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Welcome to the LPEM Newsletter March 2022 Edition. The LPEM Newsletter is the fruit of thoughts and a summary of the activities of the LPEM FEB UI team. This edition is the third edition and will continue to be published every month. Since 1953, LPEM FEB UI has been actively conducting research, consulting, and training activities to solve development problems in Indonesia.

In this edition, the LPEM Newsletter will summarize the **T20 Inception Conference**, where LPEM FEB UI plays the role as one of T20 Indonesia's hosts. In addition, we will share some of our activities in the last month, such as webinars entitled "**Indonesia-Japan Policy Research Forum for Asia: Enhancing MSMEs' Innovation and Competitiveness: The Role of Finance and Digital Technology**" and "**Readiness to Utilize Used Cooking Oil (UCO) as Biodiesel Raw Material**" and "**Energy Transition Dialogue 2022: ASEAN Outlook for Zero Carbon Energy**". All of these activities are summarized in this edition of the Newsletter.

This newsletter is widely distributed among the government, academics, advocates and environmental activists, NGOs, the media, and the general public. We encourage your involvement in sharing this publication widely and making it a reference when needed.

Enjoy reading,

**Alin Halimatussadiah**

Head of Environmental Economics Study Group  
LPEM FEB UI



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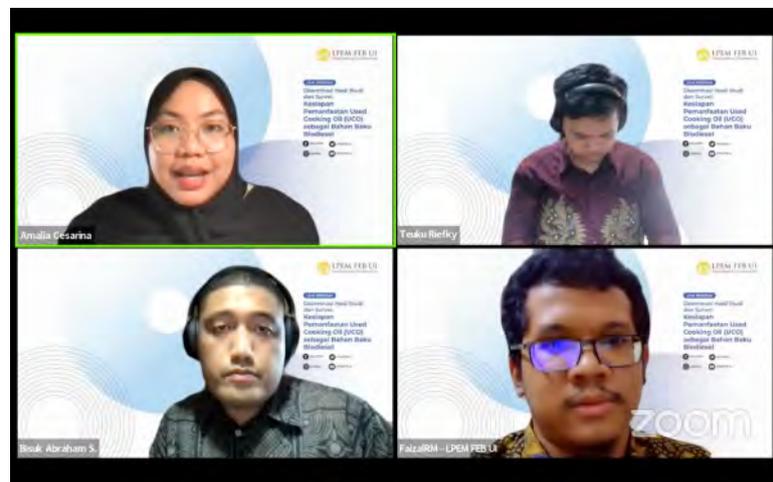
# Readiness to Utilize Used Cooking Oil (UCO) as Biodiesel Raw Material

On 16 February 2022, LPEM FEB UI held a Live Webinar entitled **"Readiness to Utilize Used Cooking Oil (UCO) as Biodiesel Raw Material"** to disseminate the results of LPEM FEB UI team's study and survey which will also soon be published in a statistical book.

This webinar was opened by Alin Halimatussadiyah as Head of Environmental Economics Studies at LPEM FEB UI. Alin explained that there is great potential for Indonesia in utilizing UCO for further processing, one of which is as raw material for biodiesel. "Exports of used cooking oil from Indonesia have actually continued to increase, especially to the Netherlands and Singapore, where these two countries also use this product as raw material for fuel," said Alin. The results of the study and survey were then presented by Faizal R. Moeis, Teuku Riefky, and Bisuk Abraham Sisungkunon as researchers from LPEM FEB UI.

In the first session, Faizal R. Moeis conveyed some interesting findings from the survey of household UCO usage behavior that had been carried out. By utilizing survey data on 2,500 cooking oil users in 16 provinces in Indonesia, LPEM FEB UI found that the potential for household UCO production nationally can reach 864,889 kL/year, the majority of which is contributed from urban areas. "The biggest potential for household UCO is on the island of Java," added Faizal.

