Climate-Induced Force Majeure in International Sale of Goods Contracts: A Comparative Analysis under the CISG, UNIDROIT Principles, and Indonesian Contract Law

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ABSTRACT

Climate-related disruption has increasingly become a legal and commercial risk for international sale of goods contracts. Extreme weather, floods, drought, wildfires, port closures, infrastructure damage, and transport disruptions may directly affect the ability of sellers or buyers from performing their contractual obligations. The legal difficulty, however, is not whether climate change can disturb contractual performance, but whether a particular climate-induced event satisfies the requirements of force majeure under the applicable framework. This article analyse the issues based on United Nations Convention on Contracts for the International Sale of Goods (CISG), the UNIDROIT Principles of International Commercial Contracts, and Indonesian contract law. Using normative legal research and a comparative legal approach, it examine the rules on exemption from liability, force majeure, hardship, good faith, party autonomy, and contractual risk allocation which supported by international and national case. The analysis shows that Article 79 of the CISG offers a strict exemption requirements, but mainly protects the non-performing party from damages. The UNIDROIT Principles provide a clearer distinction between force majeure and hardship, which is useful where climate-related events make performance difficult but not impossible. Indonesian contract law recognizes force majeure through overmacht under Article 1244 and 1245 of the Civil Code, but its application depends heavily on proof of causation, absence of fault, good faith, and the wording of the contract. This article argues that climate-induced force majeure should be assessed through the specific event, affected obligation, and the allocation of risk between the parties. A combined approach balances the legal certainty, fairness, and commercial practicality, especially when parties expressly regulate climate-related risks in their contracts.

Keywords: climate-induced force majeure, international sale of goods, CISG, UNIDROIT Principles, Indonesian contract law.

INTRODUCTION

Climate change is no longer only an environmental issue. In cross-border trade, it has become a practical source of contractual risk. Floods, droughts, bushfires, heatwaves, sea-level rise, port closures, and infrastructure damage can interrupt production, delay shipment, increase operational costs, or even prevent delivery altogether (New South Wales Government, n.d.; Jayasri et al., 2024a). This matters because international sale of goods contracts depend on very concrete conditions: goods must be produced, transported, loaded, shipped, received, and paid for on time. When a climate-related event disrupts one part of that chain, the problem is no longer only about business inconvenience. It becomes a legal question about contractual responsibility, risk allocation, and whether the affected party may rely on force majeure. In this sense, climate change does not merely create environmental damage; it also challenges the legal certainty and commercial predictability on which international sale of goods contracts depend.

The business literature increasingly recognizes that climate change affects companies through both physical and transitional risks. Physical risks arise from climate-related hazards that damage goods, production facilities,

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transport infrastructure, and supply chains. Transitional risks arise from regulatory changes, adaptation requirements, climate-related disclosure expectations, and shifting market conditions (Henderson et al., 2017, p. 1). The World Economic Forum and PwC emphasize that adaptation is no longer only a public policy concern, but a business imperative, because climate change is already affecting business performance and requires companies to assess risks, strengthen resilience, and work with value-chain partners (World Economic Forum & PwC, 2023, pp. 3-4). Similarly, Forfás highlights that the physical effects of climate change influence critical infrastructure and business decisions, including investment location and risk planning (Forfás, 2010, pp. 3, 47-49). These sources show that businesses are increasingly expected to anticipate climate-related risks rather than treat them as remote or exceptional events.

This development is highly relevant to international sale of goods contracts. Under such contracts, the seller is generally expected to deliver conforming goods and relevant documents, while the buyer is expected to pay the price and take delivery of the goods (CISG, 1980, arts. 30, 33, 53). The disruption can interfere with the basic obligations of both parties in an international sale of goods contract. Under the CISG, the seller is required to deliver the goods and hand over the relevant documents, while the buyer is required to pay the price and take delivery (CISG, 1980, arts. 30, 53). For the seller, performance may be affected when crops fail after a prolonged drought, raw materials become difficult to obtain, warehouses are flooded, or shipment is delayed by port closure, extreme weather, or transport disruption. For the buyer, the problem may arise when the goods cannot be received, stored, or paid for on time because the destination area or payment process is also affected. These situations show that climate-induced non-performance cannot be classified too quickly. The legal question is whether the disruption should be treated as force majeure, hardship, ordinary commercial risk, or breach of contract (Bridge, 2020, pp. 76-99).

Climate-related disruption is difficult to assess because it can happen in different ways. Some events occur suddenly, while others develop slowly over time. Under Article 79 CISG, exemption depends on whether the impediment was beyond the party's control and could not reasonably have been taken into account, avoided, or overcome (CISG, 1980, art. 79). The UNIDROIT Principles adopt a similar approach by requiring an impediment beyond the party's control that could not reasonably have been anticipated or overcome (UNIDROIT, 2016, art. 7.1.7). In many industries and regions, however, climate risks are no longer entirely unexpected. A business operating in an area that regularly experiences floods, droughts, fires, or extreme temperatures may find it harder to argue that the disruption was completely unforeseeable. At the same time, a particular climate event may still be extraordinary in its timing, scale, intensity, or legal consequence. Therefore, the legal challenge is not simply whether climate change can disturb contractual performance, but whether a specific climate-induced event satisfies the legal requirements for exemption from liability under the applicable legal framework.

