

STRENGTHENING COOPERATION POST-INALAC FORUM 2024

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Abstract

The Indonesia–Latin America and Caribbean (INALAC) Business Forum was held again this year, reaffirming the Indonesian government’s commitment to promoting trade cooperation and expanding market potential with Latin American and Caribbean (Amlatkar) countries. This article explores the development of the Indonesia–Amlatkar cooperation relationship; the agreements reached, and the areas of cooperation that need further enhancement. The INALAC forum aims to strengthen partnerships, interactions, and connectivity with Amlatkar. INALAC 2024 proved to be a successful investment forum, evidenced by the significant number of companies in attendance and a dramatic 157 percent increase in business transactions. Seventeen Memorandums of Understanding (MoUs) were signed to facilitate business partnerships. It is hoped that Indonesia will continue to attract Amlatkar investors and develop its business potential. Commission I of the DPR RI needs to encourage the implementation of bilateral and multilateral cooperation agreements while overseeing diplomacy efforts to create more opportunities for collaboration between Indonesia and Amlatkar.

Introduction

The Ministry of Foreign Affairs (Kemlu) of the Republic of Indonesia recently held the Indonesia–Latin America and the Caribbean (INALAC) Business Forum from September 11–13, 2024, in Lima, Peru (“INALAC business forum di,” 2024). This marks the region’s first large-scale business forum organized by the Ministry. The Indonesian government aims

to bring Indonesian business players closer to regional partners and showcase Indonesia’s potential to the Latin American and Caribbean (Amlatkar) community.

The Amlatkar region is becoming increasingly open and integrated with the global economy. Indonesia regards the Amlatkar region as a significant partner and is committed to enhancing business interactions with Amlatkar



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countries. INALAC, which began in 2019, represents Indonesia's initial effort to evaluate the dynamics of relations between Indonesia and Amlatkar countries and identify obstacles that need to be addressed. INALAC is also expected to help bridge the geographical distance between Indonesia and the Amlatkar region, which has long been considered a major challenge in economic cooperation between the two parties ("Road to INALAC," 2024). Since INALAC's inception in 2019, the value of business transactions has steadily increased yearly. However, the growth in trade value still does not fully reflect the region's vast potential. This paper examines the development of Indonesia's cooperative relationship with Amlatkar, the cooperation agreements reached during the INALAC 2024 forum, and the areas of cooperation that need further enhancement to maximize the benefits for both parties.

Relations between Indonesia and Latin America

Diplomatic relations between Indonesia and countries in the Amlatkar region have long been established through various cooperation programs. However, the relatively low levels of trade and investment transactions between these countries and Indonesia indicate that economic cooperation is still not strong enough (Khaerudin, 2024).

Indonesia and Amlatkar share several factors that could encourage closer and broader cooperation, including similarities in historical backgrounds, natural resources, cultural pluralism, experiences with political systems transitioning from

authoritarianism to liberal democracy, and development models. Both regions face similar economic development challenges, such as foreign debt traps and developmental issues. Despite these commonalities, Indonesia's relations with Amlatkar countries remain less intensive and strategic than they could be (Khaerudin, 2024).

In addition to these similarities, the diverse characteristics and local conditions of each Amlatkar country present challenges in enhancing Indonesia's relations with the region. A limited understanding of the unique characteristics and diversity of the Amlatkar region is one factor that has hindered the dynamic development of these relations. Therefore, efforts to gain a deeper understanding of the differences and uniqueness of each country are crucial. With this in mind, Indonesia and Amlatkar countries should encourage more forums that bring together the potential of both sides. Strengthening inter-governmental relations is expected to extend to stronger inter-community ties. As a result, efforts to improve these relations should be pursued across various fields, including economics, culture, sports, and the arts, to foster closer community connections (Regina, 2024).

