

Germany's Infineon needs state guarantees: report

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German chip maker Infineon is in negotiations with the government over state guarantees worth several hundred million euros (dollars), the Welt am Sonntag paper reported Sunday.

Citing sources close to the talks, the paper said chief executive Peter Bauer and [chief financial officer](#) Marco Schroeter have been in long-standing contact with Chancellor Angela Merkel's office over possible state aid.

An Infineon spokesman could not be immediately reached for comment, but the Welt am Sonntag said the company had denied the report.

The [chip maker](#) has seen its turnover plummet as demand has slumped in the auto and telecommunications sectors.

In February, Infineon said it had suffered a net loss of 404 million euros (517 million dollars) in the three months from October through December.

The firm also said that sales would likely decline by 10 percent in the current quarter.

The group reinforced a programme designed to cut costs, introducing partial [unemployment](#) measures for some 9,000 employees and trimming its executive bonus programme.

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