



CRIMINAL COOKING OIL HOOKING IN INDONESIA

by

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ABSTRACT

The rules regarding criminal sanctions for hoarders (cooking oil) of Cooking Oil in Indonesia have been regulated in Article 107 of Law (UU) Number 7 of 2014 concerning Trade and Presidential Regulation Number 71 of 2015 concerning Stipulation and Storage of Basic Necessities and Goods.

This data analysis was carried out using an analysis based on the Criminal Hoarding of Cooking Oil in Indonesia. The purpose of this research is to be able to examine and analyze the Criminal Hoarding of Cooking Oil in Indonesia.

As for the benefits of this research academically, this research is useful related to the crime of hoarding cooking oil in Indonesia, while theoretically, this research can enrich the literature in terms of studying the crime of hoarding cooking oil in Indonesia.

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1. INTRODUCTION

UNTIL the second weekend of February 2022, people in various regions are still voicing their complaints regarding the scarcity of cooking oil and the high price of soybeans. Even in some places, there was a queue of residents who would buy cooking oil. The government should go all out to overcome these two problems, because they relate to the needs of all households and millions of MSME actors.

Fluctuations in the prices of basic necessities have always been a sensitive issue that could tarnish the credibility of the government. So, the duration of the scarcity of cooking oil and the current high price of soybeans should not drag on. The government needs to take all legal means to solve this problem. Because, entering the second week of February 2022, the scarcity of cooking oil has lasted for more than a month.

In fact, the root of the problem or the cause of the scarcity and high price of cooking oil is already known. Likewise with the background that is the driving factor for the increase in soybean prices. The increase in cooking oil prices has even been estimated since last year, following the increase in CPO prices in the global market. However, due to the absence of anticipatory steps or policies, the scarcity and rising prices must be borne by the community as consumers.

Almost from January to the second week of February 2022, the scarcity and rising price of cooking oil, and the increase in soybean prices have had an uncomfortable impact on all households. The complaints of the housewives are real things, without fabrication. Other communities that were also badly hit were the tens of millions of micro, small and medium enterprises (MSMEs) who had been making cooking oil.

Almost every day, as reported by various news portals throughout January-February 2022, people have voiced their complaints in response to the issue of cooking oil and soybeans that have not been properly resolved. Judging from the time span, it's not a short duration.

In various areas, there were long queues of women who would buy cooking oil. Scenes like this are certainly worrying, and have been described as an irony for Indonesia, which is clearly one of the largest palm oil producers in the world. The queue of residents buying cooking oil should not only be understood as an event, but should also be interpreted as the aspirations of housewives.

Cooking oil and soybeans as raw materials for tofu and tempeh are factors that should not be ignored in household consumption. When the pandemic is not over, public consumption is one of the main factors driving economic growth.

In order to maintain the power of public consumption, the government must immediately address the scarcity of cooking oil and soybeans, which are still a problem today. Don't let this problem drag on. If the problem can be solved by having to shift the priority scale or refocusing the budget to subsidize cooking oil and soybeans, it is certainly not a disgrace to do so.

In fact, related to hoarding cooking oil carried out by unscrupulous entrepreneurs and traders can be punished as stated in Article 107 of Law (UU) Number 7 of 2014 concerning Trade and Presidential Regulation Number 71 of 2015 concerning Stipulation and Storage of Basic Needs and Important Goods. "Hoarding Oil Threatened with 5 Years in Imprisonment or a Maximum Fine of IDR 50 Billion".

2. LITERATURE REVIEW

A. Formulation of the problem

Based on the above background, the formulation of the problem in this paper is: What is the Criminal Threat for Hoarding Cooking Oil in Indonesia?

B. Research purposes

Departing from the formulation of the problem above, the purpose of this research is expected to be able to examine and analyze the crime of hoarding cooking oil in Indonesia.

