

STATEMENT
MINISTER OF ENERGY AND MINERAL RESOURCES
OF THE REPUBLIC OF INDONESIA

DELIVERED BY DR. R. SUKHYAR
ASSISTANT TO THE MINISTER

AT THE SPECIAL EVENT ON FORESTRY AND ENERGY
FAO CONFERENCE
ROME, 20 NOVEMBER 2007

Mr. Chairman.
Chairman
Distinguished Delegates,

*Really appreciate
this FAO in organizing
this event.*

It is a great honour for me to be with you today. On behalf of the Minister of Energy and Mineral Resources of the Republic of Indonesia allow me to address to this forum the ~~issue on energy and forestry.~~

*the high level special
events are power and energy.*

Energy sector in Indonesia has played a significant role, it is sources of state's revenues, provides energy sources for domestic energy needs, and serves feed stocks and fuel for other industries. Last year the energy sector mainly from oil and gas sales contributed 30% of the state's revenue. However, in the same time the government has to provide oil subsidy for domestic uses. About 60% of domestic oil consumption is subsidized. With current oil price the government in 2007 has to provide 10 billion US dollars for oil subsidy excluding electricity subsidy. Additionally the subsidy for electricity is about 3 billion US dollars due tariff subsidy. It is not easy to remove the subsidy because of social costs that the government has to overcome. This can only be done by gradual manner. Therefore, the crash program the government is doing now is to reduce the use of oil in power generation and other domestic uses.

energy

Distinguished Delegates,

The other challenges on energy development are low electrification ratio (58%) and rapid growth of energy consumption about 6-7% that the government has to cope. Additionally the number of unemployment is also high standing at 11% last year, to which the government has to address and resolve.

We learn from other countries which survived from several oil crisis. They intensively conducted three major policies, namely energy diversification, energy efficiency and application of market mechanism on energy price. To respond the problems we are facing the government and the parliament have just endorsed Energy Law with the mission is to secure domestic energy supply. For this purpose the government has set up a target until 2025 to reduce the share of oil in energy mix from ~~20%~~ ^{short} current 52% to become 20% in 2025. The share of renewable energy will be increased from 4 ^{to} to become 17 % in 2025, which is including 6% of bioenergy. *Ry.*

in Indonesia
Distinguished Delegates,

The development of bioenergy has ^a specific mission, of which the government has to provide jobs and alleviate poverty. Bioenergy allows participation of communities including farmers, it ~~also~~ ^{also} can improve and support regional and local economy. Bioenergy development program is aimed to create what so called energy self sufficient villages. By doing this, in the short-run the government is able to create about 3.5 million jobs ~~until~~ ^{by} 2010, and in the long run the development of bioenergy can also be exported as well and replace the use of fossil oil. *in many uses*

Indonesia
Land use for energy resources production has become an issue in respect to protection of forest areas. We are aware that in some parts energy resources such as geothermal and coal may overlap with forest land. Under this condition two sectors forest and energy must harmonize and synergize the policies in order the resources we are blessed can be optimized for the benefit of energy security and environmental and forest protection. For this purpose the use adaptive technology is vital to extract energy sources from the ground. Planning of energy resources development using lands has to be integrated with the plan of forestry plan. In regard to the bioenergy development, feed stocks are planted on unused land. Under this situation ^{that} there is no trade-off between existing forest and biofuel land. *including rehabilitation lands of mining areas*

Distinguished Delegates,

Recently on September 24, 2007 Tropical Rainforest Countries Leaders of Brazil, *crop lands*, Cameroon, Colombia, Congo, Costa Rica, Democratic Republic Congo, Gabon, Indonesia, Malaysia, Papua New Guenia and Peru made joint statement with the focus to work hand in hand to promote sustained economic growth, sustainable development and eradication of poverty while intensifying and collective efforts for the management., conservation and sustainable development of all types forests.

In regional level Indonesia, Malaysia and Brunei work together to preserve and better manage 22 million hectares of tropical forests in the project known as Heart of Borneo.

Distinguished Delegates.

In the first week of December this year Indonesia will be hosting Conference of the Parties COP-13 in Bali. The Bali Agenda seems to be in line with what we aiming today. We are

fully aware that CO2 emissions are by products of energy consumption, but by reducing energy consumption would slow down our economic development. However, CO2 emission can be reduced without reducing energy consumption by applying Carbon Capture Storage (CCS), and by promoting renewable resources as well as improvement measures on energy efficiency. In this occasion we would like to lend your support for the success of the COP-13 meeting in Bali.

Distinguished Delegates, *Indonesia*

Recognizing ~~the~~ current advances of technology development in bioenergy in developed *development from woody and other* countries, *other* we encourage ~~the~~ transfer of the technology into developing countries to better and efficient bioenergy production. Indonesia is ready to cooperate with stakeholders in research and application of technology for bioenergy development.

Finally, I call to all FAO members to work closely to create effective and strategic approach to generate ^{bio}energy sources for humankind and improved forest management.

Thank you. *Mr. chairperson*
for the time given to
Indonesia

In this same time is to
achieve sustainable