



On Prime Minister Narendra Modi's State Visit to Indonesia

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Road towards Building the PMs Indonesian Visit

The Indian Prime Minister Narendra Modi made his maiden and much anticipated State visit to Indonesia on May 29-31, 2018. The relationship is significant given the fact that the two nations are among the largest democracies in the world, with significant economic and military might and thus, capable of playing a major role in the emerging regional and global environment. Indonesia has the fourth largest population and the largest country with a Muslim majority, along with a large and rapidly growing economy. Given Indonesia's geographical location and being accepted by other Southeast nations as their political leader, makes it one of the most important partners for India. This partnership between New Delhi and Jakarta would contribute towards the evolving Indo-Pacific concept, which would help facilitate peace, stability, and growth in the region at large. The two leaders met for the very first time in November 2014, at the sidelines of the East Asia Summit in Nay Pyi Daw, where the Indian PM invited President Jokowi to visit India. Since 2014 there have been a number of high-level visits between the two nations.

The former, Vice President of India, Hamid Ansari, visited Indonesia from November 1-4, 2015, during which three MOUs were signed to enhance cooperation in the field of culture, new and renewable energy, and the establishment of an Ayurveda Chair in Faculty of Medicine at Sudirman Campus, Denpasar, Bali. Both sides continued with their dialogues at various ministerial levels with Minister of State for Home Affairs, Kiren Rijiju, participating in the International Meeting on Counter Terrorism held in Bali on August 10, 2016, during which he met with Mr Wiranto, Coordinating Minister of Political, Legal and Security Affairs of the Republic of Indonesia. During their meeting both sides reviewed all aspects of bilateral cooperation including defence and security cooperation. On January 17-18, 2017, a bilateral Joint Defence Cooperation Committee (JDCC) meeting was held in Jakarta. Speaking at the India Ocean Rim Association (IORA) Summit in Jakarta on March 7, 2017, Vice President Hamid Ansari, announced India's

willingness to set up a IORA Centre of Excellence for strengthening Maritime Domain Awareness in one of the coastal cities of India. The Vice President also stressed that IORA must show zero tolerance for state sponsored terrorism. India and Indonesia held their First Security Dialogue in New Delhi on January 9, 2018 and also successfully concluded their Second Defence Ministers' Dialogue in New Delhi on January 19, 2018. With the intention of expanding cooperation in other areas, India's Minister for Power, Coal, New and Renewable Energy and Mines, Mr Piyush Goyal, visited Jakarta on April 20-22, 2017 for the 1st India-Indonesia Ministerial-level Energy Forum. Mr M J Akbar, MoS for External Affairs, led a high-level delegation to the 2nd IORA Ministerial Blue Economy Conference held in Jakarta from 8-10 May 2017. In the same year we had the Minister of State for Food Processing Industries, Sadhvi Niranjana Jyoti, visiting Jakarta from August 21-23, to discuss ways of enhancing the trade especially in food processing sector and related issues. Further, on September 25, 2017, the Second Biennial Trade Ministers' Forum (BTMF) was held in New Delhi.¹

Thus, the brief meeting in 2014 between the then newly elected Indian Prime Minister and the newly elected Indonesian President, set the tone for a growing bilateral relationship with multiple exchanges taking place between the two nations in the area of trade, defence, energy, and issues of regional and global concern. The ground work for strengthening the partnership between India and Indonesia was laid early, at the start of the new government in New Delhi. Further, the State visit of the Indonesian President Joko Widodo to New Delhi in December 2016—during which both leaders laid out the broad areas of cooperation to be pursued – provided substance towards cementing their partnership. Therefore, the visit of the Indian Prime Minister was significant as it puts the relationship in perspective by laying out the detailed areas for cementing the bilateral partnership. The Indian Prime Minister during his address to the Indian community in Jakarta emphasised the cultural linkages as well as the shared values between the two nations. This according to PM Modi would provide the core foundation for a fruitful partnership with positive externalities as both nations share a “...sensitive outlook when it comes to helping those in need.....”.² Some of the major outcomes of the visit are as follows:

