



Federal Ministry  
for Economic Affairs  
and Energy



MITTELSTAND  
**GLOBAL**  
ENERGY SOLUTIONS  
MADE IN GERMANY

# India: Macro-Economic and Bi-lateral Trade Overview



Facilitator





# India: Quick Facts

India consists of 28 states and 7 union territories (managed by the central government)

23 official languages; in total there are more than 800 languages

The seventh largest country in the world with an area of 3,287,259 km<sup>2</sup> (2.4% of the world's land area)

Around 7000 km of coastline

Second largest population on earth with 1.3 billion - around 18% of the world population

Population growth of 1.04% a year (2018 /Statista.de)

Young population, average age is 27.7 years

Average population density of 459.6 inhabitants per km<sup>2</sup> (individual regions with more than 1000 inhabitants per km<sup>2</sup>)

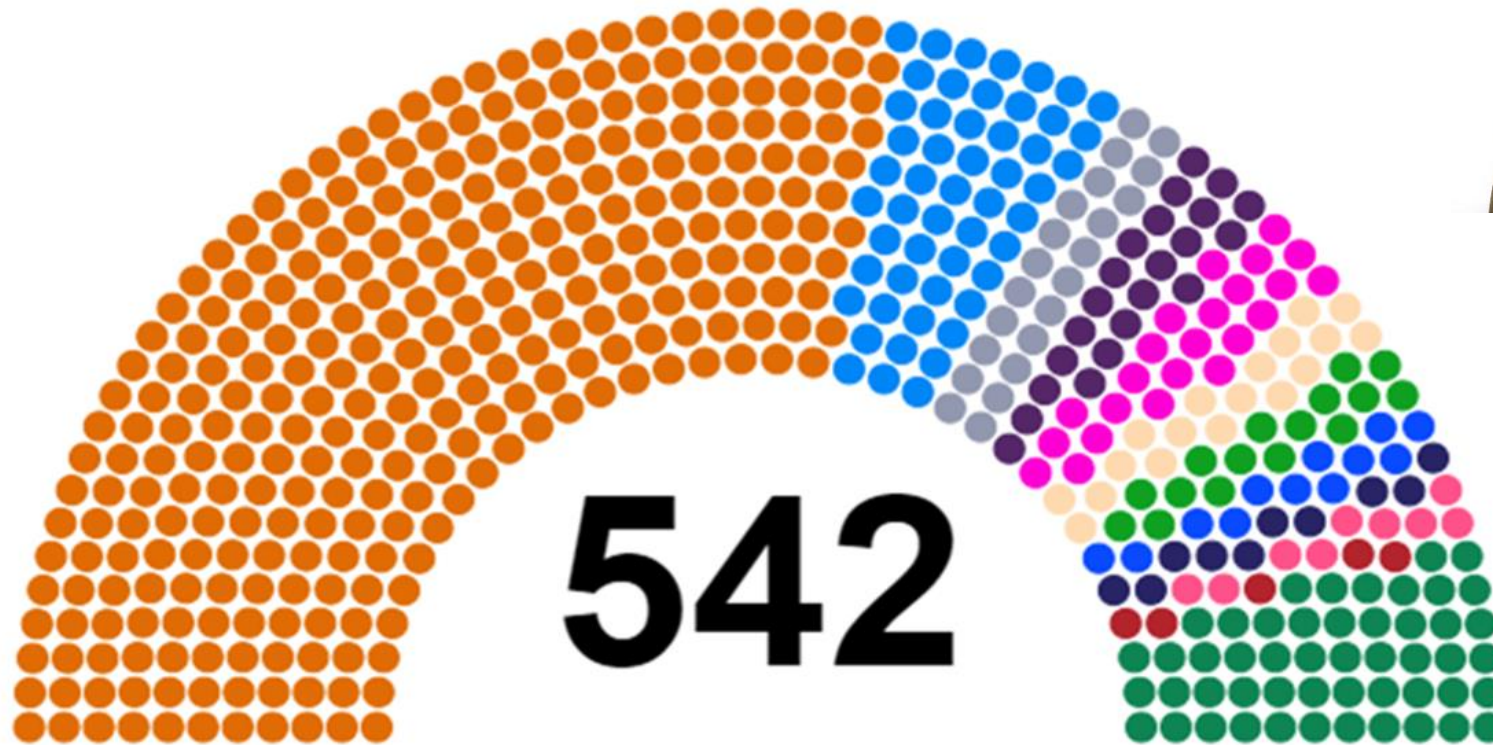
Two chamber system with Lok Sabha (5 years) and Rajya Saba (ongoing)

Prime Minister since 2014: Narendra Modi (re-elected in 2019)

LOK SABHA (2019)

# Political Landscape

Prime Minister: Narendra Modi



● BJP ● CONGRESS ● YSRCP ● TMC ● DMK ● SHIV SENA ● JD(U) ● BJD ● BSP ● TRS ● SP  
● OTHERS

## AN ECONOMIC BALANCE

# 5 Years of Modi

	2014	2019
GDP Growth	7.5%	5.0%
Inflation Rate	5.8%	3.71%
FDI Inflows	36.000.000.000 \$	62.000.000.000 \$
Government Budget Deficit (in % of GDP)	-4.5%	-3.5%
Revenue Budget (in billion USD)	0.278 (14/15)	0.303 (19/20)
Current Account (in billion USD)	-17.940 (April-Sep)	-20.434 (April-Sep)
Key Interest Rate	8%	6.5%
Exchange Rate (INR/USD)	59.93 (April)	71.25 (Jan 2020)



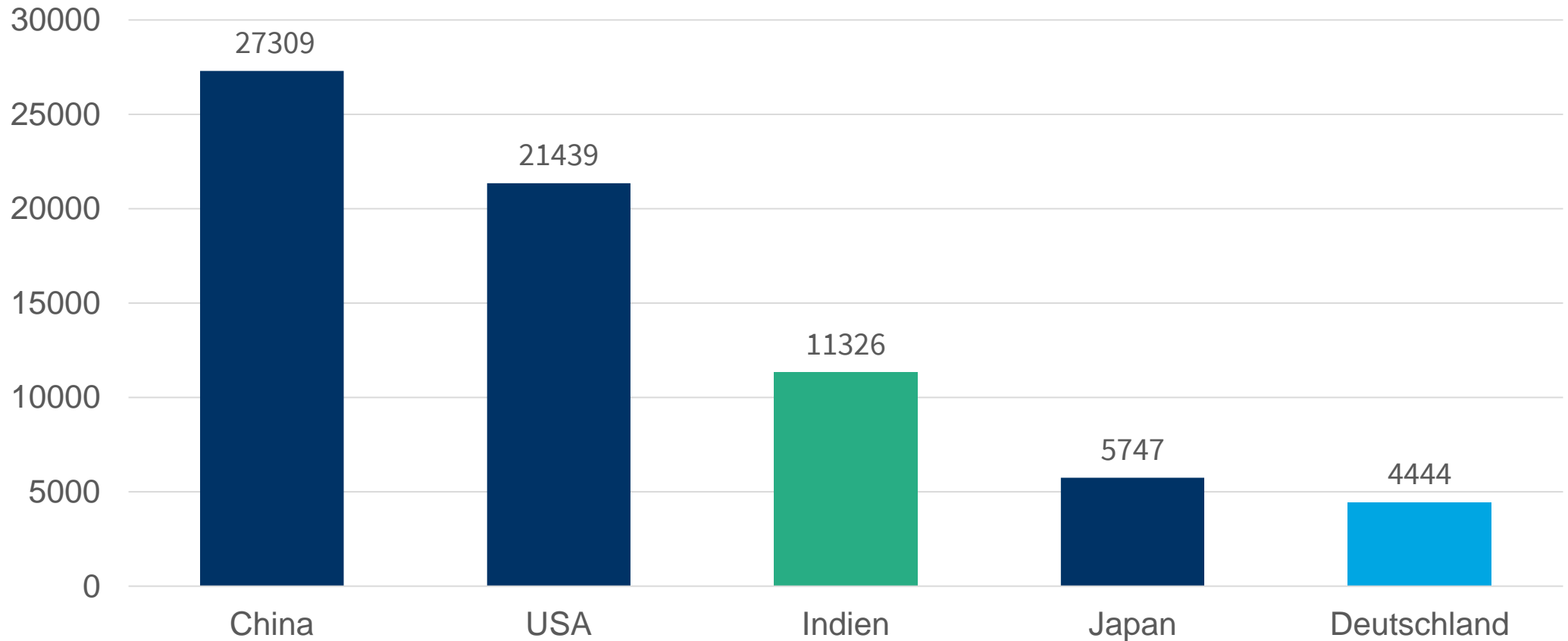
COMPARED FDI INFLOWS (TOTAL IN BILLION USD)

# German Investment into India

	2015-16	2016-17	2017-18	2018-19	2000-19
FDI inflow from Germany	0.9	1.0	1.1	0.9	11.71
Total FDI inflows from all countries	55.6	60.1	61.9	60.9	609.84
% share of Germany	2.4	2.5	2.6	3	2.8
FDI inflow from Germany (yearly change in %)	-12.4	8.4	7.2	-	-
Total FDI inflows from all countries (yearly change in %)	29.3	8.7	3.2	6.1	-

GDP (PPP) IN BILLION USD (2018)

