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Institute of South Asian Studies  
National University of Singapore  
29 Heng Mui Keng Terrace  
#08-06 (Block B)  
Singapore 119620  
Tel: (65) 6516 4239 Fax: (65) 6776 7505  
www.isas.nus.edu.sg  
<http://southasiandiaspora.org>



## India and Indonesia: Constructing a Maritime Partnership

C Raja Mohan and Ankush Ajay Wagle<sup>1</sup>

*The comprehensive strategic partnership between India and Indonesia, announced by Prime Minister Narendra Modi and President Joko Widodo during the former's visit to Jakarta at the end of May 2018, is to be built around annual summit meetings between the leaders of the two nations, sustained high-level bureaucratic exchanges, substantive defence cooperation, including on arms production, stronger counter-terror collaboration, deeper economic integration and more expansive people-to-people relations. What stands out in this sweeping agenda is the maritime dimension. The joint maritime vision for the Indo-Pacific unveiled by the two leaders rests on the long-delayed recognition that the two nations share a vast oceanic neighbourhood. This has acquired an urgency thanks to the power shift in the waters of Asia marked by the rise of China and its deteriorating ties with the United States, and the sharpening of Beijing's territorial disputes with its neighbours.*

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<sup>1</sup> Professor C Raja Mohan is Director of the Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore (NUS). He can be contacted at [isascrm@nus.edu.sg](mailto:isascrm@nus.edu.sg). Mr Ankush Ajay Wagle is a Research Assistant at ISAS. He can be contacted at [ankush@nus.edu.sg](mailto:ankush@nus.edu.sg). The authors bear full responsibility for the facts cited and opinions expressed in the paper.

## Introduction

Indian Prime Minister Narendra Modi's first official visit to Indonesia during May 2018 is likely to go down as a major milestone in the bilateral relationship. Modi and the Indonesian president Joko 'Jokowi' Widodo agreed to elevate the 'strategic partnership', announced in 2005, into a 'comprehensive strategic partnership'. The difference is probably less about the use of particular words but the new political commitment in both capitals to advance the partnership. Since they met in November 2014 at the 12<sup>th</sup> ASEAN-India Summit in Nay Pyi Taw, Myanmar, the two leaders laid out a road map for sustained high-level exchanges. Jokowi travelled to India on a bilateral visit at the end of 2016 and joined the other Association of Southeast Asian Nations (ASEAN) leaders in participating in the commemorative summit in New Delhi in January 2018. Modi's visit marks the culmination of this intense engagement in recent years.

As part of the preparations for Modi's visit, Indian Foreign Minister Sushma Swaraj travelled to Indonesia in January 2018 for a meeting of the India-Indonesia Joint Commission. In the fortnight before Modi's Indonesia trip, Indonesia's Coordinating Minister of Maritime Affairs, Luhut Panjaitan, also visited New Delhi, underscoring the importance of maritime cooperation between the two sides.

The main outcome of the meetings between Modi and Jokowi was a renewed focus on strategic cooperation, especially in the maritime domain. Both sides signed 15 memoranda of understanding (MoUs), covering a diverse set of areas including defence, science and technology, space exploration and health cooperation. The joint statement released after the talks between the two leaders was broadly divided into three segments – defence and security cooperation, comprehensive economic partnership, and cultural and people-to people links.<sup>2</sup> Notably, the two leaders also released a statement on the shared vision for maritime cooperation, similar to the statement issued during Jokowi's visit to New Delhi in December 2016. Modi's visit marks the long overdue end to the mutual neglect between New Delhi and Jakarta.

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<sup>2</sup> Ministry of External Affairs, Government of India. 'India-Indonesia Joint Statement during visit of Prime Minister to Indonesia'. 30 May 2018. [http://www.mea.gov.in/bilateral-documents.htm?dtl/29932/India\\_Indonesia\\_Joint\\_Statement\\_during\\_visit\\_of\\_Prime\\_Minister\\_to\\_Indonesia\\_May\\_30\\_2018](http://www.mea.gov.in/bilateral-documents.htm?dtl/29932/India_Indonesia_Joint_Statement_during_visit_of_Prime_Minister_to_Indonesia_May_30_2018). Accessed on 31 May 2018.

