

Pang Da Shovels Over More Cash To Keep Saab Alive

Louise Nordstrom, Associated Press

STOCKHOLM (AP) — Chinese investor Pang Da has placed a \$22 million (€15 million) cash order for 630 cars from Spyker NV's ailing unit Saab, the Swedish car maker said Wednesday.

The new order comes after an earlier one for 1,300 vehicles as part of last month's pact under which Pang Da agreed to buy a 24 percent stake in the Dutch company for €65 million. The agreement also included future plans for a fifty-fifty joint venture between Spyker and Pang Da for the distribution of Saab cars in China.

Saab CEO Victor Muller, who also chairs and heads Spyker, indicated that the new Pang Da order is helping rebuild confidence in the brand after it ran into financial problems. "This not only shows the potential for the Saab brand in the Chinese market, but also that in Pang Da, we have found the right partner," Muller said.

Pang Da Chairman and CEO, Pang Qinghua, said he was convinced his company had made "the right decision in entering a partnership with Spyker and Saab Automobile." The new order, he said, "is the result of my firm conviction that Saab has the right product program for the Chinese market."

After Pang Da's first car order, cash-strapped Saab was last week able to resume production at its Trollhattan manufacturing plant, which it had shut down for nearly seven weeks due to payment problems to suppliers.

The larger deal with the Tangshan-based Chinese distributor appeared to rescue the car maker as skeptics predicted Saab was heading for collapse after a manufacturing deal with China's Hawtai had fallen through.

That agreement is still subject to several approvals however, including from Chinese government agencies, the European Investment Bank, previous Saab owner General Motors Corp. and others.

Saab car delivery to Pang Da will start in the second half of this year.

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