



OIL STOCKPILING IN INDONESIA

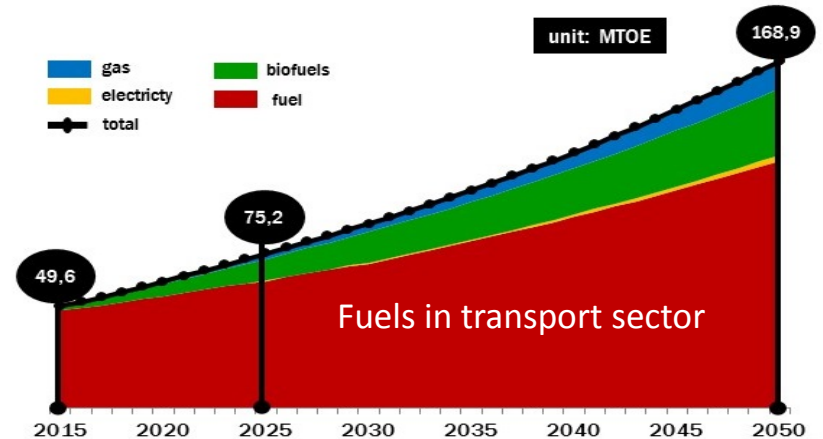
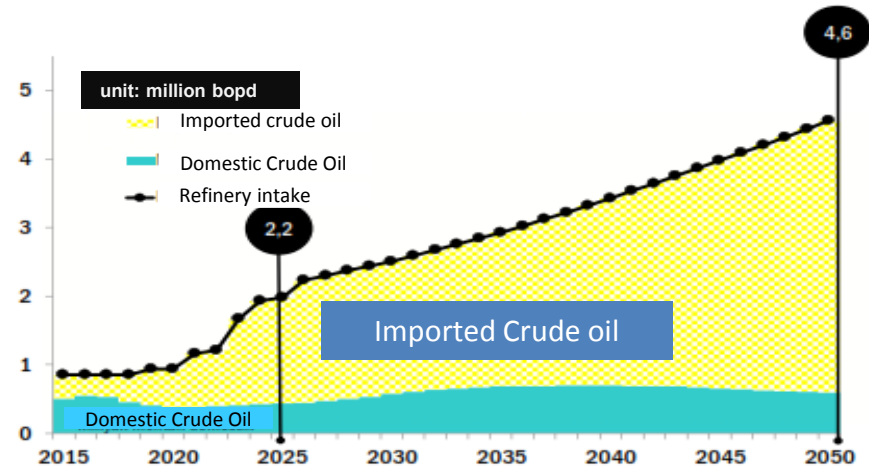
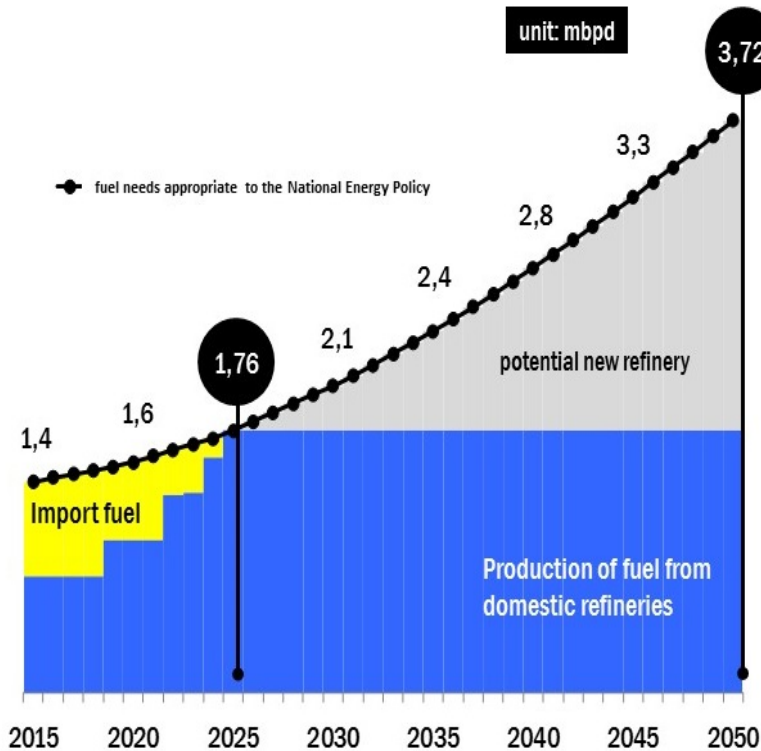
Sendai, 10 April 2019





