

Exploring the Potential of Vietnam-Indonesia Relations: Looking Back at 70 Years and Looking Forward to the Future

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Abstract

The relationship between Vietnam and Indonesia, formally established in 1955, has evolved over seventy years from shared anti-colonial roots into a robust partnership. This journey culminated in the elevation of their ties to a Comprehensive Strategic Partnership (CSP) in March 2025, marking a historic milestone. This article examines the historical trajectory of this relationship, analysing its development through various phases, from early ideological alignment and Cold War complexities to structured cooperation within ASEAN and the Strategic Partnership era (2013-2024). It then delves into the key dimensions of the new CSP, focusing on enhanced cooperation in trade, investment, defence, maritime security, and emerging sectors like the digital and green economies. The article argues that the CSP holds significant untapped potential to deepen bilateral ties, contribute to ASEAN's centrality, and enable both nations to collectively navigate the geopolitical dynamics of the Indo-Pacific. By analysing key milestones, including the crucial 2022 EEZ demarcation, and exploring future opportunities and challenges, the article underscores the strategic importance of this partnership for achieving shared long-term development goals and fostering regional stability.

Keywords: ASEAN, Comprehensive Strategic Partnership, diplomatic relations, Indonesia, Vietnam

Introduction

The relationship between the Socialist Republic of Vietnam and the Republic of Indonesia stands as a cornerstone of Southeast Asian geopolitics (Alagappa, 1989; Anwar, 2020; Tarling, 2006). As two of the region's most populous and strategically significant nations, their bilateral ties carry substantial implications for regional stability, economic dynamism, and the evolving security architecture of the Indo-Pacific (Anjaiah, 2025; Tarling, 2006). Diplomatic relations, formally established in 1955 (Mikel, 2024), have traversed a complex, seven-decade journey marked by shared anti-colonial sentiments, Cold War intricacies (Thuy, 2018), robust economic expansion, and a deepening strategic alignment. This long-standing engagement reached a new zenith in March 2025, when, coinciding with the 70th anniversary of their diplomatic relations, Vietnam and Indonesia elevated their ties to a CSP (VNS, 2025). This upgrade is widely regarded as a "historic milestone", signifying a mutual commitment to a more profound and multifaceted collaboration (VNA, 2022). The timing of this elevation, on such a significant anniversary, is not merely symbolic. Instead, it appears to be a deliberate and calculated strategic manoeuvre by both nations to consolidate their partnership and

project a unified stance in an international environment characterised by increasing geopolitical fluidity and uncertainty. This move reflects a shared desire to bolster their collective influence and navigate complex regional dynamics more effectively.

This article argues that the Vietnam-Indonesia CSP, built upon a rich 70-year history of evolving diplomatic, economic, and security interactions, holds significant untapped potential not only to deepen bilateral cooperation across traditional and emerging sectors but also to play a more influential collective role in shaping the centrality of the ASEAN and navigating the complex geopolitical dynamics of the Indo-Pacific region. To substantiate this thesis, the article will first provide a historical retrospective of the bilateral relationship from 1955 to 2024. It will then analyse the key dimensions and current areas of cooperation under the newly established CSP. Subsequently, the article will explore the future potential of this enhanced partnership, focusing on strategic imperatives, its role in the regional architecture, and the challenges and opportunities that lie ahead. Finally, concluding remarks will synthesise the analysis and underscore the enduring significance of this pivotal Southeast Asian relationship.

This article employs a qualitative research methodology (Lim, 2024), primarily utilising a historical and descriptive-analytical approach to examine the evolution and future potential of Vietnam-Indonesia relations. The research is grounded in a comprehensive review and synthesis of a wide range of secondary sources. To construct a historical retrospective and analyse current events, the study draws upon official government statements, news reports from Vietnamese, Indonesian, and international media outlets, as well as data from government bodies. The analytical framework is further enriched by consulting scholarly literature, including academic journals, books, and think tank publications, to provide context on geopolitical dynamics, regional security, and theoretical concepts such as middle power strategies. This synthesis of diverse sources enables the article to trace the diplomatic, economic, and security dimensions of the relationship over the past seventy years and substantiate its arguments regarding the contemporary significance and future trajectory of the CSP.

