



## SUPERVISION OF THE MEDAN CITY TRADE DEPARTMENT OF STORAGE OF STOCKBUSTER GOODS

Dani Sintara

Fakultas Hukum Universitas Muslim Nusantara Al Washliyah

Email: [danisintara@yahoo.co.id](mailto:danisintara@yahoo.co.id)

### ARTICLE INFO

**History of the article:**

Received: 03/01/2024

Corrected: 12/01/2024

Accepted : 25/01/2024

Published: 25/01/2024

**Keywords:**

Supervision, Trade Office, Basic Necessities

### ABSTRACT

Business actors are prohibited from hoarding or storing more than the maximum amount permitted or beyond reasonable limits, with the intention of gaining profits, resulting in staple goods becoming expensive or soaring in price. The role of the Trade Service in supervising business actors in storing staple goods is in the form of coaching and supervision of business actors. Supervision is carried out to minimize deviations and act in accordance with applicable regulations, so that business actors truly fulfill their obligations. The existence of supervision is one of the actions to eliminate or reduce the possibility of violations of applicable provisions. The obstacle for the Medan City Trade Service in enforcing the law on storing staple goods is because there are still weaknesses in the substance of its technical regulations in Presidential Regulation Number 71 of 2015, so that in the context of cases of hoarding staple goods and important goods, law enforcement cannot apply Article 29 paragraph (1) in conjunction with Article 107 of Law Number 7 of 2014 concerning Trade.

### 1. Introduction

Ahead of religious holidays, people are always faced with soaring prices for various basic necessities, both primary and secondary. The reason for the soaring prices of basic necessities during religious holidays, particularly the month of Ramadan and the lead-up to Eid al-Fitr, as well as Christmas and New Year's, is due to capitalist policies that leave prices to market mechanisms. The market freely determines prices, thus automatically establishing a free market system. Ultimately, the laws of supply and demand apply in determining the prices of basic necessities.

Speculators exploit the extraordinary public enthusiasm for shopping to manipulate the laws of the market, namely, demand and supply. If demand increases dramatically and supply is limited, prices can be raised at will, and the free market system implemented by the government makes it impossible to monitor increases in basic necessities. The government lacks the instruments to control price movements





in the market.

The need for basic goods in Indonesia is currently experiencing a crisis due to soaring prices of basic goods, making it difficult for people to meet their daily needs. This is a problem that must be addressed and a solution found. This increase also impacts the well-being of households that previously had access to almost all their needs, but after the scarcity of basic commodities, this began to become limited. Several factors influence the limited availability of food, including crop failures due to prolonged drought, ineffective distribution chains, and deliberate hoarding of food by certain parties for profit, resulting in high prices.

Hoarding of basic commodities is highly profitable for certain individuals, as this provides a double advantage for consumers. If stocks of essential commodities run out, consumers are forced to purchase these commodities, even at high prices. Implementing the provisions of Article 25 paragraph (3) and Article 29 paragraph (3) of Law Number 7 of 2014 concerning Trade, the government has issued a Presidential Regulation concerning the Determination and Storage of Basic Necessities and Essential Goods, which prohibits the storage of basic necessities and essential goods in warehouses during times of scarcity, price fluctuations, or trade disruptions.

Businesses are prohibited from hoarding or storing goods in excess of the maximum permitted quantities or beyond reasonable limits, with the intent to profit, resulting in high prices for staple goods. Businesses are also prohibited from storing staple goods or essential goods in certain quantities or for a certain period of time during times of scarcity, price fluctuations, or trade disruptions. The Medan City Trade Office, as the supervisory authority, continues to strengthen its role and efforts to suppress and control staple food prices in the market. These efforts are carried out daily by visiting markets with teams to ensure prices remain within reasonable limits. If price fluctuations become uncontrollable, the Medan City Trade Office stabilizes them by ensuring smooth distribution.

