

Disagreements in Boundary Interpretation Under UNCLOS 1982: The Indonesia–Malaysia Maritime Dispute Over Sipadan-Ligitan and Ambalat

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Abstract

Maritime boundary disputes between Indonesia and Malaysia reflect the structural complexity of applying the provisions of the United Nations Convention on the Law of the Sea (UNCLOS 1982). This normative legal research analyzes the normative ambivalence within UNCLOS 1982 specifically Articles 15, 74, 83, and 121 and its implications for the Sipadan-Ligitan and Ambalat Block disputes. The findings reveal distinct resolution mechanisms for each case: the Sipadan-Ligitan dispute was definitively resolved through international litigation at the International Court of Justice (ICJ) in 2002 based on the principle of effectiveness, whereas the Ambalat dispute remains unresolved in terms of final boundary delimitation and continues to be managed via non-litigious diplomatic negotiations. This study argues that international litigation poses significant risks of permanent territorial loss for Indonesia. Consequently, a non-litigious approach specifically a combination of sustained diplomatic negotiations, provisional arrangements, and joint development agreements under Article 83(3) of UNCLOS constitutes the most appropriate, pragmatic, and mutually beneficial mechanism for resolving maritime boundary overlaps in the Ambalat Block.

KEYWORDS

maritime boundary dispute; international law of the sea; UNCLOS

Introduction

The country of Indonesia is located between two oceans, namely the Indian Ocean and the Pacific Ocean and is located between two continents, namely the Asian continent and the Australian continent, causing the country of Indonesia to be at a world crossroads that has an impact on Indonesian waters which become the speed of free trade so that it is very easy for other parties to enter. In the Djuanda Declaration dated November 13, 1957 concerning the territorial waters of Indonesia which regulates the Indonesian sea and views the territorial waters of the country of Indonesia as a whole unit with a width of 12 nautical miles measured from the baseline connecting the outermost points of the outermost Indonesian archipelago (Hastuti, 2022).

The boundaries and natural resources owned by Indonesia often trigger disputes with neighboring countries, including the dispute between Indonesia and Malaysia where Malaysia claims that Sipadan and Ligitan Islands are its property which are located right on the border of the Makassar Strait. This dispute problem occurred because of differences in views regarding sea boundaries, differences in the number of agreements and the many unclear sea boundaries carried out by the Netherlands and England at that time which caused conflicts between countries.

Conflict or dispute is a situation where people have different factual understandings; and the disputes that occur are only experienced by their perceptions. (Klaim et al., 2021a)

Historically, maritime boundary negotiations between Indonesia and Malaysia have been shaped by underlying political tensions rooted in the 1963–1966 Confrontation (Konfrontasi). This historical mistrust initially hindered bilateral consensus and complicated legal interpretations regarding territorial sovereignty and maritime baselines." (Simamora et al., n.d.) However, in the context of contemporary international law of the sea, resolving maritime disputes requires moving beyond historical grievances toward normative frameworks provided by United Nations, (1982), particularly through structured negotiations and dispute resolution mechanisms (Kusmayadi, 2017).

Earlier legal studies, such as those by Sanjaya, (2021) and (Safitri et al., 2024), predominantly analyzed the 2002 International Court of Justice (ICJ) judgment regarding Sipadan and Ligitan, emphasizing the legal implications of the effectiveness principle. Conversely, political and defense-oriented studies (Ali et al., 2021; Sulaeman, 2018) have centered primarily on the security escalations and diplomatic standoffs in the Ambalat Block. While these studies provide valuable insights into specific cases or isolated resolution channels, they often treat litigation and diplomatic negotiations as mutually exclusive paradigms, overlooking a holistic normative evaluation of how UNCLOS 1982 principles function across both resolved and ongoing disputes between the same two sovereign states.

The concerns of the Indonesian President at that time were not without reason, because he saw past experiences where Japan was piggybacked by the Netherlands who wanted to re-colonize Indonesia. So since then the Indonesian state has learned a lesson so that there is no more domination of the Indonesian state by other countries. Despite the abundance of literature on individual cases, a significant research gap remains in the comparative normative assessment between the binding adjudication of Sipadan-Ligitan and the unresolved, non-litigious status of the Ambalat Block under the unified framework of UNCLOS 1982. Previous research fails to adequately explain why similar colonial-era baseline ambiguities yielded fundamentally different dispute resolution pathways adjudication versus prolonged diplomatic management. Furthermore, there is a lack of critical legal analysis regarding how the normative ambivalence within Articles 15, 74, 83, and 121 of UNCLOS 1982 can be pragmatically operationalized to prevent future territorial loss while fostering joint development in unresolved maritime zones.

