

(April 2022)

**Ministry of External Affairs
(Europe West Division)**

India-Germany Relations

Germany is one of India's most important partners in Europe owing to the strength of bilateral relations, as also Germany's key role in the EU. India was among the first countries to establish diplomatic ties with the Federal Republic of Germany after the Second World War.

2. India and Germany have a 'Strategic Partnership' since May 2000, which has been further strengthened with the launch of Inter-Governmental Consultations (IGC) in 2011 at the level of Heads of Government which allows for a comprehensive review of cooperation and identification of fresh areas of engagement. India is among a select group of countries with which Germany has such a dialogue mechanism. The 5th IGC was held in New Delhi on November 01, 2019. The 6th IGC was scheduled to be held in May 2021 but was postponed due to the pandemic situation. It is now expected to be held in 2022.

3. As the 6th and 4th largest economies in the world respectively, India and Germany share a robust economic and developmental partnership. Besides the economic interest, both countries have a shared interest in upholding democratic values, the rules-based international order, multilateralism as well as the reform of multilateral institutions.

4. On March 7, 2021, India and Germany marked the 70th anniversary of the establishment of diplomatic relations. The anniversary was commemorated through several events held in the year 2021-22. As part of the celebrations, commemorative stamps were issued by both countries on June 10, 2021.

High-level Engagements:

5. There are regular high-level engagements between India and Germany. On January 05, 2022, PM had a telephone call with German Chancellor Olaf Scholz, the first engagement between the two leaders after the formation of the new Federal Government in Germany, during which they reviewed the potential of ongoing cooperation initiatives, including for promoting investment and trade links, and agreed on the potential for further diversifying cooperation and exchanges in new areas. Earlier, the two leaders had met on the sidelines of the G20 Summit in Rome on October 31, 2021. PM has been regularly in touch with the German Chancellor during the Covid-19 pandemic through exchange of letters and phone calls.

6. The German Chancellor led a Ministerial delegation to Delhi from 31 October – 2 November 2019 for the 5th Inter-Governmental Consultations (IGC) that was held on November 01, 2019.

7. The last visit by PM to Germany was in the form of a brief stopover in Berlin at the invitation of the German Chancellor for a bilateral meeting on April 20, 2018. PM and former Chancellor Merkel had met on the sidelines of the G20

Summits in Argentina (December 2018) and in Japan (June 2019). The two leaders exchanged pleasantries at the G7 Summit in August 2019 and the UNGA in September 2019.

8. The last visit to Germany by PM to co-chair the IGC was in May 2017 in Berlin. PM again visited Germany in 2017 to attend the G20 Summit in Hamburg in July. He had earlier visited Germany in 2015 to attend the Hannover Messe where India was the Partner Country and the Make in India campaign was launched to an international audience.

9. Former Chancellor Merkel visited India four times – in 2019 (5th IGC), 2015 (3rd IGC), 2011 (1st IGC) and 2007. German President Dr. Frank-Walter Steinmeier travelled to India on a 5-day State Visit from March 22-25, 2018. Besides Delhi, he visited Varanasi and Chennai. He met with President, Vice President, PM and EAM and visited Banaras Hindu University, Delhi University and IIT Madras during the State Visit.

Ministerial Visits:

10. EAM attended the Munich Security Conference from February 18-20, 2022, during which he met German Foreign Minister Annalena Baerbock. He also had a telephone call with her on February 26, 2022. Before the pandemic, EAM had attended the Munich Security Conference in February 2020 and had followed it up with a Working Visit to Berlin, during which he met the German Foreign, Economy and Defence Ministers. Mr. Arvind Sawant, Minister of Heavy Industries & Public Enterprises had visited Germany in October 2019 to attend the International Motor Show (IAA Frankfurt). Smt. Nirmala Sitharaman, then-Minister of Defence had visited Berlin in February 2019 for a bilateral meeting.

11. Ministerial visits from Germany to India at the federal level include a visit by Mr. Norbert Barthle and Dr. Maria Flachsbarth, then-Parliamentary State Secretaries in the Ministry of Economic Cooperation and Development, to Delhi in September 2021. Dr. Gerd Mueller, then-Minister for Economic Cooperation and Development, had visited Assam (rice and tea plantations, stone quarry) and Delhi in February 2020. Mr. Niels Annen, then-MoS for Foreign Affairs had travelled to Delhi in January 2020 to attend the Raisina Dialogue and for familiarisation visit in July 2019. Ms. Svenja Schulze, then-Environment Minister attended the Third Indo-German Environment Forum in Delhi in February 2019.

