



The Incompatibility of the European Union Deforestation Regulation with Trade Liberalization

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Abstract: The European Union Deforestation Regulation (EUDR) is an environmental policy aimed at ensuring that agricultural and forestry commodities entering the European market are free from deforestation practices. While designed to support global sustainability, its implementation poses significant challenges for developing countries, particularly Indonesia, which heavily relies on exports of commodities such as palm oil, rubber, coffee, and cocoa. This study aims to analyze the implications of EUDR on international trade relations and its compatibility with the fundamental principles of the World Trade Organization (WTO), including most-favoured nation, national treatment, and trade liberalization. Using a qualitative normative approach, this research examines relevant legal frameworks, policy documents, and secondary data. The findings indicate that EUDR imposes complex administrative requirements, such as geolocation verification, supply chain traceability, and comprehensive due diligence, which disproportionately burden smallholders and medium-scale enterprises. Furthermore, the regulation potentially reflects elements of green protectionism, creating trade distortions and reducing the competitiveness of Indonesian commodities in the global market. In conclusion, while EUDR promotes environmental sustainability, it may conflict with fair trade principles and hinder market access for developing countries. Therefore, it is recommended that policymakers strengthen domestic readiness, enhance support for smallholders, and pursue diplomatic engagement to ensure fair and balanced trade practices.

Keywords: EUDR, Trade Barriers, International Trade

Introduction

The World Trade Organization (WTO) is an international institution that regulates and facilitates global trade in order to ensure smooth bilateral and multilateral cooperation among its member states. In the course of international trade relations, disputes are inevitable; therefore, the WTO is equipped with a dispute settlement mechanism through the Dispute Settlement Body (DSB), which operates under the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU).¹ In addition, the WTO plays a significant role in preventing discriminatory practices in international trade and promoting fairness among member countries.²

The multilateral trading system under the WTO is governed by several fundamental principles. The Most-Favoured Nation (MFN) principle requires member states to provide equal trade advantages to all other members.³ The National Treatment principle ensures that imported products are treated no

¹ World Trade Organization, "About the Organization," https://www.wto.org/english/thewto_e/thewto_e.htm.

² Ahmad Fadli Fauzi, "Peran World Trade Organization (WTO) dalam Perlindungan Lingkungan di Era Liberalisasi Perdagangan," *Jurnal Crepido* 5, no. 1 (2023), https://www.researchgate.net/publication/374041712_PERAN_WORLD_TRADE_ORGANIZATION_WTO_DALAM_PERLINDUNGAN_LINGKUNGAN_DI_ERA_LIBERALISASI_PERDAGANGAN.

³ World Trade Organization, "General Agreement on Tariffs and Trade (GATT 1947)," https://www.wto.org/english/docs_e/legal_e/gatt47_e.htm.

less favorably than domestic products once they enter the market.⁴ Furthermore, the principle of reciprocity emphasizes mutual benefits between trading partners, while the principle of predictability through binding and transparency ensures certainty and openness in the application of tariffs and trade regulations. These principles collectively aim to create a fair, transparent, and non-discriminatory global trading system.

Indonesia, as a member of the WTO through the ratification of the Agreement Establishing the World Trade Organization, has actively participated in the global trading system.⁵ The country relies significantly on exports of natural resource-based commodities, particularly palm oil, which constitutes one of its major sources of national income. The European Union represents one of the key export destinations for Indonesian commodities, including palm oil, coffee, rubber, and cocoa.

In July 2023, the European Union introduced the European Union Deforestation Regulation (EUDR), which aims to restrict the entry of products associated with deforestation into the European market.⁶ This regulation establishes three main requirements: first, a cut-off mechanism that prohibits products derived from land deforested after a certain date; second, the obligation for producing countries to provide legal frameworks related to land use and geolocation; and third, the implementation of comprehensive due diligence covering the entire supply chain, from production to distribution.

Despite its environmental objectives, the implementation of the EUDR presents significant challenges for Indonesia. The regulation introduces legal uncertainties, particularly regarding the cut-off date and the requirement for geolocation data for all plantations, including those established prior to 2020.⁷ Indonesia has also implemented its own sustainability certification system for palm oil through Minister of Agriculture Regulation No. 38 of 2020.⁸ However, aligning domestic regulations with EUDR requirements remains complex, especially for smallholders and medium-scale enterprises due to the high costs and technical demands of compliance.

