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# India–Indonesia Relations: Prime Minister's State Visit Strengthens the Comprehensive Strategic Partnership

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## Recent Developments:

- The **Prime Minister of India** concluded a **State Visit to Indonesia**, further strengthening the **India–Indonesia Comprehensive Strategic Partnership**, which was established in **2018**.
- During the visit, **Prime Minister Narendra Modi** was conferred **Indonesia's highest civilian honour, the Bintang Adipurna**, becoming the **second Indian Prime Minister after Jawaharlal Nehru** to receive the country's highest national honour and his **35th international honour**.
- Both countries expanded cooperation across **defence, maritime security, critical minerals, steel, digital infrastructure, space, agriculture, health, disaster management, education and cultural diplomacy**, while reaffirming their commitment to a **free, open, inclusive and rules-based Indo-Pacific**.

## Key Outcomes of the Prime Minister's Visit:

### *Defence and Maritime Security:*

- **Indonesia** signed a **USD 200 million** contract to procure **two batteries of the BrahMos supersonic cruise missile system**, providing a major boost to **India's defence exports** and the **Make in India** initiative.
- Indonesia also placed the **first-ever export order** for India's **Astra air-to-air missile system**, marking another milestone in India's indigenous defence manufacturing.
- Both countries extended the **Memorandum of Understanding** and the **Implementation Agreement on Maritime Safety and Security Cooperation**, reinforcing cooperation for securing the **Indo-Pacific sea lanes**.
- India and Indonesia agreed to **jointly develop the Sabang Port**, located at the northern tip of **Sumatra** near the **Strait of Malacca**, enhancing India's maritime surveillance capabilities and expanding the **Indian Navy's logistical reach** in the Indo-Pacific region.
- The leaders welcomed the proposed **3rd India–Indonesia Security Dialogue**, which will serve as a comprehensive institutional platform for discussions on bilateral and regional security issues.

### *Critical Minerals, Steel and Heavy Industry:*

- The **Steel Authority of India Limited** signed a landmark agreement with Indonesia to establish a **high-capacity stainless-steel slab manufacturing facility** in Indonesia.
- Both countries signed a **Memorandum of Understanding** for the **joint development of rare earth magnets**, which are essential for **electric vehicles, renewable energy technologies and advanced electronics**.
- Another **Memorandum of Understanding** was concluded to promote cooperation in the **extraction, processing and technological development of the steel and mineral supply chain**, strengthening long-term industrial collaboration.

### *Technology and Space Cooperation:*

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- Both countries extended the **Framework Agreement on Cooperation in the Exploration and Uses of Outer Space for Peaceful Purposes**, reaffirming long-term collaboration in the peaceful utilisation of outer space.
- Separate **Memoranda of Understanding** were signed to strengthen cooperation in **research, technology, innovation and next-generation telecommunications technologies**, promoting emerging technology partnerships.

#### *Health and Disaster Management:*

- India and Indonesia signed a **Memorandum of Understanding** between the **Central Drugs Standard Control Organisation** and the Indonesian regulatory authority to harmonise **medical product regulations**.
- An **Implementation Agreement** was concluded to strengthen cooperation in **health workforce development**, facilitating institutional collaboration in the healthcare sector.
- Another **Memorandum of Understanding** established cooperation between India's **National Disaster Management Authority** and Indonesia's **National Agency for Disaster Management**, promoting collaboration in **disaster preparedness, response and capacity building**.

#### *Agriculture and Food Security:*

- Both countries signed a comprehensive **Memorandum of Understanding on Agriculture and Allied Sectors** to strengthen cooperation in **food security, agricultural research and sustainable farming practices**.
- India announced the supply of **100 tonnes of DWR 162 high-quality wheat seeds** to Indonesia to improve agricultural productivity and enhance bilateral agricultural cooperation.