Seventy Years of Diplomatic Relations: A Historical Retrospective (1955-2024)

The evolution of Vietnam-Indonesia relations from 1955 to 2013 reveals a trajectory shaped by ideological convergence, pragmatic diplomacy, and regional institutionalisation (Anjaiah, 2025). Diplomatic ties, formally established in the post-Bandung era, were initially underpinned by anti-colonial solidarity between revolutionary leaders Ho Chi Minh and Sukarno (Leo, 1991). Despite diverging during the Cold War—particularly after Indonesia's New Order adopted an anti-communist stance—Jakarta maintained relations with Hanoi, prioritising regional stability. Indonesia's support for Vietnam's accession to ASEAN in 1995, along with the landmark 2003 continental shelf delimitation agreement, laid the institutional and legal foundations for closer maritime and economic cooperation (Leo, 2023). These developments culminated in the 2013 Strategic Partnership, which formalised bilateral

mechanisms across trade, defence, and regional coordination, and prepared the ground for the 2025 Comprehensive Strategic Partnership (Huong, 2025).

The following table summarises key milestones in the diplomatic relations between Indonesia and Vietnam from 1955 to 2024, illustrating the progressive deepening of their engagement.

Table 1: Key Milestones in Indonesia-Vietnam Diplomatic Relations, 1955-2024

Year	Event	Significance/Outcome	Key Actors Involved
1955	Establishment of formal diplomatic relations	Indonesia became the first Southeast Asian country to establish diplomatic ties with Vietnam, in the context of the Bandung Conference.	
1959	State visits by President Ho Chi Minh to Indonesia (Feb) & President Sukarno to North Vietnam (Jun)	Solidified early bonds of friendship and shared anti-colonial ideals.	President Ho Chi Minh, President Sukarno
1964	Indonesia upgraded relations with Hanoi to the ambassadorial level	Severance of ties with South Vietnam; Indonesia aligned more closely with North Vietnam and recognises the NLFSV.	President Sukarno
1990	President Suharto visited Vietnam	Continued high-level dialogue despite ideological differences during the Cold War.	President Suharto
	An agreement on economic, scientific, and technical cooperation was signed.	Provided a framework for expanding non-political cooperation.	
1995	Vietnam joined ASEAN	Indonesia played a supportive role, providing a multilateral platform for enhanced bilateral interaction.	
2003	Agreement on the delimitation of the continental shelf boundary	Foundational agreement for managing shared maritime space.	President Megawati Sukarnoputri
	Bilateral relationship elevated to a "Partnership"	Recognised growing depth of ties and set the stage for strategic alignment.	
2013	Establishment of Strategic Partnership	Qualitative shift to deepen cooperation in trade, investment, defence, maritime security, and people-to-people exchanges.	President Truong Tan Sang
2022 (Dec)	Finalisation of the EEZ demarcation agreement	Resolved long-standing maritime boundary dispute after 12 years of negotiations; built trust for further elevation of ties.	President Nguyen Xuan Phuc
2024 (Jan)	Indonesian President Joko Widodo visited Vietnam	Reinforced commitment to the Strategic Partnership.	President Joko Widodo
2024 (Sep)	Indonesian President-elect Prabowo Subianto visited Vietnam	Signalled continuity in Indonesia's policy towards Vietnam.	President-elect Prabowo Subianto

Source: Author's synthesis

The Comprehensive Strategic Partnership: Dimensions and Current Cooperation (2025 and Beyond)

The dawn of 2025 heralded a new chapter in Vietnam-Indonesia relations with the elevation of their ties to a CSP. This upgrade, occurring on the momentous 70th anniversary of diplomatic relations, signifies a profound commitment to fostering a deeper, more substantive, and all-encompassing cooperative framework. The CSP is not merely an extension of previous agreements. However, a strategic recalibration is designed to unlock new potential and address shared challenges in an increasingly complex regional and global landscape.

