

Trade between India and the German federal states – trends and developments

After having discussed the current trends in the Indo-German trade relations, this article analyses the trade relations between the different federal states of Germany and India. For 2014, the reference periods from 2008, 2010 and 2012 are being used to shed light on the various trade patterns. The overview of the respective states should provide a useful insight into current trade developments and product groups that constitute the economic relations between Germany and India.



North Rhine-Westphalia

Germany's most populous state continues to account for the largest share in the total trade volume (24.11%) with India, representing almost one-fourth of the overall trade. In comparison to 2013, exports declined in 2014 and resulted in a trade balance deficit of €17 million in 2014. The export decline is particularly caused by the decrease of Machinery exports from €827 million to €693 million. Exports of Chemicals declined more than €10 million in 2014 over 2013 (€408 mil. in 2013; €398 mil. in 2014). On the other hand, imports of Garments rose by 17% to €438 million and Chemicals by 3% to €196 million in 2014 as compared to the previous year.



Baden-Württemberg

Baden-Württemberg's total trade volume with India of €2,465 million secures its second place in the ranking list. The import of Chemicals increased 36% in 2014 (€102 million) compared to 2013 (€75 million). Garments come to be the biggest product category of imports in 2014 with €151 million trade volume. Motor vehicles and parts thereof, which has been the biggest sector of import in 2013 (€166 million), has declined to the third place in 2014 (€107 million). Although the exports of Machinery declined

from €646 million in 2013 to €619 million in 2014, it still accounts for almost half (42%) of the exports to India. This is followed by Computer, Electrical and Optical products (€178 million).



Bavaria

Indo-Bavarian trade relations continue to be an important pillar in the overall trade dynamics, as this state ranks third with a share of 14.67%. As in North Rhine-Westphalia and Baden-Württemberg, Machinery constitutes the largest export share of Bavaria (€389 million). In 2014, Electrical equipment (€196 million) and Computer, Electrical and Optical products (€169 million) ranked second and third. As compared to 2013, total trade volume increased by 4% in 2014, despite the current macro-economic challenges. However, India could achieve improved growth rates in its two top export sectors to Bavaria (Garments: +11.4% to €234 million in 2014; Chemicals: +4.2% to €123 million). The import of Metals almost doubled from €12 million in 2013 to €23 million in 2014.



Hamburg

The trade volume of Hamburg with India declined by 13.2% in 2014. This can mainly be attributed to the decrease of exports of Other vehicles from €560 million in 2013 to €335 million in 2014, but this refers to special sales of Airbus planes in 2013. On the other hand, the second biggest export product, Chemicals, increased from €50 million to €63 million. With €245 million in 2014, the imports of Garments rose by €34 million in comparison to previous year (2013: €211 million). Chemicals follow with €120 million on the second place of the import list. Also imports of Agricultural products declined to €98 million in 2014 (2013: €103 million).



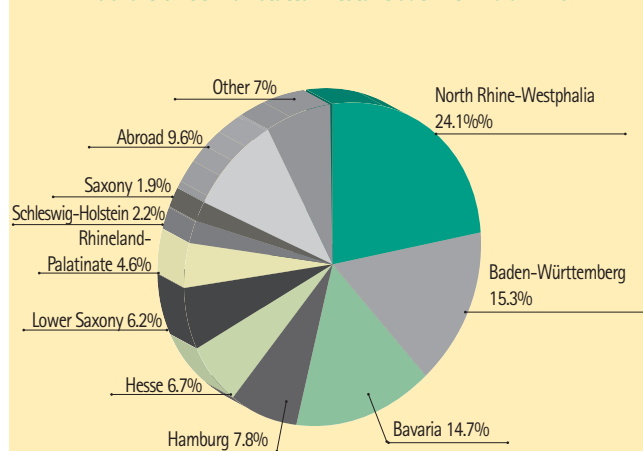
Hesse

The State of Hesse which is considered as Germany's banking hub achieved a trade surplus with India of €157 million (excluding financial transactions). Hesse is one of the few states which man

German federal states' Trade with India from 2008 to 2014
(in € mil.)