Partnership elevated to a Comprehensive Strategic Partnership

It was announced that the bilateral relationship between India and Indonesia has been elevated to the level of Comprehensive Strategic Partnership. This would allow for new areas of cooperation as well as building upon the already established India-Indonesia Strategic Partnership in 2005. As announced by PM Modi the elevation of the bilateral partnership will allow the creation of new mechanisms like the bilateral security dialogue, trilateral dialogue, the signing of an enhanced Defence Cooperation Agreement and Framework Agreement on Cooperation in the Exploration and Uses of Outer Space for Peaceful Purposes. The elevation of the partnership would also allow for enhanced trade and investment cooperation, sustainable development of marine resources with emphasis on the development of the Blue Economy.³ The elevation to a comprehensive strategic partnership would allow both nations to cooperate in responding to common challenges through various initiatives as well as existing mechanisms. As this partnership is based on shared ideals of pluralism, tolerance, rule of law and values of peaceful co-existence, both leaders committed to explore a new understanding on the current challenges faced. Through the

Interfaith Dialogue which would be organised in early October 2018 in Indonesia, both countries would explore a new understanding on the rise of religious identities, the dynamic of pluralism, and to eradicate radicalism, terrorism, and violent extremism.⁴

Enhanced Maritime Cooperation

During President Jokowi's State visit to India in December 2016, both India and Indonesia highlighted the importance of the maritime domain to their respective countries, the surrounding regions, and the world. Being strategic partners and maritime neighbours, both nations had pledged to deepen their maritime cooperation and, to this end, issued a separate "Statement on Maritime Cooperation" during the visit. The Statement encompassed a broad range of fields, including: maritime security, maritime industry, maritime safety and navigation.⁵ On the sidelines of the ASEAN-India Summit, on January 25, 2018, President Jokowi held a bilateral meeting with Indian Prime Minister Narendra Modi. In the bilateral meeting the Indonesian President stated that Indonesia-India bilateral relations are getting stronger and in this maritime cooperation will be one of the priorities of cooperation between the two countries.⁶

During PM Modi's visit both parties reaffirmed their support to the Technical Meetings for expeditious negotiations for a mutually acceptable solution on the delimitation of maritime boundaries between the two countries based on the principles of international law, including UNCLOS.⁷ Further, the visit also has put in perspective the areas of cooperation between the two nations in the marine space. According to the Joint Statement released by the MEA, both leaders shared the view that maintaining peace, stability, and prosperity in the Indian Ocean is a regional priority. The two leaders reiterated their commitment to continue the partnership in the IORA, while highlighting the importance of reaching the goals set in the Jakarta Concord and the IORA Action Plan 2017-2021 endorsed during the IORA Leaders' Summit 2017.⁸ At a press conference after their meeting, both leaders announced their agreement to step up defence and maritime cooperation, with plans to develop a strategic Indonesian naval port on the tip of the Sumatra Island in the Indian Ocean. Apart from developing maritime infrastructure, the leaders also discussed developing an economic zone at Sabang, on the tip of Sumatra Island and at the mouth of the Malacca Strait, as highlighted in Figure One. The development of maritime infrastructure in turn would promote maritime industries especially in fisheries and ship-building, enhance information sharing related to maritime security in the region.⁹



Figure 1: Sabang at the Northern tip of the Sumatra Island¹⁰

Emerging consensus on the Indo-Pacific Concept

The Indo-Pacific strategy was one of the major issues for the Indian Prime Minister during his visit to Indonesia. According to Indian Ambassador to Indonesia Pradeep Kumar Rawat, both nations share similar views about the Indo-Pacific. According to Ambassador Rawat, in recent time both President Jokowi and his Foreign Minister Retno Marsudi have been intensively introducing Indonesia's own concept of Indo-Pacific cooperation, which is based on the following principles: "Open, transparent and inclusive, promoting a habit of dialogue, promoting cooperation and friendship and upholding international law".¹¹ During the visit of the Indonesian President to New Delhi in 2018 for the ASEAN-India Summit, President Jokowi stated that he would invite the key countries in the region to discuss the Indo Pacific concept; he further stated that this concept should be developed based on openness, inclusiveness and on the spirit of cooperation.¹²

The President of Indonesia and the Indian Prime Minister agreed on a shared vision and principles for the Indo-Pacific region. The document, India's first with any ASEAN country, outlines areas of maritime cooperation and envisages security architecture in the Indo-Pacific region. India and Indonesia underlined the importance of a free, open, transparent, rules-based and peaceful Indo-Pacific region. Both leaders shared their desire for strengthening their maritime cooperation for promotion of peace, stability and bringing in robust economic growth and prosperity in the Indo-Pacific region where sovereignty and territorial integrity, international law, in particular UNCLOS, freedom of navigation and overflight, sustainable development and where an open, free, fair and mutually beneficial trade and investment system are respected.¹³ Both leaders also stated that the development of the Indo-Pacific concept must be done in an open, transparent, and inclusive manner, with respect for international law and uphold ASEAN Centrality.¹⁴

