

India-Germany Relations

Bilateral relations between India and Germany are founded on common democratic principles and are marked by a high degree of trust and mutual respect. India was amongst the first countries to establish diplomatic ties with the Federal Republic of Germany after the Second World War. Relations grew significantly following the end of the Cold War and the reunification of Germany. In the last decade, both economic and political interaction between India and Germany has enhanced. Today, Germany is amongst India's most important partners both bilaterally and in the global context.

2. India and Germany have a 'Strategic Partnership' since 2000, which has been further strengthened with the Intergovernmental Consultations (IGC) between the two Governments which allows for a comprehensive review of cooperation and a platform to identify fresh areas of engagement. India is among a select group of countries with whom Germany has such a dialogue mechanism. The 3rd IGC was held in New Delhi on October 5, 2015.

3. There have been regular high-level visits from both sides, including at the highest level. Chancellor Merkel visited India in 2007, 2011 and again in October 2015 for the 3rd IGC. German President Joachim Gauck paid a State visit to India in February 2014. PM Shri Narendra Modi paid an official visit to Germany in April 2015 on the occasion of participation of India as Partner Country in the Hannover Messe-2015. External Affairs Minister Smt. Sushma Swaraj visited Germany in August 2015.

4. There have been a number of Ministers' visits from India in the last few months. This includes visit of Shri Suresh Prabhu, Minister of Railway in April 2016 to further collaboration in High Speed Railway (HSR) networks and other related sectors; Shri M. Venkaiah Naidu, Minister of Urban Development, Housing & Urban Poverty Alleviation in May 2016 for further enhancing cooperation in the area of Smart Cities; Shri Prakash Javadekar, Minister for Environment, Forests & Climate Change in July 2016 to attend the Petersberg Climate Dialogue VII; Shri Shripad Yesso Naik, Minister of State (IC), AYUSH, in October 2016 to attend the 2nd World Ayurveda Conference; Shri Ananth Kumar, Minister of Chemicals, Fertilizers & Parliamentary Affairs in October 2016 to inaugurate the India Pavilion at the 'K 2016', the world's largest trade fair for plastics, rubber and plastics processing at Dusseldorf; Shri Radha Mohan Singh, Minister of Agriculture and Farmers' Welfare in January 2017 for the 'Global Forum for Food and Agriculture' (GFFA). The most recent visits in this series were of Shri M.J Akbar, Minister of State for External Affairs on February 15-17, 2017 to attend the G-20 Foreign Ministers' Meeting in Bonn, Shri Ravi Shankar Prasad, Minister of Electronics & Information Technology in April 2017 to attend G20 Digital Ministers' Meeting in Dusseldorf and Shri J.P. Nadda Minister of Health & Family Welfare on May 19-20, 2017 to attend the G-20 Health Ministers Meeting Berlin.

5. From the German side, Parliamentary State Secretary of Federal Ministry of Economic Affairs & Energy Mr. Uwe Beckmeyer attended 'Make in India Week' in Mumbai in February 2016, Mr. Gunther Adler, State Secretary of Federal Ministry of Environment visited India in March 2016 and Mr. Michael Odenwald, State Secretary of Federal Ministry of Transport & Digital Infrastructure in May 2016. Federal Minister of Transport and Digital Infrastructure, Mr. Alexander Dobrindt visited India in October 2016 for further cooperation in Railways. Mr. Beckmeyer again visited India with a delegation of German defence companies in December 2016. During 2017, Federal Minister for Economic Cooperation and Development, Dr. Gerd Mueller visited Delhi on 5th April 2017.