Furthermore, Teuku Riefky explained the results of the potential supply estimation of biodiesel from UCO and its economic impact. Based on the findings, UCO collection rate in 2019 has reached 18.52% and utilization rate for biodiesel has reached 19%. This shows that the amount of



UCO used for biodiesel is around 570,046 kL. "If the collection rate and utilization rate are increased to 80%, then we have the potential for input from UCO used for biodiesel to reach around 10.37 million kL/year" said Riefky. Furthermore, the utilization of used cooking oil as biodiesel raw material has the potential to have positive impacts on the Indonesian people, including the increase in GDP of 0.25% or equivalent to Rp39.58 trillion, the creation of new jobs for 381 thousand people in the long term, and the increase in public consumption in national level of 0.26% or Rp27.7 trillion.

In the next session, Bisuk Abraham Sisungkunon delivered the results of the financial feasibility analysis and the evaluation of the health and environmental impacts of utilizing UCO as biodiesel raw material. "The feasibility of this program will be very sensitive to the purchase price of used cooking oil, as well as the selling price of biodiesel," said Bisuk. Bisuk further added two other findings regarding environmental and health impacts: the improvement in environmental quality equivalent to Rp.633 billion/year and the avoidance of health burdens from coronary heart disease of Rp.29.8 billion/year.

**More details can be accessed at:**  
<https://youtu.be/yloRCT-vw5Q>

## T20 Indonesia Inception Conference: Realizing Inclusive Economic Recovery

LPEM FEB UI is one of the hosts for the Think 20 (T20) event, one of the engagement groups representing research institutions and think-tanks around the world that assists G20 leaders in formulating government policies for global recovery. T20 itself has just held a virtual Inception Conference on 9-10 February 2022 entitled **"Realizing Inclusive Recovery from the COVID-19 Pandemic"**. The Inception Conference event aims to provide a space for discussion to realize innovative ideas during a series of G20 activities represented by Indonesia. Through the theme of its activities, the T20 Inception Conference focuses on

resolving priority issues, such as climate change, digital transition, global financial system stability, and other strategic issues.

The Inception Conference was attended by speakers with global credibility, such as Retno Marsudi (Minister of Foreign Affairs of the Republic of Indonesia), Budi Gunadi Sadikin (Minister of Health of the Republic of Indonesia), Mari Elka Pangestu (Managing Director of the World Bank), Jeffrey Sachs (Columbia University), Richard Baldwin (Graduate Institute Geneva), Achim Steiner (UNDP), Gauri Singh (IRENA), Raden Edi Prio Pambudi and Wempi Saputra (G20 Indonesia) and Ambassador Abhay Thakur (G20 India Sous Sherpa).

Representing LPEM FEB UI and CSIS, Prof. Bambang P. S. Brodjonegoro and Prof. Djisman Simandjuntak gave the opening speeches. LPEM FEB UI and CSIS simultaneously hosted the Think 20 event this year. In his opening speech, Prof. Bambang P.S. Brodjonegoro conveyed the relevance of coordination at the global level to support the creation of greater coordination of domestic and international policies. "As the official engagement group of the G20, T20 in its 10th anniversary celebration is committed to providing the best in supporting the creation of objective and inclusive policy recommendations," said Bambang.



More details can be accessed at:  
<https://youtu.be/lvXWZS1hek0>

## Indonesia-Japan Policy Research Forum for Asia: The Role of Finance and Digital Technology in Enhancing MSME Innovation and Competitiveness



On 3-4 March 2022, a webinar entitled "Indonesia-Japan Policy Research Forum for Asia: Enhancing MSMEs' Innovation and Competitiveness: The Role of Finance and Digital Technology" was held. The webinar was jointly organized by the Asian Development Bank Institute (ADBI), LPEM FEB UI, and the University of Tokyo's Graduate

School of Public Policy, with support from the Toshiba International Foundation. Mohamad Dian Revindo, Ph.D. was one of the representatives of LPEM FEB UI at the forum. This forum explores ways to build the innovation capacity and competitiveness of micro, small and medium enterprises affected by the COVID-19 pandemic in Asia through technology and digital finance. This forum focuses on policy and industry experiences and solutions from Indonesia, Japan and the wider region.

