Appendix 4
Progress in Privatization in Developing Countries

PRIVATIZATION IS THE TRANSFER OF PRODUCTIVE assets from the state to private investors. Privatization proceeds in developing regions garnered an estimated \$44.1 billion in 1999 (a decline from 1998), after reaching peak revenues of \$66.6 billion in 1997 (figure A4.1). Privatization transactions slowed down considerably in 1998 and 1999, in part reflecting the postponement of deals because of the collapse of aggregate demand and increased uncertainty induced by the East Asian and Russian crises, and in part (in 1999) reflecting the decline in the Brazilian program after the jump in privatization revenues in the previous year.

Initial estimates for 2000 suggest that privatization commitments in developing countries have increased considerably compared to those for 1999. However, actual flows may differ, as commitments are paid over several years. Also, privatization transactions include those of domestic and foreign investors as well as direct and portfolio investments. Therefore, an increase in privatization proceeds does not necessarily mean that foreign direct investment has increased. For example, while total privatization commitments in Brazil have increased from \$4.4 billion in 1999 to \$10.1 billion in 2000, the foreign direct investment portion of the divestitures has declined from \$8.8 billion in 1999 to \$7.1 billion in 2000 (see chapter 2 for a discussion of trends in foreign direct investment).

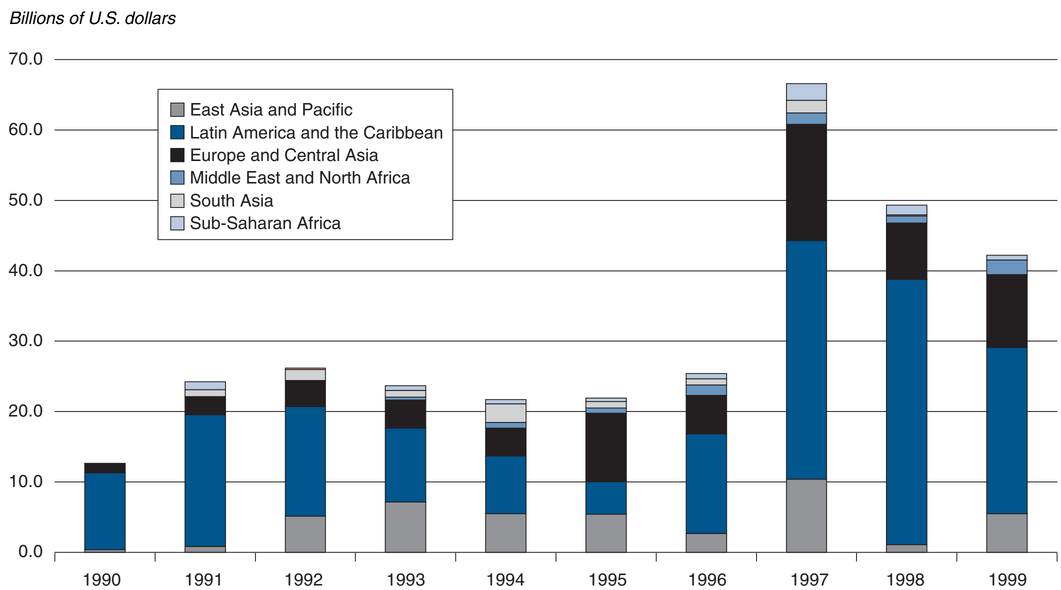
Recent economic and sectoral reforms indicate that privatization activity may expand in Eastern Europe (in particular for countries acceding to the European Union [EU] and those acceding in a subsequent phase), the Middle East and North Africa (for the countries entering into a free trade agreement with the European Union), and Sub-Saharan Africa.

Progress in privatization by region: results for 1999

Privatization in 1999 was more evenly distributed by regions and sectors than it was in the previous year. In 1998, privatization activity declined considerably in the East Asia and Pacific region (2 percent of total revenues) and was mainly concentrated in Latin America and the Caribbean (77 percent of total revenues) and Eastern Europe and Central Asia (16 percent). In 1999, by contrast, the share of Latin America and the Caribbean fell to 54 percent, while the share of Europe and Central Asia rose to 23 percent, and that of East Asia and Pacific rose to 12 percent (figures A4.2a and A4.2b). While divestitures in large-scale infrastructure (in particular telecommunications) accounted for 80 percent of privatization revenues in 1998, privatization in the oil and gas sector had the largest share in 1999 (40 percent), followed by infrastructure (27 percent) and financial services (21 percent).

