

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

Dated : 14/02/2024

India-Germany Bilateral Relations

A. Introduction

1. 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.

2. 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 rise and presence in the number of qualified and highly skilled Indian professionals in the fields of IT, banking, finance, etc.

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

3. As per Indian Foreign Trade Classifications, Germany falls under Region 16 (EU) as a trading country partner. As a trading country partner of India, and as per latest compiled and available statistics with DGCI&S, India's exports to Germany during April'23-January'24 have been recorded at 7.94 billion US Dollar and India's imports from Germany during the same reference period stands at 13.71 billion US Dollar with a resultant trade balance deficit of 5.77 billion US Dollar.

4. Germany is 12th largest trading partner for India in 2022-23. However, it was 7th largest trading partner in 2020-21. India constituted about 1% of Germany's total foreign trade in 2022. Germany constituted over 2.24% of India's total foreign trade in 2022-23 (2.40% in 2021-22). An account of Bilateral commodities trade in goods from 2018-19 to 2022-23 are as under:

Export-Import statistics as per India's Ministry of Commerce data bank from 2018-19 to 2023-24 are as follows :

Export-Import statistics from 2018-19 to 2023-24

(US Dollar Billion)

Year	Total trade	Import	Export
2018-19	24.07	15.17	8.90
2019-20	21.98	13.69	8.29
2020-21	21.80	13.64	8.16
2021-22	24.85	14.97	9.88

2022-23	26.74	16.60	10.14
2023-24 (Apr'23 to Jan'24)	21.65	13.71	7.94

(Source: Department of Commerce, India)

5. India's bilateral trade with Germany has experienced continuous growth until 2018-19 reaching a peak of US\$ 24 bn in 2018-19. It remained almost stagnant since then and reached US\$ 24.8 billion in 2021-22 (+14%). In 2022-23, India's bilateral trade with Germany reached US\$ 26 billion (+4.9%) with Indian exports at US\$ 10.1 billion registering an increase of 2.5%. Indian imports from Germany reached US\$ 16.6 billion registering an increase of 6.4%.

6. Major Indian exports to Germany include electrical products and automobiles/auto components, textile and garments. Major German exports to India include machinery automobiles/auto components, chemicals, data processing equipment, and electric equipment.

7. 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. Germany's 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.

8. Indian investments in Germany have shown an increase in the last few years particularly in value chain activities like manufacturing goods and services locally as well engaging in R&D activities, in addition to trading. There are more than 215 Indian companies operating in Germany in sectors such as IT, automotives, pharma, biotech and manufacturing.

C. Other Major Areas of Co-operation : Between India and Germany are in the areas of Defence, Energy, Environment, Science & Technology. In all these areas there exist institutional arrangement for consultations between these two countries. Further, there exist Joint Working Groups in various fields, including skill development, automotive, agriculture, tourism, water and waste management.

➤ 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.

- 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 sidelines of the 77th UNGA in September 2022.
- 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.
- 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.

Source: [Prepared based on MEA's August, 2023 Report.](#)
