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JLR to Cut 500 UK Management Jobs Amid Profit Decline and US Tariffs

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Jaguar Land Rover (JLR), the Tata-owned British car manufacturer, has announced plans to eliminate 500 management positions in the UK as it grapples with a sharp decline in profits and the impact of punitive US tariffs. The decision comes as the company navigates a challenging period marked by a strategic shift towards electric vehicles and a controversial rebranding effort that drew sharp criticism.

The carmaker reported a 15.1% drop in retail sales and a 10.7% decline in wholesale sales for the three months ending 30 June 2025, compared to the same period in 2024. JLR attributed these figures to the planned phase-out of its legacy Jaguar models ahead of a new luxury electric vehicle lineup and a temporary halt in US shipments in April 2025 due to new import tariffs. The pause in US exports followed a decision by US President Donald Trump in March 2025 to impose an additional 25% tariff on UK auto exports, on top of an existing 2.5% tariff. JLR's Defender model, manufactured in Slovakia, continues to face a 25% US import tariff on EU-made vehicles, plus the existing 2.5% standard tariff, bringing the total to 27.5%.

Last year, JLR faced significant public backlash over its rebranding campaign, which aimed to reposition Jaguar as a premium electric vehicle brand. A promotional video featuring models but no cars sparked widespread ridicule, with Tesla's Elon Musk and Reform UK leader Nigel Farage among the critics. Farage labelled the campaign "woke," accusing it of prioritising style over substance. The controversy has added pressure to JLR's leadership as it seeks to restore confidence in the brand's direction.

In a statement to The Times of India, a JLR spokesperson said: "We often offer eligible employees voluntary redundancy, so this is no different from normal practice. These job losses are specific to the UK and will affect up to 500 management roles, which is only 1.5% of our UK workforce. Through this limited programme for managers, JLR is aligning its leadership workforce for the business's current and future needs." The spokesperson also acknowledged the UK government's ongoing trade discussions with the US, stating these talks provide "confidence to invest £3.5bn per annum to realise our strategy."

The job cuts, while limited to management roles, reflect broader challenges facing the UK automotive sector. With the current Labour government under scrutiny for its handling of industrial policy, JLR's decision underscores the difficulties British manufacturers face in a global market increasingly shaped by protectionist measures. The company remains optimistic about its pivot to electric vehicles, but the road ahead appears fraught with economic and political hurdles.