ABSTRACT: The conflict that occurred between the European Union, which sued Indonesia at the WTO regarding the nickel export ban, is an issue that can be analyzed from an international law perspective. The analysis aims to examine the failure of the lawsuit against Indonesia's nickel export ban filed by the European Union and its implications under international trade law for Indonesia. This research adopts a normative legal research approach. The impacts felt by Indonesia due to the failure of the lawsuit filed by the European Union at the WTO include effects on mining-downstream industries, consequences for foreign investors, and environmental impacts resulting from meeting nickel export demands. Consequently, in conclusion, the trade dispute between Indonesia and the European Union has not reached a final resolution. However, Indonesia hopes that the resolution of the trade dispute between Indonesia and the European Union does not escalate to the retaliation stage and ultimately results in a win-win solution for both parties.

KEYWORDS: International Trade Law; Dispute Resolution and Impacts; Export Restrictions and Bans

INTRODUCTION
A country is the most important legal subject in international trade law, and it is the most complete legal subject. This is because a country is the only legal subject with sovereignty, plays a direct or indirect role in forming international trade organizations, and acts as a trader. A country can exist and function, but that does not necessarily mean it has sovereignty. Sovereignty is the ultimate authority a country holds to freely engage in various activities, including international trade (Hasan Basri, 2011).

International trade is one of the fastest-growing economic activities or business activities in recent times. International trade can also be defined as a transaction without borders, which can be seen from the increasing circulation of goods, services, capital, and labor between countries. Business activities can occur through export-import relations, investments, trade in services, licensing, franchising, intellectual property rights, or other business activities related to international trade. To support the implementation of business activities between countries, legal instruments in the form of regulations are required, both at the national and international levels (Muhammad Sood, 2012).

GATT (General Agreement on Tariffs and Trade) was in effect until 1994, and then in 1994, the World Trade Organization (WTO) was established. The existence of the WTO replaced several functions of GATT, including serving as an international trade organization, a dispute settlement forum, and a negotiation platform. The WTO was founded on January 1, 1995, based on the Marrakesh Agreement Establishing the World Trade Organization. The foundational law of the WTO can be categorized into five areas: rules on non-discrimination, rules on market access, rules on fair trade, rules on the relationship between trade liberalization and values and other social interests, and rules on the harmonization of national legal frameworks in specific areas. It can be said that the WTO has a broader scope of functions as an international trade organization compared to GATT, which only deals with tariff-related issues. The Indonesian government is one of the founding members of the World Trade Organization (WTO) and has ratified the Agreement Establishing the WTO through Law Number 7 of 1994 (Nur Farra, 2021).

Indonesia's entry as a member of the world trade through the ratification of Law Number 7 of 1984 concerning the Ratification of the Agreement on Establishing the World Trade Organization (WTO Agreement) has both external and internal consequences. External consequences require Indonesia to adhere to all agreements within the WTO forum. Internal consequences necessitate Indonesia to harmonize its national regulations in line with WTO agreements. Indonesia's participation in free trade encourages competitiveness within its domestic industries, both domestically and in export markets (Muhammad Sood, 2005).

Indonesia is one of the world's largest nickel producers, with nickel deposits totaling around 4 million metric tons out of the world's 80 million metric tons of nickel reserves. This positions Indonesia as the sixth-largest nickel-producing country globally.
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Current data recorded by the Ministry of Energy and Mineral Resources (Ministry of ESDM) in Indonesia indicates that the national nickel reserves are approximately 698 million tons. However, it is estimated that this figure will only be sufficient to meet economic needs for refining facilities for the next 7-8 years, while the national nickel ore demand is projected to reach around 20 million tons in 2020. This background led the Indonesian government to expedite the implementation of the nickel ore export ban, with the consideration of preserving the sustainability of raw nickel material from existing smelters (Komang, Hartana, Dewa, Ni Putu, Elly, 2023).

Recognizing the substantial potential of nickel, the Indonesian government has strived to increase the value-added of this commodity for Indonesia by enacting regulations that prohibit the export of raw nickel starting in 2020. The government, through the Ministry of Energy and Mineral Resources, issued Regulation Number 11 of 2019, which determined the acceleration of the ban on nickel ore exports, effective from January 1, 2020. This action prompted the European Union, as one of the world's major nickel consumers, to file a complaint with the WTO against Indonesia's policy of banning the export of raw nickel ore. President Joko Widodo of the Republic of Indonesia stated that this export ban is Indonesia's right as the owner of its natural resources. He emphasized that with the ban on raw nickel ore exports, the processed metal industry and the export value of processed metal products are rapidly growing (Ario Seno, 2022).

