



The Hanseatic Connection to Indo-German Relations

Where do we come from and where are we headed to in economic matters?

Talk at Hamburg Chamber of Commerce

August 15th, 2010

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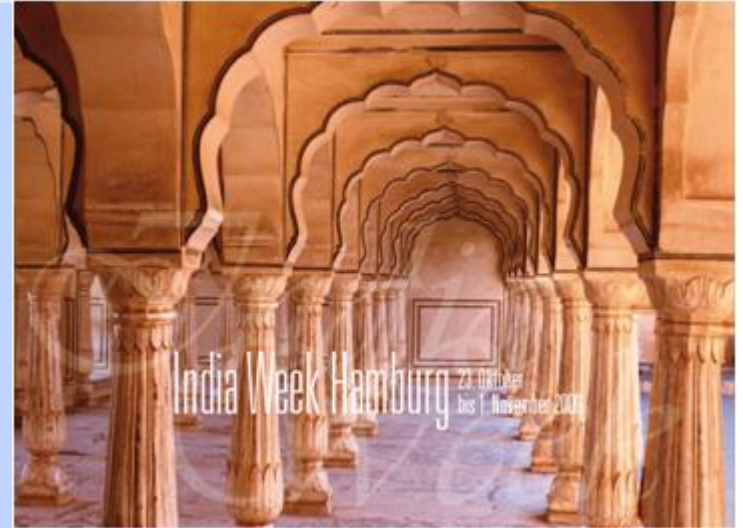
German-Indian Round Table (GIRT), Hamburg



German-Indian Round Table (GIRT)

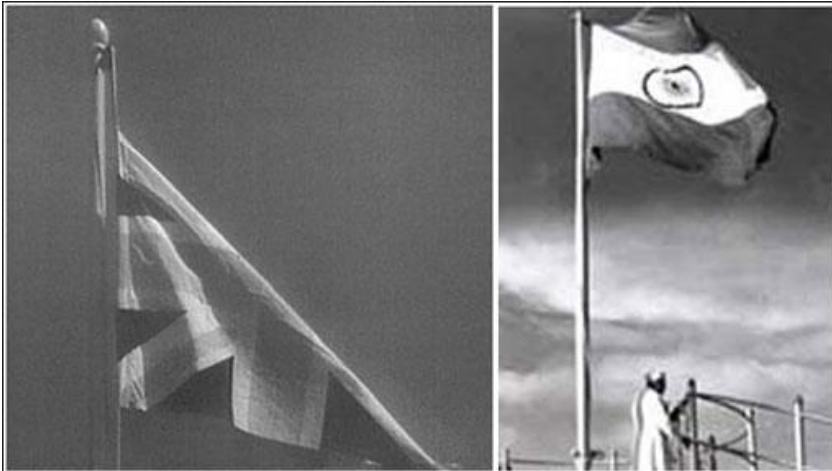


- Informal business initiative
- In 12 cities in Germany and India
- Support and intensify relations between India and Germany
- Mutual assistance by sharing of experiences and other means
- Meets every two months: next meeting in Hamburg on 6th Sept.

