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## Pragmatism and ambition: Indonesia's foreign policy under Prabowo

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Perth USAsia Centre  
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INDO-PACIFIC ANALYSIS BRIEFS 2025

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The Perth USAsia Centre's Indo-Pacific Analysis Briefs seek to provide perceptive and contemporary insights from across the region. The series features leading analysts from Asia, Australia and the US to deliver up-to-the-minute assessments on issues of national and regional importance. This series will shine a light on the issues that remain critically important to Australia and the Indo-Pacific at a time when global events may otherwise dominate the news cycle.



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# KEY MESSAGES

- 1** Under Indonesia's new President, Prabowo Subianto, a nonaligned stance and emphasis on economic development remain central pillars of Indonesian foreign policy.
- 2** Prabowo's ambition to elevate Indonesia's international profile signals a notable shift in the style and direction of Indonesia's external engagement.
- 3** While Australia's relationship with Indonesia remains cooperative, Canberra must navigate differing strategic outlooks and changes to Jakarta's policy process.

When Indonesian President Prabowo Subianto congratulated Prime Minister Anthony Albanese on his re-election in May 2025, Albanese described the Australia–Indonesia relationship as an "unbreakable bond".

Australia has invested significant diplomatic capital to signal its commitment to Indonesia, its largest neighbour, and a key strategic partner. Within just a few years, the two countries have signed a free trade agreement, elevated their relationship to the highest level of diplomatic partnership, and most recently, agreed on a landmark defence cooperation mechanism.

As Indonesia's global stature grows, however, Australia's relative importance for Jakarta is limited. The bilateral trade relationship continues to lag behind Indonesia's engagement with other major regional partners. Divergences also arise from fundamental differences in how both countries see the world, evident in Indonesia's disapproval of the AUKUS security pact and its ongoing engagement with Russia after the invasion of Ukraine.

Since assuming office in October 2024, President Prabowo has pledged to further elevate Indonesia's international standing and turn it into a respected power on the world stage.<sup>1</sup> As his presidency approaches the one-year mark in October, it is worth examining if and how Indonesia's foreign policy has shifted under his leadership – and what this might mean for the bilateral relationship.

## Continued emphasis on economic development

Prabowo came into office on a promise of continuity with his predecessor Joko 'Jokowi' Widodo (2014–2024), who committed to achieve the *Indonesia Emas* or Golden Indonesia vision, a framework to guide the country toward becoming a high-income, developed nation by 2045.

To work towards this goal, Prabowo has committed to an ambitious eight per cent economic growth rate, aims to boost Indonesia's domestic industries, and achieve equitable and sustainable development (Box 1). A flagship project of his campaign, for example, was the Free Nutritious Meal Programme (*Makan Bergizi Gratis* or MBG) which aims to provide millions of children and mothers with free lunches.

Strengthening Indonesia internally is also part of Prabowo's efforts to enhance national security. Prabowo has a nationalist vision of Indonesia's place in the world, which he views as a place where "only those with strength will be respected".<sup>2</sup> This is why he aims to increase the country's autonomy in areas like food and energy and puts particular emphasis on strengthening national defence capabilities. His government plans to increase the defence budget from 0.8 per cent to 1.5 per cent of the country's gross domestic product (GDP) to support a long-term defence modernisation programme.<sup>3</sup>

**BOX 1: Asta Cita – Prabowo's aspirations to achieve Golden Indonesia 2045**

- 1** Strengthen the Pancasila\* ideology, democracy, and human rights.
- 2** Increase quality employment opportunities, encourage entrepreneurship, develop creative industries, and continue infrastructure development.
- 3** Continue downstreaming and industrialisation to move up the value chain.
- 4** Strengthen political, legal, and bureaucratic reforms, and strengthen the prevention and eradication of corruption and drugs.
- 5** Strengthen the country's defence and security systems, and encourage national independence through self-sufficiency in food, energy, water, and green and blue economies.
- 6** Strengthen human resource development, science, technology, education, health, sports achievements, gender equality, and strengthen the role of women, youth, and people with disabilities.
- 7** Develop from the village and ground up for economic equality and poverty eradication.
- 8** Strengthen alignment with the environment, nature, and culture, and increase tolerance between religious communities to achieve a just and prosperous society.