The distinction between force majeure and hardship is central to this research. Some events prevent performance in a direct way, for example when goods are destroyed before delivery or when a government order closes the relevant port and makes shipment impossible. Other climate-related events may still allow performance, but only at a much higher cost or with greater commercial difficulty, for example because of rising shipping expenses, limited raw materials, additional safety obligations, or new climate-related regulations. (World Economic Forum & PwC, 2023, pp. 3-4). The UNIDROIT Principles are particularly useful in this regard because they separately regulate force majeure and hardship. Force majeure excuses non-performance when it is caused by an impediment beyond the party's control, while hardship applies where events fundamentally alter the equilibrium of the contract, either because the cost of performance increases or the value of performance received diminishes (UNIDROIT, 2016, arts. 6.2.2, 6.2.3, 7.1.7).

The research therefore examines climate-induced force majeure in international sale of goods contracts by comparing three legal frameworks which are the CISG, the UNIDROIT Principles, and Indonesian contract law. The purpose is not to argue that climate change should automatically excuse non-performance. Rather, the article asks when a specific climate-related event may legally justify exemption from liability, and how each framework deals with proof, foreseeability, causation, mitigation, notice, and risk allocation. The CISG is relevant because it provides a uniform legal regime for international sale of goods and addresses exemption from liability under Article 79, which requires an impediment beyond the party's control that could not reasonably have been taken into account, avoided, or overcome (CISG, 1980, art. 79). The UNIDROIT Principles are important because they provide a more flexible framework by distinguishing force majeure from hardship (UNIDROIT, 2016, arts. 6.2.2-6.2.3, 7.1.7). Indonesian contract law is also significant because force majeure, or overmacht, is commonly associated with Articles 1244 and 1245 of the Indonesian Civil Code, which concern exemption from compensation where non-performance occurs due to circumstances beyond the debtor's fault (Indonesian Civil Code, arts. 1244-1245; ABNR Counsellors at Law, 2020).

The research gap lies in the difficulty of applying traditional force majeure doctrine to climate-induced contractual disruption. Existing business and climate studies show that companies are increasingly aware of climate risks, supply-chain vulnerability, adaptation needs, and the responsibility to prevent or mitigate climate-related harm (Facets et al., 2011, pp. 2-3; Jayasri et al., 2024b, pp. 183-192; Office of the United Nations High Commissioner for Human Rights, n.d., pp. 1-5; UNDP, 2022, pp. 1-2). However, this growing awareness may affect the legal assessment of foreseeability, control, mitigation, and risk allocation in contract disputes. If climate risks are increasingly predictable, parties may be expected to address them expressly in their contracts. On the other hand, climate change may still generate extreme and unprecedented events that are beyond reasonable control. This tension creates uncertainty in determining whether climate-induced non-performance should excuse a party from liability, trigger renegotiation, or remain treated as breach of contract.

The research lies in connecting climate-induced contractual disruption with the doctrinal requirements of force majeure and hardship in international sale of goods contracts. Rather than treating climate change as a general external event, this article argues that climate-induced force majeure must be assessed through the specific event, the affected contractual obligation, and the allocation of risk between the parties. This approach is important because climate risks are increasingly foreseeable, yet particular climate events may still be extraordinary in their timing, intensity, or legal consequence. (IPCC, 2022; Boute, 2021). In conclusion, this research focuses on two issues, which are the legal requirements for treating climate-induced non-performance as force majeure under the CISG, the UNIDROIT Principles, and Indonesian contract law, and the most suitable approach for balancing legal certainty, fairness, and commercial practicality in international sale of goods contracts.

METHODOLOGY

This research uses normative legal research with a comparative legal approach. The analysis is based on legal materials that regulate or explain force majeure, hardship, exemption from liability, good faith, and contractual risk allocation in international sale of goods contracts. The primary legal materials consists of the CISG particularly Article 79, the UNIDROIT Principles particularly Article 7.1.7, and the Indonesian Civil Code, particularly Article 1244, 1245, and 1338. Secondary legal materials include books, journal articles, legal commentaries, and institutional reports relevant to climate-induced contractual disruption and international commercial contracts. These materials are analysed qualitatively to compare how each legal framework determines whether climate-induced non-performance may qualify as force majeure and which approach best balances legal certainty, fairness, and commercial practicality.

Force Majeure Under CISG

The relevant provision for climate-induced non-performance under CISG is Article 79. The provisions does not expressly use the term "force majeure," but provides an exemption where a party fails to perform because the impediment beyond its control, not reasonably have been taken into account at the time of contract conclusion and could not reasonably have been avoided or overcome (CISG, 1980, art. 79). The articles creates a strict standard. It does not excuse a party simply because performance has become delayed, more expensive, or commercially inconvenient. The affected party must connect the climate-related event to a concrete failure of performance and must prove that the event satisfies the requirements of control, foreseeability, avoidance, and causation.

