
Indonesia's Strategy in Dealing with The European Union Green Protectionism in The Palm Oil Trade

Andaru Satnyoto¹, Arry Bainus², Widya Setiabudi Sumadinata³, Wawan Budi Darmawan⁴, Angel Damayanti⁵

¹Department of International Relations, Faculty of Social and Political Sciences, Universitas Kristen Indonesia, Jakarta

^{2,3,4}Department of International Relations, Faculty of Social and Political Sciences, Padjajaran University, Bandung.

⁵Department of International Relations, Faculty of Social and Political Sciences, Universitas Kristen Indonesia, Jakarta

ABSTRACT: The presence of palm oil in the international market is relatively competitive. As a producer of 59% of global palm oil, Indonesia faces green protectionism in the EU market. It is used for environmental protection, anti-deforestation, and global warming control. Therefore, this study analyzes Indonesia's response to EU market protectionism. The study uses the perspective of protectionism and the dynamics of state adjustment behavior in conflicts of national interest. The country's adjustment strategy theory is complemented by the behavioral choice strategy theory in facing international sanctions. The authors use qualitative methods, with literature study, observation, and supplemented interviews. In dealing with palm oil trade barriers, Indonesia initially utilized the domestic offensive strategy to deal with the restrictions, changing domestic palm oil management policies, including forest moratorium, terminating palm oil permits, adopting the ISPO certification system, and downstream the domestic palm oil industry. However, it was ineffective, and various restrictions became more vigorous, so Indonesia implemented an international offensive strategy, encouraging changes in international regulations and eliminating protectionism against palm oil. Nevertheless, the resistance has yet to be very successful. Therefore, Indonesia must perform proactive conformance to find new markets for Indonesian palm oil.

KEYWORDS: adjustment strategy, green protectionism, international market, palm oil, sustainable.

BACKGROUND

Palm oil is sometimes called a multipurpose crop as it can be helpful in vegetable oil, animal feed, charcoal, biofuel/biodiesel, margarine, cosmetic ingredients, and pharmaceutical products. Even if oil palm plants are no longer productive, they can become raw materials for artificial wood particle boards (Kinseng et al., 2022; Antara News Agency, 7/4/2006). Palm vegetable oil yield per hectare is relatively more productive than other vegetable oils, such as rapeseed (canola), sunflower, corn, and soybean oil. Palm oil and palm kernel oils supply a relatively large vegetable oil market, with almost 40%, while soybean oil at 27.8%, rapeseed/canola oil at 13.4%, and sunflower oil at 10.4% (Murphy et al., 2021).

Indonesia's oil palm business promises attractive benefits and business opportunities so that the plantation area continues to grow. In 1950, the area of oil palm plantations rang 105 thousand hectares; in 1985, it became 597,352 hectares; in 2000, 3.8 million hectares; in 2010, 8 million hectares, and in 2020, 14.59 million hectares; with estimates that there are still around 2.2 million hectares in the verification process or a total estimated at 16.8 million hectares (Purba & Sipayung, 2017; BPS, 2021). Since 2006, Indonesia has surpassed Malaysian palm oil production, initially dominating global palm oil production. Indonesia, in 1980, produced only 15% palm oil, while Malaysia produced 55% and other countries 30%; but in 2016, Indonesia turned around, making 54%, Malaysia 32%, and others 14% (PASPI, 2017).

Indonesia's palm oil is exported to various destination countries, including India, China, European Union, Pakistan, and Egypt. However, in recent years, the palm oil trade in the European Union has been debated and experienced obstacles, such as anti-dumping import duties and restrictions through various regulations. In addition, a negative palm oil campaign encourages people not to consume palm products due to the impact of deforestation, environmental damage, and biodiversity loss through the "palm oil free" campaign. The EU Parliament and Commission issued various regulations restricting palm oil in line with the European Green Deal policies, which center on the economy of sustainability, the green economy, and the economy for climate change control.

The phenomenon of the palm oil industry and the dynamics of international trade encourage several studies on palm oil, including the political economy of international trade in Indonesian palm oil, palm oil economic diplomacy, and international relations with the European Union (Erixon, 2009; and 2012; Lottici, Galperin & Hoppstock, 2014; Bechtel et al., 2011; Radmann, 2021; Pehnelt & Vietze, 2010; Damuri, Atje & Soedjito, 2015; Nugraha, 2021; Hariyadi & Hodijah, 2020; Umarach, 2021; Arifin

Indonesia's Strategy in Dealing with The European Union Green Protectionism in The Palm Oil Trade

& Putri, 2019; Alen, Hidayat & Rizki, 2021; Ramadan et al. & Mahmud, 2022; Robertua, 2019; Greetings & Juned, 2022; Zulkarnaen, 2019; Montratama et al., 2018; Laksono et al., 2019; Jokhu, 2022; Bangun, Hidayat & Akim, 2020; Kinseng et al., 2023; Sihotang, 2022; Saragih & Rahayu, 2022; Goddess, 2013; Arief et al., 2020; Oosterveer, 2020; Rifin et al., 2020; Speechley, Ozinga & Saskia, 2019). Therefore, this article will analyze Indonesia's strategy to deal with green protectionism in the palm oil trade in the EU market.

THEORETICAL FRAMEWORK

This article uses the concept of protectionism and strategy choices to explain the rationale for EU and Indonesian policies related to the palm oil market—protectionism in international trade, including tariff and non-tariff restrictions. Tariff limitation is a levy of a percentage of costs on product prices; tariffs are levied on incoming goods (import duties) and goods sold to the international market (export duties). Meanwhile, non-tariff protection is a trade barrier not based on product prices (non-price measures) and is referred to as non-tariff barriers (NTB) or *non-tariff measures* (NTM). (Nopirin, 2016; Hadiwinata, 2002).

Such restrictions can be through new ways and conditions of trade, incorporating certain conditions, technical provisions, and inspection of products and product origin (traceability), as well as processes and methods of production of goods for environmental protection. Environmental protection can be a global interest, and therefore, the justifications and reasons for green protectionism (environmental) tend to be supported by national and international communities (greater legitimacy) (Erixon, 2009; Lottici et al., 2014). Green protectionism restricts trade on qualifying or specific conditions related to environmental protection and climate change control efforts (Bechtel et al., 2011; Erixon, 2009; Evenett & Whalley, 2009; Mukherjee & Rathi, 2017; Tyson & Meganingtyas, 2022).

Other trade restrictions include (1) *Anti-Dumping*, namely additional duties or levies imposed on imported goods traded at prices lower than the fair market value or selling goods abroad producers, cheaper than the producer's domestic market price (Rumapea, 2010). (2) *Countervailing Duties (CVD)*, *i.e.*, additional duties above normal imposed on imported goods, in return for subsidies given to producers or exporters by exporting countries (Rumapea, 2010). One CVD modification associated with green protectionism is the Carbon Border Adjustment Mechanism (CBAM) rule that imposes tariffs on imported products from countries with weak carbon emission law enforcement (Lottici et al., 2014). (3) *Administrative Barriers and Standards*, namely the use of various administrative rules such as food safety, electrical safety, and environmental standards, become a tool for import restrictions such as the ISO 14067 certification standard on *Carbon footprints products* (Lottici, Galperin & Hoppstock, 2014). (4) *Political campaigns* are an effort to use more domestic products. The same thing can be done the other way: not buying goods for specific reasons, such as environmental protection.

To overcome these restrictions on international trade, policies and adjustment actions are needed as a strategy for countries to manage national strength, resources, capacity, and equipment to realize the national interests to be achieved. In international dynamics, countries will make policy adjustments to gain rather than lose. G. John Ikenberry modeled the strategy of state adjustment in international situations or international regimes as follows (Ikenberry, 1986; 1988):

Table 1. Scheme of the state adjustment strategy

Strategic choice	International	Domestic
Offensive	Create new international regime	Change domestic structure
Defensive	Remedial steps to defend current regime (protect regime)	Protect domestic structure

Source: G. John Ikenberry, "State and Strategies of International Adjustment", 1986.

