This research report by CSIS Indonesia examines Indonesia’s strategic dependencies, focusing on its potential economic “vulnerabilities” stemming from concentrated trade, supply chains, and investment in key sectors. As Indonesia aspires to become an advanced economy by 2045, it must navigate an increasingly complex global landscape where economic interdependence can be both an opportunity and a risk. The study highlights how geopolitical shifts and the rising discourse on economic security underscore the need for Indonesia to proactively manage its external dependencies and strengthen its economic resilience.

By employing a mixed-methods approach—integrating quantitative trade and investment analysis with expert discussions and scenario analysis—this research identifies Indonesia’s most critical economic relations. The findings reveal a significant reliance on a handful of trading partners, with China, Singapore, and a few other countries dominating Indonesia’s exports, imports, and foreign investment flows. Key sectors such as food, energy, technology, and pharmaceuticals remain particularly exposed to supply disruptions.

The food and energy sectors are the special focus of this research, noting its past importance and policy relevance. To mitigate risks in these sectors, the study proposes policy recommendations, including diversifying trade and investment partners, strengthening domestic industries, and enhancing regional cooperation through “preventive” economic diplomacy. By addressing these dependencies, Indonesia can reinforce its economic resilience, ensuring sustainable growth and strategic autonomy amid evolving global challenges.