



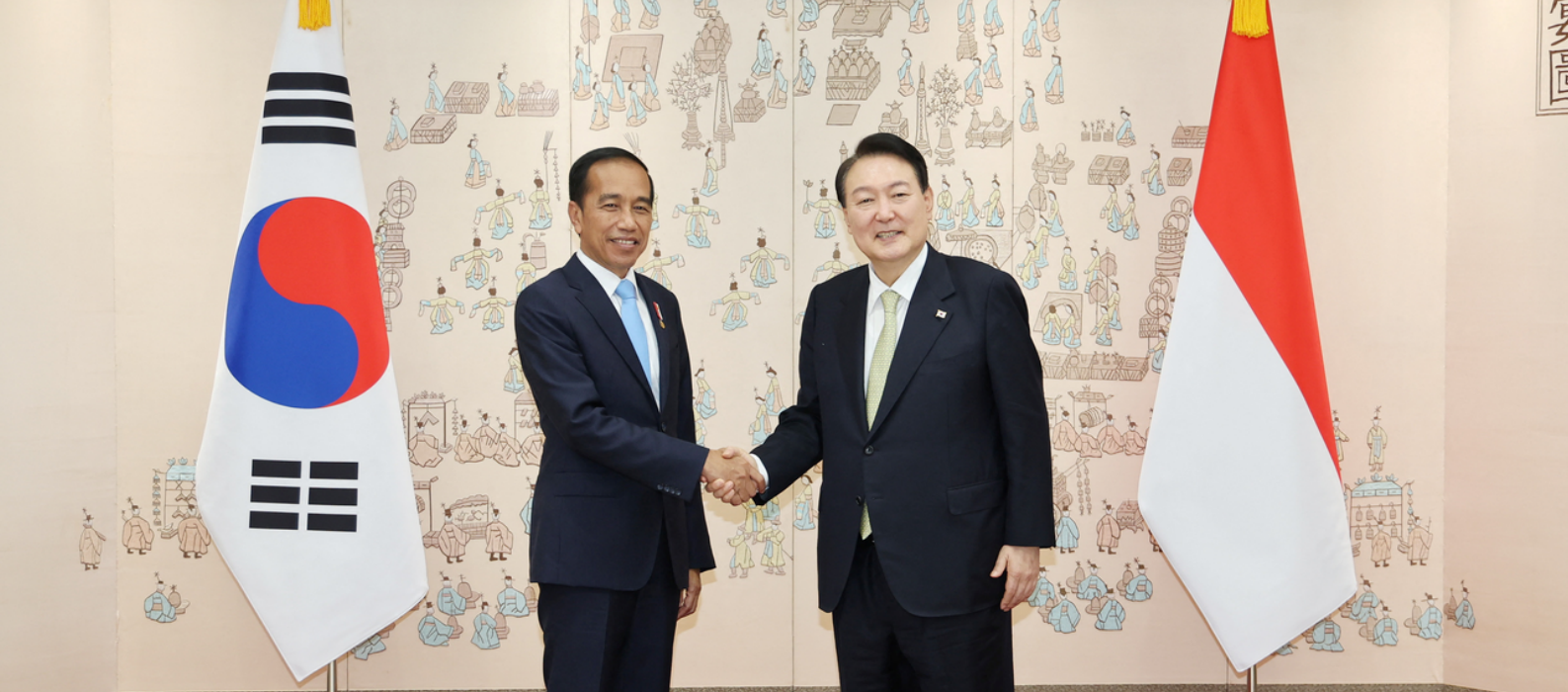
CENTRE FOR  
STRATEGIC AND  
INTERNATIONAL  
STUDIES

## **POLICY PAPER**

# **INDONESIA-SOUTH KOREA AT 50: ONE STEP FURTHER FOR THE SPECIAL STRATEGIC PARTNERSHIP?**



**Alexander M. Hynd, Max Broad, and Waffaa Kharisma**



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A Policy Paper by CSIS Indonesia

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## Executive Summary

The Indonesia-South Korea relationship is stronger and deeper now than at any time in its 50-year history. It is driven by complementary economic and strategic interests, and also by overlapping identities and values. Relative economic and political stability, common principles, complementary power profiles, and strategic capacity needs are all likely to further increase the prominence of this relationship in years to come.

Yet, with this growing importance comes additional responsibilities. If both sides continue to elevate relations, Jakarta and Seoul will need to actively communicate to better understand each other's perspectives and priorities.

Significant progress has already been made to establish a framework for expanded bilateral relations, defined as a 'special strategic partnership'. But, without continued top-level political buy-in and a multifaceted, forward-looking agenda, implementation could falter over the next decade.

In this policy paper, we recognize the opportunities and challenges of this special strategic partnership, and outline seven recommendations for the sustained growth of Indonesia-Korea relations in the short to medium-term:

- 1. High-level visits should be organized whenever there is slowing momentum in the relationship or when there are specific issues to resolve. One important moment will be the political transition after Indonesia's upcoming presidential election. President Yoon should visit Jakarta in late 2024 or early 2025, for a bilateral summit with his new Indonesian counterpart that demonstrates top level buy-in and transparent, constructive communication.***
- 2. Bilateral cooperation and investment in green energy and critical mineral projects should be prioritized, with new agreements that recognize complementarity and the potential for joint middle power leadership on the region's clean energy transition.***
- 3. Economic collaboration needs to be sustained on three mutually reinforcing levels: state, business, and people.***
- 4. The early resolution of a stalled 2019 defence procurement deal should be prioritized, and communication deepened over potential Korean investment in the Nusantara project.***
- 5. A post-COVID-19 resurgence of people-to-people relations should be supported by both governments, targeted at elite and mass public levels. Indonesia and Ko-***



*rea should increase the depth of their expertise in each other's domestic political constituencies, targeting youth engagement and academic/policy exchanges.*

- 6. As Korea moves beyond the New Southern Policy towards the next stage of its engagement in Southeast Asia, bilateral dialogues should be held routinely (at least biannually) at the think tank level to address the compatibility of Seoul's Indo-Pacific Strategy and ASEAN's Outlook on the Indo-Pacific, incorporating discussions of new developments in areas of common concern.*
- 7. Diplomatic engagement on traditional security issues should be enhanced, while functional cooperation in emerging security areas – such as discouraging nuclear proliferation and promoting cyber security collaboration – should be expanded.*



## Introduction

2023 marks the 50<sup>th</sup> anniversary of formal diplomatic relations between Indonesia and the Republic of Korea (hereafter 'Korea'). At a bilateral leadership summit in Seoul in July 2022, Korean President Yoon Suk Yeol told his Indonesian counterpart, President Joko Widodo (hereafter, 'Jokowi'), of his desire to use these anniversary celebrations to take the Seoul-Jakarta partnership 'one step further'.<sup>1</sup>

The semicentennial anniversary of 2023 is both an important moment to reflect on the state of the contemporary partnership, and an opportunity to give the relationship a renewed sense of purpose. Taking President Yoon's call to action as a starting point, this report gives an assessment of the current state of contemporary Indonesia-Korea relations. Seven practical recommendations are then provided for a future-oriented policy agenda that can build on prior successes while actively managing challenges and opportunities.

At the bilateral level, Indonesia-Korea ties have grown considerably since being upgraded to a special strategic partnership in 2017. Notably, this is Jakarta's only relationship to be awarded this title, and one of just four such partnerships Korea has elevated to this level.<sup>2</sup> However, as Indonesia's 2024 elections approach, and the nature of President Yoon's strategic vision becomes clearer, it is important that recent positive momentum is maintained. Of course, the two states' demo-

cratic governance structures are a source of strength, pride, and shared values, but regular leadership transitions also necessitate careful management of the bilateral relationship, to ensure continuity and continued political commitment across administrations.

