

Brief Embassy Report on Bilateral Relations – ITJ Division, DGCIS, Kolkata.

India-Germany Bilateral Relations

A. Introduction

1. Indian Trade Journal (ITJ) division of the Directorate 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 for 05.11.2025 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 and the 7th IGC is proposed to be held later this year. 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 continued to be the 12th largest trading partner for India in 2023-24. In 2021-22, it was India's 11th largest trading partner and the 7th largest trading partner in 2020-21. India constituted about 1% of Germany's total foreign trade in 2023 and Germany constituted over 2.37 % of India's foreign trade in 2023-24. While the balance of trade has been in favour of Germany, bilateral trade has experienced continuous growth over the last few years. It reached USD 29.40 billion in 2024-25. In 2022-23, India's bilateral trade with Germany was USD 26.74 billion with Indian exports at USD 10.14 billion. An account of Bilateral commodities trade in goods from 2020-21 to 2024-25 are as under:

Export-Import statistics from 2020-21 to 2024-25 between India-Germany

(USD billion)

Year	India's Exports	India's Imports	Total Bilateral Trade
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
2024-25	10.54	18.86	29.40

(Source: Department of Commerce, India)

5. Major Indian exports to Germany include electrical products and auto components, textile and garments, chemicals, pharma, electronics, metal/metal products, food/beverages and tobacco and leather/ leather goods, optical and medical apparatus. Germany is an export-led economy and major exports to India include machinery, automobiles/auto components, aircraft & aviation parts, chemicals, data processing equipment, and electric equipment.

6. Germany is the 9th largest foreign direct investor in India with a cumulative. FDI in India of USD 14.5 bn. from April 2000 to December 2023. German investments in India in FY 2023-24 were USD 507 mn (USD 547 million in FY 2022-23 and USD 728 mn in FY 2021-22). As per the Indo-German Chamber of Commerce, there are more than 2000 German companies active in India. German investments in India have been mainly in transportation, electrical equipment, metallurgical industries, services sector (particularly insurance), chemicals, construction activity, trading and automobiles. Most major German companies including the automobile and machinery giants are present in India. India offers significant prospects for cooperation with Germany, including in the areas of infrastructure, energy, and environmental and high technology.

7. German Mittelstand (SME) companies comprising over 90% of the German manufacturing sector are known as the backbone of the German economy. There has been a targeted effort to attract the Mittelstand's investment to India through the Embassy's Make in India Mittelstand (MIIM) Program. The MIIM is a Market Entry Support Programme for German Mittelstand (SMEs) and Family-Owned Companies being implemented by Embassy of India to support high potential Mittelstand companies with medium to long-term potential for manufacturing in India. Currently, 218 companies are being facilitated through this MIIM programme with a declared investment of over 1.74 billion Euros. Many of these companies (over 30) are hidden champions, which are global market leaders in niche products/technologies.

8. Indian investments in Germany have shown an increase in the last few years. Besides trading, Indian companies are setting up value chain activities in Germany, manufacturing goods and services locally as well as engaging in R&D and innovation activities. More than 215 Indian companies are operating in Germany. Sectors such as IT, automotive, pharma, biotech and manufacturing have received a major portion of Indian investments.

9. German development cooperation has been and remains an important component of bilateral economic relations for the last 60 years. The total volume of bilateral technical and financial cooperation by the end of 2023 amounted to about Euro 24 billion. Germany has also made at least Euro 10 billion of new and additional commitments till 2030 under the GSDP whose projects include trilateral development cooperation (TDC), solar partnership, solar alliance and agro-ecology. In 2023, the German Government has committed a total volume of Euro 1.05 billion for new funding for developmental projects and programmes. This includes Euro 995.8 mn. for financial cooperation projects, Euro 42 mn. for technical cooperation and Euro 9.6 mn. for the special initiative focusing on the transformation of agricultural and food Systems. Under the GSDP, development cooperation will support R&D, technology transfer and other intervention in the areas of energy efficiency, sustainable urban development, green mobility, climate change mitigation and adaptation, forest and biodiversity conservation, etc. India is also receiving support for reforestation under International Climate Initiative (IKI), which is part of the German government's international climate finance commitment.

High-level Engagements

10. There are regular high-level contacts between India and Germany. PM and Chancellor meet regularly for bilateral meetings and on the sidelines of multilateral summits. In the last two years alone, both leaders met six times. The latest interaction was held on the sidelines of the G7 Summit held in Apulia, Italy on 14 June 2024 where the two leaders briefly met. Prior to the G7 Summit in Italy, both sides reviewed progress in the bilateral Strategic Partnership on the sidelines of the G20 Summit held in New Delhi on 10 September 2023 and discussed ways to deepen cooperation in areas like defence, green and sustainable development, critical minerals, mobility of skilled personnel and education. Prior to the G-20 Summit in New Delhi, both leaders also met on the sidelines of the G7 Summit in Hiroshima in May 2023 and during the State visit of Chancellor Scholz to India from 25-26 February 2023. The State visit of Chancellor Scholz was the first stand-alone visit by a German Chancellor to India since the creation of the IGC framework. There are regular high-level contacts between India and Germany.

11. 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, Standardisation /Product Safety, Environment, Water & Waste Management, Urban Development, Climate Change, Health, Traditional Medicine, Biodiversity and Railways.

➤ India has proposed to sign a Memorandum of Cooperation (MoC) with Germany on establishing a bilateral mechanism under Article 6.2 of Paris Agreement, which will facilitate diffusion of decarbonizing technologies, equipment and infrastructure as well as implementation of mitigation actions, thereby contributing to achievement of nationally determined contributions of both countries. MNRE hosted a German delegation in New Delhi on 27th May 2024 for discussions on the proposed MoC.

- 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.
- India and Germany are furthering cooperation in the areas of application of artificial intelligence and digital technologies, health, agriculture, the manufacturing sector, services, and the social sector. Other areas include the management of urban waste, environmentally friendly means of urban mobility, and conservation of the environment. Both sides are also working on having greater facilitation and interaction between Start-Ups.
- 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.
- India has also invited Germany to join the Global Biofuels Alliance (GBA), which was launched in September 2023 on the sidelines of India’s G20 presidency. The GBA, a multi-stakeholder alliance of governments, international organizations and industries, is an initiative by India as the G20 Chair, to bring together consumers and producers of biofuels and drive development and deployment of biofuels. The Alliance intends to expedite the global uptake of biofuels through facilitating capacity-building exercises across the value chain, providing technical support for national programs, promoting policy lessons sharing, intensifying utilization of sustainable biofuels through the participation of a wide spectrum of stakeholders. It presently has 22 member countries.
- 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 2.46 lakh (December 2023) Indian passport holders and Indian-origin people (about 1.93 lakh NRIs/Indian Passport holders and around 52,864 PIOs) in Germany. 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 and finance.

[Prepared](#) based on MEA's Report.