

GAPKI: WTO ruling against EU biodiesel tariffs shows pattern of discrimination against Indonesian palm

The Indonesian Palm Oil Association (GAPKI) welcomes the WTO ruling against the EU, which found that the EU's duties on Indonesian biodiesel to be illegal

JAKARTA , INDONESIA, August 25, 2025 /EINPresswire.com/ -- Following the WTO's ruling against

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The latest WTO ruling shows a clear pattern by the EU in blocking access to their market for Indonesian palm oil. It has consistently discriminated against Indonesian palm for more than a decade.”

GAPKI Chairman Eddy Martono

the European Union's tariffs on Indonesian palm oil, Indonesian Palm Oil Association (GAPKI) chairman Eddy Martono issued the following statement:

“GAPKI welcomes the WTO Dispute Panel's clear ruling against the European Union, which found that the European Union's countervailing duties on Indonesian biodiesel were simply wrong.

“Unfortunately, the latest WTO ruling shows a clear pattern by the European Union in blocking access to the European market for Indonesian palm oil and palm products. It has consistently discriminated illegally against Indonesian palm

oil for more than a decade.

“The WTO ruling showed that the EU:

- Completely mischaracterized Indonesia's support scheme for farmers and failed to prove any trade-distorting benefit to Indonesian biodiesel producers.
- Could not demonstrate any injury to European industry – only a threat of injury;
- Violated basic WTO transparency and due process obligations.

“GAPKI calls on the European Commission to quickly remedy the situation and re-open the EU market to Indonesian palm-based biofuels.

“GAPKI also calls on the EU to ensure that its future measures impacting palm oil – particularly the forthcoming EU Deforestation Regulation (EUDR) – do not discriminate against Indonesian palm oil. We also call on the Commission to ensure Indonesia's 2.7 million palm oil smallholders

are accommodated under the new regulations, whether through certification or clear exemption.”

“The Indonesia-EU free trade agreement is likely to be signed soon, and the EU has promised zero tariffs for Indonesian palm oil, and special treatment for Indonesian products. We hope that the EU respects the spirit of that agreement and the future of bilateral relations between our countries.”

BRIEF ANALYSIS OF THE WTO DISPUTE

The WTO Dispute Panel made a clear ruling in DS618, which found that the European Union's countervailing duties on Indonesian palm biodiesel were wrong on multiple grounds.



First, the EU completely misunderstood how Indonesia's biodiesel support system works. The EU claimed that Indonesia's BPDP (the country's Oil Palm Plantation Fund) operated as a government subsidy that gave unfair advantages to our biodiesel producers. However, the WTO Panel found this was incorrect. The OPPF is not a direct government payment -- it's a system where the palm oil industry supports itself through export levies that are redistributed within the sector. The EU couldn't prove that Indonesian biodiesel producers actually received any unfair advantage compared to normal market conditions.

Second, the EU failed to show that Indonesian biodiesel was harming European producers. The EU claimed there was a "threat of injury" to their industry, but the Panel found this was based on assumptions rather than empirical evidence. The EU made predictions about future Indonesian exports without clear and empirical data and was unable to explain how Indonesian biodiesel would impact EU prices. Without proving real harm, the EU had no valid reason to impose these duties.

Third, the EU violated basic fairness and transparency rules during their investigation. They withheld important information from Indonesian exporters, making it impossible for our companies to properly defend themselves. The documents they did share were often too vague to be useful. They also refused to let Indonesian parties suggest alternative ways to assess the situation, keeping crucial data hidden until it was too late in the process.

In short, the WTO found that the EU's duties against Indonesian biodiesel had no proper legal basis and must be removed to comply with international trade rules.

This ruling is part of a clear pattern of discrimination by the EU against Indonesia's palm oil industry. The WTO has ruled against the EU multiple times:

- DS480 (EU – Anti-Dumping on Biodiesel from Indonesia): The WTO found the EU's anti-dumping duties on Indonesian biodiesel violated trade rules, particularly in how they calculated dumping margins.
- DS593 (EU – Palm Oil, complaint by Indonesia): The WTO Panel ruled that the EU's Renewable Energy Directive II (RED II) unfairly discriminated against palm oil biofuels through biased ILUC criteria, flawed conformity-assessment procedures, and discriminatory treatment, as well as France's TIRIB tax.
- DS442 (EU – Anti-Dumping on Fatty Alcohols from Indonesia): The WTO found the EU acted inconsistently with anti-dumping rules in its treatment of palm-oil-derived fatty alcohols.

These repeated WTO ruling against the EU show that Brussels keeps trying different ways to block Indonesian palm oil from their market—whether through countervailing duties, anti-dumping measures, or environmental regulations. Each time, the WTO finds these measures are unjustified and illegal.

While this ruling should reopen the EU market for Indonesian palm oil-based biofuel, we remain concerned about whether the EU will actually follow through. The EU has been very slow to comply with previous WTO rulings, especially regarding RED II. We call on the EU to respect international trade law and immediately implement all WTO decisions.

We thank the Indonesian government, especially the Coordinating Ministry for Economic Affairs, for consistently defending our palm oil industry's rights in international forums. Indonesia will continue to fight any unfair trade measures that target our sustainable palm oil sector.

Indonesia is committed to sustainable palm oil production and deserves fair treatment in global markets under WTO rules. The EU must stop protecting its own industries at the expense of developing countries like Indonesia.

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