

**TRADE WAR BETWEEN UNITED STATE OF AMERICA AND CHINA
REVIEWED FROM THE RETALIATION PRINCIPLE****Gina Nafsah Savira¹, Emmy Latifah²**

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Abstract

This paper aims to examine how the principle of retaliation in the case of a trade war between the United States and China is now happening. The General Agreement on Tariff and Trade (GATT) in the World Trade Organization (WTO) has regulated acts of retaliation in the context of international trade. Even though there are different conceptions of retaliation in the two international legal frameworks, they both recognize the retaliation action. The results of the study shows that the economic policies carried out by the United States are called trade remedies in the form of protectionism which aimed to minimize the negative impact of imports on domestic products. Furthermore, actions taken by China are one example of the remedial actions in the form of retaliation. WTO has a remedy mechanism which is divided into three types, namely: (a) the plaintiff withdraws or changes actions that are not in accordance with the WTO; (b) compensation; and (c) delaying concessions or commonly called retaliation.

Keywords: *Retaliation Principle; Trade War; United States Of America-China; World Trade Organization (WTO)*

INTRODUCTION

International trade activities are regulated multilaterally through international agreements that were established by the World Trade Organization (WTO). The WTO is considered as a well-established international trade institution and has binding rules and is no longer based on power and interest. One of the results of the establishment of the WTO was the

adoption of the Dispute Settlement Mechanism. Dispute Settlement Mechanism no longer relies on the negotiation process but rather on forming a panel in enforcing the rules.¹ One mechanism for resolving trade disputes is to use retaliation actions. In principle, retaliation is a countermeas-

¹ Lona Puspita. (2017). "Upaya Penerapan Retaliasi Dalam Penyelesaian Sengketa Perdagangan Internasional Melalui World Trade Organization (WTO)". *Jurnal Normative*, 5(2): 54.

ure as a result of the existence of trade policies from a country which harms the trade interests of another countries.² Regulations relating to retaliation actions are regulated in Article 22 of the Dispute Settlement Understanding (DSU) Agreement of WTO.

The trade war between the United States and China began to raise since January 2018. This trade war is the impact of Donald Trump's policy after selected as the President of the United States which implemented a protectionism policy towards the economy of the United States. This case began when the United States set tariffs on imported products from China such as solar panels and washing machines, then the United States also applied an additional tariff of 25% on steel and aluminum products originating from China, the imposition of these rates was then continued by the United States by limiting Chinese investment to the United States.³ The United States also said they would immediately take action in the form of demands against China to the WTO. This is done by the United States because the United States considers the country to be unfair in bilateral trade between the United States and China. Protectionism has 2

(two) meanings in the Dictionary of Economics, first, protectionism means the protection of the business world carried out by the government of a country, while the second, protectionism means a policy carried out by the government intentionally which aims to control the import or export of its country, by carrying out various trade barriers, such as quota tariffs, as an effort to protect domestic industries or businesses from competition with industries from outside the country.⁴ Protectionism policies is actually contrary to the principle of free trade by WTO but in some conditions protectionism policies are allowed. Matters that are permitted in carrying out protectionism policies, such as, to protect domestic industries, minimize the weaknesses of free trade, which are, the risk of exchange rates, disrupts the allocation of capital and labor of developing countries due to the failure of the domestic market, the risk of unemployment in an industry as a result of the large amount of imports.⁵

At first, the United States Government imposed an additional tariff on Chinese products as an effort to improve the country's economy and to reduce the trade

² Ibid. Hlm. 58.

³ VIF Paper. (2018). Diakses dari <https://www.vifindia.org/sites/default/files/US-CHINA-Trade-War.pdf>. (pada tanggal 10 mei 2019, jam 9.51)

⁴ Maya Meralda Kartika. (2013). "Proteksionisme Amerika Serikat Pasca Krisis Finansial 2008". *Jurnal Analisis Hubungan Internasional*, 2(3): 1-2.

