

BMW 'optimistic' UK-EU vehicle export tariff rules will be eased

BMW says it is confident the European Commission will ease regulations that would leave a new generation of electric Minis made at its Cowley plant in Oxford subject to 10% export tariffs.

Speaking as the company [announced a £600m investment in the UK, including £75m of taxpayer support](#), BMW board member Milan Nedeljkovic told Sky News he was optimistic so called "rules-of-origin" regulations will be eased.

Under the rules, from January, 60% of the batteries' total value and 45% of the car as a whole has to be sourced in the UK or EU, or [face 10% export tariffs](#).

While the new generation Minis will be assembled in Oxford, the batteries will be sourced from China in the medium term, meaning they will not comply with the regulations.

Mr Nedeljkovic said: "We are doing our best to meet them, and we are looking forward, optimistically, that we will find a way to handle the tariff question in future.

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“For us, as a manufacturer, we are always keen on open markets and free trade, that’s why we, of course, welcome any changes towards an open market.”

Business and Trade Secretary Kemi Badenoch has been lobbying for a change in the regulations for the UK, as governed by the Brexit deal. In the EU meanwhile the German government is leading attempts to ease restrictions.

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Recent investments by [Nissan in a battery factory at its plant in Sunderland](#), and [by Jaguar Land Rover owner Tata in a gigafactory in Somerset](#), but supported by nine-figure state subsidies, have increased domestic production ahead of the scheduled 2030 ban on the sale of new petrol and diesel cars.

Mr Nedeljkovic cast doubt on the viability of that timescale, questioning whether charging infrastructure would be ready.

“At BMW we are always asking for open technology choice. Electrified vehicles are the future, we see now, especially for the Mini brand. We are going to 100% fully electric vehicles after 2030,” he said.



Image:

BMW's Milan Nedeljkovic speaking at its plant in Oxford on Monday

"But looking on to the overall development in Europe, we must consider the infrastructure, the charging infrastructure. Will it be in place? Is it possible to get there? And we have some doubts that this may end up being fully installed by 2030.

"In fact we should leave the corridor open and work on a very specific contribution to zero emissions, of which electrification is one. Hydrogen is another one, where we put a lot of effort in, and with eFuels there is a third one. So not to be limited by one technology is our core belief."