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Indonesia in Africa: Revitalizing Relations

Introduction

Since the end of the Suharto regime in 1998, Indonesia has been increasingly confident of its abilities in the international system. As the largest economy in Southeast Asia and with the fourth largest population in the world, with over 255 million people in 2015, Indonesia has increasingly made its voice heard, in particular in issues connected to the Global South. It has been a leading actor in this regard since the First Asia-Africa Conference in 1955. Twenty-nine nations from Asia and Africa participated in this conference, held in the city of Bandung. As part of the country's new assertive and pragmatic foreign policy, since the early 2000s, in addition to focusing on building a political and security community within the Association of Southeast Asian Nations (ASEAN) and tightening linkages with the US, Australia, and emerging powers like India and Russia, Indonesia has increasingly turned to Africa.

Back to the Bandung Solidarity?

Indonesia enjoys a positive image among the countries of the African continent, mainly thanks to the Bandung conference. It is beyond doubt that in April 1955, Bandung, in the words of Jawaharlal Nehru, "became the capital of Asia and Africa" for a week. In diplomatic terms, the conference offered an unprecedented opportunity for the participating countries to meet and talk over crucial issues in a bipolarized world. The event contributed to the recognition of Asian and African countries' diplomatic importance and allowed them to step into world politics and introduce their 'third-way' proposals. It also helped them to develop a common voice of solidarity and mutual support. This solidarity was echoed at the 60th anniversary conference in April 2015, which produced further re-encouraging rhetoric. As Prashanth Parameswaran reported in *The Diplomat* (24 April 2015), the Indonesian president Joko Widodo boldly declared at the close of the conference: "This is [the] revival voice of Asian-African nations that cannot be replaced by anyone". Under the motto 'Strengthening South-South Cooperation to Promote World Peace and Prosperity' a

main objective of the conference was to make a commitment to the 'Declaration on Reinvigorating the New Asian-African Strategic Partnership' (NAASP). This reaffirmed support for the NAASP given at the 50th anniversary event in 2005. The commitment to foster a 'stronger, more inclusive and sustainable' partnership was reiterated. For Indonesia, as Professor Anak Agung Banyu Perwita at President University in Bekasi explains, "this forum will always mean special priorities in its foreign relations. Indonesia will always be consistent to its basic principle of foreign policy: free and active, trying to become the 'third power' in the new global politics."

Zhou Enlai, Soekarno and Nasser at the Bandung Conference



Re-engagements in Sub-Saharan Africa but Expansion in Asia

This policy principle is especially useful for a pragmatic Indonesia. Indonesia's rising global profile indicates the country's aims to be a centre of gravity in the decades ahead, and not just in its own region. A re-intensification of Indonesian-African cooperation will help Indonesia to find important geostrategic positions in the African continent as well as in the dynamic system of Afro-Asian relations. Enhancing trade and assisting African countries in different forms along the lines of the 'Bandung solidarity' forms part of a pragmatic foreign policy mechanism that is expected to gain more strength during President Jokowi's mandate. It may ultimately result in a more powerful and assertive

Indonesia. The unique language of the 'Bandung spirit' resonates with countries of the Global South, which is helpful when business deals are negotiated. In addition to strengthening economic ties, among other things by inviting Indonesian businessmen to invest in African markets, Indonesia's economic strength and political willingness potentially contribute to other aspects of African development, for instance, improving educational outputs.

The government pushes for market diversification, as part of which several African countries are targeted as markets for Indonesia's 'non-oil-and-gas products', such as palm oil and associated products, textiles, footwear, cars and automotive components, and electronics. According to the Indonesian Ambassador to Senegal Nidalia Andrajati, Indonesian businesses possess sufficient competitive strength "with the quality of their products," and they are certainly able to compete with other Asian actors' products in African markets. Between 2010 and 2014, 13 of the top 25 fastest-growing export countries for Indonesia were in Sub-Saharan Africa: the Central African Republic, Somalia, Mauritania, Djibouti, Mozambique, Kenya, Burkina Faso, Senegal, Guinea, Sierra Leone, Nigeria, Congo and South Africa.

President Jokowi (below, second from the right), the host of the 60th anniversary Asia-Africa Conference in April 2015



However, Africa still seems rather distant to many Indonesian private entrepreneurs. As Karen Brooks underlines in a 2011 article in the journal Foreign Affairs, "the real driver of the country's recent economic growth has been the Indonesian consumer, with consumption accounting for roughly 60 per cent of GDP." It is not surprising, therefore, that the private sector concentrates on the country's internal market and also on expanding in Asia. In 2014, more than 70 per cent of total Indonesian exports went to neighbouring countries. The top ten global trading partners for Indonesia includ-

ed Japan, China, Singapore, the United States, India, South Korea, Malaysia, Thailand, Taiwan and Australia. Recently, Indonesia has expressed the intention to join the US-initiated Trans-Pacific Partnership (TPP), creating the world's largest free trade area.

