



## India-Germany

This article is based on [“Engaging Germany”](#) which was published in Indian Express on 05/11/2019. It talks about the various narratives of Indo-German relations.

Recently, German Chancellor Angela Merkel visited India to participate in the 5th Biennial Indo-German Intergovernmental Consultations (IGC).

### Background

- India was the **first country** to end the state of war with Germany in 1951, and therefore was among the first countries to grant the Federal Republic of Germany **diplomatic recognition**.
- Germany established its Consulate General in Mumbai in 1951, leading to the establishment of a full-fledged Embassy in New Delhi in 1952.
- India and Germany maintain a '**Strategic Partnership**' since 2000-01.
- In May 2000, both countries adopted the '**Agenda for the Indo-German Partnership in the 21<sup>st</sup> Century**', which includes regular meetings of both Heads of Government as well as annual meetings of the Foreign Ministers.

### Why Germany-India Convergence?

- Germany consider India a pillar of **Asian stability** and a country that shares European political values (Equality, Liberty, Fraternity and Democratic values).
- Germany is struggling to cope with deepening uncertainties – economic, political and security – in its own neighbourhood and the world, because of the following reasons:
  - Brexit Movement in UK
  - Trade War between the US and China
  - Unpredictability of US security policies
  - Rapid economic expansion of China into Europe.
  - Increasing assertiveness of the Sino-Russian political axis
- Presently, Berlin is under pressure to take larger responsibilities for regional stability and contribute more to the maintenance of the global order..
- In the mid of great power rivalry between US, China and Russia, Germany is looking to diversify its global partnerships beyond the Euro-Atlantic space and seeks to bring India into its larger geopolitical calculus.

### Highlights of Recent Visit

The recent visit of Angela Merkel highlights the expanding European interest in partnering Delhi and its increasing role in geo-politics. The two countries signed **pacts** in the fields of space, civil aviation, maritime technology, medicine, education, agriculture and [Artificial Intelligence \(AI\)](#).

- **Defence:** India has invited Germany to take advantage of opportunities in defence sector in the upcoming defence corridors in Uttar Pradesh and Tamil Nadu.

- The countries agreed to work on bilateral and multilateral platforms to counter terrorism and extremism.
- **Economic:** India and Germany agreed to deepen efforts to resume stalled negotiations for a free trade agreement between India and the [European Union](#).
- **Climate Change:** Germany has agreed to provide financial support to climate initiatives aimed at reducing greenhouse gas emissions.
  - Germany expressed its readiness to provide 1.1 billion dollar to India for green urban mobility.
- **Stand on International Issue:** Germany agreed to continue cooperation to expedite reforms in the [United Nations \(UN\) Security Council](#).
  - The two nations also stressed on restoring full functioning of the [World Trade Organisation \(WTO\)](#) dispute settlement system and reforming the organisation without undermining its fundamental principles such as Special & Differential Treatment etc.

## Importance of Germany for India

- **Bilateral Trade:** Germany is India's largest trading partner in Europe. Indian exports to Germany focus on the textile sector, followed by chemical products, electrical engineering products, metal and leather goods and foodstuffs.
  - Germany's role in reviving the India-EU free trade talks i.e [Bilateral Trade and Investment Agreement \(BTIA\)](#) will be very crucial.
  - Germany has also agreed to intensify efforts for an early conclusion of an investment protection agreement between the EU and India.
- **Investment:** In December 2018, German direct investment in India totalled around 11.4 billion US dollars. However, there has been a slump in investment in 2019 amidst global slowdown.
  - Conversely, direct investment in Germany by Indian firms (Estimated Stock of FDI) have now reached 4.2 billion euros.
  - India can be a hot destination for German companies to invest and contribute in 'Make in India' program.
- **Terrorism:** India and Germany have shown their firm commitment to fight against the terrorism.
  - Germany supports India led movement for the adoption of [Comprehensive Convention on International Terrorism](#).
- **NSG Membership:** Germany has supported India's membership bid in the Nuclear Suppliers Group (NSG).
- **G4 Grouping:** India and Germany are members of G-4 along with Brazil and Japan. The G4 nations support each other's bids for permanent seats on the **United Nations Security Council**.
- **Science and Technology:** Germany is India's second most important research partner worldwide, after the United States. This is reflected in the large number of joint Indo-German scientific publications.
  - There are more than 1000 Indian postgraduate students in Germany and India constitute the second largest group of foreign PhD students after the Chinese.
- **Renewable Energy:** Germany, despite being among the countries with the least sunshine hours in the world, is one of the largest solar power producers across the globe.
  - Germany can play an active role in India led [International Solar Alliance](#).

## Challenges

- **Economic Liberalization:** Germany and European Union are sceptical about India's trade liberalization measures.
  - Germany and EU bat for more liberal labour regulations.

- **Kashmir Lockdown:** Germany is concerned about Kashmir lockdown and the rights of minorities in India and has begun to cast a shadow over the “**shared political values**” (freedom and the rights of minorities) with India.
  - Merkel’s cautious public comment on the unsustainability of the current situation in Kashmir is a timely reminder that India’s friends will find it hard to keep quiet if matters don’t improve soon.
- **Technical Issues in Trade Regulation:** India had recently celebrated remarkable improvements in the ease of doing business, indicating its willingness to remove bureaucratic hurdles. However, technical regulations in trade like **testing requirement** are real burden for German Companies.

## Conclusion

In multipolar world order, convergence of India and Germany will be a win-win situation for both the countries due to uncertainties created by US policies and increasing assertiveness of Sino-Russian political axis. Post Brexit, Germany will become a more important player in European Union. Therefore, engaging Germany is not just about India’s bilateral relations with it. It is about collaborating with the Germany led EU as a whole.

### ***Drishti Input***

In the phase of Brexit uncertainty, explain the relevance of Indo-Germany relations in geo-political order.

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