



Strengthening India-Indonesia Ties

For Prelims: [Indonesia](#), [Republic Day 2025](#), [Comprehensive Strategic Partnership](#), [Ex Garuda Shakti \(Army\)](#), [Ex Samudra Shakti \(Naval\)](#), [AITIGA](#), [Local Currency Settlement Systems](#), [Biofuels](#), [Traditional Medicine](#), [Digital Public Infrastructure](#), [Quantum Communication](#), [High-Performance Computing](#), [Kashi Cultural Pathway](#), [ASEAN Outlook on Indo-Pacific](#), [NAM](#), [1955 Bandung Conference](#), [‘Look East’ Policy 1991](#), [‘Act East’ 2014 Policy](#), [South China Sea](#), [UNCLOS](#), [BrahMos](#), [Strait of Malacca](#), [Panchashila](#).

For Mains: Evolution of India-Indonesia ties, Importance of Indonesia for India.

Source: [IE](#)

Why in News?

The **President of Indonesia** was the Chief Guest at India’s **76th Republic Day** celebrations, marking the **75th anniversary of India-Indonesia diplomatic relations**.

- Both countries signed several **MoUs** covering areas such as **health cooperation, digital infrastructure, and defence collaboration**.

What are the Key Highlights of the India-Indonesia Ties?

- **Comprehensive Strategic Partnership:** Both leaders reaffirmed their commitment to elevating the bilateral relationship, which was upgraded to a **Comprehensive Strategic Partnership in 2018**.
- **Defence Cooperation:** The leaders committed to strengthening defence ties through initiatives like Coordinated Patrol, **Ex Garuda Shakti (Army)**, and **Ex Samudra Shakti (Naval)**.
 - Both agreed to establish **Bilateral Maritime Dialogue** and **Cyber Security Dialogue**.
- **Trade Cooperation:** Both nations aim to boost bilateral trade, which reached **USD 38.8 billion in 2022-2023**, and agreed to resolve trade barriers and expedite the **AITIGA review**.
 - The MoU on **Local Currency Settlement Systems** aims to boost trade by enabling transactions in local currencies.
- **Energy, and Health Security:** Both nations are focusing on **biofuels** and joint exploration of **critical minerals** like **nickel and bauxite**.
 - MoUs on **Health Cooperation** and **traditional medicine Quality Assurance** were signed, focusing on digital health and healthcare professional capacity-building.
- **Technological Cooperation:** India offered to share its expertise in **Digital Public Infrastructure**, **Quantum Communication**, and **High-Performance Computing** with Indonesia.
- **Cultural Cooperation:** India aims to assist in restoring the **Prambanan Temple** in Indonesia and reaffirmed the "**Kashi Cultural Pathway**" principles from the G20 Culture Ministers' Meeting.
 - The Kashi Cultural Pathway aims to **restore heritage structures** and return cultural artifacts to their countries of origin.
- **Multilateral Cooperation:** Both countries emphasized the importance of **ASEAN centrality** and

cooperation on regional issues like the [ASEAN Outlook on Indo-Pacific](#), [India-Indonesia-Australia Trilateral](#) and [Indo-Pacific Oceans Initiative \(IPOI\)](#), [BRICS](#) and [Indian Ocean Rim Association \(IORA\)](#).

