India-Indonesia Relations

India and Indonesia have shared two millennia of close cultural and commercial contacts. During our respective struggles for independence, the national leaderships of India and Indonesia led by Jawaharlal Nehru and President Sukarno collaborated closely in supporting the cause of Asian and African independence and later after the two countries became independent, together Prime Minister Nehru and President Sukarno laid the foundation of the Afro-Asian and Non-Aligned Movements at the Bandung Conference in 1955. Since the adoption of India’s ‘Look East Policy’ in 1991, there has been a rapid development of bilateral relations in political, security, defence, commercial and cultural fields. The multi-faceted relationship got an added fillip with the signing of the ‘Joint Declaration on Establishing a Strategic Partnership’ in 2005 during the State Visit of President Susilo Bambang Yudhoyono.

Political

The fact that there have been as many as eight Heads of State/Government visits both ways since 2000 stands ample testimony to the intensification of bilateral ties. From the Indonesian side, President Abdurrahman Wahid (February 2000), President Megawati Soekarnoputri (April 2002), President Susilo Bambang Yudhoyono (November 2005, January 2011 and December 2012) visited India. From our side, PM visited Jakarta in 2003 to attend the India-ASEAN Summit in Bali and in April 2005 to attend the Commemoration of the 50th Anniversary of the Afro-Asian Conference in Bandung. During the commemoration, the Indonesian President conferred the singular honour on PM to speak on behalf of Asia. The President of India paid a State Visit to Indonesia in November 2008. During the visit, two MoUs were signed on Agricultural Cooperation and Cooperation in Youth Affairs & Sports. President Yudhoyono was on a State Visit to India as Chief Guest of the Republic Day in January 2011. Prime Minister visited Bali from 18-19 November 2011 to attend the India-ASEAN Summit and East Asia Summit. President Yudhoyono attended the India-ASEAN Commemorative Summit in New Delhi on 20-21 December 2012 accompanied by several cabinet Ministers There has also been a regular exchange of Ministerial visits and a Joint Commission process co-chaired by the Foreign Ministers of the two countries.

President Yudhoyono’s visit to India in January 2011 as the Chief Guest on the occasion of India’s Republic Day further deepened the strategic partnership. During the visit, 16 Inter-Governmental Agreements were signed including an Extradition Treaty, Mutual Legal Assistance Treaty, an MoU on Exchange of Financial Intelligence related to Money Laundering and Financing Terrorism, an MoU on Establishing a Biennial Trade Ministers’ Forum, an Air Services Agreement, an MoU on Cooperation in Oil and Gas, an MoU on Cooperation in Urea Manufacturing, an MoU on Cooperation in the field of Micro, Small and Medium Enterprises, an MoU on Cooperation between the BATAM Free Trade Zone and SEEPZ, and MoU on Cooperation in Marine and Fisheries, an MoU in Weather and Climate Services, an
MoU on Science and Technology Cooperation, a Programme of Cooperation in Science and Technology, an MoU on Cooperation between the Press Councils of the two countries, an MoU on Cooperation in the field of Education and a Cultural Exchange Programme. During the visit, 18 business deals for a total value of US $15 billion were signed. Under these business deals, Indian companies will build and/or operate airports, ports, railways, toll roads, river navigation projects and power plants in Indonesia. The business agreements also included the areas of IT and education.

Ministerial Exchanges

Ministerial exchanges have intensified. In 2012, Tourism Minister Shri Subodh Kant Sahay visited Indonesia from 10-13 January 2012 to attend the ASEAN-India Tourism Ministerial Meeting in Manado. An MoU on ASEAN-India cooperation in tourism was signed on the occasion. Minister also had an interaction with tour and travel agents and media in Jakarta on 13th January. CITM Shri Anand Sharma visited Jakarta on 4-6 March, 2012 to inaugurate the “India Show”. Mr. Marty Natalegawa, Foreign Minister of Indonesia visited New Delhi on 26-27 July 2012 to hold the fourth round of Joint Commission Meeting. MOS (Health) Shri Sudip Bandhopadhaya visited Yogyakarta from 4-6 September 2012 to attend the WHO SEARO meeting. Ms. Kumari Selja, Minister of Culture attended the 5th ASEM Culture Minister's Meeting in Yogyakarta on 18-19 September 2012. Speaker of Indonesian Parliament Marzuki Ali participated at the ASEAN-India Parliamentary Association Meeting in New Delhi from July 29th – August 1st 2012. State Minister for National Development Planning & Head of the National Development Planning Board Ms. Armida S. Alisjahbana, led the Indonesian delegation to the ADB Ministerial Meeting in New Delhi on 2-5 May 2013. The delegation also included Vice Minister of Finance Mr. Mahendra Siregar. A Goodwill Parliamentary delegation of 10-members of Parliament led by Shri Kamal Nath, Minister for Parliamentary Affairs and Urban Development (in Jakarta) visited Jakarta and Bali (led by Shri Paban Singh Ghatowar), Minister of State for Parliamentary Affairs) from 11-16 March 2013. EAM met Indonesian Foreign Minister Dr. Marty Natalegawa on 2 July 2013 on the sidelines of the EAS Ministerial Meeting in Brunei.