Privatization occurs through such methods as auctions, stock offers, stock distributions, negotiated sales, management-employee buyouts, and voucher or coupon exchanges. Other methods include leasing; joint ventures; management contracts; concessions; and build-own-operate (BOO), build-operate-transfer (BOT), and build-own-operate-transfer (BOOT) arrangements. Sales methods have varied across regions for various reasons, including privatization strategy and market conditions. In 1999, direct sales accounted for over 70 percent of privatization revenues, and public offers contributed to most of the remaining sales.[1] Equity-linked privatization started rebounding in 1999 and 2000, after a considerable slowdown in 1998—with the East Asia and Pacific region (in

Figure A4.1 Developing countries' privatization proceeds, 1990–99



Source: World Bank Privatization Database.

particular China) accounting for the largest share in both years.

East Asia and Pacific

After the financial crisis led to a collapse in privatization activity in 1998 in East Asia and Pacific, divestitures rebounded in 1999, with revenues reaching an estimated $5.5 billion (table A4.1).[2] Privatization proceeds in *China* increased to $2.9 billion in 1999, although revenues remained well below the 1997 peak. Key divestitures in 1999 included the public offer of Shandong International Power Development, raising $522 million, and the sale of Great Wall Technology for $144 million. *Indonesia's* privatization program raised $850 million, with sales in three state-owned enterprises: PT Telekom for $406 million (the largest privatization to date in Indonesia), Jakarta International Container Terminal for $243 million, and PT Indofood Sukses Makmur Tbk for $201 million. *Thailand* earned $1.3 billion from financial sector divestiture. The private sale of Nakornthon Bank and Radanasin Bank to foreign investors contributed $317 million and $650 million respectively, and the public offer of Industrial Finance Corporation of Thailand raised $377 million. *The Philippines* earned $230 million from the private sale of a 35 percent stake in the Philippine National Bank (PNB) to a domestic investor. *Malaysia* raised $130 million from the initial public offer of Malaysia Airport Holdings.

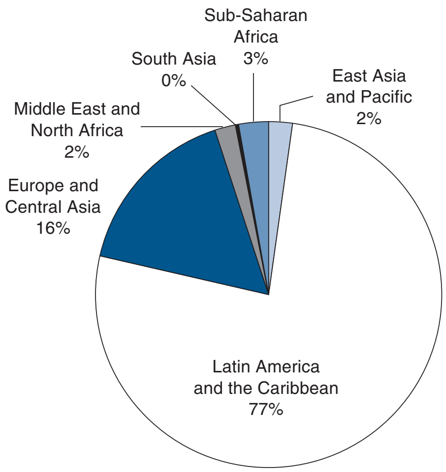
Preliminary estimates for 2000 show that privatization proceeds increased significantly (surpassing the 1997 peak) in the region, mainly as a result of Chinese divestitures in the oil and gas, telecommunications, and power sectors. Divestitures in banking, power, and oil and gas will remain strong in the coming years, as countries in the region are preparing these sectors for privatization.

Latin America and the Caribbean

Privatization proceeds in Latin America and the Caribbean declined in 1999, raising an estimated $23.6 billion in 1999—compared to $37.7 billion in 1998—mainly as a result of declining privatization activity in Brazil (table A4.2). *Argentina* contributed to 75 percent of the regional total revenues, with the private sale of Yacimientos Petroliferos Fiscales (YPF) to Repsol of Spain for over $13 billion and the initial public offering of Banco Hipotecario

Figure A4.2a Privatization revenues by region, 1998

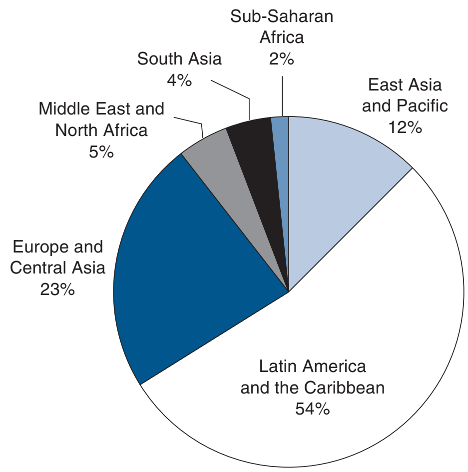
Percentage of total revenues in developing countries



Source: World Bank Privatization Database.

