



Effect of accelerating the nickel ore export ban on the sustainability of international business transactions for Indonesia

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ABSTRACT

The continuous export of nickel ore has resulted in its own impact on Indonesia, such as the depletion of nickel ore contained in it, thus the Government of Indonesia began to take steps to downstream and industrialize the raw materials of natural resources owned by Indonesia and stop sending nickel ore materials abroad. The government through the Ministry of Energy and Mineral Resources issued Minister of Energy and Mineral Resources Regulation 11/2019, which decided to accelerate the ban on nickel ore exports. The legal issue is whether the nickel ore export ban by the Indonesian government is in accordance with the Constitution? How is the impact of the Nickel Ore Export Ban policy based on Minister of Energy and Mineral Resources Regulation No. 11 of 2019 on international trade? The writing of this article uses normative juridical research. The results of the study The government as a representation of the state has an obligation to protect and maintain the resources within the country. Indonesia's involvement in the International Trade Organization is a form of Indonesia's openness in international trade activities and encourages economic growth. The ban on nickel ore exports issued by the Government of Indonesia which was then tried in the WTO panel which emphasized in its decision that the policy was contrary to the rules of the GATT, Indonesia in this case continued to take the appeal route.

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1. INTRODUCTION

Nickel is a white and very hard metal. Nickel in meteorites is found together with iron from supernovae. The earliest discovery of nickel ore was from laterite mining, which aimed to extract limonite and saprolite. Nickel occurs in sulphides and in laterite ore deposits.(Atik Krustiyati dan Adam Surya, n.d.) Nickel is widely used in hundreds of thousands of products for consumer, industrial, military, transport, marine and architectural applications. "The first benefit of nickel in everyday life is as an ingredient in the manufacture of stainless steel.(Atik Krustiyati dan Adam Surya, n.d.)" Stainless steel furniture generally uses nickel material because it has resistance to rust, various products that use nickel material certainly have their own advantages.

The potential for nickel is large and growing, so the production and exploration process must be appropriate and environmentally friendly in order to have high economic value.(Atik

Krustiyati dan Adam Surya, n.d.) The mine is one of Indonesia's abundant mineral resources. Indonesia's nickel production reaches 190 thousand tonnes per year and has 8% of the world's nickel reserves. (Atik Krustiyati dan Adam Surya, n.d.) "According to data from the Central Statistics Agency (BPS), in 2022 Indonesia exported 777.4 thousand tonnes of nickel, an increase of 367% (three hundred sixty-seven percent) compared to the previous year." (Ahdiat, 2023) The total value of Indonesia's nickel exports in 2022 also jumped 369% (yoy) to USD 5.97 billion (Ahdiat, 2023).

Indonesia is one of the largest nickel producing countries in the world with nickel deposits of 4 million metric tonnes out of 80 million metric tonnes of world nickel reserves, placing Indonesia in 6th position as the world's largest Nickel producing country. (National Minerals Information Center, n.d.). The continuous export of nickel ore has resulted in its own impact on Indonesia, such as the depletion of nickel ore contained therein, thus the Government of Indonesia began to take steps to downstream and industrialise the raw materials of natural resources (SDA) owned by Indonesia and stop sending nickel ore materials abroad.

The government through the Ministry of Energy and Mineral Resources issued Permen of ESDM 11/2019, which decided to accelerate the ban on nickel ore exports since 1 January 2020. The ban on nickel ore exports is not new, as Article 103 of Law No. 4/2009 on Mineral and Coal Mining requires holders of Mining Business Licences (IUP) and Production Operation Special Mining Business Licences (IUPK Production Operation) to process and refine mining products domestically. (Hanina Husin Hadad; et.al, 2022) Furthermore, Article 107 stipulates that refining must be carried out no later than five years after Law 4/2009 was enacted, which means that the nickel export ban took effect in 2014. "Based on Article 62A of the Regulation of the Minister of Energy and Mineral Resources of the Republic of Indonesia Number 11 of 2019 concerning the Second Amendment to the Regulation of the Minister of Energy and Mineral Resources Number 25 of 2018 concerning Mineral and Coal Mining Concessions, the ban on nickel exports will take effect in 2014." (Peraturan Menteri Energi Dan Sumber Daya Mineral Nomor 11 Tahun 2019 Perubahan Kedua Atas Peraturan Menteri Energi Dan Sumber Daya Mineral Nomor 25 Tahun 2018 Tentang Pengusahaan Pertambangan Mineral Dan Batubara, n.d.).

