

Ford Picks Favorites In Volvo Sale

STOCKHOLM (AP) — A group led by China's Geely Group is the preferred bidder for Ford Motor Co.'s Volvo Cars unit, the U.S. automaker said Wednesday.

Ford said the selection signals that it is conducting "more detailed and focused negotiations" with Zhejiang Geely Group Holding Co. Ltd. about selling the Swedish automotive business.

"Ford's objective in our discussions with Geely is to secure an agreement that is in the best interests of all the parties," Lewis Booth, Ford's executive vice president and chief financial officer, said in a statement.

Dearborn, Michigan-based Ford said last year that it wants to sell Volvo so that it can focus its efforts on three core brands: Ford, Lincoln and Mercury. Ford acquired Volvo in 1999 for \$6.45 billion from Volvo AB.

"Any prospective sale would have to ensure that Volvo has the resources, including the capital investment, necessary to further strengthen the business and build its global franchise, while enabling Ford to continue to focus on and implement our core ONE Ford strategy," Booth said.

Volvo Cars welcomed the announcement, spokeswoman Maria Bohlin said. "It's positive that it has been confirmed that there's a preferred bidder," Bohlin said.

Geely, based in the eastern city of Hangzhou, said last month that it was considering a bid for Volvo Cars in alliance with an unnamed investment partner.

Geely is one of China's leading domestic automakers, and was among several Chinese companies that have shown interest in Volvo and other European car companies.

Chinese are eager to improve their competitiveness by acquiring foreign brands that might help them improve their technology and expand into overseas markets.

Another Chinese company, construction machinery maker Sichuan Tengzhong Heavy Industrial Machinery Corp., is awaiting regulatory approval of its bid to acquire GM's Hummer unit.

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