Chandrawat
& Partners



BILATERAL RELATIONS

INDIA - INDONESIA

INTRODUCTION

India and Indonesia, as maritime neighbours, are natural partners in peace and prosperity. We share deep historical and cultural linkages. Indonesia is one of India's most valued partners in our Act East policy. India and Indonesia have a Comprehensive Strategic Partnership. Indonesia is an important partner in India's Act East Policy and the Indo-Pacific region. India and Indonesia are ancient maritime neighbours and modern-day Comprehensive Strategic partners. The frequency of visits has increased significantly, reflecting our growing strategic and economic convergences. Our cooperation spans across the entire gamut of political, economic, defence and security, cultural and people-to-people fields. We are also natural partners in the Indo-Pacific region and therefore have a mutual stake in each other's progress and prosperity.

The bilateral relationship was significantly elevated by the landmark celebration of the 75th diplomatic anniversary in 2024 and further deepened by the State Visit of Prime Minister Narendra Modi to Indonesia in July 2026 for high-level talks with President Prabowo Subianto. The two countries have strengthened cooperation in political, economic, defence, and security areas. India and Indonesia continue to work closely in the Indo-Pacific region. The relationship is supported by strong historical, cultural, and civilizational ties. Both countries continue to strengthen cooperation for peace, stability, progress, and prosperity in the region.

India and Indonesia share common interests in maintaining a free, open, inclusive, and rules-based Indo-Pacific. Maritime cooperation remains an important component of the bilateral relationship. The two countries also cooperate closely through ASEAN and other regional and multilateral forums. Defence and security cooperation has expanded through regular exchanges, strategic missile agreements, joint exercises, and institutional mechanisms. India and Indonesia continue to explore new areas of cooperation in trade, investment, digital technology, local currency transactions, health, and education. The growing partnership reflects the shared commitment of both countries to strengthening regional stability and prosperity.



HISTORY

India and Indonesia share two-millennia-old close cultural and commercial contacts. Hindu, Buddhist and later Muslim faith travelled to Indonesia from the shores of India, while the stories from the great epics of Ramayana and Mahabharata became sources of Indonesian folk art and dramas. The two countries were connected through maritime trade routes and developed deep cultural and historical linkages. The relationship was further strengthened by their shared struggle against colonial powers and common traditions of democratic, pluralist and progressive societies. President Sukarno of Indonesia was the Guest of Honour during the first Republic Day of India in 1950, symbolising the close friendship between the two newly independent nations.

India and Indonesia also worked closely during their respective freedom struggles and shared ideas, strategies, resources and experiences. The Asian Relations Conference in New Delhi in March 1947 and the Bandung Conference of 1955 reflected their common commitment to Asian solidarity and opposition to colonialism and neo-colonialism. Prime Minister Jawaharlal Nehru and President Sukarno played an important role in the Bandung Conference and in laying the foundations of the Afro-Asian and Non-Aligned movements. India was among the first countries to support Indonesia during its struggle for independence and established diplomatic relations with independent Indonesia in 1951. Since India's Look East Policy in 1991 and its upgrading to the Act East Policy in 2014, bilateral relations have developed rapidly across political, security, defence, commercial and cultural fields. In 2005, the two countries established a Strategic Partnership, which was elevated to a Comprehensive Strategic Partnership in 2018.



RELIGIOUS TIES

India and Indonesia share millennia-old close cultural and commercial contacts, with Hindu, Buddhist and later Muslim faiths travelling to Indonesia from the shores of India. The stories of the Ramayana and Mahabharata form an important source of Indonesian folk art and dramas. The shared cultural heritage is reflected in Indonesia's languages, sculpture, wood carving, ceramics, paintings, textiles, customs and rituals. The Ramayana and Mahabharata continue to play an important role in Indonesian culture, while Indian influences are also visible in Indonesian linguistic traditions through Sanskrit. The historical and religious connections are particularly visible in Bali, including traditions associated with Balinese Hinduism.