In this webinar, Revindo presented the results of a survey entitled 'MSME Technology Intervention Need: A survey of 37,370 MSME actors in Indonesia'. In the presentation, he said that this pandemic was a blessing in disguise for MSME actors. This pandemic has pushed them to adapt to digital technology, especially in terms of product marketing. "The pandemic is a blessing in disguise for MSMEs because the pandemic forces them to adopt digital technology and use the internet to market their products." Revindo said. However, this also causes wide disparities, especially for areas that are not covered by

internet connection, making it difficult for perpetrators to adapt to digital technology.

Revindo then said that most MSMEs have adopted digital technology for their business, especially in terms of social media. Meanwhile, large businesses have a lower level of technology adoption than MSMEs. "One explanation is that most of them (big businesses) already have established businesses and they have established marketing systems and clients, so they still question whether the cost of adopting digital technology is necessary for their already established businesses. ", closed Revindo.

More details can be accessed at:  
<https://youtu.be/LuHZUOqCGgY>



# Indonesia and ASEAN Energy Transition in Realizing Zero Carbon Energy

LPEM FEB UI held a Webinar on February 9 entitled "**Energy Transition Dialogue 2022: ASEAN Outlook for Zero Carbon Energy**". This webinar is the opening series of the Energy Transition Partnership (ETP) Roundtables 2022-2023 which is a collaboration between The Southeast Asian Energy Transition Partnership (ETP) and the Clean Affordable and Secure Energy for Southeast Asia (CASE). The Energy Transition Dialogue was organized by the Australian National University (ANU) in collaboration with the Australian-Mekong Partnership for Environmental Resources and Energy Systems (AMPERES), LPEM FEB UI and Indonesia Research for Decarbonization (IRID) as local partners from Indonesia, and the Anteneo School of Government as a local partner from the Philippines.

Moekti (Kuki) Hanjani Soejachmoen as Executive Director of IRID and Dr. Alin Halimatussadiyah (Head of Environmental Economic Studies at LPEM FEB UI) was a panelist in this activity. In addition to discussion activities, there was also an explanation of the energy outlook, energy transition policies that apply in Indonesia and other neighboring countries, to Energy Transition lessons from



the Philippines, Vietnam, and Australia. This activity was then closed with a presentation on the future energy transition agenda for Southeast Asia. Kuki stated that there are two main issues of the energy transition. "There are two main issues of the energy transition. The first is inconsistent policies, where policies are often not synergistic with one another. The second is the uncertainty that lasts in the long term, which causes investors and business owners to be reluctant to plan and strategize in the future," said Kuki. Meanwhile, Alin hopes for the participation of local businesses to support the energy transition. "Hopefully, local businesses can have a significant role (in the energy transition). However, the problem is the lack of capacity of local businesses, one example is in preparing proposals because the standard of proposals for foreign capital withdrawals has a higher standard than domestic capital withdrawals." said Alin.

More details can be accessed at:  
<https://youtu.be/kCmyDT4RruE>

# Overview of LPEM FEB UI Publications and Activities

## Economic Brief

### Macroeconomic Analysis Series: Inflation Analysis, February 2022

Inflation (YoY) in January 2022 was recorded at 2.18% or increased by 0.63% compared to YoY inflation in January 2021. The strengthening of inflation at the beginning of 2022 was due to strengthening in core inflation, government-regulated price components, and prices. turbulent stuff. In general, rising prices for food commodities such as broiler meat, fish, rice, cooking oil, liquified petroleum gas (LPG), and rainy weather are domestic factors that contribute to inflation in early 2022.

More details: <https://www.lpem.org/seri-analisis-makroekonomi-inflasi-bulanan-februari-2022/>

### Macroeconomic Analysis Series: BI Board of Governors Meeting, February 2022

After the Delta outbreak, Indonesia is currently facing the Omicron wave. As of 7th February, daily new cases were reported at more than 27,000 cases (7-day moving average) and many predicted it will peak at the end of February 2022. Despite rising cases, several economic indicators keep progressing, indicating recovery still remains. Similar to GDP that recorded an immense growth of 5.02% (y.o.y) in Q4-2021, yearly inflation rate also drew the same pattern with a notable pick-up of 2.18% (y.o.y) in January 2022 from 1.84% (y.o.y) in December 2022.

