on November 2, it was announced that **Air Tunis** will sell part of its capital on the bourse.

**Headline:** Parliament Approves Stock Exchange Law

**Source:** *Middle East Economic Digest November 11, 1994*

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**cement companies**

**Activity Date:** 10 1995

The head of the Economic Development Ministry's privatization unit has indicated that the government of Tunisia will sell off all its holdings in several **cement companies** once studies are finished in early 1996. The government will then concentrate on selling its profitable medium and large-size companies.

**Headline:** Privatization Set to Enter New Phase

**Source:** *Middle East Economic Digest November 3, 1995*

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**Ceramique Tunisienne**

**Activity Date:** 1 1996

The government of Tunisia has invited private investors to bid for the purchase of ceramics company **Ceramique Tunisienne** by January 15 as part of its privatization program.

**Headline:** In Brief

**Source:** *Middle East Economic Digest December 8, 1995*

## Compagnie Tunisienne de Navigation (CTN)

**Activity Date:** 11 1994

It was announced in November that **Compagnie Tunisienne de Navigation** will offer shares on the country's bourse. The announcement comes in the wake of the decision by the Parliament to pass a law converting the Tunis stock exchange into a private company. In passing the law, it is hoped that the number of share issues will increase. Currently, only 20 shares are actively traded.

**Headline:** Parliament Approves Stock Exchange Law

**Source:** *Middle East Economic Digest November 11, 1994*

**Activity Date:** 7 1995

In the wake of the successful sale of 15% of the national airline, the government of Tunisia has announced that it is preparing studies of 6 additional companies slated for privatization this year. **Compagnie Tunisienne de Navigation** (CTN), a shipping company, will list 20% of its shares on the Tunis stock exchange in September. CTN currently has $45.7m in available capital for expansion. **Hilton Hotel** and **Hotel Africa Meridien** are expected to have issues on the stock exchange in September or October. **Societe Tunisienne de Verrerie** (Sotuver), a glass manufacturer, is expected to be fully privatized, though the government has not decided whether it will offer its 65% stake to a single investor or in a public offer. Sotuver has $2.9m of available capital for expansion. Details on the sale of **Societe des Ceramiques de Nabeul**, a ceramics manufacturer, have also not yet been decided upon by the government, and finally, three of the government's seven **regional goods transport companies** will be sold.

**Headline:** Companies Identified for Privatisation

**Source:** *Middle East Economic Digest July 21, 1995*

## Hilton Hotel

**Activity Date:** 1995

In the wake of the successful sale of 15% of the national airline, the government of Tunisia announced that it is preparing studies about 6 more companies that are slated to be privatized this year. **Compagnie Tunisienne de Navigation** (CTN), a shipping company, will have 20% of its shares listed on the Tunis stock exchange in September. CTN currently has $45.7m available in capital for expansion. **Hilton Hotel** and **Hotel Africa Meridien** are expected to have issues on the stock exchange in September or October. **Societe Tunisienne de Verrerie** (Sotuver), a glass manufacturer, is expected to be fully privatized, but the government has not decided whether it will offer its 65% stake to a single investor or on the stock exchange. Sotuver has $2.9m available in capital for expansion. Details on the sale of shares of **Societe des Ceramiques de Nabeul**, a ceramics manufacturer, have not been decided upon by the government, and lastly, three of the government's seven **regional goods transport companies** are to be sold off.

**Headline:** Companies Identified For Privatisation

**Source:** *Middle East Economic Digest July 21, 1995*

## Hotel Africa Meridien

**Activity Date:** 1995

In the wake of the successful sale of 15% of the national airline, the government of Tunisia announced that it is preparing studies about 6 more companies that are slated to be privatized this year. **Compagnie Tunisienne de Navigation** (CTN), a shipping company, will have 20% of its shares listed on the Tunis stock exchange in September. CTN currently has $45.7m available in capital for expansion. **Hilton Hotel** and **Hotel Africa Meridien** are expected to have issues on the stock exchange in September or October. **Societe Tunisienne de Verrerie** (Sotuver), a glass manufacturer, is expected to be fully privatized, but the government has not decided whether it will offer its 65% stake to a single investor or on the stock exchange. Sotuver has $2.9m available in capital for expansion. Details on the sale of shares of **Societe des Ceramiques de Nabeul**, a ceramics manufacturer, have not been decided upon by the government, and lastly, three of the government's seven **regional goods transport companies** are to be sold off.

**Headline:** Companies Identified For Privatisation

**Source:** *Middle East Economic Digest July 21, 1995*

**Raffinerie Tunisienne du Soufre**

**Activity Date:** 2 1996

The Tunisian government will again seek bidders for sulfur refinery **Raffinerie Tunisienne du Soufre** in February. The government would like to sell the enterprise to a single buyer. A previous sell-off attempt failed due to lack of bidders.

**Headline:**
Tunisia

**Source:**
*Middle East Economic Digest February 9, 1996*

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**Societe des Ceramiques de Nabeul**

**Activity Date:** 1995

In the wake of the successful sale of 15% of the national airline, the government of Tunisia announced that it is preparing studies about 6 more companies that are slated to be privatized this year. **Compagnie Tunisienne de Navigation** (CTN), a shipping company, will have 20% of its shares listed on the Tunis stock exchange in September. CTN currently has $45.7m available in capital for expansion. **Hilton Hotel** and **Hotel Africa Meridien** are expected to have issues on the stock exchange in September or October. **Societe Tunisienne de Verrerie** (Sotuver), a glass manufacturer, is expected to be fully privatized, but the government has not decided whether it will offer its 65% stake to a single investor or on the stock exchange. Sotuver has $2.9m available in capital for expansion. Details on the sale of shares of **Societe des Ceramiques de Nabeul**, a ceramics manufacturer, have not been decided upon by the government, and lastly, three of the government's seven **regional goods transport companies** are to be sold off.

**Headline:**
Companies Identified For Privatisation

**Source:**
*Middle East Economic Digest July 21, 1995*

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**Societe des Stations Thermales & des Eaux Minerales**

**Activity Date:** 4 1995

The government of Tunisia has announced that it will offer 198,900 shares, equivalent to a 51% stake, in the state-owned **Societe des Stations Thermales & des Eaux Minerales** (Sostem), a mineral water bottling and distribution company. Investors have until May 18 to submit offers for shares which are being valued at $5.30 each. Following the sale of a majority stake, the remaining shares will be offered to the public and employees. Approximately 1.5% of Sostem, which has a capital base of $2.1m, four production plants, and a market share of at least 50%, is already held by private shareholders. The local Societe Tunisienne de Banque is managing the sale.

**Headline:**
State to Sell Mineral Water Company

**Source:**
*Middle East Economic Digest April 21, 1995*

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**Societe Nationale de Distribution des Petroles (SNDP)**

**Activity Date:** 1996

Tunisia's largest gasoline distributor, **Societe Nationale de Distribution des Petroles** (SNDP), will be partly privatized on the stock exchange in the second half of 1996. The privatization is likely to involve a sell-off, offering a large minority stake to the public while maintaining management under state control. The SNDP expects about 20% of the company to be transferred to the private sector through a capital increase.

**Headline:**
SNDP to Be Privatized

**Source:**
*Middle East Economic Digest December 8, 1995*

**Societe Tunisienne de Verrerie (Sotuver)**

**Activity Date:** 1995

In the wake of the successful sale of 15% of the national airline, the government of Tunisia announced that it is preparing studies about 6 more companies that are slated to be privatized this year. **Compagnie Tunisienne de Navigation** (CTN), a shipping company, will have 20% of its shares listed on the Tunis stock exchange in September. CTN currently has $45.7m available in capital for expansion. **Hilton Hotel** and **Hotel Africa Meridien** are expected to have issues on the stock exchange in September or October. **Societe Tunisienne de Verrerie** (Sotuver), a glass manufacturer, is expected to be fully privatized, but the government has not decided whether it will offer its 65% stake to a single investor or on the stock exchange. Sotuver has $2.9m available in capital for expansion. Details on the sale of shares of **Societe des Ceramiques de Nabeul**, a ceramics manufacturer, have not been decided upon by the government, and lastly, three of the government's seven **regional goods transport companies** are to be sold off.

**Headline:**
Companies Identified For Privatisation

**Source:**
*Middle East Economic Digest July 21, 1995*

**Tollroads**

**Activity Date:** 8 1994

Tunisia will soon begin contracting out the operation and maintenance of toll roads to private companies, it was reported in August. The government also revealed plans to build additional roads on a BOT basis. The government is presently considering one of the country's major arteries, the highway from Tunis to Sousse. Discussions with a number of private investors, including the French company Transroute, are reportedly well underway.

**Headline:**
Tunisian Tolls

**Source:**
*Privatisation International August 1994*

**transport companies**

**Activity Date:** 1995

In the wake of the successful sale of 15% of the national airline, the government of Tunisia announced that it is preparing studies about 6 more companies that are slated to be privatized this year. **Compagnie Tunisienne de Navigation** (CTN), a shipping company, will have 20% of its shares listed on the Tunis stock exchange in September. CTN currently has $45.7m available in capital for expansion. **Hilton Hotel** and **Hotel Africa Meridien** are expected to have issues on the stock exchange in September or October. **Societe Tunisienne de Verrerie** (Sotuver), a glass manufacturer, is expected to be fully privatized, but the government has not decided whether it will offer its 65% stake to a single investor or on the stock exchange. Sotuver has $2.9m available in capital for expansion. Details on the sale of shares of **Societe des Ceramiques de Nabeul**, a ceramics manufacturer, have not been decided upon by the government, and lastly, three of the government's seven **regional goods transport companies** are to be sold off.

**Headline:**
Companies Identified For Privatisation

**Source:**
*Middle East Economic Digest July 21, 1995*

**Tunis Air**

**Activity Date:** 2 1996

The Economic Development Ministry of Tunisia is pushing for the sale of another minority stake in **Tunis Air**. The government would retain a majority stake.

**Headline:**
Tunisia

**Source:**
*Middle East Economic Digest February 9, 1996*

**Activity Date:** 4 1996

The government of Tunisia is expected to sell another tranche of **Tunis Air** in the second half of 1996. It is also close to choosing the winning bid for the twice-cancelled sale of ceramics maker Ceramique de Nabeul. Shipping company Compagnie Tunisienne de Navigation (CTN) and the country's largest petroleum distributor, Nationale de Distribution des Petroles (SNDP) are also likely to be sold in the second half of 1996. Two state-owned hotels, the Sahara Palace Hotel and the Residence Club El Kantaoui, were launched for international tender in early February along with two textile companies, Societe de Tissage de Moknine and Societe des Industries Textiles Reunies.

**Headline:**
Leading to More Rapid State Sell-Offs

**Source:**
*North Africa March 1996*

## Adiyaman

**Activity Date:** 7 1992

In July 1992, it was announced that Adiyaman, a state-owned cement firm is to be privatized. Turkish as well as foreign firms are interested in making bids, which have to be in by July 24. Offers are expected from two Turkish firms which control 30% of the cement market collectively, as well as Blue Circle of the UK, Hodlerbank of Switzerland, and Loma Negra of Argentina. Other foreign groups interested are Societe Francais, which is presently part-owned by Italcementi of Italy and Lafarge Coppee. The privatization of eleven cement companies is expected to raise between $350 m and $400 m.

**Headline:**

**Source:**
*FT/1/'92*

## Askale

**Activity Date:** 7 1992

In July 1992 it was announced that Askale, a state-owned cement firm, is to be privatized. Turkish as well as foreign firms are interested in making bids, which had to be in by July 24. Offers are expected from two Turkish firms which control 30% of the cement market collectively, as well as Blue Circle of the UK, Hodlerbank of Switzerland and Loma Negra of Argentina. Other foreign groups interested are Societe Francais, which is presently part-owned by Italcementi of Italy and Lafarge Coppee. The privatization of eleven cement companies is expected to raise between $350 m and $400 m.

**Headline:**

**Source:**
*FT/1/'92*

## Bartin

**Activity Date:** 7 1992

In July 1992 it was announced that Bartin, a state-owned cement firm, is to be privatized. Turkish as well as foreign firms are interested in submitting bids which had to be in by July 24. Offers are expected from two Turkish groups, who control 30% of the market collectively, as well as from Blue Circle of the UK, Hodlerbank of Switzerland, and Loma Negra of Argentina. Other foreign firms interested in bidding are Societe Francais, which is presently part-owned by Italcementi of Italy, and Lafarge Coppee. The privatization of eleven cement companies is expected to raise between $350 m and $400 m.

**Headline:**

**Source:**
*FT/1/'92*

## Birecik hydroelectric dam

**Activity Date:** 11 1995

A venture headed by Philipp Holzman of Germany and Gama Endustri of Turkey signed a build-operate-transfer agreement with the Turkish government for the **Birecik hydroelectric dam**. The dam will take approximately 66 months to build and will produce 2500 million kwh of power annually. The consortium will have a 15 year concession to operate the facility. The deal is seen as an opening that will allow the government to pursue similar agreements for other infrastructure projects.

**Headline:**
Birecik Dam Opens BOT Floodgates

**Source:**
*Middle East Economic Digest December 1, 1995*

## Bolu

**Activity Date:** 8 1993

In August, the Public Participation Administration announced that along with several other large conglomerates it will sell shares in two cement producers **Bolu and Uniye.** The government expects to raise $380 million this year from sales of state-owned enterprises.

**Headline:**
Ciller Determined to Sell Biggest Firms

**Source:**
*Privatisation International September 1993*

**Bossa**

**Activity Date:** 1 1995

It was announced in January that Haci Omer Sabanci Holding had withdrawn an initial public offering (IPO) for its textile subsidiary **Bossa**. The IPO, valued at $30m, was reportedly postponed due to weak market conditions and will likely be delayed until the first quarter of 1995. The offer was to split a 15% stake in Bossa between domestic and international markets. Global Securities, UBS and Kleinwort Benson were advising on the sale.

**Headline:**
Sabanci Withdraws IPO

**Source:**
*Middle East Economic Digest January 6, 1995*

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**Canakkale Synthetic Leather Plant**

**Activity Date:** 10 1993

As part of the privatization program Turkish holding company Sumer Holding A.S. offered for sale the Canakkale Synthetic Leather Plant by sealed tender and sale negotiations procedure. The tender bond value is TL5 billion ($415,000). The deadline for submission of offers is November 23, 1993.

**Headline:**
Announcement From Sumer Holding A.S.

**Source:**
*Financial Times October 11, 1993*

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**Cankiri Orta**

**Activity Date:** 9 1992

In September 1992 Turkey signed an agreement with a US consortium led by Trinity Partners International of Pennsylvania for a coal fired power plant. They will use a build operate and transfer model for this infrastructure which will be financed by private funds. The plant which is located at Conkiri Orta, is 130 miles from Ankara, the capital. It is expected to cost US$500 million

**Headline:**

**Source:**
*PI/9/'92*

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**Caybank**

**Activity Date:** 1 1992

In January 1992, it was announced that a stake of 49% in Caybank, a state-owned bank, would be sold for Tl 315 bn (US$ 57.36 million). Domestic and foreign investors will have the opportunity to purchase block shares in the bank.

**Headline:**

**Source:**
*FT/Jan 1992*

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**Celik Halat Ve Tel Sanayii A.S.**

**Activity Date:** 10 1993

Tam Sigorta A.S. acquired the remaining 220,657 shares of **Celik Halat Ve Tel Sanayii A.S.** from the Public Participation Administration's Portfolio. Turkinvest A.O.G. Menkul Kiymetler acted as the financial advisor and intermediary in this transaction.

**Headline:**
Announcement

**Source:**
*Financial Times October 13, 1993*

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**cement companies**

**Activity Date:** 1995

The Privatization Administration has announced a December 1 tender deadline for the block sale of 11 enterprises including 7 **cement companies**. The remaining firms produce ceramic and refractory materials.

**Headline:**
In Brief

**Source:**
*Middle East Economic Digest November 17, 1995*

## Corum

**Activity Date:** 7 1992

In July 1992 it was announced that Corum, a state-owned cement firm is to privatized. Turkish as well as foreign firms are interested in making bids which have to be submitted by July 24. Offers are expected from two Turkish firms which control 30% of the market collectively, as well as from Blue Circle of the UK, Hodlerbank of Switzerland, and Loma Negra of Argentina. Other foreign firms interested in bidding are Societe Francais, which is presently part-owned by Italcementi of Italy, and Lafargee Coppee. The privatization of eleven cement companies is expected to raise between $350m and $400m.

**Headline:**

**Source:** *FT /1/'92*

**Activity Date:** 12 1992

In December 1992, a Turkish state-owned cement factory, Corum, was sold to Yibitas, a local group.

**Headline:**

**Source:** *PI 12/92*

## Denizli

**Activity Date:** 12 1992

In December 1992, a Turkish state-owned cement factory, Denizli, was sold to Modern Cimento for $70.1 million.

**Headline:**

**Source:** *PI 12/92*

## Dezili

**Activity Date:** 7 1992

In July 1992 it was announced that Gaziantep, a state-owned cement firm is to be privatized. Turkish as well as foreign firms are interested in submitting bids which must be in by July 24. Offers are expected from two Turkish firms, which collectively control 30% of the market, as well as from Blue Circle of the UK, Hodlerbank of Switzerland, and Loma Negra of Argentina.Other foreign groups interested are Societe Francais, which is presently part-owned by Italcementi of Italy and Lafarge Coppee. The privatization of eleven cement companies is expected to raise between $350 m and $400 m.

**Headline:**

**Source:** *FT/1/'92*

## Entes

**Activity Date:** 8 1995

The government of Turkey announced that an agreement had been reached for the construction of a $1.5bn gas-fired power plant on a build-operate-transfer (BOT) basis near Ankara. The 1000-MW plant is being proposed by a consortium of Russia's Gazprom, Switzerland's ABB Asea Brown Boveri, and Turkey's Entes. There are a number of legal problems though due to contradictory rulings by Turkey's Council of State and its constitutional court.

**Headline:** Agreement Reached On Ankara BOT Plant

**Source:** *Middle East Economic Digest August 18, 1995*

## Eregli Iron and Steelworks (Erdemir)

**Activity Date:** 8 1993

In August, the Public Participation Administration (PPA) announced the sale of Turkey's steel producer **Eregli Iron & Steel.** Ten percent of the enterprise's shares have been offered. Eregli has a 71% share of steel production in the domestic market. UK's merchant bank Morgan Grenfell is advising the government on the sale.

**Headline:** Turkey to Place Stakes in State Groups With Foreign Investors

**Source:** *Financial Times August 13, 1993*

**Activity Date:** 7 1994

The Turkish government announced its intention in June to sell **Eregli Iron and Steelworks (Erdemir).** Proceeds

1994

The Turkish government announced its intention in June to sell **Eregli Iron and Steelworks (Erdemir)**. Proceeds from the sale are expected to fall in the range of US$300- 400 million. Interest in the sale has already been expressed by both local and international groups. The government's main objective is not necessarily to maximize revenues but to increase efficiency and profitability in the state-run sector. Their preference is for a core investor with experience in international markets and knowledge of modern technology.

A July announcement reported that bids were sought for the government's 51% block holding in Erdemir on the Black Sea.

**Headline:**
Government Targets Overseas Investors

**Source:**
*African Business July 1, 1994*

**Activity Date:** 8 1994

The Turkish government announced in August that the deadline for bids on shares in the **Eregli Iron and Steelworks (Erdemir)** has been extended to August 12. Estimated value of the shares ranges from $300 to $400 million. The sale of shares in Erdemir was originally intended to be the first of a series of large privatizations including the Turkish Petroleum Refineries Corporation (TUPRAS) and refined products distributor Petrol Ofisi (POAS), however, numerous constitutional challenges to privatization have nearly paralysed the process.

**Headline:**
Turkey: Parliament Boycott Foils Privatisation

**Source:**
*Middle East Economic Digest August 12, 1994*

**Activity Date:** 8 1994

In August, the government announced that the closing of bids for a controlling stake in the state-owned **Eregli Iron and Steelworks (Erdemir)** has been delayed from the original closing date of August 12. Erdemir is one of the most profitable state-owned companies and the only domestic producer of flat products. The company will also benefit from the completion of its $1,500 million capacity improvement and expansion program that is expected to boost output capacity by a third to nearly 3 million tonnes per year by 1995-96. The deal is expected to earn revenues up to $400 million. The current series of constitutional challenges to the government's privatization initiatives stems not from a disagreement over the principle of privatization but from the manner of its introduction by decree. A swift resolution to the problems would allow Turkey to get its program back on track, possibly by the end of September with negotiations beginning in October.

**Headline:**
Turkey: Steelworks Bids Delayed

**Source:**
*Middle East Economic Digest August 26, 1994*

**Activity Date:** 12 1994

The Turkish government announced in December that it intends to offer a 51.66% stake in the **Eregli Iron & Steel Works** within the first four months of 1995. Current market values indicate the company, which is nearing completion of a $1.5bn capacity expansion program, is valued at $600m. Preliminary bids are expected by late December or early January. Nearly 12 investors have shown interest and the government hopes to attract a core investor for technological inputs and international marketing expertise. Initially, a 25 to 30% block will be offered then followed by an additional 20 to 25% in private placements. The deal has an expected value of $400m and the government may decide to retain a golden share. CS First Boston is advising the sale.

**Headline:**
Turkey: Draft Schedule for Main Privatization Deals in 1995

**Source:**
*Middle East Economic Digest December 9, 1994*

**Activity Date:** 1995

**Erdemir**, the Turkish steel company that is currently 51.7% government owned, is planning to sell 30% of its equity to a strategic investor. Eight different local and international groups have expressed interest in the company. In addition, the government is planning to sell its remaining 21.7% via private placement or public offering later this year. Erdemir posted profits of $58m for the first quarter of this year.

**Headline:**
Turks' New Optimism

**Source:**
*Privatisation International June 1995*

**Activity Date:** 2 1995

Eight bidders made offers for the government's 51.66% share in the **Eregli Iron & Steelworks**. The block sale to a strategic investor is expected to raise $180m, and information regarding the foreign partners of the domestic bidders has not been disclosed.

**Headline:**
Bids in for Steelworks Privatization

**Source:**
*Middle East Economic Digest February 17, 1995*

**Activity Date:** 10 1995

**Activity Date:** 10 1995

In Turkey, the Privatization Administration (OIB) announced that it will create "golden shares" in the **Eregli Iron & Steelworks** to protect the public's interest in the company. The golden shares will allow the government a veto on company decisions and potential joint ventures. Action is still pending on the block sale of 30% of the government's 51.66% stake in the steelworks on the Black Sea.

**Headline:**
Turkey: In Brief

**Source:**
*Middle East Economic Digest October 20, 1995*

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## Gaziantep

**Activity Date:** 7 1992

In July 1992 it was announced that Gaziantep, a state-owned cement firm is to be privatized. Turkish as well as foreign groups are interested in submitting bids, which have to be in by July 24. Offers are expected from two Turkish firms, which control 30% of the market collectively, as well as Blue Circle of the UK, Hodlerbank of Switzerland, and Loma Negra of Argentina. Other foreign groups interested are Societe Francais, which is presently part-owned by Italcementi of Italy and Lafarge Coppee. The privatization of eleven cement companies is expected to raise between $350 m and $400 m.

**Headline:**

**Source:**
*FT/1/'92*

**Activity Date:** 12 1992

In December 1992, a Turkish state-owned cement factory, Gaziantep, was sold to Rumeli Holdings, a local group known for running Turkey's first private TV station.

**Headline:**

**Source:**
*PI 12/92*

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## Gima

**Activity Date:** 4 1993

In April, the PPA sold Gima, the state-owned food and general store chain, for TL 201 billion ($17 million) to a local hotel concern.

**Headline:**

**Source:**
*FT 5/7/93*

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## Hamitabad

**Activity Date:** 8 1995

The Turkish Privatization Administration announced that four large thermal power plants, with a combined value of $1.47bn, are scheduled to be privatized within the next 18 months. It is hoped that the four plants, **Yenikoy**, **Kemierkoy**, **Soma-B**, and **Hamitabad**, can be sold as commercial contracts

**Headline:**
Power Plants To Be Privatised

**Source:**
*Middle East Economic Digest August 25, 1995*

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## Havas

**Activity Date:** 12 1994

The Turkish government has begun plans to sell a 60% share block and a 40% public offering in the airport ground handling company **Havas**. It is not yet certain when the sales will occur or who will advise the sale.

**Headline:**
Turkey: Draft Schedule for Main Privatization Deals in 1995

**Source:**
*Middle East Economic Digest December 9, 1994*

**Activity Date:** 1995

The Turkish government announced the sale of **Havas**, an airport handling company, for $36m. In addition, the Privatization Administration said that negotiations for the sale of Sumerbank, valued at $60m, have been narrowed to two bidders, Cingilli Holdings and Ceylan Insaat. Invitations for the block sale of 60% of Havas' and Sumerbank's equity were put forth in January. The remaining 40% of each company's equity will be publicly offered on the Istanbul stock exchange.

stock exchange.

The Turkish government announced the collapse of the plan to privatize **Sumerbank**. The highest bid received, $42.5m from Cingilli Holdings, was considered unacceptable by government authorities, expecting to raise $60m from the block sale of 60% of Sumerbank's equity.

**Headline:**
Turkey

**Source:**
*Middle East Economic Digest April 7, 1995*

**Activity Date:** 2 1995

Bids for a 60% stake in **Havas**, the airports ground handler, were returned. Initial offers indicate a strong foreign interest in the company. The sale is expected to raise approximately $36m, and the bids will now go through a screening and negotiation process before the sale is finalized.

Turkey's slow moving privatization program got a boost when Havas was sold to Mr. Turgay Ciner, a local businessman, for $36m.

Bids were returned on the government's proposed sale of a 60% stake in **Sumerbank**. Despite lacking foreign interest, the deal, one of Turkey's first in its new privatization program, is expected to raise up to $60m.

**Headline:**
Bid in for Havas, Sumerbank

**Source:**
*Middle East Economic Digest February 10, 1995*

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## Ipragas

**Activity Date:** 1 1992

In January 1992, a stake of 51% of Ipragas, a state-owned gas company, was purchased by Prima Gaz, a publicly-held French company for Tl 350 bn (US$ 63.7 mill). Prima Gaz now owns 100% of the company. The sale of Prima Gas is Turkey's first privatization attempt.

**Headline:**

**Source:**
*FT/Jan'92*

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## Iskenderum

**Activity Date:** 7 1992

In July 1992 it was announced that Iskenderum, a state-owned cement firm, is to be privatized. Both Turkish and foreign groups are interested in making bids which have to be in by July 24. Two Turkish groups, which together control 30% of the cement market, are expected to make offers, as well as Blue Circle of the UK, Hoderbank of Switzerland, and Loma Negra of Argentina. Other foreign groups interested are Societe Francais, which is presently part-owned by Italcementi of Italy and Lafarge Coppee. The privatization of eleven cement companies is expected to raise between $350 m and $400 m.

**Headline:**

**Source:**
*FT/1/'92*

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## Izmit Bridge

**Activity Date:** 7 1994

Turkey will soon seek pre-qualifications in a plan to finance the **Izmit Bridge** through a build, own, transfer contract. The project will include a 3 kilometer suspension bridge and 45 kilometers of approach roads, and is expected to cost at least $750 million to construct. Chase Investment Bank will be the financial advisor while the State Highways Directorate (KGM) will oversee the submission of applications.

A July 18 deadline was established for pre-qualification applications for the Izmit bay crossing BOT project. Interest has been expressed by 28 companies and consortia. The crossing will run from Dilovasi to Orhangazi, with either a dual, three-lane motorway of 50 kilometers in length or a combination of bridges 3.5 kilometers in length to run across the Izmit itself.

**Headline:**
Izmit Bridge Out to Tender

**Source:**
*Project Finance International February 18, 1994*

## Izmit Water Project

**Activity Date:** 2 1993

Turkey's first large-scale BOT waterproject was announced in February, for the municipality of Izmit. One member of the consortium, Thames Water, will be responsible for the US$290 million construction of the **treatment plant, dam, and pumping station**, as well as the 15-year operation and management contract. Thames Water is investing 25% of the equity, about $27 million. The total cost of the project has been estimated at over $700 million, financed by 15% equity and 85% debt. Two Turkish firms, Gama Endustri Tesisleri Imalat and Guris Insaat will also be participating, contributing equal amounts of equity. A joint-venture between Mitsui and Sumitomo will also be contributing equity, and supplying much of the raw material for the project. The largest shareholder in the project will be the Municipality of Izmit.

**Headline:**

**Source:**
*PFI 2/19/93*

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## Kemierkoy

**Activity Date:** 8 1995

The Turkish Privatization Administration announced that four large thermal power plants, with a combined value of $1.47bn, are scheduled to be privatized within the next 18 months. It is hoped that the four plants, **Yenikoy, Kemierkoy, Soma-B**, and **Hamitabad**, can be sold as commercial contracts

**Headline:**
Power Plants To Be Privatised

**Source:**
*Middle East Economic Digest August 25, 1995*

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## Ladik Sivas

**Activity Date:** 7 1992

In July 1992, it was announced that Ladik Sivas, a state-owned cement firm is to be privatized. Both Turkish and foreign groups are interested in making bids which have to be in by July 24. Two Turkish groups, which together already control 30% of the cement market, are expected to make offers, as well as Blue Circle of the UK, Hodlerbank of Switzerland, and Loma Negra of Argentina. Other foreign groups interested are Societe Francais, which is presently part-owned by Italcementi of Italy and Lafarge Coppee. The privatization of eleven cement companies is expected to raise between $350 m and $400 m.

**Headline:**

**Source:**
*FT/1/'92*

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## macro

**Activity Date:** 7 1994

A constitutional ruling on July 7 placed a block on an enabling act that would have sped up the government's privatization efforts. It was argued that the enabling act violated the constitution and was looked upon as a rapid method to disinvest in SOEs. According to Social Democrats who oppose the current privatization program, even deals which are supported by the parliament, such as the sale of 49% of the telecom division of PTT, will be challenged on judicial grounds.

Efforts to stall denationalization of the telecommunications sectors dealing in posts, telegraphs, and telephone administration will face oppositon by critics of privatization. The Privatisation Agency plans to press on with its divestiture program in spite of such efforts. Much of the pressure to "fast-track" the program comes directly from Prime Minister Tansu Ciller, whose reputation rides on her ability to steer the Turkish economy through the World Bank's mandated structural adjustment program. The revenues generated from privatization sales in 1994, expected to be about $2.5 billion, figure prominently in Turkey's balance of payment calculations.

**Headline:**
Delays to Privatisation Programme

**Source:**
*Middle East Economic Digest July 22, 1994*

**Activity Date:** 8 1994

In August, it was announced that Turkey's constitutional court had annulled five decrees that had established a framework for the privatization program. The only measure remaining in effect pertains to providing compensation, job training and replacement for employees who might lose their jobs after privatization.

**Headline:**

**Source:**

Court Suspends Privatisation

*Middle East Economic Digest August 5, 1994*

**Meysu**

**Activity Date:** 9 1992

Turkey's PPA concluded the sale of 96% of Meysu in September 1992, to the local Unal Dogan group for TL 8.5 billion. Meysu is a fruit juice company based in Kaseri.

**Headline:**

**Source:**

**Mining**

**Activity Date:** 11 1993

Minerals Exploration General Directorate has announced plans to sell management and exploration rights for 13 state-owned mines.

**Headline:**

International Overview--Turkey

**Source:**

*Privatisation International November 1993*

**Netas**

**Activity Date:** 10 1992

In October 1992, it was announced that the remaining 49% of Turkish equipment manufacturer Netas would be sold through a combination block sale and public offering.

**Headline:**

**Source:**

*PI 11/92*

**Activity Date:** 12 1993

Approximately $55 million was raised through the 15% private offering of **Netas**, the telephone switch manufacturer. Northern Telecom (Canada) owns 51% of Netas. Kleinwort Benson (UK) and Global Securities (Turkey) handled the deal.

**Headline:**

Turkey Sets Target of $1 bn for 1994

**Source:**

*Privatisation International January 1994*

**Activity Date:** 12 1993

**Netas**, a joint-venture between Northern Telecom of Canada and state-owned PTT, is offering international investors the opportunity to bid for an 18% share of the telecommunications group. The firms is the largest telecommunications manufacturer in Turkey and had estimated sales of $300 million in 1993. Currently the state maintains a 51% share, while Northern Telecom holds 20%, the Turkish Armed Forces Fund 15%, and the PTT charitable foundation has 3%.

**Headline:**

Netas Sale Tempts Foreign Investors

**Source:**

*Financial Times December 7, 1993*

**Petkim Petrokimya**

**Activity Date:** 6 1993

It was announced in July that Turkey is planning on selling its equity in Petkim Petrokimya through the stock market.

**Headline:**

International Overview

**Source:**

*Privatisation International July 1993*

**Activity Date:** 12 1994

It was announced in December that the Turkish government is going to offer shares in the petrochemical company **Petkim** sometime toward the end of 1995. The offering will consist of a 20% public offering. Samuel Montagu will advise on the public offer of a 20% stake in Petkim.

**Headline:**

Turkey: Draft Schedule for Main Privatization Deals in 1995

**Source:**

*Middle East Economic Digest December 9, 1994*

## Petlas

**Activity Date:** 12 1993

The tender period for the aircraft tire manufacturer licensed by Dunlop (UK), **Petlas**, has been extended. The tender is for 99% of the company.

**Headline:** Turkey Sets Target of $1 bn for 1994

**Source:** *Privatisation International January 1994*

**Activity Date:** 12 1994

The Turkish government will sell a block of shares in the tire maker **Petlas** within the first three months of 1995.

**Headline:** Turkey: Draft Schedule for Main Privatization Deals in 1995

**Source:** *Middle East Economic Digest December 9, 1994*

**Activity Date:** 12 1995

The Privatization Administration of Turkey (OIB) received no bids for money-losing tiremaker **Petlas**. This marks the OIB's fourth unsuccessful attempt at selling the company.

**Headline:** In Brief

**Source:** *Middle East Economic Digest December 8, 1995*

## Petrol Ofisi

**Activity Date:** 8 1993

A 15.87% share of Turkey's **Petrol Ofisi**, the petroleum retail operation, has been offered for sale in a secondary offering by the Public Participation Administration. Petrol Ofisi has recently formed a small marketing joint venture with the Italian company Agip. UK's merchant bank Morgan Grenfell is advising the government on the sale.

In November 1993, it was announced that the government is having a difficult time finding buyers. In July 1993, the PPA invited approximately 22 banks to submit proposals to advise and execute the sale. In response, 19 returned proposals and 8 were subsequently asked to make presentations before the PPA. The list is down to 2, CS First Boston and Chase Manhattan. Advisory work could be finished in a couple months and the company, along with the refinery Tupras, could be ready for sale by mid-1994. Petrol Ofisi could be the largest privatization in Turkey.

In January 1994, it was announced that the initial offer is likely to be convertible.

**Headline:** Turkey to Place Stakes in State Groups With Foreign Investors

**Source:** *Financial Times August 13, 1993*

**Activity Date:** 12 1994

The Turkish government announced in December that the valuation and first stages of preparation have been completed for the sale of shares in the refined products distributor **Petrol Ofisi**. The sale of shares will consist of a 20% stake to be made through private placement within two months and another 50 to 55% stake offered through block sales and public offerings within six months. Chase Manhattan is advising the sale. The company, which is said to be worth close to $1bn, is being advised by Chase Manhattan.

**Headline:** Turkey: Draft Schedule for Main Privatization Deals in 1995

**Source:** *Middle East Economic Digest December 9, 1994*

**Activity Date:** 1995

With the recent unraveling of the privatizations of the **Petlas** tire company and the **Et Balik** food chain, the Turkish government is poised for a new privatization plan. **Erdemir**, the steel group, has local and international groups bidding for a 30% stake. While a decision is expected in July, the government's remaining 21.7% share will be sold through a private placement or global offering later this year. But, other expected privatizations will perhaps not be taking place this year. Namely, **Turk Telekom, Tupras** refineries, and **Petrol Ofisi** chain of service stations will not be privatized due to political opposition and legal challenges.

**Headline:** Turks' New Optimism

**Source:** *Privatisation International June 1995*

**Poas**

**Activity Date:** 2 1994

**Poas**, the refined products distributor is to be sold in 1994.

**Headline:**
Privatisation Surges in Turkey

**Source:**
*Middle East Economic Digest February 4, 1994*

**Posts, Telegraphs & Telephones (PTT)**

**Activity Date:** 10 1993

Prime Minister Tansu Ciller of Turkey announced intentions to sell a 20% share of the more profitable telecom arm of the **PTT** postal and telecommunications monopoly. Talks are continuing to appoint advisers on the privatization of this company. The proceeds from this sale are expected to be close to $2 billion.

**Headline:**
Ciller Means Business on State Asset Sales

**Source:**
*Financial Times October 19, 1993*

**Activity Date:** 3 1994

The Constitutional Court of Turkey in Ankara blocked the privatization of **PTT**, Turkey's state telecommunications monopoly in November 1993. The court decision, which came when Prime Minister Tansu Ciller was out of the country, represented a significant setback for her ambitious privatization program. Though the Prime Minister's office is trying to play down the significance of the decision, it could set a precedence for all those who oppose Ciller's privatization program.

It was reported in March 1994 that the government was drafting legislation which would permit PTT's postal and telecom divisions to be separated, removing the legal obstacle to its eventual privatization. At the same time, a consortium of investment bankers (SG Warburg, Morgan Stanley, Lehman Brothers, Banque Indosuez) was preparing to issue $2 billion worth of corporate bonds convertible to equity once PTT is privatized. The Public Participation Administration (KOI) stated that it expects to complete the sale of the telecoms division by June 1995.

**Headline:**
Turkish Court Suspends PTT Sale

**Source:**
*Privatisation International November 1993*

**Activity Date:** 6 1994

The Turkish parliament passed a bill in June allowing for the privatization of the telecommunications division of the Post, Telegraphs and Telephones Administration (**PTT**). The sale is an important element in Turkey's overall privatization scheme and is expected to raise approximately $2,000 million. Included in the bill is a provision for the Higher Planning Board, the government's economic policy-making agency, to draft the guidelines for ensuring the participation of PTT employees and the general public in the sale. Further, it authorizes the Communications & Transport Ministry to issue operational licences to private companies for telecommunications operations. The sale is not likely to occur until 1995 because of blocking actions by the Social Democratic Populist Party (SHP), within the constitutional court.

As of an August report, the Social Democratic Party was still contesting the planned sale of 49% of the telecom division of PTT, Turkey's postal and telecom company, arguing that the sale is a matter for the courts to decide. PTT debts to Teletas (which was privatized a few years ago), also recently forced the government to borrow an emergency $165 million from Citibank.

**Headline:**
Telephones Privatization Bill Passed

**Source:**
*Middle East Economic Digest June 24, 1994*

## Ray Insurance

**Activity Date:** 1 1992

In January 1992, it was announced that a 40% stake in Ray Insurance, a state-owned insurance company, would be sold for $9.3 million. Domestic and foreign investors will have the opportunity to purchase block shares in the company.

**Headline:**

**Source:**
*FT/Jan 1992*

## Sanliurfa

**Activity Date:** 7 1992

In July 1992 it was announced that Sanliurfa, a state-owned cement firm is to be privatized. Two Turkish groups, which together control 30% of the cement market, are expected to make offers, as well as Blue Circle of the UK, Hodlerbank of Switzerland, and Loma Negra of Argentina. Other foreign groups interested are Societe Francais, which is presently part-owned by Italcementi of Italy and Lafarge Coppee. The privatization of eleven cement companies is expected to raise between $350 m to $400 m.

**Headline:**

**Source:**
*FT/1/'92*

## Sek Sut Endustris and Yem Sanayii ve Ticaret

**Activity Date:** 1993

Negotiations are underway for the sale of the dairy corporation, **Sek Sut Endustris**, and the animal feeds group, **Yem Sanayii ve Ticaret**. Set Sut Endustris' adviser is Finanzbank and Yem Sanayii ve Ticaret's adviser is Korfez Bank.

In January, it was announced that Prime Minister Ciller canceled the sale of Sek, the milk marketing board due to pressures from her coalition board. The Public Participation Administration (PPA) expected $200million from the sale and had already lined up a potential buyer. However, members of the coalition felt that this fee was too low.

**Headline:**
International Overview--Turkey

**Source:**
*Privatisation International November 1993*

## Seka

**Activity Date:** 12 1993

The government has failed to find a bidder for **Seka**, a paper works, as of January 1994 and has abandoned the attempts to find a buyer.

**Headline:**
Turkey Sets Target of $1 bn for 1994

**Source:**
*Privatisation International January 1994*

## Seker Sigorta

**Activity Date:** 1 1992

In January 1992, it was announced that a 13% stake in Seker Sigorta, a state-owned insurance company, would be sold for Tl 7 bn (US$ 1.27 mill). Domestic and foreign investors will have the opportunity to purchase block shares in Seker Insurance.

**Headline:**

**Source:**
*FT/Jan 1992*

**Activity Date:** 8 1992

Turkey's Public Partnership Administration (PPA) announced in August 1992 that Seker Sigorta, the state owned insurance company, had been sold to the local Sert Holding for TL6.5 billion in cash.

**Headline:**

**Source:**
*PI 9/92*

**Sekerbank**

**Activity Date:** 4 1993

In April, the PPA sold a 10% stake in Sekerbank, the sugar bank, to the sugar beet producers association.

**Headline:**

**Source:**
*FT 5/7/93*

**Sivas**

**Activity Date:** 12 1992

In December 1992, a Turkish state-owned cement factory, Sivas, was sold to Yibitas, a local group.

**Headline:**

**Source:**
*PI 12/92*

**Soma-B**

**Activity Date:** 8 1995

The Turkish Privatization Administration announced that four large thermal power plants, with a combined value of $1.47bn, are scheduled to be privatized within the next 18 months. It is hoped that the four plants, **Yenikoy**, **Kemierkoy**, **Soma-B**, and **Hamitabad**, can be sold as commercial contracts

**Headline:**
Power Plants To Be Privatised

**Source:**
*Middle East Economic Digest August 25, 1995*

**Sumer Holding**

**Activity Date:** 3 1994

In March, the Turkish parliament rescinded the power it had given to **Sumer Holding** company in 1992 to privatize itself. The company is parent to a chain of stores which specializes in the sale of textiles, leather and porcelain.

**Headline:**
News In Brief

**Source:**
*Middle East Economic Digest March 18, 1994*

**Sumerbank**

**Activity Date:** 9 1993

**Sumerbank**, originally the financial center of a giant textile, porcelain and leather conglomerate, will be very likely among the first banks to be privatized in Turkey this year. Next will be the excised banking operations of the state mining agency **Etibank**. Also getting ready for privatization is the second largest state-owned financial institution **Emlak Bankasi**.

It was announced in October, that the liabilities of Sumerbank's 46 banking branches have been taken over by the state-owned Halk Bank and shares of its outlets are being distributed to employees.

**Headline:**
High Profits, Exchange Pitfalls

**Source:**
*Middle Eastern Economic Digest September 24, 1993*

**Activity Date:** 2 1994

**Sumerbank**, a major textiles, leather, and porcelain combine is to be sold in 1994.

**Headline:**
Privatisation Surges in Turkey

**Source:**
*Middle East Economic Digest February 4, 1994*

**Activity Date:** 12 1994

The Turkish government is planning to offer what may be a 35% block sale in the state commercial institution **Sumerbank**. The remainder of shares in the company, which was once the centre of a textile, leather and porcelain conglomerate, will be offered on the Istanbul stock exchange. The sale value is expected to reach $100m.

**Headline:**

**Source:**

Turkey: Draft Schedule for Main Privatization Deals in 1995 *Middle East Economic Digest December 9, 1994*

**Activity Date:** 2 1995

Bids were returned on the government's proposed sale of a 60% stake in **Sumerbank**. Despite lacking foreign interest, the deal, one of Turkey's first in its new privatization program, is expected to raise up to $60m.

**Headline:**
Bid in for Havas, Sumerbank

**Source:**
*Middle East Economic Digest February 10, 1995*

**Activity Date:** 9 1995

On September 11, the High Board of Privatization endorsed the sale of a 100% stake in **Sumerbank** to the textile company, Ipeks Iplik Tekstil Sanayi, for $103.4m. Sumerbank, a medium-sized bank with 49 branches throughout the country, had net profits of $27.6m in 1994 and assets of $137m in the first half of this year. Under the terms of the agreement, Iplik will pay half of the sale price in cash and the second half in two installments over two years.

**Headline:**
Sumerbank Privatised at Fourth Attempt

**Source:**
*Middle East Economic Digest September 22, 1995*

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**Tat**

**Activity Date:** 1 1992

In January 1992, it was announced that a stake of 17% of Tat, a state-owned company, will be sold for Tl 41 billion (US$ 7.46 mill).

**Headline:**

**Source:**
*FNT/Jan 1992*

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**Telecommunications company**

**Activity Date:** 1995

Turkish politicians have thwarted the government's privatization plan with their challenge to have the courts declare that the selling of a 49% stake in Turkey's **telecommunications company** is unconstitutional. The privatization, which was planned for September, is expected to raise at least $2bn.

**Headline:**
Turkish Sell-Off Challenged

**Source:**
*Wall Street Journal July 6, 1995*

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**Teletas**

**Activity Date:** 7 1993

The Turk government announced in July that it had set a new minimum price of $17.1 million plus TL18 billion for its 18% share in Teletas. Turkey Merchant Bank has been named as the advisor.

**Headline:**
International Overview

**Source:**
*Privatisation International July 1993*

**Activity Date:** 11 1994

It was reported in August that the the government's remaining 18% share in **Teletas** was sold to Alcatel, which increased its ownership to 65%, for $21 million.

**Headline:**
Mrs. Ciller Stubs Her Toe

**Source:**
*Financial Times November 25, 1993*

**Tofas**

**Activity Date:** 8 1993

Five percent of the Fiat manufacturing joint venture **Tofas,** worth $138 milion, was offered for sale to foreign investors by the Public Participation Administration (PPA). Tofas is a local car assembly plant of Fiat, which currently ownes 42% of Tofas. This move constitutes the largest block of shares to be offered in Turkey. At October stock exchange prices, the Tofas stake is worth around $600 million.

The planned 21% offering offering of the government's minority shares on the New York Stock Exchange, including a full listing in the U.S. Securities and Exchange Commission has been canceled as of January 1994. Instead, a more restricted offering will be placed with U.S. institutions under Rule 144a. The cancellation was made made because of complaints from Fiat.

Morgan Grenfell (UK) is assisting the PPA with the initial stage of the transaction. Schroders and Lehman Brothers with Interbank and Finanzbank are also advising Tofas.

**Headline:**
Turkey to Place Stakes in State Groups With Foreign Investors

**Source:**
*Financial Times August 13, 1993*

**Activity Date:** 3 1994

It was reported in February 1994 that the Public Participation Administration hoped to raise $500 million in the March sale of **Tofas**, Turkey's leading auto manufacturer. The transaction was to be placed on domestic and international markets by Schroders of the U.K. in association with the local Interbank, and by Lehman Brothers of the U.S. in association with the local Finansbank. The Tofas sale was earlier hoped to raise between $600-750 million.

The privatization of the Turkish automobile manufacturer, **Tofas**, continued to encounter difficulty. Several weeks before its shares were to be sold in an international offering the Turkish Lira was devalued. The government is selling a 21% stake in the automaker for 20 million global depository receipts and American depository receipts. The sale, once expected to raise as much as $750 million, is now predicted to bring in $400-450 million. Tofas employs 8,500 and is Turkey's largest auto producer with approximately 25% of the local market. Net sales were valued at $1.1 billion for the first 9 months of 1993. The company's workforce was recently asked to stand down as part of a production cut back, but the firm will invest $500 million to increase production capacity to 300,000 cars by 1996.

**Headline:**
Privatisation Targets Announced

**Source:**
*Middle East Economic Digest February 25, 1994*

**Activity Date:** 3 1994

The Turkish Public Participation Administration (KOI) raised about $330 million in March from a series of share offerings in **Tofas**, the automobile manufacturing joint venture. Since the local offering was undersubscribed, the government was only able to divest itself of 16% of its 21% holding in the company.

The international offering, held on March 3, placed 20 million shares in ADRs and GDRs valued at $16.50 each, and was oversubscribed about 2.5 times. The equity offering on the Istanbul Stock Exchange which followed on March 4-7 involved some of the government's remaining 5 million shares. The domestic share price worked out to be TL 72,000 (about $3.30), much lower than the TL125,000 peak recorded only weeks earlier, and raised a total of TL 57 billion (about $2.6 million) for the first 1,000,000 shares issued. Secondary trading in Tofas shares was reportedly weak following both international and domestic offerings. Because no banks were prepared to underwrite the transaction, Finansbank, an advisor, was forced to take 875,000 shares for its own portfolio.

**Headline:**
Tofas Domestic Share Issue Undersubscribed

**Source:**
*Financial Times March 10, 1994*

**Activity Date:** 4 1994

The Public Participation Agency reported in April that the recent sale of auto manufacturer **Tofas** raised $319 million. The international offering raised $330 million, netting $316 million after transaction costs. Sales on domestic markets were disappointing as only 157,340 out of 1 million shares were sold bringing in $2.7 million after cost.

In March, the Public Participation Agency, who owns 58% of the automaking firm, Tofas, will sell 21% of its holdings in a global flotation. PPA holds shares in Tofas along with Fiat. the sale is expected to earn $500 million

holdings in a global flotation. PPA holds shares in Tofas along with Fiat. the sale is expected to earn $500 million and will be followed by a $2 billion offer of convertible bonds for Post, Telegraph, and Telecommunications Authority(PTT). Tofa's global offering will be advised by Lehman Brothers and J. Henry Schroder Wagg.

**Headline:**
News--In Brief

**Source:**
*Middle East Economic Digest April 15, 1994*

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**Trabzon**

**Activity Date:** 7 1992

In July 1992, it was announced that Trabzon, a state-owned cement firm is to be privatized. Both Turkish and foreign groups are interested in making bids, which have to be in by July 24. In spite of a slowdown in the economy, the market is growing by 3% to 5% annually. Two Turkish groups, which together control 30% of the cement market, are expected to make offers, as well as Blue Circle of the UK, Hodlerbank of Switzerland, and Loma Negra of Argentina. Other foreign groups interested are Societe Francais, which is presently part-owned by Italcementi of Italy and Lafarge Coppee. The privatization of eleven cement companies is expected to raise between $350 m and $400 m.

**Headline:**

**Source:**
*FT/1/'92*

**Activity Date:** 12 1992

In December 1992, a Turkish state-owned cement factory, Trabzon, was sold to Rumeli Holdings, a local group known for running Turkey's first private TV station.

**Headline:**

**Source:**
*PI 12/92*

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**Turban Turizm**

**Activity Date:** 2 1994

**Turban Turizm**, whose assests include a hotel in Cesme and a marina at Kremer is to be sold in 1994.

**Headline:**
Privatisation Surges in Turkey

**Source:**
*Middle East Economic Digest February 4, 1994*

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**Turk Automotive Industry (TOE)**

**Activity Date:** 4 1993

In April, the PPA sold the Turk Automotive Industry (TOE) company for TL 70 billion ($6 million).

**Headline:**

**Source:**
*FT 5/7/93*

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**Turk Hava Yollari (Turkish Airlines)**

**Activity Date:** 12 1994

The government of Turkey announced in December that it plans to offer shares in the loss making carrier **Turk Hava Yollari (Turkish Airlines)**. The plan calls for a 30% stake to be sold as a block within six months and an additional 15% via public offer shortly thereafter. An advisor on the $300m deal has not yet been selected. Further, the government will retain a golden share in the company as it believes the company and its flight routes to be of strategic importance.

**Headline:**
Turkey: Draft Schedule for Main Privatization Deals in 1995

**Source:**
*Middle East Economic Digest December 9, 1994*

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**Turk Telekom**

**Activity Date:** 1993

A decree has been passed last month enabling the sale of the TEK utility.

**Headline:**
International Overview--Turkey

**Source:**
*Privatisation International December 1993*

**Activity Date:** 12 1994

Approximately 30 banks and other companies have begun forming consortia to bid on advisory rights for the

1994

Approximately 30 banks and other companies have begun forming consortia to bid on advisory rights for the upcoming sale of **Turk Telekom**. The consortia include JP Morgan and NM Rothschild, SG Warburg and Morgan Stanley, and Salomon Brothers, KPMG and the capital markets operation of Banque Indosuez.

A draft bill under consideration by the Turkish Parliament's budget and planning committee limits the amount of equity in Turk Telekom that can be purchased by individuals and other entities to 34%. Turk Telekom, which was carved from the Post, Telegraphs & Telephone (PTT) administration is expected to offer a maximum of 49% of its equity sometime in 1996. It is thought that the sale will bring in the lion's share of an anticipated $2bn in 1996 privatization revenues.

**Headline:**
Bidders Queue Up to Advise Telecoms Sale

**Source:**
*Middle East Economic Digest December 16, 1994*

**Activity Date:** 1995

With the recent unraveling of the privatizations of the **Petlas** tire company and the **Et Balik** food chain, the Turkish government is poised for a new privatization plan. **Erdemir**, the steel group, has local and international groups bidding for a 30% stake. While a decision is expected in July, the government's remaining 21.7% share will be sold through a private placement or global offering later this year. But, other expected privatizations will perhaps not be taking place this year. Namely, **Turk Telekom, Tupras** refineries, and **Petrol Ofisi** chain of service stations will not be privatized due to political opposition and legal challenges.

**Headline:**
Turks' New Optimism

**Source:**
*Privatisation International June 1995*

**Activity Date:** 1995

Four consortia of investment banks have bid for the right to act as advisor to the Turkish Government in the sale of a 49% stake in **Turk Telekom**. The consortia are: Goldman Sachs, BZW, Lazard, Nikko, and UBS; Merrill Lynch, NM Rothschild, and JP Morgan; Morgan Stanley and SBC Warburg; and Salomon Brothers, Suez, and EuroTurk. It is expected that the sale could raise as much as $2bn.

**Headline:**
Banks Line up for Turk Telecom Sale

**Source:**
*Financial Times June 30, 1995*

**Activity Date:** 1996

The final bids for a contract to advise the Turkish Privatization Administration (OIB) on the sale of **Turk Telekomunikasyon** (Turk Telekom) have been submitted. The winning consortium will provide consultancy services for the international offering of shares in Turk Telekom which will amount to nearly 39% offered to private individuals and 15% to company employees. The remaining shares will remain in state control.

The sell-off of **Turk Telecom** in 1996 will be the largest in Turkey's privatization program. The telecoms flotation is expected to provide much of the $20bn target in the 1996 privatization. Six bids by international consortia were submitted in December 1995.

**Headline:**
Final Offers in for Telecoms Sale Consultancy

**Source:**
*Middle East Economic Digest January 5, 1996*

**Activity Date:** 3 1996

The privatization of **Turk Telekom** has been stopped due to a recent move by the constitutional court which annulled key parts of Turkey's privatization law. The sale of a 34% stake to institutional investors and a 5% stake to employees will be stopped; new legislation is required to resume it.

**Headline:**
Court Annuls Parts of Turkish Law on Privatization

**Source:**
*Wall Street Journal March 1, 1996*

**Activity Date:** 4 1996

The Turkish parliament is considering drafting a law for the privatization of **Turk Telekomunikasayon AS**. If the privatization approval is given, the administration will accelerate its efforts in putting the regulatory framework into place. Institutional investors and the public will be offered up to 34% , company employees will take 5%, and the state post company will take 10%.

**Headline:**
Privatization of Turk Telecom

**Source:**
*Project Finance International March 27, 1996*

## Turkish Electricity Authority (TEK)

**Activity Date:** 1994

Plans to privatize the **Turkish Electricity Board** (TEK) have received a renewed impetus from the Parliament's passage of the new privatization law. The government now hopes for a positive ruling in the constitutional court on the denationalization of the power sector. The government plans to sell off much of the state's generation and distribution facilities but will retain the transmission side of TEK. The privatization administration is expected to invite bids in 1995 for the sale of 10 thermal power stations for a total of $5bn. The 10 plants include: Ambarli, Hamitabat, Seyitomer, Soma, Orhaneli, Yatagan, Yenikoy, Catalagzi, Kermerkoy, and Kangal.

**Headline:** Electricity Privatization Drive Renewed

**Source:** *Middle Eastern Economic Digest December 1994*

**Activity Date:** 3 1994

The Turkish parliment approved a law in March of 1993 which will allow for the restructuring and privatization of the **Turkish Electricity Authority (TEK)**. Prior to the sale, TEK will be divided into several smaller concerns which will be converted into joint stock corporations. The government plans to use some of the proceeds to develop electricty production and transmission. TEK made losses of more than $250 million last year and is short of funds.

**Headline:** News In Brief

**Source:** *Middle East Economic Digest March 18, 1994*

**Activity Date:** 9 1994

It was reported in September that the Turkish government may be looking for alternative means of privatizing several plants owned by the **Turkish Electricity Authority (TEK)** as a result of the parliament twice failing to pass the necessary privatization legislation and the Constitutional Court's ruling that the law is invalid. The government's objective is to privatize between 5 and 9 of the company's 400 to 500MW plants as well as fuel supplies held by the Turkish Coal Authority.

**Headline:** Rocky Road Towards Privatization

**Source:** *Project Finance International September 1, 1994*

**Activity Date:** 12 1994

Turkey's Constitutional Court in December blocked the sale of the stae-owned electricity company **TEK**. The court overturned parts of the necessary legislation saying that the selling of TEK was unconstitutional.

**Headline:** Turkish Sell-Off Barred

**Source:** *Wall Street Journal December 12, 1994*

## Turkish Petroleum Refineries Corp. (TUPRAS)

**Activity Date:** 11 1993

**Tupras**, the refineries operation is scheduled to be privatized. However, the government is having a difficult time finding buyers. In July 1993, the Public Participation Administration (PPA) invited approximately 22 banks to submit proposals to advise and execute the sale. In response, 19 returned proposals and 8 were subsequently asked to make presentations before the PPA. The list is down to 2, CS First Boston and Chase Manhattan. Advisory work could be finished in a couple months and the companies could be ready for sale by mid-1994. Analysts are less optimistic because the company's 4 refineries need renovation. In addition, international demand for new capacity is currently at a low.

In January 1994, it is announced in *Privatisation International* that the initial offer is likely to be convertible.

**Headline:** Turkish Court Suspends PTT Sale

**Source:** *Privatisation International November 1993*

**Activity Date:** 2 1994

**Tupras**, the Turkish Petroleum Refiners Corporation is to be sold in 1994.

**Headline:** Privatisation Surges in Turkey

**Source:** *Middle East Economic Digest February 4, 1994*

**Activity Date:** 12 1994

The government of Turkey has indicated that within the next five months, it will sell the Aliaga and Izmit complexes

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The government of Turkey has indicated that within the next five months, it will sell the Aliaga and Izmit complexes owned by the **Turkish Petroleum Refineries Corporation (TUPRAS)**. TUPRAS's heavy losses of $1bn in 1994 will be retained by TUPRAS as part of the sales agreement. The government will retain control over the refinery at Kirikkale.

**Headline:**
Turkey: Draft Schedule for Main Privatization Deals in 1995

**Source:**
*Middle East Economic Digest December 9, 1994*

**Activity Date:** 1995

With the recent unraveling of the privatizations of the **Petlas** tire company and the **Et Balik** food chain, the Turkish government is poised for a new privatization plan. **Erdemir**, the steel group, has local and international groups bidding for a 30% stake. While a decision is expected in July, the government's remaining 21.7% share will be sold through a private placement or global offering later this year. But, other expected privatizations will perhaps not be taking place this year. Namely, **Turk Telekom, Tupras** refineries, and **Petrol Ofisi** chain of service stations will not be privatized due to political opposition and legal challenges.

**Headline:**
Turks' New Optimism

**Source:**
*Privatisation International June 1995*

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**Usas**

**Activity Date:** 10 1993

The Turkish government asked the local bank Isbank and the Istanbul brokerage house, Global Securities, to prepare the sale of 30% of **Usas** through a public offering.

**Headline:**
Turkey Picks Advisers for Tofas

**Source:**
*Privatisation International October 1993*

**Activity Date:** 11 1993

The Public Participation Administration (PPA) conducted in November a successful local public offering of **Usas**, an airline caterer, which is majority owned by Scandinavian Airline System; 30% of Usas was floated. The government is to retain 21% of net profits. In 1992, Usas had pre-tax profit of $16 million (TL205 billion). Turkiye Is Bankasi is the primary manager of the deal.

**Headline:**
Turkish Court Suspends PTT Sale

**Source:**
*Privatisation International November 1993*

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**Yenikoy**

**Activity Date:** 8 1995

The Turkish Privatization Administration announced that four large thermal power plants with a combined value of $1.47bn are scheduled to be privatized within the next 18 months. It is hoped that the four plants, **Yenikoy**, **Kemierkoy**, **Soma-B**, and **Hamitabad**, can be sold as commercial contracts.

**Headline:**
Power Plants To Be Privatised

**Source:**
*Middle East Economic Digest August 25, 1995*

## *Uganda*

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**cotton processing companies**

**Activity Date:** 8 1995

The government of Uganda announced its intent to sell off **cotton processing companies**. Private investors will have the choice of nine ginneries located in the Lira, Apac, and Tororo districts. Investors will also have the option to assume the outstanding loans of the present owners. The bidding deadline is October 6.

**Headline:**
Uganda Cotton Ginneries - Invitation for Bids

**Source:**
*The Economist August 12, 1995*

### HIMA cement

**Activity Date:** 3 1994

The government of Uganda is soliciting bids for its share of **Uganda Cement Industry (HIMA).** The criteria for evaluating the bids will include price, willingness to take on existing debt and the agreement to safeguard the interests of existing employees. HIMA produces portland cement and is located on the Uganda-Zaire border. The announcement was made in March 1994.

**Headline:**
Uganda - Advertisement

**Source:**
*The Economist March 19, 1994*

## *United Arab Emirates*

### Abu Dhabi Foodstuffs Factories

**Activity Date:** 4 1996

The government announced in February that it is planning to divest shares in the **Abu Dhabi Foodstuffs Factories** and in the Al-Ain Livestock Farm. Additionally, speculation is rising that authorities may seek to privatize the Emirates General Petroleum Corporation (EGPC), the state-owned oil retaining and distribution company. Three tourist hotels in Aden, Hadramaut, and Sanaa are also expected to be sold within a month.

**Headline:**
Agri-Companies for Sale in Abu-Dhabi

**Source:**
*Privatisation International April 1996*

### General Industry Corporation

**Activity Date:** 4 1995

The UAE's **General Industry Corporation** announced in April that it intends to sell five of its plants before the end of the year. The five plants will be offered for a total of $190m in two sales scheduled for June and November. The plants include a mineral water bottling plant, a brick plant, a flour mill, a pipe-making factory and a cement plant. If the sales go through as planned, it will be the first time that industrial companies will trade on the UAE stock market and the first time since 1985 that a public company will be offered to the private sector.

**Headline:**
In Brief

**Source:**
*Middle East Economic Digest April 14, 1995*

## *Zaire*

### Air Zaire

**Activity Date:** 3 1996

A group comprised of South Africans, Sabena, and Scibe Airlift plans to buy Zaire's nearly bankrupt national carrier, **Air Zaire**. The group plans on launching a joint company called New Air Zaire.

**Headline:**
Transport Under the Hammer

**Source:**
*African Business March 1996*

## Gecamines

**Activity Date:** 5 1994

The World Bank announced during a seminar held by the Belgian Ministry of Co-Operation in May that Zaire's state-minng conglomerate, **Gecamines**, would be privatized. However, no Zairean officials were present at the time of the announcement. No schedule has been developed to follow through with privatization, but talks had suggested divestiture through a 99-year lease during which the new operators would rent mining concessions. The goal of this decision is to help pay back the company's debt, but no one really has any idea what that debt is except for the management of Gecamines and Banque Belgolaise.

Contributing to its debt problems, the current operator, Gecamines Exploitation, owes the company $15 million in commission sales for last year. It also is being sued by Phibro of the United States for $10 million owed in debt by Societe Zairoise de Commercialisation (Sozacom).

Last year the company's copper output fell from 147,000 tons in 1992 to 48,000 tons in 1993, while exports fell to $225 million form $541 million in 1992. It has been calculated that the mining company will need an additional $1 billion in investment to get it back on its feet.

**Headline:**
Zaire "must privatise Gecamines"

**Source:**
*African Business May 1994*

## ONPTZ

**Activity Date:** 3 1996

The privatization of Zaire's national telephone company **ONPTZ** has been delayed due to controversy over the government's privatization plans.

**Headline:**
Zaire: How to Do Business in Africa's Wild West

**Source:**
*African Business February 1996*

# *Zambia*

## Auto Care

**Activity Date:** 6 1993

Banmukh Patel of Astrol purchased the Zambian parastatal company Auto Care for K178 million in June, one of two parastatals to be sold that month. The bid was tendered mostly in U.S. dollars.

**Headline:**
Zambia

**Source:**
*Africa Research Bulletin June 16, 1993*

**Activity Date:** 6 1993

Sanmukh Patel, who owns Astro Holdings, purchased the Zambian parastatal company, Auto Care, for ZK178 million in June. It is one of two parastatals sold that month. The bid for this company involved in motor-vehicle salvage repairs and reconditioning, was tendered mostly in U.S. dollars. Although critics argued that Astro Holdings was not the highest bidder, they came up with the cash up front. They claimed Auto Care should have been offered to the management buy-out because it had offered ZK280 million plus 50% interest, a ZK20 million down payment, and the balance spread over five years.

**Headline:**
State Sell-off Starts Up

**Source:**
*African Business September 1993*

## Blue Lagoon National Park

**Activity Date:** 1995

The government of Zambia announced that it will privatize, by way of stipulated lease, a number of National Parks, including **Munda Wanga Zoo & Botanical Gardens**, the **Mosi-Oa-Tunya National Park,** the **South Luangwa National Park**, the **Lower Zambezi National Park,** the **Kafue National Park,** the **Blue Lagoon National Park**, and the Fairyland House-Mosi-Oa-Tunya National Park. Under Zambian law, title to land within National Parks must remain with the government, which is why tenders are being offering through a lease.

**Headline:** Zambia Privatisation Agency

**Source:** *Financial Times August 9, 1995*

## Chambishi Underground Copper Mine

**Activity Date:** 7 1995

Zambia Consolidated Copper Mines (ZCCM) received no bids during the January sale of the **Chambishi Underground Copper Mine**. The company, which is 60% state-owned and has 840,000 tons of copper in reserve, is reportedly in good condition, but investors were deterred by the failure of the Zambian government to reform its tax laws.

**Headline:** No Offers for Zambia's Chambishi Copper Mine

**Source:** *Financial Times July 20, 1995*

## Chicele Lodge

**Activity Date:** 1994

**Chicele Lodge** is located on a hilltop some 30km inside the South Lugawa National Park. It has 18 twin bedded guest rooms serviced by Mfuwe airport. The hotels are being offered on a lease basis as opposed to an outright sale.

**Headline:** Companies for Sale

**Source:** *Financial Times October 24,1994*

## Chilanga Cement

**Activity Date:** 1995

The Zambian government hopes to jump start its new privatization effort with a flotation of 27.4% of the shares in the **Chilanga Cement Company**. The company, which is already 50.1% owned by Britain's Commonwealth Development Corporation, will be offered to the public.

**Headline:** Selling off the Nation?

**Source:** *African Business June 1995*

**Activity Date:** 7 1995

Zambia's first trial with privatization via public offering was a success as the stake of **Chilanga Cement**, Zambia's main cement company, was fully subscribed. The state sold its 27.4% holding, equivalent to 54,750,970 shares, for $4m. Chilanga Cement, the only company listed on the Lusaka Stock Exchange, is now majority owned by the Commonwealth Development Corporation (CDC), which owns 50.1% of the shares. In addition, Tate & Lyle and CDC have collectively purchased a 78% stake in the **Zambia Sugar Company from the government. In addition,** Heinz and Unilever are about to acquire **Premium Oil** and **Refined Oil Products**, and Lonrho Zambia will purchase **Northern Breweries**.

**Headline:** Zambia's First Offer

**Source:** *Privatisation International July 1995*

## Choma Milling Company Plc

**Activity Date:** 10 1995

The Zambia Privatization Agency has also announced that until November 3, it is accepting bids for the **Choma Milling Company Plc**. The company has an optimal production capacity of 45,000 tonnes of mealie meal and sales revenues of $6m at current prices. The company produces two brands of mealie meal and also manufactures brewers grits which are sold to large brewing companies.

**Headline:**
Announcement

**Source:**
*Financial Times October 10, 1995*

## Cold Storage Corp./ Livingstone

**Activity Date:** 6 1995

The **Cold Storage Corporation's Livingstone plant** will also be offered for sale. The plant, which has a monopoly in the slaughtering business in the Livingstone area, can process 120 cattle in an eight hour period.

**Headline:**
Zambia Targets Tourism and Mills

**Source:**
*Business Africa June 16-30, 1995*

## Eagle Travel

**Activity Date:** 6 1993

Yorum Mumba of Quantum Investments purchased the Zambian parastatal company Eagle Travel for K180 million in June, one of two parastatals to be sold that month. The bid was tendered mostly in U.S. dollars.

**Headline:**
Zambia

**Source:**
*Africa Research Bulletin June 16, 1993*

## Indeco Milling Limited

**Activity Date:** 10 1995

In Zambia, the Zambia Privatization Agency is accepting bids for shares in **Indeco Milling Limited**. The company's optimal production capacity of 79,000 tonnes of mealie meal and 29,000 tonnes of stock feed per year gives it an earnings potential of $20m. The deadline for the submission of offers is November 3.

**Headline:**
Announcement

**Source:**
*Financial Times October 4, 1995*

## Kafue National Park

**Activity Date:** 1995

The government of Zambia announced that it will privatize, by way of stipulated lease, a number of National Parks, including **Munda Wanga Zoo & Botanical Gardens**, the **Mosi-Oa-Tunya National Park,** the **South Luangwa National Park**, the **Lower Zambezi National Park,** the **Kafue National Park,** the **Blue Lagoon National Park**, and the Fairyland House-Mosi-Oa-Tunya National Park. Under Zambian law, title to land within National Parks must remain with the government, which is why tenders are being offering through a lease.

**Headline:**
Zambia Privatisation Agency

**Source:**
*Financial Times August 9, 1995*

## Kansanshi copper mine

**Activity Date:** 5 1994

The **Kansanshi copper mine**, owned and operated by the state-owned Zambia Consolidated Copper Mines, was announced for privatization in May. The future divestiture of the mine is part of Zambia's efforts to privatize over 60 of its parastatals, which include its agricultural, construction, and tourism sectors.

**Headline:**
Privatization: Zambia

**Source:**
*Business Africa May 1-15, 1994*

**Kasaba Bay Lodge**

**Activity Date:** 10 1995

In Zambia, the closing date for the privatization, through a "negotiable lease", of the **Kasaba Bay Lodge** is October 20. The lodge, closed since the end of 1994, has 14 chalets and is located on the southern shores of Lake Tanganyika.

**Headline:**
Privatisation

**Source:**
*Business Africa October 1-15, 1995*

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**Kasama Mill**

**Activity Date:** 6 1995

The Zambian government is planning to offer the **Kasama Mill**, a maize-meal processor located in the northern province. The mill, using up-to-date technology, has a production capacity of 80,000 tons/year and is currently running at a 91% extraction rate. Bids for the mill must be submitted by July 19.

**Headline:**
Zambia Targets Tourism and Mills

**Source:**
*Business Africa June 16-30, 1995*

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**Kawambwa Tea Company Ltd.**

**Activity Date:** 1995

The Zambian Privatization Agency is planning a private offering for a stake in the **Kawambwa Tea Company Ltd**. The plant, which can produce 500 kilograms of processed tea per hour, is currently operating at 50% of its capacity. Kawambwa has established export markets in Kenya, Germany, South Africa, Finland, Nigeria, and the United Kingdom, to which it sells 20% of its output. The company's production facilities and land holdings will require investment and modernization in order to realize its full production potential.

**Headline:**
Announcement

**Source:**
*Financial Times June 28, 1995*

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**Lake Hotels Ltd.**

**Activity Date:** 1995

The Zambian Privatization Agency is planning to sell **Lake Hotels Ltd.** through a private tender. The hotel, which is located in Zambia's tourist region, provides tourist and conference facilities.

**Headline:**
Announcement

**Source:**
*Financial Times June 28, 1995*

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**Lower Zambezi National Park**

**Activity Date:** 1995

The government of Zambia announced that it will privatize, by way of stipulated lease, a number of National Parks, including **Munda Wanga Zoo & Botanical Gardens**, the **Mosi-Oa-Tunya National Park,** the **South Luangwa National Park**, the **Lower Zambezi National Park,** the **Kafue National Park,** the **Blue Lagoon National Park**, and the Fairyland House-Mosi-Oa-Tunya National Park. Under Zambian law, title to land within National Parks must remain with the government, which is why tenders are being offering through a lease.

**Headline:**
Zambia Privatisation Agency

**Source:**
*Financial Times August 9, 1995*

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**Mbala Farm**

**Activity Date:** 10 1995

The Zambia Privatization Agency is currently accepting bids for shares in **Mbala Farm**, located near Lake Tanganyika and the Tanzanian border. The submission date for bids is November 24.

**Headline:**
Announcement

**Source:**
*Financial Times October 16, 1995*

**Mfuwe Lodge**

**Activity Date:** 1994

**Mfuwe Lodge** is located on the banks of the South Luangwa National Park, one of the most unspoilt and richly endowed wildlife sanctuary in Africa. It has 24 twin bedded guest rooms, and has a conference and meeting facilities. It is serviced by the nearby Mfuwe airport, which recieves both local and international scheduled and charter flights. The hotels are being offered on a lease basis as opposed to an outright sale.

**Headline:**
Companies for Sale

**Source:**
*Financial Times October 24,1994*

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**MIL Sawmilling and Joinery**

**Activity Date:** 6 1995

The **MIL Sawmilling and Joinery** company, which manufactures timbers used by the copper mines, is also being offered for sale. There are three mills, two located in Zambia's Ndola region and the other in the north-west province. Bids for the company, which has a 40% share of the market, are due by July 7.

**Headline:**
Zambia Targets Tourism and Mills

**Source:**
*Business Africa June 16-30, 1995*

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**Mosi-Oa-Tunya National Park**

**Activity Date:** 1995

The government of Zambia announced that it will privatize, by way of stipulated lease, a number of National Parks, including **Munda Wanga Zoo & Botanical Gardens**, the **Mosi-Oa-Tunya National Park,** the **South Luangwa National Park**, the **Lower Zambezi National Park,** the **Kafue National Park,** the **Blue Lagoon National Park**, and the Fairyland House-Mosi-Oa-Tunya National Park. Under Zambian law, title to land within National Parks must remain with the government, which is why tenders are being offering through a lease.

**Headline:**
Zambia Privatisation Agency

**Source:**
*Financial Times August 9, 1995*

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**Munda Wanga Zoo & Botanical Gardens**

**Activity Date:** 1995

The government of Zambia announced that it will privatize, by way of stipulated lease, a number of National Parks, including **Munda Wanga Zoo & Botanical Gardens**, the **Mosi-Oa-Tunya National Park,** the **South Luangwa National Park**, the **Lower Zambezi National Park,** the **Kafue National Park,** the **Blue Lagoon National Park**, and the **Fairyland House-Mosi-Oa-Tunya National Park**. Under Zambian law, title to land within National Parks must remain with the government, which is why tenders are being offering through a lease.

**Headline:**
Zambia Privatisation Agency

**Source:**
*Financial Times August 9, 1995*

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**Munkumpu Impubu Crop Farm**

**Activity Date:** 9 1995

The government of Zambia announced that bids will be accepted on September 8 for the **Munkumpu Ipumbu Crop Farm** and the **Munkumpu Kapemba Ranch.**

**Headline:**
Zambia Privatisation Agency

**Source:**
*Financial Times July 24, 1995*

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**Munkumpu Kampemba Ranch**

**Activity Date:** 1995

The government of Zambia announced that bids will be accepted on September 8th for the **Munkumpu Ipumbu Crop Farm** and the **Munkumpu Kapemba Ranch.**

**Headline:**
Zambia Privatisation Agency

**Source:**
*Financial Times July 24, 1995*

## Nkamba Bay, Kasaba Bay and Lochinvar Lodges

**Activity Date:** 6 1995

The government has decided that the **Nkamba Bay** and **Kasaba Bay Lodges**, located in the Nsumbu National Park, will be offered to the private sector via a leasehold. The lodges are ineligible for an outright sale because they are located within a National Park. The Nkamba Bay has a capacity of 35-bed nights and the Kasamba Bay has 14 chalets with 36 available beds. Plans are also in the works for the lease of the **Lochinvar Lodge** in the Lochinvar Game Park.

**Headline:**
Zambia Targets Tourism and Mills

**Source:**
*Business Africa June 16-30, 1995*

## Northern Breweries

**Activity Date:** 1994

The Zambian government is offering several companies via closed bidding. Up for sale is **Northern Breweries**, producer of an international quality beer. The brewery is undergoing an extensive rehabilitation program estimated at $2m, in order to raise capacity. Also for sale are **Premium Oil Industries**, and **ROP Limited**, Zambia's only state-owned enterprises producing edible oils, fats, and detergents. A trading group consisting of over 250 branches, stores and support facilities, including of companies like **National Home Stores** and **Consumer Buying Corporation**, are also being offered. The government is selling several hotels and lodges, including **Pamodzi Hotel**, a 198 room five star hotel, **Rainbow Lodge**, a facility with 55 chalets and a restaurant, **Mfuwe Lodge**, a 24 room lodge conveniently located by the Mfuwe airport, and **Chichele Lodge**, a hilltop hotel inside South Luangwa National Park.

**Headline:**
Companies for Sale

**Source:**
*Financial Times October 24, 1994*

**Activity Date:** 1995

Zambia's first trial with privatization via public offering was a success as the stake of **Chilanga Cement**, Zambia's main cement company, was fully subscribed. The state sold its 27.4% holding, equivalent to 54,750,970 shares, for $4m. Chilanga Cement, the only company listed on the Lusaka Stock Exchange, is now owned in majority by Commonwealth Development Corporation (CDC), who owns 50.1% of the shares. In addition, Tate & Lyle along with CDC have purchased a 78% stake in **Zambia Sugar Company;** Heinz and Unilever are about to acquire **Premium Oil** and **Refined Oil Products**, and Lonrho Zambia will purchase **Northern Breweries**.

**Headline:**
Zambia's First Offer

**Source:**
*Privatization International July 1995*

**Activity Date:** 6 1995

In Zambia, the government is seeking buyers for a 70% stake in **Northern Breweries**, one of the country's two largest producers of lager beer. The company currently has a productive capacity of 450,000 hectoliters/year but is planning to expand production to 750,000 hectoliters/year. Current capacity utilization is 336,000 hectoliters/year. The remaining 30% of the shares will be offered in a public share issue later this year.

**Headline:**
Zambia Targets Tourism and Mills

**Source:**
*Business Africa June 16-30, 1995*

## Pamodzi Hotel

**Activity Date:** 1994

The **Pamodzi Hotel** is a 5 star hotel, located in Lusaka, occupied manly by business visitors. It has a good reputation among it's client base for comfort and service, both internationally and in the domestic market. It has 198 double guest rooms, and 3 luxury suites with occupancy rates in excess of 60%. Guest facilities include 3 bars, 2 restaurants and a conference room. The hotels are being offered on a lease basis as opposed to an outright sale.

**Headline:**
Companies for Sale

**Source:**
*Financial Times October 24,1994*

**Activity Date:** 6 1995

The government is also accepting bids for a 70% stake in the **Pamodzi** hotel, Zambia's top hotel. Remaining shares will be offered to domestic investors in a subsequent public offering. The hotel is currently managed by Taj International and has a 60% occupancy rate.

International and has a 60% occupancy rate.

**Headline:**
Zambia Targets Tourism and Mills

**Source:**
*Business Africa June 16-30, 1995*

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**Premium Oil Industries of Zambia (POI)**

**Activity Date:** 1994

It was announced in October that the state owned **Premium Oil Industries of Zambia (POI)** is up for sale with the closing date for bids on November 25, 1994. The Zambia Privatization Agency says it is selling 70% of the equity in POI, the remaining 30% will be sold in the Lusaka bourse. POI is one of two state-owned firms producing edible oils, fats, soap and stockfeed.

**Headline:**
Zambia

**Source:**
*Business Africa October 1-15, 1994*

**Activity Date:** 1994

**Premium Oil Industries of Zambia** (POI) is one of two state owned enterprises producing edible oils, fats, soap and stockfeed. The company also produces crude glycerine. The range of products of POI are well established in the various segments of the market. The strong brand names and an established network of wholesalers and retailers give the company's products a competitive edge.

**Headline:**
Companies for Sale

**Source:**
*Financial Times October 24,1994*

**Activity Date:** 1995

Zambia's first trial with privatization via public offering was a success as the stake of **Chilanga Cement**, Zambia's main cement company, was fully subscribed. The state sold its 27.4% holding, equivalent to 54,750,970 shares, for $4m. Chilanga Cement, the only company listed on the Lusaka Stock Exchange, is now owned in majority by Commonwealth Development Corporation (CDC), who owns 50.1% of the shares. In addition, Tate & Lyle along with CDC have purchased a 78% stake in **Zambia Sugar Company;** Heinz and Unilever are about to acquire **Premium Oil** and **Refined Oil Products**, and Lonrho Zambia will purchase **Northern Breweries**.

**Headline:**
Zambia's First Offer

**Source:**
*Privatization International July 1995*

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**Rainbow Lodge**

**Activity Date:** 1994

**Rainbow Lodge** is located on the banks of the Zambezi River, in the Musi-O-Tunya National Park, with magnificent, direct view over Victoria Falls. The hotel has 55 chalets and nine appartments, as well as a restaurant and riverside bar facilities. The hotels are being offered on a lease basis as opposed to an outright sale.

**Headline:**
Companies for Sale

**Source:**
*Financial Times October 24,1994*

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**Refined Oil Products (ROP)**

**Activity Date:** 1994

**ROP Limited** is only one of two companies in Zambia producing edible oils, fats, toiletries, toothpaste, and soap, as well as being the country's top producer of detergent powders. ROP's products are well established with good distribution networks through wholesalers, merchants, and retailers.

**Headline:**
Companies for Sale

**Source:**
*Financial Times October 24,1994*

**Activity Date:** 1995

Zambia's first trial with privatization via public offering was a success as the stake of **Chilanga Cement**, Zambia's main cement company, was fully subscribed. The state sold its 27.4% holding, equivalent to 54,750,970 shares, for $4m. Chilanga Cement, the only company listed on the Lusaka Stock Exchange, is now owned in majority by Commonwealth Development Corporation (CDC), who owns 50.1% of the shares. In addition, Tate & Lyle along with CDC have purchased a 78% stake in **Zambia Sugar Company;** Heinz and Unilever are about to acquire **Premium Oil** and **Refined Oil Products**, and Lonrho Zambia will purchase **Northern Breweries**.

**Headline:**
Zambia's First Offer

**Source:**
*Privatization International July 1995*

Zambia's First Offer

*Privatization International July 1995*

**Activity Date:** 10 1995

Lever Brothers (Zambia) announced the purchase of a 70% stake in Zambia's **Refined Oil Products** (ROP) for $8.25m. The remaining 30% stake will be sold via public offer once the company regains profitability.

**Headline:**

What's New in Your Sector

**Source:**

*Business Africa October 16-31, 1995*

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**South Luangwa National Park**

**Activity Date:** 1995

The government of Zambia announced that it will privatize, by way of stipulated lease, a number of National Parks, including **Munda Wanga Zoo & Botanical Gardens**, the **Mosi-Oa-Tunya National Park,** the **South Luangwa National Park**, the **Lower Zambezi National Park,** the **Kafue National Park,** the **Blue Lagoon National Park**, and the Fairyland House-Mosi-Oa-Tunya National Park. Under Zambian law, title to land within National Parks must remain with the government, which is why tenders are being offering through a lease.

**Headline:**

Zambia Privatisation Agency

**Source:**

*Financial Times August 9, 1995*

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**Sugar Company**

**Activity Date:** 6 1995

In Zambia, Tate & Lyle has been selected as the joint venture partner for the state-owned **Zambia Sugar Company**. Prior to the transaction, Tate & Lyle held an 11% stake and the government, a 78% stake. As part of a joint venture agreement, Tate & Lyle will purchase an additional 40% stake, thereby becoming a majority stakeholder.

**Headline:**

MNC's Return to Zambia

**Source:**

*Business Africa July 16, 1995*

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**Trading Sector**

**Activity Date:** 1994

The government of Zambia has announced that it will offer a number of companies in a trading group. The trading group includes over 250 branches, stores and support facilities in 9 provinces, many strategically located along the rail lines. Prime companies are, **National Home Stores, Consumer Buying Corporation of Zambia, Mwaiseni Stores Limited, National Drug Company Limited, Zambia National Wholesale** and **Marketing Company Limited**.

**Headline:**

Companies for Sale

**Source:**

*Financial Times October 24,1994*

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**vegetable oil processing companies**

**Activity Date:** 3 1995

It was announced in March that Unilever and HJ Heinz are among the bidders for the Zambian state-owned **vegetable oil processing companies** that will be privatized soon. Heinz is making its bid through its Zimbabwean subsidiary, Olivine Industries, which is a joint venture with the Zimbabwe government.

**Headline:**

Zambia

**Source:**

*Business Africa March 1-15, 1995*

## Zambia Coffee Company, Ltd.

**Activity Date:** 1995

The Zambian Privatization Agency is planning to privatize the **Zambia Coffee Company Ltd.** via competitive tender. The company, which has production fields in Kateshi and Ngoli, has a processing capacity of 1,200 tons per year. The company exports 95% of its production despite an excess demand for the the remaining 5% that is sold on the domestic market.

**Headline:**
Announcement

**Source:**
*Financial Times June 28, 1995*

## Zambia Consolidated Copper Mines (ZCCM)

**Activity Date:** 12 1992

In December 1992, the Zambian government announced its intentions to privatize the Zambia Consolidated Copper Mines (ZCCM), although the terms and method of the transaction remain unclear The World Bank is presently preparing a privatization study for ZCCM, which should resolve, among other things, whether the state-owned firm will be sold as a single unit or broken up. The Zambian government currently favors the latter option, believing it would contribute to a competitive market.

**Headline:**

**Source:**
*FT 12/15/92*

**Activity Date:** 9 1993

Zambia Consolidated Copper Mines, Zambia's largest company, may be privatized next year. The government has announced it will come to a decision about the mine's privatization by the end of this year, as one German company has already contracted to investigate and comment on the privatization options. The project is likely to cost $550 million and must proceeed if the company is to acieve a sustainable annual production level of 450,000-500,000 tonnes of copper. In particular, a decision would have to be made by early 1994 on the financing of the Konkola deep mine in the north of the copper belt.

**Headline:**
Industry News

**Source:**
*Africa Research Bulletin*
*July 16-August 15, 1993*

**Activity Date:** 1994

Zambia's Mines Minister, Paul Kapinga, reported in October that the government would bring forward the proposed privatization of **Zambia Consolidated Copper Mines**. No time table has been set however, and there is still discussion over how the mines should be sold. The Deputy Mines Minister indicated that he favored an unbundling of the mines because he did not think investors could afford the $3bn needed for rehabilitation and new projects.

**Headline:**
Zambia to Advance Sale of Copper Mine

**Source:**
*Financial Times October 6, 1994*

**Activity Date:** 1994

The privatization of **Zambia Consolidated Copper Mines** (ZCCM), the country's major foreign exchange earner, has sparked off a divisive controversy within the Zambian Government. Opinions are sharply divided over whether the mining conglomerate should be sold as a single unit or broken down into smaller units. Many Zambian mining scholars believe that ZCCM should be privatized in small units to avoid any single investor from scooping Zambia's prize company at a give away price. If sold separately, they say, it would realize much more revenue. On the other hand, government officials argue that ZCCM should be privatized as a whole due to the belief that certain mines are not as promising and that these sites would be difficult to sell separately. After much argument, Zambian President Chiluba announced that the mines would not be sold as a single unit. The privatization report prepared by the German business consultancy firm, Kielbaum, has valued ZCCM as a whole between $557m and $2.1bn, depending on future copper prices.

**Headline:**
Web of Intrigue Over ZCCM Privatization

**Source:**
*African Business December 1994*

**Activity Date:** 1 1994

It was reported in January 1994 that the government of Zambia is nearing the completion of its strategy for restructuring and privatizing Zambia Consolidated Copper Mines (ZCCM). Anglo American Corporation of South

1994

restructuring and privatizing Zambia Consolidated Copper Mines (ZCCM). Anglo American Corporation of South Africa, which already holds 27.3% of ZCCM, will reportedly take a majority stake once the copper mining conglomerate is restructured.

**Headline:**
Donors Pledge More Support for Southern Africa

**Source:**
*Business Africa January 1-15, 1994*

**Activity Date:** 9 1994

It was reported in September that the privatization of the **Zambia Consolidated Copper Mines (ZCCM)** is unlikely to occur any time soon. The uncertainty regarding the sale stems from opposition among government cabinet ministers due to the fact that ZCCM is crucial to the country's $2.5 billion economy. The country's leader, President Chiluba, has reservations about the sale because of the potential for a negative impact on his chances in the upcoming 1996 elections. While the president would prefer to wait for the economic recovery to produce sufficient revenues for needed investment in the mines ($600-700 million is needed to develop the Konkola mine as an additional source of ore reserves) and thereby avoid a sticky political situation, the fact is that the industry will run out of ore reserves at the end of the century when the Nchanga mine is exhausted. Some observers are saying that the privatization of ZCCM may be made a little easier and less politically volatile by easing the impact with some sort of golden share provision.

**Headline:**
Sustaining Economic Recovery

**Source:**
*Business Africa September 1-15, 1994*

**Activity Date:** 1995

The government owned **Zambia Consolidated Copper Mines** (ZCCM) has announced the tender sale of its Chambeshi copper mine. Bidders must have a net worth of over $50m, and must show that they have invested not less than $25m in development of metal mines in the past five years. The bidders must also operate an underground mine at the daily rate of at least 2000 tons of ore.

**Headline:**
What's New in Your Sector

**Source:**
*Business Africa February 1-15, 1995*

**Activity Date:** 1995

The government is planning to privatize **Zambia Consolidated Copper Mines** (ZCCM), the copper and cobalt mining company. The sale of ZCCM will be the acid test of Zambian privatization because it is both the backbone of the Zambian economy and a major drain on its resources. ZCCM has accumulated debts of $700m and has had severe production problems, making it less attractive to outside investors. Anglo-American, which already holds a 27% stake in ZCCM, is viewed as the top potential partner for the company, but it refuses to commit to increasing its shareholding until the completion of an in-depth study on the company's potential.

**Headline:**
Selling off the Nation?

**Source:**
*African Business June 1995*

**Activity Date:** 4 1996

The government of Zambia is seeking to privatize **Zambia Consolidated Copper Mines** (ZCCM). A consortium of Anglo American and Genco of South Africa and the IFC are seeking a 60% equity stake and are likely to be awarded the sale.

The government is planning to sell ZCCM's subsidiary, Zamcargo Holdings, in order to prepare for its privatization. Zamcargo may be sold as a single entity or in separate units.

**Headline:**
Privatization

**Source:**
*Business Africa April 1, 1996*

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**Zambia Horticultural Products (Zamhort)**

**Activity Date:** 10 1995

The tenders deadline for the **Zambia Horticultural Products** (Zamhort) is October 11. The company processes fruit, tomatoes, meat, and fruit drinks. It has a large share of the domestic market as well as additional capacity for export.

**Headline:**
Privatisation

**Source:**
*Business Africa October 1-15, 1995*

**Zambia Sugar Company**

**Activity Date:** 1995

Zambia's first trial with privatization via public offering was a success as the stake of **Chilanga Cement**, Zambia's main cement company, was fully subscribed. The state sold its 27.4% holding, equivalent to 54,750,970 shares, for $4m. Chilanga Cement, the only company listed on the Lusaka Stock Exchange, is now owned in majority by Commonwealth Development Corporation (CDC), who owns 50.1% of the shares. In addition, Tate & Lyle along with CDC have purchased a 78% stake in **Zambia Sugar Company;** Heinz and Unilever are about to acquire **Premium Oil** and **Refined Oil Products**, and Lonrho Zambia will purchase **Northern Breweries**.

**Headline:** Zambia's First Offer

**Source:** *Privatization International July 1995*

**ZamCargo Holdings Ltd.**

**Activity Date:** 1995

The Zambian Privatization Agency has announced that it will sell 100% of **ZamCargo Holdings Ltd.** via competitive tender. ZamCargo is the largest clearing and forwarding company in Zambia, providing many types of freight services. It holds 40% of the sea and surface freight and 50% of the air freight markets in Zambia.

**Headline:** Announcement

**Source:** *Financial Times June 28, 1995*

**Zuva Zambia Designs**

**Activity Date:** 10 1993

It was reported in October 1993 that **Zuva Zambia Designs**, a jewellery manufacturing and exporting subsidiary of ZCCM, had been sold to two Zambian investors, Lewis and Christine Wampamesa, for $30,000. Zuva is the fourth company to be privatized under the Zambian privatization program, after Eagle Travel, Autocare, and AFE Zambia.

**Headline:** Zambia

**Source:** *Business Africa October 1, 1993*

## *Zimbabwe*

**Delta Corporation**

**Activity Date:** 1995

The government of Zimbabwe has announced the sale of 5 million shares of **Delta Corporation** for $6.3m. A second share offering is also planned for Delta and there are plans to offer shares in other state-owned companies. The government did not disclose the name of the buyer, but said that the shares were sold off-shore. There is speculation that the buyer was Delta's second-largest shareholder, South African Breweries.

**Headline:** Zimbabwe

**Source:** *Business Africa April 16, 1995*

**Activity Date:** 1995

Government officials in Zimbabwe have begun the offering of 20 million shares in the **Delta Corporation**, a consumer and tourism conglomerate. Only 25% of the government's stake in Delta will be sold offshore while the remaining 75% will be allocated to local investors. Approximately 20% of the shares have been sold, though almost entirely to foreign investors. Since the plan for selling to local investors has not yet been worked out, the government may be forced to warehouse the shares. This would entail financing a fund to buy the shares on behalf of local investors who currently lack the resources.

**Headline:** Chambati's Budget Baptism Of Fire

**Source:** *Financial Times June 22, 1995*

**Activity Date:** 7 1995

The government of Zimbabwe announced in July that it had sold 70% of its shares in the **Delta Corporation**, a beverage and tourism enterprise, to three corporations. The National Social Security Authority bought 5 million shares, Old Mutual 5.7 million shares, and the state-owned National Oil Company of Zimbabwe bought the largest

shares, Old Mutual 5.7 million shares, and the state-owned National Oil Company of Zimbabwe bought the largest tranche consisting of 15.3 million shares. The balance of 30% was sold offshore to institutional investors. The largest institutional buyers were Genesis Management at 7 million shares, Emerging Market Fund at 2.1 million shares and Morgan Stanley at 800,000 shares.

**Headline:**
Zimbabwe Sells Delta Shares

**Source:**
*Business Africa July 16-31, 1995*

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**Hartley Platinum Project**

**Activity Date:** 8 1994

The largest foreign investment in Zimbabwe for a quarter of a century was given the go ahead yesterday when the government signed a mining agreement with BHP and Delta Gold of Australia to develop the Hartley Platinum Project. The total cost of the project estimated to contain the largest undeveloped resources of platinum group metals outside South Africa, will be arround $225 m, and employ 2700 people, including 100 expatriates.

**Headline:**
Zimbabwe's $225m Platinum Deal Signed

**Source:**
*Financial Times*
*August 25,1994*

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**Posts and Telecommunications Corporation (PTC)**

**Activity Date:** 4 1996

The state-owned **Posts and Telecommunications (PTC)** will be privatized and split into three units.

**Headline:**
Privatization

**Source:**
*Business Africa April 1, 1996*

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**Tinto Industries, Ltd.**

**Activity Date:** 4 1994

As of April FSI Holdings, a South-African-controlled enterprise, purchased the Rio Tinto Zimbabwe subsidiary, **Tinto Industries, Ltd.** for $6.5 million. Tinto Industries, Ltd. is a manufacturing and mining firm which supplies products for the agricultural and public utilities sectors. FSI Holdings will finance the transaction through an $8 million rights issue on the Zimbabwe Stock Exchange.

**Headline:**
Finding a New Focus

**Source:**
*Business Africa April 1-15, 1994*

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**Zimbabwe Iron and Steel Company (Zisco)**

**Activity Date:** 9 1993

President Mugabe and Industry Ministry Ushewokunze of Zimbabwe proposed in September 1993 partial privatization of **ZISCO** as a means of raising capital for the ailing state-owned enterprise. According to the plan, the government hopes to raise Z$3 billion ($460 million) through the sale of shares to a foreign investor. There is strong political pressure to retain control, however, so the government will likely remain the majority shareholder. ZISCO, the second-largest steelmaker in sub-Saharan Africa, has absorbed over $400 million in subsidies in the last ten years, and its losses are now estimated at $15 million per month. The government can no longer subsidize ZISCO without exceeding its IMF target budget deficit of 5.4% of GDP.

**Headline:**
Zisco Privatisation Promised

**Source:**
*Business Africa October 1, 1993*

**Activity Date:** 11 1995

In Zimbabwe, the Finance Ministry is pushing for the sale of loss-making **Zimbabwe Iron and Steel Company** (Zisco). The government is waiting for a consultancy report from British Steel before making an official decision on privatization.

**Headline:**
Watch for ...

**Source:**
*Business Africa November 16, 1995*

# Asia and the Pacific

## Bangladesh

### Bangladesh Railway

**Activity Date:** 7 1994

**Bangladesh Railway** is being considered for privatization by the government in order to reduce losses incurred by the railway This would include privatizing the Dhaka and Chittagong routes. The success of this privatization could lead to the complete privatization of Bangladesh Railway.

**Headline:**
Railway Privatisation

**Source:**
*Far Eastern Economic Review July 14, 1994*

### macro

**Activity Date:** 8 1994

The government of Bangladesh in August confirmed its intention to sell 7 textile and jute mills and 1 sugar mill over the next 6 months. The government eventually plans to sell 18 jute mills, 20 textile mills and 3 industrial concerns by the end of 1995. The current plan for the execution of these sales calls for public tenders open to local and foreign investors with shares floated on the stock exchange. The offering of discounted shares, proportionate to their time with the company, will be used to encourage employee participation. When purchasing shares, there will be an initial 25 percent payment of the bidding price with the rest paid in ten installments over 5 years. Those who initially pay in full will receive a 10 percent price reduction. Industrial companies that have already been selected for privatization include Bangal Diesel Plant, Bangal Tool Plant and the General Electric Manufacturing Plant in Kutubdia. Several firms including Ernst & Young, are already analyzing these companies.

**Headline:**
Bangladesh

**Source:**
*Privatisation International August 1994*

## China

### 22 Companies

**Activity Date:** 3 1994

The Chinese government has published a list of 22 companies under consideration for listing overseas, most likely in Hong Kong. Among the enterprises listed are **Huaneng International** (power), **Shandong Huaneng Electricity, Tianjin Steel Tube, China Eastern Airlines, China Southern Airlines, Chengdu Cable, and Nanjing Panda Electronics.**

**Headline:**
International Overview --China

**Source:**
*Privatisation International March 1994*

### Beijing Power

**Activity Date:** 1994

It was announced that **Beijing Power** will float shares to fund its expansion plans until 1998. The listing of shares is scheduled for sometime this fall and the majority of the shares will be through an international offering. The company plans to take controlling stakes in projects whose investments exceed $2.4 billion. North China Power, who is a major shareholder in the company, is expected to a make a minimum offtake.

**Headline:**
Huaneng and Beijing Power Prepare Equity Deals as Sithe Signs

**Source:**
*Project Finance International*

**Brilliance China Automotive**

**Activity Date:** 1992

Brilliance China Automotive, a Chinese SOE incorporated in Bermuda, is planning to sell shares on the NYSE. The initial offering of a 14.5% stake in Sheyang Automotive will raise only $70 to $80 m through 5 million shares priced between $14 and $ 16. U.S. accounts for Brilliance reveal a 1991 net income of $ 8.4 m from $ 114.4 m in sales. The proceeds will likely to be used for new equipment and to increase the domestic content of its vehicle.

**Headline:**

**Source:**
*FT 9/92*

**Activity Date:** 1992

A 29 percent stake in **Brilliance China Automotive** was sold for $90 million.

**Headline:**

**Source:**
*World Bank - FS*

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**Chengdu Telecommunications Cable**

**Activity Date:** 11 1994

It was announced in November that **Chengdu Telecommunications Cable** will offer 40% of its share capital on the Hong Kong stock exchange next month in hopes of raising HK$500 million.

**Headline:**
Some H Shares Fear Share Price Skids

**Source:**
*Privatisation International November 1994*

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**China First Pencil Co.**

**Activity Date:** 1992

A 39 percent stake was sold in the **China First Pencil Co.** for $15 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

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**China Southern Glass**

**Activity Date:** 1991

A 15 percent stake in **China Southern Glass** was sold for $11 million.

**Headline:**

**Source:**
*World Bank - FS*

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**China Travel International Investment**

**Activity Date:** 1992

A 26 percent stake in **China Travel International Investment** was sold for $52 million.

**Headline:**

**Source:**
*World Bank - FS*

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**Chiwan Wharf Holdings**

**Activity Date:** 1993

A 13 percent stake in the shipping company, **Chiwan Wharf Holdings,** was sold for $22 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

## Dongfang Electric Company

**Activity Date:** 5 1994

China's second largest manufacturer of hydroelectric power equipment, **Dongfang Electrical Machinery**, will put up 170 million H-shares at HK$2.83 as part of a capital raising effort. The government plans to raise $59.1 million from this sale.

An announcement in June stated that the sale of Dongfang Electrical Machinery was subscribed 15 times.

**Headline:** Chinese Group Plans HK Offering

**Source:** *Financial Times May 19, 1994*

**Activity Date:** 6 1994

**Dongfang Electric Company**, a state-owned electronics company in China, will list 170 million shares on public exchanges in June. The transaction, worth about 30% of the company's equity, is being handled by Nomura.

**Headline:** Upcoming Public-Equity Offerings of State-Owned Enterprises

**Source:** *International Privatization Update June 1994*

## Fiyta

**Activity Date:** 1993

A 25 percent stake in the Chinese watchmaker, **Fiyta**, was sold for $10 million.

**Headline:**

**Source:** *Privatization International Yearbook*

## Forever Bicycle

**Activity Date:** 11 1994

The issue of "B" shares in **Forever Bicycle** was greeted enthusiastically as it leaped 37% in its first week. The offer raised $21.3 million.

**Headline:** Riding to Success on Forever Bicycle

**Source:** *Privatisation International January 1994*

## Guangdong Electric Power

**Activity Date:** 1995

Last month, China offered shares in **Yinzheng Chemical** and **Jilin Chemical Industrial,** the first H shares initial public offering of the year. Jilin's shares were oversubscribed 2.3 times while Yinzheng's shares were sold in a matter of hours. Jilin Chemical, China's biggest producer of chemicals and chemical raw materials, offered 89.3 million shares, approximately 10% of its equity while the remaining 803.72 million shares were offered to international investors. While these two issues were tremendously successful, analysts and bankers do not expect more than two or three more offers in 1995. Namely, **Northeast Electric Transmission**, the **Guangzhou-Shenzhen Railway Company**, and **Guangdong Electric Power** are expected to offer shares in the next few months. There are 28 state-owned enterprises on the list for overseas listings in addition to many more that are slated specifically for foreign ownership.

**Headline:** Chemical Companies To Market in Hong Kong

**Source:** *Privatisation International June 1995*

**Guangzhou Freeway Company**

**Activity Date:** 1992

Honk Kong company New World Development concluded a $97.5 million loan agreement with China's state-owned Guangzhou Freeway Company to fund construction and operation of a road system in southern China. The loan facility carries an eight-year repayment period and an interest rate of LIBOR + 1%. The loan agreement has been held up for more than eight months due to uncertainties over the US's renewal of China's MFN status.

The total project cost is estimated at $200 million, and New World will be involved in its operation for 33 years. So far only 7 km of the project has been completed.

**Headline:**

**Source:**
*PWF 3/92*

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**Guangzhou Investments**

**Activity Date:** 1992

An unknown number of shares were sold in **Guangzhou Investments** for $87.5 million.

**Headline:**

**Source:**
*World Bank - FS*

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**Guangzhou Shipyard International**

**Activity Date:** 7 1993

Guangzhou Shipyard International (GSI) became the third of nine Chinese state-owned enterprises to be listed on the Hong Kong Stock Exchange. The public offering will issue 145 million "H" shares at HK$2.08 (US$0.264) per share, giving a price/earnings ratio of 8.3 on estimated 1993 earnings of Yn85 million ($14.8 million). The company will also issue 12.4 million "H" shares to independent private investors. The total stock transaction will be worth HK$207 million (US$39 million), resulting in the privatization of 42.7% of the company.

The state-owned shipbuilder is the eighth largest shipyard in China, with an annual capacity of 150,000 dwt. The stock offering will be used to increase both working capital and capacity. GSI increased profits 42.3% to Yn67.6 million ($11.8 million) in 1992, on Yn848.6 million ($147.8 ) in turnover. Dividends paid to foreign investors will reportedly be subject to a 20% tax. Last year, GSI had net tangible assets of Yn640.9 million ($111.7 million).

**Headline:**
Hong Kong Listing for State-Owned Chinese Shipyard

**Source:**
*Financial Times July 21, 1993*

**Activity Date:** 7 1993

In July, China's **Guangzhou Shipyard** offered 145 million shares on the Hong Kong Stock Exchange. Each share was sold for $0.27. The sale was advised by Peregrine.

**Headline:**
"Red Chips" Succumb to Squeeze

**Source:**
*Privatisation International August 1993*

**Activity Date:** 7 1993

A 32 percent stake in **Guangzhou Shipyard International** was sold for $58 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

## Guangzhou-Shenzhen Railway Company

**Activity Date:** 1995

Last month, China offered shares in **Yinzheng Chemical** and **Jilin Chemical Industrial,** the first H shares initial public offering of the year. Jilin's shares were oversubscribed 2.3 times while Yinzheng's shares were sold in a matter of hours. Jilin Chemical, China's biggest producer of chemicals and chemical raw materials, offered 89.3 million shares, approximately 10% of its equity while the remaining 803.72 million shares were offered to international investors. While these two issues were tremendously successful, analysts and bankers do not expect more than two or three more offers in 1995. Namely, **Northeast Electric Transmission**, the **Guangzhou-Shenzhen Railway Company**, and **Guangdong Electric Power** are expected to offer shares in the next few months. There are 28 state-owned enterprises on the list for overseas listings in addition to many more that are slated specifically for foreign ownership.

**Headline:**
Chemical Companies To Market in Hong Kong

**Source:**
*Privatisation International June 1995*

## Huaneng Power

**Activity Date:** 3 1992

In March 1992 Hong Kong company New World Development negotiated with Guangzhou authorities to build the second phase of the 600 MW Zhujiang thermal power plant at an estimated cost of $295 million. New World is currently in a joint venture with state-owned Huaneng International Electricity Development for Phase I of the power plant. The two companies each have equal shares of $39 million invested.

**Headline:**

**Source:**
*PWF 3/92*

**Activity Date:** 5 1994

An announcement indicated that the **Huaneng International Power Development Corp.(HIPDC)**, a subsidiary of China's state-owned China Huaneng Group, would make a global stock offering on the New York Stock Exchange. The government is hoping to raise between $800 million and $1 billion from the sale this summer. Lehman Brothers has been appointed as lead manager and global coordinator.

The company currently operates to work with foreign firms and to invest the foreign capital to develop projects. HIPDC was formed through a joint venture among China Huaneng Group, People's Construction Bank of China, China Water Resource Electric Co., China Resources of Hong Kong and China Investment Corp of Hong Kong. The company also operates under the State Planning Commission.

HIPDC currently generates 12.5 GW of electricity. The proceeds from the offering will be used to finance power projects in China's coastal belts.

**Headline:**
Huaneng and Beijing Power prepare equity deals as Sithe signs

**Source:**
*Project Finance International*

**Activity Date:** 11 1994

It was announced in November that China's **Huaneng Power** had received $625m, considerably less than the $800m it had originally hoped for, when it listed ADRs in New York. Despite the 27% price reduction when it came to market October 6, 1994, the price per ADR has continued its fall from $20 per ADR to $18.25. The company had originally hoped to receive between $22.50 and 27.50 per ADR. A total of 31.25 million ADRs, representing 25% of the company's enlarged capital share, were offered.

**Headline:**
Some H Shares Fear Share Price Skids

**Source:**
*Privatisation International November 1994*

## Jilin Chemical Industrial

**Activity Date:** 1995

Last month, China offered shares in **Yinzheng Chemical** and **Jilin Chemical Industrial,** the first H shares initial public offering of the year. Jilin's shares were oversubscribed 2.3 times while Yinzheng's shares were sold in a matter of hours. Jilin Chemical, China's biggest producer of chemicals and chemical raw materials, offered 89.3 million shares, approximately 10% of its equity while the remaining 803.72 million shares were offered to international investors. While these two issues were tremendously successful, analysts and bankers do not expect more than two or three more offers in 1995. Namely, **Northeast Electric Transmission**, the **Guangzhou-Shenzhen Railway Company**, and **Guangdong Electric Power** are expected to offer shares in the next few months. There are 28 state-owned enterprises on the list for overseas listings in addition to many more that are slated specifically for foreign ownership.

**Headline:**
Chemical Companies To Market in Hong Kong

**Source:**
*Privatisation International June 1995*

## Jinbei Automobile Company

**Activity Date:** 1 1992

In January 1992, the state-owned Jinbei Automobile Company, located at Shenyang City, was privatized. The privatization was in the form of a joint-venture between Jinbei and General Motors (US) to produce light commercial vehicles in China. This represents GM's second venture in China. GM will control 30% of the venture and the remaining 70% will be controlled by Jinbei. Jinbei will start assembling GM's North American "S" class pick-up trucks later in 1992. By 1998 annual production is expected to grow to 50,000. Jinbei was founded in 1958 and operates two vehicle and 48 component factories in the Shenyang area. In 1990 the company manufactured 20,000 light trucks.

**Headline:**

**Source:**
*FEER 1/23/92*

**Activity Date:** 1 1992

In January 1992 Jinbei Automobile Company, the state-owned automobile company, located at Shenyang City, 700 km northeast of Peking was privatized. The privatization was in the form of a joint-venture between Jinbei Automobile Company and General Motors of the US to produce light commercial vehicles in China. This represents GM's second venture in China. General motors will control 30% of the joint-venture and the remaining 70% will be in the hands of Jinbei Automobile Co. Jinbei will start assembling GM's North American "S" class pick-up trucks later in 1992. By 1998 annual production is expected to grow to 50,000 units. Jinbei was founded in 1958 and operates two vehicle and 48 component factories in the Shenyang area. In 1990 the company manufactured 20,000 light trucks.

**Headline:**

**Source:**
*FEER/1/'92*

## Kunming Machine and Tool

**Activity Date:** 2 1993

Kunming Machine and Tool is a firm included in China's attempt to float shares in nine SOEs on the Hong Kong stock exchange.

**Headline:**

**Source:**
*FT 2/11/93*

## Lien Hua

**Activity Date:** 9 1993

It was announced in October that the Shanghai textile company Lien Hua may be privatized. The advisor is Wardley.

**Headline:**
International Overview--China

**Source:**
*Privatisation International September 1993*

**Maanshan Iron and Steel**

**Activity Date:** 2 1993

**Maanshan Iron and Steel** is a firm included in China's attempt to float shares in nine SOEs on the Hong Kong stock exchange.

In September 1993, it is reported that Maanshan Iron and Steel will be part of China's next round of flotations in the Hong Kong stock exchange. Wardley will be advising.

**Headline:**

**Source:**
*FT 2/11/93*

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**macro**

**Activity Date:** 2 1994

In February 1994, the Chinese announced the potential overseas listing of 22 companies including industries in energy resources, raw materials, transportation and manufacturing. The majority on the short list drawn up by Chinese authorities and the Hong Kong stock exchange will be offered in the colony, with the possibility of simultaneous global offerings and secondary listings overseas. Early estimates suggest that this year's funds raised should be at least four times higher than the $1.04 billion raised from last year's six H share issuers. The companies listed include large scale industries such as car manufacturers and power supply companies with good past business performance and growth potential.

**Headline:**
China Sets Out its Stall for 1994

**Source:**
*Privatisation International February 1994*

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**Nanshan Power Station**

**Activity Date:** 9 1993

It was reported in September that the Nanshan Power Station was being prepared for privatization by Wardley.

**Headline:**
International Overview--China

**Source:**
*Privatisation International September 1993*

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**Northeast Electric Transmission**

**Activity Date:** 1995

Last month, China offered shares in **Yinzheng Chemical** and **Jilin Chemical Industrial,** the first H shares initial public offering of the year. Jilin's shares were oversubscribed 2.3 times while Yinzheng's shares were sold in a matter of hours. Jilin Chemical, China's biggest producer of chemicals and chemical raw materials, offered 89.3 million shares, approximately 10% of its equity while the remaining 803.72 million shares were offered to international investors. While these two issues were tremendously successful, analysts and bankers do not expect more than two or three more offers in 1995. Namely, **Northeast Electric Transmission, the Guangzhou-Shenzhen Railway Company**, and **Guangdong Electric Power** are expected to offer shares in the next few months. There are 28 state-owned enterprises on the list for overseas listings in addition to many more that are slated specifically for foreign ownership.

**Headline:**
Chemical Companies To Market in Hong Kong

**Source:**
*Privatisation International June 1995*

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**Phoenix Bicycle**

**Activity Date:** 11 1993

A very successful "B" share flotation, the sale of **Phoenix Bicycle** jumped 68% on the first day it was offered. The issue of 100 million shares, or 28.4% of the company's enlarged capital, raised $40.5 million. The firm was sold on a price-earnings ratio of 10.3 times the 1993 earnings forecast, completely diluted for the new shares. This put it at a discount to the Hong Kong stock market average, and made it less than half the price-earnings of many 1992 privatizations.

**Headline:**
Riding to Success on Forever Bicycle

**Source:**
*Privatisation International January 1994*

**Shandong Huaneng**

**Activity Date:** 11 1994

It was announced in November that the price of ADRs issued by **Shandong Huaneng,** the first Chinese company to seek a primary listing on Wall Street, had fallen 23% from $14.25 on August 4, 1994 to approximately $11.25 by October 18, 1994.

**Headline:**
Some H Shares Fear Share Price Skids

**Source:**
*Privatisation International November 1994*

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**Shandong International Power Development (SIPD)**

**Activity Date:** 1994

Officials for **Shandong International Power Development (SIPD)** announced in November that the company was going to delay seeking a listing for H shares in Hong Kong because of unfavorable market conditions. The plan to float 25% to 30% of its shares will not likely take place until next year. Goldman Sachs and Peregrine Capital are joint sponsors of the deal.

**Headline:**
Some H Shares Fear Share Price Skids

**Source:**
*Privatisation International November 1994*

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**Shanghai Audio and Video**

**Activity Date:** 9 1993

In Shanghai, the privatization of **Shanghai Audio and Video** is being finalized. Merrill Lynch is advising.

**Headline:**
International Overview--China

**Source:**
*Privatisation International September 1993*

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**Shanghai Bicycle Factory**

**Activity Date:** 7 1992

A joint venture agreement between Taiwan's Giant Manufacturing Company and China's state-owned Shanghai Bicycle Factory was announced in July 1992. The new Joint Venture, Giant Shanghai, brings together Taiwan's largest bicycle manufacturer and the largest bicycle market. The venture is capitalized at US$12 million and plans to produce 300,000 bicycles by 1994, and 1.5 million by 1997.

**Headline:**

**Source:**
*FEER 7/16/92*

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**Shanghai Chlor Alkali**

**Activity Date:** 6 1992

In June 1992, Shanghai Chlor Alkali, one of China's main industrial chemical producers, was privatized. Underwriting agreements for an issue of shares in the company were signed. This privatization reflects China's largest privatization until now. The issue is expected to raise a total of approximately Rmb 1.72 billion (US$ 264 million). The issue is structured in two parts. A total of 24 million B shares (28.9% of the enlarged capital) will be offered internationally at Rmb 52.50 (US$7.985) a share, while 8.6 million A shares (10.4% of the capital) are being offered locally at Rmb 54 (US$ 8.213). The state will hold about 60% of the shares and the remaining 39.3% of the shares will be in private hands. The lead manager for the privatization is Shanghai Shenyin Securities and the international managers for the $192 million of B shares are N M Rothschild and Smith New York Securities.

**Headline:**

**Source:**
*PI/July 1992*

**Activity Date:** 1993

A 29 percent stake in the chemical producer, **Shanghai Chlor Alkali,** was sold for $217 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Shanghai Daijang**

**Activity Date:** 1993

A 7 percent stake in **Shanghai Daijang** was sold for $21 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Shanghai Dazhong Taxi**

**Activity Date:** 1992

A 29 percent stake was sold in **Shanghai Dazhong Taxi** for $19 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Shanghai Ihongchu**

**Activity Date:** 1992

An unknown number of shares were sold in the manufacturing company **Shanghai Ihongchu**, for half a million dollars.

**Headline:**

**Source:**
*World Bank - FS*

**Shanghai Knitting Mill**

**Activity Date:** 7 1992

In July, Shanghai Knitting Mill, a knitting mill that was nationalized in 1949, was handed back to its original owners. The family owns Far Eastern Textiles, one of Taiwan's biggest textile companies. This is the first time a nationalized factory has been returned to owners living in Taiwan.

**Headline:**

**Source:**
*FEER/1992*

**Shanghai No.2 Text. Mach.**

**Activity Date:** 1992

A 41 percent stake was sold in **Shanghai No.2 Text. Mach.** for $87 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Shanghai Petrochemical**

**Activity Date:** 7 1993

China's Shanghai Petrochemical floated 1,680,000 shares in July, 840,000 to Hong Kong and 840,000 to the U.S. and other investors. Of the recent offerings by the Chinese government, this is the largest issuance. The company raised approximately $342 million through the offerings. The price per share ranged from $0.19 to $0.23. Merrill Lynch and Peregrine advised the Chinese government.

**Headline:**
"Red Chips" Succumb to Squeeze

**Source:**
*Privatisation International August 1993*

**Activity Date:** 9 1993

**Shanghai Petrochemical** Complex's 1.68 billion shares was offered for $370 million.

**Headline:**
Energy

**Source:**
*International Privatization Update September 1993*

**Shanghai Petroleum**

**Activity Date:** 2 1993

China's new Securities Committee is considering floating shares of nine large SOE's in the Hong Kong stock exchange. The firms involved include Shanghai Petroleum, Maanshan Iron and Steel, Tianjin Bohai Chemical, and Kunming Machine and Tool. Shanghai Petroleum is the sixth largest petrochemical company in China The Chinese government may consider privatizing other SOE's if this series of offerings is successful.

**Headline:**

**Source:**
*Financial Times 2/11/93*

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**Shanghai Ref. Compressor**

**Activity Date:** 1992

A 29 percent stake in **Shanghai Ref. Compressor,** a parts manufacturer was sold for $29 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

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**Shanghai Rubber Belt**

**Activity Date:** 1992

An unknown number of shares were sold in **Shanghai Rubber Belt**, a parts manufacturer, for $15 million.

**Headline:**

**Source:**
*Privatization International Yearbool*

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**Shanghai Tyre and Rubber**

**Activity Date:** 1992

Shanghai Tire and Rubber, the largest tyre manufacturer in China, is being privatized through public offering. A total of 17 million B shares are being issued at a price of $11.40 each to raise $194 million. SBCI Asia is the manager for the international issue.

**Headline:**

**Source:**
*PI/July 1992*

**Activity Date:** 1992

An unknown number of shares were sold in the **Shanghai Tyre and Rubber** company for $217 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

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**Shanghai Vacuum Electronic Device Corp.**

**Activity Date:** 1992

Shanghai Vacuum Electronic Device Corp. makes TV picture tubes. Since the Communist takeover in 1949, Shsnghai Vacuum is the second company to issue stock to foreigners, the first was China Southern Gladd Co. in December ,1991. Both issues were delayed for months by political debate over the move.
Eight other Chinese companies have received government permission to issue "B" shares.
Shanghai's stock exchange opened for business in December, 1990.

**Headline:**

**Source:**
*WSJ 1/16/92*

**Activity Date:** 1992

A 14 percent stake in **Shanghai Vacuum Electronic Device Corp.** was sold for $73 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

## Shanghai Wing Sung Stationery

**Activity Date:** 1992

Shanghai Wing Sung Stationary, the state-owned stationary company, was privatized through public offering. The issue of shares in the company was underwritten by Shenyin and Rothschild and was over-subscribed. Dealings are expected to start at the middle of July.

**Headline:**

**Source:**
*PI/July 1992*

**Activity Date:** 1992

Shares of China's state-owned Shanghai Wing Sung Stationery, will be placed in public offer simultaneously on the Shanghai Securities Exchange and internationally, and are expected to raise approximately Rmb 220 million ($40 million). Shares will be made available in two tiers, domestic "A" shareholders will acquire 14.8% and foreign "B" shareholders will acquire 30.8%.

**Headline:**

**Source:**
*PI June 92*

**Activity Date:** 1992

A 46 percent stake in the stationary producer, **Shanghai Wing Sung Stationery**, was sold for $39 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

## Shekou Port Service

**Activity Date:** 1993

A 24 percent stake in **Shekou Port Service** was sold for $29 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

## Shenzen Gintian

**Activity Date:** 1993

A 28 percent stake in **Shenzen Gintian** was sold for $75 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

## Shenzen Tellus Machinery

**Activity Date:** 1993

A 12 percent stake in **Shenzen Tellus Machinery** was sold for $15 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

## Shenzen Vanke

**Activity Date:** 1993

An unknown number of shares were sold in **Shenzen Vanke** for $85 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Shenzhen General Power Corporation**

**Activity Date:** 10 1993

**Shenzhen General Power Corporation** hopes to find foreign partners to take up between 50 - 60% of China's largest (5,280 - 6,600 MW) power complex. There are two stations, one with four 660 MW turbines and the second with six similar turbines. Bids have been invited for the first phase which will install 2,460 MW initiallly. The first phase is expected to cost $1.7 billion and the entire project is expected to cost over $6 billion. Shenzhen plans to offer the project on either a build-own-operate (BOO) or a build-operate-transfer (BOT) basis. The Chinese government has plans for offering incentives to lure foreign investors including tax breaks for the first two years of commercial operations and a lower tax on profits for the next three years.

**Headline:**
Shenzhen Opens Invitations to Massive Power Plant

**Source:**
*Project Finance International October 15, 1993*

**Shenzhen Real Estate and Properties**

**Activity Date:** 9 1993

In September, it was announced that Shenzhen Real Estate and Properties was being prepared for privatization by Wardley.

**Headline:**
International Overview--China

**Source:**
*Privatisation International September 1993*

**Shenzhen Shenhao Industrial**

**Activity Date:** 1992

An unknown number of shares were sold in the beverage company, **Shenzhen Shenhao Industrial**, for half a million dollars.

**Headline:**

**Source:**
*World Bank - FS*

**Shougang Corporation**

**Activity Date:** 1 1993

China's state steel producer, Shougang Corporation, has asked Pohang Iron & Steel (South Korea) to head a consortium to build a 2,400-km highway from Beijing to Hong Kong. The consortium has yet to be formed and its members have not been named. The cost of the project is estimated at $8 billion over ten years.

**Headline:**

**Source:**
*PWF 1/93*

**Tianjin Bohai Chemical**

**Activity Date:** 2 1993

Tianjin Bohai Chemical is a firm included in China's attempt to float shares in nine SOEs on the Hong Kong stock exchange.

**Headline:**

**Source:**
*FT 2/11/93*

**Tsingtao Brewery**

**Activity Date:** 1993

A 56 percent stake in China's **Tsingtao Brewery** was sold for $115 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Activity Date:** 7 1993

China will list the first of its planned nine companies on the Hong Kong Stock Exchange **Tsingtao Breweries** this December. Anheuser-Busch of the U.S. is also planning on taking an additional 5% share in the state-owned company. Previously, direct investment in Chinese companies had been permitted only through the purchase of "B" shares on the

Previously, direct investment in Chinese companies had been permitted only through the purchase of "B" shares on the Shanghai and Shenzen stock exchanges.

**Headline:**
Chinese Brewer Plans a First

**Source:**
*International Privatization Update July 1993*

**Activity Date:** 9 1993

**Tsingtao Brewer** listing of 317 million shares on the Hong Kong Stock Exchange was heavily over subscribed. In addition, 5% of the company was sold to Anheuser-Bush. This listing marks the first Chinese state-owned company to be listed in the Hong Kong Stock Exchange.

**Headline:**
Notable Mentions

**Source:**
*International Privatization Update September 1993*

**Activity Date:** 12 1993

**Tsingtao Brewery**, China's first SOE to be listed on the Hong Kong stockmarket was oversubscribed.

**Headline:**
Tsingtao Brewery Privatized

**Source:**
*The Economist December 25-January 7, 1994*

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**Upjohn Suzhou Pharmaceutical Company**

**Activity Date:** 7 1993

Upjohn Company of the United States and the Chinese state-owned Suzhou Pharmaceutical Factory No.4 agreed in July to enter into a new joint-venture, Upjohn Suzhou Pharmaceutical Company, to produce Upjohn products in China. The new joint-venture will begin with a $30 million investment to build a new plant in Suzhou.

**Headline:**
Upjohn to Set Up China Venture

**Source:**
*Wall Street Journal July 27, 1993*

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**Wuhan Iron and Steel**

**Activity Date:** 2 1994

The Chinese announced the potential listing of metallurgical company **Wuhan Iron and Steel**, China's fourth-largest enterprise, in February of 1994. The company is expected to be one of the biggest of this year's H share offerings. The proposed sale of Wuhan Iron and Steel follows last year's successful share offer from Maanshan Iron and Steel for $1.6 billion. Wuhan aims to produce 11 million tonnes of steel and 4.5 million tonnes of steel materials this year. Foreign exchange income for the metallurgical company is expected to reach $120 million in 1994.

**Headline:**
China Sets Out its Stall for 1994

**Source:**
*Privatisation International February 1994*

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**Yaohua Pilkington**

**Activity Date:** 1993

An undisclosed stake in **Yaohua Pilkington** was sold for $72 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Activity Date:** 9 1993

In September, it was announced that **Yao Hua Pilkington** will be sold by the end of the year.

**Headline:**
International Overview--China

**Source:**
*Privatisation International September 1993*

**Activity Date:** 11 1993

**Yaohua Pilkington** (YP) offered 100 million of its shares at $0.72 each. The response the issue has been enthusiastic as YP is one of two Chinese companies that can produce clear float glass to international standards and is backed by the Pilkington name and technology.

**Headline:**
Riding to Success on Forever Bicycle

**Source:**
*Privatisation International January 1994*

### Yinzheng Chemical

**Activity Date:** 1995

Last month, China offered shares in **Yinzheng Chemical** and **Jilin Chemical Industrial** on the Hong Kong Stock Exchange, in the first initial public offerings of H shares this year. Jilin's shares were oversubscribed 2.3 times while Yinzheng's shares were sold in a matter of hours. Jilin Chemical, China's largest producer of chemicals and chemical raw materials, offered 89.3 million shares, approximately 10% of its equity while the remaining 803.72 million shares were offered to international investors. Though the two issues were tremendously successful, analysts and bankers do not expect more than two or three additional Chinese offers in 1995.

**Headline:** Chemical Companies To Market in Hong Kong

**Source:** *Privatization International June 1995*

### Yizheng Chemical Fibre

**Activity Date:** 9 1993

It was announced in September that the Yizheng Chemical Fibre will be part of China's next round of privatizations. Warburg is advising.

**Headline:** International Overview--China

**Source:** *Privatisation International September 1993*

**Activity Date:** 1994

Due to poor market conditions in China, **Yinzheng Chemical Fibre** has decided to cancel a domestic A share offering (A shares are reserved for domestic investors) in favor of an H share offering in Hong Kong (H shares are available to foreign investors). The offer, which could raise as much as $1bn, has been cleared by the China Securities Regulatory Commission. Current shareholders in the partially state-owned concern must give their approval, however, which may prove more difficult because of stringent quorum requirements. This transaction, to be underwritten by SG Warburg, will increase the number of H shares issued by 40%. Yinzheng, the world's fifth largest producer of polyester, is raising capital for an ambitious expansion program.

**Headline:** Yinzheng Plans Second H Share Issue

**Source:** *Privatization International April 1995*

**Activity Date:** 3 1994

One billion shares of **Yizheng Chemical Fibre** will be floated in a public offer expected to raise $340 million (HK$2.62 billion).

**Headline:** International Overview --China

**Source:** *Privatisation International March 1994*

## *Hong Kong*

### Cavendish International

**Activity Date:** 7 1992

In July 1992, it was announced that Cavendish International, an investment-holding company is to be privatized. The company holds one-quarter stake in Canada's Husky Oil, and a one-third stake in Hong Kong Electric. It also owns the Hong Kong Hilton and other properties. The controlling shareholder in Cavendish will pay HK$5.50 per share (US$0.71) for a sale price of HK$5.8 billion (US$750 million) to purchase minority shares. This has been the second attempt to privatize the company.

**Headline:**

**Source:** *FEER/1992*

### Jilin Chemical Industrial Company

**Activity Date:** 1995

China's **Jilin Chemical Industrial Company**, a petrochemical company, is planning to raise $205m through a public offering on the New York and Hong Kong exchanges. This is the first public offering of **Jilin** this year. There will be 893,270,000 shares available and 50% of the shares will be offered in New York, 10% in Hong Kong, and the remaining 40% will be sold internationally.

**Headline:**
Jilin Plans Share Offer in New York, Hong Kong

**Source:**
*Wall Street Journal, April 27, 1995*

### Overseas Trust Bank (OTB)

**Activity Date:** 9 1993

The Hong Kong government privately sold the **Overseas Trust Bank (OTB)** to the Guoco Group. The Guoco Group is to add $54 million premium to the net asset of the bank. This amount is expected to exceed $500 million. This privatization returns the bank to the private sector following the 1985 seizure of the bank by the government.

**Headline:**
Banking

**Source:**
*International Privatization Update September 1993*

### Sichuan Province Cable TV Enterprise

**Activity Date:** 2 1993

Wharf Communications of Hong Kong has agreed to purchase a 40% interest, worth $1.2 million, in a joint-venture pay-television project in China. The participants in the venture are the Sichuan Province Cable TV Enterprise Development Company and a consortium of Wharf Communications. Equity is divided 50-50 between the participants.

**Headline:**

**Source:**
*Far Eastern Economic Review 2/18/93*

## *India*

### ACC Babcock

**Activity Date:** 5 1995

In India, the government has agreed to allow Asea Brown Boveri (ABB) to purchase a 76% stake in **ACC Babcock**, a boilermaker, for $20m. In 1988, ACC Babcock was taken over by the government which had hoped to revive it through "public sector expertise." However, the company, which currently has some 5,200 underemployed workers, has accumulated losses of $30m. The sale will mark the first significant takeover of a state-owned enterprise by a western multinational company.

**Headline:**
As Simple As ABB

**Source:**
*The Economist May 27, 1995*

### Air India

**Activity Date:** 6 1994

It was announced in June that the planned privatization of **Air India** was cancelled due to the pull back on the VSNL privatization offering.

**Headline:**
International Overview: India

**Source:**
*Privatisation International June 1994*

**Activity Date:** 2 1995

The government of India announced in February that it is planning to offer shares in the 100% state-owned airline **Air India**. An as yet undetermined number of shares, the government is expected to retain at least 51%, will be sold in the stock market in the fiscal year starting April 1. The offering is intended to raise money to buy new planes replacing the ageing fleet they currently use. Air India is undergoing a financial restructuring that inlcudes a capital injection.

**Headline:**
Air India Plans Offering

**Source:**
*Wall Street Journal February 24, 1995*

Air India Plans Offering *Wall Street Journal February 24, 1995*

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**Container Corporation of India**

**Activity Date:** 10 1995

In India, the government has announced that it will offer a 10% stake in the **Container Corporation of India**. The shares will be offered in October along with shares from three other companies; the Oil and Natural Gas Corporation, Mahanagar Telephone Nigam, and Oil India. The government is hoping to raise $1.96bn through the sale of shares in the four companies.

**Headline:**
New Delhi Revives Sale of State Companies

**Source:**
*Financial Times September 21, 1995*

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**Eicher Motors**

**Activity Date:** 9 1992

In September 1992, Eicher Motors, a state-owned automobile company in India, is to enter into a joint-venture with Mitsubishi of Japan. Negotiations are presently being carried out between the two companies This is part of the de-licensing program of the automobile industry in India. In July 1991, India started allowing foreign equity participation in most industries, reduced red tape, permitted a partial conversion of the rupee and also removed most industrial licensing. However foreign equity participation in joint ventures is limited to 51%.

**Headline:**

**Source:**
*PI/9/'92*

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**electricity-distribution system**

**Activity Date:** 6 1994

An announcement in June indicated that plans to privatize the electricity-distribution system in India's capital city Bombay had stalled following an evaluation made by the Ministry of Power. Bids were made by several private groups to purchase stakes in the network.

**Headline:**
Privatisation Stalled

**Source:**
*Far Eastern Economic Review June 30, 1994*

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**Great Eastern Hotel**

**Activity Date:** 9 1994

The Indian government announced in September that it had received an offer from Accor Asia-Pacific, the Asian division of the French hotel group, Accor, to form a joint venture with the West Bengal government to renovate and manage the **Great Eastern Hotel**. The 220 room hotel, located on 100,000 acres of prime real estate in Calcutta's business district, had losses of Rs 1.9 million ($61,000) at the end of March 1993. The government's chief minister has indicated that he favors the proposed joint venture in which Accor would provide $30 million in new investment to conduct renovations transforming the hotel into a five star luxury hotel with an additional 30 rooms, however, the hotel's unionized labor force is actively opposing the deal because of Accor's requirement that the entire permanent staff of 547 be sacked, possibly as a means of avoiding troublesome labor relations. Despite Accor's offer to pay severance to the workers and to rehire those it finds suitable, opposition remains strong and threatens to create a wider political rift between the two wings of the ruling party. The government, eager to avoid fracturing the party, is reported to be considering other joint venture partners and the possibility of renovating the hotel itself.

**Headline:**
Not So Suite

**Source:**
*Far Eastern Economic Review September 8, 1994*

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**Gujurat Power Station**

**Activity Date:** 4 1996

PowerGen, the leader of a consortium which also includes Siemens and two Indian companies, Torrent Group and the **Gujurat Power Station**, won a contract to build and operate a $700m power station in the Indian state of Gujurat. PowerGen alone is investing nearly $47m and will take a 20% stake in the project. The deal is backed by a promise from the state of Gujurat to buy electricity from the new station for the next 20 years.

**Headline:**
PowerGen in Indian Power Station Deal

**Source:**
*Financial Times April 9, 1996*

## Hindustan Motors

**Activity Date:** 9 1992

In September 1992, Hindustan Motors, a state-owned automobile company, entered into a joint venture to manufacture cars with General Motors of the US. The joint-venture is worth $266 million. This is part of the de-licensing program of the automobile industry planned in India. In July 1991, India started allowing foreign equity participation in most industries, reduced red tape, permitted a partial conversion of the rupee and also removed most industrial licensing. However foreign equity participation in joint ventures is limited to 51%.

**Headline:**

**Source:** *PI/9/'92*

## Hindustan Organic Chemicals

**Activity Date:** 6 1994

A June announcement indicated that **Hindustan Organic Chemicals** plans to issue new share capital to the Indian government which will reduce the state's holdings from 80% to 57%.

**Headline:** International Overview: India

**Source:** *Privatisation International June 1994*

## Indian Iron and Steel

**Activity Date:** 12 1993

Despite opposition from major trade unions, the cabinet accepted a Steel Ministry plan to privatize **Indian Iron & Steel** in Burnpur, West Bengal. The plan proposes to transfer the company to Mukund Steel. Currently, the steel maker is in need of over $1 billion in new equipment.

**Headline:** India - Steel Privatisation

**Source:** *Far Eastern Economic Review December 16, 1993*

## Indian Oil Corporation

**Activity Date:** 1994

The Indian government has announced a partial divestment in seven state enterprises including two oil groups and a telephone service company. This will allow foreign investors to bid for shares in public enterprises for the first time ever. Private companies, banks, financial institutions, and registered brokers have been invited to bid for equity ranging from 2-20% of shares outstanding. The **Indian Oil Corporation**, which owns six refineries will sell 5% of their capital, or 18.4 million shares. The cash-rich **Oil and Natural Gas Corporation**, which has held a monopoly on gas and oil exploration in India will sell 2% of its capital. Five percent or 30 million shares of **Mahanagar Telephone Nigam**, which controls communications in Bombay and Dehli will be offered. The **Steel Authority of India**, which owns four integrated steel plants throughout India, plans to sell 5 % or 199.3 million shares, the **Shipping Corporation of India** plans to sell 28.2 million shares or 10% of the company, the **Container Corporation of India** will sell 20% or 12.9 million shares, and the **National Fertilizers** will sell of 49.1 million shares or 10% of its equity.

**Headline:** India to Offer Foreign Stakes in State Group

**Source:** *Financial Times October 5, 1994*

**Activity Date:** 1995

The **Indian Oil Corporation**, India's largest state-owned oil company with six of India's 12 oil refineries, will offer a 10% stake after March 1996 to finance $46m in new projects. The company plans to raise $35m through a 5% placement in the Indian market and another $350m through a 5% offering on the international market.

**Headline:** Indian Oil to Float Further 10%

**Source:** *Financial Times November 21, 1995*

**Activity Date:** 3 1995

**Indian Oil Corporation**, India's largest state-owned oil company, is planning its first public offering sometime in March 1995. With an offering of 10% of its equity capital (37 million shares), Indian Oil will be the first state-owned enterprise to offer shares to the public.

**Headline:** Indian Oil to Make First Public Offering

**Source:** *Financial Times January ?, 1995*

Indian Oil to Make First Public Offering *Financial Times January ?, 1995*

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**Indian Petrochemicals Corporation**

**Activity Date:** 6 1994

An announcement in June stated that **Indian Petrochemicals Corporation** planned to submit a convertible debenture to the government which would reduce the government's stake from 72% to 63%. However, the government will not take it up .

**Headline:**
International Overview: India

**Source:**
*Privatisation International June 1994*

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**Industrial Development Bank of India (IDBI)**

**Activity Date:** 1995

The **Industrial Development Bank of India** (IDBI), India's leading financial institution, launched the largest public share offering in the nation's history in an effort to raise $754m. This move comes after the Indian government decided last October to allow the bank to float up to 49% of its stock. The government intends to sell a 25% stake consisting of 168 million shares at a price of $4.14 per share. There are currently no plans to reduce the state's holdings to the legal minimum of 51%.

**Headline:**
India's Leading Bank Launches Share Offer

**Source:**
*Financial Times June 6, 1995*

**Activity Date:** 1 1995

It was announced in January that the sale of a 25% stake in the **Industrial Development Bank of India** (IDBI) was postponed. The sale, due to open January 27, would have been India's largest domestic equity offering. The failure of the parliament to ratify the IDBI Act that would have allowed for the restructuring of the bank's capital, was cited as the main cause for the delay. Analysts also blame a weak market and competition from four other large companies planning large issues as reasons for the postponement. The government had planned to offer 168 million shares at a price of Rs130 per share to raise expected revenues of $696.3m. The sale would have reduced the government's stake from 100% to 75%.

**Headline:**
India's Biggest Public Share Offering Postponed

**Source:**
*Financial Times January 10, 1995*

**Activity Date:** 7 1995

The **Industrial Development Bank of India** (IDBI) is planning the country's largest public issue with an offer of 168 million shares at $4 each. The IDBI is the tenth largest development bank in the world with assets totaling $11bn. It plans to issue 20% of the public offering to financial institutions, 10% to mutual funds, and 10% to non-resident Indians and overseas corporate bodies on a competitive basis. The IDBI has reserved 580,000 shares for its 2,900 employees who will each get 200 shares at a discount of 15%. The objective of the sale, which will reduce the government's stake by 25%, is to enable the bank to fund opportunities in the domestic infrastructure sector.

**Headline:**
IDBI Plans $700m Issue

**Source:**
*Privatisation International July 1995*

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**macro**

**Activity Date:** 6 1994

The government of India passed a bill allowing for the strengthening of the capital base for banks. In addition, the government plans to list the following companies for privatization for August-September: Punjab National Bank, Canara Bank, Oriental Bank of Commerce, Corporation Bank and the Bank of Baroda. PNB Capital Services may also list up to a 49% stake.

**Headline:**
International Over view: India

**Source:**
*Privatisation International June 1994*

## Mahanagar Telephone Nigam

**Activity Date:** 1995

**Mahanagar Telephone Nigam** is planning to offer 5% of its shares, a $200m value, during the first week of March. This is the first public sector company that has been offered directly to the public. Previously, 33% of Manahangar's equity had been placed with direct investors and mutual funds, but with this new 5% offering, 38% of the company will now be in private hands.

**Headline:**
India Plans More Public Sector Sales

**Source:**
*Privatization International March 1995*

**Activity Date:** 10 1995

The government of India is planning an October share offering for a 5% stake in **Mahanagar Telephone Nigam**, the telephone systems operator in Bombay and New Delhi. Investor interest is expected to be strong.

**Headline:**
New Delhi Revives Sale of State Companies

**Source:**
*Financial Times September 21, 1995*

## Maruti Udyog

**Activity Date:** 6 1992

In June 1992, Suzuki Motor Company of Japan will acquire another 10% of India's Maruti Udyog, the state-owned auto maker. India and Suzuki will each control 50% stakes. The Indian government increased Maruti's equity by 20% to 1.32 billion rupees ($46.7 million). The price is based on Maruti's net worth (assets minus liabilities).

**Headline:**

**Source:**
*WSJ 6/4/92*

**Activity Date:** 7 1992

In July 1992, it was announced that a stake of 10% is to be sold in Maruti Udyog, the leading car maker in India. Suzuki, which already owns 40% of the company, is to increase its stake to 50%. The government will subsequently decrease its stake to 50%. Suzuki is to pay 269 rupees per share (US$ 9.22) for 2.2 million shares based on Maruti's net worth and earnings capacity. The sale price will therefore be 591.8 million rupees (US$ 20.284 mill).

**Headline:**

**Source:**
*PI/July 1992*

**Activity Date:** 9 1992

In September 1992, Suzuki of Japan increased its stake in Maruti Udyog to 50%. It already owned a stake of 40% in the Indian automobile company. This is part of the de-licensing program of the automobile industry in India. In July 1991, India started allowing foreign equity participation in most industries, reduced red tape, permitted a partial conversion of the rupee and also removed most industrial licensing. However foreign equity participation in joint ventures is limited to 51%.

**Headline:**

**Source:**
*PI/9/92*

## Ministry for Surface Transport

**Activity Date:** 1994

India is looking for private investors to provide capital in order to boost its primitive road network. The government is issuing a letter of intent worth $50m for the construction of three toll roads and one bridge. The four projects are among thirty other projects, totaling over $6bn, earmarked by the Ministry for Surface Transport for possible private sector development. As of now forty-two companies have shown interest in the Build-Own-Transfer scheme, such as Malaysia's Renong Group. Questions remain about the government's ability to guarantee that laws regarding toll-collection will not be changed in the near future.

**Headline:**
India Seeks Private Capital for Toll Roads

**Source:**
*Financial Times October 3, 1994*

### Mukta

**Activity Date:** 7 1992

In July 1992, it was announced that Mukta, a medium-sized oil field located near Bombay is to be privatized. This will be in the form of a joint-venture between the state oil firm and private-sector partners, including foreign companies.

**Headline:**

**Source:** *FEER/1992*

### Oil and Natural Gas Corporation

**Activity Date:** 10 1995

The Indian government is planning an October share offering of a 2.5% stake in the **Oil and Natural Gas Corporation**. The sale is one of four share offerings planned for this fiscal year. Shares will be offered to the highest bidders with the minimum price set at $703.

**Headline:** New Delhi Revives Sale of State Companies

**Source:** *Financial Times September 21, 1995*

### Oil India

**Activity Date:** 10 1995

The government is planning a 5% share offering in the oil company, **Oil India**. The sale, expected to take place on October 9, targets Indian investors and foreign financial institutions.

**Headline:** New Delhi Revives Sale of State Companies

**Source:** *Financial Times September 21, 1995*

### Panna

**Activity Date:** 7 1992

In July 1992 it was announced that Panna, a medium-sized oil field located near Bombay, is to be privatized. This will be in the form of a joint venture between the state-owned oil firm and private-sector partners, including foreign companies.

**Headline:**

**Source:** *FEER/1992*

### Power Generating Facilities

**Activity Date:** 1995

Invitations for bids to privatize India's **power generating facilities** have been announced by the Orissa Power Generating Corp, the Uttar Pradesh State Electricity Board, the Madhya Pradesh Electricity Board, and the Himachal Pradesh government. In all, six facilities, both coal-fired and hydroelectric stations, are slated for privatization.

**Headline:** India Private Power Tenders

**Source:** *Project Finance International April 27, 1995*

### Premier Automobiles

**Activity Date:** 9 1992

In September 1992, Premier Automobiles, a state-owned automobile company in India, is to enter into a joint venture with either Peugeot of France or Fiat of Italy. This is part of the de-licensing program of the automobile industry in India.

In July 1991, India started allowing foreign equity participation in most industries, reduced red tape, permitted a partial conversion of the rupee and also removed most industrial licensing. However foreign equity participation in joint ventures is limited to 51%.

**Headline:**

**Source:** *PI/9/'92*

## Railway

**Activity Date:** 3 1996

India plans to speed up privatization of the **railways** after an encouraging response to efforts to attract private investment. The state-run railways have already finalized private investment worth more than $150m. According to a four-year-old economic reform plan, the railways will be privatized under a build, own, lease, and transfer (BOLT) agreement.

**Headline:**
Railway Sales

**Source:**
*Project Finance International March 13, 1996*

## Ravva

**Activity Date:** 7 1992

In July 1992, it was announced that Ravva, a medium-sized oil field located in the Bay of Bengal is to be privatized. The privatization will be in the form of a joint venture between the state-owned oil field and private-sector partners, including foreign companies.

**Headline:**

**Source:**
*FEER/1992*

## State Bank of India

**Activity Date:** 1993

An unknown number of shares were sold in the **State Bank of India** for $775 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Activity Date:** 2 1994

A $395 million public offer by the **State Bank of India** was over subscribed.

**Headline:**
India Plans Fourth Round of Sales

**Source:**
*Privatisation International February 1994*

## state-run companies

**Activity Date:** 1995

The government has announced that it will not offer more shares in state-run companies for November since share prices are so depressed. Citing poor market response, the government also revealed that it will no longer auction shares in the next round of privatization.

**Headline:**
India Slows Privatizations

**Source:**
*Wall Street Journal November 29, 1995*

## State-Run Telephone Networks

**Activity Date:** 1 1996

The Indian government will invite telecommunications companies to bid for a second time on the right to operate telephone networks in over half of the country, including at least 10 to 20 regional franchises. The deadline for submitting new bids is January 8. It is uncertain whether some of the original bidders--US West/BPL Systems, AT&T/Aditya Birla Group, Hughes Network Systems/Ispat Group, Bell Atlantic/Essar Group and Nynex/Reliance Industries--will bid in the second round because of the higher minimum bid marks the government has set for the retender. Tougher minimums and private sector rules are shaking investor confidence and damaging India's image as it attempts to open its economy.

**Headline:**
India's New Auction Irks Telecom Firms

**Source:**
*Wall Street Journal November 29, 1995*

## Steel Authority of India Ltd.

**Activity Date:** 1995

The **Steel Authority of India Ltd.** is planning to make a $100m public offering while simultaneously offering $350m of debt in a Euroissue. However, the timing of these actions has been complicated due to the Mexican crisis and other foreign situations. The Euroissue is expected to raise funds to finance a modernization program and increase steel production from 11 million tons to 17 million tons per year. After the proposed sales, the government's stake in the Steel Authority will drop to 79%.

**Headline:**
India Plans More Public Sector Sales

**Source:**
*Privatization International March 1995*

## Tata Engineering & Locomotive Co.

**Activity Date:** 9 1992

In September 1992, Tata Engineering & Locomotive Co, a state-owned automobile company in India, is to enter into a joint-venture with Honda of Japan. Negotiations are presently being carried out between the two companies This is part of the de-licensing program of the automobile industry in India. In July 1991, India started allowing foreign equity participation in most industries, reduced red tape, permitted a partial conversion of the rupee and also removed most industrial licensing. However foreign equity participation in joint ventures is limited to 51%.

**Headline:**

**Source:**
*PI/9/'92*

## Telecom

**Activity Date:** 3 1996

The government called for new bids for fixed-line telephone services in nine regions and reduced minimums to attract investors. In earlier rounds of bididng, none of the nine regions received bids and telecommunications companies blamed high minimums. The new deadline is April 15.

**Headline:**
India Reopens Phone Bidding

**Source:**
*Wall Street Journal March 18, 1996*

**Activity Date:** 3 1996

Nippon Telegraph & Telephone Corp. and Itochu Corp. of Japan said they and a telecommunications partner in India received a license to operate telephone services in the southern region of Tamil Nadu. The goup will pay 15-year licensing fees totaling $3.3bn. NTT said services are to start in June 1997 at the latest.

**Headline:**
India Awards Phone License

**Source:**
*Wall Street Journal March 20, 1996*

## Telephone Service

**Activity Date:** 12 1995

The privatization of India's **telephone service** seems to be slowing after the government changed the rules in order to impose a minimum price for bids. The Indian government rejected 10 winning bids for licenses to operate basic telephone services.

**Headline:**
Raising the Bar

**Source:**
*Far Eastern Economic Review December 7, 1995*

## Videsh Sanchar Nigam Ltd. (VSNL)

**Activity Date:** 4 1994

It was reported in April that the government of India hopes to raise $1 billion through the global issue of **Videsh Sanchar Nigam Ltd.** (VSNL), the state controlled international telecommunications utility. Solomon Brothers and Kleinwort Benson are serving as the global coordinators on this issue. VSNL holds a monopoly of basic international telecommunications services in India.

**Headline:**
Indian Issue Faces Uncertain Reception

**Source:**
*Financial Times April 11, 1994*

**Activity Date:** 5 1994

The Indian government unexpectedly called off the $1 billion global offering of **Videsh Sanchar Nigam Ltd.** (VSNL) on May 3rd. The sale of VSNL, which is largely state-owned and is the main long distance telephone carrier, was expected to breathe new life into the Bombay stock market. Instead, the cancellation has put in doubt some $9 billion in international offerings planned in the country. The decision to cancel the sale was based on the fact that the sale price of $44.63 (1,400 rupees) per share was far above the price estimated by the estimates given by Kleinwort Benson and Salomon Brothers.

**Headline:**
India Privatisation Disconnected

**Source:**
*The Economist May 7, 1994*

**Activity Date:** 9 1994

A whiff of controversy hangs on the $900m voucher sale of **Pakistan Telecommunications Corporation (PTC)** offered to international investors last month, due to the lack of due diligence process. India is now wondering whether to revive the sale of **Videsh Sanchar Nigam Ltd.** (VSNL), the international operator whose $1bn offer was rejected by investors last May due to its high price. The high price is blamed on the failure by finance ministers to understand that prices must be fixed in the light of market conditions, Solomon Brothers and Kleinwort Benson were also criticized for not educating their clients adequately. Such neglect carries a certain weight, it scares investors about further political neglect and unpredictable behavior. On the other hand, the Indian telecom market is expanding very quickly and VSNL has a ten year monopoly. Assuming that ministers do not try to overprice the offering once more, experts believe that buying shares of VSNL is worth the risk.

**Headline:**
Indian Telecoms

**Source:**
*Financial Times September 26,1994*

**Activity Date:** 9 1994

In September the Indian government announced that it is considering the revival of the postponed international equity offering by **Videsh Sanchar Nigam Ltd.** (VSNL), the international telecommunications monopoly. The decision follows the successful sale by Pakistan Telecom which raised $900 million from investors. A previous attempt to sell shares in the company failed when investors claimed the shares were overpriced at Rs1,400 ($45) a share. The current asking price for the 17.5 million shares being offered has been reduced to between Rs1,100 ($35) and Rs1,200 ($38) and is expected to earn revenues of $650 million rather than the $1 billion the government had previously hoped to raise. A strong demand by investors may lead the government to exercise the "green shoe" option and release an additional 2.5 million shares. Kleinwort Benson, Salomon Brothers and Jardine Fleming will be advising on the sale.

**Headline:**
India to Relaunch International Sale of Telecom Equity

**Source:**
*Financial Times September 28, 1994*

# *Indonesia*

## Asia Pulp and Paper

**Activity Date:** 3 1995

Morgan Stanley is currently preparing an IPO for **Asia Pulp and Paper**. The $400m offer is expected to be filed this week.

**Headline:**
Global Share Offerings

**Source:**
*Financial Times March 6, 1995*

**Asia-Pacific Resources International Holdings**

**Activity Date:** 3 1995

**Asia-Pacific Resources International Holdings** is planning a flotation of 20 million shares on the New York Stock Exchange. The stock has been filed at the SEC with a range of $11.50 to $13.50 per share. At the mid-price the float totals some $250m.

**Headline:**
Global Share Offerings

**Source:**
*Financial Times March 6, 1995*

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**Bank Bali**

**Activity Date:** 1995

Foreign shareholders of the Indonesian bank, **Bank Bali,** were disappointed to hear in July that they could not buy more shares in the bank because the amount allotted for foreign investment, 49%, had been claimed. Brokers alleged that local shareholders had bought rights to new Bank Bali shares, and then sold them to an offshore company as registered foreign shares. The Indonesian government, fearing that investors would turn away from Indonesia's stock exchanges, allowed foreigners registered as shareholders of Bank Bali to purchase new shares on July 11 before the rights issues started trading.

**Headline:**
Indonesia Dispels Doubts On Bank Bali Rights Issue

**Source:**
*Financial Times August 1, 1995*

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**cellular phone operator**

**Activity Date:** 2 1996

The Dutch telecommunications company PTT Nederland purchased a 17.3% stake for $304m in a Indonesian **cellular phone operator** previously owned by Indonesia's state owned telecommunications firms.

**Headline:**
Dutch Buy Indonesian Cell Stake

**Source:**
*Wall Street Journal February 15, 1996*

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**Garuda Indonesia Airlines**

**Activity Date:** 8 1992

During August 1992, it was announced that Garuda Indonesia Airlines, the state-owned airline would be privatized. KLM Royal Dutch expressed an interest in purchasing shares of the airline after it privatizes. Garuda Indonesia intends to float a portion of its shares on the Jakarta stock exchange or in international money markets in order to raise approximately $500 million to finance a $4 billion program of aircraft acquisitions.

**Headline:**

**Source:**
*WAN/8/92*

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**Jakarta Stock Exchange**

**Activity Date:** 10 1991

The Government of Indonesia has announced that the Jakarta Stock Market will be privatized in October, 1991. Under the privatization scheme, the current 281 registered securities houses will become shareholders. The shareholders will provide an initial paid-up capital of US$3.8 million.

**Headline:**

**Source:**
*FEER 8/91*

## Kaltim Prima Coal

**Activity Date:** 1995

**Kaltim Prima Coal**, a joint venture between British Petroleum and CRA, the Australian resources group, is planning to float its shares on the Jakarta Stock Exchange. This move comes in accordance with the company's agreement with the Indonesian state coal company, which requires that it offer its equity to public investors. Exact details of the plan have not yet been released. Kaltim Prima Coal, located on East Kalimantan, is Indonesia's largest coal mine.

**Headline:**
Indonesian Coal Venture Plans Flotation

**Source:**
*Financial Times April 4, 1995*

## Krakatau Steel

**Activity Date:** 1996

Indonesia is planning to sell-off **Krakatau Steel**, **Bank Negara Indonesia**, the toll-road operator **Jasa Marga**, and the state-electricity company **PLN** in the future through dual international and domestic offers.

**Headline:**
Indonesia Undeterred By Telekom Issue Experience

**Source:**
*Financial Times January 22, 1996*

## Medan airport

**Activity Date:** 7 1994

A consortium from the Netherlands was awarded a contract by the government of Indonesia to build a new airport in Medan to replace the existing state-owned airport that does not meet the needs of bigger planes. The contract was awarded to Citra Lamtorogung Persada and Schipol of the Netherlands. This move initiated the government's airport liberalization program. The two private firms will need to set up an arrangement with state-owned Perum Angkasa Pura which currently runs all airports.

Construction will begin mid-year next year with an end date in 1998. The project includes construction of two runways and will permit the Netherland carrier, KLM, to be the first airline to operate there. The consortium plans to raise 70% of the funds for the project with the government of Indonesia covering the remaining 30%.

**Headline:**
Medan Airport Privatises

**Source:**
*Project Finance International July 21, 1994*

## PLN

**Activity Date:** 4 1992

A consortium project between Indonesia's PLN and a Swiss-Swedish consortium will begin construction of a power station in April 1992. The contract amount is $684 million and is only the second Indonesian power project to enlist private sector financing and operation. Indonesia is now taking steps to gear up capacity to meet a projected 17% annualized growth in demand over the next ten years.

**Headline:**

**Source:**
*FT 3/25/92*

**Activity Date:** 10 1995

The government of Indonesia has appointed Mott Ewbank Preece, a subsidiary of UK-based Mott MacDonald, as advisor for the privatization of **PLN**, a state-owned utility. PLN will likely be divided into three companies for the generation, transmission and distribution of electricity. A consortium of consulting firms headed by Coopers & Lybrand has also been selected to devise a plan incorporating both public and private ownership of the three new companies. Mott Ewbank Preece will provide technical assistance while the consortium of management consultants will draft documents for the regulatory system and institutional and legal arrangements. The project, financed by the World Bank, is expected to be complete within a year.

**Headline:**
Help for PLN Privatization

**Source:**
*Project Finance International October 11, 1995*

## PT Indosat

**Activity Date:** 2 1994

**PT Indosat** will be Indonesia's first state-owned enterprise to list on a foreign stock exchange, according to a March announcement. Shares in the telecommunications firms will be floated either in New York or London.

**Headline:** Indosat to List

**Source:** *Far Eastern Economic Review* *March 3, 1994*

**Activity Date:** 6 1994

In May, the Indonesian government announced its intentions to list 25% of **PT Indosat**, the state-owned telecommunications firm, on the New York stock exchange with Merrill Lynch as lead underwriter. A ten percent listing on the Jakarta Stock Exchange will follow the American Depository Reciept issue abroad. The New York offer, planned for the second half of 1994, is expected to raise $500 million. Indosat, which has a healthy track record, employs about 1,600 people. Indosat is the first Indonesian state-owned company to list overseas, and is likely to be followed by the national airline.

A June report stated that the planned overseas listing of PT Indosat shares is part of an effort to cirmcumvent laws on the Jakarta stock exchange which limit shares prices to 15 times the earnings. The report also indicated that Merrill Lynch may have advised the government to sell the company's shares at 30 times the prospective 1994 earnings. PT Danakeksa Sekuri will manage the sale of the 10% to be sold on the Jakarta stock exchange. The government plans to invest $10 billion over the next five years to expand its telecommunications service within the country.

**Headline:** Indonesian Telecom To Be Listed In New York

**Source:** *Financial Times May 6, 1994*

**Activity Date:** 6 1994

A June announcement indicated that a 25% stake in **PT Indosat**, the state-owned international telecommunications firm, will be sold through an initial public offering on the New York Stock Exchange this summer. Another 10% will be offered on the Jakarta Stock Exchange as well. The government intends to retain the remaining 65% of the company.

After arduous bidding for an advisory role to the sale, which is expected to generate close to $500 million, the government appointed Merrill Lynch & Co. as advisor. If the privatization of PT Indosat proves successful, it will pave the way for more privatizations by means of public equity offerings.

**Headline:** Merrill Lynch to Lead PT Indosat Offering

**Source:** *International Privatization Update June 1994*

**Activity Date:** 8 1994

In January, the Minister of Finance established a committee to look into state owned enterprises. Now the committee has decided to sell a 35% stake of **PT Indosat**. The government has awarded the lead underwriting position to Merrill Lynch. The next step is for Indosat to comply with the rules of the NYSE in order to sell 25% of its shares. Once that takes place towards the end of the year, there will be a simultaneous listing of 10% of the shares in the Jakarta Stock Exchange. The company's projected earnings for 1993 were Rp400 billion (US$185 million); revenues were Rp690 billion (US$319 million) ; and total assets were Rp780 billion (US$360 million).

This marks the first state company to go public as well as the first Indonesian company to seek an international listing. If successful, the listing would be followed by the privatization of other state companies, such as flag carrier Garuda Indonesia, PT Telecom, various subsidiaries of Partamina, the National Oil Company, and PLN, the state electricity corporation. The zest for privatization stems from the need to shake up the inefficient state sector and raise cash for the government. There are 190 companies in this sector, 80 of which are unfit for privatization due to lack of profitability and insolvency. However, officials are looking at 28 companies, of which 6 are believed to be profitable. By selling stakes in state companies, the government will be able to balance its budget and cap Indonesian foreign borrowings estimated at US$90 billion. This would also offset the fall in oil revenues and help the government meet its commitment to build infrastructure under a five year plan.

**Headline:** PT Indosat Sets the Trend

**Source:** *Asiamoney July/August 1994*

**Activity Date:** 10 1994

**PT Indosat,** the company that handles most of the international calls to Indonesia, successfully sold a 32% stake,

1994

**PT Indosat,** the company that handles most of the international calls to Indonesia, successfully sold a 32% stake, earning over $1 billion, in mid-October. The stock offering was well oversubscribed as the price per share reached $3.22. The company, currently valued at $3 billion, had revenues of $354.3 million in 1993. Merrill Lynch and the state-owned merchant bank PT Danareksa served as financial advisors to the deal and placed shares on the Jakarta and Surabaya stock markets in Indonesia and on the New York Stock Exchange as American Depository Shares.

PT Indosat, the Indonesian international telecommunications firm had a busy first day of trading on the NYSE, with the closing price up 16%. The ADR issue(a grouping of 10 shares) which opened at $32.00 and soared as high as $40, closed at $37.50. More than 9.1 million ADRs were sold, making it the day's most active issue on the New York Stock Exchange. Indosat, which employs 1,100 individuals and nets $116m out of total revenues of $354m, is only one of two Indonesian companies listed on the NYSE. 65% of Indosat is still owned by the government, with 25% sold in markets abroad and 10% domestically.

**Headline:**
Billion-Dollar Baby

**Source:**
*Far Eastern Economic Review October 27, 1994*

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**PT Tambang Timah**

**Activity Date:** 1995

The government of Indonesia announced that **PT Tambang Timah**, a tin company, is the next company slated to be privatized. The size and pricing of the issue has not been decided, but the decision is expected within one month's time. Timah aims to be listed on the Jakarta and London stock exchanges in the latter part of this year. It has not been decided whether new shares or a combination of existing and new equity wil be offered. Timah is considered to be the largest tin company in the world and one of the lowest cost producers. It has had three consecutive profitable years and earnings of $54m in 1994.

**Headline:**
Indonesia To Privatize Its Tin Concern Amid Huge Offering by State's Telkom

**Source:**
*Wall Street Journal July 21, 1995*

**Activity Date:** 8 1995

**Tambang Timah**, an Indonesian tin mining company, will simultaneously post listings in Jakarta and London beginning in October. The company controls approximately 20% of world tin production. It will raise between $200m and $250m in new money and government divestments. The listing will be followed by an initial public offering from **Telkom**, the state-owned Indonesian domestic telecommunications group, which is expected to raise about $2.5bn.

**Headline:**
Indonesian Tin Miner Plans Dual Listings

**Source:**
*Financial Times August 28, 1995*

**Activity Date:** 9 1995

BZW is currently marketing an IPO for **Tambang Timah**, an Indonesian tin mining company. The IPO, which may raise between $150m - $200m, is expected to begin in September.

