

Brief Embassy Report on Bilateral Relations – ITJ Division, DGCI&S, Kolkata.

India-Germany Bilateral Relations

A. Introduction

1. Indian Trade Journal (ITJ) division of the Director General of Commercial Intelligence and Statistics (DGCIS) brings out weekly publication on Embassy Profile Report providing information on recent policy changes and happenings in other countries that may be of interest to the Indian trading community. This is the Embassy Profile Report depicting the Embassy of Germany.

2. Given its key role in the EU as well as the strength of our bilateral relations, Germany is one of India's most important partners in Europe. India was also among the first countries to establish diplomatic ties with the Federal Republic of Germany after the Second World War. In 2021, India and Germany marked the 70th anniversary of the establishment of diplomatic relations.

3. India and Germany have a 'Strategic Partnership' since May 2000, which has been further strengthened with the launch of Intergovernmental Consultations (IGC) in 2011 at the level of Heads of Government which allows for a comprehensive review of cooperation and identification of new areas of engagement. India is among a select group of countries with which Germany has such a dialogue mechanism. The 6th IGC was held in Berlin on 02 May 2022. As the 4th and 5th largest economies in the world respectively, Germany and India share a robust economic and developmental partnership.

B. Commercial Relations (Trade and Foreign Investment) – Recent facts & figures

4. Germany is currently the 12th largest trading partner for India in 2022-23. India's bilateral trade with Germany has experienced continuous growth. It reached US\$ 24.85 billion in 2021-22 (+14%). In 2022-23, India's bilateral trade with Germany reached US\$ 26.74 billion (+4.9%) with Indian exports at US\$ 10.14 billion registering an increase of 2.5%. Indian imports from Germany reached US\$ 16.60 billion registering an increase of 6.4%. An account of Bilateral commodities trade in goods from 2019-20 to 2023-24 are as under:

Export-Import statistics as per India's Ministry of Commerce data bank from 2019-20 to 2023-24 are as follows :

Export-Import statistics from 2019-20 to 2023-24

(US Dollar billion)

Year	India's Exports	India's Imports	Total Bilateral Trade
2019-20	8.29	13.69	21.98
2020-21	8.13	13.64	21.77
2021-22	9.88	14.97	24.85
2022-23	10.14	16.60	26.74
2023-24	9.84	16.27	26.11

(Source: Department of Commerce, India)

5. Major Indian exports to Germany include electrical products and automobiles/auto components, textile and garments, chemicals, pharma, metal/metal products, food/beverages and tobacco and leather/leather goods. Major exports to India include machinery automobiles/auto components, chemicals, data processing equipment, and electric equipment.

6. Germany is the 9th largest foreign direct investor in India (8th largest in 2021-22) with a cumulative FDI in India of US\$ 14.1 bn. From April 2000 to March 2023. German investments in India in FY 2022-23 were \$ 547 million (US \$ 728 mn in FY 2021-22). As per Indo-German Chamber of Commerce, there are more than 2000 German companies active 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.

C. High-level Engagements

7. There are regular high-level contacts between India and Germany. PM and Chancellor meet regularly for bilateral meetings and on the sidelines of multilateral meetings. Recently, an interaction was held on the sidelines of the G7 Summit in Hiroshima in May. This was preceded by the State visit of Chancellor Scholz to India from 25-26 February 2023. Following the 6th IGC summit, Prime Minister visited Germany from 26-28 June 2022 to attend the 48th G7 Summit under German Presidency at Schloss Elmau. Prime Minister and Chancellor also interacted on the sidelines of the G20 Summit in Bali from 15-16 November 2022.

8. Chancellor Scholz visited India in February 2023 leading a high level business delegation comprising CEOs of major German companies. PM and Chancellor jointly addressed a Business Round table comprising top industry leaders from both sides. The visit saw the release of a common paper titled “India-Germany Vision to Enhance Cooperation in Innovation and Technology” by both sides and the signing of a letter of intent signed between the Department of Science & Technology and Fraunhofer Institute for Solar Energy System for cooperation in green hydrogen.

D. Other Major Areas of Cooperation :

➤ Germany and India support each other on UNSC reforms within the framework of the G4. The last meeting of the G4 was held at the level of Foreign Ministers on the side-lines of the 77th UNGA in September 2022. Germany joined the Coalition for Disaster Resilient Infrastructure (CDRI) in February 2020 and participated in the first Governing Council meeting in March 2020. In April 2021, the German Federal Cabinet approved the signing of the amended framework agreement of the International Solar Alliance (ISA), confirming Germany's accession.

➤ Important bilateral agreements between India and Germany are the Agreement on Avoidance of Double Taxation (DTAA), which came into force in 1996, and the Comprehensive

Agreement on Social Security, which entered into force from May 2017.

- There are several Joint Working Groups (JWGs) between India and Germany in different sectors including Agriculture, Automotive, Energy, Coal, Tourism, Vocational Education, Standardization /Product Safety, Environment, Water & Waste Management, Urban Development, Climate Change, Health, Traditional Medicine, Biodiversity and Railways.
- Several institutional 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 their mutual understanding of national, regional and strategic interests.
- The Indo-German Energy Forum (IGEF) has been promoting cooperation in the priority areas of energy security, energy efficiency, renewable energy, investment in energy projects and collaborations in R&D, taking in to account the environmental challenges of sustainable development.
- During the 6th IGC in 2022 in Berlin, a Joint Declaration of Intent (JDI) on ‘Indo-German Green Hydrogen Task Force’ was signed between the Ministry for Economic Affairs and Climate Action (BMWK), Germany and the Ministry of New and Renewable Energy (MNRE), India to strengthen cooperation in production, utilization, storage and distribution of Green Hydrogen.
- India and Germany are cooperating in the fields of agriculture, application of artificial intelligence and digital technologies, urban mobility, sustainable development and interaction between Start-Ups. During the 6th IGC held on 2 May 2022, India signed several Government-to-Government agreements with Germany focusing on green and sustainable development. In addition, six cooperation agreements were signed during the sidelines between Indian and German institutions.
- The meeting of the Asia Pacific Conference of German Business (APK) shall be held in India in October 2024.
- Several research institutions in Germany have been contributing to the increasing acknowledgement of Ayurveda as a complementary system of medicine in Germany through international exchanges and research projects. The presence of Yoga schools in almost all the cities of Germany has made Yoga accessible to the people. The International Day of Yoga 2023 was organized in Hannover, and witnessed a huge footfall of yoga enthusiasts from the region.
- There are approximately 43,000 (2023, Source: DAAD) Indian students studying in Germany, a number which is rising each year. 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 at the 3rd IGC, followed by MoUs on the sidelines of the 5th IGC.

➤ There are around 2.20 lakh (December 2022) Indian passport holders and Indian-origin people in Germany. The Indian diaspora mainly consists of professionals, researchers and scientists, businessmen, nurses and students. There has been a significant increase in the number of qualified and highly skilled Indian professionals in the fields of IT, banking, finance, etc.

Prepared based on MEA's Report.