This paper is divided into four sections. The first section reviews the evolution of the bilateral relationship. The second section looks at the growing convergence of perceptions on the notion of Indo-Pacific. The third section analyses the prospects for strategic economic cooperation and the final section examines the importance of the new emphasis on maritime security cooperation between the two nations.

## **Alienation to Alignment**

Despite their physical proximity and shared culture, the strategic distance between New Delhi and Jakarta has been incredibly vast over the last few decades. Barring a brief moment in the mid-20<sup>th</sup> century, when anti-colonial solidarity brought them together, modern India and Indonesia have barely figured in each other's foreign policy priorities. Efforts in the early 21<sup>st</sup> century to end this estrangement have only produced meagre results. Modi and Jokowi have now begun to overcome the estrangement and find a measure of strategic alignment. Two important factors have helped Modi and Jokowi to transcend the barren phase in bilateral relations.

One is the growing self-awareness in New Delhi and Jakarta of their growing regional and international weight. India and Indonesia are slowly but surely breaking out of the foreign policy mindsets shaped for long by non-alignment. The other is the new maritime impulse driving the worldview of New Delhi and Jakarta amidst an extraordinary power shift in Asia and its waters.

For generations of Indian elites, any reference to Indonesia triggered nostalgia for the heady days of anti-imperialism and third worldism marked by the Bandung conference in April 1955. Unfortunately, there has been little else. The Bandung political metaphor had, of course, collapsed by the end of the 1950s. Intense friendship between New Delhi and Jakarta turned into mild hostility in the early 1960s. After that, the two sides settled down to an extended period of mutual neglect. A variety of internal, regional and global political developments widened the political gulf between India and Indonesia.<sup>3</sup>

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<sup>3</sup> For a history of bilateral relations between India and Indonesia, see Navrekha Sharma and Baladas Ghoshal, 'India's Relations with Indonesia', MarketAsia Publications, Singapore, 2014; and Rajiv K Bhatia and Rahul

If the domestic threat from communism drove Jakarta decisively to the right from the late 1960s, New Delhi entered into a prolonged dalliance with left wing politics and economics. After Bandung, India turned its back against Asia and focused on the non-aligned movement. Jakarta moved towards the minor variant of Asianism in Southeast Asia and India became a ‘blind spot’ in the ‘mental map’<sup>4</sup> of Indonesia.

If India drifted towards a de-facto alliance with the Soviet Union, Indonesia feared communist Russia and emphasised partnerships with the United States (US) and Japan. The end of the Cold War saw continuous efforts at constructing a substantive partnership between Delhi and Jakarta. India’s economic liberalisation and the ‘Look East’ policy certainly triggered ASEAN’s interest in India. To be sure, New Delhi and Jakarta talked the talk on building a strategic partnership but could not walk the walk.

All that may be behind us, as India and Indonesia revise their self-image and reimagine their place in the world. At the heart of this transformation is the change in their economic weight. With its gross domestic product (GDP) at US\$2.6 trillion (S\$3.47 trillion), India is the world’s fifth largest economy in nominal terms and the third biggest in purchasing power parity (PPP). India, under Modi, has begun to see itself as a ‘leading power’.<sup>5</sup> Although the goal is an aspirational one at this point, India is increasingly confident of its potential to shape its external environment.

This is also true of Indonesia. Its GDP has crossed the US\$1 trillion (S\$1.33 trillion) mark in 2017 and today its economy ranks 16<sup>th</sup> in nominal terms and seventh in the world if we take the PPP as the measure. With a population of nearly 260 million, Indonesia is the world’s largest Islamic nation. Since the late 1990s, Indonesia has consolidated itself as a democracy. Although it was the largest country in Southeast Asia, Indonesia had lowered its profile to make a success of Southeast Asian regionalism under the ASEAN grouping. As self-awareness of its new weight

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Mishra, ‘The Peacock and the Garuda: An Overview of India-Indonesia Relations’, Knowledge World Publishers, New Delhi, 2015.

