

Government Launches Direct Cash Assistance of Cooking Oil, Maintains People's Purchasing Power to Meet the Ramadan and Eid Needs



**COORDINATING MINISTRY FOR ECONOMIC AFFAIRS
REPUBLIC OF INDONESIA**

PRESS RELEASE

HM.4.6/191/SET.M.EKON.3/4/2022

Government Launches Direct Cash Assistance of Cooking Oil, Maintains People's Purchasing Power to Meet the Ramadan and Eid Needs

Jakarta, April 8th, 2022

The Covid-19 pandemic in Indonesia has begun to be under control, as can be seen from the number of daily cases, active cases, deaths and Bed Occupation Rate which consistently decrease (improves). Indonesia continues to make various efforts to encourage economic recovery. In the middle of these various efforts, we are facing global conditions that continue to fluctuate and put pressure on the national economy. The government continues to be present through various National Economic Recovery Programs (PEN) to maintain purchasing power and ease the burden on the community.

The world economic condition has begun to improve in 2021, but has become less conducive lately, as a result of various dynamics and changes at the global level that have the potential to cause stagflation (stagnation of economic growth and high inflation). The Russia-Ukraine conflict has also exacerbated global risks, and caused volatility in main commodity prices.

Based on Organization for Economic Co-operation and Development calculations in the March 2022 Interim Report, global economic growth has the potential to fall by -1% (decrease from around 4% to 3%), while Inflation is estimated to rise by 2.5% (up from around 4% to 6.5%). Commodity prices continue to increase, world energy prices (gas, coal, oil) and world food prices (CPO, wheat, corn etc.) continue to increase.

Indonesia is also affected by these impacts, either directly or indirectly. It is a continuation of the extraordinary situation of the Covid-19 pandemic which is currently starting to subside in Indonesia. Various developments in the global situation have made the challenges of National Economic Recovery more difficult. Therefore, various efforts are needed, both from the supply and the demand. Adjustment of domestic commodity prices to world prices needs to be done (through price increases and subsidies), but at the same time it is necessary to provide social support, especially for the lower middle class.

In recent times, Cooking Oil has a high price and less stable supply. Therefore, in addition to preparing a program for price stabilization and the availability of cooking oil supplies, the government is also preparing subsidies programs to the public, to maintain people's purchasing power, through providing Direct Cash Assistance for Cooking Oil (BLT MiGor).

"The aim is to ease the burden and maintain people's purchasing/expenditure power, in entering the month of Ramadan and the Eid, especially those related to meeting daily food needs, especially cooking oil," explained Secretary of the Coordinating Ministry for Economic Affairs Susiwijono Moegiarso in the event "Media Briefing BLT for Cooking Oil" virtually in Jakarta, Friday (8/4).

The government is preparing the BLT MiGor, which is part of and also uses the budget for the PEN 2022 Program, which is coordinated by the PC-PEN Committee (Coordinating Minister for the Economy as Chair of the PC-PEN Committee) and the Ministry of Finance. There are 2 types of BLT MiGor, the first is BLT MiGor in the cluster of Food Social Security Program and the second is BLT MiGor in the cluster of Cash Assistance to Street Vendors, Stalls, and Fishermen (BT-PKLWN) Program. BLT MiGor in the Food Social Security Program will be given to 20.65 million Community Empowerment Cadre (KPM), consist of 18.8 million the non-cash food aid recipients (Sembako Card) and 1.85 million Family Hope Program (PKH) that do not receive non-cash food aid, with the amount of each Rp100,000/KPM/month for 3 months (April-June 2022), which is given at once in the amount of Rp300,000.

Meanwhile, BLT MiGor in the BT-PKLWN Program will be given to 2.5 million street vendors and stalls (especially that having food businesses) in 514 regencies/cities, with the amount of each Rp100,000/KPM/month for 3 months, and also will be given at once in the amount of Rp300,000 per recipient. This uses the BT-PKLWN scheme, which distribution is carried out directly by the Indonesia National Armed Forces (TNI) and Indonesia National Police (POLRI).

The budget for BLT Migor uses the budget of PEN 2020 program, which is Rp 6,195 billion through Budget Execution List of the Ministry of Social Affairs for BLT MiGor that including in Food Social Security Program, while for BLT Migor of the BT-PKLWN program is prepared through the budget of the TNI/POLRI in the amount of Rp750 billion, so that the total budget allocated for BLT Migor is Rp6,945 billion.

To support the smooth distribution and ensure that the program is on the right target, a mobile application has been operated, namely the BT-PKLWN Application System from Telkom for distribution of BT-PKLWN by the TNI, and the Presisi Puskeu Application System for the distribution of BT-PKLWN by the POLRI. For the BLT MiGor at the Ministry of Social Affairs, uses the system at the Ministry of Social Affairs and the Social Welfare Integrated Data (DTKS) for PKH recipients and Sembako Cards. "The use of mobile applications that are operated in real-time will build accountability, transparency and support so that this program is on the right target," said Secretary of the Coordinating Ministry for Economic Affairs

"According to the direction of the President, the BLT MiGor Program must be distributed this Ramadan, or

at least a week before Eid. Therefore, the Coordinating Ministry for Economy and the Ministry of Finance as the Manager of the PEN Program continue to encourage the TNI/POLRI to speed up the distribution of the BLT MiGor Program," said Secretary of the Coordinating Ministry for Economic Affairs Susiwijono.

To accelerate the BLT MiGor Program using the BT-PKLWN scheme, technical preparations have been carried out which are continuously being pursued, especially by the TNI and POLRI is the General Guidelines and Technical Instructions from the Minister of Defense, the Commander of the TNI and the Head of the POLRI, which will be the basis for the implementation of BLT MiGor distribution. In addition, adjustments are also being made to the application system to accommodate data and implement assistance distribution. The next week's target is all administrative processes, system changes, and socialization/technical guidance to the TNI/POLRI in 514 regencies/cities have been completed and distribution by the TNI and POLRI will begin.

"With the BLT MiGor Program, it is hoped that it will be able to maintain purchasing power and reduce the burden on the community, especially those related to meeting daily food needs, especially the need for cooking oil," concluded Secretary of the Coordinating Ministry for Economic Affairs Susiwijono.

Also attending this Media Briefing were the Director General of Budget of the Ministry of Finance Isa Rachmatarwata, Secretary General of the Ministry of Social Affairs Harry Hikmat, Special Staff of the Minister of Social Affairs Don Rozano, and Police Commissioner Guruh Ahmad who represented the Assistant Chief of Police for Operations. (rep/dft/map/fsr)

**Secretary of the Coordinating Ministry for Economic Affairs
Susiwijono Moegiarso**

Website: www.ekon.go.id

Twitter, Instagram, Facebook, Tiktok, & Youtube: @PerekonomianRI

Email: humas@ekon.go.id

LinkedIn: Coordinating Ministry for Economic Affairs of the Republic of Indonesia