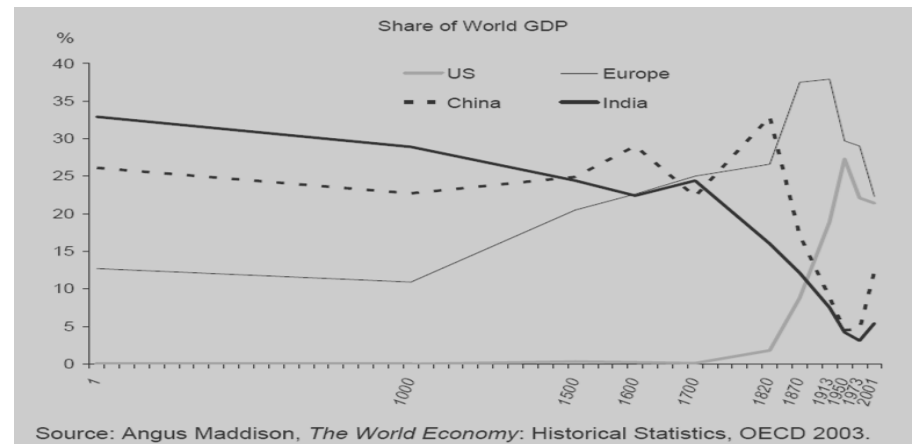




(Re-) Birth of a Giant



“Long years ago we made a tryst with destiny, and now the time comes [...]. At the stroke of the midnight hour, when the world sleeps, India will awake to life and freedom.”





India: Now & Then?

Why it makes sense to partner India



HAS INDIA AN ECONOMIC FUTURE?

By Charles E. Lindblom

Foreign Affairs, Jan1966, Vol. 44 Issue 2, p. 239-252

Indicator	Then (1947)	Now (2009)
Population (1951)	361 million	1.2 billion
Life expectancy at birth (in years) (1951-2007)	32	66 (M) / 71 (F)
Literacy	12%	66%
Per capita income (current prices; RBI & IMF data)	Rs. 255	Rs. 47,881
Per capita income (constant prices; base FY 1999)	Rs. 5,708	Rs. 25,494
Universities	20	504
Colleges	~ 500	25,951



