

Analysis Of Corporate Involvement In Hoarding Cases In The Cooking Oil Market

Anjaani Anil Chazni

Faculty of Law, Universitas Widya Gama Malang, anjaanianilchazni@gmail.com

Sulthon Miladiyanto

Faculty of Law, Universitas Widya Gama Malang, sulthon@widyagama.ac.id

ABSTRACT

Corporate involvement in hoarding within the Indonesian cooking oil market has become a significant issue, attracting considerable public and governmental attention. This study aims to analyze how corporations engage in cooking oil hoarding practices and their implications for the governance of the palm oil industry in Indonesia. The results indicate that corporations often influence government policies through regulatory changes that benefit them, particularly in export activities, often without fulfilling domestic supply obligations. Corruption cases in granting export licenses demonstrate how easily corporations can influence government policy for private gain. Furthermore, weak supervision of the Crude Palm Oil (CPO) market, which tends to be oligopolistic, facilitates cartel behavior in the cooking oil market. Data transparency and strengthened law enforcement are key to effective market supervision. The identification of corporate suspects is a step forward in improving governance, but it must be followed by more decisive actions to improve the governance of the Indonesian palm oil industry, including re-imposing a moratorium on granting licenses and conducting transparent corporate audits. Structural reforms within the supply chain and the promotion of fair competition are essential to prevent future incidents of hoarding and market manipulation. The role of regulatory bodies in ensuring compliance and deterring anti-competitive practices cannot be overstated.

Keywords: Corporate Involvement, Cooking Oil, Hoarding, Palm Oil Industry, Market Manipulation

INTRODUCTION

Cooking oil is a basic necessity for the people of Indonesia, as stipulated by the decision of the Minister of Industry and Trade. In daily life, cooking oil is consumed by almost all Indonesians, both in urban and rural areas. It is used in various cooking methods, from sautéing to frying, in small and large quantities. This widespread consumption positions cooking oil as a strategic commodity with significant economic and social implications.¹

Cooking oil, often referred to as RBD (Refined, Bleached, Deodorized) oil, is a processed product of palm oil that is a staple food and receives special attention from the government. It is consumed by all levels of society, regardless of social, economic, or political status. Its indispensable nature makes it a very lucrative economic commodity for business actors who become cooking oil producers. The increased number of business actors becoming cooking oil producers is expected to increase competition among them, so that consumers can obtain more competitive prices and better quality.²

¹ Organisation for Economic Co-operation and Development, *Regulatory Policy in Indonesia: Towards Better Regulation* (Paris: OECD Publishing, 2020).

² Liputan6.com, "Kasus Mafia Minyak Goreng, Kejaksaan Agung Tetapkan 4 Tersangka," 2022.

However, the reality does not always meet expectations. Fraudulent practices and market manipulation often occur, causing unstable cooking oil prices and disrupted availability. The term “cooking oil mafia” is often used to describe corrupt practices and market manipulation carried out by several companies in the cooking oil industry in Indonesia. This term highlights the existence of an organized network to reap personal profits through illegal and unethical business practices.³

The cooking oil crisis that hit Indonesia in 2022 was a tragedy for the people. Soaring prices and scarcity of cooking oil in the market triggered unrest and hardship. Behind this tragedy, corporations' involvement in hoarding cooking oil was revealed, which further exacerbated the crisis of the distribution scheme, starting from producers to distributors, then sub-distributors, agents, suppliers, and consumers. However, there were irregularities in the flow that led to the scarcity of palm cooking oil, so that the price received by the public was not the highest retail price based on government regulations. These irregularities reflect serious problems in the governance of the cooking oil supply chain.⁴

This research began with the news that the cooking oil mafia case was announced directly by the State Attorney General's Office on March 21, 2022. There were 4 names of suspects including the Director General of Foreign Trade of the Ministry of Trade IWW, then three other people who were high-ranking palm oil producers/exporters, namely MPT as Commissioner of PT Wilmar Nabati Indonesia, SM as Senior Manager of Corporate Affairs of Permata Hijau Group (PHG), and PTS as General Manager in the General Affairs Section of PT Musim Mas. The designation of these suspects marked an initial step in law enforcement efforts against illegal practices in the cooking oil industry.⁵