From the table of strategy choice schemes above, four choices are made as follows:

1. **Offensive International Strategy.** This response requires changes at the international level or international regime. The international offensive strategy seeks to make changes and create new rules internationally.
2. **Defensive International Strategy.** This strategy maintains the existing international regime, the difficulty of which depends on the existing international situation. Maintaining the regime becomes a huge undertaking when most countries want change.
3. **Offensive Domestic Strategy.** This effort is carried out by changing domestic rules and policies to adjust to applicable international rules and demands.
4. **Defensive Domestic Strategy.** This strategy centers on maintaining the structure and rules of the domestic game, maintaining the conditions of the domestic structure, and supporting the interests of the international environment.

Ikenberry's study, which focuses on challenges and adjustments to facing international or domestic regimes, is complemented by Patrick M. Weber and Beata Stepien, who modeled action response strategies in the face of international economic sanctions. International business people or actors facing international restrictive sanctions can take strategic actions: (1). *Conformance strategy*: adjusting and looking for new market opportunities; (2). *Challenge strategy*: Increase activities in sanctioned areas, resist and avoid regulation. The two response strategies are still detailed, with four strategies for responding to institutions or corporations

Indonesia's Strategy in Dealing with The European Union Green Protectionism in The Palm Oil Trade

facing sanctions: *acquiesce*, *compromise*, *avoid*, *defy*, and *manipulate*. This response is simplified to challenge, as avoid and defiance. While conformance consists of *proactive conformance* and *passive conformance*, depicted in the following model (Weber & Stepien, 2020):

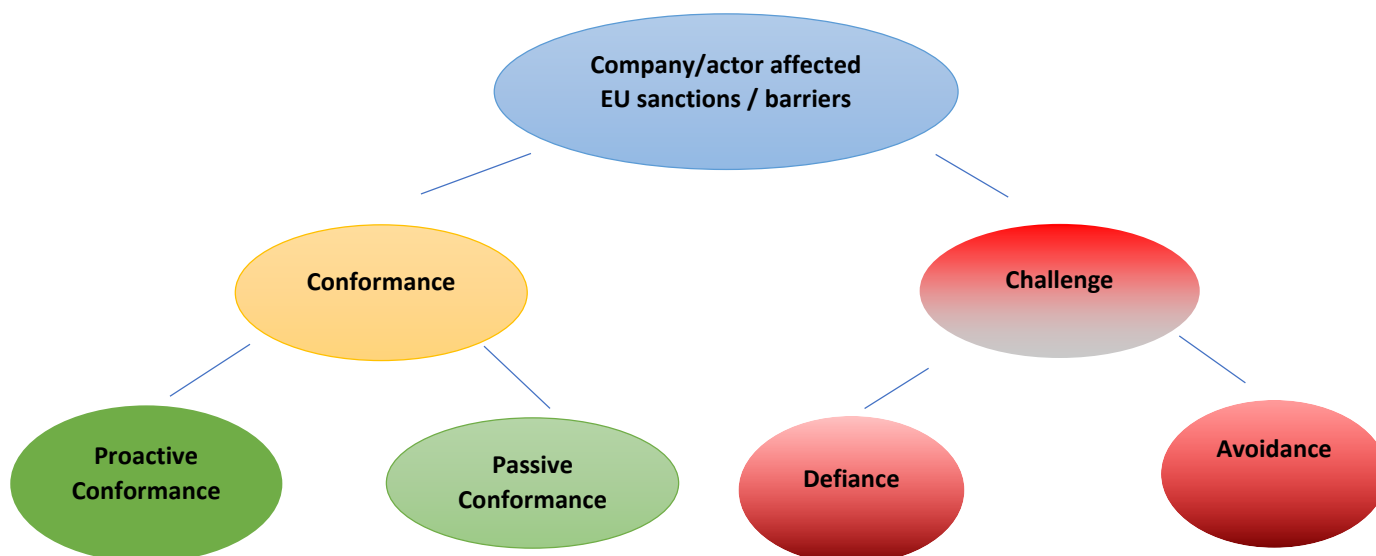


Figure 1: Choice of action strategy of actors against international sanctions

1. **Proactive Conformance Response Strategy** includes various actions that follow procedures and rules, including restrictions. Consequently, actors, corporations, and governments seek new markets and relocate production/industrial facilities to other countries.
2. **Passive Conformance Response Strategy** includes various actions that reflect the attitude of following the restriction rules, including leaving the market, slowing down or closing the business, reducing labor, stopping or freezing investment, selling production equipment and infrastructure owned in the region, and using money reserves to close the business.
3. **Defiance Challenge Response Strategy**, actions that are against or override sanctions, against the rules, or complain about the rules; other actions in this strategy can be increasing investment, production facilities, creating subsidiaries or using local companies for production in sanctioned areas, lobbying to influence the market and market policies of the commodity.
4. **Avoidance Challenge Response Strategy**: Avoid sanctions through processing and re-exporting facilities from other countries acceptable in the destination country of that market, making production different and exploiting legal loopholes to enter the sanctioned country.

RESEARCH METHODS

To explore the understanding of the meaning and dynamics of Indonesia-EU political-economic relations, in the case of the palm oil trade, this study uses *qualitative methods*. This method emphasizes aspects of description and exploration to provide interpretation and understanding of the meaning of phenomena (Boeije, 2010). In qualitative research, the emphasis on finding and interpreting the understanding of meaning requires flexible methods to facilitate contact – both sources, informants, and other data sources, to obtain data descriptions that are rich, in-depth, and sufficient to be interpreted.

This descriptive research outlines factors related to the issue of trade in agricultural commodities, especially Indonesian palm oil, in the European Union market. The research also describes the interaction process between actors and transactions of interest within the framework of the response strategy of the trade policy-making institution. Descriptive research seeks to describe interrelated research phenomena according to the theory used. In this study, the international political economy approach will emphasize the depiction of the phenomenon of actors or states, the nature and process of which is seen in international trade policies and actions.

Research data is collected as case studies by tracing and intensively investigating every factor related to the research problem (Neuman, 2016). Case studies of international political economy can take the form of one case, one issue in several countries, one case spanning several countries, or one country with several cases (Odell, 2001). The study included one case with two major actor countries in international relations. The technical stages of analysis include organizing and describing data according to the research theme. Analysis and interpretation or discussion of data to arrive at an understanding of meaning, also by comparing and constructing research data with literature information or theoretical perspectives (Creswell, 2016).

Indonesia's Strategy in Dealing with The European Union Green Protectionism in The Palm Oil Trade

RESULT AND DISCUSSION

The impact of palm oil trade protectionism in the European Union (EU), through negative palm oil campaigns and tariff barriers, non-tariff trade is seen in the decline in Indonesian palm oil exports to the European Union. Although the total export of EU palm oil is still above 5.3 million tons/year, the market share of Indonesian palm oil in the EU has decreased. The average export of Indonesian palm oil in the Netherlands, Spain, and Italy is only around 2.3 million tons/year, down from the previous 3.5 million/year (BPS, Indonesian Palm Oil Exports, 2023).

INDONESIA'S PALM OIL BARRIERS AND THE COUNTER-STRATEGIES

In the last 20 years, palm oil has been the target of negative EU campaigns mainly due to environmental issues such as deforestation, biodiversity loss, environmental damage, and social conflicts (Richter, 2009). For example, allegations of the impact of environmental destruction and endangered animals such as Sumatran tigers due to the expansion of oil palm plantations and the pulp and paper industry. Green Peace and the World Wildlife Funds (WWF), Friend of Earth, and Rainforest Action Network call for restrictions on international trade in products from Indonesia to encourage *green protectionism* (Roberts, 2010). Another negative campaign related to palm oil issues is its nutritional content, which hurts health (Salleh et al., 2021).

