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THE INSTITUTE FOR NATIONAL SECURITY & ZIONIST STRATEGY

Indonesia, Israel, and the Future of the Abraham Accords

A Roadmap for Advancing Indonesia-Israel
Relations in Support of Economic Growth,
Regional Stability, and Global Security

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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's 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.

1. Introduction

Open relations and normalized ties between the State of Israel and the Republic of Indonesia would provide far-reaching benefits for both countries, for the United States, and for the broader region. The establishment of such ties would represent the expansion of the Abraham Accords into Southeast Asia, while advancing the critical interests of Indonesia, Israel and the U.S. in economic growth, innovation-based development, geopolitical alignment, supply chain resilience, regional stability, and interfaith tolerance.

The path towards Indonesia-Israel normalization is not simple. In the face of longstanding ideological, societal, and political barriers, advancing normalization will require gradual, holistic, and discrete strategies, grounded firmly in the vital national goals of all parties.

For decades, Israel-Indonesia relations have been defined publicly by distance, but in practice by something more complex and potentially promising: a shadow relationship that is constrained and politically sensitive, yet real, multi-faceted, and increasingly consequential.

This reality deserves far greater strategic attention. Indonesia is the world's most populous Muslim country, and the fourth most populous country overall. It is Southeast Asia's largest economy, a rising middle power, and a country that sits astride critical maritime passageways. On the global level, it is a leader of the Association of Southeast Asian Nations (ASEAN), and a central voice within the Global South and the Non-Aligned Movement. Indonesia today is pursuing an ambitious national transformation under the banner of "Golden Indonesia 2045." Israel, for its part, is a global innovation leader in many of the precise fields that can help shape that transformation.

For Israel, the benefits of moving the relationship from the shadows out into the open and establishing formal ties with Jakarta would be highly substantial. Diplomatically, normalizing relations with the world's most populous Muslim-majority nation would signal the greater acceptance and integration of Israel into the Islamic world, and the weakening of international boycotts against the Jewish State. Economically, Indonesia represents a massive, relatively untapped market for Israeli innovation. As Indonesia's digital economy races toward a projected \$300 billion by 2030, the demand for Israeli technologies could be vast.

The potential significance of Israel-Indonesia diplomatic ties extends well beyond the bilateral level. A meaningful opening between Israel and Indonesia would represent a major strategic achievement for the U.S. and for the broader spirit of the Abraham Accords. It would widen the camp of states choosing pragmatism over rejectionism, dialogue over hostility, and cooperation over ideological paralysis. It would strengthen the position of more moderate and tolerant forces across the Muslim world. And it

would reinforce the principle that engagement with Israel can coexist with support for Palestinian welfare and regional peace. Indeed, Indonesia joining the Abraham Accords could help create positive momentum that would lead to other countries warming ties and even joining the circle of peace.

Israel-Indonesia normalization would also represent an important step forward towards the alignment of U.S. partners and allies in regional bridges of trade, innovation and supply chains, helping to counterbalance competing frameworks dominated by China. Integrating Indonesia into U.S.-aligned frameworks like the India-Middle East-Europe Economic Corridor (IMEC) or an expanded "I2U2+" (India, Israel, UAE, USA, and Indonesia) would advance a contiguous bloc of moderate, pro-Western stability stretching from the Mediterranean, through the Arabian Gulf and the Indian subcontinent, to Southeast Asia.

Before Hamas' October 7, 2023 terror attack, Israel and Indonesia reportedly came close to formalizing reciprocal interest offices that would have helped facilitate areas such as trade, investment, innovation, culture, interfaith dialogue, and consular activity.¹ The ensuing multi-front regional war, and particularly Israel's operations in Gaza, have raised the political barriers to diplomatic movement, but have not erased the deeper logic of engagement in general and such a step in particular. In fact, several developments have made that logic more important: Indonesia's drive for OECD accession and deeper integration into Western and Western-aligned markets; the growing U.S. approach under President Trump of tying economic access to U.S. national security and priorities; the demonstrated value of Abraham Accords-style regional cooperation; Indonesian President Prabowo Subianto's more pragmatic rhetorical positioning regarding Israel's security; and the potential for cooperation via new international frameworks such as the Board of Peace. The result is a genuine strategic opportunity that must be pursued with determination and sensitivity.

The following study first provides a brief survey of the evolution of Israel-Indonesia ties, highlighting implications for future developments. It then presents a concise snapshot of the current state of Indonesia-Israel relations. The following sections analyze both the potential opportunities and strategies for expanding relations, and the barriers and obstacles to such progress. Finally, the study provides a detailed, concrete, and practical roadmap for advancing down the path of increasingly greater and more open Indonesia-Israel cooperation and normalization.

If done successfully, Israel-Indonesia normalization could become one of the most important and transformative diplomatic developments of the coming decade. It would represent a crowning achievement for the Abraham Accords, and contribute to a widening circle of U.S.-aligned peace and prosperity across the Middle East and Asia.

1 Lahav Harkov, "Israel, Indonesia Were on Track to Normalize Ties Before Oct. 7," *Jewish Insider*, February 28, 2024, <https://jewishinsider.com/2024/02/israel-indonesia-normalization-state-department/>

2. History: Between Ideological Hostility and Pragmatic Duality

The historical relationship between the State of Israel and the Republic of Indonesia has been characterized by a duality: a public ideological opposition paired with a quiet, pragmatic track of defense, technological, and commercial cooperation. Understanding this historical trajectory is essential for navigating the complex domestic sensitivities that continue to constrain Jakarta's diplomatic maneuvers today. This duality is not merely a product of religious sentiment but is woven into the secular-nationalist fabric of the Indonesian state.

Sukarno and the Anti-Colonial Paradigm (1945–1967)

The ideological bedrock of Indonesia's refusal to recognize Israel was laid by its founding father and first president, Sukarno. Following Indonesia's struggle for independence from Dutch colonial rule, Sukarno cemented an anti-imperialist worldview into the core of the new nation's identity. The preamble to Indonesia's 1945 Constitution explicitly declares that "all colonialism must be abolished in this world as it is not in conformity with humanity and justice". Sukarno, an architect of the Non-Aligned Movement, viewed Israel through this anti-colonial lens, aligning Indonesia with the position of the Arab states.

Despite early Israeli overtures, Sukarno rejected movement toward diplomatic ties due to this anti-colonial lens. This position was reflected in Indonesia's refusal to play Israel in the 1958 World Cup qualifiers and in Jakarta's exclusion of the Israeli delegation from the 1962 Asian Games. Sukarno's anti-colonial framing helped establish an ideological template that remains a major hurdle for normalization today.

Suharto's "New Order" (1967–1998)

The rise of General Suharto inaugurated the "New Order," characterized by authoritarian stability, anti-communism, and a strategic pivot toward the United States and the West. This shift somewhat altered Jakarta's calculus regarding Israel. While publicly maintaining Arab league-aligned rhetoric, the Suharto regime showed increasing interest in developing ties with Israel, particularly following Israel's decisive victory in the 1967 Six-Day War.

This pragmatism enabled covert military ties, including the sale of Israeli military aircraft (A-4 Skyhawks) to the Indonesian air force, and the gradual easing of restrictions on Indonesian citizens traveling to Israel. Following the 1993 Oslo Accords, the relationship reached its highest visible point during this era, culminating in a low-profile visit to Jakarta by Israeli Prime Minister Yitzhak Rabin.