⁵ Lepi T. Tarmidi. (2014). "Perdagangan Bebas Versus Proteksionisme". *Jurnal Kebijakan Ekonomi*, 9(2): 113.

balance deficit of the two countries. But the reason for the United States to impose an additional tariff on imported products from China is getting stronger after a seven-month investigation conducted by Trump's adviser in the trade sector, Robert Lighthizer, he found some Chinese trade practices that were considered potentially unfair to the United States. China is accused of stealing US intellectual property by hacking into computer networks that make the United States feel disadvantaged by hundreds billions of dollars because of this action, the United States also stated that the country has evidence that China has pressured international companies to transfer technology by requiring them to create local partnerships in order to be able to enter the Chinese market as well as evidence that China directs their investment in the United States to strategic industries, and conducts also supports cyber crime.⁶

For the policies carried out by the Government of the United States, the Chinese Government retaliated by increasing import tariffs on US products by up to 25% and also threatened the United States to bring this dispute to the WTO. In short,

the chronology of this trade war is as follows.⁷

1. January 2018, the United States begins to impose additional tariffs on solar panels and washing machines from China.
2. March 2018, the United States increased tariffs on imported aluminum and steel products from China.
3. June 2018, China retaliated against US actions by charging US\$ 3 billion of imported goods originating from the United States.
4. June 2018, China announced an increase in tariffs on imported goods originating from the United States worth US\$ 34 billion.

Despite the principle of retaliation, keep in mind that both the United States and China are the main leaders in the business and financial sectors. The ongoing trade war between China and the United States certainly not only has an impact on the two countries but also on countries that are their trading partners. It is undeniable, on the one hand, China has become the most valuable contributor to technology products such as smartphones throughout the world. On the other hand, the United States has a large investment and contributes a lot to the economic growth of developing countries.

Based on the background above, this paper will discuss theoretically about the principle of retaliation in international

⁶ Adirini Pujayanti. (2018). "Perang Dagang Amerika Serikat – China Dan Implikasinya Bagi Indonesia". Vol. X, No. 07/1/Puslit/April/2018, Hlm. 8.

⁷ Goncalves, Samo, et al. (2018). US - China Trade War: Impact Assessment, hlm. 5.

trade law contextualized with trade wars between the United States and China.

Method

This research is normative legal research. The data used are secondary data consisting of primary legal materials, secondary legal materials, and tertiary legal materials. Primary legal material consists of international agreements related to retaliation. Secondary legal material consists of library materials in the form of journal articles, textbooks, reports, proceedings articles and materials from the internet. While tertiary legal material consists of a dictionary. Data collection techniques used are literature studies, and data validation techniques used are the source criticism. All data were then analyzed using legal interpretation methods.

ANALYSIS AND DISCUSSION

The Concept of International Trade

In improving the country's economy, international trade is a very important factor because there is no country that is able to fulfill all the needs of the country by itself.⁸ Basically, international trade is trade that is carried out between countries or governments with other countries in a

trade relationship whether it is bilateral relation, regional relation or multilateral relation based on agreements between the two parties that carry out the international trade.⁹ International trade in the initial process means exchange, the intended exchange is trade in labor, goods and other services. Furthermore, over time international trade has been followed by trade in goods and services which at the time of the transaction was carried out now but had compensation for goods and services in the future.¹⁰ Nowadays, international trade is getting more developed until the exchanges between countries with those exchanged are risk-bearing assets, such as stocks, foreign exchange and obligations that are mutually beneficial to each country, moreover, all countries involved in international trade have the opportunity to diversify trade activities that can increase their country's income.¹¹

Historically, the concept of international trade has actually existed since the seventeenth and eighteenth centuries, marked by the emergence of an economic theory known as mercantilism which be-

⁸ Huala Adolf. (2011). *Hukum Perdagangan Internasional*, Cet. 4. Jakarta: Raja Grafindo Persada, hlm. 1-2.

⁹ Febri Yunanda. (2014). Tesis: "*Tinjauan Prosedur Pengiriman Ekspor Karet (Rubber) Pada Pt Remco Palembang Laporan Akhir*" (Palembang: Politeknik Negeri Sriwijaya), hlm. 9.

¹⁰ Ria Yani Fatmawati. (2015). "Analisis Pengaruh Perdagangan Internasional dan Utang Luar Negeri Terhadap Gross Domestic Product Indonesia (Periode 1990-2010)". *JESP* 7(1): 57.

¹¹ Ibid.

believes that the activities of export as much as possible and minimum imports are the only way for a country to become a rich and strong country.¹² Furthermore, several theories emerged regarding the international trade, those are.¹³

1. Absolute Advantage Theory

The theory of absolute advantage was first stated by Adam Smith. According to Adam Smith, Absolute Advantage Theory underlies trade between two countries. If a country is superior in a particular commodity compared to other countries, but other countries have superior commodities that are not owned by that country, then the two countries can gain benefits by doing specialization and producing the superior commodity of each country and exchanging (doing trade activities between countries) with other commodities which are the main commodities of other countries to fulfill the needs of its country. Through this process, resources in both countries can be used in the most efficient way and save state the expenditure, as well as increasing the output production.

