



Chintan
Research
Foundation

EVENT REPORT



A Day-Long Brainstorming Event

INDIA-INDONESIA STRATEGIC PARTNERSHIP AND THE WAY FORWARD

3 July 2026, India International Centre (IIC) Annexe, New Delhi



ABOUT CHINTAN RESEARCH FOUNDATION

Chintan Research Foundation (CRF) is an emerging independent think tank dedicated to shaping policy through rigorous research and thought leadership. With a strong focus on fostering collaboration between policymakers and industry, CRF integrates practical insights into its research and advocacy efforts. It conducts comprehensive research to support informed decision-making and engages with stakeholders through discussions, events, and publications. CRF's research is focused on three core areas – Climate Change & Energy Transition, Economy & Trade, and Geopolitics & Strategic Studies. The Centre for Climate Change & Energy Transition aims to be a research and expertise hub, focusing on sustainable and clean energy, environmental stewardship, and climate actions.

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EXECUTIVE SUMMARY

On 3 July 2026, the Chintan Research Foundation (CRF) convened a day-long brainstorming event on the India-Indonesia strategic partnership. Curated by Dipanjan Roy Chaudhury, Diplomatic Affairs Editor of *The Economic Times*, the event was deliberately timed ahead of the Prime Minister's forthcoming visit to Jakarta, lending the discussions particular urgency and relevance.

Across an Inaugural Session and three thematic sessions – digital public infrastructure (DPI), Connectivity, and Trade & Investment – speakers and discussants examined a relationship long anchored in civilisational and maritime ties but only now entering a phase of deliberate strategic cooperation. Recurring threads ran through the day: the Strait of Malacca's outsized importance to both economies; DPI as the most dynamic yet underappreciated pillar of cooperation; a widening and under-diversified trade relationship that continues to underperform against its potential; and deficits in maritime, aerial, and people-to-people connectivity that continue to constrain an otherwise well-founded partnership.

The consistent conclusion across sessions was that India and Indonesia already possess the foundations for a comprehensive strategic partnership. What the relationship now requires is execution rather than declaration, translating political intent, historical goodwill, and institutional Memoranda of Understanding (MoUs) into measurable outcomes. This report summarises the day's proceedings by session and closes with a consolidated set of recommendations for CRF's consideration.

INAUGURAL SESSION



DIPANJAN ROY CHAUDHURY

Diplomatic Affairs Editor,
The Economic Times



SHRI HARSH VARDHAN SHRINGLA

MP (RS) & Former
Foreign Secretary



SHRI PRASHANT AGRAWAL

Additional Secretary (South),
MEA



SHRI SANDEEP CHAKRAVORTY

Ambassador of India
to Indonesia



DR BIDISHA BHATTACHARYA

Associate Fellow & Head-Research
(Economy and Trade), CRF

The conference opened with remarks from Dipanjan Roy Chaudhury, who traced the event's genesis to a suggestion by Prashant Agrawal that India-Indonesia relations deserve far greater policy attention than they have historically received. Despite Indonesia's considerable strategic and economic weight, he noted, the bilateral relationship has not attracted commensurate public discourse or scholarly engagement, a gap the event was designed to help close, ahead of the Prime Minister's imminent visit to Jakarta.

Welcoming Shri Harsh Vardhan Shringla, Shri Prashant Agrawal, Ambassador Shri Sandeep Chakravarty, Shri Ankit, Shri Satish Mishra, and other distinguished participants, Mr Roy Chaudhury singled out DPI as one of the most successful yet least publicised frontiers of bilateral cooperation, voicing hope that the day's deliberations would yield practical recommendations across sectors.

The opening discussion situated the relationship within its longer arc – centuries of civilisational exchange, cultural affinity, and maritime interaction, while noting that this goodwill must now be matched by strategic cooperation tailored to present-day geopolitical and economic realities. The Strait of Malacca, through which an estimated 22.5 million barrels of oil and nearly 1,000 commercial vessels transit daily, was flagged as one of the world's most consequential maritime chokepoints and a central reason India and Indonesia increasingly view one another as indispensable strategic partners rather than merely friendly neighbours. Recent high-level exchanges, including President Prabowo Subianto's visit to India as Republic Day Chief Guest, were cited as having injected fresh momentum into the relationship.

On the economic side, bilateral trade, nearing US\$29 billion, was welcomed even as speakers flagged the persistent trade imbalance and limited diversification of bilateral commerce, calling for engagement to move beyond traditional sectors into high-value industries and technology. Maritime cooperation (the Great Nicobar Project, the Six Degree Channel, and Sabang Port) and defence engagement (the Komodo Exercise of February 2026, naval cooperation in the Andaman Sea, and Indonesia's interest in the BrahMos missile system) were cited as evidence that the relationship is moving from dialogue to tangible capability. On the people-to-people front, the Indian-origin community in Indonesia and tourism to Bali were noted as vital bridges, alongside calls to deepen educational and professional exchange. The session closed on a clear consensus: the foundations for a comprehensive strategic partnership already exist; the task ahead is execution.