Climate-induced events such as floods, wildfires, droughts, storms, port closures, or transport disruption may prevent a seller from delivering goods or may affect a buyer's ability to receive the goods. However, the Article

79 does not stop at the occurrence of the event. A flood, storm, drought, or port closure may be serious in fact, but it will only be legally relevant if it prevents the performance of the obligation in question. For this reason, Article 79 requires a more precise inquiry into the nature of the impediment, the affected contractual obligation, and the available alternatives at the time performance was due.

The first requirement is related to control. The party invoking Article 79 must show that the impediment was external and did not result from its own negligence, fault, ordinary commercial risk, or poor planning (CISG Advisory Council, 2007, Opinion 1). In climate-induced related situations, this means that the disruption must arise from an event outside of the party's conduct, such as an extreme weather event, a port closure, or damage to transportation infrastructure. Internal failures in managing supply, logistics, or contractual preparation should not easily be treated as impediments beyond control (DiMatteo, 2015, p. 258). This distinction matters because climate events may interact with business decisions. A party cannot rely on Article 79 where the real cause of non-performance is not the climate event itself, but the party's failure.

The second requirement concerns foreseeability. The affected party must establish that, at the time the contract was concluded, it could not reasonably have been expected to take the impediment into account (CISG Advisory Council, 2007, Opinion 1). This requirement is particularly important in climate-related disputes because some climate risks may already be known or predictable in certain regions or industries, such as seasonal flooding, drought or transport disruption. It could be difficult for affected parties to argue that the event was unforeseeable, but an unusually severe or unprecedented climate event may still satisfy this requirement if it goes beyond the risks that the parties could reasonably have anticipated at the time of contract formation (Gillette & Walt, 2016, pp. 293-337).

The third requirement is avoidance and mitigation. The affected party must prove that it could not reasonably have avoided or overcome the impediment or its consequences (CISG, 1980, art. 79(1)). In practice, this requires an inquiry into whether substitute suppliers, alternative transportation routes, temporary storage, different ports, or other practical measures were available. Article 79 therefore places climate-related disruptions within a commercial reasonableness inquiry. If performance remains possible through reasonable alternatives, even at a higher cost or with some inconvenience, exemption may not be available (Ishida, 2018, p. 331). This requirements prevent Article 79 from becoming a general escape mechanism for every climate-related difficulty and preserves the CISG's emphasis on legal certainty in international sale of goods contracts (Mazzacano, 2022).

The restrictive application of Article 79 CISG can be seen in the Tomato Concentrate case. Heavy rainfall in France reduced tomato production and increased the market price, but the seller was not exempted because the entire crop had not perished and performance remained possible despite the increased difficulty (Oberlandesgericht Hamburg, 1997; DiMatteo, 2015, pp. 295–296). The reasoning shows that there should be separation from prevention of performance with commercial burden. Bad weather may explain why performance becomes more difficult or expensive, but Article 79 requires more than difficulty. If the seller can still perform through reasonable alternatives, the disruptions is more likely to be treated as commercial difficulty rather than an exempting impediment.

Article 79 also has a limited legal effect because it mostly exempts the non-performing party from liability for damages (CISG Advisory Council, 2007, Opinion 1). This article does not automatically terminate the contract or eliminate all legal remedies available to the other party. As stated in Article 79 paragraph (5), the exemption does not prevent either party from exercising rights other than claiming damages (CISG, 1980, art. 79(5)). Therefore, even if a climate-induced event fulfils the requirements of Article 79, the other party may still be able to take other remedies under CISG, depending on the circumstances of the case.

In addition, Article 79 paragraph (4) requires the party relying on impediment to give notice to another party when it fails to perform due to that impediment. In the case of climate-induced events, the non-performing party must notify the other party in a timely manner in order to reduce the losses, find alternative arrangements, or adjust the commercial decisions. If the notice is not received within a reasonable time, the responsible party may be liable for the losses caused by the absence of such notification (Janssen & Wahnschaffe, 2021).

The importance of notice and mitigation can also be illustrated by the *Dried Sweet Potatoes* arbitration. In that case, flooding, transport restrictions, and difficulty obtaining substitute goods were relevant to the seller's force majeure argument under Article 79 CISG. However, the tribunal still examined whether the seller had properly notified the buyer, requested an extension, and attempted to obtain substitute goods or overcome the disruption through reasonable measures (China International Economic and Trade Arbitration Commission, 1996; DiMatteo, 2015, pp. 295–296). This case shows that even where natural disruption affects performance, the affected party must still prove the causal link between the event and non-performance, provide proper notice, and show that the impediment could not reasonably be avoided or overcome

However, this notification may not be required if the other party is already aware of the situation, particularly where climate-related events such as extreme floods, wildfire, storm, port closure, or drought have been widely reported in the media (Janssen & Wahnschaffe, 2021). Nevertheless, this kind of public information cannot automatically be treated as equivalent to actual knowledge of how that event affects the performance of a particular contract under Article 79 paragraph (4) of the CISG.

The exemption under Article 79 applies only for as long as the impediment continues to affect performance (CISG, 1980, art. 79(3)). A temporary climate-induced disruption such as a short-term port closure, transport interruption, or extreme weather event, therefore does not permanently release the party from its contractual obligations. Once the impediment ceases to exist, the party may still be required to perform if performance remains possible. As also stated under the *Raw Materials Inc. v. Manfred Forerich GmbH & Co. KG*. case.

