

Ford Nears Sale of Jaguar and Land Rover

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After months of talks, the Ford Motor Company and Tata Motors may finally have a deal. The two companies are expected to announce on Wednesday that Tata is buying the luxury brands Jaguar and Land Rover from Ford for about \$2 billion, a person briefed on the negotiations said Monday. Ford will announce the deal from its headquarters in Dearborn, Mich.

The final details of the deal were nearly completed on Monday, the person said, but the companies were waiting until Wednesday because Jaguar and Land Rover employees are on Easter vacation until then.

With the deal, the British-based Jaguar and Land Rover will switch from a parent company in the throes of painful contraction to one with ambitious international expansion plans. Ford lost \$15 billion over the last two years and is pushing employees to take buyouts.

Profit at Tata Motors, meanwhile, jumped 26 percent in the last reported fiscal year, and exports were up nearly 10 percent in the last reported quarter, which ended in December. Tata and other Indian carmakers are trying to transform India into a low-cost automobile manufacturing center.

How the British luxury brands will fit into Tata Motors remains to be seen. Tata is best known for its pocketbook-friendly family cars, like the Indica and the Indigo, though domestic sales of both have dropped recently. This year the company introduced its long-awaited Nano — a four-door passenger car that will sell for about \$2,500.

Tata is also marketing its own high-end brands. In March the company introduced the Sumo Grande, a sport utility vehicle that retails for as much as 749,000 rupees (\$18,500).

Negotiations between Tata and Ford have dragged on longer than expected. Ford said in January that Tata was its preferred bidder, virtually sealing the deal and barring any rival from entering a counterbid. But union demands and pension plan shortfalls have complicated the transaction.

Unions in Britain, where Jaguar and Land Rover are assembled, asked for pledges that Tata would not make major cuts, and Tata has agreed. Tata will adhere to the existing business plans of Jaguar and Land Rover through 2011, and Jaguar's headquarters will remain in Coventry, England.

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