<sup>4</sup> See Ristian Atriandi Supriyanto, ‘Indonesia and India: Toward a Convergent Mandala’, *India Review*, 12:3 (2013), 207-224. <https://doi.org/10.1080/14736489.2013.820990>. Accessed on 11 June 2018.

<sup>5</sup> Ashley J. Tellis, ‘India as a leading power’. *Carnegie Endowment for International Peace*. 4 April 2016. <http://carnegieendowment.org/2016/04/04/india-as-leading-power-pub-63185>. Accessed on 11 June 2018.

grows in Jakarta, Indonesia is moving towards a larger vision of its role in the world.<sup>6</sup> As they begin to look at the world from a fresh perspective, both India and Indonesia have found it worthwhile to restructure their relations. Facilitating this shift has been the steady convergence on the idea of the Indo-Pacific. This has also led to the need to develop strategic economic cooperation in their shared maritime neighbourhood, and in deepening defence and security cooperation.

## **Indo-Pacific Convergence**

As the geopolitical conception of the Indo-Pacific began to gain traction over the last decade, Indonesia and India were among the first to adopt it. In Jakarta, the government of former President Susilo Bambang Yudhoyono sought to build on the fact that Indonesia straddles both the oceans.<sup>7</sup> In India, the adoption was far more incremental. Former Prime Minister Manmohan Singh often used it; Modi has made it a part of India's diplomatic lexicon. Although their conceptions of the Indo-Pacific may not be congruent, the idea has provided the basis for rethinking their shared neighbourhood. After the talks between Modi and Jokowi, the two sides released a document on a 'Shared Vision of India-Indonesia Maritime Cooperation in the Indo-Pacific'.

This document is much more expansive in scope and robust in nature than the previous joint statement on maritime cooperation issued during Jokowi's 2016 visit to India. The important contribution of the short 2016 statement was to recognise the geographic fact that 'India and Indonesia are maritime neighbours' and underline that they 'share similar perceptions on the evolving maritime environment in the region and the world at large.' They expanded this proposition to affirm support for the United Nations Convention on the Law of the Sea

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<sup>6</sup> See Greg Fealy and Hugh White, 'Indonesia's 'Great Power' Aspirations: A Critical View'. *Asia and the Pacific Policy Studies*, vol 3, no. 1, 2016, pp 92-100. <https://doi-org.libproxy1.nus.edu.sg/10.1002/app5.122>. Accessed on 11 June 2018.

<sup>7</sup> See 'An Indonesian Perspective on the Indo-Pacific' (Keynote Address by H.E. Dr Marty Natalagewa at the Conference on Indonesia in Washington DC on 16 May 2013), *The Jakarta Post*, 20 May 2013. <http://www.thejakartapost.com/news/2013/05/20/an-indonesian-perspective-indo-pacific.html>. Accessed on 11 June 2018.

(UNCLOS) and acknowledged their common interest in ‘ensuring the maritime safety and security of the sea lines of communication’. It announced the intent of negotiating a MoU that would make maritime cooperation one of the ‘important pillars’ of the bilateral relationship.<sup>8</sup>

The 2018 vision statement on maritime cooperation is a follow up on this promise. Interestingly one important difference in the two statements is the idea of the Indo-Pacific. The 2016 statement adopts the more conventional formulation – ‘the Indian and Pacific Oceans’. The hesitation to use the term ‘Indo-Pacific’ could have emanated from New Delhi, for Jakarta was already using it to describe its maritime neighbourhood. In 2018, the term Indo-Pacific is put right into the title of the joint vision statement.<sup>9</sup>