These entrepreneurs are looking for loopholes so that they can continue to export without having to fulfill the mandatory supply and mandatory CPO price provisions. Furthermore, to address fraud in distribution, the Coordinating Minister for Maritime Affairs, Luhut Binsar Pandjaitan, emphasized to local governments, the Indonesian National Army, and the Indonesian National Police to collaborate in monitoring the distribution of cooking oil to traditional markets so that there is no foul play. This cross-sectoral coordination demonstrates the government's seriousness in tackling the cooking oil distribution problem.⁶

³ I. G. Marden, *Hukum Perlindungan Konsumen Di Indonesia* (PT RajaGrafindo Persada, 2019).

⁴ et al. Fahrudin, “Analysis of the Impact of Cooking Oil Price Increases on the Economy of the Rohul Hulu Community,” *Journal of Business and Economic Research* 5, no. 1 (2022): 45–56.

⁵ S. Hadi, “Effectiveness of Government Supervision of Cooking Oil Distribution in Makassar City,” *Jurnal Ilmu Pemerintahan* 8, no. 2 (2020): 101–15.

⁶ Badan Pusat Statistik., *Statistik Perdagangan Dalam Negeri Minyak Goreng* (Jakarta: BPS, 2023).

Based on the background above, the formulation of the problem is as follows: How does corporate involvement in granting export licenses and hoarding cooking oil affect the stability of cooking oil prices? In answering this question, this study aims to determine the factors that cause corporate involvement in hoarding in the cooking oil market. Furthermore, this study also aims to explore systemic weaknesses that allow such practices to persist and potential reforms that could enhance market transparency and accountability.⁷

In addition, this research seeks to provide a comprehensive overview of the legal and regulatory landscape governing the cooking oil industry in Indonesia. By examining existing laws and regulations, this study aims to identify gaps and inconsistencies that may contribute to the problem of hoarding and market manipulation. The analysis will also consider the effectiveness of current enforcement mechanisms and the potential for strengthening these mechanisms to deter future offenses.⁸

METHOD

The type of research employed is normative legal research, meaning that it is a research method that examines and analyzes the law based on the rules and legal doctrines that exist in the laws and regulations. The approach in this research uses a qualitative approach, which is obtained by examining the law in reality or based on facts objectively acquired in the field in the form of data. The research method used is qualitative research, and the data are primary and secondary.⁹

Primary data was obtained through interviews with related parties, such as cooking oil business actors, distributors, and consumers. Interviews were conducted to obtain direct information regarding hoarding practices, factors that affect prices, and the impact of cooking oil scarcity. The selection of interview participants was guided by their relevance to the research objectives and their capacity to provide informed perspectives on the issues under investigation.¹⁰

Secondary data was obtained from various sources, such as laws and regulations, research reports, scientific articles, mass media news, and other documents relevant to the research topic. Secondary data is used to support and complement primary data and to provide a

⁷ C Adriana, A. N., & Wulandari, "Dynamics of Cooking Oil Prices and Their Impact on Product Quality Standard Measurement," *Jurnal Ekonomi Dan Keuangan* 7, no. 2 (2023): 123–35.

⁸ Law Enforcement Against Cooking Oil Hoarding Perpetrators in Makassar City. ClaviaLaw Enforcement Against Cooking Oil Hoarding Perpetrators in Makassar City. Clavia, "No Title," *Journal of Law*, n.d.

⁹ Ishaq, *Metode Penelitian Hukum*, 1st ed. (Bandung: CV. Alfabeta, 2017).

