

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

India-Germany Relations

For India, Germany is one of the most important partners in Europe, both bilaterally and in multilateral fora such as the UN. The technological advances made by Germany and its prowess in manufacturing makes it a natural partner for our economic development and growth. India also sees Germany as an important partner for trade and investment and for scientific research and collaboration.

2. Germany considers India as a regional and an aspiring global power, and a large market which provides an alternative to China. In an increasingly uncertain world, Germany recognises the importance of India as a democracy with shared interest in multilateralism and in maintaining a rules-based international order.

3. India was among the first countries to recognize the Federal Republic of Germany (FRG) after the Second World War (WWII). Despite having lost around 24,000 soldiers in WWII, India did not claim any war reparations. A military mission was set up in Berlin in 1948 and diplomatic relations between India and the former FRG were established in 1952. Other than Embassies in the capital cities, both countries maintain Consulates in the following cities:

- Indian Consulates in Germany (3) - Frankfurt, Munich and Hamburg
- German Consulates in India (4) - Mumbai, Kolkata, Chennai and Bengaluru

4. India and Germany recently celebrated 70 years of diplomatic relations with the joint release of a postal stamp.

High-level Visits:

5. There are regular high-level contacts between India and Germany. PM and German Chancellor meet regularly for bilateral meetings in India and in Germany or on the side-lines of multilateral meetings. Most recently, the two leaders participated in the India-EU All Leaders' Meeting held on 8 May 2021. Before this, on 6 January 2021, PM and Chancellor Merkel held their first VTC and discussed issues of bilateral and global interests, including the Covid pandemic, cooperation in climate action and celebrations of the 70 anniversary of establishment of diplomatic ties.

6. Chancellor Merkel led a Ministerial delegation to Delhi from 31 October – 2 November 2019 for the 5th IGC that was held on November 01, 2019. Foreign Minister Heiko Maas, Science and Education Minister Anja Karliczek, Food and Agriculture Minister Julia Klockner, Commissioner for Culture Monika Gruetters and a high-ranking official delegation accompanied Chancellor

Merkel. During the 5th IGC, 22 Joint Declaration of Intent (JDIs) were signed between India and Germany in a diverse range of areas, including *inter alia* on (i) Cooperation in Strategic Projects (Railways), (ii) Green Urban Mobility, (iii) Artificial Intelligence, (iv) Prevention of Marine Litter, (v) Start-ups, (vi) Ayurveda, (vii) Football and (viii) Higher Education. In addition to these, energy, environment, defence, space, urban mobility, smart cities and skill development were identified as areas for further cooperation.

7. The last visit by PM to Germany was when he made a brief stopover in Berlin at the invitation of Chancellor Merkel for a bilateral meeting on April 20, 2018. After that, PM and Chancellor Merkel met on the side-lines 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. PM and Chancellor Merkel had a telephonic conversation on April 2, 2020 in the wake of the Covid-19 pandemic.

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 was launched to an international audience.

9. Chancellor Merkel has visited India 4 times – in 2019 (5th IGC), 2015 (3rd IGC), 2011 (1st IGC) and 2007.

10. German President 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:

11. Bilateral exchanges at Ministerial level take place regularly. Visits of Union Ministers to Germany in 2019-20 include Dr S Jaishankar, EAM to attend the Munich Security Conference and for a Working Visit to Berlin (February 14-15 and 18-19, 2020); Arvind Sawant, Minister of Heavy Industries & Public Enterprises in October 2019 to attend the International Motor Show (IAA Frankfurt); and Nirmala Sitharaman, then Minister of Defence in February 2019 for bilateral meeting.

12. Ministerial visits from Germany to India at the Federal level in 2019-20 include Dr. Gerd Mueller, Minister for Economic Cooperation and Development to Assam (rice and tea plantations, stone quarry) and Delhi in February 2020; Neils Annen, MoS for Foreign Affairs to Delhi in January 2020 to attend the Raisina Dialogue and for familiarisation visit in July 2019; and Svenja Schulze, Environment Minister to attend the Third Indo-German Environment Forum in Delhi in February 2019.

Parliamentary Exchanges:

13. On the German side, the Indo-German Parliamentary Group, which was established in the Bundestag in 1971, has contributed to strengthening links between the two Parliaments. The Indo-German Parliamentary Group (re-constituted in May 2018) for the present term of German Parliament consists of 24 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.

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

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

Institutional Cooperation Arrangements:

16. **Bilateral Arrangements:** Several institutionalized 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, coal, tourism, water and waste management.

