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GM Europe hires consultants Berger to help with rescue plan

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MUNICH -- General Motors Europe has hired consultancy Roland Berger to help tweak a proposed rescue plan for its Opel/Vauxhall business.

Roland Berger will help GM Europe answer "open questions," about the plan the company said in a statement on Wednesday.

GM unveiled a rescue plan at the end of February under which Opel and Vauxhall would be partly spun off into a new subsidiary. GM is seeking 3.3 billion euros in financial guarantees from European countries where it has factories including 2.6 billion euros from the German government.

Germany is open to the possibility of helping Opel but has said it needs to be sure no state support would find its way to GM, which is seeking more bailout help from the U.S. government to survive.

German Chancellor Angela Merkel has said the German state would only grant aid to companies such as Opel if it would secure their future and not just evaporate without any effect.

Merkel also has said that any decision on German government help for Opel depended on decisions the U.S. administration made on aid to GM.

German Economy Minister Karl-Theodor zu Guttenberg met GM CEO Rick Wagoner on Monday night and said it was essential for GM to find a private investor.

GM Europe head Carl-Peter Forster said in a memo to staff that bringing in an outside investor would be the "most promising and innovative" path for Opel, which would lessen the burden on German taxpayers.

"The government would only provide guarantees for the majority of the investment made by a third party," Forster said in the memo, dated March 13, which was published on a GM Europe website for its workers.

He said this scenario would also keep the government from having to take an equity stake in Opel.

Forster said the planned new subsidiary would be able to use existing patents for Opel that GM owns.

"We have shown that we have the agreement of our parent in the United States that the new European unit that should emerge here will -- in a contractually clearly defined way -- in the future be able to use these development benefits (patents) for the long term," Forster said.

Looming liquidity crunch

On March 4, GM Chief Operating Officer Fritz Henderson said GM's European operations would run out of money in the second quarter unless governments come quickly to the company's aid.

Dagmar Woehrl, a junior minister in the German government, said Opel and parent GM have, to the knowledge of the German government, sufficient financing to see them through into April. "What is positive is that money is apparently still there for them to carry on," Woehrl told reporters in Berlin on Wednesday.

Few are so far willing to speculate who might be interested in investing in Opel and no company seems to want to be the first to throw its hat in the ring.

A German association of Opel dealers is due to meet on Thursday to discuss the possibility of investing in Opel to secure their business.

Opel dealers across Europe could come up with about 400 million euros to buy 20 percent of Opel via an investment vehicle, their association Euroda has said.

Norbert Reithofer, BMW CEO, said on Wednesday his company was "clearly not interested" in Opel.

Volkswagen, Daimler, PSA/Peugeot-Citroen, Tata Motors and Hyundai have also said they did not want to buy Opel.

Rainer Eienkel, head of the works council at Opel's factory in Bochum, Germany, said on Wednesday it was now the duty of the German government to help Opel.

"The German government is now under an obligation to do something. It should no longer find excuses for a way out," Eienkel told NDR Info radio.

He said the government could provide loan guarantees in order to attract investors.

Reuters contributed

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