

Amir, Mukhammad Faisol; Nidhal, Muhammad; Alta, Aditya

## Research Report

# From export ban to export acceleration: Why cooking oil price interventions were ineffective

Policy Brief, No. 16

### Provided in Cooperation with:

Center for Indonesian Policy Studies (CIPS), Jakarta

*Suggested Citation:* Amir, Mukhammad Faisol; Nidhal, Muhammad; Alta, Aditya (2022) : From export ban to export acceleration: Why cooking oil price interventions were ineffective, Policy Brief, No. 16, Center for Indonesian Policy Studies (CIPS), Jakarta

This Version is available at:

<https://hdl.handle.net/10419/297872>

#### Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

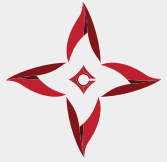
Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

#### Terms of use:

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*



Policy Brief No. 16

## From Export Ban to Export Acceleration: Why Cooking Oil Price Interventions Were Ineffective

by Mukhammad Faisol Amir, Muhammad Nidhal & Aditya Alta



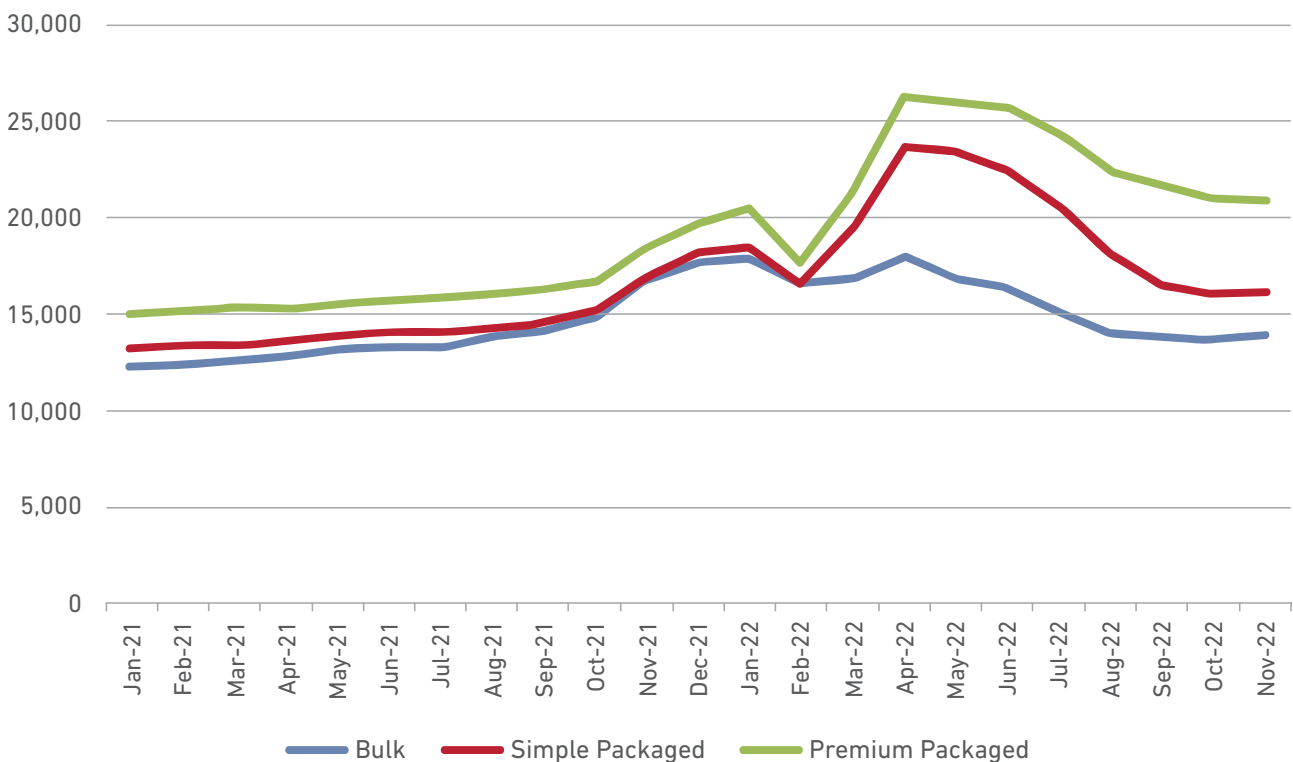
ANTARA FOTO/Muhammad Iqbal/tom

Palm oil is the world's most widely used vegetable cooking oil. Indonesia and Malaysia produce 57% and 27% of palm oil available in the global market, respectively (Ritchie & Roser, 2021). In addition to being a popular source of cooking oil, palm oil is also processed into biodiesel and used as an ingredient for processed foods, detergents, and cosmetics. In Indonesia, palm oil is used for food (48.59%), biodiesel (39.85%), and oleochemical (11.51%) with a total crude palm oil (CPO) and crude palm kernel oil (CPKO) production of 51.3 million tons in 2021, which is projected to increase to 51.8 million tonnes by the end of 2022 according to the Indonesian Palm Oil Association or GAPKI (Mahadi, 2022; GAPKI, 2022).

Though food use is still dominant, palm oil consumption for biodiesel shows an increasing trend throughout the years, growing at a rate of 26.40% in the last 5 years due to the government's mandatory B30 policy (Statista, 2021; GAPKI, 2022). The policy stipulates that 30% palm-oil based fuel goes into its biodiesel to lower the country's fuel imports and boost domestic production of palm oil. On the other hand, most palm oil derivatives (CPO, palm kernel oil (PKO), and their derivatives) produced in Indonesia are exported (65%), while only 35% are intended for domestic use (Katadata, 2022; GAPKI, 2022). This situation creates tensions between alternative uses of palm oil, supplies for the global market, and domestic consumers.

