



**EMBASSY OF THE REPUBLIC OF  
INDONESIA IN REPUBLIC OF INDIA**

# INDONESIA

PRESENTED BY:

**DADANG HIDAYAT (MINISTER COUNSELLOR)**

**EMBASSY OF THE REPUBLIC OF  
INDONESIA IN REPUBLIC OF INDIA**

**WORLD TRADE EXPO  
MUMBAI, OCTOBER 17, 2024**



*Celebrating 75 Years of*  
**INDONESIA  
& INDIA**  
*DIPLOMATIC RELATIONS 1949 - 2024*



**EMBASSY OF THE REPUBLIC OF  
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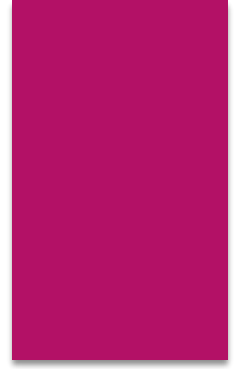
# INDONESIA & INDIA



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# INDONESIA

**I. THE SPICE TRADE AND SPICE ISLANDS: A HISTORY OF INDONESIA**

**II. TRADE: BILATERAL TRADE INDONESIA – INDIA**

**III. INVESTMENT OPPORTUNITIES IN INDONESIA**



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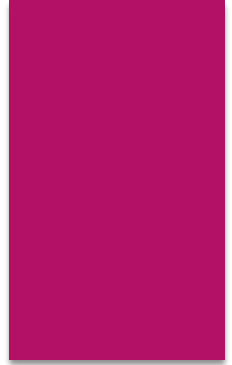
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# **I. THE SPICE TRADE AND SPICE ISLANDS: A HISTORY OF INDONESIA**



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We'll journey back in time to explore **the fascinating history of spices** and the **Spice Islands**, now known as **Indonesia**.

These islands, nestled in the heart of Southeast Asia, played a pivotal role in shaping global trade and cultural exchange for centuries.



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# Welcome



Indonesian Food

Food

Unique

Street Food

Culture



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Exploring the Typical Delicacies of the Archipelago

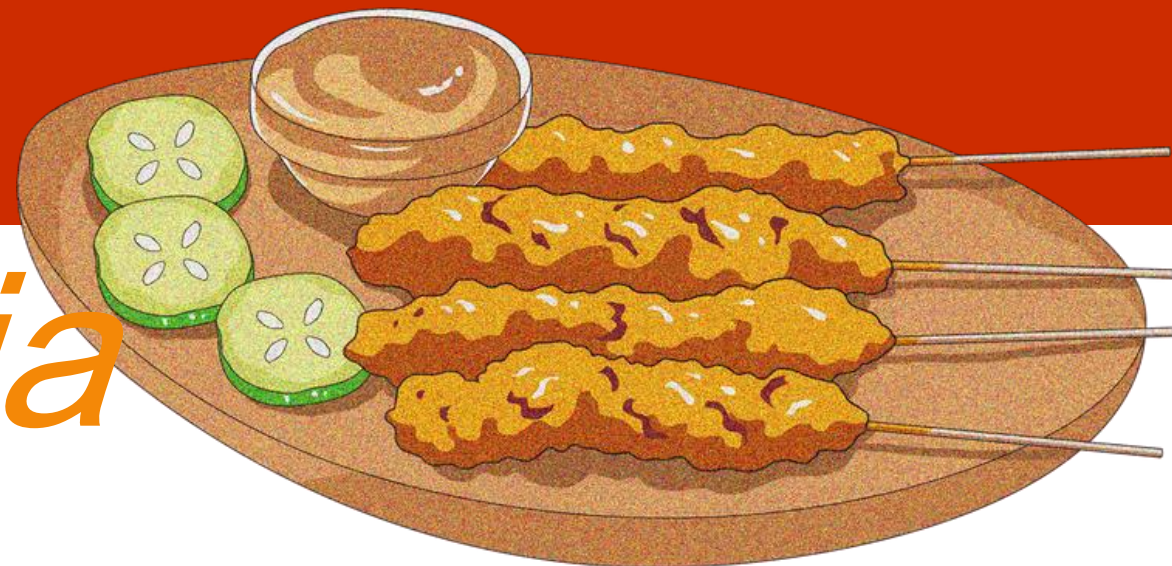


# Indonesia RENDANG



Padang Restaurant

# Indonesian Delicacies



# Indonesia SATE



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# Sayur Nangka



Indonesian Herbal Drink

# Jamu Herbal Beverage

Indonesian Herbal Drink



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# Spice Islands: A Land of Abundant Flavor

Various Indonesian spices (cloves, nutmeg, cinnamon, pepper, etc.)

the Spice Route connecting Indonesia to various destinations.



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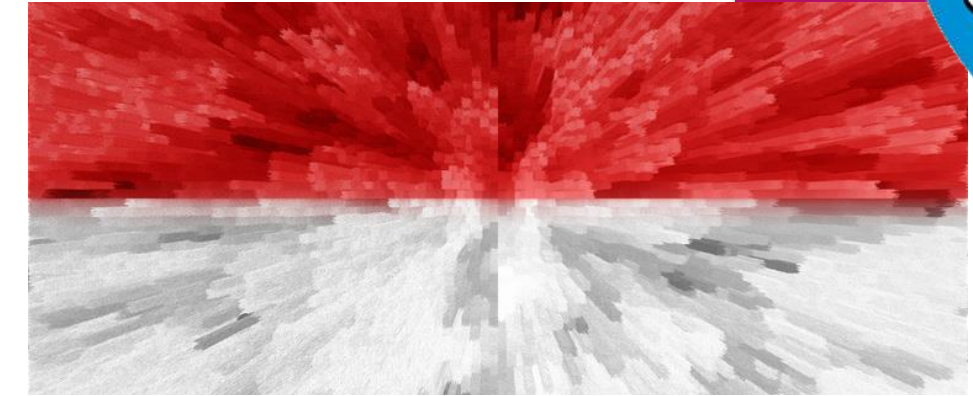
- Indonesia, blessed with fertile volcanic soil and a tropical climate, became a natural haven for a diverse range of spices.
- Spices like cloves, nutmeg, mace, cinnamon, and pepper thrived here, their unique flavors and medicinal properties highly sought after worldwide.
- These spices were not just culinary delights; they held immense cultural and economic significance, influencing civilizations across the globe.



# The Spice Trade: A Global Network



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## Key Points:

- The Spice Route, a network of seafaring routes, **connected** Indonesia to the rest of the world, primarily the **Middle East, Europe, and Asia**.
- Merchants from various cultures – **Arabs, Indians, Chinese, and later Europeans** – embarked on long, perilous journeys to acquire these precious commodities.
- The trade brought immense **wealth and cultural exchange**, shaping the **economies and societies** of participating nations.

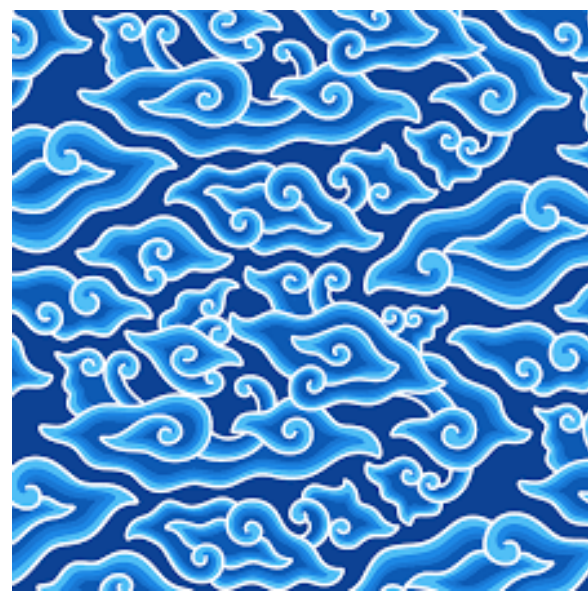




# The Rise and Fall of Empires: Spice and Power



- The lucrative spice trade fueled the rise and fall of empires.
- Kingdoms like the **Sriwijaya** and **Majapahit** in Indonesia flourished due to their control over spice production and trade.
- The arrival of European powers, particularly **the Portuguese, Dutch, and British**, led to intense **competition and conflict** over dominance of the spice trade.





# Legacy of the Spice Trade: Enduring Influence



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Modern-day Indonesian markets bustling with spices.