As a result of differences of opinion regarding the merger, the impact felt by the people of North Kalimantan was the emergence of many wars, not between the Indonesian army and the Malaysian army but the North Kalimantan National Army against the British army. Seeing this incident, it can be seen that the people of North Kalimantan were indeed used as puppets by the British state. To bridge this research gap, this study offers clear academic novelty by presenting a dual-case comparative normative approach that juxtaposes the post-adjudication realities of Sipadan-Ligitan with the ongoing diplomatic framework of the Ambalat Block. Unlike previous descriptive accounts, this article provides a novel legal synthesis that evaluates the practical limitations of international litigation for archipelagic states and proposes a structured normative model. By integrating Article 83(3) of UNCLOS 1982 into the analysis, this paper advances a

pragmatic framework combining provisional joint development arrangements and maritime confidence-building measures (CBMs) as the most effective legal-diplomatic alternative for managing overlapping continental shelf claims.

After many wars, even until now the dispute between Indonesia and Malaysia continues, namely not only regarding the islands of Sipadan and Ligitan which are recognized but also many Indonesian cultures that are recognized by Malaysia such as Reog Ponorogo, Batikl and many more. recognized by the state of Malaysia. The academic significance of this research lies in its theoretical and practical contributions to the study of international law of the sea and state practice in maritime boundary delimitation. Theoretically, this study enriches the discourse on how UNCLOS 1982 provisions interact with historical colonial agreements, offering refined insights into the interpretation of equity and equidistance principles. Practically, the findings serve as an actionable legal reference for policymakers, diplomats, and international law scholars in Indonesia, Malaysia, and other ASEAN member states dealing with complex maritime overlaps, demonstrating how interim non-litigious solutions can safeguard national sovereignty while preserving regional economic and geopolitical stability.

In 1982, the UN Convention on the Law of the Sea or known as UNCLOS, which regulates international maritime law and regulates differences regarding the determination of a country's territorial boundaries, especially in the sea and archipelagic countries. Territorial seas owned by a country. The distance is 12 nautical nautical miles, the additional zone is 24 nautical nautical miles and the exclusive economic zone is 200 nautical nautical miles measured from baselines. (Lamandasa, Waha, & Gerungan, 2023).

The baselines of an archipelagic state are drawn as straight archipelagic baselines connecting the outermost points of the outermost islands under Article 47 of UNCLOS 1982. Conversely, the normal baseline for measuring the breadth of the territorial sea of a coastal state is the low-water line along the coast, as explicitly provided in Article 5 of UNCLOS 1982 (RI, 1996). A prominent example of a maritime boundary interaction between an archipelagic state and a coastal state is illustrated by the boundary delimitation dynamics between Indonesia and Malaysia.

The application of international law has caused many problems between the two countries because the location of the Indonesian archipelagic country is adjacent to the coastal country of Malaysia which is a source of dispute, namely the islands of Sipadan and Ligitan which are located on the border. Makassar Strait. This dispute problem occurred because of the many differences of opinion regarding territorial boundaries, as well as the unclear boundaries made by the Netherlands and England at that time.

This dispute problem arose because of the lack of nationalism in society, the lack of understanding of views regarding territorial boundaries and the lack of clarity regarding the territorial boundaries made by the Netherlands and England at that time, and until now there are still many disputes that have not been resolved by the country. Indonesia and Malaysia in particular are involved in a maritime border dispute. (Klaim et al., 2021b)

Overlapping claims between the archipelagic state of Indonesia and the coastal state of Malaysia directly affect sovereign rights regarding the exploration, exploitation, and management of living and non-living natural resources, as well as maritime jurisdiction under UNCLOS 1982. To address these legal complexities, this study aims to answer two fundamental research questions: (1) What dispute-resolution mechanisms both litigious and non-litigious have

been applied to resolve the maritime boundary disputes between Indonesia and Malaysia? and (2) What are the legal and geopolitical implications of these disputes on the sovereignty and maritime boundary delimitation of both nations?.

Methods

This study employs a normative legal research method to examine legal norms, principles, and binding regulations surrounding maritime boundaries (Tan, 2021). To address the research questions, this study applies both a statute approach analyzing international legal instruments such as UNCLOS 1982 and relevant national legislation and a case approach, focusing on the legal reasoning of the [International Court of Justice, \(2002\)](#) (ICJ) judgment regarding the Sipadan-Ligitan dispute. The research utilizes primary legal materials (international conventions and national laws) and secondary legal materials (academic literature, legal journals, and official reports). These materials are systematically examined using a qualitative descriptive-analytical technique to derive normative conclusions regarding maritime boundary disputes between Indonesia and Malaysia.