SESSION 1 | DIGITAL PUBLIC INFRASTRUCTURE

MODERATOR



DIPANJAN ROY CHAUDHURY

Diplomatic Affairs Editor,
The Economic Times

PANELISTS



T. KOSHY

Founding MD, Open Network for Digital
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SACHIN GOPALAN

CEO, Indonesia
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ANKIT KUMAR

Senior Vice President,
Paytm

The first technical session examined DPI as the fastest-growing pillar of India-Indonesia cooperation, exploring how India's experience in building population-scale digital public goods could be adapted to Indonesia's own governance architecture and priorities. Discussants opened by recalling the deep civilisational relationship between the two countries, visible even today in the Sanskrit origins of Indonesian place names such as Sumatra and Java, as the foundation on which modern cooperation is being built.

Of the four principal pillars of engagement identified – maritime affairs, defence, trade, and DPI – DPI was regarded as the most dynamic and action-oriented. India was noted as Indonesia's second-largest trading partner, with bilateral trade at approximately US\$28.15 billion in 2024-25, and multilateral platforms such as the Group of Twenty (G20), Brazil, Russia, India, China, and South Africa (BRICS), Indian Ocean Rim Association (IORA), and the Asia Cooperation Dialogue were identified as important channels for advancing shared priorities alongside bilateral engagement.

Particular attention focused on the DPI MoU signed during President Prabowo Subianto's visit to India, which serves as a practical roadmap for Indonesia to draw on India's experience with the Unified Payments Interface (UPI), digital identity, and interoperable governance platforms, adapted to local needs rather than simply imported. Jakarta's JAKI platform (which bundles digital identity, transport payments, healthcare, and government notifications into a single app) and Banyuwangi's local digital-governance initiatives were cited as evidence of Indonesia's own momentum, alongside a broader push towards a whole-of-government digital model spanning beneficiary identification, tax administration, and social-assistance delivery.

On India's own journey, discussants stressed that success rested on close public-private collaboration and open, interoperable protocols rather than technology alone; the Open Network for Digital Commerce (ONDC) was highlighted as a model already inspiring similar digital-commerce frameworks in Indonesia. Participants identified substantial scope for Indian technology firms to partner with Indonesian institutions on institutional design and capacity building, not just software, and pointed to India's fintech ecosystem, anchored by the Jan Dhan-Aadhaar-Mobile (JAM) Trinity, UPI and market-led innovation, as a template. Indian investment has already helped thousands of Indonesian small businesses adopt digital payments and access credit, an outcome attributed to close cooperation between both governments and their diplomatic missions.

- **Sectoral Opportunity:** Agriculture, digital technology, healthcare, pharmaceuticals, textiles, and tourism (including destinations beyond Bali, such as Lombok and Sumba) were identified as sectors offering the greatest scope for expanding India's exports and narrowing the trade imbalance.
- **Policy Track:** Negotiations on the Comprehensive Economic Partnership Agreement (CEPA), existing MoUs, and the promotion of local-currency trade were identified as the key mechanisms for deepening economic engagement.

SESSION 2 | CONNECTIVITY

MODERATOR



DR BIDISHA BHATTACHARYA

Associate Fellow &
Head-Research (Economy
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PANELISTS



DR PRABIR DE

Professor, RIS



BIPIN MISHRA

CEO, Leap Digital,
Indonesia



CAPT. SYED NAZEER AHAMED

Managing Director,
Synergy Indonesia

The second session turned to connectivity, maritime linkages, shipping, aviation, and people-to-people exchange, as the fundamental enabler – or, at present, constraint – on the partnership. Despite geographical proximity and centuries-old ties, participants agreed that connectivity remains one of the principal barriers preventing the relationship from reaching its full strategic and economic potential, attributing this to a combination of policy gaps, market failures, and insufficient institutional attention rather than any single cause.

On the maritime side, limited direct shipping routes were noted to raise costs, stretch delivery timelines, and blunt the competitiveness of bilateral trade; strengthening commercial shipping links, port-authority coordination, and logistics cooperation were identified as immediate priorities with knock-on benefits for wider Indo-Pacific engagement. The discussion then broadened to connectivity in human terms: India's role in the early development of several Indonesian technology companies, with expertise gradually transferred to local teams, was offered as a template for cooperation in other sectors. This includes healthcare (via India's pharmaceutical industry and medical education system) and education, where academic exchange between the two countries lags far behind its potential despite Indonesian students already studying in India. A recurring theme was that human capital deserves the same investment as physical infrastructure. Indonesia's archipelagic geography makes it a natural maritime nation, yet much of its maritime activity remains domestically focused, leaving room for India, drawing on its own experience in maritime education, to help establish joint training programmes, simulation centres, and certification initiatives for Indonesian seafarers. Trade data reinforced the connectivity narrative: India's exports to Indonesia have stagnated over the past fifteen years even as imports have surged, a pattern participants attributed to regulatory requirements, documentation procedures, and market-access restrictions as much as to tariffs.

