

**Brief Embassy Report on Bilateral Relations – ITJ Division, DGCI&S,
Kolkata.**

Dated : 27/03/2024

India-Indonesia Bilateral Relations

A. Introduction

1. India and Indonesia share two-millennia old close cultural and commercial contacts. The Hindu, Buddhist and later Muslim faith traveled to Indonesia from the shores of India. The shared culture, colonial history and post-independence goals of political sovereignty, economic self- sufficiency and independent foreign policy are unifying factors of bilateral relationship.

2. Indonesia Chaired the G20 Presidency for the year 2022. With the theme "Recover Together, Recover Stronger", Indonesia organised more than 180 series of main activities, including Engagement Groups meetings, Working Groups meetings, Deputies/Sherpa-level meetings, Ministerial-level meetings, and the Heads of State meeting (Summit) in Bali. Hon'ble Prime Minister Shri Narendra Modi led a large delegation to Bali for G20 Leaders' Summit from 15-16 November 2022.

B. Commercial Relations (Trade and Foreign Investment) – Recent facts & figures

3. As a trading country partner of India and as per latest compiled and available statistics with DGCI&S, India's exports to Indonesia during April'23-January'24 have been recorded at 5.58 billion US Dollar and India's imports from Indonesia during the same reference period stands at 21.48 billion US Dollar with a resultant trade balance deficit of 15.90 billion US Dollar. An account of bilateral commodities trade in goods from 2019-20 to 2023-24 are as under:

Export-Import statistics as per India's Ministry of Commerce data bank from 2019-20 to 2023-24 are as follows :

Export-Import statistics from 2019-20 to 2023-24

(US Dollar Billion)

Year	Total trade	Import	Export
2019-20	19.19	15.06	4.13
2020-21	17.50	12.47	5.03
2021-22	26.17	17.70	8.47
2022-23	38.85	28.82	10.03
2023-24 (Apr'23 to Jan'24)	27.06	21.48	5.58

(Source: Department of Commerce, India)

4. Indonesia has emerged as India's largest trade partner in ASEAN region. The Total Bilateral Trade (as per DoC) during the fiscal year 2022-23 was **USD 38.85 Billion** (growth of 48% from last FY) with USD 10.03 Billion (18% growth) worth export and USD 28.82 Billion (62% growth) worth imports. India is the second largest buyer of coal and palm oil from Indonesia and other major imported items are 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. There is considerable potential for expanding trade between the two countries in the areas of pharmaceuticals, automotive components, automobiles, engineering products, IT, bio-technology and healthcare.

5. Indonesia is an attractive destination for Indian investment. There are about 30 Indian investments / Joint Ventures in Indonesia. As per Indonesian authorities, Indian investment in Indonesia is USD 1219 million in 4750 projects during 2000-2022 (USD 127.54 Million in 1166 projects during 2022). But as much of the investments come through Singapore and other gateways, the quantum of investment could be much more. In comparison, Indonesia's investment in India is limited to about US\$ 647 million (April 2000- December, 2022) (Source DIPP, GOI).

6. Indian companies have made significant investments in infrastructure, power, textiles, steel, automotive, mining, banking and consumer goods sectors. Prominent Indian groups/companies such as Tata Power, Reliance, Adani, L&T, GMR, GVK etc. have established fully-owned subsidiaries/joint ventures in Indonesia. Also several medium and small Indian companies are operating coal mines in Indonesia. IT companies - TCS, Tech Mahindra, HCL and Altruist - have set up business units in Indonesia.

In addition to the developments mentioned above, India and Indonesia have signed multiple Agreements/MoUs covering areas such as Education, Tourism, Defence Production, Environment, Industrial research, Development & Innovation, Space, Renewable Energy, Civil Aviation, Cooperation in Geology/Mining.

Source: [Prepared based on MEA's August, 2023 Report.](#)