As a globally traded commodity, cooking oil prices in Indonesia are directly affected by international CPO prices. Throughout 2021 and continuing into 2022, global CPO prices significantly increased, which may be attributed to the increasing global demand for biofuel due to the economic recovery, while facing declining productivity of oil palm plantations in Indonesia and Malaysia (Nafisah & Amanta, 2022). As a result, domestic bulk cooking oil prices (Figure 1) in Indonesia increased significantly from IDR 12,300 per liter in January 2021 to IDR 17,700 per liter in December 2021. They peaked in April 2022 at an unprecedented IDR 18,000 per liter. Despite a gradual decline from April 2022 onward, the price level remained higher than at the end of 2021. Consequently, and despite its essential importance, affordable cooking oil was hardly available in the market.

**Figure 1.**  
**Prices of Palm Cooking Oil in Indonesia, 2021-2022 (IDR Per Liter)**

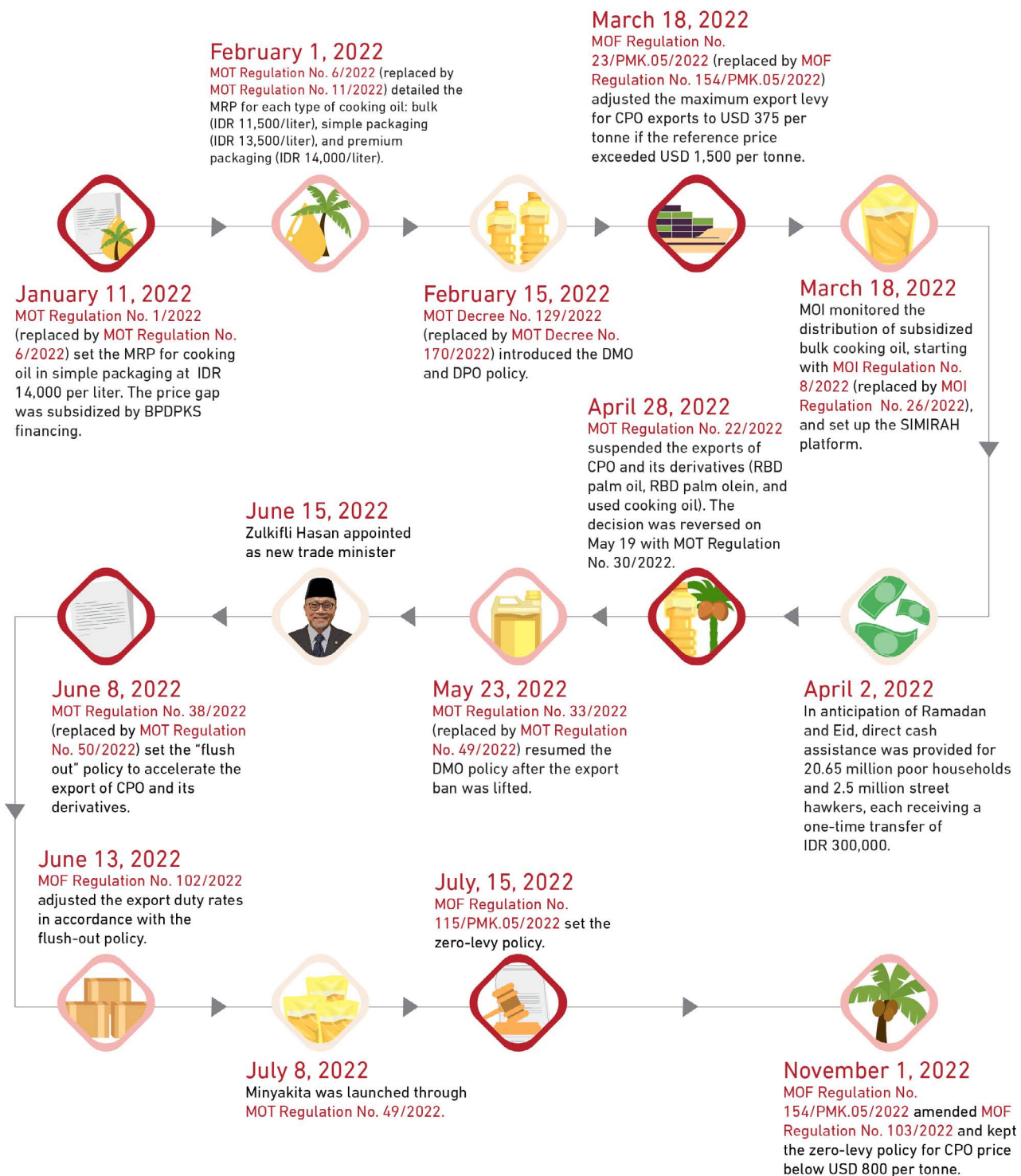


Source: Market and Basic Needs Monitoring System of the Ministry of Trade or Sistem Pemantauan Pasar dan Kebutuhan Pokok Kementerian Perdagangan (SP2KP), 2022 processed by authors

# Frequent Policy Changes Throughout 2022

Throughout 2022, the Ministry of Trade (MOT), Ministry of Industry (MOI), and Ministry of Finance (MOF) implemented a series of measures to respond to the soaring prices and to ensure the availability of affordable cooking oil supplies. At the time of writing, at least 21 ministerial regulations – 14 from MOT, three from MOI, and four from MOF had been issued in 2022 to regulate palm oil exports, pricing, and supplies in the domestic market. The timeline of policy changes is presented in the following infographic prepared by the Center for Indonesian Policy Studies (Figure 2).