C. Benefits of research

The benefits of this research consist of academic, theoretical, and practical benefits, as follows:

- a. Academically, this research is useful regarding the crime of hoarding cooking oil in Indonesia;
- b. Theoretically, this research can enrich the literature in terms of criminal studies of hoarding cooking oil in Indonesia;
- c. Practically
 1. As information material for academics and the public for consideration and input for further research.
 2. As input for the government, especially for law enforcers (police, prosecutors and courts) on the crime of hoarding cooking oil in Indonesia.

3. RESEARCH METHOD

Data collection technique

Online Data Search / Internet Searching

Internet searching is a technique of collecting data through the help of technology in the form of tools / search engines on the internet where all information from various eras is available in it. Internet searching is very easy in order to help researchers find a file / data where the speed, completeness and availability of data from various years is available. Searching for data on the internet can be done by searching, browsing, surfing or downloading.

Types of Data and Data Collection Techniques

Data Type

Secondary Data

Secondary data is data obtained from secondary sources other than field data such as literature data from books, magazines, the internet, and the results of previous research. Secondary data is used as a complement to primary data. Secondary data in this study is in the form of data that researchers found on the internet or in books.

Data collection technique

This research was obtained from various sources, including journals, books, news and websites, media reviews, and other relevant sources.

4. RESULTS AND ANALYSIS

The Director of Special Economic Crimes (Dirtipideksus) of the Criminal Investigation Unit of the National Police Brigadier General Whisnu Hermawan in a written statement, Monday (7/2/2022), said that the shortage of cooking oil was due to delays in delivery from distributors. Whisnu said, distribution in small modern retails such as Indomaret and Alfamart is carried out every two to four days.

Jakarta, Beritasatu.com - The constant price of cooking oil (migor) prompted the Business Competition Supervisory Commission (KPPU) to summon three large importing companies, Friday (4/2/2022), to investigate the alleged cartel in this industry. In this pre-investigation stage, the focus of KPPU is to seek information and evidence of the alleged cartel.



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If evidence is found, the pre-investigation process on allegations of unfair business competition in the migration industry can be raised to the level of investigation. Of the three companies called by KPPU, only one came, while the rest asked for a rescheduled meeting. KPPU is not willing to release the names of the companies that were summoned.

Based on the KPPU's study, there is an oligopolistic market structure in the migrant sector. Currently, the four major migrant players control 46% of the market. In fact, KPPU found indications of simultaneous price increases by business actors at the end of last year. This factor has made KPPU take this issue to the realm of law enforcement since January 26, 2022. Moreover, allegations of unfair business competition have made it difficult for migrant prices to decrease, even though the government has issued a number of policies.

The government released a domestic market obligation (DMO) and domestic price obligation (DPO) policy for crude palm oil (CPO) and olein. Finally, the government set the highest price (HET) for bulk migration at Rp.11, 500 per liter, simple packaging at Rp.13, 500 per liter, and premium packaging at Rp. 14,000 per liter starting February 1, 2022.

In fact, the price of migrants in the market remains high. From the observations of Investor Daily, the subsidized price of packaged imported goods is Rp. 14,000 per liter at several modern retail outlets in Jakarta and Bekasi. Then, in Pasar Baru, East Bekasi, as reported by Beritasatu.com, the price of bulk migration is still Rp. 14,000 per liter, well above the HET. Traders argue that they are still selling old stock migration. On the infopangan.jakarta.go.id page, the average price of bulk migration in Jakarta reaches Rp 19,295 per kilogram (kg). The highest price for bulk migrating is in the Mampang Prapatan market, Rp. 21,000 per kg, while the cheapest is at the Kramat Jati Market, which is Rp. 15,000 per kg.

The Head of the Public Relations and Cooperation Bureau of KPPU Deswin Nur said that the summoning of the three migrant companies marked the start of the pre-investigation process as the beginning of law enforcement. This means that the KPPU has not yet entered into the investigation into the alleged cartel. "So we don't have a list of reported parties, there are no articles that have been accused, and we don't have any relevant markets that we are targeting. It is still in the stage of collecting data," he said.

