

## Analysis of Indonesia's Good Neighbor Policy Towards Increasing The Intensity of Intra Southeast Asia Foreign Trade

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Article Info:	ABSTRACT
Submitted: 08-04-2025	The Good Neighbor Policy (GNP), introduced by President Abdurrahman Wahid (1999–2001) and formally embraced by President Joko Widodo in 2014, plays a strategic role in Indonesia’s regional diplomacy and trade. This study examines how the GNP has been used to strengthen Indonesia's economic relations with ASEAN and Asia-Pacific partners through regional frameworks such as the ASEAN Free Trade Area (AFTA), Asia-Pacific Economic Cooperation (APEC), and the Regional Comprehensive Economic Partnership (RCEP). AFTA promotes tariff elimination, APEC focuses on trade liberalization and connectivity, while RCEP enhances market access and supply chain integration. Utilizing Foreign Policy theory, this research analyzes how Indonesia's GNP influences trade by examining the policy’s inputs, processes, and outputs. The study employs a qualitative descriptive-analytical method through literature review to assess the effectiveness of the GNP in advancing Indonesia’s economic diplomacy. The findings suggest that GNP has facilitated trade cooperation, increased regional stability, and contributed to Indonesia’s broader economic gains. However, continued commitment and institutional strengthening are required to maximize its benefits.
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### Introduction

Good Neighbor Policy is a pattern that emphasizes good relations and cooperation with neighboring countries in Southeast Asia. This policy is in line with the free-active principle to create regional stability in a peaceful and mutually beneficial manner. The Good Neighbor Policy was promoted since the administration of President Abdurrahman Wahid in 1999-2001 (Setiawati, 2023). In its implementation, Indonesia prioritizes economic and trade cooperation with neighboring countries as the main pillar to build harmonious relations in the Southeast Asian region (Kusumawardhana, 2024).

Indonesia implements Good Neighbor Policy through economic, trade and investment cooperation with countries in Southeast Asia. Indonesia is actively involved in regional economic cooperation such as the Asia-Pacific Economic Cooperation (APEC) and the ASEAN Free Trade

Area (AFTA). Indonesia promotes trade facilitation, investment liberalization, and sustainable economic development in Southeast Asia. Indonesia participates in AFTA (ASEAN Free Trade Area) to improve regional economic competitiveness through the elimination of tariffs and trade barriers among ASEAN countries. In addition, Indonesia also develops mutually beneficial bilateral export-import relations with neighboring countries.

During the period 2014 to 2024, Indonesia's involvement in AFTA and APEC boosted economic growth. By 2023, Indonesia's total trade with the Asia-Pacific Economic Cooperation (APEC) reached USD 358.62 billion, with exports of USD 188.72 billion and a surplus of USD 18.63 billion. Foreign direct investment (FDI) is also increasing, demonstrating Indonesia's attractiveness as an investment destination. This confirms the importance of regional and international economic policies for Indonesia's trade and investment growth (Yuddy, 2019). Since implementing the Good Neighbor Policy, Indonesia's economic activity has increased, indicated by growth in exports, investment, and trade with neighboring countries and trading partners (Basri, 2021).

The implementation of Good Neighbor Policy opens market access and investment from neighboring countries. Reduction of tariffs and barriers through regional trade agreements increases the competitiveness of Indonesian products globally. Close economic cooperation facilitates technology transfer and employment. This encourages economic growth, exports, and community welfare. Through cooperation, Indonesia opens access to export markets and attracts investment from partner countries. Indonesia promotes beneficial economic relations with neighboring countries. Good Neighbor Policy in the economic sector is implemented through regional cooperation, improving bilateral economic relations, improving the investment climate, and economic diplomacy. The goal is to create a conducive environment for the economic growth of Indonesia and neighboring countries.

Enhanced border economic cooperation Indonesia enhances economic cooperation in border areas with neighboring countries. Providing trade and investment facilities Indonesia provides fiscal incentives and easy market access for investors and traders from neighboring countries to encourage trade and investment. The last section is the development of Indonesia's trade connectivity. Through good relations with neighboring countries, Indonesia can gain new opportunities to export domestic products and attract foreign investment. In addition, the Good Neighbor Policy also facilitates cross-border trade and labor flows that can support economic activity in Indonesia. Given its central role in developing the national economy, Indonesia has continued the Good Neighbor Policy in a sustainable manner to continue to harness the economic potential of good relations with neighboring countries.

