

ABSTRACT

The DS592 case involves a trade dispute between Indonesia and the European Union (EU) regarding nickel exports, which is currently being examined under the World Trade Organization (WTO) dispute settlement mechanism. The EU introduced the "EU Nickel Initiative" in 2021, aiming to promote sustainable and responsible supply chains by imposing stringent standards on imported nickel and requiring certification of compliance with environmental and social criteria. However, Indonesia has challenged this initiative, arguing that it is discriminatory and inconsistent with the WTO rules, specifically the General Agreement on Tariffs and Trade (GATT). Indonesia contends that the EU's Nickel Initiative unfairly targets Indonesian nickel exports by imposing burdensome requirements, thereby restricting their access to the European market. According to Indonesia, this constitutes a violation of the EU's obligations under the GATT, which prohibits discriminatory trade measures. Indonesia asserts that the EU's actions are hindering their ability to compete fairly in the global nickel market, resulting in economic disadvantages for Indonesian producers. On the other hand, the EU maintains that the Nickel Initiative is necessary to ensure sustainable sourcing and production practices, as well as to protect human rights and prevent environmental damage. The EU argues that the initiative's requirements are non-discriminatory and apply to all nickel producers, not exclusively targeting Indonesia. The EU contends that these measures align with its commitment to promoting responsible mining activities and facilitating a transition to more sustainable supply chains. This DS592 dispute highlights the tensions between trade restrictions, environmental objectives, and the compatibility of national initiatives with international trade rules, particularly within the framework of the WTO and GATT. The resolution of this case will have significant implications for the global nickel trade and the ability of countries to regulate imports based on sustainability criteria. It will also shape the future trade relations between Indonesia and the EU, potentially influencing trade practices across various industries beyond the nickel sector.

Keywords: Indonesia, European Union, Nickel Exports