The suspension of nickel ore shipments formalised in the ministerial regulation must be obeyed by business actors both for business actors in Indonesia and vice versa. The government issued Government Regulation No. 1/2014 on the Implementation of Mineral Mining as the implementing regulation of Law 4/2009. This suspension is due to the adverse impacts caused by the continuous extraction of nickel which is why the Government of Indonesia took the above action which will be enforced on 1 January 2020. (Inneke Maharani Rizki Mulyanda dan Surya Prahara, 2022) As a result, Indonesia lost its position as the world's largest producer.

In November 2019, the European Union filed a consultation request with the WTO Dispute Settlement Body (WTO DSB) under case number DS592. In its complaint, the EU claimed that Indonesia violated Article XI:1 of the General Agreement on Tariff and Trade (GATT), relating to the nickel ore export ban and domestic processing obligations. (WTO, 2022) From these problems, researchers are interested in researching this legal issue. The decision taken by the Government of Indonesia to no longer export nickel ore, because Indonesia is a member of world trade through ratification of Law Number 7 of 1984 *concerning the Agreement on Establishing the World Trade Organization* (WTO) has consequences both externally and internally. Ratification means consent to be bound by a treaty. The entry into force of the treaty and the declaration of the treaty can be simultaneous or not Indonesia is considered to have failed to immediately publish the requirements and application of export restrictions and export licenses, thereby preventing the government and traders from adapting to related regulations.

2. RESEARCH METHOD

The writing of this article uses normative juridical research (Legal Research). " This research with a normative juridical approach examines data derived or sourced from legal norms found in society and contained in laws and regulations.. " (Dimas Almansyah dan Mohamad Fajri Mekka Putra, 2022) The research approach used in writing this article is the statutory approach (statue approach) and conceptual approach (conceptual approach). "Statue approach is a research approach based on the analysis of thoughts based on statutory rules, principles and legal norms." (Siti Thali'ah Atina;

Eddy Purnama dan Efendi, 2022) While conceptual approach is a research approach whose dimensions of thought are based on logic and systematised legal concepts. In examining these problems, legal theory will be used as a building system of norms which includes legal principles, norms, rules of legislation, and doctrines (teachings).

3. RESULTS AND DISCUSSIONS

The validity of the Indonesian government's ban on nickel ore exports

Each country has the right to choose its own strategy in maintaining and ensuring economic stability in its country, as a sovereign state Indonesia has the same responsibility in controlling this stability. Based on the Explanation of Article 33 of the 1934 Constitution, the Republic of Indonesia has then mandated that the Earth, Water and natural resources contained therein be controlled by the state and utilised for the greatest prosperity of the people". The mining industry is one of the largest natural resources owned by Indonesia. In line with the need for natural resources, some mining products require special regulations and policies such as restrictions and even export bans for certain types of resources. Based on data currently recorded by the Ministry of Energy and Mineral Resources, Indonesia has national nickel reserves of 698 million tonnes, although this amount puts Indonesia in 6th place as the world's largest Nickel producer, but in line with the large needs it is estimated that these reserves can only meet the economic needs of refining for 7-8 years since the Permen was issued. (*Bijih Nikel Tidak Boleh Diekspor Lagi Per Tahun 2020*, 2019)

Consideration of restrictions on the export of non-renewable natural resources such as Nickel is one form of implementation of the mandate of the 1945 Constitution, where the government is an institution that is obliged and has the right to manage natural resources within the country. However, it should be noted that Indonesia is a member of the World Trade Organisation. Indonesia has ratified the Agreement Establishing the World Trade Organisation with Law Number 7 of 1994. (Hassanah, 2021) *The World Trade Organization (WTO) is a World Trade Organisation that has an important role in dispute resolution related to activities in the traffic of international business transactions, Carrying 5 basic legal categories regulated in the WTO namely Rules on non-Discrimination; rules on market access; rules on unfair trade; rules on the relationship between trade liberalisation and other social values and interests; and rules on harmonisation of national legal instruments in specific areas.* (Hassanah, 2021) So every country that is a member of the WTO must pay attention to these basic principles as a reference in policies in international business transaction activities.