According to him, information related to the condition of the migrant industry will be linked to the behavior of business actors. That is why, this week and next week, KPPU will still focus on summoning the relevant migrant producers. From here, KPPU will expand to other business actors, such as distributors, retailers, and others.

"We will look for all of this. The goal is to find at least one piece of evidence for violating Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition in order to enter the investigation stage.

He said that currently, large migrant producers produce packaged products and are integrated with upstream businesses. It is also possible that they also sell bulk migraines. For KPPU, it is difficult to separate packaged and bulk migrant players. Thus, KPPU's focus is on migrant producers first. He stated that there was no time limit in the pre-investigation stage of the alleged unfair business competition. This is because KPPU needs as much information as possible from all parties involved in this industry. KPPU, he said, is not only talking about the migrant industry, but also CPO. That means, KPPU requires a lot of information from several parties.

"The cause of the stock vacancy is due to the late delivery of cooking oil from distributors and the high enthusiasm of the public to buy cooking oil (Whisnu: 06/02/2022).

Whisnu suggested that people choose to buy cooking oil at modern retail, because the price has followed the government's policy, namely according to the HET of Rp. 14,000/liter, cheaper than the price in the traditional market.

Meanwhile, traders in traditional markets still sell cooking oil above HET, to spend their stock of purchases before January 31, 2022. "Most of the traders in traditional markets and distributors do not understand the government's policy of refraction; the government will replace the difference between the old and new prices. With this replacement, traders and distributors will not be disadvantaged in selling cooking oil according to HET.

Therefore, the Food Task Force urges business actors to comply with government policies related to HET pricing, the implementation of DMO and DPO, as well as refraction policies to stabilize cooking oil prices. The triggers for cooking oil prices, hoarding and sanctions for retailers can be seen in the image below:

Figure 1.1
 Price Triggers, Hoarding and Sanctions for Cooking Oil Retailers



Criminal for Hoarding Cooking Oil

JAKARTA, KOMPAS.TV – (23/2/2022). Cooking oil hoarders can be subject to a prison sentence of 5 years or a maximum fine of IDR 50 billion.

Deputy Head of the National Police's Food Task Force Brigadier General Whisnu Hermawan explained that those found to have fulfilled the elements of hoarding could be subject to criminal sanctions.

"If it meets the elements of hoarding, yes (can be subject to criminal)," said Whisnu, Wednesday Previously, the Head of the Public Information Bureau (Karo Penmas) Brigadier General Ahmad Ramadhan had explained that business actors who were proven to hoard cooking oil were threatened with imprisonment and fines.

The rules regarding sanctions for hoarders are contained in Article 107 of Law (UU) Number 7 of 2014 concerning Trade and Presidential Regulation Number 71 of 2015 concerning Stipulation and Storage of Basic Needs and Important Goods. "Business actors who carry out hoarding can be charged with Article 107 in conjunction with Article 29 paragraph 1 of Law Number 7 of 2014 concerning Trade in conjunction with Article 11 paragraph 2 of Presidential Regulation 71 of 2015," (Ramadhan, Kompas.com: 19/2/2022).

Article 107 reads, business actors who store goods of basic needs and/or important goods in a certain amount and time when there is a shortage of goods, price fluctuations, and/or traffic barriers to Trade in Goods as referred to in Article 29 paragraph (1) shall be punished with imprisonment for a maximum of 5 (five) years and/or a maximum fine of Rp 50,000,000,000.00 (fifty billion rupiah).

The threat is a maximum sentence of 5 years in prison and a maximum fine of IDR 50 billion. There are a number of regulations that regulate the prohibition of hoarding basic goods when there is a shortage of goods for public needs.

