

ABSTRACT

In the early independence of Indonesia, Indonesia had maintained good relations with China and Taiwan. However, after China made the regulation of One China Policy which is applied by Indonesia, Indonesia can't have diplomatic relation with Taiwan. It is because every country which applied One China Policy should consider that Taiwan is a province in China and not a country. So, the relation between Indonesia and Taiwan is limited in the economy.

As the relation is limited by the economy, there is also no Taiwanese embassy in Indonesia and vice versa. The only representative in Indonesia of Taiwan is Taiwan Economic and Trade Office (TETO) that handles about the economic relation between both countries. There is also Indonesia Economic and Trade Office (IETO) in Taiwan. Both representative offices are not a governmental representative.

The economic relation between Indonesia and Taiwan is conducted by business to business or people to people. Indonesia-Taiwan economic relation is good although it is considered non-institutionalized economic relation. Then, Taiwan has proposed a more institutionalized economic relation by Economic Cooperation Arrangement (ECA). There were two joint studies that have been conducted by P2P LIPI and CIER about the feasibility of ECA in the relation between Indonesia and Taiwan. However, the ECA between Indonesia and Taiwan is not continued or has been postponed. It can be said that there is no continuation of Indonesia-Taiwan ECA.

This research is conducted in order to understand the reason of Indonesia to build the ECA with Taiwan, although the relation between Indonesia and Taiwan remains good without ECA. The scope of the research is limited in 2012-2015. The research is conducted by the qualitative method, which is collecting the data that is used to analyze and also would be the evidence of answering the research.

Keywords:

Indonesia, Taiwan, One China Policy, Economic Cooperation Arrangement (ECA), economic relation, non-diplomatic relation