At the regional and global levels, Korea and Indonesia are important middle powers with overlapping interests. These include managing great power strategic competition, navigating the political and economic shocks resulting from Russia's 2022 invasion of Ukraine and the ongoing COVID-19 pandemic, and contributing to the imminent clean energy transition. Each country shares a similar regional vision. The trajectory of their power profiles also suggests that both have the potential to play important roles in broader Indo-Pacific issues beyond their respective sub-regions.

For Indonesia, available trade and investment from Korea may be smaller in scale to that attainable through partnership with regional great powers such as China and Japan. But Korea is nevertheless establishing itself as a reliable and attractive third option for multiple national projects. Economically, compatibility stems from Indonesia's desire for capital and knowledge transfers in order to accelerate the development of local industries. Strategically, Korea's defence industry is growing in its competitiveness, and becoming established as a partner of choice for democratic nations while the US and its Western allies focus on the war in Ukraine.<sup>3</sup>

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<sup>1</sup> Nugraheny, Dian Erika, 'Presiden Korsel: Saya Harap Punya Lebih Banyak Kesempatan untuk Bertemu Presiden Jokowi' [South Korean President: I Hope to Have More Opportunities to Meet President Jokowi], Kompas, July 28 2022. Available at: <https://nasional.kompas.com/read/2022/07/28/18230251/presiden-korsel-saya-harap-punya-lebihbanyak-kesempatan-untuk-bertemu> (Author's translation)

<sup>2</sup> The other three are India, Uzbekistan, and the UAE. See: Shim, Kyu-Seok, 'Korea upgrades Uzbekistan partnership', Korean JoongAng Daily, April 21 2019. Available at: <https://koreajoongangdaily.joins.com/2019/04/21/p-olitics/Korea-upgrades-Uzbekistanpartnership/3062149.html>

<sup>3</sup> Lee, Peter, 'Korea 'perfectly placed' to help build collective defense of democracies: scholar', The Korea Times, March 2 2023. Available at: [https://www.koreatimes.co.kr/www/nation/2023/03/205\\_346411.html](https://www.koreatimes.co.kr/www/nation/2023/03/205_346411.html)

At the same time, Korea's relatively higher-skilled economy can benefit from Indonesia's low-cost manufacturing capabilities, and Indonesia's wealth of natural resources also makes it an attractive source of primary commodities. Korea has also shown a desire to rebalance its strategic and economic relationships towards Southeast Asia since its decision to deploy the US' anti-ballistic missile Terminal High Altitude Area Defense (THAAD) battery in 2016 triggered informal economic sanctions from China.<sup>4</sup>

Overall, both countries are trying to diversify their economic and strategic partnerships at a time when neither has the capability or desire for full self-sufficiency, particularly as each continues to rebound from the COVID-19 pandemic and endures economic effects from the contemporary energy crisis. As middle powers, Korea and Indonesia are both looking to assert themselves as second tier leaders in the region and push toward greater economic development. Yet, neither wants to take on the risks of wholesale great-power alignment as geopolitical tensions globally and in the region continue to rise.

Consequently, the rationale for maintaining and driving cooperation through middle power partnerships may be clearer now than ever before. Indonesia and Korea are well-positioned to act as leaders while pursuing a bold and forward-looking joint agenda. In 2023, Indonesia is stepping into its roles as chair of both the Association of Southeast Asian Nations (ASEAN) and the middle power

grouping of Mexico, Indonesia, Korea, Turkey, and Australia (MIKTA).

Meanwhile, Korean soft power cultural exports continue to raise the country's visibility and international status, alongside their rising conventional power in military, economic, and technological capacity.<sup>5</sup> In the section that follows, we provide an assessment of the Indonesia-Korea relationship across four key elements: strategic, economic, people-to-people, and global and regional cooperation.

## Assessment

The contemporary Indonesia-Korea relationship is deep and diverse. Recent joint statements and agreements at the government level have typically organized the relationship under four general modes of engagement: i) strategic cooperation, ii) economic cooperation, iii) people-to-people exchanges, and iv) regional and global cooperation. In the remainder of this section, we break down engagement across each of these levels, as a means for analysing the strength of the relationship as a whole.

### Strategic Cooperation

The new geopolitical realities that follow the rise of the Indo-Pacific concept have increasingly tied Indonesia and Korea together as necessary partners. As both increase in size, they are also becoming more direct stakeholders to the risks of regional geopolitical and security disruptions. Korea will inevitably be impacted by a potential crisis around the East China Sea or the South China Sea,

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<sup>4</sup> Botto, Kathryn, 'South Korea Beyond Northeast Asia: How Seoul Is Deepening Ties With India and ASEAN', Carnegie Endowment for International Peace, October 19 2021. Available at: <https://carnegieendowment.org/2021/10/19/south-korea-beyond-northeast-asia-how-seoul-is-deepening-ties-with-india-and-asean-pub-85572>

<sup>5</sup> Jin, Syrus, 'When Pop Stars Make for Secret Weapons', Foreign Policy, March 5 2023. Available at: <https://foreignpol->

[icy.com/2023/03/05/bts-army-kpop-south-korea-military-conscription-elvis/](https://icy.com/2023/03/05/bts-army-kpop-south-korea-military-conscription-elvis/); Kharisma, Waffaa and Andrew W. Mantong, 'Introduction: Building a Case for ROK-Maritime Southeast Asia Security Cooperation,' in Andrew W. Mantong and Waffaa Kharisma, *Navigating Uncharted Waters: Security Cooperation between ROK and ASEAN*, Jakarta: CSIS Indonesia, 2023. Available at: <https://csis.or.id/publication/navigating-uncharted-waters-security-cooperation-between-rok-and-asean/>.

whereas peace in the Korean Peninsula and in East Asia is an essential gateway to prosperity for the rest of the region, including for Indonesia.

Indonesia and Korea have enjoyed close top-level political relations in recent decades. Since President Soeharto first visited Seoul in 1982, all full-term Indonesian presidents<sup>6</sup> have visited Korea, and all Korean presidents since Chun Doo-hwan in 1981 have made the reverse trip.<sup>7</sup> When current Korean President Yoon Suk Yeol was inaugurated in May 2022, an Indonesian delegation led by former President and current leader of the Indonesian Democratic Party of Struggle (PDI-P) Megawati Soekarnoputri, visited Seoul and invited the new President to Indonesia.<sup>8</sup>

These presidential visits have consistently driven swift and coordinated policy changes in the Indonesia-Korea relationship. For example, it was during a 2017 visit to Jakarta that former Korean President Moon Jae-in unveiled his signature New Southern Policy, which oriented toward expanding Korea-ASEAN ties. Similarly, negotiations for the Indonesia-Korea Comprehensive Economic Partnership Agreement (IK-CEPA) were reactivated after a four year suspension just months after Jokowi led a state visit to Seoul in 2018.<sup>9</sup>

It subsequently took only eight months for these negotiations to conclude, setting a rec-

ord as the fastest CEPA that Indonesia has ever completed.<sup>10</sup> Jokowi was also the first ASEAN leader to meet Yoon for a bilateral summit in Seoul in July 2022, using the opportunity to revise a Memorandum of Understanding (MoU) to expand Korean investment in the Nusantara capital city project.<sup>11</sup> Such positive momentum right after a visit signals that Indonesia and Korea place great importance on high-level meetings. Based on these records alone, such visits have the potential to be a panacea in driving progress in stagnating aspects of the partnership.