Elevating Ties: The Significance of the CSP

The announcement of the CSP on March 10, 2025, was the centrepiece of the state visit to Indonesia by the General Secretary of the Communist Party of Vietnam, To Lam, at the invitation of Indonesian President Prabowo Subianto (VNS, 2025). Both leaders characterised this upgrade as a “significant milestone” that ushers in a “new era of deeper, more substantive and comprehensive cooperation”. For Indonesia, establishing a CSP with Vietnam, a fellow ASEAN member, is particularly noteworthy. Jakarta typically reserves this highest diplomatic tier for major global powers, thus underscoring the strategic importance it attaches to its relationship with Hanoi. Indeed, Vietnam became the first ASEAN country with which Indonesia forged such a comprehensive partnership (Ralf Emmers & Le Thu, 2021). This unique intra-ASEAN CSP signals a mutual recognition of each other's growing regional influence and a shared ambition to cultivate a more aligned approach to regional leadership and the multifaceted challenges confronting Southeast Asia. It can be interpreted as a move to build a stronger axis within ASEAN, enhancing their collective agency and potentially offering a “middle power” leadership model (Jordaan, 2003; Patience, 2014) that could act as a stabilising force amidst intensifying great power rivalries in the Indo-Pacific (R. Emmers & Teo, 2015; Victoria, 2025).

The core objectives of the CSP are ambitious and wide-ranging. They include the deepening of political trust, the enhancement of cooperation across all conceivable sectors—from politics, security, and defence to trade, investment, agriculture, fisheries, maritime affairs, education, information technology, and people-to-people exchanges—and the strengthening of coordination in addressing global challenges (Minh, 2025). A crucial element of this new framework is the commitment by both sides to swiftly develop a detailed Action Plan that effectively implements the CSP's goals and translates its broad vision into tangible outcomes. Furthermore, the CSP is explicitly linked to the shared aspiration of both Vietnam and Indonesia to achieve high-income country status by their respective centennials in 2045, marking 100 years of independence (Bappenas, 2019; Nakamura & Marukawa, 2024). This long-term developmental vision provides a powerful standard anchor for sustained collaboration.

Economic Dynamism: Trade, Investment, and Future Growth Engines

Economic cooperation forms a central pillar of the Vietnam-Indonesia CSP, with both nations aiming to leverage their dynamic economies for mutual growth and prosperity. Bilateral trade has witnessed robust expansion, quadrupling over the past decade and reaching approximately USD 16 to 16.7 billion in 2024 (Huong, 2025). This represents a significant increase from USD 8.07 billion in 2020 (Anthoni & Sinaga, 2025). In the ASEAN context, Indonesia ranks as Vietnam's second-largest trading partner, while Vietnam is Indonesia's fourth-largest (Greg, 2025). The leaders have set an ambitious bilateral trade target of USD 18 billion to be achieved by 2028, if not sooner (VNS, 2025). Key Vietnamese exports to Indonesia include rice (USD 669 million in 2023), electrical and electronic equipment (USD 904.22 million in 2023), iron and steel, and textiles (Hanh, 2025). Conversely, Indonesia's main exports to Vietnam comprise coal briquettes (USD 1.5 billion in 2023), large flat-rolled stainless steel, palm oil, mineral fuels, and copper (VNA, 2025a). While Vietnam currently experiences a trade deficit with Indonesia (USD 4.33 billion in 2024), this imbalance has been gradually narrowing due to Vietnam's faster-growing exports to Indonesia (Hanh, 2025). The CSP's emphasis on achieving trade targets "in a balanced manner" reflects an awareness that sustainable economic partnership requires addressing such imbalances proactively (Vinh & Duy, 2025).

Investment flows between the two countries are also gaining momentum. Disbursed Vietnamese investment in Indonesia surged to over USD 66 billion between 2014 and 2024, targeting key sectors such as electric vehicle (EV) manufacturing (notably VinFast), trade, hospitality, fisheries, and construction (Tran, 2025). In the first five months of 2025 alone, Indonesia was the second-largest recipient of Vietnamese outbound investment, attracting USD 59.1 million (VNA, 2025b). VinFast, Vietnam's pioneering EV manufacturer, has committed USD 1.2 billion to its Indonesian operations, including establishing production facilities and developing charging infrastructure (Thanh, 2025). Beyond economic gains, VinFast's expansion into Indonesia also represents a strategic exercise of Vietnam's soft power (Nye, 2004). As a national flagship in the electric vehicle sector, VinFast showcases Vietnam's capacity for high-tech innovation and sustainable industrial leadership. Its visibility in Indonesia helps promote Vietnam's image as a rising, capable middle power – committed not only to economic transformation but also to shaping Southeast Asia's transition to a greener and brighter future. Indonesian investment in Vietnam, although smaller in scale, encompasses over 120 projects with a cumulative registered capital of approximately USD 680-682 million (Tran, 2025), including notable investments such as Thang Long Cement JSC (Thanh, 2025). Both nations offer foreign direct investment (FDI) incentives, albeit with differing approaches. Vietnam traditionally focuses on standardised benefits within designated economic zones, favouring manufacturing and leveraging lower labour costs. Indonesia, conversely, provides more targeted, sector-specific incentives, particularly for technology, sustainability, the digital economy, renewable energy, data centres, and EVs, often coupled with greater financial flexibility. While Indonesia's corporate tax rate of 22% is slightly higher than Vietnam's 20%, Indonesia may offer broader and more generous overall incentive packages in its priority sectors (Mulya, 2025).

