

## BMW to set up plant in Tamil Nadu

CHENNAI: German car major BMW and Tamil Nadu government on Thursday signed a Memorandum of Understanding for setting up a car assembly plant at a cost of Rs 180 crore at Maraimalai Nagar near Chennai.

The MoU was signed by BMW General Managers Ronald Gentsch and Peter Kronschnabl and Industries Secretary D Rajendran at the secretariat in the presence of Chief Minister Jayalalithaa, an official statement said.

After a detailed evaluation of the infrastructural facilities and support package, BMW, with an annual turnover of Rs 2,19,240 crore, decided that Chennai was the best location for setting the assembly plant.

The facility would come up in five years at Mahindra World city in Maraimalai Nagar, the release added.

Thanking the Chief Minister for the support provided by her government to BMW, company's Senior Vice-President Klaus Berning said the group had decided to establish its car assembly unit near Chennai due to the "favourable investment climate" in the state.

He also thanked her for the "fastest response" ever seen by BMW and speed of the government in facilitating investments.

Expressing happiness that the BMW management had finally chosen Chennai to establish the unit, Jayalalithaa said: "It is a perfect match of BMW's brand equity and Chennai's position as the destination of choice... this will be the harbinger for a flood of new investment proposals from Germany to Tamil Nadu."

Quoting a study conducted on 'economic freedom for states of India, 2005,' she said Tamil Nadu topped the list of 20 states on the Composite Economic Freedom Index.

Another study had placed Tamil Nadu in the top place, from the fifth spot, this year in terms of ease and doing business and therefore, it was "no surprise" that the state had become a major recipient of foreign investments.

Expressing the hope that the incentive package and facilitation provided by the government would significantly enable BMW scale new heights, Jayalalithaa exhorted the group to bring a cluster of German auto components manufacturers to Chennai and thus make the Chennai facility the hub for South East Asia.

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