India-Germany Relations

Germany is the most populous country in Europe and contributes to 23% of the EU budget. It is India's biggest trading partner in Europe and the 5th biggest trading partner in the world. Germany is also India’s second largest technology partner. India was amongst the first countries to recognize Federal Republic of Germany (FRG) after the Second World War. In 2011, we are celebrating 60 years of establishment of diplomatic relations between India and the FRG. Our relationship, based on common values of democracy, peace and rule of law, intensified after the German Re-unification in 1990. There has been a rapid growth in trade and economics with bilateral trade reaching Euro 15.44 billion in 2010. In 2011, the bilateral trade increased by around 20% reaching €15.18 billion during the period Jan-Oct, 2011. The two countries also work together in various international forums including the UN, G-4 and G-20. In 2011-12, India and Germany are both non-permanent members in the UNSC, which provides a new area for cooperation.

Important bilateral visits

Bilateral exchanges, including at the highest level, are a regular feature of the relationship. Chancellor Merkel visited India on May 31, 2011 to co-chair the first Indo-German Intergovernmental Consultations (IGC). Several important Ministries like the Ministry of Foreign Affairs, Interior, Economics & Technology, Defense, Environment; Education & Research and Transport from both the countries participated in the IGC and discussed ways and means of further intensifying our bilateral cooperation in these sectors. Four important MoUs in the field of vocational education and science & technology were signed during the visit. Chancellor Merkel was awarded the Jawaharlal Nehru Award for International Understanding for the year 2009, during the visit. PM and Chancellor Merkel discussed a wide range of bilateral and global issues and decided to coordinate their efforts towards UN reforms, including efforts to secure permanent seats in the extended Security Council.

Prime Minister Shri Manmohan Singh had visited Berlin on December 11, 2010, while former President of the Federal Republic of Germany, H E Dr Horst Koehler visited India on a state visit from February 1-7, 2010. Other important visits in the past years include President Johannes Rau’s visit to India in 2003 and Chancellor Merkel’s state visit to India from October 29-November 1, 2007 and in May 2011. Shri Pranab Mukherjee, the then External Affairs Minister had visited Germany in May 2007, while German Vice Chancellor and Foreign Minister Westerwelle visited India in October 2010 and on 30th May 2011. Shri S.M.Krishna, Hon’ble External Affairs Minister visited Bonn for the International Afghanistan Conference from December 4 to 6, 2011.

Some of the important bilateral visits held during 2011 include the visit of Shri Jairam Ramesh, Minister for Environment & Forests visited Berlin to participate in the second Petersberg Dialogue on Climate Change held in Berlin from 3-4 July 2011, the visit of Shri Praful Patel, Minister for Heavy Industries & Public Enterprises to Berlin from 15-16 September 2011, and the visit of Shri Vayalar Ravi, Hon’ble Minister of Overseas Indian Affairs & Civil Aviation visited Berlin from October 11-13, 2011. He signed the Comprehensive Social Security Agreement between India and Germany together with Dr. Ursula von der Leyen, German Federal Minister for Labour & Social Affairs. From the German side, Dr.
Peter Ramsauer, Federal Minister of Transport, Building and Urban Development visited New Delhi and Mumbai from April 17-21, 2011.

There has been extensive interaction at the level of German Laenders (Federal States) and India. Shri Arjun Munda, Hon’ble Chief Minister of Jharkhand visited Germany with a high level delegation (April 4-9, 2011) to participate in the Hannover Industrial Fair 2011. He also held discussions with the business community in Berlin, Hamburg and Munich. Mr. Ernst Pfister, Economic Minister of Baden-Wuerttemberg visited Chennai, Mumbai and Pune from February 6-12, 2011 and attended a trade fair for building materials, machines and construction vehicles in Mumbai.

**Strategic partnership**

India and Germany have a strategic partnership since 2001, which has been further strengthened with the first Intergovernmental Consultations (IGC) held in May 2011. India is the first country in Asia (besides Israel,) and the only country outside Europe to have Intergovernmental Consultations with Germany. The two countries also have several institutionalized arrangements like a Strategic Dialogue, Foreign Office Consultations, Joint Commission on Industrial and Economic Cooperation, Defense Committee Dialogue and a Joint Working Group on Counter-Terrorism to discuss various bilateral and global issues of interest.

**Economic Cooperation**

Indo-German cooperation in the field of trade and economics is one of the most dynamic facets of the bilateral partnership. The Joint Commission on Industrial and Economic Cooperation led by the Finance Minister from the Indian side and the Economics Minister from the German side meets regularly. Its last meeting was held in New Delhi on 23rd September 2010. In addition, there are seven Joint Working Groups, namely, on agriculture, automobile, infrastructure, energy, coal, tourism and vocational education which focus on furthering collaboration in specific sectors. The Indo-German Energy Forum deals with renewable energy, energy efficient technologies, power sector, alternative fuels and CDMs.