The Medan City Trade Office also conducts market operations, including importing staple food commodities from outside Medan and from local farmers. Essentially, the Medan City Trade Office intervenes in the market to stabilize prices. However, when prices are reasonable, the Medan City Trade Office will not intervene. The Medan City Trade Office does this in coordination with other agencies such as the Logistics Agency (Bulog), Bank Indonesia (BI), and the Agriculture Office.

## 2. Research Method

A problem-solving approach is a process of solving problems through predetermined stages to achieve the research objectives. The issues discussed in this thesis utilize an empirical juridical approach, based on the collection and discovery of data and information through field studies at the Medan City Trade Office. The collected data will be thoroughly analyzed using qualitative analysis or elaborated in sentences. Qualitative analysis is based on the paradigm of the dynamic relationship between theories, concepts, and data, which provides feedback or constant modification of the theories and concepts based on the collected data.

### **3. Results And Discussion**

National economic development is formulated and implemented to advance general welfare through the implementation of economic democracy based on the principles of togetherness, efficiency with justice, sustainability, environmental awareness, independence, and by maintaining a balance between progress and national economic unity, as mandated by the 1945 Constitution of the Republic of Indonesia. From this constitutional perspective, Indonesian national trade reflects a series of economic activities carried out to realize general welfare and social justice for all Indonesian people. Trade activities are the main driver of national economic development, providing support for increasing production, creating jobs, increasing exports and foreign exchange, equalizing income, and strengthening the competitiveness of domestic products for the sake of national interests. Indonesia's national trade, as the main driver of the economy, is not only limited to economic activities related to transactions of goods and/or services carried out by business actors, both domestically and across national borders. Economic activities must be carried out by prioritizing Indonesia's national interests, aligned with the concept of trade regulations in accordance with the ideals of the formation of the Indonesian state, namely a just and prosperous society as mandated in the Preamble to the 1945 Constitution of the Republic of Indonesia.

To implement the provisions of Article 25 paragraph (3) and Article 29 paragraph (3) of Law Number 7 of 2014 concerning Trade, the government issued Presidential Regulation Number 71 of 2015 concerning the Determination and Storage of Basic Necessities and Important Goods. Presidential Regulation Number 71 of 2015 authorizes the government to create pricing policies by setting special prices before, during, and after religious holidays or during times of price fluctuations, maximum retail prices during market operations, and subsidized prices. Article 4 of Presidential Regulation Number 71 of 2015 states that to control the availability of

basic necessities and essential goods, the Minister sets reference prices and central government purchasing prices for some or all basic necessities and essential goods. The government implemented Presidential Regulation Number 71 of 2015 to curb price fluctuations from speculators. Any regulations issued by the government to maintain food price stability will not be effective without minimal oversight. Presidential Regulation Number 71 of 2015 does, at least, strengthen the government's role. However, subsequent oversight of the implementation of these regulations is essential. For example, a special institution will be appointed to monitor price developments. The food price control team must act quickly to maintain food price stability. In addition to mandating the formation of a price control team and setting specific prices, the most important part of Presidential Regulation Number 71 of 2015 prohibits businesses from storing specified commodities for more than three months during times of shortages and price fluctuations. The sanctions imposed by the government extend beyond fines to criminal penalties and imprisonment.

Presidential Regulation Number 71 of 2015 concerning the Determination and Storage of Prices for Staple Foods and Essential Goods was issued to ensure the availability and stability of market prices. This effort is balanced by strict supervision to prosecute and deter unscrupulous traders. Price control efforts are carried out carefully and effectively to avoid instilling fear among traders. The government needs to stabilize prices, but this does not mean resorting to sweeping measures or other similar measures, as this can discourage traders from operating, leading to even greater risks. Rislana Indra, Head of the Industrial Division of the Medan City Trade Office, stated that the appropriate control mechanism is to balance supply with demand and assess the adequacy of food commodity production.