- **Key Points:**

- **The Spice Islands and the Spice Trade** left an indelible mark on Indonesia's history and identity.
- Despite the colonial era and changes in trade dynamics, **spices remain an integral part of Indonesian culture, cuisine, and economy.**
- **The Spice Route** serves as a powerful reminder of the interconnectedness of the world and the enduring influence of trade on human history.





# Connection with India

Historical journey through the Spice Islands, now known as Indonesia, and explore their **intriguing connection with India.**

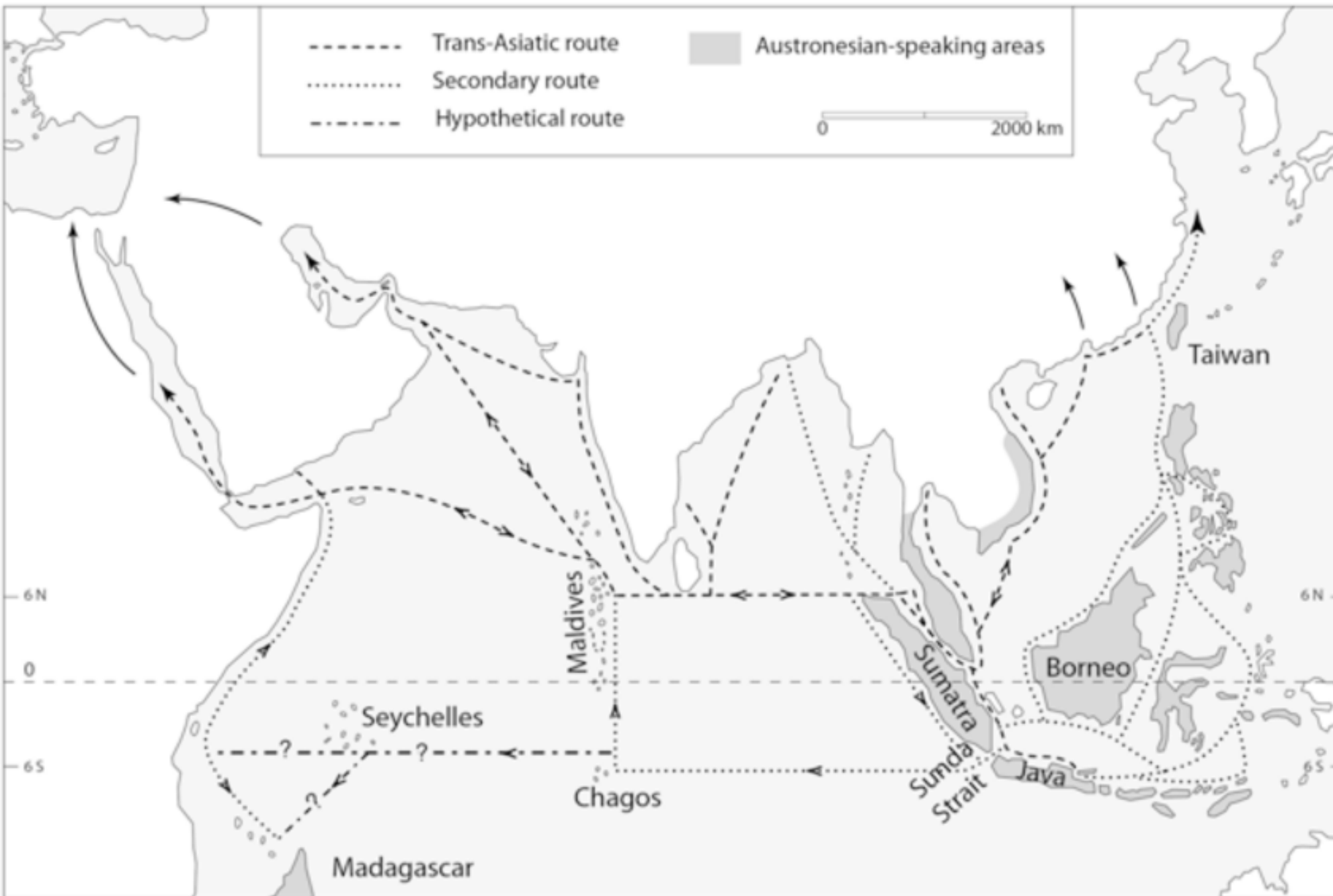
**This journey delves into the world of spices, the Spice Route, and the significant cultural and economic exchanges that shaped the history of these two nations.**



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# Historical context of spices, the Spice Route, and the connection between India and Indonesia.



- The **Spice Route**, a network of seafaring routes, connected Indonesia to various parts of the world, including India.
- **From ancient times**, Indian traders, known for their seafaring expertise, established trade links with the Spice Islands.
- **Indian merchants** brought goods like textiles, precious stones, and other commodities to Indonesia in exchange for spices, creating a vital commercial bridge between the two nations.



Source: P.-Y. Manguin. 2016. "Austronesian Shipping and Maritime Communication Across the Indian Ocean" in Gwyn Campbell (ed.), *Early Exchange Between Africa and the Wider Indian Ocean World*. 66. Palgrave Macmillan



# Cultural Expression Of Intercultural Relations Between India & Indonesia



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## 01 Pottery & Beads

An important technology of everyday life, pots, dishes and other articles made of earthenware found their way across more than 9,200 km of sea from Anikmadu to Sumbawa in Bali, about 2,000 years ago. Furthermore, Indian glass and iron stone beads were also found in the Belitung site, indicating the existence of an oceanic corridor between Indian and Indonesian maritime trade networks.



## 02 Ships & Shipbuilding

In the period between 1000 and 600 BCE, Austronesian ships from the Indonesian archipelago frequented Indian maritime networks. Those ocean-going vessels introduced new shipbuilding technologies but, in the course of continued oceanic communication, encountered Arab and Persian traditions. Hybrid types of ships emerged with features that we can still see today in the Maldives, the Malabar and Coromandel coasts, and the Bay of Bengal.



## 03 Statues & Temples

There's no doubt that Indian statues and temple architectures were imported to the islands of the Indonesian archipelago. The adoption of them into Indonesian cultures, however, is much more complex than merely transporting artifacts and exports. Hence we can see temples reflect their tall Indian stories, but with Javanese twists. Some imports, such as the Mendak Buddha statue, still cause wonder about how they were actually used.



Island and coastal communities have developed maritime trade networks to meet their everyday needs since ancient times. Furthermore, they interconnected these networks through ocean corridors to conduct long-distance trade. The drive for oceanic communication was perhaps "gold and glory and even god", but certainly the impact was the development of intercultural relations. Enter the Spice Routes and its islands of history.

## 04 Textile

Fashion is not a modern invention. Since prehistoric times, people were mesmerized by cloth and fabrics from distant lands. In the islands of Nusa Tenggara, motifs of the Indian patola sari were adapted in their double ikat weaving, revealing an oceanic cross-cultural journey of over 10,000 km. More recently, Batik makers used Indian stories to create a distinct variety of the beautiful cloth.



## 05 Tombs & Mosques

The Indian-Indonesian oceanic corridor was not solely about the communication of two Peoples. It also served as a conduit for cultural encounters with traditions from Persia and beyond. Unique tombstone styles travelled through Gujarat to Aceh and from there to other parts of the Indonesian archipelago. The seaways also facilitated the spread of some styles in mosque architectures, even during colonial times.



## 06 Food

Using turmeric to make "Yellow Rice", putting cinnamon into sweets, the list of Indian culinary traditions in Indonesian gastronomy is long. There's even an Indian-Indonesian cuisine in Aceh, West Sumatra, Riau, South Sumatra, Jakarta, and Java. This should surprise no one for the India-Indonesia connection is more than 2,000 years old. But, there's also Indonesian nutmeg in Dry Fruit Barfi, Sweet Pongal, Chennai Mispas, and even Punjabi Garam Masala.



## 07 Medicine

Indonesian nutmegs are recognized in Ayurvedic literature as Jajihol. Actually, the seed kernel inside the Myristic fragrans fruit is termed as nutmeg, while the red lacy covering of the seed is called as mace. Native to the Banda Islands, but now also cultivated in Grenada, the West Indies, Sri Lanka and South India, and other parts of Indonesia, in Ayurveda it is used to work on vitiated vatta and kapha. In Indonesia, its medicinal use range from treatments of diarrhea to headache remedies.



