

Chinese firms still eying Saab purchase

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Two Chinese companies are continuing discussions on purchasing Saab even though the deadline for the deal expired Tuesday, the beleaguered Swedish carmaker said.

"Talks continue between Swedish automobile and our Chinese partners Pang Da and Youngman," Saab spokeswoman Gunilla Gustavs told AFP.

"Discussions continue with the goal of (finding) a proposed structure for the future that everyone can agree upon," she said, stressing that it was especially "important that General Motors is okay with the proposal."

Saab's former owner GM has said it will block the transfer of technology licences to the two Chinese firms if they buy all of Saab, putting what is considered the Swedish carmaker's last chance of survival in jeopardy.

"GM needs to approve the deal if we are going to continue to build and sell the current Saab line-up (the 9-3 and 9-5 models)," Gustavs said, insisting it was "critical" to get the US auto giant onboard.

"GM holds the technology licences with those cars. We do need them to agree to it if we are to continue the business and not just wait for future cars," she said.

Saab's current Dutch owner Swedish Automobile (Swan) announced on October 28 that Youngman and Pang Da had agreed to buy the insolvent brand for 100 million euros (\$134 million) and 610 million euros in long-term funding.

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The Memorandum of Understanding between the parties expired Tuesday but since this date was "self-imposed" it did not require them to halt discussions unless one of the parties wanted to do so.

Another deadline would have more practical implications -- Saab's court-appointed administrator, who has been tasked to lead it through reorganisation under bankruptcy protection, is scheduled to present a plan to creditors on November 22.

Gustavs acknowledged that if no concrete agreement had been reached between Youngman, Pang Da, Swan and GM by then, the sale of Saab could be in jeopardy.

"The proposal that will be given to the creditors will have to be concrete enough so that the creditors can take a position on it," she said.

If the administrator or creditors decide the presented plan lacks credibility, Saab could be pushed out of bankruptcy protection.

Saab was on the brink of bankruptcy when GM sold it to Swedish Automobile -- at the time called Spyker -- in early 2010 for \$400 million.

It has been a rocky road since then. The carmaker was forced to halt production six months ago as suppliers stopped deliveries over mountains of unpaid bills and Saab's some 3,700 people have seen salary payments delayed four months running.