

The Natunas: Territorial Integrity in the Forefront of Indonesia–China Relations

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EXECUTIVE SUMMARY

- In May 2017 the Indonesian military conducted a large-scale exercise in the Natuna Islands. This was in the wake of three incidents in 2016 that involved Chinese fishing boats. Jakarta accused the vessels of “stealing fish” within the Indonesian Exclusive Economic Zone (EEZ) but Beijing considered these boats to be carrying out “regular activities in Chinese traditional fishing grounds”.
- Both Beijing and Jakarta acknowledge that the Natuna Islands belong to Indonesia. But while the Chinese avoid mentioning the issue of the islands having an EEZ, Jakarta openly claims that the islands definitely do have an EEZ.
- The two countries are “strategic partners”, and while China needs Indonesia to help realize some of its “One Belt One Road” ambitions, Jakarta eyes funding from Beijing to help its “Maritime Power Dream”.
- Indonesia has adhered to its claim of being an Archipelagic State and has relied on the United Nations Convention on the Law of the Sea (UNCLOS) to support its territorial claims. China has also openly stated that the South China Sea issue would be resolved with reference to UNCLOS.
- However, Indonesians are divided over the issue. There are those who wish to bring the problem to an international tribunal, because they have no faith in bilateral negotiations as a possible path to a solution. The rise of hardline Muslims in recent months and their

critical view of Chinese investments in Indonesia may also affect Jakarta–Beijing relations.

- While the Natunas is likely to remain a perennial issue between Indonesia and China in the short to medium term, it is unlikely to derail the bilateral relationship as economics is likely to continue trumping politics in Sino-Indonesian relations, at least under Indonesian President Jokowi’s administration. It is also unlikely to bring about an outright naval confrontation between Indonesia and China.