



**THE ROLE OF WORLD TRADE ORGANIZATION (WTO) IN THE  
PRACTICE OF DISPUTE SETTLEMENT BODY IN THE CASE:  
INDONESIA-EUROPEAN UNION BIODIESEL & NICKEL DISPUTE IN  
THE YEAR 2018-2022**

**UNDERGRADUATE THESIS**

**Submitted as one of the requirements to obtain  
Sarjana Sosial (S.Sos.)**

**By:**

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**FACULTY OF HUMANITIES**

**INTERNATIONAL RELATIONS STUDY PROGRAM**

**CIKARANG**

**JUNE, 2023**

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By

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A thesis presented to the Faculty of Humanities

President University

In partial fulfilment of the requirements for

Bachelor's Degree in International Relations

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## ABSTRACT

Free trade has opened the opportunity for countries to exchange commodities and to preserve their effort to fulfill domestic demands. In trade dispute as a phenomenon has reoccurring between countries and is very common. World Trade Organization has the capacity to authorize what is considered to be fair trade based on its member countries agreed-upon clause. The existence of this international organization ensures that member countries act in accordance to the ground breaking agreements. Indonesia-EU biodiesel and nickel dispute offers the opportunity to study the role of one of the World Trade Organization's General Council in accommodating the dispute in the case of Crude Palm Oil, biodiesel discrimination, and measures related to raw materials. This manuscript aims to provide the analysis of the role of WTO Dispute Body Settlement in the case of biodiesel and nickel dispute. To provide a clear scrutiny, this manuscript utilizes Barnett and Adler's concept h to study International Organization using both institutional and regime approach with the support of Barkin's regime and institutional approach to see how International Organization carries its role. The framework allows this analysis to define the affair of the dispute, the role of the institution, and the significance effect on certain agendas. The scopes of this analysis are evolved around, first, the role of the World Trade Organization as an international institution in regard to the GATT. To discuss this, an overview of the biodiesel and nickel ore dispute lawsuit will be thoroughly analysed using the available data from 2018 until 2022. World Trade Organization provides the forum for both countries to resolve the issue. Hence, the second scope is the injury and damage caused by the two countries and the obligations resulting from the panel results of the jurisdiction. Consequently, the third focus in this analysis is the significance of WTO Dispute Settlement verdicts and the prospects of the relationship of Indonesia and the European Union to which the role IOs carry according to Barnett & Adler concept.

Keywords: *World Trade Organization, European Union, Indonesia, Dispute Body Settlement, Crude Palm Oil, Nickel Ore*

## **ABSTRAK**

Perdagangan bebas telah membuka peluang bagi negara-negara untuk bertukar komoditas dan melestarikan upaya mereka untuk memenuhi kebutuhan domestik. Dalam perdagangan, sengketa sebagai fenomena antar negara sangatlah umum terjadi. Organisasi Perdagangan Dunia memiliki kapasitas untuk mengesahkan apa yang dianggap sebagai perdagangan yang adil berdasarkan klausul yang disepakati negara-negara anggotanya. Keberadaan organisasi internasional ini memastikan bahwa negara-negara anggota bertindak sesuai dengan kesepakatan yang telah dibuat. Sengketa biodiesel dan nikel Indonesia-UE menawarkan kesempatan untuk mempelajari peran salah satu Dewan Umum Organisasi Perdagangan Dunia dalam mengakomodasi sengketa dalam kasus Crude Palm Oil, diskriminasi biodiesel, dan langkah-langkah yang terkait dengan bahan mineral mentah dengan fokus analisis peran Badan Penyelesaian Sengketa WTO dalam kasus sengketa biodiesel dan nikel. Untuk memberikan pengawasan yang jelas, penelitian ini menggunakan konsep Barnett dan Adler untuk mempelajari Organisasi Internasional menggunakan pendekatan kelembagaan dan rezim dengan dukungan pendekatan berdasarkan studi Barkin untuk melihat bagaimana Organisasi Internasional menjalankan perannya. Kerangka tersebut memungkinkan analisis ini untuk mendefinisikan perselisihan, peran lembaga, dan efek signifikansi pada agenda tertentu. Analisis ini mencakup, pertama, peran Organisasi Perdagangan Dunia sebagai lembaga internasional dalam kaitannya dengan GATT. Untuk membahas hal tersebut, gambaran umum gugatan sengketa biodiesel dan bijih nikel akan dianalisis secara menyeluruh dengan menggunakan data yang tersedia dari tahun 2018 hingga tahun 2022. Organisasi Perdagangan Dunia menyediakan forum bagi kedua negara untuk menyelesaikan masalah tersebut. Oleh karena itu, ruang lingkup kedua adalah kerugian yang disebabkan oleh kedua negara dan kewajiban yang dihasilkan dari hasil panel yurisdiksi. Oleh karena itu, fokus ketiga dalam analisis ini adalah pentingnya putusan Penyelesaian Sengketa WTO dan prospek hubungan Indonesia dan Uni Eropa yang diimani oleh peran IO menurut konsep Barnett & Adler.