The implementation of the EUDR potentially creates economic losses and trade barriers for exporting countries, including Indonesia. Exporters are required to prove that their products are not linked to deforestation, which increases production and compliance costs, such as certification, supply chain traceability, and logistical adjustments.⁹ Moreover, the regulation is often perceived as discriminatory and disproportionate, as it does not fully consider the socio-economic conditions and technological capacities of developing countries. As a result, EUDR may restrict market access, reduce export revenues, and weaken the competitiveness of Indonesian commodities in the European market.

Previous studies have examined the role of the WTO in environmental protection and trade liberalization; however, limited research has specifically addressed the tension between EUDR and WTO principles, particularly from the perspective of developing countries.¹⁰ Therefore, this study aims to analyze the implications of the EUDR on international trade, especially in relation to WTO principles, and to assess whether the regulation constitutes a form of green protectionism. This research is expected to contribute to the development of fair and balanced trade policies while supporting sustainable environmental governance.

⁴ World Trade Organization, *Understanding the WTO* (Geneva: World Trade Organization Information and External Relations Division, 2011).

⁵ Indonesia, *Undang-Undang Nomor 7 Tahun 1994 tentang Pengesahan Agreement Establishing the World Trade Organization (Persetujuan Pembentukan Organisasi Perdagangan Dunia)*.

⁶ Rohendi, "Prinsip Liberalisasi Perdagangan World Trade Organization (WTO) dalam Pembaharuan Hukum Investasi di Indonesia (Undang-Undang Nomor 25 Tahun 2007)," *Padjadjaran Journal of Law (PJIH)* (2022).

⁷ Paspi Monitor, "European Union Deforestation Regulation on Supply Chain Ciptakan Risiko Ketidakpastian Industri Sawit," *Journal Analysis of Palm Oil Strategic Issues* 4, no. 13 (2023).

⁸ Ibid.

⁹ Indonesia, *Peraturan Menteri Pertanian Nomor 38 Tahun 2020*.

¹⁰ Ibid.

Method

This study employs a normative legal research method to analyze the legal implications of the European Union Deforestation Regulation (EUDR) on international trade, particularly in relation to the principles of non-discrimination and fairness as regulated under the World Trade Organization (WTO) framework.¹¹ The research adopts both a statute approach and a conceptual approach to examine the compatibility between international trade law norms and the European Union's environmental policies, which may potentially create trade barriers for developing countries such as Indonesia.¹²

The nature of this research is prescriptive, as it not only aims to analyze and interpret existing legal norms but also to provide legal recommendations and solutions to issues arising from the implementation of the EUDR.¹³ The data used in this study consist of secondary legal materials, including primary legal sources such as international agreements and national regulations, as well as secondary sources such as academic literature, journals, and legal commentaries. Data collection is conducted through document and literature review, while the analysis is carried out using qualitative juridical analysis to interpret legal principles and assess their application in the context of international trade. Through this approach, the study seeks to formulate legal and policy recommendations that can be adopted by Indonesia to safeguard national interests and ensure that international environmental policies such as the EUDR remain aligned with the principles of justice, proportionality, and non-discrimination within the global trade system.

Findings and Discussion

Trade Barriers Arising from the Implementation of EUDR in Developing Countries

The implementation of the European Union Deforestation Regulation (EUDR) has generated substantial trade barriers for developing countries that depend heavily on forestry and agricultural commodity exports. As a regulatory instrument, the EUDR introduces stringent compliance requirements, including supply chain traceability, geolocation verification, and proof of deforestation-free production.¹⁴ These obligations significantly increase operational complexity and compliance costs for exporters, particularly those operating within fragmented production systems such as Indonesia.

In the context of developing economies, these requirements create asymmetrical impacts. While large multinational corporations may possess the financial and technological capacity to comply with the EUDR standards, small and medium enterprises (SMEs) and smallholder farmers face considerable constraints.¹⁵ The majority of Indonesia's palm oil production, for example, involves smallholders who often lack access to digital mapping technologies, certification systems, and administrative infrastructure required to fulfill due diligence obligations. As a result, the EUDR may unintentionally marginalize these actors from global supply chains, thereby reducing their participation in international trade.

