

The Urgency of Bilateral Petroleum Relations Between Indonesia and Saudi Arabia As An Effort To Support Stable Economic Value

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Abstract: This article reviews the urgency of bilateral relations between Indonesia and Saudi Arabia, where Indonesia with all its capabilities and efforts, bilateral cooperation between Indonesia and Saudi Arabia is very well and smoothly established. However, currently, the decline in Indonesia's economic value continues to be echoed by the people and the nation, which at the same time Indonesia still maintains bilateral economic relations with several countries that can be said to have strong economic power such as Saudi Arabia, for example. This research aims to maintain the economic welfare of our nation so that it continues to be stable without any need to worry about the decline and decline of economic value in this country This article was made using a qualitative method using several research instruments such as reading books, journals and articles related to journal discussions The results are to encourage the nation's leaders as well as Indonesia's economists to compile a draft that systematically and carefully related to the planning of the continuity of cooperation between the two parties so that the bilateral process can be well established, it is also undeniable that the Ministry of Foreign Affairs and the Ministry of Finance of Indonesia also play an important role in this matter in order to maintain Indonesia's economic stability.

Keywords: Bilateral, Economy, Saudi Arabia, Indonesia, Middle East

Abstrak: Artikel ini mengulas tentang urgensi hubungan bilateral yang terjalin antara Indonesia dan Arab Saudi, dimana Indonesia dengan segala kemampuan dan upayanya, kerja sama bilateral antara Indonesia dan Arab Saudi terjalin dengan sangat baik dan lancar. Namun saat ini, kemerosotan nilai ekonomi Indonesia terus digaungkan oleh para rakyat dan bangsanya yang mana dalam waktu yang sama Indonesia masih menjalin hubungan bilateral Ekonomi dengan beberapa negara yang bisa dibilang memiliki kekuatan ekonomi yang kuat

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seperti Arab Saudi contohnya. Penelitian ini bertujuan untuk menjaga kesejahteraan ekonomi bangsa kita agar terus stabil tanpa ada perlu rasa khawatir dengan keterpurukan dan kemerosotan nilai ekonomi di negara ini Artikel ini ini dibuat dengan menggunakan metode kualitatif dengan menggunakan beberapa instrumen penelitian seperti buku bacaan, jurnal juga artikel artikel yang berkenaan dengan pembahasan jurnal Adapun hasilnya adalah mendorong para pemimpin bangsa juga para ekonom Indonesia untuk menyusun rancangan yang sistematis dan matang terkait perencanaan kelangsungan Kerjasama antara kedua belah pihak sehingga proses bilateral dapat terjalin dengan baik, juga tidak dapat dipungkiri bahwa Kemenlu dan Kemenkeu Indonesia juga berperan penting dalam hal ini demi menjaga kestabilan ekonomi Indonesia.

Kata kunci: Bilateral, Ekonomi, Arab Saudi, Indonesia, Timur Tengah



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Introduction

It is only right that research on the economy and bilateral relations between Indonesia and Saudi Arabia has become a major concern for economists and state officials for some time now and it is hoped that this research will continue until bilateral relations between the two countries are truly smooth and improving. Although many studies have been conducted, there are still many aspects that need to be studied and observed carefully and periodically, especially regarding the focus of obstacles to problems that occur between the two parties during bilateral relations and how to solve each problem that arises. Indonesia with all its capabilities continues to strive to maintain and improve its economic stability by increasing its bilateral cooperation with several countries in the fields of trade and economy, one of which is Saudi Arabia, which is one of the countries with the highest economic value in the Middle East, this is what opens the eyes of the world to flock to build bilateral cooperation with this country. The close bilateral relations between Indonesia and Saudi Arabia in terms of trade can again stabilize the Indonesian economy which has almost declined from normal figures. This should be worthy of important attention and requires a special attitude to be able to establish healthy bilateral cooperation without any interference that will later cause a

decline in cooperation between the two parties, and finally sever its bilateral relations.