# India, the world's third largest economy



INDIA

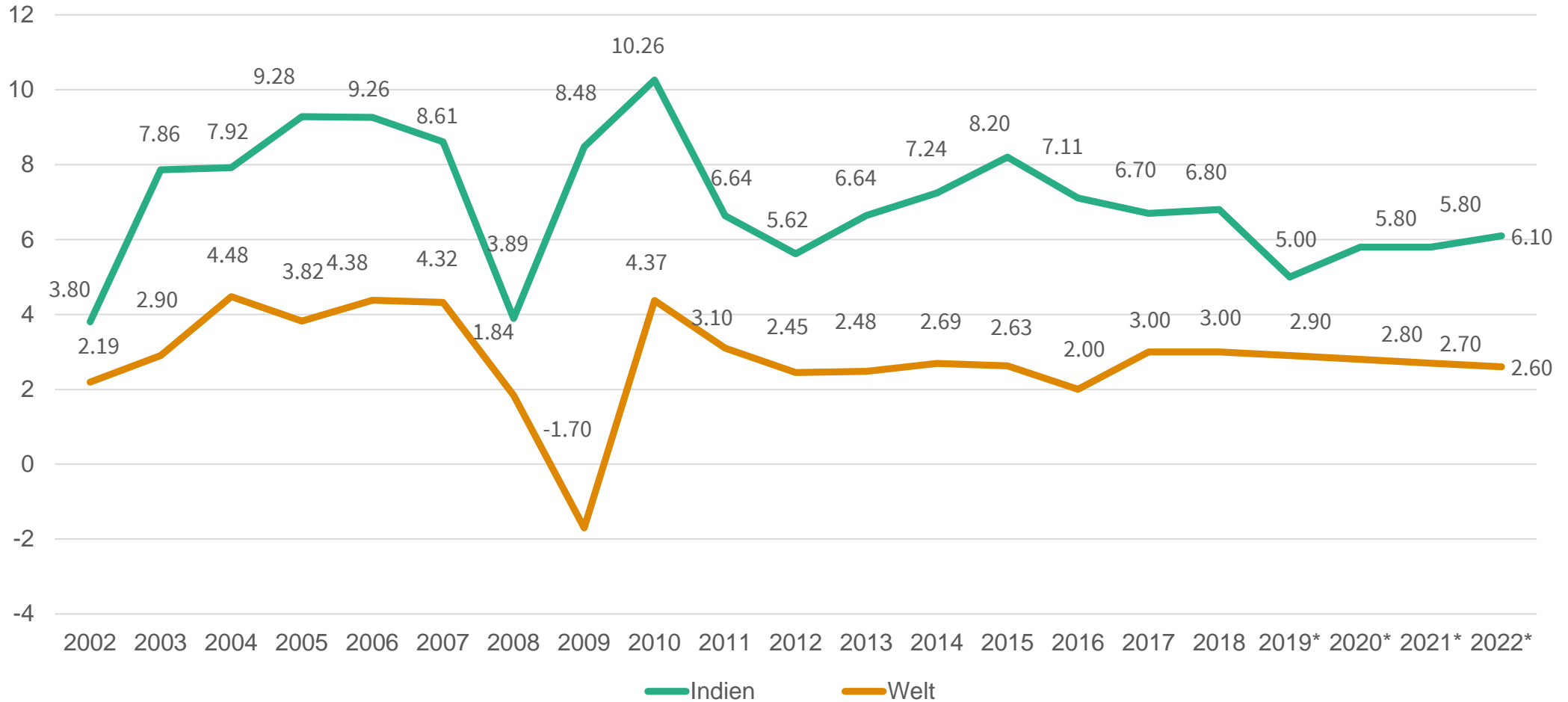
# GDP Growth (in %)





