

ISSN 2580 6378  
E-ISSN 2580 7048



JURNAL  
ASIA  
PACIFIC  
STUDIES

Journal of International Relations Study Program  
Faculty of Social and Political Sciences  
Universitas Kristen Indonesia

Volume 5 | Number 1 | January - June 2021

## **INDONESIA-OMAN RELATIONSHIP: GRADUALLY GROWING WITH MANY OPPORTUNITIES**

Muhammad Zulfikar Rakhmat<sup>1</sup>, M. Habib Pashya<sup>2</sup>, Muhammad Fuad Tingai<sup>3</sup>, and Ari Septyan Putri<sup>5</sup>

Hubungan Internasional, Fakultas Psikologi dan Ilmu Sosial Budaya, Universitas Islam Indonesia, Jl. Kaliurang km 14.5, Sleman, Yogyakarta 55584, Indonesia.

*muhzulfikar@uii.ac.id*<sup>1</sup>, *pashya808@gmail.com*<sup>2</sup>, *fuadtingai22@gmail.com*<sup>3</sup>, *ariseptyan55@gmail.com*<sup>4</sup>

### ***Abstract***

*This paper aims to explore the relationship between the Republic of Indonesia and the Sultanate of Oman. Oman is one of the Middle Eastern countries which have strengthened its relationship with Indonesia. In recent years, Jakarta-Muscat ties have gradually developed in various spheres, although the cooperation remains limited compared to Indonesia's ties with other regional states. Despite these developments, Indonesia's ties with Middle Eastern countries have received little attention in the literature. This paper thus aims to examine the nature and scope of the relationship between Indonesia and Oman in a number of spheres based on Eberling (2017)'s five-dimensional framework, which includes political-diplomatic relations, economic-trade relations, military- security relations, cultural relations, as well as petroleum-energy relations. At the same time, the paper also intends to identify the opportunities available for the two countries to expand their ties.*

*Keywords: Gulf Cooperation Council, Middle East, Indonesia, Cooperation, Relations, Oman*

### ***Abstrak***

*Penelitian ini bertujuan untuk mengeksplorasi hubungan kerjasama antara Indonesia dan Kesultanan Oman. Oman merupakan salah satu negara di Timur Tengah yang telah memperkuat hubungannya dengan Indonesia dimana dalam beberapa tahun terakhir hubungan tersebut secara bertahap berkembang di berbagai bidang, meskipun masih bisa dibilang terbatas jika dibandingkan dengan hubungan kerjasama Indonesia dengan negara-negara lain di kawasan. Terlepas dari perkembangan ini, hubungan Indonesia dengan negara-negara Timur Tengah kurang mendapat perhatian dalam kajian hubungan internasional. Sehingga, penelitian ini bertujuan untuk mengkaji bentuk dan ruang lingkup hubungan antara Indonesia dan Oman di sejumlah bidang berdasarkan kerangka lima dimensi milik Eberling (2017), yang meliputi hubungan politik-diplomatik, hubungan ekonomi-dagang, militer-keamanan, hubungan budaya, serta hubungan minyak bumi-energi. Lebih lanjut, penelitian ini juga bermaksud untuk mengidentifikasi peluang yang tersedia dalam memperluas hubungan kerjasama Indonesia dan Oman.*

*Kata kunci: Gulf Cooperation Council, Timur Tengah, Indonesia, Kerjasama, Hubungan, Oman*

## **1. Introduction**

### **1.1. Background**

Over the past twenty years, Indonesia has experienced numerous transformations. With the onset of the 1997 Asian Financial Crisis, the republic had teetered on the brink of turmoil. The crisis, which had commenced in Thailand in July and stormed quickly into Indonesia, triggered an economic downturn which was accompanied by growing political tension, the eruption of violence among different religious and ethnic groups, as well as the escalation of separatist insurgencies. In the midst of the upheaval, President Soeharto was forced to step down after 32 years ruling the nation, putting an end to the authoritarian New Order periods. From then on, Indonesia, under the banner of Reformasi (reform) has managed to evolve into a democratic nation. At the same time, it, becoming a member of the Group of Twenty (G-20) in 2008, has emerged as one of Asia's fastest-growing economies. Against the backdrop of these progresses, the country has also tried to strengthen its role in regional and global affairs.