17. **Multilateral Arrangements:** 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 regional and international issues such as UN issues, International Cyber Issues, Disarmament & Non-proliferation, Export Control, Asia, and Africa.

Political & Strategic Cooperation:

18. In the last two decades, the relations between India and Germany have intensified across multiple areas of cooperation. India and Germany are 'Strategic Partners' since 2001. The launch of the biennial Inter-Governmental Consultations (IGC) in 2011 provided a platform at the highest level of leadership to impart momentum to the relationship and 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.

19. During the 5th IGC, both sides decided to institutionalise the mechanism of the Foreign Office Consultations (FOC) to be held every calendar year

between the Foreign Secretary of India and the State Secretary of the German Federal Foreign Office. A Track 1.5 Strategic Dialogue was also established to enable key stakeholders to engage annually in an open exchange of views and ideas to enhance mutual understanding of national, regional and strategic interests and to work out recommendations for joint engagement and action on individual policy areas.

Security Cooperation:

20. The MoU on Security Cooperation signed at the 3rd IGC held in Delhi in 2015 defines our collaboration in this field. There are dialogue mechanisms on various aspects of security, including Joint Working Group on Counter Terrorism (last meeting held in 2019); Cyber Consultations (last meeting held in 2017); Joint Steering Group on Disaster Management in Berlin (2016).

Defence Cooperation:

21. 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.

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

23. The defence dialogue mechanisms include High Defence Committee Meetings at Defence Secretary level, Military co-operation Sub-Group Meeting and Defence Technical Sub Group Committee Meeting. Meeting between Defence Secretary and Parliamentary State Secretary was held during the 5th IGC in New Delhi in November 2019. Military co-operation Sub-Group meeting was held on January 30, 2020 in Berlin. Due to COVID-19 pandemic, 10th HDC was held via video conference on 12 Jan 2021.

24. **Visits by Chiefs:**

- a. German Naval Chief Vice Admiral Andreas Krause had visited India in Oct 2018.
- b. German CHOD/ CDS Gen Eberhard Zorn had visited India in Mar 2019 as part of his familiarisation/ inauguration visit to South Asia.

25. **Ship visits/Passex:**

- a. INS Teg participated Hamburg Port Festival in 2012 and INS TARANGINI participated in Hanse Sail Rostock/ Sail Bremerhaven in August 2015.
- b. INS TARKASH was passed through Kiel Canal in Jul 2019.

26. Delegations of the National Defence College (NDC) visited Germany in 2017 and 2018. Delegation from College of Defence Management (CDM) visited

Germany in 2018 and Higher Command Course delegation of Army War College visited Germany in 2019.

Economic & Commercial Relations:

27. Germany is India's largest trading partner in Europe. It has consistently been among India's top ten global partners and was the eighth largest trading partner in FY 2019-20 (6th during FY 2020-21 up to *February* 2021). (Source: DoC)

28. **Bilateral trade** in 2019-20 was US\$ 22 billion *vis-à-vis* US\$ 24 billion in 2018-19. The decrease in bilateral trade has been mainly due to global economic slowdown in 2019, and thereafter the COVID-19 pandemic. Indian exports during this period decreased by 6.87% Y-o-Y to US\$ 8.29 billion, and Indian imports decreased by 9.7% Y-o-Y to US\$ 13.69 billion. For FY 2020-21 until *February* 2021, bilateral trade has been US\$ 19.1 billion. (Source: DoC)

29. **German investments in India:** Germany is the 7th largest FDI source for India. The cumulative FDI from Germany to India since April 2000 is over US\$ 12.9 billion. In 2018-19, German FDI in India was US\$ 886 million and in FY 2019-20, it was US\$ 488 million. For FY 2020-21, German FDI in India has been US\$ 667 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.

30. **Recent German investments in India** include investments in 2019 by Volkswagen Group India & Skoda to set up a Technology Centre at Chakan, a JV set up by Grammer AG to develop products and solutions in automotive and commercial vehicle industry, a greenfield plant by Continental in Pune for its power train business, construction of a new industrial truck production facility in Pune by Kion Group and a new production plant for auto components by Brose Group in Pune. In 2020, the Reline Europe Group specialized in manufacturing pipes for trenchless rehabilitation of sewers has started production plant in India, automotive component manufacturer Brose Group has started a new production plant in Hinjewadi, Pune, Maharashtra, med-tech company Siemens Healthineers has announced setting up of an Innovation Hub in Bengaluru, India, and renewable energy company Baettr has done ground breaking for a new manufacturing facility in Chennai, India.