Figure A4.2b Privatization revenues by region, 1999

Percentage of total revenues in developing countries



Source: World Bank Privatization Database.

for $497 million. *Bolivia* entered a second privatization wave in 1998 and raised an estimated $151 million in 1999 by privatizing oil and gas, power, and manufacturing companies. The country continued to spur much foreign investment interest, as demonstrated by the $102 million private sale in 1999 to foreign investors of Refinerias de YPFB (oil and gas). *Brazil's* privatization revenues declined considerably in 1999, raising an estimated $4.4 billion compared to $32.4 billion in 1998 and $18.7 billion in 1997.[3] In 1999, Brazil earned most of its revenues from the sale of power, oil and gas, and telecommunications companies and almost 90 percent of the divestiture occurred at the state level (in particular São Paulo). *Chile* earned $1.1 billion in 1999, with the private sale to foreign investors of utility companies Emos S.A. and Essal S.A., for $960 million and $94 million respectively. *Mexico's* privatization program witnessed many delays and raised an estimated $291 million from sales in the transport sector. *Peru* raised an estimated $286 million from sales in the power, telecom, and mining sectors. The private sale of power sector companies led privatization activity in the Caribbean and Central America in 1999, with the Dominican Republic, Panama, El Salvador, and Guatemala earning $643 million, $302 million, $125 million, and $101 million respectively.

Table A4.1 Privatization revenues in East Asia and Pacific, 1990–99

(millions of U.S. dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
China	—	11	1,262	2,849	2,226	649	919	9,120	611	2,946	20,594
Indonesia		190	14	31	1,748	2,031	1,008	141	122	850	6,135
Malaysia	375	387	2,883	2,148	798	2,519	214	704	—	130	10,158
Philippines	—	244	754	1,638	494	207	22	371	—	230	3,960
Thailand	—	—	238	471	242	—	291	48	353	1,344	2,987
Other	1	2	10	18	—	4	226	—	5	—	266
Total	376	834	5,161	7,155	5,508	5,410	2,680	10,385	1,091	5,500	44,100

— Not available/not reported.
Note: Data do not include South Korea.
Source: World Bank Privatization Database.

Table A4.2 Privatization revenues in Latin America and the Caribbean, 1990–99
(millions of U.S. dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
Argentina	7,532	2,841	5,741	4,670	894	1,208	642	4,366	510	16,157	44,561
Bolivia	—	—	9	13	—	789	34	40	10	151	1,046
Brazil	44	1,633	2,401	2,621	2,104	992	5,770	18,737	32,427	4,400	71,129
Chile	98	364	8	106	128	13	187	—	181	1,053	2,139
Colombia	—	168	5	391	170	—	2,075	2,876	518	—	6,203
Mexico	3,160	11,289	6,924	2,131	766	167	1,526	4,496	999	291	31,749
Peru	—	3	212	127	2,840	1,276	1,751	1,268	480	286	8,243
Venezuela, República Bolivariana de	10	2,278	140	36	8	39	2,017	1,387	112	46	6,073
Other	71	147	120	393	1,289	132	140	726	2,447	1,231	6,696
Total	10,915	18,723	15,560	10,488	8,199	4,616	14,142	33,897	37,685	23,614	177,839

— Not available/not reported.
Source: World Bank Privatization Database.

Preliminary estimates for 2000 indicate that privatization revenues rebounded in the region as a result of renewed privatization efforts in Brazil, Colombia, and Mexico. The region has privatized a large share of the infrastructure and financial sectors, but some countries have still retained shares that will be privatized in the coming years. Furthermore, future divestitures are likely to include oil and mining companies in Chile, Colombia, Mexico, and the República Bolivariana de Venezuela, and a greater number of water concessions.