One major element of Indonesia's contemporary strategic cooperation with Korea is in the realm of defence procurement. A landmark 2015 arms deal between Korean Aerospace Industries and Indonesia's state-owned corporation PT Dirgantara consists of the joint development of the 4.5 Generation KF-21 Boramae Fighter Jet. Indonesia sought to pay 20% of the costs of this project in return for knowledge transfers acquired through the involvement of Indonesian manufacturers in the project, as well as the rights to purchase the aircraft upon its completion.<sup>12</sup> While Indonesia's payments for this project were paused in 2019, they were restarted in July 2022 after a series of negotiations that al-

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<sup>6</sup> B.J. Habibie, interim president after the resignation of President Soeharto, did not visit South Korea.

<sup>7</sup> Jeon, J. S., & Yuwanto. (2014). *Era Emas: Hubungan Indonesia-Korea [Golden Era: Indonesia-Korea Relations]*. Penerbit Buku Kompas: 5-6.

<sup>8</sup> Hakim, Syaiful and Fardah, 'South Korean President Yoon Suk-yeol receives Megawati in Seoul', Antara News, May 11 2022. Available at: <https://en.antaranews.com/news/228893/south-korean-president-yoon-suk-yeol-receives-megawati-in-seoul>

<sup>9</sup> Direktorat Jenderal Perundingan Perdagangan Internasional. 'Indonesia-Korea CEPA: Tonggak Baru Hubungan Ekonomi Bilateral Kedua Negara' [Indonesia-Korea CEPA: A New Milestone in Bilateral Economic Relations Between the Two Countries], December 18 2020. Available at:

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<sup>10</sup> Septiari, Dian, 'Indonesia, South Korea conclude CEPA talks', The Jakarta Post, November 26 2019. Available at: <https://www.thejakartapost.com/news/2019/11/26/indonesia-south-korea-conclude-cepa-talks.html>

<sup>11</sup> Lee, Haye-ah, 'Yoon, Widodo agree to boost cooperation on supply chains of key minerals', Yonhap News Agency, 28 July 2022. Available at: <https://en.yna.co.kr/view/AEN20220728012600315>

<sup>12</sup> Kang, Seung-woo, 'No breakthrough yet in Indonesia's KF-X payments', The Korea Times, July 31 2022. Available at: [https://www.koreatimes.co.kr/www/nation/2022/08/205\\_333646.html](https://www.koreatimes.co.kr/www/nation/2022/08/205_333646.html)



tered the terms of the deal in Indonesia's favour.<sup>13</sup>

Another important deal in the defense procurement space consists of two contracts signed by the Indonesian Ministry of Defense with Daewoo Shipbuilding & Marine Engineering (DSME). The first, signed in 2011, saw DSME produce three Nagapasa-class submarines for the Indonesian Navy, the third of which was assembled in Surabaya. In 2019, a second contract was signed for DSME to provide three more of these submarines.

However, this agreement has been put on hold, with some in Indonesia voicing concerns about costs and the performance of submarines previously purchased from or repaired by DSME.<sup>14</sup> There may be danger of reputational damage for Indonesia, too, if it fails to fulfill its financial commitments, particularly if other regional states perceive that Jakarta has a habit of withholding payments to leverage better arms procurement deals.

Elsewhere, Indonesian and Korean armed forces have shown their openness to collaboration by regularly participating in joint multilateral training drills such as the SEACAT exercise in 2021, which focused on non-traditional security threats.<sup>15</sup> Bilaterally, Indonesia's Presidential Security Forces have trained

with the Korean Presidential Security Service (PSS) on at least two occasions, being invited to Korea once after a Presidential visit to Indonesia in 2009, and undergoing further training during President Moon's state visit in 2017.<sup>16</sup> An Indonesian Army delegation most recently visited Korean Army Headquarters in Seoul on February 1 2023, where initiatives to increase military cooperation through joint training and educational exchanges were discussed.<sup>17</sup>

## Economic Cooperation

More so than strategic cooperation, however, economic cooperation has taken precedence in the relationship. While the Indonesia-Korea trade partnership is not yet of the same volume as each's equivalent partnerships with some regional great powers such as China and Japan, progress has been made in recent years.<sup>18</sup> Notably, on January 1, 2023, IK-CEPA officially came into force, activating a raft of new measures that were initially floated in 2012.<sup>19</sup> 95.5% and 92% of duties were eliminated for the import of Indonesian and Korean products, respectively.<sup>20</sup> Business mobility was increased, and commitments have been made to boost Korean investment in Indonesia and to facilitate bilat-

<sup>13</sup> Grevatt, Jon, 'Indonesia restarts KF-21 repayments to South Korea', *Janes*, November 3 2022. Available at: <https://www.janes.com/defence-news/news-detail/indonesia-restarts-kf-21-repayments-to-south-korea>

<sup>14</sup> Hynd, Alexander M. and Max Broad, 'Indonesia's own subs conundrum', *The Interpreter*, February 17, 2023. Available at: <https://www.lowyinstitute.org/the-interpreter/indonesia-s-own-subs-conundrum>

<sup>15</sup> Al Jazeera, 'Navies of 21 countries kick off US-led drills in Southeast Asia', August 11 2021. Available at: <https://www.aljazeera.com/news/2021/8/11/navies-of-21-countries-kick-off-us-led-drills-in-southeast-asia>

<sup>16</sup> Korea.net, 'President Moon greets Indonesian secret service', November 9 2017. Available at: <https://www.korea.net/Government/Current-Affairs/Foreign-Affairs/view?affairId=593&subId=615&articleId=29345>; The Jakarta Post, 'Presidential security force trains in South Korea', May 28 2009. Available at: <https://www.thejakartapost.com/news/2009/05/28/presidential-security-force-trains-south-korea.html>

<sup>17</sup> Voice of Indonesia, 'Visiting The South Korean Army Headquarters, Army Chief Of Staff Please Establish Military Cooperation', February 1 2023. Available at: <https://voi.id/en/news/250048>

<sup>18</sup> Rakhmat, Muhammad Zulfikar, Ramadha Valentine and Dimas Permadi, 'Why Indonesia's the winner of the next China-Japan economic battle', *South China Morning Post*, October 29 2019. Available at: <https://www.scmp.com/week-asia/opinion/article/3035237/why-indonesias-winner-next-china-japan-economic-battle>

<sup>19</sup> Aqil, A. Muh. Ibnu, 'Indonesia, South Korea mark 50 years of diplomacy, look to stronger cooperation', *Asia News Network*, January 31 2023. Available at: <https://asianews.network/indonesia-south-korea-mark-50-years-of-diplomacy-look-to-stronger-cooperation/>

<sup>20</sup> The Jakarta Globe, 'IK-CEPA Paves Way for Indonesian Exports to S. Korea', January 3 2023. Available at: <https://jakartaglobe.id/business/ikcepa-paves-way-for-indonesian-exports-to-s-korea>

eral trade.<sup>21</sup> A spokesperson for Indonesia's Coordinating Ministry for Investment (BKPM) has stated that, in light of these commitments, Korean investment in Indonesia is expected to grow by an average of 15.59% in the next five years.<sup>22</sup>

A key feature of the Jokowi administration's economic development has been the pursuit of major infrastructure projects.<sup>23</sup> Consequently, Indonesia has prioritised leveraging bilateral ties with Korea to attract investment for these projects. Indeed, the development of Indonesia's new capital city, Nusantara, has been a major focus of Jokowi's second term. Nusantara has been the site of significant pledged Korean funds, with both public and private investors committing more than US\$6 billion to infrastructure plans including water purification and wastewater treatment facilities, tunnel construction, and a smart city concept.<sup>24</sup>

However, some commentators have suggested that the exact outcome and future viability of the Nusantara project could depend on the result of Indonesia's 2024 election<sup>25</sup> – which could mean uncertainty and challenges around communication with Korean investors during the forthcoming leadership

transition. Any perception that Indonesia is making assurances to investors that it cannot keep risks dissuading future investment from Korea and from other regional states.

