

CHAPTER-16. FINANCIAL VIABILITY ASSESSMENT OF PORT RELATED ORGANIZATION

16-A. GENERAL

949. Ports and roads are the objective infrastructure in this study. In principle, DGSC (Directorate General of Sea Communication) has jurisdiction over ports and harbors, however, in line with Indonesia's privatization policy, IPC (Indonesia Port Corporation) is managing and operating ports (IPC2 is responsible for ports in the study area).

950. The existing port of Tanjung Priok and the new port of Bojonegara are targeted for development. To realize these development plans, IPC2 will have to prepare sufficient funds. If private funds can be procured for operational facilities, the investment burden of IPC2 can be reduced.

951. On the other hand, DGH(the Directorate General of Highways, Kimbangwil - previously the Directorate General of Highways, Bina Marga) under MSRDC(the Ministry of Settlements and Regional Development – previously the Ministry of Public Works) has jurisdiction over public roads. The Indonesia Highway Corporation (PT. Jasa Marga) is responsible for the development and maintenance of the highway network.

952. In accordance with the decentralization law of 2000, a new system to manage public roads was adopted. The burden of the development cost may be transferred to the provincial government from the central government depending on the characteristics of the objective infrastructure.

953. For the access roads planned for both Tanjung Priok Port and Bojonegara New Port, the provincial governments will bear a fair share of the construction cost.

954. As a new access road to Tanjung Priok Port, the existing Highway will be extended to the port area directly. It is recommended that this project be implemented within the road sector such as by Kimpraswil and/or PT. Jasa Marga from the planning stage to the construction and operation stages to ensure uniform management of the metropolitan highway network. However, the construction cost should be borne by both Jasa Marga and the government of DKI because the new road will reduce some of the congestion on surrounding public roads.

955. As for the new Bojonegara road, it should be noted that funding sources differ among highways and public roads. In the case of a highway, PT. Jasa Marga constructs it with its own funds and collects road tariff after operation. In the case of a public road, the central government and the provincial one shall share the construction cost.

16-B. FINANCIAL STRUCTURE OF IPC2 AND TANJUNG PRIOK PORT

16-B-1 General

956. Flowchart of revenue and expenditure based on port activities is shown in Figure 16-B-1.

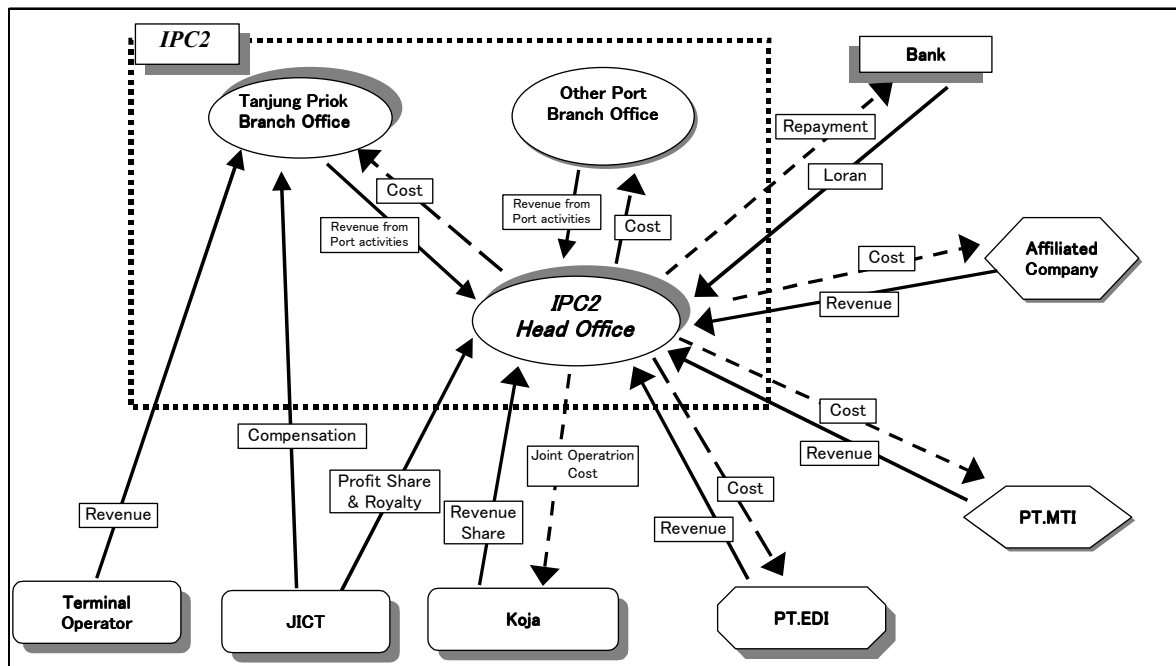


Figure 16-B-1 Flowchart of Revenue and Expenditure

957. Income statement of IPC2 is shown in Table 16-B-1.

Table 16-B-1 Income Statement of IPC2

	(000,000Rp)		
	2,000	2,001	2,002
Operation Revenue	763,133	1,027,606	1,090,473
Operation Expenses	527,712	671,309	768,607
Operation Profit	235,421	356,297	321,866
Non-operation Revenue	231,984	296,864	312,457
Non-operation Expenses	358,855	224,442	158,335
Non-operation Profit	-126,871	72,422	154,122
Profit before income tax	108,550	428,719	475,988
Tax	25,476	71,574	91,073
Net Profit	83,074	357,145	384,915

958. Study team compared net profit of each branch office as shown in Table 16-B-2. Tanjung Priok branch office takes for around half.

Table 16-B-2 Net Profit of each Branch Office

(000,000Rp)

	2,000		2,001		2,002	
Tg.Priok	176,166	157%	282,442	66%	252,950	53%
Panjang	27,396	24%	50,247	12%	41,350	9%
Teluk Bayur	7,509	7%	12,286	3%	9,700	2%
Palembang	12,403	11%	18,219	4%	13,181	3%
Pontianak	6,190	6%	1,111	0%	6,638	1%
Cirebon	-830	-1%	-1,679	0%	-2,118	0%
Banten	35,168	31%	23,779	6%	12,288	3%
Sunda Kelapa	-547	0%	43	0%	-809	0%
Jambi	1,328	1%	2,759	1%	1,808	0%
Bengkulu	-2,949	-3%	-19,946	-5%	-11,387	-2%
Pangkal Balam	-167	0%	-303	0%	-676	0%
Tg.Pandan	-335	0%	-645	0%	-1,165	0%
Balai Pendidikan & Latihan	-1,484	-1%	-2,340	-1%	-1,744	0%
Head Office	-156,879	-140%	52,579	12%	139,718	29%
PT. EDI	7,150	6%	7,675	2%	5,430	1%
PT. Rumah Sakit	1,945	2%	2,492	1%	1,585	0%
PT. MTI	0	0%	0	0%	9,236	2%
Total	112,064	100%	428,719	100%	475,985	100%

959. Income statement of Tanjung Priok Branch Office (IPC2) is shown in Table 16-B-3.

Table 16-B-3 Income Statement of Tanjung Priok Branch Office

(000,000Rp)

	2,000	2,001	2,002
Operation Revenue	301,617	413,756	456,194
Operation Expenses	178,276	196,971	218,201
Operation Profit	123,341	216,785	237,993
Non-Operation Revenue	58,024	77,857	72,771
Non-operation Expenses	5,199	7,314	14,859
Non-operation Profit	52,825	70,543	57,912
Profit before income tax	176,166	287,328	295,905
Tax			
Net Profit	176,166	287,328	295,905

960. Head office receives the revenue from Koja, royalty and profit share from JICT directly. Therefore, income statement of Tanjung Priok branch office does not reflect its port activity. Study team analyzed relation between IPC2 and Tanjung Priok port as follows.

16-B-2 Revenue

961. Details of IPC2 revenue including operation revenue and non-operation revenue are shown in Table 16-B-4 and Figure 16-B-2. In case of IPC2 revenue in 2002, revenue from port activity amounts to 43%, and revenue from JICT, Koja and MTI amount to 36%. There is no subsidy from the central government.

Table 16-B-4 Detail of IPC 2 Revenue

(000,000Rp)

	2,000		2,001		2,002	
Vessel Service	289,124	29%	415,184	31%	389,496	28%
Piling Facilities	51,499	5%	62,170	5%	58,491	4%
Equipment	0	0%	31,674	2%	30,001	2%
Terminal Service	76,622	8%	66,673	5%	47,702	3%
Container Service	72,055	7%	100,603	8%	117,898	8%
Land building	38,403	4%	40,161	3%	66,675	5%
Special Berth Port	40,865	4%	38,575	3%	23,353	2%
Other Facilities	57,440	6%	66,556	5%	73,912	5%
Compensation from JICT	37,012	4%	53,113	4%	51,153	4%
Joint Operation(Koja)	141,268	14%	203,636	15%	208,000	15%
MTI	0	0%	0	0%	34,184	2%
Affiliated Company	78,669	8%	89,387	7%	103,465	7%
Revenue Reduction	-119,824	-12%	-140,126	-11%	-113,857	-8%
Royalty of JICT	78,750	8%	115,182	9%	110,393	8%
Profit Share from JICT	126,804	13%	175,162	13%	153,458	11%
Others	26,430	3%	6,520	0%	48,606	3%
Total	995,117	100%	1,324,470	100%	1,402,930	100%

