

6. India – Germany Relation – International Relation

More for later- German Chancellor Friedrich Merz's India visit German Chancellor Friedrich Merz's visit to India marked 25 years of strategic partnership, resulting in key agreements on defence co-production, green technology, and skilled mobility. The visit underscored Germany's pivot towards India under its "China+1" strategy, deepening cooperation in trade, security, and the Indo-Pacific region.

Context- German Chancellor's Visit to India

Event- The German Federal Chancellor Friedrich Merz visited India for a two-day official trip.

Key Action- Both nations signed and exchanged key agreements in Ahmedabad.

Significance- The visit coincided with two major milestones

- a. 25 years of strategic partnership.
- b. 75 years of diplomatic relations.

1. Key Outcomes of the Visit

The visit resulted in significant agreements spanning defence, technology, sustainability, and mobility.

A. Defence and Security

Defence Industrial Cooperation Roadmap- A key joint declaration was signed focusing on the co-development and co-production of military hardware.

Track 1.5 Dialogue- A new Foreign Policy and Security Dialogue was established to facilitate deeper strategic engagement.

Strategic Focus- PM Modi emphasized simplifying defence trade and enhancing cooperation in the Indo-Pacific region.

B. Technology and Industrial Cooperation

Semiconductors- A **Joint Declaration of Intent** was signed to strengthen cooperation in semiconductor ecosystems.

Critical Minerals- An agreement was reached to enhance cooperation in critical minerals, which are vital for clean energy transitions and strategic industries.

C. Clean Energy and Climate Action

Funding- Germany announced €1.24 billion in fresh funding dedicated to Green and Sustainable Development.

Centre of Excellence- A decision was made to establish an India–Germany Centre of Excellence focused on green technologies, innovation, and climate action.

D. Mobility, Talent, and Education

Visa-Free Transit- Germany announced a visa-free transit facility for Indian passport holders transiting through Germany.

Skills Mobility- A special focus was placed on skills cooperation and the mobility of professionals between the two nations.

Higher Education- A comprehensive Roadmap on Higher Education was exchanged to deepen institutional academic cooperation.

E. Cultural and People-to-People Ties

Maritime Heritage- An agreement was signed for the development of the National Maritime Heritage Complex at Lothal in collaboration with the German Maritime Museum.

Youth and Sports- A new agreement was announced for Youth Hockey development, strengthening sports cooperation.

Indo-Pacific Dialogue- A new consultation mechanism was announced to institutionalize regional dialogue.

2. Areas of Cooperation between India and Germany

A. Political & Diplomatic Cooperation

Historical Ties

- a. India and Germany established diplomatic relations in 1951.
- b. India was one of the first nations to recognize the Federal Republic of Germany after World War II.

G4 Grouping

- Both nations are members of the G4 coalition (India, Germany, Japan, Brazil).
- They support each other's bids for permanent membership in the United Nations Security Council (UNSC).

Strategic Partnership

- Established in 2000.
- Institutionalized through Inter-Governmental Consultations (IGC) since 2011.
- India is among the few countries with which Germany holds cabinet-level dialogues.

Geopolitics- The partnership supports Germany's "China+1" strategy, reducing excessive dependence on China amid rising EU-China trade tensions.

B. Trade and Investment Linkages

Trade Volume

- Germany is India's largest trading partner in Europe.
- It accounts for about one-fourth of India's trade with the EU.
- Bilateral trade amounted to USD 51.23 billion in 2024-25.

Services Trade- Indo-German services trade grew by 12.5% in FY 2024-25, reaching a record USD 16.65 billion.

Foreign Direct Investment (FDI)

- Germany is India's 9th largest foreign direct investor.
- Cumulative FDI inflows stood at USD 15.40 billion (April 2000 – June 2025).
- Investments in FY 2024-25 alone amounted to USD 469 million.

Mechanism- A Fast Track Mechanism is operational to resolve investor issues efficiently.

C. Defence and Security Partnership

Framework- Anchored in the 2006 Defence Cooperation Agreement and its 2019 Implementation Arrangement.

