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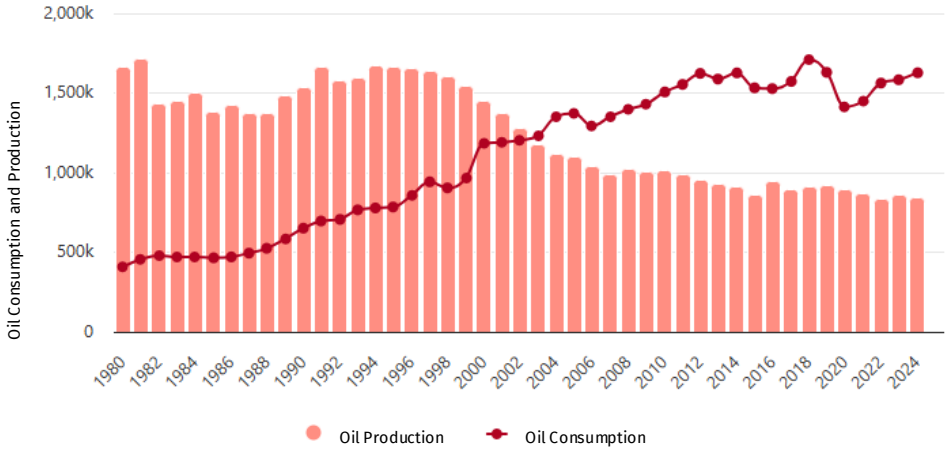
Energy Security: Indonesia

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Indonesia's Reliance on Fuel Imports Makes It Vulnerable to Global Oil Price Shocks.

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History of Oil Consumption and Production



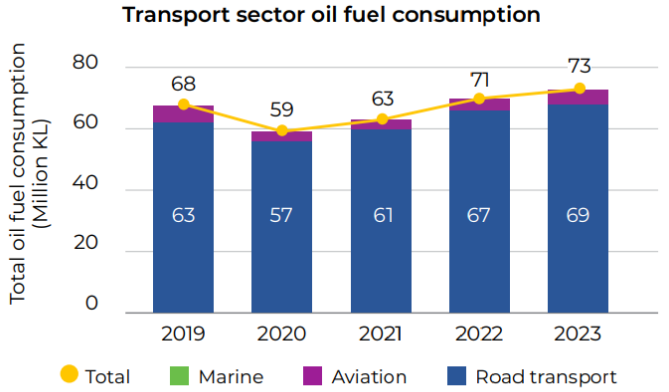
Source: worldometers

Indonesia has been a **net importer** since **2004**

In 2023, Indonesia imported USD 22 billion fuel*

*includes all types of fuel for vehicles, energy, sea and air transport

36% of fuel consumption for **transportation**



Source: HEESI, 2023

Fuel price volatility impact transport cost

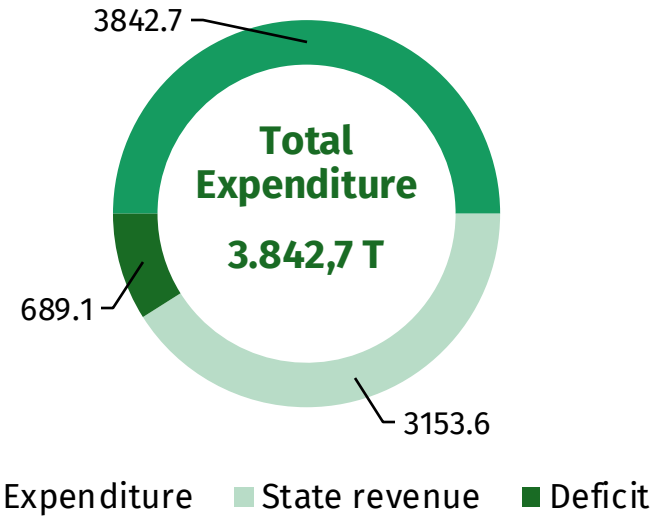
VOLATILE GLOBAL OIL PRICES → **HIGHER FUEL IMPORT COST** → **FISCAL PRESSURE OR HIGHER FUEL PRICES** → **INCREASING TRANSPORT COST**

Source: Institute for Essential Services Reform (IESR). (2025, July). Indonesia Sustainable Mobility Outlook 2025 Driving Transport Decarbonization: Multi-pathways to Sustainable Mobility in Indonesia.

Fuel Dependence Exposes Indonesia to Fiscal Pressures and Disruptions in Daily Mobility.

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National Budget (APBN) of Indonesia 2026



Source: Ministry of Finance

Selection Expenditure Allocations

	Share of Total Expenditures	IDR Trillion	USD Billion
Energy subsidies and compensation	9.92%	381.3 Gasoline and diesel: 25.14	21.18
Free Nutritious Meals (MBG)	5.6%	249	13.83
Ministry of Transportation Budget for public transport, sea, and air transport combined	0.74%	28.49 Land transport : 9.48	1.58

0% 100%

Selected allocation 100% of total APBN Expenditure

**Exchange rate: USD 1 = IDR 18.000*

Disrupted fuel deliveries resulted in long queues and hours spent refuelling

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Long Queues at Bali Gas Stations: What Disrupts Fuel Distribution?

