

Indonesia's Efforts to Maintain Economic Security Stability: China's Claim to the Natuna Sea

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ABSTRACT

The waters of the Natuna Sea are Indonesia's Exclusive Economic Zone (EEZ) located in the Karimata Strait in the north of Indonesia. The Natuna Sea holds a wealth of biological resources with high value and importance, making China feel interested in being able to control the region. In addition to this, what makes China more interested is that the region has large natural gas and petroleum reserves. This study aims to find out how aggressive China is in controlling the Natuna Sea so that it can take stored natural resources and as knowledge about how the Indonesia government is trying to maintain Indonesia's economic security stability. The research method used in this study is descriptive qualitative research whose main sources come from books, journal articles, news articles and others. In this case, China still adheres to the idea of the Nine Dash Line which is pegged to history. However, legally Indonesia remains in the strongest position among the holders of this territory. So, to maintain national defense and maintain natural resources as the largest economic supplier in state development, the government must always carry out exploration and exploitation activities on biological resources in the waters of the Natuna Sea.

Keywords: *Natuna Sea, China Claims, Economic Security*

INTRODUCTION

Territory is one of the main and most important elements in a country, besides the People and Government. Territories within a country need to be determined with clear laws and regulations. In Indonesia, the original 1945 Constitution does not contain any articles or rules regarding the "State Territory of the Republic of Indonesia". Indonesia is the largest archipelago in the world which has thousands of islands located from Sabang-Merauke. One example is the Natuna Islands, which are located in the southern part of the China Sea. The Natuna Sea itself holds abundant natural wealth, namely fish, minerals, and also this sea becomes an international water traffic for foreign ships originating from the Indian Ocean to industrial countries located around the area and delivering these ships to the Pacific Ocean (Tampi, 2017).

The sea is a common heritage for mankind, so every country has the right to utilize marine resources for its interests (Rani Purwani Ramli, 2021). If the sea is recognized by every country without any restrictions, then there will be regulations that will regulate the rights of each country regarding the sea, which will also trigger conflicts. This is very related to the defense and sovereignty of a country. Every country has an interest in controlling the sea, because the sea itself has a natural nature, namely open nature, so

countries make agreements, mutual agreements and international regulations as a regulator of problems in the sea. Existing regulations are the result of mutual agreements and agreements between countries that want to control the sea. From the economic field itself, the sea has a lot of potential to support the country's development. However, as time goes by, the sea will trigger conflicts because of a country's claim to its sea boundaries.

Indonesia is one of the largest archipelagos in the world, stretching and connecting two oceans, the Pacific and the Indies as well as two continents, Asia and Australia. With an area of up to 5.8 million km² according to UNCLOS 1982, Indonesia is in a strategic place on the global trade route. Because of its location at the equator, the richness of Indonesia's seas is very diverse, and has a great influence on the country's economy. Fisheries sources of energy, minerals, oil, and protein come from Indonesia's marine areas. Marine income for the economy contributed 3.7% of the total Gross Domestic Income (GDP) in 2020, although it decreased due to the pandemic in 2021 to 2.8%, but it can still be exploited and explored for greater potential (Yanto, 2023).

Indonesia's territorial waters occupy the largest area in Indonesia, because the territorial waters themselves reach 62% of the total land and sea of Indonesia. The marine area in Indonesia itself has a big impact on marine economic results, namely by contributing protein needs for the community and becoming a road or cross-trade and global crossing, having a strategic geographical and geological location and storing energy resources with the largest natural gas in the world, of course, providing great benefits to Indonesia. The Future Energy Transition Program makes Indonesia one of the potentials to occupy an important position because of the natural gas trading in Indonesia. This is of course based on data, that 88% of energy needs in Indonesia are supplied from several natural sources, namely petroleum, natural gas and coal.

The Natuna Islands are the northernmost region of Indonesia in the Karimata Strait. The Natuna Islands consist of small islands that are directly adjacent to the maritime territories of three countries, namely Malaysia, Singapore and Viet Nam. In the Asia Pacific Region, even the world of the Natuna Islands itself stores the richest natural gas. The Natuna Islands has oil reserves of 14,386,470 barrels, and for natural gas as much as 112,356,680 barrels. The Natuna Sea area is also included in the ALKI one-lane area and of course is a sailing place for international ships heading to the Indian Ocean and the Pacific Ocean (Dr. Yayat Ruyat, 2017).

