
Recession reports - GM eyeing bankruptcy exit to avoid a fatal blow

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Reuters quoted Mr Fritz Henderson CEO of General Motors Corporation as saying that it needs to exit from bankruptcy quickly in order to avoid a fatal blow to many of its suppliers and the loss of thousands of jobs.

Mr Henderson said that "Many of GM's suppliers are already in the midst of a severe liquidity crisis, which has only been exacerbated by the current shutdown of certain GM production facilities."

He said that tentative plans to resume operations at some GM plants by July 13th 2009 could be endangered if the court does not approve GM's sale of its best assets out of bankruptcy in a deal brokered by the Obama administration's autos task force and funded by the US Treasury.

He added that "If the new GM is not able promptly to commence operations, many of GM's suppliers will have further draconian reductions in revenue and no income."

(Sourced from www.reuters.com)

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