According to Pertamina data, the average daily consumption of **Pertalite in Bali is around 2,200 kiloliters**, which serves as a benchmark for planning fuel supply and distribution needs. [***October** 2026]*



Source: tempo.co and Polda Bali



At gas stations that still have fuel stock, lines of vehicles stretch for several kilometers. Retail fuel, if available, is priced at skyrocketing rates of up to **Rp 25,000 per liter.** [***July** 2026]*

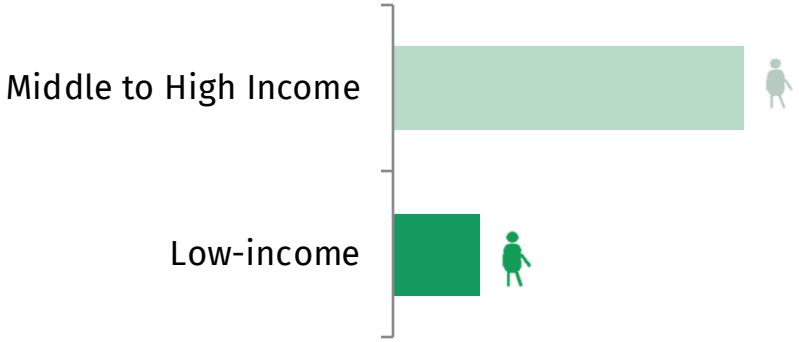


Source: Kompas.id

Generalized fuel subsidies do not primarily reach those most in need.

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Who Benefits?

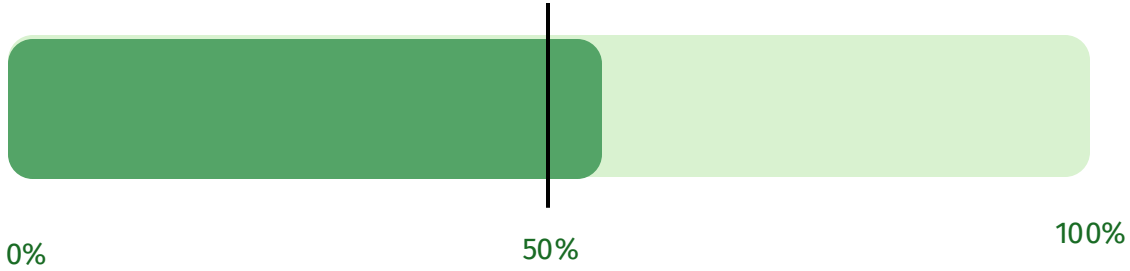


2 out of 10 people in Indonesia benefited from fuel subsidy are low-income groups.

In theory, subsidy **should protect the low-income** household with targeted support

Where the Money Goes?

>50% of the fuel subsidies **go to middle to high income groups.**





an **example** of a luxury car that uses subsidized gasoline

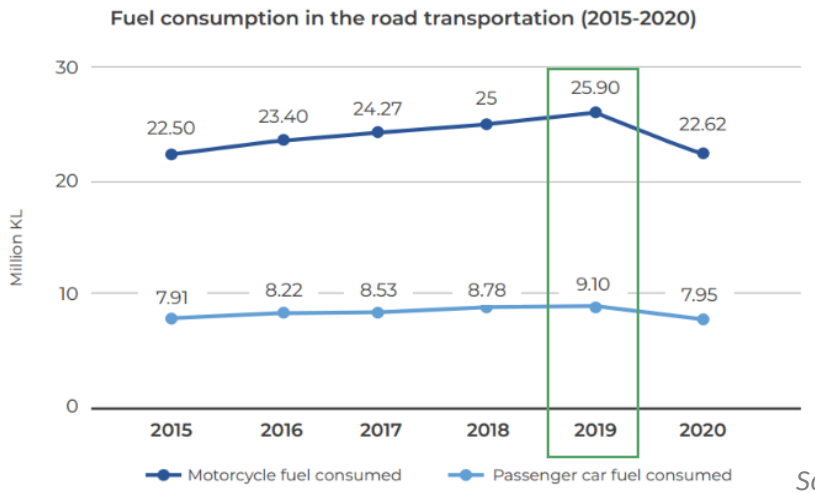
Source: Indonesia Economic Prospects: Managing Risks, Unlocking Productivity, World Bank (2026)

High Motorcycle Use Drives Indonesia's Transport Fuel Demand. Reducing Fuel Dependence Also Means Changing How People Travel.

