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COUNTRY DOSSIER

Germany

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Country Dossier – Germany

German companies in India are optimistic about improving sales and increasing profits over the next give years. This is accompanied by significantly more ambitious investment plans in key areas such as transportation, electrical equipment, metallurgical industries, the services sector (particularly insurance), chemicals, construction activity, trading, and automobiles. Over 1,600 Indo-German collaborations and 600 joint ventures operate in India. As German companies are opting for increasing diversification and regionalising their operations globally, India is an essential cornerstone in this global de-risking strategy, serving as a key production location. Even today, 33% of the German companies are producing for India, and by 2028, that number is expected to increase to 53% with a growing push for research & development activities in India.

Sectoral Synergies

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Defence

- India has requested Germany to invest in the Indian defence production sector and help build resilient supply chains. The new opportunities in defence production include investments in the two defence industrial corridors of Uttar Pradesh and Tamil Nadu. India has set up two defence industrial corridors at Lucknow and Chennai, which will attract total investments USD 24 million by the year 2024-25 to develop a domestic supply chain and strengthen the military equipment manufacturing ecosystem in the country.

- Thyssenkrupp AG's marine arm and India's Mazagon Dock Shipbuilders Ltd. intend to build submarines for the Indian Navy jointly. Germany is keen to bag India's USD 5.2 billion contract to build six stealth diesel-electric submarines equipped with land-attack cruise missiles and air-independent propulsion (AIP) for greater underwater endurance in collaboration with defence shipyard Mazagon Docks.

Polymers/Plastics

- German fenestration company Aluplast has announced an investment of USD 2.1 million for three years in its Indian operations to ramp up its R&D and production capacities.

Manufacturing

- German luxury carmaker Mercedes-Benz is set to invest USD 24 million in India in 2024 and is gearing up to introduce more than a dozen new cars, including EVs, this year. Mercedes expects 25 percent of its sales in India to come from electric vehicles in the next five years.

Tourism

- Germany has earmarked an investment of about half a million USD on marketing activities in India to showcase itself as the preferred destination to Indian tourists.

Pharma

- TÜV SÜD, a Germany-based safety and sustainability solutions provider, has invested USD 16 million in its newly-built laboratory and testing facility in Bengaluru, driven by its expansion plans in India and a push towards the government's 'Make-in-India' initiative.

Sectoral Synergies

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Energy

- German development bank Kreditanstalt für Wiederaufbau (KfW) has granted a USD 142 million loan to the Indian Ministry of Finance and a USD 76 million loan to the State Bank of India (SBI. The funds will expand solar generation capacity under the Indo-German solar partnership.
- KfW is discussing financing India’s USD 69.4 million electric mobility scheme to introduce 10,000 electric buses in 169 cities.
- REC Limited signed a USD 216 billion loan agreement with KfW , marking REC's sixth line of credit under the Indo-German Development Cooperation to enhance the distribution infrastructure of DISCOMs.
- State Bank of India (SBI) will sign a USD 75 million Line of Credit (LoC) with KfW to support solar photovoltaics (PV) projects in India.
- KfW Development Bank will provide USD 541 million and a grant of USD 4.8 million to expand the suburban rail system in Bengaluru.
- KfW plans to finance India's PM E-Bus Sewa scheme to introduce 10,000 electric buses in nearly 170 Indian cities. The scheme is expected to cost USD 7 billion, with USD 2.5 billion being provided by the government.
- In a move that would boost Siemens' stake in Siemens India from the present 51% to 69%
- Siemens Ltd.'s board approved a proposed demerger of its energy business into a separate unit.
- Germany's Green Energy 3000 GmbH plans to set up 1000MW solar projects in two 500MW tranches in India.

Trilegal's historical experience with German companies

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- **Trilegal advised Investment Fund for Developing Countries, Denmark ("IFU ") and DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH ("DEG")** on financing of Polygenta Technologies an Indian plastic recycling company for USD 32.5 million.

- **Trilegal advised GEA Wiegand GmbH** on LCIA arbitration regarding its €12 million claim (and defence of a USD 8 million counter claim) under a turn-key contract to design and build a bio-ethanol plant in Slovak Republic.

- **Trilegal advised Korber Group** on 100% acquisition of enVista Consulting and Innovative Technologies Services from enVista LLC, as part of Korber's global acquisition of various entities within the software as a service (SaaS).

- **Trilegal advised Ipsen International GmBH** on acquisition of 100% equity in Wespan Ipsen Private Limited, including review and finalization of transaction documents.

- **Trilegal advised Heidelberg Cements AG** on acquisition of controlling stake in panyam cements & mineral industries Ltd.

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