

Pertamina Supports One Price of Fuel Policy

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PT Pertamina (Persero) oil state company supports the implementation of one price fuel policy all over Indonesia. The company performance will be directed to support this government policy in order to drive the country's economic growth. In the past two years, Pertamina has optimised its five business pillars from upstream to downstream to secure national energy demands.

This was said by Pertamina's Director, Dwi Soetjipto, when giving keynote speech during training themed Improvement of Accountability of Resources Governance in Asia Pacific at Faculty of Social and Political Sciences UGM on Wednesday (11/1). Present in the event were First Deputy of Presidential Staff, Darmawan Prasodjo, natural resource coordinator of the KPK, Dian Patria, and Economic Program officer of Natural Resources Governance Institute (NRGI), Patrick Heller, as well as experts, practitioners, academics and researchers in extractive industry in Asia Pacific.

Dwi Soetjipto said it was not easy for Pertamina to support the government policy as there are a number of barriers, such as high cost distribution lines all over Indonesia, slumping world oil price, and Indonesia's raw production capacity that requires imports to meet the country's demands.

Dwi Soetjipto said presently the production of raw oil was 1.07 million of barrels while the existing oil field only meets 800,000 barrels per day. He admitted, however, that the one price of fuel will impact positively on the society.



"With the more affordable prices, it would be more convenient for people to do economic activities, distribution gets more effective and efficient, so these all would affect the costs of other goods," he said.

Supporting the government policy whilst taking the barriers into account, Pertamina would optimise strategies that are supported by five pillars. These are: enhanced upstream business , production efficiency, oil field revitalisation, infrastructure construction and marketing capacity, and boosting financial performance.

The shutdown of Petral oil provider was one of the ways taken in 2015 to save costs up to USD 450 million. In the first semester of 2016, Pertamina booked profit worth USD 1.83 billion, surging by 221 percent (year on year), supported by improved performance of operation and efficiency initiatives and other breakthroughs.

"Through Field Development Master Plan and Grass Root Refinery, Pertamina projects the national energy independence and security and release Indonesia from fuel import dependence by 2023," said Dwi Soetjipto.

This training is a collaboration between Politics and Government Department of Faculty of Social and Political Sciences UGM with NRGI. Indah Surya Wardhani, PolGov researcher, said the training was aimed at enhancing the capacity of the shareholders.

"The training is to enhance accountability of extractive industry governance and establish multiparties networks in order to improve the quality of extractive industry governance in Asia Pacific. This year it is joined by 26 participants from 10 countries, including Indonesia, Myanmar, Vietnam, Philippines, India, Timor Leste, Mexico, Mongolia, Afghanistan, and Australia," said Indah Surya Wardhani.

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