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Indonesia-China Relations: Recent Developments and Prospects under the Incoming Prabowo Administration

Johanes Herlijanto and Alexander R. Arifianto

SYNOPSIS

JOHANES HERLIJANTO and ALEXANDER R ARIFANTO review key developments in the Indonesia-China relationship under outgoing president Joko Widodo while discussing its future prospects under the incoming Prabowo Subianto presidency.

COMMENTARY

During Joko (Jokowi) Widodo's decade-long presidency, Indonesia's relations with China have improved significantly, particularly in the economic realm. China's increased interest in supporting developing nations' infrastructure developments through its Belt and Road Initiative (BRI) [dovetails with Jokowi's focus on enhancing infrastructure development in Indonesia](#). "Indonesia is in need of Chinese capital", says a former high-ranking official at the Indonesian Investment Coordinating Board (BKPM). "This is why Jakarta has welcomed the massive influx of Chinese capital and used it to finance high-profile public infrastructure projects and the critical minerals industry. In 2023, Indonesia received [US\\$7.6 billion in BRI-related investment](#), making the country the scheme's largest recipient nation.

However, despite significant enhancement in Sino-Indonesia economic relations, the two countries do not have much cooperation in the security arena. Scholars like [Evan Laksmana](#) and [Ristian Supriyanto](#) have argued that Indonesia's military ties and defence cooperation with China have not developed significantly. This lack of development is largely due to existing issues between the two nations arising from China's recent manoeuvres in the South China Sea (SCS) near the Natuna Islands, which is within Indonesia's exclusive economic zone (EEZ). How have these issues emerged and presented a security problem in Sino-Indonesia relations? How important are these issues in shaping Indonesia's policy towards China? This article seeks to address these questions.



TNI-AU F-16s flying over PLAN Type-903 replenishment vessel in the vicinity of the Natunas.
Image from Wikimedia Commons.

Security Challenges in Indonesia-China Relations

The security challenges that potentially affect Indonesia-China relations mainly involve incidents in the Indonesian EEZ near the Natuna Islands within the past decade. Although Indonesia has consistently maintained that it was a non-claimant state in the SCS disputes involving China and several ASEAN states, it became impacted when China published a new map displaying a U-shaped dash line, popularly known as the nine-dash line, indicating China's claims in the region. One of these dash lines overlaps with the Indonesian EEZ near the Natuna Islands.

However, as explained by senior Indonesian diplomat [Professor Hasyim Djalal](#), China has consistently reassured Indonesia that it does not have any territorial issues with Indonesia and that the Natuna Islands belong to Indonesia. Despite such assurances, Chinese fishing boats and coast guard ships have repeatedly been implicated in security incidents in Natuna waters. On 30 May 2016, an Indonesian navy frigate fired shots and seized a Chinese boat for entering Indonesia's EEZ. A similar incident took place a month later, causing injury to a Chinese fisherman and the detainment of several other fishermen by Indonesian authorities. Tensions between the two countries increased as Beijing responded to the events by lodging a strong protest with Jakarta.

China has attempted to legitimate its incursions through several official statements. In December 2019, when a group of Chinese fishing boats escorted by a Chinese coast guard (CCG) vessel sailed into Indonesia's EEZ, Geng Shuang, the Chinese Foreign Ministry's spokesperson, remarked that "[Chinese fishermen have long been engaging in fishery activities in relevant waters near the Nansha Islands, which has all along](#)

[been legal and legitimate](#).” In September 2020, a CCG vessel entering the Indonesian EEZ insisted that it was there to patrol the nine-dash line. Subsequently, in December 2021, China [protested against Indonesia’s drilling activity for oil and natural gas](#) within the Indonesian EEZ, claiming the activity was taking place within Chinese territory.

Wide publicity for these incidents in the Indonesian media made the Indonesian public aware of them. Concerns regarding China’s violation of Indonesian sovereignty continue to loom large within Indonesian elite circles. Some are wary that China is utilising the CCG to collect intelligence within Indonesia’s territorial waters. “What if they launch underwater intelligence drones when they approach Indonesian territory?”, asked a government official interviewed for this article. Such concerns were prompted by [the December 2020 discovery of an unmanned underwater vehicle \(UUV\)](#) allegedly belonging to China in South Sulawesi.

Beyond Chinese encroachments into the Natuna Islands, increased tensions between China and other SCS claimant countries also have alarmed the Indonesian public. In particular, tensions between China and the Philippines have intensified in recent years owing to China’s [increasingly aggressive manoeuvres against the Philippines](#) and the latter’s [new minilateral security partnership with the United States and Japan](#). Many Indonesian security analysts consider the situation in the SCS worrisome. They demand that the Indonesian government take a more assertive stand [to defend the territorial sovereignty](#) of its Southeast Asian neighbours.