Furthermore, the EUDR can be categorized as a form of non-tariff barrier. Although it does not impose direct tariffs, its regulatory requirements function as indirect restrictions that limit market access.¹⁶ In practice, compliance with EUDR standards becomes a prerequisite for entry into the European market, effectively excluding exporters who are unable to meet these conditions. This creates a structural imbalance in international

¹¹ M. Sholehudin. "Pendekatan Perundang-Undangan dan Pendekatan Konseptual dalam Penelitian Hukum." Fakultas Syariah dan Hukum, UIN Sunan Kalijaga. 2022.

¹² Tunggul Ansari Setia Negara, "Normative Legal Research in Indonesia: Conceptual and Doctrinal Approaches," *Audito Comparative Law Journal* 4, no. 1 (2023).

¹³ Wiwik Sri Widiarty, *Buku Ajar Metode Penelitian Hukum* (Yogyakarta: Publika Global Media, 2024).

¹⁴ Haryo Bimo Budi Indrasto, Hanif Nindya Asyifa, Trihan Gigih Kuncoro, "Evaluation Impact of the European Union Anti-Deforestation Regulation (EUDR) Policy: Empirical Study of Indonesian Agricultural Product Exports," *International Summit on Science and Technology and Humanity* (2024).

¹⁵ Kami, "Keterlibatan Petani Kecil Indonesia dalam Rantai Pasok Uni Eropa di Bawah Peraturan Deforestasi EU: Tantangan dan Langkah Mitigasi yang Dapat Dijalankan," *European Forest Institute* (2025).

¹⁶ Adisty Maharani Purba, "Teori Perdagangan Internasional: Pemahaman Konseptual dan Implikasinya dalam Konteks Global," *Madani: Jurnal Ilmiah Multidisiplin* 1, no. 5 (2023).

trade, where access to markets is no longer determined solely by comparative advantage but also by regulatory capacity.¹⁷

From a legal-economic perspective, this phenomenon reflects the transformation of environmental regulations into trade-restrictive instruments. The due diligence mechanism, which requires verification across the entire supply chain, imposes high transaction costs and risks on exporters. These costs include investments in certification, monitoring systems, and administrative compliance, which may not be economically feasible for smaller actors. Consequently, the EUDR risks reinforcing inequality between developed and developing countries in global trade relations.

a. Impact on Consumers and Market Competition

The imposition of non-tariff barriers through the EUDR also produces significant downstream effects on consumers and market competition. One of the most immediate consequences is the increase in product prices. As exporters incur higher compliance costs, these costs are typically transferred along the supply chain to importers and ultimately to consumers.¹⁸ This results in higher retail prices for affected commodities in the European market.

Rising prices influence consumer behavior by encouraging substitution toward alternative products that are either domestically produced or subject to less stringent regulatory requirements. In the case of palm oil, restrictions under the EUDR may incentivize consumers in the European Union to switch to alternative vegetable oils such as canola oil or olive oil. This shift, however, does not necessarily reflect consumer preference but rather regulatory constraints that shape market availability.

Moreover, the reduction in imported product diversity leads to a decline in consumer welfare. In a competitive market, consumers benefit from a wide range of product choices, price variations, and quality differentiation. However, when regulatory barriers limit the entry of foreign products, domestic producers gain a competitive advantage, which may result in reduced incentives to maintain product quality or competitive pricing. Over time, this can lead to market inefficiencies, where consumers face higher prices and fewer options.

In addition, the EUDR may indirectly promote protectionist tendencies within the European Union. By restricting access to certain imported commodities, the regulation creates a favorable environment for domestic industries to expand their market share. Although the regulation is framed as an environmental measure, its economic impact may align with protectionist outcomes, thereby raising concerns regarding its consistency with fair trade principles.

b. Implications for Productivity, Business Competition, and Trade Liberalization

The restrictive nature of the EUDR also has broader implications for productivity and business competition. In an open trading system, exposure to international competition encourages firms to innovate, improve efficiency, and adopt advanced technologies. However, when access to international markets is constrained, these incentives are significantly weakened.

Reduced competition may lead to inefficiencies in production and a decline in innovation. Firms that are shielded from international competition are less likely to invest in improving product quality or reducing production costs. This, in turn, affects overall economic productivity and limits the ability of industries to compete in the global market. In the long term, such conditions may hinder economic growth in exporting countries, particularly those that rely heavily on commodity-based exports.

