

German-Indian Business Outlook 2026



Foreword

In a global environment increasingly shaped by geopolitical uncertainty, shifting trade relations and technological disruption, India continues to strengthen its position as a key destination for German businesses. This year's German-Indian Business Outlook shows that confidence in the Indian market remains high – and is increasingly translating into concrete, long-term commitments.

German companies operating in India expect strong revenue growth, rising profitability and further workforce expansion. Investment intentions are particularly robust, with many companies planning to significantly increase both the scale and depth of their engagement. India is no longer viewed solely as a future sales market, but as an integral part of corporate sales, production and sourcing strategies.

At the same time, the survey highlights a notable shift in the competitive landscape. Indian companies are rapidly strengthening their industrial and technological capabilities, resulting in growing competitive pressure for German firms. This development reinforces the need for localization, partnerships and continuous adaptation to the dynamic Indian market.

Recent geopolitical developments also illustrate that the economic environment remains complex. Geopolitical tensions in several major oil producing regions – specifically in Russia, the Middle East and Venezuela – have led to higher oil prices and increased volatility in global energy markets, placing additional pressure on India as a major energy importer. This is reflected in the depreciation of the Indian rupee, rising import costs and calls for more prudent energy consumption.

A key structural catalyst is the successful conclusion of the negotiations on the EU-India Free Trade Agreement in early 2026. Nearly all respondents expect the agreement to have a positive impact on their business activities. Many companies are already preparing concrete measures – particularly in terms of local production, sourcing from India and building new partnerships – highlighting the agreement's potential to deepen economic integration between Europe and India.

At the same time, challenges persist. Bureaucratic hurdles, regulatory complexity and external geopolitical risks continue to shape corporate risk assessments. Successfully

navigating this environment requires strategic foresight.

With this study, we aim to provide decision-makers with a well-founded assessment of current developments, opportunities and risks. We would like to thank all participating companies for their valuable insights and contributions to the German-Indian Business Outlook 2026.



Andreas Glunz
Managing Partner
International Business,
KPMG in Germany



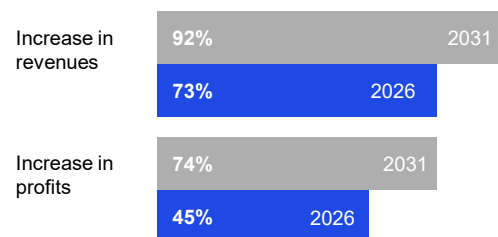
Jan Nöther
Director General,
Indo-German Chamber
of Commerce



Executive Summary (1/2)

Revenue and profit growth expectations remain strong

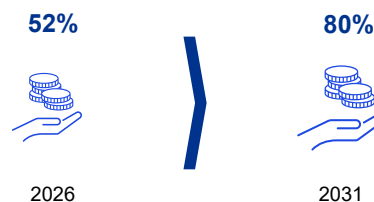
Nearly three-quarters of German companies in India expect revenues to increase in 2026. Looking ahead, optimism intensifies further: 92% forecast rising revenues by 2031, with 46% anticipating growth of more than 20%. Profit expectations follow a similar trajectory



Source: KPMG in Germany and AHK India, 2026

Investment commitment to India is deepening

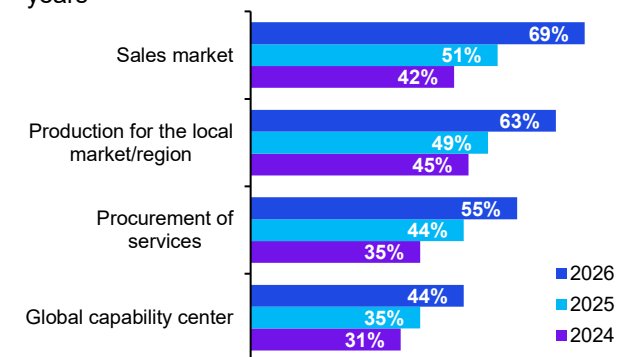
Investment momentum remains strong. In 2026, more than half of companies (52%) plan to expand their investments in India, and by 2031 this share rises to 80%



Source: KPMG in Germany and AHK India, 2026

India's functional roles expand further

In 2026, 69% of companies rate India as a relevant or highly relevant sales market, while 63% already rely on India for production for the local or regional market. 55% use India as a hub for service sourcing, and 44% for global capability and shared service centers, highlighting India's growing role as a fully integrated business location. All aspects have gained considerably in importance compared to previous years



Source: KPMG in Germany and AHK India, 2026

“ In a volatile geopolitical environment and amid shifting global trade relations, German companies are doubling down on India. Strong growth expectations, rising investments and increasing localization show that India is not just a future market, but a core pillar of more resilient international business strategies. ”



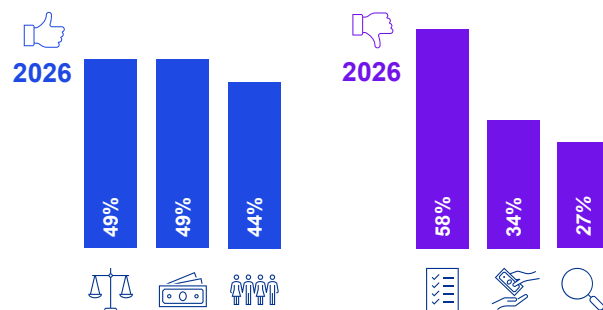
Andreas Glunz
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Executive Summary (2/2)

Major location advantages, but also significant challenges

The three best-rated location factors cited by German companies are India's political stability and relatively low labor costs (both 49%) and the availability of highly qualified personnel (44%)

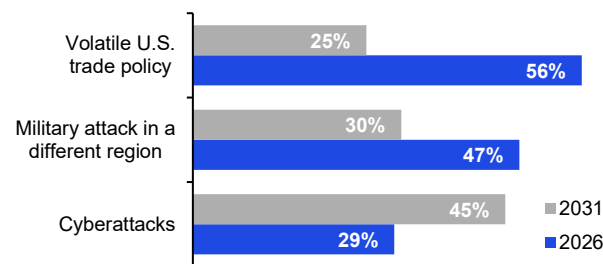
Bureaucratic hurdles (58%), the high level of corruption (34%) and Quality Control Orders (27%) pose the greatest challenges for German companies in India



Source: KPMG in Germany and AHK India, 2026

Geopolitical tensions and cyber risks dominate risk perceptions

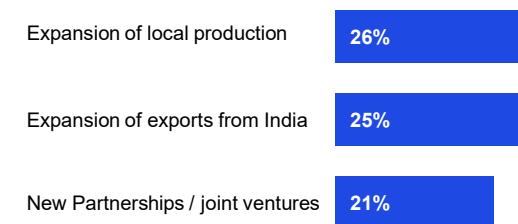
External risks are increasingly shaped by global geopolitics. 56% of German companies assess the volatile U.S. trade policy as the most relevant exogenous risk for their business in India. At the same time, concerns over military conflicts outside India have risen sharply, with 47% citing a potential military attack in another region as a significant risk. Cyberattacks are also gaining importance: while 29% already see those as a major risk today, this share increases to 45% in 2031



Source: KPMG in Germany and AHK India, 2026

EU-India Free Trade Agreement strongly supports business activities

The EU-India Free Trade Agreement is viewed with overwhelming optimism: 96% of respondents expect a positive impact on their business in India. Companies are already translating this into action, particularly through local production expansion, export growth from India, and new partnerships, reinforcing India's strategic importance amid global trade realignments.



Source: KPMG in Germany and AHK India, 2026

“ The results clearly demonstrate the depth and maturity of Indo-German business relations. With the EU-India Free Trade Agreement as a catalyst, companies on both sides are expanding trade, production and partnerships – bringing the bilateral economic relationship to a new level.



Jan Nöther
Director General,
Indo-German
Chamber of Commerce

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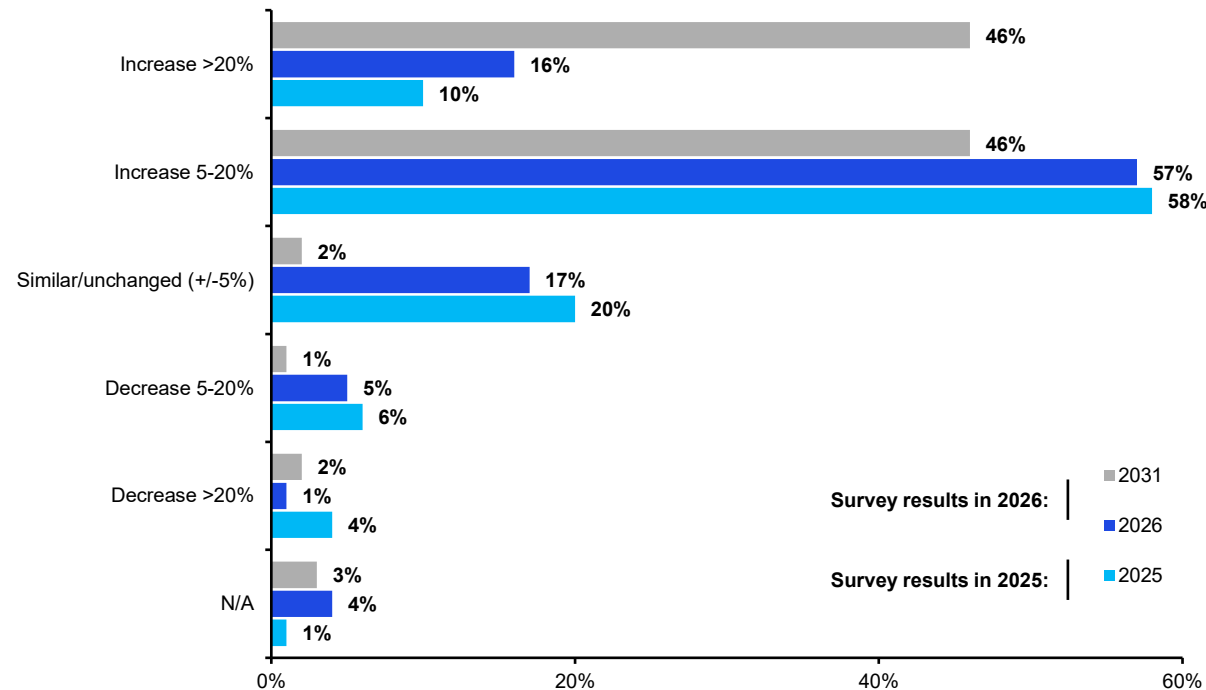
01

Business development and outlook



Revenue growth outlook remains strong

Figure 1: Revenue expectations in India



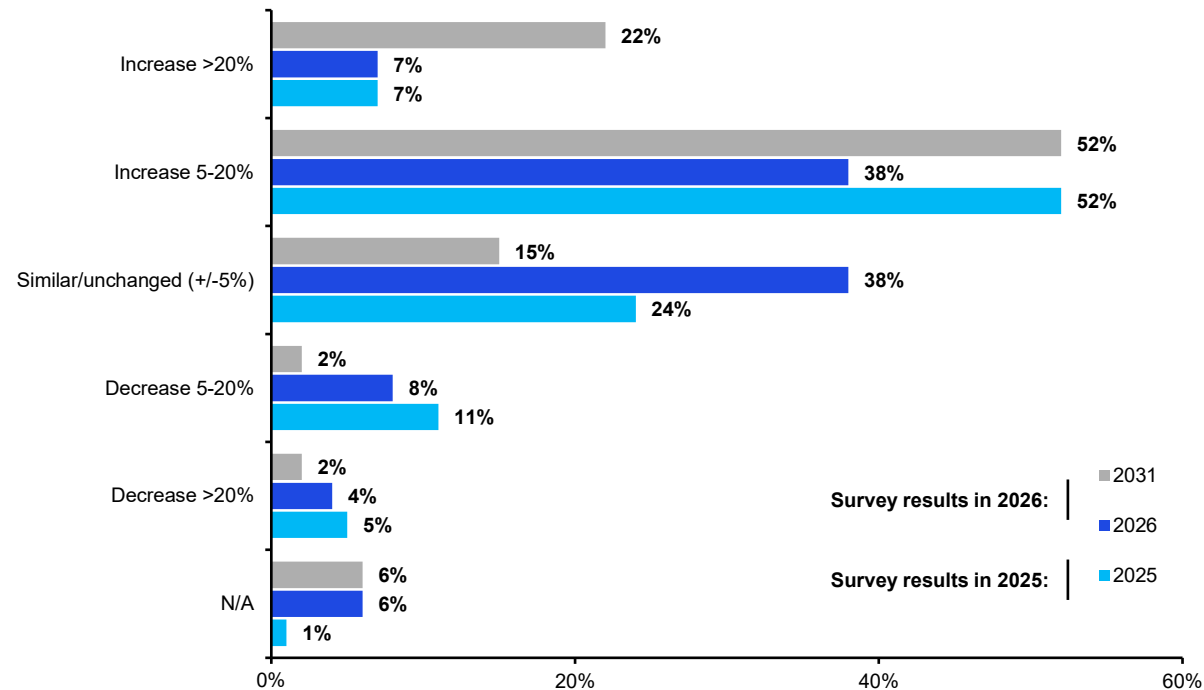
Source: KPMG in Germany and AHK India, 2026 (n=105); 2025 (n=98); rounding differences possible



