

**The Opening Speech**  
by  
**The President of the Republic of Indonesia**  
**Dr. Susilo Bambang Yudhoyono**  
at the  
**World Geothermal Congress 2010**  
**Bali, Indonesia, 26 April 2010**

*Bismillahirrahmanir rahim,*  
*Assalamu'alaikum Warahmatullahi Wabarakatuh,*  
Peace be upon us,  
*Oom Swastiastu,*

Your Excellency Mr. Olafur Ragnar Grimsson, President of the Republic of Iceland,  
Excellency Mr. Prof. Dr. Ladislaus Rybach  
Excellencies Ministers,  
Excellencies Ambassadors,  
Distinguished Members of the International Geothermal Association,  
Ladies and Gentlemen,

Let me begin by extending, on behalf of the Government and people of Indonesia, a very warm welcome to all participants of the World Geothermal Congress to this beautiful island of Bali - where tradition combines with nature to make a tropical paradise.

I am grateful that we are able to hold this Congress. I am particularly honored that His Excellency President Grimsson is able to join this Conference - in spite of all the flight problems in Northern Europe, caused by the eruption of an Icelandic volcano with a long name.

The world has been affected by that volcanic ash. But there may be a silver lining to all the dark clouds of volcanic ash: if we take the lessons of this disaster to heart, if we heed its wake-up call, the air transportation industry may become better prepared, for any major disruption in the future whatever may be its cause.

Volcanic activity is often said to cause cooler global temperature, but even so, it contributes only to three percent of carbon dioxide in the atmosphere. The rest is the result of human activity - much of it in the form of unsustainable consumption and exploitation of natural resources.

And besides, without volcanoes, the earth would not have the life-sustaining atmosphere, that makes it different from so many dead planets all over the universe.

It is also a scientific fact that wherever volcanoes abound, there is always a great deal of geothermal energy.

For volcanic activity is simply a form of geothermal energy in action.

It is only natural that Iceland, which has a wealth of experience in geothermal energy development, and Indonesia, which holds 40 percent of the world's geothermal energy reserves, are both abound with volcanoes.

Iceland has the know-how, the technology, and the experience in the use of geothermal energy for sustainable development, while Indonesia has a vast untapped supply.

It is therefore only logical, that both countries should be deeply involved in this World Geothermal Congress of the International Geothermal Association.

To my mind, the success of this Congress is crucial to the fate of humankind.

There is no longer any doubt that, we are already beginning to feel the impacts of the reality of climate change. Failure on the part of the international community to mitigate and to adapt to climate change, will lead to terrible devastation.

It could, for instance, cause the sea level to rise and make small islands and large areas of coastal land disappear under water. It could lead to changes in weather patterns, that could inflict so much human suffering, and severe damage to the world's food productivity.

And all of this because, the level of carbon emissions into the atmosphere since the start of the industrial revolution in the 19th century, has risen to dangerous levels.

All of us know, of course, that to a very large extent, this is due to the increasingly intensive burning of fossil-based fuels to support human economic activity, and reckless consumption.

Today, nations are striving to liberate themselves from overdependence on fossil fuels. That makes a lot of sense. It therefore also makes sense, that we should now make a sustained effort to tap sources of energy, that do not further add to the problem of carbon emissions.

And to many countries, including Indonesia, a large part of the solution to that problem is, the successful tapping of vast resources of geothermal energy.

And indeed, if we find the ways and means of tapping these geothermal energy resources and make full use of them, there would be substantially less carbon emissions, in the atmosphere of our planet.

That would significantly help to mitigate the impacts of climate change. And it would fulfill the vision expressed in the theme of this Congress: "Geothermal: The Energy to Change the World"

Indonesia therefore has so much at stake in this Congress.

After the United States with close to 4,000 MW and Philippines utilizing approximately 2,000 MW, Indonesia is currently only using 1,100 MW. This is only some 4.2 % of our geothermal reserves, which constitutes about 40 % of the world's geothermal potential.

This is going to change. It is my intention that Indonesia will become the largest user of Geothermal energy.

We urgently need to accelerate geothermal development in our country. But this is a task that the Government alone cannot carry out. We need the help of all stakeholders. This is where I would like to express our thanks and appreciation to our development partners, JICA, Germany, France, the Netherlands, The ADB and the World Bank, who all have offered technical assistance and low interest loans for this purpose.