¹⁰ Jonaedi Efendi dan Johnny Ibrahim, *Metode Penelitian Hukum: Normatif Dan Empiris / Jonaedi Efendi, Johnny Ibrahim*, ed. Endang. Wahyudin, *Kencana*, 1st ed., vol. 2 (Depok: Prenadamedia Gr, 2018), http://senayan.iain-palangkaraya.ac.id/index.php?p=show_detail&id=12632.

strong theoretical basis for the analysis. The analysis of secondary data involves a critical review of existing literature to identify relevant themes, concepts, and empirical evidence that can inform the research findings. Data analysis was conducted qualitatively using methods of interpretation and description. The collected data was analyzed in depth to identify patterns, themes, and relationships relevant to the problem formulation and research objectives. This qualitative analysis involves a systematic coding process to identify recurring themes and patterns in the data. The coding process is iterative, allowing for refinement of codes as new insights emerge from the data.¹¹

RESULTS AND DISCUSSION

A. The Cooking Oil Mafia: Cartels and Conspiracies

The term “cooking oil mafia” is used to describe cartel practices or conspiracies in the cooking oil industry in Indonesia. It involves several producers working together to raise the price of cooking oil, reduce supply, or monopolize the market.¹² This practice can lead to shortages and significant price increases, negatively impacting the economy.¹³ Such cartels and conspiracies undermine healthy competition and harm consumers.¹⁴

Several factors contribute to cooking oil hoarding, namely:

1. **Motivated Perpetrators:** In this study, the perpetrators had the intention to commit crimes for economic fulfillment, and there was cooperation in committing this act. From the research results, it was found that the main intention of the perpetrator, who has a very well-established economic situation, was to get greater profits from his business. In addition to the intention to get a quick profit, this cooking oil hoarding crime also occurred because of the cooperation between the perpetrators. The allure of substantial profits, coupled with a perceived lack of effective oversight, creates a fertile ground for such illicit activities.¹⁵
2. **Attractive Targets:** The ease of hoarding cooking oil without being suspected by the community or the police underscores the vulnerability of the supply chain. Perpetrators exploit this vulnerability by placing orders via telephone and waiting for months for the

¹¹ Muhaimin, *Metode Penelitian Hukum* (Mataram: Mataram University Press, 2020).

¹² S. Wijayanti, “Analysis of Market Structure and Cartel Behavior in the Cooking Oil Industry in Indonesia,” *Jurnal Ekonomi Dan Bisnis* 25, no. 2 (2018): 89–104.

¹³ R. P Fauzi, A., & Sari, “Analysis of Factors Affecting Cooking Oil Prices in Indonesia,” *Jurnal Ekonomi Dan Pembangunan Indonesia* 2, no. 1 (2020): 67–82.

¹⁴ Kompas.com, “Harga Minyak Goreng Meroket,” *Masyarakat Menjerit*, n.d.

¹⁵ D Wibowo, “Implementation of DMO-DPO Policies in Stabilizing Cooking Oil Prices in Indonesia.,” *Jurnal Kebijakan Dan Manajemen Publik* 9, no. 2 (2021): 123–37.

delivery of large cooking oil supplies, thereby avoiding detection. The logistical complexities of monitoring cooking oil distribution, coupled with the sheer volume of transactions, make it difficult for law enforcement agencies to effectively deter hoarding practices.¹⁶

3. **Safe Conditions:** Deficiencies in public and law enforcement oversight exacerbate the problem of cooking oil hoarding. Despite efforts by police and interested agencies to supervise various shops in the market to the maximum, perpetrators circumvent supervision by timing their criminal activities to coincide with periods of lax oversight or by conducting illicit operations in locations that evade detection. The lack of real-time monitoring of cooking oil stocks and the absence of robust tracking mechanisms further compound the challenges of preventing hoarding practices.¹⁷

The convergence of these factors fosters an environment conducive to illicit practices, exemplified by instances of corruption involving corporate entities. This case began in early 2021, when the Indonesian government took steps to control the price of cooking oil by implementing the Domestic Market Obligation (DMO) and Domestic Price Obligation (DPO) on cooking oil producing companies. These policies were designed to ensure an adequate supply of cooking oil for domestic consumption at affordable prices.¹⁸

However, exporting companies did not fulfill the DPO despite giving export approval. Then, in April 2021, the government began receiving reports of cooking oil scarcity in several regions in Indonesia. This scarcity caused the price of cooking oil to rise significantly, which impacted the people's economy. In September 2021, the Ministry of Trade issued a new regulation restricting the export of cooking oil. This rule aimed to ensure the domestic availability of cooking oil. One month later, the government organized market operations to ensure sufficient availability of cooking oil in the market. This operation was carried out in various cities in Indonesia, including Samarinda. After the operation, the government announced that several cooking oil export companies had violated the DMO-DPO regulation. The Attorney General's Office (AGO) began investigating this case and found strong evidence of corrupt practices related to the granting of cooking oil export licenses.¹⁹

¹⁶ Fauzi, A., & Sari, "Analysis of Factors Affecting Cooking Oil Prices in Indonesia."

