

Indo-German Trade

Germany continues to be a strong trading partner for India

The history of Indo-German trade that spans over 500 years forms the basis for strong business and economic ties between the two countries. According to the data of the last 55 years - from when it has been compiled systematically and on a regular basis - trade between India and Germany has been increasing steadily with the result that the two countries have strong trading partners for each other.

Year	1960	1965	1970	1975	1980	1985	1990	1995	2000*	2005*	2010*	2011*	2012*	2013*	2014*
Indian exports	185	244	261	483	1,135	1,472	2,510	3,602	2,464	3,396	6,193	7,505	6,994	6,892	7,040
Indian imports	834	1,049	571	863	1,372	3,377	2,732	4,574	2,064	4,202	9,254	10,871	10,384	9,189	8,925
Trade volume	1,019	1,293	832	1,346	2,507	4,849	5,242	8,176	4,548	7,598	15,447	18,376	17,378	16,081	15,965

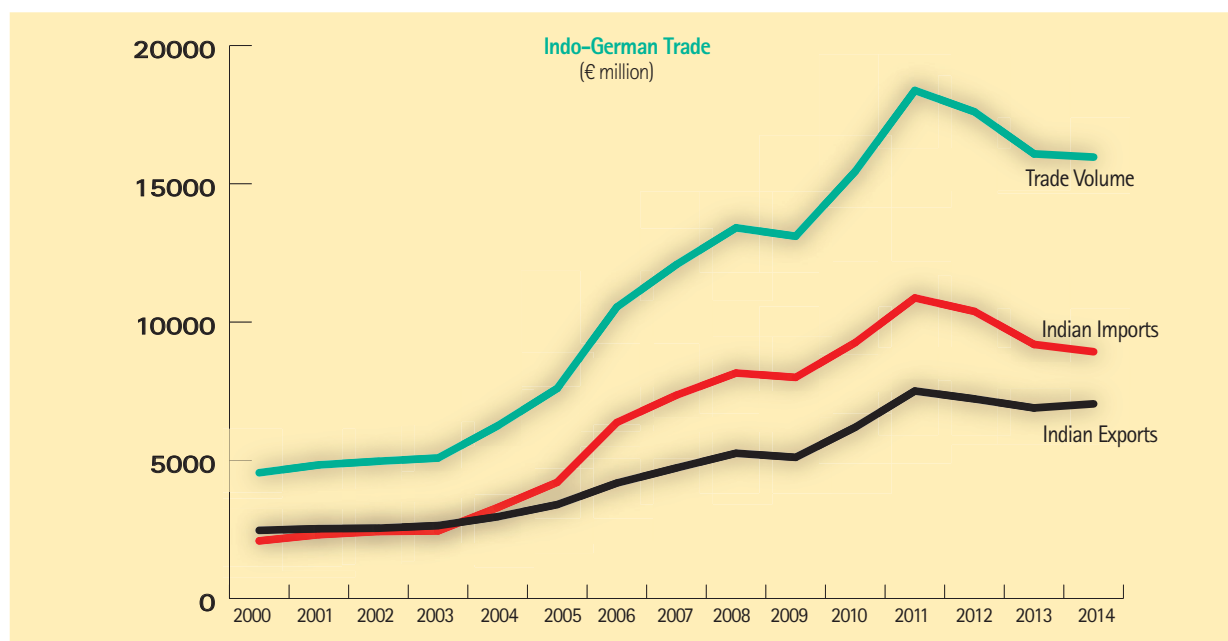
* in € Source: Federal Statistical Office, Wiesbaden

There have been several ups and downs in the development of Indo-German trade over the last 55 years. While growth was steady at a much lower level before liberalization, Indo-German trade increased multi-fold post-liberalization. 1991, the year when the Indian markets opened up, was a significant year for Indo-German Trade as it marked a first-ever export surplus (of DM 376 million) for India. In the following year (1992), imports grew more than exports, whereby exports and imports almost reached parity. From 1995 to 1997, imports from Germany overtook exports and trade volumes grew steadily with the impetus coming from import growth. From 1998 to 2002, the two-way trade increased significantly, however, India once again exported more to Germany than imported from the country.

The most significant increases in Indo-German Trade, largely fuelled by phenomenal rises in imports, were recorded from 2003 onwards, where overall trade grew at over 20% per annum with a phenomenal 39% increase in 2006. Bi-lateral trade achieved its peak growth in the year 2006, when the first significant milestone of €10 billion was crossed. Earlier, from 2003 to 2006, the volume of trade doubled in

the four years. In 2007, a new landmark of €12 billion was crossed. However, the growth had slowed down with the bi-lateral trade growing only a modest 14.6%. The volume of trade crossed one more milestone of €13.4 billion in 2008, and in 2009, though bilateral trade once again crossed the €13 billion mark, the volume of trade was €306 million less (-2.3%). In 2010, bi-lateral trade once again grew impressively posting a growth of nearly 18% - the highest in the last three years. Trade between the two countries reached a volume of €15.4 billion (€15,447 million), adding on at least €2.3 billion in 2010 over the previous year's figure.

Bilateral trade once again posted a healthy rise of nearly 19% amounting to nearly €18.4 billion in the year 2011. In the year 2012, expectations of a €20 billion target by 2012 suffered a setback with the slowdown in the world economy which result in a bilateral trade volume of €17.4 billion (-4.2%). In 2013, trade between the two countries declined once again by nearly 7.5% to €16.1 billion. During last year (2014), there was a steady improvement in bi-lateral trade which resulted in the trade volume registering only a small decline of 0.7%.



Source: Federal Statistical Office, Wiesbaden