

GERMANY.

DIPLOMATIC AND CONSULAR REPORTS.

GERMAN TRADE WITH INDIA.



FOREIGN OFFICE,
January, 1906.



DIPLOMATIC AND CONSULAR REPORTS.

GERMANY.

REPORT ON
GERMAN TRADE WITH INDIA.

LONDON:
PRINTED FOR HIS MAJESTY'S STATIONERY OFFICE,
BY HARRISON AND SONS, ST. MARTIN'S LANE,
PRINTERS IN ORDINARY TO HIS MAJESTY.

And to be purchased either directly or through any Bookseller, from
WYMAN AND SONS, LTD., FETTER LANE, E.C.; and
32, ABINGDON STREET, WESTMINSTER, S.W.; or
OLIVER AND BOYD, EDINBURGH; or
E. PONSONBY, 116, GRAFTON STREET, DUBLIN.

1906.

CONTENTS.

	PAGE
Total trade	3
Imports.....	5
Exports.....	8
Shipping	10

Report on German Trade with India

By CONSUL-GENERAL SIR WILLIAM WARD.

(Hamburg, November 30, 1905; received at Foreign Office, December 4, 1905.)

The trade between Germany and India has during the past decade experienced a marked development, the total value of the annual imports from India to Germany having during this period increased about 50 per cent., whilst the total value of the annual exports from Germany to India has increased about 100 per cent. Total trade.

Indian official statistics show that Germany now ranks third in importance amongst the various countries of the world, both in the value of the import and of the export trade of India. At the same time it should be remarked that the share taken by Germany more especially in the import trade of India is still very far behind in importance compared to that taken by the United Kingdom; for the share of the latter, for instance in the year 1904, amounted to 65 per cent. (and that of Austria-Hungary to about 4 per cent.) of the total Indian import trade, whilst the share of Germany was only 4 per cent. As regards the export trade of India, the share taken last year by Germany was about 9 per cent., whilst that taken by the United Kingdom was 27.5 per cent., the country which held the next most important share in the Indian export trade having been China, viz., 12.6 per cent.

The two following tables (which are taken from the German official statistics) will show that the total value of the imports to Germany from India in 1904 amounted to 14,745,000*l.* and the total value of the exports from Germany to India 4,165,000*l.*, both figures being largely in excess of the figures for the year 1902.

It should perhaps be here observed that these figures refer to the trade of India with the German Customs Union only, and that consequently the trade carried on, specially between India and the free port districts of Hamburg and the other German seaports where these free districts exist, is not altogether comprised in the following tables. For, though a large proportion of the goods imported into and exported from these free districts (respectively

from and to India) are merely goods in transit destined for or derived from the German Customs Union, there is also a certain proportion of goods imported into the free districts which, after being stored or handled there in some other way, are re-exported again thence direct to foreign countries without entering the Customs Union.

It should further be pointed out (as already observed by me on a previous occasion) that, considerable as the total value of the imports from India to Germany will appear to be from the sub-joined tables, it must be considered that these nevertheless do not adequately represent the total value of the Indian produce which doubtless found its way during the two years in question (in particular via Hamburg) to Germany, and was paid for and consumed in Germany. For a considerable portion of such goods are still handled by London firms, being shipped from India to London "and/or Havre," "and/or Hamburg" ("and/or New York" even), and the owner or consignee disposes of them to the port which offers him the best price, receiving payment in time to meet the drafts drawn against them. The steamers bringing this Indian produce discharge however, in London, whence it reaches the consuming port—possibly Hamburg or Bremen—by some other vessel, and the country whence these Indian goods are derived, when they reach Germany, is then given in the statistical tables as the United Kingdom, Belgium, the Netherlands, &c.

Table A.—IMPORTS to Germany from India during the Years 1900, 1902 and 1904.