Eastern Europe and Central Asia

Eastern Europe and Central Asia raised an estimated $10.3 billion in 1999, a rebound from the previous year (table A4.3). Since 1997, *Poland's* privatization program has significantly accelerated, leading the regional privatization activity in 1999. Sales in the banking and insurance, oil and gas, telecommunications, and power sectors amounted to approximately $3.9 billion. Key divestitures include Bank Pekao and Bank Zachodni, for $1.1 billion and $586 million respectively; PZU (insurance) for $711 million; and Polski Koncern Naftowy (PKN) (oil and gas) for $513 million. *Hungary* has privatized a large share of its economy at an early stage relative to other countries in the region, raising over $12 billion from 1990 to 1998. In 1999, it raised an estimated $1.4 billion with sales in its power, telecommunications, and banking sectors. Significant sales include the public offers of Elmu Rt (power) for $746 million, Matav (telecommunications) for $346 million, and OTP (banking) for $162 million. *Bulgaria* raised an estimated $1.8 billion through the divestiture of its chemical, telecommunications, and banking sectors—with most of the sales to foreign investors. Significant deals include Yambol (chemicals) for $667 million and the Bulgarian Telecommunication Company for $510 million. The *Czech Republic*'s privatization pro-

Table A4.3 Privatization revenues, Eastern Europe and Central Asia, 1990–99
(millions of U.S. dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
Bulgaria	—	—	—	45	147	111	48	525	569	1,752	3,197
Czech Republic	—	—	—	645	7	1,645	—	72	181	1,175	3,724
Hungary	483	798	779	1,685	1,507	3,988	945	2,139	342	1,364	14,030
Poland	62	338	240	733	641	980	605	2,246	2,436	3,890	12,172
Russian Federation	—	35	88	110	—	1,002	1,192	4,177	909	761	8,274
Turkey	437	212	780	483	354	572	297	465	1,016	38	4,655
Other	280	1,168	1,739	287	1,301	1,444	2,379	6,913	2,550	1,354	19,415
Total	1,262	2,551	3,626	3,988	3,957	9,742	5,466	16,537	8,002	10,335	65,466

— Not available/not reported.
Source: World Bank Privatization Database.

gram regained momentum, earning $1.2 billion in 1999 from the sale of a 70 percent stake in CSOB (banking) to foreign investors. The *Russian Federation's* privatization activity remained slow in 1999, partly as a result the 1998 Russian financial crisis, raising an estimated $761 million from the private sale of oil and gas companies to private investors.

Initial estimates for 2000 show that privatization proceeds have more than doubled in the region compared to those in 1999, with significant sales in the Czech Republic, Lithuania, Poland, and Russia. A wave of banking privatization has occurred in, and will continue for, countries that have applied to the European Union for membership. Reform and liberalization of the telecommunications and power sectors also indicate that divestiture of these sectors will be significant in the coming years.

Middle East and North Africa

Privatization activity regained momentum in the Middle East and North Africa, raising an estimated $2.1 billion in 1999 compared to $1.0 billion in 1998 (table A4.4). Morocco raised an estimated $1.2 billion with sales in the telecommunications sector (awarding a second GSM [global systems for mobile communication] license to Medi Telecom in August 1999). The Arab Republic of Egypt earned an estimated $857 million, most of which came from the sale of cement companies. Algeria's privatization activity started picking up with the initial public offers of Eriad, a cereal distributor, and Saidal, a pharmaceutical company, for $17 million and $19 million respectively.

Initial estimates for 2000 show that privatization revenues has continued to grow in the region, despite delays in Egyptian divestitures. Key sales in 2000 include Morocco's private sale of Maroc Telecom to Vivendi for $2.1 billion. Furthermore, more countries in the region have started reforms preparing their power, telecommunications, and transport sectors for privatization.

South Asia

Despite an increase in total proceeds in 1999 compared to recent years, progress in privatization has been modest in South Asia. Total revenues amounted to $1.9 billion in 1999 (compared to $174 million in 1998) (table A4.5). In *India,* which accounted for virtually all revenues in the region, privatization picked up following the election of a new government, with sales in the banking, oil and gas, telecommunications, and power sectors. Key sales include the public offers of the Industrial Credit and Investment Corporation of India (banking), Gas Authority of India (oil and gas), and VSNL—Videsh Sanchar Nigam Ltd.—(telecommunications), which raised $1.5 billion, $218 million, and $104 million respectively. Since 1995, *Sri Lanka* has divested an important share of its economy in various sectors—including plantations, telecommunications, banking, and steel—and encouraged private participation in infrastructure (Colombo Port in 1999). While *Pakistan* privatized a large share of its economy in the first half of the 1990s, divestitures have slowed in recent years. *Bangladesh* did not meet its privatization target in 1999, a fact that underscores the slow progress in its privatization efforts.