Indonesia's policy on the ban on nickel ore exports, through Ministerial Regulation No. ESDM No. 11 of 2019, is certainly a polemic that has sparked responses from various parties. In response, on 22 November 2019, the European Union filed a lawsuit requesting consultation with the WTO *Dispute Settlement Body* (WTO DSB) with Case number DS592. In its claim, the EU claimed that Indonesia had violated Article XI:1 of the General Agreement Tariff and Trade (GATT) where Indonesia was considered to have failed to publish the requirements and application of export restrictions, export licences, which caused obstacles between the government and entrepreneurs to adapt to the policy. (Hanina Husin Hadad; et.al, 2022). As an organisation that has a role in dispute resolution efforts in international business transactions, both export restrictions and bans. The WTO needs to take the right steps in determining decisions on policies that have been taken by various parties incorporated in the WTO such as Indonesia and the European Union.

Ministerial Regulation Number 11 of 2019 concerning the Second Amendment to Regulation of the Minister of Energy and Mineral Resources Number 25 of 2018 concerning Mineral and Coal Mining Business in which there is a policy that regulates that nickel ore is a natural resource that is prohibited for export. Starting from the reason for maintaining domestic nickel reserves, Indonesia, which has joined the World Trade Organisation, has an obligation to pay attention to and implement the basic principles of the organisation both in the WTO and GATT rules. Nickel, which is one of the main commodity products in the manufacture of rechargeable batteries used for various technology and transportation industries, makes international business activities through nickel import and export receive special attention by various countries in world trade. (Fauzan Azim, 2021)

With various considerations such as maintaining nickel reserves for national needs and the selling price of nickel ore which is certainly cheaper than semi-finished nickel, the Indonesian government that issued a policy on the nickel ore export ban certainly did not simply issue a policy without the basis and consideration of applicable laws and regulations. In international business transaction activities such as exports, in GATT there are several things that need to be considered carefully, these provisions include, among others; taxes, export licences / licences, prohibitions and customs regulations from Indonesia. (Vicky Alvian Abdul Aziz dan Sharda Abrianti, 2021) However, the European Union, through its lawsuit to the WTO, accused the nickel ore export ban policy of being inconsistent with the GATT Quantitative Restriction principle. (Vicky Alvian Abdul Aziz dan Sharda Abrianti, 2021). Article XI:1 of GATT contains the principle of prohibition of quantitative restriction with the following provisions;

"No Prohibition or restriction other than duties, taxes or other charges, whether made effective through quotas, import or export licenses or other measures, shall be instituted or maintained by any other party on the importation of any product of the territory of any other contracting party or on the exportation or sale for export of any product destined for the territory of any other contracting party."(General Agreement on Tariffs and Trade 1994, n.d.)

This provision certainly provides confirmation that each Contracting Party is not allowed to impose any obstacles in running the wheels of exports and imports using a quota or licence system, the restrictions allowed are through taxes, tariffs and other similar things. This arrangement is called the Elimination of Quantitative Restriction. So if you look at these provisions, the government cannot prohibit exports because it is categorised as a form of obstacle in the relationship of all international business transactions.