Articles.	Value.		
	1900.	1902.	1904.
	£	£	£
Raw cotton	1,060,000	1,765,000	3,755,000
Jute	1,475,000	1,780,000	1,910,000
Linseed	1,085,000	1,025,000	1,250,000
Rice (unpolished)	1,535,000	1,285,000	1,070,000
Ox-hides	1,435,000	780,000	1,045,000
Rape seed	740,000	985,000	1,000,000
Wheat	5,000	20,000	645,000
Sesame seed	370,000	540,000	550,000
Shellac	170,000	165,000	420,000
Indiarubber or guttapercha	110,000	120,000	320,000
Poppy seed	330,000	330,000	230,000
Sheep and goat-skins	110,000	210,000	215,000
Coffee	115,000	130,000	195,000
Copra	225,000	125,000	145,000
Cotton waste	25,000	60,000	125,000
Ivory nuts	5,000	55,000	110,000
Cocoanut fibre (twisted into ropes)	100,000	90,000	100,000
Catechu	90,000	100,000	75,000
Other articles not specially mentioned	1,255,000	1,210,000	1,535,000
Total	10,240,000	10,725,000	14,745,000

Table B.—EXPORTS from Germany to India during the Years 1900, 1902 and 1904.

Articles.	Value.		
	1900.	1902.	1904.
	£	£	£
Woollen cloth and piece-goods not printed ..	605,000	315,000	540,000
Cotton piece-goods, close woven, coloured, &c... ..	145,000	115,000	325,000
,, hosiery and knitted goods	130,000	155,000	260,000
Superior goods of malleable iron	95,000	100,000	225,000
Aniline and other tar dyes	160,000	190,000	215,000
Alizarine	100,000	150,000	145,000
Malleable iron in bars, tyres and ploughshare iron	65,000	190,000	120,000
Coarse iron goods, ground and unground and also enamelled	115,000	105,000	120,000
Plates and sheets of malleable iron (rough) ..	80,000	105,000	105,000
Copper alloys, &c., in bars and sheets, not plated	25,000	30,000	100,000
Partly silk stuffs, handkerchiefs and shawls ..	65,000	75,000	90,000
Cotton piece-goods, open woven, excepting curtains, dyed, bleached or printed	15,000	5,000	80,000
Precious metal, goods of	15,000	100,000	80,000
Cotton embroideries	5,000	20,000	75,000
Corner and angle iron	15,000	40,000	60,000
Cotton, woollen and linen ready-made clothing ..	85,000	45,000	55,000
Articles not specially mentioned above	1,095,000	1,130,000	1,560,000
Total	2,815,000	2,870,000	4,155,000

I.—*German Import Trade from India.*

The volume and value of importations of Indian cotton to Germany have experienced a marked increase during the last five years, and the German Empire now takes annually about one-fifth of the aggregate Indian cotton crop, that is to say, next to Japan, more than any other country in the world. In addition, moreover, to the quantity imported direct from India to German ports a further quantity is imported *viâ* the United Kingdom. To some extent the large cotton importations in 1904 were no doubt due to the scarcity of American cotton, and it is therefore not unlikely that the figures for 1905 will show a certain falling-off in imports.

About one-fifth likewise of the total Indian raw jute exports, amounting (as shown by the preceding Table A) in value to nearly 2,000,000*l.* were imported to Germany last year, chiefly for the use of the German spinning and weaving mills. The total quantities of raw jute imported to Germany in each of the last three years, all of which, excepting about 1,000 tons each year, came from India, was as follows:—

Year.	Quantity.	
	Importations.	Consumption.
	Metric tons.	Metric tons.
1902	140,851	133,928
1903	112,021	101,630
1904	139,315	132,339

Owing to the constant decrease in the demand for pure linen manufactures in Germany, cotton and jute and partly jute tissues have of late been more and more in request. Linen weaving mills have consequently found themselves compelled to take up likewise the manufacture of half-linen, of cotton and of half-jute tissues. Linen shirtings, blue linen, towels and tablecloths are, as articles of general consumption, now almost entirely replaced in Germany by cotton and jute manufactures. This has been the case more particularly during the last two or three years, not only because prices favoured cotton and jute, but even more so perhaps on account of the improvements which have taken place in the general manufacture of cotton and jute goods.