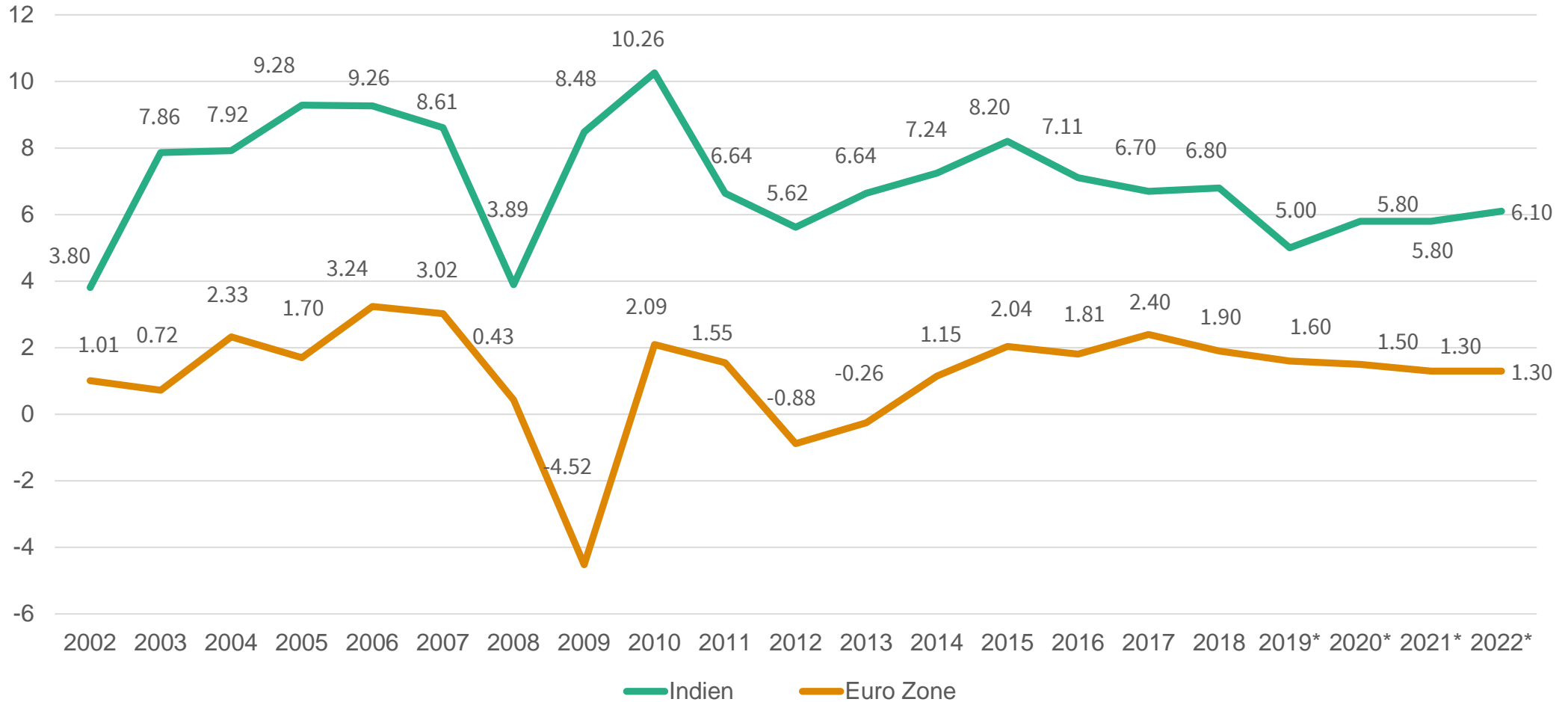
# INDIA VS WORLD

## GDP Growth (in %)



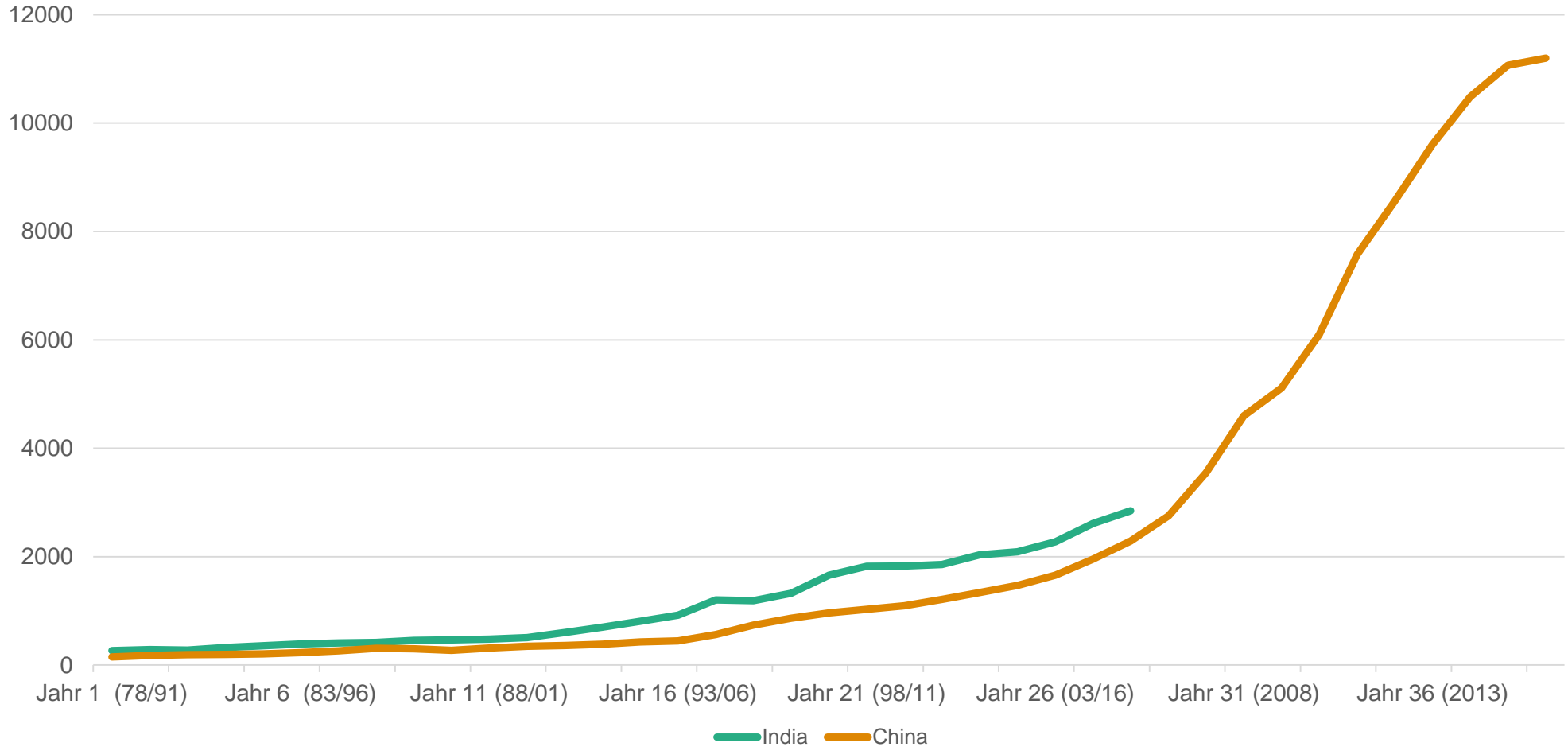
# INDIA VS EURO AREA

## GDP Growth (in %)



CHINA 1978 & INDIA 1991

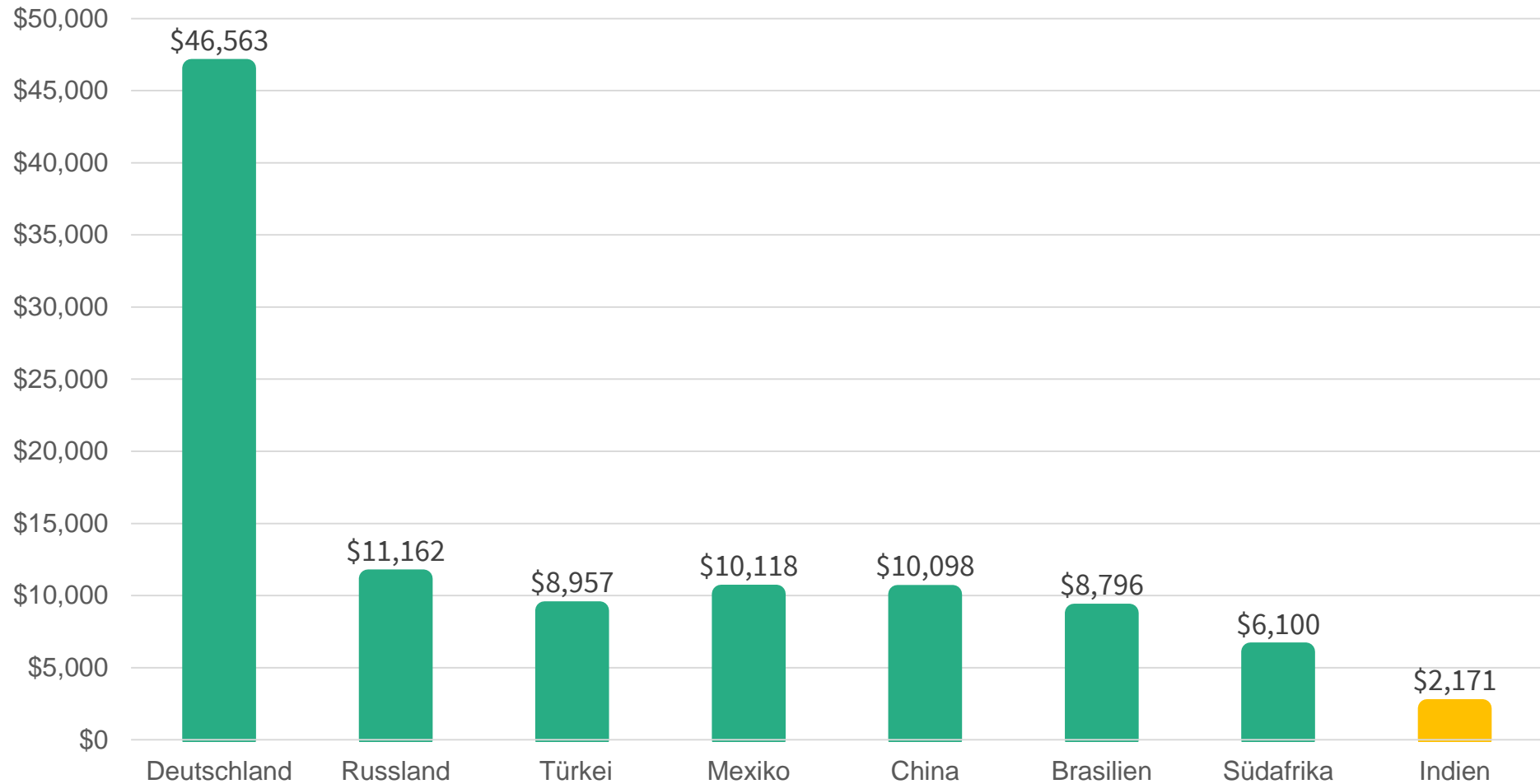
# Economic Growth after Introduction of Reforms



## INDIA VS WORLD

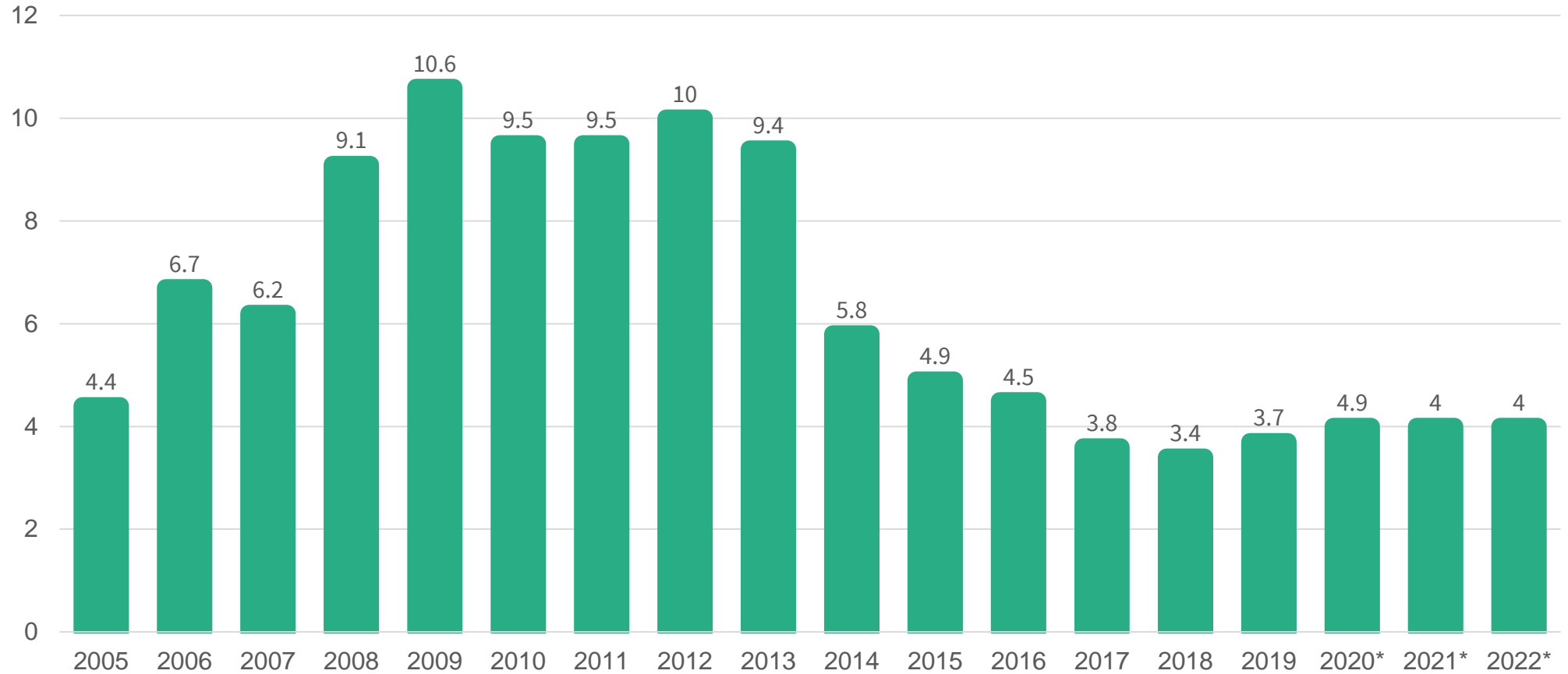
# Per Capita Income 2019 (USD)