- Revenue expectations among German companies in India continue to be highly positive
- Nearly three quarters of respondents (73%) expect revenues to increase in 2026. Looking ahead to 2031, optimism strengthens further, with 92% forecasting revenue growth and 46% expecting increases of more than 20%
- Only a negligible share of companies anticipate declining revenues, underscoring sustained confidence in India as a growth market

Profit outlook strengthens further over the medium term

Figure 2: Profit expectations in India



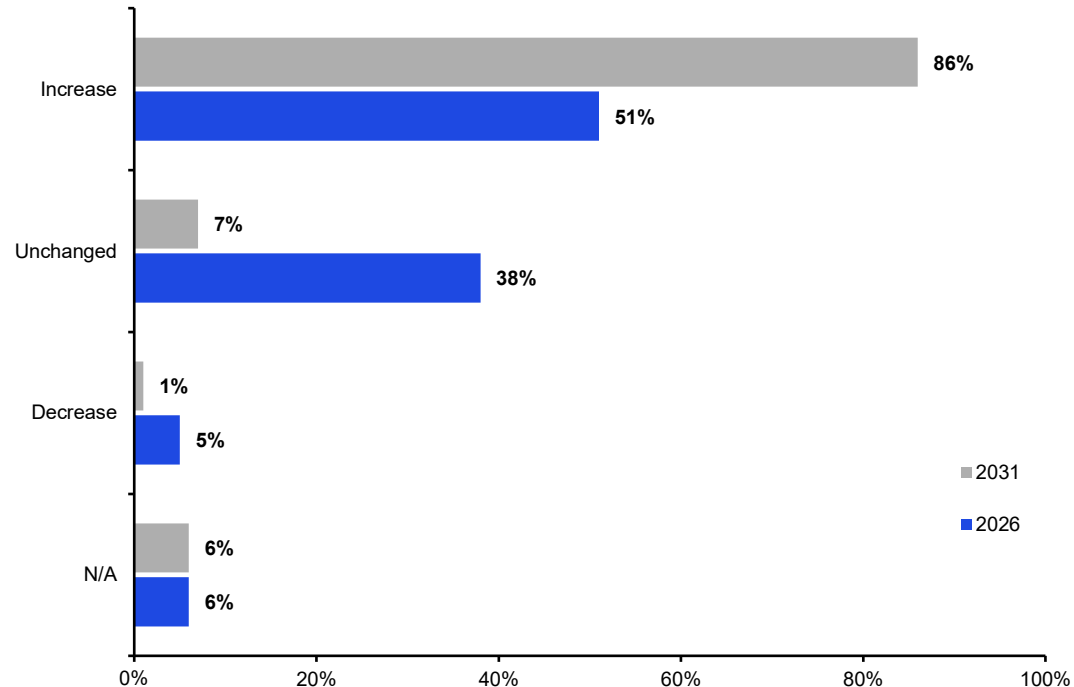
- Profit expectations of German companies in India remain clearly positive. Nearly half of respondents (45%) expect profits to increase by at least five percent in 2026
- Over the medium term, profit growth expectations strengthen significantly: Within the next five years, more than one in five companies (22%) anticipate profit increases of more than 20%
- Only a small minority of respondents expect declining profitability in 2026 (12%) and in the medium term (4%)



Source: KPMG in Germany and AHK India, 2026 (n=105); 2025 (n=83); rounding differences possible

Workforce expansion expected to accelerate

Figure 3: Expectations regarding the development of the number of employees in India



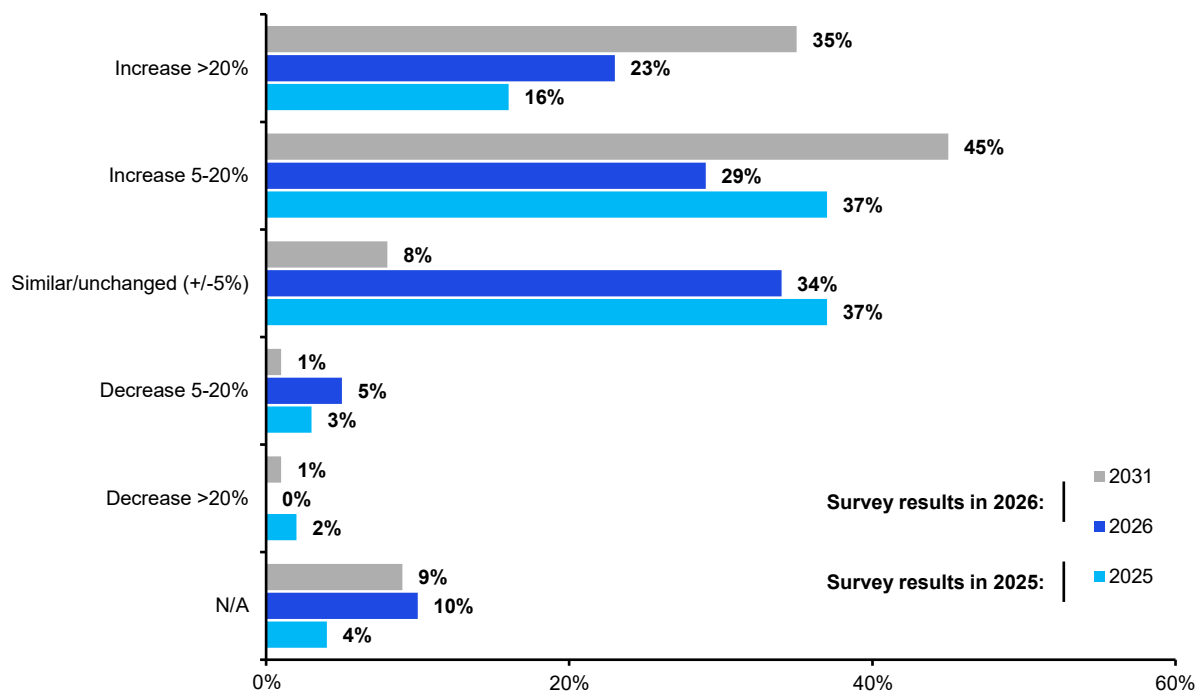
Source: KPMG in Germany and AHK India, 2026 (n=103); rounding differences possible



- Employment plans of German companies in India remain expansionary. 51% of respondents expect to increase their workforce in 2026, while 38% anticipate stable employment levels
- Looking ahead to 2031, hiring intentions strengthen markedly: 86% of companies plan to expand their workforce in India
- Only a marginal share of companies foresee staff reductions (5% in 2026; 1% over the next five years)

Investment momentum in India remains robust

Figure 4: **Development of investment activities in India**



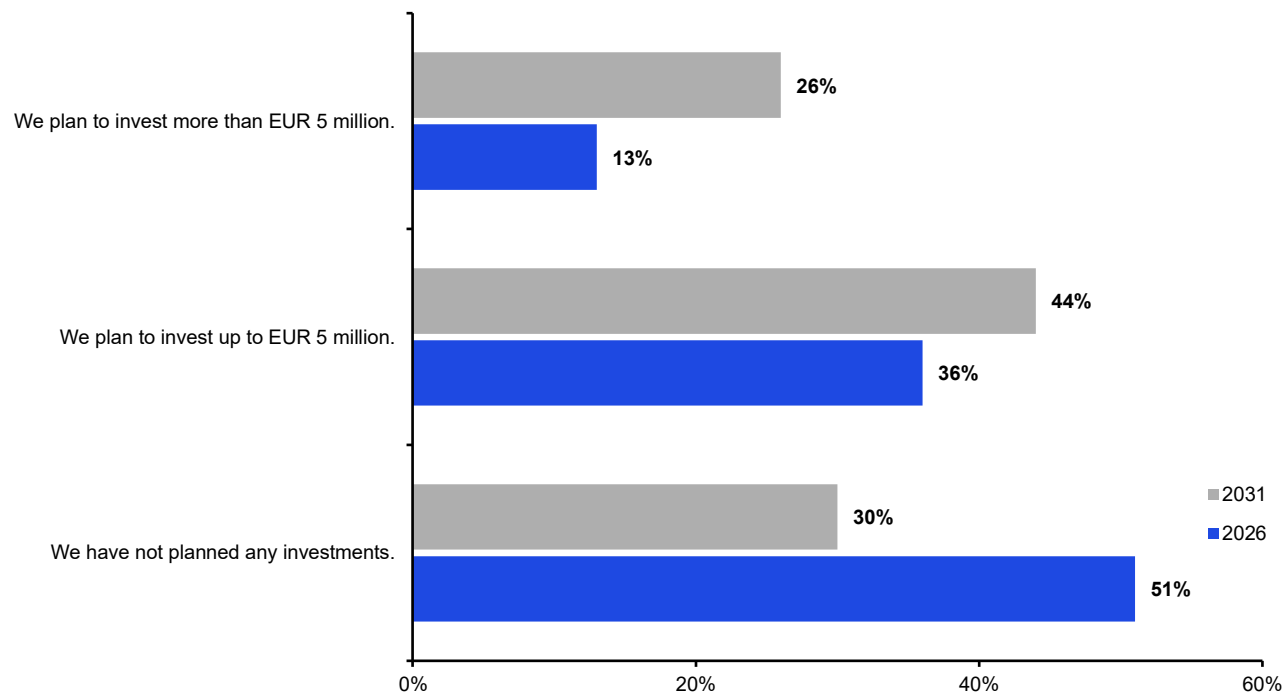
Source: KPMG in Germany and AHK India, 2026 (n=104); 2025 (n=97); rounding differences possible

- Investment activity among German companies in India remains high. 52% of respondents plan to increase their investments in 2026, with nearly half of them anticipating growth of more than 20%
- Over the medium term, investment intentions strengthen further: Over the next five years, 80% of companies expect to expand their investments in India, and more than one-third foresee increases exceeding 20%
- Planned investment reductions remain the clear exception, confirming India's sustained attractiveness as an investment destination for German companies



Investment volumes set to increase

Figure 5: Investment plans in India



Source: KPMG in Germany and AHK India, 2026 (n=104); rounding differences possible



- Around half of the surveyed companies (49%) plan investments in India in 2026. 36% intend to invest up to EUR 5 million, while 13% expect investment volumes exceeding EUR 5 million
- Looking ahead to 2031, investment plans broaden significantly: around 70% of respondents foresee investments in India, with the share of companies planning to invest more than EUR 5 million rising to 26%
- The shift towards larger investment volumes suggests that India is increasingly viewed not only as a growth market, but increasingly as a location for more substantial and long-term capital commitments

02

Location factors

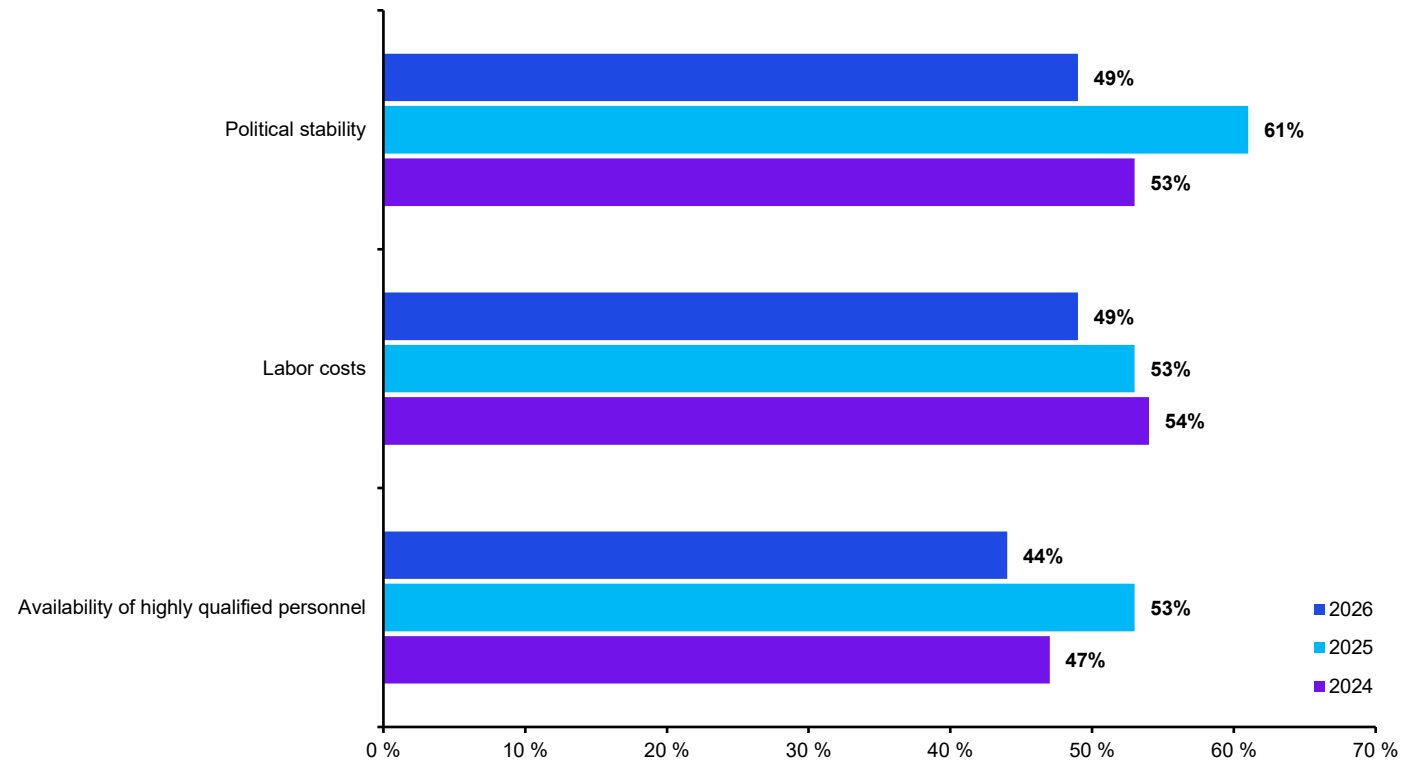


Political stability and availability of skilled employees at low cost remain key advantages