Enhance Bilateral Economic Engagement

Indonesia is India's largest trading partner in the ASEAN region. The bar diagram in Figure Two, indicates India's exports to and imports from Indonesia. The total bilateral trade has increased from US \$ 4.3 billion in 2005, and stands at US \$ 20.4 billion at the end of 2017. From the figure it is evident that there has been significantly increase in the level of bilateral trade. In terms of products, India is the second largest buyer of coal and crude palm oil from Indonesia and imports minerals, rubber, pulp and paper and hydrocarbons reserves. India exports refined petroleum products, commercial vehicles, telecommunication equipment, agriculture commodities, bovine meat, steel products and plastics to Indonesia.¹⁵

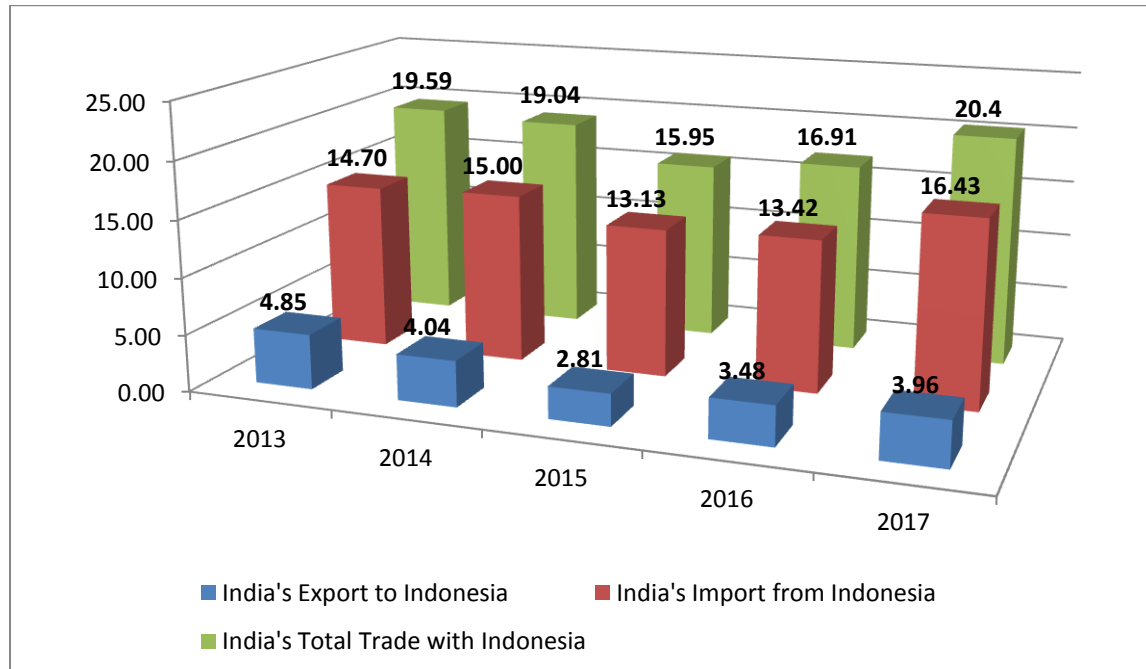


Figure Two: India's Bilateral Trade with Indonesia, 2009-2017 (in US \$ billion)¹⁶

During the visit of President Joko Widodo to India on 12-13 December 2016, a 25-member high-powered business delegation accompanied the President. Boosting of economic engagement

with special focus on pharmaceuticals and IT was the main business agenda of the visit. On the sidelines of the visit, a meeting of the India-Indonesia CEO's Forum was held that discussed and arrived at constructive suggestions to further enhance bilateral trade and investment cooperation. It was also agreed by both sides to set up sectoral core groups to suggest specific recommendations to institute strategies for expanding cooperation in identified sectors and to take up any impediments to trade and investment with both governments.¹⁷

Given the importance of economic engagement in enhancing overall bilateral relations, the Indian PM, while acknowledging the good work undertaken by the sectoral core groups, stated that both sides should double their efforts in order to push bilateral trade to the level of \$ 50 billion by 2025. According to Indonesia's Coordinating Minister for Economic Affairs, Darmin Nasution, during the bilateral meeting with India discussions were held on various economic issues which included the lowering of tariffs for certain commodities such as palm oil.¹⁸ President Joko Widodo welcomed the increase in Indian investments in Indonesia especially in the areas of infrastructure and appreciated their contribution to the Indonesian economy. Prime Minister Modi also welcomed Indonesian companies' participation through the "Make in India" initiative and invited Indonesian business to avail of the opportunities presented.