Volatile Democracy and the Role of Nahdlatul Ulama (1998–2014)

The fall of Suharto in 1998 ushered in a more open but also more fragmented democratic era in Indonesia. In 1999, Abdurrahman Wahid was elected president. As the former chairman of Nahdlatul Ulama (NU) - the world's largest Muslim organization and one of Indonesia's two major Islamic movements - Wahid brought substantial religious legitimacy to office. NU, representing the traditionalist wing of Indonesian Islam, has long embraced a culturally rooted and locally embedded understanding of Islam. This outlook helped Wahid argue that engagement with Israel was not inherently at odds with Islam. He visited Israel multiple times and sought to establish formal commercial relations, viewing Israel as a potential partner in modernization and development.

Wahid's tenure was brief, and his successors reverted to a more cautious approach. Megawati Sukarnoputri (2001–2004), leader of the secular-nationalist PDI-P, restored a more guarded and openly pro-Palestinian line, underscoring that Indonesian opposition to Israel has often been driven as much by secular nationalist and anti-colonial narratives as by religious ideology. Her successor, Susilo Bambang Yudhoyono (SBY), consolidated what became Indonesia's modern diplomatic baseline: that meaningful progress toward normalization with Israel would depend on the realization of a two-state solution and the establishment of an independent Palestinian state.

The role of NU has remained a complex and important variable. In 2018, NU Secretary-General Yahya Cholil Staquf traveled to Jerusalem and met with Israeli Prime Minister Benjamin Netanyahu, triggering a political firestorm in Indonesia and forcing him to defend the trip as a personal initiative aimed at advancing peace and Palestinian interests. In July 2024, a meeting between five NU-linked activists and Israeli President Isaac Herzog sparked widespread domestic backlash. NU's leadership publicly distanced itself from the visit, issued an apology, and sanctioned those involved. These episodes illustrate a central feature of the contemporary Indonesian landscape: religious pragmatists and potential interlocutors do exist, but public engagement with Israel still carries domestic political risk.

Jokowi: Public Boycotts and Private Negotiations (2014–2024)

Under President Joko Widodo (Jokowi), the dichotomy between quiet engagement and public hostility sharpened. Behind closed doors, military and intelligence contacts persisted. In 2021, Jokowi's then-Defense Minister, Prabowo Subianto, met with Israeli National Security Advisor Eyal Hulata in Bahrain.

Yet, in the public sphere, domestic pressure repeatedly led the Indonesian government to prioritize anti-Israel sentiment over its own ambitions to host prestigious global events. This dynamic repeatedly harmed Indonesia's sporting sector. For example, Indonesia was stripped of its hosting rights for the 2023 FIFA U-20 World Cup by FIFA after domestic protests demanded the exclusion of the Israeli national team.

At the same time, according to reports, senior officials from Israel and Indonesia, with the involvement of American governmental and private mediators, continued to maintain a dialogue on expanding ties and reached an agreement on a Memorandum of Understanding (MoU) in September 2023.² This MoU stated that the countries seek to “expand upon the Abraham Accords and promote peace, co-existence, mutual understanding, and respect among peoples of all faiths, ethnicities and nationalities” and that the sides support “improving the daily lives of the Palestinian people.” The two sides reportedly agreed to open reciprocal liaison offices focused on developing bilateral relations, with an emphasis on economy, trade, technology, innovation, and culture. The two sides also agreed to take steps to facilitate the tourism and visa procedures between the two countries. However, Hamas’s October 7 attack and the subsequent war led to a freeze in these talks.

The Prabowo Subianto Presidency (2024–Present)



Prabowo Subianto, President of the Republic of Indonesia, addresses the General Debate of the 80th Session of the General Assembly of the United Nations. September 23, 2025.

The election of Prabowo Subianto in 2024 has shifted the tone of Indonesian foreign policy. Under Prabowo, Jakarta is increasingly adopting an approach that reduces emphasis on ASEAN consensus-seeking in favor of strategic diversification, Indonesia’s independent role as a middle power, and the projection of influence on the global stage. This approach is evidenced by Indonesia’s accession to the BRICS grouping on January 6, 2025, its drive for OECD membership, and its active pursuit of widely-expanded trade, technology, and investment ties with the United States.

On the Palestinian issue, Prabowo has maintained Indonesia’s traditional support for the Palestinians while also signaling a potential openness to a change in approach with

2 Ibid.

regard to Israel. During the Gaza war, Indonesia coordinated with Israel to air-drop aid into the Strip, and publicly offered to deploy thousands of Indonesian peacekeepers to the territory. Following the Gaza ceasefire in October 2025, Indonesia stated that it would be prepared to assume the role of Deputy Commander of the Gaza International Stabilization Force envisioned in President Trump's 20-point plan.

Prabowo's rhetorical shift found expression in his address to the 80th United Nations General Assembly in September 2025. Departing from a tradition of largely adversarial declarations, Prabowo explicitly paired Palestinian statehood with Israeli security, declaring: "We must also recognize, we must also respect, and we must also guarantee the safety and security of Israel. Only then can we have real peace".³ The conclusion of his address to the global body included the Hebrew word "Shalom".

While Prabowo's government later denied leaked reports that he planned a visit to Israel, his public acknowledgment of Israel's fundamental right to security represents a structural shift in Jakarta's baseline. By decoupling Israel's existence from the colonial narrative, Prabowo appears to be signaling to Washington and Jerusalem that, provided the appropriate diplomatic and economic developments, Indonesia may be prepared to recalibrate its relationship with the Jewish State.

3. Current Status: The Shadow Relationship

The current state of Israel-Indonesia relations is best understood as a shadow relationship, defined by degrees of duality. Officially, Jakarta and Jerusalem maintain no diplomatic ties. At the same time, the relationship persists through quiet contacts, discrete security cooperation, third-country commercial channels, low-profile direct and indirect trade, and limited people-to-people links.

Bilateral trade figures capture only part of the picture, but even they point to sustained interaction. Reports differ somewhat as to the extent of that trade. According to the

3 Prabowo Subianto, "Address to the 80th Session of the United Nations General Assembly," speech delivered at UN Headquarters, New York, September 23, 2025, American Rhetoric, <https://www.americanrhetoric.com/speeches/prabowosubiantounga80.htm>

Prabowo drew his speech to a close by declaring: "I would like to reiterate again Indonesia's complete support for the two-state solution in Palestine. We must have an independent Palestine, but we must also -- we must also recognize, we must also respect, and we must also guarantee the safety and security of Israel. Only then, we can have real peace, real peace, and no longer hate and no longer suspicion. The only solution is this two state solution. Two descendants of Abraham must live in reconciliation, peace, and harmony. Arabs, Jews, Muslims, Christians, Hindus, Buddhists, all religions, we must live as one human family. Indonesia is committed to being part of making this vision a reality. Is this a dream? Maybe, but this is the beautiful dream that we must work together towards. Let us work towards this noble goal. Let us continue humanity's journey of hope -- a journey started by our forefathers. A journey that we must complete."

Organization of Economic Complexity (OEC), in 2024 Israel exported \$57.8 million worth of goods to Indonesia. The main products that Israel exported to Indonesia were Heating Machinery (\$16.2 million), Steam Turbines (\$11.9 million), and Telephones (\$4.08 million).⁴ According to the OEC, over the past five years, exports from Israel to Indonesia have increased at an annualized rate of 10.4%, growing from \$35.2 million in 2019 to \$57.8 million in 2024.

In that same year, according to the OEC, Indonesia exported \$169 million worth of products to Israel. The main products that Indonesia exported to Israel were Palm Oil (\$21.7 million), Video Displays (\$18.5 million), and Cocoa Butter (\$12.8 million). Over the past five years, exports from Indonesia to Israel have decreased at an annualized rate of 1.89%, declining from \$186 million in 2019 to \$169 million in 2024.