Indo-German Economic Relations

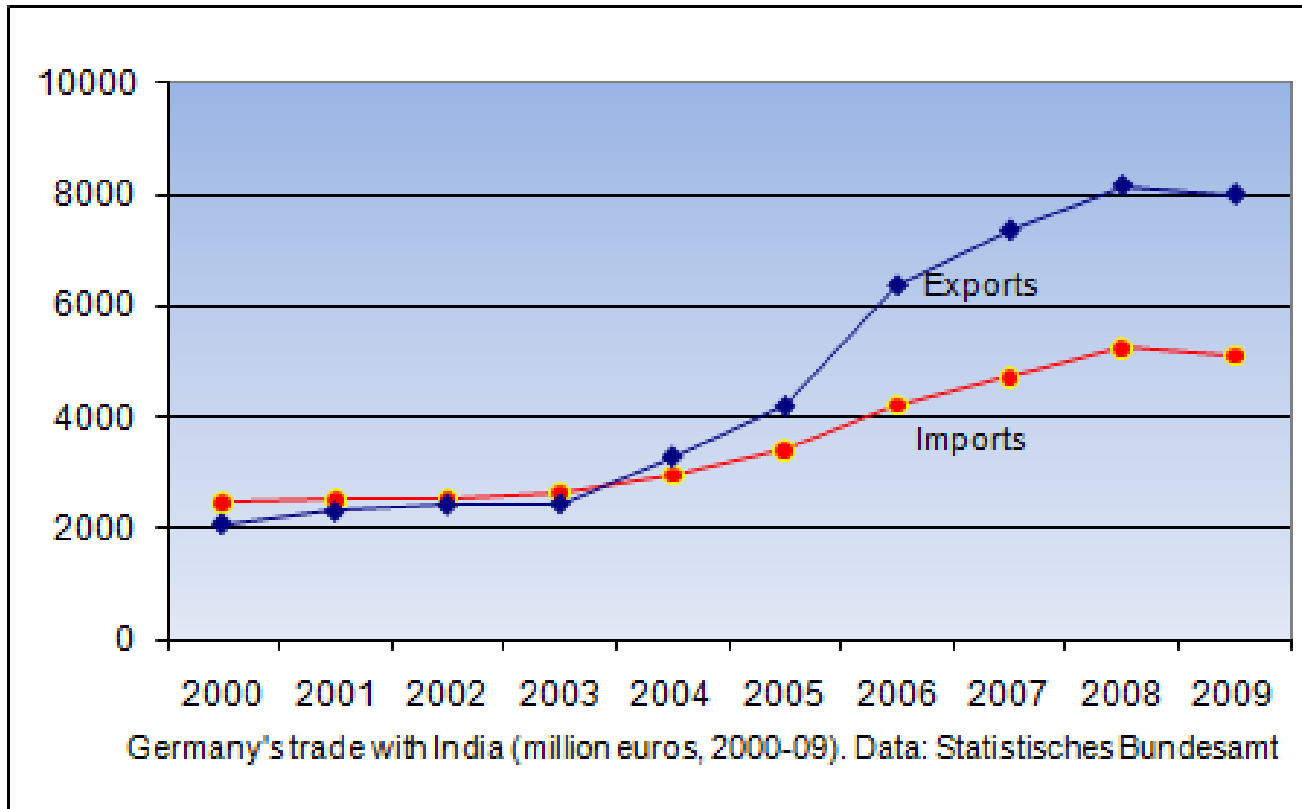
Some Lesser-known Facts & Figures



- Over 676,724 passengers flew to India in 2008 (China: 775,470)
- Nearly 130,000 (tourist) arrivals from India in 2008 (+17% YOY increase) and had over 421,500 overnight stays at hotels
- In 2007 (latest available data) 9,367 Indian nationals came to reside in Germany while 7,363 returned to India
- In 2007, 707 German citizens moved to India
- Nearly 11,000 students learnt German at “Goethe-Institut” in India in 2007, worldwide largest number in a single country outside Germany
- At the end of 2007 there were 10,670 Indian citizens having regular jobs with compulsory social contribution in Germany, up from 7,880 in 2000
- At year-end 2009 there lived 45,638 Indian citizens in Germany; majority lived in the federal states of NRW, Bavaria, BW and Hesse. About 900 of them acquire German citizenship every year (at average age of 32.1).



Indo-German Trade



Germany's Exports

2000: € 2.1 billion

2008: € 8.2 billion

2009: € 8.0 billion

Germany's Imports

2000: € 2.5 billion

2008: € 5.3 billion

2009: € 5.1 billion

Trade Surplus

2009: € 2.9 billion

Indo-German trade displayed remarkable resilience in the crisis-hit 2009, even as Germany's overall exports were down by 18.4% and imports by 17.2%



Indo-German FDI in Official Data of the Bundesbank (2010)

