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State aid: Commission approves Swedish State guarantee for Saab

The European Commission has authorised, under EU state aid rules, plans notified by Sweden to provide a guarantee that would enable Saab Automobile AB to access a loan from the European Investment Bank (EIB). The Commission found that 82.8% of the guarantee to be provided by Sweden was in line with its Temporary Framework for state aid measures, which gives Member States additional scope to facilitate access to financing in the present economic and financial crisis (see [IP/08/1993](#)). In particular, Saab will pay an adequate remuneration for the guarantee and provide sufficient securities in case the guarantee would be drawn. It is therefore compatible with Article 107(3)(b) of the Treaty on the Functioning of the European Union (TFEU), which permits aid to remedy a serious disturbance in the economy of a Member State. The remaining 17.2% will be provided on market conditions and therefore does not constitute state aid.

Competition Commissioner Neelie Kroes said: "The state guarantee will contribute to the implementation of Saab's business plan without giving rise to any undue distortions of competition."

The loan to be granted by the EIB would co-finance Saab's business plan in the light of its sale by current owner General Motors to Dutch carmaker Spyker Cars N.V. According to the business plan, Saab intends to use the EIB loan of €400 million for an investment project worth €1 billion related to *inter alia* fuel efficiency and car safety.

Saab would pay a premium for the guarantee and provide the Swedish Government with high-quality collateral covering the full guaranteed amount. This collateral could be called upon by the Swedish state if it had to pay out any money under the guarantee. The level of the premiums paid during the lifetime of the loan would be in line with the provisions of the Commission's Temporary Framework. For a part of the guarantee, the Commission found that, in the current market situation and taking into account the other conditions of the transaction, a premium of 12.48 % per annum constitutes the market price for the risk involved in issuing such a guarantee. The Commission therefore concluded that this part of the guarantee did not involve state aid.

The non-confidential version of the decision will be made available under the case number N 541/2009 in the [State Aid Register](#) on the [DG Competition](#) website. New publications of state aid decisions on the internet and in the Official Journal are listed in the [State Aid Weekly e-News](#).