¹⁷ CNN Indonesia, "Mafia Minyak Goreng Bikin Harga Melambung, Ini Kata Pengamat," 2022.

¹⁸ Wibowo, "Implementation of DMO-DPO Policies in Stabilizing Cooking Oil Prices in Indonesia."

¹⁹ B. Setiawan, "Juridical Analysis of Law Enforcement in the Cooking Oil Mafia Case in Indonesia," *Jurnal Hukum Dan Keadilan* 10, no. 1 (2022): 34–48.

In February 2022, the Attorney General's Office named several high-ranking officials and businessmen as suspects in the cooking oil mafia case. These suspects were allegedly involved in corrupt practices related to the granting of cooking oil export licenses. Then, in March 2022, the government announced that several cooking oil export companies had been subject to further sanctions for violating DMO-DPO rules. These sanctions were aimed at stopping hoarding practices and controlling the price of cooking oil. Then, in April, the Attorney General's Office announced that it had found strong evidence of graft in the export approval from the Ministry of Trade to a subsidiary of Wings Food Group. This evidence allegedly points to corrupt practices in the cooking oil mafia case. The parties involved in this case are presented in Table 1.²⁰

Table 1.
Identification of parties involved.
Source: author, 2024.

No.	Name	Position	Action
1.	IWW	Director General of Foreign Trade, Ministry of Trade / Director General of Foreign Trade, Ministry of Trade.	Issuing Export Approval / PE related to CPO Commodities & Derivative Products, whose conditions are not met by the laws and regulations.
2.	SM	Senior Manager Corporate Affairs, Permata Hijau Group.	Communicated intensely with the suspect IWW regarding the issuance of the PE license for Permata Hijau Group, and applied for the PE license with the requirement of domestic distribution not fulfilled.
3.	MPT	President Commissioner of PT Wilmar Nabati Indonesia.	Communicated intensely with the suspect IWW regarding the issuance of the PE License of PT Wilmar Nabati Indonesia & PT Multimas Nabati Asahan.

²⁰ Wibowo, "Implementation of DMO-DPO Policies in Stabilizing Cooking Oil Prices in Indonesia."

4.	PTS	General Manager in the General Affairs Department of PT Musim Mas.	Communicated intensely with the suspect IWW regarding the issuance of PT Musim Mas' PE license and applied for a PE license with the DMO requirement not fulfilled.
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In this practice, there are some interesting facts, namely IWW was charged with corruption, causing the state to lose Rp 18 trillion. Indra was charged by prosecutors with the availability of stock and supply of cooking oil in the domestic market.²¹

The defendant IWW enriched himself or another person or a corporation, namely the defendant's actions have harmed state finances or the state economy, namely harming state finances for Rp 6,047,645,700,000 (trillion) and harming the state economy for Rp 12,312,053,298,925 (trillion) In total, the state loss is Rp 18,359,698,998,325 (trillion).²²

Indra was also said by prosecutors to have enriched the corporation through the granting of export approval (PE) to several companies. The company, said the prosecutor, did not fulfill its domestic market obligation (DMO) as required by the provisions. The companies that were enriched were members of the Wilmar Group, Musim Mas Group, and Permata Hijau Group. In total, the amount of data from the three company groups above totals IDR 2,444,268,716,884 (trillion).²³

In addition to the four actors mentioned above, there is also someone who helped him, namely LCW, where in the first trial the prosecutor revealed Lin Che Wei's role, namely analyzing the realization of several companies until IWW as Director General of Foreign Trade at the Ministry of Trade gave export permits to several business actors at that time. In the indictment read by the prosecutor, Lin Che Wei is a member of the Assistance Team for the Coordinating Minister for Economic Affairs. However, although LCW was a member of the Coordinating Minister for Economic Affairs' Assistance Team, he never received an assignment/appointment as an advisor or as an analyst at the Ministry of Trade.²⁴

²¹ Komisi Pemberantasan Korupsi, *Laporan Tahunan KPK 2023* (Jakarta: Komisi Pemberantasan Korupsi, 2023).