Source: Gerindra Party<sup>1</sup>

\*Pancasila is Indonesia's state ideology, enshrined in the Constitution following independence. It consists of five core principles: belief in One God, just and civilized humanity, national unity, deliberative democracy, and social justice.

Given Indonesia's limited resources and declining fiscal indicators like tax income, Prabowo needs to attract investment and unlock new funding streams. Foreign policy remains an important vehicle to support this agenda.

This is why the President pursues an omnidirectional foreign policy outreach, proclaiming that "one thousand friends are too few, one enemy too many".<sup>4</sup> Since his inauguration alone, Prabowo has been on 10 trips to over 17 countries. The government has also developed new measures to facilitate investment, such as its recently launched sovereign wealth fund.<sup>5</sup>

Daya Angata Nusantara Investment Management Agency, called Danantara, manages seven of Indonesia's key state-owned enterprises and, with its starting capital of US\$ 61 billion, also acts as a platform for new strategic partnerships. Currently, the government is in talks for joint initiatives in key sectors like infrastructure with China, Australia, and Qatar. Moreover, Danantara and the Russian Direct Investment Fund agreed to create a joint investment fund worth US\$ 2.3 billion during Prabowo's June 2025 visit to Moscow.<sup>6</sup>

**Prabowo's ambitious growth targets will also continue to drive Jakarta closer towards Beijing, a trend that started under former President Jokowi.**

During a May 2025 visit by the Chinese Premier Li Qiang to Jakarta, for example, both countries inked numerous agreements, including a twin industrial park linking Fujian and Central Java with a starting capital of US\$ 3 billion to accelerate manufacturing and infrastructure growth.<sup>7</sup> In June the same year, Chinese battery giant CATL broke ground on a US\$6 billion electric vehicle (EV) battery plant in West Java.<sup>8</sup>

US trade policy under President Donald Trump could inadvertently add to this shift as uncertainty over the future of the international trade order is prompting Indonesia, like other countries, to seek out new partnerships.



## Recalibrating Indonesia's global role

While there is relative continuity in the substance of Indonesia's foreign policy, the style of foreign policy has markedly changed under Prabowo.

Having spent much of his childhood abroad and fluent in French, German, English, and Dutch, Prabowo has a distinctly outward-looking perspective. His tenure as Defence Minister (2014–2019) provided valuable international experience and early signs of a more proactive diplomatic style, including a controversial peace proposal for Ukraine. His unprecedented decision to embark on foreign visits even before his official presidential inauguration further underscored his intent to pursue a more engaged and internationally focused foreign policy.

**The President views diplomacy not merely as a tool for economic growth, but a means to assert Indonesia's sovereignty and elevate the country's profile alongside the world's major powers.**

As outlined in the Ministry of Foreign Affairs' 2025 annual press statement, Indonesia is now gearing up to exert bold and innovative leadership on the global stage, repositioning itself from a traditional middle power into a more assertive global actor.<sup>9</sup>

The country's accession to BRICS and plans to join other multilateral fora like the Organisation for Economic Development and Comprehensive and Progressive Agreement for Trans-Pacific Partnership underscore Jakarta's commitment to assume a bigger global role.

Against the backdrop of an expanded foreign policy outreach, the significance of the Association of Southeast Asian Nations (ASEAN), traditionally a cornerstone of Indonesian foreign policy, continues to decline. For example, Foreign Minister Sugiono skipped an ASEAN ministerial meeting on the Myanmar crisis to accompany the President to a meeting of the Developing 8 group in Cairo. Where Prabowo has engaged with regional counterparts such as Malaysian Prime Minister Anwar Ibrahim, engagements have focused on strengthening bilateral ties, rather than ASEAN institutions.

