



Green 'Trade' Colonialism: The Case of Indonesia

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The Same *‘Colonial’* Rules Setting

	Borates	Cobalt	Graphite	Lithium	Magnesium	Nickel	Phosphates	Rare earths
Algeria							3.19%	
Argentina				9.05%				
Australia		19.72%		13.33%	4.21%	22.47%	1.59%	3.42%
Austria					0.64%			
Brazil			21.88%		2.63%	17.98%	2.32%	17.50%
Canada		3.10%		2.52%		3.15%		0.69%
Chile	2.92%			43.81%				
China	2.00%	1.13%	22.81%	7.14%	13.16%	3.15%	4.64%	36.67%
Cuba		7.04%				6.18%		
North Korea			0.63%		30.26%			
DRC		50.70%						
Egypt							4.06%	
Finland							1.45%	
Greece					3.68%			
Greenland								1.25%
India			2.50%		1.08%		0.07%	5.75%
Indonesia						23.60%		
Jordan							1.16%	
Madagascar		1.41%	0.81%			1.80%		
Morocco		0.20%					72.46%	
Mozambique			7.81%					
New Caledonia						7.53%		
Other areas		7.89%		10.00%	5.26%	15.73%	1.22%	0.26%
Philippines		3.66%				5.39%		
Russia	3.33%	3.52%			30.26%	7.75%	0.87%	10.00%
Saudi Arabia							2.03%	
Slovakia					4.87%			
South Africa		0.56%				4.16%	2.03%	0.66%
Syria							2.61%	
Tanzania			5.31%					0.74%
Turkey	91.67%		28.13%		2.70%			
United States	3.33%	0.75%		3.57%	0.46%		1.45%	1.25%
Uzbekistan			2.38%				0.14%	
Viet Nam			2.38%				0.04%	18.33%

Note: The list includes countries with at least 1% of known global reserves in at least one of the eight materials. Green frame shows known reserves that are not exploited (at least 1000x current annual production) and are located in the G7.
Source: United States Geological Survey.

WTO Reform	US Initiatives (IPEF, MSP, CMA)	EU Initiatives
Negotiation systems, especially related to the self-declared development status of member countries and its relation to the determination of special and differential treatment (S&DT) mechanism	Cooperation on Supply Chains in IPEF, Critical Minerals Agreement, MSP	EU Raw material club
Decision-making system (Consensus & Single-undertaking VS Plurilateralism)	No tariffs negotiation	EU Strategic Partnerships
Fair trade systems (Local content req, Tech Transfer, etc) - double standard.	Standards of labour and environment protection	EU Global Gateway
Dispute Settlement Mechanism	Cooperation on infrastructure	EU FTAs with Specific chapters on Energy and Raw Materials
The expansion of trade-related climate measures via TEESD		EU Unilateral Standards

Indonesia's Economic Transformation



"We must transform from dependence on natural resources to the competitiveness of modern manufacturing and services that have high added value (Jokowi's 2019 Inauguration Speech)"
(Source: Tirto.id)

Investasi dalam kegiatan hilirisasi industri diarahkan untuk melakukan perubahan dan penambahan beberapa pasal khususnya terkait dengan kewajiban hilirisasi dibawah UU Pertambangan dan Batubara.

Investment in the extractives downstream industries has directed to make changes of several provisions under the Mining Law.



Article 33 of The Constitution 1945: Article 33, Paragraph 2, of the Constitution, stipulates that important sectors of production which affect the life of many people should be controlled by the state.

The Mining Law No.4/2009:

