

ANALYSIS OF TRUMP'S IMPORT TARIFF INCREASE POLICY ACCORDING TO GATT

Salsabillah Putri^{1✉}, Refia Inaya Salsabila PB², Zahvira Ayudiah Pratiwi³, Titin Purnama Sella⁴, Diantara Purnama⁵

^{1,2,3,4,5} Faculty of Law, Universitas Sriwijaya, Indonesia
✉ Email: salsabillahput1@gmail.com

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Abstract: The debate regarding the United States' compliance with multilateral trade rules governed by the General Agreement on Tariffs and Trade (GATT) has re-emerged as a result of the import tariff increase policy planned by President Donald Trump in 2025. This policy, driven by the "America First" slogan, carries a significant potential to violate fundamental GATT principles, such as the Most-Favoured-Nation (MFN) principle (Article I), which prohibits discrimination, and the tariff commitments (bound rate) in Article II that set maximum tariff limits. This research aims to analyze the import tariff increase policy based on the GATT legal framework, as well as to explore its global impact and the potential for disputes within the World Trade Organization (WTO). This study employs a qualitative descriptive approach with a literature review methodology, utilizing secondary data from international legal documents, academic journal articles, and official publications from the WTO. Data analysis is conducted using a content analysis approach to assess the tariff policy's conformity with GATT provisions, including exception clauses such as safeguard measures (Article XIX) and general exceptions (Article XX). The analysis reveals that discriminatory tariff increases that exceed the bound rate without a legitimate process could violate the United States' international obligations. The policy also appears to exploit loopholes in GATT's Article XXI (Security Exceptions) as a pretext for economic protectionism, which has the potential to trigger disputes at the WTO and threaten the stability of the global trading system.

Keywords: GATT; Import Tariffs; Trade



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INTRODUCTION

"America First" is a familiar slogan to the ears. These two words are sacred slogans echoed by Donald Trump during the campaign in 2016, which

were also emphasized when he was inaugurated as President of the United States in 2017.¹

Having failed to hold the position of president because he lost his competition during the Joe Biden period, now Trump has returned to his throne as president of the United States, with a different situation due to some of his policies being abandoned. He again echoed the slogan during his inauguration as the 46th president of the United States on January 20, 2025. The President of the Superpower straightforwardly stated, "I will, very simply, put America first". It can be said that Trump's speech in 2025 is a more 'upgraded' version of the America First slogan of 2017. Although they are considered similar, there are still additions to the vision and mission that tend to be more extreme in some aspects. Starting from environmental policy, international trade, and approaches to global economic issues. The controversial value was reflected in the oration he delivered, such as the United States withdrawing from the Paris agreement, which has good goals for the environment, and even wants to drill oil in Natural Resources (SDA) regularly and without limits, and emphasized that the US will no longer be friendly to immigrants. Not only that, the vision that stole the world's attention the most was that Trump set tariff hikes on foreign countries,² to build another famous slogan, namely "Make America Great Again".³ The tariff increase policy carried out by Trump has certainly become a polemic among all world elites, because it is considered a threat and also a tool of political pressure, not just an economic problem. This is the same as the United States flying the flag of a trade war to the relevant countries.⁴ One of the retaliations given for the nuclear bomb in the form of a 104% tariff increase is the Chinese State, which responded through an official statement from the office presenting the Chinese government, Xi Hu, that they will not remain silent about the treatment of the United States and will immediately take progressive steps regarding economic and trade restrictions. On the other hand, there is Indonesia, which seeks diplomacy and negotiations on tariff increases; moreover, it is inevitable that Indonesia is still very dependent on the dollar. Although there are countries like Indonesia that are still trying to find peaceful ways, but still

¹ Mazrieva, Eva. 2018. "Trump Tegaskan Kembali "America First" pada Kebijakan-kebijakannya." *VOA*. Jakarta.

² 2025. President Trump's America First Priorities. Statement of President Trump, New York: The White House.

³ Margolin, Emma. 2016. NBC NEWS. September. Accessed May 2025. <https://www.nbcnews.com/politics/2016-election/make-america-great-again-who-said-it-first-n645716>.