Economic and Commercial Relations

Indonesia has emerged to become the second largest trading partner of India in the ASEAN region. India-Indonesia bilateral trade has increased from US$ 6.9 billion in 2007-08 to US$ 20.10 billion in 2012-13. India is the largest buyer of crude palm oil from Indonesia and imports coal, minerals, rubber, pulp and paper and hydrocarbons reserves. India exports refined petroleum products, maize, commercial vehicles, telecommunication equipment, oil seeds, animal feed, cotton, steel products and plastics to Indonesia. Furthermore, there is considerable scope and potential for expanding trade between the two countries in the areas of automotive components, automobiles, engineering products, IT, pharmaceuticals, bio-
technology and healthcare sectors. India exports pharmaceuticals in bulk and formulations to Indonesia.

The overall investment scenario in Indonesia is very encouraging. It is an attractive destination for Indian investment in the region. Indian companies have made significant investments in infrastructure, power, textiles, steel, automotive, mining machinery, banking and consumer goods sectors. Prominent Indian groups/companies such as Tata Power, Reliance, Adani, L&T, GMR, GVK, Trimex, Videocon, Punj Lloyd, CG Power, Madhucon, Spice, Aditya Birla, Bombay Dyeing, Jindal Stainless Steel, ESSAR, TVS, Bajaj, BEML, Godrej, Balmer & Lawrie, SBI, Bank of Inida, etc. have established fully-owned subsidiaries/joint ventures in Indonesia. Tata Motors is setting up its assembly line for production of Tata Ace and Tata Nano in 2013. Several medium and small Indian companies are operating coal mines in Indonesia. Many IT companies including TCS, Tech Mahindra, Satyam, Wipro, HCL and Polaris have business interests in Indonesia.

The Adani Group has signed a Head of Agreement with Bukit Asam, a State coal mining company for constructing and operating a 200-km railway line and a port in South Sumatra. The project is worth US$ 1.6 billion. The Anil Ambani Group has acquired three coal mines and will construct a 233-km railway line and port in the Jambi and South Sumatra Provinces in South Sumatra. The project is estimated at US$ 2 billion. In May 2012, India’s Madhucon Sirwijaya Power, an energy consortium signed an MoU with State Electricity Company (PLN) to build a $455 mn 300 MW power plant in South Sumatra.

In order to further deepen economic engagement between the two countries, the Indian Embassy in Jakarta launched the India Business Forum (IBF) on 18 July 2012. The Forum brought together Indian CEOs, entrepreneurs and professionals in Indonesia for a concerted effort towards an enhanced economic engagement with Indonesia. The IBF organized its first interactive session with Mr. Chatib Basri, Chairman, Indonesia Investment Coordinating Board (BKPM) on 4 September 2012. In order to understand the challenges being faced by Indian companies in Indonesia, meetings of sectoral groups of IBF members were organised; Coal Sector (12 October 2012) and Infrastructure Sector (26 February 2013) and interaction with Indian Parliamentary delegation (April 2013) and visits to Surabaya, Manado and Bali.

**Education and HRD assistance**

During the State visit of President Yudhoyono to India in January 2011, a MoU for Cooperation in the field of Education was signed between the two sides. Pursuant to the MoU, the second meeting of the Joint Working group took place in Yogyakarta in July 2012. Indonesia is a major recipient of ITEC (75 slots) & TCS of Colombo Plan (35 slots) scholarships. Indian Council for Cultural Relations (ICCR) offers 20 scholarships every year to Indonesian students for pursuing higher studies.
at under-graduate, post-graduate, doctoral and post-doctoral levels in 181 participating Universities and educational institutions all over India under its General Cultural Scholarship Scheme (GCSS). India has in the past, established a Vocational Training Centre in Jakarta and have now established another Centre in Aceh since August 2010.

