

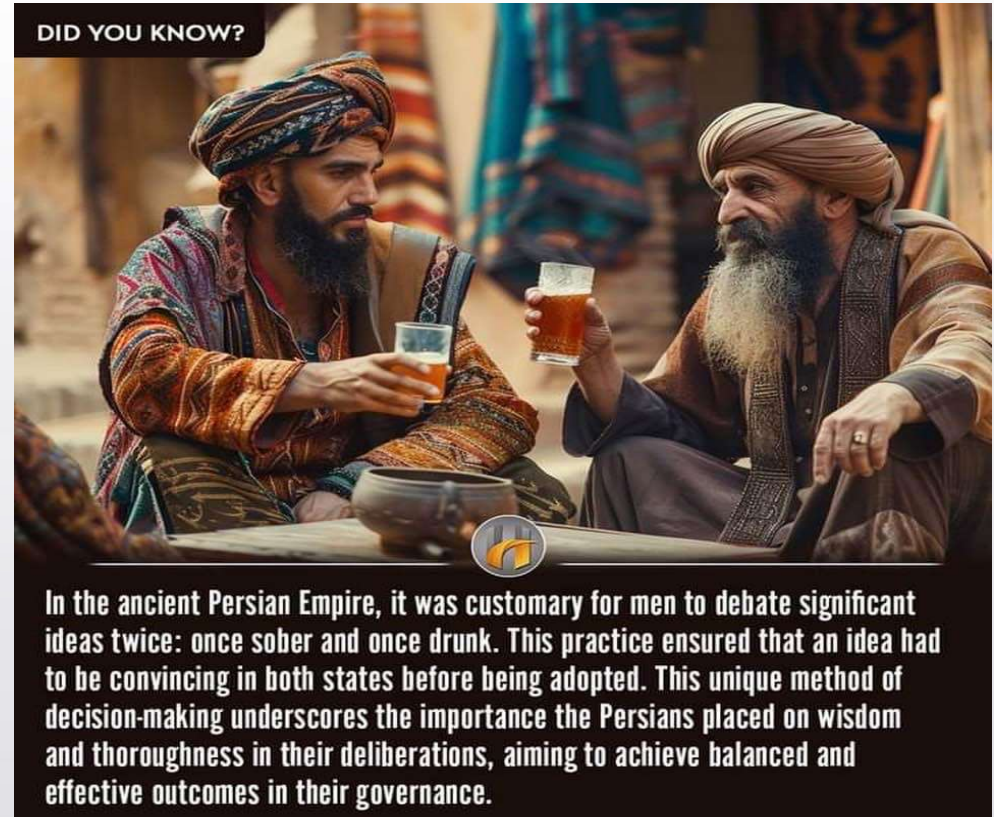
Indonesia





- **Questions:**

- As Indonesia threads the needle between the US and Chinese, plays for influence in Southeast Asia, what elements of Indonesian foreign policy and leadership in ASEAN seem to be particularly important in the current day
- Is present day Indonesia a democracy?
- How are Indonesians becoming ONE people?
- US-Australia, (Indonesia's neighbor) foreign policy alignment?



Some Background

- World's 3rd largest democracy, World's 4th most populous nation, Largest Muslim-majority country
- 7th largest economy by purchasing power , A leader in ASEAN
- Borders the South China Sea, the world's busiest sea lanes —\$5 trillion in cargo , 50 % of world's oil tankers pass through the South China Sea every year
- Over 300 ethnic groups spread across over 13,500 islands, 600 languages
 - How do you take 13,500 islands, 600 languages and 300 ethnic groups into one country
- Rich in natural resources
- Indigenous groups unhappy with the Unifying initiatives, jump from local to international
- 110th among the 180 countries in the Corruption Index
- Coral reefs, tropical forests, mangrove ecosystems support one of the greatest concentrations of biodiversity on earth
- Is at the center of the Coral Triangle, the global epicenter of marine biodiversity, and has the third largest tropical rainforest in the world.



Some Background

ASEAN (Assoc. Of South East Asian Nations) **Initiatives**

- ASEAN military forces have their first-ever joint drills near Indonesia's Riau Islands in the southern reaches of the South China Sea.
 - Hundreds of troops from the 10-country bloc are involved in the five-day ASEAN Solidarity Exercise
- Rising tensions with Beijing over China's claim to the waterway.
- Had previously conducted joint exercises with other countries -- including the US and China -- but this is the first time members are staging drills among themselves.