⁴ Fratiwi, Vera. "Kebijakan Perdagangan Tiongkok Dalam Mengurangi Ketergantungan Dolar AS Pada Perang Dagang." Universitas Satya Negara Indonesia, 2025.

respond well and also extreme ways, most countries consider that this is a violation of the General Agreement on Tariffs and Trade (GATT) committed by the United States. If viewed based on legal aspects, Trump's tariff increase policy does have the potential to violate the General Agreement on Tariffs and Trade (GATT), especially regarding the Most Favoured Nation Treatment section, which in substance explains that every country must treat products from all WTO members and also the General Agreement on Tariffs and Trade (GATT) equally without discrimination. Then there is also an alleged violation of Article II, namely the concession schedule, which has set the highest tariff agreed upon by all members. Because the United States did not follow the consultation or dispute resolution procedures prevalent in the WTO before applying tariffs, Article XXVIII, which governs the grievance mechanism and the process of modification of tariff schedules, is also considered to have been violated by the United States. For these reasons, this study is here to analyze whether Trump's import tariff increase policy is in line with the General Agreement on Tariffs and Trade (GATT) or violates the principles of the General Agreement on Tariffs and Trade (GATT).

METHODS

This research was conducted with a qualitative descriptive approach and utilized the literature study method as a data collection technique. The focus of this study is to review the policy of increasing import tariffs imposed by President Donald Trump on a number of trading countries, including Indonesia, and to examine the policy based on the legal perspective and principles in the 1994 General Agreement on Tariffs and Trade (GATT).

The data sources used are secondary data, obtained from various international legal documents, especially GATT, scientific journal articles, economic news, and official publications issued by the WTO and related government agencies.

The data analysis process is carried out through a content analysis approach, namely by analyzing various documents and literature references to assess whether the tariff policy is in line with or contrary to the provisions of GATT, such as the principle of Most-Favoured Nation (Article I), the bound tariff in Article II, and the exemption provisions as stated in Articles XX and XXI of the GATT.

RESULT AND DISCUSSION

This research was conducted to examine whether the policy of increasing import tariffs announced by President Donald Trump in 2025 is in line with the principles set out in the General Agreement on Tariffs and Trade (GATT). Based on the results of the analysis, the policy is considered to have the potential to violate Article I on Most-Favoured Nations, Article II on Bound Tariffs, and Article VII on Customs Valuation, and there are indications of the use of Article XXI (Security Exception) as an excuse that tends to be used for protectionist purposes. This research clearly differs from previous studies, because it discusses issues that are still relevant with fluctuating impacts, and provides a stronger focus on the provisions regulated in GATT.

In addition, this research is in the context of a more aggressive version of the 2025 version of the "America First" policy, with the implementation of a universal tariff of 10% and special tariffs that exceed the bound rate without going through a renegotiation procedure at the WTO. These different approaches allow the study to uncover broader implications, such as threats to the credibility of the WTO, the potential for tariff retaliation that could trigger global trade fragmentation, and the risk of weakening the principle of non-discrimination in the multilateral trading system. Therefore, this research makes an important contribution in linking the analysis of international trade law with the latest global economic policy assessment.

Analysis of the Principles of the General Agreement on Tariffs and Trade (GATT) Related to Trump's Import Tariff Policy.

Import Increase the initiative to establish the General Agreement on Tariffs and Trade (GATT) began with the efforts of the United States during World War II and the postwar period. The underlying belief of this initiative is that global economic instability is one of the main causes of armed conflict. At that time, the international economic order experienced a serious disruption, where protectionist policies implemented through the imposition of tariffs and trade restrictions were considered the main factors that triggered the economic depression and increased mistrust between countries in the realm of trade. The conflict situation that arises is considered a direct result of the failure to build trust among nations. In response to this, the thought arose that it was necessary to anticipate similar circumstances in the future by building a more open and free international trading system.⁵

⁵ Meria Utama, *Hukum Ekonomi Internasional*, PT. Fikahati Aneska, 2012, Hal.38.