The common cultural heritage is also reflected in Indonesia's historical monuments and performing arts. India has contributed to the conservation of the Borobudur and Prambanan temples in Indonesia. Cultural exchanges, festivals and performing arts continue to strengthen the historical and civilisational bonds between the two countries. The two countries share strong people-to-people ties based on their common civilisational heritage. Indian cultural influences are visible in various forms of Indonesian art, dance, theatre and traditional practices. The two countries have continued to promote cultural exchanges and cooperation through institutional mechanisms. Academic and cultural exchanges have highlighted the common threads of traditions, religion, historical monuments and performing arts. Cultural cooperation remains an important component of the broader India–Indonesia relationship. These historical and cultural connections provide a strong foundation for strengthening contemporary bilateral relations.



AGREEMENTS

India and Indonesia have developed a wide-ranging framework of bilateral agreements and Memoranda of Understanding covering political, economic, defence, maritime, healthcare, digital and cultural cooperation. The Joint Commission Mechanism was established in January 2001 to provide an institutional framework for bilateral cooperation.



The two countries signed an MoU on Defence Cooperation in 2018, strengthening defence and security engagement. The MoU on Local Currency Settlement System (LCSS) between the Reserve Bank of India and Bank Indonesia was signed on 7 March 2024, facilitating transactions in Indian Rupees and Indonesian Rupiah. During President Prabowo Subianto's State Visit to India in January 2025, the two sides signed and exchanged several important MoUs covering health cooperation, traditional medicine, digital development and defence cooperation.

An MoU relating to maritime safety and security cooperation was also extended between the Indian Coast Guard and Indonesia's maritime security authorities. In January 2025, India and Indonesia also concluded arrangements concerning air services, following bilateral discussions held in Bali. The two countries have continued to strengthen cooperation through agreements in education, healthcare, investment, financial cooperation and technology.



In 2025, India and Indonesia further promoted cooperation between governments and think tanks through an MoU on Policy Dialogue and Interaction between Think Tanks. More recently, the two sides have continued to develop cooperation in higher education, science and technology, healthcare and strategic sectors. These agreements provide an institutional foundation for implementing the Comprehensive Strategic Partnership and expanding bilateral cooperation in emerging areas.

STRATEGIC PARTNERSHIP

India and Indonesia are ancient maritime neighbours and modern-day Comprehensive Strategic partners, with relations based on deep historical, cultural and civilisational linkages. Indonesia is an important partner in India's Act East Policy and the Indo-Pacific region. The bilateral relationship was elevated to a Strategic Partnership in 2005 and further upgraded to a Comprehensive Strategic Partnership in 2018. The partnership covers political, economic, defence and security, cultural and people-to-people cooperation. Both countries share a common vision of a free, open, inclusive and rules-based Indo-Pacific and work closely through regional and multilateral mechanisms. Defence and maritime security have become important pillars of the strategic relationship, supported by regular military exchanges and exercises.

India and Indonesia also cooperate closely in combating terrorism, organised crime and other transnational security challenges. High-level visits have provided further momentum to the partnership, including Prime Minister Narendra Modi's visit to Indonesia in September 2023 and President Prabowo Subianto's visit to India in January 2025. The two countries continue to strengthen cooperation in emerging areas including digital technology, healthcare, education, maritime cooperation and economic connectivity. The Comprehensive Strategic Partnership reflects the shared commitment of India and Indonesia to regional peace, stability, prosperity and development.



ECONOMIC RELATIONS

Economic engagement has been a significant pillar of India-Indonesia bilateral relations, The latest official MEA bilateral brief records that Indonesia has emerged as one of the largest trading partners of India in the ASEAN region. Bilateral trade increased from US$4.3 billion in 2005–06 to US$29.40 billion in 2023–24. India is the second largest buyer of coal and largest buyer of crude palm oil from Indonesia and imports minerals, rubber, pulp and paper and hydrocarbons. India exports refined petroleum products, commercial vehicles, telecommunication equipment, agriculture commodities, bovine meat, steel products and plastics to Indonesia.

There are about 100 Indian investments/joint ventures in Indonesia, with Indian investments amounting to US$1.56 billion in 7,292 projects during 2000–2024. Indian companies have made significant investments in infrastructure, power, textiles, steel, automotive, mining, banking and consumer goods sectors. Indonesia's investment in India was about US$654.12 million during April 2000–March 2024. Around 16 Indonesian companies are present in India in agro products and poultry feed, processed food, paper, IT, transportation and logistics sectors. Direct flight connectivity between India and Indonesia also started from August 2023 with IndiGo flights. These developments continue to strengthen the economic and commercial dimension of the India–Indonesia Comprehensive Strategic Partnership.