Korea and Indonesia have also highlighted complementarity in terms of their respective clean energy strategies.<sup>26</sup> The two countries have held bilateral energy forums annually since 2007, inviting government officials and corporations to discuss potential areas for future collaboration.<sup>27</sup> At the most recent meeting, held in November 2022, the two sides agreed to design a research centre for advanced technologies that leverage key minerals, and to increase the frequency of personnel exchanges in the green energy sector.<sup>28</sup>

Additionally, during Jokowi's July 2022 visit to Seoul, an MoU was signed to streamline sustainable green investment processes by providing administrative support to investors.<sup>29</sup> Investment in Indonesian sites by Korea's Hyundai Motor Group is particularly notable, with an Electric Vehicle (EV) manufacturing plant opened in Cikarang in 2022, and

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<sup>21</sup> Office of Assistant to Deputy Cabinet Secretary for State Documents & Translation, 'Indonesia, South Korea Officially Implement IK-CEPA', January 3 2023. Available at: <https://setkab.go.id/en/indonesia-south-korea-officially-implement-ik-cepa/>

<sup>22</sup> Shofa, Jayanty Nada, 'S. Korea to Make Indonesia Production Base in ASEAN with IK-CEPA', Jakarta Globe, January 26 2023. Available at: <https://jakartaglobe.id/business/s-korea-to-make-indonesia-production-base-in-asean-with-ikcepa>

<sup>23</sup> Prabowo, Aichiro Suryo, 'Building a better infrastructure policy after Indonesia's elections', New Mandala, March 7 2019. Available at: <https://www.newmandala.org/building-a-better-infrastructure-policy-after-indonesias-elections/>

<sup>24</sup> DG, Mentari, Fardah, 'South Korea to invest US\$6 billion in IKN development: Jokowi', Antara News, July 28 2022. Available at: [https://en.antaranews.com/news/241805/south-korea-to-invest-us6-billion-in-ikn-development-jokowi#:~:text=Jakarta%20\(ANTARA\)%20%2D%20President%20Joko,investment%20of%20US%246.37%20billion](https://en.antaranews.com/news/241805/south-korea-to-invest-us6-billion-in-ikn-development-jokowi#:~:text=Jakarta%20(ANTARA)%20%2D%20President%20Joko,investment%20of%20US%246.37%20billion)

<sup>25</sup> Sulaeman, Fadhil Haidar, 'Investors eye new capital but stay on sidelines ahead of elections', The Jakarta Post, Feb-

ruary 9 2023. Available at: <https://www.thejakarta-post.com/business/2023/02/08/investors-eye-new-capital-but-stay-on-sidelines-ahead-of-elections.html>

<sup>26</sup> Jati, Geny, 'South Korea Supports Indonesia to Reach Its Renewable Energy Target', Institute for Essential Services Reform, May 24 2022. Available at: <https://iesr.or.id/en/south-korea-supports-indonesia-to-reach-its-renewable-energy-target>

<sup>27</sup> Ministry of Trade, Industry, and Energy (Korea), 'Korea and Indonesia to strengthen supply chain and clean energy cooperation', Press Release, November 9 2022. Available at: [http://english.motie.go.kr/en/pc/pressreleases/bbs/bbsView.do?bbs\\_cd\\_n=2&bbs\\_seq\\_n=1119](http://english.motie.go.kr/en/pc/pressreleases/bbs/bbsView.do?bbs_cd_n=2&bbs_seq_n=1119)

<sup>28</sup> Yonhap News Agency, 'S. Korea, Indonesia vow enhanced ties on key minerals, clean energy', November 8 2022. Available at:

<https://en.yna.co.kr/view/AEN20221108004300320>

<sup>29</sup> J, Ade, Kenzu T, 'Indonesia, South Korea ink agreement on green investment', Antara News, July 28 2022. Available at: <https://en.antaranews.com/news/241813/indonesia-south-korea-ink-agreement-on-green-investment>

a Hyundai-LG joint battery cell factory set to begin operations in Karawang in late 2023.<sup>30</sup>

Investment in clean energy projects is a positive indicator of the forward-looking nature of the bilateral partnership, Indonesia is still far from achieving its climate goals, needing to quadruple investment by 2025 to meet its targets.<sup>31</sup> Indonesian investment in Korean industries also remains minimal, meaning that there is an imbalance in the dynamic of the relationship. As Indonesia seeks to further elevate its status in the region, there are strong incentives to rebalance internal and external trade and investment flows towards parity with other second tier states.

In the coming years, energy will remain an environmental, economic, and political challenge of considerable importance for both Korea and Indonesia. Both countries continue to debate the pros and cons of nuclear power in their energy mix. For Indonesia, safety and governance concerns remain prominent despite recognition of the potential for nuclear energy to accelerate the country's net-zero transition, and a recent announcement by its Nuclear Energy Control Agency that the government plans to build its

first nuclear power plant by 2039.<sup>32</sup> For Korea, while former President Moon Jae-in pledged to phase out Korea's nuclear energy program, President Yoon has reversed this decision and laid the groundwork for nuclear power to account for more than 34% of Korea's electricity by 2036.<sup>33</sup>

Both countries also face energy-related challenges due to the ongoing war in Ukraine and resultant hike in global energy prices. For Indonesia, there is domestic pressure to maintain its significant domestic fuel subsidies while prices remain high.<sup>34</sup> Meanwhile, Korean state-owned energy corporation KEPCO faces significant financial challenges brought on partly by the war in Ukraine in addition to company-based strategic issues.<sup>35</sup>

Finally, the Climate Bonds Initiative, an international green investment body, has estimated that for Indonesia to achieve its target of 23% renewable energy by 2025 would require US\$154 billion worth of investment.<sup>36</sup> Given that Korea committed to ending financing for overseas coal-fired power plants in 2021, there is room for a major expansion of green energy cooperation over the next decade.

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<sup>30</sup> Hyundai Motor Group, 'Hyundai Motor Company Inaugurates Its First Manufacturing Plant in Southeast Asia', March 16 2022. Available at: <https://www.hyundaimotorgroup.com/news/CONT000000000016127>

<sup>31</sup> Hendriwardana, Murtiana et al., 'Using Public Funding to Attract Private Investment in Renewable Energy in Indonesia', International Institute for Sustainable Development, February 2022. Available at: <https://www.iisd.org/system/files/2022-02/indonesia-private-investment-renewable-energy.pdf>

<sup>32</sup> Enerdata, 'Indonesia plans to build a nuclear power plant by 2039', December 6 2022. Available at: <https://www.enerdata.net/publications/daily-energy-news/indonesia-plans-build-nuclear-power-plant-2039.html>

<sup>33</sup> World Nuclear News, 'South Korea increases expected contribution of nuclear power', January 12 2023. Available

at: <https://www.world-nuclear-news.org/Articles/South-Korea-increases-expected-contribution-of-nuc>

<sup>34</sup> Negara, Siwage Dharma, 'Rising oil prices throw Indonesia's energy subsidies into question', East Asia Forum, April 12 2022. Available at: <https://www.easiaforum.org/2022/04/12/rising-oil-prices-throw-indonesias-energy-subsidies-into-question/>

<sup>35</sup> Lee, Kyung-min, 'KEPCO to sell non-essential assets, cut expenditures to secure \$16 billion by 2026', The Korea Times, February 3 2023. Available at: [https://www.koreatimes.co.kr/www/tech/2023/02/419\\_344809.html](https://www.koreatimes.co.kr/www/tech/2023/02/419_344809.html)

<sup>36</sup> Climate Bonds Initiative, 'Green Infrastructure Investment Opportunities. Indonesia: Green Recovery', March 2022. Available at: <https://www.adb.org/sites/default/files/publication/780886/green-infrastructure-investment-indonesia-2022.pdf>; 16.