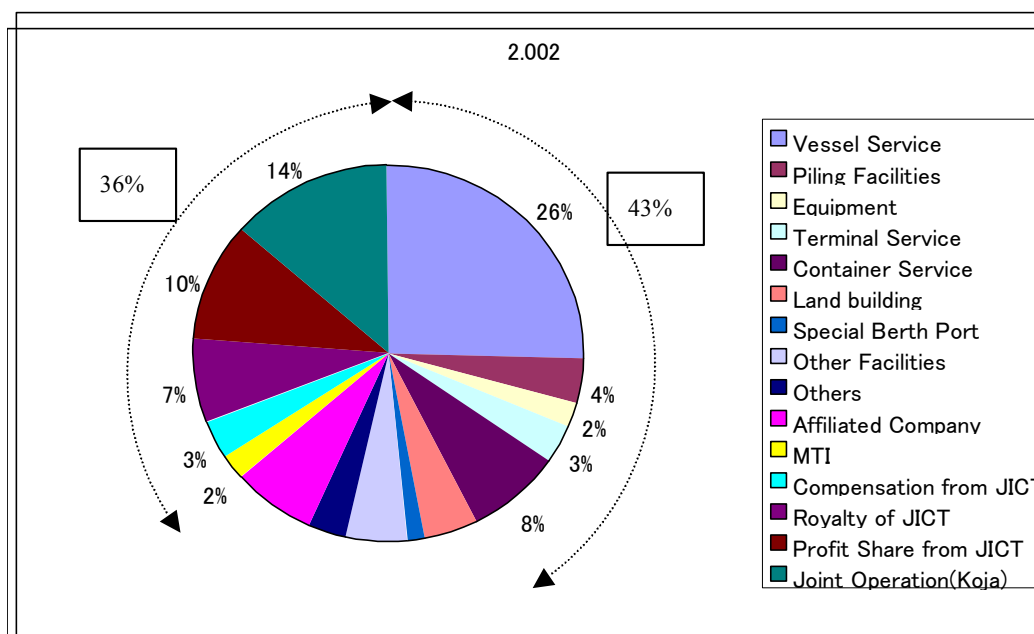


Figure 16-B-2 Detail of IPC 2 Revenue in 2002

962. Portion of revenue from Tanjung Priok port is shown in Table 16-B-5. Tanjung Priok Port is included revenue from JICT, Koja, and MTI. Tanjung Priok Port occupies around 80% of IPC2.

Table 16-B-5 Portion of Revenue from Tanjung Priok Port

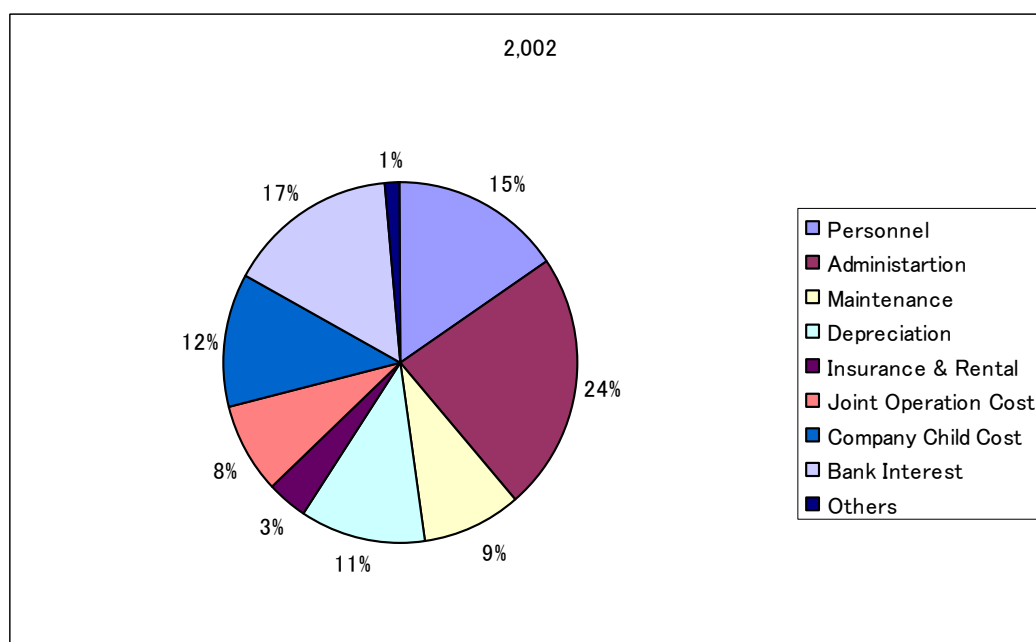
	2000	2001	2002
IPC2	995,117	1,324,470	1,402,930
Tanjung Priok Port	784,363	1,072,634	1,136,172
	79%	81%	81%

16-B-3 Expenditure

963. Detail of IPC2 expenditure is shown in Table 16-B-6 and Figure 16-B-3.

Table 16-B-6 Detail of IPC2 Expenditure

	2000		2001		2002	
Personnel	97,438	11%	132,918	15%	143,481	15%
Administration	147,175	17%	188,627	21%	214,281	23%
Maintenance	41,783	5%	71,046	8%	86,172	9%
Depreciation	94,787	11%	96,963	11%	105,602	11%
Insurance & Rental	31,660	4%	33,085	4%	31,437	3%
Joint Operation Cost	46,030	5%	70,192	8%	76,746	8%
Company Child Cost	68,839	8%	78,478	9%	110,888	12%
Bank Interest	241,497	27%	190,403	21%	146,672	16%
Others	117,358	13%	34,039	4%	11,663	1%
Total	886,567	100%	895,751	100%	926,942	100%

**Figure 16-B-3 Detail of IPC2 Expenditure in 2002**

964. Expenditures at Tanjung Priok port are shown in Table 16-B-7. Figures of Tanjung Priok include joint-operation cost and bank interest. Tanjung Priok occupies around 60% of IPC2.

Table 16-B-7 Portion of Expenditure from Tanjung Priok Port

	2000	2001	2002
IPC2	886,567	895,751	926,942
Tanjung Priok	539,842	543,358	567,366
	61%	61%	61%

16-B-4 Financial Condition

965. Revenue and expenditure of IPC2 and Tanjung Priok port is shown in Figure 16-B-4.

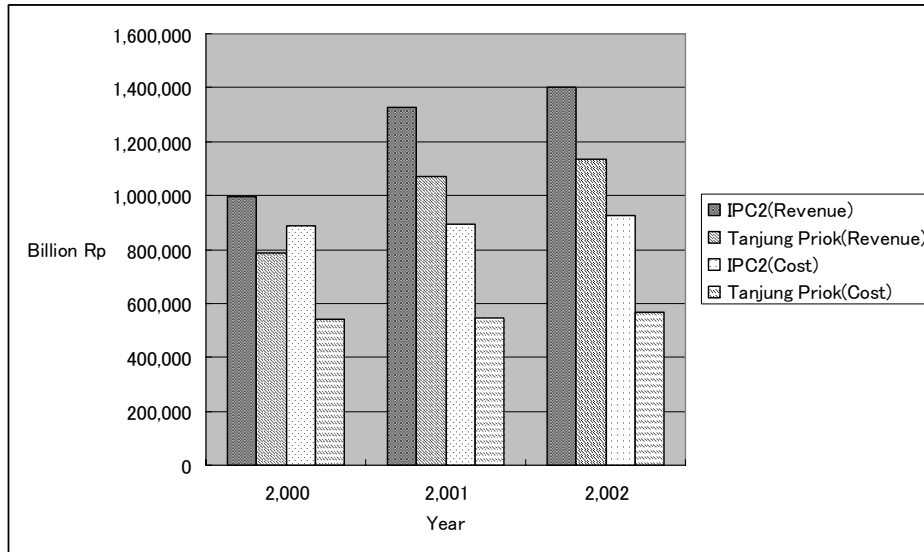


Figure 16-B-4 Revenue and Expenditure

16-B-5 Debt

966. IPC2 has three kinds of debt as shown in Table 16-B-8. Repayment schedule is shown in Table 16-B-9.

Table 16-B-8 Capital Fund Raising for Investment

	IMTN	Bank Mandiri	IBRD
Date of Issue	15 April 1997	4 March 1996	18 June 1985
Lender/Creditor	Investor	PT. Bank Mandiri	International Bank for Reconstruction Development
Amount	US\$ 200 million	356 billion Rp	114.5 billion Rp
Interest	8.06%	19.5%	7%
Purpose	- Construction of Container Yards at Tanjung Priok, Panjang, Pontianak and Palembang - Bojonegara	- Construction of Koja Container Yard	- Construction of Container Yard at Tanjung Priok - Port Facilities Rehabilitation at Tanjung Priok, Teluk Bayur, Panjang, Palembang, and Pontianak
Amount due at 31st December 2002	US\$ 113 million	310BRp	28BRp
Maturity Date	15 th April 2002	31 st December 2008	1 st July 2005

Table 16-B-9 Repayment Schedule

	2002	2003	2004	2005	2006	2007	2008	Total
IMTN	10M\$	23M\$	16M\$	20MM\$	54M\$	-	-	123M\$
Bank Mandiri	19BRp	51BRp	45BRp	55BRp	50BRp	50BRp	60BRp	329BRp
IBRD	11BRp	10BRp	9BRp	9BRp	-	-	-	39BRp

1) IMTN

967. The current balance of Indonesia Medium Term Notes (IMTN) bonds is equivalent to US\$113million. The bonds were issued on April 15, 1997 at a nominal value of US\$200 million and prevailing annual interest as of the balance sheet data is 8.06%. The principal and interest matured on April 15, 2002.

968. IPC2 had not yet finished the repayment of 113 million US\$ as of June 2003 and creditors of the bonds accepted re-scheduling until 2006. Thus, IPC2 cannot get a new loan of US\$50 million or more without agreement of creditors until 2006. It also seems unlikely that creditors would allow IPC2 to repay principal and interest of a new loan until 2006.

969. If IPC2 needs funds for an urgent project, soft loan at small interest and long grace period would be effective.

2) Bank Mandiri

970. Loan from Bank Mandiri was obtained to support the IPC2's working capital. This loan is subject to interest at floating rate of 19 % per year. The principal of the loan of 242 billion Rp will mature on 31st December 2008, while the remainder of 87 billion Rp will mature on 31st December 2005.

