

Accelerating Clean Energy Transition and Achieving Net Zero Emissions with Biodiesel Policy



**COORDINATING MINISTRY FOR ECONOMIC AFFAIRS
REPUBLIC OF INDONESIA**

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The mandatory biodiesel program in Indonesia has been running for 14 years. This program has been giving significant impacts on economy, society and environment during years. Indonesia's biodiesel program is also the largest, the highest blend, and the longest compared to similar mandatory programs in other countries.

The mandatory biodiesel program policy has shown promising developments; this will increase biodiesel production in Indonesia. This is a positive signal considering that the world's consumption of biofuels will also increase.

“The mandatory biodiesel program in our country is an extraordinary initiative and achievement, and how it develops in the future deserves our attention. Together with other palm oil producing countries, we want to show biodiesel mandatory as a part of the Road to G20 event which will be held in conjunction with the G20 Energy Transitions Working Group meeting in Yogyakarta,” said Coordinating Minister for Economic Affairs Airlangga Hartarto, in his virtual speech at the 3rd Palm Biodiesel Conference 2022, Thursday (24/03).

Coordinating Minister Airlangga reiterated that Indonesia is committed to accelerate clean energy transition with biodiesel policy in order to achieve net zero emissions. The commitment in using palm oil as a biofuel base will support Indonesia to achieve its energy security and energy mix target of 23% by 2025.

At the 21st United Nations Framework Convention on Climate Change (UNFCCC) 2015 in Paris, President Joko Widodo also stated Indonesia's determination to reduce greenhouse gas emissions by 29% through business as usual by 2030, and it could reach 41% if Indonesia get assistance from international parties.

"The palm oil industry is ready to support this vision, because the use of B30 in 2021 alone is estimated to have reduced GHG emissions by 24.6 million tons of CO₂, and this amount is equivalent to 7.8% of the target for achieving renewable energy in 2030," explained Coordinating Minister Airlangga.

B30 production in 2021 will reach around 9.4 million kiloliters or equivalent to 64.14 million barrels. The conversion from CPO to B20 increases the added value up to IDR13.19 trillion. That added value will safeguard foreign exchange reserves of US\$2.64 billion from reducing imports of fossil fuels.

"I want to emphasize the role of biodiesel policies that affect the economy, for example to meet domestic demand, job creation, green economy, stability of palm oil prices, and smallholder income, which will later contribute to the achievement of the United Nations 2030 Sustainable Development Goals," said Coordinating Minister Airlangga.

Biodiesel development, said Coordinating Minister Airlangga, will not stop at B30, but it will be developed until green fuel can replace diesel oil, then green gasoline can replace gasoline, and bioavtur can replace fossil avtur.

Indonesia will also further strengthen its strategy in future by collaborating with other palm oil producing countries, and underline the progress and leadership of major producing countries such as Indonesia, Malaysia, Thailand and Colombia. This will strengthen the mandate of biodiesel as an important part of the palm oil industry.

"I also want to encourage the Council of Palm Oil Producing Countries (CPOPC) to continue collaborating with industry and associations, strengthening cooperation with other producing and consuming countries, prioritizing biodiesel mandates going forward. Let's intensify efforts to build a common understanding, as well as acceptance from consumer countries, to use palm oil-based biodiesel, because it is sustainable, clean and renewable," concluded Coordinating Minister Airlangga.

Notable attendees at the event, including Malaysian Minister of Plantation and Commodity Industries Datuk Zuraida Kamaruddin, CPOPC Executive Director Datuk Yusof Basiron, General Chairperson of the Indonesia Biofuel Producer Association (APROBI) M. P. Tumanggor, and APROBI Daily Chief Paulus Tjakrawan. (rep/fsr/mhm)

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