

CHAPTER IV

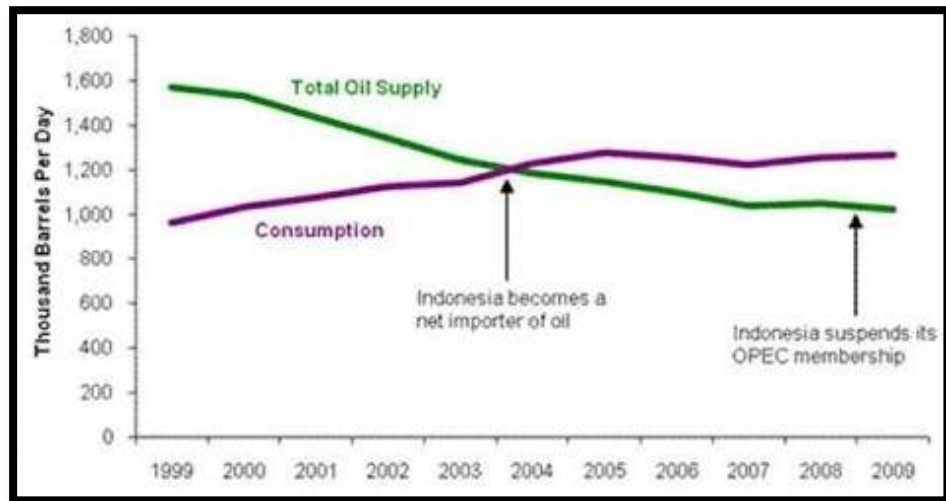
THE IMPACTS OF INDONESIA'S DECISION TO WITHDRAW FROM OPEC IN 2008 - 2015

In 2008, Indonesia decided to suspend its status in OPEC membership because Indonesia was no longer an oil exporting country. Indonesia might be once one of the main oil producing countries in the world, but it was all in the past. Since 1995, the oil production of Indonesia had been gradually declining by 12% rate each year, while the consumption of the people increased. The consumption rate finally exceeded the production rate. In 2004, Indonesia finally stopped being an oil exporting country and started becoming an oil importing country.

Being an oil importing country, the government of Indonesia felt that Indonesia no longer fit to be in the OPEC forum along with the other oil producing countries. The national interest of Indonesia was different from the other member states. No wonder, as an importer, Indonesia would want the price of oil to be as cheap as possible, while the other producing countries would want the price to be as profitable as possible. Being so, Indonesia did not have any bargaining position in the forum of oil producing countries. Furthermore, Indonesia could not follow the quota of oil production that OPEC

applied. Therefore, President Susilo Bambang Yudhoyono decided that Indonesia should suspend its membership in 2008.

Figure 4.1. Indonesia Oil Supply and Consumption, 1999 – 2009²⁰



After Indonesia's withdrawal in 2008, Indonesia experienced the impacts of its decision, both the positive or negative. The decision was taken under the national interest consideration at that time. However, as time and the world move on, Indonesia's need changes as well. In 2015, Indonesia surprisingly decided to rejoin OPEC once again although the oil production of Indonesia was not different from before. The rate of export and import of Indonesia's oil of the last decade can be seen in the following table.

²⁰ US Energy Information Administration, International Energy Statistic. (2015). *Short Term Energy Outlook*. Retrieved from www.eia.gov/todayinenergy/detail.php?id=23352

Table 4.1. Indonesia's Oil Export and Import, 1996 - 2015²¹

Year	Crude Oil		Net Oil	
	Export	Import	Export	Import
1996	38,254.9	9,349.9	10,689.3	10,133.8
1997	38,976.5	9,125.5	10,220.8	11,747.7
1998	36,914.0	10,473.3	8,435.9	10,941.0
1999	35,902.5	11,497.4	7,825.4	12,249.9
2000	29,225.9	11,473.5	8,786.6	13,971.0
2001	32,857.0	14,174.9	7,007.8	11,750.5
2002	29,054.4	15,880.0	7,574.0	15,116.0
2003	26,517.5	16,817.2	7,425.0	13,588.6
2004	23,467.8	18,930.4	6,800.4	15,971.5
2005	21,488.0	15,649.7	5,994.0	21,065.2
2006	18,127.9	14,642.5	7,046.9	18,657.8
2007	18,175.3	15,146.7	6,264.8	19,475.7
2008	18,235.0	12,749.0	5,724.0	22,391.2
2009	17,967.1	15,303.7	5,405.7	19,732.0
2010	18,132.4	14,249.6	7,322.8	25,123.9
2011	17,819.5	13,253.6	6,931.5	28,840.3
2012	14,973.1	12,550.1	5,629.5	28,534.5
2013	13,016.9	16,015.6	5,914.5	29,612.2
2014	12,400.0	16,185.9	5,556.9	29,093.6
2015	25,554.1	18,727.6	4,625.8	25,404.7

