

# **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 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 28.05.2025 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. On 07 March 2021, India and Germany marked the 70<sup>th</sup> anniversary of the establishment of diplomatic relations.

3. Since May 2000, India and Germany had a 'Strategic Partnership' which had been further strengthened with the launch of Inter-Governmental Consultations (IGC) in 2011 at the level of Heads of Government. The IGC framework allows for a comprehensive review of cooperation and identification of new areas of engagement at the Cabinet level. 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.

4. As the 3rd and 5th largest economies in the world respectively, Germany and India share a robust economic and developmental partnership. Besides strong economic ties, both countries have a shared interest in upholding democratic values, the rules-based international order, and multilateralism as well as the reform of multilateral institutions. Both sides have also acknowledged the need to further deepen bilateral security and defense cooperation to jointly address global security challenges.

5. **6th Inter-Governmental Consultations:** Prime Minister (PM) visited Berlin on 02 May 2022 to co-chair the 6th IGC with Chancellor Olaf Scholz where he was accompanied by External Affairs Minister, Finance Minister, National Security Advisor and Minister of State (I/C) for Science & Technology. Several agreements were signed in diverse fields such as agro ecology, forest landscape restoration, renewable energy, triangular development cooperation, migration and mobility, and health. The Prime Minister and Chancellor also signed a Joint Declaration of Intent on a Green and Sustainable Development Partnership (GSDP).

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

6. As per Indian Foreign Trade Classifications, Germany falls under Region 16 (EU) as a trading country partner. Germany is the 12th largest trading partner of 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. As a trading country partner of India, and as per latest compiled and available statistics with DGCI&S, India's exports to Germany during 2023-24 have been

recorded at 9.84 billion USD and India's imports from Germany during the same reference period stands at 16.64 billion USD with a resultant trade balance deficit of 6.80 billion USD

7. 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. An account of Bilateral commodities trade in goods from 2019-20 to 2023-24 are as under:

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

<b>(USD Billion)</b>			
<b>Year</b>	<b>Total trade</b>	<b>Import</b>	<b>Export</b>
2019-20	21.98	13.69	8.29
2020-21	21.76	13.64	8.12
2021-22	24.85	14.97	9.88
2022-23	26.74	16.60	10.14
2023-24	26.48	16.64	9.84

*(Source: Department of Commerce, India)*

8. Germany was the 9th largest foreign direct investor in India with a cumulative FDI in India of USD 14.5 billion from April 2000 to December 2023. German investments in India in FY 2023-24 were USD 507 million. 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.

9. German Mittelstand (SME) companies comprising over 90% of the German manufacturing sector are known as the back bone 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) Programme. 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.

10. 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.

11. Both countries have taken steps to ensure investors' interests are duly safeguarded. The Fast Track Mechanism (FTM) in India is operational since March 2016 and is led by Department for Promotion of Industry and Internal Trade (DPIIT), New Delhi to resolve issues faced by German investors in India. Similarly, a FTM for addressing issues faced by Indian Companies operating in Germany was set up by German Ministry for Economic Affairs & Energy (BMWi) in April 2019. The mechanism was announced in 2019 at the 5th IGC which started meeting since 2020 and the last meeting was held in March 2024.

### **Bilateral Cooperation**

12. During the 6th IGC held on 2 May 2022, India signed eight Government to Government agreements with Germany focusing on green and sustainable development, green hydrogen, solar /renewable partnership, agro-ecology, forest landscape restoration etc. In addition, six cooperation agreements were signed on the sidelines between Indian and German institutions focusing on medical product regulations, bio safety labs, migration and mobility, occupational safety & health etc. During his visit to India in February 2023, the German Chancellor Mr. Olaf Scholz led a high-level business delegation comprising CEOs of major German companies such as Siemens and SAP. The visit enabled both sides to take stock of the progress on the key outcomes of the 6th IGC, strengthen security and defence cooperation, work towards closer economic ties, enhance the opportunities for the mobility of talent and give strategic guidance to ongoing collaboration in science and technology. Prime Minister and the German Chancellor also jointly addressed a Business Round table comprising top industry leaders from both sides during this visit and released a common paper titled “India-Germany Vision to Enhance Cooperation in Innovation and Technology”, which focuses on scientific and economic collaboration. Chancellor's visit also focused on cooperation on green hydrogen with a letter of intent signed between the Department of Science & Technology and Fraunhofer Institute for Solar Energy System.