- **Political stability** remains the most frequently cited positive location factor, although its relevance declined to 49% in 2026, down from 61% in 2025
- Relatively low **labor costs** are cited by 49% of companies in 2026 as one of the top three location factors, but also lost some importance year over year
- India's demographic strengths also remain highly relevant. With a median age of just 29.2 years, India is one of the youngest major economies in the world, offering access to a vast, dynamic and well-educated labor force. This is reflected in the 44% of respondents who cite the **availability of highly qualified personnel** as a key location advantage
- All three top-rated location factors decline slightly year-over-year



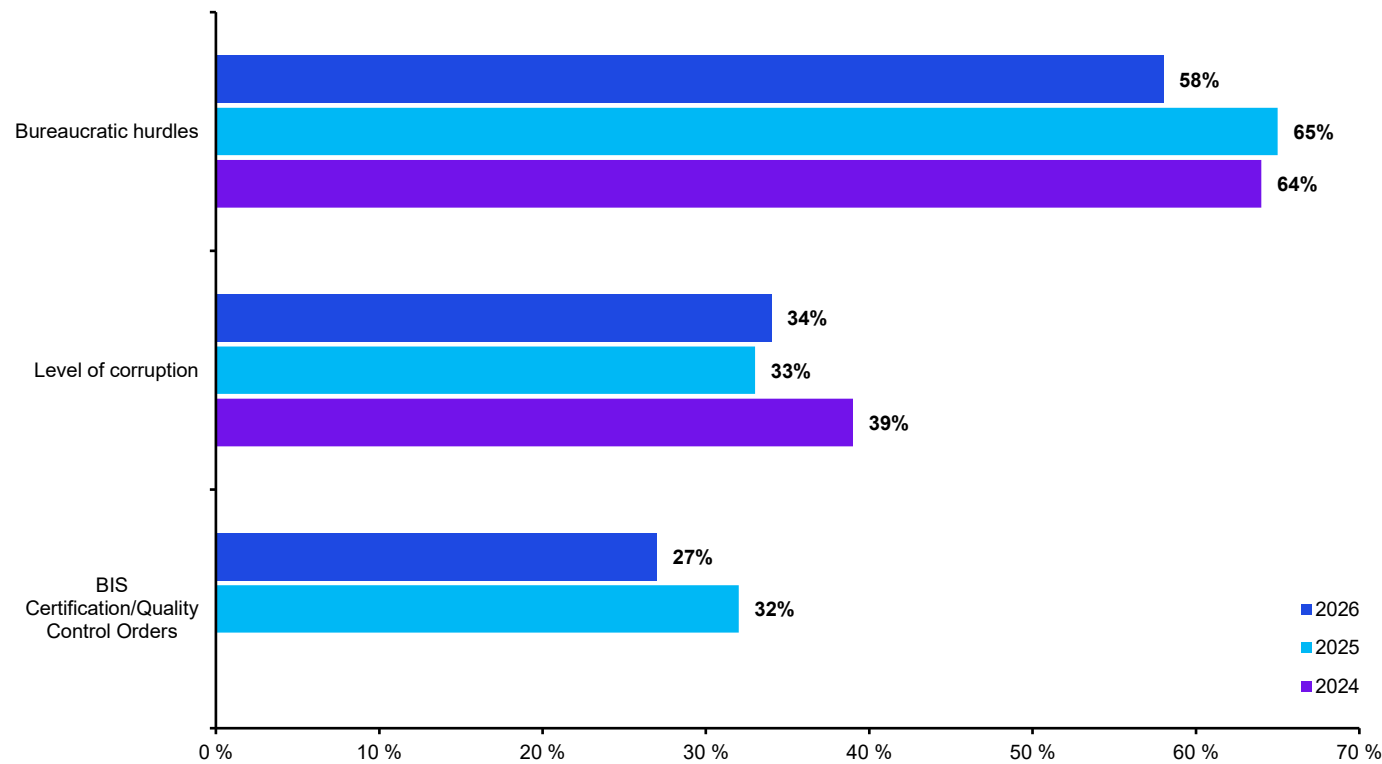
Figure 6: Assessment of the 3 most positive location factors for India over time



Source: KPMG in Germany and AHK India, 2026 (n=104) 2025 (n=92); 2024; (n=83); three responses possible

Regulatory and administrative challenges remain significant

Figure 7: Assessment of the 3 most negative location factors for India over time



Source: KPMG in Germany and AHK India, 2026 (n=104); 2025 (n=92); 2024; (n=83); three responses possible



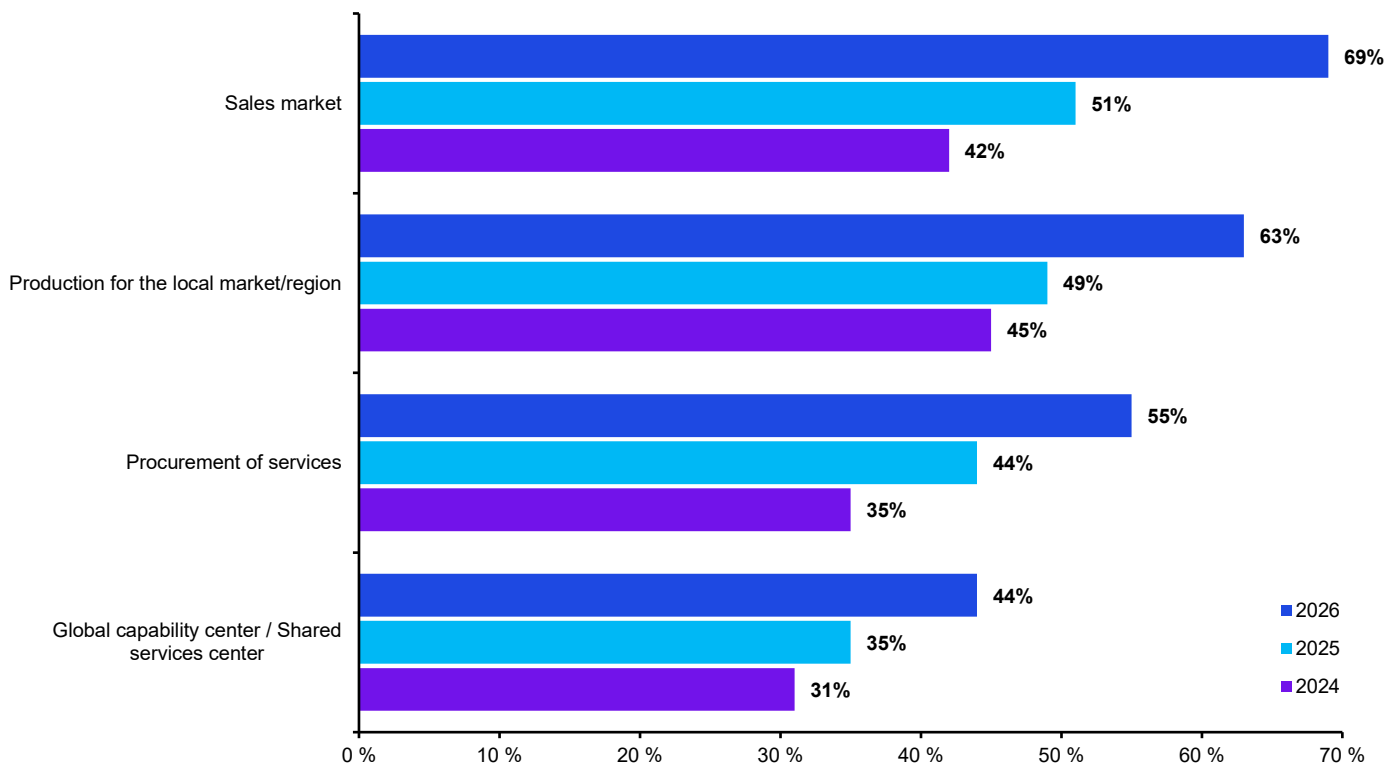
- Despite India's attractiveness as a business location, significant operational challenges persist. The most frequently cited obstacle remains the **bureaucratic complexity**, named by 58% of respondents. This includes protectionist procurement practices, restrictive local standards, and administrative inefficiencies, which often complicate market entry and day-to-day operations
- **Corruption** remains a relevant structural risk factor. With 34% of companies citing it as a major challenge, concerns related to compliance, transparency and governance continue to shape business decisions
- While less dominant than bureaucracy, **Quality Control Orders (QCOs)** are still cited by 27% of respondents as a major challenge. These -mandated regulations require the certification of production facilities by the Bureau of Indian Standards (BIS) for a wide range of products and components sold in India. While designed to improve standards, they have introduced significant additional compliance burdens for foreign companies, creating new layers of complexity in the import and manufacturing processes

India's functional roles expand further



- Sales activities continue to increase in strategic relevance. In 2026, 69% of respondents rate India's **sales market** as relevant or highly relevant (+18 pp YoY). With a population of 1.45 billion people, the country offers considerable market potential
- **Production for the local market/region** is also gaining importance for German companies. For almost two-thirds of the companies (63%; +14 pp YoY), production for local demand has become a relevant function, which underlines India's growing role as an operational base for the regional market
- **Service sourcing** has also gained importance over time. 55% of companies identify India as an important location for procurement of services
- **Global capability centers** and shared service centers are gaining relevance as well. In 2026, 44% of companies already use India for these functions (+9 pp YoY)

Figure 8: Most relevant functions in India for German companies (“relevant” or “highly relevant”)

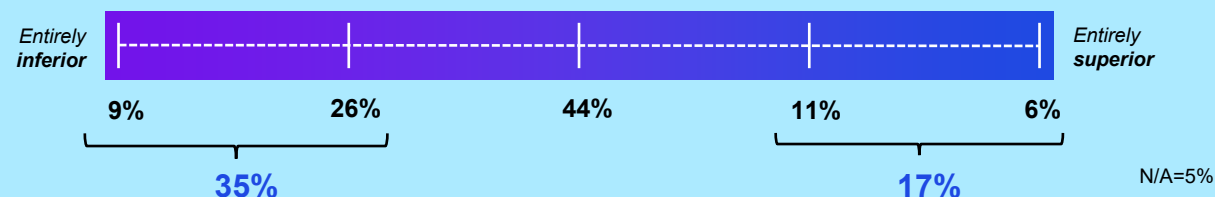


Source: KPMG in Germany and AHK India, 2026 (n=102); 2025 (n=95); 2024; (n=80)

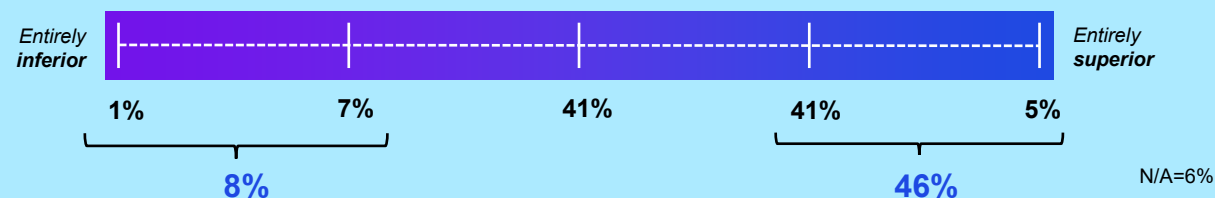
Competitive pressure from Indian companies is rising

Figure 9: Assessment of local competitors in own industry

In the current year



In five years



Source: KPMG in Germany and AHK India, 2026; (n=103); rounding differences possible

- Currently, only 17% of companies consider Indian competitors superior to their own company, while 35% assess them as less competitive
- However, this perspective shifts sharply in the long term. Over the next five years, 46% of respondents believe that Indian companies will outperform them in the local market. This highlights the rapidly growing industrial and technological capabilities of Indian companies