In order to regulate the international economy in order to build the trade system referred to above, a conference was held that referred to the formation of three instruments, namely the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (World Bank), and finally the International Trade Organization (ITO). In the event of an aspiration to form an ITO, the United States at that time was preparing a draft ITO Charter, but on the other hand, the General Agreement on Tariffs and Trade (GATT) was formed, which was intended to regulate 'temporarily' until the formation of the ITO institution.

Contrary to expectations, the ITO failed to be formed because the American Congress did not approve the draft ITO Charter. However, the GATT, as a multilateral agreement that is non-organizational or non-institutional, eventually develops into an institution that practically plays a role like an international organization. Furthermore, a protocol called the Protocol of Provisional Application applies, which essentially paves the way for the GATT so that it can function.

Throughout its enactment, the GATT has been continuously reformed, which is driven by the lack of a clear institutional structure. Therefore, the GATT member countries held negotiations that took place in seven rounds, the best results of which were achieved in the Uruguay Round which began in 1986-1995 which included at least 13 focus discussions, including one of them on Tariffs and one of the achievements of the Final Act was the WTO charter, so that in practice the GATT and the WTO are closely related. In the Final Act, there are four annexes, of which Annex 1 is divided into Annex 1A (multilateral agreements on trade in goods), Annex 1B (GATS), and Annex 1C (TRIPS). The 1994 GATT is part of Annex 1A and the main source of the World Trade Organization (WTO Agreement).⁶ Annex 1A of the WTO Agreement is the source that contains two key aspects of the GATT principles.

There are two key aspects of the GATT principles:

- a. *Unifying Rules Governing Customs Valuation*
- b. *Unifying Rules Governing Exchange Control*

Valuation is a restriction on imports and the imposition of tariffs. The unification of the rules on *customs valuation* is a central aspect of the GATT framework. The assessment is directly related to the mechanism for imposing tariffs and the implementation of various other forms of import restrictions. Standardization in *customs valuation* is important to prevent price manipulation practices that can interfere with the

⁶ World Trade Organization, *The Legal Texts: The Results of the Uruguay Round of Multilateral Trade Negotiations*(Cambridge University Press, 1999), Annex 1A.

principles of fair trade. With this provision, member states are required to use a transparent, objective, and consistent valuation method in applying the value of imported goods, so that the tariffs and restrictions imposed reflect the true value of the goods. This effort aims to ensure that the principles of non-discrimination and fair competition, as set out in the GATT, can be effectively applied in international trade practices.

The basic principles of the WTO, which are closely related to the two key aspects of the GATT principles above, are the principle of *Non-Discrimination*. This principle consists of two concepts, namely the concept of *Most Favoured Nation* (MFN) and the concept of *National Treatment*. MFN is a basic concept of international trade practice, which is regulated in *Article 1* of the GATT.

If associated with the latest global issue, namely the policy of increasing import tariffs carried out by the President of the United States, Donald Trump is a reflection of three external change variables, namely the emergence of China as a new superpower. The *structural change variable* was obtained from the change in the US political structure from the Democratic Party to the Republican Party after the 2016 election. From *the leadership factor*, namely, Trump's negative perception of China, since before he became president.⁷ Until May 2025, the tariff policy often touted as related to the Trump presidency actually began in 2018. This policy mainly focuses on increasing tariffs on products from China, Europe, and other countries. The 2025 policy plan really surprised many parties, but it is actually not far from the prediction if Trump officially reoccupies the position.

Re-analyzing the policy with the previous principles, it is understood that the unification of the regulations on *customs valuation* regulated in *Article VII* of the GATT 1994 and further elaborated in the *Customs Valuation Agreement* refers to the vision that member states set the value of imported goods based on the principles of transparency, objectivity, and consistency. This assessment is important to prevent the use of tariffs as a veiled protectionist instrument that is not based on the true value of imported goods.

