




## Saab, Volvo Promote Vehicles as GM, Ford Peddle Swedish Units

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By Hugo Miller



Jan. 13 (Bloomberg) -- Saab and Volvo, the only European luxury brands owned by U.S. automakers, are at the **Detroit auto show** to stir interest in their cars this week. **General Motors Corp.** and **Ford Motor Co.** are trying to peddle the companies.

GM and Ford haven't named any potential suitors since they began searching for buyers last month to end losses on the Swedish units and boost cash. The hunt began last month as the global recession deepened, damping prospects for a quick sale.

"I don't think they will find buyers, and so it's a question of what happens in the absence of that," said **Jeremy Anwyl**, chief

executive officer of Santa Monica, California-based Edmunds.com. GM and Ford may end up stuck with the money-losing units that don't fit the U.S. automakers' focus on volume sales.

GM is working to settle Saab's future before presenting a survival plan to the U.S. government by March 31 to keep \$13.4 billion in federal loans, GM's Europe Chief, **Carl-Peter Forster**, told reporters at the auto show. Detroit-based GM has discussed Saab with one automaker, Forster said, without being specific.

Volvo, based in Gothenburg, hasn't had any discussions about a sale, Chief Executive Officer **Stephen Odell** said in an interview in Detroit.

"If we move to sustainable profitability, the questions of ownership have only better answers than if we're not on that route," said Odell, who became the first non-Swedish CEO in 2008 as Ford tightened control of the brand it acquired in 1999 for \$6.5 billion. Ford may seek as much as \$6 billion in a sale, people familiar with the plan said last month.

'Life Support'

Volvo's third-quarter pretax loss more than doubled to \$458 million from a year earlier as sales declined 24 percent. While GM doesn't break out financial results for Trollhattan, Sweden-based Saab, Vice Chairman **Bob Lutz** said in Detroit that the unit has been on "life support" for 20 years.

GM and Dearborn, Michigan-based Ford finished 2008 with a combined U.S. market share of about 37 percent, compared with Volvo's 0.6 percent and Saab's 0.2 percent. Volvo's U.S. sales slid 31 percent, while Saab's fell 35 percent, according to industry-research firm Autodata Corp. of Woodcliff Lake, New Jersey. **Industrywide deliveries** dropped 18 percent.

GM doesn't own any other European luxury-auto makers, and Ford is unwinding a strategy to boost sales through premium brands. It sold U.K.-based Jaguar and Land Rover to India's **Tata Motors Ltd.** last year. GM also is trying to unload its Hummer sport-utility vehicle unit.

Swedish Aid

Sweden's government has pledged 28 billion krona (\$3.5 billion) in aid for Saab and Ford, including about 20 billion krona to be used as loan guarantees, to help the companies survive the current recession. Volvo has also asked the European Investment Bank for a loan and Saab is considering doing so, Odell and Jonsson said.

Sweden has no plans to take a stake in Volvo or Saab, Joran Hagglund, state secretary in the Swedish Industry Ministry, said in a briefing in Detroit yesterday at the North American International Auto Show.

Nor is a merger of Saab and Volvo in the cards, according to the two companies. Volvo's Odell said there have been no discussions between the two sides, and that he wasn't aware of any GM-Ford talks on such a possibility.

"We don't have complementary products and are fierce competitors," Jonsson said.

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