These developments stand in contrast to the fundamental principles of trade liberalization. Trade liberalization seeks to eliminate barriers to trade in order to create a more open, efficient, and competitive global market.¹⁹ By reducing tariffs and non-tariff barriers, countries can benefit from increased market

¹⁷ Muhammad Haykel and Gunardi Lie, "Hambatan Non Tarif dan Dampaknya Terhadap Ekspor Produk UMKM Indonesia," *Journal of Small and Medium Enterprise* 2, no. 2 (2025).

¹⁸ International Monetary Fund, "How Lowering Trade Barriers Can Revive Global Productivity and Growth," *IMF Blog* (2016).

¹⁹ Devashish Mitra, "Trade Liberalization and Poverty Reduction," *IZA World of Labor* (2016).

access, enhanced productivity, and greater economic integration.²⁰ Empirical evidence suggests that trade liberalization contributes to increased product diversity, lower prices, and improved consumer welfare.⁸

However, the implementation of the EUDR introduces regulatory barriers that may undermine these objectives. While the regulation aims to address environmental concerns, its practical effect is to impose constraints that disproportionately affect developing countries. This creates a tension between environmental protection and trade liberalization, raising important questions regarding the fairness and proportionality of such measures within the framework of international trade law.

From a broader perspective, the EUDR highlights the emergence of “green protectionism,” where environmental policies are used as instruments that indirectly restrict trade. This phenomenon challenges the core principles of the World Trade Organization (WTO), particularly the principles of non-discrimination and equal treatment among member states. If not carefully balanced, such regulations may lead to trade distortions, reduce global economic efficiency, and weaken trust in the multilateral trading system.

Green Protectionism and the Shift from Trade Liberalization to Environmental-Based Trade Regimes

The development of globalization and trade liberalization has long emphasized the removal of tariff and non-tariff barriers to facilitate the movement of goods, services, and capital across borders. This paradigm enables developing countries, such as Indonesia, to utilize their comparative advantages particularly in natural resources and agriculture to access global markets without excessive protectionist restrictions. However, the emergence of the European Union Deforestation Regulation (EUDR) in 2023 marks a significant shift from traditional trade liberalization toward a regulatory regime increasingly shaped by environmental and sustainability considerations.²¹

The EUDR imposes strict requirements on a range of commodities, including palm oil, timber, rubber, coffee, cocoa, and soy, mandating that all products entering the European market must be proven “deforestation-free.” This includes traceability mechanisms, geolocation verification, and proof that production activities did not involve land converted from forests after the 2020 cut-off date.²² While these measures are grounded in global environmental protection objectives, they simultaneously introduce new layers of complexity in international trade compliance.

From a legal and economic perspective, these requirements function as a new form of non-tariff barrier, particularly affecting exporters from tropical and developing countries.²³ The concept of “green protectionism” emerges in this context as a critical analytical framework. Green protectionism refers to the use of environmental regulations as instruments to restrict international trade, often disproportionately impacting developing countries that lack the institutional, technological, and administrative capacity to comply with such standards.²⁴

Structural Inequality and Market Access Constraints, empirical studies indicate that green trade barriers tend to weaken the export competitiveness of developing countries.²⁵ Unlike developed countries, which generally possess advanced certification systems and digital infrastructure, many developing countries face structural limitations in meeting complex compliance requirements. As a result, environmental regulations such as the EUDR create a form of structural inequality in global trade, where market access is conditioned not only by product quality or price competitiveness but also by regulatory compliance capacity.

²⁰ Nahdya Alfaina Karem et al., “Memahami Liberalisasi Perdagangan: Dampak dan Implikasinya dalam Konteks Ekonomi Global,” *Jurnal Akademik Ekonomi dan Manajemen* 1, no. 4 (2024).

²¹ United Nations Conference on Trade and Development (UNCTAD), “EUDR Regulation: What It Is and How It Could Impact Vulnerable Economies,” *UNCTAD News* (2023).

²² S & P Global Sustainable, “Global Impact of the EU’s Anti-Deforestation Law” (2023).

²³ Decinthya Wirawan & Partners, “EU Deforestation-Free Regulation and Palm Oil: Environmental Protection or Non-Tariff Barrier?” *Jurnal Paradigma Hukum Pembangunan* (2024).

²⁴ Yajing Guo, “Green Trade Barriers under the Developing Country Perspective,” *Future Human Image* (2024).

²⁵ Pasha L. Hsieh, “Green Regionalism in World Trade,” *World Trade Review* 24 (2025).