¹² Salvatore, Dominick. 1992. *Economia Internacional*. Jakarta: Erlangga.

¹³ Wilia Agustiani. (2017). Skripsi: “*Analisis Faktor-Faktor yang Mempengaruhi Impor Migas (Minyak Dan Gas) di Indonesia; Pendekatan Error Correction Model*” (Yogyakarta: Universitas Muhammadiyah Yogyakarta), hlm. 11-14.

2. Comparative Advantage Theory

According to David Ricardo in his book entitled “*Principle of Political Economy and Taxation*” published in 1817, even though a country is less efficient (has absolute losses) compared to other countries in producing two commodities, the country can still conduct a trade between countries that give advantage to both parties by specializing and exporting commodities that have smaller absolute losses, and importing commodities that have greater absolute losses.

3. Factor Proportion Theory

Factor Proportion Theory or commonly referred to as Modern Theory is a theory stated by Heckscher Ohlin. This theory has two important conditions as the basis of the emergence of international trade. First, is the availability of production factors. Second, is the intensity of the use of production factors or the proportion of production factors. According to Heckscher-Ohlin, international trade will occur if the country has a comparative advantage, namely technology advantage and production factors advantage.

4. Competitive Advantage Theory

Competitive Advantage Theory is stated by Michael E. Porter in his book entitled "The Competitive Advantage of Nation". This theory explains that competitiveness in a country's trade does not have a direct relation with the utilization of two factors of production, namely high natural resources and cheap human resources owned by a country. According to this theory, countries that are successful on an international scale in the field of trade, in general because the country is supported by the good production factors, the high domestic quality demands, the advanced of upstream or downstream industries, and intense domestic competition

5. Trade Demand and Supply Theory

The theory of demand and supply in international trade is based on the idea that international trade between two countries will occur due to differences in demand and supply. In other words, the factors that cause international trade are due to differences in demand and supply of a country. The difference between supply and demand between countries occurs because: (a) each country has different commodities and not all countries have and are able to produce the same commodity,

caused by the country's natural factors that do not support, such as geographical location and the natural resources of a country, and b) the differences in the ability of a country to specialize in a particular commodity at a more efficient level.

The Concept of Trade War in International Trade Law

Based on the economic dictionary, the definition of trade war is an economic conflict manifested by the application of tariffs or barriers to trade between countries as the return for economic policies from other countries.¹⁴ Such trade barriers can be in the form of increasing goods import duties to a country, prohibitions on importing certain goods, making higher standards of incoming goods and retesting certain items to obtain additional certification, and others. In international trade, trade war is a condition in which a country's national government fails to heed the impact of its country's economic policy on individuals or groups in other countries. This means that when a country's government takes a unilateral trade action, the action will invite a reply from the trading partners / other countries who feel disadvantaged by a country's trade

¹⁴ Investopedia. (2019). Diambil dari <https://www.investopedia.com/terms/t/trade-war.asp>. (Diakses pada 11 mei 2019, 20.30 WIB).

policies.¹⁵ Unlike the case if the government of a country realizes the impact of its country's economic policies, they will not take unilateral trade actions, but will negotiate to find a solution that is beneficial for both countries.

The impact of a trade war does not only occur in the countries that involved in the war, but will also affect other countries which are the trade partners of the two countries. For example, the US and Chinese trade war will also affect countries in the ASEAN region. Countries in the ASEAN region have a dominant export and import relation with the United States and China. Export products from the United States and China to countries in the ASEAN region accounted for 20% of the total goods entering the ASEAN countries, if the trade war between the two countries continues, countries in the ASEAN region are predicted to experience collateral damage as a result of stagnant export goods production which will lead to empty supply and high product demand in the ASEAN region.¹⁶

¹⁵ Grossman, Gene M. & Helpman, Elhanan. (1995). "Trade War and Trade Talks". *Journal of Political Economy*, 103(4): 1.