A significant thrust of the CSP is directed towards pioneering new frontiers of economic growth, particularly in the digital economy, green energy, and other high-technology sectors (Greg, 2025). The partnership explicitly aims to foster collaboration in areas such as energy transition, EV ecosystem development, e-commerce, smart delivery systems, digital payments, artificial intelligence (AI), software design, Halal industries, science and technology, digital transformation, and finance and banking. A Letter of Intent was exchanged between the Vietnamese Ministry of Industry and Trade and the Indonesian Coordinating Ministry for Economic Affairs to enhance capacity in the technical and digital economy sectors (Hanh, 2025). Concrete business-to-business collaborations are emerging, exemplified by Memoranda of Understanding (MoUs) and agreements involving companies like VinFast (with Bank Negara Indonesia for green finance solutions), FPT Software (with KMP Aryadhana Wisesa for AI, blockchain, and IoT applications in waste treatment and education, and with Pertamina for AI in digital transformation), and Hekate (with Kilsa Global for AI applications supporting free trade) (Ha, 2025). In the green energy domain, Vietnam's advancements in renewable energy development are recognised, and Indonesia is actively seeking to ramp up its renewable energy efforts, welcoming Vietnamese expertise and technology. Both countries have committed to attracting global investment for carbon reduction initiatives, with Indonesia promoting Carbon Capture and Storage (CCS) and Carbon Capture, Utilisation, and Storage (CCUS) technologies (VNA, 2025a). However, a potential challenge to these green ambitions emerged with reports of the United States' withdrawal from the Just Energy Transition Partnership (JETP), which could jeopardise approximately USD 3 billion in green financing previously earmarked for Indonesia and Vietnam (Bo-yu, 2025). This strong focus on “new frontiers” signals a shared understanding that future economic competitiveness and resilience depend on transitioning away from traditional models (Momaya, 2019). The potential vulnerability exposed by the JETP situation underscores the importance of fostering closer bilateral technological and investment cooperation (Mohammad & Manuela, 2020) to create more resilient pathways towards these new economic frontiers, possibly mitigating reliance on external financing that can be subject to geopolitical shifts.

The following table provides a snapshot of the current bilateral trade and investment relationship between Vietnam and Indonesia.

Table 2: Vietnam-Indonesia Bilateral Trade and Investment Snapshot

Indicator	Value (USD)	Year(s)	Key Products/Sectors
Total Bilateral Trade	Approx. 16-16.7 billion	2024	
Vietnamese Exported to Indonesia	6.19 billion	2024	Rice, electrical/electronic equipment, iron & steel, textiles
Indonesian Exported to Vietnam	10.5 billion	2024	Coal briquettes, stainless steel, palm oil, mineral fuels, copper
Vietnamese Investment in Indonesia (Disbursed)	Over 66 billion	2014-2024	EV manufacturing (VinFast), trade, hospitality, fisheries, construction

Vietnamese Outbound Investment to Indonesia	59.1 million	Jan-May 2025	
Indonesian Investment in Vietnam (Registered)	Approx. 680-682 million	As of 2025	Cement (Thang Long Cement JSC), other manufacturing

Source: Author's synthesis

Security and Defence: Addressing Shared Challenges

The CSP places considerable emphasis on strengthening defence and security cooperation to address both traditional and non-traditional security challenges (Mohammad & Manuela, 2020). Commitments include enhancing intelligence sharing, bolstering search and rescue capabilities, and exchanging experiences in combating transnational crimes, with a particular focus on online fraud networks, human trafficking, forced labour, and terrorism threats. Furthermore, there is a clear intent to deepen collaboration in the defence industry, conduct joint military exercises and officer exchanges, and undertake coordinated or joint patrols, particularly in the maritime domain (Minh, 2025).