The existence of a ban on nickel ore exports by the Indonesian government is not new, noted in Article 103 paragraph (1) jo. 170 of the Minerba Law that holders of contracts of work are obliged to carry out the management and refining of mining products in the country, then article 21A of Permen of ESDM No. 20 of 2013 concerning the Second Amendment to the Regulation of the Minister of Energy and Mineral Resources No. 07 of 2012 concerning Increasing Mineral Added Value through Mineral Processing and Refining activities, provides a policy for holders of Production Operation Mining Business Licences and IPRs to obtain export approval from the Minister of Trade, which previously also had to obtain recommendations from the Minister of Energy and Mineral Resources, regarding the amount of nickel ore exports. The provision is then reaffirmed with the enactment of Article 45 of Permen of ESDM No. 25/2018, that for holders of Contracts of Work, that Production Operation IUP and Holders of Special Production Operation IUP for the management and / or Refining of nickel that have produced nickel downstream products can export in certain quantities but must obtain a recommendation from the Director General and obtain an export permit / export license from the Director General of Foreign Trade. (Vicky Alvian Abdul Aziz dan Sharda Abrianti, 2021).

Although there are several rules that allow nickel exports from Indonesia, it does not make the nickel ore export ban policy in Permen ESDM 11 of 2019 acceptable to all parties. Evidently, the implementation of the nickel ore export policy eventually led to criticism from the European Union because it was considered that the policy was not in accordance with the provisions in the GATT. EU Trade Commissioner Cecilia Malmstrom said: "EU steel producers are under a lot of pressure, suffering from global excess demand and unilateral trade restrictions. She said that Indonesia's policies are increasing the damage and risk to the EU steel industry. Cecilia said that Indonesia needs to respect existing rules in all activities in international business transactions. The subsequent lawsuit filed by the EU resulted in a judgement stating that the Indonesian government lost the case. (*EU Launches WTO Challenge Against Indonesian Restrictions on Raw Materials*, 2019).

Dispute resolution in international business transactions has been agreed by member countries using the multilateral system rather than making unilateral decisions. The agreement means that countries that are members of the World Trade Organisation must obey and respect the decisions taken. (Ridwan Hardiawan dan Andri Sutrisno, 2023) If a country that has been found guilty still violates WTO rules, the country/plaintiff can apply to the Dispute Settlement Body (DSB)

as the only body that decides international trade disputes. The final report of the WTO panel ruled that Indonesia lost the dispute. The Panel Report or Decision stated that Indonesia's nickel ore export ban was inconsistent with Article XI:1 of the GATT.

One of the legal steps that can be taken by the Indonesian government is an appeal, although the Indonesian government will receive some consequences such as having to pay losses to the European Union and face retaliation from the European Union in an export ban in a ban on other Indonesian commodities..(Ridwan Hardiawan dan Andri Sutrisno, 2023) Indonesia as a country mandated by the constitution to protect the welfare of its people certainly requires policies that can be applied in achieving strong domestic independence, starting from political and economic stability, but when it conflicts with international treaties and laws and regulations recognised by Indonesia, it is also a mandatory consideration in every policy step taken by the Government.

The Impact of Indonesia's Nickel Ore Export Ban on the Sustainability of International Business Transactions

Every country will always have an interest in everything within its territory, including the economy. (Ismail dan Umi O Retnaningsih, 2019) among them are natural resources that become a strategic force in a country. Nickel, which is the result of mining which is the main material for industries such as stainless steel metal, to become the raw material for batteries which are now widely produced along with the rapid growth of electrical energy as the driving energy of motorised vehicles. The high demand of the world industry on raw materials in the form of nickel, making large companies in each country very dependent on nickel supplies from countries that have nickel reserves. Not all regions in the world have nickel reserves, so only some regions of a country have nickel reserves, one of which is Indonesia. Indonesia has nickel reserves contained in the earth of 698 million tonnes if launched from the Ministry of Energy and Mineral Resources which shows that the potential for nickel in Indonesia is very large, thus placing Indonesia as one of the major nickel providers in the world.

Indonesia's nickel reserves are indeed very large, but it should be noted that nickel is a non-renewable natural resource, so there will be no additional nickel reserves stored, and will soon run out if taken continuously. The fact that nickel reserves will soon run out, while its existence is needed for this country causes the government to immediately take policies in overcoming the resilience of nickel stocks in the country. The Indonesian government must take rational and well-founded policies, so that the policies made do not violate existing provisions, both provisions on national law, and international law.