¹⁶ Febrina Damayanti, Noviar Indira M.P., Retno Sri Wahyuni, M. Rahadian Prayoga, dan Giovani Kevin N.W. (2018). "ASEAN di Tengah Rivalitas AS dan Cina: Kerja sama ASEAN dengan RCEP dalam Mengurangi Dampak Perang Dagang". *Indonesian Perspective*, 3(2): 151.

The Concept of Retaliation in International Trade Law

The regulation regarding retaliation are regulated in the WTO and within the GATT framework. In WTO, regulations regarding retaliation are regulated in Article 22 Paragraph (1) and (2) Dispute Settlement Understanding (DSU) that states:

"Compensation and the suspension of concessions or other obligations are temporary measures available in the event that the recommendations and rulings are not implemented within a reasonable period of time. However, neither compensation nor the suspension of concessions or other obligations is preferred to full implementation of a recommendation to bring a measure into conformity with the covered agreements. Compensation is voluntary and, if granted, shall be consistent with the covered agreements." (Article 22 Paragraph 1 DSU)

"If the Member concerned fails to bring the measure found to be inconsistent with a covered agreement into compliance therewith or otherwise comply with the recommendations and rulings within the reasonable period of time determined pursuant to paragraph 3 of Article 21, such Member shall, if so requested, and no later than the expiry of the reasonable period of time, enter into negotiations with any party having invoked the dispute settlement procedures, with a view to developing mutually acceptable compensation. If no satisfactory compensation has been agreed within 20 days after the date of expiry of the reasonable period of time, any party having invoked the dispute settlement procedures may request authorization from the DSB to suspend the application to the Member concerned of concessions or

other obligations under the covered agreements." (Article 22 Paragraph 2 DSU)

The essence of Article 22 paragraph 1 and paragraph 2 is that the WTO has a remedy mechanism for parties who violate the rules in the WTO, this mechanism is divided into three types, namely: (a) the plaintiff withdraws or changes actions that are not in accordance with the WTO; (b) compensation; and (c) suspension of concessions or commonly called retaliation.¹⁷ The compensation, suspension of concession (retaliation) and other responsibilities is a temporary measure given if the recommendations and decisions of the DSB are not carried out within a specified time period (Article 22 paragraph 1 DSU).¹⁸ However, if up to the specified deadline "the concerned member" (the defendant country) still has not implemented the DSB decision, "the complaining member" (the injured country) can automatically request compensation to cancel the concession or request another obligation under the covered agreements (Article 22 paragraph 2 DSU).¹⁹ In the Article it is

explained that retaliation in the field of international trade is carried out when an agreement is not achieved in the dispute resolution process.²⁰ In other words, retaliation or also called "suspension of concession" which is one way out and is a final effort in international trade dispute resolution that is carried out when the violator cannot implement the recommendations given by the DSB within a specified time period.²¹

In short, retaliation can be divided into three types in accordance with the provisions of Article 22 paragraph 3 of Dispute Settlement Understanding (DSU), namely:²²

1. Parallel retaliation, is the retaliation of the same trade sector where the violation was committed.
2. Cross-sector retaliation, is the retaliation of the different trade sectors but still in the same trade agreement. This retaliation is done if Parallel retaliation is unsuccessful.
3. Cross-agreement retaliation, is the retaliation of different sectors and agreements. This is done if both

¹⁷ Tri Harnowo. (2008). "Peninjauan Ulang Ketentuan Retaliasi sebagai Reformasi Aturan Penyelesaian Sengketa WTO". *Indonesian Journal of International Law*, 5(2): 268.

¹⁸ D. Palmeter dan Petros C. Mavroidis. (2004). *Dispute Settlement in The World Trade Organization*. New York: Cambridge University Press, hlm. 6-7.

¹⁹ Imawan Dicky Prasudhi. (2007). "Penanganan Sengketa Perdagangan Internasional Melalui WTO (World Trade Organization)". *Hukum dan Dinamika Masyarakat*, 5(1): 40.

²⁰ Lona Puspita, Op.Cit., Hlm. 58.

²¹ Cholillah Suci Pratiwi. (2015). Tesis: "*Retaliasi Dalam Kerangka Penyelesaian Sengketa Disputes Settlement Mechanism (DSM) WTO*" (Yogyakarta: Universitas Gadjah Mada, 2015), Hlm. 4.

²² Meliyani Sidiqah. (2019). "Retaliasi Indonesia Atas Tuduhan Dumping Terhadap Korea Selatan". *Jurnal Wawasan Yuridika*, 3(1): 87-88.