²² Komisi Pemberantasan Korupsi.

²³ Y. Nugroho, *Hukum Persaingan Usaha: Teori Dan Praktik Di Indonesia* (Jakarta: Jakarta: Kencana Prenada Media Group, 2021).

²⁴ World Bank, *Indonesia Economic Prospects: Investing in People* (Washington, DC: World Bank, 2021).

Even so, LCW was included in the Ministry of Trade's discussion of the cooking oil shortage. His participation was only based on a friendship. The trade was based on friendship, and for this reason, he did not receive a fee from the assistance provided because, from the beginning, he did not have a work contract or MoU with the Ministry of Trade. Why this practice can be called corporate crime is because it involves several aspects, due to several factors:²⁵

1. **Harm to the State Economy:** This case is a corruption case because the perpetrators of corruption commit acts that harm the state's economy in general due to misuse of authority.²⁶
2. **Hoarding:** There is hoarding of cooking oil by producers to sell at high prices, leading to scarcity in the community and rising cooking oil prices.
3. **Corporate Involvement:** The cooking oil mafia case allegedly involves several parties in the corporation, so it is suspected that it involves several officials in cooking oil producing companies who work together on behalf of the company, not individuals.
4. **Alleged Gratification:** In the provision of cooking oil export facilities, there are allegations of gratification by the perpetrators, namely the misuse of export license approvals that do not heed domestic distribution obligations.

The articles used are as follows:²⁷

1. Article 107 jo. Article 29, paragraph (1) of Law No. 7/2014 on Trade prohibits the hoarding of cooking oil to sell at high prices.
2. Article 2 of Law No. 31/1999 on the Eradication of Corruption which regulates corruption involving corporations and corporate corruption.
3. Article 18 of Law No. 31/1999 on the Eradication of the Criminal Acts of Corruption which regulates imprisonment and fines for corporations that commit corruption crimes.
4. Article 1 Point 22 of Law Number 1 Year 2004 on State Treasury, which defines state losses as “shortage of money, securities, and goods, which is real and certain in amount as a result of unlawful acts either intentionally or negligently”.

²⁵ Siwi Widiyanti, “Analysis of Factors Causing Scarcity of Palm Cooking Oil on People’s Welfare in the Implementation of People’s Sovereignty,” *Jurnal Demokrasi Dan Ketahanan Nasional* 6, no. 1 (2023): 56–70.

²⁶ Transparency International Indonesia, *Indeks Persepsi Korupsi Indonesia 2022* (Jakarta: Transparency International Indonesia, 2022).

²⁷ “Undang-Undang Nomor 7 Tahun 2014 Tentang Perdagangan.” n.d.

B. In-Depth Analysis of Corporate Involvement in Cooking Oil Hoarding

The participation of corporations in hoarding cooking oil is not a simple phenomenon. Corporations can engage in this practice due to a variety of circumstances, as well as a variety of methods they employ to manipulate markets and avoid legal consequences. The following are some important aspects to consider when conducting an in-depth analysis of the role of corporations in cooking oil hoarding:²⁸

1. **Oligopolistic Market Structure:** The cooking oil market in Indonesia is typically oligopolistic, meaning that it is dominated by a few large companies that have significant market power.²⁹ This type of market structure allows large companies to collude and manipulate prices, as well as prevent new entrants from entering the market.³⁰
2. **Weak Government Oversight:** Government oversight of the cooking oil industry is still weak, particularly in terms of stock, distribution, and price monitoring.³¹ This allows corporations to engage in hoarding practices without being detected by authorities.³²
3. **Ineffective Regulations:** Regulations about the cooking oil industry are frequently ineffective and easily circumvented by corporations. For example, the DMO-DPO provisions, which are supposed to guarantee the supply of cooking oil in the country, are frequently violated by corporations that prefer to export cooking oil for higher profits.³³
4. **Corruption and Collusion:** Corruption and collusion between government officials and corporations are also important factors that enable cooking oil hoarding. Corrupt government officials may issue export licenses to corporations that do not meet DMO-DPO requirements, or they may protect corporations from legal action if they engage in hoarding practices.³⁴
5. **High Profit Motivation:** The primary motivation for corporations to hoard cooking oil is to maximize profits. Corporations can raise prices and generate enormous profits by hoarding cooking oil and creating scarcity in the market.³⁵

²⁸ A. Rachman, "Market Structure and Price Behavior of the Cooking Oil Industry in Indonesia," *Jurnal Manajemen Dan Agribisnis* 16, no. 3 (2019): 201–15.