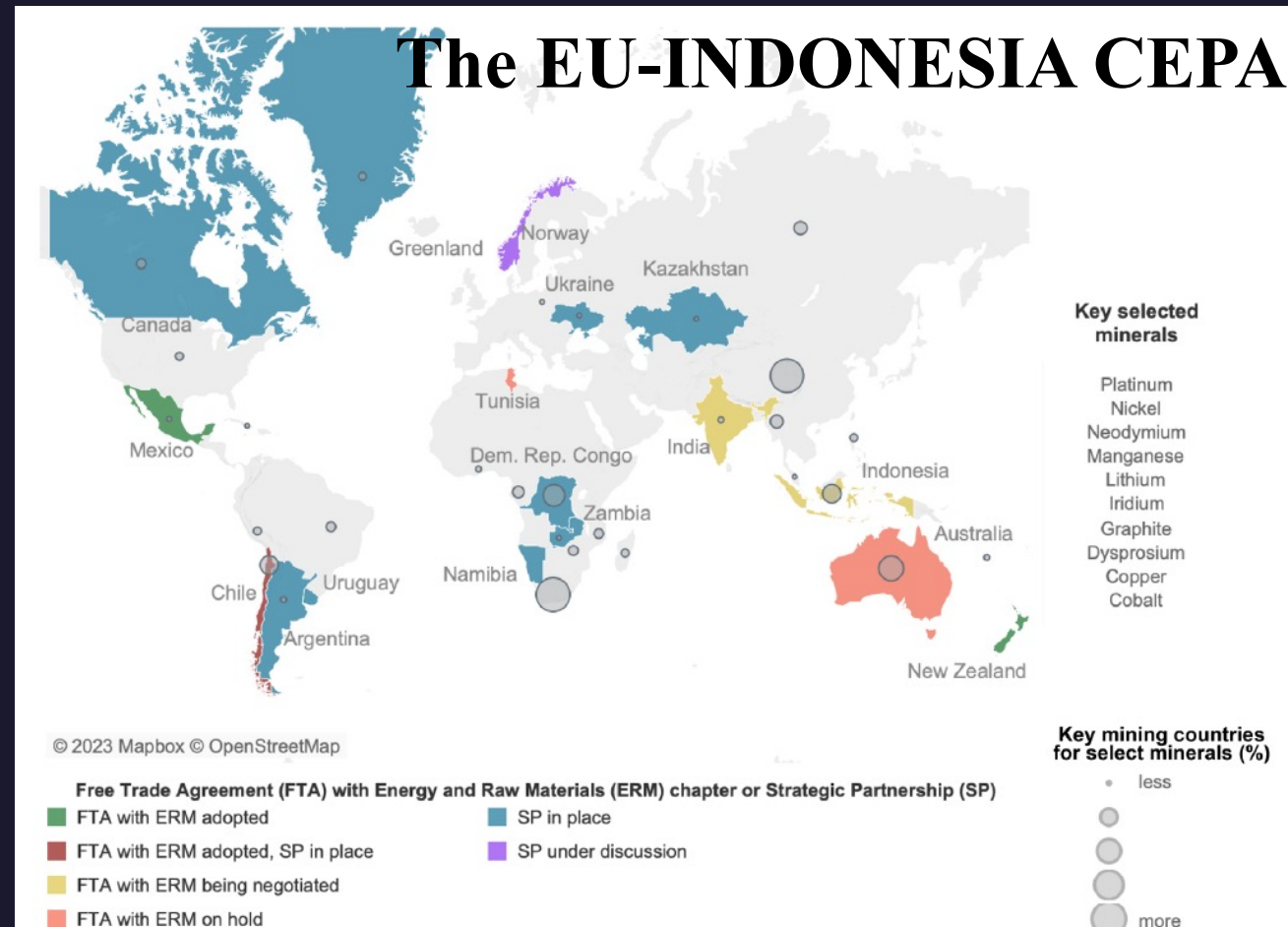
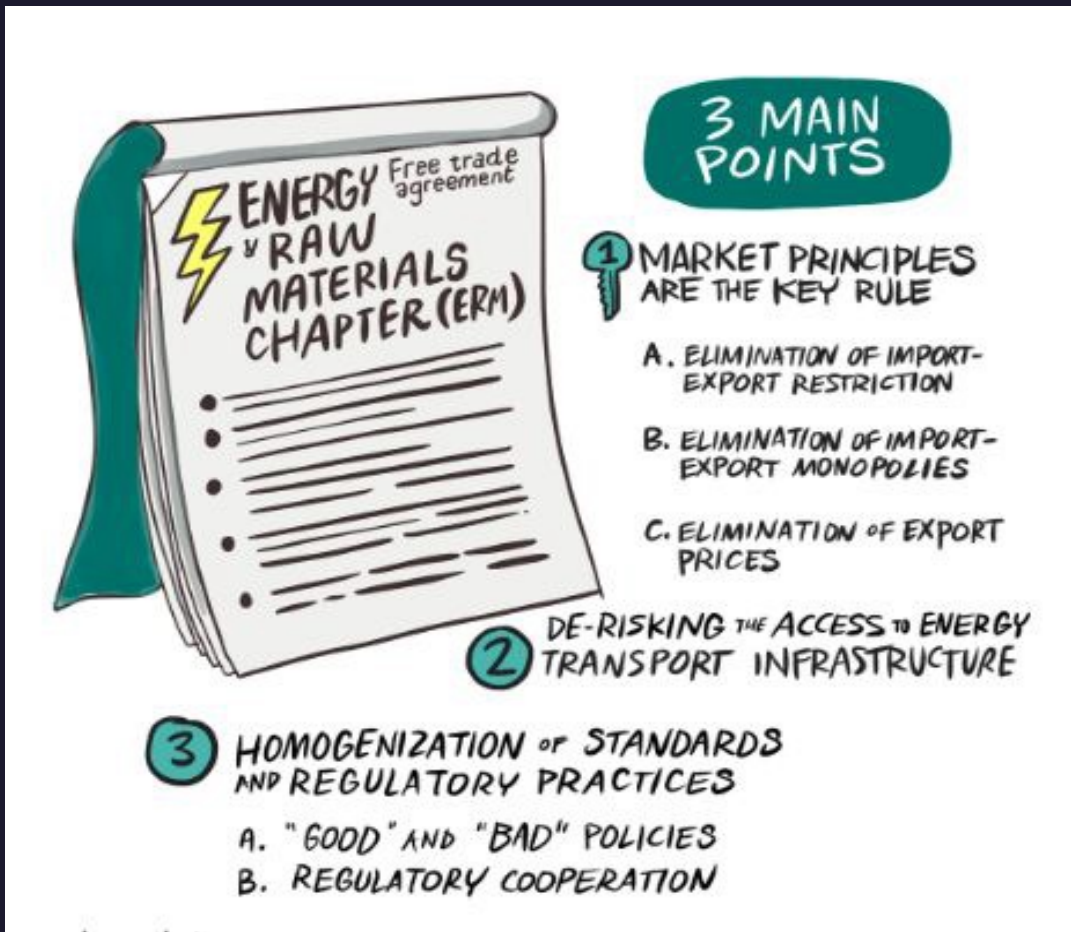
The article 102 and 103 required mining companies to process and refine mining products domestically in the country prior to export to increase the added value of mineral commodities. The article 112 aims to nationalize the foreign mining companies which obliges foreign-owned mining industries to progressively divest its majority shareholder to the Indonesian government through State owned enterprises or local industries