The policy of the government of the Republic of Indonesia regarding the ban on nickel ore exports that has been criticised by Europe is a rational policy if based on the constitution. The rationality of the policy is in accordance with the mandate of the constitution, namely Article 33 Paragraph (3) of the 1945 Constitution which states that the Earth and water and the natural resources contained therein are controlled by the State and used to the greatest extent for the prosperity of the people. one of the natural resources in question is natural resources in the form of mining products, including nickel ore mining. The mandate in the 1945 Constitution regarding natural resource management is then outlined in articles 102 and 103 of Law No. 4/2009 concerning Mineral and Coal Mining. The existence of this mandate has consequences that require the government of the Republic of Indonesia to ensure that natural resources are used for the benefit of the people.(Sri Mastuti dan Pangi Syarwi, 2023) which is carried out by prohibiting the export of nickel ore, so that it is processed by refining first before being exported abroad, in accordance with the provisions of articles 102 and 103 of Law Number 4 of 2009 concerning Mineral and Coal Mining.

The interests of the Republic of Indonesia in carrying out efforts for the prosperity of the people must of course be well guarded, one of which is the effort to ban nickel ore exports and encourage downstream efforts as a nickel refining process. Downstreaming is important because nickel exports are in the form of nickel ore which has a very low economic value, so a refining process is needed to increase economic value, as well as open up the widest possible employment opportunities. With the smelting and refining industry, of course the government of the Republic of

Indonesia can strive to utilise natural resources for the prosperity of the people as much as possible.

The domestic smelting and refining industry as a downstream effort certainly has various advantages, which of course are useful for the prosperity of the Indonesian people. The nickel ore export ban policy is of course to ensure that the stock of nickel ore reserves is sufficient to make the refining and smelting industry, so that it can continue to run which automatically provides significant economic benefits. The increased economic value of nickel that has been processed in downstream efforts through the refining and smelting industry will certainly improve the economy. downstream efforts certainly open up a lot of jobs for the people, given that there is a lot of unemployment due to the condition of human resources that is not comparable to the number of jobs available, so it is necessary to open new jobs as widely as possible through efforts to build other refining and smelting industries to meet domestic nickel needs.

The policy of accelerating the ban on nickel ore issued by the Government of the Republic of Indonesia is one of the right political steps. Ministerial Regulation No. 11 of 2019 concerning the Second Amendment to the Minister of Energy and Mineral Resources Regulation No. 25 of 2018 concerning Mineral and Coal mining exploitation. Which essentially states a ban on nickel ore export activities. The ban certainly has an impact on international business transactions, the existence of an agreement contract that has been established both between investors and entrepreneurs who have a relationship with international business transactions must end the relationship, the existence of a contract that has been established of course. It must be considered by the government, therefore the Permen promulgated on 30 August 2019 came into force on 1 January 2020, investors and entrepreneurs were given 3 months to terminate the contract.

The need for resources continues to increase along with the acceleration of globalisation, various countries need to prepare sufficient reserves of resources to meet domestic production needs, Indonesia is a country with the largest producer of Nickel ore which is certainly a field of nickel ore imports by other countries. The European Union, Norway and Canada are some of the countries that feel aggrieved by the nickel ore export ban policy issued by the Indonesian government. (M. Arif Deddy; et.al, 2023). In principle, the strategy issued by Indonesia is in line with the mandate of the legislation in force in the country of Indonesia. The government wants to downstream nickel exports, of course if the measuring value is material then the Indonesian government has carried out an appropriate strategy even though it affects the trade balance which was originally influenced through international business transactions. So after the enactment of the nickel ore export ban. The downstream programme certainly has a good impact on Indonesia, the limited nickel ore refining and processing industry will certainly be a dilemma for nickel ore mining entrepreneurs. Given the limited nickel reserves, the strategy of prohibiting nickel ore transactions in export activities is one of the right policies to maintain the resilience of nickel ore reserves for future nickel resource needs.