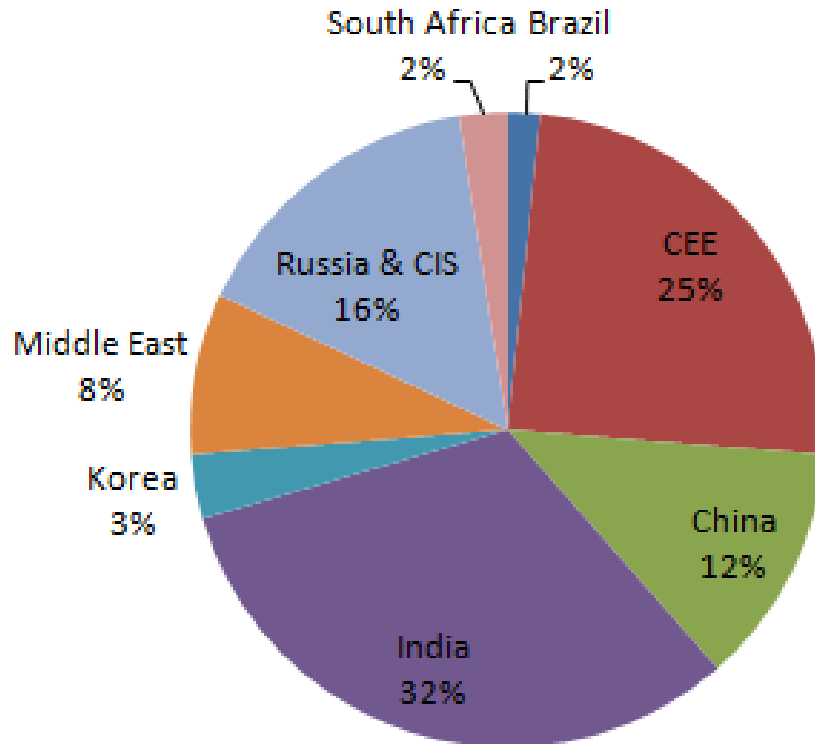


	German FDI in India	Indian FDI in Germany
FDI Stock (2008)	€ 4.26 billion	€ 298 million
Growth in FDI Stock (2005-2008)	111.7%	277%
No. of firms (growth since 2005)	359 (46%)	19 (533%)
Employees (growth since 2005)	397,000 (70.4%)	3,000 (50%)*
Annual turn-over (growth since 2005)	€ 14.1 billion (198%)	€ 1 billion*
Turn-over to FDI stock ratio (2008)	€ 15.5	€ 3.4

* Data relate to 2006



Indian M&A in Germany: Comparison with other Emerging Market Acquirers



n = 122; period: 1.7.2003 - 31.12.2009; Based on: KPMG (2010) and own calculations

Around 175 Indian subsidiaries

Stock of Indian FDI in Germany exceeds € 4 billion

Around 23,500 employees and 1,000 trainees

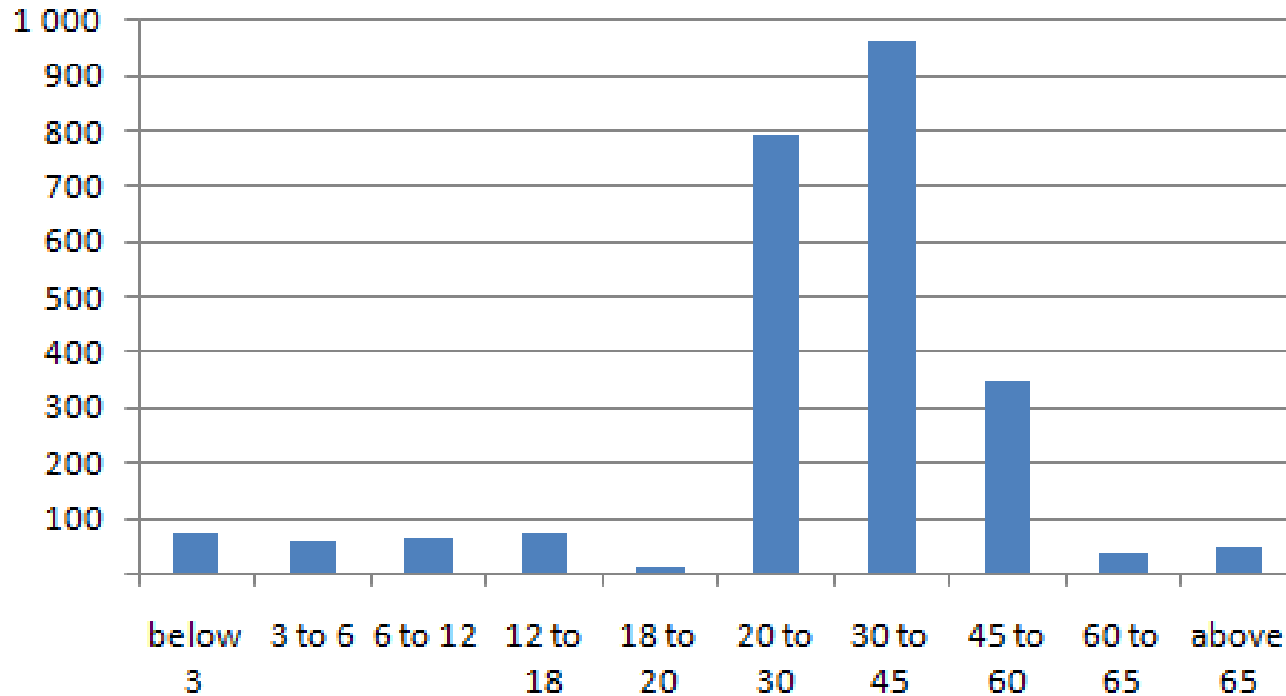
Indian firms accounted for 3% of all new jobs created by foreign firms in Germany in 2008 (IBM)