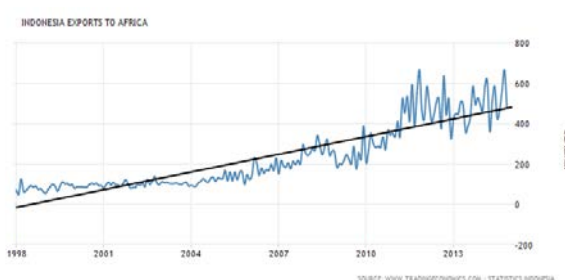
Ten major African trading partners for Indonesia in 2014 (in million USD)

Country	Exports	Imports	Total Trade Value
Nigeria	648.61	3,306.30	3,954.91
South Africa	1,379.50	498.49	1,877.99
Egypt	1,341.00	145.93	1,486.93
Algeria	178.64	299.72	478.36
Angola	189.66	209.28	398.94
Djibouti	306.82	0.27	307.09
Benin	213.11	31.10	244.21
Ghana	212.27	28.72	240.99
Morocco	82.19	140.26	222.45
Tanzania	202.49	19.65	222.14

(Source: Indonesia Central Bureau of Statistics (BPS), Processed by Ministry of Trade)

The predominantly Asian focus has not prevented Indonesian exports to Africa from growing substantially in recent years. According to tradingeconomics.com, an all-time high of 666 million USD was reached in November 2011.

Indonesian exports to Africa between 1998 and 2016 (in million USD)



(Source: www.tradingeconomics.com / Statistics Indonesia)

Although Indonesia mainly invests in bilateral agreements, it also deploys a regional approach. Apart from the Southern African Development Community (SADC) and the East African Community (EAC), the Economic Community of West African States (ECOWAS) offers abundant opportunities for boosting trade with Africa. There have been some recent developments, as Ambassador Andrajati

mentions, which can support the efforts to (re-)engage with either individual African countries, or groups of states:

The establishment of the Joint Commission of Bilateral Cooperation (JCBC) between the Government of the Republic of Indonesia and the Republic of The Gambia is a good example for bilateral enhancement. Follow up actions from the JCBC meeting took place in Jakarta in March 2014 in the areas of agriculture, education, health, trade and technical cooperation. The Government of Indonesia has donated hand tractors to the Governments of Senegal and The Gambia to support the mechanization of agricultural sectors in these countries. The same developments are now being processed as well with other West African countries. (Andrajati, personal communication, June 2015)

Since July 2013, Indonesia has been contributing to increasing rural women's capacity in Senegal by offering weaving skills training. Indonesia recognizes Senegal's importance as an entry point for penetrating West African markets. One of the biggest trophies of its courting strategy was the purchase of two CN235 aircraft carriers by Senegal from state aircraft manufacturer PT Dirgantara Indonesia. It needs to be noted that in 2014, West Africa remained the fastest growing region on the continent, attracting large FDI volumes (in 2012 the estimates showed over 15 billion USD sustained mostly by resource-seeking money in the extraction industries), supported by favourable developments in agriculture, manufacturing and services, as reported by the African Economic Outlook 2013 and 2014, West African editions.

Diplomacy

The promotion of bilateral trade with African countries is backed by an increased official diplomatic presence on the continent. Currently, Indonesia has 16 Embassies in Africa: in Algeria, Libya, Egypt, Tunisia, Morocco, Sudan, Nigeria, Senegal, Kenya, Ethiopia, Tanzania, Mozambique, Zimbabwe, South Africa, Namibia and Madagascar. It also operates one Consulate-General in Cape Town, South Africa. In addition, a trade attaché based in Cairo, Egypt and two Indonesia Trade Promotion Centres (ITPC) – one in Lagos, Nigeria, the other one in Johannesburg, South Africa – strengthen Indonesia's presence in Africa. The major fields and sectors where Indonesia wants to increase its official engagements – in line with the strategic partnership aspiration of African and Asian states declared at a Senior Officials' Meeting in Jakarta, 12–13 October 2009 – cover:

- Cooperation in maritime connectivity;
- Technical cooperation and capacity-building programmes (demand-driven);
- Good governance;
- Counterterrorism;
- Combating transnational organized crime;
- Food security;
- Energy security;
- Small- and medium enterprises;
- Tourism;
- Gender equality and women empowerment;
- The Africa-Asia Development University Network (AADUN);
- Indonesian private-sector investments in African countries.