The Mining Law 4/2009 has been amended with the new Mining Law No.3/2020, and similar obligations and requirements have been reaffirmed in this new mining law.

Lawsuits against Indonesia

Cases	Disputed Matter	Claim for Compesation
Amco Asia Vs Indonesia	License to Manage a Hotel	US\$ 2,69 Million
Cemex Asia Vs Indonesia	Shares and an option to purchase shares in a SOEs	Settled between the parties
Rafat Ali Vs Indonesia	Shares, Loans, and Financing Agreements in banking investment	The Tribunal Declined jurisdiction
Churcill Mining Vs Indonesia	Exploration and Exploitation licenses over a coal project area	US\$ 1,05 Billion The Company lost
Planet Mining Vs Indonesia	Exploration and Exploitation licenses over a coal project area	
Newmont Nusa Tenggara Vs Indonesia	Export Ban of Raw Minerals	Withdrawn on 25 August 2015
India Metals & Ferro Alloys	overlapping of seven Mining Business License (IUP)	US\$ 580 Million (On going)
Oleovest (palm oil refinery)	defaulting on the joint venture	US\$ 70 Million (On going)





The energy and raw materials provisions under I-EU CEPA:

“general disciplines and commitments concerning trade in goods, services, and investment that will apply to raw materials and energy.

First, on the **transparency**: licensing and allocation conditions of licenses that could be required for trade and investment activities;

Second, on the **market access and non-discrimination**: It aims to eliminate export restrictions, including the elimination in principle of all export duties or any measure having an equivalent effect prohibit export monopolies and government intervention in the price-setting of energy goods and raw materials destined for exports should be limited;

third, **trade in sustainable energy goods**: via regulatory measures, standards and incentive programmes.

Resources Nationalism & Green Colonialism??

Alberto Costa: *Economic nationalism tends to perpetuate 'dependence' and give rise to a new model of colonialism in the green economy transition trend. The extractive industries as a key cornerstone of development policies are creating a new type of extractivism, known as neo-extractivism. This model has been maintaining the same extractive structure of accumulation where the involvement in the international market is still in a subordinate position that serves the globalization" of transnational capitalism.*



A Just Transition?

A just transition comprises a systemic turn, through genuinely democratic means, away from exploitation, extraction, and alienation, towards systems of production and reproduction that are focused on human well-being and the regeneration of ecosystems.

Therefore, there are two key steps that should be considered for our strategy:

First: Decolonisation → New international economic order

Second: Reclaim Democracy spaces → Redesign the ownerships, production, distribution, and consumption



Thank you

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