**Headline:**
Malaysian Gas Sale Under Way Next Week

**Source:**
*Financial Times July 12, 1995*

**Activity Date:** 9 1995

The government of Indonesia is preparing an initial public offering (IPO) for its integrated tin mining company, **Tambang Timah**, to be completed on October 19. The sale is expected to raise between $200m and $250m. However, analysts have questioned the transaction's time frame because of the government's failure to complete its pricing and structure recommendations before a September 6 roadshow, preventing underwriters from fully briefing fund managers and analysts. Indonesian brokerage houses, Niaga Securities and Pentasina Arthasentosa, will underwrite the Jakarta position of the IPO while Barclays de Zoete Wedd will handle the international position. Shares will be listed in Indonesia and London. The company, which has 5,500 employees, produced 36,000 tons of tin in 1994 and had pre-tax profits of $53m, up from $11m in 1993.

**Headline:**
Indonesia's Tambang Timah and Telkom Prepare IPOs

**Source:**
*Financial Times September 11, 1995*

**Activity Date:** 10 1995

The international offering of shares in Indonesia's **Tambang Timah** for $12.73 each placed the company's value at $636m. On October 19, approximately 50 million shares were offered to Indonesian investors and 160 million shares to international investors. The share offering was between 3 and 4 times oversubscribed.

The company will use proceeds from the sale to upgrade its offshore dredging fleet and to develop exploration of new production sites.

**Headline:**
Tambang Timah Worth $636m

**Source:**
*Financial Times October 10, 1995*

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**PT Telekomunikasi Selular Indonesia**

**Activity Date:** 2 1996

A 5% stake in **PT Telekomunikasi Selular Indonesia**, a cellular phone system, was acquired by the Setdco Group of Indonesia for $88m. After this transaction, the state will retain 77.7% of the firm.

**Headline:**
Dutch Buy Indonesian Cell Stake

**Source:**
*Wall Street Journal February 15, 1996*

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**PT Telkom**

**Activity Date:** 7 1992

In July 1992, the Telkom, the 100% state owned telecommunication company is to be privatized through public offering. The government is planning a $350m issue of telephone monopoly Telkom.

**Headline:**

**Source:**
*FEER 7/92*

**Activity Date:** 1995

Goldman Sachs is a favorite to win the global-coordinator mandate for the privatization of **PT Telkom**, Indonesia's domestic phone operator. This follows the flotation of Indonesia's international operator PT Indosat, which raised over $1bn last year in a Merrill Lynch led dual listing in New York and Jakarta. Bankers chasing the mandate believe PT Telkom will be able to raise more than $1bn in an expected offer later in the year.

**Headline:**
Global Mandate

**Source:**
*AsiaMoney February 1995*

**Activity Date:** 1995

Indonesia could select 4 investment banks to manage the overseas part of a public offering by **PT Telkom**. The selected banks are Goldman, Sachs & Co, Merrill Lynch & Co., Lehman Brothers Holding Inc., ans S.G. Warburg &Co. The stock issue, which might take place in October, is expected to raise between $1.5bn and $2.5bn.

**Headline:**
Indonesia's Telekom Offering

**Source:**
*Wall Street Journal April 11, 1995*

**Activity Date:** 6 1995

The Indonesian government has chosen four consortia to operate key **telephone concessions** that will require investments in excess of $2bn. The four groups have been chosen to install 1.6 million new phones lines by 1999 and to operate the systems for 15 years. The consortia are: US West and its Indonesian partners, who will install 500,000 lines in West Java; Telestra of Australia, Nippon Telegraph and Telephone of Japan, and PT Indonesian Satellite will install 440,000 lines in Central Java; France Telecom and Astra Group of Indonesia will install 460,000 lines in Sumatra; and Telekom Malaysia and its Indonesian partners will install 237,000 in Kalimantan.

**Headline:**
Indonesia Names Four Consortia in Phone Bids

**Source:**
*Project Finance International June 22, 1995.*

**Activity Date:** 8 1995

**Tambang Timah**, an Indonesian tin mining company, will simultaneously post listings in Jakarta and London beginning in October. The company controls approximately 20% of world production of tin. It will raise between $200m and $250m in new money and government divestments. The listing will be followed by an initial public offering from **Telkom**, the state-owned Indonesian domestic telecommunications group, which is expected to raise about $2.5bn.

**Headline:**
Indonesian Tin Miner Plans Dual Listings

**Source:**
*Financial Times August 28, 1995*

**Activity Date:** 9 1995

The government of Indonesia has devised several incentives to raise domestic public interest in the upcoming domestic initial public offering of **Telkom**, the state telecommunications firm. The measures include offering a free bonus share

initial public offering of **Telkom**, the state telecommunications firm. The measures include offering a free bonus share for every ten shares purchased, and a campaign advertising the ease with which shares can be purchased.

The government of Indonesia plans to sell a 35% stake in its domestic telecommunications company, Telkom, in mid-November. Shares will be traded on the New York and London markets after an IPO underwritten by Lehman, Merrill Lynch and Goldman Sachs. The public offering is expected to raise between $2bn and $3bn. Telkom's growth potential is enormous due to Indonesia's low telephone density of 7 lines per 100 people.

**Headline:**
Telecom Moves to Increase Domestic Interest in IPO

**Source:**
*Financial Times October 10, 1995*

**Activity Date:** 10 1995

Four investment banking firms, Goldman Sachs, Merrill Lynch, SG Warburg, and Lehman Brothers, were named the joint global coordinators for an upcoming equity issue by **PT Telkom**, the Indonesian telecommunications company. PT Telkom's equity issue will be simultaneously listed on the New York, London, and Jakarta Stock Exchanges and is expected to raise $2bn to $3bn when it comes to market in the fourth quarter. Four firms, rather than one, were named by Indonesian authorities to ensure that there would be a solid placement and interest in a year in which telecom offers could total $10bn.

**Headline:**
Indonesia Names Banks For Telecoms Sell-off

**Source:**
*Financial Times April 19, 1995*

**Activity Date:** 11 1995

Telkom Indonesia, the state-owned communications company, has failed to sign contracts assigning five private consortia to run most of Indonesia's phone network. The delay has caused analysts to question the advisability of continuing with the IPO of a 35% stake in the company in November.

**Headline:**
Telkom's Financing Plan Is Facing Possible Snag Over Consortia Contracts

**Source:**
*Wall Street Journal October 16, 1995*

**Activity Date:** 11 1995

The Indonesian government has sold a stake in **PT Telkom**, its state owned domestic telecoms operator. The offer, which took place in Indonesia represents 12.5% of Telkom's total outstanding shares. A planned international offering of American Depository Receipts is equal to 15% of the company's share capital and is priced between $19.50 and $24.50 each.

**Headline:**
Telkom Domestic Offer Successful

**Source:**
*Financial Times November 7, 1995*

**Activity Date:** 11 1995

The privatization of **PT Telkom**, Asia's largest of this year, did not go as well as expected. The issue raised only $1.7bn of the anticipated $2.5-$3.1bn because the American Depository Receipt issue was cut by half, and the offer price was fixed below the bottom of the predicted range. The flotation represents a 19% stake in PT Telkom, and it marks the start of a government campaign to sell stakes in 50 or more of its 200 state companies.

The privatization of **PT Telkom**, Asia's largest share offer to date, is being scaled back. The Indonesian government will now sell only 30 million American Depositary Shares for $18 each. This was less than the planned 70 million priced between $19.50 and $24.50. The final offer size was $1.59bn, representing 19% of the company. The investment banks running the deal--Goldman Sachs, Lehman Brothers, Merrill Lynch and SBC Warburg--influenced the government's decision to scale back the offer. Disappointment over the offering is likely to result in an evaluation of the government's approach to privatization.

**Headline:**
Wrong Numbers

**Source:**
*The Economist November 18, 1995*

**Activity Date:** 11 1995

The Indonesian government halved the international offering of the stake in its state-owned phone company, **PT Telkom**, and cut the share price to less than the expected minimum due to weak demand. The issue, Asia's largest so far this year, will raise between $1.59bn and $1.68bn, far less than the target of $2.5bn to $3.1bn. American Depository Shares will be offered at $18 each.

**Headline:**
Indonesia Trims Telekom Offer

**Source:**
*Wall Street Journal November 14, 1995*

**Activity Date:** 11 1995

**Activity Date:** 11 1995

The government of Indonesia halved the size of its international equity offering for **PT Telkom**, its telecommunications company, to $1.5bn, from an earlier target of $2.5bn-$3.1bn. The size of the intenational offering was also cut from 70 million American Depositary Shares to 30 million. Each ADS was offered at $18. The Indonesian government decided to scale back the offer after consultations with the four investment banks involved -- Goldman Sachs, Lehman Brothers, Merrill Lynch and SBC Warburg. Pressure is expected to increase on the government to price companies cheaply in future privatizations.

**Headline:**
Indonesia halves PT Telkom Equity Offer

**Source:**
*Financial Times November 14, 1995*

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**PT Telkomsel**

**Activity Date:** 2 1996

PTT Telecom of the Netherlands agreed to purchase a 17.28% stake in the Indonesian GSM mobile phone service, **PT Telkomsel**, for $304m. A local group, PT Setdco Megasel Asia, will also take a 5% stake for $88m. PT Telkomsel is owned jointly by Indonesia's national telecommunications company, PT Telkom, and PT Indosat, the international telecommunications company.

**Headline:**
PTT Telecom in Indonesia Buy

**Source:**
*Financial Times February 15, 1996*

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**Semen Gresik**

**Activity Date:** 3 1991

The Government of Indonesia announced that the cement company Semen Gresik would be the first state-owned manufacturing enterprise to be privatized through the stock market. In March, 1991, the government plans issue 40 million shares of the company, representing 23% of the firm's total stock. Each share is expected to cost around US$5.28.

**Headline:**

**Source:**

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**State Electricity Company**

**Activity Date:** 4 1995

The **State Electricity Company** (PT PLN) is in the final stage of selecting partners to establish subsidiaries which will be privatized later this year. Partners will be selected out of the 40 domestic and foreign companies which have expressed interest in cooperating with PLN on the privatization exercise. Results are expected to be announced in April. PLN, which became a limited company last year, said it does not know how many partners it is seeking but wants an added capacity of 13,000MW.

**Headline:**
PLN Considers Private Partners

**Source:**
*Project Finance International January 6, 1995*

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**Telecommunications Satellite**

**Activity Date:** 9 1992

In September 1992 Indonesia is planning to launch its first private telecommunications satellite in 1995. The satellite is to be manufactured by International Technologies of the US. Media Citra Indostar (MCI) is to be a subsidiary to the project. MCI will lease transponders to television stations and sell receivers to 1.5 million radio and TV set owners. It anticipates earning an investment of US$88 million in six years from this transaction. Presently there are three state-owned communications satellites in orbit. These are used to reach 70% of the 180 million people.

**Headline:**

**Source:**
*PI/9/'92*

### Television Stations

**Activity Date:** 10 1992

In October 1992 the Indonesian government plans to privatize television in the country by obtaining all the investment for six new television stations from private funds. The new stations are expected to start broadcasting before the end of 1992 from Semarang and Yogyakarta in Java, Lampung in Sumatra, Menado in Sulawesi and Batam, only 20 kilometres from Singapore. It is not known as yet where the sixth station will be located. Currently there are two state-owned channels in Indonesia which broadcast nationwide. There are also three private stations who have regional audiences. President Suharto's son, Bambang Trihatmodjo, is in charge of the Bimantara Group which operates two of the private stations located in Jakarta and Surabaya. One of President Suharto daughter's owns the third station which presently utilizes state-owned equipment.

**Headline:**

**Source:**
*PI/9/'92*

## *Iran*

### Qeshm Iron Company

**Activity Date:** 9 1992

In September 1992, it was announced that a joint venture manufacturing project is to be started in Queshm Island to manufacture 1 million tonnes of hot briquetted iron (HBI) a year. This project is in the new free zone in Iran. International Finance Corporation (IFC) is thinking about becoming part of this joint venture and taking an equity of 25 per cent. It will be run by Qeshm Iron Company, a joint venture of Kobe Steel of Japan and an Iranian consortium of five government and public sector companies which include the Queshm Island Free Trade Zone Development Company. Quehm Island, which is located in the Straits of Hormuz in the Gulf, contains huge reserves of natural gas. These are being offered to foreign investors starting industries which are energy intensive at one-tenth the international market price. Tehran, which is presently implementing the necessary infrastructure, is giving tax, tariff and investment incentives.

**Headline:**

**Source:**
*PI/9/'92*

## *Malaysia*

### Airport management

**Activity Date:** 4 1991

The government announced in April, that the airport management in 20 domestic and 8 international airports will be privatized through contracting. There has been no formal time schedule for completion.

**Headline:**

**Source:**
*PI*

## Bank Bumiputra Malaysia

**Activity Date:** 10 1994

Malaysia's second largest bank, **Bank Bumiputra Malaysia,** is to be sold off and could be worth M$1bn ($392m). The sale may significantly alter the balance of power in the Malay financial service sector. The government has not decided whether a whole or just a part of the institution will be sold, but rumor is that a buyer will be selected within the next six months. Among the suitors are Malaysian Resource Corporation Bhd. (MRCB), a quartet of Anwar supporters who last year put together Malaysia's largest management buyout, the M$800m ($314m) take over of the country's biggest publishing group and its only private TV station. MRCB has also won an independent power producer license and the franchise to develop 28 hectares of government land in the center of Kuala Lumpur. MCRB will be in contest with Shamsudin Abu Hasaan, a savvy business-man and good friend of former the former finance minister. Hassan put a M$1.6bn ($942m) bid last year for the bank but was rejected because the bid lacked the approval of the central bank. Another contender is Ahmad Sebi Bakar, the chairman of Advanced Synergy Berhad (ASB) and another friend of Anwar. However ASB might not proceed with a bid due to an alternate plan to get a commercial banking license by other means. Something of a dark horse is Yahaya Ahmad, chairman of a fast expanding automotive group. Ahamd bought a finance company last year and a banking license would be the next obvious step in the quest to form a financial supermarket.

**Headline:**
Malaysia's Bank Bumi on the Block

**Source:**
*Privatisation International September 1994*

**Activity Date:** 8 1995

The government of Malaysia announced that it will consider privatizing **Bumiputra**, Malaysia's state-owned bank. The bank has appointed DCB Sakura Merchant Bankers to prepare a feasibility study. Now that Malaysia has signed a global pact liberalizing financial services, Malaysian banks are trying to increase their competitiveness by offering their shares to the public.

**Headline:**
Malaysian State Bank May Be Sold

**Source:**
*Financial Times August 22, 1995*

## Berjaya Sports Toto Malaysia

**Activity Date:** 1987

A 71 percent stake in **Berjaya Sports Toto Malaysia** was sold for $4 million.

**Headline:**

**Source:**
*Perotti*

## Bintulu Port

**Activity Date:** 9 1993

In September, is was announced that Bintulu Port is a government owned company and is looking for a buyer.

**Headline:**
Malaysia's Ports Readily Saleable

**Source:**
*Privatisation International August 1993*

## Brook Shipyard in Kuchin

**Activity Date:** 9 1992

In September 1992, Malaysian government announced its plan to sell Brook Shipyard in Kuchin through public offering.

**Headline:**

**Source:**
*PI 9/92*

## Cement Ind. of Malaysia

**Activity Date:** 1984

**Headline:**

The Malaysian government sold 84 percent of its holdings in **Cement Ind. of Malaysia** for $4 million.

**Source:**

*Perotti*

## Cement Manufacturing Services

**Activity Date:** 1989

**Headline:**

A 91 percent stake in **Cement Manufacturing Services** was sold for $2 million.

**Source:**

*Perotti*

## Department of Civil Aviation

**Activity Date:** 9 1992

**Headline:**

In September 1992, the Department of Civil Aviation, the state-owned transportation department is to be privatized. A bill was passed to corporatize the Department. The government plans to have the private sector operating and running the whole transportation system by year 2000. It is expected that all ports and airports will be privatized.

**Source:**

*PI/9/'92*

## Ederan Auto National

**Activity Date:** 1990

**Headline:**

A 30 percent stake in **Ederan Auto National** was sold for $57 million.

**Source:**

*Privatization International Yearbook*

## HBI

**Activity Date:** 9 1992

**Headline:**

In September 1992, HBI, a state-owned hot briquette iron plant that is part of Sabah Gas Industries (SGI), is to be privatized. Three steel producers, ASM, Southern Iron & Steel Works and Malayawata Steel are expected to form a consortium and then take over the government's 100% stake in the HBI. Southern Iron & Steel Works and Malaysia Steel are related to the government, whereas ASM is the most experienced steel maker in Malaysia. HBI is currently very unprofitable and has a lot of debt. It has an annual capacity of 570,000 tonnes of steel briquettes. It is expected that the project will be accompanied by loans and tax incentives provided by the government in order to make it more attractive proposition.

**Source:**

*PI/9/'92*

## Hicom Holdings

**Activity Date:** 11 1995

**Headline:**

The government of Malaysia's holding company, Khazanah Holdings, is expected to sell a 32% stake in **Hicom Holdings,** which was partially privatized last year, to Mega Consolidated, a conglomerate controlled by a Malaysian millionaire. The purchase price is expected to exceed $708m, financed by a loan from Malaysia's offshore financial center, Labuan. Hicom controls the manufacturer and distributor of the Proton, Malaysia's national car and made a profit of $123.3m in the year to March 1995.

**Source:**

Khazanah Plans to Sell 32% Stake in Hicom

*Financial Times November 2, 1995*

## Johor

**Activity Date:** 9 1993

In September, it was announced that Johor, one of the largest ports in Malaysia, is to be sold to the company that gets the approval to build Johor's second port. Currently, United Engineers (Malaysia) is rumored to build it.

**Headline:**
Malaysia's Ports Readily Saleable

**Source:**
*Privatisation International*

## Johor Water

**Activity Date:** 10 1992

In October 1992, the government of Malaysia announced a M$265 m (US$ 102.71m ) financing package for the country's first water privatization project in Johor. The privatization will involve two tranches - Tranche A is a M$220m (US$ 85.27 m ) term loan with a maturity of 10 years while Tranche B is a M$45 m (US$ 17.44m ) guarantee facility for 10 years. Tranche B contains a M$35 (US$ 13.56 m ) performance portion and a M$10 m (US$ 3.88 m) maintenance guarantee. Permata Merchant Bank will act as agent bank. Public Bank has agreed to underwrite the package and is lead manager of the project. Indosuez Asia is Equiventures' financial adviser and has the responsibility of putting the package together. Only domestic banks and foreign banks based in Malaysia will be allowed to raise funds. Fifteen banks have showed commitment and another 10 are interested in the package. The package pays an additional service fee of 10% which will be used to enhance fee-based income for lending banks. Out of the total anticipated cost of M$500m, M$441 m will be spent on construction and financing costs. A joint venture has been established between Kembangan Dinamki (M) (49%), Pilecon Engineering Bhd (25%) and Lyonnaise des Eaux-Dumex of France. The project sponsors signed the 20-year concession agreement with the Johor state government in June 1992. The sponsors have provided a completion guarantee to Equiventures as part of the package.

**Headline:**

**Source:**
*PF/10/92*

## Karumbunai power plant

**Activity Date:** 9 1994

In September, the Malaysian government announced that it will be privatizing the 120MW **Karumbunai power plant** in Kota Kinabalu. The project was awarded to a consortium consisting of Time Engineering, Aeas Setia and EPE Power Corp. Time Engineering will hold a 40 percent stake in the consortium and the other 60% will be split between the other two firms. The project has an estimated cost of M$350 million ($137 million).

**Headline:**
Private Power

**Source:**
*Far Eastern Economic Review September 22, 1994*

## Kedah Cement

**Activity Date:** 1992

An unknown number of shares were sold in **Kedah Cement** for $22 million.

**Headline:**

**Source:**
*World Bank - FS*

## Klang Container Terminal

**Activity Date:** 1992

A 40 percent stake in the **Kelang Container Terminal**, a shipping company, was sold for $60 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Activity Date:** 9 1992

According to a Malaysian government announcement, Klang Container Terminal will seek listing on Kuala Lumpur Stock Exchange in September 1992.

**Headline:**

**Source:**
*PI 9/92*

## Klang Port Authority

**Activity Date:** 5 1991

The privatization of the Klang Port Authority has been put on hold as of May, 1991, following a dispute between the Port Authority and Klang Port Management, the company acquiring the assets. The dispute surrounds the valuation of the company's assets, which the Port Authority puts at M$200 million, and the Port Management at M$100 million. Coopers & Lybrand has been called in to conduct an independent valuation.

**Headline:**

**Source:**
*PI*

**Activity Date:** 1992

The Malaysian government has handed over the management of Port Klang to a group of Malaysian private companies, for a selling price of $ 143m . Klang Port Management Sdn (KPM) - a new established company - will manage the port.

**Headline:**

**Source:**
*PFI 12/92*

## Malayan Railway

**Activity Date:** 1991

The government announced that Malayan Railway will be restructured in 1992. The railway is expected to be privatized 4-5 years later.

**Headline:**

**Source:**
*PI*

**Activity Date:** 9 1992

In September 1992, Malayan Railway, the state-owned Railway system is to be privatized. The railway was corporatized on January 1 and property assets are to be generated. The government plans to have the private sector operating and running the whole transportation system by year 2000. It is expected that all ports and airports will be privatized.

**Headline:**

**Source:**
*PI/9/'92*

## Malaysia Technology Development Corp (MTDC)

**Activity Date:** 9 1992

It was announced in September 1992 that the **Malaysian Technology Development Corp (MTDC)**, a state-owned venture capital and industrial technology company started in March 1992, would be privatized through a private offering. A stake of 70% of MITDC will be offered to banks, research institutes and other private sector entities whereas 30% of the stake in the company will be retained by the Trade Ministry. It is expected that M$140 million (US$55 million) will be raised from the privatization. MTC is to supply venture capital to local entrepreneurs in high-tech fields, debt finance convertible into equity, fee-based consultancy services and loan guarantees for start-ups.

**Headline:**

**Source:**
*PI/9/'92*

## Malaysian Agriculture Research & Development Institute

**Activity Date:** 10 1992

In October 1992, it was announced that the Malaysia Agriculture Research & Development Institute (Mardi), a state-owned research institute is to be privatized through joint ventures. It plans to commercialize all its dealings with the public. It also intends to generate revenue through its research findings by forming joint ventures.

**Headline:**

**Source:**
*PI/10/92*

**Malaysian Airlines**

**Activity Date:** 1985

The Malaysian government sold a 30 percent stake in the state-owned **Malaysian Airlines** for $76 million.

**Headline:**

**Source:**
*Harvard*

**Activity Date:** 1989

A 47 percent stake was sold in the **Malaysian Airlines** company for $70 million.

**Headline:**

**Source:**
*Perotti*

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**Malaysian International Shipping**

**Activity Date:** 1987

An 87 percent stake in **Malaysian International Shipping** was sold for $80 million through an international public offering.

**Headline:**

**Source:**
*Perotti*

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**Malaysian sewerage systems**

**Activity Date:** 7 1994

Management contracts totaling M$700 million are being sought for a nation-wide sewerage privatization project conducted by Indah Water Konsortium. Morgan Grenfell Asia was appointed financial advisor to the project. The privatization of management of state sewerage plants will take place up to August 1995 after which Indah will upgrade and construct new plants. Some contracts include a M$68.1 million job in Kuala Lumpur and a M$103 million phase in Penang. The project will run around M$6.1 billion, funded primarily by revenues earned from monthly tariffs averaging M$2 to M$10. Equity funds and government loans will cover initial expenditures.

**Headline:**
Indah Offers M$700m Contracts

**Source:**
*Project Finance International July 21, 1994*

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**National Film Board**

**Activity Date:** 9 1992

In September 1992, the National Film Board, the state-owned film enterprise is to be privatized.

**Headline:**

**Source:**
*PI/9/'92*

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**Palm Oil Research Institute (Porim)**

**Activity Date:** 10 1992

In October 1992, it was announced that Palm Oil Research Institute (Porim), a state-owned research institute is to be privatized.

**Headline:**

**Source:**
*PI/10/92*

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**Parwaja Steel**

**Activity Date:** 9 1992

In September 1992, Perwaja Steel, a state-owned steel company is to be privatized by public flotation in the local stock exchange.

**Headline:**

**Source:**
*PI/9/'92*

**Penang, Johor, Kuantan Naval Dockyards**

**Activity Date:** 1992

According to a Malaysian government announcement the Naval Dockyards of Penang, Johor, and Kuantan in Lumut will be sold through public offering.

**Headline:**

**Source:**
*PI 9/92*

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**Penang Port Commission**

**Activity Date:** 9 1993

In September, it was announced that the Malaysian government has authorized the corporatization of the Penang Port Commission and has rejected Penang's appeal against privatization. The government hopes carry out the entire transaction by the end of 1993.

**Headline:**
Malaysia's Ports Readily Saleable

**Source:**
*Privatisation International August 1993*

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**Perbadanan Nasional Bhd (Pernas)**

**Activity Date:** 1990

The Malaysian government sold a 90 percent stake in the state-owned **Pernas International Hotels**.

**Headline:**

**Source:**
*Perotti*

**Activity Date:** 1 1996

The government may soon approve the $547.3m buyout of **Perbandanan Nasional Bhd.**, the state holding company known as Pernas. The government's shares will be sold to Pernas executives, other state agencies, and the Pernas International Hotels & Properties unit.

**Headline:**
Big Malaysian Buyout Set

**Source:**
*Wall Street Journal January 9, 1996*

**Activity Date:** 3 1996

**Perbadanan Nasional Bhd** (Pernas) has been sold to a management buy-out (MBO) team for $450m in Malaysia's third largest privatization, ranking behind the privatizations of Malaysia Airlines and Hicom Holdings. Pernas International Hotels and Properties (PIHP), the vehicle for the MBO, announced in January that it would buy 300 million new PHIP shares from Pernas. In return it obtained controlling stakes in three listed firms: Tradewinds Bhd, Malayawata Steel Bhd and United Malayan Flour Mills Bhd. Pernas' new PIHP shares will raise its stake to 75.6% from 56%. Pernas will then sell a 32% stake in PHIP to the MBO team and divest its remaining PHIP stake to various Malaysian institutions, minority PHIP shareholders and the public, as well as Pernas employees.

**Headline:**
Malaysian MBO

**Source:**
*Privatisation International March 1996*

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**Permodalan Nasional**

**Activity Date:** 2 1993

Two Malaysian SOEs, **Permodalan Nasional** and UMW Holdings, signed a joint venture deal with Daihatsu.

**Headline:**

**Source:**

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**Perwaja Steel**

**Activity Date:** 5 1991

The Perwaja Steel company announced in May, 1991, that it plans to sell a 45% stake in the company. It is expected that the sale would be restricted to Malaysians, with 5% of the shares set aside for employees. It is reported that due to corporate losses the company would wither go under or privatize

**Headline:**

**Source:**

## Petronas

**Activity Date:** 1 1992

In January 1992, Malaysian state-owned oil company Petronas decided to sell its 8.9% stake in United Malayan Banking Corp (UMBC) to concentrate on oil activities. Petronas declined to make public the value of the sale, nor the identity of the buyer. Petronas is currently UMBC's second-largest shareholder.

**Headline:**

**Source:**
*FEER 1/23/92*

**Activity Date:** 1 1992

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**Headline:**

**Source:**
*FEER 1/23/92*

**Activity Date:** 7 1995

The Malaysian government's partial privatization of **Petronas Gas** is expected to begin during the week of July 19. The government expects to raise $1.5bn through a world-wide flotation of 450 million shares, approximately 25% of the company's equity, and by issuing debt. The international tranche of the flotation is expected to raise between $300m and $350m and the minimum share price has been set at $2.16 (M$5.30) each. Rashid Hussain, Malaysia's largest brokerage, is coordinating the various tranches.

**Headline:**
Malaysian Gas Sale Under Way Next Week

**Source:**
*Financial Times July 12, 1995*

## Petronas Dagangan

**Activity Date:** 1992

Petronas Dagangan, the oil/energy retailing and distribution subsidiary of State Owned Petronas, is to be privatized through Public offering. Petronas Dagangan will be floated on Kuala Lumpur Stock Exchange in 1992.

**Headline:**

**Source:**
*PI 9/92*

**Activity Date:** 1994

A 75 percent stake in the oil producer, **Petronas Dagangan**, was sold for $96 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Activity Date:** 2 1994

Malaysia's national oil company, Petronas, announced its plan for a March 1994 listing of **Petronas Dagangan**, its petrolueum products retailing subsidiary. Dagangan is the second largest petroluem gas retailer in Malaysia and is quickly gaining on the leader, Shell, because of its relative ease in acquiring permits for new stations. Twenty five percent of Dagangan will sold in a public offering of 94.5 million shares at $1.02 per share. Of these shares, 66.1 million will be reserved for sale to Malaysians with 28 million of the reseved shares going to investors selected by the Finance Minister, 13 million to employees and 25.1 million alloted by ballot to citizens. An additional 28.3 million shares will be offered to foreign and Malaysian investors at a minimum bid price of $1.02. Dagangan recorded profits of $28.5 million before taxes in 1993.

On March 8 the Malaysian government publicly listed 75% of **Petronas Dagangan**. Earlier this year 94.5 million shares in the company were sold to investors in an offering worth $98 million (M$264 million).

**Headline:**
March Listing for Petronas Dagangan

**Source:**
*Privatisation International* *February 1994*

**Port of Bintulu in Sarwak**

**Activity Date:** 9 1992

In September 1992, Malaysian government announced its plan to sell Port of Bintulu in Sarvak through public offering.

**Headline:**

**Source:**
*PI 9/92*

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**Pos Malaysia**

**Activity Date:** 9 1992

In September 1992, **Pos Malaysia**, the post office in Malaysia is to be privatized. A bill was passed allowing flotation of Pos Malaysia.

**Headline:**

**Source:**
*PI/9/'92*

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**Postal Service Department**

**Activity Date:** 1991

An executive select committee has issued a report to the Energy, Telecommunications, and Posts Ministry arguing for contracting-out several functions of the government's Postal Services Department. Full corporatization of the Ministry is scheduled for January 1, 1992. The legislature is currently debating a bill that would regulate the monopoly.

**Headline:**

**Source:**
*PI*

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**Proton**

**Activity Date:** 1991

The Australian government announced in its Master Plan that it plans to sell 10% of Proton, the wholly-owned government automaker, to domestic investors. The transaction is expected to take the form of a public offer, with shares being valued at US$1.3.

**Headline:**

**Source:**
*PI*

**Activity Date:** 1992

A 24 percent stake in the automobile company, **Proton**, was sold for $288 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

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**RTM**

**Activity Date:** 9 1992

In September 1992 RTM, the state-owned radio and TV network is to be privatized. RTM is to be corporatized soon.

**Headline:**

**Source:**
*PI/9/'92*

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**Rubber Research Institute (RRI)**

**Activity Date:** 10 1992

In October 1992, it was announced that Rubber Research Institute (RRI), a state-owned research institute is to be privatized.

**Headline:**

**Source:**
*PI/10/92*

## Sabah Electricity Board

**Activity Date:** 4 1996

The government plans to auction a portion of the **Sabah Electricity Board** in an effort to revitalize both the utility's cash flow and the state's energy supply. At least 13 Malaysian firms are waiting for government privatization tenders, but first the government intends to reform the electricity board's management structure, raise its 10 year-old prices, and have it buy electricity from small plants. A report commissioned by Kuala Lumpur's Economic Planning Unit suggests that the utility be managed more tightly as a government-controlled corporation, then privatized with a sale of at least a 30% stake to one company or consortium. In the next 10 years the company will need at least $1.6bn in infrastructure upgrading.

**Headline:**
Sell-Off in Sabah

**Source:**
*Far Eastern Economic Review April 11, 1996*

## Standards Institute (Sirim)

**Activity Date:** 10 1992

In October 1992, it was announced that Standards Institute (Sirim), a state-owned research institute is to be privatized.

**Headline:**

**Source:**
*PI/10/92*

## Syarikat Telecom Malaysia

**Activity Date:** 1990

A 31 percent stake in **Syarikat Telecom Malaysia** was sold for $871 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

## Telekom Malaysia

**Activity Date:** 1992

The Malaysia Government reduced its direct shareholding in privatized telecommunications company Telekom Malaysia to 75% from 78% following a placement of 60 million shares with foreign investors. The shares were sold to US, European, Japanese and other Asian institutional investors.

**Headline:**

**Source:**
*FEER 4/23/92*

## Tenaga National

**Activity Date:** 1991

Tenaga Nsional, the country's corporatized electricity board, has announced that it plans to float a minority stake of its stock. The float will occur through the national stock exchange and will probably have restrictions on foreign participation. Tenaga Nasional's assets are valued at US$ 4,810 million, with a total debt of US$2,431 million.

**Headline:**

**Source:**
*PI*

**Activity Date:** 1992

A 23 percent stake was sold in **Tenaga National,** the state-owned energy utility, for $1,185 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

### The Chemistry Department

**Activity Date:** 10 1992

In October 1992, it was announced that the Chemistry Department, a state-owned research institute is to be privatized. It is going to commence charging commercial rates for the work it performs for industry. It estimates that it will earn M$33 million for this work.

**Headline:**

**Source:**
*PI/10/92*

### Tradewinds

**Activity Date:** 1988

A 93 percent stake in the state-owned airline,**Tradewinds**, was sold for $6 million.

**Headline:**

**Source:**
*Perotti*

## *Mongolia*

### Chinggis Khaan

**Activity Date:** 4 1994

The government of Mongolia is currently seeking a foreign investor to buy a large stake in the state-owned **Chinggis Khaan** hotel. Although most small and medium public enterprises and shops in the service sector have been privatized since 1990, this is the country's first international offer. The new owner would have to complete the construction of the hotel as building stalled in the late 1980's when the government ran short of cash. The government plans to divest a majority or all of its interest in the hotel, and hopes to raise between $15 and $30 million. The Chinggis Khaan hotel has 184 rooms and is located in Ulaanbaatar.

**Headline:**
Mongolia

**Source:**
*Privatisation International April 1994*

## *Nepal*

### Agriculture Tool Factory

**Activity Date:** 4 1994

Audits and valuations of **Agriculture Tool Factory** were shown to the High Level Committee and Cabinet papers were prepared. Approval was given to sell 100% of the shares. Bids received were not expected to be evaluated untill after the November '94 elections. Intrados, subcontractor to PW/IPG, is advising.

**Headline:**

**Source:**

### Balaja Textile Industry Ltd.

**Activity Date:** 11 1993

Seventy percent of shares in **Balaja Textiles** were sold through a public tender on November 11, 1993 for NRs 12.4 million (about $264,000) to an investor group consisting of two well-known Nepalese businessmen. Intrados, subcontractor to PW/IPG, is advising.

**Headline:**

**Source:**

**Activity Date:** 12 1994

The government intends to sell 5% of the shares in **Balaja Textile Industry** to the company's employees at a discount, and the remaining 25% through a public offering in December 1994.

**Headline:**

**Source:**

## Dairy Development Corporation

**Activity Date:** 1994

Intrados, working as a sub-contractor to Price Waterhouse IPG, issued privatization strategies for the **Dairy Development Corporation** including separating the processing units into four regional companies with a 51% management block each. Remaining shares would be divided between the farmers, employees and general public.

**Headline:**

**Source:**

## Jute Development and Trading Corporation

**Activity Date:** 9 1993

The **Jute Development and Trading Corporation (JDC)** was finally liquidated on September 1993 when long-term liabilities and assets were transferred to the Ministry of Agriculture, with the land and buildings being valued at prevailing market prices. In this way, liabilities were offset and the remaining assets were transferred to the National Agricultural Research Council (NARC) and to the regional Ministry of Agriculture offices. In addition to worker entitlements paid by the company prior to liquidation, the Ministry paid redundant workers severance compensation amounting NRs 3 million (about $64,000). Intrados, subcontractor to PW/IPG, is advising.

**Headline:**

**Source:**

## National Construction Company of Nepal

**Activity Date:** 5 1994

Intrados, with the help of local valuers, carried on a valuation of the **National Construction Company of Nepal.** The information memorandum is currently being developed. Intrados, subcontractor to PW/IPG, is advising.

**Headline:**

**Source:**

## Nepal Bank Limited

**Activity Date:** 5 1994

The HLC initiated discussions concerning the sale of 25% of **Nepal Bank**. The sale of this stake would make NBL a private entity with 74% of total shares in private hands. A letter from the Central Bank has been requested to proceed with the development of an overall restructuring and privatization plan. Intrados, subcontractor to PW/IPG, is advising.

**Headline:**

**Source:**

## Nepal Bitumen

**Activity Date:** 5 1994

Three bids were submitted for **Nepal Bitumen** which closed on February 11. The High Level Negotiating Team met with these bidders in April to discuss terms of the sale agreement. Follow-up with the successful bidder was made in late April. The option to purchase 65% of Nepal Bitumen was offered to Suresh Vaidya & Associates after the primary bidder pulled out. A deposit of Rs600,000 (approximately 5% of the purchase price) was made on May 20, and final share transfer was recently completed. The remaining 35% will be sold to the general public in a year. Intrados, subcontractor to PW/IPG, is advising.

**Headline:**

Nepal: Privatization Assistance

**Source:**

*PAD Quarterly Report April 1994*

## Nepal Coal Limited

**Activity Date:** 5 1994

The 64 employees of the **Nepal Coal Limited** have asked to be allowed to buy the company. They are currently seeking financing through private banks. A purchase plan will be presented to the OPC by an employee's committee. Intrados, subcontractor to PW/IPG, is advising.

**Headline:**

**Source:**

## Nepal Film Development Company

**Activity Date:** 11 1993

An agreement was signed on November 11, 1993, for a purchase of 51% stake in **Nepal Film Development Company**. The remaining stake, owned by HMGN, will be offered to the public through the secondary capital market. On December 28, 1993, an agreement was reached with NIDC Capital Markets Ltds., a private company, to become the issue manager for the remaining HMGN shares. Intrados, subcontractor to PW/IPG, is advising.

**Headline:**

**Source:**
*PAD Quarterly Report April 1994*

**Activity Date:** 7 1994

A public offering of shares in **Nepal Film Development Company** offered in July 1994 was oversubscribed. The shares were bought by the public as well as film professionals and employees of the company. Full allotment of shares is likely to be completed by the end of September 1994.

**Headline:**

**Source:**
*PAD Quarterly Report April 1994*

**Activity Date:** 7 1994

A public offer for the remaining shares in Nepal Film Development Company was undertaken in July 1994 and was eight times oversubscribed. These shares were bought by the public, as well as film professionals and employees of the company. Full allottment of the shares is likely to be completed by the end of September.

**Headline:**

**Source:**
*PAD Quarterly Report April 1994*

## Nepal Foundry

**Activity Date:** 4 1994

All privatization recommendations for **The Nepal Foundry** were presented to the High Level Committee by Intrados, working under the PAD contract for Price Waterhouse IPG, on April 27,1994. Cabinet papers were prepared, with no controversy is expected. Three information memorrandums were sold, and will be opened and evaluated after the general elections in November '94.

**Headline:**

**Source:**

## Nepal Lube Oil

**Activity Date:** 5 1994

Twelve bids were submitted for the purchase of **Nepal Lube Oil**, which closed on February 14, 1994. The High Level Negotiating Team met in April with eleven of these bidders to discuss terms of the sale agreement. Follow-up with the successful bidder was made in late April. The option to purchase 40% of Nepal Lube Oil was offered to the Chaudhary Group after the primary bidder rejected the terms of the sale. A deposit of Rs1.52 million (about 5% of the purchase price) was made on May 20, and the total purchase of Rs30.425 million was accepted by the Ministry of Finance soon thereafter. Nepal Lube Oil already had 23% private ownership prior to privatization. Of the remaining shares, the government will offer 5% to employees and the rest will be offered to the public. Intrados, subcontractor to PW/IPG, is advising.

**Headline:**
Nepal: Privatization Assistance

**Source:**
*PAD Quarterly Report April 1994*

## Nepal Tea Development Company

**Activity Date:** 4 1994

Intrados, a PW subcontractor, recommended the privatization of **Nepal Tea Development Company** (NTDC). The company was placed on the agenda for presentation to the privatization committee in April. Recommendations included selling the NTDC without the encroached land being included as part of the package. The new owners will deal directly with the government if they wish to have additional lands. This alternative is to allow the farmers now on encroached land to remain settled on it and given rights of ownership.
No further descisions will be made until after the November '94 elections.

**Headline:**

**Source:**

## Raghupati Jute Mill Limited

**Activity Date:** 5 1994

A proposal that all financial obligations to HMGN by **Raghupati Jute Mill Limited** (RJML) be converted into company shares was submitted by OPC. Approval of the recommendation was given on May 12,1994, which gave HMGM a 99% stake in the company. A special general meeting of shareholders was called for and held on June 23. The restructuring plan was passed and on June 30, 1700 employees voluntarily resigned, and the company will pay over 70 million rupees in retirement benefits. There after liquidation will begin after the general elections. Intrados, operating as a sub-contractor to Price Waterhouse IPG, provided advisors for the process.

**Headline:**

**Source:**

## Rastra Banijya Bank

**Activity Date:** 5 1994

Intrados performed a restructuring and privatization study for the **Rastra Banijya Bank** in Nepal. Preparations are now taking place to begin implementing the recommendations.

**Headline:**

**Source:**

## Raw Hide Collection and Development Corporation

**Activity Date:** 12 1993

**Raw Hide Collection and Development Corporation**-Members of the Nepal Leather and Tannery Association had expressed interest in buying all the shares of HMGN and Nepal Industrial Development Bank. As of December 14, 1993, and agreement was signed and the transaction formally completed. A deposit of 5% of the agreed price was made in mid-November. However, due to conflicting rules and regulations governing the hide collection industry, negotiations were protracted. At the time of the agreement, a payment of NRs 2.8 million was received in lieu of face value for all share owned by HMGN and NIDC. Intrados, subcontractor to PW/IPG, is advising.

**Headline:**

**Source:**

*PAD Quarterly Report April 1994*

## Royal Nepal Airlines Corporation

**Activity Date:** 5 1994

A privatization implementation plan for **Royal Nepal Airlines Corporation** (RNA) was being developed in 1994. Further work on this transaction was postponed until the end of November, after the elections. Intrados is working with the OPC as a sub-contractor under the PAD contract.

**Headline:**

**Source:**

## Seti Cigarette Company

**Activity Date:** 5 1994

This enterprise was presented to the High Level Committe at the meeting held on May 27,1994. It was decided that the remaining 29.4% of the **Seti Cigarette Company** would be sold as a 25% block share and 4.4% to the employees. The information memorandum was posponed until the elections in November 1994. Intrados acted as an advisor.

**Headline:**

**Source:**

## Tobacco Development Company

**Activity Date:** 4 1994

A vote on April 28,1994 settled on liquidating **Tobacco Development Company (TDC)**. The Ministry of Industry and OPC staff realized that liquidating the assets would be a slow process and during that time liabilities could increase. As a result, the Ministry of Finance was requested to provide NR 15 million to pay off all obligations and serve as a reserve against future liabilities. The liquidation process is underway and a request has been made to the Cabinet for the release of funds designated for the payment of employees. Intrados, subcontractor to PW/IPG, is advising.

**Headline:**

**Source:**

## Allied Bank Ltd.

**Activity Date:** 8 1991

The Allied Bank Ldt. of Pakistan was partially sold to its 7,500 workers on August 11, 1991. Assisted by a government contribution of Rs 50 million, the employees of Allied Bank bought 26% of the bank at Rs 70 a share. A further 25% stake in the bank is scheduled for a public offering in late 1992.

**Headline:**

**Source:**
*Privatisation International*

## Bankers Equity

**Activity Date:** 1995

The planned sale of a 26% stake in **Pakistan Telecommunications** will be headed by Morgan Grenfell. The sale is expected to net $1.5bn., but due to the current political situation and business environment in Pakistan, it may be difficult to attract investor interest. Bids have also been encouraged for the sale of 26% of **Bankers Equity**, a development bank, as well as an unspecified equity stake in the **National Development Finance Corporation**.

**Headline:**
PT Picks Grenfell at Cut Price

**Source:**
*The Emerging Markets Monitor May 15, 1995*

**Activity Date:** 1995

Four groups have submitted bids to act as financial advisors in the partial privatization of the state-owned **Bankers Equity**, a bank that focuses on development finance. The four groups are headed by the local BMA Capital, Hong Kong & Shanghai Banking Corporation, Banque National de Paris, and the Bank of America. The government wants the sale to be organized by the end of the year and is expected to select its financial advisor by the end of May. In addition, the government plans to sell a strategic 26% stake in the company that will include management responsibility.

**Headline:**
Bids in for Bankers Equity

**Source:**
*Middle East Economic Digest May 26, 1995*

**Activity Date:** 3 1995

The government has requested bids from financial advisors to assist in the privatization of **Bankers Equity**, a bank that focuses on development finance. The government would like to sell a 26% stake in the bank to an investor that will also take over management of the company. Analysts believe the sale will be difficult because the firm's stock is presently over-valued and the bank has sold some of its best investment holdings over the last two years in order to temporarily boost its profits.

**Headline:**
Bankers Equity Privatization Starts

**Source:**
*Middle East Economic Digest March 24, 1995*

**Activity Date:** 1 1996

The government of Pakistan stated that its local financial advisor, BMA Capital Management, would announce those companies that had prequalified for bidding for a 26% stake of **Bankers Equity** (BE) before the end of January. Six Middle Eastern companies have applied for prequalification. Final bids are expected four weeks after prequalification.

**Headline:**
Bank Privatizations Press Ahead

**Source:**
*Middle East Economic Digest January 19, 1996*

## Exxon Chemical Pakistan Ltd.

**Activity Date:** 6 1991

The employees of Exxon Chemicals Pakistan bought out 27.8% of their company. The transaction of June is thought to the first of its kind in a developing country. The employees were assisted by a consortium of buyers that also purchased stakes in the company: the IFC (15%), The Commonwealth Development Corporation (10%), Asian Finance and Investment Corporation (7.5%) and Pakistani Investors. The remaining 25% of the company is owned by Pakistani citizens (14.7).

**Headline:**

**Source:**
*PI*

## Habib Bank

**Activity Date:** 1996

**Habib Bank**, Pakistan's largest bank, may be partly privatized by the government before the end of the year, with the privatization commission offering 26% of the bank's shares and transferring management functions to the new buyer.

**Headline:**
Privatization in Pakistan Faces New Test

**Source:**
*Financial Times January 29, 1996*

## Hazara Phosphate Fertilizer

**Activity Date:** 10 1992

During October 1992, the Pakistan Privatization Commission invited international and local companies to participate in open bidding for the purchase of Hazara Phosphate Fertilizer Ltd, a state-owned chemical plant. This is a subsidiary of Pakistan 's National Fertilizer Corp., which produces 90,000 tonnes per year of single super phosphate and 100 tonnes per day of sulfuric acid at Haripur Hazara. The plant, which is based on AZF Chimie technology, is worth US$12 million. The closing date for the bids is November 21, 1992.

**Headline:**

**Source:**
*IPR/10/92*

**Activity Date:** 11 1992

During November 1992, the government of Pakistan privatized Hazara Phosphate Fertilizer, a state-owned chemical company. The company was sold to an ex-federal minister, Haji Saifullah, at Rs 9.45 per share (US$ 0.38) which put the sale price at US$6 million. The purchase price will be paid within three years.

**Headline:**

**Source:**
*C\W12/92*

**Activity Date:** 5 1994

The Pakistani government sold **Hazara Phosphate Fertilizers** in an offer to the public on May 16 in its first round of industrial privatizations. The sale price of US$ 5.7 million represents only 80% of the original offer price. The vegetable oil producer Marafco Ghee Mills was sold at the same time and also received only 80% of the original offer price.

Five additional companies: vegetable oil producers E&M Oil Mills, Burma Oil Mills, Sargroh Ghee Mills, Swat Elleutrition, a clay refinery, and Shikapur Rice Mills, received bids for less than 50% of the offer price though they may still be sold to the highest bidders.

**Headline:**
In Brief: Pakistan

**Source:**
*African Business July 1, 1994*

## Hub River

**Activity Date:** 9 1992

In September 1992, the Hub River power project in Pakistan was signed after 4 years of negotiation. The project which is worth $1.7 billion is to supply 1,292 MW from an oil-fired station at Hub Chowki, 50 km west of Karachi. The World Bank, private sector development fund is financing a third of the work while the rest is being financed from private sector sources. The structure of the project is a B-O-O scheme which will sell its output to the state-owned Water and Power Development Authority (WAPDA).

**Headline:**

**Source:**
*PI/9/92*

## Investment Corporation of Pakistan (ICP)

**Activity Date:** 11 1993

In an announcement by its deputy managing director, Asadullah Khawaja, **The Investment Corporation of Pakistan (ICP)** is scheduled to be privatized. The ICP has approached the government on the process and is looking into privatization possibilities. It possesses a capital of Rs140 million (US$4.7 million) and is owned by the five largest banks, three of which are owned by the state. The ICP has floated 23 mutual funds and is considering a flotation of an overseas fund.

**Headline:**
News...In Brief

**Source:**
*Middle East Economic Digest November 26,1993*

## Ittehad Chemicals

**Activity Date:** 10 1994

The government of Pakistan announced the privatization of 11 local companies to be sold on October 30-31. Both local and international companies have been invited to bid for the purchase of shares as well as the transfer of management. The 11 companies are **Ittehad Chemicals, Sindh Engineering, Kohinoor Oil Mills, Burma Oil Mills, Maqbool Company, National Petrocarbon, Pak Hy-Oils, A&B Industrial Gases, E&M Oil Mills, Shikarpur Rice Mills,** and **Cotton Ginning Factory**. Company employees will be offered 10% of the shares. Share prices and net asset values will be announced the day of the sale. A total of 31 companies have been slated for privatization in 1994, and 18 have already been sold off.

**Headline:**
Eleven Units up for Sale

**Source:**
*Middle East Economic Digest October 28, 1994*

## Jamshoro power plant

**Activity Date:** 1996

The government of Pakistan is expected to sell a 26% stake plus management control in the **Jamshoro power plant** in 1996. The plant has assets of $430m and a generation capacity of 880MW.

**Headline:**
A Sale Gone Sour

**Source:**
*Far Eastern Economic Review February 15, 1996*

## Karachi Electric Supply Corporation

**Activity Date:** 1991

A 7 percent stake in the **Karachi Electric Supply Co.** was sold.

**Headline:**

**Source:**
*IPG*

**Activity Date:** 3 1992

During March 1992, the government of Pakistan announced the partial privatization of Karachi Electric Supply Corp., the 93% stake state-owned electricity utility. The Washington D.C. based International Resources Group Ltd. is putting together the strategic plan for the privatization of the utility. Initially one of the power plants will be sold, then there will be a distribution system. Following that, a complete divestiture will follow over five or six years. Thus individual components will be sold separately, rather than selling the system as a whole. Approximately 7% of KESC's stock is already publicly traded on the stock exchange of Pakistan.

**Headline:**

**Source:**
*IPR/3/92*

**Activity Date:** 2 1994

The Pakistani Government will privatize **Karachi Electric Supply Corporation** via a share sale on the Karachi exchange and through large-scale purchases by institutional investors. Foreign investors are expected to provide most of the capital required for the privatization.

**Headline:**
Karachi Power to go Private

**Source:**
*Middle East Economic Digest February 4, 1994*

**Activity Date:** 7 1995

**Activity Date:** 7 1995

The government of Pakistan announced that it will sell a 26% stake in **Karachi Electric Supply Corporation**, the state's electricity company.

**Headline:**
In Brief

**Source:**
*Middle East Economic Digest July 14, 1995*

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**Kot Addu power plant**

**Activity Date:** 1995

The 1600MW **Kot Addu power plant**, one of Pakistan's largest power facilities, with assets of $1.3bn, may be privatized by the middle of the year.

**Headline:**
Privatization in Pakistan Faces New Test

**Source:**
*Financial Times January 29, 1996*

**Activity Date:** 4 1996

National Power of the UK acquired a 26% stake in the **Kot Addu** power plant, one of Pakistan's largest state-owned power generation plants, for $215m. Part of the deal calls for National Power to assume responsibility for paying $756m of the plant's debt.

**Headline:**
National Power in Pakistan

**Source:**
*Financial Times April 3, 1996*

**Activity Date:** 4 1996

National Power (NP) won the competition to buy a 26% stake in the **Kot Addu oil and gas power station**. NP bid $215m for the plant, which was valued at $1.58bn. NP will also be responsible for paying a $756m export credit agency-backed loan originally used to build the plant. The Water and Power Development Authority (WAPDA) will own all outstanding shares. The plant has a 25-year power purchase agreement with WAPDA. Its expected shares in KAPCO will be sold to employees and the general public at a later date.

**Headline:**
NP Wins Kot Addu Tender

**Source:**
*Project Finance International April 11, 1996*

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**Kurram Chemicals**

**Activity Date:** 2 1992

During February 1992, it was announced that Kurram Chemicals a state-owned chemical plant has been privatized. Kurram Chemicals is a subsidiary of Federal Chemical and Ceremics which is based in Karachi. The plant was sold to Upjohn who paid 26% of a down payment for the acquisition.

**Headline:**

**Source:**
*CW/2/92*

**Activity Date:** 3 1992

During March 1992, the government of Pakistan privatized Kurram Chemical Co., a state-owned chemical plant. The plant is a subsidiary of Federal Chemical and Ceremic Corporation, owned by the government of Pakistan. It was purchased by Upjohn Company, a worldwide research-based provider of human health care products, animal health products, agronomic and vegetable seeds and speciality chemicals.

**Headline:**

**Source:**
*PRN/3/92*

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**Mari Gas Company**

**Activity Date:** 2 1994

It was announced in February 1994 that the Pakistani government would sell half of its 40% shareholding in **Mari Gas Company** through a share offering on the stock exchange. The transaction will be managed by Crescent Bank. Fauji Foundation, a trust fund for retired officers, also holds 40% of the company. Mari Gas produces an estimated 400 million cubic feet of gas per day.

**Headline:**
News

**Source:**
*Middle East Economic Digest February 25, 1994*

**Activity Date:** 6 1994

1994

The Pakistani government announced in June the oversubscription, by 30 times, of 20% of its direct stake in the **Mari Gas Company**. A total of 3.8 million shares (3.4 million on the stock market and 420,000 to company employees) were offered and sold at $0.82 per share, including a face value of $0.33 per share. Share values doubled in the first three weeks following the sale.

The government still holds a 20% direct stake in the company with 40% held by the local Fauji Foundation, 20% by the Oil & Gas Development Corporation (OGDC) and 20% by public investors and company employees. The company's paid-up capital is $6.9 million. Production from the field in Daharki is 390 million cubic feet per day. The field's estimated recoverable reserves are 5 million cubic feet.

**Headline:**
In Brief: Pakistan

**Source:**
*Middle East Economic Digest July 8, 1994*

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**Muslim Commercial Bank**

**Activity Date:** 1 1991

The Muslim Commercial Bank was privatized by the Bhutto government in January. A 26% stake will be auctioned to a single bidder, with 25% of the remaining shares to be floated on the stock market. Government authorities are expecting the total revenues from the float to be near $47 million dollars.

**Headline:**

**Source:**
*PI*

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**National Development Finance Corporation**

**Activity Date:** 1995

The planned sale of a 26% stake in **Pakistan Telecommunications** will be headed by Morgan Grenfell. The sale is expected to net $1.5bn., but due to the current political situation and business environment in Pakistan, it may be difficult to attract investor interest. Bids have also been encouraged for the sale of 26% of **Banker's Equity**, a development bank, as well as an unspecified equity stake in the **National Development Finance Corporation**.

**Headline:**
PT Picks Grenfell at Cut Price

**Source:**
*The Emerging Markets Monitor May 15, 1995*

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**Nowshera Chemicals**

**Activity Date:** 10 1992

During October 1992, the Pakistan Privatization Commission invited international and local companies to participate in open bidding for the purchase of Nowshera Chemicals, a state-owned chemical company . Nowshera Chemicals is located in Karachi. This company produces 600 tonnes per year of DDT and is a subsidiary of Federal Chemicals & Ceremics Corp. Ltd. The closing date for the bids is November 18, 1992.

**Headline:**

**Source:**
*IPR/10/92*

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**Pak Dyes and Chemicals**

**Activity Date:** 10 1992

During October 1992, the Pakistan Privatization Commission invited bids from international and local companies for the purchase of Pak Dyes and Chemicals Ltd., a state-owned chemical plant. Pak Dyes is located is Daudkhel and is a subsidiary of Federal Chemicals and Ceramics. The company is to be sold by November 19, 1992. It was established in 1958 in collaboration with Bayer and Hoechst of Germany. It manufactures 300 tons per year of sulfur black and 200 tons per year of dyes.

**Headline:**

**Source:**
*IPR/10/92*

**Activity Date:** 11 1992

During November 1992, the government of Pakistan privatized Pak Dyes & Chemicals, a state-owned chemical company. The plant was purchased by Haji Said, a local company for Rs 270 (US$10.86) per share.

**Headline:**

**Source:**
*CW/12/92*

**Pak Saudi Fertilisers**

**Activity Date:** 12 1995

The Privatization Commission of Pakistan announced it will privatize **Pak Saudi Fertilisers**. Bidding will take place on December 27 and transfer of the project should take place by mid-February. Ten to 15 consortia have bid on the project thus far. Plans also exist for the privatization of Wah Cement.

**Headline:**
Pak Saudi Fertiliser and Wah Cement to be Privatized

**Source:**
*Middle East Economic Digest December 8, 1995*

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**Pakistan International Airlines**

**Activity Date:** 1990

A 10 percent stake in the state-owned airline, **Pakistan International Airlines**, was sold for $11 million.

**Headline:**

**Source:**
*World Bank - FS*

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**Pakistan Railways**

**Activity Date:** 11 1992

It was announced in November 1992 that **Pakistan Railways** is to be privatized in phases. Only sections of the operation are being privatized since the purchase of an entire rail network would not appeal to any investor. Passenger ticketing and goods booking has been purchased by private investors on six sections of track. The Prime Minister, Sharif has begun negotiations with Swiss and French firms to lay new track and run high-speed trains from Karachi to Peshawar in the north.

**Headline:**

**Source:**
*FEER/11/92*

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**Pakistan Steel**

**Activity Date:** 3 1994

State-owned **Pakistan Steel** is seeking approval to offer public shares in order to raise $264 million to fund upgrading and expansion projects. Pakistan Steel hopes to increase capacity from the current 1 million tonnes to 3 million tonnes. This move, announced in March 1993, is part of a larger plan to boost investment in the company.

**Headline:**
Pakistan Steel to be Publicly Traded

**Source:**
*Middle East Economic Digest March 4, 1994*

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**Pakistan Telecommunications Corporation (PTC)**

**Activity Date:** 8 1991

**Pakistan Telecommunications Company** was created in 1990 through legislation which transferred the assets and liabilities of the Pakistan Telegraph and Telephone Department to the new company.

**Headline:**

**Source:**

**Activity Date:** 1992

The Government announced that it would like to sell 51% of **Pakistan Telecommunications**. The remaining 49% would be split between the government and employees. Pakistan Telecommunications earned a gross profit of US$420 million in 1990. AT&T and Cable and Wireless have both announced interest in the sale. The new owner would have a domestic monopoly for an agreed period of time

**Headline:**

**Source:**
*PI*

**Activity Date:** 9 1992

In September 1992, it was announced that the government of Pakistan had appointed Bear Stern and Coopers & Lybrand to assist in the privatization of **Pakistan Telecommunications Company**. The government would seek finance from the domestic and international markets according to a Coopers Partner. During the last six years Pakistan has doubled the number of phone lines to between 1.2 to 1.3 million

**Headline:**

**Source:**
*PI/9/92*

**Activity Date:** 11 1992

It was reported in November 1992 that **Pakistan Telecommunications**, one of four utilities up for sale, is considered to be the best managed. It made a profit of Rs. 7.5 billion (US$300 million) on sales of Rs. 12.8 billion (US$ 512.41 million) in 1991. Several foreign telecommunication companies, including AT&T of the US, Cable & Wire of Britain of Britain, OTC Australia and L.M. Ericssen of Sweden has begun negotiating with the Pakistani government. In the beginning the proposal to sell Pakistan Telecoms was opposed by the military since it depends on the utility for its communications. However the government has provided Rs 800 million to allow the military to set up a telephone network of its own.

**Headline:**

**Source:**
*FEER/11/92*

**Activity Date:** 1994

Plans to open up **Pakistan Telecommunications Corporation** (PTC) to management and substantial share holding by private investors are set to go ahead following the over-subscription of the second privatization tranche in September. Six companies including the US's AT&T, UK's Cable & Wireless and British Telecom, and KPM of Netherlands, are holding negotiations to buy 26% of PTC and take over management of the concern. An agreement is expected over the next 12 months.

**Headline:**
Investors go for PTC

**Source:**
*Middle Eastern Economic Digest September 30, 1994*

**Activity Date:** 6 1994

According to March reports from local sources, the Pakistani cabinet has approved the privatization of **Pakistan Telecommunications Corporation (PTC).** The government hopes to sell the whole company to a consortium of investors. Prior to the sale, PTC will be revalued and a corporate restructuring will be carried out. Part of the restructuring will include the incorporation of Telephone Industries of Pakistan and Carrier Telephone Industries, two small SOEs, into PTC. The government also plans to create the Pakistan Telecommunications Authority and the Frequency Allocation Board to oversee the industry. The privatization plan being discussed involved selling 26% to a strategic partner and 25% to local investors, though employees might also be included.

A June announcement reported that a 1% stake in Pakistan Telecommunications Corporation would be sold in August. Shares totaling $32.7 million (Rs1,000 million) will be sold to the company's employees and Pakistani nationals. Other investors may purchase shares at $0.33 (Rs10) per share, up to 10,000 shares.

**Headline:**
In Brief: Pakistan

**Source:**
*Middle East Economic Digest March 18, 1994*

**Activity Date:** 7 1994

This July the **Pakistan Telecommunications Corp.**(PTC), the monopoly firm serving 2.8 million people, plans to float 1% of its shares in local markets. Under the plan each share has a face value of PRs10, and each investor would be allowed a maximum of PRs10,000. The plan calls for a flotation of PRs1.2 billion (an estimated US$40 million), making the total estimated value of the firm PRs120 billion (US$ 4 billion). The valuation has raised much controversy, due to estimations that the company assets are undervalued by as much as 30%. This would make the estimated value of PTC at around US$9 billion. If the transaction succeeds, the government plans to invite bids in September from other telecommunication firms for up to 26% of PTC.

**Headline:**
Pakistan Rings in the Sale

**Source:**
*Asiamoney July/August 1994*

**Activity Date:** 8 1994

The partial flotation of **Pakistan Telecommunications Corporation** got underway on August 15, with a government offering of 1 percent of the company, valued at $33 million. Future plans include the sale of a further 26 percent of the shares next year to a strategic investor looking to manage the concern.

**Headline:**
Pakistan Telecoms Sales Under Way

**Source:**
*Financial Times August 15, 1994*

**Activity Date:** 8 1994

1994

The government announced in August that it planned to sell 3 percent of its shares in **Pakistan Telecommunications Corporation (PTC)** between August 15-17. One million vouchers will be made available to purchase shares in the company, each voucher redeemable for 100 shares of the Pakistan Telecommunications Company which will be incorporated within the next two years. The vouchers will have a face value of Rs3,000 ($1,000) and no minimum purchase requirements.

**Headline:**
Pakistan: In Brief

**Source:**
*Middle East Economic Digest August 19, 1994*

**Activity Date:** 8 1994

Privatization of **Pakistan Telecommunications Corporation** got underway last month with the sale of vouchers expected to raise PRs 3 billion ($98 million). The vouchers can be converted into stock once the company is listed on the stock exchange. The vouchers have a face value of PRs 10 and sold at a premium for PRs 20. To ensure that the offering benefited the small investor, there was a limit of no more than PRs 10,000 per investor.

Jardine Fleming International has been appointed joint global coordinator and book runner along with Muslim Commercial bank of Pakistan, of a 5m voucher placement. A book building process is underway and it is believed that the voucher sale could raise as much as $750m for the Pakistan government. The vouchers will be converted into shares once the company is privatized within the next two years. The move follows a domestic placing which showed heavy demand and is said to have raised $100m.

**Headline:**
PTC Vouchers

**Source:**
*Privatization International September 1994*

**Activity Date:** 9 1994

The success of the ambitious **Pakistan Telecommunications Corporation** (PTC) offering of 5m convertible vouchers (into shares) has shown that despite difficult market conditions, investors can still get exited about the right sort of deal. The 5m vouchers raised $900m for the Pakistani government, $400m above government estimates. One reason for the transaction's success was the structure of the deal, with the vouchers in dollar denominated global depository receipts.

**Headline:**
Flying Start for Pakistan Privatization Programme

**Source:**
*Financial Times September 19, 1994*

**Activity Date:** 1995

The planned sale of a 26% stake in **Pakistan Telecommunications** will be headed by Morgan Grenfell. The sale is expected to net $1.5bn., but due to the current political situation and business environment in Pakistan, it may be difficult to attract investor interest. Bids have also been encouraged for the sale of 26% of **Banker's Equity**, a development bank, as well as an unspecified equity stake in the **National Development Finance Corporation**.

**Headline:**
PT Picks Grenfell at Cut Price

**Source:**
*The Emerging Markets Monitor May 15, 1995*

**Activity Date:** 2 1995

Financial advisors have been invited to apply for the second phase of the **Pakistan Telecommunications Corporation**'s privatization. The government is seeking advice on the structure of this phase, which will involve the sale of a 26% share holding in PTC and the transfer of management control to a strategic investor.

PTC received 25 bids for the position of financial advisor, and the winner is expected to be named by the end of March. PTC's profits for 1993 were $458.4m, higher than expected. The 1994 results are expected to be released in March.

**Headline:**
Financial Advisors Sought for Telecoms Sale

**Source:**
*Middle East Economic Digest February 17, 1995*

**Activity Date:** 4 1995

Three potential advisors have been short listed for the pending sale of a 26% stake in the **Pakistan Telecommunications Corporation**. The companies are Morgan Grenfell, Morgan Stanley and Goldman Sachs. The planned offering will entail a 26% share offering and the transfer of management control to a strategic investor.

**Headline:**

**Source:**

PTC Profits Cheer Privatization Efforts

*Middle East Economic Digest April 14, 1995*

**Activity Date:** 5 1995

The government of Pakistan has selected Morgan Grenfell over Morgan Stanley and Goldman Sachs to be the financial advisor on the second sale of shares in **Pakistan Telecommunications Corporation** (PTC). The second share offering, expected to take place by the end of 1995, will consist of a 26% stake to be sold to an investor who will assume management control of the company. Telecoms groups in Asia, such as Singapore Telecom and Cable & Wireless, are expected to bid for the stake.

**Headline:**

Morgan Grenfell Wins PTC Second Phase Job

**Source:**

*Middle East Economic Digest May 12, 1995*

**Activity Date:** 8 1995

Morgan Grenfell has signed a contract to act as financial advisor for the privatization of **Pakistan Telecommunications Corporation** (PTC). The privatization entails the sale of 26% of PTC shares owned by the government, as well as the transfer of management control.

**Headline:**

In Brief

**Source:**

*Middle East Economic Digest August 25, 1995*

**Activity Date:** 12 1995

Prequalification of bidders for a 26% stake in the **Pakistan Telecommunication Corporation (PTC)** will take place in December. PTC is to become a limited company by January 1 and management control will be handed over to the winning strategic investor by March. A 10% share sale was completed in September 1994, with the state retaining an 88% share.

The Pakistani government will begin making presentations this week in preparation for the sale of a 26% stake in **Pakistan Telecommunications Corporation** (PTC) which may raise up to $10bn. The company's management will be transferred to the private sector by March 1996. PTC reported profits last year of $492m, up from $468.2m the year before, and as an added incentive, the government has assured potential buyers that they will be protected from competition by a seven year "monopoly guarantee."

**Headline:**

PTC Sets Privatization Timetable As Profits Rise

**Source:**

*Middle East Economic Digest December 1, 1995*

**Activity Date:** 2 1996

The privatization of a 26% stake in **Pakistan Telecommunications Corporation** (PTC) will be postponed until May. Morgan Grenfell, the financial advisor for Pakistan Telecommunications, stated that it needed more information about the company. The deal was originally slated to be completed in March.

The future of Pakistan's privatization program depends on the upcoming sale of a 26% stake in **Pakistan Telecommunications Corporation** (PTC). Previous PTC privatization attempts have been delayed due to fears of a threat to national security. The government is hoping to raise $2bn with this sale, but due to PTC's low stock price, analysts say such a figure is unlikely. The government is prepared to give potential investors the option to purchase another 25% stake two years after the initial purchase.

**Headline:**

Business Briefing

**Source:**

*Far Eastern Economic Review March 7, 1996*

**Activity Date:** 3 1996

Pakistan's privatization program has been questioned due to delays in recent privatization efforts. According to government sources, the sale of **Pakistan Telecommunications Corporation** (PTC) is likely to miss its scheduled privatization date of March 31 by at least six weeks.

**Headline:**

Failed UBL Sell-Off Raises Privatization Doubts

**Source:**

*Middle East Economic Digest February 9, 1996*

**Activity Date:** 4 1996

The government of Pakistan has converted **Pakistan Telecommunication Corporation** (PTC) into a public limited company called Pakistan Telecommunication Company (PTCL) as part of the country's planned privatization of the telecommunications service. The government expects to complete privatization in the sector by April. Prequalifiers for a 26% management stake will be announced in February and bids will be received in March. Deutsche Morgan Grenfell is advising the government.

**Headline:**

**Source:**

**Headline:**
In Brief

**Source:**
*Middle East Economic Digest January 12, 1996*

**Activity Date:** 4 1996

The privatization Commission has invited applications for prequalification for the purchase of a 26% stake in **Pakistan Telecommunications Company (PTCL)**. The winning bidder will also assume management control of the company. The deal is being advised by Germany's Deutsche Morgan Grenfell. No deadline has been set for applications but they aim to conclude the deal by April.

**Headline:**
Prequalification Bids Invited for Telecoms Sale

**Source:**
*Middle East Economic Digest February 16, 1996*

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**power plant**

**Activity Date:** 1 1996

Enron Corporation signed an agreement with the Pakistani government to build, operate, and own a 754MW **power plant** in Punjab, Pakistan for $670m. The Pakistani authorities signed an agreement to purchase power from the plant for 30 years. Enron is expected to begin construction in mid-1996 and the plant is expected to be operational in 1999.

**Headline:**
Pact Is Signed to Build Power Plant in Pakistan

**Source:**
*Wall Street Journal February 2, 1996*

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**Sui Northern Gas Pipelines Ltd. (SNGPL)**

**Activity Date:** 1992

A 33 percent stake in the **Sui Northern Gas Pipelines** was sold for $82 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Activity Date:** 8 1992

Sui Northern Gas Pipelines, the state-owned energy was privatized in August though public offering. Rs. 2 billion (US$ 80.06 million) worth of shares were offered for sale in the stockmarket. However not all the shares were sold and the government is thinking about lowering the price per share from Rs. 54 (US$2.162). Sui Gas monopolizes the supply of gas to northern Pakistan. The company plans to offer a stake of 40% to British Gas, Novacorp of Canada and Sofragas of France. This will comprise a total of 34 million shares of the company.

**Headline:**

**Source:**
*FEER/11/92*

**Activity Date:** 9 1992

In September 1992, the government of Pakistan had a public offering of about a third of the shares in SNGPL, the country's largest gas company. The shares were offered at Rs. 40.15 (US$1.62) each but only 20% of the 52 million shares, i.e. 10.4 million share, on sale were actually purchased. The total value of floated shares is about $16.85 m. The underwriter was Muslim Commercial Bank.

**Headline:**

**Source:**
*PI/9/'92*

**Activity Date:** 2 1994

The government will reduce its holdings in **Sui Northern Pipelines Company** to a minority share.

**Headline:**
Karachi Power to go Private

**Source:**
*Middle East Economic Digest February 4, 1994*

## Sui Southern Gas Company

**Activity Date:** 2 1994

The government will reduce its holdings in **Sui Southern Gas Company** (SSGC) to a minority share.

SSGC is one of two public gas distributiors which will be sold of later this year. The Pakistani Government is now receiving advice on gas pricing strategy, as experts believe this will be a critical factor in the attraction of interested buyers. Negotiations are also underway with Bear Stearns & Company, which would advise on the sale of SSGC to the private sector. The government intends to reduce its 90% stake in the gas company to 40%.

**Headline:** Karachi Power to go Private

**Source:** *Middle East Economic Digest February 4, 1994*

**Activity Date:** 1996

The government of Pakistan has set its privatization agenda for 1996 including the privatization of **Sui Southern Gas Company, Sui Northern Gas Pipelines, Oil & Gas Development Corporation,** and **Habib Bank**. The agenda also includes textile mills, power stations, and cement and fertilizer plants. The government's extensive plans are an attempt to satisfy the IMF, although critics of the privatization program claim that the plans are unrealistic and overly ambitious.

**Headline:** Failed UBL Sell-Off Raises Privatization Doubts

**Source:** *Middle East Economic Digest February 9, 1996*

## United Bank (UBL)

**Activity Date:** 1995

The government has appointed Credit Lyonnais Securities as the advisor in the sale of **United Bank**. Work on the company's privatization has not yet begun.

**Headline:** Bids in for Bankers Equity

**Source:** *Middle East Economic Digest May 26, 1995*

**Activity Date:** 1 1995

The government expects the planned privatization of a 26% stake in **Pakistan Telecommunications Corp**. by April and the sale of **United Bank** in the summer to generate between $1bn and $2bn.

**Headline:** Promises, Promises

**Source:** *Far Eastern Economic Review January 11, 1996*

**Activity Date:** 3 1995

Up to 26% of the the share of **United Bank Ltd.** will be offered this summer in the first phase of its privatization. The bank, Pakistan's second largest, is saddled with billions of dollars of bad debt. The sale follows the failure of past Pakistani governments to privatize the nation's two largest banks.

**Headline:** Privatization Blues

**Source:** *AsiaMoney March 1995*

**Activity Date:** 10 1995

The government of Pakistan has announced that it is seeking a strategic investor for a 26% equity stake, plus management transfer, in the **United Bank Limited**. The bank, Pakistan's second largest commercial bank, has a market share of 20% and has an extensive branch network throughout Pakistan and the Middle East. The government is seeking an investor with international banking experience, new banking products, technology, and a promise of new investment. By privatizing the bank, the government hopes to improve efficiency, develop capital markets, broaden the ownership base and increase revenue generation. The closing date for "Expressions of Interest" is October 22.

The sale of a 26% equity stake in United Bank follows revelations two years ago that the country's public sector banks had accumulated $2.3bn in bad debts over the previous two decades. United Bank and Habib Bank, another state-owned bank that might have its equity floted, accounted for almost $1.1bn in bad debts. Investors have expressed doubt over the level of demand for shares in the bank given overstaffed branches, union resistance to retrenchments and a history of bad debts. It is unclear whether the new investors will be asked to assume these debts or if the government will settle them before the transfer of management.

**Headline:** Announcement

**Source:** *Financial Times October 16, 1995*

Announcement

*Financial Times October 16, 1995*

**Activity Date:** 11 1995

The Privatization Commission is inviting bids from prequalifiers for a 26% stake in the state-owned **United Bank**, Pakistan's second largest commercial bank, on November 26. Eight groups have applied for prequalification.

**Headline:**
Pakistan

**Source:**
*Middle East Economic Digest November 24, 1995*

**Activity Date:** 1 1996

The government of Pakistan announced another delay in the planned sale of **United Bank** (UBL), the country's second largest bank. The sale has diminished confidence in Pakistan's privatization program which is under pressure to privatize UBL in order to secure an IMF loan and gain foreign exchange returns.

**Headline:**
Blow for Pakistan as Bank Sell-Off is Delayed Again

**Source:**
*Financial Times January 23, 1996*

**Activity Date:** 1 1996

The government announced that the sale of a 26% stake in **United Bank** (UBL) will be delayed for a second time in order to give the prequalified bidders more time to prepare their bids. The delay is raising doubts about the country's entire privatization process.

**Headline:**
Pakistan Bank Sale Off Again

**Source:**
*Financial Times January 30, 1996*

**Activity Date:** 2 1996

The Pakistani Privatization Commission failed to meet an IMF-sanctioned deadline for the sale of 26% of **United Bank**, the second largest state bank in Pakistan. Continuing progress in Pakistan's privatization program is a requirement for IMF lending and Pakistani officials hoped that a successful sale of United Bank would calm worries about the future of the large public-sector banking network.

**Headline:**
Small Mercies

**Source:**
*Far Eastern Economic Review February 29, 1996*

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## WAPDA,KESC,SNGPL,SSGC

**Activity Date:** 9 1994

Pakistan recently unveiled a five year plan for a sweeping privatization of the energy sector, preceeded by a major overhaul of public utilities to improve their saleability and the establishment of an investor-friendly regulatory framework. The Units earmarked for total or partial divestment are: Water and Power Development Authority (WAPDA), Karachi Electric Supply Corporation(KESC), Sui Northern Gas Pipelines LTD (SNGPL), Sui Southern Gas Corporation (SSGC)Pakistan State Oil, National Refinery Ltd., and Oil and Gas Development Corporation (OGDC). In July the World Bank approved a US$230 million loan to support the restructuring of WAPDA. The plan a also calls for the establishment of a National Power Regulatory Authority (NEPRA) to set standards and regulate a sector that will be ultimately by private operators; the adoption of a tariff pricing policy that will encourage buyers; and the offering of assets for sale. Government officials also say that the troubled KESC will be privatized by years end-1995, with 26% of it's shares being sold to a strategic investor. that will asume management control. Privatization officials also expect formal offers for both SNGPL and SSGC by the end of the year. The succesful bidders are to aquire a 26% stake in each company as well as management control.

**Headline:**
Five Year Plan for Utility Sales

**Source:**
*Privatization International September 1994*

## Water and Power Development Authority (WAPDA)

**Activity Date:** 3 1992

During March 1992 the government of Pakistan announced the complete privatization of the Water & Power Development Authority (WAPDA) System, the state-owned 7,100-MW water plant. Washington D.C. based International Resources Group Ltd. has put together a strategic plan for the WAPDA privatization which has been accepted by the government of Pakistan. Initially one of the plants will be sold, then there will be a distribution system. After that, a complete divestiture will follow over five or six years. Thus, individual components will be sold separately rather than selling the entire system at once. The first WAPDA plant to be sold will be the 892-MW oil-fired plant in Jamshoro, Sind Province, approximately 82 miles north of Karachi.

**Headline:**

**Source:**
*IPR/3/92*

**Activity Date:** 6 1992

In June 1992 the Water and Power Development Authority (WAPDA), the government-owned power plant is to be privatized. The strategy is to first sell power plant followed by the distribution system. The initial plant aimed at is an 892 MW oil-fired power plant in Jasmoro, in Sind province. Private power proposals have also been invited to install approximately 10,000 MW of hydro, and coal and oil-fired stations by 1999. It is estimated that this will cost around $16 billion. Pakistan's electrical energy sector has a capacity of about 8500 MW, with over 60% coming from thermal power stations. 35% of the power generated is provided to the industrial sector, 32% is supplied to the domestic sector, 20% is supplied to the agricultural sector and 13% is provided to other areas.

**Headline:**

**Source:**
*PPR/6/92*

**Activity Date:** 9 1993

The federal and provincial governments have agreed to allow part of the **Water & Power Development Authority (WAPDA)** to be privatized without any restrictions on participation. The first entities to be privatized will include thermal power stations and the power distribution sector. Hydroelectric plants will remain in the hands of the government. Joint ventures and foreign ownership of up to 100 percent will be allowed. WAPDA's capacity is an estimated 7,900 MW a year. Of this, the capacity of thermal power stations is 4,200 MW a year, hydroelectric stations produce the remainder. Total production of energy by WAPDA falls short of demand by an estimated 1,500 MW. The Privatization Commission, which is handling the process, is to decide on further details through meetings in the third week of September.

**Headline:**
Privatisation Reaches Water and Power

**Source:**
*Middle Eastern Economic Digest September 24, 1993*

**Activity Date:** 5 1994

It was reported in February 1994 that the Pakistani national assembly will pass a law permitting the privatization of the thermal power stations of the **Water and Power Development Authority (WAPDA)**. Under the plan, complete ownership of the power plants will be transferred into the foreign and domestic private sector. The sale could be worth up to $5 billion.

**Headline:**
News

**Source:**
*Middle East Economic Digest February 24, 1994*

**Activity Date:** 8 1994

In August, the Pakistani government, confronted by severe power shortages began to actively encourage private investment in power generation through the privatization of the **Water and Power Development Authority** or **(Wapda)**. Wapda's current production of 7,900 megawatts a year cannot meet the demand for power which exceeds production by 21 percent and is growing at a rate of 12 percent per year. To improve Wapda's output, the government plans to sell two thermal power plants and a distribution system in Faisalabad, Punjab as part of the first step toward privatization. There has been considerable interest from private sector investors as 250 projects have already been submitted. Seven power plant proposals have already been approved, however, only one has been able to confirm foreign financing, an issue which threatens to impede the transfer of power generation to the private sector.

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**Headline:**
Power for the People

**Source:**
*Far Eastern Economic Review August 4, 1994*

## *Papua New Guinea*

### Mineral Resources and Development Corporation

**Activity Date:** 11 1995

The government of Papua New Guinea announced that it plans to offer a 49% stake in its **Mineral Resources and Development Corporation** in the first half of 1996. It is expected that the stake will sell for $230m to $300m. The corporation controls the Porgera gold mine, the Kutubu oil development, the Misima gold mine, the Lihir gold mine, and other smaller mining developments. Solomon Brothers Australia is advising on the sale.

**Headline:**
Papua New Guinea to Float 49% of State Minerals Group

**Source:**
*Financial Times November 15, 1995*

## *Philippines*

### Coal-fired plant

**Activity Date:** 1991

Hopewell International has agreed with the Government of the Philippines to build a coal-fired power plant (350-MW) and operate it for 25 years. After twenty years, Hopewell will hand it over to the government at no cost. Authorities estimate the construction cost to be US$850 million, of which Hopewell will pay US$200 million, the Asian Development Bank and the government will divide the remaining costs.

**Headline:**

**Source:**

### Duty Free Philippines

**Activity Date:** 9 1992

In September 1992, the Philippines government announced the sale of majority stake of Philippines Duty Free (PDF). Currently PDF is a state monopoly under the department of Tourism. The sale will be made through an auction which is expected to raise an estimated $ 41.9 m.

**Headline:**

**Source:**
*PI 9/92*

### Hydropower Projects

**Activity Date:** 3 1996

National Power Corp. (Napocor) opened a tender in February for the development of 14 **hydropower projects** on a BOT basis. Bids are to be submitted by May 10 and the projects are scheduled for commissioning between 2000 and 2005. Without releasing details, Napocor said there were new pricing rules that had taken the risks associated with BOTs in hydropower projects into account.

**Headline:**
Hydropower Attractions

**Source:**
*Project Finance International March 13, 1996*

### Manila Electric

**Activity Date:** 1991

A 23 percent stake in **Manila Electric** was sold for $95 million.

**Headline:**

**Source:**
*Privatization Intenational Yearbook*

## Manila Hotel

**Activity Date:** 4 1994

Philippine officials report little progress in the **Manila Hotel** privatization. They did however suggest that trade buyers may be offered more than the originally announced 30 percent holding. Small shareholders and employees would be offered the remaining shares.

It was reported in June that up to 30% of Manila would be sold to strategic investors and then followed by a minor stock market offering.

**Headline:**
Petron Float May or June

**Source:**
*Privatisation International April, 1994*

**Activity Date:** 8 1994

In August, the Philippine government released a detailed, three-stage plan, similar to the plan for privatizing Petron, for the privatization of the **Manila Hotel**. According to the plan, shares in the hotel, owned by the Government Service Insurance System (GSIS), will be sold in stages. In the first stage, 20 to 30 percent will be sold to a "strategic partner" selected through an open bidding in October. The second stage provides for 20 percent to be offered to employees and GSIS members in December and in the final stage, a public offering of 5 to 15 percent will be conducted in January 1995. The GSIS will retain a 45 percent holding while the strategic partner will have a management contract and a mandate to provide a global tie-up and expertise in hotel operations. The strategic partner will also be expected to provide expertise and financial support for the hotel's stability and expansion. The sale of the Manila Hotel comes as profits have fallen by 25 percent each year since 1991 despite revenues rising to 600 million pesos ($2.9 million) a year.

**Headline:**
Philippines Steps Up Its Privatisation Drive

**Source:**
*Financial Times August 31, 1994*

**Activity Date:** 9 1994

The Philippine government announced in September that it intends to sell a 20-30 percent stake in the historic **Manila Hotel** to a "strategic partner" that would operate the hotel under a management contract. An additional 25-30 percent of the hotel will be sold on the stock market and directly to hotel employees and members of the Government Service Insurance System later. The government plans to retain a 45 percent holding. The 510 room hotel, with an average occupancy rate of 50 percent and only a very small profit in recent years, has been increasingly burdened by its lack of a viable international marketing network and competition from newer hotels in the business district of Makati. The government has estimated the hotel's worth at $53.7 million. Nearly 30 companies including ITT Corp., DBS Land of Singapore and Dusit Thani Corp. of Thailand, have expressed interest.

**Headline:**
With Occupancy Down, Philippines Seeks PArtner for Famed Manila Hotel

**Source:**
*The Wall Street Journal September 2, 1994*

**Activity Date:** 9 1994

The Philippine government will soon be winding down its privatization program. Since 1987 the program has generated sales of 118.5bn pesos ($4.5bn), including 35bn pesos ($1.3bn) from foreign investors. The biggest of these sales was the sale of Petron, the Philippine's leading oil corporation to Aramco, a Saudi company. Aramco acquired 40% at 14.7bn pesos ($560m), while the sale of another 20% to the public is expected to raise 6.8bn pesos ($259m). Another big ticket item up for sale may be the National Power Corporation, which has over 245bn pesos ($9.3bn) worth of assets. In the light of a successful privatization program, another jewel is the **Manila Hotel**. The hotel is being offered for sale by the state-employees pension fund which owns it, the Government Service Insurance System (GSIS). A public bidding next month will offer 20-30% of the 510-room hotel for a minimum price of 280m pesos ($10.6m). Another 20% will be offered to GSIS members, and another 5-15% will be made available in a public offer. The winner of the 20-30% bid will be responsible for the management of the project, and be expected to provide expertise and financial help to the company.

**Headline:**
Manila Hotel Awaits a Partner

**Source:**
*Financial Times September 12, 1994*

**Activity Date:** 1995

In early January, at the bid opening ceremony for the **Manila Hotel**, it was discovered that none of the four prospective buyers (ITT Sheraton, Marriott Corp., Ritz Carlton, and Renaisance) had actually submitted a bid. One

1995

prospective buyers (ITT Sheraton, Marriott Corp., Ritz Carlton, and Renaisance) had actually submitted a bid. One possible reason is that the $16.8m price for a 30% stake was considered too high, and another reason may be the hotel's location in old Manila where it cannot compete with its more modern competitors in the business district of Makati. The government, which also intends to sell 20% to the hotel's employees and 14% via public offering, says it will press ahead with the sale.

**Headline:** Not So Grand

**Source:** *Euromoney February 1995*

**Activity Date:** 1 1995

The Philippine government in January announced that it had failed to sell the 30% stake and management control of the **Manila Hotel**. The minimum sale price of $17.2m was considered too high by all potental investors including ITT Sheraton, Marriot International, Ritz Carlton and Renaissance International. The potential investors were also unhappy with the terms of the proposed management agreement. The Manila Hotel is just barely a profitable enterprise. Government officials say they will redraft the sale terms and hope to complete the sale sometime in 1995.

**Headline:** Sale of Manila Hotel Flops as the Bidders Bow Out

**Source:** *Wall Street Journal January 9, 1995*

**Activity Date:** 7 1995

After long delays, the Philippine government has amended the terms and conditions for the bidding on a 30% stake in the **Manila Hotel**. Despite reducing the price of the stake to $16.4m, a recently passed law requiring a government corporation to offer 10% of its stock via public offering prior to the sale of shares to a strategic investor may again postpone the bidding. The minimum price for the entire property has been set at $54.7m.

**Headline:** Manila Hotel

**Source:** *Privatisation International July 1995*

**Activity Date:** 9 1995

The long awaited sale of the **Manila Hotel** in the Philippines was completed in September. The winning bid of $25.9m was submitted by the Rening Overseas Corp. of Malaysia. The only other bid was submitted by Manila Prince Hotel Corp. The government will retain a 20% stake with the remaining shares to be sold to employees and the public via an IPO early next year. ITT Sheraton Corp. of the US will operate the hotel.

**Headline:** Control of Manila Hotel Sold

**Source:** *Wall Street Journal September 19, 1995*

**Activity Date:** 9 1995

After a false start earlier this year, the government of the Philippines sold a 51% stake in the **Manila Hotel** to ITT Sheraton, a unit of Sheraton International, for $30m. ITT offered the bid in partnership with Renong Berhad, a Malaysian group. The bid was accepted on September 18 over the bids of four rivals, including Renaissance, Ritz Carlton, Marriott Hotels International, and the local Manila Prince Hotel Corp. The Filipino government estimates that $22m in new investment will be required to restore the hotel's profitability.

**Headline:** Sheraton Buys Manila Hotel

**Source:** *Financial Times September 19, 1995*

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**Manila Light Rail Transit System**

**Activity Date:** 5 1992

Price Waterhouse IPG developed a privatization strategy for the **Manila Light Rail Transit System** in May 1992.

**Headline:** Philippines - Paper Industries Stake

**Source:** *Far Eastern Economic Review February 24, 1994*

## Manila Water and Sewerage System

**Activity Date:** 1995

The Philippines is about to begin the third and final phase of its nine-year privatization program, which will see the sell-off of the National Power Corporation (Napocor), the Manila water system, the postal service and state pension funds. Six investment banks have submitted bids to serve as the government's adviser on the sale of Napocor, which the government plans to execute within the next year. The International Finance Corporation will serve as the lead consultant in the privatization of the **Manila Water and Sewerage System**, which has already received more than 10 informal bids from foreign water companies.

**Headline:**
Ramos Orders Sell-Off Finale

**Source:**
*Financial Times November 30, 1995*

**Activity Date:** 10 1995

The International Finance Corporation announced that it will soon begin the restructuring and privatization of the **Metropolitan Manila Water and Sewerage Company** in the Philippines. Completion of the process is expected to take eighteen months. Contrary to previous expectations, Manila Water is unlikely to be split into 8 entities as they would be too small to be economically viable.

**Headline:**
Eighteen-Month Timetable for Manila Water

**Source:**
*Privatisation International October 1995*

**Activity Date:** 1996

The International Finance Corporation, which is acting as lead consultant to the privatization of the **Manila Public Water Authority**, hopes to submit plans for the utility's restructuring by the middle of the year and complete the sale by December. It is estimated that over $4bn in new investment will be required to update the water system, which loses more than half its carrying capacity through leaks and theft. The main issues hampering the sale include the possibility of laying off many of the authority's 9,000 workers and finding a way to get around a law limiting foreign ownership of strategic industries to 40%.

**Headline:**
Trying to Stop Profits Leaking Away

**Source:**
*Financial Times January 30, 1996*

**Activity Date:** 3 1996

Plans developed by the International Finance Corporation for the privatization of Manila's **water and sewerage system** were approved by the government on March 28. This will set the stage for the auction of Manila's water networks to concessionaires by the end of the year. The $5bn privatization is open to foreign bidders, but Philippine companies will retain majority control.

Benpres Holdings has expressed interest in acquiring the operating functions of state agency **Metropolitan Waterworks and Sewerage System** (MWSS), which is now the subject of a privatization study by the International Finance Corporation.

**Headline:**
Manila's Rocky Road to Economic Change is Price of Democracy

**Source:**
*Financial Times March 29, 1996*

**Activity Date:** 4 1996

International Water Ltd. (IWL), a joint-venture between UK-based Northwest Water and Bechtel, will bid for the **Metropolitan Waterworks and Sewerage System** (MWSS). IWL aims to take over MWSS' functions in water treatment, distribution, and tariff collection, as well as the building of the proposed Laiban dam for water supplies to metro Manila. In order to qualify for the bid, IWL will need to seek local partners due to a requirement that successful candidates must have at least a 60% local shareholding.

**Headline:**
Watery Venture

**Source:**
*Project Finance International March 27, 1996*

## Maricalum Mining Corporation

**Activity Date:** 12 1991

Price Waterhouse IPG performed a valuation, assembled an information memorandum, and devised a sales strategy for the **Maricalum Mining Corporation (MMC)** in December 1991. PW/IPG recommended that the Asset Privatization Trust sell all its shares in MMC to a strategic investor as a going concern.

**Headline:** Philippines - Paper Industries Stake

**Source:** *Far Eastern Economic Review February 24, 1994*

## Meralco

**Activity Date:** 12 1991

The Manila Electric Company was fully privatized through a public offer that closed in December. The shares were divided between A shares, which were sold at US$4.3, and the B shares, which were priced at US$4.6 and available to foreigners. Foreigners were also restricted to buying 40% of the 21.62 million floated shares. As of 1991, the company's assets were valued at US$950 million. Net income was US$33 million in 1990. About a fifth of the expected proceeds from the public offering (US$96 million) is expected to go to the government to pay off old corporate debts.

**Headline:**

**Source:** *PI*

## National Power Corporation

**Activity Date:** 1 1992

In January 1992, the National Power Corporation of the Philippines signed an agreement with the Hong Kong firm Hopewell Holdings to construct, develop, finance, and operate a 350 Mw coal-fired power plant. Hopewell Holdings will operate the power station, to be located on Pagbilao Grande Island, for 25 years, after which complete ownership will revert to the Philippines. Hopewell will contribute $200 million of the estimated $850 million cost, with the rest being funded by the World Bank and the Asian Development Bank.

**Headline:**

**Source:** *PWF 1/31/92*

**Activity Date:** 7 1992

Price Waterhouse IPG examined the privatization options for the **National Power Company (NAPOCOR)** in July 1992.

**Headline:** Philippines - Paper Industries Stake

**Source:** *Far Eastern Economic Review February 24, 1994*

**Activity Date:** 8 1995

The Philippine government announced that seven foreign investment banks are bidding to become the financial adviser for the privatization of **National Power Corporation**. The privatization is expected to raise more than $1bn. and bidders have paid a $50,00 nonrefundable application fee to participate.

**Headline:** Philippine Utility Draws Bids

**Source:** *Wall Street Journal August 29, 1995*

**Activity Date:** 11 1995

The Philippine Government is about to begin the third and final phase of its nine-year privatization program, which will see the sell-off of the **National Power Corporation** (Napocor), the Manila water system, the postal service and state pension funds. Six investment banks have submitted bids to serve as the government's adviser on the sale of Napocor, which the government plans to execute within the next year. The International Finance Corporation will serve as the lead consultant in the privatization of the Manila Water and Sewerage System, which has already received more than 10 informal bids from foreign water companies.

**Headline:** Ramos Orders Sell-Off Finale

**Source:** *Financial Times November 30, 1995*

**Activity Date:** 3 1996

The **National Power Corp** selected Merrill Lynch and Rothschild to oversee its restructuring and privatization program. Napocor intends to separate into a holding company and several generating arms to compete with private

program. Napocor intends to separate into a holding company and several generating arms to compete with private power generators. Under its 10 year restructuring program, Napocor plans to install 12,828MW of capacity, requiring $18.6bn in investments.

**Headline:** Napocor Chooses Advisors

**Source:** *Project Finance International January 31, 1996*

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**National Shipping Co.**

**Activity Date:** 3 1994

State-owned **National Shipping Co.** was sold to a consortium including the Filipino firm Madrigal Shipping and Taiwanese Wan Hai Lines. The sale price was $19 million (P510 million).

**Headline:** Shipping Firm Sold

**Source:** *Far Eastern Economic Review March 31, 1994*

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**National Steel Corp.**

**Activity Date:** 10 1993

The Philippine government announced plans in October to sell 65% of its stake in **National Steel**.

A June announcement reported that the attempt to privatize National Steel failed after the bids submitted were unable to meet the reserve price of P10 billion.

**Headline:** Philippines Sell-Off Continues

**Source:** *Financial Times October 21, 1993*

**Activity Date:** 4 1994

The Philippine government has selected the bid of a consotia of four firms to receive a 65 percent share of **National Steel**. The companies include the Ispat Group from India, Wing Tek from Malaysia and two Filipino consortia, AIA and the Exchange Capital group.

**Headline:** Petron Float May or June

**Source:** *Privatisation International April, 1994*

**Activity Date:** 8 1994

The Philippine government in August posted a first half loss of $2.2 million for the state-owned steel producer, **National Steel Corp.** Explanations for the decline in profitability, revenues were just 5.56 billion pesos ($2.1 billion), include soft prices for steel in both local and foreign markets and an influx of imported steel products. Future projections for the company show break-even results for the second half of the year steming from planned expansion programs and a revival in steel prices. The government expects to privatize the company later this year.

**Headline:** Concern Set to be Privatized Posts Loss for First Half

**Source:** *Wall Street Journal August 5, 1994*

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**North Davao Copper**

**Activity Date:** 1992

Price Waterhouse IPG performed a valuation and presented alternative privatization strategies for the **North Davao Copper mine** in December 1991. The company was liquidated in 1992.

**Headline:** Philippines - Paper Industries Stake

**Source:** *Far Eastern Economic Review February 24, 1994*

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**Oriental Petroleum & Minerals**

**Activity Date:** 2 1994

On February 15, 1994, the Philippine government announced its sale of 19.6% stake in **Oriental Petroluem and Minerals,** an oil-exploration firm. Tycoon John Gokongwei's G. Summit Holdings purchased 18.55 billion shares in the company at an undisclosed price.

**Headline:** Philippines - Oriental Stake Sold

**Source:** *Far Eastern Economic Review February 24, 1994*

## Paper Industries Corporation (PICOP)

**Activity Date:** 2 1994

Price Waterhouse IPG performed a valuation, assembled an information memorandum, and devised a sales strategy for the **Paper Industries Corporation (PICOP)**. An international consortium won a tender for a 72 percent stake in PICOP on February 15, 1994. The winning bid of $88 million was submitted by a consortium led by Davao-based Valderamma Lumber Manufacturing and includes Rosary Industries. PW/IPG was not involved in the sale.

**Headline:**
Philippines - Paper Industries Stake

**Source:**
*Far Eastern Economic Review February 24, 1994*

## PASAR

**Activity Date:** 1995

The rise of the Japanese yen has hindered the privatization of two large state-owned firms in the Philippines. **PASAR**, the world's 15th largest copper producer, and **Philpos**, Asia's largest producer of phosphatic fertilizer, have Yen debts totaling $1.7bn. As the Yen appreciates, the debt of these companies grows, making them less attractive to strategic investors and potential shareholders. Government officials have begun exploring schemes that will convert debt into equity.

**Headline:**
Reforms Rewarded With Debt Upgrade

**Source:**
*The Emerging Markets Monitor June 5, 1995*

## Petron Corporation

**Activity Date:** 12 1993

The Philippine government plans to privatize 40% of the state-owned petroleum refining and marketing company, **Petron**. The companies interested in Petron include British Petroleum, Aramco of Saudi Arabia, and Petronas. This tender is one of the more attractive assets the Philippine government has lined up for privatization and it is expected to raise $622 million. The Philippine National Oil Company (PNOC), the state owned energy group, will handle the tender. However, the opposition in the Philippine Congress argues that Petron represents strategic industry. Petron currently controls 40% of the Philippine market for petroleum products and it reported sales of $1.4 billion, more than any other company in the Philippines. The Philippine government also plans to privatize the Manila Hotel (35%), National Steel (65%), and Philippine Shipyard and Engineering Corporation (Philseco).

**Headline:**
Philippines Sell-Off Continues

**Source:**
*Financial Times October 21, 1993*

**Activity Date:** 12 1993

The Saudi Arabian Oil Company (ARAMCO) won a 40% stake in the Philippine oil company **Petronas.** The ARAMCO bid was for $502 million, which was $62 million above the minimum price of $440 million. Petronas is the largest refiner and marketer of petroleum products in the Philippines. In 1992, Petronas generated $57.7 million in income and as of the end of September 1993, the company generated $73.8 million in revenues. However, a problem arose concerning the bidding process when the Malaysian oil company Westmont decided to contest the decision because their bid was rejected by the Philippine National Oil Co. (PNOC), a holding company, without explanation. PNOC eventually revealed that the Westmont bid was thrown out because it failed to meet pre-qualification or technical requirements.

**Headline:**
Westmont Excluded From Oil Auction

**Source:**
*Financial Times December 17, 1993*

**Activity Date:** 1994

A 20 percent stake in the stae-owned oil producer, **Petron**, was sold for $340 million.

**Headline:**

**Source:**
*FEER*

**Activity Date:** 7 1994

In April, the Philippine government announced its plan to sell a further 20 percent of **Petron**, the national oil company. Details of the flotation, planned for May or June of 1994, have not yet been announced. One option the board is considering retains as many shares as possible for Filipinos, who would be allowed a maximum of 5,000 shares each. Remaining shares would be sold to international investors. Petron sold 40% of its shares to Aramco of Saudi Arabi earlier this year. That sale brought in $502 million on two billion shares sold.

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It was later reported that exactly 20% of Petron would be sold in July. The transaction is being advised and underwritten by the Philippine National Bank and the Development Bank of the Philippines.

A June announcement indicated that of the 20%(1 billion shares) stake to be privatized in Petron, 60% will go to domestic investors, 30% to foreign investors, and 10% to employees.

**Headline:**
Petron Float May or June

**Source:**
*Privatisation International April, 1994*

**Activity Date:** 7 1994

A July report announced that the state-owned oil company, **Petron**, would be privatized at a proposed price of nine pesos per share through a public offering. The company plans to list 20% of its capital stock, approximately one billion shares, on the Philippines stock exchange on July 18. The planned privatization is opposed by several members of Congress who argue that the government is selling off a strategic sector of the economy.

Petron has a 45% share of the local petroleum products market in the Philippines. This offer of 1 billion shares will reduce the government's holdings to 40%. The Saudian Arabian Aramco purchased a 40% stake in the company last December for $502 million. This second tranche of Petron shares will be sold in two phases. The first 700 million shares will be sold to Philippine nationals at 9 pesos per share, while the remaining 300 million will be sold in blocks of 6,000 shares at 9 pesos per share. The share price of 9 pesos is above the price of 6.7 pesos per share purchased by Aramco last year.

**Headline:**
Country Watchlist: Philippines

**Source:**
*Business Asia July 4, 1994*

**Activity Date:** 7 1994

A July report announced that the state-owned oil company, **Petron**, would be privatized at a proposed price of nine pesos per share. Petron has a 45% share of the local petroleum products market in the Philippines. This offer of 1 billion shares will reduce the government's holdings to 40%. The Saudian Arabian Aramco purchased a 40% stake in the company last December for $502 million. This second tranche of Petron shares will be sold in two phases. The first 700 million shares will be sold to Philippine nationals at 9 pesos per share, while the remaining 300 million will be sold in blocks of 6,000 shares at 9 pesos per share. The share price of 9 pesos is above the price of 6.7 pesos per share purchased by Aramco last year.

**Headline:**
Opposition Fails to Halt Petron Sale

**Source:**
*Financial Times July 19,1994*

**Activity Date:** 8 1994

The Philippine government announced in August that it had overcome opponents of the sale of a 20 percent stake in the state-owned oil company **Petron**. The plan calls for the sale of 1 billion shares to occur in two tranches. The first tranch would consist of 700 million shares sold to Filipino investors at 9 pesos per share from July 18 through August 5. The second tranch will consist of the remaining 300 million shares sold in blocks of at least 6,000 shares for a minimum price of 9 pesos per share. It is expected that the sale of shares will earn revenues of $340 million. Following the sale of the current 20% stake, the government's stake will be reduced to 40%. A 40 percent stake was purchased in 1993 by the Saudi Arabian group Aramco for $502 million (6.7 pesos per share).

**Headline:**
Petron Goes Ahead With Two-tier Offer of 20%

**Source:**
*Privatisation International August 1994*

**Activity Date:** 9 1994

The Philippine government is considering a proposal by the SEC in Manila to sell part of its remaining 40% stake in **Petron** to help alleviate the oversubscription for shares in last month's IPO. The IPO involved one billion shares, 20% of the company, of which 600 million were offered at a fixed price of P9($.34) per share; 300 million by tender, and the remaining 100 million through an employee stock ownership plan. The SEC estimates that another 5% of the government's remaining 2 billion shares would prevent the down scaling of subscriptions by small investors. The proposed sale of 100 million shares would reduce the government's stake in Petron to 38%. This proposal was made because Petron's IPO was oversubscribed by 76%, leading authorities to reject applications for 457 million shares. The sale would not be sufficient enough to cover the entire oversubscription, but would help alleviate the problem by raising the maximum number of shares for each investor from 1600 to 2500.

**Headline:**
Clamour for Shares in Petron Offer

**Source:**
*Privatisation International September 1994*

**Philippine Airlines**

**Activity Date:** 1 1992

In January 1992, Philippines accepted a $368 million bid for 67% of Philippine Airlines by AB Capital, a Philippine business consortium. Government retains a 13% share. The Government Service Insurance System holds 15%, the National Development Company holds 5%, and a further 5% will be sold to employees.

**Headline:**

**Source:**
*FT 1/31/92*

**Activity Date:** 2 1992

The Philippine government sold 67% of Philippine Airlines in February, 1992, for US$369.7 billion to a group of Philippine investors. The winning bid was 15% higher than the government base price of US$313.3. The government insisted that US$147 million be paid in cash, allowing the rest to be composed of discounted debt paper. The government assumed US$520 million of the airlines debt prior to the sale. Korean Airlines is a non-equity technical advisor to the winning consortium.

**Headline:**

**Source:**
*PI*

**Activity Date:** 3 1992

PR Holdings, a local business consortium, acquired a 67% share of PAL in March of 1992. The 9.7 billion peso price represents the largest single privatization transaction so far. The government retained a 13% share, 5% which will eventually be made available to employees. The Government Service Insurance System will retain 15%, and the National Development Company will retain 5%.

**Headline:**

**Source:**
*FT 3/26/92*

**Philippine National Bank**

**Activity Date:** 1989

A 30 percent stake in the state-owned **Philippine National Bank** was sold for $80 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Activity Date:** 3 1992

The former 100% state-owned **Philippine National Bank** sold 30% of its shares in 1989, becoming one of the country's few blue chips. According to Espiritu, President Corazon Aquino has approved a plan for the full privatization of PNB. The additional 21% of PNB's shares will be sold in Manila's stockmarket in March 1992.

**Headline:**

**Source:**
*FEER 1/23/92*

**Activity Date:** 9 1992

In September 1992, an announcement was made that the Philippines government plans to offer sale of a further 12% of Philippines National Bank.

**Headline:**

**Source:**
*PI 9/92*

**Activity Date:** 4 1994

The Philippine government plans to go ahead with an 8 percent sale of the **Philippine National Bank**. The deal remains in the planning stage. The bank is already 43% privately owned.

**Headline:**
Petron Float May or June

**Source:**
*Privatisation International April, 1994*

**Activity Date:** 1995

The **Philippine National Bank** will offer 8% of its equity to the public, reducing the government's stake from 57% to 49% this spring. Initially, 4 million shares will be put out to tender, followed at a later date by another 4 million shares. To ensure that half the shares are bought by small Filipino investors, the bank said it would limit the second

shares. To ensure that half the shares are bought by small Filipino investors, the bank said it would limit the second offer to 150 shares per investor and provide a warrant option within three years entitling the subscriber to an extra share for each two purchased.

**Headline:**
Filipino State Bank in Public Share Offering

**Source:**
*Financial Times February 21, 1995*

**Activity Date:** 1995

**The Philippine National Bank** (PNB) has indefinitely postponed plans to sell 8% of its shares to the public. The sale would have reduced the government's stake to 49% of the bank, effectively putting the bank under private control. Bank and Philippine Finance Ministry officials have stated that a $604m dispute between the bank and the national Treasury will have to be resolved. Bank president Arsenio Bartolome has said that he raised the dispute publicly because he believed that the bank could not pass the scrutiny of private investors. The dispute is over money owed on interest charges and penalties that, according to the PNB, the Treasury has owed since the bank's 1986 restructuring.

**Headline:**
Can of Worms

**Source:**
*Far Eastern Economic Review March 16, 1995*

**Activity Date:** 12 1995

The **Philippine National Bank** (PNB), the country's largest, increased the price of its third public share offering because of strong interest from subscribers. The third tranche reduces the government's share in the PNB from 57% to 49.8%. Expect 7.2% of the bank's capital to be sold off with 25% of the shares reserved for small investors in the form of warrants.

**Headline:**
PNB Lifts Price of Share Offer

**Source:**
*Financial Times December 15, 1995*

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**Philippine National Railway (PNR)**

**Activity Date:** 11 1992

During November 1992, the government of Philippines decided to privatize Philippine National Railroad (PNR), the state-owned railroad. The operation of the railroad will be transferred to private hands within the next two years. The government is negotiating with USAID for the funding for a study on the proposed privatization of PNR. Several companies, including South Korea's Daewoo Corp. and companies from Canada, Japan, and Indonesia are interested in purchasing the company. The PNR was established in November 24, 1892 and suffered a loss of 125.95 million pesos (US$5.03 million) on revenues of 150.38 million pesos (US$6.01 million). The company's assets are 4.12 billion pesos (US$164.97 million) and liabilities 3.73 billion pesos (US$149.23 million) in 1991.

**Headline:**

**Source:**
*XGN/11/92*

**Activity Date:** 6 1993

Price Waterhouse IPG prepared a privatization strategy for **Phillipines National Railway** in June 1993.

**Headline:**
Philippines - Paper Industries Stake

**Source:**
*Far Eastern Economic Review February 24, 1994*

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**Philippines Long Distance Company**

**Activity Date:** 5 1992

During May 1992 it was announced that the government of Philippines is going to privatize the Philippine Long Distance Telephone Co. (PLDC), the state-owned telephone company. The government will most probably sell a major portion of the shares or the shares of a new subsidiary company to a large US or European telecommunications company. This will occur after the presidential election in May 1992. PLDT's stock is traded on the Manila and New York stock exchange. It intends to enhance its equity position in order to undertake its P18 billion (US$706 million) expansion programme. The company also requires more direct access to fibre optic technology. The most likely candidate for this link is AT&T or one of the "Baby Bells".

**Headline:**

**Source:**
*FEER/5/92*

**Philippines National Construction Company**

**Activity Date:** 3 1992

An options paper for privatizating the **Philippine National Construction Co.**'s toll road was prepared by PW/IPG for the Philippine Transportation Authority (APT) in March 1992.The valuation assumed scenario combinations of traffic growth, discount rates, and tollway construction cost.

**Headline:**

**Source:**
*PW/IPG Staff*

**Philippines National Oil Company (PNOC)**

**Activity Date:** 9 1992

In September 1992, Philippines Government announced the sale of 30% of **Philippines National Oil Company (PNOC)**. As an initial step its shipyard will be auctioned for a minimum price of P420 million ($17.6 million). Price Waterhouse/IPG conducted a strategy plan for PNOC and valuations for two of PNOC's subsidiaries.

**Headline:**

**Source:**
*PI 9/92*

**Philpos**

**Activity Date:** 1995

There are reports that the rise of the Japanese yen has hindered the privatization process in the Phillipinnes. , Noteably, **PASAR**, the world's largest copper producer, and **Philpos**, Asia's biggest producer of phosphatic fertilizer, are two assets of the Filipino government that, collectively, are in debt for $1.7bn. Government officials maintain that privatization plans call for turning the debt into equity.

**Headline:**
Reforms Rewarded With Debt Upgrade

**Source:**
*The Emerging Markets Monitor June 5, 1995*

**Urban Railway**

**Activity Date:** 4 1996

Work has begun on a mass transit railway in Manila after years of bureaucratic in-fighting. The 17km elevated urban railway, which may cost $660m, is funded entirely by the private sector under the Philippine's BOT laws. The system is expected to be completed in late 1998. The consortium building the project, Ayala Land, Philippines largest property company, and Fil-Estate Management, a Chinese-Filipino group, has sought a change in commercial clauses governing the 25 year BOT contract.

**Headline:**
Work Starts on Manila Railway

**Source:**
*Financial Times March 28, 1996*

## *Singapore*

**International Factors**

**Activity Date:** 1993

A 39 percent stake in **International Factors** was sold for $27 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

## Public Utilities Board (PUB)

**Activity Date:** 8 1994

In August, it was announced by Singapore's government that the **Public Utilities Board (PUB)** is likely to be the next state-owned enterprise to be privatized. The plan, however, only calls for the electricity and gas department to be sold while the water department will remain state-owned. Fixed assets of the company had an estimated value of $4.3 billion in 1992. The next several years are expected to see several other companies privatized, particularly the Singapore Broadcasting Corporation (SBC).

**Headline:**
Power and Gas to Follow Telecoms

**Source:**
*Privatisation International August 1994*

## SAL Industrial Leasing

**Activity Date:** 1991

An unknown number of shares were sold in **Singapore Industrial Leasing** for $17 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

## Singapore Aerospace

**Activity Date:** 1990

An unknown number of shares were sold in **Singapore Aerospace** for $87 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

## Singapore Broadcasting Corp.

**Activity Date:** 6 1994

In preparation for the eventual privatization of the government owned Singapore Broadcasting Corp., the government announced in June the splitting of the company into four separate units. Currently three million people are served by the SBC's three television channels and a variety of radio programs in four languages. Two of the new units will run TV operations, the third will operate the radio network and the fourth will handle the engineering and production. The units will become part of a subsidiary of Temask Holdings, the government investment firm. Sell-offs will not occur for another several years.

**Headline:**
Singapore's Media Privatization

**Source:**
*Wall St. Journal July 19, 1994*

## Singapore Computer

**Activity Date:** 1991

An unknown number of shares were sold in **Singapore Computer** for $35 million.

**Headline:**

**Source:**
*Privatization International Yeabook*

## Singapore Petroleum Corp.

**Activity Date:** 1990

An unknown number of shares were sold in **Singapore Petroleum Corp.** for $58 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

## Singapore Power

**Activity Date:** 1996

The Singapore government announced that it will postpone the flotation of **Singapore Power**, planned for the middle of 1996, for several years. Government officials stated that the company needs more time to complete its reorganization. A successful flotation would have made it the second largest company on the Stock Exchange of Singapore and increased the liquidity of the stock market.

**Headline:** Singapore Power Flotation Postponed 'For Years'

**Source:** *Financial Times February 13, 1996*

**Activity Date:** 3 1996

The government announced in February that it would delay the public offering of **Singapore Power** for at least two years, citing the need to complete a reorganization and make the transition to a viable entity. Analysts have projected the utility's market capitalization at around $12bn. The government, however, may decide to move ahead with the privatization of Changi International Airport, Port of Singapore Authority, and Singapore Broadcasting Corporation, which was reported to be next in line after Singapore Power. The government may also decide to float a second tranche of shares in Singapore Telecom.

**Headline:** Singapore Plumps for Telecom

**Source:** *Privatisation International March 1996*

## Singapore Shipbuilding & Engineering

**Activity Date:** 1990

An unknown number of shares were sold in **Singapore Shipbuilding & Engineering** for $32 million.

**Headline:**

**Source:** *Privatization Interntional Yearbook*

**Activity Date:** 1991

An undisclosed number of shares were sold in **Singapore Shipbuilding & Engineering** for $15 million.

**Headline:**

**Source:** *Privatization International Yearbook*

## Singapore Technologies

**Activity Date:** 1993

A 25 percent stake in **Singapore Technologies** was sold for $114 million.

**Headline:**

**Source:** *Privatization International Yearbook*

## Singapore Telecom

**Activity Date:** 1993

Singapore Post and Singapore Telecom International are to be made into separate firms owned by Singapore Telecommunication.By next year, the main feature of the new company, Singapore Telecommunication, is that the postal and telecommunication services will be split. The companies have been provided with exclusive rights to provide telecommunications and postal services for the next 15 years.

**Headline:**

**Source:** *FEER4/16/92*

**Activity Date:** 1993

An 11 percent stake in **Singapore Telecom** was sold for $3,826 million.

**Headline:**

**Source:** *Privatization International Yearbook*

**Activity Date:** 9 1993

In September, the Singapore government is having second thoughts about both the size and timing of the sale of **Singapore Telecom**. Bankers had predicted that Singapore Telecomm would offer 25% of the company to be

1993

**Singapore Telecom**. Bankers had predicted that Singapore Telecomm would offer 25% of the company to be privatized in September. Telecomm received an income of S$1.01 billion (US$625 million) in fiscal year ending March 31. Prices have been predicted to be around US$0.62 to US$0.80 per share. However, the Finance Ministry indicates that US$1.24 is a more accurate amount.

**Headline:**
Aggressive Pricing in Singapore

**Source:**
*Privatisation International August 1993*

**Activity Date:** 9 1993

After the first day of trading for the initial public offering of **Singapore Telecom,** shares have been heavily oversubscribed. Approximately 10% of the company was floated in the first phase of the privatization. The government's minimum value on Singapore Telecom of S$30.5 billion (US$19.5 billion) may be driven up by market forces to between S$40 - 50 billion (US$25.57 - 31.96 billion).

The stock closed 15% up after the first day of trading for 11% of the company. The trading valued the company at S$63.14 billion (US$39.7 billion). The price per share reached S$5.00 (US$3.14) for the first day's high before closing at S$4.14 (US$2.60).

**Headline:**
Warm Welcome for Singapore Telecom Float

**Source:**
*Financial Times October 29, 1993*

**Activity Date:** 10 1993

In October, it was reported that **Singapore Telecom,** the state run telecommunications and posts utility, was valued at S$30.5 billion (US$19.5 billion). Singapore will offer between 1.1 - 1.9 billion shares of stock. The stock will be priced at S$1.95 - 2.00 ($1.255) per share depending upon from which group the stock is purchased. This offering is the first tranche of three; it is designed to encourage Singaporean citizens to purchase shares with two of the three tranches marketed for Singaporeans. Brokers expect the price to be above the S$2.00 (US$1.255) and the floatation of Singapore Telecom will increase the market's capitalization by almost a quarter.

This offering of Singapore Telecom represents approximately 6 - 8% of the company. The Singapore government will privatize the company in stages and will market the company both to domestic and international investors. This differs from the original proposed offering of 25% of the company to raise an expected $500 million. Singapore Telecom awarded Goldman Sachs the role as global coordinator of the offering.

**Headline:**
Singapore Prices Telecom Sale

**Source:**
*Financial Times October 12, 1993*

**Activity Date:** 12 1993

**Singapore Telecom** was valued at $40 billion on its first day of trading in December 1993.

**Headline:**
The State on Sale

**Source:**
*The Economist December 25-January 7, 1994*

## *South Korea*

### Korea Electric Power

**Activity Date:** 1989

A 21 percent stake in **Korea Electric Power** was sold for $2,100 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

### Korea Telecom

**Activity Date:** 1993

A 10 percent stake in **Korea Telecom** was sold for $100 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Activity Date:** 9 1993

1993

In September, it was announced that a 10%, or 29 million shares, of **Korea Telecom** will be sold to the public in the latter half of October. The capital generated will fund infrastructure projects. In order to avoid the flooding of Seoul's stock exchange, shares, which will go for about $31.00 per share, will be privately placed.

**Headline:**
South Korea--Korea Telecom Offer

**Source:**
*Far Eastern Review September 30, 1993*

**Activity Date:** 1994

In two disappointing domestic offerings, the Korean government tried to sell-off 10% of its stake in **Korea Telecom.** Only 21% of the shares were sold in the two IPOs. The Korean government hoped to raise 720 billion won ($890 million ). The initial offer was made October 20-21 and the second on November 8, 1993. It fared very poorly in comparison to the other initial public offerings of other state-owned Korean enterprises such as Pohang Iron and Steel Corp (POSCO), Korea Electric Power Corp (KEPCO), and the Singapore Telecomm IPO. In addition, Korea Telecom is one of the most efficient telecommunications operators in Asia, with over 260 lines per employee. Korea Telecom posted a net income growth of 14% to $728 million and total sales expanded 9.2% to top $6 billion. Korea Telecom planned to raise approximately 650 billion won for domestic infrastructure projects. As opposed to the offerings of POSCO and KEPCO (which were offered on the stock exchange), tenders were taken for Korea Telecom by the Korea Exchange bank's network. The stock was listed on the over the counter market due to perceptions of stock market sluggishness. Experts believe fear of oversubscription on the part of the Ministry of Finance, which limited eligibility to domestic and corporate investors, damaged the initiative. The government also imposed purchase limits and set a price which many deemed too high. Moreover, the Ministries of Finance and Communication disagreed over the price, leaving many investors to speculate. The Korean government will now try to sell the Telecom shares by private contract to the national pension fund at a discount.

**Headline:**
Investors Hang Up on Korea Telecom

**Source:**
*AsiaMoney December 1993/January 1994*

**Activity Date:** 11 1994

The Korean government successfully sold a 3% stake in **Korea Telecom**, the last remaining state monopoly. The issue was oversubscribed 42 times as more than 657,000 investors bid to purchase the 8.7 million shares being offered. As a result, the final sale price of $55.4m exceeded original estimates by $1.9m. The shares were auctioned with the shares being awarded to the highest bidders. The lowest bid price accepted was $60 and the highest was $135. The only problem stemming from the sale has been a sudden liquidity crunch as deposits (investors had been required to deposit 10% of their bid price) were returned to unsuccessful bidders, therefore raising the threat of domestic inflation.

**Headline:**
Telecoms Hot Line

**Source:**
*Asiamoney December 1994/January 1995*

**Activity Date:** 1995

The Korean Government plans to gradually reduce its 80% stake in **Korea Telecom** (KT) over the next four years, with full privatization by 1999. The Government will limit shareholders to a 3% stake. Ceilings will be placed on foreign ownership levels.

**Headline:**
Korea Telecom

**Source:**
*Privatisation International December 1995*

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**Korea Tungsten**

**Activity Date:** 4 1994

Keo Pyong, a real estate developer, became the first private purchaser of a public corporation in March 1994 when he bought a 21.4% stake of **Korea Tungsten Mining Co.** The holding had been the property of the Korea Development Bank. Keo Pyong bid $81 million, $11.4 million above the internally set selling price. Korea Tungsten's mining operation had expanded sales of 10% in 1992, but the company was particularly sought after for its substantial equity holding in POSCO - the steel giant, high priced real estate in Seoul, and huge tracts of forest throughout South Korea.

**Headline:**
Corporate Scramble for Korean Firms

**Source:**
*Privatisation International April, 1994*

### Pohang Iron and Steel Co. (Posco)

**Activity Date:** 8 1994

The South Korean government announced in August that it is considering several possible plans for liquidating its 35 percent controlling stake in **Pohang Iron & Steel Co.**, the world's second largest steelmaker. Among the proposed plans are: the possibility that one of Posco's two huge steel mills will be sold to one or several investors, effectively splitting the company; Posco could voluntarily abandon noncore operations such as telecommunications; or the company could remain relatively unchanged but lose its de facto monopoly in the steel market. Posco, which had sales of $8.7 billion last year as a result of its near monopoly on domestic steel, has already begun to streamline itself as seen in its debate over its role in the Shinsegi Mobile Communications Co., a consortium planning to build a multibillion dollar mobile-phone network, in which it purchased a controlling stake in just six weeks ago. Posco's efforts are in hopes of avoiding tougher measures by the government.

**Headline:** Korea May Cut Steel Giant Down to Size

**Source:** *Wall Street Journal August 12, 1994*

**Activity Date:** 1995

Korea's **Pohang Steel Company (Posco)**, the world's second largest and most cost-efficient steel manufacturer, may come up for privatization soon. Korea's reform-minded President, Kim Young Sam, is in favor of measures, such as the forced sale of a plant or government divestiture, that will reduce the clout of the company. Posco officials do not like such ideas because they fear that the company might be taken over by one of the country's two huge comglomerates. Posco is expected to post profits of $710.3m this year.

**Headline:** Korea Charting a New Course for Posco

**Source:** *Wall Street Journal March 30, 1995*

## *Sri Lanka*

### Airlanka

**Activity Date:** 7 1995

The government of Sri Lanka has announced that it is looking for a strategic partner to buy 40% of its national airline, **Airlanka**. The government also plans to sell a 9% stake to the airline's employees, reducing the government's stake to 51%. The country's Public Enterprise Reform Commission (PERC) has called for international tenders from advisory groups including investment banks and aviation specialists to provide consulting services. Recapitalization and restructuring of the airline, which had sales of $8m last year, is expected to be complete by June 1996.

**Headline:** Airlanka

**Source:** *Privatisation International July 1995*

**Activity Date:** 9 1995

A consortium led by Chase Manhattan Bank has won an advisory mandate for **Airlanka**. Chase won the bid over two other corsortia, one led by Citibank/American Airlines Training and Consulting, and the other led by NatWest Bank. It is expected that a 40% stake will be sold to a strategic partner while 51% will remain in the hands of the government, and 9% with the employees. The restructuring is expected to take about ten months.

**Headline:** Advising a Troubled Carrier

**Source:** *AsiaMoney October 1995*

### Ceylon Leather

**Activity Date:** 3 1991

Ceylon Leathers was privatized in March of 1991 through the government's 10-30-60 privatization plan. 30% of the firm's shares were floated on the stock exchange, 60% were sold to a local manufacturer, and 10% were given gratis to employees. The privatization was initiated in 1990.

**Headline:**

**Source:** *PI*

## Ceylon Oxygen

**Activity Date:** 1991

The 1991 public offering for Ceylon Oxygen was oversubscribed by a factor of five. The privatization plan followed a similar structure to other privatization programs in Sri Lanka whereby 30% of the corporate shares are floated on the stock market, a 10% stake in the company is transferred gratis to the employees, and 60% of the company is sold to a corporate investor. A Norwegian energy firm, Norsk Hydro, purchased the corporate share. The company is valued at US$2.25 million.

**Headline:**

**Source:** *PI*

## Colombo Gas

**Activity Date:** 1995

The government of Sri Lanka announced that they have received notice from 14 foreign investors interested in taking a 51% stake in **Colombo Gas**, the state-owned petroleum company. In order to register their interest, companies had to have assets over $200m and a proven track record in liquid petroleum gas transportation, terminalling, storage, and distribution. Enquiries ranged from European to Asian firms. The next step will be for the firms to issue bid documents.

**Headline:** Bidders For Colombo Gas

**Source:** *Privatisation International August 1995*

## Distilleries Co.

**Activity Date:** 1992

The Sri Lankan government sold its entire holdings in **Distilleries Co.**, a beverage manufacturer, for $36.3 million.

**Headline:**

**Source:** *World Bank - FS*

## Lanka Milk Foods

**Activity Date:** 3 1991

51% of Lanka Mill Foods was divested in March, 1991, through a public offering. The total value of the floated shares was US$12.6 million. Although there was foreign participation in the public offering, there is no exact breakdown of ownership.

**Headline:**

**Source:** *PI*

## Pugoda Textiles

**Activity Date:** 1 1991

The Pugoda textile Mills were privatized through a public offering in January of 1991. The privatization represented the eighth to occur through the stock market. The public offer raised US$750,000. with shares priced at Rs10 (US$.25).

**Headline:**

**Source:** *PI*

## Sri Lanka Telecom

**Activity Date:** 1996

The government has indicated that state-owned **Sri Lanka Telecom** is scheduled for privatization by the middle of the year.

**Headline:** Court Challenge to Telecom Award

**Source:** *Financial Times January 26, 1996*

### Tea Estates

**Activity Date:** 5 1992

During May 1992 it was announced that the government of Sri Lanka plans to privatize its tea estates since they have been incurring huge losses due to bad management. It is estimated that 22 private companies were selected to manage 449 of the 502 tea estates, starting in June 1992. The rest of the 53 estates are in too weak a financial condition to be handed over. Tea, which contributes more than US$500 million annually is the largest source of foreign exchange for Sri Lanka. The estates have been run by two state-owned companies who incurred US$83.3 million in debts to government banks from 1980 to 1991.

**Headline:**

**Source:**
*WSJ/5/92*

### Tea, Rubber, and Coconut Estates

**Activity Date:** 1993

The Sri Lankan government is expected to announce changes to contracts awarded last year for the private management of the 450 government owned tea, rubber, and coconut estates. Although the land will still be owned by the government, the contract period will be extended from the current 5 years to around 30 years and it may go up to forty years, which can be considered to be a privatization. The Sri Lankan agricultural industry needs the influx of capital to modernize the aging plantations and factories. This reform awaits approval from the Sri Lankan government.

**Headline:**
Plantation Reforms Expected Soon

**Source:**
*Financial Times October 12, 1993*

**Activity Date:** 11 1995

The government of Sri Lanka has only managed to sell 5% and 11%, respectively, of the 20% stake in each of the two most profitable plantations it has offered via initial public offerings. The two estates represent the first of 23 tea, rubber and coconut plantations the government will seek to sell off. Private companies that manage the two plantations have already acquired 51% stakes, while the government intends to offer 9% to employees and retain 20% in state hands.

**Headline:**
Sri Lankan Sell-Offs Falter

**Source:**
*Wall Street Journal November 3, 1995*

## *Taiwan*

### BES Engineering

**Activity Date:** 8 1993

After an unsuccessful offer of shares in which only 8% were subscribed, Taiwan's government is planning to go ahead in August with a new stock offer of a 51.49% stake in BES, a state-run engineering firm.

**Headline:**
Taiwan: A Hard Sell in a Soft Market

**Source:**
*Asia Money & Finance July/August 1993*

**Activity Date:** 7 1994

In June, **BES Engineering** became one of two companies in Taiwan to be privatized in 40 years. The Ministry of Economic Affairs also privatized China Petrochemical Development and still retains 21% of BES Engineering. The government plans to schedule another 20 companies for privatization.

**Headline:**
Pioneer Privatisations

**Source:**
*Far Eastern Economic Review July 7, 1994*

## China Airlines

**Activity Date:** 7 1992

In July 1992, China Airlines (CAL), a state-owned airline in Taiwan was approached by the Civil Aviation Administration of China (CAAC) to form a joint venture. CAL has not agreed to the proposal as yet. Airlines in Taiwan are waiting for approval from Taipei to begin direct services, although this is not expected to come before next year at the earliest.

**Headline:**

**Source:** *FEER/1992*

## China Petrochemical Development

**Activity Date:** 1991

The Government of Taiwan announced that an initial public offer of 170 million shares (20%) of China Petrochemical Development Corporation will occur before the end of 1991. Shearson Global is advising the government on the divestment.

**Headline:**

**Source:** *PI*

**Activity Date:** 1991

A 20 percent stake in the petrochemical producer, **China Petrochemical**, was sold for $110 million.

**Headline:**

**Source:** *Privatization International Yearbook*

**Activity Date:** 6 1994

It was announced in June that up to 31% of China Petrochemical would be offered domestically. The sale is being advised by China Development Corporation, with Core Pacific Securities as lead underwriter.

**Headline:** International Overview: Taiwan

**Source:** *Privatization International June 1994*

**Activity Date:** 7 1994

In July, **China Petrochemical Development** became one of two companies in Taiwan to be privatized in 40 years. The Ministry of Economic Affairs also privatized BES Engineering and still retains 36% of China Petrochemical. The government plans to schedule another 20 companies for privatization.

**Headline:** Pioneer Privatisations

**Source:** *Far Eastern Economic Review July 7, 1994*

## China Steel

**Activity Date:** 1989

An 8 percent stake in **China Steel** was sold for 285 million.

**Headline:**

**Source:** *Privatization International Yearbook*

**Activity Date:** 1991

Another tranche of 1.38 billion shares (20.4%) in China Steel is now being prepared for sale. This would bring the number of shares in public hands to 25%.

**Headline:**

**Source:** *PI*

**Activity Date:** 1991

A 12 percent stake in **China Steel** was sold for $295 million.

**Headline:**

**Source:** *Privatization International Yearbook*

**Activity Date:** 1992

A 15 percent stake in **China Steel** was sold for $865 million.

1992

A 15 percent stake in **China Steel** was sold for $865 million.

**Headline:**

**Source:**

*Privatization International Yearbook*

**Activity Date:** 7 1992

In July 1992, China Steel, a state-owned steel enterprise was privatized through public offering. A total of 1.04 billion shares were offered at a price of NT$21.14 (US$ 0.85) per share domestically and US$18.2 per depository receipt. This privatization reflects Taiwan's first offer outside Taiwan. The local offer to the general public was 6.7 times oversubscribed and the depository receipts offered internationally were also over-subscribed. The government has structured the offer in such a manner that local shareholders can purchase a further 25% of their holders at par at NT$10 (US$ 0.402) per share. The domestic adviser for the offering was Shearson Global and the global coordinator was Goldman Sachs.

**Headline:**

**Source:**

*PI/July 1992*

**Activity Date:** 9 1993

The Taiwanese government is expected to offer for sale 22% of China Steel, which would raise $1.1 billion.

**Headline:**

International Overview

**Source:**

*Privatisation International September 1993*

**Activity Date:** 1994

A 22 percent stake in **China Steel** was sold for $295 million.

**Headline:**

**Source:**

*Privatization International Yearbook*

**Activity Date:** 1994

In October it was announced that 1.75 billion shares in **China Steel** will be offered within the next 6 months, reducing the government's stake from 67% to 43%. The company which produces 6 million metric tons of crude steel each year, had net sales of $2.5 billion in FY94. The reduction of the government's stake to less than 50% will give the enterprise greater freedom in determining the company budget and in establishing policies. The firm is currently planning to build another blast furnace that is expected to boost production capacity to 8.5 million metric tons by 1997.

**Headline:**

Tough As Steel

**Source:**

*Far Eastern Economic Review October 20, 1994*

**Activity Date:** 7 1994

It was announced recently that a 22% stake in **China Steel** will be offered by June. Another offer of 5% is to follow, bringing state holdings to less than 50%.

It was later reported that a 17% share in China Steel would be offered in July 1994. The transaction is being advised and underwritten by the China Development Finance Corporation, Merril Lynch, and Daiwa Securities.

A June report stated that China Steel plans to make an international offering of up to 900 million shares

**Headline:**

International Overview--Taiwan

**Source:**

*Privatisation International March 1994*

**Activity Date:** 8 1994

The Taiwanese government in August failed to sanction a further overseas offering of shares in **China Steel** thereby limiting the current offer of 200 million shares (2.8 percent of the company) to domestic investors. Each share will be offered, through a public offering, at a price of $0.83 each against a market price of $1.06 for a final sale price of $166 million. This will be the 5th offering of state shares in China Steel and substantially smaller than the previously proposed offer of 450 million shares that included a 144A offering or the orignial plan to offer 900 million shares in New York.

**Headline:**

China Steel Domestic Offer

**Source:**

*Privatisation International August 1994*

**Activity Date:** 8 1994

China Steel's latest offer was a great success. The sale of 198 million shares was subsribed by about 32 times and an additional 40 million shares offered to employees were completely taken up. With the termination of this sale, 32.24% of China Steel is in private hands.

**Headline:**
China Steel

**Source:**
*Privatisation International September 1994*

**Activity Date:** 1995

**China Steel**, one of the world's three most profitable steel companies, faces the sale 1.45 billion shares of its stock, the largest offering in Taiwan's history. The shares will sell for an inexpensive $0.81 per share, and subscription is expected to be competetive. Curently the stock is trading at 12.6 times the forecast 1995 earnings per share, though analysts believe it should be trading higher. Analysts have also praised the government's efforts to reduce speculation in the issue.

**Headline:**
China Steel's Latest Offering is Poised to Overcome Past Privatization Failure

**Source:**
*Wall Street Journal March 3, 1995*

**Activity Date:** 1 1995

Taiwan's government has announced that it is conducting an investigation into the role of Core Pacific Securities in the upcoming sale of a 19.9% stake in **China Steel**. Core Pacific Securities was supposed to underwrite the sale of 1.443 billion shares, with a price of $.79 per share, by placing 800 million of those shares. An additional 443 million were reserved for employees and 200 million would be offered to the public through a lottery. The sale would have reduced the government's stake from 67.8% to 47.9% and, excluding shares sold to employees, earned revenues of $79m. The controversy stems from Core Pacific's underwriting of the privatization of two other companies and its subsequent appointment of board members giving it indirect control of these companies. While these activities are legal under Taiwanese law, they raise questions of professional discipline and lend support to the argument of opposition legislators that the government is giving away national assets and that the people involved are merely enriching themselves.

**Headline:**
Taiwan Steel Company Sell-Off Probed

**Source:**
*Financial Times January 10, 1995*

**Activity Date:** 3 1995

Investors applied for nearly 5 times as many shares as were available in the privatization of **China Steel**, Taiwan's leading steel maker. The Taiwanese government will effectively privatize the company by reducing its stake in the company from 67.8% to 47.9%. The 1.443 billion shares being offered are available at a price of $0.823 each. The total value of the floated shares is $1.2bn, and of the 1.443 billion shares, 443 million are earmarked for employee purchase, 280 million are reserved for retail investors, and 720 million will be placed through an application system that grants priority to individuals. Foreign institutional investors were allowed to apply for shares, but domestic investors were given precedence. China Steel is expected to become one of the world's top 15 steel producers when the current expansion is completed. The company posted pretax profits of $268.5m on sales of $1.4bn during the second half of 1994, up more than 12% from one year earlier.

**Headline:**
Steelmaker's Selloff Finds Favor

**Source:**
*Financial Times March 10, 1995*

**Activity Date:** 3 1995

**China Steel**, Taiwan's leading steelmaker, successfully completed its final phase of privatization last month. In what was the sixth offering, the government sold 1,433 million shares at a price of $0.84 (T$21.40) per share for a total sale price of $1.2bn. This offering reduced the government's stake in China Steel from 67.8% to 47.9%. About 720 million shares were set aside for institutions, while 280 million shares were reserved for retail investors and 443 million for employees. A caveat to the terms of sale is that institutional investors as well as large-lot investors may not sell their shares for a period of one year.

**Headline:**
China Steel Moves Into the Private Sector

**Source:**
*Privatization International April 1995*

**Activity Date:** 3 1995

The partial privatization of **China Steel** was completed in March when Taiwan's largest steel manufacturer made its biggest stock offering to date. The offer represented slightly less than 20% of China Steel's outstanding shares and reduced the government's stake to 47%. The $1.65bn issue consisted of 443 million shares offered to employees, 280 million shares to individual investors, and 720 million shares to individual investors in a private placement. Shares were offered at a fixed price of $.81.

**Headline:**
China Steel's Long Road to Privatization

**Source:**
*Asiamoney December 1995/January 1996*

**Chinese Petroleum Corp.**

**Activity Date:** 10 1995

In Taiwan the government announced plans for the sale of a 10% stake in the **Chinese Petroleum Corp.** in July 1997 as the first step toward the company's privatization by the year 2000.

**Headline:** Postscripts

**Source:** *Wall Street Journal October 13, 1995*

**Activity Date:** 10 1995

The government of Taiwan has announced plans to reduce its stake in the monopoly oil company, **Chinese Petroleum**, to between 45% and 49% over the next five years. The first stage will involve the sale of a 10% stake in 1997. Other transactions will include the offer of 21% to 33% to domestic individual investors, 15% to 20% sold to other oil companies and foreign investors, and 7% to 10% offered to employees. The company's main business will be sold first followed by smaller subsidiaries. Large subsidiaries are to become part of the main company and will be sold with it.

**Headline:** Chinese Petroleum to be Privatised

**Source:** *Financial Times October 13, 1995*

**Activity Date:** 4 1996

The government announced that it will sell shares in the state oil monopoly, **Chinese Petroleum Corp.**, next year and plans to reduce its stake in the company to less than 50% by 2000. The sale may raise up to $830m.

**Headline:** CPC Sell-Off to Begin Next Year

**Source:** *Financial Times April 10, 1996*

**International Commercial Bank of China**

**Activity Date:** 1992

An unknown number of shares were sold in the **International Commercial Bank of China** for $478 million.

**Headline:**

**Source:** *Privatization International Yearbook*

**Taiwan Machinery Manufacturing**

**Activity Date:** 5 1994

The Taiwanese Ministry of Economic Affairs plans to liquidate **Taiwan Machinery Manufacturing** which is running at losses of $6.8 million per month. The company's debts nearly equals its assets of $750 million. The closing will require the dismisal of 2,400 employees - the biggest lay-off by a state company since the mid-1980's.

**Headline:** Taiwan State Company Closing

**Source:** *Far Eastern Economic Review May 5, 1994*

**Taiwan Power Co.**

**Activity Date:** 9 1994

To end its monopoly on electricity production, the Taipei government picked 140 sites in central and southern Taiwan for hydroelectric power plants to be open to private investment. Under the new policy, state-run Taiwan Power Co., the island's sole provider of electricity, must allow private sector participation in 20% of it's planned power plants over the nex6t decade. Taiwan now has 36 hydroelectric plants, which supply 6.7% of total electricity; nine thermal plants generate 60.5% and three nuclear reactors provide 32.8%.

**Headline:** Taiwan Opens Power Sector

**Source:** *Wall Street Journal September 26,1994*

**Activity Date:** 1995

Taiwan Power is to be partially privatized via an international public offering during the next year. Lehman Brothers and Kleinwort Benson will be the company's advisors.

**Headline:**

**Source:**

**Headline:**
New Bids

**Source:**
*AsiaMoney June 1995*

**Taiwan Rail**

**Activity Date:** 1993

Taiwan is to open the $15 billion high speed Taiwan Rail project to private investors. More external funding is needed because additional funding from the state was rejected by the government, since it would have depleted state funds. The private sector may be allowed into as much as 60% of the project, as opposed to the original share of 45%.

**Headline:**
Private Role in Taiwan Rail

**Source:**
*Wall Street Journal July 30,1993*

## *Thailand*

**Bangchak Petroleum**

**Activity Date:** 10 1995

The government plans to sell a 31% stake in **Bangchak Petroleum**, with the Ministry of Finance selling a 6.7% stake and the state Petroleum Authority of Thailand offering its entire 24.3% stake. The sale will lower the government's holdings in Bangchak to 49%, with the state-owned Krung Thai Bank maintaining its 7.8% stake. The Industrial Finance Corporation of Thailand and the Crown Property Bureau, acting on behalf of the Thai royal family, will join together in acquiring a 10% share in the refiner. The remaining 21% will be offered to the public.

**Headline:**
Bangchak Sale

**Source:**
*Privatisation International November 1995*

**Electricity Generating Authority of Thailand**

**Activity Date:** 1 1996

The **Electricity Generating Authority**, Thailand's largest state enterprise, is being privatized. The result is that more than 35 companies, including Tanayong PCL, a Thai property developer, are bidding for $4bn worth of independent power generating contracts. In the specific case of Tanayong, it has joined with RWE AG of Germany to bid for a $440m power project in Ratchaburi, Thailand.

**Headline:**
Bid Set for Thai Project

**Source:**
*Wall Street Journal January 8, 1996*

**Electricity Generating Co. (EGCO)**

**Activity Date:** 1994

Retail investors turned out in force at the opening of a three-day subscription period for shares in the **Electricity Generating Co.**, a government owned power utility that is being privatized. More than 80,000 subscription forms were handed out to investors on November 7,1994; they will be eligible to subscribe for 3000 shares each. The company plans to float 204 million shares, of which 61 million are being allocated to retail investors.

**Headline:**
Rush for Power Issue

**Source:**
*Far Eastern Economic Review November 11, 1994*

**Activity Date:** 11 1994

It was announced in November that the government of Thailand will sell shares in **Electricity Generating Co. (EGCO)**, a subsidiary of the state-owned Electricity Generating Authority of Thailand (Egat), on November 7-9th. The company is valued at between $273m and $321m. The shares, priced between $0.68 (Bt17) and $0.80 (Bt20), are being sold to help Egco finance its purchase of a 1,200 MW Egat power station in Rayong. In Thailand's newly constructed electricity sector Egco is to compete with independent producers in selling electricity to Egat.

**Headline:**
Egco's IPO

**Source:**
*Privatisation International November 1994*

**Activity Date:** 1 1995

A recent offer of shares in Thailand's **Electricity Generating Company (EGCO)** was well received as more than 100,000 Thai investors sought to purchase shares. The sale price of $.88 per share had a price/earnings multiple of 17 for 1995, only slightly below the average for the Thai market. The success of the sale follows less than spectacular

for 1995, only slightly below the average for the Thai market. The success of the sale follows less than spectacular interest in the earlier sale of shares in the Krung Thai Bank and Thai Airways International. Thai Investment and Securities and Jardine Fleming acted as advisors to the sale.

**Headline:**
EGCO's Ecstatic Reception

**Source:**
*Asiamoney December 1994/January 1995*

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**Electricity Sector**

**Activity Date:** 9 1994

Foreign investors may bid in a program to privatize Thailand's electricity sector, the government said. Overseas companies won't be required to enter into joint ventures with local investors to participate in the country's first independent power-producer program later this year. The program will allow private investors to build power plants and sell electricity to state-run utility. Contracts could be awarded in about a year for several power plants to be operating by the year 2002.

**Headline:**
Thailand Opens Up a Sell-Off

**Source:**
*Wall Street Journal*
*September 22,1994*

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**Krung Thai Bank**

**Activity Date:** 1989

An unknown number of shares was sold in the **Krung Thai Bank** for $85 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

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**Mae Kham**

**Activity Date:** 3 1994

The **Mae Kham** power plant will be privatized in a BOT deal following the completion of the Ecgo project, currently underway.

**Headline:**
Mae Kham Shadows Egco

**Source:**
*Project Finance March 4, 1994*

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**Metropolitan Waterworks Authority**

**Activity Date:** 4 1994

The Thai government chose Arthur D. Little Inc. to do a study on the privatization of **Metropolitan Waterworks Authority** including its Mahasawat filtering project. Arther D. Little Inc. leads a consortium made up of Salomon Brothers and Finance One amongst others.

**Headline:**
Thailand

**Source:**
*Project Finance International April 25, 1994*

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**National Petrochemical**

**Activity Date:** 1993

A 23 percent stake in the petrochemical producer, **National Petrochemical**, was sold for $150 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

## Petroleum Authority of Thailand (PTT)

**Activity Date:** 4 1996

Thailand's state-owned oil company, the **Petroleum Authority of Thailand** (PTT), announced stock market listings for its three newly created subsidiaries. The main reason for seeking more public listings was to help the organization become "self-financing" while making the massive investments required to meet Thailand's energy needs. One of the subsidiaries, PTT Gas, will apply for a stock market listing at the end of this year. PTT Oil and PTT International will likely extend public offerings in 1997. PTT will probably retain a majority stake in the three new subsidiaries.

**Headline:**
Revamp at Thai Oil Group

**Source:**
*Financial Times March 26, 1996*

## PTT Exploration and Production

**Activity Date:** 1 1993

PTT Exploration and Production of Thailand is seeking foreign investors for 16 of 40 million shares (15% of the company). PTTEP expects to raise $47 million on its total value of $313 million. Other petrolem affiliated corporations that may also be offered are Thai Oil, Bangchak Petroleum, and 51% of National Petrochemical Corporation.

**Headline:**

**Source:**
*FT 1/22/1993*

**Activity Date:** 7 1993

PTT Exploration and Production of Thailand successfully floated 40 million shares (about 15% of the company), raising $51 million. The country's first privatization through public offer of 1993 was managed by Barclays de Zoete Wedd and Goldman, Sachs & Co.

**Headline:**
Thailand Taps a Gusher

**Source:**
*International Privatization Update July 1993*

**Activity Date:** 9 1993

The Thailand government offered 40 million shares of **PTT Exploration and Production**. This offering represents 15% of the company and raised $51 million.

**Headline:**
Energy

**Source:**
*International Privatization Update September 1993*

## PTT Gas

**Activity Date:** 4 1996

Thailand's state-owned oil company, the Petroleum Authority of Thailand (PTT), announced stock market listings for three newly created subsidiaries. The main reason for seeking more public listings was to help the organization become "self-financing" while making the massive investments required to meet Thailand's energy needs. One of the subsidiaries, **PTT Gas**, will apply for a stock market listing at the end of this year. PTT E&P sold shares to the public in 1993. PTT Oil and PTT International will likely extend public offerings in 1997. PTT will probably retain a majority stake in the three new subsidiaries.

**Headline:**
Revamp at Thai Oil Group

**Source:**
*Financial Times March 26, 1996*

## PTT International

**Activity Date:** 4 1996

Thailand's state-owned oil company, the Petroleum Authority of Thailand (PTT), announced stock market listings for three newly created subsidiaries. The main reason for seeking more public listings was to help the organization become "self-financing" while making the massive investments required to meet Thailand's energy needs. One of the subsidiaries, PTT Gas, will apply for a stock market listing at the end of this year. PTT E&P sold shares to the public in 1993. PTT Oil and **PTT International** will likely extend public offerings in 1997. PTT will probably retain a majority stake in the three new subsidiaries.

**Headline:**
Revamp at Thai Oil Group

**Source:**
*Financial Times March 26, 1996*

## PTT Oil

**Activity Date:** 4 1996

Thailand's state-owned oil company, the Petroleum Authority of Thailand (PTT), announced stock market listings for three newly created subsidiaries. The main reason for seeking more public listings was to help the organization become "self-financing" while making the massive investments required to meet Thailand's energy needs. One of the subsidiaries, PTT Gas, will apply for a stock market listing at the end of this year. PTT E&P sold shares to the public in 1993. **PTT Oil** and PTT International will likely extend public offerings in 1997. PTT will probably retain a majority stake in the three new subsidiaries.

**Headline:**
Revamp at Thai Oil Group

**Source:**
*Financial Times March 26, 1996*

## Telecom Asia

**Activity Date:** 1 1992

Nynex (US) announced in January 1992 that it will take a 10% stake in a joint venture with the CP Group to build a telecom network for Bangkok, Thailand. Total investment in **TeleCom Asia** is expected at $2.5 billion to $3 billion. Thai capacity is being upgraded to meet rapidly expanding market.

**Headline:**

**Source:**
*FT 1/23/92*

**Activity Date:** 7 1993

Thailand planned on issuing an IPO for **TelecomAsia** either in late 1993 or early 1994. The deal would reserve 60% of shares for the domestic market, selling the remaining 40% on international markets, raising an expected $300-400 million.

**Headline:**
Privatization Table

**Source:**
*Euromoney July 1993*

## Telephone Organization of Thailand

**Activity Date:** 1995

Coopers & Lybrand has advised the **Telephone Organization of Thailand** to sell 25% of its equity in the first step of privatization. Other recommendations in "The TOT--Restucturing and Privatization Study" called for an IPO of 21% of the company and a sale of 5% of equity to company employees in addition to the sale of a 25% stake to a strategic partner. The participation of the strategic partner is designed to modernize and improve the performance of the company.

**Headline:**
TOT to be Restructured

**Source:**
*Privatization International March 1995*

### Thai Airways International

**Activity Date:** 3 1992

On March 16,1992, the Thai government will publicly offer 7% of Thai Airlines on the Bangkok Stock Market, in the largest privatization move made thus far by the government. The public offer is expected to raise US$238 million. Trading on the stock exchange is set to open May 20. 40 million shares will be reserved for the general public and 15 million for sale to foreign investors. Analysts say that the prospective price/earnings ratio of 16.2 is high for the airline industry.

**Headline:**

**Source:**
*PI*

**Activity Date:** 4 1992

A 7 percent stake in **Thai Airways International** was sold for $240 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

## *Vietnam*

### BAO Viet

**Activity Date:** 6 1994

A joint venture between state-owned insurance company, **BAO Viet**, and British firm, Inchape, was formed in June. The JV is to be called Inchinbrok and is Vietnam's first JV involving an insurance firm. The JV is to work to provide general advising service on insurance, trade, and finance both in Vietnam and abroad, focusing on foreign invested projects.

**Headline:**
First Insurance JV

**Source:**
*Vietnam Investment Review June 13-19, 1994*

### Binh Minh Plastics

**Activity Date:** 8 1993

The State Evaluation Council of Vietnam has indicated that it intends to privatize Binh Minh Plastics through the sale of 120,340 shares valued at 100,000 dong ($10) each. The company's assets have been valued at 12,034 million dong ($1.2 million).

**Headline:**
A Market in the Making

**Source:**
*Asia Money & Finance July/August 1993*

### Hiep An Footwear

**Activity Date:** 10 1993

**Hiep An Footwear** became the second Vietnamese firm to undergo partial privatization in mid-October 1993. As reported by the official *Vietnam News*, the company offered 49,000 shares at a price of Dong 100,000 ($9.25) each.

**Headline:**
Vietnam - Second Privatization

**Source:**
*Far Eastern Economic Review November 25, 1993*

## Legamex State Company

**Activity Date:** 1992

Legamex State Company, a state-owned shoe and textile manufacturer located in Ho Chi Minh City, is the first state-owned company to be privatized in Vietnam. The advisor to the company is Credit Lyonnais. As much as 55% stake in the company was expected to be purchased by firms from Hong Kong, Germany, and Belgium. However, the privatization of the shoe company has been delayed by the government. The reason for this is the lack of legislation pertaining to foreign investment and ownership. According to Vietnamese Company Law, foreign ownership is prohibited. An exception to this was supposed to be made for Legamex, but has led to a delay in the privatization process since the legislation has to be revised.

**Headline:**

**Source:**
*IPU/9/92*

**Activity Date:** 9 1992

In September 1992, it was announced that Legamex, the garment factory located in Ho Chi Minh City, is the first state-owned enterprise to be sold to foreign investors. The company earned profits of US$15,600 in the first six months of 1991 but it is burdened with substantial debt. The company owes foreign and domestic banks over US$14 million. Four foreign firms are optimistic about the future earnings of Legamex and have signed contracts to buy shares even before the government approved the sale to foreigners. The government of Vietnam is using the sale of Legamex to foreigners as a test-case since it does not usually allow the sale of shares to foreigners. Under the director's plan set up, Legamex will sell 170,000 shares for US$4.3 million. Chiap Hua Overseas Development Co., a trading and investment firm based in Hong Kong will purchase 35% of the shares. Deutche Investitions Und Entwicklungs Gesellschaft, a German Development firm and Habitex, a garment firm from Belgium will purchase 10% stake each. About 41% stake will remain with Legamex and 4% will be sold to company employees.

Under the plan set up by Son, who runs the company, Lega Footwear will sell shares worth US$592,000. A 45.7% stake would be purchased by Bicar, a trading company which markets Legamex products and is located in Hong Kong. Employees would purchase 5% and the remaining 49.3% would be retained by Legamex.

**Headline:**

**Source:**
*FEER/9/92*

**Activity Date:** 9 1993

Vietnam launched its first public offering of stock as a part of its privatization program. It was reported that the Equitisation Committee sold off 100,000 shares of the garment manufacturing firm, **Legamex International Corporation.** Shares were offered to Vietnamese nationals. The stock can be transfered, however, they can not be traded until a formal stock exchange is established.

**Headline:**
Asia

**Source:**
*International Privatization Update September 1993*

## Refridgeration Engineering Enterprise

**Activity Date:** 12 1994

In December, it was announced by the official *Saigon Giai Phong* that **Refrigeration Engineering Enterprise** became a joint stock company.

**Headline:**
Business Briefing--Vietnam

**Source:**
*Far Eastern Economic Review December 16, 1993*

**Shipping Agents Co.**

**Activity Date:** 12 1993

In December, it was announced by the official *Saigon Giai Phong* that the Transport Ministry's **Shipping Agents Co.** became a joint stock company.

**Headline:**

Business Briefing--Vietnam

**Source:**

*Far Eastern Economic Review December 16, 1993*

**Thong Nhat Match Factory**

**Activity Date:** 9 1992

In September 1992, the government of Vietnam announced that it was considering the privatization of Thong Nhat Match Factory, a state-owned enterprise located in Hanoi. The privatization project is facing opposition from employees of the company who believe that the new board of directors will import new equipment and lay off workers. The factory made a profit of Dong 850 million in 1991. An agreement has not been reached as yet about the corporatization scheme with the Finance Minister regarding asset valuation. The issue of who the proceeds of the shares will go to is also causing controversy. The Finance Minister is of the opinion that his department should receive the proceeds since it financed construction and equipment purchases. Nevertheless, not many individuals or companies will consider purchasing shares in the company if this is the case since it will not be possible to modernize production with the proceeds of the sale.

**Headline:**

**Source:**

*FEER/8/92*

# Europe

# Europe

## *Albania*

### Merchant Marine Fleet

**Activity Date:** 5 1994

In May, the Albanian government began the privatization of its merchant marine fleet by auctioning off eight ships. This first phase of privatization will include the auction of an additional eleven ships. Employees will be given priority for ownership.

**Headline:**
Shipping - Albania

**Source:**
*PlanEcon May 11, 1994*

## *Bulgaria*

### Astika

**Activity Date:** 1995

The Bulgarian government announced the privatization of 80% of the shares of **Vitosha Summit International,** a hotel in Sofia. The privatization was part of a deal struck by Bulgaria to swap $100m in Brady bonds in exchange for the privatization of 13 state companies. Brady bond privatizations have been conducted mostly with Bulgarian Front Loaded Interest Reduction Bonds, and stipulate that profits cannot be repatriated for a period of four years. Other Brady privatizations included 80% of **Astika** brewery and 67% of **Burgasko Pivo** brewery. A central stock exchange will also be created to add more value to the shares.

**Headline:**
Brady Swap Opens Sell-Off Season

**Source:**
*The Emerging Markets Monitor May 15, 1995*

### Balkan Airlines

**Activity Date:** 8 1992

In August of 1992, it was announced that the Bulgarian state-owned airline, Balkan Air, would be privatized through a public tender offer to foreign investors, following its valuation by Western business consultants.

**Headline:**

**Source:**
*PlanEcon 8/19/92*

**Activity Date:** 2 1993

The privatization of Balkan Bulgarian Airlines (BBA), Bulgaria's state airline, has officially begun. The airline will retain its position as the national carrier as the state will hold at least 40% of the shares. Foreign investors will be allowed to hold up to 49% equity in the airline. The company has 4,000 employees and 60 Soviet-made aircraft.

**Headline:**

**Source:**
*PE 2/17/93, PI 2/93*

**Activity Date:** 1 1994

It was announced that the Bulgarian Government has changed its privatization strategy for **Balkan Airlines**. Under the new plan, composed by the Privatization Agency and approved by the Council of Ministers, the government will retain a 40% share. No less than 51% of the airline will remain in Bulgarian hands, with either individual or corporate investors. As much as 20% of the firm could be sold to the employees on special terms. The management of Balkan Airlines has come under heavy criticism from the Privatization Agency because the company lost $22.5 million last year. Management is also blamed for the firm's failure to attract foreign investors. The Minister of Transport challenged these claims and has ordered a review of the new privatization initiative. Ten days were alloted for the official review.

**Headline:**
Government Changes Privatization Plan

**Source:**
*PlanEcon February 2, 1994*

### Balkantourist

**Activity Date:** 8 1994

The Bulgarian government announced in August that it plans to sell **Balkantourist,** the company responsible for administering all tourist facilities. The plan calls for a 51 percent majority stake to be sold to a single investor, 20 percent to employees and the remaining shares to domestic investors. The plan also calls for equal terms for foreign and domestic investors. Several foreign firms have expressed interest including; Tui of Germany, Inghams of the UK and the Louis Organisation based in Cyprus. There have also been numerous interested domestic investors including; Multigroup, Tourist-Sport Holding, Tron and Bulvar Holidays and private airlines.

**Headline:** Bulgaria Plans to Sell Off Tour Operator

**Source:** *Financial Times August 4, 1994*

### Bulgarian Telecom

**Activity Date:** 1996

After having liquidated over 1,500 state enterprises worth nearly $10m, the government has indicated that it will sell 70 larger companies this year, with the international offering of a 25% to 30% stake of **Bulgarian Telecom** garnering the most attention.

**Headline:** Crumbs of Comfort....

**Source:** *Eastern European Monitor February 1996*

### Burgasko Pivo

**Activity Date:** 1995

The Bulgarian government announced the privatization of 80% of the shares of **Vitosha Summit International,** a hotel in Sofia. The privatization was part of a deal struck by Bulgaria to swap $100m in Brady bonds in exchange for the privatization of 13 state companies. Brady bond privatizations have been conducted mostly with Bulgarian Front Loaded Interest Reduction Bonds, and stipulate that profits cannot be repatriated for a period of four years. Other Brady privatizations included 80% of **Astika** brewery and 67% of **Burgasko Pivo** brewery. A central stock exchange will also be created to add more value to the shares.

**Headline:** Brady Swap Opens Sell-Off Season

**Source:** *The Emerging Markets Monitor May 15, 1995*

### Electronics firms

**Activity Date:** 10 1993

As a part of its privatization program, the government of Bulgaria is seeking partners/investors with and in the companies producing the following materials: ferrite cores and magnets, cash registers, connectors and microswithces, 3.5" diskettes and ballasts for fluorescent lights. Deloitte Touche Tohmatsu International is assisting the government in finding the appropriate investors.

**Headline:** Opportunities in Electronics

**Source:** *The Economist October 2, 1993*

### Gazobeton

**Activity Date:** 2 1994

An 80% stake in **Gazobeton**, Bularia's largest producer of concrete, was sold to Ytong Holding of Germany in February for DM 4 million ($2.3 million). Ytong will also spend DM 5.6 million ($3.2 million) over the next five years to modernize the facilities. The new company, Ytong-Bulgaria, will target local markets and exports to nearby countries.

**Headline:** Ytong Acquires Bulgarian Group

**Source:** *Financial Times February 2, 1994*

## Indevna

**Activity Date:** 3 1996

The government has announced the sale of **Indevna**, a soda ash production facility, which it hopes to sell for $100m.

**Headline:**
Can Beggars be Choosers?

**Source:**
*Central European March 1996*

## Kamenitza

**Activity Date:** 1 1994

According to January reports, Brau und Brunnen, a German-based brewer, was slated to acquire 67% of the Bulgarian brewery **Kamenitza**. Another 20% of Kamenitza was offered to its employees. The negotiated amount will be for DM4.112 million ($2.42 million). In addition, Brau und Brunned will invest DM3.8 million ($2.2 million), which will double production. Kamenitza currently produces 33 million liters of beer annually. It will continue to produce its own brand for at least another three years and will phase in Brau und Brunnen's Schultheiss beer under license.

In May, the Kamenitza deal fell through following disputes over the brewery's production figures. According to Brau and Brunnen, output at the Plovdiv plant was 32 million litres last year, 4 million less than Kamenitza had claimed. The government will seek a new investor, but will not lower the sale price. The brewerey sale was one of just three Bulgarian privatizations last uear which involved a transfer of majority ownership to foreigners.

**Headline:**
Business Report: Beverages--Bulgaria

**Source:**
*PlanEcon January 19,1994*

## Macro article

**Activity Date:** 1993

Bulgaria is planning to expand its privatization program by issuing bonds that citizens could invest in state-owned companies. The program would parallel efforts under way to sell off some state enterprises through stock ownership. The bond plan was to be introduced in the Parliament in September. Preliminary proposals call for the state to offer a $1,1000 credit to every Bulgarian over age 20 in privatizing about 500 firms valued at $6.6 billion.

**Headline:**
Bulgaria May Widen Privatization

**Source:**
*The Wall Street Journal August 5, 1993*

## Magnitni Glavni

**Activity Date:** 4 1994

In April, the Bulgarian government announced the cancellation of a contract to sell 80% of **Magnitni Glavni**, a producer of magnetic heads for computer disk drives, to Design Review International of the US. In the first privatization plan, Design Review was slated to pay $1.6 million for the stake but the deal fell through due to financing problems. In a second attempt, the US firm offered an exchange of stock, but no direct payment. According to reports, the Ministry of Industry had expressed reservations about the price prior to the deal's cancellation.

**Headline:**
Business Report

**Source:**
*PlanEcon April 13, 1994*

## Prima Lacta dairy

**Activity Date:** 12 1995

The government of Bulgaria announced that it sold a 75% stake in the **Prima Lacta dairy** in December for $3.5m. The enterprise was bought by a Bulgarian businessman, Hristo Nonov, who paid for the dairy with a combination of Brady bonds, foreign debt bonds, and cash. He agreed to invest an additional $2.62m in the firm over the next five years.

