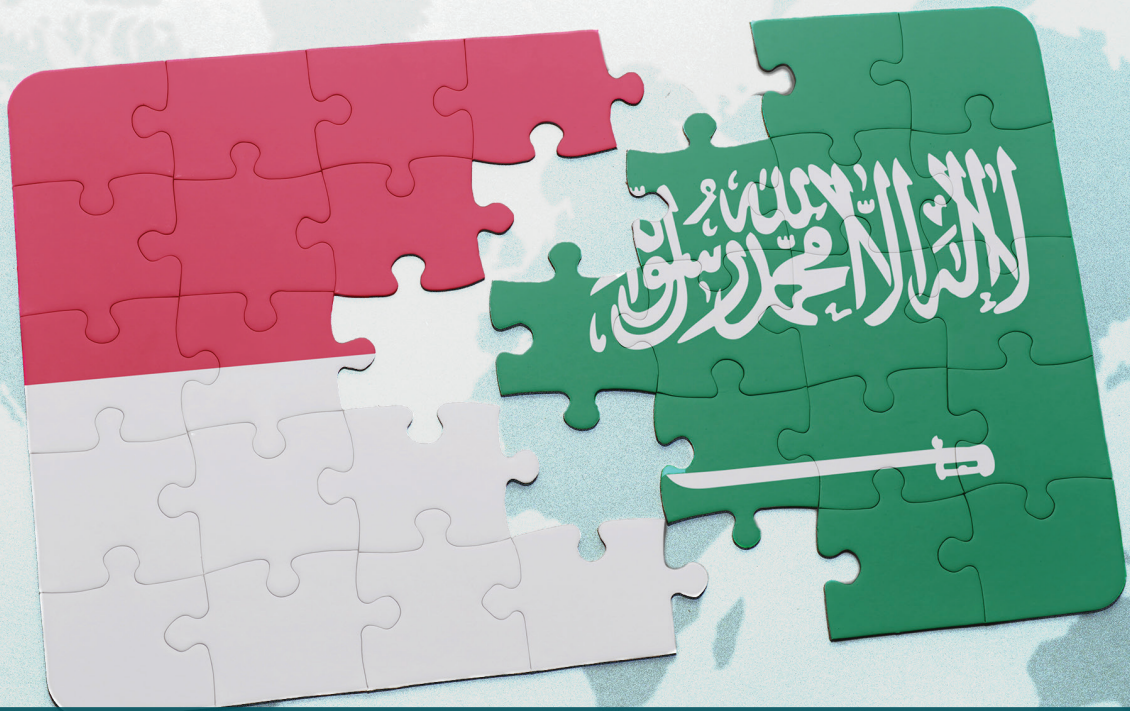




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Developments in Indonesian–Saudi Relations Under President Joko “Jokowi” Widodo

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Special Report

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When a former furniture store owner and mayor of the small city of Surakarta, Joko “Jokowi” Widodo, was elected as Indonesia’s seventh president in 2014, his limited experience in foreign affairs left many observers thinking his presidency would see few significant breakthroughs in the country’s foreign policy.⁽¹⁾ However, despite these presumptions, Widodo has succeeded in strengthening Indonesia’s relationship with various Middle Eastern partners, including Saudi Arabia. As a result, over the past decade, ties between Jakarta and Riyadh have solidified and become more multifaceted, with the scope of cooperation expanding from the diplomatic and energy spheres to include security and cultural ones as well.

This report provides a broad analysis of the relationship between Indonesia and Saudi Arabia under the Widodo administration. The report is divided into three sections. The first reviews the key political and security developments in the Indonesia–Saudi relationship, while the second analyzes shifts in economic relations. Finally, the third section examines growing cultural exchanges between Indonesia and Saudi Arabia since 2014.

I. Political and Security Relations

When inaugurated into office in 2014, Widodo unveiled new policies that sought to enhance Indonesia’s standing on the global stage. The most important of these was the country’s “4+1” foreign policy priorities, which refers to “strengthening economic diplomacy; protection diplomacy, sovereignty and national diplomacy; and Indonesia’s role in the region and globally. [...T]he plus one is strengthening the infrastructure of diplomacy.”⁽²⁾ As president of the largest Muslim-majority country in the world, it is scarcely surprising that from the outset, Widodo prioritized the relationship with Saudi Arabia. The Kingdom was among the first countries President Widodo visited after being elected when, in September 2015, he was warmly welcomed by King Salman bin Abdulaziz Al-Saud. The president was awarded the prestigious King Abdulaziz Medal during the visit, the highest honor that the Kingdom bestows on foreign leaders.⁽³⁾

(1) Donald E. Weatherbee, *Understanding Jokowi’s Foreign Policy: Trends in Southeast Asia 2016/12*, (Singapore: ISEAS Publishing, 2016).

(2) “Annual Press Statement Indonesia Minister of Foreign Affairs Year 2020: Diplomacy Priorities 4+1,” *Ministry of Foreign Affairs of the Republic of Indonesia (Kemlu)*, January 8, 2020, <https://kemlu.go.id/ankara/en/news/4152/annual-press-statement-indonesia-minister-of-foreign-affairs-year-2020-diplomacy-priorities-41-diplomacy4peaceandprosperity#:~:text=Furthermore%2C%20Foreign%20Minister%20Retno%20conveyed,diplomacy%3B%20and%20Indonesia’s%20role%20in>.

(3) Julkifli Marbun, “President Jokowi Awarded ‘King Abdulaziz Medal’,” *Republika*, September 13, 2015, <https://republika.co.id/berita/nulshw317/network>.

