

THE IMPACT OF LIQUEFIED PETROLEUM GAS DISTRIBUTION RESTRICTION POLICY ON CONSUMERS

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Abstract

Liquid Petroleum Gas is a product produced and distributed by state-owned companies in Indonesia. It is a vital energy source for the community, especially for consumers from micro-businesses and lower-middle-income households. However, policies that reduce fuel oil quotas impact the availability of 3 kg LPG, causing significant shortages and making it difficult for consumers to obtain gas at affordable prices. In this regard, the Minister of Energy and Mineral Resources has a crucial role in formulating and overseeing distribution policies, including price setting and distribution channels involving Pertamina, to ensure LPG prices remain reasonable and equitable distribution. Although the conversion policy from kerosene to LPG that began in 2007 aims to meet the community's basic needs, its implementation still faces various challenges in terms of distribution and irregularities that need to be managed to minimise the negative impact on consumers.

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Introduction

Liquefied Petroleum Gas is a petroleum-based alternative energy produced by refining light fractions of hydrocarbons such as propane and butane. LPG plays a vital role in Indonesian people's lives, especially in household needs and the small business sector. The Indonesian government, through state-owned enterprises, particularly PT Pertamina (Persero), is responsible for the procurement, filling and distribution of LPG to various parts of the country. The 3-kilogram LPG cylinder, popularly referred to as "gas melon", is explicitly aimed at the middle to lower economic classes due to its nature as a subsidized item. The availability and accessibility of 3-kilogram LPG contribute significantly to microeconomic stability and household energy security (MEMR, 2023). However, the scarcity of 3-kg LPG distribution from late 2024 to 2025 has triggered widespread social unrest. The decline in distribution volume from 414,134 metric tons (MT) in 2024 to 407,555 MT in 2025 is an early indicator of disruptions in the supply chain (Pertamina, 2025). This scarcity is felt by various groups, especially homemakers and MSME players who depend on gas stoves for their business. Distribution previously accessible through grocery stores and retailers must now be obtained from official sources, sometimes far from residential areas. Quota restrictions and a ban on sales by retailers have further narrowed people's access to household energy, triggering widespread public complaints on social media and even in parliamentary chambers.

One of the backgrounds of the subsidized 3 kg LPG policy is the energy conversion program from kerosene to LPG that started in 2007. This program aims to reduce fuel oil consumption (BBM) and replace it with LPG, which is considered more efficient and environmentally friendly. For more than 17 years, the government has continued this policy as part of the national energy transition. PT carries out distribution management. Pertamina operates through a tiered system from the LPG Bulk Filling Station (SPBE) to large agents, ending at authorised bases (Ministry of Energy and Mineral Resources, 2023). However, in its implementation in the field, various problems have arisen, such as distribution delays, unclear retail prices, and weak supervision, which have led to irregular practices such as copying and hoarding (Republika, 2024). The phenomenon of LPG 3 kg scarcity in 2025 impacts the disruption of household activities and changes the community's market structure and energy consumption patterns. According to Anderson (in Ridha, 2016), public policy is a series of actions designed to solve a particular problem: the fair and equitable distribution of subsidized energy. Reducing quotas and prohibiting distribution to retailers creates inequality of access, worsens the conditions of vulnerable groups, and creates distrust of state policies. This phenomenon also creates an additional economic burden for people who have to buy LPG in more expensive places or travel longer distances to get supplies.

The government tried to respond to this issue through the Decree of the Minister of Energy and Mineral Resources No. 37.K/MG.01/MEM.M/2023, which stipulates the distribution mechanism of 3 kg LPG to be more targeted. One of the important points in this policy is the determination of subsidy beneficiaries based on verified data such as the Integrated Social Welfare Data (DTKS). Unfortunately, technical implementation in the field is still not optimal due to weak supervision and limited accurate data. In addition, the government has not prevented irregularities such as distribution to non-micro industrial sectors that are not entitled to subsidies (Ministry of Energy and Mineral Resources, 2023).

From a legal perspective, subsidised LPG distribution must consider consumer protection as stipulated in Law No. 8/1999 on Consumer Protection. Article 1 point 2 states that a consumer is any individual who uses goods and/or services to benefit themselves, their families, other people, and other living beings, and not for trade (Zulham, 2013). In this context, 3 kg LPG users are included in the group of household consumers entitled to guaranteed access to energy fairly

and equitably. The views of N.H.T. Siahaan (2005) and Az Nasution (2015) also emphasize the importance of consumer protection as parties in an unbalanced position in economic relations. Therefore, the state must guarantee justice in distributing public goods, including subsidized energy. As the state official responsible for the energy sector, the Minister of Energy and Mineral Resources (ESDM) has a central role in this policy. Based on Law No. 39/2008 on State Ministries, ministers are presidential assistants who lead government affairs in specific fields. The Minister of Energy and Mineral Resources is tasked with formulating, establishing, and implementing national energy policy, including regulating, supervising, and controlling subsidized LPG distribution. However, if officials in these strategic positions fail to understand the realities on the ground, the resulting policies will be top-down and potentially cause public resistance. In some cases, the scarcity of 3 kg LPG has not even been acknowledged by relevant officials, despite increasing public complaints (Tirto.id, 2025).

Given the complexity of the problem, it is important to conduct this research to examine in depth the dynamics of 3 kg LPG distribution in the context of public policy, consumer protection, and household energy security. This study aims to understand the impact of LPG scarcity on market structure, consumer behaviour, and the effectiveness of the government's subsidized energy distribution policy. By taking a multidisciplinary approach and based on empirical data, this study is expected to contribute to developing energy policies that are more equitable, targeted, and oriented towards the welfare of the wider community.