Parallel Retaliation and Cross-sector retaliation are unsuccessful.

While in the framework of the General Agreement on Tariff and Trade (GATT), the trade legal framework before the WTO was formed in 1995, retaliation instruments were already known. The rules regarding retaliation are regulated in Article XXIII of GATT. In GATT, retaliation means an action carried out by a country where exports from his country are subject to an increase in entry tariff and other trade barriers imposed by the government of another country. In this case, it means that the GATT allows a country that feels disadvantaged by the actions of other countries to take a limited counterattack action to the country that is the cause of the country's trade losses. However, this can only be done after consulting with member countries or countries which are equally affected by the actions taken by the violator country.²³ It can be concluded that the notion of retaliation in the WTO and GATT in principle is equally a counterattack action in trading with other countries. The thing that distinguishes the regulations in WTO and GATT is only when a country can do the retaliation action. According to the rules

in the DSU-WTO, retaliation may be carried out when the defendant country does not carry out a decision from the WTO Panel, while in the GATT, retaliation may take place after a consultation with other member countries.

United States-China Trade War in the context of the Retaliation Principle

International trade disputes that have taken place between the United States and China have been categorized as a trade war since China retaliated against US economic policies that applied additional tariffs on imported products from China. This is in accordance with the conception of trade war as explained in the previous chapter. One of the causes of the trade war is that there are trade disputes between the two countries that occur because a country establishes a trade policy that is detrimental to another country or contrary to its commitment in WTO. In this case, the WTO acts as an international trade organization which is expected to be able to overshadow all the interests of the countries in the world, especially in the field of trade through provisions agreed upon by its member countries.

To anticipate the trade dispute, the WTO has formed an body to resolve international trade disputes called the Dis-

²³ Freddy Josep Pelawi. (2007) "Retaliasi dalam Kerangka Penyelesaian Sengketa WTO". *Bulletin KPI Edisi 46/KPI/2007*: 2.

pute Settlement Body (DSB) which has the authority to form an expert panel to examine trade disputes between countries and has the authority to accept or reject panel findings or the results of appeal decisions²⁴ as well as procedures for resolving disputes as stipulated in the Dispute Settlement Understanding (DSU) Agreement. WTO member countries are expected to adjust their trade policies with WTO rules. If not, then the offending country must immediately correct its mistakes by harmonizing its rules with the WTO rules.²⁵

The WTO dispute resolution process in the DSU framework consists of several stages. The first phase begins with consultation between the parties of the dispute to reach a settlement agreed by the parties, if the at the consultation stage doesn't reach any agreements, then a panel meeting, appeals review, and implementation of recommendations and provisions which are authorized by the Dispute Settlement Body (DSB) are held.²⁶ If after a recommendation and provision that has been ratified by the DSB the offender / defend-

ant country still violates the WTO rules, then the plaintiff country has the right to submit a request to DSB to negotiate with the defendant country in agreeing the compensation, if in determining compensation is still not achieved or there is still no agreement between the plaintiff and the defendant country, the plaintiff country has the right to request authorization from DSB to carry out retaliation.²⁷

In the context of international trade there is also a term referred to as trade remediation. In general, trade remediation is an act of government of a country to minimize the negative impact of imports on domestic products, the manifestation of trade remedies can be in the form of anticipation of dumping products and subsidized products in the form of import duties / additional tariffs on imported products as well as controlling imported goods soaring or referred to as "safeguards".²⁸ Regulations regarding safeguards are regulated in Article XIX paragraphs 1 (a) and 1 (b) of GATT which states that a country is permitted to carry out "emergency

²⁴ Hata. (2016). *Hukum Ekonomi Internasional: IMF, World Bank, WTO*. Malang: Setara Press, hlm. 147.

²⁵ Alek Karci Kurniawan. (2017). Skripsi: "*Penyelesaian Sengketa Perdagangan Internasional Di World Trade Organization: Studi Kasus Korea—Anti Dumping Duties On Imports Of Certain Paper From Indonesia (Ds312)*" (Padang: Universitas Andalas), hlm. 3-4.

²⁶ Peter van de Bossche. (2010). *Pengantar Hukum WTO*, Jakarta: Yayasan Obor Indonesia, hlm. 103.

²⁷ Alek Karci Kurniawan. Op. Cit.

