India-Germany Relations

Germany is the most populous country in Europe with a population of 82 million and an area of 357,000 sq. kms. It is the 4th largest economy in the world with a GDP of US $ 3.5 trillion and contributes about 20% of the EU budget. Germany is India’s biggest trading partner in Europe, its 5th biggest trading partner in the world, 8th largest source of FDI and 2nd most important partner in terms of technological collaborations.

Political Relations

India was one of the first countries to end the state of war with post-war Germany in 1951 and amongst the first countries to grant recognition to Federal Republic of Germany (FRG). The relationship, based on common values of democracy and rule of law has gained significantly in strength in the 1990s following India’s economic liberalization and the end of Cold War. Germany and India cooperate closely on the issue of UNSC expansion within the framework of G-4.

India and Germany have a ‘strategic partnership’ since 2000, which has been further strengthened with the first Intergovernmental Consultations (IGC) held in New Delhi in May 2011. The two countries have several institutionalized arrangements to discuss bilateral and global issues of interest viz. Strategic Dialogue, Foreign Office Consultations, Joint Commission on Industrial and Economic Cooperation, Defence Committee Dialogue and Joint Working Group on Counter-Terrorism.

The course of the future relationship was set by the two visits of Prime Minister Jawaharlal Nehru to Germany in 1956 and 1960. There are regular bilateral exchanges, including at the highest level.

Prime Minister Shri Manmohan Singh has visited Germany four times in the last few years. He visited Hannover and Berlin in April, 2006. He again visited Berlin in June 2007 to participate in the G8 Summit with five outreach countries. PM also visited Berlin on December 11, 2010 on a bilateral working visit. He visited Berlin from 10-12 April, 2013 for the Second Round of Intergovernmental Consultations. Shri Pranab Mukherjee, then External Affairs Minister visited Germany in May 2007; while former External Affairs Minister Shri S.M. Krishna visited Bonn for the International Afghanistan Conference in December 4 to 6, 2011. External Affairs Minister Shri Salman Khurshid visited Berlin from January 27-29, 2013 as well as from April 9-12, 2013. Former President of the Federal Republic of Germany, Dr Horst Koehler visited India on a state visit on February 1-7, 2010. Other important visits in the past few years include President Johannes Rau’s visit to India in 2003, Chancellor Schroeder’s visits to India in 2001 and 2004 and Chancellor Merkel’s state visits to India in October-November, 2007 and in May 2011. German Vice Chancellor and Foreign Minister Westerwelle visited India in October 2010, May 2011 and June, 2012.

Chancellor Merkel’s visit to India on May 31, 2011 was to co-chair the first Indo-German Intergovernmental Consultations (IGC). She was accompanied by Ministers from the Ministry of Foreign Affairs, Interior, Economics & Technology, Defence, Environment, Education & Research and Transport. Four important MoUs in the field of vocational education and science...
& technology were signed. Chancellor Merkel was awarded the Jawaharlal Nehru Award for International Understanding for the year 2009, during the visit.

The Second Round of Intergovernmental Consultations took place in Berlin on 11th April, 2013. Prime Minister Shri Manmohan Singh was accompanied by Ministers of External Affairs; New & Renewable Energy; Commerce, Industries & Textiles; Science & Technology and Human Resources Development. The Ministers had discussions with their German counterparts in the Ministries of Foreign Affairs; Finance; Economics & Technology; Interior; Education & Research; Economic Cooperation & Development and Health. Six important MoUs were signed during the Second IGC in the fields of agriculture, higher education, science & technology and renewable energy. Ten MoUs in the field of vocational education and training, railways, S&T and renewable energy were signed on the sidelines of Second IGC.

The Bilateral Defence Cooperation Agreement signed in September 2006, which provides a framework for annual consultations, has placed bilateral defence cooperation on a firm footing. The High Level Defence Committee, headed by the two Defence Secretaries, meets annually. The sixth meeting of the Defence Secretaries was held from June 17-19, 2012.

Commercial Relations

Economic and commercial relations between India and Germany date back to the early 16th century when German trading companies from Augsburg and Nuremberg, developed a new sea route around Africa, as they sailed in search of precious stones and spices. Thereafter, a number of German companies were established with the express purpose of trading with India and other Asian countries in the 16th and 18th centuries. Werner Von Siemens, founder of Siemens, personally supervised the laying of telegraph line between Kolkata and London, which was completed in 1870. The first wholly-owned subsidiary of Bayer in Asia “Farbenfabriken Bayer and Co. Ltd.” was set-up in Mumbai as far back as 1896.

Indo-German cooperation in trade and technology 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. In addition, there are seven Joint Working Groups in agriculture, the automobile sector, infrastructure, energy, coal, tourism and vocational education. The Indo-German Energy Forum focuses on renewable energy, energy efficient technologies, the power sector, and alternative fuels.

Germany is India’s largest trading partner in Europe. Indo-German bilateral trade has declined 6.5% to € 17.77 bn. in 2012, due to the global economic slowdown and the ongoing financial and sovereign debt crisis in Eurozone countries. Indian exports declined by over 7% to € 7 billion and imports shrunk by over 4% to €10.4 bn. The trade surplus of about €3.4 bn. was in favour of Germany.

