

Bilateral Brief

INDIA-INDONESIA BILATERAL BRIEF

As on 30th April, 2025

COMMERCIAL RELATIONS

Indonesia has emerged as the second largest trading partner of India in the ASEAN region. Bilateral trade has increased since 2005-06 (US\$ 4.3 billion) as under:

2020-21 to 2024-25 (US\$ million)

Period	India’s Exports	India’s Imports	Total Trade	Change (YoY %)
2020-21	5026.21	12,470.17	17,496.38	(-) 8.83
2021-22	8471.51	17702.83	26174.34	(+) 49.60
2022-23	10024.30	28820.41	38844.71	(+) 48.40
2023-24	5988.88	23410.67	29399.55	(-) 24.32
2024-25	5380.00	22778.45	28158.45	(-) 4.22

Source: Dept of Commerce, India

Indonesia Merchandise Trade with World (2024)

1	Exports	US\$264.7 billion
2	Imports	US\$233.66 billion
3	Trade	US\$498.36 billion
4	Trade (% of GDP)	45.39%

Top 5 principal commodities of exports of Indonesia (2024) :

S. No.	HS Code	Description	Value (USD Million)
1	270119	Coal (other than anthracite & bituminous)	22,518.26

2	151190	Vegetable Oil (Palm Oil)	17,302.22
3	720260	Ferro-nickel	14,061.46
4	260300	Copper Ores and Concentrates	7,969.17
5	270112	Lignite (bituminous)	7,838.72

Top 5 principal commodities of imports (2024)*

S. No.	HS Code	Description	Value (USD Million)
1	271012	Petroleum Light Oils and Preparations	13,846.97
2	270900	Crude Petroleum Oils	10,352.98
3	271019	Other Petroleum Oils	7,709.09
4	710812	Gold (Unwrought Form)	4,579.18
5	100199	Other Wheat and Meslin	3,634.61

Source: BPS, Ministry of Trade Indonesia

Product with good potential for export from India: Engineering Goods, Gold Jewellery, Petroleum products, Drugs and Pharmaceuticals, Organic and Inorganic Chemicals , Textiles , Commercial vehicles, agriculture commodities , telecommunication equipment and Electronic Goods.

Investment: Indonesia is an attractive destination for Indian investments in the region. As per Indonesian authorities, Indian investment in Indonesia is **USD 1.56 billion in 7292 projects during 2000-2024**. Indian investment in Indonesia in the last three year as follows:

Sl No.	Year	Amount in USD	No of Projects
1	2022	US \$ 127.6 million	1126 projects
2	2023	US\$ 275.38 million	1457 projects
3	2024	US\$ 173.1 million	3412 projects

In comparison, Indonesia's investment in India is limited to about US\$ 658.64 million (April 2000-2024) (Source DIPP, INDIA).

New Developments:

CEO 's Forum: The 3rd Forum was held alongside the State Visit of the Indonesian President to India on 25th January, 2025 in Delhi. 1st CEOs Forum was held in Jakarta in 2013 and 2nd CEO Forum took place during the visit of Prime Minister Modi on 29th May, 2018. The CII Chair from India was Mr Ajay Shriram , Chairman of DCM Shriram Ltd while on Indonesian side it was Co Chaired by Mr Anindya S Bakrie, Chairman of KADIN. Hosted by Mr Chandrajit Banerjee, Director General, Confederation of Indian Industry (CII), the Forum was also attended by Mr. Piyush Goyal, Commerce and Industry Minister of India and Mr Hashim Djojohadikusumo Chair, Advisory Council, KADIN

Healthcare: MoUs on Health Cooperation between Health Ministries of India and Indonesia and MoU on cooperation in traditional medicine between Pharmacopoeia Commission for Indian Medicine & Homoeopathy (PCIM & H), Ministry of AYUSH, Government of Republic of India and the Indonesian Food and Drug Authority (Indonesian FDA) (BPOM) were signed during the president Prabowo's visit to India in January, 2025. Memorandum of Understanding between CDSCO (Central Drugs Standard Control Organization) and NADFC (National Agency for Drug and Food Control), Indonesia on cooperation in the field of Medical Products Regulation is in the final stage of finalization.

Apollo Hospitals is collaborating with Indonesia's Mayapada Hospital group to build a green hospital in IKN and Batam health SEZ, focusing on clinical partnership, capacity building, and affordable healthcare. Artemis Hospitals signed MoUs with Perkasa Hospital Services for facilitating treatment of Indonesian patients in India, and with Abdi Waluyo Hospitals for clinical and training collaboration. Three pharmaceutical manufacturing companies have already invested in Indonesia :- **Hetero, Aurobindo and MSN Labs.**

In May 2024, Mr. Kunta Wibawa, Secretary General of Indonesia's Health Ministry, met with India's Health Secretary for health collaboration further. An Indonesian delegation visited India in June 2024 and met pharma companies to explore pharma partnerships. In June, 2024 Deputy Minister Ibu Arianti Anaya led a team to discuss specialist training for Indonesian doctors in Indian hospitals across major cities. In April 2025, Dr. Taruna Ikrar , Head of National Agency of Drug and Food Control of Indonesia(BPOM) visited India on 25th & 26th April, 2025 and met with Dr. Rajeev Singh Raghuvanshi Drugs Controller General of India, (CDSCO) and the Food Safety and Standards Authority of India (FSSAI) to deepen cooperation in food and pharma regulation between India and Indonesia.

https://www.indianembassyjakarta.gov.in/users/assets/pdf/press/press__2069779504.pdf

Senior officials of Ministry of Health of Indonesia participated in Pandemic Preparedness Workshop, held in India from 17-19 March 2025 under India's QUAD initiatives.