### **Energy**

13. Energy is one of the priority areas of bilateral cooperation with Germany. The Indo-German Energy Forum (IGEF) held at Secretary level has been promoting cooperation in energy security, energy efficiency, renewable energy, investment in energy projects and collaborations in R&D, taking into account the environmental challenges of sustainable development. The Forum has four Working Groups viz. (i) Flexibilisation of Existing Thermal Power Plants (which works towards making thermal power plants more 'flexible' -i.e., easy adjustment output over short intervals) (ii) Renewable Energy (iii) Energy Efficiency and (iv) Green Energy Grid Integration.

14. During the 6<sup>th</sup> IGC on 02 May 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. The purpose of the Task Force is to strengthen the cooperation in building enabling frameworks for projects, regulations and standards, trade, joint research and development (R&D) projects, exchange ideas on sectoral developments, and translate practical insights into recommendations for the bilateral political dialogue. The administrative support to the Task Force is provided by the Indo- German Energy Forum (IGEF). Four sub-working groups were constituted under this Task Force, namely, (i) Plant engineering & production of Green Hydrogen; (ii) Quality Infrastructure & Legal Framework; (iii) Finance, Insurance Industry & Trading; (iv) Transportation, Storage and Consumption. The original term of the Task Force

which ended in May 2024 has been agreed to be extended till December 2024 or till a Joint Working Group on Green hydrogen is constituted, whichever is earlier.

15. 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 27<sup>th</sup> May 2024 for discussions on the proposed MoC.

16. 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-stake holder 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.

### Multilateral Cooperation

17. Both countries consult each other and coordinate positions in multilateral fora including G20 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 including UN issues and international cyber issues.

18. Germany and India support each other on UNSC expansion within the framework of the G4. The last meeting of the G4 at the level of Foreign Ministers was held on the sidelines of the 78th UNGA in September 2023, and at the working level, a G4 Director General meeting was held in February 2023.

19. In April 2021, the German Federal Cabinet approved the signing of the amended framework agreement of the International Solar Alliance (ISA), thereby confirming Germany's accession to the ISA. On 10 September 2021, during their visit to Delhi, Parliamentary State Secretaries from the German Federal Ministry of Economic Cooperation and Development handed over the Instrument of Accession to Secretary (Economic Relations), MEA. Germany also joined the Coalition for Disaster Resilient Infrastructure (CDRI) in February 2020 and participated in the first Governing Council meeting in March 2020.

### Security Cooperation

20. The MoU on Security Cooperation signed at the 3rd IGC held in Delhi in 2015 defines bilateral collaboration in this field. There are dialogue mechanisms on various aspects of security, including the Joint Working Group on Counter Terrorism (last meeting held in Berlin in May 2023); Cyber Consultations (last meeting held in Berlin in April 2022); UN Consultations (last meeting held in Berlin in April 2024). With increasing use of new and disruptive technologies by terror groups, the signing of the Mutual Legal Assistance Treaty between India and Germany will ensure greater synergy between the two countries in countering terror by sharing intelligence and coordinating joint operations.

## Defence Cooperation

21. Bilateral Defence Cooperation Agreement signed in September 2006 provides 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. The defence dialogue mechanisms include High Defence Committee Meetings at Defence Secretary level, Military Cooperation Sub-Group Meeting and Defence Technical Sub-Group Committee Meeting. The 17th India-Germany Military Cooperation Sub-Group (MCSG) Meeting was conducted on October 1, 2024 in Berlin. The 11<sup>th</sup> HDC meeting between Defence Secretary and State Secretary was held in Berlin on 27<sup>th</sup> February 2024. Prior to this, the 16<sup>th</sup> Military Co-operation Sub-Group meeting was held from 05 to 06 December, 2023 in New Delhi to finalise the Annual Programme for 2024.

## Railways

22. India and Germany have long-standing cooperation in the field of railways. German company Siemens is supporting the sustainable transformation of India's transportation sector as India seeks to almost double freight capacity on its railway. Siemens Mobility has been recently awarded a Euro 3 billion project in India for delivering 1,200 electric locomotives and providing 35 years of full-service maintenance. This is the single largest locomotive order in the history of Siemens Mobility and the single largest order in the history of Siemens India. This order shows a firm commitment of the Indian Railways to achieve 100% electrification of rail traffic in India.

