

German Labor Anxiously Awaiting Opel Decision

George Frey, AP Business Writer

FRANKFURT (AP) — General Motors Co.'s board begins a two-day meeting in Detroit on Tuesday with European labor organizations pressing for a decision on the fate of its European unit Opel, where thousands of German jobs are on the line.

A person familiar with the meeting said GM's board won't make any decision about the automaker, whose brands also include Britain's Vauxhall, until Wednesday. The person spoke anonymously because of the ongoing discussions.

Opel spokesman Frank Klaas said Opel had no comment on the meeting, while GM Europe officials in Zurich, Switzerland did not respond to requests for comment.

GM, which has repeatedly delayed a decision, has two bids for Ruesselsheim-based Adam Opel GmbH to choose from. German officials, Opel workers and unions have declared support for the offer from Canadian auto parts maker Magna International Inc. and Russian state-backed bank Sberbank, because they believe Magna would preserve more jobs in Germany.

The other bid is from RHJ International, a Brussels-based investment house, which many in Germany fear could sell the unit back to GM at a later date.

The European Employee Forum of General Motors, the European Metalworkers' Federation, and other European unions issued a joint statement calling for no more delays in a decision, fearful that it could put Opel and Vauxhall at further financial risk.

They asked that GM's board "agree to a recommendation" so it can be made to the Opel Trust. Just ahead of GM's bankruptcy earlier this year, Opel was transferred to a government-backed trust that holds 65 percent of the automaker, with GM holding 35 percent.

"The EEF, EMF and the European unions are convinced that a decision on the Opel and Vauxhall sale on Sept. 8 is in the common interest of General Motors, Opel and Vauxhall and its European work force," the statement continued.

Last month GM's board declined to choose between the bids, raising speculation that it might not want to sell the unit at all in order to keep its technologies from falling into competitors' hands and to keep Opel engineers under the GM umbrella.

Opel employs 25,000 people in Germany, about half of GM Europe's total work force, and German politicians are keen to safeguard jobs ahead of national elections Sept. 27.

The German government has provided euro1.5 billion (\$2.14 billion) in bridge loans

German Labor Anxiously Awaiting Opel Decision

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

to Opel and has offered a further euro4.5 billion in credit to support the Magna bid.

Under the terms of the Magna bid, Magna and Sberbank would get a 55 percent stake in Opel. GM would hold onto a 35 percent stake and Opel workers would get 10 percent.

RHJ sweetened its offer last week, agreeing to provide euro300 million in cash compared to euro275 million offered earlier and would expect loan guarantees of euro3.2 billion from the government, down from euro3.8 billion.

Source URL (retrieved on 03/28/2015 - 12:32pm):

http://www.impomag.com/news/2009/09/german-labor-anxiously-awaiting-opel-decision?qt-recent_content=0