

# Bioenergy in Indonesia

## A False Start

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## Confusion & Frustration

How can a country and an Industry with so much potential have made so little progress?

- Government mandates
- Media statements
- Existing feedstock
  
- Conflicting information and statements

# Why the Lack of Progress

1. Lack of profit
2. No fixed price structure
3. Large established industry is subsidized while a new industry is not
4. Distribution & storage systems
5. Confusion
  1. Good or bad?
  2. First or second generation?
  3. What feedstock?
  4. What investment required?
  5. Investment sources?
  6. Will biofuels really develop in future?

“Do it alone approach”

# What is the Future?

1. Fossil fuels will run out and something has to replace them. Biofuels will almost certainly make up an important part of this.
2. The land is there!
3. Social issues can be solved and communities involved. Look at the rubber example.
4. Sooner or later the Government will most likely sort out the pricing and subsidies issue.
5. Funding is available for biofuel development.

# What Needs to be Done?

## 1 : Government

- Needs to establish a clear and responsible leader
- Price structures and subsidy issues resolution
- Selling points & distribution systems
- Make model projects – small (ESSV) and large
- Make information packages to regions

## 2 : Private Industry

- Time to plan and prepare
- Find the land and establish the feedstock
- Create strategic alliances with professional institutions in order to stay abreast of developments.

# How to Influence the Government?

1. Media – influences public opinion
2. Form a strong working group out of this conference
3. Use large industry that have strong contacts into the government

# Closing Statements

- The first initiatives must come from the Government but private industry holds the true key to the future of bioenergy within Indonesia. These companies need to be preparing now to immediately take advantage as the industry becomes profitable.

**The Future does look bright if one is prepared to look beyond the current, hopefully short term, crisis!**