

South Korea – Indonesia 50 Years Bilateral Cooperation

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Introduction

Korea and Indonesia diplomatic relations will be 50 years old in 2023, and historically began in September 1973, but consular relations began in August 1966. The two countries continue to strive to improve relations and cooperation both bilaterally, regionally and multilateral.

In Southeast Asia through ASEAN regional institution, only Indonesia has a special strategic partnership status with Korea, and Seoul will further enhance bilateral relations with countries in Asia under the leadership of President Yoon Seokyeol. One of these Asian countries is Indonesia, which currently has a special strategic partnership with Korea. Special strategic partnership has the highest status in countries relations. In ASEAN, only Indonesia has the highest status, and it is recognized by other ASEAN countries. In the development of 50 years of history of bilateral relations between the two countries, it is predicted that they will get stronger, more intense, and further advancing (Centre for Strategic and International Studies, 2022).

Indeed, it is expected that President Yoon's administration policy will not experience much change, especially in bilateral relations with countries in Southeast Asia. Korea plans to further strengthen bilateral relations with Asian countries that have forged national strategic partnerships. For Korea, Indonesia has become the only country from ASEAN that has a special strategic partnership with Seoul (Manurung, 2022). However, apart from Indonesia, South Korea has also built in Asia Pacific region such relations with India, Uzbekistan, and the United Arab Emirates.

Indonesia – South Korea: Special Strategic Partnership

The closer relations and cooperation are supported, among other things, by the nature of the complementarity of resources and advantages possessed by each in addition to the very good processes of economic and political development of the two countries which have opened up opportunities for cooperation in various sectors to become increasingly wide open. The two countries also actively support each other in various regional and international forums such as nominations to international organizations. In 1994, Korean President Kim Young Sam visited Southeast Asia for the first time by attending the Asia Pacific Economic Cooperation (APEC) meeting in Jakarta, as the regional journey serves multiple objectives (Steinberg, 1995, p. 88). Thereafter, the willingness of Korean national leader in developing closer relations regionally reflected through political, economic, and military-defense cooperation.

ASEAN and Korea have exhibited remarkable mutual cooperation and growing interdependence since the establishment of Dialogue Partnership in 1989 (Korean Ministry of Foreign Affairs, 2023). The acknowledgement of a strong momentum in both parties has taken place since the ROK hosted three Commemorative Summits with ASEAN in Jeju (2009), in Busan in 2014 and 2019 to celebrate the 20th, 25th and 30th anniversary of ASEAN - ROK Dialogue Partnership. The closeness of relations and cooperation between Korea and Indonesia can be viewed from the intensity of high dignitaries' mutual visits (Indonesia Ministry of Foreign Affairs, 2023):

Table 1 Indonesia – Korea Bilateral Relations

No	Agenda	Place
1	Indonesian President Joko Widodo's State Visit in the context of the 25 th ASEAN-ROK Commemorative Summit and Bilateral Meeting, 10-12 December 2014	Busan
2	Visit of Indonesian Vice President Jusuf Kalla on 26 -30 August 2015	Seoul
3	Indonesian President Joko Widodo's State Visit, 15-18 May 2016	Seoul
4	South Korean President Moon Jae-in's State Visit, 8-10 November 2017	Jakarta
5	Visit of South Korean Prime Minister Lee Nak-yon, 18-21 August 2018	Jakarta
6	Indonesian President Joko Widodo's State Visit to South Korea on 8-10 September 2018	Seoul
7	Indonesian President Joko Widodo's working visit to South Korea to attend the ASEAN-ROK Commemorative Summit on 25-26 November 2019	Busan
8	Indonesian President Joko Widodo held a meeting with South Korean President Yoon Suk-yeol at the Yongsan Presidential Office, 28 July 2022	Seoul
9	Visit of President of South Korea Yoon Suk Yeol and met Indonesian President Joko Widodo (ASEAN Summits 2023, 4-8 September 2023)	Jakarta

Table 2 Indonesia – Korea Bilateral Agreements, 2020 - 2023

No	Agreement	Date and Place of Signature	Status
1	Memorandum of Understanding between the Ministry of Environment and Forestry of the Republic of Indonesia and the Ministry of Environment of the Republic of Korea on Environmental Cooperation	Glasgow, 4 November 2021	No ratification needed. <u>Duration</u> : 5 years
2	Memorandum of Understanding between the Coordinating Ministry for Maritime Affairs and Investment of the Republic of Indonesia and the Ministry of Oceans and Fisheries of the Republic	Jakarta, 13 October 2021	No ratification needed. <u>Duration</u> : 5 years)

	of Korea on Maritime Cooperation in the field of Offshore Plant Service Industry		
3	Memorandum of Understanding between the National Consumer Protection Agency of the Republic of Indonesia and the Korea Consumer Agency of the Republic of Korea	26 August 2021	No ratification needed. <u>Duration:</u> until terminated by either Party
4	Memorandum of Understanding between the Ministry of Foreign Affairs of the Republic of Indonesia and the Ministry of Foreign Affairs of the Republic of Korea concerning Triangular Cooperation	Jakarta, 25 June 2021	No ratification needed. <u>Duration:</u> 5 years)
5	Memorandum of Understanding between the Ministry of Administrative and Bureaucratic Reform of the Republic of Indonesia and the Ministry of the Interior and Safety of the Republic of Korea on the Establishment and Operation of Digital Government Cooperation Center	Jakarta, 25 May 2021	No ratification needed. <u>Duration:</u> until 31 December 2023
6	Memorandum of Understanding between National Library of Indonesia and National Library of Korea on the Cooperation in the field of Library	7 May 2021	No ratification needed. <u>Duration:</u> 3 years
7	Exchange of Notes between the Government of the Republic of Indonesia and the Government of the Republic of Korea concerning the	Jakarta, 22 April 2021	No ratification needed. <u>Duration:</u> No validity period specified