This situation effectively transforms environmental standards into “barriers to entry” for exporters from developing countries.²⁶ Although trade liberalization theoretically promotes equal access to global markets, unilateral environmental regulations imposed by developed countries may undermine this principle in practice. The asymmetry of compliance capacity results in unequal opportunities, thereby contradicting the spirit of fairness and inclusivity in international trade.

Moreover, the proliferation of non-tariff measures such as technical standards, environmental certifications, supply chain traceability, and geospatial documentation—significantly increases transaction costs and delays in trade processes.²⁷ For small and medium enterprises (SMEs) and smallholder farmers, these requirements are often financially and technically unattainable, leading to exclusion from global supply chains. This not only affects export performance but also threatens the livelihoods of vulnerable economic actors in developing countries.

Environmental Regulation, Innovation, and Global Power Dynamics. It is important to acknowledge that environmental regulations can also generate positive effects, particularly in encouraging innovation and modernization within industries. The adoption of sustainable agricultural practices, cleaner production technologies, and improved quality standards may enhance long-term competitiveness.²⁸ However, the effectiveness of such outcomes is highly dependent on the institutional capacity and policy support available within each country.

In the absence of adequate domestic support mechanisms, environmental regulations such as the EUDR may impose disproportionate burdens on developing countries. Instead of fostering innovation, these regulations may lead to economic marginalization and reduced participation in international trade.²⁹ This highlights the dual nature of green trade barriers: while they promote sustainability goals, they may also reinforce existing inequalities in the global economic system.

From a broader political economy perspective, green protectionism reflects an imbalance of power between developed and developing countries. Environmental regulations that appear neutral on the surface may function as instruments of economic protectionism, limiting the access of developing countries’ products to global markets.³⁰ This dynamic raises critical concerns regarding fairness, proportionality, and the legitimacy of such measures within the framework of international trade law, particularly under the World Trade Organization (WTO).

Therefore, the emergence of green protectionism necessitates a critical re-evaluation of the relationship between environmental sustainability and trade liberalization. While environmental protection remains an essential global objective, it must be balanced with the principles of equity, inclusiveness, and non-discrimination to ensure that international trade remains fair and accessible to all countries, particularly those in the developing world.

Implications of Green Protectionism for Developing Countries: Challenges and Opportunities

Green protectionism creates structural inequality in international trade by placing disproportionate burdens on developing countries. Developed countries, which possess more advanced regulatory systems, technological capabilities, and certification infrastructures, are able to unilaterally establish high environmental standards.³¹ In contrast, developing countries with limited institutional capacity are required to comply with these standards despite lacking the necessary resources and

²⁶ Muhamad Afta Alfari, “Dampak dan Tantangan Kebijakan Perdagangan Nontarif...,” *Neraca Manajemen Ekonomi dan Akuntansi* 4, no. 6 (2024).

²⁷ Umar Fakhru, “Kebijakan Hambatan Perdagangan Atas Produk Ekspor Indonesia...,” *Buletin Ilmiah Litbang Perdagangan* 2, no. 2 (2008).

²⁸ Pei Xu, Zehu Jin, Xiang Hua Wu, “Effect of Green Trade Barriers on Export Enterprise Green Technological Innovation...,” *Frontiers in Environmental Science* (2025).

²⁹ Qiang Wang et al., “Does Protectionism Improve Environment of Developing Countries?,” *Sustainable Production and Consumption* 30 (2022).

³⁰ Yilei Shi, “Challenges Between the Green Trade Barriers and the WTO Treaties...,” *Highlights in Business, Economics and Management* (2023).

³¹ Lydia Powell, “Green Protectionism in Global North: Implication for the Global South,” *Observer Research Foundation* (2023).

infrastructure. This asymmetry results in an uneven playing field in global trade, where regulatory compliance becomes a determining factor of market access rather than comparative advantage.

Although such regulations are often framed as efforts to preserve the global environment, they may implicitly function as protective mechanisms for domestic industries in developed countries.³² By imposing strict environmental standards on imported products, these regulations can limit the entry of lower-cost commodities from developing countries, thereby reducing competitive pressure on domestic producers. This reinforces the argument that green protectionism operates as a form of disguised trade restriction within the global trading system.

