INDONESIAN GOVERNMENT PERSPECTIVE ON ENERGY SUBSIDY REFORM

Jakarta - June 17, 2021
The government reduced the types of subsidized fuels from 7 to 5 types.

- Types of subsidized fuels are further reduced from 5 to 3 types.
- Industries are no longer allowed to use subsidized diesel fuel (solar)
- **Significant increase** of fuel prices

The government aimed to reduce the consumption of subsidized kerosene fuels through the **LPG (3 kg) conversion program**.

- Subsidies for the gasoline (Premium) fuels are eliminated.
- Fixed subsidies for diesel fuel (solar) is determined to be Rp 1000 / lt.
- Energy subsidies **significantly decreased** from the previous years.

### Fixed Subsidies for Diesel Fuel (Solar)

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<tr>
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</thead>
<tbody>
<tr>
<td>2015</td>
<td>Rp 1000 / lt</td>
<td>Rp 1000 / lt</td>
<td>Rp 500 / lt</td>
<td>Rp 500 / lt</td>
<td>Rp 2000 / lt</td>
<td>Rp 1000 / lt</td>
<td>Rp 500 / lt</td>
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Energy subsidies for the last 6 years are reduced for approximately Rp. 745 T compared to the previous 6 years.

Shifted to more productive spending.
Trend of Electricity Consumptions 2010 – 2021
(Subsidized & Non-subsidized)

Electricity Consumption (TWh)

- **Subsidized**
- **Non-subsidized**

<table>
<thead>
<tr>
<th>Year</th>
<th>Subsidized</th>
<th>Non-subsidized</th>
</tr>
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<tbody>
<tr>
<td>2010</td>
<td>145,6</td>
<td>100%</td>
</tr>
<tr>
<td>2011</td>
<td>156,3</td>
<td>100%</td>
</tr>
<tr>
<td>2012</td>
<td>172,2</td>
<td>100%</td>
</tr>
<tr>
<td>2013</td>
<td>185,5</td>
<td>82%</td>
</tr>
<tr>
<td>2014</td>
<td>196,4</td>
<td>74%</td>
</tr>
<tr>
<td>2015</td>
<td>200,6</td>
<td>64%</td>
</tr>
<tr>
<td>2016</td>
<td>213,5</td>
<td>64%</td>
</tr>
<tr>
<td>2017</td>
<td>221,1</td>
<td>65%</td>
</tr>
<tr>
<td>2018</td>
<td>232,2</td>
<td>66%</td>
</tr>
<tr>
<td>2019</td>
<td>243,1</td>
<td>65%</td>
</tr>
<tr>
<td>2020</td>
<td>241,1</td>
<td>75%</td>
</tr>
<tr>
<td>2021</td>
<td>266,5</td>
<td>23%</td>
</tr>
</tbody>
</table>

**Percentage Breakdown:**
- **2010:** 100%
- **2011:** 100%
- **2012:** 100%
- **2013:** 82%
- **2014:** 74%
- **2015:** 64%
- **2016:** 64%
- **2017:** 65%
- **2018:** 66%
- **2019:** 65%
- **2020:** 75%
- **2021:** 23%

**Electricity Consumption (TWh):**

- **2010:** 145,6
- **2011:** 156,3
- **2012:** 172,2
- **2013:** 185,5
- **2014:** 196,4
- **2015:** 200,6
- **2016:** 213,5
- **2017:** 221,1
- **2018:** 232,2
- **2019:** 243,1
- **2020:** 241,1
- **2021 (APBN):** 266,5
- **2021 (TW1):** 25%
Stop Fuel Imports (Gasoline + Diesel)

A. TARGET
Stop fuel imports (gasoline) by 2030 at the latest.

B. ACTION
1. Increasing the capacity of refinery through development of new refinery unit.
2. Encouraging utilization of electric and gas-fueled vehicles.
3. Optimizing biofuel by intensifying the utilization of B30 – B100.

C. BENEFITS
Saving of national revenue (2021-2040) of USD16.7 billion/ years.

Stop LPG Imports

A. TARGET
Stop LPG Imports by 2030 at the latest.

B. ACTION
1. City gas pipeline installations for 10 million households.
2. Encouraging utilization of electric stove.
3. Optimizing production of LPG through development of refinery unit.
4. Developing DME & methanol.

C. BENEFITS
Saving of national revenue (2021-2040) of USD4 billion/ years.
Thank You

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