**Figure 2.**  
**Cooking Oil Policy Timeline, 2022**



On January 17, 2022, the government imposed a Maximum Retail Price (MRP) on cooking oil through MOT Regulation No. 6/2022. It aimed to keep prices in check for cooking oil sold in bulk, simple packaging, and premium packaging<sup>1</sup> (Sekretariat Kabinet RI, 2022a). The MRP was set at IDR 11,500 per liter for bulk cooking oil; IDR 13,500 per liter for cooking oil in simple packaging; and IDR 14,000 per liter for cooking oil in premium packaging. This policy, however, was short lived as it was replaced in March with MOT No. 11/2022, which imposed an MRP only on bulk cooking oil while the prices for cooking oil in simple and premium packaging were left to the market mechanism. This move was seen by many commentators and the media as an indication of the government giving up on protecting the consumers through price control (Al Hikam, 2022; DPR RI, 2022; Ramadhan, 2022).

To ensure bulk cooking oil was available at the MRP price, the MOT started to implement Domestic Market Obligation (DMO) and Domestic Price Obligation (DPO) policies in the first quarter of 2022. The DMO policy required 30% of the export volume of crude palm oil (CPO) and refined, bleached, and deodorized (RBD) palm olein, which are the inputs for cooking oil, to be distributed in the domestic market. It also required exporters and producers to be registered in the Bulk Cooking Oil Information System (SIMIRAH)<sup>2</sup>. The DPO mandated the domestic selling price of CPO and RBD palm olein to ensure affordable prices.

As the problems persisted, MOI began to be involved in March. The ministry wanted to improve the bulk cooking oil distribution to meet the needs of end consumers and Micro and Small Enterprises (MSEs) (MOI Press, 2022). Unlike MOT, which had intervened to prevent CPO from being exported and to stabilize domestic prices, MOI intervened in the cooking oil distribution channels. Through MOI Regulation No. 8/2022 on the Provision of Bulk Cooking Oil for Community Needs, Micro Enterprises, and Small Businesses within the Financing Framework by the Indonesian Palm Oil Plantation Fund Management Agency (*Badan Pengelola Dana Perkebunan Kelapa Sawit* or BPDPKS), it attempted to control and supervise subsidized bulk cooking oil distribution. All bulk cooking oil producers were required to register in SIINas<sup>3</sup> to obtain a license to distribute bulk cooking oil at the MRP price and receive a subsidy to recoup the difference between the market price and the MRP. While subsidized cooking oil made it to the market, its supplies were severely limited. It was rarely seen in most modern and traditional markets, and consumers had to wait in long queues to get cooking oil at the affordable price promised by the government (GAPKI, 2022).

To maintain people's purchasing power during Ramadan and ahead of Eid al-Fitr in May 2022, the government distributed direct cash assistance for cooking oil in April. The targeted recipients were 20.65 million poor households and 2.5 million street hawkers, stall owners, and fishermen (PKLWN). Each recipient received a one-time transfer of IDR 300,000 (about USD 20) (CMEA, 2022; Sukmana, 2022).

The crisis peaked when the MOT on April 28, 2022 suspended palm oil exports and its derivatives through MOT Regulation No. 22/2022. The banned commodities included CPO; Refined, Bleached, and Deodorized Palm Oil (RBD Palm Oil); Refined, Bleached, and Deodorized Palm Olein (RBD Palm Olein); and Used Cooking Oil (UCO). The government's rationale behind the temporary ban was to restore domestic palm cooking oil prices to IDR 14,000 per liter and accelerate its distribution throughout the nation (Sekretariat Kabinet RI, 2022c).

---

<sup>1</sup> Bulk type refers to refined, bleached, & deodorized (RBD) palm olein sold unpackaged, and neither have labels nor brands. It has a cloud point grade 12 (CP12) and does not go through any RBD palm olein filtering process. Simple packaging refers to RBD palm olein CP10 packaged in more economical packaging like pouch or sachet, which has gone through a one-time filtering process. The government has also marketed this type of cooking oil under the Minyakita brand. Premium packaging refers to RBD palm olein with the lowest CP (CP8 and CP6) sold in a more premium, rigid packaging. This cooking oil has been filtered more than once and usually has added vitamin A.

<sup>2</sup> SIMIRAH was developed by the MOI, based on MOI Regulation No. 27/2022, to support the affordable bulk cooking oil program. SIMIRAH functions as a digital platform that can be accessed by business players in implementing the MGCR program. SIMIRAH is part of SIINas.

<sup>3</sup> SIINas (*Sistem Informasi Industri Nasional* or National Industrial Information System) is a system developed by MOI to receive data easily and quickly from private companies.

The export ban harmed farmers due to the drop in the price of fresh fruit bunches (FFB) from IDR 4,800 to IDR 1,000 (Betahita, 2022). According to a statement by the Indonesian Palm Oil Growers Association (*Asosiasi Petani Kelapa Sawit Indonesia* or APKASINDO), farmers lost IDR 11.4 trillion (approximately USD 750 million) within 20 days since the CPO export ban was implemented. Furthermore, 6.58 million tonnes of FFB were reported to be damaged due to not being absorbed by the refineries (CNN Indonesia, 2022).

Not too long after the export ban was implemented, it was lifted again by the Indonesian President on May 19, 2022. President Widodo claimed that after the export ban, domestic supplies reached 211,000 tonnes a month, which exceeded the domestic needs and made the ban no longer necessary (Sekretariat Kabinet RI, 2022d). The export ban was lifted through MOT Regulation No. 30/2022. It was however succeeded by the reenactment of the DMO policy on May 23 through MOT Regulation No. 33/2022.

In June, the government issued MOT Regulation No. 38/2022 on Program to Accelerate the Distribution of CPO, RBD Palm Oil, RBD Palm Olein, and UCO Through Exports, also known as the 'flush-out policy'. The program allowed participating CPO exporters to be exempted from the obligation to supply domestic cooking oil on the condition that they paid an additional fee of USD 200 per tonne on top of the export duty (USD 288 per tonne at the time) and levy (USD 200 per tonne at the time)<sup>4</sup> (MOF Regulation No. 102/PMK.05/2022). As its name suggests, the flush-out policy was intended to boost the absorption of oil palm fruits in the hope of increasing their prices for the benefit of domestic farmers. The program ran between June-July 2022 and was intended to allocate export permits for at least one million tonnes of CPO.