## 08 People

Recent DNA studies of various populations in Indonesia strengthened the belief that people of the archipelago have strong ancestral connections with India. To be sure, since more than 1000 BP, Indian diasporas emerged in several parts of Sumatra. Seafarers reached Sulawesi long before colonial times, probably as early as the sixth century CE, but certainly during the rise of port politics between the eight and fourteenth centuries CE.

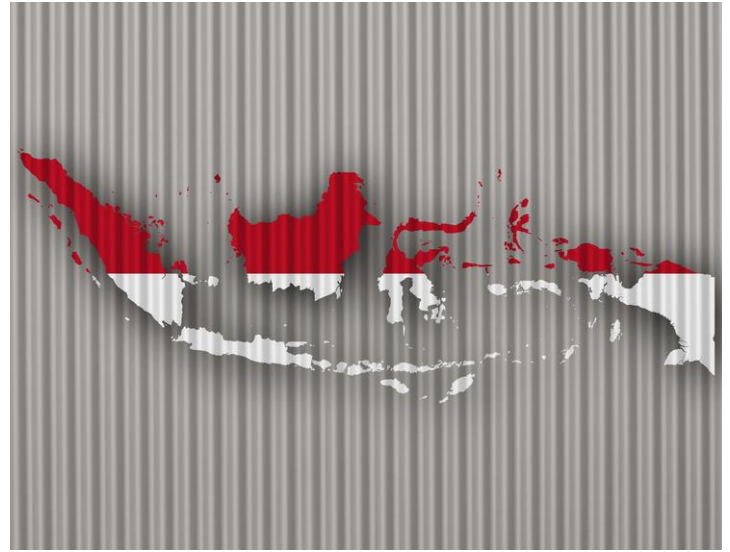


## 09 Shared Heritage & Archipelagic Thinking

Shared Heritage is not about safeguarding artifacts from one place to another. It is about cherishing cultural relations between two Peoples or more. India and Indonesia have been connected since prehistoric times, although admittedly the cultural communication waxed and waned. Nevertheless, with archipelagic thinking, marked by "island hopping" we can still reconstruct the historical thread that bound us together in everyday life.



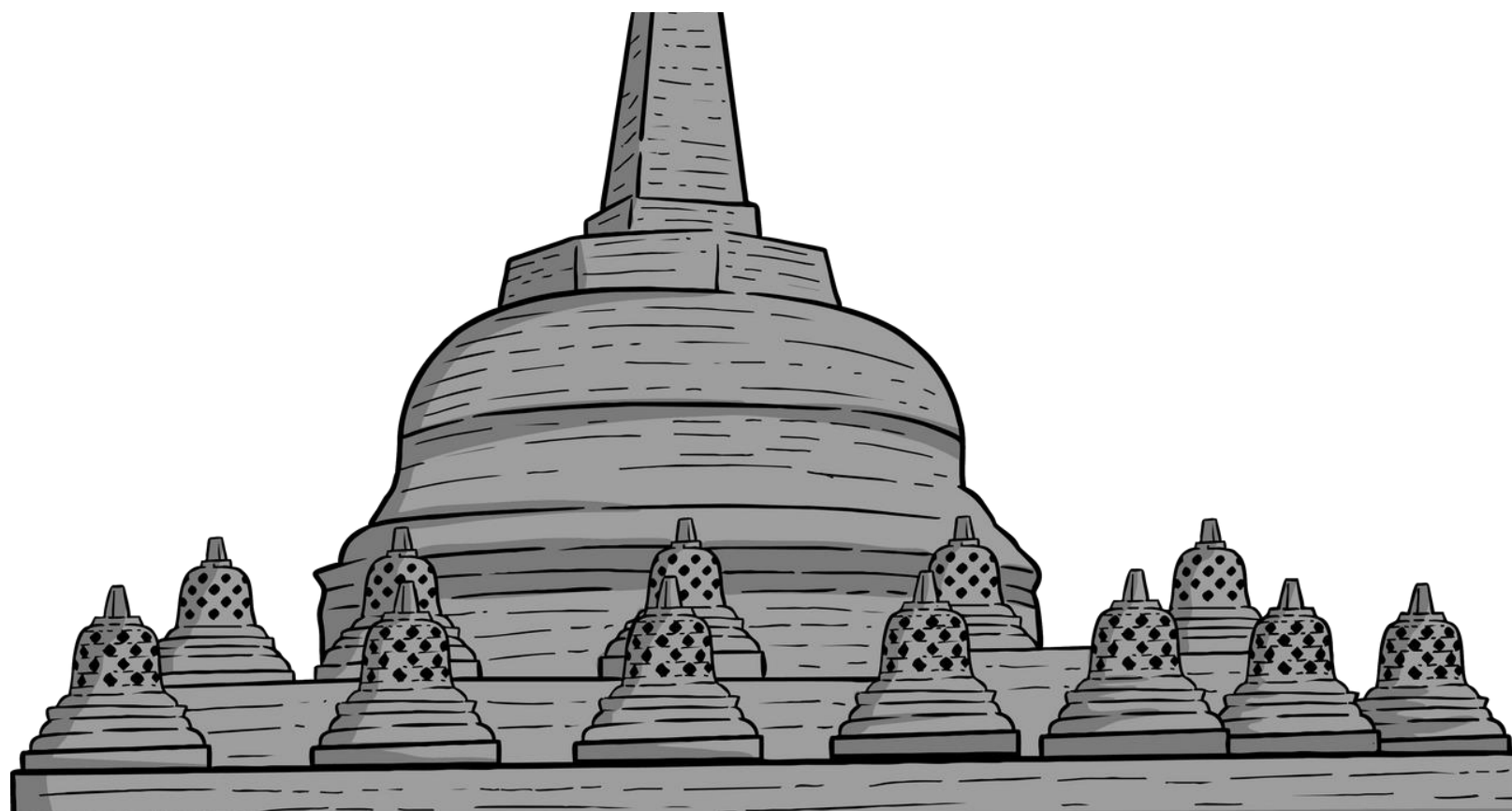
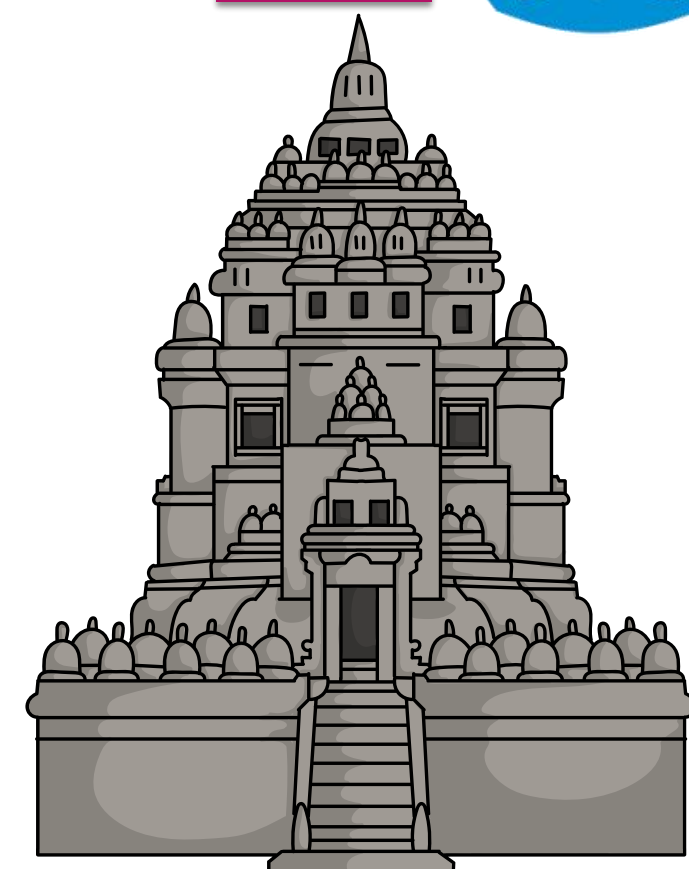
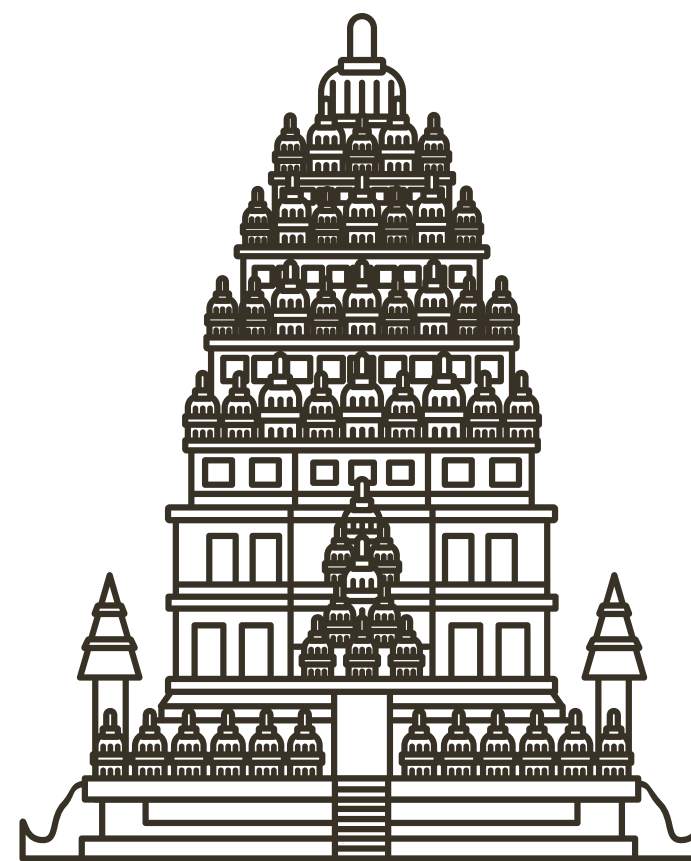
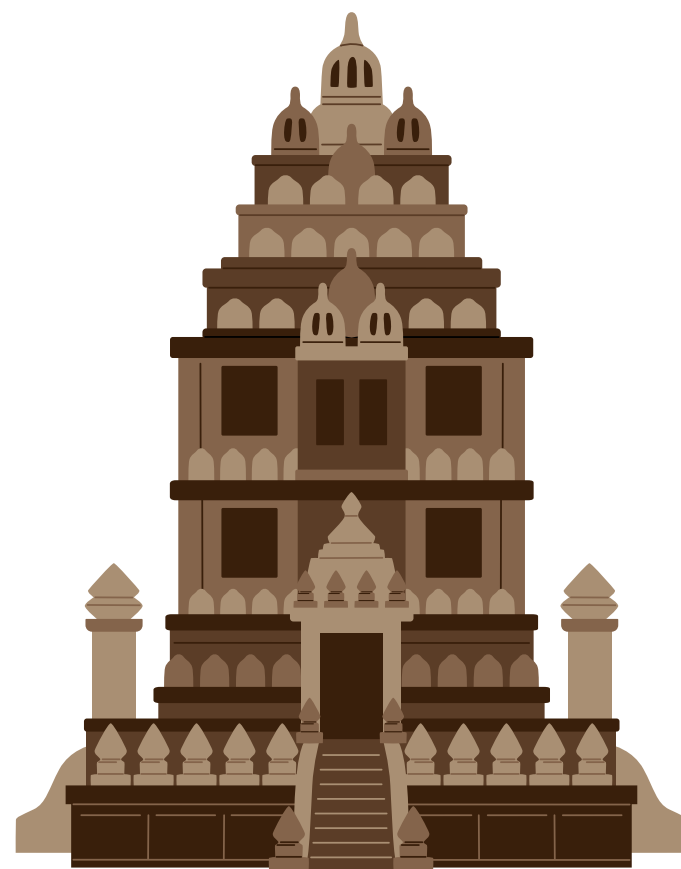
# INDIA-INDONESIA INTERCULTURAL DEVELOPMENTS