According to official Israeli trade statistics, for trade excluding diamonds, bilateral trade between Israel and Indonesia remained modest but significant between 2021 and 2024. Israeli exports to Indonesia stood at \$70.7 million in 2021, \$77.1 million in 2022, \$59.2 million in 2023, and \$61.5 million in 2024, while Israeli imports from Indonesia totaled \$26.1 million, \$38.0 million, \$36.8 million, and \$49.9 million respectively. Total bilateral trade therefore amounted to \$96.8 million in 2021, \$115.1 million in 2022, \$96.0 million in 2023, and \$111.4 million in 2024.⁵ Other estimates put direct and indirect Israel-Indonesia trade at about \$500 million per year.⁶

Much of this trade appears to move through low-visibility structures rather than transparent channels. To avoid political scrutiny, much of the bilateral trade is routed through third-party intermediaries, particularly Singapore. Israeli firms seeking to operate in or with Indonesia often rely on foreign passports, subsidiaries, multinational consortiums, and commercial white-labeling strategies that reduce political exposure while still allowing Israeli technologies to reach the Indonesian market.

Indonesia's formal position remains that it is prepared to recognize and open diplomatic relations with Israel only in the context of Palestinian statehood. As noted, in September 2023, the two sides had finalized a draft framework for opening reciprocal trade and liaison offices as a first step toward diplomatic relations, with Indonesia planning to open a trade office in Ramallah at the same time. Indonesia was also watching progress on possible Israel-Saudi normalization, apparently believing that simultaneous or near-simultaneous moves would reduce political backlash.

4 Observatory of Economic Complexity, "Israel (ISR) and Indonesia (IDN) Trade," OEC, <https://oec.world/en/profile/bilateral-country/isr/partner/idn>

5 Israel Central Bureau of Statistics, "Table D.2 Trade Countries: Imports and Exports, excl. Diamonds," in Foreign Trade by Countries, 2024 (Jerusalem: Israel Central Bureau of Statistics, 2025), https://www.cbs.gov.il/he/publications/DocLib/2025/fr_trade12_2024/td2.pdf

6 Joshua Davidovich, "Indonesia Ready to Normalize Ties with Israel as Part of Bid to Join OECD" Official," The Times of Israel, April 11, 2024, <https://www.timesofisrael.com/indonesia-agrees-to-normalize-ties-with-israel-if-it-joins-oecd-report/>

The OECD track has become an important structural arena in which the shadow relationship plays out. Indonesia's accession process formally began in February 2024, and the OECD has made clear that membership is decided only by the unanimous consent of all existing members after a complex technical review across more than twenty committees. OECD membership is seen as linked to attracting more investment and trade, while aligning Indonesian laws and institutions with international standards. For Jakarta, accession is therefore not merely symbolic; it is tied directly to the larger project of economic modernization and to the aspiration of becoming an advanced economy by 2045. As a result, Israel holds influence over one of Indonesia's most important international economic objectives. That does not mean Israel should treat the OECD process as a blunt veto instrument. The opposite is true. It does mean, however, that Indonesian decision-makers are aware that a posture of total rejectionism toward Israel may carry costs in the multilateral economic arena.

The absence of formal ties is felt acutely in the realm of civilian travel, which is currently governed by an asymmetrical visa regime. For Israeli citizens without foreign passports, traveling to Indonesia is often a complex, expensive, and heavily bureaucratic process. Because there is no Indonesian consular presence in Israel, Israelis must generally process business visas through third-party hubs, primarily Singapore. Tourism visas are difficult to obtain. On the other hand, Israel has adopted a more pragmatic and welcoming approach toward Indonesian travelers. Recognizing the diplomatic value of people-to-people ties, Israel facilitates easier and more streamlined entry for Indonesian citizens, particularly the country's twenty-nine million Christians who seek to travel to Israel to visit Christian religious sites.

Sports and cultural interactions remain vulnerable to political disruption. That fragility was illustrated in October 2025, when Indonesia denied visas to Israeli artistic gymnasts, prompting criticism from the International Olympic Committee. Limited people-to-people and innovation ties exist, including through the activities of Israel-based NGOs such as the Israel-Asia Center and Startup Nation Central, as well as through the efforts of individual entrepreneurs, investors, and civil society activists. Several national and international Jewish organizations have also been active in bringing delegations from Indonesia to Israel.

Domestic politics remains a central brake on any overt breakthrough. Indonesia's Islamic organizations and clerical bodies continue to heavily influence the political boundaries within which the Indonesian government operates. NU (despite the meeting of several NU activists with President Herzog), Muhammadiyah, and the Indonesian Ulema Council have all expressed opposition to normalization. This domestic pressure was exemplified by the Indonesian Ulema Council's fatwa calling for a boycott of Israeli products during the Gaza war.

4. Opportunities, Avenues, and Strategies for Advancing Normalization

The path to moving the Israel-Indonesia relationship out of the shadows and into the open begins with a pragmatic alignment of vital national interests. For Jakarta, the top strategic priority is the realization of the “Golden Indonesia 2045” vision, an effort to transform the archipelago into a top-tier, high-income global economy by its centennial. This vision is not merely a rhetorical aspiration, but rather the centerpiece of the Prabowo administration’s economic policy, aimed at transitioning Indonesia from a middle-income country into one of the top five economies in the world.

The vision was originally based on four strategic pillars: Human Development and Science and Technology; Sustainable Economic Development (particularly through industrialization, downstreaming, and innovation); Equitable Development; and National Resilience and Governance. Prabowo has built on these pillars by defining eight development agendas related to social transformation; economic transformation; governance transformation; supremacy of law, stability, and leadership; socio-cultural and ecological resilience; equitable and just regional development; quality and environmentally friendly infrastructure; and continuity of development.⁷ Indonesia’s long-term planning framework assumes sustained growth in roughly the 6–8 percent range, with the medium-term target moving toward 8 percent by 2029 and per-capita income reaching about \$30,300 by 2045.

Achieving these targets will require massive foreign investment, the downstreaming of critical minerals, advanced technological integration, and the modernization of Indonesia’s agricultural, health, manufacturing, and defense sectors.

Israel’s comparative advantages map unusually well onto Indonesia’s development bottlenecks. To achieve its goals, Indonesia requires solutions in food security, water efficiency, climate resilience, cyber defense, innovation ecosystems, advanced manufacturing tools, and selected defense and maritime technologies. The strategic opportunity, therefore, is to reframe normalization not as a favor to Israel or to the United States, but as a practical accelerator of Indonesia’s own modernization agenda. To be politically viable in Jakarta, any normalization pathway must be presented as key to Indonesia’s national and economic development, rise, and prosperity.

7 Kementerian PPN/Bappenas, “Indonesia Emas 2045,” <https://indonesia2045.go.id/>

High-Potential Sectors for Cooperation (Vision 2045)

It is critical to demonstrate that cooperation with Israel directly helps solve Indonesia's most pressing national challenges. The most promising substantive sectors for cooperation are those that align directly with Indonesia's sovereign needs.

Agritech and Food Security



Credit: Muhammadsy, Shutterstock

Indonesian schoolchildren eating a meal in their classroom. Lampung, Indonesia, April 3, 2025.

Prabowo's flagship free-meals program is intended to reach roughly 82.9 million beneficiaries by 2029,⁸ placing enormous pressure on agricultural productivity, cold-chain logistics, rural supply systems, and cost-effective nutrition delivery. Israeli strengths in drip irrigation, precision agriculture, seed optimization, robotics, and smart logistics can contribute directly to the success of this program. If framed around food security, resilience, affordable nutrition, and delivery capacity, rather than around diplomatic symbolism, agricultural cooperation is one of the easiest sectors in which to demonstrate practical benefits to Indonesian stakeholders.