Previous studies such as those by Rahmawati (2022) and Ramadhan & Prakoso (2021) have discussed the contribution of Indonesia's foreign policy to international trade, focusing on economic integration through AFTA and bilateral cooperation. The study by Hanim (2023) also highlights how regional trade agreements affect Indonesia's FDI and exports. However, most studies are still limited to a quantitative approach to trade or FDI without examining in depth Indonesia's diplomatic strategy through the Good Neighbor Policy approach. The novelty of this research lies in the holistic analysis of the use of Good Neighbor Policy as a strategic instrument of Indonesia's post-2014 economic diplomacy, focusing on regional relations, increased exports, investment, and regional stability that support sustainable national development. This research also

presents the integration of foreign policy analysis approach with the implementation of Indonesia's foreign economic policy in regional forums such as AFTA, APEC, and RCEP.

This research aims to analyze the implementation of Indonesia's Good Neighbor Policy in strengthening trade and investment cooperation with neighboring countries in the Southeast Asian region. In particular, this research will examine the role of this policy in driving national economic growth through increased exports, foreign investment flows, and cross-border trade connectivity infrastructure development.

## **Materials and Methods**

### **Type of Research**

In this study, a qualitative research type with an analytical descriptive approach was used. (Sulistyawati, 2023). Qualitative research aims to understand phenomena in depth by exploring the experiences, perceptions and understandings of participants. This approach is suitable for gaining a broader understanding of an issue or topic. The descriptive analytical approach involves a detailed description of the phenomenon under study, accompanied by in-depth analysis to identify patterns, relationships and meanings. This approach not only describes, but also critically analyzes and interprets the data to gain deeper insight into the research subject.

### **Research Data Sources**

The data sources in this research are taken from valid and accountable sources, such as previous research accessed through indexed journals or online public articles. The data used focuses on Indonesia's Good Neighbor Policy on trade relations in Southeast Asia, by analyzing the disparity between this research and previous research on the same topic.

### **Research Data Collection Techniques**

The data collection technique used in this research is through library research (literature study). According to (Hardani et al., 2020) Library research is a data collection technique utilizing written sources such as books, journals, articles, and reports relevant to Indonesia's Good Neighbor Policy on trade relations in Southeast Asia. Data is analyzed and synthesized to answer research questions or build arguments.

### **Data Analysis Techniques**

This research uses data analysis systematically and organizes it into certain categories so that themes can be put forward. In this study, researchers used a data analysis model consisting of data reduction, data presentation, and conclusion drawing.

## **Results and Discussions**

Indonesia implements the Good Neighbor Policy to strengthen economic relations in the Southeast Asian region, especially with ASEAN countries. This policy aims to create harmonious and mutually beneficial relations, with a focus on enhancing economic and trade cooperation and strengthening regional integration. One of the implementations of this policy is Indonesia's involvement in the Regional Comprehensive Economic Partnership (RCEP) initiative, which

facilitates trade, investment, and regulatory harmonization among member countries. In addition, Indonesia is also active in the ASEAN Free Trade Area (AFTA), which aims to reduce tariff barriers and promote free trade in Southeast Asia, and plays a role in the Asia-Pacific Economic Cooperation (APEC) framework to strengthen economic integration in the Asia-Pacific region through trade and investment liberalization.

### **Indonesia's Good Neighbor Policy**

Indonesia's Good Neighbor Policy is a foreign policy principle that aims to build harmonious, mutually beneficial relationships and regional stability and is based on non-aligned and free-active principles. This policy aims to strengthen Indonesia's position in Southeast Asia and promote regional stability through collaboration with neighboring countries, especially in the face of global challenges such as geopolitical tensions and economic competition (Nikolas, 2023).

The Good Neighbor Policy was initiated by the 4th President Abdurrahman Wahid during his tenure as President of Indonesia, from 1999 to 2001 (Setiawati, 2023). This policy was designed to strengthen Indonesia's relations with neighboring countries and improve Indonesia's position in the international arena through inclusive and collaborative diplomacy. The Good Neighbor Policy was recognized as a formal strategy by President Joko Widodo in 2014 to 2019, with an emphasis on the importance of good relations with neighboring countries as the basis for peace, stability, and sustainable economic development. President Widodo also highlighted that strong diplomatic relations at the regional level open up opportunities for broader and mutually beneficial cooperation (Sukma, 2020).