The negative campaign of palm oil and consumer awareness education encourages the EU to prefer products with palm oil-free labels. Accordingly, people choose healthier or more eco-friendly products by not consuming palm products (Salleh et al., 2021). The pressure on palm biodiesel is then accommodated in the regulatory framework for promoting the use of clean and renewable energy of the European Union – *European Union Renewable Energy Directive* (Pehnelt & Vietze, 2009).

As the front guard and leader in addressing environmental issues, especially global policies on climate change control, the EU has some restrictions on Indonesian palm oil. **First**, tariff restrictions were carried out through (1) the provision of anti-dumping import duty (BMAD) tariffs for Indonesian palm fatty acid alcohol for 2011-1016, with tariffs for PT Musim Mas: 45.63% and other companies: 80.34%. (2) Since 2019, the European Union has imposed *countervailing* duties of 8-18%, 9 December 2019. **Second**, non-tariff restrictions include (1) Renewable Energy Directive (RED) I 2009 and RED II by the Parliament and Council of the European Union. (2) European Parliament Resolution of 4 April 2017 on Palm Oil and Rainforest Deforestation. (3) EU Anti-Deforestation Regulation, 31 May 2023. Wood, cocoa, coffee, palm oil, cattle, and soybean commodities, including derivatives, must be deforestation-free and in full effect by the end of 2024. (Robertua, 2019).

On the other hand, Indonesia continues to overcome the EU's restrictions on the palm oil market, aiming to (1) open access to the palm oil market in the European Union. (2) Keep the EU's green protectionism regulation from becoming a reference "benchmark" of similar policies in other countries. (3) Encourage improvements in the management of plantations and the palm oil industry to provide maximum socio-economic benefits for Indonesia (Discussion of the Directorate General of Foreign Trade Team of the Ministry of Trade, 20/7/2023; Wibawa, 2022a). Such a policy is reflected in three perspectives of policymakers, namely: (1) *environmental sustainability*, (2) *trade war*, and (3) *national sovereignty and dignity* (Kinseng et al., 2023). The environmental sustainability perspective reflects the domestic offensive strategy type, while the trade war and national sovereignty perspectives reflect the international offensive strategy type.

Three perspectives and policies on palm oil restrictions in the European Union, shown in Table 2, are as follows:

Table 2. Perspectives, Perceptions, and Policies on Palm Oil Restrictions

in the European Union

Perspective	Perceptions of EU Policy	Main offenders	Policy preferences
Environmental sustainability	Trade restrictions are a demand of the EU to encourage the palm oil industry not to affect the environment, especially deforestation, forest fires, etc.	Coordinating Minister for Economy, Minister of Environment and Forestry.	The Indonesian government has established a set of palm oil governance regulations; implementation of forest & palm oil moratorium; presidential regulation for certification, and ensuring commitment to SDGs.
Trade war	Palm oil as a competitor to vegetable oils other than palm oil in the EU, so it is discriminatory against palm oil	Minister of Foreign Affairs and Minister of Trade.	1. Request an inclusive discussion of all sustainable vegetable oils and equal treatment of all vegetable oils;

Indonesia's Strategy in Dealing with The European Union Green Protectionism in The Palm Oil Trade

			2. Multilateral diplomacy through FAO to promote sustainable vegetable oils 3. WTO platform
National sovereignty & dignity	EU actions undermine the sovereignty and dignity of the Indonesian nation	Coordinating Minister for Economic Affairs, Minister of Trade, Minister of Foreign Affairs and Minister of Environment and Forestry	Legal resistance to the WTO; diplomacy, search for new markets in other countries; development of domestic market potential

Source: (Kinseng, et al., 2023)

DOMESTIC OFFENSIVE STRATEGY

a. Changes in Forest and Palm Oil Policy

Until 2009, almost 2 million hectares of primary forest were converted into oil palm plantations with various objectives, including population equality and market economy motives (Douglas Sheil et al., 2009). The use of forests for oil palm started with the amendment of the moratorium on forest conversion. The forest moratorium aligns with the principles of sustainable forest management and oil palm plantation management. On May 20, 2011, the Indonesian government established a forest moratorium policy through Presidential Instruction No. 10 of 2011, which aims to reduce the rate of deforestation and forest degradation and control large areas of forest use concessions. This policy is inseparable from international pressure and commitment to Reducing Emissions from Deforestation and Forest Degradation (REDD) resulting from COP 13, UNFCCC, in Bali 3-14 December 2007.

The implementation of Indonesia's REDD+ mechanism is supported by Norway, assisting worth US\$1 billion (14 trillion rupiah) (Murdiyarto, 2011). The forest moratorium policy is temporary, renewed every two years; in 2013, Presidential Instruction No. 6; in 2015, Presidential Instruction No. 8; and in 2017, Presidential Instruction No. 6; all about the Postponement and Improvement of New Primary Natural Forest and Peatland Permits. Policy change from temporary forest moratorium to permanent; stronger, with Presidential Instruction No. 5 of 2019, concerning the Termination of Granting New Permits and Improving the Governance of Primary Natural Forests and Peatlands.

This policy is an accommodation against international pressure and facilitates palm oil diplomacy in the EU (Zulkarnaen, 2019). More substantial regulatory changes are shown through a particular policy on oil palm plantation moratorium, Presidential Instruction No. 8 of 2018, concerning the Moratorium and Evaluation of Oil Palm Plantation Permit Granting and Governance for Increasing Palm Oil Productivity. Under this policy, the government does not grant permission to (a) new proposals for oil palm plantations; (b) plantation proposals that have been submitted but have not completed the requirements, and the location is in a production forest (Yudhanegara & Rijanta, 2021; Setkab.go.id, 23/9/2018; Site News 5/15/2015; Scholte, 2019).

The policy of stopping forest use, followed by a moratorium on palm oil permits, is the most vigorous response to international pressure on Indonesia's deforestation. This closes two political-economic factors that make the expansion of oil palm plantations challenging to control, namely: (1) closing incentives for forest transfer authority and (2) closing opportunities for political and economic incentives for government and private officials in forest conversion (Erman, 2017; CNBC Research, June 20, 2023; Sipayung, PASPI, 30/11/2023).

b. Domestic Offensive: Adopting a Sustainable Palm Oil Certification System.

In response to the growing demands for palm oil certification internationally, the Indonesian government established Indonesia Sustainable Palm Oil (ISPO) on March 29, 2011, based on Permentan No.19/OT.140/3/2011. To support ISPO, the Indonesian Palm Oil Association (IPOA) left Roundtable on Sustainable Palm Oil (RSPO) and joined ISPO on September 29, 2011. The government also calls for palm oil companies to immediately join ISPO and leave RSPO since Indonesia already has ISPO as a certification system, similar to other certifications (*Bisnis Indonesia*, 2/10/2011; *Detiknews*, 4/10/2011).

In the period 2011 – 2020, ISPO certification has covered 621 certificates, 557 large private certificates of 5.25 million hectares, 50 state-owned plantations of 286,590 hectares, and community plantations of 14 certificates, 12,270 hectares (Hadi et al., 2023). This certification is still considered very little. There are several reasons for the slow pace of certification. First, obtaining a sustainable palm oil certificate is complex, indicating Indonesia's weak governance system. Second, even though it has received a certificate, it cannot be ascertained to get the market at a more favorable price (weakness of economic incentives). Third, there are differences in the level of trust of certification bodies and consumer trust in certification from different institutions, including ISPO, which has not been considered credible (credibility weakness) (Sirait, 28/11/2022).