This study aims to deepen and broaden our understanding as Indonesian people who want to see the welfare of the country on the threshold of our eyes about the agile attitude that must be taken by the country in maintaining cooperation with Saudi Arabia, especially in the field of petroleum, which later with this research can help smooth the preparation of designs and plans between the two parties in building ideal cooperation, also become a recommendation for the Ministry of Foreign Affairs and the Ministry of Finance in carrying out the sustainability of their duties in the future. Through this research, it is hoped that there will be a positive contribution to the economic welfare of the Indonesian people and the sustainability of bilateral relations between the two countries, especially in the field of petroleum.

In previous studies conducted by economists through articles and journals that have been published on various existing platforms, they have identified that cooperation between Indonesia and Saudi Arabia must continue to be maintained considering the many benefits that will be achieved with cooperation between the two parties, especially in the oil sector because Saudi Arabia is one of the countries with the largest oil reserves in the world, besides that they also pay attention and are vigilant about Saudi Arabia's oil which will certainly decrease over time so that there needs to be follow-up to the problems that will arise later. This study takes a new perspective and expands the discussion starting from the economic conditions of the two countries as well as the urgency of cooperation between the two parties, of course, with a focus on existing research. Of course, we as the people of Indonesia fully support all the attitudes taken by the state leaders who are entrusted to the Minister of Trade and also the Minister of Economy of the Republic of Indonesia by the President of the Republic of Indonesia, all the efforts and efforts they make are none other than for one purpose, namely to prosper the people of Indonesia and restore the image of Indonesia which some countries look down on the motherland because of the piling debt, the welfare of its people is not good, and the economic value is declining day by day so that this country must submit to

several countries that eliminate the image and dignity of the nation. It is fitting that we as a society fully support all these efforts and efforts towards a prosperous Indonesia in the future. Because the future of Indonesia is in our hands, not only in the hands of the rulers. If not us, then who else will fight for this, if not now, then when else will this be resolved?

In this study, the author will provide a general description of the cooperation activities that must be built by the two countries and provide suggestions to the government to continue to maintain its cooperation with Saudi Arabia. This study uses qualitative to collect data from various journals, articles and various reading books. This data will then be analyzed using qualitative methods to achieve perfect research results and conclusions.

Finally, the results of this study are expected to provide concrete contributions and solutions in improving the economic welfare of the community through the bilateral relations built between the Indonesian government and Saudi Arabia, especially in the oil sector. It is fitting that the Indonesian economy becomes one of the prime elements that must receive more attention from various parties, because it also concerns the issue of the welfare of the Indonesian people which is stated in the basic ideology of the Indonesian state. Therefore, the Indonesian people really hope that the welfare of Indonesia continues to be echoed by the leaders and can also be maintained in order to maintain the integrity of the Republic of Indonesia. It is not wrong if the economy becomes one of the elements that must receive important attention from state officials and also full support from all Indonesian people from Sabang to Merauke.

Method

This journal method uses library search or qualitative method, namely the method of collecting data from various existing sources such as journals, reading books and articles related to the discussion of topics in the journal. It is also done by understanding and studying theories from a number of literatures related to research, namely on the topic of the Middle Eastern economy and others related to the topic of the journal. The analysis method was chosen

considering the research situation which is more directed and supports the qualitative method. Many references from various sources can be used as reference materials in this journal, especially journals or articles that discuss micro and macro economics and the economic situation in the Middle East so that they can be combined with the topic of discussion in the journal. Library materials obtained from various references are analyzed critically and in depth in order to support propositions and ideas.

The State of Indonesia's Economy

In a speech delivered by the vice president of the Republic of Indonesia at an economic conference in Yogyakarta on February 3, 1946, it was said that the political basis of the Indonesian economy was anchored in the 1945 Constitution in the chapter on social welfare article 33. Meanwhile, Sumitro Djojohadi Kusumo in his speech before the "School of Advanced International Studies" Washington, D.C., on February 22, 1949 He also emphasized that what is aspired to is a kind of mixed economy, namely certain fields will be nationalized and run by the government, while others will continue to be located in the partial-business environment (Rosyda, 2021). After much discussion by previous leaders regarding the basis of the economy that will be built by Indonesia, there is a need for the development of Indonesia's economic system as time goes by that must be in harmony with the passage of time and the times. Because the ancient economic system used by Indonesia in running the wheels of government will find many challenges in the future, which will lead to the failure of efforts to stabilize the value and economic figures in Indonesia. Fluctuations in economic growth throughout 2016 indicate that the Indonesian economy has not yet gained momentum in maintaining high economic growth in the future. Various events that occurred at the global and national levels directly put pressure on the national economy (Hartati, 2017).