Additionally, the following policies have been implemented in the wake of lifting the export ban:

1. In July 2022, to further boost CPO exports and increase the fruits price for farmers, the government implemented a zero-levy policy<sup>5</sup> through MOF Regulation No. 115/2022 (MOF, 2022). The new zero export levy rate was effective from July to October (MOF, 2022). Starting 1<sup>st</sup> November 2022, it was still in effect but capped at a CPO price of USD 800 per tonne (MOF Regulation No. 154/PMK.05/2022).
2. Following the DMO reenactment, MOT released an affordable cooking oil brand called Minyakita<sup>6</sup> under MOT Regulation No. 41/2022. The MOT-owned brand uses DMO-sourced supplies to provide cooking oil in simple packaging at an MRP price of IDR 14,000 per liter (MOT, 2022). However, since its announcement in July, Minyakita has apparently not affected the prices of cooking oil, which have remained above the MRP. Between July and November 2022, the average retail price for cooking oil in simple packaging was IDR 17,460 per liter. This was 14.09% higher than during the same period the year before (SP2KP, 2022). Further, Minyakita was initially found in several e-commerce platforms sold at prices ranging from IDR 16,000 per liter to more than 40,000 per liter, exceeding the guaranteed MRP (Widyastuti, 2022; Safitri, 2022). At the time of writing, both the DMO and Minyakita are still in effect.

---

<sup>4</sup> See Footnote 5 on the difference between an export levy and an export duty.

<sup>5</sup> Exporters of CPO, its derivatives, and several other oil palm-related products must pay both the export levy and the export duty. An export levy (*pungutan ekspor*) refers to the fee paid to the Oil Palm Plantation Fund Management Agency (BPDPKS). As the name suggests, the agency manages and disburses the Oil Palm Plantation Fund—funded by the levies—for several programs intended to develop the palm oil sector, such as biodiesel and replanting for smallholder farmers. The levy is thus different and separate from the export duty (*bea keluar*), which is state revenue. The export duty was still payable under the zero-levy policy.

<sup>6</sup> Minyakita is an oil trademark for simple packaged cooking oil owned by the MOT and registered with the Ministry of Law and Human Rights. The MOT allows cooking oil producers and packagers to use Minyakita brand or packaging with a validity period of four years, and the license to use it can be extended.

# Lessons Learned and the Way Forward for Cooking Oil Governance

As the cooking oil crisis shows, resorting to protectionist means such as the export ban does more harm to consumers and producers alike and is not sustainable in the long term. The interventions failed to give poor populations access to affordable supplies as shortages remained commonplace. Meanwhile, frequent policy changes and a heavy-handed approach to the crisis frustrated producers and confused Indonesia's trade partners. In summary, the export ban led to several unintended consequences as follows:

- The export ban caused the price of fresh fruit bunches (FFB) to fall by 40-70% (Sari, 2022), therefore upsetting farmers who lost around IDR 11.40 trillion in 20 days since its implementation. Critics say that the government's CPO export ban did not take into account the costs borne by the economy, especially the adverse impacts for the 17 million palm oil farmers amid very attractive global palm oil prices (Emeria, 2022; Amirullah, 2022). In addition, the export ban increased tensions between farmers and the government leading to demonstrations in 22 Indonesian provinces (CNN Indonesia, 2022).
- The short-lived export ban further spiked the international price of palm oil by more than 200% (Strangio, 2022) and affected the global edible oil supply amid the ongoing global crises of the Russian war in Ukraine, the Covid-19 outbreak, and the climate crisis (Medina, 2022). It affected food security for countries dependent on Indonesia's CPO. Pakistan, which imports 90% of its CPO from Indonesia, experienced a serious shortage (Jakarta Globe, 2022). India also expressed concern at the World Trade Organization (WTO) over "trade barriers" generated in part by Indonesia's palm oil export ban (Al-Jazeera, 2022). The policy, therefore, hurt Indonesia's international standing and was ill-advised, considering Indonesia's image as a reliable trade partner and its presidency of the G20 in 2022 (International Finance, 2022).
- As a result of the cooking oil policy flip-flop during the first quarter of 2022, the country experienced a sizable opportunity loss, both from a decline in foreign exchange, government revenues, and domestic consumption as well as from an increase in domestic oil stocks. The value of opportunity loss from foreign exchange alone is estimated at USD 4 billion (PASPI, 2022). Exports of CPO and its derivatives are Indonesia's largest foreign exchange contributors accounting for USD 15 billion in January-September 2020, which helped Indonesia maintain a trade surplus during the pandemic (GAPKI, 2020).
- Heavy-handed actions like the export ban open rent-seeking and corruption opportunities from public officials and palm oil producers. In particular, the cooking oil crisis turned into a fiasco as five government and business employees, including MOT's Director General of Foreign Trade at the time, were accused of corruption in the illegal issuance of export permits to several palm oil producers (Ekonomi Bisnis, 2022). The crime caused an estimated IDR 18.3 trillion in state losses (Wibowo, 2022). Corruption cases are not only financially detrimental, but they also reduce public trust in the government to deal with the issue.
- Attempts to control prices and domestic supplies encouraged attempts to circumvent the law. Local authorities in Palu and Lebak found wholesalers hoarding 24,000 liters of cooking oil in an attempt to drive prices above the MRP (Darmawan, 2022). An attempt to smuggle 21,985 tonnes of cooking oil across the border to Timor-Leste was uncovered by local authorities in East Java (Chaterine, 2022).
- To ensure compliance, the DMO and distribution of subsidized cooking oil was excessively regulated, resulting in hampered flows of the cooking oil from producers to the market. Producers had to go through complicated bureaucracy to register and receive the subsidies, including presenting a detailed list of distributors and retailers, and collecting and validating invoices for each sale. The process was subject to state audit, with any error potentially punishable by prison sentence (Christina & Nangoy, 2022; Lingga, 2022).