For Indonesia, the implications of green protectionism are particularly significant. The potential decline in export performance is accompanied by the risk of resource misallocation, where producers may shift away from their comparative advantage sectors toward industries with lower regulatory burdens. This shift is not driven by market efficiency but rather by regulatory constraints, which may ultimately hinder industrialization and the downstream development of natural resources. Such conditions may weaken Indonesia's long-term economic competitiveness and limit its ability to fully benefit from international trade.

However, green protectionism also presents both challenges and opportunities for developing countries. On the one hand, it imposes significant compliance burdens that may marginalize small and medium enterprises and reduce export competitiveness. On the other hand, it can serve as a catalyst for structural transformation if addressed through appropriate policy responses. Developing countries can respond by strengthening domestic certification systems, enhancing sustainable production practices, and investing in green technologies.³³ Additionally, international cooperation can play a crucial role in facilitating technology transfer and capacity building, enabling developing countries to meet global environmental standards more effectively.

This dual nature of green protectionism highlights the need for a balanced approach in international trade governance. While environmental sustainability remains a critical global priority, it should not be pursued at the expense of fairness and inclusivity in trade. The concept of "greening trade and investment" suggests that environmental objectives can be integrated into trade policies without creating disproportionate burdens for developing countries. Such an approach requires not only regulatory alignment but also supportive mechanisms, including financial assistance, technical support, and policy coordination at the international level.

Therefore, green protectionism should not be viewed solely as a trade barrier but also as a transformative force that can reshape production systems toward sustainability. Nevertheless, without adequate safeguards and inclusive policy frameworks, it risks reinforcing global inequalities and undermining the principles of equitable trade. A critical evaluation of green protectionism is thus essential to ensure that environmental regulations contribute to both sustainable development and fair international trade.

Conclusion

The analysis of the European Union Deforestation Regulation (EUDR) in relation to the principles of trade liberalization under the World Trade Organization (WTO) demonstrates that, although the regulation is grounded in environmental sustainability objectives, its implementation generates disproportionate burdens for developing countries that rely on agricultural and forestry exports. The requirements of traceability, geolocation verification, complex due diligence, and the enforcement of the 2020 cut-off date introduce additional compliance costs that are particularly challenging for small and medium enterprises with limited administrative and technological capacity. These conditions indicate

³² Ji Hyun Lee, "International Systemic Barrier to Green Development: Green Industrial Policy and Non-Tariff Barrier" (John Hopkins University Press, 2018).

³³ Yuxuan Ni, "Green Trade Barrier in the Context of Globalization: Legal Challenges and Countermeasure," *Journal of Education, Humanities, and Social Science* 39 (2024).

the potential emergence of trade distortions that are inconsistent with fundamental WTO principles, including most-favoured nation, national treatment, and the broader objective of reducing tariff and non-tariff barriers. Consequently, the EUDR may be characterized as a form of green protectionism, where environmental objectives are pursued through regulatory standards that are not fully inclusive, thereby restricting market access, increasing production costs, reducing competitiveness, and limiting consumer choice in international markets. In the context of Indonesia, these challenges are further intensified by the structural characteristics of its palm oil industry, which is dominated by smallholders and constrained by limited access to supply chain traceability systems and costly certification mechanisms. Therefore, the EUDR represents not only a regulatory issue but also a matter of global trade justice that requires careful evaluation to ensure that the principles of non-discrimination within the WTO framework are upheld.

In response to these challenges, Indonesia must adopt comprehensive legal, diplomatic, and technical strategies to safeguard its national interests while adapting to evolving global trade standards. Strengthening domestic legal and administrative frameworks related to sustainability certification, including the harmonization of national standards with international requirements, is essential to reduce compliance gaps and facilitate mutual recognition mechanisms. At the same time, enhancing the capacity of smallholder farmers through supply chain digitalization, geolocation verification support, and integrated traceability systems can significantly reduce compliance costs and improve efficiency. From a legal and diplomatic perspective, active engagement within WTO forums is necessary to assess the compatibility of the EUDR with non-discrimination and proportionality principles, including the possibility of initiating consultations if the regulation is found to constitute an unjustified non-tariff barrier. Furthermore, Indonesia should strengthen multilateral and bilateral cooperation—particularly within regional and international platforms—to advocate for more inclusive and equitable environmental standards that take into account the socio-economic conditions of developing countries. Through these measures, Indonesia can maintain fair market access, enhance the competitiveness of its export commodities, and ensure that environmental sustainability is pursued without undermining economic justice in global trade.

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