3) IBRD

971. Loan was provided to finance the IPC2's investment through the Government of Republic of Indonesia. This loan were originated from overseas creditors and given to the Government of the Republic of Indonesia in the form of multilateral or bilateral cooperation, which is then channeled to the IPC2. The last installment of the loan will be matured on 1st July 2005.

16-C. PORT RELATED EXPENDITURE AND REVENUE IN THE GOVERNMENT BUDGET**16-C-1 National Budget of MOC (Ministry of Communication) and DGSC**

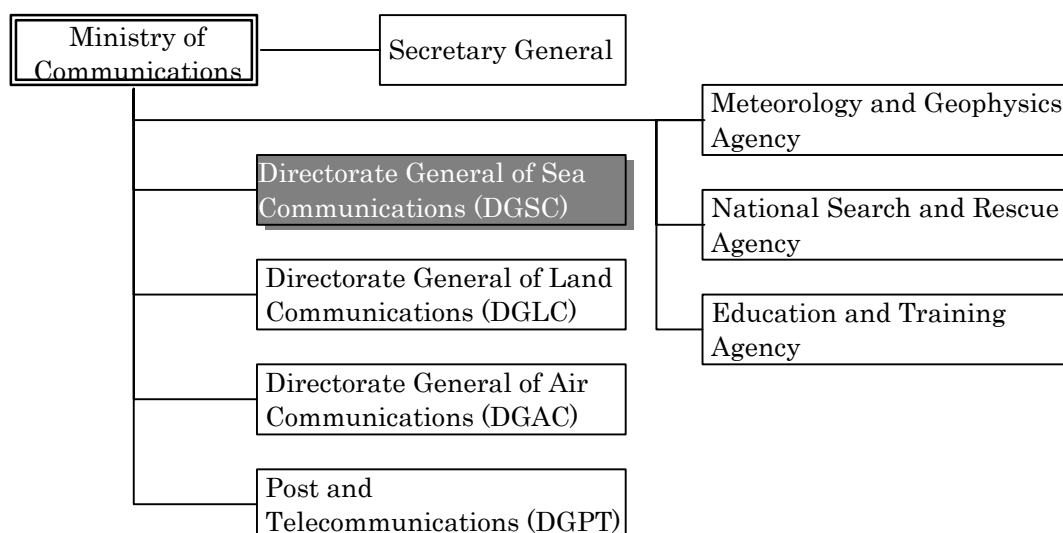
972. In the year 2003, the Budget (SATUAN 3) of MOC is approved with amount to 2,061 billion Rp, which is allocated into Directorates, Agencies and other funds for developing the transport and communication sectors. The said budget is categorized to so-called the “investment for developments” excluding the ordinary expenditure.

973. The sea transportation sector (DGSC) has around 23 % share in the whole MOC’s budget, which is only a half of DGLT (i.e. the land transportation sector) as shown in Table 16-C-1.

Table 16-C-1 Budget (SATUAN 3) of MOC in the year 2003

No.	SECTOR	2003 (SAT 3) (million Rp)	Share (%)
1	Land transportation (Phb. Darat; DGLT)	911,708	44.2
2	Sea transportation (Phb. Laut; DGSC)	466,511	22.6
3	Air transportation(Phb. Udara; DGAC)	462,706	22.5
4	Post & Telecommunication (Postel;DGPT)	44,575	2.2
5	<i>Research & Development Agency/Unit</i> (Bandan Litbang)	8,500	0.4
6	Meteorology & Geophysics Agency (BMG)	52,000	2.5
7	National SAR Agency (BASARNAS)	33,000	1.6
8	Education & Training Agency (Badan Diklat)	58,000	2.8
9	<i>State Apparatus Facility and Infrastructure</i> (Sarana dan Prasarana Aparatur Negara)	15,000	0.7
10	<i>Restructure and Reformation of Transportation</i> (Restrukturisasi dan Reformasi Bid. Transportasi)	9,000	0.4
Total		2,061,000	

Source: Planning Division of DGSC

**Figure 16-C-1 Organization of MOC**

974. The budget of the sea transportation sector (DGSC) seems to be favorably increasing in recent years, even if the impact of inflation will be examined or excluded. However, DGSC has received a large quantity of proposals from all over the country as shown in Table 16-C-2. Thus its budget is not necessarily enough amount to support widespread sea transport activities in Indonesia.

Table 16-C-2 Budget of DGSC in the year 2001 - 2003

Unit: million Rp. (Current Price)				
	2001	2002	2003	2004
Project Proposal (DUP) a)	177,574	379,095	710,012	995,497
Approved Budget (SAT 3) b)	143,900	289,450	466,511	not yet fixed

Source: Planning Division of DGSC

a) Project Proposal: the sum of proposals by regional offices of MOC, local governments, etc.

b) Approved Budget excludes the foreign currency of foreign assistance but includes the local portion in. foreign assistance projects.

975. Besides, above-mentioned DGSC's budget has excluded foreign loans/grants from overseas countries or international aid agencies. In fact, DGSC's investment for sea transportation is composed of above 466.5 billion Rp. and foreign assistance. The latter (foreign portion) reaches 764.1 billion Rp in the year of 2003. Such foreign loans assist shipbuilding of passenger vessels, night navigation facilities, port development projects and procurement of a marine disaster preservation ship by donor countries such as Japan, German and Netherlands. In other words, for the development of sea transportation, DGSC heavily depends on donors. In the field of port sub-sector, further details of such dependence on foreign loans/grants are described later.

976. In formulating its budget in the recent years, DGSC places great emphasis on the following fields of sea transportation:

- To develop pioneer sea transportation routes
- To develop and maintain/repair seaport facilities
- To ensure safety of navigation
- To improve skill of operation labors

977. According to above policy, DGSC allocates own budget among the following fields:

Table 16-C-3 Allocation of DGSC Budget in the year 2003

Unit: million Rp.		
Items of DGSC's Budget	2003 (SAT3)	Number of Projects
A. Assistance to Pioneer routes	176,556	25 Projects
B. Development of Seaports' facilities	177,950	40 Development Projects
Rehabilitation of Seaports' facilities	30,318	10 Rehabilitation Projects
C. Improvement of Navigable condition	29,792	17 Improvement Projects
Rehabilitation of Navigable condition	51,895	26 Rehabilitation Projects
TOTAL	466,511	

Source: Planning Division of DGSC

Note: Amount of the budget excludes the foreign currency portion from foreign assistance but includes the local portion into foreign assistance projects.

978. As above-shown in Table 16-C-3, item A is the assistance to vital transportation routes contributing to socio/economic activities at remote areas in Indonesia. DGSC subsidizes shipping operators including OM (operation/maintenance) cost, and subsidizes coasters that will enter service between lower-profitable pioneer routes among remote areas.

979. One of strategies of DGSC is to develop or improve seaports' facilities. Item B is allocated to public ports, which are categorized into two cases: In investment for non-commercial ports (so-called "small ports"), and in some special cases, investment in IPCs' seaports (commercial ports). A typical example of the latter case is to provide local portion for foreign assistance such as JBIC loan. Another example is an allocation for lower-profitable projects of IPC's commercial ports, however, this is rare case and just one project in 2003.

980. As to item C in afore-shown Table 16-C-3, major purpose is to ensure the maritime safety such as navigation aid system. Among this category (item C), DGSC plans some maintenance dredging, which amount to six projects with allocated budget of 24 billion Rp in the year of 2003.

16-C-2 Budget for Seaport Sub-Sector in the National Government

981. As to the investment for port sub-sector, the historical trend of the national budget for port sub-sector is shown in Table 16-C-4, indicating large fluctuation year by year and heavy dependence on foreign loans.

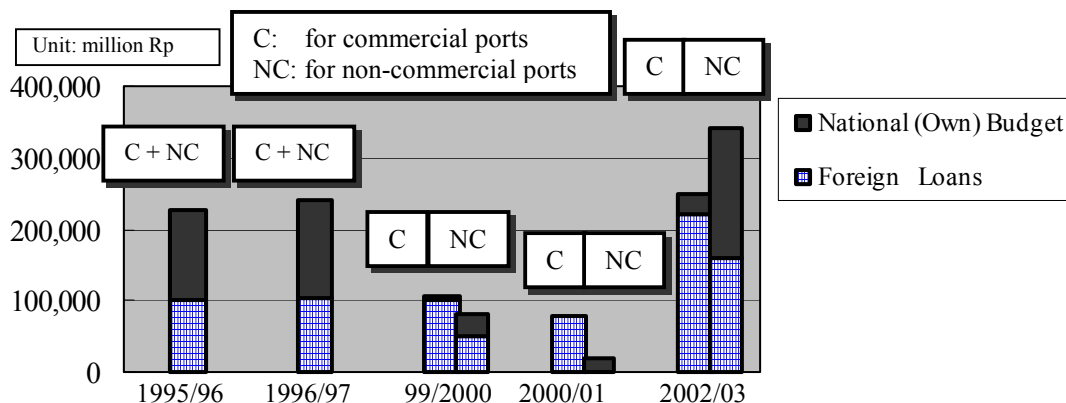
Table 16-C-4 Historical Trend of DGSC Budget for Seaport Sub-Sector

	Unit: Billion Rp								
	94/95	95/96	96/97	97/98	98/99	99/2000	2000/01	2001/02	2002/03
Total	257.5	226.8	240.6	160.8	207.1	186.5	97.3	113.6	589.8
Foreign Loan	133.6	102.0	104.1	105.8	140.9	151.1	78.1	ND	380.6
Own Budget (a)	124.0	124.8	136.5	55.0	66.2	35.4	19.2	ND	209.3
Inflation, GDP deflator (annual %)	ND	ND	ND	13%(97)	75%(98)	14%(99)	11%(00)	13%(01)	ND