In that case, the seller failed to deliver used Russian railroad rail because the port of St. Petersburg froze during an unusually severe winter. The court did not finally decide that the seller was exempted from liability, but it refused to grant summary judgment because factual questions remained as to whether the frozen port actually prevented performance and whether the disruption was foreseeable (*Raw Materials Inc. v. Manfred Forberich GmbH & Co. KG*, 2004). The case is relevant to climate-induced non-performance because it shows that weather-related disruption affecting shipment or port access may support an Article 79 defence only if it truly prevents performance and cannot reasonably be avoided or overcome. Therefore, a temporary weather-related impediment does not automatically release the party from liability, the party must still prove the actual effect of the disruption on contractual performance.

A similar approach applies where non-performance is caused by a third party involved in the transaction, such as a carrier, port operator, supplier, or logistics provider (CISG, 1980, art. 79(2)). The failure of a third party does not automatically release the contracting party from liability. The party invoking Article 79 (CISG Advisory Council, 2007, Opinion 2.1) must still show that the requirements for exemption are satisfied.

Force Majeure Under UNIDROIT Principles Of International Commercial Contracts 2016

Unlike CISG, the UNIDROIT Principles expressly recognize force majeure under Article 7.1.7. This provision states that force majeure is an external impediment beyond its control (UNIDROIT, 2016, art. 7.1.7). The affected party must also show that, at the time the contract was concluded, the impediment could not reasonably have been anticipated, and that neither the impediment nor its consequences could reasonably have been avoided or overcome (UNIDROIT, 2016, art. 7.1.7). In this kind of situation, the non performing party could be excused from its responsibility under the contract (UNIDROIT, 2016, art. 7.1.7). Therefore, under UNIDROIT Principles, force majeure is based on three elements such as existence of an external impediment, the absence of reasonable foreseeability at the time of contract formation, and the inability to avoid or overcome the impediment or its consequences.

In the context of climate-induced force majeure, a climate related event may be treated as force majeure under the UNIDROIT Principles if it satisfies the legal requirements under Article 7.1.7 and directly prevents a party from performing its contractual obligations. Events such as wildfires, floods, storms, droughts, infrastructure damage, port closures, and transport disruption may potentially constitute force majeure if they make performance impossible or legally and practically prevented.

The mere occurrence of a climate-related event is not sufficient to establish force majeure. Under Article 7.1.7, the assessment must focus on whether the specific event prevented performance and whether its consequences could reasonably have been avoided or overcome. If the impediment is temporary, the exemption applies only for a reasonable period, depending on how far the impediment affects the party's ability to perform the contracts (UNIDROIT, 2016, art. 7.1.7(2)). Climate-induced disruption may temporarily prevent contractual performance. In that case, the affected party may only be exempted during the period in which the impediment exists. After the impediment ceases to exist, the party may still be required to perform the obligations if the performance remains possible to be conducted.

The UNIDROIT Principles also require the non-performing party to notify the other party of the impediment and its effect on contractual performance (UNIDROIT, 2016, art. 7.1.7(3)). This requirement is significant in climate-induced force majeure because timely notice enables the other party to anticipate disruption, reduce potential losses, seek alternative arrangements, or adjust its commercial decisions. If notice is not given within a reasonable time, the non-performing party may be liable for damages caused by the failure to provide such notice. Therefore, even where a climate-related event is widely known to the public, the affected party should still explain how the event specifically affects the performance of the contract.

Besides that, Article 7.1.7 Paragraph (4) does not eliminate all rights of other parties. This article stated that the other party is still able to implement their rights to terminate the contract, postpone the implementation of its obligations, or ask for interest or money that is already due date (UNIDROIT, 2016, art. 7.1.7(3)). Through this article we know that the UNIDROIT Principles are not automatically remove the legal effect of the contract, but the provisions basically to set free the party that are not able to implement the obligations from its responsibility over non-performance if the requirement in article 7.1.7 fulfilled, but still preserve certain legal remedies for other party.

The distinction between force majeure and hardship is especially important in climate-induced contractual disruption. If a climate-related event prevents performance, Article 7.1.7 may apply as force majeure. However, if performance remains possible but becomes excessively burdensome because of increased production costs, higher transportation costs, shortage of raw materials, or new regulatory obligations, the issue may be more appropriately analyzed under hardship. This distinction prevents force majeure from being expanded too broadly and allows the legal analysis to separate impossibility of performance from economic imbalance.

This distinction can be illustrated by the CAM Arbitration of 2006, which involved a contract between a Mexican grower and a United States distributor for the production and distribution of squash and cucumbers. The grower failed to deliver the goods and argues that its non-performance was caused by the destruction of crops due to extraordinarily heavy rainstorms and flooding caused by El Niño (Centro de Arbitraje de México, 2006) . The tribunal rejected the force majeure argument under Article 7.1.7 of the UNIDROIT Principles because, although the rainstorms and flooding were beyond the grower's control, they were not considered unforeseeable for a party with long-standing experience in the agricultural sector (Centro de Arbitraje de México, 2006; UNIDROIT, 2016, art. 7.1.7). The tribunal also rejected the hardship argument because the risk of crop destruction by rainstorms and flooding was considered a risk normally assumed by the grower. The decision therefore shows that event severe weather-related events must still be assessed through foreseeability, notice, risk allocation, and the actual effect of the event on contractual performance, rather than benign treated as automatic grounds for exemption (Centro de Arbitraje de México, 2006; UNIDROIT, 2016, arts. 6.2.2–6.2.3, 7.1.7).