²⁹ Rachman.

³⁰ A YUSDJA, Y., Hartoyo, S., Siregar, H., & Maulana, "Kebijakan Pengembangan Industri Hilir Kelapa Sawit Di Indonesia" 35, no. 1 (2017): 29–46.

³¹ Hadi, "Effectiveness of Government Supervision of Cooking Oil Distribution in Makassar City."

³² Setiawan, "Juridical Analysis of Law Enforcement in the Cooking Oil Mafia Case in Indonesia."

³³ Wibowo, "Implementation of DMO-DPO Policies in Stabilizing Cooking Oil Prices in Indonesia."

³⁴ Liputan6.com, "Kasus Mafia Minyak Goreng, Kejaksaan Agung Tetapkan 4 Tersangka."

³⁵ Indonesia, "Mafia Minyak Goreng Bikin Harga Melambung, Ini Kata Pengamat."

C. The Impact of Cooking Oil Hoarding on Society and the Economy

Cooking oil hoarding practices have a devastating impact on society and the economy. The following are some of the major consequences of cooking oil hoarding:³⁶

1. **Price Increases:** Cooking oil hoarding causes market shortages, which drive up cooking oil prices significantly. This price increase is especially burdensome for low-income people who rely on cooking oil as a daily necessity.³⁷
2. **Difficulty Accessing:** Cooking oil shortages also make it difficult for people to obtain access to cooking oil. People must wait in long lines at markets or stores to purchase cooking oil, and some do not receive any at all.³⁸
3. **Economic Disruption:** Rising cooking oil prices and shortages can disrupt the economy as a whole. The food and beverage industries, which rely on cooking oil as a raw material, may experience production declines or even bankruptcy. Furthermore, rising cooking oil prices can contribute to inflation.³⁹
4. **Social Instability:** Rising cooking oil prices and shortages can lead to social instability. People who believe they have been harmed and are dissatisfied with the situation may stage protests or engage in anarchic behavior.⁴⁰

Based on the preceding analysis, it can be proven that Corporations conducting illegal exports of cooking oil can be sanctioned based on Article 29 paragraph (1) of Law Number 7/2014 concerning Trade.⁴¹ This article prohibits business actors from storing necessities and/or essential goods in certain quantities and times when goods are scarce, price fluctuations, and/or obstacles to the trade in.⁴²

The government can set a Highest Retail Price for cooking oil, which aims to control prices and prevent hoarding practices. Corporations that do not comply with the price ceiling may be penalized, and the government may conduct market operations to ensure sufficient availability of cooking oil in the market. Corporations that hoard cooking oil stocks can be sanctioned for violating market operation rules. The Attorney General's Office can conduct

³⁶ Siwi Widiyanti, "Analysis of Factors Causing Scarcity of Palm Cooking Oil on People's Welfare in the Implementation of People's Sovereignty."

³⁷ Kompas.com, "Harga Minyak Goreng Meroket."

³⁸ Food and Agriculture Organization, *Sustainable Palm Oil Production* (Rome: FAO, 2020).

³⁹ Bank Indonesia., *Laporan Perekonomian Indonesia 2022* (Jakarta: Bank Indonesia, 2022).

⁴⁰ Consumers International, *Empowering Consumers for a Fairer Marketplace* (London: Consumers International, 2019).

⁴¹ "Undang-Undang Nomor 7 Tahun 2014 Tentang Perdagangan."