To collect legal source materials for this research, a literature study was conducted. This means reading literature, previous research findings, scientific works, and journals. (Ridwan et al., 2021) In addition, the collection of legal materials is carried out by identifying laws and regulations. Furthermore, the legal materials are classified and systematized according to the research topic. Therefore, the method of collecting legal source materials used in this study is library research. Literature studies are carried out by reading, reviewing and making literature reviews related to the research title, namely the analysis of the settlement of maritime boundary disputes between Indonesia and Malaysia. To analyze the sources of legal materials collected, a normative analysis method will be used, namely by reading, reviewing and making reviews of library materials.

Result and Discussion

Dispute Resolution Methods That Have Been Applied in the Maritime Boundary Conflict between Indonesia and Malaysia

The maritime boundary disputes between Indonesia and Malaysia most notably over Sipadan and Ligitan islands in the Celebes Sea originated from ambiguous territorial demarcations inherited from colonial powers. Divergent legal interpretations centered primarily on the Anglo-Dutch Boundary Convention, signed in London on June 20, 1891, alongside its subsequent supplementary agreements in 1898 and 1915. While these conventions established boundary lines along watersheds (watershed/mountain ridges) and specific parallels, they failed to explicitly clarify the status and sovereignty over off-shore islands such as Sipadan and Ligitan, ultimately resulting in prolonged territorial claims between the two successor states.

While international law provides various peaceful mechanisms for dispute settlement such as negotiation, mediation, conciliation, arbitration, and judicial settlement under Article 33 of the UN Charter the Indonesia-Malaysia dispute over Sipadan and Ligitan highlights the decisive weight of judicial adjudication by the International Court of

Justice (ICJ). A critical examination of the 2002 judgment reveals that the ICJ's ruling was not based on treaty interpretation or historical title, but strictly on the doctrine of "effectivités" (effective occupation).

The ICJ rejected both countries' primary arguments regarding inherited colonial title. Indonesia relied on the 1891 Anglo-Dutch Convention, arguing that the 4°10' North latitude line extended eastward across the sea to divide the islands. However, the Court determined that the 1891 Convention was intended only to delimit land boundaries on Borneo island, not to establish a maritime boundary allocating offshore islands. Conversely, Malaysia claimed title through succession from the Sultan of Sulu and subsequent British concessions. The Court found this chain of title insufficient, concluding that neither party possessed an absolute treaty-based title to Sipadan and Ligitan.

Faced with the absence of a clear conventional title, the ICJ turned to the principle of effectivités evaluating administrative acts performed à titre de souverain (in the capacity of a sovereign) prior to the critical date (1969). Indonesia cited naval patrols, traditional fishing activities, and anti-piracy operations in the area. However, the ICJ dismissed these as non-sovereign, sporadic acts lacking specific legislative or administrative intent. In contrast, the Court ruled in favor of Malaysia due to its continuous, uninterrupted administrative acts, specifically:

1. The enactment and enforcement of the Turtle Preservation Ordinance of 1917 by the British North Borneo authorities;
2. The collection of turtle eggs and regulation of native fishing; and
3. The construction and maintenance of lighthouses on both Sipadan and Ligitan in the early 1960s, without timely protest from the Netherlands or Indonesia.

The 2002 ICJ judgment carries profound normative implications for maritime delimitation and archipelagic state sovereignty under UNCLOS 1982. First, it established that minor administrative acts (such as environmental conservation and infrastructure maintenance) can legally override historical claims if left unchallenged by neighboring states. Second, the loss of Sipadan and Ligitan disrupted Indonesia's archipelagic baseline claims in the Celebes Sea, directly impacting the allocation of the Exclusive Economic Zone (EEZ) and continental shelf boundaries in the nearby Ambalat Block. This outcome demonstrates the critical legal vulnerability archipelagic states face when relying on historical rights without maintaining continuous, documented administrative control over outer island territories.

The Netherlands and England did not guard their borders properly, so Indonesia and Malaysia clashed over the islands of Sipadan and Ligitan. The dispute over Sipadan and Ligitan spanned from 1967 until its resolution in 2002. Although both nations agreed in 1969 to maintain the status quo over the disputed features, Malaysia unilaterally issued a new official map in August 1979. In this map, Malaysia claimed Sipadan, Ligitan, and Karang Unarang by drawing a median line that overlapped with Indonesia's oil and gas concessions in the East Ambalat and Bukat Blocks (Utami, 2012; Wattimena, 2022). However, Malaysia unilaterally announced a new map in August 1969. By drawing a median baseline between the Indonesian and Malaysian baselines against Indonesia's oil and gas exploration areas in the Bukat Block and Ambalat Block, Malaysia showed the islands of Sipadan and Ligitan. and Karang Unarang on this map (Aisy et al., 2023).