31. **Indian investments in Germany:** till date, the total investment from Germany to India, cumulative from 1995 onwards is over US \$ 7 billion (Source: IGCC). 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.

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

33. **Fast Track mechanisms** are in place by DPIIT and German Ministry of Economic Affairs & Energy (BMWi) 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.

34. 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, 151 companies are being facilitated through this Programme with a declared investment of nearly € 1.4 billion. More than 30 of these companies are 'hidden champions' that are world market leaders in niche products/technologies.

35. 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, Industry4.0, Start-Ups, Skill development, and water and waste management.

36. 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.

37. The Mysuru-Bengaluru-Chennai **High Speed Railway Project** is high on Germany's agenda. A JDI on Strategic Project was signed during the 5th IGC to continue engagement on this issue.

Development Cooperation:

38. Germany has been an important development cooperation partner for several decades. Total bilateral Technical and Financial Cooperation since it

began in 1958, amounts to approx. 20.62 billion euros (*Source: BMZ*). Energy, sustainable economic development and environment & management of natural resources are priority areas.

39. 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.

40. 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:

41. Bilateral Science & 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.

42. 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 on May 08, 2017.

43. There are more than 150 joint S&T research projects and 70 partnerships between Universities. 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. Till March 2019, 750 scientists from 50 different institutes in India had visited DESY (including multiple visits) and performed 260 experiments. Phase II of the *India@DESY* collaboration for a further 5 years has come into effect in September 2019.

44. The jointly funded Indo-German Science & 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.

45. Indian Space Research Organization (ISRO) has launched 11 German satellites since 1999, most recently in June 2017.

Sister State/City Arrangements:

46. 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.

49. 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:

50. India and Germany have a long tradition of cultural exchanges. Max Mueller was the first scholar of Indo-European languages to translate and publish Upanishads and Rigveda. The Max Mueller Institute (Goethe Institute) imparts German language training in cities across India.

51. There has been growing interest in Germany in Indian dance, music and literature as well as motion picture, TV industry and, in particular, Bollywood. Indian films and artists regularly feature at the Berlin International Film Festival. The Indian Film Festival, Stuttgart and Indo-German Film Week in Berlin also witness huge turnout. There is immense interest in contemporary Indian literature and theatre. Literary works and plays of renowned authors from many vernacular languages have been translated and published by German publishers.

52. The Indo-German Society (DIG) is engaged in promoting inter-cultural understanding by bringing together people of both countries and conveying information about modern India to the German public.

53. The International Yoga day is celebrated across Germany by the Indian diaspora and the Indian Mission in Germany.

53. German interest in Indian literature and philosophy culminated in establishment of the first Chair of Indology at the University of Bonn in 1818 and at the universities in Munich and Greifswald in 1824.

53. Government of India has funded 37 Short-term rotating chairs of Indian studies in German Universities till date.

Higher Education:

54. There are more than 25,000 (2020) Indian students who are studying in Germany. Around 800 German students are studying or doing internships in India.

55. 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 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.

56. 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.

58. The GIAN (Global Initiative of Academic Networks) initiative of MHRD has been enthusiastically received in Germany - nearly 100 courses have been completed so far in collaboration with German academicians under this Programme.

Indian Diaspora:

58. There are around 1.90 lakh (June 2020) Indian passport holders and Indian-origin people (1,48,067 NRIs/Indian Passport holders and 42,500 PIOs) in Germany.

59. The Indian diaspora mainly consists of professionals, businessmen/traders, nurses and students. There has been an increase in the last few years in the number of qualified Indian professionals in the fields of IT, banking, finance, etc.

Multilateral Cooperation:

60. Germany and India support each other on UNSC expansion within the framework of the G-4. Last meeting of the G4 at the level of Foreign Ministers took place on the side-lines of the 74th UNGA in September 2019.

61. Germany, as the chair of NSG, played a constructive role in Vienna in 2008 which approved an India-specific waiver to enable civil nuclear cooperation with India.

62. Germany extended support to India's candidature for Export Control Regimes - the Wassenaar Arrangement and the Australia Group.

63. Germany voted in favour of Pakistan's inclusion in the Grey List of Financial Action Task Force (FATF) in June 2018.

64. Germany joined the Coalition for Disaster Resilient Infrastructure (CDRI) in February 2020 and participated in the first Governing Council meeting in March 2020.

65. 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.

July 2021