Jokowi Administration’s Responses

The Jokowi administration has made a series of responses to the aforementioned security issues. Its main efforts since 2016 include increasing Indonesia’s military presence in the region, modernisation of Indonesia’s defence capacities and engaging in defence cooperation with other countries. Between 2016 and 2020, Jokowi made a series of visits to Natuna Islands, a district within Indonesia’s Riau Islands Province. In July 2017, the Jokowi administration renamed the waters around the Natunas [“Laut Natuna Utara” \(the North Natuna Sea\)](#). Through these visits and the renaming of the sea, it is apparent that Jokowi’s aim is to assure Indonesian citizens that his government highly prioritises territorial sovereignty issues.

The Indonesian military has increased its presence around the Natuna Islands by, among other activities, carrying out regular military exercises in the area. By the end of 2022, the headquarters of the [first naval fleet](#) was relocated from Jakarta to Tanjung Pinang, the capital of Riau Islands Province. Meanwhile, the command headquarters of [the navy’s marine combat force](#) was moved from Jakarta to Natuna. Indonesia has also made efforts to improve its military capabilities by conducting joint exercises with the armed forces of several other nations. For instance, in August 2021, a joint exercise involving the Indonesian and US armed forces was held in South Sumatra, while a joint military exercise known as the [“Super Garuda Shield”](#), involving Indonesia, the United States, Japan, and 20 other countries, has been conducted annually since 2022.

Lastly, through the military’s Minimum Essential Force (MEF) programme, the Indonesian navy is trying to modernise its capabilities by upgrading its naval equipment and other assets. For instance, [new frigates](#) have been procured from Italy

and Japan, and an agreement has been signed [to purchase two Scorpene submarines](#) produced by France.

Indonesia-China Relations under Prabowo

The abovementioned security challenges are expected to affect Indonesia-China relations after the transfer of power from Jokowi to president-elect Prabowo Subianto on 20 October 2024. Analysts like Daniel Peterson predict that [Prabowo will pursue the same level of relationship with China as that maintained by Jokowi so far](#). But Prabowo [is also expected to consolidate his control over defence and foreign policy](#) more than Jokowi has. This means that there is a possibility that Prabowo's approach to the security issues involving China may be different from Jokowi's. As Jokowi's defence minister, Prabowo has tried to maintain good relations with China. On several occasions, such as in August 2023, Prabowo [declared](#) that China was a good friend of Indonesia's, in equal terms with the United States and Russia, while reaffirming Indonesia's nonaligned status. Nonetheless, as defence minister, Prabowo has preferred to rely on Western countries and Japan for Indonesia's military modernisation project.

Furthermore, Prabowo is known to have close ties with current and former Indonesian military officials, many of whom view China as a potential strategic threat to Indonesia. Many of these officials believe that Indonesia under Prabowo may be [more willing to take tougher responses](#) to China's assertive behaviour in the SCS and Natuna Islands. It is expected that Prabowo will do more to assure these officials that his administration prioritises sovereignty and security issues as much as, if not more than, the economic relationship with China.

Concluding Thoughts

Despite significant improvement in economic relations, the Indonesia-China relationship still faces major security challenges. China's increasingly assertive behaviour in the SCS and the Natuna Islands is viewed with caution by a significant number of Indonesian security analysts and by many Indonesian political and military elites. These officials are concerned that the clashes that could potentially take place between China and other claimant states in the SCS might spill over into Indonesian territory and threaten Indonesia's sovereignty in the near future.

While Indonesia has made significant efforts to solve the issue through diplomatic channels, it has also tried to demonstrate its seriousness in responding to China's manoeuvres near the Natuna Islands, defending its sovereignty by increasing its military presence in the area and improving its overall military capability. Nonetheless, the Jokowi administration has refrained from escalating the tension because it also values its economic relationship with China, which has become [Indonesia's number one trade partner](#) and its number two foreign direct investment provider.

Under the Prabowo presidency, Indonesia needs to further strengthen its military capabilities, including by enhancing its military cooperation with the West, while simultaneously undertaking diplomatic efforts to forestall China's assertive behaviour in the SCS and the Natuna Islands. Having said this, given the evolving geopolitical rivalry between China and the United States, it would be prudent for the Prabowo

administration to retain Indonesia's nonaligned foreign policy by not appearing to be ganging up militarily with the United States against China or giving special favours to China.

Johanes HERLIJANTO is a lecturer in the Master's Programme in Communication Science, Pelita Harapan University, Jakarta, and Chair of the Indonesian Sinology Forum, Jakarta. **Alexander R. ARIFANTO** is Senior Fellow and Coordinator of the Indonesia Programme at the Institute of Defence and Strategic Studies (IDSS), S. Rajaratnam School of International Studies (RSIS).

S. Rajaratnam School of International Studies, NTU Singapore
Block S4, Level B3, 50 Nanyang Avenue, Singapore 639798