However, looking at the *sequel* to the import tariff increase policy initiated by President Donald Trump since 2018 and its expansion plan in 2025, in our opinion, it is certainly contrary to these principles. The application of additional tariffs is often carried out not based on

⁷ Puguh Arisanto and Adi Wibawa, "Donald Trump's Era Trade War As The United States' Convulsive Adaptive Foreign Policy", *Indonesian Journal of International Relations*, 2021, Vol.5, No. 2, pp. p.163.

differences in the valuation of customs values of goods, but rather as a 'political tool' to pressure other countries in trade negotiations. Thus, these additional tariffs in principle ignore the principle of unification of customs assessments upheld by the GATT and, of course, have also violated the WTO's *principles of non-discrimination* (MFN and NT). As for the context of international law:

- a. Article I of the GATT 1994 regulates the principle of *Most Favoured Nation*, which obliges countries to act fairly, meaning that the treatment of import and trade tariffs given to one WTO member state must be given to all other member states. Of course, US policy in practice has been contrary to this principle. This is evidenced by his economic policy vision for 2025. Donald Trump has proposed an increase in universal tariffs of up to 10% for all imported products, as well as higher additional tariffs for certain countries, especially China. But in reality, even soaring far from just 10%, tariff lists from 185 countries show tariff instability; tariffs on US goods and reciprocal tariffs (reciprocal tariffs) from these countries appear to be unstable. Some countries, such as Australia, enjoy full exemptions from tariffs, while South Korea faces export quotas. On the other hand, countries like the European Union and China are subject to additional tariffs in full.
- b. Article II of the GATT 1994 stipulates that member states must respect bound *tariff commitments* that have been agreed in multilateral negotiations. The important points of the regulation in Article II are the obligations of the state/parties in terms of tariff treatment, prohibition of setting additional duties, and transparency. Bound tariffs are a maximum commitment that countries can apply lower tariffs, but they must not exceed the agreed limits without going through formal renegotiation at the WTO to provide legal certainty and the balance of international trade. If it is associated with Trump's policy of increasing import tariffs, it has, of course, violated the principles and rules of *bound tariffs* because the US did not go through a formal renegotiation procedure to adjust its bound tariffs. So it is true that many countries file lawsuits against the US, for example, the case of DS544, DS548 in the WTO panel, stating that the use of security reasons by the US is contrary to the context of aluminum steel tariffs and contrary to the commitments of *bound tariffs* in GATT/WTO.

- c. Article VII of the GATT 1994 states that customs assessments should be based on the transaction value of goods, not on assumptions that can lead to protection. In his economic policy plan for 2025, Donald Trump proposed the implementation of a general tariff of 10% for all imported goods. Additionally, there are higher additional tariffs on imported goods from "problematic" countries, such as China. However, the problem is that the tariff is set arbitrarily and does not take into account the actual transaction price of the goods. The imposition of these tariffs is more focused on protecting domestic industries, rather than reflecting the true value of trade between countries.
- d. The Customs Valuation Agreement (Agreement on Implementation of Article VII) makes it clear that valuation procedures must be fair, uniform, and neutral.

Trump's tariff-raising policy tends to take advantage of loopholes in Article XXI of the GATT (*Security Exception*) on the grounds of "national security", to impose high tariffs without having to undergo a legitimate customs assessment mechanism. This action is clearly considered an abuse of the security article for protectionist economic interests and has the potential to violate the principles of the GATT, which support free, fair, and regulated trade.

Global Impact on the Existence of Tariff Increases

There is no denying that the United States has global economic dominance. The fact that almost all countries in the world continue to rely on the US dollar as the main currency for monetary stability, international trade transactions, and foreign exchange reserves is one of the most obvious evidence of such dominance. Every economic policy of the United States government, including the policy of increasing import tariffs during the leadership of Donald Trump, has significant and far-reaching consequences for the global economy.

Trump's protectionist policies, especially trade wars with major countries such as China, have caused economic tensions around the world. Great concerns about the stability of the international trading system are caused by measures such as the implementation of high tariffs. As a result, many countries feel their economic growth is threatened, especially those that rely heavily on exports and global supply chain networks.

