

Press Release

Berlin, 10 April 2015

German economy expects new growth impulses from India

- **For the first time, India is growing faster than China**
- **Reliable development of the infrastructure must be sustained and legal certainty ensured**
- **Approx. 400 top corporate representatives from India visiting the Hanover Fair**

“The German economy is ready. When India grows, we grow with them and we will invest. But the preconditions have to be right. India and its government have to convince the world that it is really possible now to grow in a sustainable way”, said Hubert Lienhard, Chairman of the Asia-Pacific Committee of German Business, on the occasion of the official opening up the Hanover Fair and the Indo-German Business Summit.

On Monday, 13 April 2015, the “Indo-German Business Summit“ will take place at the Hanover Fair, which has been organised by APA, the Indian industrial association CII and the Hanover Fair. Along with the German Chancellor Angela Merkel and the Indian Prime Minister Narendra Modi, numerous high-ranking representatives from industry and politics will also participate in this event. The corporate delegation from India is a group of around 400 people and includes the CEOs of all the important Indian industrial sectors.

The Chairman of APA, Mr. Lienhard, considers this summit to be an important signal for both countries to work even closer together economically. Already in the preparation phase for the summit he praised the “Make in India“ initiative of the Indian Prime Minister: “India has undertaken an important step with the “Make in India“ initiative. Here in Hanover, we will have to talk more openly about what we expect from each other and what would have to be done to further extend our cooperation.“

In its report at the end of March, the Asian Development Bank (ADB) corrected the figures for India’s economic growth upwards. For this year, the ADB expects a growth rate of 7.8%, with next year even reaching 8.2%. The ADB lists the improvement of the investment climate, impulses for the reduction of indebtedness and first initiatives for the removal of structural deficits as very positive signs.

The APA supports the continuation of basic reforms concerning the framework conditions for the Indian economy and this would also benefit German investors. In particular, this includes in the following:

- expansion of the infrastructure
- cutting of red tape
- strengthening of legal certainty and elimination of corruption
- removal of tariff barriers
- further development of professional training

The economic relationships between both countries would also get new impulses from a new "welcome culture" in both countries through simplified visa conditions. German exports to India experienced a slight decrease last year: from almost 11 billion euros in 2011, German exports fell to about 9 billion euros last year. The most important groups of goods for industrial export are machines, chemical products, and electrical technology. The imports from India have been relatively constant at about 7 billion euros over the past five years. Approx. 1,800 German companies have established production sites and sales offices in India while German direct investment stands at around 10 billion euros (as of the end of 2012). The latest figures for Indian investment in Germany is 0.5 billion euros but investments through Indian holdings into other European sites have not been taken into consideration here.

About APA

The Asia-Pacific Committee of German Business is the voice of German business active in Asia-Pacific. APA engages in the dialogue on economic policy with the German government and those in the Asian region. APA voices the concerns and interests of German companies' interests towards Asia-Pacific. APA strives for more intense cooperation with Asia-Pacific and helps promoting trade and investment in both directions. APA is an initiative of the Federation of German Industries (BDI), the Association of German Chambers of Industry and Commerce (DIHK), the German Asia-Pacific Business Association (OAV), the Federation of German Wholesale, Foreign Trade and Services (BGA) and the Association of German Banks (Bankenverband). Since February 2014 it is chaired by Dr. Hubert Lienhard, President and CEO of Voith GmbH.

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