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Indonesian Foreign Policy under Trump 2.0: Between Non-alignment and Realignment

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SYNOPSIS

Alexander R Arifianto argues that in light of Donald Trump's re-election as president of the United States, Indonesia should retain its commitment to non-alignment by developing closer economic and security cooperation with other nations in the Indo-Pacific region that are also committed to the principles of non-alignment and non-intervention.

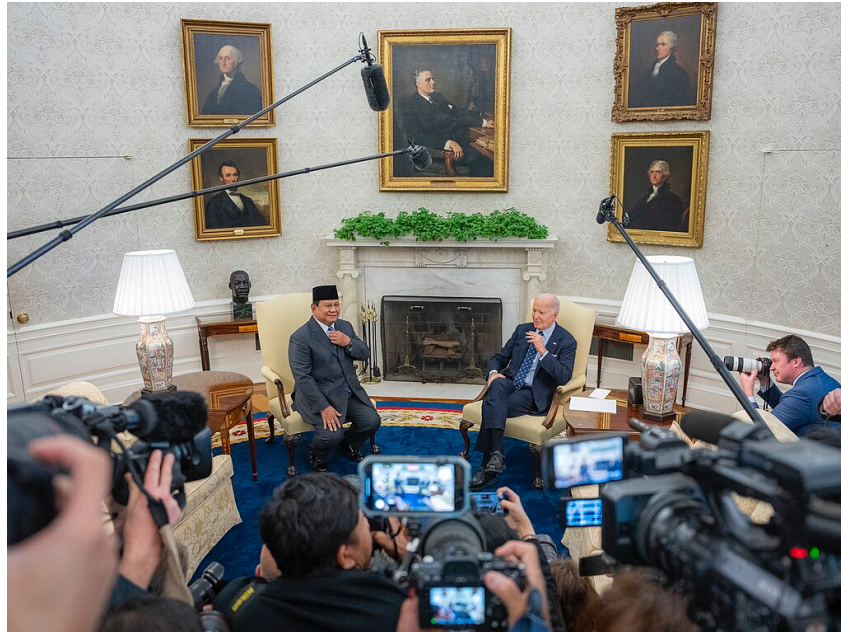
COMMENTARY

On 6 November 2024, Indonesia's newly inaugurated president, Prabowo Subianto, posted a [congratulatory message on X](#) to Donald Trump on the latter's election as the 47th president of the United States. He went on to say that "Indonesia and the United States are strategic partners who share a robust and multifaceted relationship" and that he looks forward to collaborating closely with Trump and his administration to enhance the two nations' strategic partnership and for global peace and stability.

The election of Trump, whose second four-year term as president of the United States will begin in January 2025, has upended both American and world politics. Trump's negative views on multilateralism, trade agreements, and security alliances were [consistent over the past few decades](#). Trump believes in a transactional foreign policy, expecting other nations to "[pay up](#)" their share of security costs or risk the United States abandoning its regional and multilateral security commitments.

Such views were translated into policy during his first term of office. For instance, his administration withdrew from the [Trans-Pacific Partnership \(TPP\)](#) between the United States and multiple Indo-Pacific nations, and the [Paris Agreement on Climate Change](#). Most analysts believe Trump will resume pursuing similar unilateral policies during his second term and [might even double down](#) on them.

Trump's re-election will also have major repercussions in the Indo-Pacific region. Likewise, the outlook for regional and multilateral trade deals involving the Southeast Asian states and the United States for at least the next four years is pessimistic. The Trump administration is likely to [scrap the Indo-Pacific Economic Framework \(IPEF\)](#), which was promoted by the Biden administration as a replacement for the now defunct TPP.



Indonesia's president Prabowo Subianto met with US president Joe Biden at the White House on 12 November 2024. Ahead of this meeting, President Prabowo also posted a video of his phone call congratulating Donald Trump on his re-election. *Image by The White House via Wikimedia Commons.*

What Does Trump 2.0 Mean for Indonesia-US Relations?

For Indonesia, Trump's re-election presents a set of new challenges, particularly in terms of achieving new economic partnership agreements that Indonesia has been seeking over the past few years. Prabowo is currently making his first visit to the United States in his capacity as president and has met with President Joe Biden, and may meet with the president-elect as well.

Both Trump and Prabowo are widely perceived as staunch nationalists who are bent on [strengthening their respective countries' economic position](#). However, this similarity does not mean that it will be easy for the two leaders to achieve new bilateral economic and security cooperation deals anytime soon. Trump's "America First" protectionist instinct is likely to blind him to the full benefits of a potential bilateral trade deal with any country, including Indonesia. Beyond Trump, strong protectionist sentiments are also [prevalent within the US Congress](#). Altogether, these realities make any new bilateral or multilateral agreement with Asian partners — including Indonesia — highly unlikely during Trump 2.0.