This economic instability not only disrupts great powers such as China, which is considered a sworn enemy of the United States, but also

impacts many important areas, such as global financial markets, currency exchange rates, cross-border investment flows, and the state of international investor confidence. Although the United States is strategically positioned in the economic world, the policies made by the country, even if they come from only one national jurisdiction, have the ability to have a significant and lasting impact on the global economy. The following are the specific impacts that arise from Trump's policy of increasing import tariffs on various countries;

a. China

China's economy has been severely affected by the Donald Trump administration's tariff policies. By revoking duty-free treatment and raising export costs, the U.S. triggered an escalation of the trade war that resulted in a decline in Chinese exports to the U.S. market, which negatively impacted China's economic growth.⁸ Based on Goldman Sachs, it estimates that the tariff hike will lower China's GDP by 2.4%.⁹ Meanwhile, many Chinese companies, especially small and medium-sized enterprises, are facing difficulties due to the increase in tariffs on imports of goods from China by up to 125%. To reduce its dependence on the US market, China turned to the domestic market, providing fiscal stimulus, which actually strengthened trade relations with other countries, so it can be said from another point of view that the United States, which is also dependent on goods from China, must be careful. However, these tensions still create uncertainty in global markets and affect overall global economic growth.¹⁰

b. Korea Selatan

The United States imposed import tariffs of 25% on South Korea, but later lowered them to 10% for ninety days, giving them time to negotiate. Even so, this policy has had numerous impacts on South Korea, especially in the field of exports and vehicles. Korea's exports during the first 20 days of April 2025 declined by 5.2% compared to the same period the previous year, with exports to the U.S. down 14.3%. The automotive industry also suffered losses, with overseas car shipments down 6.5% and parts exports down 1.7%.¹¹

⁸ Ministry of Defense of the Republic of Indonesia: Research and Development Agency. "US-China Trade War: Impacts, Opportunities, Challenges and Strategic Solutions for Indonesia," 2025.

⁹ Wirayani, Prima. "Goldman: Because of the trade war, China's economy will plummet." In CNBC Indonesia, 2019.

¹⁰ Rosdalina, Ida. "What are the U.S. losses from the tariff war with China?" In *Tempo.Co*, 2025.

¹¹ Yours truly, Natasha. "South Korea's exports to the US are shrinking as a result of the impact of Trump's tariffs." *Coverage 6*, 2025.

In response to the increasing demand in the country, the South Korean government lowered the vehicle tax from 5% to 3.5% and increased subsidies for electric vehicles. Instead, major auto companies such as Hyundai and Kia are working with major banks to start financial assistance programs for affected businesses. Overall, South Korea is facing significant economic pressure due to Trump's tariff policies, which require the government and industry players to make various adjustments to ensure the country's economic stability and export competitiveness.¹²

c. Meksiko

U.S. President Donald Trump began imposing an import tariff of 25% on almost all imported products originating from Mexico on February 4, 2025. This policy is designed to stop the illegal drug trade and limit migration from Mexico to the United States. However, this measure has a direct impact on the cost of Mexican exports to the U.S. market and could disrupt key supply chains, especially in the highly connected automotive industry between the two countries. In addition, trade tensions are increasing, raising concerns about negative economic consequences for Mexico and the U.S., disrupting market stability in the North American region.¹³

Mexican President Claudia Sheinbaum responded to Donald Trump's accusations firmly, calling them baseless "slander," and asserting that import tariffs cannot solve the migration and narcotics problems. Mexico uses diplomatic means; it sent an official delegation to the United States to speak directly with them to seek a peaceful and constructive settlement. Mexico also decided to delay retaliatory action for one month, showing a friendly attitude toward the United States and maintaining bilateral relations. In contrast, the Mexican government strongly opposes tariff policies that are considered unfair and could harm the economies of both countries, but they pledge to increase surveillance at the border and cooperate in the fight against drug trafficking.¹⁴

d. Indonesia

From April 2025, President Donald Trump has set an import tariff of 32% on Indonesian goods that will have a significant economic impact on Indonesia. textiles, clothing, palm oil, rubber, and electronic products

¹² Rakhma, Sakina. "As a result of Trump's tariffs, South Korea will disburse Rp 34.1 trillion to the automotive industry." *Kompas.Com*, 2025.

¹³ *BBC News Indonesia*. "What are tariffs, why is Trump using tariffs, and why are tariffs feared to trigger a trade war?" 2025.

