

# India-Germany Strategic Partnership Enters a New Phase

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## India-Germany Strategic Partnership Latest News

- German Chancellor Friedrich Merz's first visit to India and Asia coincides with 25 years of India-Germany Strategic Partnership and 75 years of diplomatic relations.
- The visit precedes the EU leaders' visit for India's Republic Day and the India-EU Summit.
- **Outcome-driven diplomacy** with the signing of 19 agreements/MoUs, signalling deepening strategic, economic and geopolitical convergence.

## Key Outcomes of the Visit

- **19 bilateral pacts signed, covering:**
  - Defence industrial cooperation
  - Higher education and global skills
  - Critical minerals and semiconductors

- Indo-Pacific dialogue
- Renewable energy and green hydrogen
- **Visa-free transit regime** for Indian passport holders transiting through German airports.
- Announcement of a new bilateral Indo-Pacific **consultation mechanism**.

## Major Areas of Cooperation

- **Strategic and defence cooperation:**
  - **Key developments:**
    - Joint Declaration of Intent (**JDol**) on a Defence Industrial Cooperation Roadmap.
    - **Focus on:** Co-development and co-production, technology partnerships, and faster defence export clearances from Germany.
  - **Ongoing defence collaboration:** Submarines, obstacle avoidance systems for helicopters, Counter-Unmanned Aerial Systems (C-UAS), joint Air Force and Naval exercises, port visits and new security consultation formats.
  - **Strategic significance:**
    - Defence indigenisation, Atmanirbhar Bharat, strategic autonomy, and co-production.
    - Reduces India's defence dependence on Russia, and leverages –
      - India's skilled workforce and cost advantage
      - Germany's advanced technology and capital
- **Higher education and global skills partnership:** It focuses on human capital, skill mobility, aligning with NEP 2020, and demographic dividend, with following initiatives –
  - **Comprehensive roadmap on higher education:** India invited German universities to open campuses in India.
  - **Global skills partnership (JDol):** Facilitates mobility of healthcare professionals.
  - Proposal to expand **German language** teaching in: Schools, Universities, and Vocational institutions.
  - **New initiative:** Indo-German Centre of Excellence for Skilling in Renewable Energy – curriculum development, industry collaboration, job-market-oriented training.
- **Economic and trade relations:**
  - It focuses on supply chain resilience, Trade diversification, and FTA diplomacy. Bilateral trade between India and Germany **crossed USD 50 billion** in 2024 (over 25% of India-EU trade).
  - Strong two-way investments supporting supply chain diversification, SMEs, startups, digitalisation, AI, and innovation.
  - **Institutional mechanism** – Strengthening cooperation via the German-Indian CEO Forum.
  - **FTA push:** Strong support for concluding the India-EU Free Trade Agreement, seen as a key deliverable of the upcoming EU-India Summit.
- **Critical and emerging technologies:**
  - **Focus areas:** Semiconductors, critical minerals, telecommunications, digitalisation and AI, health and bioeconomy.
  - **Key institutional steps:** JDol on Semiconductor Ecosystem Partnership, JDol on Critical Minerals Cooperation, Indo-German Digital Dialogue Work Plan (2026-27), and JDol on Telecommunications.
  - **Strategic importance:**

- Trusted supply chains, critical technologies, and digital sovereignty – reducing dependence on China-dominated supply chains.
- Supporting India's ambitions in electronics manufacturing and **Industry 4.0**.
- **Climate, energy and sustainability:**
  - Establishment of India-Germany Centre of Excellence in Renewable Energy.
  - Joint projects in climate action, urban development and mobility, and green hydrogen (mega project).
  - **Strategic alignment** - Clean energy transition, climate diplomacy (climate finance and technology transfer), and long-term energy security.
- **Indo-Pacific and global geopolitics:**
  - Reaffirmed commitment to Free and Open Indo-Pacific, UNCLOS and international law.
  - Germany's growing engagement under the Indo-Pacific Oceans Initiative (**IPOI**) (co-led by India & Germany).
  - **Global Issues discussed:**
    - Ukraine war: Support for a just and lasting peace under the UN Charter.
    - Gaza conflict: Support for a negotiated two-state solution.
    - Strong condemnation of terrorist attacks in **Pahalgam** and Delhi.
- **Multilateral cooperation** (Global governance reforms, Multilateralism, G4): Renewed commitment to UN Security Council (UNSC) reforms. Continued coordination through the G4 group (India, Germany, Japan, Brazil).

## Current State of India-Germany Relations

- **Institutional architecture:** The Inter-Governmental Consultations (IGC) mechanism—used by Germany with only a few select partners—anchors policy coordination and makes India-Germany ties among the most institutionalised in Europe-India relations.
- **Trade and investment depth:** While over 2,000 German companies operate in India, supporting around 4 lakh jobs; Indian investments in Germany have crossed €6.5 billion, reflecting two-way economic interdependence.
- **Project 75I Submarine Programme:** The project involves AIP-enabled submarines, over 60% indigenisation, major technology transfer, and is central to India's Indian Ocean deterrence strategy amid China's naval expansion.
- **Science & technology legacy:** India and Germany marked 50 years of formal S&T cooperation in 2024, which is now being scaled up to strategic domains such as quantum tech, cybersecurity, biotech and AI.
- **Green financing commitment:** Under the Green and Sustainable Development Partnership (2022), Germany has committed up to €10 billion till 2030 for India's green transition.
- **Mobility and migration framework:** The Comprehensive Migration and Mobility Partnership (2022) and Germany's Skilled Immigration Act have made Germany a major destination for Indian talent, with –
  - Around 2.8 lakh Indians residing in Germany (2025)
  - India as the largest source of international students in Germany (over 42,000 students)
  - Special focus on healthcare, STEM and technical professionals
- **Essence of India-Germany relations today:** It rests on a deeply institutionalised, multi-layered partnership, positioning Germany as India's most consequential partner within the European Union.

## Challenges and Way Ahead

- **No concrete breakthrough yet on submarine deal:** Operationalise defence industrial roadmap with flagship co-production projects.
- **Divergences on some geopolitical issues persist:** Deepen Indo-Pacific coordination amid rising great power competition.
- **Translating MoUs into time-bound implementation:** Institutionalise semiconductor and critical minerals cooperation.
- **Aligning EU regulatory standards with Indian market realities:** Fast-track India-EU FTA conclusion.
- **Slow education and skills partnership:** Expand German educational presence under NEP 2020. Ensure skill mobility agreements are mutually beneficial and ethical.

## Conclusion

- The Merz-Modi summit marks **a qualitative upgrade** of the India-Germany Strategic Partnership, moving beyond trade to encompass strategic sectors like defence manufacturing.
- As global geopolitics undergoes rapid realignment, India and Germany emerge as natural partners anchored in shared democratic values, economic complementarities and a commitment to a rules-based international order—making this partnership a key pillar of India's Europe and Indo-Pacific strategy.

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