As a country, Indonesia must have taken the decision under great considerations and believed that the decision to rejoin OPEC once again in 2015 would bring more benefit than costs. Therefore, in this chapter, the writer would like to analyze the reasons of Indonesia in its decision to rejoin OPEC once

²¹ Badan Pusat Statistika. (2015). *Impor dan Ekspor Minyak Indonesia*. Jakarta: BPS. Retrieved from www.bps.go.id/linktabelstatis/view/id/1003

again in 2015 despite of the fact that the oil production was not much different than before.

In order to understand the reasons why Indonesia decided to rejoin OPEC in 2015, this thesis tries to explain what happened to Indonesia in the time gap between 2008 until 2015. The followings are incidents that happened in Indonesia when Indonesia suspended its membership from OPEC in 2008 – 2015.

A. Indonesia's Oil Needs Increased

Energy issue in East Asia has been an important issue after World War II. Countries in this region show good economic performance, like Japan, Korea, China, Singapore, Malaysia, Thailand, and Indonesia. These Asian countries have good reputations in developing their economy. These good economic performances are commonly motorized by the industrial sector. As a result, the needs for energy are also abundant. The drastic increase for energy needs is mostly seen on China. According to the statistic of International Energy Agency, the oil demand of China grew from 2.3 million barrels a day in 1989 to 5.5 million barrels a day in 2003. This demand increased to 7.15 million barrels a day in 2006 and is predicted to reach 13.5 million barrels a day by 2030.²² This number is incredibly high and obviously China would try to secure any

²² Ding, A. S. (n.d.). China's Energy Security Demands and the East China Sea: A Growing Likelihood of Conflict in East Asia. *The China and Eurasia Forum Quarterly*, 35.

import source from another country for the purpose of China's oil stock and meet the people's demand.

According to the data of oil import by the CIA, Indonesia ranks the 22th of the world's biggest oil importers. As seen in the table below, there are 21 more countries that would try their best to get the oil import from the oil producing countries. This situation becomes a threat for Indonesia. There is a risk that if the demands towards oil keep increasing while the production of oil is limited, Indonesia would not get the number of oil import that it needs.

Table 4.2. World Oil Imports Rate, 2013 – 2016²³

Rank	Country	Barrels/Day
1	United States	8.567.000
2	China	7.599.000
3	India	3.785.000
4	Japan	3.433.000
5	South Korea	2.815.000
6	Netherlands	1.884.000
7	Germany	1.884.000
8	Philippines	1.503.000
9	Italy	1.395.000
10	Spain	1.349.000
11	France	1.174.000
22	Indonesia	463.000

²³ Central Intelligence Agency. (2013-2016). Crude Oil Imports. Retrieved from cia.gov: <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2243rank.html>

The Ex-Governor of OPEC for Indonesia, Meizar Rahman, said, *“We are one of the largest oil importers in the world. We need energy diplomacy. In Asia, there is a kind of competition of being a buyer. Therefore, we need to maintain good relations with the OPEC member states as the oil exporters”*.²⁴

The statement of Meizar Rahman shows that it is one of Indonesia’s national interests to approach these oil exporting countries in order to ensure the guarantee of oil import from these OPEC countries for long-term stock.

Today, Indonesia imports its oil from at least 17 oil producing countries. As time goes, Indonesia’s needs towards oil import from another country increase gradually. This table below shows the oil import of Indonesia based on the country from 2008 until 2015.