¹⁴ Puspasari, Erwina. "China, Canada, and Mexico's response to Trump imposing high import tariffs." *Kompas.Com*, 2025.

become excessive, especially when they are about to be sent to the US market, which is one of Indonesia's largest trading partners, as a result of this policy. As a result, Indonesian goods no longer have competitiveness in the United States market, which can result in a decrease in exports and also a decrease in income in related industries. Of course, this also increases the likelihood of a decline in the workforce and also increases the risk of a slowdown in exports and overall national manufacturing.¹⁵

In making decisions from this policy of increasing import tariffs, Indonesia chose the path of diplomacy. Airlangga Hartarto, Coordinating Minister for Economic Affairs, led Indonesia's diplomatic efforts. During his visit to the United States, Airlangga presented a negotiation proposal that the US government thoroughly evaluated. The proposal includes tariff issues, non-tariff barriers, and Indonesia's commitment to increase imports of U.S. goods to balance the trade balance. To achieve a fair and mutually beneficial solution without taking retaliatory tariff action, this diplomacy involves meeting with high-ranking officials such as U.S. trade representatives, secretaries of commerce, and delegations from other countries. Airlangga stated that Indonesia chose the path of diplomacy and negotiation, with the aim of increasing cooperation between Indonesia and the United States through trade and investment relations.¹⁶

Airlangga presented that Indonesia certainly prefers the path of peace, namely diplomacy and negotiation, with the aim of increasing trade and investment cooperation with the US (TIFA). In the intensive negotiations that took place, the two countries agreed to complete negotiations within 60 days to maintain the stability of bilateral economic relations, protect the affected labor-intensive industries, and increase export market diversification to reduce dependence on the United States.¹⁷

Potential Disputes over Import Tariff Increases at the World Trade Organization (WTO) and How to Resolve Them

a. Potential Dispute over Import Tariff Increase at WTO

An increase in a country's imports can lead to international trade disputes. This is especially true if the action is considered to be in

¹⁵ Fatimah, Myesha. "The reason the US is implementing new high import tariffs on Indonesian products." *Tempo.Co*, 2025.

¹⁶ Administrator. "Indonesia offers the US fair and balanced trade tariffs." *Indonesia.go.id*, 2025.

¹⁷ BBC News Indonesia. "What are tariffs, why is Trump using tariffs, and why are tariffs feared to trigger a trade war?" 2025.

breach of the tariff commitments set out in the WTO agreement. The potential for disputes arises due to the following reasons:

1. Violation of the Bound Rate Tariff Commitment

Each WTO member state has an *agreed "Bound Rate"*. If a country raises its tariffs beyond the *bound rate* without WTO approval, another country can sue that country for violating Article II of the GATT 1994.¹⁸

2. Discrimination or Unequal Treatment

This is declared a violation of the Most Favoured Nation (MFN) Principle in accordance with Article I of the GATT 1994 if the tariff increase is applied discriminatorily to a particular country.¹⁹

3. Protectionism or Unlawful Retaliatory Actions

Countries can raise tariffs as a repressive measure or to protect domestic industries, potentially violating the WTO's open market principles.

Case Example :

"United States — Tariff Measures on Certain Goods from China (DS543)"

In which China sued the US for unilaterally raising tariffs without WTO justification. The panel said the U.S. actions violated GATT provisions.²⁰

- b. How to Resolve Disputes at the WTO

This WTO dispute settlement system is a development and improvement of the previous system regulated in the General Agreement on Tariffs and Trade (GATT). The stages of dispute resolution regulated by the WTO include:

1. Consultation (Article 4 DSU)

In order to achieve a peaceful settlement of the problem, the aggrieved state must first consult with the defendant country.²¹

2. Establishment of the Panel (Article 6 of the DSU)

The plaintiff state can request the formation of a panel to assess whether the action violates WTO rules if the consultation fails within 60 days.²²

3. Procedure Panel

¹⁸ Article II of the GATT 1994

¹⁹ Article II of the GATT 1994

²⁰ "United States – Tariff Measures on Certain Goods from China (DS543)". Available at https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds543_e.htm; accessed 06 May 2025.