In 1960, a similar problem occurred in Sulawesi, where the sea boundaries were still unclear. This also applies in Ambalat, where oil exploration is carried out on the continental shelf in the Sulawesi Sea. In this case, the

Indonesian state has granted oil concessions to foreign companies. In terms of the Sulawesi sea territorial claim, Malaysia made a new map in 1997, but this map is used by neighboring countries and other Southeast Asian countries.

In addition, it should be noted that with the legality of Sipadan Island and Ligitan Island, Malaysia will consider Malaysia as an archipelagic country. Sea boundaries must be calculated in accordance with the provisions of UNCLOS 1982, which means measured from the outermost point 12 nautical miles at low tide. However, Sipadan Island and Ligitan Island are not natural land in Kalimantan. In the conflict between Indonesia and Malaysia, both sent military forces from land and sea to defend their territorial sovereignty. It is hoped that the conflict between Indonesia and Malaysia, especially the Ambalat Block Dispute, will be resolved peacefully. At that time, the international community also supported peaceful conflict resolution methods.

The principle of peaceful dispute resolution was first mentioned in Article 1 of the Convention for the Peaceful Settlement of Disputes signed in The Hague on 18 October 1907. Article 2 paragraph (3) of the UN Charter then regulates the principles of international law on cooperative relations between countries, which were accepted by the UN General Assembly on 24 October 1970. This declaration contains a request for all countries to resolve their disputes peacefully so that peace between countries, international security and justice for each country are not disturbed. (Adolf, 2020).

International law does not stipulate that countries must choose a particular settlement procedure. This is stated in Article 33 (1) of the UN Charter which regulates asking countries to resolve their disputes peacefully in accordance with the agreements they have agreed to, as proof that peaceful dispute resolution can be achieved (Purwendah & Rusito, 2021).

This can be derived from various actions taken by Indonesian representatives at the level of head of state, minister, or even special delegation. Without military intervention from other countries, Indonesia was able to resolve the ownership dispute over Sipadan Island and Ligitan Island peacefully. If we look at the example of the Ambalat Block case, then this case can be categorized as a dispute regarding the application of international maritime law. The elements that influence this case are quite few in international law, the main problem in the case of the Ambalat Block dispute is the issue of maritime borders between Indonesia and Malaysia, although economic aspects are also included. The 1982 Law of the Sea Convention provides various methods for resolving maritime legal disputes, which shows the development of the international justice system, allowing for peaceful dispute resolution, which has been agreed upon by Indonesia and Malaysia. This method first of all has the ability to direct or force countries that have this convention system, so that it does not allow other countries to follow it. This chapter refers to Article 33 paragraph (1) of the UN Charter which states that if a dispute arises it must be resolved through negotiation, trial, mediation, conciliation, arbitration or fair dispute resolution.

Seeing the problems that occur in Indonesia and Malaysia is a territorial boundary problem where it is related to the internal interests of each country, and both countries choose to use several methods to resolve it, including litigation using international arbitration and international courts, while non-litigation methods can use the following methods: (Safitri et al., 2024)

Negotiation instruments

Negotiation negotiations are the initial step in resolving disputes, this can be seen from the meetings that have been held by representatives of the two countries which are planned to be held on March 23-24, 2005 in the city of Jakarta. Looking at the history of relations between Indonesia and Malaysia, this negotiation method is the right way to resolve disputes experienced by Indonesia and Malaysia because these two large friendly countries in Southeast Asia can be used as a basis for negotiations in finding a way out. the right solution. Malaysian Foreign Minister Syed Hamid Albar stated that the relationship between Indonesia and Malaysia is very close and intimate. He said that there is nothing that cannot be resolved by discussing the existing problems together.

Mediation Instruments

Mediation is a negotiation with the assistance of the parties, in which the main role in this mediation is played by the parties in conflict. The third party can be said to be a mediator, acting as a companion and advisor, as a dispute resolution mechanism. Mediation here is widely used by the community and is widely applied in various conflicts that occur. History states that Indonesia and Malaysia have conducted mediation to resolve their dispute. The Mediation Commission of three countries from Australia, Belgium and America was formed by the UN in August 1997. This mediation method is also widely used by other countries as an effort to resolve the disputes they face. In the event that this is not achieved, the 1982 maritime law convention has a non-binding dispute resolution method, namely the conciliation method as regulated in article 284 and tennis as regulated in appendix V of the 1982 Maritime Law Convention.