Per Capita Income (US\$) 2019



INDIA

# Inflation (in %)

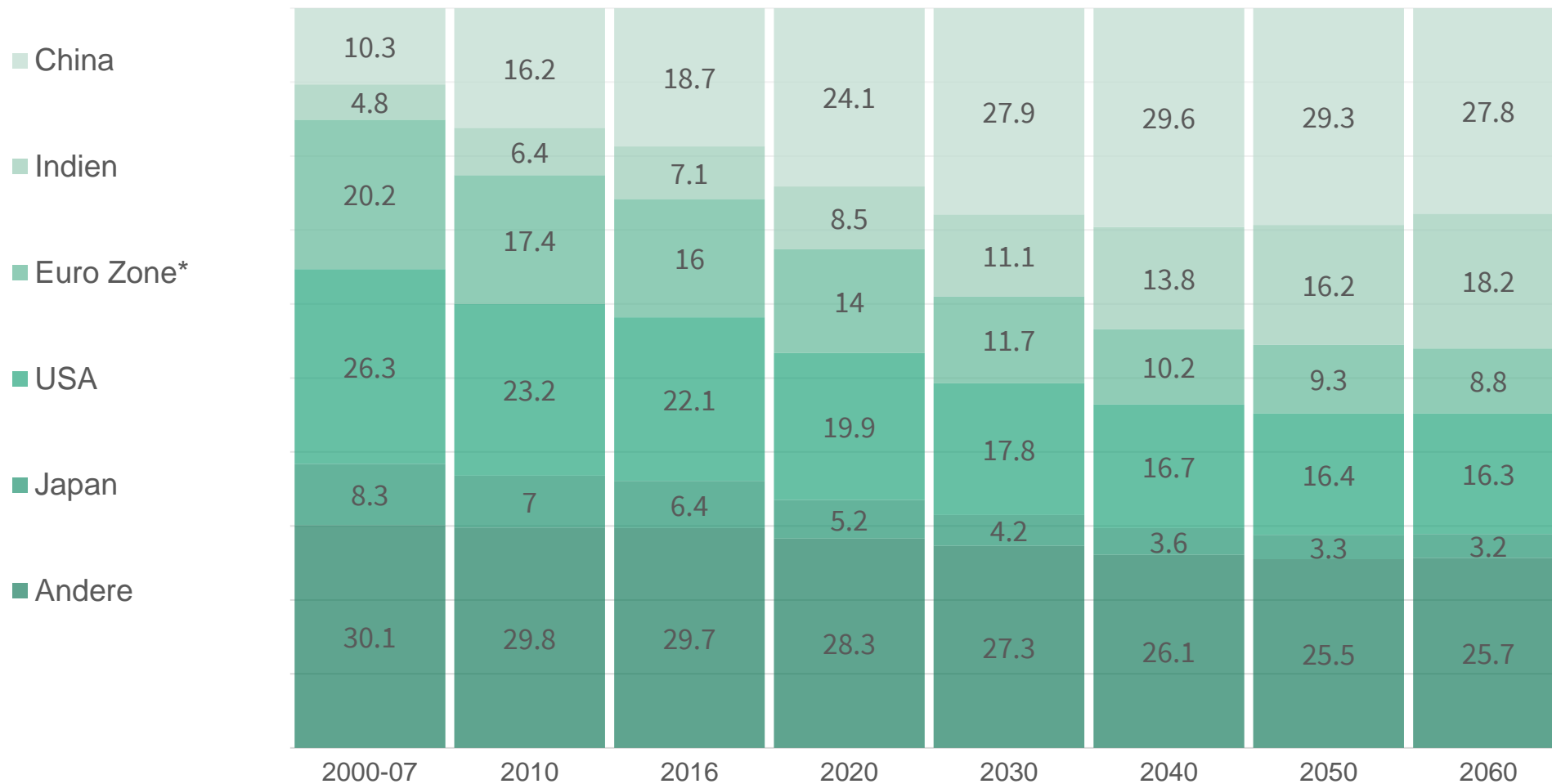


# Major Decisions/Achievements of NDA government

- Crackdown on black money and corruption
  - Introduction of GST (Goods & Services Tax)
  - Indian banknote demonetization
  - Widen the tax base (presently 3-4%)
- Electrification of Villages (100%) & Building of Roads (from 17km (in 2013) to 40km per day today)
- Opening up of new bank accounts (312 million since 2014)
- National Health Protection Scheme (500 million Indians covered)
- Strengthened Economy (growing by 7-8%....fastest in the World)
- Controlling Inflation.
- Improved International Relations
- In World Bank “Ease of Doing Business” report: Record Jump of 30 points from 130 to 100. Target is to be in top 50.

# Shifting Heavyweights

SHARE OF REAL WORLD GDP (PPP IN %)







# Bilateral Trade

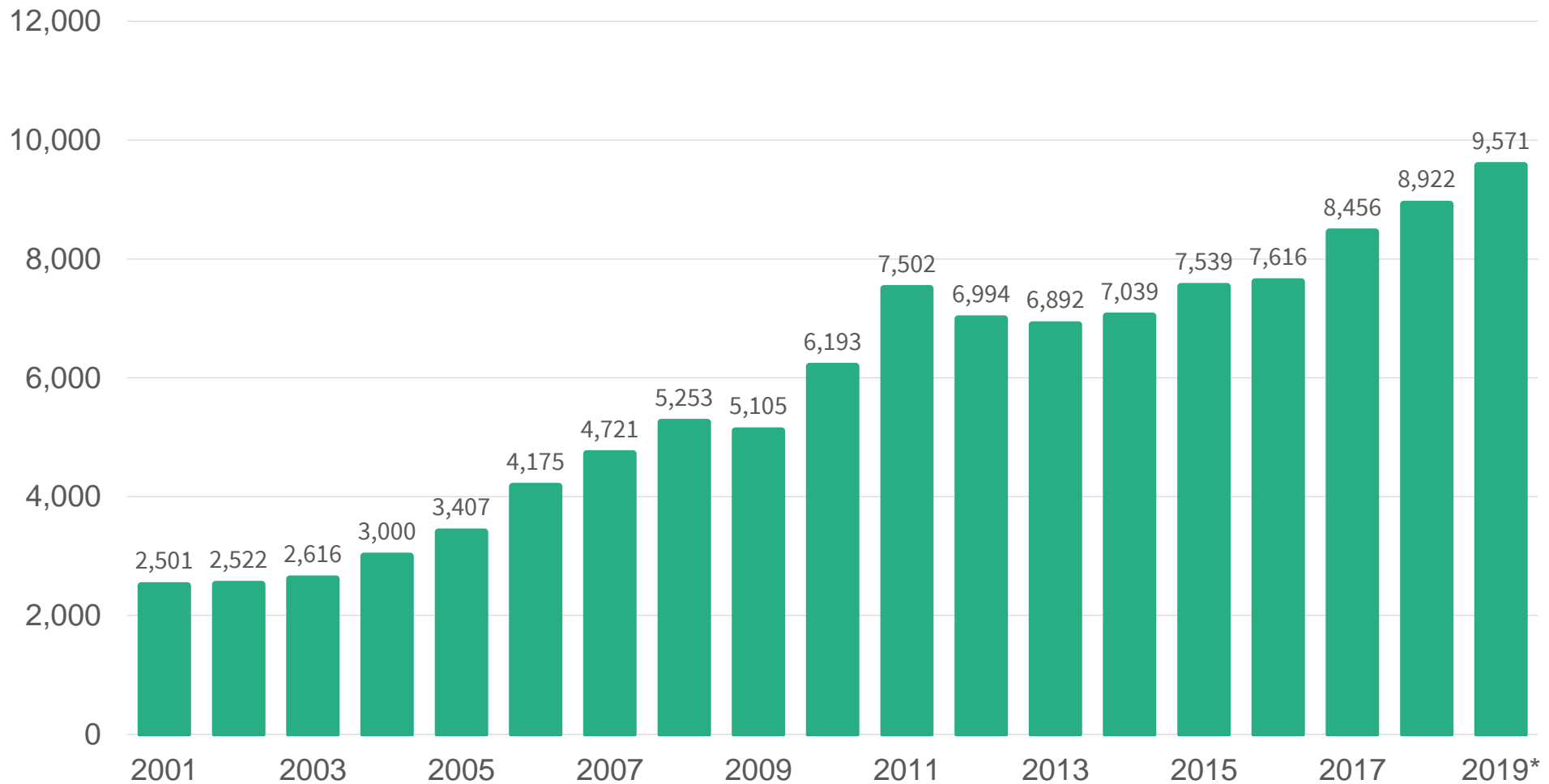
Indo-German Chamber of Commerce



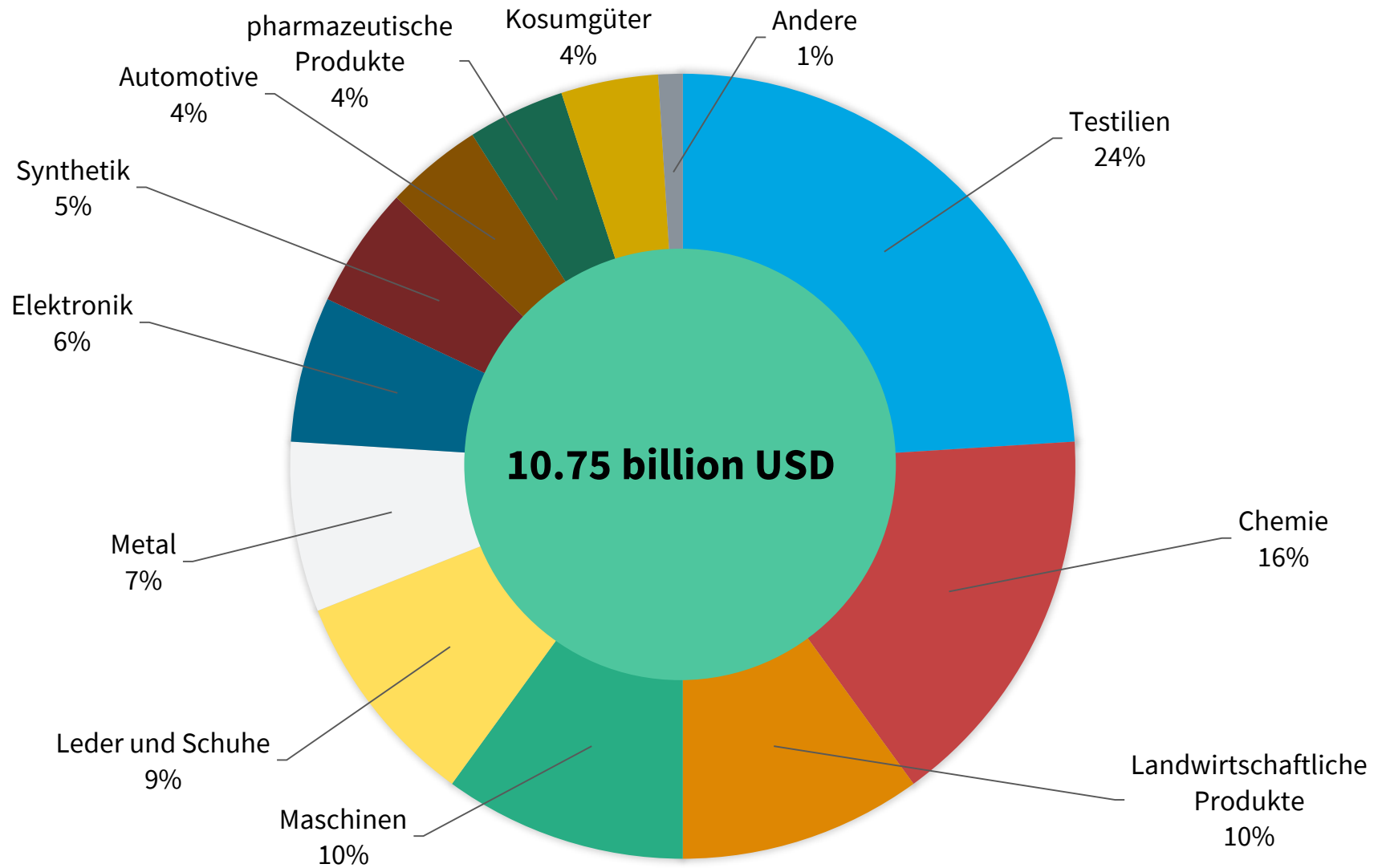
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## BILATERAL TRADE