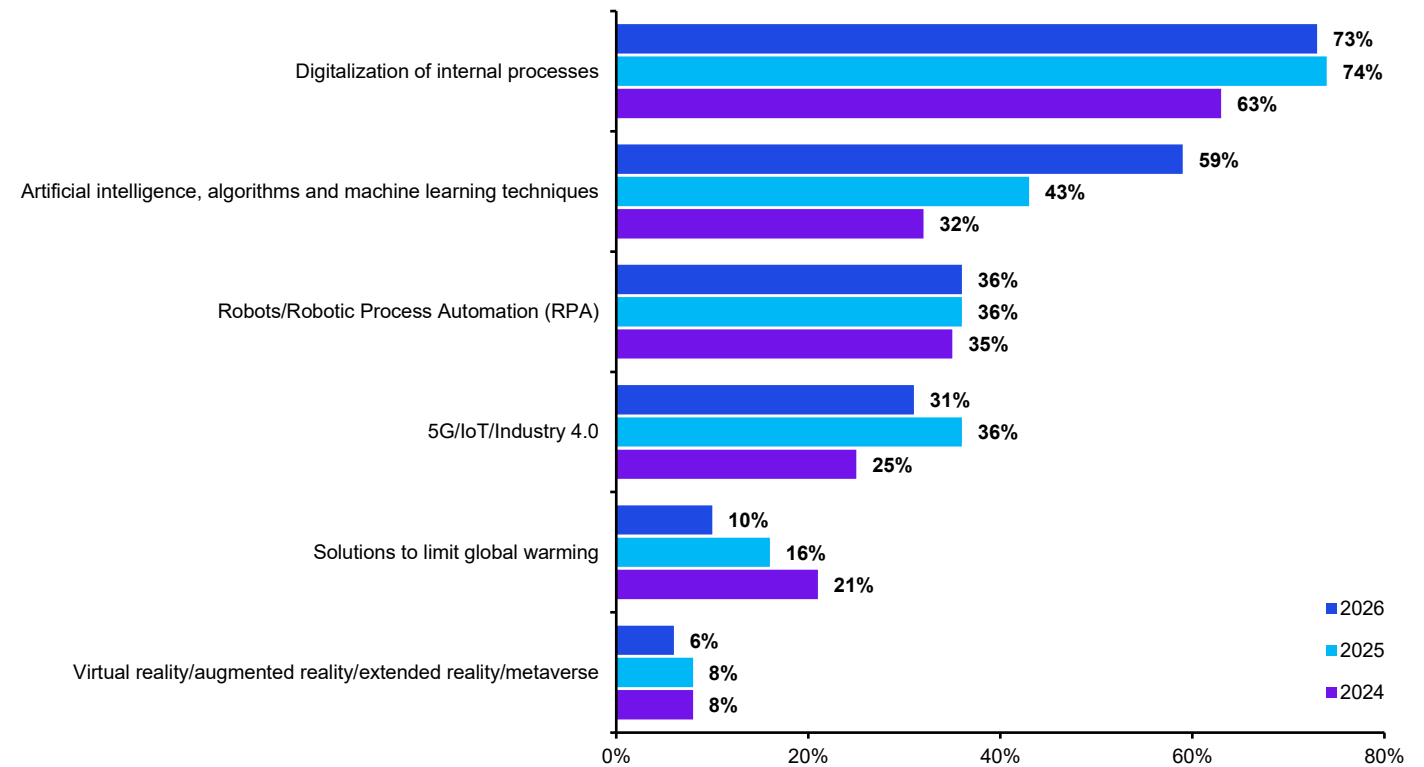


Digitalization and AI remain core investment priorities

- **Digital transformation** remains central to investment planning. In 2026, 73% of companies plan to invest in digital efficiency and process optimization
- At the same time, investments in **artificial intelligence** are gaining considerable importance. 59% view the field as a key area within future-oriented technologies (+16 pp YoY)
- A strong focus on automation is also reflected in planned investments in **robots and robotic process automation** (36%) as well as **5G / IoT / Industry 4.0 solutions** (31%)
- **Climate-related technologies** (10%) and **extended reality applications** (6%) currently play a more limited role



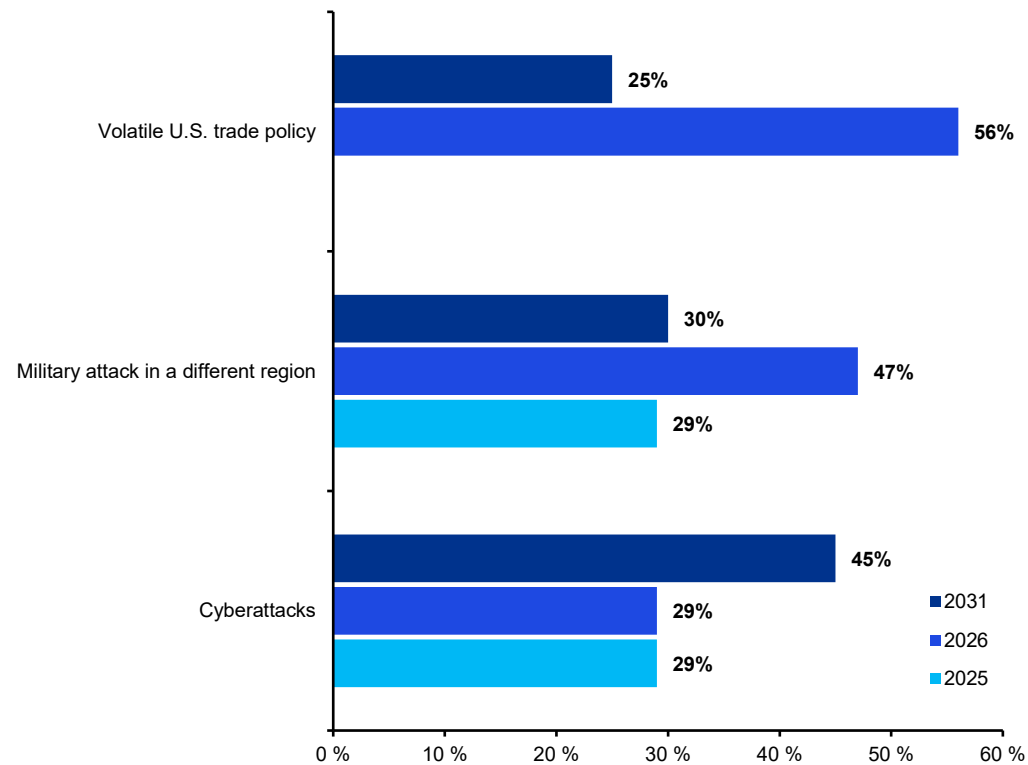
Figure 10: Investments in “Future-oriented technologies”



Source: KPMG in Germany and AHK India, 2026 (n=94); 2025 (n=88); 2024 (n=84); three responses possible

Geopolitical tensions and cyber risks dominate the risk landscape

Figure 11: **Greatest exogenous risks**



Source: KPMG in Germany and AHK India, 2026 (n=87); 2025 (n=89); three responses possible



- In 2026 the **volatile U.S. trade policy** is seen as the leading external risk by 56% of respondents. However, this issue is expected to become significantly less critical over the next five years
- The risk posed by **cyberattacks** is recognized as a developing topic over time. While in 2026 almost one in three companies (29%) perceive this as one of the greatest exogenous risks, this figure rises to 45% within five years
- Issues such as **air pollution** and **climate change**, which were identified as top risks by 55% and 38% respectively last year, play a substantially smaller role this year (24% and 5% respectively)
- In light of the current developments in the Middle East, concerns about a **military strike in a different region** have risen significantly compared to last year. In 2026, 47% of companies consider geopolitical conflicts outside India a significant risk factor, compared to 29% in 2025

03

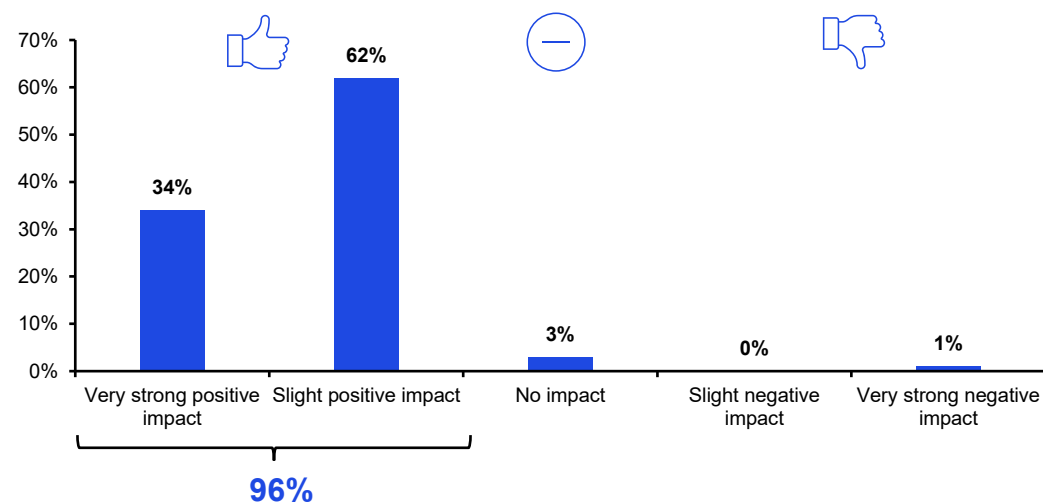
Spotlight on selected topics



EU-India Free Trade Agreement expected to strongly support business activities

- German companies take a very positive view of the EU-India Free Trade Agreement. 96% of respondents expect a positive impact on their business activities in India
- While 62% anticipate a slightly positive impact, 34% even expect a very strong positive effect, underlining high expectations regarding improved market access and trade conditions
- Only a negligible share of respondents foresee any negative effects or no impact at all

Figure 12: Impact of EU-India Free Trade Agreement on business activities in India



Source: KPMG in Germany and AHK India, 2026; (n=102); rounding differences possible

The EU-India Free Trade Agreement (FTA)

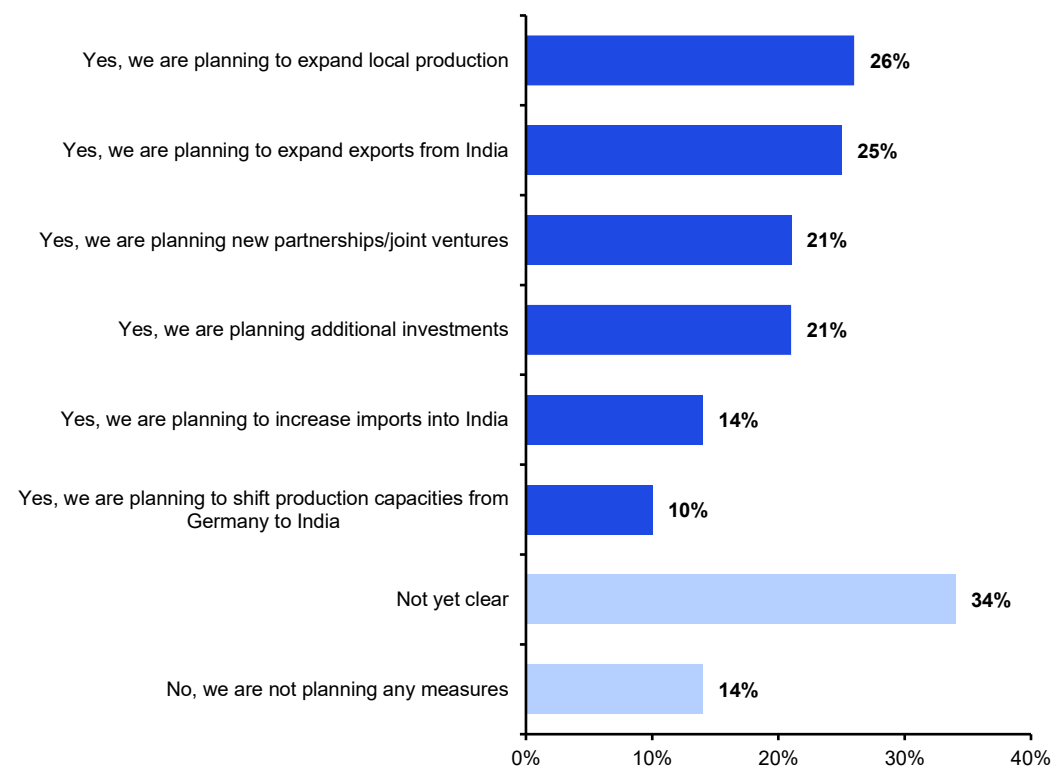
- 27 Jan. 2026: Conclusion of negotiations
- 27 Feb. 2026: Publication of the preliminary text of the FTA
- Key aspects
 - Elimination or reduction of tariffs on 97% of EU goods exports to India
 - Privileged access to the service market and protection of intellectual property
 - Strengthening sustainability commitments
- The FTA can only enter into force after its adoption by the EU Council and its signing and ratification by the European and Indian parliaments. The exact date of entry into force has not yet been determined, but is expected to occur within 2027

Source: European Commission



Local production, trade and partnerships expected to rise due to the FTA

Figure 13: **Planned measures under the EU-India Free Trade Agreement**



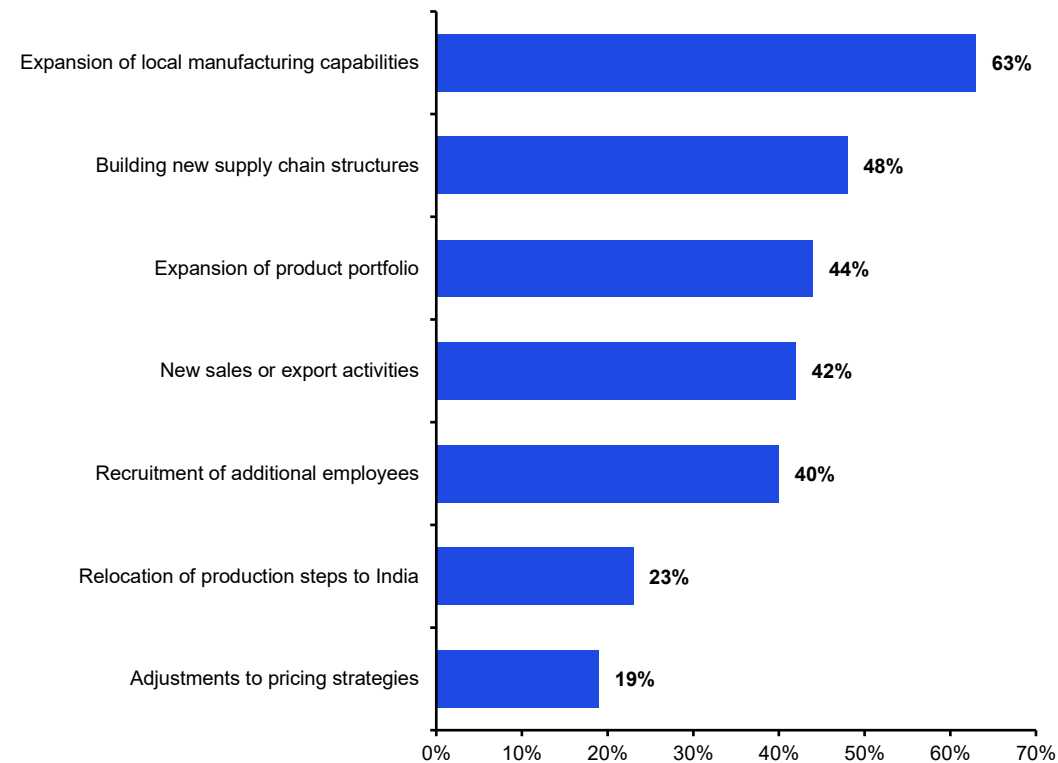
Source: KPMG in Germany and AHK India, 2026; (n=102); multiple responses possible