²⁴ Okezone. (2015, May 8). Economy. Retrieved 8 8, 2017, from Okezone.com: <http://economy.okezone.com/read/2015/05/07/19/1146256/untung-rugi-indonesia-berstatuskan-anggota-opec>

Table 4.3. Indonesia Oil Imports Rate, 2013 – 2016 (Net: 000 Tons)²⁵

Country	2008	2009	2010	2011	2012	2013	2014	2015
Singapore	12.125	11.099	13.820	15.445	14.899	15.759	15.696	15.896
Malaysia	5.482	4.872	6.561	5.188	6.235	7.940	5.586	7.006
Saudi Arabia	5.488	5.470	6.030	5.363	4.680	6.243	6.754	6.313
South Korea	2.247	1.743	3.146	5.936	3.810	3.065	4.616	3.832
Kuwait	1.914	2.540	1.779	1.332	1.992	1.326	1.371	1.017
Brunei	3.064	1.410	1.089	1.207	477	767	695	243
Nigeria	123	1.146	1.484	1.855	3.136	3.715	4.033	3.062
Azerbaijan	133	1.570	1.517	2.053	1.463	2.152	3.032	2.789
Tiongkok	416	801	1.079	747	444	265	199	362
UAE								2.131
Turkey	1.042	735	0,1	267	0,0	1.276	927	
Total	35.476	36.006	40.499	43.727	44.255	49.053	48.869	48.309

As seen in Table 4.4, Indonesia obtains its oil imports from 17 countries.

However, Indonesia does not access of oil imports from all OPEC members. In 2015, among 14 active and full members of OPEC, Indonesia only gets its oil imports from Saudi Arabia, Kuwait, Nigeria, and United Arab Emirates.

²⁵ BPS. (2017, 2 28). Impor Minyak Bumi dan Hasil-Hasilnya Menurut Negara Asal Utama. Retrieved 8 9, 9, from Badan Pusat Statistik: <https://www.bps.go.id/linkTabelStatis/view/id/1046>

Table 4.4. Indonesia's Oil Imports from OPEC Countries in 2015

Country	Oil Import for Indonesia
Qatar	No
Libya	No
UAE	Yes
Algeria	No
Nigeria	Yes
Ecuador	No
Gabon	No
Angola	No
Equatorial Guenia	No
Iran	No
Iraq	No
Kuwait	Yes
Saudi Arabia	Yes
Venezuela	No

Among 14 OPEC member states, Indonesia only had imports from 4 countries in 2015, which was only ¼ of the total members. Meanwhile, Indonesia Energy Outlook 2015 that was published by the Agency for the Assessment and Application of Technology displays that Indonesia's needs to oil will increase by 4,9% every year and reach 682,3 Tonne of Oil Equivalent (TOE) in 2050. Based on the data, along with the increasing demand of oil import of Indonesia, the current import will not be sufficient to cover the oil demands in the near future. As a result, Indonesia needs to secure its oil import by establishing good relations with the oil producing countries, especially with the OPEC member states.

Furthermore, after Indonesia withdrew from OPEC in 2008, the production of oil in Indonesia did not get any better. According to Indonesia Energy Outlook 2015 that was published by the Agency for the Assessment and Application of Technology, Indonesia's needs to oil will increase by 4,9% every year and reach 682,3 Tonne of Oil Equivalent (TOE) in 2050. If Indonesia still depends on the current oil import sources, Indonesia will not be able to fulfill its oil needs in the future. Therefore, one of Indonesia's main reason to rejoin OPEC in 2015 is because Indonesia wanted to get and secure its oil import source from the OPEC countries.

B. Indonesia Bought More Expensive Oil Price

Indonesia also has been conducting the imports process from a third party, not directly to the oil producing country. Some of the third parties/tenders/traders are Arcadia, Shell, Total, Glencore, Vitol, Concord, Verita, Gunvor, PPT, Kernel, Bp, Unipecc, Petrochina, Petronas, Trafigura, SK, Conoco, and so on.²⁶²⁷ As a result, the price of the oil becomes more expensive. Indonesia wanted to obtain the direct access to the oil producing countries to get

²⁶ Pertamina. (2012, 2 23). Petral Lakukan Tender Terbuka Pembelian Minyak. Retrieved 8 2017, 9, from Pertamina.com: <http://www.pertamina.com/en/news-room/news-release/archieve-2012/petral-lakukan-tender-terbuka-pembelian-minyak/>

²⁷ Agustinus, M. (2016, 9 21). Finance. Retrieved 8 2017, 9, from Detik.com: <https://finance.detik.com/energi/3303506/impor-minyak-tak-lagi-lewat-petral-apa-yang-berubah>

cheaper price of oil by approaching the governments, including rejoining OPEC membership once again.