Conciliation Instrument

According to the procedure for resolving disputes carried out using this conciliation method, it begins with providing information to one of the disputing parties in article 1 of Annex V of UNCLOS 1982, the UN Secretary General who will hold the names of peacemakers appointed by countries from various conventions. where each country can appoint 4 people on the condition that the person appointed has a high reputation, is competent and has high integrity in accordance with Article 2 of Annex UNCLOS 1982.

The conciliation members consist of 5 members, 2 people are chosen from each party and the fifth is chosen from a list by four members and will become the chairman of the commission. However, if the appointment is not carried out properly, the UN Secretary General in this case will appoint someone on the list after consulting with various parties. (See Figure 1).

Under Article 287 of UNCLOS 1982, States Parties are entitled to choose one or more of the following compulsory dispute-settlement mechanisms to resolve maritime boundary disputes: (a) the International Tribunal for the Law of the Sea (ITLOS); (b) the International Court of Justice (ICJ); (c) an Arbitral Tribunal constituted in accordance with Annex VII; or (d) a Special Arbitral Tribunal constituted under Annex VIII. In addition, non-binding mechanisms such as conciliation procedures are governed under Article 284 and Annex V of UNCLOS 1982.

The institutions listed above shall have jurisdiction over disputes arising in connection with the interpretation and application of the provisions of this Convention. In special arbitration, the procedure to be determined in Annex VIII and to be used in disputes shall be: (Sulaeman, 2018)

1. Fisheries

2. Maintaining the marine environment
3. Marine scientific research
4. Ship pollution due to dumping

In addition to the institutions listed above, there are also institutions that have binding decisions, every decision issued by the institution is a final decision. Indonesia and Malaysia have tried to use this method through the international court when resolving the dispute over Sipadan Island and Ligitan Island. And in the end it can be concluded that there are many ways to resolve the dispute between Indonesia and Malaysia regarding the ownership dispute over Sipadan Island and Ligitan Island, both non-jurisdictionally and by using jurisdictional methods as long as it is agreed by the parties. both parties to the dispute.

Meanwhile, according to the author, in this case the resolution of the dispute between Indonesia and Malaysia was carried out using diplomatic pressure through negotiations between the two parties based on UNCLOS in 1982. This is because both countries have ratified UNCLOS in 1982. In UNCLOS in 1982, Kalimantan Island has territorial rights of 12 nautical nautical nautical miles, an additional zone of 24 nautical nautical miles, and an exclusive economic zone of 200 nautical nautical miles. Simply put, the island of Borneo, namely the northern part belongs to Malaysia and the southern part belongs to Indonesia. The division of these two regions is carried out from Sebatik Island which can be used as a starting point for maritime boundaries based on Article 38 paragraph (1) which emphasizes that the division of territory must be carried out fairly. The delimitation of overlapping maritime zones surrounding Sebatik Island and the broader Celebes Sea must be anchored in the specific provisions of UNCLOS 1982 rather than general principles of territorial division. Under Article 15 of UNCLOS 1982, the delimitation of the 12-nautical-mile territorial sea between opposite or adjacent states is governed by the median/equidistance line, unless historic title or other special circumstances necessitate a modification. For maritime areas extending beyond the territorial sea, Article 74 (EEZ delimitation) and Article 83 (Continental Shelf delimitation) explicitly mandate that both states achieve an 'equitable solution' through agreement on the basis of international law. In the case of the Ambalat Block, where bilateral negotiations have reached prolonged standoffs, Articles 74(3) and 83(3) further oblige Indonesia and Malaysia to make every effort to enter into provisional arrangements of a practical nature such as joint development zones without prejudicing the final boundary determination.

Furthermore, should diplomatic negotiations fail to yield a bilateral consensus, Part XV of UNCLOS 1982 provides structured binding mechanisms to resolve the deadlock. Beyond judicial settlement via the ICJ or ITLOS under Article 287, States Parties can resort to compulsory arbitration under Annex VII, which serves as the default procedure for disputes concerning the interpretation or application of the Convention. Additionally, for specific technical maritime disputes such as those involving fisheries, marine environmental protection, marine scientific research, or navigation Annex VIII establishes Special Arbitral Tribunals composed of specialized experts. The operationalization of these specific UNCLOS provisions, particularly Annex VII arbitration and interim joint development arrangements under Articles 74(3) and 83(3), offers Indonesia and Malaysia a robust legal pathway to resolve maritime overlaps constructively while safeguarding their sovereign rights.

