

Germany Gets Bossy Over Opel's Future

BERLIN (AP) — German Chancellor Angela Merkel pressed General Motors Co. on Tuesday to present a "reliable concept" for the future of its European unit Opel, adding that GM should produce most of the funding.

GM last week called off the planned sale of a majority of Opel, based in Germany, to a consortium of car parts maker Magna International Inc. and Russian lender Sberbank — a solution strongly favored by the government in Berlin.

"I regret General Motors' decision extraordinarily," Merkel said in a speech to parliament. "But employees need more than our regret — they need a concrete solution."

"We expect General Motors quickly to present a reliable concept that gives Opel Europe and the German sites the chance of a good future," Merkel told lawmakers.

"This solution can only succeed if General Motors carries the main part of the restructuring with its own funds," she added, renewing a call for GM to pay back a €1.5 billion (\$2.2 billion) bridge loan granted to keep Opel afloat while a buyer was sought. GM has said it will comply.

GM's board decided a week ago to abandon the sale of 55 percent of Opel to Magna and Sberbank sale — which had appeared nearly a done deal after months of talks.

On Tuesday, Merkel defended robustly her government's support for a sale to a "strategic investor."

"Had we not done this, Opel would no longer exist today," she said. "General Motors was, over a period of months, in no position to even come close to doing justice to its responsibility as the parent company of Opel."

Adam Opel GmbH is based in Ruesselsheim, Germany. It has some 25,000 employees — about half the total work force — in the country. Magna's plan called for all four Opel plants there to remain open.

Germany had promised €4.5 billion in aid to the plan. Officials haven't yet said clearly whether GM can expect any support; they say it is entitled to make an application, which would then be examined.

"We expect the company in future to commit itself equally to its American and European sites," Merkel said. "A fair balance is a decisive condition for the talks that are coming now to have any prospect of success."

GM CEO Fritz Henderson was in Ruesselsheim Monday and Tuesday, meeting with

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