Result and Discussion

The 3 kg LPG gas shortage crisis in various parts of Indonesia triggered political uproar and widespread public protests. 3 kg of LPG gas is a basic need of the lower middle class, so uneven distribution and dwindling supplies trigger significant social unrest. In many news reports and politicians' statements, government policies related to LPG distribution are considered to have been carried out in haste, poorly thought out, and insensitive to the community's needs. Criticism of the government emerged on social media and in the parliamentary chamber. DKI Jakarta DPRD member from the PDI-P faction, Hardiyanto Kenneth, explicitly asked the Department of Manpower, Transmigration and Energy (Disnakertransgi) to immediately hold market operations to overcome the scarcity (CNN Indonesia, 2024). The Ministry of Energy and Mineral Resources (ESDM) has also scrutinised the central government. The Minister of Energy and Mineral Resources, Bahlil Lahadalia, was criticised for not showing sensitivity to the crisis. Some members of the House of Representatives even called Pertamina to clarify the distribution of LPG. Public criticism was not only directed at the LPG distribution policy, but also arose due to Bahlil's alleged violation of academic ethics in completing his doctoral studies at the University of Indonesia in a suspiciously short time, namely 1 year and 8 months, and graduating cum laude. Allegations of jockeying and bribery emerged, causing the university to suspend the doctorate (Tempo.co, 2025).

Furthermore, there are policy tensions between Bahlil's loyalty to President Jokowi's policy legacy and President Prabowo's new commitments. One criticism came from Fahmy Radhi, an energy analyst, who argued that Bahlil's policies were still skewed towards fossil energy priorities and less supportive of the development of New and Renewable Energy (EBT) as envisioned by Prabowo. Fahmy said that Bahlil encourages coal production, which aligns with Jokowi's policy, even though Prabowo has stated his commitment to reduce dependence on PLTU within 10 years (Kompas, 2024). In terms of regulation, there was also a spotlight on Presidential Regulation (Perpres) No. 104/2007, which is considered irrelevant to the needs of today's society. Sofyano Zakaria, rector of the Centre for Public Policy Studies, assessed that the definition of users entitled to LPG 3 kg in the Perpres is too "grey", giving rise to many interpretations and opening up opportunities for misuse of distribution in the field. He emphasised that revising the

Perpres is an urgent step, especially in regulating who is entitled to subsidies and how supervision is implemented (Republika, 2024).

In order to address this chaos, the government has sought to improve its image through "populist" policies. One example is reopening retailers' access as subbases to expand LPG gas distribution. President Prabowo, through Deputy Speaker of the House of Representatives Sufmi Dasco Ahmad, instructed retailers to be allowed to sell LPG gas again in response to public unrest (Detik.com, 2025). A similar response came from the Deputy Speaker of the MPR, Edhie Baskoro Yudhoyono (Ibas), who expressed his appreciation for Prabowo's move and considered that this policy could reduce public unrest while improving the chaotic distribution system. However, amidst these populist measures, the public continues to show scepticism. This can be seen from the emergence of the hashtag "#IndonesiaGelangan" on social media, which symbolises public unrest over energy services and subsidies that are not well-targeted. The public believes that the policies taken by the government are only temporary and patchy, not a structural solution. Even the Minister of Energy and Mineral Resources' statement that LPG scarcity does not occur and that prices are still under control is considered by the public not to reflect field conditions. This statement strengthens the perception that the energy sector leaders do not understand the reality at the grassroots level (Tirto, id, 2025).

The LPG distribution problem manifests in a broader energy governance crisis. Significant factors are the absence of an accurate database of subsidy beneficiaries, weak supervision of distribution at the retail level, and a lack of transparency in energy policy decision-making. Therefore, tackling this issue with an administrative approach alone is not enough. However, regulatory reform and institutional strengthening are required, as well as moral improvement of the public bureaucracy. Politically, this polemic also shows the dynamics of power relations between bureaucratic elites, political parties, and economic interests. The LPG policy, which is supposed to favour the ordinary people, is accused of being a means to enrich certain groups who benefit from a monopoly on distribution or control of supply lines. It is not surprising, then, that there is a public perception that the current LPG policy reflects political accommodation rather than social justice. In this context, Prabowo, as the new president, should be able to take bolder corrective steps to correct short-term distribution and reform the national energy system to make it more transparent, fair and sustainable. One of them is to shift subsidies directly to vulnerable groups based on integrated social welfare data (DTKS), and accelerate the transition to clean energy that is more stable and socially just. Only with strategic and long-term oriented steps can the LPG 3 kg problem that recurs yearly be resolved thoroughly and not become a mere political image tool.

Conclusion

This research is expected to contribute as a source of knowledge and joint reflection for various groups, especially in understanding and responding to social issues and political dynamics that develop in society. By realising the importance of sensitivity to social problems and the ability to find appropriate solutions, this research also confirms that state policies should function for the greatest prosperity of the people. The findings in this study can serve as a starting point in developing a critical mindset towards public policy

implementation. However, it should be recognised that this study has several limitations regarding data completeness, methodological approach, and limited supporting references. Therefore, further development is needed through more comprehensive and in-depth follow-up studies, especially in assessing government policies in strategic sectors such as energy, natural resources and minerals, which have a broad impact on the community's social, economic and environmental life.

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