CULTURE

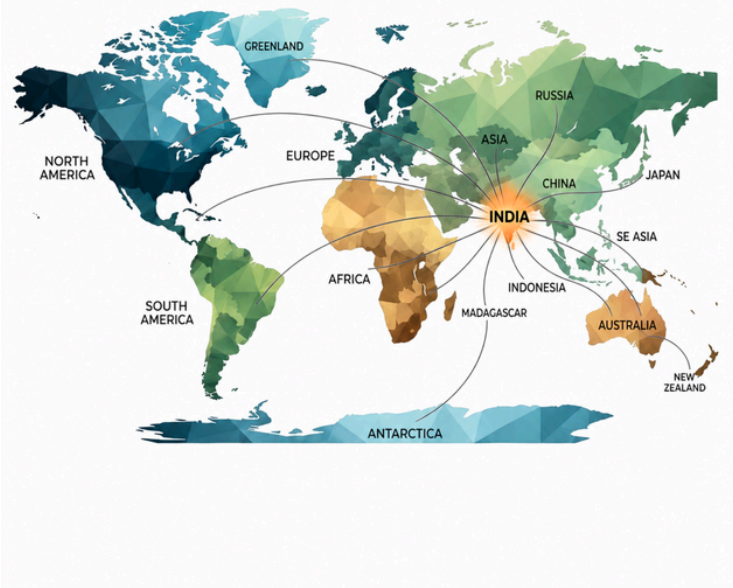
India and Indonesia share close cultural and civilisational ties dating back more than two millennia. The two countries have had longstanding cultural and commercial contacts through maritime routes. Hinduism and Buddhism travelled from India to the Indonesian archipelago and left a lasting influence on Indonesian culture. Later, Islam also travelled through the maritime trade routes connecting India and Indonesia. The stories of the Ramayana and Mahabharata continue to be an important part of Indonesian folk art, dance, theatre and dramas. Indian cultural influences can also be seen in Indonesian languages, sculpture, architecture, textiles, customs and traditions. Sanskrit has had a significant influence on the Indonesian language and cultural vocabulary.

The cultural links are particularly visible in Bali, where traditions associated with Hinduism remain an important part of cultural life. The historical relationship is reflected in important monuments such as Borobudur and Prambanan. India has contributed to the conservation of these important cultural heritage sites. Cultural exchanges between the two countries include dance, music, theatre, literature and traditional arts. Indian and Indonesian artists regularly participate in cultural festivals and programmes.

The Ramayana Ballet is an important example of the shared cultural heritage between the two countries. Academic exchanges also focus on common traditions, religion, historical monuments and performing arts. The two countries promote people-to-people contacts through cultural and educational exchanges. Indian cultural institutions and the Embassy of India in Jakarta organise cultural programmes in Indonesia. Indonesia also has a strong interest in Indian classical and traditional art forms. These shared cultural traditions provide a strong foundation for contemporary bilateral relations. Cultural cooperation remains an important component of the India–Indonesia Comprehensive Strategic Partnership.



SERVING CLIENTS WORLDWIDE



Chandrawat & Partners

The information contained herein is of a general nature. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. The information is not offered as an advice on any matter, and no one should act or fail to act based on such information without appropriate legal advice after a thorough examination of the particular situation. The information does not make us responsible or liable for any errors and/or omissions, whether it is now or in the future. We do not assume any responsibility and/or liability for any consequences.

The Bar Council of India does not permit advertisement or solicitation by advocates in any form or manner. The information may be provided to user on request or otherwise. The information contained in it is entirely determined by the user voluntarily and any transmission or use does not establish any lawyer client relationship.

Key Contact



Surendra Singh Chandrawat

Global Managing Partner

surendra@chandrawatpartners.com

+91 99939 85763

Connect Surendra on

LinkedIn WhatsApp

Chandrawat & Partners is a leading and rapidly growing full-service law firm providing high quality professional, legal and corporate services to foreign and local clients, representing worldwide companies and individuals in a wide range of practice areas and sectors.

Copyright © 2027 I All rights reserved I Chandrawat & Partners I Email: enquiries@chandrawatpartners.com I Website: www.chandrawatpartners.co

Follow us on: LinkedIn twitter facebook Instagram