**ABSTRACT**

The World Trade Organization (WTO) is the only international organization that deals specifically with trade issues between countries. One of the functions of the WTO is to resolve a trade dispute between States through a dispute resolution mechanism consisting of consultation, panel, appeal and dispute resolution phases. The dispute settlement mechanism is the solution to Indonesia's trade dispute with the EU in relation to the EU's anti-dumping policy on Indonesia's biodiesel exports to the EU.

The purpose of this study is to know the background of the case of anti-dumping policy conducted by the European Union on Indonesia's biodiesel exports to the EU, to comply with the dispute resolution within the framework of the WTO in the case. While the benefit or usefulness of this research is theoretically this research is expected to be useful to increase the repertoire of the development of science International Relations, especially concerning International Organization and International Political Economy. Furthermore, the practical research is expected to be used as input and comparative materials for similar research and become a thought for the parties concerned.

The research method used is the Historical Analysis method, which is the way of solving a problem by collecting method and special facts about the past events, with data collection techniques using literature study techniques, and with study collecting method derived from writing materials, Both from books, documents, the internet and media.

**Key Words: WTO, Dispute Settlement, Biodiesel.**