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Minister of Energy Resources and Minerals (ESDM) Decree about the Market Price Index of Biodiesel Fuel from Mixed Vegetable Oil into Fuel

The Minister of Energy and Mineral Resources (ESDM) has issued decree No. 182 K/10/MEM/2020. This regulation will regulate the Market Price Index (HIP) of Biodiesel Fuel from Vegetable (BBN) for the type of biodiesel blended into fuel oil (BBM). The HIP already exists since **October 1, 2020**. The establishment of Ministerial Decrees No. 182 K/10/MEM/2020 is because the government will continue the mandatory biodiesel fuel oil program and re-adjust the Market Price Index (HIP) formula for Biodiesel fuel mixed into fuel. Based on the plan, the Government through the Ministry of Energy and Mineral Resources needs to amend and re-enact two old regulations;

- The Minister of Energy and Mineral Resources Decree No. 350 K/12/DJE/2018 which regulates the amount of conversion of CPO to biodiesel, the maximum amount of transportation costs, and the consignment fee for Floating Storage Balikpapan, and
- The Minister of Energy and Mineral Resources Decree No. 135 K/12/MEM/2020 regulates HIP Biodiesel during the Covid-19 emergency.

Eight important points in the Ministerial Decree No.182 K/10/MEM/2020 are:

1. The establishment of a new HIP biodiesel formula that takes into account the price of palm oil (CPO) in Belawan and Dumai in the previous month plus the conversion of CPO to Biodiesel at US\$ 85 per Metric Ton (MT). The conversion factor used is $870 \text{ kg} / \text{m}^3$, plus the freight cost per area with the maximum amount.
2. The Biodiesel HIP applies to general and certain fuels.
3. The Ministry will determine the amount of HIP every month.
4. For the delivery point for floating storage or shore terminals in Balikpapan, the HIP formula must be added to the reconciliation result of the maximum unit cost according to the Minister of Energy and Mineral Resources Decree No. 182 K/10/MEM/2020.
5. The maximum amount of transportation costs also applies to biodiesel business entities with more than one supply point (factory location).
6. Biodiesel business entities that distribute through other supply points can also use HIP provided that the transportation cost is based on the maximum amount of freight cost which is the lowest value between other supply points and the factory location.
7. If the transportation costs of which the delivery point and supply point are not listed in the Ministerial Decree No. 182 K/10/MEM/2020, then the maximum amount of transportation costs is calculated if there is a change in the Ministerial Decree.
8. Business entities that have distributed biodiesel whose transportation costs have been listed in the Ministerial Decree No. 350 K/12/DJE/2016, the transportation costs refer to the Minister of Energy and Mineral Resources No. 148 K/10/DJE/2019

The minimum transportation costs (IDR/Liter) apply in 32 provinces covering 136 points of delivery and 436 points of supply. The range of transportation costs in each province is as follows:

Aceh	IDR 200 – IDR 980	North Sumatra	IDR 12 – IDR 735
Riau	IDR 52 – IDR 550	Riau Islands	IDR 0 – IDR 395
West Sumatra	IDR 260 – IDR 600	Bangka Belitung	IDR 220 – IDR 1,050
Jambi	IDR 220 – IDR 510	South Sumatra	IDR 330 – IDR 940
Bengkulu	IDR 313 – IDR 950	Lampung	IDR 80 – IDR 425
DKI Jakarta	IDR 168 – IDR 820	Banten	IDR 83 – IDR 930
West Java	IDR 117 – IDR 450	Central Java	IDR 141 – IDR 730
DI Yogyakarta	IDR 147 – IDR 350	East Java	IDR 67 – IDR 3,000
West Kalimantan	IDR 310 – IDR 1,950	Central Kalimantan	IDR 100 – IDR 776
South Kalimantan	IDR 250 – IDR 1,618	East Kalimantan	IDR 120 – IDR 1,796
Bali	IDR 392 – IDR 700	North Kalimantan	IDR 714 – IDR 1,980
South Sulawesi	IDR 274 – IDR 860	Central Sulawesi	IDR 220 – IDR 1,805
North Sulawesi	IDR 125 – IDR 775	Southeast Sulawesi	IDR 315 – IDR 650
Gorontalo	IDR 220 – IDR 720	East Nusa Tenggara	IDR 304 – IDR 890
Maluku	IDR 290 – IDR 1,005	West Nusa Tenggara	IDR 156 – IDR 496
North Maluku	IDR 195 – IDR 1,035	Papua and West Papua	IDR 495 – IDR 1,755

Moreover, the maximum amount of floating storage or Balikpapan shore terminal with the delivery point for Floating Storage Balikpapan and Shore Terminal Balikpapan is IDR 202 / liter each.