

CHAPTER V

CONCLUSION

In conclusion, Indonesia as a developing country that relies heavily on palm oil production and biodiesel industry has made to one of the leading producers and exporters in the world. Indonesia's palm oil plantation has made revolutionary achievement as it is the biggest contributor Indonesia's GDP, in particular, oil and gas export revenue over other sectors, such as mining, agriculture, and industrial.

Furthermore, biodiesel production increased rapidly supported by the Indonesian government's regulation in implementing the CPO Supporting Fund (CSF) and subsidize the biodiesel producers. The increasing Indonesian biodiesel production was enforced by Indonesia to boost its biodiesel export to many countries, especially to the European Union. However, the EU issued Council Regulation (EC) No 1225/2009 on protection against imported products, in particular, the biodiesel from Indonesia. Thus, Indonesia's interests were hampered due to the EU's restriction policy with high taxing on Indonesian biodiesel export companies.

The anti-dumping measures imposed from 8.8 percent to 23.3 percent (€76.94 - €178.85 per ton). Subsequently, this caused Indonesian biodiesel exports to the EU decreased severely. The Indonesian biodiesel export performance to the European Union declined drastically from 1.8 billion US\$635 million in 2013 liters to 47 million liters US\$9 million in 2016.

This reflects on the unfairness and inconsistency of the EU in obeying the WTO's regulation as the fair-trade upholder so that the Indonesian government filed a complaint against EU through WTO by considering the WTO's principle and dispute settlement procedures that in favor to developing countries, such as Indonesia. Through the dispute settlement mechanism, it acts as a negotiating forum on the global scale for government

representatives to sort out the problems occurred between member countries as the means of increasing cooperation through WTO.

Furthermore, Indonesia is also utilizing the WTO's most-favored-nation and national treatment as embodied in the nondiscrimination principles which has been clearly stated the WTO basic principles that are prescribing developing countries' interests. There is also found special and differential rights within the Dispute Settlement Understanding that visibly counseling developing countries, such as Indonesia, is given special and differential rights.

Therefore, the WTO is successful to run its DSB function as the fair-trade guarantor. Accordingly, Indonesia has been using its situation against the European Union in winning the case of anti-dumping measures on biodiesel from Indonesia to utilize DSB as a negotiating forum to conduct comprehensive and enhanced cooperation between member countries, and dispute settlement mechanism that prioritize the interests of developing countries which has been stated in the WTO's principle and DSU.

Eventually, the WTO guarantees Indonesia's interests as a developing country by accepting six of Indonesia's protests regarding anti-dumping measures imposed by the EU and recommending to the EU to lease its applied measures to Indonesian biodiesel which have been assured to be consistent to the Anti-Dumping Agreement and the GATT 1994. The Panel recommendation by the DSB also recommends the EU to bring its measures into conformity under the Anti-Dumping Agreement and the GATT 1994 accordingly to Indonesia's request.