Recommendations raised in this session:

- **BIMSTEC Engagement:** Deepen engagement with the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), building on India's role as a development partner, alongside a broader maritime cooperation framework for Indian shipping companies.
- **Port Infrastructure:** Expand cruise tourism and port infrastructure investment, drawing on Indian private-sector expertise in port development.
- **Air Linkages:** Increase direct passenger and cargo flights between major Indian and Indonesian cities, identified as one of the most immediate, achievable levers available.
- **Mobility Visas:** Introduce specialised short-term visa categories for maritime professionals, trainers, educators, and technical experts, and simplify inter-island travel within Indonesia.
- **Language Training:** Strengthen English-language proficiency and international-mobility preparation within Indonesia's maritime and technical education pipeline.
- **Customs Modernisation:** Advance customs modernisation – leveraging faceless, contactless, and paperless processing on the Indian model – to reduce administrative friction.
- **Institutional Revival:** Reactivate the Joint Working Group on Ports and Shipping as a standing institutional mechanism.
- **Strait Security:** Maintain the current, non-militarised approach to the Strait of Malacca security, prioritising information sharing and coordinated operations over geopolitical escalation.

The session closed by noting that Bollywood-era cultural familiarity, while historically important, is no longer a sufficient foundation for the relationship: education, professional training, business partnerships, and institutional collaboration were identified as the more durable drivers of the next phase.

SESSION 3 | TRADE & INVESTMENT

PANELISTS



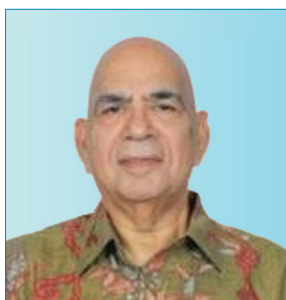
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Indonesia

The third session examined the changing contours of India-Indonesia economic engagement, opening with an analytical presentation applying the Gravity Model of Trade. The model predicts a strong trading relationship between two geographically proximate, complementary Indo-Pacific economies – yet India-Indonesia trade continues to run below its potential. India recorded a trade deficit of approximately US\$1.49 billion with Indonesia in June 2025 alone, part of a broader pattern in which Indian exports merely feed existing Indonesian demand instead of capturing new markets through more sophisticated, higher-value products.

Two indicators illustrated the structural challenge: a relatively high Herfindahl–Hirschman Index (HHI) pointing to concentrated, and therefore vulnerable, Indian exports, and a negative Product Complexity Index (PCI) reflecting the continued dominance of lower-value goods such as chemicals and steel. This occurs despite India's genuine competitive strength in pharmaceuticals, precision manufacturing, and digital technologies, which has yet to translate into Indonesian market share. Regional peers such as China, Malaysia, and Vietnam were noted to have integrated far more successfully into Indonesian supply chains, with Vietnam in particular embedding itself in regional production networks through intermediate manufactured goods – a strategy participants suggested India should study.

The presentation argued that the path forward lies in product diversification, technological sophistication, and deeper integration into regional value chains, rather than trade volume growth alone – with non-tariff barriers (regulatory procedures, sanitary and phytosanitary requirements, and customs delays) and DPI's trade-facilitation potential both flagged as priorities. India, it was argued, should position itself as a long-term technology, innovation, and investment partner rather than primarily a commodity supplier, particularly as Indonesia's growing manufacturing base in electric vehicles (EVs) and critical minerals opens new avenues for cooperation in mineral processing, battery manufacturing, and electric mobility.

The discussion that followed broadened beyond trade statistics to Indonesia's governance structures and institutional context, arguing that bilateral agreements alone cannot deliver outcomes without complementary domestic reforms – citing Indonesia's pharmaceutical-sector experience as an example. Looking towards both countries' upcoming centenary milestones, participants called for a long-term strategic vision over short-term commercial objectives, pointing to telemedicine, hospital partnerships within Special Economic Zones (SEZs), traditional and herbal medicine cooperation, and lessons from Indonesia's women's microfinance initiatives as promising, under-explored frontiers. A recurring concern was the relative weakness of institutional linkages – university-to-university, research, industry-association, and think-tank ties – with field research, institutional mapping and case-study work recommended as ways to build a more nuanced, actionable understanding of Indonesia's economic landscape.

