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SWEDEN: "Last chance" for Saab says Euro supplier body CLEPA

By: Simon Warburton | 4 May 2011



Europe's main supplier body says [Saab](#) now has "absolutely the last chance" to succeed following news of Chinese manufacturer Hawtai's EUR150m (US\$223m) investment plan.

The European Association of Automotive Suppliers (CLEPA) insists a "small miracle has to happen" if Saab can make a success of its new venture, although the Swedish manufacturer today (4 May) floated the possibility of restarting production perhaps as early as next week.

But, speaking to *just-auto* from Jakarta where he is leading the European Commission automotive delegation negotiating a free trade agreement with ASEAN countries, CLEPA CEO Lars Holmqvist raised major doubts as to Saab's future.

"This is absolutely the last chance for Saab - they won't get a third time," he said. "It seems they are desperate, I don't believe this is a long-term future for Saab. Swedish suppliers have always been very loyal to Saab, it has been part of their lives.

"There is a line [however] between loyalty and stupidity. Some small miracle has to happen so they can sell cars. Good luck if they can do it, but I give it a very, very slim chance."

Nonetheless, Holmqvist expressed the hope that Hawtai's cash injection - which must be approved by the European Investment Bank (EIB) - would at least see existing Saab suppliers owed money being paid.

However, he cautioned against suppliers providing credit should Saab successfully start production again. "I know there are some suppliers will will give them credit for the umpteenth (time) and then risk all of it if they then go bankrupt," he said.

The CLEPA chief conceded it would be "significant" for Swedish suppliers if Saab were to fail given their small and medium sized operations with a "domino effect" on some small companies but he did not estimate the same scale of impact on a European level.

Multiple loose ends still remain to be tied up with Saab despite yesterday's (3 May) announcement of its EUR150m cash injection.

The Hawtai deal remains subject to agreement from Chinese governmental agencies, the EIB and the Swedish National Debt Office (SNDO), while investment from Russian businessman Vladimir Antonov also requires EIB approval.

A spokesman for Saab in Sweden today (4 May) said talks with suppliers were still continuing and while declining to reveal any precise number, noted the automaker had around 800 suppliers, who had been severely affected by the crisis.

"They [suppliers] have been badly hit by this, but on the other hand everybody wants to start up again, he said. "It is in the interests of all of us.

"Everybody has suffered a bit unfortunately. The suppliers see with the Chinese there is an interest in buying a stake in [Saab parent] Spyker."

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