## Spotlight: Indonesia–Korea Public Health Cooperation during the Pandemic

### Pandemic Aid

The inclusion of public health cooperation as one of the expanded agenda items within Korea’s updated New Southern Policy Plus strategy in November 2020 saw Korea explicitly acknowledge the importance of engaging with its ASEAN partners on such an important issue. Korea embraced a role as a pandemic leader as early as March 2020 when it released its first set of foreign-language guidelines for its COVID-19 response. Its renowned branding efforts also swiftly came into action as they coined the term K-Quarantine.

Korea committed US\$500,000 of in-kind aid to Indonesia, for example providing ventilators, oxygen concentrators, disinfectant sprayers, and PCR tests. Aid also came from the private sector, with Hyundai Motor Group donating medical and personal protective equipment, and building an oxygen production facility in a Bekasi automobile factory. The LG Group additionally provided 50,000 PCR diagnostic test kits to Indonesia in April 2020.

### Pandemic Outcomes

Korean investment in Indonesia was relatively unencumbered by the COVID-19 economic slowdown. As expected, however, people-to-people engagement through tourism plummeted due to each state’s border closures. Bilateral trade also took a downturn.

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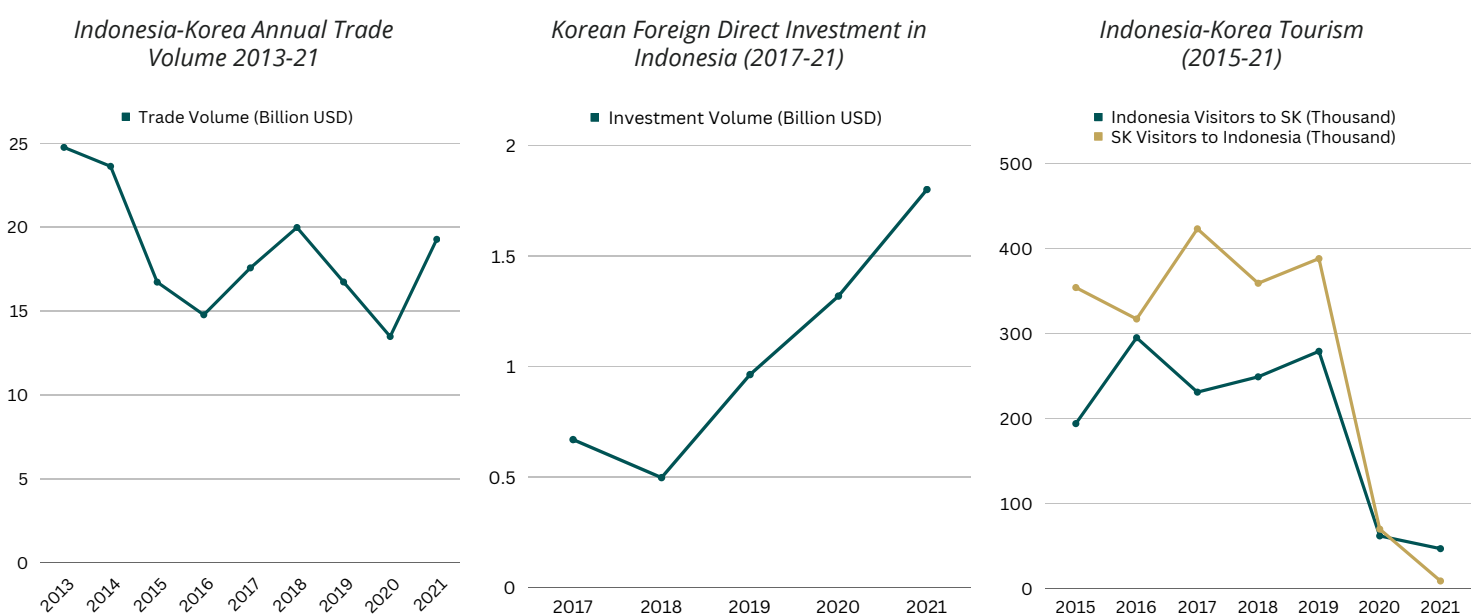
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## People-to-people Exchanges

Indonesia and Korea have both made significant efforts in recent years to build up their public diplomacy and socio-cultural cooperation through people-to-people exchanges. One noteworthy initiative is the Indonesia-Korea Special Strategic Partnership Young Professionals Lab, developed through a collaboration between the Foreign Policy Community of Indonesia and the Korea Foundation.<sup>37</sup>

This next generation program has seen twelve young Indonesians from policy-related professions selected annually to attend a forum centred around discussions of the Indonesia-Korea relationship, while developing policy recommendations for expanded bilateral engagement. Policy recommendations emerging from these forums are then submitted to respective government bodies at the conclusion of the program.<sup>38</sup>

People-to-people links have also been fostered through the establishment of the Korean Culture Center in Jakarta in 2011. The Center hosts events exhibiting Korean films and music, and even Taekwondo matches, to publicize Korean culture and support exchanges and engagement.<sup>39</sup>

The Korean Embassy is similarly active both in promoting cultural programs, but also in

supporting exchanges through opportunities such as the Global Korea Scholarship, which provides full funding for 69 Indonesian graduate students to study in Korea. Additionally, Seoul funds the Korean Studies Promotion Program, which in 2023 provided approximately US\$17.4 million in funding for Global Korean Studies Hubs, the development of Korean Studies content and materials, and other associated research projects.<sup>40</sup>

At this stage, Indonesia's public diplomacy in Korea is still very limited. Indonesian cultural exports have not been given the same level of government support offered to Korean products over a sustained period by Seoul.<sup>41</sup> But Jakarta's efforts to engage with Korean society are growing. In 2022, Korea's first Indonesia Center was opened at Busan University of Foreign Studies in collaboration with the Indonesian Embassy in Seoul. It was later visited by Indonesia's Speaker of the House of Representatives (DPR), Puan Maharani, who stressed the importance of nurturing the bilateral relationship on the 50<sup>th</sup> anniversary during a meeting with local business owners and government officials.<sup>42</sup>

This academic organization is aimed at promoting research into collaboration between the two countries, while simultaneously hosting Indonesian cultural performances, broadcasting Indonesian television, and displaying a selection of Indonesian products.<sup>43</sup>

<sup>37</sup> See: <https://www.sspyoungprolab.com/>

<sup>38</sup> Universitas Gadjah Mada SDGs Center, 'UGM Alumnus Participates in NSP Young Professionals Lab', July 15 2021. Available at: <https://sustainabledevelopment.ugm.ac.id/2021/07/15/ugm-alumnus-participates-in-nsp-young-professionals-lab/>

<sup>39</sup> See: <https://id.korean-culture.org/id>

<sup>40</sup> Kedutaan Besar Republik Korea untuk Republik Indonesia, '2023 Korean Studies Promotion Program Announcement', February 10 2023. Available at: [https://overseas.mofa.go.kr/id-id/brd/m\\_2707/view.do?seq=761527](https://overseas.mofa.go.kr/id-id/brd/m_2707/view.do?seq=761527)

<sup>41</sup> Chow, Kat, 'How The South Korean Government Made K-Pop A Thing', April 16 2015. Available at: <https://www.npr.org/sections/codeswitch/2015/04/13/399414351/how-the-south-korean-government-made-k-pop-a-thing>