**Bilateral Trade**

Germany is India’s largest trading partner in Europe. Indo-German bilateral trade has registered an increase of 20.8% to reach Euro 15.18 billion during Jan-Oct 2011. Indian exports grew over 25.93% over the same period of 2010 to reach Euro 6.37 billion, while its imports registered an increase of over 17.39% to reach Euro 8.81 billion. The trade surplus is in favour of Germany of about Euro 2.44 billion. Both countries are confident that the target of achieving bilateral trade of Euro 20 billion by 2012 can be met.
India ranks at the 28th position amongst trading partners for Germany worldwide. India accounts for 0.7% of total German trade and ranks 5th among Asian exporters to Germany. Germany is also the 8th most important destination for Indian exports. While major items of exports from India to Germany are cotton and textile products, leather and leather products, chemicals & pharmaceuticals, metal products and automobile components, the key imports in India from Germany include machinery, electro-technical goods, aircrafts, metal goods, chemicals, measurement and control systems, synthetic materials etc. Cooperation in the field of Information Technology, biotechnology, auto components, renewable energy and the entertainment industry is also increasing. German investments in India have shown a steep increase in recent years. Sectors such as services, chemicals, automobiles, trading and electric equipment were main sectors for German investment. Germany's leading news magazine Der Spiegel has cited India as the No.1 destination for offshore development by German software companies. Indian investment in Germany has also increased in recent years. The IT sector continues to be the best represented in terms of foreign direct investment. According to fDi Markets, India has initiated 40 projects in Germany since 2003, 20 of which are in the software and IT sectors. Indian companies either acquiring firms or starting their own subsidiaries in Germany include Ranbaxy, Samtel, NIIT, Wockhardt, Graphite India Limited, Megasoft, Torrent Pharmaceutical, Dr. Reddy's Laboratories, Tata Auto Component Systems, Mahindra & Mahindra etc. Although Indian companies are spread throughout Germany, they are mainly clustered in the states of North Rhine-Westphalia, Hessen, Bavaria and Baden-Württemberg. Taken together, Indian companies in Germany employ nearly 24,000 people, most of whom are German nationals, thereby adding to the job opportunities in Germany.

During the first Indo-German IGC in New Delhi held on May 31, 2011, an important MoU for Cooperation in the field of Vocational Education and Training was signed by Hon'ble Minster for Labour Shri. Mallikarjun Kharge and German Education Minister Ms. Annette Schavan.

Cooperation in Science & Technology

S&T cooperation has always been a strong focus area in the relationship. The Indo-German Joint Working Group on S&T offers a framework to discuss various aspects of our bilateral partnership. The Indo-German Dialogue for Sustainability and the meeting of the Working Group on Dialogue for Sustainability took place in New Delhi in February 2010. There are presently more than 150 joint S&T
research projects and 70 direct partnerships between the Universities. The jointly funded Indo-German Science & Technology Centre was inaugurated in September 2008 at New Delhi with an annual contribution of Euro 1 Million. Cooperation between India and Germany in the Space segment has, in recent years, included the launch of two German research satellites by ISRO. India’s moon mission, Chandrayaan, carried an experimental payload from Germany and German experts were present at the launch. German President Dr. Horst Koehler inaugurated the Indo-German Max Planck Centre for Computer Sciences at IIT Delhi on February 3, 2010. Some of the projects in the pipeline include, the Euro 1.5 billion state-of-the-art multinational Facility for Anti-proton & Ion Research (FAIR). The project was launched on October 4th, 2010 with the signing of agreement in Wiesbaden. India will be contributing Euro 36 million for the project. German Government has expressed interest in supporting the newly established IIT at Mandi, Himachal Pradesh. The Technical University in Stuttgart has been identified as the Lead Partner for this project. In addition, IIT, Chennai has signed an MoU with the German Academic Exchange Programme (DAAD) and a group of nine German Technical Universities (TU9) for setting up a new Centre for Sustainability Research at IIT Chennai.

During Chancellor Merkel’s visit to India on May 31, 2011, three agreements were signed in the field of S & T: (i) MoU between ICMR and Helmholtz Association, (ii) MoU between Department of S & T and the Leibniz Association and (iii) Cooperation Agreement between Saha Institute of Nuclear Physics, Kolkata and Deutsch Electron Synchrotron (DESY).

Cooperation in Culture & Education

Around 4500 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 on a self-financed basis. Some German companies like Siemens and Bosch offer scholarships for Indian students to undertake postgraduate courses in German universities under the DAAD programmes. Thus, there is a scope for further cooperation in this sector. In order to promote India studies, two ICCR Rotating Chairs have been set up at Free University, Berlin and Leibniz University of Hannover during winter semester 2010-11. Steps have been taken to operationalise the remaining three chairs at Universities of Jena, Freiburg and Tuebingen. Prof. Dr. Dhruv Raina of Jawaharlal Nehru University became the first incumbent of the prestigious ‘Heinrich Zimmer Chair of Indian Philosophy and Intellectual History’ – a long term Chair (for 2 years) set up as a part of ICCR’s 7-point expansion plan, at the South Asia Institute, Heidelberg University in June 2010. An MoU, for establishment of Ayurveda Studies Chair, has been signed between Central Council for Research in Ayurveda and Siddha (CCRAS) and the European University of Viadrina, Frankfurt on Oder on 14th July 2010. In order to mark the 60th anniversary of establishment of diplomatic relations between India and Germany, Germany is celebrating the ‘Year of Germany in India in 2011-12. It will be followed by the ‘Days of India’ in Germany from 2012-13.

Indian diaspora

There are about 68,000 Indians in Germany. Of these, about 40000 hold Indian passports, while the rest have acquired German citizenship over the years. The Indian diaspora mainly comprises of
technocrats, small time businessmen/traders and nurses. 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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