

BMW's mistaken intervention

The German-based BMW group, which owns Mini and Rolls Royce, has recently intervened in the EU referendum debate. Last week, the CEO of Rolls Royce, Torsten Muller-Otvos, sent a letter to BMW employees on Britain's EU referendum. It stated that:

"Free trade is important for international business. Rolls-Royce Motor Cars exports motor cars throughout the EU and imports a significant number of parts through the region. For BMW Group, more than half of MINIs built and virtually all the engines and components made in the UK are exported to the EU, with over 150,000 new cars and many hundreds of thousands of parts imported from Europe each year. Tariff barriers would mean higher costs and higher prices and we cannot assume that the UK would be granted free trade with Europe from outside the EU."

Of course, the letter did not mention that if the UK was to exit the EU and to maintain access to the Single Market by re-joining EFTA, there would be no tariffs and thus no effect on prices. But then, would you expect this option to be encouraged by a company committed to EU membership? The letter was quite explicit about this:

"The BMW Group and Rolls-Royce Motor Cars believe that the UK is better as a member of the EU than it would be outside it."

The worst part of the letter concerns the subject of regulation:

"When it comes to regulation, whether the UK remains inside the EU or leaves it, with Europe as the UK's largest export market by far, we would have to abide by European rules and regulations in any case. We believe it's much better to be sat at the table when regulations are set and have a hand

in their creation, rather than simply having to accept them."

It is hard to believe that Torsten Muller-Otvos is unaware that regulations governing motor vehicles are no longer made by the EU. The Transport Division of UNECE, the United Nations Economic Committee for Europe, based in Geneva, provides secretariat services to the World Forum for Harmonisation of Vehicle Regulations (WP.29), and has been doing so for more than 50 years.

The behaviour of the motor industry is very reminiscent of 1975. Lord Stoddart recalls similar scare stories then:

"I can well remember the Chief Executive of British Leyland, Sir Donald Stokes, writing to all his employees in my constituency telling them that they could lose their jobs if they did not vote to stay in the EEC in the 1975 referendum. He said the British car industry would be lost if we left. The British people did vote to stay in and what happened? We lost the British car industry anyway. Sir Donald later recanted his statement, admitting that he had been wrong. The lesson from this is that bully boys should always be resisted."

The enthusiasm of BMW for the EU is no surprise given its links to the European Round Table of Industrialists. A glance at its list of members reveals the names not only of Norbert Reithofer of the parent company but also of Ian Davis from Rolls Royce. The European Round Table of Industrialists is described in Wikipedia as "an influential advocacy group (*in other words, lobbying organisation*) in the European Union." This organisation meets before the Council of Ministers holds its meeting and wields immense influence. It may represent industry, but has a vested interest in furthering EU integration and shaping it in a way that favours the big Europe-based multinationals. A glance at the CAEF website is more than sufficient to allay any doubts that BMW will be

impartial in the forthcoming referendum debate. Hopefully, unlike the British Leyland employees of 1975, its UK-based workers will see through the half-truths and propaganda.

Meanwhile, the biggest losers may well not be BMW itself but its dealers. One of our regular subscribers has suggested that people should look up their local BMW branch, book a test drive but then say that because of BMW's threats to those who wish to leave the EU, they would never buy another BMW. Apparently a few people who have tried this tactic have found their local dealers to be most apologetic and not a little worried by BMW's mistaken intervention in this debate.