Source: JICA Preparatory Study Team (94/95 -98/99 data), DGSC (99/2000 – 2002/03 data), World Bank (GDP deflator)

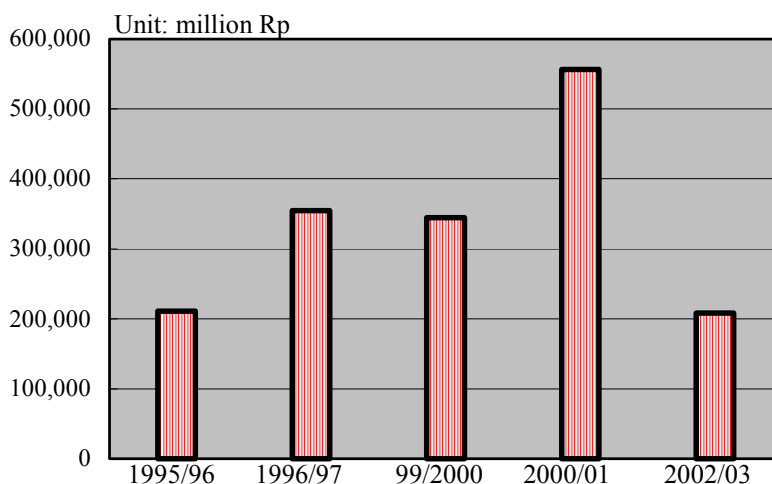
(a) Own budget includes the local portion into foreign assistance projects.

982. Figure 16-C-2 breaks down the national budget into commercial ports (Pelindos') ports or into non-commercial ports. As for investment for port facilities by IPCs, the estimations of their capital investments are shown in Figure 16-C-3. According to this estimation, IPCs have invested around 200 billion Rp in the year 2000. Needless to say, IPCs' capital investment has also indicated large fluctuation, due to the impact of the Economic Crisis, each balance of revenue and expenditure. As compared with Figure 16-C-2, indicating the amount of foreign loans, it is considered that IPCs have also reliance on foreign assistance for large-scale development of their commercial ports.



Source: the same as Table 16-C-4

Figure 16-C-2 Breakdown of DGSC Budget for Seaport Sub-Sector



Source): JICA Preparatory Study Team (95/96 -98/99 data), Estimation by the Study Team (2000/01 data from Annual reports by IPC I – IPC IV)

Note): Estimation excludes foreign loans & state budget.

Figure 16-C-3 Estimated Capital Investment by IPCs (Pelindos)

16-C-3 Revenue of Seaport Sub-Sector in the National Government

983. This sub-chapter outlines revenue from port operational activities. As described later for detail, the central government can charge calling vessels a kind of port dues such as a navigation aid fee, etc. Such port dues are levied by branch offices (ADPEL & KAMPEL) under DGSC, the summary of branch offices under MOC/DGSC is shown in Figure 16-C-4.

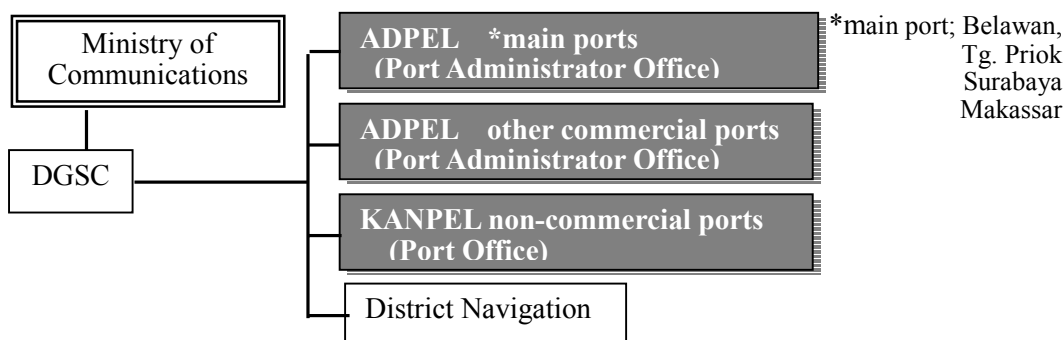


Figure 16-C-4 MOC's Branch

984. In the whole Indonesia, revenues by all KANPEL offices amount to 346 billion Rp. in the year of 2002. Meanwhile, the Study Team has not yet collected the information about revenue from ADPEL offices. According to the interview with ADPEL Tanjung Priok Office, monthly income from related dues is around 2 billion Rp./month, and annual ordinary expenditure are estimated at around 8 billion Rp./year in 2003. MOC pays these income to the National Treasury as the national revenues, and its portion of payment seems to be ranging between 70% and 100 %.

985. On the other hand, operational revenue/cost by IPCs are as follows:

Table 16-C-5 Operational Revenue/Cost by IPCs in 2000

Item	Unit: billion Rp.			
	IPC I	IPC II	IPC III	IPC IV
Operational Revenue-Net	287	969	877	136
Operational Cost	162	528	447	79

Source: Annual Reports and Financial Reports in 2000 by IPC I – IPC IV

986. The financial conditions of IPC 2 (Pelindo 2) were indicated for detail previously. Each IPC has a different financial condition as well as its financial policy, besides its financial position is changing in the long term. On the limited data available, it is difficult to evaluate other IPCs' capacities of an investing activity for port development. With the exception of foreign loans to IPCs' ports, it is presumed that IPCs' financing power to new capital investments is not necessarily enough.

16-C-4 Expenditure and Revenue Structure of the Local Government

987. Although the decentralization scheme was carried out from 2000, the provincial governments have yet to play a large role in road administration. Since local governments lack adequate funds, road development projects will likely require subsidies from the central government.

988. Incidentally, the central government provided West Java province with 3,388.4 billion Rp in subsidies, which represented 81.3 % of the income of the province in 2000. Investment in the transport sector reached 298.9 billion Rp, or 25.7 % of the total investment in the province. Regarding Banten province, relevant data are not available, but since the share of the road sector in GRDP for this province is similar to that of West Java, investment in the transport sector can be estimated at 77.1 billion Rp. Based on Indonesian trends, it is further estimated that about 60%, or 45 billion Rp, of this investment goes into road development.

Figure 16-C-5 Receipts and Expenditure of West Java

(Billion Rp.)

	West Java	
	1998/99	1999/00
A. Receipts	3,159.2	4,168.0
A.3 Income from higher level Government and/or Authority	2,753.1	3,388.4
	87.1%	81.3%
A.3.3 Subsidies to local Government	1,477.2	1,938.9
	53.7%	57.2%
A.3.4 Development contribution	714.0	885.4
	25.9%	26.1%
A.4 Local Government loan	8.5	1.4
	0.3%	0.0%
B. Development Expenditures	960.8	1,162.1
B.6 Transportation	251.6	298.9
	26.2%	25.7%
B.21 Development subsidies to lower level Government	3.1	6.2
	0.3%	0.5%

Source: Progress Report

Table 16-C-6 Development Expenditure for Transportation of Banten Province

(Billion Rp.)

	West Java	Banten
GRDP	181.6	46.9
Share of GRDP on Road Sector	3.1 %	3.2 %
Development Expenditure for Transportation	298.9	77.1 (Estimated)

Source: Jawa Barat in Figures 2000, Banten in Figures 2000

Table 16-C-7 Development Budget for the Transport Sector

	1997/1998	1998/1999	1999/2000	Average	%
Total	6,850	7,074	8,827	7,584	100.0
Road Infra.	4,547	4,564	5,644	4,918	64.9

Source Progress Report

989. In accordance with the Regional Government Law (Law No. 22 in 1999) and the Financial Balance between Central and Regional Government Law (Law No.25 in 1999), the Indonesian government just took a step forwards to enforcing the decentralization policy.

990. To facilitate the decentralization policy, above law regulate how a local government should balance its budget with the transfer of the central government. The said “transferred budget” is made up “balancing fund”, “general grant” and “special grant”.

991. In public port sector, the “National Port System” will launch by a new Ministerial Decree. The said “National Port System” stipulates the port classification, a concept of the role sharing between the central and local government based on above the decentralization policy. However, MOC/DGSC are still now establishing a detailed procedure of transfer some responsibilities to local governments. Thus, there is unlikely that local governments are investing for its public ports presently.

992. In the Study area, the revenues/expenditures by local governments are shown in Table 16-C-8. The development expenditure indicates a large difference due to gaps between its financial backgrounds/conditions. Moreover, its investing expenditures for transportation sector were very small portion for some time past. In accordance with the Regional Government Law

(Law No. 22 in 1999) and the Financial Balance between Central and Regional Government Law (Law No.25 in 1999), the Indonesian government just took a step forwards to enforcing the decentralization policy.

Table 16-C-8 Revenues/Expenditure by Local Governments in the Study Area in 1999/2000

Unit; billion Rp.

The year of 99/2000	West Java	DKI JKT
Revenues	1,075	4,179
Expenditures (total; (a)+(b))	918	3,296
(a) Ordinary Expenditures	635	2,459
(b) Development Expenditures	283	836
Among (b), for transportation	42	90

Source; Financial Statistics of Province Gov. (1997/98 -2000) by BPS

Note) West Java included Banten in 1999/2000

16-D. FUND RAISING FOR INVESTMENT OF METROPOLITAN PORT

993. The existing port of Tanjung Priok and the new port of Bojonegara are targeted for development. To realize these development plans, IPC2 will have to prepare sufficient funds.

994. As the financial situation of IPC-2 will have been tough for the time being, the proposed urgent projects both for Tanjung Priok port and Bojonegara new port should be implemented optimizing soft loans which have advantages of low interest as well as long grace period.