Germany is the 8th largest foreign direct investor in India. The flow of German FDI was US $ 730 million in 2012. Germany’s total FDI in India was US$ 5.2 billion in the period 2000-2012, constituting about 3% of total FDI to India. There are more than 1600 Indo-German collaborations and over 600 Indo-German joint ventures in operation. Indian investments in Germany have also shown a remarkable increase in the last few years. A number of Indian
companies such as Suzlon, Bharat Forge, Samtel, Mahindra & Mahindra etc. have made substantial investments in Germany. A study by Hamburg Technical University estimates that Indian corporate entities have invested over US$ 6.1 bn. (€4.7 bn.) in Germany till September 2012. More than 215 Indian companies operate in Germany.

While India is growing in significance as a trading partner for Germany and was at 24th position in 2012, up from 26th in 2009, there is clearly still a great deal of potential to be realized. Apart from traditional sectors, knowledge-driven sectors hold good potential for collaboration in the fields of IT, ITES, biotechnology, auto components, renewable energy, green technology, urban mobility & development and the entertainment industry. There are several important Trade Fairs held in Germany, in which Indian companies regularly participate to promote their products and technology.

Garments and textile products, chemical products, leather & leather goods, iron, steel and metal goods, electronic components, electrical components, pharmaceutical products, and auto components are major items of exports from India to Germany. The key German exports to India include electrical generation equipment, auto equipment, complete fabrication plants, bearings, gear equipment, measurement and control equipment, primary chemical products, synthetic material, machine tools, aircrafts and iron and steel sheets, etc.

A highly skilled labour force is a fundamental strength of German industry. Special importance is thus given to Indo-German co-operation in the field of vocational education and training to create industry-institute linkages and provide skilled manpower for various sectors in the Indian economy.

The German-Indian Roundtable (GIRT), established in 2001 has the objective of spreading information about India and facilitation of Indo-German business ties. There are 14 chapters of GIRT in Germany which are engaged in promoting Indo-German business as well as cultural relations through the regular ‘Stammtisch’ meetings.

Intergovernmental S&T Cooperation Agreements were signed in 1971 and 1974. Indo-German co-operation in this area is significant. There are presently more than 150 joint S&T research projects and 70 direct partnerships between Indian and German universities. In the last few years, there have been several new initiatives with Indian involvement in mega-projects such as the Beam Line Facility at DESY, Hamburg and FAIR project at Darmstadt.

**Cultural Relations**

German scholarly tradition has played a stellar role in introducing Indian art, culture, literature and philosophy to the wider world. The Tagore Centre, set up by ICCR in Berlin in 1994, regularly organizes programmes to showcase the Indian heritage and diversity of its culture, through a broad spectrum of dance, music, literary events, films, talks, seminars and exhibition events.

In order to mark the 60th anniversary of the establishment of the diplomatic relations between India and Germany, the two governments celebrated Festivals with various cultural, economic and commercial events. The **Year of Germany** in India was launched in May, 2011 with the theme “Urban Spaces”. It ended in January, 2013. The **Days of India** in Germany was inaugurated with four themes ‘Connecting Cultures’, ‘Connecting Ideas’, ‘Connecting Capabilities’ and ‘Connecting Minds’. It was formally closed during the presence of Hon’ble
Prime Minister on 11th April 2013 in a grand closing ceremony in Berlin. The four focus areas, with a series of events in each area, were:

- Economic and Commercial
- Science and Technology
- University and vocational education
- Cultural

The Days of India events were organised in all the states of Germany in different cities and received an enthusiastic response from the German public.

The Government of India has funded several rotating chairs of Indian studies in German universities starting with the visit of then Prime Minister of India Shri A.B. Vajpayee to Germany in 2003. There have been 24 rotating chairs in various German universities till date. A long-term Chair named Heinrich-Zimmer Chair of Indian Philosophy & Intellectual History has been set up at South Asia Institute, Heidelberg University since May 2010. A long-term Chair of Corporate Responsibility and Governance at Leipzig Graduate School of Management has been operational since October, 2012. Another long term Chair called Tagore Chair of Bengali Language and Culture has been instituted in Georg-August-University of Goettingen. This Chair will be operational from October 2013. Two short-term ICCR Chairs have been operationalised during the summer term from April – September 2013 and three more short-term ICCR Chairs are expected to be operational in the winter term 2013-14. The Central Council for Research in Ayurveda and Siddha is supporting research in Ayurveda by Charité Medical University, Berlin on Osteoarthritis of the knee, which is the first systematic clinical trial for use of Ayurveda in Europe.

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 also offer scholarships for Indian students to undertake postgraduate courses in German universities.

There has been growing interest in Indian dance, music and literature as well as motion picture and TV industry, in particular Bollywood. Bollywood movies and short movies/documentaries by young Indian artists occupy an important place in the Berlin International Film Festival. The 'Bollywood and Beyond’ film festival held at Stuttgart and International Film Festival Munich which showcase Indian films to German audience. Several cities, including Cologne and Hamburg, organize an annual ‘India Week’ focussing on Indo-German cooperation in various fields including trade, education and culture.

The Deutsch-Indische Gesellschaft (Indo-German Society) is engaged in promoting intercultural understanding by bringing together people of both countries and conveying information about modern India to the German public. There are 33 independent affiliates of DIGs in Germany with around 3500 members engaged in various socio-cultural activities.
Indian Community

There are about 110,000 people of Indian origin in Germany with 43,175 holding Indian passports and 67,029 holding German passports. The Indian diaspora mainly comprises of technocrats, 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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