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# THE REFINANCING OF SHANGHAI GENERAL MOTORS (A)



The background of the slide is a historical painting of a coastal city, likely a port in the Mediterranean or Black Sea region. The scene shows a large harbor filled with various sailing vessels, including galleys and multi-masted ships. In the foreground, several galleys are visible, some with oars extended. The middle ground features a town built on a hillside, with numerous buildings and a prominent church or cathedral. The background shows a range of mountains under a sky with soft, golden light, suggesting a sunset or sunrise. The overall style is that of a classical oil painting.

# *Introduction*

**The case 'the Refinancing of Shanghai General Motors (A)' describes the strategic financial position of SGM in an ever-evolving automotive industry and the strategic management undertook as it attempted to refinance its operations. SGM was formed in 1997 with the group General Motors and the Shanghai Automotive Industry Corporation; it has been instrumental for GM business outcomes in China.**

# *Challenges in Refinancing*

**This was so especially as SGM considered its financing options and where it was likely to face some of the following challenges. The global financial crisis has prevented credit markets to ease, and thus companies have to struggle to get good financing terms.**



# *Strategic Decisions*

**Adopting a case study approach, the study analyses strategies implemented at SGM's management level analyzing the case of refinancing the company's activities through loans, bonds and equity. This really puts a strong focus on the issue of risk assessment, as well as the assessment of the advantages and disadvantages of the various choices to be made.**





## *Conclusion*

**Finally, 'The Refinancing of Shanghai General Motors (A)' enlightens the students with the various aspects of the field of corporate finance at large. For basically any finance professional, or a business student, this case is valuable as it shows how financial strategies can be the key to success while operating in a turbulent economy.**



# *Resource*

**This is just a sample partial case solution. Please place the order on the website to order your own originally done case solution.**

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