The expanding horizon of Indonesia's global ambitions extends westward to the Middle East and North Africa (MENA). To some degree, this should not be surprising. This is because the nation's economic and religion-cultural links with the Middle East can be dated back for centuries. Indian Ocean maritime routes between Southeast Asia and the Middle East formed the backbone of the most extensive maritime trade connection in the world during the period 1000 to 1500. Traders from the Arab world had a significant role in spreading Islam to Indonesia, and early Islam in the country reflected the intellectual currents in the Middle East. Throughout the centuries, Indonesia and the Middle East have maintained connections and have expanded those links via various platforms including migrant labor, hajj pilgrimage, and academic exchanges. Moreover, Gulf nations such as Saudi Arabia and Qatar have established religious institutions in many parts of Indonesia. In more recent years, and reflecting the global shift in the geo-economic center of gravity to Asia, Indonesia's trade with the countries of the Middle East have increased. More so, in an effort to penetrate the growing Middle Eastern market, Indonesia's Ministry of Trade has increased its promotion events and improved export services. Meanwhile, companies from the Gulf trying to diversify their investments geographically have expanded their bases in Indonesia.

Of all Middle Eastern countries, Oman is one of which that has tried to strengthen its relations with the archipelago. Over the years, the ties between Muscat and Jakarta have been gradually developing not only in the political, diplomatic, and security realms, but also in economic and cultural spheres. Not only that, the relationship has exponential opportunities that should be explored between the two countries. In spite of these developments, Indonesia's relationship with the Middle East has received little attention. This paper thus aims to examine the nature and scope of the relationship between Indonesia and Oman in various spheres based on Eberling (2017)'s five-dimensional framework, which include political-diplomatic relations, economic-trade relations, military- security relations, cultural relations, and petroleum-energy relations. The framework offers us the opportunity to delve into the Indonesia-Oman relationship in a comprehensive manner. Finally, the paper also intends to identify the opportunities available for the two countries to expand their partnership.

## **1.2. Research question**

How Indonesia-Oman relations have developed to this date and what are the factors that drive the relationship?

## **1.3. Purpose and Objective**

To answer the research question, the paper has three main objectives: 1) To analyze the relationship between Oman and Indonesia from its beginning to this date; 2) To investigate the factors that drive the relationship; 3) To identify the opportunities available for the relationship to develop. By achieving these objectives, this paper hopes to contribute to the existing literatures on Indonesia-Oman relations by deploying a five-dimensional approach which provides a more nuanced understanding of the relationship, while at the same time contributing to the growing analyses on Indonesia-Gulf relations within the fields of IR, Middle East/Gulf studies, through concentrating on the relationship between Indonesia and one of the countries in the Gulf, which is, Oman. Simultaneously, the paper also aims to contribute to the burgeoning debates in the field of Middle East/Gulf studies on the power shifting phenomena in the region; the decline of the U.S. and the emergence of alternative powers such as the BRICS and ASEAN.

## **2. Research Framework: A Five-Dimensional Approach**

This paper examines Indonesia's bilateral relations with Oman adopting Eberling (2017)'s five-dimensional framework: political-diplomatic relations, economic-trade relations, military- security relations, cultural relations, and petroleum-energy relations. A five-dimensional approach is a comprehensive tool which offers a complete understanding of a country's complex relations rather than looking solely on more typical approaches like politics, bilateral trade, and security relationships. More often than not, many literatures focus on one or more aspects of a country's bilateral relations, which does not provide a complete picture of the complex nature of its interstate cooperation. This paper uses this framework to capture the growing relationship between Indonesia and Oman. The five-dimensional approach is relevant for this paper as Indonesia's ties with Oman have, to some extent, encompassed the five realms of the approach.

## **3. Research Methods**

This paper adopts a qualitative approach. Qualitative research is often defined as a research method that does not rely on the process of quantification of data both in the process of data collection and in the process of data analysis. As Bryman (1999) in his book mentions, qualitative research is not carried out by calculating or measuring statistical data to explain the relationship of one thing to another thing, but qualitative research focuses more on the meaning in the form of words that can give an idea and/or explanation of a situation that is the focus research. Qualitative research emphasizes context description because detailed discussion is very important in showing the significance of the research subject and providing explanations about the context in which an event that is the focus of the research occurs. This research primarily relies on published and unpublished primary and secondary works in Arabic, Bahasa Indonesia, and English. Major primary sources include the official documents from the Indonesian and the Omani governments. These are complemented by speeches made by both countries' officials, which have been obtained through Internet searches. Meanwhile, secondary sources constitute peer-reviewed and non-peer-reviewed secondary sources. Concerning the former, the paper relies on scholarly materials, in the form of books, journals,

book chapters, and policy briefs. This academic literature is substantiated with non-peer-reviewed resources, primarily comprising of media articles from well-known publications. The contemporary character of the Indonesia-Oman relationship signifies that many of the developments and events have only recently taken place; as such, journalism is a crucial source of information for this paper. For reliability, nevertheless, the information in these journalistic sources is not taken for granted. Besides only gaining information from well-respected publications, cross-checking the information obtained are carried out, either by comparing them with other sources. Finally, I also use statistical documents from numerous institutions to gain data to support the paper's analysis.

