Israel, Indonesia, and the Future of the Abraham Accords

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Executive Summary:

- Open relations and normalized ties between Indonesia and Israel would advance the vital national goals of both countries and the United States in economic growth, innovation-based development, geopolitical alignment, supply chain resilience, regional stability, and interfaith tolerance.
- Such a development would represent the expansion of the historic Abraham Accords to Southeast Asia and the world's most populous Muslim country.
- The path towards Indonesia-Israel ties is not simple. In the face of longstanding ideological, societal, and political barriers, advancing normalization will require incremental, holistic, and discrete strategies, grounded firmly in the critical national interests of all parties.
- An Israel-Indonesia relationship already exists in shadow form: through discrete and indirect trade, quiet security contacts, third-country business channels, and limited people-to-people engagement. Before October 7, Israel and Indonesia came close to opening reciprocal interest offices that would have encompassed business, innovation, cultural, interfaith, and consular ties. The Gaza war froze that process, but did not erase the underlying logic of engagement.
- While Indonesia's current president, Prabowo Subianto, has maintained Indonesia's traditional support for the Palestinians, he has also adopted a more pragmatic tone, including public recognition that Israel's security must be guaranteed as part of any viable peace.
- Normalization should be framed as a practical instrument for supporting Indonesia's most important strategic development and national security goals, particularly within the context of advancing the "Golden Indonesia 2045" vision.
- There are several high-potential sectors in which cooperation can produce immediate benefits for Indonesia. The first is agritech and food security,

especially in support of Prabowo's flagship free-meals program and Indonesia's broader need for enhanced agricultural productivity and distribution.

- Second is water management and climate resilience. Indonesia faces flooding, water stress, subsidence, pollution, and major adaptation pressures; Israeli strengths in water and climate technologies could help provide solutions to these challenges.
- Third is cybersecurity, AI, and digital infrastructure. As Indonesia's digital economy expands rapidly towards a projected $300 billion by 2030, Israeli capabilities in cyber defense, AI-enabled monitoring, secure systems, and industrial protection could directly support Indonesia's digital and manufacturing ambitions.
- Fourth is maritime security and defense modernization, including maritime domain awareness, infrastructure protection, and UAV technologies for border and homeland security.
- Several recent developments have made expanded cooperation and coordination increasingly important and necessary. These include Indonesia's deepening economic ties with the U.S., the growing connection in U.S. policy between trade relations and strategic alignment (including in light of Indonesia's continued strong economic ties with China), Jakarta's goal of OECD accession, and new multilateral frameworks related to the future of Gaza.
- The U.S.-Indonesia Agreement on Reciprocal Trade (ART), signed in February 2026, links trade decisions and considerations more closely to national security alignment. The U.S. should use the ART, sensitively but consistently, to signal that greater alignment and cooperation with key U.S. partners, including Israel, can improve Indonesia's position in future national security-related economic, trade, and investment decisions.
- A second major lever is Indonesia's OECD accession process. Because accession requires unanimity, Israel holds influence over one of Jakarta's most important long-term economic goals. Israel should not use the OECD file as a blunt veto, but rather as phased diplomatic leverage, linking support to concrete incremental steps such as non-discriminatory treatment, improved visa access, working channels, and reciprocal interest offices.
- Regional partners can lower the political cost of normalization. The UAE is especially well positioned to serve as a bridge, given its strong ties with

both Israel and Indonesia and its model of Abraham Accords engagement with Israel alongside continued support for the Palestinian cause.

- Singapore should remain a key intermediary business hub, while India can help embed Indonesia in a broader arc of Asian-Middle Eastern economic and technological frameworks aligned with the United States.
- An additional avenue for expanded coordination has been created by Indonesia's acceptance of the role of Deputy Commander of the Board of Peace's International Stabilization Force for Gaza, and its willingness to commit thousands of troops to such a mission. This role will require ongoing communication with Israeli authorities. While Hamas' continued control over parts of Gaza makes the entrance of ISF troops risky at the current moment, now is the time for planning and dialogue between key stakeholders in order to facilitate a future successful deployment.
- Indonesia's Papuan provinces constitute a key national security issue for Indonesia. As part of a broader geopolitical alignment that includes Indonesian integration into U.S.-led frameworks such as the Abraham Accords, the U.S. could help counter efforts to internationalize the Papua issue in ways that Indonesia deems contrary to its vital interests.
- The barriers to normalization are substantial. Israel has historically been framed in Indonesia as a colonial power, mandating a hostile attitude towards it due to Indonesia's anti-colonial constitutional identity. On the level of domestic politics, major Islamic organizations can generate significant opposition to normalization, although they can also facilitate dialogue with Israel. The Gaza war has raised the political cost of overt movement towards greater ties. Bureaucratic, visa, and regulatory barriers also hinder progress.
- As a result, this paper recommends a phased roadmap towards normalization, moving from functional cooperation, to institutionalization, to formal diplomacy. This sequenced progress could advance according to the following four stages:
    - **Stage 1**: Strengthen quiet practical cooperation in food security, water, climate, digital security, cyber, industrial modernization, maritime resilience, and humanitarian technologies, using politically and commercially viable frameworks. While such cooperation should avoid drawing unnecessary headlines and should be carried out with sensitivity, it should not be clandestine.
    - **Stage 2**: Expand the broader ecosystem of ties through Track 1.5

and Track 2 channels, including business forums, innovation platforms, academic and medical partnerships, delegations, dialogues, interfaith discourse, tourism, sports, and civil society initiatives.

- **Stage 3**: Translate practical ties into diplomatic infrastructure by establishing reciprocal interest offices, reforming visa procedures, creating coordination mechanisms, and setting up quiet official working groups in the most functional sectors.
- **Stage 4**: Move from shadow ties to strategic normalization through formal diplomatic recognition, embassies, direct transport links, open sectoral agreements, and regular high-level dialogue.

Israel, Indonesia and the United States should pursue a disciplined, phased strategy that widens low-visibility cooperation, uses U.S. and OECD leverage carefully, takes advantage of trusted regional intermediaries, and translates functional success into formal diplomatic progress. If pursued with sensitivity, consistency, and strategic focus, Israel-Indonesia normalization is not a distant fantasy but a realistic objective with major benefits for mutually-beneficial peace, prosperity, security, and stability in the spirit of the Abraham Accords.

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