US Relations: <https://www.state.gov/u-s-relations-with-indonesia/>

- Indonesia vital US partner in the Indo-Pacific Region (Source: US **Department of State** April 2022)
- Indonesia's growing middle class, an important market for U.S. products and investment
- Around 2,100 U.S. and 1,900 Indonesian troops are taking part in joint military exercises in East Java, Indonesia.
 - It is the biggest iteration of this annual exercise
- U.S. bilateral goods trade with Indonesia totaled more than \$37 billion in 2021
- Principal U.S. exports to Indonesia include soybeans, aircraft, mineral fuels, machinery, and cotton
- U.S. foreign direct investment in Indonesia was US\$43 billion in 2022, the highest in the country's history and an increase of 44 % from 2021.

China Indonesia Relations

(Embassy of the Peoples Republic of China in the Republic of Indonesia)

- Bilateral trade volume has risen from 50 billion U.S. dollars in 2013 to 150 billion U.S. dollars in 2022
- Taking steps to promote a framework for local currency exchange and investment between the renminbi and the rupiah
- China 5th trade partner of Indonesia while Indonesia the 17th of China
 - In 2022, the top commodities exported from Indonesia to China were iron and steel (US\$ 19 billion), mineral fuels (US\$17.9 billion), animal and vegetable oils (US\$6.4 billion) and nickel (US\$4.5 billion)
- Issues of 7 million Chinese Indonesians and overseas Chinese in Indonesia remains sensitive in bilateral relations
- China major source of foreign direct investment in Indonesia, second only to Singapore, providing capital for high-profile projects including the development of a [lithium-ion battery plant](#) in Sulawesi.
- Indonesia, suspicious but ultra cautious in its dealings with Beijing, its economic priorities, strongly dependent on China, accounting for 27 % of Indonesia's total imports .

Indonesia and Russia

- ASEAN Meetings in Jakarta in July, 2023 Indonesia conducted a trilateral dialogue with China and Russia
- Key underlying differences persist.
 - Moscow's relations with Beijing are also subject to disagreements.
 - Moscow maintains neutrality in Beijing's South China Sea claims.
- Indonesia has had diplomatic ties with Russia since 1950 and its relations have remained good despite the war in Ukraine.

Indonesia and Australia

Commitments on 8 September 2023 at 3rd Annual ASEAN-Australia Summit and the 18th East Asia Summit

- Bilateral mechanism to advance cooperation on Indonesia's electric vehicle cooperation
- Second round of funding under the \$200 million Climate and Infrastructure Partnership,
- \$100 million to support Indonesia's just energy transition.
- Indonesia as a country not just as a distant potential market for Australian exporters, or a shield against China, but a global player whose role in international affairs will dwarf Australia's as its economy grows to be one of the world's biggest

One Indonesia Challenges

Source : The Diplomat; <https://thediplomat.com/>

- Increasing partnership and economic potential between China and the countries' provinces
- The Belt and Road Initiative began to be implemented in Indonesia
- Central Sulawesi provincial government signed a cooperation deal with China in the agricultural sector
- West Java province has established sister province ties with Guangxi, Chongqing, Sichuan, Henan, and Heilongjiang.
- September 2019, the Chinese province of Shandong started cooperation with the Riau Islands in the development of Special Economic Zones (SEZs) in Bintan, namely in Galang Batang
- China helped with the construction of Bengkulu's Electric Steam Power Plant (PLTU), which will have an impact on the economic growth of the province.

South China Sea Challenges

Source: Jan 13, 2023 [#southchinasea](#) [#firstpost](#) [#jokowi](#)

- Joko Widodo Stands Up to Xi Jinping
- Indonesia irks China with Gas Project in South China Sea
- China claims over 90% of the South China Sea as its own.
- Indonesia firmly responded by dispatching jets and naval vessels amid intrusions by Chinese law enforcement vessels, as well as fishing trawlers.
- Chinese Foreign Ministry spokesperson Geng Shuang declared, "Whether the Indonesian side accepts it or not, nothing will change the fact that China has rights and interests over the relevant waters."
- Indonesia has echoed the voices of its neighbors who are formal territorial claimants in the South China Sea
- Given its large population, growing economy, Indonesia remains important for the success of China's Belt and Road Initiative.



Jon Stewart on Comedy Central Monday Feb 26, 2024

Our foreign policies are often cavalier. See what we did to the people and environments in Iraq, Afghanistan, and Vietnam. Why can't we have a foreign policy like we have with Germany. We hated them during World War I and II, we fought them, bombed the country to rubble, but post war we collaborated with them in trade, economic, foreign and environmental policies to become a world leader.