## **4. Results and Discussion**

### **4.1. Political and Security Cooperation**

The diplomatic relations between Indonesia and Oman commenced in 1978 which was preceded by 9 Indonesian representatives who were sent to Muscat. The ties began with a realization that the two countries share religious background (KBRI Muscat, n.d.). 90% of people living in Oman are Muslims while 87% Indonesians adhere to the religion of Islam. At the same time, Indonesia and Oman ties are also driven by shared political views (ibid). As a consequence, since its early days up to recently, the political cooperation between the two nations have revolved around the Palestinian cause. Indeed, after agreeing to pursue a diplomatic partnership, Jakarta and Muscat have focused on supporting the cause of the Palestinian people in the Arab-Israeli conflict. Indonesia's stance in the Palestinian cause is very clear. This can be seen from a report by the Ministry of Foreign Affairs of the Republic of Indonesia, Retno Marsudi, which states that Indonesia, as a non-permanent member of the UN Security Council will continuously encourage the UN to pressure Israel to end its occupation of the Palestinian territories. Jakarta's position, which is rooted in its foreign policy principle of *bebas aktif*, has been praised by the government in Muscat. When Oman's Foreign Minister, Yusuf bin Alawi bin Abdullah visited Indonesia in March 2019, he reiterated Oman's gratitude towards Jakarta for its support for the Palestinian cause (CNN, 2019). He also emphasized that the two nations share the same position in this matter. Such shared interests have helped boost the ties between the two countries (ibid).

### **4.2. Economic-Trade Relations**

As the fourth most populous country in the world with a population of 260 million people, Indonesia has also been a promising market for Oman. Meanwhile, Oman has been one of Indonesia's export destination countries. Most of the products shipped from Jakarta to Muscat include motor vehicles, palm oil, veneers, non-alcoholic drinks, fresh fish, household appliances, construction equipment, tubing, and aluminum containers. Although data are not easy to find, figures also demonstrate that Oman has been exporting some of its products to Indonesia. Oman's exports to Indonesia are dominated by three products namely hydrocarbons (US \$ 100.7 million), chemicals (US\$ 23.7 million) and aluminum (US \$ 3.8 million) (KBRI Muscat, 2018). Trade remains minimal compared to Indonesia's trade with other Gulf countries. With Saudi Arabia, for instance, trade with Indonesia amounted to \$4.5 billion in 2015. Despite the growing trade, investments have not been very significant. Oman's investments in Indonesia stand at around US \$211,000, which includes a US\$80,000 investment in the farming sector in Sleman Regency, DI Yogyakarta, as well as, a US\$ 131,000 investment in the Compressed Natural Gas (CNG) filling and transportation station in Sidoarjo Regency, East Java (KBRI Muscat, 2018).

The economic relationship between Indonesia and Oman has been facilitated by high-level meetings among the two countries' politicians and diplomatic representatives that have

been conducted in the past number of years. In 2016, for instance, Indonesian Foreign Minister Retno Marsudi met with Oman's Foreign Minister Yusuf bin Alawi to discuss the economic partnership between Jakarta and Oman. Moreover, the visit of Batinah Province, North Oman's Chamber of Commerce to Indonesia also resulted in an agreement on the export of meat, coffee and furniture and Oman's investment in Indonesia's mining industry sector (Prayogo, 2016). In March 2016, Indonesia also sent an integrated trade mission to Muscat. The trade mission is led by the Director General of National Export Development of the Indonesian Ministry of Trade, which consists of representatives from the Ministry of Energy and Mineral Resources, the Ministry of Foreign Affairs, the Coordinating and Investment Board (BKPM), Bank Indonesia, the National Agency for Placement and Protection of Indonesian Workers (BPNP2TKI). Trade mission activities include business forums, business matching (B to B), and bilateral meetings with Oman's Ministry of Trade and Industry, Oman Investment Fund (OIF), Oman's Ministry of Manpower, Public Authority for Investment Promotion and Export Development (ITHRAA), and the Chamber Oman Trade and Industry.

The Indonesian Ministry of Trade has also established a buying mission aimed at expanding the export market. The buying mission was attended by 20 small and medium business operators from the two countries. During such occasions, Oman and Indonesia are able to attract one another into their respective sectors. At the same time, Omani and Indonesian businesspeople could promote their products and services to one another (Jaramaya, 2016). Over the years, Omani delegations have also met with Indonesian delegations the Coordinating Ministry for Economic Affairs, the Ministry of Foreign Affairs, the Ministry of Trade, Investment Coordinating Board, The National Board for The Placement and Protection of Indonesian Overseas Workers, the Provincial Government of West Java, SMESCO (Small and Medium Enterprises and Cooperatives), and also Dr. Alwi Shihab, who is the special envoy of the President of the Republic of Indonesia for the Middle East and the OIC. These official encounters have helped the continuation of Indonesia-Oman relations (KBRI Muscat, 2018).