Beside Indonesia's needs in securing the long-term stock of oil from the OPEC member states, Indonesia also expected the cheaper price of oil imports from these member states. After being interviewed by journalists about why Indonesia decided to rejoin OPEC in 2015, Wiratmadja Puja, the Directorate General of Energy and Mineral Resources Ministry of Indonesia said that "By joining OPEC and maintaining good relationship with them, we aim to obtain long term supply of oil as well as the friendly price. We have our interests in it".²⁸²⁹ This statement is supported by the statement of Sudirman Said, the Minister of Energy and Mineral Resources of Indonesia in 2015. He stated that, "By becoming an OPEC member state, Indonesia could directly buy the oil from the other OPEC member states. Besides, the price could also be cheaper".

Based on the statement of Wiratmadja Puja, the Directorate General of Energy and Mineral Resources Ministry of Indonesia and Sudirman Said, the Minister of Energy and Mineral Resources of Indonesia, it is seen that Indonesia aimed to obtain the friendly price from these oil producing countries by rejoining the OPEC membership.

²⁸ Suryowati, E. (2015, 10 11). Ekonomi Makro. Retrieved 8 2017, 9, from Kompas.com: <http://ekonomi.kompas.com/read/2015/11/10/181222826/Alasan.Indonesia.Gabung.OPEC.Cari.Minyak.Harga.Teman>.

²⁹ Ariyanti, D. S. (2016, 12 2). Market. Retrieved 8 2017, 8, from Bisnis.com: <http://market.bisnis.com/read/20161202/94/608357/ri-non-aktif-sementara-dari-opek-akses-pasar-minyak-diyakini-masih-mudah>

By purchasing oil import from the third parties, Indonesia obtained oil with more expensive price. Furthermore, the statement of Sudirman Said, the Minister of Energy and Mineral Resources of Indonesia that confessed the intention of Indonesia to obtain cheaper price of oil, supports the argument that one of Indonesia's main interest in rejoining OPEC in 2015 is to get the cheaper price of oil import, especially from the OPEC countries.

C. Indonesia Could Not Access OPEC's Information

OPEC owns a division that is responsible in conducting research to develop the newest oil technology and information. This research division is really prominent in OPEC. Hence, it consists of four other departments supporting it, such as the Data Services Department, Petroleum Studies Department, Energy Studies Department, and Environmental Matters Unit.³⁰ As the research is incredibly important to the development of oil industry and needs a lot of facilities, the budget of the research also costs a lot of money. Therefore, every member states of OPEC are obliged to pay 2 million USD every year to fund the research process. In addition, this research data and result is also not opened for public. They are considered as classified information and only the member states of OPEC could access the information. Indonesia considered this huge benefit if they rejoin OPEC membership once again. They would be able

³⁰ OPEC. (2017). Research Division. Retrieved 8 8, 2017, from OPEC.org: http://www.opec.org/opec_web/en/154.htm

to access the classified information. However, Indonesia also considered the huge amount of money that Indonesia needs to pay to OPEC.

However, 2 million USD is not an expensive price if seen from another perspective. There were 13 (14 including Indonesia) member states of OPEC. If one member state pays 2 million USD, then there will be 26 – 28 million USD budget for research purpose. Therefore, Indonesia could get information that is worth 26 – 28 million USD only by paying 2 million USD.

Since Indonesia's membership status in OPEC was suspended, Indonesia lost its source of information since 2008 until 2015. The result of seven years researches could not be accessed by Indonesia. However, if Indonesia rejoins OPEC, Indonesia could access the classified information that OPEC stored for the last seven years. Therefore, if Indonesia rejoins OPEC in 2015, Indonesia could save 12 million USD (equal to 390 Billion Rupiah) to get the seven years research data that is worth 182 – 196 million USD (equal to 2.730 – 2.940 trillion Rupiah).

D. Indonesia Did Not Get OPEC Fund Solidarity Aid

As an international organization, OPEC established a finance institution to aid the underdeveloped countries and strengthen the solidarity and

cooperation between the member states, namely OPEC Fund for International Development (OFID). This institution aims to provide financial supports to member states in need. The methods of funding are run through several ways, such as:

1. Extending financial assistance in the form of loans for development projects and programs, balance of payment support, and trade financing;
2. Funding private sector activities in developing states;
3. Providing grants in support of technical assistance, food aid, research and similar activities, and humanitarian emergency assistance;
4. Contributing to the resources of other development institutions whose work benefits developing countries;
5. Serving as agent of OPEC member in the international financial arena whenever collective action is considered appropriate.