Arguably the most crucial of the post-2014 diplomatic exchanges was the historic visit of King Salman and 1,500 courtiers and delegates to Jakarta in 2017, the first for a Saudi monarch since King Faisal's visit nearly six decades prior.⁽⁴⁾ The visit constituted a historic moment for the relationship between Indonesia and Saudi Arabia and led to the conclusion of 11 agreements covering a range of areas, including health, transportation, trade, education, religion, culture, and counter-terrorism.⁽⁵⁾ One agreement was on cooperation in transnational crime eradication, an area in which the Indonesian National Police (Polri) and the Saudi Ministry of Interior have worked together previously.⁽⁶⁾ Following King Salman's visit, Jakarta–Riyadh security ties have been extended increasingly into other areas, such as aviation.⁽⁷⁾



Figure 1: President Widodo receives King Salman in Jakarta in March 2017⁽⁸⁾

(4) Christine Franciska, "Saudi King Visits Indonesia With 'Cars and Entourage'," *BBC*, March 1, 2017, <https://www.bbc.com/news/world-asia-39099988>.

(5) Siwage Dharma Negara, *The Impact of Saudi King's Visit to Indonesia: ISEAS Perspective 2017/16*, (Singapore: ISEAS Publishing, 2017), https://www.iseas.edu.sg/wp-content/themes/iseas/assets/img/buttons/btn_download.jpg.

(6) Sanny Cicilia, "Ini Isi MoU Polri Bersama Dengan Arab Saudi," *Kontan*, March 2, 2017, <https://nasional.kontan.co.id/news/ini-isi-mou-polri-bersama-dengan-arab-saudi>.

(7) Kumairoh, "Indonesia-Arab Saudi Kerja Sama Mengenai Investigasi Kecelakaan Penerbangan," *Warta Ekonomi*, December 3, 2018, <https://www.wartaekonomi.co.id/read205880/indonesia-arab-saudi-kerja-sama-mengenai-investigasi-kecelakaan-penerbangan>.

(8) Source: Wikimedia Commons, https://commons.wikimedia.org/wiki/File:Salman_Jokowi_2017.jpg

While policing and security exchanges have benefited from these bilateral interactions, military and counter-terrorism cooperation have also intensified. Prior to Widodo's visit to the Kingdom in 2015, Jakarta and Riyadh had signed an important new treaty—the Defense Cooperation Agreement (DCA)—the first such agreement between the two countries and the first of its kind between Indonesia and a Middle Eastern country.⁽⁹⁾ The agreement detailed bilateral cooperation in military education, military student exchange, military infrastructure, and social assistance in disaster management. For Indonesia, the deal was intended to enable the country's defense industry to win lucrative Saudi contracts. It is important to note that the deal came two days after Riyadh signed a similar agreement with Pakistan.⁽¹⁰⁾

The DCA has been gradually implemented. The defense ministries in both countries are overseeing a commissioned officer exchange program. From 2014 to 2022, Indonesia dispatched 178 personnel to attend courses in Saudi Arabia related to counter-extremism.⁽¹¹⁾ Meanwhile, Saudi Arabia sent two officers for training at the Indonesian Army Command and General Staff College.⁽¹²⁾ In addition, the government in Riyadh recently extended support to the Indonesian Peace and Security Center in Sentul, West Java.⁽¹³⁾ This support—in the form of a language training center—will be used to train Indonesian soldiers earmarked for deployment to Lebanon as part of the UN peacekeeping mission there. Other expressions of counter-terrorism cooperation between the two sides have mainly taken place through the Global Counterterrorism Forum, where Indonesia leads the Detention and Reintegration Working Group.⁽¹⁴⁾ Military procurements have also increased. In 2021, for instance, Saudi Arabian Military Industries (SAMI) was reported to be looking to expand its relationship with PT PAL Indonesia, a state-owned shipbuilding and defense company, in the production of submarines and other military vessels.⁽¹⁵⁾

(9) Ankit Panda, "Indonesia and Saudi Arabia Sign Defense Cooperation Agreement," *The Diplomat*, January 25, 2014, <https://thediplomat.com/2014/01/indonesia-and-saudi-arabia-sign-defense-cooperation-agreement/>.

(10) Muhammad Yaseen Naseem and Sayyad Sadri Alibablu, "Saudi-Pak Defense Partnership," *Middle Eastern Studies* 9:2, 2017, 44–65, <https://dergipark.org.tr/en/pub/ortetut/issue/50681/660026>.

(11) "Indonesia, Saudi Arabia Discuss Defense Industry Cooperation," *Oana News*, March 8, 2022, <http://m.oananews.org/news.php?id=624105>.

(12) "Indonesia, Saudi Arabia Discuss Defense Industry Cooperation."

(13) "Saudi Research Center to Help Develop Arabic Education in Indonesia," *Saudi Gazette*, January 13, 2022, <https://saudigazette.com.sa/article/615798>.

(14) Robert Mason, "Revitalized Interactions Between the Gulf and Indonesia," *Middle East Institute*, February 10, 2022, <https://www.mei.edu/publications/revitalized-interactions-between-gulf-and-indonesia>.

(15) "Saudi SAMI, Cooperation With PT PAL Indonesia on Submarines," *Tactical Report*, March 26, 2021, <https://www.tacticalreport.com/news/article/51677-saudi-sami-cooperation-with-pt-pal-indonesia-on-submarines>.

Beyond security, the Indonesian authorities have expressed growing interest in learning from the administrative reforms being carried out in Saudi Arabia under the Vision 2030 agenda. In 2016, Indonesia's Corruption Eradication Agency (KPK) concluded an agreement with Nazaha, the Saudi commission in charge of anti-corruption, to strengthen training and information sharing between the two sides.⁽¹⁶⁾ The KPK has been particularly focused on learning from the work of Etimad, an e-platform that manages the procurement and budgeting of the Saudi government, making it easier to monitor state finances.⁽¹⁷⁾ Nazaha's head, Khalid Abdulmohsin Al-Mehaisen, visited Indonesia in 2019 to meet his Indonesian counterparts.⁽¹⁸⁾

Despite these positive developments, relations between Jakarta and Riyadh during Widodo's two terms in office have not always been harmonious. In 2015, Indonesia firmly rejected the Saudi government's invitation to join the Islamic Military Alliance (IMA), which at that time consisted of 34 countries, including many Gulf, African and Asian states.⁽¹⁹⁾ Indonesia's foreign ministry spokesman Arrmanatha Nasir said that Indonesia could only join a military alliance under the leadership of the UN.⁽²⁰⁾ The logic behind this was that the IMA, as an international military coalition, was not in line with Indonesia's constitution, laws, and longstanding commitment to non-alignment.

