

Indonesia To Up Oil Output By 1 Mln BBD In 2013
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JAKARTA, Sept 6 (Bernama) -- Indonesian President Susilo Bambang Yudhoyono on Tuesday asked (industries) to increase the country's oil production by one million barrels per day in 2013 from this year's output target of 950,000 barrels per day, in an effort to anticipate the volatile global oil prices, according to a minister.

The statement came as Indonesia, a net-oil importer country, provides a huge oil subsidy that burdens the state budget, reports China's news agency Xinhua.

"The president asked (industries) to boost oil lifting by one million barrels per day as soon as 2013," Coordinating Minister for Economy Hatta Rajasa quoted President Yudhoyono as saying.

Indonesia has trimmed its oil production target for this year from 970,000 barrels per day to 950,000 barrels per day partly due to weather and technical problems such as land acquisition and regulations, according to the country's oil and gas watchdog BP Migas.

Last year, Indonesia missed the 950,000 barrels per day oil production target due to leaking pipes.

Rising global oil prices have pushed up Indonesia's oil subsidy so that the government raised the budget deficit from 1.8 per cent of GDP to 2.1 per cent of GDP.

To achieve the oil production target, Rajasa said the government plans to trim the natural decline in oil production from 12 per cent to 3 per cent, accelerate development of new fields and optimise production from existing fields.

The investment climate in the energy sector must also be improved, he said.

"With all the efforts we may reach one million barrels per day in oil production," said Rajasa.

Dwindling oil production due to ageing wells and lack of fresh investment has forced Indonesia to leave OPEC and become a net-oil importer country.

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