The government is trying to encourage economic growth in Indonesia in various ways, one of which is by encouraging investment. Increased investment is expected to have an impact on business actors, both locally, nationally and internationally. So it is clear that the increase in investment value

is expected to have a positive impact on the country's economy. Currently, the Indonesian government is starting to concentrate on changes towards a green economy. So that it is not only about improving the economy and development of the country, but also by paying attention to environmental aspects. The concept of a green economy can encourage a shared understanding that the country is able to carry out infrastructure development while maintaining the surrounding environment, this can increase economic growth itself (Sudrajat, 2024).

Talking about the economy, inseparable from the challenges that exist in its development and enhancement for the welfare of the people, this is not only in Indonesia but many other countries that are experiencing challenges and obstacles in applying a stable economy in each country. So we see that when the economic value decline occurs in Indonesia, we need to observe what are the causes of the decline in the value of the Indonesian economy so that this makes this an important thing that must be corrected immediately and periodically, the magnitude of the influence of the rupiah fall on the national economy should not be underestimated. The government must fix the root of the rupiah value problem, which has continued to collapse since the economic recession in 1998. Practically, since the 1998 crisis, the value of the rupiah has been classified as the worst in the world. The root cause of the collapse of the rupiah is actually because the supply of incoming US dollars is lower than the outgoing dollars from within the country. This is due to a trade balance deficit. Since the last few years, Indonesia has experienced a trade balance deficit triggered by the high value of imports compared to national exports, especially for fuel oil (BBM) and food commodities (Siregar, 2019). This is one of the causes of the decline in Indonesia's economic value. It is appropriate that the currency case is a special concern for us in order to be able to restore and stabilize the selling value of Indonesia with other foreign countries, where the selling price of their currency has a higher value than ours, but this will not be a serious thing if all eyes of all elements are focused on this and take enough focus on improving this very serious thing for the sake of the stability of Indonesia's economic value and the welfare of the people Indonesian.

Simplification of the exchange rate system and trade procedures did not immediately increase exports and foreign exchange. To save the situation in 1966, steps were needed that could immediately ease the imbalance between foreign exchange needs and availability. Therefore, the second path taken was to conduct intensive diplomacy to obtain debt rescheduling and at the same time obtain emergency/new loans so that imports to meet domestic production and consumption needs could be met immediately (Boediono, 2017).

Also not spared from the discussion of the economic situation in Indonesia is how the state of Indonesia's economy after the spread of the covid 19 virus which killed many of Indonesia's MSMEs and complicated bilateral cooperation between Indonesia and other countries due to import export restrictions imposed by every country to reduce the spread of covid 19. The community's economy seems to be at an impasse, many MSMEs also have to enforce an online system, it is really sad that Indonesia's economic situation after being hit by an outbreak that paralyzed the Indonesia economy at that time. In fact, quoted from the website of the Ministry of Finance of the Republic of Indonesia, the Covid-19 Pandemic has a very significant impact on the Indonesia economy, ranging from changes in the world supply chain to a decrease in foreign investment into Indonesia. The decline can be seen through the slowdown in economic growth which fell from 5.02 percent in 2019 to 2.97 percent in 2020. The initial question that must be answered by the advocates of Pancasila economics is what is Pancasila economics theoretically-conceptually and empirically?

One could even ask further, are there any examples? Is Pancasila economics just a fantasy or an abstract idea? These are the questions that have not been fully answered by advocates of Pancasila economics, especially Prof. Mubyarto.

