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# RSIS COMMENTARIES

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## Indonesia's Naval Modernisation: A Sea Change?

By Ristian Atriandi Supriyanto

### Synopsis

*To meet its maritime security needs, Indonesia is slowly modernising its naval capabilities. With a better fiscal climate, hopes abound that Indonesia can purchase or build more warships. Some obstacles, though, still prevent the Navy from hoisting its sail even higher.*

### Commentary

A JAVANESE proverb *alon-alon asal kelakon* - slowly but surely - seems to reflect Indonesia's naval modernisation bid. Since 2004, Jakarta has begun to beef up its naval muscles at a modest pace. Indonesia aims to have a "Green-Water Navy" by 2024 – a navy second to none in Southeast Asia - an expectation that some may find too far-fetched. But recent increases in military spending might prove the sceptics wrong.

The Stockholm International Peace Research Institute (SIPRI) reports that Indonesia's military expenditure has risen 28% in 2010, the largest relative increase in Asia. Furthermore, IHS Jane's forecasts that Indonesia's military spending to rise by 46% to US\$9.29 billion from 2011 to 2015, with 71% increase on procurement alone. This bulkier purse could embark Indonesia on the largest naval shopping spree in 40 years.

### Why modernise?

As the world's largest archipelagic state sitting astride major global shipping lanes, Indonesia puts a high premium on its maritime security. One of the main responsibilities of the Indonesian Navy (TNI-AL) is to patrol vast swathes of Indonesian waters despite Indonesia having a Sea and Coast Guard (KPLP). However, lack of resources made monitoring of Indonesian seas difficult and resulted in rampant maritime crimes, such as piracy, illegal fishing and smuggling, which annually could cost Indonesia more than US\$1 billion.

Furthermore, natural disasters have stressed the versatility of naval power. Following the 2004 Aceh tsunami, TNI-AL played a major role in transporting relief workers and humanitarian aid using its amphibious assets; considering that land infrastructures, such as roads and airfields, were too severely damaged for military transport trucks and aircraft to use.

Maritime boundary disputes too have prompted urgent calls for the government to revamp Indonesia's naval defences. Indonesia still has over ten unresolved maritime boundary disputes with neighbouring states; some of them, like in Ambalat and Natuna Sea, often resulted in naval skirmishes among the disputants. Indonesia and

Malaysia are currently in dispute over Ambalat waters off East Kalimantan and Sabah, known to contain huge hydrocarbon reserves. In May 2009, naval skirmishes almost led a TNI-AL vessel to fire upon a Malaysian patrol boat.

Similarly, China's "cow's tongue" claim in the South China Sea which overlapped with Indonesia's exclusive economic zone (EEZ) in the Natuna Sea is a brewing storm. In 2010, a Chinese armed vessel threatened to fire on a TNI-AL patrol boat after the latter had earlier detained a Chinese trawler suspected of fishing illegally in Indonesian EEZ. Therefore, a robust navy is a strategic imperative.

A government report states that Indonesia's naval operational readiness in 2008 was less than 50% on average. Maintenance cycles and repair works are also grossly impaired by the US arms embargo imposed in 1991 and 1999. Spare parts were scarce and some platforms were "cannibalised" in order to keep the others in service.

### **Green Water Navy**

Hence, in 2005, TNI-AL announced its "Green-Water Navy" blueprint to achieve a 274-ship force structure by 2024, divided into a Striking Force (110 ships), Patrolling Force (66 ships), and Supporting Force (98 ships). In addition, it is also upgrading existing assets with new systems and armaments. This is Indonesia's largest naval modernisation plan in over 40 years. The last major modernisation was during 1959-1961 when Indonesia purchased a substantial number of Soviet-made naval vessels.

The blueprint has since been gradually realised with some new platforms joining the fleet. All four Sigma-class corvettes built in the Netherlands have been in service with TNI-AL since 2009. In 2011, Indonesia's amphibious capabilities were also boosted with the commissioning of the fourth Makassar-class Landing Platform Dock (LPD) vessel. One of them even participated in a hostage rescue operation in the Gulf of Aden in March 2010.

For its patrol muscle, Indonesia's naval shipyard, PT PAL, has been able to manufacture fast attack craft and arm them with Chinese C-802 anti-ship missiles. PT PAL is also keen to integrate various naval weapon systems into different platforms. In April 2011, a Russian Yakhont missile mounted aboard an ex-Dutch Van Speijk frigate was successfully test-fired. Such integration of "hybrid" systems would most likely characterise Indonesia's naval shipbuilding capacity in the near term, rather than the more ambitious whole-platform construction of submarines or frigates.

Regardless, TNI-AL also has plans for a major procurement for this decade. PT PAL is about to jointly construct frigates and submarines with foreign naval shipbuilding companies. In August 2010, a project was agreed to locally construct four to 16 guided missile escorts (Perusak Kawal Rudal, PKR) in cooperation with Dutch Damen Schelde. This 2,400 tonne 105m multi-purpose frigate will be fitted with an array of anti-submarine, anti-surface, anti-air, and electronic warfare systems. TNI-AL's two Cakra-class (Type-209/1300) submarines will also be complemented with three Type-209 Chang Bogo procured from South Korea. With the procurement budget recently increased from Rp.47.5 trillion (US\$5.28 billion) in 2011 to Rp.64.4 trillion (US\$ 7.15 billion) in 2012, TNI-AL's future fleet might be one step closer to fruition.

### **Obstacle Course**

Nevertheless, Indonesia still has to face several obstacles. Corruption, a hodgepodge of platforms and systems, and a continental-based defence strategy have often plagued Indonesia's naval modernisation schemes and warfighting effectiveness. Former Defence Minister Juwono Sudarsono acknowledged corruption practices, in that up to 40 percent of procurement proposals could be mark-ups. Standardisation is also a significant challenge as the Indonesian Defence Forces (TNI) operates 173 main weapon systems from seventeen different countries. Lastly, Indonesia still retains its "Total Defence" strategy which puts heavy emphasis on manpower and land operations.

For the Navy to be effective, an overarching maritime defence strategy is required. This means that the sea, rather than the land, should become TNI's main operational environment. As the Senior Service, the Army would be strenuously opposed to such a shift. Given that these obstacles remain unaddressed, Indonesia's naval modernisation is not something for other countries to get nervous about. Though not a sea change yet, it is still quite a change to be reckoned with.

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