Structured Dialogues- Includes the High Defence Committee, Military Cooperation Sub-Group, and Defence Technical Sub-Group.

Security Cooperation- Guided by the 2015 MoU, covering counterterrorism, cyber security, intelligence sharing, and law enforcement.

Project 75I- Germany has expressed strong interest in participating in India's Project 75I programme for building six conventional submarines.

Military Exercises- Regular engagements include MILAN, PASSEX, TARANG SHAKTI-I, and Exercise Pitch Black to enhance interoperability.

Feature	Project 75 (P75)	Project 75-I (P75 India)
Objective	Construction of six Scorpene-class (Kalvari-class) submarines.	Acquisition of six advanced conventional diesel-electric attack submarines.
Technology	Based on French technology (Naval Group).	Incorporates advanced sonar systems, enhanced stealth, and improved combat management systems.
Status	Successfully constructed indigenously at Mazagon Dock Shipbuilders Limited (MDL).	Extension of Project 75 to meet evolving naval warfare demands.

D. Climate Action and Sustainability

Green Partnership- Launched in 2022, with Germany committing €10 billion to support India's climate transition.

Key Projects- Solar energy partnerships, agro-ecology projects, Green Energy Corridors, Nagpur Metro, and urban transport modernization.

Global Platforms- Collaboration within the International Solar Alliance (ISA) and Coalition for Disaster Resilient Infrastructure (CDRI).

E. Technology and Innovation

Milestone- India and Germany marked 50 years of Science & Technology (S&T) cooperation (1974–2024).

IGSTC- The Indo-German Science and Technology Centre funds joint projects in clean energy, health, waste management, and advanced manufacturing.

Inclusivity- Initiatives like Women in Science and Engineering Research (WISER) promote gender diversity in science.

F. Migration & Mobility

Agreement- The Migration and Mobility Partnership Agreement (2022) facilitate the movement of students, apprentices, and skilled workers.

Economic Need- Germany faces labour shortages in healthcare, engineering, and technical trades, creating opportunities for Indian professionals.

State-Level Cooperation- Agreements with Kerala, Telangana, and Maharashtra facilitate structured migration for nursing and technical sectors.

Legal Reform- Germany's liberalised Skilled Immigration Act (2023) further enhances mobility.

3. Challenges in Bilateral Relations

Strategic Differences

Autonomy vs. Alliance

- India- Follows a doctrine of strategic autonomy, resisting formal military alliances.
- Germany- Deeply integrated within NATO and EU security frameworks.

Geopolitical Stance- India's neutral stance on the Russia-Ukraine conflict contrasts with Germany's firm opposition to Russian aggression.

Economic and Political Barriers

Trade Barriers- Indian companies face non-tariff barriers in Europe, such as the Carbon Border Adjustment Mechanism (CBAM).

China Factor- Germany's economic dependence on China limits its ability to fully back India against China, unlike the USA or Japan (QUAD members).

Human Rights- Germany has frequently criticized India's internal policies (e.g., Kashmir, press freedoms), causing diplomatic friction.

Climate Divergence

India- Insists on a "phase-down" of coal to address energy poverty before a full transition.

Germany- Pushes for quicker emissions reductions and stricter climate standards.

4. Way Forward

Defence Ties- Strengthen strategic trust through joint military exercises and collaboration on submarine projects.

Trade Agreements- Accelerate the India-EU Free Trade Agreement (FTA) to reduce tariff/non-tariff barriers and improve market access.

Climate Finance- Deepen cooperation by ensuring ambitious goals are backed by finance, technology transfer, and capacity building.

Resolving Barriers- Address trade hurdles like CBAM and utilize the Fast Track Mechanism for investment issues.

People-to-People- Expand the Migration and Mobility Partnership and strengthen youth, sports, and educational exchanges to foster mutual understanding.

Source- <https://www.thehindu.com/opinion/editorial/more-for-later-german-chancellor-friedrich-merzs-india-visit/article70506317.ece>