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## Indonesian oil and gas sector revenue still lower than expected

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Indonesia's Energy & Mineral Resources Ministry said that the country's revenue from the oil and gas sector is still lower than expected mainly on lower oil prices in the first quarter of 2009.

In its written report submitted to the House of Representatives Commission VII overseeing energy and mining, the ministry stated that, up to October 2009, the oil and gas sector revenue reached 67% of this year's target of IDR 183.6 trillion. The sector booked IDR 124 trillion revenue up to October.

Ms Evita H Legowo director general for oil and gas at the ministry said that "The low revenue realization is caused by the lower oil price early this year. But, we hope the recently increasing oil price can compensate for the lower revenue in the early months of the year." She added that the lower revenue had been partly compensated for by the similarly lower government spending on subsidized fuels.

The ministry's report said that, as of October, the government's spending for on fuel subsidies had reached IDR 33 trillion or 64% of this year fuels subsidy allocation in the 2009 revised state budget. It added that "The lower expenditure on the subsidies is caused by the lower oil price in the early period of this year and the recent strengthening of the rupiah."

(Sourced from [www.thejakartapost.com](http://www.thejakartapost.com))

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