Indonesia's Good Neighbor Policy, introduced under President Joko Widodo, has been instrumental in improving trade relations and strengthening economic and political cooperation with neighboring countries in the Southeast Asian region (E. Weatherbee, 2019). The Good Neighbor Policy reflects Indonesia's shift towards a more proactive and open economic diplomacy. This policy is manifested through Indonesia's active participation in regional organizations and agreements such as ASEAN, which allows Indonesia to play an important role in maintaining regional stability and security (Anwar, 2019).

The Good Neighbor Policy strengthens economic relations in the region by creating a stable environment that supports trade, investment and economic cooperation. The policy also strengthens Indonesia's engagement in trade agreements such as the Asia-Pacific Economic Cooperation (APEC) and RCEP, reflecting Indonesia's commitment as a trusted partner in mutually beneficial economic cooperation. This policy is an adaptation of the principles of Indonesian diplomacy with a more modern and dynamic approach, expanding the focus from ASEAN to other strategic countries. This approach reflects Indonesia's proactive stance in responding to global geopolitical dynamics, with the aim of strengthening its international position and national resilience. Through this policy, Indonesia builds a wide diplomatic network in the trade sector and utilizes collaboration with major countries to support domestic economic growth.

### **Implementation and Application of Good Neighbor Policy by Indonesia**

The implementation of the Good Neighbor Policy supports Indonesia's efforts to strengthen bilateral relations with ASEAN countries. Indonesia has established trade agreements with Thailand, Malaysia, Vietnam and the Philippines to reduce trade barriers and improve the flow of goods and services (Safitry, 2024).

This cooperation benefits both parties, with smaller ASEAN countries gaining access to the Indonesian market, while Indonesia gets investment and technology. Despite success in many sectors, major challenges remain, especially in managing intense economic competition. Differences in economic strength between ASEAN countries can trigger tensions in trade. Indonesia needs to ensure these policies create mutually beneficial opportunities, which requires thoughtful diplomacy and a commitment to maintaining harmonious relations (Salsabila & Latifah, 2024).

Indonesia uses the Good Neighbor Policy to strengthen cooperation in the technology and innovation sector with ASEAN countries. Through these partnerships, Indonesia seeks to increase the productivity of key sectors such as manufacturing, renewable energy, and digitalization. This cooperation enables access to advanced technologies to improve the competitiveness of Indonesian industries in the global market (Secretariat, 2020)

The Good Neighbor Policy reflects Indonesia's shift towards a more proactive and open economic diplomacy. This constructive and mutually beneficial approach is in line with President Joko Widodo's vision to make Indonesia a more influential economic power in Southeast Asia and the world, as well as improve its bargaining position in international forums through strong bilateral and multilateral relation (Kusumawardhana, 2024b).

One important implementation of this policy is Indonesia's active participation in the ASEAN Free Trade Area (AFTA), which aims to lower import tariffs on ASEAN products. AFTA increases the volume of intra-ASEAN trade, creates a more integrated regional market, and enlarges Indonesia's exports and imports. In an effort to enlarge exports and imports with neighboring countries in the Southeast Asian region, Indonesia has implemented various trade policies that support regional economic integration. Data from the Central Bureau of Statistics (2022) shows that Indonesia's total exports to ASEAN countries reached USD 29.4 billion in 2021, a significant increase compared to USD 25.4 billion in 2010. Top products exported include agricultural commodities, consumer goods, and manufactured products. Meanwhile, Indonesia's imports from ASEAN countries also experienced growth, with total imports reaching USD 24.5 billion in the same year. The tariff reduction implemented through the ASEAN Free Trade Area (AFTA) aims to remove trade barriers and increase the competitiveness of ASEAN products in the regional market. This tariff reduction is expected to increase the volume of intra-ASEAN trade, create an integrated regional market, and encourage more inclusive economic growth in the region. With market integration, Indonesia can tap into greater market potential, which in turn can increase exports and diversify the products offered in the international market (Indonesia, 2019). By reducing trade costs between countries, it is expected that the flow of goods and services will increase, which in turn boosts regional economic growth.