Crude Oil and Fuel Balance: RUEN* Projection

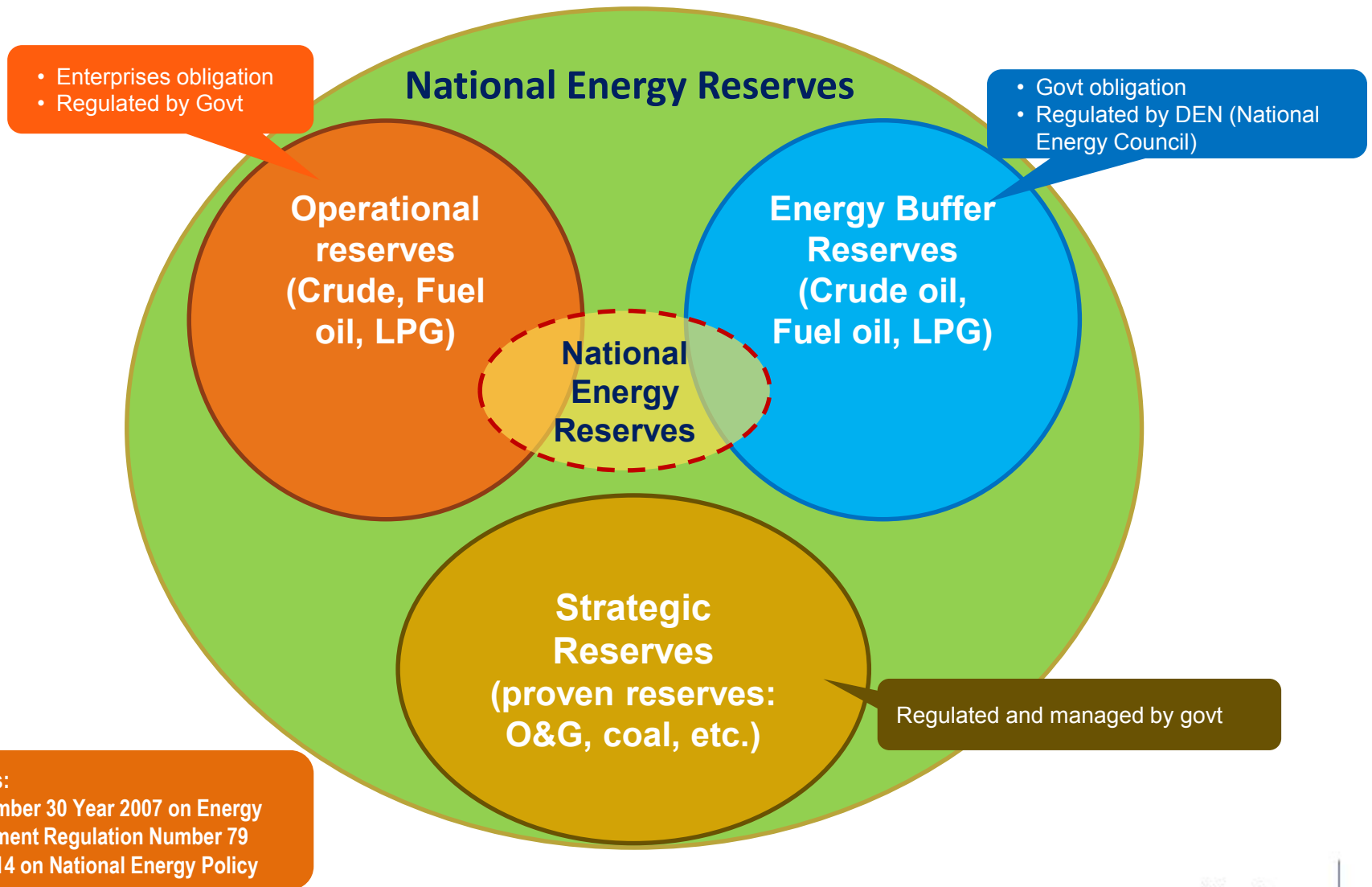
- Crude import will continue to increase to meet demand on transport sector
- Fuel import will be minimized with the construction of new refineries