²⁸ Nandang Sutrisno. (2007). "Memperkuat Sistem Hukum Remedi Perdagangan, Melindungi Industri Dalam Negeri". *Ius Quia Iustum Law Journal*, 14(2): 231-232

measures" to protect domestic products if²⁹:

"If, as a result of unforeseen developments and of the effect of the obligations incurred by a contracting party under this Agreement, including tariff concessions, any product is being imported into the territory of that contracting party in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers in that territory of like or directly competitive products, the contracting party shall be free, in respect of such product, and to the extent and for such time as may be necessary to prevent or remedy such injury, to suspend the obligation in whole or in part or to withdraw or modify the concession." (Article XIX Paragraph 1 (a))

"If any product, which is the subject of a concession with respect to a preference, is being imported into the territory of a contracting party in the circumstances set forth in subparagraph (a) of this paragraph, so as to cause or threaten serious injury to domestic producers of like or directly competitive products in the territory of a contracting party which receives or received such preference, the importing contracting party shall be free, if that other contracting party so requests, to suspend the relevant obligation in whole or in part or to withdraw or modify the concession in respect of the product, to the extent and for such time as may be necessary to prevent or remedy such injury." (Article XIX Paragraph 1 (b))

In this case, it means that the protectionism policy carried out by the United

States to China is one of the trade remediation actions as an effort to protect its domestic products.

As a result of the trade remediation carried out by the United States, there has been a counterattack action / retaliation by China against the United States which is intended as a *remidium ultimum* or a final effort for the United States as a violating country to harmonize its country's trade policies in accordance with WTO principles, namely ensuring trade between countries can run as smooth as possible, predictable and as free as possible (trade liberalization).

The application of retaliation, directly or indirectly, has a trade destructive effect. Retaliation by replying to the imposition of tariffs carried out by the detrimental country or the plaintiff country is basically equally contrary to the aim of the WTO itself. In this case, what will also be disadvantaged is the plaintiff's economy that applies this sanction, especially for developing and less developed countries.³⁰ Also in this case, China is still a developing country. On the other hand, these retaliation actions not only affect the two countries, but also all countries that are the trade partners of the two countries.

²⁹ Herdegen, Matthias. (2013). *Principles of International Economic Law*, New York: Oxford University Press, hlm. 212.

³⁰ *Ibid.* hlm. 277

The WTO Director General, Roberto Azevedo, stated that at present, the WTO is experiencing one of the most difficult periods due to the risk of trade wars which will cause degradation of the global economy, the following are the level of conflict that may occur during the process of trade war which has been divided into 4 (four) level of conflict: (a) The first level of conflict is when the United States carries out a new high import tariff policy to China and several other countries, (b) The second level of conflict is the response of countries outside the United States that carry out the same policy on goods imports from the United States to the country, (c) The third level of conflict is the global economy towards conditions of trade war, and (d) The fourth level of conflict is the occurrence of a real trade war and involving many countries that will affect the global economy; based on the level of conflict, we can conclude that the worst result of trade war is that it will affect all countries and slow down the volume of world trade. In addition, trade wars can also affect global supply chains, companies that are the victims of trade war are feared to have to recalculate production lines, distribution, and costs. In these conditions, both the state, companies

and consumers must be prepared for new economic conditions.³¹

CONCLUSION

Concluding Remark

The trade war between the United States and China began since the United States implemented tariff policy on some Chinese products. The United States stated they apply this policy in order to take action on trade remedies in the form of protectionism as an effort to protect its domestic products. As a result, China retaliated or counterattacked the action taken by the United State. Retaliation which is regulated in Article 22 of DSU-WTO is actually a *remedium ultimatum* or a final effort in resolving disputes. Retaliation action in international trade is permitted if the procedure is in accordance with the applicable regulation. However, we have to keep in mind that these two countries are the two countries with the world's largest economic, so the retaliation procedure must be considered as a result of its long term. The trade war between the two countries will have an impact on the degradation of the global economy.

Suggestion

The WTO as the only organization that regulates international trade issues is

³¹ Adirini Pujayanti. (2018). Op.Cit. Hlm. 9

expected to immediately resolve this dispute considering the impact that will arise if the trade war between the two countries continues. The WTO panel is expected to be wise in determining decisions and stick to the principles of the WTO, namely ensuring that trade between countries can run as smoothly as possible, be predictable and trade liberalization.

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