Indonesia's participation in the ASEAN Free Trade Area (AFTA) has led to a significant increase in exports to ASEAN countries. Data from the Indonesian Ministry of Trade (2021) shows



that Indonesia's exports to ASEAN rose from US\$25.4 billion in 2010 to US\$29.4 billion in 2020. Although the ASEAN Free Trade Area (AFTA) has successfully increased intra-ASEAN trade by eliminating tariffs and reducing trade barriers, significant challenges still remain that could hinder the full potential of economic integration in the region. One of the main challenges is the existence of non-tariff barriers, which include various regulations and procedures that are inconsistent across member states. These barriers can include different quotas, import licenses, and technical requirements, which often make it difficult for businesses to trade across borders. Differences in regulations and standards between countries are also an obstacle to increasing trade. Each ASEAN member country has different policies and regulations, which can create uncertainty for exporters and importers. For example, product quality standards, customs procedures, and health and safety regulations may vary, requiring adjustments that can add cost and time to the trade process. This can reduce the competitiveness of products from smaller or less developed countries within ASEAN. The economic development gap among ASEAN countries is also a significant challenge. Countries with lower levels of development may not have adequate infrastructure or sufficient production capacity to compete in the regional market. This can lead to inequality in the benefits derived from intra-ASEAN trade, where more developed countries can more easily take advantage of opportunities, while less developed countries may be left behind.

Indonesia has signed trade and investment agreements with neighboring countries such as Singapore. These agreements include cooperation in trade and investment aimed at reducing tariff barriers and increasing market access. Singapore is one of Indonesia's main trading partners, and this agreement is expected to strengthen Indonesia's position as an attractive investment destination in the region (Sukma, 2020). Furthermore, Malaysia's signed trade and investment agreement includes tariff reductions and investment protection, which provides guarantees for investors from both countries. This cooperation also covers strategic sectors such as energy and agriculture, which are expected to increase trade volume and create new opportunities for businesses in both countries. (Sukma, 2020). As for Thailand, the agreement focuses on removing trade barriers and increasing cooperation in the industrial and infrastructure sectors. Thailand is one of Indonesia's largest trading partners in ASEAN, and this agreement aims to strengthen bilateral relations and increase the competitiveness of Indonesian products in the Thai market (Sukma, 2020). This strategy is in line with a pattern that emphasizes good relations with regional countries (Indonesia, 2019).

Indonesia's implementation of the Good Neighbor Policy has had a positive impact on the economy, with trade with ASEAN reaching US\$54.5 billion in 2020 and a trade surplus of US\$6.9 billion. The policy strengthens relations with ASEAN countries for economic and political stability, supports regional growth, and reduces trade barriers, expands markets, and increases exports and foreign investment. Challenges include fierce competition and differences in economic development among ASEAN countries. The policy also promotes cooperation in trade, infrastructure, energy, and technology sectors, and emphasizes political stability and dispute resolution through dialogue (Setiawati, 2023).

There are several main focuses of Indonesia's Good Neighbor Policy in enhancing economic and trade cooperation with ASEAN countries First, increasing intra-ASEAN trade is the main focus of Indonesia's economic policy. In this context, Indonesia seeks to increase trade volume by

reducing trade barriers, both tariff and non-tariff. The reduction of import tariffs from ASEAN countries is expected to encourage the flow of goods and services, creating a more open and mutually beneficial market (Bank, 2022). In addition, non-tariff barriers, such as regulatory differences and non-uniform product standards, are also a major concern in this policy (Damuri et al., 2019). By overcoming these barriers, Indonesia aims to strengthen the competitiveness of domestic products in the regional market, as well as enhance economic integration in the ASEAN region (Salsabila & Latifah, 2024). The promotion of Indonesia's leading products, such as electronics, automotive, and agricultural products, is part of this strategy, given the huge potential of the ASEAN market with a population of more than 650 million people. In addition, Indonesia is expanding export opportunities through the introduction of these superior products, which are expected to strengthen national competitiveness and open more opportunities for domestic industries in the international market (Secretariat, 2020). Second, economic policy harmonization in which Indonesia plays an active role as one of the major countries in the region, Indonesia is not only an observer, but also actively contributes to this harmonization process. Indonesia's participation includes involvement in meetings, discussions, and negotiations to create uniform policies and support regional economic integration. Harmonization of economic policies at the ASEAN level, including standardization of customs procedures, investment regulations, and competition policies. This harmonization aims to create a more predictable and conducive business environment for cross-border trade and investment. By reducing non-tariff barriers, these efforts are expected to improve operational efficiency for businesses and support closer regional economic integration (Damuri et al., 2019). Thirdly, regional value chain development in this policy Indonesia also focuses on regional value chain development by integrating domestic industries into ASEAN value chains through initiatives such as ASEAN Industrial Cooperation (AICO). This program introduced in 1995 is designed to strengthen among others industrial cooperation among ASEAN countries allowing Indonesia to share resources, knowledge, and best practices. Through initiatives such as ASEAN Industrial Cooperation (AICO), Indonesia can collaborate with neighboring countries to create synergies that improve industrial efficiency and productivity. Technology transfer is key in increasing production capacity and innovation. With access to the latest technology from more advanced ASEAN countries, Indonesian industries can improve product quality and accelerate the innovation process, which is crucial to compete in the global market (Bank, 2022). Indonesia can improve the competitiveness of domestic products in the regional market, higher quality and innovative products will be more easily accepted in the ASEAN market, which has a large population and diverse demand. This opens up new opportunities for Indonesian businesses to expand their market (Indonesia, 2019). By strengthening collaboration in the industrial sector, Indonesia can maximize the benefits of ASEAN economic integration and boost the growth of the domestic manufacturing sector (Fasta et al., 2025). Fourth, the investment facilitation policy aims to attract investment from ASEAN countries while encouraging Indonesian companies to invest in the region. Indonesia continues to improve its investment climate through simplifying licensing procedures and providing incentives for investors. By creating an investment-friendly environment, Indonesia hopes to strengthen its economic position in the region and expand the market reach of its domestic companies (Yunita, 2023). Fifth, cooperation in strategic sectors.