Direct connectivity between India and Indonesia: Direct Connectivity between India and Indonesia started from August 2023 by operation of Indigo flights between Mumbai and Jakarta. Air India airlines commenced operation of flight between Delhi and Bali in December 2023. Direct connectivity between Bangalore and Bali started in March 2024. India emerged as **second largest source of tourists** to Bali in 2023, after Australia. Overall in 2024, it stood at fifth position, behind Malaysia, Australia, Singapore, and China, however the tourist outflow from Indonesia to India only remains in thousands. A bilateral meeting on India-Indonesia Air services Agreements (ASA) was

held in Bali from 23-24 January 2025 resulting in the signing of an MoU and expansion of capacities and addition of new destinations.

Banking and payment system: MoU on Local Currency Settlement System (LCSS) was signed on 07 March 2024 in Mumbai between the Governor of Reserve Bank of India and Bank Indonesia. Both organizations are in conversation to finalize the operating guidelines soon. On QR based payment system, an NDA has been signed between NIPL India and ASPI in June 2024. For further implementation, NIPL India is actively engaged with the Indonesian Switcher companies for finalization of commercial agreements. Finalisation of operational guidelines for implementation of MoU between Bank Indonesia (BI) & RBI on local currency settlement system (LCSS) is awaited (technical discussions are ongoing) and likely to be completed soon.

IT/Digitalization: Memorandum of Understanding (MoU), between India and Indonesia has signed during the visit of the President Prabowo to India on cooperation in the field of digital development. On operationalising the MoU and Joint Working Group are in progress. From March 17-23, 2025, a 10-member high-level delegation from **Indonesia's National Economic Council (DEN)** visited India to study the country's Digital Public Infrastructure (DPI) policy. This visit followed discussions during the Indonesian President's recent visit to India and the signing of an MoU on Digital Cooperation.

Institutional Mechanisms on Trade and Economic Co-operation:

- **India-Indonesia Working Group on Trade and Investment (WGTI) :** 1st meeting of WGTI was held in 2021 at Trade Minister level. The dates for the 2nd meeting are being decided between both sides and is likely to be held soon in 2025.
- India has also sought Indonesia's support for the **ongoing ASEAN-India Trade in Goods Agreement (AITIGA) Review negotiations between ASEAN and India** for the regional trade treaty for expansion and diversification of trade & reduction of non-tariff measures. The treaty which is a decade old does not represent the current realities and the potential of our trade and business ties with the ASEAN which have transformed since then. There is a marketed **24% gap** between India & Indonesia in the market access level offered by both countries.
- **Biennial Trade Ministers' Forum (BTMF):** The 1st meeting of the BTMF took place in Jakarta in October 2011. The 2nd meeting of the BTMF was held in New Delhi on 25 September 2017. 3rd BTMF was held on 29 June 2020 through Video Conference, led by Trade Ministers from both sides. Dates for 4th meeting of BTMF yet to be decided.
- **JWG on New and Renewable Energy:** An MOU on new and renewable energy cooperation was signed in November 2015. The 1st JWG under this MOU was held through video conference on 20 April 2017 on the sidelines of Energy Forum. Dates for holding the 2nd JWG are being finalized.
- **Energy Forum:** The Energy Forum is co-chaired by the Minister of Coal from India and Minister of Energy and Mineral resources from Indonesia. 1st Energy Forum was held in Jakarta on 20 April 2017. The 2nd Energy Forum will be conducted on the basis of outcomes of 2nd JWG on New and Renewable Energy.

● **Joint Financial and Economic Dialogue :** 1st Joint "India-Indonesia Economic and Financial Dialogue", was launched during the G20 Finance Ministers and Central Bank Governors meeting in Gujarat in July, 2023. Considering the dialogue's significance in fostering bilateral cooperation and addressing shared economic and financial priorities, the date of the first joint dialogue are being finalized.

During the State Visit of President H.E. Mr. Prabowo Subianto to India, the following B2B and MoU collaborations took place apart from G2G collaboration:

Capital Market: The Association of Mutual Funds in India (AMFI) and the Association of Investment Managers of Indonesia (AMII) signed an MoU on the sidelines of the visit to collaborate on cross-investments in each other's capital markets, tapping into each other's growth story for mutual benefit. In this context, collaboration MoU between Indonesia's National Economic Council (DEN) and GIFT city is also under discussions.