But it must be admitted that what is more prominent is the criticism of economic thinking and reality in Indonesia that is opposed and intended to be replaced by Pancasila economics. This criticism has been written a lot by Dr. Sri-Edi Swasono from his very broad research impressions, Prof. Mubyarto said that the practice of Pancasila economics or Pancasila economics in action can

easily be found and recognized everywhere throughout Indonesia. This economic practice is often referred to as the "people's economy" which is moralistic, democratic, and independent. With this description and discussion, Pancasila economics is often identified with the people's economy.

If one of the faces of the Pancasila economy is the people's economy found in the regions, in rural areas and small towns and villages. cities in Indonesia (where many people's industries or people's crafts are found). then this picture is close to the green stream in Galtung's theory (Hasang & Nur, 2020).

Inflation has a significant and negative effect on Indonesia's Economic Growth in 2016-2020. This is due to unexpected economic problems that occurred in Indonesia, especially for example, inflation that occurred in 2020, namely increasing inflation due to the Covid-19 pandemic that hit Indonesia which had an impact on increasing fuel and basic food prices, decreasing public purchasing interest and increasing unemployment in Indonesia. The higher the inflation rate in Indonesia, the more it will affect economic growth rates (Salim, 2020).

Inflation and Unemployment Problems in Indonesia

It is undeniable that inflation and unemployment in Indonesia are rising day by day, which worsens Indonesia's economic situation. Inflation is a general increase in prices and occurs continuously in a certain period (Anita et al., 2022). This is a serious problem in the country, because this will make it difficult for people who have lower and lower middle economic qualities to meet their daily needs. Inflation also has an impact on the poverty rate of the people which is getting more and more prominent day by day, not only that employment which is getting shorter every day also makes problems that are no less serious than the inflation problem which causes the unemployed to mushroom everywhere, especially in big cities that have a high UMR value. Unemployment can cause people to be unable to maximize the level of prosperity they can achieve. This happens because unemployment can cause the real (real) national income achieved by the community to be lower than the

potential income (income that should be). Therefore, the prosperity achieved by the community will be lower, unemployment will cause state revenue from the tax sector to decrease. This happens because unemployment will cause economic activities to decline so that people's income will also decrease. Thus, the taxes that people must pay will decrease. If tax revenues decrease, funds for government economic activities will decrease so that development activities will continue to decline, unemployment will also not increase economic growth. The existence of unemployment causes people's purchasing power to decrease so that the demand for manufactured goods is also Reduced (Ahman & Indriani, 2007).

Economic Situation of Saudi Arabia

Reporting from the Wikipedia.com Economic website, Saudi Arabia is supported by the existence of oil fields with strict supervision from the government of all economic activities. Saudi Arabia processes at least 18% of the world's petroleum needs, earning it the nickname of the world's largest petroleum exporter, and played the role of chairman of the Organization of the Petroleum Exporting Countries for several years. The petroleum sector is also the largest contributor to Saudi Arabia's national income. This is certainly inseparable from the economic system applied by Saudi Arabia in managing oil in its country and exporting oil imports to other countries, because it is undeniable that oil is one of the most important natural resources in the world, we can see where all countries really need oil and cannot be separated from this one natural resource. Oil plays an important role in the life of every country, thus making the whole world dependent on the oil king of Saudi Arabia in terms of oil import exports. This is what makes one of the factors of Saudi Arabia's economic progress.

But not only that, as we know that Saudi Arabia is the mecca of worship for Muslims from all over the world, both Umrah and Hajj, Saudi Arabia also does not waste their golden opportunity to develop their economy when its country becomes the mecca of worship for Muslims from all over the world who

visit every year to carry out the Hajj. Even those who visit it at the turn of the day in droves for Umrah activities, this has been successfully utilized by the government of Saudi Arabia, where they offer various infrastructures and supporting facilities for Muslims in their visits for Umrah and Hajj which later the results of these facilities and infrastructure can build the economy of the Saudi Arabia government to be more developed.

