

FrankfurtRheinMain GmbH offers good scope for auto industry investment

By R. Natarajan, Managing Editor & Publisher



Mr. S. Raj, Regional Director, IGCC, Chennai, delivering his special address

FrankfurtRheinMain GmbH International Marketing, Europe, with the support of the Indo-German Chamber of Commerce (IGCC), organised a seminar on 'FrankfurtRheinMain India Investment Promotion 2013', which focused on the investment opportunities of the Indian automotive sector in Germany.

Ms. Sibylle Yaakov, Vice President Global Marketing, FrankfurtRheinMain, welcoming the gathering, said: "Since Chennai and Pune are the hubs for automotive industries, the two places were selected as the venues for conducting the seminar".

The German delegates had an opportunity to interact with potential customers and business partners in India during the seminar days.

FrankfurtRheinMain GmbH – the centre point

Ms. Julia Hüttenrauch, Consular Attaché, Consul General of Germany in Chennai, in her special address, said FrankfurtRheinMain GmbH International Marketing was established in Frankfurt in 2005, as an investment promotion and marketing organization, aims to promote international competitiveness of the region, and enlighten foreign companies on its rich business environment in order to attract investments.

"Due to its geographically central position within Europe and its excellent transportation and logistics

infrastructure, the region consistently ranks as one of the most efficient and business-friendly regions in Europe. Considered as a gateway to Europe, over 6,000 Indians live in this region which is home for automotive companies like GM, Honda, Hyundai, Mazda, Suzuki, Tata Auto Components, etc. The region is also a leading financial centre with the presence of German Central Bank and European Central Bank. Other companies like Johnson Controls, Dow Chemical, Samsung, Nike, ICICI and Infosys have also had their presence in FrankfurtRheinMain and have benefited from its highly qualified workforce, world class universities and research institutions."

Mr. Sascha Peters, Managing Director, IT For Work e.V., in his address,

gave an overview of the region, its quality educational system and the excellent business opportunities offered therein. In order to encourage the automobile companies, particularly SMEs, the region has established an automotive cluster.

Powerhouse of Europe

Dr. Karl Maria Walter, Partner, Squire Sanders (US) LLP, in his keynote address, observed that Germany is a Powerhouse of Europe. “If you shine in this country, you can be successful in any other part of the world”.

He also highlighted the German investment potential with the help of the following four facts, i.e., trust, skilled labour, made in Germany brand and safe and reliable environment.

Earlier, Mr. S. Raj, Regional Director, IGCC, Chennai, highlighted the locational advantages of Chennai. Being a leading automobile hub, the city has several firsts to its credit with an automotive industry base of over 70 years. Chennai, being the automotive capital of the country, has the presence of several global players like BMW, Daimler, Ford, Hyundai, Renault, Nissan, Michelin, Bosch, Visteon, Saint-Gobain, and domestic majors like Ashok Leyland, TVS, Amalgamations, Rane, etc. Tamil Nadu has a production capacity of more than 1.5 million passenger cars and 3,60,000 commercial vehicles which contribute to 35 per cent of the Indian supplier industry. Chennai is also the largest automobile cluster and is poised to become one



The winning team of Indo-German delegates at the seminar are (from left) Ms. Saskia Dillenburg, Messe Director Event Marketing, Ms. Disha Shah, Director India, and Ms. Sibylle Yaakov, Vice President Global Marketing. In the second row are Mr. Goodarz Mahbobi, Managing Director, axxessio GmbH, Mr. Sascha Peters, Managing Director, IT For Work e.V., Mr. S. Raj, Mr. Kaushik Chatterjee, Partner, ValueWerk, Mr. Oliver Biernat, Managing Partner, Benefitax GmbH, Mr. J. Chandrasekhar, Consultant, CII, Dr. Karl Maria Walter, Partner, Squire Sanders (US) LLP.

of the world's top 10 auto clusters.

According to a study report made by Ernst & Young and ACMA, car production in India would touch a level of nine million units by 2020. As for Europe, the luxury car segment in India is still dominated by the German trio – Audi, BMW and Mercedes.

Mr. Raj further observed that with a turnover of Euro 357 billion in 2012 (up two per cent), the German auto industry as a largest sector contributes 20 per cent of the total industry revenue. It is Europe's leading automotive market in terms of production and sales, with 5.4 million passenger cars, over 75 per cent of which are exported, and 2,60,000 CVs manufactured in 2012.

Over 85 per cent of its auto component suppliers are medium-sized companies. The country also

holds the largest concentration of OEMs in Europe. The success of the German automotive industry lies in its research and development for which the country spends over Euro 20 billion, which accounts for 33 per cent of the total industry expenditure.

World Patent Champion

Also automobile manufacturers and suppliers in Germany have been leading the world with 3,650 patents per year, an average of ten patents registered per day mostly related to environment. The country employs over 90,000 personnel in R&D. Overall, Germany is the most competitive and attractive FDI destination in Europe, Mr. Raj added.

Mr. Oliver Biernat, Managing Partner, Benefitax GmbH, in his address, gave an outline of the tax benefits accruing to investors in Germany. ♦