

Indonesia-China Economic Resilience Amid Political Volatility: Sustainable Cooperation After the 2025 Social Unrest

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ABSTRACT

Uncertainty concerning the political implications arising from the unprecedented social unrest occurring in August 2025 raises challenges in the economic partnership between Indonesia and China. At the minimum, social unrest and nationwide protests in Indonesia have consequences beyond the domestic circumstance and condition of prosperity: they impact the resilience and dynamic of a more than seven decades economic partnership. This work to explore and explain how this bilateral partnership withstands challenges, and adapts, from a geostrategic and disintegrating Indonesia social resilience, and bilateral resilience economic diplomacy policy fundamentally symmetrical in nature and fungible at point of equilibrium containment. Indonesia and China bilateral economy and resilience have reached multidisciplinary and integrative layer. Although this gives the academic and research community theoretical and practical constructive bundle that explains and packages adaptive uncertainty, it also, and to a greater extent, extends to public policy, business, and economic relationships, the opportunity to explore sustainable partnership provision in politically asymmetric context and condition. Future research aimed at strengthening and substantiating the economic resilience of Indonesia and China will, and should, make the intent and substance of this paper very relevant.

Keyword: *Indonesia-China economic relations, resilience to economic shocks, political volatility, durable partnerships, social turbulence, 2025*

INRODUCTION

Indonesia-China Strategic Economic Partnership Indonesia-China relations were established in 1950, when the two countries signed diplomatic documents on April 13, 1950. (Li et al., 2023; Umagapi, 2017) Since then, Indonesia and China have activated trade, investment, and infrastructure development cooperation. China has been Indonesia's largest trading partner for almost 20 consecutive years, with a trade volume of US\$148 billion in 2024. (Ridho, 2024) Through investments that contribute to the development of the renewable energy, manufacturing, and infrastructure sectors, China also plays a major role in supporting Indonesia's sustainable economic development, especially in relation to the BRIs project (Ridho, 2024; Ridho, 2024).

Regardless, this strong bond will certainly face significant challenges, especially with the massive socio-political turmoil in Indonesia in August 2025. The domestic instability caused

by mass protests demanding government policy reforms has also impacted the investment climate and market confidence, especially in bilateral relations with China. This domestic and social instability raises questions about how the synergistic economic relations between these countries can be maintained, and how long-term policies can be implemented to ensure the continuity of mutually beneficial economic cooperation. (Maksi, 2025; KBA 13, 2025)

This study examines the issue of cross-border socio-political challenges and bilateral economic relations between Indonesia and China, as well as the integration of socio-economic and political tensions that have been ongoing and increasing between the two countries since the social unrest of 2025. This journal focuses on strategic socio-economic integration from a social perspective in approaching and answering persistent questions about bilateral relations and recommending practical solutions for the socio-economic engagement of scholars and policymakers, thereby assisting in socio-economic integration for business.

Two questions that this study seeks to answer are: How can political tensions relate to economic partnerships between Indonesia and China? And what post-2025 social unrest strategies can consolidate and restore socio-economic and political ties between the two countries? Using the objectives of political economy relations, this study attempts to address gaps in relations and integration, as well as the political infrastructure of bilateral economic ties, thereby providing valuable future policy directions in providing relations for contemporary challenges.

LITERATURE REVIEW

Indonesia and China's global economic connections

Several previous studies have examined the global economic relations between Indonesia and China, focusing on bilateral relations and the dynamics of contemporary geopolitical and global economic factors. In early studies, authors emphasized the development of diplomatic relations that began in the mid-20th century and have grown rapidly in recent decades due to increased trade and investment volumes. The IESR (2025) study confirms how this strategic partnership has created prospects for accelerating Indonesia's transition to green energy, particularly marked by investments in electric vehicle (EV) lithium batteries and the processing and development of nickel battery minerals.