**Headline:**
Bulgaria Steps Forward

**Source:**
*Privatisation International February 1996*

## Republica

**Activity Date:** 12 1993

In December 1993, Bulgaria sold off its leading chocolate producer, **Republica**, to the Kraft Jacobs Suchard division of Philip Morris Companies Inc. in one of its first successful large privatization projects involving a Western firm. The foreign company agreed to acquire 80% of the company, while the remaining 20% will be reserved for employees. The company will invest $16 million in the Svoge factory and will continue to market Republica's products locally as well as introduce some of its own products.

**Headline:**
Bulgaria Sells Stake in Oldest Confectionaire

**Source:**
*International Privatization Update December 1993*

## Sofia Airport

**Activity Date:** 1 1994

Bulgaria's Ministry of Transport is seeking parties interested in a BOT operation for the reconstruction of **Sofia Airport**. Participants will recieve the right to operate the airport jointly with the Bulgarian government to repay the funds invested.

**Headline:**
Tender Invitation

**Source:**
*Financial Times January 14, 1994*

## Sofia Sheraton

**Activity Date:** 3 1996

When ITT, the manager of the Sofia Sheraton hotel, bid for a 25% stake of the hotel, . They never received a reply from the Privatization Agency.

**Headline:**
Can Beggars be Choosers?

**Source:**
*Central European March, 1996*

## Somat

**Activity Date:** 8 1993

A new chairperson, Mrs. Reneta Injova, was appointed to the supervisory board of the Bulgarian Privatization Agency and her first act was to dismiss the agency's chief executive Alexander Borshkov. Katya Georgieva assumes the postion of acting chief executive.

Meanwhile, the council of ministers has formally approved a decision to move forward with the privatization of transport group **Somat** and negotiations continue over the sale of cement companies and the **Balkan Airlines**. So far Bulgaria's privatization program has been dogged by a lack of political consensus and confusion caused by the restoration of property to pre-communist owners.

**Headline:**
Revolving Door in Bulgaria

**Source:**
*Privatisation International September 1993*

**Activity Date:** 7 1994

In Bulgaria's largest foreign investment to date, Willi Betz of Germany will purchase a 55% share of **Somat**, a long-distance trucking enterprise. The German concern will pay $55 million for a majority stake, and has promised to invest $48 million over the next seven years. The Bulgarian government will continue to hold 25%, and the remaining 20% will be offered to the firm's employees. Somat was once the dominant transport firm on the route from the Gulf to Western Europe, but the Persian Gulf War and strife in the former Yugoslavia have disrupted shipping. The company still controls nearly half of all road transport to the Middle East and is attempting to recover its market in the former-Soviet Union.

**Headline:**
German Group in Bulgarian Transport Deal

**Source:**
*Financial Times July 28, 1994*

### Storko EAD

**Activity Date:** 12 1995

The Privatization Agency of Bulgaria sold an 80% stake in **Storko EAD**, one of the country's largest canneries, to Luxcraft Trading of the UK for $12.9m, representing 223,022 shares. Luxcraft Trading will invest $6.5m in the factory over the next three years.

**Headline:**
Bulgarian Sale

**Source:**
*Privatisation International December 1995*

### Vitosha Summit International

**Activity Date:** 1995

The Bulgarian government announced the privatization of 80% of the shares of **Vitosha Summit International,** a hotel in Sofia. The privatization was part of a deal struck by Bulgaria to swap $100m in Brady bonds in exchange for the privatization of 13 state companies. Brady bond privatizations have been conducted mostly with Bulgarian Front Loaded Interest Reduction Bonds, and stipulate that profits cannot be repatriated for a period of four years. Other Brady privatizations included 80% of **Astika** brewery and 67% of **Burgasko Pivo** brewery. A central stock exchange will also be created to add more value to the shares.

**Headline:**
Brady Swap Opens Sell-Off Season

**Source:**
*The Emerging Markets Monitor May 15, 1995*

## *Croatia*

### Adria Auto d.d.

**Activity Date:** 9 1995

An Ilirija Banka broker bid $300,400 for a 16.42% stake (800 shares) in the Dubrovnik-based **Adria Auto d.d.** The sale price was 5% greater than the nominal worth of the share package.

**Headline:**
Press Release

**Source:**
*Ministry of Privatization: Croatia September 12, 1995*

### Automehanika-Servis Ltd.

**Activity Date:** 12 1994

In December, the Croatian government sold an 18.81% stake in Zagreb's auto mechanic **Automehanika-Servis Ltd**. The 4,329 shares were sold for $146 each to a Rijecka banka broker.

**Headline:**
Press Release

**Source:**
*Croatian Privatization Fund December 27, 1994*

### Bjelovar's Central Ltd.

**Activity Date:** 12 1994

The Croatian government sold a 28.84% stake in the trading and tourism firm **Bjelvar's Central Ltd** in December. The 13,319 shares were sold for a price of $65 each.

**Headline:**
Press Release

**Source:**
*Croatian Privatization Fund December 27, 1994*

**Bokanjac d.d..**

**Activity Date:** 7 1994

A 28.57% stake in **Bokanjac d.d.**, an agricultural and fishing company, was privatized as part of the Croatian Privatization Funds weekly auction for frozen foreign currency deposits. The stake represented 36, 234 shares, and the price was set at 100 marks per share. This was part of nine companies sold on the Zagreb stock Exchange, raising a total of 7.8 million marks.

**Headline:**
Croatia sells 7.8 mln marks shares in nine firms

**Source:**
*REUTERS Zagreb Joy 18, 1994*

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**Brionka d.d.**

**Activity Date:** 9 1995

The government of Croatia has announced the sale of 38,000 shares, representing a 28.69% stake in the pasta maker **Brionka d.d.**, to Kovacic Invest for a sale price of $2.71m.

**Headline:**
Press Release

**Source:**
*Ministry of Privatization: Croatia September 12, 1995*

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**Cetra Ltd.**

**Activity Date:** 12 1994

The Croatian government in December sold a 20.54% stake in the commercial and accountancy firm, **Cetra Ltd.** The 6,907 shares were sold for $65 each.

**Headline:**
Press Release

**Source:**
*Croatian Privatization Fund December 27, 1994*

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**Chromos Agro Ltd.**

**Activity Date:** 1 1995

The Croatian government in January sold an 11.67% stake in the fertilizer manufacturer **Chromos Agro Ltd**. The 15,841 shares were sold for $65 each.

**Headline:**
Press Release

**Source:**
*Croatian Privatization Fund January 2, 1995*

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**Dalekovod d.d. Zagreb**

**Activity Date:** 9 1994

The Croatian government in September issued an invitation to tender on the 56.9% stake it is selling in the electro-engineering company, **Dalekovod d.d. Zagreb**. The company, one of the world's largest producers of suspension and connecting equipment, is considered to be an attractive investment because of its relatively modern equipment and low indebtness. The government is seeking a strategic investor to improve the company's domestic and international position. Potential investors are requested to submit bids on September 22, 1994 to the Croatian Privatisation Fund.

**Headline:**
Invitation To Tender

**Source:**
*Advertisement in the Financial Times September 13, 1994*

## Elektron Ltd.

**Activity Date:** 1 1995

The Croatian government in January sold a 16.31% stake in the electric firm **Elektron Ltd**. The 1,000 shares sold for $325 each.

The Croatian government in January sold an 11.64% stake in the road maintenance company **Poduzece za ceste Ltd**. The 186 shares sold for $1516 each.

The Croatian government in January sold a 17.71% stake in the **Stari Grad Ltd.** catering firm for a sale price of $98,371.

**Headline:**
Press Release

**Source:**
*Croatian Privatization Fund January 2, 1995*

## Elektropojekt d.d.

**Activity Date:** 7 1994

A 31.88% stake in Zagreb's **Elektroprojekt d.d.**, an electrical engineering company, was privatized at a regular weekly auction for frozen currency deposits held by the Croatian Privatization Fund. The stake represented 28,633 shares and sold at a price of 100 marks a share. This sale was part of nine companies sold on the Zagreb Stock Exchange, raising a total of 7.8 million marks.

**Headline:**
Croatia sells 7.8 mln marks shares in nine firms

**Source:**
*REUTERS Zagreb July 18, 1994*

## Elektrotebnicki

**Activity Date:** 2 1995

The Croatian government sold 100% of its shares in the electrical firm **Elektrotebnicki** to Euroatest, a private broker. The 162 shares were sold at face value for $7,100 (DM16,200).

**Headline:**
Press Release

**Source:**
*The Croatian Privatization Fund February 24, 1995*

## Gradevno

**Activity Date:** 10 1994

The Croatian Privatization Fund sold shares worth Dm5.6m ($3.7m) from its holdings in six companies. Sales included a 34.33% stake (10,724 shares) in **Gradevno**, a construction company, and 29.54% (6,200 shares) of **Karbon**, a paint and glue manufacturer. Shares of the **Vela Luka** trade company, **Podarvka** food processing company, and two Istrian hotels were also sold.

**Headline:**
Privatization Briefs: Croatia

**Source:**
*Central European October 1994*

## HUP Zagreb d.d.

**Activity Date:** 9 1995

The government of Croatia has announced the sale of 67,762 shares, representing an 11.69% stake in the hotel and catering company **HUP Zagreb d.d.**, to private broker Kapital Trade. The sale price was $71.53 per share.

**Headline:**
Press Release

**Source:**
*Ministry of Privatization: Croatia September 12, 1995*

## IMA d.d.

**Activity Date:** 9 1995

In Croatia, the government has sold a 17.85% stake (8,500 shares) in **IMA d.d.** to Ceufin Brokers for $71.53 per share.

**Headline:**
Press Release

**Source:**
*Ministry of Privatization: Croatia September 12, 1995*

## Istrian Hotels

**Activity Date:** 10 1994

Shares in two Istrian hotels were offered by the Croatian Privatization Fund.

**Headline:**
Privatization Briefs: Croatia

**Source:**
*Central European October 1994*

## Janaf

**Activity Date:** 10 1995

The planned sale of a 25% stake in **Janaf**, the state-owned Croatian company that controls an oil pipeline that runs from the Adriatic coast to Hungary, has been caught in an internal government dispute. The Croatian Privatization Fund (CPF) announced in October that it intended to sell a 12.5% stake to OMV, the Austrian oil company, and a 12.5% stake to Mol, the Hungarian oil company that is itself in the process of privatization. Total proceeds from the sale of the stakes were expected to be $133m. The dispute centers around a $11m loan granted to Janaf in 1979 by the Croatian state-owned bank, Privredna Banka. Privredna Banka claims that Janaf never repaid the loan and is suing the CPF, demanding $35m in principal and capitalized interest and an annulment of the privatization deal.

**Headline:**
Battle Set to Rage Over Croatian Privatization Plan

**Source:**
*Financial Times December 7, 1995*

## Karbon

**Activity Date:** 10 1994

The Croatian Privatization Fund sold shares worth Dm5.6m ($3.7m) from its holdings in six companies. Sales included a 34.33% stake (10,724 shares) in **Gradevno**, a construction company, and 29.54% (6,200 shares) of **Karbon**, a paint and glue manufacturer. Shares of the **Vela Luka** trade company, **Podarvka** food processing company, and two Istrian hotels were also sold.

**Headline:**
Privatization Briefs: Croatia

**Source:**
*Central European October 1994*

## Kras d.d.

**Activity Date:** 7 1994

A bid made in July by Germany's Stollwerck AG for a 30.36% stake in the confectioner company, **Kras d.d.**, was rejected by the Croation Privatisation Fund who plans to retain the stake for its own portfolio. Stollwerck made a bid of 41.2 million marks, of which 10 million mark would have been invested immediately. Suchard of Switzerland, a Philip Morris Cos. Inc. subsidiary, withdrew from the bidding process before the close of the international public tender on June 10. The remaining shares are held by two insurance funds and some small investors.

The company was valued at 155.8 million marks. The company's profits in 1993 totaled 2.5 million marks on sales of 135 million marks. In 1992, profits were 1 million marks on sales of 118 million marks. The company has slightly less than 50% of the domestic market. Exports provide 30% of the firm's revenue.

**Headline:**
Croatia rejects Stollwerck bid for Kras

**Source:**
*REUTER Zagreb July 13, 1994*

**macro**

**Activity Date:** 7 1994

The Croatian government's sell-off strategy in privatization is currently being reviewed for changes. An earlier meeting resulted in identifying a need to revise privatization and securities legislation and transparent second securities markets. A voucher system was also considered, with war veterans and refugees as target shareholders. The role of foreign investment was discussed citing long-term cooperation preferred over selling assets directly to foreign investors. The director of the Privatization Fund, Ivan Penin, favors joint ventures and tenders for stakes.

The current owership structure of Croatian enterprises involves nominal control by the employees of the firm, though the ownership is not well defined. Firms are taking on the form of joint-stock and limited liability companies, and they are seeking new company law, securities legislation and investment funds.

Of Croatia's 2800 enterprises, 2500 are scheduled for privatization. Of the 2320 privatized, 1100 are fully privatized and 853 were sold off with the Privatization Fund. The government also plans to privatize firms in the utilities sectors as well as the national oil company INA sometime this fall.

**Headline:**
Croatia studies revamped privatisation methods

**Source:**
*REUTERS Zagreb July 22, 1994*

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**Macro Article**

**Activity Date:** 1993

The Croatian Privatization Fund plans to sell off 14 enterprises, and, for the first time, foreigners will be allowed to buy state-owned property. Though it will be difficult to attract investors to the war torn republic where hyperinflation is over 1,000% a year, several international food and beverage firms have already expressed interest in some of the Croat enterprises. Companies open for investment include Kras Ltd., a confectioner that employs 2,772; Badel Bap Ltd., a beverage firm; and Sirela Ltd., a dairy company. Several breweries, an electronics firm, a photo-equipment enterprise, and a cement manufacturer are also available. The biggest obstacle to foreign investment is the fighting in the former Yugoslav republic. Unfortunately, Croatia's involvement in the civil war continues to grow.

**Headline:**
Croatia's Privatization Opens to Foreign Investors

**Source:**
*Wall Street Journal July 6, 1993*

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**Nikola Tesla**

**Activity Date:** 3 1995

Ericsson, the Swedish telecommunications company, has bought a 49% stake in **Nikola Tesla**, the Croatian manufacturer of telecommunications equipment, for $50m. Ericsson will pay $14.3m in cash and will contribute $17.9m in equipment, while the remaining $17.9m will come from royalties owed by Nikola Tesla to Ericsson over the past 40 years. The agreement also states that if Ericsson has not paid for all of Nikola Tesla after six years, the remaining equity in the company will be returned to the Croatian government. After the Ericsson deal, the Croatian Privatization Fund will retain only 1% of the company's equity, while Tesla's 3000 employees will hold 50%.

**Headline:**
Ericsson Leads The Way

**Source:**
*Central European April 1995*

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**Otpad d.d.**

**Activity Date:** 9 1995

The sale of 13,000 shares, equal to a 26.2% stake in Split's municipal recycling firm **Otpad d.d.**, was completed. The shares were purchased by the Croatia Bank, acting as broker, for $929,900.

**Headline:**
Press Release

**Source:**
*Ministry of Privatization: Croatia September 12, 1995*

## Pliva

**Activity Date:** 1995

The Croatian Privatization Fund (CPF) is planning to sell a 24.9% stake in **Pliva d.d.**, the nation's leading pharmaceutical company. The Croatian government owes its citizens $3bn in hard currency savings that were lost when the Yugoslav Central Bank froze all Croatian assets in the fall of 1990, and the sale of Pliva is part of a greater CPF plan to sell $307m worth of shares in a group of the nation's most attractive companies in order to raise money for the blocked foreign exchange. Pliva is considered to be the most attractive issue. Currently, 89% of the company is owned by the CPF and 2 pension funds and the remaining 11% is held by employees. Foreign investors will be able to obtain shares in the company through a debt-for equity swap. Pliva produces the antibiotic azithromycin in bulk and its total sales amounted to $304m last year, 43% of which came from exports.

**Headline:**
Croatia Will Sell 24.90% of its Leading Pharmaceutical Company for Frozen Foreign Exchange Deposits

**Source:**
*Croatian Privatization Fund April 3, 1995*

**Activity Date:** 2 1996

A Croatian pharmaceuticals firm owned mostly by the Croatian Privatization Fund, **Pliva**, announced that it planned to sell 30% of its equity in a public offering. The offering will be split between domestic and international markets, and is expected to take place in June. Pliva hopes to raise $100m from the offering.

**Headline:**
Pliva Plans Global Offering

**Source:**
*Financial Times February 23, 1996*

**Activity Date:** 3 1996

The government is selling a 31% stake in **Pliva**, the company that discovered the antibiotic azithromycin. This sale represents the first international offering for a Croatian company.

**Headline:**
Pliva Aims to Put Croatia on Investor's Maps

**Source:**
*Financial Times March 13, 1996*

## Podravka

**Activity Date:** 10 1994

Shares in the **Podarvka** food processing company were offered by the Croatian Privatization Fund.

**Headline:**
Privatization Briefs: Croatia

**Source:**
*Central European October 1994*

**Activity Date:** 12 1994

In December, the Croatian government sold 134 shares in the food processing company, **Podravka Ltd.**, for $65 per share.

**Headline:**
Press Release

**Source:**
*Croatian Privatization Fund December 27, 1994*

## Poduzece za ceste Ltd.

**Activity Date:** 1 1995

The Croatian government in January sold an 11.64% stake in the road maintenance company **Poduzece za ceste Ltd**. The 186 shares sold for $1516 each.

**Headline:**
Press Release

**Source:**
*Croatian Privatization Fund January 2, 1995*

**Poljutenhika d.d.**

**Activity Date:** 7 1994

A 25.60% stake in **Poljutenhika d.d.**, an agricultural firm, was privatized at a weekly auction for frozen foreign currency deposits held by Croatia's Privatization Fund. The stake represented 7,327 shares and sold at a price of 100 marks per shares. The sale was part of nine firms sold on the Zagreb Stock Exchange, raising a total of 7.8 million marks.

**Headline:**
Croatia sells 7.8 mln marks shares in nine firms

**Source:**
*REUTERS Zagreb July 18, 1994*

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**Sloboda d.d.**

**Activity Date:** 9 1995

In Croatia, the government has sold a 7.82% stake (13,057 shares) in the metal cookware factory **Sloboda d.d.** to a Rijeeka Banka broker for $71.53 per share.

**Headline:**
Press Release

**Source:**
*Ministry of Privatization: Croatia September 12, 1995*

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**Stari Grad Ltd.**

**Activity Date:** 1 1995

The Croatian government in January sold a 17.71% stake in the **Stari Grad Ltd.** catering firm for a sale price of $98,371.

**Headline:**
Press Release

**Source:**
*Croatian Privatization Fund January 2, 1995*

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**Stocar Ltd**

**Activity Date:** 12 1994

In December, the Croatian government sold an 18.12% stake in the cattle breeding firm **Stocar Ltd**. The 2,500 shares were sold for $130 per share.

**Headline:**
Press Release

**Source:**
*Croatian Privatization Fund December 27, 1994*

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**Tankerska Plovidba d.d.**

**Activity Date:** 7 1994

The planned privatization of a 59.44% stake in the oil shipping company, **Tankerska Plovidba d.d.**, was cancelled following the rejection of a bid submitted by Belgium's CMB NV to the Croatian Privatization Fund. The Ministry of Maritime Affairs, Transport, and Communications is now responsible for developing a new privatization strategy. The government plans to retain a 25% controlling stake in all the shipping companies.

Tankerska Plovidba is valued a 130 million marks ($88.71 million) and employs 1300 workers. The stake up for bid was valued at 74 million marks ($48.27 million). The privatization program will proceed with a greater emphasis on attracting foreign investors, however the government does not wish to lose control of strategic sectors.

**Headline:**
Croatia rejects CMB bid, freezes shipping sell-off

**Source:**
*REUTERS Zagreg July 13, 1994*

## Tiskara

**Activity Date:** 1 1995

In a debt-equity swap, the Croatian government sold a 23.61% stake in the printing firm **Tiskara**. The shares were sold to a Privredna Banka Broker. Also, a 10.1% stake of **Gradsped Komerc** was sold to private broker Euroatest, in another debt equity swap.

The Croatian government sold a 28.84% stake in the trading and tourism firm **Bjelvar's Central Ltd** in December. The 13,319 shares were sold for a price of $65 each.

The Croatian government in December sold a 20.54% stake in the commercial and accountancy firm, **Cetra Ltd.** The 6,907 shares were sold for $65 each.

The Croatian government in December sold an 18.12% stake in the the waste paper collection company **Unijapapir**. The 5,000 shares were sold for $325 each.

In December, the Croatian government sold an 18.81% stake in Zagreb's auto mechanic **Automehanika-Servis Ltd**. The 4,329 shares were sold for $146 each to a Rijecka banka broker.

In December, the Croatian government sold an 18.12% stake in the cattle breeding firm **Stocar Ltd**. The 2,500 shares were sold for $130 per share.

In December, the Croatian government sold 134 shares in the food processing company, **Podravka Ltd.**, for $65 per share.

The Croatian government in January sold an 11.67% stake in the fertilizer manufacturer **Chromos Agro Ltd**. The 15,841 shares were sold for $65 each.

**Headline:**
Croatia Sells Shares in Two Firms

**Source:**
*Croatian Privatization Fund January 23, 1995*

## Transagent

**Activity Date:** 7 1994

A 23.84% stake in **Transagent d.d.**, a shipping agent from Rijeka, was privatized at a regular weekly auction for frozen foreign currency deposits held by the Croatian Privatization Fund. The stake represented 4,643 shares and sold at a price of 100 marks per share. The sale was part of nine firms sold on the Zagreb Stock Exchange, raising a total of 7.8 million marks.

**Headline:**
Croatia sells 7.8 mln marks shares in nine firms

**Source:**
*REUTERS Zagreb July 18, 1994*

## Transport d.d.

**Activity Date:** 1 1995

The Croatian government announced in January that it had sold a 43.31% stake in the Cakcvoc-based **Transport d.d.** to a Varazdinska bank broker. The 31,170 shares were sold for $71 (DM100) each at an auction in which the government offered holdings in prime Croatian companies.

**Headline:**
Press Release

**Source:**
*The Croatian Privatization Fund January 30, 1995*

### Unijapapir

**Activity Date:** 12 1994

The Croatian government in December sold an 18.12% stake in the the waste paper collection company **Unijapapir**. The 5,000 shares were sold for $325 each.

**Headline:**
Press Release

**Source:**
*Croatian Privatization Fund December 27, 1994*

### Vela Luka

**Activity Date:** 10 1994

Shares of the **Vela Luka** trade company were offered by the Croatian Privatization Fund.

**Headline:**
Privatization Briefs: Croatia

**Source:**
*Central European October 1994*

### Vulkan-servis d.d.

**Activity Date:** 1 1995

In January, the government of Croatia sold 1,491 shares, or 22.25% of its holdings, of the engineering firm **Vulkan-servis** to the private bank Adria Banka. The shares were sold for $71 (DM100) each.

**Headline:**
Press Release

**Source:**
*The Croatian Privatization Fund January 30, 1995*

### Zagreb Brewery

**Activity Date:** 1 1994

The Croatian Privatization Fund announced the sale of **Zagrebacka Pivovara**, the country's largest brewery. The plant has an annual capacity of 1 million hl, and produced 760,000 hl of beer last year. Bids are due February 28.

**Headline:**
Privatisation of Zagrebacka Pivovara Announced

**Source:**
*Finanical Times January 17, 1994*

**Activity Date:** 3 1994

March press releases indicated that Croatia's largest brewery, **Zagreb Brewery** (ZB), is accepting bids for 24% of its shares. A number of leading European brewers have expressed interest including Brau AG of Austria, Castel of France, and the Belgian producer of Stella Artois. The entire enterprise will be privatized, with over half of the firm's shares reserved for employees and the remainder going for pensions. ZB's book value is $23.3 million. The firm has a predominantly regional market and it is hoped that demand will increase once the war in Bosnia ends.

The Belgian firm Interbrew won a tender for 23.78% of **Zagreb Brewery** and will pay $11.5 million. The shares were sold by the Croatian Privatization Fund and two pension funds. The firm's employees own a majority interest. Interbrew has promised to invest and additional $12.4 million in the company.

**Headline:**
Croat Brewer Attracts Several European Bids

**Source:**
*Financial Times March 17, 1994*

**Activity Date:** 3 1994

The Croatian Privatization Fund (CPF) announced the impending sale of **Zagreb Brewery** in a March press release. Bids for the brewery have been submitted by five world-renowned brewers in an open tender organized by the EPIC consortium. Zagreb Brewery is the largest brewery in Croatia, currently producing 760,000 hl. of beer annually. The company, which has a strong history of profitability and is virtually debt free, will sell 23.78% of its shares. All submitted bids were significantly over the nominal value of DM 100 per share ($60.60).

**Headline:**
Five Bids Submitted for Zagreb Brewery

**Source:**
*CPF Press Release March 16, 1994*

## *Czech Republic*

## Budejovicky Budvar

**Activity Date:** 1993

Anheuser-Busch of the United States is interested in purchasing the Budvar brewery in the Czech Republic. Privatization Minister Jiri Skalicky indicated that the government would auction off no more than 34%. The brewery's privatization has been long in the making and the Czechs have been in contact with Anheuser for over a year. They are reluctant to sell to an American brewer that makes Budweiser beer, much different from Budvar. Anheuser would like to purchase the Czech brewery, in part, to end a long trademark dispute in which both companies claim to produce the real Bud. Budvar produces 15.9 million gallons of beer annually, two-thirds for export.

It was announced in September that the Privatization Ministry and the Ministry of Agriculture have agreed that Budvar won't be privatized through voucher scheme as other companies have been. The tradenark dispute between Budvar and Anheuser-Busch will have to be resolved before privatization process. Anheuser-Busch will be in the running for the 20% to 30% of Budvar Stake.

**Headline:** Czech Government Closer to Brewery Stake Auction

**Source:** *Wall Street Journal* *August 13, 1993*

**Activity Date:** 1 1994

In January it was announced that Anheuser-Busch of the US has been made the exclusive negotiating partner regarding the sale of a minority share of **Budejovicky Budvar**, the Czech brewer. The Anheuser-Busch hopes to acquire up to 34% of the Czech firm.

**Headline:** US Brewer Woos Czech Bride-to Be

**Source:** *Financial Times* *February 9, 1994*

## Ceska Sporitelna

**Activity Date:** 1995

The Czech government announced that there will be 53 more large companies privatized in the next two years. Among them, shares in **Komercni Banka**, the state's largest commercial bank; **Ceska Sporitelna**, the state's largest savings bank; **CEZ,** the power generating conglomerate; **Vitkovice**, the steel company; and **Chemopetrol**, the petrochemical group, will be offered. The state plans to substantially reduce its strategic holdings. The intention is also to privatize the rest of the 1,400 minor state holdings by the second half of 1997.

**Headline:** Czech Privatisations Planned

**Source:** *Financial Times* *August 9, 1995*

## Ceske Budejovice Paper Mills

**Activity Date:** 1 1993

Duropack Vienna of Austria purchased a 40% of Ceske Budejovice (CB) with an option to obtain a 51% stake. CB has a 40% share of the market in the former Czechoslovakia.

**Headline:**

**Source:** *PlanEcon June 1, 1993*

## Ceske Drahy

**Activity Date:** 11 1994

In order to avoid a financial collapse **Ceske Drahy**, the Czech state railway, is considering selling some of its shares. The proposed privatization includes the sale of over 30% of the company's total track length along with some railcars, equipment, and auxiliary facilities. The list of bidders is confidential and will not be released until the privatization proposal has been presented to the cabinet.

The firm offered 4% of its $2.89m (Kc80bn) capital in 1991 when assets such as repair workshops, sleeping cars, recreational facilities and restaurant cars were sold. The sale did not raise enough to cover the company's losses which reached $.325m (Kc9bn) in 1993.

**Headline:** Ceske Drahy Ponders Sales of Czech Rail Network

**Source:** *Central European November 1994*

**Activity Date:** 10 1995

10 1995

The privatization of the Czech national railway, **Ceske Drahy**, will be postponed and fars will not be deregulated according to a recent government announcement. The privatization plan for the railway was rejected on the basis of its not being clear and that it gave too many compromises.

**Headline:**
Czech Rail Privatization Halted

**Source:**
*The Wall Street Journal October 20, 1995*

**Activity Date:** 1 1996

The board of the state-owned rail service, **Ceske Drahy**, has proposed privatizing nearly 30% of its 3,500 km network. State ministers must approve the plan to allow foreign companies to bid for parts of the company, which has 107,000 employees and is the largest employer in the Czech Republic.

**Headline:**
Czech Rail Sell-Off Proposed

**Source:**
*Financial Times January 27, 1996*

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## CEZ

**Activity Date:** 3 1994

Privatization in the Czech electricity industry has caused an uproar. It was announced in January that **CEZ**, the state energy monopoly and leading issue on the Czech stock market, would be privatized separately from its transmission network. This statement was later amended when the head of the National Property Fund indicated that the transmission system should become a wholly-owned subsidiary of CEZ, and should only be operated separately. The National Property Fund became owner of 70% of CEZ's shares during the first stage of privatization, but later transferred its interest to the Ministry of Trade and Industry. The other shares are held by investment funds and coupon shareholders. There is concern about the electricity distribution network, which has yet to be privatized and is not owned by CEZ. The state plans to maintain a 27% share, with 34% going to municipalities, 20% to foreign investors, and 15% will be put aside for investment funds and coupon holders.

**Headline:**
Controversy Erupts over Czech Electric Privatization

**Source:**
*PlanEcon March 16, 1994*

**Activity Date:** 4 1994

**CEZ** is one of 861 firms to be privatized in the Czech Republic's second wave of mass privatization. The power company is one of the Czech Republic's largest firms, with a quasi-monopoly on the generation of electricity. In the first wave, a 30% share in the enterprises was sold and the government will offer 4% of the concern's share capital by voucher in the upcoming selloffs. CEZ expects pre-tax profits of $628 million on revenues of $1.7 million in 1993.

**Headline:**
Foreigners Eager for Czech Sell-offs

**Source:**
*Financial Times March 9, 1994*

**Activity Date:** 1995

The Czech government announced that there will be 53 more large companies privatized in the next two years. Among them, shares in **Komercni Banka**, the state's largest commercial bank; **Ceska Sporitelna**, the state's largest savings bank; **CEZ,** the power generating conglomerate; **Vitkovice**, the steel company; and **Chemopetrol**, the petrochemical group, will be offered. The state plans to substantially reduce its strategic holdings. The intention is also to privatize the rest of the 1,400 minor state holdings by the second half of 1997.

**Headline:**
Czech Privatisations Planned

**Source:**
*Financial Times August 9, 1995*

## Chemapol Group

**Activity Date:** 8 1994

The **Chemapol Group** has been heavily criticized regarding a decision to privatize its oil refineries. The company appeared to emerge from the Czech Republics most protracted privatization negotiations victorious over a consortium that includes Total (France), Royal Dutch/Shell Group, Agip Petroli (Italy), and Conoco (US). Since the conclusion of the agreement with the consortium, Chemapol has been attacked by the Czech Republic's Interior Ministry and by the local press. It is alleged that the company is being manipulated by oil men in Russia with ties to organized crime. The agent charged with illicit activity is Chempol's chief executive, Vaclav Junek. Mr. Junek has denied all such accusations. Though Chemapol had pretax profits of 816 million korunas ($29.1 million) last year, a 20% drop in total revenue has led analysts to question the firm's ability to afford the refinery sales. The two main petrochemical plants involved in the deal will require nearly $1 billion in new investment over the next five years. In their bid to purchase 49% of the refining operations, the Western consortium promised up to $520 million for modernization.

**Headline:**
Czech Chemapol Group is Under Fire in Nation's Bid to Privatize Refineries

**Source:**
*WSJ August 19, 1994*

## Chemicke Zavody Sokolov

**Activity Date:** 6 1994

Mr Tomas Jazek, the new president of the National Property Fund (NPF), announced in June the fund's intention to sell off later this year a majority stake in the state's largest chemical company, **Chemicke Zavody Sokolov.** This is only one of several hundred companies in which the NPF is planning to sell majority shares. Approximately one third of the shares will be sold in commercial and industrial companies. An attempt, two years ago, by Dow Chemical to purchase a stake in Chemicke Zavody Sokolov failed after negotiators were unable to agree upon a price. The NPF, using its voucher privatization system, has succeeded in privatizing nearly 2,000 Czech enterprises representing roughly 80% of the country's economic activity.

**Headline:**
Hundreds of Companies in Czech Sell-off

**Source:**
*Financial Times June 23, 1994*

## Chemopetrol

**Activity Date:** 1993

The Czech petrochemical industry, valued at $760 million, is to be privatized. The government plans to maintain a controlling share for between 3 to 5 years. It was also announced that Chemapetrol, a state-owned oil firm, will sell 38% of its shares to the public in the next round of privatization. Another 15% will be made available to both domestic and foreign investors.

**Headline:**
Czech Republic to Privatize Petrochemical Industry

**Source:**
*International Privatization Update July 1993*

**Activity Date:** 1 1994

The government of the Czech Republic is accelerating the pace of privatization in the petrochemicals industry by separating refineries from petrochemical complexes. **Chemopetrol**, a firm earmarked to become a joint stock company, is one enterprise that will be affected. Eventually, the government will reduce its holdings in Chemopetrol to a 38% share. Shares are to be sold to unnamed "previously chosen" parties.

**Headline:**
Czech Government Speeds Up Privatization

**Source:**
*PlanEcon January 5, 1994*

**Activity Date:** 3 1994

**Chemopetro,** a refinery that has attracted great investor interest, is one of 861 firms to be privatized in the Czech Republic's second wave of mass privatization. Thirty -six percent will be sold by voucher while at least 30% will be reserved for a foreign partner.

**Headline:**
Foreigners Eager for Czech Sell-offs

**Source:**
*Financial Times March 9, 1994*

**Activity Date:** 1995

**Activity Date:** 1995

Total SA of France unexpectedly withdrew from a consortium seeking a 49% stake in the Czech Republic's two main oil refineries, **Chemopetrol** and **Kaucuk,** only hours before the Czech Government was scheduled to consider the deal. The plan, which called for $173m in cash outlays and an additional $480m in modernization expenditure for the plants, will now have to be redrafted. Total's move is likely to further damage the reputation of French institutional investors in the Czech Republic as it is the second time that a French company has withdrawn from a major investment project. In 1994, AirFrance withdrew from a joint venture with Czech Airways after complaining that it paid too much for its stake.

Royal Dutch/Shell, Agip of Italy and Conoco of the US, the three remaining firms in the consortium bidding for a stake in Chemopetrol and Kaucuk, have moved quickly to resolve the crisis that arose after Total of France withdrew from the consortium. The three companies will rewrite the master agreement so that they divide Total's 12.25% stake in the consortium evenly among themselves. All other facets of the agreement are expected to remain the same.

**Headline:** Total Pulls out of Czech Refineries Bid Consortium

**Source:** *Financial Times June 29, 1995*

**Activity Date:** 1995

The Czech government announced that there will be 53 more large companies privatized in the next two years. Among them, shares in **Komercni Banka**, the state's largest commercial bank; **Ceska Sporitelna**, the state's largest savings bank; **CEZ,** the power generating conglomerate; **Vitkovice**, the steel company; and **Chemopetrol**, the petrochemical group, will be offered. The state plans to substantially reduce its strategic holdings. The intention is also to privatize the rest of the 1,400 minor state holdings by the second half of 1997.

**Headline:** Czech Privatisations Planned

**Source:** *Financial Times August 9, 1995*

**Activity Date:** 7 1995

The Czech government announced that it will exclude Total of France from the sale of a number of state-owned **petroleum stations**. While the government approved the sale of 29 petrol stations to foreign oil companies, it did not sanction the sale of six more stations to Total, which is now leasing those stations. Other oil groups such as Royal Dutch/Shell and Agip have stepped in to buy the shares.

The controversial privatization of the Czech Republic's two oil refineries was concluded when three Western European oil firms agreed to purchase a 49% stake in the **Chemopetrol** and **Kaucuk** refineries for $173m. The deal was secured despite stiff domestic opposition and the unexpected withdrawal of the French company, Total, in late June. Royal Dutch/Shell, Italy's Agip, and Conoco of the U.S. will each receive a 16.33% stake in the refineries while Unipetrol, a newly-created state holding company, will retain the remaining 51%. The consortium has also agreed to a modernization program that will require at least $480m in investment over the next five years.

**Headline:** Czechs Bar Total From Buying Petrol Stations in State Sell-Off

**Source:** *Financial Times August 19, 1995*

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## Chemopharma

**Activity Date:** 3 1993

Chemopharma will be sold in a tender offer published on March 1. The state-owned firm manufactures pharmaceutical intermediates and other medical supplies. The company has a monopoly over the production of medicinal plasters and adhesive tapes in the Czech Republic.

**Headline:**

**Source:** *PE*

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## Czech Refineries

**Activity Date:** 1996

Three international oil groups have acquired a 49% stake in **Czech Refineries**. Royal Dutch/Shell, Conoco of the US and Agip of Italy each acquired a 16.33% stake. The consortium will pay a total $173m for the stake. Unitpetrol, a state-controlled holding company, owns 51%. The sale is an important step for the restructuring of the Czech oil and petrochemical industry.

**Headline:** Czech Oil Stake Sale Finalised

**Source:** *Financial Times February 8, 1996*

## Czechoslovak Airlines (CSA)

**Activity Date:** 1994

**Czechoslovak Airlines** (CSA) is about to enter talks with Czech financial institutions that could lead to a new shareholder injecting fresh capital into the loss making carrier. The move follows the withdrawal of Air France from an investment in CSA in March. The new investor is likely to acquire part or all of the 49% stake held by the Czech National Property Fund, the government body that owns shares in companies being privatized. A likely candidate is Ceska Pojistovna, the country's largest insurance company, which already holds a 4.5% stake in CSA.

**Headline:** Czechoslovak Airlines Seeks Local Investor

**Source:** *Financial Times November 16, 1994*

**Activity Date:** 3 1994

The government of the Czech Republic announced in March that it had reached an agreement with Air France to buy back that company's minority share in **CSA**, the Czech state air carrier, for $27 million. Air France, which paid $30 million for a 19.1% stake in 1992 was reluctant to sell, but the Czech government was persistent in its desire to assert greater control over CSA's management which has pushed the firm into the red. Konsolidacni Banka, the Czech state bank group, will now purchase the 19.1% share of CSA. Negotiations were made more arduous because the European Bank for Reconstruction and Development (EBRD) acquired a 19.1% share at the same time as Air France. The French airline guaranteed 70% of the EBRD's investment, and the Bank has maintained that it would only retain its share if the Czech authorties took over the guarantee. In a compromise, Konsolidacni Banka will have a put option on the EBRD stake, which it cannot use until 1997.

**Headline:** Czechs Repurchase CSA Stake

**Source:** *Financial Times March 23, 1994*

## Elektrofistrojo Pisek

**Activity Date:** 2 1993

Elektrofistrojo Pisek was privatized, with 90% of the shares going to Telemecanique of France. The French firm has promised to build a new production factory within six years.

**Headline:**

**Source:** *PE 2/17/93*

## Impeco

**Activity Date:** 3 1993

The Japanese company Citizen was interested in acquiring a 17% share in the Czech computer printer distribution firm, Impeco. Citizen is interested in introducing printers that print in the Czech language. Impeco is a distributor of Citizen's products in the Czech Republic.

**Headline:**

**Source:** *PE 3/17/93*

## Kabel Plus

**Activity Date:** 5 1995

A 28.6% stake in **Kabel Plus**, the Czech cable and satellite TV company, was purchased by US West for $18.8m (Kc500m). This transaction makes US West the second largest shareholder in the Kabel Plus after Ceska Pojistovna, a Czech insurance company. US West will provide management and technological expertise to the company, which is one of the fastest-growing firms in the Czech Republic. Both Kabel Plus and US West expect to begin providing telephone services after the national system is liberalized following the privatization of SPT Telekom.

**Headline:** US West Buys Stake in CzechCable Operator

**Source:** *Financial Times May 26, 1995*

## Kablo Kladno

**Activity Date:** 4 1994

**Kablo Kladno**, a cable manufacturer, is one of 861 firms to be privatized in the Czech Republic's second wave of mass privatization. Felten and Guillaume of Germany will purcahse 30%, and 66% will be sold by voucher.

**Headline:**
Foreigners Eager for Czech Sell-offs

**Source:**
*Financial Times March 9, 1994*

## Karosa

**Activity Date:** 1 1993

Renault, the French state-owned vehicle firm, will purchase 34% of Karosa, the Czech Republic's largest bus maker. Pending approval of the Czech privatization ministry, Renault will pay Kcs 231 million ($8.25 million) for a joint venture at Karosas Vysoke Myto plant. Renault would like to invest another $8.25 million to obtain majority ownership.

**Headline:**

**Source:**
*FT 1/11/93*

**Activity Date:** 4 1994

**Karosa**, a bus and truck manufacturer, is one of 861 firms to be privatized in the Czech Republic's second wave of mass privatization. Over 50% of the firm will be sold by voucher, and 36% will be offered to Renault Vehicules Industriels.

**Headline:**
Foreigners Eager for Czech Sell-offs

**Source:**
*Financial Times March 9, 1994*

## Kaucuk

**Activity Date:** 1 1994

The government of the Czech Republic is accelerating the pace of privatization in the petrochemicals industry by separating refineries from petrochemical complexes. **Kaucuk**, a firm earmarked to become a joint stock company, is one enterprise that will be affected. Eventually, the government will reduce its holdings in Kaucuk to a 26% share. Shares are to be sold to unnamed "previously chosen" parties.

**Headline:**
Czech Government Speeds Up Privatization

**Source:**
*PlanEcon January 5, 1994*

**Activity Date:** 4 1994

**Kaucuk,** a refinery that has attracted great investor interest, is one of 861 firms to be privatized in the Czech Republic's second wave of mass privatization. Thirty-six percent will be sold by voucher while at least 30% will be reserved for a foreign partner.

**Headline:**
Foreigners Eager for Czech Sell-offs

**Source:**
*Financial Times March 9, 1994*

## Kaucuk and Chemopetrol refineries

**Activity Date:** 5 1994

Bids for a 49% stake in the state oil refineries, **Kaucuk and Chemopetrol**, were raised from $100 million to $180 million by an oil consortium competing against the Mezinarodni ropne spol consortium. The latter group consisted of Amoco, Conoco, Total and Shell Oil Co., but they received little support from the Ministry of Trade.

**Headline:**
Oil and Gas

**Source:**
*PlanEcon May 25, 1994*

## Komercni Banka

**Activity Date:** 1995

In an international share offer, **Komercni Banka**, one of the largest banks in the Czech Republic, is issuing non-voting global depository receipts, the first such issue by an Eastern European bank. Komercni Banka will offer 610,000 shares for $58 (1,532Kc) each for a total of $30m. The shares represent 3.2% of the bank's equity. The bank, which is being advised by CS First Boston, has also retained the option to increase the size of the offering depending on demand and pricing. The GDR's will be listed on the London Stock Exchange after the offer.

**Headline:** Czech Bank's GDR Offering under Way

**Source:** *Financial Times June 13, 1995*

**Activity Date:** 1995

The Czech government announced that there will be 53 more large companies privatized in the next two years. Shares in **Komercni Banka**, the state's largest commercial bank; **Ceska Sporitelna**, the state's largest savings bank; **CEZ,** the power generating conglomerate; **Vitkovice**, the steel company; and **Chemopetrol**, the petrochemical group, will be offered. The state plans to reduce its strategic holdings and to privatize its remaining 1,400 minor equity positions by the second half of 1997.

**Headline:** Czech Privatisations Planned

**Source:** *Financial Times August 9, 1995*

## Leciva

**Activity Date:** 1995

The Czech government is expected to announce a public tender for a 66.6% stake in **Leciva**, the country's largest pharmaceuticals manufacturer. International pharmaceutical firms are expected to demonstrate significant interest in the company, which earned a net profit of $14.6m on sales of $164.3m in 1994 and maintained a 21% share of the domestic market. Leciva's majority stake may be worth up to $100m.

**Headline:** Leciva Goes It Alone

**Source:** *Euromoney September 1995*

## Let

**Activity Date:** 10 1993

Fairchild, a U.S. firm, is expected to set up a joint venture with Czech civilian aircraft manufacturer **Let** next month. Let is expected to hold a minority share in the venture after the transaction with Fairchild's investment totalling around $140 million.

**Headline:** Business/Company News Briefs

**Source:** *Plan Econ September 15, 1993*

## Liaz

**Activity Date:** 7 1995

Skoda Plzen, the Czech heavy engineering group, has won the tender for a 52.4% stake in **Liaz**, the loss-making Czech truck manufacturer. Skoda will pay $7.7m for the stake and has agreed to secure an additional $9.6m in loans to help Liaz.

**Headline:** E. European Car Demand to Strengthen

**Source:** *Financial Times July 24, 1995*

**Macro**

**Activity Date:** 6 1994

The chairman of the National Property Fund (NPF), Tomas Jezek, was forced to resign due to allegations of mismanagement. The reason given for his removal was a potential interest conflict as he simultaneously chaired the parliament's budget committee. New legislation currently before the parliament would make such a situation illegal. His replacement, Roman Ceska, deputy to the Privatization Minister Jiri Skalicki, appears to be no more appropriate, however. Ceska and Skalicki have intense differences with Jezek, prompting some to suggest the dismissal was politically motivated as Skalicki chaired the board which decided Jezek would have to leave. New conflict of interest charges have also surfaced as some worry that with Ceska at the head of the NPF the agency will be brought under the control of the privatization ministry. The separation of the two entities is seen as a key element in the prevention of corruption.

**Headline:**
Rivals Oust Czech Privatization Chief

**Source:**
*PlanEcon July 6, 1994*

**Mass Privatization (Macro Article)**

**Activity Date:** 10 1993

In October Czechs will be able to purchase coupons for around $35 in the second phase of the Czech Republic's privatization program. Citizens will be allowed to invest directly or via funds in 770 SOEs with a total value of $5 billion. Companies are to provide shares to coupon holders, an important step in the country's move toward a free-market system. More than eight million Czechs and Slovaks became shareholders in $9 billion worth of assets last year, just before the dissolution of Czechoslovakia. The selloff list includes Vychodeske Chemicke Zavody, a chemical firm that makes Semtex plastic explosives; the Ostravsko-Karvinske Doly coal mines; and STP Telecom, with a Prague telecommunications business expected to boom.

**Headline:**
More Czech Privatizations Set

**Source:**
*Wall Street Journal July 21, 1993*

**MEZ Drasov**

**Activity Date:** 5 1994

The Czech government has announced its intention to sell three engine manufacturers, including **MEZ Drasov**, to Siemens AG for $42.8 million. The sale price is below the companies book value of $57.1 million due to irrecoverable debts and unusable production capacity. Siemens will be required to invest $16.8 million over the next three years.

**Headline:**
Business Report - Automotive

**Source:**
*PlanEcon May 11,1994*

**MEZ Frenstat**

**Activity Date:** 5 1994

The Czech government has announced its intention to sell three engine manufacturers, including **MEZ Frenstat**, to Siemens AG for $42.8 million. The sale price is below the companies book value of $57.1 million due to irrecoverable debts and unusable production capacity. Siemens will be required to invest $16.8 million over the next three years.

**Headline:**
Business Report - Automotive

**Source:**
*PlanEcon May 11,1994*

**MEZ Mohelnice**

**Activity Date:** 8 1993

Siemens of Germany announced its agreement to purchase the electronics manufacturer MEZ Mohelnice from the National Property Fund, pending Czech government approval. The company operates three production facilities in Mohelnice, Drasova and Frenstat.

**Headline:**
Business/Company News Briefs

**Source:**
*Plan Econ August 18, 1993*

**Activity Date:** 5 1994

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**Headline:**
Business Report - Automotive

**Source:**
*PlanEcon May 11, 1994*

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**Oil Sector Enterprises**

**Activity Date:** 7 1994

The Czech cabinet rejected a proposal which would have transferred ownership of the Czech oil sector to the National Property Fund (NPF). Under the scheme, drawn up by industry minister Vladimir Dlouhy, the NPF would have taken 100% ownership of the industry. It was designed to stabilize the petroleum industry and prepare oil and gas firms for privatization. The proposal's critics charged that it constituted nationalization of an entire industry and even prime minister Vaclav Klaus denounced it as movement in the wrong direction. After the plan was rejected Dlouhy indicated that the cabinet would be forced to address important ownership and funding issues. It is possible that the government will revisit the possibility of foreign investment in the sector, an option that was rejected this spring. Four Western oil companies, Agip, Conoco, Shell, and Total, offered to the needed capital in exchange for a 49% share. Acceptance of their proposal would have given the Czech Republic access to the loans necessary to save the oil industry.

**Headline:**
Czech Republic Weighs Nationalizing Oil Industry in Bid for Sector Stability

**Source:**
*Knight-Ridder/Tribune Business July 12, 1994*

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**Olsanske Papirny, a.s.**

**Activity Date:** 10 1995

The National Property Fund of the Czech Republic has announced the sale of a 51% stake in **Olsanske Papirny, a.s.**

**Headline:**
Sale Announcement

**Source:**
*Financial Times October 10, 1995*

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**OSPAP**

**Activity Date:** 1 1993

Leykam-Murtzaler of Austria is involved in a joint venture with OSPAP, owned by the Czech Republic. The Austrian company is a major printing paper manufacturer and will own 52.5% of the joint company. Three percent of the new company's shares will be put aside for a restitution fund and the rest for coupon privatization.

**Headline:**

**Source:**
*PE 1/6/93*

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**Paramo**

**Activity Date:** 1 1994

The government of the Czech Republic is accelerating the pace of privatization in the petrochemicals industry by separating refineries from petrochemical complexes. **Paramo**, a petrochemical combine earmarked to become a joint stock company, is one enterprise that will be affected. Eventually, the government will reduce its holdings in Paramo to a 23% share. Shares are to be sold to unnamed "previously chosen" parties.

**Headline:**
Czech Government Speeds Up Privatization

**Source:**
*PlanEcon January 5, 1994*

## Prague Airport

**Activity Date:** 9 1993

The Czech Republic's Airport Administration has formed a joint venture with a western group of companies to expand the **Prague Airport** and operate the facility for 25 years. Construction of a $120 million terminal will begin early next year and run for 36 months. According to the contract, the Airport Administration retains 51% of the joint company, and 49% goes to Prague International Airport Development Corporation (PIADC). The private sector PIADC includes the French contractor Bouygues and the Czech bank Investicnibanka, both with 35% of the shares. The Canadian development agency, Armbro and the operator of Holland's Schipol Airport each own 12%. British Aerospace will control the remaining 6%.

The project, involving the construction of new runways and airplane stands, will cost $200 million. This includes finance charges and interest payments. It will be funded largely by commercial loans and some equity from the foreign partners. PIADC will contribute $22 million in cash and $7 million worth of training and technology transfer. The Czech equity will be the land used during the concession period. With one terminal, the airport now anually handles 2.3 million passengers. This number is set to rise to 4.8 million when the current project ends.

**Headline:**
Bouygues Wins Prague Airport

**Source:**
*Public Works Financing September 1993*

## Prague Breweries

**Activity Date:** 11 1993

Britian's Bass Group will purchase a 34% stake in **Prague Breweries** and will exclusively distribute all Prague Breweries' products in the UK and plans to promote Prague beer on world markets. It has the intention of introducing the company's Staropramen into the UK next year.

**Headline:**
Business Reports--Food/Drinks

**Source:**
*PlanEcon November 24, 1993*

## regional gas and electricity distribution

**Activity Date:** 1995

The Czech government will announce within the next year, the winners of a minimum 20% stake in each of the country's **regional gas and electricity distribution** companies. Strategic partners will be selected for each of the 16 utilities and the eight gas distribution companies. Most of the interest to date has been from Western European utility companies.

**Headline:**
Czechs to Offer Utilities Stakes

**Source:**
*Financial Times September 6, 1995*

## Sepap Steti

**Activity Date:** 7 1995

AssiDoman, a Swedish forestry group, has purchased a 22.3% stake in **Sepap Steti**, the Czech Republic's largest pulp and paper company. The move is likely to be AssiDoman's first in acquiring a majority stake in Sepap. Though exact details of the sale have not been released, current stock prices would place the value of the sale at $48.8m.

**Headline:**
AssiDoman Buys Czech Stake

**Source:**
*Financial Times July 21, 1995*

## Severoceske Vodovody a Kanalizace

**Activity Date:** 10 1994

The Czech government announced in October that negotiations for the sale of a 20% stake in the water and waste disposal utility, **Severoceske Vodovody a Kanalizace**, to Welsh Water of the UK were nearly complete. The price of the shares has been set at Kcs198.6 million. Welsh Water will take an active management role in the company which serves 1 million consumers in northern Bohemia and earned profits of Kcs50 million ($ 1.8 million) on a turnover of Kcs1.2 billion ($ 43.6 million) last year. Welsh Water will also attempt to gain additional influence over management by purchasing some of the 58% stake held by local investors.

**Headline:**
Welsh Water to Buy 20% of Czech Utility

**Source:**
*Financial Times October 3, 1994*

**Activity Date:** 3 1995

Welsh Water International bought an 11.3% stake in **Severoceske vodovody a kanalizace**, the Czech Republic's largest water and sewage company, for $10.5m. Furthermore, Welsh Water also received permission from the Czech government to buy an additional 20%.

**Headline:**
Welsh Water Makes $10.5m Czech Buy

**Source:**
*Financial Times March 29, 1995*

**Activity Date:** 6 1995

Welsh Water, the UK utilities company, announced that it has purchased a significant minority stake in **Severoceske Vodovody a Kanalizace** (SCVK), the Czech Republic's largest water and sewage company. Welsh will pay $11.53m for a 35.6% stake in the company which had a turnover of $58.4m last year and posted profits of approximately $5m. The company, originally privatized in October 1993 via the voucher program, still had shares owned by the state privatization agency. Welsh purchased 20% of its stake from the state agency, while the remaining 15.6% was purchased from two domestic investment funds. Welsh is expected to contribute management and technical expertise as well as financing for the modernization of SCVK.

**Headline:**
Welsh Utility Tests Czech Waters

**Source:**
*Financial Times June 6, 1995*

## Silnice of Ceske Budejovice

**Activity Date:** 3 1993

A 40% interest of Czech construction company Silnice of Ceske Budejovice was acquired by Austria's Strabag Osterreich from the National Property Fund for $3.1 million. A further 27% share has been acquired by Strabag by a direct investment and further capital increase of $6.4 million. European Privatization Corporation acted as adviser to Strabag.

**Headline:**
Business/Company News Briefs

**Source:**
*Plan Econ March 17, 1993*

## Silruce

**Activity Date:** 3 1993

Strabag Osterreich, the Austrian construction giant, purchased a 40% stake in Silruce of Ceska Budejovice. The annual turnover at Silruce is $17.2 million (Kcs 500 m) and the firm employs 1,000 people. The original 40% share was purchased from the Czech Republic's National Property Fund for $3.13 million (Kcs 91 m) and Strabag has acquired an additional 27% in Silruce through direct investment of $6.3 million (Kcs 186).

**Headline:**

**Source:**
*PE 3/17/93*

## Sklo Union Teplice

**Activity Date:** 8 1994

**SPT Telecom** and **Sklo Union Teplice** were completely privatized during the third round of the country's second wave of voucher privatization. Investment points per 100 averaged 2.35 shares in this round, while the average for the next round is expected to increase to 3.28 shares per 100 investment points. This week long effort, taking place between July 11 and July 18, included the sale of 98 million shares in 787 companies.

**Headline:**
Privatization: Czech Republic

**Source:**
*PlanEcon August 3, 1994*

**Activity Date:** 8 1994

**Sklo Union Teplice** and SPT Telecom were completely privatized during the third round of this country's second wave of voucher privatization. Privatization has been proceeding more quickly in this round, with 3.28 shares per 100 points as opposed to 2.35 shares in the earlier round. The week's long effort, taking place between July 11 and July 18, included the sale of 98 million shares in 787 companies.

**Headline:**
Privatization: Czech Republic

**Source:**
*Plan Econ August 3, 1994*

## Skoda

**Activity Date:** 9 1993

Volkswagen has dramatically withdrawn from its planned DM1.4 billion ($875 million) financing deal for **Skoda**, the Czech automobile manufacturer. Volkswagen planned to raise its stake in Skoda up to 70%, but it is now unclear how VW will be able to proceed with the development of the Czech plant after their last-minute withdrawal on September 17th. The deal was reportedly called-off because of the drastic reduction in Volkswagen's capital investment plans. Volkswagen had planned to spend DM7 billion over ten years at Skoda which would have doubled the plant's production to more than 400,000 cars a year, modernized its facilities, and renewed its products with the addition of a second car range. Despite VW's withdrawal, Skoda announced it still plans to double production to around 450,000 cars a year by 1997. Currently VW has a 31% stake in Skoda.

**Headline:**
VW Rethinks Skoda Investment Strategy

**Source:**
*Financial Times September 18, 1993*

**Activity Date:** 12 1994

The Czech government cleared the way for VW to increase its 31% stake in **Skoda** to 60.3% by year's end and 70% by the end of 1995. In return, VW has agreed to expand Skoda production capacity from the current 230,000 to 340,000 units by the end of the year 2000. They are also to introduce a family car based on a Volkswagen design.

**Headline:**
VW's Skoda Stake to Increase

**Source:**
*Financial Times December 12, 1994*

## Spolana

**Activity Date:** 1996

Stratton, the Bahamas-based investment company, has expressed interest in the chemical producer **Spolana** that is due to be privatized in 1996.

**Headline:**
News Round-Up

**Source:**
*Central European February 1996*

## SPT Telecom

**Activity Date:** 3 1994

Bell Atlantic of the US and France Telecom have joined forces in the contest for **SPT Telecom**, the Czech Republic's telecommunications company which will be sold in one of the biggest privatizations seen in Eastern Europe. The initial bid for a 27% stake that could be worth up to $1bn is due in December. The strong US/French partnership stems from an already strong presence in the region. Bell Atlantic has an existing mobile phone operation and France Telecom has provide technical assistance to SPT in the past. However there will be much competition from other telecommunications giants like AT&T, Ameritech and Swiss Telecom.

The government's plan for the privatization of SPT Telecom entails a 26% offering to Czech citizens via the voucher privatization program with the remaining equity under state control until another 27% is sold to a strategic investor. Critics claim that the conditions of the tender portion of the privatization were designed to discriminate against domestic bidders thus ensuring success to a foreign company or consortium. The Czech government expects the winner to increase SPT's capital by 37%. SPT will have a guaranteed monopoly over telecommunications in the Czech Republic until the turn of the century. No domestic firms have been selected to place a final bid in the tender.

**Headline:**
Czech Telecom Bidders Line Up

**Source:**
*Financial Times November 14, 1994*

**Activity Date:** 6 1994

**SPT Telecom** is one of 861 firms to be privatized in the Czech Republic's second wave of mass privatization. The government will offer 26% of the firm for vouchers and is in the process of compiling a short list of foreign firms who are in contention for a 27% stake. SPT is a very attractive enterprise with profits of $118.8 million on revenues of $624.6 million.

A June announcement added that 27% of the company would be sold to a strategic investor following a 37% increase in the company's capital. Pending regulation policy for the telecom sector is stalling a definite sale timetable and appeal of the firm to foreign investors. SPT has a current exclusitivity period of 5 years, but parliament is debating how much of the company to deregulate. In the meantime, a 26% share is being sold to the Czech public through a voucher program. Another 4% will go towards a fund for restitution claimants, and 1% will be set aside for several foundations. The Ministry of the Economy is being assisted on the sale by J.P. Morgan.

**Headline:**
Foreigners Eager for Czech Sell-offs

**Source:**
*Financial Times March 9, 1994*

**Activity Date:** 8 1994

**SPT Telecom** and **Sklo Union Teplice** were partialy privatized during the third round of the country's second wave of voucher privatization. Privatization has been proceeding more quickly in this round, with 3.28 shares going for 100 points as opposed to 2.35 shares in the earlier round. The week long effort, taking place between July 11 and July 18, included the sale of 98 million shares in 787 companies.

**Headline:**
Privatization: Czech Republic

**Source:**
*PlanEcon August 3, 1994*

**Activity Date:** 9 1994

The Czech state telephone monopoly, **SPT Telecom**, in September reported a pretax profit of Kcs3.49bn ($124.6m) on six months of revenues totaling Kcs10.1bn ($361m). Revenues in 1993 reached Kcs18.3bn ($653m). This is good news for the government as it is seeking a single strategic partner to assist the company in modernizing its outdated equipment. Currently, only one in five Czechs has a telephone and there is a backlog of 500,000 orders from people who want telephones. The company has already begun formulating its future investment plans in which it expects to invest up to Kcs130 bn ($4.6bn) to update equipment and speed installation. France Telecom and AT & T of the US are among the top contenders being considered for the partnership.

**Headline:**
Czech Telecom Monopoly Advances to Kcs.49bn

**Source:**
*Financial Times September 1, 1994*

**Activity Date:** 1995

In February, representatives of the five consortiums that have submitted preliminary bids for a 27% stake in **SPT Telecom**, the Czech state-owned telephone company, are due to meet with government officials to "sell" their bids. The price for the stake in SPT could reach $1bn, and is expected to be the largest telecoms sale to date in eastern Europe. The individuals meeting are likely to focus on how the bidders intend to meet the stiff development targets the

The individuals meeting are likely to focus on how the bidders intend to meet the stiff development targets the government is demanding of SPT's new partner. The economy ministry which is advised by J.P. Morgan, announced that it would evaluate the bids over a four week period. A second round of bidding is then expected to be held and a winner may be announced by the end of May.

**Headline:**
Bidders for SPT Meet Officials this Week

**Source:**
*Financial Times February 27, 1995*

**Activity Date:** 1995

Stet International has made a $950m bid for a 27% stake in **SPT Telecom**, the Czech Republic's state telecommunications company. However, a competing bid by CeTel, a consortium of Ameritech and Deutsche Telekom, topped Stet's offer with a bid of $1.05bn. Stet, CeTel, and three other bidders will have three weeks to submit a final offer for SPT. The Czech government has emphasized the need for a bidder that will modernize the Czech phone system over the need for a large inflow of cash.

**Headline:**
Stet in Race for Holding in Czech Telecoms

**Source:**
*Financial Times April 27, 1995*

**Activity Date:** 1995

The largest privatization in Eastern Europe came to an end as the Czech Government officially selected the TelSource, a consortium led by Koninklijke PTT Nederland and supported by minority partners Swiss Telecom and AT&T, as the winner of the bid for a 27% stake in **SPT Telekom**. TelSource has agreed to pay a record $1.45bn for its stake in the Czech company, $1.32bn in cash and the rest in services. TelSource will get wide management control to help double the number of phone lines in the country. All proceeds will be used to finance the company's modernization plans. Intense competition for the stake and the Czech economy's strong record of economic reform helped to push the final price well beyond the initial price of $1bn.

**Headline:**
Czech Telecom Stake Sold for Record $1.5bn

**Source:**
*Financial Times June 29, 1995*

**Activity Date:** 1995

The TelSource consortium, led by PTT Telecom Nederland, has been recommended as the winner of the tender for a 27% stake in **SPT Telekom** by a steering committee overseeing the tender. Consortia led by TeleDanmark and Stet of Italy have been suggested as possible alternates. The government is expected to make a final decision on Wednesday, June 28. The goal of SPT's strategic partnership is to double the nation's phone network from its current level of one line for every five people by the end of the century.

TeleDanmark, the Danish telecommunications firm, rescinded its offer to form an alliance with a Czech banking consortium in order to bid individually for a stake in **SPT Telekom**. TeleDanmark insists that the alliance with the consortium, led by Komercni Banka, was considered only to improve the chances for winning the 27% stake. The Danish firm intends to make SPT Telecom an international telecommunications hub and preferred distributor of global telecommunications services to Czechs. Five bids for the stake are currently being considered by a steering committee. The winner is expected to be notified by the end of June.

**Headline:**
PTT Heads List of SPT Bidders

**Source:**
*Financial Times June 28, 1995*

**Activity Date:** 1 1995

The Czech government announced that it is postponing an international tender for a 27% stake in **SPT Telecom** that was to have been completed by March. The delay is the result of controversy between the finance ministry and SPT officials. Officials for SPT have indicated that they would like a significant increase in the rates for local phone service in order to finance a proposed $4.7bn investment program through 1998. The government, however, has said the level of investment is likely to be only a little more than half that amount and is pushing for lower rates for local, long distance and international service. The 27% stake is currently valued at $1bn although the true value cannot be determined until the final rate schedule has been decided upon. Ten foreign telecommunication companies have already obtained pre-bid documents in preparation for the sale. There have also been recent changes in the consortiums that are expected to place bids.

Two of the main competing consortiums, one consisting of Bell Atlantic and France Telecom and the other of Deutsche Telekom and Ameritech, will alter their partnerships such that France Telecom and Deutsche Telekom become minority partners. Reasons cited for the smaller roles played by the two companies are, in the case of Deutsche Telekom, the perceived hesitation of selling such assets to former occupying powers and in the case of France Telecom,

Telekom, the perceived hesitation of selling such assets to former occupying powers and in the case of France Telecom, to accommodate a prejudice against French companies following Air France's failure to invest in the troubled Czech CSA airline. Stet International of Italy, one of the potential bidders for the 27% stake in SPT Telecom to be offered in April, has announced that it will not seek to form a consortium. Reasons cited for the decision included a desire to maintain flexibility in the negotiations and bidding and not having to share the information from its evaluation of SPT Telecom with another partner. No decision has yet been made as to whether or not Stet will seek a partner in the later stages of the bidding process. The entire sale may be in doubt, however, following the announced delay.

**Headline:**
Dispute on Tariffs Delays Flotation of Czech Telecom

**Source:**
*Financial Times January 5, 1995*

**Activity Date:** 1 1995

There have been recent changes in the consortiums that are expected to place bids for a 27% stake in **SPT Telecom** to be offered early this year. Two of the main competing consortiums, one consisting of Bell Atlantic and France Telecom and the other of Deutsche Telekom and Ameritech, will alter their partneships such that France Telecom and Deutsche Telekom become minority partners. Reasons cited for the smaller roles played by the two companies are, in the case of Deutsche Telekom, the perceived hesitation of selling such assets to former occupying powers and in the case of France Telecom, to accomodate a prejudice against french companies following Air France's failure to invest in the troubled Czech CSA airline. Other interested investors are KPN of the Netherlands and Stet of Italy. The entire sale may be in doubt, however, following an announcement by the Czech government that the sale, scheduled to take place in March, will be delayed for at least one month.

**Headline:**
'Prejudice' Changes Line-up in Czech Telecom Bid

**Source:**
*Financial Times January 9, 1995*

**Activity Date:** 2 1995

The Czech government and J.P. Morgan released final transaction documents in the international tender for a stake in **SPT Telecom**. They also provided the 10 international telecom groups vying for the 27% stake with details of a new tariff policy governing future price increases for SPT service. The deadline for the preliminary bids, which could fetch up to $1bn, is February 24, 1995.

**Headline:**
Czech Telecom Sell-off Documents Released

**Source:**
*Financial Times January 1, 1995*

**Activity Date:** 2 1995

It was reported in February that five bids were received for a 27% stake with an estimated value of $1bn, in the state-owned **SPT Telecom**. The Czech government acknowledged that it had received bids from Tele Danmark, Stet, Deutsche Telekom and Ameritech, France Telecom and Bell Atlantic, and PTT Netherlands and AT&T Corp. It is expected that evaluation of the bids will take 3 to 4 weeks.

**Headline:**
Czech Telecom Bids Filed

**Source:**
*Wall Street Journal February 27, 1995*

**Activity Date:** 3 1995

The partial privatization of **SPT Telecom** has been approved by the government of the Czech Republic. The objective of the privatization is to double the number of main telephone lines by the year 2000. A strategic partner for the telecommunications enterprise will be selected via a tender organized by JP Morgan. The foreign firm will be restricted to a 27% stake in SPT Telecom's equity with the government retaining a majority share. The Czech firm has been given a monopoly over intercity and international service until the end of the century.

Twelve of the worlds leading telecom companies including AT&T, Deutsche Telekom, France Telecom, Stet International and Swiss Telecom are involved in the bidding for SPT Telecom, the Czech Telecommunications company. The bidders must make their preliminary offer by December, thereafter a second round begins, with a decision expected on March 1, 1995. The money from the transaction, roughly $700m-$1bn, will not go to the government but to SPT in order to help with a $4.7bn modernization program. The investment will be used to raise the lines per 100 people from 20 to 35, and convert all the analog switching to digital technology. There is much speculation, though, as to the $2.6bn valuation because the government has not revised its tariff policy yet and the bidders do not know how much they are guaranteed in earnings. If the government decides to cut tariff rates within the next few years it could make the Czech company considerably less attractive.

**Headline:**
Privatization Briefs

**Source:**
*Central European October 1994*

**Activity Date:** 3 1995

A Czech Court ordered the halt of an international tender put forth by **SPT Telecom**, the state owned telecommunications company. SPT Telecom is offering a 27% stake in the company, expected to be worth $1bn, to foreign strategic investors in an effort of find a partner who will help modernize the nation's outdated telephone system. The cessation was requested because Telis, a small Czech communications company, claimed that it was unfairly excluded from the tender.

The international tender for the stake in SPT Telecom is back on track after a Prague appeals court overturned the lower court's order for a halt in the proceedings. The economic ministry commented that Telis had been excluded from the original tender because of its small size and perceived inability to pay the $1bn the government is seeking.

**Headline:**
Czechs Halt Telecom Sale

**Source:**
*Financial Times March 4, 1995*

**Activity Date:** 5 1995

Stet International, the Italian telecommunications group bidding on the sale of the Czech Republic's **SPT Telekom**, has said that if it wins the tender, SPT would become the international communications hub of Central and Eastern Europe. Stet, which bid $950m for the stake, decided to act alone in the tender in order to give it more flexibility in dealing with the Czech firm. Bids are due by June 1 and a decision on the tender is expected by the end of June.

**Headline:**
Stet Steps up SPT Campaign

**Source:**
*Financial Times May 23, 1995*

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## Synthesia

**Activity Date:** 4 1994

**Synthesia**, a chemicals and explosives manufacturer, is one of 861 firms to be privatized in the Czech Republic's second wave of mass privatization.

**Headline:**
Foreigners Eager for Czech Sell-offs

**Source:**
*Financial Times March 9, 1994*

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## Transgas

**Activity Date:** 2 1993

This privatization has been put on hold due to the split with Slovakia.

**Headline:**

**Source:**
*PI 2/93 p. 15*

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## Trinec Steel Works

**Activity Date:** 9 1995

The Czech Republic is offering to sell 50.92% of the **Trinec Steel Works** to domestic investors in a public tender that closes on September 9.

**Headline:**
Postscripts...

**Source:**
*Wall Street Journal*

### Vitkovice

**Activity Date:** 1995

The Czech government announced that there will be 53 more large companies privatized in the next two years. Among them, shares in **Komercni Banka**, the state's largest commercial bank; **Ceska Sporitelna**, the state's largest savings bank; **CEZ,** the power generating conglomerate; **Vitkovice**, the steel company; and **Chemopetrol**, the petrochemical group, will be offered. The state plans to substantially reduce its strategic holdings. The intention is also to privatize the rest of the 1,400 minor state holdings by the second half of 1997.

**Headline:** Czech Privatisations Planned

**Source:** *Financial Times August 9, 1995*

### Vychodeceska Cukerni Hradec Kralove Sugar refinery

**Activity Date:** 10 1993

Eastern Sugar of the Netherlands is talking with the **Vychodeceska Cukerni Hradec Kralove** sugar refinery about buying shares in its plant in Kopidlno.

**Headline:** Business/Company News Briefs

**Source:** *Plan Econ October 13, 1993*

### Zetor Brno

**Activity Date:** 3 1994

The Czech Republic's National Property Fund (NPF) will sell 22% of **Zetor Brno** (ZB), a tractor manufacturer, to Deere & Co. of the US. The agreement resulted from negotiations that started in 1992 between Deere and Brno Diesel, an engine maker that later merged with Zetor. The initial purchase is scheduled to occur in the second half of 1994, and Deere plans to expand its holdings in ZB over the next two years. Under a cooperative agreement Zetor will sell equipment here in the US under the Deere name. In 1993, ZB lost $15 million on revenue of $178.2 million. The firm employs 5,900 and is hoping to reap a profit of $4.29 million producing 15,200 tractors. The NPF holds 69.1% of ZB, 7.7% is in the hands of investment funds, individuals have 19.4%, while Northern Bruno maintains a 1.6% share.

**Headline:** Deere Announces Czech Purchase

**Source:** *PlanEcon March 2, 1994*

## *Czechoslovakia*

### Aero

**Activity Date:** 8 1992

In coordination with an interested aerospace consulting firm, PW/IPG formulated a preliminary proposal for assistance in restructuring the potential shareholder group of the holding company and undertaking a search for financial/strategic investors for **Aero**.

**Headline:**

**Source:** *PW/IPG Staff*

### Avia and Liaz

**Activity Date:** 4 1992

In April the Czech regional government agreed to the $250 million joint venture between Daimler Benz AG and the Czech truck manufacturers Avia and Liaz. The ownership structure of the venture will give Mercedes Benz 31%, Avia 49% and Liaz 20%. Mercedes will invest a total of DM450 over the next six years into the venture.

**Headline:**

**Source:** *EBRD/FT/4/92*

## Bratislavske Automobile Zavody (BAZ)

**Activity Date:** 1 1992

In January, a joint-venture was signed between Volkswagon and Bratislavske Automobile Zavody (BAZ). Volkswagon bought an 80% stake in the venture for $556.9 million (DM880m).

**Headline:**

**Source:**
*FT/ 11/92*

## Ceska Sporitelna

**Activity Date:** 9 1992

In September 1992, 37% of the equity in Ceska Sporitelna, the Czech Saving bank, was privatized through the direct transfer to voucher holders.

**Headline:**

**Source:**
*PI 9/92*

## Ceska Typografie

**Activity Date:** 12 1991

IPG completed a draft report which represents among other things, descriptions of **Typografie's** legal issues, business operations and potential competitors, Typografie's recent financial position and performance, as well as cashflow projections under alternative business scenarios.

**Headline:**

**Source:**
*PW/IPG Staff*

## Ceske Budejovice Paper Mills

**Activity Date:** 1 1993

In January 1993, it was announced that a forty percent share of Ceske Budejovice Paper Mills of the Czech Republic had been sold to Duropack Vienna, with an option for the Austrian firm to acquire a 51% majority share. The Czech paper mill manufactures paperboard products and has roughly a forty percent market share in the former Czechoslovakia.

**Headline:**

**Source:**
*PlanEcon 1/6/93*

## Ceskeslovenske Aerolinie (CSA)

**Activity Date:** 1992

A consortium lead by Air France has paid $60 million for a 40% stake in Ceskeslovenske Aerolinie (CSA). Each member of the consortium will contribute $20 million in cash to the deal. Air France will pay about $6 million is cash and provide the remaining $14 million through the transfer of engineering, maintenance, and catering.

**Headline:**

**Source:**
*FT*

## Chemicke Zavody Sokolov

**Activity Date:** 1992

The Czechoslovak government approved a bid by Dow Europe for the Sokolov Chemical Works. Dow plans to make an initial investment and purchase of shares totaling %53 million for a 51% share in Sokolov. The U.S. company will put $100 million worth of investments over three years, eventually acquiring 90% of the company. Arthur Little will be advising on the transaction.

**Headline:**

**Source:**
*PE 4/92*

## Chemlon

**Activity Date:** 1992

The French chemical group Rhone-Poulenc formed a joint venture with the Slovak company Chemlon, the largest producer of artificial fibers in Eastern Europe. Rhone-Poulenc will initially acquire 52% off Chemlon for FF 500 million and plans to increase their share to 60%.

**Headline:**

**Source:**
*PI / 5/92*

## CKD Chocen

**Activity Date:** 1 1992

Price Waterhouse IPG provided **CKD Chocen**, a manufacturer of railway cooling equipment, with in depth business analysis, development of an Information Memorandum, an investor search and assistance in the negotiation of a sale.

**Headline:**

**Source:**
*PW/IPG Staff*

## Cokoladovny

**Activity Date:** 1 1992

A joint venture was formed in January between Nestle, the Swiss-based food maker, and BSN, the French biscuit manufacturer, to acquire a 43% share of Cokoladovny, Czechoslovakia's largest food producer, for a price of $95.5 million. The 2 companies will invest $114.8 m in Cokoladovny over the next four years, of which $81.4 m will be used to increase their share first to 53% and then to 57% by 1996. The European Bank for Reconstruction and Development (EBRD) is acquiring 15% of Cokoladovny for $32.2 m.

**Headline:**

**Source:**
*FT/ WSJ 1/92*

## Elton s.p.

**Activity Date:** 1 1992

Price Waterhouse IPG provided **Elton**, a watch and precision equipment manufacturer, with in depth business analysis, development of an Information Memorandum, an investor search and assistance in the negotiation of a sale.

**Headline:**

**Source:**
*PW/IPG Staff*

**Activity Date:** 8 1992

PW/IPG prepared a preliminary draft information memorandum and a draft list of investors for **Elton s.p.** PW/IPG began ad hoc negotiations with two investor groups and preliminary joint venture documentation.

**Headline:**

**Source:**
*PW/IPG Staff*

## Ferox Decin

**Activity Date:** 11 1992

In November 1992, a 51% share in the state-owned chemical plant **Ferox Decin** was sold to Air Products, a US manufacturer and distributor of technical gases. Another 43% has been set aside for coupon privatization, of which 38% has been sold. New ownership of Ferox Decin will produce and sell equipment for the chemical, pharmaceutical, and food industries. They expect to increase production 15% by next year, and to double in five years.

**Headline:**

**Source:**
*PlanEcon 11/25*

## Foma

**Activity Date:** 1 1992

Price Waterhouse IPG provided **Foma**, a manufacturer of photographic paper, with in depth business analysis, development of an Information Memorandum, an investor search and assistance in the negotiation of a sale.

**Headline:**

**Source:**
*PW/IPG Staff*

## Galena

**Activity Date:** 1 1992

Price Waterhouse IPG provided **Galena,** a pharmaceutical manufacturer, with in depth business analysis, development of an Information Memorandum, an investor search and assistance in the negotiation of a sale.

**Headline:**

**Source:**
*PW/IPG Staff*

## Gemtex

**Activity Date:** 8 1992

A preliminary information memorandum on **Gemtex** was completed by Price Waterhouse IPG, and was sent to possible investors.

**Headline:**

**Source:**
*PW/IPG Staff*

## Hradec Kralove

**Activity Date:** 1992

Price Waterhouse IPG acted as a privatization advisor for the 1992 privatization of **Hradec Kralove**, which provides solid waste disposal services in Czechoslovakia.

**Headline:**

**Source:**
*PW/IPG Staff*

## Izomat

**Activity Date:** 8 1994

Price Waterhouse IPG provided an investor search for **Izomat**, a manufacturer of building materials.

**Headline:**

**Source:**
*PW/IPG Staff*

## Komercni Banka

**Activity Date:** 9 1992

In September 1992, 53% of the equity in Komercni Banka, the largest commercial bank in the Czech Republic, was privatized through the direct transfer to voucher holders.

**Headline:**

**Source:**
*PI 9/92*

## Kyje

**Activity Date:** 3 1992

In March Kyje, a soft-drink facility, is to be privatized when Australian Coca-Cola Amatil Ltd. will purchase the company for US$6 million. Coca-Cola Amatil has agreed to invest $82 million into the plant, including the acquisition price. The Kyje plant will be incorporated into Amatil's Czech subsidiary CCA Praha

**Headline:**

**Source:**
*WSJ*

## Leciva

**Activity Date:** 1 1992

Price Waterhouse IPG provided **Leciva**, a pharmaceutical manufacturer, with in depth business analysis, development of an Information Memorandum, an investor search and assistance in the negotiation of a sale.

**Headline:**

**Source:**
*PW/IPG Staff*

## Maj

**Activity Date:** 5 1992

In May **Maj**, a store in Prague, is to be privatized. K-Mart, the U.S. department store chain, will get a 67% share of Maj, and 97% of five **Prior** stores in major Czechoslovak cities. K-Mart invested $37.5 m for the stores and plans to invest another 8.3 m to upgrade products in the stores. It will also export approximately $15m worth of Czechoslovak goods to the United States.

**Headline:**

**Source:**
*PE & PI 4/92*

## MEZ Modelnice

**Activity Date:** 8 1992

In August of 1992, it was announced that the MEZ Modelnice manufacturing firm of Czechosovakia would enter into a joint venture with Siemens of Germany to manufacture electric motors, pending approval from the Czech Ministry of Industry.

**Headline:**

**Source:**
*PlanEcon 8/19/92*

## Mlada Fronta Dnes

**Activity Date:** 1 1992

In January Mlada Fronta Dnes, the best-selling daily newspaper in Czechoslovakia, was partially acquired by the Hersant Group, publisher of the Paris-based daily Le Figaro. Hersant spent $22 million to buy a 48% stake in the Czechoslovak paper.

**Headline:**

**Source:**
*FT 1/14/92*

## Povltavske Tukove Zavody (PTZ)

**Activity Date:** 11 1992

In November 1992, the Czech Republic's National Property Fund sold Povltavske Tukove Zavody (PTZ) to Unilever, the Anglo-Dutch conglomerate, for approximately $10 million. Unilever plans to invest another $15 million over the next two years to modernize operations. PTZ, a producer of household oils and soaps, currently employs about 400 near Prague, and had a turnover of nearly $20 million in 1991. Unilever will likely broaden PTZ's product range, to include among others increased capacity to produce margarine. Unilever claims that the Czech market for margarine is about 40,000 tons per year and growing.

**Headline:**

**Source:**
*E. Eur Reporter*
*10/12/92*

## Prague Breweries

**Activity Date:** 11 1992

In November 1992 it was announced that Prague Breweries had been privatized and is now 52% owned by five investment funds. Management will hold 5% equity, employees will own 10%, and a further 10% will be held in the Czech National Property Fund. Only 3% of the company will be held by private investors.

**Headline:**

**Source:**
*PlanEcon 11/11/92*

## Skoda Automobilia

**Activity Date:** 1 1992

In January, **Skoda**, the Czech car manufacturer, entered into a joint-venture with Volkswagon of Germany. Volkswagon, which purchased a 31% share in Skoda and agreed to increase its share to 70% by 1995, has already invested DM 60 million ($40m) in the past year, and plans to seek another $1.2 billion in loans to finance further investments.

The remaining 30% share in Skoda will likely be offered to investors through a government-controlled mutual fund which would pay dividends, but prohibit voting rights.

**Headline:**

**Source:**
*FT 9/23/92*

## Slovena, s.p.

**Activity Date:** 8 1992

Price Waterhouse IPG provided **Slovena,** a textile manufacturer, with an investor search.

**Headline:**

**Source:**
*PW/IPG Staff*

## South Bohemian Paper Mills

**Activity Date:** 11 1992

In November 1992, Duropack of Austria purchased a 40% share in the Czechoslovak firm South Bohemian Paper Mills. The mill has a capacity of 55,000 tonnes of corrugated paperboard and specializes in transport packaging.

**Headline:**

**Source:**
*PlanEcon 11/25*

### Tabak

**Activity Date:** 3 1992

In March, Phillip Morris, the US cigarette manufacturer, will buy an initial 30% of Tabak, the Czech cigarette manufacturer, for $104.4 million. It has offered a similar amount to buy an additional 30% at a later stage. The US company will pay, in cash and capital expenditure combined, a total of $395.8.

**Headline:**

**Source:**
*PI / 5/92*

### Tatralán, s.p.

**Activity Date:** 8 1992

Price Waterhouse IPG provided **Tatralán, s.p.**, with an investor search.

**Headline:**

**Source:**
*PW/IPG Staff*

### Vitana

**Activity Date:** 11 1992

In November of 1992, the Norwegian company Rieber and Sons had purchased a furnter 30% of the Vitana food processing plant from the Czechoslovakian National Property Fund, bringing their total share to 97%. The purchase price was Kcs 380m for the 97% share, with 67% down and the rest payable over the next two years. Rieber plans to invest Kcs 445m over the next five years and to increase the foundation capital by about Kcs 50m. Dividend payments will not be made until the end of 1994.

**Headline:**

**Source:**
*PE11/25/92*

### Vseobecna Uverova Banka AS

**Activity Date:** 5 1991

Vssepbecna Uverpva Banka AS, the largest bank in Slovakia, is to be sold in May. It is already negotiating with French and German banks for a major investment by a foreign partner. The State will retain 45% of VUB's shares while 52% will be offered and 3% will be set aside for restitution of property confiscated under Communism.

**Headline:**

**Source:**
*EBRD 4/92*

### Zivnovstenska Bank

**Activity Date:** 1 1992

In January, a forty percent stake in Czechoslovakia's oldest bank, Zivnovstenska Bank was sold to Berlin Handels-und Frankfurter Bank (BHF) of Germany for Kcs1.4 billion ($50 million). An additional 12% share is being acquired by the International Finance Corporation (IFC), while the remaining 48% equity will likely be offered to the public. BHF plans on developing a full range of banking services through Zivnovstenska's operations.

**Headline:**

**Source:**
*FT 1/14/92*

### ZVVZ Milevsko

**Activity Date:** 1 1992

Price Waterhouse IPG provided **ZVVZ Milevesko**, a manufacturer of air filter, duct work, antipollution devices and other related equipment, with in depth business analysis, development of an Information Memorandum, an investor search and assistance in the negotiation of a sale.

**Headline:**

**Source:**
*PW/IPG Staff*

## *Estonia*

### 41 State Industrial Enterprises

**Activity Date:** 11 1994

The Estonian Privatization Agency has announced an international tender for 41 state-owned companies in the transportation, food industry, construction, metal working, hotel, wholesale, and retail sectors. The enterprises range in size from 2 workers to 1199 employees and some of the larger firms include **RAS Tartu Autoveod, Valga, RAS Tarkon**, and **RAS Walko.**

**Headline:**
Advertisement: Estonia International Tender for the Sale of Industrial Enterprises

**Source:**
*Financial Times November 11, 1994*

### ABT

**Activity Date:** 11 1993

The Estonian Privatization Agency has announced an open tender for the sale of the food wholesaler **ABT** in Tallinn. The company owns a 30,000 sqm warehouse and has the annual turnover of EEK 85 million ($6.3 million) a year. It employs 225 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist* *November 6, 1993*

### Aseri Brick Works

**Activity Date:** 8 1993

The largest brick manufacturer in Estonia, **Aseri Brick Works,** is scheduled to be taken over by the Estonian-Finnish joint venture, Aseri Tellis. The new venture owns one unit (31% of shares) of the state-owned Aseri Works and 69% Aseri Tellis' shares belong to the Finnish Lohja OY company. The second unit of the works will eventually be given up in return for an increase of the Estonian stake to 45%. The total investment of the Finnish company will be up to EEK26 million ($1.9 million). Aseri Tellis' capacity is 25 million bricks per annum. It employs 100 people.

**Headline:**
Brick Works Taken Over

**Source:**
*The Baltic Independent* *September 3-9, 1993*

### Balti ES

**Activity Date:** 11 1993

The Estonian Privatization Agency has announced an open tender for the **Balti ES** enterprise located in Narva. It specializes in manufacturing of turbomolecular vacuum pumps, remote gamma ray threapeutic apparatuses, mechanical manipulators, radioisotope thermoelectric generators, measuring devices and various plastic parts. The plant employs 700 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist* *November 6, 1993*

### Bark

**Activity Date:** 11 1993

An open tender has been announced by the Estonian Privatization Agency for the sale of the construction company **Bark** located in the city of Narva. The company is involved in the manufacturing pre-cast concrete products (30,000 cu m/year), structural metal parts, reinforced concrete parts, and ready-mixed concrete and mortar. The company employs 158 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist* *November 6, 1993*

**Eesti Kutus**

**Activity Date:** 8 1993

The Estonian Privatization Agency has put off selling seven of Eesti Kutus' fuel storage tanks, because it received fewer bids than was expected. The bids have come predominantly from local firms with foreign capital. The tanks are being sold in order to repay state-owned Kutus' $16 million debt.

**Headline:**
Fuel Storage Tanks Sale Delayed

**Source:**
*The Baltic Independent August 13-19, 1993*

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**Eesti Roivas**

**Activity Date:** 11 1993

The Estonian Privatization Agency has announced an open tender for the sale of garments wholesaler **Eesti Roivas** in Tallinn. The company, with the annual turnover of EEK 33 million ($2.4 million) a year, owns two shops and is renting another two shops. It employs 90 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist November 6, 1993*

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**Eesti Tekstiil**

**Activity Date:** 11 1993

The Estonian Privatization Agency has announced an open tender for the sale of the textile wholesaler **Eesti Tekstiil** in Tallinn. The company, with the annual turnover of EEK 34 million ($2.5 million) a year, has a 27,000 sqm store and 5,000 sqm warehouse and employs 70 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist November 6th, 1993*

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**Eesti Vesiehitus**

**Activity Date:** 11 1993

The Estonian Privatization Agency announced an open tender for the hydrotechnical construction company **Eesti Vesiehitus** in Tallinn. The company's turnover is EEK 22 million ($1.6 million) a year and employs 285 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist November 6, 1993*

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**Elamu**

**Activity Date:** 11 1993

The Estonian Privatization Agency announced an open tender for the construction company **Elamu** in Tallinn. It specializes in the manufacturing of pre-cast concrete (capacity 200,000 cu m/year), construction of panel houses, structural metal products, and owns a warehouse for construction materials. The company employs 489 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist November 6, 1993*

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**Emet**

**Activity Date:** 11 1993

The Estonian Privatization Agency announced an open tender for construction company **Emet** in Tallinn. It specializes in the construction of sewage networks, civil works (laying of 100 km pipes), machinery and road construction installation rentals. The company employs 906 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist November 6, 1993*

## Estjal

**Activity Date:** 11 1993

The Estonian Privatization Agency has announced an open tender for the sale of shoes wholesaler **Estjal** in Tallinn. The company, with the annual turnover of EEK 17 million ($1.2 million) a year, is renting a shop and employs 51 people.

**Headline:** International Tender for the Sale of Industrial Enterprises

**Source:** *The Economist* *November 6th, 1993*

## Estolift

**Activity Date:** 11 1993

The Estonian Privatization Agency has announced an open tender for the **Estolift** enterprise, which specializes in manufacturing of electrical household appliances. The company's turnover is EEK2.2 million ($163,000) a year and it employs 76 people.

**Headline:** International Tender for the Sale of Industrial Enterprises

**Source:** *The Economist* *November 6, 1993*

## Estonian Air

**Activity Date:** 1 1996

Scandinavian Airlines System (SAS) has offered to enter into a strategic partnership with the state-owned air carrier, **Estonian Air**. SAS would like to acquire a 66% stake in the enterprise, although part of this stake would be held by Estonian private parties to ensure that majority ownership is Estonian. SAS is dealing directly with the Estonian Privatization Agency in the sale.

The government of Estonia has announced a public tender for the privatization of **Estonian Air** of up to 66% of its shares. The closing date for bids was January 25.

**Headline:** SAS Offers to Buy Estonian Air Stake

**Source:** *Financial Times February 16, 1996*

**Activity Date:** 3 1996

The Estonian privatization agency is offering a 66% stake in **Estonian Air**. Scandinavian Airlines System, Baltic International USA, Air Baltic, and American Airlines have all expressed interest in the stake. Companies listed on the privatization program for 1996 include: energy company Eesti Energie, shale producer Eesti Polevkivi, Tallin seaport, Eesti Telekom, and shipping and railway companies. Most of the enterprises will be restructured before being offered for sale.

**Headline:** Market Makers

**Source:** *Central European March 1996*

## Estonian Railways

**Activity Date:** 1995

The state-owned **Estonian Railways** privatized its first section of track at an auction on July 4. The 1.6 km line of track was sold for $63,000 to a joint stock company named Scantrans. More lines of track are expected to be sold.

**Headline:** Estonia

**Source:** *Privatisation International August 1995*

### Hoiupank (Savings Bank)

**Activity Date:** 10 1993

The Estonian government suggested that the Board of the Bank of Estonia in October revoke the sale of one-third of the stocks of the **Savings Bank (Hoiupank)** to Hansapank, a major Estonian Commercial bank. The value of the stocks for sale was $540,000. The debate erupted over the ownership rights in the bank. The Central Bank claimed that since it founded the Savings Bank, it is the legal owner and thereby has the right to sell its property if approved by the board. The government cites the decision of the Supreme Council, according to which Savings Bank went under the jurisdiction of the government. The government's decision came two months after the actual deal was concluded. The Director General of the Savings Bank, Olari Taal, said he was convinced that the government would not take legal action against the Central Bank in order to avoid an international scandal.

**Headline:** Government Asks Bank to Revoke Stock Sale

**Source:** *The Baltic Independent* *October 8-14, 1993*

### Ida-Virumaa Kaubabaas

**Activity Date:** 11 1993

The Estonian Privatization Agency has announced an open tender for the sale of **Ida-Virumaa Kaubabaas** in Kohtla Jarve, the company specializing in wholesale of food and agricultural raw materials. The company has the annual turnover of EEK 16 million ($1.1 million) a year. It employs 71 people.

**Headline:** International Tender for the Sale of Industrial Enterprises

**Source:** *The Economist* *November 6, 1993*

### Kalev

**Activity Date:** 12 1992

In December 1992, the Estonian Privatization Agency announced that Kalev, a state-owned food-processing enterprise would be privatized through a competitive bidding process. This enterprise is one of 38 large enterprises to be included in Estonia's first experience with privatization through competitive bidding. The 38 enterprises have been chosen from seven industrial sectors of the Estonian economy, and collectively employ about 26,000 people. Bids must be submitted by December 22, and must be 59% backed by bank guarantees. Companies will be awarded based on price and the number of jobs affected.

**Headline:**

**Source:** *PlanEcon* *11/25/92*

**Activity Date:** 9 1995

The government of Estonia has sold 55% of its shares in **Kalev**, a confectionery and chocolate maker. The shares were sold to Tallinvest, a company owned by the Bank of Tallinn. The remaining 45% has been reserved for a voucher privatization.

**Headline:** Polish Bank Seeks Foreign Shareholder

**Source:** *Financial Times* *September 4, 1995*

### Kilingi-Nomme Metsamajand

**Activity Date:** 11 1993

A company **Kilingi-Nomme Metsamajand** from Parnu region in Estonia, specializing in logging and transport, sawing and planing of wood, manufacture of wooden articles and wood chips is up for sale by the Estonian Privatization Agency through an open tender. The company's capacity is sawing a 4,000 cu m/year, and logging a 10,000 cu m/year. The company employs 147 people.

**Headline:** International Tender for the Sale of Industrial Enterprises

**Source:** *The Economist* *November 6, 1993*

## Kombinaat Kreenholmi Manufaktuur

**Activity Date:** 12 1992

In December 1992, the Estonian Privatization Agency announced that Kombinaat Kreenholmi Manufaktuur, a state-owned textile enterprise would be privatized through a competitive bidding process. This enterprise is one of 38 large enterprises to be included in Estonia's first experience with privatization through competitive bidding. The 38 enterprises have been chosen from seven industrial sectors of the Estonian economy, and collectively employ about 26,000 people. Bids must be submitted by December 22, and must be 59% backed by bank guarantees. Companies will be awarded based on price and the number of jobs affected.

**Headline:**

**Source:**
*PlanEcon*
*11/25/92*

## Kommunaar

**Activity Date:** 12 1992

In December 1992, the Estonian Privatization Agency announced that Kommunaar, a state-owned textile enterprise would be privatized through a competitive bidding process. This enterprise is one of 38 large enterprises to be included in Estonia's first experience with privatization through competitive bidding. The 38 enterprises have been chosen from seven industrial sectors of the Estonian economy, and collectively employ about 26,000 people. Bids must be submitted by December 22, and must be 59% backed by bank guarantees. Companies will be awarded based on price and the number of jobs affected.

**Headline:**

**Source:**
*PlanEcon*
*11/25/92*

## Kopli Autobaas

**Activity Date:** 11 1993

The Estonian Privatization Agency announced an open tender for the sale of the transportation company **Kopli Autobaas** in Tallin. The company owns 227 lorries with an average capacity of 7t and has an annual turnover of EEK 9 million ($669,000) a year. It employs 166 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist* *November 6, 1993*

## Kunda Nordic Cement Corporation

**Activity Date:** 2 1994

Estonia's only producer of cement, **Kunda Nordic Cement Corporation,** decided to decrease the number of shares owned by the Estonian government from 65% to 49% in April 1993. Under this arrangement, the company will be 49% owned by the government and 51% by the Finnish consortium Atlas Nordic Cement Limited OY. The new partners will invest $30 million in the joint venture.

In February 1994, it was announced that the company was able to receive financing from international sources of approximately $43 million over the next four years. The shareholding will be altered through an equity offer of $9 million, in which the investors will take 20%.

**Headline:**
Estonian Cement Finds Concrete Partner

**Source:**
*The Baltic Independent* *August 27-September 2, 1993*

## Leiva-ja Makaronitoostus - Viljandi

**Activity Date:** 12 1992

In December 1992, the Estonian Privatization Agency announced that the Viljandi plant of Leiva-ja Makaronitoostus, a state-owned bread and confectionary enterprise would be privatized through a competitive bidding process. This enterprise is one of 38 large enterprises to be included in Estonia's first experience with privatization through competitive bidding. The 38 enterprises have been chosen from seven industrial sectors of the Estonian economy, and collectively employ about 26,000 people. Bids must be submitted by December 22, and must be 59% backed by bank guarantees. Companies will be awarded based on price and the number of jobs affected.

**Headline:**

**Source:**
*PlanEcon*
*11/25/92*

## Macro Article

**Activity Date:** 9 1993

The new chief of Estonian Privatization Agency, Vaino Sarnet, assumed his duties on September 13. The main goals of the agency at this point are increasing the efficiency and decreasing secrecy of privatization process. Mr. Vaino Sarnet advocates a speedy privatization process as a means to get the economy on its feet as soon as possible, rather than a means for the state to earn big money. The Privatization Agency was set up in early August to combine the earlier two organizations, one involved in privatizing small-scale and the other with large-scale businesses. Mr. Sarnet said it wil take a couple of months to reorganize the two units into one smoothly functioning entity. He plans to employ some 50 new workers in order to speed up privatization. Since 1992, only 13 large-scale enterprises have been sold.

The director of the Estonian Privatization Agency said the third phase of privatization will begin around the end of October. Enterprises in the construction, agriculture and forestry industries will be targeted. The next round beginning this autumn will aim to privatize 50 small and large enterprises.

**Headline:**
Privatisation Agency Gets New Chief

**Source:**
*The Baltic Independent September 24-30, 1993*

## Macro note

**Activity Date:** 7 1993

The Estonian Department of State Property sold 25 businesses in July. This is seven less than a month ago, earning a total of EEK5.5 million ($400,000), compared with EEK98.8 million in June. The summer holiday season was blamed for the slowdown in the privatization process.

**Headline:**
Privatisation Progress

**Source:**
*The Baltic Independent September 3-9, 1993*

## Mistra

**Activity Date:** 12 1992

In December 1992, the Estonian Privatization Agency announced that Mistra, a state-owned textile enterprise would be privatized through a competitive bidding process. This enterprise is one of 38 large enterprises to be included in Estonia's first experience with privatization through competitive bidding. The 38 enterprises have been chosen from seven industrial sectors of the Estonian economy, and collectively employ about 26,000 people. Bids must be submitted by December 22, and must be 59% backed by bank guarantees. Companies will be awarded based on price and the number of jobs affected.

**Headline:**

**Source:**
*PlanEcon*
*11/25/92*

### Municipal Buildings

**Activity Date:** 10 1993

The restitution of buildings in Tallinn, the capital of Estonia, is expected to be completed before the year 2000. However, the authorities indicate that the return of the land to its pre-war owners is likely to continue into the next century. By the begining of October, the municipality received a total of 12,366 restitution applications, of which 1,074 have been looked through. The claims of 716 applicants have been found legally jusified. About 200 buildings were returned, while only about a dozen plots of land were given to its legal owners thus far.

**Headline:**
Tallinn Restitution to Continue

**Source:**
*The Baltic Independent October 8-14, 1993*

### Narva Ehitus

**Activity Date:** 11 1993

The Estonian Privatization Agency announced an open tender for the general construction works company **Narva Ehitus** located in Narva. The company's turnover is EEK 20 million ($1.4 million) a year. The company employs 489 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist November 6, 1993*

### national airline

**Activity Date:** 11 1995

The government of Estonia is expected to offer a 66% stake in its **national airline** through direct negotiations rather than auction or flotation.

**Headline:**
Estonia

**Source:**
*Financial Times November 20, 1995*

### Noorus

**Activity Date:** 12 1992

In December 1992, the Estonian Privatization Agency announced that Noorus, a state-owned textile enterprise would be privatized through a competitive bidding process. This enterprise is one of 38 large enterprises to be included in Estonia's first experience with privatization through competitive bidding. The 38 enterprises have been chosen from seven industrial sectors of the Estonian economy, and collectively employ about 26,000 people. Bids must be submitted by December 22, and must be 59% backed by bank guarantees. Companies will be awarded based on price and the number of jobs affected.

**Headline:**

**Source:**
*PlanEcon*
*11/25/92*

### Painkula Crisps Plant

**Activity Date:** 9 1993

Pepsico Food International purchased Estonia's **Painkula** crisps plant on October 4th for 4 million Estonian Kroons ($300,000). The plant has a capacity of making 500 tons of potato crisps a year. Although a Dutch production line was installed as late as 1991, Pepsico will bring more new equipment to Painkula. The plant is expected to cover Estonia's demand for potato crisps in three months. In the future, most of the production will be exported. The crisps plant is only one of the three units constituting the plant. The other section of Painkula is a starch and spirits unit which remains in the hands of the state. Of the 40 employees that worked in the plant, 30 were dismissed a month prior to the transaction.

**Headline:**
Pepsico Buys Crisps Plant In Estonia

**Source:**
*The Baltic Independent October 8-14, 1993*

## Parnu Kalakombinaat

**Activity Date:** 12 1992

In December 1992, the Estonian Privatization Agency announced that Parnu Kalakombinaat, a state-owned food-processing enterprise would be privatized through a competitive bidding process. This enterprise is one of 38 large enterprises to be included in Estonia's first experience with privatization through competitive bidding. The 38 enterprises have been chosen from seven industrial sectors of the Estonian economy, and collectively employ about 26,000 people. Bids must be submitted by December 22, and must be 59% backed by bank guarantees. Companies will be awarded based on price and the number of jobs affected.

**Headline:**

**Source:**
*PlanEcon*
*11/25/92*

## Parnu Linakombinaat

**Activity Date:** 12 1992

In December 1992, the Estonian Privatization Agency announced that Parnu Linakombinaat, a state-owned textile enterprise would be privatized through a competitive bidding process. This enterprise is one of 38 large enterprises to be included in Estonia's first experience with privatization through competitive bidding. The 38 enterprises have been chosen from seven industrial sectors of the Estonian economy, and collectively employ about 26,000 people. Bids must be submitted by December 22, and must be 59% backed by bank guarantees. Companies will be awarded based on price and the number of jobs affected.

**Headline:**

**Source:**
*PlanEcon*
*11/25/92*

## Raasiku Elekter

**Activity Date:** 11 1993

The Estonian Privatization Agency has announced an open tender for the **Raasiku Elekter** enterprise, which specializes in manufacturing of electrical control cabinets. The company's turnover is EEK3 million ($223,000) a year and it employs 89 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist* *November 6, 1993*

## Rahva Haal

**Activity Date:** 9 1993

The Estonian Privatization Agency will attempt again to sell the **Rahva Haal** daily newspaper by open bidding on September 24, 1993. The earlier decision to sell the paper to Maag was revoked because one of the bidders questioned the legality of the move. A group of Estonian parliamentarians seeks the suspension of the daily's sale, saying it should be carried out through the voucher process.

On September 22nd, just two days before the planned public auction of the daily, the Estonian Privatization Agency announced that the sale of Rahva Haal has been suspended indefinitely. No deals will be struck until Tallinn City Court ends the court case it has launched into the paper's controversial privatization. The Privatization Agency is being accused by critics of excessive secrecy and incompetence.

**Headline:**
Newspaper's Privatisation Row Grows

**Source:**
*The Baltic Independent* *September 10-16, 1993*

**RAS Kalev**

**Activity Date:** 8 1993

The Norwegian company Nidar withdrew their $5 million bid on July 28 for an Estonian confectionery factory RAS Kalev. The director of the Estonian enterprise created a conflict-of-interest situation by suggesting Nidar to invest into RAS Kalev through another company -- Kalev Interest -- of which he also appeared to be the general director.

**Headline:** Kalev Deal May Fall Through

**Source:** *The Baltic Independent August 13-19, 1993*

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**RAS Pussi**

**Activity Date:** 3 1994

**RAS Pussi**, a laminated fiberboard firm, is one of 50 industrial enterprises offered in a tender by the Estonian Privatization Agency. Other companies offered include bakeries and granaries, wood processing concerns, textile firms, construction units, medical enterprises, automotive service concerns, transportation firms, fuel storage depots, wholesale and retail enterprises, and other miscellaneous industrial organizations. RAS Pussi is worth 76 million Estonian Kroons.

**Headline:** Estonia Announces Tender of Industrial Enterprises

**Source:** *Financial Times March 24, 1994*

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**RAS Tallinn**

**Activity Date:** 3 1994

**RAS Tallinn**, a packaged medicaments firm, is one of 50 industrial enterprises offered in a tender by the Estonian Privatization Agency. Other companies offered include bakeries and granaries, wood processing concerns, textile firms, construction units, medical enterprises, automotive service concerns, transportation firms, fuel storage depots, wholesale and retail enterprises, and other miscellaneous industrial organizations. RAS Tallinn is worth 40 million Estonian Kroons.

**Headline:** Estonia Announces Tender of Industrial Enterprises

**Source:** *Financial Times March 24, 1994*

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**RAS Tarmeko**

**Activity Date:** 3 1994

**RAS Tarmeko**, a timber logging firm that produces furniture, is one of 50 industrial enterprises offered in a tender by the Estonian Privatization Agency. Other companies offered include bakeries and granaries, wood processing concerns, textile firms, construction units, medical enterprises, automotive service concerns, transportation firms, fuel storage depots, wholesale and retail enterprises, and other miscellaneous industrial organizations. RAS Tarmeko is worth 98 million Estonian Kroons.

**Headline:** Estonia Announces Tender of Industrial Enterprises

**Source:** *Financial Times March 24, 1994*

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**RAS Vilsnurk**

**Activity Date:** 3 1994

**RAS Vilsnurk**, a wood processing firm that produces furniture, is one of 50 industrial enterprises offered in a tender by the Estonian Privatization Agency. Other companies offered include bakeries and granaries, wood processing concerns, textile firms, construction units, medical enterprises, automotive service concerns, transportation firms, fuel storage depots, wholesale and retail enterprises, and other miscellaneous industrial organizations. RAS Vilsnurk is worth 78 million Estonian Kroons.

**Headline:** Estonia Announces Tender of Industrial Enterprises

**Source:** *Financial Times March 24, 1994*

## Raudval

**Activity Date:** 11 1993

An open tender has been announced by the Estonian Privatization Agency forthe sale of construction company **Raudval** located in Tallinn. The company is involved in construction of railways (40 km/year) and general construction and employs 100 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist* *November 6, 1993*

## RE Juveel

**Activity Date:** 3 1994

**RE Juveel**, a packaged medicaments firm, is one of 50 industrial enterprises offered in a tender by the Estonian Privatization Agency. Other companies offered include bakeries and granaries, wood processing concerns, textile firms, construction units, medical enterprises, automotive service concerns, transportation firms, fuel storage depots, wholesale and retail enterprises, and other miscellaneous industrial organizations. RE Juveel is worth 37 million Estonian Kroons.

**Headline:**
Estonia Announces Tender of Industrial Enterprises

**Source:**
*Financial Times* *March 24, 1994*

## Saaremaa Metsamajand

**Activity Date:** 11 1993

The Estonian Privatization Agency has announced an open tender for wood and wood processing company **Saaremaa Metsamajand** in an island of Saaremaa. It specializes in sawdust, furniture, other wooden products, firewood, sawn timber and transportation. The capacity in sawn timber is 3,500 cu m/year and in logging 20,000 cu m/year. The company employs 95 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist* *November 6th, 1993*

## Sailis

**Activity Date:** 12 1992

In December 1992, the Estonian Privatization Agency announced that Sailis, a state-owned food-processing enterprise would be privatized through a competitive bidding process. This enterprise is one of 38 large enterprises to be included in Estonia's first experience with privatization through competitive bidding. The 38 enterprises have been chosen from seven industrial sectors of the Estonian economy, and collectively employ about 26,000 people. Bids must be submitted by December 22, and must be 59% backed by bank guarantees. Companies will be awarded based on price and the number of jobs affected.

**Headline:**

**Source:**
*PlanEcon*
*11/25/92*

**Activity Date:** 11 1993

The Estonian Privatization Agency has announced an open tender for the **Sailis Viljandi Plant**, which specializes in manufacturing of fruit and vegetable preserves and canned meat. The plant's capacity for fruit and vegetables and canned meat is 5 million pcs/year and 2.5 million pcs/year respectively. The plant employs 100 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist* *November 6th, 1993*

### Sangar - Elva

**Activity Date:** 12 1992

In December 1992, the Estonian Privatization Agency announced that the Elva plant of Sangar, a state-owned textile enterprise would be privatized through a competitive bidding process. This enterprise is one of 38 large enterprises to be included in Estonia's first experience with privatization through competitive bidding. The 38 enterprises have been chosen from seven industrial sectors of the Estonian economy, and collectively employ about 26,000 people. Bids must be submitted by December 22, and must be 59% backed by bank guarantees. Companies will be awarded based on price and the number of jobs affected.

**Headline:**

**Source:**
*PlanEcon*
*11/25/92*

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### Sangar - Tartu, Otepaa, Misso

**Activity Date:** 12 1992

In December 1992, the Estonian Privatization Agency announced that Sangar, including the plants in Tartu, Otepaa, and Misso, a state-owned textile enterprise would be privatized through a competitive bidding process. This enterprise is one of 38 large enterprises to be included in Estonia's first experience with privatization through competitive bidding. The 38 enterprises have been chosen from seven industrial sectors of the Estonian economy, and collectively employ about 26,000 people. Bids must be submitted by December 22, and must be 59% backed by bank guarantees. Companies will be awarded based on price and the number of jobs affected.

**Headline:**

**Source:**
*PlanEcon*
*11/25/92*

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### Silla

**Activity Date:** 11 1993

The Estonian Privatization Agency announced an open tender for the construction company **Silla** in Sillamae. In additional to general construction works, it specializes in sawn timber, pre-cast concrete manufacturing (capacity 55,000 cu m/year), and wholesale trading of these products. The plant employs 300 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist* *November 6, 1993*

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### Sillaehitusrong nr.423

**Activity Date:** 11 1993

The Estonian Privatization Agency has announced an open tender for construction company **Sillaehitusrong nr. 423** in Tallinn, which is involved in construction of bridges (300-500 meters/year), freeways and tunnels. The company employs 148 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist* *November 6, 1993*

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### Sindi Tekstiilvabrik

**Activity Date:** 12 1992

In December 1992, the Estonian Privatization Agency announced that Sindi Tekstiilivabrik, a state-owned textile enterprise would be privatized through a competitive bidding process. This enterprise is one of 38 large enterprises to be included in Estonia's first experience with privatization through competitive bidding. The 38 enterprises have been chosen from seven industrial sectors of the Estonian economy, and collectively employ about 26,000 people. Bids must be submitted by December 22, and must be 59% backed by bank guarantees. Companies will be awarded based on price and the number of jobs affected.

**Headline:**

**Source:**
*PlanEcon*
*11/25/92*

## Sulev

**Activity Date:** 12 1992

In December 1992, the Estonian Privatization Agency announced that Sulev, a state-owned textile enterprise would be privatized through a competitive bidding process. This enterprise is one of 38 large enterprises to be included in Estonia's first experience with privatization through competitive bidding. The 38 enterprises have been chosen from seven industrial sectors of the Estonian economy, and collectively employ about 26,000 people. Bids must be submitted by December 22, and must be 59% backed by bank guarantees. Companies will be awarded based on price and the number of jobs affected.

**Headline:**

**Source:**
*PlanEcon*
*11/25/92*

## Suure-Jaani Metsamajand

**Activity Date:** 11 1993

The Estonian Privatization Agency has announced an open tender for wood and wood processing company **Suure-Jaani Metsamajand** in Viljandimaa. It specializes in retail and wholesale timber trading, sawing and planing of wood, manufacturing of wooden cottages, wooden articles and transportation. The capacity in sawn timber is 8,000 cu m/year, in logging 20,000 cu m/year and 200 cottages/year. The company employs 142 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist* *November 6th, 1993*

## Suva

**Activity Date:** 12 1992

In December 1992, the Estonian Privatization Agency announced that Suva, a state-owned textile enterprise would be privatized through a competitive bidding process. This enterprise is one of 38 large enterprises to be included in Estonia's first experience with privatization through competitive bidding. The 38 enterprises have been chosen from seven industrial sectors of the Estonian economy, and collectively employ about 26,000 people. Bids must be submitted by December 22, and must be 59% backed by bank guarantees. Companies will be awarded based on price and the number of jobs affected.

**Headline:**

**Source:**
*PlanEcon*
*11/25/92*

## Tallinn Sea Factory

**Activity Date:** 1 1996

A 51% stake in the **Tallinn Sea Factory**, a shipyard, was sold in January to the Estonian firm Vavekor for $3.2m. Vavekor also committed to $6.16m in new investment and to retain current employment levels for at least three years.

**Headline:**
Estonian Sale

**Source:**
*Privatisation International* *February 1996*

## Tallinna Helikassetihetas

**Activity Date:** 11 1993

The Estonian Privatization Agency has announced an open tender for the **Tallinna Helikassetihetas** enterprise, which specializes in manufacturing of recording tapes. The company's turnover is EEK5 million ($372,000) a year and it employs 27 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist* *November 6th, 1993*

### Tallinna Vineerji-ja Mooblikombinaat

**Activity Date:** 12 1992

In December 1992, the Estonian Privatization Agency announced that Tallinna Vineerji-ja Mooblikombinaat, a state-owned furniture manufacturing enterprise would be privatized through a competitive bidding process. This enterprise is one of 38 large enterprises to be included in Estonia's first experience with privatization through competitive bidding. The 38 enterprises have been chosen from seven industrial sectors of the Estonian economy, and collectively employ about 26,000 people. Bids must be submitted by December 22, and must be 59% backed by bank guarantees. Companies will be awarded based on price and the number of jobs affected.

**Headline:**

**Source:**
*PlanEcon*
*11/25/92*

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### Tarneks

**Activity Date:** 11 1993

The Estonian Privatization Agency has announced an open tender for the sale of electronics and office equipment wholesaler **Tarneks** in Tallinn. The company, with the annual turnover of EEK 28 million/year, owns an 11,000 sqm warehouse and employs 60 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist* *November 6th, 1993*

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### Tartu Asfaltbetooni Tehas

**Activity Date:** 11 1993

The Estonian Privatization Agency has announced an open tender for the **Tartu Asfaltbetooni Tehas** enterprise, which produces asphalt. The company's produces 150,000 t /year of asphalt employs 69 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist* *November 6th, 1993*

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### Universaal

**Activity Date:** 11 1993

The Estonian Privatization Agency has announced an open tender for the sale of textiles and shoes wholesaler **Universaal** in Tallinn. The company has the annual turnover of EEK 24 million ($1.7 million) year and employs 58 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist* *November 6th, 1993*

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### Vabrik Keila

**Activity Date:** 12 1992

In December 1992, the Estonian Privatization Agency announced that Vabrik Keila, a state-owned textile enterprise would be privatized through a competitive bidding process. This enterprise is one of 38 large enterprises to be included in Estonia's first experience with privatization through competitive bidding. The 38 enterprises have been chosen from seven industrial sectors of the Estonian economy, and collectively employ about 26,000 people. Bids must be submitted by December 22, and must be 59% backed by bank guarantees. Companies will be awarded based on price and the number of jobs affected.

**Headline:**

**Source:**
*PlanEcon*
*11/25/92*

### Valga Moobel - Puka

**Activity Date:** 12 1992

In December 1992, the Estonian Privatization Agency announced that Puka plant of Valga Moobel, a state-owned furniture manufacturing enterprise would be privatized through a competitive bidding process. This enterprise is one of 38 large enterprises to be included in Estonia's first experience with privatization through competitive bidding. The 38 enterprises have been chosen from seven industrial sectors of the Estonian economy, and collectively employ about 26,000 people. Bids must be submitted by December 22, and must be 59% backed by bank guarantees. Companies will be awarded based on price and the number of jobs affected.

**Headline:**

**Source:**
*PlanEcon*
*11/25/92*

### Valga Moobel - Valga

**Activity Date:** 12 1992

In December 1992, the Estonian Privatization Agency announced that the Valga plant of Valga Moobel, a state-owned furniture manufacturing enterprise would be privatized through a competitive bidding process. This enterprise is one of 38 large enterprises to be included in Estonia's first experience with privatization through competitive bidding. The 38 enterprises have been chosen from seven industrial sectors of the Estonian economy, and collectively employ about 26,000 people. Bids must be submitted by December 22, and must be 59% backed by bank guarantees. Companies will be awarded based on price and the number of jobs affected.

**Headline:**

**Source:**
*PlanEcon*
*11/25/92*

### Via

**Activity Date:** 11 1993

The Estonian Privatization Agency has announced an open tender for construction company **Via** in Tartu, which is involved in road construction (capacity 20 km of road surface/year; 6 km road/year). The company employs 70 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist* *November 6th, 1993*

### Voru EPT

**Activity Date:** 11 1993

The Estonian Privatization Agency has announced an open tender for the **Voru EPT**, which specializes in peat production and is also involved in metal processing. It owns 1,261 ha of peat fields. The plant employs 134 people.

**Headline:**
International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist* *November 6th, 1993*

## *Former Yugoslav Republic of Macedonia*

### Bargala

**Activity Date:** 1 1996

The **Bargala** shoe factory has been sold to Intershoe of New York, which will invest $1.8m to build a new factory. Bargala exports 90% of its output, 70,000 shoes a month, to the US. The output will be increased by 150%.

**Headline:**
Total Eclipse Flags New Era

**Source:**
*Central European* *February 1996*

**Kumanovo**

**Activity Date:** 1995

The Agency for the Transformation of Enterprises with Social Capital in Macedonia announced on January 16 that the county's tobacco industry will be sold in the nation's first ever hard currency auction. The sale will include **Makedonija Tabak**, the industry's provider of marketing, distribution, and import/export services, and three other cigarette producers. The Agency is offereing a controlling interest of at least 51% in all of the companies. Barents Group, a subsidiary of KPMG Peat Marwick, has acted as the finacial advisor for this project. No minimum prices have yet been set, though a Barent's spokesman believes that the sales of the 4 companies could reach into the tens of millions of dollars.

The three other companies that will join Makedonija Tabak in being privatized are **Tutunski Kombinats Prilep, Skopje, and Kumanovo**.

**Headline:** Macedonia

**Source:** *Privatisation International February, 1995*

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**Makedonija Tabak**

**Activity Date:** 1995

The Agency for the Transformation of Enterprises with Social Capital in Macedonia announced in January that the country's tobacco industry will be privatized in the nation's first ever hard currency auction. The sale will include **Makedonija Tabak**, the industry's provider of marketing, distribution, and import/export services, as well as three other cigarette producers. The Agency is offering a controlling interest of at least 51% in all of the companies. Barents Group, a subsidiary of KPMG Peat Marwick, is acting as the financial advisor. No minimum prices have been set, though a Barent's spokesman believes that the sale price for all four companies could reach into the tens of millions of dollars. The three other companies to be privatized along with Makedonija Tabak are **Tutunski Kombinats Prilep, Skopje, and Kumanovo**.

**Headline:** Macedonia

**Source:** *Privatisation International February, 1995*

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**Makpetrol**

**Activity Date:** 2 1996

The privatization ministry had hoped to sell part of the monopolistic oil and gas distribution company, **Makpetrol,** to foreign investors, but the company will be sold to its management instead. Management's 51% stake, resulting from the 1989 privatization program by the Markovic government in Belgrade, will be increased to 81%. Makpetrol was unable to attract foreign capital because the managers were unwilling to cede control.

**Headline:** Total Eclipse Flags New Era

**Source:** *Central European February 1996*

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**Skopje**

**Activity Date:** 1995

The Agency for the Transformation of Enterprises with Social Capital in Macedonia announced on January 16 that the county's tobacco industry will be sold in the nation's first ever hard currency auction. The sale will include **Makedonija Tabak**, the industry's provider of marketing, distribution, and import/export services, and three other cigarette producers. The Agency is offereing a controlling interest of at least 51% in all of the companies. Barents Group, a subsidiary of KPMG Peat Marwick, has acted as the finacial advisor for this project. No minimum prices have yet been set, though a Barent's spokesman believes that the sales of the 4 companies could reach into the tens of millions of dollars.

The three other companies that will join Makedonija Tabak in being privatized are **Tutunski Kombinats Prilep, Skopje, and Kumanovo**.

**Headline:** Macedonia

**Source:** *Privatisation International February, 1995*

**Tutunski Kombinats Prilep**

**Activity Date:** 1995

The Agency for the Transformation of Enterprises with Social Capital in Macedonia announced on January 16 that the county's tobacco industry will be sold in the nation's first ever hard currency auction. The sale will include **Makedonija Tabak**, the industry's provider of marketing, distribution, and import/export services, and three other cigarette producers. The Agency is offereing a controlling interest of at least 51% in all of the companies. Barents Group, a subsidiary of KPMG Peat Marwick, has acted as the finacial advisor for this project. No minimum prices have yet been set, though a Barent's spokesman believes that the sales of the 4 companies could reach into the tens of millions of dollars.

The three other companies that will join Makedonija Tabak in being privatized are **Tutunski Kombinats Prilep, Skopje, and Kumanovo**.

**Headline:** Macedonia

**Source:** *Privatisation International February, 1995*

## *Germany*

**Berliner Industriebank**

**Activity Date:** 7 1992

In July it was announced that Berlin Industriebank will be sold before the end of the year. This bank specializes in loans for businesses in the capital.

**Headline:**

**Source:** *FT 7/22/92*

**Deutsche Telekom**

**Activity Date:** 7 1992

In July it was announced that 100% of Deutsche Telekom is to be privatized in the hopes of raising $46 billion.

**Headline:**

**Source:** *FT 7/22/92*

**Eko Stahl**

**Activity Date:** 10 1994

Cockerill Sambre, Belgiums largets steel producer, wants to buy a 60% stake in eastern Germany's Eko Stahl, with the further option to buy an additional 40%. Cockerill thinks the loss-making mill would be a good investment, helping Cockerill get a foothold in the German market. The company also announced a $600 million investment if the deal went through.

**Headline:** Cockerill Seeks Eko Stahl Stake

**Source:** *Financial Times September 27, 1994*

**Luftansa**

**Activity Date:** 7 1992

In July it was announced that the government will sell its remaining 51% share in Lufthansa airline.

**Headline:**

**Source:** *FT 7/92*

### Maschinenbau-und Technikhandel

**Activity Date:** 1992

Machinenbau-und Technikhandel (MBH), one of the largest distributors of tools and components, is to be sold for a price of at least $98.6 million. Last year's sales, in 32 cities from 65 outlets, of over $286 million make it one of the largest wholesalers in the region. Merrill Lynch has been appointed by the Treuhandanstalt to advise on the sale. The sale of MBH, which owns 120 properties including the 65 trading outlets, has already attracted international interest.

**Headline:**

**Source:**
*FT 7/13/92*

### Nebenbetriebe Der Bundesautobahnen

**Activity Date:** 7 1992

In July it was announced that the government will sell its 49% stake in Nebenbetriebe der Bundersutobahnen which operates almost 700 restaurants and gas stations.

**Headline:**

**Source:**
*FT 7/*

### Pirna

**Activity Date:** 10 1992

In October 1992, the German privatization agency Treuhandanstalt sold the eastern German cellulose plant Pirna to Sokolniki, a Moscow paper factory, for DM 1 ($0.67). Sokolniki was given these terms in return for a promise to modernize Pirna, which had been closed since last December, at an expect cost of $200 million. Pirna is also expected to provide about 350 jobs. One-third of the funding for this investment will come from German government funds, and the rest from Russian coal exports.

**Headline:**

**Source:**
*WSJ 10/13/92*

### TOB

**Activity Date:** 5 1994

The Truehandstalt privatization agency of Germany will be handing over its consulting services to the private sector. **Treuhand Osteuropa Beratungsgesellschaft (TOB)** placed itself on the list for privatization, offering 30 ongoing projects, 80 experienced staff members, and a project turnover of DM28 million as its main assets. At least 25 investors have expressed interest , with Roland Berger consulting services of the Deutsche Bank in the lead.

**Headline:**
The Ultimate Privatization

**Source:**
*Euromoney May 1994*

## *Greece*

### DEP

**Activity Date:** 11 1994

The Greek government has announced that **DEP**, the state-controlled oil refining and petroleum products group, will offer shares next year. The firm, whose 2 oil refineries control 60% of the local market and whose chain of petrol stations control 20% of the market, had profits of $148m (Dr36bn) on sales of $2.6bn (Dr642bn) in 1994. It is not expected that more than 25% of any of DEPs companies will be sold. Revenues from the sale will be used to finance a five year $500m investment expansion project in other southern Balkan markets.

**Headline:**
Telecoms Flotation is Delayed

**Source:**
*Financial Times November 14, 1994*

## Hellenic Shipyards

**Activity Date:** 9 1995

Two financial advisors, Alpha Finance of Greece and Samuel Montagu of the UK, are expected to be appointed to prepare a business plan for **Hellenic Shipyards**. The Greek government has been embroiled in a controversy with the EU over subsidies it provides to the yard, which is owned by the state development bank. The current restructuring plan calls for the bank to sell a 49% stake to the workers for Dr8bn ($35.1). The employees have opposed attempts to privatize the yard because they fear job losses. The workers' union has now agreed, however, to cut 600 to 1000 out of 3000 positions after the new management takes over.

The privatization of Greece's Hellenic Shipyards was thrown into disarray when three parties of a five member consortium, whose agent, Kalogeridis Brothers, had submitted a bid for the Shipyards, indicated they were no longer interested. Kalogeridis had offered to pay Dr8bn ($35.1m) over eight years, invest $43.4m to modernize, and cover $50m in short-term liabilities. The shipyard had sales of $98.3m in 1994.

**Headline:** Help Sought for Greek Shipbuilder

**Source:** *Financial Times October 30, 1995*

## Hellenic Sugar Industries

**Activity Date:** 6 1993

In the past two years the government has privatized over 70 SOEs, but its plans to broaden the ownership of shares by using the Athens exchange were hindered due to the poor financial condition of most government owned firms. **Hellenic Sugar Industries** was in good condition, however, as its earnings grew substantially when sugar price controls were lifted two years ago.

Through the partial privatization of **Hellenic Sugar**, completed in July 1993, the Ministry of National Economy earned $32 million (Dr7.17 billion). This transaction was the first public offering of a Greek state-owned firm and it opens the door for the privatization of the state-owned telecommunications company, OTE, later in the year. The offering consisted of 4.652 million shares valued at $54 (Dr1,200) and was oversubscribed more than five times. The private placement for employees and sugar beet producers was one and a half times oversubscribed. The state-owned Agricultural Bank of Greece held 70.48% following the partial privatization.

**Headline:** Privatisation Programme Reaches Athens Exchange

**Source:** *Financial Times July 8, 1993*

**Activity Date:** 7 1993

The first privatization by public offering in Greece was a success. The sale of state-owned enterprise **Hellenic Sugar Industries** was oversubscribed in July by over 5 times and the private placement was 1.5 times oversubscribed. The public offer consisted of 5.64 million shares at Dr 1,200 per share and the private placement was comprised of 1.99 million shares priced at Dr 800. Following the partial sale the state agricultural bank owns 70.48%.

**Headline:** Hellenic Sugar Well Subscribed

**Source:** *Privatisation International July 1993*

## Hellenic Telecommunications Organization (OTE)

**Activity Date:** 10 1992

In October 1992, it was announced that Greek telecom company **OTE** would sell 20% to management, to be followed by a public offer at the end of 1993. CSFB was named as the advising party.

**Headline:**

**Source:** *PI 11/92*

**Activity Date:** 4 1993

**Hellenic Telecommunications Organization SA (OTE)**, owned by the Greek government, chose financial advisers for a planned stock offering. Thirteen telecommunications companies from around the world are examining OTE's books and preparing to bid for a 35% share which will be sold before September 30. Another 14% stake will be sold through an international flotation and is expected to be worth $350 million. HTO was valued at $2.5 billion.

**Headline:**

**Source:**

**Headline:**

**Source:**
*WSJ 4/7/93*

**Activity Date:** 10 1993

The unionized workers of the Greek **OTE**, the state-owned telecommunications monopoly, have stepped up their campaign against the proposed sale of 35% of the company together with its management rights to foreign investors. The government claims that the foreign buyer would invest at least $7 billion in the network over the next decade. The government expects to raise about Dr 250 billion ($1,086 billion) from this transaction and a public offering of 14% on the Athens Stock Exchange.

The new Greek Socialist government announced on October 13 that it is cancelling the partial privatization of OTE. The telecommunications law, passed two months ago, provided for the sale of 49% of OTE, of those 4% to company's employees, 10 % to the public and 37% to a foreign investor.

**Headline:**
Greek Telecoms Workers Seek to Halt Sell-off

**Source:**
*Financial Times August 13, 1993*

**Activity Date:** 11 1993

Though Greek brokers are confident that the performance of the Athens exchange will continue to improve, some fear the planned November flotation of 14% of the shares in OTE will make the stock market illiquid. Despite the fact that 5% has been set aside for an international tranche and 4% is earmarked for company employees, the remaining 5%, valued at $1.45 billion (Dr32 bn), will be the largest public offering in Greek history.

**Headline:**
Privatisation Programme Reaches Athens Exchange

**Source:**
*Financial Times July 8, 1993*

**Activity Date:** 1994

The long awaited flotation of **OTE**, the Greek telecom monopoly, is finally taking shape, with the government hoping to raise more than $1.3bn from selling a 25% stake to domestic and foreign investors. Eighteen percent of the offer will probably be sold overseas, and OTE's management is preparing to take the show on the road, in Europe, the UK and the US. The transaction will be handled by CS First Boston and Schroders, who is managing a syndicate of 10 investment banks, including Lehman Brothers. Doubts about the privatization remain after the failure last year to dispose of a 49% share of OTE due to disputes with labor and management. This time the government is being more careful, pledging government control and domestic rate incrases to allow OTE's domestic operations to break even by 1997. Many say that government management is going to have a negative effect on the sale price, and that the government should sell to a strategic investor as was the case in many other telecom transactions. Regardless, the shares will be offered throughout the world as well as all of Greece.

**Headline:**
Greece Gears Up for Telecom Flotation

**Source:**
*Financial Times October 10, 1994*

**Activity Date:** 1994

Greece postponed the privatization of **OTE**, the country's telecom monopoly due to unfavorable conditions on international capital markets. The privatization would have been the largest in the European Union this year. Although the Greek government said that the delay in the 25% flotation (worth $1.4bn) was temporary, some Greek analysts believe it could be delayed indefinitely due to growing opposition to privatization within the governing Panhellenic Socialist Movement.

**Headline:**
Greece Forced to Delay Telecoms Privatization

**Source:**
*Financial Times November 9,1994*

**Activity Date:** 6 1994

A 25% share in **Hellenic Telecommunications Organization (OTE)** of Greece will be offered soon, according to a June report. CS First Boston and J.Henry Schroder Wagg & Company will act as the advisors and underwriters for this transaction.

The government plans to use more than half of the proceeds from the planned sale of OTE to recover expected losses in an anticipated budgetary shortfall. The flotation of the 25% stake in the telecommunications company is now scheduled for October 1994.

**Headline:**
Upcoming Public-Equity Offerings of State-Owned Enterprises

**Source:**
*International Privatization Update June 1994*

**Activity Date:** 6 1994

The government reported in June that the flotation of 25 percent of the Greek telecom **OTE** will take place on both international and domestic stock exchanges, raising approximately $1.6 billion. Fifteen percent will be made available through private placements in Europe, Japan, and the U.S., while the other 10 percent will be listed on the Athens Stock Exchange. First Boston, Credit Suisse, Schroeder Securities and the National Bank of Greece will underwrite the offering. Labor unions are reportedly against the privatization plan. An earlier plan for a private group to manage OTE has reportedly been dissolved. Government officials also revealed plans for a five-year, $4 billion investment plan. OTE had annual profits of 150 to 200 billion drachmas ($623-831.6 million).

**Headline:**
Greek Sell-off Details

**Source:**
*Financial Times July 6, 1994*

**Activity Date:** 8 1994

The Greek government in August announced plans for the partial privatization of **OTE**, the Greek telecoms monopoly. A minority stake will be sold with Dr 100 billion going to domestic investors and the remainder of the Dr 250 billion offering to be placed with foreign institutional investors. Possible privatizations to come include a minority stake in DEP, the holding company for the state-owned refineries and petrol stations.

**Headline:**
No Island Trips for Greece's Bankers

**Source:**
*Financial Times August 1, 1994*

**Activity Date:** 11 1994

The Greek government is to float 25 % of the **Greek Telecommunications Organization (OTE)**, in November. According to government officials, the majority of the 25 percent stake will be sold abroad as private placements and the remaining will be floated in the Athens bourse.

The planned 25% offering in OTE is now scheduled for November 1994, one year later than expected. The government anticipates earnings of 300bn drachmas ($1.3bn) from the sale with over 60% of the revenues coming from foreign investors. Though 3-4% of the shares are earmarked for the firms employees, the offering is large enough that the Athens Stock Exchange may have trouble absorbing it. With this in mind state pension funds, which have large reserves of liquidity, are making preparations to invest in the telecommunications firm. In order to reassure OTE's union Eteva, a state development bank, will work with American Appraisal in performing the firm's valuation and Sol, a quasi-state auditing body, will assist Arthur Andersen in bringing OTE's accounts up to international standards. Observers of the sale cite two obstacles which could keep the offer from succeeding. First, the government is intent on maintaining management control of the company for itself and, second, OTE is excluded from the mobile telephony market for the next six years. OTE is the healthiest of Greece's state-owned enterprises, however, with operating profits of 130bn drachmas ($557m) in 1993 and a monopoly over 30 value-added services.

**Headline:**
Athens to Sell Telecoms Stake in November

**Source:**
*Financial Times August 3, 1994*

**Activity Date:** 11 1994

The Greek Parliament has approved legislation allowing a partial 25% flotation of **OTE**, the Greek telecom monopoly, through the Athens Stock Exchange next month. The law also calls for a tariff increase of 40% in 1995 and an increase of 9% in each of the following two years. The tariff increase will help the monopoly break even by 1997.

**Headline:**
Greek Telecom Sale Approved

**Source:**
*Financial Times November 11,1994*

**Activity Date:** 11 1994

The Greek government, following the passage of a law allowing a 25% stake in **OTE** to be sold on the domestic stock exchange, has decided to postpone the offering due to advice from advisors that present market conditions would not likely yield the government's goal of $1.3bn (Dr320bn). The date for the flotation has been delayed from December until February when it is hoped that the availability of OTE's full year results, a new board of directors, and a less charged political climate will bring the best price. According to the recently passed law, most Greek commercial banks were invited to participate in underwriting the 7% domestic tranche, thereby ensuring a wide distribution of the issue. To further placate investors, the law provides price support by the underwriting banks for a period of several

issue. To further placate investors, the law provides price support by the underwriting banks for a period of several months following the sale.

**Headline:** Telecoms Flotation is Delayed

**Source:** *Financial Times November 14, 1994*

**Activity Date:** 1 1995

The Greek government has indicated that it is considering a third attempt to sell shares in the country's only profitable state-owned utility, **OTE**. The current plan under consideration calls for selling 5 to 10% of OTE shares on the Athens market and making some equity available abroad, possibly through American Depository Receipts. The sale is not expected until after June. Previous attempts to privatize OTE were troubled by a lack of interest from foreign institutional investors and problems with the share pricing. Profits for 1994 are estimated at Dr190bn ($826.4m) on turnover of almost Dr500bn ($2.2bn).

**Headline:** Greece to Try Again on Telecoms Sell-Off

**Source:** *Financial Times January 5, 1995*

**Activity Date:** 1 1996

The Greek government plans to sell a 6% stake in the telecommunications firm, **OTE**, in a public offering. The shares are unofficially valued between $15.30 and $16.95 each. The privatization has sparked protests from the firm's employees who plan to stage a strike. Labor opposition scuttled previous attempts to sell a stake in OTE.

**Headline:** Greek Telecom Sell-Off Dispute

**Source:** *Financial Times February 13, 1996*

**Activity Date:** 3 1996

Apprehensive about previous failed attempts to privatize, **Hellenic Telecommunications Organization** (OTE) offered a modest 6-8% stake to defuse lingering political opposition to privatization. OTE has undergone radical restructuring in preparation for the public offering, including auditing its accounts according to international standards. OTE is Greece's most profitable company, with 1995 net profits of $585m.

The government is selling a stake in **OTE** at $16.50 per share, which would value the company at $6.9bn. The sale is intended to raise $414m to fund investment, however, with high stock prices and low international demand, OTE could fail in its third privatization effort. CS First Boston and Schroders, who advised OTE in its failed offerings of 1993 and 1994, have pulled out of the flotation, causing speculation that OTE's prospects for an international offer are dim.

**Headline:** Intent on Getting Through This Time

**Source:** *Financial Times March 25, 1996*

**Activity Date:** 4 1996

**OTE**'s public issue of an 8% stake closed heavily oversubscribed following unexpectedly strong demand from both retail investors and international institutions. National Bank of Greece, coordinator for the issue, reported that the demand for shares totaled $2.28bn, five times the offering size. The government increased the issue from 6% to 8% after the $74m foreign tranche was oversubscribed eight times. Nearly 160,000 domestic investors applied for shares, giving the telecoms monopoly the biggest share register of any Greek company.

The government's attempt to partially privatize **OTE**, the state-owned telecom monopoly, was much more successful than expected. Almost all of OTE's 24,000 employees and several thousand pensioners applied to participate in the private placement of 4 million shares, amounting to 17% of the offering. The demand from small investors and wealthy Greek individuals was so strong that the 66% of the domestic issue was oversubscribed. In addition to the National Bank of Greece, the two lead underwriters, state-owned Commercial Bank and Alpha Credit Bank, were able to sell shares throughout branch networks. To distribute the domestic shares, about 50 institutions have underwritten the issue.

**Headline:** OTE Issue Oversubscribed

**Source:** *Financial Times April 2, 1996*

**Heracles**

**Activity Date:** 3 1992

In March 1992, the Greek state-owned Heracles was privatized to a private transaction to a joint-venture created by Calcestruzzi and the National Bank of Greece. The sale of a 70% share in Europe's biggest exporter of cement was valued at Dr 124 billion ($588 million).

**Headline:**

**Source:**
*Priv Yrbk '93*

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**KOI.S.E.LI.K.S.A.**

**Activity Date:** 9 1993

A subsidiary of the Hellenic Industrial Development Bank (ETBA S.A.), the Greek Exports S.A. agency has announced, in accordance with the government's policy of denationalization, the intent to sell the total assets of the Communal Cooperative Societe Anonyme for the Exploitation of Lignite Deposits in the Area of Kymi (KOI.S.E.LI.K.S.A.). ETBA S.A. holds 20% of the shares of the company, 64.771% is held by the Municipality of Kymi and by 19 communities in the area. The remaining 15.229% is held by the Cooperative of Company Workers. The company specializes in the exploitation of lignite-bearing in Harocopos area of Kymi and owns about 28,780 sq. meters of land in the area. Total assets in 1992 were Drs4.2 million and total sales were Drs3 million.

**Headline:**
Invitation for Bids

**Source:**
*Financial Times August 28/29, 1993*

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**Mining Trading and Manufacturing Company**

**Activity Date:** 8 1993

Mining Trading and Manufacturing S.A. will be sold through a public auction by sealed binding offers. The process will begin on August 27 when the Athens firm, involved in ore mining, raw magnesite distribution, and the production and distribution of dead burned magnesia and caustic calcinded magnesia, will be opened for bidding. The enterprise owns a factory and two mines north of Athens.

**Headline:**
Invitation to Submit Binding Offers

**Source:**
*Financial Times July 30, 1993*

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**Olympic Airways**

**Activity Date:** 7 1993

In October 1992, it was announced that Greece plans to sell up to 49% of **Olympic Airways** before year end. However, as of mid-1993, the transaction was dormant, awaiting the results of the national elections.

**Headline:**

**Source:**
*PI 11/92*

### Public Power Corporation

**Activity Date:** 1992

Seventeen trade union leaders were arrested in Athens, Greece when they organized protests against the proposed privatization of public utilities. As the Greek legislature passed plans to privatize the **Public Power Corporation**, employees of the enterprise went on strike. The approved measure will also allow private firms to sell electricity to the utility. Those who oppose privatization worry that foreign investors will be able to gain control of public utilities.

**Headline:**
Greek Union Leaders Arrested

**Source:**
*Wall Street Journal July 22, 1992*

### Thessaloniki Refining (Eke)

**Activity Date:** 1993

Management rights and equity shares of up to 49% are being offered in Thessaloniki Refining (Eko) and Hellenic Aspropyrgos Refinery (Elda), which are worth a combined total of $175 million (Dr 175).

**Headline:**
International Overview

**Source:**
*Privatisation International July 1993*

## *Hungary*

### 10 Retail Food Stores

**Activity Date:** 10 1992

In October 1992, ten Hungarian state-owned retail food stores were sold to Louis Delhaize Group of Belgium.

**Headline:**

**Source:**
*E. Eur. Reporter*
*10/26/92*

### 24 Retail Food Stores

**Activity Date:** 10 1992

In October 1992, twenty-four Hungarian state-owned retail food stores were sold to Tengelmann, an international retail company based in Germany for $20 million. Tengelmann also owns 53% of Skala, a large Hungarian chain of food and department stores.

**Headline:**

**Source:**
*E. Eur. Reporter*
*10/26/92*

**A group of Csepel (six firms)**

**Activity Date:** 9 1993

The Hungarian State Property Agency announced a one-round open tender for the property management of the complete block of the state-owned shares of the following enterprises: CSM Metal Works, Ltd., Csepel Pipe Factory, Ltd., Csepel Forgery, Csepel Computer Technology and Undertaking Development, Ltd., Csepel Forge Works, and CSM Training Company located at the Csepel industrial site. The sales revenue of the above firms in 1992 was about HUF12.139 million ($127,000). The total employment in 1992 was approximately 5,100 people. In the case of future profitable performance of the companies, the property manager will annually obtain 5% of the SPA stock block to compensate its management efforts. The winner of the tender will have an indirect disposal right to a 69.13% stock block of the HUF1,594 million ($16,600) value Csepel Power Plant, Ltd., as well as 68.8% of the shares of the HUF38 million ($390,000) value CSM Industrial Association.

**Headline:**
Tender Invitation

**Source:**
*Financial Times September 13, 1993*

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**Agroke**

**Activity Date:** 4 1993

The American firm Getz Brothers & Co. was to purchase an 82.9% stake in Agroke, Hungary's farm machinery and agricultural supply distributor. The deal was to be worth $12 to $14 million. Getz plans to buy an additional 10% at a later date.

**Headline:**

**Source:**
*PE 4/14/93*

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**Alfoldi Kohaszati Gepipari Rt., AKG**

**Activity Date:** 10 1993

The Hungarian State Property Agency has announced a single-round public tender to purchase a larger part of the state-owned metallurgical and machine engineering corporation Alfoldi Kohaszati Gepipari Rt., AKG. The value of floated shares offered for domestic and foreign investors is HUF484 million ($5 million), or 97.4%, of the total HUF498 million ($5.2 million). A minimum of 15% of the share capital should be purchased by one investor. Privatization leasing is also among the options of the deal. The deadline for the submission of tenders is December15th, 1993.

**Headline:**
Invitation of Tenders

**Source:**
*Financial Times October 11, 1993*

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**Alkaloida**

**Activity Date:** 4 1994

**Alkaloida**, a chemical manufacturing firm, is one of four Hungarian state-owned enterprises which were recently privatized. Legal complications have arisen regarding the ownership of wholsale chemical distributors and pharmacies which may delay the acheivement of privatization goals set in the pharmaceutical sector. The conflict has arisen because local pharmacies and distributors were administered at the local level, but the privatization law put them under the control of the Hungarian State Property Agency. This arrangement gives all privatization profits to the national government, a move which has upset local authorities. Approximately 300 pharmacies have been privatized, along with 20 wholesalers to date. Total assets in the pharmaceuticals sector are valued at $291-$388 million.

**Headline:**
Business Report: Pharmaceuticals

**Source:**
*PlanEcon April 13, 1993*

### Allami Biztosito (AB)

**Activity Date:** 3 1992

In March a 75% share of Allami-Biztosito (AB), the state-owned insurance company, was purchased by Aegon, the second largest Dutch insurance group.

**Headline:**

**Source:**
*FT 4/92*

### Antenna Hungaria Rt.

**Activity Date:** 7 1995

The Hungarian Privatization and State Holding Company has announced that it will grant concessions on the nationwide and regional distribution and broadcasting of public service radio and television programs in Hungary. The Hungarian broadcasting and radio communications company, **Antenna Hungaria Rt.**, will concede 50% plus 1 share. All bids are to be submitted by October 5 of this year.

**Headline:**
APV Rt.

**Source:**
*Financial Times July 10, 1995*

**Activity Date:** 11 1995

The government of Hungary received only one bid for its broadcasting holding company, **Antenna Hungaria Rt**, from TeleDiffusion of France. The government had attempted to entice bids through deregulation and commercialization of a state television channel.

**Headline:**
HSP Leaders Should Survive Stern Tests

**Source:**
*Business Monitor International December 1995*

### Aroma Trade

**Activity Date:** 5 1992

In May Aroma Trade, a wholesaler and retailer of foodstuff, consumer goods, clothing, and chemicals, was issued to be sold by the State Property Agency which has offered its 60% shares for a price of FT241.59 million. The remaining shares are held by local councils (10%), employees (10%) and compensation coupons (20%).

**Headline:**

**Source:**
*PE 5/92*

### Atex

**Activity Date:** 10 1995

The government of Hungary announced that it will accept bids in October for its majority stake in **Ikarus Jarmugyarto**, a bus maker. The government owns 63.9% of Ikarus through the Hungarian privatization body, APV Rt., but it is believed that investors would probably want the 75% needed to control key shareholder decisions. **Atex**, a group of automotive-related companies in Russian, owns 30.4% of Ikarus. While Atex might be willing to sell its stake, it wants to get its original investment of $50m back plus interest, which comes to $65m. This may be too high a price for investors to pay for the stake.

**Headline:**
Bids Sought For Bus Maker

**Source:**
*Financial Times August 15, 1995*

**Bacsepszer Co.**

**Activity Date:** 10 1993

The State Property Agency announced the tender for the purchase of shares in **Bacsepszer Building and Servicing Co**. The company has been established by a primary capital of HUF 254 million ($2.6 million), of which State Property Agency holds the share worth HUF 233 million ($2.3 million) and the Municipality of Tatar -- HUF 20.4 million ($209,000). The nomination value of the SPA quota to be sold is HUF 127 million ($1.3 million), which represents 50.1%+1 part of the registered capital and 12,701 votes. The deadline for submitting the offers is December 6th, 1993. Agency Szimultan Co. is assisting with the process of privatization.

**Headline:** Call for Open Tender

**Source:** *The Economist October 16, 1993*

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**Baja**

**Activity Date:** 1 1994

The Dutch consumer goods group, Unilever NV, purchased **Baja**, a deep-frozen vegetable firm. The Dutch company paid $3.7 million for a 93.6% stake and agreed to assume Baja's debt. The other 3.7% share will remain with the municipality of Baja. Unilever will invest $5 million over the next two years to modernize the plant and boost production.

**Headline:** Baja Emerges from Deep Freeze

**Source:** *PlanEcon February 2, 1994*

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**Bakony**

**Activity Date:** 9 1995

APV RT, the Hungarian Privatization and State Holding Company (HPSHC), has announced tenders for the shares of various companies in the Hungarian electricity sector. Bids must be submitted to HPSHC on November 30, 1995. The conditions of the tenders are as follows.

A 24% stake with a nominal value of HUF59.9bn is being offered in **Magyar Villamos Muvek Rt.**; bids will be accepted for less than the full offering. The following are electricity supply companies (bids will be accepted only for the full offering of each these companies): a 49.23% stake with a nominal value of HUF16.8bn is being offered in **Tiszantuli Aramszolgaltato Rt.**; a 48.81% stake with a nominal value of HUF14.9bn is being offered in **Eszakmagyarorszagi Aramszolgaltato Rt.**; a 47.98% stake with a nominal value of HUF17.8bn is being offered in **Delmagyarorszagi Aramszolgaltato Rt.**; a 47.55% stake with a nominal value of HUF22.3bn is being offered in **Eszakdunantuli Aramszolgaltato Rt.**; a 46.15% stake with a nominal value of HUF28bn is being offered in **Budapesti Elektromos Muvek Rt.**; and, a 47.25% stake with a nominal value of HUF14.1bn is being offered in **Deldunantuli Aramszolgaltato Rt.**

The following are electricity generation companies (bids will be accepted only for the full offering for each): a 38.71% stake with a nominal value of HUF8.8bn is being offered in **Vertesi Eromu Rt.**; a 38.09% stake with a nominal value of HUF13bn is being offered in **Matrai Eromu Rt.**; a 41.64% stake with a nominal value of HUF6.0bn is being offered in **Budapesti Eromu Rt.**; a 34.0% stake with a nominal value of HUF 5.5 bn is being offered in **Bakonyi Eromu Rt.**; a 48.76% stake with a nominal value of HUF16.4bn is being offered in **Dunamenti Eromu Rt.**; a 40.58% stake with a nominal value of HUF6.0bn is being offered in **Pecsi Eromu Rt.**; and, a 49.71% stake with a nominal value of HUF17.3bn is being offered in **Tiszai Eromu Rt.** Bidders for electric generators must show experience in operating similiarly sized plants.

**Headline:** Notice of Tenders

**Source:** *The Economist September 23, 1995*

**Activity Date:** 4 1996

The state privatization authority APV Rt intends to launch a tender for Tiszai and Budapest, power generation companies, in the second round before the end of April, following the sale of minority stakes in the Dunamenti and **Matrai** companies in the first privatization round in December. Five other generators were withdrawn from the process due to inadequate bids.

Tiszai has six plants generating 1,325MW of power and 809MW of heat and plans to retrofit the four 215MW units at its largest Tiszai II plant and replace 171MW of small units at Borsod. Budapest, with 159MW of electricity and 2,554MW of heat, is currently constructing a 123MW gas turbine CHP plant at a Kelenfold site and plans to build a

2,554MW of heat, is currently constructing a 123MW gas turbine CHP plant at a Kelenfold site and plans to build a 108MW combined-cycle gas turbine plant at Ujpest. Potential foreign investors will most likely be required to make commitments on these projects.

Following these sales, there is a possibility that the three remaining companies, **Bakony**, Pecs, and Vertes, will be sold.

**Headline:** Power Tender

**Source:** *Project Finance International March 27, 1996*

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### Biogal NT

**Activity Date:** 4 1994

**Biogal**, a chemical manufacturing firm, is one of four Hungarian state-owned enterprises which were recently privatized.

**Headline:** Business Report: Pharmaceuticals

**Source:** *PlanEcon April 13, 1993*

**Activity Date:** 9 1995

Israel's largest pharmaceuticals company, Teva Pharmaceutical Industries, has restarted negotiations with the government of Hungary over the purchase of **Biogal NT**. The government decided not to sell the company several years ago but is now reconsidering. Biogal, Hungary's third biggest pharmaceutical company, had sales of approximately $100m in 1994 and is valued at $30m.

**Headline:** Israeli Drugs Group Eyes Hungary Buy

**Source:** *Financial Times September 29, 1995*

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### BKD Bank

**Activity Date:** 1 1996

Banque Nationale de Paris and Dresdner Bank of Germany acquired the remaining 26% stake in **BKD Bank** of Hungary that was held by the state-owned Kereskedelmi Bank. Each bank previously held 37% stakes in BKD, and this latest acquisition brings these stakes to 50% each.

**Headline:** BNP, Dresdner in Hungary Move

**Source:** *Financial Times January 24, 1996*

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### Borsodchem

**Activity Date:** 1996

The government has announced plans to reduce its holdings in **Borsodchem**, the country's second largest chemical company, from nearly 88% to under 30%. Borsodchem will be sold off through various means, including domestic and employee offerings and an international private placement coordinated by West Merchant Bank of Germany and HSBC Investment Bank, part of Hongkong and Shanghai Banking Corp. Borsodchem, which manufactures PVC and MDI, a polymer used in construction, is profitable but is potentially hampered by structural problems and environmental concerns.

**Headline:** Hungary to Sell Stake in Chemicals Concern

**Source:** *Financial Times January 26, 1996*

## Budapest

**Activity Date:** 4 1996

The state privatization authority APV Rt intends to launch a tender for Tiszai and **Budapest**, power generation companies, in the second round before the end of April, following the sale of minority stakes in the Dunamenti and Matrai companies in the first privatization round in December. Five other generators were withdrawn from the process due to inadequate bids.

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Following these sales, there is a possibility that the three remaining companies, Bakony, Pecs, and Vertes, will be sold.

**Headline:** Power Tender

**Source:** *Project Finance International March 27, 1996*

## Budapest Bank

**Activity Date:** 3 1995

Credit Suisse withdrew from a bid for **Budapest Bank** due to strategic differences between the two banks. Credit Suisse wanted Budapest Bank to focus on corporate clients, while Budapest Bank wished to continue in retail banking. The withdrawal complicated the efforts of Hungary's Socialist government to resuscitate its privatization initiative and to reestablish the country's tarnished reputation for market reforms.

**Headline:** Credit Suisse Turns its Back on Budapest Bank

**Source:** *Financial Times March 14, 1995*

**Activity Date:** 9 1995

The sale of shares in Hungary's state-owned **BudapestBank** may soon be complete. The two front runners are reported to be Internationale Nederlanden Groep and General Electric of the U.S. A prior attempt to sell shares in the bank collapsed after the lead bidder, the Credit Suisse commercial banking unit of CS Holding of Switzerland, pulled out at the last minute.

**Headline:** BudapestBank Bidding Heats Up

**Source:** *Wall Street Journal September 21, 1995*

**Activity Date:** 12 1995

The Hungarian government completed the privatization of **Budapest Bank**, including the sale of a 27.5% stake to GE Capital Services.

**Headline:** Postscripts

**Source:** *Wall Street Journal December 21, 1995*

**Activity Date:** 12 1995

Hungary is set to sell a majority stake in **Budapest Bank** to GE Capital and the European Bank for Reconstruction and Development. They are expected to buy a 60% stake for about $87m.

**Headline:** Hungary Set to Sell Budapest Bank Stake

**Source:** *Financial Times December 19, 1995*

## Budapest Distilling Company

**Activity Date:** 3 1992

In March 1992, a controlling 51% stake in the Budapest Distilling Company of Hungary was purchased by Mautner Markhof of Austria, for an undisclosed amount.

**Headline:**

**Source:** *PI 3/92*

### Budapest DunaIntercontinental Hotel

**Activity Date:** 11 1992

In November 1992, it was announced that the Budapest DunaIntercontinental Hotel had been purchased from the State Property Agency by Marriott Hotels fro $53.1 million. Marriott plans to invest a further $22.5 million.

**Headline:**

**Source:**
*PlanEcon 11/11/92*

### Budapest Forum

**Activity Date:** 3 1996

The **Budapest Forum**, Hungary's last world-class state-owned hotel, will be accepting bids for a 95% stake until late April. The Forum came close to privatization last year as part of the HungarHotel chain, but decided to postpone the event, believing it could get more if sold separately. Sheraton, Holiday Inn, Forte, and Intercontinental are among the hotels invited to bid and possible investors include CS First Boston, J.P. Morgan, and Schroders. Financial investors are allowed to bid on the condition they are aligned with strategic partners.

**Headline:**
Hungarian Hotel Tenders Invited

**Source:**
*Financial Times March 12, 1996*

### Budapest Gas Works

**Activity Date:** 12 1994

The City of Budapest announced in December that Creditanstalt Securities and Goldman Sachs will advise on the sale of shares in **Budapest Gas Works,** the largest gas supply company in Hungary. The company, which had fixed assets of $281m and revenues of $236m in 1993, provides 2.5 billion cubic metres of gas to 700,000 industrial and domestic consumers. It has not yet been determined whether a majority stake will be offered or not. The company's market price has yet to be determined pending a government announcement regarding the set level of gas prices. The government currently has set the price of gas below world levels.

**Headline:**
Budapest Picks Advisors for Gas Privatization

**Source:**
*Financial Times December 5, 1994*

### Budapest Kozert Company

**Activity Date:** 10 1993

The State Property Agency plans to sell 51 percent of shares of the state-owned grocery store chain **Budapest Kozert Company** in an open tender. The company has 24 supermarkets in Budapest.

**Headline:**
Company/Business News

**Source:**
*Plan Econ October 27, 1993*

### Budapest Power

**Activity Date:** 3 1996

The government will aceept bids between April 15 and May 30 for a 90% stake in **Budapest Power** and a 95% stake in Tisza Power. These sell-offs could be closed by year end. Tenders for three more power-plant auctions will be released this summer, while a sixth station is slated for privatization this fall.

**Headline:**
Hungary to Sell Energy Stakes

**Source:**
*Wall Street Journal March 29, 1996*

### Budapest's Farihegy Airport

**Activity Date:** 10 1993

Hungary's Airport Authority has drawn up a short list of six bidders for the project to finance, build and operate Terminal Two at **Budapest's Farihegy Airport**. Bidders will be invited to submit final offers in January. The project also includes a four star hotel, underground parking and a business center.

**Headline:**
JV in Prague

**Source:**
*Privatisation International October 1993*

**Budapesti Elektromos Muvek Rt.**

**Activity Date:** 9 1993

The State Property Agency of Hungary announced an invitation for a one-round tender for the partial purchase of its shares in **Budapesti Elektromos Muvek Rt. (Budapest Electricity Supply Company)**. The share capital of the company is HUF 60.7 billion ($988 million), out of which, the SPA is the owner of a HUF 28 billion ($286 million) share tranche representing 46.16% of the shares. Fifteen percent of the company's capital valued at HUF 9 billion ($92 million) is for sale. Also, in the course of a capital increase to take place in 1994, the bidder shall undertake an obligation to increase the present share capital by at least 10% but not by more than 15%. Price Waterhouse Budapest Kft. is assisting the State Property Agency in this privatization effort.

**Headline:**
Invitation to Tender

**Source:**
*Financial Times October 10, 1993*

**Activity Date:** 9 1995

APV RT, the Hungarian Privatization and State Holding Company (HPSHC), has announced tenders for the shares of various companies in the Hungarian electricity sector. Bids must be submitted to HPSHC on November 30, 1995. The conditions of the tenders are as follows.

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**Headline:**
Notice of Tenders

**Source:**
*The Economist September 23, 1995*

**Budapesti Eromu Rt.**

**Activity Date:** 9 1995

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**Headline:**
Notice of Tenders

**Source:**
*The Economist September 23, 1995*

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**Budapesti Vegyimuvek Reszvenytarsasag**

**Activity Date:** 10 1993

The State Property Agency of Hungary in collaboration with its consultant, Magyar Paribas, announced an invitation for a one-round tender for the purchase of a 52.4%+1 of the shares in **Budapesti Vegyimuvek Reszvenytarsasag** (Budapest Chemical Works Co.). The company's capital is HUF 1 billion ($10.5 million), from which HUF 542 million ($5.5 million) is to be acquired by the buyer(s). Offers are due on December 10, 1993.

**Headline:**
Calling for Tenders

**Source:**
*Financial Times October 15, 1993*

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**Chinoin**

**Activity Date:** 4 1994

**Chinoin**, a chemical manufacturing firm, is one of four Hungarian state-owned enterprises which were recently privatized. Over 90% of Chinoin is owned by the French firm Sanofic.

**Headline:**
Business Report: Pharmaceuticals

**Source:**
*PlanEcon April 13, 1993*

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**Computer Technique and Administration Organizing Co.**

**Activity Date:** 11 1993

The State Property Agency invited tenders for sales of state-owned shares of the **Computer Technique and Administration Organizing Co. Ltd.**. The registered capital of the company is HUF1,105.153 (approx. $12,000), of which 50.1% will be sold. At least 10% of the registered capital has to be paid by compensation tickets. Bids are due January 10, 1994.

**Headline:**
Tender Invitation

**Source:**
*Financial Times November 10, 1993*

## Csemege Trading Company

**Activity Date:** 1991

An additional Ft 3 billion (US$ 42 million) are to be invested over the next 5 years.

**Headline:**

**Source:** *PI*

## Csepel

**Activity Date:** 12 1994

It was announced in December that the UK electricity generator PowerGen had won an international tender for **Csepel**, the first Hungarian power plant to be privatized. The sale price is unknown although PowerGen is reportedly considering an additional investment of $100m on top of the purchase price. The investment would involve a plant upgrade and the construction of a combined-cycle gas turbine generator. The plant currently has installed electricity capacity of 43MW and 400MW in thermal energy. The sale is part of the Hungarian government's efforts to privatize the MVM, the state-owned electricity monopoly.

**Headline:** PowerGen Wins Tender to Buy Plant in Hungary

**Source:** *Financial Times December 1, 1994*

**Activity Date:** 6 1995

PowerGen, the UK electricity generating interest, acquired a 95% stake in the **Csepel Power Company**, the first Hungarian power plant to come up for privatization. PowerGen refused to disclose the price paid for the stake, though experts believe that it was close to the $12.2m nominal share value of the package. PowerGen plans to invest an additional $200m to modernize the plant and expand its capacity. This acquisition gives the UK firm a strong foothold in Hungary as the privatization of MVM, Hungary's largest state power company, draws near.

**Headline:** Hungarian Power Plant Sold to PowerGen

**Source:** *Financial Times June 21, 1995*

## Csepel Metal Works Co.

**Activity Date:** 2 1996

The Hungarian Privatization and State Holding Company, APV Rt., has invited bids for an open, one-tier tender for the purchase of a majority stake in **Csepel Metal Works**. Bids are submitted for the purchase of 70% of the subscribed capital. The closing date for bids is February 28.

**Headline:** Invitation to Bid

**Source:** *Financial Times December 15, 1995*

## Csepeli Femmu Rt.

**Activity Date:** 1995

The State Property Agency has announced that 60 state-owned firms are to be sold as part of the nation's privatization and economic plans for 1995. The largest of those offered are **Csepeli Femmu Rt.**, a non-ferrous metal producer that posted 1994 profits of $300,000 and is valued at approximately $20m, **Mezogazdasagi Gepgyarto es Szolgaltato Rt.**, a producer of agricultural and forestry machines that netted $25,000 and is valued at $12.5m, and **Salgotarjani Oblosuveggyar Rt.**, a glass producer that posted 1994 profits of $500,000 and is valued at $3.3m.

**Headline:** The SPA's Newest Offerings

**Source:** *Privinfo March 1995*

## Danubius Hotel and Spa

**Activity Date:** 11 1992

In November 1992 it was announced that Hungarian-owned hotel chain Danubius Hotel and Spa would issue $24.3 million in public stock to domestic investors on December 1. This offering represents 25% of Danubius' capital, and each share would be valued at $12.15. Purchases of stock will be made with a 10% down payment, 40% to follow in 6 months, and the remainder financed through credit. Investors would also be awarded one bonus share for every two held for at least a year.