6. The two countries have several institutionalized arrangements to discuss bilateral and global issues of interest viz. Joint Commission on Industrial and Economic Cooperation, Foreign Office Consultations (FOC), High Technology Partnership Group (HTPG), High Defence Committee, Indo-German Energy Forum, Indo-German Environment Forum, India-Germany Committee on S&T and Joint Working Groups (JWG) on various fields, including skills development, automotive, agriculture, coal, tourism, water, waste management, etc. There have already been meetings of JWGs on Sustainable Urban Water Management, Waste Management and Circular Economy, Higher Education, Vocational Education & Training (VET), and of India German Energy Forum (IGEF) & Joint Steering Group on Disaster Management during the year. The 7th Meeting of the JWG on Counter Terrorism took place in Berlin on October 04, 2016. Recently the 4th Meeting of the JWG on Quality Infrastructure for Cooperation on Standardisation, Conformity Assessment and Product Safety took place in Berlin from 5-8 March 2017. The FOC and HTPG meeting were held in Berlin on November 29-30, 2016 during Foreign Secretary's visit. The latest round of FOC was held in New Delhi on April 3, 2017 during the visit of Germany Foreign Secretary Dr. Markus Ederer to India

7. Germany and India cooperate closely on the issue of UNSC expansion within the framework of G-4. Both countries consult each other in G-20 on global issues such as climate change, sustainable development, etc. There have been consultations between the two countries on regional and international issues such as UN issues, International Cyber Issues, Disarmament & Non-proliferation, Export Controls, East Asia, Eurasia, etc The 3rd India-Germany Dialogue on Cyber Issues was held in New Delhi in November 2016. 2nd India-Germany Policy Planning Dialogue was held in Berlin on April 26, 2017. Also, 1st India-Germany Dialogue on Africa was held on May 15, 2017 in Berlin .

8. As regards Parliamentary exchanges, the Indo-German Parliamentary Friendship Group, which was established in German Bundestag in 1971, has contributed immensely to strengthening links between the two Parliaments. A 17-member Germany-India Parliamentary Group (GIPG) has been constituted in the Bundestag under the Chairmanship of Mr. Ralph Brinkhaus, an MP from the CDU. Several Parliamentarians from both sides have exchanged visits in recent times. Shri M. Venkaiah Naidu, Minister of Parliamentary Affairs met Ms. Ulla Schmidt, Vice President of the Bundestag and interacted with members of Germany-India Parliamentary Group in June 2016.

9. India-Germany Defence Cooperation Agreement (2006) provides a framework for bilateral defence cooperation. The High Defence Committee (HDC) meetings at the Defence Secretary level take place annually, alternately in New Delhi and Berlin. Both sides have had detailed discussion on defence cooperation during the visit of German Defence Minister to India in May 2015. Chief of German Navy Admiral Andreas Krause participated in the International Fleet Review held in Vishakhapatnam in February 2016. Several German companies participated in DEFEXPO-2016. Defence Secretary Shri G. Mohan Kumar visited Germany in June 2016 for the 8th India-Germany High Defence Committee Meeting. Delegations of the National Defence College (NDC) and College of Defence Management (CDM) have visited Germany in 2016.

10. Some of the States and Cities of both countries have entered into twinning arrangements. Karnataka and Bavaria (Germany) have Sister States arrangement since 2007. Similarly, Mumbai and Stuttgart (Germany) are sister cities since 1968. In January 2015, Maharashtra and Baden-Wurttemberg (Germany) signed an MoU to

establish a Sister State relationship. There have been regular exchange of visits between the Indian States and German Laenders. Minister President of Baden-Wuerttemberg, Mr. Winfried Kretschmann accompanied by a large business delegation visited India on January 22-27, 2017. A delegation from Bavarian State Parliament led by former Minister from Bavaria, Mr. Erwin Huber visited India from April 19-20, 2017.

Economic & Commercial Relations

11. Germany is India's largest trading partner in Europe. Germany has consistently been among India's top ten global trade partners. India was ranked 24th in Germany's global trade during 2016. Bilateral trade in 2016 was valued at 17.42 billion. Apart from traditional sectors, knowledge-driven sectors hold good potential for collaboration. There is considerable scope for co-operation in the fields of IT, biotechnology, renewable energy, green technology, urban mobility & development and the entertainment industry.