Parliamentary Exchanges:

12. On the German side, the Indo-German Parliamentary Friendship Group, which was established in the Bundestag in 1971, has contributed to the strengthening of links between the two Parliaments. The Indo-German Parliamentary Friendship Group for the 19th term of the German Parliament (2017-21) consisted of 22 members from all parties represented in the Bundestag. The Parliamentary Group visited India (Kolkata and Delhi) from February 03-08, 2020. Their previous visit to India was in 2015.

13. Several Parliamentarians from both sides have exchanged visits in recent times. A Goodwill Parliamentary Delegation from India led by Shri. Arjun Ram Meghwal, then Minister of State for Parliamentary Affairs, visited Berlin from October 17-19, 2018.

14. On June 22, 2021, the Indo-German Parliamentary Friendship Group of the Bundestag celebrated its 50th anniversary. The event was commemorated at the Bundestag premises, with virtual addresses from Minister of State, External Affairs, Shri. V. Muraleedharan and the Chairman of the Parliamentary Standing Committee on External Affairs Shri. P.P. Choudhary, and an address from the Federal Minister of State at the German Foreign Office Mr. Niels Annen.

Institutional Cooperation Arrangements:

15. Several institutionalised arrangements exist between India and Germany to discuss bilateral and global issues of interest, namely, Foreign Office Consultations, High Defence Committee, Indo-German Energy Forum, Indo-German Environment Forum, S&T Committee, and Joint Working Groups in various fields, including skill development, automotive, agriculture, tourism, water and waste management. A Track 1.5 Strategic Dialogue has been established to enable key stakeholders to enhance mutual understanding of national, regional and strategic interests.

16. Both countries consult each other and coordinate positions in multilateral fora including G-20 and in the UN on global issues such as climate change and sustainable development. There have been consultations between the two countries on various subjects such as UN issues, international cyber issues, disarmament and non-proliferation, export control, Asia and Africa.

Multilateral Cooperation:

17. Germany and India support each other on UNSC expansion within the framework of the G-4. The last meeting of the G4 was held at the level of Foreign Ministers on the side-lines of the 76th UNGA in September 2021. Germany joined the Coalition for Disaster Resilient Infrastructure (CDRI) in February 2020 and participated in the first Governing Council meeting in March 2020.

18. In April 2021, the German Federal Cabinet approved the signing of the amended framework agreement of the International Solar Alliance (ISA), and thereby Germany's accession to the ISA. On 10 September 2021, during their visit to Delhi, then-Parliamentary State Secretaries from the German Federal Ministry of Economic Cooperation and Development handed over the Instrument of Accession to Secretary (Economic Relations), MEA.

Security Cooperation:

19. The MoU on Security Cooperation signed at the 3rd IGC held in Delhi in 2015 defines collaboration in this field. There are dialogue mechanisms on various aspects of security, including Joint Working Group on Counter Terrorism (last meeting held in December 2019); Cyber Consultations (last meeting held virtually in December 2020); Joint Steering Group on Disaster Management in Berlin (2016).

Defence Cooperation:

20. Bilateral Defence Cooperation Agreement signed in September 2006 and the Agreement on Mutual Protection of Classified Information signed in October 2007, provide the framework for bilateral defence ties. To further enhance the Defence Industry and Defence Cooperation between Germany and India, the

Arrangement on Implementation of the Agreement of 2006 concerning Bilateral Defence Cooperation was signed in February 2019 in Berlin.

21. The then German Defence Minister Ursula von der Leyen visited India in May 2015 and former Raksha Mantri Smt. Nirmala Sitharaman visited Berlin in February 2019.

22. The defence dialogue mechanisms include High Defence Committee (HDC) Meetings at Defence Secretary level, Military Cooperation Sub-Group Meeting and Defence Technical Sub-Group Committee Meeting. The 10th HDC meeting between Defence Secretary and State Secretary was held via video conference on January 12, 2021. The Military Co-operation Sub-Group meeting was held on January 30, 2020, in Berlin and on 13-14 December 2021 in New Delhi. The Defence Technical Sub-Group meeting is likely to be held after the next HDC.

23. High level Defence Visits:

a. German CHOD/CDS Gen Eberhard Zorn had visited India in March 2019 as part of his familiarisation/inauguration visit to South Asia.

b. German Naval Chief Vice Admiral Kay-Achim Schönbach visited India in Jan 2022.

