

Mandatory Biodiesel Target Can Save Foreign Exchange US\$ 6.7 Billion

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DGNREEC—Based on Minister of Energy and Mineral Resources Regulation No.20 of 2014, Government targets foreign exchange saving achieves US\$6.7 Billion by Mandatory of Biodiesel (a.k.a BBN) Utilization Program.

“Nowadays Biodiesel utilization for transportation and industry sectors are 10 Percent (B10) and will be increase from 20 percent (B20) becomes to 30 percent (B30) on 2016, and here we are targeting US\$ 6.7 Billion of foreign exchange saving”, said Mr. Rida Mulyana, Director General of DGNREEC at ITB Campus, Bandung, Tuesday, 23 September 2014.

He explained, all this time 94 percent of Indonesia’s Energy needs still relies on fossil, but this condition could not keep continues”, if could not change, not only we have to spend big amount to meet the needs of Fuel but also we are start to dependence on other countries, it is means Indonesian energy independence would be undermined”, Said Mr. Rida.

Considering this condition, the Biodiesel utilization is the solution to reduce dependence of import fuel. “We have abundant palm oil potential, and the production achieves 40 percent, we should be in the forefront”, said Mr. Rida.

Along with 5 percent per year of increasing of domestic diesel oil consumption, with domestic production is only 75 per cent of total demand and dwindling reserves, Utilization of abundant potential domestic biodiesel production in Indonesia as substitute for petroleum oil fuel, is one of effort in order to reduce budget deficit and dependences on fossil fuel.

On 2012, Indonesian Crude oil Production is about 860 thousand barrel per day (a.k.a bph), on the other side the needs achieved 1.3 million barrel per day (a.k.a bph). As the result, we had imported crude oil and fuel 500 thousand barrel per day.