But unfortunately, this country is also inseparable from corruption cases like other countries. This often happened in the 17th - 18th centuries during the Ottoman Ultino. The king who is famous for committing illicit corruption throughout the history of Saudi Arabia is king Saud or better known as ibn Saud.

Like other countries, Saudi Arabia was also affected by the coronavirus outbreak that paralyzed the Saudi Arabia economy, even the Saudi Arabia authorities said that coronavirus cases were continuously identified and increased to 1104 cases (wordometer data, so that it had an impact on the suspension of travel by air and sea to Saudi Arabia and the ban on night trips for 21 days to prevent the spread of the disease. It was also announced that people who provide incorrect health-related information at the entrance will pay a fine of up to SAR133,000 (KSA's Ministryof Interior, 2020).

Macro and micro scale, but it seems that Saudi Arabia prioritizes preventing greater harm. On the global stage, Saudi Arabia has initiated the G-20 extraordinary summit virtually in the midst of the coronavirus pandemic Where this meeting focused on coordinating the responses from member countries and by prioritizing a series of coordinated policies from G20 country leaders against the COVID-19 outbreak with the aim of protecting people and maintaining global economic stability. From an economic perspective, a severe recession is likely to occur, which can even be seen in the impact in Indonesia through the movement of the rupiah exchange rate, which is already very Alarmingly, and some economists have called on the government to introduce measures in the framework of boosting aggregate demand. Referring to Keynesian theory, a decline in aggregate demand can cause the economy to collapse. But on the one hand, this theoretical recommendation is inadequate,

considering that the global economy experienced unprecedented shocks on the supply side. In fact, people are not at work because they are sick or quarantined. In such a situation, high demand will only drive inflation, potentially leading to stagflation where GDP growth is weak or falling in tandem with rising prices, as happened during the oil crisis of the 1970s (Barro, 1987).

Worse, measures that target improvements on the demand side can even be counterproductive, as the implications of this theory would encourage social contact, thus undermining efforts to limit virus transmission. It is a contradiction when the Italian government gives its people money to shop but at the same time the government closes shops and forces everyone to stay at home (Sikki, 2020).

The 2017 CSIS Indonesia National Survey on the views of the millennial generation regarding Indonesia's development domestically and abroad stated that the view of economic cooperation with China was considered unprofitable. (Economic) cooperation with Saudi Arabia was actually considered more profitable for Indonesia (27.4%, while cooperation with China was perceived as detrimental to Indonesia's (economy) (32.8%) (Pemungkas et al., 2020). Saudi Arabia's state-owned Aramco said in a statement that it would provide 12.3 million barrels per day of crude oil in April. That volume has even increased to 13 million barrels of oil per day. In addition to increasing its oil production, Saudi Arabia has also cut its selling price to customers by \$ 6 to \$ 8. The decision taken by Saudi Arabia has drawn a lot of responses from other countries (Widyastuti & Nugroho 2020).

In 2020, Saudi Arabia was elected as the G20 Presidency for one year. The Presidency is responsible for leading the direction of decision-making in the G20 forum in responding to global economic development through the theme "Realizing the Opportunity of the 21st Century". However, the emergence of the Covid-19 Pandemic has become a new threat and challenge for Saudi Arabia's leadership in carrying out its role as the G20 Presidency. Various projections and policy directions that have been determined by Saudi Arabia must change in order to adapt to the pandemic conditions (Riyanto & Fathoni, 2022).

Saudi Arabia as the world's oil king

As time progressed, the Arabs and Persians succeeded in finding the technique of petroleum distillation. This technique is used to separate oil so that it can be used as fuel for various needs. In the following era, natural gas first appeared on the Earth's surface. This gas came out of the ground and burned when lit with fire. Since then, people have called it natural gas (Haryata, 2019).