Allegations of hoarding of cooking oil stocks strengthened in line with the discovery of 1.1 million kg of cooking oil by the North Sumatra Provincial Government (Pemprov). Police officers move quickly to ensnare the perpetrators through the threat of imprisonment as stipulated in the applicable laws and regulations.

"In the midst of the scarcity of cooking oil availability, it is very unfortunate that there are parties who are suspected of storing large quantities, by not distributing it to the market," said the Deputy Chair of the House of Representatives.

He said the condition of people's purchasing power, which had not yet recovered due to the COVID-19 pandemic, should not be complicated by the scarcity of cooking oil due to the game of a few people. He saw that the practice of scarcity of cooking oil stocks due to hoarding by a few people caused price increases in the market.

"It is not appropriate and appropriate to take advantage in the midst of a difficult economic situation. Moreover, cooking oil is one of the basic necessities.

The police in all regions are diligent in conducting sudden inspections (sidak) at various cooking oil storage warehouses to minimize the potential for hoarding and act immediately if there are suspicions of hoarding cooking oil. "If hoarding is found, strict action must be taken according to the applicable law," said the senator from East Kalimantan.

The Institute's (SA Institute) Solutions and Advocacy Director, Suparji Ahmad, appreciated the discovery of a case of hoarding 1.1 million kg of cooking oil by the North Sumatra Provincial Government. In the midst of an economic famine, there are still entrepreneurs who cheat in hoarding cooking oil which results in scarcity and makes it difficult for the community.

According to him, Law No. 18 of 2012 on Food prohibits stockpiling in large quantities. Article 52 paragraph (1) of the Food Law states, "In terms of Food Trading, the Government determines the mechanism, procedures, and maximum amount of Staple Food storage by Food Business Actors".

The rules regarding sanctions for hoarders are contained in Article 107 of Law (UU) Number 7 of 2014 concerning Trade and Presidential Regulation Number 71 of 2015 concerning Stipulation and Storage of Basic Needs and Important Goods.

Cooking Oil Hoarders Threatened with 5 Years in Prison or a Maximum Fine of IDR 50 Billion



Source: Image Police raid a hoarder of 9,600 cooking oil in Serang City, Banten. Five people, including the hoarders, were arrested by the police. (Source: Police Documentation)

Criminal Snare for Cooking Oil Hoarders

The threat is a maximum sentence of 5 years in prison and a maximum fine of IDR 50 billion. There are a number of regulations that regulate the prohibition of hoarding basic goods when there is a shortage of goods for public needs.

Paragraph (2) states, "The provisions regarding the mechanism, procedure, and maximum amount as referred to in paragraph (1) shall be regulated by or based on a Government Regulation". Article 53 states, "Food business actors are prohibited from hoarding or storing Staple Food exceeding the maximum amount as referred to in Article 52".

"In Article 53 it expressly prohibits the hoarding or storage of staples exceeding the maximum amount," he said.

Meanwhile, Article 29 paragraph (1) of Law No. 7 of 2014 concerning Trade states, "Business actors are prohibited from storing basic necessities and/or essential goods in a certain amount and time when there is a shortage of goods, price fluctuations, and/or traffic constraints. Cross Trade in Goods".

For business actors who store basic necessities for a certain time when there is a shortage of goods, they are threatened with a maximum penalty of 5 (five) years in prison and a maximum fine of Rp. 50 billion as stipulated in Article 107 of Law no. 7 of 2014.

Article 107 of Law 7/2014 states, "Business actors who store basic necessities and/or important goods in certain quantities and at a certain time when there is a shortage of goods, price fluctuations, and/or barriers to goods trade traffic as referred to in Article 29 paragraph (1) shall be sentenced to a maximum imprisonment of 5 (five) years and/or a maximum fine of Rp. 50,000,000,000.00 (fifty billion rupiahs).