<sup>42</sup> Deni, Reza, 'Kunjungi Busan Indonesia Center Indonesia, Puan Dorong Promosi Budaya RI untuk Bisa Seperti K-Pop' [Visiting Busan Indonesia Center, Puan Encourages Indonesian Culture Promotion to Be Like K-Pop], *Tribun News*, November 8 2022. Available at:

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<sup>43</sup> Kementerian Luar Negeri Republik Indonesia, "Indonesia Centre" Pertama Diresmikan di Busan, Korea Selatan', June

A range of MoUs have also recently been signed to foster collaboration in the entertainment industry. Speaking at a media briefing in February 2023, Indonesian Ambassador Gandhi Sulistiyanto underlined the way that Indonesia can learn from Korean success on the global media stage and foster its own 'I-Wave' to export Indonesian cultural products.<sup>44</sup>

## Regional and Global Cooperation

Engagement and cooperation between Indonesia and Korea at the regional and global levels often occurs in multilateral settings. For example, Indonesia and Korea are both participants of forums such as the G20, ASEAN+3, the East Asia Summit, the ASEAN Regional Forum, the East Asian Community, and MIKTA. In all forums, the two advocate for principles of inclusivity, openness, a rules-based order, good governance, respect for sovereignty, international law, human rights, and democratic values.

At a strategic level, Indonesia's approach to the region can be best understood through the lens of the 2019 ASEAN Outlook on the Indo-Pacific. The Outlook encompasses four main priorities: maritime cooperation, con-

nectivity, the UN Sustainable Development Goals, as well as a general target of economic and other cooperation.<sup>45</sup> This policy is potentially compatible with the Yoon administration's Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region (more commonly known as the Indo-Pacific Strategy), which superseded Korea's New Southern Policy after Yoon assumed office last year.<sup>46</sup>

A level of synergy has been established over recent years in the two countries' regional approaches. Korea has engaged with Indonesia as an ASEAN dialogue partner through joint projects on global issues. For example, in 2020 Korea and Indonesia founded the Disaster Management Capacity Building Project to train more than 200 ASEAN member state officials over four years.<sup>47</sup> Both have additionally demonstrated a commitment to democratic principles through their proactive response to the Myanmar political crisis since 2021, and Indonesia's efforts through the Bali Democracy Forum.<sup>48</sup> Likewise, Korea and ASEAN have both consistently advocated for the denuclearization of the Korean Peninsula. ASEAN Foreign Ministers' statements have consistently incorporated this position over the past decade.<sup>49</sup>

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7 2022. Available at: <https://kemlu.go.id/portal/id/read/3665/berita/indonesia-centre-pertama-diresmikan-di-busan-korea-selatan>

<sup>44</sup>Kim, Joo-heon, 'Indonesia to collaborate with K-pop industry to create global phenomenon 'Indonesian Wave'', Aju Business Daily, February 17 2023. Available at: <https://www.ajudaily.com/view/20230217174028151>

<sup>45</sup> 'ASEAN Outlook on the Indo-Pacific', 2019. Available at: [https://asean.org/asean2020/wp-content/uploads/2021/01/ASEAN-Outlook-on-the-Indo-Pacific\\_FINAL\\_22062019.pdf](https://asean.org/asean2020/wp-content/uploads/2021/01/ASEAN-Outlook-on-the-Indo-Pacific_FINAL_22062019.pdf)

<sup>46</sup> Ministry of Foreign Affairs, Republic of Korea, 'Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region', December 28 2022. Available at: [https://www.mofa.go.kr/eng/brd/m\\_5676/view.do?seq=322133](https://www.mofa.go.kr/eng/brd/m_5676/view.do?seq=322133)

<sup>47</sup> ASEAN Secretariat, 'ROK, Indonesia launch disaster management capacity building project for AMS officials', December 2 2020. Available at: <https://asean.org/rok-indonesia-launch-disaster-management-capacity-building-project-for-ams-officials/>

<sup>48</sup> Strangio, Sebastian, 'Indonesia to Establish Special Office to Handle Myanmar Crisis', The Diplomat, January 12 2023. Available at: <https://thediplomat.com/2023/01/indonesia-to-establish-special-office-to-handle-myanmar-crisis/>; Yonhap News Agency, 'S. Korea, U.S., EU urge ending of violence in Myanmar in joint statement', February 1 2023. Available at:

<https://en.yna.co.kr/view/AEN20230201006800325>; Kementerian Luar Negeri Republik Indonesia, 'Pernyataan Pers Menlu RI, Bali Democracy Forum (BDF) ke-15' [Indonesian Minister of Foreign Affairs Press Statement, 15th Bali Democracy Forum], December 8 2022. Available at: [https://kemlu.go.id/portal/id/read/4236/siaran\\_pers/pernyataan-pers-menlu-ri-bali-democracy-forumbdf-ke-15](https://kemlu.go.id/portal/id/read/4236/siaran_pers/pernyataan-pers-menlu-ri-bali-democracy-forumbdf-ke-15)

<sup>49</sup> See for example the 2023 ASEAN Foreign Ministers Statement: ASEAN Secretariat, 'Press Statement by the Chair of the 32nd ASEAN Coordinating Council (ACC) Meeting and ASEAN Foreign Ministers' Retreat', February 4 2023. Available at: <https://asean.org/wp-content/up->

This synergy is also evident at a conceptual level. Both Korea and Indonesia have been hesitant to embrace the ‘Indo-Pacific’ strategic concept when compared with other US allies and partners in the region. In part, this is because neither wants to alienate cooperation with Beijing, which has been opposed to use of the term.<sup>50</sup> However, both these frameworks – Korea’s in particular – are relatively new approaches still in the early stages of implementation, requiring further elucidation and investigation to establish points of convergence and divergence.

## Summary

At a strategic level, Indonesia and Korea have been able to capitalise on overlapping strategic interests as well as shared political values. Unresolved questions remain surrounding military procurement deals and the future direction of the Nusantara project. Overall, though, there is significant ground for optimism over the current status and future trajectory of bilateral ties. Economically, the implementation of IK-CEPA looks set to open up more opportunities and create new winners, both through infrastructure development and by harnessing the momentum of the coming clean energy transition. People-to-people exchanges between Indonesia and Korea are also rebounding post-COVID-19, although Indonesia does not yet have the same level of impact when it comes to cultural diplomacy in Korea. Finally, cooperation in regional and global forums is growing, underpinned by overlapping approaches to navigating the contemporary strategic landscape.

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<sup>50</sup> Kim, Ellen, ‘Assessment of South Korea’s New Indo-Pacific Strategy’, Center for Strategic and International Studies,

## Recommendations

Through the special strategic partnership and IK-CEPA, Indonesia and Korea have developed strong conceptual foundations for a successful model of forward-looking middle power cooperation that is focused on economic complementarity and supported by overlapping strategic interests and political values. It is now time for Seoul and Jakarta to build on these agreements with further practical initiatives, ensuring that political momentum is maintained across multiple levels of engagement.