#### *Digital Cooperation and Soft Power Initiatives:*

- Indonesia launched the **Indonesia Open Network**, modelled on India's **Open Network for Digital Commerce**, reflecting India's growing leadership in **Digital Public Infrastructure**.
- Indonesia decided to deploy a **Liaison Officer** at the **Information Fusion Centre for the Indian Ocean Region** in Gurugram, strengthening **real-time maritime domain awareness, information sharing and maritime security cooperation**.
- India agreed to provide **technical assistance** for the **conservation and restoration of the Prambanan Temple Complex**, the largest Hindutemple complex in Indonesia.
- Both countries declared **2026–27** as the **Tagore–Dewantara Year of India–Indonesia Cultural and Educational Diplomacy** to commemorate the **centenary of Rabindranath Tagore's visit to Indonesia** through year-long cultural and educational exchanges.

#### *Democratic and Educational Cooperation:*

- The **Election Commission of India** and Indonesia's **General Elections Commission** signed an agreement to exchange **best practices in conducting large-scale democratic elections**, strengthening institutional cooperation in electoral management.
- Both countries agreed to establish an overseas campus of the **Indian Institute of Management Bangalore** at the **Singhasari Special Economic Zone** in **East Java**, expanding India's educational presence and strengthening academic collaboration.

#### India–Indonesia Bilateral Relations:

##### *Historical and Civilizational Relations:*

- **India and Indonesia** share centuries-old civilizational ties, with the spread of **Hinduism, Buddhism and later Islam** from the Indian subcontinent to the Indonesian archipelago, creating enduring cultural, religious

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and historical linkages.

- The shared heritage is reflected through **ancient temples, literature, language, art, architecture, trade networks and maritime exchanges**, which continue to strengthen people-to-people relations.
- Following independence, both countries emerged as leading voices of the **Afro-Asian solidarity movement**, playing a significant role in the **Bandung Conference (1955)** and later becoming founding members of the **Non-Aligned Movement (1961)**.
- Bilateral relations evolved through India's **Look East Policy (1991)** and were further strengthened under the **Act East Policy (2014)**, culminating in the elevation of ties to a **Comprehensive Strategic Partnership (2018)** and the celebration of **75 years of diplomatic relations in 2024**.
- The **Comprehensive Strategic Partnership** institutionalised a **Shared Vision on Maritime Cooperation in the Indo-Pacific**, expanding cooperation beyond traditional diplomatic engagement.

### *Economic and Commercial Relations:*

- **Indonesia** has emerged as **India's second-largest trading partner within ASEAN**, with bilateral trade reaching **USD 28.15 billion** during **2024–25**.
- India is the **largest global importer of Indonesian crude palm oil** and the **second-largest importer of Indonesian coal**, while exporting **refined petroleum products, automobiles, steel products and agricultural commodities** to Indonesia.
- The growing trade relationship has strengthened economic interdependence, although the trade balance continues to remain largely in Indonesia's favour.

### *Tourism and People-to-People Relations:*

- India is the **fifth-largest source of international tourists** visiting Indonesia, resulting in increasing air connectivity through major routes such as **Delhi–Bali** and **Mumbai–Jakarta**.
- A vibrant Indian diaspora comprising approximately **1,20,000 Persons of Indian Origin** and **15,000 Non-Resident Indians** contributes significantly to commerce, investment and cultural exchanges in Indonesia.

### *Defence and Maritime Cooperation:*

- Defence cooperation is institutionalised through the **Joint Defence Cooperation Committee** and regular **Defence Ministers' Dialogues**, ensuring sustained strategic engagement.
- Both countries regularly participate in bilateral and multilateral military exercises, including:
  - **IND-INDO Coordinated Patrols**
  - **Exercise Garuda Shakti**
  - **Exercise Samudra Shakti**
  - **Exercise Milan**
  - **Exercise Komodo**
- These engagements strengthen **maritime security, naval interoperability, defence cooperation and regional stability** across the Indo-Pacific.

