Chinese Automakers Shy Away From Rescuing Saab

Elaine Kurtenbach, AP Business Writer

SHANGHAI (AP) — Prospects for a rescue for struggling Saab Automobile remained uncertain Friday as several Chinese automakers brushed off reports they were in talks with the Swedish car company after an earlier financing deal fell through.

News that a $233 million (euro 150 million) deal between Spyker Cars NV, which bought Saab from General Motors Corp. in 2010, and China's Hawtai Motor Group had fallen through prompted speculation that Saab's top brass were resuming talks with other potential Chinese partners.

"To be honest, no. We have not even been in contact," Shang Yugui, a spokesman for Great Wall Motor Co. said Friday. "I asked my boss about this and he says no."

Spyker said it was "forced to terminate" its deal with Hawtai because the Chinese company was unable to obtain necessary approvals, including from various shareholders. It was unclear if regulatory problems also played a role: officials at the National Development and Reform Commission did not respond to requests for comment.

Spyker CEO Victor Muller has traveled to Beijing to negotiate with potential investors, Saab spokeswoman Gunilla Gustavs said in Sweden.

"The aim is focused talks that will lead to a deal shortly," she said, without disclosing any names or the number of talks held. "The work for Victor Muller and those who are there with him is definitely intense," she said.

In a statement Friday, Hawtai denied that a lack of government approval was to blame, saying the problem was "commercial and economic realities." It said it still hoped to find a "fair and reasonable" long-term arrangement.

"Hawtai continues discussions with Spyker and our review of cooperation options with Saab remains a top priority," Hawtai said. "Saab needs help and we strongly believe we are the best partner in this regard."

Hawtai's support was crucial to Spyker's plans to rescue cash-strapped Saab, which was forced to stopproduction at its plant in Trollhattan, Sweden, on April 6. So the deal's demise has resurrected speculation over what other cash-rich Chinese companies might be willing to bite.

Analysts said China's BAIC, which earlier bought rights to some Saab technology, may have objected to Hawtai's involvement, a conjecture that the Beijing-based company dismissed.

"They are just guessing. I just want to say we have quite good cooperation with Saab," said Hu Enping, director of public relations at Beijing Automotive Group. He would not comment further, saying only that his bosses had denied any knowledge of further financing talks with Saab.

China Youngman Automobile Group, Co., a leading bus and specialty vehicles maker and importer of Lotus sports cars, also would not confirm it was in discussions.

"I have not heard of this," said Zheng Jianyou, an official in Youngman's publicity department.

"If it is true, it's possible some of the top leaders may know but would not tell anyone else," he said.

The company, founded by Pang Qingnian, who also goes by the English first name "Youth," is looking to carve a niche for itself in the overcrowded market for sedans.

It would not be the first relatively obscure Chinese automaker to set its sights on a well-known Western brand.

Heavy equipment maker Sichuan Tengzhong made a bid for General Motors' gas-guzzling Hummer, but regulators prevented it from following through.

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Associated Press researcher Fu Ting contributed and AP writer Louise Nordstrom in Stockholm contributed.

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