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## **Nigeria sees Ajaokuta privatization as only pragmatic solution**

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Nigerian federal government said that privatization of the Ajaokuta Steel Company Limited and Nigerian Iron Ore Mining Company remains a pragmatic solution to the difficulties it is experiencing in meeting financial obligations to them.

Ms Deziani Allison Madueke minister of mines & steel development said that these difficulties on the part of government may lead to undecided number of workers of the two companies lose their jobs. She added that government's limitation and the fact that the two companies had not really functioned optimally, privatization remained the only pragmatic solution if handled efficiently.

She explained that government did not budget for the two companies because it had already given them away and they supposed to sustain themselves, adding that government only had to come in and salvage the situation when the Indian company that got the concession could not manage them well.

According to her, the case is already in Arbitration Court in United Kingdom and government had to borrow money to pay salaries of workers pending the determination of the court on the matter.

Promising to offset the balance of salary arrears owed since the taking over from Global Holding Infrastructure Limited, she said that except the workers worked out the modality whereby they can generate the base capital to pay their salaries there would not be any further payment from government. She, however, promised to meet with the labor leaders in the next three weeks to find a sustainable 'workable' solution to the issue of keeping both outfits afloat, stressing that efforts to get banks to finance the payment of their outstanding salaries had hit the brick wall.

(Sourced from [www.allafrica.com](http://www.allafrica.com))

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