Presidential Regulation Number 71 of 2015 concerning the Determination and Stabilization of Prices for Staple Foods and Essential Goods authorizes the government to set special prices before, during, and after religious holidays or times of price fluctuation, ceiling retail prices during market operations, and subsidized prices. Rislana Indra, Head of the Industry Division of the Medan City Trade Office, stated that the supply of staple foods during the fasting month and Eid al-Fitr. The government guarantees a surplus of rice, corn, sugar, soybeans, cooking oil, shallots, chicken, and eggs. Presidential Regulation Number 71 of 2015 concerning the Determination and Stabilization of Prices for Staple Foods and Essential Goods, signed on June 15, 2015, was implemented to ensure the availability and price stability of goods circulating in the market. With the issuance of Presidential

Regulation Number 71 of 2015, the government hopes that the problem of scarcity and price volatility can be resolved quickly. This is because one of the points in Presidential Regulation Number 71 of 2015 prohibits storing basic necessities and essential goods in warehouses during times of shortages, price fluctuations, or disruptions to the flow of goods.

The basic necessities referred to in Presidential Regulation Number 71 of 2015 are agricultural products, including rice, soybeans used for tofu and tempeh, chilies, and shallots. Industrial products include sugar, cooking oil, and wheat flour. Livestock and fishery products include beef, broiler chicken, eggs, and fresh fish (milkfish, mackerel, and skipjack tuna). Essential goods include seeds (rice, corn, soybeans), fertilizer, 3-kilogram LPG cylinders, plywood, cement, construction steel, and light steel. Through Presidential Regulation Number 71 of 2015, under certain conditions that could disrupt national trade activities, the central government is obliged to guarantee the supply and stabilize the prices of basic necessities and essential goods. This applies, for example, to supply disruptions or prices falling at or below government-set reference prices.

Presidential Regulation Number 71 of 2015 also authorizes the government to create pricing policies by setting special prices before, during, and after religious holidays or during price fluctuations, ceiling retail prices during market operations, and subsidized prices. Rislana Indra, Head of the Industry Division of the Medan City Trade Office, questioned the effectiveness of Presidential Regulation Number 71 of 2015, as Indonesia has now entered an era of openness. The government should be able to build a conducive environment for healthy business competition, rather than the era of price controls seen in the 1960s. The greatest challenge will instead come from the readiness and capacity of government officials, from the central to regional levels, to enforce Presidential Regulation Number 71 of 2015, thereby enhancing the credibility and authority of government policies.

Presidential Regulation Number 71 of 2015 was issued, in part, due to the soaring prices of basic necessities, particularly rice, in March, just before the main harvest season. Government officials have clashed and disputed over the existence of a rice mafia, which is suspected to be a contributing factor to the escalation in staple food prices. More interestingly, after the main harvest season ended, prices of staple goods spiked again in early June. While the prices of rice, sugar, chicken, cooking oil, and other items did not experience significant increases, only increasing by around 5 percent or less, the price increases for shallots and red chilies reached over 20 percent. Presidential Regulation Number 71 of 2015 is intended only as a guideline for pricing and storing staple and essential goods, healthy business competition is a

major agenda that must be continuously championed by the government and stakeholders (individuals or groups with interests in the decisions and activities of other organizations). The public is now well aware that the soaring prices of staple goods are not only related to the balance of supply and demand, but also to market structure, market behavior, and competitive practices in these essential commodities. The quality of the logistics system, including infrastructure, transportation, bases, ports, warehousing, information systems, and so on, also determines the quality of business competition.

Rent-seeking behavior is also closely related to imperfect information in the market, ranging from pricing information systems, products, technology, access to financing, services, and so on. The phenomenon of food product cartels, often referred to as mafias and samurai, is the result or end result of imperfect and asymmetric information, dominated only by those with access to centers of economic and political power. Although the government understands that these cartels and mafias will incur significant socio-economic and political costs, efforts to address and mitigate this cartel phenomenon are certainly not easy. The credibility of policies and the authority of the government and its officials are certainly central factors that must be improved. Food cartels typically have two extreme structures: a monopsony/oligopsony market structure and a monopoly/oligopoly structure. A monopsony structure occurs when only one buyer of a food commodity, or several buyers (oligopsony), collude to fix the purchase price of the food commodity. A monopoly structure occurs when only one seller of the food commodity, or several sellers (oligopoly), collude to fix the selling price of the food commodity. The formal legal approach taken by the Business Competition Supervisory Commission (KPPU) and the Indonesian commercial courts will certainly not be sufficient to address the structural and widespread problems of food cartels.