We already have in place a set of long term policies for the development of geothermal energy, as embodied in the Geothermal Development Roadmap of 2004-2025. We do envision that by 2025, about five percent of our national energy needs, will be met through the use of geothermal energy.

We have taken several important steps toward that goal.

These include the four projects covered by the Steam Purchase Agreement between PT PLN and PT Pertamina Geothermal Energy, the establishment of financing arrangements with the World Bank for the tapping of geothermal energy, and the delegation of authority over significant geothermal energy reserves, to the provincial governments of Central Java, South Sumatera and West Lampung.

These activities, involving a total investment of US\$ 8.6 billion, will eventually produce some 2,885 MW of power. That will help close the 4,500 MW energy gap that Indonesia is now contending with, as a result of its rapid economic development.

The reduction in emissions from the pursuit of these projects, will total some 17.3 million tons of carbon dioxide every year - a considerable contribution to climate stability.

To develop the know-how and expertise required to accelerate the exploitation of this resource, we will also invest in a network of geothermal centre of excellence.

This network of centre of excellence, which will bring together Indonesia and world experts, can be the base-camp of a world wide effort, to enhance the use of this renewable and sustainable source of energy around the world.

I would like you to see it as a world geothermal laboratory, where new techniques and new technologies can be tested.

Our accelerated investment program will be developed for approximately 50% by our State Own Companies. For the other 50%, we will invite the private sector to take part. Already we have seen the contributions from Chevron, Star Energy and Medco, and we

hope to see more experienced international companies take up this challenge.

Under the Geothermal Law 27/2003, local governments have become the owners of the geothermal resources in their constituency. They have the responsibility in association with the Ministry of Energy, to develop the field, and to monitor their exploitation.

I am aware, that they currently lack the expertise to aggressively move forward. But last week and again this week, I will be instructing my ministries to make it a priority, to facilitate the investments by the local governments in exploiting this resource. I am pleased, that the International Finance Corporation has started to assist one on the regions, with tendering some of their geothermal working areas.

I know that, there are still a number of obstacles standing in the way of attracting strong local and international firms to invest. I have taken measures to remove these obstacles. The first one, the possible overlapping use of Geothermal in pristine forest areas has already been resolved, and the first licenses for development in Kamojang and Lumut Balai have been released last month.

I truly hope, that Indonesia will lead the world in developing Geothermal Energy. Our network of centre of excellence will support that development. But will also be open to cooperation with ASEAN, Africa and Latin American countries to develop this resource.

I am confident that drilling operations for geothermal energy in any part of Indonesia will have very minimal impact, if any, on the environment. We have the technology and the skilled manpower for that purpose.

It is my strong hope that the efforts to tap the potential of geothermal energy will be successful, not only in Indonesia but also everywhere else in the world, where geothermal energy reserves are still to be made serviceable.

I hope that the International Geothermal Association will give new momentum to such a global effort, by helping to mobilize the enormous investment that is desperately needed.

This effort, of course, is part of a larger package of mitigation and adaptation measures, that are necessary to successfully manage the reality of climate change. Everything that can reduce carbon emissions must be brought into play.

Indonesia will strive to reduce its carbon emissions through such measures, as resorting to clean and environmentally sources of energy, including geothermal, and an increase in energy efficiency.

We will also strive at sustainable management of our forests, as well as our coastal and oceans resources - especially our coral reefs.

Through such endeavours, we expect to reduce our carbon emissions by 26 percent by 2020. With sufficient international assistance, we can raise that target to 41 percent. I

am confident that we can reach this goal, while also ensuring sustainable and equitable economic growth for our people.

This, I know, is also the hope of many developing nations, that are striving to achieve socioeconomic development, while also contributing to climate stability.

What is at stake in this Congress and in your work is, a world that is changed for the better through the use of a cleaner, safer and more environment-friendly source of energy.

I therefore wish you every success in all your endeavours.

With that sentiment and by the grace of God, *Bismillahirrahmanir rahim*, I declare the 2010 World Geothermal Congress officially open.

Thank you.

*Wassalaamu'alaikum warahmatullahi wabarakatuh.  
Oom Shanti, Shanti, Shanti Oom.*