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DISPOSAL OF PUBLIC SECTOR ASSETS IN 1979-80

The Chancellor of the Exchequer announced in his Budget Statement on 12 June that the Government intended to reduce the PSBR in the current financial year partly through the disposal of public sector assets to the value of some £1bn. The Government has now determined the broad composition of these disposals, some of which have already been announced. The Secretary of State for Energy announced on 14 September that BNOC is negotiating to receive advance oil payments for some of the oil that it plans to deliver in 1980-81. It is expected that these will raise £400m to £500m. The remaining sales, together with estimates of their proceeds, are:

Approximately 5 per cent of BP shares	-	£200m to £300m
New town assets and other public sector land	-	£100m to £150m
Other assets, including assets held by NEB	-	£100m to £150m

The BP shares will come from the Government's own shareholding. This will reduce the total of the Government and Bank of England holdings, taken together, to some 46 per cent.

Arrangements are being made for these disposals to be completed during the course of the present financial year. Further details will be announced in due course.

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