

# Spanish employers' chief urged to quit in wake of airline collapse

By Victor Mallet in Madrid

The head of the Spanish employers' confederation could become the latest victim of the country's economic crisis as calls mount for him to resign after the collapse of the airline he co-owns.

Gerardo Díaz Ferrán, president of the CEOE, the business lobby group that has 1m corporate members, has repeatedly criticised Spain's Socialist government for its handling of the crisis.

However, since the collapse of Air Comet, his airline, three weeks ago, Mr Díaz Ferrán has faced a crisis of confidence in his own leadership and is now under intense pressure to resign from his CEOE post.

Some of the airline's 660 former employees complain they were not paid for six months and have staged demonstrations in Madrid demanding new jobs.

With the recession weakening the privately held travel and tourism businesses he co-owns with Gonzalo Pascual, some business leaders – including one of his CEOE deputies – say he should no longer be the public face of Spanish business.

In a particularly heavy blow, it has emerged that Caja Madrid, one of Spain's largest financial institutions, rejected as insufficient the loan guarantees offered to ensure the rollover of €26.5m (\$38.4m, £23.8m) in credit outstanding to holding companies of Mr Díaz Ferrán and Mr Pascual.

Caja Madrid – of which

Mr Díaz Ferrán is himself a director – says new guarantees are being negotiated and that the loan is not in default.

"The [CEOE] president will not last beyond February," said one Madrid businessman. "Díaz Ferrán's situation is unsustainable."

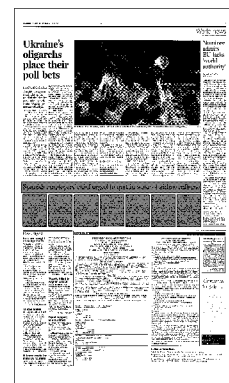
Jesús Bárcenas, one of the CEOE's vice-presidents, recently told Cadena Ser radio that in Mr Díaz Ferrán's place, he would have resigned "some time ago".

Mr Díaz Ferrán yesterday said he had no intention stepping down and that his business interests were independent of his CEOE duties, except in so far as his problems made him the ideal representative of Spanish employers.

"In Spain in the last year and a half, 300,000 companies have closed, most of them for lack of credit, which is precisely what happened to Air Comet," he told the FT. "I am simply a reflection of what is happening to businesspeople in Spain. I am suffering the pain that Spanish business is suffering."

The CEOE has twice reaffirmed its collective support for Mr Díaz Ferrán, who believes he has been the victim of a political campaign by the government and its supporters.

Yesterday, he complained of personal attacks on him by the government after the CEOE rejected a set of government economic proposals last year. He also described the revelation of the loan details as "inappropriate".



**Il presidente degli industriali spagnoli esortato a dimettersi a seguito del fallimento della compagnia aerea (mm)**