

TARIFFS AND THE OIL TRADE: UNPACKING THE LEGAL CONSEQUENCES FOR INDONESIA AND VENEZUELA

Andi Ridha Raisa Aqila¹✉, Naurah Tsabitah², Rosa Indiana Jannati Harkha³,
Yunita⁴, Annisa Tassia Hutagalung⁵

^{1,2,3,4,5}Faculty of Law, Universitas Sriwijaya, Indonesia
✉Email: arra150404@gmail.com

Received: August 25, 2025

Published: August 28, 2025

Abstract: Tariffs are taxes imposed on goods imported into a country, paid by importers to the country of origin of the imported goods. Tariff policies play an important role in global trade, including in the export-import activities of the global petroleum industry. The petroleum industry is one of the most important industries for the global economy. This research aims to analyse and compare the impact of tariff policies on oil and gas export-import activities in Indonesia and Venezuela. The executive policies issued by President Donald Trump have caused significant fluctuations in the trade balances of many countries. This research is an empirical legal study that uses a case study approach to examine the emergence of executive policies related to import taxes from partner countries in the United States. The legal materials used are secondary legal sources taken from various scientific articles and journals that have been compiled to obtain conclusions for the author. The results of the research show that there is a significant impact on Venezuela and the United States from the executive policy. For Venezuela, the imposition of sanctions can be considered an additional sanction, as sanctions have already been imposed for human rights violations under the regime of Nicholas Maduro. For Indonesia, the executive policy has caused Indonesia to postpone export activities to the United States until the tax rate is stabilised.

Keywords: Tariff Policy; Export-Import



Open access article under the CC BY-4.0 license

INTRODUCTION

International Trade Law has an irreplaceable role in export-import activities between continents. This is significantly influenced by international organizations and also trade relations between interconnected countries. ¹ trade between countries involves the

¹ Dehghan Faez, 'International trade law (examination of export and import from Europe to America)' (2024), The first international conference on new researches in management, law, humanities and entrepreneurship.

exchange of goods and services through monetary transactions that are often preceded by negotiations and are formalized through a treaty or trade agreement between countries.² These agreements serve as the legal basis for parties to fulfill their contractual obligations.

For Instance, high tariffs, non-tariff barriers like import quotas, complicated import licensing requirements, compliance with unfamiliar health regulations, higher-than-expected minimum manufacturing standards, and several protective measures in international trade transactions.³ Tariff policy is an essential element in the world of international trade. Tariff policy in export-import activities is one of the measures taken by the government to protect its domestic commodities from being compromised by foreign imports, hence maintaining its viability and market strength.⁴ In today's economic modern landscape, distinguished by widespread trade liberalization, tariff policies continue to serve as an essential instrument for protecting specific sectors from international trade competition.⁵

A tariff is a tax imposed on imported goods, primarily serving as a source of government revenue. Tariffs are often used to protect domestic products by making imported goods more expensive, as a result of that is enhancing the competitiveness of local industries.⁶ All countries possess the sovereign right to establish tariff policies aimed at safeguarding the domestic industries and sustaining a favorable trade balance.

A trade surplus occurs when the value of a country's exports of goods and services exceeds the value of its imports within a certain period. This indicates that the country exports more than it imports, resulting in a positive balance of trade.⁷ The implementation of tariffs influences not only the dynamics of international trade but also has significant effects on the domestic economy and the diplomatic relations among nations.⁸ In the context of the domestic economic sector, the use of tariffs can potentially lead to an increase in the price of goods in the domestic market, which can affect the purchasing

² Ibid.

³ Ibid.

⁴ Sihombing, Eva Ulina, et. Al., 'Kebijakan Tarif Dalam Ekonomi Internasional: Analisis Dampak Dan Implementasi' (2024) 4 EKOMA : Jurnal Ekonomi, Manajemen, Akuntansi 1708.

⁵ Ibid.

⁶ Tarrifs, World Trade Organization <https://www.wto.org/english/tratop_e/tariffs_e/tariffs_e.htm> Accessed on 30th April 2025.

⁷ Kenton W, 'What Is Trade Surplus? How to Calculate and Countries with It' (Investopedia) <<https://www.investopedia.com/terms/t/trade-surplus.asp>> Accessed on 2nd May 2025

⁸ Op.cit. Sihombing, Eva Ulina, et. Al.

power of consumers.⁹ In this regard, the government has taken measures aimed at mitigating the impacts of the inherently fluctuating global economy.

At the global level, the implementation of high tariff benchmarks can provoke reciprocal reactions from trading partner countries and often serves as a primary cause of trade wars, ultimately resulting in mutual losses for the countries involved.¹⁰ One of the sectors protected by tariff policies is the energy sector, especially in the oil import-export industry. Crude oil is a very important global commodity. Furthermore, fluctuations in crude oil prices greatly impact aspects of the international economy, such as financial stability and the political power of a country.¹¹ In the context of energy markets, one of the key challenges is producing reliable price forecasts that account for the high volatility and inherent uncertainty of crude oil prices.¹²

Many countries, including Indonesia and Venezuela, rely on export-import activities to boost their national income. Indonesia, endowed with abundant natural resources—particularly crude oil—plays a vital role in the global energy market. According to the *BP Statistical Review of World Energy 2020*, the country holds approximately 3.7 billion barrels of proven crude oil reserves, with daily production averaging 726 thousand barrels.¹³ By the year 2023, Indonesia's Revenue from exporting crude oil reached \$ 1.749,3.¹⁴ In 2025, Indonesia experienced notable fluctuations in its crude oil pricing. According to the data from the Ministry of Energy and Mineral Resources (ESDM), the Indonesian Crude Price (ICP) would be approximately USD 71.11 per barrel.¹⁵ The implementation of the new tariff policies by the United States has influenced the global crude oil prices, impacting not only Indonesia but also other oil-dependent nations. For example, Venezuela

⁹ *Ibid.*

¹⁰ *Ibid.*

¹¹ Shen, Liang, et. Al. 'Intelligent crude oil price probability forecasting: Deep learning models and industry applications.' (2024).