The various rationalisations presented by the government as the basis for the policy of accelerating the export ban are not necessarily in line with the views of legal experts. Saldi Isra, who is an expert in Constitutional Law of the Republic of Indonesia, considers that the Government has misinterpreted the formulation of articles 102 and 103 of Law Number 4 of 2009 concerning Minerals and Coal (Minerba Law). Article 102, which reads that Holders of IUP or IUPK at the stage of Production Operation activities must increase the added value of Minerals in Mining Business activities through: processing and refining for metal Mineral mining commodities; Processing for non-metal Mineral mining commodities; and/or processing for rock mining commodities.

Similarly, Article 103 states that the Holders of IUP or IUPK at the stage of Production Operation activities have processed and/or refined mining products in the country. It is also emphasized that the government plays a role in ensuring the sustainability of the utilisation of the processing and/or refining results. Saldi Isra revealed that textually the norms contained in the Article are clear so that they do not require reinterpretation. The number of considerations in formulating a policy carried out by the government will certainly affect the implementation of the policy. as is the case when the Government officially issued a ban on nickel ore exports through Minister of Energy and Mineral Resources Regulation No. 7 of 2012, then the provision was amended again as stated in Article 21A of Minister of Energy and Mineral Resources Regulation

No. 11 of 2012 which states that Holders of Production Operation IUP and IPR can sell mineral ore (raw material or ore) abroad.

After receiving a recommendation from the minister, the provision was then changed again with the issuance of Permen of ESDM No. 20 of 2013 by allowing export activities until the limit of 12 January 2014. Based on the theory of political ecology, it is considered that natural resource management decisions cannot be understood only from a technical point of view that prioritises efficiency, so the government must provide consistent decisions..(Tsirwiyati, 2023) Decision-making is a process that includes several alternative actions aimed at achieving these goals which are carried out to solve management and leadership problems by identifying problems, simplifying and then finding the right solution to solve these problems.

The Indonesian state policy in international business transaction activities certainly has a chain that is in line with its application in export and import activities. but often these policies clash with various regulations. Indonesia, which issues policies such as the ban on nickel ore exports contained in Minister of Energy and Mineral Resources Regulation Number 11 of 2019 concerning the Second Amendment to Ministerial Regulation Number 25 of 2018 concerning Mineral and Coal Mining Business, as a form or strategy to carry out obligations in managing natural resources for the national interest, must also consider the rules contained in the World Trade Organisation. (Padmowati, 2009).

Regardless of the WTO Panel Decision which confirms that the Nickel Ore export ban in Indonesia is contrary to the Multilateral Agreement which determines the rules for the implementation of trade in international business transactions, the Government of the Republic of Indonesia must choose and the decision to issue an export ban policy that is still running is one form of accountability and consistency of the government on legal certainty that has been born. Realising the great potential for the need for nickel does not make the Government issue a policy to ban it completely. reinforcing that exports are still allowed, because the need for resources and relationships in International Trade must be maintained. The existence of downstreaming is a form of Indonesia's role in opening opportunities for other countries to import nickel from Indonesia. (Putra, 2022).

Efforts to ban nickel ore exports by the government of the Republic of Indonesia with the existence of downstreaming by requiring the nickel refining process in the refining and smelting industry certainly have an impact, both positive and negative. The nickel downstreaming policy actually creates benefits for entrepreneurs, but it also does not rule out the possibility that this policy has the potential to cause losses. Entrepreneurs are required to build a nickel refining and smelting industry as a condition in obtaining a licence in nickel ore mining. The existence of this requirement is certainly very burdensome for small companies that do not have enough capital, so they are not able to build it. This raises the potential for monopolistic practices from entrepreneurs with large capital who are already able to build a nickel refining and smelting industry. Entrepreneurs will benefit from the policy, which includes an increase in the economic value of the processed material without ruling out the possibility that the selling value for domestic industry and refining is not higher when compared to when entrepreneurs in international business transactions are relatively higher.

