

BMW revs up £500m plan to secure Mini production in Britain

BMW, the German car manufacturer, is applying the finishing touches to plans to invest hundreds of millions of pounds into its Oxford plant, securing future production of the iconic Mini in Britain.

Sky News has learnt that BMW hopes to announce its decision later in the spring, with one industry insider saying on Wednesday that it was expected to be unveiled in several weeks' time.

If confirmed, the investment package – which is thought to be worth close to £500m – would deliver a major boost to Britain's car industry.

One source confirmed that roughly £75m of the funding would be from the government's Automotive Transformation Fund, having been signed off by the chancellor, Jeremy Hunt.

Sky News reported [the discussions](#) between BMW and the government last month.

It was unclear exactly how the total investment would be structured, or the specific implications for job creation and retention at the company's Oxford site.

Responding to an enquiry from Sky News, a BMW spokesperson said the company did not comment on "media speculation", but added: "With its high degree of flexibility, competitiveness and expertise, the Oxford plant plays an important role in the BMW Group's production network.

"For the next MINI generation, Oxford will produce the majority of MINI models, the MINI Cooper three-door and five-

door models, as well as the MINI Convertible – one of our most important vehicles and a worldwide bestseller.”

BMW has said previously that its all-electric Mini models – a hatchback and a small crossover – are to be produced in China as part of a partnership with Great Wall, one of the country’s biggest carmakers.

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Image:

The MINI Electric is to be produced outside of the UK. From this year, the Mini Countryman will be built in Leipzig, Germany.

Assuming the latest plans bear fruit, they will represent a fillip to the UK car industry weeks after it emerged that the sector had had its worst year in production terms since the 1950s.

In 2022, carmakers produced just 775,000 vehicles, a slump of nearly 10%, according to the Society of Motor Manufacturers and Traders (SMMT).

Supply chain issues such as component bottlenecks were a major

factor in the decline, but the gloom enveloping the industry has been deepened by the recent collapse of Britishvolt, the fledgling electric vehicle battery manufacturer.

Britishvolt's technology has been acquired by Recharge Industries, an Australian company.

Production of the Mini at Cowley dates back to the 1950s, and resumed under BMW's ownership in the early 2000s.

Roughly 200,000 Minis are built at Oxford each year, with about 80% destined for export markets.

The plant employs about 4,000 people, making it easily one of the most significant in Britain.

Nissan and Ford have both announced new investments in their UK facilities in the last year, with the latter saying in December that it would spend £150m at its Halewood plant in Liverpool to expand production of electric vehicle parts.

BMW announced in 2021 that it would cease making the electric Mini in Oxford, adding last October that the UK plant would instead build the Mini Cooper three-door and five-door Hatch models.

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"Additionally the Mini Convertible will be returning to Oxford from 2025 – this is one of our most important cars and a global best-seller," it said at the time.

"Electric MINIs – a hatchback and small SUV – will start their production in China through our partnership with Great Wall and the electric Countryman will be built in Leipzig [in

Germany].”

A government spokesperson said last month that the UK was “one of the best locations in the world for automotive manufacturing.

“Investment through the Automotive Transformation Fund will develop a high-value end-to-end electrified automotive supply chain in the UK, and this includes unlocking private investment in gigafactories.

“We’re also working with industry through the Automotive Council’s Skills Working Group to ensure the UK automotive industry can support and develop the skills needed for sustainable success.”