Privatization revenues remained low in South Asia in 2000 because of slow implementation in most countries, except Sri Lanka.

Sub-Saharan Africa

Privatization proceeds reported in Sub-Saharan Africa declined to $694 million in 1999, with South Africa accounting for 34 percent of revenues, followed by Cape Verde (12 percent) and Senegal (10 percent) (table A4.6). Low commodity prices may

Table A4.4 Privatization revenues, Middle East and North Africa, 1990–99
(millions of U.S. dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
Egypt, Arab Rep. of	—	—	—	118	393	262	1,150	855	539	857	4,173
Morocco	—	—	—	273	347	240	271	716	92	1,163	3,103
Tunisia	2	17	60	—	—	32	36	3	364	8	523
Other	—	—	9	26	42	212	21	38	5	46	399
Total	2	17	69	417	782	746	1,478	1,612	1,000	2,074	8,198

— Not available/not reported.
Source: World Bank Privatization Database.

Table A4.5 Privatization revenues, South Asia, 1990–99
(millions of U.S. dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
Bangladesh	—	—	—	43	12	5	—	—	—	0	60
India	—	931	1,098	861	1,505	810	495	1,373	52	1,858	8,983
Pakistan	11	63	343	17	1,106	36	317	58	41	—	1,992
Sri Lanka	18	2	105	52	42	65	77	361	81	1	803
Other	—	—	11	1	1	—	—	2	—	—	15
Total	29	996	1,557	974	2,666	916	889	1,794	174	1,859	11,854

— Not available/not reported.
Source: World Bank Privatization Database.

have discouraged privatization transactions. However, total proceeds in 1999 may be underestimated, as data on revenues were not reported for several transactions. Key sales in 1999 included the private sale of a 20 percent stake in South African Airways for $235 million to SairGroup of Switzerland, the private sale of a 34 percent stake of Senegal's Société Nationale d'Electricité (SENELEC) for $66 million to a foreign consortium,[4] the private sale of Kenya's cellular license to Vivendi for $55 million, and the private sale of a 51 percent stake of Cape Verde's Electra (power) for $48 million to a foreign consortium.

Privatization activity may gain momentum in the near future, as many countries in the region have started restructuring their economies and implementing sectoral and regulatory reforms to encourage privatization and foreign investment. Several countries have embarked on (or accelerated) privatization programs, including Cameroon, Cape Verde, Ethiopia, Kenya, Lesotho, Madagascar, Nigeria, South Africa, Tanzania, Uganda, and Zambia. While privatization and foreign investment have mainly focused on the primary sector (mining and oil), more recent sales have included the telecommunications, financial, transport, and utilities sectors. Divestiture of the telecommunications and power sectors in Sub-Saharan Africa is likely to account for a large share of revenues in the coming years, as governments aim to improve economic efficiency and fund the necessary technological requirements for these sectors.

Sectoral Distribution

The primary sector—which includes petroleum, mining, agriculture, and forestry—accounted for the largest share of privatization revenues in 1999, raising an estimated $18.1 billion (table A4.7). These revenues were generated almost entirely by oil and gas sales in Argentina, Brazil, India, Poland, and Russia. Initial estimates for 2000 show that sales in the oil and gas sector are significant in Brazil, China, Russia, and Turkey.

Table A4.6 Privatization revenues, Sub-Saharan Africa, 1990–99
(millions of U.S. dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
Côte d'Ivoire	—	2	10	5	19	74	103	263	94	27	597
Ghana	10	3	15	28	476	87	186	68	21	39	933
Kenya	12	1	12	10	19	13	137	24	30	62	319
Mozambique	3	5	9	6	2	26	38	21	29	—	139
Nigeria	16	35	114	541	24	—	—	—	—	—	730
South Africa	—	1,073	—	—	—	—	122	1,287	247	235	2,964
Tanzania	—	—	3	27	5	77	13	16	111	21	273
Uganda	—	—	12	19	24	47	30	20	15	8	175
Zambia	—	—	—	3	14	69	30	302	409	—	827
Zimbabwe	—	—	—	—	13	75	—	110	—	20	218
Other	33	2	32	2	9	5	86	238	402	282	1,090
Total	74	1,121	207	641	605	473	745	2,348	1,356	694	8,265

— Not available/not reported.
Source: World Bank Privatization Database.