Kata kunci: *Organisasi Perdagangan Dunia, Uni Eropa, Indonesia, Badan Penyelesaian Sengketa, Minyak Kelapa Sawit.*

## ACKNOWLEDGEMENT

First and foremost, the author would like to preach and praise to the Almighty Allah SWT for all the great blessing the author has received. From the first time the author recognized her belief and faith, to the very present time the author is able to feel the air and live.

Secondly, the author would like to send gratitude to her parents and brother, for their nurturing love and affection, to the very well living condition the author's parents has provided and will always continue as long as the given time by the Almighty Allah SWT. Then, she would like to thank the lecturers that has bear the time and patience to teach and guide the author and make sure the author could gain the best form of education. Gratitude's are sent to the mentioned below:

1. Her thesis advisor, Mister Muhammad Sigit Andhi Rahman, Ph.D. for assisting the author from the very beginning of her thesis journey. The author could not ask for more, since every patience, and every compassionate action given by the honourable Mister Sigit allows the author to finish her journey.
2. To the examiners, for the given opportunity and time to defend the author's final project.
3. To the professor who had given her his own book, Prof. Drs. Anak Agung Banyu Perwita M.A., Ph.D. for his unforgettable classes at the beginning of the semester.

Then, she would like to send gratitude's to her family members, best friends, and friends who has been there and support the author up until now. Those incredible people are mentioned below:

1. Her grandparents, Gaek and Nenek. The author has managed to carry the family's kindness throughout the bitter and gloom of life. The author will always remember the appreciation of small good deeds that keeps herself at bay taught by her grandparents.
2. Her family, her uncle, Ardhienus, her aunt, Cuti Asih. Not to forget her cousins, Batrisyia, Bitu, Kenzie. Thank you for accompanying and

providing the author with the best warm meal and lovely chamber every single day ever since the author took her step into the house.

3. Her big family that she cannot mention one by one since the author is surrounded by amazing family members ever since she was a child.
4. Her best friends in Belitung, Adeliya Tia, Aliyah Larasati, Christina Senlie, Fina Kurniati, Nur Hidayanty, Selviana, Sofie Afifah. The author would always cherish the memories that they have made in their best high school era.
5. Her partner, Andi Azraf Akbar Rezal for staying near by the author's side despite all the troubles and challenges that they have had.

Lastly, the author would like to thank herself for her belief and faith. Even after all the sickness, the doubt, she still manages to settle herself for something that she truly cherishes.

Cikarang, 30 May 2022

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## **LIST OF ACRONYMS**

AD	: Anti-Dumping
ASCM	: American Production and Inventory Control Society
CPO	: Crude Palm Oil
DSB	: Dispute Settlement Body
DSM	: Dispute Settlement Mechanism
DSS	: Dispute Settlement System
DSU	: Dispute Settlement Understanding
EC	: European Commission
EU	: European Union
GAPKI	: Gabungan Pengusaha Kelapa Sawit Indonesia
GATT	: General Agreement on Tariffs and Trade
ILUC	: Indirect Land Use Change
IO	: International Organization
ISPO	: Indonesian Sustainable Palm Oil
KADI	: Komite Anti-Dumping Indonesia
RED	: Renewable Energy Directive
USDA	: United States Department of Agriculture
WTO	: World Trade Organization
FLEGT	: Forest Law Enforcement, Government and Trade