A fair settlement, namely where the boundary line has

been considered fair by both parties, is carried out through negotiations to make a bilateral agreement to determine one line in determining maritime boundaries. An equitable settlement in maritime boundary delimitation is typically achieved through bilateral negotiations aimed at establishing a mutually agreed line. Under Article 6 of the 1958 Continental Shelf Convention and contemporary jurisprudence, this is commonly implemented via the 'two-stage approach' as demonstrated in the landmark Libya/Malta case. This method entails drawing a provisional equidistance line in the first stage, followed by adjusting or modifying the line in the second stage by taking into account relevant coastal geography and circumstances through diplomatic engagement.

Articles 74 and 83 of UNCLOS 1982 regulate the classification of the EEZ and the basis between a country with a neighboring or even opposing continental coastline which has several elements, namely by making an agreement based on international law as stated in the statute of the international court. article 38 to reach a settlement. which is fair.

The formulation of the principle of justice does not determine a particular method, only emphasizing a fair settlement. This is very different if we look at Article 6 of the 1958 Continental Shelf Convention which was formulated from the existence of an agreement. Consideration of special circumstances or median lines, or the principle of determining the same distance, is only limited to geographical aspects such as coastal configuration, coastal conditions, the existence of islands and shipping lanes. (Tuhulele, 2011)

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According to Churchill and Lowe, relevant circumstances have a broader scope, including:

1. geographical and geomorphological conditions
2. Location of land borders and progress of maritime boundaries
3. Historical rights
4. Economic situation

Another solution besides negotiation with bilateral agreements is to determine maritime boundaries using equidistant lines. The settlement of territorial boundary disputes between the two countries can use ASEAN in Article 22 paragraph (1) of the 2007 ASEAN Charter which regulates the principle of peaceful resolution through dialogue, consultation and negotiation. (Torry et al., 2013) Article 23 of the ASEAN Charter regulates dispute resolution by using mediation or good services with a third party carried out by the ASEAN Secretary General and other ASEAN member states (Kapang & Doodoh, 2024).

However, in this case, Malaysia cannot easily bring the case of resolving the maritime boundary dispute with Indonesia to ASEAN, considering Malaysia's track record of having problems with other countries, especially Southeast Asian countries, regarding the 1997 Malaysian map.

Resolving disputes outside the court is the first choice because the decision of the international court is final and binding. However, if the settlement cannot be resolved non-litigation, then another option is to use litigation settlement through an international court, then the decision must be based on the principle of justice by considering the related principles. By considering the relevant principles, the quality

of the international court's decision can meet the aspects of certainty and justice because it is not only based on the legal aspect but also considers the geographical, historical, economic, and geomorphological aspects

The impact of the maritime boundary dispute between Indonesia and Malaysia on both countries and their surrounding areas.

In the current era of globalization, border conflicts between countries have become very important in the context of geopolitics and economics. One of the conflicts that affects relations between Southeast Asian countries is the maritime boundary dispute between Indonesia and Malaysia. The two countries have long been involved in a heated debate regarding the Natuna sea boundary and the Kalimantan border area.

The hot issue regarding the dispute experienced by Indonesia and Malaysia not only has an impact on the two countries directly but also on the surrounding countries, there are also impacts experienced by the two countries:

1. The political impact of the dispute between Indonesia and Malaysia could be very significant. (Ali, Yudho, & Sianturi, 2021)
 - a. First, this dispute could affect the existing bilateral relations between the two, causing political tension and disrupting cooperation in various fields.
 - b. Second, this can affect the image that has been built by both countries if the dispute they are experiencing attracts world attention.
 - c. Third, the dispute that occurred could trigger the use of external parties to gain benefits from Indonesia and Malaysia through political and economic sector benefits by worsening the situation.
 - d. Fourth, the dispute experienced by Indonesia and Malaysia can be a test of the diplomatic and foreign policy capabilities of both countries, and can influence public perception of the government.
2. The economic impact felt by both countries, namely: (Sanjaya, 2021)
 - a. The dispute experienced by Indonesia and Malaysia can have an impact on the country's economy, such as in the fields of fisheries, oil drilling, and maritime trade. The uncertainty of territorial boundaries can affect and hinder investment and distribution of infrastructure within it.
 - b. The impact can also be felt through market instability and investor confidence, especially when the dispute is able to shake the world and cause political tensions that will have a major impact on trade and investment in both countries.
 - c. This dispute can trigger unhealthy economic competition both directly and indirectly, either through protectionism which can harm the economic growth of both countries.
 - d. Investor uncertainty regarding the extraction of natural resources in disputed areas which could hamper the growth of both countries.