¹² *Ibid.*

¹³ Adminang, 2025, Mengapa Minyak Bumi adalah sangat berharga bagi Indonesia? <[¹⁴ Badan Pusat Statistik, Ekspor Minyak Bumi Mentah Menurut Negara Tujuan Utama, 2000-2024. <\[¹⁵ Kementerian ESDM, 2025, ICP Maret Turun Menjadi USD71,11/Barel, Dampak Peningkatan Tarif Perdagangan AS.<\\[3\\]\\(https://www.esdm.go.id/id/media-center/arsip-berita/icp-maret-turun-menjadi-usd7111-barel-dampak-peningkatan-tarif-perdagangan-as#:~:text=JAKARTA%20%2D%20Harga%20minyak%20mentah%20Indonesia,Februari%202025%20sebesar%20USD74%2C29.> Accessed on 3rd May 2025.</p></div><div data-bbox=\\)\]\(https://www.bps.go.id/id/statistics-table/1/MTAxMSMx/ekspor-minyak-bumi-mentah-menurut-negara-tujuan-utama--2000-2023.html.> Accessed on 3rd May 2025.</p></div><div data-bbox=\)](https://angolaoilandgas2022.com/mengapa-minyak-bumi-adalah-sangat-berharga-bagi-indonesia/#:~:text=Selain%20itu%2C%20Indonesia%20juga%20termasuk,726%20ribu%20barell%20per%20hari.> Accessed on 3rd May 2025.</p></div><div data-bbox=)

has faced severe economic consequences as a result of these U.S. trade measures.

In the late 1920s, Venezuela was among the top crude oil exporters in the world, as in 1928, Venezuela was ranked as the third largest crude oil producer globally after the United States of America and the Soviet Union during that period.¹⁶ Entering early May 2025, Venezuela is reported to have minimal to zero activity, which is a sharp contrast to December 2024, when the country exported more than 8 million barrels of crude oil.¹⁷ This is caused by the Tariff policy issued by President Trump to sanction Venezuela.

In early 2025, the United States government introduced a new tariff policy, which President Donald Trump labeled as "Liberation Day." This policy imposed import duties ranging from 10% to 145% on select goods originating from countries accused of engaging in unfair trade practices against the United States.¹⁸ The primary target of President Trump's policy was the People's Republic of China. The policy was enacted under the authority of the International Emergency Economic Powers Act (IEEPA) of 1977.¹⁹ The International Emergency Economic Powers Act authorizes the President to address substantial trade deficits and unfair trade practices by foreign countries, with the aim of strengthening the U.S. economy and safeguarding domestic industries.²⁰

President Trump announced a 25% tariff on all imports originating from countries that continue to purchase Venezuelan oil, whether acquired directly from Venezuela or indirectly via a third-party country.²¹ The tariff policy is intended as a form of economic pressure and will remain in effect for one year after a country halts the import of Venezuelan oil, unless U.S. officials decide to lift it earlier. While economic

¹⁶ McBeth, B.S., 2009. Venezuela's nascent oil industry and the 1932 US tariff on crude oil imports, 1927–1935. *Revista de Historia Economica-Journal of Iberian and Latin American Economic History*, 27(3), pp.427-462.

¹⁷ In *Internasional Shipping News*, 2025, Tanker- Weekly Market Monitor: Venezuela's Crude Oil Export Trends <[¹⁸ Saragih Andana R., \(2025\), Portal Hukum.id Imbas Tarif Resiprokal Trump, Bagaimana Tatanan Perdagangan Internasional Akan Bertahan? <https://portalhukum.id/hukum-internasional/imbasm-tarif-resiprokal-trump-bagaimana-tatanan-perdagangan-internasional-akan-bertahan/>. Accessed on 4th May 2025.](https://www.hellenicshippingnews.com/tanker-weekly-market-monitor-venezuelas-crude-oil-exports-trends/#:~:text=From%20a%20monthly%20high%20exceeding%208%20million.halt%20in%20shipments%20following%20the%20Chevron%20wind%2Ddown.> Accessed on 6th May 2025</p></div><div data-bbox=)

¹⁹ Khomarul Hidayat, 2025, Indonesia Juga Kena, Ini pernyataan Gedung Putih Soal Tarif Impor Baru Trump <https://nasional.kontan.co.id/news/indonesia-juga-kena-ini-pernyataan-lengkap-gedung-putih-soal-tarif-impor-baru-trump-1?page=2>. Accessed on 4th May 2025.