Indonesia has found itself caught in the rivalry between Saudi Arabia and Iran, and has attempted to maintain neutrality through mediation.⁽²¹⁾ In assuming this role as mediator, the Indonesian Minister of Foreign Affairs Retno Marsudi visited the two countries in 2016.⁽²²⁾ As part of these efforts, she also wrote a letter to Mohammad Javad, Iran's then foreign minister, and met with King Salman in Riyadh.⁽²³⁾ Indonesia also communicated its aspirations to mediate at the OIC

(16) Rashid Hassan, "Saudi Arabia, Indonesia Sign Anti-corruption MoU," *Arab News*, December 14, 2016, <https://www.arabnews.com/node/1023951/amp>.

(17) Haris Fadhil, "Ketua KPK Kunjungi Nazaha Saudi, Bahas Kerja Sama Pemberantasan Korupsi" *Detik News*, April 25, 2019, <https://news.detik.com/berita/d-4524158/ketua-kpk-kunjungi-nazaha-saudi-bahas-kerja-sama-pemberantasan-korupsi>

(18) Ilham Rian Pratama, "Ketua KPK Bertemu Presiden Lembaga Antikorupsi Arab Saudi," *Tribun News*, April 25, 2019, <https://www.tribunnews.com/nasional/2019/04/25/ketua-kpk-bertemu-presiden-lembaga-antikorupsi-arab-saudi>.

(19) Mason, "Revitalized Interactions."

(20) Ikko Tri Jayadi, "Alasan Indonesia Tidak Bergabung Dalam Aliansi Militer Islam Anti-Terrorisme," *eJournal Ilmu Hubungan Internasional* 6:1, 2018, 281–96, <https://ejournal.hi.fisip-unmul.ac.id/site/?p=2502>.

(21) "Indonesia To Play Mediator Between Riyadh and Tehran," *Arab News*, January 13, 2016, <https://www.arabnews.com/node/864281/amp>.

(22) Andylala Waluyo, "Foreign Minister Retno Marsudi Leaves for Saudi Arabia and Iran," *Voice of America Indonesia*, January 3, 2016, <https://www.voaindonesia.com/a/enlu-retno-mersudi-bertolak-ke-arab-saudi-dan-iran/3141309.html>.

(23) "King Salman Appreciates Indonesia's Move to Bring Reconciliation to Saudi & Iran," *Cabinet Secretariat of the Republic of Indonesia (Setkab)*, January 19, 2016, <https://setkab.go.id/en/king-salman-appreciates-indonesias-move-to-bring-reconciliation-to-saudi-iran/>.

Extraordinary Ministerial Level meeting in 2016 and proposed a Code of Conduct to help rebuild trust between the two Gulf antagonists.⁽²⁴⁾

The problems between Indonesia and Saudi Arabia are not only limited to differences over external foreign policy issues but also include problems of a specific bilateral character, the most important of which concerns the treatment of Indonesian migrant workers. The Kingdom is host to one of the largest populations of Indonesian migrant workers in the world (around 1.3 million). Remittances from these overseas workers have been pivotal for the Indonesian economy.⁽²⁵⁾ The chairman of the Indonesian Manpower Services Association (APJATI), Ayub Basalamah, stated that the remittances received in 2019 amounted to US\$14.9 billion.⁽²⁶⁾ Meanwhile, Saudi Arabia benefits from the vital construction, home assistance, and other labor Indonesian migrant workers provide.

Yet despite these mutual benefits, the issue often acts as a source of tension in bilateral relations. Between 2016 and 2021, Saudi Arabia was the second-highest source of complaints about mistreatment from the Indonesian migrant populations worldwide.⁽²⁷⁾ One notorious case was that of Tuti Tursilawati, a domestic worker executed in 2018 after being convicted of murdering her employer. The Saudi authorities provided no prior warning to either Tuti's family or Indonesia's consular staff.⁽²⁸⁾ Indonesia's Minister of Foreign Affairs, Retno Marsudi, immediately called her Saudi counterpart to lodge a strong protest.⁽²⁹⁾ She also summoned the Saudi Ambassador to Indonesia, Osama bin Muhammad to express Indonesia's official dissatisfaction.⁽³⁰⁾ Several similar cases have affected bilateral relations in recent years.⁽³¹⁾

(24) Yenni Kwok, "Could Indonesia's President Become the Middle East's New Mediator?" *Time*, January 20, 2016, <https://time.com/4186427/indonesia-saudi-arabia-iran-diplomacy-sunni-shia/>.

(25) Isna Rifka, "Mengapa TKI Disebut sebagai Pahlawan Devisa?" *Kompas.com*, January 29, 2022, <https://money.kompas.com/read/2022/01/29/134000926/mengapa-tki-disebut-sebagai-pahlawan-devisa>.

(26) "Perusahaan Jasa TKI Klaim Hasilkan Remitansi Rp 218 T Hingga 2019," *Tempo*, November 10, 2019, <https://bisnis.tempo.co/read/1270462/perusahaan-jasa-tki-klaim-hasilkan-remitansi-rp-218-t-hingga-2019>

(27) "2.949 Pengaduan Kasus Tki Diproses BNP2TKI," *Badan Pelindungan Pekerja Migran Indonesia*, September 29, 2017, <https://www.bp2mi.go.id/unit-kerja/detail/2949-pengaduan-kasus-tki-diproses-bnp2tki>

(28) "Indonesia Protests Saudi Execution of Domestic Worker," *Aljazeera*, October, 31, 2018, <https://www.aljazeera.com/news/2018/10/31/indonesia-protests-saudi-execution-of-domestic-worker>.

