

Saab's hometown receives 75 million dollar in government support as massive lay-offs awaits the town.



{loadposition inline ad}

Related news:

- [Doubts about Spyker's renewed Saab bid](#)
- [Spyker renews offer for GM's Saab](#)
- [Saab ad agency to axe staff](#)
- [Saab sub-contractor to axe staff](#)
- [GM failed in bringing out Saab's full potential](#)

Trollhättan, a town of 55,000 in southwestern Sweden, and the Västra Götaland county will be supported with 542 million kronor (\$75 million) as Saab's parent General Motor winds down its loss-making Swedish auto brand, the Swedish government announced Monday after emergency talks on the future of the region.

"We have to start from the decision that GM has taken ... to shut down (Saab). In that case we want to be prepared and show local and regional authorities and employees there are resources, and they do not have to be worried," Swedish Enterprise Maud Olofsson said during a press conference along with Employment Minister Sven-Otto Littorin.

The money will be earmarked for new innovations, education and labour market measure.

Up to an estimated 8,000 people in southwest Sweden, including 3,400 Saab employees, consultants and sub-contractors, will be affected by the close-down.

Sub-contractor Premier said Monday it would cut 103 jobs due to the crisis at Saab. Also

Emergency plan for Saab's hometown Trollhättan

Written by Johan Nylander

Monday, 21 December 2009 17:36 - Last Updated Monday, 21 December 2009 19:42

dashboard maker International Automotive Components Group, IAC, said it would downsize operations and lay off 159 employees in Sweden.

"Trollhättan and the surrounding towns in the auto industry cluster may face challenging times on the back of the announcement of the future of Saab Automobile. Our task now is to stand ready and have the tools to support the people who may be hurt by lay-offs", Sven Otto Littorin said.

Also advertising agency Lowe Brindfors, that's been working with Saab for 18 years, said Monday it would axe 20 percent of its staff as a direct consequence of General Motors' decision to close Saab.

Following the crisis talks, the chairman of Sweden's main engineers' union urged Swedish Prime Minister Fredrik Reinfeldt to take up Saab's fate directly with US President Barack Obama.

"We need to have a direct contact ... to make GM look seriously at the new ownership proposals," Håkan Danielsson told the TT news agency, arguing Obama ultimately heads GM since the US state is the troubled carmaker's main stakeholder.