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GENERAL STUDIES 2: INTERNATIONAL RELATION

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TOPIC: INDIA & NEIGHBOURING COUNTRIES

India-Indonesia Relations: Strengthening a Historic Partnership

Historical Significance

- Indonesia's founding father, Sukarno, was the chief guest at India's first Republic Day in 1950.
- President Prabowo Subianto's visit as the chief guest for the 76th Republic Day marks the fourth such visit by an Indonesian leader.
- Both nations share democratic values, economic collaboration, and regional security interests.

Strategic and Economic Growth

- India-Indonesia relations now include trade, maritime security, and technology.
- As major Indo-Pacific economies, they play a key role in regional prosperity.
- The 1966 trade agreement laid the foundation, but trade potential remains underutilized.

Key Sectors for Collaboration

- **Energy:** Renewable energy cooperation for energy security.
- **Food & Agriculture:** Boosting agricultural trade and food security.
- **Healthcare:** Strengthening pharmaceutical and medical ties.
- **Manufacturing:** Enhancing industrial and production synergies.
- **Technology:** Advancing AI-driven digital transformation.

Economic Partnership and Trade Growth

- Bilateral trade stands at nearly \$30 billion, with a goal to quadruple in the next decade.
- India (6.5%) and Indonesia (5.1%) are projected to grow faster than the global average (3.3%) in 2025.
- Expanding markets, young workforces, and rising consumer demand are key growth drivers.
- **Investment Stats:**



- Indonesian investment in India: \$653.8 million.
- Indian investment in Indonesia: \$1.56 billion.
- Strengthening ties in clean energy, technology, and manufacturing can unlock new opportunities.

Security and Geopolitical Cooperation

- **Maritime Security:** The 2018 Comprehensive Strategic Partnership has boosted naval cooperation.
- **Counterterrorism & Cybersecurity:** Both nations aim to tackle cyber threats, terrorism, and transnational crimes.
- **Geopolitical Role:** India and Indonesia influence Indo-Pacific stability and global governance.

Indonesia's Entry into BRICS

- In 2024, Indonesia was invited to BRICS, strengthening its global economic role.
- This enhances India-Indonesia cooperation in global economic governance.

Balancing Global Alliances

- Both nations maintain strong ties with the U.S. and Western economies while engaging in BRICS and Indo-Pacific frameworks.
- Indonesia, a major supplier of nickel, copper, tin, and bauxite, seeks better market access in India, the U.S., and Europe.

Conclusion

India and Indonesia's 76-year-old diplomatic relationship continues to expand across trade, security, and geopolitics. By balancing multilateral cooperation (BRICS, ASEAN, Indo-Pacific) with strong economic policies, both nations can drive regional and global prosperity.

Source: <https://www.thehindu.com/opinion/op-ed/india-indonesia-ties-as-a-beacon-for-global-relations/article69180631.ece>