- The EU-India Free Trade Agreement is already translating into concrete plans. 26% of companies intend to **expand local production** in India, making it the most frequently cited measure
- A significant share of respondents (25%) aim to expand **exports from India**, while 14% plan to increase **imports into India**
- 21% of companies are planning **new partnerships/joint ventures** as well as **additional investments**
- At the same time, 34% of respondents state that specific measures have not yet been defined, suggesting that further strategic decisions will follow once the agreement is implemented



Focus on expanding local production capacities

Figure 14: **Specific measures planned**



Source: KPMG in Germany and AHK India, 2026; (n=52); multiple responses possible

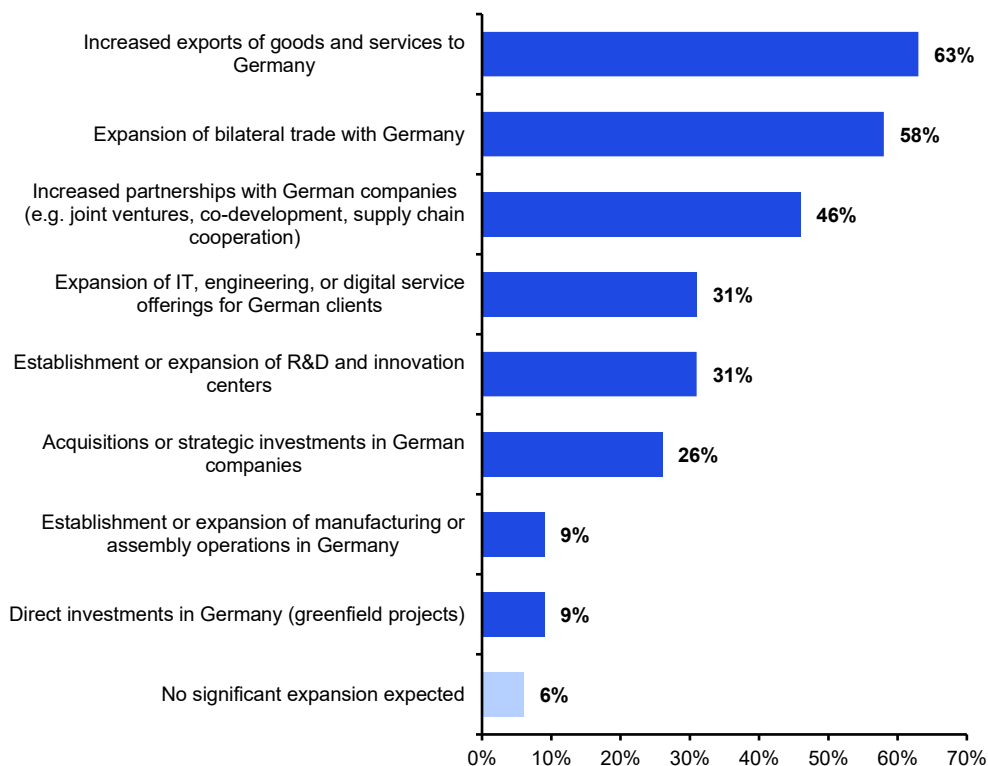
- Among companies planning specific measures, the most frequently planned response to the EU-India Free Trade Agreement is the **expansion of local manufacturing capabilities**, cited by 63%. This highlights a strong shift toward deeper local value creation in India
- **Building new supply chain structures** is planned by 48% of respondents, indicating a strategic reconfiguration of sourcing and production networks in response to the agreement
- A significant share of companies is also focusing on market-side measures: 44% plan an **expansion of their product portfolio**, while 42% intend to initiate **new sales or export activities**
- 40% plan to **recruit additional employees**
- Only 23% consider **relocating production steps to India**, while just 19% anticipate **adjustments to pricing strategies**



FTA encourages stronger engagement of Indian companies in Germany



Figure 15: **(Anticipated) activities of Indian companies in Germany as a result of the EU-India FTA**

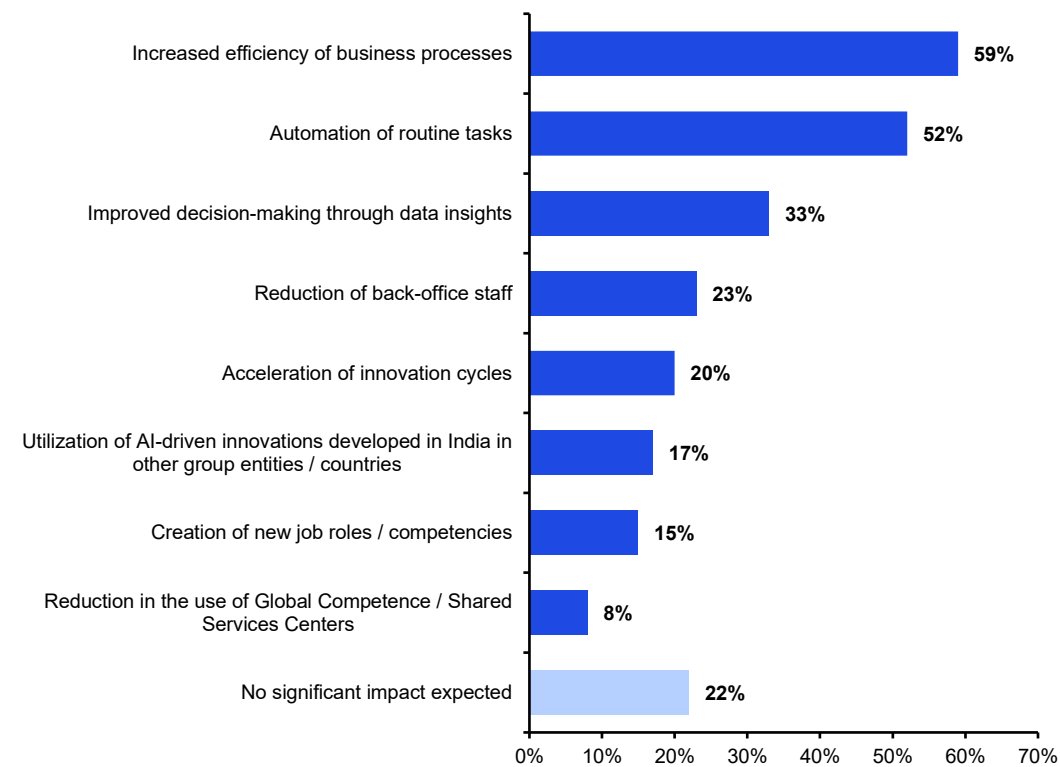


Source: KPMG in Germany and AHK India, 2026; (n=99); rounding differences possible

- The most frequently anticipated measure is the expansion of **exports of goods and services from India to Germany**, cited by 63% of respondents. This highlights Germany's role as a key target market within the European Union under the Free Trade Agreement
- **Bilateral trade with Germany** is expected to deepen further. 58% of companies anticipate an expansion of trade activities
- 46% expect **increased partnerships with German companies**
- 31% anticipate an **expansion of IT, engineering or digital service offerings for German clients**, and an equal share expects that Indian companies will **establish or expand R&D and innovation centers** in Germany
- 26% also expect **acquisitions or strategic investments in German companies**, while 9% expect additional **manufacturing or assembly operations and greenfield investments in Germany**
- Only 6% do not expect any significant expansion

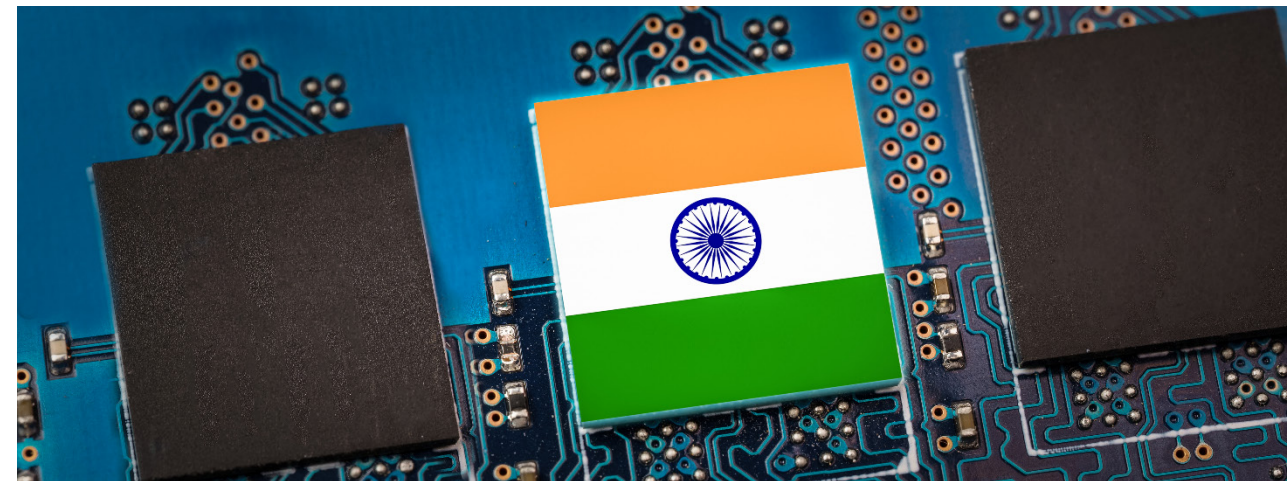
AI is reshaping processes, productivity and decision-making in India

Figure 16: Impact of AI on business activities in India



Source: KPMG in Germany and AHK India, 2026; (n=104)

- The most frequently cited impact of artificial intelligence is **increased efficiency of business processes in India**, mentioned by 59% of respondents
- **Automation of routine tasks** follows closely, cited by 52% of companies
- **Improved decision-making through data insights** is highlighted by 33% of respondents
- Further effects include lower back-office staffing needs (23%) and faster innovation cycles (20%)
- Companies also cite the use of AI innovations developed in India across the group (17%) and the creation of new job roles and competencies (15%)

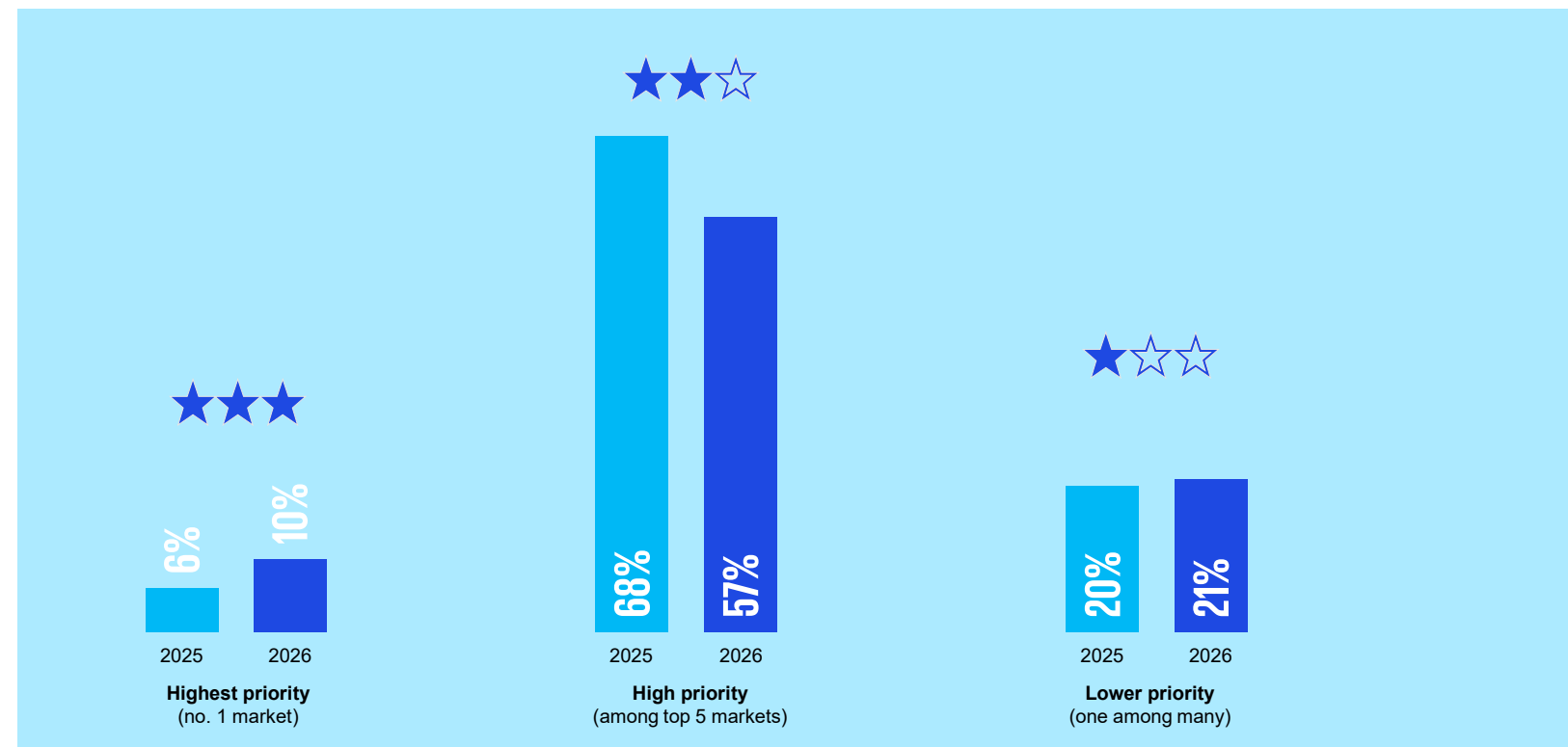


India remains a priority in global corporate strategies

- India holds a high strategic relevance for the majority of German companies. In 2026, 68% of respondents rank India among their top five markets worldwide (-7 pp YoY)
- For 10% of companies, India even represents the single most important market (+4 pp YoY)
- A nearly unchanged share of respondents (21% vs. 20%) classify India as a lower priority market