24. Ship visits/Passex:

a. INS Teg participated in Hamburg Port Festival in 2012 and INS TARANGINI participated in Hanse Sail Rostock/ Sail Bremerhaven in August 2015.

b. Two Indian Navy ships INS TARKASH and INS TABAR transited through Kiel Canal in July 2019 and July 2021 respectively.

c. German naval frigate 'BAYERN' conducted a PASSEX with INS TRIKAND on 26 August 2021 and made a port call at Mumbai on 21 January 2022 as a part of its seven-month deployment to the Indo-Pacific region.

25. Delegations of the National Defence College (NDC) visited Germany in 2017 and 2018. Delegations from College of Defence Management (CDM) and from the Army War College visited Germany in 2018 & 2019 respectively. Recently, a 20-member delegation from NDC visited Germany in October 2021.

Economic & Commercial Relations:

26. Germany is India's largest trading partner in Europe. It has consistently been among India's top ten global partners and was the seventh-largest trading partner in FY 2020-21 (12th during FY 2021-22 up to December 2021). (Source: DoC)

27. **Bilateral trade** in 2020-21 was USD 21.76 billion registering a marginal decline of about 1% over FY 2019-20. Indian exports during this period decreased by 2% reaching USD 8.12 billion and Indian imports decreased by 0.35% to USD 13.64 billion. During 2021-22 (until December 2021), bilateral trade was USD 17.60 billion, an increase of 12.7% over the corresponding period in FY 2020-21. Indian exports with USD 7.02 billion during this period witnessed an increase of about 24.65% and Indian imports with USD 10.58 billion registered an increase of 5.96%. (Source: DoC)

28. **German investments in India:** Germany is the 7th largest FDI source for India. The total FDI from Germany to India from April 2000-December 2021 is over USD 13 billion. In FY 2020-21, German FDI in India was USD 667 million. During 2021-22 (until December 2021), German FDI was USD 581.65 million (Source: DPIIT). As per Indo-German Chamber of Commerce, there are more than 1,700 German companies in India. German investments in India have been mainly in sectors of transportation, electrical equipment, metallurgical industries, services sector (particularly insurance), chemicals, construction activity, trading and automobiles.

29. **Recent German investments in India** include announcement of Robert Bosch in February 2022 to invest a total of USD 260 million in India in the next five years towards the localization of advanced automotive technologies and in building digital platforms like Mobility Marketplace and Mobility Cloud Platform. German packaging solution provider Multivac invested USD 7.4 million to establish a production site in Ghiloth, Rajasthan. In 2021, German automotive components manufacturer Webasto, invested USD 33.9 million to set up a sunroofs manufacturing facility in Pune. German lifestyle brand Birkenstock launched its 1774 collection through the e-commerce route with an Indian partner, Seva Group. Bayer, a German agrochemical group, launched a new manufacturing plant at Vapi, Gujarat with an investment of USD 28 million. German auto component major ZF Friedrichshafen AG has lined up a Euro 200 million investments in India to increase its share in connected and autonomous technologies adopted by automakers and a fifth of the investment volume will be allocated for a tech centre in Hyderabad for doing global R&D work for the company.

30. **Indian investments in Germany:** As per CII, there are more than 213 Indian companies operating in Germany, and are involved in trading, manufacturing, R&D and innovation, and services. Indian companies have invested in Germany mainly through Mergers and Acquisitions (M&A). Investments are mostly in IT, automotive, pharma, biotech and manufacturing. The penetration of Indian software companies in German market is increasing. Major clusters of Indian companies are in the States of North Rhine Westphalia, Hesse, Bavaria and Baden-Württemberg.

31. **Recent Indian investments in Germany** include an announcement of Wipro Limited to set up a Digital Innovation Hub in Düsseldorf, acquisition of full-service IT provider – Postbank Systems AG from Deutsche Bank by Tata Consultancy Services (TCS), the opening of a new Digital Innovation Centre in Dusseldorf by Infosys to support their clients in digital transformation, JBM Group's acquisition of majority stake in German auto components manufacturer Linde-Wiemann GmbH, the establishment of the first global R&D Centre near Munich by Hero MotoCorp and L&T's acquisition of German IT firm Nielsen+ Partner to strengthen its banking and financial services software segment.

32. **Fast Track Mechanism** is in place by DPIIT and German Ministry of Economic Affairs and Energy (BMW_i) to address issues/grievances of companies in India and Germany. The mechanism was announced in 2019 at the 5th IGC which started meeting since 2020. The last meeting was held in January 2021.