²⁰ *Ibid*

²¹ The White House (2025), *Imposing Tarrifs on Countries Importing Venezuelan oil*. <https://www.whitehouse.gov/presidential-actions/2025/03/imposing-tariffs-on-countries-importing-venezuelan-oil/>. Accessed on 4th May 2025.

in function, the policy is also positioned as a response to transnational criminal threats—such as those linked to the Tren de Aragua gang—and is part of broader efforts to address the worsening humanitarian crisis in Venezuela, which the United States attributes to the actions of the Venezuelan government.²² This constitutes a unilateral economic sanction, defined as a measure imposed and enforced solely by one country without authorization from an international organization. The application of such sanctions is politically sensitive and legally contentious, often raising debates over their legitimacy under international law.²³ The United States' imposition of tariff measures on Venezuela's trade activities can be interpreted as a form of economic coercion intended for the Venezuelan government. This action is inconsistent with the Most Favoured Nation (MFN) principle outlined in Article 1 of the General Agreement on Tariffs and Trade (GATT) 1947, which mandates equal trade treatment among all member countries and prohibits discriminatory practices in international trade.²⁴ It can then be said that the United States violated the sovereignty of other countries by imposing such policies. To assess the impact of the United States' tariff policies aimed at protecting its national economy—including those targeting the energy sector—it is essential to acknowledge that these measures extend beyond economic considerations, raising complex legal and ethical issues within the framework of international trade law.

Based on the issues outlined above, this research aims to examine (1) how Trump's tariff policy affects oil export and import activities in Indonesia and Venezuela, and (2) whether the tariff policy is in line with the principles of international economic law. This research aims to analyze the impact of tariff policies issued by the United States government on export-import activities in the energy sector, particularly petroleum, on Indonesia and Venezuela, and to analyze the compatibility of these policies with the principles of international economic law. Therefore, this research focuses primarily on providing a deeper understanding of tariff policies through a comparative method between the impact of Trump's tariff policies on Indonesia and Venezuela. It then evaluates the compatibility between the policies issued and the principles of international economic law.

²² *Ibid*

²³ Johan Holst (2023) *The Legality of Unilateral Economic Sanctions, An analysis of international law on the lawfulness of unilateral economic restrictive measures. Bachelor Thesis, Master of Laws Program. Faculty Of Law Lund University*

²⁴ General Agreement on Tariffs and Trade 1947

METHODS

The method used in this research is descriptive research because it aims to analyse the impact of tariff policies issued by the United States government on export-import activities in the energy sector, particularly petroleum, in Indonesia and Venezuela, as well as the analysis related to the compatibility of these policies with the principles of international economic law. Then, the method used is a comparative approach in comparing the impact of Indonesia and Venezuela, by using secondary legal sources, trade data, and policy documents. By assessing these impacts, the research sheds light on the broader consequences of unilateral trade policies within international economic law and offers insights into how oil-exporting nations can navigate similar external trade challenges in the future.

RESULT AND DISCUSSION

The impact of Trump's tariff policy on oil export and import activities in Indonesia

Indonesia, blessed with abundant natural resources, has emerged as a key supplier of crude oil and various essential commodities for other countries. This resource wealth supports Indonesia's focus on export activities as a strategic driver of national economic development. Although export performance is significantly affected by fluctuations in the rupiah currency exchange rate, the consistent demand for essential raw materials compels other nations to continue importing from Indonesia. The exchange of goods, whether raw materials or finished products, across borders is known as international trade.²⁵ International trade is similar to domestic trade, but the difference lies in the location where the transaction takes place. Similar to international agreements, international trade also emphasizes agreements between parties and is binding. In practice, the value of international cooperation is often reflected in foreign debt arrangements. However, such debt must be managed with caution, as it can significantly influence the profitability of trade and, due to fluctuating exchange rates, may deplete a country's foreign exchange reserves required for debt servicing. As of today, Indonesia has formed bilateral trade partnerships with 162 countries—including the United States—with the total transaction value reportedly reaching up to 90 trillion US dollars.

Foreign exchange earnings derived from both export and import activities play a significant role in a country's economic stability. This is

²⁵ Rinaldy, Eddie; Ikhlas, Denny; Utama, Ardha. *Perdagangan internasional: Konsep dan aplikasi*. Bumi Aksara, 2021.

shown by data from the period 2009 to 2018, during which major importing countries such as Japan imported approximately 1,315.4 thousand tons of crude oil, the United States imported 1,443.4 thousand tons, and Singapore imported 959.8 thousand tons. These figures highlight the magnitude of global crude oil trade and its contribution to national foreign exchange reserves.²⁶ The figures mentioned above are the results of research conducted by the National Statistics Agency (BPSN) In 2018. These figures serve as a positive indicator for national economic performance, particularly in supporting infrastructure development and other key sectors. In 2020, crude oil ranked as the world's second-largest export commodity, with the total global export value estimated at approximately USD 661.8 billion.

Saudi Arabia is the largest exporter of crude oil in the world, with exports worth 17.2%, followed by Russia with 11%, Iraq with 7.7%, the United States with 7.6% and the United Arab Emirates with 7.2%.²⁷ Therefore, the import policy initiated by US President Donald Trump has had a significant impact on the purchasing power of citizens in the United States. The policy that restricts US citizens from importing crude oil into the United States will, at the very least, have an impact on production businesses that depend on the availability of crude oil, causing negative fluctuations and even prolonged inflation in the price of crude oil for US citizens. The US economy is currently experiencing a decline of 0.3% in the first quarter of 2025.²⁸ The contraction experienced by the United States is attributed to a significant and severe decline in consumer confidence, which has coincided with a substantial increase in income among CEOs. If no counterbalancing measures are taken, this situation will cause the US to fall into recession in the second half of 2025.

As a globally competitive crude oil exporter, Indonesia is particularly vulnerable to the economic ramifications of the tariff policies enacted under President Donald Trump. The impact of President Donald Trump's economic policies will cause fluctuations that will weaken the rupiah exchange rate and will also affect non-tax state revenue (Penerimaan Negara Bukan Pajak/PNBP). The key anticipated consequences of a weakened rupiah exchange rate include:

²⁶ Susi Setiawan (2024). *10 Produsen Minyak Terbesar di Dunia: Persaingan AS, Rusia & Iran*. <https://www.cnbcindonesia.com/research/20241009085819-128-578103/10-produsen-minyak-terbesar-di-dunia-persaingan-as-rusia-iran>. Accessed on 1st May 2025.