Therefore, Article 7.1.7 of UNIDROIT Principles provides a clearer and more explicit formulation of force majeure than Article 79 of the CISG. Its main value in climate-induced contractual disruption lies in offering a

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structured test for determining whether a specific climate-related event truly prevents performance. At the same time, the UNIDROIT Principles help preserve the distinction between force majeure and hardship, so that prevented performance is not treated in the same way as performance that merely becomes more expensive or commercially burdensome (Perillo, 1997).

Force Majeure In Indonesian Contract Law

Indonesian contract law begins from the expectation that parties must perform what they have agreed to. This expectation is reflected in the binding force of the contract, but it is not absolute. Articles 1244 and 1245 of the Indonesian Civil Code recognize that a party should not automatically bear liability when non-performance is caused by circumstances beyond its fault or control (Indonesian Civil Code, arts. 1244-1245) This is the basis of *keadaan memaksa* or *overmacht* in Indonesian contract law. The important issue is not only whether an unexpected event occurred, but whether that event actually prevented performance and cannot be attributed to the party relying on it (Isradjuningtias, 2015, pp. 138-140). For that reason, force majeure should be understood as an exception to contractual liability, not as an easy excuse for every difficulty in performance.

In Indonesian contract law, this phenomenon is known as *keadaan memaksa* or *overmacht*, which refers to circumstances that prevent the performance of contractual obligations due to events outside the debtor’s control (Indonesian Civil Code, arts. 1244-1245). The doctrine is important because it creates a balance between the binding force of contract and the need for fairness when performance is prevented by extraordinary circumstances (Sudjai et al., 2026, pp. 398-399). In other words, force majeure does not deny the principle that contracts must be performed, but it recognizes that the law should not impose liability where non-performance is caused by an event that could not reasonably be controlled, avoided, or attributed to the affected party (Hadiputranto, Hadinoto & Partners, 2020, pp. 1-2). This issue becomes increasingly relevant in the context of climate change, because climate-related events may disturb the performance of international sale of goods contracts through floods, droughts, storms, crop failure, port closure, or government restrictions (New South Wales Government, n.d.). Nevertheless, the legal question is not whether climate change in general constitutes force majeure, but whether a specific climate-induced event satisfies the requirements of force majeure under the applicable law (Makarim & Taira S., 2020, pp. 1-3). Therefore, in analysing Indonesian contract law, climate-induced force majeure should be understood as a case-by-case issue that depends on the nature of the event, the wording of the contract, the causal link between the event and non-performance, and the good faith of the party invoking it.

Although force majeure in Indonesian law is commonly introduced through Articles 1244 and 1245 of the Indonesian Civil Code, its relevance in this research should be limited to contractual obligations connected to the international sale of goods (Indonesian Civil Code, arts. 1244-1245). Modern contractual relationships in Indonesia are increasingly regulated by sectoral laws, and these sectors show that force majeure may operate differently depending on the nature of the obligation, the subject matter of the contract, and the risks involved in performance (Sudjai et al., 2026, pp. 398-408). The Civil Code remains important because it provides the general basis for exempting a party from liability where non-performance is caused by an unforeseen event or force majeure that cannot be attributed to the debtor (Indonesian Civil Code, arts. 1244-1245). However, because this research concerns international sale of goods contracts, the Indonesian-law analysis should focus on the seller’s obligation to deliver goods, the buyer’s obligation to receive and pay for goods, the allocation of risk, and the disruption of carriage or shipment CISG, 1980, arts. 30, 53). This narrower scope keeps the discussion aligned with the comparative framework of the CISG, the UNIDROIT Principles, and Indonesian contract law (CISG, 1980, art. 79; UNIDROIT, 2016, arts. 6.2.2-6.2.3, 7.1.7).

In Indonesian law, a sale of goods contract is based on a simple exchange such as one party undertakes to deliver the goods, and the other party undertakes to pay the agreed price (Indonesian Civil Code, art. 1457). This definition matters because force majeure must be connected to the failure of a specific contractual obligation, not to climate change as a general condition. In a sale transaction, the affected obligation may be the seller’s duty to deliver the goods, or the buyer’s duty to make payment under the contract (Indonesian Civil Code, arts. 1244-1245, 1474, 1513). For example, delivery may fail when goods are destroyed before shipment, crops fail after a prolonged drought, warehouses are flooded, ports are closed, or export is restricted by a climate-related government measure. The buyer may also face difficulty where the destination port, warehouse, or transport route becomes inaccessible because of extreme weather or emergency regulation. Therefore, under Indonesian contract law, the question is not whether climate change exists, but whether a specific climate-related event directly prevents delivery, payment, or another obligation under the sale contract. This approach is consistent with the view that force majeure must be assessed by looking at the event, the affected obligation, and whether the non-performance can fairly be attributed to the party invoking it (Makarim & Taira S., 2020).