33. A market entry support programme, the '**Make in India Mittelstand'** (**MIIM**) for German Mittelstand (SMEs) and Family-Owned Businesses is being

implemented by Embassy of India, Berlin to support high potential Mittelstand companies with medium to long term potential for manufacturing in India. As of date, 152 companies are being facilitated through this programme with a declared investment of nearly Euro 1.47 billion. More than 30 of these companies are 'hidden champions' that are world market leaders in niche products/technologies.

34. The 5th IGC identified the focus areas for further cooperation, which include, *inter alia*, Artificial Intelligence and digitalisation, agriculture, clean energy, e-mobility, urban development, Smart Cities, railways, Industry 4.0, startups, skill development, and water and waste management.

35. Both countries see mutual benefit in an India-EU Free Trade Agreement and Investment Protection Agreement and announced their desire to progress on the Agreements during the 5th IGC. The negotiations on the FTA and IPA (earlier referred together by India as Bilateral Trade and Investment Agreement) were halted in 2013. In May 2021, during the India-EU Summit, both sides announced the restart of the negotiations on the India-EU FTA and beginning of talks on a separate IPA.

Development Cooperation:

36. Germany has been an important development cooperation partner for several decades. The last negotiations were held in November 2021. Germany has committed a total volume of new funding of USD 1,368.02 million for 2021 [i.e., USD 1,340.91 million for Financial Cooperation & USD 27.11 million for Technical Cooperation]. Energy, sustainable economic and urban development, environment & management of natural resources are priority areas.

37. Financial assistance from Germany is mainly as soft loan, composite loans or grants routed through KfW, German Government's Development Bank. Technical assistance is provided through GIZ, German Government's development agency. Major strategic projects are in the sectors of energy (renewables, Green Energy Corridor), Indo-German Solar Partnership, Skill Development and sustainable urban development (water/sanitation/waste, climate friendly urban mobility, smart cities).

Science & Technology:

38. Bilateral Science and Technology cooperation is implemented under an Inter-Governmental Agreement on '*Cooperation in Scientific Research and Technological Development*' signed in May 1974. The Department of Science and Technology (DST) and the German Federal Ministry for Education and Research (BMBF) are the nodal agencies for overall coordination. An apex Indo-German Committee on S&T, established in 1994 coordinates the implementation of cooperation and joint review of activities. The last meeting of the Indo-German Joint Committee on S&T was held in Berlin in 2017.

39. 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. Minister of Science & Technology inaugurated the India-centric PETRA-III beamline at DESY in September 2016. So far, more than 750 scientists from India visited DESY for experiments (including multiple visits) from 50

different institutes and performed 260 experiments making up to 843 days in total. More than 180 publications had resulted until May 2020 based on the collaboration with DESY.

40. The jointly funded Indo-German Science and Technology Centre (IGSTC) was set up in Gurgaon in September 2008. A Joint Declaration was signed during the 3rd IGC in 2015 to extend the tenure of the IGSTC until March 2022 with increased funding up to a maximum of Euro 4 million per year on the principles of activity matching funding by each side as per national rules of the respective country. A total of 40 projects (21 completed and 19 ongoing) have been supported on various themes of national priority areas such as Advanced Manufacturing (Make in India), Embedded System and ICT (Digital India), Sustainable Energy/Environment, Biotechnology/Bioeconomy (Food Security), Bio-Medical Technology (Healthy India)/Water and Wastewater Technology (Clean India), Smart Cities, etc.

41. IGSTC has launched the Industrial Fellowship programme to encourage young Indian researchers towards German industrial ecosystems and to motivate and facilitate them towards applied research and technology development. The Women Involvement in Science and Engineering Research (WISER) programme was launched by IGSTC to build scientific capacity, retain and promote women researchers in India/Germany by utilising complementary expertise in science, technology, innovation and research partnerships.

42. Various programmes of S&T collaboration exist between different research Institutes and IITs with German research Institutes of Max Planck Society, Helmholtz Association, Leibnitz Association, etc. Department of Biotechnology is an Associate member of the European Molecular Biology Conference (EMBC) which provides postdoctoral research fund and support for research and to organize conferences, symposia, workshops etc. Max Planck Society plays an important role in the research map of India through its Partner Group Programmes, Mobility grants, kick-off workshops, Indo-German Max Planck Centre on Computer Science (IMPECS) and Indo-German Max Planck-NCBS Center for Research on Lipids.

Sister State/City Arrangements:

43. The States of Karnataka and Bavaria, Maharashtra and Baden Wuerttemberg, and the cities of Mumbai and Stuttgart have twinning arrangements. Twin city relations between Coimbatore and Esslingen were established in 2016.