²⁷ Laporan Badan Pusat Statistik (2024). Ekspor Minyak Bumi Mentah Menurut Negara Tujuan Utama, 2000-2023. <https://www.bps.go.id/id/statistics-table/1/MTAxMSMx/ekspor-minyak-bumi-mentah-menurut-negara-tujuan-utama--2000-2022.html>. Accessed on 26th May 2025.

²⁸ Ibid., The White House (2025), *Imposing Tariffs on Countries Importing Venezuelan oil*.

- a. A reduction in the international trade balance.
- b. A weakening rupiah exchange rate will cause export levels to decline as well and will affect domestic inflation.
- c. Increasing foreign debt that is not balanced with control over the banking sector will cause very high interest rates.²⁹

The swift action taken by President Donald Trump in exercising his executive authority over circumstances deemed to be emergencies, enabling him to implement economic policies, is outlined in the International Emergency Economic Powers Act (IEEPA), which is directly enforced and administered by the Office of Foreign Assets Control, as well as export control regulations administered by the Bureau of Industry and Security at the United States Department of Commerce.³⁰ The imposition of such a large tax by the US on Indonesia, amounting to 32%, will have a domino effect on the US itself, given the unstable internal situation in the US and the fact that this policy will cause the prices of imported goods to rise further.³¹ Although the United States is a significant trade partner, it is not the sole destination for Indonesia's crude oil exports. The impact of U.S. tariff policies on Indonesia's crude oil sector is likely to be minimal. While the issue for Indonesia is not solely about the crude oil sector affected by the policy implemented by Donald Trump, it is also because Trump's original intention is to promote domestic products from the United States, which will inevitably lead to a reduction in imports of daily necessities from the United States. This, in turn, will make Indonesia one of the primary destinations for such goods.

The impact of Trump's tariff policy on oil export and import activities in Venezuela

Venezuela, as one of the largest oil-producing countries, has also been severely affected. Even before being affected by the international trade war policy initiated by the US President, Venezuela had already been subject to sanctions that caused its economy to collapse to the point where Venezuelans had to use gas fuel to replace crude oil in their own country. By the end of April 2025, at least 10 companies had already terminated their partnerships with Venezuela.

²⁹ Fatmawati Maulida., (2021)., *Dinamika Nilai Tukar Rupiah Terhadap US Dollar: Metode Monetary Approach.*, Vol.11 No. 2., Jurnal Ilmu Ekonomi.

³⁰ Price Benowitz LLP (2025) *Internasional Emergency Economic Power Act*, <https://ofaclawyer.net/economic-sanctions-programs/ieepa/>. Accessed on 5th May 2025.

³¹ Eko Budi Sutrisno., (2025)., *Dampak Positif dari Pengenaan Tarif Resiprokal Trump.*, Kementerian Keuangan RI Direktorat Jenderal Perbendaharaan. <https://djpb.kemenkeu.go.id/kppn/palopo/id/data-publikasi/189-berita/2938-dampak-positif-dari-pengenaan-tarif-resiprokal-trump.html>. Accessed on 6th May 2025.

Venezuela is part of South America with a total area of 912,050 km². Almost all of Venezuela's gross domestic product comes from crude oil, so since the US imposed sanctions that slowly restricted Venezuela's economic movement, the purchasing power of Venezuela's largest crude oil importers has declined. Previously, Venezuela had been subject to U.S. sanctions due to actions taken by President Nicolás Maduro, which were alleged to violate human rights, resulting in a total of 27,875 casualties. As a result, the U.S. took serious measures by imposing restrictions on individuals involved in the situation in Venezuela.³² This step was followed by a ban on US citizens conducting business with Venezuela. By 2019, the US embargo on Venezuela had caused at least three large companies in Venezuela to go bankrupt. These three companies were the Central Bank of Venezuela, the Development Bank of Venezuela, and Venezuela's largest oil company, Petroleos de Venezuela SA, which suffered economic disruption. The U.S. embargo on the oil company under the Nicholas regime resulted in a decrease in income of 1,819.2 barrels, leading to a decline in Venezuela's national economy and causing inflation to surge to \$ 98,468. This situation compelled the Venezuelan government to utilize its foreign exchange reserves to settle its foreign debt, resulting in hyperinflation with a total inflation rate of 929,789.5%. This figure represents the highest inflation rate in Venezuelan history and even in the history of global inflation. Since 2019, there has been a food crisis affecting 9.3 million people, and recently, residents have been seen using gas cylinders to replace petrol due to the shortage of petrol supplies for the Venezuelan people.³³

China, as the top importer of crude oil from Venezuela with 483,700 barrels per day, followed by India with 60,160 barrels per day, has suspended some of its cooperation with Venezuela, which has once again caused the country's economy to collapse. Moreover, on 15 April, Venezuelan President Nicolas Maduro declared a state of economic emergency, which is understandable given that Venezuela's inflation rate has reached 234%. Even the food sector experienced drastic inflation in the first half of 2019, reaching 371,545.6%. This situation was caused, among other things, by the weakening of Venezuela's currency, the Bolivar, which led to a drastic increase in prices in Venezuela.