Figure 17: Priority of operations in India for overall group



N/A= 8% / 11%

Source: KPMG in Germany and AHK India, 2026 (n=105); 2025 (n=97)

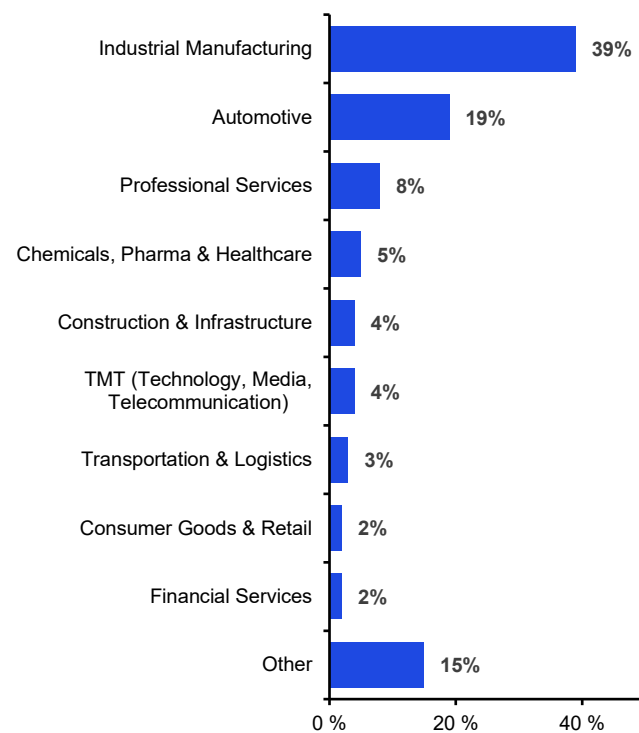
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Profile of the companies surveyed



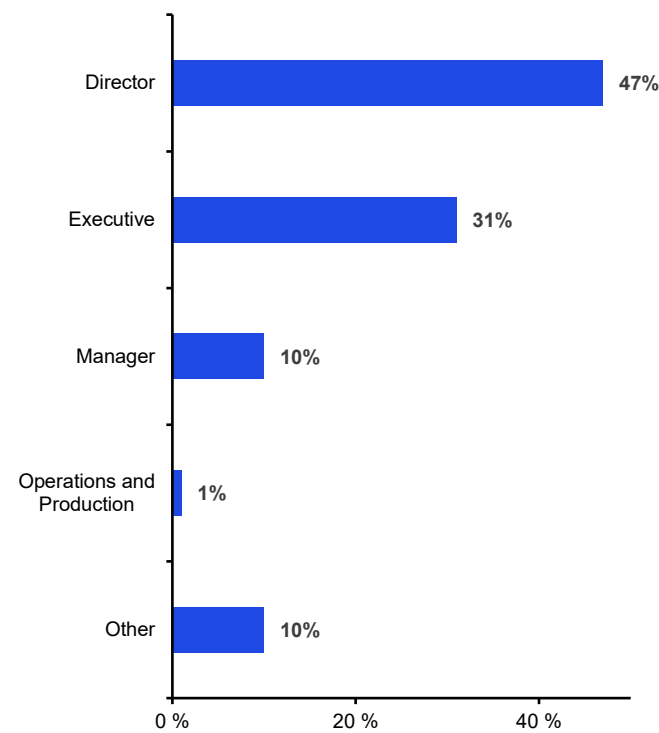
Profile of the companies surveyed

Figure 18: Breakdown by sector of the companies surveyed



Source: KPMG in Germany and AHK India, 2026; (n=106)

Figure 19: Role in company



Source: KPMG in Germany and AHK India, 2026; (n=105)



The Indo-German Chamber of Commerce and KPMG in Germany approached Indian subsidiaries of German corporate groups and companies with operations in India for this survey. A total of 106 companies participated in the survey, which was conducted between March 10 and May 1, 2026

The questions focused on the economic outlook for German companies in India and the challenges and opportunities for their businesses

Particular attention was paid to the impact and resulting measures of the Free Trade Agreement between the EU and India, which was concluded at the beginning of 2026

05

Macroeconomic overview



Impact of the Middle East conflict on India

Impacts of the Middle East conflict on India compared with Germany

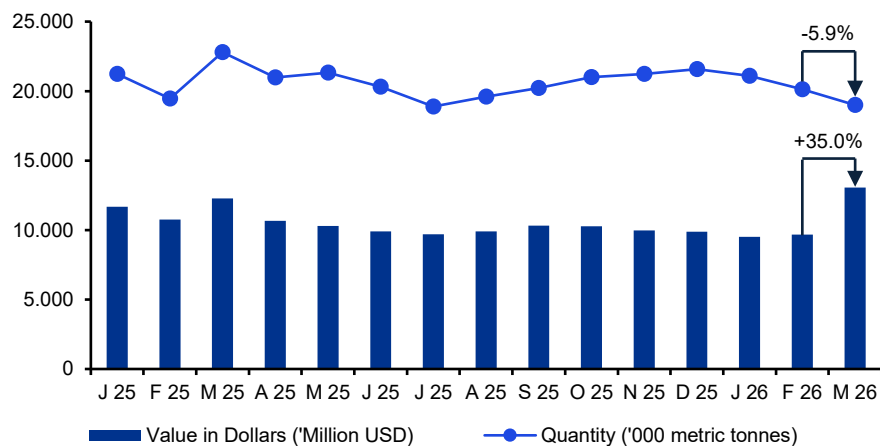
- In 2025, crude oil accounted for 28.8% of the annual consumption of primary energy resources in India and 35.7% in Germany
- However, crude oil and oil from bituminous minerals accounted for 19.8% of total imports in India, and only 2.7% in Germany value wise
- India recently imported significantly more than it exported,

resulting in a trade deficit. The consumption of imported products leads to foreign exchange expenditures, which place a strain on the Indian currency. Germany, by contrast, consistently runs a trade surplus

- Oil is paid for in USD → higher oil prices = increased demand for USD → the Rupee depreciates while the Euro is significantly more stable by comparison
- The EU imports about 12-15% of its oil from Persian Gulf states transiting the Strait of Hormuz, in India it is 55-65%

Source: Government of India, Destatis, Hormuz Strait Monitor

Figure 20: Import of crude oil (2025-2026)



Source: Petroleum Planning & Analysis Cell – Ministry of Petroleum & Natural Gas, Government of India

- India is the world's **third-largest oil importer**, after China and the United States
- Oil shortages linked to the Middle East conflict have intensified **capital outflows** and **increased pressure on the rupee**
- In response, Prime Minister Narendra Modi has urged citizens to **curb energy consumption** and **adopt more conservative spending behavior**
- While the volume of crude oil imports to India declined by 5.9% from February to March, the value of the imports rose by 35.0%



India's response

Prime Minister Modi's seven appeals to the Indian population:



Prioritize Work From Home wherever possible



Avoid buying gold for one year



Reduce petrol & diesel consumption; use metro/public transport



Cut down the use of cooking oil



Reduce dependence on chemical fertilizers and move toward natural farming



Use fewer foreign-branded products and adopt Swadeshi



Avoid foreign travel for one year

Bilateral trade between Germany and India continues to expand

- In 2025, bilateral trade in goods between Germany and India exceeded the previous year's record figure. The trade volume increased by 1.6% compared to 2024, amounting to EUR 31.3 billion
- While German exports to India slightly decreased in 2025, imports from India increased again after two declines
- Germany once more reported a trade surplus of EUR 1.3 billion (2024: EUR 3.0 billion)
- In the ranking of Germany's trading partners, India placed 23rd overall. As a sales market for German goods the subcontinent ranked 22nd, as a procurement market India ranked 24th
- Germany was the 9th most important sales market for India in 2025 with a share of 2.3% of total exports
- The **Free Trade Agreement between the EU and India**, politically concluded in January 2026, is intended to further strengthen bilateral trade
- The main beneficiaries are expected to be the mechanical and plant engineering sector, the automotive industry, the chemical and pharmaceutical industries, the food and agricultural sector, as well as small and medium-sized enterprises (SMEs)

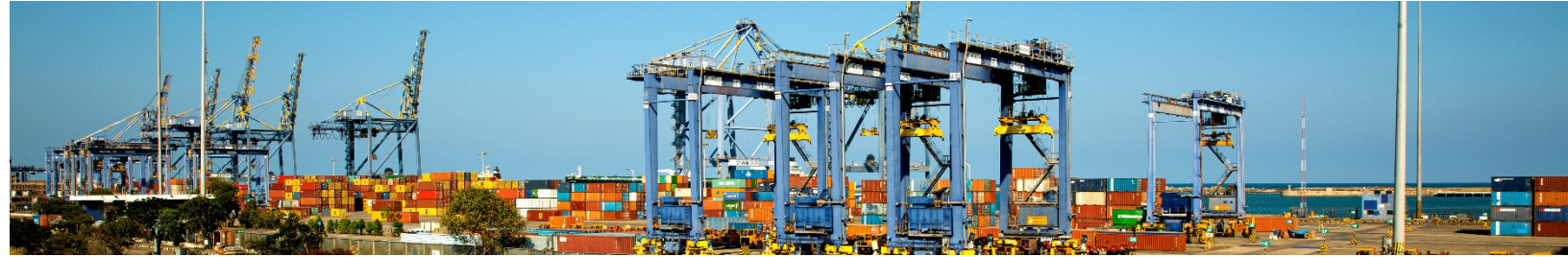
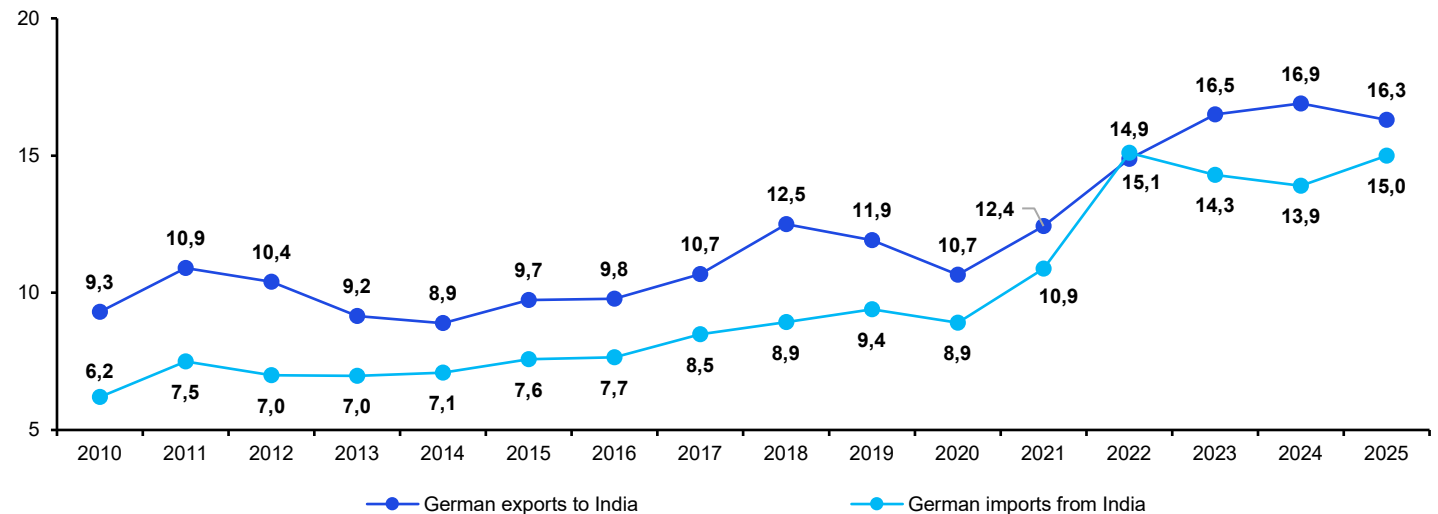