(29) Sarah Yuniarni, "Indonesia Protests Saudi Execution of Domestic Worker Without Prior Notification," *Jakarta Globe*, October, 31, 2018, <https://jakartaglobe.id/news/indonesia-protests-saudi-execution-of-migrant-worker-without-prior-notification/>.

(30) Natasia Crishty Wahyuni, "RI Protes Arab Saudi Atas Eksekusi Mati Tuti Tursilawati," *Berita Satu*, October 30, 2018, <https://www.beritasatu.com/nasional/519526/ri-protes-arab-saudi-atas-eksekusi-mati-tuti-tursilawati>.

(31) Achmad Fardiansyah, "Ternyata Sudah 5 Kali TKI Dihukum Mati Tanpa Notifikasi Seperti Tuti Tursilawaty," *Oke News*, November 4, 2018, <https://nasional.okezone.com/read/2018/11/04/337/1973165/ternyata-sudah-5-kali-tki-dihukum-mati-tanpa-notifikasi-seperti-tuti-tursilawaty>.

Against this backdrop, both Indonesia and Saudi Arabia have made serious efforts to resolve the status and conditions of Indonesian migrant workers in the Kingdom. Indonesia imposed a moratorium on sending Indonesian migrant workers in 2011 but concluded an agreement with Saudi Arabia in October 2018, allowing labor migration to resume.⁽³²⁾ Under the agreement, an electronic system was set up to expedite the process of recruiting domestic workers while also protecting the contractual rights of all parties.⁽³³⁾

The COVID-19 pandemic, which the Indonesian government did not manage well, has likewise emerged as a challenge for Indonesian–Saudi relations. Because of the ongoing outbreak, in July 2021, the Kingdom prohibited Saudi citizens from visiting Indonesia until 2023.⁽³⁴⁾ When the Ministry of Umrah and Hajj of Saudi Arabia lifted the ban on direct flights to Saudi Arabia for Umrah the same month, Indonesia was one of nine countries for which the ban was kept in place.⁽³⁵⁾ That the Saudi government has instituted strict prohibitions on Indonesia—which sends the largest number of Hajj and Umrah pilgrims annually—speaks volumes about the degree to which COVID-19 has affected bilateral relations. In December 2021, Saudi Arabia decided to re-open its borders to Indonesian citizens.⁽³⁶⁾

II. Economic Relations

Economic relations have remained vibrant under the Widodo administration. This dynamism reflects the complementarity of the economic ties between the two countries. For Saudi Arabia, Indonesia is a significant export market and destination for investment. As such, it is a crucial plank in the Kingdom’s “Look East” policy and contributes to the diversification objectives of Vision 2030. For Indonesia, energy imports and financing from the Kingdom could improve the country’s economy and enhance Indonesia’s energy security and infrastructure development, which were key pledges in Widodo’s 2014 and 2019 election campaigns. Although it is Southeast Asia’s largest economy, Indonesia continues to need large volumes of foreign direct

(32) “Saudi Arabia, Indonesia Reach Agreement Over Domestic Workers,” *Arab News*, October 13, 2018, <https://www.arabnews.com/node/1386861/saudi-arabia>.

(33) “Saudi Arabia, Indonesia Reach Agreement Over Domestic Workers.”

(34) “Saudi Arabia Bans Citizens From Travel to Indonesia—SPA,” *Reuters*, July 21, 2021, <https://www.reuters.com/world/middle-east/saudi-arabia-bans-citizens-travel-indonesia-spa-2021-07-21/>.

(35) Husni Anggoro, “Saudi Belum Izinkan Jemaah Indonesia Umrah, Ini Penjelasan Kemenag,” *Kementerian Agama Republik Indonesia (Kemenag)*, August 18, 2021, <https://haji.kemenag.go.id/v4/saudi-belum-izinkan-jemaah-indonesia-umrah-ini-penjelasan-kemenag>.

(36) “Menag: Per 1 Desember 2021, Penerbangan Indonesia Bisa Langsung ke Saudi,” *Kementerian Agama Republik Indonesia (Kemenag)*, November 26, 2021, <https://www.kemenag.go.id/read/menag-per-1-desember-2021-penerbangan-indonesia-bisa-langsung-ke-saudi-n39nx>.

investment to upgrade its infrastructure and industrial sector, sustain growth, and reduce unemployment. Saudi Arabia—especially through its US\$600 billion sovereign wealth fund, the Public Investment Fund (PIF)—is a potential source of much-needed capital.

Among the Gulf Cooperation Council (GCC) states, Saudi Arabia has been Indonesia's most influential and largest trading partner country. However, bilateral trade volumes have fluctuated throughout the Widodo era, and the balance of trade consistently favors the Kingdom, reflecting Indonesia's reliance on Saudi energy exports. In 2019 alone, approximately 48% of Indonesia's crude oil import was supplied from Saudi Arabia.⁽³⁷⁾ Indonesia's government has acknowledged the asymmetry and has sought to increase the value of Indonesian exports to the Kingdom via its Indonesia Trade Promotion Centre in Jeddah.⁽³⁸⁾ Indonesia exports a mixed portfolio of goods to Saudi Arabia, including car and motor vehicle products and spare parts, alongside wood, furniture, paper, palm oil, and processed fish products.⁽³⁹⁾

Indonesia has also been attempting to boost agricultural exports to the Saudi market. One example is PT Banyu Bening Jaya, which in 2021 began exporting premium rice from Sragen to the Kingdom, with plans to ship 1,000 tons annually.⁽⁴⁰⁾ In addition, Indonesia has promoted its coffee in the Saudi market, where demand is expected to grow by 6.2% annually through 2027.⁽⁴¹⁾ In 2021, in collaboration with the Association of Indonesian Coffee Exporters, the Indonesian embassy in Riyadh organized an exhibition of six of Indonesia's best coffee beans sourced from Bali, Aceh, Toraja, and Flores.⁽⁴²⁾ The event, dubbed the "Roast of Indonesia" coffee cupping, was held to connect Saudi entrepreneurs directly with Indonesian producers and eliminate reliance on middlemen. Mohammed Almarhoon, the CEO of Artist Hub Company, one of the leading roasteries and the largest supplier of coffee in Saudi Arabia, welcomed the

(37) Muhammad Zulfikar Rakhmat and M. Habib Pashya, "Indonesia's Energy Relations with the Gulf Cooperation Council Countries: Drivers and Progresses," *Indonesian Energy of Journal* 5:1, 2022, 25–32, <https://doi.org/10.33116/ije.v5i1.126>.

