



Official name: British Motor Corporation Ltd, then British Motor Holdings, Leyland Motor Corporation, British Leyland Motor Corporation, British Leyland Limited, Austin Rover Group, then Rover Group, then MG Rover. The company went bankrupt in 2005.

Owned by: British industrialists, then the British government, then British industrialists, then BMW then Ford Motor Co and lately two Chinese companies.

Owned: Austin, Daimler, Jaguar, Leyland, Land Rover, Morris, MG, Riley, Rover, Vanden Plas & Wolseley.

Current situation: All but Jaguar, Land Rover, MG, & Rover are now dead. Shanghai Automotive Industry Corporation (SAIC) ended up with MG & Rover after a very messy deal. MG Rover cars are now mostly Chinese-built, with a token operation in England that employs a few hundred people •



A brief history of BMC



IN 1952, the rival car firms of Austin and Morris were merged into the British Motor Corporation, soon known simply as *BMC*. Hard to believe these days, but at one stage BMC was the world's fourth largest car manufacturer.

As the rest of the world changed, British companies stuck with the tried and true and were soon left behind. Thus, Britain's car industry had been in decline for decades by the time the government nationalised most of it in 1975.

The nationalised British car companies were turned into a corporation called British Leyland, which owned most of the famous British makes, including Austin, Daimler, Jaguar, Leyland, Land Rover, Morris, MG, Riley, Rover, Vanden Plas & Wolseley. The new chairman of British Leyland, Sir Michael Edwardes, closed down or sold off most of the British Leyland companies and in 1982 renamed the company as the Austin Rover Group, later shortened to just the Rover Group.

As part of the modernisation of the Rover Group, Edwardes arranged a deal with the Honda Motor Co to share technology and manufacturing facilities in England. Thus, Honda got access to the lucrative European market, while Rover got access to successful Honda technology. For this reason, most Rover cars of the era were based around existing Honda vehicles and many used a combination of Honda and Rover technology.

In 1988, the Rover Group was privatised and sold off to British Aerospace. However, by 1991 British Aerospace was in financial trouble as well. The Rover Group was still bleeding money, so British Aerospace sold the Rover Group to BMW. Stunned at this sudden reversal, Honda withdrew from its arrangement with the Rover Group and retreated back to Japan.



Rover later became known within BMW as ‘The English Patient’. However, at the time of the purchase by BMW, it was believed there was nothing wrong with Rover that German management couldn’t fix. So, over the next six years the Germans poured something like US\$6 billion into the Rover Group. After the BMW takeover, BMW motors started creeping into Rover vehicles, alongside Rover’s own engines, both of which went into the previously-Honda-built cars. With a perfectly straight face, Rover promoted these vehicles as being “The Best of British”.

BMW also scrummaged round in its spare parts bin and helped Rover make a few newer cars out of old BMW bits. However, British manufacturing never changed much since the days of the Morris Minor, and thus the BMW Rover cars were right down there with the French at the bottom of any reliability survey.

Don’t mention the war

After finally acknowledging that there were still a few flaws in their otherwise perfect plan, BMW – having lost all of its \$6 billion – sold Rover to a group of businessmen calling themselves the Phoenix Consortium – for ten pounds. That’s in addition to a \$1.35 billion loan to the Phoenix Consortium and nearly three billion worth of unsold cars that BMW threw in for free.

As well as selling crappy cars built in England, MG Rover then began selling crappy cars built in India, and its market share continued to plummet. None of this stopped the directors from lining their pockets: despite the fact that MG Rover lost nearly £90 million in 2003, five Phoenix directors took home more than £16 million in salaries and benefits – more than twice what the entire BMW board earned in the same year.

And then the end came. In a particularly messy deal, the sole surviving makes – Rover and MG – were sold to two competing Chinese companies. There was a lot of talk about saving British jobs, but the factory was simply dismantled and shipped to China. MG and Rover cars are now mostly Chinese-built, with a token operation in England that employs a few hundred people.

Some things haven’t changed: Chinese-built MG Rover cars have retained those uniquely British qualities of strange designs, crude assembly and laughable reliability •

