

COMMERCE

## Jaguar Land Rover expands volume capacity via partnership

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*Jaguar's new XE drives through Northern Spain*

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By JOE MCCARTHY

Britain's Jaguar Land Rover is expanding its manufacturing potential through a new partnership with automotive operating company Magna Steyr.

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The partnership entails the construction of factories in Graz, Austria, to help the brand surpass its current volume capacity. As luxury automakers pursue broader consumer bases, manufacturing partnerships in different areas of the world will become all but necessary.

"The signing of this contract with Jaguar Land Rover reflects the trust in our capability and heritage as a vehicle contract manufacturer," said Günther Apfalter, president of **Magna Steyr** and Magna International Europe, Graz, Austria.

"The partnership with Jaguar Land Rover brings a new customer to our Graz plant," he said. "As always, we will work with our fullest commitment and dedication to ensure that we meet our customers' high expectations."

Next gear

Jaguar Land Rover's sales doubled to 462,000 last year compared to five years ago. The

brand also doubled its employee base during this time to 35,000 people, and has invested more than \$15 billion in new product creation and capital projects.

Bolstering its roots in Britain was a priority in this period. The brand invested in manufacturing facilities in the British towns of Castle Bromwich, Halewood and Solihull.

Castle Bromwich focuses on the Jaguar XF, Jaguar XJ and Jaguar F-TYPE, and employs 3,500 people. The Range Rover Evoque and Land Rover Discovery Sport are created in Halewood, where 4,500 are employed.

The largest plant is Solihull, which spans both Land Rover and Jaguar, and employs 9,000 people.



*Jaguar Land Rover engine plant*

This untrammelled expansion is not unique in the auto industry. Nearly every luxury brand is on a mission to drastically expand and conquer new markets.

Such expansion unleashes whole sets of complexities that brands have to contend with.

Aside from the turbulent effort to maintain brand image, automakers have to figure out an equitable way to create their products.

New manufacturing facilities owned and operated by the automaker put a temporary halt on expansion because they take awhile to construct.



*Jaguar Land Rover employee at engine plant*

The alternative, of course, is partnering with a reliable company.

Jaguar selected Mega Steyr for this job, a global supplier with 316 manufacturing operations and 84 product development, engineering and sales centers in 29 countries.

The company's broad expertise presents an ideal solution for Jaguar as it considers new vehicles and ramps up its current production levels.

The Austria facility will join the brand's growing network of international plants.

Jaguar Land Rover currently has manufacturing partnerships in China and India. The brand has a fully owned facility in Brazil that employs 400 people.

Final destination

Other luxury automakers are similarly active.

German automaker Porsche is improving its research and development capabilities with a new design studio, wind tunnel and electronics integration area at its development center in Weissach, Germany.

Porsche invested more than \$200 million into the expansion that adds new ways for the brand to design and construct its vehicles. The mission to refine design and improve model efficiency is never-ending, and the new facilities reflect Porsche's commitment to meet evolving marketplace demands ([see story](#)).

Also, German automaker BMW is celebrating the completion of its first vehicle made in South America.

The new automobile plant in Araquari, Santa Catarina State, Brazil, opened this week and completed its very first vehicle. By moving manufacturing to Brazil, BMW is creating a more personal relationship with the country that will likely lead to more sales ([see story](#)).

Final Take

*Joe McCarthy, staff reporter on Luxury Daily, New York*

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