## Vocational Education

23. Germany is one of India's important partners in **vocational education & training**. India and Germany are working on the areas for cooperation identified at the 12th Session of the Indo-German Joint Working Group held on 7th December 2022 in New Delhi including setting up cluster-oriented structures in India; strengthening of industry-oriented approaches for dual VET, Indo-German initiative for technical education together with MSDE/BMZ/Siemens, and development of demand-oriented VET model for India. Both sides explored new areas of collaboration including skilled gap mapping of professionals from India to facilitate migration and mobility of such professionals from India to Germany. The 13th JWG meeting took place in Berlin on July 27 2023, with discussions focusing on developments in various ongoing VET projects in India and possibilities of further enhancing skilled labour migration from India to Germany in various sectors.

## Agriculture

24. In **agriculture**, India and Germany are currently working in the areas of strengthening post-harvest infrastructure including setting up cold chain infrastructure in India; agricultural mechanisation; livestock breeding; food processing infrastructure; food safety & risk assessment; seed development; veterinary cooperation; dairy research; vocational training in the agricultural sector; enhancing efficiency of domestic distribution, and improving export capability of India's agricultural sector. Germany has invited Indian experts to visit Germany for further cooperation on AI and digitalization in agriculture. The 7th meeting of the JWG took place on 2 March 2021.

## Emerging Sectors

25. 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, environment friendly means of urban mobility, and conservation of the environment. Both sides are also working on having greater facilitation and interaction between Start-Ups.

## APK 2024

26. The 18<sup>th</sup> Asia Pacific Conference of German business (APK) was held from 25-26 October 2024 in New Delhi. Since 1986, the Asia-Pacific Conference of German Business (APK) has been the flagship event organized once in two years by the Asia-Pacific Committee of German Business (APA), bilateral chambers of commerce and the Federal Ministry for Economic Affairs and Climate Action (BMWK) with a view to promote the economic ties between Germany and the Asia-Pacific region.

27. Germany participated as a partner country in RE-INVEST 2024. A German business delegation was led by Svenja Schulze, the Federal Minister for Economic Cooperation and Development. Both sides launched the Indo-German Platform for Investments in Renewable Energies Globally at RE-INVEST 2024.

## Development Cooperation

28. 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 million for financial cooperation projects, Euro 42 million. for technical cooperation and Euro 9.6 million. 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.

29. Some of the examples of fruitful collaboration with Germany are the Nagpur Metro Rail project, Green Energy Corridor Projects in various states (such as Gujarat, Rajasthan, Maharashtra, Andhra Pradesh & Tamil Nadu), and Urban Mobility (Integrated Water Transport in Kochi). There are 30 Technical Assistance ongoing projects in collaboration with GIZ. The Indo-German Solar Energy Partnership has been supporting India's target of achieving 500 GW of renewable energy by 2030. Indo-German partnership on Green Urban Mobility is also an important flagship programme to finance projects for efficient public transport systems. BMZ has also recently agreed to collaborate for Metro Surat. The most recent Annual Meeting of Indo-German Negotiations on Development Cooperation was held in September 2024 in New Delhi.



## Science & Technology

30. In 2024, India and Germany are celebrating the 50th anniversary of Indo - German S&T cooperation, that began in May 1974 under an Inter-Governmental Agreement on ‘Cooperation in Scientific Research and Technological Development’. The Department of Science and Technology (DST) and the German Federal Ministry for Education and Research (BMBF) are the nodal agencies for overall coordination. Both sides witnesses Golden Jubilee events celebrating 50 years of Indo-German S&T cooperation during May 2024 in Darmstadt from the Germany and during October 2024 in New Delhi. An apex Indo-German Committee on S&T, established in 1994 coordinates the implementation of cooperation and reviews joint activities. The last meeting of the Indo-German Joint Committee on S&T was held in Berlin in 2017.

31. Various programmes of S&T collaboration exist between different Indian research Institutes, such as Indian Institutes of Technology (IITs), Indian Council for Medical Research (ICMR), Indian Institute of Science Education Research (IISER) and Council of Scientific & Industrial Research (CSIR) with German research Institutes such as Max Planck Society (MPG), Helmholtz Association, Leibniz Association and German Academic Exchange Service (DAAD). Further cooperation mechanisms include the following:

Under the Indo-German Science & Technology Cooperation Programme, the DST along with the Alexander von Humboldt Foundation, Germany organizes “Indo-German Frontiers of Engineering, INDOGFOE” Symposium alternatively in India and Germany. So far, 12 such symposia, were organized, aimed at bringing together outstanding, early-career German and Indian engineers and scientists from industry, universities, and other research institutions. The highly interdisciplinary symposia enable scholars and scientists to establish long-term bi-national cooperation that strengthen the scientific relationship between India and Germany. An MoU was signed between the CSIR labs and the Fraunhofer Gesellschaft through the German Federal Ministry for Education and Research (BMBF) to promote, establish and expand technological cooperation on 31 October 2019 for 3 years to be automatically renewed every 3 years.