### *Science, Technology and Capacity Building:*

- Cooperation in the space sector has expanded through collaboration between the **Indian Space Research Organisation** and Indonesia's **National Research and Innovation Agency** for the operation of the **Integrated Biak Telemetry, Tracking and Command Facilities**, supporting the tracking of Indian satellites and launch vehicles.
- India has strengthened institutional cooperation through the **Indian Technical and Economic Cooperation Programme**, under which Indonesia remains one of the major beneficiary countries.

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- As part of this programme, a **30-member delegation of Indonesian judges** visited India in **April 2026** for advanced judicial training at the **National Judicial Academy, Bhopal**.

### *Cultural Cooperation:*

- India reinforced shared civilizational heritage by presenting a **replica of the 9th-century Nalanda Copper Plate** to Indonesia, highlighting the historical linkage between **Nalanda** and **Muarajambi**.
- Cultural diplomacy continues to strengthen bilateral relations through exchanges in **education, heritage conservation, art, language and historical research**.

### Strategic Significance of India–Indonesia Relations:

#### *Geostrategic Importance:*

- Indonesia occupies a strategically significant position as **India's closest maritime neighbour in Southeast Asia**, making it a crucial partner in India's **Act East Policy** and **Security and Growth for All in the Region Vision**.
- The strategic location of Indonesia enables both countries to cooperate closely in ensuring a **free, open, inclusive and rules-based Indo-Pacific**.

#### *Maritime Security:*

- The joint development of **Sabang Port** significantly enhances India's maritime presence near the **Strait of Malacca**, one of the world's busiest and most strategically important maritime chokepoints.
- Enhanced logistical access improves the **Indian Navy's operational reach, maritime surveillance capability, humanitarian assistance operations and disaster response capacity** across the Indo-Pacific.
- Cooperation in maritime domain awareness strengthens the security of critical **Sea Lines of Communication**, ensuring uninterrupted global trade and energy transportation.

#### *Strategic Balancing in the Indo-Pacific:*

- Defence cooperation through the export of **BrahMos** and **Astra** missile systems strengthens Indonesia's defence capability while promoting India's indigenous defence manufacturing sector.
- Cooperation in **critical minerals, rare earth elements and strategic industries** contributes to the diversification of global supply chains and reduces excessive dependence on any single external source.

#### *Importance within ASEAN:*

- As the **largest economy and a leading member of ASEAN**, Indonesia plays a central role in shaping regional political and economic developments.
- Stronger engagement with Indonesia enhances India's strategic outreach across the **Association of Southeast Asian Nations**, facilitating deeper regional cooperation in trade, connectivity, maritime security and economic integration.
- The partnership also strengthens India's engagement with the wider **Indo-Pacific architecture**, supporting regional peace, stability and sustainable development.

### Challenges in India–Indonesia Relations:

#### *Strategic and Economic Challenges:*

- Indonesia continues to follow its **Bebas-Aktif (Independent and Active) Foreign Policy**, maintaining strategic autonomy and avoiding formal alignment with major power blocs.

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- While India considers the **Quadrilateral Security Dialogue** an important mechanism for ensuring a **free, open and inclusive Indo-Pacific**, Indonesia remains cautious about minilateral security groupings, as it believes they could undermine **ASEAN Centrality** and intensify regional strategic competition.
- Despite procuring the **BrahMos** missile system, Indonesia prefers **capacity-building and strategic autonomy** instead of participating in any arrangement that may be perceived as directed against a particular country.
- Indonesia's deep economic integration with **China**, particularly in **infrastructure development, nickel processing and electric vehicle supply chains**, limits India's ability to emerge as a comparable economic partner.