Between July 2003 and 2009, Indian firms made 42 M&A deals in Germany

Hamburg accounts for about 5% of all Indian firms in Germany (lead: NRW, BW, Bayern)



Indian Nationals in Hamburg: A Working-Age Diaspora



"Indians" in HH = 2471, as on 31.12.2009. Data: Statistikamt Nord, Graph: R. Tiwari (2010)

Over 65% of all Indian nationals living in Hamburg are male

Nearly 40% are bachelors, 54% are married; the rest are divorced or widowed

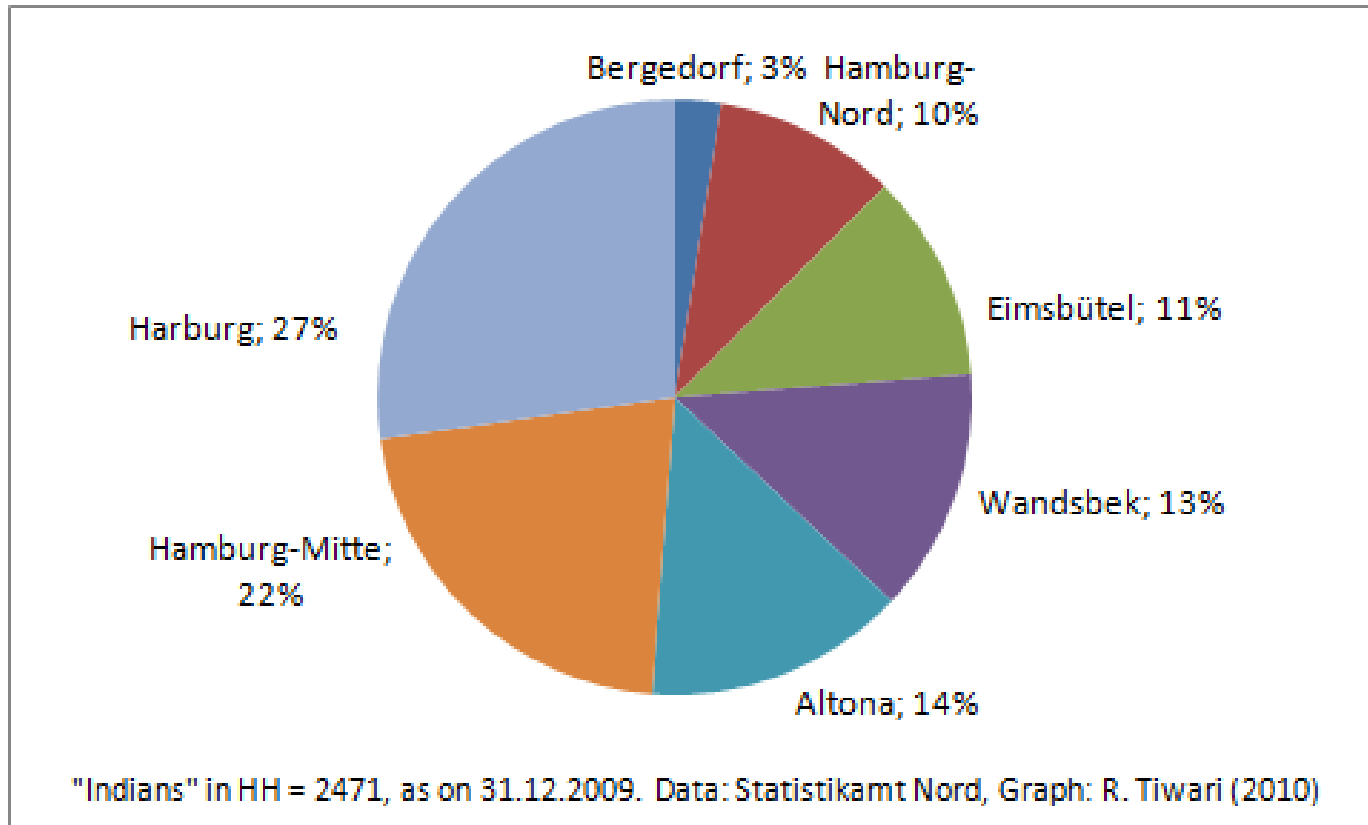
50 Indian nationals acquired German citizenship in Hamburg in 2009

