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## **Ford to slash 20% of Mazda stake to raise cash**

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It is reported that Ford Motor Co is slashing its stake in Japan's Mazda Motor Corporation by nearly two thirds, joining other struggling US automakers in a fire sale of prized assets to stay afloat.

As per report, Ford, which owns 33.4% of Mazda, will sell about a 20% stake. The sale would net Ford USD 540 million based on Mazda's closing price, barely a quarter of what a 20% stake in the Japanese automaker was worth one year ago.

Hit by a slump in the US, Ford is burning through cash reserves and, along with General Motors Corporation and Chrysler LLC, is seeking a USD 25 billion government lifeline to weather the deepening economic crisis.

Ford racked up losses of USD 8.7 billion in the second quarter, its worst result ever, and has used up USD 11 billion of a cash stockpile in the past year. Over the last decade, Ford helped engineer a turnaround at once struggling Mazda, sending executives and sharing technology and auto parts to cut costs.

Ford and Mazda, which makes the RX8 sports car and Miata roadster, said that they will maintain their strategic relationship. Ford said it will remain Mazda's largest shareholder and they will continue to share core design platforms and key components.

Mazda said that it will buy up to 6.87% of its own shares for as much as JPY 17.9 billion through an off hours trading system and several strategic business partners will mop up the rest.

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