Beat: Politics

BRAZILIAN OIL WORKERS STRIKE TO STOP PRIVATIZATION OF OIL GIANT PETROBRAS

STRONG OPPOSITION TO PRIVATIZATION

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USPA NEWS - The strike, which began last Sunday, has become the biggest stoppage in two decades at Petrobras and shows workers back union efforts to renationalize the company and cut foreign participation in the oil industry, said Brazilian union leaders...

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'Frankly we were surprised by the level of support,' said Marcos Breda, communications manager for Sindipetro Norte-Fluminense, a FUP union that represents oil platform workers in the Campos Basin, Brazil's most productive oil region.

The Oil Workers Federation, known as FUP, said the nationwide strike started on Nov. 1. Some of the FUP´s regional member unions began work stoppages on Oct. 29. FUP also wants Petrobras to resume investments in the refining network and maintain Buy in Brazil policies to protect jobs, it said in the statement in its website.

Petrobras´ new management, forced by an 80% loss in market capitalization over the last five years due to scandal and debt, has promised to sell upwards of $7 billion worth of assets over the next several years. The company has over $170 billion in both long-term and short-term debt. It is one of the biggest debtors in the world, (Forbes)

Petrobras plans to sell $15.1 billion in assets this year and in 2016 to raise cash for investments and debt reduction. On Oct. 24, Petrobras´s board approved the sale of a 49 percent stake in its gas pipeline unit Gaspetro to Mitsui & Co Ltd. for 1.9 billion reais ($490 million). (Bloomberg)

According to Marcos Breda and his colleagues at FUP, the 1995 strike kept Petrobras out of a privatization drive that sold the country's phone, steel and iron ore companies to private investors. The government later managed to sell most of the stock in the company, but has maintained firm voting control. (Reuters)

After years of spending more than $40 billion a year on expansion, Petrobras is now slashing costs, cutting jobs and selling assets in a bid to pay down its $130 billion debt and revive the company. (Reuters)

Petrobras is currently under high-profile investigation over a scandal involving contracts inflated by construction companies 'with the complicity of corrupt officials,' according to a parliamentary commission. The 'cartel' siphoned off US$2 billion from the state oil giant, which is suffering from low crude oil prices and a recently demoted credit rating to junk status. On Sunday, US$615 million of the diverted money went back to the state, which relies on Petrobras for job creation and income. (Telesurtv)

In response to investigations, which ended October 19, Petrobras made severe cuts to spending and investment and began divesting its stake in pipeline units. Its controversial 'plan would sell up to US$15.1 billion in assets now and US$58 billion by 2019 in order to pay off its record-high debt. (telesurtv)

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