All in all 9,459 persons with immigration background in South Asia lived in Hamburg in Dec'09



Favourite Indian Locations in Hamburg

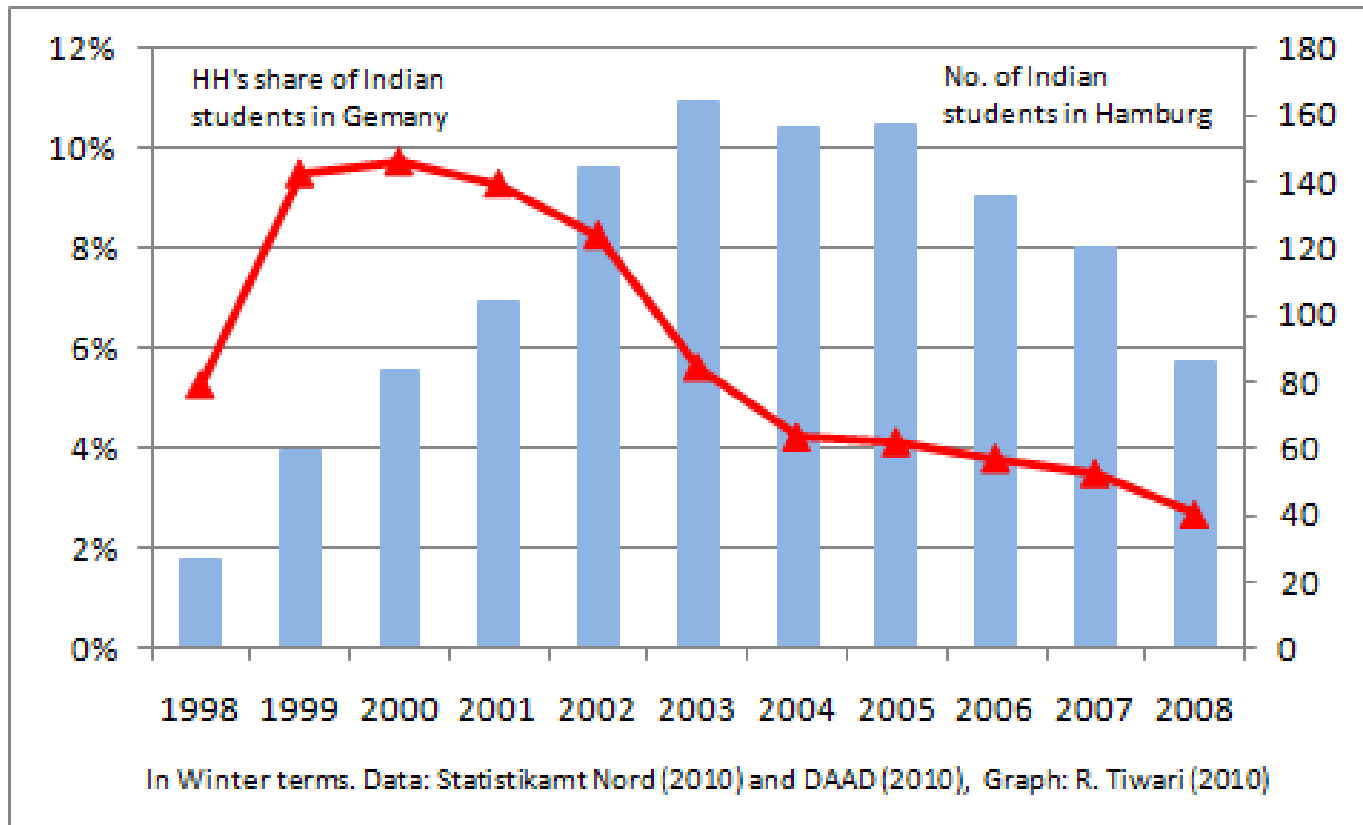
Harburg rules the roost



Harburg probably builds a central node for Indian-origin employees/contractors at Airbus



