



# Market Operations are Carried Out by the Trade Service As an Effort to Overcome Inflation and Stability of Staple Food Prices in the Balikpapan City Community

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**Abstract:** This study analyzes the role of Market Operations carried out by the Balikpapan City Trade Office in an effort to maintain the stability of staple food prices and reduce the impact of inflation. Using a qualitative approach through interviews and observations, this study was conducted to evaluate whether the activity was effective in stabilizing staple food prices and increasing people's purchasing power. This study shows that Market Operations make a significant contribution to the provision of staple food at affordable prices, as well as increasing access for lower-middle class groups. This study suggests the need to increase the frequency and reach of market operations as part of regional economic policies in order to achieve better food security in Balikpapan City.

**Keywords:** Department of Trade; Price Stability; Basic Commodities

## Introduction

One of the economic problems faced by many countries, including Indonesia, is inflation. Inflation can have a direct impact on the purchasing power of the Balikpapan community, especially for the lower middle class. The phenomenon of inflation is now a major focus in macroeconomics. Inflation is a situation where the overall price of goods and services increases over time. Fluctuations in the inflation rate have a major impact on various aspects of the economy, including the purchasing power of the community (Noviani et al., 2022). Inflation, in simple terms, can be interpreted as a general and sustained increase in the prices of goods and services over a certain period of time. This phenomenon can cause economic instability and potentially harm society (Rizani et al., 2023). On the one hand, low inflation can indicate stable economic growth. However, on the other hand, high inflation can reduce people's

purchasing power and create uncertainty in everyday life.

The Indonesian government and Bank Indonesia have implemented various strategies to control inflation, including tight monetary policy, regulating the distribution of goods, and intervening in the prices of basic commodities. However, challenges remain in controlling inflation, especially in maintaining a balance between economic growth and price stability (Heti Nurhasanah & Ferdy Agung Nugroho, 2024 quoted in Ulhaq et al., 2023).

Because basic needs are very important for everyone, so the increase in the price of basic necessities often causes social dissatisfaction. The Balikpapan City Trade Office has an important role in maintaining price stability through various activities, one of which is market operations. Food commodities have a very important role in the economy, social and politics. The availability of food itself is greatly influenced by the balance between demand and supply. (Febriana,

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2020). Changes in food prices can be a major factor causing inflation because with a large population, demand for food will be very high. Market Operations are activities carried out to prevent increases in the price of goods, the method used is to increase supply through private traders, BUMN, or directly to retailers, by setting prices below market prices (Zahra et al., 2023).

Market operations aim to provide basic necessities at low and affordable prices, and are expected to reduce the negative impact of inflation on the community. The Balikpapan City Trade Office plays an important role in maintaining price stability and inflation and ensuring the economic welfare of the community. As one of the cities with rapid economic growth, Balikpapan faces various challenges of inflation that can affect people's purchasing power and price stability which basically has a negative impact on the quality of life of the population. The Trade Office seeks to monitor and control price fluctuations through various program policies, such as supervision and implementation of Market Operations as a strategy set to maintain price stability. In addition, the Trade Office also collaborates with Distributors and related agencies to create a conducive market environment.

This activity aims to ensure the availability of basic necessities and keep their prices affordable. In addition, this activity also functions as supervision to ensure that everything goes according to plan and meets the specified criteria. Given that the community cannot monitor economic activities themselves, it is important to monitor so that prices remain stable. Stability is also very important as a step to maintain the price of goods and services at a certain level, which is taken by the government when inflation is high with the aim of balancing the price of goods or services in a certain period.

As analyzed in the journal "Analysis of the Effectiveness of the Implementation of Bulog's Cheap Market in Maintaining the Stability of Rice Prices in DKI Jakarta", it has an important role in maintaining the stability of staple food prices in various regions, as well as providing a broader picture of the effectiveness of market interventions in different contexts.