The data and facts indicate that Indonesia possesses substantial nickel reserves globally and strives to increase the value-added domestically by prohibiting the export of raw nickel. However, this policy faced a challenge in the form of a complaint from the European Union, where the European Union sued Indonesia at the World Trade Organization (WTO) regarding the policy of banning the export of nickel ore. In October 2022, Indonesia was declared to have lost in this dispute. This lawsuit has an impact on various aspects of the mining sector in Indonesia, especially concerning the threat to downstream industries. As stipulated in Article 33 of the 1945 Constitution, natural resources are to be used for the greatest prosperity of the people. The government may have a policy to maximize the value of mined resources. With the cessation of nickel ore exports, industries processing nickel ore into high-value commodities like ferronickel, whose value-added is 14 times that of nickel ore, or stainless steel billets with 19 times the value-added, can be developed (Thaus, 2022).

Research related to the prohibition of nickel exports has been conducted extensively. Hanina, Helitha, and Hula, in the Journal Mimbar Hukum of Gadjah Mada University, have written on a similar topic. However, what is discussed concerning the prohibition of nickel ore exports in Indonesia includes issues related to international trade stability. Additionally, Nur Farra, in her article in the Scientific Journal of Law Students, discusses a juridical study of international trade agreements related to restrictions and prohibitions on exports by the World Trade Organization (WTO) (A Study of Agreements between Indonesia and the European Union). The research examined in this article focuses more on the Juridical Review of International Law regarding the dismissal of the lawsuit to ban Indonesian nickel exports at the WTO filed by the European Union. Therefore, this article's discussion and problem formulation will be directed towards the juridical review from an international law perspective regarding the lawsuit's failure to ban Indonesian nickel exports at the WTO initiated by the European Union and its implications under international trade law for Indonesia.

PROBLEM FORMULATION
1. How is the international legal juridical review regarding the failure of the lawsuit to ban Indonesian nickel exports at the WTO filed by the European Union?
2. What are the consequences of the failure of this lawsuit under international trade law for Indonesia?

RESEARCH METHODOLOGY
Research is a systematic process, a framework of steps conducted, planned, and systematically to obtain solutions to specific problems or respond to particular statements. Research is fundamentally an effort to search, not just an observation carried out casually on an easily accessible object. This is because research aims to systematically, methodologically, and consistently uncover the truth. Through this research process, analysis and construction are carried out in relation to the collected and processed data. To achieve the best results, the research method used is normative juridical, consisting of:
1. The primary legal basis deeply examined in this research is the Regulations of the World Trade Organization (WTO), The General Agreement on Tariffs and Trade (GATT) 1994.
2. The secondary legal basis provides explanations regarding the primary legal basis. A secondary legal basis encompasses all documents of an official nature. The publication of a legal basis includes books related to the studied issues, research results, and legal texts.
3. The tertiary legal basis, namely legal terms, provides guidance and explanations for primary and secondary legal terms. This research employs a normative juridical research method with a descriptive nature and uses secondary data sources. Data collection is carried out through library research, summarized in qualitative analysis (Soerjono Soekanto, 2010)
DISCUSSION


Nickel is a hard metal with a white, silvery appearance and slight golden undertones. It is known for its strength, density, and resistance to both heat and corrosion. Additionally, nickel possesses excellent electrical and thermal conductivity properties. Furthermore, it is one of the four ferromagnetic elements, which means it can be easily magnetized at room temperature. Due to these qualities, nickel has various applications in various industries. One of its primary uses is as a raw material for manufacturing electrical cables. The export of nickel commodities plays a crucial role in driving Indonesia's economy, as Indonesia is one of the world's largest nickel producers. As of January 2020, Indonesia had substantial nickel reserves, totaling approximately 72 million tons, including nickel limonite, which has a lower nickel content. Indonesia has multiple key markets for nickel exports. In 2022, China was the primary destination, followed by Japan, South Korea, Malaysia, Norway, and Singapore. The Central Bureau of Statistics (BPS) reported that nickel exports and related products have been consistently increasing since the government implemented the ban on nickel ore exports in 2020.

