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## Indonesia Faces Rising Energy Subsidies Amid Oil Prices



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The government of Indonesia expects a significant increase in energy subsidies this year if domestic fuel prices remain unchanged amid rising global oil prices, Finance Minister Purbaya Yudhi Sadewa said.

The state budget currently allocates around 210 trillion rupiahs for energy subsidies, but the total burden could rise by an additional 90 to 100 trillion rupiahs if global oil prices continue to climb

while domestic fuel prices remain fixed. The minister added that each one US dollar increase in global oil prices would raise the subsidy cost by about 6 trillion rupiahs.

To cover the potential shortfall, the government plans budget refocusing measures estimated at up to 130 trillion rupiahs and may also tap surplus state funds if necessary to maintain fuel price stability and support public spending.

Meanwhile, Energy and Mineral Resources Minister Bahlil Lahadalia confirmed that subsidized fuel prices will remain unchanged for now, while discussions continue with state energy company Pertamina and private operators regarding possible adjustments to non-subsidized fuel prices.