(38) Amanda Kusumawardhani, "Genjot Ekspor ke Arab Saudi, Kemendag Gelar Pelatihan," *Ekonomi Bisnis*, July 25, 2020, <https://ekonomi.bisnis.com/read/20200725/12/1271003/genjot-ekspor-ke-arab-saudi-kemendag-gelar-pelatihan>.

(39) Negara, "Saudi King's Visit to Indonesia."

(40) "Beras Premium Sragen Berhasil Tembus Pasar Arab Saudi," *Ministry of Foreign Affairs of the Republic of Indonesia (Kemlu)*, June 16, 2021, <https://kemlu.go.id/riyadh/id/news/13884/beras-premium-sragen-berhasil-tembus-pasar-arab-saudi>.

(41) "Laporan Pasar Kopi Arab Saudi 2021: Pasar Diproyeksikan Tumbuh pada CAGR 6,2% Selama 2021–2027," *GlobeNewswire*, June 24, 2021, <https://www.globenewswire.com/news-release/2021/06/24/2252509/28124/en/Saudi-Arabia-Coffee-Market-Report-2021-Market-is-Projected-to-Grow-at-a-CAGR-of-6-2-During-2021-2027.html>.

(42) "Saudi Entrepreneurs Admire Indonesian Coffee Tastes," *Indonesia Window*, April 6, 2021, <https://indonesiawindow.com/en/saudi-entrepreneurs-admire-indonesian-coffee-tastes/>.

embassy's efforts and declared that coffee could become one of Indonesia's leading commodity exports to the Kingdom.⁽⁴³⁾

While the potential for trade is considerable and recent developments are promising, Saudi FDI to Indonesia has not met the desired expectations. For example, in the early 2010s, negotiations took place between Saudi Aramco and Pertamina, Indonesia's state-owned energy firm, to build a \$6 billion refinery in Cilacap in Central Java.⁽⁴⁴⁾ The talks lasted for well over five years, with Aramco eventually walking away from the joint venture, presumably because it considered the project to be over-valued.⁽⁴⁵⁾ Although the Saudi side later revised its offer from US\$2.5 billion to US\$5.1 billion, Pertamina insisted that at least US\$5.7 billion was needed to develop the project.

Despite this false start, both sides have sought to increase investments through various multilateral platforms during Widodo's two terms in office. One of these is a long-term diplomatic initiative called SAUNESA (Saudi Arabia-Indonesia) launched by the then Indonesian Ambassador to Saudi Arabia, Agus Maftuh Abegebriel, which aims to identify and nurture bilateral trade and investment opportunities.⁽⁴⁶⁾ In addition, during King Salman's state visit to Jakarta in 2017, the two leaders signed an agreement to increase investments and support businesses operating in both countries.⁽⁴⁷⁾ On this occasion, Saudi Arabia pledged US\$8.8 billion in development finance.⁽⁴⁸⁾ However, while the sum dwarfs that proposed by other GCC member countries and is a substantial increase on previous Saudi pledges of FDI, it fell well short of the US\$25 billion in new investment that Indonesia had reportedly sought from the Kingdom.⁽⁴⁹⁾

Widodo was not deterred from courting further investments from Saudi Arabia. For example, on the sidelines of the G20 summit in Osaka in June 2019, he held a bilateral meeting with

(43) "Saudi Entrepreneurs Admire Indonesian Coffee Tastes."

(44) Rakhmat and Pashya, "Indonesia's Energy Relations."

(45) Rakhmat and Pashya, "Indonesia's Energy Relations."

(46) Sumanto Al Qurtuby, *Saudi Arabia and Indonesian Networks: Migration, Education, and Islam*, (New York: Bloomsbury, 2019).

(47) Sumanto Al Qurtuby, "King Salman's Historic Visit to Indonesia: Mirror of a Changing Saudi Arabia," *Middle East Institute*, January 16, 2018, https://www.mei.edu/publications/king-salmans-historic-visit-indonesia-mirror-changing-saudi-arabia#_ftn8.

(48) Al Qurtuby, "King Salman's Historic Visit to Indonesia."

(49) Nivell Rayda, "Indonesia's Joko Widodo laments Saudi Investment of 'Only' \$8.8bn," *The Australian*, April 15, 2017, <http://www.theaustralian.com.au/news/world/indonesias-joko-widodo-laments-saudi-investment-of-only-88bn/news-story/5b632f61b14255bebb873aef94f050bb>.

Saudi Arabia's Crown Prince Mohammad bin Salman.⁽⁵⁰⁾ In the meeting, President Widodo put forward three major proposals. The first was to move ahead and establish the High-Level Consultative Committee (HCC), initially suggested by Saudi Arabia, which could help the two nations enhance cooperation and coordination. Reflecting Indonesia's eagerness to follow up with the plan, Foreign Minister Retno Marsudi discussed it with her Saudi counterpart, Ibrahim bin Abdulaziz Al-Assaf, during the OIC Meeting in Jeddah in September 2019.⁽⁵¹⁾ Widodo had also spoken to King Salman about speeding up the formation of the HCC.⁽⁵²⁾

