## Indonesia's BBM Price Formulation

### BBM vs Crude Oil Price

![Graph showing the relationship between BBM and Crude Oil Prices](#)

<table>
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<tr>
<td>01</td>
<td>ESDM Regulation No. 34/2014 *valid from 17 Nov 2014</td>
<td>BBM price is set by the Minister of ESDM. BBM price is valid until the issuance of next regulation.</td>
<td>Price = Base price + PPN 10% + PBBKB 5% + Margin</td>
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<tr>
<td>02</td>
<td>ESDM Regulation No. 35/2014 *valid from 31 Dec 2014</td>
<td>The base price is based on the crude price market index and exchange rates of the previous month. BBM is classified into 3 types: Jenis BBM Tertentu (Subsidized Fuel)<em>, Jenis BBM Khusus Penugasan, (Specially Assigned Fuel)</em>, Jenis BBM Umum (General Fuel)*. BBM price will be evaluated and adjusted monthly.</td>
<td>Jenis BBM Tertentu: Price = Base Price + PPN 10% + PBBKB 5% + Subsidy &lt;= Rp 1000) Jenis BBM Khusus Penugasan: Price = Base Price + PPN 10% + PBBKB 5% + Distribution cost 2% Jenis BBM Umum: Bottom price = Base price + PPN 10% + Regional PBBKB + Margin 5% Ceiling price = Base price + PPN 10% + Regional PBBKB + Margin 10%</td>
</tr>
<tr>
<td>03</td>
<td>ESDM Regulation No. 39/2015 *valid from 9 Nov 2015</td>
<td>The base price is based on the crude price market index and exchange rates of the previous 3 months. BBM price will be adjusted and evaluated every 3 months. Minister of ESDM will adjust the BBM price by considering several factors: State financial capacity or economic situation, People's purchasing power, Real economy and social community.</td>
<td>Jenis BBM Tertentu: Price = Base price + PPN 10% + PBBKB 5% + Subsidy Rp 800</td>
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<tr>
<td>04</td>
<td>ESDM Regulation No. 27/2016 *valid from 17 Oct 2016</td>
<td>Adjustment in subsidy value of Jenis BBM Tertentu.</td>
<td>Jenis BBM Umum: Price = Base price + PPN 10% + PBBKB regional + Maximum margin 10%</td>
</tr>
<tr>
<td>05</td>
<td>ESDM Regulation No. 21/2018 *valid from 10 Apr 2018</td>
<td>Adjustment in Jenis BBM Umum price formulation by removing the bottom margin.</td>
<td>Jenis BBM Tertentu: Price = Base price + PPN 10% + PBBKB regional + Maximum margin 10%</td>
</tr>
<tr>
<td>06</td>
<td>ESDM Decree No. 19K/MEK/2019 *valid from 1 Feb 2019</td>
<td>Regulation to formulate Jenis BBM Umum only. The base price is based on the MOPS average price from the 25th of the previous 2 months to the 24th of the previous month. BBM price will be evaluated and adjusted every 3 months.</td>
<td>&lt; RON95: Bottom price = MOPS + Margin 5% Ceiling price = MOPS + Margin 10% &gt; RON95: Bottom price = MOPS + Margin 10% Ceiling price = MOPS + Margin 10%</td>
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</tbody>
</table>
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![Image of a graph showing BBM vs Crude Oil Price]

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| 07 | ESDM Decree No. 187K/MEM/2019  
*valid from 1 Jan 2020 | § Adjustment in fuel formula's constants.                                         | < RON95:  
§ Bottom price: MOPS + Rp 1000  
§ Margin 5%  
§ Ceiling price: MOPS + Rp 1000  
§ Margin 10%  

>= RON95:  
§ Bottom price: MOPS + Rp 1200  
§ Margin 5%  
§ Ceiling price: MOPS + Rp 1200  
§ Margin 10% |
| 08 | ESDM Decree No. 63K/MEM/2020  
*valid from 1 Mar 2020 | § The base price is based on the lowest average of MOPS or Argus price.  
§ Removal of bottom and ceiling price.  
§ Adjustment in fuel formula's constants and margins. | < RON95:  
§ MOPS or Argus + Rp 1800  
§ Margin 10%  

>= RON95:  
§ MOPS or Argus + Rp 2000  
§ Margin 10% |

**Note:**
1. Jenis BBM Tertentu (Subsidized Fuel): Specific fuel types which are subsidized by the government including Premium, solar, kerosene (minyak tanah) and gas oil (minyak solar).
2. Jenis BBM Khusus Penugasan, (Specially Assigned Fuel): Fuel that is distributed to specific regions (usually remote areas) and is not subsidized by the government.
3. Jenis BBM Umum (General Fuel): Non-subsidized fuel including Pertalite, Pertamini, Pertamina Dex, etc.

**Abbreviations:**
1. BBM : Fuel oil  
2. ESDM : Ministry of Energy and Mineral Resources  
3. MOPS : Mean of Platts Singapore  
4. PBBKB : Motor Vehicle Fuel Tax  
5. PPN : Value-Added Tax