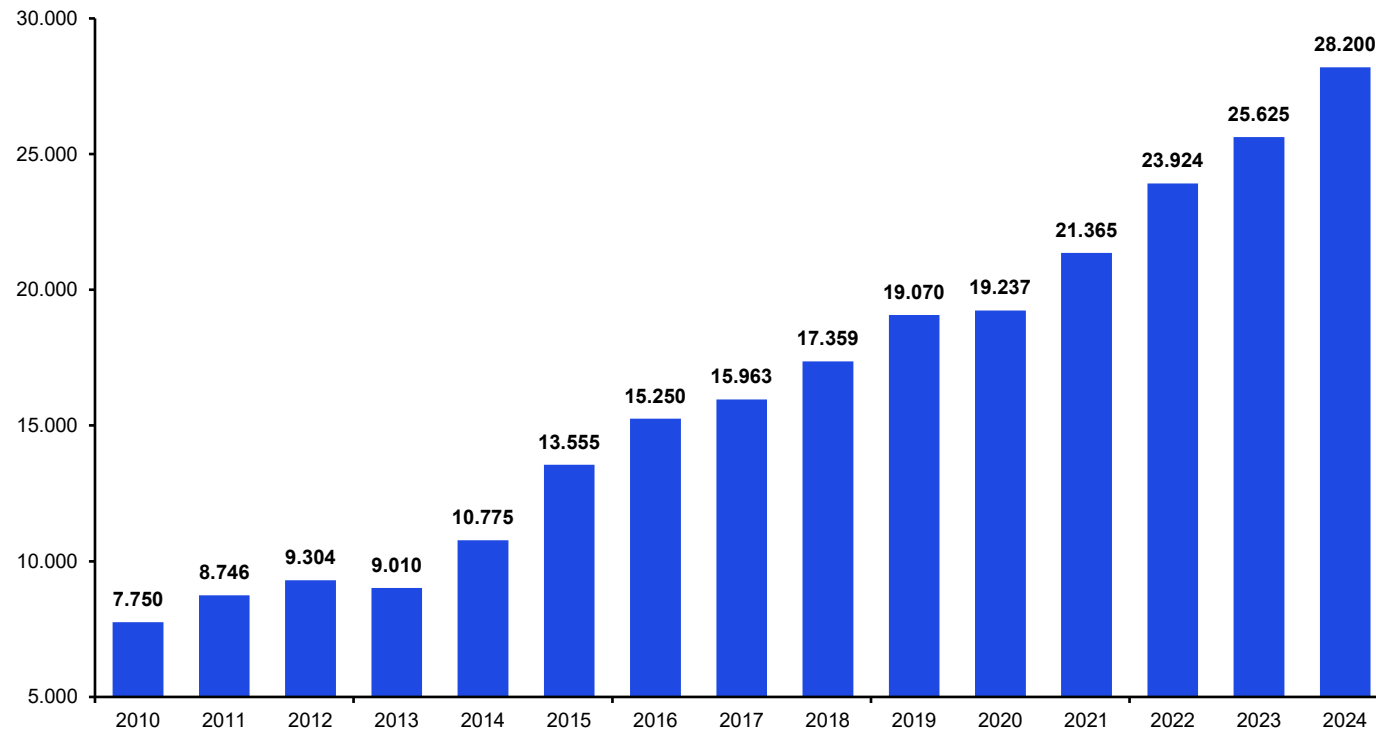
Figure 21: **Bilateral trade (in EUR billion)**



Source: Federal Statistical Office (Destatis)

German investment stock in India continues to rise

Figure 22: German direct investment stock in India by country of first operating unit (netted^(a); in EUR million)



Notes: (a) most recent figures for receivables/payables available for 2024 only
Source: Deutsche Bundesbank, Santander Trade

- The stock of German direct and indirect investment in India has grown steadily over time and reached EUR 28.2 billion in 2024
- Since 2010, the cumulative investment stock has more than tripled, underlining India's long-term attractiveness as an investment destination
- With 2.0% of India's total FDI stock in its fiscal year 2024/25 ended March 2025, Germany is the 10th largest foreign direct investor in India

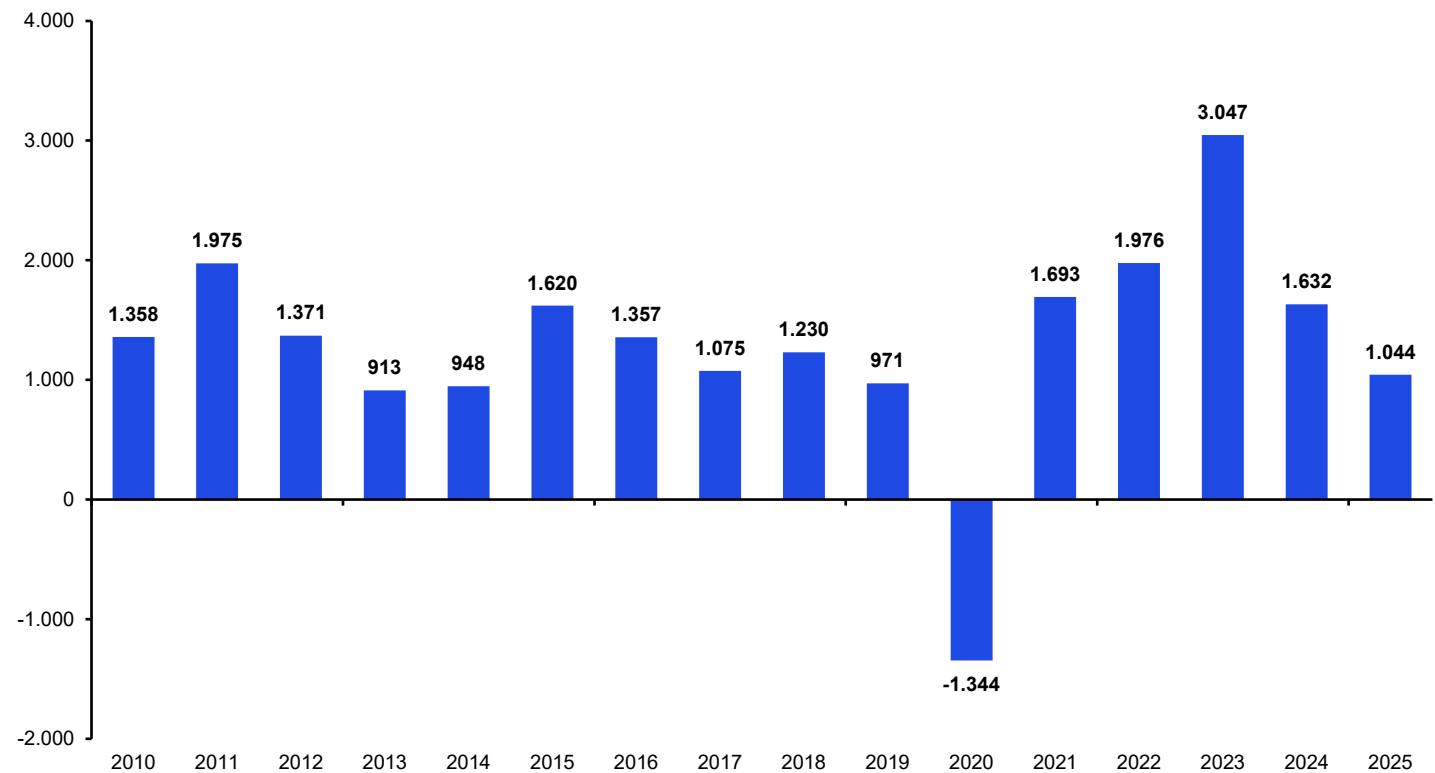


German investment flows to India remain positive overall

- German direct investment flows to India have remained positive, with the only exception in 2020, due to the pandemic
- In 2025, investment flows declined for the second time in a row and amounted to EUR 1.0 billion
- Despite annual fluctuations, the long-term pattern points to sustained investments with recurring positive flows



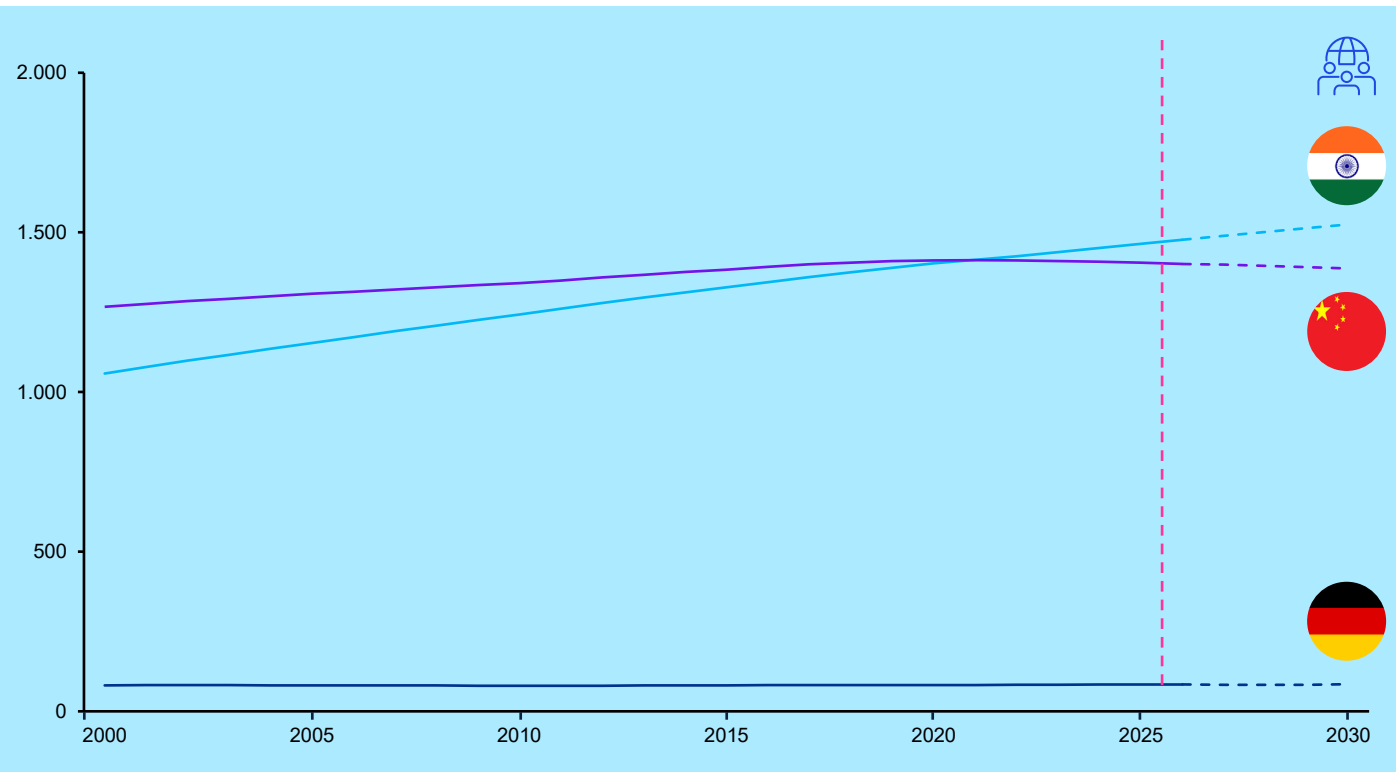
Figure 23: Transaction value of German direct investments in India (Extended-Directional-Principle; in EUR million)



Source: Deutsche Bundesbank

India's demographic scale stands in sharp contrast to aging economies

Figure 24: Population (in millions)














Source: IMF (Apr. 2026)



- India is the most populous country in the world, with the population surpassing 1.4 billion people, clearly overtaking China and far exceeding the population size of other major economies
- The country's demographic trajectory continues to point upward, while populations in China and Germany stagnate or decline, reflecting structurally different long-term labor market dynamics
- India's large and comparatively young population represents a substantial potential workforce, although demographic advantages increasingly depend on job creation, education and skill development

India is the sixth largest economy

Figure 25: The world's largest economies in comparison

	 US	 China	 Germany	 Japan	 UK	 India
 GDP 2025 (in USD billion)	30,767	19,626	5,048	4,435	4,003	3,916
 GDP per capita 2025 (in USD)	89,991	13,968	60,439	35,973	57,608	2,675
 Population 2025 (in millions)	342	1,405	84	123	69	1,460
 Unemployment rate 2025	4.3%	5.1%	3.8%	3.4%	4.9%	4.9%
 Public debt to GDP 2025	123.9%	99.2%	62.9%	206.5%	102.3%	84.1%

Source: IMF (Apr. 2026)

