
Venezuela to buy majority stakes in Lafarge and Holcim units

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Bloomberg reported that Venezuela has reached an accord to buy majority stakes in the local units of Lafarge SA and Holcim Limited for a total of USD 819 million as part of its plan to nationalize the cement industry. Venezuelan National Guard troops and judges arrived to take charge of a Cemex plant in the city of Maracaibo as part of the takeover plan.

Mr Rafael Ramirez Venezuelan energy minister said that the government will take over at midnight the plants of Cemex SAB, the country's largest producer, after the two sides failed to reach an accord. In past takeovers, the government has kept negotiating after taking control of companies.

Mr Carrizalez Vice President of Venezuela said that the government will buy 89% of the shares in the local unit of Paris based Lafarge and 85% of Holcim's unit Jona. The government has 60 days to pay USD 552 million for the stake in Holcim's unit and USD 267 million in the Lafarge unit.

It may be noted that Mr Hugo Chavez President of Venezuela said in April 2008 that, he would nationalize cement operations as part of a plan to ensure state control of strategic sectors. His administration has seized the country's biggest phone company and a steel mill, as well as assets of oil joint ventures and electricity companies.

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