

China demand for Jaguar Land Rover contains Tata Motors losses

October 25 2019



Chinese demand for Jaguar Land Rover cars helped contain losses at parent Tata Motors

Indian automaker Tata Motors reported Friday narrowed losses as growing demand in China for Jaguar Land Rover offset dire conditions

in its home market, beating analyst predictions.

The company which owns Jaguar Land Rover (JLR) lost 2.17 billion rupees (\$30.6 million) in the three months to September, down from a loss of 10.49 billion rupees in the year-earlier quarter.

Revenues dipped by nine percent. The heavily indebted company has now suffered losses in five of the last six quarters. In the June-ended quarter, it had lost 36.99 billion rupees.

"Jaguar Land Rover has improved its performance this quarter and delivered a well-rounded performance. In particular, the improvement in China on the back of better operational metrics is reassuring," Tata Motors said.

Tata said its British arm JLR reported a pre-tax profit of 156 million pounds (\$200 million) and sold 134,489 units, up by 2.9 percent.

Tata shares had spiked almost 15 percent last week on hopes of an orderly British exit from the European Union. Britain, the EU and China are JLR's key markets.

But with India's automobile sales down for the 11th-straight month in September, chief executive Guenter Butschek said the entire domestic industry was suffering.

"Growth continues to be impacted by subdued growth, higher capacity from the new axle load norms, liquidity stress, low freight availability, weak consumer sentiment and general economic slowdown," Butschek said.

Other Indian firms are also suffering from problems in the world's second-most populous country, with thousands of jobs cut in the sector.

Maruti Suzuki on Thursday reported a 39.4 percent fall in its quarterly profits and a 24.3 percent plunge in revenues despite slashing prices for several models.

On Wednesday, India's Bajaj Auto reported a jump in its quarterly profits but its revenues fell by four percent.

Shares of Tata Motors were down almost five percent in Mumbai as markets closed.

© 2019 AFP

Citation: China demand for Jaguar Land Rover contains Tata Motors losses (2019, October 25)
retrieved 25 April 2024 from

<https://techxplore.com/news/2019-10-china-demand-jaguar-rover-tata.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--