There are also studies on the impact of BRI infrastructure investment projects on Indonesia. Several studies published by various BRI institutions show positive impacts, namely not only improving physical connectivity but also the economic integration of Indonesia and China. However, there are several critical studies that show that the social economy must be managed adaptively and that the impact of investment dependency must be watched out for. (Sutrisno, 2023; Abbondanza, 2022; Ebra, 2024)

Moreover, in 2024 and 2025, the same study by Ebra conceptualizes economic diplomacy and resilience and adaptation strategies as one of the keys, with a focus on maintaining bilateral relations that are affected by political tensions. In the current context, situational studies of political and social crises during this period show that domestic social tensions have the potential to hamper investment flows, increase market volatility, and disrupt the smooth running of bilateral trade. (Ebra, 2024; Aswa, 2024)

Theoretical Aspects of Economic Resilience and Political Dynamics in Bilateral Relations

In addition to empirical studies related to Indonesia-China relations, literature has also developed on the theory of economic resilience and political dynamics in bilateral international relations. Economic resilience refers to the capacity of a country, or a system of international economic relations, to survive, adapt, and endure in the face of disturbances, both internal and external. As defined by Holling (1973) and Adger (2000), economic

resilience encompasses the ability of a system to survive, adapt, and transform to maintain productivity despite economic pressures and changes. (Saraswati, 2019)

Regarding bilateral relations, the theory of economic resilience is integrated with the theory of international relations that focuses on political diplomacy. Within the framework of realism and liberalism, political stability and strategic interests are considered important in maintaining solid economic relations amid any tensions. Keohane and Nye's (1977) study emphasizes the importance of interdependent economic cooperation, which incentivizes both parties to eliminate politically triggered conflicts that negatively impact trade and investment. (Walker 2013; Rosyidin, 2022)

The theory of economic diplomacy also explains how politics shapes strategic negotiations and adaptive policies to alleviate politically triggered volatility and global uncertainty. The importance of investment sector diversification, institutional strengthening, and policy synergy are key to economic resilience and the sustainability of bilateral relations. (Mardhiyyah, I., & Suryadipura, 2023)

Socio-Political Impact on Investment and International Trade

The socio-political impact on international investment and trade is an important concern in the study of bilateral relations. This is especially true in developing countries, including Indonesia (Widiyanto et al., 2024). Various studies explain that the risk of social and political instability, such as protests, riots, and sudden policy changes, is one of the factors that cause uncertainty for investors and global market players. This uncertainty, in turn, leads to a decline in foreign investment and trade flows (Choi et al., 2020; Trakarnsirinont et al., 2023). Among other things, Indonesia's fluctuating investment policies and political conditions in 2010-2017 had implications for the country's decline in investment attractiveness (Simanjuntak, 2018).

In the context of Indonesia-China relations, recent studies show that socio-political instability during the same period, including mass actions in August 2025, resulted in the postponement or cancellation of a number of investment projects and disrupted trade and supply chains. A number of studies circulating in various government agencies and financial institutions indicate a temporary decline in the volume of Indonesia-China exports and imports, as well as a shift towards a more defensive investment stance (CNBC Indonesia, 2025; Kontan, 2025; Tempo, 2025).

In addition, several further studies highlight the efforts taken by the government and the private sector in developing and implementing risk mitigation strategies. For example, strengthening the regulatory framework, diversifying markets, and increasing diplomatic interactions aimed at stabilizing risks and improving market expectations. This approach is consistent with the literature on economic resilience, which emphasizes policy adaptation and innovation to always be prepared to face socio-political pressures that could potentially disrupt international trade and investment. (Capoani et al., 2025)

Research gap to be filled by this study

Among the many studies that have been conducted on Indonesia-China economic relations, there is still a research gap that directly examines the impact of domestic socio-political turmoil, particularly in the latest context, after the massive protests in August 2025, on the resilience and economic cooperation strategies of the two countries.

Many existing studies tend to ignore domestic socio-political instability in Indonesia and its direct impact on Indonesia-China bilateral relations, in addition to Indonesia's economic instability. This study is expected to answer these questions. (Agarwala & Chaudhary, 2021; Levine, 2020).