³² Tempo (2019), *Kronologi Krisis Venezuela dan Manuver Oposisi Hadapi Maduro*. <https://www.tempo.co/internasional/kronologi-krisis-venezuela-dan-manuver-oposisi-hadapi-maduro--776456>. Accessed on 30th April 2025.

³³ Marriana Parraga (2025) *Venezuela's oil exports fall 11,5% over US tariffs and sanctions, shipping data show*. <https://www.reuters.com/business/energy/venezuelas-oil-exports-fall-115-over-us-tariffs-sanctions-shipping-data-say-2025-04-01/>. Accessed on 1st May 2025.

The sanctions imposed by the United States on Venezuela are not in accordance with the General Agreement on Tariffs and Trade (GATT), which outlines the basic legal principles of world trade and international economic relations. The existence of unilateral economic sanctions has become a debate on the economic freedom of states.³⁴ Several experts have pointed to Venezuela's heavy dependence on the oil industry as the cause of the sharp rise in inflation. This, combined with rising foreign debt and the chronic weakening of the Venezuelan economy following President Donald Trump's policies, has worsened the country's current economic situation.³⁵ Sanctions imposed by the international market on Venezuelan crude oil have restricted the crude oil sector and caused Venezuelan citizens to migrate to other countries every day in order to continue their lives.

The Relationship Between Tariff Policies and the Principles of International Economic Law

In April 2025, United States President Donald Trump issued a tariff policy that applies to all countries in the world. This isn't the first tariff policy Donald Trump has implemented. A tariff war between China and the United States occurred several years ago.

This new policy is certainly different from the previous policy, where the basis for implementing this tariff is also not the same as the tariff policy during Donald Trump's previous presidential period. This can affect the international economy, the effects of which are not limited to certain countries and can have a major impact on various aspects of people's lives.

The Trump administration held "Liberation Day" on April 2, it introduced "reciprocal" tariffs aimed at countering what it sees as unfair trade practices inflicted on the United States by other countries.³⁶ The countries discussed, Indonesia and Venezuela, are also impacted by this tariff policy. The negative impacts can be felt across the world, especially in developing nations. This indicates a discrepancy between the tariff policy and the principles of international law.

The United States has also been a long-standing member of this organization. The World Trade Organization (WTO) handles trade

³⁴ Op.cit. Johan Holst (2023).

³⁵ Albertus Adit. (2025) *Krisis Ekonomi Venezuela: Warga tetap berjuang di tengah kegelapan*. <https://internasional.kompas.com/read/2025/04/16/114700070/krisis-ekonomi-venezuela--warga-tetap-berjuang-di-tengah-kegelapan>. Accessed on 1st May 2025.

³⁶ Hameiri S, 'Trump's Tariffs Explained' (UQ News, 4 April 2025) <<https://www.uq.edu.au/news/article/2025/04/trumps-tariffs-explained>> accessed on 4 May 2025.

disputes between its member countries. As mentioned above, the United States has once challenged China's tariff policies through the WTO. The discussion was more specifically about the WTO Agreement on Trade-Related Aspects of Intellectual Property (TRIPS), which addresses intellectual property rights and applicable tariffs. The United States filed a complaint with the WTO in 2018 because China allegedly violated Article 3, National Treatment, and Article 28 of TRIPS. On June 1, 2018, the European Union filed a parallel request to consult with China on its technology transfer practices. That case has not gone beyond the consultation phase.³⁷

As a WTO member, the United States has the right to file a complaint if it believes there is something wrong with its trade with another country, but the tariff policy that they have implemented also violates WTO principles. The WTO has principles that serve as international guidelines, one of which is the Most Favored Nation (MFN) principle. MFN makes sure countries do not discriminate between their trading partners. If a WTO member grants favourable trading terms like lower tariffs to one country, it must extend the same benefits to all other WTO members. This promotes equality and fairness in international trade.³⁸

The United States violates MFN because the tariffs imposed, even though they are applied globally, are unfair due to the differences in tariff rates between countries. Some countries benefit more, while others don't. Indonesia is also subject to a 32% tariff, and compared to other ASEAN countries, the tariff rates are different from one country to another. Under this new US policy, other ASEAN countries are subject to varying tariffs, such as Singapore (10%), the Philippines (17%), Malaysia (24%), Thailand (36%), Vietnam (46%), and Cambodia (49%).³⁹ For Venezuela, the country was also affected by being subject to a different tariff on its petroleum exports of 25%.

The 25% tariff that will be imposed on countries importing Venezuela's oil is one of the issues with this policy. As fellow members of

³⁷ Zuidwijk T, 'Understanding the Intellectual Property Disputes between China and the United States' (Centre for International Governance Innovation, 15 May 2019) <<https://www.cigionline.org/articles/understanding-intellectual-property-disputes-between-china-and-united-states/>> accessed on 4 May 2025.

³⁸ ICC, 'Why the Most-Favoured Nation Principle Matters for Business' (International Chamber of Commerce, March 2025) <<https://iccwbo.org/wp-content/uploads/sites/3/2025/03/2025-ICC-Why-the-most-favoured-nation-principle-matters-for-business.pdf>> accessed on 3 May 2025.

³⁹ Wahyuni W, 'Kebijakan Tarif Impor Trump Dan Dampaknya Bagi Indonesia' (hukumonline.com, 7 April 2025) <<https://www.hukumonline.com/berita/a/kebijakan-tarif-impor-trump-dan-dampaknya-bagi-indonesia-lt67f35d6760b1d/?page=2>> accessed on 4 May 2025.

the WTO, the tariffs imposed should be fair between countries and not hinder the trade or the economy of any country, especially developing countries.