With the war in Ukraine ongoing and food exports from Russia and Ukraine uncertain for the foreseeable future (Baffes, 2022), it is not unlikely that Indonesia will be faced once again with the need to guard its domestic food security interest. In a policy issue as complex as food security, the government should implement smart policies that go beyond outright prohibition, combine trade and non-trade policy tools, and focus efforts on assisting vulnerable populations. In the long run, this requires addressing the following areas:

- Instead of an outright ban, a “smarter” approach in the short run would be to rely on adjusting taxes, levies, and subsidies to encourage domestic distribution and disincentivize outflows. To some extent this was done, but the actions were only taken late into the crisis and after a number of initial missteps.
- To provide certainty to market players, the government should only intervene when certain thresholds are achieved, such as lower and upper reference prices for CPO. If prices stay within the price band, market mechanisms should prevail, and the government should refrain from intervening.
- Energy policy, especially regarding the use of palm oil in biodiesel mix, forms a glaring omission in the government’s responses throughout 2022. Palm oil use for biodiesel tends to increase throughout the years, as seen in the mandatory biodiesel mix policy, as well as subsidies given to the sector financed by the palm oil plantation funds. In 2021, the Indonesian Palm Oil Plantation Fund Management Agency (BPDPKS) allocated at least 80% of their funds for biodiesel subsidies (Hermawan, 2022). BPDPKS also distributed increasingly large subsidies to biodiesel producers since the start of the B30 program in 2020. If this continues, biodiesel is likely to take over and exceed the CPO consumption for food in one or two years (Basri, 2022). The government should consider relaxing this policy during a CPO price hike and diverting the export levies to protect the consumers. This requires coordination with the Ministry of Energy and Mineral Resources.
- Instead of trying to make affordable cooking oil available for all, the government should focus on protecting vulnerable consumers through targeted cash assistance. While this has been done in anticipation of Ramadan, the frequency and amount could have been increased to support consumption throughout the crisis. This requires coordination with the Ministry of Social Affairs and increased financing, for example, from export levies and temporary reallocation of the biofuel subsidy.



## References

---

- Al Hikam, H. A. (2022). 5 fakta kritik keras ke pemerintah setelah HET minyak goreng. *Detik*. Retrieved from <https://finance.detik.com/berita-ekonomi-bisnis/d-5991638/5-fakta-kritik-keras-ke-pemerintah-setelah-het-minyak-goreng-dicabut>
- Amirullah. (2022). Breaking news: Jokowi cabut larangan ekspor minyak goreng. *Tempo*. Retrieved from <https://nasional.tempo.co/read/1593147/breaking-news-jokowi-cabut-larangan-ekspor-minyak-goreng>
- Baffes, J. (2022). Risks in global food markets. *World Bank*. Retrieved from <https://blogs.worldbank.org/developmenttalk/risks-global-food-markets>
- Basri, F. (2022). Ulah pemerintahlah yang membuat harga minyak goreng melonjak. *Faisal Basri*. Retrieved from <https://faisalsasri.com/2022/02/03/ulah-pemerintahlah-yang-membuat-harga-minyak-goreng-melonjak/>
- Cabinet Secretariat RI. (2022a). Hari ini pemerintah mulai berlakukan kebijakan minyak goreng Rp14.000 per liter. *Cabinet Secretariat of the Republic of Indonesia*. Retrieved from <https://setkab.go.id/hari-ini-pemerintah-mulai-berlakukan-kebijakan-minyak-goreng-rp14-000-per-liter/>
- Cabinet Secretariat. (2022b). Jaga stok dan stabilitas harga minyak goreng, pemerintah terapkan kebijakan DMO dan DPO. *Cabinet Secretariat of the Republic of Indonesia*. Retrieved from <https://setkab.go.id/jaga-stok-dan-stabilitas-harga-minyak-goreng-pemerintah-terapkan-kebijakan-dmo-dan-dpo/>
- Cabinet Secretariat. (2022c). Mulai 28 April, pemerintah berlakukan larangan ekspor CPO dan turunannya. *Cabinet Secretariat of the Republic of Indonesia*. Retrieved from <https://setkab.go.id/mulai-28-april-pemerintah-berlakukan-larangan-ekspor-cpo-dan-turunannya/>
- Cabinet Secretariat. (2022d). Pernyataan Presiden RI tentang pembukaan kembali ekspor minyak goreng, di Istana Merdeka, Provinsi DKI Jakarta, 19 Mei 2022. *Cabinet Secretariat of the Republic of Indonesia*. Retrieved from <https://setkab.go.id/ Pernyataan-presiden-ri-tentang-pembukaan-kembali-ekspor-minyak-goreng-di-istana-merdeka-provinsi-dki-jakarta-19-mei-2022/>
- Chaterine, R. N. (2022). Kronologi pengungkapan kasus penyelundupan 121,985 Ton minyak goreng ke Timor Leste. *Kompas*. Retrieved from <https://nasional.kompas.com/read/2022/05/13/12385791/kronologi-pengungkapan-kasus-penyelundupan-121985-ton-minyak-goreng-ke-timor>
- Christina, B., & Nangoy, F. (2022). Explainer: Why Indonesia's palm oil export ban has not cooled cooking oil prices. *Reuters*. Retrieved from <https://www.reuters.com/markets/commodities/why-indonesias-palm-oil-export-ban-has-not-cooled-cooking-oil-prices-2022-05-17/>
- Darmawan, (2022). Terbongkarnya penimbunan puluhan ribu liter minyak goreng di Lebak dan Palu. *Kompas*. Retrieved from <https://regional.kompas.com/read/2022/03/04/133141978/terbongkarnya-penimbunan-puluhan-ribu-liter-minyak-goreng-di-lebak-dan-palu?page=all>
- di Canossa, V., Erwinsyah, Wan, X., Lixian, Chen, van den Boogard, M., & Stoum, T. (2020). Mapping the palm oil value chain: Opportunities for sustainable palm oil in Indonesia and China. *UNDP Report*. <https://doi.org/10.17528/cifor/006405>
- DPR RI (2022). Harga minyak goreng harus diredam. *The House of Representative of the Republic of Indonesia*. Retrieved from <https://www.dpr.go.id/berita/detail/id/38086/t/Harga+Minyak+Goreng+Harus+Diredam>
- Emeria, D. C. (2022). Menghitung untung-rugi larangan ekspor minyak sawit Jokowi. *CNBC Indonesia*. Retrieved from <https://www.cnbcindonesia.com/news/20220512105615-4-338422/menghitung-untung-rugi-larangan-ekspor-minyak-sawit-jokowi>
- Fiscal Policy Agency. (2022). Kebijakan penyesuaian pungutan ekspor untuk percepatan ekspor produk sawit [Press Release]. *Ministry of Finance of the Republic of Indonesia*. Retrieved from <https://fiskal.kemenkeu.go.id/publikasi/siaran-pers-detil/428>
- Gunawan, I. (2022). Tiga bos perusahaan kelapa sawit jadi tersangka, Gapki Angkat Suara. *Ekonomi Bisnis*. Retrieved from <https://ekonomi.bisnis.com/read/20220419/9/1524668/tiga-bos-perusahaan-kelapa-sawit-jadi-tersangka-gapki-angkat-suara>
- GAPKI. (2020). Palm oil contributes 15% of Indonesian exports. *GAPKI*. Retrieved from <https://gapki.id/en/news/19427/palm-oil-contributes-15-of-indonesian-exports>