It is undeniable, since the beginning of the establishment of good bilateral relations between Saudi Arabia and, 5th Social Company which focuses on the world's oil industry, finally in 1938 when the government of King Abdul Aziz bin Abdur Rahman Al Saud, Saudi Arabia managed to find a large amount of oil reserves and had the potential to prosper his country, even claimed to be a country with the largest oil reserves in the world. This was started by the attitude of Abdullah bin Sulaiman who at that time served as the Minister of Finance of Saudi Arabia, where he was upset by the words of one of the imam of Masjidil Haram Shaykh Ibn Nimr forbade Muslims to cooperate with non-Muslims. This was directly opposed by Abdullah bin Sulaiman. The reason is, he thinks that even cooperation between Muslims and non-Muslims is okay as long as it does not interfere with the faith that has been embedded in every Muslim, he also bases the last verse of Surah al Kafirun in his opposition *"for you your religion, for me my religion."*

After considering this, he finally began to build cooperation with the Company and also western investors to find natural resources that were included in Saudi Arabia, because he believed that Saudi Arabia had many natural resources reserves that could not be found at that time. Until finally the search began until the discovery of oil reserves that were very strong to beat other countries such as Iraq and other countries, which at that time Iraq under the reign of Saddam Hussein with its various advances including natural resources and oil was unable to replace the value of oil reserves owned by Saudi Arabia.

however, this concession was later transferred to Standard Oil of California (SoCal) due to the red line agreement. An exclusive concession for 60 years was officially granted to SoCal by the Kingdom of Saudi Arabia in 1933. Through this concession, the Government of Saudi Arabia granted permission for oil exploration and production with an area of up to 360,000 square miles. SoCal then assigned their fully operational subsidiary in Saudi Arabia, namely the California Arabia Standard Oil Company (CASOC). The drilling process was only carried out two years after the concession was granted. During those two years, CASOC conducted surveys in concession areas in the form of deserts.

Some of CASOC's shares were then sold to Texaco in 1936 in order to obtain the discovered crude oil marketing facilities. The exploration paid off in 1938 when a large amount of oil was discovered at the Dammam Dome near Dhahran,²³ The area was named the "Prosperity Well" and was categorized as the richest oil location in the world. After the discovery of the Dammam field, CASOC again found three other potential oil 2 locations until 1941. This condition makes CASOC increasingly show its spurs in the energy world, and makes oil the main commodity that supports Saudi Arabia's economy. CASOC changed its name to Arabian-American Oil Company (ARAMCO) in 1944 This company later transformed into Saudi Aramco after being nationalized by the government of the Kingdom of Saudi Arabia (Manohara & Hikmahanto, 2023).

Bilateral Relations between Indonesia and Saudi Arabia in the Economic Field

The arrival of King Salman in 2018 was a breath of fresh air for Indonesia, because King Salman, who at that time served as the king of Saudi Arabia, began to want to rebuild cooperation with Indonesia, especially in the economic field. At the same time, Indonesia, which at that time was in dire need of investors for investment for companies developed by the state. The reason is that Saudi Arabia, which is dubbed as the lion of the Middle East

economy, is starting to be interested in strengthening its bilateral relations with Indonesia, especially in the economic field. This will begin to bring Indonesia's economy to a better realm in the future, The results of abnormal returns show that there is no significant difference in the investment agreement events between the Indonesian government and the Saudi Arabian government (Wijaya & Gunawan (2019).

In terms of investment, Saudi Arabia has enormous potential. Saudi investors are very closely identified with the royal family. This means that the palace's political and economic policies are always interrelated. Most of the wealthy Saudis are members of the royal family. For example, Prince Walid bin Talal bin Abdul Aziz is one of the richest people in the world with a fortune of USD 20 billion. In 2005, he donated USD 40 million to Harvard and Georgetown Universities for the development of Islamic studies. On the other hand, educational cooperation in Indonesia is mostly played by the Islamic and Arabic Education Institute (LIPIA) in Jakarta, which is planned to be developed in three regions in Indonesia (Machmudi, 2021).

One of the courses in the field of economics that is looked at by Indonesia to work with Saudi Arabia is in the field of Hajj and Umrah as we know that Saudi Arabia is a place where all Muslims gather to carry out Hajj and Umrah, this makes Indonesia interested in building cooperation in the field of Umrah and Hajj that can improve the state of Indonesia's economy in the future. In addition, Saudi Arabia also has qualified technological capabilities, this is also an attraction for Indonesia to build cooperation with Saudi Arabia in the economic field in the hope of improving and stabilizing the economic conditions of the two countries.