# German Imports from India (in billion EUR)

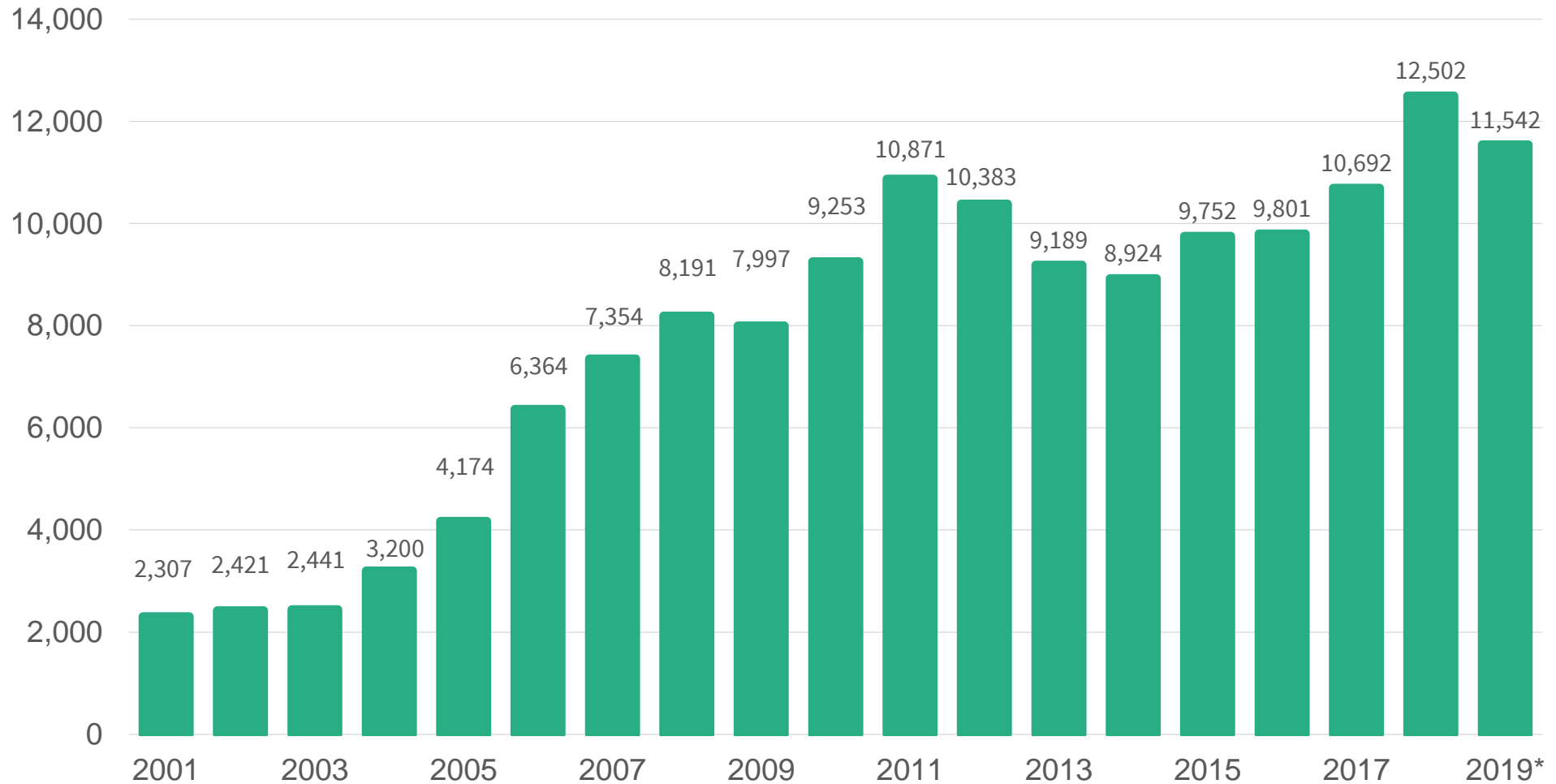


# German Imports from India 2018



## BILATERAL TRADE

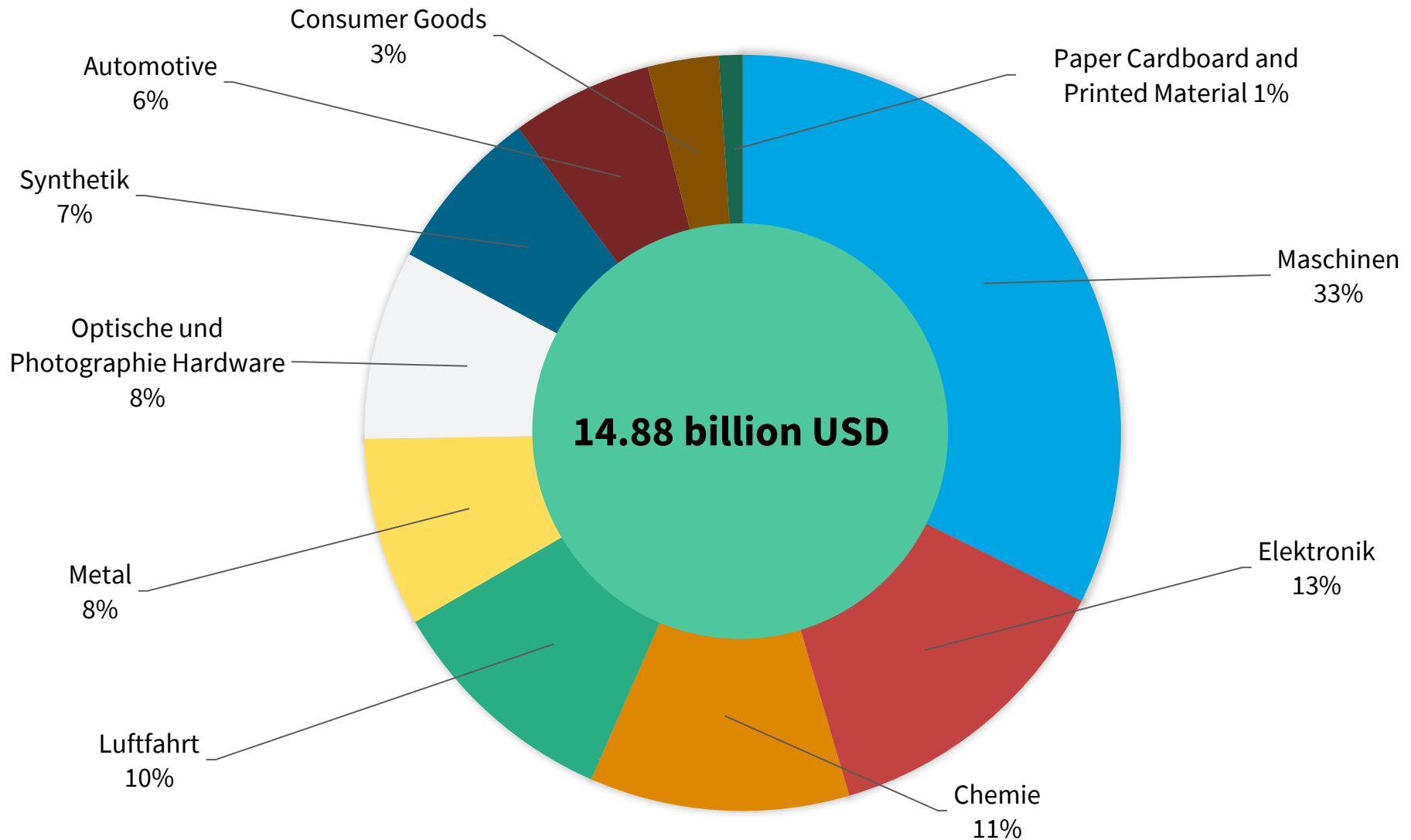
# German Exports to India (in billion EUR)



