Saab Restarts Production With Chinese Cash

Louise Nordstrom, Associated Press

STOCKHOLM (AP) — Spyker Cars NV's cash-strapped Swedish unit Saab Automobile on Friday resumed car production after a near seven-week standstill caused largely by payment problems to its suppliers.

The long-awaited resumption came after Chinese group Pang Da last week agreed to buy a 24 percent stake in Spyker for €65 million ($92 million). It also made a €30 million upfront payment for 1,300 Saab cars.

The first cars to roll off production lines at the Trollhattan plant in southwestern Sweden were a silver Saab 9-5 Aero and an orange Saab 9-3 convertible, with a batch of about 100 planned on the first production day since early April.

Saab spokeswoman Gunilla Gustavs said Pang Da would decide soon on another order worth some €15 million.

The Pang Da deal appeared to rescue the ailing car maker as skeptics predicted Saab was heading for collapse after a manufacturing deal with China's Hawtai fell through. However, it is still subject to approval, including from Chinese government agencies, the European Investment Bank, previous Saab owner General Motors Corp. and the Swedish National Debt Office.

Spyker CEO Victor Muller, who is also the chief executive and chairman of Saab, called the startup "a great day" for the Swedish company.

"We have gone through a rough patch in recent weeks but Saab is back in action again," Muller said. "We will work hard in the coming period to regain confidence and show our ability to become a successful car maker."

Gunnar Brunius, from the company's purchasing and manufacturing division, cautioned that they might face problems in the early stages. "But we will work hard together with our suppliers to minimize any disruptions to production," he said

Saab said the company now has a total order for more than 8,000 cars.

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