In line with this assessment, we provide the following seven recommendations for the current Yoon and Jokowi administrations, and also the next Indonesian administration that is elected in 2024:

***1. High-level visits should be organized whenever there is slowing momentum in the relationship or when there are specific issues to resolve. One important moment will be the political transition after Indonesia’s upcoming presidential election. President Yoon should visit Jakarta in late 2024 or early 2025, for a bilateral summit with his new Indonesian counterpart that demonstrates top level buy-in and transparent, constructive communication.***

Indonesians will go to the polls on February 14, 2024, in a massive democratic exercise selecting all levels of government. However, a presidential runoff vote is not expected to take place until June 26, with the ultimate handover of power scheduled via presidential inauguration on October 20, 2024.<sup>51</sup>

January 19 2023. Available at: <https://www.csis.org/analysis/assessment-south-koreas-new-indo-pacific-strategy>

<sup>51</sup> Maulia, Erwida, ‘Indonesia pre-election jostling threatens Jokowi’s economic agenda’, Nikkei Asia Review, February 28, 2023. Available at: [CSIS Indonesia | 12](https://asia.nikkei.com/Spot-</a></p></div><div data-bbox=)

This change of administration requires renewed top-level political investment in the Jakarta-Seoul relationship.<sup>52</sup> Indonesia sent a high-level delegation to President Yoon's inauguration in May 2022, and held a bilateral presidential summit in Seoul around two months later. Korea should demonstrate reciprocity in its own approach, through the dispatch of a major delegation to the next Indonesian president's inauguration in October 2024, followed by a presidential visit in late 2024 or early 2025.

An early post-inauguration bilateral summit would, in particular, demonstrate that both sides retain interest in prioritizing this partnership, while also establishing early trust, communication, and goodwill between President Yoon and his new Indonesian counterpart. It would also be an opportunity to further flesh out a creative medium-long term geoeconomic agenda that addresses shared challenges – not least the region's coming clean energy transition.<sup>53</sup>

***2. Bilateral cooperation and investment in green energy and critical mineral projects should be prioritized, with new agreements that recognize complementarity and the potential for joint middle power leadership on the region's clean energy transition.***

While both countries share common principles and values regarding regional strategic issues, each remains constrained by the need to pay attention to strategic issues more directly related to their respective sub-

regions. Meanwhile, cooperating in tackling complementary low hanging fruit, especially in areas which will have increasing importance in the near future, can lay the foundations needed to further establish each other as preferred partners.

For Jakarta and Seoul, the most urgent shared political economy challenge of the coming decades will likely be the management of the region's clean energy transition. As we have shown, important foundations have already been laid for cooperation on this issue, including annual bilateral energy forums, the establishment of a joint research institute on critical minerals, and the presence of a small number of Korean owned EV and battery cell production facilities at Indonesian sites.

Complementarity stems from Indonesia's need for external investment and knowledge transfers to power its green energy and critical minerals development, at the same time as Korea seeks to develop its own green energy industrial base and source new markets for electric vehicles and its other emerging green technologies.<sup>54</sup>

Prioritizing joint green energy projects would signal the future-oriented nature of the partnership, and potentially provide joint reputational payoffs if the two states are increasingly recognized by the international community as middle power leaders actively working to solve the global climate change crisis. Indonesia has already signalled its desire to

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[light/Asia-Insight/Indonesia-pre-election-jostling-threatens-jokowi-s-economic-agenda](https://www.csis.org/asia-insight/indonesia-pre-election-jostling-threatens-jokowi-s-economic-agenda)

<sup>52</sup> As a vibrant democracy, Indonesia's foreign relations may suffer from Indonesia's domestic priorities, especially around election period. Indonesia's decision to hasten the organization of the second part of 2023's ASEAN summits to September (from the usual month of November) can be seen as partly driven by the administration's decision to make more room for preparation of 2024 national election.

<sup>53</sup> Ashok, Lavasa, 'Smoothing a Green and Just Energy Transition in Asia and the Pacific', Asian Development Bank, September 5, 2022. Available at:

<https://www.adb.org/news/speeches/smoothing-green-just-energy-transition-asia-pacific-ashok-lavasa>

<sup>54</sup> 'S. Korea aims to take up 12 pct of world's EV market by 2030', Yonhap News, September 28, 2022. Available at:

<https://en.yna.co.kr/view/AEN20220928005600320>



work with Asian partners on financing its domestic transition.<sup>55</sup>

Green energy projects are therefore an ideal central focus of economic cooperation between Jakarta and Seoul. However, at the same time, the deep and wide-ranging nature of the contemporary Indonesia- Korea economic partnership necessitates further efforts and coordination across multiple levels.

**3. Economic collaboration needs to be sustained on three mutually reinforcing levels: state, business, and people.**

The Korea-Indonesia economic relationship is increasingly dynamic and deeply embedded. In line with the existing argument made by two of us elsewhere,<sup>56</sup> it is important for momentum to be driven forward simultaneously across state, business, and people levels.

Industry and private-public partnerships should be supported through regular events that enable the dissemination of new information, while facilitating networking, the strengthening of existing partnerships, and the facilitation of new ones. As the implementation of the IK-CEPA trade deal remains at an early stage, it is the responsibility of government and business leaders alike to wield this new agreement to full mutual advantage.

In this regard, a surge in exchanges of business delegations drawn from key sectors of

economic cooperation would similarly drive knowledge of the relationship's full potential and facilitate deeper partnerships. People-to-people level collaboration will ensure that Korea's economic presence in Indonesia, and in time Indonesia's presence in Korea, will be embraced and understood as positive, friendly, and mutually beneficial.

As the economic relationship progresses further over time, it is in both sides' interest to actively pursue comparative advantage through greater Indonesian involvement in Korean markets. This reciprocity could unlock new avenues of growth, while also reinforcing both societies' knowledge and interest in each other at the elite and mass levels. Of course, through IK-CEPA, opportunities are abundant for increased economic activity across state, business, and people levels. But there are also important political-economic challenges to the relationship that must be handled with care.

**4. The early resolution of a stalled 2019 defence procurement deal should be prioritized, and communication deepened over potential Korean investment in the Nusantara project.**

Two joint projects – a 2019 submarine deal and investment in Jokowi's flagship Nusantara capital city plan – require careful management and communication to smooth the medium to long-term future of Jakarta-Seoul ties. As two of us have argued elsewhere,<sup>57</sup> active steps should be taken to resolve a stalled 2019 deal for Korean shipbuilder

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<sup>55</sup> Hynd, Alexander M. and Max Broad, 'Japan's climate coalition? – Tokyo's green chequebook diplomacy campaign is gathering momentum', German Institute of Development and Sustainability, February 22, 2023. Available at: <https://blogs.idos-research.de/2023/02/22/japans-climate-coalition-tokyos-green-chequebook-diplomacy-campaign-is-gathering-momentum/>

<sup>56</sup> Hynd, Alexander M. and Max Broad, 'Maintaining momentum in Indonesia-Korea economic agenda', Jakarta

Post, March 4, 2023. Available at: <https://www.thejakarta-post.com/opinion/2023/03/03/maintaining-momentum-in-indonesia-korea-economic-agenda.html>

<sup>57</sup> Hynd, Alexander M. and Max Broad, 'Indonesia's own subs conundrum', The Lowy Interpreter, February 17, 2023. Available at: <https://www.loyyinstitute.org/the-interpreter/indonesia-s-own-subs-conundrum>

DSME to provide Indonesia's Ministry of Defence with three diesel-electric attack submarines.

Jakarta would benefit from a quick resolution through bringing clarity to its plans for naval modernization, and Seoul would protect its own increasingly attractive image as a new source of defence equipment and technologies.<sup>58</sup> Resolving this issue ahead of Indonesia's 2024 elections would be ideal in as much as it would remove potential barriers and provide a clean slate for President Yoon and his new Indonesian counterpart to build upon.

Efforts must also be made to ensure that Korean backers of the Nusantara project are well-informed and updated of any changes that occur during Indonesia's democratic transition to its next presidential administration. Both governments and industry can expand and regularise communication by increasing the frequency of meetings such as a February 2023 business forum in Seoul hosted by the Indonesian Embassy and other partners.<sup>59</sup>

Enhancing communication through these state-business relationships is an important way to buttress expanded economic and political ties. But Seoul and Jakarta can also do more to promote the expansion of people-to-people ties.