Water Management and Climate Resilience

The World Bank has warned that water-related threats, if left unaddressed, could significantly impact Indonesia's GDP and socioeconomic development trajectory. According to its "Indonesia Vision 2045: Towards Water Security," report, "To achieve [Vision 2045], the archipelagic state - one of the most populous and natural disaster-prone countries in the world - will have to achieve much greater water security" without dedicated action on water security, the country will fall short of its Vision 2045 GDP target by up to 7.3 percent.⁹

8 Yuddy Cahya Budiman and Stanley Widiyanto, "Indonesia Dishes Out First Free Meals in Programme Targeting 83 Million People," Reuters, January 6, 2025, <https://www.reuters.com/world/asia-pacific/indonesia-dishes-out-first-free-meals-programme-targeting-83-million-people-2025-01-06/>

9 Ijsbrand Harko de Jong, "Water Security Underpins Indonesia's Vision 2045," The Water Blog (World

Indonesia's water-related challenges include flooding, water stress, urban subsidence, leakage, pollution, and major adaptation costs. Israel's world-leading capabilities in desalination, wastewater recycling, leak detection, and flood early-warning analytics offer highly practical cooperation opportunities. Such cooperation can be pursued at the municipal, utility, or project level even before full diplomatic normalization, making it suitable for an incremental strategy.

Cybersecurity, AI, and the Digital Economy

According to a 2026 UNCTAD report, Indonesia's digital economy is expected to reach \$300 billion by 2030.¹⁰ Rapid digitization increases vulnerability to data breaches, infrastructure attacks, and supply-chain insecurity. As Indonesia pushes its digital-economy agenda, expands data infrastructure, and seeks to move up the technological value chain, secure systems will become critically important. Israeli strengths in enterprise cybersecurity, AI-enabled threat detection, secure-by-design systems, and tools relevant to advanced manufacturing could be highly valuable to Indonesia's digital evolution.

This is especially relevant to Indonesia's downstream industrial ambitions, since mineral processing, logistics, payments, and smart infrastructure all create new cyber vulnerabilities. Furthermore, Israeli expertise in small-satellite technology and low-latency communication can help bridge the rural-urban divide across 17,000 islands, enabling reliable internet access and virtual healthcare in remote regions like Papua and Sulawesi.

Maritime Security and Defense Modernization

Indonesia's geography gives maritime security exceptional importance, and the country continues to prioritize defense modernization across its vast archipelago. Over time, there may be room for expanded formal cooperation in areas such as maritime domain awareness, advanced sensors, UAV-enabled surveillance, border technologies, coastal infrastructure protection, and intelligence capabilities. The advantage of Israeli systems in this field is not only their sophistication, but also their adaptability and the possibility of modular, targeted deployment. There is already a significant amount of defense- and security-related cooperation between the countries, but the goal is to gradually bring it out into the open.¹¹

Bank Blogs), May 21, 2022, <https://blogs.worldbank.org/en/water/water-security-underpins-indonesias-vision-2045>

10 UN Trade and Development (UNCTAD), "New Roadmap Sets Out Sustainable Future for Indonesia's Digital Trade," February 12, 2026, <https://unctad.org/news/new-roadmap-sets-out-sustainable-future-in-donesias-digital-trade>

11 In this context, three-way cooperation between Israel, Indonesia, and the U.S., including in the framework of the U.S.-Indonesia Major Defense Cooperation Partnership signed in April 2026, could be highly beneficial.

The Role of the United States and the Leverage of Trade

Under the second Trump administration, Washington has taken numerous steps to tie economic access to strategic national security alignment. Under this approach, economic agreements can be leveraged to advance key national security priorities including, potentially, greater cooperation among U.S. partners, and the advancement of U.S.-aligned diplomatic and economic frameworks such as the Abraham Accords.

The U.S.-Indonesia Agreement on Reciprocal Trade (ART)¹², signed in Washington on February 19, 2026, is not simply a tariff arrangement, but a broader framework for drawing Indonesia more deeply into a U.S.-aligned economic-security architecture. The agreement preserves a 19 percent U.S. tariff rate for most Indonesian goods, while granting a zero-rate pathway for a to-be-specified volume of certain Indonesian textile and apparel exports. In return, Indonesia committed to eliminate tariff barriers on more than 99 percent of U.S. products and to dismantle a wide range of non-tariff barriers across industrial, agricultural, digital, and investment sectors.

What makes the ART especially important is that it goes significantly beyond trade cooperation. Its economic and national security provisions create a structured mechanism for policy alignment with the United States. Article 5.1 establishes that when Washington imposes restrictions on a third country for economic or national security reasons, it can notify Indonesia for the purpose of alignment, after which Indonesia is to adopt or maintain measures with equivalent restrictive effect.¹³ The agreement commits Indonesia to establish an inbound investment-review mechanism for national security risks, cooperate with the United States on investment security, align with U.S. export controls, combat transshipment and duty evasion, and expand cooperation on antidumping and countervailing duty matters. The agreement also provides that if Indonesia enters into a new bilateral free trade agreement or preferential economic agreement with a country that jeopardizes essential U.S. interests, the United States may, if consultations fail to resolve its concerns, terminate the ART and impose higher tariff rates. In practical terms, this gives the United States both a positive inducement structure and an enforcement lever.

Just as importantly, the White House fact sheet on the ART explicitly states that the United States may take the agreement into account in future national security trade action

12 Office of the United States Trade Representative, Agreement between the United States of America and the Republic of Indonesia on Reciprocal Trade (February 19, 2026), <https://ustr.gov/sites/default/files/files/Press/Releases/2026/02.19.26%20US-IDN%20ART%20Full%20Agreement%20-%20US%20Final%20for%20Website%20sanitized.pdf>

13 Art. 5.1 states: "If the United States imposes a customs duty, quota, prohibition, fee, charge, or other import restriction on a good or service of a third country and considers that such measure is relevant to protecting the economic or national security of the United States, the United States intends to notify such measure to Indonesia for the purpose of economic and national security alignment. Upon receiving such notification from the United States, to address a shared economic or national security concern identified by the Parties, Indonesia shall adopt or maintain a measure with equivalent restrictive effect as the measure adopted by the United States, guided by principles of goodwill and a shared commitment to enhancing bilateral relations between the United States and Indonesia.□"

under Section 232 of the Trade Expansion Act of 1962.¹⁴ Section 232 gives the President broad authority to adjust imports, including through tariffs and other restrictions, when imports are found to threaten U.S. national security. The fact sheet statement signals that Washington sees Indonesia's trade treatment not as a narrow commercial matter, but as something that can be shaped by broader judgments regarding strategic alignment, political trust, and national security interests. If Indonesia is seen in Washington as increasingly aligned with American priorities, that can strengthen the case for more favorable treatment as future national security trade measures are designed, narrowed, or applied.

In this context, progress toward ties with Israel could strengthen the broader case in Washington that Indonesia is acting as a strategically aligned partner whose economic relationship with the United States merits favorable consideration as trade policy becomes increasingly securitized. A meaningful Indonesian move toward joining the Abraham Accords would be a concrete demonstration that Jakarta is prepared to align more closely with core U.S. diplomatic priorities, as well as the wider architecture of American partnerships.

The leverage embedded in the ART grew significantly after the U.S. Supreme Court's February 20, 2026 decision in *Learning Resources, Inc. v. Trump*, which held that the International Emergency Economic Powers Act (IEEPA) does not authorize the President to impose tariffs. In response, the administration shifted to Section 122 of the Trade Act of 1974 and imposed a temporary 10 percent import surcharge. But Section 122 is only a short-term instrument. The administration therefore moved quickly toward more durable trade-enforcement tools including Section 301 of the Trade Act, which allows the United States Trade Representative (USTR) to investigate whether a foreign government's acts, policies, or practices are unreasonable or discriminatory and burden or restrict U.S. commerce, and, if so, to recommend tariff or non-tariff remedies. On March 11, 2026, USTR launched Section 301 investigations into 16 economies including Indonesia.¹⁵ This decision created additional significant trade pressure on Indonesia, thereby increasing the practical leverage surrounding the ART and the broader U.S.-Indonesia economic relationship.