An IT Lab was set up in Magelang, West Java and handed over to the Indonesian Military Academy in May 2011. India was among the first countries to provide assistance amounting to US$ 1 million in relief supplies to Indonesia following the Tsunami disaster in 2004. India also donated US$ 2 million in relief assistance following the major earthquake in Northern Sumatra on 28 March, 2005. Two Indian Air Force IL-76 aircraft airlifted the relief supplies to Medan (North Sumatra) on 21st April 2005. India delivered US$ 2 million worth of relief assistance to Indonesia after the earthquake in Java in May, 2006. A medical team from the Indian Navy also engaged in relief work in the affected area after these disasters. India offered an assistance of $ 100,000 for those affected by Mt. Merapi volcanic eruptions and tsunami in Mentawi islands in October 2010.

People-to-People Exchanges

There is an active cultural exchange between the two countries. The Cultural Exchange Programme (CEP) for the period 2011-2014 was signed in January 2011 during the visit of the Indonesian President to India. A joint India-Indonesia Ramayana ballet performance was held at the Prambanan Temple Complex in Yogyakarta on 9 November 2011. An MoU has been signed between ICCR and the University Gadjah Mada in February 2012 to set up a Rotational Chair on Indian studies in the Faculty of Cultural Sciences of the University. People-to-people contact was further strengthened through an active cultural exchange between the two countries, via the focal points at the Indian Cultural Centres in Jakarta and Bali. Several events have been organised in Indonesian provinces to enhance India’s visibility in these regions and facilitating business contacts. Slice of India events have been held in universities across Indonesia to showcase Indian culture. A series of events were organised in Yogyakarta, Manado and Bali in October/November 2012 as a part of the India-ASEAN Commemorative event. Renowned Kathak exponent Ms Malti Shyam performed in several cities in October/November 2012, including in Jakarta, Bali and Manado. A Manipuri dance troupe performed at the car rally flag off ceremony at Yogyakarta and in Solo on 26 November 2012. The bust of Rabindranath Tagore was installed at the Borobudur temple in Yogyakarta on 26 November 2012.

To enhance people-to-people contact, India Cultural Forum was inaugurated on 15th August 2012 bringing together all India focused socio-cultural groups in Indonesia on one platform. A Facebook page of the Embassy of India has been created to connect with the younger generation of Indonesian people who are among the largest users of social media in the world.
A photographic exhibition, release of book and a Seminar on India-Indonesia Relations were held on 30 November 2012 in Yogyakarta to mark the occasion were held on the establishment of six decades of diplomatic relations between India and Indonesia in 2012. A mélange of contemporary art from India was exhibited at Jawaharlal Nehru Indian Culture Centre in January 2013. A talk on contemporary art was given by Ms. Deborah Iskandar, well known art critic based in Jakarta to a packed audience. A Seminar on Indian Tourism –‘Know India Series’ on the theme of Incredible India- was held in Jakarta on 7th March 2013 jointly by India Tourism Board and Embassy of India, Jakarta. The event was attended by over 150 people including travel agents based in Indonesia, representatives of airline industry, hotels, diplomatic community, media and other stakeholders in the tourism industry. The Embassy organised ‘Culinary Connection – India and Indonesia’ at Four Seasons Hotel in March 2013 to explore the links between the culinary traditions of the two countries.

There are around 100,000 Indonesians of Indian origin in Indonesia mostly concentrated in Greater Jakarta, Medan, Surabaya and Bandung. They are mainly engaged in trade dealing in textiles and sports goods. There are around 10,000 Indian nationals living in Indonesia including engineers, consultants, chartered accountants, bankers and other professionals. The Indian community is very well regarded in Indonesia, is generally prosperous and includes individuals holding senior positions in local and multinational companies. An Indian Diaspora Meet was organised by Overseas Indian Facilitation Centre in July 2013 in association with the Embassy and the Ministry of Overseas Indian Affairs in Jakarta and Medan to strengthen India’s Diaspora’s engagement with India’s growth story.

Conclusion

Indonesia is a geographical neighbour. India and Indonesia share a maritime boundary. Like India, Indonesia is a diverse, multi ethnic, multi religious and democratic country. In the context of our ‘Look East Policy’, it is the largest and most influential member of the ASEAN. As India prepares and works towards political and economic convergence with the region, Indonesia’s role is critical and its support is vital.

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July 2013