* RUEN = National Energy General Plan, 2015-2050



CLUSTERING OF NATIONAL ENERGY RESERVES





Operational Stock Current Condition

1. Fuel oil wholesale/trading business enterprises is obliged to have minimum storage facilities of 1500 KL;
2. Currently **no mandatory of operational stock** for the fuel oil wholesale/trading business enterprises;
3. Fuel storage tanks does not always contain its contents because the business entity supplies from its supplier storage directly to the final consumer (not through the storage of the wholesale/trading business enterprises);
4. Fuel oil wholesaler current operational stock/commercial stock varies between 0 – 24 days;
5. Indonesia operational stock mainly depends on Pertamina operational stock around 21 – 24 days;
6. Concept of MEMR Regulation regarding minimum storage capacity and fuel oil operational stock provided by fuel oil Wholesale/Trading Enterprise is still under discussion.

Fuel Oil Storage Capacity : 7.2 million KL

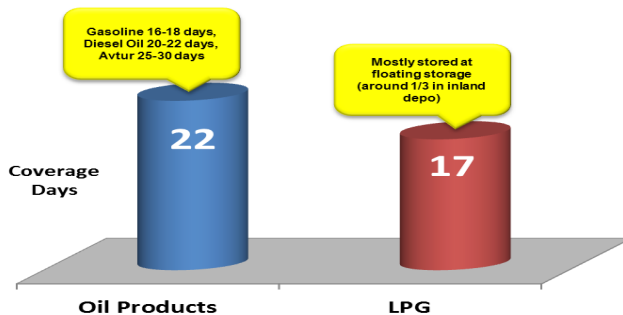


Importance of Developing Energy Buffer Reserves (EBR)

1

To **increase security** of domestic fuel reserves (fuel operational stocks around 21 - 24 days owned by Pertamina, other wholesaler stock varies but small contribution to national stock)

Operational Stock



2

To **anticipate ship lines vulnerability** influenced by geopolitical factor of import source country.



Crude Oil and LPG dominantly is imported from **Middle East**, while **oil product** is from **Asia**

3

To ensure energy security that acts as **the last resort** to overcome energy supply shortages when energy crisis occurs.

4

To **support improving national security** that acts to maintain stability of energy supply.



ENERGY BUFFER RESERVES

**DEFINITION
(GOVERNMENT REGULATION 79/2014)**



1. Buffer reserves is the availability of energy sources and stored energy nationally, required to meet national energy needs at a certain time .
2. Buffer reserves are reserves outside the operational reserves provided by the enterprises and energy industry .
3. Buffer reserves provided by the government and used to overcome the energy crisis and emergency conditions.
4. National Energy Council regulates the types, number, time, and location of buffer reserves of energy.

TODAY'S CONDITION

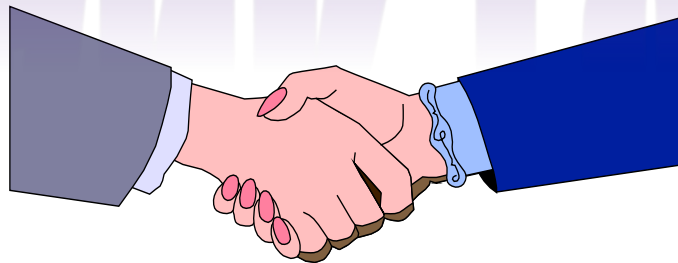


NO BUFFER RESERVE

Concept of Presidential Regulation regarding Energy Buffer Reserve still under discussion



THANK YOU !



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