

## **GM's European boss to head up Opel and Vauxhall**

*John Reed*

*General Motors' newly named head of European operations said on Saturday that he will also become chief executive of Opel and Vauxhall, and that the search for an outside candidate had been cancelled.*

The comments by Nick Reilly – named to the job by the U.S. carmaker's chief executive Ed Whitacre in a major reshuffle of management on Friday - are a fresh indication of GM's determination to reassert control over its loss-making European operations, which have been mired in a long and politicised restructuring process for most of this year.

"We have decided not to have a two-tier management system in Europe, as was before – General Motors Europe, then the Opel/Vauxhall management group," Mr Reilly told reporters. "We will only have one."

The job will also include regional responsibility for GM's Chevrolet brand.

GM last month began searching for an outside candidate to run Opel after Carl-Peter Forster quit over the Detroit carmaker's decision to keep the German-headquartered brand rather than sell it to Magna International and Sberbank.

Since then Mr Reilly, a Briton until now heading GM's international operations from Shanghai, has been Opel's acting chief executive.

During GM's five months of talks with Magna, which sparked a pan-European row over state aid and job cuts, a fissure opened between GM's Zurich-based management and Opel's, based in Rüsselsheim, near Frankfurt, which like Germany's government strongly favoured the Magna deal.

On Friday GM's management and its works council laid aside some of the rancor of recent months when labour chief Klaus Franz said that both sides were "united in the goal of making Opel/ Vauxhall a successful company again." He also praised Mr Reilly as "personifying the new GM."

This came after Mr Reilly expressed willingness to consider giving workers a stake in Opel, creating a profit-sharing scheme, and turning it into a joint-stock company – conditions Mr Franz had been imposing before agreeing to cost-cutting measures GM is seeking.

Mr Reilly said on Saturday that GM expected next week to name a new management team for Opel, whose chief financial officer Marco Molinari also stepped down this week.

He said that GM's restructuring plan for Opel and Vauxhall, under which it plans to cut about 8,300 jobs, was now "90 to 95 per cent final."

Mr Reilly said that GM was looking at alternatives for future production at its plant in Antwerp, which GM wants to close as part of the restructuring, which aims to make Opel break even by 2011 and profitable by 2012. He said he expected a decision to be made over the next two to three working weeks.

In the UK, he said that GM was still in talks with Renault about a possible commercial vehicle to replace the vans the two companies make at their plant in Luton north of London under an agreement due to expire in 2013.

Mr Reilly said that GM had thus far had a “positive reactions and understanding” from most of the European governments to which it had turned for some of the E3.3bn it is seeking for Opel and Vauxhall.

Asked about scepticism about extending government aid to Opel expressed by Rainer Brüderle, Germany’s economy minister, Mr Reilly said: “We would obviously be disappointed if Germany were the only one to refuse any aid, and I don’t think that will be the case.”

**Financial Times, London, Dec. 5<sup>th</sup> 2009, Companies, online.**

A utilização deste artigo é exclusiva para fins educacionais