

Press Release | Automotive

## R&D leads German Auto resurgence

### Auto Expo Components Show in New Delhi

Feb 05, 2014

**Berlin/New Delhi (gtai)** - At the first press conference of the entire North American International Auto Show (NAIAS) in January, Association of German Automotive Industry (VDA) President Matthias Wissmann jumped at the chance to give an insight on what had made the German car industry so robust during the tough economic times.

"We sat down one day, with all of us around the table, and worked it out," said Wissmann.

"The message was simple. We said that under no circumstances should we let up on R&D, that R&D should be the center of all our efforts.

"Not only would such a policy retain our best personnel long-term, it would also ensure that when the industry recovered we would be the leaders in that recovery and retain our position as the most technologically-minded producers in the industry."

The cars on show backed up Wissmann's assertions, with German cars very much presenting themselves as the pioneers of all things electromobility, whilst pointing out quite succinctly that the reputed engineering quality of all things German was being maintained.

That quality is very much in the minds of Indian consumers, with German cars revered throughout India as status symbols for their quality and cutting-edge technology. 'Made in Germany' as a trademark has acquired such status that both VW and Audi have had no qualms using their trademark German language catchphrases in Indian marketing campaigns.

But the actual sales figures on location do not match the popularity of cars as a concept, mainly because of the lack of readily or economically available spare parts, as well as the general price of the import as a product. Put simply, they are not affordable to all, either to buy or maintain. This subject will likely form a significant part of German producers' agendas at the forthcoming Auto Expo Components show at Pragati Maidan in New Delhi from February 6-9, where *Germany Trade & Invest* will be helping many a local supplier work out potential solutions to this problem.

BMW, Mercedes, VW, Audi, Porsche and Skoda are all already running assembly facilities in India, but usually from Completely Knocked Down (CKD) imported kits rather than locally-produced parts. This creates extra local employment and makes the cars themselves more affordable, but maintenance and parts supply is still a sticking point with consumers.

A short-term upswing in the Indian market is unlikely at the moment, but when there is one, German manufacturers are in the best position to take advantage of it, having now adopted a production mantra of 'for the region, in the region.' Indian suppliers will see this development with a good deal of optimism.

"Even while some parts of the global market are still more speculative than confident right now, German car manufacturers are looking at the future with renewed enthusiasm," said Stefan Di Bitonto, Manager Mechanical and Electronic Technologies at *Germany Trade & Invest*.

"The emphasis on quality and technological advance, even when times were tough economically, is undoubtedly now paying off. German cars have weathered the storm."

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