# Indian Influence on Indonesian Culture and Commerce

- Cultural exchanges between India and Indonesia (e.g., Hindu temples in Indonesia, traditional dance forms, textiles).
- **Key Points:**
  - The trade route wasn't just about spices; it facilitated cultural exchange, influencing Indonesian art, religion, and language.
  - **Hinduism and Buddhism**, originating in India, spread to Indonesia, leaving their mark on architecture, literature, and social practices.
  - **Indian traders** introduced new technologies and ideas, contributing to the development of Indonesian society and economy.





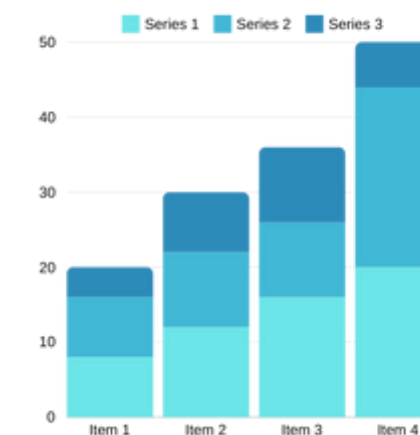
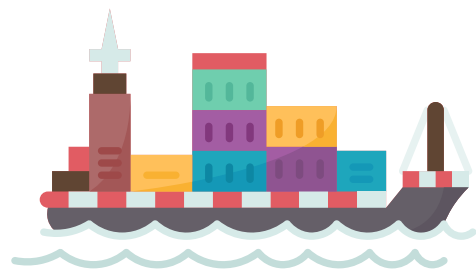


# The Spice Trade: A Shared Journey of Prosperity



## • Key Points:

- The Spice Route, driven by the demand for spices, created immense wealth for both India and Indonesia.
- Indian traders, with their vast network and shipping expertise, played a crucial role in transporting spices to distant markets.
- The symbiotic relationship between Indian traders and Indonesian spice producers fostered economic growth and cultural enrichment in both nations.

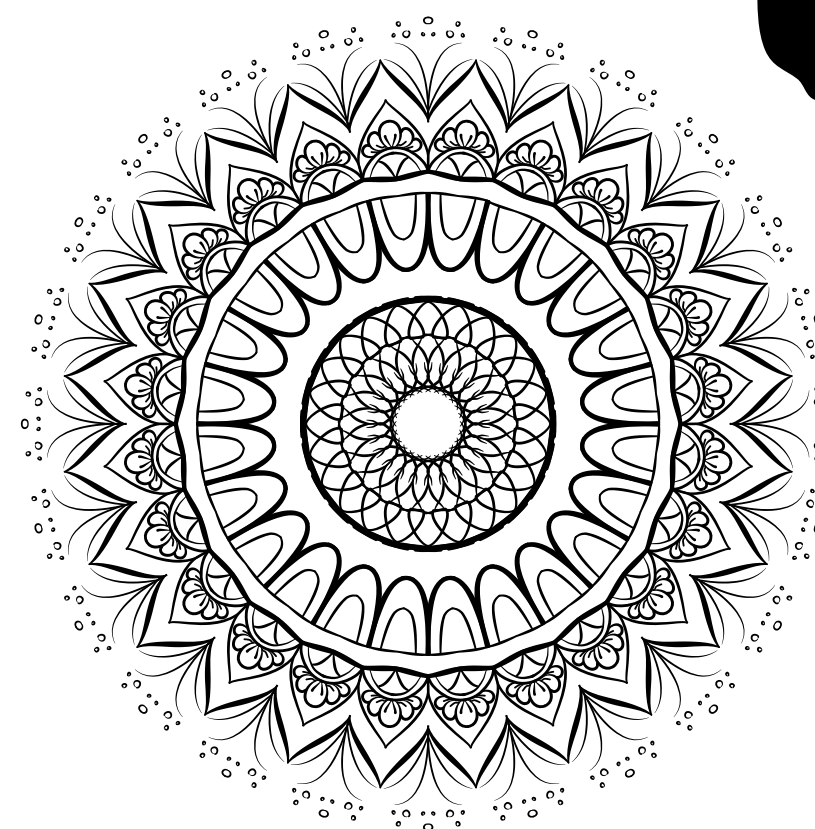




# The Spice Route's Enduring Legacy



- A modern-day image of a bustling Indonesian market showcasing spices and showcasing contemporary cultural exchanges with India (e.g., Bollywood films, Indian cuisine).
- **Key Points:**
  - While the Spice Route's original form has transformed over time, its legacy continues to influence the relationship between India and Indonesia.
  - Today, **India and Indonesia maintain** strong economic ties, with trade in various sectors, including spices.
  - **The Spice Route** remains a powerful reminder of the enduring connections between nations and the transformative power of trade and cultural





Directorate General of Culture  
Ministry of Education, Culture,  
Research, and Technology



# INDIA-INDONESIA INTERCULTURAL DEVELOPMENTS

## India-Indonesia Intercultural Connections



India and Indonesia have long standing relationships, with many cultural encounters. Austronesian ships from the archipelago visited the subcontinent around 3000 BP years and Yavadvipa, identified as the island of Java, is mentioned in the Ramayana epic.





