# Number of state sell-offs cut in half

By Gill Plimmer in London

The pace of privatisation around the world has slowed sharply, with an unprecedented number of asset sales delayed or cancelled amid volatile markets and political uncertainty.

Despite governments across the globe continuing to hoist for-sale signs over state-owned enterprises ranging from airports to electricity networks, the number of completed deals last year was less than half the 2010 figure, according to the Privatisation Barometer, a joint project between KPMG and Fondazione Eni Enrico Mattei, a Milan-based research institute.

Total proceeds from privatisations in 2011 fell to $94.4bn, less than half the record $213.6bn raised during 2010, the study found.

It included sales of stakes in renationalised banks and insurers that governments had taken over in the depths of the financial crisis.

The largest privatisation was the $6.1bn sale of shares in the New York based insurer AIG in May, which reduced the US Federal Reserve's ownership in the rescued insurer from 92 per cent to 77 per cent. This sale was large enough to make the US the third-largest privatising country of 2011.

A further $34.6bn worth of asset sales were postponed or cancelled as political opposition and financial constraints forced authorities in Italy, Greece, Egypt, Turkey and Poland to scale back plans.

What would have been 2011's largest privatisation – Spain's 30 per cent sale of the national lottery, Loterias y Apuerto del Estado – was pulled only days before execution.

Bernardo Bortolotti, professor of business studies at the University of Turin and an author of the study, said: "You can start to think of selling in a depressed market but generally you are better to wait."

China regained its position as the top seller of state assets, with 19 deals worth $14.2bn, followed by Australia, the US, Russia and Ireland.

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