In addition, studies that integrate, in particular, economic resilience theory and adaptive economic diplomacy with a focus on international relations, political economy, and sociology are still very rare. This study is expected to answer these questions. (Kusumawardhana 2023; Ahyadi 2025)

Therefore, this study is expected to fill this gap by focusing its analysis on Indonesia-China economic resilience amid political turmoil caused by social unrest in 2025. This study also evaluates the impact of each adaptive strategy and economic diplomacy in reducing integration risks and maintaining partnerships. Examining the principles sought offers new potential contributions to academics, policymakers, and economists on managing dynamic international relations.

THEORICAL FRAMEWORK

The Concept of Economic Resilience in the Context of Bilateral Relations

Bilateral Economic Resilience refers to the ability of two countries to survive, adapt, and recover from external and internal pressures that threaten the stability and continuity of their economic cooperation. Such pressures can include market changes, political volatility, and social unrest that threaten trade and investment relations. (Capoani et al, 2025)

The economic relationship between Indonesia and China provides suitable conditions for applying the theory of economic resilience. This is particularly true because both countries must face, among other things, domestic political volatility, global geopolitical dynamics, and the risk of economic dependence on each other. According to the literature on economics and international relations, resilience in this context can be achieved and maintained through economic structure and sector diversification, strengthening state institutions, and adaptive and collaborative relationships that respond to changes in political and economic relations. (Victor, 2023) On the other hand, a country's resilience primarily stems from how economic dependence is handled, especially with powerful countries in the international system whose dependence is exploitative in nature. (Monika, 2020).

This model of economic resilience also stems from Keohane and Nye's (1977) concept of positive interdependence in international relations theory. (Papayouanou, 1997) Dependency also motivates countries to maintain the stability of their relationships and reduce the level of conflict in their relationships.

In addition, economic diplomacy theory emphasizes the importance of adaptive policies and strategic negotiations to deal with uncertainty and fluctuations caused by political and social factors. (Abdin, 2013). The application of the concept of economic resilience in this study provides a more in-depth analysis of how Indonesia and China can formulate and execute strategies to strengthen their economic relations after the socio-political turmoil of 2025, while ensuring stability and sustainable growth for both countries. (Ibrahim et al., 2023)

International Relations Theory and Economic Diplomacy

International relations theory and economic diplomacy provide a conceptual basis for the dynamics and strategies of maintaining and enhancing bilateral economic relations between Indonesia and China. (Umagapi, 2017; Waluyo & Risman, 2020). In international relations, the realist perspective prioritizes national interests and security as the main factors that drive countries to negotiate and engage in strategic cooperation. (Munatama & Zhaidah, 2023). In contrast, liberalism highlights the economic interdependence of countries as the main force for stability and peace. Neorealism, as a correction to traditional realism, considers economic power in the analysis of global power, while neoliberal institutionalism focuses on the creation of international institutions to manage interdependence and facilitate cooperation. (Vrba, 2022) (Monika, 2020). (Siswanto et al, 2024).

As a specific branch of modern diplomacy, economic diplomacy focuses on the use of economic instruments of trade, investment, and economic policy as a means to achieve a country's diplomatic goals. Recent studies on Indonesia's economic diplomacy towards China confirm that economic diplomacy is carried out at various levels of government, from the head of state, relevant ministries, and diplomatic representatives to bilateral and multilateral forums. This approach integrates political negotiations with the practical economic dimensions of trade and investment to achieve win-win outcomes in inter-state relations. (Zubair et al, 2025; Hartono, 2025).

Furthermore, the literature on economic diplomacy emphasizes the need for policy flexibility, institutional strengthening, and the use of multilateral mechanisms so that bilateral relations can withstand geopolitical and socio-political pressures. In the case of Indonesia-China relations, the practice of economic diplomacy can be seen in the management of strategic ventures, such as the Belt and Road Initiative (BRI), as well as in negotiations on trade and investment policies that reflect synergies of interests and joint risk management. (Bharti & Kumari, 2024; Mustapa et al., 2021)

This theoretical framework is important for understanding how both countries use economic diplomacy as a tool to manage political volatility and ensure economic resilience, especially in the aftermath of the social unrest in 2025. Therefore, this study combines international relations theory with economic diplomacy to assess the effectiveness of the strategies and policies that have been implemented to manage bilateral relations.