As an international organization, OPEC is also well-known of the solidarity among the member states. In 2004, OPEC Fund for International Development (OFID) provided 600.000 USD for emergency fund in which half of it was donated for the rehabilitation and reconstruction of Aceh and North Sumatera that were destroyed by Tsunami in 2004.³¹ OPEC Fund provided financial assistance through its emergency aid program to any countries in need. However, the amount of financial assistance is different. The OPEC member

³¹ Setiawan, J. A. (2016, 12 8). Indonesia dan OPEC. Retrieved 8 10, 2017, from Pressreader.com:
<https://www.pressreader.com/indonesia/kompas/20161208/281608125059852>

states are always prioritized by the OPEC Fund. The tables and charts below will describe the emergency aids that OFID provided in 2004.³²

Figure 3.2. OFID Emergency Aid in 2004

Emergency Aid to Morocco	
Sector:	Humanitarian Aid
Organization:	IFRC
Country:	Morocco
Region:	Africa
Amount:	US\$250,000
Approval Date:	3/2/2004
Co-financiers:	
Total Cost:	US\$
Executing Agency:	
Grant administrator:	OPEC Fund for International Development
Project Description:	The grant was extended towards the provision of emergency relief items for the benefit of the victims of the earthquake which struck the north-eastern coast of Morocco in February 2004. The grant has been channeled through the International Federation of Red Cross and Red Crescent Societies (IFRC).

Source: OFID Emergency Aid

<http://www.ofid.org/Grant-Types/Emergency-Aid>

³² OFID. (2004, 12 29). Emergency Aid. Retrieved 8 9, 2017, from OFID: <http://www.ofid.org/Grant-Types/Emergency-Aid>

Emergency Aid	
Emergency Aid to the Dominican Republic	
Sector:	Humanitarian Aid
Organization:	UNOCHA
Country:	Dominican Republic
Region:	Latin America
Amount:	US\$100,000
Approval Date:	5/28/2004
Co-financiers:	
Total Cost:	US\$
Executing Agency:	
Grant administrator:	OPEC Fund for International Development
Project Description:	The grant was extended to acquire emergency relief supplies to help alleviate the plight of the victims of the severe floods which struck the Caribbean region. The grant allocated to the Dominican Republic was channeled through the United Nation Office for the Coordination of Humanitarian Affairs (UNOCHA).

Emergency Aid	
Emergency Aid to Haiti	
Sector:	Humanitarian Aid
Organization:	UNOCHA
Country:	Haiti
Region:	Latin America
Amount:	US\$100,000
Approval Date:	5/28/2004
Co-financiers:	
Total Cost:	US\$
Executing Agency:	
Grant administrator:	OPEC Fund for International Development
Project Description:	The grant was extended to acquire emergency relief supplies to help alleviate the plight of the victims of the severe floods which struck the Caribbean region. The grant allocated to Haiti was channeled through the United Nation Office for the Coordination of Humanitarian Affairs (UNOCHA).

Emergency Aid	
Emergency Aid to the Darfur Crisis	
Sector:	Humanitarian Aid
Organization:	IFRC
Country:	Chad
Region:	Africa
Amount:	US\$100,000
Approval Date:	8/19/2004
Co-financiers:	
Total Cost:	US\$
Executing Agency:	
Grant administrator:	OPEC Fund for International Development
Project Description:	The grant will be used for the provision of essential relief supplies and emergency operations for Sudanese refugees in Chad. The grant was channeled through the International Federation of Red Cross and Red Crescent Societies.