995. When the urgent project as well as the short term project of Tanjung Priok and Bojonegara will be carried out, IPC2 could make around 7,800 billion Rp in 2025. While when the long term project will be carried out, public sector will need 8,200 billion Rp until 2025 and if breakwater and access channel are burdened by central government, project cost of central government would be 100 billion Rp and IPC2 would be 7,200 billion Rp.

996. Therefore, long term project can be covered by revenue of urgent and short term project. However, it is also essential that the financial burden of IPC-2 should be lowered to keep good port management and operation, and in this connection, private funds should be utilized properly and effectively. In case that beneficiaries by the port development are able to be specified in such case as development of turning basin in front of specific terminal, they should pay for a part of the project cost in accordance with the extent of their benefit. And when the project risk is considered to be relatively low, e.g. in case of expanding container terminal, there will be a possibility to introduce complete BOT scheme for infrastructure development.

997. For access road development, local government as well as related public sector should be involved and bear a fair share of the construction cost.

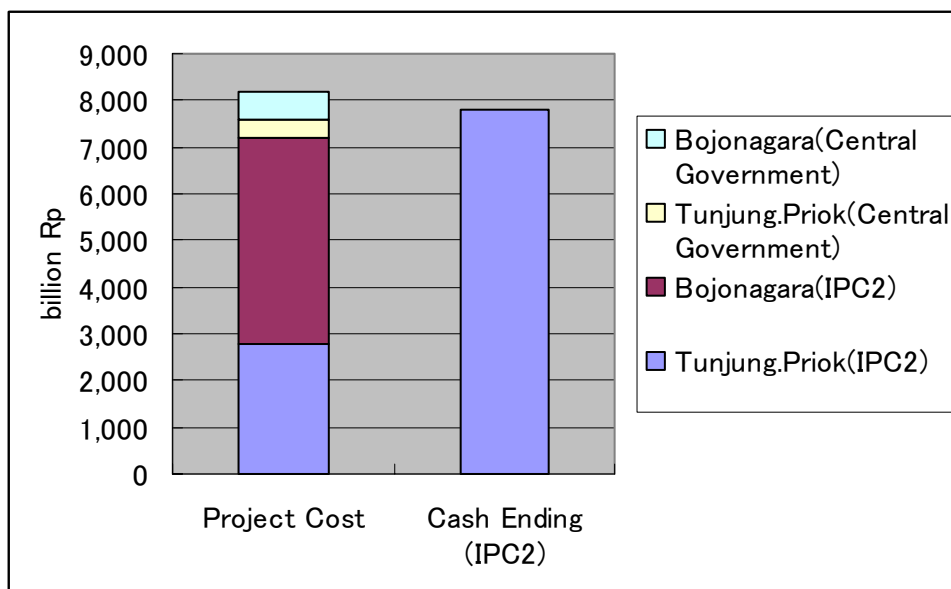


Figure 16-D-1 Fund Condition in 2025

CHAPTER-17. INSTITUTIONAL VIABILITY OF PORT RELATED ORGANIZATION

17-A. ANALYSIS ON THE FACTORS IMPEDING TRADE FACILITATION

17-A-1 Framework and Climate of Trade in Indonesia

998. Indonesia's relationship with the International Monetary Fund (IMF) has provided the framework for the country's economic policies since November 1997. IMF-supported economic reforms have promoted internal restructuring and reinforced existing policies of trade and investment liberalization. Indonesia's current \$5 billion IMF Extended Fund Facility continues through the end of 2003.

999. The Indonesian Government generally has adhered to its long-term trade liberalization program, although evidence of backsliding mounted in 2002. Indonesia fully implemented the final stage of its commitments under the ASEAN Free Trade Agreement (AFTA) on schedule on January 1, 2002. However, the Indonesian Government has expressed reservations about the pace of liberalization within AFTA, and noted an interest in pursuing emergency exit clauses from AFTA commitments in general.

1000. In the late 1980's the Indonesian Government began long-term trade reform to wean the economy away from its dependence on oil and gas and increase Indonesia's industrial competitiveness. In the early 1990's, it began a series of annual deregulation packages designed to gradually lower applied tariff rates, convert non-tariff barriers into tariffs, and remove restrictions on foreign investment. This process is projected to conclude in 2003. At that time, there will be a three-tier tariff rate structure (0 percent, 5 percent, and 10 percent), except on sensitive items such as automotive goods and alcohol. The most recent tariff package, issued January 11, 2001, reduced tariffs by five percentage points on 1,279 tariff lines. The majority, 769 lines, had tariff rates reduced to 10 percent or below. Indonesia's average unweighted tariff is 7.3 percent, compared to 20 percent in 1994.

1001. In terms of automotive policies, the Indonesian Government announced a major revision of its national automotive policies designed to rely on market forces to foster a more efficient and globally competitive automotive industry in June 1999. The new policy eliminated extensive tariff and tax incentives for local content. The Indonesian Government reduced the maximum tariff on automobiles from 200 percent to 80 percent. Tariffs on passenger car kits imported for assembly, which had ranged from zero percent to 65 percent, were reduced to 35 percent, 40 percent, or 50 percent depending on engine size. Tariffs on non-passenger car kits were reduced to a uniform 25 percent. Tariffs on auto components and parts imported for local assembly of passenger cars and minivans were changed to a uniform rate of 15 percent. Imports of motor vehicles are no longer restricted to registered importers or sole agents of foreign automakers but are open to any licensed general importer.

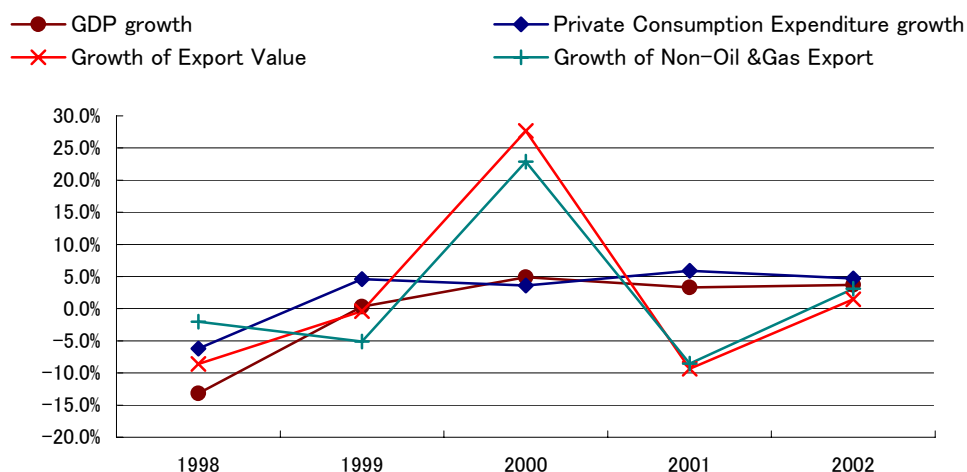
17-A-2 General Trend of Trade

1002. Latest economic growth from 2000 - 2002 has been lead by domestic demand rather than export activity as shown below.

Table 17-A-1 Macro Economic Situation

	1998	1999	2000	2001	2002
GDP growth	-13.2%	0.3%	4.9%	3.3%	3.7%
Private Consumption Expenditure growth	-6.2%	4.6%	3.6%	5.9%	4.7%
Consumer Prices (% change)	77.6%	2.0%	9.4%	12.6%	10.0%
Value of Exports (million US\$)	48,848	48,665	62,124	56,321	57,159
Growth of Export Value	-8.6%	-0.4%	27.7%	-9.3%	1.5%
Non-Oil and Gas (million US\$)	40,976	38,873	47,757	43,685	45,046
Growth of Non-Oil & Gas Export	-2.0%	-5.1%	22.9%	-8.5%	3.1%

Source: BPS



1003. However, it is very clear that trading activity plays a key role to activate Indonesian economy and to achieve a certain level of economic growth, say 6% as GOI expects after 2006. As shown in balance of payment table below, trade balance has been surplus in the past 10 year and current account has been plus after economic crisis in 1998 in accordance with the increase of trade surplus.

Table 17-A-2 Balance of Payment

	Billion US\$							
	1994	1995	1996	1997	1998	1999	2000	2001
Current Account	-3.0	-6.8	-7.8	-5.0	4.1	5.8	8.0	6.9
Trade Balance	7.9	6.5	5.9	10.1	18.3	20.6	25.0	22.7
Capital Account	4.0	10.6	11.0	2.5	-3.9	-4.6	-6.8	-9.0
Private	3.7	10.3	11.5	-0.4	-13.8	-9.9	-10.0	-8.3
Foreign Direct Investment	2.1	4.3	6.2	4.7	-0.4	-2.7	-4.6	-5.9
Other	1.6	5.9	5.3	-5.0	-13.5	-7.2	-5.4	-2.4
Official	0.3	0.3	-0.5	2.9	10.0	5.4	3.8	-0.7
Errors/Omiss.	-0.2	-2.3	1.3	-1.7	2.1	2.1	3.8	0.7
Monetary Movement	-0.8	-1.5	-4.5	4.1	-2.3	-3.3	-5.0	1.4

Source: Bank Indonesia, BPS

1004. According to the latest report on Indonesia's international trade, trade activity has been growing since mid-2002 after one and half year's stagnancy (Figure 17-A-1). Much of this increase is a result of price increases rather than volume growth. For the first two months of 2003, export value grew by 18.3 percent (YoY). Sharp increase in oil prices contributed to that in oil and gas exports, which increased by 46 percent (YoY), while non-oil exports also increased by 11.3 percent. Machines and electrical products exports increased by 13 percent followed by woods and woods products (7 percent).