Adaptive Policy Framework Amid Political Volatility

The Adaptive Policy Framework is crucial in the context of Indonesia-China bilateral relations. In this context, economic stability and resilience on the one hand and political volatility on the other represent a classic problem in dual challenge management. Political, social, and economic volatility brings risks and disruptions that must be minimized or eliminated, while new opportunities must be optimized. Given its socio-economic and geostrategic position, Indonesia has an important role as an economic balance between the US and China in the APEC forum, which is politically dominated by the policies of the US and China (Monika, 2020).

In the context of Indonesia's economic diplomacy in 2025, adaptive policies are demonstrated by reducing Indonesia's economic dependence on China and the United States through export diversification strategies. In this case, strengthening the value of Indonesia's multilateral cooperation with ASEAN, RCEP, and CPTPP is an effort oriented towards strengthening Indonesia's bargaining power in the global market. This approach is also demonstrated by strengthening synergies between government agencies and implementing cross-sector coordination, such as through the Indonesia Incorporated platform (Sari, 2025). The increasing tensions between the US and the People's Republic of China, particularly in the ASEAN region, place Indonesia in a strategic and risky position, requiring the refinement of adaptive policies at the national level (Solehudin, 2024).

Adaptive policies include managing geopolitical and social risks through smart diplomacy, such as hedging policies between major economic partners, so that Indonesia maintains its strategic partnership with China in the context of a balanced global partnership. (Ibrahim et al., 2023; Solehudin, 2024) The involvement and strengthening of economic diplomacy capacity within the framework of global and multilateral economic cooperation as part of the response to global and regional uncertainty, with the involvement of the business and financial sectors as part of the economic domain and uncertainty, is crucial. (Ibrahim et al., 2023)

The adoption of such an adaptive policy approach is in line with the literature on risk management and resilient systems, which emphasizes the importance of flexibility,

innovation, and multi-actor coordination in responding to dynamic changes to develop a resilient and sustainable economic system. In this study, this framework will be used to examine the responses of Indonesia and China in stabilizing and maintaining economic relations after the socio-political turmoil of 2025.

Strategic partnership model and sustainability of economic cooperation

Strategic partnership and sustainable cooperation revolve around Indonesia and China's enduring respect and focus on equity and mutual benefits in strengthening bilateral relations. This partnership considers more than just the volume and even the location of trade and investment, combining cross-border exchanges of technology and infrastructure, human resource development, and joint cooperation in infrastructure development that supports chronic economic growth. (Bharti & Kumari, 2024)

Looking ahead to 2025, the strategic partnership relates to deepening relations between countries with a commitment to synergy in critical sectors such as renewable energy, electric vehicles, manufacturing, and information technology. Major collaborations with potential for economic growth, technical capacity, job creation, and inclusive growth are reflected in the development of the Jakarta-Bandung high-speed railway, the North Maluku nickel industrial complex, and the development of EV batteries (Zubair et al, 2025; Zein & Susanto, 2023).

The sustainable partnership module also integrates social and environmental sustainability, where BRI's green projects are prioritized, so that BRI not only positions itself as an economic contributor but also supports the achievement of net-zero emissions targets and environmentally conscious development. (Iftikhar et al., 2024; Rio & Firza, 2020) Long-term cooperation from various sectors, including the government, private sector, and civil society, is also key to ensuring that these partnerships remain solid in the face of various potential global and domestic crises. (Putri & Bakhtiar, 2023)

This framework combines the theories of sustainable development and South-South cooperation, focusing on inclusive and adaptive strategic partnerships. In this regard, this study focuses on a model for assessing how to maintain and develop the Indonesia-China partnership after the socio-political turmoil of 2025, while considering balanced economic, social, and environmental aspects.

METHODOLOGY

This study uses descriptive research and literature analysis through comprehensive studies as a methodological guide. This approach aims to provide a more in-depth and holistic explanation of economic resilience and cooperation strategies between Indonesia and China during the socio-political turmoil of 2025.