The challenges in controlling the sea area, as well as managing the maritime aspect for the Indonesia nation have never ended and met an established finality. In addition to optimizing domestic arrangements, responding to problems posed by other countries such as stealing resources and bypassing predetermined Limits is equally important. Examples are the conflict between Indonesia and Malaysia in 2003, and the current conflict between Indonesia and China in North Natuna. The challenge in mastering this sea area is because Indonesia has biological resources and its sea has enormous wealth. The fact of Indonesia's sea as the main support for the life of the country and the

international community. It is likely that there will be conflicts and violations of the boundaries of the sea area. Border countries are often involved in disputes due to territorial status issues and unclear territorial boundaries. This dispute arose because the States did not agree in the same way to set the limits of the continental shelf (M. Wirtsa Firdaus, 2023)

One of the countries affected by the South China sea conflict is Indonesia. Because the Indonesia Exclusive Economic Zone (EEZ) is located in the Natuna Sea area which is included in the map of China's unilateral claims. Since the Natuna Sea is included in the EEZ, Indonesia is stronger than China in terms of Nine Dash Line regulations for Natuna. A frequent violation by China is regarding the EEZ Law No. 5 of 1983, article 7, which stipulates that Chinese ships can enter the waters of the Natuna Sea, which is considered Indonesia's Executive Economic Zone. In the article, it is explained that activities in the waters of Indonesia must be allowed and permitted by the Indonesia government (Faindatul Muslimah, 2020).

The PRC's policy for the recognition of ownership in the South China Sea includes Indonesia and some other ASEAN countries. Thus, many parties, especially in ASEAN, expect that Indonesia can act more proactively in collaborating with them to deal with PRC's treatment. However, this issue is actually more than just stating that Nine Dash Line is illegal. Because this is a violation of the United Nations Convention on the Law of the Sea (UNCLOS).

METHODS

This research was conducted using a descriptive qualitative method. to describe the dispute in the Natuna Sea between Indonesia and the People's Republic of China. The author finds the necessary information by using the *library research*. The data collected comes from a variety of sources, including books, articles, journals, articles, documents, and more. To process the data, the author uses literature studies such as books, journals, articles, official websites, letters of rebate, institutions, and other additional sources. Qualitative data analysis is a technique used by the author in collecting the data, including descriptive data and additional data.

RESULTS AND DISCUSSION

The Root of the Problem of Conflict in the Natuna Sea

The waters of North Natuna are an Exclusive Economic Zone area that is 200 miles away, so Indonesia as a coastal country has the sovereign right to explore and exploit, conserve and manage natural resources, including fish (Hanifahturahmi, 2020). These waters are not just about fisheries, but these waters also store potential resources such as gas and oil. The latest data from January 2012 shows that there are many gas and oil reserves in Natuna Regency that have not been significantly utilized. As a result, this reserve will definitely attract investors from Indonesia and other countries.

According to the 2011 Riau Islands Province Marine and Fisheries Resources Potential Identification Study, the potential of Natuna marine fish resources is 504,212.85 tons per year, or about 50% of the potential of WPP 711 of 1,059,000 tons per year, with the number of permissible catches (80% of sustainable potential) is 403,370 tons. By having a number of natural potentials and the location of the Natuna Islands is the outermost island of Indonesia in the South China Sea, making this area vulnerable to being affected by the South China Sea. The large potential possessed by Natuna waters does not rule out the possibility for several countries directly adjacent to Indonesia to take advantage of this potential to meet their needs.

Since 2016, the Natuna Islands conflict has been ongoing and the problem regarding the Natuna Islands is very long, one of the causes of this conflict is that Chinese ships that enter Natuna waters illegally without permission from the Indonesian government. The conflict between China and Indonesia in 2016 began with an illegal Chinese-owned fishing boat that entered Natuna waters in March. With the entry of the illegal ship, the Indonesia government, which had learned about the news, immediately planned to arrest the ship, but the government could not arrest the ship because the Chinese Coast Guard Ship intervened by accidentally ramming KM Kway Fey 10078.

