

## **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.

### **High-level Exchanges:**

The fact that there have been as many as ten 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 Indian side, Prime Minister Dr. Manmohan Singh visited Jakarta in 2003 to attend the India-ASEAN Summit; in April 2005 to attend the Commemoration of the 50th Anniversary of the Afro-Asian Conference in Bandung; in November 2011 to attend the India-ASEAN Summit and East Asia Summit in Bali and in October 2013 on bilateral visit. The President of India paid a State Visit to Indonesia in November 2008. There has also been a regular exchange of visits at level of Ministers. A Joint Commission process co-chaired by the Foreign Ministers of the two countries is in place: Both sides have instituted the mechanism of Foreign Office Consultations.

During the State Visit of President Yudhoyono to India in 2005, the two countries signed a Joint Declaration on Establishing a Strategic Partnership. In the recent period, there has been a rapid development of our ties in the political, security, defense, commercial and cultural fields.

### **State Visit of President Yudhoyono to India in January 2011**

President Yudhoyono visited India in January 2011 as the Chief Guest on the occasion of India's Republic Day. During the visit, 16 Inter-Governmental Agreements were signed which included 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.

In addition, during the visit, it was agreed to set up an Eminent Persons Group to develop a Vision Statement 2025 for bilateral relations, to hold special events to celebrate 'Six Decades of Diplomatic Relations between the two countries' and to organise regular meetings of Defence, Home, Oil and Gas, Coal, Power, Renewable Energy, Science and Technology, Tourism, Health and Education Ministers. India and Indonesia agreed to launch negotiations for a Bilateral Comprehensive Economic Cooperation Agreement. The two sides also agreed to organise a Trade and Investment Forum, an Energy Forum and a CEO's Forum alternately in either country. The two sides announced their intention to promote cultural and people to people contacts by organising cultural festivals. India announced the introduction of Tourist Visa on Arrival Facilities for Indonesian nationals during the visit.

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.

### **Visit of PM to Indonesia in October 2013**

Prime Minister Dr. Manmohan Singh visited Indonesia on October 10-12, 2013. During the visit, he had wide ranging discussions with President Yudhoyono both at restricted and extended level. Both leaders reviewed progress in bilateral relations since the elevation of the bilateral relationship to the strategic level and also exchanged views on regional and international issues such as global financial crisis, ASEAN, EAS, G-20 etc. Following MoUs were signed during the visit.

- MoU on Combating Illicit Trafficking in Narcotic Drugs, Psychotropic Substances and its precursor
- MoU on Cooperation in the field of Disaster Management
- MoU on Health Cooperation
- MoU for International Cooperation on Combating Corruption
- MoU on Technical Cooperation in the area of Capacity Building of Public Officials between Lal Bahadur Shastri National Academy of Admin & National Institute of Public Administration of Indonesia
- MoU on Cooperation between ICWA of Indonesia and ICWA of India

Both leaders agreed to adopt a five-pronged initiative for strengthening the Strategic Partnership with the objective of taking the robust, multifaceted cooperation to even greater heights in areas of Strategic Engagement, Defence and Security

Cooperation, Comprehensive Economic Partnership, Cultural and People-to-People Links and Cooperation in Responding to Common Challenges

### **Ministerial Exchanges:**

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. Shri Anand Sharma, Minister of Commerce, Industry and Textiles 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. Shri Sudip Bandhopadhaya, Minister for State for Health, visited Yogyakarta from 4-6 September 2012 to attend the WHO SEARO meeting. Ms. Kumari Selja, Minister of Culture attended the 5<sup>th</sup> ASEM Culture Minister's Meeting in Yogyakarta on 18-19 September 2012. Shri A.K. Antony, Raksha Mantri, visited Indonesia on 15-17 October 2012 as part of the biennial dialogue between the two Defence Ministers. Speaker of Indonesian Parliament Marzuki Ali participated at the ASEAN-India Parliamentary Association Meeting in New Delhi from July 29<sup>th</sup> – August 1<sup>st</sup> 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.

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.