Maritime security cooperation is a critical component, underpinned by the landmark agreement on the delimitation of their EEZs (Arsyad, 2020). Finalised in December 2022 after 12 years of complex negotiations (Satria & Irawati, 2023), this agreement is hailed as a cornerstone of maritime stability in the region. It successfully resolved overlapping claims in the waters surrounding Indonesia's Natuna Islands and involved significant compromises from both sides, such as agreeing on separate measurements for their continental shelf and EEZ boundaries (Maramis, Swastanto, & Anwar, 2024). Ratification by both national parliaments is anticipated, with Indonesia targeting April 2025 (Antonio, 2025). The EEZ agreement provides a clear legal framework for managing maritime resources, which is expected to reduce tensions, facilitate joint law enforcement efforts, and potentially pave the way for Indonesia to exploit significant natural gas deposits in areas like the Tuna Block and the East Natuna field (Thao, 2024).

Regarding the broader South China Sea (referred to as the East Sea by Vietnam and the North Natuna Sea by Indonesia within its EEZ), both nations consistently emphasise the importance of maintaining peace, security, stability, and freedom of navigation and overflight (Huong, 2025). They reiterate their unwavering support for the peaceful resolution of disputes, the non-use or threat of force, and strict adherence to international law, particularly the 1982 United Nations Convention on the Law of the Sea (UNCLOS) (Ayu S, Ramlan, & Repindowaty, 2021). The bilateral EEZ agreement, grounded in UNCLOS principles, is widely seen as a practical demonstration of their commitment to a rules-based maritime order (Rajput, 2024). It strengthens their respective legal and diplomatic positions concerning other maritime disputes and serves as an encouraging precedent for other ASEAN claimant states in their negotiations. This joint stance and concrete action represent a subtle but firm collective assertion in favour of international law against expansive maritime claims that disregard it, thereby bolstering ASEAN's potential for a more unified and principled voice on this critical

regional issue. Both countries also advocate for the full and effective implementation of the Declaration on the Conduct of Parties in the South China Sea (DOC) and the expedited negotiation of a practical and substantive Code of Conduct (COC) in accordance with international law (Vinh & Duy, 2025).

Despite the diplomatic success of the EEZ demarcation, the issue of illegal, unreported, and unregulated (IUU) fishing (Maramis et al., 2024; Satria & Irawati, 2023), particularly by Vietnamese vessels in Indonesian-claimed waters around the Natuna Sea, remains a persistent challenge and a source of friction. Historically, Indonesia employed a controversial “Sink the Vessels” policy to deter IUU fishing (Rusadi, Arry, & Indra, 2018). Statistics indicate ongoing incidents: in 2023, at least six seizure incidents involving eight Vietnamese fishing boats and 112 fishermen were reported, followed by at least three conflicts in 2024 involving five Vietnamese vessels and 47 fishermen (Tengfei, 2025). However, a new bilateral understanding reached in 2023 signals a pragmatic shift: Indonesia will reportedly now expel, rather than arrest, Vietnamese fishermen found in the Natuna Sea, while both sides commit to strengthening the regulation of their respective fishing fleets (Dezy, 2023). While the EEZ agreement is expected to provide greater legal clarity to help manage such incidents, the coexistence of this diplomatic breakthrough with ongoing IUU fishing highlights a complex reality. High-level agreements, while crucial, require sustained and granular cooperative enforcement mechanisms to translate into effective changes in on-the-water behaviour. The shift in Indonesia's enforcement tactic is a de-escalatory measure, but it does not address the underlying socio-economic drivers of resource competition that often fuel IUU fishing. Although Vietnam is assessed as not having practical activities to promote IUU enforcement from Indonesia (Budiyanti & Sudirman, 2019), the move to upgrade the CSP relationship in 2025, and especially the joint statement between Vietnam and Indonesia, emphasises the promotion of compliance with international treaties and laws related to the sea. This is also considered a positive move in receiving and listening to public opinion from countries around the world, including Indonesia.