The risk allocation is also central because climate-induced events may occur before delivery, during transportation, or before the goods are received by the buyer (Indonesian Civil Code, arts. 1460, 1474). Indonesian doctrine recognizes that force majeure is closely related to the question of who bears the risk when goods are destroyed or performance becomes impossible because of an external event (Isradjuningtias, 2015, pp. 151-153). In the sale of goods contracts, this question may depend on the nature of the goods, the timing of delivery, the transfer of risk, and the wording of the contract (Indonesian Civil Code, arts. 1460, 1474). According to that reason, climate-induced force majeure should not only be analysed as a general exemption from liability under Articles 1244 and 1245 of the Civil Code, but also as a problem of sale obligation and risk allocation (Indonesian Civil Code, arts. 1244-1245, 1460, 1474).

Carriage and logistics are relevant only because they directly support the performance of international sale of goods contracts (Indonesian Commercial Code, art. 468; Law No. 17 of 2008 on Shipping, 2008). Even if the seller has prepared the goods, performance may still be disrupted where storms, high waves, flooding, port closure, damaged roads, or transportation restrictions prevent shipment or delivery (New South Wales Government, n.d.). Under Indonesian commercial law, carriage rules are relevant because they concern the carrier's responsibility for goods during transportation and the possibility that liability may be affected by circumstances that could not reasonably be prevented or avoided (Indonesian Commercial Code, art. 468). Law No. 17 of 2008 on Shipping is also relevant because international sale of goods often depends on sea transportation, port access, and the safe carriage of goods (Law No. 17 of 2008 on Shipping, 2008, arts. 40-41). Therefore, carriage and logistics should be discussed only as supporting aspects of the sale contract, not as separate sectors of analysis (CISG, 1980, arts. 31-34).

Under Indonesian contract law, a weather-related event may potentially be treated as force majeure when it satisfies the requirements reflected in Articles 1244 and 1245 of the Indonesian Civil Code. These provisions indicate that a party may be exempted from liability where non-performance is caused by an unforeseen event or force majeure that cannot be attributed to that party and that prevents the performance of the contractual obligation (Indonesian Civil Code, arts. 1244–1245). A severe storm may be relevant in a force majeure argument, but the existence of the storm is not enough by itself. The party relying on force majeure still has to show that the storm directly caused the delay or failure to perform, that the damage was not caused by its own fault or negligence, and that the consequences could not reasonably be avoided or overcome. This requirement is illustrated in *Putusan Pengadilan Negeri Jakarta Utara No. 694/Pdt.Sus-BANI/2022/PN Jkt.Utr.*, where PT Lily Maritim Indonesia argued that cargo delivery was delayed because a severe storm damaged the vessel, caused the ship lights to fail, and resulted in leakage (Pengadilan Negeri Jakarta Utara, 2022, pp. 11, 29–30). In the other hand, the case record also shows that the opposing party disputed the force majeure argument by arguing that the vessel damage was not proven as *keadaan kahar* and could be attributed to the vessel owner's responsibility. In fact, the case is useful not as proof that storms are automatically accepted as force majeure, but as an illustration that a climate-related event perhaps could support a force majeure argument only when the requirements of proof, causation, absence of negligence, and obstruction of performance are satisfied. In addition, although Articles 1244 and 1245 do not expressly regulate notice, the affected party should still notify the other party of the event and its effect on performance as part of good faith under Article 1338 of the Civil Code and as a practical step to allow the other party to mitigate losses or seek alternative arrangements (Indonesian Civil Code, art. 1338; Pengadilan Negeri Jakarta Utara, 2022, pp. 38–39)..

It also makes the comparison with the CISG and the UNIDROIT Principles clearer (CISG, 1980, art. 79; UNIDROIT, 2016, arts. 6.2.2-6.2.3, 7.1.7). Under the CISG, the seller is mainly responsible for delivering the goods and handing over the relevant documents, whereas the buyer is responsible for paying the contract price and taking delivery of the goods (CISG, 1980, arts. 30, 53). A climate-induced event that prevents shipment, delivery, receipt, or payment may therefore affect the core obligations of an international sale of goods contract (CISG, 1980, arts. 30, 31, 53). Under the UNIDROIT Principles, the same event may be assessed as force majeure if it prevents performance, or as hardship if performance remains possible but becomes excessively onerous (UNIDROIT, 2016, arts. 6.2.2-6.2.3, 7.1.7). Indonesian law should then be compared by examining whether the event creates impossibility or serious impediment of performance, whether the event is beyond the party's control, and whether the party invoking force majeure has acted in good faith (Indonesian Civil Code, arts. 1244-1245; Hadiputranto, Hadinoto & Partners, 2020).