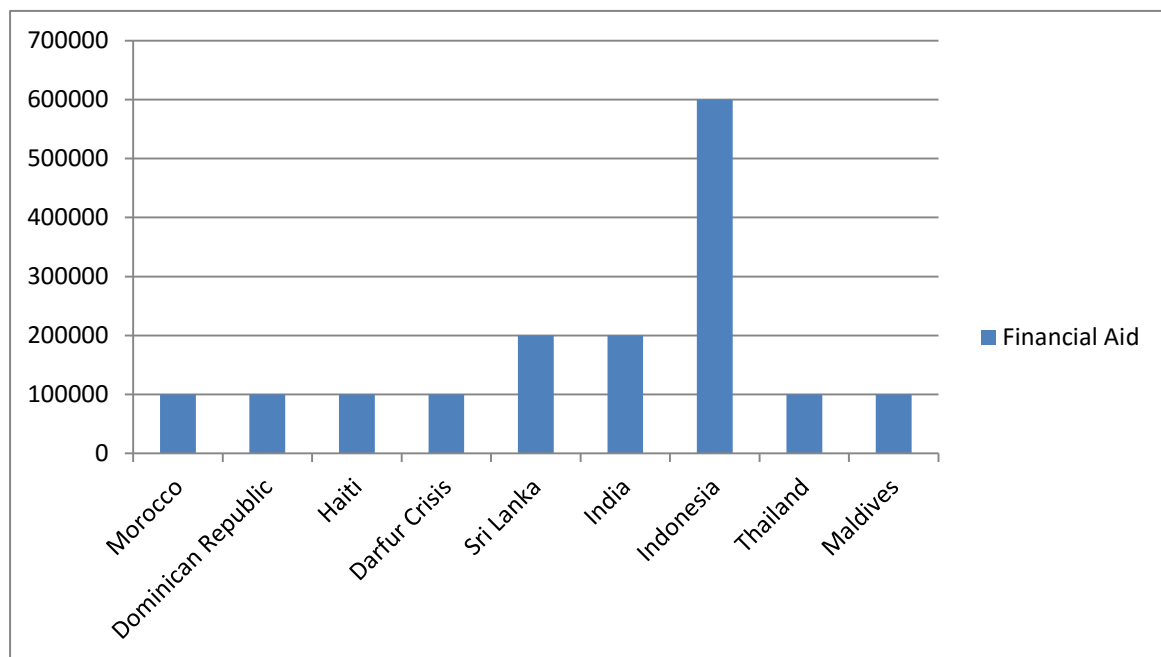
Emergency Aid	
Emergency Aid to the Darfur Crisis	
Sector:	Humanitarian Aid
Organization:	IFRC
Country:	Sudan
Region:	Africa
Amount:	US\$100,000
Approval Date:	8/19/2004
Co-financiers:	
Total Cost:	US\$
Executing Agency:	
Grant administrator:	OPEC Fund for International Development
Project Description:	The grant was extended for the provision of essential relief supplies and emergency operations for displaced people in The Sudan. The grant was channeled through the International Federation of Red Cross and Red Crescent Societies.

Emergency Aid	
Emergency Aid to Sri Lanka	
Sector:	Humanitarian Aid
Organization:	IFRC
Country:	Sri Lanka
Region:	Asia
Amount:	US\$200,000
Approval Date:	12/29/2004
Co-financiers:	
Total Cost:	US\$
Executing Agency:	
Grant administrator:	OPEC Fund for International Development
Project Description:	The grant was extended towards the provision of essential relief supplies and emergency operations to help the victims of the devastating earthquake and the tsunami which struck the South-East Asian countries. The grant was channeled through the International Federation of Red Cross and Red Crescent Societies (IFRC).
Emergency Aid	
Emergency Aid to India	
Sector:	Humanitarian Aid
Organization:	IFRC
Country:	India
Region:	Asia
Amount:	US\$200,000
Approval Date:	12/29/2004
Co-financiers:	
Total Cost:	US\$
Executing Agency:	
Grant administrator:	OPEC Fund for International Development
Project Description:	The grant was extended towards the provision of essential relief supplies and emergency operations to help the victims of the devastating earthquake and the tsunami which struck the South-East Asian countries. The grant was channeled through the International Federation of Red Cross and Red Crescent Societies (IFRC).

Emergency Aid	
Emergency Aid to Indonesia	
Sector:	Humanitarian Aid
Organization:	IFRC
Country:	Indonesia
Region:	Asia
Amount:	US\$600,000
Approval Date:	12/29/2004
Co-financiers:	
Total Cost:	US\$
Executing Agency:	
Grant administrator:	OPEC Fund for International Development
Project Description:	The grant was extended towards the provision of essential relief supplies and emergency operations to help the victims of the devastating earthquake and the tsunami which struck the South-East Asian countries. The grant was channeled through the International Federation of Red Cross and Red Crescent Societies (IFRC).
Emergency Aid	
Emergency Aid to Maldives	
Sector:	Humanitarian Aid
Organization:	IFRC
Country:	Maldives
Region:	Asia
Amount:	US\$100,000
Approval Date:	12/29/2004
Co-financiers:	
Total Cost:	US\$
Executing Agency:	
Grant administrator:	OPEC Fund for International Development
Project Description:	The grant was extended towards the provision of essential relief supplies and emergency operations to help the victims of the devastating earthquake and the tsunami which struck the South-East Asian countries. The grant was channeled through the International Federation of Red Cross and Red Crescent Societies (IFRC).