1005. In contrast, textile and footwear exports, products in which Indonesia has traditionally been strong, have been declining. In part, this is due to the real exchange rate appreciation, which has started to affect Indonesia's position in this highly competitive sector. In part, this is caused by competition from China on third markets. There is, however, still a positive side to the China in general: Indonesia's exports to the country increased by 57 percent (YoY) in the first two months of 2003, following a 36 percent increase in 2002 compared to 2001.

1006. All of the recent increase in export value has been due to price increases. Between July and November 2002, the latest data available, export value increased by 9.2 percent (YoY), while volume was still falling at a rate of 16.5 percent (YoY). Imports growth rate outpaced that of exports. In the first two months of 2003, import value grew by 37.2 percent. Machines and electrical products imports even increased by 46.5 percent.

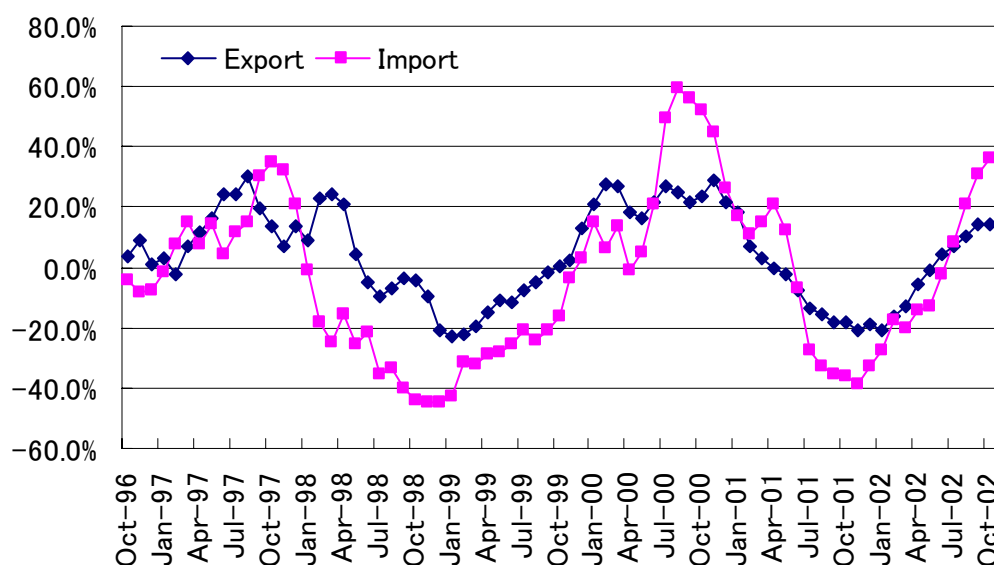


Figure 17-A-1 Growth Rate of Non-oil and Gas Export/Import Value (YoY 3 Months Period)

17-A-3 Investment Trend and Climate

1007. In the balance of payment as shown the above Table 17-A-2,, another important issue should be remarked, i.e. capital account including Foreign Direct Investment (FDI) which is closely related to the trading activities.

1008. Balance of payments data for 2001 show a continuation of Indonesia's post-crisis pattern of large current account surpluses coupled with continuing capital account deficits. In the four years preceding the crisis (1993-96), net private capital inflows averaged USD 7.7 billion per year, or an average of over 4 percent of GDP. In 1997 this pattern reversed as imports and foreign investment (portfolio and direct) collapsed, resulting in average net capital flows of a negative USD 6.05 billion per year from 1998-2001.

1009. The capital account deficit increased in 2001 from US\$ -6.8 to -9.0 billion. According to BI, two factors led to the deterioration in the capital account: a large decrease in net official capital inflows (largely the result of a slowdown in drawings of program loans offered by the

Asian Development Bank, World Bank, and Japan), and continued negative net foreign investment flows.

1010. Indonesia's investment climate has not yet improved compared to the other ASEAN countries. The World Economic Forum's 2002 competitiveness rankings scored Indonesia better than only Argentina and Venezuela. With household consumption already growing more than six percent a year and the outlook for robust export growth clouded by an uncertain world economy, reviving business investment is the key to restoring GDP growth to pre-crisis levels.

1011. However, latest investment statistics through the first 8 months of 2002 has been still very weak. Foreign investment approvals declined 39 percent from the same period in 2001 to USD 3.55 billion. The 39-percent decline came on the back of a 42 percent decrease in foreign investment approvals in 2001. Balance of payments for 2001 indicate that while Indonesia's private capital deficit narrowed from its 2000 level, net foreign investment remained strongly negative during the year at USD -5.9 billion.

1012. Analysts cite a number of factors contributing to Indonesia's prolonged business investment slump. These include:

- Slowing structural reforms,
- Rapidly rising labor costs,
- The lack of an efficient and transparent legal system,
- Widespread official corruption,
- Signs of impending infrastructure shortages,
- Uncertainties stemming from Indonesia's decentralization program, and
- Competition from other labor-intensive economies in Asia, especially China and Vietnam

1013. The Indonesian Government is seeking to improve Indonesia's investment climate by reducing burdensome bureaucratic procedures and other requirements on foreign investors. Indonesian law provides for both 100 percent FDI projects and joint ventures with a minimum Indonesian equity of five percent. In 1998, the Indonesian Government opened several previously restricted sectors to foreign investment, including harbors, electricity generation, telecommunications, shipping, airlines, railways, roads, and water supply.

1014. Foreign capital investment is primarily governed by the Foreign Capital Investment Law of 1967, as well as by subsequent presidential and ministerial decrees. The Capital Investment Coordinating Board (BKPM) and other relevant agencies must approve most proposed foreign investments in Indonesia. Obtaining the required permits, however, can be burdensome and time-consuming, because BKPM lacks centralized authority to issue such permits. In February 2002, GOI prepared a new investment law that would overhaul existing regulations dating back to the late 1960's, however, it has not been enacted at this moment.

1015. Although the GOI has held dialogues on doing business issues with domestic and international business groups, through mid-2002 it made little progress in formulating and implementing a meaningful reform program that would encourage potential investors. Focusing on improving Indonesia's investment climate has emerged as the GOI's top short-term policy challenge. Analysts generally agree that GOI progress in the following core areas would greatly increase the prospects for sustained and robust business investment in Indonesia:

1) *Legal and Judicial Reform*

1016. Foreign observers cite Indonesia's inefficient and opaque legal system as a major obstacle to attracting foreign investment. Although the GOI has repeatedly recognized the importance of legal and judicial reform, it has moved very slowly and progress to date has been minimal.

2) *Resolving Labor Problems*

1017. Back-to-back annual minimum wage hikes of 30 and 39 percent in Jakarta, coupled with similar rises in other major cities, have reduced Indonesia's competitiveness for labor-intensive manufacturing. Extremely generous severance pay provisions have further boosted labor costs. Labor activism has also increased significantly as Indonesia's labor unions adjust to a more democratic political environment. The GOI enacted a new labor law in March 2003 to deal with these problems, but the details stipulating such a process of dispute settlement etc. remain unclear.

3) *Reducing the Uncertainty from Fiscal Decentralization*

1018. Indonesia's ambitious fiscal decentralization program, implemented in January 2001, continues to create uncertainty for foreign investors, particularly in the mining and petroleum sectors. Many local governments have enacted taxes that discriminate against foreign investors and restrict internal trade. In addition, local governments now have the authority to approve investments in all areas except in the financial and petroleum sectors, which remain the preserve of the central government. Despite the transfer of investment approval authority, investment rules and procedures - approval criteria for new investments, licensing arrangements, etc. - remain unclear. Differences of opinion between the central and local governments about which has authority on certain issues has added to the level of uncertainty facing foreign investors. In many areas, local governments have instituted revenue-raising measures ("retribusi"), which are trade distorting.

4) *Reforming the Banking Sector*

1019. The GOI completed its Rp 430 trillion bank recapitalization program in October 2000, but the banking sector remains fragile. Reports of solvency problems at a number of banks continued in 2002, including at six of the eleven banks owned by the Indonesian Bank Restructuring Agency (IBRA). Despite continuing management problems at state and IBRA-owned banks, the GOI's bank privatization program stalled after the April 2002 sale of Bank Central Asia. Re-privatizing the bulk of Indonesia's banks and ending the blanket GOI guarantee on bank liabilities is crucial for resuming commercial lending to the real economy and reducing the risk to the GOI's finances from potential bank failures.

5) *Infrastructure bottlenecks*

1020. Indonesia has seen very little investment in infrastructure since foreign financing dried up in the wake of the 1997-98 financial crisis. Four years later, there are signs that the country's ports, roads, and other infrastructure are becoming overloaded. The problem is most acute in the area of electric power generation, and some experts predict power shortages in the Java-Bali grid by 2004. Although the GOI has announced the resumption of some projects suspended during the crisis, it has not developed a strategy for boosting infrastructure investment to pre-crisis levels.

6) Transparency

1021. A lack of transparency and widespread corruption are significant problems for companies doing business in Indonesia. Demands for irregular fees to obtain required permits or licenses, government awards of contracts and concessions based on personal relations, and an often arbitrary legal system are frequently cited problems.

1022. Many laws passed since late 1997 have established new institutions and agencies to respond to popular demands to address corruption, collusion, and nepotism, but the effects of these laws are not yet apparent. The Indonesian Government established stiffer penalties for corruption as well as an independent commission to investigate and audit the wealth of senior government officials. It also established an Anti-Corruption Commission. Neither of these laws has been fully implemented, however, and few cases have been prosecuted.

17-A-4 Factors Impeding Trade Facilitation

1023. Based on the interviews with several trading companies, major factors impeding trade facilitation in Indonesia can be itemized as below and detailed descriptions are shown in Table 17-A-3 together with the port related matters. Some of them are closely related to the investment climate.

- ◆ Tariff
- ◆ Production Cost
- ◆ Logistic (Time and Cost)
- ◆ Infrastructure
- ◆ Security
- ◆ Banking
- ◆ Standardization
- ◆ Trade Promotion Incentive
- ◆ Law Enforcement and Transparency

1024. With regard to the logistic cost in the third point, the following graph shows the relation between handling tariff and Terminal Handling Charge (THC) at major ASEAN ports.