Source: IGCC

\* Hochrechnung basierend auf November

# German Exports to India 2018

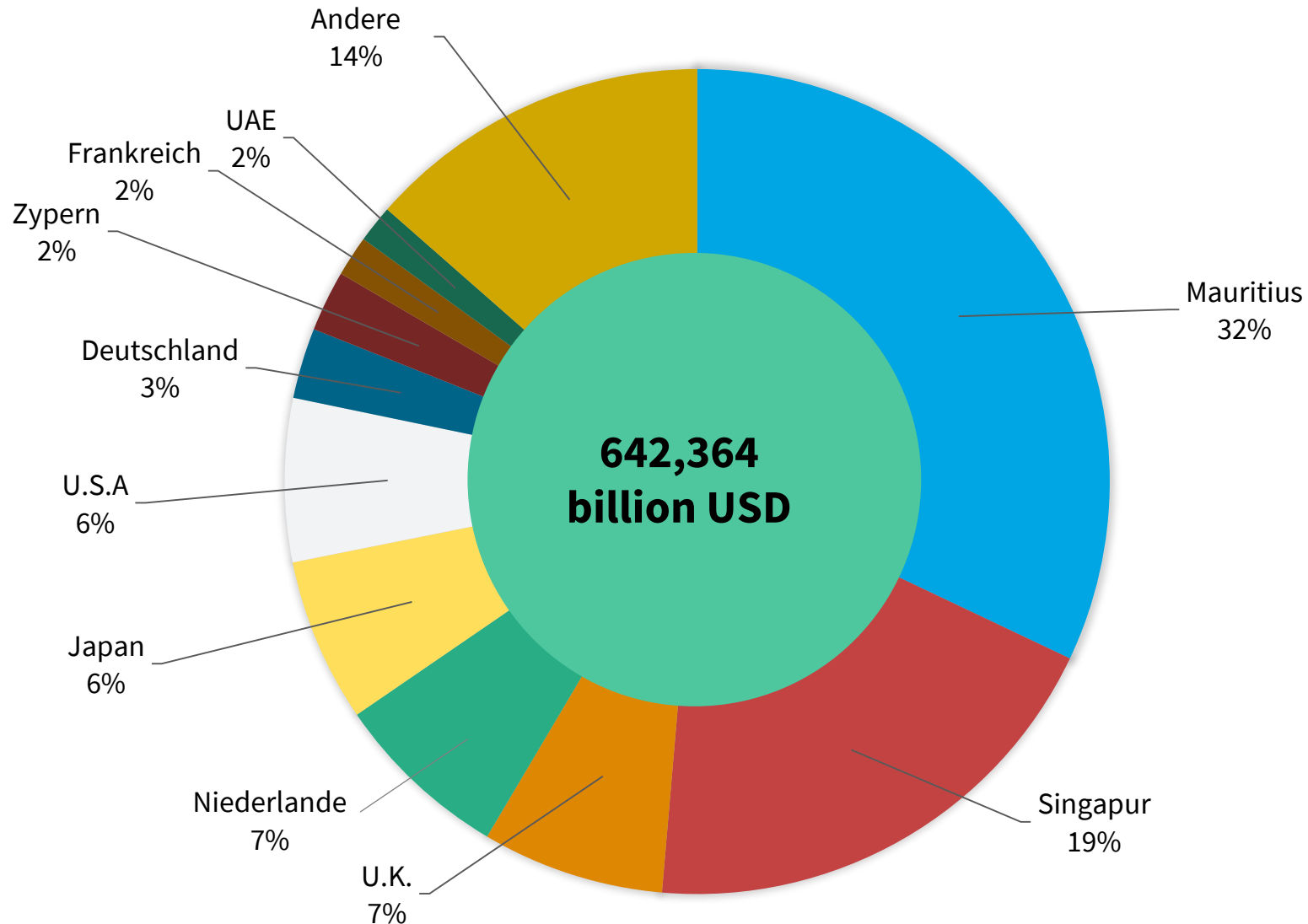


## BILATERAL TRADE

# India's Main Trading Partners (in million USD)

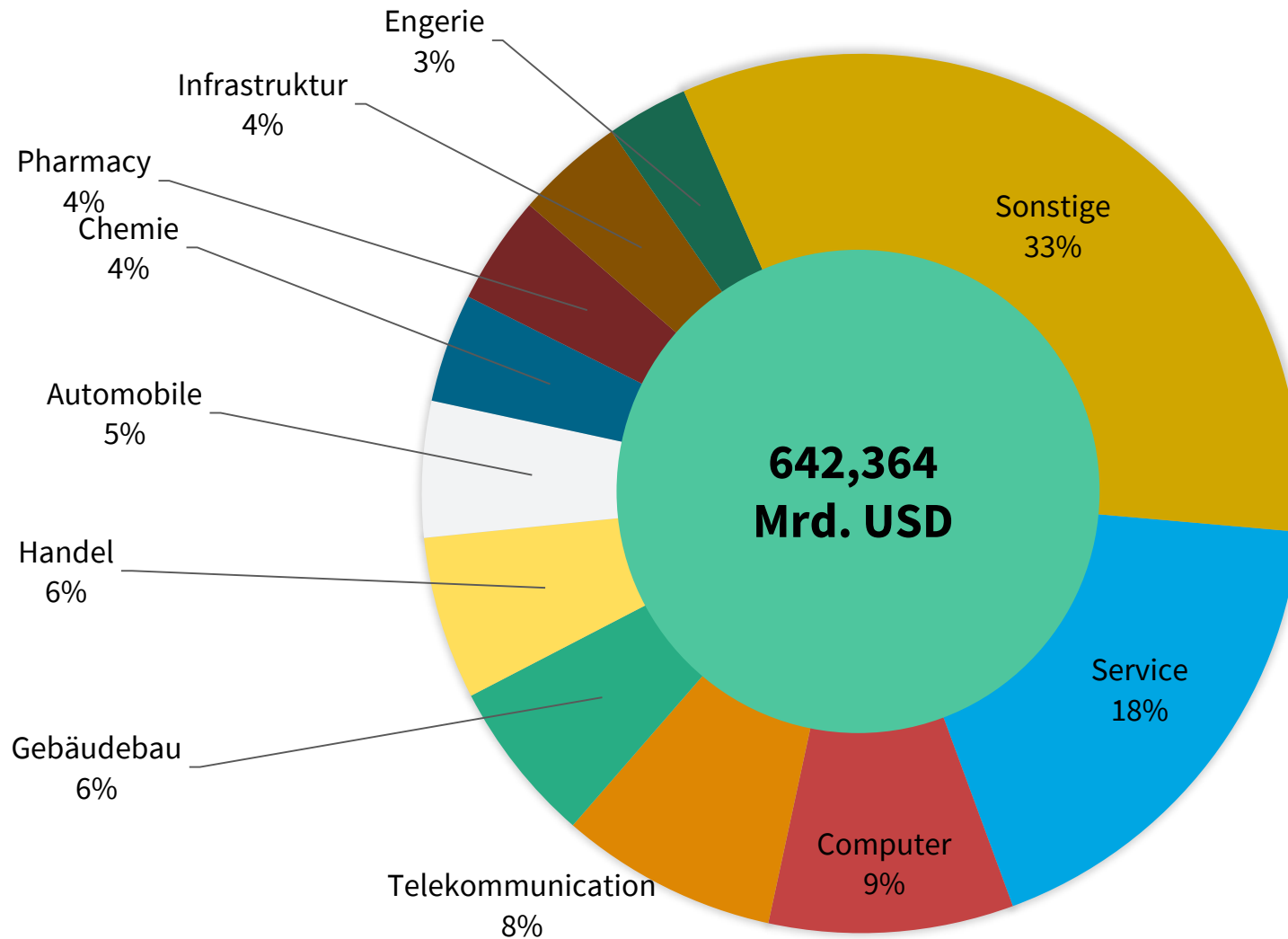


# Investment in India (2000-2019)

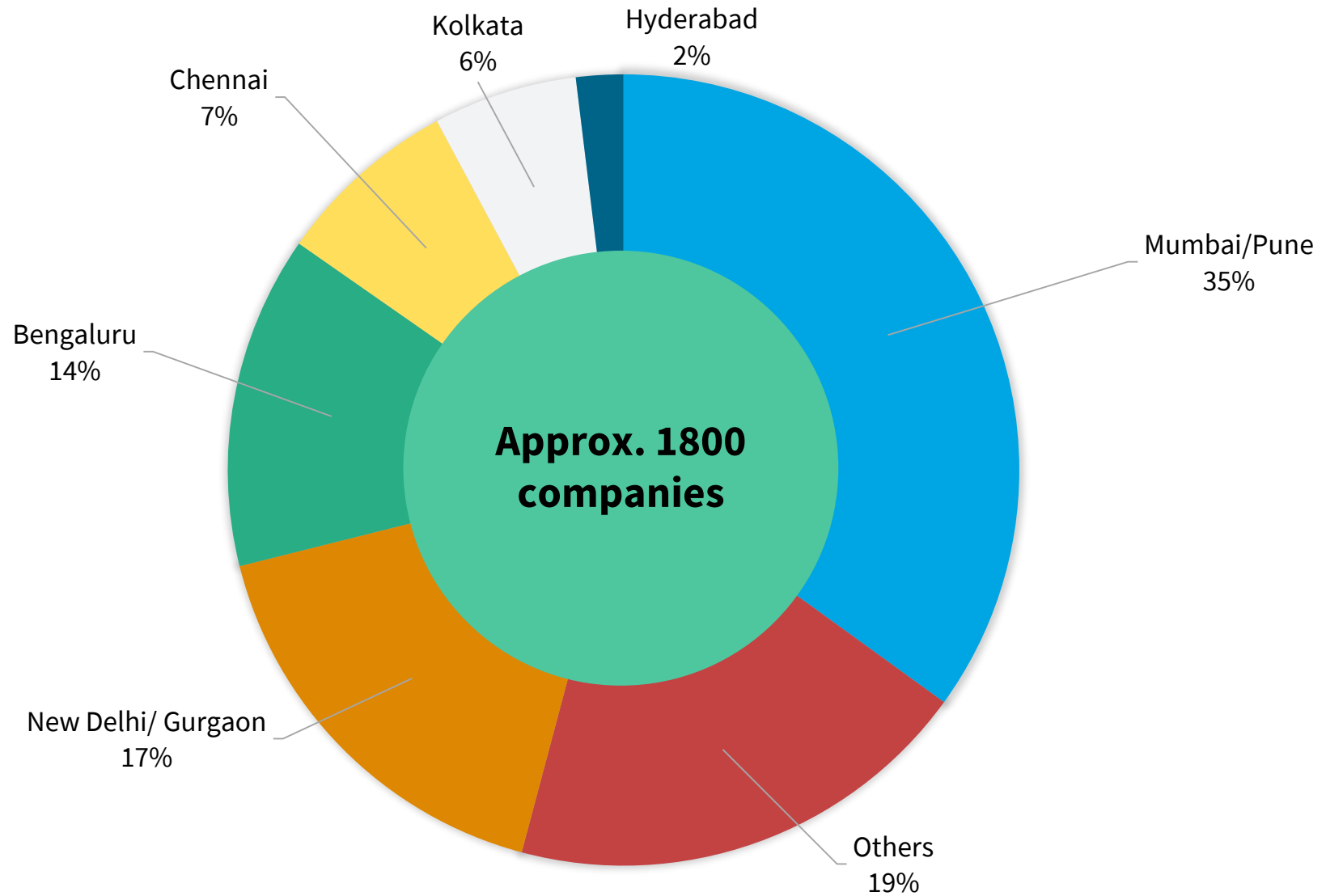




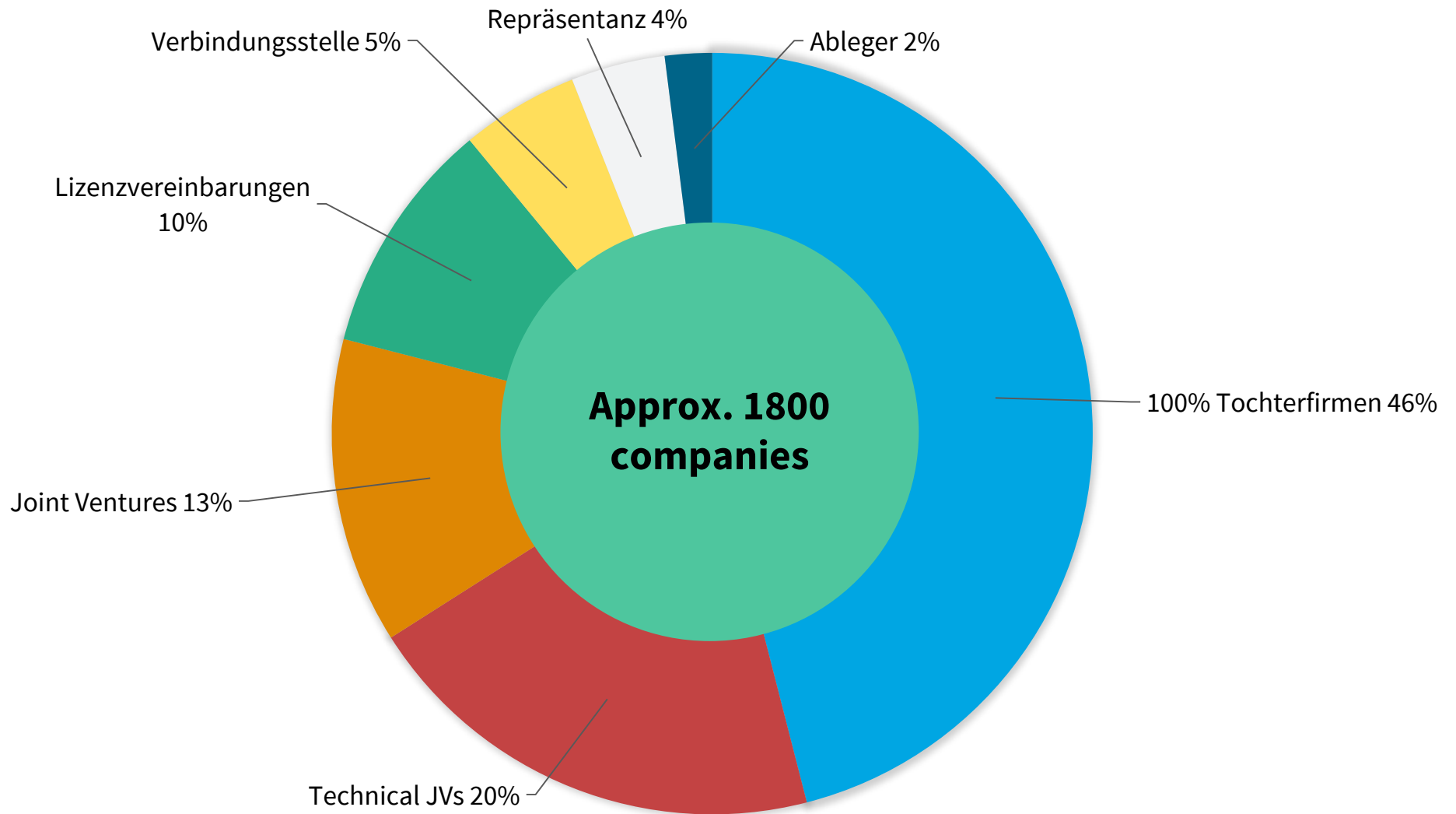
# Foreign Investment per Sector, 2000-2019



# German Companies in India



# German Companies in India



# Major Highlights of German Engagements

**Highly profitable**

Despite a slight decline of profitability, the German enterprises in India were highly profitable in recent years and could in many cases finance their expansion from own resources or from the liquid capital market or bank loans

**Almost all DAX-companies are represented**

The biggest companies are Siemens and Bosch but also almost all DAX-companies are represented in India

**522,000 people employed in 2018**

The Top 30 German employers in India are employing a rising amount of 325,000 permanent employees in 2018 (direct and indirect) and 197,000 employees in form of exclusive agents, franchise partners, and exclusive suppliers and contract manufacturer. This equals 522,000 employees.

**1800 German companies**

Around 1800 German companies operate in India with their own production/Joint Venture or collaboration agreement

# Biggest Investments by German companies

1 **SIEMENS**  
1.096 Mio USD seit 2011

2   
Mercedes-Benz  
1.040 Mio USD seit 2013

3   
1.016 Mio USD seit 2013

4  **BOSCH**  
681 Mio USD seit 2012

5   
The Chemical Company  
4.4 Mil. USD seit 2013

6   
323 Mio USD seit 2013


7   
246 Mio USD seit 2013

8   
200 Mio USD seit 2012

9   
Energizing Chemistry  
126 Mio USD seit 2016

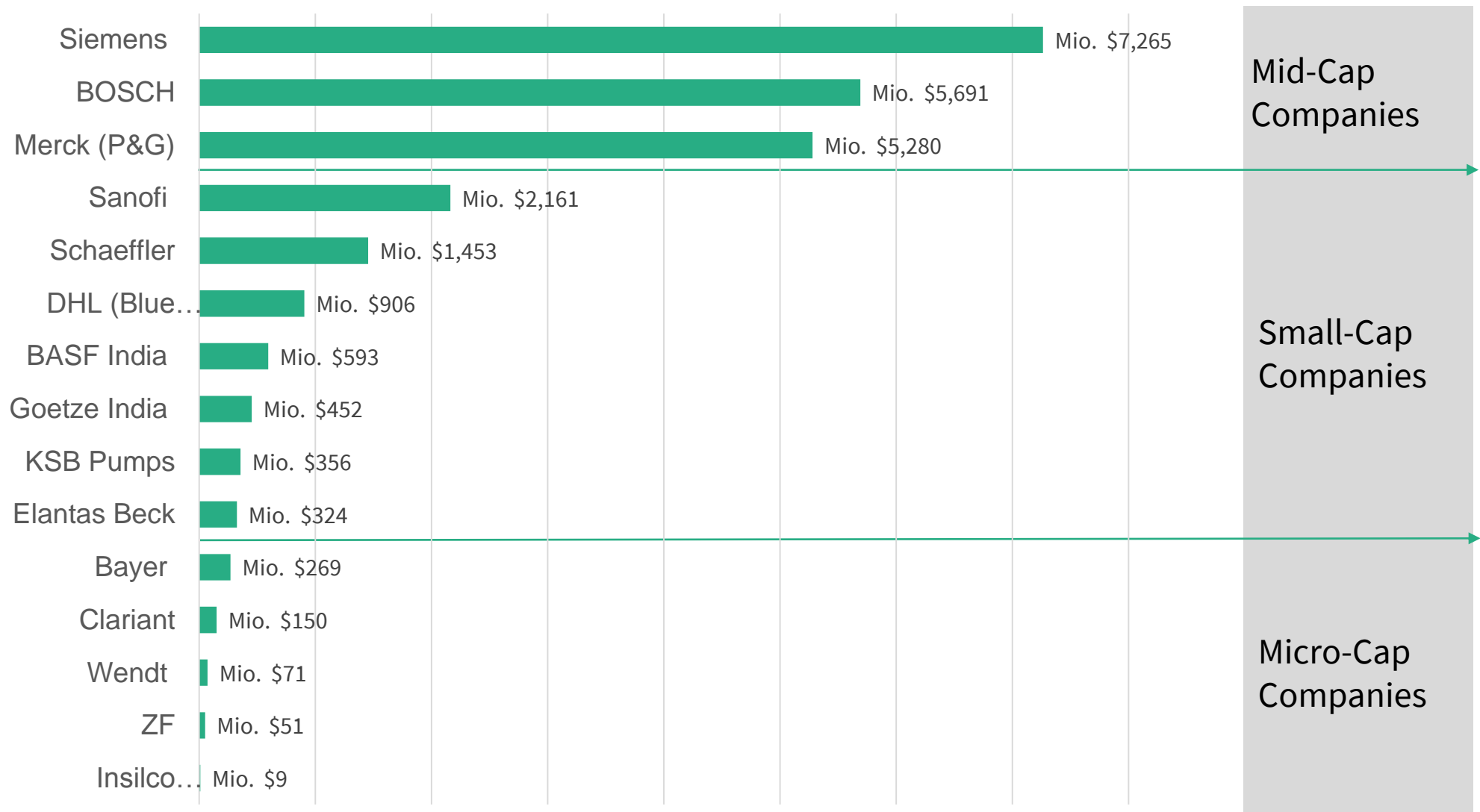
10   
103 Mio USD seit 2014