More details: <https://www.lpem.org/macroeconomic-analysis-series-bi-board-of-governor-meeting-february-2022/>

### Economic Analysis Series: Trade and Industry Brief, February 2022

In recent weeks there has been a shortage of cooking oil at the retail level. The increase in international commodity prices and distribution problems are suspected to be the trigger for this shortage. This month's Trade and Industry Brief discusses the challenges faced by the national cooking oil trading system as well as the various policy alternatives available to address shortages, both in the short term and prevent similar incidents in the long term.

More details: <https://www.lpem.org/seri-analisis-ekonomi-trade-and-industry-brief-februari-2022/>

### Labor Market Brief, Februari 2022

The government through the Ministry of Manpower begins the month of February 2022 by stipulating a new Minister of Manpower Regulation that regulates Old Age Security (JHT), one of the Employment Social Security programs. With the stipulation of the Minister of Manpower Regulation Number 2 of 2022 concerning Procedures and Requirements for Payment of Old Age Security Benefits, the government revoked the Minister of Manpower Regulation Number 19 of 2015. In the previous regulation, claims for JHT can be made after one month after the worker resigns from the workplace.

More details: <https://www.lpem.org/labor-market-brief-volume-3-nomor-2-februari-2022/>

### Working Paper: No.69, March 2022

## Who works from home during the COVID-19 pandemic? Case of Indonesia

*During the COVID period, a form of remote working, work from home, is adopted in the workplace and/or is opted by the workers. Based on SAKERNAS August 2020 survey, 10.39% of salaried workers worked from home during this early period of the COVID-19 pandemic. Exploring on factors affecting the choice of remote working, we find vulnerable populations, as in the case of women and disabled workers, have a higher probability of working remotely from home. However, married workers correlated with a lower probability of working from home. Across sectors, manufacturing, transport, hotel and restaurant sectors are positively correlated with a higher probability of working remotely, and the reverse for the case of health and social and the government sector in general. In this early pandemic period, salaried workers who work from home mostly experienced a lower or the same level of hours work compared to the period before the COVID-19 pandemic. There seems to be divergence on the benefits of working from home, as from descriptive, an increase in earnings is dominated by workers with a relatively high wage rate.*

### More details can be accessed at:

<https://www.lpem.org/who-works-from-home-during-the-covid-19-pandemic-case-of-indonesia/>





## LPEM FEB UI Education and Training: March–June 2022



**Monitoring and Evaluation**  
(14–16 June 2022)



**Policy Brief Writing**  
(21–25 March 2022  
and 7–9 June 2022)



**Computable General  
Equilibrium/CGE**  
(21–25 March 2022)



**Economic and Financial Data  
Exploration Analysis**  
(20–24 June 2022)



**Econometrics**  
(7–11 March 2022)



**Regulatory Impact  
Assessment/RIA**  
(17–19 May 2022)



**Economic Modeling: Input-Output  
dan SAM**  
(28 March–1 April 2022)



**Regional Potential Analysis:  
Regional Taxes and Potential**  
(20–24 June 2022)



**Macroeconomics**  
(23–25 May 2022)

## More information about the education and training:

Website: [www.diklat.lpem.org](http://www.diklat.lpem.org)  
Registration: <https://linktr.ee/DiklatLPEMFEBUI>  
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## Acknowledgement

The LPEM Newsletter is an initiative supported by the David and Lucile Packard Foundation. Since 1964, the David and Lucile Packard Foundation has provided grants intending to improve people's lives while enabling scientific activities and the protection of natural living systems. The support from the David and Lucile Packard Foundation is not only in the production of newsletters but also in a series of research related to environmental economic issues conducted by LPEM FEB UI.