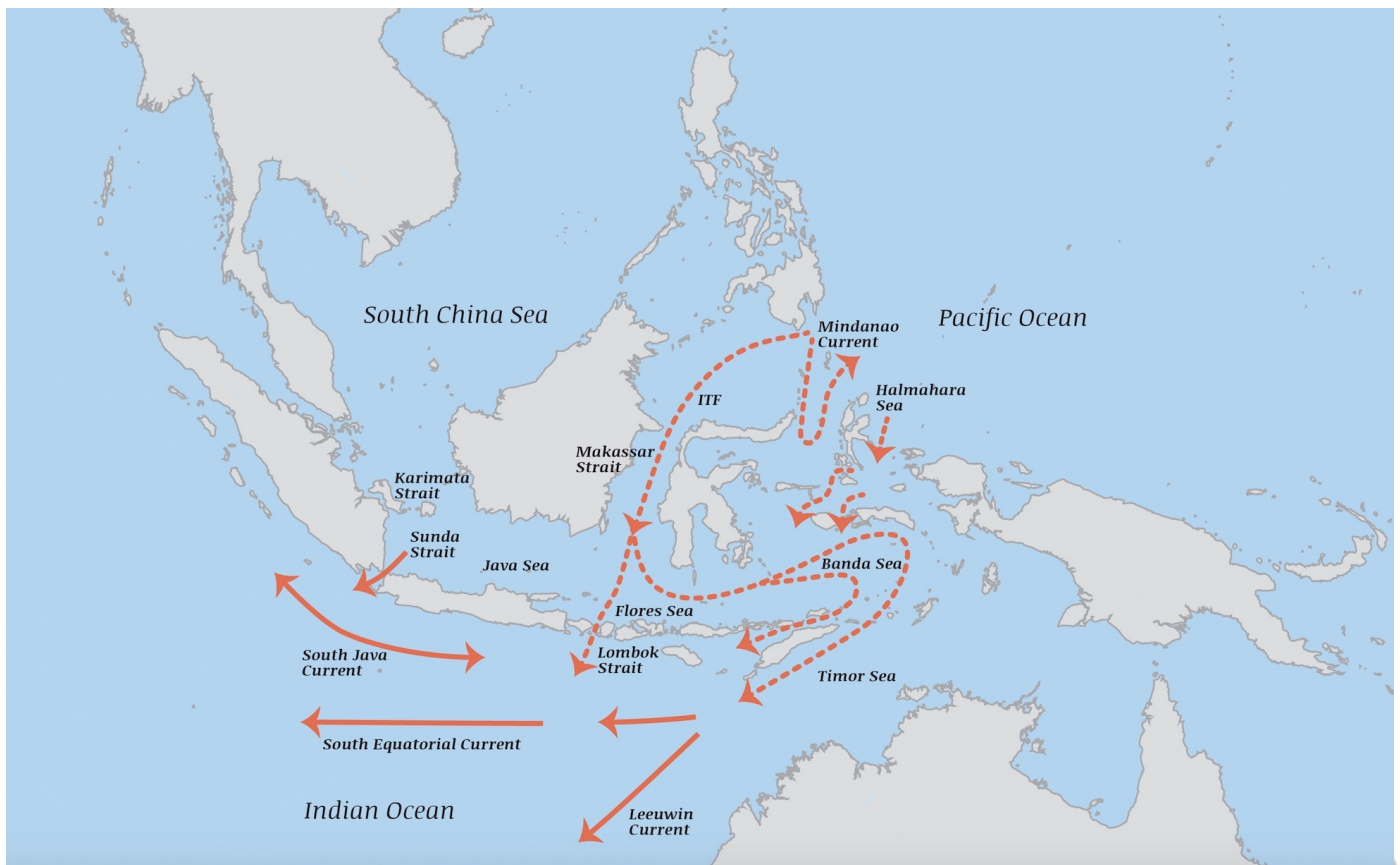
How India-Indonesia Ties Evolved Overtime?

