

ArcelorMittal seeks to sell shut French plants

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Paris

ARCELORMITTAL intended to close two idle blast furnaces in eastern France and had accepted a government deadline of 60 days to find a buyer, the steel giant confirmed yesterday.

The fate of the two furnaces has become a litmus test of French President François Hollande's strategy for fighting a rise in unemployment and for one of his policy priorities to raise the flagging competitiveness of French industry.

With rampant unemployment a major factor in a drop in his approval ratings to as low as 43 percent, he met personally with ArcelorMittal chief executive Lakshmi Mittal last week.

The furnaces have been idle for 14 months and employ 629 of the 2 500 employees at the Florange plant in the Lorraine region of eastern France, the traditional centre of France's steel industry.

As the management announced its decision at the French headquarters in a Paris suburb, scores of workers picketed at the entrance to the Florange site.

"It's a crucial week, I am calling for mass mobilisation," said Edouard Martin, a local official from the leading CFDT union.

At the company headquarters,

Walter Broccoli from the FO union urged the government to "nationalise the steel sector", asking Industry Minister Arnaud Montebourg to "have a bit of courage".

Hollande met steel tycoon Mittal last week to discuss the future of the plant amid reports that the state was offering to buy the furnaces for a symbolic €1 (R10.70) in the hope it can find a firm willing to keep them working.

The Socialist government is planning legislation that will ban profitable firms from closing down a plant and laying off workers without first seeking another company to take over the site.

The promised law was an election pledge by Hollande, who is under growing pressure to deal with unemployment as he grapples with a €37 billion (R307bn) hole in public finances that he plans to plug with sweeping tax hikes and belt-tightening.

Figures released last week showed that unemployment had risen to just over 3 million people for the first time since mid-1999. It was equivalent to 10 percent of the workforce. The slump in activity in the industrial belt around Florange is weighing on joblessness.

ArcelorMittal has temporarily closed several sites in France, Belgium and Spain. – Sapa-AFP, *additional reporting by Reuters*