Under Indonesian contract law, climate-induced force majeure should also be understood through party autonomy and the binding force of contract. Articles 1244 and 1245 of the Indonesian Civil Code provide the general legal basis for exemption from liability, but Article 1338 allows parties to regulate their own contractual terms, including the events that may qualify as force majeure (Indonesian Civil Code, arts. 1244-1245, 1338). This means that parties may expressly include floods, droughts, storms, port closures, export restrictions, or other climate-related disruptions in their force majeure clause. However, such a clause remains subject to good faith and must not violate mandatory law, public order, or morality (Indonesian Civil Code, arts. 1337-1338). Therefore, in an international sale of goods contract governed by Indonesian law, the parties may expressly include climate-induced events, such as extraordinary floods, droughts, wildfires, extreme storms, port closure, prolonged transport disruption, climate-related export restrictions, or government measures adopted in response to climate emergencies, as force majeure events (International Chamber of Commerce, 2020, pp. 2-3).

However, party autonomy does not mean that every climate-related difficulty will automatically release a party from liability, because the application of force majeure still depends on the wording of the contract, the causal link between the event and non-performance, the possibility of mitigation, and the good faith of the party invoking it (Situmorang & Rahmawati, 2020). Therefore, in international sale of goods contracts, parties may reduce uncertainty by expressly including climate-induced events, such as extreme weather, climate-related natural disasters, port closure, governmental orders, trade restrictions, or prolonged transport disruption, within their force majeure clause (International Chamber of Commerce, 2020, pp. 2-3). The ICC Force Majeure Clause can be useful as a drafting reference because it gives parties a clearer structure and identifies events that may be presumed as force majeure. However, it does not automatically govern the contract. It becomes relevant only when the parties choose to include it in their agreement (International Chamber of Commerce, 2020, pp. 1-3). This approach is also consistent with the CISG and the UNIDROIT Principles, which recognize the importance of party autonomy while also providing default rules on exemption, force majeure, and hardship (CISG, 1980, arts. 6, 79; UNIDROIT, 2016, arts. 1.1, 1.3, 6.2.2-6.2.3, 7.1.7).

International V. Indonesian Domestic Approach

International instruments and Indonesian contract law, as the domestic approach, share a fundamental similarity in their treatment of force majeure, neither provides the list of specific events, such as flood, earthquake, storm, or even climate change, that automatically excuse non-performance, which means that the application of force majeure remains open to interpretation as long as the event genuinely prevents performance and cannot fairly be attributed to the party invoking (CISG, 1980, arts. 6, 79; UNIDROIT, 2016, arts. 1.1, 1.3, 6.2.2-6.2.3, 7.1.7). Under Article 79 of the CISG, the central inquiry is whether the non-performance was caused by an impediment beyond the party's control, which could not reasonably have been taken into account at the time of the conclusion of the contract and could not reasonably have been avoided or overcome (CISG, 1980, art. 79). Article 7.1.7 of the UNIDROIT Principles adopts a similar structure by requiring an impediment beyond the party's control, the absence of reasonable foreseeability, and the inability to avoid or overcome the impediment or its consequences (UNIDROIT, 2016, art. 7.1.7). Indonesian contract law, through Articles 1244 and 1245 of the Indonesian Civil Code, also does not define force majeure through a closed list of events, but through the broader idea that a debtor may be released from liability where non-performance is caused by circumstances that cannot be attributed to the debtor (Indonesian Civil Code, arts. 1244-1245). Therefore, climate change should not be treated as force majeure in the abstract. The relevant question is whether a specific climate-induced event directly prevents or substantially obstructs the performance of contractual obligations, is beyond the affected party's control, could not reasonably have been anticipated or avoided, and is not caused by the party's fault or bad faith (Bridge, 2020, pp. 76-99).

This similarity is important because it prevents climate change from being used as a general justification for non-performance. Climate change is a broad and continuing phenomenon, while force majeure requires a concrete impediment that affects a particular contractual obligation. In international sale of goods contracts, the legal analysis must therefore focus on the impact of the climate-induced event on the seller's obligation to deliver the goods, the buyer's obligation to pay the price and take delivery, and the supporting obligations connected to shipment, documentation, carriage, and receipt of goods (UNIDROIT, 2016, arts. 6.2.2-6.2.3, 7.1.7. For example, an extraordinary flood that destroys identified goods before shipment, a government order that closes the relevant port, or an extreme storm that makes shipment legally or physically impossible may support a force majeure argument. However, the legal consequence cannot be determined merely by stating that "climate change happened" or that the contract was affected by climate change in general. Climate change may explain the broader background of the disruption, but force majeure requires a more specific inquiry into the concrete event that occurred and how that event affected the performance of the contract. Therefore, the party invoking force majeure must show that the relevant climate-induced event, not climate change in the abstract, created the impediment that made performance impossible or legally prevented under the contract (UNIDROIT Secretariat, 2020, paras. 4, 6).

The comparison between the international and domestic approaches shows that climate-induced force majeure in international sale of goods contracts cannot be resolved by asking only whether climate change is a force majeure event, because the more important question is how each legal framework allocates the risk of non-performance caused by a specific climate-induced event (CISG, 1980, arts. 30, 53, 79; UNIDROIT, 2016, arts. 6.2.2-6.2.3, 7.1.7; Indonesian Civil Code, arts. 1244-1245). Although international and domestic approaches share an open-ended understanding of force majeure, they differ in their legal structure. Under the CISG, Article 79 provides the most relevant rule for international sale of goods contracts because it governs exemption from liability when non-performance is caused by an impediment beyond the party's control. However, its effect is limited because it mainly exempts the non-performing party from damages and does not automatically terminate the contract or remove all other remedies available to the other party (Bridge, 2020, pp. 76-78). The affected party must also give notice of the impediment and its effect on performance within a reasonable time. This is important in climate-induced cases because the existence of an extreme weather event alone does not inform the other party how the event affects a specific contractual obligation, such as delivery, shipment, payment, or receipt of goods (Bund, 1998, pp. 385–386).

