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Prabowo's International Tour: Economic Gains and Maritime Controversy

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SYNOPSIS

Indonesian president Prabowo Subianto's inaugural overseas tour marked his ambition to play the role of international statesman. He returned home with about [US\\$18.5 billion in investment commitments](#) but also made a major concession to China concerning the South China Sea disputes.

COMMENTARY

Indonesian president Prabowo Subianto devoted 17 of his first 34 days in office to a six-nation international tour that seems to affirm his ambition as an international statesman. The government reports that during those travels he secured a sum of about [US\\$18.5 billion in investment commitments](#). Beijing is where he scored the biggest deals and largest concessions. A joint statement issued with the Chinese president abandoned Indonesia's long-standing South China Sea policy by acknowledging an "overlapping claim" between Indonesia and China, reinforcing the expectation that Prabowo will not be constrained by convention nor by the counsel of his key advisers and personal staff. Yet, he still has some room to manoeuvre, and the overall tour reveals little new about the direction in which he plans to steer the ship of state in maritime affairs.

In the big power contest for maritime supremacy in the Indo-Pacific region, Indonesia is the most coveted partner. The sprawling archipelagic state controls the key chokepoints between the Indian and Pacific Oceans and is home to a booming economy powered by a population of well more than 250 million people. Former president Joko Widodo ("Jokowi") christened the nation as the Indo-Pacific's maritime fulcrum. While the policies he ultimately delivered to enhance and empower his vision have been [generally viewed as underwhelming](#), Indonesia's status as a maritime power nexus is a geographic, economic, and political fact. Yet, with a long-standing

“free and active” foreign policy and a firm commitment to non-alignment, Indonesia has avoided picking a camp. For years, it even denied that it was a disputant in the South China Sea contest despite China’s infamous nine-dash line map clearly cutting through Indonesia’s exclusive economic zone (EEZ) to the north of Natuna Island.



President Prabowo Subianto’s first international tour in November 2024 included visits to China, the United States, the United Kingdom, and South America for the Asia-Pacific Economic Cooperation (APEC) and G20 summits. *Image from Wikimedia Commons.*

Jokowi made some intermittent moves to bolster Indonesia’s maritime security, including beefing up military and coast guard presence around Natuna but was squarely focused on infrastructure development and economic performance. Prabowo, having lived abroad in several countries and served as a senior military officer, is widely expected to have a more outward-looking policy stance. He is expected to be [Indonesia’s chief diplomat](#), acting primarily on instinct and personal assessments rather than the calculations of advisers.

Following Indonesia’s elections earlier this year, Chinese diplomats in Jakarta openly talked up their excitement about an untethered Indonesian leader who they expect to be more adventurous in deal-making. In contrast, many visiting Americans, especially those from the defence community, shared their expectations that Prabowo would recognise Chinese activities as the leading threat to Indonesian sovereignty. They recalled that while serving as defence minister, Prabowo had [re-postured navy and coast guard forces](#) to better defend Indonesian interests in the South China Sea and oversaw the expansion of the annual Indonesia-US military exercise, *Garuda Shield*, into a multi-service, multinational event re-christened as [Super Garuda Shield](#).

China hosted Prabowo’s first international visit as president. There, he signed investment deals worth [about US\\$10 billion](#) and announced that joint military exercises with China would resume in 2025. The joint statement with President Xi Jinping [alarmed Indonesian foreign policy circles](#) in its [declaration](#) that the two nations hold an “important common understanding on joint development in areas of overlapping claims and agreed to establish an Inter-Governmental Joint Steering Committee to explore and advance relevant cooperation based on the principles of

‘mutual respect, equality, mutual benefit, flexibility, pragmatism, and consensus-building’, pursuant to their respective prevailing laws and regulations.”

While Chinese investment in the development of Indonesian maritime resources could be beneficial, the statement’s de facto acknowledgement of the Chinese claim and the implicit credibility it lends to that claim was a major acquiescence. Not only does the language break with long-standing Indonesian policy to keep the South China Sea disputes at arm’s length, but it also seems that Indonesia may be the [first ASEAN member state to officially give this sort of ground to Beijing’s excessive claims](#). While Indonesia’s [foreign ministry has refuted such interpretations](#), it is difficult to find another way of reading the text.