Indian Students in Hamburg: *Dwindling Numbers and Declining Share*



In 1998 there were 512 Indian students in Germany

In 10 years time their has grown over six-fold

Hamburg seems to be losing its once prime position in attracting Indian students

The numbers have been declining consistently

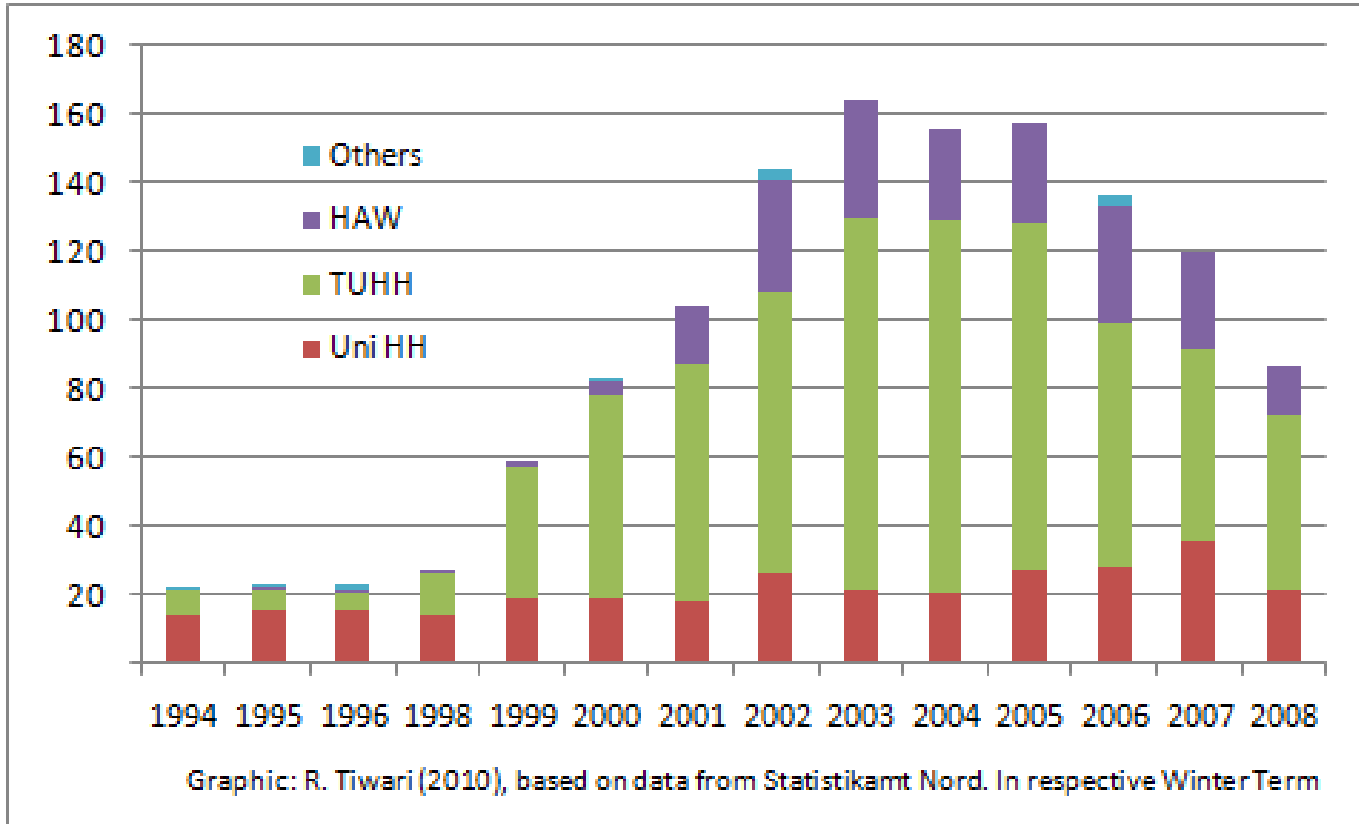
In Winter semester 2008/09 there were 3,217 Indian students enrolled in German universities

