

New P4G-Getting to Zero Coalition report: Indonesia at the center of shipping's global energy transition

Published today, the new P4G-Getting to Zero Coalition report “Shipping’s energy transition: strategic opportunities in Indonesia” explores the potential for Indonesia to accelerate and to benefit from international maritime decarbonization. The report finds that Indonesia has several opportunities to leverage the global transition to zero emission marine fuels towards key national objectives. However, achieving this will require targeted action in order to unlock these opportunities.

International shipping accounts for approximately 3% of global Greenhouse Gas (GHG) emissions, and this will increase in a business-as-usual scenario. To decarbonize the maritime industry, there will be a massive need for green fuels and associated technologies. In particular, scalable zero-emission fuels (SZEf) such as green hydrogen and green ammonia are considered the most promising fuels for the shipping’s energy transition.

“The increasing momentum behind international maritime decarbonization holds huge potential for countries like Indonesia. To better realize this opportunity and signal strong public buy-in, Indonesia should seek to leverage its influence in international negotiations, particularly drawing on its role as the host of the G20 later this year, in addition to COP27 and upcoming IMO negotiations,” says **Ingrid Sidenvall Jegou, Project Director at Global Maritime Forum.**

With over 17,000 islands, Indonesia is intrinsically tied to the maritime industry, with many small vessels making up the domestic fleet, in addition to a high volume of international traffic passing through Indonesian waters. Maritime activities contribute massively to Indonesian society and the economy, with there being strong potential to leverage these activities to decarbonize other industrial activities and support wider economic development.

“Identifying strategic opportunities for renewable energy production in emerging and developing economies, like Indonesia, is central to enabling a just & equitable transition for international shipping. By scaling its renewable energy potential, Indonesia could decarbonize domestic industry and aid the broader shipping energy transition – a pathway that could enable Indonesia to become a leading producer and supplier of sustainable zero emission fuels, create new sustainable jobs and contribute to economic growth,” says **Margi Van Gogh, Head, Supply Chain and Transport at the World Economic Forum.**

By establishing green hubs, Indonesia can cement its position as a key maritime axis, creating new revenue streams from SZEf exports and bunkering and improving access to import and export markets.

The development of scalable zero-emission fuel infrastructure could lead to an investment of between Rp 46 – 65 trillion IDR (\$3.2-4.5 billion USD) by 2030. This is in addition to the potential development of other industries, expertise, environmental protection benefits and R&D emanating from decarbonization of maritime shipping and the adoption of SZEf.

After extensive consultation with key Indonesian stakeholders, the report names three key opportunities including the possibility of establishing Kalimantan as a bunkering hub, the electrification of the small boat fleet, and a decarbonization hub powered by geothermal activities.

“Maritime decarbonization in Indonesia provides several interesting business opportunities, such as electrification of the small boat fleet, domestic production of zero carbon marine fuels and synergies with large land infrastructure projects. In all cases increased capacity building and technology transfer will be paramount in realizing these opportunities to their fullest potential,” says **Dr. Domagoj Baresic, Research Associate at UCL Energy Institute.**

However, essential to unlocking these opportunities is a facilitative policy and financial framework capable of effectively motivating and convening key actors across sectors and value chains. Presently, Indonesia benefits from its existing policy frameworks in the field of maritime, energy and climate policy, however more work is needed to coordinate policies more specifically around the maritime decarbonization opportunity.

Indonesia also benefits from its existing successes and future ambitions concerning the reception of funding from international sources. This is something that is much needed regarding supporting Indonesia’s existing decarbonization efforts in conjunction with its development needs. Setting a clear direction of travel and demonstrating public buy-in would enhance Indonesia’s ability to attract these funding sources.

“Having supported the alignment of the IMO GHG Strategy with Paris Agreement temperature goals, the Indonesian Government needs to carry out a comprehensive assessment on the impact and strategies of shipping decarbonization. This could help position the Indonesian Government in subsequent IMO negotiations and serve as an evidence base to support the adoption of more ambitious GHG measures, which operationalize the principle of common but differentiated responsibilities and respective capabilities,” says **Dr. Mas Achmad Santosa, CEO at the Indonesia Ocean Justice Initiative.**

As other countries take steps to enhance their efforts and begin to unlock this opportunity, Indonesia should take quick and strategic action to position itself as a key player in this space.

“As the largest island state in the world, Indonesia relies on ocean transport for movement of goods and people which contributes to significant domestic maritime emissions. This report outlines key steps Indonesia can take to harness its renewable energy potential and decarbonize its local maritime industry. By creating jobs and providing environmental benefits across sectors, this approach can serve as an example for other developing countries transitioning to a low-carbon economy,” says **Ian de Cruz, Global Director at P4G.**

Download the full report [here](#).