***5. A post-COVID-19 resurgence of people-to-people relations should be supported by both governments, targeted at elite and mass public levels. Indonesia and Korea should increase the depth of their expertise***

<sup>58</sup> Lee, Peter K., and Tom Corben, 'A K-arsenal of democracy? South Korea and U.S. allied defense procurement', War on the Rocks, August 15, 2022. Available at:

<https://warontherocks.com/2022/08/a-k-arsenal-of-democracy-south-korea-and-u-s-allied-defense-procurement/>

<sup>59</sup> Indonesian Embassy in Seoul, 'Indonesia and Korea collaborated to develop closer friendship and stronger part-

***in each other's domestic political constituencies, targeting youth engagement and academic/policy exchanges.***

Indonesia and Korea demonstrated their ability to respond creatively to unpredictable world events through flexible, healthcare-oriented cooperation during the COVID-19 pandemic. Despite attempts to mitigate the effects of this crisis on people-to-people ties through online events, pandemic-related border restrictions and closures inevitably impacted the viability of cultural, academic and policy exchanges. With border restrictions now largely lifted, Jakarta and Seoul should move to rapidly expand people-to-people ties in support of their economic and political partnership.

The new Indonesia-Korea Special Strategic Partnership Young Professionals Lab is an exciting example of future-oriented cooperation targeting youth engagement among next generation economic and political elites. Yet past versions of this program have so far only incorporated Indonesian delegates.

Future iterations could be profitably expanded by involving an equal number of Korean delegates, and rotating hosting duties between Jakarta and Seoul. Further, such partnerships may benefit from a thematic approach, in which engagement on climate and energy issues is conducted separately from engagement on other topics, for example peace and security. Burgeoning youth expertise in both countries can benefit from being incorporated in separate engagement programs with different counterparts and

nership through Enhanced Financial Cooperation', Ministry of Foreign Affairs of the Republic of Indonesia', February 21, 2023. Available at: <https://kemlu.go.id/portal/en/read/4461/berita/indonesia-and-korea-collaborated-to-develop-closer-friendship-and-stronger-partnership-through-enhanced-financial-cooperation>

stakeholders, enabling closer collaboration and network building.

At this stage in the development of the relationship, Korea's influence at the mass cultural level in Indonesia is disproportionately greater than Indonesia's equivalent influence in Korea. Consequently, it is up to Jakarta to best weigh how to use its limited resources to promote its own brand in Korea and redress this imbalance. Initial signs are encouraging. Jakarta's desire to emulate the success of the Korean wave through its own 'Indonesian wave' has seen seven recent MoU's signed between the two sides, including universities and art institutions.<sup>60</sup>

Although these ideas are currently in the initial stage, in the medium-long term cultural collaboration could produce substantial economic and soft power payoffs for Jakarta both within the Korean market, and also at the broader regional and global levels.

***6. As Korea moves beyond the New Southern Policy towards the next stage of its engagement in Southeast Asia, bilateral dialogues should be held routinely (at least biannually) at the think tank level to address the compatibility of Seoul's Indo-Pacific Strategy and ASEAN's Outlook on the Indo-Pacific, incorporating discussions of new developments in areas of common concern.***

Despite concerns that the incoming Yoon administration could de-prioritize Southeast

Asia,<sup>61</sup> indications so far suggest that Korea's expansion of ties with ASEAN under President Moon Jae-in are not to be reversed under President Yoon. However, there are important unresolved questions over the degree to which Yoon's new Indo-Pacific Strategy, released in late 2022, overlaps with ASEAN's 2019 Outlook on the Indo-Pacific.

As chair of both ASEAN and MIKTA in 2023, there is opportunity for Indonesia to expand its cooperation with Korea at regional and global levels while reflecting points of convergence and overlap between the two states' strategies. For example, Korea's Indo-Pacific Strategy calls Beijing 'a key partner for achieving prosperity and peace in the Indo-Pacific region'<sup>62</sup>, while the Jokowi administration has similarly sought to demonstrate compatibility between China's Belt and Road Initiative and Indonesia's connectivity plans.<sup>63</sup>

At the bilateral level, greater discussion and coordination is needed between Indonesia and Korea to establish areas of continuity and change between Korea's former New Southern Policy and its new Indo-Pacific Strategy, and to identify key areas of compatibility between the Indo-Pacific Strategy and ASEAN's Outlook on the Indo-Pacific. Similar discussions should also be held after the inauguration of Indonesia's next president, to consider potential shifts in Indonesia's own strategic outlook. In each instance, these discussions could be best implemented first in a

<sup>60</sup> Kim, Joo-heon, 'Indonesia to collaborate with K-pop industry to create global phenomenon 'Indonesian Wave'', Aju Business Daily, <https://www.aju-daily.com/view/20230217174028151>

<sup>61</sup> Hynd, Alexander M., 'After Moon: The Future of South Korea's New Southern Policy', in 'Next Generation Perspectives on Korean Peninsula Security', National Committee on American Foreign Policy, 2021, p.100-112.

<sup>62</sup> Ministry of Foreign Affairs, Republic of Korea, 'Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region', December 28, 2022, p.14. Available at: [https://www.mofa.go.kr/eng/brd/m\\_5676/view.do?seq=322133](https://www.mofa.go.kr/eng/brd/m_5676/view.do?seq=322133)

<sup>63</sup> Xinli, Qiu, 'Why BRI-GMF cooperation benefits China and Indonesia', The Jakarta Post, August 29, 2019. Available at: <https://www.thejakartapost.com/academia/2019/08/23/why-bri-gmf-cooperation-benefits-china-and-indonesia.html>; Pebrianto, Fajar and Kukuh S. Wibowo, 'Jokowi dan Xi Jinping Sepakat Lanjutkan Proyek Belt Road Initiative Cina' [Jokowi and Xi Jinping agree to continue China's Belt and Road Initiative Project], July 26, 2022. Available at: <https://nasional.tempo.co/read/1616177/jokowidan-xi-jinping-sepakat-lanjutkan-proyek-belt-roadinitiative-cina>

track two format, through think tank dialogues in Seoul or Jakarta.

***7. Diplomatic engagement on traditional security issues should be enhanced, while functional cooperation in emerging security areas – such as discouraging nuclear proliferation and promoting cyber security collaboration – should be expanded.***

President Yoon's strategies and initiatives have also hinted at a change in Korea's approach to regional security issues to one that re-emphasizes the traditional US extended deterrence model and security sharing arrangement between its close allies. For non-ally partners, Korea's commitment to continue investing in strategic exchanges of officials and scholars is important, particularly to avoid other states misreading Korea's strategic outlook. This includes engaging in track 1.5 dialogues to discuss emerging common security challenges.

Subsequently, as a champion of international law and the non-proliferation of nuclear weapons, Indonesia shares Korea's interest

in discouraging proliferation of nuclear weaponry on the Korean Peninsula. As a leader in ASEAN-led platforms, Indonesia has the potential to play a key role in contributing to: i) in the short-term, a clearer stance from ASEAN in opposition to North Korea's ballistic missile launches, the exponential expansion of its nuclear arsenal, and its non-compliance with UNSC Resolutions; and ii) in the long-term, fostering a conducive environment for the de-escalation of tensions through confidence building measures – or even encouraging inter-Korean dialogue through collaboration with other great-power stakeholders.

Finally, in recognition of the rising importance and common challenge posed by state and non-state cyber threats, Korea and Indonesia can benefit from exploring more joint projects to enhance cyber security capacity. Korea and Indonesia have the potential to be close partners preventing the exploitation of existing vulnerabilities to cyber-attacks, and in building resilient infrastructure for thriving digital economies now and in the future.



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