The credibility of certification is essential for the international palm oil market, particularly in approaching new markets of various countries. Although Indonesia has credibility with international third-party reviewers, its ISPO's certificate needs more

Indonesia's Strategy in Dealing with The European Union Green Protectionism in The Palm Oil Trade

bargaining power that guarantees its palm oil products can be more accepted (Hutabarat, 4/11/2022). According to The EU Ambassador in Jakarta, Vincent Guerend, the EU has not accepted the ISPO certification system, as it is not internationally credible as a sustainability standard for the palm oil industry. ISPO certification is still assessed below, compared to certifications made by Palm Oil Initiative Group or RSPO (Pirrard et al., 2017). Green Peace even views ISPO as a tool to fight negative palm oil campaigns and not to stop deforestation (Choiruzzad et al., 2021). Moreover, the global environmental community considers certification as a "greenwashing" mechanism, eliminating blame for the environment (Richter, 2009).

The certification problem can be more difficult for ISPO if the European Commission's recognition system is also applied to certifying all palm oil products. Currently, there are demands for sustainable palm oil certification, further strengthened by recognition systems from the European Commission, such as those already applicable to bio-energy certification (bio-diesel, biomass, bio-liquid, bio-fuels) (Oosterveer, 2020). The EU Commission approved sustainability requirements for 15 bio-energy certification bodies, including Round Table on Responsible Soy (RTRS EU RED), Biomass- Biofuels Voluntary Scheme (2BSvs), International Sustainable and Carbon Certification (ISCC EU) and others (Committee Energy, Climate Change, Environment, EU, 3/12/2023).

c. Domestic Officials: Downstream Policy and Price Control

Since 2006, Indonesia has been the world's leading palm oil producer. In 2021, Indonesia's palm oil production is 59% of global palm oil production; it is estimated that Indonesia's palm oil market share in the global vegetable oil market is 23%. With this number, the Indonesian government overcomes international market problems with domestic offensive strategies through downstream policies. Downstream is a tool to secure market shocks or barriers abroad, for example, the European Union.

Downstream business started in 2007, but the regulation only emerged through the Minister of Industry Regulation No.111/M-IND/PER/10/2009 against the Guide Map for the Development of Downstream Palm Oil Industry Clusters. The regulation was then amended through the Regulation of the Minister of Industry No. 13 of 2010, which encouraged the prioritization of the development of the downstream palm oil industry. The acceleration of the downstream palm oil industry began in 2015 through policies that integrated the domestic palm oil processing industry with international trade policies, namely palm oil export levies. Important policies in this aspect include (a) levy policies that support downstreamization, (b) expansion of downstream, and (c) mandatory bio-diesel process, which is currently headed to B-35.

One of the policies is through export levies or export duties drawn or levied higher on raw products so that exports of raw products are not profitable. This will be an incentive for processing businesses in the country. In 2010, exports of CPO at 52.87%, other palm oil at 38.33% and CPKO (raw materials) at 7.48%, PKO (refined palm kernel oil) at 1.32%; while in 2021, CPO exports fell considerably to 9.40%, and other palm oil (processed) 85.35%; while CPKO (raw) 0.20%, and PKO 5.05%. Exports of finished palm products in 2021 have been above 80%; downstream palm oil has been more successful than in 2010 at 38.33% (BPS, Palm Oil Statistics, 2010 and 2021).

The downstream process of the palm oil industry in Indonesia is through 3 business channels, which are grouped into (1). The downstream oleo-food complex includes palm oil processing industries (refined palm oil) and palm oil-based industries (palm oil-based products). Downstream oleo-food products, cooking oil, shortening (seasoning), margarine, ice cream, bakery, chocolate, pharmaceutical, vitamin A, vitamin E, and so on. (2). Downstream oleo-chemical group: Industries that process palm oil into oleo-chemicals essential to oleo-chemicals, the results of this downstream industry: fatty-acid alcohol, glycerin to consumer products such as soap, shampoo, cosmetics, and others. (3) Downstream through bio-diesel/bio-fuel/bio-energy complex, such as bio-diesel (FAME), from B-30, which is expected to be B100 or palm diesel oil ultimately, (Sipayung / PASPI, No.01, 2023).

International Offensive Strategy

a. Countering the Negative Palm Oil Campaign

One of the strenuous efforts in palm oil diplomacy, the Ministry of Foreign Affairs communicated to encourage discussion on world (vegetable) edible oil related to the process and production and the environmental impact of oil. This active communication effort is strengthened by positive activities involving participants from the European Union, research partners, private institutions or NGOs, and business groups in disseminating palm oil information. Unfortunately, public activities involving many groups, including politicians, parliamentarians from the academic environment, and researchers from the European Union, are still minimal, so they have not substantially impacted the acceptance of EU society (Hutabarat, 3/11/2022).

Efforts to increase resistance to negative palm oil campaigns are carried out through various palm oil diplomacy activities, including (Laksono et al., 2019):

1. Carrying out arguments against the European Commission's policy regarding Delegated Regulation Supplementing Directive-EU 2018/2001, On the Promotion of the Use of Energy from Renewable Sources (RED II).
2. Supporting Indonesian palm oil narratives and diplomacy through various programs: (1) Direct communication platform through increasing understanding (awareness) for international multi-stakeholders in the form of Regional Palm Oil Course (RPOC) since 2017; (2) Disseminating an understanding of the contribution of palm oil to the Sustainable Development

Indonesia's Strategy in Dealing with The European Union Green Protectionism in The Palm Oil Trade

Goals (SDGs) through the delivery of printout booklets and books on palm oil diplomacy to stakeholders at home and abroad; (3) Cooperation in making documentary films with Dutch filmmakers about the lives of Indonesian palm oil farmers while increasing international public understanding of the governance of the Indonesian palm oil industry; (4) Making several infographics related to palm oil diplomacy to facilitate positive palm oil campaigns.

3. Regular Palm Oil Course aims to broaden the understanding of palm oil plantation management in Indonesia and promote Indonesia's efforts to develop a sustainable palm oil industry. This course on palm oil has been regularly held since 2017 in collaboration with the Indonesian Ministry of Foreign Affairs Policy Assessment and Development Agency, BPDP-KS, Jambi University, and Bogor Agricultural University (IPB). Various participants from Australia, Netherlands, Czech Republic, Hungary, Italy, England, France, Russia, Slovakia, and Spain attended this course.
4. International Workshop on Crop for Peace focuses on sharing experiences and best practices on peacemaking and conflict resolution with solutions based on agriculture. The focus of activities is on peacebuilding issues, the development of creative industries, and the achievement of SDGs.
5. Preparing narratives and arguments about palm oil in international forums within the United Nations. In the 4th United Nations Environment Assembly meeting in Nairobi, Kenya, the European Union carried out a negative palm oil campaign with the submission of a resolution, "Deforestation and Agricultural Commodity Supply Chain," which explains tropical rainforest deforestation due to oil palm plantations in Indonesia. The Indonesian delegation strongly rejected the opposing campaign and presented evidence of the Indonesian government's steps to ensure sustainable Indonesian palm oil production, including mandatory certification policies, forest moratoriums, new oil palm permits, and peatland rehabilitation. With such a firm counter-narrative, the EU withdrew a resolution to be corrected and placed more emphasis on a shared understanding of sustainable forest management.
6. The closing of the documentary film "Palm Oil Expedition," which is one of the negative palm oil campaigns that even allegedly involves UNDP. The Indonesian Foreign Ministry strongly protested the Palm Oil Expedition film screening and summoned Indonesia's UNDP Head of Representative. After discussions involving UNDP, Discovery Asia, the Coordinating Ministry for Economic Affairs, the Ministry of Agriculture, the Ministry of Trade, the Indonesian Palm Oil Council (DMSI), and APKASINDO, it was decided that the Palm Oil Expedition documentary should be scrapped.

