

France to temporarily nationalize companies hit by COVID-19



Paris, April 5 (RHC)-- The French government is considering nationalizing, for a limited period of time, those companies suffering from the financial market turmoil due to the coronavirus epidemic, Finance Minister Bruno Le Maire has announced.

"It is simply a matter of having the state protect companies, for a limited period, by taking a stake or possibly by making a temporary nationalization," Le Maire told France 24 and RFI radio. "The state did not intend to manage commercial companies but has the responsibility to protect the strategic assets," he added.

The minister noted that the government would use all means, including recapitalization, to support enterprises affected by coronavirus outbreak, notably those dealing with auto, transport and tourism businesses. "It is extremely brutal for millions of entrepreneurs in our country. The recovery will be long, difficult and costly," Le Maire said.

Working to mitigate the epidemic economic fallout, the French government was mobilizing 45 billion euros (48.5 billion USD) to help companies stay afloat through the virus outbreak, consisting in large part of tax and payroll charge deferrals.

Among the other remedies, struggling domestic firms would benefit from state loans guarantees worth 300 billion euros, which could help commercial banks reduce potential exposure to loan losses.

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