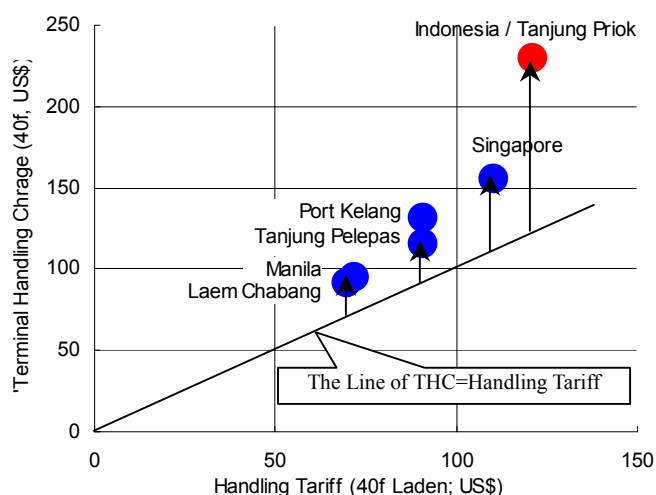


Figure 17-A-2 Relation of Handling Tariff and THC (40f Laden)

1025. THC is a charge imposed on a shipper by a shipping company and it is natural THC is higher than handling tariff which imposed on a shipping company by a terminal operator because THC includes other costs in addition to a handling tariff. However, a difference between THC and handling tariff in Tanjung Priok is bigger than other ports. The following points could be considered as contributing factors:

- Frequent re-handling of containers in the yard (Extra charge)
- Frequent re-positioning of empty containers for export use because of unbalance of numbers of export and import laden container
- Insurance for pilferage and other accidents
- Unofficial payment for expediting procedure

1026. For export/import automobiles, tariff has not yet been set. When comparing real handling and storage cost offered by stevedoring in Tanjung Priok, there is a great difference with other ASEAN ports such as Laem Chabang of Thailand. For example, a difference of US\$30 per unit will translates into a difference of US\$1.5 million per year assuming annual trade of 50,000 units.

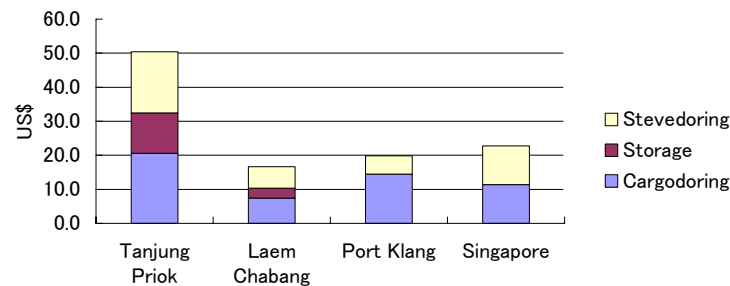


Figure 17-A-3 Charge for Automobile Export (per 1 Unit (12 tonne), with 5 days of Storage)

Table 17-A-3 Factors Impeding Trade Facilitation

Item	Description	Port Related Matters
Tariff	Duties and tax are the most obvious barrier to free trade. Free trade, especially in AFTA, will expedite trading activity among relevant countries, which could achieve sustainable economic development for both countries.	-
Production Cost	Production cost has been increasing due to the hike of labor and electricity cost, materials/parts procurement cost.	-
Logistic (Time and Cost)	Congestion and inefficiency in logistic route, such as in port and road, impede reliable distribution in trade. And high logistic cost reduce the competitiveness of Indonesian products in the world market.	<p>(Time Factor) Transit/dwelling time of cargo in the port area is long and unreliable due to inefficiency of shipping operation, cargo handling, customs clearance and land transport management as well as complicated documentation. It reportedly takes over 10 days to clear customs. EDI system is not operated effectively.</p> <p>(Cost Factor) Almost all kinds of dues and charges in the port are high compared to other major ASEAN ports, such as handling tariff which decide in the negotiation between stevedoring and consignee/-nor, Terminal Handling Charge (THC), customs clearance fee etc. Unofficial payments are also sometimes required.</p>
Infrastructure	Infrastructure such as ports, roads and electric power generation are becoming overloaded, and water supply and sewage system are not sufficiently provided.	<p>Existing port facilities cannot accommodate future export/import cargo demand. In case of trade of automobiles in AFTA, there is not enough space to handle them in Tanjung Priok. Improvement and/or development of port facilities are urgent, however, the current financial problem as well as an absence of proper planning, evaluation and coordination system are preventing prompt action.</p>
Security	There are still some uncertainties.	Pilferage in a container terminal is often reported.
Banking	Banking sector remains fragile. Solvency problems at a number of banks continue.	-
Standardization	Failure in catching up with international standardization would be a barrier to trade. (e.g. Emission control of automobile has not yet been standardized in Indonesia, which would be some burden to export/import automobiles.)	-
Trade Promotion Incentive	There is no comprehensive tax holiday system and/or incentive measure to promote trading activity. On the contrary, many local governments have enacted taxes as revenue-raising measures ("retribusi"), which acts to discourage trading activity.	Free trade zone or export processing zone has not yet been developed in or adjacent to the port. Such zones are often seen in other Asian ports to attract industry and increase trade competitiveness.
Law Enforcement and Transparency	A lack of transparency and widespread corruption, collusion and nepotism are significant problems for companies doing business in Indonesia.	There is a lack of transparency in setting charge for cargo handling, customs clearance etc.

17-B. ANALYSIS ON THE CURRENT PORT ADMINISTRATION AND MANAGEMENT

1027. The policies of decentralization and privatization are bringing about rapid changes in procedures/schemes of port development, administration, management, operation as well as other port activities. The institutional viability of “organization”, in other words, the improvement of “organizational capacity” aims at achieving successful development of the port sector, and responding to the rapidly changing circumstances.

1028. In this sub-chapter, “institutions” refer to the laws, regulations and working procedures which are applicable to various port related activities. Needless to say, “organizations” are groups of players for achieving each objective, which are broadly divided into the public and private sector. MOC (Ministry of Communication) and MOSOC (Ministry of State-owned Corporation; BUMN) as well as IPC by way of state-owned companies belong to the public sector. Meanwhile, the private sector is composed of widespread parties. Table 17-B-1 summarizes responsibilities/roles of above organizations in case of commercial ports.

Table 17-B-1 Responsibilities/Roles of Organizations

	DGSC/ MOC	IPC	Port Service Providers	Other Gov. Organizations
Port Planning				
1.Development Policy for port sector				
2..Planning of Port Development/Improvement				
Port Development				
1.Construction & Maintenance of Infrastructure Non-profitable facilities, Maritime Safety Facilities Profitable facilities				
2.Construction & Maintenance of Superstructure				
Port Management and Operation				
1.Security Control in Port Area				
2.Charge, Due Collection				
3.Berthing Arrangement				
4.Permission for Use				
Port Service				
1.Pilotage & Towage				
2.Cargo Handling, Storage				
3.Lighterage				
4.Mooring				
5.Water Supply, .Garbage Collection				
Other Port Administration				
1.Coast Guard				
2.Port State Control				
3.CIQ (Customs Clearance, .Immigration and Quarantine)				

Source: Study Team

Note: a) indicates executing agencies or participant for cost allocation

b) indicates the concept of cost allocation scheme by the Study Team

1029. As a great quantity of rules exist among the various organizations in Table 17-B-1, subsequent sub-chapters focus on the following issues:

- Planning procedure for port development/operation
- Investment procedure for port development, or revenue from port activity
- Approval/Permission, Supervision/Monitoring by public organizations

- External/Internal audit
- Collection/Analysis Procedure of Statistic/Data from relevant port activities

1030. The main problems facing are “limitation of port handling/operation capacity” and “low efficiency/productivity of port operation”. It is presumed that both difficult situations are common problems to all Indonesian ports. These problems have to be overcome in order for Indonesian sea transport to realize sustainable growth.

1031. Since DGSC or IPCs shall cover the whole country or their districts, it is necessary to provide/allot the investments to resolve physical constraints at each port efficiently. For that purpose, planning procedure is one of the important factors to see organizational capacity.

1032. Secondly, in order to improve “low efficiency/productivity” of port service providers, DGSC/IPC should monitor port service providers based on laws/regulations or contractual agreements.

1033. In public ports, it is necessary that above administrative procedures be clear and transparent, the cash flow concerning port activities also needs to be transparent. Moreover, as multiple organizations are involved in such institutional procedures, it is essential to effectively allocate the roles/responsibilities among related organizations.

1034. Thirdly, the statistics system is an essential tool for making port development/management policies, as well as evaluating or monitoring the performance of port service providers.

17-B-1 Planning Procedure

1035. As an archipelagic country, it is essential for Indonesia to establish an appropriate port planning system. As to the said planning procedure, MOC/DGSC has provided the port policy system which stipulates “Port Master Plan (Rencana Induk Pelabuhan)”, “National Port System (Tatanan Kepelabuhanan Nasional)” as the concept of nationwide ports network. Such stipulations are expressed by the Governmental Decree “Port Affairs (PP No. 69 in 2001)” with the assistance of the JICA study (The Study on Port Development Strategy in the Republic of Indonesia, 1999). However, detailed administrable-procedures seem to be not yet fixed, likewise the National Port System is now being prepared and will be issued by a new Ministerial Decree, according to the said the Governmental Decree PP No. 69 in 2001.