What about oil consumption in Indonesia? Along with the development of transportation and industry, oil consumption in Indonesia is always increasing. Initially, oil was sought on land, because it was considered easier. Over time, "oil reserves on land" are decreasing, while the world's oil needs are increasing. The largest oil reserves in the earth's crust are in Saudi Arabia, where Ghawar is the world's largest oil field. With an area measuring more than 280 km × 30 km, the giant oil field in Ghawar produces more than

6% of the world's oil. There is still a lot of oil in the earth's crust, namely in the Middle East. Canada has oil reserves almost as large as Saudi Arabia, but most of it is in the form of oil sands which are more difficult to refine. Currently, only three countries, namely Saudi Arabia, the United States, and Russia, pump more than 40% of the world's oil. More than 10 million barrels of oil are refined every day from oil reserves in the earth's crust in Saudi Arabia, the world's oil producing country, which is enough to supply oil to all of Western Europe. In addition to Saudi Arabia, Kuwait, Qatar, Iran, Iraq, the United Arab Emirates and Libya are also potential oil producers and also control the world oil market (Kotta & Wintolo, 2018).

The creation of cooperation in the field of digital economy between Indonesia and Saudi Arabia has marked the emergence of a new chapter in bilateral relations between the two countries in the direction of more projections on technological progress. Indonesia's Minister of Communication and Information, Rudiantara explained that the Umrah and Hajj market is a prospective and promising market for Indonesia and Saudi Arabia because all Muslims will definitely perform Umrah and Hajj. He also explained that this digital economy cooperation can encourage investment opportunities from Saudi Arabia in the digital sector, especially for the development of new unicorns in Indonesia with an estimated profit value of up to USD 1 billion per year for the development of the Digital Umrah Enterprise platform.

Indonesia and Saudi Arabia differ in several aspects of government systems, political, economic, and historical systems. However, the traditional Islamic relationship between the two countries makes the bilateral relationship closely established. The participation of the two countries in various international organizations causes both of them to have the same view in looking at the situation and developments in the international world today. Especially regarding the development of Islamic countries. The contribution of the two countries is very large and it is expected that their involvement in solving the international problems of Islamic countries is great.

For Saudi Arabia, Indonesia is important in terms of economy and geopolitics. In terms of economy, Saudi Arabia sees Indonesia as a very

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promising strategic partner, large market potential, cultural and religious similarities, as well as Indonesia's good economic growth, which is a consideration for Saudi Arabia to strengthen economic cooperation with Indonesia. The implementation of bilateral relations is inseparable from the achievement of an understanding between the two countries that carry out relations by relying on national interests in an effort to carry out politics abroad. Indonesia, which is the country with the largest Muslim population in the world, is a strategic partner for Saudi Arabia and other Middle Eastern countries. Based on the same interests and cultures, Indonesia is needed by Middle Eastern countries, especially Saudi Arabia, and vice versa. Despite experiencing ups and downs, the relationship between Indonesia and Saudi Arabia tends to improve from year to year. Facing its economy that has experienced a decline in recent years, Saudi Arabia is preparing to face changes in order to strengthen its economic strength which is no longer only supported by oil and gas resources, but also promising non-oil and gas fields. Through the Saudi Arabia 2030 vision which was launched at the beginning of the second quarter of 2016, the vision that proclaims Saudi Arabia as the heart of the Arab and Islamic world, an investment generator and a link between three continents, namely Africa, Asia, and Europe.

Marked by the visit of King Salman bin Abdulaziz al-Saud during a day in the country in 2017, bilateral relations between Indonesia and Saudi Arabia are entering an important chapter. From the bilateral meeting between Indonesia and Saudi Arabia, 11 cooperation was agreed which was outlined in the memorandum of understanding (Jumali et al., 2023).

