

# Sale of the 'crown jewels'

## British Petroleum

January 1979-January 1987

**Founded in 1909** as the **Anglo-Persian Petroleum Company**, BP started the wave of privatisation unleashed by

**Margaret Thatcher**. BP is among the top six companies (by revenues) in the world now. It has a partnership with the Indian conglomerate **Reliance Industries Ltd.**

## British Aerospace

1981-85

**A year before the Thatcher government initiated** the sale of the company, it restructured it as a

publicly held company. **Initially the government sold 52 per cent** of its stake, but by 1985 it sold all but a **1 Pound Golden Share**.

## Cable and Wireless

1981

**Founded in 1866**, this private company with operations in radio, telegraph and telecommunications

was **nationalised by the Labour government in 1945**.

## Associated British Ports

1983

**In 1947**, the Labour government headed by **Clement Attlee** **nationalised ports**, which were

earlier owned and operated by private rail and canal companies. **The formation of the British Transport Docks Board (BTDB) in 1962** gave the government managerial control of all ports in the U.K. until the **Thatcher government's passage of the Transport Act in 1981, which led to the privatisation of the BTDB**. Two years later, the company was listed on the LSE.

## British Telecom

1984-93

**British Telecom, which was part of the U.K.'s Post Office operations until 1981**, was hived off as a separate company after

the **telecom revolution**. The government **sold half its stake in 1984 and two more tranches of its holdings in 1991 and 1993**.

## British Airport Authority

1986

**Constituted in 1965**, the institution was given the mandate of managing the three key airports (later seven) in the U.K.

**The BAA, as it has been known since**

**privatisation, had a virtual monopoly in the all-important London region**. In 2009, it was ordered by the Competition Commission to reduce its stranglehold on the U.K. market, after which **it sold Gatwick and Edinburgh to Global Infrastructure Partners, the owner of London City Airport**. Currently, about 95 per cent of its revenues are earned at Heathrow.

## British Gas

1986

**Established in 1812** as the **Gas Light and Coke Company**, **British Gas** was

nationalised, like many other privately owned infrastructure companies, after the Second World War by the Labour government. The Thatcher government's Gas Act of 1986 changed all this by listing the company on the LSE, where **it was valued at £9 billion**.

## British Airways

1987

**Formed by the amalgamation** of two leading carriers and two smaller regional service providers in 1972, it was **privatised**

**by the Thatcher government**.

## Rolls-Royce

1987

**Founded in 1906**, the company, which was first **famous for its cars and later for its aircraft engines**, was nationalised in 1971.

This was **reversed in the Thatcherite wave in 1987**.

## British Steel

1988

**Formed in 1967** after the nationalisation of a clutch of private steel companies by the Labour government, it was part of the

process that resulted in the **mounting unemployment in the manufacturing economy in the U.K.**

## Water

1989

**This was among the most controversial exercises in privatisation** and led to sharp

increases in water tariffs in the U.K. The Thatcher government transferred the assets in toto to private companies. **A study (2001) found that operating profits of the new water lords had increased 142 per cent since the takeover**. A team of researchers at the University of St. Andrews observed that the new owners of the assets of the water companies appeared to favour either investing in new assets or in "sweating" existing assets rather than maintaining and repairing existing infrastructure. The team attributed the **"overpriced" water services to this approach**.

## British Rail

1994

**Nationalised in 1947**, British Rail was privatised in phases after **its various kinds of assets were unbundled**.

## British Coal

1994

**Formed as the National Coal Board in 1946**, it was wound up in 1997.

## British Energy

1996

**Registered in 1995** and based in Scotland, the company used to operate eight nuclear plants in the U.K. until it was privatised. A

special investigation by The Guardian in 2005 revealed that the **government had spent more than £180 million as subsidy to the privately owned company**.

## Plasma Resources U.K.

2013

**Bain Capital, the U.S. private equity firm**, acquired a controlling stake in the company. It is the leading supplier of blood products that are critical for

life-saving treatments for ailments such as immune deficiencies, neurological diseases and haemophilia. The terms of the sale required the American "investor" to only pay £90 million immediately and allowed it to pay the remaining £110 million over a five-year period, which **critics have described as a sweetheart deal**.

## Royal Mail

2013

**The sell-off of the nearly 500-year-old service** was preceded by sharp increases in stamp prices and the shutdown of post offices. **£12.7 million was paid as "privatisation fees"** to investment banks and to "advisers".