The U.S. sanctions regime against Venezuela has intensified, with Chevron's abrupt cancellation of oil shipments marking a critical escalation. The result is a 20% drop in Venezuela's oil exports in Q2 2025, a figure underscored by April's data showing output plummeting to 700,000 barrels per day (bpd)—the lowest level in nearly a year.⁴⁰

Tariffs imposed on Venezuela could directly impact China, the primary buyer of Venezuelan oil, which accounted for nearly 70% of Venezuela's exports in 2023.⁴¹ Other countries seeking to export oil from Venezuela are also affected. This could reduce Venezuela's oil exports, which are one of the country's largest sources of revenue. Furthermore, the strained relationship between the Venezuelan government, led by Nicolás Maduro, and the United States administration, led by Donald Trump, could be another reason for the tariffs.

Sovereignty is possessed by all independent nations, including Venezuela. Sovereignty, in the context of a state (state sovereignty), is the supreme power that a state has to freely carry out various activities according to its interests, provided those activities do not conflict with international law. From this definition, sovereignty has three main aspects: external, internal, and territorial.⁴² On the external aspect, it can be considered that sovereignty is a country's right to establish relations with other countries without threat or pressure from other parties or countries. Therefore, a country has the right, as a whole, to cooperate with any country it desires.

Venezuela has the authority to govern its own affairs, particularly in trade and economic matters. Both of these areas could be hindered by Trump's policies. Preventing other countries from cooperating with Venezuela violates the principle of Venezuelan sovereignty. This policy interferes with Venezuela's internal affairs.

In announcing the tariffs, Trump invoked the 1977 International Emergency Economic Powers Act (IEEPA), which gives a U.S. president sweeping powers to regulate the economy during wartime or another

⁴⁰ Rivers H, 'Venezuela's Oil Exports Plunge 20% as Sanctions Trigger Cargo Cancellations' (Ainvest, 1 May 2025) <<https://www.ainvest.com/news/venezuela-oil-exports-plunge-20-sanctions-trigger-cargo-cancellations-2505/>> accessed on 6 May 2025.

⁴¹ Luna D, 'USA - Venezuela: Venezuela Punitive Tariffs' (Friedrich Naumann Foundation, 1AD) <<https://www.freiheit.org/sanctions-migration-and-power-dynamics-trumps-course-against-maduro>> accessed on 4 May 2025.

⁴² Mauna B, *Hukum Internasional Pengertian Peranan dan Fungsi dalam Era Dinamika Global* (PT Alumni 2001).

emergency caused by a foreign threat. The law essentially grants a president extraordinary economic powers “to deal with any unusual and extraordinary threat” if he “declares a national emergency with respect to such threat.”⁴³

The President of the United States of America finds that the actions and policies of the regime of Nicolás Maduro in Venezuela continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States.⁴⁴ In addition, it also mentioned criminal threat and illegal activities, and that economic measures are needed to protect the interests of the United States.

The World Trade Organization (WTO), specifically in Article XXI of the General Agreement on Tariffs and Trade (GATT), discusses security exceptions. This means that if we align with the statement from the President of the United States that policies are issued to protect the country from threats or national emergencies, this article can be invoked. The WTO specifically addresses security exceptions in Article XXI of the General Agreement on Tariffs and Trade (GATT), where, if it is aligned with the statement from the President of the United States that the policy was issued to protect the country from threats or national emergencies, this article could be applicable. The fact that Trump’s government unilaterally advances the alleged “national security” concern without any judicial control from the WTO Dispute Settlement Body made the situation more complicated.⁴⁵

If there is indeed an emergency threat, then the violated WTO principle can be excluded, but is the existing threat from another country against the United States in accordance with the rules and settlements of the WTO? In its implementation, the United States did not adhere to the settlement as regulated by the WTO, as the emergency threat was declared by the country without filing a complaint or submitting to the WTO Dispute Settlement Body.

The previous Trump administration also imposed tariffs on steel and aluminum on the grounds that imports endangered the security of the United States. Switzerland took legal action against it, and the WTO ruled in its favor. The report was appealed by the US, but the appeal is still

⁴³ Manak I, ‘Trump’s Tariffs Are an Unconstitutional Power Grab’ (Council on Foreign Relations, 14 February 2025) <<https://www.cfr.org/article/trumps-tariffs-are-unconstitutional-power-grab>> accessed on 4 May 2025.

⁴⁴ White House, ‘Imposing Tariffs on Countries Importing Venezuelan Oil’ (The White House, 27 March 2025) <<https://www.whitehouse.gov/presidential-actions/2025/03/imposing-tariffs-on-countries-importing-venezuelan-oil/>> accessed on 4 May 2025.

⁴⁵ Georgieva VP, ‘Trump’s Foreign Policy and International Trade Law’ (2020) 1 Anuario Mexicano de Derecho Internacional 700.

pending because the Appellate Body no longer exists⁴⁶. The decision on the case has not yet been reached, and there is no final and binding decision.

This means that there has been a violation of international law principles because it does not comply with the national security exceptions in WTO regulations. Furthermore, the body that should resolve this case, which is the Appellate Body, is not functioning as it should. This demonstrates that violations can occur if there is no body or regulation to ensure international law principles can operate effectively. The WTO, as an organization that resolves economic disputes between countries, has also been unable to resolve this tariff issue. Countries must develop solutions to address this issue to minimize the impact of this policy.