Hospital Collaboration: During the visit, Apollo Hospitals and Mayapada Group, and Artemis Medicare Services Limited and Abdi Waluyo Hospital concluded hospital collaboration MoUs to enhance bilateral cooperation in healthcare and pharmaceuticals. These agreements provide for clinical practice and expertise sharing by specialists in cardiology, oncology, and neurology, hands-on training of the Indonesian health workforce, and the setting up of medical education programs, including through telemedicine platforms.

Artificial Intelligence (AI) and 5G: The initiative between Indosat of Indonesia and AlonOS to provide a framework for promoting greater India-Indonesia AI cooperation will be a game-changer in the relationship. India has also offered to share its experience in quantum communication technologies and advanced mobile technologies, including 5G. Industry collaborations are ongoing, which would allow for technology transfers between leading telecom equipment manufacturing companies and joint manufacturing in Indonesia for the rollout of 5G telecommunication services. A G2G Memorandum of Understanding, in area of Telecommunication cooperation is also in advanced stages of discussions.

ODOP/Tribal Handicrafts: Indonesia's sustainable fashion startup, Torajamelo signed a Memorandum of Understanding with TRIFED, Ministry of Tribal Affairs, to promote handicrafts and hand-looms, strengthening India-Indonesia's ties, following the recent visit of Indonesian President to India on the occasion of Republic Day, 2025. This partnership boosts cultural exchange and artisan empowerment, through market expansion of India's ODOP (One District-One Product) and tribal products.

Digital banking : Apart from the ongoing discussions on payment system linkages through UPI between NPCL and Indonesian switching companies, **Paytm** announced its plans to make substantial investments in digital payments and credit access to Indonesian MSMEs to the tune of more than US\$ 300 mn in the coming years through an agreement with Flip Indonesia and are also exploring opportunities of operating a digital bank.

The following link may be visited for more details about State Visit of President H.E. Mr. Prabowo Subianto to India :

<https://www.indianembassyjakarta.gov.in/press?id=eyJpdil6lIJNa3dmcVRWOhKTEUyeTM4Y2VTYIE9PSIsInZhbHVlIjoizWk0QXh1U1wwUGgyQXd>

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Food Sector Co-operation: Food is an important commodity of trade between the both countries with Indonesia being India's largest supplier of palm oil and India being a key supplier of food items like groundnuts, millets, spices, chilly, horticulture products, Indian bovine meat & rice. India and Indonesia are working closely to remove non-tariff barriers to trade in food commodities and exploring new avenues in fertilizers, agriculture productivity, food fortification, farm equipment and technology (biotechnology for seaweed production) and dairy.

Food is the main focus area of the President Prabowo of Indonesia. Accordingly as per targets set by Indonesia to achieve food sufficiency by 2027, a high level delegation, from Head of the National Nutrition Agency in the then transition team of President-elect visited India from 17-20 June 2024 and held meetings with Food Corporation of India in New Delhi and Chandigarh to understand the mechanism of Public Distribution System in India, including a visit to have first hand experience of our Kisan Mandis (local farmers wholesale market). They also visited Akshaya Patra- a not-for-profit organisation in Bangalore- to discuss about the logistics and specifics of setting up pilots for implementing President Prabowo's mid day meal manifesto in Indonesia, being Government of India's largest partner in running the Mid-day Meal Scheme.

Discussions were held between both leaders, President Prabowo and PM Modi for greater food sector co-operation during recent State visit of President Prabowo to India on Republic Day-2025. PM Modi has conveyed explicitly to President Prabowo that India is also happy to contribute to Indonesia's school meal programme.

Inspired by India's mid day programme, Indonesia on 06th January 2025 implemented the School Meal Program (SMP), aiming to cover more than 80 million people to provide free, nutritious meals. Despite the challenges, they view the SMP as a critical initiative to improve nutritional security and enhance income distribution for small farmers.

Amul and NCEL had a meeting with Indonesian companies for setting up a milk processing unit and supply of powder milk from India to Indonesia for their school meal program. The joint venture is likely to bring in Indian cattle and cooperative dairy farming to strengthen the dairy sector of Indonesia.

Bovine meat is one of the key commodity export to Indonesia. Indonesia has the potential market size for Indian bovine meat. Quota is issued annually and allocated to State Owned Enterprises (SoE). In 2024, the annual quota has been increased from 100,000 MT to 150,000 MT including 50,000 Mts to private players. Currently, 29 bovine meat plants and 3 dairy plants are approved to export to Indonesia. There were also discussions between Indian and Indonesian companies for supply of bovine meat to Indonesia and possible investments in meat storage and processing facilities in Indonesia.

The Embassy has continued to promote Millets in Indonesia including through Market Expansion Activities and showcasing of Millet based cuisines.

Following the State visit on Republic-Day, 2025, a delegation led by deputy Minister of BAPPENAS (Ministry of National Development Planning , Indonesia) is visiting India from 19-24 May 2025 to

learn India's transformation of its fertilizer subsidy system and Soil Health reforms. The digital agriculture landscape, exemplified by developments in Telangana and the national AgriStack initiative, are key interest areas to Indonesia.
