**Indo-German Strategic Partnership, and its importance today**

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India and Germany are celebrating 60 years of a fruitful bilateral relationship since the establishment of diplomatic relations. The Indo-German strategic partnership, launched in 2001, has grown in substance over the years, based on common values of democracy and freedom, and shared interests in the security, economic and technological spheres. Germany is a key partner for India on a range of regional and global issues including the reform of the UN Security Council. As the two leading economies in their respective regions, economic cooperation is growing in various sectors, encouraged by the prospects offered by their expanding economies. Trade increased 17% to Euro 15.44 billion during 2010, after a dip of 2% in 2009 on account of the global recession, and is expected to reach Euro 20 billion by 2012. Due to the strong relationship between the automotive sectors of the two countries, Indian exports to Germany feature nontraditional exports like automobile components. Two-way investment is also growing, albeit from a low base, with Germany interested in India’s booming market and German automotive firms completing several strategic investments in the Indian market. Indian companies have established beachheads in Germany and are acquiring German companies due to their favorable location at the heart of Europe, with all the attendant benefits of access to markets, best management practices and technology. The growing relationship is expressed in the proliferation of business delegations which visit Germany, particularly on the occasion of the Hannover Trade Fair and the Koln Carbon Expo, and the increase in the number of official working groups and delegations. Apart from all this, Germany is a major participant in India’s development programs.

The strategic dimension of the relationship is characterized by frequent high level consultations including meetings at the Summit level. Germany played a helpful role during its Chairmanship of the Nuclear Suppliers Group in 2008, when the NSG was considering exempting India from the restrictions on civil nuclear commerce. This was despite domestic pressures to phase out nuclear energy, to which Germany succumbed this year. The German Government’s far sighted decision to be on good terms with the world’s largest democracy was deeply appreciated in India.

India and Germany cooperate in the joint quest for permanent membership of the UN Security Council (along with Brazil and Japan in the G-4). Germany is also keen to explore the possibilities of arms exports to India. EADS is part of the Eurofighter consortium, which is still in the race for the MMRCA tender for 126 jet fighters. At Aero India 2011, Eurofighter offered a high-tech co-production and development partnership if India were to choose the aircraft. Given India’s current emphasis on domestic defence production and the indigenous development of technology, this would appear to be the right strategy to woo defence orders in the Indian market.

The growing bilateral relationship is multifaceted and extends to people to people contacts. There is deep appreciation in Germany of ancient Indian culture and philosophy and its Universities and Institutions of higher learning devote sizable resources to understanding ancient Indian metaphysics, tradition and culture. The Tagore Centre at the Indian Embassy in Berlin thrives with activity and its daily events are a big draw. Germany is probably one of the few West European countries in which Bollywood movies run on prime time TV and latest hits get featured in major Multiplexes, including the futuristic architectural wonder and tourist draw – the Sony Centre. This indicates a puzzling but real connection between the peoples of the two countries. Cooperation in the field of educational exchanges is growing.

On the Indian side, there is admiration for German technology and quality. Germany is not surprisingly India’s top trade partner in the EU, and second largest technology partner in the world. There are numerous collaborations between Indian and German institutes and departments dealing with scientific research and training, and active German collaboration in India’s space programme and support to top Indian technological institutes. The two countries have launched an Indo-German science and technology centre in New Delhi in 2008.

The Indo- German relationship extends to many other spheres. India and Germany conduct an active dialogue on climate change. India and Germany have recently concluded a memorandum of understanding on vocational education, an area where Germany is very strong. This initiative will go a long way in addressing the demand for skilled personnel in India’s manufacturing sector.

Globally, India and Germany are rising powers. Germany’s foreign policy priorities have traditionally been EU integration and the Trans-Atlantic Alliance. Today, Germany is displaying increasing self-confidence in pursuing an autonomous foreign policy, the latest example being its decision to abstain on the UN Security Council Resolution on Libya. Germany along with France had also opposed the invasion of Iraq and had expressed unease on US plans for stationing of missile defenses on the European continent, a decision which had upset Russia. It has developed good relations with both Russia and China. Germany is also active in European councils such as the Deauville initiative with France and Russia, even as its weight in EU decision making structures following the ratification of the Lisbon Treaty has (marginally) increased. Germany had desired that the EU play a more active political role on the international stage, preferably under its (and like-minded countries’) direction, though the current Eurozone crisis may have postponed the realisation of these aspirations. At the same time it continues to give priority to its close relationship with the United States, which continues to provide a security umbrella to West Europe.

However, as the world becomes smaller and power equations shift, new options for strategic partnerships are bound to arise. China is emerging as a geopolitical player on the European continent with its aggressive and coordinated drive to increase its presence in the economic and political spheres. China’s trade volumes with Germany eclipse India’s trade with Germany by several multiples; it reached around Euro 91 billion in 2009, and reportedly 130 billion in 2010, against India’s 13 bn in 2009 and 15 bn in 2010. Germany’s crucial role as an arbiter of the Euro’s fate makes it a critically important dialogue partner for China which has invested a large proportion of its burgeoning foreign exchange reserves in the Euro. Irritants over IPR infringements have not impeded German investments in China which now exceed German investments in Europe, according to an apex German industry and commerce association. The feasibility of a direct rail route between the two countries has been tested, while a Chinese freight forwarding firm acquired the German Parchim airport in 2008. Germany is in fact perceived to be getting closer to the BRICs, and within the BRICs, primarily to China. Martin Wolf, noted *Financial Times* columnist, has used the term “Chermany” to describe the two export driven, manufacturing powerhouses which have both accumulated huge trade surpluses with their trading partners.

Due to the good understanding between the Indian and German leadership and the sound foundations on which the Indo-German relationship rests, the prospects for its continued enhancement are good. The Indo- German partnership is not a zero sum game and is based on shared values and interests. However India needs to be aware of the changes in Germany’s external engagement profile and focus on enhancing its own engagement with Germany by exploring every avenue to add greater depth to bilateral relations. Taking measures to upgrade the technological capacity of its manufacturing sector and quality of its scientific establishment, further improving the investment environment, and intensifying cooperation in the economic, defence production, educational, vocational education and S & T sectors - are means to these ends. India needs to take proactive measures under an overall national strategy to enhance and upgrade its relations with Germany.