

## The Trade Deal and Indonesia's Subjugation to U.S. Interests

### News:

The U.S. President Donald Trump announced a trade agreement with Indonesia, reducing a threatened 32% tariff on Indonesian goods to 19%. In return, Indonesia committed to buying \$15 billion in U.S. energy, \$4.5 billion in agricultural products, and 50 Boeing aircraft, including 777s. Trump claimed the U.S. would gain full market access to Indonesia without paying tariffs. The deal followed threats of higher duties and was finalized after talks with Indonesian President Prabowo Subianto. It remains unclear when the tariff reduction and purchases will take effect. Indonesia's trade with the U.S. reached nearly \$40 billion in 2024, with a U.S. goods trade deficit of about \$18 billion. Trump has been pushing similar trade pacts with countries like the UK, Vietnam, and China, while negotiations continue with India and the EU. The move is part of a broader effort to address what Trump calls unfair trade practices harming U.S. businesses. (Source: [The Guardian](#))

### Comment:

The recent trade development between Indonesia and the United States—hailed by the Indonesian government as a diplomatic success due to the reduction of U.S. tariffs from 32% to 19%—actually underscores a deeper structural weakness in Indonesia's international diplomacy. This so-called "success" is overshadowed by the fact that the U.S. secured major concessions: full tariff-free access to the Indonesian market, forced purchases of 50 Boeing aircraft, and billions of dollars in U.S. energy and agricultural products. In essence, Indonesia is not engaging in equal, sovereign negotiations but is being pressured into compliance.

This dynamic is not new. Since Indonesia's independence, the U.S. has played a significant role in shaping the country's political and economic orientation. Through mechanisms like foreign debt and donor dependency, the U.S. embedded itself in Indonesia's policymaking processes, influencing everything from economic liberalization to political governance. Indonesia's natural wealth—its oil, gas, copper, and gold—has long been extracted and exported under agreements that disproportionately favor foreign corporations, particularly those linked to U.S. interests.

What is particularly disheartening is the celebratory tone from Indonesian officials in response to what is essentially economic coercion. Rather than challenging the asymmetrical nature of the agreement or asserting Indonesia's right to protect its national industries and economic sovereignty, the government has chosen to publicly embrace the deal as a win. This reflects a broader pattern among Muslim-majority countries, where post-colonial dependency and the absence of genuine political independence continue to hinder efforts to develop strong, self-sufficient economies.

More broadly, this episode illustrates the geopolitical vulnerability of the Muslim world. Despite its vast natural and human resources, the Islamic world remains fragmented, weak, and unable to assert itself on the global stage. This weakness is not just economic, but also political and ideological. It explains the persistent inability of Muslim-majority nations to protect their own people, let alone offer meaningful solidarity to their oppressed brothers like the Palestinians.

Until Muslim societies develop political systems that prioritize sovereignty, unity, and self-reliance over submission to foreign powers and neoliberal institutions, they will continue to be mere instruments in the hands of global powers. True independence requires more than lowering tariffs—it demands the courage to stand firm against economic exploitation and to build an order that serves the people, not external interests.

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