

# Jaguar takes on Tesla in all-electric drive

Britain's biggest car maker is also developing hydrogen fuel cell-powered vehicles in anticipation of future demand

By Alan Tovey, INDUSTRY EDITOR  
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Jaguar is going all-electric by 2025 under new boss Thierry Bolloré's £2.5bn-a-year investment plan that will also "reimagine" the famed marque as a rival to the likes of Tesla.

The boss of Britain's biggest car maker will not develop new Jaguar cars with internal combustion engines after the existing models end their production runs.

Instead he is taking the badge upmarket to compete with rivals such as Aston Martin and Bentley and is planning only battery-powered models.

Land Rover is also going electric, with the first battery-powered model going on sale in 2024. All the company's vehicles will have an electric option by the end of the decade.

JLR is also developing hydrogen fuel cell-powered vehicles in anticipation of future demand for cars powered by the gas, with the first test vehicles on the roads this year.

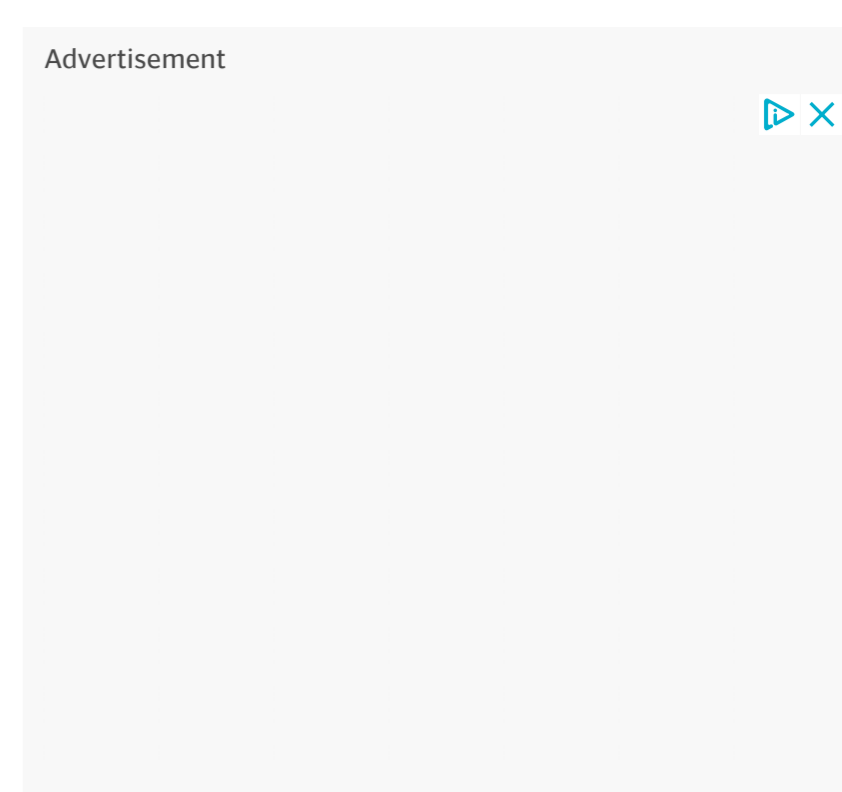
After taking the wheel at JLR in September, Mr Bolloré's "Reimagine" plan also gives up on hopes of expanding to compete with much larger rivals such as BMW and Mercedes-Benz.

He said the company would "focus on valuation creation, delivering quality and profits over volume".

Under this strategy he aims to take the Jaguar brand upmarket, and probably eliminating its SUV models, some of which compete with the company's Land Rovers and Range Rovers.