The session closed on a private-sector perspective: that the economic relationship should build on centuries of historical friendship while responding to future technological and industrial demands, with artificial intelligence, biopharmaceuticals, and semiconductors flagged as emerging areas where Indian technological capability could complement Indonesia's natural-resource base and expanding industrial ecosystem. The overarching conclusion was clear: India-Indonesia economic relations must evolve from transactional trade to a deeper ecosystem of industrial cooperation, technological innovation, and institutional partnership.

CONSOLIDATED RECOMMENDATIONS: THE WAY FORWARD

Drawing together the Inaugural Session and all three thematic sessions, the following recommendations emerged from the day's discussions.

1. Institutionalise DPI Cooperation

Operationalise the India-Indonesia DPI MoU with concrete milestones, cross-border UPI interoperability, ONDC-style digital-commerce frameworks, and joint innovation initiatives building on the JAKI and Banyuwangi models.

2. Close the Connectivity Gap

Expand direct shipping and air routes, deepen port-to-port cooperation, and reactivate the Joint Working Group on Ports and Shipping as a standing mechanism.

3. Invest in Human Capital

Establish joint maritime training and simulation centres, expand scholarships and faculty exchange, and introduce short-term visa categories for technical professionals, trainers, and educators.

4. Diversify and Upgrade Trade

Move beyond commodity trade into pharmaceuticals, healthcare, precision manufacturing, EVs, and critical minerals; conclude CEPA negotiations; promote local-currency settlement.

5. Reform the Regulatory and Customs Architecture

Advance faceless, paperless customs processing and address sanitary/phytosanitary and other non-tariff barriers constraining Indian exporters.

6. Deepen Institutional and Track 1.5 Linkages

Build sustained university, research-institution, industry-association, and think-tank partnerships, supported by field research, institutional mapping, and case-study work on Indonesia's economic landscape.

7. Broaden People-to-People Engagement

Promote tourism beyond Bali (including Lombok and Sumba), deepen diaspora engagement, and shift cultural familiarity towards education- and skills-led partnership.

8. Sustain Strategic and Maritime Security Cooperation

Continue coordinated, non-militarised engagement on the Strait of Malacca security, and build on defence milestones such as the Komodo Exercise and Andaman Sea naval cooperation.

CONCLUSION

The event generated a rich and largely convergent body of insight: India and Indonesia already possess the strategic geography, historical goodwill, political momentum, and institutional foundations – from the DPI MoU to CEPA negotiations – for a genuinely comprehensive partnership. What emerged just as clearly, across all three sessions, is that the relationship's next phase must be judged by implementation rather than declaration. Coming just ahead of the Prime Minister's visit to Jakarta, the discussions offer timely and actionable inputs for that agenda, and CRF intends to develop the day's proceedings into a consolidated policy recommendations report.

EVENT SCHEDULE

Time	Schedule
9:00 - 9:30 am	Registration & Coffee
9:30 - 10:15 am	Inaugural Session Welcome Remarks - Dipanjan Roy Chaudhury, Diplomatic Affairs Editor, <i>The Economic Times</i> Special Remarks • Shri Harsh Vardhan Shringla, MP (RS) & Former Foreign Secretary • Shri Prashant Agrawal, Additional Secretary (South), MEA • Shri Sandeep Chakravorty, Ambassador of India to Indonesia (Online) Thank-You Remarks - Dr Bidisha Bhattacharya, Associate Fellow & Head-Research (Economy and Trade), CRF
10:30 - 11:30 am	Session 1 - Digital Public Infrastructure Partnership Moderator / Anchor: Dipanjan Roy Chaudhury T. Koshy, Founding MD, Open Network for Digital Commerce (ONDC) Sachin Gopalan, CEO, Indonesia Economic Forum Ankit Kumar, Senior Vice President, Paytm
11:30 - 11:40 am	Tea / Coffee Break
11:45 am - 12:45 pm	Session 2 - Connectivity: Air / Maritime / Coastal Shipping / Ports Moderator: Dr Bidisha Bhattacharya, Associate Fellow & Head-Research (Economy and Trade), CRF Dr Prabir De, Professor, RIS Bipin Mishra, CEO, Leap Digital, Indonesia (Online) Capt. Syed Nazeer Ahamed, Managing Director, Synergy Indonesia (Online)
12:45 - 1:45 pm	Lunch
2:00 - 3:30 pm	Session 3 - Trade & Investment Paper presentation: Dr Bidisha Bhattacharya, on her research article on India-Indonesia Trade & Investment Expert views & recommendations: Prof Amita Batra, Professor and Former Chairperson, Centre for South Asian Studies, School of International Studies, JNU (Online) S.D. Darmono, President-Director, Jababeka Group (Online) Dr Satish Mishra, Executive Director, Arthashastra Institute Indonesia (Online)



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