The documents used as data sources are official reports from the governments of both countries, the most recent trade statistics, and relevant scientific articles and policy analyses. Although the scope of the data collected is secondary, it provides a factual and analytical basis for studying the economic relations between the two countries and the political dynamics simultaneously.

The qualitative analysis method adopted here aims to examine the social and political, economic, and strategic correlations of the policies implemented by both countries in global relations. This study attempts to use the concepts of economic resilience, international relations, and economic diplomacy to provide a more comprehensive cross-literature analysis.

The validity of the research findings is also confirmed through timely and credible data sources and data triangulation between sources. The limitation of this study is that it relies entirely on secondary data and does not collect primary data. As a result, the scope of the analysis is interpretive because it depends on the depth and breadth of the literature analysis.

The rapidly changing political and economic conditions influenced the researchers' real-time reflections on the situation. Nevertheless, this method was considered the most appropriate for achieving the research objectives, which focused on understanding the concepts and strategies of economic cooperation in a dynamic and complex environment.

RESULT AND DISCUSSIONS

Analysis of the impact of the 2025 social protests on Indonesia-China economic relations

The massive social protests that occurred in Indonesia in August 2025 had a significant impact on bilateral economic relations with China, particularly in the trade and investment sectors. These political and social tensions created uncertainty that affected investor confidence and the operational aspects of economic cooperation between the two countries (Stone, 2025; Nusasuara, 2025).

In terms of trade, the protests contributed to supply chain disruptions due to the partial closure of transportation and logistics infrastructure during the demonstration period. This caused delays in shipments and reduced the volume of Indonesia-China exports and imports, particularly in key commodities such as minerals, manufacturing, and electronics. This impact was exacerbated by the volatility of the rupiah exchange rate, which depreciated significantly, increasing import costs and reducing profit margins for businesses in both countries. (Merdeka.com, 2025; Warta Ekonomi, 2025)

In terms of investment, socio-political instability has prompted a number of Chinese investors to postpone or reevaluate ongoing projects, especially those related to infrastructure and strategic industries such as electric vehicle battery factories and mineral processing. The Indonesian government has responded by intensifying economic diplomacy to allay investor concerns and reaffirm its commitment to continued cooperation. (CNBC Indonesia, 2025)

However, amid these challenges, the Indonesia-China partnership has shown relatively good resilience thanks to a strong foundation of strategic partnership and adaptive policies from both countries. Investment in the non-energy sector and the development of new green energy projects are now reducing the focus on dependence on traditional sectors and increasing support for sustainable development. (Bisnis.com, 2025)

The latest figures for Indonesia and China show that fostering bilateral cooperation is one way to reduce the impact of obstacles to global recovery and growth. With social protests ongoing in Indonesia, the three governments in Southeast Asia are reminded of the importance of synergy in overcoming obstacles to growth in social and political aspects. (Elkopra, 2025)

Therefore, managing Indonesia and China's relations in the social sector after 2025 requires a sustainable strategy in managing their trade relations. Such an approach can strengthen economic resilience and raise expectations for the future in more adaptive and resilient trade cooperation.

Joint economic resilience strategy: investment diversification, adaptive diplomacy, and policy synergy

In the context of socio-political tensions and global uncertainty, Indonesia and China are implementing several joint economic resilience strategies related to investment diversification, adaptive diplomacy, and policy synergy. This strategy is expected to maintain and sustain bilateral economic relations when faced with external and internal pressures. (Ahyadi, 2025).

The reason for making investment diversification a priority is that Indonesia is trying to reduce its dependence on traditional sectors, partners, and investments. This effort is being carried out through investment in new sectors such as new and renewable energy, the digital industry, and the green industry. Meanwhile, in the context of diversification, China is

investing in strategic technologies and industries in Indonesia as a result of industrial relocation due to the trade war with the United States. This step not only encourages job creation but also investment in technological innovation to improve economic resilience. (Connectivity, 2025; Ahyadi, 2025)

