

Message Text

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ACTION ARA-10

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E.O. 11652: N/A

SUBJECT: WTDR - LLOYD AEREO BOLIVIANO

1. SUBJECT FIRM IS THE NATIONAL AIRLINE 99 PERCENT OWNED BY THE BOLIVIAN GOVERNMENT. BRANIFF AIRLINES OWN LESS THWN 1 PERCENT OF SHARES. PER A-188, A PARTIAL WTDR IS HEREBY SUBMITTED TO SATISFY REPORTING REQUIREMENTS.

2. ADDRESS: CASILLA 691, AVENIDA CAMACHO 1460, LA PAZ, BOLIVIA. CABLE: LAB LA PAZ. TELEX: LAB LPZ BX 5309. PHONE: 53054. OFFICER: EMILIO BALDIVIA, PRESIDENT.

3. LLOYD AEREO BOLIVIANO IS BOLIVIAN NATIONAL AIRLINE CURRENTLY SERVING MAJOR DOMESTIC ROUTES AND INTERNATIONALL ROUTES TO LIMA, SAO PAULO AND BUENOS AIRES. LOCAL BRANIFF VICE PRESIDENT SITS ON LAB'S BOARD. ONLY OTHER NATIONAL PASSENGER CARRIER IS MILITARY-RUN TRANSPORTES AEROS MILITARES (TAM) COVERING ROUTES TOUCHING POINTS EVEN MORE REMOTE THAN LAB'S MOST RURAL STOPS.

4. FINANCIAL REFERENCES: N/A, PER A-188. TRADE REFERENCES: N/A, PER A-188. TRADE REFERENCES: N/A, PER A-188.

5. MAJOR FOREIGN FIRMS REPRESENTED: N/A PER A-188.

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6. LAB HAS BEEN FREQUENT TARGET OF PUBLIC CRITICISM,

INCLUDING CHARGE THAT IT EMPLOYS EXCESSIVE STAFF.
WITH CHANGE OF MANAGEMENT, MID-YEAR 1973, LAB TRIED
TO STWNDARIZE AROUND FEWER AIRCRAFT TYPES. AS
CONSEQUENCE OF THIS AND OTHER REFORMS, COMPANY'S
PRESIDENT REPORTED IN 1973 FIRST ANNUAL PROFIT IN MANY
YEARS. COMPANY REORGANIZATION NOW CONTINUING UNDER
NEW PRESIDENT APPOINTED JULY 1974.
LAB HAS RECEIVED TECHNICAL ASSISTANCE FROM INTERNATIONAL
AGENCIES IN PAST. IN 1971 US EXPORT-IMPORT BANK LOAN FOR
PURCHASE OF FIRST 727 FROM BOEING AND TWO F-27 FROM
FAIRCHILD. AS PART OF RE-CAPITALIZATION OF AIRLINE IN
1973, GOB TREASURY ASSUMED RESPONSIBILITY FOR LOANS.
IN MAY 1974 LAB PURCHASED SECOND JET, A USED 727, OUT
OF OWN CASH FLOW AND LOAN FROM GOB CENTRAL BANK.
WITH ADDITIONAL CAPACITY LAB NOW PLANNING EXTENSIONS
OF AND INCREASED FREQUENCIES ON INTERNATIONAL ROUTES
WHICH ARE MAIN PROFIT-POINT IN LAB'S OPERATION. LAB
IS FURTHER CONTEMPLATING TO REPLACE IN NEAR FUTURE
SIX DC-3 TYPE AIRCRAFT WITH SMALL TURBOPROPS
WHICH CAN MORE ECONOMICALLY SERVE REQUIRED
STOPS IN MORE REMOTE AREAS.

7. LAB DOES ITS OWN CENTRALIZED PURCHASING.
PURCHASES BOTH LARGE AND SMALL TICKET ITEMS DIRECTLY
FROM FOREIGN MANUFACTURERS AND SUPPLIERS. LAB
HAS UNTIL NOW BOUGHT ONLY FROM USA. BUT HAS BEGUN EGOTIATIONS
WITH SOUTH AFRICAN AIRLINE FIRM. LAB IS LATELY LOOKING
FOR LONG TERM CREDIT LOANS TO PURCHASE SMALL
TURBOPROPS. THIS INFORMATION WAS PROVIDED TO THIS
EMBASSY AS AN ADVANCE IN HIS PLANS BY LAB'S NEW PRESIDENT.

8. DATE OF INFO: 08/74.
STEDMAN

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