ABSTRACT

An Analysis of Palm Oil Biodiesel Business Development and Their Impact on the Stability of Cooking Oil Supply in Indonesia

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The purposes of this study were (1) to identify the factors that influence the development of palm oil biodiesel business in Indonesia, (2) to build the scenarios of Indonesian palm oil biodiesel business development, (3) to find the strategies to develop palm oil biodiesel business and to maintain the stability of cooking oil supply for domestic consumption. The data were collected by interview with questionnaires from 26 respondents in Jakarta, Bogor, Bandung and Medan. The data were analyzed by Analytical Hierarchy Process (AHP), scenario planning, and supply and demand analysis. The result of the study showed that politic and economy was the most important factors that influence the development of palm oil biodiesel business in Indonesia. There were three scenarios in the development of palm oil biodiesel business in Indonesia: optimistic (55.56%), pessimistic (27.27%), and optimistic but rose negative impact to the cooking oil supply stability (17.17%). The result suggested that the government of Republic Indonesia should be more serious and consistent in the implementation of biodiesel development. Palm oil biodiesel businessman should anticipate all of the scenarios by diversification of feedstock, product and market. Strategic alliance with multinational companies also suggested to minimize the business risks and to gain a synergy. To maintain the stability of cooking oil supply, it is suggested to prepare specific scheme of palm oil stability supply especially for domestic consumption.