Second, seeing the importance of Saudi Arabia as an energy partner, the Indonesian government proposed ways to mend the partnership between Pertamina and Aramco. For example, Indonesia's then energy minister, Ignasius Jonan, and the then Minister of State-Owned Enterprises (SOEs), Rini Soemarno, as well as the director of Pertamina, Nicke Widyawati, engaged the Saudi Arabian energy minister Khalid Al-Falih to discuss how to resolve this issue.⁽⁵³⁾ Third, Widodo stated that Indonesia is ready to send a delegation to discuss cooperation in other sectors, such as petrochemical production, so that Indonesia can fully participate in Saudi Arabia's Vision 2030.⁽⁵⁴⁾

The momentum created by these meetings was strengthened further in mid-2020 when Indonesia's Coordinating Minister for Maritime Affairs and Investment, Luhut Binsar Pandjaitan, visited Riyadh to meet with Saudi Arabia's investment and finance ministers.⁽⁵⁵⁾ Although details have not yet been released to the public, Saudi Arabia appears to have agreed to invest in several sectors in Indonesia, including energy and infrastructure.⁽⁵⁶⁾ It is important

(50) "President Jokowi Talks on Energy Cooperation in the Meeting With Saudi Arabian Crown Prince," *Ministry of Foreign Affairs of the Republic of Indonesia (Kemlu)*, June 29, 2019, <https://kemlu.go.id/portal/en/read/414/berita/president-jokowi-talks-on-energy-cooperationin-the-meeting-with-saudi-arabian-crown-prince>.

(51) "Menlu RI-Menlu Saudi Bahas Kerjasama Pertamina dan Aramco," *MINA News*, September 27, 2019, <https://minanews.net/menlu-ri-menlu-saudi-bahas-kerjasama-pertamina-dan-aramco/?mselkid=90b90603d01c11ec83e2d04d93d4fa6c>.

(52) "Menlu RI-Menlu Saudi Bahas Kerjasama Pertamina dan Aramco."

(53) "President Jokowi Talks on Energy Cooperation in the Meeting With Saudi Arabian Crown Prince," *Ministry of Foreign Affairs of the Republic of Indonesia (Kemlu)*, June 29, 2019, <https://kemlu.go.id/portal/en/read/414/berita/president-jokowi-talks-on-energy-cooperationin-the-meeting-with-saudi-arabian-crown-prince>.

(54) Dian Septari, "Indonesia Offers Support for MBS' Saudi Vision 2030," *The Jakarta Post*, July 1, 2019, <https://www.thejakartapost.com/news/2019/07/01/indonesia-offers-support-mbs-saudi-vision-2030.html>.

(55) Insi Nantika Jelita, "Luhut dan Erick Jajaki Kerja Sama Investasi dengan UEA dan Saudi," *Media Indonesia*, December 10, 2020, <https://mediaindonesia.com/ekonomi/367732/luhut-dan-erick-jajaki-kerja-sama-investasi-dengan-uea-dan-saudi>.

(56) Rina Ayu Panca Rini, "Menko Luhut dan Erick Thohir ke Arab Saudi, Perkuat Kerja Sama di Sektor Energi," *Tribun News*, December 10, 2020, <https://www.tribunnews.com/bisnis/2020/12/10/menko-luhut-dan-erick-thohir-ke-arab-saudi-perkuat-kerja-sama-di-sektor-energi>.

to note that currently, Indonesia has two SOEs, Wijaya Karya, and Waskita Karya, with representative offices in the Kingdom.⁽⁵⁷⁾ These firms are involved in the Saudi construction sector.⁽⁵⁸⁾ There was also a plan for Indonesian companies to be involved in ongoing railway projects in Saudi Arabia.⁽⁵⁹⁾

The digital economy is another sector where the two countries have explored cooperation. In 2019, the Indonesian Ministry of Communication and Informatics signed an MoU with the Saudi Ministry of Communication and Information Technology.⁽⁶⁰⁾ The agreement focused on the creation of the Umrah Digital Enterprise application to facilitate the departure process of Indonesians wishing to perform the Hajj. Two Indonesian start-ups, Traveloka and Tokopedia, participated in this project. This digital cooperation, which was first initiated during the G20 meeting held in Dusseldorf in 2017, also involved an exchange of views and experiences, as well as the establishment of a bilateral digital task force.⁽⁶¹⁾ During the signing of the agreement, the Saudi government invited Indonesian start-ups from the NextIcorn program to discuss potential investments in the Kingdom.⁽⁶²⁾

Other FDI opportunities Jakarta and Riyadh have explored include investments in Islamic banking, the construction of the Mandalika Special Economic Zone, and the establishment of the Indonesian House Project in Makkah as a service facility for Indonesian pilgrims.⁽⁶³⁾ Furthermore, Indonesia has expressed interest in increasing its stake in the Islamic Development Bank to consolidate its position there.⁽⁶⁴⁾ In addition, the Indonesian Minister of Finance Sri Mulyani invited Saudi Arabia to invest and finance the construction of the new capital city of Nusantara.⁽⁶⁵⁾

(57) Ariyani Yati Widyastuti, “Jokowi Ajukan BUMN Konstruksi Untuk Garap Proyek NEOM Arab Saudi,” *Tempo*, June 30, 2019, <https://bisnis.tempo.co/read/1219662/jokowi-ajukan-bumn-konstruksi-untuk-garap-proyek-neom-arab-saudi>.

(58) Widyastuti, “Jokowi Ajukan BUMN Konstruksi Untuk Garap Proyek NEOM Arab Saudi.”

(59) Widyastuti, “Jokowi Ajukan BUMN Konstruksi Untuk Garap Proyek NEOM Arab Saudi.”

(60) “Indonesia Explores Digital Cooperation with Saudi Arabia,” *Antara News*, July 4, 2019, <https://en.antaranews.com/news/128336/indonesia-explores-digital-cooperation-with-saudi-arabia>.

(61) “Indonesia Explores Digital Cooperation with Saudi Arabia.”

(62) “Indonesia Explores Digital Cooperation with Saudi Arabia.”

