

Centralisation of Commodity Exports: Scope, Risks & IDR Implications

In a Nutshell

- Indonesia has provided more details on its policy to centralise exports of selected strategic commodities (coal, crude palm oil, ferro alloys) through **a designated SOE exporter, Danantara Sumberdaya (DSI), with authority over pricing and margins** via Government Regulation No. 24/2026.
 - While aimed at strengthening oversight and reducing revenue leakage of commodity exports, **the policy introduces implementation uncertainty and execution complexity**, particularly given the lack of clarity over pricing and margin-setting by DSI, the criteria for exemptions for private operators and the potential for changes in commodity scope.
 - Additionally, although the policy could help improve Indonesia's "twin deficits" and lend some support to the IDR, **risks of confidence erosion and perceived government overreach could perversely pressure the rupiah.**
 - On balance, despite potential support to external and fiscal balances, **heightened policy uncertainty risks adding to risk premium for the IDR that is likely to be sustained by existing vulnerabilities and potentially exacerbating capital outflows.**
- The Indonesian government has issued Government Regulation No. 24 of 2026 ([Peraturan Pemerintah 24/2026](#)), formalising state control over the export of designated strategic natural resource commodities via specially assigned state-owned enterprise (SOE) with effect from 1 June 2026.
 - PT Danantara Sumberdaya Indonesia (a newly established state enterprise, DSI) has been separately [appointed as the designated SOE exporter](#).

Details at a Glance

Feature	Details
Commodities covered	Coal, crude palm oil (CPO) and ferro alloys
Scope for expansion	Additional commodities may be designated via ministerial coordination meetings*; no legislative process required.
Mechanism	Exports of designated commodities may only be conducted exclusively through a SOE exporter, acting as owner or sole intermediary.
Price-setting	Selling prices and margins determined by SOE exporter.
Exemptions	Private operators holding government contracts covering a) investment, b) divestment and c) domestic processing/refining may be exempted; the granting of such exemptions will be determined in ministerial coordination meetings*.
Transition period	Existing export arrangements permitted until at most 31 December 2026; within 3 months of the enactment of the regulation, the Coordinating Minister

	for Economic Affairs must conduct a mandatory review that may result in an earlier deadline.
Transition period obligations	Private operators are required to report and submit export documents, sales contracts and related documentation to SOE exporter, and to provide supplementary data and information via integrated government systems.
Legacy contracts	Sales contracts signed before 1 June 2026 and still in force subject to review by SOE exporter; no further details on review or outcomes provided.

* Chaired by either the Coordinating Minister for Economic Affairs or the Coordinating Minister for Food Affairs

Key Considerations

- This policy introduces a more uncertain operating environment and is likely to weigh on FDI into the resources sector given the heightened uncertainty around the implementation of this regulation.
 - For one, there is currently little clarity on the **selling prices and margins that DSI will set**, creating uncertainty over producer revenues and incentive to invest.
 - Second, additional commodities can be designated via ministerial discretion without a legislative process, leaving the scope of intervention open-ended.
 - Finally, while the regulation provides criteria for private operators to be **exempted from this regulation**, eligibility for export exemptions remains **subject to ministerial discretion**.
 - Given that major operators are likely to hold government contracts, the effects of **this consolidation could potentially be rather skewed**.
- Execution risk is non-trivial given the complexity of routing all coal, CPO and ferro alloy exports through a single state intermediary.
 - Operational bottlenecks and uncertainty during the transition period could disrupt the timing of export receipts.
- Admittedly, the communicated policy intent – to curb commodity under-invoicing and address revenue leakage – might in fact help improve Indonesia’s ‘twin deficits’, with resultant support to the IDR. But it assumes significant risks of confidence loss that could perversely hurt the rupiah more than it helps.
- Notably, the forced routing of commodity exports through DSI that gets to dictate prices and margins risks being perceived as an overreach into private sector commercial arrangements that could chill investment capital, inadvertently pressuring IDR – the very outcome that the policy (implicitly) seeks to prevent.

Impact on IDR

- This policy is not at risk of falling short of the intended BOP, fiscal and rupiah backstop, but may perversely heighten policy uncertainty, resulting in further IDR depreciation pressures from risk re-pricing.
- Policy unpredictability, coupled with existing twin deficit vulnerabilities and elevated energy prices is likely to sustain this risk premium, which could trigger and be exacerbated by further outflows from IDR assets.

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