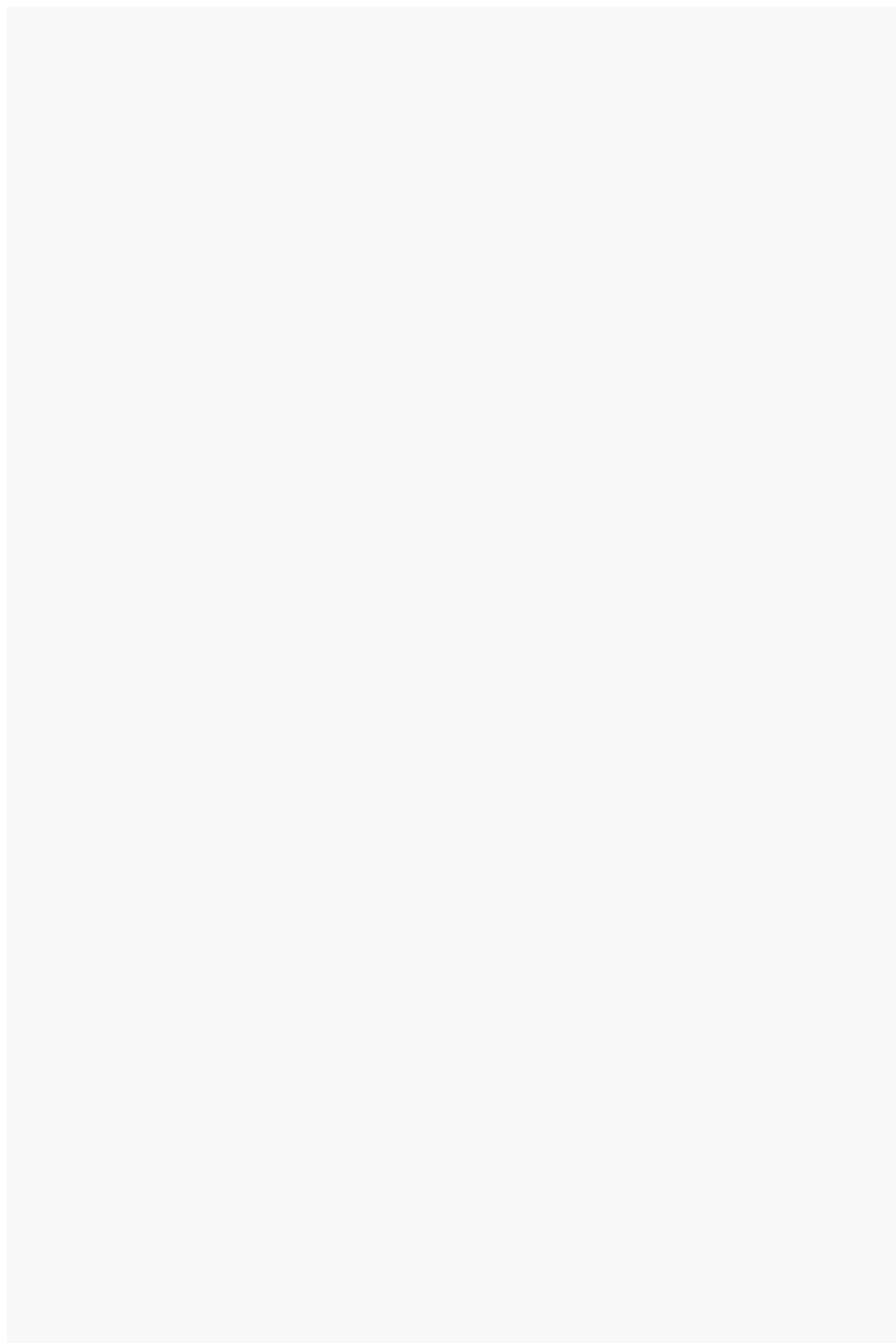
"We will reposition Jaguar in a different manner," Mr Bolloré said. "Land Rover is the top of the top; Jaguar would be different."

This sets up Jaguar as a high-end competitor to Tesla, only making electric cars.



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Thierry Bolloré says Jaguar will be "repositioned", with implications for the manufacturer's UK plants

The new strategy will also mean a battery-powered version of Jaguar's flagship XJ saloon has been scrapped, with Mr Bolloré saying it "did not fit with our new positioning".

