



Official name: GM Korea (until 2011, GM Daewoo Auto & Technology Co).

Formerly owned by: Daewoo Group.

Owned by: Mostly General Motors (82.9%), Shanghai Automotive Industry Corporation (SAIC) (9.9%) and Daewoo Motor Creditors' Committee (7.2%).

Current situation: Due to Daewoo's appalling reputation internationally, General Motors changed Daewoo's name to GM Korea in 2011. Despite the name change, GM Korea models are still fairly cheaply built. GM Korea makes large numbers of GM vehicles under the Buick, Chevrolet, Daewoo, Holden, Pontiac and Suzuki brands, and is currently making good money doing so.

Chances of survival: Good. GM Korea has become a major manufacturer of small, economical cars at a time of high oil prices •



A brief history of Daewoo, now called GM Korea



In this strange new world, nothing is what it seems. Daewoo is now called GM Korea, and Daewoo cars are called Chevrolets in most of the world. Even stranger, American cars, such as the Buick Lacrosse shown above, are rebranded as Daewoos for the Korean market.

Daewoo was a Korean heavy industrial giant that grew too big too fast. In an attempt to copy the rapid rise of the Japanese car industry, Daewoo flooded the world with cheap, bargain cars, hoping to become one of the great car companies.

However, Daewoo never really understood that the rise of the Japanese car industry was built primarily on quality, with lots of free extras thrown in as part of a bargain deal. Daewoo never managed more than offering mediocre, rehashed versions of obsolete General Motors models with lots of free extras at a bargain price.

Also, the Japanese grew to dominance because their Western opposition was badly organised and produced poorly built vehicles. In Daewoo's case, however, it was Daewoo that was badly organised and produced poorly built vehicles. Thus, Daewoo, the massive Korean *chaebol* that was going to take over the motoring world, finally went bankrupt – a year after turning down US\$5 billion from General Motors. Daewoo also tried to negotiate with DaimlerChrysler, Ford and others, all of whom laughed.



Then the inevitable end came, and the vultures at General Motors picked over what was left and threw the rest back to the creditors. General Motors now owns much of Daewoo, but it didn't pay anything like US\$5 billion and GM wouldn't touch many of Daewoo's disastrously unprofitable overseas factories.

For all its problems, Daewoo did well in securing a customer base across the world. However, when Daewoo's financial problems became evident, Daewoo's market share went into freefall, with dealers dropping like flies and angry customers ripping up worthless guarantees on vehicles that were worth a fraction of what they paid for them.

Under new ownership, Daewoo's future as a brand is rather more secure, but it's a sorry lesson in how not to build a car empire.

Because no one outside Korea wants to buy Daewoos anymore, General Motors is rebranding them using GM badges like Holden and Chevrolet.

Thus, the Daewoo Matiz was sold as the Chevrolet Spark in most of the world, the Chevrolet Beat in India or the Holden Barina Spark in Australia.

Because consumers feel more positive about their local GM brands, such as Chevrolet and Holden, these rebranded Daewoos have been better received than their predecessors. Thanks to input from General Motors, Daewoo's quality has also improved a lot. However, it would be stretching things to describe Daewoos – by any name – as high quality vehicles •



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