Presidential Regulation Number 71 of 2015 is an initial step in efforts to stabilize the prices of basic goods, but it is not yet effective enough to improve business competition. A Ministerial Regulation of Trade is still needed to make Presidential Regulation Number 71 of 2015 more authoritative and operational. To improve business competition, the following strategies and action steps should be considered:

- a) An economic and policy approach must always be taken, considering that price-rigging behavior will be recorded and documented, as required by legal proceedings. Indirect evidence of unfair competition phenomena, such as price escalation and abnormal pricing, should be used to improve business competition.



- b) Efforts to revise Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Fair Business Competition are necessary to provide a legal or regulatory basis that can be more binding and authoritative for policy.
- c) Improving the quality of business competition needs to be more specific and focused on currently under scrutiny food commodities, as each commodity has its own distinct nature, pricing behavior, and market and player characteristics. Handling business competition in rice is certainly very different from handling competition in sugar, beef, chicken, and so on.

Based on its primary duties and functions, the role of the Trade Office is linked to the supervision of businesses in storing basic necessities. This can include providing guidance and supervision, guided by existing implementing regulations, such as Presidential Regulation of the Republic of Indonesia Number 71 of 2015 concerning the Determination and Storage of Basic Necessities and Important Goods. Supervision is a crucial part of the distribution process for basic necessities to minimize irregularities. Therefore, oversight is essential for businesses to store basic necessities. The Medan City Trade Office's supervision of basic necessities is one of the government's efforts to ensure legal certainty for consumers and prevent business misconduct. Businesses, as producers, must be constantly monitored to ensure they comply with applicable regulations and truly fulfill their obligations.

Supervision is necessary, given that the tendency to fulfill obligations is seen as inherent in everyone, including the government, particularly the Trade Office, as the agency authorized to carry out guidance and supervision duties. Supervision is one measure to eliminate or minimize the possibility of violations of applicable provisions. Supervision is expected to ensure the fulfillment of consumer rights and, conversely, the fulfillment of business obligations. The Medan City Trade Office is increasing its supervision of basic necessities to prevent hoarding. Unstable prices could be exploited by unscrupulous individuals, both distributors and traders, who hoard essential goods for profit. Therefore, the Medan City Trade Office has instructed officers to increase supervision of goods in circulation.

This precaution is being taken to ensure the supply of basic necessities remains secure, as low supplies can trigger price increases. Furthermore, during its supervision, the Medan City Trade Office also coordinates with other institutions, such as the police and related agencies, to jointly monitor the distribution of goods to markets. In practice, if the Medan City Trade Office discovers any irregularities, such as hoarding of basic necessities, strict sanctions will be imposed, ranging from warnings to revocation of sales or business permits. This firm action is intended to



protect consumers and prevent uncontrolled price spikes and shortages of basic necessities.

#### 4. Conclusion

The effectiveness of Government Regulation No. 71 of 2015 on the distribution of basic necessities has not been effective. The government should create a conducive environment for healthy business competition, instead of reverting to the era of price controls. The greatest challenge will come from the readiness and capacity of government officials, from the central to regional levels, to enforce Presidential Regulation No. 71 of 2015, thereby enhancing the credibility and authority of government policies.

The role of the Trade Office in overseeing business operators in storing basic necessities includes guidance and supervision. Supervision is carried out to minimize irregularities and act in accordance with applicable regulations, ensuring that business operators truly fulfill their obligations. Supervision is one measure to eliminate or minimize the possibility of violations of applicable provisions.