### **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\$ 20.1 billion in 2012-13. The two sides have set the target of US\$ 25 billion by 2015. 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. India also exports pharmaceuticals in bulk and formulations to Indonesia.

Indonesia 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, Indo Rama, Aditya Birla, Bombay Dyeing, JK Industries, Jindal Stainless Steel, ESSAR, Ispat, Tata Motors, Mahindra, TVS, Bajaj, Minda, Classic Stripes, BEML, Godrej, Wipro, Balmer & Lawrie, SBI, Bank of India, etc. have established fully-owned subsidiaries/joint ventures in Indonesia. Tata

Motors, Indonesia, has proposed to set up its assembly line production of vehicles. The National Aluminum Company of India (NALCO) has proposed to invest US\$ 4 billion and establish a 0.5 million ton aluminum smelter plant and a 1250 MW power plant in Kalimantan. Several medium and small Indian companies are operating coal mines in Indonesia. Indian IT companies including TCS, Tech Mahindra, Satyam, Wipro, HCL and Polaris have business interests in Indonesia.

India and Indonesia have entered into Agreement for Promotion and Protection of Investment in 1999, and Double Taxation Avoidance Agreement (DTAA) in 2012.

The first meeting of the India-Indonesia CEOs Forum was organised on 10 October 2013 on the sidelines of PM's visit to Jakarta. The meeting was Co-chaired by Mr. Venu Srinivasan of TVS Motors from the Indian side and Mr. Chris Kanter, Vice-Chairman for Trade and International Relations, KADIN Indonesia, from the Indonesian side. The meeting was addressed by Mr. Anand Sharma, Minister of Commerce and Industry, and Mr. Bayu Krisnamurthi, Vice-Minister of Trade of Indonesia. The two sides agreed to promote linkages within the service sector including IT, tourism & healthcare. In terms of goods, it was agreed to identify 10 fast moving goods for trade and target at least 10 per cent growth in those items in one year. The Forum also agreed to explore newer areas of cooperation viz. Oil and Gas, Manufacturing, Railways and Textiles. It was also agreed that core groups could be set up to suggest specific recommendations to institute strategies to expand cooperation and take up any impediments to trade with the Governments.

It has been the endeavor of this Mission to promote high-level B2B exchanges between the two countries. Apart from the meeting of CEO's Forum, several other Indian business delegations, including CII delegation for participation in Infrastructure Conference ( 13-15 November); visit of Automotive Component Manufacturers Association (ACMA) ( 11-13 November); Chemexcil-led participation by Indian companies in Indo Dyechem Fair ( 24-26 October); EEPC participation in the INAPA Exhibition ( 26-28 March); delegation of Indian CEO's led by FICCI President Ms. Naina Lal Kidwai ( 26-27 July) visited Indonesia in 2013.

An Energy Forum was created during the visit of President Yudhoyono to India in January 2011. The Forum is to be co-chaired by the Ministry of Coal from India and Ministry of Energy and Mineral Resources from Indonesia. This will help promote mutually beneficial G2G and B2B cooperation. The first meeting of the Energy Forum is scheduled to be held in 2014. India and Indonesia have a structured dialogue process in the coal sector having established a JWG in 2010, which has had two meetings so far. Furthermore in the oil and gas sector too pursuant to the signing of the MoU on Cooperation in Oil and Gas in January 2011 a JWG mechanism has been instituted to enhance co-operation in this field. The first meeting of the JWG in Oil and Gas was held in Bali on 4-5 June 2012.

In order to 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 an 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 are also organised. As part of Embassy's outreach to the regions of Indonesia, the Ambassador has led IBF delegations to East Java (March 2013) and Central Java (October 2013).

### **Defence & Security:**

The two countries signed a Defence Cooperation Agreement in 2001 and have had regular defence exchanges including the exchange of high level visits, ship visits, officers studying in Staff Colleges in either country and joint coordinated patrols in the mouth of the Malacca Straits. Sh. A.K. Antony, Raksha Mantri visited Indonesia on 15-17 October 2012 as part of the biennial dialogue between the two Defence Ministers.