One way the government overcomes this problem is by balancing the supply and demand of the community because when demand exceeds supply, commodity prices can rise, disrupting market mechanisms. Therefore, the government needs to intervene in this condition. One of the efforts made by the government is to balance supply and demand for prices while adhering to the value of justice, namely by holding Market Operation activities which aim to stabilize prices.

This study aims to determine whether market operations carried out by the Trade Office in overcoming

inflation and maintaining the stability of staple food prices are beneficial to the wider community. The purpose of this study is to understand how Market Operations can affect the price and availability of staple foods in the community, as well as their impact on the public's view of price stability. With a deep understanding of the role of Market Operations, it is hoped that recommendations can be found for more effective policies in dealing with the challenges of inflation and improving the welfare of the community in Balikpapan City.

## Method

This study used a descriptive qualitative method, meaning that researchers collected data by conducting in-depth interviews and direct observations in the field. Interviews were conducted with representatives from the Trade Office and communities participating in the Market Operation. In addition, secondary data were taken from local inflation reports and publications related to the basic commodity price stabilization program. To analyze the data, researchers used data reduction and coding techniques to find key themes related to the effectiveness of the program.

## Results and Discussion

Market Operations are one of the actions taken by the government to maintain price stability and overcome inflation, especially related to food needs, therefore the Trade Service plays an important role in ensuring that basic necessities are available in sufficient quantities at affordable prices (Siregar & Rokan, 2021). With the Market Operation activity, it is hoped that distributors who participate in the activity can provide basic necessities at cheaper prices so that people can buy basic necessities at more affordable costs, thereby increasing their purchasing power.

Market Operation is one of the Programs to stabilize the prices of basic necessities and essential goods, as well as activities to control the prices and stocks of these goods, is a routine activity carried out by the Balikpapan City Trade Office. This activity is usually carried out twice a year. Phase I of Market Operation was carried out in March and Phase II of Market Operation was carried out last August. The Balikpapan City Government through the Balikpapan City Trade Office and supported by the Balikpapan Bank Indonesia Representative Office held Market Operation to maintain price stability and availability of basic necessities and maintain the purchasing power of the community.

Market operations have several main focuses in market operations activities, namely maintaining the stability of commodity prices in the market. With timely and appropriate interventions, market operations can prevent excessive price increases or controlled price fluctuations. Market operations also aim to ensure the availability of important commodities in the market. By intervening in supply and distribution, market operations can avoid shortages of goods that can disrupt the scarcity of goods that can disrupt food supplies and cause sharp price increases. In addition, market operations play a role in regulating the balance between supply and demand for commodities in the market. And market operations also have a social goal to reduce injustice in access to important commodities (Puspaka et al., 2022). By keeping prices stable, market operations protect economically vulnerable groups of people so that they can still obtain commodities at affordable prices. With Price Stabilization through Market Operation activities, it contributes to sustainable economic growth. With stable prices, producers and traders can plan investment and production better, which in turn can increase economic activity in related sectors and create jobs (AP & Hertati, 2023).

The purpose of implementing this Market Operation is to maintain the purchasing power of the

community by presenting BULOG, PT. Pertamina Patra Niaga and Distributors who sell Basic Necessities and Important Goods (especially 3 kg LPG Gas) at low prices and in accordance with the Highest Retail Price (HET). By involving BULOG and Pertamina, the market operation is expected to provide more affordable prices for the community. The sale of goods at low prices and in accordance with the Highest Retail Price (HET) aims to prevent unreasonable price spikes, so that the community can obtain daily necessities without being burdened by high costs. The market operation also seeks to increase the accessibility of basic necessities in various regions. Through the presence of distributors who work together, it is hoped that these goods can reach the community, especially in areas that often experience difficulties in obtaining supplies.

Open market operations are one of the methods in monetary policy used to regulate a country's macro economy to achieve the desired conditions. Through this policy, the government can increase, maintain, or reduce the amount of money in circulation, so that the economy continues to grow and inflation can be controlled. Thus, open market operations have proven effective in controlling prices and the economy (Ahdi & Hidayah, 2024).