The only nationwide umbrella organization representing private sector interests is KADIN Indonesia, the Chamber of Commerce and Industry. It claims to provide help to achieve mutually beneficial economic development through trade and investment cooperation. It is expected to support the government's measures announced by President Jokowi at the Asian-African Business Summit (AABS), held as a side event of the 60th anniversary conference in April 2015, in order to make investment and trade less risky and more successful. According to KADIN's report, African and Asian businessmen agreed to form the Asian-African Business Council (AABC), the secretariat of which will be in Jakarta. Via this activity, Indonesia aims to confirm its position within its own region as well as towards African countries. However, it obviously needs to compete with other Asian nations defining (re-)engagements with Africans. In a number of cases, Indonesia can play 'the Muslim card'; that is to say, being a large, moderate Muslim country with a tradition of tolerance can earn its trade-led foreign policy extra gains across the African continent.

The Case of Nigeria

The Indonesia Trade Promotion Center in Lagos has been working to solidify trade partnerships between Nigerian and Indonesian businessmen. As ITPC Director Nino Wawan Setiawan explained in May 2015, the total trade between the two countries in 2014 hit 3.9 billion USD, which is a 7.45 per cent increase compared with 2013. The trade balance, however, is still a deficit for Indonesia, which is the main reason for the ITPC's presence in Lagos, i.e. to encourage Indonesian export to Nigeria. The

Center therefore organizes business gatherings, B2B meetings, in order to raise awareness about the quality and cost effectiveness of Indonesian products. ITPC Lagos also plans to build Indonesian Houses in some West African countries to facilitate trade.

Indonesia–Nigeria trade between 2010 and 2014 (in million USD)

Year	Export	Import	Total Trade Value
2010	316.86	921.59	1,238.45
2011	465.99	1,626.87	2,092.86
2012	413.08	2,770.66	3,183.74
2013	558.17	3,122.45	3,680.62
2014	648.61	3,306.30	3,954.91

(Source: Indonesia Central Bureau of Statistics (BPS), Processed by Ministry of Trade)

Indonesia imports much of its crude oil from Nigeria. “To make it balance,” as ITPC Director Nino said in an interview with Vanguard Media Nigeria, the two countries “must improve their non-oil export to Nigeria significantly.” The Indonesian minister responsible for trade set the “target to increase the total export [to Nigeria] to 300 per cent in the next five years.”

Bilateral diplomatic ties between the two countries were established in 1965 when the Indonesian Embassy in Lagos was opened. Nigeria established its diplomatic post in Jakarta in 1976, as the first Sub-Saharan country with such a mission in Indonesia. According to the Ministry for Foreign Affairs of Indonesia, in 2010 the two countries signed a Memorandum of Understanding on Bilateral Joint Commission, with the purpose of promoting relations in key areas of shared mutual interest, including the “improvement and expansion of both countries’ exports and imports, which are vital to progressive economic growth,” as expressed by Director Nino, as well as cultural and technical cooperation. Indonesia’s exports to Nigeria focus on (palm) oils, paper products, pharmaceuticals, automotive parts, soaps, and electronic products. The non-oil-and-gas Nigerian exports to Indonesia include cotton and leather raw materials. According to the Indonesia Embassy in Abuja, Nigeria, “There are over 15 Indonesian companies currently operating in Nigeria such as Indorama, Indofood, Kalbe Farma and Sayap Mas Utama.” For example, in 1995, Indofood established an instant noodle factory in Nigeria – the largest such plant in Africa – where the popular ‘Indomie’ brand products have conquered the market. “The two countries also plan-

ning a US\$2.5 billion gas methanol and fertilizer plant in Nigeria with Pertamina of Indonesia and NNPC of Nigeria in collaboration with Eurochem Indonesia and Viva Methanol of Nigeria.”

Indonesia’s Spirit and the NAASP – Concluding Remarks

The signatories to the Declaration of the 2005 Asia-Africa Conference wanted to stick to the Spirit of Bandung and African-Asian solidarity. They were also ‘committed to developing an institutionalized process of the NAASP’. However, this is not an easy aspiration at the intergovernmental level. Although the text of the Declaration states that the already existing Afro-Asian and other intercontinental development initiatives for Africa, such as the Tokyo International Conference on African Development (TICAD), the Forum on China-Africa Cooperation (FOCAC), or the India-Africa Summit Forum (IASF) will be complemented by the NAASP, it is hard to see in concrete terms how such an idea can really turn into a functioning operation for the benefit of all parties involved.

For Indonesia, the Bandung summit framework is a major point of reference in terms of African cooperation. Indeed, it has been thus for over 60 years. This has gradually contributed to an ‘Indonesian way’ of developing South–South linkages, along the lines of the Bandung legacy. While the pragmatic, trade-driven foreign policy of Indonesia towards the African continent, may not differ greatly from the approaches of other powers, the Bandung rhetoric used by the Indonesian government is easily understood by African partners and this distinguishes it from other actors – both technologically and economically more advanced ones and emerging economies. This may bring a further increase in trade values and result in more types of cooperation between Indonesia and African countries in the coming years.

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See also:
<http://www.ascleiden.nl/research/projects/africa-world-rethinking-africas-global-connections>