**Headline:**

**Source:**
*FT 11/25/92*

## Ddgaz

**Activity Date:** 9 1995

The government of Hungary announced the offering of majority stakes in five regional gas distributors, **Degaz**, **Ddgaz**, **Egaz**, **Kogaz**, and **Tigaz**. The deadline for bids for the prequalifying round is September 18, after which the Hungarian Privatization and State Holding Company and NM Rothschild will select bidders for the second round. Bids are for a 50% plus one vote stake in each gas distributor and the private offering is scheduled to be complete by the end of the year. The government has stipulated that no investor can buy more than two companies. Further, the buyer of Tigaz, the biggest distributor, cannot acquire a stake in any of the others. An investor who buys Tigaz or two other regional gas suppliers can only acquire less than 25% in Fogaz, Budapest's gas distributor. The distributors have a combined registered capital of $347m.

**Headline:**
Hungary Gas Stakes On Tender

**Source:**
*Financial Times August 11, 1995*

## Degaz

**Activity Date:** 1995

The state privatization agency APV Rt announced that an Italian consortium consisting of Italgas and Snam had submitted the highest bids for three of the five regional gas distribution companies (GDCs) scheduled to be privatized. The tenders are for 50% stakes plus one vote in each of the five GDCs. The government has established that bidders may either acquire Tigaz, the largest of the five companies, or two of the other companies. Another tender condition is that bidders must submit acceptable business plans. Italgas and Snam bid $172m for Tigaz and $93m and $67m respectively for **Degaz** and Kogaz, two smaller GDCs.

**Headline:**
Italgas Takes Lead in Hungary Sale

**Source:**
*Financial Times November 21, 1995*

**Activity Date:** 9 1995

The government of Hungary announced the offering of majority stakes in five regional gas distributors, **Degaz**, **Ddgaz**, **Egaz**, **Kogaz**, and **Tigaz**. The deadline for bids for the prequalifying round is September 18, after which the Hungarian Privatization and State Holding Company and NM Rothschild will select bidders for the second round. Bids are for a 50% plus one stake in each gas distributor and the private offering is scheduled to be complete by the end of the year. The government has stipulated that no investor can buy more than two companies. Further, the buyer of Tigaz, the biggest distributor, cannot acquire a stake in any of the others. An investor who buys Tigaz or two other regional gas suppliers can acquire no more than 25% in Fogaz, Budapest's gas distributor. The distributors have a combined registered capital of $347m.

**Headline:**
Hungary Gas Stakes On Tender

**Source:**
*Financial Times August 11, 1995*

**Activity Date:** 1 1996

The Hungarian Privatization and State Holding Company (APV Rt.) sold 50% plus one share in **DEGAZ** and **EGAZ** to Gaz De France; **DDGAZ** to a German consortium made up of Ruhrgas and VWE Energie; **KOGAZ** to a Bayernwerk (German) and EVN (Austrian) consortium; and **TIGAZ** to the Italian consortium of Italgas and Snam. The APV Rt. received $460m in revenues from the sale of these share holdings. The transactions were advised by NM Rothschild & Sons Limited.

**Headline:**
Privatization of the Hungarian Regional Gas Distribution Companies

**Source:**
*Financial Times February 1, 1996*

**Deldunantuli Aramszolgaltato Rt.**

**Activity Date:** 10 1993

The State Property Agency of Hungary announced an invitation for a one-round tender for the purchase of 15% of the shares in **Del-Dunantuli Aramszolgaltato Rt.** The company's share capital is HUF 29.7 billion ($305 million), out of which, the SPA owns a HUF 14 billion ($143 million) share tranche representing 47.24% of the shares. The reserves of the company, in addition to the share capital, were HUF 245 million ($2.5 million). In the course of a capital increase which will take place in 1994, the bidder shall undertake an obligation to increase the present capital by at least 10% but by not more than 15%. Offers are due on November 15, 1993. Privatization consultants Kozep Nemzetkozi Bank Rt., CIB, and Societe Generale are advising the Hungarian government.

**Headline:**
Invitation to Tender

**Source:**
*Financial Times October 13, 1993*

**Activity Date:** 9 1995

APV RT, the Hungarian Privatization and State Holding Company (HPSHC), has announced tenders for the shares of various companies in the Hungarian electricity sector. Bids must be submitted to HPSHC on November 30, 1995. The conditions of the tenders are as follows.

A 24% stake with a nominal value of HUF59.9bn is being offered in **Magyar Villamos Muvek Rt.**; bids will be accepted for less than the full offering. The following are electricity supply companies (bids will be accepted only for the full offering of each these companies): a 49.23% stake with a nominal value of HUF16.8bn is being offered in **Tiszantuli Aramszolgaltato Rt.**; a 48.81% stake with a nominal value of HUF14.9bn is being offered in **Eszakmagyarorszagi Aramszolgaltato Rt.**; a 47.98% stake with a nominal value of HUF17.8bn is being offered in **Delmagyarorszagi Aramszolgaltato Rt.**; a 47.55% stake with a nominal value of HUF22.3bn is being offered in **Eszakdunantuli Aramszolgaltato Rt.**; a 46.15% stake with a nominal value of HUF28bn is being offered in **Budapesti Elektromos Muvek Rt.**; and, a 47.25% stake with a nominal value of HUF14.1bn is being offered in **Deldunantuli Aramszolgaltato Rt.**

The following are electricity generation companies (bids will be accepted only for the full offering for each): a 38.71% stake with a nominal value of HUF8.8bn is being offered in **Vertesi Eromu Rt.**; a 38.09% stake with a nominal value of HUF13bn is being offered in **Matrai Eromu Rt.**; a 41.64% stake with a nominal value of HUF6.0bn is being offered in **Budapesti Eromu Rt.**; a 34.0% stake with a nominal value of HUF 5.5 bn is being offered in **Bakonyi Eromu Rt.**; a 48.76% stake with a nominal value of HUF16.4bn is being offered in **Dunamenti Eromu Rt.**; a 40.58% stake with a nominal value of HUF6.0bn is being offered in **Pecsi Eromu Rt.**; and, a 49.71% stake with a nominal value of HUF17.3bn is being offered in **Tiszai Eromu Rt.** Bidders for electric generators must show experience in operating similiarly sized plants.

**Headline:**
Notice of Tenders

**Source:**
*The Economist September 23, 1995*

**Delmagyarorszagi Aramszolgaltato Rt.**

**Activity Date:** 9 1993

The State Property Agency of Hungary announced an invitation for a one round tender for the partial purchase of its shares in **Delmagyarorszagi Aramszolgaltato Rt**. The share capital of the company is HUF 37 billion ($379 million), out of which, the SPA owns a HUF 17.7 billion ($181 million) share tranche representing 47.98% of the shares. A fifteen percent of the campany's capital valued at HUF 5.5 billion ($56 million) is for sale. Also, in the course of a capital increase to take place in 1994, the bidder shall undertake an obligation to increase the present share capital by at least 10% but by not more than 15%. Gauff Budapest Kft. is assisting the State Property Agency in this privatization effort.

**Headline:**
Invitation to Tender

**Source:**
*Financial Times October 10, 1993*

**Activity Date:** 9 1995

APV RT, the Hungarian Privatization and State Holding Company (HPSHC), has announced tenders for the shares of various companies in the Hungarian electricity sector. Bids must be submitted to HPSHC on November 30, 1995. The conditions of the tenders are as follows.

A 24% stake with a nominal value of HUF59.9bn is being offered in **Magyar Villamos Muvek Rt.**; bids will be accepted for less than the full offering. The following are electricity supply companies (bids will be accepted only for

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**Headline:**
Notice of Tenders

**Source:**
*The Economist September 23, 1995*

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### Demasz

**Activity Date:** 2 1996

APV Rt. will offer 8% stakes worth $149m in the country's six electricity supply companies to holders of government-issued coupons. The first exchange will be for shares in **Demasz**, the Hungarian supply company. Electricite de France paid $155m for a 47.7% stake in Demasz last year. The privatization of **MVM**, the national electricity company and **MOL**, the national oil and gas company will also follow. APV Rt. sold 48% stakes in electricity supply companies at the end of last year.

**Headline:**
Hungary to Start Power Sell-Off

**Source:**
*Financial Times January 26, 1996*

**Activity Date:** 2 1996

The privatization agency APV Rt. will offer 8% stakes in Hungary's six state-owned electricity supply companies with a total value of $136m to holders of government-issued coupons beginning in February. **Demasz**, in southern Hungary, will be the first to be offered, with 20% of the allotted shares specifically allocated to coupon-holders living abroad. Following Demasz will be MVM, the national electricity company, and MOL, the petroleum concern.

**Headline:**
Hungary to Start Power Sell-Off

**Source:**
*Financial Times January 26, 1996*

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### Domus

**Activity Date:** 3 1992

In March 1992, a 21% ownership stake in Domus furniture stores was purchased by Fotex, a private Hungarian start-up company.

**Headline:**

**Source:**
*PI 3/92*

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### Duna Cement and Lime Works

**Activity Date:** 2 1993

The Hungarian State Property Agency discussed the sale of Duna Cement and Lime Works with Heidelberger and Schwenk of Germany.

**Headline:**

**Source:**
*PE 3/31/93*

**Dunabank**

**Activity Date:** 2 1996

The Dutch banking group ING has acquired the Hungarian state-owned bank, **Dunabank**. ING plans to integrate Dunabank's nine branches into its regional subsidiary. Four other banks took part in the closed tender.

**Headline:** Hungarian Bank Assets Acquired by ING

**Source:** *Financial Times February 19, 1996*

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**Dunamenti Eromu Rt.**

**Activity Date:** 9 1995

APV RT, the Hungarian Privatization and State Holding Company (HPSHC), has announced tenders for the shares of various companies in the Hungarian electricity sector. Bids must be submitted to HPSHC on November 30, 1995. The conditions of the tenders are as follows.

A 24% stake with a nominal value of HUF59.9bn is being offered in **Magyar Villamos Muvek Rt.**; bids will be accepted for less than the full offering. The following are electricity supply companies (bids will be accepted only for the full offering of each these companies): a 49.23% stake with a nominal value of HUF16.8bn is being offered in **Tiszantuli Aramszolgaltato Rt.**; a 48.81% stake with a nominal value of HUF14.9bn is being offered in **Eszakmagyarorszagi Aramszolgaltato Rt.**; a 47.98% stake with a nominal value of HUF17.8bn is being offered in **Delmagyarorszagi Aramszolgaltato Rt.**; a 47.55% stake with a nominal value of HUF22.3bn is being offered in **Eszakdunantuli Aramszolgaltato Rt.**; a 46.15% stake with a nominal value of HUF28bn is being offered in **Budapesti Elektromos Muvek Rt.**; and, a 47.25% stake with a nominal value of HUF14.1bn is being offered in **Deldunantuli Aramszolgaltato Rt.**

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**Headline:** Notice of Tenders

**Source:** *The Economist September 23, 1995*

**Activity Date:** 12 1995

Powerfin, a subsidiary of the Belgian energy group Tractebel, won the tender for a minority stake in the **Dunamenti power station** in Hungary. Powerfin won over the bids of PowerGen of the UK and Southern Electric of the US.

**Headline:** US Groups to Lose Out in Hungary Sale

**Source:** *Financial Times December 7, 1995*

**Activity Date:** 4 1996

The state privatization authority APV Rt intends to launch a tender for Tiszai and Budapest, power generation companies, in the second round before the end of April, following the sale of minority stakes in the **Dunamenti** and Matrai companies in the first privatization round in December. Five other generators were withdrawn from the process due to inadequate bids.

Tiszai has six plants generating 1,325MW of power and 809MW of heat and plans to retrofit the four 215MW units at its largest Tiszai II plant and replace 171MW of small units at Borsod. Budapest, with 159MW of electricity and 2,554MW of heat, is currently constructing a 123MW gas turbine CHP plant at a Kelenfold site and plans to build a 108MW combined-cycle gas turbine plant at Ujpest. Potential foreign investors will most likely be required to make commitments on these projects.

Following these sales, there is a possibility that the three remaining companies, Bakony, Pecs, and Vertes, will be sold.

**Headline:** Power Tender

**Source:** *Project Finance International March 27, 1996*

## Egaz

**Activity Date:** 9 1995

The government of Hungary announced the offering of majority stakes in five regional gas distributors, **Degaz**, **Ddgaz**, **Egaz**, **Kogaz**, and **Tigaz**. The deadline for bids for the prequalifying round is September 18, after which the Hungarian Privatization and State Holding Company and NM Rothschild will select bidders for the second round. Bids are for a 50% plus one vote stake in each gas distributor and the private offering is scheduled to be complete by the end of the year. The government has stipulated that no investor can buy more than two companies. Further, the buyer of Tigaz, the biggest distributor, cannot acquire a stake in any of the others. An investor who buys Tigaz or two other regional gas suppliers can only acquire less than 25% in Fogaz, Budapest's gas distributor. The distributors have a combined registered capital of $347m.

**Headline:**
Hungary Gas Stakes On Tender

**Source:**
*Financial Times August 11, 1995*

## EGIS

**Activity Date:** 4 1994

**EGIS**, a chemical manufacturing firm, is one of four Hungarian state-owned enterprises which were recently privatized.

**Headline:**
Business Report: Pharmaceuticals

**Source:**
*PlanEcon April 13, 1993*

## electricity generation and distribution companies

**Activity Date:** 10 1995

In October, APV Rt., the Hungarian privatization authority, sold tender documents to 26 companies interested in buying Hungary's **electricity generation and distribution companies**. Bids are due November 30.

**Headline:**
26 Buy Power Tenders

**Source:**
*Project Finance International October 25, 1995*

## Elethermax

**Activity Date:** 1993

ATAG of The Netherlands will purchase 80% of the shares in Elekthermax, the Hungarian electrical appliances manufacturer. The State Property Agency retain 11% of the equity (9% held by local councils), and employees will hold 11%. ATAG plans to invest $6.14 million in the enterprise.

**Headline:**

**Source:**
*PE 2/17/93*

## ELMU Rt., EMASZ Rt., and Matrai Eromu Rt.

**Activity Date:** 12 1995

Hungary's electricity privatizations advanced with the acquisition of **ELMU Rt.**, **EMASZ Rt.**, and **Matrai Eromu Rt.**, by the RWE Energie--EVS Consortium. The Consortium was advised by Price Waterhouse.

**Headline:**
Hungarian Electricity Privatization

**Source:**
*Financial Times January 10, 1996*

**Energetikai Tervezo es Vallalkozo Reszvenytarsasag**

**Activity Date:** 9 1995

The government of Hungary is accepting offers for an 89.6% stake in **Energetikai Tervezo es Vallalkozo Reszvenytarsasag**. Under the terms of the announcement, the purchase price of the block of shares, representing a 75% stake plus one vote, can be paid only in cash. The remaining 14.6% stake can be paid for in cash, compensation voucher and/or by E-credit. Information on this offering can be purchased after September 29 from the Ernst & Young office in Budapest. Bids for the shares are due November 6.

**Headline:** Announcement

**Source:** *Financial Times September 22, 1995*

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**Energy Sector**

**Activity Date:** 1995

Hungary's new socialist led government has announced sweeping privatization plans for its energy sector. Over the next three years, the sector will be transformed from full state ownership to become one of the most privately controlled and liberalized in Europe. The government is to sell 99% of its five regional gas suppliers, as well as its non nuclear electric generating facilities. In addition, it aims to sell off 30% of MOL, the state oil company, to a strategic investor. The government's decision marks a significant change from the previous conservative administration which sought to retain a majority stake in most energy sector companies.

**Headline:** Hungary to Privatize Energy Sector

**Source:** *Financial Times December 30, 1994*

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**Eszakdunantuli Aramszolgaltato Rt.**

**Activity Date:** 10 1993

The State Property Agency of Hungary announced an invitation for a one-round tender for the purchase of 15% of the shares in **Eszak-Dunantuli Aramszolgaltato Rt**. The company's share capital is HUF 46.8 billion ($479 million), out of which, the SPA owns a HUF 22.2 billion ($227 million) share tranche representing 47.55% of the shares. The reserves of the company, in addition to the share capital, were HUF 1.7 billion ($17.4 million). In the course of a capital increase which will take place in 1994, the bidder shall undertake an obligation to increase the present capital by at least 10% but by not more than 15%. Offers are due on November 15, 1993. Privatization consultants Kozep Nemzetkozi Bank Rt., CIB, and Societe Generale are advising the Hungarian government.

**Headline:** Invitation to Tender

**Source:** *Financial Times October 13, 1993*

**Activity Date:** 9 1995

APV RT, the Hungarian Privatization and State Holding Company (HPSHC), has announced tenders for the shares of various companies in the Hungarian electricity sector. Bids must be submitted to HPSHC on November 30, 1995. The conditions of the tenders are as follows.

A 24% stake with a nominal value of HUF59.9bn is being offered in **Magyar Villamos Muvek Rt.**; bids will be accepted for less than the full offering. The following are electricity supply companies (bids will be accepted only for the full offering of each these companies): a 49.23% stake with a nominal value of HUF16.8bn is being offered in **Tiszantuli Aramszolgaltato Rt.**; a 48.81% stake with a nominal value of HUF14.9bn is being offered in **Eszakmagyarorszagi Aramszolgaltato Rt.**; a 47.98% stake with a nominal value of HUF17.8bn is being offered in **Delmagyarorszagi Aramszolgaltato Rt.**; a 47.55% stake with a nominal value of HUF22.3bn is being offered in **Eszakdunantuli Aramszolgaltato Rt.**; a 46.15% stake with a nominal value of HUF28bn is being offered in **Budapesti Elektromos Muvek Rt.**; and, a 47.25% stake with a nominal value of HUF14.1bn is being offered in **Deldunantuli Aramszolgaltato Rt.**

The following are electricity generation companies (bids will be accepted only for the full offering for each): a 38.71% stake with a nominal value of HUF8.8bn is being offered in **Vertesi Eromu Rt.**; a 38.09% stake with a nominal value of HUF13bn is being offered in **Matrai Eromu Rt.**; a 41.64% stake with a nominal value of HUF6.0bn is being offered in **Budapesti Eromu Rt.**; a 34.0% stake with a nominal value of HUF 5.5 bn is being offered in **Bakonyi Eromu Rt.**; a 48.76% stake with a nominal value of HUF16.4bn is being offered in **Dunamenti Eromu Rt.**; a 40.58% stake with a nominal value of HUF6.0bn is being offered in **Pecsi Eromu Rt.**; and, a 49.71% stake with a nominal value of HUF17.3bn is being offered in **Tiszai Eromu Rt.** Bidders for electric generators must show experience in operating similiarly sized plants.

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**Headline:**
Notice of Tenders

**Source:**
*The Economist September 23, 1995*

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**Eszakmagyarorszagi Aramszolgaltato Rt.**

**Activity Date:** 10 1993

The State Property Agency of Hungary announced an invitation for a one-round tender for the purchase of 15% of the shares in **Eszakmagyarorszagi Aramszolgaltato Rt**. The company's share capital is HUF 30.5 billion ($312.5 million), out of which, the SPA owns a HUF 14.8 billion ($151.6 million) share tranche representing 48.8% of the shares. The reserves of the company, in addition to the share capital, were HUF 98.9 million ($10 million). In the course of a capital increase which will take place in 1994, the bidder shall undertake an obligation to increase the present capital by at least 10% but by not more than 15%. Offers are due on November 15, 1993. Privatization consultants Argenta Top Broker Rt. and ABN Amro Bank (Magyarorszag) Rt. are advising the Hungarian government.

**Headline:**
Invitation to Tender

**Source:**
*Financial Times October 13, 1993*

**Activity Date:** 9 1995

APV RT, the Hungarian Privatization and State Holding Company (HPSHC), has announced tenders for the shares of various companies in the Hungarian electricity sector. Bids must be submitted to HPSHC on November 30, 1995. The conditions of the tenders are as follows.

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**Headline:**
Notice of Tenders

**Source:**
*The Economist September 23, 1995*

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**Expressz**

**Activity Date:** 4 1995

**Expressz**, Hungary's largest advertising daily, will be sold for $16.8m (Ft 2bn) to Hebdo MAG, a Canadian media group. Expressz, which has a daily circulation of 350,000, is part of Hirlapkiando Rt, a state-owned media publishing group that is expected to be liquidated.

**Headline:**
Hungarian Advertising Daily Sold to Canadians

**Source:**
*Financial Times April 12, 1995*

## Fejertej

**Activity Date:** 2 1993

Parmalat of Italy bought a 60% stake in the Hungarian dairy company Fejertej. The government will retain 40% of the equity, with the local council holding 3.5%. The Italian firm paid approximately $7.4 million for the shares.

**Headline:**

**Source:**
*PE 2/3/93*

## First Hungarian Hemp Industry Ltd.

**Activity Date:** 8 1993

The Hungarian State Property Agency announced the sale of shares in the First Hungarian Hemp Industry, Ltd., transformed from Szeged Hemp Factory Co. owned by the state on a public one turn tender for realization. The factory's own capital is HUF776,6 million ($8.2 million), its registered capital is HUF373,5 million ($ 3.9 million) from which 50.1% comes to realization. The deadline for submission of tenders is October 11, 1993.

**Headline:**
Invitation to Tender

**Source:**
*Financiat Times August 16, 1993*

## Five Hungarian natural gas distribution companies

**Activity Date:** 5 1994

The establishment in April of a new regulatory structure for Hungary's natural gas distribution holdings opened the door for the planned privatization of five of these state-owned enterprises, unleashing $445.8 million in long term investments. Such regulation will permit companies to charge environmental restoration costs to consumers as well as for future technological improvement costs.

**Headline:**
Business Report: Hungary

**Source:**
*PlanEcon May 11, 1994*

## Forum hotel

**Activity Date:** 2 1996

The Hungarian state privatization agency, APV Rt., has decided to sell a 95% stake in the top class **Forum Hotel**. APV Rt. stated that it would invite 15 potential investors to participate in a private bid. The bid deadline will be in April.

**Headline:**
Hungary to Privatize Hotel

**Source:**
*Financial Times February 23, 1996*

## Garancia Biztosito

**Activity Date:** 4 1993

A 100% of Hungarian insurance company Garancia Biztosito was purchased by OTP, the National Savings Bank. The company was established in 1988 by OTP, the Hungarian Credit Bank and Hungaria Biztosito, each holding a share of 33%. After the transaction, the name of the company is expected to change to OTP Garancia Biztosito.

**Headline:**
Business/Country Briefs

**Source:**
*Plan Econ April 14, 1993*

## Global TH

**Activity Date:** 3 1994

**Global TH**, a Hungarian food retailer, is one of the first four companies that will be privatized under Hungary's new mass privatization program according to a March report. Public offerings have not played a major role in Hungarian privatization efforts thus far, and authorites hope many can be persuaded to pay the token fee to participate in this new initiative. Over the next several years,the State Property Agency expects to sell shares in 70 enterprises, raising a total of $1.15 bn.

**Headline:**
Four Hungarian State Companies Put Up for Sale

**Source:**
*Financial Times March 1, 1994*

## Gloria Insurance

**Activity Date:** 9 1993

The Hungarian company, **Gloria Insurance**, has approved a minority 11% share purchase by Companhia Senqueros Imperio, Portugal's largest insurance company.

**Headline:**
Business/Company News Briefs

**Source:**
*Plan Econ September 15, 1993*

## Gyor-Sopron-Benfurt Railway (Gyesev)

**Activity Date:** 10 1992

In October 1992, it was announced that the Hungarian State Property Agency had approved the Gyor-Sopron-Benfurt Railway (Gyesev). It was further revealed that the state would retain a 43-44% share in the venture, private investors would own a five percent stake, and the remainder would be owned by Austrian investors. The Hungarian government plans to invest around Ft 900 million, and may increase its shares in 1994. The main train line will run approximately 140 kilometers, and a secondary line will be 60 kilometers.

**Headline:**

**Source:**
*PlanEcon*
*Oct 14, 1992*

## Hajdutej Tejipari

**Activity Date:** 5 1995

The Dutch foods company Nutricia has acquired a 22.5% stake in **Hajdutej Tejipari**, Hungary's largest regional dairy. Though the monetary value of the sale has not been announced, this sale is one of the most important privatizations in Hungary so far this year. Hajdutej employs 1,233 people at 4 plants in eastern Hungary, produces cheese, milk, yogurt, and other dairy products, has a 10% share in the Hungarian market, and accounts for one-third of Hungary's dairy exports. The Hungarian State Property Agency plans to sell an additional 30% of the company to foreign financial investors, 20% to Hajdutej's suppliers, 15% to employees, and the remaining 12.5 % via domestic public offering.

**Headline:**
Nutricia Expands in Hungary

**Source:**
*Financial Times May 22, 1995*

## HEAVYTEX New-Szeged Textile Co.

**Activity Date:** 8 1993

The sale of shares in the **HEAVYTEX New-Szeged Textile Co.** was announced by the Hungarian State Property Agency in August. The company's capital is 620 million forints ($6.6 million) and its registered capital is 450 million forints ($4.8 million) from which 50.1% comes to realization. The deadline for submission of tenders is October 11, 1993.

**Headline:**
Invitation to Tender

**Source:**
*The Financial Times August 16, 1993*

## Hungalu

**Activity Date:** 10 1992

In October 1992 it was announced that Alcoa, the American aluminum producer, would purchase a 50.1% share in a new joint venture, Alcoa-Kofem, with Hungalu, Hungary's aluminum monopoly. Alcoa agreed to an initial investment of $165 million, followed by another $146 million over the next five years.

**Headline:**

**Source:**
*PlanEcon*
*10/28/92*

## HungarHotels

**Activity Date:** 6 1994

An announcement in June indicated that a 51% stake in **HungarHotels** would be offered by Hungary's privatization authorities. HungarHotels is the country's largest hotel chain and is expected to generate $50 million from the sale.

**Headline:**
HungarHotels to be Privatised

**Source:**
*Financial Times June 3, 1994*

**Activity Date:** 10 1994

American General Hospitality, a privately-held US company, and Intercontinental Hotels, the Japanese-owned hotel group, have emerged as top contenders for a 51% stake in **HungarHotels**, Hungary's last state-owned hotel chain to come up for privatization. According to the Hungarian State Property Agency (SPA), American General and Intercontinental are the favorites. The sale is expected to raise approximately Ft6.5bn ($60m), though HungarHotels has registered share capital of Ft9bn ($83.3m). The Hungarian firm owns 15 hotels, including 45% of 4 star capacity in Budapest. It made a net profit of Ft6.3bn ($58m) last year and is expected to bring in Ft6.6bn ($61m). The SPA plans to sell off the remaining 49% of HungarHotels via public offering.

**Headline:**
HungarHotels Contenders Line Up

**Source:**
*Financial Times September 20, 1994*

**Activity Date:** 11 1994

The sale of 15 hotels in the **HungarHotels** chain in Hungary is in doubt as government officials continued discussions over whether to pull out of an international tender agreement. Provided the government goes through with the sale and does not transfer the assets to the cash strapped state social security fund, American General Hospitality and Intercontinental of Japan are expected to be top contenders in the sale. Most of the 15 hotels are expected to require substantial investment and a foreign strategic partner to bring them up to international standards.

**Headline:**
Hungary Risks Fury Over Hotel Sell-Off

**Source:**
*Financial Times November 16, 1994*

**Activity Date:** 12 1994

The sale of a 51% stake in **HungarHotels** to American General Hospitality (AGH), reportedly close to completion, has broken off in the wake of local pressure to raise the sale price by 20%, from $57.5m to $67m. AGH's refusal to raise its offer has led the government to consider other buyers such as Japanese owned Intercontinental. The sale may not take place at all, however, as the government has indicated it feels no pressure to hurry into selling what it believes is a high value company. There is also opposition to the sale from trade unions backing the social security fund. The fund is insisting the government hand over the hotels as a means of meeting its obligations to transfer state assets of $2.7bn to it and to other funds.

**Headline:**
Budapest Stall on Hotels Decision

**Source:**
*Financial Times December 1, 1994*

**Activity Date:** 1 1995

The agreement between the government of Hungary and American General Hospitality for the purchase of a 51% stake in the state-owned hotel chain **HungarHotels,** has reportedly fallen apart. The deal failed to go through when the government raised the price it was seeking to $67m from $57.5m and increased the reqired new investment from $19.5m to $24m. The government also refused to sell all of the hotels in the chain insisting that the Hotel Budapest remain in the portfolio of HungarHotels. The deadline for accepting new bids has been extended from January 19 to February 19.

February 19.

**Headline:**
Hungary Alters Hotel Deal

**Source:**
*Wall Street Journal January 5, 1995*

**Activity Date:** 1 1995

The government announced in January that the deal for American General Hospitality to purchase the **HungarHotel** chain had collapsed following the government's raising of the price to $67m. The collapse of the deal and the role played by the government has caused many investors to rethink the committment of the government ot its privatization program.

**Headline:**
Hungarian Hotel Bid Ended

**Source:**
*Wall Street Journal January 12, 1995*

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### Hungarian Electricity Industry

**Activity Date:** 12 1995

The Hungarian Privatization and State Holding Company, APV Rt., announced the winning tenders in the sale of the state owned shares of eight companies within the **Hungarian Electricity Industry**. RWE Energie AG Consortium won **Budapest Electricity Works Ltd., Eszakmagyarorszagi Supply Ltd.**, and **Matrai Power Plant Ltd**. EDF International (Paris) won **Delmagyarorszagi Supply Ltd**. and **Eszakdunantuli Supply Ltd.** Bayernwerk AG (Munich) won **Deldunantuli Supply Ltd.**, Isar Amperwerke AG (Munich) won **Tiszantuli Supply Ltd.**, and Powerfin S.A. (Brussels) won **Dunamenti Power Plant Ltd**. The APV Rt. also voided the tenders for six other companies within the industry.

**Headline:**
Businesses For Sale

**Source:**
*Financial Times December 29, 1995*

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### Hungarian Foreign Trade Bank

**Activity Date:** 5 1994

The Hungarian government moved ahead with the partial privatization of the **Hungarian Foreign Trade Bank** by approving the sale of a 15.1% stake to Bayerische Landesbank and an additional 10% share to the European Bank for Reconstruction and Development. The Foreign Trade Bank is the third largest commercial bank in Hungary. The Hungarian government is expected to sell additional share to the two foreign banks this summer.

**Headline:**
Hungarian Privatization Of Bank Moves Forward

**Source:**
*The Wall Street Journal May 4, 1994*

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### Hungarian Oil & Gas Co. (MOL Rt)

**Activity Date:** 7 1993

Lazard Freres was selected as advisor on the privatization of the **Hungarian Oil & Gas Co., (MOL Rt).** At least 50% of the oil firm's equity will remain in state hands. MOL is Hungary's largest enterprise with registered capital of $1.06 bn (Ft 97.56 bn).

**Headline:**
Oil Privatisation Advisor Picked

**Source:**
*Project Finance International July 23, 1993*

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### Hungarian Telecommunications Company (HTC)

**Activity Date:** 5 1992

In May it was announced that the Hungarian Telecommunications Company (HTC) is to be privatized. The sale, which will be Hungary's largest privatization, is scheduled for early to mid 1993 to an industry investor, to be followed by a public offering. The government, which will float more that a 30% minority in the company, is to be advised by N.M. Rothschild.

**Headline:**

**Source:**
*FT 5/92*

**Activity Date:** 1993

The two-stage sale of Hungarian Telecommunications Company via competitive tender to an international telecoms operator, and by a domestic and international public offering.

1993

**Headline:**

**Source:**
*PI 1/93*

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**Hungarocamion International Road Transport Co. Ltd.**

**Activity Date:** 8 1994

The State Holding Company announced in an advertisement in August the sale of **Hungarocamion International Road Transport Company Limited**. The sale calls for a two round open tender of a proportion of state-owned shares as well as a subscription for newly issued shares. Each share is worth HUF 10, 000 ($92.45) with a total face value of HUF 2,667,300,000 ($2,465,642). The capital structure of the company includes HUF 5, 230, 000 ($48,354) in registered capital, HUF 4,115,453 ($38,050) in capital reserves, HUF 17, 530 ($162) in retained earnings, and a balance sheet profit of HUF 516, 558 (negative $4,776). The State Holding Company currently owns 96.61 percent while municipalities hold 3.39 percent of the company's shares. However, the State Holding Company will retain 25 percent. Preference will go to investors who are willing to subscribe to at least HUF 1.5 billion ($13,868,343) of increased capital. Banque INDOSUEZ Hungary Ltd. is advising on the sale.

**Headline:**
State Holding Company-Public Announcement

**Source:**
*Financial Times August 1, 1994*

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**Hungaroton**

**Activity Date:** 8 1995

The Hungarian privatization agency, APV Rt., announced that it will sue Polygram for injuring the privatization process in Hungary. The rift began when APV Rt. announced the open tender for **Hungaroton**, the state-owned record company. APV Rt announced on August 14 that a domestic consortium had won the tender despite a higher offer from Polygram. Polygram contends that APV Rt. intended to keep Hungaroton in Hungarian ownership.

**Headline:**
Hungarian Sell-Off Prompts Row

**Source:**
*Financial Times August 26, 1995*

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**Hungexpo**

**Activity Date:** 4 1994

In April, the Hungarian government announced its plans to sell nearly all of its shares in **Hungexpo**. Hungexpo, with revenues of $20 million last year, organizes and operates the country's trade fairs. The Hungarian State Holding Company will continue to hold a single "golden share".

**Headline:**
Business Report

**Source:**
*Plan Econ April 8, 1994*

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**Ikarus Jarmugyarto**

**Activity Date:** 10 1995

The government of Hungary announced that it will accept bids in October for its majority stake in **Ikarus Jarmugyarto**, a bus maker. The government owns 63.9% of Ikarus through the Hungarian privatization body, APV Rt., but it is believed that investors will want the 75% needed to control key shareholder decisions. **Atex**, a group of automotive-related companies in Russia, owns 30.4% of Ikarus. While Atex might be willing to sell its stake, it wants to recoup its original investment of $50m plus interest, which comes to $65m. This price many be too high for investors.

**Headline:**
Bids Sought For Bus Maker

**Source:**
*Financial Times August 15, 1995*

### Inota Aluminium Kft

**Activity Date:** 10 1995

The government of Hungary will be accepting bids for a 90% stake in **Inota Aluminium Kft**, a subsidiary of Hungalu Hungarian Aluminium Ltd. The remaining 10% will be offered to the firm's employees, however, any shares not purchased by the employees must be purchased by the winning bidder under the terms of their offer. The government's sale announcement specifies that the purchase price is payable in cash only. The deadline for submission of bids is November 6.

**Headline:**
Announcement

**Source:**
*Financial Times October 2, 1995*

### Kanisza Butor

**Activity Date:** 10 1993

The State Property Agency plans to allow a six-member leasing association to buy an 85.1 percent stake in **Kanisza Butor**, one of Hungary's largest furniture factories.

**Headline:**
Company/Business News

**Source:**
*Plan Econ October 27, 1993*

### Kaposcukor

**Activity Date:** 11 1993

Agrana of Austria has gained a majority interest in **Kaposcukor** sugar factory. The State Property agency of hungary has permitted the 30% stake in Kapocsukor to be raised to 53%.

**Headline:**
Business/Company News Briefs

**Source:**
*Plan Econ November 10, 1993*

### Kemikal Building Material Ltd.

**Activity Date:** 3 1994

The Hungarian State Property Agency invited bids for 76% of **Kemikal Building Material Ltd.**. The submission deadline is April 27, 1994.

**Headline:**
State Property Agency Invites Bids

**Source:**
*Financial Times March 1, 1994*

### Kereskedelmi Bank

**Activity Date:** 2 1996

The government of Hungary plans to begin the privatization of Magyar Hiltel Bank and **Kereskedelmi Bank**, the largest remaining state owned commercial banks, before the end of the year.

**Headline:**
Hungarian Bank Assets Acquired by ING

**Source:**
*Financial Times February 19, 1996*

### Kobanyai Sorgyar

**Activity Date:** 12 1993

Hungary sold an 80% stake in its largest brewery, **Kobanyai Sorgyar**, to South African Breweries for $50 million in December 1993. The South African firm is committed to invest an additional $40 million over the next five years.

**Headline:**
Hungarian Brewery Privatization

**Source:**
*Fin Mark Research, Inc. December 1993*

## Kogaz

**Activity Date:** 1995

The state privatization agency APV Rt announced that an Italian consortium consisting of Italgas and Snam had submitted the highest bids for three of the five regional gas distribution companies (GDCs) scheduled to be privatized. The tenders are for 50% stakes plus one vote in each of the five GDCs. The government has established that bidders may either acquire Tigaz, the largest of the five companies, or two of the other companies. Another tender condition is that bidders must submit acceptable business plans. Italgas and Snam bid $172m for Tigaz and $93m and $67m respectively for Degaz and **Kogaz**, two smaller GDCs.

**Headline:**
Italgas Takes Lead in Hungary Sale

**Source:**
*Financial Times November 21, 1995*

**Activity Date:** 9 1995

The government of Hungary announced the offering of majority stakes in five regional gas distributors, **Degaz**, **Ddgaz**, **Egaz**, **Kogaz**, and **Tigaz**. The deadline for bids for the prequalifying round is September 18, after which the Hungarian Privatization and State Holding Company and NM Rothschild will select bidders for the second round. Bids are for a 50% plus one vote stake in each gas distributor and the private offering is scheduled to be complete by the end of the year. The government has stipulated that no investor can buy more than two companies. Further, the buyer of Tigaz, the biggest distributor, cannot acquire a stake in any of the others. An investor who buys Tigaz or two other regional gas suppliers can only acquire less than 25% in Fogaz, Budapest's gas distributor. The distributors have a combined registered capital of $347m.

**Headline:**
Hungary Gas Stakes On Tender

**Source:**
*Financial Times August 11, 1995*

**Activity Date:** 12 1995

Hungary is considering the sale of a 50% share in **Kogaz**, its second largest regional gas distribution company. A consortium of Bayernwek of Germany and EVN of Austria is likely to be awarded the stake following their first-round bid of $67.3m. Hungary is also divesting all six of its electricity distribution companies as part of its plan for privatizing its energy sector.

**Headline:**
Hungary to Decide on Buyer for Kogaz Stake

**Source:**
*Financial Times December 13, 1995*

## Kontur

**Activity Date:** 3 1992

In March 1992, a 51% majority stake in Kontur was purchased by Fotex, a private Hungarian start-up company.

**Headline:**

**Source:**
*PI 3/92*

## Kozert

**Activity Date:** 10 1992

In October 1992, the Hungarian State Property Agency privatized 147 of the 330 Kozert food shops which were previously owned by Hungarian state-owned companies. In this transaction, nine companies purchased chains of between eight and 24 shops. Three companies, Spaar (Austria), Plus Food Trading Diszkont (German), and Duna Fuszert (Belgium), purchased twelve percent of Kuzert's Budapest shops, representing 60% of Kuzert's turnover.

**Headline:**

**Source:**
*PlanEcon*
*10/14/92*

## Macro Article

**Activity Date:** 7 1993

The Hungarian Agriculture Ministry announced a resturcturing of the meat industry. Meat firms with heavy debt loads will be able to refinance themselves with bonds which the European Bank for Reconstruction and Development (EBRD) will purchase. Government approval is pending. In an independent development, Hungary expects a $100 million loan from the EBRD to be used for agricultural development. The money is intended for new investment and the purchase of farm implements sold in agricultural restructuring. To date, out of 18 agricultural SOEs, 15 have been reogranized and six have been privatized. Nine of 31 forests have been restructured and four privatized while 20 out of 121 state cooperatives have been reorganized and five privatized.

**Headline:** Reorganization of Hungary's Meat Industry Planned

**Source:** *Plan Econ July 7, 1993*

**Activity Date:** 10 1993

In an effort to broaden share ownership, the Hungarian government plans to extend state shareholdings worth HUF100 billion ($1 billion) in 70 companies on concessionary terms to small investors. The initial wave of sales was announced in the last week of October. This includes shares worth HUF 5 billion ($51 million) in eight profitable companies to be floated on the Budapest stock exchange in January. First, the stakes in the Pannonia, Soproni and Borsodi breweries; the Pannonia, Eravis and Hungaria Hotel chains; plastics producer Pannonplast; and bottled gas distributor Primagaz will be sold. Every adult Hungarian paying a nominal HUF 2000 entrance fee will be entitled to a HUF 100,000 interest-free credit facility which can be used to subscribe to the offerings. Repayments may be spread over five years and no security is required beyond the purchased shares themselves. The authorities hope the generous terms will attract 1 million of Hungary's 10 million population.

**Headline:** Hungary Privatisation Bid to Boost Share Ownership

**Source:** *Financial Times October 16 - October 17, 1993*

**Activity Date:** 8 1994

Hungary's new privatization agency, the State Property Valuation Company, should be operational by October according to Hungarian radio. Government Commissioner Ferenc Bartha said that work on the merger of the State Property Agency and the State Asset Holding Company should be complete by the end of the summer. Both of these privatization bureaus are to be phased out under the plans of the new socialist led government. The new agency will be tasked with the privatization of state-owned assets instead of their management.

**Headline:** Industry News Briefs: Hungary

**Source:** *PlanEcon August 31, 1994*

## Magyar Gordulocsapagy Muvek Rt.

**Activity Date:** 1 1994

Tenders have been invited for the sale of shares or asset management of **Magyar Gordulocsapagy Muvek Rt.**, an important manufacturer of roller bearings in Central Europe. The company is 100% state-owned but has good production facilities. Bids are due March 2, 1994.

**Headline:** Tenders Invited for Hungarian Roller Bearing Works

**Source:** *Financial Times January 17, 1994*

## Magyar Hiltel Bank

**Activity Date:** 2 1996

The government of Hungary plans to begin the privatization of **Magyar Hiltel Bank** and **Kereskedelmi Bank**, the largest remaining state owned commercial banks, before the end of the year.

**Headline:** Hungarian Bank Assets Acquired by ING

**Source:** *Financial Times February 19, 1996*

## Magyar Kulkereskedelmi Bank (MKB)

**Activity Date:** 4 1994

**Magyar Kulkereskedelmi Bank** (MKB), the Hungarian state foreign trade bank, plans to sell a 25% stake to Bayerische Landesbank, the Bavarian state bank. The transaction will be finalized at MKB's general meeting in early May. It will be the first purchase of a major Hungarian state-owned financial concern by a Western firm, and could be one of the biggest bank privatizations in Eastern Europe to date. The price Bayerische will pay for MKB has not been disclosed. The EBRD is also expected to take a 17% stake in MKB, the strongest of Hungary's four state banks. The bank posted a capital-adequacy ratio of 11 to 12% of its end-1993 balance sheet total of $2.3 billion. Because MKB emphasizes trade finance, it did not suffer as much when industrial enterprises began experiencing bankruptcy on a large scale.

A June report stated that Magyar Kulkereskedelmi Bank will sell 15.1% and 10% to Bayerische Landesbank Girozentrale (BLG) and to the EBRD, respectively, on July 1. Following privatization, AV Rt.'s holdings will fall to 25%, while BLG and EBRD's holdings will increase to 25.1% and 17% respectively. The state holding company AV Rt. had hoped to sell shares at a 20% premium of MKB's book value, but could only obtain 2-3%. If the bank's profits exceed 2.3 billion forints ($22.5 million) in 1994, the two investors will pay an additional 3,700 forints ($36.26) per share. However, if taxable profits for 1995 exceed 1 billion forints ($9.8 million), then the investors will be obligated to pay another 2,915 forints ($28.56) per share. The bank reported 238 billion forints ($2.33 billion) in assets and 198 million forints ($1.9 million) in taxable profits according to Hungarian accounting standards.

**Headline:** Bavarian Bank in Hungarian Deal

**Source:** *Financial Times April 22, 1994*

**Activity Date:** 1 1995

The state privatization agency APV Rt. has indicated that it will sell the state's remaining 24.67% stake in **Magyar Kulkereskedelmi Bank** (MKB), the foreign trade bank, by March. The transaction will take place via a closed tender where only foreign shareholders will be allowed to participate. MKB, which is Hungary's third largest commercial bank, had pre-tax profits of $21m in the first half of 1995.

**Headline:** Hungary to Sell Rest of MKB Bank Stake

**Source:** *Financial Times January 21, 1996*

## Magyar Nemzet

**Activity Date:** 5 1994

The Hungarian government, through its Hirlapkiado Valalat media holding company, reclaimed ownership of the nation's fourth largest newspaper **Magyar Nemzet** from Hersant, the French publishing group. The price paid in the buyback of a 92% holding was not disclosed, however is estimated at $3.9 million. Overall, Hersant lost $6.9 million on its investment, according to a Financial Times report. The government will assume the paper's $7.7 million in debts and invest $1.9 million to keep the paper in operation.

**Headline:** Hungary Buys Back Magyar Nemzet Stake

**Source:** *Plan Econ May 11, 1994*

## Magyar Suzuki

**Activity Date:** 1995

Suzuki is considering increasing its investment in **Magyar Suzuki** by $17m to $25m in order to combat the high cost of the yen and to increase local production in Hungary. Suzuki is already a 55% owner of the Hungarian company.

**Headline:** Suzuki Targets Hungarian Plant

**Source:** *Financial Times April 12, 1995*

## Magyar Villamos Muvek Rt.

**Activity Date:** 1995

The sale of **Magyar Villamosmuvek**, Hungary's national electric utility, was expected to generate a large percentage of the sell-off revenue targeted for this year, but the original $1.26bn (Ft 150bn) figure may not be reached as the government has announced that it will retain a larger stake than planned. While the Hungarian government still plans to sell 50% of the company minus one vote, it wants to retain the same stake in the utility's power stations and regional suppliers. This is a change from plans announced in December where the government at that time only wanted a 25% plus one vote stake in the stations and supplier

**Headline:** Hungary Backs Utility Sell-off

**Source:** *Financial Times April 20, 1995*

**Activity Date:** 1995

The Hungarian government would like to sell a majority stake in **Magyar Villamosmuvek** (MVM), the nation's inefficient, loss-making electrical utility, in order to transform it into a clean, modern, profit-making enterprise. The primary issue facing MVM is that Hungary's power stations will not be able to match demand for electricity as the economy and industry in that country begin to grow again. Despite the fact that the company posted huge losses in 1994 ($93m), foreign interest in the company has been high. The company will also have to trim between 10,000 and 20,000 employees to bring employment numbers down to optimal levels. However, trade unions have threatened to strike should MVM be sold to foreign investors. It is estimated that the company needs $4bn to modernize its facilities and comply with environmental regulations

**Headline:** Hungary Wants to Sell Big Stake in Utility MVM

**Source:** *Wall Street Journal June 12, 1995*

**Activity Date:** 9 1995

The government recently announced electricity price increases, increasing investor confidence in the valuation of the electricity sector privatizations offered by APV Rt.

APV Rt, the Hungarian Privatization and State Holding Company, has announced tenders for the shares of various companies in the Hungarian electricity sector. Bids must be submitted to APV Rt. on November 30. A 24% stake with a nominal value of HUF59.9bn ($459.5m) is being offered in electricity distributor **Magyar Villamos Muvek Rt.** and bids will be accepted for less than the full offering. The government is seeking bidders for stakes of 46% to 49% in six electricity supply companies with a combined value of $873.5m. Bids will be accepted only for the full offering of each company. A 46.15% stake, valued at $215m, is being offered in the largest of these companies, **Budapesti Elektromos Muvek Rt**. The government is seeking bidders for stakes of 34% to 49.7% in seven electricity generation companies with a combined value of $560.5m. Bids will be accepted only for the full offering of each company. A 49.71% stake, valued at $133m, is being offered in the largest of these companies, **Tiszai Eromu Rt.**

**Headline:** Notice of Tenders

**Source:** *The Economist September 23, 1995*

## Magyar Viscosa Reszvenytarsasag

**Activity Date:** 12 1994

In December the government of Hungary called for tenders for shares in **Magyar Viscosa Reszvenytarsasag**. The company is capitalized at $20m and a 54.11% stake is being offered. The government is looking for an investor to assume a majority stake of 51% while 4.1% of the shares will be reserved for employees. Further, any shares available to but not purchased by employees will be sold to the majority investor at the agreed purchase price and under the conditions offered for the majority share. Shares must be paid for in cash. The bidding is open to international investors and consortia. Interested investors need to deposit $225,000 with the Hungarian Foreign Trade Bank to receive the bid documents. Bids are due to the State Property Agency on February 22, 1995.

**Headline:** Call For Tenders Advertisement

**Source:** *Financial Times December 20, 1994*

## Magyarovar Alumina and Alundum Ltd. (MOTIM)

**Activity Date:** 10 1995

A 90% stake is being offered in Hungary's state-owned **Magyarovar Alumina and Alundum Ltd.** (MOTIM), a subsidiary of Hungalu Hungarian Aluminium Ltd. The remaining 10% stake will be offered to the company's employees. Any shares not purchased by the employees must purchased by the winning bidder under the terms put forward in their offer. The purchase price for the shares is to be paid in cash only. The deadline for the submission of bids is November 6.

**Headline:** Contracts & Tenders

**Source:** *Financial Times October 2, 1995*

## MAHART

**Activity Date:** 4 1994

The government of Hungary has announced plans to privatize its fleet of 250 Danube River cargo vessels. The transactions are expected to be complete by the end of 1994. Current regulations demand that the state maintain a 50% + 1 share in **MAHART**, the shipping enterprise, but this might be reduced to 25% + 1. Traffic along the Danube has been severly curtailed with the war in the former Yugoslavia and the UN embargo against Serbia. The shipping firm has experienced a 40% decline in its annual revenue of $9.7 million.

**Headline:** Business Report

**Source:** *PlanEcon April 27, 1994*

**Activity Date:** 12 1996

APV Rt. announced that the Hungarian shipping company, **Mahart**, will be privatized at the end of this year. Currently APV Rt. holds a 100% stake in Mahart, which builds, repairs, and operates river boats and manages dock facilities.

**Headline:** News Round-Up

**Source:** *Central European February 1996*

## Malev

**Activity Date:** 1 1993

Alitalia of Italy has purchased a 30% share of Malev, the Hungarian state airline, while Simest (the Italian state firm) will hold a 5% share of the SOE. The Alitalia-Simest investment will total $77 million. Malev will maintain its status as the Hungarian national flag carrier. The government will retain a 51% share with employees and local investors holding 14%.

**Headline:**

**Source:** *PE 1/6/93*

**Activity Date:** 1 1993

In January 1993, it was announced that 49% of Malev, the Hungarian state airlines, was privatized. Alitalia of Italy, which acquired 30%, and Simest, which acquired a further 5%, paid $77 million for their joint share. Employees and domestic individual investors acquired 14%, while the remaining 51% majority is still held by the Hungarian government.

**Headline:**

**Source:** *PlanEcon 1/6/93*

**Matav**

**Activity Date:** 2 1993

It was expected that a preliminary offering memorandum and prequalification circular for the sale of approximately 30% of **Matav**, the Hungarian telecommunications utility, would be offered this month. The proposed transaction could be one of Eastern Europe's biggest to date as the firm is valued between $750 million and $1.2 billion. Matav will retain a monopoly of long distance and international phone service through the year 2000. The enterprise will be granted concessions to provide local services in certain districts, but there will be no limits placed on competition in the domestic services market. After the private offering, the state may reduce its share of the firm, but plans to hold just over 50%.

Regulations on tariffs, transfer pricing, and a telecommunications fund for assisting local networks remain to be issued (as of February). Prospective buyers will bid separately, and only one firm will be selected.

In April, the privatization of **Matav (or Hungarian Telecommunications)** got underway as invitations to bid were distributed. Prequalification comments were due on May 10 and NM Rothschild and Salomons serve advisors on the transaction. Potential investors must meet the following criteria: (1) provide public telephone services for at least 1 million subscribers; (2) demonstrate gross revenues of at least $1 billion in both of the last 2 years; (3) have experience in developing telecommunications infrastructure during the last five years; (4) have the capability to finance the acquisition of a 30% share in Matav with resources for a greater capital investment.

Matav's equity was $700 million as of April, and was expected to be expanded via public offering. In 1992, the firm had assets worth $1.7 billion (HUF 150 billion).

The final shape of the sale of Matav's assets was to be decided by the end of July. The key question was to decide how separate local area networks were to be joined with existing long distance and international service. The initial sales announcement was well received and most active international telecommunications firms showed interest in Matav. The sale could raise as much as $1 billion.

**Headline:**

**Source:**
*Privatisation International February 1993,*

**Activity Date:** 8 1993

The Hungarian Transport, Telecommunications and Water Management Ministry and the State Holding Company (AV) issued a tender for the sale of a 30% stake in Matav, a $750 million telecommunications company. Matav plans to increase the number of telephone lines from 1.29 million to 2.14 million by 1997 at a cost of $2.7 billion (HUF260 billion).

It was announced in September that Telekom, the state-owned German telecommunications company, along with Cable & Wireless of the UK and Ameritech of the U.S., has linked in a consortium to bid for at least 30% of Matav. The value of Matav as well as the likely size of bids will remain unclear until the government's pricing formula is announced. Washington-based International Technology Consultants value Matav at $3.3 billion, but bidders dismiss the figure.

**Headline:**
Business/Company News Briefs

**Source:**
*Plan Econ August 18, 1993*

**Activity Date:** 12 1993

The Deutsche Telekom/Ameritech consortium purchased 30% of the Hungarian telecommunications firm **Matav** for $875 million. The transaction is reported to be the largest privatization to date in Eastern Europe. The consortium will pay $400 million for new subscription shares, $342 million to the Hungarian State Holding Company for existing shares, and $133 million to the state Transportation, Communications, and Water Management agency for concessions. Deutsche Telekom and Ameritech was chosen over France Telecom, and a consortium including Stet, of Italy, and Bell Atlantic, of the US. Matav has a concession for 25 years in the provision for international and domestic long distance services throughout Hungary, as well as for local services in 29 areas. Performance targets mandate that the firm must increase the number of new lines by 15.5% a year for the next six years and by 1997 90% of the demand for telephone service must be met.

**Headline:**
German-US Group Win Matav Stake

**Source:**
*Plan Econ January 5, 1994*

German-US Group Win Matav Stake *Plan Econ January 5, 1994*

**Activity Date:** 6 1994

According to a June report, the planned public offering of shares in **Matav**, the Hungarian national telephone company, was stalled by two of the company's foreign investors. Deutsche Bundespost Telekom of Germany and U.S. "Baby Bell" Ameritech acquired 30% of the company for $875 million last December. The State holding company, AV Rt., retained 67% of the firm, falling short of a75% controlling interest requirement that would allow the state to offer shares without the approval of other shareholders.

The two foreign investors feared that the shares would not fetch a price equal to or higher than that which they paid last year. This has put a temporary damper on the country's capital raising effort to kick off its mass privatization program. In the meantime, Deutsche Bundespost Telekom and Ameritech have agreed to invest $4.3 billion in the company over the next eight years.

**Headline:** **Source:**

Investors Halt Matav Offering *PlanEcon June 8, 1994*

**Activity Date:** 10 1994

Hungary is considering the sale of state shares in **Matav,** the national telecommunications company. At the top of the agenda is a plan to sell a 10% stake for $300m. This sale would be followed by a more comprehensive initial public offering. Deutsche Telekom and Ameritech, which last December bought 30% of Matav, opposed the sale. A quick sale would lower the stock price below the original purchase price and the loss would have to be written off. However the two companies seem ready to accept a compromise, whereby the government gets the proceeds of a quick sale, but a full IPO is postponed. They are also discussing a possible increase in their stake.

**Headline:** **Source:**

Hungary Considers Early Sale of Telecom Shares *Financial Times October 31, 1994*

**Activity Date:** 1995

The government has begun to search for an advisor for the privatization of **Matav**, the Hungarian telecommunications company. Consortia led by CS First Boston, Salomon Brothers, and NM Rothschild have lined up to manage the sale of the 40% stake, estimated to be worth $1bn. Deutsche Telekom and Ameritech already hold a 30% stake in the company and opposed an earlier plan for fear of potential losses if the sale price was less than they had paid. However, the current plan allows for significant flexibility in timetables and in the structure of the purchase.

**Headline:** **Source:**

Banks Line up for Matav Sale *Financial Times April 10, 1995*

**Activity Date:** 1995

Next month, the Hungarian government is expected to decide on the strategy it will use to sell a 40% stake in **Matav**, the national telecommunications company. The stake, some of which will be offered to institutional investors, is expected to raise $1bn. But first, agreements must be reached with MagyarCom, the Ameritech and Deutsche Telekom consortium that bought a 30.3% stake in Matav for $875m in December 1993 and that has management control of Matav. MagyarCom has indicated its interest in acquiring a majority stake.

**Headline:** **Source:**

Studying the Lines for Telecoms Sale *Financial Times August 15, 1995*

**Activity Date:** 5 1995

A consortium of CS First Boston and Deutsche Bank will be advising the Hungarian government on the sale of a 40% stake of **Matav**, the state telecommunications company. The sale is expected to yield $1bn in revenues for the government and $30m-$35m for the banks. This offer will complete the privatization that began with the sale of a 30% stake to Deutsche Telekom and Ameritech for $875m. The sale of the current stake might be delayed however, as it is expected to fetch a higher price next year when Matav's performance begins to show the effects of Deutsche Telekom's and Ameritech's investment and restructuring.

**Headline:** **Source:**

Hungary Clears Way of $1bn Sell-Off *Financial Times May 23, 1995*

**Activity Date:** 11 1995

The Hungarian Privatization Agency, APV Rt., is expected to decide by December whether it will sell its remaining stake in **Matav**, the telecommunications company. Magyarcom, a consortium of Ameritech and Deutsche Telekom, which already owns a 30.3% stake in Matav, and has management control, would like to purchase a majority stake. Magyarcom blocked an initial public offering planned by APV Rt. last year because the low offering price would have

Magyarcom blocked an initial public offering planned by APV Rt. last year because the low offering price would have forced the consortium to write off their investment at a loss.

**Headline:** Hungary to Decide on Matav

**Source:** *Financial Times November 27, 1995*

**Activity Date:** 12 1995

Hungary has agreed on the sale of a majority stake in **Matav**, its partly privatized telecommunications company, to a consortium of Germany's Deutsche Telekom and Ameritech of the US. The consortium already holds a 30.3% stake and is seeking to increase its stake to 60% to 70%. The consortium is expected to float the company and reduce its stake to around 51% at a later date. The state privatization agency, APV Rt., holds about 65% of the company. A 25% stake plus one vote is to remain in state hands while management and employees will be offered shares.

Hungary is expected to sell up to 40% of its stake in **Matav**, giving up majority control of its national telecoms operator.

**Headline:** Hungary Agrees on Matav Sale

**Source:** *Financial Times December 13, 1995*

**Activity Date:** 12 1995

Ameritech and Deutsche Telekom will acquire an additional 37% stake in **Matav**, the national telephone operator, for $852m. With the current transaction, Ameritech and Deutsche Telekom will now own 67.3% of Matav since the two firms had previously acquired a 30.3% share in 1993. The American-German consortium will lower that percentage to 50% plus one vote while the government will continue to hold a 25% plus one vote stake. Matav's employees will hold up to 2.7% of the firm. CS First Boston is advising APV Rt, the government privatization agency.

**Headline:** US-German Team Secures Matav Deal

**Source:** *Financial Times December 21, 1995*

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## Matra power station

**Activity Date:** 12 1995

A consortium of RWE Energie and Energie-Versorgung Schwaben of Germany won the tender for a minority stake in the **Mantra power station** in Hungary.

**Headline:** US Groups to Lose Out in Hungary Sale

**Source:** *Financial Times December 7, 1995*

**Activity Date:** 12 1995

A German consortium consisting of RWE Energie and Energie-Versorgung Schwaben plans to invest $2.07bn in Hungary's **Matra Power Plant**. It acquired a 38% stake in the plant as well as stakes in two of the country's six electricity distribution companies for an undisclosed sum as part of Hungary's privatization of the energy sector.

**Headline:** German Consortium Buys Matra

**Source:** *Financial Times December 11, 1995*

## Matrai

**Activity Date:** 4 1996

The state privatization authority APV Rt intends to launch a tender for Tiszai and Budapest, power generation companies, in the second round before the end of April, following the sale of minority stakes in the Dunamenti and **Matrai** companies in the first privatization round in December. Five other generators were withdrawn from the process due to inadequate bids.

Tiszai has six plants generating 1,325MW of power and 809MW of heat and plans to retrofit the four 215MW units at its largest Tiszai II plant and replace 171MW of small units at Borsod. Budapest, with 159MW of electricity and 2,554MW of heat, is currently constructing a 123MW gas turbine CHP plant at a Kelenfold site and plans to build a 108MW combined-cycle gas turbine plant at Ujpest. Potential foreign investors will most likely be required to make commitments on these projects.

Following these sales, there is a possibility that the three remaining companies, Bakony, Pecs, and Vertes, will be sold.

**Headline:** Power Tender

**Source:** *Project Finance International March 27, 1996*

## Matrai Eromu Rt.

**Activity Date:** 9 1995

APV RT, the Hungarian Privatization and State Holding Company (HPSHC), has announced tenders for the shares of various companies in the Hungarian electricity sector. Bids must be submitted to HPSHC on November 30, 1995. The conditions of the tenders are as follows.

A 24% stake with a nominal value of HUF59.9bn is being offered in **Magyar Villamos Muvek Rt.**; bids will be accepted for less than the full offering. The following are electricity supply companies (bids will be accepted only for the full offering of each these companies): a 49.23% stake with a nominal value of HUF16.8bn is being offered in **Tiszantuli Aramszolgaltato Rt.**; a 48.81% stake with a nominal value of HUF14.9bn is being offered in **Eszakmagyarorszagi Aramszolgaltato Rt.**; a 47.98% stake with a nominal value of HUF17.8bn is being offered in **Delmagyarorszagi Aramszolgaltato Rt.**; a 47.55% stake with a nominal value of HUF22.3bn is being offered in **Eszakdunantuli Aramszolgaltato Rt.**; a 46.15% stake with a nominal value of HUF28bn is being offered in **Budapesti Elektromos Muvek Rt.**; and, a 47.25% stake with a nominal value of HUF14.1bn is being offered in **Deldunantuli Aramszolgaltato Rt.**

The following are electricity generation companies (bids will be accepted only for the full offering for each): a 38.71% stake with a nominal value of HUF8.8bn is being offered in **Vertesi Eromu Rt.**; a 38.09% stake with a nominal value of HUF13bn is being offered in **Matrai Eromu Rt.**; a 41.64% stake with a nominal value of HUF6.0bn is being offered in **Budapesti Eromu Rt.**; a 34.0% stake with a nominal value of HUF 5.5 bn is being offered in **Bakonyi Eromu Rt.**; a 48.76% stake with a nominal value of HUF16.4bn is being offered in **Dunamenti Eromu Rt.**; a 40.58% stake with a nominal value of HUF6.0bn is being offered in **Pecsi Eromu Rt.**; and, a 49.71% stake with a nominal value of HUF17.3bn is being offered in **Tiszai Eromu Rt.** Bidders for electric generators must show experience in operating similiarly sized plants.

**Headline:** Notice of Tenders

**Source:** *The Economist September 23, 1995*

## Mezogazdasagi Gepgyarto es Szolgaltato Rt

**Activity Date:** 1995

The State Property Agency has announced that 60 state-owned firms are to be sold as part of the nation's privatization and economic plans for 1995. The largest of those offered are **Csepeli Femmu Rt.**, a non-ferrous metal producer that posted 1994 profits of $300,000 and is valued at approximately $20m, **Mezogazdasagi Gepgyarto es Szolgaltato Rt.**, a producer of agricultural and forestry machines that netted $25,000 and is valued at $12.5m, and **Salgotarjani Oblosuveggyar Rt.**, a glass producer that posted 1994 profits of $500,000 and is valued at $3.3m.

**Headline:** The SPA's Newest Offerings

**Source:** *Privinfo March 1995*

## Middle Transdanubian Gas Distribution (KOGAZ)

**Activity Date:** 9 1992

In September 1992, it was announced that the Hungarian State Property Agency would sell off a minority share in Middle Transdanubian Gas Distribution (KOGAZ), one of the country's five state-owned gas distribution companies. The State Property Agency indicated that it planned to retain a 51% controlling share. N M Rothschild, advising on the sale, has reported that the divestiture is attracting interest from foreign investors including most of the major West European gas distribution companies.

**Headline:**

**Source:**
*PI 9/92*

## Migert

**Activity Date:** 11 1992

In November 1992, a 94% share of Migert, a state-owned trading and distribution firm, was purchased by Robinco of Britain from the Hungarian State Property Agency, at 60% of its face value. Half of Migert's inventory includes technical measuring instruments and the other half is office equipment. About 65% of Migert's products are imported.

**Headline:**

**Source:**
*PlanEcon 11/25*

## Mineral Water and Soft Drink Company of Budapest

**Activity Date:** 3 1993

Pepsi Cola International purchased a 79.64% stake in the Mineral Water and Soft Drink Company of Budapest. Pepsi has promised to invest $115 million in the company over the next 5 years.

**Headline:**

**Source:**
*PE 3/17/93*

## MMG Automation Works

**Activity Date:** 7 1994

The 2,584 employees of **MMG Automation Works** have offered 1.3 billion forints ($12.7 million) for the company and it is expected that the ESOP deal will be completed in July. The workers hope to sign a contract with the State Property Agency for 50.1% of MMG's shares. Of the employee offer 270 million forints ($2.6 million) will come from an easy credit stock purchasing program and 407 million forints ($3.9 million) will be made available via the reduced prices of the Hungarian ESOP program

**Headline:**
ESOP Bid to Privatize MMG

**Source:**
*PlanEcon July 20, 1994*

## MOL

**Activity Date:** 10 1992

In October 1992, it was announced that BP Oil Hungary would purchase seven oil retail outlets from the Hungarian state oil company, MOL. These seven outlets are among eleven MOL outlets that have sold BP products since 1972. BP Oil Hungary has stated that it plans to build four more petrol stations which will become operational by the end of the year.

**Headline:**

**Source:**
*PlanEcon*
*10/28/93*

**Activity Date:** 2 1995

The privatization agency APV Rt. will offer 8% stakes in Hungary's six state-owned electricity supply companies with a total value of $136m to holders of government-issued coupons beginning in February. Demasz, in southern Hungary, will be the first to be offered, with 20% of the allotted shares specifically allocated to coupon-holders living abroad. Following Demasz will be MVM, the national electricity company, and **MOL**, the petroleum concern.

**Headline:**
Hungary to Start Power Sell-Off

**Source:**
*Financial Times January 26, 1996*

*Financial Times January 26, 1996*

**Activity Date:** 8 1995

The government of Hungary has chosen Merrill Lynch and Kleinwort Benson to lead in a global share placement of 25% of the shares in **MOL Rt.**, Hungary's oil and natural gas conglomerate. Hungary hopes to raise at least $300m from the sale.

**Headline:**
Merrill Lynch to Lead Sale

**Source:**
*Wall Street Journal August 30, 1995*

**Activity Date:** 8 1995

The government of Hungary has named two investment banks to lead in an international private placement of shares in **Mol**, the state oil and gas company. Merrill Lynch and Kleinwort Benson will take the senior role in the placements. Between 20% and 25% of the company will be sold internationally.

**Headline:**
Hungary Names Mol Sale Banks

**Source:**
*Financial Times August 29, 1995*

**Activity Date:** 10 1995

The government of Hungary will launch an international private placement of up to 25% of the oil and gas conglomerate, **MOL**, next month. The government hopes to raise $250m through the sale as well as to increase the pace of privatization. The current plan calls for the offer of an additional 3% to domestic investors and a 6% offer to employees. The price for employees has been set at 140% of par or approximately 20 percentage points above the stock's present level in the over the counter market. Employees will also receive a 50% discount and other preferential payment terms. Another 28% to 33% stake will be offered next year. In all, the government plans to reduce its holding to 25% with a golden share arrangement. Merrill Lynch and Kleinwort Benson are acting as global coordinators for the international placement.

**Headline:**
Hungary to Place MOL Shares

**Source:**
*Financial Times October 13, 1995*

**Activity Date:** 12 1995

Hungary sold an 18.8% stake in **MOL**, the national oil and gas company, to institutional investors for $150m. Hungary also received bids for majority stakes in 5 regional gas distribution companies and for minority stakes in 14 electricity companies.

**Headline:**
Hungary proceeds with Utility Sales

**Source:**
*Financial Times December 8, 1995*

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## MVM

**Activity Date:** 1 1992

In January it was announced that MVMT Hungarian Electricity Board will form a joint venture with Tractabel of Belgium and the Lowlands Hydrocarbon Projection Company.

**Headline:**

**Source:**
*PWF 1/92*

**Activity Date:** 9 1993

**The Hungarian Electric Works (MVM)**, Hungary's second largest company with net sales in 1992 of $1.1 billion, is to be privatized by UK's merchant bank J. Henry Schroder Wagg. In a vigorous competition for the advisory role Schroder was selected in mid-September over Credit Suisse First Boston and Salomon Brothers. Local investment house Batthyanyi was also named in the mandate. The electric utility company, MVM, is expected to be privatized by the end of this year.

The State Property Agency is working with **six regional electric companies** in their privatization. The MVM holding company owns 50% of the equity in the local utilies. Advisers for each of the six include Price Waterhouse, ABN Amro, Knight Wendling, Societe Generale, Gauff Budapest and Central European International Bank.

**Headline:**
Schroder Wagg Wins

**Source:**
*Financial Times September 23, 1993*

**Activity Date:** 4 1994

The Hungarian Legislature passed a law abolishing the monopoly held by **MVM**, the national electric utility. The measure will allow the first large scale power privatization in Eastern Europe. The government has begun preparing

1994

measure will allow the first large scale power privatization in Eastern Europe. The government has begun preparing the enterprise for a sell-off by breaking it up into eight generating companies and six regional distributors. Western European companies may be permitted to hold majority interests in the regional companies, and full foreign ownership will be allowed for four plants in need of modernization. The state will hold a 25% stake in three conventional power facilities and will maintain control of the Paks nuclear station. Hungary's electricity industry is valued at $5.5 billion.

**Headline:**
Industry News Briefs--Electric Power

**Source:**
*PlanEcon April 27, 1994*

**Activity Date:** 6 1994

It was announced in June that the state electricity holding company, **MVM**, would be privatized and retain its present structure. MVM will sold to the private sector along with seven power companies. The state will retain ownership of the nuclear power station and transmission company.

**Headline:**
Pannonplast Popular

**Source:**
*Privatisation International June 1994*

**Activity Date:** 1995

The Hungarian State Privatisation and Holding Company Limited has announced that it will offer an average 47.8% stake in each of the six **regional electricity supply companies**. Investors will also have the option to obtain majority control. In addition, a stake of between 34% and 49% will be offered for each of the seven **power generation companies.** Investors, here, will be required to take on development projects and will also have the option to obtain majority control. Lastly, a 24% stake in **MVM Rt.**, the state electricity monopoly, will be sold together with rights to enable the investor to obtain 25% plus one vote.

**Headline:**
Notice For Forthcoming Tenders

**Source:**
*Financial Times July 31, 1995*

**Activity Date:** 2 1995

The privatization agency APV Rt. will offer 8% stakes in Hungary's six state-owned electricity supply companies with a total value of $136m to holders of government-issued coupons beginning in February. Demasz, in southern Hungary, will be the first to be offered, with 20% of the allotted shares specifically allocated to coupon-holders living abroad. Following Demasz will be **MVM**, the national electricity company, and MOL, the petroleum concern.

**Headline:**
Hungary to Start Power Sell-Off

**Source:**
*Financial Times January 26, 1996*

**Activity Date:** 7 1995

Schroders, a British merchant bank, has been appointed to advise Hungary's privatization of **MVM Rt**., the state electricity monopoly. Schroders was originally appointed as advisor to the sale in November 1993, but the sale stalled due to a change of government. Under the new plan, the Hungarian Privatization and State Holding Company (APV Rt.), will sell an average stake of 48% in MVM's six electricity supply companies. Buyers are expected to receive some management control and the opportunity to acquire 50% plus one share in the second phase of privatization. The APV Rt. also intends to offer strategic partners 34% to 49% of MVM's seven non-nuclear generation companies and 24% in the core company. Hungary expects to earn $1.22bn in revenues from the privatization of state-owned enterprises this year, 80% of which will come from the sale of power companies.

**Headline:**
Schroders Chosen to Advise Hungary on Electricity Sale

**Source:**
*Financial Times July 7, 1995*

**Activity Date:** 12 1995

A consortium comprised of Bayernwerk and Electricite de France may have been the only bidder for power utility **MVM**, which will retain the national grid and the Paks nuclear plant as the company and its 13 non-nuclear power generation and distribution units are individually privatized. The 14 companies attracted only 25 bids for minority stakes, possibly due to an unclear regulatory framework and a short bidding period. Schroders is serving as adviser to APV Rt, the state privatization agency.

Hungary decided not to sell a 24% stake in **MVM**, its core electricity company, in the most recent round of bidding. The state privatization agency received only one bid from a consortium led by Bayernwerk and Electricite de France. Several other companies refrained from bidding, urging the privatization agency to sell MVM without Paks, a Soviet-designed nuclear plant.

**Headline:**

**Source:**

**Headline:**
Cool Response to Hungary's Electricity Sale

**Source:**
*Financial Times December 4, 1995*

**Activity Date:** 12 1995

**MVM** is one of 14 electricity companies and three gas distribution companies in which Hungary will sell stakes of 39% to 49% to German, French and Belgian utilities for about $1.5bn.

**Headline:**
Hungary proceeds with Utility Sales

**Source:**
*Financial Times December 8, 1995*

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### North Trans-Danubian Brick and Tile Company

**Activity Date:** 3 1993

The Austrian firm Tondach Gleinstaetten was planning to buy a majority share in North Trans-Danubian Brick and Tile Company. Tondach was expected to buy an 80% stake, worth $4.6 million (Ft 400M). Tondach plans to increase its investment in the plant to $172.3 million over the next few years.

**Headline:**

**Source:**
*PE 3/17/93*

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### North Transdanubian and Central Transdanubian Gas

**Activity Date:** 3 1993

The Total Group of France purchased the North Transdanubian and Central Transdanubian Gas Servicing Companies from the Hungarian State Property Agency.

**Headline:**

**Source:**
*Plan Econ March 17, 1993*

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### North Transdanubian Gas Distribution (EGAZ)

**Activity Date:** 9 1992

In September 1992, it was announced that the Hungarian State Property Agency would sell off a minority share in North Transdanubian Gas Distribution (EGAZ), one of the country's five state-owned gas distribution companies. The State Property Agency indicated that it planned to retain a 51% controlling share. N M Rothschild, advising on the sale, has reported that the divestiture is attracting interest from foreign investors including most of the major West European gas distribution companies.

**Headline:**

**Source:**
*PI 9/92*

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### OAM Ozdi Acelmuvek Kft.

**Activity Date:** 2 1996

APV Rt., the Hungarian privatization agency, announced that it was modifying its invitation to bid on **OAM Ozdi Acelmuvek Kft**. Bids must now be submitted by March 1 for a 50% plus one share stake in the enterprise.

**Headline:**
Announcement

**Source:**
*Financial Times January 31, 1996*

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### Orszagos Takarekpenztar es Kereskedelmi Bank

**Activity Date:** 3 1995

Creditanstalt Securities Budapest and Schroders both won the right to advise on the sale of **Orszagos Takarekpenztar es Kereskedelmi Bank (OTP)**, the Hungarian national savings and commercial bank. The state currently owns 80% of OTP, which has a net asset value of approximately $338m (Ft41bn), and is expected to sell a 30% stake by June. The state has also said that it would like to remain the single largest shareholder in the bank by keeping at least 25% in the long run and limiting foreign investors to a maximum stake of 5%.

**Headline:**
Hungary Names Advisers for Bank Stake Flotation

**Source:**
*Financial Times March 22, 1995*

**Activity Date:** 7 1995

The Hungarian government announced that it will sell a 20% to 25% stake in **Orszagos Takarekpenztar es**

1995

**Kereskedelmi Bank** (OTP), the state's largest commercial bank. The stake will be sold to institutional investors through a public flotation. The government wants to avoid a strategic investor since OTP holds more than 50% of Hungarian retail deposits.

Hungary recently completed an international public offering of 20% of the shares in OTP, the nation's largest savings and commercial bank. The placement, which was conducted through an issue of global depository receipts valued at $9.50 each, is expected to net the state up to $88.9m. The government will follow this issue by selling another 13.4% stake to domestic investors at the same price. Following the completion of the domestic issue, the state's ownership in OTP will be just 25% of the company's equity.

**Headline:**
Hungarian Privatization Picks Up

**Source:**
*Central European April 1995*

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**Pannonia**

**Activity Date:** 3 1993

Negotiations between the French Hotel group ACCOR and the Hungarian privatization authorities were expected to conclude in March. The French group has bid for a 51% stake in Hungary's "mid-market" hotel chain, Pannonia. The Hungarian firm is valued at $103 million (Ft 8.9BN) and has a stake in 27 hotels.

**Headline:**

**Source:**
*FT 3/9/93*

**Activity Date:** 11 1993

A 30% share in **Pannonia Brewery** is to be sold to the Austrian company Wenckheim Investment by the State Property Agency. The SPA Holds a 95% stake in the company, with 5% held by the local council.

**Headline:**
Business/Company News

**Source:**
*Plan Econ November 10, 1993*

**Activity Date:** 3 1994

**Pannonia**, a Hungarian hotel chain, is one of the first four companies that will be privatized under Hungary's new mass privatization program.

**Headline:**
Four Hungarian State Companies Put Up for Sale

**Source:**
*Financial Times March 1, 1994*

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**Pannonplast**

**Activity Date:** 5 1994

**Pannonplast**, a Hungarian plastics firm, is one of the first four companies that will be privatized under Hungary's new mass privatization program. The company's shareholdings have an estimated worth of $970 million (100 billion forints).

In June, the offering of Pannonplast was reduced from a four to two day offer period, with Credit Suisse First Boston acting as lead manager. Retail investors applied to purchase 537,705 shares which was 25% above their original offer of 427,092. Shares purchased through the KRP Compensation Coupon Scheme were distributed for the applied amount, while investors using the Defeerred Payment Scheme were given full allocation up to 29 shares. Institutional investors placed 900,000 newly issued shares and total issues raised was HUF 1.2 billion.

**Headline:**
Four Hungarian State Companies Put Up for Sale

**Source:**
*Financial Times March 1, 1994*

**Papa Meat Processing Company Ltd.**

**Activity Date:** 8 1993

The Hungarian State Property Agency (SPA) announced an open tender for the purchase of the state-owned enterprise, Papa Meat Processing Company, Ltd. Hungarian and foreign investors may bid for 45,001 ordinary shares of face value HUF10,000 ($104.5) each, representing 50% + 1 share. Hungarian producers may bid only for 22,501 shares of face value HUF10,000 each, representing 25% + 1 share. The deadline for submitting the tenders is October 8, 1993. Banque Indosuez Hungary is acting as an adviser to the SPA.

**Headline:**
Invitation to Tender

**Source:**
*Financial Times August 27, 1993*

**Pátria Printing House Company Ltd.**

**Activity Date:** 8 1993

In August 1993, the Hungarian State Property Agency invited bids for the sale of 51% of Pátria Printing House Company Ltd. The registered capital of the company is equivalent to HUF 916 million ($9.6 million) and has a capital reserve of HUF 205.8 million ($2.1 million). Meritum Trust & Investment Company is assisting.

**Headline:**
Tender Invitation

**Source:**
*Financial Times August 31, 1993*

**Pecs**

**Activity Date:** 4 1996

The state privatization authority APV Rt intends to launch a tender for Tiszai and Budapest, power generation companies, in the second round before the end of April, following the sale of minority stakes in the Dunamenti and **Matrai** companies in the first privatization round in December. Five other generators were withdrawn from the process due to inadequate bids.

Tiszai has six plants generating 1,325MW of power and 809MW of heat and plans to retrofit the four 215MW units at its largest Tiszai II plant and replace 171MW of small units at Borsod. Budapest, with 159MW of electricity and 2,554MW of heat, is currently constructing a 123MW gas turbine CHP plant at a Kelenfold site and plans to build a 108MW combined-cycle gas turbine plant at Ujpest. Potential foreign investors will most likely be required to make commitments on these projects.

Following these sales, there is a possibility that the three remaining companies, Bakony, **Pecs**, and Vertes, will be sold.

**Headline:**
Power Tender

**Source:**
*Project Finance International March 27, 1996*

## Pecsi Eromu Rt.

**Activity Date:** 9 1995

APV RT, the Hungarian Privatization and State Holding Company (HPSHC), has announced tenders for the shares of various companies in the Hungarian electricity sector. Bids must be submitted to HPSHC on November 30, 1995. The conditions of the tenders are as follows.

A 24% stake with a nominal value of HUF59.9bn is being offered in **Magyar Villamos Muvek Rt.**; bids will be accepted for less than the full offering. The following are electricity supply companies (bids will be accepted only for the full offering of each these companies): a 49.23% stake with a nominal value of HUF16.8bn is being offered in **Tiszantuli Aramszolgaltato Rt.**; a 48.81% stake with a nominal value of HUF14.9bn is being offered in **Eszakmagyarorszagi Aramszolgaltato Rt.**; a 47.98% stake with a nominal value of HUF17.8bn is being offered in **Delmagyarorszagi Aramszolgaltato Rt.**; a 47.55% stake with a nominal value of HUF22.3bn is being offered in **Eszakdunantuli Aramszolgaltato Rt.**; a 46.15% stake with a nominal value of HUF28bn is being offered in **Budapesti Elektromos Muvek Rt.**; and, a 47.25% stake with a nominal value of HUF14.1bn is being offered in **Deldunantuli Aramszolgaltato Rt.**

The following are electricity generation companies (bids will be accepted only for the full offering for each): a 38.71% stake with a nominal value of HUF8.8bn is being offered in **Vertesi Eromu Rt.**; a 38.09% stake with a nominal value of HUF13bn is being offered in **Matrai Eromu Rt.**; a 41.64% stake with a nominal value of HUF6.0bn is being offered in **Budapesti Eromu Rt.**; a 34.0% stake with a nominal value of HUF 5.5 bn is being offered in **Bakonyi Eromu Rt.**; a 48.76% stake with a nominal value of HUF16.4bn is being offered in **Dunamenti Eromu Rt.**; a 40.58% stake with a nominal value of HUF6.0bn is being offered in **Pecsi Eromu Rt.**; and, a 49.71% stake with a nominal value of HUF17.3bn is being offered in **Tiszai Eromu Rt.** Bidders for electric generators must show experience in operating similiarly sized plants.

**Headline:**
Notice of Tenders

**Source:**
*The Economist September 23, 1995*

## Petohazi Sugar Corporation

**Activity Date:** 11 1993

Agrana of Austria has gained a majority interest in **Petohazi Sugar Corporation**. The shares of HUF 872 million ($ 8.7 million) were sold at 102 percent of face value. Twenty percent of the selling price will be retained by the company, and used for issuing free shares for employees. Following this share transaction, Agrana raised its interest in the HUF 3.7 billion ($ 37,000) sugar factory from 30 to 53 percent.

**Headline:**
Business/Company News Briefs

**Source:**
*Plan Econ November 10, 1993*

## Pharmavit

**Activity Date:** 1 1996

The US pharmaceuticals group, Bristol-Myers Squibb, offered $110m for **Pharmavit**, Hungary's leading manufacturer of vitamin pills. The offer of $62.35 per share or $12.47 per global depository receipt is conditional on Bristol-Myers acquiring a 90% share. The offer to minority shareholders, at the same price accepted by the majority owners, closes on January 26. If successful, the offer would be the first public takeover of a listed company in Hungary.

**Headline:**
Bristol-Myers Set For Hungarian Buy

**Source:**
*Financial Times December 14, 1995*

## Poultry Processing Company of Sarvar

**Activity Date:** 3 1993

The British firm Bernard Matthews purchased a 96.5% share of Poultry Processing Company of Sarvar. The state-owned enterprise processes poultry and operates a factory for packaging materials.

**Headline:**

**Source:**
*PE 4/14/93*

**Activity Date:** 4 1993

A 96.5% stake of Hungarian Poultry Processing Company of Sarvar was purchased by Bernard Natthews of Britain.

1993

The company specializes in chicken, turkey, geese and duck processing and operates a packaging materials factory. The sale price was not disclosed.

**Headline:** Business/Country Briefs

**Source:** *Plan Econ April 14, 1993*

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**power generation and distribution**

**Activity Date:** 1995

The Hungarian government announced that it will release a document pertaining to the privatization of 13 **power generation and distribution companies**. Investors will be invited to formally register their interest in participating and will be required to disclose information about themselves and their intentions.

**Headline:** Power Sell-Off Document Published

**Source:** *Project Finance International August 2, 1995*

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**power generation company**

**Activity Date:** 1995

The Hungarian State Privatisation and Holding Company Limited has announced that it will offer an average 47.8% stake in each of the six **regional electricity supply companies**. Investors will also have the option to obtain majority control. In addition, a stake of between 34% and 49% will be offered for each of the seven **power generation companies.** Investors, here, will be required to take on development projects and will also have the option to obtain majority control. Lastly, a 24% stake in **MVM Rt.**, the state electricity monopoly, will be sold together with rights to enable the investor to obtain 25% plus one vote.

**Headline:** Notice For Forthcoming Tenders

**Source:** *Financial Times July 31, 1995*

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**Public Buildings Construction Company**

**Activity Date:** 3 1993

The State Property Agency of Hungary has invited a tender for the sale a 74% stake in the Public Buildings Construction Company.

**Headline:**

**Source:** *PE 3/31/93*

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**regional electricity supply company**

**Activity Date:** 7 1995

The Hungarian State Privatization and Holding Company Limited has announced that it will offer an average 47.8% stake in each of the six **regional electricity supply companies**. In addition, a stake of between 34% and 49% will be offered for each of the seven **power generation companies.** Investors in the power generation companies will be required to take on development projects and all investors will have the option to obtain majority control. Finally, a 24% stake in **MVM Rt.**, the state electricity monopoly, will be sold together with rights enabling the investor to obtain 25% plus one vote.

**Headline:** Notice for Forthcoming Tenders

**Source:** *Financial Times July 31, 1995*

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**Richter Gedeon**

**Activity Date:** 10 1994

Plans to sell 36% of **Richter Gedeon,** Hungary's largest pharmaceutical enterprise, have been announced by the government. The company will be sold via a private placement and a public offering. The State Holding Company owns 87% of the firm and is obliged to maintain a 50% plus one vote stake under existing legislation. Advisor Creditanstalt Securities indicated that a rule change is being considered which would lower the holding requirement to 25% plus one vote. Richter Gedeon posted sales of fts11.2bn ($109.7m) in the first half of 1994 and had over fts2bn ($19.6m) in pretax earnings. The firm is one of the 5 biggest exporters in Hungary.

**Headline:** Pharmaceuticals: Hungary

**Source:** *PlanEcon October 12, 1994*

**Activity Date:** 10 1995

A 19.5% stake in Hungary's pharmaceuticals producer, **Richter Gedeon**, is to be sold. A 14.4% stake will be offered to institutional investors, 2% will be sold through a domestic public offering, 3.1% will be offered to employees at a discount and 10% will be transferred to two state social security funds. Schroders and Creditanstalt are advising on the sale.

**Headline:**
No Turning Back

**Source:**
*Eastern Europe Monitor October 1995*

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**Salgotarjani Oblosugveggyar Rt.**

**Activity Date:** 1995

The State Property Agency has announced that 60 state-owned firms are to be sold as part of the nation's privatization and economic plans for 1995. The largest of those offered are **Csepeli Femmu Rt.**, a non-ferrous metal producer that posted 1994 profits of $300,000 and is valued at approximately $20m, **Mezogazdasagi Gepgyarto es Szolgaltato Rt.**, a producer of agricultural and forestry machines that netted $25,000 and is valued at $12.5m, and **Salgotarjani Oblosuveggyar Rt.**, a glass producer that posted 1994 profits of $500,000 and is valued at $3.3m.

**Headline:**
The SPA's Newest Offerings

**Source:**
*Privinfo March 1995*

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**Satoraljaujhely Tobacco Factory**

**Activity Date:** 7 1992

In July of 1992, 87% of Hungary's Satoraljaujhely Tobacco Factory was acquired by Reynolds of the U.S. for an undisclosed amount. Reynolds is expected to invest approximately $15 million in plant development. The factory is the last of four Hungarian tobacco factories to be privatized, and produces goods for the Hungarian and CIS markets.

**Headline:**

**Source:**
*PlanEcon 7/8/92*

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**Six regional electricity companies**

**Activity Date:** 10 1993

The State Property Agency plans to speed up the privatization of the **six regional electricity companies**. It will invite a one-round open tender for the sale of a 15% stake in each of the six companies.

**Headline:**
Business/Company News Briefs

**Source:**
*Plan Econ October 13, 1993*

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**Soproni Sorgyar**

**Activity Date:** 5 1994

**Soproni Sorgyar**, a Hungarian brewery, is one of the first four companies that will be privatized under Hungary's new mass privatization program.

It was announced in April that the government would be offering a 37% stake in Soproni Sorgyar, with three-fifths of the issue reserved for small investors.

**Headline:**
Four Hungarian State Companies Put Up for Sale

**Source:**
*Financial Times March 1, 1994*

### South Lowlands Gas Distribution (DEGAZ)

**Activity Date:** 9 1992

In September 1992, it was announced that the Hungarian State Property Agency would sell off a minority share in South Lowlands Gas Distribution (DEGAZ), one of the country's five state-owned gas distribution companies. The State Property Agency indicated that it planned to retain a 51% controlling share. N M Rothschild, advising on the sale, has reported that the divestiture is attracting interest from foreign investors including most of the major West European gas distribution companies.

**Headline:**

**Source:**
*PI 9/92*

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**Headline:**

**Source:**
*PI 9/92*

### State Telecommunications Company

**Activity Date:** 8 1993

The Hungarian State Telecommunications Company is to share 51% of its stake with UK's Cable & Wireless in a newly formed joint venture Radio Telecommunications Company. Cable & Wireless was awarded a license in August by the Hungarian Government and will have 49% stake in the company. It is investing $41.6 million in infrastructure for the cellular network.

**Headline:**
Cable and Wireless Wins Hungarian Contract

**Source:**
*Financial Times August 12, 1993*

### Sugar industry

**Activity Date:** 8 1993

The State Property Agency announced it will sell a majority of shares in five state-owned sugar factories in one lot to a single investor. The factories being offered are: Scsi Sugar Industrial (worth $4.6m (Ft 443m), with a 50.1% share offer), Ercsi Sugar factory (73.1% share offer and face value of $2.9m (Ft 282m)), Mezoeggyesi Sugar factory (offering 74.6% of its shares and with face value of $3.7m (Ft 351m)), Sarkadi Sugar factory (offering 74.5% of its shares and with face value of $5.2m (Ft 501m)) and Sarvari Sugar factory (offering 50.1% of its shares and with face value of $2.6m (Ft 251m)). Twenty-six percent plus one vote will be offered to sugar beet producers and the remainder will be sold under preferential conditions. A sixty five percent of the shares in Hungary's 11 sugar factories are already in foreign hands.

**Headline:**
Business/Company News Briefs

**Source:**
*Plan Econ August 18, 1993*

## Szeged Clothes Factory Ltd.

**Activity Date:** 8 1993

The Hungarian State Property Agency announced the sale of shares of the state-owned Szeged Clothes Factory, Ltd. in a one-turn public tender. The factory's own capital is 566,229,000 forints ($6 million), its registered capital is 515 million forints ($5.5 million) from which 50.1% comes to realization. The deadline for submission of tenders is October 11, 1993.

**Headline:**
Invitation to Tender

**Source:**
*Financial Times August 16, 1993*

## Tigaz

**Activity Date:** 9 1995

The government of Hungary announced the offering of majority stakes in five regional gas distributors, **Degaz**, **Ddgaz**, **Egaz**, **Kogaz**, and **Tigaz**. The deadline for bids for the prequalifying round is September 18, after which the Hungarian Privatization and State Holding Company and NM Rothschild will select bidders for the second round. Bids are for a 50% plus one vote stake in each gas distributor and the private offering is scheduled to be complete by the end of the year. The government has stipulated that no investor can buy more than two companies. Further, the buyer of Tigaz, the biggest distributor, cannot acquire a stake in any of the others. An investor who buys Tigaz or two other regional gas suppliers can only acquire less than 25% in Fogaz, Budapest's gas distributor. The distributors have a combined registered capital of $347m.

**Headline:**
Hungary Gas Stakes On Tender

**Source:**
*Financial Times August 11, 1995*

**Activity Date:** 11 1995

Hungary awarded four of its five regional gas distribution companies (GDCs) to the top first-round bidders and invited a second round of tenders for the fifth. A consortium of Italgas and Snam, subsidiaries of Eni, the Italian energy group, was awarded **Tigaz**, the largest regional GDC for $172m. Bids for several firms including Degaz, Egaz and Kogaz remain to be evaluated. N.M. Rothschild, the UK merchant bank is acting as the advisor to APV Rt., the state privatization agency.

APV Rt announced that an Italian consortium consisting of Italgas and Snam had submitted the highest bids for three of the five regional gas distribution companies (GDCs) scheduled to be privatized. The tenders are for 50% stakes plus one vote in each of the five GDCs. The government has established that bidders may either acquire **Tigaz**, the largest of the five companies, or two of the other companies. Additionally, bidders must submit acceptable business plans. Italgas and Snam bid $172m for Tigaz and $93m and $67m respectively for Degaz and Kogaz, two smaller GDCs.

**Headline:**
Hungary Selects Winners of its Gas Bid Contest

**Source:**
*Financial Times November 23, 1995*

## Tisamenti Chemical Works

**Activity Date:** 2 1993

Holland Colours (HC) of The Netherlands bought 90% of Tiszamenti Chemical Works powder paint factory for $1.36 million. HC plans to invest $1 million in the new company, called Colours Hungarian which will process raw materials and pigments produced by Tiszamenti in addition to producing a special paint for plastics.

**Headline:**

**Source:**
*PE 2/17/93*

## Tisza Chemical Works

**Activity Date:** 11 1992

In November 1992, the Hungarian Tisza Chemical Works was purchased by Henkel Austria, a subsidiary of Henkel of Germany., Henkel has already invested tens of millions of shillings to expand productive capacity, and plans to inject another Ft 1 billion. Tisza produces three brands of washing powder for Henkel, and currently has a capacity of 5,000 to 6,000 tonnes per year.

**Headline:**

**Source:**
*PlanEcon 11/25*

## Tisza Power

**Activity Date:** 3 1996

The government will aceept bids between April 15 and May 30 for a 90% stake in Budapest Power and a 95% stake in **Tisza Power**. These sell-offs could be closed by year end. Tenders for three more power-plant auctions will be released this summer, while a sixth station is slated for privatization this fall.

**Headline:**
Hungary to Sell Energy Stakes

**Source:**
*Wall Street Journal March 29, 1996*

## Tiszai

**Activity Date:** 9 1995

APV RT, the Hungarian Privatization and State Holding Company (HPSHC), has announced tenders for the shares of various companies in the Hungarian electricity sector. Bids must be submitted to HPSHC on November 30, 1995. The conditions of the tenders are as follows.

A 24% stake with a nominal value of HUF59.9bn is being offered in **Magyar Villamos Muvek Rt.**; bids will be accepted for less than the full offering. The following are electricity supply companies (bids will be accepted only for the full offering of each these companies): a 49.23% stake with a nominal value of HUF16.8bn is being offered in **Tiszantuli Aramszolgaltato Rt.**; a 48.81% stake with a nominal value of HUF14.9bn is being offered in **Eszakmagyarorszagi Aramszolgaltato Rt.**; a 47.98% stake with a nominal value of HUF17.8bn is being offered in **Delmagyarorszagi Aramszolgaltato Rt.**; a 47.55% stake with a nominal value of HUF22.3bn is being offered in **Eszakdunantuli Aramszolgaltato Rt.**; a 46.15% stake with a nominal value of HUF28bn is being offered in **Budapesti Elektromos Muvek Rt.**; and, a 47.25% stake with a nominal value of HUF14.1bn is being offered in **Deldunantuli Aramszolgaltato Rt.**

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Notice of Tenders

**Source:**
*The Economist September 23, 1995*

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The state privatization authority APV Rt. intends to launch a tender for **Tiszai** and **Budapest** power generation companies before the end of April, following the sale of minority stakes in the Dunamenti and Matrai companies in the first privatization round in December. Five other generators were withdrawn from the process due to inadequate bids. Following these sales, there is a possibility that the three remaining companies, Bakony, Pecs, and Vertes, will also be sold.

**Headline:**
Power Tender

**Source:**
*Project Finance International March 27, 1996*

## Tiszantuli Aramszolgaltato Rt.

**Activity Date:** 9 1993

The State Property Agency of Hungary announced an invitation for a one round tender for the partial purchase of its shares in **Tiszantuli Aramszolgaltato Rt.** The share capital of the company is HUF 34 billion ($377 million), out of which, the SPA is the owner of a HUF 16.8 billion ($180 million) share tranche representing 47.98% of the shares. Fifteen percent of the company's capital valued at HUF 5.1 billion ($55 million) is for sale. Also, in the course of a capital increase to take place in 1994, the bidder shall undertake an obligation to increase the present share capital by at least 10% but by not more than 15%. Knight Wendling Consulting Kft. is assisting the State Property Agency on this privatization effort.

**Headline:**
Invitation to Tender

**Source:**
*Financial Times October 10, 1993*

**Activity Date:** 9 1995

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**Headline:**
Notice of Tenders

**Source:**
*The Economist September 23, 1995*

## Turk Traktor

**Activity Date:** 10 1991

In October 1992, it was announced that 33.7% of agricultural machinery manufacturer Turk Traktor was sold to existing shareholder Koc for TL56.75 Billion.

**Headline:**

**Source:**
*PI 11/92*

## Vertes

**Activity Date:** 9 1995

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**Headline:**
Power Tender

**Source:**
*Project Finance International March 27, 1996*

# *Latvia*

## 45 State Industrial Enterprises

**Activity Date:** 11 1994

The government of Lativia is offering 45 state-owned enterprises via an international tender. The firms to be sold are in the construction, food processing, engineering, paper and printing, textiles, transportation, or wood/wood processing sectors. A pharmaceutical concern, a biochemical enterprise and a travel agency will also be sold. The firms range in size from 7 employees to 2,068 workers and some of the larger enterprises include the **Riga Fishery**, **Incukalns Forestry**, **Strencu Forestry**, **Ziguri Forestry**, and **Olaine Chemical-Pharmaceutical**.

**Headline:**
Advertisement: Republic of Latvia International Tender for the Sale of Industrial Enterprises

**Source:**
*Financial Times November 18, 1994*

## Latavio

**Activity Date:** 10 1995

The government of Latvia sold a 25% stake in **Latavio**, the state-owned airline, to Baltic International USA on August 31. The airline will become part of a single new company along with SAS Scandinavian Airlines, the Latvian government and Baltic International USA. It is hoped that the new company will be fully operational by January 1996.

**Headline:** Latvian Airlines Takes Off

**Source:** *Privatisation International October 1995*

## Latinterauto

**Activity Date:** 1 1995

A 60 % stake in **Latinterauto** was sold at an auction. The sale of shares in the company, which provides transportation facilities both in Latvia and abroad, earned $1.64m, twice the original offer price.

**Headline:** Privatization First for Latvia

**Source:** *Central European February, 1995*

## Latvia Telecom Industry

**Activity Date:** 6 1993

Latvia is conducting a tender for the privatization and upgrade of its telecommunications system. Bidding on the project started in June and final proposals are due by October. The San Francisco law firm Carroll, Burdock & McDonough wrote Latvia's telecommunications law and created the bid specifications. The California company received funding from PHARE. Bell Canada, Cable & Wireless, Deutsche Bundespost Telecom, PTT Telecom, Sprint Int'l and Swedish Telecom have been invited to bid.

**Headline:** Telephone Tender

**Source:** *Project Finance International July 23, 1993*

## Latvian Shipping Company

**Activity Date:** 10 1995

In Latvia, the government will accept bids for the administration and management of the affairs and operations of the **Latvian Shipping Company**. Bids will be taken from single enterprises or a consortium of parties established as a corporate body. The winning bidder must be well established and experienced in international shipping. The deadline for submission of bids to the Latvian Privatization Agency is October 20.

**Headline:** Announcement

**Source:** *Financial Times October 3, 1995*

## Latvian Telecommunications

**Activity Date:** 1 1994

A consortium consisting of the UK's Cable and Wireless and Telecom Finland bought a 49% stake in Latvia's telecommunciations network in January 1994. The consortium will invest $160 million over the first three years and will carry out a 10-year modernization program including the installation of at least 650,000 direct digital lines. The investment plan will almost double the number of telephone lines in the country. Both companies are already active in the region.

**Headline:** Cable and Wireless Consortium Buys Lativa's Telecoms

**Source:** *Project Finance International January 21, 1994*

## Latvijas Nafta

**Activity Date:** 7 1993

Latvia announced plans to privatize Latvijas Nafta, the state oil company. The firm's monopoly is to be eliminated, but the government will continue to control 5 of Latvia's largest oil deposits for strategic purposes.

**Headline:** Latvia to Privatize State Oil Company

**Source:** *International Privatization Update July 1993*

## Leta

**Activity Date:** 3 1996

The government has approved the privatization of **Leta**, the state telegraph agency. No decision has been made on several major companies, including the Latvenergo energy company, the VEF electronics plant, and the Latvijas Balzamas distillery.

**Headline:**
Market Makers

**Source:**
*Central European March 1996*

## Macro

**Activity Date:** 9 1995

The Latvian Privatization Agency (LPA) has announced the tender of several state-owned enterprises. Interested parties can receive profiles of the enterprises from LPA. Offers must be submitted to LPA by November 16. The winning bids will be selected based on the submitted business plan, the bid price, job maintenance or creation, and investment plans. All bidders are required to post a bid bond equal to 5% of the bid price.

Stakes in two auto industry firms are being offered: **RAF**, with sales of LVL24m ($45.4m) in 1994, and **Riga Carriage Plant**, with sales of $26m in 1994. Stakes in two chemical and pharmaceutical firms are being offered. The largest, **Kalceks**, had sales of $5m in 1994. Stakes in four electrical engineering sector firms are being offered including **Riga Electrial Engineering Plant** with sales of $12.7m in 1994, and **Riga Radio Plant**, with sales of $2.2m in 1994. Shares in two leather and footwear firms are being offered including **Pirmaden Ltd.**, which had sales of $836,400 in 1994. Equity in seven mechanical engineering firms is being offered including **Riga Diesel Plant** with sales of $4.1m in 1994. In the printing sector, a stake in **Liepaja Printing House** with sales of $632,000 in 1994 is being offered. Shares in two steel industry firms are being offered, including **Liepaja Steel** with sales of $70.6m in 1994. Shares in four textile sector firms are being offered, including **Ogre** with sales of $19.9m in 1994 and **Dauteks** with sales of $61.3m in 1994. A stake in **Hotel Latvija**, with sales of $6.5m is being offered. Additionally, stakes in two vegetable and plant firms, **Kiserzers** and **Meristemu Kulturas**, two wood processing/furniture companies, **Tukums Furniture Factory** and **Liepaja Match Factory**, and the **Crane and Autocrane company**, are being offered.

**Headline:**
3rd International Tender for the Sale of Industrial Enterprises

**Source:**
*The Economist September 30, 1995*

## Macro Article

**Activity Date:** 10 1993

Anrejs Tiknuss, the head of the state and self-government privatization department, indicated that the next stage of successful privatization process in Latvia will involve streamlining the laws governing the privatization and bankruptcy process. Latvian officials planned to privatize or to begin the privatization procedures of 703 factories and other entities of industrial property. But only 150 factory projects have been submitted to the Ministry of Economics so far this year, and out of the 150, only 96 of which were accepted. Latvian law, passed on June 16, 1992, dictates that privatization projects are subject to approval by branch ministries. However, because of reorganization within the ministries, it is unclear as to who is responsible for approving privatization projects.

**Headline:**
Confusing Laws Slow Down Latvian Privatisation

**Source:**
*The Baltic Independent October 8-14, 1993*

## Saldus

**Activity Date:** 1995

The government of Latvia announced that three firms will be trading shares on July 25, the opening day of the new Latvian exchange. The three firms are **Kaija**, the fish cannery, **Vitransauto**, a transportation company, and **Saldus**, an oil storage facility.

**Headline:**
Baltic States Shrug Off Bank Crisis Setback

**Source:**
*Financial Times July 11, 1995*

### Ventspils Nafta

**Activity Date:** 1996

The Latvian privatization agency has announced that it will finalize a list of 250 companies to be privatized in an effort to accelerate the privatization process. The list will include **Ventspils Nafta**, the oil port and **Latvenergo** the energy group.

**Headline:**
Latvia

**Source:**
*Central European February 1996*

### Vitransauto

**Activity Date:** 1995

The government of Latvia announced that three firms will be trading shares on July 25, the opening day of the new Latvian exchange. The three firms are **Kaija**, the fish cannery, **Vitransauto**, a transportation company, and **Saldus**, an oil storage facility.

**Headline:**
Baltic States Shrug Off Bank Crisis Setback

**Source:**
*Financial Times July 11, 1995*

## *Lithuania*

### Adata

**Activity Date:** 11 1994

**Adata**, an enterprise including several service and retail operations, will be sold at auction in Siauliai. The firm has a staff of 170 and will offer a 70.33% stake.

**Headline:**
Auctions Declared...

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

### Andeas State Textiles Enterprise

**Activity Date:** 8 1992

In August it was announced that Audeas State Textiles Enterprise will be privatized under the hard currency program which is targeted primarily at international investors. Arthur Anderson will be advising, as well as KPMG and the law firm McKenna.

**Headline:**

**Source:**
*PI 8/92*

### Apparel Dry-Cleaning Work Shop

**Activity Date:** 11 1994

An **Apparel Dry-Cleaning Work Shop** will be sold at auction in Vilnius.

**Headline:**
Auctions Declared...

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

### Baltija

**Activity Date:** 10 1994

It was announced that **Baltija**, a state-owned catering complex, will be auctioned off on October 8. The firm has 129 employees, and bidding will start at $500,000.

**Headline:**
Auctions Declared for the Sixth Time

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

## Baltijos Viesbutis Hotel

**Activity Date:** 11 1994

**Baltijos Viesbutis**, a state-owned tourism and commerce center, is to be sold by auction in November. The enterprise has 160 rooms and employs 82. A 71.22% stake will be offered.

**Headline:**
Auctions Declared...

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

**Activity Date:** 1995

Lithuania's Department of Privatization has released the October list of state-owned enterprises it plans to offer for hard currency. Enterprises scheduled to be privatized include the **Baltijos Viesbutis Hotel** and a jeweler in Kaunas; the Sailtyne Hotel in Klaipeda; the Belfinas recreation center, an office for family celebrations, and a dry cleaner in Vilnius; the Marijampole furniture restoration enterprise in Marijampole; and various residential properties, including some historic estates. Officials stipulate that during the first year of privatization, staff cannot be reduced by more than 30%. In addition, consumer services, food outlets, and health, cultural, and educational enterprises must remain engaged in their current activities unless they receive special permission from the government.

**Headline:**
Hard Currency Privatization

**Source:**
*Information Bulletin on Hard Currency Privatization in Republic of Lithuania*

**Activity Date:** 1995

Lithuania's Department of Privatization has released the October list of state-owned enterprises it plans to offer to private foreign investors. Enterprises scheduled to be privatized include the Baltijos Viesbutis Hotel, which encompasses 168 guest rooms and a restaurant, and employs 101 people.

**Headline:**
Hard Currency Privatization

**Source:**
*Information Bulletin on Hard Currency Privatization in Republic of Lithuania*

## Belfinas recreation center

**Activity Date:** 1995

Lithuania's Department of Privatization has released the October list of state-owned enterprises it plans to offer to private foreign investors. Enterprises scheduled to be privatized include the **Belfinas recreation center**, which serves as a bath-house, pool and catering hall. The cafe can handle 32 guests at a time. There are 27 people on staff.

**Headline:**
Hard Currency Privatization

**Source:**
*Information Bulletin on Hard Currency Privatization in Republic of Lithuania*

## commercial banks

**Activity Date:** 1 1996

The government of Lithuania has proposed to parliament to merge and nationalize the two large **commercial banks** that went bankrupt before Christmas. A trust would take over $350m in bad loans, and the government would inject enough capital into the banks to allow them to reopen. This new institution would then be privatized within 18 months.

**Headline:**
Lithuania's Government Moves Swiftly to Counter Bank Collapse

**Source:**
*Financial Times January 30, 1996*

## Delfinas

**Activity Date:** 11 1994

**Delfinas**, a recreation center, will be sold at auction in Vilnius. The enterprise has a staff of 32.

**Headline:**
Auctions Declared...

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

## Gausa

**Activity Date:** 11 1994

The state food trade enterprise, **Gausa**, will be auctioned off in Klaipeda, Lithuania. The company will offer 70.22% of its shares.

**Headline:**
Auctions Declared...

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

## Graztai (Drills)

**Activity Date:** 2 1995

In February the government of Lithuania announced that it will offer a 51.2% stake in **Graztai** (Drills). The remaining 48.8% share of the company is held employees.

**Headline:**
Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania

**Source:**
*Republic of Lithuania Ministry of Economics February 8, 1995*

## Jurbarkas

**Activity Date:** 11 1994

**Jurbarkas**, a hotel which can accommodate 123 guests, will be sold at auction in Jurbarkas.

**Headline:**
Auctions Declared...

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

## Kaunas Confectionery

**Activity Date:** 8 1992

In August it was announced that Kaunas Confectionary Enterprise will be privatized under the hard currency program which is primarily for foreign investors. Arthur Anderson will be advising, as well as KPMG and the law firm McKenna.

**Headline:**

**Source:**
*PI 8/92*

**Activity Date:** 9 1993

the third-largest food manufacturer in Europe, Kraft Jacobs Suchard of Philip Morris of the US acquired 67 percent of Lithuania's Kaunas Confectionery Factory for $17 million. In Lithuania Philip Morris and KJS will enjoy a virtual monopoly propped up by high import duties. Kaunas Confectionery is the country's largest sweets company with $10 million in total sales. Although 90% of its production is sold domestically, KJS plans to expand the sales to neigbouring markets of Latvia, Estonia and Russia; St. Petersburg region with population approaching 9 million, in particular. The Lithuanian budget will receive $3 million from the sale, while an investment of some $12.5 will be used to modernize the factory and to increase production volumes. The new factory will be run by Lithuanian managers, with trining provided by their Swedish counterparts. All 800 of the 105 year old company's workers are promised two years of guaranteed employment and wage increses of up to 25% in the future.

**Headline:**
East European Buy For KJS

**Source:**
*Financial Times October 12, 1993*

## Klaipeda State Tobacco Enterprise

**Activity Date:** 8 1992

In August it was announced that Kaipeda State Tobacco Enterprise, which has between 40-50% of the cigarette market in Lithuania, will be privatized under a hard currency program targeted at international investors. The company had a turnover nearly 90 million roubles on production of 3.7 billion cigarettes in 1991. Arthur Anderson, as well as the law firm McKenna and KPMG will be advising the government.

**Headline:**

**Source:**
*PI 8/92*

**Activity Date:** 4 1993

The American firm Philip Morris purchased a 65.2% stake in the Klaipeda tobacco factory in a $40 million deal. The

**Activity Date:** 4 1993

The American firm Philip Morris purchased a 65.2% stake in the Klaipeda tobacco factory in a $40 million deal. The Lithuanian firm was to receive $27.5 million.

**Headline:**

**Source:**
*PE 4/14/93*

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### Lietuva Hotel

**Activity Date:** 9 1993

One of the largest state-owned hotels in Lithuania's capital Vilnius, Lietuva, is soon to be privatized by one of the two bidding international hotel groups. The transaction is to be announced later this month. KPMG Peat Marwick's Policy Economics Group is advising the Lithuanian Government.

**Headline:**
International Overview

**Source:**
*Privatisation International September 1993*

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### Macro

**Activity Date:** 10 1993

In a speech delivered on September 27, 1993, concerning the government's intentions to speed up privatization, Lithuania's Prime Minister, Adolfas Slezevicius, said that about 60 percent of the state property will be sold by July 1, 1994. The net worth of the property is 1.6 billion litas ($400 million) to be sold for investment vouchers worth approximately 1.1 billion litas. According to Mr. Slezevicius, approximately 36 percent of state property has been sold into private hands. Large-scale enterprises with 5,000-10,000 workers are currently in the process of privatization.

**Headline:**
Lithuania Pushes For Speedier Privatisation

**Source:**
*The Baltic Independent October 8-14, 1993*

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### Marijampole State Furniture Restoration Enterprise

**Activity Date:** 11 1994

The **Marijample State Furniture Restoration Enterprise** is to be auctioned off in Marijampole. The firm's facilities were built in the 1930s and its equipment dates back to the mid-60's.

**Headline:**
Auctions Declared...

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

**Activity Date:** 1995

Lithuania's Department of Privatization has released the October list of state-owned enterprises it plans to offer to private foreign investors. Enterprises scheduled to be privatized include the **Marijampole state furniture restore enterprise,** which specializes in furniture restoration and binding. The site includes an administrative and production building and five warehouses, all of which are in need of restoration.

**Headline:**
Hard Currency Privatization

**Source:**
*Information Bulletin on Hard Currency Privatization in Republic of Lithuania*

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### Mazeikiai oil refinery

**Activity Date:** 10 1993

Rotschild bank has been mandated to find potential western investors for an **oil refinery in Mazeikiai**, Lithuania, in order to privatize the plant, improve its processing procedures and develop exports. The bank is putting together a commercial assesment of the plant and will approach potential investors in November. The refinery was built in 1980 and was oriented towards Russia, which supplied the refinery with crude oil. The Lithuanian government now has formed the joint venture with the Russian concern Lukoil, which supplies the plant with crude oil to be refined. Part of these products will stay in Lithuania as a form of payment for refining.

**Headline:**
Oil Refinery to be Privatized

**Source:**
*Project Finance International October 29, 1993*

### Mazylis

**Activity Date:** 11 1994

The government of Lithuania is auctioning off **Mazylis**, a state trading enterprise, in November. The firm will offer 70.76% stake and employs 26.

**Headline:**
Auctions Declared...

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

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### Merage Jeweler

**Activity Date:** 11 1994

**Merage**, a jewelry wholesale company, is on the auction block in Kaunas, Lithuania. The firm has 11 employees and will offer 68.97% of its shares.

**Headline:**
Auctions Declared...

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

**Activity Date:** 1995

Lithuania's Department of Privatization has released the October list of state-owned enterprises it plans to offer to private foreign investors. Enterprises scheduled to be privatized include the **Merage Jeweler**, which employs 8 people and has cultural heritage significance.

**Headline:**
Hard Currency Privatization

**Source:**
*Information Bulletin on Hard Currency Privatization in Republic of Lithuania*

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### Mildeta

**Activity Date:** 10 1994

It was announced that **Mildeta,** a state-owned enterprise specializing in mens clothing, will be auctioned off on October 29. The firm has 30 employees, and bidding will start at $300,000.

**Headline:**
Auctions Declared for the First Time

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

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### Office for Family Celebrations

**Activity Date:** 11 1994

The **Office for Family Celebrations** is up for sale in Vilnius, Lithuania. Assets of the enterprise include two halls for social activities and large kitchen areas. The firm has 13 employees and will offer 73.11% of its shares.

**Headline:**
Auctions Declared...

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

**Activity Date:** 1995

Lithuania's Department of Privatization has released the October list of state-owned enterprises it plans to offer to private foreign investors. Enterprises scheduled to be privatized include the **Office for family celebrations,** which is a hall for celebrations, with food services and a sauna. There are 13 employees.

**Headline:**
Hard Currency Privatization

**Source:**
*Information Bulletin on Hard Currency Privatization in Republic of Lithuania*

## Pienas

**Activity Date:** 11 1994

The privatization of the joint stock company **Pienas** has been announced by the Central Privatization Commission. A 50.25% stake in the enterprise will be sold to a strategic investor, with the remaining 50.75% remaining in the hands of the firm's employees.

**Headline:**
Auctions Declared...

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

**Activity Date:** 2 1995

The government of Lithuania announced in February that it will be offering a 50.25% stake in **Pienas**, a state-owned joint stock enterprise. The remaining 49.75% of the company's capital is held by employees. KPMG Peat Marwick is acting as financial advisors to the sale.

**Headline:**
Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania

**Source:**
*Republic of Lithuania Ministry of Economics February 8, 1995*

## Sailtyne Hotel

**Activity Date:** 1995

Lithuania's Department of Privatization has released the October list of state-owned enterprises it plans to offer to private foreign investors. Enterprises scheduled to be privatized include the **Sailtyne Hotel**, which is a small hotel with a cafe. The hotel employs 10 people.

**Headline:**
Hard Currency Privatization

**Source:**
*Information Bulletin on Hard Currency Privatization in Republic of Lithuania*

## Siauliai

**Activity Date:** 11 1994

The state-owned hotel, **Siauliai**, will be auctioned off in Klaipeda, Lithuania. The company will offer 74.2% of its shares.

**Headline:**
Auctions Declared...

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

## Smiltyne

**Activity Date:** 11 1994

**Smiltyne**, a hotel which can accommodate 40 guests, will be sold at auction in Klaipeda. The firm has a staff of 10.

**Headline:**
Auctions Declared...

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

## State-Owned Properties

**Activity Date:** 11 1994

A number of state-owned properties and buildings are being auctioned off in Lithuania. In the Kedainiai and Jurbarkas Districts the Lithuanian government is selling several state-owned properties most of which are covered by historical preservation legislation. A building and an estate will also be placed on the auction block in the Panevezys District.

**Headline:**
Auctions Declared...

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

**Activity Date:** 11 1994

A number of state-owned estates and buildings will be auctioned off in the Kedainiai, Jurbarkas, and Marijamoole districts of Lithuania. Several previously offered enterprises will be placed on the auction block again including

1994

districts of Lithuania. Several previously offered enterprises will be placed on the auction block again including **Mildeta**, a men's clothing shop, **Zuvedra,** a restaurant, and **Titnagas**, a printing house. The enterprises range in size from 13 to 86 employees.

**Headline:**
Auctions Declared...

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

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### Takioji Neris

**Activity Date:** 1995

The Lithuanian Central Privatization Commission announced the sale of **Takioji Neris**, a state owned tourism enterprise. The government will sell 70.78% of its stock, with the remaining stock issued to the firm's employees. Proposals are due March 1, 1995. The government also announced the sale of **Pienas Company**. The state will sell 50.25% of the state owned enterprise with the rest of the stock designated for the employees. Proposals are due on March 20, 1995. Other firms up for tender include: state catering companies **Zuvedra** and **Baltija**, state printing house **Titnagas**, and various state-owned buildings in the Jurbakas, Kedainiai, and Marinjapole districts.

**Headline:**
Auctions Declared...

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

**Activity Date:** 2 1995

In February, the government of Lithuania announced that it will offer a 70.78% stake in **Takioji Neris**, a state-owned tourism company.

**Headline:**
Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania

**Source:**
*Republic of Lithuania Ministry of Economics February 8, 1995*

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### Titnagas

**Activity Date:** 10 1994

It was announced that **Titnagas**, a state-owned printing operation, will be auctioned off on October 8. The firm has 86 employees, and bidding will start at $1,500,000.

**Headline:**
Auctions Declared for the First Time

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

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### Vygaile

**Activity Date:** 10 1994

It was announced that **Vygaile,** a state-owned perfumery, will be auctioned off on October 29. The firm has 7 employees, and bidding will start at $40,000.

**Headline:**
Auctions Declared for the First Time

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

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### Zalgiris and Sigma

**Activity Date:** 9 1993

Lithuanian machine tools manufacturer Zalgiris and electronics manufacturer Sigma, two large state-owned enterprises in Vilnius, are being prepared for privatization. The U.S. Agency for International Development is funding the project and KPMG Peat Marwick is advising.

**Headline:**
International Overview

**Source:**
*Privatisation International September 1993*

**Zibintas**

**Activity Date:** 11 1994

**Zibintas**, a hotel with 52 rooms, will be sold at auction in Lazdijai. The firm has a staff of 11.

**Headline:**
Auctions Declared...

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

**Zuverda**

**Activity Date:** 10 1994

It was announced that **Zuverda,** a state-owned catering enterprise, will be auctioned off on October 29. The firm has 13 employees, and bidding will start at $300,000.

**Headline:**
Auctions Declared for the First Time

**Source:**
*Information Bulletin on Hard Currency Privatisation in the Republic of Lithuania*

## *Poland*

**Activity Date:** 2 1996

The Ministry of Privatization of the Republic of Poland announced that they had sold strategic shareholdings in the following enterprises: PWT Augustowie SA to the BAT Group, ZPT Krakowie SA to Philip Morris Holland, ZPT Radomiu SA to SEITA SA, and WWT Poznaniu SA to Reemtsma Cigarettenfabriken GmbH. The enterprises were sold for a total of $509m and $300m in investment commitments. Morgan Grenfell served as a financial advisor for these sales.

**Headline:**
Announcement

**Source:**
*Financial Times February 22, 1996*

**Agnella**

**Activity Date:** 9 1993

Four private investors acquired a 51 percent share of Agnella, a carpet factory, in September for
Zl 54.3 billion ($2.7 million). They promised to increase investment by $10 million over the next five years.

**Headline:**
Novita Sells to Management

**Source:**
*Plan Econ September 15, 1993*

**Agros Holding**

**Activity Date:** 8 1994

**Agros Holding**, the Polish tobocco firm, had its IPO extended and additional two weeks. The limit on share orders was increased from 2,000 to 200,000.

**Headline:**
Tobacco plans prove controversial

**Source:**
*Privatisation International*

**Augustow**

**Activity Date:** 10 1994

Privatization of the **Augustow** and Lodz tobacco factories is expected to begin later in 1994 with all tobacco enterprises in private hands by the end of 1995.

**Headline:**
Parliament overrules Walesa's veto

**Source:**
*Privatisation International October 1994*

**Activity Date:** 1995

1995

BAT agreed to pay $88m for the Polish **Augustow** tobacco plant for what will amount to a 65% stake in the company. BAT will take a 33% stake in the firm immediately, with an option to buy an additional 32% stake for a nominal fee after investing $70m in the company. Local tobacco suppliers and employees will each receive 15% equity in Augustow, which has a 6% domestic market share. Schroder Polska is advising BAT while Deutsche Morgan Grenfell is advising the Polish government. Remaining government tobacco plants are located in Radom, Poznan, and Krakow, with the Radom facility next in line for privatization.

**Headline:** BAT to Take Stake in Polish Plant

**Source:** *Financial Times November 22, 1995*

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**Bank for Export Development (BRE)**

**Activity Date:** 8 1992

In August 1992, a 47.5% share of Poland's Bank for Export Promotion (BRE) was floated on the stock exchange putting a total of 51% of the bank's equity in private ownership. The public offer included a total of 950,000 shares comprised of 200,000 reserved for employees, a large investor tranche of 450,000, and 300,000 for small investors. The shares were offered at 155,000 zl ($11), roughly half their net asset value, though employee prices were subsidized by 50%. The GiroCredit Bank of Austria was thought to have taken an especially large holding in BRE, and has indicated that it would like to accumulate additional shares.
This transaction, managed by N M Rothschild, was Eastern Europe's first bank privatization through stock market flotation.

**Headline:**

**Source:** *PI 8/92*

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**Bank Gdanski**

**Activity Date:** 1995

The Ministry of Finance has announced a tender for the lead advisor in the privatization of **Bank Gdanski**. Teh bank is expected to sell 60% of its assets via two parallel IPO's, one for domestic investors and one for foreign institutional investors. The bank is estimated to have $1.22bn in total assets, making it Poland's sixth largest bank.

**Headline:** Major Polish Bank is Finally Privatized

**Source:** *Privatization International March 1995*

**Activity Date:** 1995

**Bank Gdanski,** Poland's seventh-largest bank based on equity, will undergo partial privatization in December. Officials have decided to offer a 33% stake to Polish investors on Warsaw's stock market and another 33% denominated in global depositary receipts to foreigners.

**Headline:** Poland Clears Bank Selloff

**Source:** *Wall Street Journal November 10, 1995*

**Activity Date:** 1995

Of the six remaining state-owned banks, **Bank Gdanski** is the only one scheduled to be privatized. The current plan calls for the sale of a 66% stake before the end of the year.

**Headline:** Poland

**Source:** *Business Monitor International November 1995*

**Activity Date:** 1 1995

**Bank Gdanski** will be the next bank to be privatized in Poland and its sale will follow the privatization of Bank Prezemyslowo Handlowy sometime late in the year. Plans for the sale include offering a 60% stake to the public, two thirds of which will be offered to foreign investors due to weak domestic interest, 35% will remain in state control and 5% will be offered to the bank's employees. The bank, has a balance sheet worth $1.1bn, is capitalized at $126m, and had net profits of $45m in 1993. Schroders Merchant Bank is advising on the sale.

**Headline:** Bank Gdanski Next on Polish Privatization List

**Source:** *Financial Times January 3, 1995*

**Activity Date:** 7 1995

HSCB of the UK and Daiwa of Japan have been selected to arrange the privatization of Poland's **Bank Gdanski**. The government plans to sell between 50% and 70% of the bank's shares in both domestic and international flotations. It will mark the first time that shares in a Polish bank have been distributed internationally in compliance with international underwriting and equity practices. The domestic tranche will be floated in Warsaw, while the

international underwriting and equity practices. The domestic tranche will be floated in Warsaw, while the international tranche will be sold as tradable global depository receipts. Bank Gdanski has 4,400 employees and posted profits of $48m in 1994. The global offering is expected to take place in October or November.

**Headline:** Poles Pick HSBC and Daiwa for Bank Sale

**Source:** *Financial Times July 25, 1995*

**Activity Date:** 12 1995

Bank IG has acquired 24.07% of **Bank Gdanski** for $45.3m, ensuring that Daiwa Europe and HSBC Bank complete Gdanski's initial public offering.

**Headline:** Bank Gdanski Sell-Off Rescued

**Source:** *Financial Times December 13, 1995*

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**Bank Handlowy**

**Activity Date:** 12 1995

The Polish government has devised a plan to privatize some state-owned banks by first merging smaller banks and then turning over 51% of their shares to pension funds of other state-owned companies. The plan will combine **Bank Handlowy**, previously the state foreign-trade bank, with Przemyslowo-Handlowy and Pomorski Kredytowy banks, while Polska Kasa Opieki, which once specialized in hard-currency deposit-taking, will merge with Powzechny Bank Gospodarczy, Bank Depozytowo-Kredytowy and the Polish Development Bank.

According to the Financial Times, the head of Bank Przemyslowo-Handlowy (BPH) has voiced concerns over the government's plan to transfer its 46% treasury-owned stake in BPH to state-owned Bank Handlowy, citing the desire to maintain BPH's brand name and autonomy. ING Bank and the European Bank for Reconstruction and Development, which are both significant shareholders in BPH, have expressed reservations over not being consulted about the government's plan.

**Headline:** Pressure Builds for Faster Bank Privatization

**Source:** *Eastern European Monitor January 1996*

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**Bank Premyslowo Handlowy (BPH)**

**Activity Date:** 6 1994

A June announcement by the finance ministry of Poland outlined plans to privatize one of the country's largest banks, **Bank Przemyslowo Handlowy**. The firm netted profits of $35.5 million (773 billion zloty) last year. The company was originally targeted for sale by the middle of this year through a public share offer and to a strategic investor. However, the bank is now expected to be privatized by the end of the year through a stock exchange flotation of 50% of its equity. The finance ministry plans to auction half of the bank's equity through the bourse and will sell to a strategic investor once market prices are settled upon. For the remaining 50% to be privatized, 3% will be offered to employees and management. An invitation to foreign and domestic investors will be issued next year to bid for the other 47% in the bank.

**Headline:** Polish Bank to be Sold This Year

**Source:** *Financial Times June 2, 1994*

**Activity Date:** 1 1995

In January the Polish government sold a 50.1% stake in the **Bank Premyslowo Handlowy (BPH)** giving the bank a capitalization of $300m. Foreign and local investors purchased 3 million shares or 30% of the bank's equity. The European Bank for Reconstruction and Development will take 1.6 million shares and an additional 473,000 shares have been placed by Daiwa Europe. Altogether, 5.2 million shares were sold for $28.86 per share at a special weekend session of the Warsaw stock exchange. The sale is the third in a series of nine that are planned. The bank was one of nine carved out of the central bank in 1989.

**Headline:** Warsaw Privatizes Krakow Bank

**Source:** *Financial Times January 16, 1995*

**Activity Date:** 1 1995

**Bank Przemyslowo-Handlowy** was finally privatized after holders of state treasury bonds purchased 204,122 shares out of 700,000 shares offered during the second stage of the IPO that ended on January 31. Shares with a nominal value of $2.06 were sold for $23.05, the minimum price set forward by the Privatization Ministry. Thanks to



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value of $2.06 were sold for $23.05, the minimum price set forward by the Privatization Ministry. Thanks to underwriting arrangements, both the EBRD and Daiwa Europe were able to acquire 15.1% and 4.6% of the bank's holdings respectively. In addition, Bank Slaski and Wielkopolski Bank Creditowy are significant domestic investors in Bank Przemyslowo-Handlowy, while Dutch ING Bank is another major foreign investor. Small private investors, including the firm's employees, have also played a large role in the bank's privatization by acquiring 21.2% of the total shares. The privatization of the bank, which is valued at $2.26bn with 1994 profits of $82.4, gives the Polish government access to $600m granted by western governments for the restructuring of Polish banks. It is believed that a substantial part of this sum will be devoted to buying bank restructuring bonds which had been issued for the recapitalization of seven state-owned commercial banks.

**Headline:** Major Polish Bank is Finally Privatized

**Source:** *Privatization International March 1995*

**Activity Date:** 3 1995

The recent offering of a 50.1% stake in Poland's **Bank Przemyslowo Handlowy** was received with little enthusiasm from both local and foreign investors. Investors purchased, at the minimum price of $28.86, only 3 million of the 5.2 million shares offered. The underwriters for the offering, the EBRD and Daiwa Europe, purchased 1.6 million and 473,000 shares respectively.

**Headline:** Warsaw Stock Exchange

**Source:** *Central European February 1995*

**Activity Date:** 11 1995

Foreign investors are upset by the government of Poland's plan to transfer its remaining stakes in two banks to two other state-owned financial institutions. The state's 47% stake in **Bank Przemyslowo Handlowy** is expected to be transferred to state-owned Bank Handlowy and the state's 63% stake in Polski Bank Rozwoju is expected to be transferred to state-owned bank PKO SA. In 1997, the government plans to begin privatizing the groups by selling 20% stakes in Bank Handlowy and PKO SA.

**Headline:** Poland to Give BPH Stake to Rival

**Source:** *Financial Times November 30, 1995*

**Activity Date:** 11 1995

Foreign investors are upset by the government of Poland's plan to consolidate its remaining stakes in two banks into two other state-owned banks. The state's 47% stake in Bank Przemyslowo Handlowy (BPH) is expected to be transferred to state-owned **Bank Handlowy**. The state's 63% stake in Polski Bank Rozwoju (PBR) is expected to be transferred to state-owned bank PKO SA. In 1997, the government plans to begin to privatize the groups by selling a 20% stake in Bank Handlowy and PKO SA .

**Headline:** Poland to Give BPH Stake to Rival

**Source:** *Financial Times November 30, 1995*

**Activity Date:** 2 1996

Last December the government stated the 46% stake would be given to the state-owned Bank Handlowy as part of its bank consolidation plan. This plan includes the formation of two strong banking groups, headed by the Bank Handlowy and the PKO SA, which will take over several smaller state sector banks and minority stakes in the Polish Development Bank and the Bank Przemyslow Handlowy. However, the government could be forced to abandon this plan after a parliamentary subcommittee decided in early February to exclude all but banks which are 100% treasury-owned from the scheme.

**Headline:** Poland May Have to Drop Bank Consolidation Plan

**Source:** *Financial Times February 8, 1996*

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## Bank Przemyslowy Rolny (BPR)

**Activity Date:** 8 1995

A Danish bank, Rabobank, announced its intention to buy a 51% to 75% stake in Poland's **Bank Przemyslowy Rolny** (BPR). The expected value of the Dutch bank's stake will be $8m.

**Headline:** Rabobank to Acquire Stake in Polish Bank

**Source:** *Financial Times September 5, 1995*

## Bank Slaski

**Activity Date:** 9 1993

A tender was to be announced on September 14 for the sale of **Bank Slaski** in the second privatization of Poland's nine state-owned commercial banks and Poland's third largest bank created in 1989. The government plans to dispose of 5.6 million shares which constitutes 60% of the total package. The European Bank for Reconstruction and Development is expected to bid for a share making up to 45% of Bank Slaski's equity. The share price agreed under a mid-September tender will be treated as a marker for the remaining 15% of the equity, which will be offered for small investors later in the year. The Finance Ministry intends to retain 20-30% of the equity in the bank and 10% is earmarked for bank's employees and management.

It was later announced in January 1994 that ING Bank of the Netherlands agreed to pay approximately $57 million to acquire 25.9% of **Bank Slaski.** The agreement includes 2.4million shares of the bank at 500,000 zlotys ($23.76)each. Huge public demand caused the government to double its offering to the public to 30%. The government currently holds a 45% share in the bank and will reduce its stake to 30% through public offerings and a 10% distribution to bank employees at a discount. This deal represents one of the largest foreign investment deals to date. At the end of 1992, Bank Slaski reported assets of Zl 28.9 billion ($1.37 billion).

**Headline:** Poland to Sell 60% of Bank Slaski

**Source:** *Financial Times September 6, 1993*

**Activity Date:** 12 1993

The Dutch bank ING paid $57 million for a 25.9% share in **Bank Slaski**, Poland's third largest bank. ING agreed to buy 2.4 million shares for $23.76 each. Bank Slaski is very popular among small investors and caused the government to expand its proposed public offering to 30%. After this auction and a 10% discounted offering to bank employees, the government expects to reduce its share to 30%. At the end of 1992 the bank reported total assests of $1.37 billion.

It has been reported that 28 employees of **Bank Slaski** attempted to sell their shares in the bank when the company's stock gained 1350% on the first day of trading in January. Those attempting to cash in on the bank's rise in value included four of seven bank directors, brokers, branch office managers, and members of the bank's supervisory council. The bank's president resigned amid charges that he attempted to profit by selling some of the shares in his possession. It is not clear whether any employee was able to profit by selling concessional shares at higer prices. Trading on the firm stopped once it became evident that the sale was heavily oversubscribed and shares could not be registered quickly enough. Poland's Parliament rejected an internal investigation carried out by the bank which found no violations of securites law. Bank Slaski lost its brokerage liscense after the official at the Ministry of Finance who set the bank's initial offering price was dismissed. In spite of a major scandal which has seen the resignation of the Finance Minister, no wrongdoing has been proven in the decicion on Bank Slaski's share price.

**Headline:** ING Bank Acquires Part of Bank Slaski

**Source:** *PlanEcon January 19, 1994*

## Bank Zachodni

**Activity Date:** 1995

**Bank Zachodni** and Powszechny Bank Kredytowy (PBK) are expected to be privatized later in the year, while Bank Depozytowo-Kredytowy (BDK) had been the target of Korean car maker Daewoo, which had wanted to purchase the bank along with the FSO car plant. However, since BDK will merge with Polska Kasa Opieki, Daewoo has been setting its sights on PBK instead.

**Headline:** Moderates Gain from Mud-Slinging

**Source:** *Eastern European Monitor February 1996*

**Activity Date:** 9 1995

Poland's **Bank Zachodni** announced that it will seek a strategic foreign investor to take a substantial minority stake before its public share offering in 1996. By using this tactic, the bank hopes to avoid the difficulties associated with banking sector initial public offerings to investment banks due to the high percentage of capitalization accounted for by banks on the Warsaw stock exchange.

**Headline:** Polish Bank Seeks Foreign Shareholder

**Source:** *Financial Times September 4, 1995*

**Activity Date:** 3 1996



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**Activity Date:** 3 1996

The Polish cabinet relaxed a 30% limit and allowed foreigners to buy majority stakes in two commercial banks to be privatized within two years: Powszechny Bank Kredytowy of Warsaw and **Bank Zachodni** of Wroclaw.

**Headline:**

**Source:**

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### Bialystock

**Activity Date:** 4 1993

Glass Eckert of Germany, Euro-Intercommerce of Liechtenstein, and Sozziluminazione of Italy purchased 80% of the **Bialystok** glass factory in April of 93, in a deal worth $775,000 (DM 1.2 million). Employees were reserved a 20% stake. The company had assets worth an estimated $4.7 million, and sales of $5 million. The investment group plans to invest $2-3 million and pledged to retain all employees for at least 24 months. Price Waterhouse IPG acted as the lead advisor.

**Headline:**

**Source:**

*PE 4/14/93*

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### Bison-Bial

**Activity Date:** 5 1992

In May it was announced that bids were invited for at least 10% of shares in Bison-Bial. This Bialystok maker of chuck lathes had a 1991 turnover of 13.8 million. A stake of 20% will be reserved for workers on preferential terms.

**Headline:**

**Source:**

*PlanEcon 5/92*

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### Browary Wielkopolski

**Activity Date:** 10 1993

A 40% share in a brewery **Browary Wielkopolski** was acquired by Euro-Agro Centrum, a Polish company owned by a Volkswagen dealer Jan Kulczyk, for Zl 200 billion ($10.2 million). The employees and farmers with long-term delivery contracts with the company will be offered up to 20% of shares each at half price and the remaining 20% will be sold through an IPO and floated through a Warsaw stock exchange. Euro-Agro Centrum has committed itself to to invest an additional $65 million in 5 the next 3 years (the largest committment ever made by the Polish investor) and to maintain present employment for 2 years. Company Assistance advized the Ministry of Privatization with lawyers Dickinson Wright.

**Headline:**

Flurry of sales in Uneasy Poland

**Source:**

*Privatisation International October 1993*

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### building plot

**Activity Date:** 3 1996

The Lodz City Council has offered an invitation to tender for the sale or a perpetual lease of a **building plot** in the city center. The minimum offer price is $1.2m. The closing date for tenders is March 12.

**Headline:**

Contracts and Tenders

**Source:**

*Financial Times December 20, 1995*

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### Bydgoska Fabrika Kabli

**Activity Date:** 9 1993

An 80% share in the cable maker, **Bydgoska Fabrika Kabli**, has been purchased by the private Polish foreign trader, Elektrim, together with the private Export Development Bank. Elektrim, in order to help finance this deal, will sell a 15% share in Mostostal Warszawa purchased in 1991 through the Warsaw stock exchange. The purchase price of BFK was set at $18.6 million. Elektrim has acquired 60% of the bank's equity while the consortium has promised to invest $45 million in the plant. The remaining 20% will be offered to employees at half price. Siemens was the rival bidder in the process and offered more for BFK, but authorities decided to favor a local consortium.

**Headline:**

Elektrim and EDB Buy Into BFK Concern

**Source:**

*Plan Econ September 29, 1993*

## Bydgoszcz Telfa

**Activity Date:** 11 1992

In November 1992, the U.S. telecommunications firm AT&T purchased an 80% share of the Polish Bydgoszcz Telfa, a communications equipment plant, for $28 million. AT&T plans to invest another $45 million over a six-year period, and to increase capital at the plant by $7.2 million in the next year. AT&T has also guaranteed work for 800 of the 1250 employees for at least the next 18 months. Although AT&T has been active supplying and installing exchanges in a number of Polish cities over the last three years, this purchase is its first direct investment in Poland.

**Headline:**

**Source:**
*PlanEcon 11/25*

## Bytom

**Activity Date:** 11 1994

The Polish government in November announced that it will sell 35% of the clothing firm, **Bytom,** in the first IPO carried out on the Warsaw Stock Exchange (WSE). An additional 20% will be offered to employees, 10% to management, 5% will be retained as a reserve for pre-privatisation claims, and the remaining 30% stake will be held by state-owned Bank Handlowly. The minimum share price has been set at $21.60 and the maximum number of shares that can be requested by an investor has been fixed at 150,000. The company, which employs 3,200 people, had net profits exceeding $1.6m on sales of $25.3m. The Polish consulting firm Multiexpert drafted the propectus for Bytom.

**Headline:**
Clothing Firm Becomes First IPO on WSE

**Source:**
*Privatization International November 1994*

**Activity Date:** 12 1994

The December offering of shares in the **Bytom Clothing** company was widely considered to be a success as the government sale of 175,000 shares, a 35% stake, was oversubscribed. The shares sold for a minimum price of $23.20 each. The sale was also considered to be successful in that it was the first offering on the Warsaw Stock Exchange in which investors could place their orders in any of the fifty brokerage houses. The company, which employs 3,200 workers, had sales in excess of $25.6m in 1994 and net profits of $2.4m. Prior to the recent sale, Bank Handlowy held a 30% stake and the employees a 20% stake in the company. Bytom's management will be offered 10% of the shares and any shares remaining will be retained by the State Treasury as a reserve for pre-privatization claims.

**Headline:**
IPO Succeeds on Warsaw SE

**Source:**
*Privatisation International February 1995*

## Cegielski Engineering Works

**Activity Date:** 4 1996

Wieslaw Kaczmarek, the privatization minister, announced that two investors have expressed interest in the Gdansk Shipyard. One is from Daewoo, the South Korean conglomerate, which is considering a holding company to include the more modern Gdynia and Szczecin yards. The plan of the Gdansk yard would include the sell-offs of the Czestochowa steel mill and **Cegielski engineering works**.

**Headline:**
Rocky Times At the Cradle of Freedom

**Source:**
*Financial Times April 3, 1996*

## Cement Polski/ Cementownia Ozarow

**Activity Date:** 10 1995

HCP is expected to pay $55m for the 75% stake in Ozarow in addition to having signed a welfare package with the company's unions guaranteeing the maintenance of current employment levels. The agreement with the unions followed a government threat to float Ozarow on the Warsaw stock exchange if the unions resisted the purchase offer by HCP.

**Headline:**
Poland Clears Sale of Plant to Cement Group

**Source:**
*Financial Times October 13, 1995*

### Cementownia Ozarow SA

**Activity Date:** 10 1995

In Poland, a 75% stake in the cement company **Cementownia Ozarow SA** was purchased by the Irish building-product maker CRH PLC for $57.6m.

**Headline:** CRH PLC Expands in Poland

**Source:** *Wall Street Journal October 18, 1995*

### Cigarette factories

**Activity Date:** 3 1996

The government has sold interests in four **cigarette and tobacco companies** to British American Tobacco, Philip Morris Holland, France's SEITA, and Reemtsma Cigarettenfabriken of Germany for a combined total of $509m and additional investments of at least $300m.

**Headline:** Targeting Investment to Poland

**Source:** *Global Finance March 1, 1996*

### CPN (State Distribution Enterprise)

**Activity Date:** 7 1993

CPN, a Polish petroleum distribution company, was restructured into several new privatized companies in July. The following companies will be formed in place of CPN: Naftohurt, a distribution company, which will take over warehouses and tanker lorries, and Petrolimpex, a petroleum import-export company, which will be separated from CIECH, the state owned chemicals export-import enterprise. Another large company, Polish Oil Company, will be set up, which will control the domestic oil and petroleum market. Polish Oil Company will obtain 30% of shares in Naftohurt, 100% of shares in Petrolimpex and CPN, and 50% of two largest refineries (in Plock and in Gdansk). POC is to be privatized first with 30% of its shares sold to Polish investors and 40% to Polish citizens at the market value. State Treasury will hold the remaining 30%, or they will be sold to large international financial institutions.
In the second stage, foreign investors will be offered the remaining 50% of shares in Plock and Gdansk refineries. After acquisitions, these investors will be offered an additional 30% of shares in Naftohurt and up to one half of all petrol stations belonging to CPN. Other Polish companies active in Polish market will be able to acquire the remaining 40% of shares in Naftohurt.

**Headline:** Polish Plans for Oil and Tobacco

**Source:** *Privatisation International August 1993*

### Czestochowa Steel Mill

**Activity Date:** 4 1996

Wieslaw Kaczmarek, the privatization minister, announced that two investors have expressed interest in the Gdansk Shipyard. One is from Daewoo, the South Korean conglomerate, which is considering a holding company to include the more modern Gdynia and Szczecin yards. The plan of the Gdansk yard would include the sell-offs of the **Czestochowa steel mill** and Cegielski engineering works.

**Headline:** Rocky Times At the Cradle of Freedom

**Source:** *Financial Times April 3, 1996*

### Debica

**Activity Date:** 10 1994

The IPO of the Polish tire manufacturer **Debica** was twice oversubscribed, as the offer of 4,089,546 shares (48.7%) was met with orders for 8,271,117 shares. The shares had a nominal value of Plz80,000 ($3) and the Ministry of Privatization set the equilibrium price at Plz220,000 ($9.6). The company's employees are being offered 1,381,454 shares (16.4%) at Plz80,000 ($3). The remaining 34.9% of the enterprise has been retained by the Ministry and may be sold to a strategic investor.

**Headline:** Parliament overrules Walesa's veto

**Source:** *Privatisation International October 1994*

**Activity Date:** 11 1995

Government negotiations to sell its stakes in the **Debica** and Stomil Olsztyn tire manufacturers have led to a trading



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Government negotiations to sell its stakes in the **Debica** and Stomil Olsztyn tire manufacturers have led to a trading suspension of the companies' shares for a second straight day. Debica was partially privatized in 1994 but the state treasury still owns a 33% stake with a $166m market value. The government still holds a 69% stake in Stomil Olsztyn after last year's public offering, but it is seeking to reduce its share to 25%. Olsztyn's market capitalization is $274m.

**Headline:** Polish Tyre Makers' Shares Suspended

**Source:** *Financial Times November 30, 1995*

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**Deposit and Credit Bank**

**Activity Date:** 1995

Of the six remaining state-owned banks, Bank Gdanski is the only one scheduled to be privatized. The current plan calls for selling a 66% stake before the end of the year. The **Deposit and Credit Bank** has decided to forego merging with Zachodni, Pomorski and Powszechny banks and instead plans to seek a strategic partner.

**Headline:** Poland

**Source:** *Eastern European Monitor November 1995*

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**DT Centrum**

**Activity Date:** 1996

Despite some calls for less haste in the privatization program, planned privatizations of enterprises such as the Ruch newspaper distribution network and the **DT Centrum** chain of urban department stores will continue as planned.

**Headline:** Polish Privatization Plan Survives Cabinet Changes

**Source:** *Financial Times February 8, 1996*

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**Elzab**

**Activity Date:** 3 1994

It was reported in March that the British firm, Metric Components, was unsuccessful in its attempt to purchase **Elzab**, a Polish mainframe computer manufacturer.

**Headline:** Go East Young Company

**Source:** *Financial Times March 8, 1994*

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**Fabryka Kuchni "Wronki"**

**Activity Date:** 8 1993

The Polish Ministry of Privatization has issued an Invitation to Negotiate to all qualified parties interested in the purchase of at least 10% of the shares in **Fabryka Kuchni "Wronki"**, located in the city of Wronki, 60 km north-west of Poznan. The company is the largest producer and exporter to the EEC, free-standing cookers (ranges). Up to 20% percent of the company's shares will be offered to its employees on a preferential basis. Business Analysts and Advisers, Ltd. is advising the sale.

**Headline:** Invitation to Negotiate

**Source:** *Financial Times August 27, 1993*

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**Fabryka Narzedzi Chirurgicznych (Chifa)**

**Activity Date:** 11 1992

In November of 1992 it was reported that an 80% share of Poland's Fabryka Narzedzi Chirurgicznych (Chifa) had been sold to Aesculap of Germany, for approximately DM 4 million ($2.6 million), with plans for future investment of DM 21.7 million ($14 million) over the next five years. Chifa manufactures medical instruments, employing 700, and had sales of nearly DM 10 million ($6.5 million) in 1991.

**Headline:**

**Source:** *Eastern Eur Rep 11/9/92*

## Fabryka Samochodow Osobowych (FSO)

**Activity Date:** 3 1992

In March 1992, FSO of Poland entered into a joint venture with General Motors of America to build the Opel Astra and Vectra automobiles. GM paid US$75 million for a 70% share, while a second, separate joint venture under discussion with FSO could generate an additional investment of US $400 million in Poland by 1996.

**Headline:**

**Source:**
*EBRD 3/9/92*

**Activity Date:** 1995

Sobieslaw Zasada Centrum (SCZ), a Mercedes dealer, purchased 51% of the shares in the **Jelcz** truck and bus manufacturer for $5m. SCZ also committed itself to $55m in investment in the company over the next three years. Jelcz employees will have the option of buying up to 20% of the company's shares while the government will place 5% of the shares in a re-privatization reserve. SCZ will have also have a 5 year option of purchasing the remaining 24% of Jelcz's shares. This marks the first occasion that the Polish government has made use of a "golden share", which gives it the right to veto or change the scope of the company's activity. Jelcz made profits of $6.8m on sales of $93.7m in 1994.

The Ministry of Industry also announced that an agreement had been signed with Daewoo, the Korean automotive company, regarding its acquisition of a controlling interest in **Fabryka Samochodow,** a car and truck manufacturer. Daewoo plans to make 50,000 cars and 40,000 vans annually at the Polish plant. The total investment value is expected to be $350m.

The public offer of shares in the **Polish Development Bank** (PBR) met with limited success due to the current stagnation in the Polish stock exchange. Only 6.5% of the 2 million available shares were purchased.

**Headline:**
First Golden Share Used in Poland

**Source:**
*Privatization International April 1995*

**Activity Date:** 1995

As part of its expansion in Poland, General Motors is seeking to enlarge its alliance with **Fabryka Samochodov Osobowych** (FSO), the Polish state-owned car manufacturer. GM is currently studying a number of possible plans for the future development of FSO, including improvements to the Polonez car model, replacing the Polonez model with other models, and increasing assembly capacity in Poland. GM has also expressed interest in purchasing a large stake in FSO's assembly operations, though exact plans must be first negotiated with the Polish government.

**Headline:**
GM Proposes Expanded Role in Poland

**Source:**
*Financial Times May 4, 1995*

**Activity Date:** 3 1995

The Ministry of Industry also announced that an agreement had been signed with Daewoo, the Korean automotive company, regarding its acquisition of a controlling interest in **Fabryka Samochodov,** a car and truck manufacturer. Daewoo plans to make 50,000 cars and 40,000 vans annually at the Polish plant. The total investment value is expected to be $350m.

**Headline:**
First Golden Share Used in Poland

**Source:**
*Privatization International April 1995*

**Activity Date:** 8 1995

Daewoo has signed a letter of intent with the Polish Minister of Industry to privatize the Warsaw-based **Fabryka Samochodow Osobowych (FSO)**. FSO is one of the two largest car makers in Poland, with present employment of 20,000, sales in 1994 of $679m, and a net value of $10m. According to the terms of the letter, Daewoo would purchase 60% of FSO's shares, 10% would be acquired by Pol-Mot, the Polish importer of Daewoo's cars, the state would retain 15%, and 15% will be distributed to employees. Daewoo is expected to invest $1.1bn in the company over five years.

**Headline:**
Daewoo Makes 3rd Polish Investment

**Source:**
*Privatisation International September 1995*

**Activity Date:** 11 1995

Daewoo, the South Korean automaker, has signed an agreement to buy a controlling stake in the Polish state-owned automaker, **Fabryka Samochodow Osobowych** (FSO). The agreement commits Daewoo to invest $1.12bn over the next six years in FSO. Finalization of the deal is subject to approval from the Korean government and the Polish

next six years in FSO. Finalization of the deal is subject to approval from the Korean government and the Polish antimonopoly office. Sixteen other carmakers, including General Motors, had been negotiating with FSO. Daewoo is expected to initially acquire a 10% stake and later will buy an additional 60% stake, the remaining stake will be split equally between the government and the companies employees.

**Headline:**
Daewoo to Buy Control of Auto Maker in Poland

**Source:**
*Wall Street Journal November 11, 1995*

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**Fabryka Wagonów PAFAWAG Ltd.**

**Activity Date:** 2 1994

A tender for the sale of shares in the Polish rail vehicles factory **Fabryka Wagonów PAFAWAG Ltd.** was announced in February. The Ministry of Privatisation will accept bids for the acquisition of at least 10% of the shares, although it will reserve 20% for the company's employees and 5% will be deposited in the State Treasury to make restitution payments.

**Headline:**
Invitation to Tender

**Source:**
*Financial Times February 2, 1994*

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**Fat-Wroclaw**

**Activity Date:** 5 1992

In May it was announced that bids were invited for at least 10% shares in Fat-Wroclaw, a producer of manual and numerically controlled latches. The company had a turnover of $13.7 in 1991. Twenty per cent of the shares will be reserved for workers on preferential terms.

**Headline:**

**Source:**
*PE 5/92*

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**FSM**

**Activity Date:** 6 1992

In June 1992, Fiat and Poland's FSM entered into a car manufacturing joint venture, representing the largest privatization in Poland so far, and the second largest foreign investment in Eastern Europe next to the Volkswagon-Skoda joint venture. Fiat has agreed to contribute 90% of the $200 million in the new venture's equity, with the Polish government contributing the remaining 10%. Fiat has also plans to invest a further $830 million over the next five years.

The venture, managed by a consortium headed by Credit Suisse First Boston, will employ 18,500 people manufacturing a vehicle called the Cinquecento, and will increase FSM's capacity by 50%.

**Headline:**

**Source:**
*PI 6/92*

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**Gdansk Shipyard**

**Activity Date:** 4 1996

The government has announced that it will sell its 60% majority stake in the **Gdansk Shipyard**, famous as the sight of the Solidarity strikes against the former Communist regime in 1980. The shipyard's employees hold the remaining 40%. The shipyard's creditor, Bank Handlowy, refused to initiate debt reduction proceedings and wanted full government guarantees for further loans as a result of the shipyard's financial difficulties. The Gdansk yard had more than $136m in debts last year, and will need immediate financial support of $100m.

The Privatization Ministry is preparing a report for the future of the **Gdansk Shipyard** that includes finding an investor or closure. Analysts estimate that 2,100 of the yard's 7,300 workers may be laid off.

**Headline:**
Polish Government Proposes Sale of 60% Stake in Gdansk Shipyard

**Source:**
*Financial Times March 30, 1996*

**Activity Date:** 4 1996

The Privatization Ministry announced that two investors have expressed interest in the **Gdansk Shipyard**. One of these is Daewoo, the South Korean conglomerate, which is considering creating a holding company that will also include the more modern Gdynia and Szczecin yards.

**Headline:**

**Source:**

**Headline:**
Rocky Times At the Cradle of Freedom

**Source:**
*Financial Times April 3, 1996*

**Activity Date:** 4 1996

The government denied a Polish newspaper report that it agreed to sell a large stake in its shipyards to Daewoo Heavy Industries Ltd. of South Korea and a O.J. Libaek & Partners AS, a shipping brokerage firm.

**Headline:**
Poland Denies Shipyard Deal

**Source:**
*Wall Street Journal April 4, 1996*

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## Goplana

**Activity Date:** 2 1994

A joint venture agreement has been worked out after a set of controversial events surrounding the privatization of Polish Poznan-based confectionery, **Goplana.** The company's self-management council blocked the Nestle bid for the Swiss confectionery after the government announced that Nestle was to be Goplana's partner. The vote was later overruled by a meeting of employee delegates after Nestle made a last minute offer to guarantee the jobs of the 2,300 employees at Goplana for 36 months, give them 10 percent of the joint venture stock, as well as a Zl 61 million (approx. $3,000) bonus payment, and a 30% wage raise back-dated to September 1. Goplana controls a 15% share of Poland's confectionary market and is the last major state producer in the sector up for sale.

Nestle has gained control of **Goplana**, the Polish sweets manufacturer, through an agreement concluded in January. Nestle will have a 47% stake with an investment of $43 million. The Polish Treasury also holds 47%, but plans a share sale by which Nestle will acquire a 51% stake. The sale will take place in 2 years along with the offering of Goplana's remaining state-held equity on the Warsaw stock exchange. Nestle has agreed to finance a 6% share purchase by the firm's employees. E.D. and F. Man, a British commodities broker, and Elite Industries, an Israeli choclate concern, lost out in their efforts to control Goplana.

**Headline:**
Nestle Makes Last Minute Bid For Goplana

**Source:**
*PlanEcon October 27, 1993*

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## Gorazdze

**Activity Date:** 7 1993

In so far the largest transaction in 1993, the Belgian Cimenteries CBR has acquired 30% in a modern cement plant Gorazdze and 42% in obsolete Strelce Opolske for DM 90 million. CBR will obtain an additional 21% of shares in Gorazdze and 38% in Strelce for DM 55 million in 1997, if it will fulfill its investment commitments. Another 30% of shares in Gorazdze are expected to be sold through an IPO. A commitment of an additional DM 72 million for marketing and DM 11 million for environmental protection was made by Belgians for the next five years. Interestingly, an offer from Gorazdze's employees, who could have had support from Polish Development Bank and Polish-American Enterprise Fund, was turned down. International Finance Corporation was the lead adviser in this transaction.

**Headline:**
Polish Plans for Oil and Tobacco

**Source:**
*Privatization International August, 1993*

**Activity Date:** 1995

Poland's Ministry of Privatization began the initial public offering of **Gorazdze**, a cement plant, last month. The price for each of the 1,929,072 shares, representing 26.1% of the total shares available, will be determined by the highest price at which the largest number of shares is sold. Investors offering lower prices will not receive any shares. The minimum price has been set at $8.23 for 10 shares. This IPO is the last step in a four stage process which began in July 1993, when the Belgian company, CBR, acquired 2,220,000 shares, or 30% of the company's equity. In the autumn of 1993, employees were granted shares equal to 10% of the company's equity free of charge. In addition, they were offered 3.9% of the shares at half price. The state has retained 5% of the shares for a re-privatization reserve. If this last stage is successful, Gorazdze will be fully privatized.

**Headline:**
Gorazdze Offer

**Source:**
*Privatization International June 1995*

### Gornoslaskie Zaklady Piwowarskie Spolka Akcyja

**Activity Date:** 11 1995

The Polish Ministry of Privatization is offering stakes of at least 10% in the beer, soda, and water producer, **Gornoslaskie Zaklady Piwowarskie Spolka Akcyja** to interested bidders. A 20% stake will be reserved for employees and the state treasury will retain a 5% stake. The firm has production facilities in Zabrze, Rybnik, Siemianowice, Bytom, Czecstochowa, and Raciborz. Offers must be submitted by December 4.

**Headline:**
Announcement

**Source:**
*Financial Times November 17, 1995*

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### H.S.G. Hortensja

**Activity Date:** 5 1992

Price Waterhouse IPG prepared an information memo and valuation of **H.S.G. Hortensja**, a soda lime giftware manufacturer. Negotiations are underway with a California-based firm.

**Headline:**

**Source:**
*PW/IPG Staff*

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### H.S.G. Jelima Gora

**Activity Date:** 5 1992

Price Waterhouse IPG recommended a trade sale for **H.S.G. Jelima Gora** a consumer glass manufacturer, to a manufacturer who can develop a replacement product or market, and negotiations with foreign (Indian) investors underway. the deal is currently stalled for political reasons.

**Headline:**

**Source:**
*PW/IPG Staff*

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### H.S.G. Tarnow

**Activity Date:** 12 1993

Price Waterhouse IPG prepared an information memo and valuation for **H.S.G. Tarnow**. The handmade and automatic soda lime glassware manufacturer is awaiting authorization to tender for sale, which does not appear likely at this stage.

**Headline:**

**Source:**
*PW/IPG Staff*

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### H.S.G. Zawiercie

**Activity Date:** 5 1992

Price Waterhouse IPG is preparing an information memo and valuation for **H.S.G. Zawiercie**, a mouth blown lead crystal (stemware) manufacturer. The company is now bankrupt and liquidation procedures are underway.

**Headline:**

**Source:**
*PW/IPG Staff*

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### H.S.K. Violetta

**Activity Date:** 12 1993

Price Waterhouse IPG prepared an information memo and valuation for **H.S.K. Violetta**, a handmade lead crystal manufacturer. The company will be privatized as part of Poland's mass privatization program.

**Headline:**

**Source:**
*PW/IPG Staff*

## H.S.O. Kunice

**Activity Date:** 5 1992

Price Waterhouse prepared an information memorandum and valuation for **H.S.O. Kunice,** a glass manufacturer. PW/IPG helped market the company and also reviewed the submitted bids. Sale negotiations with bidding parties began in January, 1994. The company was sold to the St. Cobain group of France in October 1994.

**Headline:**

**Source:**
*PW/IPG Staff*

## H.S. Orzese

**Activity Date:** 12 1993

Price Waterhouse IPG finalized an information memorandum and negotiating with investors, for the sale of **H.S. Orzese**, an amber bottle, food packaging and medical product manufacturer with a strong balance sheet.

**Headline:**

**Source:**
*PW/IPG Staff*

## HSK Julia

**Activity Date:** 6 1994

Weslon International Inc., a US firm purchased the assets of **HSK Julia** in June 1994,Poreba/Pieczwice, a crystal plant in Szklarska , for 20 billion PZL ($1 millioni). Management and employees received a social package and employment guarantees for a period of 12 months and a wage increase of 20%. The investor plans to invest $3 million in the areas of production and environmental control. PW/IPG acted as the lead advisor.

**Headline:**

**Source:**
*PW/IPG Staff*

## HSO Sandomierz

**Activity Date:** 1 1993

In 1993, Price Waterhouse structured and negotiated what became the third largest privatization transaction in Poland for **HSO Sandomierz**, a flat glass manufacturer. A new private company, Pilkington Sandoglass Sp zoo, was set up to run the operation. Pilkington of the UK owns 40%, the Polish Treasury 30%, the IFC 15%, and the EBRD holds 15%. The IFC arranged financing for the project from commercial banks through a syndicated loan and the EBRD has promised to take up shares for cash if the valuation of the Treasury contribution is less than 30% of the equity. The project, valued at $171.5 million, is financed by equity of $64.2 million and $107.3 million of debt. The IFC will provide debt of $33.3 million on its own, plus a syndicated loan of $24.5 million. The EBRD will lend the company $34 million and the Polish Development Bank will provide $15.5 million. The transaction represents the introduction of flat glass technology in Poland to replace the sheet glass process which has no more than 4 years of economic value remainiining.

**Headline:**

**Source:**
*PFI 1/8/93*

## Huta Olawa

**Activity Date:** 1995

The Ministry of Privatization will privatize **Huta Olawa**, a zinc, lead and cadmium plant, through an initial public offering. The government will offer 1.35 million shares of Huta at $2.05 per share. Before the floatation, Huta will sell up to 900,000 new shares at the same price, with 180,000 offered to employees, 90,000 to management, and the remaining shares sold to the public. Huta dominates the domestic market despite having only 133 employees. Sales for 1994 totaled $11.9m with after-tax profits of nearly $1m. Polish firms EVIP and Misters Auditors are serving as advisers.

**Headline:**
Poland to Privatise First Metal Plants

**Source:**
*Privatisation International November 1995*

**Huta Szkla Jaroslaw**

**Activity Date:** 2 1994

In February, Owens-Illinois of the U.S. led a consortium which included the Polish American Enterprise Fund to purchase 36% of **Huta Szkla Jaroslaw**, a glass works in Poland for $3.35 million. The consortium also agreed to a cash contribution of $14 million for working capital purposes. The transaction, worth approximately $65 million, is the first part of a plan to increase ownership to 75% and a loan commitment from the EBRD of $43 million. At least $25 million of the loan will be used for capital expenditures over the next 5 years. The consortium intends to expand the plant's capacity to meet demand in both eastern and western markets.

**Headline:**
Glass

**Source:**
*Plan Econ February 16, 1994*

**Hydrobudowa 6**

**Activity Date:** 8 1993

In August, the Polish Ministry of Privatization announced an invitation to negotiate the purchase of shares in Hydrobudowa-6 S.A. The company focuses on long-distance underground construction and installation as well as pipelines for transmission of gas and fluids. It is also involved in the construction of transportation systems, industrial and public building. Interested investors are invited to bid for at least 10% of the share capital. A separate share offering of up to 20% is being made available to the company's employees on a preferential basis.

