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## Chinese automaker offers to buy stake in GM unit Opel

*Sunday, 05 Jul, 2009*

Reuters reported that a Chinese automaker has offered to buy a stake in General Motors unit Opel challenging a deal from Canadian auto parts supplier Magna.

Sources familiar with the situation said state owned Beijing Automotive has submitted an indicative, non binding offer for Germany's Opel and would make a binding offer by mid July.

The news comes ahead of a deadline for GM lawyers to submit papers to US federal bankruptcy Judge Mr Robert Gerber who will rule by July 10th on a plan to create a "new GM" with brands Chevrolet, Cadillac, Buick and truck unit GMC.

Magna backed by Russian partners is the frontrunner to buy Opel. Sources told Reuters on Thursday that Magna board of directors wants to approve a business plan for Opel on July 7th.

A German government minister said Belgian holding company RHJ International is the third bidder although it posted a sharply wider full year loss recently and analysts are doubtful it has the cash to compete with its rival suitors. Whoever wins the race for Opel faces a tough antitrust probe.

When asked whether he counted on Brussels examining any deal for Opel under a lengthier so called 'phase II' investigation, Mr Jochen Homann German Deputy Economics Minister said "Yes, clearly." He declined to specify what issues might concern EU competition authorities since the German government is still awaiting a business plan for the takeover which he hoped to get by the end of July.

(Sourced from Reuters)

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