Infrastructural Connectivity Cooperation

India and Indonesia with shared maritime borders have common maritime interest's both in the economic as well as security realms. This provides the opportunity for cooperation between the two. PM Modi during his visit held discussions about the mutual benefit of enhancing infrastructure development and connectivity cooperation with Indonesian President. According to PM Modi "...India's 'Act East Policy' along with our vision of "SAGAR" i.e. Security and Growth for All in the Region – coincides with President Widodo's Maritime Fulcrum Policy...".¹⁹ President Jokowi wants Indonesia to become a maritime power based on the five pillars of his Global Maritime Fulcrum introduced in 2014; namely: rebuild maritime culture, manage marine resources, develop maritime infrastructure and connectivity, advance maritime diplomacy, and boost maritime forces. India being a maritime nation with vast maritime interest is expected to witness an increase in its sea traffic and thus, by launching the 'Sagar Mala' project, it intends to develop and modernise its ports; to ensure seamless connectivity for the transport of goods and services. Indonesia also intends to develop and modernise its ports through the new initiative of President Jokowi and this opening avenues of cooperation in the field of shipping infrastructure as well as ship building.

During the bilateral meeting both leaders also agreed to push other initiatives which would establish a robust line of connectivity for people-to-people contact. One such initiative suggested was the establishment of a strong air route between the two nations. While both leaders welcomed direct flights by Garuda Indonesia between Bali and Mumbai which started in April 2018, they directed the civil aviation authorities of both countries to discuss the matter of enhancing the traffic rights through the bilateral air services consultation that will take place in 2018. Further, both nations have also agreed to increase cooperation on a broad range of areas that include science and technology, capacity building of public officials, dialogue and interaction between governments and think tanks as well as in health and railways.²⁰

An Assessment on the visit

The visits, as already mentioned at the start of the paper, had the ground work laid during the start of the new administrations in India as well as in Indonesia in 2014. The visit however, was very significant as it provided a detailed outline of areas of cooperation between the two nations which would help cement the partnership. It is important to note that India's policy on the Indo-Pacific received an affirmation by the Indonesian government. This emerging consensus would provide a basis for a closer engagement between the two nations and other likeminded nations to further develop the Indo-Pacific concept, putting forward areas of cooperation in the region in accordance with the international law. Further, with the elevation of the relationship to the level of a comprehensive strategic partnership, it provides a wider scope for both nations to collaborate in the area of security and defence, particularly in the marine space. Given the geo-political shift towards the Indo-Pacific region, the region has become one of the major hot beds for power politics amongst the major powers. Indonesia being one of the largest states in terms of geography as well as influence in the region is a critical partner for India towards ensuring stability, peace and prosperity in the region. Further, India's partnership with Indonesia would also help aid New Delhi's expanding engagement in the region and beyond.

The outcome of the visit has also set the momentum for greater bilateral economic engagement. Both India and Indonesia are aware of the opportunities of their economic partnership. Thus, the visit has set forward this partnership by further strengthening the scope of their economic cooperation in sectors such as education, health, manufacturing, energy resources including renewable. Further, collaboration in specific areas such as pharmaceutical, and IT, where India has the expertise and in which the Indonesian side has shown interest, should be pursued. In the area of connectivity, there is potential for cooperation in terms of physical as well as digital linkages. This in turn would help ensure a seamless movement of people, goods, and services. India and Indonesia in 2016 had agreed to launch negotiations for the establishment of a Comprehensive Economic Cooperation Agreement (CECA). The early conclusion of the India-Indonesia CECA would be mutually beneficial as it would help further realise the true potential of the economic engagement and thus, help reach the set target of US \$ 50 billion of bilateral trade by 2025. And trade issues such as market access for services where there are restraints needs to be negotiated through continuous dialogues. In 2019 India and Indonesia are set to commemorate their seventy years of diplomatic relations which has already entered its best period. The visit has been able to cement the relations between two natural partners, which in the years to come would help provide a sound balance in an unpredictable global environment.

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Disclaimer: The views expressed are that of the Researcher and not of the Council.*

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