

PRESS RELEASE

PRESIDENT OF REPUBLIC OF INDONESIA INAUGURATES INDONESIA CARBON EXCHANGE

Jakarta, September 26, 2023. President of Republic of Indonesia Joko Widodo officially launches Indonesia Carbon Exchange organized by Indonesia Stock Exchange (IDX) in accordance with the establishment from the Indonesia Financial Services Authority (OJK). The Carbon Exchange Platform business permit was provided by IDX from OJK through OJK's Board of Commissioners Decree number KEP-77/D.04/2023 dated September 18, 2023.

Indonesia Carbon Exchange was inaugurated in IDX Building in Jakarta, on Tuesday. The inauguration was attended by Coordinating Minister for Maritime Affairs and Investment Luhut Binsar Pandjaitan and Minister of Environment and Forestry Siti Nurbaya Bakar, Head of Commission XI of DPR RI Kahar Muzakir, Head of Commission IV of DPR RI Sudin, and Head of Commission VI of DPR RI Faizol Riza and all members of Board of Commissioners of OJK.

The President stated that Indonesia Carbon Exchange is real contribution from Indonesia to fight the climate change crisis globally, due to the carbon trading outcomes will be reinvested to environmental preservation, particularly carbon emission reduction.

“Thank you to OJK, IDX, and all related parties for the launch of the first Carbon Exchange in Indonesia,” said the President.

With the large carbon potentials, the President viewed a positive outlook of Indonesia becoming the global carbon nucleus by consistently developing and preserving the domestic carbon ecosystem.

In this event, Chairman of the Board of Commissioners of OJK stated that Indonesia Carbon Exchange establishment is a historical moment of Indonesia supporting the Government’s target achievement in lowering greenhouse gas (GHG) emission in accordance with the Ratification of the Paris Agreement.

“Indonesia Carbon Exchange will become one of the essential and flagship carbon exchange globally, due to the volume and the carbon unit diversity traded and the contribution of lowering the national and global carbon emission. Today, we will turn a page and write the history of a new era,” said Mahendra.

Indonesia targeted to lower 31.89 percent (without conditions and international aid) or 43.2 percent (with international aid) of GHG emission its Business As Usual rate by 2030.

In accordance with Law Number 4 of 2023 on Financial Sector Development and Strengthening (P2SK), OJK holds authority in regulating and supervising carbon trading in Carbon Exchange in Indonesia.

Mahendra viewed that the initial goal of carbon trading in Indonesia, which is to provide Economic Value upon the produced carbon unit or carbon emission reduction effort, aims to achieve the Nationally Determined Contributions (NDC) target from the Government of Indonesia and to optimize Indonesia’s potential as carbon unit producing country.

In preparing the carbon trading in the Carbon Exchange, OJK, together with related Ministries/ Institutions and assisted with international institutions, has carried out disseminations throughout July to September by holding National Seminar of Greenhouse Gas Emission Reduction and Carbon Trading Opportunity in Indonesia in five cities, namely Surabaya, Balikpapan, Makassar, Medan, and lastly as the main event of the seminar series, in Jambi.

To promote successful initial carbon unit trading in the Carbon Exchange, there are 99 coal-based Steam Energy Generator (PLTU) potentially joining the trade this year. This number equals to 86 percent of the total of coal-based Steam Energy Generators operating in Indonesia.

In addition to electricity generator subsector, the carbon trading in Indonesia will be joined by other sectors for NDC achievement such as Forestry, Agriculture, Waste, Oil and Gas, General Industry, and will later be joined by the Maritime sector.

Quality assurance of the carbon unit traded is gradually implemented in the beginning of the carbon trading, starting with Emission Trading System (ETS) of electricity generation and forestry sector.

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