***Abstract***

*South Korea is one of the important strategic partner for Indonesia, bilateral cooperation between Indonesia and South Korea began with the signing of the Joint Declaration on Strategic Partnership by the President of Republic Indonesia Susilo Bambang Yudhoyono and South Korea's President Roh Moo Hyun on December 4, 2006 in Jakarta. The steel industry including basic metals industry, which is a strategic industry because it plays a role that is essential for the economic development of Indonesia. This industry as the mother of the industry, or supporters of other industries such as automotive and infrastructure. The steel industry is a supplier of vital materials construction of infrastructure such as highways, railroads, ships, transportation and agricultural needs tools namely hoes and machete. The largest steel industry in Indonesia are PT. Krakatau Steel (Persero) Tbk belonging to State-owned enterprises located in cilegon of banten, the company has contributed to the development of infrastructure in Indonesia, because the market potential of the steel industry in the country strategic made many world-class foreign companies who invest in Krakatau Steel. One of the company's steel industry of origin of South Korea Pohang Steel and Iron, namely Cooperation (POSCO) who have worked together for the past 8 years from the start of 2008 to date. Steelmaker POSCO is the 4th in the world, producing 41.9 million tonnes per year in 2015.*

*After the steel industry Krakatau Posco has much contributed to the community surrounding the area particularly Indonesia Cilegon of Banten, ranging from the country's steel consumption is increasing, unemployment as well as imports and reduced poverty levels. In addition to program the use of domestic products (P3DN) which continued to be campaigned by the Government beginning to look the result that because of the Government's commitment to Indonesia that continue to stimulate investors to invest in the sector of the steel industry in Indonesia. As for the purpose of this research is to know how to influence the cooperation between Indonesia and South Korea in the field of steel industry against Indonesia's national economy.*

*The methods used by the author is a descriptive Analysis, where this method of explaining, describing, and analyzing the phenomenon that is based of the results of the collection of data from various sources in the form of a reference book. While the collection of data from the study authors use research methods that are qualitative.*

***Keywords: Cooperation Between Indonesian and South Korea, The Steel Industry, The National Economy, PT. Krakatau Steel (Persero) Tbk.***