
Venezuela to nationalize HBI and seamless tube companies

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Venezuelan President Mr Hugo Chavez announced that the government would nationalize several iron and steel companies to pave way for a large 'socialist' state run enterprise.

As per media reports, the effected companies include

1. Materiales Siderurgicos SA, known as Matesi - A venture between Tenaris SA and Venezuela's Sidor, produces 1.5 million tonnes a year of hot briquetted iron products.
2. Complejo Siderurgico de Guayana CA or Comsigua - Japan's Kobe Steel Ltd, which owns a 21% stake in Comsigua
3. Tubos de Acero de Venezuela SA also known as Tavsas, is Tenaris owned company and Venezuela's only maker of seamless steel pipes for the oil industry. The company produces 80,000 tonnes a year and represents 2% of Tenaris' global seamless capacity.
4. Orinoco Iron SCS and Venprecar - International Briquettes Holding and its 48%, Venezuelan steel producer Siderurgica Venezolana SACA, or Sivensa, said in statements with the Caracas stock Exchange that Orinoco Iron and Venprecar were units of their companies.

Mr Chavez in a televised address ordering the beginning of a process of nationalization to create an industrial complex said that "“These companies will be nationalized to create a single industrial complex. There's nothing to discuss. We should have done this a long time ago.”"

He told industry workers in the western state of Bolivar that "“Venezuelan workers are going to give a lesson to the world on how the working class has been resuscitated to make a revolution!”"

The move is seen as a part of Mr Chavez's socialist agenda that calls for nationalizing Venezuela's natural resources. Over the past two years, Chavez has taken over a wide range of companies from the electricity, oil, cement and telecommunications sectors. Two weeks ago, the Chavez administration expropriated 39 oil service providers, some backed by foreign capital, after the government passed a law extending the state's control over all activities related to the industry.

Venezuela last year seized the country's largest steelmaker from Ternium SA and has taken majority control of oil, utilities and telecommunications industries. Mr Chavez is seeking control of the metals industry as aluminum and bauxite companies buckle under low international prices.

Orinoco Iron produces 2.2 million tons a year and is the largest hot-briquette iron producer in the Americas, according to its Web site. Ceramica Carabobo, which trades on the Caracas stock exchange, produces and markets ceramic tiles, glazed bricks and heat-resistant

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