#### **4.3. Military-Security Relations**

Beyond political and economic ties, Indonesia and Oman have also expanded their relations in the field of security. The subject of counter-terrorism has dominated Indonesia-Oman security relations, where the two countries have agreed to place the issue of terrorism into one of the most regarded topics in their cooperation (Media Indonesia, 2019). The ties in this field have begun since terrorism became a global issue after the 9/11 attack in the US in 2001 and continued to this day. Such cooperation involves an exchange in deradicalization programs. For example, Indonesia, through the National Counterterrorism Agency (BNPT), and Oman's Counter Terrorism Committee, have signed a partnership in this regard (ibid). The cooperation aims to share experiences and knowledge to prevent terrorism and radicalism. This has involved several initiatives and programs, including the strengthening coordination between the central and local governments and even community institutions on rehabilitation, reintegration, and re-education as a form of counter-extremism efforts. Indonesia sees Oman as a country that has experiences is dealing with terrorism issue, while the government in Muscat has asserted that its ties with Indonesia on the issue of terrorism is very important as the two countries have been increasingly penetrated by terrorist organizations such as the Islamic State.

In more opportunities, this cooperation should be implemented more broadly with more contemporary issues. The addition of new variables in the political, security and military cooperation between Indonesia and Oman is a great opportunity. Slightly less severe cases

like piracy need to be looked at again, seeing that the case has been getting hot recently. This was shown by the presence of 2 Indonesian citizens who experienced piracy in the Arabian Sea by Somali pirates and in 2016 there were 26 prisoners, including Indonesian citizens who were freed by Somali pirates (Antara News, 2016). In that case, if it is further investigated that the Arabian Sea is the cause. Not only that, another cause is Oman with its geographic location. Oman, which is the gateway to the Persian Gulf, is the location with the entry and exit route for crude oil (Euro news, 2019). To that end, many of the Somali pirate's profit from there. This incident should have opened the eyes of the Government to provide safety to Indonesian citizens by cooperating with more incentives with Oman.

In addition, Jakarta and Muscat could expand their partnership in issues such as drug smuggling and people smuggling, as these Transnational Organized Crimes (TOC) have intensively developed and often unseen. In 2016, for instance, three Malayali women were trapped in a remote border town in Oman for several months. At the same time, Indonesians have often fallen victim to alleged human trafficking scheme in which scholarships and job opportunities were offered in some countries such as Taiwan. Besides people smuggling, both Indonesia and Oman have experienced cases of drug smuggling. In February 2020, two Thai women were convicted of smuggling methamphetamine into Bali. A similar case also took place in Oman, where three people have been arrested on charges of smuggling more than a quarter of a tons of crystal, 16 kg of morphine, and 3 kg of hashish. With such shared issues, Jakarta and Oman should expand their cooperation in the security realm.

Another realm which can be explored is the military. In recent years, Indonesia has boosted its military ties with other Gulf countries with its intent to develop its military capabilities as well as cooperation with its partners. This could be an opportunity for Indonesia and Muscat to expand their ties in this field, given that Jakarta has strengthened its military partnership with other Gulf countries. In 2016, Indonesia and Qatar met at Indo Defense to discuss cooperation related to weapons procurement. Not only with Qatar, the UAE-Indonesia has also strengthened cooperation in the defense sector. In February this year, Indonesian defense minister Prabowo Subianto visited Abu Dhabi to sign cooperation in the fields of ammunition, drone manufacturing, weaponry and aerospace. These opportunities can also be explored by Jakarta and Muscat.

Furthermore, there may also be value in extending ties to include the cyber-security space. Oman and Indonesia have been the chair and deputy chair (respectively) of the Organization of Islamic Cooperation - Computer Emergency Response Team (OIC-CERT), an OIC's cooperation forum dedicated to cyber-security. These new areas for potential cooperation could be facilitated by a visa-free agreement between Jakarta and Muscat (for holders of diplomatic, official and special passports) which would allow for increasingly valuable exchanges between officials and diplomats.

#### **4.4. Cultural Relations**

The Indonesia-Oman ties are not limited to political-diplomatic, economic-trade and security realms. The relations have also expanded into the social and cultural spheres, although it is not as optimal as it could be. One prominent example is the cooperation in religious field as the relations between the two Muslim-majority countries are supported by their Islamic background. In November 2019, Oman organized an exhibition in Jakarta entitled "Tolerance, Understanding, Consistency of the Islamic Message of Oman" (Akuratnews.com, 2019). According to the event organizer, Dr. Mohammed Al-Mamari, the event, by displaying many aspects of Omani cultures, such as artifacts, arts, calligraphy, was expected to increase the understanding of Indonesian society in Oman (Ibid).