# Conclusion



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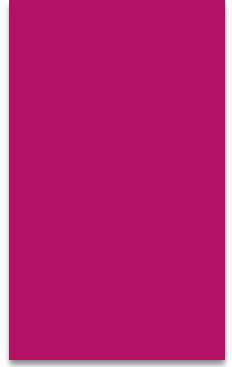


**The Spice Islands and the Spice Route stand as a testament to the enduring influence of history, cultural exchange, and the transformative power of trade.**

**From ancient times to the present day, the relationship between India and Indonesia, shaped by the spice trade, continues to inspire and connect these two nations in a fascinating interplay of culture, commerce, and shared history.**



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# **TRADE RELATIONS: INDONESIA – INDIA**



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## MACROECONOMICS INDICATORS OF INDONESIA AND INDIA 2023

	<b>Indonesia 2023</b>	<b>India 2023</b>
<b>GDP</b>	USD\$1,327.9	USD\$3,572.08
<b>GDP per Capita</b>	USD\$4,919.7	USD\$2,730
<b>Population</b>	280,730,000	1,428,627,663
<b>Growth</b>	5.04%	8.2%





## BILATERAL TRADE PERFORMANCE INDONESIA AND INDIA

### A. Total Trade Indonesia and India 2019-2024

Description	Value : US\$Million					Trend (%) 19-23	January-May		Change (%) 24/23
	2019	2020	2021	2022	2023		2023	2024	
<b>Total Trade</b>	<b>20.021,06</b>	<b>16.336,49</b>	<b>24.808,12</b>	<b>38.373,25</b>	<b>30.041,93</b>	<b>54,68</b>	<b>13,074.74</b>	<b>12,386.94</b>	<b>-5.40</b>
Export	15.549,98	12.019,08	16.720,12	28.486,30	22.634,11	70,37	8,927.48	10,275.42	15.10
Import	4.471,08	4.317,41	8.088,00	9.886,95	7.407,82	22,24	4,147.26	2,093.52	-49,52
Balance	11.078,90	7.701,67	8.632,12	18.599,35	15.226,29	115,47	4,780.22	8,181.90	71.16

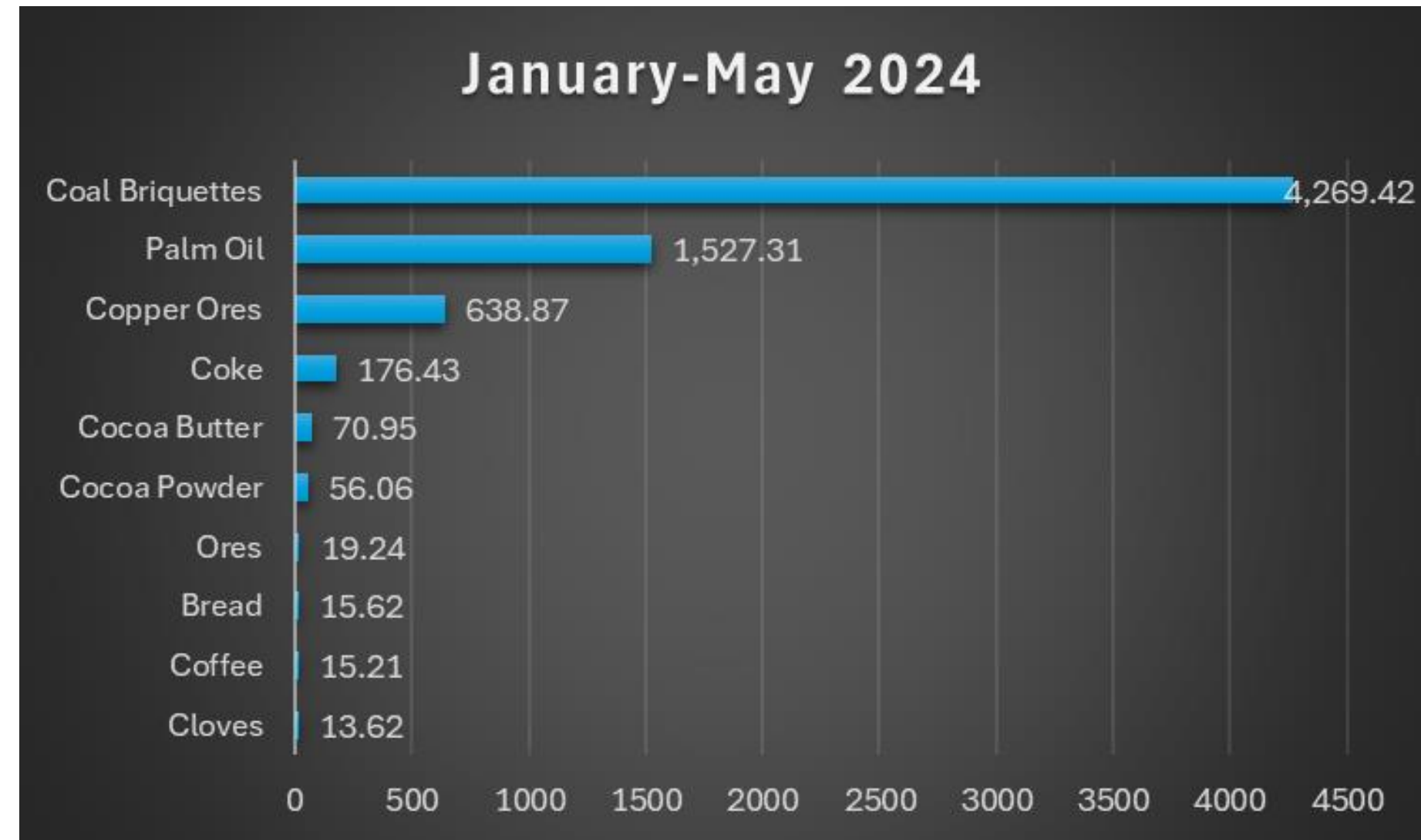
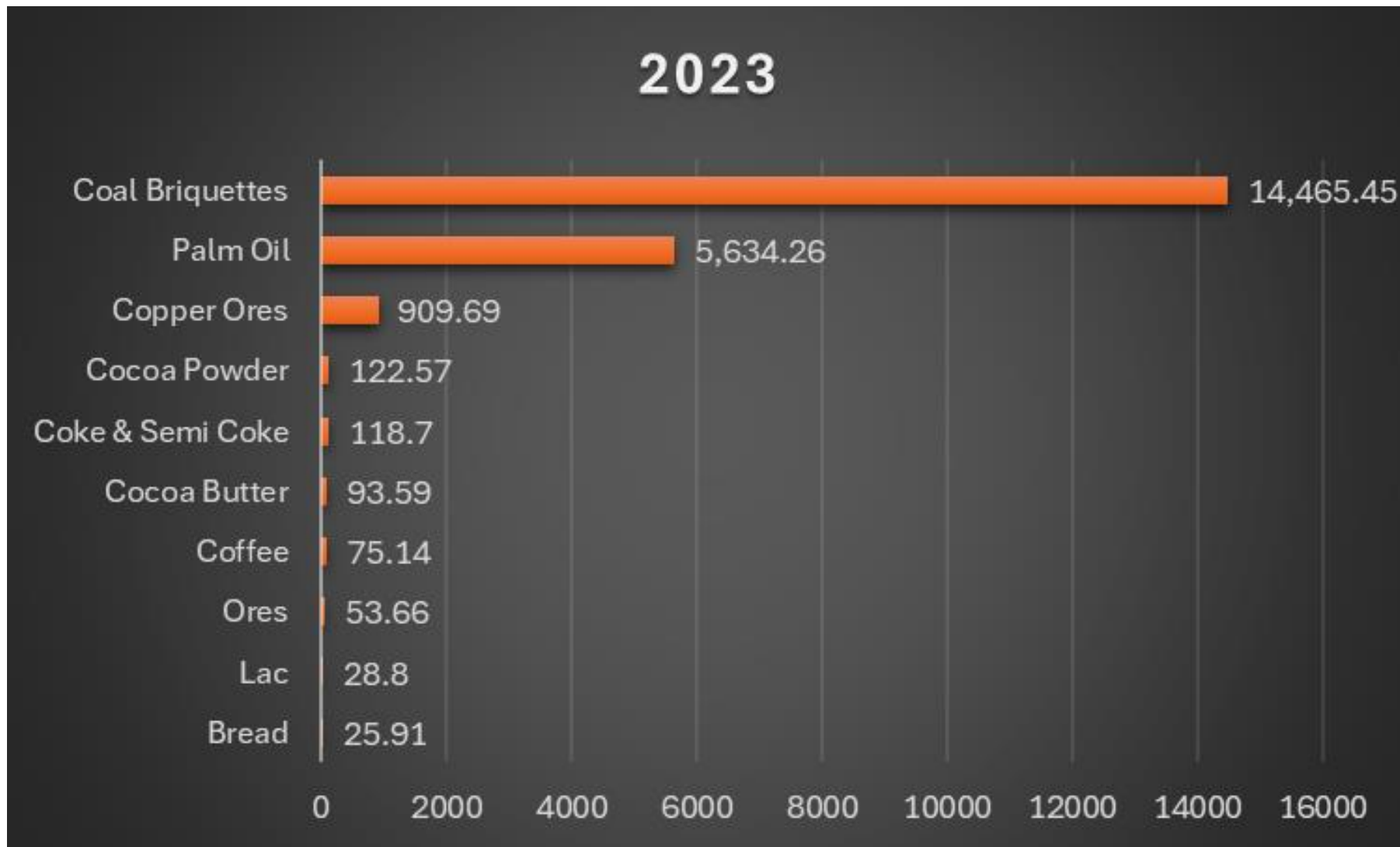
Source: Ministry of Commerce & Industry, India