**Headline:**
Tender Invitation

**Source:**
*Financial Times August 31, 1993*

**Activity Date:** 10 1994

The construction firm **Hydrobudow 6** was sold to a group including German construction companies Bilfinger and Berger Bauaktiengesellschaft as well as the Polish Development bank. The consortium paid $8m for 80% of the Polish firm's shares, while the remaining 20% are to be offered to the enterprise's employees at half price. The foreign buyers pledged to maintain the company's 1,500 person workforce for the next three years, and also committed to additional investment in Hydrobudow.

**Headline:**
Parliament Overrules Walesa's Veto

**Source:**
*Privatisation International October 1994*

**Janikosoda**

**Activity Date:** 1995

Two state-owned sodium refiners, **Janikosoda** and Matwy, copper refiner KGHM, and metals trader Mostostal are expected to be sold soon. Janikosoda and Matwy may seek strategic private sector partners in December while Mostostal has already gained permission for Poland's first Global Depository Receipt issue.

**Headline:**
Poland

**Source:**
*Business Monitor International November 1995*

## Jelcz

**Activity Date:** 3 1995

Sobieslaw Zasada Centrum (SCZ), a Mercedes dealer, purchased 51% of the shares in the **Jelcz** truck and bus manufacturer for $5m. SCZ also committed itself to investing $55m in the company over the next three years. Jelcz employees will have the option of buying up to 20% of the company's shares while the government will place 5% of the shares in a re-privatization reserve. SCZ will have also have a 5 year option of purchasing the remaining 24% of Jelcz's shares. This marks the first occasion that the Polish government has made use of a "golden share", which gives it the right to veto or change the scope of the company's activity. Jelcz made profits of $6.8m on sales of $93.7m in 1994.

**Headline:**
First Golden Share Used in Poland

**Source:**
*Privatization International April 1995*

## Jotes-Lodz

**Activity Date:** 5 1992

In May it was announced that bids were invited for at least 10% shares in Jotes-Lodz with 20% of shares being reserved for workers on preferential terms. This Lotz-based producer of grinding machines showed a 1991 rise in sales of 60% to ^6.8 million.

**Headline:**

**Source:**
*PE 5/92*

## Kalisz Food Concentrates Winiary

**Activity Date:** 7 1995

The Swiss foods group Nestle has teamed with Poland's largest bank, Bank Handlowy, to purchase a 55% stake in **Kalisz Food Concentrates Winiary**, Poland's leading food processor. Nestle and Handlowy paid $75m for 45% and 10% stakes, respectively.

**Headline:**
Nestle Ends Up with 45% of Polish Group

**Source:**
*Financial Times July 27, 1995*

## Katowice steel company

**Activity Date:** 3 1996

The government has some big businesses up for sale: the Polish State Railways (PKP), the Polish Power Grid (PSE), the Telekomunikacja Polska phone company, the **Katowice steel company**, the Petrochemia Plock oil refinery, and the KGHM Polska Miedz copper complex.

**Headline:**
Targeting Investment to Poland

**Source:**
*Global Finance March, 1996*

## KGHM

**Activity Date:** 1995

Two sodium refiners, Janikosoda and Matwy, copper refiner **KGHM** and metals trader Mostostal are expected to undergo privatization soon. Janikosoda and Matwy may seek strategic private-sector partners in December while Mostostal has already gained permission for Russia's first global depository receipt issue.

**Headline:**
Poland

**Source:**
*Eastern European Monitor November 1995*

**Activity Date:** 3 1996

The government is likely to choose an advisor for the sale of a stake in the **KGHM Polska Miedz** copper firm at the end of March. Twelve Polish-foreign consortia and a Polish law firm have made offers. Up to 15% of KGHM will be offered in the form of global depository receipts on international markets and 10% on the Warsaw stock exchange.

**Headline:**
News Round-up

**Source:**
*Central European March 1996*

**Kieleckie Zaklady Wyrobow Papeirowych**

**Activity Date:** 7 1995

David S. Smith, a British paper and packaging firm, has paid $15m to acquire a 75% stake in **Kieleckie Zaklady Wyrobow Papierowych** (KZWP), a state-owned Polish packaging manufacturer. KZWP, which holds an estimated 30% of the Polish market, had profits of $3.7m and sales of $38.1m last year. Smith plans to increase salaries by 35% and has agreed to maintain the current staff for 27 months. Smith also plans to invest $12m over the next three years to improve the company's production.

**Headline:**
UK Paper Group Makes Acquisition in Poland

**Source:**
*Financial Times July 1, 1995*

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**Kolbuszowska Fabryka Mebli**

**Activity Date:** 10 1992

In October 1992, it was announced that Poland's Privatization Ministry wanted to privatize Kolbuszowska Fabryka Mebli in Kolbuszowce as part of its "express" program. The state-owned enterprise, which manufactures furniture, has 506 employees.

**Headline:**

**Source:**
*PlanEcon*
*10/28/92*

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**Komobex**

**Activity Date:** 9 1993

Komobex, a Chestochova-based building and construction enterprise, will soon be purchased for
Zl 45 billion ($2.3 million) by another construction services company, Exbud. Exbud plans to invest an additional Zl 10 billion ($511,000) in Komobex.

**Headline:**
Exbud Plans to Buy Komobex

**Source:**
*Plan Econ September 15, 1993*

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**Koninskie Przedsiebiorstwo Handlowe**

**Activity Date:** 10 1992

In October 1992, it was announced that Poland's Privatization Ministry wanted to privatize the Koninskie Przedsiebiorstwo Handlowe in Konin as part of its "express" program. The state-owned enterprise, which deals in retailing of food products, alcohol, and household goods, has 155 employees.

**Headline:**

**Source:**
*PlanEcon*
*10/28/92*

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**Korgaz**

**Activity Date:** 10 1995

The government of Poland announced the privatization of the liquid gas bottling plant **Korgaz**. A 47% stake was purchased by British Petroleum for $7.9m and another 47% stake was purchased, with assets paid in kind, by the State Treasury. The remaining 6% stake was offered to the company's 93 employees without charge. The company had profits of $44,000 on sales of $4.1m in 1994. BP is expected to contribute $250m in new investment to build a nationwide network of up to 120 petrol stations.

**Headline:**
BP Buys Gas Bottling Plant

**Source:**
*Privatisation International October 1995*

### Kostrzyn Paper Mill (Kostrzynski Zakladi Papernicke)

**Activity Date:** 10 1993

The Polish government sold the **Kostrzyn paper mill**, the country's sixth largest paper producer, for a symbolic $40 to the Swedish company Trebruk. Despite the virtual giveaway, the Swedish purchaser had to commit to repaying the plant's remaining Zl180 ($9 million) debt. During the course of negotiations that lasted for over a year, over 500 local creditors forgave the Zl 275 billion ($13.8 million) worth of debts owed by Kostrzyn. The Swedish company has also promised to improve the plant's environmental facilities in return for a write-down of another Zl 100 billion ($5 million) in payments and fines to the environmental authorities. Trebruk has promised to invest $55 million in Kostrzyn, of which $32.7 million will be provided by the European Bank for Reconstruction and Development. Kostrzyn is owed Zl 150 billion ($7.5 million) in unpaid bills which are regarded to be unrecoverable. Punder, Volhard, Weber and Axster--a German company, and PIC engineering advised the Ministry of the sector on the sale.

**Headline:**
Kostrzyn Sold for Only $40

**Source:**
*Plan Econ October 13, 1993*

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### Krakszklo

**Activity Date:** 12 1993

Price Waterhouse IPG provided privatization assistance to **Krakszklo**, a mirror glass manufacturer. The bids for this SOE are under evaluation and awating a government decision. The transaction includes a debt/equity swap.

**Headline:**

**Source:**
*PW/IPG Staff*

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### Krosno

**Activity Date:** 10 1995

On July 28, the government of Poland sold an 11.3% stake, or 375,000 shares, in **Krosno** glass plants to Arnold & S Bleichroeder for $6.4m. The shares were offered on the Warsaw stock exchange in the first transaction carried out via off-session trading rather than as an initial public offering. Additional transactions of this kind are expected soon.

**Headline:**
BP Buys Gas Bottling Plant

**Source:**
*Privatisation International October 1995*

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### Kujawy

**Activity Date:** 7 1995

France's Lafarge Coppee, the world's second largest cement producer, has purchased Poland's **Kujawy** cement plant for $46m. The Polish plant currently has 10% of the Polish market for cement sales. Lafarge is expected to invest $45m to modernize and increase the capacity of the plant.

**Headline:**
Lafarge Buys $46m Polish Plant

**Source:**
*Financial Times July 18, 1995*

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### Lech Browary Wielkopolski

**Activity Date:** 8 1994

**Lech Browary Wielkopolski**, the Polish brewery, had its IPO of 665,950 shares (19.2%) postponed from late July until autumn. The Minister of Privatization hopes for a higher share price due to the fimr's higher sales and profits resulting from increased beer demand over the summer.

**Headline:**
Tobacco plans prove controversial

**Source:**
*Privatisation International*

## Leg Power and Heat Station

**Activity Date:** 11 1993

November 25 is the closing date for the four foreign utilities short-listed in a tender for 49% of the equity in the Leg power and heat station near Krakow. The privatization is being treated as a pilot project by the World Bank, which has promised to lend $120 to finance several environmental and technical enhancement proposals. The city of Krakow is to hold 25percent, while the employees will be alowed to purchase up to 10 percent. the world bank is to give $15 million to be spent by Krakow city on improving the heat sistribution system in the area, which is 50% served by Leg. Pro Invest, a Polish consulting company, is advising the Privatization Ministry on the project.

**Headline:** No Decision on Leg Short List

**Source:** *Plan Econ November 10, 1993*

## Lodz

**Activity Date:** 10 1993

Societe Generale, along with EBRD and Campagnie Generale des Eaux, have arranged an Ecu 320 million project loan to a joint-venture, established by the City of Lodz, to help finance **a sewerage treatment plant.** The plant, with total capacity of 450 cu m per day, will be jointly owned by the Lodz City Council and Campagnie Generale des Eaux. Further details on the project are expected to be released soon.

**Headline:** Cash for Lodz Sewerage Plant

**Source:** *Project Finance International October 1, 1993*

**Activity Date:** 10 1994

Following its decision to allow privatization in the sugar industry over a veto by President Lech Walesa, the Polish Parliament rejected legislation designed to maintain a state monopoly in the tobacco sector. As a consequence, privatization of the **Augustow** and **Lodz** tobacco factories is expected to begin later in 1994 with all tobacco enterprises to be in private hands by the end of 1995.

**Headline:** Parliament overrules Walesa's veto

**Source:** *Privatisation International October 1994*

## LOT

**Activity Date:** 1996

Approximately 90 large state-owned firms are scheduled for privatization this year, including prominent companies such as the airline **LOT**, the mining concern KGHM and the engineering group Polimex-Cekop.

**Headline:** Moderates Gain from Mud-Slinging

**Source:** *Eastern European Monitor February 1996*

**Activity Date:** 4 1996

The list of offers for controlling and majority stakes continues to grow, with the airline **LOT** and Powszechny Bank Kredytowy (PBK) about to appoint sale advisors, while white goods maker Polar and retailers Pewex and Ruch about to follow mining group KGHM in setting provisional sale dates. The first two power distributors for the cities of Poznan and Gliwce are also being prepared for sale this year.

**Headline:** Social Sell-Off Plans Take Shape

**Source:** *Eastern Europe Monitor April 1996*

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Trying to improve its reputation for efficient privatization, the government has revised its bank consolidation plans to deny charges of "renationalization." The pre-privatization merger into two groups is now expected to apply only to the remaining state-owned banks, permitting BPH to join PBK and Bank Zachodni in privatizing independently. This merger plan will be delayed, but will stay as close as possible to the end-1996 deadline set by the IMF as a condition for earlier bank-restructuring assistance.

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1996

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**Source:** *Eastern Europe Monitor, April 1996*

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**macro**

**Activity Date:** 1995

Poland's government approved a plan to privatize the oil industry by converting oil companies into state-owned joint stock companies before restructuring and modernizing the firms. The government will retain a stake in CPN, the national gas distributor.

**Headline:** Poland Advances Oil Sell-off

**Source:** *WSJ July 21, 1995*

## Macro Article

**Activity Date:** 8 1994

Next year's proceeds from privatization are expected to be double this year's estimated $525 million total, according to the Polish government. Bank privatization, expected to bring in $350 million, will contribute the majority of the revenue. Capital privatization between Polish industries and strategic investors should earn $150 million. The beginning of the mass privatization program and offers in 460 enterprises, should also bring in additional revenue. Despite these optimistic government forecasts, Prime Minister Waldemar Pawlak appears to believe privatization efforts should be slowed. In July, the Prime Minister ordered a review of 105 companies earmarked for inclusion in the mass privatization initiative. He suggested that the program was not ready to start and complained that Polish capital has a majority stake in only one out of 15 funds which will manage the privatized companies.

**Headline:**
Industry News Briefs: Poland

**Source:**
*PlanEcon August 31, 1994*

## major highways

**Activity Date:** 8 1995

The government of Poland has allowed for private investors to bid for three **major highways** that will serve as a main link for Europe's highway system. The government has opened 729 miles of the 1,550 miles available to private bidders, with the remaining stretches to be privatized later. Private investors will finance and run the highways for up to 20 years, and will be paid back from toll collections. The first auction is expected to take place next month.

**Headline:**
Poland Opens Highway Bidding

**Source:**
*Wall Street Journal August 29, 1995*

## Matwy

**Activity Date:** 1995

Two sodium refiners, Janikosoda and **Matwy,** copper refiner KGHM and metals trader Mostostal are expected to undergo privatization soon. Janikosoda and Matwy may seek strategic private-sector partners in December while Mostostal has already gained permission for Russia's first global depository receipt issue.

**Headline:**
Poland

**Source:**
*Eastern European Monitor November 1995*

## Mefta Mikolow

**Activity Date:** 9 1993

Elektrim, a private foreign trader specializing in power and telecommunications equipment, holds a 26% share in Mefta Mikolow, a power equipment producer.

**Headline:**
Elektrim and EDB Buy Into BFK Concern

**Source:**
*Plan Econ September 29, 1993*

## Mefta Transformer Plant

**Activity Date:** 1 1993

**Mefta Transformer** was acquired by a consortium of AEG and Elektrim, a Polish international trade company listed on Poland's Stock Exchange. The two firms bought 60% of the shares (AEG taking 51% and Elektrim 9%) for $2.2 million. The 400 employees may purchase 20% of the shares at half price, and the State Treasury will keep the other 20%. Elektrim has a 27 month option to subscribe for the Treasury's stake at a price equal to net book value minus the dividend, but not less than $65 a share. If Elektrim does not benefit form this option, the consortium has a five-year option to purchase the shares pro rata to the initial acquisition. The two enterprises have agreed to invest $4 million over the next three years and to maintain present employment for one year.

**Headline:**

**Source:**
*PI 1/93*

## Mimet

**Activity Date:** 9 1993

Polish construction services company Exbud has purchased Mimet, a company which produces ventilation and sanitary equipment.

**Headline:**
Exbud Plans to Buy Komobex

**Source:**
*Plan Econ September 15, 1993*

## Mostostal

**Activity Date:** 4 1992

In April 1992, an eighty percent share in Poland's Mostostal Export was sold through a public offer of shares (40%) and sale to a corporate investor (40%). The price per share was 180,000 zl.

**Headline:**

**Source:**
*PI 4/92*

**Activity Date:** 1995

Two sodium refiners, Janikosoda and Matwy, copper refiner KGHM and metals trader **Mostostal** are expected to undergo privatization soon. Janikosoda and Matwy may seek strategic private-sector partners in December while Mostostal has already gained permission for Russia's first global depository receipt issue.

**Headline:**
Poland

**Source:**
*Eastern European Monitor November 1995*

## Nafta Polska

**Activity Date:** 4 1996

The first oil sector privatizations may occur soon if regulators approve plans to create a national oil company. If approved, **Nafta Polska** will own 33% of the national retail gasoline network, CPN, and 51% of wholesale fuel distributor, Ciech. Nafta Polska will initially take over the seven state-owned oil refineries which will share the remaining 66% of CPN's equity, with the sale of 30% stakes to foreign investors is expected to start before the end of the year.

**Headline:**
While Privatization Plans Grow

**Source:**
*Eastern Europe Monitor March 1996*

## National Investment Funds

**Activity Date:** 9 1993

The Polish Minister of Privatization announced a tender to select firms to manage the assets of National Investment Funds. Western firms are expected to conclude fund management agreements with the Funds. The assets of the Funds will comprise 60% of the shares in designated companies established as a result of transformation of state-owned enterprises. The Funds will be important economic entities, competing with each other. Their shares will be publicly traded on the Warsaw Stock Exchange. It is expected that the Funds will be fully privatized by the end of 1994. During 1994 all interested citizens of the Republic of Poland together with certain groups of entitled persons will receive share certificates, which will give their holders the right to exchange them for the State Treasury's shares in the Funds. The deadline for submitting tender proposals to the Technical Secretariat of the Selection Commission is 17.00 hours on 30th November, 1993.

**Headline:**
Tender Invitation

**Source:**
*The Wall Street Journal September 17, 1993*

## Novita

**Activity Date:** 9 1993

The management of Novita, a floor covering factory in Zielona Gora, bought an 80% share of the Polish state-owned company for Zl 40.8 billion ($2 million). It promised to increase investment in the company by $3 million by the end of 1997. The 693 employees of the company will be offered the remaining 20% share. Novita's before-tax profits last year were Zl 10.7 billion ($547,000) on sales of Zl 227.5 billion ($11.6 million).

**Headline:**
Novita Sells to Management

**Source:**
*Plan Econ September 15, 1993*

## Odra

**Activity Date:** 10 1992

In October, 1992, it was announced that the Privatization Ministry of Poland was accepting bids for a minimum 51% stake in the Odra cement company. The International Finance Corporation is advising on the transaction.

**Headline:**

**Source:**
*Plan Econ*
*10/28/92*

## Okocim

**Activity Date:** 2 1994

The German brewing and soft drink company, Brau und Brunen has taken a 25% share in **Okcim**, a Polish brewery, for $20 million. The Polish firm has a well recognized brand name and an 8% market share

**Headline:**
Polish Brewery Purchased

**Source:**
*Financial Times February 9, 1994*

**Activity Date:** 4 1996

Carlsberg, the Danish brewer, purchased a 31% stake equaling 7 million shares in the **Okocim Brewery** for $51m. This stock issue by Okocim dislodges Brau und Brunnen of Germany as the strategic investor.

**Headline:**
Carlsberg Enters Poland

**Source:**
*Financial Times April 13, 1996*

## OLZA

**Activity Date:** 10 1992

In October 1992, the Polish Privatization Ministry announced that a minimum 10% stake in the OLZA biscuit factory would be privatized through a sale of shares. OLZA has 800 employees and had sales of $21 million in 1991. Central Europe Trust is managing the sale.

**Headline:**

**Source:**
*PlanEcon*
*10/14/92*

## Opole power station

**Activity Date:** 10 1993

National Power International, the British power station operator, plans to participate in the privatization of the new **Opole power station**, located near the Czech frontier. The coal powered plant, when completed, will have six 360 MW generators. Work is currently being finished on the second. Once finished, it will be the country's third largest generator after Kozienice and Belchatow, both are located in Central Poland.

**Headline:**
British Interest in Polish Power

**Source:**
*Plan Econ October 7, 1993*

## Opolwap

**Activity Date:** 9 1993

Elektrim, a private foreign trader specializing in power and telecommunications equipment, has recently bought into Opolwap, a lime producer.

**Headline:**
Elektrim and EDB Buy Into BFK Concern

**Source:**
*Plan Econ September 29, 1993*

## Orbis

**Activity Date:** 10 1992

In October 1992 it was announced that the Polish hotel management and tourism company Orbis would be transformed into a state holding company, restructured, and eventually privatized.

**Headline:**

**Source:**
*PlanEcon*
*10/14/92*

## Ostroleka

**Activity Date:** 9 1993

The public sale of shares of the Ostroleka meat factory, which was to begin on September 6, was dropped after the Solidarity organization protested the decision and demanded that the Ministry of Privatization wait for the result of the September 19 election before moving ahead. In addition, the unions argued that the price of Zl 115,000 ($5.80) was too low. Another meat factory, Sokolow Meat Works, privatized earlier this year, is quoted on the Warsaw stock exchange and has reached Zl 340,000 ($17.3), giving it a 43 price to earnings ratio.

**Headline:**
Ostroleka Sale Dropped

**Source:**
*Plan Econ September 15, 1993*

## Ozarow (cable manufacturer)

**Activity Date:** 9 1993

Ozarow, the main telecommunications cable producer in Poland and the most modern plant in the sector, is still on offer. Management of the plant is reluctant to sell the plant to a strategic investor and it will most likely be privatized through a public share offer. Another factory for sale in the sector is the Krakow Cable Factory. It is being handled by Bain & Co.

**Headline:**
Elektrim and EDB Buy Into BFK Concern

**Source:**
*Plan Econ September 29, 1993*

## Ozarow (Cement)

**Activity Date:** 9 1993

Poland's Exbud, one of the first five companies that has been privatized through a public share offer, is planning to buy the Ozarow cement works, the most modern state-owned company in the sector. The bid for Ozarow is to be made jointly with the Polish Development Bank. Exbud's share price has reached Zl 925,000 ($47.3) on the Warsaw stock exchange, giving it a price to earnings ratio of 14.5.

**Headline:**
Exbud Plans to Buy Komobex

**Source:**
*Plan Econ September 15, 1993*

**Activity Date:** 9 1995

In Poland, a 40% stake in the holding company, **Cement Polski**, was sold to CRH of Ireland for $9.6m plus $37.3m in loan financing. In addition, Cement Polski, has purchased a 75% stake in **Cementownia Ozarow** for $57.6m. Cementownia Ozarow had profits of $11.7m in 1994 and is expected to reach $13.2m this year.

Cementownia Ozarow had profits of $11.7m in 1994 and is expected to reach $13.2m this year.

The government of Poland has announced that it may float the country's largest and most modern cement works, **Ozarow**, unless its trade unions end their opposition to a direct bid currently being negotiated. Cement Polski, a local company composed of the power and telecommunications company Elektrim, the Bank Slaski, and the Irish construction and building materials group CRH, is trying to obtain a stake in Ozarow but is facing conflicts with the union regarding employment and wage conditions. Ozarow currently provides 14% of the domestic cement market and had net profits of $11.8m last year on sales of $63.77m.

**Headline:**
CRH Buys Polish Cement Stake

**Source:**
*Financial Times October 18, 1995*

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**PAK**

**Activity Date:** 9 1993

The Minister of Privatization, on behalf of the State Treasury of the Republic of Poland, has invited interested parties with proven experience in the packaging manufacturing industry to register and pursue their interest in acquiring at least 10% of the shares of Pakpol S.A. Employees of the company will be given the opportunity to acquire up to 20% of the shares at preferential rates. Replies to the offer are due on September 24, 1993.

**Headline:**
Invitation to Negotiations

**Source:**
*Financial Times September 7, 1993*

**Activity Date:** 3 1996

The Polish Industry Ministry will choose an advisor for the privatization of **Patnow-Adamow-Konin** (PAK), which provides 10% of the country's power. This sale, along with the sale of two regional distributors, ZE Gliwice and ZE Posnan, is the foundation for the privatization of the entire Polish power industry over the next seven years.

**Headline:**
Poland Plans Power Sell-off over 7 Years

**Source:**
*Financial Times March 13, 1996*

**Activity Date:** 4 1996

**PAK**, the largest electricity generator, has invited bids for a 20% stake that should be decided upon by the end of March.

**Headline:**
While Privatization Plans Grow

**Source:**
*Eastern Europe Monitor March 1996*

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**Petrochemia Plock oil refinery**

**Activity Date:** 3 1996

The government has some big businesses up for sale: the Polish State Railways (PKP), the Polish Power Grid (PSE), the Telekomunikacja Polska phone company, the Katowice steel company, the **Petrochemia Plock oil refinery**, and the KGHM Polska Miedz copper complex.

**Headline:**
Targeting Investment to Poland

**Source:**
*Global Finance March, 1996*

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**Philips Lighting Farel-Mazury**

**Activity Date:** 4 1996

The Dutch multinational Philips formed two joint ventures with the Treasury, which will contribute assets of two liquidated lighting fixture manufacturers. Philips has become the strategic investor in **Philips Lighting Farel-Mazury** after beating five other competitors, buying a 60% stake for $3.6m. Philips committed itself to invest $6m over the next three years and to increase wages immediately by 35%. For Philips Lighting Bielsko, Philips has committed itself to invest $6.7m within the next three years. These deals are Philips' fourth and fifth investments in Poland.

**Headline:**
Polish Lighting

**Source:**
*Privatisation International April 1996*

**PKO SA**

**Activity Date:** 11 1995

Foreign investors are upset by the government of Poland's plan to consolidate its remaining stakes in two banks into two other state-owned banks. The state's 47% stake in Bank Przemyslowo Handlowy (BPH) is expected to be transferred to state-owned Bank Handlowy. The state's 63% stake in Polski Bank Rozwoju (PBR) is expected to be transferred to state-owned bank **PKO SA**. In 1997, the government plans to begin to privatize the groups by selling a 20% stake in Bank Handlowy and PKO SA .

**Headline:**
Poland to Give BPH Stake to Rival

**Source:**
*Financial Times November 30, 1995*

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**Polam Wilkasy**

**Activity Date:** 9 1993

Polish Electrim, a trading company specializing in telecommunications and power generating equipment, is negotiating the purchase of an 80% share of Polam Wilkasy, a state-owned lighting equipment producer in the Suvalki province. Electrim is also planning to bid for Bydgoska Fabrika Kabli, a cable producer, and is soon to announce a public sale of stock in Mostostal Warszawa, which it acquired at the end of 1990. In addition, Electrim recently formed part of a consortium with Bank Zachodni and Turow power station to purchase the Opolwap lime works. Another indication of Electrim's active role in the Polish marketplace is the fact that it will soon ask its shareholders to split its 3 milllion shares, trading at a record Zl 1.345 million ($68,000) in the Warsaw stock exchange, reportedly to increase their attractiveness.

**Headline:**
Electrim to Ask Shareholders for Share Split

**Source:**
*Plan Econ September 15, 1993*

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**Polam-Myslakowice Sp.z.o.o.**

**Activity Date:** 10 1993

The Ministry of Privatization announced an invitation for negotiations to purchase shares in **Polam-Myslakowice Sp.z.o.o.**, a producer of electrical porcelain and other electrical installation accessories (fuse-carriers, fuse-bases). Investors are invited to purchase at least 10% of the shares. Twenty percent of the shares will be offered to the employees of the company, according to the privatization law. The company's sales in 1992 totaled 84 billion zlotys ($4.2 million). Interbank S.A. is advising the Polish Government on the sale.

**Headline:**
Invitation to Negotiations

**Source:**
*Financial Times October 1, 1993*

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**Polgaz**

**Activity Date:** 7 1993

AGA of Sweden has purchased 70% of the equity in **Polgaz** for $4.9 million, the rest was sold to both management/employee groups and Liquid Carbonic of the USA. The Swedish firm committed itself to increasing its investment by $53.8 million over the next 5 years and agreed to maintain the present employment level for 18 months, with a reduction in labor no greater than 10% in the following 8 month period. The combined transactions were valued at more than $185 million.

**Headline:**
Big Demand for Vistula and Sokolow

**Source:**
*Privatisation International July 1993*

**Activity Date:** 8 1993

The German firm Linde has purchased a 70% stake in Polgaz company of Pszczyna and Polgaz of Mielec for $16.1 million and promised to invest another $33.2 million in the

1993

Polgaz of Mielec for $16.1 million and promised to invest another $33.2 million in the two companies over the next five years. The two companies account for 23% of the total sales of the Polgaz consortium. Last year Mielec earned $9.8 million from sales and Pszcyna earned $7.6 million.

**Headline:**
Business/Company News Briefs

**Source:**
*Plan Econ August 18, 1993*

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**Polifarb Cieszyn**

**Activity Date:** 12 1992

In December 1992, it was announced that the largest Polish paint manufacturer, Polifarb-Cieszyn, would be privatized before the end of the year. The equity is expected to be offered to domestic investors.

It was also reported in December that the public share offer of Polifarb would be delayed, due to protests from the trade unions at the plant. The unions are holding out for the right to purchase up to 20% of the privatized firm at half-price as promised under Polish privatization law, instead of 4.8% as planned in the current agreement.

**Headline:**

**Source:**
*PI 12/92*

**Activity Date:** 12 1992

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**Headline:**

**Source:**
*PI 12/92*

**Activity Date:** 2 1993

Investors showed little interest in the Privatization Ministry's sale of shares in Polifarb Cieszyn, the Polish government's first public offering in over a year. The shares are priced at $5.40 (Zl 90,000) each. Forty-eight percent of the firm's equity has been reserved for small shareholders, 32% was to be sold to investors buying 1,000 or more shares, and 20% is reserved for the workforce. Polifarb had a profit of $4.5 million last year. The company supplies lacquers to an FSM car plant recently acquired by Fiat.

**Headline:**

**Source:**
*PE 3/3/93*

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**Polish Development Bank**

**Activity Date:** 1995

The public offer of shares in the **Polish Development Bank** (PBR) met with limited success due to the current stagnation in the Polish stock exchange. Shares were originally offered at $10.80 each, but the price was lowered to $8.30 after one week due to low initial interest. Despite this, only 6.5% of the 2 million available shares were purchased.

**Headline:**
First Golden Share Used in Poland

**Source:**
*Privatization International April 1995*

**Activity Date:** 3 1995

Sobieslaw Zasada Centrum (SCZ), a Mercedes dealer, purchased 51% of the shares in the **Jelcz** truck and bus manufacturer for $5m. SCZ also committed itself to $55m in investment in the company over the next three years. Jelcz employees will have the option of buying up to 20% of the company's shares while the government will place 5% of the shares in a re-privatization reserve. SCZ will have also have a 5 year option of purchasing the remaining 24% of Jelcz's shares. This marks the first occasion that the Polish government has made use of a "golden share", which gives it the right to veto or change the scope of the company's activity. Jelcz made profits of $6.8m on sales of $93.7m in 1994.

The Ministry of Industry also announced that an agreement had been signed with Daewoo, the Korean automotive company, regarding its acquisition of a controlling interest in **Fabryka Samochodov,** a car and truck manufacturer. Daewoo plans to make 50,000 cars and 40,000 vans annually at the Polish plant. The total investment value is expected to be $350m.

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**Headline:**
First Golden Share Used in Poland

**Source:**
*Privatization International April 1995*

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**Polish Oil Company (POC)**

**Activity Date:** 1995

The Polish Government is planning to privatize the **Polish Oil Company (POC)** during 1995. During the first stage, the oil refineries and distribution networks will be restructured so as to make the actual sales easier. In the second stage, the refineries will be privatized in tenders in which foreign investors could participate. These strategic investors will be permitted to buy 20-30% of the shares and would have to commit to modernization investments. After this, the investors will have the option to purchase even more shares in the company. It is estimated that between 1995 and 1998 the Polish oil sector will need $2.5bn worth of investments in order to modernize. The plan envisions that a good part of the money raised in the privatization can be used for this purpose. This program has been on the block for 2 years now, and it may be further delayed as the trade union of the gas distribution company are against the breakup of their company.

**Headline:**
Poland To Sell Oil, Tobacco, and Power

**Source:**
*Privatization International March 1995*

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**Polish Power Grid (PSE)**

**Activity Date:** 3 1996

The government has some big businesses up for sale: the Polish State Railways (PKP), the **Polish Power Grid** (PSE), the Telekomunikacja Polska phone company, the Katowice steel company, the Petrochemia Plock oil refinery, and the KGHM Polska Miedz copper complex.

**Headline:**
Targeting Investment to Poland

**Source:**
*Global Finance March, 1996*

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**Polish State Railways (PKP)**

**Activity Date:** 3 1996

The government has plans to businesses up for sale: the **Polish State Railways (PKP)**, the Polish Power Grid (PSE), the Telekomunikacja Polska phone company, the Katowice steel company, the Petrochemia Plock oil refinery, and the KGHM Polska Miedz copper complex.

**Headline:**
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**Source:**
*Global Finance March 1996*

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**Headline:**
Targeting Investment to Poland

**Source:**
*Global Finance March, 1996*

**Polmo Praszka Joint-Stock Company**

**Activity Date:** 9 1993

The Ministry of Privatization in September invited potential investors to purchase at least 50% of Polmo-Prazska shares. The company specializes in manufacturing mechanical components for the car and truck industry. These components include air-braking systems, air and oil pumps, suspension springs and aluminum and zamac castings. Polmos-Praszka's activity is on the rise and is profitable. Its turnover is Zl 360 billion ($18 million). Bids for the purchase of company's shares should be submitted by September 16, 1993. DORIES Consultants of France are assisting with the sale.

**Headline:**
Invitation to Tender

**Source:**
*Financial Times September 3, 1993*

**Activity Date:** 1995

The Polish Ministry of Privatization announced the public offering of 10% of the share capital of **POLMO Praszka Joint-Stock Company**, a manufacturer of automotive equipment. A 20% stake will also be offered to employees of the company while a 5% stake will be retained by the State Treasury.

**Headline:**
Republic of Poland

**Source:**
*Financial Times May 5, 1995*

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**Polopren**

**Activity Date:** 8 1992

**Polopren**, a leading Polish foam manufacturer, was sold to Greiner AG of Austria in a joint venture transaction worth more than $12 million. Greiner will assume all of Polopren's debt and will own approximately 75% of the joint venture company's shares. Polopren serves the automotive, furniture, and garment industries in Poland.

**Headline:**

**Source:**
*PW/IPG Staff*

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**Polska Kompania Naftowa (PKN)**

**Activity Date:** 7 1993

Poland has revealed a draft plan to privatize its petroleum refining and distribution system. The privatization scheme would allow foreigners to invest in the modernization of Poland's petroleum industry. The plan would create a holding company, **Polska Kompania Naftowa** (PKN), which would own shares in the industry's firms. It is estimated that the petroleum industry in Poland will need at least $2.5 billion to become competitive. The two refineries at Gdansk and Polck are the most attractive enterprises in Polish petroleum.

**Headline:**
Oil Privatisation Plans Aired

**Source:**
*Project Finance International July 23, 1993*

## Polska Miedz

**Activity Date:** 10 1993

The European Bank for Resconstruction and Development declared an interest in privatizing the Polish copper producer, **Polska Miedz**; however, prospects for the combine's privatization remain unclear. The unions have opposed the sale of the shares to foreign investors and have forced the government to promise that a majority of equity will remain in the state's hands. According to Anthony Kevin, Australia's ambassador to Poland, the Western Mining Corporation of Australia, which dropped efforts to establish a joint venture with Polska Miedz last March, had been prepared to invest $500 million in the combine. Polska Miedz needs to invest up to $400 million in its mines and another $400 million in its smelting operation to reduce costs and remain competitive in world markets. Last year the plant reported a Zl 1,100 billion ($55 million) net profit which is expected to fall to Zl 240 billion this year.

**Headline:** Plans Halted For Polish Copper Producer

**Source:** *Plan Econ October 27, 1993*

**Activity Date:** 2 1996

The government of Poland is expected to choose a short list of investment banks that will manage the privatization of the copper producer **Polska Miedz** by the end of February. A final choice of managers will be made shortly thereafter. Thirteen consortia submitted proposals on February 2, including groups led by Goldman Sachs, SBC Warburg, and CS First Boston. Polska Miedz controls 5% of world copper reserves and made an estimated $176.5m to $196.5m profit on sales of $1.48bn last year. According to the privatization ministry, after the initial public offering, global depository receipts representing approximately a 15% stake will be offered in international markets, a 10% stake will be reserved for domestic markets, and 15% will be offered to employees.

**Headline:** Banks to Be Picked for Plum Polish Sell-Off

**Source:** *Financial Times February 12, 1996*

## Polski Bank Rozwoju (PBR)

**Activity Date:** 11 1995

Foreign investors are upset by the government of Poland's plan to consolidate its remaining stakes in two banks into two other state-owned banks. The state's 47% stake in Bank Przemyslowo Handlowy (BPH) is expected to be transferred to state-owned Bank Handlowy. The state's 63% stake in **Polski Bank Rozwoju** (PBR) is expected to be transferred to state-owned bank PKO SA. In 1997, the government plans to begin to privatize the groups by selling a 20% stake in Bank Handlowy and PKO SA .

**Headline:** Poland to Give BPH Stake to Rival

**Source:** *Financial Times November 30, 1995*

## Polski Handel Spozywczy Spolka Akcyjna

**Activity Date:** 10 1995

The Polish Ministry of Privatization is soliciting bids for **Polski Handel Spozywczy Spolka Akcyjna**, a wholesale and retail trader of consumer goods. The firm operates a network of wholesalers and retail outlets throughout Poland. The Ministry is reserving a 5% stake for the state and offering up to 20% to the employees. The minimum bid the ministry will accept from other interested parties is for a 10% stake.

**Headline:** Invitation to Negotiations

**Source:** *Financial Times October 24, 1995*

## Pomorskie Furniture

**Activity Date:** 4 1992

In April 1992 an 80% share in Pomorskie Furniture was sold to the German company Klose Sitzmobelwerke for DM 3.8 million. The remaining shares will be sold to the firm's employees. The German company has agreed to invest DM 7 million over the next five years.

**Headline:**

**Source:**

## Ponar-Zywiec

**Activity Date:** 5 1992

In May it was announced that bids were invited for at least 10% shares in Ponar-Zywiec, Poland's leading producer of injection-moulding machines and plastic presses. Based in Zywiec, the company had sales of $9.2 million in 1991. A stake of 20% will be reserved for workers on preferential terms.

**Headline:**

**Source:**
*PE 5/92*

## Poultry Firm of Kutno

**Activity Date:** 2 1993

The Poultry Firm of Kutno will be leased from the Treasury by employees (75% of shares) and farmers (25%).

**Headline:**

**Source:**
*PE 2/3/93*

## Power Plants

**Activity Date:** 1995

The Polish Government has announced that it would like to privatize the nation's power generating and distribution facilities. This is expected to attract both foreign and domestic capital to help pay the estimated $13bn-$15bn needed to upgrade the existing system. **Patnow-Adamow-Konin (PAK)** is expected to be the first plant sold under this scheme. However, critics are skeptical of thie plan for PAK because the Privatization Ministry has had difficulties privatizing the LEG power generating plant in Krakow ever since the tender opened up in 1991.

**Headline:**
Poland To Sell Oil, Tobacco, and Power

**Source:**
*Privatization International March 1995*

## Powszechny Bank Kredytowy

**Activity Date:** 3 1996

The Polish cabinet relaxed a 30% limit and allowed foreigners to buy majority stakes in two commercial banks to be privatized within two years: **Powszechny Bank Kredytowy** of Warsaw and Bank Zachodni of Wroclaw.

**Headline:**

**Source:**

## Przebsiebiorstwo Wyrobow Tytoniowych w Augustowie S.A.

**Activity Date:** 1 1996

Poland's Ministry of Privatization announced the sale of strategic share holdings in the tobacco company **Przebsiebiorstwo Wyrobow Tytoniowych w Augustowie S.A.** to BATIG Gmbh (BAT Group). Deutsche Morgan Grenfell advised the Ministry of Privatization on the transaction.

**Headline:**
The Ministry of Privatization of the Republic of Poland

**Source:**
*Financial Times January 23, 1996*

## Przedsiebiorstwo Produkcji Lesnej Las

**Activity Date:** 10 1992

In October 1992, the Polish Privatization Ministry announced that it intended to privatize the Przedsiebiorstwo Produkcji Lesnej Las through its "express" program. The food-processing company employs 120 people and is located in Miedzyrzec Podlaski.

**Headline:**

**Source:**
*PlanEcon*
*10/28/92*

## PZT Telecom company and Teletra

**Activity Date:** 4 1993

It was announced that the Spanish firm Alcatel planned to buy an 80% share of PZT Telekom company and Teletra. The remainder of the shares were to be offered to employees on a preferential basis. To date, Alcatel has paid over $37 million for its shares and has promised to invest $60 million in the next 6 years. Alcatel has agreed to use $10 million to train the workforce and to maintain all social payments currently made by Telekom and Telektra

**Headline:**

**Source:**
*PE 4/14/93*

## Rafako Industrial Boiler Manufacturer

**Activity Date:** 1 1993

A large employee buyout took place in January as the Polish Ministry of Privatization sold 50% of Rafko Industrial Boiler Manufacturer to Rafako, a company founded by the plant's employees. The employee owned company agreed to invest $15 million over five years and to keep the employment level constant for the next three years. Management purchased 5% of the shares, and 20% will be offered to all employees at half price. The remaining 25% of the shares will be held by the state treasury, which is considering floating them sometime in the next 2 years.

From FT 1/14/93
The Polish state-owned power-boiler manufacturer Rafko was bought out by workers and management. Rako operates modern plants, is debt free, and had sales of $31.7 million - 20% which was in export markets. Fifty percent of the firm will be purchased for $4.6 million by a holding company owned by its employees. Managers will control another 5% and individual workers will purchase another 20% stake. The remaining 25% will be privatized in a public offering.

**Headline:**

**Source:**
*PI 2/93 p. 4, FT 1/14/93*

## Rafamet

**Activity Date:** 5 1992

In May it was announced that bids were invited for at least 10% shares in Rafamet, a lathe producer with sales of $14.2 m in 1991.

**Headline:**

**Source:**
*PlanEcon 5/92*

## Rockwool Polska

**Activity Date:** 7 1993

Rockwool International of Denmark and Izolacja Construction Insulation Company have formed a joint venture company called **Rockwool Polska**. The new firm's capital is $40.8 million. The Polish state treasury contributed Izolacja in kind for 49.5% of Rockwool Polska's shares. Rockwool International took 29.5% and the Danish Investment Fund for Central and Eastern Europe has 21%. The new enterprise will receive a $20.8 million loan from the European Bank for Reconstruction and Development. Rockwool Polska will most likely increase annual mineral wool output and introduce more environmentally sound techniques.

**Headline:**
Big Demand for Vistula and Sokolow

**Source:**
*Privatisation International July 1993*

## Rolimpex

**Activity Date:** 6 1994

Despite earlier statements by the Privatization Ministry indicating a reduction in the price of shares in the state-owned agricultural goods import and export company, **Rolimpex**, the public offering of 50% of the equity opened in June at the original minimum price of 300,000 zlotys per share. The Ministry cited their desire to avoid contributing to falling prices as the motive for their action.

**Headline:**
Rolimplex Offer Returns to Original Price

**Source:**
*Financial Times July 5, 1994*

**Activity Date:** 8 1994

**Rolimpex**, the Polish tobacco firm, had its IPO extended and additional two weeks. The limit on share orders was increased from 4,000 to 20,000.

The privatization of Rolimpex, made possible by the national legislature's decision to end the state monopoly in the tobacco sector, has been completed. The tobacco vote followed legislation passed in August that overruled President Lech Walesa's veto of privatization in the sugar industry. The Ministry of Privatization reported that Rolimpex was privatized as 598,000 shares (15%) were sold to a company formed by the firm's employees and 399,200 shares (10%) were purchased by an enterprise formed by management. Though no other details were released it is believed that both companies had to pay Plz300,000 ($13) per share - the same price asked in a previous, unsuccessful IPO of Rolimpex shares. Rolimpex employees are currently purchasing 20% of the firm's shares at half price. The remaining stake in the tobacco firm will remain with the State Treasury which will allocate 5% of the total to the reserve for re-privatization claims. Shares in Rolimpex may be floated on the Warsaw Stock Exchange before the end of 1994.

**Headline:**
Tobacco Plans Prove Controversial

**Source:**
*Privatisation International August 1994*

## Rozalia

**Activity Date:** 9 1992

Minex purchased 80% of the shares in **Rozalia**, an unprofitable company in the glass sector, for 1.5 billion zloty (about $130,000) in September 1992. The deal included guarantees to keep the existing labor force for 12 months and to invest 1.6 billion zloty. The valuation was performed by Arnold Hill, a UK consulting and accounting firm, before IPG became the advisor of the Polish Ministry for Privatization in the glass sector.

**Headline:**

**Source:**
*PW/IPG Staff*

## Ruch newspaper distribution network

**Activity Date:** 1996

Despite some calls for less haste in the privatization program, planned privatizations of enterprises such as the **Ruch newspaper distribution network** and the DT Centrum chain of urban department stores will continue as planned.

**Headline:**
Polish Privatization Plan Survives Cabinet Changes

**Source:**
*Financial Times February 8, 1996*

## San

**Activity Date:** 3 1994

Poland's last state-owned biscuit maker, **San**, was purchased by McVitie's, a United Biscuits subsidiary. McVitie's paid $27 million for an 80% share of the Polish firm and plans to increase the firms capital by $9.4 million this year. Another $11.76 million will be invested over the next two years. San is being prepared for listing on the Warsaw stock exchange in the next nine months and the expected $9.4 million capital investment could be raised on the polish financial market. San reported earnings of $.2.7 million last year.

McVitie's, which beat out RJR Nabisco, Pepsico Inc. and the French based BSN group, is also active in the Hungarian market.

**Headline:**
Poland's Biscuit Market Crumbles to McVitie's

**Source:**
*Financial Times March 16, 1994*

### Skawina Confectionery Plant

**Activity Date:** 7 1993

Bahlsen of Germany took over Skawina Confectionery Plant, paying $10.2 million for 80% of the firm's equity. The remaining 20% will be offered to the company's employees at half price. The German firm committed itself to an investment of $15.9 million by the end of 1996, a wage increase of 20%, and has also agreed not to release any laborers for the next two years.

**Headline:** Big Demand for Vistula and Sokolow

**Source:** *Privatisation International July 1993*

### Sokolow Meat Plant

**Activity Date:** 7 1993

The July public offering of **Sokolow Meat Plant** was a success as all shares offered to small investors were subscribed in one day. The orders of large investors will have to be reduced as a result. Sokolow's new capital structure will be as follows: large investors (3,000+ shares) will hold 35%, small investors 25 %, and 40% will be offered at half price to the company's employees. The IPO share price worked out to about 65,000 zloty, or about $4.

**Headline:** Big Demand for Vistula and Sokolow

**Source:** *Privatisation International July 1993*

### Stalexport

**Activity Date:** 10 1994

The Polish Ministry of Privatization announced that demand for shares of steel producer **Stalexport** exceeded supply during its recent IPO. The firm offered 5,004,618 shares (60%) and 28,971 investors subscribed for 5,853,400. Each share had a nominal value of Plz100,000 ($4.30) and sold at the minimum price set by the Ministry of Privatization, Plz340,000 ($14.80). Employees of Stalexport have the option to purchase 20% of the firm's shares at half price with the State Treasury holding the remainder. State-owned bank Przemyslowo-Handlowy was lead manager of a consortium that included 19 banks and brokerage houses.

**Headline:** Parliament overrules Walesa's veto

**Source:** *Privatisation International October 1994*

### Stocznia Gdanksa S.A.

**Activity Date:** 4 1996

The Privatization Ministry issued an invitation to purchase a 10% stake in **Stocznia Gdanska S.A.** The government will reserve a proportion of the shares of the company for eligible employees and a further proportion as a general reserve against reprivatization.

**Headline:** Invitation to Negotiate

**Source:** *Financial Times April 2, 1996*

### Stomil Olsztyn

**Activity Date:** 1995

Government negotiations to sell its stakes in the Debica and **Stomil Olsztyn** tire manufacturers have led to the trading suspension of the companies' shares for a second straight day. Debica was privatized in 1994 but the state treasury still owns a 33% stake with a $166m market value. The government still owns a 69% stake in Stomil Olsztyn after last year's public offering, but it is seeking to reduce its share to 25%. Olsztyn's market capitalization is $274m.

**Headline:** Polish Tyre Makers' Shares Suspended

**Source:** *Financial Times November 30, 1995*

**Activity Date:** 12 1995

The Polish government sold a 52% stake in it its largest tire maker, **Stomil Olsztyn SA**, to Groupe Michelin, a French company, for $112m. Michelin also promised a further $150m in investment over four years.

**Headline:**

**Source:**

French Firm to Take Stake Of 52% in Polish Tire Firm *Wall Street Journal December 4, 1995*

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**Swiecie Paper Mill**

**Activity Date:** 12 1992

In December 1992, the Polish Privatization Ministry announced that the Swiecie Paper Mill would be privatized, hoping that its sale would bring the 1992 revenue target to Zl 4,000 billion by the end of the year, from Zl 3,000 billion at the end of November. Swiecie has just completed the financial and environmental audit stage by an anonymous investor.

**Headline:**

**Source:**
*PlanEcon*
*12/9/92*

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**Szczecin Shipyard**

**Activity Date:** 1 1993

Ten million shares of Szczecin Shipyard were sold in January at $4.50 per share. The firms three largest creditors, Bank Handlowy, PKO BP, and Bank Gdanski, along with the Polish Development Bank, subscribed for 30% of the shares. Thirty percent was taken by the enterprises employees and 9% by the company's management. Sixteen percent of the firms equity will remaining with the state treasury, but 6% can be offered to companies that wish to help finance the shipyard's production.

The privatization is the result of efforts to restructure the shipyard's $126 million debt (interested payments included). Most of Szczecin's debt was acquired when the Soviet market collapsed in 1990 and Soviet customers failed to pay for $185 million of vessels that had already been delivered. An agreement has been reached with 1,600 of the shipyard's creditors to reduce the firm's debt by one-third.

**Headline:**

**Source:**
*PI 2/93 p. 4*

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**SZPT**

**Activity Date:** 1 1993

Unilever, of Great Britain and Holland, will buy 70% of the Polish state-owned food processor SZPT. The deal is worth $25 million. The Anglo-Dutch firm will assume SZPT's liabilities, of almost $20 million. Unilever has an option to acquire an additional 10% after one year. Employees will be offered 20%.

**Headline:**

**Source:**
*PE 1/6/93, PI 1/93*

**Telekomunikacja Polska**

**Activity Date:** 7 1993

The Polish Telecommunications Ministry is contemplating the privatization of Telekomunikacja Polska (TP), the state telecommunications firm. TP is the sole provider of cable telecommunications services and a majority shareholder in two other cellular telecommunications networks. Polish law mandates that only TP can provide international services. Firms with up to 49% foreign ownership may provide long distance, and companies 100% foreign are allowed to provide domestic services.

The first stage of the proposed privatization would be to separate the international network which would continue under TP's supervision. Next, a new enterprise, Telekcomunikacja Krajowa (TK) would be created to take over long distance and local service from TP. Between five and ten percent of TK's shares would be sold in an open international tender. The buyer would have the option to expand its purchase to 30-40% of TK's equity if they agreed to modernize the firm. A public offering is also under consideration.

**Headline:** Big Demand for Vistula and Sokolow

**Source:** *Privatisation International July 1993*

**Activity Date:** 1996

State-owned **Telekomunikacja Polska** will float roughly a 20% stake this year, with the government maintaining control of the domestic fixed network so as to ensure its equal status with potential foreign partners.

**Headline:** Moderates Gain from Mud-Slinging

**Source:** *Eastern European Monitor February 1996*

**Activity Date:** 1996

The telecommunications minister has indicated that the government will privatize up to 49% of **Telekomunikacja Polska** over the next two years, although it has yet to decide whether to offer shares to strategic investors or sell them via the Warsaw Stock Exchange. In 1995, the telephone company earned a net profit of $315m on net sales of $1.9bn. The company also forecasts a sharp increase in the number of installed lines and subscribers.

**Headline:** Poland to Sell 49% of State Telecom Group

**Source:** *Financial Times February 2, 1996*

**Activity Date:** 3 1996

The government has some big businesses up for sale: the Polish State Railways (PKP), the Polish Power Grid (PSE), the **Telekomunikacja Polska phone company**, the Katowice steel company, the Petrochemia Plock oil refinery, and the KGHM Polska Miedz copper complex.

**Headline:** Targeting Investment to Poland

**Source:** *Global Finance March, 1996*

**Activity Date:** 4 1996

The government announced that it will sell a 49% stake in **Telekomunikacja Polska** (TPSA) within two years, which will likely include a strategic partner taking at least half the stake.

**Headline:** While Privatization Plans Grow

**Source:** *Eastern Europe Monitor March 1996*

## Telfa SA

**Activity Date:** 11 1992

In November 1992, AT&T's European division acquired 80% of Poland's Telfa SA public shares for $28 million. AT&T plans to invest a further $45 million over the next six years, and will soon increase its capital in Telfa by $7.2 million. Telfa, one of the three major suppliers to Poland's central telecommunications network, is the first Polish telecommunications firm to be privatized. The Polish Telecommunication Ministry has predicted growing telecommunications demand in the Polish market, with estimates of nearly $900 million by 1995.

**Headline:**

**Source:**
*E. Eur Reporter*
*11/23/92*

## Telzas

**Activity Date:** 10 1993

The State Treasury of Poland has issued an invitation to bid for at least 10% of the shares in Telzas Ltd., a Szczecinek power supply equipment producer for public telecommunications. In accordance with the Law on the Privatization of State-Owned enterprises, up to 20% of the shares of Telzas Ltd. will be offered to its employees on a preferential basis. The only manufacturer of such equipment in Poland, Central and Eastern Europe, Telzas sold PLZ 82.5 billion ($4.9 million) worth of equipment in 1992. The deadline for submission of offers is November 4, 1993.

**Headline:**
Invitation to Bid

**Source:**
*Financial Times October 8, 1993*

## Temed SA

**Activity Date:** 3 1994

It was reported in March that the British firm, Metric Components, took control of **Temed SA** a medical concern in Silesia.

**Headline:**
Go East Young Company

**Source:**
*Financial Times March 8, 1994*

## Tobacco Industry

**Activity Date:** 1995

The Polish Economic Committee decided that 5 of the nation's 7 tobacco processing plants are to be privatized during 1995, with the remaining two to be privatized next year. Immediately after the plan has passed the government, a tender will be opened for the smaller plants in **Augustow** and **Lodz**. Later in the year, tenders will be offered for the largest factories in **Poznan, Krakow,** and **Radom**. In each case, in the first stage foreigners would be permitted to purchase only 33% of the shares and would have to commit to modernization investments, wage increases, maintaining employment levels, as well a number of other things. If all these conditions are met, then the foreign company would have the option to purchase a majority holding in the company. Domestic investor would be allowed to bid for more than 33%. The Polish government estimates that the tobacco companies need $500m-$750m in improvements. Several tobacco companies from Europe and the United States have expressed interest in the Polish firms.

**Headline:**
Poland To Sell Oil, Tobacco, and Power

**Source:**
*Privatization International March 1995*

**Activity Date:** 1995

After a long internal dispute among the ruling coalition, the Polish government has decided to privatize 5 of the nation's 7 tobacco processing plants this year, with the remaining two to be privatized next year. Invitations to negotiate the purchase of shares in the smaller plants in **Augustow** and **Lodz** are expected by the end of June while bids for the larger plants in **Poznan**, **Krakow**, and **Radom** are expected by the end of July. In each case, investors, both foreign and domestic, will be permitted to purchase 33% of the companies' equity. Investors would have to commit to modernizing the plants, increasing wages, maintaining employment levels, and using at least 40% Polish tobacco in their production. Failure to comply with these regulations would result in a significant penalty fee. If all of these conditions are met, the investor would then have the option to purchase additional shares up to a 55% holding in the company. Several multinational tobacco firms have already expressed interest in acquiring stakes in the Polish

the company. Several multinational tobacco firms have already expressed interest in acquiring stakes in the Polish plants.

**Headline:**
Tobacco Sell-off Ignited

**Source:**
*Privatization International June 1995*

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**Tobacco Plants**

**Activity Date:** 7 1993

In July, the Economic Committee of the Council of Ministers accepted a project for the privatization of seven tobacco industry enterprises. Each of the seven state-owned tobacco plants has already found a prospective foreign investor: RJR Reynolds (Rodom tobacco plant), Philip Morris (Krakow), Reemtsman (Poznan), House of Prince (Lodz), Rothmans (Lublin), BAT (Augustov), and Japan Tobacco (Radom). Investments of at least $500 million are needed for the industry to start successfully competing in the world market. Foreign partners will be able to buy shares between 10 to 60 percent of each plant. Up to 40% of each plant's shares will be sold to plant workers and tobacco growers. Part of the shares may be sold to the public and on the stock exchange. Five private tobacco plants also operate in Poland under special license. Local production reaches in total about 120 billion cigarettes a year.

**Headline:**
Poland Targets Tobacco Sector

**Source:**
*Plan Econ August 18, 1993*

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**Tobacco processing facilities**

**Activity Date:** 5 1994

The planned privatization of four regional tobacco processing facilities was announced in May by the Ministry of Privatization. This includes the future sale of plants in Krakow, Lublin, Radom and Pozanan, however final approval for privatization is still pending.

**Headline:**
Tobacco

**Source:**
*PlanEcon May 25, 1994*

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**Ursus**

**Activity Date:** 11 1995

The Polish Industry Minister announced that the government would like to privatize the large tractor producer, **Ursus**. The government intends to seek a strategic investor after the it transforms the enterprise into a stock company. Ursus has downgraded its projected output in 1995 from 28,000 units to 18,000 units. Its employees recently went on a two-hour strike protesting a government plan to swap the company's debt for shares.

**Headline:**
Call to Privatize Tractor Group

**Source:**
*Financial Times November 17, 1995*

**Vistula Clothing Company**

**Activity Date:** 7 1993

In spite of an increase in its subscription price, the July public offering of **Vistula Clothing Company** was completed in one day as all shares made available to small investors were purchased earlier this year. The orders of large investors will have to be scaled back as a result of the offerings' success. Vistula's new capital structure is as follows: investors acquiring 5,000 or more shares (large investors) hold 35%, small investors 30%, 15% is reserved for company management, and 20% will be offered to employees.

It was later announced, that Vistula will start trading its stock on the Warsaw stock exchange starting September 30, which will bring the number of stocks traded on the exchange up to 21.

**Headline:**
Big Demand for Vistula and Sokolow

**Source:**
*Privatisation International* *July 1993*

**Warta**

**Activity Date:** 12 1992

In December 1992, it was announced that Poland's second largest insurance firm, Warta, would be further privatized, transferring 30% to new investors. Once the new sale takes place, the company will be 51% in the private sector. Warta earned $12 million before taxes in 1991, on income of $140 million.

**Headline:**

**Source:**
*PI 12/92*

**Activity Date:** 12 1992

In December 1992, it was announced that Poland's second largest insurance firm, Warta, would be further privatized, transferring 30% to new investors. Once the new sale takes place, the company will be 51% in the private sector. Warta earned $12 million before taxes in 1991, on income of $140 million.

**Headline:**

**Source:**
*PI 12/92*

**Activity Date:** 8 1993

Warta, the government owned insurance company specializing in foreign trade insurance, raised its share capital by $1.8 million (Zl 30 bn) and sold the equity to two Polish car importers, Top Car and Buro Mex. The government's stake has been reduced to 48.8%. The two auto importers paid $3.3 million for 15,000 shares in Warta.

Elektrim purchased a 15% stake in Warta in August. The shares were bought for an undisclosed price from Kredyt Bank, which in turn acquired them from Comexim in an exchange for unpaid debts. Currently, the State Treasury owns a 46.2% share in Warta, while over 51% of its equity is in private hands.

**Headline:**
Elektrim and EDB Buy Into BFK Concern

**Source:**
*Plan Econ* *September 29, 1993*

## Wielkopolski Bank Kredytowy (WBK)

**Activity Date:** 11 1992

In November 1992, it was announced that the Wielkopolski Bank Kredytowy (WBK) of Poland would be privatized. WBK would be the first of Poland's nine leading domestic banks to be privatized, but the government's objective is to eventually sell all the others in the next three or four years. Schroders of the UK is managing the transaction, the Allied Irish Bank is providing management assistance in the interim under a three-year contract.

**Headline:**

**Source:**
*FT 11/3/92*

**Activity Date:** 4 1993

The privatization of Poland's Wielkopolski Bank Kredytowy (WBK) was divided up into four tranches. The state treasury will keep a 30% share of the bank's equity, and the European Bank for Reconstruction and Development took up 1.02 million new shares worth $12.7 million (ZL 210bn). Another 460,00 shares priced at $7 (Zl 115,000) each were offered to large investors (those purchasing over 5,000 shares), and 914,000 shares will be offered to the bank's employees at half price. Small investors wishing to purchase between five and 5,000 shares each were then to be allowed to purchase shares depending on the success of the large investor tranche. The results were to be announced in mid-April with the small investor sale taking place a few months later.

In July, the first share of WBK reached the Warsaw Stock Exchange at around $20, three times higher than the subscription price.

**Headline:**
Poland Gears up for Bank Privatisations

**Source:**
*PE 4/14/93*

## Wiepofoma

**Activity Date:** 5 1992

In May it was announced that the government was inviting bids for privatization of Wiepofoma, a Poznan-based manufacturer of customized machining centers. At least 10% of shares will be sold while 20% will be reserved for workers on preferential terms. The company had sales of $7.8 million in 1991.

**Headline:**

**Source:**
*PE 5/92*

## Winiary in Kalisz

**Activity Date:** 9 1993

Winiary in Kalisz, the Polish food processing company, has been turned into a joint-stock company owned by its 1,584 employees. The employees own Zl 68 billion worth of the company's capital while the state-owned Bank Handlowy has invested Zl 12 billion and pledged to invest another $20 million in the plant over the next five years. Voting rights have been weighted to management, which gets five votes per share. The bank gets 2.5 votes per share and each employee-owned share carries one vote. Kraft, owned by Philip Morris of the U.S., had earlier wanted to buy Winiary in Kalisz.

**Headline:**
US Companies Move Into Polish Market

**Source:**
*Plan Econ September 29, 1993*

**Activity Date:** 10 1994

Helmut Maucher, head of the Swiss conglomerate Nestlé, has indicated that his company would like to purchase the Polish food processor **Winiary**. Nestlé acquired a stake in Goplana, a confectionery in Poznan, earlier this year.

**Headline:**
Privatization Briefs: Poland

**Source:**
*Central European October 1994*

## Wizamet

**Activity Date:** 1 1993

Gillette of the US purchased 80% of Wizamet metal products, once the biggest supplier of razor blades in Poland. The shares are worth $1.5 million and Gilitte plans to invest another $7.5 million in modernizing the plant.

**Headline:**

**Source:**
*PE 1/6/93*

**Activity Date:** 1 1993

In January 1993, Gillete of the U.S. acquired 80% of public shares in Wizamet, a Polish metal products company which manufactures razor blades, for $1.5 million. Gillete plans to invest another $7.5 million to modernize the plant.

**Headline:**

**Source:**
*PlanEcon 1/6/93*

## Wojewodzkie Przedsiebiorstwo Przemyslu Miesnego

**Activity Date:** 10 1992

In October 1992, it was announced that Poland's Privatization Ministry wanted to privatize the Wojewodzkie Przedsiebiorstwo Przemyslu Miesnego in Zamosc as part of its "express" program. The state-owned enterprise, which produces and sells meat products, owns eight livestock purchasing units and two pig farms, and employs 1106 people.

**Headline:**

**Source:**
*PlanEcon*
*10/28/92*

## Wytwornia Wyrobow Tytoniowych

**Activity Date:** 2 1996

The German company Reemtsma Cigarettenfabriken GmbH agreed to purchase a 33% stake in Poland's second largest tabacco producer, **Wytwornia Wyrobow Tytoniowych**, for $130m.

**Headline:**
Polish Tabacco Company Stake

**Source:**
*Wall Street Journal February 2, 1996*

## Zaklad Przetworstwa Owocowo-Warzywnego

**Activity Date:** 10 1992

In October 1992, it was announced that Poland's Privatization Ministry wanted to privatize the food-processing state company Zaklad Przetworstwa Owocowo-Warzywnegoi in Terespol as part of its "express" program.

**Headline:**

**Source:**
*PlanEcon*
*10/28/92*

## Zaklady Miesne w Kole

**Activity Date:** 1995

The Ministry of Privatization has invited all interested parties to begin negotiating the purchase of a minimum 10% share of **Zaklady Miesne w Kole**, an agricultural firm. Pursuant to Polish law, the Ministry will preferentially offer up to 20% of the shares to company employees and up to 40% to the company's suppliers. The State Treasury will retain 5% of the shares as a property reserve for the purpose of re-privatization.

**Headline:**
Invitation to Negotiate

**Source:**
*Financial Times April 3, 1995*

## Zaklady Przemyslu Tytonionwego Krakow

**Activity Date:** 3 1996

Philip Morris bought a 33% stake in **Zaklady Przemyslu Tytonionwego Krakow** (ZPT Krakow) for $227m, edging out BAT and RJ Reynolds for Poland's biggest privatization deal. Philip Morris intends to invest an additional $145m over three years to obtain an additional 32% stake in ZPT Krakow.

**Headline:**
Market Makers

**Source:**
*Central European March 1996*

## Zalom Cable Factory

**Activity Date:** 10 1993

The consortium of Elektrim Import-Export Company and Export Development Bank has Commited itself to restructure and take part in privatization of **Zalom Cable factory**, employing 1000 people, which has financial problems. Bain and Co advised the Ministry of Privatization with lawyers Dickinson Wright.

**Headline:**
Flurry of Sales in Uneasy Poland

**Source:**
*Privatisation International October 1993*

## ZPC SAN SA

**Activity Date:** 8 1993

The Polish government is inviting investors to express interest in the biscuit manufacturer, ZPC SAN SA, located in Jaroslaw. The state-owned firm had sales of $16.7 million (304 bln Plz) in 1992 and has 1100 employees. A maximum of 20% equity will be offered to the enterprise's employees on special terms. The announcement is aimed at strategic investors interested in a majority stake.

**Headline:**
Poland Announces Privatization of ZPC SAN SA Biscuit Manufacturer

**Source:**
*Financial Times August 31, 1993*

## ZPT Krakow

**Activity Date:** 1 1996

Poland's ministry of privatization has agreed to sell a 33% stake in **ZPT Krakow**, Poland's largest tobacco factory, to Philip Morris for $227m along with the rights to purchase a further 32% stake after investing an additional $145m over three years. This will be the largest capital transaction by a foreign investor in Poland since 1989.

**Headline:**
Philip Morris in $227m Polish Move

**Source:**
*Financial Times January 31, 1996*

**Activity Date:** 1 1996

Philip Morris reached an agreement with Poland's Minstry of Privatization to buy an initial 33% stake in the tabacco enterprise, **ZPT Krakow**, for $227m. Philip Morris agreed to invest an additional $145m over the next three years, after which it will gain the right to purchase an additional 32% stake.

**Headline:**
Philip Morris to Purchase Polish Tobacco Factory

**Source:**
*Wall Street Journal January 31, 1996*

### ZPT Radomiu

**Activity Date:** 12 1995

The French tobacco company Seita has agreed to pay $64m for a 33% equity stake in **ZPT Radomiu**, the Polish cigarette producer, and invest $40m in the next three years. Seita also has the option to acquire another 32% stake after the initial 3 year period. Deutsche Morgan Grenfell is advising the government while Rothschild and Access, a local firm, are advising Seita.

The French tobacco group Seita has entered into negotiations to purchase the **Radom** tobacco factory, which produces 12.5 billion cigarettes annually and has 13% of the domestic market. The factory is valued up to $100m. Other potential bidders include Philip Morris and Tabacalera, a Spanish tobacco concern.

**Headline:** Seita in Polish Cigarette Deal

**Source:** *Financial Times December 24, 1995*

### ZSI Polam-Szczecinek S.A.

**Activity Date:** 10 1993

The Ministry of Privatization announced an invitation for negotiations to purchase shares in **Zaklady Spretu Instalacyjnego Polam Szczecinek S.A.**, one of Poland's leading manufacturers of electrical installation accessories. Investors are invited to purchase at least 10% of the shares. Twenty percent of the shares will be offered to the employees of the company, according to the privatization law. The company's sales in 1992 totaled 294 billion zlotys ($14.8 million).

**Headline:** Invitation to Negotiations

**Source:** *Financial Times October 1, 1993*

### ZWUT and Elwro

**Activity Date:** 9 1993

In the deal signed on September 23, Siemens bought two telecommunications and electronic equipment producers for $38.5 million. The two companies purchased, ZWUT in Warsaw and Elwro in Wroclaw, have heavy borrowings and thus $30.2 million of the purchase price will go to covering the debt. Siemens has promised to invest $57 million over the next six years.

**Headline:** Siemens Buys Polish Groups

**Source:** *Financial Times September 24, 1993*

### Zywiec

**Activity Date:** 3 1994

The Dutch brewery Heineken NV announced that it will buy 24.9% of **Zywiec**, one of Poland's largest brewers, for $40 million. The move follows the German firm Brau and Brunnen's acquisition of Okocim, another Polish brewery. Heineken has no intention of increasing its stake in Zywiec, which has an 8% share of the Polish market and posted $7 million in earnings last year.

**Headline:** Heineken Brews Deal in Poland

**Source:** *PlanEcon March 16, 1994*

## *Romania*

### 2 Mai

**Activity Date:** 3 1996

Daewoo is set to buy a 51% stake in Romania's largest shipyard on the Black Sea, **2 Mai**, for $53m. Domestic opposition to selling companies in strategic sectors to foreigners has delayed the deal.

**Headline:** Daewoo to Buy Romanian Yard

**Source:** *Financial Times March 15, 1996*

### Agricultural and Food Processing companies

**Activity Date:** 1995

The government has announced that it will sell 51% stakes in 554 companies to international investors for cash and offer 49% of the holdings to Romanian citizens in exchange for the privatization vouchers they previously received. The sale of the 554 companies, mainly concentrated in agricultural and food-processing industries, still requires parliamentary approval. Other similar privatization schemes for 3,351 state-owned enterprises called for 40% of shares to be sold for cash and the remaining 60% exchanged for vouchers.

**Headline:** Romania Expands Selloff Plan

**Source:** *Wall Street Journal November 14, 1995*

### Alum Refinery

**Activity Date:** 3 1996

The Balli Group of the UK will acquire a 51% stake in the **Alum** aluminum factory at Tulcea for $45m. Balli has also secured the right of first refusal from the state privatization agency for the Alor refinery, the Alro smelter, and the Alprom rolling mill. The deal became controversial after it was reported that the president of the state ownership fund opposed the Balli bid.

**Headline:** In Brief

**Source:** *Central European March 1996*

### Animafilm

**Activity Date:** 8 1995

The government of Romania announced that 4,000 state owned enterprises will be privatized. The **Athenee Palace**, one of Bucharest's grand hotels, is considered to be the most glamourous of the state assets. In addition, **Animafilm** cartoon studio and the **Electrecord Records** company were also on the list. Since 1989, Romania has only sold off 18% of its 6,200 state companies. So, in June, the Parliament passed a law in which 60% of shares in state companies will be offered to Romanians in exchange for voucher coupons. The other 40% will be offered to foreign investors.

**Headline:** Romania Draws Up Sell-Off List

**Source:** *Financial Times August 18, 1995*

### Athenee Palace

**Activity Date:** 8 1995

The government of Romania announced that 4,000 state-owned enterprises will be privatized. The **Athenee Palace**, one of Bucharest's grand hotels, is considered the most glamourous of the state assets. In addition, **Animafilm** cartoon studio and the **Electrecord Records** company were also on the list. Since 1989, Romania has only sold off 18% of its 6,200 state companies. In June, the Parliament passed a law by which 60% of shares in state companies will be offered to Romanians in exchange for voucher coupons. The other 40% will be offered to foreign investors.

**Headline:** Romania Draws Up Sell-Off List

**Source:** *Financial Times August 18, 1995*

### Banca Agricola

**Activity Date:** 4 1995

**Banca Agricola**, Romania's majority state-owned bank, is presently launching its second share issue in four years. One million shares are currently being offered with a face value of $2.73 (Lei5,000) each.

**Headline:** Banca Agricola

**Source:** *Central European April 1995*

### Banca Romana pentru Dezvoltare

**Activity Date:** 1995

Credit Commercial de France, the French investment bank, announced that it had been selected to advise on the sale of **Banca Romana pentru Dezvoltare** (BRD), Romania's fourth largest bank and the first to be slated for privatization. Although the state has not yet decided how much of the company is to be sold, it is expected that the European Bank for Reconstruction and Development will take a stake of 15% to 25%. The bank is looking for a Western commercial bank as a strategic partner and a sale of 10% of the equity to employees is likely. The possibility of a domestic public offer is also being considered. Western analysts expect the process to take one year, although Romanian authorities are hoping that it can be completed by the end of the year.

**Headline:** CCF Wins Romanian Bank Sale Mandate

**Source:** *Financial Times May 10, 1995*

### Compresi Borzesti

**Activity Date:** 4 1993

The Romanian state-owned petrochemical firm, Compresi Borzesti, was sold via public offering.

**Headline:** Romania sells firms under pilot scheme

**Source:** *PE 4/14/93*

### Confectia Tirgu Secuiesc

**Activity Date:** 4 1993

Confectia Tirgua Secuiesc, the Romanian textiles firm, had part of its equity sold to 80% of its employees and the remainder was bought through a public offering.

**Headline:** Romania sells firms under pilot scheme

**Source:** *PE 4/14/93*

### Detergents division of Romtensid

**Activity Date:** 10 1995

Procter & Gamble (P&G) of the US has signed a letter of intent to buy the **detergents division of the Romtensid** chemicals plant. P&G has been negotiating this purchase with the State Ownership Fund (SOF), Romania's privatization authority, for over a year. The SOF is being advised by Creditanstalt.

**Headline:** Procter & Gamble Plans Romanian Acquisition

**Source:** *Financial Times October 26, 1995*

### Electrecord Records

**Activity Date:** 8 1995

The government of Romania announced that 4,000 state owned enterprises will be privatized. The **Athenee Palace**, one of Bucharest's grand hotels, is considered to be the most glamourous of the state assets. In addition, **Animafilm** cartoon studio and the **Electrecord Records** company were also on the list. Since 1989, Romania has only sold off 18% of its 6,200 state companies. So, in June, the Parliament passed a law in which 60% of shares in state companies will be offered to Romanians in exchange for voucher coupons. The other 40% will be offered to foreign investors.

**Headline:** Romania Draws Up Sell-Off List

**Source:** *Financial Times August 18, 1995*

## Lufthansa Tarom Airport (Lutas)

**Activity Date:** 10 1992

In October 1992, Lufthansa Tarom Airport (Lutas), a new airport joint venture in Romania was created. Lutas is controlled by a 37% share held by Tarom, the Romanian state airline, Lufthansa Airport Ground Service which holds 25%, Bucharest Otopeni International Airport Administration which holds 13%, and Balaclava of the Netherlands which holds 25%. The new joint venture has been initially capitalized with DM 4 million, and has plans for around DM 8 million in new capital investment. Lutas' primary business will be in airport services such as loading control, communications, baggage, and crew administration. Lutas intends to employ about 400.

**Headline:**

**Source:**
*PlanEcon*
*10/14/92*

## Macro Article

**Activity Date:** 9 1993

The head of Romania's privatization agency, Aurelian Dochia, has resigned adding to uncertainty over the commitment of the left-wing minority government to reform and to speed up privatization. Mr. Dochia said the state had so far sold only 1 percent of the equity of the 6,280 state companies earmarked for privatization, even though the 1991 privatization law stipulated that 10 percent should be sold each year. He suggested to bring the State Ownership Fund, the 70 percent owner of the commercial companies, under government control. The SOF's board has been dominated by members of the ruling Social Democracy Party since last September elections. The party, which includes many senior former communists, has encouraged SOF to give priority to privatization through management or employee buy-outs. The board has allowed the SOF to invest the proceeds in other state enterprises with the aim of giving them a better chance of survival once privatized, however this is not permitted under the 1991 law, according to the opposition.

**Headline:**
A Third Key Reformer Resigns in Romania

**Source:**
*Financial Times September 9, 1993*

**Activity Date:** 9 1993

Romania's Industry Ministry has announced a strategy for the sectoral restructuring of metallurgy for the period 1993 to the year 2002. The plan puts forward steel demand and supply projections, the requirements of domestic markets, export possibilities, the closure and upgrade of operating units, and social safety nets for the unemployed labor force. The recommendation of the Ministry is that the sector be reorganized into a holding company administered by the State Ownership Fund. The plan is to be submitted to the government for approval in October. Recommendations were made by the French company Sfma Sofrestn in a study financed by the European Community Phare program.

**Headline:**
Romania Looks at Metallurgy to 2002

**Source:**
*Plan Econ September 29, 1993*

**Activity Date:** 4 1994

Although the Romanian Government set ambitious goals in its 1991 law on privatization, progress towards the objectives has been slow. According to the legislation, 10% of state-owned assets were to be sold each year. By the end of last year, however, only 1% of Romania's enterprises had passed into private hands.

In January 1994, the government concluded an initial agreement with the International Monetary Fund (IMF). Under this accord Romania has pledged to accelerate its privatization and restructuring initiatives. Lucian Zamfir, the head of Romania's National Privatization Agency (NAP), indicated in an interview with *Privatisation International* (January 1994) that privatization has become a top priority. The organization that Mr. Zamfir directs is only one of four agencies involved in the privatization process, however.

The bureaucracy created to handle the sale of Romania's state assets is quite complex. Mr. Zamfir's NAP, designed with oversight of a pilot privatization program, has been overshadowed by the State Ownership Fund (SOF). The SOF owns 70% of the agencies that are up for privatization, and is charged with administering, restructuring, and preparing for sale 6,000 state-owned enterprises. The remaining 30% of the targeted firms belongs to five regional Private Ownership Funds, which also play a role in the divestiture process. The President of the Council for Economic Coordination and Reform, Mircea Cosea, has recently indicated his desire to become more active in the privatization initiative. A strong advocate of economic reform, Mr. Cosea's influence has not yet been felt. In addition, the creation of a Ministry for Restructuring and Privatization, which would coordinate the activities of the existing privatization bureaucracy, is under consideration. It is hoped that such an entity could speed up the process by centralizing

bureaucracy, is under consideration. It is hoped that such an entity could speed up the process by centralizing privatization operations.

Privatization activity in 1994 continues to be light. Chocolate maker **Poiana-Produse Zacharoase** sold an 82% stake to Kraft Jacobs Suchard of Switzerland in February, but the sale of state shipping company **Petromin** to a group of Greek investors has been cancelled. Though Romania's deal with the IMF provides some incentive to accelerate the privatization program, it is unclear whether this will take place. The IMF agreement could serve to perpetuate the country's tardiness in liberaliation. If the Romanians perceive the fact that they were able to reach an accord with so little progress to show as an indication that they are held to lower standards of accountability, they may see no reason to move more quickly.

**Headline:**
Romanian Privatization: Moving Ahead?

**Source:**
*By Christopher M. Eimas*

**Activity Date:** 8 1994

The Romanian government announced that it would increase the share it will offer in 3,000 companies from 30 to 60 percent. Each citizen will receive a nominal coupon worth 1 million lei ($591) under the Romanian initiative. The final value of the coupon will be fixed once the nominal capital the government will offer has been reappraised. Coupons will be distributed along side title deeds issued in 1992. Both documents will include the name of the bearer and the real value in order to stop trading between enterprises or individuals. The beginning auction value of each share in the program will be 25,000 lei ($14.79).

**Headline:**
Industry News Briefs: Romania

**Source:**
*PlanEcon August 31, 1994*

**Activity Date:** 9 1994

Romania's main privatization body, the State Ownership Fund (SOF), said it was ready to sell it's controlling stake in five state companies through a public offer starting in September. The five companies were picked from a broader list of 15 state enterprises with high profitability and growth prospects. SOF holds a 70 percent stake in over 6,000 state-run companies slated for privatization over the next seven to fifteen years.

**Headline:**
Romanian Sell-Off Announced

**Source:**
*Financial Times August 11,1994*

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## Petromin

**Activity Date:** 6 1993

Romania's largest shipping company, **Petromin**, will most likely remain the property of the Romanian government because local courts have taken action to cancel a contract that awarded the firm to Forum Maritime, a small Greek company. The difficulties of this transaction, and the Romanian government's refusal to acknowledge its involvement, have tarnished the image of a country attempting to improve its reputation among foreign investors. The scuttled sale revealed the damage caused by the failure of Romania's privatization initiative. Less than 100 of the scheduled 6,300 SOEs have been privatized, and only four of these transactions involved foreign investors.

An announcement in August said a Romanian court has invalidated the sale of 51% of **Petromin** to Forum Maritime for $335 million, apparently because it was considered to be a strategic asset and undervalued. Stelios Katounla, the owner of Forum, refused to accept a revised offer of 49% of the shares. If completed, the deal would have been one of the largest in the Eastern European region and the largest ever in Romania.

**Headline:**
Romanian Ships Deal Blocked

**Source:**
*Financial Times July 2, 1993*

**Activity Date:** 8 1993

Romania's shipping company's Petromin, 51% of which was offered for sale in August, fate remains uncertain. Although various Romanian political factions opposed the transaction, Greek shipping concern Forum Maritime was able to purchase the controlling stake in the company, valued $335 million. As part of the deal, employees of Petromin were offered 30% of the stake.

**Headline:**
Eastern Europe

**Source:**
*International Privatization Update August, 1993*

## Poiana-Produse Zacharoase

**Activity Date:** 2 1994

Kraft Jacobs Suchard of Switzerland, a Philip Morris subsidiary, purchased 82% of **Poiana-Produse Zacharoase** (PPZ), Romania's largest chocolate maker at a sale price of $4.4 million. The other 18% of the state-owned firm's shares will be sold to its 1,220 workers. Kraft Jacobs also agreed to invest $17 million in PPZ over the next five years, and intends to develop some of the chocolate maker's 80 brands for the domestic market. This sale is the State Ownership Fund's second to a foreign investor.

**Headline:**
Sweet Deal in Romania

**Source:**
*PlanEcon March 2, 1994*

## Tarom

**Activity Date:** 1 1993

**Headline:**

**Source:**
*PI 2/93*

## Terra Bucharest

**Activity Date:** 4 1993

The state-owned Romanian trade firm, Terra Bucharest, was sold via an employee and management buyout.

**Headline:**
Romania sells firms under pilot scheme

**Source:**
*PE 4/14/93*

## Ursus

**Activity Date:** 7 1992

In July 1992, 51% of Romania's brewery Ursus was privatized through a public share offering. A total of 128,900 shares at 2,500 lei per share was sold for approximately $8.6 million. The transaction was assisted by Ernst & Young. Divestiture of the remaining equity through direct sale to a foreign investor is presently being considered.

**Headline:**

**Source:**
*PI 9/92*

## Vegal

**Activity Date:** 2 1993

The joint venture company, Vegal, for the production of metal accessories had been set up by Hawai Italia of Italy and FAM of Galati, Romania. Hawai Italia owns a 65% stake worth $1.3 million. Production will be sold on the domestic market and for export and project finance will be provided by the Italian state SACE credit line and guaranteed by the Romanian government

**Headline:**

**Source:**
*PE 3/3/93*

## Via Vita

**Activity Date:** 1 1993

The Italian construction company Fidel and the Romanian firm Constransimex plan to finance, build and operate 800 miles of new highway in Romania. The project is valued at $3 billion and will be executed by the joint venture enterprise Via Vita (VV). VV has a 25-year concession and expects to begin operation in 2001.

**Headline:**

**Source:**
*PWF 1/93*

### Vultural SA

**Activity Date:** 3 1996

South African Breweries (SAB) has purchased a 70% stake in **Vultural SA** for $18m. SAB already owns two breweries in Hungary and is currently bidding for Poland's Tychy brewery. Nearly $10m of the $18m will be invested to modernize Vultural, including its brewing, packaging, distribution, and marketing operations.

**Headline:** SA Breweries in Romania

**Source:** *Financial Times March 12, 1996*

## *Slovak Republic*

### Benzinol

**Activity Date:** 8 1994

The chairman of the National Property Fund, Viliam Vakovic, recommended the direct sale of several large firms in the Slovak Republic. The proposed sale of such enterprises to selected buyers was criticized by Jan Carnogursky, chairman of the Christian Democratic Movement, who argued the companies should be privatized on the country's nascent capital market. **Benzinol** was one of the enterprises suggested for sale.

**Headline:** Industry News Briefs: Slovakia

**Source:**

### Footwear Maker owned by ZDA Partyzanske

**Activity Date:** 10 1994

The government of the Slovak Republic has approved the sale of a footwear manufacturer owned by ZDA Partyzanske. The parent company, ZDA Partyzanske, will be reorganized as a joint-stock company before the privatization. Voucher holders and foreign investors will each be offered part of the enterprise's shares.

**Headline:** Privatization Briefs: Slovak Republic

**Source:** *Central European October 1994*

### Gabcikovo Dam

**Activity Date:** 1 1993

Slovakia plans to privatize the Gabcikovo dam on the Danube river and hopes to entice foreigners to invest the necessary $230 million required to complete the project. The funds are needed to finish the dam, construct a power plant, and build a shipping lock on the river at Cunovo. The dam was inherited by Slovakia upon the dissolution of Czechoslovakia on Januayr 1. It will reportedly receive a five year tax holiday.

**Headline:**

**Source:** *PFI 1/8/93*

### Investicna a Rozvojova Banka

**Activity Date:** 8 1994

The chairman of the National Property Fund, Viliam Vakovic, recommended the direct sale of several large firms in the Slovak Republic. The proposed sale of such enterprises to selected buyers was criticized by Jan Carnogursky, chairman of the Christian Democratic Movement, who argued the companies should be privatized on the country's nascent capital market. **Investicna a Rozvojova Banka** was one of the enterprises suggested for sale.

**Headline:** Industry News Briefs: Slovakia

**Source:**

**Activity Date:** 3 1996

Prime Minister Meciar announced the imminent privatization of four key financial institutions: Slovenska Sporitelna, Vseobecna Uverova Banka, **Investicna a Rozvojova Banka**, and Slovenska Poisovna. He believes that they should be merged in two to make them more competitive. Candidates for the privatizations have been selected but they have yet to be disclosed.

**Headline:** Market Makers

**Source:** *Central European March, 1996*

Market Makers

*Central European March, 1996*

**Activity Date:** 4 1996

Hoping to join the OECD by the end of this year, the government has promised to divest its remaining stakes in the banks Slovenska Sporitelna (100%), Vseobecna Uverova Banka (VUB), and **Investicni a Rozvojova Banka (IRB)** (33%). These banks amount to 80% of domestic deposits and loans.

This move is intended to make the banks more competitive by reducing their costs and diverting their capital towards commercial lending. The finance ministry plans to merge the three banks with the leading insurance company Slovenska Poistovna into two institutions before privatization to give them a larger capital base and better chances of obtaining competitive funds internationally. This is in accord with the government's strategy of creating large, diversitied industrial combines to become internationally competitive. However, because the leading corporations are also the banks' main clients, they could ultimately repurchase their own debt and equity cheaply, with the option of restricting smaller private rivals' access to bank finance. The bank sale plan will probably not include any immediate involvement of foreign banks as strategic partners, which in other countries has helped accelerate the upgrading of techniques and technology and improve the possibilities of foreign capital market access.

**Headline:**

Buy Your Own Bank

**Source:**

*Eastern Europe Monitor April, 1996*

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**Lanarkske A Konoparske Zavody (LKZ)**

**Activity Date:** 8 1992

Price Waterhouse IPG advised the Ministry of Economy in the Slovak Republic on the privatization of **Lanarkske A Konoparske Zavody (LKZ)**. PW/IPG recommended that a portion of LKZ be offered directly to the firm's management via direct sale, with a coupon auction for the remaining shares. In addition, the Ministry was advised to approve the direct sale of the enterprise's facilities located in Sladkovicovo and to reject such a sale of the firm's Ivanka plant.

**Headline:**

**Source:**

*PW/IPG Staff*

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**Levitex Balvnarske Zavody, s.p.**

**Activity Date:** 8 1992

Price Waterhouse IPG advised the Ministry of Economy in the Slovak Republic on the privatization of **Levitex Balvnarske Zavody, s.p.** PW/IPG recommended the government delay privatization until the company was restructured. In addition, it was suggested that Levitex sell portions of its business that were subject to competing proposals and reinvest the proceeds in the enterprise. Finally, the government was advised to sell Levitex's denim operation.

**Headline:**

**Source:**

*PW/IPG Staff*

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**Luna, s.p.**

**Activity Date:** 8 1992

Price Waterhouse IPG advised the Ministry of Economy in the Slovak Republic on the privatization of **Luna,s.p.** PW/IPG recommended that a portion of the enterprise should be sold directly to its management and that the remaining shares should be offered for coupons (vouchers).

**Headline:**

**Source:**

*PW/IPG Staff*

## Lykove Textline Zavody, s.p. (LTZ)

**Activity Date:** 8 1992

Price Waterhouse IPG advised the Ministry of Economy in the Slovak Republic on the privatization of **Lykove Textline Zavody, s.p. (LTZ)**. PW/IPG recommended that privatization be delayed until the company could be restructured, and that LTZ sell its glass fabrics business. It was suggested that the proceeds go to improving the firm's carpet and linens divisions.

**Headline:**

**Source:**
*PW/IPG Staff*

## Macro Article

**Activity Date:** 3 1994

The new government of Slovakia has blocked 13 privatization projects approved by its predecessor. Following the ouster of Vladimir Meciar on March 11, the privatizations were reexamined by Rudolf Filkus, the new finance minister. Filkus blocked the account of the National Property Fund citing legal and technical imperfections in the proposed transactions. Some of the enterprises in question will be transferred to their prospective buyers once these problems are resolved.

**Headline:**
Slovakia Blocks Privatisations

**Source:**
*Financial Times March 30, 1994*

**Activity Date:** 8 1994

A referendum has been called for October 22 in the Slovak Republic by President Michal Kovac. The vote is on a law requiring participant's in the country's privatization process since 1990 to make public their funding sources. An attempt was made to stop the referendum, which will cost 100 million koruny ($3.2 million), in a special session of parliament on August 10. The push for the vote appears to come from the popular conception that the privatization process is fraught with corruption. According to the *Financial Times* former Prime Minister Vladimir Meciar is using the referendum as a political weapon against the government. The second wave of privatization is scheduled to start on September 5 with an offering of shares in 96 projects worth 12 billion koruny ($382.8 million).

**Headline:**
Industry News Briefs: Slovakia

**Source:**
*PlanEcon August 31, 1994*

## Makyta, s.p.

**Activity Date:** 8 1992

Price Waterhouse IPG advised the Ministry of Economy in the Slovak Republic on the privatization of **Makyta, s.p.**. PW/IPG recommended that the government proceed with its plan to offer 85% of Makyta via coupon (voucher), 12% "free shares" remaining with the government's National Property Fund, and 3% offered as restitution for claims made by firm management.

**Headline:**

**Source:**
*PW/IPG Staff*

## Modus, s.p.

**Activity Date:** 8 1992

Price Waterhouse IPG advised the Ministry of Economy in the Slovak Republic on the privatization of **Modus, s.p.**. PW/IPG recommended that the enterprise be restructured or liquidated.

**Headline:**

**Source:**
*PW/IPG Staff*

**Odevene Zavody KPT. Nalepku (OZKN) Presov, s.p.**

**Activity Date:** 8 1992

Price Waterhouse IPG advised the Ministry of Economy in the Slovak Republic on the privatization of **Odevene Zavody KPT. Nalepku (OZKN) Presov, s.p.Odevene Zavody KPT. Nalepku (OZKN) Presov, s.p.**. PW/IPG recommended that the government delay the privatization of OZKN until profitability and financial position of the company was accurately assessed.

**Headline:**

**Source:**
*PW/IPG Staff*

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**Odevene Zavody KPT. Nalepku Svidnik, s.p.**

**Activity Date:** 8 1992

Price Waterhouse IPG advised the Ministry of Economy in the Slovak Republic on the privatization of **Odevene Zavody KPT. Nalepku Svidnik, s.p.**. PW/IPG recommended that the government sell the firm directly to a foreign or domestic investor.

**Headline:**

**Source:**
*PW/IPG Staff*

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**Pol'ana, s.p.**

**Activity Date:** 8 1992

Price Waterhouse IPG advised the Ministry of Economy in the Slovak Republic on the privatization of **Pol'ana, s.p.**. PW/IPG recommended that privatization be delayed until the company could be restructured.

**Headline:**

**Source:**
*PW/IPG Staff*

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**Pratex, s.p.**

**Activity Date:** 8 1992

Price Waterhouse IPG advised the Ministry of Economy in the Slovak Republic on the privatization of **Pratex,s.p.**. PW/IPG recommended that privatization be delayed until the company could be restructured.

**Headline:**

**Source:**
*PW/IPG Staff*

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**Selanka, s.p.**

**Activity Date:** 8 1992

Price Waterhouse IPG advised the Ministry of Economy in the Slovak Republic on the privatization of **Selanka,s.p.**. PW/IPG recommended that privatization be delayed until the firm could be restructured. Then the enterprise should be sold directly to domestic or foreign investors.

**Headline:**

**Source:**
*PW/IPG Staff*

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**Slovak Telecom**

**Activity Date:** 4 1996

The government may partially privatize **Slovak Telecom** as a part of its $2bn telecoms modernization plan.

**Headline:**
Export-led Growth Unlikely

**Source:**
*Eastern Europe Monitor March 1996*

## Slovanaft

**Activity Date:** 7 1995

Concern over Slovakia's political stability hampered a $112m global share offering by **Slovnaft,** the state's largest petrochemical and oil refining group. The limited interest in the offering, which consisted of 3.3 million GDRs priced at $34.19 each, led the European Bank for Reconstruction and Development to acquire up to half of the issue. The rest of the offer is expected to be taken up by Slovak and Czech investors. The government's stake in Slovnaft will fall to 66% after the completion of the issue. Sources say that the Prime Minister's decision to abandon Slovakia's coupon privatization program reduced investor confidence in the country.

**Headline:**
Slovak Offering Shunned Overseas

**Source:**
*Financial Times July 4, 1995*

## Slovenka, s.p.

**Activity Date:** 8 1992

Price Waterhouse IPG advised the Ministry of Economy in the Slovak Republic on the privatization of **Slovenka, s.p.**. PW/IPG recommended that the government sell the enterprise directly to its management, but with two conditions. First, a second valuation was suggested, as the PW/IPG team felt existing information undervalued the firm. Second, real estate owned by the company should not be sold along side the enterprise as it might appreciate significantly.

**Headline:**

**Source:**
*PW/IPG Staff*

## Slovenska Poisovna

**Activity Date:** 3 1996

Prime Minister Meciar announced the imminent privatization of four key financial institutions: Slovenska Sporitelna, Vseobecna Uverova Banka, Investicna a Rozvojova Banka, and **Slovenska Poisovna**. He believes that they should be merged in two to make them more competitive. Candidates for the privatizations have been selected but they have yet to be disclosed.

**Headline:**
Market Makers

**Source:**
*Central European March, 1996*

**Activity Date:** 4 1996

Hoping to join the OECD by the end of this year, the government has promised to divest its remaining stakes in the banks Slovenska Sporitelna (100%), Vseobecna Uverova Banka (VUB), and Investicni a Rozvojova Banka (IRB) (33%). These banks amount to 80% of domestic deposits and loans.

This move is intended to make the banks more competitive by reducing their costs and diverting their capital towards commercial lending. The finance ministry plans to merge the three banks with the leading insurance company **Slovenska Poistovna** into two institutions before privatization to give them a larger capital base and better chances of obtaining competitive funds internationally. This is in accord with the government's strategy of creating large, diversitied industrial combines to become internationally competitive. However, because the leading corporations are also the banks' main clients, they could ultimately repurchase their own debt and equity cheaply, with the option of restricting smaller private rivals' access to bank finance. The bank sale plan will probably not include any immediate involvement of foreign banks as strategic partners, which in other countries has helped accelerate the upgrading of techniques and technology and improve the possibilities of foreign capital market access.

**Headline:**
Buy Your Own Bank

**Source:**
*Eastern Europe Monitor April, 1996*

## Slovenska Poistovna

**Activity Date:** 8 1994

The chairman of the National Property Fund, Viliam Vakovic, recommended the direct sale of several large firms in the Slovak Republic. The proposed sale of such enterprises to selected buyers was criticized by Jan Carnogursky, chairman of the Christian Democratic Movement, who argued the companies should be privatized on the country's nascent capital market. **Slovenska Poistovna** was one of the enterprises suggested for sale.

**Headline:** Industry News Briefs: Slovakia

**Source:**

## Slovenska Sporitelna

**Activity Date:** 8 1994

The chairman of the National Property Fund, Viliam Vakovic, recommended the direct sale of several large firms in the Slovak Republic. The proposed sale of such enterprises to selected buyers was criticized by Jan Carnogursky, chairman of the Christian Democratic Movement, who argued the companies should be privatized on the country's nascent capital market. **Slovenska Sporitelna** was one of the enterprises suggested for sale.

**Headline:** Industry News Briefs: Slovakia

**Source:**

**Activity Date:** 4 1995

Hoping to join the OECD by the end of the year, the government has promised to divest its remaining stakes in the banks **Slovenska Sporitelna**, **Vseobecna Uverova Banka**, and **Investicni a Rozvojova Banka**. These banks account for 80% of domestic deposits and loans. This move is intended to make the banks more competitive by reducing their costs and diverting their capital towards commercial lending. The finance ministry plans to merge the three banks with the leading insurance company Slovenska Poistovna into two institutions before privatization to give them a larger capital base and to better chances of obtaining competitive funds internationally. However, because the leading corporations are also the banks' main clients, they could ultimately repurchase their own debt and equity cheaply, with the option of restricting smaller private rivals' access to bank finance. The bank plan will probably not include any immediate involvement of foreign banks as strategic partners, which in other countries has helped accelerate the upgrading of techniques and technology and improve the possibilities of foreign capital market access.

**Headline:** Buy Your Own Bank

**Source:** *Eastern Europe Monitor April 1996*

**Activity Date:** 3 1996

Prime Minister Meciar announced the imminent privatization of four key financial institutions: **Slovenska Sporitelna, Vseobecna Uverova Banka**, **Investicna a Rozvojova Banka**, and **Slovenska Poisovna**. He believes that they should be merged in two to make them more competitive. Candidates for the privatizations have been selected, but they have yet to be disclosed.

**Headline:** Market Makers

**Source:** *Central European March 1996*

## Slovensky Energeticky Podnick

**Activity Date:** 7 1994

The Government of Slovakia is planning to sell off the country's electric power conglomerate under special legislation. The electricity producer **Slovensky Energeticky Podnick** (SEP), will be restructured for privatization. The state will retain 51% of SEP's shares, while selling 30% in coupon auctions, and holding 16% for purchase by foreign investors at a later date.

**Headline:** Privatization: Slovakia

**Source:** *PlanEcon July 20, 1994*

## Slovensky Plynarensky Podnick

**Activity Date:** 7 1994

The Government of Slovakia is planning to sell off the country's natural gas conglomerate under special legislation. The gas producer **Slovensky Plynarensky Podnick** (SPP), will be restructured for privatization. The state will retain 67% of SPP's shares, while selling 15% in coupon auctions, and holding 15% for purchase by foreign investors at a later date.

**Headline:** Privatization: Slovakia

**Source:** *PlanEcon July 20, 1994*

## Slovnaft

**Activity Date:** 1995

The Slovak government has decided to buck the trend in other Central European nations and modernize **Slovnaft**, the nation's oil monopoly, without the help of a major foreign partner. Slovnaft will be the first Slovak company to place shares on the American capital market as it plans to raise $100m, equivalent to a 20% capital increase, in a float arranged by Paine Webber. The Slovak National Property Fund, which owns 80% of the company, is planning to sell an additional $100m worth of shares pending the success of the first sale. Revenues from the sale will be placed into a 5-year, $500m modernization project for the company. Slovnaft, the county's only importer of crude oil, generates about 20% of the nation's exports, and controls 80% of Slovakia's gas pumps. Last year the company had profits of $98m on sales of $930m. The 20% share of the company not owned by the government is traded on the Bratislava stock exchange.

**Headline:** Meciar, Capitalist Crawling Dog?

**Source:** *The Economist May 6, 1995*

**Activity Date:** 8 1995

The government of Slovakia, through the Slovak National Property Fund, has sold a 39% stake in **Slovnaft**, the Slovak petrochemical company, for $138m. Slovnaft said that the shares had been sold to Slovintegra, a company set up last April by a group of employees. This sale lowers the state holding in the company from 64% to approximately 25%. Slovintegra plans to offer 49% of the acquired shares to Slovnaft's 5000 employees.

**Headline:** Employees Buy Stake in Slovnaft

**Source:** *Financial Times August 16, 1995*

**Activity Date:** 11 1995

The European Bank for Reconstruction and Development (EBRD) is moving to divest its 10.5% stake in **Slovnaft**, Slovakia's monopoly oil refiner, which it bought for $59m in an international offer. This follows Slovnaft's sale of a controlling 39% stake in the company to its senior executives for $218m with favorable terms which the EBRD argues is a violation of the principle of prior disclosure.

**Headline:** Slovnaft Buy-Out Angers EBRD

**Source:** *Euromoney November 1995*

**Activity Date:** 11 1995

The Slovakian government sold a controlling 39% stake in **Slovnaft**, the country's monopoly oil refiner, to 19 of Slovnaft's senior executives for $218m in a management buy-out.

**Headline:** Slovnaft Buy-Out Angers EBRD

**Source:** *Euromoney November 1995*

**Activity Date:** 12 1995

The management of **Slovnaft**, which owns 39% of the company, has rebuffed the government's efforts to attach special privileges to the 25% stake that it still retains, prompting the company's other owners to be optimistic about attracting a foreign strategic partner and achieving full privatization.

**Headline:** Mixed Signals Continue

**Source:** *Eastern European Monitor January 1996*

**Tatralán, s.p.**

**Activity Date:** 8 1992

Price Waterhouse IPG advised the Ministry of Economy in the Slovak Republic on the privatization of **Tatralán, s.p.**. PW/IPG recommended that a portion of the enterprise should be sold directly to its management and that the remaining shares should be offered for coupons (vouchers). It was also suggested that the the company sell a hostel for its workers, but maintain ownership of its plant located in Levoca.

**Headline:**

**Source:**
*PW/IPG Staff*

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**Trikota, s.p.**

**Activity Date:** 8 1992

Price Waterhouse IPG advised the Ministry of Economy in the Slovak Republic on the privatization of **Trikota, s.p.**. PW/IPG recommended that Trikota be privatized via coupon (voucher) auction. It was suggested that the government reject plans for the direct sale of plants located in Sal'a and Vrbove.

**Headline:**

**Source:**
*PW/IPG Staff*

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**Trnava**

**Activity Date:** 1992

Price Waterhouse IPG acted as a privatization advisor for the 1992 privatization of **Trnava,** which provides solid waste disposal services in the Slovak Republic.

**Headline:**

**Source:**
*PW/IPG Staff*

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**Ustav Modernizacie Odevnej Vyroby, s.p. (UMOV)**

**Activity Date:** 8 1992

Price Waterhouse IPG advised the Ministry of Economy in the Slovak Republic on the privatization of **Ustav Modernizacie Odevnej Vyroby, s.p. (UMOV)**. PW/IPG recommended that the firm be privatized via coupon (voucher) and that a share be offered directly to the management if there was adequate interest.

**Headline:**

**Source:**
*PW/IPG Staff*

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**Vseobecna Uverova Banka**

**Activity Date:** 3 1996

Prime Minister Meciar announced the imminent privatization of four key financial institutions: Slovenska Sporitelna, **Vseobecna Uverova Banka**, Investicna a Rozvojova Banka, and Slovenska Poisovna. He believes that they should be merged in two to make them more competitive. Candidates for the privatizations have been selected but they have yet to be disclosed.

**Headline:**
Market Makers

**Source:**
*Central European March, 1996*

## Vseobecna Uverova Banka (VUB)

**Activity Date:** 4 1996

Hoping to join the OECD by the end of this year, the government has promised to divest its remaining stakes in the banks Slovenska Sporitelna (100%), **Vseobecna Uverova Banka (VUB)**, and Investicni a Rozvojova Banka (IRB) (33%). These banks amount to 80% of domestic deposits and loans.

This move is intended to make the banks more competitive by reducing their costs and diverting their capital towards commercial lending. The finance ministry plans to merge the three banks with the leading insurance company Slovenska Poistovna into two institutions before privatization to give them a larger capital base and better chances of obtaining competitive funds internationally. This is in accord with the government's strategy of creating large, diversitied industrial combines to become internationally competitive. However, because the leading corporations are also the banks' main clients, they could ultimately repurchase their own debt and equity cheaply, with the option of restricting smaller private rivals' access to bank finance. The bank sale plan will probably not include any immediate involvement of foreign banks as strategic partners, which in other countries has helped accelerate the upgrading of techniques and technology and improve the possibilities of foreign capital market access.

**Headline:** Buy Your Own Bank

**Source:** *Eastern Europe Monitor April, 1996*

## VSZ AS Kosice

**Activity Date:** 9 1993

VSZ AS Kosice, a steel producing company owned by the Slovakian government, has bought Walzwerk Finow GmbH, another steel-maker. The price has not been revealed. Walzwerk Finow GmbH this year expects to turn over DM 55 million ($32.7 million) and export 10% of its output of 60,000 tonnes of Steel to Western europe. The remaining 90% will be sold within Germany. VSZ has committed itself to investing DM34.7 million ($20.6 million) in Walzwerk Finow over the next two years and guaranteed to retain 350 of the present 597 jobs in Finow.

**Headline:** Walzwerk Sold to Slovaks

**Source:** *Privatisation International*

## VSZ Ironworks

**Activity Date:** 8 1994

The chairman of the National Property Fund, Viliam Vakovic, recommended the direct sale of several large firms in the Slovak Republic. The proposed sale of such enterprises to selected buyers was criticized by Jan Carnogursky, chairman of the Christian Democratic Movement, who argued the companies should be privatized on the country's nascent capital market. **VSZ Ironworks, Slovenska Poistovna, Benzinol, Investicna a Rozvojova Banka and Slovenska Sporitelna** are some of the enterprises that have been suggested for sale.

**Headline:** Industry News Briefs: Slovakia

**Source:** *PlanEcon August 31, 1994*

## VSZ Kosice Steel Works

**Activity Date:** 5 1994

A 10% stake in **VSZ Kosice** steel works was privatized in May, but the state loss $30.4 million in the sale. The company was sold at a price that was 20% of its nominal value. In 1993, the company earned $5.9 million (195 million koruny) while owing the state $63.8 million (2.1 billion koruny).

**Headline:** Privatization

**Source:** *PlanEcon May 11, 1994*

### Zornica, s.p.

**Activity Date:** 8 1992

Price Waterhouse IPG advised the Ministry of Economy in the Slovak Republic on the privatization of **Zornica, s.p.**. PW/IPG recommended that the government support efforts by the firm's management to obtain a significant share of the firm. It was suggested that the remaining shares be sold via coupon (voucher).

**Headline:**

**Source:**
*PW/IPG Staff*

## *Slovenia*

### APS

**Activity Date:** 12 1994

The state-owned transport company **APS** will sell 28.2% of its equity to the public, while another 40% will be transferred to state-run funds, and 32% of the firm's $2.08m (Tr249m) capital will be sold to enterprise's employees.

**Headline:**
Privatization Briefs: Slovenia

**Source:**
*Central European November 1994*

### Beti Metlika

**Activity Date:** 10 1994

**Beti Metlika**, a Slovenian textile factory, expects to start its privatization in November. The factory which is valued at DM33m, will sell about 30% to it's employees, 30% to the Slovenian public, and the remaining 40% will go to various state-run funds. The factory is still in 100% social ownership and the privatization process has been held up by resolving allocation of shares to people whose property was nationalized after the second world war. It has been decided that they will receive between 2 and 3% of the shares. Beti will send it's privatization proposal to the Slovenian Privatization Agency at the end of the month.

**Headline:**
Partial Privatization for Slovenian Textile Factory

**Source:**
*Financial Times September 16, 1994*

**Activity Date:** 10 1994

Plans to privatize **Beti Metlika,** a Slovenian textiles factory, were announced in October. The enterprise will be sold in three distinct offers. Employees will be given the opportunity to purchase a 30% share, another 30% will be offered directly to citizens, and the remainder will be transferred to funds run by the state. The privatization remains to be approved by the Slovenian Privatization Agency. The plant was valued at $21.5m and had pretax earnings of $1.2m on $43m of sales in 1993.

**Headline:**
Textiles: Slovenia

**Source:**
*PlanEcon October 12, 1994*

### Coca-Cola Franchise

**Activity Date:** 4 1994

The Austrailian firm Coca-Cola Amatil purchased a 75% stake in Slovenia's state-owned **Coca-Cola Franchise** for $7.1 million. The privatized franchise will continue manufacturing and distributing Coke products. The remaining equity will be held by employees.

**Headline:**
Business Report

**Source:**
*PlanEcon April 27, 1994*

## Iskra Industrijska Elektronika

**Activity Date:** 10 1994

The Slovenian Development Fund is looking for an investor to take an 80% share of **Iskra Industrijska Elektronika**, an electronics firm. The remaining 20% of the enterprise has been earmarked for employees. Iskra has been operating at a loss for seven years, but its debt has been reduced via buybacks and reprogramming payments. Foreign and domestic investors may participate in the offer.

**Headline:** Privatization Briefs: Slovenia

**Source:** *Central European October 1994*

## Mercator

**Activity Date:** 4 1995

Slovenia's largest retailer, **Mercator** which has 20% of the domestic market, was privatized last month via the nation's voucher program. The company's assets of $400m are now owned by approximately 63,000 shareholders who represent 60% of the ownership structure. The remaining 40% is to be sold to investment funds. Mercator is involved in agriculture and food manufacturing, tourism, financial services, and international trade, though it still receives 77.5% of its revenue through its primary activity, retail trade. The company, which accounts for 2.5% of total employment in Slovenia, had total revenues of $1bn in 1994. Mercator has also recently begun to invest in Russia and Ukraine, and it already has foreign offices in Austria, Italy, Germany, and Hungary.

**Headline:** Largest Slovenian Retailer Sold

**Source:** *Privatisation International May 1995*

## Papirnica Kolicevo

**Activity Date:** 1992

One of Slovenia's largest privatization transactions so far took place in 1992, when a 76% share in Papirnica Kolicevo, a cardboard manufacturer, was sold to the Spanish firm Sarrio, for $88 million.

**Headline:**

**Source:** *Int'l Priv Update October 1992*

## Petrol

**Activity Date:** 8 1995

The government of Slovenia announced that it will privatize **Petrol**, the national oil company, in October through a public issue of 54.54% of its stock. The issue, which is valued at $256.5m is being targeted at local investors, and will raise no new capital for the company. There are 700,257 shares being sold for cash and an additional 437,660 shares that will be sold in exchange for privatization investment certificates, which were given free to Slovenians. After privatization, the government will retain a 15.63% stake in the company and another 29.37% stake will be taken by both present and former employees and their families.

**Headline:** Slovenia to Privatise Oil Group

**Source:** *Financial Times August 28, 1995*

## Port of Koper

**Activity Date:** 7 1995

The government of Slovenia announced a new plan to privatize the $186m **Port of Koper** company. The state plans to retain a 51% stake, of which 49% will be participating preference shares and the remaining 2%, ordinary shares. The remaining shares will be distributed to the city of Koper, which will receive a 7.65% stake; the nation's coupon privatization program will receive 8.27%; the port's employees will be allowed to purchase 10.2%, various investment funds will receive 16.54% collectively; and the remaining 6.34% will be distributed via public share offer. Port managers hope to expand the port so that it will serve as an entry point for goods going to central European countries, but they are wary of the possibility of being restricted by the government's large 51% stake in the company.

**Headline:** Koper Goes Private but State Retains Interest

**Source:** *Central European July/August 1995*

# Latin America

## *Antigua*

### LIAT

**Activity Date:** 4 1995

CARICOM, the Caribbean trade organization, agreed to take over the $22m debt of **LIAT**, the airline owned by Trinidad and Antigua after $44m of unpaid government subventions were waived. This arrangement will allow privatization of the airline, entailing a 51% sale to regional institutions, individual investors, and the company's employees, to take place. The sale is scheduled for completion before June 30.

**Headline:**
LIAT Privatization Moves Nearer . . .

**Source:**
*Business Monitor International April 1995*

## *Argentina*

### Aerolineas Argentinas

**Activity Date:** 3 1994

In mid-March, Argentina and Spain's state-owned airline, Iberia, finally settled their three year dispute over the privatization **Aerolineas Argentinas**. The agreement blocked by an Argentine federal judge ten days later, however, on the grounds that it handed the national airline to a foreign government. The deal would require Iberia to invest $500 million into the loss-making airline and raise its holding in the company from 30 to 85 percent. The government's share of 33 percent would drop to 5 percent, with remaining shares held by employees. In addition, the government would ban charter flights on international routes and allow Iberia to provide ground services which are currently monopolised by an air force controlled company. The government said it would fight the judge's decision and may demand a ruling by the Supreme Court.

**Headline:**
Dispute over Aerolineas settled

**Source:**
*Financial Times March 21, 1994*

### Airports

**Activity Date:** 1994

Several US and European companies are said to be bidding in the privatization of Argentine airports. Lockeed and Wilcox (USA), British Airport Authority, Airports de Paris (France), Standard Electric Lurenz (Germany) and Normak (Norway) are among the firms interested in the $400m a year business.

**Headline:**
Management Alert

**Source:**
*Business Latin America November 28, 1994*

**Activity Date:** 1995

The privatization of Argentina's **airports** appears to be moving ahead quickly. The law firms Brons & Sales and Clifford Chance have been selected by the Argentinean government to be legal consultants in the process. The two firms will be responsible for drafting the regulatory framework necessary for the privatization to move forward.

**Headline:**
Rolling Along

**Source:**
*Latin Finance May 1995*

## Ameghino

**Activity Date:** 6 1994

In June the government sold 59% of the **Ameghino** hydroelectric dam in the Patagonian province of Chubut to a consortium consisting of Uruguay's UTE, the state owned electricity company which will control operations, and a group of seven Chubut electricity cooperatives. The deal involved $142 million in cash and debt certificates plus an additional $1.5 million in unpaid wage taxes. The provincial government retains a 39% stake and employees hold a 2% stake.

**Headline:**
Power Sale

**Source:**
*Privatisation International July 1994*

## Bahia Blanca

**Activity Date:** 10 1995

In Argentina, the government is planning to offer a 51% stake in the petrochemical producer **Bahia Blanca**. The company which employs 318 people, had net profits of $45m last year. Eight companies including: Solvay Quimica, Dow Quimica, Perez Companc, and Raimundo Richard, a former shareholder of Indupa, have purchased prospectus documents. The government hopes to raise $250m to $300m through the sale of shares in both Bahia Blanca and another petrochemical producer, Indupa.

**Headline:**
Chemical Sale

**Source:**
*Privatisation International October 1995*

## Banco de Formosa S.A.

**Activity Date:** 1995

Argentina's privatization process is continuing on course, with progress being made in several sectors. The right to modernize, maintain, expand, and operate a 700 km stretch of the nation's **navigable waterways** was purchased by a consortium of 4 firms. Privatization in the banking sector has also moved forward, as the central government has encouraged the provinces to privatize their banks. The Province of Formosa has annnounced that it will sell 60% of the assets (worth $9m) in **Banco de Formosa S.A.** through a public call for bids. Public utilities are also slated for privatization. The Province of Santa Fe has extended the deadline for bids on concessions in its **water and sewage facilities**. The Province of Tucaman is offering 51% of its equity in its elecricitiy distributor, **Empresa de Distribucion Electrica de Tucaman**. Finally, the Ministry of Economy, Works and Public Services announced a call for bids on the sale of 98% of the Shares of **Hidroelectrica Rio Juramento SA**.

**Headline:**
Smooth Sailing

**Source:**
*Latin Finance April 1995*

**Activity Date:** 1995

Privatization in the banking sector is also moving forward with the Province of Formosa announcing that it will sell 60% of the assets (worth $9m) in **Banco de Formosa SA** through a public call for bids.

**Headline:**
Smooth Sailing

**Source:**
*Latin Finance April 1995*

## Banco de Salta

**Activity Date:** 9 1995

Several Argentine provincial banks are to be sold. The province of Tucuman is soliciting bids for **Banco del Tucuman SA** for a 60% stake. The province of Salta is offering a stake in the **Banco de Salta**, bids were to have been opened on September 18.

**Headline:**
Rounding Up

**Source:**
*LatinFinance October 1995*

**Banco del Tucuman SA**

**Activity Date:** 9 1995

Several Argentine provincial banks are to be sold. The province of Tucuman is soliciting bids for a 60% stake in **Banco del Tucuman SA**. Bids were to be opened on September 18 for a stake in the **Banco de Salta** in the province of Salta.

**Headline:**
Rounding Up

**Source:**
*Latin Finance October 1995*

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**bridge**

**Activity Date:** 2 1996

The governments of Argentina and Uruguay are jointly marketing a **bridge** across the Rio de la Plata, a 50 km wide river, on a BOT basis that will likely cost more than $1bn. The Comision Binacional Puente Buenos Aires-Colonia (COBAICO) is overseeing the project. The bridge will be offered to private sponsors as a concession, with multilateral finance expected and the two governments are likely to grant safeguards in order to provide guarantees for the investors. It is estimated that prequalification and bidding for a concession will occur by the end of the year, with construction taking place five years after financing has been secured.

**Headline:**
Argentine-Uruguayan Bridge

**Source:**
*Project Finance International February 28, 1996*

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**Buenos Aires - Mar Del Plata Railway**

**Activity Date:** 9 1992

As of September 8, 1992, the Buenos Aires - Mar Del Plata railway was available for sale through a public offering. The four bidders for the rail line were Ferrovia Atlantica, Ferrocarril del Atantico, Tren del Atlantico, Ferrocarril del Sud.

**Headline:**

**Source:**
*LF 11/92*

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**Buenos Aires subway system and commuting services**

**Activity Date:** 1992

The Buenos Aires subway system and railway commuting services will be privatized at a later date than previous announced. The delay is the result of an administrative claim by Transportes Integrados Metropolitanos.

**Headline:**

**Source:**
*LF 11/92*

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**Buenos Aires Waterworks (OSN)**

**Activity Date:** 11 1992

The consortium offering the lowest tariffs will get the 30-year concession on November 15. No payment is required, but the winner will have to invest $8 - $10 billion in improvements over the next ten years.

**Headline:**

**Source:**
*LL 5/29/92*

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**Caja de Ahorro Postal**

**Activity Date:** 5 1993

It was announced in May that Caja de Ahorro Postal, the post office savings bank, was to be sold.

**Headline:**

**Source:**
*Privatisation International 5/93*

## Caja Nacional de Ahorros y Seguros

**Activity Date:** 1 1993

Argentina announced in January its plan to convert **Caja de Ahorros y Seguros Nacional**, the national savings bank and insurance company, into a holding company with five business units. 60 percent of the company worth $213 million, will be auctioned to a strategic investor while 30% will be floated on equity markets and 10% reserved for employees. Kleinwort Benson is advising in the sale of the company. The opening of offer's background will begin on April 30; opening of economic offers is scheduled for May 14; and the transfer of the company is scheduled for May 21.

In October, The Argentinian Ministry of Economy, Public Works and Utilities announced the public international tender of 60% of a new holding company Caja Nacional de Ahorro y Seguro, 1% holding in Banco Caja de Ahorro, S.A. (a savings bank), 1% holding in Caja de Suguros, S.A. (a non-life insurance company), and 1% holding in Caja de Seguros de Vida, S.A. (a life insurance company). The sale of the tender specifications is to occur between October 4, 1993 and January 7, 1994. The price of tender specifications is $20,000. The opening of the data room occurs on October 18, 1993. The submission and opening of envelope "A" (applications to qualify) occurs on January 17, 1994. The submission and opening of envelope "B" (financial bid) will occur on February 22, 1993

**Headline:**

**Source:**
*Privatisation International 1/93, LF 5/93*

## Central Termica San Nicolas S.A.

**Activity Date:** 3 1993

Argentina announced in March plans to privatize Centrales Termica San Nicolas S.A., a state power plant, with technical offers opening March 3. Economic offers will open on March 18, and the final transfer of the plant is is scheduled for March 31. In late March, 88% of the power plant was sold to AES San Nicolas and Ormas S.A.I.C.I.C. for $66.1 million. AES will be the technical operater and holds an 81% stock participation.

**Headline:**

**Source:**
*Latin Finance 3/93, Latin Finance 5/93*

## Centrales Termicas del Litoral

**Activity Date:** 9 1993

In September, it was announced that the federally controlled Centrales Termicas del Litoral, a provincial utility that runs three small stations in the provinces of Entre Rios and Santa Fe, will be taken over by the Luz y Fuerza power workers union and five companies. This group appears to be ready to assume 90% of the company. The utility is being sold in a local government debt-for-eqiuty swap, and the union was the only group to bid for the utility.

**Headline:**
Pressure on Argentina's Provinces to Sell

**Source:**
*Privatisation International August 1993*

**Activity Date:** 8 1994

The Argentine government in August announced the completion of the sale of a 90 percent stake in **Centrales Termicas del Litoral**. The shares were sold to a consortium consisting of Iate and Federacion Argentina de Trabajadores de Luz y Fuerza.

**Headline:**
Argentina: Moving Along

**Source:**
*Latin Finance July/August 1994*

## Centrales Termicas del Noreste Argentino S.A.

**Activity Date:** 3 1993

Late S.A. purchased 90% of the state power plant, Centrales Termicas del Noreste Argentino S.A. in March. Skodaexport, Benito Roggio e Hijos S.A. will act as operators.

**Headline:**

**Source:**
*Latin Finance 5/93*

## Centrales Termicas Mendoza

**Activity Date:** 2 1994

Argentina announced its plans to sell a majority holding in **Centrales Termicas Mendoza**, a power plant. The prequalification date for bids on a 51% holding in the plant are due on March 1 with final bids due on March 29, 1994. The asset is comprised of the former Luhan de Cuya and Cruz de Piedra, which generate 250MW - with the potential to generate 380MW if two non-functioning boilers are replaced.

**Headline:** More Argentine Power Plants

**Source:** *Privatisation International February 1994*

**Activity Date:** 8 1994

The Argentine government announced in August that it will conduct another round of bidding for a 51 percent controlling stake in **Centrales Termicas Mendoza**. The previous round of bidding was unsuccessful as the only bidder was disqualified for failing to comply with the terms and conditions of the bidding process.

**Headline:** Argentina: Moving Along

**Source:** *Latin Finance July/August 1994*

## Centrales Termicas Patagonicas S.A.

**Activity Date:** 8 1993

Resolution No. 465/93 of the Ministry of Economy, Public Works and Services called for an international tender to privatize 51% of the stock of **Centrales Termicas Patagonicas S.A.**, a company in charge of the thermal power plants of Puerto Madryn, Comodoro Rivadavia, Pico Truncado I and II.

**Headline:** Privatization Update... In the News

**Source:** *Latin Finance July/August 1993*

## Cia Vale do Rio Doce

**Activity Date:** 3 1995

The Argentine government has announced that **Cia Vale do Rio Doce** has been added to the list of companies selected for privatization as part of the government's fund raising efforts. Other companies selected for privatization include petrochemical as well as nuclear and hydroelectric plants. Through these sales and the sale of government shares in privatized companies, the government hopes to raise over $2bn.

**Headline:** Ongoing Crisis Sparks Aid/Fiscal Package; Markets Take Notice

**Source:** *Lagniappe Letter March 17, 1995*

## Commercial Airports

**Activity Date:** 10 1993

In October 1993, the Argentine defense ministry announced its plans to privatize the country's commercial airports. The air force has opposed this move since the outset of the government's privatization drive beginning in 1989. Currently, the air force owns and operates all of Argentina's commericial airfields.

**Headline:** Airports Civilianised

**Source:** *Privatisation International October 1993*

## Costanera

**Activity Date:** 10 1993

The argentine government is selecting advisors for the sale of its remaining stake (30%) in the **Costanera** power station. The station generates 1200 MW. The government plans to make its decision by the end of October 1993.

**Headline:** Power Sales in Argentina

**Source:** *Privatisation International October 1993*



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## Diamante

**Activity Date:** 5 1994

In April, the Argentine government announced its plan to privatize several minor generation plants including the 422 MW **Diamante** hydro dam complex. Prior to the sale, Diamante has been broken down into three units. Rights for a thirty-nine percent share in Diamante have been reserved for the province of Mendoza, while two percent will be sold to an employees' share ownership scheme. The remaining 59% will be offered to investors. Dominion, Electricité de France and the privatised Buenos Aires thermal generator Central Puerto are bidding.

In May, a 58% stake in Diamante hydroelectric facilities was sold to a consortium of Electricite de France International(EdF) and Banco de Galicia for $112 million. The consortium's bid also incorporated $32.37 million in cash and the remainder covered assumed liabilities. Six other companies submitted bids, including CMS Generation($88 million) and Dominion Resources($75 million).

**Headline:**
Power Disposals in Argentina

**Source:**
*Privatisation International April 1994*

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## Edelap S.A., an electricity distributor and retailer

**Activity Date:** 11 1992

In November 1992, Edelap S.A., an electricity distributor and retailer in the La Plata area, was approved for privatization through a call for public bids by Decree 1795 92 and Resolution 1182 92.

**Headline:**

**Source:**
*LF 11/92*

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## Edenor

**Activity Date:** 7 1992

In July, Edenor, the newly created electricity distributor for the northern part of Greater Buenos Aires, was partially privatized for $30 million in cash and $398 in debt. The new owners of 51% of the utility is Electricidad Argentina, a consortium led by Astra, a local oil company, with Electricite de France as operator. Employees own 10% of the equity, and the government will sell its remaining 39% at a later date.

**Headline:**

**Source:**
*PI 9/92*

**Activity Date:** 12 1995

The sale of electric utility **Edenor** and electric transmission company Transener did not live up to expectations. The government only managed to sell half of its 39% stake to Endesar, a Spanish firm, for $156.2m. The sale of Transener was canceled when the sole bidder, Maipu Inversora, failed to increase its $65m bid.

**Headline:**
Menem Advances on 'Superpowers'

**Source:**
*Business Monitor International January 1996*

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## Edesur

**Activity Date:** 12 1995

The Chilean power investment group, Enersis, has purchased the Argentine government's 39% stake in **Edesur**, the Argentine utility, for $390m. Enersis and one of its subsidiaries now controls 64% of Edesur.

**Headline:**
Chileans Buy Argentine Holding

**Source:**
*US/Latin Trade February 1996*

## Empresa de Distribucion Electrica de Tucaman

**Activity Date:** 1995

Argentina's privatization process is continuing on course, with progress being made in several sectors. The right to modernize, maintain, expand, and operate a 700 km stretch of the nation's **navigable waterways** was purchased by a consortium of 4 firms. Privatization in the banking sector has also moved forward, as the central government has encouraged the provinces to privatize their banks. The Province of Formosa has annnounced that it will sell 60% of the assets (worth $9m) in **Banco de Formosa S.A.** through a public call for bids. Public utilities are also slated for privatization. The Province of Santa Fe has extended the deadline for bids on concessions in its **water and sewage facilities**. The Province of Tucaman is offering 51% of its equity in its elecricitiy distributor, **Empresa de Distribucion Electrica de Tucaman**. Finally, the Ministry of Economy, Works and Public Services announced a call for bids on the sale of 98% of the Shares of **Hidroelectrica Rio Juramento SA**.

**Headline:** Smooth Sailing

**Source:** *Latin Finance April 1995*

**Activity Date:** 1995

The Province of Tucaman is offering 51% of its equity in its electricity distributor, **Empresa de Distribucion Electrica de Tucaman**.

**Headline:** Smooth Sailing

**Source:** *Latin Finance April 1995*

## Empresa Distribuidora de Electricidad

**Activity Date:** 8 1995

The government of Argentina announced a number of legislative changes relating to concessions and bidding rules that it expects will facilitate the privatization process. In addition, employee stock ownership plans are being put in place for **Telecom Argentina, Stet-France Telecom SA** and **Telefonica de Argentina SA**. The government also announced the privatization of 90% of the shares in **Empresa Distribuidora de Electricidad de Catamarca SA**, the nation's electricity distributor.

**Headline:** Argentina

**Source:** *LatinFinance August 1995*

## Empresa Distribuidora Sur

**Activity Date:** 11 1995

Late last year the government sold a 39% stake in **Empresa Distribuidora Sur** to Chile's Enersis International for $390m.

**Headline:** Why Utilities Have the Urge to Merge

**Source:** *Global Finance February 1996*

## Empresa Lineas Maritimas Argentinas S.A. (ELMA)

**Activity Date:** 1992

The Empresa Lineas Maritimas Argentinas S.A. (ELMA), the national shipping company, was authorized for 89% sale in a public international call by decree 299/92. The remaining 10% participation will be distributed to ELMA employees through an employment stock ownership program. The purchaser will be granted all the rights ELMA currently holds under existing freight conferences. The company's liabilities will be partially or fully transferred along with the sale. The purchaser will be required to guarantee a transport capacity of 1.3 million tons for 10 years. The transfer of the company to private operators shall be completed by August 31, 1992.

**Headline:**

**Source:** *LF 4/92, 11/92*

## Encotel

**Activity Date:** 2 1993

Argentina announced in February that **Encotel**, the post and telegraph company, will be part privatized with the government retaining 51% of its share and leaving 14% for a shared property program. The remaining 35% will be up for sale under certain conditions not yet announced. Coopers&Lybrand and Ecolatina Asesores Economicos will be advising.

**Headline:**

**Source:**
*Privatisation International 2/93*

## Encotesa

**Activity Date:** 1 1995

The proposed plan for privatization of **Encotesa**, Argentina's postal services company, has been defeated and efforts are currently being made to revise the plan. The plan had been rejected by Economy Minister Domingo Cavallo because it limited the particpation of foreign capital to a 30% stake; it would provide a national monopoly to the winner; and drug trafficking would be encouraged as the police would need to obtain court orders to search mail vehicles. The newly revised plan is expected to take these concerns into consideration. Federal Express of the US and local business man, Alfredo Yabran, are expected to be top contenders in the bidding.

**Headline:**
Cavallo Wins Battle Over Postal Privatization

**Source:**
*Business Monitor International January 1995*

## Ente Binacional Yacyreta (EBY)

**Activity Date:** 1996

Privatization efforts in the bi-national hydroelectric company **Ente Binacional Yacyreta** (EBY) have stalled due to Argentine congressional opposition to the terms of the Argentine-Paraguayan agreement. The sale was to generate revenue for Argentina in exchange for canceling Paraguay's debt, but the Argentine government claims that the agreement does not fully compensate Argentina.

**Headline:**
Trade Agreement for Mercosur and the EU

**Source:**
*Business Monitor International January 1996*

## EPE Electricity Company

**Activity Date:** 9 1993

In September, it was announced that Santa Fe, Argentina's second-richest province, plans to sell the EPE Electricity Company by mid-1994. This constitutes a large wave of privatizations occuring at the local level. The company has annual sales of $600 million and the government is selecting consultants to advise.

**Headline:**
Pressure on Argentina's Provinces to Sell

**Source:**
*Privatisation International August,1993*

## ESEBA

**Activity Date:** 4 1996

The government is seeking an advisor for the privatization of electric utility **ESEBA**, one of Argentina's last utility sales. Proposals are due April 8. The deal may be worth as much as $1bn. The government is hoping to complete the deal this year, but some bankers believe that this timetable is too aggressive. Among the firms expected to compete for the job are Goldman Sachs, Chase Manhattan, CS First Boston, JP Morgan, Warburgs, and Kleinwort Benson.

The ESEBA, an electrical generation and distribution company, is slated for privatization. The government is currently preparing documents and the auction is expected during the first half of 1996.

**Headline:**
ESEBA Privatization RFPs

**Source:**
*Project Finance International April 11, 1996*

## Fabrica Militar San Francisco

**Activity Date:** 1995

Progress in Argentina's privatization process, especially within the electrical industry, has been moving ahead despite a few delays in current and on-going privatizations. The province of Formosa recently announced the privatization of its **electricity distribution company**. A 40 year concession was given out to a consortium made up of Argon SA, Iate SA, and Eleprint SA. The same group has been held up with bids submitted for the purchase of a 51% equity participation in **Hidro-electrica San Juan SA**. The province of San Juan has also made a second call to bids for the sale of 98% of the shares of **Hidrotermica San Juan SA.** Bids had to be presented by March 7, 1995. Meanwhile, the Ministry of Economy, Public Works, and Services has made a call for bids in the sale of 59% of the shares in **Hidroelectrica Futaleufu SA.** Bids had to be presented on or before March 21,1995. In the military sector, the Spanish group Securarg made a proposal for a direct purchase of **Fabrica Militar San Francisco**, an armaments plant in Cordoba province. The purchase offer totalled $11m.

**Headline:**
Steaming Ahead

**Source:**
*LatinFinance April 1995*

**Activity Date:** 1995

In the military sector, the Spanish group Securarg offered $11m for the direct purchase of **Fabrica Militar San Francisco**, an armaments plant in the Cordoba province.

**Headline:**
Steaming Ahead

**Source:**
*Latin Finance April 1995*

## Ferroexpreso Pampeano, the Rosario - Bahia Blanca train

**Activity Date:** 1992

Ferroexpreso Pampeano is the new company resulting from the privatization of the railway corridor from Rosario in the Santa Fe Province to Bahia Blanca in the Buenos Aires Province. The exclusive franchise was awarded to a consortium led by Techint and composed of other Argentinean firms and IOWA Interstate Railroad of the U.S. in November 1990. Ferroexpreso Pamppeano became Argentina's first operating private rail company in November 1991, two months in advance of the settlement of contractual terms. The contract included provisions on the regulation of rates, operational procedures, operational agreements with Ferrocarriles Argentines regarding interchange traffic, union agreements, investments and programs.

**Headline:**

**Source:**
*LF 10/92*

## Gas del Estado S.E.

**Activity Date:** 1992

The privatization of Gas del Estado S.E., the natural-gas distribution monopoly, will be completed this year. Gas del Estado is slightly profitable on annual sales volume of 19 billion cubic meters of gas, 35% of it to industry, 32% to electrical utilities and 33% to household and commercial customers.

**Headline:**

**Source:**
*WSJ july/92*

## General Urquiza railway cargo services

**Activity Date:** 5 1993

A concession of the General Urquiza railway cargo services was awarded to the Ferrocarril Mesopotamico-General Urquiza S.A. consortium in an international bidding. The concession was authorized through executive decree No.504.93. The winning consortium was made up of IMPSA S.A.C. y F., Alesia S.A., Olmatic S.A. and Petersen Thiel y Cruz S.A.

**Headline:**

**Source:**
*Latin Finance 5/93*

**Grain Elevators**

**Activity Date:** 3 1993

The Argentine government announced in March plans to privatize the country's grain elevators, in which the minimum bid foe the concession will be set at 25 U.S. cents per loaded ton. In March, the grain elevators were awarded to a Bunge y Born Comercial S.A.-led consortium.

**Headline:**

**Source:**
*Latin Finance March 1993*

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**Guemes power plant**

**Activity Date:** 1992

Guemes power plant in Salta sold 60% to Powerco SA at $86.2 million, of which $10 million was cash and the balance foreign and domestic debts. Guemes has loans of $45.9 million. The plant will be operated by Iberdrola. A group formed by Perez Companc, Acindar and Citicorp Equity Investment placed a distant second in the auction with a bid of $52.3 million.
Powerco's shareholders are: Duke (US) 25%; Sociedad Comercial del Plata, 25%; Iberdrola (Spain), 20%; Argentine Investment Company, 15%; and TCW Americas Development Association, 15%.
A stake of 53.4% of the country's thermal electric generating capacity has been privatized after this sell-off. Two smaller power plants in the Buenos Aires area were also privatized. More power plants are going to be privatized, includes Hidronor which operates plants on the Limay and Neuquen rivers producing 20% of the nation's electricity power.

**Headline:**

**Source:**
*LL 9/18/92*

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**Hidroelectrica Alicura S.A.**

**Activity Date:** 8 1993

Offers were invited for the hydroelectric power plant Hidroelectrica Alicura S.A., with 59% of its stock for sale. SEY y Asociados de Argentina S.A. has won the bid by offering $117,999,771 million of which will be paid in cash and the balance in Argentine debt bonds. Thirty nine percent of the remaining Class B shares were offered on the 90 day notice to the provinces of Neuquen and Rio Negro, H.A. employees will have a 2% participation. The plant's capacity is 1,000 megawatts.

**Headline:**
Privatization Update... In the News

**Source:**
*Latin Finance July/August 1993*

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**Hidroelectrica Cerros Colorados S.A.**

**Activity Date:** 7 1993

A 59% share in **Hidroelectrica Cerros Colorados S.A.** was offered on July 7 by the Argentine government. Patagonia Holding S.A. won the bid, offering $72,623,232, $27 million of which will be paid in cash and the balance in Argentine debt bonds. Hidroelectrica Cerros Colorados S.A. has an output of 450 megawatts.

**Headline:**
Privatization Update... In the News

**Source:**
*Latin Finance July/August 1993*

**Hidroelectrica El Chocon S.A.**

**Activity Date:** 7 1993

A 59% of stake in **Hidroelectrica El Chocon S.A.**, the hydroelectric power plant, was sold to Hidroinvest S.A. on July 7 for $223,947,00, $87 million of which will be paid in cash and the balance in debt bonds. The plant's output is 1,320 megawatts.

It was reported that Chase Manhattan is financing up to $260 million for Hidroinvest's purchase of El Chocon with bank debt that is part of the Argentine government's privatization of the state-owned electric system, Hidronor.

**Headline:** Privatization Update... In the News

**Source:** *Latin Finance July/August 1993*

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**Hidroelectrica Futaleufu SA**

**Activity Date:** 1995

Progress in Argentina's privatization process, especially within the electrical industry, has been moving ahead despite a few delays in current and on-going privatizations. The province of Formosa recently announced the privatization of its **electricity distribution company**. A 40 year concession was given out to a consortium made up of Argon SA, Iate SA, and Eleprint SA. The same group has been held up with bids submitted for the purchase of a 51% equity participation in **Hidro-electrica San Juan SA**. The province of San Juan has also made a second call to bids for the sale of 98% of the shares of **Hidrotermica San Juan SA.** Bids had to be presented by March 7, 1995. Meanwhile, the Ministry of Economy, Public Works, and Services has made a call for bids in the sale of 59% of the shares in **Hidroelectrica Futaleufu SA.** Bids had to be presented on or before March 21,1995. In the military sector, the Spanish group Securarg made a proposal for a direct purchase of **Fabrica Militar San Francisco**, an armaments plant in Cordoba province. The purchase offer totalled $11m.

**Headline:** Steaming Ahead

**Source:** *LatinFinance April 1995*

**Activity Date:** 1995

The Ministry of Economy, Public Works and Services has made a call for bids in the sale of 59% of the shares in **Hidroelectrica Futaleufu SA** with bids due to be presented on or before March 21, 1995.

**Headline:** Steaming Ahead

**Source:** *Latin Finance April 1995*

**Activity Date:** 4 1995

The Aluar Group bought a 98% stake in **Hidroelectrica Futaleufu SA**. The bid for $225.6m, was significantly higher than the $200m the government had expected to receive from the sale.

**Headline:** Rolling Along

**Source:** *Latin Finance May 1995*

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**Hidroelectrica Los Nihuiles**

**Activity Date:** 5 1994

The Argentinian government is preparing to sell a majority holding in **Hidroelectrica los Nihuiles**, a combination of the three Nihuiles plants. The due date for prequalification bids on the 51% stake is set for February 10, 1994 with final offers on March 4, 1994. The assets are currently held by the province of Mendoza and generate 211 MW.

**Headline:** More Argentine Power Plants

**Source:** *Privatisation International February 1994*

**Activity Date:** 5 1994

A 51% stake in the **Hidroelectrica Los Nihuiles** hydroelectric facilities was sold in May to the EdF/Banco de Galicia consortium for $74 million. Other bidding consortiums included that of Southern Electric International and Chatter Oak Energy, as well as Dominion Energy, AES Corp., Consolidated Hydro and Cartellone.

Oak Energy, as well as Dominion Energy, AES Corp., Consolidated Hydro and Cartellone.

**Headline:**
EdF Wins Los Nihuiles, Diamante Auctions

**Source:**
*Project Finance International May 26, 1994*

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**Hidroelectrica Norpatagonica (Hidronor )**

**Activity Date:** 7 1993

The sale of the hydroelectric generator facility, Hidronor, for US$1.1 billion concluded the Argentine government's efforts to privatize its major energy companies. The government divided the company's assets into three separate units consisting of the El Chocon dam, the Alicura dam, and the Cerros Colorados dam. The purchase of all three units was paid for by three international consortia who paid $476.6 million in cash and assumed $631.1million of the government's financial liabilities.

El Chocon , with a 1400 MW generating capacity,was sold to the Hidroinvest consortium for US$519.3 million, of which $223.9 million was paid in equity and $257.9 million in debt. Within this consortium, Endesa of Chile purchased a 55% share, CMS Energy of the U.S. purchased a 35% share, and the remaining 10% went to BEA Investors and Sawgrass. The Alicura dam, with a generating capacity of 1,000 MW, was sold to the SEI y Asociados consortium for US$393.5 million, paid in cash and bonds. This consortium consisted of U.S. Southern Electric Company (80%), Asociados de Electricidad (14%), 7 de Abril (5%), and Resource Development Consultants (1%). The final 45 MW generating facility, Cerros Colorados, was sold to the Patagonia Holding consortium for $192.9 million, of which $72.6 million was for equity and $87 million in debt. Consortium members Dominion Energy of the U.S. purchased 80% and Louis Dreyfus grain trader purchased 20%.

**Headline:**
Argentina Sells Energy Group In Three Units

**Source:**
*Financial Times July 12, 1993*
*Lagniappe Letter 7/9/93*

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**Hidroelectrica Pichi Picun Leufu**

**Activity Date:** 9 1995

The government of Argentina has announced a request for bids on two hydroelectric plants, **Hidroelectrica Pichi Picun Leufu** and **Hidroelectrica Piedra del Aguila SA**. Information regarding the technical and economic offers for the companies is to be released at the beginning of September.

**Headline:**
Rounding Up

**Source:**
*Latin Finance October 1995*

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**Hidroelectrica Piedra del Aguila SA**

**Activity Date:** 9 1995

The government of Argentina has announced a request for bids for two hydroelectric plants, **Hidroelectrica Pichi Picun Leufu** and **Hidroelectrica Piedra del Aguila SA**. Information regarding the technical and economic offers for the companies is to be released at the beginning of September.

**Headline:**
Rounding Up

**Source:**
*LatinFinance October 1995*

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**Hidroelectrica Rio Juramento SA**

**Activity Date:** 1995

Argentina's privatization process is continuing on course, with progress being made in several sectors. The right to modernize, maintain, expand, and operate a 700 km stretch of the nation's **navigable waterways** was purchased by a consortium of 4 firms. Privatization in the banking sector has also moved forward, as the central government has encouraged the provinces to privatize their banks. The Province of Formosa has annnounced that it will sell 60% of the assets (worth $9m) in **Bance de Formosa S.A.** through a public call for bids. Public utilities are also slated for privatization. The Province of Santa Fe has extended the deadline for bids on concessions in its **water and sewage facilities**. The Province of Tucaman is offering 51% of its equity in its elecricitiy distributor, **Empresa de Distribucion Electrica de Tucaman**. Finally, the Ministry of Economy, Works and Public Services announced a call for bids on the sale of 98% of the Shares of **Hidroelectrica Rio Juramento SA**.

**Headline:**
Smooth Sailing

**Source:**
*Latin Finance April 1995*

**Activity Date:** 1995



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**Activity Date:** 1995

The Ministry of Economy, Works and Public Services announced a call for bids on the sale of 98% of the shares of **Hidroelectrica Rio Juramento SA.**

**Headline:**
Smooth Sailing

**Source:**
*Latin Finance April 1995*

**Activity Date:** 7 1995

The Argentine government selected AES Corporation as the winning bidder in the privatization of the **Rio Juramento** hydroelectric system. AES bid $41m for a 98% stake in the company. The remaining 2% will be given to employees. The government awarded AES a 30-year concession to own and operate the system.

Prequalifications and bids for the sale of a 98% stake in **Hidroelectrica Rio Juramento SA** are due on July 12. The government will extend to the winner a 30-year concession to own and operate the facilities. The company, which has a 102MW hydroelectric plant and a 10MW hydroelectric plant, is jointly owned by the Argentine government and the government of Salta Province. A winner is expected to be announced on August 1.

**Headline:**
Rio Juramento to AES

**Source:**
*Project Finance International August 31, 1995*

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## Hidroelectrica San Juan SA

**Activity Date:** 1995

Argentina's privatization program, especially within the electrical industry, has been moving ahead despite delays in current and on-going privatizations. The province of Formosa recently announced the privatization of its electricity distribution company. A 40 year concession was given out to a consortium comprised of Argon SA, Iate SA, and Eleprint SA. The same group has submitted bids for the purchase of a 51% equity participation in **Hidro-electrica San Juan SA**.

**Headline:**
Steaming Ahead

**Source:**
*Latin Finance April 1995*

**Activity Date:** 1995

Progress in Argentina's privatization process, especially within the electrical industry, has been moving ahead despite a few delays in current and on-going privatizations. The province of Formosa recently announced the privatization of its **electricity distribution company**. A 40 year concession was given out to a consortium made up of Argon SA, Iate SA, and Eleprint SA. The same group has been held up with bids submitted for the purchase of a 51% equity participation in **Hidro-electrica San Juan SA**. The province of San Juan has also made a second call to bids for the sale of 98% of the shares of **Hidrotermica San Juan SA.** Bids had to be presented by March 7, 1995. Meanwhile, the Ministry of Economy, Public Works, and Services has made a call for bids in the sale of 59% of the shares in **Hidroelectrica Futaleufu SA.** Bids had to be presented on or before March 21,1995. In the military sector, the Spanish group Securarg made a proposal for a direct purchase of **Fabrica Militar San Francisco**, an armaments plant in Cordoba province. The purchase offer totalled $11m.

**Headline:**
Steaming Ahead

**Source:**
*LatinFinance April 1995*

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## Hidronor assets

**Activity Date:** 5 1993

It was announced in May that the hydro-electric generating assets under Hidronor would be privatized with Kleinwort Benson, Banco General de Negoicios and First Boston advising the company's sale.

**Headline:**

**Source:**
*PI 5/93*

### Hidrotermica San Juan SA

**Activity Date:** 1995

The province of San Juan has made a second call for bids on the sale of a 98% stake in **Hidrotermica San Juan SA.** Bids had to be presented by March 7, 1995.

**Headline:** Steaming Ahead

**Source:** *Latin Finance April 1995*

### Indupa

**Activity Date:** 10 1995

In Argentina, the government is planning to offer a 38% stake in the petrochemical producer **Indupa**. The company which employs 1,000 people, earned $22m in the first seven months of 1995. Eight companies including: Solvay Quimica, Dow Quimica, Perez Companc, and Raimundo Richard, a former shareholder of Indupa, have purchased prospectus documents, however, YPF and Perez Companc are favored locally. Bids will be opened December 4 and the new owners are scheduled to take over on December 27.

**Headline:** Chemical Sale

**Source:** *Privatisation International October 1995*

### Lujan de Cuyo

**Activity Date:** 10 1993

The sale of a gas-fired electricity plant, **Lujan de Cuyo**, located in the west of the country has been postponed due to disagreements with the provincial government over the terms of the sale.

**Headline:** Power Sales in Argentina

**Source:** *Privatisation International October 1993*

**Activity Date:** 4 1994

The Argentinean government announced its plans to privatize several minor generation plants including a 51% stake in **Lujan de Cuyo**, a 381.7 MW thermal plant in the Andean province of Mendoza. Nearly a dozen bids were received for the plant, including those from Dominion Energy, Deutsche Babcock and the YPF oil group of Argentina.

**Headline:** Power Disposals in Argentina

**Source:** *Privatisation International April 1994*

### macro

**Activity Date:** 7 1994

The Argentine government in July repeated its commitment to privatizing Argentina's 50 or so local and international airports. How that privatization will occur is yet to be determined due to conflicting interests among the air force, which currently controls the airports and wants suitable compensation for lost landing fee revenues. Villalonga Furlong, the air force's partner in the ground handling, freight monopoly Edcadassa and government officials can't decide whether to sell the airports in groups or as a monopoly. The Economy Minister would like the airports sold in groups with each group having one major airport and several smaller ones. The trouble is that nearly two thirds of Argentina's 13 million international arrivals land at Buenos Aires international airport or the city-center airport. These two airports accounted for 80% of the $79 million in airport revenues in 1993 while other airports are too small or too badly managed to turn a profit. Air traffic control and security will still be controlled by the air force. Several companies including Hughes Airport Systems, Bechtel, Lockheed of the US and the Paris and Vienna airport authorities have already expressed interest.

**Headline:** Turf War Over Airports

**Source:** *Privatisation International July 1994*

## MetroGas

**Activity Date:** 1994

The Argentine government plans to raise between $130m-$160m through the sale of its remaining 20% stake in **MetroGas**, the countries largest gas distributor. The issue of 93.5 million class B shares is being underwritten by Credit Suisse, First Boston and co-led by Dresdner Bank. Demand for the issue is said to be strong, as existing shareholders are expected to raise their stakes in the British Gas-operated utility.

**Headline:**
MetroGas float to raise between $130m-$160m

**Source:**
*Financial Times November 11, 1994*

**Activity Date:** 1994

The Argentine government is accelerating its last few privatizations. In the next several weeks, it will offer a 20% stake in the Buenos Aires gas utility **MetroGas**, for which it hopes to raise $150m. It has also given the go-ahead for the sale of Eseba, the electric utility of the province of Buenos Aires, valued at $600m.

**Headline:**
Management Alert

**Source:**
*Business Latin America November 28, 1994*

## National Grain Board

**Activity Date:** 5 1993

It was announced in May that Argentina's National Grain Board would be sold to private investors.

**Headline:**

**Source:**
*Privatisation International 5/93*

## National Mint

**Activity Date:** 5 1993

It was announced in May that country's National Mint would be privatized.

**Headline:**

**Source:**
*Privatisation International 5/93*

## Navigable Waterways

**Activity Date:** 1995

Privatization in Argentina is continuing on course as the right to modernize, maintain, expand, and operate a 700 km stretch of the nation's **navigable waterways** was purchased by a consortium of 4 firms. Public utilities are also slated for privatization. The Province of Santa Fe has extended the deadline for bids on concessions in its **water and sewage facilities**.

**Headline:**
Smooth Sailing

**Source:**
*Latin Finance April 1995*

## Nuclear Program

**Activity Date:** 1992

Argentina's National Atomic Energy Commission has announced plans to privatize its nuclear program. The system consists of 3 commercial reactors, one of which will not be operational until 1996, and plants which enrich uranium and procedure heavy water. Due to the sensitivity of the technology involved, it will be awarded as a concession rather than sold

**Headline:**

**Source:**
*WSJ10/28/92*

**nuclear-power plants**

**Activity Date:** 1995

Argentina's Economy Minister has announced terms for the privatization of Argentina's **nuclear-power plants**. The winning bidder will own 60% of the facilities' equity, while 30% will be offered on the stock market. The remaining 10% will be distributed among employees. No date has been indicated as to when tender procedures would begin.

**Headline:**
Management Alert

**Source:**
*Business Latin America February 20, 1995*

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**Obras Sanitarias de la Nacion**

**Activity Date:** 1 1992

Obras Sanitarias de la Nacion, OSN water - sewage facilities, will be privatized by public offering. On January 31, 1992, five multinational groups submitted basic information for prequalification on the offering of OSN. The schedule for the privatization is the following: opening to technical offers, 2/15/92, opening to economic offers, 5/15/92, preadjudication, 8/15/92.

**Headline:**

**Source:**
*LF 3/92*

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**Petroquimica Bahia Blanca**

**Activity Date:** 4 1993

It was announced in April that the solvents and cable units of **Petroquimica Bahia Blanca** of the defense sector were sold for $17.6 million.

**Headline:**

**Source:**
*Privatisation International 5/93*

**Activity Date:** 1 1994

Economy minister Domingo Cavallo wants to sell 51% of the state-owned **Petroquimica Bahia Blanca (PBB)** as part of a plan being studied regarding the reorganization of petrochemical plants in Bahia Blanca.

**Headline:**
Petrochemical Plants Set for Overhaul

**Source:**
*Lagniappe Letter January 21, 1994*

**Activity Date:** 1995

The Ministry of Economy has announced it will sell its 51% stake in **Petroquimica Bahia Blanca SAIC** as well as **Indupa SA**. This is a second effort at selling Petroquimica, with the previous sale halted by legal disputes. Indupa, purchased by the government in 1992 at the brink of bankruptcy, is a major supplier to plastics manufacturers. According to Dow Chemicals, neither company can compete in a free market.

**Headline:**
Trade Roundup

**Source:**
*US/Latin Trade February 1995*

**Activity Date:** 11 1995

A consortium whose members include Dow Chemical of the US, YPF of Argentina, and Itochu of Japan, won a bid for a 51% stake in **Petroquimica Bahia Blanca** (PBB), an ethylene manufacturer in Argentina, and a 38.18% stake in **Indupa**, a PVC manufacturer. The consortium paid $357.5m for the stakes, beating an offer of $306.1m from a local consortium. PBB owns a 12.9% stake in Indupa, giving the consortium effective control over both firms. PBB has annual sales of $150m, and Indupa has annual sales of $250m.

**Headline:**
Dow Buys Stake in Argentine Ethylene

**Source:**
*Financial Times November 22, 1995*

**Activity Date:** 11 1995

Argentina sold its state-owned petrochemical company, **Petroquimica Bahia Blanca SA**. It was priced between $250m and $350m. Two consortia purchased the bidding rules for Petroquimica. One was made up of YPF SA and Dow Chemical while the other consisted of Perez Companc and Copesul. The Argentine government is also expected to sell 90% of its shares in its electrical distribution company.

sell 90% of its shares in its electrical distribution company.

**Headline:**
Update

**Source:**
*Latin Finance December 1995*

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**Petroquimica General Mosconi**

**Activity Date:** 1992

Petroquimica Generale Mosconi will be incorporated under the name Petroquimica Platense S.A., and 94% will be sold to private operators. Resolution 1283 92 authorized the opening of technical offers on 11/16/92, the opening of economic offers on 11/26/92, and award of the company on 12/9/92. YPF, the state oil company, supplies the company's raw materials.

**Headline:**

**Source:**
*LL 5/29/92*
*LF 11/92*

**Activity Date:** 3 1993

It was announced in March that shares of Petroquimica General Moscani in the defense sector would be sold.

**Headline:**

**Source:**
*Privatisation International 3/93*

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**Piedra del Aguila**

**Activity Date:** 10 1993

Final bids for the **Piedra del Aguila** power plant are due at the end of November 1994. The facility generates 1400MW.

**Headline:**
Power Sales in Argentina

**Source:**
*Privatisation International October 1993*

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**Ports**

**Activity Date:** 1992

Argentina's ports will be infused with private capital, domestic and foreign, in order to promote more efficient management and development. The ports, which handle 95% of the country's trade, will require considerable reform according to the Argentine port authority. It is estimated that the country's six major ports require private sector investment of $500 million, half for Buenos Aires alone, to achieve modern standards.

**Headline:**

**Source:**
*LF 10/92*

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**Power Plants**

**Activity Date:** 7 1995

The government of Argentina has requested proposals for the sale of its remaining shares in already-privatized **power plants**. The government hopes to sell its shares, which have a net book value of $900m, by the end of the year.

**Headline:**
Remnant Sale

**Source:**
*Project Finance International July 5, 1995*

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**Puerto Nuevo**

**Activity Date:** 8 1993

Resolution No. 669/93 of the Ministry of Economy, Public Works and Services authorized the Secretariat of Transportation to privatize Puerto Novo port terminals. An international tender is expected soon.

**Headline:**
Privatization Update... In the News

**Source:**
*Latin Finance July/August 1993*

**Activity Date:** 10 1993

The argentine government is selecting advisors for the sale of its remaining shares in the **Puerto Nuevo** power station. The station generates 1009MW. The government plans to make its decision by October 1993.

**Headline:**

**Source:**

1993

**Headline:**
Power Sales in Argentina

**Source:**
*Privatisation International October 1993*

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**Puerto Nuevo and Nuevo Puerto, two electric power plants**

**Activity Date:** 1992

Puerto Nuevo and Nuevo Puerto, two Argentinean electric power plants, were ordered to be sold through an international public call for bids by Resolution 64/92.

**Headline:**

**Source:**
*LF 3/92*

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**Rail System**

**Activity Date:** 2 1993

It was reported in February that the World Bank is helping Argentina to design and carry out the privatization of its rail system. The plans involve splitting the long distance freight system into six lines, each sold as a separate 30-year concession. The bids have been awarded with subsidies estimated at $993 million over the concessions' 10 year lives, with subsidies expected to disappear after the eighth year and replaced by $10 million fees.

**Headline:**

**Source:**
*Financial Times February 9, 1993*

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**Salto Grande hydroelectric complex**

**Activity Date:** 1995

The Argentine government wants to privatize the **Salto Grande hydroelectric complex** on the River Uruguay. However, the Uruguayan government, which is co-owner of the complex, opposes the privatization. Negotiations between the two sides are expected to begin soon.

**Headline:**
Argentina Wants to Privatize Salto Grande

**Source:**
*Business Monitor International April 1995*

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**Segba**

**Activity Date:** 8 1992

On August 31, 1992, Segba, the greater Buenos Aires electricity company, was completely privatized when the distribution network was transferred to two groups as a 30 year concession.

**Headline:**

**Source:**
*PI 9/92*

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**Somisa**

**Activity Date:** 1992

Somisa, an Argentine company in the defense sector, is to be sold by the end of June. Twenty percent will be sold to the employees and 80% to a single consortium. The company has been valued at $450 million.

**Headline:**

**Source:**
*PI 5/92*

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**Stet-France Telecom SA**

**Activity Date:** 8 1995

The government of Argentina announced a number of legislative changes relating to concessions and bidding rules that it expects will facilitate the privatization process. In addition, employee stock ownership plans are being put in place for **Telecom Argentina, Stet-France Telecom SA** and **Telefonica de Argentina SA**. The government also announced the privatization of 90% of the shares in **Empresa Distribuidora de Electricidad de Catamarca SA**, the nation's electricity distributor.

**Headline:**
Argentina

**Source:**
*LatinFinance August 1995*

## Telecom Argentina

**Activity Date:** 1992

Telecom Argentina , a 40% state-owned company, was further privatized through the sale of a 30% stake for $1.2 billion. The government now owns 10% of Telecom, which will be sold to employees. The Telecom flotation far exceeded government expectations as $5.7 billion in bids were submitted. The offering was priced through a Dutch auction for 15% of the shares. Of the 30% that the company sold, 7.5% was sold domestically at a 5% discount, or 39.99 cents per share. Another 7.5% was sold internationally and domestically on a non-competitive basis. The ADRs and GDRs, each worth 10 Class B shares, went for $42.07. The retail sales were (300,000) three-fold greater than the Telefonica sale.

**Headline:**

**Source:**
*LF 4/92*

**Activity Date:** 1992

The Telecom which is a partially state-owned enterprise is to be fully privatized. A stake of 30% out of 40% owned by the government is to be sold. The government has set a minimum price of $640 million. Analysts say it should net anywhere between $800 million and $1 billion. It is reported in June that the public offering of the government's remaining 30% stake was extended to domestic and foreign investors and raised more than $1 billion in funds.

**Headline:**

**Source:**
*PI 3/92*

**Activity Date:** 1993

A 30% stake in Telecom Argentina was sold for $1,227 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Activity Date:** 8 1995

The government of Argentina announced a number of legislative changes relating to concessions and bidding rules that it expects will facilitate the privatization process. In addition, employee stock ownership plans are being put in place for **Telecom Argentina, Stet-France Telecom SA** and **Telefonica de Argentina SA**. The government also announced the privatization of 90% of the shares in **Empresa Distribuidora de Electricidad de Catamarca SA**, the nation's electricity distributor.

**Headline:**
Argentina

**Source:**
*Latin Finance August 1995*

## Telefonica de Argentina

**Activity Date:** 1991

30 percent of Argentina's **Telefonica de Argentina** was sold in 1991 at a sale price of $849 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Activity Date:** 1992

Telefonica de Argentina which was a state-owned telecommunications company was privatized through a public offering. Telefonica is a monopoly and operates mainly in the southern part of Argentina. The government sold its 30% of its remaining shares via a Dutch auction. Argentina now owns 10% of Telefonica. The price per share was 24 cents or $24 global depositary share that represents 100 shares. The sale generated $84 8 million. About 70,000 Argentines bought stocks. It is reported later that the net income went up with a 88% rise from $118m in 1991 to $222m in 1992. The sales rose 57% from $1.037 bn in 1991 to $1.63 bn.

**Headline:**

**Source:**
*PI & LF 02/92*

**Activity Date:** 8 1995

The government of Argentina announced a number of legislative changes relating to concessions and bidding rules that it expects will facilitate the privatization process. In addition, employee stock ownership plans are being put in place for **Telecom Argentina, Stet-France Telecom SA** and **Telefonica de Argentina SA**. The government also announced the privatization of 90% of the shares in **Empresa Distribuidora de Electricidad de Catamarca SA**, the nation's electricity distributor.

nation's electricity distributor.

**Headline:**
Argentina

**Source:**
*LatinFinance August 1995*

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**Toll Roads**

**Activity Date:** 2 1993

The government of Argentina announced in Febuary its plans to offer 25-year concessions to privately operate three highways that lead to Buenos Aires, with developmental costs estimated at US$600 million. Each concessionaire will only be allowed one highway and must be willing to invest in expanding and upgrading the roads.

**Headline:**

**Source:**
*Project Finance International 2/11/93*

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**Transener**

**Activity Date:** 7 1993

The 65% share offered by the government in Transener, the state electricity transmission line operator, was finally sold to a Duke Power-led consortium for US$234.1 million. The payment amount included US$30 million in cash and the remainder in some component of commercial debt. The 65% share purchased was divided equally among the members of the consortium, which included Duke Power, Entenergy Transener, National Grid Finance, SADE (a Perez Companc subsidiary), and Commercial del Plata S.A. The company was transferred to its buyers on July 16, and they will now run the company's 27 substations and 7,800 km of overhead lines.The remaining 35% of the company's shares, which include US$46 million in debt, will be sold to the public and the company's employees. Kleinwort Benson, First Boston, and Banco General de Negocios advised the sale.

**Headline:**
Transener Awarded

**Source:**
*Project Finance International July 9, 1993*
*Lagniappe Letter 7/9/93*

**Activity Date:** 8 1993

Citelec S.A. consortium has purchased 65% of the stock in Transener S.A. for $234,121,432.

**Headline:**
Privatization Update... In the News

**Source:**
*Latin Finance July/August 1993*

**Activity Date:** 12 1995

The sale of electric utility Edenor and electric transmission company **Transener** did not live up to expectations. The government only managed to sell half of its 39% stake to Endesar, a Spanish firm, for $156.2m. The sale of Transener was canceled when the sole bidder, Maipu Inversora, failed to increase its $65m bid.

**Headline:**
Menem Advances on 'Superpowers'

**Source:**
*Business Monitor International January 1996*

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**Transnoa**

**Activity Date:** 8 1993

Resolution No. 465/93 of the Ministry of Economy, Public Works and Services called for an international tender to privatize 90% of the stock of Empresa de Transporte de Energia Electrica por Distribucion Troncal Transnoa S.A., or Transnoa.

**Headline:**
Privatization Update... In the News

**Source:**
*Latin Finance July/August 1993*



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## Transportadora de Gas del Norte (TGN)

**Activity Date:** 5 1994

The Argentine government plans to offer 27% of its equity in **Transportadora de Gas del Norte (TGN)**. TGN is the owner of pipelines in western and northern Argentina, with annunal sales of $115 million. Its pipelines service Mendoza, Tucuman, Cordoba and Rosario.