**Table 1.** Price Difference Between In the Market

Commodity	Unit	Price (Market Operations Activities)	Normal Price in the market
Premium Rice	Kg	Rp. 15,400.00	Rp. 17,320.00
Medium Rice	Kg	Rp. 15,000.00	Rp. 15,260.00
Bulog Medium Rice	Kg	Rp. 11,400.00	Rp. 13,080.00
Blue Triangle Flour	Kg	Rp. 12,000.00	Rp. 15,800.00
Sugar	Kg	Rp. 18,500.00	Rp. 19,700.00
Cooking oil	Liter	Rp. 17,000.00	Rp. 21,500.00
Our Cooking Oil	Liter	Rp. 15,000.00	Rp. 16,600.00
Egg	Kg	Rp. 29,000.00	Rp. 33,000.00
Meat	Kg	Rp. 125,000.00	Rp. 150,000.00
EPG Gas 3 kg	Kg	Rp. 19,000.00	Rp. 21,000.00

The table above shows the price difference between the market and Market Operation Activities. Where the data above shows that Market Operation Activities are able to reduce prices by around 11-13% compared to market prices. Most people admit that they are helped by this program, especially in obtaining basic necessities at more affordable prices. In the discussion, these results are in line with research (Siregar & Rokan, 2021) which states that market operations are effective in stabilizing food prices. The challenge faced is the limited reach of the program, so that the distribution of basic necessities is not evenly distributed in all areas of Balikpapan.

The data above shows a comparison chart of prices during Market Operation activities and prices in general markets. Overall, the analysis shows that there is a significant difference between the prices of market

operation activities and normal prices in the market, which is influenced by government policies to maintain economic stability and food accessibility for the community.

This activity also serves as a preventive measure against hoarding of goods and other fraudulent practices in the market. With the existence of an organized Market Operation, it is expected that business actors will be more compliant with the price and distribution regulations set by the government. I conducted interviews with several people who shopped at the Market Operation activity to explore their responses regarding the existence of this Cheap Market Operation. Many of them stated that they were very helped and happy with the existence of this Market Operation Program. One of the most highlighted points

is the prices offered, very affordable for them, especially in the city of Balikpapan who are currently having difficulty in obtaining LPG gas which is often scarce and prices are soaring in retail stores.

With this Market Operation, people feel more at ease because they can buy LPG gas at a price that is in accordance with the Highest Retail Price (HET). This not only makes it easier for them to meet their daily needs, but also provides an opportunity to get basic necessities at a reasonable price. This is highly appreciated by the community, especially in the midst of an unstable economic situation. Many people hope that activities like this can be carried out routinely so that more people can feel the benefits. This Market Operation program not only provides access to necessities, but also strengthens solidarity and social concern in the community.

## Conclusion

This study concludes that the implementation of Market Operations by the Balikpapan City Trade Office has proven effective in maintaining the stability of staple food prices and increasing people's purchasing power. This program has succeeded in providing staple food at affordable prices for residents, although there are still challenges related to distribution that need more attention. It is recommended that the Trade Office increase the frequency and reach of Market Operations, so that food security can be achieved more evenly throughout the community. In addition, further research is needed to monitor the long-term impact of this program and explore the potential for its application in other areas.

Furthermore, the results of this study indicate the importance of the active role of the Trade Office in organizing and implementing Market Operations. With the program continuing and expanding, it is hoped that the community can feel greater benefits, especially in terms of access to quality staple foods. Although the achievements of this program are impressive, existing distribution challenges must be overcome so that the impact is broader and more sustainable. Therefore, increasing the frequency and reach of Market Operations will not only help stabilize prices, but also support a more inclusive food security program. Further research will also be very useful to evaluate the effectiveness and adaptability of this program in various regional contexts, so that it can provide broader insights for future public policies.

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