

Hollande threatens to nationalise ArcelorMittal plant

Sapa-AFP

PARIS: French President François Hollande yesterday threatened to nationalise a plant owned by steelmaker ArcelorMittal in an increasingly heated dispute in which a minister has said the multinational is no longer welcome in the country.

Moments before he was to talk with steel tycoon Lakshmi Mittal, Hollande said that nationalising ArcelorMittal's plant in north-eastern France

remained on the table.

"The nationalisation is part of the subjects of the discussion," Hollande said.

The talks lasted an hour, a French official said, with Mittal entering and leaving Hollande's Élysée Palace discreetly and without comment. It was the second time the two men met since the crisis erupted two months ago.

Hollande's nationalisation warning came as 40 lawmakers from his Socialist party said they favoured a temporary

takeover by the French state of ArcelorMittal's plant in Florange.

"Mittal does not respect our country," a joint statement by the parliamentarians said, adding that his interests "were clearly not that of France, of its industrial fabric and its workers".

Mittal, who ranks 21st on the Forbes list of the world's richest people, is locked in a battle with France over the future of the Florange site in the traditional, but declining,

heartland of the French steel industry in the eastern Lorraine region.

Hollande's government has made a priority of protecting jobs as it seeks to revive France's struggling economy.

ArcelorMittal has said that two blast furnaces at Florange, which were damped down for 14 months prior to their full closure, were uncompetitive in a tough trading climate, partly because they are too far from ports for transportation.

The company gave the gov-

ernment two months, which expires on Saturday, to find a buyer for them. The government says it has two offers, but only for the entire Florange site, including other facilities which ArcelorMittal wants to retain and keep operating.

ArcelorMittal has refused to sell the full operation and warned that nationalisation of the Florange facilities would threaten the viability of all its activities across France, where it employs 20 000 people.

French Finance Minister

Pierre Moscovici tried to limit the damage to investor perceptions after Industrial Renewal Minister Arnaud Montebourg threatened to nationalise Florange and said ArcelorMittal was no longer welcome in France.

"Everyone can understand that this case is a special one," he said. "We, of course, welcome investors on our soil," Moscovici added, stressing that only a temporary nationalisation had been envisaged so far.