**Beside the future of ASEAN, this expanded foreign policy outreach has also raised questions about whether the President will uphold Indonesia's traditional nonaligned approach rooted in its independent and active (*bebas dan aktif*) foreign policy doctrine.**

Specifically, the President's growing engagement with Russia and China, including through the first-ever joint naval exercise with Russia less than a month after his inauguration, has cast doubt on Indonesia's strategic autonomy. Since then, Indonesia's accession as a full member of BRICS, an important diplomatic platform for Russia and China, and Prabowo's decision to skip the G7 meeting in Canada to attend the little-known St Petersburg International Economic Forum have further raised eyebrows among Western partners.

As the President has consistently emphasized, these developments do not signal the end of Indonesia's nonalignment. Indeed, relations with both the United States and China remain crucial for Jakarta, as they are the country's most significant trade and investment partners (Box 2). Prabowo's first official state visits as President underscored this balanced approach: following his inauguration, he met first with President Xi Jinping and travelled to the United States to meet then President Joe Biden immediately after. However, amid intensifying great power competition, these growing partnerships highlight Prabowo's pragmatic – rather than values-driven – approach to Indonesia's external relations.



**BOX 2: Indonesia's trade ties with the US and China**

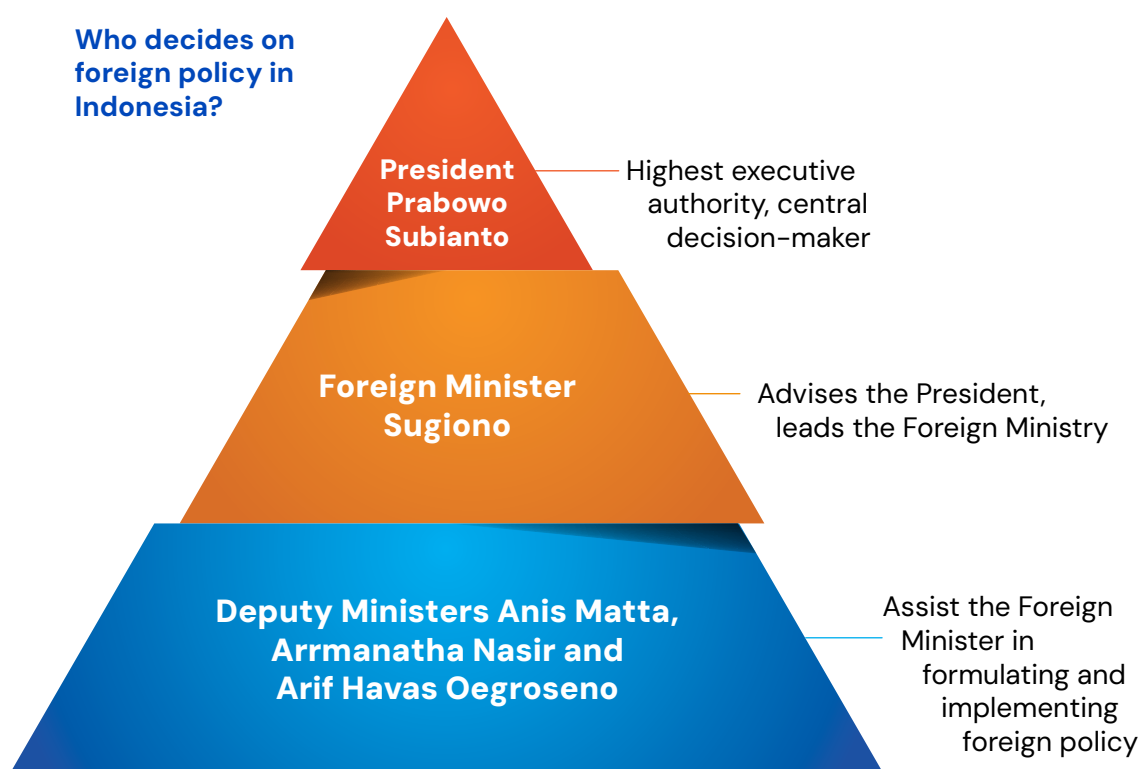
	<b>Export value 2023</b> (in US\$ billion)	<b>Share of total export</b> (per cent)
United States	23.2	9
China	64.9	25
Australia	3.2	1.2