b. Multilateral Coordination & International Institutions

One of the international offensive strategies is carried out through the coordination and synergy of multilateral and international institutions. Various activities are carried out, including:

1. In 2012, the Indonesian Ministry of Agriculture, UNDP (United Nations Development Programmes), and several multinational corporations collaborated to launch the Indonesia Sustainable Palm Oil Initiative (SPO Initiative) to facilitate sustainable palm oil production. The SPO Initiative project lasted five years with pilot project areas in Riau, South Sumatra, and West Kalimantan. The main objectives of the SPO Initiative focus on the improvement and management of sustainable palm oil and the contribution of oil palm agriculture to forest conservation and biodiversity (Press release UNDP Indonesia 2012).
2. Improved Coordination with Indonesia's partner multilateral agricultural organizations that encourage increased presence and partnership or coordination with the Food and Agriculture Organization (FAO). FAO working committees also developed various good agricultural governance standards, such as the International Code of Conduct for Sustainable Use and Management of Fertilizers, which also covers increasing productivity with rules on the use of water pesticides and fertilizers in collaboration with the International Fund for Agricultural Development (IFAD) to achieve SDGs and fight non-tariff trade barriers from importing countries (Laksono et al., 2019).
3. Develop cooperation with palm oil-producing countries through palm oil diplomacy. With a lot of pressure and negative issues on palm oil from the UK, EU, and US, Indonesia, and Malaysia as significant producers of palm oil - around 80% of global production, agreed to conduct a joint campaign against the negative issue of palm oil. Indonesia then adopted it into Presidential Regulation No. 42/2016 concerning the Ratification of the CPOPC Charter. CPOPC policies include, among others, consultation on palm oil industry development; improving the welfare of oil palm smallholders; developing a global framework of sustainable palm oil principles, investment cooperation and development of green industrial zones, sustainable and environmentally friendly palm oil industry; and cooperation to overcome barriers to palm oil trade. (Gani, 2020; Nugraha, 2021).

WTO Pathway: Countering EU Regulations

With such tariff and non-tariff regulatory obstacles and no joint solution, Indonesia submitted palm oil disputes to the WTO Dispute Settlement Body (DSB). It appealed to the WTO Appellate Body (Suherman, 2012). Some cases are:

1. **Case DS 442 WTO:** EU-anti dumping measures on import of specific fatty alcohol from Indonesia. The dispute panel began on June 25, 2013, and the panel's decision on September 5, 2017, and was adopted/implemented on September 29, 2017. In

Indonesia's Strategy in Dealing with The European Union Green Protectionism in The Palm Oil Trade

this case, although Indonesia cannot prove all its allegations to the European Union regarding anti-dumping implementation, the EU also does not meet the standards for submitting reports on its anti-dumping investigations. The European Union finally stopped anti-dumping duties on fatty acid alcohol products from Indonesia in November 2016.

2. **DS 480 WTO:** Case of Anti-Dumping Import Duty on Indonesian biodiesel in the European Union. In 2014, Indonesia expressed objection to the imposition of anti-dumping duties on bio-diesel imposed by the EU on Indonesian bio-fuel/bio-diesel fuel oil derived from palm oil (Newsletter, Indonesia-Investments, 19/6/2022). The decision was issued on January 25, 2018, and adopted on February 28, 2018, in which Indonesia won the BMAD biodiesel lawsuit (Infopublik news portal, 26/1/2018).
3. **DS 593 WTO:** *European Union – Certain measures concerning palm oil and oil palm crop-based biofuels*. The EU's RED II regulation implies that palm oil production from high-risk ILUC areas cannot be included in carbon emission reduction calculations and must be gradually eliminated from the EU market by 2030. Indonesia, on December 9, 2019, raised objections and then submitted the formation of a panel on March 18, 2020. On 8 June 2021, the Panel communicated to DSB that the final Report would be completed in the second quarter of 2022 or mid-2022. However, it turns out that the Panel is taking longer for decision-making to be completed in 2023.¹

The old WTO decision resulted in the expiration of anti-dumping or countervailing duties, so dispute settlement through the WTO could have been more effective. Even after it had expired, the EU made new rules; for example, anti-dumping duties were later changed to *countervailing duties*. This happens in the case of fatty alcohol and bio-diesel. After the WTO DS480 dispute, the EU imposed additional duties on countervailing measures on imported EU biodiesel products on 28 November 2019, ranging from 8-18% (Official Journal of the EU, Commission Implementing Regulation EU 2019/2092, 28/11/2019, imposing countervailing duties on imports of biodiesel originating in Indonesia). Indonesia is submitting a dispute to DSB WTO DS-618/2, EU Countervailing duties on import bio-diesel from Indonesia on October 13, 2023.

There are three aspects related to Indonesia's attitude towards EU energy policy. First, Indonesia objected to the European Union taking actions that potentially violated the GATT/WTO Article I agreement related to making parameters that hinder and limit the entry of a trade commodity item. Second, related to Article III GATT/WTO, which ensures that imported products that come from domestic importers are treated equally. Third, making arrangements derived from exceptions due to humanitarian or environmental interests as exceptions to be able to prohibit becomes effective for a policy. Regulation-making based on environmental interests is unilateral and can potentially violate the rules of freedom of international trade (Tyson & Meganingtyas, 2022). The RED II regulation benefits EU member states that provide non-palm vegetable oil. In contrast, palm oil is restricted because it comes from a high-risk ILUC area and is produced by a non-EU country, clearly meaning to benefit producers of similar vegetable oils produced in EU countries as a form of discrimination (Sihotang, 2022).

Proactive Conformance Behavior: Seeking New Markets

The actions taken by Indonesia to complement the domestic offensive strategy and the international offensive are Proactive Conformance, such as establishing a new export market and finding a new palm oil market. Business groups generally prefer to increase the volume of exports to traditionally existing destinations and expand the palm oil market, especially exports to new destination countries, rather than face the difficulties of the EU market. Government support is needed to find new palm oil markets. However, the EU market is still promising if the barriers are reduced (Sipayung, 2022; Hutabarat, 2022).

Regarding markets, the European Union is not a priority for efforts to increase exports. However, the European market remains vital and relevant if the European Union can be more "friendly" to palm oil and its derivative products (Sipayung, 3/11/2022). Restrictions on palm oil to the European Union through barriers of green protectionism indirectly benefit local vegetable oil businesses such as rapeseed (Ryser, 13/1/2021). The diplomatic approach to reduce barriers to palm oil is partly carried out by diplomatic channels such as voicing objections to the European Union's decision, rallying action with other countries such as Costa Rica, Ecuador, Honduras, Malaysia, Colombia, and Guatemala to write a memorandum of objection to the EU parliament's resolution on palm oil and actively communicate to European countries (Arifin & Putri, 2019).

President Jokowi, since 2015, has also emphasized the importance of economic diplomacy, especially palm oil diplomacy. The President asked Indonesian Ambassadors and Heads of Representatives abroad to conduct economic diplomacy actively. The President asked the Indonesian Representative to mobilize 70-80 percent of the ability to focus the economy, attract investment, and increase investment in substitute industries, most of which are imported, such as petrochemicals, energy imports, and investment in natural resource processing. The President also gave an example, for example, to increase exports of processed palm oil or palm-based products such as bio-diesel, it is necessary to invest in the B-30, B-40, B-50 biodiesel industry even if it is capable of B-100, or can be used as aviation fuel from palm oil (Gani et al., 2022).