#### References

- Ahmadi Miru dan Sutarman Yodo. 2014. *Hukum Perlindungan Konsumen*. Jakarta: PT.Raja Grafindo Persada.
- HS. Hadibroto dan Oemar Witarsa. 2015 *Sistem Pengawasan Intern*, Jakarta: Fakultas Ekonomi Universitas Indonesia.
- Husni Syawali dan Neni Sri Imaniyati. 2020. *Hukum Perlindungan Konsumen*. Bandung: Mandar Madju.
- Janus Sidabalok. 2020. *Hukum Perlindungan Konsumen Di Indonesia*. Bandung: Citra Aditya Bakti.
- Moekijat. 2019. *Manajemen Kepegawaian*, Bandung: Mandar Maju.
- Shidarta. 2020. *Hukum Perlindungan Konsumen Indonesia*. Jakarta: Grasindo.
- Sudaryatmo. 1999. *Hukum dan Advokasi Konsumen*, Bandung: Citra Aditya Bakti
- Arianto, A., Mustamam, M., & Marlina, M. (2023). *Perlindungan Hukum Terhadap Anak Korban Tindak Pidana Pelecehan Seksual (Studi di Kepolisian Resor*



- Subulussalam). *Jurnal Meta Hukum*, 2(3), 18-33.  
<https://doi.org/10.47652/jmh.v2i3.446>
- Sadewo, D. A., Purba, N., & Akhyar, A. . (2023). Penerapan Sanksi Kode Etik Terhadap Oknum Anggota Brimob Yang Melakukan Pelanggaran Etik Kepolisian (Studi Penelitian Bidang Profesi dan Pengamanan Kepolisian Daerah Sumatera Utara). *Jurnal Meta Hukum*, 2(3), 34-49. <https://doi.org/10.47652/jmh.v2i3.447>
- Karim, A. S., Mustamam, M., & Purba, N. (2023). Penyelesaian Pelanggaran Kode Etik Terhadap Oknum Anggota Polisi Satuan Lalu Lintas Yang Melakukan Pungutan Liar (Studi Penelitian Bidang Profesi dan Pengamanan Polda Sumut). *Jurnal Meta Hukum*, 2(3), 77-90.  
<https://doi.org/10.47652/jmh.v2i3.449>
- Harsa, A., Marzuki, M., & Purba, I. G. (2023). Analisis Yuridis Pelaksanaan Restitusi Terhadap Korban Luka Berat Dalam tindak Pidana Lalu Lintas Jalan Raya (Studi Di Satuan Lalu Lintas Kepolisian Resor Kota Banda Aceh). *Jurnal Meta Hukum*, 2(3), 91-102. <https://doi.org/10.47652/jmh.v2i3.450>
- Nasution, A. . W., Lubis, Y. ., & Mukidi, M. (2023). Aspek Yuridis Program Pemberian Remisi Terhadap Narapidana Narkotika Dan Psikotropika Pada Lembaga Pemasyarakatan Kelas II B Tebing Tinggi. *Jurnal Meta Hukum*, 2(3), 103-114.  
<https://doi.org/10.47652/jmh.v2i3.451>
- Hermansyah, H., Mustamam, M., & Putra, P. S. . (2023). Peran Cyber Crime Ditreskripsus Kepolisian Daerah Sumatera Utara Dalam Penegakan Hukum Terhadap Pelaku Tindak Pidana Judi Online (Studi di Kepolisian Daerah Sumatera Utara). *Jurnal Meta Hukum*, 2(3), 115-127.  
<https://doi.org/10.47652/jmh.v2i3.452>
- Canjaya, M. A. D., Lubis, Y. ., & Affan, I. (2023). Penegakan Hukum Terhadap Pelaku Tindak Pidana Penipuan Dengan Modus Investasi (Studi Di Kepolisian Resor Asahan). *Jurnal Meta Hukum*, 2(3), 128-140.  
<https://doi.org/10.47652/jmh.v2i3.453>