Fostering Connections: People-to-People, Cultural, and Educational Exchanges

The Vietnam-Indonesia CSP places a strong emphasis on nurturing the human dimension of the relationship, recognising that enduring partnerships are built on mutual understanding and affinity. Both nations have committed to strengthening people-to-people exchanges, with a particular focus on engaging younger generations who will be the future custodians of this strategic bond (Minh, 2025). Cultural diplomacy initiatives are set to expand, including more frequent cultural exchange programs, joint research projects, and collaborative efforts to preserve and promote shared and distinct traditional heritage in areas such as arts, music, and cuisine. A notable example of such cultural outreach was the special orchestral performance by the Hanoi Philharmonic Orchestra in Jakarta to commemorate the 70th anniversary of diplomatic ties (Savero, 2025).

Educational cooperation is also identified as a field for deepening ties. While specific new bilateral agreements in education were not extensively detailed in the context of the CSP announcement, existing ASEAN frameworks, such as those facilitating student mobility and

academic collaboration, provide a conducive environment for such exchanges. The existing network of four *sister-city* (Cremer, De Bruin, & Dupuis, 2001; Jayne, Hubbard, & Bell, 2011) partnerships – Hanoi with Jakarta, Hue with Yogyakarta, Ba Ria-Vung Tau with Padang, and Soc Trang with Lampung – offers valuable channels for grassroots engagement and community-level cooperation. A unique initiative fostering people-to-people connections has been the collaborative construction of a mosque in Vietnam's An Giang province, reflecting Indonesia's Muslim-majority identity and promoting intercultural understanding. This consistent emphasis on people-to-people exchanges, especially involving youth, and various cultural initiatives, suggests a long-term vision. These efforts aim to establish a robust foundation of mutual understanding and affinity that can transcend political cycles, thereby deeply embedding the strategic partnership within the societies of both nations and enhancing its overall resilience.

Tourism flows between the two countries are also on an upward trajectory, presenting further opportunities for fostering mutual appreciation. In 2024, Vietnam welcomed over 184,000 tourists from Indonesia (VNA, 2025c), making Indonesia a key tourism market for Vietnam within Southeast Asia (Thang, 2019). Conversely, Indonesia received 106,630 Vietnamese tourists in the same year (BPS, 2025). Both governments aim to promote tourism partnerships, leveraging their cultural and natural similarities to develop new travel products and enhance visitor experiences (Minh, 2025).

Looking Forward: Maximising the Potential of Vietnam-Indonesia Relations

The elevation of Vietnam-Indonesia relations to a CSP opens a new horizon filled with opportunities for deeper collaboration and enhanced regional influence. However, realising this potential requires concerted effort, strategic foresight, and the effective management of existing and emerging challenges. The shared aspiration of both nations to achieve high-income country status by 2045 serves as a powerful, long-term objective that unites them (Minh, 2025). This ambitious vision can act as a critical anchor for the CSP, driving deeper economic integration and policy alignment, and potentially fostering joint strategic planning in key sectors to maximise complementarities and avoid detrimental competition.

Strategic Imperatives for Deepening the Comprehensive Strategic Partnership

To fully leverage the CSP, several strategic imperatives must be addressed. Economically, the focus should be on consolidating synergies in supply chains, fostering innovation, and promoting sustainable development. This involves diligently working towards the USD 18 billion bilateral trade target “in a balanced manner”, which necessitates proactive measures to address existing trade imbalances, such as Vietnam exploring opportunities in Indonesia's substantial Halal food market (NDO, 2022; Tri, 2025). Expanding cooperation in new and sustainable areas, such as the green economy, food and energy security, digital transformation, AI, and the EV ecosystem, is paramount. The explicit mention of achieving balanced trade and exploring specific export avenues for Vietnam underscores

an awareness that for the economic partnership to be sustainable and politically supported in both countries, the benefits must be perceived as mutual.

In the security domain, the effective implementation of the EEZ agreement is crucial for managing maritime resources peacefully and preventing conflicts. Continued close coordination on South China Sea issues, with a steadfast commitment to UNCLOS and the pursuit of an effective COC, will remain vital. Bolstering joint efforts against transnational crimes through enhanced intelligence sharing and operational capabilities is also a priority.

Socioculturally, expanding ties for long-term affinity requires implementing more robust educational exchange programs, particularly at the tertiary level, and fostering joint research initiatives that address shared challenges. Leveraging existing sister-city relationships for more dynamic grassroots engagement and promoting tourism through innovative travel products and streamlined access will further solidify these bonds.