The lecturer of Criminal Law at the Faculty of Law, Al-Azhar University Indonesia (UAI) hopes that the police can investigate thoroughly and give strict sanctions. According to him, whatever the motive, hoarding when there is a shortage of goods is a violation. "So that it can be a lesson for other business actors.

Previously, the Head of the Public Information Bureau (Karopenmas) of the Police Public Relations Division (20/2/2022). Police Brigadier General Ahmad Ramadhan said that business actors who are proven to have hoarded can be sentenced to a maximum imprisonment of 5 years and a maximum fine of Rp. 50 billion as stipulated in laws and regulations.

"Business actors who carry out hoarding can be suspected of Article 107 in conjunction with Article 29 paragraph 1 of Law 7/2014 in conjunction with Article 11 paragraph 2 of Presidential Decree No. 71 of 2015 concerning the Determination and Storage of Basic Needs and Important Goods.

Tribatanews.polri.go.id – Jakarta (19/2/2022). The Bareskrim Polri has confirmed that it will take action against the perpetrators of hoarding cooking oil. The National Police stated that they would not hesitate to ensnare individuals who hoard and cause misery to the community. Karo Penmas Police Public Relations Division, Brigadier General. Pol. Dr. Ahmad Ramadhan, S.H., M.H., M.Sc., said that hoarding perpetrators can be sentenced to 5 years in prison. "Business actors who store basic necessities and/or important goods in a certain amount and time when there is a shortage of goods, price fluctuations, and/or obstacles to the traffic of goods trade as referred to in Article 29 paragraph (1) shall be punished with imprisonment for a maximum of 5 (five) years and/or a maximum fine of Rp. 50,000,000,000.00 (fifty billion rupiah)," said Karo Penmas, Karo Penmas explaining that the National Police would support the government's policy on cooking oil stabilization. Therefore, the National Police through the National Police Food Task Force in collaboration with related parties will begin to act. "The National Police will carry out monitoring, direct checks, and market operations to ensure safe availability, smooth distribution and sales prices according to the HET (highest retail price) set by the government," he added. According to Karo Penmas, based on data provided by the relevant ministry, the current availability or stock of cooking oil is sufficient. However, there are some business actors who do hoarding. The One Star General also emphasized that the National Police's Food Task Force found cooking oil that was stockpiled by business actors, so the cooking oil was directed to be immediately distributed through a market mechanism. "And business actors who carry out hoarding will take action without disturbing the cooking oil distribution mechanism

Government admits it's too much to let cooking oil depend on CPO prices

"Then, we have to look for the evidence in the field, so the time is very dynamic, although internally, this process takes 3-6 months. However, this could continue to be extended, depending on the evidence we find. Our target is at least one piece of evidence, then we can proceed to the next process.

Currently, he stated, KPPU is now focusing on pursuing information from migrant players. However, if needed, KPPU will summon related associations, such as the Indonesian Palm Oil Association (Gapki). The time for investigating the alleged cartel could be 60 working days and could be extended once.

Through these various summons, he said, KPPU will explore in detail various initial information related to producers as well as information regarding the business processes of companies that exist in the migration industry and the construction of anti-competitive behavior, particularly in the aspect of price formation, validation of various issues that develop in the market, and other issues related to price formation. Related to potential violations of the law.

The whole process, he said, was greatly influenced by the information and evidence obtained as well as the cooperation shown by the parties. For this reason, KPPU urges all parties to comply with the ongoing law enforcement process.

Domination of Big Companies The Head of KPPU, Ukay Karyadi, explained that almost half of the migrant market is controlled by four large producers. That is why; there is an allegation of a cartel in the migration industry, where the biggest business players in the migration industry are members of an integrated business group, ranging from oil palm plantations, CPO processing, to migrants. Then, when there is an increase in the price of CPO in the international market, this situation is used as a momentum for migrant entrepreneurs in large business groups to raise prices.