(63) “Transportation Minister Offers Mandalika to Arabian Investors,” *Antara News*, January 15, 2018, <https://en.antaranews.com/news/114270/transportation-minister-offers-mandalika-to-arabian-investors>

(64) “Indonesia Offers Investment Opportunities at the IDB Forum,” *Ministry of Finance of the Republic of Indonesia (Kemenkeu)*, April 11, 2017, <https://www.kemenkeu.go.id/publikasi/berita/indonesia-tawarkan-peluang-investasi-di-forum-idb/>.

(65) “Sri Mulyani Invites Saudi Arabia to Invest in Indonesia’s Sovereign Wealth Fund,” *The Jakarta Post*, February 24, 2020, <https://www.thejakartapost.com/news/2020/02/24/sri-mulyani-invites-saudi-arabia-to-invest-in-indonesias-sovereign-wealth-fund.html>; “Saudi Crown Prince Reaffirms Commitment to Nusantara Development,” *Antara News*, March 6, 2022, <https://en.antaranews.com/news/218553/saudi-crown-prince-reaffirms-commitment-to-nusantara-development>

Although the precise amount and details of the proposed investment are not yet available, Saudi commitment to the US\$34 billion project is a relief for Indonesia, especially after the Japanese tech giant SoftBank Group recently decided to pull out of the deal.⁽⁶⁶⁾

III. Cultural Relations

Indonesian–Saudi relations have been shaped and maintained by socio-religious interactions through the flow of pilgrims, scholars, religious activists, and students between the two countries.⁽⁶⁷⁾ However, in recent years, these cultural ties have expanded and diversified with bilateral state backing. In 2016, the Saudi embassy in Jakarta organized the Saudi Arabian Culture Week at the National Museum and Taman Mini Indonesia Indah.⁽⁶⁸⁾ The event featured art exhibitions, calligraphy, weaving sessions, as well as traditional music. Cultural issues were accorded further attention after King Salman’s visit in 2017. The Minister of Education and Culture at the time, Muhadjir Effendy, stated that among the MoUs signed, there were several concerning the hosting of artistic events, improving heritage preservation, and deepening bilateral cultural exchange.⁽⁶⁹⁾ Areas of cultural interest in subsequent years have come to include music and theater exchange programs.⁽⁷⁰⁾

Scientific and educational exchange between Indonesia and Saudi Arabia have become a major focus of institutional cooperation.⁽⁷¹⁾ In 2017, the Indonesian Institute of Sciences discussed collaboration opportunities with the King Abdulaziz City for Science and Technology regarding agricultural techniques, irrigation on dry land, and food cultivation.⁽⁷²⁾ In 2019, the Head of the National Archives of the Republic of Indonesia received a visit from the Head of the King Abdulaziz Research and Archives Institute, Fahad Abdullah Al-Samari, to explore Indonesia’s

(66) Wataru Suzuki, “SoftBank Pulls Out of Indonesia’s New Capital Project,” *Nikkei Asia*, March 11, 2022, <https://asia.nikkei.com/Business/SoftBank2/SoftBank-pulls-out-of-Indonesia-s-new-capital-project?msckid=85a962efd01a11ec91967ffd966c7f5f>.

(67) Sumanto, “Saudi Arabia and Indonesian Networks.”

(68) Rosa Panggabean, “Lebih Dekat Mengenal Budaya Arab Saudi,” *Media Indonesia*, March 26, 2016, <https://mediaindonesia.com/humaniora/36754/lebih-dekat-mengenal-budaya-arab-saudi>.

(69) Maria Fatima Bona and Ratri M. Siniwi, “Indonesia, Saudi Arabia Sign Agreement to Boost Cultural Exchanges,” *Jakarta Globe*, March 2, 2017, <https://jakartaglobe.id/opinion/indonesia-saudi-arabia-sign-agreement-boost-cultural-exchanges>.

(70) Faizal Assegaf, “Arab Saudi akan Sjarkan Musik, Teater, dan Seni di Sekolah,” *Albalad*, November 14, 2019, <https://albalad.co/pelesir/2019A9344/arab-saudi-akan-ajarkan-musik-teater-dan-seni-di-sekolah/>

(71) Cahya Edi Setyawan, “Kerja Sama Indonesia-Arab Saudi dalam Bidang Pembelajaran Bahasa Arab,” *Radar Jogja*, October 1, 2020, <https://radarjogja.jawapos.com/opini/2020/10/01/kerja-sama-indonesia-arab-saudi-dalam-bidang-pembelajaran-bahasa-arab/>.

(72) “Kunjungi LIPI, Delegasi Raja Salman Tindak Lanjuti Kerja Sama,” *Lembaga Ilmu Penelitian Indonesia*, March 7, 2017, <http://lipi.go.id/lipimedia/kunjungi-lipi-delegasi-raja-salman-tindak-lanjuti-kerja-sama/17781>.

participation in Saudi Arabia's project to develop an encyclopedia on the Hajj highlighting the Kingdom's stewardship of the two holy cities of Makkah and Madinah.⁽⁷³⁾

Likewise, older bilateral institutional projects have benefited from the newfound strength in Indonesian–Saudi relations. One example is the Saudi-funded Institute for Islamic and Arabic Studies (Lembaga Ilmu Pengetahuan Islam dan Bahasa Arab, LIPIA), founded in 1980. LIPIA has been a bastion of Saudi Arabia's religious soft power in Indonesia and is affiliated with the Imam Muhammad ibn Saud Islamic University in Riyadh. During King Salman's visit, three new LIPIA-associated satellite campuses in Makassar, Medan, and Surabaya were announced, some of which have opened as of May 2022.⁽⁷⁴⁾

Saudi Arabia has long provided Indonesia with humanitarian assistance, and has continued to do so over the past decade. From 2015 to 2019, donations from the Saudi government through the King Salman Humanitarian Aid and Relief Center totaled some US\$82 million.⁽⁷⁵⁾ The aid was dispersed across 27 humanitarian projects, including housing construction, health, education, clean water supply and transportation. Moreover, during the last 12 years, Saudi monarchs have sponsored 850 mosques and fostered 20,000 orphans through the Makkah Al-Mukarramah Foundation.⁽⁷⁶⁾ In 2021, Indonesia was also reportedly exploring cooperation in Qur'an printing management with Saudi Arabia to help increase the availability of copies of the Qur'an across the country.⁽⁷⁷⁾