Indonesia's nickel is a prominent commodity in the international market. In line with the increasing demand for nickel commodities used in electric vehicle batteries, Indonesia's nickel has been highly sought after by many countries, primarily in the European Union. In 2019, Indonesia's nickel production reached 52.76 million tons, marking a substantial increase of 138.8% compared to the production in 2018, which was 22.14 million tons. The rise in nickel production in Indonesia has also led to an increase in nickel exports. In 2019, Indonesia's nickel exports reached a total value of 30.19 million tons, representing a significant surge of 50.42% compared to the previous year. This increase in nickel exports from Indonesia is primarily driven by the growing demand for nickel from other countries, particularly the European Union. Consequently, nickel mining activities in Indonesia continue to expand to meet this rising demand.

Continued nickel mining activities may lead to a depletion of Indonesia's nickel reserves. It is estimated that Indonesia's nickel reserves will be depleted in approximately 7.3 years, starting from the year 2022, if mining continues without interruption. To address the issue of dwindling nickel reserves, Indonesia has implemented regulations regarding the prohibition of nickel exports. These regulations are outlined in the Ministry of Energy and Mineral Resources Regulation Number 11 of 2019, as amended by the second amendment of the Ministry of Energy and Mineral Resources Regulation Number 25 of 2018 concerning Mineral and Coal Mining Business Activities.

Several countries worldwide heavily rely on Indonesia to produce and export nickel to support various activities in their countries, such as manufacturing development. Consequently, Indonesia's decision to restrict nickel exports has adversely affected many countries, particularly those in the European Union region. While Indonesia has stated that the reason for tightening nickel export controls is to ensure the availability of raw materials, some affected parties argue that Indonesia has violated international trade regulations agreed upon by member countries of the General Agreement of Tariffs and Trade (GATT). As a result, the European Union filed a complaint with the World Trade Organization (WTO). The decision to file this complaint is not solely based on trivial reasons. This is primarily because many sectors in technology, development, and automotive industries that operate in their respective countries heavily depend on nickel from Indonesia. Furthermore, they are concerned that Indonesia's decision may jeopardize their production sectors. To substantiate their complaint, the European Union has requested concrete evidence proving that Indonesia is not complying with WTO legal regulations. Indonesia, on the other hand, needs to prepare evidence demonstrating that it has not engaged in the alleged violations.

The World Trade Organization (WTO), in reality, is a continuation and development of The General Agreement on Tariffs and Trade (GATT), which primarily aimed to create fair competition in international trade among its member countries. Philosophically, the WTO's goals include improving the standard of living and income, ensuring the creation of jobs, boosting production and trade, and optimizing the utilization of the world's resources. The WTO, as an evolution of GATT, shares the same principles and objectives in establishing order in international trade (Barutu, 2015).

The bilateral relationship between Indonesia and the European Union began with the establishment of diplomatic relations between Indonesia and European countries in 1949. The development of Indonesia's bilateral relations with the European Union can be seen in various areas, including politics, security and defense cooperation, economic and trade cooperation, educational cooperation, and social and cultural cooperation, among others. However, actions such as discrimination or import restrictions imposed by the European Union can lead to strained relations between Indonesia and the European Union. This has also prompted retaliatory measures by the Indonesian government through the Ministry of Energy and Mineral Resources (ESDM). Starting from January 1, 2020, Indonesia implemented a ban on the export of nickel ore to preserve nickel reserves and consider the sustainability of raw material supply for smelters (Erikson, I Nyoman, 2023).

The Indonesian government's actions, particularly its objections or displeasure towards its dealings with the European Union regarding the ban and restrictions on nickel exports, stem from the European Union's belief that it has been reliant on Indonesian nickel ore. This reliance is because various sectors in the European Union, including development, technology, and the
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Automotive industry, depend on nickel as a raw material. Consequently, the European Union took steps to address this by filing a lawsuit against Indonesia at the WTO regarding the export ban on nickel. It can be observed that the international trade relationship between Indonesia and the European Union is currently not in the best condition due to the dispute that has arisen between them. In this context, the WTO, as an international trade organization, plays a significant role in resolving disputes related to export restrictions and bans that occur between Indonesia and the European Union.

