CHALLENGES AND OPTIONS FOR MALAYSIA AND INDONESIA OVER
THE AMBALAT MARITIME DISPUTE

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DECLARATION

I hereby declare that the work in this thesis is of my own except for quotations and summaries which have been duly acknowledged.

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ABSTRACT

After the settlement of an undeclared war, also known as Confrontation in 1966, Indonesia and Malaysia worked together closely to enhance their bilateral relations under the spirit of "Serumpun" or cognate identities where both states share common language, culture and religion. However, despite their commonalities, still, Malaysia and Indonesia appear to have several unresolved territorial disputes. Among the recent one is the overlapping claim over an area called "Ambalat" in the Celebes Sea. The emergence of the dispute was related to the competing claims of sovereign rights over the exploration and exploitation. In an area which both states claim to contain massive hydro-carbon resource. The dispute was at its peak in 2005 when both states were on the verge of an armed conflict over the disputed area and has been said to be a potential 'hot-spot' between Malaysia and Indonesia. Both states are now in the process of negotiating to reach an agreement over Ambalat. However, Indonesia has so far shown no sign of compromise in the Ambalat dispute. This study is designed to analyze the challenges that hinder a peaceful settlement and to determine the possible option for the settlement of Ambalat. The data obtained for this research is based on qualitative method. Under certain circumstances, the settlement of dispute might be extremely complex since it involves the willingness of both states to compromise with one another's national interest. This study thus suggests that, both states will eventually find peaceful or status quo settlement regardless how long it takes to resolve the dispute.

Keyword:
Territorial claims, Ambalat, hydro-carbon, national interest, peaceful settlement, status quo
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