**Headline:**
Smooth Sailing for Gas IPO

**Source:**
*Lagniappe Letter May 13, 1994*

**Activity Date:** 7 1994

The Argentine government announced in July that it will sell its remaining 25% stake in **Transportadora de Gas del Norte (TGN)** and expects to raise between $127 and $154 million by using the US-style book building method. TGN is one of two privatized gas pipeline companies to come from the former Gas del Estado (GdE) monopoly. It connects gas fields in northern Argentina with the large industrial cities of Santa Fe, Cordoba and Buenos Aires. Canada's Novacorp gas company currently operates TGN. The shares will be sold in the US, the Far East and in Argentina.

**Headline:**
GdE Minorities Offered

**Source:**
*Privatisation International July 1994*

**Activity Date:** 1995

In an effort to balance its budget, the government of Argentina will try for a third time to sell a 25% stake in **Transportadora de Gas del Norte, SA.**, the natural-gas distributor.The first and second attempts were thwarted, respectively, by low demand and the peso devaluation. The difference with this third attempt is that shares will be auctioned off in five blocks, rather than through a public offering. With each block's minimum price set at $21.4m, the government is expecting to net at least $107m from the sale. TGN is 70% owned by Gasinvest, SA and 5% owned by employees.

**Headline:**
Argentina To Attempt For Third Time To Sell Its 25% TGN Stake

**Source:**
*Wall Street Journal July 21, 1995*

## Transportadora Gas del Sur (TGS)

**Activity Date:** 5 1994

The Argentine government sold 27% of its holding in **Transportadora de Gas del Sur (TGS)** in an initial public offering which brought in $526 million in revenues. The 40% offered in Argentina was managed by Frances and Galacia banks, while the 40% placed in the U.S. and 20% elsewhere was handled by Merrill Lynch. The capital markets were receptive to the TGS placement despite the recent sharp fall in Argentina's stock market.

**Headline:**
Smooth Sailing for Gas IPO

**Source:**
*Lagniappe Letter May 13, 1994*

**Activity Date:** 6 1994

In June, the government of Argentina sold its remaining 27% stake (39 million shares sold for $13.5 per share) in **Transportadora de Gas del Sur** raising approximately $520 million. The shares were placed in New York, Europe and on the Buenos Aires stock exchange and sold by way of a 144A offer. In December 1992, a consortium led by Enron and including Perez Companc and APDT, bought a 70% stake in the company for $970 million. Management and employees hold the remaining shares.

**Headline:**
Inernational Overview:Argentina

**Source:**
*Privatisation International June 1994*

## Water and Sewage Facilities

**Activity Date:** 1995

Argentina's privatization process is continuing on course, with progress being made in several sectors. The right to modernize, maintain, expand, and operate a 700 km stretch of the nation's **navigable waterways** was purchased by a consortium of 4 firms. Privatization in the banking sector has also moved forward, as the central government has encouraged the provinces to privatize their banks. The Province of Formosa has annnounced that it will sell 60% of the assets (worth $9m) in **Bance de Formosa S.A.** through a public call for bids. Public utilities are also slated for privatization. The Province of Santa Fe has extended the deadline for bids on concessions in its **water and sewage facilities**. The Province of Tucaman is offering 51% of its equity in its elecricitiy distributor, **Empresa de Distribucion Electrica de Tucaman**. Finally, the Ministry of Economy, Works and Public Services announced a call for bids on the sale of 98% of the Shares of **Hidroelectrica Rio Juramento SA**.

**Headline:**
Smooth Sailing

**Source:**
*Latin Finance April 1995*

## Yacimiento Carboniferos Fiscales (YCF)

**Activity Date:** 1992

Yacimientos Carboniferos Fiscales (YCF), national coal company, is reported to be considered for privatization. A first draft of the divestiture plan has been submitted by the Subsecretary of Combustibles to the Ministry of Finance.

**Headline:**

**Source:**
*LF 3/92*

**Activity Date:** 5 1993

The government of Argentina announced in May its intentions to offer a 20-year concession of its state-owned coal mine, **Yacimiento Carboniferos Fiscales (YCF)**. The mine was not profitable, and the concession will include a rail link and port.

**Headline:**

**Source:**
*Privatisation International 5/93*

## Yacimientos Petroliferos Fiscales (YPF)

**Activity Date:** 1992

YPF, which is more than three times as large as the second biggest Argentine company, Gas del Estado, will be privatized by the federal government over a period of three years. They planned to sell at least half of the equity for around $4 billion.

The first step toward privatization will be to sell off parts of the company, including its northwestern reserves, three refineries, three oil pipelines, its tanker fleet and its 49% equity in trading company Pluspetrol. The estimated price for these transactions is about $800 million.

The federal government will have 51% of the shares in the remaining company to sell. Up to 39% of the equity will be sold to the provincial government in payment of back royalties for oil and gas exploitation. Up to 10% of the equity will be sold to the company's employees.

The sales in 1991 of Yacimientos Petroliferos Fiscales ( YPF) was $5.4billion with net profit around $300 million - more than four times its 1990 profit of $70 million.

**Headline:**

**Source:**
*LL 10/2/92*
*PI 6/92*

**Activity Date:** 6 1993

The June offering of Yacimientos Petroliferos Fiscales (YPF) was heavily oversubscribed and generated over $3 billion. Two-thirds of the 160 million shares, representing 44% of the company, were placed with foreign investors. CS First Boston and Merrill Lynch were the underwriters and advisors.

**Headline:**
Energy

**Source:**
*International Privatization Update September 1993*

**Activity Date:** 7 1993

In the company's first international public offering, the number of shares offered in Yacimientos Petroliferos Fiscales (YPF), the state oil company, was increased from 110 million to 160 million shares, which represents about 44% of the

1993

(YPF), the state oil company, was increased from 110 million to 160 million shares, which represents about 44% of the company. The number of shares offered in Argentina was raised from 25 million to 47 million, while the number offered on the New York Stock Exchange was raised from 52.5 million to 76.4 million in the form of American Depository Receipts. Brazil offered another 5.5 million shares and 40 million shares were offered internationally. Each share was priced at US$19 a share, and the IPO raised a total of US$3.04 billion. Financial instutions and competing oil companies were not permitted to take part in the purchase of YPF shares. Institutional investors were given preference in purchase of shares, followed by requests from about 130,000 individuals from the U.S. and Argentina.

Following this IPO, the government plans to offer 26% of the company's remaining shares to YPF employees and pensioners. Further privatization of YPF will also include an exchange of Bocon bonds for the company's shares, which will be frozen for one year after the swap. CS-First Boston and Merrill Lynch acted as global coordinators to this transaction.

**Headline:**
YPF Offering Swells to 160 Million Shares
Oil & Gas Privatization Programs

**Source:**
*International Privatization Update 7/93*
*Lagniappe Letter 7/9/93*

**Activity Date:** 6 1994

Argentina's economy minister announced in June a proposed sale of the state's remaining shares in the oil company, **YPF**. Revenues from the proposed sale of the state's 20% share in YPF are expected to reach $1.8 billion. The final decision for the sale will be made within the next three months and will depend on how the Congress decides to allocate revenues from the sale. According to the economy minister, Domingo Cavallo, a decision to apply the revenues toward the development of the interior would result in a positive decision while a decision favoring a one-off distribution would yield otherwise. Discussion in the Congress has focused on using the revenues to finance $100,000 in housing construction. YPF was privatized in June 1993 in a $3.04 billion public offering. Ownership is currently divided with 45% going to YPF investors, 35% to workers, provincial governments and pensioners, and 20% to the government.

**Headline:**
Argentina to Sell Off Remaining 20% of YPF

**Source:**
*Financial Times June 7, 1994*

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## Yacyreta

**Activity Date:** 1995

Privatization of the **Yacyreta Hydroelectric Complex** could begin as early as May, depending on the success of talks with paraguay, the other partner in the bi-national facility. Paraguay has been reluctant to privatize the plant, which cost $8.5bn and can supply $600m worth of power a year.

**Headline:**
Management Alert

**Source:**
*Business Latin America February 13,1995*

**Activity Date:** 1995

The government of Argentina is expected to enter into an operations agreement with the new owners of the **Yacyreta** hydroelectric dam, likely aranging a guaranteed supply contract with the government. Yacyreta has annual sales of $600m.

The recent privatization of **Yacyreta** hydroelectric dam has only raised $1.1bn for the Argentine government, which is a fraction of the $7.5bn the government put into the project. Nevertheless, writing off losses has been a preferred measure to maintaining state ownership and investing more funds for expansion to make the project viable.

**Headline:**
Rounding Up

**Source:**
*Latin Finance October 1995*

**Activity Date:** 1995

The recent privatization of **Yacyreta** hydroelectric dam, which has annual sales of $600m, has only raised $1.1bn for the Argentine government, a fraction of the $7.5bn the government put into the project.

**Headline:**
Argentina Dam Setback

**Source:**
*Financial Times August 19, 1995*

**Activity Date:** 7 1995

The Argentine government is expected to call for bids on the privatization of the Yacyreta power plant prior to

1995

The Argentine government is expected to call for bids on the privatization of the Yacyreta power plant prior to mid-August. The plant is jointly sponsored by both the Argentine and Parguayan governments and is expected to have a generating capacity of 3,100MW upon completion. The Argentine government expects the sale to raise $1.8bn.

**Headline:** Yacyreta on the Block

**Source:** *Project Finance International July 5, 1995*

**Activity Date:** 11 1995

The Argentine and Paraguayan governments signed a protocol in November outlining the terms of the privatization of the binational hydroelectric project, **Yacyreta**. The protocol establishes a 30 year concession and a bid guideline of $1.8bn. The Argentine government will take responsibility for the operation's $8bn in foreign debt.

The anticipated privatization of the Argentine-Paraguayan **Yacyreta** hydroelectric complex on the Parana River has elicited interest from Empresa Nacional de Energia (ENDESA) of Spain and Electricite de France (EDF). The two companies must first wait for the Argentine Congress to approve privatization. Terms and conditions of the privatization tender are undetermined.

**Headline:** Agreement on Yacyreta Privatization

**Source:** *Business Monitor International December 1995*

**Activity Date:** 4 1996

The privatization of the **Yacyreta** hydroelectric project could possibly raise $1.6bn, the amount Argentina needs to match its budget deficit as specified in an IMF agreement. While the original plan for Yacyreta was a 30 year, $1.8bn concession, it is yet to be finalized. The government is still short $500m needed to finance completion and it is expected to offer a developer a partial concession for the facility this year.

The privatization of the Yacryeta-Asuncion hydroelectric link moves forward with AES Americas and Ontario Hydro discussing plans with the Argentine government. No formal bids have been yet made. The Argentine and Paraguayan governments said last year that they want a minimum of $1.8bn from the sale, which is expected to be completed in early 1998.

**Headline:** Open for Business

**Source:** *Global Finance March 1996*

## *Bahamas*

### Bank of the Bahamas

**Activity Date:** 1 1995

A plan to dilute the state's holding in the **Bank of the Bahamas** to a minority stake by 1997 was launched at the end of 1994 with an initial 2 million share offer. The issue was heavily oversubscribed by 3.9 million applicants.

**Headline:** Bank Share Sale Oversubscribed

**Source:** *Business Monitor International February 1995*

### Le Meridien Royal Bahamian Hotel

**Activity Date:** 1 1995

The government's move to divest state hotels took on even greater urgency as the prime minister announced that operating the hotels cost the government $30m a year. He also admitted that the state's hotel corporation had insufficient funds to meet operating costs, salaries, and debt payment. In January the Jamaican Sandals chain bought the **Le Meridien Royal Bahamian Hotel** in Nassau for $8.5m. This was the fifth state-owned hotel sold by the Bahamians.

**Headline:** Hotel Sale Gains Urgency

**Source:** *Business Monitor International February 1995*



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**Nassau Flight Services**

**Activity Date:** 6 1995

The Bahaman government has also announced plans to sell the state-owned **Nassau Flight Services**. The company had a small profit of $200,000 in 1994 following losses in the two previous years.

**Headline:**
Hotel Privatization Nears Completion

**Source:**
*Business Monitor International June 1995*

**Radisson Beach Hotel/ Lucayan Beach Hotel**

**Activity Date:** 6 1995

The government of the Bahamas is close to completing the sales of the **Radisson Beach Hotel** and the **Lucayan Beach Hotel**. The sales are part of an effort to reduce the debt burden of the Bahamas Hotel Corporation. Following completion of the sales, only two hotels will remain under state ownership: the Cable Beach in Nassau and the Emerald Palms in South Andros.

**Headline:**
Hotel Privatization Nears Completion

**Source:**
*Business Monitor International June 1995*

## *Barbados*

**Caribbean Broadcasting Corporation (CBC)**

**Activity Date:** 10 1995

The state-owned broadcasting monopoly, **Caribbean Broadcasting Corporation** (CBC), may soon be privatized as part of the government's plans to introduce competition in the media sector. Additional impetus for CBC's privatization is the station's $8m debt. The government has already received more than a dozen applications from cable operators to establish an independent television station.

**Headline:**
Tourism Boost Planned

**Source:**
*Business Monitor International November 1995*

**Pine Hill Dairy**

**Activity Date:** 10 1995

The government of Barbados is preparing to complete the privatization of **Pine Hill Dairy** with the sale of 1.7 million shares for earnings up to $1.7m. This second offering will allot 200,000 shares for employees and 1.5 million shares for the local population. The first flotation in July 1992 ended with 730,000 unsold shares out of the 1 million offered to the public.

**Headline:**
Tourism Boost Planned

**Source:**
*Business Monitor International November 1995*

## *Belize*

**Belize Electricity Limited (BEL)**

**Activity Date:** 4 1993

It was announced in April that 49% of BEL would be sold through a public offering. Proceeds from the sale would raise between US$14-15 million to be used for development purposes.

**Headline:**

**Source:**
*PFI 4/16/93*

**Activity Date:** 4 1993

It was announced in April that Belize Electricity Limited, BEL, would be sold through a public offering of 49% of its shares. The company's sale is expected to raise US$14-15 million, and the proceeds will be used to finance development projects.

**Headline:**

**Source:**
*PFI 4/16/93*

### Macal/Mollejon hydroelectric facility

**Activity Date:** 4 1993

Dominion Energy Inc. and International Energy Equities Inc. won the bid in April for a build-own-operate contract to build the Macal/Mollejon hydroelectric facility. The two companies will build a 139 km. transmission line to be handed to the Belize government for US$1 million upon completion in 1994. IFC and the Commonwealth Development Corp. are financing the credit for the project.

**Headline:**

**Source:** *PFI 4/16/93*

**Activity Date:** 4 1993

A build-own-operate mandate of the Macal/Mollejon hydroelectric facility was awared to the two U.S. companies, Dominion Energy Inc. and International Energy Equities Inc. The two companies will construct a 139km transmission line through a 4-1/2km tunnel in the Macal River. The transmission line will be transferred to the Belize government for a nominal US$1 million upon completion.

**Headline:**

**Source:** *PFI 4/16/93*

**Activity Date:** 7 1993

Dominion Energy will sponsor a build-own-transfer (BOT) project involving the Macal/Mellejon hydroelectric facility. The purpose of the project is to allow Belize Electricity Limited to free itself of its diesel power stations. Advisory services will be provided by Citibank and debt financing from IFC and the Commonwealth Development Corporation. It is expected that IFC will contribute US$20 million and the CDC US$15 million in loans.

**Headline:** Second IPP Loan Signs

**Source:** *Project Finance International July 9, 1993*

## *Bolivia*

### Asahi hotel

**Activity Date:** 3 1993

Bolivia announced in March plans to privatize the state-owned hotel, Asahi, in Santa Cruz. It will be one of eight firms to be privatized this month.

**Headline:**

**Source:** *LL 3/5/93*

### Bolivar polymetallic mine

**Activity Date:** 4 1993

Comibol, the Bolivian state mining company, has signed a joint venture contract with Comsur, the largest private mining corporation in Bolivia , for work in the Bolivar polymetallic mine. The deal commits Comsur to a $13 million investment in Bolivar as part of a 30-year exploitation plan. The agreement will allow comibol to take 50% of future profits, while futre investment in the mine will be the sole responsibility of Comsur. Though the FTSMB miner's union opposes the deal, the Bolivar mine workers are in favor of it.

**Headline:**

**Source:** *FT 4/20/93*

### Bolivian Ceramic Factory

**Activity Date:** 1992

The Bolivian Ceramic Factory was sold through a public auction for $1.2 million. An offer was received from employees, which although much lower than the final auction price, was considered to be on par with other bids.

**Headline:**

**Source:** *LF 10/92*



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## Cabana Lechera Todos Santos Hirtn

**Activity Date:** 4 1993

The Cabana Lechera Todos Santos Hirtn hotel was privatized on April 17 and was sold to Un'dad G.R. Moreno.

**Headline:**

**Source:**
*PI 5/93*

## Corani

**Activity Date:** 1995

Three firms, Dominion Energy, Inc., Energy Initiatives, Inc., and Constellation Energy, Inc. have been chosen as strategic partners for **ENDE's** three core companies, **Corani, Guarachi** and **Valle Hermoso,** respectively. The strategic partners will receive 50% stakes in the generating firms with the remainder of the shares distributed to Bolivian citizens. Dominion Energy will invest $57.8m in Corani while Energy Initiatives invests $47m in Guarachi.

**Headline:**
ENDE Capitalisation Winners

**Source:**
*Project Finance International July 5, 1995*

## Empresa Metalurgica Vinto

**Activity Date:** 9 1995

The Ministerio Sin Cartera Responsable de Capitalization ("Ministry") has invited all firms specializing in metallurgy, mining, and trading of minerals and metals to submit their credentials as bidders to be preselected for the capitalization of **Empresa Metalurgica Vinto**, the state owned mining company. Bidders selected in this stage will be invited to present technical and financial offers for the company. The preselection materials must be delivered to the Ministry on October 27, 1995, and selection of bidders will be conducted in public shortly thereafter.

**Headline:**
Preselection of Bidders

**Source:**
*Wall Street Journal September 28, 1995*

**Activity Date:** 12 1995

Chile's Cruz Blanca has acquired 50% of the shares in state-owned Empresa Nacional de Ferrocarriles (ENFE) for $39m. ENFE becomes the fourth state-owned company to be capitalized since March 1995, with prominent companies such as **Empresa Metalurgica Vinto**, a tin-smelting concern, and Yacimientos Petroliferos Fiscales Bolivianos, an energy producer, still awaiting capitalization.

**Headline:**
Rail Sell-Off Goes Ahead

**Source:**
*Business Monitor International January 1996*

**Activity Date:** 4 1996

The privatization tender for a 50% stake in the tin and antimony smelter unit **Empresa Metalurgica Vinto** has been postponed again, from March until June. Brazil's Paranapanema AF Mineracao, Australia's Renison Goldfields Consolidated Ltd, Switzerland's Glencore International and Malaysia's Smelting Corporation Berhad have prequalified for the bid and have requested more time to inspect the associated deposits that supply the unit. The government hopes the successful bidder will become a joint venture partner in the mines.

**Headline:**
Rising Inflation Threatens to Limit Growth

**Source:**
*Business Monitor International March 1996*

**Empresa Nacional de Electricidad (ENDE)**

**Activity Date:** 6 1994

The Bolivian government recently called for bids on the electric utility **Empresa Nacional de Electricidad** (ENDE). It is part of the overall plan by the government to implement a policy of capitalization and not privatization. Under the policy, the government will not sell its shares in state owned enterprises but will transfer, free of charge, up to 50% of stock and management control in exchange for a promise by investors to invest a predetermined sum into the company. This policy seeks to generate an "investment shock" of approximately US$2 billion, lead to the creation of private pension funds and stimulate long term capital markets, promote wealth redistribution and avoid the hostile tendencies of Bolivians regarding privatization. Other companies that may be offered under this policy are Empresa Nacional de Telecommunicaciones, the oil company Yacimientos Petroliferos Fiscales Bolivianos, the railway Empresa Nacional de Ferrocariles, the antimony smelter Empresa Nacional de Fundiciones and the airline Lloyd Aereo Boliviano.

**Headline:** Bolivia Launches Plan to Put Control

**Source:** *The Wall Street Journal*

**Activity Date:** 8 1994

The Bolivian government has announced that **Empresa Nacional de Electricidad (ENDE)**, Bolivia's leading power company, is officially on the auction block. The company is the first of six state-owned enterprises scheduled for privatization under the capitalization program. The government's objective in privatizing ENDE is to maximize the electricity export potential of each generating company to secondary markets in the neighboring countries of Chile, Brazil, Peru and Argentina. ENDE which is a profitable company with an estimated value of $400 million will be split into three sections; generation, transmission and distribution. Thirty two operators or operator-led consortia have expressed interest in the company. Qualified companies will receive bidding documents in October, sealed bids are due by end-November and transfer of management control will take place January 1.

**Headline:** Power Company Sale Will Launch Privatization Program

**Source:** *Lagniappe Letter August 5, 1994*

**Activity Date:** 7 1995

Three firms, Dominion Energy, Inc., Energy Initiatives, Inc., and Constellation Energy, Inc., have been chosen as strategic partners for **Empresa Nacional de Electricidad (ENDE)** three core companies, Corani, Guarachi and Valle Hermoso, respectively. The strategic partners will receive 50% stakes in the generating firms while the remaining shares will be distributed to eligible Bolivian citizens. Dominion Energy will invest $57.8m in Corani while Energy Initiatives will invest $47m in Guarachi.

**Headline:** ENDE Capitalisation Winners

**Source:** *Project Finance International July 5, 1995*

**Activity Date:** 8 1995

The government has officially requested bids for the privatization of **Lloyd Aereo Boliviano**, the state airline. The winner will receive 50% ownership and management control of the company. This sale, along with the sales of **Empresa Nacional de Electricidad** and the **Empresa Nacional de Telecomunicaciones,** is scheduled to take place in August.

**Headline:** Airline Privatization

**Source:** *U.S./Latin Trade July 1995*

## Empresa Nacional de Ferrocarriles (ENFE)

**Activity Date:** 6 1995

The government of Bolivia announced that three American companies won the rights in June to acquire 50% of the ownership of three new **power generating companies**. Dominion Energy Inc., Energy Initiatives Inc., and Constellation Energy Inc. pledged to invest $140m in the firm. The remaining 50% of the ownership shares will be distributed among all adult Bolivians. The next company on the privatization list is **Empresa Nacional de Telecomunicaciones** (ENTEL), the telecommunications company, which is currently considering pre-qualifying bids. In September, the airline **Lloyd Aereo Boliviano** and railway company **Empresa Nacional de Ferrocarriles** are scheduled for capitalization. Finally, by the end of the year, **Yacimientos Petroliferos Fiscales Bolivianos** (YPFB), the state oil company, is expected to be capitalized.

**Headline:** One Down, Five To Go

**Source:** *U.S./Latin Trade August 1995*

**Activity Date:** 10 1995

The sale of **Empresa Nacional de Ferrocarriles (ENFE)**, the state-owned railway of Bolivia, has been delayed from November until the latter half of December in order to allow potential bidders more time to study Bolivian railway regulations. The sale is expected to be difficult due to the high level of investment needed; a recent study estimated that the system would require $1.46bn of investment in the next 30 years.

**Headline:** Capitalization Continues

**Source:** *Business Monitor International December 1995*

**Activity Date:** 12 1995

Chile's Cruz Blanca has acquired 50% of the shares in state-owned **Empresa Nacional de Ferrocarriles** (ENFE) for $39m. ENFE is the fourth state-owned company to be capitalized since March 1995, with prominent companies such as Empresa Metalurgica Vinto, a tin-smelting concern, and Yacimientos Petroliferos Fiscales Bolivianos, an energy producer, still awaiting capitalization.

**Headline:** Rail Sell-Off Goes Ahead

**Source:** *Business Monitor International January 1996*

## Empresa Nacional de Telecomunicaciones (ENTEL)

**Activity Date:** 2 1994

The Bolivian government intends to privatize the following public enterprises: **ENTEL** (telecommunications), **YPFB** (integrated hydrocarbons), **ENDE** (power generation and transmission), **ENAF** (mineral processing), **LAB** (airlines) and **ENFE** (railways). The plan calls for the capitalization of 50% of each of the enterprises with a prequalified strategic investor and the distribution of the remaining 50% to the Bolivian population. All Bolivian citizens over the age of 21, 3.2 million in number, will be given shares. The government will receive financing from the World Bank and other lending agencies for privatization. The program, announced in February 1994, should be ready to begin at the end of March 1994. Foreigners will be allowed to take part by adding capital equivalent to the companies' original value, estimated at $2 billion. In turn, foreign investors can hold up to a fifty percent stake and have management control in the firms.

**Headline:** Capitalization of Public Enterprises in Bolivia

**Source:** *The Wall Street Journal February 15, 1994*

**Activity Date:** 6 1995

The government of Bolivia announced that three American companies won the rights in June to acquire 50% of the ownership of three new **power generating companies**. Dominion Energy Inc., Energy Initiatives Inc., and Constellation Energy Inc. pledged to invest $140m in the firm. The remaining 50% of the ownership shares will be distributed among all adult Bolivians. The next company on the privatization list is **Empresa Nacional de Telecomunicaciones** (ENTEL), the telecommunications company, which is currently considering pre-qualifying bids. In September, the airline **Lloyd Aereo Boliviano** and railway company **Empresa Nacional de Ferrocarriles** are scheduled for capitalization. Finally, by the end of the year, **Yacimientos Petroliferos Fiscales Bolivianos** (YPFB), the state oil company, is expected to be capitalized.

**Headline:** One Down, Five To Go

**Source:** *U.S./Latin Trade August 1995*

**Activity Date:** 7 1995

1995

Bolivia's capitalization program is gathering momentum as eight foreign companies have expressed interest in bidding for a controlling stake in **Empresa Nacional de Telecomunicaciones (ENTEL)**, the state-owned telecommunications monopoly. ENTEL will be the second company offered under the program.

**Headline:** Capitalization Takes Off

**Source:** *Business Monitor International July 1995*

**Activity Date:** 8 1995

The government has officially requested bids for the privatization of **Lloyd Aereo Boliviano**, the state airline. The winner will receive 50% ownership and management control of the company. This sale, along with the sales of **Empresa Nacional de Electricidad** and the **Empresa Nacional de Telecomunicaciones,** is scheduled to take place in August.

**Headline:** Airline Privatization

**Source:** *U.S./Latin Trade July 1995*

**Activity Date:** 9 1995

A winner in the bid for the capitalization of **Empresa Nacional de Telecomunicaciones (ENTEL)**, Bolivia's telecommunications monopoly, will be announced on September 29. France Telecom, Marconi SGPS Comunicaciones, Stet International, Telefonica Internacional de Espana, MCI Telecommunications Corp., Sprint International Inc., Bell Atlantic International, and Korea Telecom prequalified last spring.

Stet International of Italy has paid $610m for a 50% stake in Bolivia's telephone company, Entel, under the new capitalization program. Stet will receive a six year monopoly and a forty year concession for long-distance and international services plus cellular, paging, and cable licenses. In exchange, Stet will double the 243,000 access lines and provide telephones for every community of 300 inhabitants or more. Installation and repair times are also expected to be reduced. Stet's bid for the company, which had gross revenues of $116m and net earnings before exceptionals of $30.5m, was twice that of the next highest bidder, MCI of the US.

**Headline:** Entel Bids Due

**Source:** *Project Financial International September 27, 1995*

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## Fabrica de Ceramica Roya Cobija

**Activity Date:** 1 1993

Fabrica de Ceramica Roya Cobija, the ceramics factory, was sold on January 22 for US$110 million to Emp. Cons. Latinoam.

**Headline:**

**Source:** *PI 5/93*

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## Guarachi

**Activity Date:** 1995

Three firms, Dominion Energy, Inc., Energy Initiatives, Inc., and Constellation Energy, Inc. have been chosen as strategic partners for **ENDE's** three core companies, **Corani, Guarachi** and **Valle Hermoso,** respectively. The strategic partners will receive 50% stakes in the generating firms with the remainder of the shares distributed to Bolivian citizens. Dominion Energy will invest $57.8m in Corani while Energy Initiatives invests $47m in Guarachi.

**Headline:** ENDE Capitalisation Winners

**Source:** *Project Finance International July 5, 1995*

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## Hotel Prefectural Caranavi

**Activity Date:** 4 1993

Hotel Prefectural Caranavi was privatized on April 16 and was sold to Eva Esprella de Rojas for $65 million.

**Headline:**

**Source:** *PI 5/93*

**Hotel Prefectural Tarija**

**Activity Date:** 2 1993

The Hotel Prefectural Tarija was privatized on February 2 for US$500 million and was sold to Carlos Beccar.

**Headline:**

**Source:**
*PI 5/93*

**Hotel Prefectural Uriuni**

**Activity Date:** 1 1993

The Hotel Prefectural Uriuni was sold to Walter Requena on January 29 for US$34 million.

**Headline:**

**Source:**
*PI 5/93*

**Iboperenda**

**Activity Date:** 1993

Price Waterhouse IPG devised the privatization strategy and did technical and financial evaluations of **Iboperenda**, a dairy product plant, for the Bolivian government. The privatization of this 100% state owned dairy is pending. The eventual sale will be conducted by a local firm.

**Headline:**

**Source:**
*PW/IPG Staff*

**Ingenio Azucareno Bermejo**

**Activity Date:** 1994

Valuation and privatization strategy complete. Sale to be completed by a local firm.

**Headline:**

**Source:**
*PW/IPG Staff*

**Ingenio Azucarero Guabira**

**Activity Date:** 6 1992

Privatization strategy and valuation strategy of **Ingenio Azucarero Guabira,** a sugar mill, was completed by Price Waterhouse in June 1992 under a World Bank contract.

**Headline:**

**Source:**
*PW/IPG Staff*

**Activity Date:** 7 1993

The privatization of **Ingenio Azucarero Guabira**, completed in July 1993, has been the government's most significant sale to date. The transaction raised a total of $10 million when it sold 40% to the company's employees, 40% to its sugar cane producers,and the remaining 20% to the Development Corporation of Santa Cruz. Socimer International Corp. was the advisor to the sale.

**Headline:**
Bolivia's Sweet Success

**Source:**
*International Privatization Update July, 1993*

**Irupana**

**Activity Date:** 3 1993

Bolivia announced in March that Irupana, a La Paz hotel, would be sold as part of the country's privatization program. Irupana is one of eight firms to be privatized this month.

**Headline:**

**Source:**
*LL 3/5/93*

## La Paz waste removal services

**Activity Date:** 11 1991

A report on the privatization of **La Paz Waste removal services** was presented to the government of La Paz. Price Waterhouse IPG also provided advice on bidding process, company selection and financial valuation.

**Headline:**

**Source:** *PW/IPG Staff*

**Activity Date:** 2 1992

The **La Paz Waste removal services** were privatized in early 1992.

**Headline:**

**Source:** *PW/IPG Staff*

## Lloyd Aereo Boliviano

**Activity Date:** 1992

Lloyd Aereo Boliviano is the first company to be privatized through a private offering. A stake of 49% will be transferred to the private sector and up to 10% to the company's employees. International investors are sought for the acquisition of shares. First Boston has completed the evaluation and recommendations for that privatization.

**Headline:**

**Source:** *LF 11/92*

**Activity Date:** 6 1995

The government of Bolivia announced that three American companies won the rights in June to acquire 50% of the ownership of three new **power generating companies**. Dominion Energy Inc., Energy Initiatives Inc., and Constellation Energy Inc. pledged to invest $140m in the firm. The remaining 50% of the ownership shares will be distributed among all adult Bolivians. The next company on the privatization list is **Empresa Nacional de Telecomunicaciones** (ENTEL), the telecommunications company, which is currently considering pre-qualifying bids. In September, the airline **Lloyd Aereo Boliviano** and railway company **Empresa Nacional de Ferrocarriles** are scheduled for capitalization. Finally, by the end of the year, **Yacimientos Petroliferos Fiscales Bolivianos** (YPFB), the state oil company, is expected to be capitalized.

**Headline:** One Down, Five To Go

**Source:** *U.S./Latin Trade August 1995*

**Activity Date:** 8 1995

The Bolivian government has officially requested bids for the privatization of **Lloyd Aereo Boliviano**, the state airline. The winner will receive 50% ownership and management control of the company. This sale, along with the sales of **Empresa Nacional de Electricidad** and the **Empresa Nacional de Telecomunicaciones**, is scheduled to take place in August.

**Headline:** Airline Privatization

**Source:** *U.S./Latin Trade July 1995*

**Activity Date:** 8 1995

Bolivia is expected to sell a 50% stake in **Lloyd Aereo Boliviano** at the end of September. Viacao Aerea Sao Paulo (VASP), the Brazilian air carrier that recently acquired Ecuador's state-owned airline, Ecuatoriana, is expected to participate in the capitalization process.

**Headline:** VASP Lands in Ecuador

**Source:** *Latin Finance September 1995*

**Activity Date:** 10 1995

A 50% stake in the Bolivian state-owned airline, **Lloyd Aereo Boliviano**, was sold to VASP of Argentina in October. VASP paid $5m in cash and $42m in services and aircraft. VASP was the only bidder left in the process after Varig of Brazil and National of Chile dropped out.

**Headline:** Capitalization Continues

**Source:** *Business Monitor International December 1995*

**PEQ - San Javier**

**Activity Date:** 1993

Price Waterhouse IPG devised the privatization strategy and did technical and financial evaluations of **PEQ - San Javier**, a dairy product plant, for the Bolivian government. The privatization of this 100% state owned dairy is pending. The eventual sale is to be conducted by a local firm.

**Headline:**

**Source:**
*PW/IPG Staff*

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**PIL - Cochabamba**

**Activity Date:** 1993

Price Waterhouse IPG devised the privatization strategy and did technical and financial evaluations of **PIL Cochabamba**, a dairy product plant, for the Bolivian government. The privatization of this 100% state owned dairy is pending. The eventual sale is to be conducted by a local firm.

**Headline:**

**Source:**
*PW/IPG Staff*

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**PIL - Cordech**

**Activity Date:** 1993

Price Waterhouse IPG devised the privatization strategy and did technical and financial evaluations of **PIL Cordech**, a dairy product plant, for the Bolivian government. The privatization of this 100% state owned dairy is pending. The eventual sale is to be conducted by a local firm.

**Headline:**

**Source:**
*PW/IPG Staff*

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**PIL - La Paz**

**Activity Date:** 1993

Price Waterhouse IPG devised the privatization strategy and did technical and financial evaluations of **PIL La Paz**, a dairy product plant, for the Bolivian government. The privatization of this 100% state owned dairy is pending. The eventual sale is to be conducted by a local firm.

**Headline:**

**Source:**
*PW/IPG Staff*

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**PIL - Santa Cruz**

**Activity Date:** 1993

Price Waterhouse IPG devised the privatization strategy and did technical and financial evaluations of **PIL Santa Cruz**, a dairy product plant, for the Bolivian government. The privatization of this 100% state owned dairy is pending. The eventual sale is to be conducted by a local firm.

**Headline:**

**Source:**
*PW/IPG Staff*

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**PIL - Tarija**

**Activity Date:** 1993

Price Waterhouse IPG devised the privatization strategy and did technical and financial evaluations of **PIL Tarija**, a dairy product plant, for the Bolivian government. The privatization of this 100% state owned dairy is pending. The eventual sale is to be conducted by a local firm.

**Headline:**

**Source:**
*PW/IPG Staff*

**power generation company**

**Activity Date:** 6 1995

The government of Bolivia announced that three American companies won the rights in June to acquire 50% of the ownership of three new **power generating companies**. Dominion Energy Inc., Energy Initiatives Inc., and Constellation Energy Inc. pledged to invest $140m in the plants. The remaining 50% of the ownership shares will be distributed among all adult Bolivians. The next company on the privatization list is **Empresa Nacional de Telecomunicaciones** (ENTEL), the telecommunications company, which is currently considering prequalifying bids. In September, the airline **Lloyd Aereo Boliviano** and railway company **Empresa Nacional de Ferrocarriles** are scheduled for capitalization. Finally, by the end of the year, **Yacimientos Petroliferos Fiscales Bolivianos** (YPFB), the state oil company, is expected to be capitalized.

**Headline:**
One Down, Five To Go

**Source:**
*U.S./Latin Trade August 1995*

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**Rafael Deheza Oil Factory**

**Activity Date:** 1992

The Rafael Deheza Oil Factory, located in Villamontes, was sold in an auction to Granos del Oriente S.A., a company headquartered in Santa Cruz. The sale price of $5.1 million was 1.76 times the minimum price of $2.9 million, and considerably higher than the $2.1 million bid that was the lowest of the three losing bids.

**Headline:**

**Source:**
*LF 10/92*

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**Taller de Ceramica de Sucre**

**Activity Date:** 1992

Taller de Ceramica de Sucre, a ceramics factory, was the only company privatized in September in Bolivia. It was sold for $6 million. However, this sale was not a major accomplishment within the privatization process.

**Headline:**

**Source:**
*LF 11/92*

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**Valle Hermoso**

**Activity Date:** 1995

Three firms, Dominion Energy, Inc., Energy Initiatives, Inc., and Constellation Energy, Inc. have been chosen as strategic partners for **ENDE's** three core companies, **Corani, Guarachi** and **Valle Hermoso,** respectively. The strategic partners will receive 50% stakes in the generating while the remainder of the shares distributed to Bolivian citizens. Dominion Energy will invest $57.8m in Corani and Energy Initiatives will invest $47m in Guarachi.

**Headline:**
ENDE Capitalisation Winners

**Source:**
*Project Finance International July 5, 1995*

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**Vinto**

**Activity Date:** 1995

The capitalization of the **Vinto** tin smelter complex has been delayed by last-minute interest from Mexican and Malaysian investors, who joined the field of over half-a-dozen bidders for a 50% controlling stake in the company. The Haununi and Colquiri tin mines are included in the deal, with the government estimating that the three units are capable of providing combined yearly cash flows of $33m. Also included is an antimony smelter which can process 4,000 tons of metallic antimony and 900 tons of antimony as trioxide per year. Vinto employs 950 people, generating 20,000 tons of output with sales of $84m and profits of $4.5m in 1994. Australia's RGC is considered to be the favorite in acquiring the complex.

**Headline:**
Late Entries Join the Race for Bolivian Tin

**Source:**
*Financial Times November 3, 1995*

**Activity Date:** 10 1995

The government of Bolivia has completed the prequalifying stage for the sale of the **Vinto** smelter complex, which is presently owned by Comnibol, the state mining company. In November, the government announced that Glencore International of Switzerland, Renison Goldfields Consolidated of Australia, Berhad of Malaysia, and Parapanema

International of Switzerland, Renison Goldfields Consolidated of Australia, Berhad of Malaysia, and Parapanema S.A. Mineracao of Brazil had prequalified for the bidding process. The winner of the complex will be announced January 31.

**Headline:**
Capitalization Continues

**Source:**
*Business Monitor International December 1995*

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**Yacimientos Petroliferos Fiscales Bolivianos (YPFB)**

**Activity Date:** 1995

Salomon Brothers has been selected to advise the Bolivian government on the capitalization of **Yacimientos Petrolifieros Fiscales Bolivianos** (YPFB). YPFB is one of six Bolivian companies scheduled to be privatized through the government's capitalization scheme. This process involves selling a 50% stake and management control of the $1.5bn company to a carefully selected strategic investor. The remainder of the shares will then distributed to all adult Bolivian citizens via a pension scheme. Money from the sale is to be invested back into the company. The government hopes to complete this project by the end of 1995, but legislative problems could hamper its progress.

**Headline:**
Salomon Tapped for YPFB

**Source:**
*Project Finance International May 25, 1995*

**Activity Date:** 6 1995

The government of Bolivia announced that three American companies won the rights in June to acquire 50% of the ownership of three new **power generating companies**. Dominion Energy Inc., Energy Initiatives Inc., and Constellation Energy Inc. pledged to invest $140m in the firm. The remaining 50% of the ownership shares will be distributed among all adult Bolivians. The next company on the privatization list is **Empresa Nacional de Telecomunicaciones** (ENTEL), the telecommunications company, which is currently considering pre-qualifying bids. In September, the airline **Lloyd Aereo Boliviano** and railway company **Empresa Nacional de Ferrocarriles** are scheduled for capitalization. Finally, by the end of the year, **Yacimientos Petroliferos Fiscales Bolivianos** (YPFB), the state oil company, is expected to be capitalized.

**Headline:**
One Down, Five To Go

**Source:**
*U.S./Latin Trade August 1995*

**Activity Date:** 7 1995

The government of Bolivia announced that it has entered the first stage of the international public offering for **Yacimientos Petroliferos Fiscales Bolivianos** (YPFB), the state hydrocarbon exploration, production and refining plant. In the first stage, prospective bidders, both foreign and domestic, will be pre-selected with the presentation of technical and economic proposals occurring in the second stage.

The government of Bolivia, under a new energy reform policy, is offering various concessions to investors who want to provide capital for the energy sector. The components of the energy reform policy include the passage of a new hydrocarbons law that would remove hydrocarbons from the special taxation code and place them into the regular tax system based on profits. Other components are the capitalization of **YPFB** and the construction of the Bolivia-to-Brazil pipeline. YPFB will be capitalized by the end of the year, according to the government, with a handover of control early next year. Current plans call for a strategic partner to take 50% of YPFB with the remainder to be distributed among 10 to 20 private Bolivian pension funds. Thirty-five companies have indicated that they are interested in becoming a strategic partner. Specific concessions favorable to companies now include a standard set of rules on relinquishing tracts and a provision that allows companies to continue exploring after the end of the concession period.

**Headline:**
Republic of Bolivia

**Source:**
*Financial Times July 27, 1995*

**Activity Date:** 9 1995

The Bolivian petroleum company, **Yacimientos Petroliferos Fiscales Bolivianos** (YPFB), is expected to be split into two exploration and production companies, one gas and oil transport company, and at least two refining and marketing companies before the capitalization process in December. Thirty-five international consortia were preselected to participate in the capitalization process including: BHP Petroleum, Exxon Exploration-Production, Esso, Texaco Overseas, Occidental International, and Argentina's YPF. The government of Bolivia hopes to attract $3.5bn to the sector over the next ten years.

The capitalization of YPFB, Bolivia's state-owned petroleum company, has been delayed and will not be completed until March 1996. The delay will allow the international bidders more time to prepare and give the government of

until March 1996. The delay will allow the international bidders more time to prepare and give the government of Bolivia an opportunity to increase political support for the sell off.

**Headline:** U.S. Oil Firms Rely on Latin Production

**Source:** *U.S./Latin Trade October 1995*

**Activity Date:** 9 1995

In Bolivia, the government has announced that it will postponed the planned capitalization of the state petroleum company, **YPFB**. The sale, originally planned for December 21, will now take place next March. In addition, the deadline for interested companies to submit bids has been extended to November 7.

**Headline:** Postscripts

**Source:** *Wall Street Journal September 28, 1995*

**Activity Date:** 10 1995

Bolivia's Ministry of Capitalization has extended **Yacimientos Petroliferos Fiscales Bolivianos** (YPFB) preclassification document submission deadline to November 7 from September 29. The date for the winning bid announcement has also been moved back to an undisclosed date. The capitalization of YPFB may not be completed until the first or second quarter of 1996. Prior to its own capitalization, YPFB will sell its gas distribution network in order to reduce non-core assets and strengthen its balance sheet. The sale of the distribution network is pending government decisions to privatize or capitalize the network and whether to bill gas customers according to transportation capacity or according to the distance the gas travels to reach them. Thirty five companies registered to be prequalified for the capitalization. Fieldstone and Salomon Brothers are advising. YPFB's approximate valuation is $1.5bn.

**Headline:** YPFB Timetable Extended

**Source:** *Project Finance International October 11, 1995*

**Activity Date:** 12 1995

Chile's Cruz Blanca has acquired 50% of the shares in state-owned Empresa Nacional de Ferrocarriles (ENFE) for $39m. ENFE becomes the fourth state-owned company to be capitalized since March 1995, with prominent companies such as **Empresa Metalurgica Vinto**, a tin-smelting concern, and Yacimientos Petroliferos Fiscales Bolivianos, an energy producer, still awaiting capitalization.

**Headline:** Rail Sell-Off Goes Ahead

**Source:** *Business Monitor International January 1996*

**Activity Date:** 1 1996

The capitalization of **Yacimientos Petroliferos Fiscales Bolivianos** (YPFB) has been delayed several times, hampered by the Bolivian Congress' indecision concerning the passage of the national hydrocarbon law. The law, which is a prerequisite for capitalization of YPFB, would deal with the gas pricing and establish a regulatory framework for producers and distribution networks. The government remains undecided on whether to bill gas customers on the basis of the transportation capacity used or the distance the gas must travel to reach them. Because the distribution network has already been developed, the second proposal is considered inefficient, but has support of Bolivia's World Bank advisors. Salomon Brothers is advising YPFB on the transaction. The company is valued at $1.5bn.

**Headline:** YPFB Enabling Law

**Source:** *Project Finanace International January 31, 1996*

## *Brazil*

### Acesita

**Activity Date:** 1992

An unknown number of shares were sold in Brazil's steel maker, **Acesita**, for $452 million.

**Headline:**

**Source:** *Privatization International Yearbook*

**Activity Date:** 10 1992

**Acesita**, a stainless and silicon steel producer is a prime example of success in the privatization of steel mills. In 1991 before privatization the company claimed a loss of $100m, and a year after privatization a $31m profit. Sales jumped 21%, and market share rose by more than 10% , from 63% to 74%.

**Headline:**

**Source:**

**Headline:**
The Privatization of Brazilian Steel

**Source:**
*U.S./Latin Trade*
*September 1994*

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**Acominas**

**Activity Date:** 7 1993

Acominas, a state steel manufacturer, is targeted for sale on July 26.

The sale of Acominas has been delayed until August 1993. It expects its gross revenues this year to be US$600 million and has a set sale price of $346.4 million pending senate approval.

**Headline:**

**Source:**
*LF 5/93*

**Activity Date:** 1994

An 80 percent stake in Brazil's steel producer, **Acominas**, was sold for $599 million.

**Headline:**

**Source:**
*Financial Times*

**Activity Date:** 2 1994

The Brazilian government completed the sale of **Acominas**, a state-owned steel manufacturer, for the final price of $598.5 million. The stock offering transfered 79.87% of the company to private hands in February of 1994. ING Bank Brazil served as advisor for financial restructuring and sale modelling of Acominas.

**Headline:**
Announcement

**Source:**
*Financial Times* *March 3, 1994*

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**Acos Finas Piratini**

**Activity Date:** 1992

Acos Finas Piratini which was a state-owned steel manufacturing enterprise was privatized. A 88.9% was sold to the Gerdeau group for $107 million. This sale price is 153% higher than the set minimum base price. Therefore, the price/base ratio is of 1.53 times.

**Headline:**

**Source:**
*PI*

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**Acrinor**

**Activity Date:** 7 1994

Petrochemical companies **Coperbo** and **Acrinor** were privatized in August at the Rio de Janeiro Stock Exchange, without any investor dispute. Petroquisa, a state petroleum concern, holds a minority share in both.

**Headline:**
Peaked Performance

**Source:**
*Latin Finance October 1994*

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**Anhembi Stadium**

**Activity Date:** 1993

The city of Sao Paolo announced its plan to privatize **Alhembi Stadium**.

**Headline:**

**Source:**
*Euromoney* *July 1993*

## Aracruz

**Activity Date:** 1988

A unknown percentage of shares in the Brazilian paper producer Aracruz were sold for $130 million.

**Headline:**

**Source:**
*WB LOE*

## Banco de Credito Real de Minas Gerais (Credireal)

**Activity Date:** 9 1995

The Brazilian state of Minas Gerais is expected to privatize one of its largest banks, **Banco de Credito Real de Minas Gerais** (Credireal), by February 1996. The government of Minas Gerais has hired Salomon Brothers and Brazil's Patrimonio de Investimento to advise on the sales. The bank has slimmed its operations in recent years, reducing it branches from 216 to 124 and employment from 6,424 to 2,570 since 1993. The bank has also recently invested $3m in human resources development and $11m in new technology and automation; its asset base is an estimated $1bn. The state plans to reserve a 10% share for the bank's employees.

**Headline:**
Solid as a Rock

**Source:**
*Global Finance September 1995*

## Banco Meridional

**Activity Date:** 1995

The Brazilian government announced that will privatize **Companhia Vale do Rio Doce** (CVRD), the state-owned mining conglomerate, in one entire process. In addition, government officials decided that along with **Electrobras,** the state-owned electricity company, several of its subsidiaries, such as **EletroSul, EletroNorte, Furnas** and **Chest,** also will be sold. Electrobras will be split into a holding company, which will become the formal owner of the regional subsidiaries that are to be privatized. Finally, the sale of **Federal Railroad Company** (RFFSA), **Banco Meridional,** and the **Rio de Janeiro Power Utility** (Light) will take place during the second half of this year.

**Headline:**
Going Forward

**Source:**
*Latin Finance August 1995*

## Banerj

**Activity Date:** 11 1995

The government of Brazil issued a tender to select a "special administrator" for **Banerj**, the government-owned bank of Rio de Janeiro State. The special administrator, who is to settle financial issues that might prejudice the privatization process, will assume control of Banerj early this year. Interested companies were to have submitted their proposals by December 5. Foreign companies were allowed to participate as members of a consortium with local firms. Firms that indicated an interest were Arthur Andersen and banks Garantia, Cindam, Brascan, Fonte, BJR, Cambial, Credit Commercial France, and Bozano, Simonson.

The state of Rio de Janeiro has selected Banco Bozano, Simonson to administer Banerj for approximately one year as it prepares Banerj for privatization.

**Headline:**
Banking on Success

**Source:**
*Latin Finance December 1995*

**Activity Date:** 4 1996

**Banerj**, the state bank of Rio de Janeiro, has been put under the administrative control of Banco Bozano Simonsen, which will prepare it for privatization in the next year.

**Headline:**
Brazil

**Source:**
*Euromoney March, 1996*

## Banespa

**Activity Date:** 1996

Control of **Banespa**, the troubled state bank of Sao Paulo that was taken over by the central bank over a year ago, has been turned back over to the Sao Paulo government, possibly signaling that the bank may not be privatized any time soon.

**Headline:** Brazil's Missed Opportunity

**Source:** *Economist January 20, 1996*

## Banespa and Banerj

**Activity Date:** 3 1995

Brazil's new central bank president, Persio Arida, has called for the sell-off of the nation's insurance and banking sectors. This follows the central bank bail-out of **Banespa** and **Banerj**, two banks run by the states of Sao Paulo and Rio respectively. The two are expected to be privatized after money-losing branches are shut and excess staff is cut.

**Headline:** Bank Sell-Offs

**Source:** *U.S./Latin Trade March 1995*

## BR Distribuidora

**Activity Date:** 1 1994

**Petrobras** of Brazil sold off 26 percent of its non-voting shares in **BR Distribuidora**. The distribution company controls about 37 percent of the market and is the largest in the country. It is known for being well managed and efficient, and operates under fierce competiton. The sale, completed in December 1993, raised about $250 million for the parent company. While the sale may lead to the partial privatization of BR in coming years, privatization of Petrobras itself remains politically sensitive.

**Headline:** Petrobras Sells Shares in Distributor Firm

**Source:** *Privatisation International January 1994*

## CBD

**Activity Date:** 8 1995

The Brazilian government wants to sell its entire 51% stake in **Companhia Vale do Rio Doce** (CVRD), the world's largest iron ore miner, but it does not know when or how much it will sell at one time. Earlier this month, the government asked banks to tender for two mandates. The first was for providing a valuation of the company and the seond was to advise on the structure of the privatization. To date, five alliances have been formed for the second mandate, but investor sentiment may affect the success of the offering. An initial public offering for **CBD**, Brazil's second largest food retailer will be launched this fall. The issue, which could raise $150m, will be listed in Brazil but will also be offering in the United States.

**Headline:** Bank's Form Alliances for Brazil's CVRD Mandate

**Source:** *Financial Times August 28, 1995*

## CBP

**Activity Date:** 1995

The Brazilian government set a minimum price for its stake in 5 petrochemical companies which are scheduled to be privatized by the end of the year. The government has set its asking price for stakes in **Nitrocarbono, Metanok, Deten, Pronor,** and **CBP** at approximately $600m. A date has not yet been set for the sale.

**Headline:** Brazil Sets Price for Petrochemical Sell-off

**Source:** *Financial Times June 29, 1995*

## Ceagesp

**Activity Date:** 5 1993

It was announced in May that the state of Sao Paulo in Argentina intended to sell its state distribution company, Ceagesp, for about $100 million.

**Headline:**

**Source:**
*PI 5/93*

## Celma

**Activity Date:** 1992

Celma which jet engine repair company is to further privatized. A stake of 11% was sold to pension funds and 9.7% stake was sold to General Electric do Brazil.

**Headline:**

**Source:**

## Chest

**Activity Date:** 1995

The Brazilian government announced that will privatize **Companhia Vale do Rio Doce** (CVRD), the state-owned mining conglomerate, in one entire process. In addition, government officials decided that along with **Electrobras,** the state-owned electricity company, several of its subsidiaries, such as **EletroSul**, **EletroNorte**, **Furnas** and **Chest,** also will be sold. Electrobras will be split into a holding company, which will become the formal owner of the regional subsidiaries that are to be privatized. Finally, the sale of **Federal Railroad Company** (RFFSA), **Banco Meridional,** and the **Rio de Janeiro Power Utility** (Light) will take place during the second half of this year.

**Headline:**
Going Forward

**Source:**
*Latin Finance August 1995*

## Cia. Petroquimica do Nordeste

**Activity Date:** 8 1995

The government of Brazil sold 11.8% of **Cia. Petroquimica do Nordeste**, a stake representing 32.8% of the voting stock in the country's second largest petrochemical company for $246.5m in a privatization auction.

**Headline:**
Postscripts

**Source:**
*Wall Street Journal August 16, 1995*

## Comgas

**Activity Date:** 4 1993

It was announced in February that the state of Sao Paulo plans to privatize Comgas, the state gas company, by selling off a third of its capital. The shares for Comgas are expected to go on sale in April and are part of an effort to raise $180 milion for the state.

**Headline:**

**Source:**
*PI 2/93*

## Companhia de Eletricidade do Rio de Janeiro (CERJ)

**Activity Date:** 4 1996

Five consortia are competing to advise on the privatization of **Companhia de Eletricidade do Rio de Janeiro** (CERJ). The government hopes to choose an advisor within the next two weeks and plans to sell the utility on September 9. Leading the competing consortia are Banco Kleinwort Benson, Projeta Consultoria, Banco Graphus, Banco Garantia, and Banco Partimonio. Two other consortia, Energia Rio and Trevisan, were disqualified due to documentation irregularities.

The government is expected to choose an advisor for the privatization of CERJ by mid-April. Roughly 72 firms have submitted credentials for the advisory mandate. The power company provides 25% of the state's power and has 1.2 million customers.

**Headline:**
Five Persue Cerj

**Source:**
*Project Finance International April 11, 1996*

## Companhia Siderurgica Nacional (CSN)

**Activity Date:** 8 1992

CSN was Brazil's first major steel mill and a flagship of its industrial modernization. Half a century later it was a pretty tattered flagship, and for years was one of Brazil's worst examples of public administration. Today it is one of Brazil's most profitable mills.

**Headline:**
The Privatization of Brazilian Steel

**Source:**
*U.S./Latin Trade*
*September 1994*

**Activity Date:** 1993

A 23 percent stake in Brazil's **Companhia Siderurgica Nacional** (CSN) was sold for $801 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Activity Date:** 4 1993

The Brazilian government sold off 73.42% of the Companhia Siderurgica Nacional (CSN) on April 2 for $1.05 billion. At the company's auction, 47.37 million lots of 1,000 shares each were sold, equivalent to 92.5% of offered shares. Of the corporate shareholdings, foreign investors bought 1.4%. The new owners of the shares offered are as follows: CBS(CSN's pension fund) holds 10.92%; Bamerindus, a private bank, 9.4%;Docenave, the navigation firm of Vale do Rio Doce, 9.1%; Vicunha Group, 9.1%; Bradesco, a private bank, 7.6%; Itau, a private bank, 7.3%. The company's employees purchased the remaining 20%.

**Headline:**

**Source:**
*FT 3/16/93*

**Activity Date:** 9 1993

It was announced that the Brazillian government sold a majority stake in **Companhia Siderurgica Nacional (CSN).**

**Headline:**
Steel

**Source:**
*International Privatization Update September 1993*

## Companhia Telefonica de Ribeirao Preto (Ceterp)

**Activity Date:** 2 1996

The Brazilian municipality of Ribeirao Preto in Sao Paulo state is set to launch an initial public offering for its telecommunications provider, **Companhia Telefonica de Ribeirao Preto** (Ceterp). Ceterp is one of five telephone companies that is independent from the national company, Telebras. The government expects to raise $58.7m from the sale of 5.7 billion shares. The shares will be offered both domestically and internationally, with Banco Fator handling the domestic placement and Fator Securities doing the same in the United States.

**Headline:**
Ceterp Lauches IPO

**Source:**
*Latin Finance January/February 1996*

## Companhia Vale do Rio Doce (CVRD)

**Activity Date:** 4 1993

It was announced in April that the Brazilian government plans to privatize **Companhia Vale do Rio Doce**, the country's largest mining company. Participation by the government , who owned 51.1% of Vale, will not take place in the sale of the company's new shares. The company yields approximately $400 million a year in new profits.

**Headline:**

**Source:**
*LL 4/2/93*

**Activity Date:** 3 1994

**Companhia Vale do Rio Doce** (CVRD), a Brazilian state-owned iron ore mining company, began an American Depository Receipts (ADR) program in early March 1994. This initial issue at Level 1 was the first step toward a Level 3 program which will involve a listing on the U.S. stock exchange and an increase in capital, but also require far stricter accounting requirements. Companhia Vale do Rio Doce is Brazil's leading exporter, posting net sales of $2.45b in 1993. Share prices in CVRD increased 162 percent in dollar terms last year and have increased another 43 percent in 1994.

**Headline:**
Right Ideas, Poor Execution

**Source:**
*Euromoney March 1994*

**Activity Date:** 1995

The Brazilian government announced that it will privatize **Companhia Vale do Rio Doce** (CVRD) in a single sale. The sale of the company, which holds various transport, mining, and forestry assets, is expected to yield revenues of $8bn to $10bn. The government currently has a 51% stake in the company and is expected to use proceeds from the sale to reduce the public-sector debt.

The Brazilian President, Fernando Henrique Cardoso, announced that the privatization of Companhia Vale do Rio Doce will take 2 years. It is expected to be Latin America's largest privatization ever.

**Headline:**
Brazil Likely to Privatize Mine Group in One Sale

**Source:**
*Financial Times May 10, 1995*

**Activity Date:** 1995

The Brazilian government announced its intention to privatize a number of industries during the next year including the state telecommunications company, **Telebras**; the world's largest iron exporter, **Companhia Vale do Rio Doce** (CVRD) and the Espirito Santo state power company, **Excelsa**. In addition, the mining and banking sectors will also be privatized. The sale of the government's 51% stake in CVRD is expected to generate $4bn. to $5.5bn. Fourteen petrochemical plants are due to be privatized by direct share sale in the latter half of 1995 along with **Meridian Bank**. **Electrobras** and its subsidiaries will also be offered this year. Collectively, Brazil expects to net $4.7bn. from privatizations this year. **Petrobras**, the state petroleum company, remains as Brazil's most valuable asset that will not be sold until certain politcal and regulatory measures are taken.

**Headline:**
Privatisation Lift-Off

**Source:**
*The Emerging Markets Monitor May 15, 1995*

**Activity Date:** 8 1995

The government of Brazil issued an invitation to tender for financial advisors for the world's largest iron ore miner, **Companhia Vale do Rio Doce** (CVRD). Under the country's privatization laws, two advisors, or consortia of advisors, will be appointed. The first will advise on the value of the company while the second will assess the best privatization model possible. CVRD, with assets thought to be worth $8bn to $12bn., has the potential to be one of Latin America's biggest privatizations, so interest is expected to be intense.

**Headline:**
Advisors Sought for CVRD Privatisation

**Source:**
*Financial Times August 3, 1995*

**Activity Date:** 8 1995

Government officials decided that along with **Electrobras,** the state-owned electricity company, several of its subsidiaries, such as **EletroSul**, **EletroNorte**, **Furnas** and **Chest,** also will be sold. Electrobras will be transformed into a holding company, which will become the formal owner of the regional subsidiaries that are to be privatized. Finally, the sale of **Federal Railroad Company** (RFFSA), **Banco Meridional,** and the **Rio de Janeiro Power Utility** (Light) will take place during the second half of this year.

**Headline:**

**Source:**

Going Forward

*Latin Finance August 1995*

**Activity Date:** 8 1995

The Brazilian government wants to sell its entire 51% stake in **Companhia Vale do Rio Doce** (CVRD), the world's largest iron ore miner, but it does not know when or how much it will sell at one time. Earlier this month, the government asked banks to tender for two mandates. The first was for providing a valuation of the company and the second was to advise on the structure of the privatization. To date, five alliances have been formed for the second mandate, but investor sentiment may affect the success of the offering. An initial public offering for **CBD**, Brazil's second largest food retailer will be launched this fall. The issue, which could raise $150m, will be listed in Brazil but, shares will also be offered in the United States.

**Headline:**

Bank's Form Alliances for Brazil's CVRD Mandate

**Source:**

*Financial Times August 28, 1995*

**Activity Date:** 10 1995

Several investment banks recently interviewed with the Brazilian government for the task of advising on the privatization of **Companhia Vale do Rio Doce**, the natural resources conglomerate. The sale of the company, which has an estimated value of $8bn, is expected late next year. Morgan Stanley, SG Warburg and Banco Pactual, Salomon Brothers and Patrimonio, JP Morgan and Banco de Investimentos Garantia, Bear Stearns and Citicorp, Merrill Lynch, and NM Rothschild and Projecta are bidding on the project.

In Brazil, bids from Brazilian and international banks were submitted for two contracts to advise on the sale of a 51% stake in the mining company Companhia Vale do Rio Doce (CVRD). One contract is to establish a minimum sale price and is expected to be difficult due to CVRD's mining and exploration rights are worth an estimated $40bn. The other contract is to provide a second valuation (the company is currently valued at $10bn) and to advise on how to structure the planned 1996 sale. Interest is strongest for the second contract because it includes the job of global coordinator.

**Headline:**

Rio Doce Advisory Competition

**Source:**

*Project Finance International October 25, 1995.*

**Activity Date:** 12 1995

Merrill Lynch won the mandate over eight other bidders to lead the underwriting of **Companhia Vale do Rio Doce** (CVRD), the world's largest iron ore exporter.

The consortium bid of Morgan Stanley and SBC Warburg to advise the Brazilian government on the billion-dollar privatization of CVRD, the state-owned metals mining giant, was disqualified because the first part of their fee estimate was ruled to be too far below the average by $91,000.

**Headline:**

Underwriter Chosen for Sale

**Source:**

*US/Latin Trade February 1996*

**Activity Date:** 1996

A Merrill Lynch-led group won the mandate to advise the Brazilian mining conglomerate **Companhia Vale do Rio Doce** (CVRD) in its privatization endeavor. The consortium of Merrill Lynch, N.M. Rothschild, KPMG Peat Marwick, along with four local partners Banco Bradesco SA, Projeta Consultoria, Graphus SA, and Engevix Engenharia Ltda, beat fierce competition for a contract to oversee CVRD's sale. The sale of the Brazilian government's 51% stake in CVRD is anticipated to be the largest privatization to date in Latin America, with expected profits of $3bn. A group led by Morgan Stanley was disqualified after submitting a fee estimate which was lower than the minimum threshold set by the Brazilian government.

**Headline:**

Merrill Group Wins CVRD Mandate

**Source:**

*Latin Finance January/February 1996*

**Activity Date:** 4 1996

Merrill Lynch and Brazil's top private bank, Bradesco, will give the government a recommendation in June on which format to use in selling Brazil's top mining firm, **Companhia Vale do Rio Doce** (CVRD). The sale of CVRD, one of the most profitable companies in Brazil, will be succeeded by the privatization of Telebras, a telecommunications giant.

**Headline:**

Knowing When to Stop

**Source:**

*Global Finance March 1996*

## Copene

**Activity Date:** 8 1994

The Brazilian government announced in August that **Copene** will be the next company to be privatized. Copene will be the first company within the Camacari industrial complex, which comprises several petrochemical companies, to be privatized. Petroquisa, which controls 48 percent of the company's voting capital and 36 percent of total equity, will conduct the privatization. The sale of shares is expected to be completed by the end of August with Petroquisa retaining a 15.4 percent share of the voting capital.

**Headline:**
Brazil: On or Off?

**Source:**
*Latin Finance July/August 1994*

**Activity Date:** 9 1994

In September it was announced that Brazil's president, Itamar Franco, had canceled the August 31 sale of 33 percent of the government's 48 percent stake in the petrochemical producer, **Copene**. The company is still expected to be privatized by the end of 1995 but rather than hold a large auction, the government will probably resort to numerous, smaller, downstream (second and third generation) operations. The sale of Copene will end the government's participation in the petrochemical sector. Companies that were privatized several years ago: Copesul in May 1992, Oxiteno in 1992 and Petroflex in April 1992, were bought by large industrial groups which have since transformed these inefficient and debt ridden companies into efficient and profitable firms (Copesul had a $1.6 million profit and Oxiteno a $9.7 million profit in 1993). Reasons cited for canceling the sale of Copene focus on the low minimum prices that would be earned since the market is only beginning to work itself out of excess production capacity and uncertainty regarding pricing policies for certain basic feed stocks for all petrochemicals.

**Headline:**
Petrochemical Revival

**Source:**
*Business Latin America September 26, 1994*

**Activity Date:** 8 1995

The government of Brazil sold a 32.8% stake in **Copene**, a petrochemicals company for $256.8m. Norquisa, a consortium of companies, which already held the biggest stake in Copene, increased its holding to over 50% by buying less than one-fifth of the shares offered. The rest of the shares were purchased by Brazilian pension funds.

**Headline:**
Net Profits Double at Telebras

**Source:**
*Financial Times August 16, 1995*

**Activity Date:** 8 1995

**Copene**, a base chemical supplier, was sold on August 15 to the Camacari petrochemical complex. Copene posted profits of R$125m ($130m) during the first half of this year.

**Headline:**
Update: Back in Business

**Source:**
*Latin Finance September 1995*

## Copesul

**Activity Date:** 1992

A 63 percent stake in Brazil's petrochemical producer, Copesul, was sold for $839 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Activity Date:** 5 1992

Copesul, the second biggest company in Brazil, will be the first major Brazilian petrochemical producer to be privatized. The sale will be on May 15 through a public auction. The minimum price is $780 million. This is considered as the second most successful privatization in Brazil.
Thirty - eight percent of the total amount of shares offered in the bidding were acquired by PPE, a consortium formed by three other companies belonging to the Brazilian petrochemical net - Polisul, PPH and Poliolefinas. Other minor participations were acquired by Petroquisa (15%), Banco Real (7%) and privatinvest, formed by other two domestic banks (4.5%). The shares were sold for a price 29.17% higher than the minimum price previously established. Privatization Certificates (CPs) were the most popular currency in this transaction.

**Headline:**

**Source:**
*PI 5/92*
*LF 8/92*

**Cosinor**

**Activity Date:** 11 1991

**Cosinor** created much contraversy when bought by Geradu. The highly subsidized company was stripped and shuttered, creating much opposition from the anti-privatization labor party.

**Headline:**
The Privatization of Brazilian Steel

**Source:**
*U.S./Latin Trade*
*September 1994*

**Cosipa**

**Activity Date:** 1 1992

The sale of **Cosipa** brought in much contraversy from advocates of the Brazilian privatization movement. The contraversy involved the sale of the company for $330m when it had a pension fund worth well over $400m. The same investment group also owned a chunk of CST and was accused of developing a monopoly

**Headline:**
The Privatization of Brazilian Steel

**Source:**
*U.S./Latin Trade*
*September 1994*

**Activity Date:** 7 1993

Cosipa, a state steel manufacturer, is targeted for privatization on July 13.

**Headline:**

**Source:**
*Latin Finance 5/93*

**Activity Date:** 8 1993

The government of Brazil has postponed from August 4th to the 11th the sale date of Cosipa, a state steel mill, in order to review the set price. The company's sale will reflect the government's attempt to retain preferential shares of a state-owned company in order to later sell those shares after privatization if and when the company proves more profitable. The government plans to retain 80% in preferential shares along with 15% in ordinary shares of the company. Cosipa is valued at $810 million, though its total debt amounts to $1.95 billion. The Treasury plans to assume $1 billion of the debt, and the government plans to sell the company at a set minimum price of $229 million. Whoever acquires the company will be expected to assume $581 million in debts due.

It was reported in September that the transaction which involved the acquisition of Cosipa, a state steel mill, by another Brazilian steel producer, Usiminas, is being investigated for the anti-trust implications. If the deal is approved by the Brazilian government, it would give Usiminas control over 61% of the market. Cosipa's value is set at $810 million, though its total debt amounts to $1.95 billion. CADE, the Brazilian justice ministry responsible for anti-trust investigations, is responsible for making the determination.

**Headline:**
'Real Plan' for Privatisation

**Source:**
*Privatisation International July 1993*

**Activity Date:** 8 1993

It was reported in September that the transaction which involved the acquisition of Cosipa, a state steel mill, by another Brazilian steel producer, Usiminas, is being investigated for its anti-trust implications. If the deal is approved by the Brazilian government, it would give Usiminas control of over 61% of the market. Cosipa's value is set at $810 million, though its total debt amounts to $1.95 billion. CADE, the Brazilian Justice Ministry responsible for anti-trust investigations, is responsible for

Brazilian Justice Ministry responsible for anti-trust investigations, is responsible for making the determination.

**Headline:**
Brazilian Steel Deal Probe

**Source:**
*Financial Times September 9, 1993*

**Activity Date:** 6 1994

It was announced in June that Brazil's National Privatization Commission plans to privatize 5% of its remaining shares in steelmaker **Cosipa**. Previous offers from buyers were rejected for being "not satisfactory". Reports indicate that the shares could be sold at a market price of up to $8 per million shares, resulting in a sale value of $26 million. Last year, the state sold 100% of Cosipa's voting shares for $331 million. The 40% holding that the committee wants to sell represents approximately 80% of Cosipa's non-voting shares.

**Headline:**
Cosipa Tests Waters

**Source:**
*Latin Capital Markets Weekly June 13, 1994*

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## CST

**Activity Date:** 7 1992

**CST** is a joint venture between Brazil, Japan and Italy. The company makes slab steel to be finished in brazil and other foreign mills.

**Headline:**
The Privatization of Brazilian Steel

**Source:**
*U.S./Latin Trade*
*September 1994*

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## Deten

**Activity Date:** 1995

The Brazilian government set a minimum price for its stake in 5 petrochemical companies which are scheduled to be privatized by the end of the year. The government has set its asking price for stakes in **Nitrocarbono, Metanok, Deten, Pronor,** and **CBP** at approximately $600m. A date has not yet been set for the sale.

**Headline:**
Brazil Sets Price for Petrochemical Sell-off

**Source:**
*Financial Times June 29, 1995*

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## Eletrobras

**Activity Date:** 11 1993

The state's electricity concern, **Eletrobras**, is seeking private sector partners to complete 18 electricity plants. The plants, with 15,000 MW of combined installed capacity, need $16 billion in investment funds beyond the $12 billion already spent. Instead of undertaking complete privatization, the government is holding on to fully operating plants while seeking partners for nine plants whose construction was halted for lack of funds or which require additional investment. Plants which are listed for the first round of talks include Jacui, a coal burning plant in Rio Grande do Sul, Ita, a hydroelectric plant in Santa Catarina, and Serra da Mesa in Goias amongst others.

**Headline:**
In Need of Funds, Electrobras Adopts Partial Privatization

**Source:**
*Lagniappe Letter November 26, 1993*
*PI 5/93*

**Activity Date:** 1995

The Brazilian government has agreed to sell **Eletrobras**, the holding company for the majority of Brazil's electricity industry. There will be a 60-day study on the best privatization model to follow, but due to Electrobras's high asset value ($50bn) and industry regulations, it is unlikely that privatization will take place before the year 2000. Rather, it is likely that Electrobras will be split into two corporations: one owned by the government and another sold to investors. The part of Electrobras that controls Brazil's nuclear program and the giant Itaipu hydroelectric dam will not be sold for constitutional reasons. In addition, the transmission network and regulatory and research functions will also remain under government ownership. Four main generators and two distributors will be left for sale.

**Headline:**
Brazil to Sell Assets of State Electricity Generator

**Source:**
*Financial Times April 27, 1995*

**Activity Date:** 1995

1995

The Brazilian government formally announced the privatization of **Eletrobras**, ending months of speculation. The government wants to sell the company's four regional generating divisions, though it has not yet announced specific plans as to how it will be done or on what sort of timetable it will proceed. A government report regarding these issues is expected by the end of June. Analysts do not expect the privatization to occur this year and the whole process could be slowed due to problems stemming from the government's tariff policy and a constitutional restriction that prevents foreigners from holding a controlling interest in any of the nation's hydroelectric generating facilities. Furthermore, political considerations could hold up the privatization as it did the privatization of 2 other electricity firms, Light and Escelsa. This privatization is being pushed ahead because the public sector cannot afford the large sums of money needed to build new facilities to match the growing public demand for electric power. Company officials estimate that the company needs $23bn in new investment over the next 4 years. Eletrobras' transmission and nuclear facilities will not be sold.

**Headline:**
Brazilian Announcement Electrifies Market

**Source:**
*Privatisation International May 1995*

**Activity Date:** 1995

The Brazilian government announced its intention to privatize a number of industries during the next year including the state telecommunications company, **Telebras**; the world's largest iron exporter, **Companhia Vale do Rio Doce** (CVRD) and the Espirito Santo state power company, **Escelsa**. In addition, the mining and banking sectors will also be privatized. The sale of the government's 51% stake in CVRD is expected to generate $4bn. to $5.5bn. Fourteen petrochemical plants are due to be privatized by direct share sale in the latter half of 1995 along with **Meridian Bank**. **Eletrobras** and its subsidiaries will also be offered this year. Collectively, Brazil expects to net $4.7bn. from privatizations this year. **Petrobras**, the state petroleum company, remains as Brazil's most valuable asset that will not be sold until certain politcal and regulatory measures are taken.

**Headline:**
Privatisation Lift-Off

**Source:**
*The Emerging Markets Monitor May 15, 1995*

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## EletroNorte

**Activity Date:** 1995

The Brazilian government announced that will privatize **Companhia Vale do Rio Doce** (CVRD), the state-owned mining conglomerate, in one entire process. In addition, government officials decided that along with **Electrobras,** the state-owned electricity company, several of its subsidiaries, such as **EletroSul, EletroNorte, Furnas** and **Chest,** also will be sold. Electrobras will be split into a holding company, which will become the formal owner of the regional subsidiaries that are to be privatized. Finally, the sale of **Federal Railroad Company** (RFFSA), **Banco Meridional,** and the **Rio de Janeiro Power Utility** (Light) will take place during the second half of this year.

**Headline:**
Going Forward

**Source:**
*Latin Finance August 1995*

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## Eletropaulo

**Activity Date:** 4 1993

It was announced in February that the state of Sao Paulo plans to privatize Eletropaulo, the state electrical company, by selling off a third of its capital. The shares for Eletropaulo are expected to go on sale in April and are part of an effort to raise $180 million for the state.

**Headline:**

**Source:**
*PI 2/93*

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## EletroSul

**Activity Date:** 1995

The Brazilian government announced that will privatize **Companhia Vale do Rio Doce** (CVRD), the state-owned mining conglomerate, in one entire process. In addition, government officials decided that along with **Electrobras,** the state-owned electricity company, several of its subsidiaries, such as **EletroSul, EletroNorte, Furnas** and **Chest,** also will be sold. Electrobras will be split into a holding company, which will become the formal owner of the regional subsidiaries that are to be privatized. Finally, the sale of **Federal Railroad Company** (RFFSA), **Banco Meridional,** and the **Rio de Janeiro Power Utility** (Light) will take place during the second half of this year.

**Headline:**
Going Forward

**Source:**
*Latin Finance August 1995*

## Empresa Brasileira de Aeronautica (Embraer)

**Activity Date:** 1992

Embraer which a state-owned aerospace company is to be privatized through a restructuring. The firm was not profitable before privatization. Embraer was forced to lay off 4,000 people. Last year, the government came with rescue plan of $400 million

**Headline:**

**Source:**

**Activity Date:** 3 1994

Brazilian aircraft manufacturer **Embraer** is set to be auctioned on March 24, assuming the government can clear the company's balance sheet of approximately $700 million in outstanding debts and obligations. The government was forced to inject $190 million in capital last November to keep it operating, increasing its shareholding from 33.1% to 77.1%. Analysts seem pessimistic that the government will be able to successfully deal with Embraer's debt load in time for the March auction. The company itself has reported operating losses in both of the previous two years, after nearly twenty years of much success. The company's 5000 employees have organized a fund to bid for shares in the auction, despite the fact that local popular movements and unions remain staunchly opposed to the transaction.

**Headline:**

Tenacity is Rewarded in PQU Privatization

**Source:**

*Lagniappe Letter February 18, 1994*

**Activity Date:** 4 1994

The Brazilian government plans to auction **Empresa Brasiliera de Aeronáutica (Embraer)** on May 20, 1994. The auction will take place over the Sao Paulo stock exchange. The government will retain a 20% holding in the company, the employees will hold 10%, another 10% will be sold through a public offer, while the remaining 60% share will be auctioned off. For the auction to be considered valid, a minimum of 85% of the offered shares must be sold.

**Headline:**

Back of Track

**Source:**

*Latin Finance April, 1994*

**Activity Date:** 9 1994

The Brazilian government announced in September that it was suspending the privatization of petrochemical and electric utility companies in order to protect President Franco from possible accusations regarding the mishandling of public assets in the event that his candidate should lose in the election.. The privatization of **Embraer** has been suspended indefinitely until senate approval is obtained.

**Headline:**

Privatization Takes Another Step Back

**Source:**

*Lagniappe Letter September 2, 1994*

**Activity Date:** 9 1994

The Brazilian government announced in September that it was suspending the privatization of petrochemical and electric utility companies in order to protect President Franco from possible accusations regarding the mishandling of public assets in the event that his candidacy should be unsuccesful. The privatization of **Embraer** (a transportation equipment company), **Escelsa** (a public power producer), as well as **Companhia Quimia de Reconcavo** and **Salegma** (both, chemical companies) have been suspended indefinitely until senate approval is obtained.

**Headline:**

Privatization Takes Another Step Back

**Source:**

*Lagniappe Letter September 2, 1994*

**Activity Date:** 12 1994

The long awaited sale of **Embraer**, Brazil's aircraft manufacturer, took place in December. The government sought to sell 6.2 million shares or 55.4% of the voting stock, at a price of $179.3m. Prior to the sale, the government held 87% of the voting capital. According to the terms of agreement for the winning bidder, a $25.2m increase in capital will be required while the government will continue to hold 20% of the voting stock and a "golden share" allowing the government to veto any decisions viewed as conflicting with the national interest. The company, which employs 5,600 people, had debts of $1bn at the end of 1993 and accumulated losses of $600m over the past four years. Following a $350m capital injection from Banco do Brazil which has a 4.6% stake in the company, however, the company did show a positive net worth on its September 1994 balance sheet. An additional 10% stake will be offered to employees and to the public.

**Headline:**

Final Call for Brazilian Airline Sale

**Source:**

*Financial Times December 7, 1994*

**Activity Date:** 12 1994

**Activity Date:** 12 1994

It was reported that the Brazilian government has sold a 55.4% stake in the aircraft manufacturer, **Empresa Brasileira de Aeronautica (Embraer)** for $181.4m. The largest portion of the shares, 71%, were purchased by Banco Bozano Simonsen although it is unknown who the bank represented in the purchase. In total, one third of the shares offered were purchased by foreign investors.

**Headline:** Brazil Privatizes Part of Embraer

**Source:** *Wall Street Journal December 8, 1994*

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**Espirito Santo Centrais Electricas SA (Escelsa)**

**Activity Date:** 5 1993

It was announced in May that **Escelsa**, an electricity distribution company, would be privatized.

**Headline:**

**Source:** *PI 5/93*

**Activity Date:** 5 1994

It was announced in May that the Brazilian government would soon offer its 23.2% share of **Escelsa**, one of the country's electric utilities, via a stock market auction. The transaction is expected to raise about $100 million. The federal government is also reportedly seeking foreign investors for the 72.3% stake in Escelsa now held by Petrobras, the state-owned electricity holding company.

**Headline:** Brazilian Utility Stake to be Sold

**Source:** *Financial Times M ay 25, 1994*

**Activity Date:** 5 1994

The Brazilian government announced in May its intentions to privatize the state electricity distribution company, **Escelsa**. The consortiums who expressed interest in the company were: Chase Manhattan Bank with Grupo Redo, J.P. Morgan with Banco Itamarati, and Bank of America with Banco Liberal and Nomura Securities. The assets of Excelsa are valued at $522 million, however the company operated at an $11 million loss in profit in 1992. The consortiums have also expressed interest in bidding for the Serva da Mesa and Ita hydroelectric facilities as well.

**Headline:** Big Money Lines Up For Investments In Electric Power

**Source:** *Lagniappe Letter May 27, 1994*

**Activity Date:** 9 1994

The Brazilian government announced in September that it was suspending the privatization of petrochemical and electric utility companies in order to protect President Franco from possible accusations regarding the mishandling of public assets in the event that his candidate should lose in the election. The auction for shares in **Escelsa** had been scheduled for the end of September.

**Headline:** Privatization Takes Another Step Back

**Source:** *Lagniappe Letter September 2, 1994*

**Activity Date:** 1995

In Brazil, privatization is moving forward in an effort to help control the state sector budget. Escelsa, the power utility for the Espirito Santo state, is to be privatized by means of an auction on May 10, 1995. The concession agreement will be granted for 30 years and will be paid in one, 50% stake.

**Headline:** In the Bank

**Source:** *Latin Finance April 1995*

**Activity Date:** 1995

The Brazilian privatization council set a minimum price of R$578m ($634.1m) for **Escelsa**, the electricity distributor. The sale is expected to proceed next month.

**Headline:** Brazil Likely to Privatise Mine Group in One Sale

**Source:** *Financial Times May 10, 1995*

**Activity Date:** 1995

The Brazilian government announced its intention to privatize a number of industries during the next year including the state telecommunications company, **Telebras**; the world's largest iron exporter, **Companhia Vale do Rio Doce** (CVRD) and the Espirito Santo state power company, **Escelsa**. In addition, the mining and banking sectors will also be privatized. The sale of the government's 51% stake in CVRD is expected to generate $4bn. to $5.5bn. Fourteen petrochemical plants are due to be privatized by direct share sale in the latter half of 1995 along with **Meridian**

petrochemical plants are due to be privatized by direct share sale in the latter half of 1995 along with **Meridian Bank**. **Electrobras** and its subsidiaries will also be offered this year. Collectively, Brazil expects to net $4.7bn. from privatizations this year. **Petrobras**, the state petroleum company, remains as Brazil's most valuable asset that will not be sold until certain politcal and regulatory measures are taken.

**Headline:**
Privatisation Lift-Off

**Source:**
*The Emerging Markets Monitor May 15, 1995*

**Activity Date:** 1995

The **Escelsa Power Plant**, which serves the Espirito Santo State in Brazil, will be sold at an unspecified date in July. The government originally scheduled the sale for May 10, but was postponed for "technical reasons". A sale scheduled for mid-1994 was also put off because the government received no bids. The minimum acceptable bid price has been set at $642m for an 81% stake in the company. The government will keep 15% of the company while employees and managers will receive 5%. The sale of Escelsa is part of a larger government project to privatize the country's electricity generating facilities.

**Headline:**
Brazil Affirms it Will sell Escelsa, 800-MW Utility Serving Espirito Santo

**Source:**
*Electric Utility Weekly May 29, 1995*

**Activity Date:** 1995

Bidding for the Brazilian government's controlling stake in **Espirito Santo Centrais Electricas SA,** or Escelsa, an electrical utility in eastern Brazil, began this month. The minimum bid is $320m, but many a multinational have been discouraged by Brazil's restrictions of foreigners to a minority position in the acquiring consortium. Another problem is that the 30-year operating concession offered by the government does not make adequate provisions for review and adjustment of Escelsa's rates. Under the terms of the sale, bidders must pay at least 67% cash for the stake, which is 50% plus one share. Brazil has received approximately $12bn from privatizations, but it has been concentrated in the steel and petrochemical industries. In addition, only $2bn of the receipts have been in cash.

**Headline:**
Brazil Auctions Electrical Concern, In Bid To Revitalize Privatizations

**Source:**
*Wall Street Journal July 11, 1995*

**Activity Date:** 7 1995

On July 11, Brazil sold a 50% plus 1 share stake in **Escelsa**, the Espirito Santo state electrical utility, to Iven, a consortium of Brazilian banks and pension funds. The sale price of $387.4m exceeded the pre-sale minimum by $40.8m and is Brazil's first privatization since December 1994.

**Headline:**
Brazil Sells Majority Stake in Escelsa

**Source:**
*Financial Times July 12, 1995*

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**Federal Railroad Company (RFFSA)**

**Activity Date:** 1995

The Brazilian government announced that will privatize **Companhia Vale do Rio Doce** (CVRD), the state-owned mining conglomerate, in one entire process. In addition, government officials decided that along with **Electrobras,** the state-owned electricity company, several of its subsidiaries, such as **EletroSul**, **EletroNorte**, **Furnas** and **Chest,** also will be sold. Electrobras will be split into a holding company, which will become the formal owner of the regional subsidiaries that are to be privatized. Finally, the sale of **Federal Railroad Company** (RFFSA), **Banco Meridional,** and the **Rio de Janeiro Power Utility** (Light) will take place during the second half of this year.

**Headline:**
Going Forward

**Source:**
*Latin Finance August 1995*

**Activity Date:** 3 1996

Commencing the privatization of Brazil's **Federal Railroad Company** (RFFSA), the consortium led by Noel Group of the US won a 30-year concession to operate 1,621 km of track in the center-west of Brazil. The other members of the consortium are Western Rail Investors, Bank of American International Investment Corporation, Chemical Latin America Equity Associates, and DK Partners. The Noel Group consortium's bid won over a rival bid of a Brazilian consortium led by a subsidiary of Companhia Vale do Rio Doce (CVRD), the state mining giant. The Noel Consortium plans to invest in modernization to expand freight capacity. The entire rail network will be sold in six auctions and is expected to raise about $1.4bn.

The second tranche of the railway network to be privatized will be auctioned on June 14. The center-east section has a price tag of $321m. Investors must pay 20% down, with the balance payable over 30 years. Additionally, the investor

price tag of $321m. Investors must pay 20% down, with the balance payable over 30 years. Additionally, the investor must invest $332m over the first five years and a total of $1.3bn over 30 years. The entire rail network is expected to be sold by December. The next section to be auctioned will be the south-east section in August, followed by the southern section. Only the north-eastern section has yet to be priced.

**Headline:**
First Brazilian Rail Concession Sold to US-led Consortium

**Source:**
*Financial Times March 6, 1996*

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**federal railway company**

**Activity Date:** 1995

Brazil will begin privatizing the **federal railway company** with an auction on March 5th for the first of six sections to be sold off under 30-year renewable leases of concessions and equipment. The minimum bid for the 1,007-mile western network will be $49m. The second section will be the central-eastern network which will have a minimum bid of $260m. The railway company controls 73% of Brazil's railroads, operates in 19 states, and employs 40,500 people.

**Headline:**
Brazil Sets Rail Privatization

**Source:**
*Wall Street Journal November 30, 1995*

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**Fepasa**

**Activity Date:** 1 1996

The state of Sao Paulo may sell off the **Fepasa** railway network for $3.6bn and the state's three airports for $1.4bn in an attempt to regain control of the state's bank, which was taken over by the Central Bank in December 1994. The plan calls for using the proceeds from the sales to repay half of the state bank's debt.

**Headline:**
Brazilian State Plans Sell-Offs

**Source:**
*Wall Street Journal January 12, 1996*

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**Fosfertil**

**Activity Date:** 1992

An unknown number of shares was sold in Brazil's **Fosfertil** for 185 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

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**Furnas**

**Activity Date:** 1995

The Brazilian government announced that will privatize **Companhia Vale do Rio Doce** (CVRD), the state-owned mining conglomerate, in one entire process. In addition, government officials decided that along with **Electrobras,** the state-owned electricity company, several of its subsidiaries, such as **EletroSul, EletroNorte, Furnas** and **Chest,** also will be sold. Electrobras will be split into a holding company, which will become the formal owner of the regional subsidiaries that are to be privatized. Finally, the sale of **Federal Railroad Company** (RFFSA), **Banco Meridional,** and the **Rio de Janeiro Power Utility** (Light) will take place during the second half of this year.

**Headline:**
Going Forward

**Source:**
*Latin Finance August 1995*

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**Indag**

**Activity Date:** 1992

Indag which was a state-owned fertilizer company was sold. The purchaser of Indag was IAP for the price of $7.5 million.

**Headline:**

**Source:**
*PI 2/92*

## Kaolin Mining Development

**Activity Date:** 4 1993

A joint venture between state-owned Companhia Vale do Rio Doce and Brazilian mining group, Caulim de Amazonia, to work in a kaolin mining development project. Caulim de Amazonia will supply US$295 million for project financing, and the mine is expected to produce 500,000 tonnes of coating kaolin for paper production by 1995.

**Headline:**

**Source:** *PFI 4/30/93*

## Light Servicios de Electricidade, SA (Light)

**Activity Date:** 5 1994

The Brazilian government announced in May its intentions to privatize the state electricity distribution company, **Light**. The consortiums who expressed interest in the company are as follows: Chase Manhattan Bank with Grupo Redo, J.P. Morgan with Banco Itamarati, and Bank of America with Banco Liberal and Nomura Securities. The assets of Light are valued at $4.1 billion, however the company operated at an $11 million loss in profit in 1992. The consortiums have also expressed interest in bidding for the Serva da Mesa and Ita hydroelectric facilities as well.

**Headline:** Big Money Lines Up for Investments in Electric Power

**Source:** *Lagniappe Letter May 27, 1994*

**Activity Date:** 1995

**Light Servicios de Eletricidade, SA**, the Rio de Janeiro state power utility company, will be privatized by the end of the year. For purposes of the sale, Light Servicios will be split into two parts, Light Activities and Light Participations.

**Headline:** Constant Change

**Source:** *Latin Finance May 1995*

**Activity Date:** 1995

The Brazilian government announced that will privatize **Companhia Vale do Rio Doce** (CVRD), the state-owned mining conglomerate, in one entire process. In addition, government officials decided that along with **Eletrobras,** the state-owned electricity company, several of its subsidiaries, such as **EletroSul**, **EletroNorte**, **Furnas** and **Chesf,** also will be sold. Eletrobras will be split into a holding company, which will become the formal owner of the regional subsidiaries that are to be privatized. Finally, the sale of **Federal Railroad Company** (RFFSA), **Banco Meridional,** and the **Light Servicios de Eletricidade, SA** will take place during the second half of this year.

**Headline:** Going Forward

**Source:** *Latin Finance August 1995*

**Activity Date:** 1 1996

A substantial stake in **Light Servicios de Eletricidade, SA**, the partially state-owned electricity company of the Brazilian state of Rio de Janeiro is expected to be sold in April. The current shareholders approved a plan on January 29 that would split off Light's holdings in the loss-making electricity company of Sao Paulo state, Eletropaulo, which will remain under the control of the federal electricity holding company, Eletrobras. The exact date of privatization is expected to be announced February 1 by BNDES, the federal development bank. The auction had previously been scheduled for March 13, but was delayed due to a legal challenge by trade unions. A 60% stake will be sold to the public for cash at the auction, with an additional 10% offered to employees, and 12% will be held for a future sale. At present 18% of the company is already publicly traded. The company reported a $113m loss in 1995, however, much of this loss is reported to be a result of a large loss by Eletropaulo. The company is currently valued at $3.7bn.

**Headline:** Electricity Sell-Off in Rio Moves Closer

**Source:** *Financial Times January 30, 1996*

**Activity Date:** 2 1996

The Brazilian Development Bank (BNDES) postponed the privatization date of the utilities company **Light Servicios de Eletricidade, SA** (Light) from March 13 to April 18. While the BNDES did not give any reason, potential investors had asked for more time to evaluate the property and to organize bids. BNDES increased the official valuation of Light, from $3.05bn to $3.76bn. Electricite de France and a consortium of Endesa, Enersis, and Chilectra of Chile recently confirmed they were planning to participate in the bidding process.

**Headline:** Americas

**Source:** *Project Finance International February 14, 1996*

Americas

*Project Finance International February 14, 1996*

**Activity Date:** 3 1996

A Brazilian court has overturned a motion filed by labor unions, clearing the way for a March 13 tender for the **Light Servicios de Eletricidade, SA** electric utility. It is estimated that the utility may sell for as much as $3.5bn.

The Brazilian government announced it will privatize **Light Servicios de Eletricidade, SA**, a state-owned electric company, on March 13. 60% of its stock will be sold for about $3.1bn.

**Headline:**

Postscripts

**Source:**

*Wall Street Journal January 8, 1996*

**Activity Date:** 4 1996

The BNDES proposed several changes to the National Privatization Council regarding the **Light Servicios de Eletricidade, SA** (Light) privatization concession contract. Among the proposals are that tariff should be fixed eight years (not five) after privatization is complete and the concessionaire may sell assets and upgrade existing facilities. The BNDES announced a $1bn credit to the winning consortium due to complaints that the $3.75bn valuation, or $2.4bn minimum price for the 60% stake on the block, is too high. The BNDES also pushed back the Light auction date from April to May. The National Privatization Council announced that bidders could use privatization bonds to pay for up to 30% of the purchase price.

The BNDES, the Brazilian development bank, announced in mid-March that it would award a $1bn credit to the consortium that buys the Light utility, set for sale in April. The credit is an attempt to draw potential bidders, many of whom have argued that the mimum price of $3.7bn ($395 per share) is too high. Light shares have been trading recently on the Sao Paulo exchange at $327 a share.

**Headline:**

Light Amendments

**Source:**

*Project Finance International April 11, 1996*

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**macro**

**Activity Date:** 9 1994

It was announced in September that Brazil's president, Itamar Franco, suspended Brazil's privatization program because the asking prices for enterprises were too low. Additional support for the decision comes from state employees who fear they will lose their jobs if enterprises are sold. Several petrochemical companies had been slated for auction.

**Headline:**

Management Alert: Brazil

**Source:**

*Business Latin America September 5, 1994*

**Activity Date:** 9 1994

The Brazilian government and officials in Sao Paulo acknowledged in September that in order to sustain economic growth, the private sector will need to be encouraged to more fully participate in providing the necessary power and infrastructure facilities. In the face of a 25% budget deficit, the government can no longer afford to keep pace with the level of demand for these services. An official from the Tiete-Parana Development Agency (ADTP), a group that represents nearly 100 private and public sector companies interested in projects in the Tiete-Parana region, is anticipating $20 billion in energy, motorway, railway and public sanitation projects by the end of this century. One such project is the proposed gas pipeline between Bolivia and Sao Paulo. Problems standing in the way of more private sector participation include: old guard resistance to change in the government, Brazil's economic instability and high inflation, the lack of a federal framework in areas such as private energy production and legislation, and uncertainty in project financing that stems from Brazil's lack of experience with "non-recourse" project finance. Non-recourse project financing prevents those building a plant from being held liable by the banks for delays or cost overruns and is necessary before private companies are willing to consider any kind of extensive investment. Despite the current slow pace of private participation, such participation is expected to increase rapidly as the government falls further behind in its ability to provide adequate services, particularly in the power sector where it is estimated that installed capacity will need to expand by 600 MW per year to the end of the decade to cope with demand.

**Headline:**

State Looks to Private Sector Stake in Projects

**Source:**

*Financial Times September 13, 1994*

## Mafersa

**Activity Date:** 1992

Mafersa which a state-owned locomotive manufacturer was sold publicly. A 90% was sold to pension funds and 10% is to be sold to employees.

**Headline:**

**Source:**
*LL 02/92*

## Meridian Bank

**Activity Date:** 1995

The Brazilian government announced its intention to privatize a number of industries during the next year including the state telecommunications company, **Telebras**; the world's largest iron exporter, **Companhia Vale do Rio Doce** (CVRD) and the Espirito Santo state power company, **Excelsa**. In addition, the mining and banking sectors will also be privatized. The sale of the government's 51% stake in CVRD is expected to generate $4bn. to $5.5bn. Fourteen petrochemical plants are due to be privatized by direct share sale in the latter half of 1995 along with **Meridian Bank**. **Electrobras** and its subsidiaries will also be offered this year. Collectively, Brazil expects to net $4.7bn. from privatizations this year. **Petrobras**, the state petroleum company, remains as Brazil's most valuable asset that will not be sold until certain politcal and regulatory measures are taken.

**Headline:**
Privatisation Lift-Off

**Source:**
*The Emerging Markets Monitor May 15, 1995*

## Metanok

**Activity Date:** 1995

The Brazilian government set a minimum price for its stake in 5 petrochemical companies which are scheduled to be privatized by the end of the year. The government has set its asking price for stakes in **Nitrocarbono, Metanok, Deten, Pronor,** and **CBP** at approximately $600m. A date has not yet been set for the sale.

**Headline:**
Brazil Sets Price for Petrochemical Sell-off

**Source:**
*Financial Times June 29, 1995*

## Municipal Bus Company

**Activity Date:** 1993

The city of Sao Paola announced its plan to privatize the **Municipal Bus Company**.

**Headline:**

**Source:**
*Euromoney July 1993*

## Nitriflex

**Activity Date:** 1992

A 40% stake in Brazil's petrochemical producer, **Nitriflex**, was sold for $26 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

## Nitrocarbono

**Activity Date:** 1995

The Brazilian government has set a minimum price of approximately $600m for its stakes in 5 petrochemical companies. The companies are: **Nitrocarbono, Metanok, Deten, Pronor,** and **CBP**. A date has not yet been set for the sale.

**Headline:**
Brazil Sets Price for Petrochemical Sell-off

**Source:**
*Financial Times June 29, 1995*

**Oxiteno**

**Activity Date:** 1993

Brazil announced its plan to privatize **Oxiteno**, a petrochemical company.

**Headline:**

**Source:**
*Euromoney July 1993*

**Petrobras**

**Activity Date:** 1995

The Brazilian government announced its intention to privatize a number of industries during the next year including the state telecommunications company, **Telebras**; the world's largest iron exporter, **Companhia Vale do Rio Doce** (CVRD) and the Espirito Santo state power company, **Excelsa**. In addition, the mining and banking sectors will also be privatized. The sale of the government's 51% stake in CVRD is expected to generate $4bn. to $5.5bn. Fourteen petrochemical plants are due to be privatized by direct share sale in the latter half of 1995 along with **Meridian Bank**. **Electrobras** and its subsidiaries will also be offered this year. Collectively, Brazil expects to net $4.7bn. from privatizations this year. **Petrobras**, the state petroleum company, remains as Brazil's most valuable asset that will not be sold until certain politcal and regulatory measures are taken.

**Headline:**
Privatisation Lift-Off

**Source:**
*The Emerging Markets Monitor May 15, 1995*

**Petrobras Distribuidora (BR)**

**Activity Date:** 9 1993

Petrobras, the state-owned oil giant, decided to make a public offer of shares of its main subsidiary, Petrobras Distribuidora (BR). The offer was made to counter any attempt to privatize the company. BR contributes most of its profits to Petrobras and Petrobras believes that without BR, it will be unprofitable. About 26% of BR's shares will be offered to the public by a group of banks as opposed to the stock exchange. The revenues generated from the sales are expected to be at $180 million.

**Headline:**
Petrobras Thwarts Privatization

**Source:**
*Lagniappe Letter September 17, 1993*

**Petrocoque**

**Activity Date:** 8 1993

Petrocoque, the state petrochemical company, is targeted for privatization on August 20 at a price of $20 million.

**Headline:**
In the News... Back to Brazil

**Source:**
*Latin Finance July/August 1993*

**Petrocoque and PQU petrochemical complexes**

**Activity Date:** 8 1993

As part of the government's effort to complete its divestiture of the steel and petrochemicals sectors, the petrochemicals complex, Petrocoque, is slated for privatization on August 20. The government also plans to privatize Acominas, a state steel company, on August 25.

**Headline:**
'Real Plan' for Privatisation

**Source:**
*Privatisation International 7/93*

**Petroflex**

**Activity Date:** 4 1992

Petroflex sold on April 10 for $222 million, 21% above the minimum price. The PIC consortium of Suzano, Unipar and Coperbol/Norquisa now own 51%. The second biggest buyer with 14% was Petros, an employees pension fund of Petrobras, the state oil monopoly.

**Headline:**

**Source:**
*PI 5/92*

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**Petroquimica Uniao (PQU)**

**Activity Date:** 8 1993

Controversy arose over the scheduled August 20 privatization of **Petroquimica Uniao (PQU)**, a major supplier of plastic and petrochemical companies to Sao Paulo, at a minimum price of US$560 million. Petrobras, a government subsidiary, currently owns 67% of the company, while Oderbrecht, a construction group, owns 29% of the company. The government is worried that Oderbrecht will purchase majority shares, thus establishing a near-monopoly in the supply of petrochemicals such as naphtha. This monopoly may arise especially since a shareholders agreement permits Oderbrecht first choice in the purchase of the company's stock.

The sale of PQU has been delayed until October 15, 1993. Petroquisa is trying to retain 30% of the shares, as opposed to the 15% permitted by the government.

**Headline:**
PQU Sale Shapes Up as Test of Process

**Source:**
*Lagniappe Letter July 23, 1993*

**Activity Date:** 8 1993

Privatization of **Petroquimica Uniao (PQU)**, a major supplier of plastic and petrochemical companies to Sao Paulo, is scheduled for August 20 at a price of $278.5 million.

**Headline:**
In the News... Back to Brazil

**Source:**
*Latin Finance July/August 1993*

**Activity Date:** 1994

A 41 percent stake in Brazil's petrochemical producer, **Petroquimica Uniao (PQU)**, was sold for $560 million.

**Headline:**

**Source:**
*Lagniappe Letter*

**Activity Date:** 1 1994

An early January auction of **Petroquimica Uniao (PQU)** failed due to a last minute withdrawal of the main bidders. Problems concerning the pricing of PQU's main raw material, naptha, were cited as the main cause for failure. The company remains 67.8% state owned. This outcome increases the likelihood of delay in the sales of the state giants, Petrobras, Telebras and Vale do Rio Doce. Despite these setbacks, the government listed 32 SOE's for sale in 1993 - most of which are small to medium sized companies. A second attempt at selling PQU on January 4th also failed as bids fell short at 64 of the required 75 percent of shares.

**Headline:**
Snags to Privatization May Hurt 1994 Sales

**Source:**
*Lagniappe Letter January 7, 1994*

**Activity Date:** 1 1994

After six aborted attempts to sell the **Brazilian Petroquimica Uniao (PQU)**, a sale was finally concluded on January 24 and 25 for the minimum bid price of $6.80 per share. This sale, which transfered 40.5% of the company's voting stock, allowed the privatization commission to set the terms for the sale of the remainder of the firm. Union Carbide of the US purchased 20% of the shares, Unipar purchased 1.1% to bring its total to 30.1%, the domestic consortium Polibrasil purchased approximately 20%, and PQU employees acquired 10%. Petroquisa, the Petrobras subsidiary selling the shares, reduced its holding from 67.99% to 17.6%. The conclusion of this transaction will allow the government to focus on the sale of Petrobras' other subsidiaries in the petrochemical and fertilizer sectors.

**Headline:**
Tenacity is Rewarded in PQU Privatization

**Source:**
*Lagniappe Letter February 18, 1994*

**Piratini**

**Activity Date:** 2 1992

**Piratini** was Brazil's largest steel maker before the mass privatization of Brazilian steel mills. The Geradu group pumped much needed money into new equipment, and better management.

**Headline:**
The Privatization of Brazilian Steel

**Source:**
*U.S./Latin Trade*
*September 1994*

**Polibrasil**

**Activity Date:** 1993

Brazil announced its plan to privatize **Polibrasil**, a petrochemical company.

**Headline:**

**Source:**
*Euromoney* *July 1993*

**Poliderivados**

**Activity Date:** 1993

Brazil announced its plan to privatize **Poliderivados**, a state-owned petrochemical company.

**Headline:**

**Source:**
*Euromoney* *July 1993*

**Poliolefinas**

**Activity Date:** 3 1993

Government shares of the petrochemical company, Poliolefinas, was sold on March 19 through a public auction the the Brazilian construction group, Odebrecht, for US$86.1 million.

**Headline:**

**Source:**
*PFI 4/2/93*

**Power do Brasil**

**Activity Date:** 6 1994

A joint venture, known as **Power do Brasil**, was formed in June between Chase Manhattan and Rede de Empresas Distribuidoras de Energia ( REDE). The venture was created to assist in the privatization of Brazil's electricity generation and distribution industry. It will also aid in the establishment of project specific subsidiaries to bid for controlling interest in each privatization, as well as work to attract investors to the subsidiaries.

Power do Brasil has been initially funded to work on development-stage activities such as feasibility studies and due diligence. Funding for privatization will occur on a case-by-case basis, for which the government is seeking $44 billion in capital investment to subside the power sector's capital needs over the next ten years. REDE holds a majority interest in the venture while Chase holds a significant minority interest.

**Headline:**
Chase, REDE in Power Privatisation Venture

**Source:**
*Project Finance International* *June 9, 1994*

## Pronor

**Activity Date:** 1995

The Brazilian government set a minimum price for its stake in 5 petrochemical companies which are scheduled to be privatized by the end of the year. The government has set its asking price for stakes in **Nitrocarbono, Metanok, Deten, Pronor,** and **CBP** at approximately $600m. A date has not yet been set for the sale.

**Headline:** Brazil Sets Price for Petrochemical Sell-off

**Source:** *Financial Times June 29, 1995*

## Sabesp

**Activity Date:** 4 1993

It was announced in February that the state of Sao Paulo plans to privatize Sabesp, the state water company, by selling off a third of its capital. The shares for Sabesp are expected to go on sale in April and are part of an effort to raise $180 million for the state.

**Headline:**

**Source:** *PI 2/93*

## Salegma and Companhia Quimica do Reconcavo

**Activity Date:** 9 1994

The Brazilian government announced in September that it was suspending the privatization of petrochemical and electric utility companies in order to protect President Franco from possible accusations regarding the mishandling of public assets in the event that his candidate should lose in the election. The announcement came right before public offerings of Petrobas shares in **Salegma** and **Companhia Quimia do Reconcavo** were to be placed.

**Headline:** Privatization Takes Another Step Back

**Source:** *Lagniappe Letter September 2, 1994*

## SNBP

**Activity Date:** 1992

SNBP which was a state-owned trading and distribution enterprise was sold . The buyer is Cinco that is a fertilizer company which had paid $12.6 million for SNBP.

**Headline:**

**Source:** *PI 2/92*

## Solobo copper deposit

**Activity Date:** 4 1993

Companhia Vale do Rio Doce has created a joint venture with BNDES and Morro Velho, a mining company, to exploit the Solobo 1.2 billion tonne copper deposit.

**Headline:**

**Source:** *PFI 4/30/93*

## state airports

**Activity Date:** 1 1995

The state of Sao Paulo may sell off the Fepasa railway network for $3.6bn and the state's three **airports** for $1.4bn in an attempt to regain control of the state's bank, which was taken over by the Central Bank in December 1994. The plan calls for using the proceeds from the sales to repay half of the state bank's debt.

**Headline:** Brazilian State Plans Sell-Offs

**Source:** *Wall Street Journal January 12, 1996*

## Telebras

**Activity Date:** 1992

Telebras, the Brazilian telephone company, remains over 50% government owned. Although no authorization has been made, expections of privatization within 1992 or 1993 have been heightened.

**Headline:**

**Source:**

**Activity Date:** 5 1993

The Brazilian government announced in May its intentions to privatize the state power utility, Telebras.

**Headline:**

**Source:**
*PI 5/93*

**Activity Date:** 1995

As per the Brazilian government's constitutional reform plan, a congressional committee approved a constitutional amendment that would allow private and foreign competition against the state-owned telecommunications company, **Telebras**. The vote will now go to the full Congress where it needs three-fifths support in both houses in four separate votes. The government is also preparing to allow competition for cellular phone and data transmission services.

**Headline:**
Liberal Telecoms Nearer in Brazil

**Source:**
*Financial Times May 11, 1995*

**Activity Date:** 1995

The Brazilian government announced its intention to privatize a number of industries during the next year including the state telecommunications company, **Telebras**; the world's largest iron exporter, **Companhia Vale do Rio Doce** (CVRD); and the Espirito Santo state power company, **Excelsa**. In addition, the mining and banking sectors will also be privatized. The sale of the government's 51% stake in CVRD is expected to generate $4bn. to $5.5bn. Fourteen petrochemical plants are due to be privatized by direct share sale in the latter half of 1995 along with **Meridian Bank**. **Electrobras** and its subsidiaries will also be offered this year. Collectively, Brazil expects to net $4.7bn. from privatizations this year. **Petrobras**, the state petroleum company, remains as Brazil's most valuable asset that will not be sold until certain political and regulatory measures are taken.

**Headline:**
Privatisation Lift-Off

**Source:**
*The Emerging Markets Monitor May 15, 1995*

**Activity Date:** 11 1995

The government of Brazil announced on November 28 a program to modernize and partially privatize its telecommunications sector. The program includes the eventual break-up of state-owned **Telebras** into five or six separate firms and calls for private sector involvement in cellular phones and satellite services, more transparent bidding rules, and $75bn in new investment over the next nine years.

**Headline:**
Brazil Plans Partial Telecoms Sell-off

**Source:**
*Financial Times November 29, 1995*

## Tubarao

**Activity Date:** 1992

The Tubarao Steel Mill, based in the state of Espirito Santo, will be auctioned off in two steps. The company is 26% owned by Kawasaki Steel and the Italian company Ilva. The first auction on July 10 will sell a 51% controlling stake to a domestic party. The second on July 23 will be exclusively for foreigners, and allow the two foreign shareholders to increase their stake.

**Headline:**

**Source:**
*PI 5/92*

**Activity Date:** 1992

A 51 percent stake in Brazil's steel maker, **Tubarao**, was sold for $306 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Ultrafertil**

**Activity Date:** 6 1993

Ultrafertil, a petrochemical company of the state-owned Petrofertil Group, was targeted for privatization on June 24. The minimum price set for sale is $207 million, and the sale will be conducted through a public auction, even though opposition from the unions is expected.

**Headline:**

**Source:**
*LF 5/93, LL 5/14/93*

**Activity Date:** 8 1993

Ultrafertil, a petrochemical company of the state-owned Petrofertil Group, was sold on June 24. The employees are demanding the sale to be rescinded, and have been on strike since June 22.
The stake was sold for $207m.

**Headline:**
In the News... Back to Brazil

**Source:**
*Latin Finance July/August 1993*

**Usimas**

**Activity Date:** 1992

A 75 percent stake in steel producer, **Usimas**, was sold for $1,170 million.

**Headline:**

**Source:**
*Latin Finance*

**Usiminas**

**Activity Date:** 10 1991

**Usiminas**, is one of the top three sheet metal producers in Brazil.

**Headline:**
The Privatization of Brazilian Steel

**Source:**
*U.S./Latin Trade*
*September 1994*

**Activity Date:** 1992

**Usiminas** which was a 30% state-owned steel mining enterprise will be sold. A stake of 26.4% is to be sold to pension funds.

**Headline:**

**Source:**
*LL 02/92*

**Activity Date:** 1992

Usiminas company which is in the sector in manufacturing of steel mills was privatized under a public offering. This is the second tranche of the company's sale. A 75% of its stock was sold for $1.17 billion .

**Headline:**

**Source:**
*LF 2/92*

**Activity Date:** 8 1994

The Brazilian government announced in August that plans have been made for the sale of 361 billion preferred shares, approximately 35 percent of preferred stock and 18 percent of total equity, of the state-owned company **Usiminas**. The sale is expected to earn revenues of $400 million. Bear Sterns will assist in the sale of the shares, 85 percent of which will be placed abroad.

**Headline:**
Brazil: On or Off?

**Source:**
*Latin Finance July/August 1994*

## *Chile*

## Altamira

**Activity Date:** 10 1993

It was announced in October that **Altamira**, a mid-size mine owned by the national mining company Enami, was seeking to raise $45 million investment through privatization.

**Headline:**
Bids Pour In For Chilean Mine: Altamira Also Open

**Source:**
*Americas Trade and Finance October 1993*

## Barquisimeto Plastiq

**Activity Date:** 3 1993

In March, the Barquisimeto Plastiq plant, equipment, and land was sold to Teleplastiq C.A. for $.59 million.

**Headline:**

**Source:**
*PI 3/93*

## Chilgener

**Activity Date:** 1985

An unknown number of shares was sold in Chile's **Chilgener** for $12,600 million.

**Headline:**

**Source:**
*World Bank*

## Chilmetro

**Activity Date:** 1985

The Chilean government sold its entire holding in the energy concern, **Chilmetro**, for $87 million.

**Headline:**

**Source:**
*World Bank*

## Chilquinta

**Activity Date:** 1985

The Chilean government sold its entire holding in the energy concern, **Chilquinta**, for $22 million.

**Headline:**

**Source:**
*World Bank*

## Codelco

**Activity Date:** 6 1994

An agreement was finally reached in June between Chile's state-owned mining company **Codelco** and US-based **Cyprus Amax Minerals Company Co.** for the joint development of the El Abra copper deposit in northern Chile. The agreement comes after nearly three months of negotiations in which Cyprus Amax and its former partner, Lac Minerals Ltd. of Toronto, revised their original offer following the discovery that the deposit's copper content was of a much lower grade than Codelco had reported in an earlier study.

**Headline:**
Codelco-Cyprus Amax Come to Terms On El Abra Project

**Source:**
*Lagniappe Letter June 10, 1994*

## Colbun Machicura SA

**Activity Date:** 1 1994

The state development agency, Corfo, sold 5% of the electricity company **Colbun Machicura SA** for $20 million bringing its ownership share down to 93%. This initial 5% sale, purchased by Compania General de Electricidad Industrial this January, will serve as an indicator for the major stock offering of the company to be held during the next presidential term. GGEI is a medium-sized distributor with annual sales of $90 million. Future sales may be hampered by water rights issues as Endesa, Chile's largest utility, remains in control of most of them.

**Headline:** Corfo Tests Market for Colbun Shares

**Source:** *Lagniappe Letter January 7, 1994*

**Activity Date:** 1996

The government has indicated that it will sell a 33% stake in the **Colbun-Machicura** electric company, preferably to a private international firm with previous experience in the power sector. To promote competition, local generating companies will not be allowed to bid for the shares. Corfo, the state holding company, currently holds 85% of the company, with the remaining share in private hands. As of mid-January, Colbun was valued at $1.18bn.

**Headline:** New Tensions Over Pinochet's Role

**Source:** *Business Monitor International February 1996*

**Activity Date:** 2 1996

The government announced in January that it planned to find a strategic partner for **Colbun Machicura SA** by offering a 33% stake in the power company. The government hopes to create a private utility that can compete equally with Chile's other large power companies. Potential bidders include Southern Co. of the U.S. and NOVA Corp. of Canada. The strategic partner will be chosen in October. Kleinwort Benson is advising on the sale.

**Headline:** Colbun Gathers Steam

**Source:** *Project Finance International February 28, 1996*

## Compania Acero del Pacifico (CAP)

**Activity Date:** 1985

A 43 percent stake was sold in the iron ore producer, **Compania del Pacifico (CAP)**, for $4,340 million.

**Headline:**

**Source:** *IPG Res*

## Compania Telefonas de Chile (CTC)

**Activity Date:** 1989

The Chilean government sold a 13 percent stake in the telecommunications company, **Compania Telefonas de Chile**, for $80 million.

**Headline:**

**Source:** *Privatization International Yearbook*

## El Abra

**Activity Date:** 9 1993

It was reported in September that Codelco, the state operated copper company and the world's largest copper producer, agreed to privatize 49% of the **El Abra** copper deposit, one of the largest copper deposits in Latin America. The entire mine is worth $450 million. The bid of $404 million for only 49% of the mine came from a consortium which consists of Cyprus Minerals Co. of Englewood, Colorado, and Lac Minerals Ltd., of Toronto. An additional $1 billion is expected to be invested into infrastructure. The contract is expected to be signed in December. The other bidders included BHP Minerals, North Broken Hill, both of Australia; SM Pudahuel of Chile; RTZ Plc of London; Phelps Dodge Mining Co. of the U.S.; Placer Dome Inc., Cambior Inc, Cominco Resources and Teck Corp, and Inco Ltd., all of Canada. The country's political and economic stability, attractive legal framework, and a developed service network all helped to support the privatization. Although the decision was supposed to be announced on November 20, 1993, as to the winner of the bid, it was announced on October 8, 1993, only 18 days after the bid, and 43 days before the original scheduled announcement date. Annual sales are projected to surpass $250 million at the low copper prices of $0.80 per pound.

**Headline:** Chile: New Owners Have Big Plans For Privatized Mine

**Source:** *Lagniappe Letter October 15, 1993*

**Activity Date:** 2 1994

The privatization of 51% of the **El Abra** copper mine, announced in November 1993, has been put on hold. The consortium which agreed to purchase the shares for $404 million, comprised of Cyprus Minerals of Canada and Lac Minerals of the U.S., is now claiming that lower copper finds than expected could lessen the value of the transaction. Codelco, the state-owned entity which presently controls El Abra, and the North American consortium agree that the negotiation process could last another two months.

**Headline:** El Abra Closing May be in Jeopardy

**Source:** *Project Finance International February 18, 1994*

## Emporchi

**Activity Date:** 1995

The Chilean government decided against the complete privatization of Chile's ports, such as the state-owned port authority **Emporchi**, and will instead sell concessions to private industry for the construction or renovation of certain ports.

**Headline:** Chile Cautiously Begins Port Sales

**Source:** *Privatisation International December 1995*

## Empremar

**Activity Date:** 1994

The sale of **Empremar**, Chile's state owned shipping company, has begun. Two-thirds of the company will be sold to the public, while the remainder of the stock will be offered to the employees. Although Empremar has lost $15m this year, dramatic labor force and property cuts, as well as the sale of one of the firm's largest ships, should help turn around the company's finances. Government officials have not yet set a price.

**Headline:** Management Alert

**Source:** *Business Latin America November 28, 1994*

## Empremar and Transcontainer

**Activity Date:** 9 1994

In September, it was announced that the government is planning to sell **Empremar** and its container unit, **Transcontainer**. Together they handle nearly 5% of overseas transport. The sale of these entities depends upon passage of changes in the legislation that currently limits private ownership to 35%. An earlier attempt to privatize the company, worth an estimated $20 million, failed due to lack of interest in a minority stake.

**Headline:** Chile Resumes Its Grand Sell-Off

**Source:** *Financial Times September 9, 1994*

**Empresa Electrica del Norte Grande (Edelnor)**

**Activity Date:** 1992

Confo, the state holding agency, plans to make a public offering of **Edelnor** shares on the Santiago stock exchange early next year. Proceeds from the capital expansion will be used to finance the construction of a $150 million thermoelectric plant in port of Mejillones to supply power to mining projects. The next company on the privatization schedule is the freight division of Ferrocarriles del Estado

**Headline:**

**Source:**
*LL 11/13/92*

**Activity Date:** 3 1993

The government of Chile announced in March plans to privatize the state power company, Edelnor. The government hopes that the transfer of Edelnor to private hands will take place by the end of June. The company will be sold off by Corfo, the state holding company, through an auction of Corfo shares on the Santiago stock exchange. Corfo held 83% of Edelnor shares, whose market capitalization was valued at $136 million, and plans to reduce its holdings to 49%. The sale is expected to raise $46 million, and the equity component expected of new owners will be approximately $45 million.

**Headline:**

**Source:**
*PI 3/93*

**Activity Date:** 9 1993

In September, it was announced that the privatization of Edelnor, a Chilean electric utility firm will take place in October. The government has also indicated that it does not like the idea that Endesa or Chilgener, Chile's two largest electric utilities, could become major shareholders of Edelnor. Both of these companies have purchased bases for the tender, however. In addition, Iberdrola of Spain, Southern Electric of Atlanta, Chase Manhattan, Chilquintal of Chile, and Cia. General de Electricidad Industrial of Chile are on the list of potential buyers. Bice Chileconsult, partially owned by N.M. Tothschild & Son, Ltd. of London, is advising. The government hopes to raise $38 million to pay for new projects.

**Headline:**
Government Seeks to Draw Newcomers to Edelnor Sell-Off

**Source:**
*Lagniappe Letter September 3, 1993*

**Activity Date:** 9 1994

The government in September announced its intention to sell a 48.5% stake in the northern power utility, **Edelnor**. The shares will be sold in stages with the first 12 to 32% due to be sold this year. It is expected that each 12% tranche will earn revenues of $30 million.

**Headline:**
Chile Resumes Its Grand Sell-Off

**Source:**
*Financial Times September 9, 1994*

**Activity Date:** 12 1994

It was reported in December that Chile had sold a 30% stake in the electric company Edelnor, to Southern Electric International of the US for $86m. The state holding company retained a 16.5% stake as an additional 9% of the sares went to small investors. Southern Electric's holdings in the company increased from 38% to 59% and it now controls four of the seven seats on the board of directors.

**Headline:**
Company Watch

**Source:**
*Business Latin America December 12, 1994*

**Activity Date:** 1 1995

Southern Electric International in January reported that it had increased it holdings in Chile's **Empresa Electrica del Norte Grande (Edelnor)** from 38.5% to 65%. The shares it purchased were held by other Chilean state-owned enterprises. A 21% stake was purchased from Corporacion de Fomento de la Producion for $58m and an additional 6.18% stake was purchased from Endesa for $18m. Edelnor currently has 96MW of capacity and is building an additional 150MW coal-fired plant. Edelnor provides electricity to northern Chile.

**Headline:**
SEI Boosts Edelnor Stake to 65%

**Source:**
*Project Finance International January 6, 1995*

SEI Boosts Edelnor Stake to 65% *Project Finance International January 6, 1995*

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**Empresa Nacional Electrica (Endesa)**

**Activity Date:** 1985

A .7% stake in Chile's **Empresa Nacional Electrica (Endesa)** was sold for $46 million.

**Headline:**

**Source:** *World Bank*

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**Entel**

**Activity Date:** 1985

A 33 percent stake in Chile's **Entel** was sold for $31 million.

**Headline:**

**Source:** *World Bank*

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**Ferrocarril del Pacifico**

**Activity Date:** 1994

On October 31, 5 groups are supposed to bid for **Ferrocarril del Pacifico SA.,** the freight unit of the state owned railroad. The government is pumping over $80m into the company in order to update the tracks and switching systems. The track will then remain in the hands of the government which will charge operators a yearly rent as well as a toll. The company is expected to grow 70% in the next 10 years. **Empresa Maritima SA,** will accept offers for 67% of its equity on November 23, 1994, the workers will retain up to 32.3% of the equity and the state 0.6%. The company, which handles about 5% of Chilean overseas transports, has laid off 234 of its 400 workers and sold one of its 5 ships in order to increase its value. **Colbum,** Chile's second largest hydroelectric plant, plans to issue shares worth $23m, cutting the state's holdings from 91% to 81%, the government, however, has not decided on the fate of the entire power company. **Edelnor,** a power producer for copper mines, which was partly sold last year, will see its remaining 46% government-owned shares sold in the stock exchange over the next few years in 12% tranches.

**Headline:** Chile's Revived Program Takes Off

**Source:** *Privatisation International October 1994*

**Activity Date:** 9 1994

The government announced in September that it is planning an October bid for 51% of the railway entity, **Ferrocarril del Pacifico**. It is estimated that the winning bidder will pay nearly $100m and will acquire 90 locomotives and 5,000 wagons. Use of track will be established in a rental agreement with the state railway company EFE.

**Headline:** Chile Resumes Its Grand Sell-Off

**Source:** *Financial Times September 9, 1994*

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**Iansa**

**Activity Date:** 1985

A 49 percent stake in the sugar producer **Iansa**, was sold for $7 million.

**Headline:**

**Source:** *World Bank*

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**Indura**

**Activity Date:** 8 1995

A British industrial gases group, BOC, has purchased a $50m stake in **Indura**, the Chilean gas producer. The acquisition will give BOC a 40% holding in the company. Indura has a 55% share of the industrial and medical gas markets.

**Headline:** BOC Pays $50m for Chilean Gas Stake

**Source:** *Financial Times August 23, 1995*

## Lan Chile

**Activity Date:** 1985

The Chilean government sold a 49 percent stake in the state airline, **Lan Chile**, for $5 million.

**Headline:**

**Source:** *World Bank*

**Activity Date:** 3 1993

It was announced in March that the national holding company, Corfo, will sell its 23% share of Lan-Chile, the national flag carrier. The government's 23% share of the company is valued at $14 million. It was announced in May that the government would postpone the sale of its Lan Chile shares

**Headline:**

**Source:** *PI 3/93, LL 5/93*

**Activity Date:** 9 1994

The Chilean government announced in September that it had sold a 23.8% stake in the national airline, **Lan Chile**, for $10.8 million. The sale is part of an overall revival of Chile's privatization program as the government seeks to redirect its spending toward education and poverty alleviation. Another $200 million in electricity, shipping and railway assets are expected to be auctioned off. In addition, Corfo, the state holding company, is planning to sell $550 million of non-performing debt for revenues of $100 to 200 million. Privatization of the water and sewerage is currently being considered along with a strategy to sell some of Codelco's non-mining assets. Several companies including Enap, the oil group, and Enami, the smelting agency are still off limits to privatization policies.

**Headline:** Chile Resumes Its Grand Sell-Off

**Source:** *Financial Times September 9, 1994*

**Activity Date:** 11 1994

It appears that Chilean Privatization will continue with newly elected president Eduardo Frei, as **Lan Chile**, the state airline, has sold 23.8% of its shares for $10.8m.

**Headline:** Trade Round Up- Chile

**Source:** *U.S./Latin Trade November 1994*

## Las Majaguas sugar mill

**Activity Date:** 3 1993

After one delay, the Las Majaguas sugar mill was sold in March for $8.7 million to a consortium of sugar mill workers and sugar cane producers.

**Headline:**

**Source:** *PI 3/93*

## Mejillones

**Activity Date:** 10 1993

Southern Electric purchased thiry-five percent of **Mejillones**, a $180 million coal-fired thermoelectric plant started a few months ago by Chile's SOE Edelnor, at the price of $73 million. After concluding the sale in October 1993, Southern Electric said it plans to invest about $1 billion in the Chilean electricity sector. In addition, the company began a feasibility study for the construction of a $160 million, 150 MW thermoelectric plant at Copiapo.

**Headline:** Foreign Investment Pours in to Finance Big Lineup of Projects

**Source:** *Lagniappe Letter November 26, 1993*

## Schwager

**Activity Date:** 1985

A 32 percent stake was sold in Chile's **Schwager**, a coal mining operation, for $5.1 million.

**Headline:**

**Source:** *World Bank*

## Soquimich

**Activity Date:** 1985

The Chilean government sold its entire holdings in the mining and chemicals company, **Soquimich**, for $112 million.

**Headline:**

**Source:** *World Bank*

## Tocopilla

**Activity Date:** 1994

The Chilean copper-holding company, Codelco, is considering bids from CS First Boston, Kleinwort Benson, and NMS Rothschild for help in the privatizing of its **Tocopilla** power facility. The advisor will be responsible for steering the sale of 66% of the company's stock by the first of the quarter of 1995. Codelco will continue to hold 34% of the company, but unions are eligible to aquire a 15% share. At some point in the future, Codelco hopes the new shareholder will provide the funds to build Tocopilla's new 150 MW generating unit, a project that will cost $100-150m. The project would increase the plants total power to 750 MW.

**Headline:** Codelco Prepares Tocopilla Sale

**Source:** *Lagniappe Letter November 11, 1994*

**Activity Date:** 9 1994

Chilean government officials in September made a long awaited announcement regarding the sale of the **Tocopilla** power plant owned by Codelco, the state mining company. The government has announced that it intends to sell a majority stake in the company whose estimated value ranges from $500 to 600 million. Though the sale of assets belonging to Codelco is prohibited by the Constitution, the government is arguing that the Constitution covers only core mining activities and no assets which Codelco may have elsewhere.

**Headline:** Chile Resumes Its Grand Sell-Off

**Source:** *Financial Times September 9, 1994*

**Activity Date:** 12 1994

In December Chilean officials announced the appointment of Kleinwort Benson as advisors to the pending sale of Codelco's **Tocopilla** power generating facility. The plant has 570MW of capacity and is currently valued at $500m. The sale is expected sometime in the first half of 1995.

**Headline:** Codelco Wins Tocopilla

**Source:** *Project Finance International December 8, 1994*

**Activity Date:** 1995

Codelco's board of directors announced the sale of 51% of the shares of **Tocopilla,** a power facility. Outlining the type of investors sought by Codelco, the board said an established strategic investor with experience in power generation and transmission and not an affiliate or subsidiary of a mining company. The remainder of the equity will be divided among employees and the public through a public stock offering.

**Headline:** Tocopilla Progress

**Source:** *Project Finance International April 13, 1995*

**Activity Date:** 1995

**Tocopilla**, Chile's profitable electric utility company, has been slated for privatization. The first stage in the sale will be the creation of Tocopilla as a separate and independent company from Codelco, its parent corporation. A holding company will then be formed, which will own 51% of the shares in Tocopilla. The remaining 49% will be sold to employees or auctioned on various stock exchanges. The sale is expected to be complete by July of this year. Last year, Tocopilla announced profits of $24.8m (10bn. pesos) on sales of $176.8m (71.3bn. pesos).

**Headline:** Chile Looks To Sale of Tocopilla

**Source:** *Privatisation International May 1995*

**Activity Date:** 7 1995

Codelco, the Chilean state-owned copper company, is searching for an outside investor to purchase a 26% stake in the **Tocopilla Power Plant**, which provides electrical power to many of Chile's copper mines. Codelco will retain 24.5% of the plant's equity and will have joint management control with the strategic partner. Workers will retain 10% of the equity, and the remaining shares will be floated next year to raise money for the plant's expansion.

**Headline:**

**Source:**

**Headline:**
Codelco Seeks Outsider in Stake in Generator

**Source:**
*Financial Times July 27, 1995*

**Activity Date:** 9 1995

Credentials from potential bidders on a 51% stake in the electric power holding company **Centro Termelectrica Tocopilla** must be submitted to Codelco, the copper conglomerate that owns Centro, by September 29. Preliminary economic offers are due by October 9. Coldeco will choose three finalists to make binding offers in December. Companies expected to participate are CMS Generation, NRG Energy Inc., Tenaska Inc., Electricite de France, Endesa (Spain), and Houston Industries with Iberdrola. Codelco expects bidders to have experience in power generation and transmission. The remaining stake will be divided among employees and the public, potentially via a public offering. Kleinwort Benson is advising.

**Headline:**
Tocopilla Beauty Contest

**Source:**
*Project Finance International September 27, 1995*

**Activity Date:** 1996

Codelco, the state copper company, has awarded 51% of power company **Tocopilla** to a consortium made up of Belgian, Spanish and Chilean firms, which reportedly offered $749m. Further plans call for Codelco to offer another 30%-35% on local and international stock markets with an additional 10% reserved for employees.

**Headline:**
New Tensions Over Pinochet's Role

**Source:**
*Business Monitor International February 1996*

**Activity Date:** 3 1996

Codelco officially transferred the **Tocopilla** power project to the Powerfin-led consortium that won the bidding in January. The consortium, which comprises of Powerfin (62.5%), Iberdrola (25%), and Enagas (12.5%), offered $178m for a 26% stake of Tocopilla, or $1.62 per share. Union Bank of Switzerland is the consortia's financial advisor and Kleinwort Benson advised Codelco on the sale. The government intends to issue a domestic public offering later this year, and issue international ADRs next year. A 10% stake has been set aside for Tocopilla employees.

**Headline:**
Tocopilla Transfer

**Source:**
*Project Finance International March 13, 1996*

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### Water Treatment Companies

**Activity Date:** 1995

The privatization plans for 13 of Chile's **water treatment companies,** headed by the holding company Corfo, have been put on the back burner after several weeks of debate. Advocates of privatization claim that it will boost productivity and ensure the inflow of the $250m necessary per year to improve the service. This is necessary to meet the government's goal of treating 90% of all waste water by the end of the decade, up from the current 18%. Opponents of the sell-off believe private firms will place a priority on profits. Furthermore, they claim that the plants are already well-run and that the government has the necessary resources to fund the improvements. The waste water treatment industry is the last major sector in the Chilean economy that is still controlled by the state.

**Headline:**
Water May Be a Sale too Far for Chile

**Source:**
*Privatization International April 1995*

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## *Colombia*

### Banco Cafetero

**Activity Date:** 1 1993

In January, it was announced that Banco Cafetero, one of Colombia's largest financial institutions, would privatize about 35% of its equity through a public offering. The bank is owned by the national coffee fund, is worth approximately $350 million, and had profits of $17 million in the first three quarters of 1992.

**Headline:**

**Source:**
*Lagniappe Letter*
*1/22/93*

**Activity Date:** 8 1993

The Colombian government expects to start privatization of the bank **Banco Cafetero**

1993

The Colombian government expects to start privatization of the bank **Banco Cafetero** (value $300 million) within two months. During the two year privatization process, 15% of the bank's stock will be offered to the Coffee Growers Federation, 10% to the employees, 10% for coffee planters and 20% for international investors, while 40% of the stock will remain in government control.

**Headline:**
Enjoying Loan Boom, Financial Sector Reports Big Profits

**Source:**
*Lagniappe Letter August 20, 1993*

**Activity Date:** 5 1994

The Colombian government is planning for the partial privatization of **Banco Cafetero**. Of the shares, 49% will remain in the hands of the National Coffee Fund and15% will be allocated for sale to the Coffee Grower's Federation, coffee exporters and cooperatives. Of the remaining shares, 25% will be sold to an international bank (not yet selected) with the remainder to Cafetero employees and the general public.

**Headline:**
Three More Banks Are Being Readied for Privatization

**Source:**
*Lagniappe Letter May 13, 1994*

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**Banco Central y Hipotecario**

**Activity Date:** 5 1993

It was announced in May that the government would privatize its 85% holding of Banco Central y Hipotecario.

**Headline:**

**Source:**
*PI 5/93*

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**Banco Corpavi**

**Activity Date:** 4 1994

In April, the Colombian government appointed Corredos Asociados, a local bank, to advise on the privatization of **Banco Corpavi**. Initially, all shares will be offered to employees in accordance with a constitutional amendment passed last month obliging the government to offer 100% of all privatizations to the workers. Those shares which are not taken up by staff are scheduled for two auctions at the end of April. The government plans to sell its entire 65.8% interest in the bank.

**Headline:**
Employee Offers in Colombia

**Source:**
*Privatisation International April 1994*

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**Banco de Colombia**

**Activity Date:** 11 1993

The Colombian government plans to put **Banco de Colombia** on the stock exchange before the end of 1993. The floor price for the country's largest bank in terms of deposits was set at $412 million. The sale is expected to be rapid as the bank is healthy with posted profits of $36 million for the first nine months of 1993, assests of $1.8 billion and a high credit rating overseas. Seventeen percent of the equity will be reserved for priority purchase by the bank's employees. Through its financial sector privatization program, which includes the sale of this bank and three others, the government hopes to raise at least $800 million before the innauguration of a new president next summer.

**Headline:**
Bank Privatization Gathers Momentum

**Source:**
*Lagniappe Letter November 26, 1993*
*PI 5/93*

**Activity Date:** 1 1994

The Gilinski group purchased 75% of **Banco de Colombia** for a price of $330 million in January 1993. Shares were sold on three stock exchanges in a simultaneous bidding and another 13.72% of the bank's stock was sold for $50 million to employee's funds and cooperatives. Gilinski, a Colombian, was backed by a pool of international finaciers.

**Headline:**
Bank Privatization, Cellular Network Sale Spark Strong Bidding

**Source:**
*Lagniappe Letter February 4, 1994*

**Banco del Estado**

**Activity Date:** 5 1993

It was announced in May that FOGAFIN planned to privatize its asset holdings in Banco del Estado, the state bank.

**Headline:**

**Source:** *PI 5/93*

**Activity Date:** 8 1993

Banco del Estado, the state bank of Colombia, is to be privatized via stock exchange later this year along with the bank Colombia.

**Headline:** Enjoying Loan Boom, Financial Sector Reports Big Profits

**Source:** *Lagniappe Letter August 20, 1993*

**Banco Popular**

**Activity Date:** 7 1993

The state bank, Banco Popular, has been targeted for privatization, although the sale of the company will not be completed until sometime in 1994. It is expected that the council of ministers will approve legislation allowing for bank privatization in September. Banco Popular is one of several banks targeted for privatization this year along with Banco de Colombia and Banco del Estado.

**Headline:** Banco Popular to be Sold

**Source:** *Project Finance International July 23, 1993*

**Activity Date:** 4 1994

The Colombian government is moving quickly to privatize **Banco Popular** before a change in administration following May elections. The Gaveiria administration plans to offer 93% of Banco Popular's stock with a base price of $365 million. The remaining 7% equity is currently held by municipalities and private shareholders. In accordance with a recent constitutional court ruling, the sale will be completed in two phases. In the first phase, stock will be offered to bank employees and pensioners as well as to pension funds, trade unions and cooperatives. Remaining shares will be issued to the public. With nealry $20 million in gains last year, the sale of Banco Popular should be rapid.

**Headline:** Employee Offers in Colombia

**Source:** *Privatisation International April 1994*

**Activity Date:** 5 1994

The Colombian government has sold its 93% stake in **Banco Popular** via an auction, held on May 24, 1994, to management and employees. Three hundred million shares were sold at 53.5 pesos per share.

**Headline:** International Overview: Colombia

**Source:** *Privatization International*

**Activity Date:** 7 1994

The planned privatization of **Banco Popular** is now in doubt following President-elect Samper's announcement in July that Guillermo Perry will be the new finance minister. Perry, arguing that efficient state institutions should not be privatized as a matter of principle, has already said he will turn back plans to privatize Banco Popular. Samper has indicated that the bank will be reorganized and used to channel credit resources to small-scale businesses.

**Headline:** New Finance Minister Favors Stronger Government Role

**Source:** *Lagniappe Letter July 8, 1994*

**Activity Date:** 8 1994

A July announcement of the results of the auction of shares in **Banco Popular** has been delayed following a legal challenge by a group of employees seeking to have the auction rules overturned. Colombia's constitution requires that an offer must be made to management and employees before the general public or international investors and that each individual or set of individuals acting in concert is only entitled to 5 percent. The group of employees contesting the auction rules tried unsuccessfully to purchase 70 percent of the bank's shares. The auction of shares to management and employees will likely be rerun in September.

**Headline:**
Banco Popular Delayed by Legal Challenge

**Source:**
*Privatization International August 1994*

**Activity Date:** 9 1994

Colombia's Finance Minister announced in September that the privatization of **Banco Popular** had been delayed yet again. The government is still in the process of evaluating the possibility of continuing with the privatization or of using the bank as a vehicle for providing start-up loans to small businesses. Merrill Lynch is advising the government.

**Headline:**
Auction for Promigas

**Source:**
*Privatisation International September 1994*

**Activity Date:** 2 1995

Colombia will sell its third and fourth largest banks and its 31% stake in a savings and loans by mid 1995. **Banco Popular** has assets of $1.5bn and **Banco Central Hipotecairo** has assets of $1.37bn. The Government will also sell **Concasa**, a savings institution controlled by the National Coffee Fund.

**Headline:**
Trade Roundup

**Source:**
*US/Latin Trade February 1995*

**Activity Date:** 6 1995

The government of Colombia announced in June that French and Spanish banks had indicated their interest in buying shares in **Banco Popular**, due to be privatized later this year. The government also has plans for the privatization of the long-distance telephone network, eight power stations, and three banks over the next four years.

**Headline:**
No Stopping Foreign Investors

**Source:**
*Business Monitor International June 1995*

**Activity Date:** 4 1996

Candidates for privatization include: a 42% stake of Cerro Matoso SA, one of the world's largest nickel producers, Empresa de Energia del Pacifico, a power plant on the Pacific coast, and several gas and fuel distribution companies belonging to Ecopetrol. **Banco Popular**, the seventh largest bank in terms of assets, will also be up for sale as well as minority stakes in Telecom, the state-run telecommunications company. No dates have been given for the sell-offs. Sales are contingent upon congressional approval, which is likely to be forthcoming.

**Headline:**
Privatization Program Enlarged

**Source:**
*Business Monitor International April, 1996*

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## Bancoldex

**Activity Date:** 5 1994

It was announced in May that the Ministry of Finance plans to privatize its 11% share of the **Bancoldex** bank. Employees, cooperatives and pension funds will have the first option to buy in accordance with a consitutional court ruling. The government expects to raise $46 million from the sale.

**Headline:**
Three More Banks are Readied for Privatization

**Source:**
*Lagniappe Letter May 13, 1994*

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## Canal Uno, Canal A

**Activity Date:** 11 1993

The Colombian government is currently reviewing the constitution to allow for the privatization of the regluated broadcast television industry. The government is contemplating the privatization of **CANAL UNO, CANAL A**, and introduce new private channels. CANAL TRES will continue to be controlled by the government's Inravision. A new board, the National Television Authority, will set policy and provide oversight for the privatized industry.

**Headline:**
Ad/Marketing--Colombia to Privatize TV

**Source:**
*TV International November 29, 1993*

## Carbones de Colombia (Carbocol)

**Activity Date:** 1 1994

The Colombian government plans to go ahead with the sale of its share of **Carbocol**, the world's largest open-pit coal mine. Currently, the government owns 50% of the operation, while the other half is owned by Intercor, an affiliate of Exxon Corp.. The Colombians hope to raise more than $1 billion from the sale. Exxon is mentioned as a potential buyer, yet other companies have expressed interest.

**Headline:**
Colombia to Privatize Big Miner

**Source:**
*Wall Street Journal January 31, 1994*

**Activity Date:** 5 1994

In early March 1994, the Colombian government announced its plan to sell **Carbones de Colombia (Carbocol)**, including a 50% stake in the country's largest coal mine, Cerrejon. Interest has been shown in the sale by British, Australian and South African groups. The sale, which could net $1 billion or more, is slated for the coming six months. Some analysts recommend deferring the sale until depressed coal prices recover, and because Carbocol has just recently begun to post profits ($2.5 million in 1993) after years of heavy losses. Other analysts urge that the sale be completed before the new administration takes over in August.

In May 1994 the Colombian government announced that it is reconsidering its plan to privatize Carbocol. Carbocol has recently suffered large losses due to oversupply of steam coal in the world market. The firm recently hired Chase Manhattan to study how the Cerrejon mine can improve productivity.

**Headline:**
Privatization Program May Be Crowned With Sale of Carbocol

**Source:**
*Lagniappe Letter March 4, 1994*

## Catsa

**Activity Date:** 1993

The Colombian government announced its plan to privatize the industrial company, **Catsa,** valued at $4.2 million.

**Headline:**

**Source:**
*Euromoney July 1993*

## Cementos Paz del Rio SA

**Activity Date:** 1996

The Colombian government suspended the sale of the cement company **Cementos Paz del Rio SA** late last year, which along with the revisions to foreign investment regulations, has eroded the confidence of international investors.

**Headline:**
Stock Market Performance Expected to Again Disappoint

**Source:**
*Business Monitor International February 1996*

## Cerro Matoso

**Activity Date:** 1992

Cerro Matoso, a Colombian nickel mining company, will be further privatized, when the Instituto de Fomento Industrial (IFI) sells its remaining shares. The Royal Dutch Shell Group owns 52% of the company.

**Headline:**

**Source:**
*LF 3/92*

**Activity Date:** 4 1996

Candidates for privatization in Colombia's new round of privatizations include a 42% stake of **Cerro Matoso SA**, one of the world's largest nickel producers, **Empresa de Energia del Pacifico**, a power plant on the Pacific coast, and several gas and fuel distribution companies belonging to Ecopetrol. **Banco Popular**, the seventh largest bank in terms of assets, will also be up for sale as well as minority stakes in **Telecom**, the state-run telecommunications company. No dates have been given for the sell-offs. Sales are contingent upon congressional approval, which is likely to be forthcoming.

**Headline:**
Privatization Program Enlarged

**Source:**
*Business Monitor International April 1996*

## Corpavi

**Activity Date:** 5 1993

It was announced in May that the Ministry of Finance planned to sell its 66% share of Corpavi, the state housing bank.

**Headline:**

**Source:**
*PI 5/93*

**Activity Date:** 2 1994

The Colombian government approved the sale of its majority stake in the housing and savings company, **Corpavi**. According to official sources, 42 million shares will be sold at a price of 96 cents each.

**Headline:**
News Round-Up: Bogota

**Source:**
*Financial Times February 28, 1994*

## Corporacion Financiera de Desarrollo

**Activity Date:** 1993

The Colombian government announced its plan to privatize **Corporacion Financiera de Desarrollo** which is valued at $100 million.d

**Headline:**

**Source:**
*Euromoney July 1993*

## Ecopetrol

**Activity Date:** 5 1994

A $190 million contract was signed between Enron and the state-owned oil company, **Ecopetrol**, for the construction of a 575 kilometer gas pipeline reaching inland localities. The project is targeted for completion in 1996, upon which Enron will build, own, and operate the pipeline . Control of the pipeline will then be transferred to Ecopetrol at the end of 15 years.

**Headline:**
Enron Signs Pipeline Deal

**Source:**
*Lagniappe Letter May 27,1994*

**Activity Date:** 4 1996

Candidates for privatization include: a 42% stake of Cerro Matoso SA, one of the world's largest nickel producers, Empresa de Energia del Pacifico, a power plant on the Pacific coast, and several gas and fuel distribution companies belonging to **Ecopetrol**. Banco Popular, the seventh largest bank in terms of assets, will also be up for sale as well as minority stakes in Telecom, the state-run telecommunications company. No dates have been given for the sell-offs. Sales are contingent upon congressional approval, which is likely to be forthcoming.

**Headline:**
Privatization Program Enlarged

**Source:**
*Business Monitor International April 1996*

## El Cerrejon

**Activity Date:** 6 1995

The Colombian government has established a commission to study possible options for the sale of its 50% stake in the **El Cerrejon** steam coal mine on the northern coast.

**Headline:**
No Stopping Foreign Investors

**Source:**
*Business Monitor International June 1995*

## Empresa de Energia de Pacifico (EPSA)

**Activity Date:** 1996

**Empresa de Energia de Pacifico** (EPSA) has hosted site visits for companies interested in bidding on the utility. Officials from U.S., Canadian, Chilean, Japanese, and Spanish companies have examined the company's assets. The government hopes to raise over $400m for the sale of a 55% stake in EPSA slated to take place in the third quarter of this year. The remaining stake will be sold to municipalities in Valle del Cauca, which EPSA serves. EPSA was made independent from Corporacion Autonoma del Valle del Cauca (CVC) in 1995. CVC will receive $300m of the proceeds of the sale.

**Headline:**
EPSA Privatization Progress

**Source:**
*Project Finance International March 27, 1996*

**Activity Date:** 4 1996

Candidates for privatization include: a 42% stake of Cerro Matoso SA, one of the world's largest nickel producers, **Empresa de Energia del Pacifico**, a power plant on the Pacific coast, and several gas and fuel distribution companies belonging to Ecopetrol. Banco Popular, the seventh largest bank in terms of assets, will also be up for sale as well as minority stakes in Telecom, the state-run telecommunications company. No dates have been given for the sell-offs. Sales are contingent upon congressional approval, which is likely to be forthcoming.

**Headline:**
Privatization Program Enlarged

**Source:**
*Business Monitor International April 1996*

## Federaltex

**Activity Date:** 1993

The Colombians announced their plan to sell **Federaltex**, a state-owned textile firm valued at $19 million.

**Headline:**

**Source:**
*Euromoney July 1993*

## Flota Mercante Grancolombiana (FMG)

**Activity Date:** 1994

In order to raise funds to deal with the current coffee planters' crisis, the National Coffee Fund plans to sell a significant portion of its 80% share in **Flota Mercante Grancolombiana (FMG).** The partial privatization (25%) of the country's largest shipping line is expected to raise over $100 million. Another 20% of the line's stock, owned by the National Development Bank of Ecuador, will also be sold. The sales should go quickly as FMG earned net gains of nearly $250 million last year after being restructured. The Coffee Fund is searching for international investors with the knowledge and experience to run the huge shipping line.

**Headline:**
Grancolombiana Sale Will Help Bail Out Coffee Growers

**Source:**
*Lagniappe Letter December 10, 1993*

## Gas Natural

**Activity Date:** 11 1995

Ecopetrol, the Columbian state-owned oil company, is expected to sell the main gas distributor in Bogota, **Gas Natural**, next year.

**Headline:**
Ecopetrol Moves on Pipeline and Privatization

**Source:**
*Business Monitor International December 1995*

## Intelsa

**Activity Date:** 1993

The Colombian government announced their plan to sell **Intelsa** a telecommunications company. The company is valued at $1.9 million.

**Headline:**

**Source:**
*Euromoney July 1993*

## Monomeros Colombo Venezolanos

**Activity Date:** 1993

The Colombian government announced its plan to privatize **Monomeros Colombo Venezolanos**, a petrochemical company valued at $135.5 million.

**Headline:**

**Source:**
*Euromoney July 1993*

## Pestolu

**Activity Date:** 1993

The Colombian government announced their plan to sell **Pestolu**, a fishing company valued at $0.5 million.

**Headline:**

**Source:**
*Euromoney July 1993*

## Prigopesca

**Activity Date:** 1993

The Colombian government announced its plan to privatize a fishing company, **Prigopesca**, valued at $13 million.

**Headline:**

**Source:**
*Euromoney July 1993*

## Promigas

**Activity Date:** 6 1994

The Colombian government is currently in the process of auctioning off a 42.6% stake in the petrochemical company **Promigas**. Invalink is advising on the sale.

**Headline:**
International Overview: Colombia

**Source:**
*Privatization International*

**Activity Date:** 9 1994

The Colombian government announced in September that it was in the process of selling a 40 percent stake in **Promigas**, the state-owned natural gas company. Shares are being sold through a two-tiered public auction on the Colombian Stock Exchange. In the first stage, which began August 26, bids were identified in descending price order and a weighted average price per share was established. All bids close to the average price were qualified for the second tier of the auction on August 31. In the second tier, all qualified bidders were able to increase or maintain the price or number of shares and reduce or maintain the minimum number of shares they wished to buy. The winning bid will be determined by the total value to Ecopetrol, the state oil company selling Promigas, as a shareholder. The price will be between the minimum bid price and 2,800 pesos ($3.69) per share. Promigas currently transports nearly 70 percent of the natural gas consumed in Colombia and investment is being planned in order to expand its capacity.

**Headline:**
Auction For Promigas

**Source:**
*Privatisation International September 1994*

**Activity Date:** 10 1994

The October sale of shares in Colombia's natural gas distributor, **Promigas**, was poorly received by investors wary of the overvalued Colombian stock market. Ecopetrol and Explotaciones El Condor, owners of Promigas, had expected to sell a 40.1% stake for $106 million but were only able to 5.6% (including the 2.5% that went to employees) for an average price of $3.47 per share.

**Headline:**
Rough Going

**Source:**
*Global Finance October 1994*

**Activity Date:** 11 1995

The leading gas distributor on Columbia's Atlantic coast, **Promigas**, is scheduled to be sold this year in an initial public offering (IPO). Ecopetrol, the state oil company that currently controls Promigas, is expected to offer almost 30.3 million shares at $2.76 each. After the IPO, shares will be offered to employees and pension funds before it is listed on local stock exchanges.

**Headline:**
Ecopetrol Moves on Pipeline and Privatization

**Source:**
*Business Monitor International December 1995*

Ecopetrol Moves on Pipeline and Privatization — *Business Monitor International December 1995*

**Activity Date:** 1 1996

In late January, the US-based Enron Corporation bought a stake in **Promigas**, the Colombian gas transportation company, from the Colombian state oil corporation for $100m.

**Headline:** Columbia Political Crisis May Bring Economic Woes

**Source:** *Financial Times January 31, 1996*

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**Propal**

**Activity Date:** 1992

Propal, a Colombian paper products company, will be further privatized. W.R. Grace and International Paper each own 35% of Propal.

**Headline:**

**Source:** *LF 3/92*

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**Telecom**

**Activity Date:** 4 1996

Candidates for privatization include: a 42% stake of Cerro Matoso SA, one of the world's largest nickel producers, Empresa de Energia del Pacifico, a power plant on the Pacific coast, and several gas and fuel distribution companies belonging to Ecopetrol. Banco Popular, the seventh largest bank in terms of assets, will also be up for sale as well as minority stakes in **Telecom**, the state-run telecommunications company. No dates have been given for the sell-offs. Sales are contingent upon congressional approval, which is likely to be forthcoming.

**Headline:** Privatization Program Enlarged

**Source:** *Business Monitor International April, 1996*

**Activity Date:** 6 1996

Two companies will be selected to compete with state-owned **Telecom**. The privatization of Colombia's state monopoly of telephone services will begin with the opening of bids for private companies interested in providing national and international telephone services in mid-January. On June 30 the two companies will be selected and service will begin on December 1.

**Headline:** Telephone Timetable

**Source:** *US/Latin Trade January 1996*

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**three thermoelectric plants**

**Activity Date:** 11 1995

Ecopetrol, the Columbian state-owned oil company, is expected to sell **three thermoelectric plants** next year. A banking group led by Solomon Brothers is reviewing the sale.

**Headline:** Ecopetrol Moves on Pipeline and Privatization

**Source:** *Business Monitor International December 1995*

## *Costa Rica*

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**Fertilizantes de CentroAmerica (Fertica)**

**Activity Date:** 6 1995

The government of Costa Rica announced plans to sell 1 million shares, worth a total of $6.3m, in the state-owned fertilizer company, **Fertilizantes de CentroAmerica** (Fertica). Plans for the sale entail offering some of the shares to foreign investors, however, priority will be given to domestic investors who will be charged below market rates for their shares. The sale of the company, originally authorized over 10 years ago by then President Luis Alberto Monge, was delayed due to political considerations.

**Headline:** Fertica Sale Goes Ahead

**Source:** *Business Monitor International June 1995*

## *Cuba*

## EmtelCuba

**Activity Date:** 6 1994

A deal was struck in June in which Grupo Domos, controlled by the Garza family of Monterey, Mexico, will purchase a 49% stake in **EmtelCuba**, Cuba's telephone system. It will be the first major privatization in Cuba. The Cuban government will retain 51% control and Grupo Domos, acting through a subsidiary, will get a 55 year concession to operate the telephone system. To finance the $1.442 billion purchase price, Grupo Domos will pay $734 million up front along with a promise to invest $700 million more over the next seven years to modernize the system. To finance the remaining $708 million, Grupo Domos may seek partners and there is a possibility that $300 million in defaulted Cuban debt to the Mexican government may provide some of the financing. At this time it is not clear as to how that debt would be valued. Cuban debt traded for $0.20 on the dollar in early July. Numerous questions surround the deal: is the Mexican government helping to finance it through the debt swap, is Salinas paying off a political supporter (he comes from a town near Monterey, the center of the Garza family's power), and is Grupo Domos acting as a stalking horse for Bell South or Bell Atlantic until the US embargo is lifted allowing US firms to purchase stakes in Cuban enterprises?

**Headline:** Scion of a Powerful Mexican Family Jumps Into the Big Time

**Source:** *Global Finance July 1994*

**Activity Date:** 7 1994

Negotiations began in July to determine who will be in partnership with Grupo Domos when it purchases a 49% stake in **EmtelCuba**. According to N.M. Rothschild, advisor to Domos, potential partners include: Britain's Cable & Wireless, Spain's Telefonica, Stet of Italy, France Telecom and BCE International of Canada. A key attraction to EmtelCuba is the expectation that the current limit of 300 calls per day between Cuba and the U.S. will be lifted. Dollar payments to Cuba for telephone calls is now permitted. A huge increase in traffic between Cuba and the U.S. is expected.

**Headline:** Cuba Sells Telecoms

**Source:** *Privatisation International July 1994*

## Etecsa

**Activity Date:** 4 1995

A consortium including Italy's Stet and Mexico's Grupo Domos, has completed the purchase of a 49% stake in **Etecsa**, known formerly as Emtel Cuba, the nation's state-owned telecoms company. The purchase of Etecsa, valued at $1.44bn, represents one of the world's most expensive telecommunications privatizations. While the purchase price was undisclosed, the consortium has been publicly designated as strategic partners to Etecsa providing technical and management experience to the company. In addition, the buyout provides for a $700m investment over the next seven years to make the network digital.

**Headline:** Cuba Opens up Telecom Sector

**Source:** *Financial Times April 13, 1995*

**Activity Date:** 1 1996

Domos, a Mexican group headed by Javier Garza Calderon, has failed to make a final $320m installment to the Cuban government for a 49% stake in **Etecsa**, the Cuban telecommunications monopoly, casting a shadow on the future of the joint venture. Domos agreed in 1994 to pay $706m for its stake in Etecsa and to invest an additional $750m over the next seven years to expand service. Mr. Garza has been seeking additional investors to shore up the deal. Soon after signing the deal, he sold a 25% stake in the company that holds Domos' share in the venture to Italy's Stet for $281m; now he is seeking an additional $500m-$600m investment for an additional 24% stake in the holding company. Potential investors have balked at the size of this investment despite the fact that KPMG Peat Marwick valued the firm at $6bn, up from a $1.5bn valuation in 1994, due in part to the surge of international calling in 1995 resulting from the lifting of the US telecommunication embargo.

**Headline:** Trouble with the Cuban Telephone Bill

**Source:** *Financial Times February 8, 1996*

# *Dominica*

### Agricultural, Industrial and Development Bank

**Activity Date:** 1996

The government has sought the advice of CDC and EDF, two French companies, regarding the privatization of Dominica Electricity Ltd (Domlec) and the **Agricultural, Industrial and Development Bank**. The Dominica Association of Industry and Commerce has also called for the privatization of the Dominica Import Export Agency, which would mean the end of the agency's import monopoly on sugar and rice.

**Headline:**
UWP Calls in the IMF

**Source:**
*Business Monitor International February 1996*

### Dominica Electricity Ltd (Domlec)

**Activity Date:** 1996

The government has sought the advice of CDC and EDF, two French companies, regarding the privatization of **Dominica Electricity Ltd** (Domlec) and the Agricultural, Industrial and Development Bank. The Dominica Association of Industry and Commerce has also called for the privatization of the Dominica Import Export Agency, which would mean the end of the agency's import monopoly on sugar and rice.

**Headline:**
UWP Calls in the IMF

**Source:**
*Business Monitor International February 1996*

### Dominica Import Export Agency

**Activity Date:** 1996

The government has sought the advice of CDC and EDF, two French companies, regarding the privatization of Dominica Electricity Ltd (Domlec) and the Agricultural, Industrial and Development Bank. The Dominica Association of Industry and Commerce has also called for the privatization of the **Dominica Import Export Agency**, which would mean the end of the agency's import monopoly on sugar and rice.

**Headline:**
UWP Calls in the IMF

**Source:**
*Business Monitor International February 1996*

## *Dominican Republic*

### Cementos Nacionales

**Activity Date:** 12 1996

The Dominican privatization program got off the ground in December when the government sold the national cement producer, **Cementos Nacionales**, to Mexico's Cemex.

**Headline:**
Privatization Kicks Off

**Source:**
*Business Monitor International February 1996*

### Dominicana de Aviacion

**Activity Date:** 1996

The government of the Dominican Republic has announced plans to divest 20 loss-making state enterprises including the airline **Dominicana de Aviacion** and manufacturing assembly units. The energy sector was excluded from privatization plans.

**Headline:**
20 State Firms For Sale

**Source:**
*Business Monitor International January 1996*

**Fabrica Dominicana de Cemento**

**Activity Date:** 1995

The government of the Dominican Republic has decided to sell 9 state-owned enterprises, including **Fabrica Dominicana de Cemento**, in order to help alleviate fiscal difficulties. Decisions have yet to be made on larger privatizations, such as those of the energy sector or the state airline.

**Headline:** Budget Woes Force Privatization

**Source:** *Business Monitor International May 1995*

## *Ecuador*

**Azucarera Tropical Americana**

**Activity Date:** 10 1994

The government of Ecuador announced in October that it had sold 94.4% of the sugar producer, **Azucarera Tropical Americana,** to its creditors for $100,000. The company, which had debts of $20 million, supplied nearly 25% of the country's sugar output.

**Headline:** Sugar Privatization

**Source:** *U.S./Latin Trade October 1994*

**Cemento Chimborazo**

**Activity Date:** 1994

Price Waterhouse IPG completed a valuation of **Cemento Chimborazo** for the Ecuadorian government. The company, which hires 397 workers, is profitable with sales of $12.3 million in 1992. In March 1994, Price Waterhouse IPG created an information memorandum for the Ecuadorian government.

**Headline:**

**Source:** *PW/IPG Staff*

**Cemento Nacional (LCN)**

**Activity Date:** 6 1994

**La Cemento Nacional (LCN),** the largest of the state-owned cement companies, was sold via an international placement of its shares by Morgan Grenfell on June 21. Approximately 220,000 shares went to 27 institutions, U.S.A.A. Investment Management Company among them, for 425,000 sucres per share. This was the last of a series of sales that took place September to June 1993 through which the government of Ecuador sold 100% of its interest in the company.

**Headline:** Ecuador Finalizes First Privatization via Morgan Grenfell

**Source:** *Emerging Markets Weekly June 27, 1994*

**Cementos Chimborazo**

**Activity Date:** 4 1996

The third recent attempt to sell a 96.3% stake in cement maker **Cementos Chimborazo** failed on February 21. The government hoped to make $47m from the sale and must now decide whether to drop the price or to abandon the sale.

**Headline:** Andean Group

**Source:** *Business Monitor International March 1996*

**Cementos Selva Alegre (CSA)**

**Activity Date:** 7 1994

The Ecuadorian government in July successfully sold a 51 percent majority stake in the state-owned cement producer **Cementos Selva Alegre** to Barcelona-based Filantam. The sale of CSA had been actively promoted by the Corporacion Financeria Nacional among five international cement producers. The sale is generally considered to be a success as the CSA, which produces over 400,000 tons of cement per year, was sold for $40 million while the orginal price had been only $28 million, however, local brokers are upset because they feel they weren't given the same opportunity as the foreigners in the process. Sale of the shares took place on the Quito and Guayaquil stock exchanges.

**Headline:**
Ecuador: Shaky Start

**Source:**
*Latin Finance July/August 1994*

**Activity Date:** 1995

The government of Ecuador announced that the privatization of **Ecuatoriana**, the country's major airline which went bankrupt several years ago, has begun with more than 10 interested bidders. A successful privatization took place in June with the selling of a 51% stake in **Cementos Selva Alegre**, the state-owned cement company, for $40m to a Spanish group. Plans to sell the remaining 49% are underway.

**Headline:**
Tarnished Image

**Source:**
*LatinFinance August 1995*

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**Ecuatoriana**

**Activity Date:** 1994

The government of Ecuador is preparing to sell off several state-owned enterprises. Among those for sale are **Ecuatoriana**, the state airline due to be privatized next March, **Emetel**, the telecom monopoly due to be privatized next June, and **Inecel**, the state electricity company due to be privatized in December 1995.

**Headline:**
Management Alert

**Source:**
*Business Latin America October 10, 1994*

**Activity Date:** 8 1994

The Ecuadorian government announced in August that it will sell a 75 percent share in the state airline, **Ecuatoriana**. The company will be transformed into a stock company prior to the sale. To make shares in this small financially troubled airline more attractive, the government has agreed to assume the company's $100 million debt portfolio. It is expected that the company's routes to destinations in North and South America will be the main drawing point for investors.

**Headline:**
Ecuador Airline to be Sold

**Source:**
*Financial Times August 6, 1994*

**Activity Date:** 1995

The government of Ecuador announced that the privatization of **Ecuatoriana**, the country's major airline which went bankrupt several years ago, has begun with more than 10 interested bidders. A successful privatization took place in June with the selling of a 51% stake in **Cemento Selva Alegre**, the state-owned cement company, for $40m to a Spanish group. Plans to sell the remaining 49% are underway.

