

Partners in Progress

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Partners in Progress: India and Indonesia's Expanding Ties

Context:

India and Indonesia share a deep-rooted historical, cultural, and strategic relationship that dates back centuries. These ties have evolved significantly in modern times, with both nations engaging in economic, defense, and diplomatic cooperation.

A recent milestone in this relationship was **Indonesia's President Prabowo Subianto's visit as the chief guest at India's 76th Republic Day celebrations**. This event underscored the growing strategic partnership between the two countries. Notably, this was not the first time an Indonesian leader had been honored in this way—**Indonesia's first President, Sukarno, was the chief guest at India's first Republic Day in 1950**.

Both nations, as emerging global powers, have the potential to shape the future of the **Indo-Pacific region** through economic collaboration, defense cooperation, and multilateral engagement.

Key Areas of Cooperation

1. Economic Collaboration: Unlocking Growth Potential

- **Bilateral trade** between India and Indonesia currently stands at **\$30 billion**, with ambitions to **quadruple** this figure in the next decade.
- **India is among Indonesia's top trading partners**, importing coal, palm oil, and minerals while exporting refined petroleum, pharmaceuticals, and engineering goods.
- **Investment flows remain underutilized:**
 - **Indonesian investment in India:** \$653.8 million
 - **Indian investment in Indonesia:** \$1.56 billion
- **Fast-growing economies:**
 - India's projected GDP growth: **6.5%**
 - Indonesia's projected GDP growth: **5.1%**
 - Both surpass the global average of **3.3%**, creating significant opportunities for investment and trade.

2. Defense and Maritime Security Cooperation

- In 2018, India and Indonesia **signed the Comprehensive Strategic Partnership**

- **Agreement**, significantly boosting defense ties.
- **Key joint military exercises:**
 - **Samudra Shakti:** Naval exercises to enhance maritime security.
 - **Coordinated Patrols (CORPAT):** Ensuring safety in the Indian Ocean.
- **Strategic importance of the Malacca Strait:** A crucial trade route, where both nations work together to safeguard freedom of navigation.
- Discussions during **President Prabowo's visit** emphasized counterterrorism, cybersecurity, and defense technology cooperation.

3. Cultural and Historical Ties

- **Shared heritage:** Hinduism and Buddhism have influenced Indonesian history, with Indian epics like the **Ramayana and Mahabharata** widely celebrated.
- The **Bali Yatra festival in India** commemorates ancient maritime trade between Odisha and Indonesia.
- **Growing people-to-people connections:** Over **650,000 Indian tourists** visited Bali in 2023.

4. Geopolitical and Multilateral Engagement

- **Indonesia recently joined BRICS**, where it now collaborates with India on global economic and strategic issues.
- Both nations engage in key multilateral forums: **ASEAN, G20, United Nations, and BRICS.**
- **Shared diplomatic vision:** Balancing partnerships with the U.S., China, and other global powers while maintaining regional stability.

5. Expanding Cooperation in Emerging Sectors

- **Renewable Energy:** Joint efforts in **solar, bioenergy, and geothermal exploration.**
- **Technology and Space Collaboration:** India's **ISRO supports Indonesia's satellite programs.**
- **Healthcare and Education:** Scholarships for Indonesian students and hospital management training programs.

Conclusion:

India and Indonesia's partnership is built on **strong historical ties, economic collaboration, and security cooperation.** With both countries playing vital roles in the **Indo-Pacific region**, their growing alliance can contribute to global trade, defense, and diplomacy.

As two of the **fastest-growing economies**, they have the potential to drive sustainable growth, enhance regional security, and strengthen their influence in multilateral forums. By expanding cooperation in **trade, defense, energy, and technology**, India and Indonesia can set an example of a **modern, forward-looking strategic partnership.**

Their evolving relationship is not just about diplomacy—it is about shaping the future of the region and the world.