Source: Badan Pusat Statistik<sup>10</sup>

**Changing foreign policy process**

Recent shifts in Indonesia's foreign policy also stem from significant changes in the policy-making process. While Jokowi was largely disinterested in diplomacy unless it yielded tangible outcomes, Prabowo brings a personal interest to foreign affairs.

He is much more personally involved in foreign policy decision-making than his predecessor, who gave the Foreign Ministry relative decision-making autonomy (Box 3). Bolstering his control over the policy process, Prabowo departed from the usual practice of selecting experienced professional diplomats to this post and instead appointed political ally Sugiono, who has been dubbed his "ideological child", as foreign minister.<sup>11</sup>

**BOX 3:****Who decides on foreign policy in Indonesia?**



Observers have also noted that President Prabowo's inner circle of advisors is relatively young, comprising both institutions like the State Secretariat and figures without official roles in the presidential office. Almost all are cadres of his Gerindra party, and many were educated at a semi-military high school that Prabowo helped establish. As a result, there is limited critical engagement with the President's agenda and less oversight by the presidential office over more senior figures within the administration.<sup>12</sup>

**This has, in some instances, contributed to a communication gap between the Foreign Ministry and the President's team.**

A notable example occurred in December 2024, when the President approved a statement on joint development with China in maritime areas of "overlapping claims" in the South China Sea. The declaration sparked controversy for appearing to legitimise China's nine-dash-line, which disregards the principles of international law. This forced the Foreign Ministry to respond swiftly and reaffirm Indonesia's unchanged stance on the territorial dispute.<sup>13</sup>

Combined with Prabowo's at times ad-hoc decision-making, these factors have introduced a degree of unpredictability into foreign policy. This is evident in controversial moves such as his proposal to temporarily host medical refugees from Gaza – a suggestion criticized by domestic Muslim groups for playing into US-Israeli plans to depopulate the Gaza Strip for tourism and development.

### Implications for Australia

Given Prabowo's ambitious economic development agenda and Australia's own goals to enhance two-way trade and investment with Southeast Asia, the relationship is set to remain cooperative – particularly as both sides are looking to enhance their partnership in areas like climate change and the energy transition.

Collaboration in these areas is only one part of a broader effort to strengthen their economic and strategic partnership, however. As both confront an increasingly challenging strategic environment, their cooperation as fellow middle powers and democracies will only grow in importance. In this respect, an active and outward-looking Indonesian approach will be beneficial for Canberra.

Still, Australia and Indonesia are charting different paths – and choosing different friends – to navigate great power competition.

**To further strengthen the partnership, Australia must become more adept at navigating divergent strategic outlooks.**

This was highlighted by the controversy surrounding an alleged Russian request to station long-range aircraft at an Indonesian base near Darwin. The Australian government promptly sought clarification from its Indonesian counterparts over this potential compromise of Australian national security, and Indonesia quickly reassured Canberra that it had no intention of hosting Russian planes. However, early reactions within Australia – questioning Indonesia's sovereign decision-making – risked undermining hard-earned trust between the two nations.

Australia should also prioritise leader-level engagement, as Prabowo is highly involved in foreign policy decision-making and is less predictable than former President Jokowi.<sup>14</sup> Although Albanese missed an opportunity to build personal rapport by breaking with the long-standing tradition of attending Indonesia's presidential inauguration, his first foreign visit to Jakarta after re-election (along with an endearing gift for Prabowo's cat Bobby) was warmly received in Indonesia. In an unusual gesture, Prabowo even made a surprise visit to Albanese's hotel before receiving him for official engagements at the Presidential Palace the next day.<sup>15</sup>



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