Table A4.7 Privatization by sector, 1990–99
(millions of U.S. dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
Infrastructure	**9,704**	**6,863**	**9,715**	**5,360**	**9,399**	**9,240**	**15,063**	**37,370**	**39,964**	**11,669**	**154,347**
Telecommunications	7,643	5,981	3,007	1,083	6,069	3,691	3,814	12,863	26,619	5,340	76,110
Power	59	359	4,892	1,741	2,180	4,523	6,156	17,979	9,994	5,545	53,427
Manufacturing	**1,402**	**5,558**	**7,188**	**7,491**	**6,091**	**5,787**	**3,546**	**7,795**	**2,167**	**3,127**	**50,152**
Steel	185	2,145	1,614	2,900	1,219	135	193	916	3	303	9,613
Chemicals	156	466	315	415	1,285	291	488	1,222	514	908	6,060
Construction	196	484	732	491	790	592	745	318	718	746	5,812
Other manufacturing	864	2,462	4,528	3,685	2,798	4,769	2,120	3,743	932	1,169	27,071
Primary sector	**1,367**	**3,608**	**3,394**	**6,215**	**4,068**	**4,336**	**2,787**	**12,932**	**3,125**	**18,085**	**59,917**
Oil and gas	568	2,085	2,760	5,162	2,115	2,781	1,687	7,956	1,975	17,985	45,074
Mining	485	235	382	187	1,220	618	468	4,418	971	17	9,001
Financial services	**47**	**7,793**	**5,263**	**3,411**	**1,065**	**1,933**	**2,895**	**3,445**	**3,149**	**9,007**	**38,008**
Banking	47	7,505	5,099	2,464	779	1,853	2,646	3,055	2,471	8,244	34,164
Services and unreported	**138**	**420**	**621**	**1,184**	**1,088**	**606**	**1,108**	**5,031**	**905**	**2,188**	**13,289**
Total	12,658	24,242	26,181	23,661	21,712	21,901	25,399	66,573	49,309	44,076	315,712

Source: World Bank Privatization Database.

Infrastructure-related enterprises—which include telecommunications, power, and transport companies—raised $11.7 billion in 1999, almost equally split between telecommunications and power. Telecommunications sales generated $2.6 billion in East Asia, $2.3 billion in Eastern and Central Europe, and $411 million in Latin America and the Caribbean. Power sector deals generated $3.9 billion in Latin America and the Caribbean, $968 million in Eastern Europe and Central Asia, $522 million in East Asia and Pacific, $114 million in Sub-Saharan Africa, and $37 million in South Asia. Transport sales generated $718 million, mainly from sales in East Asia and Pacific and Sub-Saharan Africa. Initial estimates for 2000 show substantial telecommunications sales in China; Eastern and Central Europe (Lithuania, Poland, the Slovak Republic, and Turkey); Morocco; and Sub-Saharan Africa (Tanzania and Uganda). In 2000, significant power deals took place in Brazil, Bulgaria, Cape Verde, China, Peru, Poland, South Africa, and Thailand. Transport sales in 2000 raised important amounts in China, Lithuania, and Mexico.

The financial sector—which includes banks, insurance, real estate, and other financial services—raised an estimated $9 billion, mainly through divestitures of the banking sector in Eastern Europe (51 percent of total revenues), East Asia and Pacific (19 percent), and South Asia (18 percent). Initial estimates for 2000 show significant transactions in East Asia (in particular, in Indonesia and the Philippines), Eastern and Central Europe (especially in Croatia, the Czech Republic, and the former Yugoslav Republic of Macedonia), in Latin America (particularly in Brazil and Mexico), and Sub-Saharan Africa (particularly in Cameroon, Cape Verde, Côte d'Ivoire, and Madagascar).

The manufacturing sector—which includes steel, chemicals, construction, and other subsectors—raised $3.1 billion in 1999, mainly through divestitures in Eastern Europe and Central Asia, the Middle East and North Africa, and Latin America. Initial estimates for 2000 show significant sales in Bolivia, Bulgaria, India, Indonesia, Lithuania, and Nigeria.

