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*After Jokowi's First Term*

## **Indonesia's Maritime Policy: The Riau Islands & Its Implications**

*By Dedi Dinarto*

### **SYNOPSIS**

*Jokowi's first five-year tenure has repositioned the Riau Islands Province as a strategic locus in his maritime policy, including the restoration of the shipbuilding industry, fight against maritime threats, and settlement of sea border agreement. What will be the focus of the policy in Jokowi's second term?*

### **COMMENTARY**

JOKO WIDODO's re-election to a second term as president has positioned him as a transformative leader who brought about significant changes to Indonesia, mainly for his nationwide infrastructure development.

Also known as Jokowi, he has attracted global attention with his doctrine of "Global Maritime Fulcrum" (GMF) and the nine-point development programme "Nawacita". While the GMF doctrine emphasises the importance of developing Indonesia's maritime potential, the third point of "Nawacita" focuses on repositioning Indonesia from the periphery to the centre of regional politics and diplomacy.

### **Boosting Riau's Strategic Importance**

These intertwined development principles are consequently important for the Riau Islands Province — an archipelagic province situated on Indonesia's periphery neighbouring Singapore. In retrospect, a key motivation for Jokowi is the need to restore the province's maritime potential.

The outset of Jokowi's maritime policy can be investigated through the repositioning

of Batam, a municipal city in the Riau Islands Province, as a hub for shipbuilding industry. Given the circumstances that Batam is geographically located adjacent to international shipping lanes, Jokowi launched policies to boost the growth of the Indonesian shipbuilding industry in 2015, namely through fiscal and non-fiscal incentives.

The fiscal incentives include the reduction of value-added tax for shipbuilders, the quick disbursement of government-paid import duties, and a different tariff structure on new and used vessels. The non-fiscal reliefs consist of aiding in land rentals in areas owned by state-owned enterprises.

The Jokowi administration embarked on a series of moves to coordinate the roles of the Batam Indonesia Free Trade Zone Authority (BIFZA) and the Batam municipal government (Pemko Batam).

Two shipyard companies in Batam — PT Infinity Global Mandiri and PT Citra Shipyard Batam — disclosed that both the fiscal and non-fiscal incentives have helped smoothen the wheel of development and boosted the confidence of the shipbuilding industry. Moreover, the Indonesian government has commissioned vessels from local shipyards to help boost their growth and performance.

### **Fighting Maritime Threats**

Another aspect of Jokowi's maritime policy revolves around the repositioning of the Riau Islands Province as a strategic military outpost. The policy aims to deter potential threats emanating from China's land reclamation activities in the South China Sea. These include several incursions by Chinese fishing vessels in Natuna waters. Another is the need to protect Indonesia's natural resources in the strategic waterway.

Despite being a non-claimant state in the South China Sea conflict, the Indonesian government has emphasised the vital importance of militarising the Natuna Islands for defence purposes. The military base in the Natunas has been strengthened by expanding the Ranai Airbase, establishing the Integrated TNI Unit (*Satuan TNI Terintegrasi*), adding warships, drones, a new radar station, and military personnel, as well as providing military training for civilians in the locality.

The Riau Islands Province has become the springboard for the Jokowi administration in terms of eliminating non-traditional maritime threats. Due to the vast sea area, the Riau Islands Province is prone to illegal, unreported, and unregulated (IUU) fishing activities.

In 2015, a marine official expressed concern about the Natuna waters being the most vulnerable point for IUU fishing activities. The agency in charge of fisheries surveillance (*PSDKP*) has increased its supervision by collaborating with the Indonesian Maritime Security Agency (*Bakamla*), the Indonesian Water Police (*Polair*), and the Indonesian Navy (*TNI-AL*).

This policy has benefitted local fishermen from the Riau Islands Province who get better protection from foreign vessels. Marine resources are also better protected. In addition, Jokowi's first-term has also seen tougher law enforcement at sea by fighting

piracy and sea robbery, as well as drug trafficking and smuggling. As a result there has been many prosecutions and seizures within five years.

### **Settling Indonesia-Singapore Sea Border Agreement**

To minimise the risk of conflict between the Riau Islands Province and Singapore, the Jokowi administration has emphasised the need to settle the sea border agreement. There are currently two: the 1973 and 2009 territorial water boundary agreements. In addition, the House of Representatives (DPR) has ratified another sea border treaty, which was agreed in 2014, covering the eastern side of the Singapore Strait.

The ratification enables both parties to exercise their respective sovereignty while potentially enhancing confidence-building. Both countries have deposited the ratified document with the United Nations to commemorate 50 years of diplomatic relations between them.

This effort marks a significant development of Jokowi's first-term commitment to protect Indonesian sovereignty for provinces located on its periphery while maintaining benevolent relationships with its neighbours.

### **Challenges Ahead**

Efforts to restore the Riau Islands' maritime potential and to maintain Indonesia's sovereignty over its territorial border have yielded satisfactory results for Jokowi's first term. However they need to be further boosted.

Jokowi's second term needs to tackle the maritime sector's shortcomings, one of which is the prolonged oil spill problem in the Riau Islands. Not only does it have a devastating effect on the marine ecosystem, but it can also affect the Riau Islands' most important economic sector, that is, marine tourism.

By doing so, the Jokowi administration can help propel the province's maritime potential in his new term over the coming five years.

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