Besides cultural events, another form of cooperation between Jakarta and Muscat has been aid assistance. In 2004 (Kemlu.go.id, n.d.), for example, Oman provided assistance to

Indonesia during the 2004 tsunami in Aceh by building mosques and building new settlements in the region. People-to-people exchanges have also increased in the past years, although there is no clear data reporting the number of Indonesian citizens residing in Oman and vice versa. However, during a visit to Oman, the Indonesian Parliament explained that there were around 18,562 Indonesian citizens as of December 2016 which consisted mainly of Indonesian female domestic workers (DPR-RI, 2017). Since 2014 Omani tourists to Indonesia have always experienced an increase which reached 16,568 (Putra, 2018) tourists in 2017, People-to-people exchanges have also taken place in the form of tourism. In 2018, there were 26,376 Omani tourists visiting Indonesia (Michaella, 2019), making Oman the second largest source of Middle Eastern tourists to Indonesia (Putra, 2018).

This increase is perhaps made possible by Indonesia's efforts to promote its tourism in Oman. As an example, Indonesia has had a number of "Wonderful Indonesia" events in Muscat (thejakartapost.com, 2017) in the last few years. This is supported by increased number of flights by Oman Air from Muscat-Jakarta and vice versa which has made travel between the two countries easier (Ibid). At the same time, Indonesia has also given a visa exemption for Omani visitors, while the government in Muscat has placed visitors from Indonesia on the Visa on Arrival list (Musyaffa, 2017). Although the number of tourists is gradually increasing, the number of Indonesian students pursuing education in Oman and vice-versa is not significant compared to the other Gulf countries, such as Saudi Arabia.

Besides meeting in football friendly matches such as in September 2018 (TribunJateng.com, 2018), the two nations have also strengthened their partnership in the field of education. The Omani government has given scholarships to Indonesian students to pursue education or to receive Arabic language training in Oman (Detak.co, 2017). As of 2017, Oman has opened two-track scholarships for Indonesian citizens in four fields, namely sharia, engineering, applied science and banking finance (Kemlu.go.id, n.d). Moreover, Oman has also begun to provide professional and vocational trainings for Indonesian foreign workers whose numbers have begun to increase in the past number of years. Recently, during the Indian Ocean Rim Association where Indonesia and Oman are members, the former expressed its interest in conducting educational cooperation in the maritime field with Oman, along with providing opportunities for relevant actors in maritime security (Raharjo, 2017).

The slow progress in social and cultural cooperation between the two countries could be due to the form of the two countries' focus which only focuses on economic development with export-import and industrial development or political cooperation. This illustrates that the lack of exploration between the two countries or the country's lack of awareness of their cultural assets may strengthen their cooperation in the future. However, it is a good attitude when the two countries begin to realize and move inwardly towards wider cooperation, especially in the social and cultural fields. At a meeting between the two countries in 2017, the then Indonesia's Vice President Jusuf Kalla emphasised the importance of strengthening cultural and educational ties (Berita Satu, 2017).

To that aim, both Oman and Indonesia find various opportunities for cultural exchange. Such as making the tourism sector as the main supporting tool, because with tourism this directly provides a forum for holding cultural events or exhibitions, which of course the two countries must carry out such activities as often as possible. Because if we look at the events and exhibitions held by the two countries, it is still relatively small (Kemlu.go.id, n.d.), even though the two countries have great potential that can be used as a cooperative sector. Then on the other hand, with an increase in the education sector the two countries could also introduce the existence of their country to students. By increasing the number of majors and levels of courses offered can be an attraction for Indonesians and Omanis who wish to pursue their education.

The differences will be seen when we look at Indonesia's cooperation with other GCC (Gulf Cooperation Council) countries. We can see how the Kingdom of Saudi Arabia provided around 460 scholarships to Indonesia per-2013 (Detik News, 2013) which provided great opportunities for cultural exchanges, plus Indonesia and Saudi Arabia have conducted cultural exchanges through exchanges of music and theater arts and even libraries plus the benefits of cooperation. Indonesia-Saudi Arabia from the cycle of Hajj and Umrah which are religious tourism. This is certainly different from Oman and Indonesia, which are still pioneering cooperation in the cultural field.

#### **4.5. Petroleum-Energy Relations**

The last sphere in which Indonesia-Oman ties revolve is energy, mainly through investments. The most widely reported Omani investment was announced in 2016, where Oman's oil and gas firms, Oman Overseas Oil and Gas Operation, made an agreement with PT Pertamina to build a new oil refinery in Bontang, East Kalimantan Province (CNN, 2018). The refinery is targeted to have a capacity of 300 thousand barrels per day. However, in late 2019, the agreement was not reached between the two companies. Initially, Oman Overseas Oil and Gas sent a letter to Pertamina on December 31, 2019 to reinforce its commitment as well as its seriousness in building refineries and petrochemicals in Indonesia.