In the specific context of the Indonesia–Malaysia dispute, these geopolitical and economic impacts were clearly manifested during the 2005 Ambalat crisis. The overlapping claims over the oil-rich East Ambalat concession block led to heightened military standoffs, characterized by the deployment of warships and air patrols by both the Indonesian Navy (TNI AL) and the Royal Malaysian Navy (RMN) near Karang Unarang. This militarization not only escalated diplomatic tensions but

also temporarily suspended offshore oil exploration activities by international energy firms, such as ENI and Unocal, thereby causing tangible economic delays and increased security costs for maritime resource extraction in the Celebes Sea.

Furthermore, the unresolved maritime boundaries directly impact local coastal communities and regional security frameworks within ASEAN. Traditional fishermen from both nations frequently face arrests and vessel seizures by maritime enforcement agencies for alleged illegal fishing due to overlapping Exclusive Economic Zone (EEZ) claims. Rather than causing hypothetical socio-economic collapse, the dispute primarily strains bilateral security management and tests ASEAN's principle of regional neutrality. Consequently, managing these disputes through provisional joint development arrangements (Article 83(3) UNCLOS) and maritime confidence-building measures (CBMs) is imperative to prevent accidental military clashes and safeguard regional economic stability.

The maritime boundary dispute between Indonesia and Malaysia also has a significant social impact on both countries, here are some of the impacts (Muhammad & Burhanuddin, 2023)

1. Tension between citizens: Boundary disputes can cause tension between countries, especially in border areas. This can trigger social relations between individuals, groups or even communities in the disputed area.
2. Identity and nationalism: Boundary disputes often strengthen nationalist sentiments and national identities held by both countries. In this case, a sense of distrust will arise among citizens, and can change the perception of the opposing country from good to bad.
3. Disruption of daily activities: Uncertainty due to boundary disputes can disrupt the daily activities of residents who will feel disturbed, for example, access to waters and fisheries becomes very limited so that it can affect the daily lives of people in the disputed border area. Especially if the majority of the community's livelihood is fishing.

To systematically comprehend how UNCLOS 1982 governs maritime boundary delimitation, [Table 1](#) synthesizes the core legal functions of the convention alongside their practical application in the Indonesia–Malaysia dispute. As summarized in [Table 1](#), UNCLOS 1982 provides the normative architecture for defining maritime zones ranging from the 12-nautical-mile territorial sea to the 200-nautical-mile Exclusive Economic Zone (EEZ) and extended continental shelf while establishing clear rules for baseline determination. The distinction between Indonesia's entitlement to draw straight archipelagic baselines under Article 47 and Malaysia's application of normal or straight baselines under Articles 5 and 7 forms the primary legal foundation for their overlapping maritime boundaries.

Furthermore, [Table 1](#) highlights the operationalization of dispute settlement mechanisms and delimitation principles specified under UNCLOS 1982. In resolving overlapping claims over the continental shelf in the Ambalat Block, Articles 74 and 83 mandate that coastal states achieve an equitable solution, frequently utilizing the equidistance/relevant circumstances method. When bilateral negotiations reach an impasse, Part XV of UNCLOS 1982 specifically Article 287 offers structured options for adjudication, including the International Tribunal for the Law of the Sea (ITLOS) and the International Court of Justice (ICJ). Ultimately, [Table 1](#) demonstrates that while UNCLOS 1982 establishes comprehensive procedural pathways, achieving a definitive boundary delimitation between Indonesia and Malaysia depends heavily on political will to negotiate provisional joint arrangements

under Article 83(3)."

The maritime boundary dispute between Indonesia and Malaysia not only affects the two countries, but also the countries around the two countries. Here are some of the impacts experienced by several countries due to maritime boundary disputes between countries. Indonesia and Malaysia: (Maria et al., 2022)

1. Regional Tensions: Maritime territorial disputes can trigger regional tensions in Southeast Asia that can affect political and security stability in the region, as well as countries such as Singapore, Brunei, the Philippines, and Vietnam who are very concerned about escalation or conflict in the region. the borders of the region.

2. Disruption to maritime trade: Disputed waters are a very important trade route for surrounding countries. Disruption to maritime trade can disrupt the flow of goods and increase logistics costs which have an impact on the economic disparities of countries.
3. Increased maritime tensions: The territorial boundary dispute between Indonesia and Malaysia can cause maritime tensions throughout the surrounding region.
4. Impact on strategic interests: The maritime boundary dispute between Indonesia and Malaysia can trigger strategic interests, such as the United States, China, or Japan, which may have political, economic, or security interests around the territorial boundary.