Indo-German Bilateral Trade (in Euro Billion)

| | 2014 | 2015 | 2016 | 2017 (Jan-March) |
|--|---|-------|-------|------------------|
| Total Trade | 15.96 | 17.33 | 17.42 | 4.82 |
| Indian Exports | 7.03 | 7.56 | 7.62 | 2.13 |
| Indian Imports | 8.92 | 9.77 | 9.80 | 2.69 |
| Balance of Trade | -1.89 | -2.21 | -2.18 | -0.56 |
| Major Indian Exports to Germany | Textiles, Metal & Metal Products, Electro Technology, Leather & Leather Goods, Food & Beverages, Machinery, Pharmaceuticals, Auto Components, Chemicals, Gems & Jewellery and Rubber Products | | | |
| Major Indian Imports from Germany | Machinery, Electro Technology, Metal & Metal Products, Chemicals, Auto Components, Measurement & Control Equipment, Plastics, Medical Technology, Pharmaceuticals, Paper & Printing Materials | | | |

(Source: Federal Statistical Office, Wiesbaden)

12. Germany is the 7th largest foreign direct investor in India since January 2000. German FDI in India in 2016 was to the tune of US\$ 1.1 billion. Germany's total FDI in India from April 2000 until March 2017 amounted to US\$ 9.69 billion. There are more than 1600 Indo-German collaborations and over 600 Indo-German Joint Ventures in operation. A Fast-Track System for German companies has been set up in DIPP, as agreed between the two sides at the 3rd IGC. The Make in India Mittelstand (MIIM) Programme launched by the Mission in September 2015 to facilitate the German Mittelstand (SMEs) to India has been progressing well. Currently 73 German Mittelstand (SMEs) companies are being facilitated through MIIM Programme for their market entry and Investment in India. Out of these, 46 companies have progressed well in India investment plan.

13. Concrete German commercial association with India began as early as in 1870 when the first telegraph line between London and Kolkata (about 11,000 km) was laid by Siemens. At present, German investments in India is mainly in the sectors of transportation, electrical equipment, metallurgical industries, services sector (particularly insurance), chemicals, construction activity, trading and automobiles. Most of the major German companies have already entered the Indian market. German automobile giants such as Daimler, Volkswagen, BMW, and Audi have established manufacturing facilities/assembly plants in India. Other major

German companies that have significant operations in India include Siemens, ThyssenKrupp, Bosch, Bayer, BASF, SAP, Deutsche Bank, Metro, Lufthansa, Merck, Munich Re etc. Besides large companies, German Medium Sized Enterprises are also showing greater interest in India.

14. Indian investments in Germany have also shown a remarkable increase in the last few years. Indian corporate entities have invested over US\$ 7 billion in Germany. There are more than 200 Indian companies operating in Germany. Sectors of IT, automotive, pharma and biotech have received a chunk of Indian Investments. The penetration of Indian software companies in German market is growing and major Indian software providers like Infosys, WIPRO and TCS have operations in Germany. Companies like Bharat Forge Limited, Ranbaxy, Piramal, Samtel, Hexaware Technologies, NIIT, Graphite India Limited, Hinduja Group, Dr. Reddy's Laboratories, Biocon, Hindustan National Glass, Mahindra and others have either acquired German companies or started their own subsidiaries.

