

Jaguar Land Rover Liaison Report

Jaguar Land Rover has been in the news a lot over the course of the last several months and most of it has not been positive.

While it has been rough sledding for all manufacturers, JLR included, in China. The cooling Chinese economy has made it difficult for all manufacturers, Domestic and Foreign, to achieve what had previously been seen as bankable sales objectives.

In Europe, the collapse of the Diesel market, thanks to the Volkswagen Diesel emissions scandal, has dramatically impacted sales in the European Union, where JLR's engine mix was approximately 70% Diesel. This has not only impacted Sedan sales, which were already softening, but SUV sales as well.

In Great Britain it impossible to escape the effects of the uncertainties that have arisen in the run up to Brexit, the UK withdrawal from the European Union (EU). By the time of the AGM, the final outcome of the Brexit initiative maybe known, as the "final" date of the UK's exit from the EU is March 29th. This uncertainty has caused not only a loss of sales in the UK, but an extreme drain on JLR's financial resources. All this has prevented JLR from making the financial commitments necessary, going forward, to compete in this volatile and evolving marketplace. Changes in tax laws and a home market based backlash against Diesels have not helped mitigate any of these factors.

In the North American (NA) market, there is continued growth and profitability despite stiff competition and the implosion of the Sedan market, which has affected the Jaguar Brand. While the I-PACE has been a success, the numbers of vehicles available to us in NA are not sufficient to carry the day. E-PACE sales have been encouraging and F-PACE, though it continues to be popular, is now an established entry in a rapidly changing marketplace. Land Rover sales continue to be strong.

Sports car season is approaching and there is hope for the new variants of the F-TYPE, including the new 296hp Turbo 4 Cylinder. The 6-speed manual gearbox variant has been dropped. There are however, examples in retailer inventory.

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