Adaptive diplomacy is a vital instrument in managing attention and responses to geopolitical changes and domestic socio-political strategies. Both parties have achieved a reduction in political risks that disrupt trade and investment relations, which are diplomatic in nature. Indonesia strengthened its economic diplomacy with a “Whole of Government” approach, which integrates and coordinates various ministries and institutions, both inter-ministerial and inter-agency, and between ministries to strengthen multisectoral responses that are rapid and responsive to dynamic and fast-changing situations. In addition, constructive and competitive responses strengthen and play a role in bargaining positions for bilateral diplomacy. Through ASEAN and in the context of multilateral diplomacy in global forums, this is also recognized in Indonesia's involvement in coordination, participation, and multilateral bilateral diplomacy. At least, this is Indonesia's bargaining position in relations between countries, referring to existing sources (EmitenNews, 2025; Astuti & Fathun, 2020;

Coordinating Ministry for Economic Affairs of the Republic of Indonesia, 2025).

To further refine diplomatic risk strategies, synergy between bilateral and multilateral strategic policies must be essential. Indonesia has relocated and innovated in bureaucratic reform and in policies to simplify and regulate to reach and attract investors, both domestic and foreign, as well as to increase the competitiveness of domestic industries. Technical and strategic cooperation in policies concerning relations with China, in terms of the transfer and development of human resources for special and sustainable infrastructure. This synergy ensures that the economic cooperation can function and meet expectations for growth and development on the one hand, and to ease the development of political tensions and social conflicts on the other.

The Role of Key Industries: Green Energy, Manufacturing, and Digitalization

Manufacturing, green energy, and digitalization industries will play an important role in enhancing economic cooperation between China and Indonesia in 2025. Partnerships in these industries will not only promote economic resilience but also facilitate sustainable economic transformation and cross-border growth in the future. (Aryanto et al, 2023).

In green energy, Indonesia has leveraged China's experience and technology in developing green renewable energy, particularly solar energy and solar energy storage. Collaboration in the production of next-generation solar modules, the installation of solar power plants (PLTS) in remote areas of Indonesia that lack resources, and the development of electric vehicle (EV) battery technology are all points of convergence for bilateral technical capacity and investment. In addition, China's green investment in Indonesia has grown rapidly, particularly with the establishment of nickel smelting plants and battery manufacturing facilities, positioning Indonesia as a global battery manufacturing hub. (Khoerunisa & Septutianingsih, 2025; IDN Times, 2025).

In manufacturing partnerships, collaboration focuses on the development of strategic industries that prioritize innovative clean technologies. Chinese investment in the digital technology, green technology, and manufacturing sectors not only increases Indonesia's production capacity but also has a significant impact on job creation and the transfer of critical technologies for Indonesia's global competitiveness. (Aryanto et al, 2023).

Digitalization has also strengthened as a core pillar, with partnerships in the information technology sector, digital infrastructure development, and public service transformation improving economic efficiency and contributing to the acceleration of digital and economic inclusivity. Such cooperation underpins the development of a data-driven and innovation-

based economy, which is an important part of the requirements needed to address complex global challenges. (ANTARA News, 2025; Aryanto et al, 2022)

Geopolitical implications and the role of third parties in bilateral dynamics

The dynamics of Indonesia-China economic relations remain within the context of a multifaceted and complex regional and global geopolitics. The role of third parties in this context has implications for the stability and development of positive bilateral cooperation. In the context of geopolitical stability in the Indonesian region, particularly in the central and northern regions, Indonesia is involved as a ‘middle power’, which strives to maintain a balance between open conflict between cardinal regions and open conflict and mendobal regions. Indonesia seeks to prevent clashes that could lead to instability in areas of open conflict involving major powers such as China and the United States. (Secretariat of the Republic of Indonesia, 2025; Alfathimy et al, 2021).

This role demonstrates an increase in diplomatic and economic measures and cooperation. Jakarta has achieved this through increased multilateral cooperation and collaboration within ASEAN, RCEP, and the Global South forum. Jakarta is not only maximizing its economic and social interests but also acting as a mediator in the region. (Irwanto, 2024; Coordinating Ministry for Economic Affairs of the Republic of Indonesia, 2025) As a country with great economic and political potential, China will certainly seek to maintain relations with Indonesia, which is Indonesia's closest friend in terms of trade and investment in the Belt and Road Initiative (BRI). However, in an effort to ease tensions, bilateral stability must be maintained within a geo-economic and political framework dominated by rivalry between China and the United States (Coordinating Ministry for Economic Affairs of the Republic of Indonesia, 2025; Syukur, 2023).