**Headline:**
Tarnished Image

**Source:**
*Latin Finance August 1995*

**Activity Date:** 2 1995

Ecuador's private airline Saeta has offered $31m for **Ecuatoriana**, the defunct government-owned airline. Currently the Ecuatorian market is serviced by Saeta and American Airlines.

**Headline:**
Trade Roundup

**Source:**
*US/Latin Trade February 1995*

**Activity Date:** 6 1995

In Ecuador the government has announced that it expects to sell the state-owned airline, **Ecuatoriana**, later this year.

1995

In Ecuador the government has announced that it expects to sell the state-owned airline, **Ecuatoriana**, later this year. Nine potential investors have expressed interest including British Aerospace, Aeroecuador/Air France and Continental Airlines. Bidders have 45 days to present their bids for the 50.1% stake along with a 5-year business plan.

**Headline:** ...And Ecuatoriana Set for Sale

**Source:** *Business Monitor International June 1995*

**Activity Date:** 8 1995

**Ecuatoriana de Aviacion**, Ecuador's state-owned airline, was privatized on August 14. A 50.1% stake in the company was sold for slightly under $33m to Viacao Aerea Sao Paulo (VASP) and Juan Eljuri Anton, an Ecuadoran investor. VASP's successful acquisition of Ecuatoriana followed several failed bids for other regional airlines, and is seen as an indicator of the increasing necessity for alliances in the region in order for regional carriers to compete against the large international carriers.

**Headline:** VASP Lands in Ecuador

**Source:** *Latin Finance September 1995*

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**Emetel**

**Activity Date:** 7 1994

The Ecuadorian government's plan to privatize the state telephone company, **Emtel**, was halted by the parliament's rejection of a bill to allow the sale of shares in the company. The rejection of the bill, based on the opposition's claim that the reform is unconstitutional because of the strategic importance of the telecommunications sector to the economy, is a major set back for Ecuador's privatization program. Despite the set back, Conam, the state modernization body, has said that it will continue its reform efforts. Emtel is worth an estimated $1.7 billion.

**Headline:** Privatisation Programme Hit

**Source:** *Financial Times July 22, 1994*

**Activity Date:** 6 1995

The government of Ecuador has also announced that while approval is still being sought for the sale of a 35% stake in the telecommunications company, **Emetel**, it has invited tenders for a contract to install and operate public telephones throughout the country. The bids are due July 12 and two companies will then be selected to install a minimum of 5,000 phones, half of which will be located in rural areas. The operating concessions will be granted for 10 years.

**Headline:** ...And Ecuatoriana Set for Sale

**Source:** *Business Monitor International June 1995*

**Activity Date:** 9 1995

In Ecuador, the sale of the telecommunications company, **Emetel**, is set to take place within the next 18 months following passage of the necessary legislation by the government. The company will be broken into regional companies with a 35% stake offered to private investors, 10% reserved for employees and the remaining 55% stake held by the state in each new company. The company's valuation will be complete within 6 months and investor interest is expected to be strong.

The Ecuadoran Congress approved a change in the Special Telecommunications Law allowing Emetel to be corporatized. Eventually, 45% of the company will be sold with 35% going to international investors and 10% to company employees. Telefonica de Espana, France Telecom, AT&T, Sprint, MCI and GTE have expressed interest in acquiring a stake. The service concession is for 15 years, with exclusive rights for five years. It is expected that Emetel will need to expand by about 1.5 million telephone lines, and make significant infrastructure investments. The World Bank is preparing to provide funds for an asset valuation of the company by a consulting firm.

**Headline:** EMETEL Set for Sell-Off

**Source:** *Business Monitor International September 1995*

**Activity Date:** 10 1995

The government of Ecuador has agreed to sell a 35% stake in the telecommunications company, **Emetel**. Employees will be offered a 10% stake in the company which is valued at $1.8bn. Concessions for the winning bidder will last five years.

**Headline:** Emetel to be Sold

**Source:** *U.S./Latin Trade October 1995*

## Emsemillas

**Activity Date:** 1993

Price Waterhouse IPG completed the valuation of **Emsemillas**, a state-owned seed company in Ecuador. The company's estimated value is between $0 and $700,000. Emsemills controls about 75% of the seed market in Ecuador and runs a profitable business. The company employees 66 workers and had sales of 2.4 million in 1993. The privatization of Emsemills is pending.

**Headline:**

**Source:**
*PW/IPG Staff*

## Fertisa

**Activity Date:** 10 1992

Price Waterhouse IPG conducted a valuation and diagnostic study in October 1992 for **Fertisa**, a state-owned fertilizer manufacturer.

**Headline:**

**Source:**
*PW/IPG Staff*

**Activity Date:** 1 1994

**Fertisa**, a state-owned fertilizer manufacturer, was sold in January 1994 to an Ecuadoran for $900,000.

**Headline:**

**Source:**
*PW/IPG Staff*

## Flota

**Activity Date:** 1993

Price Waterhouse IPG reviewed the valuation of **Flota Mercante**, an Ecuadorian shipping company, for methodology and mathematical integrity. The valuation was originally done by a Colombian investment bank. Flota Mercante is currently owned by the Ecuadorian government, 20%, and the Colombian Coffee Association, 80%. The owners announced their plan to sell 45% of the shipping company, including all of Ecuador's shares and 25% of the Coffee Association's. The owners are looking for a single buyer for the shares. Banker's Trust is scheduled to carry out the sale.

**Headline:**

**Source:**
*PW/IPG Staff*

## INECEL

**Activity Date:** 1 1996

Congress approved measures to sell off a 49% stake of power utility **INECEL**, but utility workers protested, causing the government to send in troops to occupy the plants. The plan would have called for a 39% stake to be sold off to foreign investors with a 10% share offered to INECEL employees.

**Headline:**
Heading for a Second Round

**Source:**
*Business Monitor International February 1996*

## Ishpingo-Tambococha Crude Oil Field

**Activity Date:** 4 1996

The government is seeking $700m in private investment to devleop the new **Ishpingo-Tambococha** heavy crude oil field, which will expand the country's recoverable reserves from 3.5 billion barrels to 4.2 billion barrels.

**Headline:**
Moves Towards Privatization Expected

**Source:**
*Business Monitor International April 1996*

### La Cemento

**Activity Date:** 4 1994

The privatization of **La Cemento** in 1994 represents the largest privatization deal to date in Ecuador.

**Headline:** Ecuador Joins the Club

**Source:** *Global Finance February 1996*

### Pan-American Highway

**Activity Date:** 1994

Ecuador's principal roads, including a considerable part of the **Pan American Highway**, will be opened to the private sector. The bidding process for concession contracts to manage seven road segments will be announced in December. Revenues from road tolls are expected to total as much as $120m annually.

**Headline:** Management Alert

**Source:** *Business Latin America November 28, 1994*

### Petroecuador

**Activity Date:** 8 1994

In August, it was announced that concession contracts to operate and explore marginal fields owned by the state oil company, **Petroecuador**, will be offered in late September or early October. The government seeks increased production from its marginal fields, fields that currently produce less than 1 percent of total output, and has selected 10 such fields for the bidding. This is perceived by the government as a "low risk investment" for several reasons: first, only a total of $60 million in new investment is expected in order to achieve the desired increase in output and second, the fields are already producing and the infrastructure is in place. The contract that will be awarded to the winning bidder will provide for the current output from each field to continue going to Petroecuador and that the contractor's income will depend upon the increase in production. The contract will also allow for exploration in the areas near existing well sites, newly discovered reserves will be remunerated over a fixed compensation period, infrastructure or machinery installed by the contractor becomes state property upon expiration of the contract, and finally, the contract will be terminated and the fields returned to the state if the contractor is unable to increase production within two years.

**Headline:** Ecuador Moves Farther Along Oil Privatisation Trail

**Source:** *Financial Times August 17, 1994*

## *El Salvador*

### ANDA

**Activity Date:** 4 1996

Slated for privatization are: telecom utility ANTEL, the Rio Lempa Hydroelectric Power Station (CEL), and water authority **ANDA**. The current privatization of the Mortgage Bank includes the sale of a 25% stake to employees, a 35% stake to designated small investors, with the remainder offered in the stock market, ensuring transparency in the sales.

**Headline:** Increased Transparency Promised

**Source:** *Business Monitor International March, 1996*

## ANTEL

**Activity Date:** 9 1995

The government of El Salvador has formed a commission to discuss the first draft of the privatization for **ANTEL**, the state-owned telecommunications company. The report is expected to be released for public discussion in early 1996.

The president of ANTEL suggested that the government may keep a 30% stake, a 30% stake would go to foreign investors, 25% to domestic investors, and 15% to the employees. ITT, Alcatel and Telefonica are said to be interested in acquiring a stake.

**Headline:**
Modern Telecoms for El Salvador's Growing Economy

**Source:**
*Euromoney September 1995*

**Activity Date:** 4 1996

**ANTEL**, the state's telecom company, is set to be privatized by the end of 1996. ANTEL will be divided, with a 45% stake available for an international bidder and a 5 to 8% stake available for employees. Remaining shares will be privately managed for sale later in local and foreign markets. This same procedure will probably apply to the four regional electrical distributors.

**Headline:**
Fast Lane and Slow

**Source:**
*The Economist March 23, 1996*

**Activity Date:** 4 1996

The El Salvadoran government has given its privatization program high priority. Slated for privatization are telecom utility **ANTEL**, the **Rio Lempa Hydroelectric Power Station** (CEL), and water authority **ANDA**.

**Headline:**
Increased Transparency Promised

**Source:**
*Business Monitor International March 1996*

## Mortgage Bank

**Activity Date:** 3 1996

The current privatization of the **Mortgage Bank** entails a 25% stake to employees, a 35% stake to designated small investors, and the remainder will be offered in the stock market, ensuring transparency in the sales.

**Headline:**
Increased Transparency Promised

**Source:**
*Business Monitor International March 1996*

**Activity Date:** 4 1996

Slated for privatization are: telecom utility ANTEL, the Rio Lempa Hydroelectric Power Station (CEL), and water authority ANDA. The current privatization of the **Mortgage Bank** includes the sale of a 25% stake to employees, a 35% stake to designated small investors, with the remainder offered in the stock market, ensuring transparency in the sales.

**Headline:**
Increased Transparency Promised

**Source:**
*Business Monitor International March, 1996*

## Rio Lempa Hydroelectric Power Station (CEL)

**Activity Date:** 4 1996

Slated for privatization are: telecom utility ANTEL, the **Rio Lempa Hydroelectric Power Station (CEL)**, and water authority ANDA. The current privatization of the Mortgage Bank includes the sale of a 25% stake to employees, a 35% stake to designated small investors, with the remainder offered in the stock market, ensuring transparency in the sales.

**Headline:**
Increased Transparency Promised

**Source:**
*Business Monitor International March, 1996*

# *Grenada*

## Gravel, Concrete & Emulsion Production Corporation

**Activity Date:** 7 1993

Price Waterhouse IPG was contracted by USAID to provide assistance with Grenada's privatization program, including the analysis of privatization options for the **Gravel, Concrete & Emulsion Production Corporation (GCEPC)**. PW/IPG conducted a valuation in July 1993 and prepared information memoranda and marketing documents.

**Headline:**

**Source:**
*PW/IPG Staff*

**Activity Date:** 9 1994

In September 1994, the government concluded negotiations with Dipcon Engineering Services of Trinidad for a mining concession and long-term lease of **Gravel, Concrete & Emulsion Production Corporation (GCEPC)**. The agreement involves a 10-year equipment lease and exclusive mining rights.

**Headline:**

**Source:**
*PW/IPG Staff*

## Grenada Electric Company (Grenlec)

**Activity Date:** 10 1994

Price Waterhouse IPG was contracted by USAID to provide assistance with Grenada's privatization program, and to help privatize **Grenada Electricity Services (Grenlec)**. After completing a strategy document for the privatization of the electric utility, PW/IPG conducted a valuation in June1993. PW/IPG, assisted the government of Grenada directly by soliciting and evaluating bids, leading then to the selection in December 1993 of WRB Enterprises of the U.S. as the winning bidder.

PW/IPG continued to act as the transaction advisor under exclusive conract to the GOG, until the transaction was concluded in October 1994. Fifty percent of Grenlec's shares were sold to WRB Enterprises of the U.S. in October 1994, for $5.56 million and an agreement to inject $1.48 million in new capital into the utility. The new investment was matched by the government of Grenada to preserve its fifty percent ownership. The share purchase, a private offering, will be followed by a local public offering of 40% of the company's shares.

**Headline:**

**Source:**
*PW/IPG Staff*

**Activity Date:** 10 1994

The divestment of **Grenada Electric Company** (Grenlec) is virtually complete. Following the sale of 50% of the company for $5.6m to Florida based WRB Enterprises, a further 40% was offered to the public in October. The sale was handled by Trinidad based Republic Finance and Merchant Bank and the 7.6 million shares were offered at $70 each. The government will retain 10% of Grenlec.

**Headline:**
Privatization Goes Ahead

**Source:**
*Business Monitor International November 1994*

**Activity Date:** 11 1995

The sale of a 50% stake in **Grenada Electricity Company** (Grenlec) to WRB Enterprises has been stalled by the recently elected New National Party, which has refused to ratify the Electricity Act. The new administration may try to reverse the energy privatization deal signed by its predecessors and renationalize the company by buying back the shares.

**Headline:**
Labor Unrest Resurfaces

**Source:**
*Business Monitor International November 1995*

# *Guatemala*

## Aviateca

**Activity Date:** 8 1993

Guatemala's Ministry of Finance, the main body in charge of the privatization process, included the sale of shares of the national airline, Aviateca, and one of the two main electric public utilities, Empresa Electrica de Guatemala, S.A. in the first of four stages of the country's privatization process.

**Headline:**
Privatization Update... In the News

**Source:**
*Latin Finance July/August 1993*

## Central Thermica de Escuintia

**Activity Date:** 4 1993

In April, the Guatamalan government announced plans to privatize the state-owned power plant, Central Thermica de Escuintia.

**Headline:**

**Source:**
*PFI 4/16/93*

## Electrical Company of Guatemala (EEGSA)

**Activity Date:** 1995

The government of Guatemala announced that the **Electrical Company of Guatemala** (EEGSA) will raise electricity tariffs in preparation for privatization. Earlier attempts to raise electricity tariffs were blocked by the constitutional court, but the rate hike was approved due to the recent restructuring of the electricity sector.

**Headline:**
Electricity Rates Rise

**Source:**
*Business Monitor International August 1995*

## FEGUA

**Activity Date:** 1995

**FEGUA**, Guatemala's loss-making railway company, is scheduled to be privatized in June. Two foreign companies and a consortium of local investors have expressed interest in the company. The government estimates that an additional $19m will have to be invested to improve FEGUA's rail network.

**Headline:**
Privatization Program Stalled

**Source:**
*Business Monitor International April 1995*

## Guatel

**Activity Date:** 1994

The lengthy privatization process of state telecommunications company **Guatel** is underway now that foreign and local companies interested in investing in the modernization of the country's telephone network have submitted their bids. Final offers are to be submitted by mid-November, with concessions awarded by mid-December. The winning bidder will pay a fee to connect its cellular phone or telecommunications service with Guatel and have full autonomy in the provision of phone services. Outside investment is badly needed to expand the network. Guatel plans to install 280,000 new lines but only has the capacity for 20,000 lines a year.

**Headline:**
Privatization Gets Under Way

**Source:**
*Business Monitor International November 1994*

**Activity Date:** 1995

The head of the Guatemalan Privatization and De-monopolization Commission has resigned over lack of support from the Finance Ministry and the the uncertainty surrounding the privatization program. Despite President deLeon's assurances that privatization will continue, doubts exist whether the sale of the telecommunications company **Guatel** will occur before national elections in November. The hold up is the result of vociferous trade union opposition to the sale, and Guatel employees have offered alternative plans to privatization. Guatel, estimated to be worth $1bn and reporting profits of $50m in 1994, is considered the jewel of the Guatemalan privatization program.

**Headline:**

**Source:**

**Headline:**
Privatization Program Stalled

**Source:**
*Business Monitor International April 1995*

**Activity Date:** 1 1995

Employee opposition to the sale of Guatemala's telephone company, **Guatel**, has led the country's president to order a review of the flotation and its political implications. Opposition stems from employee fears of job losses and higher prices. The company, estimated to be worth $1bn and providing annual revenues of $42.6m to the government, plans to offer a 60% stake to the public, 5% to employees (rising to 7% later) and 33% to be auctioned off to the highest bidder. AT&T, Siemens and MCI are among the potential bidders.

**Headline:**
Opposition Grows to Telecoms Sale

**Source:**
*Business Monitor International January 1995*

**Activity Date:** 10 1995

The government of Guatemala has announced that **Guatel**, the state telecommunications company, will be privatized by October. Shares for Guatel, which is valued at $1bn will be sold via public offering. The government will offer approximately 5% to 7% of the shares to employees. The number of shares that will be sold to private companies or the general public has not yet been determined. In addition, the government has not made a decision on whether it will retain a small stake in Guatel.

**Headline:**
Guatemala: Telecommunications

**Source:**
*U.S./Latin Trade May 1995*

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### Laguna power plant

**Activity Date:** 4 1993

The government of Guatemala announced in April its intentions to privatize the Laguna power plant on a build-own-operate basis. Laguna generates about 50MW from all its units.

**Headline:**

**Source:**
*PFI 4/16/93*

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## *Guyana*

### Bauxite Industry

**Activity Date:** 5 1992

In May 1992, the government of Guyana announced that the Bauxite Industry, a state-owned aluminum industry, will be sold in the next two years. The industry used to account for 70% of the world's output of bauxite, but now only supplies 40% of the world's bauxite. The management of the industry was passed into the hands of Minproc Engineering of Sydney, Australia in May. The government is trying to prepare the industry for privatization by reducing it debt of US$85 million. The restructuring is being sponsored by the World Bank, the European Investment Bank and the European Community. The government of Guyana has written off the debt of $100 million that the bauxite industry owes it, and also taken over the debt of over $22 million that the industry owes to commercial banks.

**Headline:**

**Source:**
*FT/5//92*

### Guyana Glass Works

**Activity Date:** 1995

The head of Guyana's privatization unit announced that the country had fulfilled IMF/World Bank privatization program requirements by bringing three state companies to the point of sale by the end of 1994. Bids for **Guyana Glass Works**, **Guyana Sugar Corporation Dairy Project**, and **Guyana National Engineering Corporation** have been received from the Caribbean and elsewhere. No information was given on when the sales would go through. The minister also announced six companies slated for privatization in 1995, including **Guyana Pharmaceutical Corporation**, **Guyana Stock Feed**, the **National Edible Oil Company**, **Guyana National Printers**, the **Cooperative Mortgage Finance Bank**, and the **Cooperative Insurance Service**.

**Headline:**
Privatizations Roll On, Reluctantly

**Source:**
*Business Monitor International February 1995*

### Linden Bauxite Mining Enterprise (Linmine)

**Activity Date:** 4 1996

The privatization of **Linden Bauxite Mining Enterprise** (Linmine) remains stalled.

**Headline:**
Large Budget Deficit, Privatization Stalled

**Source:**
*Business Monitor International March 1996*

## *Honduras*

### Acensa Sugar Mill

**Activity Date:** 5 1993

Acensa Sugar Mill was sold in May for $9.6 million.

**Headline:**
Privatization Update. In the News. Argentina.

**Source:**
*Latin Finance July/August 1993*

### Aceros Industriales, S.A.

**Activity Date:** 4 1992

In April 1992, Aceros Industriales, S.A., a Honduran steel manufacturer was fully divested for $1.7 million to a group of local investors.

**Headline:**

**Source:**
*LF 4/92*

### Cementos de Honduras (Bijao)

**Activity Date:** 1992

Cementos de Honduras (Bijao) is a cement plant in the northern coast. It will be auctioned off at the beginning of the year.

**Headline:**

**Source:**
*LF 3/92*

### Finca Santa Rosa

**Activity Date:** 1992

Finca Santa Rosa, a melon producing farm, was sold for $740,000.

**Headline:**

**Source:**
*LF 4/92*

## Hondulab

**Activity Date:** 1 1992

Hondulab is a partially new laboratory that produces basic medicines. It was privatized on January 30.

**Headline:**

**Source:**
*LF 3/92*

## Hondutel

**Activity Date:** 1994

Price Waterhouse IPG has completed the diagnostic and valuation studies and devised the privatization strategy for **Empresa Honduena de Telecomunicaciones (Hondutel)**, the state-owned telecommunications monopoly, for the Honduran government. The sale of a majority stake to a strategic investor may take place by the end of the year. Company assets for the first six months of 1993 are listed as Lps. 1,770,368 (thousands of Lempiras) and net income for the first six months of 1993 is Lps. 77,931 (thousands of Lempiras).

**Headline:**

**Source:**
*PW/IPG Staff*

**Activity Date:** 3 1994

Honduras announced in March its plan to sell **Empresa Hondurena de Telecomunicaciones (Hondutel).** The military has controlled the firm since 1963. Though criticized by the Finance Ministry for corrupt and inefficient administration of Hondutel, the military does not oppose the privatization.

**Headline:**
Honduras Sets Privatization

**Source:**
*The Wall Street Journal* *March 4, 1994*

**Activity Date:** 12 1994

The government of Honduras has indicated that it expects to complete the sale of the state-owned telecommunications company, **Hondutel**, sometime in 1995. The company, which is consistently profitable, is currently valued at $750m. The government has also indicated that it will attempt to sell the loss making National Electric Energy Institute (ENEE) in 1995.

**Headline:**
Progress on Privatization

**Source:**
*Business Monitor International December 1994*

**Activity Date:** 1995

Legislation regarding the partial privatization and restructuring of **Hondutel** was presented to the Congress at the end of April. Under the current bill, up to 47% of the company would be sold to private investors and 2.4% would be sold to company employees. The remaining 51% would stay in government hands and would be sold off gradually. Private sector telephone companies will also be granted concessions to provide services. Proponents state that privatization is necessary in order to raise the $1.2bn required to modernize the company. Opponents believe that the company could generate huge profits for the government if it was managed correctly. However, corruption and mismanagement have made Hondutel's present financial situation precarious. The company's union, which has 4,500 members, is expected to oppose the sale strongly.

**Headline:**
Law on Hondutel Sale Debated

**Source:**
*Business Monitor International June 1995*

## Hotel Brisas del Lago

**Activity Date:** 1992

Hotel Brisas del Lago, a small hotel on Lake Yojoa which is partially operating, was sold to local investors for $611,000.

**Headline:**

**Source:**
*LF 4/92*

### Hotel Posadas de Copan

**Activity Date:** 1992

Hotel Posads de Copan, an incompletely constructed hotel near the Copan Maya ruins, was sold to a Virgin Islands investor group for $555,000.

**Headline:**

**Source:**
*LF 4/92*

### Hotel Telamar

**Activity Date:** 1992

Hotel Telemar, a state-owned Honduran resort hotel on the north coast, was partially privatized in a debt - equity exchange. Fifty-one percent of the stock was exchanged for $1.2 million worth of debt.

**Headline:**

**Source:**
*LF 4/92*

### IHMA (silos and grineries)

**Activity Date:** 8 1993

In the second stage of a comprehensive privatization program initiated in January 1993, the Honduran government plans to sell some 40 state-owned companies. The entities soon to be sold to private hands are: IHMA (silos and grineries), Bobicasa, Trefica and Acansa sugar mill, all to be sold in August. The Port Authority facility will be sold in September.

**Headline:**
Privatization Update... In the News

**Source:**
*Latin Finance July/August 1993*

### Industria de la Contruccion (INDECO)

**Activity Date:** 4 1992

In April 1992, Industria de la Construccion (INDECO), a state-owned Honduran contruction company, was privatized by a private offering to majority shareholders. The sale price was $130,000, the stock book value.

**Headline:**

**Source:**
*LF 4/92*

### Productos Lacteos Sula

**Activity Date:** 4 1992

In April, Productos Lacteos Sula, a dairy producer, was privatized to a local group for $3.1 million.

**Headline:**

**Source:**
*LF 4/92*

### SECOPT

**Activity Date:** 1992

Department of Communications, Public Works and Transportation (SECOPT) privatized the first part of what is considered as heavy highway construction.

**Headline:**

**Source:**
*LF 2/92*

### Sula Dairy Products

**Activity Date:** 1992

Sula Dairy Products, the state-owned dairy - products processing company is to be privatized. This diary company of the south zone is capable of producing powdered milk and supplying the national demand.

**Headline:**

**Source:** *LF 2/92*

### Telamar

**Activity Date:** 1992

Telamar is a touristic hotel in the Atlantic Ocean beaches. It is being privatized.

**Headline:**

**Source:** *LF 3/92*

### The Ingeniero Azucarero Cantarranas,S.A. (ACANSA)

**Activity Date:** 2 1992

ACANSA (The Ingeniero Azucarero Cantarranas, S.A.), a sugar mill, will be privatized and sold through a public offering by the end of February, 1992.

**Headline:**

**Source:** *LF 2/92*

### Transportes Aereos Nacionales (TAN)

**Activity Date:** 1992

Forty-one percent of the shares in TAN have been sold to Transportes Aeros Centro Americanos, TACA Airline.

**Headline:**

**Source:** *LF 2/92*

**Activity Date:** 4 1992

In April 1992, forty percent of Transportes Aereos Nacionales (TAN) , a Honduran airline, was sold to Transportes Aereos Centroamericanos (TACA) for $270,000.

**Headline:**

**Source:** *LF 4/92*

## *Jamaica*

### Air Jamaica

**Activity Date:** 6 1994

The government announced in June that plans to sell a 70% stake in **Air Jamaica** to the Air Jamaica Acquisition Group have been postponed until October. Included among the reasons for the delay is the departure of Cochrane Investments of Toronto and two local investors from the consortium and their replacement by Mr. Gordon Stewart, a leading hotelier in the Caribbean. The consortium has also requested additional time to study the company's operations and plan its development. The government will operate the airline through September with the new owners taking control October 1.

**Headline:** Divestment of Air Jamaica Postponed

**Source:** *Financial Times July 5, 1994*

**Activity Date:** 10 1994

The much postponed sale of 70% of the loss making national airline, **Air Jamaica**, for $26m went through on October 1,1994. The new owners are Appliance Traders Limited (controlled by a local enterpreneur) with 30%, the local Mo-Young family (20%), the Jamaica Hotel and Tourist Association (10%), employees (10%), and National Commercial Bank and Mutual Life (5% each). The sale cost the government $78m in settlement of outstanding liabilities, a figure which may escalate if workers win a current court action claiming a $15m pension fund handed over to the new owners as part of the sales package. The government has agreed to reimburse the funds if a judgement

over to the new owners as part of the sales package. The government has agreed to reimburse the funds if a judgement is in favor of the unions. The revamped airline plans to increase its current 25% share of the of the island traffic and expand its US flight schedule to include West Coast cities.

**Headline:**
Air Jamaica Sale Boosts Privatization Program

**Source:**
*Business Monitor International November 1994*

**Activity Date:** 1 1995

It was announced that the sale of **Air Jamaica** has been completed. The airline was purchased by hotel magnate Gordon Stewart for $26.25m.

**Headline:**
Jamaican Privatization

**Source:**
*U.S./Latin Trade January 1995*

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**banana farms**

**Activity Date:** 1 1995

The Jamaican government announced in January that it had sold two of the island's largest banana farms to Fyffes of the United Kingdom and Producers Group of Jamaica. The sale price was $6m for a 95% stake in the farms with Fyffes as the minority partner. The companies will market all of Jamaica's banana exports.

**Headline:**
Jamaican Privatization

**Source:**
*U.S./Latin Trade January 1995*

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**Electricity Generating Facilities**

**Activity Date:** 1995

The Jamaican government is currently considering offers for the privatization of the island's **electricity generating facilities**. The U.S. company Southern Electric is considered the front-runner in the tender.

**Headline:**
Energy Privatization is Stepped Up

**Source:**
*Business Monitor International May 1995*

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**Jamaica Public Service Company (JPSC)**

**Activity Date:** 10 1993

Coopers & Lybrand completed a study in October 1993 on the electricity utility, **Jamaica Public Service Company (JSP)**. A public offering may take place in the next two years, and would result in the largest sale ever in Jamaica worth several hundred million U.S. dollars. Under the current plan, the generating and transmission assets will be privatized together while the distribution side will be sold seperately.

**Headline:**
Jamaica Study

**Source:**
*Privatisation International October 1993*

**Activity Date:** 7 1995

The government of Jamaica announced that it will accept prequalification bids for the privatization of **Jamaica Public Service Company**, a utility. The government plans to sell a controlling interest in the utility though the exact stake and minimum price have not been set. Remaining shares will be held by the employees through an employee share ownership plan and the government.

Applications are being accepted from enterprises, consortia and joint venture partners. Qualifications for acceptance include having sufficient finances for the operation of the utility as well as sufficient management expertise.

**Headline:**
JPS Privatisation

**Source:**
*Project Finance International August 31, 1995*

**Activity Date:** 9 1995

The government of Jamaica has announced plans to sell its shares in the **Jamaica Public Service Company** (JPSC), effectively ending its presence in the energy sector. The company will be sold as a single unit instead of divided into generation and transmission/distribution entities. The decision to sell the company as a single unit stems from the stated preference of the two likely bidders, Southern Electric International and Houston Industries, who wish to purchase the company as a whole.

**Headline:**
Power Sell-Off Planned

**Source:**
*Business Monitor International September 1995*

*Business Monitor International September 1995*

**Activity Date:** 11 1995

The announcement of the sale of **Jamaica Public Service Company** (JPSC) to either Southern Electric International or Houston Industries is expected in January, and the deal should be completed by May. JPSC earned a profit of $19m in 1993/94, and has assets of $640m. The World Bank and the Inter-American Development Bank have pledged a total of $44.3m in co-financing.

**Headline:**
Further Progress on Privatization

**Source:**
*Business Monitor International December 1995*

**Activity Date:** 4 1996

The government is preparing to sell an unspecified stake of its 99% holding in the **Jamaica Public Service Company** (JPSCO). The successful buyer will be committed to expansion plans costing around $800m over 15 years.

**Headline:**
Power Rivals Seek Local Alliances

**Source:**
*Business Monitor International March 1996*

**Activity Date:** 5 1996

The government of Jamaica is planning to sell a majority stake in **Jamaica Public Service Co.** by early May but will retain a minority stake. Local participation in the bidding groups is expected to play a major role in the selection process. Several consortia have already been formed with local Jamaican companies.

**Headline:**
Jamaica

**Source:**
*Project Finance International January 31, 1996*

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### Manley and Sangster International Airports

**Activity Date:** 9 1995

The Inter-American Development Bank has approved a $570,000 grant to help finance the privatization of **Manley and Sangster International Airports**. IDB is also expected to approve a $26.6m loan for the privatization, which is being handled by the Airports Authority of Jamaica. The Authority expects the privatization to be completed within 18 months of the loan's signing.

**Headline:**
Airport Privatization Funds

**Source:**
*Project Finance International September 27, 1995*

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### National Commercial Bank

**Activity Date:** 1992

National Commercial Bank which is 39% government owned has been partially sold. A 7.8% (20 per cent of the 39%) has been sold through a private offering to Mutual Life of Jamaica and to Jamaica National Building Society. The two investors acquired 23.3 million shares for US$24 million.

**Headline:**

**Source:**
*PI 4/92*

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### National Water Commission

**Activity Date:** 10 1993

The Jamaican government is in the process of selecting consultants for a regulatory study on their water industry. The **National Water Commission** is slated for restructuring and for some form of privatization thereafter.

**Headline:**
Jamaica Study

**Source:**
*Privatisation International October 1993*

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### Sangster International Airport

**Activity Date:** 4 1995

In Jamaica, Sangster International Airports Ltd. took over control of **Sangster International Airport** in Montego Bay on April 1. The company has control over all land-side operations during a 49-year lease, while the government will maintain control of certain critical airport operations.

**Headline:**
Jamaican Airport Privatized

**Source:**
*U.S./Latin Trade April 1995*

**Trans-Jamaican**

**Activity Date:** 11 1995

The Air Jamaica Acquisition Group (AJAG) has purchased a 55% stake in the state-owned **Trans-Jamaican** for $1.1m. Additionally, a 15% stake was sold to a consortium led by former Air Jamaica chairman John Cooke, and another 10% went to the Delroy Brown Group. The government intends to retain the remaining 20% stake. Trans-Jamaican has been renamed Air Jamaica Express to highlight AJAG's links with Air Jamaica, which was bought by AJAG earlier this year.

**Headline:**
Further Progress on Privatization

**Source:**
*Business Monitor International December 1995*

## *Mexico*

**Altamira**

**Activity Date:** 1995

The partial privatization of four of Mexico's largest ports is proceeding on schedule. Twenty-one bidders are competing for the rights to operate terminals at **Manzanillo**, **Lazaro Cardenas**, **Veracruz** and **Altamira**. Bidders are representing the United States, Mexico, Britain, Australia, Chile and the Philippines.

**Headline:**
Seaports Ready For Sale

**Source:**
*U.S./Latin Trade August 1995*

**Altos Hornos de Mexico S.A. de C.V. (AHMSA)**

**Activity Date:** 1992

Xavier Autrey and Alfonso Ancira from Grupo Acerero del Norte, acquired AHMSA, the assets of Aceros Planos, a 29% stake in Pena Colorada mine, and some other assets, for approximately $1.3 billion.

**Headline:**

**Source:**
*LF 1/92*

**Activity Date:** 7 1993

In July, it was announced that **Altos Hornos de Mexico**, a Mexican steel company, was recently privatized in a sale to Grupo Acerero del Norte.

**Headline:**
US-Mexican Group Wins First Bid

**Source:**
*Americas Trade & Finance July 1993*

**ammonia factory**

**Activity Date:** 1 1996

The government of Mexico announced that it received three bids for its **ammonia factory** in Cosoleacaque in the Mexican state of Veracruz. Two of the bids were from Mexican companies Agro Nitrogenados del Norte and Fertimex; the final bid was from Nissho Iwai, a Japanese firm. This privatization is part of the government's plan to sell many of its petrochemical complexes.

**Headline:**
Mexico Says Three Submit Bids for Ammonia Factory

**Source:**
*Wall Street Journal February 13, 1996*

**Andsa**

**Activity Date:** 1993

The Mexican government announced its plan to sell **Almacenes Nacionales de Deposito (Andsa)**, a state-owned warehouse network.

**Headline:**

**Source:**
*Euromoney July 1993*

## Aseguradora Mexicana (Asemex)

**Activity Date:** 1 1993

In January, the Mexican Finance Ministry announced its plans to privatize the state-owned insurance company **Aseguradora Mexicana (Asemex)**, making it one of the 37 state-owned companies being sold this year. It is part of Mexico's last stage of its privatization program, expected to raise $4-5 billion.

**Headline:**

**Source:**
*FT 1/20/93*

**Activity Date:** 5 1993

It was announced in May that Mexico planned to sell 70% of the state insurance company, **Aseguradora Mexicana (Asemex)**.

**Headline:**

**Source:**
*PI 5/93*

**Activity Date:** 10 1993

A medium-sized Mexican financial institution, Grupo Mexival-Banpais, bought 51% of the Mexican state owned insurance company **Asegurodora Mexicana (Asemex)** for $582 million. Mexival-Banpais has taken the option to acquire an additional 19% of the firm. Pemex and the Federal Electric Commission own the remaining 30%.

**Headline:**
Asemex sold for $582m

**Source:**
*Privatisation International October 1993*

## Banca Serfin S.A.

**Activity Date:** 1992

Banca Serfin which is the third largest and oldest Mexican bank has been sold through a public offering. Banca Serfin had about $22 billion in assets and about $125 million in profits as of last year (1991). Banca Serfin has 22,000 employees and almost 600 branches. The deadline for bids was January 24, 1992. A 51% stake in Banca Serfin was sold for $918 million to Grupo Financiero Operadora de Bolsa (OBSA), an investor group led by glass industrialist Adrian Sada Gonzalez. OBSA is one of Mexico's largest brokerage firms. Other groups likely to have submitted bids were Grupo Financiero Privado Mexicanno, S.A. de C.V. (Prime), headed by Antonio del Valle, and GBM Grupo Bursatil Mexicano, S.A. de C.V., Casa de Bolsa (GBM), headed by Alonso de Garay. The purchase price of the March sale represented 2.69 times book value or $2.62 a share. The sale also included the option to purchase the remaining 16% still owned by the government. The rest of the bank's shares, a 33% stake, has been traded publicly for several years.

Banca Serfin is the tenth bank to be sold, providing the government with over $8 billion in total proceeds.

**Headline:**

**Source:**
*WSJ 1/27*
*LF 1/92 PU 3/92*

## Banco del Atlantico

**Activity Date:** 5 1992

In May 1992, Banco del Atlantico sold for $472 million to investors from Grupo Bursatil.

**Headline:**

**Source:**
*PI 5/92*

## Banco del Centro

**Activity Date:** 1992

Banco del Centrois, the 19th and the last bank, has been privatized by the Mexican government. 66.3% of the shares of Banco del Centro was sold for $290m.
The privatization all together will have raised over $12.9b. The banks were sold for an average of 3.1 times the book value and 14.75 times historic earnings, but the American and European banks are usually sold for 2.2 times of the book value and 14 times historic earnings. Banorie was the most expensive bank, relative to earnings, which was sold for a multiple of 23.7.
The government sold 70.7% of Banamex, the largest bank by assets, for $3.24bn; 56% of Bancomer, the second largest, for $22.86bn; and 51% of Serafin for $94m.

**Headline:**

**Source:** *FT 7/7/92*

## Banco Promex

**Activity Date:** 5 1992

In May 1992, Banco Promex was partially privatized, by a private sale of a 66% stake to investors from Valores Finamex for $350 million.

**Headline:**

**Source:** *PI 5/92*

## Bancomer

**Activity Date:** 1991

An 83 percent stake in the state-owned bank, **Bancomer**, was sold for $2,540 million.

**Headline:**

**Source:** *World Bank - FS (Frank Sader)*

**Activity Date:** 2 1994

The Mexican government plans to sell its remaining stock of $2.4 billion in three banks. The move, announced in mid-February 1994, will complete the government's privatization of the banking sector. The government expects to sell its 21% interest in **Bancomer**, its 8.4% interest in Banco Serfin and its 8.8% interest in Banco Internacional by the end of the year. Revenues from bank privatizations have topped $14 billion over the last two years.

**Headline:** Mexico to Sell Stock in 3 Banks For $2.4 billion

**Source:** *The Wall Street Journal February 14, 1994*

## Banoro

**Activity Date:** 5 1992

In May 1992, Banoro was partially privatized through a private sale of a 66% stake to investors from Estrategia Bursatil for $366 million.

**Headline:**

**Source:** *PI 5/92*

## Carbon 2

**Activity Date:** 7 1993

In July, it was announced that the Mexican government will sell its half constructed Carbon II to a US-Mexican consortium of Grupo Acerero del Norte and Mission Energy Co. Carbon II is a coal-fired 1400MW facility near Peidras Negras, Coahuila, 35 miles from Eagle Pass, TX. The price of purchasing and completing the plant will be around $1.8 billion. However, the amount could rise to about $2.3 billion should new environmental laws be enacted by the US Environmental Protection Agency and the Mexican National Ecology Institute.

**Headline:** US-Mexican Group Wins First Bid

**Source:** *Americas Trade and Finance July 1993*

**Activity Date:** 9 1993

It was announced in September that the **Carbon 2** plant was sold to Energan for $1.6 billion dollars. Energan is a

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It was announced in September that the **Carbon 2** plant was sold to Energan for $1.6 billion dollars. Energan is a company 49% owned by Mission Energy, which is a subsidiary of Southern California Edison. The other 51% of Energan is owned by Grupo Acero del Norte of Mexico and Organizacion Autrey of Mexico. The succesful sale of Carbon 2 was challenged by environmental activists over the concerns of pollution reportedly affecting Texas. Carbon 2 is the first privately owned power plant in Mexico.

**Headline:**
Carbon II Trouble

**Source:**
*Public Works Financing September 1993*

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### Comermex

**Activity Date:** 1992

Comermex which is in the banking sector has been sold partially under private offering. Comermex is the fourth largest bank. A stake 66.5% has been sold to a group of six investors for about $872 million. The price/book ratio is 3.7 times.

**Headline:**

**Source:**
*WSJ 2/92*

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### Compania Nacional de Carros de Ferrocarril,S.A. de C.V.

**Activity Date:** 1992

The timetables and guidelines are not yet been published.

**Headline:**

**Source:**
*LF 1/92*

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### Cosoleacaque

**Activity Date:** 7 1995

The Mexican government has decided to sell the country's 61 secondary petrochemical plants, in hopes of raising $4bn. The government also sees the move as the beginning of a wider program of infrastructure privatization and liberalization brought on by the recent monetary crisis. **Cosoleacaque**, in the eastern state of Veracruz, will be the first company offered. Under the plan, which the government hopes to complete by mid-1996, Pemex, the Mexican state-owned oil monopoly, will retain equity stakes of 20% to 33% in the company and bidders will be allowed to purchase the remaining shares. Pemex also hopes to offer shares domestically after the other plants have become successful private companies. In addition, the government will place no restrictions on foreign ownership.

**Headline:**
Mexico Clears $4bn Petrochemical Sell-off

**Source:**
*Financial Times July 28, 1995*

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### El Nacional

**Activity Date:** 1992

El Nacional, a government-run newspaper, is to be sold, however no deadline has been set for the sale. The paper is believed to be unprofitable, yet it is reported that numerous bidders are interested in the respected newspaper.

**Headline:**

**Source:**
*PI 5/92*

**Activity Date:** 1 1993

In January, the Mexican Finance Ministry announced that it would privatize the national newspaper El Nacional. It will be sold off as part of a single media conglomerate by March, making it one of the 37 state-owned companies being sold this year. It is part of Mexico's last stage of its privatization program, expected to raise $4-5 billion.

**Headline:**

**Source:**
*FT 1/20/93*

## Ferrocarriles Nacionales de Mexico (FNM)

**Activity Date:** 1995

In an effort to increase direct investment in the country, President Zedillo of Mexico pushed through a bill aimed at privatizing **Ferrocarriles Nacionales de Mexico**, a railway company. Although details have not yet been announced, Union Pacific Railroad and Empresas ICA have formed a partnership to assist the government with management and technology information. General Motors International has also expressed interest in the project.

**Headline:** Railroad Privatization Plan

**Source:** *U.S./Latin Trade April 1995*

**Activity Date:** 1995

The Mexican government announced the partial privatization of **Petroleos Mexicanos** (Pemex), the state-owned oil company. The government already announced that it would sell 61 secondary petrochemical plants by the first quarter of 1996. Five complexes are dedicated solely to secondary petrochemicals while primary petrochemicals as well as gas exploration and production will remain in Pemex's control. Shell and Exxon are reported to have shown interest in the venture. Under a plan to privatize the Mexican rail system, the government will grant 50-year concessions to build and operate railroads and equip passenger and cargo terminals. **Ferrocarriles Nacionales de Mexico** is the primary state-owned operator of railroads.

**Headline:** Chipping Away At the Pemex Empire

**Source:** *Privatisation International May 1995*

**Activity Date:** 1995

Under a plan to privatize the Mexican rail system, the government will grant 50-year concessions to build and operate railroads and equip passenger and cargo terminals. **Ferrocarriles Nacionales de Mexico** is the primary state-owned operator of railroads.

**Headline:** Chipping Away at the Pemex Empire

**Source:** *Privatisation International May 1995*

**Activity Date:** 1995

The government has issued guidelines governing the privatization of the state-owned railway monopoly, **Ferrocarriles Nacionales de Mexico** (FNM), and is planning to publish the first tenders during the second quarter of 1996. The privatization process is expected to be completed next year. It is anticipated that FNM will attract significant interest from US rail companies since the Mexican Congress ratified a railway privatization law allowing a foreign ownership ceiling of 49% with the possibility of waivers for majority ownership. Thus far, three consortia have already expressed interest, including Union Pacific Railways of the US, which has joined with ICA, Mexico's largest construction firm; Railtex Service Company in partnership with Tribasa, another construction company; and a partnership between Kansas City Southern Industries and Transportes Maritimos Mexicanos, a shipping company. FNM will be reorganized into four regional enterprises, with the new owners responsible for deciding the status of FNM's 55,000 employees. Prior to the sale, the government will have devoted $290m in subsidies and absorbed $400m of debt in 1995 alone. The new owners, however, will be responsible for unspecified capital improvements. Concessions will last 50 years and will be renewable for an additional 50.

**Headline:** Rail Sell-Off Expected to Attract Strong US Interest

**Source:** *Financial Times November 14, 1995*

## Fertilizantes Mexicanos, S.A.,(FERTIMEX)

**Activity Date:** 1992

The Mexican government is going to sell it to private investors through an auction mechanism, very similar to the one used in all of the other major privatizations in Mexico. There has been no official announcement for the sale of the FERTIMEX stock.

**Headline:**

**Source:** *LF 1/92*

## Fertimex

**Activity Date:** 1 1993

In January, the Mexican Finance Ministry announced its plan to privatize the Fertimex fertilizer company to begin completing its privatization program. Fertimex is one of 37 state-owned companies being sold this year as part of Mexico's last stage of its privatization program, expected to raise $4–5 billion.

**Headline:**

**Source:**
*FT 1/20/93*

## Grupo Financiero Bancomer SA

**Activity Date:** 7 1994

The Mexican Finance Ministry announced in July its intention to offer its remaining 20% stake in **Grupo Financiero Bancomer SA** in a global stock offering. Bancomer SA, Mexico's second largest bank, would be the second Mexican bank to list shares on the New York Stock Exchange. The offering will take place after the August 21 presidential elections when investor uncertainty has subsided. The sale is expected to earn approximately $800 million.

**Headline:**
Mexico Seen Offering Remaining 20% Stake in Banking Concern

**Source:**
*Wall Street Journal July 25, 1994*

## Lazaro Cardenas

**Activity Date:** 1995

The partial privatization of four of Mexico's largest ports is proceeding on schedule. Twenty-one bidders are competing for the rights to operate terminals at **Manzanillo, Lazaro Cardenas, Veracruz** and **Altamira**. Bidders are representing the United States, Mexico, Britain, Australia, Chile and the Philippines.

**Headline:**
Seaports Ready For Sale

**Source:**
*U.S./Latin Trade August 1995*

## Manzanillo

**Activity Date:** 1995

The partial privatization of four of Mexico's largest ports is proceeding on schedule. Twenty-one bidders are competing for the rights to operate terminals at **Manzanillo, Lazaro Cardenas, Veracruz** and **Altamira**. Bids have been received from the United States, Mexico, Britain, Australia, Chile and the Philippines.

**Headline:**
Seaports Ready For Sale

**Source:**
*U.S./Latin Trade August 1995*

## media firms

**Activity Date:** 4 1993

It was announced in April that three investment consortia in Mexico are expected to declare their interest in purchasing a group of government owned media firms. Adrian Sada, who runs Banca Serfin and Grupo Vitro, will head a consortium joined by Clemente Serna Alvear and Joaquin Vargas Gomez. The second group will be headed by Raymundo Gomes Flores of Guatamala. The final group consists of Bancomer, Elektra, and Organizacion Radio Centro. The government said it would allow those now registering for the bidding to merge or to bring in new partners later.

**Headline:**

**Source:**
*WSJ 4/1/93*

### Media Package

**Activity Date:** 7 1993

A media package consisting of a motion picture studio, a movie theater chain, channels 7 and 13 , and more than 160 other television stations under Television Azteca was sold for US$640 million on July 18 by the government to the Radio Televisora del Centro consortium, headed by Ricardo Salinas Pliego. The bid made by Radio Televisora was 30% higher than the next highest bid. Consortium members included Grupos Centro and Elektra, a consumer electronics chain. The package had originally included the national newspaper, El Nacional, but there were no bids that met the set minimum price. The sale of this media package was deemed as the last major privatization to take place under President Salinas' administration.

**Headline:**
Dark Horse Wins Media Holdings in Last Big Sell-Off

**Source:**
*Lagniappe Letter July 23, 1993*

### Merida 3

**Activity Date:** 9 1993

Mexico will offer the tender of Merida 3, a gas fired power plant in the state of Merida. Last December, Mexico changed its electricity laws to allow both domestic groups and foreigners to build, own and operate power plants, on the condition that they sell to electricity to the Federal Electricity Commission (CFE). About 40 Mexican and foreign firms have shown interest. The leading bidders are General Electric, ICA-Flour, Tirbasa, Banamex with American National Power, Enron with Bufete, and AES. It hopes to raise about $600-800 million through the sale.

**Headline:**
Ports

**Source:**
*PWFinancing September 1993*

### Mexican Media Conglomerate

**Activity Date:** 8 1993

Ricardo Salinas Pliego of Radiotelevisora led an Mexican investment group which purchased a large conglomeration of state-owned media companies in August for $641 million. The bid, which was 30% higher than the nearest competitor, makes this transaction Mexico's largest privatization transaction so far this year. The investment group plans to issue 49% of the conglomerate through a public offering in the next year.

**Headline:**
Mexico Proceeds with Media Sale

**Source:**
*International Privatization Update August 1993*

### Mexican ports

**Activity Date:** 9 1993

The Mexican government is striding towards the privatization of its 22 principal ports. About 27 concessions to build terminals were given out in August to Cemes, TMM, Nissan of Mexico, and BASF of Germany. Recent legislation will divide each port into three parts: (1) the Integral Port Administrator--the API, (2) the terminal operators and (3) the service providers. The APIs will be similar to a U.S. port authority. The government will sell the API through a public auction and the API will pay the government an annual fee for the lease of the port. Foreigners will be allowed to purchase up to 49% of the API by Mexican law. The ports at Veracruz, Tampico, Manzanillo, Lazar Cardenas, Puerto Madero, and Quintana Roo are on the list to be sold off. Approximately half a dozen ports are profitable, however, some of the smaller ones are not. Mr. Jaime Corredor, the top government port administrator believes that the first port authority will be sold by the end of this year and the rest in 1994 through competitive bidding. The Mexican government is confident that private capital will bring competition among Mexican ports and foster better management.

**Headline:**
Ports

**Source:**
*Public Works Financing September 1993*

**Activity Date:** 5 1994

As part of the government's effort to privatize 22 port administrations by the end of 1995, the country's port authority announced plans to privatize its four largest container-port terminals. Concessions lasting three to eight years for the Manzanillo, Lazaro Cardenas, Veracruz and Altamira ports will be awarded in September.

**Headline:**
Mexico's Ports Privatization

**Source:**
*The Wall Street Journal May 31, 1994*

**Activity Date:** 7 1994

The Mexican government announced in July that it was taking a step forward in its long delayed port privatization process by decentralizing six ports. Under the privatization process, contracts have been given for private terminal operations with the new agency, Integrated Port Authorities (APIS), acting as the landlord. The APIS will replace Puertos Mexicanos, the federal maritime agency currently being liquidated, and will have the authority to determine wharfage and longshore rates and make most port operational decisions. A key element of the privatization process, contracts for private operation of container terminals, may not happen until late fall. To date, only 11 out of 20 ports selected for privatization have been privatized.

**Headline:**
Mexican Port Privatization Plan Gives Autonomy to Six More Areas

**Source:**
*Knight-Ridder July 5, 1994*

**Activity Date:** 3 1995

The Mexican government has invited international tenders for port handling services and the country's four main ports in Manzanillo, Lazaro Cardenas, Veracruz, and Altamira. The tenders will be awarded by the end of the summer, and port operators must be of Mexican registry. The move is part of a plan for the country to raise $6bn to put toward the $14bn current deficit the nation is expected to have in 1995.

**Headline:**
Mexico Seeks Port Tenders

**Source:**
*Financial Times March 1, 1995*

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### Mexicana de Papel Periodico

**Activity Date:** 10 1993

The Mexican finance ministry announced its intention to sell **Mexicana de Papel Periodico**, a paper mill. The mill was profitable before privatization.

**Headline:**
Paper Mills

**Source:**
*Privatisation International October 1993*

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### Morelos

**Activity Date:** 8 1995

The government of Mexico will invite first bids for the sale of **Petroleos Mexicanos** (Pemex), the state oil monopoly, in October. Complete privatization of the state's secondary petrochemical plants is expected by the middle of next year. Ammonia production plants in Veracruz and Pajaritos, and another petrochemical plant named **Morelos** will be among the first facilities to go on sale. Pemex will retain a 20% to 30% stake in the companies to help smooth the transition to private management and share environmental costs.

**Headline:**
Petrochem Bid Dates Named

**Source:**
*Financial Times August 28, 1995*

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### Multibanco Comermex S.A.

**Activity Date:** 3 1992

In March 1992, Multibanco Comermex S.A., Mexico's fourth largest bank, was privatized through public offering, by the sale of 66.5% for over $872 million to an investment group led by Agustin F. Legorreta. The bid of 3.7 times book value is evidence of the strong interest among six bidding groups.

**Headline:**

**Source:**
*PU 3/92*

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### Pabrico de Papel Tuatepec

**Activity Date:** 10 1993

Mexico's finance ministry announced its intention to sell **Pabrico de Papel Tuatepec**, a paper mill. The government will sell 100% of the mill in an auction.

**Headline:**
Paper Mills

**Source:**
*Privatisation International October 1993*

**pension system**

**Activity Date:** 4 1996

The government sent a bill to Congress on March 20 to privatize the state-run **pension system**. This bill would create individual capital accounts for each worker, which are to be managed by private pension fund companies. This plan is based on Chile's 15 year-old private pension funds. Unlike Chile's plan, where banks were barred from the pension fund business, Mexico's banks, brokerage houses, and insurance companies will be permitted to establish their own pension fund administration companies. Foreign ownership of private pension funds is allowed under NAFTA rules. The government wants Congress to approve the law by the end of April to establish the new system by mid 1997. President Zedillo hopes that a privatized social security system will boost Mexico's low savings rate.

**Headline:**
Bill Sent to Privatize Mexican Pensions

**Source:**
*Financial Times March 21, 1996*

**petrochemical plants**

**Activity Date:** 1995

The Mexican government has decided to sell-off the country's 61 secondary **petrochemical plants**, a move the administration hopes will raise $4bn. The government also sees the move as a beginning to a wider program of infrastructure privatization and liberalization brought on by the country's recent monetary crisis. Cosoleacaque, in the eastern state of Veracruz, will be the first company offered, and the government hopes to finish the plan by mid-1996. Under the plan, Pemex, the Mexican state-owned oil monopoly, will retain 20-33% of the companies' equity and bidders will be allowed to purchase the remainder. Pemex also hopes to float its shares on the Mexican stock exchange after the plants have become successful private companies. Furthermore, the government will place no restrictions on foreign ownership.

**Headline:**
Mexico clears $4bn Petrochemical Sell-off

**Source:**
*Financial Times July 28, 1995*

**Activity Date:** 4 1996

The recent nationalist opposition to the foreign sale of 61 **petrochemical plants** belonging to Petroleos Mexicanos (Pemex), the state monopoly which ranks third in the world in oil production, has caused the government to promise to deliver the petrochemical industry into Mexican hands. It invoked an obscure clause in the North American Free Trade Agreement which enables the government to reserve the first-time sale of state-owned petrochemical facilities to domestic companies. Most likely the petrochemical complexes will be broken up into their component plants in order for Mexican companies to finance the acquisitions.

The government has announced restrictions for foreign participation in the privatization of the petrochemical industry. The sale of Petroleos Mexicanos (Pemex) has been the focus of the privatization program, but its privatization is being delayed until the details of foreign participation are worked out. The decision to limit foreign participation resulted from pressure from Mexico's larger corporations and politicians linking Pemex with national sovereignty. The energy secretary stated that privatization has been pushed back to the end of the year.

**Headline:**
Mexico Gives Way to Nationalistic Pressure

**Source:**
*Financial Times April 2, 1996*

**Petroleos Mexicanos (Pemex)**

**Activity Date:** 1994

**Petroleos Mexicanos (PEMEX)** is slated to be privatized during the administration of President-elect Zedillo. Started in 1938 the company was valued at $6bn through an internal audit, though its market value might be closer to $3bn.

**Headline:**
Trade Round Up- Mexico

**Source:**
*U.S./Latin Trade November 1994*

**Activity Date:** 8 1994

In August, it was announced that **Petroleos Mexicanos (Pemex)** is looking to privatize some of its petrochemical plants. The company is considering the possibility of forming mixed capital consortiums with domestic companies interested in acquiring part of Pemex's petrochemical production capacity. The plan would raise millions of dollars as private investors would be required to make capital contributions of up to $800 million for plant modernizations. In

private investors would be required to make capital contributions of up to $800 million for plant modernizations. In exchange for such investment, the private sector would become part owners of the plants with Pemex remaining a minority shareholder. These consortiums will also be able to sell common shares to other private investors. Allowing the sale of such shares would also provide Pemex with indications regarding market reaction to possible sales of other parts of the company via this method. Pemex officials expect that initial investors will be its own petrochemical customers and that the plan will likely go into effect after the August 21 election. Other companies that have been listed for possible sale include: the Federal Electricity Commission; the national railroad; roads; bridges; the national lottery; the Mexican Social Security Institute and the Social Security Institute for State Workers.

**Headline:** Pemex Devises Scheme for Selling Petrochemical Plants

**Source:** *Lagniappe Letter August 19, 1994*

**Activity Date:** 1995

The Mexican government announced the partial privatization of **Petroleos Mexicanos** (Pemex), the state-owned oil and gas company, by opening the natural gas sector. The government plans to sell 61 secondary petrochemical plants by the first quarter of 1996 in order to modernize Mexico's natural gas industry. However, gas production and exploration will remain in Pemex's control. Shell and Exxon are reported to have expressed interest in purchasing the secondary plants. The Mexican government also hopes that opening up the natural gas industry will stimulate private investment in power plants.

**Headline:** Chipping Away at the Pemex Empire

**Source:** *Privatisation International May 1995*

**Activity Date:** 1995

**Petroleos Mexicanos** (Pemex) announced that beginning in October, it will accept bids for 61 of its secondary petrochemical plants. The privatization will involve establishing new joint venture companies for each privatized facility with strategic investors taking a majority stake with Pemex keeping the rest. Buyers will have to accept long-term supply contracts with Pemex and allow the unions to continue the collective bargaining process.

**Headline:** Pemex Chemical Asset Sale

**Source:** *Project Finance International August 2, 1995*

**Activity Date:** 8 1995

The government of Mexico will invite first bids for the sale of **Petroleos Mexicanos'** (Pemex) chemical complexes in October. Complete privatization of the state's secondary petrochemical plants is expected by the middle of next year. Ammonia production plants in Veracruz and Pajaritos, and another petrochemical plant named **Morelos** will be among the first facilities to go on sale. Pemex will retain a 20% to 30% stake in the companies to help smooth the transition to private management and to share environmental costs.

Petroleos Mexicanos (Pemex) will start privatizing its 61 petrochemical plants in October. It is the second attempt by Pemex to sell these plants as an earlier attempt in 1993 was abandoned due to low worldwide petrochemical prices. Earlier this year, government officials said that they hoped the partial sell-off of Pemex would raise $1.5bn. Pemex will continue to be the only company responsible for the exploration and production of oil in Mexico even after privatization of its petrochemical assets, which have been operating in deficit for two years.

**Headline:** Petrochem Bid Dates Named

**Source:** *Financial Times August 28, 1995*

**Activity Date:** 3 1996

The government bowed to internal political pressure and issued a ban of foreign majority ownership of the secondary petrochemical plants, currently owned by **Petroleos Mexicanos**, which the government hopes to privatize this year. The government used a clause in the NAFTA agreement which covers a list of "strategic" chemicals to justify the limit. Observers expect that the foreign ownership limit will complicate the auctions and force the government to accept lower prices. The first plant slated for sale is the Cosoleacaque plant in Veracruz, followed by sales of the Cengrejera and Morelos plants. The remaining assets will be sold by the end of next year. J.P. Morgan is advising the government.

**Headline:** Petrochemical Cave-In

**Source:** *Project Finance International April 11, 1996*

**Activity Date:** 8 1996

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**Headline:**
Petrochem Bid Dates Named

**Source:**
*Financial Times August 28, 1995*

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**Productura Nacional de Papel Destinado**

**Activity Date:** 10 1993

The Mexican government announced its intention to sell 100% of its paper mill, Productura Nacional de Papel Destinado. The mill, which was profitable last year, will be put for sale in an auction.

**Headline:**
Paper Mills

**Source:**
*Privatisation International October 1993*

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**Siderurgica de Balsas, S.A. de C.V. (SIBALSA)**

**Activity Date:** 1992

Caribbean Ispat Group from India was awarded SIBALSA and a 29% stake in Pena Colorada mine for approximately $270 million.

**Headline:**

**Source:**
*LF 1/92*

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**Telefonos de Mexico (Telmex)**

**Activity Date:** 1991

A 16 percent stake was sold in the state telecom company, **Telefonos de Mexico,** for $2,170 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Activity Date:** 1992

Telmex, a telecommunications company, has been privatized through a multi-phase process. In December 1990, a controlling 20.4% stake was sold to a consortium of Grupo Carso, Southwestern Bell, and France Telecom for $1.76 billion, valuing the whole company at $8.6 billion. Southwestern Bell invested $953 million for a 10% share. A 4.4% stake was offered to employees.
In May 1991, the government sold 1.52 billion L shares in international markets for $2.2 billion, valuing Telmex at $15.5 billion.
The international ADR equity issue was the largest equity offering ever by a developing country, yielding proceeds of over US$2 billion. Mexico has earned a total of $4.8 billion through the sale of the Telmex stake to the foreign consortium and the later public offering of Telmex shares. Until May 1992, the government still held a 9.3% interest, worth $2.5 billion . After the latest offer of 25 million shares in the U.S. Europe and the Far East in May 1992, the Mexican government still held 4.58% of Telmex equity. (PI May & June)

**Headline:**

**Source:**
*WSJ 2/92 LF10/92*
*PI 5/92 6/92*

**Activity Date:** 1992

A 5 percent stake in **Telefonas de Mexico** was sold for $1,400 million. Previously a 16 percent stake was sold for $2,170 million.

**Headline:**

**Source:**
*Privatization International Yearbook*

**Activity Date:** 1 1994

Mexico plans to sell $520 million dollars of its stock in **Telefonos de Mexico (Telmex)** through a convertible bond

1994

Mexico plans to sell $520 million dollars of its stock in **Telefonos de Mexico (Telmex)** through a convertible bond in late January. The offering represents 1.53% of Telmex stock. The move follows the sale of 3% of the government's holdings in the second half of last year which sold for about $1 billion on the open market. The upcoming sale will be managed by Merrill Lynch.

**Headline:** State Plans Further Telemex Sale

**Source:** *Financial Times January 12, 1994*

**Activity Date:** 5 1994

The Mexican government sold its final shares in **Telmex**, the nation's telephone utility. The convertible offering, worth up to $550 million, concludes the phone company's privatization. Including previous offerings, the total sale brought in around $6.73 billion making it the largest public company sold by a developing country. The peso bonds, which are convertible into Telmex equity after ninety days, are redeemable by the government between the third and forth year. The government plans to put the money from the sale into a special contingency fund which has been used in the past for the retirement of debt.

**Headline:** Mexico Sells Final Stake in Telmex

**Source:** *Financial Times May 13, 1994*

**Activity Date:** 7 1994

The union of the semi-private telephone company **Telmex** announced in July that it believes the current privatization program promotes unfair competition and that the government should help local companies to be more competitive.

**Headline:** Telmex Union Says Privatization Promotes Unfair Competition

**Source:** *Knight-Ridder July 12, 1994*

**Activity Date:** 12 1995

The Mexican government will terminate the **Telefonos de Mexico** (Telmex) monopoly in January 1997. GTE is likely to take advantage of the Telmex sale. It plans to invest up to $900m in a joint venture with Bancomer, Mexico's second largest bank, with the goal of taking over the Telmex market.

**Headline:** Open Door Policy

**Source:** *Latin Finance December 1995*

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### Television Stations, Channel 7 and Channel 13

**Activity Date:** 1992

Channel 7 and 13, national television stations, are to be sold off together, however no deadline for the sale has been set. The stations compete against the dominant Televisa, which has 85% of the television market. It is reported that both firms are in poor financial shape, still their national coverage is expected to attract $100 million for Channel 7 and $200 million for Channel 13.

**Headline:**

**Source:** *PI 5/92*

**Activity Date:** 1 1993

In January, the Mexican Finance Ministry announced that it would privatize television stations Channels 7 and 13. They will be sold off as part of a single media conglomerate by March, making them two of the 37 state-owned companies being sold this year. They are part of Mexico's last stage of its privatization program, expected to raise $4-5 billion.

**Headline:**

**Source:** *FT 1/20/93*

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### Veracruz

**Activity Date:** 1995

The partial privatization of four of Mexico's largest ports is proceeding on schedule. Twenty-one bidders are competing for the rights to operate terminals at **Manzanillo, Lazaro Cardenas, Veracruz** and **Altamira**. Bidders are representing the United States, Mexico, Britain, Australia, Chile and the Philippines.

**Headline:** Seaports Ready For Sale

**Source:** *U.S./Latin Trade August 1995*

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## *Nicaragua*

**Barlovento**

**Activity Date:** 1994

Price Waterhouse IPG performed a valuation of **Barlovento**, a small Nicaraguan hotel. PW also assisted in the transaction, in which the hotel was returned to its original owner at no cost.

**Headline:**

**Source:**
*PW/IPG Staff*

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**Canal Cement Manufacturing**

**Activity Date:** 4 1994

The valuation, strategy and sale of **Canal Cement Manufacturing** was developed by Price Waterhouse IPG in April 1994, though the project was subsequently cancelled by USAID.

**Headline:**

**Source:**
*PW/IPG Staff*

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**cement plant**

**Activity Date:** 1995

The Nicaraguan government has agreed to sell a 330,000 metric ton state-owned cement plant for $1.07m to Cementos Mexicanos (Cemex), the world's fourth largest cement company. The deal will be paid for through a debt-equity swap.

**Headline:**
Trade Roundup

**Source:**
*US/Latin Trade February 1995*

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**Hotel Intercontinental**

**Activity Date:** 5 1993

The Nicaraguan government sold 84.24% of the **Hotel Intercontinental** to Nica Eastern Development Company of Taiwan in May 1993 for $5.1 million. The company had assets worth an estimated $7.1 million and annual sales of $5 million. Price Waterhouse IPG managed the transaction.

**Headline:**

**Source:**
*PW/IPG Staff*

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**Hotel Las Mercedes**

**Activity Date:** 12 1993

Eugenio Tercero, a private investor, purchased the state-owned **Hotel Las Mercedes** of Nicaragua in December 1993 for $5.4 million. The company had assets worth approximately $2 million, and sales of $1.5 million. The transaction, managed by Price Waterhouse IPG, employed the use of debt conversion.

**Headline:**

**Source:**
*PW/IPG Staff*

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**Ingenio Julio Buitrago**

**Activity Date:** 8 1993

The Nicaraguan government sold 75% of the state-owned sugar producer **Ingenio Julio Buitrago** to Desarollo del Pacifico Nicaraüerise, S.A. in August 1993. The remaining 25% was given to the workers. The transaction was valued at $4 million, of which $1.3 million was tendered in cash.The transaction was managed by Price Waterhouse IPG.

**Headline:**

**Source:**
*PW/IPG Staff*

## Ingenio Victoria de Julio

**Activity Date:** 8 1993

The Nicaraguan government sold 75% of the state-owned sugar mill **Ingenio Victoria de Julio** to the French consortium Nouveau Latin Finance Limited in August 1993. The remaining 25% was given to the workers. The transaction was managed by Price Waterhouse IPG.

**Headline:**

**Source:**
*PW/IPG Staff*

## Montelimar Beach Resort

**Activity Date:** 5 1993

Barceló Hotels of Spain purchased the assets of the state-owned resort **Montelimar Beach Resort** of Nicaragua in May 1993. In a transaction worth approximately $5 million, Barceló tendered $3.5 million in cash, and promised to invest $14 million in the future. Price Waterhouse IPG managed the valuation and the transaction.

**Headline:**

**Source:**
*PW/IPG Staff*

## state telecom company

**Activity Date:** 1995

The government of Nicaragua announced that it will privatize the **state telecom company** to help finance bonds that would pay landowners for property that was confiscated in previous years. In addition, the Inter-American Development Bank approved a $2.8m non-reimbursable transfer for financing a program to accelerate the resolution of property conflicts.

**Headline:**
Moves On Nicaragua Land

**Source:**
*U.S./Latin Trade August 1995*

## Telcor

**Activity Date:** 10 1993

The Nicaraguan government plans to privatize their domestic and international telecommunications operations. The Instituto Nicaraguense de Telecommunicaciones y Correos (**TELCOR**) prequalified nine international telecommunications companies as potential strategic investors. Price Waterhouse is advising the Nicaraguan government on the sale.

Price Waterhouse IPG has completed a pre-privatization valuation study of Telcor. Plans to complete the privatization of Telcor have been delayed, the sale is pending the passage of the telecommunications law by the National Assembly.

**Headline:**
Republic of Nicaragua: Telcor

**Source:**
*The Economist October 16,1993*

**Activity Date:** 6 1994

Former president Jimmy Carter, in a June 25 press conference, expressed his support for the privatization of Nicaragua's state telephone company, **Telcor**. Carter would like to see the proceeds from the sale used to compensate the former owners of property seized by the Sandanistas during the "pinata" thefts. The Nicaraguan business community, while acknowledging the sound arguments for privatizing Telcor, does not want such a decision based on secondary interests. The fear is that Mr. Carter's plan could distort the entire privatization process while institutionalizing the theft of properties. Currently, former owners of seized properties receive bonds which, ideally, can be sold or auctioned at prices that equal the value of the lost properties. The bonds are not popular, however, because in practice they fail to return the actual properties to the rightful owners and seriously undervalue the properties, as most bonds are sold for 10 to 20% of face value.

**Headline:**
The Americas: Jimmy Carter Bobbles Nicaragua's Property Issues

**Source:**
*Knight-Ridder July 12, 1994*

**Activity Date:** 9 1994

The Nicaraguan government announced in September that pending congressional approval, a 40% stake in the national

1994

The Nicaraguan government announced in September that pending congressional approval, a 40% stake in the national telecommunications company, **Telcor**, will be sold. Nine companies including Cable & Wireless, Singapore Telecom, Sprint, France Telcom, Korea Telecom, AT&T, GTE, Telefonica de Espana and Stet International, have already pre-qualified to bid. An additional 1% will be sold to Telcor's 3,300 employees with the government retaining a 49 percent minority stake. Terms of the concession, expected to cover 25 to 30 years, will provide the winner with management control of the company and a mandate to increase the telephone network to 12 lines per 100 people (currently 2 lines per 100 people) by the end of the decade. The sale price is expected to reach approximately $300 million.

**Headline:** Nicaragua in Telecoms Sell-Off

**Source:** *Financial Times September 29, 1994*

**Activity Date:** 10 1994

Price Waterhouse IPG performed a preliminary study of the Nicaraguan telecommunication sector, including a study exploring the privatization of **Telcor**. PW recommended a new tariff structure as well as a new legal and regulatory framework. A preliminary fixed asset valuation was also performed.

**Headline:** Republic of Nicaragua: Telcor

**Source:** *The Economist October 16,1993*

**Activity Date:** 10 1994

Last month, Nicaragua announced plans to sell its 40% stake in **Telcor,** the national telecommunications firm. If completed this will be the first telecom privatization by a Central American country. France Telecom, Korea Telecom, AT&T, GTE, STET, and Telefonica de Espana all have pre-qualified for the sale.

**Headline:** All Phone Lines Are Busy

**Source:** *Business Latin America October 17, 1994*

**Activity Date:** 12 1994

The sale of Nicaragua's telephone company, **Telcor,** is pending Congressional passage of legislation necessary to allow the transaction to take place. The sale of a 40% stake in the company is expected to raise $300m and will cede management control to the winner through a 25 year concession. AT&T, France Telecom, GTE Corp., Korea Telecom and Telefonica de Espana are top contenders for the concession.

**Headline:** Nicaragua

**Source:** *U.S./Latin Trade December 1994*

**Activity Date:** 1995

The World Bank has warned that $37m in long-term low-interest loans, due to be disbursed this year, will be cancelled unless the National Assembly passes legislation authorizing the partial sale of the national telecommunications monopoly **Telcor**. Under the privatization law, 40% of the company will be sold to the highest bidder, 11% will go to the employees and the government will retain the remaining 49% stake. The plans have been strongly opposed by trade unions who fear large-scale job losses, pay-cuts and higher phone charges. The winning bidder is expected to invest $1bn over the next six years to expand the country's telecommunications system. If the sale goes forward as planned, Nicaragua would be the first Central American country to privatize their phone system.

**Headline:** World Bank adds Weight to Telcor Sale

**Source:** *Business Monitor International February 1995*

**Activity Date:** 3 1995

The World Bank has threatened to cut off $220m of loans to Nicaragua unless it moves ahead with the privatization of **TELCOR**, the country's telephone company. This threat mirrors a similar threat that Nicaragua received last year from the IMF. The Nicaraguan government had promised to privatize TELCOR by April 1994.

**Headline:** Nicaragua Faces Aid Loss

**Source:** *U.S./Latin Trade March 1995*

**Activity Date:** 3 1995

The World Bank has threatened to cut off $220m of loans to Nicaragua unless it moves ahead with the privatization of **Telcor**, the country's telephone company. This threat mirrors a similar threat that Nicaragua received last year from the IMF. The Nicaraguan government had promised to privatize Telcor by April 1994.

The IMF, the World Bank, and the Inter-American Development Bank (IADB) continue to encourage the Nicaraguan legislature to approve the sale of a 40% stake in Telcor. The same organizations have also expressed their concern

legislature to approve the sale of a 40% stake in Telcor. The same organizations have also expressed their concern over the financial inefficiencies of many of the state-owned firms.

**Headline:** Nicaragua Faces Aid Loss

**Source:** *U.S./Latin Trade March 1995*

**Activity Date:** 7 1995

The privatization of **Telcor** appears ready to continue after a constitutional crisis delayed the sale. The Nicaraguan parliament is expected to pass a law permitting the sale of a 51% stake in Telcor, 40% to a strategic investor and 11% to employees. AT&T, GTE, and several European telecommunications firms have expressed interest in purchasing the $300m majority/controlling stake.

**Headline:** Telcor Sale to Proceed

**Source:** *Business Monitor International July 1995*

**Activity Date:** 9 1995

The legislation allowing the sale of a 40% stake in **Telcor**, Nicaragua's state-owned telecommunications company, has been passed by the National Assembly. The sale, expected to raise $300m, will also include the offer of an 11% stake to the company's employees, while the state will retain a 49% stake. Companies that have expressed interest in the sale include AT&T, GTE Corp., Sprint Corp., Spain's Telefonica, Italy's Stet, France Telecom, and Korea Telecom.

**Headline:** Law Approved for Sale of Telcor

**Source:** *Business Monitor International September 1995*

**Activity Date:** 10 1995

The Nicaraguan Congress approved the government's proposal to sell a partial stake in the telecommunications monopoly, **Telcor**. Bidding is expected to be complete by February. The government first plans to sell a 40% stake, which it believes has a value of $100m to $150m. Additionally, 10% will be sold six months after the first sale, and another 11% will be offered to employees. Half of Telcor's employees went on strike to protest the deal after the congressional vote.

It appears that the partial privatization of **Telcor**, the state-owned post and telecommunication company, has been delayed as a result of opposition from the Sandinista National Liberation Front and Telcor's 3,400 employees, who have threatened to strike when the law stipulating the company's sale is debated in the Congress. Legislation concerning the regulation of the telecommunications sector has already been ratified.

**Headline:** Sale of Telcor Approved

**Source:** *Business Monitor International December 1995*

## *Panama*

### Air Panama

**Activity Date:** 4 1992

In April 1992, Air Panama was privatized through a private sale for $23 million. A stake of fifty - one percent was sold to a domestic consortium, and 49% went to a group of individual U.S. investors. Legal claims against the company, labor disputes, and poor asset quality delayed the transaction for a full year. The new airline, Panama Air International, is expected to begin service on June 1.

**Headline:**

**Source:** *LF 4/92*
*IBC 7/21/92*

### Balboa and Cristobal Ports

**Activity Date:** 2 1994

Panama announced its intention to privatize the Balboa and Cristóbal ports in 1994.

**Headline:** Going Forward

**Source:** *Latin Finance February 1994*

## Cementos Bayano

**Activity Date:** 8 1994

The Panamanian government announced in August the successful sale of its entire holding in the cement producer **Cementos Bayanos S.A.** on August 19th for $57.7 million. The company, which supplies 48 percent of the national demand for cement, had 95 percent of its shares purchased by Cementos Mexicanos for $58 million and 5 percent by employees of the company. Cementos Bayanos S.A. is the second most significant state-owned entity sold to date. Other entities for which the state privatization coordinator, Proprivat, is working on plans for include the state telephone company and a toll road concession.

**Headline:**
Panama Spins Off Cement in Big Privatization Deal

**Source:**
*Knight-Ridder August 30, 1994*

**Activity Date:** 8 1994

In August, the Panamanian government announced that its state-owned cement company, **Cementos Bayano**, had been purchased by Cementos Mexicanos. The government sold its entire holding in the company as a 95 percent stake went to Cementos Mexicanos and the remaining 5 percent was sold to employees. Cementos Bayano produces nearly one half of Panama's domestic consumption or 300,000 tonnes, however, its estimated production capacity is 360,000 tonnes of cement and 700,00 tonnes of clinker. The acquisition of Cementos Bayano extends the production of Cementos Mexicanos into Central America and, along with existing facilities in the southern US, Cuba and Spain, brings world production capacity to 40 million tonnes.

**Headline:**
Cemex Pays $58 million for Panamanian Plant

**Source:**
*Financial Times August 22, 1994*

**Activity Date:** 9 1994

In September it was announced that the Panamanian cement company, **Cementos Bayano**, had been purchased by Mexico's Cemex for $60 million. Cemex, already one of the world's largest cement producers, gained its first Central American facility and consolidated its expansion in Latin America as a result of its purchase of Cementos Bayano.

**Headline:**
Company Watch

**Source:**
*Business Latin America September 12, 1994*

## Cítricos de Chiriqui

**Activity Date:** 1993

Panama privatized its state owned fruit company **Cítricos de Chiriqui** in a sale that brought in $7 million. The successful transaction gave the Panamanian privatization program a boost after months of difficulty in attempts to sell Intel and IRHE.

**Headline:**
Going Forward

**Source:**
*Latin Finance February 1994*

## Empresa Estatal de Cemento Bayano

**Activity Date:** 3 1993

The privatization of Empresa Estatal de Cemento Bayano, a state cement plant, was authorized in March. The plant controls about 48% of the cement market. The plant currently employs 300 workers, with reported sales of $19.8 millin and net revenues of $6 million. After privatization, the company will be transformed into a corporation with its shares listed and sold on the local stock exchange.

**Headline:**

**Source:**
*LF 5/93*

## Intel

**Activity Date:** 4 1992

In April 1992, the intention to privatize Intel, Panama's telecommunication company, was reported. The sale would be Panama's largest privatization as Intel, with over $50 million in revenues last year, will likely sell for $500 million to $1 billion. The method of sale has not yet been announced.

**Headline:**

**Source:**
*LF 4/92*

**Activity Date:** 12 1994

The Panamanian government announced in December that it was going to offer a 49% stake in the **National Telecommunications Institute** (Intel) for a sale price of $1bn. The announcement of the sale follows an agreement reached with the company's employees who had previously opposed the offering. According to the terms of the sale, the government will retain a 49% stake, the employees will receive a 2% stake, and the remaining 49% will be auctioned. The government hopes to use the sale as a boost for the stagnant privatization program and has set a high price in an effort to dispel concerns about undervaluing the shares. Other companies that have been selected for privatization include the energy company IRHE, water utility IDAAN and the rail network Ferrocarril.

**Headline:**
Privatization Plan Approved

**Source:**
*Business Monitor International December 1994*

**Activity Date:** 1995

The Panamanian ambassador to the US reaffirmed the government's commitment to privatization. He also asserted that the sale of **Intel**, the nation's telecommunications firm, would be complete before the end of 1995. The 49% stake in the firm is expected to fetch $1bn. Company employees will receive a 2% stake in the company and the government will keep the remaining 49% stake. The deal is expected to move ahead because company unions have almost completely dropped their opposition to the sale. The ambassador also announced that the Panamanian government is planning to break up the nation's electricity monopoly and sell its public ports.

**Headline:**
Sale of Intel Tops Agenda

**Source:**
*Business Monitor International May 1995*

**Activity Date:** 3 1995

Panama's National Assembly announced plans to sell 49% of its share in the national telephone company, **Intel**. The stake in the company, which needs significant new investment and modernization, is valued at $1bn.

**Headline:**
Panama Privatization Set

**Source:**
*U.S./Latin Trade March 1995*

**Activity Date:** 7 1995

The government of Panama remains committed to privatization and plans to put its telecommunications firm, **Intel**, on the block before the end of the year. Private investors will be allowed to purchase 49% of the firm's shares and employees will receive 2%.

**Headline:**
Privatizing Panama

**Source:**
*U.S./Latin Trade July 1995*

**Activity Date:** 10 1995

In Panama, the government is currently preparing legislation for the telecom sector under which it will proceed with the sale of a 51% stake in the telecommunications monopoly, **Intel**. The government is expected to retain a 49% holding in the company while 49% will be offered to private investors and the remaining 2% will be offered to the company's 3,400 employees. Telecoms companies from the US, Germany, France and Japan have expressed interest in a sale of shares in Intel, which has an estimated value of $500m to $1bn. The winning bidder will receive operating rights but major investment decisions would have to be made jointly with the government. It has not yet been decided whether the government will change Intel's monopoly status.

**Headline:**
The New Panama

**Source:**
*U.S./Latin Trade October 1995*

**Activity Date:** 1 1996

The partial privatization of **Intel**, the Panamanian telecommunications enterprise, is expected by mid-1996. Little opposition to the sale is expected from the enterprise's employees. A 49% stake is expected to be offered to the public

opposition to the sale is expected from the enterprise's employees. A 49% stake is expected to be offered to the public and a 2% share will be offered to the employees. The government expects the sale to raise over $1bn. The sale of Intel is expected to restart the privatization program in which the government hopes to sell its sugar mills, a racetrack, several electric plants, ports, casinos, the prison service, and the National Convention Center.

**Headline:** Privatization Tops Legislative Agenda

**Source:** *Business Monitor International February 1996*

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**motorway**

**Activity Date:** 12 1995

The government was expected to approve a Mexican company's $223m bid to build and operate a 20-km **motorway** linking Panama City to the Pan-American Highway via the Tocumen Airport. Ingenieros Civiles Asociados SA will post $26.5m to guarantee the project's completion and use toll fees to finance the motorway's construction and operation. Upon the conclusion of the undisclosed concession, the government will regain control of the road.

**Headline:** Tension in Congress Mounts

**Source:** *Business Monitor International January 1996*

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**Transisthmus railroad**

**Activity Date:** 2 1994

Panama announced its plans to privatize its transisthmus railroad in 1994.

**Headline:** Going Forward

**Source:** *Latin Finance February 1994*

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## *Paraguay*

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**Aceros del Paraguay**

**Activity Date:** 11 1995

Bidding for **Aceros del Paraguay**, a steel plant owned by the government of Paraguay, will close in March. The plant had sales of $70m last year and employs 1,000 people.

**Headline:** Paraguay's Place in the Sun

**Source:** *U.S./Latin Trade November 1995*

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**Antelco**

**Activity Date:** 11 1995

The government of Paraguay is expected to pass legislation authorizing the sale of the state-owned telecommunications monopoly, **Antelco**. The proposed legislation would permit the sale of a 45% stake in the enterprise to a foreign firm, a 45% stake to local investors, and a 10% stake to employees. Telefonica de Espana, Entel Chile, AT&T, and Bell South have expressed interest in acquiring the firm.

**Headline:** Paraguay's Place in the Sun

**Source:** *U.S./Latin Trade November 1995*

**Activity Date:** 4 1996

**Antelco**, the failing telecom provider, has yet to find foreign investors because of political opposition to the sale.

**Headline:** Red Light

**Source:** *Economist March 23, 1996*

**Activity Date:** 4 1996

Despite the recent actions by organized labor, the government plans to relaunch its privatization program, with the state telephone company, **Antelco**, and the social security administration, **Instituto de Prevision Social (IPS)**, as the main candidates for divestment. The government has proposed splitting IPS into two, separating its roles as provider of medical insurance and pension administrator. Antelco will be converted into a limited company, with the majority of shares being offered to the private sector. The government will retain a significant minority stake.

**Headline:** New Privatizations Planned

**Source:** *Business Monitor International April 1996*

**Cana Paraguayas S.A.**

**Activity Date:** 11 1995

Argentine, Brazilian, and Paraguayan firms are expected to bid for Paraguayan rum distiller **Cana Paraguayas S.A.** The firm has been valued at $15m.

**Headline:**
Paraguay's Place in the Sun

**Source:**
*U.S./Latin Trade November 1995*

**Flota Mercante Paraguaya (PMP)**

**Activity Date:** 11 1995

**Flota Mercante Paraguaya (PMP)**, the Paraguayan national merchant marine fleet, is expected to be sold after bids close in November. Greek and South American firms have expressed interest in acquiring the fleet, which has been valued at $20m.

**Headline:**
Paraguay's Place in the Sun

**Source:**
*U.S./Latin Trade November 1995*

**Industria Nacional del Cement**

**Activity Date:** 1995

The Government of Paraguay recently announced that it will present a plan to privatize the **Industria Nacional de Cement** (INC). The plan will convert INC into a corporation that will then be sold to investors. The plan, however, will only privatize the processing plant. The limestone quarries used for raw materials will remain in government hands.

**Headline:**
Progress Continues

**Source:**
*Latin Finance May 1995*

**Instituto de Prevision Social (IPS)**

**Activity Date:** 4 1996

Despite the labor confederations' recent action, the government plans to relaunch its privatization program, with the state telephone company, **Antelco**, and the social security administration, **Instituto de Prevision Social (IPS)**, as the main candidates for divestment. The government has proposed splitting IPS into two, separating its roles as provider of medical insurance and pension administrator. Antelco will be converted into a limited company, with the majority of shares being offered to the private sector. The government will retain a significant minority stake.

**Headline:**
New Privatizations Planned

**Source:**
*Business Monitor International April, 1996*

**Lineas Aereas Paraguayas S.A. (LAPSA)**

**Activity Date:** 7 1994

The Paraguayan government in July announced its failure to receive an acceptable bid on the state-owned airline **Lineas Aereas Paraguayas S.A.** (LAPSA). Three bids were submitted but all fell short of the government's $26 million minimum price. A consortium led by Ecuadorian airline SAETA bid $20 million to be paid over eight years, the Brazilian airline Viacao Aerea Sao Paulo bid $19.4 million with half in cash and half to be paid over 30 months and a local consortium of investors, Sady Bazan y Asociados, bid $19.4 million as well. The government, anxious to sell 80% of the airline which has not operated since March, will not decide until the end of July whether it will accept any of the three bids.

**Headline:**
Bids Fall Short for Aereas Paraguayas

**Source:**
*Project Finance International July 21, 1994*

**Activity Date:** 10 1994

It was reported in October that the government of Paraguay has sold the state airline **Lineas Aereas Paraguayas S.A. (LAPSA)** to the Paraguayan/Ecuadorian joint venture Cielos de America for $22.1 million. The Ecuadorian partner, the national airline SAETA, is seeking access to all Mercosur and Andean Pact markets through this deal.

**Headline:**

**Source:**

**Headline:**
Airline Privatized

**Source:**
*U.S./Latin Trade October 1994*

**Activity Date:** 11 1994

Ecuador's Saetra Airline and Paraguayan investors have purchased the Paraguayan national airline, **Lineas Aereas Paraguayas S.A.** (LAPSA). The consortium paid the government $22.1m for an 80% stake. Saetra plans to improve connections among member countries of the Andean Pact and Mercosur.

**Headline:**
Company Watch

**Source:**
*Business Latin America November 28, 1994*

**Activity Date:** 1 1995

An 80% stake in **Lineas Aereas Paraguayas S.A.** (LAPSA), the Paraguayan airline, has been purchased by Ecuador's Saeta and a group of Paraguayan investors, Cielos de America, for $522.1m. Saeta, the airline's new operator, intends to use LAPSA as a springboard to improve connections among members of the Andean Pact and Mercosur.

**Headline:**
Trade Roundup

**Source:**
*US/Latin Trade February 1995*

## *Peru*

### Aeroperu

**Activity Date:** 1 1993

In a second attempt, **Aeroperu** was sold in January to an Aeromexico-led consortium for $54 million. The consortium obtained 70% of the airline while the Peruvian government retained 20% and 10% went employees. The consortium also includes the minerals trading company, Serminco, who took a 21% stake to ensure international routes granted to Peru.

**Headline:**

**Source:**
*LL 1/22/93*

### Antamina

**Activity Date:** 9 1995

Centromin's **Antamina** polymetallic mine, the first of company's assets to be privatized, will go on the block in February. Following Antamina's sell off, the following facilities are expected to be privatized: Toromocho, Cerro de Pasco, Cobriza and San Cristobal, Casapalca, Morococha and Yauricocha. A detailed timetable is expected to be released soon.

A report on the privatization of the Peruvian mining company **Empresa Minera del Centro** (Centromin) prepared by CS First Boston and Macroinvest is due October 3. The privatization of Centromin is expected by October 1996. The primary issue is how best to privatize the four hydroelectric plants owned by Centromin, and which serve the power needs of several mines.

**Headline:**
Centromin Schedule Emerges

**Source:**
*Project Finance International October 25, 1995*

**Activity Date:** 4 1996

Following the sale process for Centromin, privatization officials are hoping for a good investor response to the huge copper deposit of **Antamina**. Conditions for bidding went on sale in early March and the auction date has been set for May 13. Five gold prospeccts were offered in January, but only attracted one bid. Antamina will be followed by the gold prospect of Auicay, two of Centromin's production units, the polymetallic deposit of Yauricocha, and Caspalca, a silver mine. According to the head of Centromin, there will be no more than 45 days between sales. Prequalification of intended bidders for Antamina will continue until April 26. The first phase of the Centromin sell-off is scheduled to end with bidding for La Oroya, the huge refinery complex. Centromin is looking for a capital injection rather than the sale of assets or shares.

**Headline:**
Copper Deposit Offered

**Source:**
*Privatisation International April 1996*

## Banco Continental

**Activity Date:** 9 1994

Peru's privatization committee, Cepri, announced in September that the privatization of Peru's third largest bank, **Banco Continental,** will be postponed until next year. The decision follows a less than enthusiastic response by investors when shares in Interbanc were offered earlier this year. Cepri is currently reevaluating its sales strategy and it is likely that debt paper will be accepted as part-payment in order to make shares in the bank more attractive to bidders. Advising on the sale of Banco Continental, which holds nearly 15 percent of all deposits and has an extensive network of branches, is Coopers and Lybrand and Hansen-Holm Alonso with Credit Commercial de France responsible for promoting the sale.

**Headline:**
Peru Banks

**Source:**
*Privatisation International September 1994*

**Activity Date:** 3 1995

A fixed $60m of **Banco Continental** is to be offered in the form of secondary debt paper, trading at under 50 cents. The prequalified bidders are mostly Spanish, though other Latin American banks have prequalified as well.

The government of Peru has decided that it will continue with the planned privatization of **Banco Continental,** the third largest bank in Peru and the only one still controlled by the state. Several possible contenders have expressed interest including two Spanish banks, a Colombian bank and a consortium that includes Chile's O'Higgins and Peru's Interbanco. The contenders are currently waiting for Peru's privatization committee to announce the minimum sale price.

**Headline:**
State Sell-Off Walks a Tightrope

**Source:**
*Lagniappe Letter March 17, 1995*

**Activity Date:** 4 1995

All planned privatizations in Peru, including **Banco Continental**, have been temporarily postponed until after the country's elections. Privatization will resume in most state-owned sectors by the end of the second quarter.

The privatization of Banco Continental, Peru's third largest bank, was concluded on April 18. The Spanish interest Banco Bilbao Vizcaya purchased 60% of the Peruvian bank's shares for $195.7m in cash and $60m in Peruvian debt.

**Headline:**
...so Privatization Put on Hold

**Source:**
*Business Monitor International April 1995*

## Banco Continental and Interbanc

**Activity Date:** 12 1993

In December 1993, it was announced that **Banco Continental** and **Interbanc** are on the list of Peruvian enterprises to be privatized. Respectively, they are the second and fourth largest financial institutions in Peru.

**Headline:**
Major Forthcoming Privatization Projects--Services

**Source:**
*Far Eastern Economic Review December 2, 1993.*

## Banco de Lima

**Activity Date:** 3 1993

In March, Credit Lyonnais, a French bank, regained control over the Peruvian bank, Banco de Lima, by increasing its capital by $8 million to become the first foreign bank in Peru. Credit Lyonnias had a minority holding but wanted to increase its share of equity due to rigid legislation to foreign participation. This forced Credit Lyonnais to reduce majority stake to no more than 20 percent.

Credit Lyonnais has about $200 million of Peruvian debt paper, of which $50 million is carried in short-term working capital debt. Credit Lyonnais promised to play a role in Peru's privatization program for state-owned companies and in the country's capital markets.

**Headline:**

**Source:**
*FT 3/11/93*

**Banco Popular**

**Activity Date:** 1992

Banco Popular which is the third largest bank in Peru is to be privatized through a public offer. The announcement is to sell 100% of Banco Popular through a stock market. The Bank has been valued at $15 million. But before selling it, the government is intending to restructure it and increase its profitability.

**Headline:**

**Source:**
*PI 3/92*

**Bayovar**

**Activity Date:** 1995

In Peru, preliminary information has been distributed regarding the privatization of the **Bayovar** phosphate mine. NM Rothschild is advising on the sale of the company.

**Headline:**
Bayovar Memo Out

**Source:**
*Project Finance International June 8, 1995*

**Cahua Hydroelectric Plant**

**Activity Date:** 1995

Sipesa, a Peruvian firm, purchased a 60% stake in the **Cahua Hydroelectric Plant** for $40.8m, twice the base price set by the government. Cahua is the first unit of Electroperu to be privatized.

**Headline:**
Electric Plant Sold

**Source:**
*U.S./Latin Trade June 1995*

**Activity Date:** 1 1995

The Peruvian government is reportedly in the process of privatizing the 60MW hydroelectric plant, **Cahua**, as part of the sale of ElectroPeru. Details of the sale, expected to occur in January, are limited and it is believed that NM Rothschild is advising .

**Headline:**
Hydro Privatization

**Source:**
*Project Finance International January 6, 1995*

**Activity Date:** 3 1995

The privatization of **Cahua**, the smallest of Electroperu's generating units, has been postponed until after the national elections. Seven predominantly Peruvian companies have prequalified to bid on 60% of the firms shares, valued at $21.1m.

The government of Peru has postponed the sale of a 60% stake in the **Cahua hydroelectric plant** until after the April 9 elections. Tenders are due April 25 and it is expected that shares will change hands on May 23. The 40MW plant will be the first part of the state-owned electric company, Electroperu, to be privatized.

The Cahua facility was slated to go on the auction block as of April 27. The government set a minimum price of $21.12m for the 60% stake in the company. Seven companies have qualified for the tender.

**Headline:**
State Sell-Off Walks a Tightrope Cahua Sale Moved Back
Cahua on the Block

**Source:**
*Lagniappe Letter March 17, 1995 Project Finance International March 16, 1995*

**Activity Date:** 3 1995

The **Cahua** facility was slated to go on the auction block as of April 27. The government set a minimum price of $21.12m for the 60% stake in the company. Seven companies have qualified for the tender.

**Headline:**
Cahua on the Block

**Source:**
*Project Finance International April 27, 1995*

**Activity Date:** 4 1995

The **Cahua** facility was slated to go on the auction block as of April 27. The government set a minimum price of $21.12m for the 60% stake in the company. Seven companies have qualified for the tender.

Sindicato Pesquero, a Peruvian fishing company, won the bid for a 60% stake in the **Cahua hydroelectric plant**.

Sindicato Pesquero, a Peruvian fishing company, won the bid for a 60% stake in the **Cahua hydroelectric plant**. Sindicato Pesquero won with a bid of $41.8m, though the minimum sale price established by the government was only $21.12m. The government, which still holds 40% of Cahua, is planning to sell and additional 30% of equity via public offer while transfering the remaining 10% to company employees.

**Headline:** Cahua on the Block

**Source:** *Project Finance International April 27, 1995*

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## Cajamarquilla

**Activity Date:** 9 1993

In September, it was announced that Minero Peru S.A., the Peruvian Government's holding company for mining activities, will sell the Cajamarquilla Zinc Refinery. It will be sold through public auction in the 1st quarter of 1994. Information can be obtained from Minero Peru S.A., Morgan Grenfell & Co, Ltd., and Proinversion S.A.

**Headline:** Minero Peru S.A.

**Source:** *Financial Times September 29, 1993*

**Activity Date:** 1994

**Cajamrquilla**, a zinc refinery, is to be sold off. It is just one of half a dozen of Zinc refineries in Latin America, constructed at a cost of $309m by Syberta of Belgium, the mine has an installed capacity of 101,500 tonnes of refined zinc. Under normal conditions the plant operates at a 90% capacity. Last year sales topped $85m. Fourteen companies have prequalified for the purchase, two of them zinc purchasing Peruvian operations.

**Headline:** Magma Bid Wins Peruvian Copper Prize

**Source:** *Financial Times October 7, 1994*

**Activity Date:** 9 1994

The Peruvian government announced in September that the **Cajamarquilla Zinc Refinery** may be included in an upcoming auction of mining assets. The bid requirements include $40 million in debt paper, a minimum of $120 million in cash over 14 years and, for the winner, investment of $20 million in the next 4 years. Interested bidders include Cominco (Canada), Marubeni (Japan), both Penoles and Frisco (Mexico), INGA (Brazil) and Montagu Mining (Britain). Morgan Grenfell is advising on the sale.

**Headline:** Mining Assets Steer New Auction Drive: Investors Line Up

**Source:** *Lagniappe Letter September 30, 1994*

**Activity Date:** 9 1994

It was reported in September that debt paper will be accepted as part payment in the September 30 offering of shares in **Cajamarquilla**, a zinc refinery owned by Mineroperu. A fixed amount of debt paper will be requested at face value and the winning bid will be the bid with the highest cash offer on top. Six companies including Canada's Cominoc, Marubeni of Japan, Britain's RTZ, INGA of Brazil and a local producer, IEQSA, are said to be most seriously interested. Morgan Grenfell is handling the auction.

**Headline:** Peru Banks

**Source:** *Privatisation International September 1994*

**Activity Date:** 11 1994

On November 4, 1994 Canadian-based Comico and Japanese-based Marubeni bought Peru's state owned **Cajamarquilla** zinc refinery for $193m. Comico will pay $41m in cash, $40m in Peruvian debt paper and 28 installments of $4m each, as well as a guarantee to invest $20m over 4 years. Comico holds 83% of the consortium and Marubeni 17%. The bid was $33m higher than the set auction price. Plans for the future include the expansion of capacity to 140,000 tonnes of refined zinc a year, up from the current 100,000 tonnes.

**Headline:** Comico Consortium Buys Peru Zinc Refinery for US$193m.

**Source:** *Knight-Ridder/ Tribune Business News November 4, 1994*

**Activity Date:** 11 1994

An international consortium, Marubeni-Comico, composed of Marubeni (Japan) 17%, and Comico (Canada) 83%, has purchased the **Cajamarquilla** zinc refinery for $193 million. Murubeni will assume the company's debt. Their bid was amde up of the following US$41m in cash, US$112 m in deffered cash payments, structured as a 14 year annuity with a 15% interest, US$ 40m of Peruvian external debt paper, and a US$ 20m investment commitment over 4 years. Their bid was US$ 33m higher than the set auction price.

**Headline:**

**Source:**

**Headline:**
Company Watch

**Source:**
*Business Latin America November 28,1994*

**Activity Date:** 1 1995

The Peruvian government sold the **Cajamarquilla** zinc mine to Cominco of Vancouver and Marubeni Corp. of Tokyo. The agreement provided for a sale price of $133m in cash (spread over 14 years), $40m in debt paper and promised investment of $20m over the next four years. Cominco owns 83% of the mine while Marubeni Corp. holds the remaining 17%.

**Headline:**
Zinc-Mine Sale

**Source:**
*U.S./Latin Trade January 1995*

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**Cemento Yura and Cementos Sur**

**Activity Date:** 12 1993

It was announced in December 1993 that **Cementos Sur** and **Cemento Yura** are on the list of Peruvian companies to be privatized. These two companies are the two main suppliers of cement in Southern Peru.

**Headline:**
Major Forthcoming Privatization Projects--Secondary Industries: Cemento Yura

**Source:**
*Far Eastern Economic Review December 2, 1993*

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**Cementos Lima, Cemento Norte Pacasmayo, Cemento**

**Activity Date:** 12 1993

In December 1993, it was announced that **Cementos Lima** is on the list of Peruvian enterprises to be privatized. The state owns 48.9% of the company's capital. The cement company already trades on the market as it is partially owned by a local group. Under the terms of the privatization, that group will be awarded an additional 10% holding in Cementos Lima. The governments remaining 38% share will be put up for public offering. The company, which supplies over 40% of the country's total demand, is valued at around $320 million and should grow with an expected building boom in the coming years.

**Headline:**
Major Forthcoming Privatization Projects

**Source:**
*Far Eastern Economic Review December 2, 1993*

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**Cementos Lima S.A.**

**Activity Date:** 6 1994

The Peruvian government has scheduled a June15 sale of shares in **Cementos Lima S.A.**. The government is preparing to sell a 38.87% stake via a Dutch auction on domestic and international markets and an additional 10% stake to the company's current private shareholders. The 308,843 shares are expected to sell for $200 per share. Banker's Trust will be advising COPRI, the government privatization committee, on the sale. Despite the fact that 51% of the company's shares are in the public's hands, the shares won't be registered on the Lima stock exchange until after the June 15 sale.

On June 15, Peru's privatization commission, COPRI, successfully sold the government's 39% share in **Cementos Lima S.A.** via a Dutch auction lasting six hours and bringing in a final sale price of $82 million. The inital protests by Lima's stockbrokers over COPRI's decision to conduct the sale via a Dutch auction was tempered by the fact that the auction earned a share price of $266 per share, higher than the expected $196.50 per share. Shares were also offered simultaneously in New York and in international markets. This sales mechanism may well be used again in the upcoming sale of Cementos Norte Pacasmayo, Peru's second largest cement producer.

**Headline:**
Dutch Auction For Cementos Lima is a Big Success

**Source:**
*Project Finance International June 6, 1994*

**Activity Date:** 6 1994

In an effort to stabilize the country's privatization program, the government of Peru announced in June plans to divest 38.9% of its 48.5% share in **Cementos Lima S.A.**, the state cement maker. Cementos Lima owns limestone reserves good for at least 50 years in production. It also reported profits of $8.6 million on revenues of $73.9 million in 1993. The company, which controls 42% of the cement market in Peru, is expected to sell at a minimum of $60.7 million, but analysts expect the company to go for 50% above that price.

The privatization of Cementos Lima will involve auctioning 308,843 common shares at a reference price o f $196.50 a share. The remaing 9.6% of the government's holdings in the company will be sold to Sindicate de Inversiones y

share. The remaing 9.6% of the government's holdings in the company will be sold to Sindicate de Inversiones y Administracion, the majority owners in the firm.

**Headline:** Peru to Market Stake in Nation's Top Cement Firm

**Source:** *The Wall Street Journal*

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**Cementos Norte Pacasmayo**

**Activity Date:** 1994

Peru's Citizen Participation Program has been launched as the government is projected to allow more than 100,000 people to aquire equity in privatized state firms within the next two years. The first company to join this scheme is cement manufacturer **Cementos NortePacasmayo.** A total of 4 million shares will be sold.

**Headline:** Management Alert

**Source:** *Business Latin America November 28, 1994*

**Activity Date:** 1995

The Peruvian government has begun the second phase of its privatization program by turning thousands of ordinary Peruvian citizens into stockholders. This project, led by the Participacion Ciudadana en el Proceso de Privatizacion, hopes to eventually attract 250,000 people. The first example of this was the sale of the government's 49% stake in **Cementos Norte Pacasmayo**. Last November, 7% of Pacasmayo's shares were offered in a deal coordinated by Banco Continental and, in order to entice investors, it was arranged so that buyers could put 10% down and pay the remainder over the next 3 years. The offering was concluded in 4 hours. A second, 4% tranche was offered in December and sold completely in 40 minutes. The two sales netted the government $20m and created 7, 258 new shareholders. The remainding shares are expected to be sold in June by a process in which Peruvians can call in their orders. This sale has been such an overwhelming success that the government is now looking for advisors to help with the sale of the remaining state-owned shares through the mass distribution program.

**Headline:** Share and Share Alike

**Source:** *Global Finance May 1995*

**Activity Date:** 7 1995

In June, the Peruvian government sold its remaining 19% stake in **Cementos Norte Pacasmayo** via public auction. There was strong investor interest in the shares, which sold for $36.80 each a price higher than the original reference price. The British broker, Smith New Court, purchased one-third of the available shares. **ENATA**, the Peruvian tobacco company, is also slated for privatization in September.

**Headline:** Privatization Resumes

**Source:** *Business Monitor International July 1995*

**Activity Date:** 11 1995

It was announced in December that Peru's "citizen participation" scheme has gotten off to a good start with the sale of 4 million shares in the state-owned cement company, **Cementos Norte Pacasmayo**. The sale which lasted only 4 hours, left many small investors disappointed. Stemming from the success of the sale, the Peruvian privatization agency has announced that it plans to sell another similar stake in the company with individuals able to purchase up to approximately $4,500 worth by paying 10% down and the remainder by installment over the next three years. The state's remaining 30% in the company is expected to be sold via "Dutch auction" sometime early this year.

**Headline:** Public Snaps Up Privatized Cement Maker

**Source:** *Lagniappe Letter December 9, 1995*

## Cementos Yura

**Activity Date:** 2 1994

The Peruvian government sold **Cementos Yura** to the Rodriguez group in late February 1994. The sale of the profitable cement producer was highly contested as the group's bid of $67 million beat out the $62 million offer by expected future owner Cementos Bio-Bio of Chile. The sale price was nearly double the base price listed for the firm. The Rodriguez group, best known as the manufacturer of Leche Gloria, Peru's leading evaporated milk, will assume a $24 millon debt payable over 8 years with the state development corporation, Cofide.

**Headline:**
Cement Plant Sold

**Source:**
*Lagniappe Letter* *March 4, 1994*

## Centromin

**Activity Date:** 3 1993

It was announced in March that the government of Peru plans to privatize the mining and refining company, Centromin. The company's assets include the La Oroya metallurgical complex and seven metallic mines. Annual sales have been estimated at about $400 million. It is expected that more than one investor will participate in the privatization of Centromin.

**Headline:**

**Source:**
*Lagniappe Letter*

**Activity Date:** 7 1993

The **Centromin** mine has been targeted for privatization this year, evident through the government's search for potential investors. The mine is one of the largest in Peru, consisting of six polymetallic mines and one copper mine, four hydroelectric plants with a 183MW generating capacity, and the La Oroya metallurgical complex. The mine will be sold as a single unit and will go on the auction block early this year (1994).

In 1992, the mine's sales averaged about $405 million dollars. During that year, the number of employees was reduced from 19,000 to 12,500 along with payroll dropping from $148 million to $112 million. The company's debt was also reduced to $21 million from $131 million. The Chase Manhattan Bank, NA and Coopers and Lybrand are advising and promoting the transaction.

**Headline:**
Mining Properties Are Being Readied for Privatization

**Source:**
*Lagniappe Letter July 9, 1993*

**Activity Date:** 9 1993

The government of Peru plans to privatize the mining and refining company, Centromin Peru S.A. The company's assets include the La Oroya metallurgical complex and seven metallic mines. Annual sales have been estimated at about $400 million. One hundred-sixty firms have been invited to participate in the process. The winners are expected to be announced in early August. Chase Manhattan Bank and Coopers & Lybrand are acting as co-advisers for the sale.

**Headline:**
Privatization Update... In the News

**Source:**
*Latin Finance July/August 1993*

**Activity Date:** 3 1994

**Centromin**, the Peruvian mining operation, will be sold on March 10 for a base price of $280 million in cash and the purchase of $60 million in debt. Centromin officials expect bids from RTZ of Britain, Penoles of Mexico, and Gencor of South Africa. The use of debt swaps accepted at full face value is being encouraged in the Peruvian privatization program, freeing up approximately $10.2 billion of the $23 billion owed for privatization, according to the Economy Minister.

**Headline:**
Privatization Rules Include Use of Debt

**Source:**
*Lagniappe Letter February 18, 1994*

**Activity Date:** 4 1994

President Fujimori plans to push ahead with privatization as he gears up for upcoming elections. Upcoming sell offs

1994

President Fujimori plans to push ahead with privatization as he gears up for upcoming elections. Upcoming sell offs include the mining and refining giant **Centromin**.

**Headline:**
Presidential Challenger Has Fujimori Shifting into Election Gear

**Source:**
*Lagniappe Letter April 29, 1994*

**Activity Date:** 5 1994

## *Buyers Steer Clear of Centromin*

Project Finance International May 26, 1994

Efforts to privatize **Centromin**, a state-owned mining and refining company, resulted in failure on May 10 when no bids were submitted by interested investors. The Peruvian privatization commission, Copri, expected to receive offers from front-runner RTZ of Britian, Penoles, a Mexican mining firm, and Waverly Investments of Edinburgh. However, complications involving environmental damage in the central valley caused by Centromin proved to be a deterrent for bids.

Centromin was initially put up for sale at a price of $280 million in cash, $60 million in debt paper, and a $240 million investment commitment. Centromin has annual sales of $400 million and employs 12,000 people. Copri plans to revise its offer contract with a reduction in the base price. The sales revision may include a debt-for-environment swap in which the new owner would be responsible for closing down the La Oroya smelter-refinery and build a new one to meet international environmental standards. The government is also considering selling the company off in pieces to downsize the liability concerning environmental damages caused by the firm.

**Headline:**
Environmental Tangles Sink Centromin Sale

**Source:**
*Lagniappe Letter May 27,1994*

**Activity Date:** 1995

The Peruvian government is seeking an advisor for the privatization of the mining company **Centromin**. Six firms are currently being considered and a decision is expected by the end of April. This is the government's second attempt to privatize the company as the first was unsuccessful because of the high price and the environmental liability that was to be assumed by the buyer. In the second round, the environmental liability factor will be removed, thus making the offer more attractive.

**Headline:**
Centromin Advisor

**Source:**
*Project Finance International April 27, 1995*

**Activity Date:** 1995

The Peruvian government will begin selling off segments of **Centromin,** the country's largest producer of zinc, lead, and silver, in August, 1995. The company had net profits of $4.6m last year.

**Headline:**
Fujimori Win Cements Reform
but Prompts Delay in Oil Privatization

**Source:**
*Business Monitor International May 1995*

**Activity Date:** 6 1995

In Peru, Credit Suisse First Boston has been selected to advise on the privatization of the state-owned mining company, **Centromin**. The bank will work with officials to establish values for each of Centromin's production units which will then be sold piecemeal. The bank will also assist in devising a privatization scheme to be approved by the privatization commission, COPRI.

The Peruvian privatization commission COPRI has hired CS First Boston to act as advisor in the privatization of Centromin, the state owned mining company. However, the award was made amid allegations that CS First Boston made a bid far below that of any of its competitors.

**Headline:**
Profitable Opportunities in Mining

**Source:**
*Business Monitor International June 1995*

*Business Monitor International June 1995*

**Activity Date:** 10 1995

Juan Antonio Assareto, president of **Empresa Minera del Centro** (Centromin), anticipates that the company's privatization will be complete by October 1996. A potential hurdle is determining how to privatize the company's four hydroelectric plants, which currently provide power for the mines. One solution calls for selling the plants to the buyers of the respective mines. The company's privatization plan involves selling the mines individually, with the Cerro de Pasco polymetalic mine and the Antamina copper mine expected to generate the greatest interest. Centromin's San Cristobal mine and La Oroyo refinery are also included in the privatization scheme. CS First Boston and Macroinvest are advising and are expected to issue their report on October 3.

Centromin's Antamina polymetalic mine, the first of company's assets to be privatized, will go on the block in February. Following Antamina's sell off, the following facilities are expected to be privatized: Toromocho, Cerro de Pasco, Cobriza and San Cristobal, Casapalca, Morococha, and Yauricocha. A detailed timetable is expected to be released soon.

**Headline:**
Centromin Progress

**Source:**
*Project Finance International September 27, 1995*

**Activity Date:** 11 1995

**Several units of Centromin**, the Peruvian mining company, were expected to be privatized on December 18.

**Headline:**
Still on Track

**Source:**
*Latin Finance November 1995*

**Activity Date:** 1 1996

Inversiones Mineras del Sur, a unit of Buenaventura, submitted the only bid for **Centromin** in its tender for five of its small gold properties located in southern Peru. The government-set minimum price of $900,000 for the five assets, has discouraged potential investors. Centromin's first attempt to privatize in 1994 failed due to its high price and environmental liabilities. Subsequently, the government decided to sell off the firm in pieces, hiring CS First Boston and Macroinvest to advise in the process.s.

Bidding for five gold prospects belonging to **Centromin**, the largest state-owned mining company, are scheduled for January 24. The government plans to fully privatize Centromin, which encompasses seven mines and a metallurgical complex, by the end of 1996.

**Headline:**
One Bid for Centromin

**Source:**
*Project Finance International January 31, 1996*

**Activity Date:** 4 1996

The bid for Siderperu included a minimum $26m on investment and the consortium of Acerco, Banco Wiese, and Stanton Capital will spend $8-10m this year on the plant. Petroperu, the state-run oil company, has started the process of privatizing its La Pampilla refinery which will be followed by the sale of a 60% stake in the Talara refinery in July. Petroperu has not specified when the La Pamilla refinery will be sold or the basis on which the price will be set. The North Peruvian oil pipeline is slated for privatization in August, with sea terminals and the Conchan refinery to be sold in December. The government is set to sell a 60% stake in the Egenor electrical power-generating firm in June. Business leaders formally requested that state port facilities be privatized to help boost external trade.

The sale of the lubricants unit Petrolube, which would begin the long-awaited piecemeal privatization of Petroperu, may be delayed. No base price or date for the sale has been set, though six foreign firms have bought the bid details. Workers at the state mining company **Centromin** threatened to take action against the government's planned piecemeal privatization of the company.

**Headline:**
Privatization Met with Continuing Strikes

**Source:**
*Business Monitor International April, 1996*

## Cerro Verde Copper Deposits

**Activity Date:** 10 1993

**Cerro Verde**, one of the largest copper mines in Peru, is scheduled for sale October 13; 1993. Nineteen companies, both foreign and domestic, have prequalified for the the bidding process and the prequalification process is now closed. The minimum price will be set a month before the sale. The sale is to be engaged by Minero Peru S.A., the Peruvian Government's holding company for mining activities.

It was announced in October that the bidding on the deposit is on November 10,1993. Cyprus Minerals of the U.S. and Metal Mining of Canada are in the running.

**Headline:**
Privatization Update... In the News

**Source:**
*Latin Finance July/August 1993*

**Activity Date:** 11 1993

Peru opened up its mining properties for privatization in 1993 with the sale of the **Cerro Verde copper deposits** to Cyprus Mineral. Initially, a lot of interest was observed in the sale of the deposits, which attracted nineteen international bidders. Some of the potential investors included US-based Cyprus Exploration and Development, Magma Copper of the US, Lac Minerals of Canada, Mitsu of Japan, and Chile's Compania Minera del Pacifico. The sale price of $7 million in cash and a commitment to invest $485 million over the next five years exceeded the set base price, yet the sale fell short of expectations as only one of the nineteen prequalifiers, Cyprus Mineral, actually submitted a bid. The mine has copper reserves of 654,00 metric tons at 0.74% copper content.

**Headline:**
Government Blesses Use of Debt Paper for Privatizations

**Source:**
*Lagniappe Letter November 26, 1993*

**Activity Date:** 1 1994

U.S. based Cyprus Minerals paid $37 million in cash for the $485 million investment in the state-owned copper deposits of **Cerro Verde.**

**Headline:**
Cerro Verde Copper Deposits

**Source:**
*Lagniappe Quarterly Monitor January 31, 1994*

## Chao Agroindustrial Complex

**Activity Date:** 12 1993

In December 1993, it was announced that the **Chao Agroindustrial Complex** is on the list of Peruvian enterprises to be privatized.

**Headline:**
Major Forthcoming Privatization Projects--Secondary Industries: Chao Agroindustrial Complex.

**Source:**
*Far Eastern Economic Review December 2, 1993.*

## Compania de Mineo Bueneventura

**Activity Date:** 1991

An 8 percent stake was sold in the Peruvian **Compania de Mineo Bueneventura** for $1.5 million.

**Headline:**

**Source:**
*World Bank - FS*

## Compañia Peruana de Teléfonos (CPT)

**Activity Date:** 8 1993

In August, it was announced that Entel and CPT, the telecommunications twins in Peru are to be sold as one unit. The Cepri-Telecom (privatization committee in charge of the CPT sale) expects to announce pre-qualifiers on August 20, 1993 and expect the sale to occur in early December. This privatization is to insure a massive influx of capital to triple the current number of telephone lines over a ten year period. The Cepri expects bids from Telefonica de Espana, GTE, AT&T, South Western Bell, Korean Telecomm, and NTT. Cooppers & Lybrand and New York-based Baker & MacKenzie are advising on the legal framework.

**Headline:**
Investors Prequalify for Peru Sales

**Source:**
*Privatisation International August 1993*

**Activity Date:** 9 1993

It was reported in August that the government of Peru will begin the process of selling Compañia Peruana de Teléfonos (CPT) along with Entel Peru S.A., two telephone companies together controlling 90% of the telephone lines. Prequalification bids were due on August 10, with the final decision of the sale to come in December. All of the CPT shares and 20% of Entel Peru S.A. shares will be sold. The government is hoping to attract the bids of Alcatel, Ericsson, Siemens and NEC, who supply equipment to the company. CPT has average annual sales of $250 million. Coopers & Lybrand along with Morgan Grenfell will conduct a valuation study.

**Headline:**
Privatization Update

**Source:**
*Latin Finance July/August 1993*

**Activity Date:** 9 1993

It was reported in August that the government of Peru will begin the process of selling **Compañia Peruana de Teléfonos (CPT)** along with **Entel Peru S.A.**, two telephone companies together controlling 90% of the telephone lines. Prequalification bids were due on August 10, with the final decision of the sale to come in December. The 20% majority stake Peru owns in CPT and 20% of Entel Peru S.A. shares will be sold. The government is hoping to attract the bids of Alcatel, Ericsson, Siemens and NEC, who supply equipment to the company. CPT has average annual sales of $250 million. Coopers & Lybrand along with Morgan Grenfell will conduct a valuation study.

**Headline:**
Telecomm Privatization

**Source:**
*Lagniappe Letter March 3, 1993*

**Activity Date:** 2 1995

Telefonica de Espana (TE) significantly outbid its rivals in offering $2 billion for **CPT** and **Entel**, Peru's state-owned telecommunications enterprises. A new company, Telefonica Peru, has been created and Telefonica de Espana owns 85% and each of the Peruvian firms 5%. The sales agreement also includes provision for the insallation of 1.5 million new lines and requires phone service for every village with more than 500 people. TE defeated GTE of the US and a consortium led by Southwestern Bell and Korea Telecom in their attempts to purchase the Peruvian enterprises. Peru's President Alberto Fujimori hailed the sale as a great success.

**Headline:**
Peru's CPT and Entel Fetch $2 billion

**Source:**
*Privatisationa International March 1994*

## Complejo de Chao

**Activity Date:** 1993

Peru plans to privatize **Complejo de Chao**, an agricultural company.

**Headline:**

**Source:**
*Euromoney July 1993*

## Conchan Refinery

**Activity Date:** 7 1992

In July 1992, the Conchan refinery failed to sell at the minimum price of $8.0 million. Only one bidder, Asphaltos Chilenos, a small Chilean group, filed an offer. In spite of Conchan's near monopoly in asphalt production in the central coast region, the sole bid was 15% less than the minimum price, which prompted the withdrawal of the sale. A new auction is scheduled in September.

**Headline:**

**Source:**
*LL 7/92*

## Condestable Copper Mine

**Activity Date:** 5 1992

In September, it was announced that Minero Peru S.A., the Peruvian Government's holding company for mining activities, sold the Condestable Copper Mine on May 26, 1992. Further information can be obtained from Minero Peru S.A., Morgan Grenfell & Co, Ltd., and Proinversion S.A.

**Headline:**
Minero Peru S.A.

**Source:**
*Financial Times September 29, 1993*

**Activity Date:** 5 1992

**Condestable**, a copper mine, become the first wholly-owned state mining company to be privatized on May 26. An undisclosed bidder paid $1.3 million for 80% of the company's equity in an auction on the Lima stock exchange. The remaining 20% of the company is reserved for employees. Possible bidders were reported to be Marc Rich and Company, Sociedad Minera Pudahuel of Chile, and the Hochschild group of Peru.

**Headline:**

**Source:**
*LL 5/92*

## Copes

**Activity Date:** 1993

The Peruvian government announced its plan to privatize **Copes**, a company in the food sector.

**Headline:**

**Source:**
*Euromoney July 1993*

## CORPAC

**Activity Date:** 1993

The Peruvian government announced its plan to privatize **CORPAC**, an airport.

**Headline:**

**Source:**
*Euromoney July 1993*

## Edegel

**Activity Date:** 8 1994

The Peruvian government announced in August that the remaining branch of Electrolima, the generating operation known as **Edegel**, is scheduled for aution on September 30. It is expected that there will be a great deal of interest from bidders due to the potential for growth and investment stemming from Peru's current shortage of electrical power. Edegel currently consists of five hydroelectric plants, ranging from 258 to 30 megawatts in size, and supplies a portion of Lima's electric power.

**Headline:**
Peru Launches Sale of Electricity Companies

**Source:**
*Privatisation International August 1994*

**Activity Date:** 10 1995

The government of Peru announced the sale of a 60% stake in the electricity company, **Edegel**, to Chile's Endesa. The sale attracted offers from four consortia: Generandes led by Entergy Power Development of the US and Endesa of Chile with two small Peruvian partners; Inversora Electrica Andina comprised of Spain's Iberdrola, Tractebel of Belgium, France's EDF and Houston Industries of the US; Comangen made up of CMS Energy and Coastal Power of

Belgium, France's EDF and Houston Industries of the US; Comangen made up of CMS Energy and Coastal Power of the US along with Britain's PowerGen; and Peruvian Light and Power. The base price for the variable cash element was set at $273m, substantially lower than price originally sought when the sale was first announced last year. Edegel, which consists of five hydro plants and one 150MW thermal generator, had profits of $23m for the first eight months of 1995 and currently has assets valued at $320m.

The Generandes consortium won the 60% stake by submitting a $524.45m bid, which includes $100m in Peruvian debt. Terms of the transaction require Generandes to add 100MW of generating capacity to the preexisting system. Edegel's remaining 40% stake will be offered to employees and to the public.

**Headline:** Edegel to Generandes

**Source:** *Project Finance International October 25, 1995*

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**Edelnor**

**Activity Date:** 11 1994

Southern Electric has bought another 21% share in the Edelnor electric company, raising it's stake to 59%. Corfo, the state development corporation received $58.5 million for the sale. Privatization of Edelnor is also taking place on the Peruvian bourse, where another 30% of the government owned stock is being auctioned for $86.4 million, or $1.25 per share.

**Headline:** Southern Electric Ups Edelnor Holdings

**Source:** *Lagniappe Letter December 9, 1994*

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**Edelsur and Edelnor**

**Activity Date:** 7 1994

Lima's two electricity distribution companies, **Edelsur** and **Edelnor** will be auctioned off on July 12, 1994. Four consortia have applied to bid: Ontario-Quinta; Central South West Corporation of the U.S.; Inversiones Distrilima S.A., Enersis of Chile, Endesa of Spain and five Peruvian companies mostly linked to the Banco de Credito group; and Perlec S.A.. The consortia may bid for both companies but will be awarded only one. The government will sell a 60% controlling stake with 10% offered to Electrolima workers. The remaining shares will likely be sold later via a stock exchange auction.

**Headline:** Power Auctions This Month

**Source:** *Privatisation International July 1994*

**Activity Date:** 7 1994

The July 12 auction for a 60% stake in two state electricity-distribution companies, **Edelsur** and **Edelnor** resulted in a final sale price of $388.5 million. Edelnor was purchased by a consortium including Edesa (Spain) and Enersis and Chilectra (Chile). Edelsur was sold to a group consisting of Ontario Hydro (Canada) and Chilquinta (Chile). Plans are in the works for a 60% share of Edegel, Lima's electricity-generating firm, to be sold in September.

**Headline:** Management Alert: Peru

**Source:** *Business Latin America July 25, 1994*

## Egenor

**Activity Date:** 4 1996

The bid for Siderperu included a minimum $26m on investment and the consortium of Acerco, Banco Wiese, and Stanton Capital will spend $8-10m this year on the plant. Petroperu, the state-run oil company, has started the process of privatizing its La Pampilla refinery which will be followed by the sale of a 60% stake in the Talara refinery in July. Petroperu has not specified when the La Pamilla refinery will be sold or the basis on which the price will be set. The North Peruvian oil pipeline is slated for privatization in August, with sea terminals and the Conchan refinery to be sold in December. The government is set to sell a 60% stake in the **Egenor** electrical power-generating firm in June. Business leaders formally requested that state port facilities be privatized to help boost external trade.

The sale of the lubricants unit Petrolube, which would begin the long-awaited piecemeal privatization of Petroperu, may be delayed. No base price or date for the sale has been set, though six foreign firms have bought the bid details. Workers at the state mining company Centromin threatened to take action against the government's planned piecemeal privatization of the company.

**Headline:**
Privatization Met with Continuing Strikes

**Source:**
*Business Monitor International April, 1996*

## Electro Lima

**Activity Date:** 1992

The Electo-Lima S.A. is a state-owned electricity company which is to be privatized. It is possibly split into two enterprises for electricity production and distribution.
ElectroPeru S.A. which produces and distributes electricity to most of Peru outside the capital, is to be sold off after a reorganization into several companies to introduce competition after three to six months. The nine regional government power companies are to be privatized gradually. The value of all state-owned power sector assets is about $10 billion.

**Headline:**

**Source:**
*WSJ 6/8/92*

**Activity Date:** 1993

Peru announced its plan in March to sell **ElectroLima**, the capital city's power generating and supply company. The IFC and Coopers & Lybrand will serve as advisers. It is expected that the distribution side will be sold first, followed by the generation facilities.

**Headline:**
Power Sell-Offs Scheduled for this Summer

**Source:**
*Project Finance International March 31, 1994*

**Activity Date:** 9 1993

In September, the government of Peru announced the privatization of Electro Lima, one of Peru's largest electrical utilities, along with Electro Peru. Electro Lima comprises the distribution to the metropolitan region of Lima, and it consists of hydro- and thermal-generation units. As part of its privatization program, the Government of Peru has decided to restructure and privatize the Peruvian electrical sector and could result in a large expansion of supply. Currently, demand far exceeds supply. Electro Lima currently supplies power to approximately 7 million people and Electro Peru supplies electricity to approximately the remaining 70% of tPeru. Interested parties include Enersis (a Chilean utility company) and Chilgener (a Chilean utility company). This transaction will be the first set of transactions in this process.

**Headline:**
Electro Lima

**Source:**
*Financial Times September 29, 1993*

**Electroperu**

**Activity Date:** 11 1993

In June 1993, it was announced that **Electro Peru** is a candidate for upcoming privatization this summer of 1993. Chilean and Italian firms have demonstrated interest in participating. It is predicted that the privatization of this firm, along with others, will result in a large expansion of supply for a region with high demands for energy and low supply. The Chilean firms interested are Enersis and Chilgener.

**Headline:**
Project Finance: Peru's Energy Opening Fosters Interest in New Investment

**Source:**
*Americas Trade & Finance June 1993*

**Activity Date:** 3 1994

It was reported in March 1994 that a NM Rothschild led consortium will serve as adviser for the restructuring and privatization of Central-North Interconnected System of **Electroperu.** NM Rothschild estimates that the sale of the electric company will bring between $800 million to $1.2 billion in a public offering that will occur in the next twelve months. Sixty percent of the concern will be sold to prequalified bidders, 30% will be offered publicly and the remaining 10% will be reserved for employees. The Central-North system has a capacity of 1,584MW and consists of five hydrogenerating units and three thermal units.

**Headline:**
Electroperu Taps Rothschild

**Source:**
*Project Finance International February 4, 1994*

**Activity Date:** 6 1994

Plans for the privatization of **Electroperu** were announced in June as part of an overall strategy to increase the production of electrical power for which there is increasing demand. Following the theory that specialization in a particular area yields a competitive advantage and more efficient production, Electroperu will be divided into several operations (ie. generation, transmission and distribution) and sold to investors specializing in these areas.

Prior to the sale of Electroperu will be the sale of **Electrolima's** distribution system this month. Follow up sales will be held for its generating and transmission systems. It is hoped that by separating the sales of Electroperu and Electrolima and prohibiting successful bidders for Electrolima to bid for the distribution assets of Electroperu, potential conflicts or monopolies may be avoided.

The sale of Electroperu operations will be staggered. One early sale will be **Empresa de Transmision Centro Norte** (ETECEN), a holding company for transmision operations. Later sales will consist of the three thermal units, the Chimbote plant 250 miles north of Lima, the Trujillo unit 300 miles north of Lima and the Vantanilla unit in Callao. N.M. Rothschild & Sons of London has been appointed advisor to the sale.

**Headline:**
Electroperu's High-Profile Privatization

**Source:**
*Global Finance June 1994*

**Activity Date:** 7 1994

It was announced in July that the first and largest of **Electroperu's** 11 regional generation and distribution companies, the interconnected northern system (SICN), is being prepared for its upcoming sale. Three thermal plants will also be up for sale in Chimbote, Trujillo and Ventanilla. Electroperu is a profitable enterprise with assets in excess of $1 billion. N.M. Rothschild will be advising on the sale.

**Headline:**
Electricity Assets Are Going Fast; Oil Holdings Next

**Source:**
*Lagniappe Letter July 22, 1994*

**Activity Date:** 10 1994

The Peruvian government is expected to approve a timetable for the sale of **Electroperu**, which will sell off it's main assets during the remainder of 1994. According to NM Rothchild, which is advising the government, about 25 of the world's major power group have shown interest. The government will retain a 40% stake and later sell it on the Peruvian Stock Exchange.

**Headline:**
Twenty-Five Power Groups Vie for Electroperu

**Source:**
*Privatisation International October 1994*

*Privatisation International October 1994*

**Activity Date:** 8 1995

The Peruvian government announced that **Electroperu**, the nation's electicity company, will be opening up bids for **Ventanilla**, the country's newest power plant. The winning bid will be announced on October 17 and the percentage of shares the new owner will have will depend on the investment commitment. Ventanilla's new owner will control between 51% and 90% of the expanded facility. At least a 10% share will be reserved for employees.

**Headline:**
A New Generation in Peru

**Source:**
*Global Finance August 1995*

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**Empresa de Generacion de Electricidad de Lima**

**Activity Date:** 1994

The government of Peru is reconsidering all terms and conditions of its sale of **Empresa de Generacion de Electricidad Lima** (Edegel), the power generating arm of ElectroLima and the last arm of the company to be privatized. The government was supposed to auction Edegel on October 27, but moved the date back to November 3, then postponed it indefinitely. The government planned to sell a 60% stake in the company for $430m in cash and $100m in Peruvian debt. An Edegel official recently told reporters that the government hopes to close the deal by July 1995.

**Headline:**
Edegel Rethought

**Source:**
*Project Finance International November 10, 1994*

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**Empresa Minera Especial Tintaya S.A.**

**Activity Date:** 8 1994

The government announced in August that twenty-two companies or consortia have prequalified to bid on September 22 for a 100 percent stake in Peru's second largest copper mine, **Empresa Minera Especial Tintaya S.A.** No base price has been set, however, bidders will be required to invest $85 million in the mine over the next five years.

**Headline:**
Twenty -two Prequalify for Tintaya

**Source:**
*Project Finance International August 4, 1994*

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**Emsal**

**Activity Date:** 1993

Peru announced its plan to sell **Emsal**, a salt company.

**Headline:**

**Source:**
*Euromoney July 1993*

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**Enafer**

**Activity Date:** 12 1993

In December 1993, it was announced that **Enafer** is on the list of Peruvian enterprises to be privatized. It is a concession of railroad services.

**Headline:**
Major Forthcoming Privatization Projects--Services

**Source:**
*Far Eastern Economic Review December 2, 1993.*

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**ENAPU**

**Activity Date:** 1993

Peru announced its plan to sell **ENAPU** (ports).

**Headline:**

**Source:**
*Euromoney July 1993*

## Enata

**Activity Date:** 12 1993

In December 1993, it was announced that **Enata** is on the list of Peruvian enterprises to be privatized. It is a cigarette production and distribution company.

**Headline:**
Major Forthcoming Privatization Projects--Secondary Industries: Enata

**Source:**
*Far Eastern Economic Review December 2, 1993.*

**Activity Date:** 1995

In June, the Peruvian government sold its remaining 19% stake in **Cementos Norte Pacasmayo** via public auction. There was strong investor interest in the shares, which sold for $36.80 each, a price higher than the original reference price. The British broker Smith New Court purchased 1/3 of the available shares. In other news, **ENATA**, the Peruvian tobacco company is slated to be privatized in September and **Petroperu** is expected to finalize its privatization plans this month and begin selling its assets in Septmeber.

**Headline:**
Privatization Resumes

**Source:**
*Business Monitor International July 1995*

## ENCI

**Activity Date:** 1993

Peru announced its plan to sell **ENCI**, a fertilizer company.

**Headline:**

**Source:**
*Euromoney July 1993*

## Entel

**Activity Date:** 8 1993

In August, it was announced that Entel and CPT, the telecommunications twins in Peru are to be sold as one unit. The Cepri-Telecom (privatization committee in charge of the CPT sale) expects to announce pre-qualifiers on August 20, 1993 and expect the sale to occur in early December. This privatization is to insure a massive influx of capital to triple the current number of telephone lines over a ten year period. The Cepri expects bids from Telefonica de Espana, GTE, AT&T, South Western Bell, Korean Telecomm, and NTT. Cooppers & Lybrand and New York-based Baker & MacKenzie are advising on the legal framework.

**Headline:**
Investors Prequalify for Peru Sales

**Source:**
*Privatisation International August 1993*

**Activity Date:** 9 1993

In September, it was announced that **Entel** and **CPT** (CPT is the Lima telephone company), are to be sold as a single unit. The strategy for the privatization is designed to ensure investment in infrastructure to triple the current amount of phone lines in a ten year period. The Cepri-Telcom is the privatization committee in charge of the CPT sale. It will announce the prequalifiers on August 20,1993. The auction to follow will be held in December 1993. Telefonica de Espana, GTE, AT&T, SouthWestern Bell, Korean Telecom, and NTT have submitted bids. Coopers & Lybrand is advising on the legal framework.

In October, it was announced that the bids will be revealed in mid-December for 35% ownership of Entel and Compania Peruana de Telefonos (CPT).

**Headline:**
Eight Multinationals Line Up to Bid for Telephone Sale

**Source:**
*Lagniappe Letter September 17, 1993*

**Activity Date:** 2 1994

Telefonica de Espana (TE) significantly outbid its rivals in offering $2 billion for **CPT** and **Entel**, Peru's state-owned telecommunications enterprises. A new company, Telefonica Peru, has been created and Telefonica de Espana owns 85% and each of the Peruvian firms 5%. The sales agreement also includes provision for the insallation of 1.5 million new lines and requires phone service for every village with more than 500 people. TE defeated GTE of the US and a consortium led by Southwestern Bell and Korea Telecom in their attempts to purchase the Peruvian enterprises. Peru's President Alberto Fujimori hailed the sale as a great success.

**Headline:**

**Source:**

**Headline:**
Peru's CPT and Entel Fetch $2 billion

**Source:**
*Privatisationa International March 1994*

**Activity Date:** 3 1994

A consortium led by Telefonica de España bought controlling interest in Peru's phone system. The consortium paid $2 billion for a 35% share in the long distance carrier **Empresa Nacional de Telecomunicaciones del Peru (Entel)** and a 20% interest in the local server **Cia Peruana de Telefonos (CPT)**. The bid well surpased the floor price of $525 million and was 2.5 times greater than the bids submitted by the competing groups led by Southwestern Bell Corp. and GTE Corp. In the next five years, the new owner will enjoy monopoly rights but will also be required to boost investment to meet sales conditions. An expected $1bn-$1.5bn will be needed for the required expansion of services. The consortium's other members include the Weise Bank, construction company Grana y Montero, and brewer Backus and Johnston - all Peruvian partners with 5% stakes. The sale was run by Morgan Grenfell, with the aid of management consultants from Coopers and Lybrand.

**Headline:**
Peru Telecoms Go to Spanish Bidder

**Source:**
*Financial Times March 1, 1994*

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### Enturperu

**Activity Date:** 12 1993

In December 1993, it was announced that **Enturperu** is on the list of Peruvian enterprises to be privatized. Enturperu consists of a chain of hotels (39) and lodging facilities located in major tourist spots in Peru.

**Headline:**
Major Forthcoming Privatization Projects--Services

**Source:**
*Far Eastern Economic Review December 2, 1993.*

**Activity Date:** 9 1995

The last hotel in the **Enturperu** chain of tourist hotels has been sold. The government realized $45.8m in revenue from the sale of Enturperu's 33 hotels in 1995.

**Headline:**
More Progress on Privatization

**Source:**
*Business Monitor International September 1995*

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### Etecen and the Mantaro hydroelectric plant

**Activity Date:** 10 1994

The Peruvian government announced in October that it is planning to sell a 60% stake in **Etecen**, the north-central transmission line, the **Mantaro hydroelectric plant** and four smaller facilities, all of which are installations of the state power company, Electroperu. An additional 10% of shares will be sold to workers. To date, Chilean, US and European firms have expressed interest. The fate of the remaining 30% stake has yet to be determined.

**Headline:**
Management Alert: Peru

**Source:**
*Business Latin America October 10, 1994*

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### Etevensa

**Activity Date:** 11 1995

**Etevensa**, a 200 mw thermoelectric generating plant near Lima, was expected to be privatized on November 10.

**Headline:**
Still on Track

**Source:**
*Latin Finance November 1995*

**Activity Date:** 1 1996

The local unit of Spanish-owned Endesa and two Peruvian firms purchased the government's stake in **Etevensa**, a thermoelectric plant. The firms agreed to invest $121m to raise the output of the plant by 40% to 280MW.

**Headline:**
Privatization Forges Ahead

**Source:**
*Business Monitor International February 1996*

**Fertisa**

**Activity Date:** 1993

Peru announced its plan to sell **Fertisa**, a fertilizer company.

**Headline:**

**Source:**
*Euromoney July 1993*

**Five Gold Prospects and Mishki Gold Mine**

**Activity Date:** 11 1993

In September, it was announced that Minero Peru S.A., the Peruvian Government's holding company for mining activities, will sell five gold prospects and the Mishki Gold Mine. The five prospects are Huaquillas, Hualatatn, Jamarch, Colpar, and Pallacochas. They are to be sold by public auction in November 1993. Further information can be obtained from Minero Peru S.A., Morgan Grenfell & Co, Ltd., and Proinversion S.A.

**Headline:**
Minero Peru S.A.

**Source:**
*Financial Times September 29, 1993*

**Hierro Peru**

**Activity Date:** 1992

The consortium most likely to win the bid is heated by Compania de Aceros del Pacifico (CAP), a Chilean firm jointed by Mitsubishi of Japan and a Mexican steel company. About 6 foreign consortia want to bid for the iron concern which will earn about $67 million in 1992. The sale of **Hierro Peru** will mark the beginning of Peru's privatization of its mining concerns.

**Headline:**

**Source:**
*FT 10/21/92*

**Activity Date:** 1 1993

The iron producer **Hierro Peru** was privatized and sold in January 1993 to Shougang Corporation, China's largest steel manufacturer for $312 million. The purchase price alone was more than four times Peru's privatization revenues last year. Shougang has plans to set up a steel mill and an industrial complex to manufacture spare parts, and to ship raw iron out of Hierro Peru's deepwater port at San Nicolas.

**Headline:**

**Source:**
*FT 1/14/93*

**Hotels**

**Activity Date:** 9 1994

The government announced in September that it will auction its chain of 33 hotels, excluding the hotel at Machu Picchu and the luxury hotel at San Antonio Abad in Cuzco, which will be offered as 30 year concessions, on November 17. Expected revenues from the sales are $40m due to the heavy tourism levels this year (400,000 are expected). Top contenders to purchase the entire chain of hotels are Spain's Melia hotel group and Mexico's Situr, however, if less than three bidders compete for the chain, offers for packages will be accepted. Ernst & Young (USA) are advising on the sale.

**Headline:**
Mining Assets Steer New Auction Drive: Investors Line Up

**Source:**
*Lagniappe Letter September 30, 1994*

## ILO Copper Refinery

**Activity Date:** 11 1993

In September, it was announced that Minero Peru S.A., the Peruvian Government's holding company for mining activities, has started the prequalification for the **ILO Copper Refinery.** It is to be sold by public auction in November 1993. Further information can be obtained from Minero Peru S.A., Morgan Grenfell & Co, Ltd., and Proinversion S.A.

**Headline:** Minero Peru S.A.

**Source:** *Financial Times September 29, 1993*

**Activity Date:** 4 1994

In April, the Peruvian government sold the **ILO Copper Refinery** to the sole bidder, Southern Peru Copper. The refinery sold for $69 million, slightly above the base price of $67.5 million. Southern Peru Copper also promised to invest $20.2 million in the facility over the next three years. The Peruvians had tried once before to privatize the refinery, but no bidders would meet the $75 million base price. In that round, bidders included Cyprus Minerals, Marubent Corp., Mitsui Corp., and Montagu Mining Finance.

**Headline:** ILO Copper Refinery Sold

**Source:** *Project Finance International April, 1994*

## Interbanc

**Activity Date:** 6 1994

According to a June report, a base price of $45 million has been set for the mid-July auction of 52 million shares in **Interbanc**, Peru's third largest bank. Interbanc, with assets of $534 million and a net income of $2.6 million in 1993, holds 14% of the overall market share. It also has the second largest branch network and holds 25% of the consumer banking market.

Seven companies have bids for the sale: Banco Santander de Espana, Banco O'Higgins, Banco del Sud, Norandina, Ingeniera Financiera, Banco Latino, Banco del Sur and International Financial Holdings. The bank has reduced its staff by 35% and its bad loan portfolio from 14% of total loans in 1992 to 11.3% in 1993 in preparation for the sale.

**Headline:** Peru Govt Sets 45-million-dlr Base Price to Privatize State Ban

**Source:** *Knight-Ridder Financial News June 23, 1994*

**Activity Date:** 7 1994

COPRI, the Peruvian government's privatization commission, announced in July the purchase of Peru's fourth largest bank, Interbanc, by the consortium International Financial Holdings (IFH) for $51 million. The government had originally expected to receive 5 or 6 bids but with the last minute withdrawal of Spain's Banco de Santander and Chile's Banco O' Higgins, only three bids were received. The bid by IFH for $51 million and a pledge to spend an additional $30 million for modernization and capital expansion was selected over bids from two local bidders for approximately $45 million each. IFH will finance the purchase through a $60 million private placement of notes which will be convertible to Interbanc shares in five years. IFH is a consortium comprised of Darby Overseas, Bechtel Enterprises, Shetland Securities and shareholders linked to Chile's Banco Osorno and the private pension fund, Provida. Morgan Grenfell will be acting as IFH's financial advisor.

**Headline:** Brady in Peru Bank Investment

**Source:** *Financial Times July 22, 1994*

**Activity Date:** 9 1994

The Peruvian government in September announced that its third largest bank, **Interbanc**, had been sold to a consortium group that includes high profile individuals such as the former US Treasury Secretary Nicholas Brady, former Argentine Finance Undersecretary Daniel Marx and former Peruvian Economy Minister Carlos Rodriguez-Pastor. The winning bid included a sale price of $51 million (the base price was $45 million) and an additional $30 million in new investment to modernize and expand the institution. The financing for the deal will partially come from the proceeds of a $50 million private placement of a 6.5% exchangeable notes due in 1999. The notes, exchangeable for 4.1 million depository shares, represent 41 million Class B shares of IFH-Peru and are being sold under Rule 144A and Regulation S. Morgan Grenfell served as the financial advisor for the transaction.

**Headline:** In the Bank

**Source:** *Latin Finance September 1994*

*Latin Finance September 1994*

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**Jehuamarca Gold Deposit**

**Activity Date:** 2 1994

The Peruvian government sold Mineroperu's **Jehuamarca's gold deposit** to Placer Dome. The sale, which was completed in January 1994, raised $7.1 million dollars.

**Headline:**
International Overview - Peru

**Source:**
*Privatisation International February 1994*

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**La Granja Copper Deposit**

**Activity Date:** 9 1993

In September, it was announced that Minero Peru S.A., the Peruvian Government's holding company for mining activities, will sell La Granja Copper Deposit through public auction. Descriptive brochures can be obtained from Minero Peru S.A., Morgan Grenfell & Co, Ltd., and Proinversion S.A.

**Headline:**
Minero Peru S.A.

**Source:**
*Financial Times September 29, 1993*

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**La Pampilla and Talara refineries**

**Activity Date:** 11 1995

Peru is expected to sell two of Petroperu's main oil refineries, **La Pampilla and Talara**.

**Headline:**
Still on Track

**Source:**
*Latin Finance November 1995*

**Activity Date:** 3 1996

In order to assuage popular unrest concerning Peru's natural resources, the government is to retain golden shares in the **La Pampilla and Talara Refineries**. In addition, the government will have a say in the sale of other important national assets to third parties.

**Headline:**
Target is $1bn in 1996

**Source:**
*Financial Times March 7, 1996*

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**La Pampilla refinery**

**Activity Date:** 1 1995

The government of Peru is selling a majority stake in the **La Pampilla** refinery, a piece in the overall privatization of Petroperu, in Lima. Bids, due by January 24, are expected to be received from Repsol, Coastal, YPF, and Maravan, among others. In response to the announcement of the pending sale, 39% of the workers at the La Pampilla refinery went on a two day strike and 98% of workers at the Talara oil refinery also went on strike. The strikes have not affected productivity and the sale, the first of eleven that will constitute the privatization of Petroperu, is expected to proceed as planned.

**Headline:**
La Pampilla On the Block

**Source:**
*Project Finance International January 6, 1995*

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**macro**

**Activity Date:** 9 1994

In September it was announced that Chilean investors are among the most serious potential bidders for Edegel, the group of electricity generating plants servicing Lima. Chilean investors have also expressed interest in mining, manufacturing services, industry, and the financial sector. The Angelini group's Compania de Petroleos de Chile (Copeco), is reported to be particularly interested in the refineries of Petroperu.

**Headline:**
Chilean Companies Hasten to Invest

**Source:**
*Lagniappe Letter September 16, 1994*

**Michiquillay Copper Deposit**

**Activity Date:** 12 1993

In September, it was announced that Minero Peru S.A., the Peruvian Government's holding company for mining activities, will sell the **Michiquillay Copper Deposit** by public auction in December 1993. Further information can be obtained from Minero Peru S.A., Morgan Grenfell & Co, Ltd., and Proinversion S.A.

**Headline:**
Minero Peru S.A.

**Source:**
*Financial Times September 29, 1993*

**Mineroperu**

**Activity Date:** 1993

Peru intends to sell **Mineroperu**, a mining company.

**Headline:**

**Source:**
*Euromoney July 1993*

**Papelera Peruana**

**Activity Date:** 1993

Peru announced its plan to sell **Papelera Peruana**, a forest products company.

**Headline:**

**Source:**
*Euromoney July 1993*

**Pescaperu**

**Activity Date:** 12 1993

**Pesca Peru** is the Peruvian state holding company for the production and trade of fishmeal and fish oil. The company's main operating units will be transferred to the private sector starting in the second half of 1994 when the new regulatory framework is enacted.

**Headline:**
Major Forthcoming Privatization Projects--Primary Industries: Pesca Peru

**Source:**
*Far Eastern Economic Review December 2, 1993*

**Activity Date:** 4 1994

President Fujimori plans to push ahead with privatization as he gears up for upcoming elections. Upcoming sell offs include the state fisheries **Pescaperu**.

**Headline:**
Presidential Challenger Has Fujimori Shifting into Election Gear

**Source:**
*Lagniappe Letter April 29, 1994*

**Activity Date:** 7 1994

In July it was announced that the privatization of **Pescaperu**, the world's largest fishmeal producer, will be redesigned following the naming of Pescaperu's chief executive as president of the Copri, the special privatization commission. The plan is to protect the jobs of the company's remaining 1500 workers by registering the 20 fishmeal processing plants and four fishoil refineries as separate companies rather than simply selling the assets as originally planned. Pescaperu produced one third of national output, 1.8 million metric tons of fish were processed into 410,000 mt of meal in the first 5 months of this year. Last year's fishmeal revenues were $500 million but with prices going up to $330 per mt, Pescaperu's profit for the first 5 months of this year were $35 million. It is expected that several of the new companies will be sold or will enter into joint ventures by the end of this year.

**Headline:**
Pescaperu

**Source:**
*Privatisation International July 1994*

**Activity Date:** 9 1994

The Peruvian government in September announced its plans to proceed with the sale of fishing conglomerate, **Pescaperu**, following the resolution of technical delays and labor disputes. Five fishmeal plants will be sold this year for $5-10 million each with the remaining plants to be auctioned off next year.

for $5-10 million each with the remaining plants to be auctioned off next year.

**Headline:** Management Alert: Peru

**Source:** *Business Latin America September 5, 1994*

**Activity Date:** 10 1994

An October advertisement announced the offering of shares in five affiliated enterprises of **Pesca Peru,** the Peruvian producer of fishmeal and fish oil. Shares will be offered in the following Pesca Peru companies: **Chicama S.A., Chimbote S.A., Mollendo S.A., La Planchada S.A.** and **Atico S.A.**

**Headline:** Advertisement in Financial Times

**Source:** *Financial Times October 12, 1994*

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**Petrolera Transoceanica**

**Activity Date:** 1993

Peru announced its plan to sell **Petrolera Transoceanica,** a company in the oil sector.

**Headline:**

**Source:** *Euromoney July 1993*

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**Petrolube**

**Activity Date:** 4 1996

The bid for Siderperu included a minimum $26m on investment and the consortium of Acerco, Banco Wiese, and Stanton Capital will spend $8-10m this year on the plant. Petroperu, the state-run oil company, has started the process of privatizing its La Pampilla refinery which will be followed by the sale of a 60% stake in the Talara refinery in July. Petroperu has not specified when the La Pamilla refinery will be sold or the basis on which the price will be set. The North Peruvian oil pipeline is slated for privatization in August, with sea terminals and the Conchan refinery to be sold in December. The government is set to sell a 60% stake in the Egenor electrical power-generating firm in June. Business leaders formally requested that state port facilities be privatized to help boost external trade.

The sale of the lubricants unit **Petrolube,** which would begin the long-awaited piecemeal privatization of Petroperu, may be delayed. No base price or date for the sale has been set, though six foreign firms have bought the bid details. Workers at the state mining company Centromin threatened to take action against the government's planned piecemeal privatization of the company.

**Headline:** Privatization Met with Continuing Strikes

**Source:** *Business Monitor International April, 1996*

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**Petroperu**

**Activity Date:** 4 1994

President Fujimori plans to push ahead with privatization as he gears up for upcoming elections. Upcoming sell offs include the oil producer **Petroperu.**

**Headline:** Presidential Challenger Has Fujimori Shifting into Election Gear

**Source:** *Lagniappe Letter April 29, 1994*

**Activity Date:** 5 1994

It was reported in March of 1994 that the Peruvian privatization commission, COPRI, intends to privatize the state oil company, **Petroperu,** in order to eliminate the company's hydrocarbon production monopoly. Petroperu explores, exploits, refines, transports and markets wholesale crude oil, natural gas and other derived fuels. Some of the smaller operating units have already been privatized. Petroperu posted profits of $80 million in 1993, producing 36,000 barrels a day of primarily heavy crude. Production is expected to increase to 40,000 barrels a day in 1994.

In May, COPRI decided to sell-off Petroperu's operations piece by piece. This approach was recommended by COPRI's advisor on the privatization, Merrill Lynch. Twenty-eight of the company's assets will be sold off individually in a closed-envelope bidding process during August and September. The assets for sale include two wells, eight plants, four refineries, eight port terminals, and seven plants tied to refineries. The government expects to gross $1 billion from the sale.

**Headline:** Peru to Privatize Oil Company

**Source:** *The Wall Street Journal March 30, 1994*

Peru to Privatize Oil Company *The Wall Street Journal March 30, 1994*

**Activity Date:** 6 1994

A June announcement stated the Peruvian government's plans for the individual sale of **Petroperu's** operational units to companies already established in those areas. The intended sales are part of the government's goals to improve productivity to meet the increasing level of demand and to reduce the government's financial obligations.

The plan calls for the sale of a 60% economic interest in each of the key exploration and production areas, Blocks 8 and 10, with the government retaining a 30% holding and 10% to be offered to current employees. The owner of Block 8 will be allowed to bid on the Northern Pipeline which moves crude oil over the 520 miles from the Amazon jungle to the Pacific coast. The sale of the refineries will leave the government with a minority interest in certain units but the 70% majority will be sold via a stock sale. Sales of terminals and sales plants, the Lima airport jet fuel plant, several marine terminals, gas gathering units and the Malacas power plant will be conducted separately with share offerings ranging from 70 to 100%.

**Headline:** Petroperu's Continental Shift

**Source:** *Global Finance June 1994*

**Activity Date:** 7 1994

In July it was announced that debt-equity swaps are not likely to be used in the privatization of the state-owned petroleum company **PetroPeru**. The decision, though not final, is seen as a major set back for potential bidders who wanted to exchange their Peru debt for a stake in the company. Merrill Lynch will be advising the privatization committee on the sale which is expected to raise approximately $1 billion through the sale of 28 of the company's assets in a closed-envelope bidding process in August and September. The government will retain a minority stake in the Talara and La Pampilla refineries and two oil fields, Northern Jungle Block 8 and North Coast Talara Block 10.

**Headline:** No Debt Swaps for PetroPeru

**Source:** *Project Finance International July 21, 1994*

**Activity Date:** 9 1994

In September, the once certain privatization of the state-owned oil company, **Petroperu**, became an uncertainty. The fate of the company depends upon many factors, not least of which is the upcoming presidential election. A Fujimori victory would increase the likelihood of the privatization although many variables have to be worked out before it becomes reality. There are many issues involved including: the government's failure to specify how long the refineries will continue to receive a 25 percent tariff protection against imported oil; the failure of the privatization committee to establish a proper pricing framework to prevent the new owners, who will be virtual monopolists, from overinflating prices and; a controversy over royalties of 35 percent charged by Perupetro, a company established to promote Petroperu and manage contracts, when oil royalties average 20 percent in Argentina and 18 percent in Ecuador. The government will need to sell a majority of Petroperu's assets, primarily to foreign investors, in order to attract the $2 billion that will be required to prevent the collapse of the company.

**Headline:** Oil Jitters

**Source:** *Business Latin America September 12, 1994*

**Activity Date:** 1995

The Peruvian privatization agency, COPRI, has received 23 proposals in response to its call for suggestions on how to privatize the state oil company, **Petroperu**. COPRI and Merrill Lynch will evaluate the suggestions and then formulate the final plan.

**Headline:** Petroperu Brainstorming

**Source:** *Project Finance International June 8, 1995*

**Activity Date:** 1995

In June, the Peruvian government sold its remaining 19% stake in **Cementos Norte Pacasmayo** via public auction. There was strong investor interest in the shares, which sold for $36.80 each, a price higher than the original reference price. The British broker Smith New Court purchased 1/3 of the available shares. In other news, **ENATA**, the Peruvian tobacco company is slated to be privatized in September and **Petroperu** is expected to finalize its privatization plans this month and begin selling its assets in Septmeber.

**Headline:** Privatization Resumes

**Source:** *Business Monitor International July 1995*

**Activity Date:** 1995

The government of Peru announced that the privatization of **Petroperu**, the state-owned petroleum group, will likely

1995

The government of Peru announced that the privatization of **Petroperu**, the state-owned petroleum group, will likely involve the use of foreign debt paper. The World Bank is planning to provide a $100m loan to help support the effort and other structural adjustments.

The government of Peru is close to privatizing the state oil company, **Petroperu**. It has announced that the process will involve three stages and will begin with the refineries this month. The government is currently in the process of valuing Petroperu's assets and determining a method through which more local capital will be encouraged as part of the privatization scheme.

**Headline:**
Petroperu Sale Proceeds

**Source:**
*U.S./Latin Trade August 1995*

**Activity Date:** 3 1995

Sale of the Peruvian oil giant **Petroperu** has been delayed due to the recent conflict between Peru and Ecuador. It may be decided that a joint venture will be pursued instead of the outright sale of the company.

**Headline:**
State Sell-Off Walks a Tightrope

**Source:**
*Lagniappe Letter March 17, 1995*

**Activity Date:** 3 1995

Sale of the Peruvian oil giant **Petroperu** has been delayed due to the recent conflict between Peru and Ecuador. It may be decided that a joint venture will be pursued instead of the outright sale of the company.

Shortly after Peru's national elections, President Fujimori announced that the sale of Petroperu would be delayed by 2 years, despite campaign promises to sell the oil giant. Fujimori defended his actions stating that the benefits from the company's huge revenue streams would outweigh the all-at-once gains made by a direct sale.

**Headline:**
State Sell-Off Walks a Tightrope

**Source:**
*Lagniappe Letter March 17, 1995*

**Activity Date:** 7 1995

The government of Peru is close to privatizing the state oil company, **Petroperu**. It has announced that the process will involve three stages and will begin with the refineries this month. The government is currently in the process of valuing Petroperu's assets and determining a method through which more local capital will be encouraged as part of the privatization scheme.

**Headline:**
The Oil is Everyone's

**Source:**
*Global Finance July 1995*

**Activity Date:** 3 1996

The sale of **Petroperu**, the state oil company, has been the focus of popular discontent with the privatization process. The first operating unit, Petrolube, will probably be up for sale in late March.

**Headline:**
Target is $1bn in 1996

**Source:**
*Financial Times March 7, 1996*

**Activity Date:** 4 1996

The government recently announced that it will retain minority shares in some **Petroperu** subsidiaries, as well as veto rights in future business plans. The first of the Petroperu sales, the lubricants unit Petrolube, is slated for a March 28 sale. The refineries will be the last Petroperu properties sold. The unions have exerted substantial influence on President Fujimori in their opposition to the privatization of Petroperu and its subsidiaries.

**Headline:**
Peru Renews Commitment to Privatization

**Source:**
*Business Monitor International March 1996*

**Activity Date:** 4 1996

The bid for Siderperu included a minimum $26m on investment and the consortium of Acerco, Banco Wiese, and Stanton Capital will spend $8-10m this year on the plant. **Petroperu,** the state-run oil company, has started the process of privatizing its La Pampilla refinery which will be followed by the sale of a 60% stake in the Talara refinery in July. Petroperu has not specified when the La Pamilla refinery will be sold or the basis on which the price will be set. The North Peruvian oil pipeline is slated for privatization in August, with sea terminals and the Conchan refinery to be sold in December. The government is set to sell a 60% stake in the Egenor electrical power-generating firm in June. Business leaders formally requested that state port facilities be privatized to help boost external trade.

**Headline:**
Privatization Met with Continuing Strikes

**Source:**
*Business Monitor International April, 1996*

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**Port of Ilo**

**Activity Date:** 2 1994

It was announced in February that the state-controlled port of Ilo, Peru would be sold. The Dutch consortium ABN-Amro Bank will be working with Peru's Prisma to conduct the sale.

**Headline:**
ABN-Amro to Promote Ilo Sale

**Source:**
*Project Finance International February 4, 1994*

**Activity Date:** 4 1996

The **Port of Ilo** will be sold this year, either via regular privatization or through its citizen participation plan.

**Headline:**
Peru Renews Commitment to Privatization

**Source:**
*Business Monitor International March 1996*

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**Quellaveco Copper Deposit**

**Activity Date:** 1 1993

It was reported in September that Minero Peru S.A., the Peruvian Government's holding company for mining activities, sold the **Quellaveco Copper Deposit** on January 15, 1993.

**Headline:**
Minero Peru S.A.

**Source:**
*Financial Times September 29, 1993*

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**Quimica del Pacifico**

**Activity Date:** 1992

A 67 percent stake in the chemical producer, **Quimica del Pacifico**, was solf for $6.6 million on the stock exchange.

**Headline:**

**Source:**
*Latin Finance*

**Activity Date:** 11 1992

On November 11, 1992, Quimica del Pacifico S.A will be fully privatized when the final government-owned one-third will be auctioned on the Lima Stock Exchange. The initial 67% of Quimica del Pacifico was successfully privatized by auction on July 24, 1992.

**Headline:**

**Source:**
*LF 11/92*

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**Reaseguradora Peruana and Popular & Porvenir**

**Activity Date:** 12 1993

In December 1993, it was announced that **Reaseguradora Peruana** and **Popular & Porvenir** are on the list of Peruvian enterprises to be privatized. They are insurance and reinsurance companies.

**Headline:**
Major Forthcoming Privatization Projects--Services

**Source:**
*Far Eastern Economic Review December 2, 1993.*

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**San Antonio de Poto Gold Concessions**

**Activity Date:** 1 1994

In September, it was announced that Minero Peru S.A., the Peruvian Government's holding company for mining activities, will sell **San Antonio de Poto Gold Concessions** through public auction in January 1994. Descriptive brochures can be obtained from Minero Peru S.A., Morgan Grenfell & Co, Ltd., and Proinversion S.A.

**Headline:**
Minero Peru S.A.

**Source:**
*Financial Times September 29, 1993*

## Sedapal

**Activity Date:** 12 1993

In December 1993, it was announced that the government of Peru is planning to privatize **Sedapal** by early 1994. Sedapal provides drinking water and sewerage services in Lima. Its activities cover the extraction, purification and distribution of water, as well as the collection treatment and disposal of waterborne sewerage. The government is offering a 30-year operating contract to several French and British firms including, Lyonnais des Eaux, Cie General des Eaux, Thames Water and Welsh Water. The World Bank and Japan's OECF plan to provide $200 million co-financing for initial rehabilitation and investment in the concession.

**Headline:** Major Forthcoming Privatization Projects--Utilities

**Source:** *Far Eastern Economic Review December 12, 1993*

**Activity Date:** 6 1994

The Lima water authority announced in June that **Sedapal** will be sold as a 30-year concession on December 19, 1994. Sedepal supplies water works and sewage infrastructure for metropolitan Lima.

**Headline:** Minister Sees Drop in Petroleum Imports

**Source:** *Knight-Ridder Financial News June 28, 1994*

**Activity Date:** 9 1994

The Peruvian government announced in September that it is considering the possibility of offering a renewable 30 year concession for Lima's water and sewerage company, **Sedapal**. Sedapal currently has a potential market of 6.4 million people and requires approximately $1 billion in new investment for rehabilitation alone. Three pre-qualifiers have already formed consortia. The consortia consist of Lyonnaise des Eaux (France) with Anglian Water (Britain) and Bankers Trust; Compagnie Generale des Eaux (France) with Thames Water (Britain) and Mitsui (Japan) and; Canal de Isabel II (Spain) and the Spanish consortium of Aguas de Barcelona, Endesa and Sociedad Financiera Argentaria. The consortium offering the lowest tariff will be the winner.