According to international law, it is known that in the early development of dispute resolution, there were two main methods: settlement through warfare and peaceful settlement. Warfare has been a method of resolving disputes for a long time. However, with the passage of time and the advancement of military capabilities and weapons technology that can cause mass destruction, the international community has realized the increasing dangers of using war as a means of dispute resolution. Consequently, there has been a growing effort to eliminate or at least limit the use of warfare for conflict resolution. In the field of International Trade Law, several principles govern dispute resolution, including:

2. Principle of Freedom to Choose Dispute Resolution Methods.
5. Principle of Exhaustion of Local Remedies (Huala Adolf, 2004)

As members of the World Trade Organization (WTO), both Indonesia and the European Union must formulate policies based on the principles of GATT/WTO. The principles of GATT in international trade include:

1. The Most Favored Nation (MFN) Principle.
2. The National Treatment Principle for products from one country imported into another country must be treated the same as domestic products.
3. The Prohibition of Quantitative Restrictions (Restrictions).
4. The Protection through Tariffs Principle.
5. The Reciprocity Principle.
6. The Principle of Special Treatment for Developing Countries (Venantia Sri Hadarianianti, 2019)

Regarding restrictions and prohibitions implemented by Indonesia, it is not without reason; it is aimed at protecting Indonesia's nickel reserves, and the plan to ban the export of this nickel is not for new goods either. Law Number 4 of 2009 regarding Mineral and Coal Mining regulates that holders of Mining Business Licenses and Special Mining Business Licenses must process and relieve their mining results within the country. Refinement within the country must be done no later than five years after enacting the law mentioned above. This regulation affirms that contract holders must comply with what is stipulated in Article 170 of the Mineral and Coal Mining Law. In this regulation, the sale of raw minerals abroad can be carried out in certain quantities and in the form of processed products within three years.

The European Union, as a party that felt adversely affected by this policy, filed a lawsuit against Indonesia on November 22, 2019. The European Union stated that the measures taken by Indonesia, which restricted the export of raw materials, appeared to be inconsistent with Article XL1 of the General Agreement on Tariffs and Trade (GATT) because it was detrimental and made it difficult for European countries to obtain the necessary raw nickel materials. The prohibited subsidy scheme also seemed inconsistent with Article 3.1(b) of the Subsidy and Countervailing Measures Agreement. The existence of these principles in GATT regulations means that disputes between Indonesia and the European Union are closely related to the GATT principle of prohibiting quantitative restrictions. This principle can be used for specific situations where a country imposes such restrictions (Nur Farra, 2021).

2. The Impact of the Failure of the Lawsuit Based on International Trade Law in Indonesia

The lawsuit launched by the European Union against Indonesia at the WTO, stemming from Indonesia's imposition of a nickel export ban as stipulated in Ministerial Regulation No. 11 of 2019 on Energy and Mineral Resources, had significant implications for Indonesia. Indonesia's policy regarding the nickel export ban restricted the operations of Mining Business License (IUP) holders to export nickel with a maximum nickel content of 1.7% and had already been significantly reduced to 70% for domestic smelters. Nickel resulting from smelting had to prioritize the domestic market's needs before export. This policy created concerns for the European Union. Then, nickel export ban imposed by Indonesia was deemed unfair by the European Union and adversely affected the steel industry within Europe.

On January 14, 2021, the European Union formally filed a complaint against Indonesia at the WTO, alleging that the nickel ore export ban, which set the minimum nickel content at 55% for raw material for the steel industry, violated Article 11, paragraph 1 of the General Agreement on Tariffs and Trade (GATT) 1994. Article 11, paragraph 1 of the GATT 1994 states that WTO member countries are prohibited from imposing restrictions related to tariffs, taxes, and other charges, other than customs duties and charges, on the import or export of goods, including quotas and import or export licenses.
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At present, Indonesia is facing a lawsuit initiated by the European Union concerning its export restriction policy. The European Union believes that this action does not comply with Indonesia's obligations under the agreements mentioned, particularly under Article 3.1(b) and Article XI:1 of the General Agreement on Tariffs and Trade (GATT) 1994. According to Article 3.1(b) of the Agreement on Subsidies and Countervailing Measures (SCM), this is considered a violation because Indonesia did not promptly notify all measures of general application related to the implementation of export restrictions and the issuance of export licenses. Meanwhile, under Article XI:1, this arises because by prohibiting the export of nickel ore and requiring nickel ore to undergo certain processing activities before export, Indonesia is seen as imposing measures that limit the export of irrelevant raw materials for steel production (Anisa, Chikal, Ekawati, Putri, 2023).