The unfinished implementation elements of the ART reinforce potential U.S. leverage. The zero-rate textile and apparel mechanism still requires the quota volume to be specified (although the volume is to be tied to the quantity of textile inputs exported from the United States.) More broadly, translating the agreement's provisions into bankable projects will require follow-on commercial decisions, financing support, and implementation through U.S. institutions. This is especially true given Indonesia's continued robust ties with

14 The White House, "Fact Sheet: Trump Administration Finalizes Trade Deal with Indonesia," February 19, 2026, <https://www.whitehouse.gov/fact-sheets/2026/02/fact-sheet-trump-administration-finalizes-trade-deal-with-indonesia/>

15 Office of the United States Trade Representative, "USTR Initiates Section 301 Investigations Relating to Structural Excess Capacity and Production in Manufacturing Sectors," March 11, 2026, <https://ustr.gov/about/policy-offices/press-office/press-releases/2026/march/ustr-initiates-section-301-investigations-relating-structural-excess-capacity-and-production>

China in areas important to U.S. national security such as critical minerals. Properly used, the ART gives Washington more than a bilateral trade deal: it provides a structured pathway for nudging Indonesia toward broader strategic alignment with the United States, including potentially greater openness to practical cooperation with Israel.

The OECD Process

Beyond strengthening bilateral trade ties with the United States, one of Prabowo's central foreign policy objectives is to secure Indonesia's accession to the OECD. Jakarta views such a step as critical to achieving its 2045 vision by attracting high-quality foreign investment and aligning domestic laws with international standards.

The OECD accession guidelines state clearly that: "The OECD Council decides by unanimity whether to invite the country to become a Member based on all the formal committee opinions, the Secretary-General's report on the process and other relevant documentation."¹⁶ The OECD's Roadmap for the Accession Process of Indonesia notes, "Candidate countries are expected to demonstrate this like-mindedness in their statements and actions in their relations with the Organization and its Members. This like-mindedness includes the readiness to engage constructively in open and frank discussions with a view to finding consensus..."¹⁷ It also notes that when all the technical reviews and other discussions are complete, the Secretary-General will present the relevant documents for Council's consideration and that, "on the basis of these documents and any other relevant information including consideration of any issues related to shared values, vision and priorities, the Council will decide by unanimity" whether to invite Indonesia to accede to the Convention.¹⁸

According to media reports, before the OECD formally adopted Indonesia's accession roadmap on March 29, 2024, OECD Secretary General Mathias Cormann sent a letter to then Israeli Foreign Minister Israel Katz stating, "I am pleased to announce the Council has officially agreed to the clear and explicit early conditions according to which Indonesia must establish diplomatic relations with all OECD member countries before any decision is made to admit it to the OECD."¹⁸ The letter also assured Israel that, "Furthermore, any future decision to accept Indonesia as a member of the organization will require unanimous agreement among all member countries, including Israel. I am convinced that this provides you with assurance at this crucial point." While an Indonesian Foreign Ministry spokesperson declared in reaction to these reports that, "as of now, there are no plans to establish diplomatic relations with Israel, particularly given Israel's actions in Gaza," he did not deny the existence of the letter or that it had been approved by Indonesia ahead of time.¹⁹

16 Organisation for Economic Co-operation and Development, "OECD Accession Process," <https://www.oecd.org/en/about/legal/oecd-accession-process.html>.

17 Organisation for Economic Co-operation and Development, "Roadmap for the OECD Accession Process of Indonesia", C(2024)66/FINAL (Paris: OECD, April 29, 2024).

18 Itamar Eichner, "Indonesia to Normalize Ties with Israel as Part of Bid to Join OECD," Ynetnews, April 11, 2024, <https://www.ynetnews.com/article/b1uxbxrxa>

19 Ericssen, "Indonesia Denies Claims of Normalising Ties with Israel for OECD Membership," Channel

Because accession requires unanimity, Israel possesses influence over one of Jakarta's most important long-term economic objectives. Israel also plays an important role in a number of the technical committees, such as the Investment Committee and Regulatory Policy Committee, that will have to approve Indonesia's request. This influence should be used carefully. A public or punitive Israeli veto would likely trigger nationalist backlash and strengthen anti-normalization actors. The wiser approach is phased conditionality. Israel should quietly signal that constructive movement toward non-discriminatory treatment, formal channels of communication, and eventually reciprocal trade offices would make it politically easier for Jerusalem to support Indonesia's OECD path and to affirm that Jakarta had fulfilled the "like-mindedness" and "shared values" requirements.

In other words, the OECD file should be treated not as a weapon of coercion, but as a diplomatic bargaining chip that can help convert quiet pragmatism into incremental steps. This is especially true given the fact that it will likely take at least several years for Indonesia to carry out the reforms and regulatory alignments necessary to gain approval from the various OECD technical committees. There is therefore no need to be overly hasty in using this lever of influence.

Regional Partners and Frameworks

Regional partners can help lower the political cost for Indonesia in moving towards expanded ties with Israel. The UAE, Israel's first Abraham Accords partner, is especially important because it has strong relations with both Jerusalem and Jakarta. The UAE signed a Comprehensive Economic Partnership Agreement (CEPA) with Israel in May 2022 and with Indonesia two months later. In both cases, the sides announced that their goal was to increase bilateral non-oil trade to ten billion dollars within five years. The UAE can host trilateral commercial platforms in areas such as agritech, water, climate resilience, cybersecurity, logistics, and investment. Abu Dhabi also provides Jakarta with a working model of how pragmatic engagement and people-to-people ties with Israel can coexist with continued support for the Palestinian cause.

Singapore can be a key partner in this process as well. Today, Singapore serves as the indispensable financial and logistical gateway for the shadow relationship. Much of the current Israel-Indonesia trade is routed through Singaporean entities. Singapore is also the primary processing hub for Israeli business visas to Indonesia. Singapore and Israel enjoy strong and deepening relations in a broad range of technological, financial, and defense-related areas. Nevertheless, certain aspects of the bilateral Singapore-Israel relationship are constrained by Singaporean concerns over the reaction from its two large neighbors, Indonesia and Malaysia.²⁰

NewsAsia, April 12, 2024, <https://www.channelnewsasia.com/asia/indonesia-denies-israel-diplomatic-ties-oecd-membership-4260551>

²⁰ Despite Singapore's concerns, it should be pointed out that the 2016 visit to Israel by then Singaporean Prime Minister Lee Hsien Loong and Israeli Prime Minister Benjamin Netanyahu's 2017 visit to Singapore did not generate significant friction between Singapore and its neighbors.

Rather than waiting for a dramatic diplomatic breakthrough, Israel and its partners should expand intermediate architecture through discrete Singaporean and Emirati channels: Entrepreneur forums, venture capital and innovation platforms, infrastructure consortia, and multinational corporate vehicles that make Israeli participation commercially valuable but politically less challenging.

ASEAN and India are also important. Indonesia is Southeast Asia’s largest economy and one of ASEAN’s central diplomatic actors. Israel should therefore think beyond the bilateral file alone. It should seek deeper engagement with ASEAN initiatives and agendas in areas such as disaster response, water security, digital resilience, maritime domain awareness, public-health technologies, and counter-terrorism. In this context, Israel should pursue over time an upgrade of its status to Dialogue Partner within ASEAN.

India can also play a quiet enabling role. A broader architecture connecting India, the UAE, Israel, the United States, and eventually Indonesia, whether through IMEC-related corridors, a looser “I2U2+” logic, or sector-specific minilateral projects, would allow normalization to be framed not as a standalone political move, but as part of a wider arc of Indo-Middle Eastern economic and technological integration.