In the meeting with Foreign Minister Retno Marsudi with Sun Weide, who is China's temporary chargé d'affaires in Indonesia. Indonesia filed a complaint with China for 2 things. First, China's Coast Guard vessels have violated sovereign rights and jurisdiction in the Exclusive Economic Zone (EEZ) and the continental shelf. Second, China's Coast Guard vessels have violated efforts to enforce the law by Indonesia authorities in the EEZ and the continental shelf. Then, a month passed, Indonesia considered the problem to have been resolved. Second, the change of the name of the South China Sea to the North Natuna Sea. China considers the area to be their right and has full sovereignty to be able to be used for exploration and exploitation. China thinks so because of the approval of the name of a sea lying in South China 4 (Faindatul Muslimah, 2020)^{048'} Latitude North 108⁰⁰¹ East Longitude from the North of Indonesia's Natuna Islands which is not a problem.

On December 19, 2019, after a long time of not hearing of the latest problems between Indonesia and China, that year reaped the latest conflict, namely in the waters of Natuna, where Chinese-owned ships re-entered Indonesia waters. These vessels have entered Indonesia's Exclusive Economic Zone (EEZ) and have acted illegally, unreported and unregulated fishing (IUUF). And another thing is that the Chinese Coast Guard ship is stated to have violated sovereignty in Natuna waters. In resolving this problem, Prabowo Subianto tried to find a solution by negotiating with other Ministers. He coordinated with the Coordinating Minister for Maritime Affairs and Investment, Luhut Binsar Pandjaitan. However, Coordinating Minister for Maritime Affairs and Investment Luhut Binsar Pandjaitan said that this problem should not be exaggerated. Even so, the incident must be used as a major reminder and evaluation so that the Indonesia government is stricter in defense and supervision.

In setting the Exclusive Economic Zone waters as a place for foreign ship traffic, the Indonesian government is very late. As a result, it makes it easier for other countries to take advantage of Indonesia's natural resources, especially fisheries in Indonesia's waters, as well as theft that often occurs from violations of foreign ships in the Sea of Indonesia, because the Sea of Indonesia is an international transit route. Third, Indonesia's Natuna Sea EEZ claimed by China. China's claim to Indonesia's EEZ in the Natuna Islands as a territorial sea area and the existence of their traditional fishing on the Nine Dotted Lines Map is a violation of UNCLOS 1982. In addition, Indonesia's EEZ in Natuna has been included in Chinese passports. Based on the Map of the Nine Dotted Lines, China unilaterally claims the entire South China Sea as part of its sovereignty. This will inevitably be opposed by other countries adjacent to the South China Sea.

Indonesia's Economic Interests and Security in the Natuna Sea

The North Natuna Sea is a narrow area of water located in the northern part of the Indonesia archipelago, and the southern part of the South China Sea. According to Article 57 of the 1982 UNCLOS, the North Natuna region is part of Indonesia's Exclusive Economic Zone (EEZ), which has an area of up to 200 nautical miles. Indonesia's rights, based on international law, have sovereign rights. For a long time, the people and government of Indonesia have exercised territorial control over the North Natuna Sea. With the vital value of the potential for abundant natural resources and gas in the Natuna Sea for the national economy. In January 2020, based on economic surplus statistics, in North Natuna there were 812 vessels with a total gross weight of up to 60,715 Gross Tonnage (TG) involved in illegal fishing activities in the WPP 711 zone. The potential of fish in the North Natuna Sea reaches 767,126 tons, plus 613,699 tons that can be taken from WPP 711, making the North Natuna Sea an excellent source of protein for Indonesia (Chamdani Hasana, 2020).

The Natuna Sea, which has a wealth of biological resources with high value and importance, makes China feel interested in being able to control the region. In addition to this, what makes China more interested is that this region has a large amount of natural gas reserves. In the 2022 survey, it was proven that natural gas reserves in North Natuna reached 1,054.62 million cubic feet (*billions of standard cubic feet / BSCF*). In addition to natural gas, it was found that natural gas reserves have a potential value of 521.63 BSCF, consisting of 1,083.61 BSCF of expected reserves and 521.63 possible reserves. Both Natuna and North Natuna have natural gas that is independently exploited by Indonesia with the main consortium of state-owned enterprises PT Pertamina, which works with several global companies such as Exxon Mobil and EP Thailand.