By contrast, the UNIDROIT Principles provide a clearer distinction between force majeure and hardship. Article 7.1.7 applies where an impediment prevents performance, while Articles 6.2.2 and 6.2.3 apply where performance remains possible but the contractual equilibrium has been fundamentally altered. This distinction is more suitable for climate-induced disruption because an extreme flood, wildfire, storm, or port closure may be analyzed as force majeure, while increased production, shipment, or regulatory costs may be better treated as hardship (Perillo, 1997, pp. 21-22). The Indonesian domestic approach is more general. Indonesian law recognizes force majeure through *keadaan memaksa* or *overmacht*, particularly under Articles 1244 and 1245 of the Indonesian Civil Code. However, Indonesian law does not expressly classify climate change as force majeure and does not provide a detailed statutory distinction between force majeure and hardship. Therefore, climate-induced force majeure under Indonesian law depends on general requirements, such as the absence of fault, the causal link between the event and non-performance, the impediment of performance, and good faith (Isradjuningtias, 2015, pp. 136-158).

The strongest bridge between these approaches is party autonomy. Under the CISG, parties may exclude or vary the application of the Convention (CISG, 1980, art. 6). Indonesian law recognizes the binding force of contract through Article 1338 of the Indonesian Civil Code. In international sale of goods contracts, this means that parties may allocate climate-related risks in advance by defining whether certain events should be treated as force majeure, hardship, or ordinary commercial risk (Indonesian Civil Code, art. 1338). This contractual drafting is important because many climate risks are no longer entirely unexpected. Parties should therefore avoid relying only on general legal doctrines and should expressly regulate climate-related events, notice, mitigation, evidence, suspension, termination, and renegotiation mechanisms in the contract (Bund, 1998, pp. 405-406).

At the drafting level, the main value of the ICC clauses is not merely their list of events, but their ability to make risk allocation more predictable. By referring to specific consequences such as suspension, termination, renegotiation, and notice, the clauses help parties avoid uncertainty when a climate-related disruption occurs (International Chamber of Commerce, 2020, pp. 1-5). The stronger approach is to distinguish between climate change as the background risk and the specific event that disrupts contractual performance. Climate change may contribute to more frequent, intense, or less predictable weather patterns, but the legal analysis should still focus on the concrete event affecting the contract, such as an unusual storm, prolonged drought, severe flood, abnormal freezing, port closure, or transport breakdown (IPCC, 2022). In this sense, climate change explains why these disruptions increasingly matter in international trade, while the particular event determines whether force majeure, hardship, or ordinary commercial risk applies. A party should therefore not rely on climate change in the abstract. It must show how the specific event prevented delivery, receipt, payment, or another contractual obligation, and why that risk could not reasonably be anticipated, avoided, or allocated under the contract. (UNIDROIT Secretariat, 2020, paras. 4, 6).

CONCLUSION

Climate-induced force majeure in international sale of goods contracts should not be understood as a general claim for exemption. The CISG, the UNIDROIT Principles, and Indonesian contract law do not provide a list of climate events that automatically excuse non-performance. Instead, each framework requires an assessment of the specific event, its effect on contractual performance, and whether the event can fairly be attributed to the party invoking it.

Under the CISG, Article 79 provides a strict and predictable framework for exemption. This is useful for maintaining legal certainty in international sales because it prevents parties from using climate-related difficulties as a general escape from liability. The cases also show that weather-related disruption will not be enough when the performance remains possible or the impediment can reasonably be overcome. However, the Article 79 is limited because its main effect is exemption from damages, not a broader adjustment of the contractual relationship. The UNIDROIT Principles provide a more complete framework because they distinguish force majeure from hardship. The distinction is particularly useful for climate-induced disruption, since some climate events may prevent performance, while others may only make performance more onerous. Indonesian contract law recognizes force majeure through *keadaan memaksa* or overmacht, particularly under Articles 1244 and 1245 of the Indonesian Civil Code which provide the foundation for overmach, but it does not expressly classify climate change as force majeure or provide a detailed statutory distinction between force majeure and hardship.

According to the reason above, the most suitable approach is a combined one. The CISG should remain the primary legal basis for international sale of goods contracts, while the UNIDROIT Principles can guide the distinction between force majeure and hardship. Indonesian contract law can support the analysis through overmacht, good faith, and party autonomy, especially where Indonesian law governs the contract or where Indonesian parties are involved.

Climate-related risks should be addressed expressly in the contract, including the types of events covered, notice requirements, evidence of disruptions, mitigation duties, suspension of performance, termination, and renegotiation mechanisms. This approach gives a more realistic balance between legal certainty, fairness, and commercial practicality in international trade affected by climate change.

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