Foreign participation in privatization activity

Despite a slowdown in privatization activity in 1999, foreign participation as a share of total divestitures increased compared to previous years.[5] Foreign investors (portfolio and direct investors) contributed 76 percent of total privatization proceeds in the developing world, generating an estimated $32.3 billion in foreign exchange in 1999 (table A4.8). In 1999, foreign direct investment was the main source of foreign revenues raised through privatization activity, accounting for 86 percent of the total, while foreign portfolio investment accounted for only 14 percent (table A4.9).

The extent of foreign participation in privatization has varied across regions. In 1999, Latin

America and the Caribbean, Eastern and Central Europe, and East Asia and Pacific attracted the largest shares of foreign investment as a result of sales in the oil- and gas-related industries and the telecommunications and banking sectors. Argentina was the main recipient of foreign investment (through privatization activity), reaping 85 percent of Latin America and the Caribbean's share and 50 percent of the developing world's foreign investment with the sale of YPF. China was the main recipient of foreign investment in East Asia and Pacific, followed by Thailand, Indonesia, and Malaysia. Poland was the main recipient in Europe and Central Asia, followed by the Czech Republic and Bulgaria.

Methodology and source of data for the World Bank's Privatization Database

Privatization revenues are aggregated from the World Bank's privatization transactions database. The database provides the sale price of (amount raised by) a privatization transaction and the year during which the transaction has taken place. The appendix and data, therefore, give information on privatization transactions on an announcement basis rather than on the basis of actual flows of receipts, which means that privatization commitments (also referred as "revenues or proceeds" in the appendix) do not accurately reflect receipts in a particular year, as transactions may be paid for over several years.

The data contained in the World Bank's privatization transaction database are drawn from various sources, including reports from official privatization agencies and other internal World Bank Group databases, and are supplemented with data contained in publications such as *Financial Times, Privatization International, Institutional Investor, International Financing Review, Latin Finance, Project Finance, Middle East Economic Digest,* and *Euromoney*. All data are in U.S. dollars as reported or are converted from local currencies into U.S. dollars at the annual average exchange rate.

Table A4.8 Foreign exchange raised through privatization in developing regions, 1990–99

(millions of U.S. dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
East Asia and Pacific	1	102	1,556	4,156	4,036	2,026	1,990	3,775	1,082	4,982	18,724
Europe and Central Asia	586	1,892	3,069	2,932	1,588	4,778	1,880	8,874	5,190	6,503	30,789
Latin America and the Caribbean	6,358	7,384	4,037	3,765	5,058	2,206	6,448	12,486	21,535	19,567	69,277
Middle East and North Africa	0	3	19	183	246	16	126	623	43	747	1,260
South Asia	11	4	44	16	997	38	528	1,043	11	104	2,693
Sub-Saharan Africa	38	5	66	566	453	275	299	1,969	694	418	4,364
All developing countries	6,994	9,390	8,791	11,619	12,378	9,338	11,271	28,770	28,556	32,320	127,107

Source: World Bank Privatization Database and staff estimates.

Table A4.9 Foreign portfolio investment and foreign direct investment in privatization in developing regions, 1990–99

(millions of U.S. dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
Foreign direct investment	6,888	5,517	6,039	6,429	6,414	6,380	5,644	21,094	26,505	27,919	90,910
Portfolio investment	106	3,873	2,752	5,190	5,964	2,958	5,627	7,677	2,051	4,401	36,198
Total	6,994	9,390	8,791	11,619	12,378	9,338	11,271	28,770	28,556	32,320	127,107

Source: World Bank Privatization Database and staff estimates.

Notes

1. Sales through other privatization methods may be unreported because of data availability.

2. Data for the East Asia and Pacific region do not include the Republic of Korea owing to a lack of historical data.

3. The data (which are computed on an announcement basis) show the number and value of deals and not the flow during those years. Brazil's privatization total proceeds for 1997 and 1998—which appear to be very high—may be paid over a certain number of years

4. However, the SENELEC contract between the government of Senegal and the consortium was terminated in 2000.

5. For direct sales, if a buyer's identity is unknown, it is assumed that the buyer is domestic. For public offers, the foreign exchange component is not estimated if the number of shares purchased by foreign investors is unknown.