

ORAL QUESTION H-0009/04
for Question Time at the part-session in February 2004
pursuant to Rule 43 of the Rules of Procedure
by Roseline Vachetta
to the Council

Subject: Public subsidies and redundancies at the ST Microelectronics group

The ST Microelectronics group, 34% of whose capital is held by Italy and France, had a turnover of about 3.8 billion euro and a net profit of 187 million euro in the first half of 2003. The group apparently received 542.6 million euro in public subsidies from France and Italy and 90 million euro from the European Union. Despite its good economic performance and public financial support, the group's management has decided since summer 2003 to relocate some production activities to Singapore, close the Rennes site in France (600 jobs) and reorganise these activities by closing down the production site at Castelletto in Italy and shifting the work to Agrate, with the loss of 321 jobs at Agrate and 115 at Castelletto.

In this specific case, what checks will the Council make and what penalties will it impose on a group which, despite receiving public subsidies from Member States and making substantial profits, is sacrificing hundreds of jobs and industrial know-how?

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