11   
50 Mio USD - 2017

12   
thyssenkrupp  
44 Mio USD - 2017

# INDIA

## Market Capitalization (in million USD)



## BILATERALER HANDEL

# Investment Overview 2019 (top 15)

Name der indischen Einheit	Name des deutschen Unternehmens	Route	ADI-Betrag in mio		Quartal
			INR	USD	
MERCK SPECIALITIES PRIVATE LIMITED	MERCK HOLDING GMBH	Approval Route	6781.47	95.87	Q1
TDK INDIA PVT. LTD. (FORMERLY EPCOS INDI	EPCOS AG	Automatic Route	2653.71	37.52	Q1
AVAADA ENERGY PRIVATE LIMITED	DEG DEUTSCHE INVESTITIONS UND ENTWICKLUN	Automatic Route	1800	25.91	Q1
ORANGE SIRONJ WIND POWER PRIVATE LIMITED	SIEMENS PROJECT VENTURES GMBH	Automatic Route	1562.21	22.48	Q1
SOLARARISE INDIA PROJECTS PRIVATE LIMITE	THOMASLOYD CLEANTECH INFRASTRUCTURE HOL	Approval Route	558.46	7.84	Q1
Q1INTECH DMLS PRIVATE LIMITED	GILDEMEISTER BETEILIGUNGEN GMBH	Automatic Route	503.68	7.12	Q1
HYDAC (INDIA) PVT. LTD.	BUV BETEILIGUNGS- UND VERWALTUNGSGESELLS HÖRMANN BETEILIGUNGS GMBH	Automatic Route	403	5.7	Q1
SHAKTI HORMANN PRIVATE LIMITED	BATILOGISTIC WEST GMBH	Acquisition of shares	399.55	5.65	Q1
BATI NORTH INDIA PRIVATE LIMITED	FRESENIUS KABI AKTIENGESELLSCHAFT	Automatic Route	396	5.56	Q1
FRESENIUS KABI INDIA PRIVATE LIMITED	HOCH.REIN BETEILIGUNGEN GMBH	Automatic Route	350.84	4.96	Q1
BELECTRIC PHOTOVOLTAIC INDIA PRIVATE LIM	HUETTENES ALBERTUS CHEMISCHE WERKE GMBH	Automatic Route	279.99	3.96	Q1
Q1GARGI HUTTENES ALBERTUS PRIVATE LIMITED	EDELMANN GMBH	Acquisition of shares	240.15	3.37	Q1
EDELMANN PACKAGING INDIA PRIVATE LIMITED	HÖRMANN BETEILIGUNGS GMBH	Acquisition of shares	250	3.51	Q1
SHAKTI HORMANN PRIVATE LIMITED	HUETTENES ALBERTUS CHEMISCHE WERKE GMBH	Acquisition of shares	212.86	3.01	Q1
GARGI HUTTENES ALBERTUS PRIVATE LIMITED		Acquisition of shares	208.83	2.95	Q1
<b>Total, Top 15 2019</b>			<b>16,600.75</b>	<b>235.41</b>	



