



BILATERAL RELATIONS
INDIA - GERMANY

INTRODUCTION

Bilateral relations between the Republic of India and Germany have been traditionally strong due to commercial, cultural and technological co-operation.



HISTORY

During World War I, India was a part of the British Crown. Consequently, the British Indian Army was ordered to contribute soldiers to the Allied war effort, including on the Western Front. Pro-independence activists within the colonial armies sought German assistance in procuring India's freedom, resulting in the Hindu-German Conspiracy during World War I.

During World War II, the Allied war effort mobilized 2.5 million volunteer troops from British India. Subhas Chandra Bose, a prominent freedom fighter for Indian independence, made a determined effort to obtain India's independence from Britain by seeking military assistance from the Axis powers. The Indische Legion was formed to serve as a liberation force for British-ruled India and was principally made up of British Indian prisoners of war and expatriates in Europe.

The newly formed Republic of India was one of the first nations to end the State of War with Germany after World War II and did not claim war reparations from Germany although 24,000 soldiers serving in the British Indian Army died in the campaign to fight Nazi Germany.

India maintained diplomatic relations with both West Germany and East Germany and supported their reunification in 1990.

Germany condemned India for liberating Goa from Portuguese rule in 1961 and supported Portugal's dictatorial regime under Salazar against India. Germany was critical of India for intervening in the 1971 Bangladesh Liberation War. Germany rejected India's 1998 nuclear tests with Chancellor Helmut Kohl saying: "This was the wrong decision for them to take; we do not accept that decision".

BILATERAL RELATIONS

Official visits by German Presidents & Chancellors

In 2013, German Chancellor Angela Merkel led a German delegation which included German Federal Ministers of Transport, Building & Urban Development, Interior, Defence, Education & Research, Parliamentary State Secretary for Environment, Nature Conservation, and Nuclear safety; to the Second India-Germany Intergovernmental Consultations in New Delhi.

On 6 October 2015, Prime Minister Narendra Modi held trade discussions on Indo-German science, technology & education cooperation with Angela Merkel in Bengaluru, India's aerospace and ICT hub, besides exploring opportunities to improve bilateral trade.



STRATEGIC TIES

The India-Germany strategic relationship is limited by the insignificance of German geopolitical influence in Asian affairs. Contrary to France and the UK, Germany has no strategic footprint in Asia.

Over the past decade, Indo-German trade grew in volume but dropped in importance. According to Indian Ministry of Commerce MX data: Total trade between India and Germany was \$5.5billion (3.8% share of Indian trade and ranked 6) in 2004 and \$21.6billion (2.6% share of Indian trade and ranked 9) in 2013.

Indian exports to Germany were \$2.54billion (3.99% ranked 6) in 2004 and \$7.3billion (2.41% ranked 10) in 2013. Indian imports from Germany were \$2.92billion (3.73% ranked 6) in 2004 and \$14.33billion (2.92% ranked 10) in 2013.



CULTURAL & EDUCATION COOPERATION

Germany has supported education and cultural programmes in India. Germany helped establish the Indian Institute of Technology Madras after both governments signed an agreement in 1956 and increased its cooperation and supply of technology and resources over the decades to help expand the institution.

In the late 1960s, German aircraft designer Kurt Tank, who worked for Focke-Wulf during World War II, went to work in India. Kurt was first employed as the Director of the Madras Institute of Technology, and later joined Hindustan Aeronautics, where he designed the Hindustan Marut fighter-bomber, the first military aircraft constructed in India. Kurt Tank left Hindustan Aeronautics in 1967 and by the 1970s had returned to live in Berlin.

Both nations established the Indo-German Science and Technology Centre in New Delhi to promote joint research and development in energy, environment, coal and water technologies.

India and Germany have signed a MoU regarding the teaching of German language in Kendriya Vidyalaya public schools in India and the reciprocal introduction of Sanskrit and modern Indian language in government schools in Germany.

Starting from 1999, several German educational institutions have relied on satellite launch services provided by ISRO. DLR-Tubsat, BIRD, Rubin-8, Compass-1, Rubin-9A, Rubin-9B, BeeSat, UWE-2 & AISAT were all successfully launched using the Polar Satellite Launch Vehicle.

TRADE & INVESTMENT

Stiff competition between foreign manufactured goods within the Indian market has seen machine-tools, automotive parts and medical supplies from German Mittelstand ceding ground to high-technology imports manufactured by companies located in ASEAN & BRICS countries.

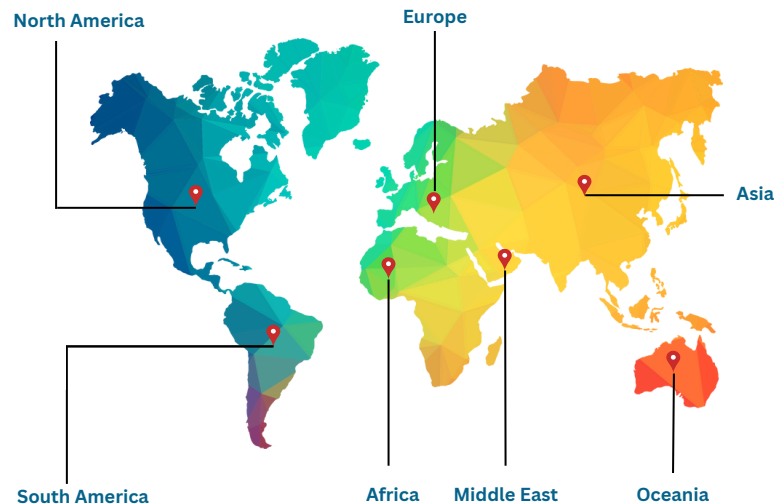
According to German Statistisches Bundesamt Indo-German trade data for 2014 : total trade with India was €15.98billion (ranked 25) with €1.86billion trade balance in Germany's favour. German exports to India was €8.92billion (ranked 25), German imports from India was €7.06billion (ranked 27).

Germany is India's largest trading partner in Europe. Germany is the 8th largest foreign direct investor (FDI) in India. Germany's FDI totaled about 5.2 billion USD during the period 2000-2012, constituting about 3% of total FDI to India. Indian investments in Germany have seen sharp increase in last few years.

Indian Prime-Minister Narendra Modi jointly opened the Hannover trade fair Hannover Messe 2015 on 12 April 2015 along with Angela Merkel and held trade & investment discussions with German Chancellor Angela Merkel in Berlin.

In September 2015, Automotive Research Association of India (ARAI) was instructed by the Indian government to investigate if vehicles from Volkswagen had circumvented Indian laws and regulations on vehicle emission testing following the Volkswagen pollution control scandal. Ambuj Sharma, additional secretary at the Ministry of Heavy Industry, said: "ARAI has been asked to submit its report within a week."

SERVING CLIENTS WORLDWIDE



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