CONCLUSION

On 2 April 2025, the United States issued a new policy on import tariffs worldwide. This tariff policy was issued under the authority of the International Emergency Economic Powers Act (IEEPA) of 1977, with U.S. President Donald Trump declaring an emergency threat to the United States. This policy affects all countries, including Indonesia and Venezuela. This will inevitably have a significant impact on all aspects of society, particularly trade and the economy, and especially in developing countries with low economic growth. This could create economic instability between nations. Indonesia, as a country that exports a significant amount of crude oil to meet global demand, is not immune to the impacts of this policy. However, based on literature and data, the effects of this import policy are not a major threat, as the United States is not the only destination for Indonesia's crude oil exports. This can also be anticipated by exporting to several countries that have been priority export destinations from the outset. However, the Indonesian government is still conducting negotiations to maintain good relations between the two countries. ever, Venezuela has been significantly impacted because it is one of the countries heavily reliant on crude oil exports as a source of foreign exchange. Therefore, this policy has severely damaged the country's economic condition, and it can be said that Venezuela's economic status is in a state of emergency.

Tariff policies are not new to the United States. However, this new policy is not in line with the principles of international law. This tariff policy violates the WTO principle of Most Favoured Nation (MFN) and also the

⁴⁶ Caluori R, 'Trump's Tariffs and International Trade Law' (University of Basel, 6 February 2025) <<https://www.unibas.ch/en/News-Events/News/Uni-Research/Trump-s-tariffs-and-international-trade-law.html>> accessed on 4 May 2025.

principle of state sovereignty, in which the United States interferes in cooperation relations between countries, which is a prerogative of independent states. Regulations and a committee are needed to resolve the issue so that tariff policies do not harm many parties and only benefit a few.

The recommendations put forward by the writers are as follows:

1. In implementing the executive policies formulated by President Donald Trump, negotiations should be conducted to control the amount of taxes imposed by the United States.
2. It is necessary to reconstruct the single economic market with the US by expanding export destinations.
3. Improving the quality of domestic products through the development of downstream industries and enhancing the efficiency and productivity of domestic industries by reducing production costs and increasing the competitiveness of these products.
4. Developing infrastructure that can accelerate the pace of goods production and improving logistics infrastructure services to expedite the delivery of goods overseas.

REFERENCES

- Albertus Adit. (2025) *Krisis Ekonomi Venezuela: Warga tetap berjuang di tengah kegelapan*. <https://internasional.kompas.com/read/2025/04/16/114700070/krisis-ekonomi-venezuela--warga-tetap-berjuang-di-tengah-kegelapan>. Accessed on 1 May 2025
- Caluori R, 'Trump's Tariffs and International Trade Law' (University of Basel, 6 February 2025). <https://www.unibas.ch/en/News-Events/News/Uni-Research/Trump-s-tariffs-and-international-trade-law.html> Accessed on 4 May 2025.
- Dehghan, Faezeh. 'International trade law (examination of export and import from Europe to America)' (2024), *The first international conference on new research in management, law, humanities, and entrepreneurship*
- General Agreement on Tariffs and Trade tahun 1947
- Georgieva VP, 'Trump's Foreign Policy and International Trade Law' (2020) 1 Anuario Mexicano de Derecho Internacional 700
- HaMayri S, 'Trump's Tariffs Explained' (UQ News, 4 April 2025) <https://www.uq.edu.au/news/article/2025/04/trumps-tariffs-explained>. Accessed on 4 May 2025

- Adminang, 2025, *Mengapa Minyak Bumi adalah sangat berharga bagi Indonesia?* <https://angolaoilandgas2022.com/mengapa-minyak-bumi-adalah-sangat-berharga-bagi-indonesia/#:~:text=Selain%20itu%2C%20Indonesia%20juga%20termasuk,726%20ribu%20barell%20per%20hari>. Accessed on 3 May 2025
- Khomarul Hidayat, 2025, *Indonesia Juga Kena, Ini pernyataan Gedung Putih Soal Tarif Impor Baru Trump* <https://nasional.kontan.co.id/news/indonesia-juga-kena-ini-pernyataan-lengkap-gedung-putih-soal-tarif-impor-baru-trump-1?page=2>. Accessed on 4 May 2025.
- Saragih Andana R., (2025), *Portal Hukum.id Imbas Tarif Resiprokal Trump, Bagaimana Tataunan Perdagangan Internasional Akan Bertahan?* <https://portalhukum.id/hukum-internasional/imbas-tarif-resiprokal-trump-bagaimana-tataunan-perdagangan-internasional-akan-bertahan/>. Accessed on 4 May 2025.
- Badan Pusat Statistik, *Ekspor Minyak Bumi Mentah Menurut Negara Tujuan Utama, 2000-2024.* <https://www.bps.go.id/id/statistics-table/1/MTAxMSMx/ekspor-minyak-bumi-mentah-menurut-negara-tujuan-utama--2000-2023.html>. Accessed on 3 May 2025
- Kementerian ESDM, 2025, *ICP Maret Turun Menjadi USD71,11/Barel, Dampak Peningkatan Tarif Perdagangan AS.* <https://www.esdm.go.id/id/media-center/arsip-berita/icp-maret-turun-menjadi-usd7111-barel-dampak-peningkatan-tarif-perdagangan-as#:~:text=JAKARTA%20%2D%20Harga%20minyak%20mentah%20Indonesia,Februari%202025%20sebesar%20USD74%2C29>. Accessed on 3 May 2025
- In *Internasional Shipping News*, 2025, *Tanker- Weekly Market Monitor: Venezuela's Crude Oil Export Trends* <https://www.hellenicshippingnews.com/tanker-weekly-market-monitor-venezuelas-crude-oil-exports-trends/#:~:text=From%20a%20monthly%20high%20exceeding%208%20million,halt%20in%20shipments%20following%20the%20Chevron%20wind%2Ddown>. Accessed on 6 May 2025
- World Trade Organizations, 2025, *Tariffs* https://www.wto.org/english/tratop_e/tariffs_e/tariffs_e.htm. Accessed on 30 April 2025
- ICC, *'Why the Most-Favoured Nation Principle Matters for Business'* (International Chamber of Commerce, March 2025) <https://iccwbo.org/wp-content/uploads/sites/3/2025/03/2025->