In 2021, the Ministry of Energy and Mineral Resources conducted calculations and showed the potential of natural gas in the Natuna D-Alpha Block which is located in the Natuna Islands ZEEI. The potential for natural gas found in this block reaches a value of 222 TFC (*Trillion Cubic feet*). With this amount, Indonesia can use it to be able to meet

energy needs for 30 years. Meanwhile, in the Natuna Islands, the amount of gas is estimated to reach 8.383 billion barrels. Based on these data, the Natuna Islands is the largest owner of gas trading in Asia Pacific. The economic value for the volume of natural gas calculated in place (*Initial Gas In Placa / IGIP*) reaches Rp 6000 trillion. If the income obtained from the Natuna Islands is taken into account and with the 2023 State Budget target, the value will be twice as high.

The magnitude of Indonesia's interest in North Natuna not only discusses natural resources and economic potential, but also more broadly is a form of protection for the territory of the Republic of Indonesia which is conceived with the *Wawasan Nusantara* paradigm. With a firm commitment, Indonesia continues to defend the territory that is indeed its right. Because according to the laws and provisions of UNCLOS 1982, North Natuna is an area that Indonesia has no dispute (Yuwanto, 2020).

North Natuna makes a great contribution to Indonesia's economy in the marine fisheries sector. With a value of 504,212.85 tons per year, in 2011 as a result of a study on the potential of fish resources made Natuna a sustainable potential point. Because the number of catches in the Natun Islands area is equivalent to the potential of *Lestari*, which is 80% or 504,212.85 tons per year. However, to stimulate the growth of protein surplus and fisheries in the country, this amount can still be optimized again by adding the value of fish catches.

Article 33 paragraph (3) of the 1945 Constitution is late written regarding the conception of Indonesia's maritime economy, where the article has regulated the use of natural resources in the North Natuna region which is required by the government to be carried out only for the welfare of the people. With all areas owned by Indonesia, especially North Natuna which is in the position of the EEZ, of course, this economic approach requires the state to be more integrative in the development of economic sovereignty over its territory.

China's Nine-Dotted Line Claim

In fulfilling its national interests, China uses its power to impose its claims on Indonesia's EEZ in Natuna waters. China is expanding based on historical factors or its historical right to utilize fish resources in the archipelago, which China refers to as traditional aquatic land. In addition, China claims to have nine lines in the South China Sea, which is related to Indonesia's EEZ area in Natuna waters (Wahyuni, 2019).

The Nine Dash Line, is a segment of the line in China's version of the territory map that is claimed to be part of the country's undisputed territory. On December 1, 1947, the Chinese government made an official map of the Nine Dash Line, the creation of which was part of a conception that emphasized that the entire South China Sea area was under their jurisdiction. By having a history or fact about traditional fisheries where Chinese fishermen have long used the South China Sea area as their territory, this is the

basis of China's claim to their Nine Dasl Line. Based on this, China boldly declared that the South China Sea area has legally become China's property (Jia, 2013).

The continental shelf of a coastal state includes the seabed and the land below it from the area below sea level located outside its territorial sea along the continuation of its natural continuation of the land area to the outer edge of the continental edge, or up to a distance of 200 nautical miles from the base line from which the width of the territorial sea is measured, within the outer edge of the continental edge does not reach that distance. The continental shelf of the coastal state shall not exceed the established limits, according to Article 76 paragraphs 4 to 6. The continental edge covers the entire landmass, slopes, and ramps that exist beneath the continental landmass. What is not listed as a continental shelf is the ocean floor which indicates the presence of an ocean or land underneath (Tampi, 2017).

China's claim to the demarcation line is an important issue. Because the map cannot explain and describe the discontinuous line, no one can show its existence if it is connected, and the Chinese side itself has never explained it directly. Thus, no one knows the true meaning and intent of the formation of these lines in the context of strategy. Some experts stated about the Nine Dash Line that it cannot be passed for territorial borders because it is not in accordance with the rules of international law. The instability of the lines is because they can change easily from eleven to nine lines for no apparent reason and cannot be identified, because they have no specific geography and do not have a clear shape when connected.