**Headline:** Mining Assets Steer New Auction Drive: Investors Line Up

**Source:** *Lagniappe Letter September 30, 1994*

**Activity Date:** 1 1996

A group of companies headed by Endesa of Spain has acquired a 60% stake in Ventanilla, the thermal power generating facility in Lima, thus making it the first state-owned company to be transferred to the private sector via the capitalization process. However the planned sale of **Sedapal**, the water and sewage utility, has been postponed until 1997.

**Headline:** Power Station Sold Off

**Source:** *US/Latin Trade February 1996*

## serpetro

**Activity Date:** 1993

Peru announced its plan to sell the **Serpetro** oil wells.

**Headline:**

**Source:** *Euromoney July 1993*

## Siderperu

**Activity Date:** 1993

Peru announced its plan to sell **Siderperu** a state-owned steel company.

**Headline:**

**Source:** *Euromoney July 1993*

**Activity Date:** 12 1993

In December 1993, it was announced that **Sider Peru** is on the list of Peruvian enterprises to be privatized. It is one of the largest steel companies in Peru and the government is considering the option of breaking up the company into its components.

**Headline:** Major Forthcoming Privatization Projects--Secondary

**Source:** *Far Eastern Economic Review December 2, 1993.*

Major Forthcoming Privatization Projects--Secondary Industries: Sider Peru

*Far Eastern Economic Review December 2, 1993.*

**Activity Date:** 9 1994

The government announced in September that perhaps as much as 60 percent of the bid value of **Siderperu**, the state-owned steel producer, will be paid for with debt paper. The company, an important manufacturer of rolled steel products, has already begun preparing for its upcoming privatization by reducing its workforce from 3,900 to 2,200. Its several modern production lines for galvanizing and tin-plating are also expected to attract investors. The company's valuation and sale strategy are being conducted by the British-based MacLellan and Partners.

**Headline:**
Peru Banks

**Source:**
*Privatisation International September 1994*

**Activity Date:** 10 1995

The government of Peru's largest steel manufacturer, **Siderperu**, was to be auctioned on October 30. The minimum price was set at $106m.

**Headline:**
Still on Track

**Source:**
*Latin Finance November 1995*

**Activity Date:** 2 1996

The Peruvian Commission for the Promotion of Private Investment (COPRI) announced that it had accepted two bids for **Siderperu**, the country's largest steel company. Six other bidders pulled out leaving Asarco SA and Aceros Arequipa as the remaining bidders. The floor price for Siderperu is $106m and there is an investment commitment of $33m.

**Headline:**
Privatization Forges Ahead

**Source:**
*Business Monitor International February 1996*

**Activity Date:** 2 1996

The government was expected to choose the winner of the bid for **Siderperu**, the state-run steel company. Of the eight consortia that were originally considered, Aserco SA and Sceros Arequipa were short listed in early February. Siderperu has a $106m base price and a $30m investment commitment. $130m of Siderperu's debt will be assumed by the government. The winning bidder is expected to inherit considerable environmental liabilities, with initial clean-up costs amounting to $3m in the first two years.

The government sold Siderperu for $193m to a group including Acero, Banco Wiese and Stanton Capital.

**Headline:**
Americas

**Source:**
*Project Finance International February 14, 1996*

**Activity Date:** 2 1996

The government sold **Siderperu** for $193m to a group including Acero, Banco Wiese and Stanton Capital.

**Headline:**
Target is $1bn in 1996

**Source:**
*Financial Times March 7, 1996*

**Activity Date:** 4 1996

The bid for **Siderperu** included a minimum $26m on investment and the consortium of Acerco, Banco Wiese, and Stanton Capital will spend $8-10m this year on the plant. **Petroperu**, the state-run oil company, has started the process of privatizing its La Pampilla refinery which will be followed by the sale of a 60% stake in the Talara refinery in July. Petroperu has not specified when the La Pampilla refinery will be sold or the basis on which the price will be set. The North Peruvian oil pipeline is slated for privatization in August, with sea terminals and the Conchan refinery to be sold in December. The government is set to sell a 60% stake in the Egenor electrical power-generating firm in June. Business leaders formally requested that state port facilities be privatized to help boost external trade.

**Headline:**
Privatization Met with Continuing Strikes

**Source:**
*Business Monitor International April 1996*

## Siderurgica del Peru

**Activity Date:** 9 1995

The wining bidder for **Siderurgica del Peru** will be announced in November. Bids are due by the end of October.

**Headline:**
More Progress on Privatization

**Source:**
*Business Monitor International September 1995*

## Sociedad Paramonga

**Activity Date:** 12 1993

In December 1993, it was announced that **Sociedad Paramonga** is on the list of Peruvian enterprises to be privatized. It is a paper and chemical company and the Peruvian government is considering the option of breaking up the company into its components.

**Headline:**
Major Forthcoming Privatization Projects--Secondary Industries: Sociedad Paramonga

**Source:**
*Far Eastern Economic Review December 2, 1993.*

## Sogewiese Leasing

**Activity Date:** 1991

An unknown number of shares were sold in **Sogewiese Leasing** company for $1.1 million.

**Headline:**

**Source:**
*World Bank - FS*

## Sud de Fibras

**Activity Date:** 1993

Peru announced its plan to privatize **Sud. de Fibras,** a manufacturing company.

**Headline:**

**Source:**
*Euromoney July 1993*

## Talara refinery

**Activity Date:** 4 1996

The bid for Siderperu included a minimum $26m on investment and the consortium of Acerco, Banco Wiese, and Stanton Capital will spend $8-10m this year on the plant. Petroperu, the state-run oil company, has started the process of privatizing its La Pampilla refinery which will be followed by the sale of a 60% stake in the **Talara** refinery in July. Petroperu has not specified when the La Pamilla refinery will be sold or the basis on which the price will be set. The North Peruvian oil pipeline is slated for privatization in August, with sea terminals and the Conchan refinery to be sold in December. The government is set to sell a 60% stake in the Egenor electrical power-generating firm in June. Business leaders formally requested that state port facilities be privatized to help boost external trade.

The sale of the lubricants unit Petrolube, which would begin the long-awaited piecemeal privatization of Petroperu, may be delayed. No base price or date for the sale has been set, though six foreign firms have bought the bid details. Workers at the state mining company Centromin threatened to take action against the government's planned piecemeal privatization of the company.

**Headline:**
Privatization Met with Continuing Strikes

**Source:**
*Business Monitor International April, 1996*

## Tambo de Mora Sur

**Activity Date:** 9 1995

The **Tambo de Mora Sur** fishmeal factory is set to be auctioned on October 16. It is the fourteenth in a series of divestments by Pesca Peru. Firms in the US, Peru, and Chile appear to be interested.

**Headline:**
Debt Deal Some Way Off

**Source:**
*Business Monitor International October 1995*

## Telefonica de Peru

**Activity Date:** 1996

The final stage of privatization of **Telefonica de Peru**, the Peruvian phone monopoly, will take place this year when the government sells its remaining 28.5% stake by issuing American Depositary Receipts. The remaining stake could be worth as much as $1.6bn, making it one of the largest Latin American deals ever completed.

JP Morgan and Merrill Lynch have been named as managers for Telefonica de Peru's offering on global markets.

**Headline:** Flow Loses Pace

**Source:** *Financial Times February 1, 1996*

**Activity Date:** 1 1996

In preparation for the privatization of **Telefonica de Peru** the government has turned over control of its 28.6% stake to Banco de Credito. The government's stake, valued at $1.4bn, is expected to be sold in the first half of the year.

**Headline:** Privatization Forges Ahead

**Source:** *Business Monitor International February 1996*

**Activity Date:** 1 1996

Merrill Lynch and JP Morgan Securities won the right to underwrite the international sale of the government's remaining stake in **Telefonica de Peru**. The government's remaining 29% stake is currently valued at $1.5bn, making it the largest expected equity offering in Latin America in 1996. Peru's Banco de Credito will handle the domestic placement.

**Headline:** Merrill, J.P. Morgan Win Peru Phone-Issue Rights

**Source:** *Wall Street Journal January 31, 1996*

**Activity Date:** 2 1996

JP Morgan and Merrill Lynch have been chosen by the government to manage the sale of its remaining 29% stake, valued at $1.4bn, in **Telefonica del Peru** on international markets. Banco de Credito was hired by the government to place part of the float on local markets. JP Morgan and Merrill Lynch won over Morgan Stanley with ING Barings, Goldman Sachs, CS First Boston, and Salomon Brothers with SBC Warburg.

**Headline:** Americas

**Source:** *Project Finance International February 14, 1996*

## Tintaya

**Activity Date:** 7 1993

The government of Peru, through the direction of COPRI, intends to privatize the **Tintaya copper mine** sometime late this year or on into 1994. International consultants have been hired to assist in the sale of the mine along with six surrounding deposits, with development costs estimated at $85 million. The mine is located in Cuzco and is the second largest copper producer in Peru.

**Headline:** Mining Properties are Being Readied for Privatization

**Source:** *Lagniappe Letter July 9, 1993*

**Activity Date:** 9 1994

In September, Peru's president, Alberto Fujimori, announced an ambitious auction schedule of mining, water and hotel assets. Final revenues from the sales, a combination of debt paper, cash and investment commitments, could reach $1.4 billion. Debt paper used may only be for overdue or unattended debt and will be accepted at face value. The first of the mining entities sold may be the **Tintaya** copper deposits and plant. The proposed October auction requires bids offering a fixed $55 million in debt paper and at least $60 million in cash. The winning bidder must invest $85 million over the next five years. Potential bidders for the modern, ecologically- sound processing plant include Phelps Dodge (USA) and Cominco (Canada).

**Headline:** Mining Assets Steer New Auction Drive: Investors Line Up

**Source:** *Lagniappe Letter September 30, 1994*

**Activity Date:** 10 1994

The Peruvian government in October sold the **Tintaya** copper mine, the second largest producer, to Magma Copper of

1994

The Peruvian government in October sold the **Tintaya** copper mine, the second largest producer, to Magma Copper of the US for $218 million in cash, $55 million of Peruvian secondary debt paper, and an investment promise of $85 million over the next five years. The bid by Magma was only $4 million more than a bid from Metall Mining but more than three times the cash minimum of $60 million set by the privatization committee. The third place bidder was Britain's Rio Tinto Zinc with a bid of $192 million. The successful use of debt paper in the sale has prompted the government to indicate that it will use it again in future transactions. Under new legislation, bidders may choose between a fixed amount of secondary debt or a cash equivalent.

**Headline:** Copper Mine Sale Uses Debt Paper

**Source:** *Lagniappe Letter October 14, 1994*

**Activity Date:** 12 1994

It was announced in December that Magma Copper Co. had purchased Peru's second largest copper producer, **Tintaya**. The sale price included $218m in cash plus $85m in promised investment over the next five years, and $55m in secondary Peruvian debt paper. This is the first time debt paper has been used in a Peruvian privatization.

**Headline:** Debt for Copper

**Source:** *U.S./Latin Trade December 1994*

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### Ventanilla

**Activity Date:** 8 1995

The Peruvian government announced that **Electroperu**, the nation's electricity company, will be accepting bids for **Ventanilla**, the country's newest power plant. The winning bid will be announced on October 17 and the percentage of shares sold to the new owner will depend on the investment commitment. Ventanilla's new owner will control between 51% and 90% of the expanded facility. A 10% share will be reserved for employees.

**Headline:** A New Generation in Peru

**Source:** *Global Finance August 1995*

**Activity Date:** 12 1995

The Peruvian state-owned electricity firm Electroperu is expected to sell the **Ventanilla power plant** on December 12. Eight consortia have prequalified for the bidding process. The buyer is obligated to construct an additional 200 mw of capacity within 30 months of the deal's completion.

**Headline:** Electricity--In Need of Investment

**Source:** *Business Monitor International December 1995*

**Activity Date:** 1 1996

A group of companies headed by Endesa of Spain has acquired a 60% stake in **Ventanilla**, the thermal power generating facility in Lima, thus making it the first state-owned company to be transferred to the private sector via the capitalization process. The planned sale of Sedapal, the water and sewage utility, however, has been postponed until 1997.

**Headline:** Power Station Sold Off

**Source:** *US/Latin Trade February 1996*

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## *Puerto Rico*

### Lotus pineapple-juice plant

**Activity Date:** 9 1994

The Puerto Rican government announced in September that it plans to sell the **Lotus** pineapple-juice plant in October to Puerto Rico-based V. Suarez for approximately $14 million.

**Headline:** Management Alert: Puerto Rico

**Source:** *Business Latin America September 19, 1994*

### Navieras de Puerto Rico

**Activity Date:** 9 1994

The Puerto Rican government announced in September the sale of the state-owned **Navieras** shipping line. BT Investment Partners (USA), a wholly owned subsidiary of Bankers Trust New York, will assume $102.9 million of Navieras' debt and pay $29.5 million in cash for a total sale price of $132.4 million. BT also has agreed to invest $40 million in port renovations and to keep the current workforce during the first year of ownership. The government has agreed to assume the balance of Navieras' $300 million debt.

**Headline:** Management Alert: Puerto Rico

**Source:** *Business Latin America September 19, 1994*

**Activity Date:** 11 1994

The Puerto Rican Senate has approved the nation's largest privatization by authorizing the sale of **Navieras de Puerto Rico** to Pyramid Ventures, a subsidiary of BT Investment Partners, in turn a wholly owned subsidiary of Bankers Trust of New York. The deal includes the assuption of US$102.9m of Navieras' $300m debt, and $29.5m in cash. Navieras currently controls 28% of the U.S.-Puerto Rico Trade.

**Headline:** Trade Roundup- Puerto Rico

**Source:** *U.S./Latin Trade November 1994*

## *St. Vincent & the Grenadines*

### Diamond Dairy

**Activity Date:** 4 1996

Delays in the privatization of **Diamond Dairy** have had an negative impact on the company's performance, as long-term planning became impossible. Prime Minister James Mitchell has promised to press forward with the divestment of a 59% stake, first proposed in 1991, with completion now scheduled for the end of June. He blames the company's poor record on its reliance on government subsidies.

**Headline:** Privatization Moves Ahead

**Source:** *Business Monitor International April 1996*

**Activity Date:** 6 1996

**Diamond Dairy**, a money-losing milk-processing and fruit juice plant that is 59% state-owned by the government, will be privatized in June. There are also plans to sell the Mount Bentick rum distillery, in which the government owns a 90% stake. Unlike Diamond Dairy, Mount Bentick is profitable.

**Headline:** UWP Calls in the IMF

**Source:** *Business Monitor International February 1996*

### Mount Bentick

**Activity Date:** 6 1996

Diamond Dairy, a money-losing milk-processing and fruit juice plant that is 59% state-owned by the government, will be privatized in June. There are also plans to sell the **Mount Bentick** rum distillery, in which the government owns a 90% stake. Unlike Diamond Dairy, Mount Bentick is profitable.

**Headline:** UWP Calls in the IMF

**Source:** *Business Monitor International February 1996*

## *Trinidad and Tobago*

## BWIA

**Activity Date:** 12 1994

An agreement between the government of Trinidad, the Acker Group, and LOEB Partners has been reached in which Acker will acquire a 51% holding in the state-owned airline, **BWIA**. Acker has indicated that it intends to restructure the company by shifting ground handling, maintenance, information processing, catering and other duties to outside contractors, in addition to reassessing its flight routes and destinations. Acker has also proposed linking the privatization of LIAT, the regionally owned island-hoping carrier, to a strategic alliance with BWIA.

**Headline:** BWIA and LIAT Privatizations Will Be Linked

**Source:** *Business Monitor International December 1994*

**Activity Date:** 1 1995

Privatization of Trinidad's national airline, **BWIA**, could be complete by January. Acker and Loeb of the US, together with regional private investors, are expected to take a 51% stake in the new entity. The government will retain a 29% stake, and 20% of shares will be reserved for BWIA workers.

**Headline:** The Privatization of BWIA Moves Ahead

**Source:** *Business Monitor International November 1994*

**Activity Date:** 1 1995

A challenge to the legality of the sale of the state-owned airline, **BWIA**, was mounted in the high court on January 6, 1995, by two Trinidadians. The complaint came hours after the government had signed an agreement with the U.S.'s Acker group for the sale of 25.5% of the airline. The challengers allege that the government gave Acker preferential treatment and privileged information compared with that given to Trinidad nationals. Regardless of the complaint, another 25.5% is being offered to national investors over the next month. Employees will receive a 25% stake and the government will retain 24%.

**Headline:** BWIA and Power Divestments Continue Despite Challenges

**Source:** *Business Monitor International February 1995*

**Activity Date:** 2 1995

The much delayed sale of 51% of the equity in BWIA, the national airline of Trinidad and Tobago, finally proceeded on February 22, 1995. A 25.5% stake in the company was bought by a US consortium led by the Acker Group and 25.5% was sold to regional investors in a flotation underwritten by the Royal Bank of Trinidad. The government retained a 33.5% stake in the enterprise while the remaining 15.5% was issued to company employees. The government will assume $146m of debt owed by the airline.

**Headline:** New BWIA Drums up Business

**Source:** *Business Monitor International April 1995*

**Activity Date:** 3 1995

The sale of the state airline **BWIA** has been delayed for the fifth time. The reason cited for the postponement is a failure to transfer air transportation licenses to the Acker group. The group signed an agreement in January to purchase a 25.5% stake for $10m. The group's main investor is the American International Insurance Group (AIG) which has agreed to pay $5m for a 12.7% stake. Other investors include the New York merchant bank, Loeb Partners, and Gordon Cain of Arcadian International. Local investors include the Colonial Life Insurance Company (CLICO) and the Trinidad and Tobago Trust.

**Headline:** BWIA Signing Delayed Yet Again

**Source:** *Business Monitor International March 1995*

## electric generating facilities

**Activity Date:** 12 1994

It was reported in December that Southern Electric International (SEI) and Amoco Business Development are close to purchasing a 49% stake in three gas-fired electric generating facilities owned by the **Trinidad and Tobago Electricity Commission**. According to the agreement, 51% will remain held by the Trinidad and Tobago Electricity Commission while the 49% stake held by SEI and Amoco will be split 75-25 respectively. The deal is expected to have a sale price of $100m. CS First Boston is advising SEI and Amoco on the sale.

**Headline:** Negotiations Bearing Fruit

**Source:** *Project Finance International December 8, 1994*

## Iron and Steel Company (Iscott)

**Activity Date:** 3 1995

The government of Trinidad and Tobago is planning to sell the state-owned **Iron and Steel Company** (Iscott) to the Indonesia-based Caribbean Ispat Ltd. for $12m (TT$70m). Ispat has been managing the plant since 1989 under a 10-year lease.

**Headline:** BWIA Signing Delayed Yet Again

**Source:** *Business Monitor International March 1995*

## Leeward Islands Air Transport (LIAT)

**Activity Date:** 7 1995

A new dispute seems likely to overturn the June privatization of **Leeward Islands Air Transport** (LIAT), the air shuttle previously owned by the Caricom governments. The government of Trinidad has called for the cancellation of the $15.9 sale of LIAT shares because William Rapier, LIAT's chairman, reneged on an agreement to allow Trinidad's airline, BWIA, to purchase 30% of the regional shuttle. Mr. Rapier canceled BWIA's option when several potential investors threatened to withdraw their bids if BWIA purchased the shares.

**Headline:** New Row Set to Block LIAT Sell-off

**Source:** *Business Monitor International July 1995*

**Activity Date:** 12 1995

The government has sold a 29% stake in **Leeward Islands Air Transport**, a regional commuter airline, to BWIA, an airline based in Trinidad that was recently privatized. The government of Antigua and a consortium of five other Caribbean governments have also acquired shares.

**Headline:** LIAT Privatization Deal Finished

**Source:** *Business Monitor International January 1996*

## Point Fortin Oil Refinery

**Activity Date:** 3 1995

The sale of the state oil company's **Point Fortin** refinery failed to be completed as all bids received were under the asking price of $15-20bn. Lease options are currently being considered.

**Headline:** BWIA Signing Delayed Yet Again

**Source:** *Business Monitor International March 1995*

**Activity Date:** 7 1995

The sale of the **Point Fortin** oil refinery will be delayed until next year if the government of Trinidad fails to receive suitable offers. The government is also planning to sell up to 50% of the **Pointe-a-Pierre** refinery to help finance an upgrade in the quality of refined products.

**Headline:** Fine-Tuning the Privatization Program

**Source:** *Business Monitor International July 1995*

## Pointe-a-Pierre Refinery

**Activity Date:** 1995

Plans are being discussed for the privatization of the 165,000 barrels/day **Pointe-a-Pierre oil refinery** in Trinidad. The privatization will likely occur via a joint venture partnership.

**Headline:** Reforms Boost Energy Profitability

**Source:** *Business Monitor International June 1995*

**Activity Date:** 1995

The sale of the **Point Fortin oil refinery** will be delayed until next year if the government does not receive any suitable offers. The government will also sell up to 50% of the **Pointe-a-Pierre refinery** to help finance an upgrade that will increase the quality of refined products.

**Headline:** Fine-Tuning the Privatization Program

**Source:** *Business Monitor International July 1995*

### Power Generation Company of Trinidad and Tobago

**Activity Date:** 1 1995

Despite objections from workers, the government has handed over responsibility for power generation to a new company which will be managed by two US companies. Southern Electric and Amoco have taken 39% and 10% respectively of the newly created **Power Generation Company of Trinidad and Tobago**. The government will retain 51% and is responsible for power distribution.

**Headline:**
BWIA and Power Divestments Continue Despite Challenges

**Source:**
*Business Monitor International February 1995*

**Activity Date:** 4 1995

The Trinidad and Tobago Electricity Commission (T&TEC) has sold 49% of its shares in the **Power Generation Company of Trinidad & Tobago, Ltd.** to Southern Electric International and Amoco Trinidad Power Resources Corporation.

**Headline:**
Trinidad and Tobago Electricity Commission (T&TEC)

**Source:**
*Latin Finance April 1995*

### Trinidad and Tobago Electricity Commision

**Activity Date:** 1 1995

Southern Electric International and Amoco Power Resources have closed their aquisition of 49% of the **Trinidad and Tobago Electricity Commission's** three gas fired power plants, with a final price of $105m. The companies formed a new entity, the Power Generation Company of Trinidad and Tobago, with SEI holding 39%, Amoco 10%, and the government 51%. Under the agreement the government is still responsible for the transmition and distribution of the electricity.

**Headline:**
SEI and Amoco Close Aquisition

**Source:**
*Project Finance International January 6,1995*

## *Uruguay*

### Aeropuerto Internacional Laguna del Sauce

**Activity Date:** 1995

Uruguay has privatized the **Laguna Del Sauce International Airport**, in the tourist resort of Punta del Este, by means of a twenty year concession. Control of the airport was taken by Consorcio Aeropuertos Internacionales. This project requires future investment of up to $31m in order to upgrade the main terminal, lengthen and repave the runway, expand the apron, build a new control tower, and install new navigational equipment. The International Finance Corporation has approved an $18m loan to assist the project.

**Headline:**
First Concession Financing

**Source:**
*Project Finance International June 8, 1995*

**Activity Date:** 10 1995

The government of Uruguay announced the privatization of the small **Aeropuerto Internacional Laguna del Sauce** airport via the granting of a 20-year operating concession to Consorcio de Aeropuertos Internacionales. The airport, which serves the seaside resort of Punta del Este, is expected to receive $31m in new investment for modernization and the upgrade of facilities. Planned work includes repaving the runway and the construction of a new control tower.

**Headline:**
Airport Privatized and Upgrading of Facilities Planned

**Source:**
*Business Monitor International October 1995*

### Argentine Salto Grande tourist complex

**Activity Date:** 5 1993

Calls for bids on a concession for the Argentine Salto Grande tourist complex were announced in February by the Salto Grande Hydroelectric Dam International Commission. The deadline for bids are scheduled for May 5, and the term for the concession, with a 30 year limit, will be decided by the winning investor.

**Headline:**

**Source:** *LF 2/93*

### Pluna

**Activity Date:** 2 1994

The government of Uruguay requested bids again last January for a majority share in its commerical air carrier **Pluna**. The first attempt elicited only one bid from Brazil's Vasp which was turned down. The deadline for bids is March 4, 1994. The airline has landing rights at all of the major Latin American airports as well as Miami and Madrid.

**Headline:** Pluna Again

**Source:** *Privatisation International February 1994*

**Activity Date:** 6 1994

In a June report, the government of Uruguay announced that it had completed its first privatization by selling 51% of **Pluna** to a consortium of Argentine and Urguayan companies. The consortium, led by the Buquebus ferry company, reportedly paid $2 million in cash and assumed $20 million of the company's liabilities. Varig, the Brazilian airline, has been awarded a 10 year contract by the consortium to conduct Pluna's financial and commercial management and the operation of its aircraft.

**Headline:** Uruguayan Airline Privatized

**Source:** *Financial Times June 27, 1994*

**Activity Date:** 12 1994

The planned sale of Uruguay's state-owned airline, **PLUNA**, has been annulled. The deal, in which Pluri-Consorcio de Aeronavegacion, a group of Uruguayan and Argentine investors, was to have purchased a 51% stake in the company, collapsed when the investment guarantees that had been offered were found to be in non-compliance with the bid specifications. The future of the sale remains in doubt while PLUNA continues to report losses of nearly $1m per month.

**Headline:** PLUNA Privatization Collapses

**Source:** *Business Monitor International December 1994*

**Activity Date:** 2 1995

Following a long negotiation process, **PLUNA**, the Uruguayan state airline, has awarded a bid to Pluriconsorcio de Aeronavigacion SA, a consortium of Argentine and Uruguayan investors. Under the terms of the agreement, Pluriconsorcio will acquire 51% of the stock of PLUNA, which is to be operated by Varig, the Brazilian airline company. Varig will not be an equity holder. However, despite the disappointing sale price of $2m, the government was anxious to sell the airline that had accumulated losses of $100m over the past ten years.

**Headline:** Flying High

**Source:** *Latin Finance April 1995*

### Uruguayan Salto Grande tourist complex

**Activity Date:** 5 1993

The Salto Grande Hydroelectric Dam International Commission announced in February call for bids on a concession at the Uruguayan Salto Grande tourist complex. The deadline for bids are scheduled for May 6, and the term for concessions will be decided by the winning investor.

**Headline:**

**Source:** *LF 2/93*

## *Venezuela*

## Aeropostal

**Activity Date:** 1992

Aeropostal which is the second national airline is to be privatized trough a public offering. Some 80% of Aeropostal 's stocks are to be sold to bidders. The remaining 20% is planning to be sold to employees. An additional investment of $100 million annually over the next five years is required.

**Headline:**

**Source:**
*LL 2/92*

**Activity Date:** 5 1993

It was announced in March that Aeropostal would be up for sale sometime in 1993. The company is valued at a base price of US$63 million, and the sale is expected to contribute to 40% of expected revenues from privatization of US$2.287 billion. Citibank has been selected as advisor, although the approval is pending in Congress.

**Headline:**

**Source:**
*PI 3/93,PI 5/93*

**Activity Date:** 7 1993

The government of Venezuela may be forced to shut down **Aeropostal**, a local state airline, if the company is not privatized by the end of August. However, the committee on privatization stated that the airline's service may not improve even after privatization. The company is in need of $13.2 million to cover its accrued operating costs.

**Headline:**
Privatization Auction Draws No Bidders

**Source:**
*Lagniappe Letter July 19, 1993*

**Activity Date:** 5 1994

The Venezuelan government failed in its attempt to privatize **Aeropostal**, a state-owned airline, on May 20 when no bids were submitted by the companies that expressed interest in the company. Aeropostal set the asking price at $62 million, $20 million above the original price, even though the company reportedly operates at a $4 million a month loss. The remaining interested investors-American Airlines, Progreso Mercado de Capitales, and Central Colombian Airlines-refused to submit bids due to the uncertainty of the bolivar's stability and the dollar auction system.

**Headline:**
Aeropostal Stalls on Auction Runway

**Source:**
*Lagniappe Letter May 27,1994*

**Activity Date:** 9 1994

The Venezuelan government announced in September that operation of the state-owned airline **Aeropostal,** will cease. The company controlled 43 percent of the domestic market with flights to 20 destinations. It also conducted flights to 14 international destinations. The government had tried to privatize the airline in May but failed when nine bidders rejected a sale price of $62 million. Economic instability and the company's troubling labor contracts are commonly cited reasons for the failure to privatize.

**Headline:**
Aeropostal

**Source:**
*The Wall Street Journal September 1, 1994*

**Activity Date:** 9 1994

In September it was announced that the 2,400 employees of Venezuela's state-owned airline, **Aeropostal**, may try to purchase the airline to keep it from going under rather than allow the government to liquidate the failing and debt ridden company. It is uncertain whether the employees will be able to buy the airline, which had operating losses in excess of $100,000 a day despite service to 43% of the domestic market, as the president of the company has said Aeropostal's shutdown is final. An attempt to privatize the company in May failed when nine potential bidders claimed the minimum sale price of $62 million was too high.

In October the Venezuelan Investment Fund (FIV) and the employees of Aeropostal ended three weeks of negotiation over a union buyout when a Venezuelan court declared the airline bankrupt. The workers had, at one point, proposed taking 51% of the enterprise and offering the remainder to the public. The arrangement proved untenable due to the company's large debt.

**Headline:**

**Source:**

Aeropostal Employees Plan

*Knight-Ridder September 6, 1994*

**Activity Date:** 9 1994

It was reported in September that the fate of the state-owned airline, **Aeropostal**, and its 2,300 employees is uncertain. A motion brought by the Confederation of Venezuelan Workers (CTV), that would have forced the government to reopen the airline was rejected by the court. The court has, however, ordered the government to negotiate with the union and reach an agreement that would keep the airline running. Current proposals on the table include the possibility of pilots and flight attendants buying a controlling interest in the airline and assuming all obligations to the employees, while ground workers are advocating a plan that would require the Venezuelan Investment Fund to meet all employee severance obligations. Union leaders also claim to have been approached by two foreign companies interested in acquiring a controlling interest in the company. A previous attempt to privatize the company earlier this year failed to attract any bidders. The government has not yet issued a formal response to the proposals.

**Headline:**

Aeropostal in Limbo After Union Talks

**Source:**

*Lagniappe Letter September 30, 1994*

**Activity Date:** 8 1995

Venezuela is expected to privatize several smaller firms in the upcoming months. **Consortio Cementero Monay**, a cement company is to be liquidated prior to sale in 1996; its assets are valued at $123.5m. The **Port of La Guaira** is expected to be sold in late 1995 or early 1996, workers will be able to buy up to 10% of the company. The state airline, **Aeropostal**, which stopped running in October 1994, is to be sold. Delta, American, and Continental were expected to register for the sale in late August. The company has assets worth approximately $45m. Because foreign participation is limited to 49%, the investor will have to join with a Venezuelan consortium. Two small regional development banks, **Banco de Fomento Regional de Los Andes** and **Banco Regional de Fomento de Guayana**, are expected to be sold before the end of the year. 40% of **Banco de Venezula,** with assets of $2.02bn, will be sold in the first quarter of 1996.

**Headline:**

Venezuela to Accelerate Smaller Sales

**Source:**

*Privatization International September 1995*

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**Aguas Calientes hotel**

**Activity Date:** 5 1993

In May, it was announced that the Aguas Calientes hotel, valued at US$600,000, would be privatized along with the Trujillo and Moruco hotels. One hotel would be privatized a month beginning in May.

**Headline:**

**Source:**

*PI 5/93*

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**Alcasa**

**Activity Date:** 1992

The sate aluminum company Aluminos de Caroni SA (Alcasa) will be privatized before year-end, as part of an agreement with its major creditor, Banque Indosuez. Alcasa had a first semester loss of Bs3.6 billion, its 1991 losses totaled Bs4.8 billion. The inside track on the Alcasa privatization is apparently held by US-based Reynolds, which already has an 8% shares in the company. Reynolds is reportedly negotiating to increase its share to 51%.

**Headline:**

**Source:**

*LL 10/16/92*

**Activity Date:** 1993

The financial crisis occuring in Venezuela has led to the consideration of the privatization of parts of the metal producing sectors. In September, it was announced that Alcasa, a leading aluminum producer, is a prime privatization candidate for Venezuela. Alcasa is one of the companies of the Corporacion Venezolana de Guayana (CVG), a holding company and the eighth largest corporation in Latin America. CVG has consumed approximately $30 billion from the national treasury of Venezuela over the past 30 years, but because of the financial situation in Venezuela, the government can no longer afford to continue funding CVG and it is forcing it to re-evaluate its portfolio. The management of Alcasa is considering splitting the company into four units. Domestic and foreign

of Alcasa is considering splitting the company into four units. Domestic and foreign investors would be invited to bid on the company. However, the value of the debts of the company currently surpasses the value of the assets.

**Headline:** Slowly, CVG Holdings Are Being Readied For Auction Block

**Source:** *Lagniappe Letter September 17, 1993*

**Activity Date:** 1 1994

Local bank creditors were given majority ownership of **Alcasa's** aluminum foil plant at the end of 1993. The aluminium producer owed $80 million in unpaid loans to banks including Provincial, Construccion, Consolidado, and Latino. As a result of the transfer, a new company, Alucasa, was formed. Ownership is now split between the creditors with 51% and the state holding company Corporacion Venezolana de Guayana (CVG) with the remaining 49%. The company is now seeking a majority joint venture partner to operate and retrofit primary aluminum reduction facilities and a rolling mill.

**Headline:** Creditors Take Over Alcasa Holding

**Source:** *Lagniappe Letter January 7, 1994*

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**Banco de Fomento de Coro**

**Activity Date:** 12 1995

The sale of 41.6% of **Banco de Fomento de Corro** to private regional investors for $3.9m yielded a 30% premium over the base price. Only one group made an offer, although three other bidders including a Colombian bank were prequalified. The employees will receive 10.4% of the shares.

**Headline:** Venezuelan Plans Clear First Hurdles

**Source:** *Privatization International January 1995*

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**Banco de Fomento Regional de Coro**

**Activity Date:** 5 1993

It was announced in May that Venezuela planned to privatized the bank Banco de Fomento Regional de Coro.

**Headline:**

**Source:** *PI 5/93*

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**Banco de Guayana**

**Activity Date:** 1 1996

The consortium Consorcio Investock has acquired 80% of state-owned **Banco de Guayana**. The remaining 20% will remain in the hands of Banco de Guayana.

**Headline:** Bank Stake Sold to Consortium

**Source:** *US/Latin Trade February 1996*

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**Banco de Venezuela**

**Activity Date:** 8 1995

Venezuela is expected to privatize several smaller firms in the upcoming months. **Consortio Cementero Monay**, a cement company is to be liquidated prior to sale in 1996; its assets are valued at $123.5m. The **Port of La Guaira** is expected to be sold in late 1995 or early 1996, workers will be able to buy up to 10% of the company. The state airline, **Aeropostal**, which stopped running in October 1994, is to be sold. Delta, American, and Continental were expected to register for the sale in late August. The company has assets worth approximately $45m. Because foreign participation is limited to 49%, the investor will have to join with a Venezuelan consortium. Two small regional development banks, **Banco de Fomento Regional de Los Andes** and **Banco Regional de Fomento de Guayana**, are expected to be sold before the end of the year. 40% of **Banco de Venezula,** with assets of $2.02bn, will be sold in the first quarter of 1996.

**Headline:** Venezuela to Accelerate Smaller Sales

**Source:** *Privatization International September 1995*

**Banco Fomento Regional de Los Andes**

**Activity Date:** 8 1995

Venezuela is expected to privatize several smaller firms in the upcoming months. **Consortio Cementero Monay**, a cement company is to be liquidated prior to sale in 1996; its assets are valued at $123.5m. The **Port of La Guaira** is expected to be sold in late 1995 or early 1996, workers will be able to buy up to 10% of the company. The state airline, **Aeropostal**, which stopped running in October 1994, is to be sold. Delta, American, and Continental were expected to register for the sale in late August. The company has assets worth approximately $45m. Because foreign participation is limited to 49%, the investor will have to join with a Venezuelan consortium. Two small regional development banks, **Banco de Fomento Regional de Los Andes** and **Banco Regional de Fomento de Guayana**, are expected to be sold before the end of the year. 40% of **Banco de Venezula,** with assets of $2.02bn, will be sold in the first quarter of 1996.

**Headline:**
Venezuela to Accelerate Smaller Sales

**Source:**
*Privatization International September 1995*

**Banco Guyana**

**Activity Date:** 1 1995

The first state-owned companies to be sold this year are **Banco Guayana** and **Banco Fomento de los Andes**. They will be followed by the Caracas racetrack and Planta Centro, Latin America's largest thermal electricity-generating plant.

**Headline:**
Trade Roundup

**Source:**
*US/Latin Trade February 1995*

**Banco Popular**

**Activity Date:** 5 1993

It was announced in May that Banco Popular would be privatized.

**Headline:**

**Source:**
*PI 5/93*

**Activity Date:** 10 1993

**Banco Popular** was sold above the asking price to Banvalor, a local financial group, for $23 million. The transaction, which took place in October 1993, attracted bids from only two of the eight groups which had shown interest.

**Headline:**
Aeropostal on Runway

**Source:**
*Privatisation International October 1994*

**Activity Date:** 1996

Privatization efforts in Venezuela are expected to accelerate in 1996. **Banco Popular** will be the first sale of the year. The state also plans to sell **Fesilven**, the ferro-silicon company. There are also expectations for the divestment of state-owned electricity companies including **Enelbar, Enelven**, and **Enelco**. The sale of the cement firm **Cemento Andino** and the country's major port authority, **Puertos del Litoral Central** are also planned.

**Headline:**
Privatization Speeded Up

**Source:**
*Business Monitor International January 1996*

**Banco Regional de Fomento de Guayana**

**Activity Date:** 8 1995

Venezuela is expected to privatize several smaller firms in the upcoming months. **Consortio Cementero Monay**, a cement company is to be liquidated prior to sale in 1996; its assets are valued at $123.5m. The **Port of La Guaira** is expected to be sold in late 1995 or early 1996, workers will be able to buy up to 10% of the company. The state airline, **Aeropostal**, which stopped running in October 1994, is to be sold. Delta, American, and Continental were expected to register for the sale in late August. The company has assets worth approximately $45m. Because foreign participation is limited to 49%, the investor will have to join with a Venezuelan consortium. Two small regional development banks, **Banco de Fomento Regional de Los Andes** and **Banco Regional de Fomento de Guayana**, are expected to be sold before the end of the year. 40% of **Banco de Venezula,** with assets of $2.02bn, will be sold in the first quarter of 1996.

**Headline:**
Venezuela to Accelerate Smaller Sales

**Source:**
*Privatization International September 1995*

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**Banco Regional Los Andes**

**Activity Date:** 4 1996

The privatization program hopes to raise $3.5bn over the next 18 months and includes the sale of a 49% stake in CANTV, the telephone company. PDVSA has announced plans to privatize its petrochemical unit Pequiven after legal reforms have been passed by Congress. The auction of telecommunications company Bantel will occur in mid-April as well as the sell-off of regional bank **Banco Regional Los Andes**. A date for the privatization of the electricity sector has not been selected because of the need for extensive upgrading.

**Headline:**
Interest in Stock Market Grows

**Source:**
*Business Monitor International April, 1996*

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**Bantel**

**Activity Date:** 4 1996

The privatization program hopes to raise $3.5bn over the next 18 months and includes the sale of a 49% stake in CANTV, the telephone company. PDVSA has announced plans to privatize its petrochemical unit Pequiven after legal reforms have been passed by Congress. The auction of telecommunications company **Bantel** will occur in mid-April as well as the sell-off of regional bank Banco Regional Los Andes. A date for the privatization of the electricity sector has not been selected because of the need for extensive upgrading.

**Headline:**
Interest in Stock Market Grows

**Source:**
*Business Monitor International April, 1996*

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**Barquisimeto**

**Activity Date:** 5 1993

It was announced in May that Barquisimeto Plastiq plant, equipment, and land were sold to Teleplastiq C.A. for US$.58 million (Bs47.9 million).

**Headline:**

**Source:**
*PI 5/93*

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**C.A. Hotel Turistico Puerto la Cruz**

**Activity Date:** 1993

The Venezuelan government announced its plan to privatize **C.A. Hotel Turistico Puerto la Cruz** for an estimated price of $10.5 million.

**Headline:**

**Source:**
*Euromoney July 1993*



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## CANTV

**Activity Date:** 1991

CANTV, Venezuela's telephone company was partially privatized through a 40% sale to a consortium led by GTE. The sale raised US$1.9 billion, and the government has announced its intent to sell its remaining 30% stake in CANTV in 1992. The network expansion plans stipulate that penetration reach 20% of the Venezuelan population by the year 2000, compared to the current level of 6%.

**Headline:**

**Source:** *LF 10/92*

**Activity Date:** 5 1993

The Venezuelan government announced in February its plans to auction off about 30% of its 49% stake in **CANTV**, hoping to fetch about $800 million. The government's 49% share of the company is valued at US$600 million. A GTE-led consortium retains the remaining 51% and plans to invest close to $500 million in the company. Part of the shares will be auctioned off at the Caracas stock exchange while the rest are planned to be auctioned off in international markets. Due to political opposition and huge amounts of political uncertainty due to the upcoming presidential election, the sale of the company was postponed in May, possibly until 1994.

**Headline:**

**Source:** *LL 2/19/93, PI 5/93*

**Activity Date:** 6 1994

As of a June announcement, an expected 30% in **CANTV**, the Venezuelan state-owned telecommunications firm was still to be offered. The transaction is being advised and underwritten by Lehman Brothers and S.G. Warburg.

**Headline:** Upcoming Public-Equity Offerings of State-Owned Enterprises

**Source:** *International Privatization Update June 1994*

**Activity Date:** 3 1995

The long awaited second round sale of shares in **CANTV**, Venezuela's state-owned telecommunications company, appears as though it will be delayed until the second half of 1995. The government has preliminary plans for a 32% offering at the reference price of $4.71 per share (the price paid in 1991) and hopes that it will cover this year's $1.5bn budget deficit. The state currently owns a 49% stake in the company and the Venworld consortium holds a 40% stake.

**Headline:** Significant Sell-off

**Source:** *Business Latin America March 6, 1995*

**Activity Date:** 1996

The government of Venezuela expects to divest itself of the final stake in the telephone company **CANTV**. The government sold a 40% stake of the company's stock for $1.88bn to the VenWorld consortium in November 1991. The government plans to raise about $2.5bn from the final sale.

**Headline:** Privatization Speeded Up

**Source:** *Business Monitor International January 1996*

**Activity Date:** 4 1996

The privatization program hopes to raise $3.5bn over the next 18 months and includes the sale of a 49% stake in **CANTV**, the telephone company. PDVSA has announced plans to privatize its petrochemical unit **Pequiven** after legal reforms have been passed by Congress. The auction of telecommunications company **Bantel** will occur in mid-April as well as the sell-off of regional bank **Banco Regional Los Andes**. A date for the privatization of the electricity sector has not been selected because of the need for extensive upgrading.

**Headline:**

**Source:**

**Caracas La Rinconada racetrack**

**Activity Date:** 5 1993

It was announced in May that Caracas' La Riconada racetrack would be offered for sale, valued at a base price of US$128 million. The sale of La Riconada will contribute to 40% of the revenues in privatization expected to be US$2.287 billion.

**Headline:**

**Source:**
*PI 5/93*

**Central Urena**

**Activity Date:** 5 1993

It was announced in May that Central Urena, an agribusiness, was targeted for privatization in September at a base price of US$1 million.

**Headline:**

**Source:**
*LF 5/93*

**Central Urena sugar mill**

**Activity Date:** 5 1993

It was announced in May that Central Urena, a sugar mill, would be privatized at an asking price of US$1.2 million (Bs100 million).

**Headline:**

**Source:**
*PI 5/93*

**Consortio Cementero Monay**

**Activity Date:** 8 1995

Venezuela is expected to privatize several smaller firms in the coming months. **Consortio Cementero Monay**, a cement company, is to be sold in 1996. The **Port of La Guaira** in which employees can purchase up to a 10% stake, is expected to be sold in late 1995 or early 1996. The state airline, **Aeropostal**, which ceased operations in October 1994, will also be sold. Delta, American, and Continental were expected to register for the sale in late August. The company has assets worth approximately $45m. New aeronautic regulations limit foreign participation, thus international investors must join a Venezuelan consortium to bid for a majority share. **Banco de Fomento Regional de Los Andes** and **Banco Regional de Fomento de Guayana**, are also expected to be sold before the end of the 1995. A 40% stake in **Banco de Venezuela**, with assets of $2.02bn, will be sold in the first quarter of 1996.

**Headline:**
Venezuela to Accelerate Smaller Sales

**Source:**
*Privatisation International September 1995*

**Corporacion Hotelera Halmel**

**Activity Date:** 1993

The Venezuelan government announced its plan to privatize **Corporacion Hotelera Halmel,** a hotel, for an estimated price of $8.5 million.

**Headline:**

**Source:**
*Euromoney July 1993*

## Corporacion Venezolana de Guyana (CVG)

**Activity Date:** 1996

Privatization efforts in Venezuela are expected to accelerate and raise about $6bn in revenues in 1996-97. The state will divest of the heavy industry holding company **Corporacion Venezolana de Guyana** (CVG), including the state-owned steel company **Sidor**, bauxite mining company **Bauxilum**, carbon anode producer **Carbonorca** and smelters **Alcasa** and **Venalum**, along with the region's largest thermoelectric generating plant, **Planto Centro**.

**Headline:**
Privatization Speeded Up

**Source:**
*Business Monitor International January 1996*

## El Poliedro entertainment/event complex

**Activity Date:** 7 1993

The privatization of El Poliedro entertainment/event complex was postponed by the Venezuelan Investment Fund (FIV), due to an insuffient number of bids. Letters of decline were sent to FIV from the three potential bidders, consisting of two local investors and one Canadian, who claimed that the minimum price of $13 million for El Poliedro was rather excessive.

**Headline:**
Privatization Auction Draws No Bidders

**Source:**
*Lagniappe Letter July 23, 1993*

## Enelbar

**Activity Date:** 1992

Enelbar which is the wholly-owned state electricity company will be sold through a public offering. A sale of 55% of the company's shares is through the stock exchange and the remainder of 45% is authorized to be offered to employees.

**Headline:**

**Source:**
*LL 2/92*

**Activity Date:** 10 1993

The government has now targeted **Enelbar**, a state electricity generating and distribution company, for sale in mid-late October. The company currently has 200,000 subscribers and a generating capacity of 150 MW. Chase has been chosen as advisor to the company's privatization.

In October, it was announced that the sale of Enelbar has been pushed back to November.

**Headline:**
Date Set for Enelbar Sale

**Source:**
*Project Finance International July 23, 1993*

**Activity Date:** 1 1994

In a surprise move, the government of Venezuela suspended the privatization program until after the December 5 presidential election. The privatization of **Enelber**, an electricity generating and distribution company, will be the first affected. Originally placed for sale in mid-late October, the offering was pushed back to November. The company currently has 200,000 subscribers and a generating capacity of 150 MW. Chase Manhattan has been chosen as advisor to the company's privatization.

Other projects affected include **Enelven/Enelco**--an electric utility, a small hotel in the Andes mountains, a sugar mill, and the Caracas horse track. The privatization of the airline **Aeropostal** had already been postponed until after the election. The results of the presidential election could have a dramatic effect on the privatization program of Venezuela as some of the candidates do not favor privatization, in particular, the front runner Rafael Caldera. The other candidates, Oswaldo Alvarez Paz and Andres Velasquez are not as vehemently opposed to the privatization initiative.

**Headline:**
Sales Suspended in Venezuela

**Source:**
*Privatisation International December 1993*

## Enelco

**Activity Date:** 5 1993

It was announced in May that the power company, Enelco, would be offered for sale in conjunction with the power company Enelven at a base price of US$500 million. Bankers Trust was assigned as advisor to the sale.

**Headline:**

**Source:**
*PI 5/93*

## Enelven

**Activity Date:** 1992

Enelven, the wholly state-owned electricity company, will be sold through a public offer . A stake of 55% of the company's shares will be sold through the stock exchange and the remainder 45% to its employees.

**Headline:**

**Source:**
*LL 2/92*

**Activity Date:** 2 1993

Venezuela announced plans in February to privatize the regional electricity generation and distribution company, Enelven, valued at $100 million. Enelven was profitable prior to privatization. The sale of the company is targeted for September. It is expected to be offered along with the Encelco power company at a base price of US$500 million.Bankers Trust will advise in the company's privatization.

In October, it was announced that the sale of Enelven has been pushed back to mid-December.

**Headline:**

**Source:**
*PFI 2/19/93,LL 2/19/93, PI 5/93*

## Enelven/Enelco,Enelbar,Planta Centro electricity

**Activity Date:** 9 1993

The sale of Enelven/Enelco in the electricity sector is expected to raise at least $500 million when the unit goes up for sale in September. The government proposes to sell 80% to investors while retaining the remaining 20% to sell to employees. Once the company is privatized, the new owners will be expected to sell 25% of its newly acquired shares on local markets within two years after privatization.

Additionaly, the sale of Enelbar electricity is expected to raise $120 million and is subject for sale in August with Chase Manhattan Bank serving as the advisors. The Fondo de Inversiones also plans to sell its largest electricity utility, Planta Centro, at a minimum price of $800 million. Citibank has been designated as advisor to this transaction.

**Headline:**
New Impetus in Venezuela

**Source:**
*Privatisation International 7/93*

## Ensal

**Activity Date:** 9 1993

It was announced in May that the state salt monopoly, **Ensal**, would be privatized in September with an asking price of US$12 million (Bs1 billion).

**Headline:**

**Source:**
*Privatisation International 5/93*

**Fesilven**

**Activity Date:** 9 1993

It was announced in September that Fesilven, a producer of ferrosilicon, may be placed for sale. Fesilven is a company under the Corporacion Venezolana de Guayana (CVG). The sale of the company could occur within six months if the congress approves the motion quickly. Fesilven needs the investment to rejuvenate its existing capital equipment.

**Headline:**
Slowly, CVG Holdings are Being Readied for Auction Block

**Source:**
*Lagniappe Letter* *September 17, 1993*

**Fivca**

**Activity Date:** 5 1993

It was announced in May that Venezuela placed the state bank, **Fivca**, on its list of banks to be privatized.

**Headline:**

**Source:**
*PI 5/933*

**Hacienda Ganadera Santa Martha**

**Activity Date:** 3 1993

Hacienda Ganadera Santa Martha hotel was privatized on March 23 and was sold to Franck F Land Velarde for US$41 million.

**Headline:**

**Source:**
*PI 5/93*

**Hipodromo la Rinconada**

**Activity Date:** 1993

The Venezuelan government annouced its plans to sell **Hipodromo la Rinconada,** an entertainment facility, for an estimated price of $128 million.

**Headline:**

**Source:**
*Euromoney* *July 1993*

**Hipodromo Santa Rita**

**Activity Date:** 7 1993

Venezuela announced its plans in July 1993 to sell **Hipodromo Santa Rita**, an entertainment facility, for an estimated price of $33 million.

**Headline:**

**Source:**
*Euromoney* *July 1993*

**Hotel Cumanagoto**

**Activity Date:** 1992

The state-owned **Hotel Cumanagoto** is to be sold. The Hotel is scheduled to be sold for a base price of $3.52 million or Bs264 million.

**Headline:**

**Source:**
*PI 1/92*

### Hotel El Tama

**Activity Date:** 2 1992

The state-owned **Hotel El Tama** is to be sold through public offering in February. The base price has been set to Bcs230 million or $3.067 million.

**Headline:**

**Source:**
*PI 1/92*

### Hotel Humboldt

**Activity Date:** 5 1993

It was announced in May that the **Hotel Humboldt**, along with six other hotels and facilities, would be privatized to raise a minimum of US$48 million. H otel Humboldt is valued at US$13 million.

**Headline:**

**Source:**
*PI 5/93*

### Hotel Miranda

**Activity Date:** 1992

The state-owned **Hotel Miranda** is to privatized through a public offering. The hotel is scheduled to be sold for a base price of Bs50 million ($666,667).

**Headline:**

**Source:**
*PI 1/92*

### Hotel Moruco

**Activity Date:** 12 1994

On December 17, 1994, the government completed the privatization of the **Hotel Moruco**. The property sold for $882,352 to a Venezuelan investor. The final sale price exceeded the asking price by 30%.

**Headline:**
Venezuelan Plans Clear First Hurdles

**Source:**
*Privatization International January 1995*

### Hotel Trujillo

**Activity Date:** 1992

The state-owned **Hotel Trujillo** is to privatized through a public offering. The base has been set to Bcs42 million or $560,000.

**Headline:**

**Source:**
*PI 1/92*

### Hotel Turistico Puerto La Cruz

**Activity Date:** 9 1993

It was announced in May that **Hotel Turistico Puerto La Cruz** is targeted for sale in September at a base price of US$11 million.

**Headline:**

**Source:**
*LF 5/93*

**Industria Lactea Venezolana CA**

**Activity Date:** 1995

The Italian company Parmalat recently purchased an 80% stake in the Venezuelan milk company **Industria Lactea Venezolana CA**. The remaining 20% was transferred to the employees. Parmalat has already invested $14.7m in Lactea.

**Headline:**
Snail's Pace

**Source:**
*Latin Finance September 1995*

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**Las Majaguas sugar mill**

**Activity Date:** 4 1993

The **Las Majaguas sugar mill** was sold in April to a consortium of sugar mill workers and sugar cane producers for $8.7 million(Bs710.9 million). The initial sale of the sugar mill was postponed and the current sale price was higher than the original asking price of Bs301.7 million.

**Headline:**

**Source:**
*PI 5/93*

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**macro**

**Activity Date:** 9 1994

In September, the Caldera government officially announced its economic stabilization plan to cut the deficit and lower inflation. Included in the stabilization plan are plans to reactivate the privatization program through the opening of concessions for private development of infrastructure and debt equity swaps. The government's stabilization plan calls for approximately $3 billion in short term privatization revenues and $7 - 10 billion over the next decade as high quality oil fields are opened to foreign investment.

**Headline:**
Plan Sets Course to Raise Revenue and Foster Investment

**Source:**
*Lagniappe Letter September 16, 1994*

**Activity Date:** 9 1994

The Venezuelan government in September announced its newly revised schedule for privatization through which it hopes to earn $3 billion by the end of 1995. Companies being considered include three electric companies; Enelber, Enelven/Enelco, and Planta Centro; five hotels; racetracks; a bank, a concession for operating the Port of La Guaira, a powdered milk producer, and some the government's remaining shares in CANTV, the national telecommunications company. The announcement came as a surprise to the business community in light of the government's previous efforts to reduce investor interest in the electric companies and CANTV. These efforts include foreign exchange controls, devaluation of the bolivar, high inflation and a decision to halt rate increases which were necessary for the companies to keep ahead of inflation.

**Headline:**
Venzuela to Boost Sell-Off Programme

**Source:**
*Financial Times September 29, 1994*

**Activity Date:** 9 1994

The Venezuelan government in September revealed its economic recovery plan including its plans for upcoming privatizations. Overall, the plan seeks to raise revenues of $3 billion by the end of 1995 and investment of $8-10 billion by the end of the decade. The plan includes the possible sale of the government's remaining 49 percent share in the CANTV telephone company and shares in assets of the Venezuela Guayana Corporation (CVG). These assets are in a variety of sectors such as steel, aluminum, gold, forestry, tourism and energy. The bulk of the $8-10 billion in investment is expected to come from profit sharing contracts for oil exploration and production.

**Headline:**
Mixed News from Venezuela

**Source:**
*Business Latin America September 19, 1994*

**Activity Date:** 9 1994

In September, the Venezuelan government formally announced its economic stabilization plan and reaffirmed its commitment to privatization. The government's objectives in privatizing state-owned companies is two-fold: to cut the budget deficit and to improve the management and profitability of the firms. Many observers say the outlook for privatization and foreign investment in Venezuela is good based on the country's 35 years of democracy, an educated middle class, $12 billion annual revenue stream and many years as a reliable supplier of oil to the Western world.

middle class, $12 billion annual revenue stream and many years as a reliable supplier of oil to the Western world. Further, the process of privatization is not new to Venezuela as the state has, since 1991, already sold 23 companies for a total of $600 million. Under the new economic plan, the government would like to use debt-to-equity conversions as payment for assets, using 100 percent of the revenues to paydown the foreign debt (currently only 30 percent of revenues can be allocated to this purpose). The government has more than 25 companies plus the assets of the state holding company, CVG, which it can sell and can expect to earn nearly $10 billion in revenues. Some of the companies being considered for privatization include: three electric utilities; ENELVEN, ENELCO and ENELBAR, the generating facility Planta Centro, the dairy company Indulac, the Caracas racetrack, 14 hotels primarily located along the beaches, the port of La Guaira, three regional banks and the government's remaining 49 percent stake in CANTV. Additional companies, assets of the CVG, include: several aluminum facilities, a steel mill, a silicuim plant, a 500,00 hectare pine plantation and the Minerven gold mining company. The dates for sales of these companies will depend on the government's need to raise revenues, the strength of the market and the price level for shares.

**Headline:**
Why Venezuela Is Still A Premium Investment

**Source:**
*Global Finance September 1994*

**Activity Date:** 9 1994

The Venezuelan government in September had not yet formally announced an economic stabilization plan but had indicated that it was in support of a privatization policy. According to Carlos Bernardez, head of the Fondo de Inversiones de Venezuela, the government entity responsible for privatization, three companies in the electric sector may be the first companies privatized. The date by which these companies, Enelbar, Enelven-Enelco and Planta Centro, would be privatized has not yet been determined but the government is hopeful the sales will be initiated by the end of the year. Other possibilities for increased private sector involvement may come in the form of strategic alliances with the state-oil company, Pdvsa, in which the government would like to increase production to 5 million barrels per day. Discussions are also on-going concerning possible special projects with the Corporacion Venezolana de Guayana (CVG), the state holding company and for a possible compromise solution between the government and labor unions over the fate of the state-owned airline Aeropostal. Whatever the final form of Venezuela's privatization program, its success will depend on the government creating a stable economic system by controlling inflation, fostering increased foreign investment and establishing solid and transparent ground rules.

**Headline:**
Stormy Skies: The Clouds of Financial Crisis Threaten Venezuelan Privatization

**Source:**
*Latin Finance September 1994*

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## Melia Caribe Hotel

**Activity Date:** 5 1993

It was announced in May that the **Melia Caribe Hotel** located on the shore line near Caracas was to be privatized and is valued at US$9 million.

**Headline:**

**Source:**
*PI 5/93*

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## Melia Puerto La Cruz Hotel

**Activity Date:** 5 1993

It was announced that the **Melia Puerto La Cruz Hotel** is to be privatized along with six other hotels and facilities beginning in May. The beach front hotel is valued at US$11 million.

**Headline:**

**Source:**
*PI 5/93*

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## Monaco Hotel

**Activity Date:** 1995

In a move that creates optimism for Venezuela's privatization program, it was announced that the government sold the **Monaco Hotel** for $882,000 in late 1994. The total for the sale was more than the original price requested for the hotel.

**Headline:**
Looking Ahead

**Source:**
*Latin Finance April 1995*

## Monomeros

**Activity Date:** 3 1993

It was announced in March that the Venezuelan state-owned companies Peqiven and Ecopetrol plan to sell their shares in **Monomeros**, a petrochemical plant. Pequiven owns 47 percent Monomeros and Ecopetrol owns 30 percent. A Dutch company that runs the plant owns the remaining 23 percent. Pequiven is under strict orders not to participate in joint ventures.

**Headline:**

**Source:**
*LL 3/5/93*

## Moruco hotel

**Activity Date:** 5 1993

It was announced in May that Moruco hotel, valued at US$600,000, would be privatized along with the Trujillo and Aguas Calientes hotels. One hotel would be privatized each month beginning in May.

**Headline:**

**Source:**
*PI 5/93*

## Pequiven

**Activity Date:** 10 1993

The sale of **Pequiven**, the state petrochemical conglomerate, was placed on hold in October due to the current slump in international petrochemical prices. The sale will probably take place in two years after the slump passes.

**Headline:**
Pequiven

**Source:**
*Lagiappe Quarterly Monitor October 31, 1994*

**Activity Date:** 4 1996

The privatization program hopes to raise $3.5bn over the next 18 months and includes the sale of a 49% stake in CANTV, the telephone company. PDVSA has announced plans to privatize its petrochemical unit **Pequiven** after legal reforms have been passed by Congress. The auction of telecommunications company Bantel will occur in mid-April as well as the sell-off of regional bank Banco Regional Los Andes. A date for the privatization of the electricity sector has not been selected because of the need for extensive upgrading.

**Headline:**
Interest in Stock Market Grows

**Source:**
*Business Monitor International April 1996*

## Petroleos de Venezuela (PDV)

**Activity Date:** 10 1992

It was announced in October that **Petroleos de Venezuela (PDV)** is going to open contracts for outsiders to invest in active ore fields, with 17 such fields being ready for bidding. PDV has been cooperating closely with AD and COPEI leaders and has won their agreement for a joint venture strategy. PDV President affirmed that two or three strategic alliances will be formed in heavy oil under a formula that will link investments in light and medium crude. With a tax cut, the company plans output rising to 4 million bpd by 2000. This would require an investment of $40 billion, $22 billion of which will be contributed by PDV and the remainder, $18 billion, by private capital.

**Headline:**

**Source:**
*LL 10/30/92*

## Planta Centro

**Activity Date:** 10 1993

The Venezuelan government announced in February its plans to sell the electrical facilitiy, **Planta Centro**, valued at about $1billion. The sale of the company is expected to generate US$800 million, and the privatization of the company will be deemed an asset sale since it is owned by the FIV and is not considered a separate company. The company is targeted for sale in September with Bankers Trust advising.

In October, it was announced that the sale of Planta Centro has been pushed back indefinitely. The advisor is now Citibank.

**Headline:**

**Source:**
*LL 2/19/93,PI 5/93*

**Activity Date:** 9 1994

In September, the Fondo de Inversiones, responsible for privatization, signed a letter of intent with Southern Electric International, a subsidiary of the U.S.-based Southern Company, to evaluate **Planta Centro**, Venezuela's state-owned thermoelectric generating facility. SEI is expected to spend two months and $1 billion to study and evaluate Planta Centro before making an offer for the utility. Planta Centro, the continent's largest thermoelectric generating facility with a capacity of 2,000 MW, is estimated to be worth approximately $800 million.

**Headline:**
SEI Interested in Planta Centro

**Source:**
*Privatisation International September 1994*

**Activity Date:** 3 1995

The sale of **Planta Centro**, the state-owned thermoelectric plant owned by the state electric company Cadafe, will be postponed by two months. The extra time will allow regulators to address bidder's concerns regarding rate increases. The seven prequalified bidders want a decree that defines the procedures for obtaining future increases. The sale is not expected to take place until late April and will mark the beginning of the government's ambitious 1995 privatization agenda. Planta Centro has a capacity of 2,000MW and is expected to earn a sale price of approximately $800m.

**Headline:**
Delay on Planta Centro Sale

**Source:**
*Lagniappe Letter March 3, 1995*

**Activity Date:** 7 1995

Venezuela has put the sale of the **Planta Centro** power plant on hold until electricity sector regulations are released at the end of the summer. Seven investors have been short listed in the sale of the $800m company.

**Headline:**
Planta Centro on Hold

**Source:**
*Project Finance International July 19, 1995*

## Poliedro de Caracas

**Activity Date:** 1993

The Venezuelan government announced its plans to privatize **Poliedro de Caracas,** an entertainment facility.

**Headline:**

**Source:**
*Euromoney July 1993*

## Poliedro entertainment /event complex

**Activity Date:** 5 1993

It was announced in May that the Poliedro entertainment/event complex would be privatized.

**Headline:**

**Source:**
*PI 5/93*

**Poliedro, La Riconada, and Santa Rita**

**Activity Date:** 7 1993

The Venezuelan government has slated the La Riconada and Santa Rita race tracks for divestisture. La Riconada, valued at $28 million, will be privatized in August followed by a September sale of Santa Rita at a minimum price of $33 million.

**Headline:**
New Impetus in Venezuela

**Source:**
*Privatisation International 7/93*

**Port of La Guaira**

**Activity Date:** 8 1995

Venezuela is expected to privatize several smaller firms in the upcoming months. **Consortio Cementero Monay**, a cement company is to be liquidated prior to sale in 1996; its assets are valued at $123.5m. The **Port of La Guaira** is expected to be sold in late 1995 or early 1996, workers will be able to buy up to 10% of the company. The state airline, **Aeropostal**, which stopped running in October 1994, is to be sold. Delta, American, and Continental were expected to register for the sale in late August. The company has assets worth approximately $45m. Because foreign participation is limited to 49%, the investor will have to join with a Venezuelan consortium. Two small regional development banks, **Banco de Fomento Regional de Los Andes** and **Banco Regional de Fomento de Guayana**, are expected to be sold before the end of the year. 40% of **Banco de Venezula,** with assets of $2.02bn, will be sold in the first quarter of 1996.

**Headline:**
Venezuela to Accelerate Smaller Sales

**Source:**
*Privatization International September 1995*

**Puerto del Litoral Centra**

**Activity Date:** 1993

Venezuela announced its plans to privatize **Puertos del Litoral Central** (ports) in July 1993. The estimated value is $30.3 million.

**Headline:**

**Source:**
*Euromoney July 1993*

**Activity Date:** 5 1993

It was announced in May that the transportation company, Puerto del Litoral Centra, was targeted for privatization in July at a base price of US$30 million.

**Headline:**

**Source:**
*LF 5/93*

**Salinas de Araya**

**Activity Date:** 8 1995

The government of Venezuela announced in September that the **Salinas de Araya** salt complex was sold in August for $24.1m to a consortium of companies including the US based Soros group. The government also announced that the sale of Siderurgica del Orinoco, a subsidiary of CVG, will take place in the first half of 1996 and that the sale of Planta Centro has been postponed again.

**Headline:**
Slow Privatisation Progress to Continue

**Source:**
*Business Monitor International September 1995*

### Santa Rita racetrack

**Activity Date:** 5 1993

It was announced in May that the Santa Rita racetrack would be offered for sale and was valued at a base price of US$33 million. The sale of the racetrack is expected to contribute to 40% of US$ 2.287 in expected privatization revenues.

**Headline:**

**Source:**
*PI 5/93*

### Siderugica del Orinoco (Sidor)

**Activity Date:** 1996

The Venezuelan Investment Fund announced that its privatization of steel company **Siderurgica del Orinoco** (Sidor) and iron company **Ferro Silicio de Venezuela** (Fesilven), both subsidiaries of the natural resources conglomerate Corporacion Venezolana de Guyana, will be advised by Salomon Brothers. There is still no timetable for the privatizations.

**Headline:**
Solly Wins Sidor

**Source:**
*Project Finance International January 31, 1996*

### Siderurgicos Venezoinana

**Activity Date:** 1992

An unknown number of shares were sold in the manufacturing company, **Siderurgicos Venezoinana**, for $111 million.

**Headline:**

**Source:**
*World Bank - FS*

### Sidor

**Activity Date:** 1 1994

**Sidor**, the metallurgial subsidiary of Corporacion Venezolano de Guayana (CVG), is scheduled for privatization. The company registered exports of more than $300 million in 1993. Dumping charges have been raised agaist Sidor, but business continues to grow.

**Headline:**
Sidor

**Source:**
*Lagniappe Quarterly Monitor January 1994*

### Supermetanol

**Activity Date:** 1 1993

Petroleos de Venezuela, the state-owned oil corporation, announced in January that its wholly owned subsidiary Pequiven, will participate in a joint venture with Ecofuel, a subsidiary of the Italian group ENI. Chemical Bank of the U.S. and Banca Commerciale Italiana of Itlay are also providing equity. The new project, Supermetanol, will build a $360 million plant in Venezuela which will have an expected annual capacity of 670,000 tonnes of methanol. The partners in the Supermetanol venture agreed to sign a $206 million in debt financing facilities, with Ecofuel and Pequiven each contributing $49 million of equity. Chemical Bank and BCI will each provide further equity of $22 million, representing conversions of Venezuelan state debt which the banks had acquired in 1989.
The debt financing facilities include a $99 million export credit fund, a $68.4 million Euroloan fund, and a $47 million facility provided by Corporacion Andina de Fomento.

**Headline:**

**Source:**
*LL 1/22/93*

## Trujillo hotel

**Activity Date:** 5 1993

In May, it was announced that the Trujillo hotel, valued at US$600,000 , would be privatized. It was to be privatized along with the Moruco and Aguas Calientes, with one hotel sold a month beginning in May.

**Headline:**

**Source:**

*PI 5/93*

## Viasa

**Activity Date:** 2 1993

Venezuelan Investment Fund (FIV) announced in February that it would sell 30% of its 40% holding in **Viasa** airlines, which was considered not profitable prior to privatization. The government shares are expected to raise about $60 million and they will be sold locally in order to retain international route rights.

**Headline:**

**Source:**

*LL 2/19/93*

# The NIS

# NIS

## *Armenia*

### Tosp

**Activity Date:** 5 1995

**Tosp**, a textile factory, was the first of 10 companies to be privatized via Armenia's voucher program. Under the program, the vouchers are fully transferable and there is no limit to foreign participation. Workers received 20% of the company's equity for free and obtained an additional 16% with the vouchers while Yans Ltd., a foreign firm headed by an ethnic Armenian, purchased a 30% stake. The company's output, despite its modern Western equipment, is currently only 20% of previous levels due to an energy crisis, transportation difficulties and raw material shortages.

**Headline:**
Foreign Aid for Textile Plant

**Source:**
*Financial Times June 7, 1995*

## *Azerbaijan*

### Ganja Aluminum Plant

**Activity Date:** 3 1996

Trans-World Metals will be taking over the management of a state-owned alumina plant and investing $45m in its modernization. In addition, Trans-World has signed an agreement with the Azerbajani government to acquire the rights to buy control of the **Ganja Plant** when the authorities begin their privatization program next year. Trans-World is also negotiating with Azerbajani officials to obtain management control of a smelter at Sumgait, which makes aluminum from Ganja's processed alumina. These endeavors are the first to bring foreign capital into Azerbaijan's state enterprises. Both the Ganja alumina plant and the smelter have been working below capacity since the breakup of the Soviet Union. Investment is needed to pay off liabilities and to bring these factories to full capacity.

**Headline:**
Azeris in Alumina Plant Agreement

**Source:**
*Financial Times March 20, 1996*

### macro

**Activity Date:** 8 1994

The government of Azerbaijan plans to privatize over 8,700 small enterprises by January of next year. This constitutes about 60 percent of all state-owned property, valued approximately at $68.3 million (68.3 billion manats). The government plans to contribute 400 million manats for this program that emerged back in July. Part of the sales strategy will include issuing vouchers with a par value of $120 (120, 000 manats) by the Azerbaijani Sberegatelny Bank.

**Headline:**
Privatization: Azerbaijan

**Source:**
*PlanEcon August 3, 1994*

## *Belarus*

## Confectionary Factory Kommunarka

**Activity Date:** 7 1994

Speaking at a press conference held by the GKI, Mr. Pyotr Novikov said that though privatization might be suspended temporarily for some minor amendments, the initiative will not be eliminated.

It was also revealed at the press conference that 20% of the 1.7 million citizens eligible for vouchers had received them. Due to uncertainty in the wake of recent elections the number of individuals who had received Property Vouchers had fallen dramatically over the previous several weeks. A supplement to the original 61 enterprises privatized recently became available, and more people were expected to seek vouchers as a result. According to *Dobry Vecher*, the inhabitants of Minsk are most likely to be interested in **Confectionary Factory Kommunarka** and **Worsted Fabric Factory**. By the end of this year over 200 enterprises are expected to be in private hands.

**Headline:**
Privatization: "Nobody Will Stand in the Way of the Locomotive"

**Source:**
*Vecherny Minsk July 22, 1994 via Belarusan Ministry of Management of State Property*

## Light, food, timber and construction industries

**Activity Date:** 9 1993

Belarus has announced more details on its privatization program. The identified priority sectors for privatization include light, food, timber and construction industries. Enterprises for processing agricultural goods are also included.

**Headline:**
Belarus Names Priority Sectors

**Source:**
*Plan Econ October 13, 1993*

## Macro Article

**Activity Date:** 1994

According to the Belarusan Ministry of Management of State Property, the following topics were discussed in Radio and Television Broadcasts during July 1994.

On 18 July "Delovoi Vestnik" featured the activities of the firm Coopers & Lybrand in Belarus. Mr. Urgen Gross and Mr. Erhard Matzschker who have spent this year assisting the **Lidselmach Plant** (an agricultural-machinery plant) , **Svirtanok Factory** (light industry sector), and **Krasniy Pishchevik Factory** (food sector) pursue privatization represented Coopers & Lybrand.

On 19 July "Economicheskaya Volna" featured an interview with the Director of the Minsk Employment Center. He discussed privatization's current and future impact on unemployment, emphasizing the relationship between new job creation, de-statization, the privatization of public facilities, and the formation of a competitive environment.

On 19 July "Krinitsa Program" featured the Director of the Organization of Voucher Privatization. She discussed the progress of voucher privatization, reread statements prepared for a news conference, and answered questions from a radio commentator.

On 19 July, "Polden" hosted Mr. Y. Trofimov, Vice-President of the Western Real-Estate Exchange. Mr. Trofimov discussed land reform and privatization and, specifically, auctioning plots of land for construction. He focused on the paradox between Belarus' law prohibiting the sale of land to legal entities and land privatization, and how legal reform taking place in the near future will circumvent this problem.

On 21 July "Polden" featured representatives from the First Investment Fund, who explained that in the previous week alone, over 2,000 voucher holders exchanged their vouchers for the fund's shares.

**Headline:**
Belarus Radio and Television Broadcasts on Privatization

**Source:**
*Belarusan Ministry of Management of State Property*

**Activity Date:** 1994

An editorial discussing President Lukashenko's recent electoral victory explained that privatization will most likely be suspended for a brief period, but the reform program will not be changed significantly. The author also suggested that ambiguous pre-election statements on the future of privatization may have damaged the public's faith in the voucher program. Lukashenko is not likely to curtail privatization because he would risk angering the 200,000 Belarusans

program. Lukashenko is not likely to curtail privatization because he would risk angering the 200,000 Belarusans who hold vouchers. The article goes on to outline privatization's largest obstacle: the fact that state-owned enterprises have not been audited for three years. Inspection authorities who audit such enterprises are "chasing a black cat in a dark room; examining the compliance of some enterprises and, naturally, not uncovering any infringements, while managers of the state-owned enterprises have handled the property as they please."

**Headline:**
Voucher Privatization

**Source:**
*Chelovek i Sobstvennost July 28, 1994 via Belarusan Ministry of Management of State*

**Activity Date:** 7 1994

A press seminar, co-sponsored by the GKI and the Belarusan Association of Non-State Enterprises (the Association), was held for journalists and private businessmen this July. The Association, which has a membership that includes representatives of over 40 Belarusan joint-stock companies and private businesses, helped sponsor the session to support privatization. According to one member of the Association, over 100 enterprises had already been sold in 1994 and he made clear his belief that privatization would continue despite recent political turmoil in Belarus. The Association's objective is to combine the effort of businessmen and manufacturers to solve economic and social problems in the country's emerging market economy.

**Headline:**
Privatization is Underway: No Reverse

**Source:**
*Vecherny Minsk July 19, 1994 via Belarusan Ministry of Management of State Property*

**Activity Date:** 7 1994

In this article it is explained that if an enterprise is declared bankrupt and is liquidated, once the demands of the creditors are satisfied, the remaining assets will be distributed among the shareholders according to procedures in the Charter for joint-stock companies.

**Headline:**
Your Choice: How to Use Registered "Property" Privatization Vouchers

**Source:**
*Narodnaya Gazeta July 22, 1994 via Belarusan Ministry of Management of State Property*

**Activity Date:** 7 1994

In this article the prospects for the continuation of voucher privatization in Belarus are discussed. The author argues that privatization in Belarus can be slowed, but never eliminated because canceling the program would damage the trust of the people. *Zyvazda* reported that as of July 15 over one million individuals had voucher accounts worth almost 91 million rubles. The report indicated that 178,235 people already hold voucher certificates and 92,061 citizens have purchased shares in enterprises. In addition, *Zvyazda* said that the Ministry of State Property is scheduled to propose ways to improve the legislative basis for voucher privatization by October 1, 1994.

**Headline:**
Will Voucher Privatization be Barred?

**Source:**
*Zvyazda July 23, 1994 via Belarusan Ministry of Management of State Property*

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## Minsk Inter-bank Currency Exchange

**Activity Date:** 2 1996

President Alexander Lukashenko admitted violating the law in early February by taking over the partially privatized **Minsk Inter-bank Currency Exchange**, stating that he must place the interest of his impoverished citizens before the law or international opinion. Additionally, Lukashenko has increased efforts to nationalize the six largest banks: Belagroprombank, Belbisnesbank, Belpromstroibank, Belvneshekonbank, Priorbank, and Sberbank BelarusBank.

**Headline:**
Belarus Banks Face Takeover

**Source:**
*Financial Times February 28, 1996*

### Worsted Fabric Factory

**Activity Date:** 7 1994

Speaking at a press conference held by the GKI, Mr. Pyotr Novikov said that though privatization might be suspended temporarily for some minor amendments, the initiative will not be eliminated.

It was also revealed at the press conference that 20% of the 1.7 million citizens eligible for vouchers had received them. Due to uncertainty in the wake of recent elections the number of individuals who had received Property Vouchers had fallen dramatically over the previous several weeks. A supplement to the original 61 enterprises privatized recently became available, and more people were expected to seek vouchers as a result. According to *Dobry Vecher* the inhabitants of Minsk are most likely to be interested in **Confectionary Factory Kommunarka** and **Worsted Fabric Factory**. By the end of this year over 200 enterprises are expected to be in private hands.

**Headline:**
Privatization: "Nobody Will Stand in the Way of the Locomotive"

**Source:**
*Vecherny Minsk July 22, 1994 via Belarusan Ministry of Management of State Property*

## *Kazakhstan*

### 200+ Building/Construction Enterprises

**Activity Date:** 9 1994

Initial results from Kazakhstan's mass privatization program show that over 200 firms in the building materials, distribution, and clothing industries have been sold in 1994. Auctions are aimed at selling medium sized enterprises (200 to 5,000) employees. Fifty companies are auctioned off every two weeks in Almaty.

**Headline:**
Building Firms Feature in Kazakhstan Sales

**Source:**
*Privatisation International September 1994*

**Activity Date:** 9 1994

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**Headline:**
Building firms feature in Kazakhstan sales

**Source:**
*Privatisation International September 1994*

### Aktyubinskneft

**Activity Date:** 7 1995

The government of Kazakhstan has announced that it will enter into discussions later this month with any foreign firm interested in three of the country's oil firms. The sale of shares in **Aktyubinskneft, Yuzhneftegaz, and Shymkent** is expected to raise $3bn. Companies prepared to take on the management of these enterprises and build an east-west pipeline across central Kazakhstan will be able to take up to a 90% stake in the enterprises. The remaining 10% will be allocated to employees.

**Headline:**
Giant Oil Deal Moves Forward in Kazakhstan

**Source:**
*Privatisation International July 1995*

## Almaty Tobacco Kombinat

**Activity Date:** 9 1993

A strong possibility had existed that the only tobacco factory in Alma-Ata, Kazakhstan, **Almaty Tobacco Kombinat**, was to have been taken over for reconstruction by BAT industries. However, in a recent announcement, Philip Morris of the US has won a 49 percent share in Almaty Tobacco Kombinat and has been promised a majority stake within one year in an agreement signed in early October. The management and the employees of the plant will hold the remaining shares. The investment will be spread over five years and will introduce new packaging and production equipment. Estimates of the size of investment vary with one report suggesting a figure of $260 million over 10 years and another $200 million over the next five years. Philip Morris will also give assistance to tobacco cultivators in Kazakhstan. Production is expected to rise from 12 billion to 20 billion cigarettes a year.

**Headline:** Philip Morris Buys Almaty

**Source:** *Project Finance International October 1, 1993*

**Activity Date:** 2 1994

Philip Morris of the US acquired additional equity in **Almaty Tobacco Kombinat**, the Kazakh tobacco factory, increasing its shareholding from 49% to over 96%. The transaction involved $48.9 million to acquire the equity, a $50 million bonus fee paid to the government, and $216 million in additional investments in the plant's capacity and for regional tobacco cultivation. Employees were given the shares remaining (3.5%) but the government retained a "golden share," allowing it to exercise some control over the company in extreme cases. This transaction involves the first major participation by a foreign investor in the Kazakhstan privatization process.

**Headline:** Tobacco

**Source:** *Plan Econ February 2, 1994*

## Aryrau

**Activity Date:** 3 1993

The possibility of a joint venture for the reconstruction of the Aryrau oil refinery facility was discussed in March. The cost was estimated at $1 billion, with Ronar, the international financial group, and Hydrocarbon, the engineering company, to be the foreign investors. The National Bank and the government were to be the guarantors of the deal. The contract was due to be signed in March with reconstruction starting in 1996.

**Headline:**

**Source:** *PE 3/3/93*

## Chimkent

**Activity Date:** 8 1994

Nabisco Brands Inc. of the United States purchased a controlling share of **Chimkent,** a confectionery factory in southern Kazakhstan. No price was given for the acquisition.

**Headline:** Industry News Briefs: Kazakhstan

**Source:** *PlanEcon August 17, 1994*

## Karmet steelworks

**Activity Date:** 11 1995

The government of Kazakhstan announced that it has sold **Karmet steelworks** to Ispat International, a British company. All of Karmet's assets have been transferred to a joint-stock company that is wholly owned by Ispat. Ispat committed to covering debts of $50m, back wages of $11m, and other enterprise debt. No purchase price was disclosed, but Ispat must pay 60% of the purchase price within a year. Karmat is the second largest steelworks in the former Soviet Union, and it accounts for 10% of Kazakhstan's GDP.

**Headline:** Kazakhstan Sells Off Steelworks

**Source:** *Financial Times November 22, 1995*

## Karmet Works

**Activity Date:** 3 1996

Ispat International, the international steel group, plans to invest $950m to purchase **Karmet Works**, the second largest steel factory in the former Soviet Union. This deal represents the biggest foreign investment in Kazakhstan and one of the biggest in the former Soviet Union. Ispat will pay $450m for Karmet's assets and some of its liabilities and plans to invest $500m to modernize Karmet over the next five years.

**Headline:** Ispat Makes $950m Investment

**Source:** *Financial Times February 27, 1996*

## Power Industry

**Activity Date:** 7 1995

Power International, the company contracted to help upgrade and develop Kazakhstan's **power industry**, is searching for partners to help build up its financial base as it moves into the execution phase of its project. This phase will entail the case-by-case privatization of generating facilities and distribution networks. It is hoped that Western power companies will participate.

**Headline:** Power Investors Sought

**Source:** *Project Finance International July 19, 1995*

## Shymkent

**Activity Date:** 1995

The government of Kazakhstan has announced that it will enter into discussions later this month with any interested foreign firm who may want a stake in three of the country's oil firms. The sale of the tender in **Aktyubinskneft, Yuzhneftegaz,** and **Shymkent** is expected to raise $3bn. Companies prepared to take on the management of these enterprises and build an east-west pipeline across central Kazakhstan will be able to take up to a 90% stake in the enterprises. The remaining 10% will be allocated to employees.

**Headline:** Giant Oil Deal Moves Forward in Kazakhstan

**Source:** *Privatization International July 1995*

## Vasilkovskoye gold mine

**Activity Date:** 1 1995

In January it was announced that the government of Kazakhstan is planning to sell the **Vasilkovskoye** gold mine located in northern Kazakhstan. The mine, which contains $3bn worth of precious metals at current prices and has a current gold output of 14 tonnes, is to be put up for sale by tender to foreign investors. Morgan Grenfell, acting as advisors to the sale, has indicated that several of the world's leading mining companies have expressed interest in acquiring the mine.

**Headline:** Giant Kazakh Gold Deposit Up for Sale

**Source:** *Financial Times January 11, 1995*

## Yuzhneftegaz

**Activity Date:** 1995

The government of Kazakhstan has announced that it will enter into discussions later this month with any interested foreign firm who may want a stake in three of the country's oil firms. The sale of the tender in **Aktyubinskneft, Yuzhneftegaz,** and **Shymkent** is expected to raise $3bn. Companies prepared to take on the management of these enterprises and build an east-west pipeline across central Kazakhstan will be able to take up to a 90% stake in the enterprises. The remaining 10% will be allocated to employees.

**Headline:** Giant Oil Deal Moves Forward in Kazakhstan

**Source:** *Privatization International July 1995*

**Activity Date:** 3 1996

The government has appointed Merrill Lynch and US law firm Pepper Hamilton & Sheetz to advise on the sale of major oil assets. For sale are the **Akyubinskneft** and **Yuzhneftegaz** production companies and the Shymkent refinery **Shymkentnefteorgsynthez**. All are joint-stock companies with employees owning a 10% non-voting preference stake. The government holds the rest in Yuzhneftegaz and Shymkentnefteorgsynthez and 95% of common stock in

The government holds the rest in Yuzhneftegaz and Shymkentnefteorgsynthez and 95% of common stock in Akyubinskneft. Kazakhstan will also be inviting offers for small stakes in two power stations with options to buy a controlling interest dependent upon performance.

**Headline:**
Kazakh Assets

**Source:**
*Privatisation International March 1996*

## *Moldova*

### 24 Large State Enterprises

**Activity Date:** 10 1994

The government of Moldova recently sold 24 large state-owned firms for vouchers in the country's second round of privatization. In the first round 10 enterprises were privatized, and 80 additional firms are to be sold in the third round. Moldova plans to sell 150 large and 500 small sized enterprises by the end of the year. The government hopes to sell 1,600 enterprises, or 34% of all state property, by the end of 1995.

**Headline:**
Privatization Briefs: Moldova

**Source:**
*Central European October 1994*

### Commercial Center

**Activity Date:** 9 1993

The **Commercial Center** in Chisinau was sold on September 11, 1993 via public auction. Still under construction, the center was 17% complete and occupied an area of .44 hectares. The price was $85,758.

**Headline:**

**Source:**
*PW/IPG Staff*

### Focushor

**Activity Date:** 10 1993

Shares of **Focushor,** a food retailer, were sold to its employees for $8,268 on October 9, 1993.

**Headline:**

**Source:**
*PW/IPG Staff*

### Fratsia

**Activity Date:** 10 1993

Shares of **Fratsia**, a food retailer, were sold to its employees for $14,160 on October 9, 1993.

**Headline:**

**Source:**
*PW/IPG Staff*

### Gloret Industrial Complex

**Activity Date:** 9 1993

The **Gloret Industrial Complex** was sold on September 11, 1993 via public auction. Still under construction, the center was 67% complete and occupied an area of .82 hectares. The price was $268,000.

**Headline:**

**Source:**
*PW/IPG Staff*

### Health and Sports Complex

**Activity Date:** 9 1993

The **Health and Sports Complex** in Chisinau was sold on September 11, 1993 via public auction for $99,500.

**Headline:**

**Source:**
*PW/IPG Staff*

## Macro

**Activity Date:** 5 1994

It was announced in late May that Moldova's government plans to privatize 1600 state-owned enterprises to be sold off in auction form. The companies to be privatized have not been announced, but most small companies will be sold through auctions, and subscription by large groups will be permitted.

**Headline:** News Round-up: Moldova

**Source:** *Financial Times May 23, 1994*

## Minunatsi

**Activity Date:** 10 1993

Shares of **Minunatsi**, a food retailer, were sold to its employees for $12,700 on October 9, 1993.

**Headline:**

**Source:** *PW/IPG Staff*

## Moldtelecom

**Activity Date:** 7 1995

The government of Moldova is searching for financial and legal advisors to assist with the privatization of **Moldtelecom**, the Moldovan telecommunications company. The EBRD is expected to request proposals for the mandate, worth an estimated $627,000, in the near future.

**Headline:** Telecoms Advisor Sought

**Source:** *Project Finance International July 19, 1995*

## Nistru

**Activity Date:** 10 1993

Shares in **Nistru**, a food retailer, were sold to its 27 employees for $14,470 on October 9, 1993.

**Headline:**

**Source:** *PW/IPG Staff*

## Prikindel

**Activity Date:** 10 1993

**Prikindel**, a food retailer, was sold to a group of citizens for $22,200 on October 9, 1993.

**Headline:**

**Source:** *PW/IPG Staff*

## Shop 18

**Activity Date:** 10 1993

**Shop 18**, a food retailer, was sold to its 38 employees for $15,470 on October 9, 1993.

**Headline:**

**Source:** *PW/IPG Staff*

## Shop 4/33

**Activity Date:** 10 1993

**Shop 4/33**, a food retailer, was sold to its 46 employees for $24,650 on October 9, 1993.

**Headline:**

**Source:** *PW/IPG Staff*

**Uniria**

**Activity Date:** 10 1993

**Uniria**, a food retailer, was sold to its 70 employees for $6,500 on October 9, 1993.

**Headline:**

**Source:**
*PW/IPG Staff*

**Victoria**

**Activity Date:** 10 1993

**Victoria**, a food retailer, was sold to its 39 employees for $22, 970 on October 9, 1994.

**Headline:**

**Source:**
*PW/IPG Staff*

## *Russia*

**Agricultural and Food Processing Enterprises**

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City, and Moscow Oblast IPG aided in the voucher and cash auction privatization of nearly 300 firms. In the agriculture and foodstuffs sector 23 firms were sold including **Kuban Candy**, a confectionery with 1,126 employees, **Kombi**, a bakery with 1,161 workers, and **Ostankinsky Milk Combinat**, a dairy producer employing 1,518.

**Headline:**

**Source:**
*PW/IPG Staff*

**Aviastar (Ulyanovsk)**

**Activity Date:** 2 1993

**Aviastar** requested the aid of Price Waterhouse in planning an offer of at least 50% of its shares in the West. The firm has joint ventures with several foreign companies and is a partner in the Aviation Corporation - a Russian-British venture set up to boost the sale of TU-204 aircraft equipped with Rolls-Royce engines.

**Headline:**

**Source:**
*PlanEcon 2/3/93*

**AvtoVAZ**

**Activity Date:** 8 1993

Russia's largest car manufacturer, **AvtoVAZ**, has formed a joint-venture with Asea Brown Boveri (ABB), the Swiss-Swedish engineering group, to produce fans for domestic and industrial ventilation. ABB will own 50 percent of the new company Lada-Flakt, with 10 percent owned by AvtoVAZ, and 40 percent by Ladainvest. The latter consists of stake holdings of Lada Holding Company, Lada Bank, and the Lada workers, who will have 16 percent in the venture as a part of the continuing privatization process of AvtoVAZ. The new venture is expected to employ about 100 Lada workers and have an annual turnover of $10 million.

**Headline:**
ABB in Link With Russian Carmaker

**Source:**
*Financial Times* *August 18, 1993*

**Activity Date:** 1 1994

In January 1994, Russia's State Property Committee postponed the privatization of **AvtoVAZ** the maker of Lada cars. This announcement was made just days after recieving a loan offer of $10 million from the Banque Nationale de Paris. The management had planned to sell half of its shares in December 1993, 27% of which would have been sold at voucher auctions and 22.5% at an investment tender for cash.

voucher auctions and 22.5% at an investment tender for cash.

**Headline:** Business/Company News Briefs - Russia

**Source:** *Plan Econ January 5, 1994*

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**AZLK (Automobile Factory of Lenin's Komsomol)**

**Activity Date:** 8 1993

President Yeltsin signed an order clearing the way for the privatization of the state-owned Moscow auto-maker AZLK, that produces Moskvich cars. A share of a 60% of the company's stock will be available for domestic and foreign investors. A twenty five percent of the stock will be distributed free of charge to the workers and managers of the factory and an additional 10% at a steep discount. Employees will also be able to bid for shares at the public auction.

**Headline:** Russia Clears Sale of Car Maker

**Source:** *The Wall Street Journal August 26, 1993*

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**Baikal Airlines**

**Activity Date:** 9 1995

Central Asian Investment Corporation, a British investment fund, has purchased a majority stake in **Baikal Airlines**, a Russian airline. The stake was bought at a privatization auction, but the price was not disclosed.

**Headline:** Fund Controls Russian Airline

**Source:** *Wall Street Journal September 7, 1995*

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**Balashiha Kislarodnyj Zavod (BKZ)**

**Activity Date:** 6 1994

A 35% stake in **Balashiha Kislarodnyj Zavod (BKZ, Balashihia Oxygen Plant)**, one of Russia's two largest industrial gas groups, was sold in June to the Swedish industrial gas group, Aga. The 35% share was purchased through a tender from a state property fund that still holds a 14% share which it will auction later. The remaining 51% will be held by Aga employees. Aga intends to obtain full control of BKZ by the end of the summer. BKZ currently employs 360 workers and averages annual sales of $5.7 million (SKr45m). Its production and distribution output includes oxygen, nitrogen and argon, and the company is considered the largest industrial gas company in the Moscow area.

**Headline:** Aga Takes 35% Stake in Russian Gas Group

**Source:** *Financial Times June 13, 1994*

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**Baltika**

**Activity Date:** 7 1993

The state owned brewery **Baltika** in St. Petersburg was auctioned in July. A foreign investor initially bought 9% of Baltika's shares and reportedly purchased another 43% through the voucher auction process. The company also received pledges of 300,000 Finnish marks in investment.

**Headline:** Yeltsin Rebuffs Parliament's Attacks

**Source:** *Privatisation International August 1993*

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**Bolshevichka**

**Activity Date:** 11 1993

The British clother Illingworth Morris has won a tender and will purchase 49% of the Russian clothing manufacturer **Bolshevichka**. Illingworth Morris plans to invest $5.5 million in the Russian company over 5 years for technology, licensing and training. Illingworth Morris ownes the British rights to the Crombie and Christian Dior labels and plans to use the Russian plant to manufacture designer clothes.

**Headline:** Business Report--Textiles

**Source:** *PlanEcon November 24, 1993*

### Cement and Concrete Manufacturing Firms

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the concrete and cement sector 11 firms were sold including **Tsementny Zavod**, a cement enterprise with 3,924 employees, **Zd.asbestocementnyhizdeliy**, a cement and roofing materials firm which employs 1,320, and **Nevyansky Tsementnik**, a cement firm with 1,154 workers.

**Headline:**

**Source:**
*PW/IPG Staff*

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### Chemicals and Fertilizer Companies

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the chemicals and fertilizer sector 8 firms were sold including **Chrompik**, a chemical enterprise with 3,839 employees.

**Headline:**

**Source:**
*PW/IPG Staff*

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### Cosmos Hotel

**Activity Date:** 7 1993

At the end of July 1993, 38% of **Hotel Cosmos** was auctioned at a large public auction in Moscow. The capital of Cosmos is R334 million ($225,000).

**Headline:**
Yeltsin Rebuffs Parliament's Attacks

**Source:**
*Privatisation International August 1993*

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### Diamond Polishing JV

**Activity Date:** 3 1993

A joint venture in diamond polishing between two public Russian firms, a Moscow construction company and a Russian state committee, and two Belgian enterprises, Kaszirer Diamonds and Oltuski Spira Diamonds, commenced in March. The Belgian firms acquired a 40% stake in the joint venture after investing between $6-$7 million.

**Headline:**

**Source:**
*The Financial Times 3/11/93*

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### Diapazon

**Activity Date:** 6 1992

In June Diapazon, a manufacturer of consumer plastic products employing 850 people, was privatized. The European Bank for Reconstruction and Development is advising on the project.

**Headline:**

**Source:**
*EBRD 6/92*

**Dukat**

**Activity Date:** 8 1993

Seventy percent of the shares of Ducat, a cigarette factory in Moscow, will be bought by the US company Brooke Overseas, a subsidiary of Ligett-Myers. The remaining 30% of shares will be sold to Ducat's employees. Liggett-Ducat, the new joint-venture, gets a 50-year lease on Ducat Place, a 3600 square-foot office space in Moscow.

**Headline:**
Business/Company News Briefs

**Source:**
*Plan Econ August 18, 1993*

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**Electronics Firms**

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the electronics sector 7 firms were sold including **Nizhneturinsky Electroapparanty**, an electrical equipment maker with 1,007 employees, **Niti-Tesar**, an aviation equipment producer with 2,176 workers, **NPK Avtomatika**, an R & D company employing 1,180, and **Proyektmontazhavtomatika**, an electronics firm with 6,227 workers.

**Headline:**

**Source:**
*PW/IPG Staff*

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**Extractive Sector Enterprise**

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the extractive sector 1 firm was sold.

**Headline:**

**Source:**
*PW/IPG Staff*

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**Forestry and Fishing Company**

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the forestry and fishing sector 1 firm was sold.

**Headline:**

**Source:**
*PW/IPG Staff*

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**Gazprom**

**Activity Date:** 3 1992

In March it was announced that **Gaz**, the state-owned plant in the Russian city of Nizhny which makes trucks and Volga sedans will be offered for sale to its 100,000 employees and other investors.

**Headline:**

**Source:**
*WSJ 3/4/92*

**Activity Date:** 4 1993

Gazprom, the Russian natural gas monopoly, was to have nearly 60% of its shares sold. Up to 15% of the firms shares were to be sold to gas industry workers on special terms, 28.7% was to be offered to those living in gas producing regions, 5.2% was to go to the residents of Yamalo-Nenets, the area at the center of the gas-producing region. Ten percent was to be offered to the public, and the state planned to retain 40%.

**Headline:**
Government to sell half of Gazprom's shares

**Source:**
*PE 4/14/93*

Government to sell half of Gazprom's shares *PE 4/14/93*

**Activity Date:** 1994

The foreign appetite for shares in **Gazprom**, the Russian gas monopoly which is the world's largest supplier and the country's largest company, has created great disparities in its market price ahead of a sale of 9% of its stock to international investors. The stock price on the Vladivastock Stock Exchange is 17 times greater than the price quoted by brokers in Moscow. The Vladivastock price means that the 9% offered abroad would be worth $10bn, while the Moscow price would make the offer worth a little over $600m. However both prices are artificial since nothing is known of how the shares will be offered, and there are doubts surrounding title to any future shares and questions about the legality of the prospective Gazprom offer to foreign investors.

**Headline:** Western Interest Fails to Ally Gazprom Fears

**Source:** *Financial Times November 27, 1994*

**Activity Date:** 1994

**Gazprom**, the Russian gas monopoly is set to be included in a $6bn proposal to develop Kazhakhstan's largest gas field. With pressure mounting from the Russia, the Kazakh gas company urged that British Gas and Agip, its Italian partner approve a proposal for Gazprom to join the development consortium with a 15% share of the two companies' stake in the huge Karachaganak gas field.

**Headline:** Russia Set to Get a Share of Kazakhstan's Largest Gas Field

**Source:** *Financial Times November 11,1994*

**Activity Date:** 5 1994

It was announced in May that **GAZ**, a firm dealing in trucks, automobiles and spare parts, plans to privatize a 50.7% share through the month of May. The sale will take place in auction form between December 20, 1993 to May 5, 1994. The auction will be held by the Nizhny Novgorod regional fund. The company currently employs 109,036 workers and has a charter capital of 592,000,000 rubles ($315,733). Following privatization, the employees will receive 25% of the stock as non-voting capital and 15% of the ordinary shares.

**Headline:** River-Shipping Sell-Off: Russia Opens Trade Floodgates

**Source:** *The Moscow Times May 15, 1994*

**Activity Date:** 7 1994

An official of **Gazprom**, the Russian natural gas monopoly, announced that the company would be transferred to private ownership by July 1, 1994. Under the plan, company employees were already acquiring 15% of the company with their privatization vouchers, with another 28.7% to be offered to Russians at auctions throughout the country. Approximately 5% will be reserved for ethnic minorities living in the gas-rich peninsula in the far north. Ten percent will be offered to foreign and domestic investors for cash, which will be used for immediate capital investment. The state plans to retain ownership of 40% of the company for at least three years based on its strategic value. Though Russia exported approximately 96 billion cubic meters of natural gas last year, valued at nearly $7.2 billion, the state-owned industry has been plagued by inefficient operation and frequent interruptions. Critics have argued that the voucher process will do little to bring in the needed investment.

Gazprom, which has already been transformed into an independent state-owned company, is described by some as the only functional entity in Russia. It is envolved in a joint venture with BASF Wintershall for the construction of the Stefal/Midal pipeline system for exports to Germany. This project has been delayed because Western banks need sufficient security, and due to legal problems in Germany. Privatization is not likely to bring a breakup of the large Gazprom organization.

**Headline:** Gazprom Added to List for Privatisation

**Source:** *Financial Times February 23, 1994*

**Activity Date:** 8 1994

In August it was announced that **Gasprom**, the world's largest gas company with 35 percent of the world's known reserves, will sell a 9 percent minority stake to western investors late this year or early next year. Kleinwort Benson has been appointed as advisor to the sale although Gasprom will sell its own shares. It is expected that there will be considerable interest from potential investors, many of whom are already involved in cooperative agreements with Gasprom, because Gasprom is considered by the international banks to be a creditworthy company. The government will retain a 40 percent holding of which, 15 percent is owned by employees. Earlier this year one third of the company's shares were sold via a voucher auction, to the public.

**Headline:** Gasprom Stakes to be Offered to Western Investors

**Source:** *Financial Times August 6, 1994*

*Financial Times August 6, 1994*

**Activity Date:** 10 1994

The Russian government announced in October that it is planning to sell a 9% stake in **Gazprom**, the world's largest natural gas producer and exporter. The company produces 575 billion cubic meters of natural gas each year of which, 25% is exported to Western Europe. Foreign advisors have estimated the company's value at $1 billion.

**Headline:**
Russian Gas Concern Gazprom to Sell Stake To Foreign Investors

**Source:**
*The Wall Street Journal October 17, 1994*

**Activity Date:** 10 1994

It has been announced that **Gazprom**, the world's largest international gas company, will sell up to 9% of its share capital. Kleinwort Benson will advise on the transaction which will involve an offer to overseas investors in the form of a private placement or a public offer. Gazprom sold a 34% stake to Russian investors in voucher auctions. The international offer will be a difficult and complex undertaking as current legislation forbids the purchase of shares in the gas giant by foreign investors. A spokesperson for Kleinwort indicated that speculation on the structure or the timing of the sale is premature because much remains to be accomplished before preparations for the transaction are complete.

**Headline:**
Russia May Sell Part of Gas Utility to Foreigners

**Source:**
*Privatisation International October 1994*

**Activity Date:** 12 1994

Officials for **Gazprom**, the world's largest gas producer, and its advisor Kleinwort Benson have announced the creation of a list of 10 to 20 potential western industrial companies expected to participate when Gazprom offers a 9% tranche in 1995. Gazprom, which owns nearly 24% of the world's gas reserves, had hard currency earnings of between $6bn and $7bn in 1993. The company, hoping to secure existing or proposed relationships, has said that it welcomes the participation of industrial investors as it would enhance the company's credit worthiness. In addition to industrial investors, it is suspected that suppliers of infrastructure such as pipelines and compressors have also been included in the list. The estimated value of the company is $118bn.

**Headline:**
Gazprom Looks for Industry Investors

**Source:**
*Financial Times December 28, 1994*

**Activity Date:** 3 1995

The planned sale of **Gazprom** shares to Western institutional investors was postponed until market conditions in Russia improve. The delay in the sale of the 9% stake in the company, which controls 24% of the world's natural gas reserves, is the result of domestic instability in Russia and the financial crisis that hit Mexico. Nonetheless, the company's management is beginning negotiations with 20 potential shareholders.

**Headline:**
Market Turmoil Hits Russian Gas Sale

**Source:**
*Financial Times March 27, 1995*

**Activity Date:** 8 1995

The implementation of the second stage of privatization for **Gazprom**, the giant Russian gas producer, has been delayed due to poor investor response to other Russian offerings this year. In the first six months of this year, the government raised a total of $23.6m from share sales of a number of companies, which was less than 3% of its target. Speculation about how much Gazprom's shares will net has caused politicians to rethink whether privatization would be a profitable venture at this time.

**Headline:**
Gazprom On Defensive As Moscow Turns Up Heat

**Source:**
*Financial Times August 10, 1995*

**Activity Date:** 8 1995

**Gazprom** is expected to offer a convertible bond issue modeled after a similiar offering by Lukoil to Arco. Gazprom intends the offering to represent 9% of its equity, selling to foreign trade buyers and international institutional investors. The offering is expected to be competitive as Gazprom has been negotiating with five interested western companies, however, its advisors say price will be only one of the factors considered.

Atlantic Richfield (Arco), US oil company, has agreed to purchase a minority stake in **Lukoil,** Russia's largest integrated oil company, for $250m. Lukoil is issuing convertible bonds and Arco has made a binding agreement to buy $250m of the $350m available in bonds. When the bonds are converted, Arco would hold approximately 6% of Lukoil's equity. Gazprom, Russia's gas producer, is expected to follow Lukoil if the issue is deemed successful.

**Headline:**
Bond Issue Expected at Gazprom

**Source:**
*Financial Times October 27, 1995*

**Activity Date:** 10 1995

**Gazprom** is expected to offer a convertible bond issue modeled after a similar offering by Lukoil. Gazprom intends the offering to represent 9% of its equity, selling to foreign trade buyers and international institutional investors. The offering is expected to be competitive as Gazprom has been negotiating with five interested western companies; however, its advisors say price will be only one of the factors considered.

**Headline:**
Bond Issue Expected at Gazprom

**Source:**
*Financial Times October 27, 1995*

**Activity Date:** 3 1996

Rem Vykharev, chairman of **Gazprom**, Russia's richest company and the world's largest natural gas producer, expressed disappointment about the low prices being offered for a 9% stake in the company. Proposals were still being accepted by the sale advisor, Kleinwort Benson, but no sales were made. Gazprom planned the sale to finance plans to expand export capacity to Western Europe. Although an institutional sale remained an option, more effort was made to find a trade buyer to participate in a convertible bond offering. This would help to put a market value on Gazprom. A number of companies have been seen as possible buyers of Gazprom's convertible bonds or shares: British Gas, Snam of Italy, Ruhrgas of Germany, and Gaz de France. Potential trade buyers are known to be worried about the lack of reliable financial information about Gazprom and consider Gazprom's own valuation too high.

**Headline:**
Gazprom Disappointed at Offers for 9% Stake

**Source:**
*Financial Times March 25, 1996*

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## Globus Hotel

**Activity Date:** 7 1993

At the end of July 1993, 29% of **Hotel Globus** was auctioned in Moscow. The capital of Globus is R189 million ($127,000).

**Headline:**
Yeltsin Rebuffs Parliament's Attacks

**Source:**
*Privatisation International August 1993*

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## Gorky Automobile Factory (GAZ)

**Activity Date:** 2 1994

The privatization of **Gorky Automobile Factory (GAZ)** was called off due to illegal attempts to acquire stock by the firm's management. The government was to sell 50.7% of the enterprise to Russian citizens in exchange for privatization vouchers, but it was discovered that company officials had diverted $23.9 million in state credits to buy vouchers on the open market.

**Headline:**
Russian Privatization Annulled

**Source:**
*The Wall Street Journal February 23, 1994*

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## GUM

**Activity Date:** 2 1993

The Russian government announced the sale of the GUM department store on Red Square, and three plants and a department store in Volgograd. Six thousand investors expressed interest in a 15.5% stake. GUM sells Russian made shoes, clothing, housewares, and souvenirs at several different locations.

**Headline:**

**Source:**
*WSJ 2/9/93*

**Hotel**

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the tourism and hotels sector 1 firm was sold.

**Headline:**

**Source:**
*PW/IPG Staff*

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**Hotels**

**Activity Date:** 9 1993

The Moscow Property Fund announced in September it will turn another eight hotels into joint stock companies. These include **Vladivostok, Sevastopol,** and **Baikal.** Similar status was requested by four others which include **Belgrad, Tourist, Yaroslavskaya,** and **Olympia.**

**Headline:**
Business/Company News Briefs

**Source:**
*Plan Econ September 15, 1993*

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**Komineft**

**Activity Date:** 8 1993

A small share of 8.3 percent in Russia's oil and gas producing company Komineft, with its two subsidiaries Tebukneft (oil extraction) and Snabneft (oil equipment supplier) will be offered in exchange for privatization vouchers. Both foreigners and Russians will be able to acquire shares. Another 8 percent of the company will be put on sale for cash, which is expected to provide a financial boost of RU3billion (approx. $3 million). Komineft is considered one of the better managed oil and gas companies in Russia. It has set up five joint ventures with foreign partners which supply equipment in return for the right to export oil produced. The company, however, is owed a total of RU1,200 billion (approx. $1.2 million) by state owned refineries and other enterprises, while owing other companies RU5 billion (approx. $5 million).

**Headline:**
Russia Launches Oil Privatization

**Source:**
*Financial Times August 18, 1993*

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**KomiTek**

**Activity Date:** 11 1995

The government of Russia is expected to auction a 4% stake in **KomiTek,** an oil company, between November 29 and December 29. Eventually, the government is expected to offer a total of 49% of the company's equity through auctions and investment tenders.

**Headline:**
Russia

**Source:**
*Financial Times November 27, 1995*

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**Krasnodar Tobaco factory**

**Activity Date:** 10 1993

Philip Morris of the US is planning to buy a 49 percent stake in **Krasnodar tobacco factory** and intends to invest $60 million in the modernization of its facilities which will produce Marlboro cigarettes.

**Headline:**
Business/Company News

**Source:**
*Plan Econ October 13, 1993*

**Kuznetsk Steel Works**

**Activity Date:** 2 1996

The **Kuznetsk Steel Works** factory, located in the Kemerovo region in Siberia, has become the subject of a fierce fight between private investors, who have acquired a controlling stake, and Soviet-era managers, who are trying to stop the privatization process. Former manager Nikolai Fomin, who is allied with the shareholders, tried to take over the factory. However, with the help of the local government, the current manager, Mr. Evgenii Braunshtein, was able to maintain control. Despite Kuznetsk's bankruptcy, Braunshtein is currently trying to buy back as many shares as possible to bring the factory completely under his control.

**Headline:** Russia's Future Played Out in Steel Mill

**Source:** *Financial Times March 4, 1996*

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**large state-owned companies**

**Activity Date:** 1995

Inkombank, Bank Rossiisky Kredit and Alfa Bank have announced that recent loans-for-shares auctions and investment tenders have attracted insufficient interest and could therefore destabilize the government budget, leading them to recommend that the government delay privatizing some large, attractive companies.

**Headline:** Russian Selloff Delay Sought

**Source:** *Wall Street Journal November 28, 1995*

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**Leather, Stone, Clay and Glass Firms**

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the leather, stone, clay and glass sector 2 firms were sold including **Krasnodarsky Zerkalno**, a glass and mirror producing company with 1,207 employees.

**Headline:**

**Source:** *PW/IPG Staff*

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**Lenzoloto**

**Activity Date:** 12 1992

In December 1992, 31% of the Russian mining investment fund **Lenzoloto** was sold to Star Technology Systems of Australia for $250 million. The remaining equity is controlled by the Russian State Property Management Committee. Lenzoloto will begin gold mining operations in the Irkutsk region.

**Headline:**

**Source:** *PlanEcon 12/9/92*

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**LUK Oil, Surgutneftgas, and Yukus**

**Activity Date:** 4 1993

In April, President Yeltsin gave his approval of plans to convert three state oil enterprises into joint-stock companies. LUK Oil is to be the first, and Surgutneftgas and Yukus are to follow. Thirty eight percent of the equity will remain with the state for a minimum of 3 years. Employees are to be offered a 25% stake.

**Headline:** Russia Proceeds Amid Skepticism

**Source:** *International Privatization Update July 1993*

**Lukoil**

**Activity Date:** 7 1994

In July, Russia's largest oil company, **Lukoil**, announced plans to offer more than 20% of its shares to the public and 15% to foreign investors. An additional 10% may be offered to the Russian public, pending government approval. Lukoil, which provides 15% of total Russian crude, is the first large oil company to offer shares to western investors. The break-up of the Rosneft holding company left Lukoil with reserves that it claims are among the largest in the world, although they are as yet unquantified. To achieve its goal of becoming a competitive energy company with associates in the former Soviet states as well as abroad, the company has fixed the price of its product while lowering production costs, invested in a new refinery in association with the Swiss-Swedish ABB Brown Boveri power engineering company and purchased a 10% share in the BP-led consortium to develop oil reserves off Azerbaijan.

**Headline:** Russian Oil Giant Woos West

**Source:** *Financial Times July 4, 1994*

**Activity Date:** 11 1994

In November it was announced that **LUKoil** and investment bankers SG Warburg, Paribas and Salomon Brothers, had met to work out details for the offering of a 15% stake on the London and New York stock exchanges sometime next year. This is the first time a Russian oil company will exercise its right in accordance with a special Presidential decree to offer such shares. Prior to the sale, LUKoil is expected to absorb its subsidiaries and to reorganize as a single company. An examination of LUKoil's nearly 30,000 wells will be conducted and its accounting system will be brought into line with international standards. Current plans call for the shares to be distributed as follows: 45% held by the state with an additional 10% to be auctioned later, 3% sold to employees, 15% sold to foreign investors, 27% sold to domestic investors through investment auctions and 10% sold through voucher auctions.

**Headline:** LUKoil First to Use Right to Sell 15%

**Source:** *Privatisation International November 1994*

**Activity Date:** 12 1994

Officials for **Lukoil**, Russia's largest oil company, have outlined plans for raising what they hope will be $3bn to $7bn in foreign investment over the next few years. The key element to the plan is the possible sale of a 15% stake in 1996. In order to attract foreign investment, the company plans to undergo internal restructuring and to acquire five additional companies as well as assuming full control over its subsidiaries by the end of 1995. Lukoil has already begun the process by shifting its housing and other social responsibilities to local governments. The Russian government currently has a 45% stake and other foreign investors, including Credit Suisse First Boston with a 3.5% stake, also have stakes in the company. KPMG and McKinsey are serving as advisors to Lukoil.

**Headline:** Lukoil Unveils Plans to Attract Foreign Capital

**Source:** *Financial Times December 9, 1994*

**Activity Date:** 1995

**Lukoil**, one of the newly formed oil giants, is planning to sell an additional 31% of its equity this year, making the company officially private. However, company management plans to maintain the company's "Russian" character by reserving the majority of the 31% stake for domestic investors. To date, approximately 20% of the company's equity has been privatized, with 16% being held by employees and the company itself, and the remainder being owned by foreigners. In the forthcoming sale, 20% will be reserved for Russians despite expectations that the company will take a loss in such a sale. The company's Chief Financial Officer, Leonid Fedoun, claimed that such a move was being made in order to assure the company's political future by preventing the loss of dividends to overseas interests. Fedoun expects company dividends to total more than $1bn in 10 years. The remaining 11% of the 31% tranche will be sold in London and New York as depository receipts which will be convertible to Lukoil stock in 1996.

**Headline:** The Foreign Devil

**Source:** *Euromoney May 1995*

**Activity Date:** 1995

**Lukoil** has asked the government to delay its sale of a 16% stake from December 15 until at least December 27. Lukoil also would like to amend the terms of sale. Lukoil has asked for the postponement because it fears a fall in its stock price.

The December 15 tender of a 16.07% stake in Russia's largest oil company, Lukoil, is restricted to Russian investors. The minimum bid is set at $188.9m, including a $176.5m investment commitment over the next two years. The government is also expected to offer a 5% stake in Lukoil as collateral for a loan of at least $35m on December 7.

**Headline:**

**Source:**

**Headline:**
Lukoil Seeks to Delay Sale

**Source:**
*Wall Street Journal November 22, 1995*

**Activity Date:** 8 1995

By the end of the year, the Russian government will offer shares in some of Russia's biggest oil companies including a 15% stake in **Lukoil** and **Sidanco**. Ten percent of **Unified Energy Systems**, the national power grid, and 7% of **Yukos**, another leading oil group, will also be offered.

**Headline:**
Moscow Approves Big Sell-Off

**Source:**
*Financial Times August 17, 1995*

**Activity Date:** 8 1995

**Lukoil**, the Russian oil group, announced that it will issue a convertible bond this year, which will contain a total of 460,000 notes, each nominally worth $1,129.17 (Rbs5m). The paper would be swapped for 59.5 million ordinary Lukoil shares offered starting on April 6, 1996, with each bond to be traded for 170 common shares.

Atlantic Richfield (Arco), an American oil company, has agreed to purchase a minority stake in **Lukoil**, Russia's largest integrated oil company, for $250m. Lukoil is issuing convertible bonds and Arco has made a binding agreement to buy $250m of the $350m offering. When the bonds are converted, Arco would hold approximately 6% of Lukoil's equity. **Gazprom**, Russia's gas producer, is expected to follow Lukoil if the issue is deemed successful.

**Headline:**
Russia

**Source:**
*Financial Times August 28, 1995*

**Activity Date:** 10 1995

Government plans to auction a 5% stake in the oil company, **Lukoil**, on November 17 have caused concern in Russia. The controversy centers on the proposed speed of the process and the fact that restrictions placed on foreign participation has caused investors to question the level of demand for the shares. The sale of Lukoil's shares is part of the controversial scheme in which Russian banks loan the government money in exchange for the right to hold government-owned shares in trust and are entitled to benefit from any capital increase over the next three years. The starting price for the stake is $35m and shares will not be sold to foreign investors or organizations with more than 25% foreign capital.

**Headline:**
Russian Oil Privatization Plans Stir Controversy

**Source:**
*Financial Times October 18, 1995*

**Activity Date:** 12 1995

A Russian consortium won a 5% stake in **Lukoil**, the country's biggest oil company, for $35.1m in a privatization auction. There have been complaints about the transition, however, because the consortium included Lukoil's own management and Imperial Bank, which is closely associated with Lukoil and acted as the government's agent in the auction.

**Headline:**
Russian Group Wins 5% Stake in Lukoil for $35m

**Source:**
*Financial Times December 8, 1995*

**Activity Date:** 12 1995

Russia sold 5% of **Lukoil**, its biggest oil company, for $35m to a consortium which includes Lukoil management. The sale strengthened the perception that the Russian government privatization practices favor insiders.

**Headline:**
Communists to Profit From Painful Transition

**Source:**
*Financial Times December 11, 1995*

**Activity Date:** 3 1996

The biggest portfolio investment in Russia was announced on March 21 after a block of 23.8 million shares in **Lukoil** was acquired by international institutions for $130m. The secondary market deal was arranged by Alfred Berg, the Nordic investment bank. The shares, which amount to a 3.3% stake in Lukoil, were sold for $5.50 each, a $0.25 premium over the market price.

**Headline:**
Institutions Pay $130m for Lukoil Stock

**Source:**
*Financial Times March 22, 1996*

**Activity Date:** 3 1996

1996

Arco disclosed that it will bid for a portion of the more than $140m worth of **Lukoil** bonds to be placed on auction to Western oil firms later this week. The Arco spokesman declined to say how much the company expected to invest, except to say that the total would be significantly less than the $250m Arco invested in Lukoil bonds last year.

**Headline:**
Arco, Russian Partner Make Big Plans for Region

**Source:**
*Wall Street Journal March 26, 2996*

**Activity Date:** 4 1996

Arco confirmed on April 2 that it would increase its stake in **Lukoil** to 8.8% from 6.3% after buying an additional 94,764 bonds which are convertible to a 2.5% interest in the voting shares of Lukoil. Arco paid $88.8m, or $5.51 per voting share. Under a joint venture agreement signed between the two companies last year, investments could total $3bn over 10 years, with most of the funds provided by Arco.

**Headline:**
Bond Buy Lifts Arco Holding in Lukoil

**Source:**
*Financial Times April 3, 1996*

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## Lumber and Furniture Firms

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the lumber and furniture sector 18 firms were sold including **Bergovoi Lesokombinat**, a wood processing company with 1,884 employees, **Shatura**, a furniture maker which employs 3,564, **Mebel**, a furniture producer with 2,092 workers, **Kavkaz-M**, a furniture manufacturer employing 2,884, and **Chernomormebel**, a furniture maker with 2,259 employees.

**Headline:**

**Source:**
*PW/IPG Staff*

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## Macro Article

**Activity Date:** 1993

The Russian Parliament has passed another resolution hostile to the privatization policies of President Boris Yeltsin. The new legislation is an attempt to weaken the authority of the State Property Committee over the selloff of state enterprises. Earlier in the week the legislature petitioned Russia's highest court to review a decree issued by Yeltsin in May designed to speed up the privatization process. Deputy Prime Minister, Anatoly Chubais, called the two actions a coordinated assault on economic reform and a blatant attempt to revive the centrally controlled economy of the former Soviet Union. Though reformers argued against the proposals, President Yeltsin was away on vacation, and the initiatives passed easily. The changes don't abolish the State Property Agency, but they give control of the organization to Prime Minister Viktor Chernomyrdin, who may delegate authority as he chooses. Mr. Chernomyrdin is considered a Yeltsin loyalist, but his views are more conservative than those of Deputy Prime Minister Chubais, the head of the State Property Agency. The requested review of the privatization decree effectively suspends the dictum, but does not prevent the privatization program from proceeding. Those on the State Property Committee and their supporters have vowed to take unspecified measures in order to protect the privatization initiative. The week's events did not seem to affect the voucher market, where market prices approached the voucher's face values.

**Headline:**
While Yeltsin is Away, Parliament Plays at Gutting Privatization Plan

**Source:**
*Wall Street Journal July 22, 1993*

**Activity Date:** 7 1993

Parliament has suspended President Boris Yeltsin's May decree designed to increase the pace of the privatization process. Reasserting its authority in a struggle with Yeltsin, the Supreme Soviet sent the matter to the Constitutional Court. The action does not halt any current privatizations, but Anatoly Chubais, Deputy Prime Minister, said it could be injurious to those involved in SOE selloffs. The decree in question was designed to keep factory bosses from delaying privatization and allowed the government to fire those managers who obstructed the sale of state firms.

**Headline:**
Russian Selloffs Checkmated

**Source:**
*Wall Street Journal July 21, 1993*

**Activity Date:** 9 1993

An early September figure of privatized medium and large enterprises according to the Russian government, was

1993

An early September figure of privatized medium and large enterprises according to the Russian government, was 4,500, the pace surging ahead at the rate of 700-800 firms a month. By the end of August an estimated 20% of Russia's industrial workers were employed by firms already privatized. In some parts of the small-scale service sector the privatization was reported completed.

**Headline:**
Russia's Struggle

**Source:**
*The Economist* *October 2, 1993*

**Activity Date:** 1994

The state duma, the lower house of Russia's Parliament, blocked legislation initiating the second, and perhaps most critical, phase of privatization. In phase one, 70% of state enterprises were sold off via voucher auction. Anatoly Chubais, deputy minister for privatization, emphasized that he intended to continue preparing for the second stage of privatization, in which remaining state assets will be auctioned for cash. It is hoped that the privatization process will take off in its second stage, prompted by Russian investors, and a limited number of foreigners. Advocates of reform like Mr. Chubais are pushing Mr. Yeltsin to sign a decree which would legalize the second stage of privatization

Russian President Boris Yeltsin signed a decree continuing Russia's privatization initiative, and apparently clearing the way for the awaited second phase. The order, however, includes unspecified concessions to parliamentary deputies who had blocked the second stage of privatization. It is rumored that one such concession is the abandonment of proposals for land privatization.

**Headline:**
Next Stage of Russian Asset Sales Blocked

**Source:**
*Financial Times* *July 15, 1994*

**Activity Date:** 7 1994

Russian President Yeltsin issued a decree setting the terms of post-voucher privatization in late July after the State Duma failed to pass a program. The presidential order contained concessions designed to gain support, including a clause giving parliament final approval of privatizations involving over $200 billion roubles ($100 million), and others which delay the sale of land, health care, and educational facilities. Enterprises will be allowed to retain 51 percent of the proceeds from sales of their own shares under a plan to divest 20 percent of state assets via direct sale. The government expects to pocket $1.25 billion. Anatoly Chubais, the Minister of Privatization, and other officials stated that Yeltsin would impose the new initiative by decree if the parliament failed to act. Yeltsin, however, was hesitant to do this as he wanted to spread responsibility for the program as widely as possible. The Russian President declared extended privatization vouchers for three months starting September 1, making them valid in the post-voucher phase. Investment funds were given until August 15 to redeem vouchers before the beginning of an audit in September.

**Headline:**
Russian Privatization Faces Curbs

**Source:**
*PlanEcon August 3, 1994*

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## Manufacturing and Construction Enterprises

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the manufacturing and construction sector 54 firms were sold including **Unkar**, a construction firm with 1,002 workers, **Spetsstroimontazh**, an enterprise that employs 1,385, **Tsentrakademstroi**, a construction company with 10,513 employees, **Omskgrazhdanstroi**, a firm employing 2,311, **Stroimontazhtrest #2**, with 1,179, **Khimtyazhstroy**, a chemical plant construction enterprise which has 1,245 employees, and **Uraltyazhtrubstroi**, which has 3,494 workers.

**Headline:**

**Source:**
*PW/IPG Staff*

### Manufacturing Enterprises

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the manufacturing sector 42 firms were sold including **Nizhnetaglisky Metallurgical**, a metallurgy enterprise with 32,345 workers, **Uralmash**, a heavy machinery producer which employs 28,845, **Pervouralsky Novotrubny Zavod**, a pipe making company with 24,000 employees, **Saratovsky Zavod Serp i Molot**, which produces agricultural equipment while employing 1,782, and **Podolsky**, a cable manufacturer with 1,876 workers.

**Headline:**

**Source:** *PW/IPG Staff*

### Media Related Enterprises

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the media related sector 2 firms were sold including **Rospechat**, a newspaper distribution firm with 1,722 employees.

**Headline:**

**Source:** *PW/IPG Staff*

### Metallurgichesky Kombinat

**Activity Date:** 5 1994

It was announced in May that **Metallurgichesky Kombinat**, which deals in coke, cast iron, steel, and non-ferrous metals,plans to privatize a 29% share in auction form. The bidding dates are listed between January 1 and June 15 of this year and will be held by the Chelyabinsk regional fund. The company currently employs 108,526 workers and has a charter capital of 885,518,000 rubles ($472,276). At the close of the privatization process, workers will receive 25% in non-voting shares as well as 15% of ordinary shares.

**Headline:** River-Shipping Sell-Off: Russia Opens Trade Floodgates

**Source:** *The Moscow Times May 15, 1994*

### Moscow City and International Telephone (MMT)

**Activity Date:** 3 1995

The March 10 auction of a 22% stake in the **Moscow City and International Telephone** (MMT) was delayed indefinitely because of a dispute between the federal and Moscow privatization agencies. The dispute revolves around which agency should have control over the privatization of MMT since the sphere of influence for the two agencies became blurred following the presidential decree which gave the Moscow Property Fund the authority to privatize Moscow-based companies. The Moscow Property Fund has said it will not privatize MMT until it has control over the process.

**Headline:** Row Delays Telecoms Issue

**Source:** *Central European March 1995*

### Moscow Gelatine Factory

**Activity Date:** 6 1992

In June, the **Moscow Gelatine Factory**, which employs 535 people, was privatized.

**Headline:**

**Source:** *EBRD*

## Norilsk Nickel

**Activity Date:** 7 1993

The Russian government instructed state-owned nickel firm Norilsk Nickel to make 49% of its shares available to private investors. Norilsk Nickel is located above the Arctic Circle and processes precious and nonferrous metals. The enterprise will be converted into a joint stock company, a move that contributes to the momentum of the Russian privatization initiative, as Russia has delayed selling off firms in the natural resource sector. In order to help Norilsk raise capital, the government made it exempt from export duties and the law obliging the company to sell half its hard-currency earnings to the state.

**Headline:** Russia to Sell Off Nickel Firm

**Source:** *Wall Street Journal July 8, 1993*

**Activity Date:** 11 1995

Oneximbank, one of Russia's largest commercial banks, won a competitive auction for a 38% stake in **Norilsk Nickel**, as part of Russia's loans-for-shares privatization program. Norilsk Nickel controls over one-third of the world's nickel reserves. Oneximbank's bid, $170.1m, was slightly above the minimum bid, $170m. Oneximbank won the bid over two rivals who bid the minimum. According to the privatization agency a higher bid by Rossisky Kredit bank was barred because it failed to comply with the application rules. Rossisky Kredit intends to dispute its disqualification in court. The *Financial Times* cites analysts who state that Oneximbank may have acquired the firm cheaply; Oneximbank's bid was approximately $3.60 per share, while the current market price is $4.50 per share.

**Headline:** Moscow in $170m Nickel Sell-Off

**Source:** *Financial Times November 18, 1995*

## Norilsk Nikel

**Activity Date:** 1 1996

The management of **Norilsk Nikel**, the world's largest nickel producer, is attempting to raise $170.1m to buy back the 38% stake in the firm that was acquired by Oneximbank in Russia's controversial loans for shares privatization program.

**Headline:** Buy-Out Offer at Top Nickel Plant

**Source:** *Financial Times February 3, 1996*

**Activity Date:** 2 1996

The Russian **Oneximbank** won an important legal battle in its efforts to gain control over Norilsk Nikel, the world's largest nickel producer. After having acquired a controlling state in Norilsk Nikel last year under the controversial shares-for-loans program, Oneximbank faced fierce opposition from Norilsk Nikel's managers, who tried to declare the sale of some of their shares to Oneximbank illegal. The Moscow Arbitrage Court rejected Norilsk Nikel's claim. The managers may appeal to a higher body, maintaining management in the meantime.

**Headline:** Russian Bank Wins Nickel Case

**Source:** *Financial Times February 28, 1996*

**Activity Date:** 4 1996

Mercury Asset Management's World Mining Investment Trust made its first Russian investment by taking a stake in **Norilsk Nikel**, the world's largest nickel producer. MAM's $5.32m investment represents less than 1% of funds under management, but the fund manager predicts enormous gains in the next few years if difficulties doing business in Russia improve.

**Headline:** MAM Stake in Russian Nickel

**Source:** *Financial Times April 10, 1996*

**Norilskgazprom**

**Activity Date:** 1 1994

Russia will open a month long stock offering of **Norilskgazprom** set to begin in January 1994 of the natural gas producer. For at least three years, the government will retain a 38 percent holding and a majority of the voting shares. Workers will own 51 percent and an additional 5 percent will be reserved for residents of the Norilsk region. The remaining 6 percent stake will be open to bidding by Russian investors using privatization vouchers. The midsized gas company had output of 4.3 billion cubic meters in the first 11 months of last year, down 5.7% from the previous year's total.

**Headline:**
Russia to Start Gas Sell-Off

**Source:**
*Wall Street Journal January 17, 1994*

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**North-West River Lines**

**Activity Date:** 11 1995

A 25.5% stake was sold in **North-West River Lines** to International Finance Company, Russia's ninth largest firm, for $6.05m.

**Headline:**
Moscow in $170m Nickel Sell-Off

**Source:**
*Financial Times November 18, 1995*

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**North-West Shipping Inc.**

**Activity Date:** 5 1994

It was announced in May that the government will be selling a 23.5% stake in **North-West Shipping Inc.** of St. Petersburg in the form of a voucher auction up through June 2. The shipping company is valued at about $800 million (1.5 trillion rubles) and employs around 15,000 people. The voucher program in Russia is scheduled to end on June 31, and the company will not be permitted to sell its shares for cash to raise capital for more ship building. The privatization of North-West Shipping is representative of the shipping industry's effort to expand in the presence of increased trade between Russia and the West.

**Headline:**
River-Shipping Sell-Off: Russia Opens Trade Floodgates

**Source:**
*Moscow Times May 15,1994*

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**Novomoskovsky Consumer Chemicals**

**Activity Date:** 5 1992

In May it was announced that **Novomoskovsky Consumer Chemicals**, one of the largest consumer chemicals plants in the former Soviet Union, will be purchased by Proctor and Gamble for $50 million. The deal, expected to be completed in May, will be one of the largest Russian privatization transactions so far.

**Headline:**

**Source:**
*PI 5/92*

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**Noyabrskneftegaz**

**Activity Date:** 5 1994

It was announced in May that the oil and gas mining company, **Noyabrskneftegaz**, plans to privatize an 18.25% share in auction form. The bidding dates are scheduled between April 11 and May 16 and will be held by the Tyumen regional fund. The company currently employs 561,156 workers and has a charter capital of 15,709,000,000 rubles ($8,378,133). At the close of the privatization process, workers will receive 25% of non-voting shares as well as 15% of ordinary shares.

**Headline:**
River-Shipping Sell-Off: Russia Opens Trade Floodgates

**Source:**
*The Moscow Times May 15, 1994*

**Omskenergo**

**Activity Date:** 7 1993

Dissapointing results were shown in the privatization of the public utilities companies in Russia. Omskenergo, consisting of large electricity generating plants and thermal power stations in the Siberian Omsk region, put 11% of its stock up for auction. Institutional investors stayed away discouraged by the small share offering and cheap electricity prices in Russia in comparison with generating costs.

**Headline:**
Yeltsin Rebuffs Parliament's Attacks

**Source:**
*Privatisation International August 1993*

**Omskneftorgsintez**

**Activity Date:** 1 1994

In December 1993, Russia announced its plan to auction 18% of **Omskneftorgsintez,** the country's largest oil refinery, in return for privatization vouchers. Of the remaining shares, the state holding company will retain 38%, workers and managers 30% and ethnic minorities and pipeline workers of the Far North the remaining 14%. The auction will transfer ownership, but will not raise any capital. Though rated at a capacity of 560,000 barrels of oil a day, the company refined only 400,000 barrels daily during the first ten months of 1993.

**Headline:**
Russia Auctions Oil Giant

**Source:**
*The Wall Street Journal December 9, 1994*

**ORT**

**Activity Date:** 5 1995

The Russian Parliament suspended plans to privatize the nation's main TV network, thus reviving a fight over media control. The legislation prevents **ORT** from using the formerly state-controlled channel 1 and freezez ORT's subsidies. Boris Yeltin is expected ot veto this legislation.

**Headline:**
Barrier to Russian TV Sell-off

**Source:**
*Wall Street Journal May 24, 1995*

**Oryolenergo**

**Activity Date:** 7 1993

The state retained the larger part of shares during the privatization efforts of **Oryolenergo,** a large public utility concern of the Oryol region to the South of Moscow. Only 11 shares constituted the auction rate of R500 per voucher. The largest parcel of shares was bought by the enterprise itself, via applications from its employees. The voucher bought only the equivalent of R2,400 of charter capital.

**Headline:**
Yeltsin Rebuffs Parliament's Attacks

**Source:**
*Privatisation International August 1993*

**Paper and Printing Enterprises**

**Activity Date:** 1994

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the paper and printing sector 1 firm was sold.

**Headline:**

**Source:**
*PW/IPG Staff*

**PeterStar**

**Activity Date:** 1 1993

Smith New Court and a Canadian venture capital company will float 3.3 million shares in a secondary offering to raise capital for an international telephone system in St. Petersburg. PeterStar, the new firm, will be a 50-40-10 joint venture between Canada's Petersburg Long Distance Telephone Corp., Lentel-St. Petersburg's telephone company, and city authorities. PeterStar expects pre-tax profits of $24 million by 1995 but high tax rates may cut into the firms profitability.

**Headline:**

**Source:**
*PWF 1/93*

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**Petrolesport**

**Activity Date:** 7 1993

The city of St. Petersburg held an auction in July for its timber port Petrolesport. A local bank bought 17% of the company's charter capital. There were 9,907 shares of R100 going for one voucher each.

**Headline:**
Yeltsin Rebuffs Parliament's Attacks

**Source:**
*Privatisation International August, 1993*

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**Petroleum and Gas Sector Firms**

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the petroleum and gas sector 3 firms were sold including **Mosoblgazstroy**, a pipeline manufacturer with 1,241 workers.

**Headline:**

**Source:**
*PW/IPG Staff*

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**Pybinsk Motor Company**

**Activity Date:** 3 1993

Two medium-range passenger airlines were sold to a Chinese company, Nan'de. Nan'de signed the contract with the Russia foreign Economic Association Aviaexport. A Russia motor company-Pybinsk-and an airline manufacturer-Samara state aviation production association-signed an agreement to honor the sale's contract.

**Headline:**
Russian, Chinese Firms Barter

**Source:**
*The Wall Street Journal March 1, 1993*

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**RAO**

**Activity Date:** 5 1994

The Russian Government is examining several restructuring plans which would split **RAO**, the state electricity company, into competing entities. The proposals were designed by KPMG Management Consulting of the UK in a study supported by the European Union. The prospective changes would cause increases in consumer prices, but under the new schemes subsidies could be eliminated. The restructuring would aid in cost reduction and might also stimulate the investment needed as power demanded increases later in the decade. Provisions have been made for complete privatization of the industry, but KPMG does not see this as crucial. To date, 20% of RAO's shares have been offered to employees and individual investors.

**Headline:**
Split Proposed for Russian State Electricity Company

**Source:**
*Financial Times May 16, 1994*

**Red October**

**Activity Date:** 7 1993

A 29% share of Red October confectionery factory was sold at a large public auction in Moscow at the end of July. The factory has R224 million ($151,000) in capital.

**Headline:** Yeltsin Rebuffs Parliament's Attacks

**Source:** *Privatisation International August 1993*

**Activity Date:** 11 1994

**Red October** (Krasney Oktyabr), a confectionery company with 250 product lines including Clumsy Bear chocolates and Lobster Tail sweets, is set to offer 3.5 million shares in hopes of earning $22m for new investment. The company which earned profits of $4.15m on turnover of $17.75m in the first six months of 1994, will offer 1 million shares to Russian retail investors, 1.5 million to local institutional investors and .5 million to international investors in London. The public share offering for cash is part of a broader government sponsored plan to encourage industry to raise equity finance.

**Headline:** Moscow Share Offering

**Source:** *Financial Times November 30, 1994*

**Rosgosstrakh**

**Activity Date:** 1996

**Rosgosstrakh**, the national insurance conglomerate, may soon undergo consolidation, after which it may be offered up for privatization before the end of the year.

**Headline:** Economic Reform Unscathed by Election

**Source:** *Eastern European Monitor February 1996*

**Rosneft**

**Activity Date:** 1995

The Russian government announced that **Rosneft**, a huge oil company that accounts for one-third of the oil production in Russia, will be transformed into a joint stock company. The Russian government plans to retain 51% of the company's stock but will sell the remainder on the stock market. No details have been released regarding plans for the remainder of the company's assets. Rosneft produced 130 million tons of crude oil last year and industry experts expect the company to be highly lucrative because it has exclusive rights to oil and gas extracted under production sharing regimes with foreign companies.

**Headline:** Moscow Keen to Shed Stake in Big Oil Group

**Source:** *Financial Times April 5, 1995*

**Rubber and Plastic Sector Enterprises**

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the rubber and plastic sector 6 firms were sold including **Saratovrezinotechnika**, a rubber and plastics producers with 1,416 employees, and **Kalininsky Zd.rezinotechnichesk**, a rubber products maker which employs 1,297.

**Headline:**

**Source:** *PW/IPG Staff*

**Russian Energy Industry**

**Activity Date:** 7 1993

A meeting of the energy industry ministers agreed to halt the privatization initiative in the oil, gas, and coal sectors in addition to enacting restrictions on foreign investment in these areas. Mr. Alvin Yeriomin, the chairman of the parliamentary committee on industry, said that the privatization of oil companies would be reigned in by stopping the break up of enterprises and through government maintenance of a controlling equity share in the petroleum firms.

**Headline:**
Support Package Agreed for Russian Energy Sector

**Source:**
*Financial Times July 23, 1993*

**Rybinsk Motors**

**Activity Date:** 12 1995

The government of Russia announced that it intends to continue with its planned sale, via an investment tender, of a 37% stake in **Rybinsk Motors**. The firm is Russia's biggest producer of aircraft engines. The buyer will be obligated to invest $162.5m by 1998 to modernize the company's facilities.

**Headline:**
Russian Bank Body Enters Sell-off Row

**Source:**
*Financial Times December 5, 1995*

**Activity Date:** 2 1996

The Russian government retained control of **Rybinsk Motors**, one of Russia's largest aircraft engine manufacturers, overturning a plan to sell a 37% stake in the company, which was declared insolvent last year. Rybinsk's management has vehemently opposed the privatization plans, claiming that the plans threaten Russia's strategic interests.

**Headline:**
Moscow Drops Share Tender

**Source:**
*Financial Times March 6, 1996*

**Salym oil field**

**Activity Date:** 3 1996

Royal Dutch/Shell Group and Russian oil company AONK Evikhon paln to invest more than $10bn in a joint venture to develop the **Salym oil fields**.

**Headline:**
Royal Dutch, Russian Firm Will Develop Oil Fields

**Source:**
*Wall Street Journal March 28, 1996*

**Samara State Aviation Production Association**

**Activity Date:** 3 1993

Two medium-range passenger airlines were sold to a Chinese company, Nan'de. Nan'de signed the contract with the Russia foreign Economic Association Aviaexport. A Russia motor company-Pybinsk-and an airline manufacturer-Samara state aviation production association-signed an agreement to honor the sale's contract.

**Headline:**
Russian, Chinese Firms Barter

**Source:**
*The Wall Street Journal March 1, 1993*

**Service Sector Enterprises**

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the service sector 14 firms were sold including **Tkuapsinsky Ship Repair Yard**, which employs 1,724, and **Novorossiisky Ship Repair Yard**, with 2,878 workers.

**Headline:**

**Source:**
*PW/IPG Staff*

## Sidanco

**Activity Date:** 8 1995

By the end of the year, the Russian government will offer shares in some of Russia's biggest oil companies including a 15% stake in **Lukoil** and **Sidanco**. Ten percent of **Unified Energy Systems**, the national grid, and 7% of **Yukos**, another leading oil group, will also be offered.

**Headline:** Moscow Approves Big Sell-Off

**Source:** *Financial Times August 17, 1995*

**Activity Date:** 12 1995

The International Financial Company won a 51% stake in **Sidanco**, Russia's fourth-biggest oil producer, for $130m.

**Headline:** Russian Group Wins 5% Stake in Lukoil for $35m

**Source:** *Financial Times December 8, 1995*

## Sortymskoye Oil Field

**Activity Date:** 7 1995

Dana Exploration, a Danish company, has acquired a 30% stake in **Sortymskoye**, a Western Siberia oil field with approximately 115 million barrels in reserves. Dana has the option to increase its stake to 50% at a later date.

**Headline:** Dana Buys Siberian Oil Field Stake

**Source:** *Financial Times July 22, 1995*

## Surgutneftegaz

**Activity Date:** 1 1994

A portion of **Surgutneftegaz**, the huge west Siberian oil company, was auctioned off recently. Russian citizens were given the opportunity to exchange vouchers for 18.25% of the company. Over 3.6 million shares were offered each with a face value of 1000 roubles ($0.80). However, the immediate demand was not very strong. In 1992, the company produced 42.5 million metric tons of oil, approximately 850,000 barrels a day. This constitutes roughly 10% of Russian output.

**Headline:** Business Report--Russia

**Source:** *PlanEcon January 19, 1994*

**Activity Date:** 10 1995

Surgutneftegaz Pension Fund, a subsidiary of **Surgutneftegaz**, Russia's second largest oil producer, has acquired a 40% stake in its parent company, resulting in management's continued control of the enterprise. Rosneft, another Russian oil company, attempted to bid for Surgutneftegaz but encountered obstacles, according to company officials. The result was that two Surgutneftegaz subsidiaries were the only bidders.

**Headline:** Russian Sell-Off Controversy

**Source:** *Financial Times November 6, 1995*

**Activity Date:** 11 1995

The auction of Surgutneftegaz, Russia's third largest oil company was expected to take place on November 3. A 40% stake is being offered in the company. However, in a measure described as a poison pill, the buyer is also expected to be required to pay off $226.2m in company tax debts within ten days of the auction. It is expected that a Russian firm with inside connections will likely win the auction.

**Headline:** Insiders Have Upper Hand in Government Auction of Stakes in Big Firms

**Source:** *Wall Street Journal November 3, 1995*

**Activity Date:** 3 1996

Russia's third largest oil company, **Surgutneftigaz**, attempted to regain control by forcing their investors to swap their stakes at far below-market-prices for Surgut shares. Under the share swap, investors in Kirishi Neftiorgsintez, the refinery, have several options. They can receive seven shares of a Surgut production unit for one share of Kirishi. The seven Surgut shares equal $.63. While one Kirishi share traded at $2 at the beginning of the year, trading has all but stopped upon news of the swap. Shareholders can also sell their shares to Surgut for $1.24 each. They must decide by (today--March 28) whether to sell. The deadline for the swap is unclear. Foreigners own about 5% of Kirishi, and 15% is owned by Russian investors. The rest is owned by Kirishi employees and Surgut.

15% is owned by Russian investors. The rest is owned by Kirishi employees and Surgut.

**Headline:** Russian Oil Firm's Share Swaps Draws Fire

**Source:** *Wall Street Journal March 28, 1996*

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**Svyazinvest**

**Activity Date:** 1995

The Russian government has narrowed the list of bidders for a 25% stake of **Svyazinvest**, Russia's new long distance and international telephone service provider, down to two. Stet, the Italian telecommunications company, and a consortium of western telecommunications firms, including France Telecom, Deutsche Telekom and a company representing US West, have agreed to pay at least $430m for the 25% stake and to invest a minimum of $770m in the company over the next two years. Both groups must submit another bid before receiving a final decision before the end of the year. NM Rothschild leads a consortium of banks which is consulting with the Russian Privatization Center on the transaction.

**Headline:** Russian Telecom Battle Narrows

**Source:** *Financial Times October 28, 1995*

**Activity Date:** 1995

US West has joined the French and German national telephone companies in submitting a bid to the Russian government for a 25% stake in **Svyazinvest**, a telecommunications holding company. In December, the government is scheduled to select either the US West-led group or Stet SpA, the Italian telephone company, based on $1.2bn minimum bid. Svyazinvest's controlling interest in 85 of Russia's 87 local phone companies may provide the opportunity to connect the companies in a national long distance network to compete with state-owned Rostelekom.

**Headline:** Russia Accepts New Telecom Bid

**Source:** *Wall Street Journal November 9, 1995*

**Activity Date:** 1995

Stet made the largest investment by a foreign company in a Russian Enterprise when it acquired a 25% stake in **Svyazinvest** for $640m.

The Italian state-controlled telephone group, Stet, appears to be the most likely strategic investor to acquire a 25% stake in Svyazinvest unless another foreign bidder offers more than $1bn. The terms of the auction require that a bidder offer a minimum of $430m for the 25% stake and commit to invest $770m over the next two years to upgrade the company's long distance and international telephone network. The government has attempted to improve the terms of the deal by offering the strategic investor additional shares up to 7% of the total if it is discovered that Svyazinvest's assets have been significantly misreported. A group consisting of US West, Deutsche Telekom and France Telecom has expressed interest, but may not be able to submit a formal bid before the deadline.

**Headline:** Stet Buys Russian Stake

**Source:** *Financial Times December 2, 1995*

**Activity Date:** 9 1995

The government of Russia hopes to sell up to 25% of the state-owned telecommunications holding company, **Svyazinvest**, this year. Svyazinvest owns a controlling stake in 85 local telephone companies and has begun to compete for long distance and international service. A consortium of merchant banks headed by NM Rothschild won the bid to do an investor search. The consortium is expected to contact 12 to 14 major telecommunications firms. The Russian Privatization Center said Svyazinvest is worth $7.5bn to $8bn. The government also plans to sell another 24% of the firm in a public offering next year.

A confidential list of potential investors has been drawn up and is said to include: BT, Cable & Wireless, France Telecom, Deutsche Telekom, and various Baby Bells from the US. The government is seeking to sell the shares by December 31.

**Headline:** Russia Hoping to Raise $2bn with Sale of Telecoms Stake

**Source:** *Financial Times October 10, 1995*

**Activity Date:** 12 1995

**Svyazinvest**, Russia's regional telephone holding company, sold a 25% stake to the Italian state telephone holding company Societa Franziaria Telefonica per Azioni for $1.4bn. The Russian government holds 51% of Syvazinvest, and the remaining 24% will be sold to portfolio investors next year.

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**Headline:** Stet Bests US West, Buys 25% Stake in Russian Firm

**Source:** *Wall Street Journal December 4, 1995*

**Activity Date:** 12 1995

Stet, the Italian state-owned telecoms group, announced that it is still interested in acquiring a 25% stake in the Russian telephone company, **Svyazinvest**. The Russian government, however, refuses to accept Stet's conditions for the completion of the acquisition.

Italy's state-owned telecoms holding company, Stet, agreed to pay $630m for a 25% stake in Russia's newly-created telecommunications company, **Svyazinvest**. Stet also committed to investing $770m in new telecommunications infrastructure. The Russian government expects additional capital from the sale of a further 24% of Svyazinvest shares to international investors next year.

**Headline:** Italian Group Denies Russian Telecom Deal is Off

**Source:** *Financial Times December 28, 1995*

**Activity Date:** 12 1995

The Italian state telephone holding company Societa Finanziaria Telefonica per Azioni (Stet) failed to reach a purchase agreement for a 25% stake in Russia's regional telephone holding company **Svyazinvest** for about $1.4bn. Stet won an investment tender for a 25% stake after bidding about $640m for the equity and pledging $770m in investments over the next two years. The Russian government holds a 51% stake in Svyazinvest. The deal failed due to disagreement over the terms of payment.

**Headline:** Major Investment in Russia Is Stymied As Pact With Stet Runs Into Trouble

**Source:** *Wall Street Journal December 26, 1995*

**Activity Date:** 1996

Italy's state-owned telephone company, Stet, may not buy a 25% stake in **Svyazinvest**, the Russian regional telephone holding company because of the Russian governments reluctance to provide certain protections for Stet's investment. The 1.4 bn deal would be the largest non oil foreign investment in Russia.

**Headline:** Stet May Scrap Purchase

**Source:** *Wall Street Journal December 22, 1995*

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## Telecommunications Enterprise

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the telecommunications and public utilities sector 1 firm was sold.

**Headline:**

**Source:** *PW/IPG Staff*

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## Telecommunications Sector

**Activity Date:** 10 1994

France Telecom, Deutsche Telekom, and US West have signed a memorandum of understanding with a Russian partner to develop Russia's long distance network, the initial investment is only several hundred million dollars, but the Russian Telecommunications Ministry believes it could lead to a total of $40bn over the next decade. Meanwhile AT&T signed a contract with three Russian operators to upgrade Moscow's telecoms network, providing $200m for the four-year project. Analysts believe the investments will provide some progress, but it is still not nearly enough to modernize the telecom network. The World Bank estimates that the network needs around $10bn a year until the year 2000 for a basic telecom infrastructure.

**Headline:** Western Group Sign Russian Telecoms Deal

**Source:** *Financial Times October 10, 1994*

### Textile and Apparel Enterprises

**Activity Date:** 1994

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the textiles and apparel sector 14 firms were sold including **Kubanteks**, a textiles firm employing 4,657, **Sokol**, a coat manufacturing company with 1,048 employees, **PO Baltex**, a textiles enterprise which has 4,749 workers, **Balakovo Fibers**, a synthetic fiber and thread producer employing 15,734, **Uralteks**, a textiles manufacturer with 4,328 workers, and **Sukuolozhsky Fireproof Materials**, a fire-proof materials producer employing 1,788.

**Headline:**

**Source:**
*PW/IPG Staff*

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### Transportation Companies

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the transportation service sector 33 firms were sold including **ATP #1 Omskagropromtrans**, which employs 1,037.

**Headline:**

**Source:**
*PW/IPG Staff*

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### Transportation Equipment Companies

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the transportation equipment sector 8 firms were sold including **Irbitsky Motorcycle Plant**, which employs 9,252.

**Headline:**

**Source:**
*PW/IPG Staff*

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### Troitsko-Pechiora District Timber enterprises

**Activity Date:** 10 1993

The French investment company, Huet Holdings, has bought share packages worth a total of $598,500 in five timber enterprises in the Troitsko Pechora district of northern Russia's Komi republic. Minimum investment was set at $300 million over the first stage of 10 years. Overall investment plans by Huet Holdings are $395 million. The company plans to export 60% of timber produced at the five yards (mostly to Finland). According to the tender conditions, 40% of the cut timber has to be milled locally. The French company plans to build two 190,000 cu m per year silver birch plywood mills and a 170,000 cu m per year fiberboard plant.

**Headline:**
French Interest in Russian Wood

**Source:**
*Plan Econ* *October 13, 1993*

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### Tsum

**Activity Date:** 7 1993

A 29 % share of **Tsum**, a large department store in the heart of Moscow was offered at a public auction at the end of July. The capital of Tsum is estimated at R118 million ($79,730). General public interest of the transaction was high.

**Headline:**
Yeltsin Rebuffs Parliament's Attacks

**Source:**
*Privatisation International* *August 1993*

**Tyumenaviatrans**

**Activity Date:** 7 1993

**Tyumenaviatrans**, a large air transportation company in Russia's Tyumen region, was sold in the auction on July 15. More than 70,000 shares were sold for a 10% share in the company. The capital of Tyumenaviatrans was more than R700 million ($473,000).

**Headline:**
Yeltsin Rebuffs Parliament's Attacks

**Source:**
*Privatisation International August 1993*

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**Unified Energy Systems**

**Activity Date:** 8 1995

By the end of the year, the Russian government will offer shares in some of Russia's biggest oil companies including a 15% stake in **Lukoil** and **Sidanco**. Ten percent of **Unified Energy Systems**, the national grid, and 7% of **Yukos**, another leading oil group, will also be offered.

**Headline:**
Moscow Approves Big Sell-Off

**Source:**
*Financial Times August 17, 1995*

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**United Energy System**

**Activity Date:** 1 1994

The **United Energy System**, a company which owns a portion of all Russian power plants, announced it will offer 20% of its capital to the public. The government will maintain a 51% share, and will continue to control the price of electricity. It was revealed that consumers owe United Energy System $1.3 billion in unpaid bills.

**Headline:**
Utility In Privatisation Plan

**Source:**
*Financial Times January 27, 1994*

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**Uralmash**

**Activity Date:** 8 1993

A Moscow businessman of Georgian origin, Kakha Bendukidze, bought 18.5% of the shares in Ekaterinburg industrial giant, **Uralmash** in August 1993. The company produces heavy machinery for oil, gas, metallurgy and mining industries. Bendukidze said he had paid 130,000 vouchers for the shares. In addition, he later bought another 1.5% of their stake at Uralmash cash share auction. Price Waterhouse IPG was the lead advisor on the voucher auction portion.

**Headline:**
Russia's New Corporate Raiders

**Source:**
*Privatisation International September 1993*

**Activity Date:** 8 1995

**Uralmash**, the Russian heavy machinery company, is planning to sell off the remaining 25% of its state-held shares. A 15% stake would be sold via public auction while the remaining 10% would be reserved for workers. Uralmash controls more than 95% of the Russian market for milling and grinding equipment and nearly two-thirds of the market in oil-drilling equipment.

**Headline:**
Uralmash To Sell State Shares

**Source:**
*Financial Times August 15, 1995*

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**Wholesale and Retail Trade Enterprises**

**Activity Date:** 1993

During the first six months in 1993 Price Waterhouse IPG assisted the Russian national privatization agency (GKI) and regional privatization authorities in several oblasts. In Krasnodar Krai, Omsk, Saratov, Sverdlovsk, Moscow City and Moscow Oblast IPG aided in the voucher and cash auction privatization of over 300 firms. In the wholesale and retail trade sector 20 firms were sold.

**Headline:**

**Source:**
*PW/IPG Staff*

**Yuganskneftegaz**

**Activity Date:** 11 1993

**Yuganskneftegaz**, a Russian oil and gas company in Tyumen oblast will be sold at an open privatization voucher auction. November 19 was the deadline for applications to purchase shares by closed subscription using vouchers.

**Headline:** Business/Company News

**Source:** *Plan Econ November 10, 1993*

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**Yukos**

**Activity Date:** 1995

**Yukos**, Russia's second-largest oil company, will be the next petroleum enterprise privatized when the government offers a 78% stake in the company this December. The auction will consist of two tranches, the first, a 45% stake offered as part of the shares-for-loans program, with a reserve price of $150m, and the second, a 33% stake with a reserve price of $350m. Bidders will be required to bid for both stakes, as well as to commit an additional $200m investment into the company. Menatep, the banking and investment group, will conduct the auction for the government.

**Headline:** An Inside Job

**Source:** *The Economist November 18, 1995*

**Activity Date:** 1995

Bank Menatep has filed a lawsuit against Alfa Bank, Rossiisky Kredit and Inkombank for claiming that Menatep lacked sufficient funds to participate in the upcoming auction for the 78% stake in **Yukos**, the state-owned oil company. The Wall Street Journal reports that the three rival banks also assert the auction is biased in favor of Menatep.

**Headline:** Russian Bank Sues Over Selloffs

**Source:** *Wall Street Journal November 1, 1995*

**Activity Date:** 1995

Despite having criticized the loans-for-shares auctions, Inkombank, Alfa Bank and Bank Rossiisky Kredit announced they would jointly bid on December 7 for a 78% stake in **Yukos**, the state-owned oil company.

**Headline:** Russian Selloff Critics Relent

**Source:** *Wall Street Journal November 30, 1995*

**Activity Date:** 8 1995

By the end of the year, the Russian government will offer shares in some of Russia's biggest oil companies including a 15% stake in **Lukoil** and **Sidanco**. Ten percent of **Unified Energy Systems**, the national grid, and 7% of **Yukos**, another leading oil group, will also be offered.

**Headline:** Moscow Approves Big Sell-Off

**Source:** *Financial Times August 17, 1995*

**Activity Date:** 12 1995

The powerful Russian bank Menatep gained control of **Yukos**, the country's third biggest commercial oil company. The bank agreed to lend the government $159m in return for managing a 45% state share holding in Yukos until next year, but it is expected to attain full ownership thereafter. Menatep also acquired an additional 33% through an investment tender in which it pledged to invest $150.1m.

**Headline:** Russian Bank Wins Control of Oil Giant

**Source:** *Financial Times December 10, 1995*

**Activity Date:** 1996

**Yukos**, Russia's second-largest oil company, was privatized in a loans-for-shares auction. Russia's fifth-largest commercial bank, Inkombank, sued the government alleging that the auction was rigged to ensure that Bank Menatep won the biding.

**Headline:** Russian Bank Sues Government

**Source:** *Wall Street Journal December 15, 1995*

## ZIL

**Activity Date:** 3 1993

The limousine and truck manufacturing plant, **ZIL**, was to be privatized. The conglomerate has 17 sites throughout Russia, 110,000 to 130,000 employees, and privatization may prove difficult. The firm will be privatized in several stages before any shares are offered to foreign investors.

A 35% stake with a total value of $1.1 million (R1 billion) was to be offered at auction centers across Russia. Each share is valued at $1.05 (R 1,000) and a total of 1 million shares were to be offered. Employees were to be given a 40% stake at a reduced price. Twenty-five percent of the equity will be held by the state.

**Headline:**

**Source:**
*FT 3/4/93*

**Activity Date:** 6 1993

In June, the limousine maker **ZIL** auctioned off 5% of its shares for cash. This transaction moved the Russian privatization program into a new phase as it was the first time shares were available for cash instead of vouchers. More cash auctions are expected during the summer. Price Waterhouse was the lead advisor on the voucher auction portion of this transaction.

**Headline:**
Russia Initiates Cash Auctions

**Source:**
*International Privatization Update July 1993*

# *Ukraine*

## Azot

**Activity Date:** 11 1995

Ukraine's state property fund has agreed to sell a 30% equity stake in **Azot**, the partially privatized mineral and chemical products manufacturer, to Thermosyntex, a chemicals firm from Liechtenstein, for $10m. Thermosyntex has also committed to invest an additional $70m in the company, raise wages by 30%, provide additional benefits, and maintain the current work force.

**Headline:**
Thermosyntex Takes Azot Stake

**Source:**
*Financial Times November 8, 1995*

## Azovstal

**Activity Date:** 8 1994

It was announced in August that one of the best steel mills in the former Soviet Union, **Azovstal**, will likely be partially privatized in the next few months. The proposed plan calls for 30 to 40 percent of shares to be sold through a public offering in which it is hoped that one of the western companies currently doing business with Azovstal will buy a large bloc of the shares. The company which employs nearly 21,600, is currently operating at half capacity due to diffculties in purchasing sufficient fuel supplies.

**Headline:**
Hope Rises Amid the Nostalgia for Soviet Past

**Source:**
*Financial Times August 10, 1994*

## Car manufacturing enterprise

**Activity Date:** 10 1993

The European Community plans to help the Ukraine privatize its car manufacturing enterprise. An international consortium, funded by the EC, will carry out the program. The group includes Commerzbank, Price Waterhouse, and a number of other banks, law firms and consultancies.

**Headline:**
Company/Business News

**Source:**
*Plan Econ October 27, 1993*

### Gazprom

**Activity Date:** 12 1995

Spurred by public protests over the course of reform, parliament has put oil and gas firms on the list of state-owned companies exempt from privatization. The action may reduce revenue from oil distribution sales already in progress and contradicts plans to trade debts to **Gazprom** for shares in the downstream gas industry.

**Headline:**
Energy Blockage Threatens Budget

**Source:**
*Eastern European Monitor January 1996*

### Lisichask oil refinery

**Activity Date:** 10 1993

The Ukrainian government approved plans to privatize the **Lisichask oil refinery**. The plant is the country's largest with an annual capacity of 34 million tpa. The plant will be transformed into a joint stock company in mid-December with plans to sell off 55% of the government's stake.

**Headline:**
JP Kenny Picks Up Odessa Tender

**Source:**
*Project Finance International October 1, 1993*

### Macro

**Activity Date:** 7 1994

The parliament of the Ukraine voted to halt the privatization process for six weeks due to purported flaws. The legislature wants the program stopped until it can decide what kinds of property should be transferred into private hands. The government was ordered to decide upon enterprises in the transport, energy and communications sectors which should not be sold due to national security concerns. The legislation also asked for a review of the procedure by which foreign investors are included in the privatization process. Supporters of economic reform like Mr. Volodymyr Kuznetsov, head of the president's economic service, opposed the move.

**Headline:**
Vote to Freeze Ukraine Sell-Off

**Source:**
*Financial Times July 31, 1994*

### Ukraina

**Activity Date:** 3 1995

Kraft Jacobs Suchard has purchased an 88% stake in **Ukraina**, a Ukrainian chocolate manufacturer. The shares were sold by the state property fund in what is, according the Commerzbank of Germany which arranged the sale, one of the 10 largest foreign investments in the Ukraine. Kraft Jacobs Suchard has plans to invest $25m for modernization and increasing the plant's productive capacity. Ukraina earned revenues of $10m on the sale of 8,000 tons of chocolate bars, pralines and wafers in 1994. The remaining 12% stake is to be purchased by the firm's employees.

**Headline:**
In Brief

**Source:**
*Central European March 1995*

### Ukrrechflot

**Activity Date:** 1 1994

In January 1994, the State Property Management Fund of Ukraine sold 300,000 of the 500,000 shares offered for the republic's shipping concern, **Ukrrechflot**. Prices of the shares rose from 1,240 to 35,000 karbovantsi, although the time period and the real appreciation are unclear as inflation has been at about 70%. Ukrrechflot connects the Ukraine's main river shipping lines and is considered a natural monopoly. With 467 vessels, Ukrrechflot is one of the largest commercial fleets in the region. In 1992, the carrier moved 40 million tons of cargo and 11 million passengers and was valued at over 1.5 billion karbovantsi. The European Bank for Reconstruction and Development is serving as Ukrrechflot's financial advisor.

**Headline:**
Ukraine Privatizes River Shipping Fleet

**Source:**
*Plan Econ January 5, 1994*

## *Uzbekistan*



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## Motornyy Zavod

**Activity Date:** 3 1993

Adgind International of Italy and Motornyy Zavod in Tashkent plan to create several enterprises through a joint venture. The new firms will manufacture mini-tractors, agricultural machinery, and electric loaders.

**Headline:**

**Source:**
*PE 3/3/93*

## Refinery at Boukhara

**Activity Date:** 9 1993

The French company Elf, Japanese company Marubeni, and Chinese company Sinopec are studying the feasibility of building a 5 million ton **refinery at Boukhara** in Uzbekistan. According to Kayoum Khaulov, president of the state-owned Uzbekneftegaz, up to 20% of the production is slated for export.

**Headline:**
Uzbekistan Refinery Plan

**Source:**
*Project Finance International October 1, 1993*