

# India-EU FTA to bolster demand for luxury auto: BMW

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Chennai

The Indian market is showing robust demand for BMW's premium vehicles at a time when other global markets are down, but a relief from tariffs by way of a Free Trade Agreement between India and the EU will help further grow demand, said a senior executive at BMW India.

"What we need is relief from tariffs, and we look forward to the India-EU FTA closing soon and offering that. In terms of non-tariff barriers, the BIS certification is a hidden barrier," Thomas Dose, Managing Director, BMW Group Plant Chennai, told *businessline*.

He was speaking on the sidelines of the Indo-German MSME Conclave 2025, organised by The Southern

India Chamber of Commerce and Industry (SICCI) and BVMW, jointly with Guidance TN.

"I can imagine that we can have a much better price offering for the customer [once the FTA is done], and this can bring in more volume of sales," he said.

In a price-sensitive market like India, we will need this relief, Dose added. The BMW plant in Chennai produces all key models of the luxury car-maker, and its overall capacity is 50,000 units.

## INDIA-UK FTA

At the same event, Consul-General of Germany in Chennai, Dr Kathrin Misera-Lang, said the recent FTA between India and UK has given momentum to the India-European Union FTA talks, and an agreement seems "possible" 2025-end.



Thomas Dose, MD, BMW Group Plant Chennai, speaking at the Indo-German MSME Conclave 2025, in Chennai on Thursday BUJOY GHOSH

"I understand that a recent negotiation round has just taken place in New Delhi, and there is willingness on both the sides to come to terms.

"There has really been a new dynamism after the UK agreement," Misera-Lang told *businessline*. This can

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significantly boost trade between India and Germany, and also benefit Tamil Nadu, she added.

She noted that the value of bilateral trade between the two countries was around €33 billion and there are over 2,000 German companies in India, with Tamil Nadu alone having 200 member companies in the Indo-German Chamber of Commerce.

Atul Anand IAS, Additional Chief Secretary, MSME Department, Government of Tamil Nadu, who

was also part of the event, said the State not only has a strategic locational advantage and skilled work force, but also multiple schemes that support the growth of MSMEs.

Tamil Nadu has over 33 lakh MSMEs, and the single window clearance system has resulted in significantly enhancing the ease of doing business, he added.

The conclave was conducted with an aim to foster strategic and scalable partnerships between the SME sectors of India and Germany.

VN Shiva Shankar, Senior Vice-President, SICCI, said the German SME sector had long been regarded as the backbone of the German economy, and R&D and innovation investment by the sector in Germany was around 35 per cent of the overall spend.