The Board of Peace and International Stabilization Force



Credit: Robert V Schwemmer, Shutterstock

President Trump’s Board of Peace Signing Ceremony at the Annual Meeting of the World Economic Forum. Davos, Switzerland, January 22, 2026.

Another opening for expanded ties lies in Indonesia’s involvement in the Board of Peace and Gaza International Stabilization Force (ISF), established as part of President Trump’s 20-point Comprehensive Plan to End the Gaza Conflict, and incorporated into UN Security Council Resolution 2803 (2025). Indonesia agreed to dedicate 8,000 or more

military personnel (focused primarily on humanitarian missions) to the ISF and accepted the U.S. offer to serve as Deputy Commander of the ISF.

Indonesia's participation in the Board of Peace and particularly the ISF creates a practical bridge for cooperation and communication. If Indonesian officers, specialists, or aid workers are involved in a framework that requires frequent communication with Israeli security, logistics and administrative bodies, then both sides have an interest in establishing open and reliable professional channels.

It should be noted that for as long as Hamas controls significant portions of the Gaza Strip, and refuses to truly disarm, ISF operations will be potentially risky. Nevertheless, even if deployment to all or parts of the Strip is delayed, Indonesia should be fully integrated into discussions and planning for future ISF activities, which will necessarily involve Israel as well.

Israel and the United States should therefore treat the Gaza file as a possible stepping-stone toward new, though limited, forms of engagement: liaison and coordination mechanisms, deconfliction channels, and technical working groups. Functional cooperation in a multilateral setting can help normalize contact before normalization is publicly embraced. It also reinforces the case for more regularized travel and consular mechanisms, since complex operations abroad are difficult to sustain without some kind of stable administrative interface.

Indonesia's Papuan provinces

An additionally important, though highly sensitive, area of strategic leverage is West Papua—or, more precisely, Indonesia's Papuan provinces. For Prabowo, a former general deeply concerned with questions of sovereignty and territorial integrity, this issue carries significant importance.

Indonesia already enjoys broad international recognition of its sovereignty with respect to the Indonesian-administered western half of New Guinea, including from the United States, the European Union, Australia, and Papua New Guinea. Nevertheless, Jakarta remains concerned about the possibility of the gradual internationalization of the Papua issue through Pacific diplomacy, UN mechanisms, and NGO campaigns that seek to recast Papua from an internal security and governance issue into a matter of international supervision, investigation, and, potentially over time, self-determination. Vanuatu and other Pacific states have repeatedly pressed the issue in multilateral fora, while UN treaty bodies, special rapporteurs, and international NGOs have highlighted allegations of human rights violations.

For Prabowo, American support would therefore be valuable both in preventing initiatives that Indonesia sees as threatening its core interests from gaining momentum in international institutions, and in directing the conversation toward development, autonomy, and civilian protection within the framework of Indonesian sovereignty. If handled with the right sensitivity, such support could be leveraged to offer Prabowo a meaningful national security gain.

5. Barriers and Obstacles to Normalization

While the strategic rationale for Israel-Indonesia normalization is compelling, the path forward remains obstructed by deeply entrenched ideological, domestic, and geopolitical barriers. Any successful diplomatic strategy must begin from a clear-eyed assessment of these constraints, recognizing that premature public pressure could easily trigger a domestic backlash that sets the relationship back significantly.

Constitutional and Ideological Constraints

As noted, the most fundamental barrier to formal ties is not strictly religious, but rather ideological and constitutional. The preamble to Indonesia's 1945 Constitution explicitly declares that "all colonialism must be abolished in this world as it is not in conformity with humanity and justice." Since the era of Sukarno, the Palestinian cause has been inextricably linked to this anti-colonial national identity. For many Indonesians, Israel is viewed not merely through the lens of the Arab-Israeli conflict, but as a perpetuator of Western imperialism.

This nationalist opposition often supersedes religious affiliation. A prime example is the 2023 FIFA U-20 World Cup controversy, which was largely spearheaded by the secular-nationalist Indonesian Democratic Party of Struggle (PDI-P), including the governor of Hindu-majority Bali. For Indonesian political leaders, acknowledging Israel's legitimacy requires a risky reinterpretation: a shift from viewing Israel as a colonial project to recognizing it as a sovereign, indigenous reality in the Middle East.

Domestic Politics and the Threat of Instability

Islamic groups are also a major factor. Indonesia is a vibrant but volatile democracy in which mass mobilization is a potent political weapon. The government's political base relies heavily on maintaining harmony and support among the major Muslim mass organizations, primarily NU and Muhammadiyah. While pragmatic elements exist within the leadership of these organizations, the grassroots level remains highly susceptible to anti-Israel mobilization.

The distinction between these two giants is important for any normalization strategy. NU, the traditionalist pillar representing rural Indonesia and the "Islam Nusantara" doctrine, is at times more culturally flexible and open to indigenized solutions. In contrast, Muhammadiyah, Indonesia's second major Islamic movement, is generally more reformist and scripturalist in orientation, placing greater emphasis on purification of religious practice and alignment with universal Islamic norms. This has at times produced a less flexible posture toward Israel than that found among some NU figures, although both organizations have consistently supported the Palestinian cause.

The Indonesian Ulema Council (MUI), the country's highest clerical body, holds significant sway over public opinion and has issued fatwas calling for the boycott of Israeli products and rejecting any form of recognition. The MUI acts as an umbrella organization coordinating these diverse groups. While neither NU nor Muhammadiyah is subordinate to it, the council's fatwas carry moral and political weight on the national level.

In addition, there is a growing trend of political Islamism in Indonesia, fueled by the spread of radical ideologies that frame opposition to Israel as a core tenet of Islamic authenticity.

For Prabowo, moving toward normalization without concurrent progress on the Palestinian front risks triggering large-scale demonstrations. Such unrest could destabilize the governing coalition and threaten the political stability required to execute the administration's "Vision 2045" agenda. The risk of domestic instability would be even greater if normalization were perceived not as a strategic choice for Indonesian prosperity, but as a concession to Western pressure.

The Gaza War and the "Saudi First" Paradigm

The war in Gaza which followed Hamas' October 7, 2023 attack has erected substantial barriers to the normalization process. The conflict halted the advanced pre-war negotiations regarding the opening of mutual trade and liaison offices. In the domestic arena, the war has inflamed public sentiment. Many in the Indonesian public and government have adopted a fiercely critical stance toward Israel's military operations. Indonesia has participated in international legal actions against Israel at the International Court of Justice.

Geopolitically, the war has likely strengthened the "Saudi First" constraint. As the world's largest Muslim-majority nation, Indonesia is risk-averse with regard to Islamic geopolitics. Jakarta fears the domestic and international backlash of normalizing relations with Israel before the Custodian of the Two Holy Mosques does so. Consequently, Indonesian officials would likely prefer that any move toward normalization follow similar moves by Saudi Arabia. While this should not be seen as an absolute barrier, it is an important factor.

Bureaucratic, Trade, and Structural Hurdles

Beyond high politics, structural and bureaucratic obstacles hinder the expansion of the economic relationship. Indonesia remains a relatively challenging business environment due to persistent protectionism, regulatory complexity, and limited transparency. For Israeli companies seeking to penetrate the market, the bureaucratic friction is substantial. Halal certification is sometimes used as a non-tariff barrier for food and agricultural imports. Securing regulatory approvals for medical devices and other technologies can also be challenging for Israeli firms. Finally, Indonesia's push for "downstreaming" and local manufacturing¹ while creating opportunities for Israeli technology transfer² also means that many foreign technology firms face strict local content requirements and technology-sharing mandates that complicate intellectual property protection.