As a unilateral claim that no other country recognizes, China's position has become isolated in the NDJ conflict. An arbitral tribunal established under the 1982 UNCLOS declared on July 12, 2016 that China's claims in maritime territory within the NDJ had no legal consequences for other countries and were invalid. On June 7, 1996, China became a member of UNCLOS 1982 with the ratification and provisions of international law. The existence of a UNCLOS arbitration award or final result should be used as a binding legal requirement and as a mediator of China's maritime conflicts in the South China Sea with other countries. However, another thing is that the Chinese Government rejects the UNCLOS arbitration award. The People's Republic of China remains firm in its stance that the Lina Nine Dash is a legitimate claim and territory, which has a historical basis and national interest (Suharman, 2019).

Indonesia's Efforts in Maintaining Economic Stability in the Natuna Region

Against China's unilateral claims, Indonesia is in two different positions. First, Indonesia's position in rejecting the NDJ claim has a clear international legal basis. Both in national and international law, North Natuna is an integral part of the EEZ. Second, due to the political-economic and military relations between Indonesia and China, as well as the difference in military strength and power, Indonesia must strive through diplomacy and not use coercive force in upholding sovereignty over North Natuna. The

goal is to avoid conflicts that could destabilize the region in the long run (M. Wirtsa Firdaus, 2023).

Indonesia's efforts to resolve the conflict have done various things, both preventively and curatively, to deal with the Nine Dash Line concept issued by China. All approaches, be it diplomacy approaches, political approaches, military approaches, are carried out continuously and repeatedly to emphasize that North Natuna is an inseparable part of Indonesia. However, all the efforts and efforts made by Indonesia have not resulted in anything, including the UNCLOS Arbitration Court nor can it change China's paradigm to its interests in North Natuna. China is still unwavering and sticks to its idea, namely the Nine Dash Line as its legal territory until 2022. If the idea of China is continued, its realization will be a common threat, because considering that China is a country that has strong and influential economic, political, and military powers.

Policy integration is needed between all instruments, including border management, economic activities and defense capabilities in the Natuna sea area. First, tightening the border management of the Natuna Sea area, the border of a country is the main manifestation in maintaining state sovereignty because this is why the issue of state borders is a very important issue. The management of Indonesia's borders is very important in the government's efforts to maintain security in the border area by using border negotiations (border diplomacy) to gain clarity in determining territorial boundaries with neighboring countries. And the government must always conduct oil and natural gas exploration in the Natuna Sea, to give an impression of Indonesia's form of existence in the region (Dr. Yayat Ruyat, 2017).

Second, encouraging oil exploration to increase economic activities in the Natuna sea area. With the energy supply always increasing, the Indonesia government always strives to meet the supply. In its efforts, the Indonesia government is exploring and exploiting natural resources. As the name suggests, the EEZs (Exclusive Economic Zones) are the largest suppliers of the country's treasury due to their natural wealth. The Natuna Sea is one of Indonesia's EEZs that contains the largest natural gas and petroleum wealth in Indonesia. With the Government of Indonesia always carrying out active activities in the border areas of Indonesia, it will further improve Indonesia in a stronger position over the claim of the region.

Third, Defense Capabilities that must be improved in the Natuna Sea Area. If diplomacy is considered a failure, the next instrument that must be used is to increase the existence of defense, namely to support diplomacy. Improving defense capabilities not only means improving defense equipment (Main Equipment of Weapon Systems), but the TNI must also undergo a program to meet minimum basic needs (MEF), and the TNI must improve its capabilities for defense in border areas, especially in the Natuna Sea.

CONCLUSION

The Natuna Sea conflict has occurred since 2016, one of the causes of the conflict is the illegal entry of Chinese ships into Indonesia waters because there is no Indonesia government permit. With the entry of the ship, the government immediately acted by arresting the ship, but failed because the Chinese Coast Guard intervened by crashing into KM Kway Fey 10078. The Natuna Sea has a wealth of biodiversity with high value and is important for Indonesia, this is what attracts China's attention to the Natuna Sea, especially the large reserves of natural gas and earth. To fulfill its national interests, China uses its power by claiming Indonesia's EEZ in the Natuna Sea. They expanded the Natuna Sea by issuing the idea of the Nine Dash Line which is a Chinese version of the map to strengthen their territory. However, the idea is considered to have no clear definition and meaning because it cannot be described and explained by the Chinese side. The government has made various efforts to resolve the conflict by taking a diplomatic, political and military approach. The decision of the Arbitral Tribunal was not taken at all by the Chinese side and remained firm in its ideas.

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