For further information contact Project Lead, Katrina Abhold at ka@globalmaritimeforum.org or +45 3118 3329

About the report

The P4G report *“Shipping’s Energy Transition: Strategic Opportunities in Indonesia”* has been prepared by the P4G-Getting to Zero Coalition Partnership.

The P4G-Getting to Zero Coalition Partnership, jointly implemented by the Global Maritime Forum, World Economic Forum, Friends of Ocean Action, Environmental Defense Fund, University College London and International Association of Ports and Harbours, is leveraging the P4G platform to engage stakeholders and companies from three P4G partner countries: Indonesia, Mexico and South Africa. The aim is to make zero-emission vessels and fuels a reality and identify concrete and actionable growth and business opportunities that can contribute to sustainable and inclusive economic growth in these target countries.

About the Getting to Zero Coalition

The Getting to Zero (GtZ) Coalition, a partnership between the Global Maritime Forum and World Economic Forum, is a community of ambitious stakeholders from across the maritime, energy, infrastructure and financial sectors, and supported by key governments, IGOs and other stakeholders, who are committed to the decarbonization of shipping.

The ambition of the Getting to Zero Coalition is to have commercially viable ZEVs operating along deep-sea trade routes by 2030, supported by the necessary infrastructure for scalable net zero-carbon energy sources including production, distribution, storage, and bunkering, towards full decarbonization by 2050.

About Partnering for Green Growth and the Global Goals 2030

The Partnering for Green Growth and the Global Goals 2030 (P4G) is a global delivery mechanism pioneering green partnerships to build sustainable and resilient economies. The P4G mobilizes a global ecosystem of 12 partner countries and 5 organizational partners to unlock opportunities for 66 partnerships working in five SDG areas: food and agriculture, water, energy, cities and circular economy.

About the Global Maritime Forum

The Global Maritime Forum (GMF) is an international not-for-profit organization dedicated to shaping the future of global seaborne trade to increase sustainable long-term economic development and human wellbeing.

About the World Economic Forum

The World Economic Forum (WEF) is the International Organization for Public-Private Cooperation. The Forum engages the foremost political, business, cultural and other leaders of society to shape global, regional and industry agendas. It was established in 1971 as a not-for-profit foundation and is headquartered in Geneva, Switzerland. It is independent, impartial and not tied to any special interests.

About Friends of Ocean Action

Friends of Ocean Action is a unique group of over 55 global leaders from business, international organizations, civil society, science and academia who are fast-tracking scalable solutions to the most pressing challenges facing the ocean. It is hosted by the World Economic Forum in collaboration with the World Resources Institute.

About Environmental Defense Fund

Environmental Defense Fund Europe is an affiliate of Environmental Defense Fund (EDF), a leading international non-profit organisation that creates transformative solutions to the most serious environmental problems. Since 1967, EDF has used science, economics, law and innovative private-sector partnerships to bring a new voice for practical solutions.

About University College London

University College London (UCL) Energy Institute Shipping Group aims to accelerate the shipping transition to an equitable, globally sustainable energy system through world-class shipping research, education and policy support. The group specialises in multi-disciplinary research anchored in data analytics and advanced modelling of the maritime sector.

About International Association of Ports and Harbours

The International Association of Ports and Harbours (IAPH) was formed in 1955 and over the last sixty years has grown into a global alliance representing over 180 members ports and 140 port-related businesses in 90 countries. The principal aim of IAPH revolves around the promotion of the interests of Ports worldwide, building strong member relationships and sharing best practices among our members.

UMAS

UMAS delivers consultancy services and undertakes research for a wide range of clients in the public and private sectors using models of the shipping system, shipping big data, and qualitative and social science analysis of the policy and commercial structure of the shipping system. UMAS's work is underpinned by state-of-the-art data supported by rigorous models and research practices, which makes UMAS world-leading on three key areas; using big data to understand drivers of shipping emissions, using models to explore shipping's transition to a zero emissions future and providing interpretation to key decision makers. For more information visit: www.u-mas.co.uk.

About Indonesia Ocean Justice Initiative

Indonesia Ocean Justice Initiative (IOJI) serves as an independent Indonesian think tank and policy advocacy group with the aim of supporting Indonesia, as one of the largest ocean nations, in attaining sustainable and equitable ocean governance, through: enhancing maritime security, promoting sustainable ocean governance and ensuring access to justice for marginalized ocean-dependent people.