The Indonesian representative in this agreement, Rudy Bagindo said that there were many things that had not been communicated properly and needed to be addressed before the agreement could be turned into reality. Oman hoped that through this letter, a dialogue can be established between the two parties so that the agreement can be realized. Nonetheless, in mid-2020, PT Pertamina decided to temporarily suspend the plan to build the Bontang refinery (Agung, 2020). Pertamina's Processing and Petrochemical Megaproject Director Ignatius Talullembang explained that Pertamina chose to stop developing the project, which had an investment value of US \$ 15 billion. Pertamina said that because they could not reach an agreement between the two parties, they were still reviewing supply-demand further.

Moreover, Pertamina claimed that it would like to focus on a number of ongoing refinery projects and upgrading existing refineries. Pertamina also said that there is an option to relocate the location of the refinery to the Arun, Aceh and Kuala Tanjung areas, North Sumatra. Pertamina's Director of Investment Planning and Risk Management, Heru Setyawan, said that these options were currently being studied. Heru also added that Pertamina considered Kuala Tanjung to be the right location. Pertamina said that the search for a new partner would still adopt the same investment scheme, namely 20 years later, Pertamina will fully manage it. Therefore, Pertamina is still waiting for partners who are interested in this scheme (Ridwan, 2020). It is hoped that the cooperation between Oman Overseas Oil and Gas and Pertamina can be continued in the future and the two parties can reach an agreement so that the two countries can both achieve benefits and fulfill their respective goals.

Beyond this Pertamina-OOG agreement, Oman's Biyag Oil Field Services has also made a US\$1 million investment in Indonesia. In addition, Omani companies such as INTAJ and Towell Engineering have also invested their capitals in Indonesia's oil and gas and drilling sectors. On the other hand, a number of Indonesian companies have also made their way to the Sultanate. PT. Medco Energi Internasional Tbk. which focuses on mining and petroleum exploration, won a contract in 2015 to explore Block 56 in Oman, which is estimated to have 370-million-barrel oil reserves. These developments are small if compared, for instance, to the case of the UAE. There are 11 business agreements between the UAE and Indonesia, with a total value of \$22.89 billion (Rakhmat and Karasik, 2020)

## **5. Conclusion: Future Prospects**

This paper has demonstrated that Indonesia and Oman have established a comprehensive relationship, although not very strong compared to Indonesia's ties with other Gulf countries. While the economic partnership between Jakarta and Oman has been relatively robust, the political and cultural ties have begun to develop. On the political ties, the relationship has been primarily dominated by the two countries' support for the Palestinian cause and the issue of counter-terrorism. Tensions between China and the US have steadily intensified following the closure of Beijing's Houston consulate, followed swiftly by a response that saw the US office in Chengdu also forced to close. Since the onset of the COVID-19 pandemic, Sino-American ties have deteriorated to their lowest point in three decades, with Washington and Beijing making repeated accusations toward each other regarding the virus's origin, an alleged cover-up and its global spread. More than any other region, Southeast Asia has been significantly impacted by the pandemic, both politically and economically and Indonesia, as an ASEAN member state, is no exception. China's increasing aggression in the South China Sea and Washington's decision to respond to these moves through a growing naval presence, means Indonesia, in particular, risks being caught between two great powers increasingly at odds.

While Indonesia is eager to maintain access to Chinese markets and investment (especially infrastructure), Beijing's expansion in the South China Sea threatens its sovereignty. Added to this are the increasing levels of anti-Chinese sentiment in the country, itself a legacy of Indonesia's recent past, which is now influencing popular opinion within the archipelago on the South China Sea. Anti-China sentiment has been growing in some ASEAN countries due to the worry over an ever more assertive China. At the same time, while Jakarta wants to benefit from the protection of the US Indo-Pacific Command, concerns have emerged about Washington's long term commitment to security in the region. The recent tension between the US and China should encourage Indonesia to reconsider its ties with the two great powers and try to lessen its overall reliance on them by looking to strengthen political and security ties with non-traditional partners. Oman, a tiny nation in the Persian Gulf, could be one option. The relationship, however, clearly faces stumbling blocks, in particular the opening of diplomatic ties between the UAE and Israel, which Oman supports. Indonesia, which remains in support of Palestinian independence would likely tread a cautious path should Oman decide to follow the UAE's decision to recognize Israel.

