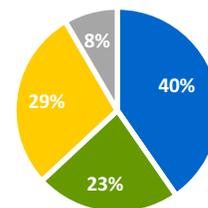
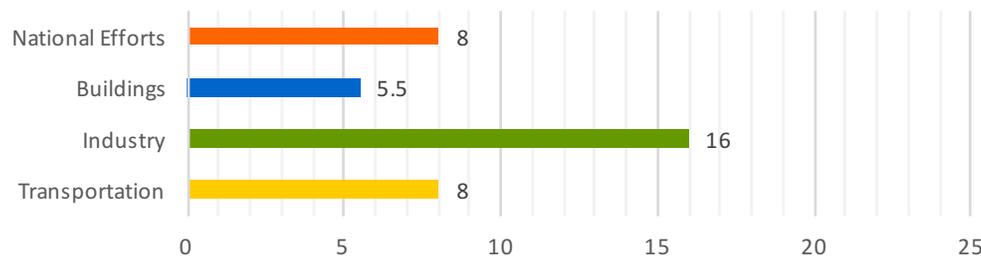


18 Indonesia



The bars show ACEEE scores for energy efficiency. The pie chart shows 2013 end-use energy shares of buildings, industry, transportation, and other sectors.

Coming in 18th, Indonesia scored 37.5 points and ranked higher than Mexico, Thailand, South Africa, Brazil, and Saudi Arabia. Indonesia is strongest in industrial energy efficiency, with excellent policies in place on energy management for large energy consumers. Mandates for energy managers, energy audits in large industries, encouragement of energy management standards (ISO 50001), and low energy intensity ranked Indonesia (alongside China and the Netherlands) in seventh place in our industrial-sector rankings. The country can further improve its industrial energy efficiency by implementing performance standards for motors and building on its existing voluntary energy efficiency programs with manufacturers.

Indonesia also scored full points for its reduction of energy intensity. Intensity of total primary energy consumption decreased by 31% between 2000 and 2013. Indonesia's Energy Law, passed in 2007, set the tone for a new framework in energy policy. The law not only specifies pathways for energy conservation but also includes a goal in its National Master Plan for Energy Conservation (RIKEN) to reduce energy intensity by 1% annually until 2025. Indonesia was second best in the category of VMT per capita for passenger vehicles.

AREAS FOR IMPROVEMENT

Overall Indonesia's scores were low in the national efforts, buildings, and transportation categories. With few incentives available for private investment in energy efficiency, its ESCO market has seen negligible improvement since the first state-owned ESCO was

established in 1986. Policies such as tax incentives and government loans for energy efficiency programs could encourage the energy efficiency market in Indonesia, which is estimated to have the highest potential in Southeast Asia.

Indonesia can greatly improve in the area of mandatory performance standards and energy labeling schemes for appliances. It currently has just 2 or fewer appliance groups with mandatory standards or labels, while the top-performing countries have standards for over 50 appliance groups and categorical labels for over 15 appliance groups. In the buildings sector Indonesia has no policies for energy performance of existing buildings and retrofits, while the highest-scoring countries have strong energy codes at the national level for residential and commercial buildings, both new construction and existing buildings. Indonesia would also benefit by establishing a national policy for building energy information disclosure, as it currently has none.

As demand for mobility increases, the country must plan ahead for meeting this demand by improving public transportation, regulating fuel economy standards for light-duty vehicles, and investing in overall R&D for efficient systems in all economic sectors.