

## Bio Fuel Research Workshop

HIGHLIGHTS OF THE SPEECH ELIVERED BY THE CHAIRMAN OF  
THE INDONESIAN RENEWABLE ENERGY SOCIETY (IRES/METI)  
The Asean Room , The Sultan Hotel, Jakarta, February 4-5, 2009

- In 2006, the government of Indonesia has issued strategic policies on the development of bio fuels to reduce its dependence on fossil energies and at the same time it wished to strengthen the national energy security.
- The policies followed by the establishment of the National Team for Bio Fuel Development and the enactment of the Energy Law No. \_\_\_ which among other things, supports the development of renewable energy, has spurred “euphoria” among the public as well as private sector on the imminently bright prospects of bio fuel business.
- For some reasons, however, the euphoria unfortunately did not materialize into having bold and real activities that respond to the government intentions, and it came into a controversial situation instead, which had further confused and discourage investors.
- We at METI/IRES are concerned about this situations we truly believed in the potential strategic role of bio energy in reducing dependence on fossil fuel and in combating the global climate change.

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- We saw some fundamental reasons for the problems that handicap the bio fuel development in Indonesia, which include **1)** lacking clear and consistent strategic plan which should be followed up into making real action plan **2)** uncertainty about the national pricing policy vis a vis the (subsidized) fossil energy’s price **3)** lacking clear directions and effective leadership from the country authorities that would ensure and drive all the related stakeholders to take actions, and **4)** the policies seemed to assume that the country already has the necessary foundation and other prerequisites produced by extensive research ( in technology, in socio-economic implications of the ‘paradigm shift’ in the energy sector, etc), which at that time it has not
- This workshop is to identify the problems of the strategic stagnation in the bio fuel development, particularly related to needed research that should form one of the pre-conditions for the development , and to take stock on the current status of development.

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- The workshop will discuss various research works on bio fuels, which hopefully would cover the up as well as the down stream chains of activities. Those which are on going, as well as those currently being proposed but still could not find the way to start the work.
- METI/IRES welcomes and strongly support the idea of conducting this workshop initiated by Cooperation in Development Europe (CDE) in collaboration with Institute for Global Environment Strategy (IGES), Japan.
- At the end of the workshop, CDE and METI would form a steering committee that would evaluate the research proposals presented at the workshop. This committee shall work in consultation with relevant components within the Research and Technology (Ristek) Ministry and other competent institutions .

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- The results of the Steering Committee's deliberations in the process of the evaluation will become the basis upon which reasonable research funds and other assistances could eventually be obtained from various national and international resources to make it works and produce the expected benefits.
- Hopefully the workshop could contribute to the further development of sustainable bio fuels business in Indonesia.
- METI thanks to the IGES as the main sponsor of the event and to other sponsors and organizations for their generous support and assistance to make this workshop a success.

Jakarta, February 4<sup>th</sup>, 2009

Hilmi Panigoro

Chairman of IRES/METI