The involvement of third parties, in this case mainly the United States, the European Union, and other countries in the region, also influences Indonesia and China's relationship in the context of trade relations, whether through economic pressure, diplomacy, or strategic alliances. As a country, Indonesia also Ministry of Trade of the Republic of Indonesia in 2025; Syukur, 2023).

Facing these geo-economic and political dynamics, both countries are expected to ease tensions, maintain strategic interaction and coordination, and build trust and mitigate risks in bilateral relations. At the same time, bilateral economic relations between Indonesia and China, as well as Indo-Pacific regional relations, are expected to contribute to increased stability and prosperity.

Review of Guidelines for Future Cooperation

As a final projection of the economic cooperation framework, we provide conclusions on Indonesia–China in the future. The 2025 cooperation targets provide much cause for optimism, including the achievements of Indonesia–China economic cooperation over the past ten years, the continuation of deeper cooperation, and the commitment of both countries to cooperation in many sectors. (Coordinating Ministry for Economic Affairs of the Republic of Indonesia, 2025).

The projected bilateral investment value of IDR 81.5 trillion with more than 15,000 new jobs and the development of an integrated industrial area is very attractive. China is expected to be involved in the development of an integrated industrial area. The concept of industrial area development that integrates the two countries into one industrial area, China and Indonesia, will be implemented within the framework of cooperation promoted in the Two Countries, Twin Parks (TCTP) concept. (Saputra, 2025; Antara News, 2025).

Indonesia and China have also established cooperation in the renewable energy, manufacturing, digital technology, and logistics sectors. Cooperation in these sectors will

drive more inclusive and sustainable economic growth. Economic cooperation, e-commerce development, and digital logistics services reflect the commitment of both countries. (Tjhin, 2024; Coordinating Ministry for Economic Affairs of the Republic of Indonesia, 2023).

The most prominent strategic infrastructure cooperation between the two countries in the economic sector is the Jakarta-Bandung Fast Train and the Nusantara Capital City. These two infrastructures symbolize the cooperation between Indonesia and China. It is hoped that such cooperation will encourage not only economic growth but also the formation of a foundation of trust in political cooperation and collaboration. (Pratista, Putra & Purnomo, 2025; Yamin, M., & Windymadaksa, 2017).

In the long term, the sustainability of this partnership will depend on how both countries manage internal and external dynamics, synergize policies, and maintain open communication and coordination. Such an approach will ensure that this partnership can survive amid social and political turmoil and geopolitical pressures, while also becoming a catalyst for inclusive and sustainable global and regional economic growth.

CONCLUSIONS

The economic resilience of Indonesia-China remains positive despite substantial socio-political pressures in 2025. This is a product of decades of bilateral relations, which have historically shown that these relations have successfully adapted with almost no obstacles through strategic shifts in response to global trends in economics and politics.

Most importantly, these results underscore the crucial role of strategic collaboration in investment diversification, adaptive diplomacy, and policy framework synergy. Collaboration in robust partnerships in the green energy, manufacturing, and digitalization ecosystems has economically deepened the interconnectedness of both economies and advanced the Sustainable Development Goals.

Furthermore, effective risk management through a geopolitical framework focused on communication and collaboration, as well as the strategic role of third parties, has been fundamental to the positive outcomes of economic collaboration. This study encourages both governments to formulate adaptive and proactive frameworks and strengthen diplomatic economic collaboration.

Private sector stakeholders may also consider market and technology diversification to support resilience in volatile political and economic conditions. The future research agenda should focus on continuous monitoring of the socio-political and economic situation, as well as assessing the impact of strategic policy initiatives on changing bilateral dynamics. This is important as it can foster hope that Indonesia-China relations will continue to develop and contribute positively to regional stability and prosperity. A focus on continuous monitoring and ongoing research will likely help policymakers and economic actors manage the transition in a timely and effective manner.

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