

# France approves five billion euro emergency loan for Renault

June 2 2020



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The French government said Tuesday that it had signed off on a state-backed loan of five billion euros (\$5.6 billion) for carmaker Renault, where the coronavirus crisis has compounded months of management

turbulence and prompted the company to lay off nearly 15,000 people worldwide.

Finance Minister Bruno Le Maire approved the loan after a meeting with executives, labour representatives and local officials concerned by a sweeping overhaul unveiled by Renault last week, the [finance ministry](#) said.

The government announced the loan last month, but said it was conditional on a commitment from Renault to maintain jobs and core operations in France.

The company has said four production sites in France could be closed or restructured, including the Maubeuge site in northern France, from where production of electric Kangoo utility vans is being transferred to nearby Douai.

That prompted thousands of people in the city to protest over the weekend.

Le Maire "requested that talks begin immediately with labour unions on implementing an industrial project for the future... which should guarantee over the long term, beyond 2023, employment and industrial operations at Maubeuge," the ministry said.

"No decision will be made on the shifting of activities unless it has been approved by all parties," it said.

Renault has pledged to cut costs by two billion euros as it tries to regain its financial footing after sales in its core French market plunged 89 percent in April, reflecting the factory shutdowns and dealership closures around the world.

President Emmanuel Macron has also promised an eight-billion-euro plan to revive France's [auto industry](#) by making it the European leader in [electric cars](#), including subsidies for new car purchases.

In February, Renault unveiled its first annual loss in a decade, after former chief executive Carlos Ghosn was arrested in Japan in 2018 over alleged financial misconduct at its partner Nissan, where Ghosn was chairman.

Since his ouster, former Michelin boss Jean-Dominique Senard has taken over as Renault's chairman, and former Volkswagen executive Luca de Meo is to join as CEO in July.

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Citation: France approves five billion euro emergency loan for Renault (2020, June 2) retrieved 20 March 2024 from <https://techxplore.com/news/2020-06-france-billion-euro-emergency-loan.html>

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