

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Pertamina Rolls Out E5 Blending in June 2023

**Country:** Indonesia

**Post:** Jakarta

**Report Category:** Biofuels, Sugar, Policy and Program Announcements

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**Report Highlights:**

State-owned Indonesian energy company Pertamina will launch a new gasoline product containing 5 percent ethanol in late June 2023, utilizing ethanol derived from domestic sugarcane. According to Presidential Regulation 40/2023, Indonesia aims to produce 1.2 billion liters of sugarcane ethanol by 2030. Implementation of an eventual E10 blending mandate nationwide would require an estimated 890 million liters of ethanol per year, equal to 17 percent of total U.S. ethanol exports in 2022.

Indonesia's primary state-owned energy company Pertamina has announced it will launch a new gasoline product containing 5 percent ethanol in late June 2023, utilizing ethanol derived from domestic sugarcane. Initially, Pertamina will distribute E5 gasoline through 15 stations in Surabaya City, the second largest city in Indonesia, due to its proximity to fuel ethanol production facilities. The new product will be 95 RON grade, a result of the blending of 92 RON gasoline, 98 RON gasoline, and 5 percent ethanol. The launch is expected to pave the way for the revival of Indonesia's gasoline blending mandate program which has been dormant since 2009.

The push to re-start the ethanol initiative is part of President Jokowi's campaign to become self-sufficient in sugar. This E5 program is anticipated to increase sugarcane production and its byproduct molasses, the primary input to produce ethanol. Signed on June 16, 2023, Presidential Regulation 40/2023 on the Acceleration of Sugar Self-sufficiency and Bioethanol Procurement set forth Indonesia's target of achieving self-sufficiency in sugar production for human consumption by 2028 and producing 1.2 billion liters of sugarcane ethanol by 2030.

Pertamina currently markets several gasoline products, including Pertamina Turbo (98 RON), Pertamina (92 RON), and Peralite (90 RON). In 2022, Pertamina operated over 6,500 gas stations representing 97 percent of all gas stations in the country. Indonesia gasoline consumption rebounded to pre-pandemic levels to 35 billion liters in 2022, a 9-percent increase compared to 2021. Ministry of Energy and Mineral Resources (ESDM) data shows Indonesia imported between 6.1 and 9.8 billion liters of 92 RON gasoline annually over the past five years. According to a study from the Bandung Technology Institute (ITB), when the E5 blending mandate is expanded to all of Java Island, Indonesia's largest and most populated island, demand for ethanol is expected to reach 180 million liters per year. The same study also estimates that an eventual nationwide E10 blending mandate will require 890 million liters of ethanol per year, equal to 17 percent of total U.S. ethanol exports in 2022.

**Attachments:**

No Attachments.