Table 1. The Main Role of UNCLOS 1982

Function	Implementation in the Indonesia–Malaysia Dispute
Establishing Maritime Zone Regimes	Regulates the territorial sea (12 nautical nautical nautical miles), Exclusive Economic Zone (EEZ) (200 nautical nautical nautical miles), and continental shelf boundaries for both countries.
Determination of Baselines	Article 7(3): Straight baselines must conform to the general direction of the coast, and the distance between base points should not exceed 12 nautical nautical nautical miles from the main landmass.
Equidistance Principle	The median line between the two states is determined using the equidistance method by applying a 12-nautical-mile buffer from the baselines to achieve a fair median line.
Continental Shelf of Archipelagic States	Includes the seabed and subsoil extending to the outer edge of the continental margin or up to 200 nautical nautical nautical miles from the baseline, and may extend up to 350 nautical nautical nautical miles.
Dispute Settlement Mechanisms	Provides options for resolving international maritime disputes through negotiation or adjudication before the International Tribunal for the Law of the Sea (ITLOS).

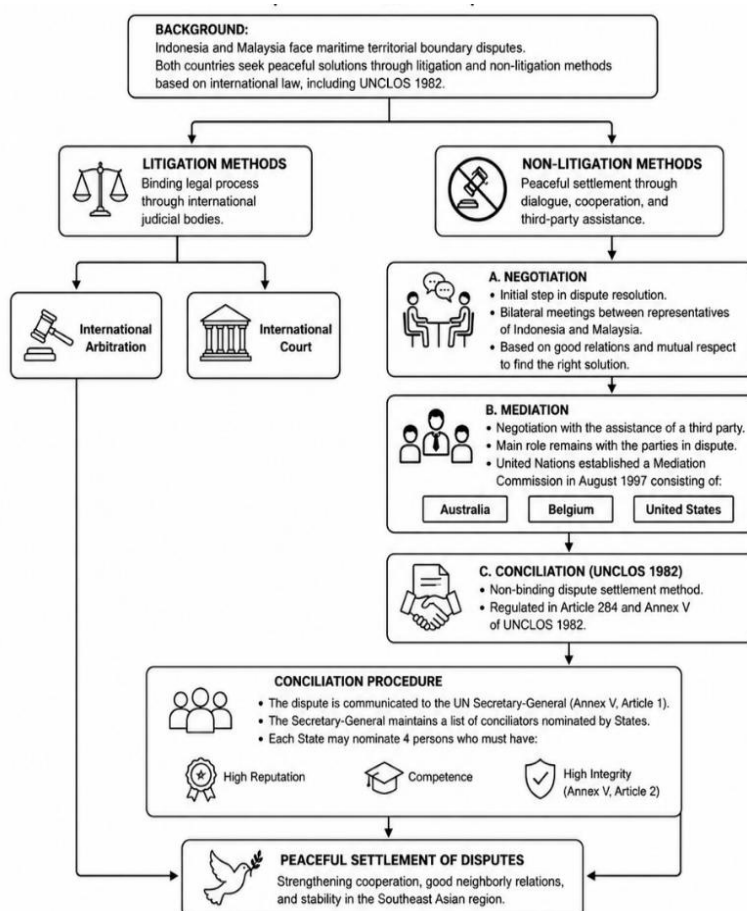


Figure 1. Non-Litigation Settlement Methods for International Maritime Disputes

Conclusion

The maritime boundary disputes between the archipelagic state of Indonesia and the coastal state of Malaysia most notably over the Sipadan-Ligitan islands and the Ambalat Block in the Celebes Sea stem from ambiguous colonial-era border demarcations. As established in the analysis, these overlapping claims originated from divergent legal interpretations of the 1891 Anglo-Dutch Boundary Convention and its 1898 supplementary agreement regarding watershed demarcation. While the dispute over Sipadan and Ligitan was definitively settled by the International Court of Justice (ICJ) in 2002 based on the principle of effectivités, the overlapping claims in the Ambalat Block remain

legally unresolved and continue to be managed through non-litigious bilateral diplomacy.

In the contemporary geopolitical landscape, unresolved maritime boundaries generate tangible political and economic risks, including bilateral tensions, resource exploration delays, and security friction affecting both nations and broader regional stability in Southeast Asia. To prevent potential escalation, this study concludes that relying solely on international litigation poses significant political risks. Instead, sustained bilateral negotiations combined with provisional joint development arrangements under Article 83(3) of UNCLOS 1982 represent the most pragmatic, effective, and mutually beneficial solution for maintaining sovereignty and economic stability.

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