India appears to have shed some of its ambiguities and adopted the Indo-Pacific as its own. It builds on the concept of shared maritime neighbourhood and underlines the geographic imperative for both nations in the Indo-Pacific. The vision statement recognises that ‘with a coastline of 7,500 kilometres, with more than 1,380 islands and more than two million square kilometres of Exclusive Economic Zone, India occupies a central position in the Indo-Pacific, while Indonesia as the largest archipelagic state in the world, with a coastline of 108,000 kilometres, with 17,504 islands and features and a total maritime area of 6.4 million square kilometres, including [the] Exclusive Economic Zone, is a fulcrum that connects the Indian Ocean and Pacific Ocean.’<sup>10</sup>

Modi and Jokowi linked the geographic imperative to their respective current declared policies. They chose to explore the ‘convergences and complementarities in the region between India’s ‘Act East’ policy and Security and Growth for All in the Region (SAGAR), and Indonesian Ocean Policy and Indonesia’s Global Maritime Fulcrum Vision, while reaffirming the importance of the ASEAN centrality and unity’.<sup>11</sup>

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<sup>8</sup> Ministry of External Affairs, Government of India. ‘Statement by India and Indonesia on Maritime Cooperation’. 12 December 2016. [http://www.mea.gov.in/bilateral-documents.htm?dtl/27806/Statement\\_by\\_India\\_and\\_Indonesia\\_on\\_Maritime\\_Cooperation](http://www.mea.gov.in/bilateral-documents.htm?dtl/27806/Statement_by_India_and_Indonesia_on_Maritime_Cooperation). Accessed on 11 June 2018.

<sup>9</sup> Ministry of External Affairs, Government of India. ‘Shared Vision of India-Indonesia Maritime Cooperation in the Indo-Pacific’. 30 May 2018. [http://www.mea.gov.in/bilateral-documents.htm?dtl/29933/Shared\\_Vision\\_of\\_IndiaIndonesia\\_Maritime\\_Cooperation\\_in\\_the\\_IndoPacific](http://www.mea.gov.in/bilateral-documents.htm?dtl/29933/Shared_Vision_of_IndiaIndonesia_Maritime_Cooperation_in_the_IndoPacific). Accessed on 11 June 2018.

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

It further laid out six areas of maritime cooperation: trade and investment cooperation; sustainable development of marine resources; disaster risk management cooperation; tourism and cultural exchanges; maritime safety and security; and academic, science and technology cooperation. Two aspects stand out from the maritime vision. One, on lending a strategic dimension to economic cooperation in the maritime arena. And the other, to deepen the defence and security cooperation. The following sections highlight the nature and scope of the agreement.

## **Maritime Economic Cooperation**

Maritime economic cooperation between the two sides was a conspicuous feature of the bilateral dialogue during Modi's visit. The 'Shared Vision' document twice notes the 'blue economy' as critical to 'inclusive economic growth'.<sup>12</sup> Maritime economic cooperation was covered through several interconnected sub-topics such as connectivity, infrastructure and tourism. These topics have notably featured in bilateral dialogues preceding Modi's landmark visit. In March 2018, the first India-Indonesia Infrastructure Forum was held in Jakarta, jointly organised by Indonesia's Coordinating Ministry for Maritime Affairs and the Indian Embassy in Jakarta.<sup>13</sup> During Panjaitan's aforementioned visit to India, talks were also held on maritime tourism, with a focus on developing a 'cruise tourism circuit'<sup>14</sup> in the region around the Andaman and Nicobar Islands. These interactions heralded the prominence of these aspects of maritime economic cooperation, during Modi's visit.

The connectivity of sea links to foster economic cooperation and the speedy completion of the ASEAN-India Maritime Transport Cooperation Agreement is highlighted in the 'Shared Vision' statement. The Andaman and Nicobar Islands and Sumatran islands, in particular, are singled out

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<sup>12</sup> Ibid.

<sup>13</sup> Dipanjan Roy Chaudhury, 'India & Indonesia seek to deepen infrastructure ties with eye on maritime sector' *The Economic Times*. 19 March 2018. <https://economictimes.indiatimes.com/news/economy/infrastructure/india-indonesia-look-to-deepen-maritime-ties-mull-cruise-tourism-circuit-1816539.html> Accessed on 11 June 2018

<sup>14</sup> 'India Indonesia look to deepen maritime ties, mull cruise tourism circuit', *The New Indian Express*, 19 May 2018. <http://www.newindianexpress.com/world/2018/may/19/india-indonesia-look-to-deepen-maritime-ties-mull-cruise-tourism-circuit-1816539.html>. Accessed on 11 June 2018.

for better ‘institutional, physical, digital and people-to-people’<sup>15</sup> connectivity with initiatives such as fostering business linkages between respective chambers of commerce on either side.