¹ Entire Documents dispute related oil Palm and policy Energy Renewable Plain Europe II, the already Circulated by DSB, get Accessed deep, wto.org/dispute settlement.

Indonesia's Strategy in Dealing with The European Union Green Protectionism in The Palm Oil Trade

Technical approaches to market expansion, both old and new, include strengthening or efforts to increase market volume in large consumer countries such as India, China, and Pakistan. India's market potential is enormous, with around 25% of Indonesia's palm oil exports; with a population of close to 1.5 billion people, the need for vegetable oil can reach 22 million tons annually. India's palm oil consumption can range from 60% of the requirement to about 12 million tons annually. India has absorbed Indonesia's significant palm oil exports. Strengthening market access is also carried out to Pakistan, which has an export share of around 7% of Indonesia's palm oil exports. The approach to Pakistan is mainly to maintain low import duty rates, even up to 0% for CPO. Low import duties can increase the number of Indonesian palm oil exports to Pakistan. The average import duty on Pakistani palm oil imports from Indonesia ranges from 6-10% (Ali, 2021). Due to the US-China trade war, China's market potential can be improved and increased by more obstacles to Chinese soybean imports from the United States (Laksono et al., 2019).

Second, the expansion of new markets such as African countries, the Middle East, and Turkiye. One example of efforts to develop new markets for palm oil is the effort to penetrate more palm oil exports to Turkiye through trade promotion and exhibitions in Turkiye, which is fully supported by Indonesian representatives (Embassies) in Turkiye (Ramadhan et al., 2022). The African palm oil market has huge potential, given Africa's enormous population of 1.4 billion people. The African region is also growing and has potential because African people are also relatively fond of fried food, and the price of palm oil is relatively low, able to compete with other vegetable oils. In recent years, since 2017, the volume of palm oil exports throughout Africa of around 3.35 million tons per year still has the potential to increase (Journal News of Palm Oil Analysis, January 12, 2023).

Third, approach to business people and importers of Indonesian palm products in the central export destination countries of palm oil in the European Union, namely Italy and Spain. The focus in these countries is cooperation with business people, especially palm oil importers and distributors, to approach and "engage" with the public, which is managed with a sustainable system. In addition, a public campaign was also carried out that not all palm oil from Indonesia is a factor in deforestation, and Indonesia is not in the ILUC high-risk category. Cooperation with European business groups, such as the Italian Union for Sustainable Palm Oil (IUSP), must be encouraged. This is for strengthening and positive communication of palm oil. In order to fight the discriminatory movement against palm oil, IUSP also reported the practice of labeling "palm oil *free*" as a discriminatory act of vegetable oil to the European Commission Anti-Trust agency (Laksono et al., 2019).

CONCLUSION

Indonesia is the largest palm oil producer, which can be a commodity power of economic interest and foreign exchange earner and contribute to achieving SDGs. However, Indonesian palm oil has come under pressure, and restrictions on the palm oil trade in the EU market have been placed based on environmental protection. This is part of the EU's efforts as a global leader in climate warming/change control. The EU systematically seeks to achieve its environmental goals using international trade mechanisms. Layered palm oil trade restrictions by the EU are carried out through negative palm oil campaigns, anti-dumping import duties, countervailing duties, RED I and RED II Regulations, and Anti-Deforestation. It all boils down to green protectionism to protect Indonesia's biodiverse tropical forests, the world's carbon sink that plays a role in controlling global warming.

The policy response chosen by Indonesia is an official domestic strategy where the government seeks to improve palm oil management at the policy level, such as forest moratorium and palm oil permit moratorium. These include peatland use permits, ISPO establishment, standard improvement, and certification acceleration. In addition, downstream palm oil product policies and efforts to change domestic palm oil regulations and governance standards to comply with international standards are also implemented. However, this strategy is ineffective in opening up a larger palm oil market in the EU.

Such policies then shifted to *international offensive strategies* through diplomacy, communication against negative campaigns, multilateral coordination, and resistance to the legal approach of the WTO channel, making complaints and opposing arguments limiting Indonesian palm oil. Efforts through WTO channels can be successful, especially regarding changing or canceling anti-dumping tariffs or countervailing duties. Nevertheless, it is less effective because it takes a long time and is not easy.

Another practical option is proactive conformance, which focuses on establishing new export markets while maintaining the existing palm oil market in the European Union. However, efforts to counter negative images and fight palm oil restrictions in the European Union failed to change the regulations limiting Indonesian palm products on the EU market. Indonesia has yet to create regulatory changes and free and fair-trade market access in the EU market. That is, the success of regulatory resistance in the WTO channel related to anti-dumping tariffs and countervailing duties on Indonesian palm products is a hope for Indonesia for free and fair trade.

REFERENCES

Books

- 1) Boeije, Hennie. (2010). *Analysis in Qualitative Research*, London: Sage Publication.
- 2) Central Bureau of Statistics (BPS). (2022). *Indonesian Palm Oil Statistics 2021*.
- 3) Central Bureau of Statistics (BPS). (2011). *Indonesian Palm Oil Statistics 2010*.
- 4) The body of the Center for Statistics (BPS). (2023). 10 Main Purpose Country of Palm, BPS.

Indonesia's Strategy in Dealing with The European Union Green Protectionism in The Palm Oil Trade

- 5) Central Bureau of Statistics (BPS). (2021). *Indonesian Palm Oil Statistics 2020*.
- 6) Hadiwinata, Bob Sugeng. (2002). *International Business Politics*, Canisius Publishers.
- 7) Laksono, Harry P., et.al. (2019). *The Role of Diplomacy in Supporting Sustainable Development Goals: A Review of the Management of the Vegetable Oil Industry*, Agency for the Assessment and Development of the Indonesian Ministry of Foreign Affairs.
- 8) Ikenberry, G. John. (1988), *Reason State: Oil Politics and The Capacities of American Government*, Ithaca New York: Cornell University Press.
- 9) Neuman, Lawrence W. (2016). *Social Research Methodology: Qualitative and Quantitative Approaches*, (7th ed., translation: Edina T. Sofia), PT. Index.
- 10) Nopirin. (2016). *International Economics* (3rd edition), Publishing Board of Faculty of Economics UGM (BPFE).
- 11) PASPI. (2017). *The Myths and Facts of Indonesia's Palm Oil Industry in Social, Economic and Global Environmental Issues*, Bogor: PASPI.
- 12) ----- (2017). *Myths Vs. Facts of the Indonesian Palm Oil Industry in Global Social, Economic and Environmental Issues*, third edition, Bogor: PASPI.
- 13) Rumapea, Tumpal. (2010). *Complete Dictionary of International Trade*, (second edition), Gramedia Pustaka Utama.