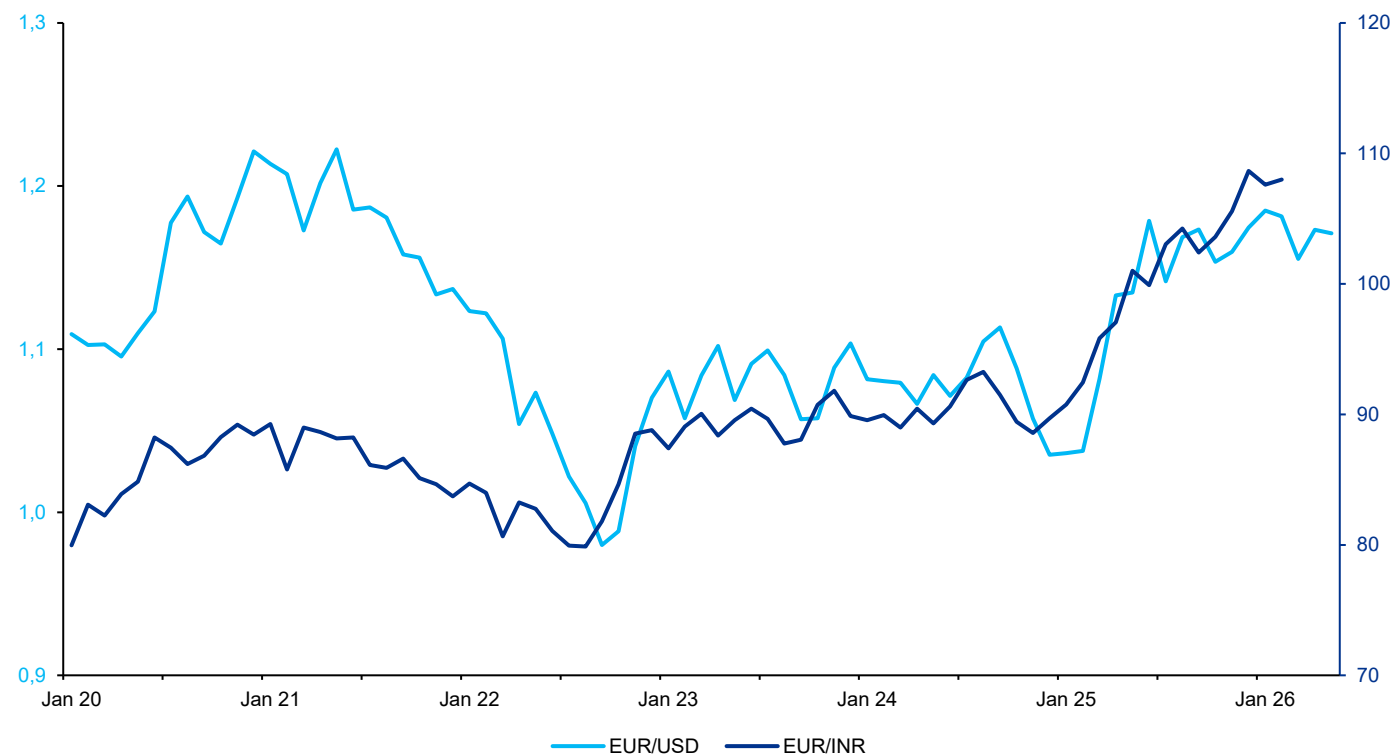
- In 2025, India ranks as the world's sixth-largest economy with a gross domestic product (GDP) of approximately USD 3.9 trillion, placing it behind the United States, China, Germany, Japan and the United Kingdom
- In 2024, India ranked as the world's fifth-largest economy, and many expected it to overtake Japan and Germany in the near future. However, India lost ground due to the significantly devalued local currency against the USD as well as the adjusted GDP-calculation for 2024/25
- Despite its economic size, GDP per capita remains comparatively low. At around USD 2,700, India lags significantly behind the other five largest economies
- Unemployment rates are broadly comparable across the six largest economies, ranging between 3.4% and 5.1%, which shows that India's large population does not translate into disproportionately higher unemployment
- With public debt of around 84% of GDP, India displays the second-lowest debt ratio among the world's six largest economies

Currency movements influence economic comparisons

- The Indian rupee has depreciated sharply. At the beginning of 2025, Indians had to pay almost 86 rupees per US dollar (90 rupees per euro).
- By early 2026, the exchange rate had weakened to 95 rupees per US dollar (111 rupees per euro) – a depreciation of more than ten percent
- Since the IMF's global GDP comparisons are calculated in dollars, the currency's loss of value has a direct negative impact on India's GDP figures in international rankings. The UK, on the other hand, benefited from the opposite effect, as the British pound appreciated against the USD



Figure 26: Exchange rates

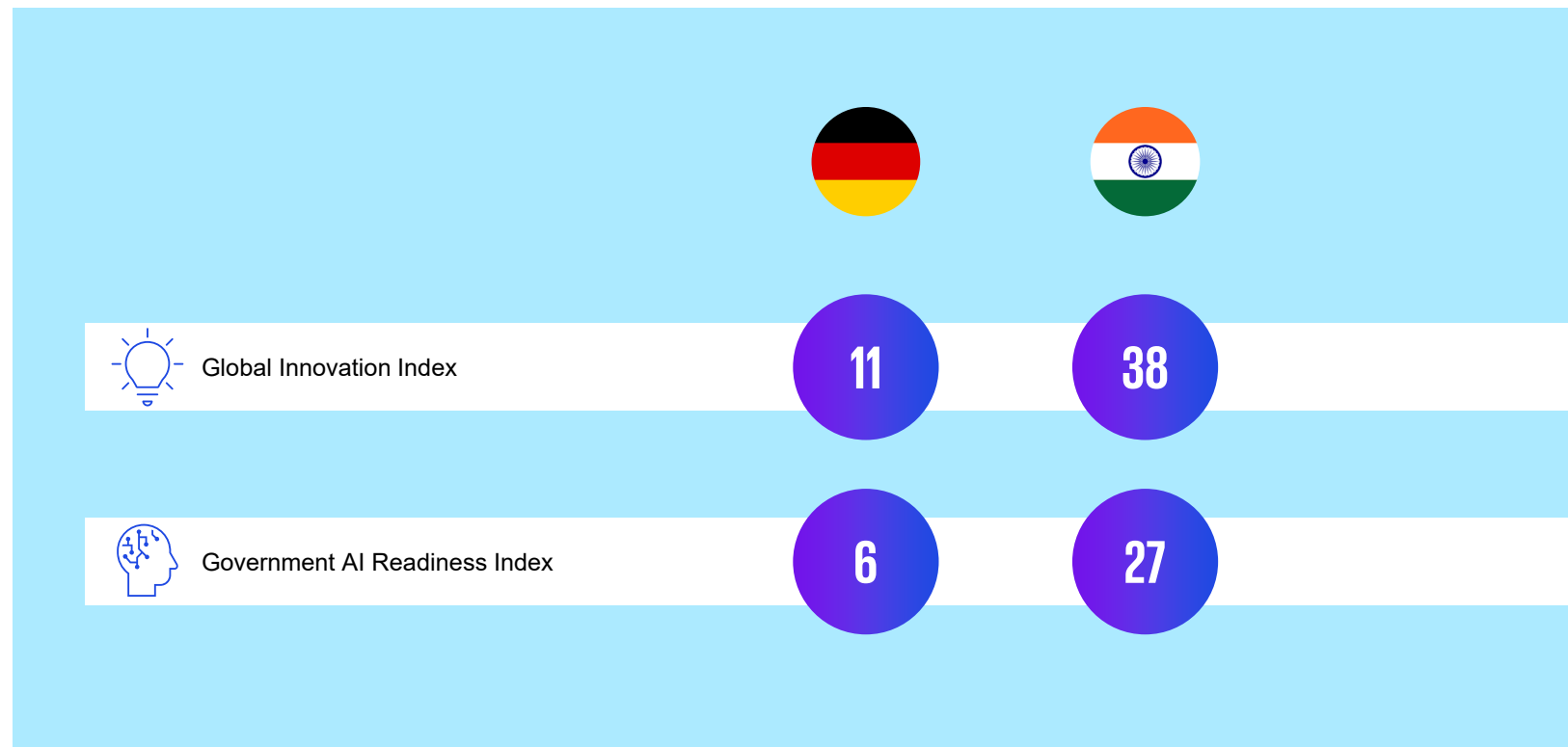


Source: Investing.com

Ranking of Germany and India in comparison (1/3)

- In 2025, Germany ranked 11th and India 38th on the World Intellectual Property Organization's (WIPO) **Global Innovation Index (GII)**. The GII uses around 80 indicators, including research and development (R&D) spending, venture capital (VC) transactions, high-tech exports, and intellectual property filings, to assess the innovation performance of nearly 140 economies worldwide
- The **Government AI Readiness Index** assesses 195 governments worldwide by their capacity to harness AI to benefit the public. Western Europe is actively strengthening its AI readiness. Particular strengths exist across policy capacity, governance, and resilience. In 2025, with 76.8 points Germany reached 6th place worldwide and 4th place out of the 30 countries in Western Europe. India continues to lead South and Central Asia in the region's AI readiness and also ranks well globally – 27th with a score of 66.6. India's strong year-on-year progress reflects a broad range of policy measures and implementation efforts

Figure 27: **Global Innovation Index / Government AI Readiness Index**

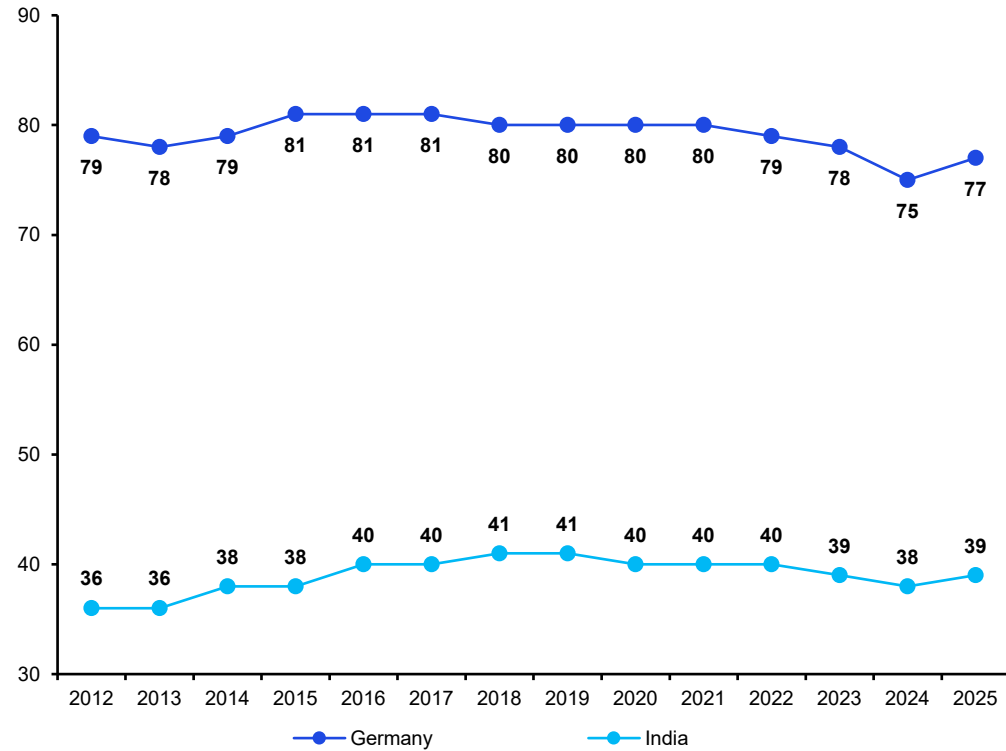


Source: World Intellectual Property Organization (WIPO), Oxford Insights

Ranking of Germany and India in comparison (2/3)



Figure 28: **Corruption Perception Index (CPI) (0 = highly corrupt/100 = very clean)**









Source: *Transparency International*

- In 2025, Germany ranked 10th and India 91st out of 182 economies on the Transparency International's Corruption Perception Index (CPI)
- Germany, with its low level of everyday corruption, ranks relatively favorably compared to its international peers. However, a ten-year comparison of CPI scores shows that Germany has fallen behind in the fight against corruption. However, Germany's score improved slightly again most recently
- Globally, the average CPI score dropped to 42. India's score is therefore slightly below average as there has only been slow progress in anti-corruption efforts in the Asia-Pacific region

Ranking of Germany and India in comparison (3/3)

Figure 29: Renewable Energy Key Performance Indicators

			
Electricity demand per capita (2025, in kWh)	6,152		1,397
Share of low-carbon sources in electricity generation (2025)	59%		22%
Electric vehicle charging points (March 2026)	~198,000		~29,000
Wind installed capacity (2025, in MW)	77,286		54,500

Source: Our World in Data, Bundesnetzagentur, PIB, World Wind Energy Association



- In 2025, per capita electricity demand in Germany was more than four times higher than in India
- Germany shows a significantly higher share of low-carbon sources in electricity generation (59%) while India reaches 22%
- The rollout of electric vehicle infrastructure remains uneven. As of March 2026, Germany recorded approximately 198,000 public charging points, compared with around 29,000 in India
- In a global comparison, both countries are far ahead in terms of installed wind power capacity, with Germany ranking third and India fourth worldwide

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AHK India or the Indo-German Chamber of Commerce was incorporated in 1956. Today, it has close to 4,000 members, making it the largest bilateral chamber in India. We have built up a strong local presence with our head office in Mumbai and branch offices in Delhi, Bangalore, Kolkata, Chennai and Pune, as well as a liaison office in Düsseldorf.

As the primary contact for Indian and German companies who want to start and grow their business in the other country, our role is to foster bilateral economic relations between the two economic giants. As a highly regarded and respected institution in India and Germany – with our qualified team and our innumerable contacts and connections familiar with the particularities and regulatory environment of the respective markets – the Indo-German Chamber of Commerce has played a major role in advancing corporate and cultural understanding between India and Germany for 70 years.



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