From an infrastructure perspective, the island of Sabang has been earmarked for ‘port-related infrastructure’.<sup>16</sup> Sabang, with its vital geostrategic location in the Andaman Sea, is a key node for both India and Indonesia and the development of port infrastructure would serve both economic and strategic purposes. On a broader scale, the ‘Shared Vision’ underlines the importance of building ‘maritime infrastructure’ as related to industries such as fisheries and ship-building. It also mentions enhancing infrastructure with respect to disaster risk management, as with tools such as geodetic data sharing. In remarks during Modi’s visit, Jokowi also encouraged India to invest in Indonesian ports and airports.<sup>17</sup> Infrastructure is also one of four areas (along with mining, manufacturing and pharmaceuticals) featured in a MoU signed between the Confederation of Indian Industry and the Indonesian Chamber of Commerce and Industry (Kadin) during Modi’s visit.<sup>18</sup>

Lastly, on tourism, the ‘Shared Vision’ highlights the enhancement of interaction between the people on each side as well as green tourism which is both eco-friendly and sustainable. The Andaman Sea is identified as an area for development through the linking of the islands of Sabang in Indonesia and Port Blair and Havelock in India. Tourism sectors such as cruise shipping, diving, marine adventure sports and ‘sail’ tourism are marked for promotion.<sup>19</sup>

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<sup>15</sup> ‘Shared Vision of India-Indonesia Maritime Cooperation in the Indo-Pacific’, op cit.

<sup>16</sup> ‘India-Indonesia Joint Statement during visit of Prime Minister to Indonesia’, op cit.

<sup>17</sup> Linda Yulisman. ‘Indonesia, India agree to step up cooperation in defence and other key areas’. *The Straits Times*. 30 May 2018. <https://www.straitstimes.com/asia/se-asia/indonesia-india-agree-to-step-up-cooperation-in-defence-and-other-key-areas>. Accessed on 11 June 2018.

<sup>18</sup> Anton Hermansyah. ‘Indonesia-India private sector cooperation to focus on four sectors’, *The Jakarta Post*. 31 May 2018. <http://www.thejakartapost.com/news/2018/05/30/indonesia-india-private-cooperation-to-focus-on-four-sectors.html>. Accessed on 11 June 2018.

<sup>19</sup> ‘Shared Vision of India-Indonesia Maritime Cooperation in the Indo-Pacific’, op cit.



## Maritime Security Cooperation

An impressive feature of the engagement between Modi and Jokowi has been the decision to elevate defence ties. Although both sides have been talking about this for many years, this is the first time a comprehensive framework has been laid out. During the visit, the two sides signed a Defence Cooperation Agreement, which covered several aspects of collaboration such as the exchange of strategic information, military education, tri-service training and exercise, and regular dialogue and consultation on strategic defence and military issues.<sup>20</sup>

In keeping with the maritime engagement angle, maritime safety and security are particularly highlighted in the ‘Shared Vision’. The two sides have proposed strengthening the existing biennial Coordinated Patrols in the Andaman Sea as well as regular bilateral naval exercises.<sup>21</sup> Areas such as information sharing, capacity building, hydrography, cartography, coast-guard collaboration and technical cooperation (including experts’ exchanges, equipment provision, and financial assistance) are the other salient points under the aegis of enhanced maritime cooperation, as laid out by the document.