[ICC-Why-the-most-favoured-nation-principle-matters-for-business.pdf](#) Accessed on 3 May 2025

Johan Holst (2023) *The Legality of Unilateral Economic Sanctions, An analysis of international law on the lawfulness of unilateral economic restrictive measures*. Bachelor Thesis, Master of Laws Program. Faculty Of Law Lund University

Kenton W, 'What Is Trade Surplus? How to Calculate and Countries with It' (Investopedia) <https://www.investopedia.com/terms/t/trade-surplus.asp>. Accessed on 2 May 2025

Laporan Badan Pusat Statistik (2024). Ekspor Minyak Bumi Mentah Menurut Negara Tujuan Utama, 2000-2023. <https://www.bps.go.id/id/statistics-table/1/MTAxMSMx/ekspor-minyak-bumi-mentah-menurut-negara-tujuan-utama--2000-2022.html>. Accessed on 26 May 2025

Luna D, 'USA - Venezuela: Venezuela Punitive Tariffs' (Friedrich Naumann Foundation, 1AD) <https://www.freiheit.org/sanctions-migration-and-power-dynamics-trumps-course-against-maduro> Accessed on 4 May 2025

Manak I, 'Trump's Tariffs Are an Unconstitutional Power Grab' (Council on Foreign Relations, 14 February 2025) <https://www.cfr.org/article/trumps-tariffs-are-unconstitutional-power-grab> Accessed on 4 May 2025

Mariana Parraga (2025) *Venezuela's oil exports fall 11,5% over US tariffs and sanctions, shipping data show*. <https://www.reuters.com/business/energy/venezuelas-oil-exports-fall-115-over-us-tariffs-sanctions-shipping-data-say-2025-04-01/>. Accessed on tanggal 1 May 2025.

Mauna B, *Hukum Internasional Pengertian Peranan dan Fungsi dalam Era Dinamika Global* (PT Alumni 2001)

McBeth, B.S., 2009. Venezuela's nascent oil industry and the 1932 US tariff on crude oil imports, 1927–1935. *Revista de Historia Economica- Journal of Iberian and Latin American Economic History*, 27(3), pp.427-462.

Price Benowitz LLP (2025) *Internasional Emergency Economic Power Act*, <https://ofaclawyer.net/economic-sanctions-programs/ieepa/>. Accessed on 5 May 2025

RINALDY, Eddie; IKHLAS, Denny; UTAMA, Ardha. *Perdagangan internasional: Konsep dan aplikasi*. Bumi Aksara, 2021.

Rivers H, 'Venezuela's Oil Exports Plunge 20% as Sanctions Trigger Cargo Cancellations' (Ainvest, 1 May 2025) <https://www.ainvest.com/news/venezuela-oil-exports-plunge-20->

[sanctions-trigger-cargo-cancellations-2505/](#) Accessed on 6 May 2025

Shen, Liang, et. Al. 'Intelligent crude oil price probability forecasting: Deep learning models and industry applications.' (2024).

Sihombing, Eva Ulina, et. Al., 'Kebijakan Tarif Dalam Ekonomi Internasional: Analisis Dampak Dan Implementasi' (2024) 4 EKOMA : Jurnal Ekonomi, Manajemen, Akuntansi 1708.

Susi Setiawan (2024). 10 Produsen Minyak Terbesar di Dunia: Persaingan AS, Rusia & Iran. <https://www.cnbcindonesia.com/research/20241009085819-128-578103/10-produsen-minyak-terbesar-di-dunia-persaingan-as-rusia-iran>. Accessed on 1 May 2025

Tempo (2019), Kronologi Krisis Venezuela dan Manuver Oposisi Hadapi Maduro. <https://www.tempo.co/internasional/kronologi-krisis-venezuela-dan-manuver-oposisi-hadapi-maduro--776456>. Accessed on tanggal 30 April 2025

The White House (2025), Imposing Tarrifs on Countries Importing Venezuelan oil. <https://www.whitehouse.gov/presidential-actions/2025/03/imposing-tariffs-on-countries-importing-venezuelan-oil/>. Accessed on pada 4th May 2025

Wahyuni W, 'Kebijakan Tarif Impor Trump Dan Dampaknya Bagi Indonesia' (hukumonline.com, 7 April 2025) <https://www.hukumonline.com/berita/a/kebijakan-tarif-impor-trump-dan-dampaknya-bagi-indonesia-1t67f35d6760b1d/?page=2> Accessed on 4 May 2025

White House, 'Imposing Tariffs on Countries Importing Venezuelan Oil' (The White House, 27 March 2025) <https://www.whitehouse.gov/presidential-actions/2025/03/imposing-tariffs-on-countries-importing-venezuelan-oil/> Accessed on 4 May 2025

Zuijdwijk T, 'Understanding the Intellectual Property Disputes between China and the United States' (Centre for International Governance Innovation, 15 May 2019) <https://www.cigionline.org/articles/understanding-intellectual-property-disputes-between-china-and-united-states/> Accessed on 4 May 2025