15. **Science & Technology:** Indo-German Science & Technology cooperation started with the signing of the Intergovernmental S&T Cooperation Agreement in 1971 and 1974. Today, Germany is one of the most important global partners for S&T cooperation. Presently, there are more than 150 joint S&T research projects and 70 direct partnerships between the Universities of both countries. India's scientific establishments have close partnerships with premier German R&D institutions, including the Max Planck Society, Fraunhofer Laboratories and the Alexander von Humboldt Foundation. The jointly funded Indo-German Science & Technology Centre was set up in 2008 in Gurgaon with an annual contribution of 1 million from each side. The mandate of the Centre has been extended till 2022 with a contribution of 4 million per year by each side. India has invested in major science projects in Germany such as the Facility for Anti-Proton and Ion Research (FAIR) at Darmstadt and the Deutsche Elektronen Synchrotron (DESY) for experiments in advanced materials and particle physics. Indian Space Research Organization (ISRO) has launched 10 German satellites since 1999, most recently in June 2016. To further cooperation in S & T, Dr. Harsh Vardhan, Minister of Science & Technology and Earth Sciences visited Germany on September 12-14, 2016 and inaugurated India-centric Petra III Beamline at DESY, Hamburg..

16. **Development Cooperation:** Germany has also been an important development cooperation partner for several decades. Total bilateral Technical and Financial Cooperation since cooperation began in 1958 amounts to 13.3 billion. Energy, sustainable economic development and environment & management of natural resources are priority areas under development cooperation. Financial Assistance from Germany has been provided mainly as soft loan, composite loans as well as grants routed through KfW, the German Government's Development Bank. The technical assistance is provided through the GIZ- the development agency of German Government. An MoU on Development Cooperation regarding the Indo-German Solar Energy Partnership was signed at the 3rd IGC under which the German Government will provide concessional loan of Euro 1 billion over the next 5 years.

17. **Culture:** India and Germany have a long tradition of academic and cultural exchanges. German scholarly tradition has played a key role in introducing Indian art, culture, literature and philosophy to the wider world. Max Mueller was the first scholar of Indo-European languages who translated and published *Upanishads* and *Rigveda*. There has been growing interest in Indian dance, music and literature as well as motion picture and TV industry, in particular Bollywood. Indian films and artists are regular feature not only at the reputable Berlin International Film Festival but also at

other festivals all over Germany. Bollywood films find regular release here and dubbed versions are telecast on television networks. Indian cuisine is very popular in Germany. The Indo-German Society is engaged in promoting inter-cultural understanding by bringing together people of both countries and conveying information about modern India to the German public. Chancellor Merkel handed over the stolen Statue of Durga-Mahishasurmardini to Hon'ble PM at the 3rd IGC as a goodwill gesture.

18. German interest in the Indian philosophy and languages resulted in the first Chair of Indology at the University of Bonn in 1818. The Government of India has funded several rotating chairs of Indian studies in German Universities. There have been 31 Short-term rotating chairs in various German universities till date. In summer term 2016, ICCR set up one Short-term Chair University of Tuebingen. A Joint Declaration of Intent on Promotion of German Language in India and Modern Indian Languages in Germany was signed at the 3rd IGC.

19. About 14,000 Indian students are pursuing various courses in Germany, while around 800 German students are studying or doing their internships in India. Many Indian students are opting for Engineering and Management courses in German Universities. The German Academic Exchange Service (DAAD) facilitates joint research, training and exchange of young scientists/research scholars. Indo-German Partnership in Higher Education was signed between DAAD and UGC at the 3rd IGC. The GIAN Initiative of India has been well-received in Germany and so far 42 German Academicians have been selected for teaching in higher educational institutes of India. Some of them have completed their courses. In addition, Central Council for Research in Ayurveda and Siddha is supporting research in Ayurveda by Charite Medical University, Berlin on Osteoarthritis of the knee, which is the first systematic clinical trial for use of Ayurveda in Europe.

20. According to the figures of the German Government, there are about 1,43,000 people of Indian origin in Germany including both German and Indian Passport holders. The Indian diaspora mainly comprises of professionals, technocrats, businessmen/traders and nurses. There has been an increase in the last few years in the number of qualified Indian professionals in the fields of IT, banking, finance, etc. There are a number of Indian organizations and associations active on the business/cultural front, cementing ties between India and Germany at the people-to-people level.

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