Emergency Aid	
Emergency Aid to Thailand	
Sector:	Humanitarian Aid
Organization:	IFRC
Country:	Thailand
Region:	Asia
Amount:	US\$100,000
Approval Date:	12/29/2004
Co-financiers:	
Total Cost:	US\$
Executing Agency:	
Grant administrator:	OPEC Fund for International Development
Project Description:	The grant was extended towards the provision of essential relief supplies and emergency operations to help the victims of the devastating earthquake and the tsunami which struck the South-East Asian countries. The grant was channeled through the International Federation of Red Cross and Red Crescent Societies (IFRC).

Figure 4.3. OFID Emergency Aid in 2004 (by USD)



Based on the chart above (see figure 4.2), it can be seen that the average rate of emergency aid that OFID provided to the non-members was 100.000 USD while it provided Indonesia 600.000 USD, which is 6 times than the non-member states. However, after Indonesia withdrew from OPEC membership in 2008, Indonesia did not get OFID emergency assistance when Indonesia was in need. In 2010, one of the biggest volcanoes in Indonesia erupted in Central Java, which was the Merapi Volcano. However, based on the OFID Annual Reports 2010, OFID only provided emergency assistances to Burkina Faso, Chile, Egypt, Haiti, Mongolia, Niger, and Pakistan, as seen in Figure 4.3.

Figure 4.4. OFID Emergency Fund, 2010³³

Recipient	Amount
Burkina Faso	200
Chile	250
Egypt	50
Haiti	500
Mongolia	250
Niger	200
Pakistan	500
Emergency Assistance	1,950

Source: OFID Annual Reports 2010

http://www.ofid.org/Portals/0/Publications/Annual%20Reports/AR_2010_Engl.pdf

³³ OFID Annual Reports 2010 http://www.ofid.org/Portals/0/Publications/Annual%20Reports/AR_2010_Engl.pdf

As seen in Figure 4.3, OFID provided its emergency assistances to several countries. However, Indonesia was not one of them even though Indonesia suffered a serious natural disaster at the time. This was a big loss for Indonesia because Indonesia could have been aided by OPEC (through OFID) if Indonesia had been a member of OPEC at the time. Therefore, Indonesia wanted to obtain this privilege of OFID emergency assistance by rejoining OPEC in 2015.

E. Indonesia's Rational Choice in Rejoining OPEC in 2015

Based on the data in the previous sub-chapters, there are several benefits and costs of Indonesia's considerations to rejoin OPEC in 2015. Both available options – rejoining OPEC or not rejoining OPEC – have their own benefits and costs. In order to understand how Indonesia determined which option to take, the writer uses the rational choice theory to see which option has more benefit than cost, which could be seen in the table below.

Table 4.5. Indonesia's Rational Choice: Benefit and Cost

Available Options	Benefits	Costs
Rejoining OPEC	<ul style="list-style-type: none"> - Direct and guarantee long-term stock of oil; - Friendly price of oil; - Access to classified information; - OPEC solidarity aid. 	<ul style="list-style-type: none"> - Indonesia has to pay 2 million USD/year for research purpose - Indonesia has to follow the production quota regulation of OPEC
Not Re-joining OPEC	<ul style="list-style-type: none"> - Indonesia does not have to pay 2 million USD/year to OPEC for research purpose - Indonesia does not have to follow the production quota regulation of OPEC 	<ul style="list-style-type: none"> - Indonesia needs to find another alternative to secure its oil import source in the future - No access to OPEC classified information. - No solidarity aid from OPEC

The table above (see Table 4.5) shows the rational choice that clearly compares the benefits and costs of two available options. The option to rejoin OPEC in 2015 seems to be more beneficial than the other option. Therefore, the reasons why Indonesia decided to rejoin OPEC once again in 2015 was because Indonesia believed that rejoining OPEC would bring more benefits than costs.