²¹ Dispute Settlement Understanding (DSU), Article 4

²² Dispute Settlement Understanding (DSU), Article 6

The panel report will only outline a summary of the issue and state that the dispute has been resolved. The examination time of the panel report must not exceed 6 (six) months; for urgent cases, including those related to perishable goods, the stipulated period is 3 (three) months.²³

4. Panel Report Verification

The panel's report, as a result of the examination process, must be automatically ratified within 2 (two) months from the date of issuance of the report, unless one of the parties declares an appeal or the DSB (Dispute Settlement Body) by consensus decides not to ratify the report. In the event of no appeal, the total time given by DSB to certify the panel's decision is no more than 9 (nine) months from the issuance of the report.²⁴ However, in the case where there is an appeal process, 1 (one) month is added to the maximum amount of the previous 12 (twelve) months if the Appeal Body acts in accordance with the provisions of Article 17 paragraph (5) of the DSU.²⁵

c. Appellate Review

Established by the Dispute Settlement Body, the "Review Body" will hear all applications. The Review Body consists of 7 (seven) representatives from WTO members who will serve for 4 (four) years. 3 (three) people from the Review Body will listen to applications. They have the authority to defend, amend, or overturn the panel's decision, but the application must not be filed within more than 60 (sixty) to 90 (ninety) days. The report from the applicant body must be sent to the DSB within 30 (thirty) days after issuance, and the disputing party must accept it unconditionally. Otherwise, the agreement will be enforced against this endorsement.²⁶

d. Implementation

Within 30 (thirty) days after the panel report is adopted, the relevant parties are required to express their willingness to implement the recommendations that have been set. If the implementation cannot be agreed upon immediately, the Dispute Resolution Board (DSB) will determine the implementation period that is considered reasonable. However, if the

²³ Dispute Settlement Understanding (DSU), Article 12

²⁴ Dispute Settlement Understanding (DSU), Article 12:9

²⁵ Dispute Settlement Understanding (DSU), Article 17

²⁶ Syahmin AK., "Peran Hukum Kontrak Internasional dalam Era Pasar Bebas (Diktat Perkuliahan)", Palembang: Fakultas Hukum Universitas Sjakgyakirti, 2005, hlm.54.

implementation is still not carried out within the given time frame, the defendant must offer a form of compensation that both parties can accept. If, within a period of 20 (twenty) days, no agreement is reached on satisfactory compensation, the plaintiff has the right to request DSB to grant permission to suspend obligations or concessions to the defendant's country.²⁷

The existence of rules in the WTO that regulate international trade provides a clear reference for its member countries in carrying out cross-border trade activities. In addition, the existence of a dispute resolution mechanism contained in the *Dispute Settlement Understanding* (DSU) aims to resolve conflicts arising from trade interactions between countries peacefully, fairly, and without harming one of the parties. It also contributes to creating a stable and healthy global trading environment.

In general, dispute resolution procedures at the WTO are applied equally, both for developed and developing countries. However, there are certain provisions that are specifically designed to accommodate the conditions of developing countries. Therefore, WTO members are expected to pay special attention if disputes arise from developing country policies.²⁸

CONCLUSION

The above analysis shows that the policy of increasing import tariffs by the President of the United States has certainly violated the rules of the GATT and the WTO trade principles, namely the principle of the Most-Favoured Nation (Article I), tariff commitment (Article II), Article VII of the 1994 GATT and the Customs Valuation Agreement (Agreement on Implementation of Article VII). On the other hand, Trump's tariff hike policy tends to take advantage of loopholes in Article XXI of the GATT Security Exception on the grounds of "national security", to impose high tariffs without having to undergo a legitimate customs assessment mechanism. This action is clearly considered an abuse of the security article for protectionist economic interests and has the potential to violate the principles of the GATT, which support free, fair, and regulated trade.

Of course, the potential for disputes is very large. The legal implications of these tariff hikes have the potential to create new trade disputes at the WTO, which could exacerbate global trade instability

²⁷ *Ibid*

²⁸ Hasan Basri, "Penyelesaian Sengketa Dagang Internasional dalam Kerangka WTO (World Trade Organization)", *Jurnal Hukum Academia*, Vol.7, 2011, hlm.41.

and undermine the effectiveness of the rules-based dispute settlement system on which the WTO is founded. Countries affected by these discriminatory tariffs can also sue the United States for non-compliance with multilaterally agreed customs assessment principles.

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