6. The Path Forward: A Phased Roadmap for Normalization

The movement from a shadow relationship to open, formalized, and eventually warm Israel-Indonesia ties should be pursued through a clear, phased strategy rooted in strategic alignment, discretion, and concrete benefits. The aim is to steadily widen the zone of practical cooperation, build constituencies that benefit from the relationship, reduce the political cost of engagement for Jakarta, and then translate accumulated functional ties into formal diplomatic steps. Lasting and viable ties will be advanced not through declarations but through concrete incremental gains.

Relations should proceed from functional cooperation, to institutionalization, to formal diplomacy. At each stage, the emphasis should remain on critical Indonesian economic, developmental, and national security interests. The more that cooperation with Israel is experienced in Jakarta as a practical accelerator of vital national goals, the easier it will become to broaden the relationship in the public, economic, and diplomatic spheres.

The close involvement of the United States will be central to making progress possible. The involvement of additional third countries with strong ties to both sides, such as the UK, Germany, Australia, India, Japan, Singapore, UAE, and other Abraham Accords countries, could also play an important role in creating the space and legitimacy for expanded cooperation.

The goal of the following roadmap is not to repeat the analysis of the opportunities, avenues and strategies for advancing normalization discussed in section 4 above, but to describe the potential sequencing for the realization of such opportunities. For greater detail, see section 4.

Stage A.

Expand quiet functional cooperation in sectors that serve Indonesia's 2045 agenda



The first priority for Israel, the United States, and like-minded partners should be to deepen cooperation in fields that solve Indonesia's most pressing challenges and deliver visible value. Agritech, food security, and logistics should be at the forefront, in light of Prabowo's signature free-meals program. Projects in this field should be framed not as diplomacy, but as support for nutritional security, socioeconomic development, and national resilience.

Water, climate resilience, and disaster response should form a second pillar given Indonesia's challenges related to flooding, water stress, coastal erosion, land subsidence, pollution, and natural disasters. Israeli experience in desalination, wastewater recycling, leak detection, early warning systems, and rapid medical deployment makes it a highly relevant partner. Joint activity can begin through municipalities, utilities, hospitals, universities, or multinational consortia long before full diplomatic normalization.

A third pillar should be digital resilience and industrial modernization. Indonesia's economic future depends heavily on digitization, downstream mineral processing, logistics modernization, and the development of more advanced manufacturing capabilities. That makes cybersecurity, industrial process optimization, and AI-enabled monitoring

especially important. In practice, that means helping improve the efficiency and security of ports, supply chains, smelters, payments systems, and other infrastructure. Israeli firms can play a meaningful role here, often as subcontractors or technology providers inside larger multinational frameworks.

Maritime security and selected defense-related cooperation should advance in parallel, though initially on a more discreet basis. Indonesia's geography gives extraordinary importance to maritime domain awareness, border technologies, UAV-enabled surveillance, and coastal infrastructure protection. Quiet channels in these areas already exist; the goal should now be to regularize and gradually broaden them in ways that serve Indonesian sovereignty and security. As trust and political space expand, this sphere can move from quiet cooperation to more highly visible forms of defense engagement.

Quiet counter-terrorism cooperation should continue to deepen as well. Both countries face threats from radical Islamist actors. This is one of the fields in which American and Australian channels can be especially useful as enablers. Even where visibility remains low, the cumulative effect of such cooperation is significant: it reinforces trust between institutions and demonstrates that Israel is not a liability to Indonesian security, but an asset.

The Gaza stabilization track provides an additional functional bridge. Indonesia's envisioned role as Deputy Commander and the largest contributor of troops creates a practical need for joint planning, regular communication, open coordination, and rapid deconfliction. The United States, as Commander of the ISF, has a key interest in deepening professional channels between the relevant Israeli and Indonesian bodies in order to enable the ISF to fulfill its mandate.

In practical terms, Israel should establish a small interagency task force, led by the National Security Council and Ministry of Foreign Affairs, to identify a first wave of priority projects in agriculture, water, cyber, maritime resilience, and humanitarian technology, and to route those projects through commercially and politically viable frameworks. The United States should create a parallel interagency forum led by the White House and State Department in order to connect these projects to trade incentives, diplomatic frameworks, financing, and security coordination. For its part, Jakarta should empower a trusted interagency team to authorize pilot cooperation in precisely these fields and to ensure that practical cooperation proceeds in an expedient manner.

Stage B.

Expand the ecosystem of Track 1.5, Track 2, and civil society ties

Functional cooperation by itself is not enough. It must be surrounded by a wider ecosystem of business, innovation, religious, cultural, educational, and civil society ties that gradually turn cooperation into something normal, familiar, and durable. This is where Track 1.5 and Track 2 diplomacy become critical.

New frameworks should be established through third-country hubs such as Singapore and the UAE, including entrepreneur forums, investment and innovation gatherings, university and hospital partnerships, technical workshops, policy dialogues, and problem-solving platforms focused on food, water, health, cybersecurity, logistics, maritime, and smart manufacturing. The involvement of third countries with strong ties to both sides, especially the United States, in such frameworks is highly important to their success.

Interfaith and cultural bridge-building should be expanded as well. Quiet engagement with pragmatic religious figures should be pursued, anchored in the shared traditions of tolerance, coexistence, and communal resilience. Educational efforts will also be essential. The anti-colonial framing of Israel in Indonesian consciousness will not be transformed overnight. It can only be changed through a cumulative process of exposure, dialogue, and understanding. Abraham Accords partners, including the UAE, Bahrain and Morocco, can help by supporting educational exchanges and initiatives that present Jewish-Muslim discourse, regional coexistence, and interfaith acceptance in a positive light.

Sports, arts, and culture should also become part of the roadmap. Recent experience has shown that sports can become hostage to political pressures. That is precisely why they should not be abandoned but rather redesigned as bridge-building arenas. Multi-country sports, arts, and cultural events held in neutral locations can widen people-to-people familiarity without immediately generating political tensions. In the Abraham Accords experience, commercial ties mattered greatly, but so did the understanding and appreciation that came through tourism, culture, religion, and youth encounters. The same will be true in the case of Israel and Indonesia.

Tourism and pilgrimage deserve special emphasis. Indonesia's large Christian population already views Israel as a major destination for religious travel, and Israel has adopted a comparatively pragmatic visa process for Indonesian visitors. This should be enhanced through group-pilgrimage facilitation, church partnerships, tourism marketing through third-country operators, and streamlined consular mechanisms. Tourism is a highly-impactful avenue for breaking down barriers and building familiarity. The more Indonesians visit Israel and the more Israelis visit Indonesia, the more likely it is that the two countries will be able to build ties able to withstand tensions, incitement, and falsehoods.

In practical terms, Israel should expand pilgrimage facilitation for Indonesian Christians, create scholarship and exchange opportunities for Indonesian students and professionals, facilitate and support people-to-people and civil society ties where appropriate, and advance multi-country sports and cultural programs in neutral venues. The United States should help convene and support these platforms together with the UAE, Singapore, India, and Australia, using trusted non-governmental, academic, and commercial intermediaries where useful. The U.S. should also work to integrate Indonesia within wider regional coexistence, innovation, and educational initiatives. On the Indonesian side, the key step is to permit and protect such channels and frameworks so that a constituency for cooperation can grow and expand.

Stage C.

Translate practical cooperation into diplomatic infrastructure

Once functional cooperation and indirect normalization have advanced sufficiently, the next step is to build formal mechanisms that still fall short of full embassies but substantially improve communication and increase legitimacy. The most logical first move is the establishment of reciprocal interest offices, similar to the model that was reportedly under serious discussion before October 7. Such offices should focus on trade, investment, innovation, tourism, consular support, business visas, and technical coordination.