# Perception of Germany in India

Indians respect, and rate highly

German Products

German Engineering

German Technology

German Precision

German Punctuality

German Commitment

*India likes what Germany has in abundance!*

# Possible perceptions of conflict about Indians

Indian Value	Behaviour	Possible perceptions of conflict
Flexibility	Ad-hoc changes	No structure, no focus
Accepts uncertainty	Allows imperfections, high tolerance	Not detail oriented, need to <i>“adjust”</i>
Respect for hierarchies	Cannot produce positive criticism, decisions taken under authority	Timid, lack of judgement, lack of ownership, classist
Collectivistic society	Value for personal relationships	Not professional enough, nosy
Indirect communication	Difficulty to say no, non-confrontational	Unreliable, evasive

# Possible perceptions of conflict about Germans

German Value	Behaviour	Possible perceptions of conflict
Punctuality	Keeping deadlines	Inflexible, Impatient
Security	Financial and business risks covered	Anxious, dislikes trying new things
Privacy, Individualism	Building up friendships slowly	Emotional distance, selfish
Discipline, Diligence	Separation of work and private life	Lack of humour, not inclusive
Reliability, Accountability	High quality work, perfectionist	Arrogant, know-it-all
Straightforwardness, Honesty	Yes=yes ; No=no, clear statements	Aggressive, rude, unfriendly

# And.. The Jugaad Concept



A quick short term fix or “hack”, usually a short-cut in structure or finding loopholes in processes!  
Extremely necessity/demand driven

# Working methods for good co-operation with Indians

- Understanding the high context communicative style
- Re-affirming the summaries
- Value traditions and religious beliefs
- Necessity to check on the processes, time to time
- Accept flexibility in terms of order and structure
- Empathetic communication of negative feedback
- Open mind toward frugal innovations
- Invest time in building relationships
- Create a comfortable and reciprocating environment
- Suggest alternative scenarios

# Things to do

Understand the Cultural difference between Germany & India amongst:

- Vendors
- Customers
- Workmen / Employees

Their attitude towards business

# Vendor Culture: Challenges

- (very often) Foreman-turned-entrepreneurs
- Lack of right kind of equipment , tools and tackles
- Medium-High Attrition rate (varies across levels)

Result: Inconsistent Quality

# Customer Culture: Challenges

- Price Sensitive
- Brand Loyalty is not guaranteed  
Relationship management should be a continuous process
- High Expectation being a German Company
- Attrition

Result:

It can be a challenge to supply high quality product at a competitive cost



# Employee Culture

Indians are (generally speaking)

Shy

Sensitive

Emotional

Informal

Diplomatic

God Fearing

Loyal

Trustworthy

# Employee culture

No Social Security: So Employees are

“Savings” conscious

Prefer Self & Family welfare Schemes

Perquisites (perks) are equally important – besides salary

Seek job safety and long term benefits

# Employee Culture: Solution

Indians are quick learners and the attitude is fast changing, therefore the only solution is :

Training

Training

Training

Across all Levels

As a continuous process

# Conclusion

Accept India

Be Flexible & Adaptable

Have a **Leader**

Who Loves the Company

Who Loves the Product

Who loves the Country

Who loves the people in that Country

(preferably an Indian trained & tuned to German ethics)



**Indo-German Chamber of Commerce**  
**Deutsch-Indische Handelskammer**  
Mumbai · Delhi · Kolkata · Chennai  
Bengaluru · Pune · Düsseldorf

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**AHK Indien**

Indo-German Chamber of Commerce



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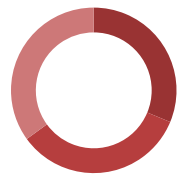
# Mandate of AHK India – WE ARE



**The Representation  
of the German industry**



**Member Organisation**



**Service Provider**

**We** are part of the **worldwide network** of 140 German Chambers of Commerce abroad, located in 92 countries.

**We** and our services have been trusted by **more than 5,000 members** since 1956.

**We** are the main catalyst for the promotion of trade and industrial relations between **India and Germany.**

INDO-GERMAN CHAMBER OF COMMERCE

# Facts & Figures



1956-2016 | Always yours

**Founded in 1956**

**More than 100 permanent employees**

**6 Offices & 17 honorary representatives** in India

**1 Liaison Office & 17 India Desks** in Germany

**1 Representative** in Brussels

**9 India Desks abroad** in various bi-national Chambers of Commerce

**5000+ German and Indian members** - largest bi-national Chamber of Commerce worldwide



## INDO-GERMAN CHAMBER OF COMMERCE

# Representatives in India

### ❖ **Offices**

Mumbai – Delhi – Kolkata –  
Chennai – Bengaluru – Pune

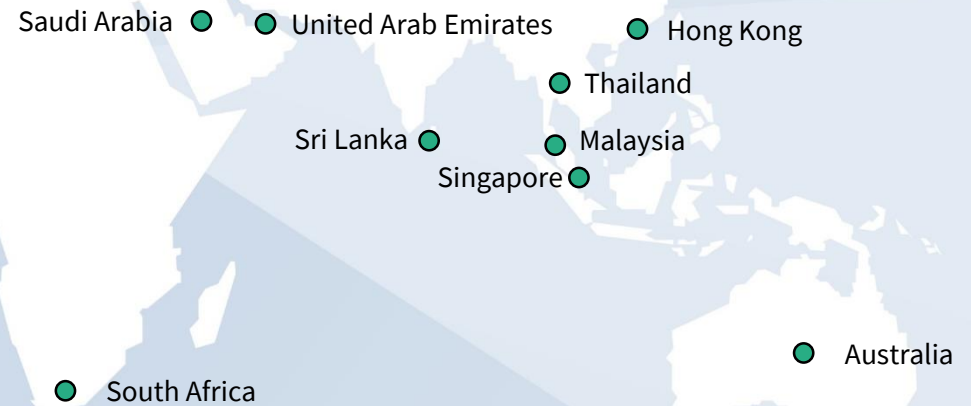
### ❖ **Honorary Representatives**

Ahmedabad – Aurangabad – Bhubaneswar –  
Chandigarh – Cochin – Coimbatore – Goa –  
Hyderabad – Indore – Jalandhar – Mysore –  
Nashik – Patna – Ranchi – Srinagar –  
Trivandrum – Vadodara



# India Desks in other Countries

**9 India Desks** in various bi-national Chambers of Commerce abroad





## INDO-GERMAN CHAMBER OF COMMERCE

# Representatives in Germany

❖ **Liaison Office**  
Düsseldorf

❖ **Other Representatives**  
Berlin – Bremen – Dresden – Frankfurt a.M. –  
Freiburg – Halle – Hamburg – Hannover –  
Mainz – Mannheim – Munich – Nuremberg –  
Osnabrück – Saarbrücken – Stuttgart –  
Würzburg

# DEinternational Services



## Business Accelerator.

Marketing platform

Investments

Company formation

Business partner matching

Corporate & cultural Events



## Support Platform.

Seminars & workshops

ProRecognition

Intercultural Training

HR Recruitment

Credit-Checks

Indo-German Business community



## One-Stop Shop.

Business delegation

IGCC SustainMarkets

Market entry support

Market Research

Start-up Programs

Trade fair Service

Office-in-Office

DualPro

# Trade Fair Service

The IGCC hosts about  
**50 Trade Fairs**  
per year.

Country pavilion  
„Germany“

Individual  
Promotion  
Activities

What we offer our  
clients - exhibitors  
and visitors

Organisation of  
Delegation Trips

Visa Support

Translation and  
Interpreting Services

Stand,  
Advertisement

# INDO-GERMAN CHAMBER OF COMMERCE

## Trade Fair Service



**bautec**



**belektro**



**BIOFACH2018**  
into organic



**CHILLVENTA**  
International Exhibition  
Refrigeration | AC & Ventilation | Heat Pumps  
Nuremberg  
16-18.10.2018



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10-14 MARCH 2018  
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GREATER NOIDA, NCR, INDIA



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# Membership Benefits



**EVENTS**



**NETWORK**



**INDO-GERMAN  
BUSINESS COMMUNITY**



**BEST-PRACTICE  
& KNOW-HOW**



**SERVICES**



# Management, Network, Cooperation

Indo-German Chamber of Commerce



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MANAGEMENT, NETWORK, COOPERATION

# Office-in-Office Solutions



FrankfurtRheinMain  
Become a part of it.



MAX-PLANCK-GESELLSCHAFT







# Events and Economic Delegations

Indo-German Chamber of Commerce



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EVENTS AND ECONOMIC DELEGATIONS  
**Organisation, Welcome  
and Support**

**German participation at “Make in India”  
Event with Uwe Beckmeyer**, Parliamentary  
State Secretary of the German Ministry of  
Economic Affairs and Energy, **Prime Minister  
Narendra Modi**

*– 13 to 18 February 2016*

# Founders' Day Lecture 2017

by Winfried Kretschmann, Minister President of the  
State of Baden-Württemberg, Germany  
Mumbai, 25th January 2017



## EVENTS AND ECONOMIC DELEGATIONS

# Organisation, Welcome and Support

IGCC's **Founders' Day** Lecture 2017 given by Winfried Kretschmann, Minister President of the State of Baden-Württemberg, Germany.

The annual Founders' Day presents a networking forum for the members of the IGCC.



## **Dipti Kanitkar**

Head, Inbound– Outbound Services, Delegations

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THANK YOU!