



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 21st 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.

PDF Reference URL: <https://www.drishtias.com/printpdf/india-germany-1>