### **Education and Developmental 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 (90 slots) & TCS of Colombo Plan (15 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 established a Vocational Training Centre in Jakarta and Aceh. A delegation from Ed.CIL comprising of representatives from three universities – Gujarat University, Ahmadabad, Sam Higginbottom Institute of Agriculture Technology and Sciences, Allahabad and SRM University, Chennai participated at the World Education Expo held in Jakarta in February 2013.

An IT Lab was set up in Magelang, West Java and handed over to the Indonesian Military Academy in May 2011. India provided assistance amounting to US\$ 1 million in relief supplies to Indonesia following the Tsunami disaster in 2004, US\$ 2 million in relief assistance following an earthquake in Northern Sumatra on 28 March, 2005 and US\$ 2 million worth of relief assistance 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 also offered assistance of \$ 100,000 for those affected by Mt. Merapi volcanic eruptions and tsunami in Mentawi islands in October 2010.

## **Cultural Relations, People-to-People Exchanges & Indian Community:**

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 MoU has been signed between ICCR and the University GadjahMada in February 2012 to set up a Rotational Chair on Indian studies. A chair on Indian studies has also been set up in Mahendradatta University, Bali. 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 15 August 2012 bringing together all India focused socio-cultural groups in Indonesia on one platform. The Overseas Indian Facilitation Centre Engagement Meet was held in Medan and Jakarta on 16 & 18 July respectively.

A Facebook page of the Embassy of India and a Twitter account has been created to connect with the younger generation of Indonesian people who are among the largest users of social media in the world. The Embassy produced two You Tube video's titled "Old Heritage New Partnerships" and India-Indonesia-An Enduring Relationship and took our various publications on Yoga, Education, Film Festival, India-ASEAN, and on India highlighting our strengths. In 2013, "India Corner" were established in Atmajaya University in Yogyakarta and Udayana Univerisity in Bali by donating books on India. A special publication titled "Studying in India" in Bahasa language was also brought out to facilitate Indonesian students wishing to pursue higher studies in India.

A photographic exhibition, release of book and a Seminar on India-Indonesia Relations were held on 30 November 2012 in Yogyakarta to mark the establishment of six decades of diplomatic relations between India and Indonesia. A mélange of contemporary art from India was exhibited at Jawaharlal Nehru Indian Culture Centre in January 2013. A Seminar on Indian Tourism-'Know India Series' on the theme of Incredible India- was held in Jakarta on 7 March 2013 jointly by India Tourism Board and Embassy of India, Jakarta. 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. A pottery exhibition by Arti Gidwani and Adhy Putraka Iskandar was organised by the Cultural Centre in April 2013. Painting exhibit on

“Women by Women” was held in Affandi Musuem in Yogyakarta and in various cities of Indonesia.

A 26 member troupe from Shriram Bharatiya Kala Kendra, under the aegis of ICCR, performed at the International Ramanaya Festival organised by the Govt of Indonesia in Yogyakarta on 6 September 2013. The Troupe also performed in Jakarta on 21st September 2013, in Surabaya and Bali and also participated in the Majapahit Festival in Pasuruan (East Java).

A week-long celebration of Centenary Year of Indian Cinema titled “Weave of Friendship” was celebrated in Jakarta in association with Directorate of Film Festivals, New Delhi, with a series of events from 23-27 September 2013. The events included an inaugural of the festival through a fashion show themed on Bollywood showcasing Indian Ikat Textiles, Exhibition of Indian Cinema posters, free screening of 15 iconic films, a film seminar titled “Our Films Their Films” and a musical performance by Shankar Ehsaan Loy on 29 September 2013 which was a fitting finale to the weeklong celebrations. The Embassy continues to show Hindi films and documentaries every week in its Auditorium.

The 2<sup>nd</sup> Gandhi Memorial Lecture was held at Bali on November 29, 2013 with the Governor of Bali delivering the Keynote address. A publication on Gandhi “Gandhi’s outstanding leadership” written by former Ambassador Alan Nazareth and translated in Bahasa language was released on the occasion. Various charitable activities by NGO’s were held to mark Gandhi Jayanti Day.

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.

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