

Saab's bankruptcy protection should be lifted

Written by AFP / The Swedish Wire

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A court-appointed administrator for Saab on Wednesday asked a court to lift bankruptcy protection for the Swedish carmaker, effectively putting the company at the mercy of creditors, the court said.

"Administrator Guy Lofalk has requested that the bankruptcy protection for Saab be terminated," the Vaenersborg district court said in a statement after the documents were submitted to the court.

Saab has until December 15 to present an opinion, and the court will announce its decision on December 16.

Saab's charismatic chief executive Victor Muller has been trying for months to come up with a plan to rescue the brand.

His latest bid, in which Chinese carmaker Youngman and Chinese car distribution company Pang Da would buy all of Saab for 100 million euros (\$134 million), faltered when Saab's former owner General Motors refused to agree to the necessary technology licence transfers to the two Chinese firms.

In a statement on Wednesday, Swan insisted it was still pursuing discussions with Youngman to allow it to continue the restructuring and especially to find wages for Saab's some 3,700 employees, whose salaries have been delayed five months running and who have yet to receive their November paychecks.

Asked by Swedish news agency TT whether Lofalk's move meant the end of the road for Saab, Muller replied "No, of course not."

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He said Saab was negotiating a deal with Youngman and a Chinese bank to provide financing but without direct ownership, in a bid to circumvent GM's opposition.

However, Lofalk, who travelled to the US last week to meet with GM officials, was not optimistic about Saab's chances of success, putting much of the blame for Saab's fate on GM and its refusal to accept any deal.

"They said they saw no way forward and that it was very difficult for them to approve the proposals that have been submitted," he told TT.

"They didn't go into any detail about how one could change the proposals so they would work for them," Lofalk said, explaining he felt obliged to terminate the bankruptcy protection since Saab "has no money."

The attempts to sell Saab to Chinese partners has been seen as the last chance of saving the Swedish carmaker, which was already 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 in April as suppliers stopped deliveries over mountains of unpaid bills.