	Amendment of the Framework Agreement Concerning Loans from the Economic Development Cooperation Fund for the years 2016 through 2020		
8	Memorandum of Understanding between the Indonesian Food and Drug Authority of the Republic of Indonesia and the Ministry of Food and Drug Safety of the Republic of Korea concerning the Safety and Quality of Food and Pharmaceutical Products	Jakarta, 28 January 2021	No ratification needed. <u>Duration:</u> 6 years
9	Memorandum of Understanding between the Ministry of Education and Culture of the Republic of Indonesia and the Ministry of Education of the Republic of Korea on Cooperation in the Field of Education	Jakarta, 5 January 2021	No ratification needed. <u>Duration:</u> 5 years
10	Memorandum of Understanding between the Ministry of Environment of the Republic of Korea and the Ministry of Public Works and Housing of the Republic of Indonesia on Advanced Hydrologic Measurement in Indonesia	Jakarta, 15 December 2020	No ratification needed. <u>Duration:</u> 3 years

Source: <https://treaty.kemlu.go.id/search>

The strategic partnerships are not just transactional relations and should be based on a spirit of mutual assistance. Indonesia is the only country in Southeast Asia that has a special partnership with Korea. President Yoon appreciated Indonesia's leadership in the G20 (Indonesian State Secretariat, 2022). Indonesian government views positively on the development of closer relations with Korea. The infrastructure cooperation and it is expected that MRT phase 4 construction in Jakarta will begin soon in 2024 (Yanwardhana, 2023). LG and its partners in Indonesia will also later pursue investments worth US\$ 9.8 billion, in addition to cooperation in building a cathode factory in Batam (Riau Islands), involving Indonesian state-owned enterprises. Seoul supports the development of the Indonesian capital 'Ibu Kota Nusantara' as a smart city, along with the human resources quality improvement and digitizing the bureaucracy in Indonesia.

Korean Strategy Development in Southeast Asia

Korean strategic approach developed from initial neglect to mere tactic acknowledgment and careful engagement under Moon's administration from 2017 to 2022, to the now clear support for a distinct Indo-Pacific strategy under the Yoon administration since 2022 (Ballbach, 2023, p. 7). Through Indonesian embassy in Seoul sets targeting to generate the value of bilateral trade to double from USD 17 billion by 2021 (Masyrafina, 2022). Indonesian government agreed to ratify this trade agreement through Law Number 25 of 2022, promulgated in September 2022, and officially implemented on 1 January 2023 (Indonesian Coordinating Ministry for Economic Affairs, 2022).

Korean New Southern Policy (NSP) under President Moon Jae-in administration first announced in November 2017 in Jakarta (Korean Embassy to Singapore, 2021). It emanates from and aimed at intensifying South Korea's strategic partnerships with ASEAN and India under the vision of achieving a 'People-centered Community of Peace and Prosperity'. President Moon stated (Korean President, 2020):

“[...] the Republic of Korea maintained its position as the world's seventh largest exporter [...] New Southern Policy partner countries accounted for more than 20 percent of our exports for the first-time last year, and exports to countries linked to the New Northern Policy have also witnessed double-digit increases for three years in a row – a reminder of how our country's exports have been diversified”.

Indeed, Indonesia with Korea expect through the CEPA agreement, thousands of goods from both countries are free of entry and exit duties. The Indonesian government is pushing for its export commodities to substitute commodities from countries that are involved in war such as coal, because Korea still imports coal from Russia. Even so, currently there is not much Indonesian coal that can be exported to Korea. The coal needed by a number of Korean industries has higher calories, such as that produced in Russia and Australia. Korea so far has not imported so much coal from Indonesia as Jakarta needs to replace the shortage of coal supply from countries currently at war.

Indonesian government appreciates the strengthening of cooperation with Korea in defense and security sector which was realized through 'The First RI-ROK Foreign and Defense Senior Officials Meeting' (Parliament of Indonesia, 2022). The cooperation is in the form of a project to procure KF-21 Boramae combat aircraft and submarines from Korea to Indonesia.

Conclusion

Korea's bilateral relations with Indonesia for 50 years still need to be optimized and improved in relation to strengthening economic cooperation in particular. Economic cooperation is boosting and has the opportunity to continue and be expanded. In the future, it is expected that around 2,000 Korean companies in Indonesia will actually have a contributive role continuously. The cooperation in the financial sectors also can be further enhanced and as a form of full support from Korean domestic financial companies for business operations expansion in Indonesia. Therefore, as the largest country in Southeast Asia, Indonesia has been home to around thirty Korean financial companies, and this number will continue to increase as the intensity of economic trade cooperation between the two countries generates at present and in the future.

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