The importation to the German Customs Union of jute manufactures is inconsiderable, in consequence of the comparatively high duties on these goods; but, on the other hand, large importations of jute bags and Hessians are annually made to the Hamburg free port district, chiefly for re-exportation to foreign countries (*e.g.*, to Chile for the transport of nitrate).

Linseed and
rape seed, &c.

Germany, as will have been seen, imports more than 1,000,000*l.* worth of linseed and about the same quantity of rape seed annually from India, and about half that quantity of sesame seed, and a certain quantity of poppy seed; in other words, altogether about one-sixth part of the total quantity of seed of all kinds exported from India. A considerable proportion of these seeds are destined for the many oil mills established in the Hamburg district.

Rice.

About 10 per cent. of the total quantity of rice exported last year from India was brought to Germany, and chiefly consigned to the rice-polishing mills at Hamburg and Bremen.

Hides.

Hamburg has of late years become the leading market of the world for hides, and the number both of Indian and of South American hides imported every year is now almost three times as great as to Antwerp, and about four times as great as that of the hides imported to the United Kingdom. About 40 per cent. of all the dry Indian hides exported last year were destined for Germany, and it will be seen from the above table that the total imports exceeded 1,000,000*l.* in value.

Shellac.

The considerable rise in the total value of the shellac imports to Germany from India in 1904 was due not so much to an actual increase in the volume of the imports as to the great rise in prices,

which exceeded 50 per cent. as compared with the previous year. Germany now takes about one-tenth of the annual Indian shellac exportations, and would probably take more were it not that business in this article is a somewhat difficult one at Hamburg, owing to the constant fluctuations in price in the Calcutta and London markets, in which shellac is an article of speculation.

The imports of indiarubber and guttapercha from India, like Indiarubber from other countries, experienced a marked increase last year, having more than doubled, compared with the figures for 1902.

The importations of catechu will be seen to have diminished Catechu. during recent years, the cause being that the demand in Germany is gradually declining in spite of the prices having experienced a downward course and having been lower last year than they ever were before.

The importations of myrobalans have, on the other hand, been Myrobalans. largely increasing during the past few years, and are, it is thought, likely to continue to do so in future owing to the popularity of this article, if Indian producers do not raise their prices. It is stated that new districts of production have recently been opened in India. The imports of myrobalans from India to Hamburg alone amounted in 1904 to 18,500 tons, which shows the large power of consumption of this market for the product in question.

The very high price of coarse bone meal in India prevented any extensive business being done in this article in 1904 at Hamburg and other German markets, the total imports from Calcutta, Currachee, Bombay and Madras were less than during the two preceding years. On the other hand, the total imports of Indian bone flour to Germany were several hundred tons larger than in 1903. Bone and
bone flour, &c.

Of manganese, which is the kind of ore chiefly exported Manganese. from India, about 10,000 tons were imported to Germany, representing about 10 per cent. of the total Indian exportations in 1904.

The demand in Germany for Indian indigo was again very Indigo. restricted last year. As is well known the difficulty which natural indigo finds in competing with German synthetic indigo is annually becoming greater, as the latter is now much more popular amongst the dyers in Germany.

The total value of synthetic indigo now annually manufactured in Germany is estimated by competent authority at about 1,500,000*l.* Whilst the imports of indigo from India have dwindled down to a very inconsiderable figure, Germany now exports synthetic indigo in annually increasing quantities—in 1903 it reached 1,095 tons—to the United Kingdom.

The other more important articles of import from India which Other articles
of import
from India. are not specially mentioned in the above table are pepper, wax, oil cake, sandal wood, black lead, tea, &c. With regard to the article last mentioned it may be observed that the consumption of Indian and Ceylon teas in Germany, though still very small (the value of the direct importations in 1904 only amounted to

29,000%) continues slowly but steadily to increase. It is possible that the reduction in the German import duty after March 1, 1906, may give a greater impulse to the importation of Indian teas.

II.—German Export Trade to India.