In the agricultural sector, Indonesia is committed to increasing productivity through knowledge and technology exchange with ASEAN countries, which includes the development of superior varieties and sustainable agricultural practices (Indonesia, 2019). In the fisheries sector, Indonesia seeks to strengthen marine resource management by sharing environmentally friendly fishing technologies and efficient aquaculture practices, which are essential for maintaining the sustainability of marine ecosystems (Bank, 2022). In the energy sector, Indonesia focuses on developing renewable energy and energy efficiency, hoping to reduce dependence on fossil energy sources through collaboration with ASEAN countries to access the latest technology (Indonesia, 2019). In the digital economy, Indonesia seeks to accelerate digital transformation by developing digital infrastructure and e-commerce platforms, which are expected to increase market access for local businesses and strengthen Indonesia's competitiveness in the regional market (Putri et al., 2022). Through the exchange of knowledge, technology, and joint project development in these sectors, Indonesia not only improves its competitiveness, but also contributes to regional economic resilience in ASEAN (Salsabila & Latifah, 2024). Seventh, Small and Medium Enterprises (SMEs) participation in regional trade is supported through capacity building and market access facilitation programs, Indonesia seeks to improve the competitiveness of Small and Medium Enterprises (SMEs) at the ASEAN level. The capacity building program is designed to provide SMEs with the necessary training and resources to enable them to develop managerial, marketing, and product innovation skills. By enhancing these capabilities, SMEs will be better equipped to compete in an increasingly competitive regional market (Mahadiansar et al., 2020). In addition, market access facilitation is essential to reduce the barriers SMEs face in entering the ASEAN market. By reducing tariffs and simplifying trade regulations, SMEs can more easily market their products in neighboring countries. Programs such as trade shows and e-commerce platforms also provide opportunities for SMEs to expand their market reach, thereby promoting broader economic inclusion. Thus, these efforts not only improve the competitiveness of SMEs, but also contribute to more inclusive economic growth in the ASEAN region (Bank, 2022).

Overall, Indonesia's implementation of the Good Neighbor Policy reflects a strong commitment to strengthen diplomatic and economic relations in ASEAN. This policy not only aims to create regional stability but also opens up opportunities to increase regional and global competitiveness. With this step, Indonesia strengthens its position as one of the influential economic powers in Southeast Asia.

### **Indonesia's Cooperation with ASEAN**

Indonesia, as an active country in Southeast Asia, implements the Good Neighbor Policy (GNP) to strengthen diplomatic relations, increase trade, and strengthen stability and peace in the region. This policy focuses on mutually beneficial cooperation in economic, security, social, and cultural fields, with the aim of creating shared prosperity and strengthening regional integration (Sukma, 2020)

Indonesia is actively strengthening ASEAN regional free trade through multilateral agreements and cooperation, expanding market access and promoting economic integration in the region (Riani & Harris, 2024).