⁴² "Undang-Undang Nomor 7 Tahun 2014 Tentang Perdagangan."

investigations into corporations suspected of being involved in the illegal export of cooking oil. Suspects found may be subject to legal action, including imprisonment and fines. The suggestions that can be proposed in this paper include: Law enforcement agencies should evaluate the government's role in handling illegal cooking oil licensing cases and cooking oil hoarding cases, including an analysis of existing policies and regulations, the effectiveness of law enforcement and potential legal loopholes exploited by corporations. For the community, it may better assess the impact of cooking oil hoarding, especially vulnerable groups such as poor households and small businesses. This could include an analysis of cooking oil prices, accessibility, and impacts on nutrition and public health.⁴³

To effectively combat corporate involvement in cooking oil hoarding and ensure market stability, the following recommendations are proposed:⁴⁴

1. **Strengthen Regulatory Framework:** Enhance existing laws and regulations governing the cooking oil industry to address loopholes and ambiguities that facilitate illegal practices.⁴⁵
2. **Enhance Government Oversight:** Implement stricter monitoring mechanisms to track cooking oil production, distribution, and pricing to prevent hoarding and market manipulation.⁴⁶
3. **Promote Transparency:** Increase transparency in the issuance of export licenses and enforce stricter compliance with Domestic Market Obligation (DMO) and Domestic Price Obligation (DPO) regulations.⁴⁷
4. **Strengthen Law Enforcement:** Empower law enforcement agencies to investigate and prosecute corporate entities involved in hoarding and corruption, ensuring that penalties are commensurate with the severity of the offenses.⁴⁸
5. **Enhance Consumer Protection:** Implement measures to protect consumers from price gouging and ensure access to affordable cooking oil, particularly for vulnerable populations.⁴⁹

⁴³ Rachman, "Market Structure and Price Behavior of the Cooking Oil Industry in Indonesia."

⁴⁴ Yusdja, Y., Hartoyo, S., Siregar, H., & Maulana, "Kebijakan Pengembangan Industri Hilir Kelapa Sawit Di Indonesia."

⁴⁵ Organisation for Economic Co-operation and Development, *Regulatory Policy in Indonesia: Towards Better Regulation*.

⁴⁶ Badan Pusat Statistik., *Statistik Perdagangan Dalam Negeri Minyak Goreng*.

⁴⁷ Bank, *Indonesia Economic Prospects: Investing in People*.

⁴⁸ "United Nations Office on Drugs and Crime. (2018). United Nations Convention against Corruption. Vienna: UNODC," n.d.

6. **Promote Sustainable Practices:** Encourage sustainable palm oil production and sourcing to reduce environmental impact and promote long-term stability in the cooking oil market.⁵⁰
7. **Foster Stakeholder Collaboration:** Facilitate collaboration among government agencies, industry stakeholders, and civil society organizations to address systemic issues and promote a fair and transparent cooking oil market.⁵¹

CONCLUSION

Corporate involvement in the practice of hoarding cooking oil in Indonesia has proven to be a major factor exacerbating the crisis of availability and price stability of this basic commodity. This study shows that corporations not only take advantage of regulatory loopholes and weak government oversight but also actively influence public policy through lobbying and corrupt practices, particularly in the export licensing process. Cartel practices and conspiracies between large business actors have created an oligopolistic market, hindering fair competition and harming consumers.

Law enforcement against perpetrators, both government officials and corporations, is an important first step in improving the governance of the palm oil industry. However, these efforts must be followed by comprehensive structural reforms-among others, through a moratorium on granting new licenses, transparent audits of corporations, and strengthening transparency and accountability in the supply chain. More effective monitoring, data transparency, and consistent law enforcement are key to preventing the recurrence of hoarding and market manipulation practices in the future.

The study also highlights the need for harmonization and strengthening of regulations, as well as the empowerment of supervisory institutions to optimally carry out supervisory and enforcement functions. Thus, a fairer, more competitive and pro-people governance of the palm oil industry can be created. Collective efforts between the government, law enforcement officials, business actors, and the community are needed to build a healthy market ecosystem with integrity, so that similar crises do not recur in the future.

⁴⁹ International, *Empowering Consumers for a Fairer Marketplace*.

⁵⁰ Organization, *Sustainable Palm Oil Production*.

⁵¹ Indonesia, *Indeks Persepsi Korupsi Indonesia 2022*.

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