

BMW settles for Chennai

Special Correspondent

Car assembly plant to come up in Mahindra City at Maraimalai Nagar

- *BMW rates Chennai the best location*
- *Group to invest Rs. 180 crores in five years*

CHENNAI: Leading automobile manufacturer BMW, which boasts of an annual turnover of about Euro 40.6 billion (Rs.2,19,240 crore) in the global market, will establish a car assembly plant in Mahindra World City at Maraimalai Nagar near here, with an investment of \$40 million (about Rs. 180 crores) in five years.

A memorandum of understanding to this effect was signed between the Government of Tamil Nadu and the BMW Group, Germany, in the presence of Chief Minister Jayalalithaa at the Secretariat on Thursday.

Ronald Gentsch, and Peter Kronschnabl, general managers, BMW Group, and D. Rajendran, Secretary, Industries Department, signed the MoU.

BMW, which is focussing on the premium segment in the international automobile market, had held discussions with many State Governments, including Tamil Nadu.

After a detailed evaluation of the infrastructure and support package it "has now decided that Chennai is the best location for establishing its car assembly plant," said an official release.

Klaus Berning, senior vice-president, BMW Group, thanked Ms. Jayalalithaa "for the best infrastructure facilities and the support package provided by the Government of Tamil Nadu" and also for the fastest response ever seen by BMW in facilitating the group to invest.

Ms. Jayalalithaa congratulated the BMW Group for establishing the plant in Chennai, which "bears ample testimony to the favourable and conducive investment climate prevalent in Tamil Nadu and the proactive approach" of the State Government. "It is a perfect match of BMW's brand equity and Chennai's position as the destination of choice and this will be the harbinger of a flood of new investment proposals from Germany to Tamil Nadu."

She hoped that the incentive package and facilitation provided by the State would enable BMW to scale new heights. She exhorted the group to bring a cluster of German auto component manufacturers to Chennai and make the facility the hub for South East Asia.

She assured the BMW Group that the State Government would extend continued support and co-operation to enable it to grow from strength to strength and wished the group all success in its endeavour.

Finance Minister C. Ponnaiyan, Industries Minister Nainar Nagenthiran, Chief Secretary N. Narayanan, Finance and Industries Secretaries were present.

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