It will have been seen from the preceding tables that the total value of the exports from Germany to India is far below that of the imports from India to Germany, for whilst the aggregate value of the latter in the year 1904 was 14,745,000*l.* the total value of the exports from Germany was only 4,155,000*l.* It will further be observed from the table of exports that the greater proportion consisted in woollen and cotton textile goods and in iron manufactures.

Woollen
textile goods.

Germany has now a considerable share in the Indian import trade of woollen textile goods, viz., very nearly 30 per cent., and it appears that this share is steadily increasing. The woollen textile goods sent from Germany to India consist more especially of woollen shawls, and 50 per cent. of the shawls now exported annually to India are made in Germany.

Cotton textile
goods.

The only cotton textile goods in which Germany competes at present to any important extent with the United Kingdom in supplying India are hosiery and knitted goods, and coloured and printed piece-goods. The exportations of the latter from Germany have increased considerably during the past year, as will be seen by the preceding Table B; but it must be borne in mind that this increase in the total value has partly been due to recent rise in prices of cotton goods. It appears from the official Indian trade statistics that the total imports to India of unbleached cotton textile goods have of late been diminishing, whilst coloured, printed and bleached cotton textile goods are imported in increasing quantities both from the United Kingdom, Germany and some other countries.

Silk textile
goods.

Germany only exports small quantities of silk textile goods to India at present, but exports continue gradually to increase from year to year. The silk textile goods sent from Germany to India consist mainly of handkerchiefs and shawls.

Iron (malle-
able) in bars,
sheet iron, &c.

The annual value of the exports of iron (malleable) in bars, sheet iron, &c., from Germany has remained almost stationary during the past four years.

Other iron
manufac-
tures, &c.

During the past year the exportation from Germany, as well as from the United Kingdom, Austria-Hungary and Belgium of iron machinery and implements for agriculture, of sewing machines, of tools, cutlery and enamelled goods was again considerable. Though the total value of German exportations of these goods to India is still far below that of the exportations from the United Kingdom, there are indications that Germany is exerting herself particularly in the direction of the export trade of machinery, cutlery and hardware, and it may be observed that there is little

doubt that a proportion of the iron and steel manufactures now shipped from Belgium to India are derived from Germany. Considerable shipments of iron locks have recently been made from Hamburg to India. Several German motor-car factories have, it appears, been supplying Indian firms during the past year, and are stated to be pushing this trade vigorously in India, where the demand for these vehicles is said to be increasing, as in other countries.

The exportation of copper alloys will be seen from the above Copper alloys. table to have increased in a very marked degree in 1904, and, in view of the widespread use and constant demand for copper utensils in India, it is considered likely that there will always be a good market, especially for the cheaper kinds of these copper goods.

As is well known, Germany now holds the first place amongst Aniline and alizarine. the countries manufacturing aniline and alizarine, and the importance of its export trade in these articles to India, as well as to most other parts of the world, is greater than that of any other country, the United Kingdom not excepted. A steady increase will be seen to have taken place in the exportations of aniline dyes from Germany to India during the past four years.

Other articles of export to India not specially mentioned, viz. :—

Official statistics showing the total exports of sugar to India Sugar. from Germany in 1904 are not at present available, but it appears from the statistics of the trade of Hamburg that the value of the exports of sugar from Hamburg alone to India amounted in 1904 to 100,356*l.*, as against 15,391*l.* in the previous year. Inasmuch as nearly all the German sugar exported to India is shipped from Hamburg, these figures doubtless represent very nearly the total exports from Germany in each of the years mentioned. The considerable increase which took place in the sugar exportations in 1904 was, of course, due to the fact that the countervailing Indian import duties were abolished in December, 1903, and the exportations in 1905 will doubtless exceed those of the year 1904. It should be observed that a considerable amount of Austro-Hungarian sugar is likewise shipped from Hamburg to India, but as it is now obliged to be accompanied by a certificate of origin, it is of course duly entered as Austro-Hungarian sugar on importation to India.