## B. 10 MAIN INDONESIAN EXPORT COMMODITIES TO INDIA

Value: US\$ Million



Source: Ministry of Commerce & Industry, India



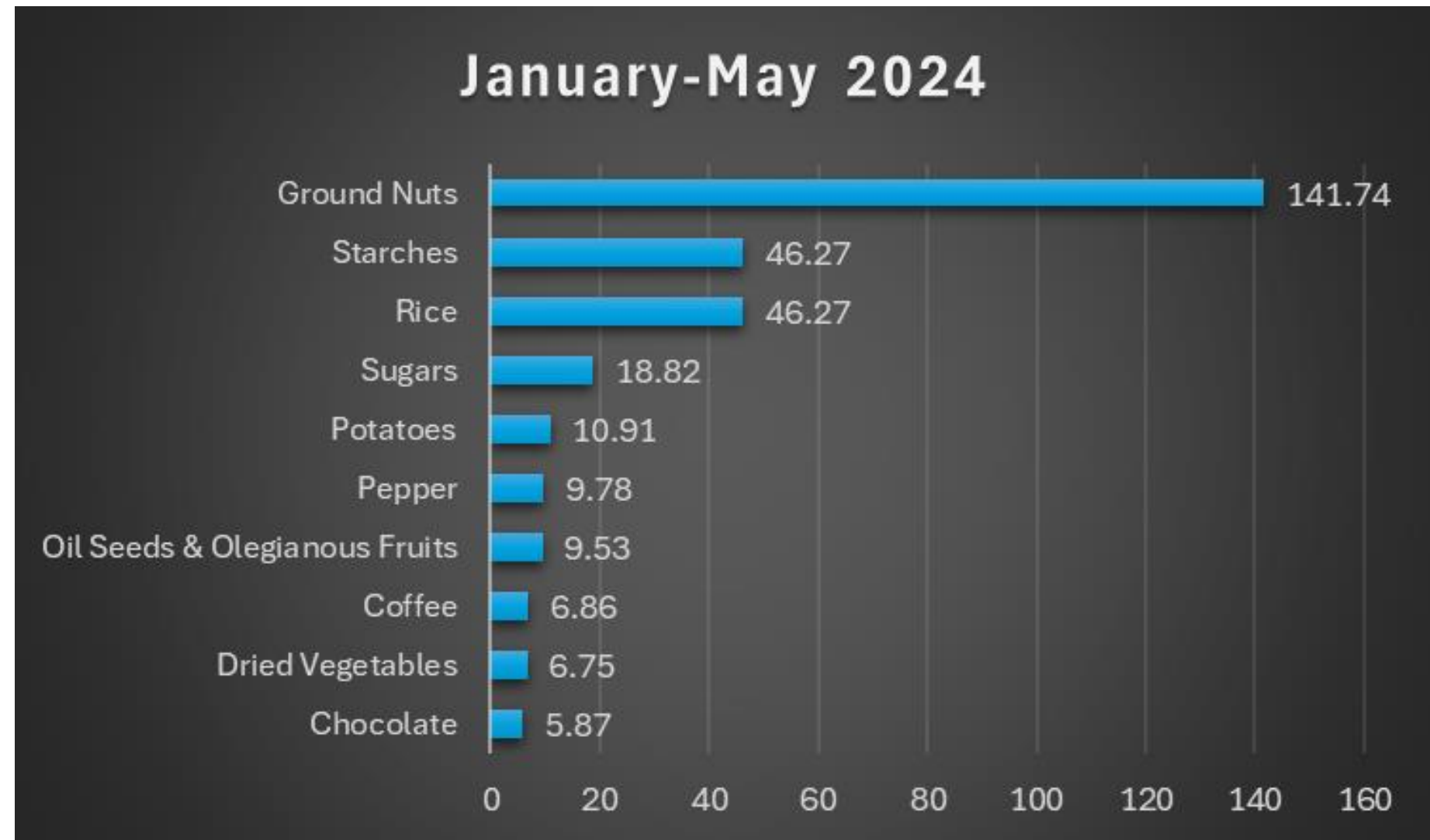
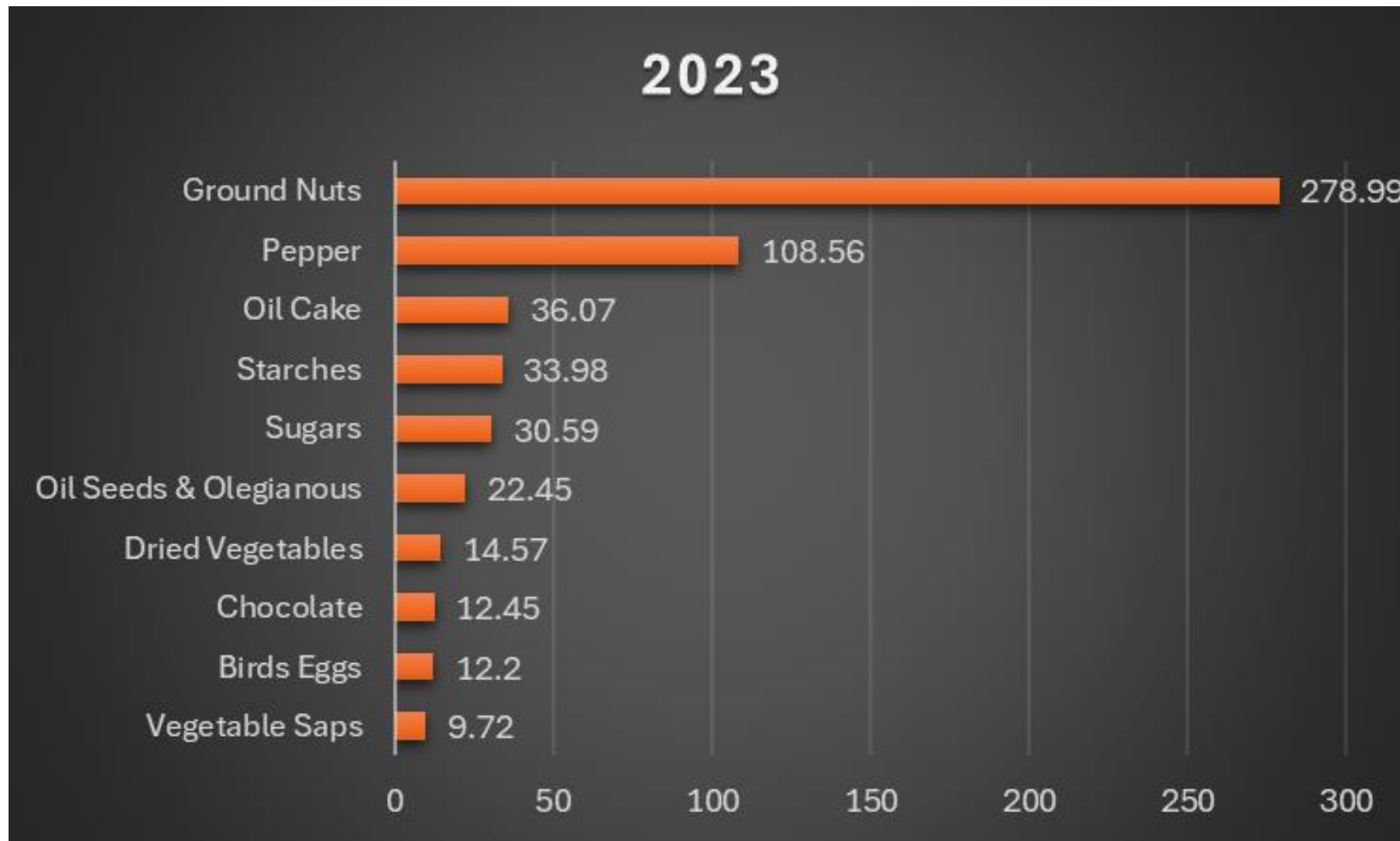
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## C. 10 MAIN INDONESIAN IMPORT COMMODITIES FROM INDIA