### *Trade and Commercial Challenges:*

- Bilateral trade of nearly **USD 28–30 billion** continues to remain **heavily skewed in Indonesia's favour**, primarily because of India's substantial imports of **crude palm oil**.
- Indonesia's increasing diversion of palm oil towards **domestic biofuel production** could reduce global edible oil availability and contribute to food inflation in India.
- The absence of a **Comprehensive Economic Cooperation Agreement**, limited utilisation of the **ASEAN–India Trade in Goods Agreement**, and the existence of **non-tariff barriers** on pharmaceuticals and agricultural products continue to restrict the expansion of bilateral trade.
- Indian industries, particularly the **textile sector**, have expressed concerns regarding the increasing imports and alleged dumping of products such as **Viscose Staple Fibre**, leading to periodic trade-related frictions.

### Way Forward:

#### *Strengthening the Comprehensive Strategic Partnership:*

- Both countries should accelerate the review of the **ASEAN–India Trade in Goods Agreement** and explore the possibility of concluding a **Comprehensive Economic Cooperation Agreement** to reduce non-tariff barriers and diversify bilateral trade.
- Greater cooperation in **nickel, rare earth elements, electric vehicle batteries and critical mineral processing** should be promoted through joint ventures, technology partnerships and long-term investments to establish resilient supply chains.
- The development of **Sabang Port** should be expedited through a dedicated institutional mechanism, assured financing and a time-bound implementation framework to realise its strategic potential in the **Strait of Malacca**.
- India should continue aligning its **Security and Growth for All in the Region Vision** with Indonesia's **Global Maritime Fulcrum** while respecting Indonesia's **Bebas-Aktif** doctrine and commitment to **ASEAN Centrality**.
- Future cooperation should focus on **maritime capacity building, intelligence sharing, disaster management, connectivity, blue economy, digital innovation and practical Indo-Pacific cooperation**, thereby strengthening mutual strategic trust.

### Value Addition for UPSC (GS-I): Formation of the Indonesian Archipelago

#### *Formation of the Indonesian Archipelago:*

- The **Indonesian Archipelago** represents a classic example of a **Volcanic Island Arc**, formed due to intense tectonic activity along the **Pacific Ring of Fire**.
- The region is situated at a highly active **triple junction**, where the **Eurasian Plate, Indo-Australian Plate and Pacific Plate** continuously interact with one another.
- **Plate Convergence:**
- The denser **Indo-Australian Plate** converges with and moves beneath the relatively lighter **Eurasian Plate**, creating a convergent plate boundary.

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- **Subduction Process:**
- As the **Indo-Australian Plate** descends beneath the **Eurasian Plate**, it forms a deep oceanic trench known as the **Sunda Trench**, one of the world's major subduction zones.
- **Magma Formation:**
- Increasing temperature, pressure and the release of water from the descending plate cause partial melting of the surrounding mantle, resulting in the generation of highly pressurised magma.
- **Volcanic Activity:**
- The comparatively lighter magma rises through fractures in the overlying crust and erupts as submarine volcanoes, gradually building successive volcanic structures.
- **Island Formation:**
- Continuous volcanic eruptions over millions of years accumulate layers of lava and volcanic ash until the volcanic peaks emerge above sea level, forming a curved chain of islands known as a **Volcanic Island Arc**.
- Major Indonesian islands such as **Sumatra, Java and Bali** originated through this long-term tectonic and volcanic process.

### Value Addition for UPSC:

#### *Important Strategic Locations:*

- **Strait of Malacca** is one of the world's busiest maritime trade routes, connecting the **Indian Ocean** with the **South China Sea** and the **Pacific Ocean**.
- **Sabang Port**, situated at the northern tip of **Sumatra**, occupies a strategically significant location overlooking the entrance to the **Strait of Malacca**.

#### *Important Bilateral Institutional Mechanisms:*

- **Comprehensive Strategic Partnership (2018)**
- **India–Indonesia Security Dialogue**
- **Joint Defence Cooperation Committee**
- **Defence Ministers' Dialogue**
- **Shared Vision on Maritime Cooperation in the Indo-Pacific**

#### *Important Exercises:*

- **IND-INDO Coordinated Patrol**
- **Exercise Garuda Shakti**
- **Exercise Samudra Shakti**
- **Exercise Milan**
- **Exercise Komodo**