According to German estimates India consumes altogether Salt. annually about 400,000 tons of foreign imported salt, of which the United Kingdom is stated to supply about one-half, Aden about one-quarter, and the remaining 100,000 tons are supplied by Germany and some other countries. During the year 1904 Germany exported about 81,000 tons of salt to India, which was considerably more than in 1902, when the exports were only 57,924 tons, and in 1900, when the exports were only 36,815 tons. Nearly the whole of the salt shipments from Germany to India are made from Hamburg by the German Hansa Company's steamers, and they consist mainly of ground rock salt (supplied by the German Salt Trust), which, it appears, is sold in India

under the name of "Hamburg salt." The total annual output of rock salt in Germany amounts to about 1,000,000 tons, a further quantity of salt being produced from the numerous German salt springs, and in consequence of the very small cost attending its preparation its price is comparatively low. The rates of sea freight for salt from Hamburg to India, as well as the carriage of the salt from the mining districts to Hamburg being very cheap, German competition in this article is rendered comparatively easy.

Beer. Only a small quantity of beer is exported from Germany to India; in the year ended March 31, 1904, the exports amounted to 226,511 gallons.

Amongst the other more important articles of export from Germany to India may be mentioned drugs and chemicals, paper, glass and a large number of miscellaneous articles.

It may, perhaps, be finally remarked that though, as will have been gathered from the foregoing statement, German export trade to India has not up to the present reached any very great importance, particularly when compared with the export trade from the United Kingdom, there can be no doubt that Germany, and more especially Hamburg and Bremen, are exerting themselves in many directions to extend their trade with India. German firms already connected in business with India have indeed lately begun to complain of increasing competition on the part of firms of their own country in this trade; and competent authorities have assured me that of late numerous German shipping houses, after finding that North and South America seemed to offer an insufficient field for their business operations, and that business with the Far East was too difficult, have turned their attention to India, where they hope to find business more easy. How far these firms will be successful in their efforts is another question, for they will probably find it difficult to open business connections with the better class of firms in India, inasmuch as these are not likely to give up their old established relations with European houses of good standing.

III.—*Direct Shipping Trade between Germany and India.*

The total number and tonnage of vessels of all nations which arrived at and cleared from ports of the German Empire respectively from and to ports in India and the adjacent islands, including Ceylon, during each of the four years 1900 to 1903 (figures for 1904 for all German ports are not yet obtainable) was as follows, viz. :—

Year.	Entered.		Cleared.	
	Number of Vessels.	Registered Tonnage.	Number of Vessels.	Registered Tonnage.
1900	156	354,727	61	139,922
1901	163	402,292	85	211,928
1902	186	475,196	75	192,918
1903	198	508,498	85	226,040

With the exception of a slight fluctuation in the number and tonnage of ships cleared in the years 1901 and 1902, the above figures show that a steady increase has taken place of late years in the direct shipping trade between German ports and India. With regard to the nationality of the vessels engaged in this trade it may be remarked that of the 198 vessels measuring together 508,498 tons which entered German ports in 1903, about 20 per cent. of the tonnage entered under the British flag, 75 per cent. under the German and 5 per cent. under the flags of foreign nations.

The greater proportion of the direct shipping trade between Germany and India is carried on through the port of Hamburg, and a smaller portion through Bremen-Bremerhaven.

There are three German steamship companies at present which run a regular service between Hamburg and Bremen and Indian ports; one of these companies (the "Hansa" Line) runs a fortnightly and the two others a monthly service. Besides these, there are two British companies which run steamers at irregular intervals between Hamburg and Rangoon calling at Colombo.

According to Indian official statistics of the total tonnage of sea-going vessels (apart from Indian craft) entering the ports of India in the year ended March 31, 1904, the total tonnage of all German vessels frequenting Indian ports in that year amounted to 911,823 tons register, or 8 per cent., whilst the total tonnage of vessels under the British flag was 9,435,800 tons register.

LONDON :

Printed for His Majesty's Stationery Office,
By HARRISON AND SONS,
Printers in Ordinary to His Majesty.
(1400 1 | 06—H & S 871)