

Automobiles

Jaguar Land Rover suspends exports to US as tariff fallout spreads

Trump's levies on foreign-made vehicles spark disruption across global carmakers' supply chains



New Land Rovers at the Jaguar Land Rover plant at Halewood in Liverpool. The carmaker generates almost a quarter of its sales in the US © REUTERS

Harry Dempsey in Tokyo and **Kana Inagaki** in London

Published APRIL 5 2025

Updated 03:10

Jaguar Land Rover has suspended all shipments of cars to the US for a month, as disruption to global automakers' supply chains rapidly spreads in response to US President Donald Trump's punitive tariffs on vehicle imports.

The British carmaker has paused shipments as it works out a longer term response to the 25 per cent tariffs on vehicle imports. The duty applies to all cars assembled outside the US with partial exemptions for Mexico and Canada.

“The USA is an important market for JLR’s luxury brands. As we work to address the new trading terms with our business partners, we are enacting our short-term actions including a shipment pause in April,” it said in a statement.

The producer of the Range Rover and the Land Rover Defender, which is owned by India’s Tata Motors, is highly exposed to the tariffs since it generates almost a quarter of its sales in the US but has no local manufacturing capability in the US.

People briefed on the matter said JLR had previously considered building a plant in the US but instead chose to build another plant in Slovakia before the start of Trump’s first presidency.

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The move by the British car company underlines the chaos that Trump's tariffs are unleashing on a global car industry that has built up complex supply chains underpinned by free trade.

It follows the decision by Chrysler and Jeep maker [Stellantis](#) on Friday to furlough 900 employees in the US after putting a temporary pause on production in Mexico and Canada.

The chief executive of Swedish carmaker Volvo said on Thursday that it was considering adding production of another car model to its US plant in South Carolina, which has 150,000 cars per year capacity.

The group, owned by China's Geely, recently brought back its former boss Håkan Samuelsson to navigate the geopolitical challenges caused by the global tariff war.

Japan's Nissan is also looking to rework its supply chains in response to the tariffs.

On Friday, the Japanese group said that it would not take any new US orders of two models from its Infiniti luxury range built in Mexico. It also said that it plans to maintain two shifts at a production line on its Smyrna plant in Tennessee, having earlier said it would go down to one shift to save costs.

Nissan has drawn up plans to shift some production of the Rogue SUV from its domestic plant in Kyushu to Smyrna, according to a person familiar with Nissan's plans. Nissan declined to comment.

The attempt to reshape car supply chains comes after equity markets suffered a [brutal plunge](#) this week with the S&P 500 losing 10 per cent in two days.

The impact of the tariffs on the auto industry could be enormous — and become even more severe if 25 per cent tariffs on a wide variety of imported parts comes into effect on May 3, adding to the levy on finished cars imposed on Thursday.

Analysts at Wedbush estimate that the tariffs could reduce new auto purchases by up to 20 per cent and raise the prices of a typical car to a US consumer by \$5,000 to \$10,000.

Nissan shifting production out of Japan will be politically sensitive given mounting strains felt by thousands of small and medium-sized car suppliers, whose profit margins have already been put under pressure by rising wage costs.

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Likewise, JLR's pause will add to concerns about the future health of the British car industry, where about one in six of all shipped cars goes to the US.

Toyota, the world's largest carmaker, has signalled to suppliers that it intends to reduce manufacturing costs in response to the tariffs in an attempt to avoid rising prices for consumers.

The Japanese carmaker was singled out by Trump in his speech unveiling "reciprocal" tariffs. He said Toyota sells 1mn foreign-made cars every year in the US. Japan was the "worst violator" and "in many cases, the friend is worse than the foe in terms of trade", the US president said.

Many Japanese carmakers already have factories in the US and may be wary of assembling huge investment packages, analysts say, given concerns about the high costs and the availability of labour in the US.

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