

Hollande gives Mittal deadline to save jobs

FOREIGN STAFF

Paris

PRESIDENT Francois Hollande has given ArcelorMittal CEO Lakshmi Mittal until December 1 to draw up a plan to save jobs at a French plant of the world's largest steel maker, including its nationalisation.

Mr Hollande, who met Mr Mittal for an hour at the Elysee presidential palace in Paris on Tuesday, said he asked Mr Mittal to pursue discussions with the government until the December 1 deadline given to the company to find a buyer for the site at Florange in north-eastern France. The statement did not say what options were discussed.

"We want to ensure the continuing operation of the site," Mr Hollande said before meeting Mr Mittal, adding that its nationalisation "will be part of the discussions. That concerns only the site itself, of course, and not the whole group."

French Industry Minister Arnaud Montebourg, who first raised the possibility of its nationalisation, sparked a furore after he told *Les Echos* newspaper on Monday "we don't want Mittal in France anymore". Mr Montebourg accused the Indian CEO of going back on his word to protect jobs and said the company's Florange site could be under temporary state control.

"Montebourg's comments on Mittal are rarely what we hear from ministers," Yves Marçais, an equity sales trader at Global Equities in Paris, said yesterday. "The word nationalisation hasn't been used in France since former president Fran-

cois Mitterrand in the early '80s. The legitimacy here is that there are jobs they want to save."

Mr Mittal's family told *Le Monde* it was "extremely shocked" by Mr Montebourg's comments.

In New Delhi on Tuesday, London mayor Boris Johnson told Indian businessmen, "if France doesn't want you, Britain does", reports said. The steel tycoon lives in London and is the world's 41st-richest man, with a net worth of \$17.1bn, according to data. His company bought Arcelor in a hostile bid in 2006, after promising not to cut jobs and shift or cut investments. Former president Nicolas Sarkozy signed off on the deal. ArcelorMittal now wants to close the furnaces at the site and slash more than 600 jobs, blaming a slump in the steel industry.

ArcelorMittal shares were 0.4% lower at €11.44 in Amsterdam yesterday. The shares have fallen more than 19% this year.

"We are not talking about nationalising everything," Finance Minister Pierre Moscovici said yesterday. "Let's not generalise, and take this with a lot of pragmatism."

"Mittal is a symbol," said Karine Berger, a legislator from Mr Hollande's Socialist Party. "He's a symbol of the failure of Sarkozy's policies, and a sign that an industry minister can intervene. It would have been better to have sold Arcelor to Europeans," Mr Berger said.

Florange is located in Lorraine in France. The plant's long conflict started in 2002 when it was being considered for a shutdown — before Mittal Steel's takeover. *Bloomberg*