Federal states	2008	2010	2012	2014	% share of total trade 2014
North Rhine-Westphalia	3,445	3,977	4,244	3,888	24.1%
Baden-Württemberg	2,201	2,354	2,652	2,465	15.3%
Bavaria	2,013	2,128	2,289	2,365	14.7%
Hamburg	1,049	1,260	1,383	1,265	7.8%
Hesse	766	922	1,027	1,077	6.7%
Lower Saxony	892	931	1,165	1,008	6.2%
Rhineland-Palatinate	480	679	760	737	4.6%
Schleswig-Holstein	292	344	454	357	2.2%
Saxony	226	324	278	298	1.9%
Saxony-Anhalt	313	363	292	280	1.7%
Bremen	128	169	252	210	1.3%
Berlin	150	252	269	196	1.2%
Thuringia	118	152	205	144	0.9%
Saarland	145	189	313	133	0.8%
Brandenburg	73	86	79	86	0.5%
Mecklenburg-W.P	52	61	90	67	0.4%
Abroad	986	1,430	1,803	1,551	9.6%

% share of German states in total trade with India in 2014



aged to increase its total trade volume with India by 0.3% from €1.04 billion in 2013 to €1.07 billion in 2014. In comparison to 2008, the total trade volume in 2014 increased by 40.6%. The state's biggest exports in 2014 were Chemicals, which rose from €147 million to €158 million within one year. Very notable is the export in increase of Pharmaceutical products, which has shown a significant growth of 85% from €70 million in 2013 to €130 million in 2014. The most imported products from India in 2014 were Chemicals (108 million), followed by Pharmaceutical products (€42 million) and Leather products (€41 million).



Lower Saxony

Though Lower Saxony's total trade with India declined by 49.8% from 2013 to 2014, the trade volume between the two countries increased by 13.01% during the period 2008 to 2014. Whereas the biggest export group Machinery nearly stagnated in 2014 (€117 million) compared to 2013 (€119 million), Motor vehicles and parts thereof and Chemicals declined sharply. Motor vehicles and parts thereof exports declined by 51.3% from €95 million in 2013 to €46 million in 2014. Also Chemicals lost 17.1% from €103 million in 2013 to €85 million in 2014. Garment imports from India, the biggest sector, increased from €74 million in 2013 to €95 million in 2014. The second biggest import product Chemicals declined from €95 million to €87 million in 2014 by 8.4%.

Rhineland-Palatinate



Rhineland-Palatinate has continuously achieved a trade surplus with India since 2008. However, the trade surplus shrank from €125 million in 2010 to €70 million in 2012 and €31 million in 2014. Nevertheless, total trade volume has increased by 53.3% from €480 million in 2008 to €737 million in 2014. Total trade in 2014 increased by 5.5% over 2013. In 2014, Chemicals, as main export product, increased by 16.0% from €174 million to €202 million from 2013 to 2014. Machinery (€73 million in 2014) and Chemicals make up for 72% of Rhineland-Palatinate's total exports to India indicating the relevance of these two sectors for the region. Metals, the third largest item of exports in 2014, declined from €26 million in 2013 to €22 million. India exports Chemicals (€101 million) as well as Leather and leather products (€67 million) to Rhineland-Palatinate.

Schleswig-Holstein



In 2013, the total trade of Schleswig-Holstein declined almost by one fifth (-19.1%) to €367 million. While in 2014, the total trade declined to €357 million. Despite the general decrease, the main export item, Machinery, increased by 17.6% in 2014 (€60 million) compared to the previous year 2013 (€51 million). The second most important export product, Chemicals, stabilized at €24 million, followed by Electrical equipment and Computer processing, which declined by 39.2% from €28 million in 2013 to €17 million in 2014. Number one imports from India in 2014 were Textiles, which registered an increase of €8 million from €17 million (2013) to €25 million (2014), whereas imports of Chemicals declined from €32 million to €21 million.

Saxony



Saxony replaced Saxony-Anhalt as the biggest trading partner for India among the East German states. Saxony achieved a trade surplus of €126 million in 2014 (2013: €94 million). In 2014, total trade increased by 32.7% in comparison to 2008. The exports of Machinery increased significantly from €37 million to €75 million (+103% compared to 2013). Paper and parts thereof with €36 million (+71% compared

to 2013) and Motor vehicles and parts thereof (€30 million in 2014) rank second and third in the export statistics. The two leading import items from India of this state – Chemicals and Machinery – experienced considerable growth rates of 45%, 18% respectively as compared to 2013. The top three import list is completed by Computer, Electrical and optical products, which declined by 17.6%.