- GAPKI. (2022). Indonesia raja sawit no. 1 di dunia! Tapi warganya antri minyak goreng. Retrieved from <https://gapki.id/news/20580/indonesia-raja-sawit-no-1-di-dunia-tapi-warganya-antri-minyak-goreng>
- Hermawan, E. (2022). Dana sawit: Kroni, emisi, deforestasi. *Tempo*. Retrieved from <https://majalah.tempo.co/read/investigasi/165708/bagaimana-pengusaha-sawit-mendapatkan-subsidi-biodiesel-bdpdps>
- Indonesia Investments. (2022). Palm oil exports & national economy plagued by the Indonesian government's policy flip-flops? *Indonesia Investments Monthly Report - April 2022*. Retrieved from <https://www.indonesia-investments.com/id/news/news-columns/palm-oil-exports-national-economy-plagued-by-the-indonesian-government-s-policy-flip-flops/item9512>
- International Finance. (2022). Indonesia faces global pressure over ban on palm oil export. Retrieved from <https://internationalfinance.com/indonesia-global-pressure-palm-oil-export/>
- Kejaksaan Negeri Batu. (2022). Kejaksaan agung kembali tetapkan 1 tersangka dalam dugaan pidana korupsi minyak goreng. Retrieved from <https://kejari-batu.kejaksaan.go.id/kejaksaan-agung-kembali-tetapkan-1-tersangka-dalam-dugaan-pidana-korupsi-minyak-goreng/>
- Laia, K. (2022). Larangan ekspor produk sawit berimbas pada petani kecil Indonesia. *Betahita*. Retrieved from <https://betahita.id/news/detail/7519/larangan-ekspor-produk-sawit-berimbas-pada-petani-kecil-indonesia.html.html>
- Lingga, V. (2022). Lutfi out on cooking oil slipup. Can Zulkifli offer a quick fix? *The Jakarta Post*. Retrieved from <https://www.thejakartapost.com/opinion/2022/06/22/lutfi-out-on-cooking-oil-slipup-can-zulkifli-offer-a-quick-fix.html>
- Llewellyn, A. (2022). Indonesia faces international pressure over palm oil export ban. *Al Jazeera*. Retrieved from <https://www.aljazeera.com/economy/2022/5/9/indonesia-faces-international-pressure-over-palm-oil-export-ban>
- Mahadi, T. (2022). GAPKI proyeksi produksi minyak sawit hingga akhir 2022 capai 51,8 juta ton. *Kontan*. Retrieved from <https://industri.kontan.co.id/news/gapki-proyeksi-produksi-minyak-sawit-hingga-akhir-2022-capai-518-juta-ton>
- Ministry of Industry. (2022). Menperin wajibkan seluruh industri minyak goreng menyediakan minyak goreng curah untuk masyarakat, usaha mikro, dan usaha kecil [Press Release]. *Ministry of Industry of the Republic of Indonesia*. Retrieved from <https://kemenperin.go.id/artikel/23174/Menperin-Wajibkan-Seluruh-Industri-Minyak-Goreng-Menyediakan-Minyak-Goreng-Curah-untuk-Masyarakat,-Usaha-Mikro,-dan-Usaha-Kecil>
- Medina, A. F. (2022). Indonesia bans the export of palm oil, impacting global food prices. *ASEAN Briefing*. Retrieved from <https://www.aseanbriefing.com/news/indonesia-bans-the-export-of-palm-oil-impacting-global-food-prices/>
- Ministry of Trade. (2022). Janji turunkan harga migor lunas, Mendag Zulhas luncurkan Minyakita Rp14 ribu per liter [Press Release]. *Ministry of Trade of the Republic of Indonesia*. Retrieved from <https://www.kemendag.go.id/id/pers/janji-turunkan-harga-migor-lunas-mendag-zulhas-luncurkan-minyakita-rp14-ribu-per-liter-1>
- Moegiarso, S. (2022). Pemerintah luncurkan BLT minyak goreng, jaga daya beli masyarakat untukenuhi kebutuhan di Ramadhan dan Idul Fitri. *Coordinating Ministry for Economic Affairs*. Retrieved from <https://ekon.go.id/publikasi/detail/3993/pemerintah-luncurkan-blt-minyak-goreng-jaga-daya-beli-masyarakat-untuk-penuhi-kebutuhan-di-ramadhan-dan-idul-fitri#:~:text=%E2%80%9CTujuannya%20adalah%20untuk%20meringankan%20beban,Koordinator%20Bidang%20Perekonomian%20Susiwijono%20Moegiarso>
- Nafisah, N., & Amanta, F. (2022). Oil palm productivity remains limited as price of cooking oil soars in Indonesia. *CIPS Policy Brief*, 12. Retrieved from [https://c95e5d29-0df6-4d6f-8801-1d6926c32107.usrfiles.com/ugd/c95e5d\\_3c1d91614e864350abdc3636f07a723b.pdf](https://c95e5d29-0df6-4d6f-8801-1d6926c32107.usrfiles.com/ugd/c95e5d_3c1d91614e864350abdc3636f07a723b.pdf)
- Nation Master. (2020). Indonesia Domestic Consumption of Palm Oil. Retrieved from <https://www.nationmaster.com/nmx/timeseries/indonesia-domestic-consumption-of-palm-oil>
- Pacheco, P., Gnych, S., Dermawan, A., Komarudin, H., & Okarda, B. (2017). The palm oil global value chain: Implications for economic growth and social and environmental sustainability. *CIFOR Working Paper 220*. Retrieved from [https://www.cifor.org/publications/pdf\\_files/WPapers/WP220Pacheco.pdf](https://www.cifor.org/publications/pdf_files/WPapers/WP220Pacheco.pdf)
- PASPI. (2022). Respon industri sawit Indonesia atas kebijakan minyak goreng sawit pada periode Januari-April 2022. *Palm Journal Analisis Isu Strategis Sawit*, Vol. III(10), pp. 647-652. Retrieved from <https://palmoilina.asia/wp-content/uploads/2022/06/3.10.-RESPON-INDUSTRI-SAWIT-INDONESIA-ATAS-KEBIJAKAN-MINYAK-GORENG-SAWIT-PADA-PERIODE-JANUARI-APRIL-2022.pdf>
- Primadhyta, S. (2022a). Demo petani sawit se-Indonesia digelar hari ini, tuntutan 5 hal. *CNN Indonesia*. Retrieved from <https://www.cnnindonesia.com/ekonomi/20220517064329-92-797367/demo-petani-sawit-se-indonesia-digelar-hari-ini-tuntut-5-hal>