## Culture

32. India and Germany have a long-standing history of cultural and intellectual exchange across literature, film, music, academia, yoga and Ayurveda. Nobel Laureate Gurudev Rabindranath Tagore is widely credited with first establishing an important cultural bridge between the two countries via his visits to Germany in 1921, 1926, and 1930 and subsequent work in literature, philosophy, academia and music. In May 2024, the Tagore Centre partnered with the Duisburg Philharmonic to host a series of concerts to make 30 years of the Tagore Centre in Germany, and the centenary of Austrian composer Alexander Zemlinsky’s Lyrical Symphony, which was based on Tagore’s poems.

33. In August 2023, Ms. Claudia Roth, State Minister for Culture and Media visited India in connection with the G20 Cultural Ministers Meeting. Ms Roth visited several cultural institutions and heritage sites in Mumbai and Varanasi with the intention to deepen cultural relations between India and Germany, particularly in conjunction with sustainable initiatives in film and media. In June 2023, during his visit to Berlin & Bad Meinberg, then President ICCR, Dr Vinay Sahasrabuddhe visited several institutions and met with key stakeholders in the areas of Indology, Ayurveda, Yoga, Buddhism and literature with the view to strengthening India’s soft power and cultural outreach.

34. In 2023, the highlight of Indo-German cultural collaboration was the ‘Namaste Berlin’ event held on August 5, 2023. The daylong event was organized by the Tagore Centre in collaboration with the Kultursommer festival, and the Berlin Senate Department of Culture and Community on the PPP model with 70% funding provided by Kultursommer festival. The event included concerts of classical and contemporary Indian music, folk dances, street food from various states, yoga & Vedic sound healing workshops, Panchatantra storytelling in German, as well as screening of Indian movies and Q&A sessions with mainstream Indian actors & directors. Around 7,000 participants attended the event over the course of 1 day.

35. Yoga continues to be immensely popular amongst Germans, with yoga schools, institutes and studios present in all major cities. In June 2024, the International Day of Yoga event organized in front of in Dresden at the iconic Neumarkt in partnership with the City of Dresden & Free State of Saxony witnessed overwhelming participation of over 750 enthusiasts despite heavy rain. The event was opened with devotional songs by the visually-impaired German singer Cass Mae who was first recognized by the Hon’ble PM Narendra Modi in his podcast, Mann ki Baat.

36. Another major cultural collaboration was the ‘Days of Open Doors’ event organized by the Embassy and TTC in association with the German Foreign Office on November 19 & 20, 2023. The event was attended by Foreign Minister Ms. Annalena Baerbock. Around 11,500 visitors attended the multi-faceted event which showcased Indian street food, classical and contemporary music, tribal art and handicrafts from Madhya Pradesh, Assam and Rajasthan, Ayurveda, and Panchatantra for children. Over the course of August 2023, activities conducted by the Tagore Centre saw a cumulative physical footfall of 20,000 visitors and social media engagement with over 150,000 unique accounts.

37. An MoU to establish the ICCR Chair of Indian Music at the Hannover University of Music, Drama, and Media (Hildesheim) was signed in March 2024. Negotiations are underway to sign a similar MoU establishing an academic chair at TU Dresden. ICCR’s academic and distinguished visitors’ programs and scholarship/fellowship schemes play a key role in strengthening cultural relations by encouraging cooperation in the fields of culture, media, entertainment, and education.

### Higher Education

38. There are approximately 49,483 (2024) Indian students who are studying in Germany, a number which has doubled in the last 4 years. Indian students are the largest cohort of international students in German Universities, many of whom are pursuing their Master and Doctoral studies in Science, Engineering and Technology. 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.

39. Indo-German Programme (IGP) on Higher Education: The signing of the MoUs German Federal Ministry of Education and Research (BMBF) - Indian Ministry of Human Resource Development (MHRD) (incl. funding commitment: 3.5 million Euro per side for 4 years) and German Academic Exchange Service (DAAD) – University Grants Commission (UGC) took place on the fringes of the Indo-German government consultations on 1 November 2019 in New Delhi. In June 2020, the selection meeting for the second funding phase of the Indo- German partnerships took place, where 9 partnerships were selected for the funding period 2020-2024.



### Indian Diaspora

40. 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.

\*\*\*\*

**Source:** [www.mea.gov.in](http://www.mea.gov.in)