The policy regarding the nickel ore export ban does have impacts, both positive and negative. The positive impacts are increasing the economic value of nickel products that will be exported abroad, maintaining the resilience of nickel ore stocks, empowering human resources by opening up jobs. To increase the balance of export value. The economic value will increase in line with how far the nickel processing goes, so entrepreneurs and the government will benefit if the selling value becomes higher. With downstreaming, nickel ore will be processed first, so that nickel ore stocks from Indonesia are devoted to the domestic nickel refining and smelting industry. (Kementerian ESDM, 2020) The existence of downstreaming will certainly require a lot of human resources in the nickel refining and smelting industry, so that it can absorb the power of the human resources that are quite abundant in Indonesia (Komite Percepatan Penyediaan Infrastruktur Prioritas, 2021) . Meanwhile, the negative impact of the policy is regarding entrepreneurs who do not have the capital to support the downstream programme, to the potential for monopoly from entrepreneurs who have large capital. When looking at the negative and positive impacts of the

policy regarding the ban on nickel ore exports, of course the parties who benefit more are the exporting entrepreneurs and the government, so that importers tend to be disadvantaged by the policy.

The existence of a policy regarding the ban on nickel ore exports does not greatly affect the stability of Indonesian nickel business transactions in the world market. The existence of nickel as a natural resource that is very important for world industry certainly makes all companies will continue to buy nickel from Indonesia. The policy stipulated regarding the ban on nickel ore exports actually only affects industrial companies refining and smelting nickel abroad. Meanwhile, other industries that require nickel such as the stainless steel and battery industries will not be affected. Other industries besides the nickel refining and smelting industry certainly need nickel that is ready to be produced, not raw nickel ore which in fact must be processed by the nickel refining and smelting industry. There is a difference in the policy regarding the prohibition of nickel ore exports only at the purity level of nickel products sold to the international market. This policy certainly benefits the domestic refining and smelting industry, which previously processed nickel ore abroad. So that the profits from nickel production run abroad and do not have a too significant influence on Indonesia's nickel business transactions in the world market. In the end, the State and the people must indeed benefit more from the existence of natural resources in the form of nickel as a manifestation of the constitutional mandate, namely 'the natural resources contained therein shall be controlled by the State and utilised to the greatest extent for the prosperity of the people'.

4. CONCLUSION

Indonesia is one of the countries with a high population, in line with this, the need for resources must also be high. Nickel is one of the natural resources that has an important role in improving the ability of human resources to keep up with globalisation. Nickel as a non-renewable resource is something that cannot be ignored. The government as a representation of the state has an obligation to protect and maintain the resources within the country. Indonesia's involvement in the World Trade Organisation is one form of Indonesia's openness in international business transaction activities and encourages economic growth.

The implementation of the nickel downstreaming policy does not have an impact on International Business transactions. The world's need for nickel resources is the reason that international business transactions between Indonesia will continue. The European Union's efforts in forming a policy regarding the production and promotion of renewable energy, namely the Renewable Energy Directive or RED in the Delegated Regulation Supplementing Directive of The EU Renewable Energy Directive II or RED II which states that there is a plan to stop using palm oil. Minister of Trade Zulkifli Hasan stated that the law will have a negative impact on Indonesia, for example when previously Indonesia could export palm oil to the European Union, then after the issuance of the Anti-Deforestation Law, Indonesia cannot export palm oil to the European Union. The reduction of palm oil exporting countries from Indonesia certainly affects international business transactions between Indonesia and the European Union, as well as the ban on nickel ore exports by the Indonesian government is a form of policy carried out by the state with favourable considerations such as policies issued by the European Union. This phenomenon more or less certainly intersects with the sustainability of transactions in international business, but it is one of the ways for the state to maintain and maintain the political, legal and economic stability of the country.

The prohibition of nickel ore exports issued by the Government of Indonesia which was later heard in the WTO panel which confirmed in its decision that the policy was contrary to the rules of the GATT, Indonesia in this case continued to take the appeal route. and with the consideration of the Government accelerating downstream for the implementation of the mandate in the 1945 Constitution, namely the Earth, Water and natural resources contained therein are controlled by the state and used for the greatest prosperity of the people, as the purpose of the government joining the WTO is to encourage the State's economy, the decision or policy to remain consistent in utilising natural resources for the prosperity of the people is in accordance with the constitutional path.

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