Under Joko "Jokowi" Widodo, Prabowo's immediate predecessor, Indonesia proposed a [critical minerals free trade agreement \(FTA\)](#) with the United States. However, the prospect of the proposed FTA being ratified by the US Congress is dim as Republican

and Democratic senators alike have [raised concerns](#) regarding Chinese investment in the Indonesian nickel industry and the lack of stringent labour and environmental standards in Indonesia's nickel mines. Given Trump's deep scepticism about any trade agreement that does not produce a win-win benefit for the United States, it is highly unlikely that the critical minerals FTA will come to pass.

Meanwhile, the [Joint Energy Transition Partnership](#) — a US-led multilateral initiative brokered by the Biden administration to aid Indonesia's energy transition from non-renewable to renewable sources — could also be in serious trouble. The US\$20 billion initiative is intended to encourage Indonesian energy companies to make a [gradual switch](#) to renewable power sources so that the country can achieve net zero emissions by 2050. However, given Trump's reputation as a climate change [sceptic](#), it is unlikely that he would continue to support initiatives that encourage developing nations like Indonesia to achieve energy transition.

The Way Forward for Indonesian Foreign Policy

There are two plausible scenarios for the evolution of economic and security relations between Indonesia and the United States under the second Trump administration. In the first scenario, while the Trump administration would proceed to undo its predecessor's economic cooperation deals with Indo-Pacific nations, it might consider limited bilateral trade deals on a case-by-case basis. It would probably [retain its major security commitments](#), particularly those with Indo-Pacific states. Under this scenario, Indonesia would be likely to retain [its traditional non-alignment](#) strategy by balancing increased economic and financial cooperation with China with continued significant defence and security cooperation with the United States and its allies.

However, in the second scenario, the Trump administration might altogether cease negotiating new bilateral and multilateral economic deals while insisting that Indonesia and other Southeast Asian states follow its lead in the event US-China relations deteriorate further. This scenario is plausible since Trump is widely expected to pick [China hawks as his senior defence and foreign policy aides](#). Under this scenario, Indonesia would probably respond not only by forgoing major deals with the United States, but also developing closer cooperation with China as well as looking to other rising powers and middle power states as prospective economic and security partners.

For instance, Indonesia recently signed a US\$10 billion deal with China, which includes [joint development of fisheries and oil and gas facilities](#) in maritime areas where the two countries "have overlapping claims". It was part of a new series of bilateral deals agreed by Prabowo and Chinese president Xi Jinping during the former's first official state visit overseas.

However, the newly inked deal is criticised by Indonesia's foreign policy and international law analysts, given that the phrase "overlapping claims" is widely interpreted as an [acknowledgement](#) for the first time ever that Indonesia is a claimant in the South China Sea dispute, and that it will allow the Chinese fishing and oil and gas exploration rights within its [exclusive economic zone around the North Natuna Sea](#). Such a step would be tantamount to compromising Indonesia's sovereign rights under the United Nations Convention on the Law of the Sea.

In light of such criticisms, Indonesia is better advised to strengthen its economic and security partnerships with other nations in the Indo-Pacific region, particularly fellow members of ASEAN. Forging mutually beneficial partnerships with other Southeast Asian nations will not only strengthen the region's non-aligned position in an increasingly uncertain geopolitical order, but will also bolster Indonesia's status as an ASEAN leader as well as its multilateral credentials at a time when the United States is veering towards unilateralism.

Lastly, Indonesia should proceed with its [recent application](#) to join the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), which encourages multilateral trade and investment among the Indo-Pacific states that have signed on to the partnership. The fact that neither the United States nor China is a member of the CPTPP provides Indonesia with opportunities to expand trade and investment deals with other regional states.

Concluding Thoughts

Donald Trump's re-election means that all Indo-Pacific nations must re-evaluate their existing economic and security agreements with the United States and adopt a realistic attitude about the prospect of any new deals in these sectors.

Trump's re-election occurred only two weeks after Prabowo was formally inaugurated as Indonesia's president. While the two men might share similar personality traits and leadership styles, when it comes to deal-making, both will pursue what they perceive to be in their respective countries' national interests, based on their long-held worldviews.

In light of this consideration, while it might be tempting for Indonesian policymakers to seek a closer economic and security arrangement with China and other rising powers to compensate for the lack of new deals with the United States, it might be better for Prabowo and his foreign policy advisers to develop economic and security cooperation with other nations in the region that are similarly committed to the principles of non-alignment and non-intervention.

By strengthening its partnership with other ASEAN member states and joining geopolitically neutral multilateral fora like the CPTPP, Indonesia will strengthen its non-aligned status while at the same time fulfilling the Prabowo administration's goal of securing economic resources for the Indonesian people. This is a viable foreign policy strategy to navigate the country given that the geopolitical rivalry between the United States and China is expected to worsen under Trump 2.0.

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