

Indo-German Trade

Trade between India and Germany moves ahead significantly

Indo-German trade spans over 500 years and is the basis for strong economic and business ties between the countries. An analysis of the trade data compiled over the past years reveals that Germany and India have emerged as strong trade partners. Even this year has seen a significant growth in trade between the two countries. Germany continues to be India's largest trading partner in the European Union and ranks 4th in the list of India's top ten trading partners worldwide.

Year	1965	1970	1975	1980	1985	1990	1995	2000	2005	2010	2011	2012	2013	2014	2015	2016	2017
Indian Exports	244	261	483	1135	1472	1366	1843	2464	3407	6241	7536	7022	6968	7087	7584	7653	8473
Indian Imports	1049	571	863	1372	3377	1473	2338	2084	4194	9282	10,856	10,421	9146	8894	9734	9784	10,685
Trade Volume	1293	832	1346	2507	4849	2839	4181	4548	7601	15,523	18,392	17,443	16,114	15,981	17,318	17,437	19,158

NOTE: Figures in EUR million from year 2000 onwards and in DM million for years prior to 2000

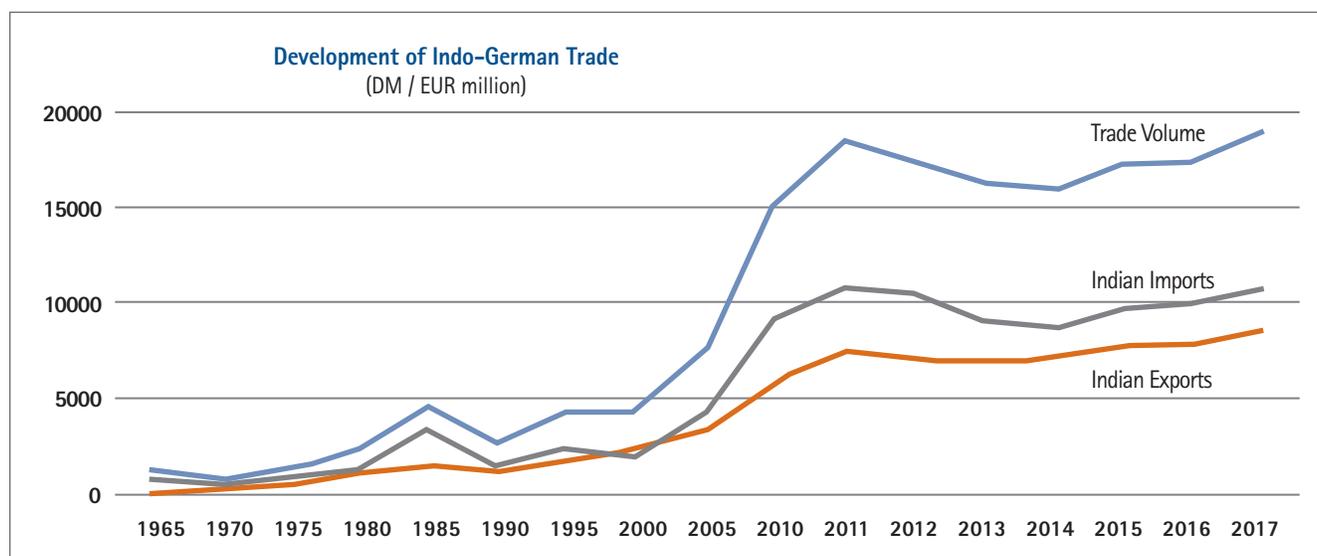
Source: Federal Statistical Office, Wiesbaden

The last 55 years have seen several ups and downs in the development of Indo-German trade. As compared to the low levels of growth before liberalization, 1991, the year when Indian markets opened up, was significant 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 it imported.

The most significant increases in Indo-German Trade, largely fuelled by phenomenal rises in imports, were recorded from 2003 onwards, when overall trade grew at over 20% per annum with an outstanding 39% increase in 2006. Bilateral trade achieved its peak growth in the year 2006, when the first significant milestone of EUR 10 billion was crossed. Earlier, from 2003 to 2006, the volume of trade doubled in the four years. In 2007, a new landmark of EUR 12 billion was crossed. However, the growth had slowed down with bilateral trade growing only by a modest 14.6%. The volume of trade crossed EUR 13.4 billion in 2008, and in 2009, though bilateral trade once again crossed the EUR

13 billion mark, the volume of trade was EUR 306 million smaller (-2.3%). In 2010, bilateral trade once again grew impressively showing a growth of nearly 18%, the highest in the last three years. Trade between India and Germany touched a volume of EUR 15.5 billion (EUR 15,523 million), adding on at least EUR 2.3 billion in 2010, over the previous year's figure.

In 2011, bilateral trade showed a healthy rise of nearly 19%, amounting to nearly EUR 18.4 billion. Owing to the slowdown of the world economy in 2012, the expectations to reach the EUR 20 billion mark by 2012 suffered a setback, and the trade volume between the two countries was EUR 17.4 billion (a decline of 4.2% over the previous year). In 2013, Indo-German trade declined again to EUR 16.1 billion, a drop of close to 7.5%, over the previous year. During 2014 the fall of the trade volume between India and Germany nearly came to a halt, registering only a small decline of 0.7% and a trade volume of EUR 15.98 billion. 2015 saw Indo-German trade picking up again, reaching a trade volume of EUR 17.31 billion, in a rather volatile market environment. In 2016, trade between the two countries showed only a moderate increase and touched EUR 17.44 billion. In 2017, Indo-German trade grew by a significant 9.87%, and amounted to EUR 19.16 billion.



Source: Federal Statistical Office, Wiesbaden