Primadhyta, S. (2022b). Petani sudah rugi triliunan, kapan Jokowi cabut larangan ekspor CPO? *CNN Indonesia*. Retrieved from <https://www.cnnindonesia.com/ekonomi/20220518062157-92-797826/petani-sudah-rugi-triliunan-kapan-jokowi-cabut-larangan-ekspor-cpo>

Rahmanulloh, A. (2022a). Oilseeds and products annual. *GAIN ID2022-0007*. Retrieved from [https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Oilseeds%20and%20Products%20uAnnual\\_Jakarta\\_Indonesia\\_ID2022-0007.pdf](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Oilseeds%20and%20Products%20uAnnual_Jakarta_Indonesia_ID2022-0007.pdf)

Rahmanulloh, A. (2022b). Oilseeds and products Update. *GAIN ID2022-0021*. Retrieved from [https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Oilseeds%20and%20Products%20Update\\_Jakarta\\_Indonesia\\_ID2022-0021.pdf](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Oilseeds%20and%20Products%20Update_Jakarta_Indonesia_ID2022-0021.pdf)

Ramadhan, A. (2022) Harga Minyak Goreng Diserahkan ke Mekanisme Pasar, Anggota DPR: Wibawa Pemerintah Jatuh. *Kompas*. Retrieved from <https://nasional.kompas.com/read/2022/03/17/11312901/harga-minyak-goreng-diserahkan-ke-mekanisme-pasar-anggota-dpr-wibawa?page=all>

Ritchie, H., & Roser, M. (2021). Palm oil. *Our world in Data*. Retrieved from <https://ourworldindata.org/palm-oil>

Safitri, K. (2022). Harga Minyak di e-commerce hampir 3 kali lipat dari yang seharusnya, kok bisa? *Kompas*. Retrieved from <https://money.kompas.com/read/2022/07/09/170000226/harga-minyak-di-e-commerce-hampir-3-kali-lipat-dari-yang-seharusnya-kok?page=all>

Sari, R. (2022). Dampak Kebijakan Larangan Ekspor CPO dan Produk Turunan. *Info Singkat* Vol. XIV 10(II), pp. 19-24. Retrieved from [https://berkas.dpr.go.id/puslit/files/info\\_singkat/Info%20Singkat-XIKV-10-II-P3DI-Mei-2022-230.pdf](https://berkas.dpr.go.id/puslit/files/info_singkat/Info%20Singkat-XIKV-10-II-P3DI-Mei-2022-230.pdf)

Shofa, J. N. (2022). 'Big mistake': Expert slams past CPO export ban. *Jakarta Globe*. Retrieved from <https://jakartaglobe.id/business/big-mistake-expert-slams-past-cpo-export-ban>

Statista. (2022). Volume of crude palm oil (CPO) used as biofuel feedstock in Indonesia from 2011 to 2020, with a forecast for 2021. Retrieved from <https://www.statista.com/statistics/1202157/indonesia-cpo-biofuel-feedstock/>