The Partnership's Role in Shaping the Regional Architecture

The Vietnam-Indonesia CSP is not merely a bilateral affair; it has significant implications for the regional architecture of Southeast Asia and the broader Indo-Pacific. A primary role will be in reinforcing ASEAN centrality. Both leaders have consistently reaffirmed their commitment to enhancing cooperation within ASEAN, strengthening its unity, resilience, centrality, and inclusiveness, and supporting the ASEAN Community Vision 2045. As Indonesia is widely considered pivotal for ASEAN's direction, a stronger, more aligned partnership with Vietnam can significantly contribute to driving internal cohesion within the bloc. Their collaborative approach can also serve as a constructive model for other ASEAN member states.

In navigating the complex dynamics of great power competition in the Indo-Pacific, the Vietnam-Indonesia partnership can offer a coordinated approach. Their bilateral EEZ agreement and unified stance on the South China Sea, grounded in UNCLOS, contribute to upholding a rules-based regional order, thereby indirectly addressing challenges posed by expansive maritime claims that disregard international law. Both nations practice strategic hedging, maintaining relations with major powers like the United States and China without forming formal alliances – Vietnam through its “Four No's” defence policy (Trinh & Huyen Ho, 2024) and Indonesia through its long-standing “free and active” foreign policy (Flores, Combair, Palquiran, Pinuela, & Subigca, 2023; Wijaya, Priyanto, & Hadiananto, 2022). A more deeply integrated bilateral partnership enhances their collective strategic weight and ability to maintain autonomy amidst these pressures. By actively strengthening their ties and coordinating on regional issues, Vietnam and Indonesia are not just passively reacting to great power competition but are proactively attempting to shape a regional order that is more resilient and less susceptible to external pressures, thereby engaging in a form of “collective resilience building” within ASEAN.

Framing the CSP through Strategic Concepts

The Vietnam–Indonesia CSP can be conceptualised through the dual lenses of hedging strategy and middle power coalition-building. For instance, strategic autonomy – a key goal for both Hanoi and Jakarta – is rooted in the realist tradition, where states seek to maximise independence in decision-making within an anarchic international system (Mearsheimer, 2003). That is the reason Vietnam-Indonesia CSP illustrates how regional actors navigate great power rivalry through hedging strategies – simultaneously engaging multiple powers while avoiding overreliance on any single one (Kuik, 2008). Both countries have historically engaged in strategic hedging – maintaining cooperative relations with rival powers, such as the United States and China, while avoiding formal alignments with either of them. Vietnam articulates this through its “Four No’s” defence policy, while Indonesia continues to pursue its “free and active” foreign policy. These postures reflect a desire for strategic autonomy in a contested Indo-Pacific.

Furthermore, the CSP aligns with theories of middle power behaviour, particularly as described by Jordaan and Patience, where emerging powers build alliances and promote regional norms rather than rely on hard power dominance (Jordaan, 2003; Patience, 2014). Moreover, they call middle power coalition-building, where mid-sized states use multilateralism, diplomacy, and *norm entrepreneurship* (Acharya, 2014) to exert regional influence. By strengthening their bilateral mechanisms, Vietnam and Indonesia are not only managing bilateral interests but also crafting a coalition that offers ASEAN a more coherent, resilient, and independent voice. As Emmers and Teo (2025) argue, such coalitional strategies help middle powers stabilise the regional order amidst intensifying great power competition.

Overcoming Challenges and Seizing Opportunities

While the potential is vast, several challenges must be navigated to ensure the CSP's success. The persistent issue of IUU fishing requires sustained, cooperative management solutions that go beyond the legal framework of the EEZ agreement and address root causes. Economic competition, whether for FDI or in specific export markets, needs to be carefully managed to foster complementarity rather than rivalry. A critical challenge will be the effective implementation of the forthcoming CSP Action Plan and other agreements, translating high-level commitments into tangible outcomes. This requires overcoming potential bureaucratic inertia and addressing information gaps, particularly for private sector engagement, as highlighted by experts who note that the “lack of mutual information among businesses” can lead to trust issues (Domberger, Farago, & Fernandez, 1997; Nicolaou, Sedatole, & Lankton, 2011). The success of the CSP will therefore depend heavily on the detailed, well-resourced, and diligently monitored Action Plan, along with the efficacy of the bilateral mechanisms tasked with its execution.