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172 million Number of motorcycles in Indonesia in 2025

Source: Statistics Indonesia, 2026



A motorcycle consume **29,5 million kiloLiter/year**

That number is **nearly three times** the fuel consumption of passenger cars

Source: Institute for Essential Services Reform (IESR)

Fuel consumption impacts air quality

Study in the Greater Jakarta area

Rp100 trillion (5,5 billion USD*) economic losses due to traffic congestion

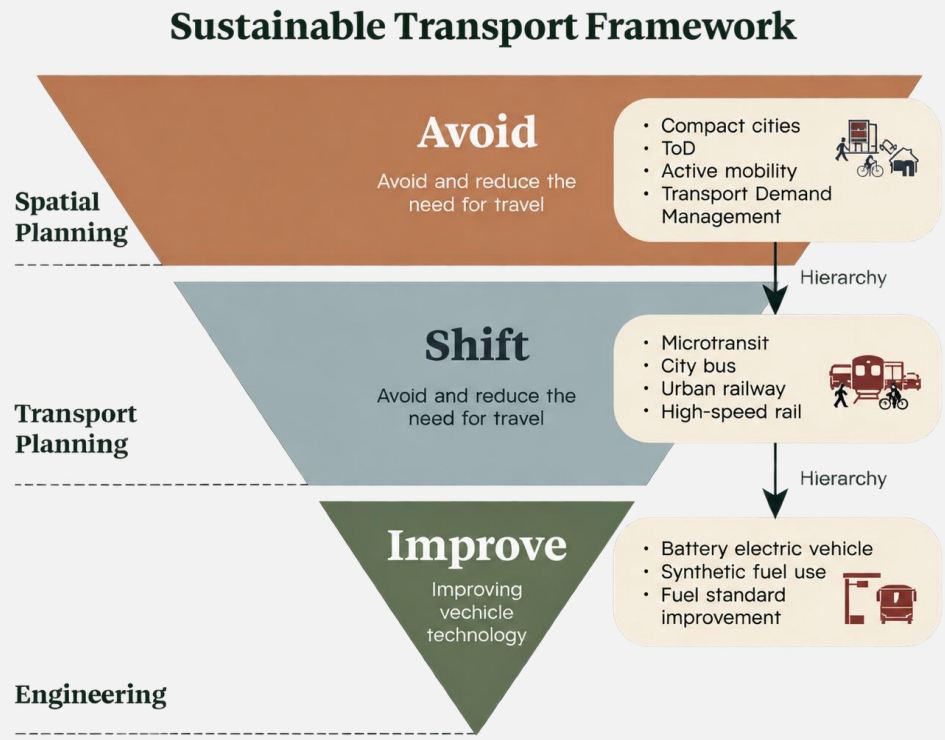
*1 USD = Rp18.000,00

Rp60 trillion air pollution and value of time

Rp40 trillion vehicle operating cost

Source: JUTPI II, 2019

Changing how people travel using Avoid-Shift-Improve



Source: Holden et al., 2020; EPA, 2020

Electrifying buses, ride-hailing, and logistics fleets can remove substantial fuel demand.

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Three Priorities for Vehicle Electrification:

Buses



Transjakarta electrification can save up to **120 million L** of fuel

Source: ITDP Indonesia. (2023, May). Building a Regulatory and Financial Basis for Transjakarta First Phase E-bus Deployment. https://itdp-indonesia.org/publication/building-a-regulatory-and-financial-basis-for-transjakarta-first-phase-e-bus-deployment/

Ride-hailing



Ride hailing electrification in Greater Jakarta area only can save up to **1.25 billion liter** of fuel

Source: ITDP Indonesia. (2023, September). Road Map and Timetable of Two-Wheeler Electrification in Greater Jakarta. https://itdp-indonesia.org/publication/road-map-and-timetable-of-two-wheeler-electrification-in-greater-jakarta/

Logistics fleets

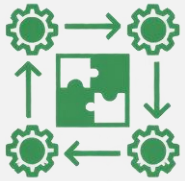


Every 1,000 electric logistics vehicles can reduce fuel consumption by **1.12 kL** per year

Source: ITDP Indonesia. (2026, June). Elektrifikasi Kendaraan Logistik Perkotaan untuk Percepatan Adopsi Kendaraan Listrik https://itdp-indonesia.org/publication/elektrifikasi-kendaraan-logistik-perkotaan-untuk-percepatan-adopsi-kendaraan-listrik/

A Just Transport Transition and Achieving Energy Security Requires More Than Electrification.

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Integrated public transport reformation, mandating transit as an essential service with dedicated funding



TOD and active mobility improvement, institutionalizing guidelines into long-term development plans



A comprehensive traffic management strategy with a national earmarking mechanism



Cleaner vehicle emission initiatives adopted at the national level



A safe, equitable pathway for paratransit and popular transit built with a public service obligation mandate



Support for platform and delivery workers transition, anchored in decent work standards



A policy base to break the cycle of forced motorization and mobility poverty for those who cannot motorized

Source: ITDP, Just Transport Transition in Indonesia: Beyond Electrification and Toward Mobility Justice (Agustus 2026)



Terima kasih

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