During Widodo's administration, Indonesia and Saudi Arabia have strengthened cooperation on issues related to pilgrimage. It is important to note that pilgrimage has been one of the most critical pillars of Indonesian–Saudi relations, given the large number of pilgrims from Indonesia

(73) "Lembaga Riset dan Arsip Raja Abdul Aziz Saudi Arabia jajaki Kerjasama dengan ANRI," *Arsip Nasional Republik Indonesia*, December 12, 2019, <https://www.anri.go.id/en/publications/news/lembaga-riset-dan-arsip-raja-abdul-aziz-saudi-arabia-jajaki-kerjasama-dengan-anri>.

(74) John Mcbeth, "More Saudi Luxury than Largesse for Indonesia," *Asia Times*, March 6, 2017, <https://asiatimes.com/2017/03/saudi-luxury-largesse-indonesia/>; This information on the recent opening of these satellite campuses was obtained from LIPIA's Instagram account: "infolipia," *Instagram*, accessed May 25, 2022, <http://www.instagram.com/infolipia>.

(75) Bahrur Rosy, "Indonesia Dapat Bantuan Kemanusiaan 1,2 Triliun Dari Arab Saudi," *ID Today*, April 3, 2020, <https://idtoday.co/nasional/indonesia-dapat-bantuan-kemanusiaan-12-triliun-dari-arab-saudi/>.

(76) "Saudi Arabia's Influence on the Rise of Islamic Extremism in Indonesia," *The Daily Telegraph*, October 4, 2019, <https://www.dailytelegraph.com.au/news/world/saudi-arabias-influence-on-the-rise-of-islamic-extremism-in-indonesia/news-story/25a5d1350b6ffe46467c5d46f141ca26>.

(77) "Indonesia Explores Possible Cooperation on Quran Printing in Madinah," *Indonesia Window*, 25 November 2021, <https://indonesiawindow.com/en/indonesia-explores-possible-cooperation-on-quran-printing-in-madinah/>.

performing the Hajj and Umrah annually. When Widodo made his return visit to Riyadh in 2019, the Saudi government approved an increase in Indonesia's Hajj quota by adding 10,000 and bringing the total up to 231,000.⁽⁷⁸⁾ A Joint Action Plan was also agreed upon, entailing the provision of health facilities and services for Indonesian pilgrims.⁽⁷⁹⁾ Under the agreement, Indonesia plans to build a World Health Organization-affiliated Center for Hajj and Umrah that would be used for pre-screening purposes prior to the departure of pilgrims to Saudi Arabia.

Conclusion

The Widodo administration has consolidated the relationship between Indonesia and its longstanding historical partner, Saudi Arabia. Besides its economic importance, Widodo views the Kingdom as a strategic partner to his country amid the decline of the American presence in Southeast Asia and China's growing assertiveness there. Fortunately, these strategic calculations have coincided with Saudi Arabia's "Look East" policy, which aims to strengthen the country's ties with Asian partners such as China, Japan, and the ASEAN countries. Indonesia's geographical position as Southeast Asia's largest economy and G20 member has motivated Riyadh to expand and strengthen this partnership in turn. Besides being an attractive target for investment, Indonesia, with a population of more than 250 million people, is an enticing consumer market for Saudi exports, especially energy. At the same time, its strategic location also provides Saudi Arabia with an opportunity to boost its presence across the wider Indo-Pacific region. Against the backdrop of growing regional instability and the potential economic downturn in China, the US and Europe caused by Washington's trade war with Beijing and the COVID-19 pandemic, Riyadh has found an important partner in Jakarta, which is animated by the same logic in welcoming Saudi entreaties. This sets the basis for a strong and enduring relationship that will maintain a positive trajectory into the near future.

(78) M Iqbal Al Machmudi, "Indonesian Hajj Quota Expected to Return to Normal Next Year," *Medcom*, May 5, 2022, <https://www.medcom.id/english/national/GKdjdGdb-indonesian-hajj-quota-expected-to-return-to-normal-next-year>

(79) Denis Riantiza Meilanova, "Indonesia-Arab Saudi Sepakati Dua Bentuk Kerja Sama Bidang Kesehatan." *Bisnis Lifestyle*, March 6, 2016, <https://lifestyle.bisnis.com/read/20190306/106/896761/indonesia-arab-saudi-sepakati-dua-bentuk-kerja-sama-bidang-kesehatan->



King Faisal Center for Research and Islamic Studies (KFCRIS)

KFCRIS is an independent non-governmental institution based in Riyadh, the Kingdom of Saudi Arabia. The Center was founded in 1403/1983 by the *King Faisal Foundation (KFF)* to preserve the legacy of the late King Faisal and to continue his mission of transmitting knowledge between the Kingdom and the world. The Center serves as a platform for research, Islamic and contemporary studies, bringing together researchers and research institutions from the Kingdom and across the world through conferences, workshops, and lectures, and through the production and publication of scholarly works, as well as the preservation of Islamic manuscripts. The Center seeks to expand the range of existing literature and research to bring it to the fore in academic discussions and interests; while observing the contributions of Islamic societies in the humanities and social sciences, arts, and literature, nowadays and in the past.

The Center contains a library that preserves precious Islamic manuscripts and huge databases in the field of humanities. It also includes the Museums Department, which contains six valuable collections that the Center preserves, as well as the *Museum of Arab Islamic Art*. The Center contains the *Al-Faisal Cultural House*, its executive arm in the publishing industry, which publishes books, cultural and peer-reviewed journals. *KFCRIS* also includes *Darat Al Faisal*, which is concerned with documenting the biography of King Faisal and his family in addition to preserving his legacy.

For more information, please visit the Center's website: www.kfcris.com/en



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