"In fact, their factories are vertically integrated with oil palm plantations, so they get CPO supplies from their own plantations. In fact, logically, if the price of PT A's migration goes up, PT B can take over PT A's market,



without increasing the price. However, what happened was that the big players had compactly raised their selling prices.

The increase occurred, the government had to intervene by intervening in prices through a one-price policy at the level of Rp. 14,000 per liter and it proved ineffective. As a result, the DMO and DPO policies have been issued,"

The market structure that tends to be oligopoly in imported commodities makes it difficult for the Ministry of Trade (Kemendag) to stabilize prices that have been volatile for a long time. This means that interventions carried out downstream are considered less effective, without improving the structure of the upstream industry.

"The downstream market intervention without fixing the industrial structure is less effective, because the initial position is in the big companies. KPPU will also investigate the scarcity of migrants' circulation. Because, until the supply of cheap migrants does not exist. In fact, the government has intervened in the market.

The plan, he continued, is that KPPU will start an investigation into the factory or the migrant industry first. This is because, said Ukay, the structure of the migrant market is relatively oligopoly or controlled by big businessmen. In addition, Ukay found another oddity, because of the 74 migrant companies, most were concentrated on the island of Java. In detail, the most are in East Java, namely 23 companies, DKI Jakarta 11 companies, West Java six companies, Central Java three companies, and in Banten two companies.

As for outside Java the number is not too significant. For example, in North Sumatra, there are 14 companies, while in other regions there are only one to two companies. "In fact, the biggest component of the migrant industry is CPO as a raw material. Logically, if CPO is the largest component, the factory should approach the source of raw materials to be more efficient. This is very ironic. This means that there must be a relocation of the migrant factory in the area near the raw materials," he said.

KPPU, he added, will not play around, because this is not the first time the agency has taken firm action against migrant business actors. In 2010, KPPU has punished the perpetrators of the migrant cartel. He emphasized that the investigation into the alleged migrant cartel had been carried out since October 2021, when prices began to jump to Rp. 20,000 per liter. The research focused on two things, namely whether the price increase was caused by government policies or because of anti-competitive behavior by business actors.

In 2007, he stated that KPPU submitted a recommendation to the government to revoke regulations that create entry barriers for new business actors in the migrant industry, including local and small-medium scale businesses. Because, he said, the increasing number of new business actors is expected to reduce the dominance of vertically integrated business groups.

In order to guarantee the supply of CPO, KPPU suggests that it is necessary to encourage contracts between migrating and CPO producers to guarantee prices and supply. The agency hopes that the migration price will run according to market law and not be influenced by cartels or agreements, aka the law of supply and demand. KPPU also encourages the growth of migrant business actors who are not affiliated with large companies.

CONCLUSION

Solutions and Schemes, and Government Policies

The solutions and schemes, as well as the policies carried out by the government (Ministry of Trade of the Republic of Indonesia) in tackling the scarcity and high cost of cooking oil can be seen in the image below:

Figure 1.2
The Solutions of the Ministry of Trade of the Republic of Indonesia in Overcoming
The Rare and Expensive Cooking Oil



Sumber: <https://www.google.com/liputan6.com>.

<https://www.google.com/.inews.id>.

Figure 1.3
The Scheme of the Indonesian Ministry of Trade in Dealing with
The Rare and Expensive Cooking Oil



Sumber: <https://www.google.com/infografis-pemerintah-siapkan-skema-pendistribusian-minyak-goreng-subsidi>.

Sumber: <https://www.google.com/bisnisgrafik-siapkah-beralih-ke-minyak-goreng-kemasan-petrik>.

Sumber: <https://www.google.com/minyak-goreng-harga-rp-14-000-sudah-berlaku>

Sumber: <https://www.google.com/Siapkah-Beralih-ke-Minyak-Goreng-Kemasan>

Figure 1.4
The Policy of the Ministry of Trade of the Republic of Indonesia in Dealing with
The Rare and Expensive Cooking Oil



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