Indonesia itself argues that the imposition of the export ban on nickel ore is due to several reasons. First, it is based on the estimation that Indonesia's nickel reserves are dwindling, and there is also an increased demand for nickel in government programs related to the manufacturing of electric vehicle batteries. Additionally, Indonesia has an ongoing program of commodity downstream within the country. This downstream is conducted to utilize the country's natural resources for the benefit of the people. Downstreaming aims to add more value to natural resources, create job opportunities for the population, and increase the country's foreign exchangerserves. The impact of the lawsuit from the European Union on Indonesia is significant. Apart from the ongoing legal proceedings, if Indonesia is found to be in the wrong, it may necessitate the government's revision of regulations regarding the export ban on nickel ore. In such a case, there is a possibility of resuming nickel ore exports to the European Union.

Indonesia's failure in the WTO dispute regarding the nickel export ban in October 2022 had various impacts on several sectors within Indonesia. For instance, in the short term, the government incurred significant financial losses to pay for damages and sanctions. In the long term, it could affect potential investments in Indonesia. Furthermore, environmental degradation poses one of the most significant challenges. The nickel production can increase greenhouse gas emissions, worsen air and water quality, and harm biodiversity due to land clearance for nickel processing and waste management. This is especially concerning for producing one kilogram of lateritic nickel.

In the ongoing trade dispute between Indonesia and the European Union, a final resolution has not been reached yet. However, Indonesia hopes that the dispute between them and the European Union will not escalate to the retaliatory stage. The use of retaliation remains uncertain and is often avoided by developing countries, especially Indonesia, due to the fear of causing even more significant losses. Retaliation, when carried out by developing countries, may not exert sufficient pressure on the countries subjected to it to comply with WTO provisions. Indonesia faces significant challenges due to its limited bargaining power and substantial economic dependence on the European Union. One possible path for Indonesia is to enhance domestic resilience or consider cross-retaliation. At this point, Indonesia has not been able to demonstrate and obtain the desired judgment because it is still appealing to prove that the lawsuit is unjustified. Following Indonesia's loss in the WTO dispute against the European Union, the government must now revise the regulations prohibiting the export of nickel ore. Additionally, its required to pay damages to the European Union as per the compensation claims if they are granted in line with the WTO panel's recommendations. However, it is hoped that the government will continue to develop downstream industries and maintain an investment-friendly climate to prevent investors from shifting their interests to other countries. With the suspension of nickel ore exports, the government needs to take actions such as attracting investors interested in establishing industries, enacting legal regulations that protect downstream industries and the availability of raw materials for mining processing, establishing storage facilities for industrial commodities, both domestically and internationally, safeguarding investors from policy changes, ensuring political stability, imposing taxes, and requiring investors to collaborate with local businesses and SMEs incar onating downstream industries and technology transfer. Furthermore, the opening of many nickel ore processing industries brings benefits to the local population through job opportunities and new business prospects for micro, small, and medium-sized enterprises (MSMEs), ultimately contributing to economic growth at the provincial and national levels. As a result, the well-being of the surrounding communities is also enhanced.

Indonesia's participation in an international organization as a forum for discussing international trade issues does not always result in benefits. In reality, the increasing global trade does not necessarily translate to improved well-being and development for developing and impoverished nations. In fact, it seems that the well-being of developing countries has declined, and the development process has been hindered due to the rules, signals, and sanctions imposed by international organizations. Products from these countries still face significant barriers when trying to access the markets of wealthier nations. Some developed countries maintain high tariff barriers, such as establishing product standards and imposing strict health, hygiene, and safety regulations at their borders.

CONCLUSION
The relationship between Indonesia and the European Union has been established for quite some time. The cooperation between Indonesia and the European Union goes beyond just trade relations. International trade is an economic cooperation sector frequently conducted by international legal entities. International trade between Indonesia and the European Union has a long history. The dispute between Indonesia and the European Union arises from regulations stipulating that contract holders must comply with what
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is specified in Article 170 of Law Number 14 of 2009 on Mineral and Coal Mining. The European Union considers Indonesia to have violated WTO principles, specifically the Principle of Prohibition of Quantitative Restrictions (Restrictions). Quantitative restrictions on import and export quotas in any form are regulated by WTO. As WTO members, Indonesia and the European Union must resolve their trade disputes based on WTO rules. In the ongoing trade dispute between Indonesia and the European Union, Indonesia hopes for a resolution that does not escalate to the retaliatory stage, and it is expected that the failure of the lawsuit filed will not have a more significant impact on both sides, ultimately resulting in a win-win solution. Indonesia should also consider alternative actions that may be proposed by the Plaintiff. Therefore, it is advisable for Indonesia to enhance its compliance analysis in the context of export restriction measures to seek justification. This way, Indonesia can demonstrate that the export ban on nickel is the only effective means to achieve the goals presented by the background in the justification.

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