Value: US\$ Million



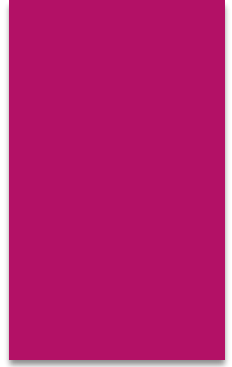
Source: Ministry of Commerce & Industry, India



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# INVESTMENT



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# WHY INVEST IN INDONESIA?

**Indonesia offers several competitive advantages for investors, including:**

- ❖ **Large domestic market and competitive work force arising from its economy and population size. Consumer-related market opportunities continue to lead growth. Expansion in the retail, health, education, telecom and financial services sector are booming.**
- ❖ **The Indonesian consumer is ranked as one of the most confident in the world, and approximately 43% of Indonesia's 280 million citizens are under the age of 25.**
- ❖ **Market-based macroeconomic policy and free foreign currency exchange regime.**
- ❖ **Abundance of diversified natural resources, including agriculture, plantations, fisheries, mining and oil and gas, inherit in its vast and fertile land.**





# Investment Priority Sectors: Economic Transformation from Primary Sector based to Valued-Added Based (Downstream)



**Labor Intensive Industry that  
Export Oriented**



Pharmaceutical, Chemical, and  
Medical Devices Industry



Automotive Industry



Electronic Industry, Semiconductors, IT  
& Communication



**Infrastructure,  
Digital Economy**



**Renewable Energy**



**Mining Industry  
which will create  
added value**



## Basic Requirement for Foreigners to Invest in Indonesia



- ✓ **The minimum investment should above USD 700 thousand or equivalent with IDR 10 billion**
- ✓ **The paid up capital need to be the at**
- ✓ **Least USD 700 thousand**
- ✓ **Comply with the regulations about Priority List of Investment (sector that closed and open for investment)**

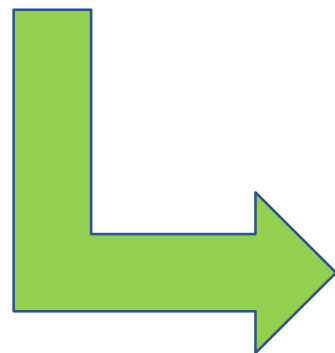


## Two Way Establishing Legal Entity in Indonesia



Investor has decide sector (KBLI), find the location, meet local partner, know exactly how the market and need to start immediately

Establishing Limited Liability Company (LLC/PT PMA)



Investor interested to invest but still not sure how the regulation work, where is the perfect location, how the market grows

Establishing Representative Office (KPPA)





## Difference of LLC and Representative Office

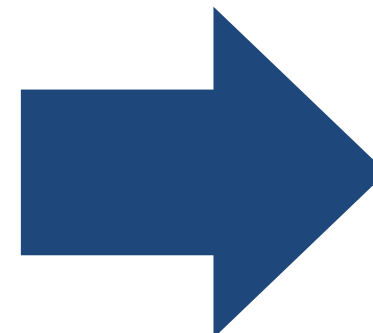
Indicators	LLC	Representative Office
Purpose	Commercial and Business Activity	Limited to market research
Minimum Investment	USD 700 Thousand	None
Ability to made invoice	Yes	Restricted
Worker	Depend on the sector and the corporation	Limited to only 3 to 5 staffs
Company leader	Board of Directors supervised by Board of Commissioners	Head of Representative
Obligation to Ministry of Investment	Quarterly report the investment activity	None
Period of Validity of the permit	As long as company active	Yearly need to be renew
Eligible for incentive	If comply with certain criteria	No



# Providing Various Investment Incentives for Investors

Investment Incentives	Remarks
<b>Import Duty Exemption Facility for Machines/Capital Goods/Materials</b>	Import duty exemption incentives for the import of machinery and capital goods and materials for industries and service industries
<b>Tax Holiday and Mini Tax Holiday</b>	Exemption of 50-100% Corporate Income Tax (CIT) from 5 until 20 years provided for investment in pioneer industries
<b>Tax Allowance</b>	Reduction of Corporate Income Tax (CIT) by 30% of the investment value for 5 years provided for investment in certain business fields and/or areas
<b>Tax Incentive for Labor Intensive Industry</b>	Reduction of net income by 60% of investment value for 6 years for labor-intensive industries
<b>Tax Incentive for Research &amp; Development and Vocational Training</b>	Incentives of reducing net income tax for investors conducting apprenticeship/training for Indonesian workers and/or domestic research and development

## Corporate Income Tax Reduction







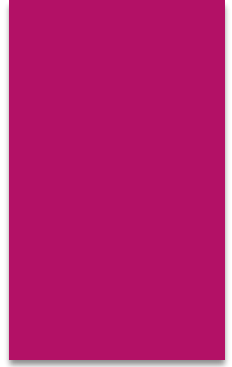
# 81 curated ready-to-offer projects with pre-feasibility study

Investment project profiles available at [regionalinvestment.bkpm.go.id](http://regionalinvestment.bkpm.go.id)





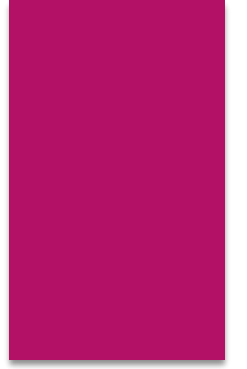
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# **TOURISM FIVE SUPER PRIORITY DESTINATION**

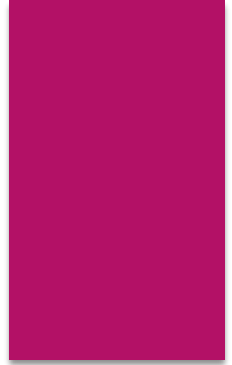


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# **FIVE SUPER PRIORITY DESTINATION**

- 1. BOROBUDUR, CENTRAL JAVA**
- 2. LIKUPANG, NORTH SULAWESI**
- 3. MANDALIKA, LOMBOK ISLAND**
- 4. DANAU TOBA, NORTH SUMATERA**
- 5. LABUAN BAJO, EAST NUSA  
TENGGARA**



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# BOROBUDUR

**Borobudur is a 9th-century Mahayana Buddhist temple in Central Java, Indonesia. Known for its intricate stone carvings and vast stupa, it features a unique pyramid-like structure with multiple tiers symbolizing the path to enlightenment.**



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# LIKUPANG

**Likupang, located in North Sulawesi, Indonesia, is known for its stunning white-sand beaches and crystal-clear waters. The area offers a variety of activities, including snorkeling, diving, and exploring nearby islands. With its vibrant marine biodiversity and lush landscapes, Likupang is a perfect getaway for nature lovers and adventure seekers.**