Visa reform should accompany this step from the beginning. Today, Israeli business travel to Indonesia is cumbersome, bureaucratic, and relatively expensive, while Indonesian entry into Israel is smoother and less costly. A staged reform package should therefore include faster business-visa processing, lower costs, more flexible permits, and eventually broader tourism access. Even limited improvement in visa procedures could have an outsized effect on business ventures, investment, and the expansion of joint initiatives.

At this stage, Israel and Indonesia should also establish quiet official working groups in the most functional sectors such as agriculture, water, health, digital security, investment, maritime resilience, tourism, education, and interfaith dialogue. The purpose of these bodies would be practical, not ceremonial. They would solve implementation problems, build regular channels of contact, and prepare the bureaucratic ground for fuller diplomatic relations later on.

In practical terms, Israel and Indonesia should prepare for a trade-and-tourism offices model by drafting the legal, consular, security, and administrative package required for reciprocal offices. The United States should help broker a return to the September 2023 understandings, host technical talks when needed, and help both sides agree on the sequence: business visas first, trade and tourism offices second, sectoral working groups third, and full diplomatic recognition thereafter.

To moderate domestic opposition in Indonesia, formal steps should be framed in a way that underscores continuity with Indonesia's stated support for the Palestinians rather

than rupture from it. The most obvious path is the opening of an Indonesian interest office in Ramallah alongside reciprocal Israel-Indonesia interest offices.

Stage D. Move to strategic normalization

If the earlier phases are pursued seriously, the final phase becomes achievable: open diplomatic relations in the spirit of the Abraham Accords. This should begin with reciprocal interest offices, advance to formal diplomatic recognition, and culminate in embassies, direct transportation links, full-scale tourism, openly signed sectoral agreements, and regular high-level dialogues. By that point, the relationship will already have acquired substance in trade, food security, water, digital resilience, investment, tourism, security coordination, and regional diplomacy. Formal recognition will then be the codification of an existing strategic reality, not a leap into uncharted territory.

Levers for advancing normalization

Advancing along the stages of the roadmap will require careful use of external levers and incentives, first and foremost by the United States. Indonesia is now operating in an American trade environment in which access, exemptions, and implementation decisions are increasingly influenced by strategic trust and national security alignment. The most important immediate lever is the U.S.-Indonesia Agreement on Reciprocal Trade. Through the provisions of the ART and accompanying fact sheet, the White House has signaled that economic treatment and strategic alignment are connected. Washington should make clear, privately and steadily, that Indonesian movement towards Abraham Accords alignment can be taken into account when future national security-related trade, economic, and investment decisions are made.

There is good reason for the United States to use such influence. Greater Israel-Indonesia normalization would support vital American interests in regional stability, supply-chain resilience, economic development, counter-terrorism, religious moderation, and the expansion of Western-aligned trade, energy and security frameworks.

It would also demonstrate that the spirit of the Abraham Accords, President Trump's signature foreign policy achievement in his first term, remains not only alive, but is growing stronger. It would show that the Accords framework is capable of reaching beyond the Arab world and reshaping broader patterns of regional and interregional cooperation. An Israel-Indonesia opening would demonstrate that historical hostility need not be permanent, that ideological rigidity need not prevail over national interests, and that the forces of dialogue, coexistence, and innovation can still generate major strategic breakthroughs. It would be further proof that engagement and mutually-beneficial cooperation can succeed where decades of rejection and boycott have failed.

The OECD track is the second major lever, given that the accession process requires unanimity. Israel should not wield this as a blunt public veto. Nevertheless, Israel and the United States should make clear that support for Indonesia's accession is linked to a reciprocal sequence of steps: non-discriminatory commercial treatment, improved visa access, formal working channels, interest offices, and eventually full diplomatic relations. Used wisely, the OECD file can give Jakarta a justifiable framework for gradual normalization.

An additional, quiet channel of leverage lies in Indonesia's concern over the internationalization of the Papua issue. Within the framework of recognized Indonesian sovereignty, Washington can work to prevent hostile international initiatives from gaining traction, while steering discussion toward development, autonomy, and civilian protection rather than reopening sovereignty questions. That would address a real concern for Indonesia, and it would do so in a language that the state takes very seriously: territorial integrity, national cohesion, and strategic respect.

7. Conclusion

The economic, diplomatic, regional, and national security basis for a successful pathway towards Israel-Indonesia normalization exists. What is needed now is a disciplined roadmap that translates this basis, stage by stage, into open and formal ties.

If Jerusalem, Washington, and pragmatic actors in Jakarta pursue this roadmap with determination, sensitivity, and a commitment to alignment, then a substantial transformation in Israel-Indonesia relations is within reach. The expansion of Indonesia-Israel ties could potentially have a positive impact on the possibility of eventually advancing relations between Israel and additional Asian countries including Maldives, Malaysia, Brunei, Bangladesh and Pakistan. It could also encourage additional Arab states such as Saudi Arabia to move towards establishing diplomatic relations with Israel rather than drawing closer to more radical regional actors. The strategic impact of Indonesia-Israel normalization in the spirit of the Abraham Accords would therefore have far-reaching positive impacts for the Middle East, Asia, the United States, and the entire world.

8. Critical Next Action Steps

Phase 1: Deepen Functional and Economic Cooperation

- **Target High-Potential Sectors:** Focus on immediate, practical cooperation in agritech and food security (supporting President Prabowo's free-meals program), water management, cybersecurity, maritime, and homeland security.
- **Establish Task Forces:** Create a small Israeli interagency task force and parallel U.S. and Indonesian forums to identify priority projects and link them to investment, economic opportunities, and diplomatic incentives.
- **Leverage Gaza Stabilization:** Use Indonesia's envisioned role as Deputy Commander of the International Stabilization Force (ISF) for Gaza to establish professional dialogue and communication channels between Israeli and Indonesian bodies.

Phase 2: Expand a Supportive Ecosystem

- **Expand Track 1.5 and Track 2 Channels:** Establish business forums, innovation platforms, medical partnerships, and scientific cooperation using neutral hubs like Singapore and the UAE.
- **Enhance Tourism and Pilgrimage:** Expand tourism marketing through third-country operators for Indonesia's 29 million Christians. Improve visa procedures to facilitate easier entry in both directions.
- **Promote Interfaith Dialogue and Educational Efforts:** Support interfaith, educational, and cultural exchanges involving pragmatic religious figures. Work to gradually shift the anti-colonial framing of Israel in Indonesian public discourse.

Phase 3: Utilize Diplomatic Infrastructure & Leverage

- **Utilize the U.S. Trade Agreement:** Use the relevant provisions in the U.S.-Indonesia Agreement on Reciprocal Trade (ART), as well as other U.S. trade provisions, to signal that closer alignment with U.S. partners like Israel can lead to more favorable economic and investment treatment from Washington.
- **Establish Reciprocal Interest Offices:** Work toward opening reciprocal interest

offices focused on trade, innovation, tourism, and consular support, in line with the MoU and accompanying agreements reached in September 2023.

- **Apply Phased OECD Conditionality:** Link U.S. and Israeli support for Indonesia's OECD accession to steps like non-discriminatory treatment, improved visa access, and the establishment of reciprocal interest offices.
- **Address National Security Concerns:** Use U.S. support for Indonesia's position on its Papuan provinces to encourage alignment with U.S.-led frameworks like the Abraham Accords.

Phase 4: Move towards Strategic Normalization

- **Codify the Reality:** Once functional ties are established, move to formal diplomatic recognition, the opening of embassies, and direct transportation links.
- **Regional Integration:** Embed Indonesia into wider frameworks such as an "I2U2+" (India, Israel, UAE, USA, Indonesia) or IMEC-adjacent corridors, in order to frame the establishment of diplomatic ties as part of a broader arc of regional prosperity and stability.

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