

## BOOST TO JLR

# US trade deal cuts duty to 10% for 100K UK cars

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In what could turn out to be a major upside for UK-based luxury car maker Jaguar Land Rover (JLR), a Tata Motors arm, the US and UK on Thursday announced a trade deal which would now allow UK-based manufacturers to export 100,000 cars to the US with only 10 per cent duty, down from the current 25 per cent.

US is JLR's most important market, accounting for roughly a quarter of its sales. Tata Motors stock price rose in the two trading sessions after the India-UK FTA was announced which would benefit UK car manufacturers with tariffs lowered from over 100 per cent to 10 percent under a quota.

In a press conference in Washington, US President Donald Trump and commerce secretary Howard Lutnik said the decision to lower tariff for 1,00,000 UK-made cars would protect "tens of thousands of jobs" in the UK.

In 2024, light vehicle sales in the US totalled approximately 15.9 million units, with around 3 million being passenger cars and just under 12.9 million being light

trucks. Lutnik said that 100,000 units is thus a small number in the context of the overall auto market in the US.

JLR had paused shipments to the US in April following US' declaration of a 25 per cent tariff on automobile imports. The company does not have a plant in the US and ships cars there from its UK and Slovakia plants. JLR posted flat wholesale and retail volumes for the full year 2024-25 at 400,898 units and 428,854 units

respectively. In the fourth quarter, its retail sales slipped 5.1 per cent to 108,232 units even as wholesales rose by a marginal 1.1 per cent. Interestingly, the wholesale volumes were up 14.4 per cent in North America.

According to reports, JLR has resumed shipments to the US in May despite the 25 per cent tariff, though there has been no official confirmation from the company. While it is not yet clear how the 100,000 quota gets divided among key car-makers, JLR is among the major exporters from the UK, along with BMW owned Rolls-Royce and Mini, and Aston Martin. Around 80 per cent of cars produced in the UK were for markets like the EU, US and China.



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