- **Early Post-Independence Period (1940s-1950s):** India, under Prime Minister [Jawaharlal Nehru](#), strongly supported Indonesia's fight for independence from **Dutch colonial rule**.
 - The two countries signed a **Treaty of Friendship in 1951**, and cooperation in **trade, culture, and military matters** flourished.
 - Both nations aligned on [non-alignment](#), [anti-colonialism](#), and [peaceful coexistence](#), leading to their active participation in the [1955 Bandung Conference](#) and [NAM's formation in 1961](#).
- **Deterioration in Ties (1960s):** Relations strained in the **1950s-60s** as India's ties with China worsened post-1959 uprising and [Sino-Indian 1962 war](#), while Indonesia stayed **cordial with China**.
 - In the **1960s**, Indonesia **sided with Pakistan during the 1965 India-Pakistan conflict**, showing solidarity and providing military aid.
- **Cold War Era (1966-1980s):** Under **President Suharto**, Indonesia moved away from its previous alignment with China and sought to **rebuild ties with India**.
 - Indonesia and India improved ties with key agreements like the **1977 maritime boundary pact** and Suharto's 1980 visit to India.
- **'Look East' Policy 1991 (1990s):** Under India's ['Look East' policy 1991](#), trade grew and both nations evolved a comprehensive partnership covering **economic, security, and cultural cooperation**.
 - India's 2014 ['Act East' 2014 policy](#) strengthened ties with Southeast Asia, making **Indonesia a key regional partner**.
- **Recent Developments (Since 2000s):** Indonesia is now India's **2nd largest trading partner** in the ASEAN region (1st-Singapore), and trade has grown significantly from **USD 4.3 billion in 2005-06 to USD 38.84 billion in 2022-23**. Indian investments in Indonesia amount to **USD 1.56 billion**.
 - India and Indonesia jointly called for resolving maritime disputes and finalizing the [South China Sea Code of Conduct](#) as per international law, including [UNCLOS](#).
 - Indonesia is negotiating with India to acquire the [BrahMos missile system](#), with a broad agreement on pricing, estimated at **USD 450 million**.

Why is Indonesia Significant to India?

- **Strategic Importance:** Indonesia occupies a **pivotal position** in the Indo-Pacific region, with control over key sea lanes such as the [Strait of Malacca](#), [Sunda](#), and [Lombok](#), making it a critical partner in ensuring maritime security and the **free flow of trade in the region**.

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- **Natural Resources:** Indonesia, rich in resources like **palm oil, tin, rubber, cocoa, coffee, nickel, copper, timber, gold, and coal**, is a key supplier for global markets and offers opportunities for India in **energy, agriculture, and infrastructure**.
- **Defense Cooperation:** The potential **USD 450 million BrahMos missile deal** and growing defense ties highlight economic cooperation between Indonesia and India.
 - Their defense partnership can address emerging challenges like **cyber threats, maritime security, and counter-terrorism**.
- **Politics and Governance:** Indonesia, with the world's largest Muslim population, practices secularism through its **unique Panchashila Constitution**.
 - Indonesia has effectively tackled terrorism through consistent police efforts, avoiding military force. India can learn from this approach, given the shared challenges both countries face.
- **Global Influence:** Indonesia's leadership in **ASEAN** strengthens its cooperation with India, crucial for regional stability and mutual interests.
 - Indonesia, a regional pivot and emerging power in the **Indo-Pacific**, is a valuable partner for India.

Conclusion

Indonesia plays a vital role in **India's regional strategy**, with strong ties in **trade, defense, and maritime security**. Both countries aim to deepen collaboration through **technological, cultural, and multilateral efforts**, bolstering their **Comprehensive Strategic Partnership** and reinforcing stability in the Indo-Pacific.

Drishti Mains Question:

How has India-Indonesia cooperation evolved over time, and what is Indonesia's strategic importance in India's foreign policy today?

UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims

Q. In which one of the following groups are all the four countries members of G20? (2020)

- (a) Argentina, Mexico, South Africa and Turkey
- (b) Australia, Canada, Malaysia and New Zealand
- (c) Brazil, Iran, Saudi Arabia and Vietnam
- (d) Indonesia, Japan, Singapore and South Korea

Ans: (a)

Q. Consider the following countries: (2009)

1. Brunei Darussalam
2. East Timor
3. Laos

Which of the above is/are member/members of ASEAN?

- (a) 1 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Ans: (c)

Mains

Q. Indian Diaspora has an important role to play in South East Asian countries' economy and society. Appraise the role of Indian Diaspora in South-East Asia in this context. (2017)

Q. Explain the formation of thousands of islands in Indonesian and Philippines archipelagos. (2014)