Another notable feature of the security aspect is the inclusion of a clause which aims to ‘build on existing maritime boundary agreements’<sup>22</sup> and work towards a ‘mutually acceptable solution on delimitation of maritime boundaries’<sup>23</sup>. Back in 1974, India and Indonesia signed an agreement that set up a short boundary between India’s Greater Nicobar Island and Indonesia’s Sumatra Island. A 1977 agreement further extended this boundary northeastward and southwestward into the Andaman Sea and Indian Ocean, respectively.<sup>24</sup> However, in the four decades since then,

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<sup>20</sup> Ministry of External Affairs, Government of India. ‘List of MoUs/Announcements made during the visit of Prime Minister to Indonesia (29-31 May 2018)’. 30 May 2018. [http://www.mea.gov.in/bilateral-documents.htm?dtl/29931/List\\_of\\_MoUsAnnouncements\\_made\\_during\\_the\\_visit\\_of\\_Prime\\_Minister\\_to\\_Indonesia\\_2931\\_May\\_2018](http://www.mea.gov.in/bilateral-documents.htm?dtl/29931/List_of_MoUsAnnouncements_made_during_the_visit_of_Prime_Minister_to_Indonesia_2931_May_2018) Accessed on 11 June 2018.

<sup>21</sup> Shared Vision on India-Indonesia Maritime Cooperation in the Indo-Pacific, op cit.

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

<sup>24</sup> See Limits in the Seas, No. 93, Continental Shelf Boundaries: India-Indonesia-Thailand, *The Geographer, Bureau of Intelligence and Research, Department of State, United States Government*. 17 August 1981. <https://www.state.gov/documents/organization/58818.pdf>. Accessed on 11 June 2018.

delimitation of maritime boundaries have been left ‘on the back burner’.<sup>25</sup> Modi and Jokowi have decided to put it back on active agenda. Amidst the reset in relations, the Director General of Legal Affairs and International Treaties of Indonesia’s Ministry of Foreign Affairs, Damos Agusman, visited New Delhi in March this year to discuss the issue. The ‘Shared Vision’ document specifically underlines ‘principles of international law, including UNCLOS<sup>26</sup> (which came into force after the 1977 agreement) as the basis for delimitation negotiations.

## **From Vision into Reality**

The unveiling of a comprehensive framework for maritime partnership between India and Indonesia has been long overdue. Now, it comes at a moment when the maritime environment in the Indo-Pacific has turned turbulent. To have any influence in this fluid environment, Modi and Widodo have rightly concluded that New Delhi and Jakarta need to join hands. As Supriyanto puts it, Indonesia’s hopes of becoming the global maritime fulcrum and of playing a key role in the Indian Ocean ‘would be meaningless without India’s support. By the same token, India’s eastward diplomacy would be tactless without Indonesia’s input.’ He adds that this ‘congruence of interests’ is the natural driver for a stronger maritime security partnership.<sup>27</sup> Modi and Jokowi, however, have their task cut out. Both establishments face challenges in translating ambitious goals into tangible outcomes. There are other more immediate issues as well. In the Indian case, the National Democratic Alliance government’s growing protectionism has prevented Modi’s promise, repeated in Jakarta, to resolve trade differences with ASEAN. Modi’s faltering efforts on building a defence industrial base continue to constrain the prospects for joint arms production with Indonesia. India’s spotty record on implementing large infrastructure projects in third countries casts a shadow over the latest plans to develop a port in Sumatra. Notwithstanding

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<sup>25</sup> Tama Salim, ‘RI invites India to set up EEZ boundaries’, *The Jakarta Post*, 9<sup>th</sup> March 2018. <http://www.thejakartapost.com/news/2018/03/09/ri-invites-india-to-set-up-eez-boundaries.html>. Accessed on 11 June 2018.

<sup>26</sup> Shared Vision on India-Indonesia Maritime Cooperation in the Indo-Pacific, op cit.

<sup>27</sup> Ristian Atriandi Supriyanto, ‘India-RI: Indo-Pacific Strategic Partners’, *The Jakarta Post*, 30 May 2018. <http://www.thejakartapost.com/news/2018/05/30/india-ri-indo-pacific-strategic-partners.html>. Accessed on 11 June 2018.

these well-known limitations, Modi may have begun a process of constructing a genuine maritime partnership between India and Indonesia.

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