The economic ties have also expanded not only with regards to trade, but also investments, although they are limited compared to Indonesia's ties with other GCC countries such as Qatar and Saudi Arabia. Nevertheless, they are stronger than any other sectors in the cooperation. The economic ties between Indonesia and Oman are beginning to develop due to the fact that both countries acknowledge their mutual importance. For Oman with its "Look East" policy, Indonesia, Southeast Asia's largest country, offers a promising market. At the same time, Indonesia provides the government in Muscat a gateway to expand economically to the wider Southeast Asia or even to Australia. Indonesia's geographical position as Southeast Asia's biggest economy and a G20 member convince Omani policymakers that it is a target for investment. At the same time, with a population of over 250 million, Indonesia is a promising market for Omani exports.

For Indonesia, which has in recent years been probing to expand its consumer markets against the danger of potential economic tumult in Asia, Oman not only provides Indonesia a road to access untapped export markets and worthwhile investment opportunities, but it also offers the possibility to actually serve as a hub for economic expansion in the Gulf and the wider Middle East. Although it is Southeast Asia's largest economy, Indonesia still needs to attract billions of dollars in investments to improve its fledgling economy, which has been

impacted tremendously by the COVID-19 pandemic. The development of Duqm Port in Oman by China, which is intended to become a major port that connects Asia, the Middle East, Africa, and Europe, could become a way for Indonesia to penetrate the Gulf and Middle Eastern markets. For these reasons, although economic partnership between Indonesia and Oman is not yet significant compared to their ties with traditional partners such as China and the US, it will likely to increase in the near future.

This relationship could also facilitate Jakarta-Oman ties through increasing understanding between one another. At present, tourism and education has been one of the fields in which the ties between Oman and Indonesia have developed. With such trajectories are expected to grow, it is hoped that the growing relationship in the spheres of education and tourism will likely contribute to even deeper political and economic links in the future.

## BIBLIOGRAPHY

### Books

- Al-Khalili, Majid. 2009. *Oman's Foreign Policy: Foundations and Practice*. Praeger Security International.
- Bryman, Alan and Burgess, Robert ed. 1999. "The Debate about Quantitative and Qualitative Research." *Qualitative Research*. Sage Publications.
- Eberling, George. 2017. *China's Bilateral Relations with Its Principal Oil Suppliers*. Lexington

### Journals

- Bishku, Michael. 2014. Oman and the Indian Ocean Rim. *Journal of South Asian and Middle Eastern Studies*. 37 (4): 46-62.
- Maashani, Musallam. 2020. Oman's Diplomacy Strategy: Maneuvering Tools to Face Regional Challenges. *International Journal of Research in Business and Social Science*. 9 (2): 152-163.
- O'Reilly, Marc. 1998. Omanibalancing: Oman Confronts an Uncertain Future. *Middle East Journal*. 52 (1): 70-84.

### Websites

- Akuratnews.com. 2019. "Kesultanan Oman Akan Gelar Pameran "Toleransi, Pemahaman, Koeksistensi: Pesan Islam Oman" Di Jakarta." Akuratnews.com. <https://akuratnews.com/kesultanan-oman-akan-gelar-pameran-toleransi-pemahaman-koeksistensi-pesan-islam-oman-di-jakarta/>.
- Antara News. 2016. "Perompak Somalia bebaskan 26 sandera, termasuk WNI." <https://www.antaraneews.com/berita/591765/perompak-somalia-bebaskan-26-sandera-termasuk-wni>.
- BeritaSatu. 2017. "RI-Oman Lanjutkan Kerja Sama Pendidikan dan Ekonomi." BeritaSatuTv. <http://www.beritasatu.tv/news/ri-oman-lanjutkan-kerja-sama-pendidikan-dan-ekonomi/>.
- CNN. 2019. "Konflik Palestina-Israel, RI-Oman Dukung Solusi Dua Negara." <https://www.cnnindonesia.com/internasional/20190314190634-106-377367/konflik-palestina-israel-ri-oman-dukung-solusi-dua-negara>.
- Detak.co. 2017. "Indonesia-Oman Adakan Pertemuan Pertama Konsultasi Politik." Detak.co. <https://detak.co/detail/berita/indonesia-oman-adakan-pertemuan-pertama-konsultasi-politik>.
- detikNews. 2013. "Arab Saudi Berikan 460 Beasiswa untuk Pelajar Indonesia." [news.detik.com.https://news.detik.com/berita/d-2229292/arab-saudi-berikan-460-beasiswa-untuk-pelajar-indonesia](https://news.detik.com/berita/d-2229292/arab-saudi-berikan-460-beasiswa-untuk-pelajar-indonesia).
- Euronews. 2019. "The Strait of Hormuz: Where is it? What is it? And why is it so important?" <https://www.euronews.com/2019/06/14/the-strait-of-hormuz-where-is-it-what-is-it-and-why-is-it-so-important>.
- KBRI Muscat. n.d. "Hubungan Bilateral Bidang Politik." Kedutaan Besar Republik Indonesia di Muscat, Kesultanan Oman. <https://kemlu.go.id/muscat/id/pages/hubungan-bilateral-bidang-politik/2805/etc-menu>.