To enhance Indonesia-Amlatkar relations, the Indonesia-Latin America and Caribbean (INALAC) Business Forum, initiated by the Indonesian Ministry of Foreign Affairs, has become a significant milestone facilitating economically centered cooperation. This forum continues to serve as a primary platform for commercial exchanges, encompassing relations with 33 countries. The effectiveness of INALAC

became increasingly evident during the second and third meetings in 2021, with export values increasing drastically by 54.8 percent compared to 2020 (“INALAC business forum: Bukti,” 2024). This impact is closely tied to the role of Indonesian MSMEs, which acted as economic drivers during the pandemic, helping to restore the economy. Moreover, given the shared similarities, Indonesia’s strategic position is becoming increasingly important to many countries, including Amlatkar.

INALAC demonstrates Indonesia’s determination to continue growing its economy. To realize this goal, the government will need support from business leaders, academics, media, and the community, especially the younger generation, to actively build these connections.

Agreement on Strengthening Cooperation

INALAC 2024 was regarded as a successful investment forum, highlighted by the establishment of a high-quality business network and strong governmental support from both Indonesia and the countries in the Amlatkar region. Through INALAC 2024, the Indonesian government welcomed Amlatkar’s efforts to expand business partnerships with Asian countries, facilitating meetings between 46 Indonesian companies, representatives from 65 companies, and potential partners from Amlatkar countries (Ihsan, 2024).

The success of INALAC 2024 was also evident in the total business transactions conducted during the three-day forum, which reached US\$1,048,208,209, or approximately

Rp16.2 trillion. This figure represents a drastic 157 percent increase compared to the previous year. Additionally, 17 Memorandums of Understanding (MoUs) were signed to facilitate business partnerships between companies from Indonesia and Amlatkar. The sectors contributing most to these transactions included automotive, motor vehicle spare parts, energy, crude palm oil (CPO) and its derivatives, wood products, and food and beverages (“INALAC business forum di,” 2024).

In addition to strengthening economic cooperation, INALAC 2024 showcased the diversity of Indonesian culture through the Indonesian Culinary and Cultural Exhibition (“INALAC business forum di,” 2024). This event introduced Indonesian culture and cuisine to the Amlatkar public. Moreover, constructing the Chancay Port in Peru represents a strategic opportunity to strengthen Indonesia–Amlatkar cooperation further. This port will serve as an alternative entry point for Indonesian export products to Amlatkar, facilitating distribution transactions and reducing shipping times (Regina, 2024).

The success of INALAC 2024 demonstrates that the challenges to cooperation between Indonesia and Amlatkar countries can be addressed through policies that enhance connectivity between nations. To this end, Indonesia should focus on developing various forms of connectivity with Amlatkar countries, including socio-cultural connectivity, people-to-people exchanges, and media engagement, including social media. Building this connectivity can help INALAC expand beyond

economic cooperation to include fields such as education and socio-cultural exchanges. The annual increase in transaction value further indicates that INALAC has made a significant effort to increase and strengthen cooperation between Indonesia and Amlatkar. Additionally, both regions share a demographic advantage, with approximately a quarter of their populations comprising young people aged 15–29 (Hamdanny, 2024). This demographic strength should be leveraged to drive growth, particularly in the creative industries and SME sectors. As cooperation develops, it is hoped that Indonesia's strategic position in the Amlatkar region will continue to grow, helping to realize broader goals for Indonesia's economic diplomacy.

Conclusion

INALAC, initiated by the Ministry of Foreign Affairs, is a significant milestone in enhancing the Indonesia–Amlatkar relationship, which has previously been considered less strategic despite many shared similarities. The success of INALAC has been evident in the drastic export increase over recent years. INALAC 2024 has proven to be a powerful forum for building high-quality business networks. The large participation of companies from Indonesia and Amlatkar, the significant 157 percent increase in business transactions compared to the previous year, and the signing of 17 MoUs demonstrate that the challenges to Indonesia–Amlatkar cooperation can be addressed through policies that strengthen connectivity between countries. The relationship between Indonesia and

Amlatkar is expected to become more focused, incentivized, and increasingly strategic.

Commission I of the DPR RI should actively encourage the implementation of the cooperation agreements made during the forum. Additionally, it should oversee and promote government diplomacy efforts, both bilaterally and multilaterally, to support and expand the cooperation being developed. Furthermore, the government needs to prioritize the development of human resources, ensuring that these efforts strengthen the economy and provide tangible benefits to the community.

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