

## 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 increased significantly. 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 2001, which has been further strengthened with the Intergovernmental Consultations (IGC) at the level of Head of Governments which allows for a comprehensive review of cooperation and identification of fresh areas of engagement. India is amongst a select group of countries with which Germany has such a dialogue mechanism. The 4<sup>th</sup> IGC was held in Berlin on May 30, 2017 wherein 12 cooperation documents in various sectors were signed.

3. **Visits/High level visits:** There have been regular high-level visits from both sides, including at the highest level. Chancellor Merkel visited India in 2007, 2011 and in October 2015. German President Joachim Gauck paid a State visit to India in February 2014. PM Shri Narendra Modi undertook his first official visit to Germany in April 2015, when India was the Partner Country at the Hannover Messe-2015. During 2017, PM Modi visited Germany twice: the first was a bilateral visit on May 29-30, 2017 to Berlin for the 4<sup>th</sup> IGC and followed by a visit on July 6-8, 2017 to Hamburg to attend the G20 Summit. External Affairs Minister Smt. Sushma Swaraj visited Germany in August 2015.

4. **Ministerial Visits:** Bilateral exchanges at Ministerial level take place regularly. Recent visits to Germany include Shri Radha Mohan Singh, Minister of Agriculture and Farmers' Welfare in January 2017 for the 'Global Forum for Food and Agriculture' (GFFA), Shri M.J Akbar, Minister of State for External Affairs in February 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, Shri J.P. Nadda Minister of Health & Family Welfare in May, 2017 to attend the G-20 Health Ministers Meeting in Berlin, Smt Harsimrat Kaur Badal, Minister of Food Processing Industries, on August 21-22, 2017 to promote the World Food India 2017, and again on October 7-11, 2017 to attend the ANUGA Fair in Cologne, wherein India was the Partner Country, Dr. Harsh Vardhan, Minister for Environment, Forests and Climate Change on November 4-7, 2017 for inauguration of the Indian Pavilion and related programs and again November 14-18, 2017 for participating in the high level segment of the 23rd session of the Conference of the Parties to the UNFCCC (COP-23) in Bonn and Shri Choudhary Birender Singh, Union Minister of Steel on November 28 to December 02, 2017 to Berlin to attend Plenary Session of the G20 Global Forum on Steel Excess Capacity (*GFSEC*) 2017. From the German side, Federal Minister for Economic Cooperation and Development, Dr. Gerd Mueller visited Delhi on 5<sup>th</sup> April 2017.

6. **Institutional Cooperation Arrangements:** Several institutionalized arrangements exist between India and Germany to discuss bilateral and global issues of interest namely, Foreign Office Consultations, High Technology Partnership Group, High Defence Committee, Indo-German Energy Forum, Indo-German Environment Forum, India-Germany Committee on S&T and Joint Working Groups in various fields, including skills development, automotives, agriculture, coal, tourism, water and waste management.

7. Germany and India cooperate 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.

8. **Parliamentary Exchanges:** The Indo-German Parliamentary Friendship Group, which was established in German Bundestag in 1971, has contributed to strengthening links between the two Parliaments. Several Parliamentarians from both sides have exchanged visits in recent times.

9. **Defence Cooperation:** India-Germany Defence Cooperation Agreement (2006) provides a framework for bilateral defence cooperation. The defence dialogue mechanisms include High Defence Committee meetings at the level of Defence Secretaries. Both sides have had detailed discussion on defence cooperation during the visit of German Defence Minister to India in May 2015. Delegations of the National Defence College (NDC) and College of Defence Management (CDM) have visited Germany in 2016 and 2017.

10. **Sister City Arrangements:** 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-Wuerttemberg (Germany) signed an MoU to establish a Sister State relationship. 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 on April 19-20, 2017.

11. **Economic & Commercial Relations:** Germany is India's largest trading partner in Europe. India was ranked 24<sup>th</sup> 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.

#### Indo-German Bilateral Trade (in Euro Billion)

	2014	2015	2016	2017 (Jan-September)
<b>Total Trade</b>	15.96	17.33	17.42	14.31
<b>Indian Exports</b>	7.03	7.56	7.62	6.48
<b>Indian Imports</b>	8.92	9.77	9.80	7.83
<b>Balance of Trade</b>	-1.89	-2.21	-2.18	-1.35
<b>Major Indian Exports to Germany</b>	Textiles, Metal & Metal Products, Electro Technology, Leather & Leather Goods, Food & Beverages, Machinery, Pharmaceuticals, Auto Components, Chemicals, Gems & Jewellery and Rubber Products			
<b>Major Indian Imports from Germany</b>	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 7<sup>th</sup> 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 September 2017 amounted to US\$ 10.63 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 3<sup>rd</sup> IGC. The Make in India Mittelstand (MIIM) Programme was launched by the Embassy of India, Berlin in September 2015. It aims at facilitating the entry of German Mittelstand (MSMEs) into India. Currently 73 German Mittelstand (MSMEs) 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. German investments in India are mainly in the sectors of transportation, electrical equipment, metallurgical industries, services sector (particularly insurance), chemicals, construction activity, trading and automobiles. Major German companies that have significant operations in India include Siemens, Daimler, Volkswagen, BMW ThyssenKrupp, Bosch, Bayer, BASF, SAP, Deutsche Bank, Metro, Lufthansa, Merck, Munich Re etc. 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 such as 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.

16. **Development Cooperation:** Germany has been an important development cooperation partner for several decades. Total bilateral Technical and Financial Cooperation since it began in 1958, amounts to €15.93 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, German Government's Development Bank. Technical assistance is provided through GIZ- the development agency of German Government. An MoU on Development Cooperation regarding the Indo-German Solar Energy Partnership was signed at the 3<sup>rd</sup> IGC in 2015 under which German Government is to 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 exchange. Max Mueller was the first scholar of Indo-European languages who translated and published Upanishads and Rigveda. There has been growing interest in Germany in Indian dance, music and literature as well as motion picture and TV industry, in particular

Bollywood. Indian films and artists regularly feature at the Berlin International Film Festival and at other festivals all over Germany. 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 PM Modi at the 3<sup>rd</sup> IGC as a goodwill gesture. 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.

19. **Indians in Germany:** About 15,000 Indian students are pursuing various courses in Germany. Around 800 German students are studying or doing internships in India. 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 3<sup>rd</sup> IGC. The GIAN Initiative has been well-received in Germany and so far around 80 German academicians have been selected for teaching in higher educational institutes of India. Central Council for Research in Ayurveda and Siddha is supporting research in Ayurveda at Charite Medical University, Berlin on Osteoarthritis of the knee, which is the first systematic clinical trial for use of Ayurveda in Europe.

20. There are about 1,69,000 people of Indian origin (2017 figures) 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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