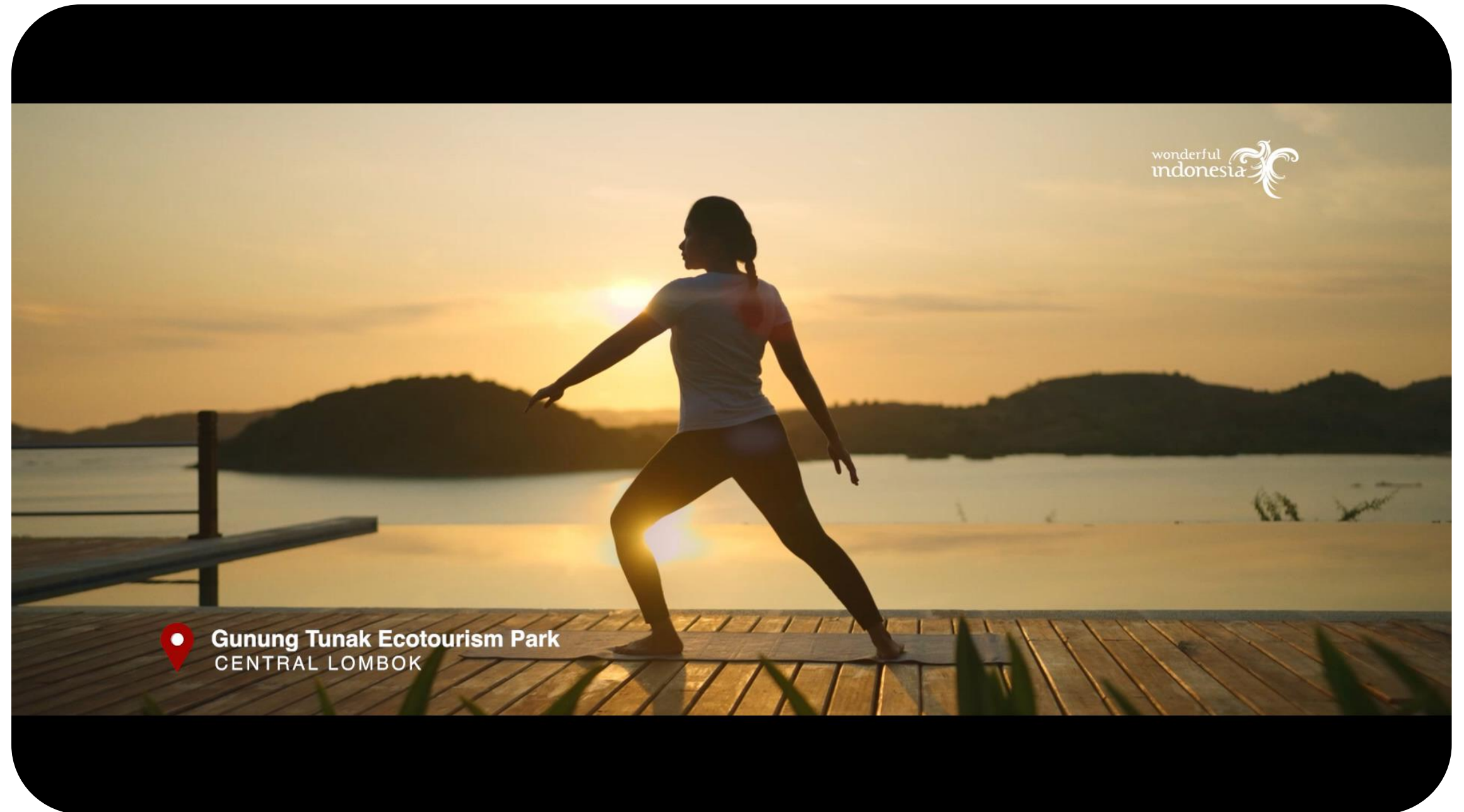


# MANDALIKA

Mandalika, located on the island of Lombok in Indonesia, is a stunning coastal destination renowned for its beautiful beaches and vibrant marine life. With its lush landscapes, cultural heritage, and opportunities for water sports, Mandalika offers a perfect blend of relaxation and adventure for travelers.



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Gunung Tunak Ecotourism Park  
CENTRAL LOMBOK



CENTRAL LOMBOK  
Gunung Tunak Ecotourism Park



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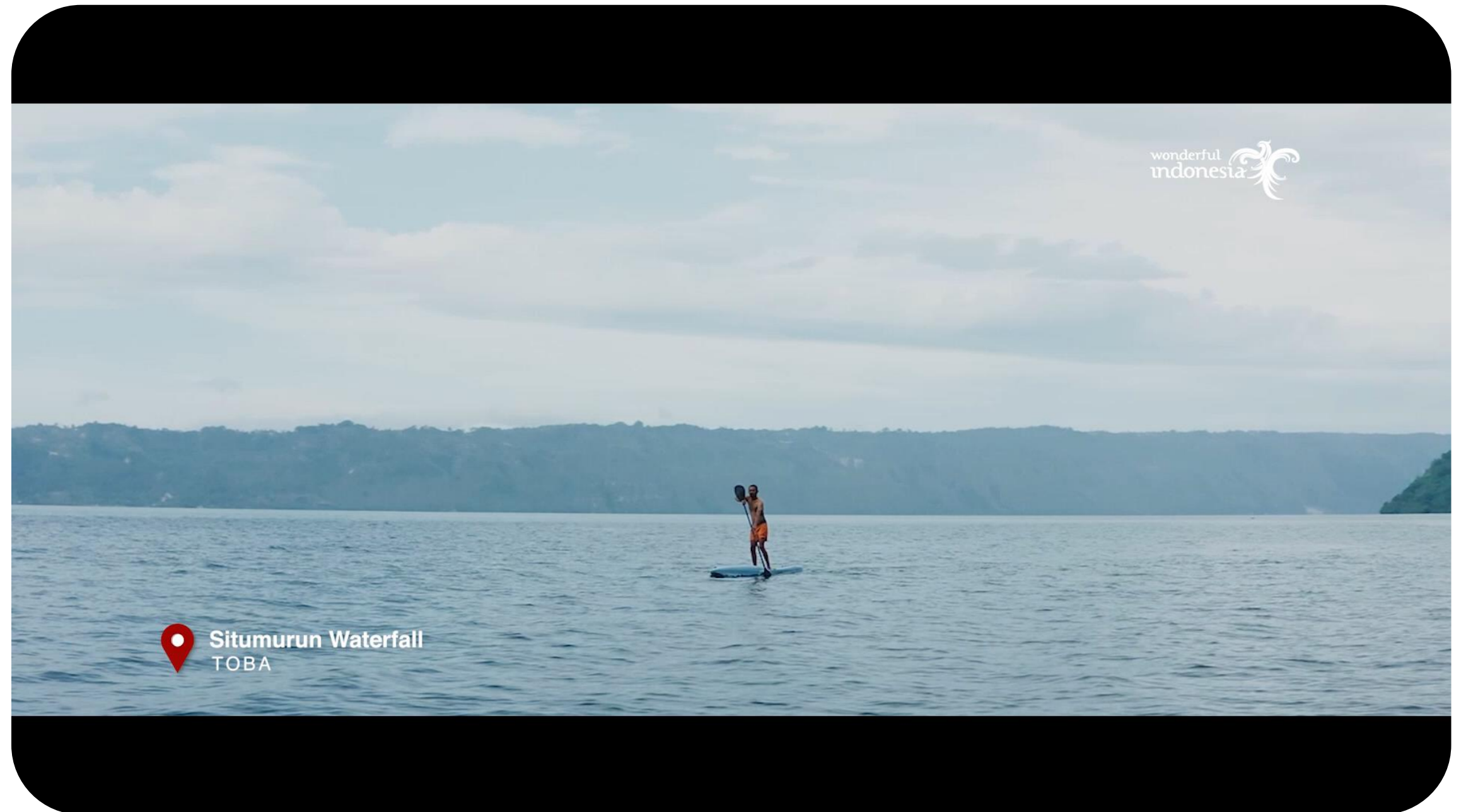
**TOURISM**

# DANAU TOBA

**Danau Toba, located in North Sumatra, Indonesia, is the largest volcanic lake in the world and a breathtaking natural wonder. It is a popular destination for visitors seeking tranquility and outdoor activities, such as hiking and boating. The area is also rich in Batak culture, offering opportunities to explore traditional villages and enjoy local cuisine.**



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**TOURISM**

# LABUAN BAJO

**Labuan Bajo, located at in the East Nusa Tenggara province of Indonesia, is known for its beautiful beaches and vibrant marine life. The nearby islands offer pristine landscapes and a relaxed atmosphere. With its rich history and cultural heritage, Labuan Bajo also provides visitors with opportunities to experience local traditions and cuisine.**



*Celebrating 75 Years of*  
**INDONESIA  
& INDIA**  
*DIPLOMATIC RELATIONS 1949 - 2024*





**EMBASSY OF THE REPUBLIC OF  
INDONESIA IN REPUBLIC OF INDIA**

**THANK YOU  
DANYAVAAD**



**EMBASSY OF THE REPUBLIC OF  
INDONESIA IN REPUBLIC OF INDIA**

*No.50-A, Kautilya Marg, Diplomatic Enclave,  
Chanakyapuri, New Delhi, Delhi 110021*



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