Strangio, S. (2022). Indonesia to scrap controversial palm oil export ban. *The Diplomat*. Retrieved from <https://thediplomat.com/2022/05/indonesia-to-scrap-controversial-palm-oil-export-ban/>

Sukmana, A. (2022). Bantuan langsung tunai (BLT) minyak goreng. *Ministry of Finance of the Republic of Indonesia*. Retrieved from <https://anggaran.kemenkeu.go.id/in/post/bantuan-langsung-tunai-minyak-goreng>

Wibowo, E. A. (2022). 4 fakta kasus korupsi minyak goreng yang merugikan negara Rp 18 triliun. Retrieved from <https://nasional.tempo.co/read/1629936/4-fakta-kasus-korupsi-minyak-goreng-yang-merugikan-negara-rp-18-triliun>

Widyastuti, R. A. Y. (2022). Minyak Kita dijual di e-commerce, harga mulai dari Rp 16 ribu hingga Rp 40 ribu lebih. *Tempo*. Retrieved from <https://bisnis.tempo.co/read/1609580/minyak-kita-dijual-di-e-commerce-harga-mulai-dari-rp-16-ribu-hingga-rp-40-ribu-lebih>

Winarni. (2022). Kebijakan flush out RI bikin harga CPO merosot dalam sepekan. *DataIndonesia*. Retrieved from <https://dataindonesia.id/bursa-keuangan/detail/kebijakan-flush-out-ri-bikin-harga-cpo-merosot-dalam-sepekan>

## ABOUT THE AUTHORS

**Mukhammad Faisol Amir** is a Junior Researcher at CIPS. He graduated from Wageningen University in the Netherlands with a Master's degree in Environmental Policy and Sustainable Development Diplomacy. Previously, Faisol worked as a sustainability assessor in an agriculture company and as a research assistant at Universitas Gadjah Mada. His research interests lie in sustainable agriculture, food politics, and sustainable development.

**Muhammad Nidhal** holds a Bachelor's degree in International Relations from Jayabaya University in Jakarta with a minor in Postcolonial Studies. Prior to joining CIPS, he worked at the Embassy of Uzbekistan in Jakarta as an assistant to the Political and Economic Section. He first joined the CIPS Emerging Policy Leaders Program in 2022 before becoming a research assistant.

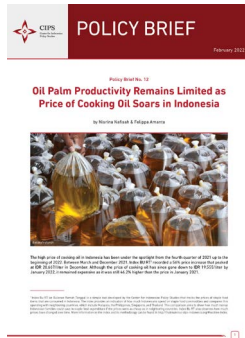
**Aditya Alta** is trained in qualitative and interpretive methodologies and received his Master's degree in governance and development policy from Erasmus University Rotterdam. Prior to joining CIPS, Aditya has worked on a range of subjects as a researcher in the Institute for Economic and Social Research (LPEM) at the University of Indonesia, and as a consultant for development projects.

Our work relies on your support.

To support CIPS, visit [www.cips-indonesia.org/donate](http://www.cips-indonesia.org/donate).



# Explore other policy briefs and papers published by the Center for Indonesian Policy Studies



## Oil Palm Productivity Remains Limited as Price of Cooking Oil Soars in Indonesia



## Attracting FDI Post Covid-19 by Simplifying Indonesia's Regulatory Framework



## Mitigating Food Supply Chain Disruptions Amid Covid-19



## Changes to Trade Policy in Presidential Regulation 32/2022 on Neraca Komoditas



## Regional Comprehensive Economic Partnership (RCEP): How Indonesia can Maximize the Opportunities An Insider's Perspective



## Data Privacy in the Indonesian Personal Data Protection Legislation



## Who is Responsible for User-Generated Content on Digital Platforms in Indonesia?



## Cybersecurity Protection in Indonesia



## Digital Taxation in Indonesia

Go to our website to access more titles:  
[www.cips-indonesia.org/publications](http://www.cips-indonesia.org/publications)











**CIPS**

Center for Indonesian  
Policy Studies

#### **ABOUT THE CENTER FOR INDONESIAN POLICY STUDIES**

**Center for Indonesian Policy Studies (CIPS)** is a strictly non-partisan and non-profit think tank providing policy analysis and practical policy recommendations to decision-makers within Indonesia's legislative and executive branches of government.

CIPS promotes social and economic reforms that are based on the belief that only civil, political, and economic freedom allows Indonesia to prosper. We are financially supported by donors and philanthropists who appreciate the independence of our analysis.

#### **KEY FOCUS AREAS:**

**Food Security & Agriculture:** To enable low-income Indonesian consumers to access more affordable and quality staple food items, CIPS advocates for policies that break down the barriers for the private sector to openly operate in the food and agriculture sector.

**Education Policy:** The future of Indonesia's human capital need to be prepared with skills and knowledge relevant to the 21st century. CIPS advocates for policies that drive a climate of healthy competition amongst education providers. Such competition will drive providers to constantly strive to innovate and improve education quality for the children and parents they serve. In particular, CIPS focuses on the improvement of operational and financial sustainability of low-cost private schools who serve the poor.

**Economic Opportunities:** CIPS advocates for policies that expand economic involvement and opportunities for Indonesian entrepreneurs and businesses; as well as for policies that open wider opportunities for low-income Indonesians to access decent incomes and create wealth.

[www.cips-indonesia.org](http://www.cips-indonesia.org)

 [facebook.com/cips.indonesia](https://facebook.com/cips.indonesia)

 [@cips\\_id](https://twitter.com/cips_id)

 [@cips\\_id](https://www.instagram.com/cips_id)

 [Center for Indonesian Policy Studies](#)

 [Center for Indonesian Policy Studies](#)

Jalan Terogong Raya No. 6B  
Cilandak, Jakarta Selatan 12430  
Indonesia