

China demand for Jaguar, Land Rover boosts India's Tata Motors

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Chinese demand for its Jaguar and Land Rover brands have helped Indian auto giant Tata Motors return to the black

Chinese demand for British luxury brands Jaguar and Land Rover helped

Indian automaker Tata Motors return to the black on Thursday, despite falling sales in the domestic market.

The firm reported a net profit of 17.39 billion rupees (\$244.6 million) for the three months to December, above analysts' forecasts, after recording a loss of 2.17 billion rupees in the previous quarter.

The firm, one of the South Asian nation's largest automobile manufacturers, had also reported a loss for the December quarter a year earlier.

"Conditions in the automotive industry remain challenging but we are encouraged by recovery of our China business and the success of the new Range Rover," Jaguar Land Rover chief executive Ralf Speth said in a statement.

Sales of Jaguar Land Rover rose 24.3 percent in China during the quarter, the Mumbai-headquartered company said.

But domestic sales fell by almost seven percent during the same period as inventory piled up and purchases thinned out.

The Indian giant is implementing a turnaround strategy for Jaguar Land Rover, which it acquired from Ford in 2008, amid a broader downturn in India's auto sector, which is seen as an important barometer of overall economic health.

Tata Motors, with an eye on growing demand for environmentally friendly vehicles in key markets China and Britain, this week launched a luxury electric sports car.

Auto firms are showing signs of revival in India with the largest carmaker by market share, Maruti Suzuki, reporting a four percent rise

in profits for the December quarter.

Mercedes Benz in India said earlier this month that it expected the country's automobile sector to bounce back in the second half of 2020, tipping double-digit growth.

The auto sector slowdown, which comes amid a sharp downturn in the Indian economy, has led to the loss of thousands of jobs.

Shares in Tata Motors closed almost one percent down in Mumbai ahead of the release of the results.

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