

## Comparison analysis of biodiesel policy and production in Indonesia and Malaysia

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### Summary

The government of Indonesia and Malaysia are promoting palm oil based biodiesel production and utilization. The cost of raw materials accounts for 85 percent of the total cost. High palm oil price is the obstacle to expand biodiesel production in Indonesia and Malaysia. However, the biodiesel production and policy of both countries are quite different. The government of Malaysia suspended new biodiesel projects, because the industry can't get benefit from the projects. The government of Indonesia is working for agricultural development through biodiesel production. It is considered that these differences are caused by the policy objective of biodiesel program and the structure of palm farming style.