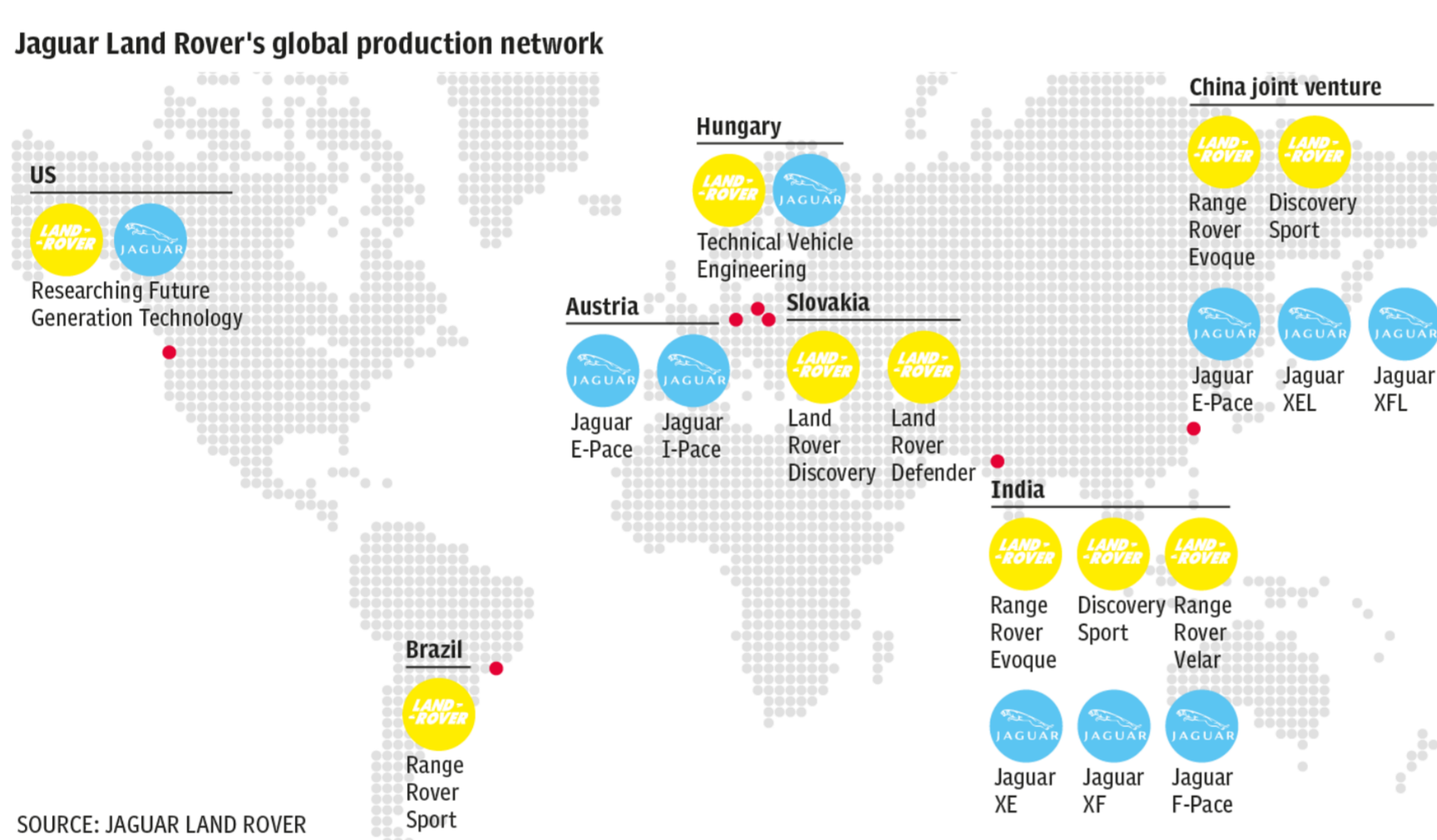
Although the car chief said JLR's British car plants - Halewood, Solihull and Castle Bromwich - would be kept, he warned they would be "rightsized, repurposed and reorganised".

Castle Bromwich's future has long been in question because of the low sales of Jaguar saloons and sports cars it makes.

Last year just 102,000 Jaguar cars were sold - a third of the number of Land Rover and Range Rover models.

Mr Bolloré said production of existing Jaguar models there would "continue production to the end of their lifecycle" and the company is "exploring opportunities to repurpose the plant". This could mean consolidating some of the company's other operations there.

The Solihull plant, which produces the Range Rover, Range Rover Sport, Range Rover Velar and Jaguar F-Pace models, will become the centre for JLR's electric car production.



JLR will also work more closely with its parent, the Indian conglomerate Tata, drawing on its automotive and technology resources.

Collaborations with other car makers, such as an existing deal with BMW on engines and electric motors, will continue to help spread development costs.

The new focus will require concentration on new technology and potentially lower sales, but Mr Bolloré would not say whether it meant job losses. The company has shed thousands of staff in recent years.

Asked directly about further redundancies the car boss would only say the workforce faced "permanent adaption", but referred to reskilling staff.

The Unite union "broadly welcomed" the strategy, calling it "good news" for the company's 40,000 UK employees.

The move to all-electric was part of a broader environmental commitment that its diesel engines will be phased out by 2026 and that it will sell almost no cars with internal combustion engines by 2036.

## The costs of electric vs petrol and diesel cars

| Cost                               | Petrol<br>Ford Fiesta | Diesel<br>Renault Megane | Electric<br>Renault Zoe           |
|------------------------------------|-----------------------|--------------------------|-----------------------------------|
| Annual fuel (based on 6,600 miles) | £869.79               | £475.86                  | £227.20                           |
| Insurance                          | £774.48               | £681                     | £836.52                           |
| Road tax                           | £150                  | £155                     | N.A if car value is under £40,000 |
| Car cost                           | £15,770               | £22,380                  | £25,000                           |

The turnaround is also expected to stem losses which had been building before the pandemic crushed car sales. Mr Bolloré said he was "pretty confident" about hitting new 2025 targets of double-digit margins and positive cash flow.

Jim Holder of Autocar said moving Jaguar upmarket to compete with the likes of Aston Martin and Bentley would be "incredibly difficult and hinge on its new cars being class-leading".

He added: "If it can be puled off then the prospect of making higher margins on fewer sales should be enough to sustain a brand that in its current form is ailing to the point of struggling to justify its existence."

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