India ranked 13th, China ranked 1st with 23,983 students enrolled



Institutions of Higher Education

Hamburg Loosing Out on Indian Students



TU Hamburg-Harburg that once boasted of 109 Indian students (2003;2004) had only 51 students from India in WS 2008/09

Also Uni Hamburg and HAW have been loosing Indian students

Reasons for this trend are as yet unclear

Hamburg at one point had 164 Indian students (2003)

In Winter semester 2008/09 there were only 86 Indian students in Hamburg



Hamburg in Indian Press

The Economic Times, Mumbai, 2010



next 10	Country	Value	Chg (%)	Rev.
11 Schalke 04	Germany	384	-25	175
12 Tottenham Hotspur	England	372	-16	186
13 Olympique Lyonnais	France	333	-21	196
14 Hamburg SV	Germany	329	0	206
15 AS Roma	Italy	308	-19	205
16 Werder Bremen	Germany	274	-6	161
17 Olympique Marseille				
18 Borussia Dortmund				
19 Manchester City				
20 Newcastle United				

last 15 minutes to win 2-1 at Olympique Marseille and qualify for the quarter-finals while Anderlecht beat Hamburg SV 4-3, only to lose 6-5 on aggregate. Liverpool, trail-

Shell, last year, announced it was in exclusive talks with Essar to sell its Heide and Hamburg refineries in Germany and the Stanlow unit in the UK as part of its plan after the global recession demand for fuels. Excl



Germany

The Germany of today is a pulsating cosmopolis that loves a good glass of freshly brewed beer.

Munich — vibrant and pulsating — is the beer capital of the world! Locals insist that the city's beer is more than just a drink. It's a legend! The famed Oktoberfest seems to continue all around the year at the various breweries and watering holes located in the city. For those who love their wheels, the BMW Welt (factory) and Museum tour is an interesting experience.

Berlin, its capital city, is historical in several ways. The Berlin Wall, a romanticised symbol of several historic events, can be seen in parts even today. Its brightly painted façade deceptively hides its chilling past. Over 170 museums and many palaces also dot Berlin. Other large cities such as Hamburg, Frankfurt and Dresden are a similar mix of family fun and culture.



Gin **BASIL SMASH**

This refreshing gin-tall originated in Hamburg, at Le Lion bar by Joerg Meyer. Here it's adapted for a romantic Valentine's Day party.



Conclusions & Summary



- India's path to economic prosperity seems to be promising for Indo-German economic relations, with positive trade effects for Germany
- Closer economic interaction opens up several new avenues for cooperation and collaboration (e.g. “low-cost, high quality” products for a large market → “bottom of the economic pyramid”, “grass-root innovations”)
- Germany, and especially Hamburg, hold tremendous potential for emerging Indian multinationals in their global expansion
- With world-class sectoral clusters in aviation, logistics, maritime and medical devices industries Hamburg is a natural partner for both incoming and outgoing FDI from India
- Need to strengthen and intensify the cooperation as some other federal states seem to be on a very pro-active path; while Hamburg loses ground
- Student community and close bonds are critical for investment decisions and success and Hamburg needs to exploit its unique advantages!!



Thank you for your kind attention

ध्यानपूर्वक सुनने के लिये धन्यवाद

Vielen Dank für Ihre Aufmerksamkeit

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