The joint statement has provoked much debate among analysts. Most explain their concerns that the statement’s implicit recognition of the nine-dash line is tantamount to a meaningful loss for Indonesia. Others argue that the planned joint development may have a positive impact in terms of reducing tension in the South China Sea and opening the door for deals in more fruitful areas. For instance, [Emirza Adi Syailendra recently argued in a Lowy Institute publication](#) that the statement may have a positive impact “for managing tensions while shelving disputes”, further contending that “mutual recognition of disputes by both parties does not automatically give credence to the other party’s claim.” However, this argument misses the point that “overlapping claim” is a legal term recognised under the United Nations Convention on the Law of the Sea (UNCLOS). Therefore, it is more than a diplomatic olive branch; it has legal implications and enduring consequences.

David Anderson, a former [International Tribunal for the Law of the Sea](#) judge, [observes](#) that there are three types of overlapping claims under UNCLOS. The case of Indonesia and China does not meet the standard of any of the three because Indonesia’s EEZ overlaps with China’s nine-dash line, that line being a pseudo-claim that makes no sense under UNCLOS. Therefore, Indonesia’s explicit recognition of an “overlapping claim” with China means an implicit recognition of the nine-dash line. Indonesia could manage tensions in the South China Sea through an avenue of cooperation that is consistent with UNCLOS and does not recognise an “overlapping claim” with China.

From China, Prabowo travelled to the United States, where he met with President Joe Biden. One should not expect much in terms of substantive outputs from a meeting between a newly minted president and the lame-duck leader. The White House-issued [fact sheet](#) on the meeting summarised past achievements in the two countries’ relations and highlighted recent progress, including the expansion of *Garuda Shield* and other military engagements without announcing any meaningful commitments. The presidents’ [joint statement](#) took note of “the ruling of the 2016 arbitral tribunal, constituted pursuant to UNCLOS”. As that ruling had found the nine-dash line invalid, the reference to it in the joint statement could be interpreted as Prabowo taking a stance contrary to that which he assumed in Beijing. However, simply noting the existence of a ruling is something less than throwing weight behind its specific findings. A call with president-elect Trump, recorded for social media, was all platitudes.

From the United States, Prabowo went on to South America, where he took part in the Asia-Pacific Economic Cooperation (APEC) summit in Peru and the G20 summit in

Brazil. During these visits, he invited investment in Indonesia's fishing industry, explaining that his country is home to one of the richest fishing grounds but that [requires 40,000 fishing boats](#) to fully exploit those resources.

The United Kingdom and United Arab Emirates hosted Prabowo's final stops. Alongside Prime Minister Keir Starmer, Prabowo [announced](#) that in 2025 the United Kingdom and Indonesia would launch a Strategic Partnership and noted that Indonesia's Merah Putih General Purpose Frigate programme, under which Indonesia is building two British-designed warships in Surabaya, is part of an effort to further the defence industrial partnership. The biggest deliverable highlighted by Prabowo was a set of private investment commitments, totalling US\$8.5 billion that includes [a plan by BP](#) to develop a gas field and carbon capture project in Papua. While Prabowo was in the United Arab Emirates, the country's energy minister, Suhail Al Mazrouei, and Indonesia's foreign minister, Sugiono, signed agreements across several sectors, all of which will tighten that bilateral relationship but do not amount to anything extraordinary, especially not in terms of maritime posture.

Since independence, Indonesia has followed a strategy of *mendayung antara dua karang*, or rowing between two reefs. During the Cold War, the reefs were the United States and the Soviet Union; today they are the United States and China. By visiting China soon after his ascension to the presidency and making meaningful concessions, Prabowo is perceived by some to have taken Indonesia to one side of the safe channel. It is [not too late to steer back towards the centre](#), Indonesia's long preferred stance. Indonesia can easily stall the implementation of the agreed joint development projects with China and revert to the consistent use of its past language regarding the South China Sea disputes. But to do so Prabowo would have to snub China while seeking out greater common ground with the United States and its allies. If he does not do so and continues on his current course, China may have won the coveted maritime partner.

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