Journals

- 1) Alen, Vioneida Pranggadia Lestari., Hidayat, Alfian., Rizki, Khairur. (2021). President Joko Widodo's Efforts in Facing the Rejection of CPO (Crude Palm Oil) Commodity Exports by the European Union in 2017-2020. *IJGD: Indonesian Journal Global Discourse*, Vol.3, Ed.1, Jan-June, pp. 110-131. DOI: <http://DX.DOI.ORG/10.20961/carakatani.v35i2.41091>
- 2) Ali, Aiman. (2021). *A Palm Oil for Pakistan –A burden or Breather: In-depth Analysis on Pakistan's Edible Oil Industry*, Islamabad-Pakistan: Trade Development Authority of Pakistan. <https://tdap.gov.pk/wp-content/uploads/2022/03/Palm-Oil-For-Pakistan->
- 3) Arifin, Bustanul., Putri, Komang Audina Permana. (2019). Indonesian Government Strategies on Obtaining Crude Palm Oil (CPO) Market Access to European Union Countries Over the EU Parliament Resolution on Palm Oil and Deforestation of Rainforest. *Andalas Journal of International Studies*, Vol. VIII, No. 2, Nov. <http://ajis.fisip.unand.ac.id/index.php/ajis/article/view/121>.
- 4) Arief, R. A., et.al. (2020). The Impact of the European Union (EU) Renewable Energy Directive Policy on the Management of Indonesian Palm Oil Industry. *IOP Conf.Series: Earth and Environmental Science*.575 (2020). Doi:10.1088/1755-1315/575/1/0122230
- 5) Bechtel, Michael M., Bernauer, Thomas., Meyer, Reto. (2011). The Green Side of Protectionism: Environmental Concerns and Three Facets of Trade Policy Preferences. *Review of International Political Economy*, 2011, iFirs:1-30. <https://DX.DOI.ORG/10.1080/09692290.2011611054>
- 6) Choiruzzad, Shofwan Albanna., Tyson, Adam., and Varkkey, Helena. (2021). The Ambiguities of Indonesian Sustainable Palm Oil Certification: Internal Incoherence, Governance Rescaling and State Transformation. *Springer, Asia Europe Journal*, 19: 189-208, <https://doi.org/10.1007/s10308-020-00593-0>
- 7) Damuri, Yose Rizal., Atje, Raymond., and Soejito, Audrey. (2015). *A Study on the Impact of the EU-Indonesia Comprehensive Economic Partnership Agreement (CEPA)*. Jakarta: Centre for Strategic and International Studies (CSIS).
- 8) Goddess, Rosita. (2013). Implementation of the EU Renewable Energy Directive as a Non-Tariff Trade Barrier. *Interdependence*, Journal of International Relations, Vol.1, No. 2, May-August 2013, pp. 150-164.
- 9) Erixon, Frederik. (2009). "Green Protectionism in the European Union: How Europe's Biofuel Policy and the Renewable Energy Directive Violate WTO Commitments" (Brussels Belgium: ECIPE Occasional Paper. No.1/2009). <https://ecipe.org/wp-content/uploads/2014/12/green-protectionism-in-the-european-union-how-europe2019s-biofuels-policy-and-the-renewable-energy-directive-violate-wto-commitments.pdf>
- 10) Erman, Erwiza. (2017). Behind Palm Oil Sustainability: Actors, Alliances in the Political Economy of EU Certification" *Journal of Indonesian Society*, Vol.43 No.1, June 2017. <https://jmi.ipk.lipi.go.id/index.php/jmiipk/article/view/751>
- 11) Ikenberry, G. John. (1986). The State and Strategies of International Adjustment, *World Politics*, Vol. 39. No.1; October 1986.
- 12) Jokhu, Jean Richard. (2022). Protectionism Or Sustainability? Questioning European Intention on Palm Oil Ban Using Time Series data, *Agric, Jurnal Ilmu Pertanian Dan Bisnis, Fakultas Pertanian, UKSW*, Vol.34, No. 1, July, pp. 105-114.
- 13) Kinseng., et.al. (2023). Unraveling Disputes Between Indonesia and The European Union on Indonesian Palm Oil: From Environmental Issues to National Dignity. *Sustainability: Science, Practice and Policy*. Vol.19, No.1. <https://doi.org/10.1080/15487733.2022.2152626>

Indonesia's Strategy in Dealing with The European Union Green Protectionism in The Palm Oil Trade

- 14) Konecna, Katerina. (rapporteur)., (2016). "Committee On the Environment, Public Health and Food Safety, EU Parliament, on Palm Oil and Deforestation of Rainforests." Paper Report, 3-11-2016.
- 15) Lottici, Maria Victoria., Galperin, Carlos., Hoppstok, Julia. (2014). Green Trade Protectionism: An Analysis of The Tree New Issues That Affect Developing Countries. *Chinese Journal of Urban and Environmental Studies*, World Scientific, Vol. 2, No. 2, 2014.DOI: 10.1142/S23457811450016X
- 16) Montratama, Ian., et al. (2018). *Indonesia's Palm Oil Diplomacy Strategy*. LPPMI, Pertamina University.
- 17) Mukherjee, Baisakhi., Rathi, Neha. (2017). Green Protectionism: Nuisance or Catalyst for Cross-Border Trade (With reference to India). *Journal of Humanities and Social Science (JOSR JHSS)*. Volume 22, Issue 9, Ver.8 (September 2017) 01-06. DOI:109790/0837-2209080106
- 18) Murphy, Denis J., Goggin, Kirstie., and Paterson, Russell M. (2021). Oil Palm in the 2020s and Beyond: Challenges and Solutions, CABI Agriculture and Bioscience, 2021; School of Applied Science, University of South Wales, UK. <https://doi.org/10.1186/s43170-021-00058-3>.
- 19) Nugraha, M. Fuadillah. (2021). Analysis of Indonesia's Resistance Strategy in Palm Oil Discrimination by the European Union. *Journal of Islamic Law and Politics*. Vol.6, No.1. January. <http://jurnal.iain.bone.ac.id/index.php/aladalah>.
- 20) Odell, John S. (2001). Case Study Methods in International Political Economy, Blackwell Publisher Co. Massachusetts: *International Studies Perspectives*, Vol. 2. 2001.
- 21) Oosterveer, P. (2020). Sustainability of Palm Oil and Its Acceptance in The EU, *Journal of Palm Oil Research*, Vol. 32 (3) September 2020. 365-376. DOI: <https://doi.org/10.21894/jopr/jpor.2020.0039>.
- 22) PASPI (Palm Oil Agribusiness Strategic Policy Institute). (2023). Mandatory B35/40 - As a Policy to Respond to the 2023 Global Economic Recession. *Palm Oil Journal -PASPI*, Vol.IV.No.2/01/2023. <https://palmoilina.asia/journal-type/palm-oil-economy/>
- 23) ----- (2018). *Palm Oil Journal*, Vol. III. No.46. Jakarta, 8 February 2018.
- 24) ----- (2023). *Palm Oil Journal*, Vol. IV, No.03/03/2023.
- 25) ----- (2022). No Palm Oil Effect, European Union Increases World Deforestation and Emissions, *Palm Oil Journal, PASPI*, Vol.III, No. 14/08/2022.
- 26) ----- (2022). Domestic Palm Oil / Regions "Deforestation Free, *Palm Oil Journal, PASPI*, Vol. III, No.16/09/2022).
- 27) ----- (2022). Deforestation-free Policy and Deforestation Polemics, *Palm Oil Journal*, Vol. III, No.15/09/2022
- 28) ----- (2022). Palm Oil Deforestation-free Policy Triggers Greater Global Deforestation, *Palm Oil Journal*, Vol. III, No. 19/11/2022.
- 29) ----- (2022). Addressing the European Union's anti-deforestation policy on palm oil. Bogor: *Journal Palm Oil PASPI*, Vol. III, No.21/12/22).
- 30) ----- (2023). Downstream Policy of Domestic Palm Oil Affects the Composition of Indonesian Palm Oil Exports for the 2015-2022 Period. *PASPI*, No.01, July 25, 2023.
- 31) Pehnelt, Gernot, and Vietze, Christoph. (2009). "European Policies Towards Palm Oil – Sorting Out Some Facts", (Working Paper), econstor. <https://www.econstor.eu/bitstream/10419/32579/1/614469007.pdf>
- 32) Purba, Jaan Horas V., Sipayung, Tungkot. (2017). Indonesian Oil Palm Plantations in Sustainable Development Perspective. *Indonesian Society, Journal of Social Sciences*, Vol. 43, No.1. <https://doi.org/10.14203/jmi.v43i1.717>
- 33) Radmann, B.M. (2021). Sustainability or Protectionism in Palm Oil Trade: The Case (DS593) of Indonesia vs the EU. *Academic Review of Business and Economics*. 1(1).1-16. <https://doi.org/1022367/arbe.2021.01.01>.
- 34) Ramadhan, Iqbal., Syah, Ramadhan Akbar., & Mahmud, Zaqi Khudzaifi. (2022). Indonesia's Economic Diplomacy in the Context of the EU's Palm Oil Embargo: Reaching Out to Turkey as an Alternative Market. *Janus, Net, e-Journal of International Relations*, Vol.13 No.2, November 2022-April 2023.
- 35) Richter, Bjorn. (2009). Environmental Challenges and The Controversy About Palm Oil Production-Case Studies from Malaysia, Indonesia and Myanmar, Singapore: Friedrich Ebert Stiftung - Asia and Pacific. <http://library.fes.de/pdf-files/iez/06769.pdf>.
- 36) Rifin, Amzul., et al. (2020). Assessing the Impact of Limiting Indonesian Palm Oil Exports to the European Union. *Journal; of Economic Structures*.2020:9:26. <https://doi.org/10.1186/s40008-02000202-8Ramadhani>.
- 37) Robertua, Verdinand. (2019). Environmental Diplomacy: Case Study of The EU-Indonesia Palm Oil Dispute. *Mandala: Journal of International Relations*, Vol.2, No.1, January-June 2019.
- 38) Salleh, Kamalrudin, et al. (2021). The Impact of Negative Perceptions Towards Palm Oil in the European Union on the Competitiveness of Malaysian Palm Oil Exports, Selangor, Malaysia, *Oil Palm Industry Economic Journal*, Vol. 21 (1), March 2021. <http://opiej.mpob.gov.my/the-impact-of-negative-perceptions-towards->
- 39) Saragih, Hendra Maujana., Rahayu, Hana. (2022). The Influence of European Union Policy on Indonesian Palm Oil Exports. *JPPI (Indonesian Journal of Education Research (Journal IICET))*, Vol. 8, No. 2, 2022, pp. 296-303. doi: <https://doi.org/10.29210/020221377>