44. The States of Bavaria and Hamburg have representative offices in Mumbai and Bengaluru. Several German cities have representative offices including the city of Karlsruhe in Pune. North Rhine Westphalia has close relations with West Bengal. Pune and the city-state of Bremen have an informal cooperation agreement. Himachal Pradesh and Rhineland Palatinate are discussing closer cooperation.

Culture:

45. The Indo-German cultural relations have a long tradition that was derived through the systematic and academic study of Indian literature, especially Vedas and Upanishads, and also translation of famous works from Sanskrit to German

language. Most importantly, the translation of Kalidasa's '*Shakuntala*' in 1791 envisaged institution-based scientific research on sacred Indian texts for the quest of Indian philosophy and literature. Max Mueller was the first scholar of Indo-European languages to translate and publish Upanishads and Rigveda. The Max Mueller Bhavan (Goethe Institute), counterpart of Indian Council for Cultural Relations (ICCR) in India, imparts German language training in cities across India.

46. The visit of Nobel Laureate Gurudev Rabindranath Tagore to Germany in 1921, 1926 and 1930 was one of the most important bridges of cultural and intellectual exchange between India and Germany. Gurudev Tagore's impassioned lectures inspired Germans that portrayed the universal relevance of Indian culture and spirituality.

47. The cultural relationship between India and Germany in the 21st century has been supported by established networks in socio-cultural fields. The Indo-German Society (DIG) promotes inter-cultural understanding by bringing together people of both countries through its network with around 20 Chapters. The Gisela Bonn Award, administered by the DIG, is conferred on a German national who significantly contributed towards promotion of Indo-German friendship. Prof. Dr. Hans Harder from Heidelberg University has been selected for the Award 2021.

48. The contemporary cultural exchange between India and Germany endeavours to strengthen cultural relations by encouraging cooperation in the field of culture, media, entertainment and education. ICCR has provided Senior Fellowship and Ustad Gulam Mustafa Khan Fellowship for Music and Dance to Mr. Peter Pannke and Mr. Carsten Wicke respectively. The Fellows will undertake research on Indian classical music forms in their respective Indian universities.

49. The popularity of Indian films in Germany, especially Bollywood films, can be traced back to the unique collaboration between Himanshu Rai and Director Franz Osten that produced the film '*The Light of Asia*' under the banner of Bombay Talkies in 1924. The increased interest in Indian films manifests in the exclusive Indian Film Festival, Stuttgart and Indo-German Film Week in Berlin that witness huge turnout regularly.

50. There is immense interest in contemporary Indian literature and theatre. Literary works and plays of renowned authors in Indian languages have been translated and published by German publishers.

51. Ayurveda, the Indian traditional system of medicine, is being acknowledged as a complementary system of medicine in Germany. Several research institutions in Germany have been contributing to this development through international exchanges and research projects. The holistic approach of Yoga in health care and well-being has led many Germans to embrace Yoga. The presence of Yoga schools in almost all the cities of Germany has made Yoga accessible to the people. The International Day of Yoga is being observed every year across Germany to disseminate the importance of Yoga and its benefits.

52. A Memorandum of Understanding for museum cooperation was signed during the 5th IGC held in Delhi on November 1, 2019. The MoU envisages

cooperation for capacity building in fields of restoration, conservation, education and digital infrastructure.

Higher Education:

53. There are approximately 29,000 (2020) Indian students who are studying in Germany, a number which is rising each year. Around 800 German students are studying or doing internships in India.

54. 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 Ministry of Education (MoE) and Germany's Federal Ministry for Education and Research (BMBF) with UGC and DAAD as implementing partners from India and Germany respectively, at the 3rd IGC. The MoU between DAAD and UGC for the second phase of implementation of the programme (2020-24) was signed during the 5th IGC in November 2019. Nine programmes are currently active under this MoU.

55. The GIAN (Global Initiative of Academic Networks) initiative of MoE has been well received in Germany. So far, 125 courses were approved from Germany.

56. Visiting Advanced Joint Research (VAJRA) from DST and Scheme for Promotion of Academic and Research Collaboration (SPARC) from MoE and New Passage to India (from the German side) are instruments of faculty exchange and student mobility between India and Germany.

Indian Diaspora:

57. There are around 2.03 lakh (December 2021) Indian passport holders and Indian-origin people (about 1.60 lakh NRIs/Indian Passport holders and around 43,000 PIOs) in Germany.

58. The Indian diaspora mainly consists of professionals, researchers and scientists, businessmen, nurses and students. There has been a significant increase in the last few years in the number of qualified Indian professionals in the fields of IT, banking, finance, etc.