- Kemlu.go.id. n.d. “Hubungan Bilateral Bidang Sosial Budaya.” Kedutaan Besar Republik Indonesia Di Muscat, Kesultanan Oman. [https://kemlu.go.id/muscat/id/pages/bidang\\_sosial\\_dan\\_budaya/2807/etc-menu](https://kemlu.go.id/muscat/id/pages/bidang_sosial_dan_budaya/2807/etc-menu).
- Kemlu.go.id. n.d. “Beasiswa Pemerintah Oman Tahun Akademik 2018-2019.” Kemlu.go.id. <https://kemlu.go.id/muscat/id/read/beasiswa-pemerintah-oman-tahun-akademik-2018-2019/521/important-information>.
- Media Indonesia. 2019. “Indonesia dan Oman Bahas Program Pencegahan Terorisme Sumber: <https://mediaindonesia.com/internasional/229300/indonesia-dan-oman-bahas-program-pencegahan-terorisme>.”
- Michaella, Sonya. 2019. “Promosi Wisata Indonesia Tarik Perhatian Warga Oman.” medco.id. <https://www.medcom.id/internasional/asia/Dkqqr6ek-promosi-wisata-indonesia-tarik-perhatian-warga-oman>.
- Musyaffa, Iqbal. 2017. “Parlemen Oman dan Indonesia jajaki kerja sama bilateral.” aa.com. <https://www.aa.com.tr/id/dunia/parlemen-oman-dan-indonesia-jajaki-kerja-sama-bilateral/869156>.
- Putra, Yudha M. 2018. “Wonderful Indonesia Ajak Warga Oman Berwisata.” Republika.co.id. <https://republika.co.id/berita/p80u7u284/wonderful-indonesia-ajak-warga-oman-berwisata>.
- Raharjo, Budi. 2017. “Indonesia-Oman Jalin Kerja Sama Pendidikan di Bidang Maritim.” Republika.co.id. <https://republika.co.id/berita/ekonomi/makro/17/03/07/omg5wp415-indonesiaoman-jalin-kerja-sama-pendidikan-di-bidang-maritim>.
- Rakhmat, Muhammad and Tingai, Muhammad F. 2021. “4 key areas of cooperation for growing Indonesia and Gulf countries partnership.” The Conversation. <https://theconversation.com/4-key-areas-of-cooperation-for-growing-indonesia-and-gulf-countries-partnership-157236>.
- Rakhmat, Muhammad and Karasik, Theodore. 2019. “Indonesia-UAE Relations Strengthen Amid COVID-19”. Fair Observer. [https://www.fairobserver.com/region/asia\\_pacific/muhammad-zulfikar-rakhmat-theodore-karasik-indonesia-news-uae-united-arab-emirates-covid-19-coronavirus-27819/](https://www.fairobserver.com/region/asia_pacific/muhammad-zulfikar-rakhmat-theodore-karasik-indonesia-news-uae-united-arab-emirates-covid-19-coronavirus-27819/)
- Rakhmat, Muhammad. 2017. “UAE-ASEAN Relations: Beyond “Emirates’ diplomacy?” Asc.fisipol.ugm.ac.id. <https://asc.fisipol.ugm.ac.id/2017/05/18/uae-asean-relations-beyond-emirates-diplomacy/>
- Rakhmat, Muhammad. 2017. “Oman’s Look to Asean.” Fair Observer. [https://www.fairobserver.com/region/middle\\_east\\_north\\_africa/oman-asean-asian-pacific-gcc-gulf-news-world-affairs-latest-34030/](https://www.fairobserver.com/region/middle_east_north_africa/oman-asean-asian-pacific-gcc-gulf-news-world-affairs-latest-34030/)
- Rakhmat, Muhammad. 2015, “Weapons and wealth in the Gulf.” new mandala.org. <https://www.newmandala.org/weapons-and-wealth-in-the-gulf/>
- Thejakartapost.com. 2017. “Wonderful Indonesia Festival to be held in Oman.” Travel Guide. <https://www.thejakartapost.com/travel/2017/09/30/wonderful-indonesia-festival-to-be-held-in-oman.html>.
- TribunJateng.com. 2018. “Hasil Akhir Timnas U-16 Indonesia Vs Oman U-16 3-3. Bagus Kahfi Hattrick.” TribunJateng.com. <https://jateng.tribunnews.com/2018/09/12/hasil-akhir-timnas-u-16-indonesia-vs-oman-u-16-3-3-bagus-kahfi-cetak-hattrick>.