

DEPARTMENT OF INDUSTRY AND TRADE OF THE REPUBLIC OF INDONESIA

**DECREE OF THE MINISTER OF INDUSTRY AND TRADE  
NUMBER : 505/MPP/KEP/10/1998 ; DATED : OCTOBER 29, 1998**

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**THE TRADING AND DISTRIBUTION OF COOKING OIL AND  
GRANULATED SUGAR**

MINISTER OF INDUSTRY AND TRADE

- Considering :**
- a. that within the framework of economic reforms and enhancing the performance of trade and distribution of cooking oil and granulated sugar as well as creating an export-oriented trade atmosphere, the trading and distribution of cooking oil and granulated sugar yielded by PT Perkebunan Nusantara/PT Rajawali Nusantara Indonesia need adjustment;
  - b. that in relation thereto, it is deemed necessary to stipulate a Decree of the Minister of Industry and Trade.
- Bearing in mind :**
- 1. Presidential Decree No. 44/1974 on the Principles of ministerial organizations;
  - 2. Presidential Decree No. 61/M/1998 on the function, tasks, organizational structure and working arrangements of ministries as already amended several times the latest by Presidential Decree No. 142/1998;
  - 3. Presidential Decree No. 122/M/1998 on the establishment of the Development Reform Cabinet;
  - 4. Decree of the Minister of Industry and Trade No. 444/MPP/Kep/9/1998 jo. No. 92/MPP/Kep/4/1996 on the organization and working arrangement of the Ministry of Industry and Trade.

**HAS DECIDED :**

- To revoke :        1.        Decree of the Minister of Industry and Trade No. 348/MPP/Kep/7/1998 on the Trading and Distribution of Cooking Oil and Granted Sugar;
2.        Decree of the Minister of Industry and Trade on the Ex-factory Transaction Price of Granulated Sugar purchases by the Logistics Board (BULOG) from PT Perkebunan Nusantara/PT Rajawali Nusantara Indonesia and farmers as well as other producers.
- To stipulate :        **THE DECREE OF THE MINISTER OF INDUSTRY AND TRADE CONCERNING THE TRADING AND DISTRIBUTION OF COOKING OIL AND GRANULATED SUGAR.**

**Article 1**

The provisions on the trading and distribution of cooking oil and granulated sugar yielded by PT Perkebunan Nusantara/PT Rajawali Nusantara Indonesia, which operates in the fields of oil palm, sugar cane crops as well their processed products shall be stipulated by the Minister of Industry and Trade.

**Article 2**

- (1)        The palm oil nut marketing centre (PPS) as the proxy as the proxy of PT Perkebunan Nusantara producing palm oil nuts shall be obligated to give priority to the sale of the whole cooking oil originating in Crude Palm Oil (CPO) of PT Perkebunan Nusantara to the Indonesian Distribution Cooperatives (KDI).
- (2)        KDI shall be obliged to convey estimates of purchase of cooking oil to PPS at least to meet the need for 1 (one) month to come.
- (3)        KDI shall convey confirmation on every estimate of purchase as meant in paragraph (2) to PPS at least within the period of 10 (ten) days.
- (4)        After the confirmation as meant in paragraph (3) is received by PPS, PPS shall provide cooking oil as much as the volume demanded by KDI.

**Article 3**

The transaction price of cooking oil as meant in Article 2 paragraph (1) shall be stipulated according to the agreement with reference to the market price.

**Article 4**

PPS shall be allowed to sell the remaining stocks of cooking oil and/or CPO yielded by PT Perkebunan Nusantara after the need of KDI is provided in accordance with the volume as meant in Article 2.

**Article 5**

Within the framework of ensuring the sustainable supply and stable price of cooking oil, KDI can purchase cooking oil from other processors.

**Article 6**

The entire granulated sugar production belonging to PT Perkebunan Nusantara/PT Rajawali Nusantara Indonesia, which is yielded from the processing of sugar cane derived from both farmers/society and its own plantations can be sold directly by giving priority to the lines of cooperatives, small-and medium-scale businesses.

**Article 7**

Any violation of the provisions in this decree shall be liable to sanctions according to the laws in force.

**Article 8**

Technical directives for this decree shall be further stipulated by the Director General of Domestic Trade.

**Article 9**

The Director General of Domestic Trade shall report the realization of his tasks at least once in a month to the Minister of Industry and Trade.

**Article 10**

This decree shall come into force as from the date of stipulation.

For public cognizance, this decree shall be published by placing it in State Gazette of the Republic of Indonesia.

Stipulated in : Jakarta  
On : October 29, 1998

THE MINISTER OF INDUSTRY AND TRADE

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RAHADI RAMELAN

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