Saxony-Anhalt

Saxony-Anhalt has a continuously increasing trade deficit with India (2010: -€90 million, 2012: -€104 million, 2014: -€106 million). The total trade volume was at €280 million in 2014. Exports to India have been continuously decreasing till 2013, but in 2014, exports rose by 24.3% to €87 million. Imports from India have been on the decline (-11.9% to €193 million in 2014). Saxony-Anhalt's leading exports to India in 2013 were Chemicals with €29 million, which compared to 2013 (€30 million) had almost no change. The second important export product, Machinery, increased significantly by 45.5% over the previous year amounting to €16 million in 2014. Also the export of Metals increased significantly and almost doubled from €7 million (2013) to €13 million (2014). Most relevant imports from India were Pharmaceuticals (€58 million), Garments (€54 million) and Metals (€37 million).



Bremen

Total trade increased by 11% from €189 million in 2013 to €210 million in 2014. The biggest export item of 2013, Metal products, declined from 2013 to 2014 by 75% to €4 million. In contrast, the export of Motor vehicles and parts thereof rose from €5 million up to €20 million in 2014 and became the biggest export product in 2014. Export of Machinery (€15 million) and Computer, Electrical and Optical products (€9 million) ranked second and third. On top of the list of imports from India are Textiles (€23 million), which increased by 21% compared to 2013, Metal products (€16 million) as well as Leather and leather products (€14 million) in 2014.



Berlin

The city state and Germany's capital's trade with India declined sharply from 2012 to 2013. This trend reversed in 2014 and the total trade volume rose to €196 million compared to €172 million in 2013. Furthermore, total trade increased from 2008 to 2014 by 33.3%. The main exports of the state to India were Electrical equipment with €35 million (2013: €37 million), Machinery with €26 million (2013: €28 million) as well as Computer, Electrical and optical products with €24 million (2013: €14 million). Imports from India stayed constant within the year. From 2013 to 2014, the import of Garments stagnated at €12 million and Electrical equipment at €10 million. Notable is the decrease in imports of Chemicals (2013: €10 million, 2014: €2 million) and on the other side the increase of Leather products from €8 million to €11 million from India.



Thuringia

The total trade volume of Thuringia with India declined in 2014 down to €144 million from 2013 (€146 million). Yet, from a mid-term perspective, total trade still increased by 22% from 2008 to 2014. Since 2008, the state has been continuously running a trade surplus and maintained this trend also in 2014 with a surplus of €76 million. The most important exports to India that contributed to this surplus in 2014 were Computer, electrical and optical products (€24 million), Machinery (€21 million) as well as Electronic equipment (€18 million). Main imports from India were Textiles (€5 million), Electrical equipment (€4 million) and Garments (€4 million).



Saarland

The total trade volume with India declined strongly as compared to the last two years (2012: €312 million, 2013: €218 million, 2014: €132 million), due to the decline of Metal products exports in 2013, which decreased from €90 million to €18 million in 2014.

Machinery tops the list of imports in 2014 with €46 million, but also experienced a loss of 23.3% over 2013 (€60 million). Imports from India comprised of Machinery (€7 million), Metal products (€6 million) and Motor vehicles and parts thereof (€6 million).



Brandenburg

The total trade of Brandenburg with India registered a moderate growth of 3.1% from 2008 to 2014. Compared to the previous year (2013), the trade volume declined 4.4% to €86 million. Whereas

the state's two leading export categories of 2013 - Machinery (€8 million) and Chemicals (€5million) - declined in 2014, the third most important export product - Wood and wood products increased from €4 million in 2013 to €5 million in 2014. The biggest import item from India in 2014 - Chemicals remained at €20 million, representing 23% of all Indian exports to Brandenburg, followed by Food and animal feed (€5 million) and Electrical equipment (€3 million).



Mecklenburg-Western Pomerania

Mecklenburg-Western Pomerania, with a total trade volume with India of €66 million in 2014, represented 0.41% of total Indo-German trade. The East German state has been achieving trade surpluses with India since 2008 and maintained this trend again in 2014 (+€23 million). Total trade with India has increased by 4.2% to €67 million from 2013 to 2014. The top items of exports were Machinery with €31 million, which posted a growth of 41% last year over 2013. Wood and wood products (€5 million; 2013: €9 million) as well as Electrical equipment (€4 million) ranks second and third respectively in the list of exported products to India in 2014. Mecklenburg-Western Pomerania's main imports from India in 2014 were Food and animal feed worth €2.5 million, Computer, electrical and optical products (€1.7 million) as well as Electrical equipment (€1.5 million).

Generally only a few states (Hesse, Rhineland-Palatinate, Saxony, Brandenburg, North Rhine-Westphalia, Mecklenburg-Western Pomerania) managed to increase the total trade with India in 2014 as compared to 2013, which is in line with the overall trend of Indo-German Trade in 2014. The decrease in German Machinery exports was the main reason for the general decline.

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