The Urgency of Strengthening Bilateral Relations between Indonesia and Saudi Arabia in the Economic Sector

As a major player in the Gulf region, Saudi Arabia is also a member of the G-20 and a member of the international organization, OPEC. Given its relatively large GDP, Saudi Arabia is a place for workers or workforce from Indonesia, Pakistan and Bangladesh to look for job vacancies. So that foreign citizens from the three countries are quite a lot in this country. According to Drs. Eko

Hartono, Mpp 'Saudi Arabia is a magnet for immigrants'. Quoted from the website of the coordinating ministry for economic affairs of the republic of Indonesia Following up on the relationship between the two countries, Coordinating Minister for Economic Affairs Airlangga Hartarto held a bilateral meeting with the Minister of Economy and Planning of Saudi Arabia, Faisal Al-Ibrahim on Sunday (22/05) in Davos, Switzerland. There were several issues raised in the bilateral meeting, including trade between the two countries and cooperation plans in the field of investment.

Coordinating Minister Airlangga on the occasion expressed his hope that Indonesia can become a strategic partner of Saudi Arabia through the synergy of efforts of Saudi Arabia's Vision 2030 and Golden Indonesia Vision 2045. Coordinating Minister Airlangga also hopes that bilateral relations between the two countries will be closer together, especially in economic cooperation. The meeting also discussed various regional and global developments that are of mutual concern and interest. Coordinating Minister Airlangga also conveyed several developments related to the G20 Presidency and Indonesia's membership in the Global Crisis Response Group (GCRG) and hoped for the support and cooperation of the Government of Saudi Arabia in achieving common global interests.

Minister Faisal Al-Ibrahim responded by explaining Saudi Arabia's economic growth driven by oil and gas. Minister Al-Ibrahim also observed the current conditions where the war in Ukraine has caused volatility in energy, metals, and investment. Saudi Arabia has anticipated the impact of the war by increasing the capacity of the refinery. Saudi Arabia also hopes that the G20 can maintain the situation, especially food security. Although Saudi Arabia is not too affected, it is worried about the conditions in surrounding countries, especially related to the scarcity of fertilizers. The two Ministers also discussed the development of petroleum technology in Saudi Arabia such as Carbon Capture, Utilization, and Storage (CCUS) investment. In addition, it was also discussed about blue hydrogen and investment in the capital city of the archipelago. Minister Al-Ibrahim said that currently Saudi Arabia is also

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developing cities by building various infrastructures. Saudi Arabia is keen to cooperate in the provision of skilled workforce in the field of information technology in Saudi Arabia. The Minister of Saudi Arabia is also interested in cooperating in the field of culture which already has strong ties with Indonesia.

Saudi Arabia as one of the G20 countries also expressed its full support for Indonesia's G20 Presidency. Coordinating Minister Airlangga also expressed his hope that Saudi Arabia would participate in the G20 Development Ministerial Meeting.

Conclusion

Apart from the government system imposed by the Indonesia government in terms of economy, Indonesia must also build bilateral cooperation with developed countries that are convinced to bring a breath of fresh air to the future of Indonesia such as Saudi Arabia, for example, which excels in the economic field and is dubbed as the economic champion in the Middle East, this needs to be done in order to support the performance of the economic system of the Indonesian government. The bilateral relations built by Indonesia with developed countries also not only brought home zero results, but also produced very extraordinary results, Saudi Arabia which is interested in investing on a large scale with several companies in Indonesia such as oil refinery companies, hotels and others, not only that, the value of exports and imports has increased significantly which brings many benefits to the Indonesia government. So this is what the state must continue to maintain by our country and improved along with the development of the times and technology as well as the spread of food and board clothing materials in each country.

The cooperative relationship between Indonesia and Saudi Arabia is proof of how important bilateral relations are for Indonesia to immediately build with other countries, especially Middle Eastern countries. So the evidence between the cooperation between these two countries does not rule out the possibility for Indonesia to spread its cooperation network even wider for the welfare of its people, especially in terms of the economy which is currently starting to be unstable, especially after the covid 19 pandemic hit this beloved

country. Therefore, this cooperation does not rule out the possibility for Indonesia to be able to improve all its bad economic conditions

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