Indonesia's Strategy in Dealing with The European Union Green Protectionism in The Palm Oil Trade

- 40) Sheil, Douglas, et. al. (2009). *The Impacts and Opportunities Of Palm Oil In South-east Asia*, CIFOR. https://www.cifor.org/publications/pdf_files/OccPapers/OP-51
- 41) Sihotang, Enrico Denis. (2022). Analysis of Discriminatory Measures From European Union Renewable Energy Directive II to Indonesia as Palm Oil Producer Country. *Indonesia Law Review*, 3:42-53. DOI: <https://doi.org/10.15742/ilrev.v12n3.3>
- 42) Suherman, Ade Maman. (2012). "Dispute Settlement Body – WTO in International Trade Dispute Settlement", Purwokerto: Journal of Law and Development Year 42, No.1, January-March).
- 43) Tyson, Adam, & Meganingtyas, Eugenia. (2022). "The Status of Palm Oil Under the European Union's Renewable Energy Directive: Sustainable or Protectionism? London: *Bulletin of Indonesian Economics Studies*, Vol. 58, No. 1, pp. 31-54. <https://doi.org/10.1080/00074918.2020.1862411>.
- 44) Umarach, Maretha Syawallin. (2021). The Phenomenon of Green Trade Protectionism: Analysis of The EU Palm Oil Import Ban in The ASEAN Region. *Jurnal Ekonomi dan Bisnis Airlangga*, Volume 31, No.2, Jun-November 2021, 103-116.
- 45) Weber, Patrick Maximillian and Stepien, Beata. (2020). Conform or Challenge? –Adjustment Strategies of Saction-torn Companies, *World Economy*, Vol. 43, 2020, John Wiley & Sons Ltd.
- 46) Wibawa, Gede. (2022). Development of External Regulatory Policies and the Current Trend of Environmental Concerns Relating to Biodiesel, especially in the EU. Palm Biodiesel Conference, Energy Transportation Working Group CPOC, Aprobi, Jogjakarta, 24 March.
- 47) WTO DS 442, Anti-Dumping Measures on Import of Certain Fatty Acid Alcohol From Indonesia.
- 48) WTO DS480 -European Union-Anti-Dumping Measures n Biodiesel from Indonesia.
- 49) WTO Report DS 593 European Union Certain Measures on Palm Oil and Oil Palm Crop based Biofuel from Indonesia.
- 50) Zulkarnaen, Muhammad Jave. (2019). Economic Diplomacy Strategy on Palm Oil by Indonesians in The European Union. Master Thesis Turkish-German University, Turkiye, 2019.

Mass media and online news:

- 1) GAPKI, (2020). "Performance of the Indonesian Palm Oil Industry 2019", <https://gapki.id/kinerja-industry-palm-indonesia/>
- 2) Ryser, Monique, (2021). "Dispute Over Palm Oil: Agreement with Indonesia Breaks New Ground", Info Sperber, bilaterals.org, 13 January 2021.
- 3) Antara News Agency, (2006). "Utilization of Palm Tree Trunk Waste as Alternative Raw Material for Woodworking and Construction, April 7, 2006.
- 4) Detiknews, (2011) October 4.
- 5) Palm Oil Analysis Journal News, January 12, 2023, February 14, 2023 update. "EU bye: Indonesia Has New Palm Oil Export Destination"
- 6) European Parliament Resolution, on Palm Oil and Deforestation Rainforests, 4 April 2017).
- 7) Newsletter, *Indonesia-Investments*, "Indonesia to Challenge EU's Palm Oil Derivative Anti-dumping Measures," 19 June 2022.
- 8) United Nations Development Programme (UNDP) and Indonesia Ministry of Agriculture Launch Indonesia Sustainable Palm Oil Initiative (SPO Initiative), <https://www.undp.org/content/indonesia/en/presscenter/pressrelease/2012/12/20>.
- 9) United Nations, *UN Transforming Our World: The 2030 Agenda For Sustainable Development*, sustainabledevelopment.un.org; <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>.
- 10) WTO-Dispute Settlement/DS442-European Union- Anti Dumping Measures on Imports of Certain Fatty Alcohols from Indonesia.
- 11) WTO Dispute Settlement/DS480-European Union-Anti-Dumping Measures on Biodiesel from Indonesia.
- 12) WTO, Dispute Settlement/DS593, "EU-Palm Oil Indonesia: European Union-Certain Measures Concerning Palm Oil and Oil Palm Crop Based Bio-fuel," wto.org/english/tratope/dispute/ds593_e.htm; downloaded on 19 June 2022.
- 13) [wto.org/dispute settlement.wto.org/trade-topics/technical-barriers-to-trade](https://wto.org/dispute%20settlement.wto.org/trade-topics/technical-barriers-to-trade)
- 14) WTO, (2022) *Trade and Climate Change: Overview of Trade Policies Adopted to Address Climate Change*. https://www.wto.org/english/news_e/news21_e/clim_03nov21-1_e.pdf.

Interview/Discussion

- 1) Dr. Leonard Hutabarat, Policy Assessment and Development Agency of the Indonesian Ministry of Foreign Affairs, November 4, 2022
- 2) Dr. Martua Sirait, Environmental activist and NGO, November 28, 2022.

Indonesia's Strategy in Dealing with The European Union Green Protectionism in The Palm Oil Trade

- 3) Dr. Gde Wibawa, Researcher from the Ministry of Agriculture and the International Palm Oil Negotiation Support Team, December 17, 2022.
- 4) Dr. Tungkot Sipayung, Executive Director of PASPI (Palm Oil Agribusiness Strategic Policy Institute) and researcher and observer of palm oil issues, November 3, 2022.
- 5) Group Discussion of the Directorate General of Foreign Trade Team, Ministry of Trade of the Republic of Indonesia, July 20, 2023.