There are numerous untapped areas for future collaboration. These include deepening cooperation in specific high-technology niches within the digital and green economies, such as developing particular segments of the semiconductor value chain, advancing joint AI research and applications, or launching collaborative renewable energy projects. Food

security cooperation could be expanded beyond existing rice trade agreements to encompass agricultural technology transfer and sustainable aquaculture practices. Furthermore, there is scope for strengthening trilateral or minilateral cooperation with other like-minded ASEAN or Indo-Pacific partners on specific issues of mutual concern, leveraging the combined influence of the Vietnam-Indonesia partnership.

The following table outlines key areas for future cooperation under the CSP, highlighting both opportunities and potential challenges.

Table 3. Key Areas of Future Cooperation under the CSP

Area of Cooperation	Specific Opportunities	Potential Challenges
Digital Economy	AI development & application, e-commerce, smart delivery, digital payments, software design, digital partnership, cybersecurity cooperation.	Ensuring data security, interoperability standards, bridging digital divides within and between countries, and a skilled workforce
Green Economy & Energy Transition	EV ecosystem, renewable energy (solar, wind), green finance, CCS/CCUS, sustainable agriculture, waste treatment.	Securing adequate financing (e.g., JETP uncertainty), technology transfer, regulatory hurdles, infrastructure development
Maritime Security	Full EEZ implementation, joint resource management (e.g., fisheries, gas), enhanced patrols, combating IUU fishing, and SCS stability.	Persistent IUU fishing, resource competition, differing enforcement capacities, external pressures in SCS
Food Security	Expanding Halal food exports (Vietnam to Indonesia), agricultural technology, sustainable aquaculture, and stable rice trade.	Non-tariff barriers, supply chain logistics, climate change impacts on agriculture, differing standards
People-to-People Exchanges	Increased youth programs, educational and research collaboration, tourism growth, cultural heritage preservation, and sister-city activities.	Funding constraints for exchanges, language barriers, visa facilitation, ensuring broad participation beyond elites

Source: Author's synthesis

Conclusion

The journey of Vietnam-Indonesia relations over the past seventy years is a testament to the enduring power of shared aspirations, pragmatic diplomacy, and evolving strategic convergence. From the early bonds of post-colonial solidarity forged by visionary leaders like Ho Chi Minh and Sukarno, through the complexities of Cold War alignments and the subsequent embrace of ASEAN-driven regionalism, the relationship has steadily matured. The culmination of this evolution in the CSP of 2025 is not merely an incremental advancement but a qualitative transformation, reflecting a mutual recognition of each other's growing stature and a shared commitment to a deeper, more substantive, and strategically aligned future (VNS, 2025).

The potential inherent in this enhanced partnership is multifaceted and profound. Economically, the CSP aims to unlock new drivers of growth through collaboration in cutting-

edge sectors, including the digital and green economies, high-technology industries, and sustainable resource management, while working towards more balanced trade and investment flows. In the security sphere, the commitment to deeper defense cooperation, the landmark EEZ demarcation, and a coordinated approach to maritime challenges and transnational threats promise to enhance regional stability. Socioculturally, the emphasis on enriching people-to-people connections, particularly among the youth, lays the groundwork for long-term affinity and mutual understanding that will underpin the strategic dimensions of the partnership.

Ultimately, the Vietnam-Indonesia CSP is poised to become a crucial pillar supporting both nations' ambitious development goals and a significant contributor to the strength, unity, and centrality of ASEAN in the dynamically evolving Indo-Pacific. The success of this endeavor will inevitably depend on sustained political will at the highest levels, the efficacy of the implementation mechanisms established under the CSP, particularly the forthcoming Action Plan, and the agility of both nations to adapt to an ever-changing regional and global landscape. The Vietnam-Indonesia relationship, now elevated to a CSP, offers a compelling case study of how two significant middle powers in a strategically vital region can proactively shape their destinies and contribute meaningfully to the regional order, rather than being passive recipients of great power dynamics. Their demonstrated ability to manage historical complexities, resolve contentious disputes such as the EEZ, and forge common future goals, including the 2045 high-income vision, provides valuable lessons and an inspiring model for other nations navigating similar geopolitical currents. The promise of this partnership for the next era of their bilateral relations, and indeed for the future of Southeast Asia, is substantial.

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