Indonesia strengthens its role in ASEAN as a mediator and leader in maintaining regional stability, by committing to resolve regional conflicts through multilateral diplomacy, affirming its prominent position in Southeast Asian harmony and security (Salsabila & Latifah, 2024). The Good Neighbor Policy has increased Indonesia's import-export volume with ASEAN countries. A significant impact was seen in foreign direct investment (FDI), where BKPM recorded a 15% increase in 2020 from Singapore, Malaysia and Thailand compared to the previous year ((BKPM), 2021). The Good Neighbor Policy creates a conducive investment climate, attracts regional investors, and supports bilateral trade agreements. For example, the Indonesia-Malaysia 2022 preferential agreement eliminates tariffs on more than 70% of traded products (RI, 2023). The Indonesia-Malaysia 2022 preferential trade agreement increases bilateral trade by 25% a year and promotes infrastructure cooperation, including ports in North Kalimantan and the Indonesia-Malaysia-Thailand economic corridor, which strengthens connectivity and reduces logistics costs (Bank, 2022). The Comprehensive Economic Cooperation Agreement (CECA) between Indonesia and Singapore signed in 2020 aims to reduce trade barriers and improve market access. Since the implementation of CECA, investment from Singapore to Indonesia increased by about 20% in 2021, reflecting investors' confidence in Indonesia's improved investment climate (Indonesia, 2019). Furthermore, Indonesia and Thailand also engage in cooperation under the framework of the ASEAN Free Trade Area (AFTA). Through AFTA, trade tariffs between the two countries have been reduced, contributing to a 15% increase in bilateral trade volume by 2021. This shows that the Good Neighbor Policy has strengthened economic and investment relations between Indonesia and Thailand (Bank, 2022). The Good Neighbor Policy benefits Indonesian exporters, but faces challenges such as economic competition, protectionism, and differences in regulations and product standards that hinder regional trade (Harding & Oehlers, 2020).

Indonesia is also active in agreements such as the Regional Comprehensive Economic Partnership (RCEP). Through the implementation of the Regional Comprehensive Economic Partnership (RCEP), Indonesia has succeeded in expanding market access and attracting foreign investment in the ASEAN region, which is reflected in an 18% increase in exports to RCEP member countries by 2021 and a 25% increase in foreign direct investment (FDI) from ASEAN countries, including Singapore and Malaysia ((BKPM), 2021). Through the Good Neighbor Policy, Indonesia works with ASEAN to address poverty, inequality, and climate change, and implements social assistance programs with Myanmar, Cambodia, and Laos to improve the quality of life in the region (Riani & Harris, 2024). Indonesia's cooperation with ASEAN countries, such as Brunei, Laos, and Cambodia, in the trade and economic fields plays an important role in strengthening regional solidarity and expanding Indonesia's influence in regional and global forums. With Brunei, Indonesia has established close trade relations, where bilateral trade volume reached USD 1.2 billion in 2021, reflecting the two countries' commitment to enhance cooperation in the economic and investment sectors (Indonesia, 2019). In addition, Indonesia also actively provides technical assistance and training to Laos, focusing on infrastructure development and agriculture, thus supporting sustainable development in the country and strengthening solidarity among smaller ASEAN countries (Secretariat, 2020). Furthermore, Cambodia, Indonesia has increased investment to reach 30% in 2021, which shows trust and commitment in bilateral relations, and creates

opportunities for both countries to mutually benefit from trade and investment (Indonesia, 2019). Through this cooperation, Indonesia not only provides direct benefits to the three countries, but also contributes to economic stability and growth in the ASEAN region, while strengthening its position as a leader in regional and global forums.

Indonesia's Good Neighbor Policy with ASEAN countries aims to create harmonious and mutually beneficial relations in various sectors. This cooperation expands Indonesia's influence at the regional and global levels, with a focus on domestic economic growth and improving regional welfare and stability. Through bilateral and multilateral cooperation, Indonesia strengthens ASEAN integration and seizes opportunities to create a peaceful, stable and prosperous region, while strengthening its position as a major actor in the global political and economic arena (Maulana, 2021).

## Conclusion

Indonesia's Good Neighbor Policy (GNP) focuses on strengthening diplomatic relations and economic cooperation with ASEAN countries to create regional stability, peace and prosperity. This policy supports economic integration through reducing trade barriers, increasing investment, and regional infrastructure projects that strengthen connectivity between ASEAN countries, and is strengthened through mechanisms such as the Regional Comprehensive Economic Partnership (RCEP), ASEAN Free Trade Area (AFTA), and Asia-Pacific Economic Cooperation (APEC). In addition, the Good Neighbor Policy expands Indonesia's influence in the global arena by strengthening its role as a mediator and leader in ASEAN, while promoting social welfare through cooperation in addressing global challenges such as climate change, poverty, and health crises. Through a constructive and mutually beneficial approach to diplomacy, Indonesia continues to strengthen its position as a major actor in global politics and economics.

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