1036. First, the main points of the national port system (draft) are as follows:

- ◆ Classification and kind of port
- ◆ Their activity, role and function
- ◆ Establishment of the said system by Communication Minister

1037. The concept of port classification is indicated in Table 17-B-2. The National Port System also stipulates that all ports be divided into two groups, port open for international trade and those not open. On the other hand, it does not mention commercial ports and non-commercial ports, not does it clearly stipulate the responsibility of State-Owned Companies (Pelindo) as a port management body. Instead, it just stipulates that the implementation of port affairs can be transferred from the government to State-Owned Companies.

Table 17-B-2 Concept of Port Classification by National Port System

		Public Port	Special Port	(Existing Classification)		
Sea Port	<ul style="list-style-type: none"> International Hub Port (Primary trunk port) International Port (Secondary trunk port) National Port (Tertiary trunk port) Regional Port (Primary feeder port) Local Port (Secondary feeder port) 	<ul style="list-style-type: none"> Nation/International Special Port Regional Special Port Local Special Port 		Inter-national	Domestic	
Lake & River Port	(Non classification)					
Ferry Port	<ul style="list-style-type: none"> Port for inter-Province/Country Port for inter-Regency/City Port for intra-Regency/City 					
			Transition			
				Public Port		
				Commercial (Pelindo)	72	40
				Non-commercial (State)	8	536
				Private Port	51	1,182
				Total	131	1,738

1044. As for the port planning stage, the Governmental Decree “Port Affairs (PP No. 69 in 2001)” has broadly stipulated the following issues:

- ◆ Decision system of port location, Port Master Plan, and Port Working Area & Port Interest Area with each responsibility of central/local government and port organizer.
- ◆ Principals of development and operation of the public/special ports
- ◆ Activities and services to be provided in the public/special ports.

1045. In the planning procedure for public port, above five (5) categories are regrouped as follows:

- ◆ “Major port” including “International Hub Port”, “International Port” and “National Port”
- ◆ “Regional Port”
- ◆ “Local Port”

1046. Moreover, a port managerial/operational body is defined as “Port Organizer (Penyelenggara Pelabuhan)”. Port Organizer is the general term for the following Organizations;

- ◆ Port Corporation; State-owned Corporation or Region-owned Corporation
- ◆ Technical Implementation Unit
- ◆ Port Working Unit

1047. The latter two (2) units will be under the central government or local government (province, regency and city).

1048. According to above decree “Port Affairs (PP No. 69 in 2001)”, Port Organizer (IPC, local Government Office/Unit, etc.) shall draft a master plan for port development and submit it to the central or local governments for the approval. At this moment, around 45 master plans are now being formulated, among them, IPCs are preparing around 15 plans by own funds. The ODA loan/technical assistance has formulated the development plans for the rest of 30 ports, which is composed of IPC’s ports and small ports.

1049. As stated above, Indonesian side has made progress in their efforts to materialize some planning policies. However, the improvement of the planning system has made other problems

more obvious. For example, a comprehensive port statistics system is indispensable. Therefore, improvement of existing system is urgent.

17-B-2 Investment Procedure together with Budget Planning Procedure

1050. Although several governmental organizations are involved in sea transportation, this sub-chapter mainly describes MOC/DGSC and MOSOC (Ministry of State-owned Companies; BUMN). As mentioned previously, it is important to make the most of the limited financing resources for the port sector. Financing programs of IPC are essential for sea transportation network because terminals of trunk-routes are almost commercial ports owned by IPC. For commercial ports, IPC is responsible for formulating its own investment program, which is then approved by the central government. Port development plans form the basis for such investment programs, and DGSC controls the said planning procedure. From these viewpoints, administrative procedures by DGSC/MOSOC (BUMN) are outlined as follows;

1051. First, the investment (budget) planning procedure is summarized in Figure 17-B-1. For commercial ports, IPC formulates financing program on the basis of its management policies and submits it to MOSOC (Ministry of State-owned Companies; BUMN) for approval.

1052. According to its approved financing program, IPC may request foreign assistance or state subsidy for its own projects. In such a case, IPC submits the said project proposal to MOC, which enables DGSC to evaluate the said project taking into account of technical, economic and financial respects. However, such foreign /state assistance to IPC's ports are limited cases due to the restricted financing resources presently. Therefore, MOC/DGSC has few opportunities for monitoring IPCs' investment programs. In other words, IPC's capital investment programs are practically approved by MOSOC (Ministry of State-owned Corporation). However, MOSOC has not expertise which evaluates an investment program for the port development/operation.

1053. In addition, the Study has proposed the concept of cost allocation-scheme for the port development, which has clearly defined the responsibilities/roles of the central government (MOC/DGSC). In order to materialize the said cost allocation-scheme, it is necessary for MOC/DGSC to monitor IPC's investment program more effectively. Because, MOC/DGSC have knowledge of port activities to understand their investment programs.

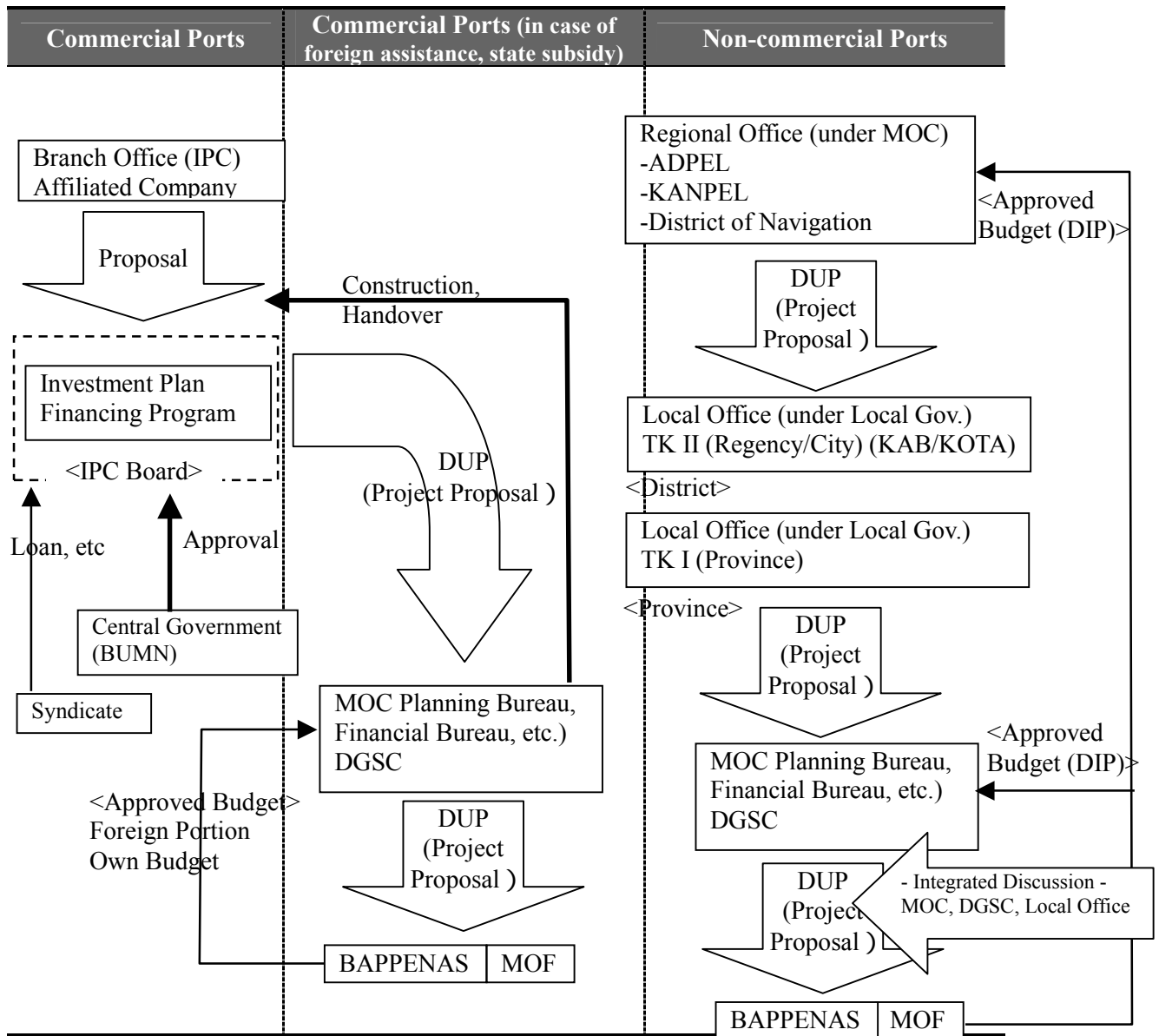
1054. As described in previous chapter (Chapter 13), the financial feasibility of proposed projects is analyzed. In such analysis, the financial situation of IPC 2 as an executing agency is considered to be feasible in terms of several financial indicators such as "Rate of Return Fixed Assets", "Debt Service Coverage Ratio" and other relevant criteria. On the other hand, Chapter 15 mentions the outline of expenditure/revenue structure for public port. This sub-section indicates basic idea/concept for capital investment to public port quoting these results of above chapters.

1055. For investment in port facilities, IPCs (PELINDOs) should make every effort to seek financing resources because there is no subsidy from the central government in principle. Options for IPC include using its own earnings, loans from a syndicate and/or international aid agencies, equity financing and other measures.

1056. Port sector is now the engine of the Indonesian economy. Needless to say, sufficient capital investment is constantly required in order to support the growth of maritime transport. Borrowers and/or a stockholder should strictly evaluate/assess return on invested capital, which will be provided from IPCs' profits/revenues.

1057. The said profits/revenues are considered to be closely related with cargo volumes. Figure 17-B-2 roughly illustrates cargo volume handled by each IPC, as well as their operating

revenue/cost. Among approx. 7 hundred public ports, 13 container ports handle 94 % of the container volume, similarly 25 strategic ports including above 13 ports handle 58 % of general cargo (non-container cargo).



Source: Study Team

Figure 17-B-1 Decision Procedure of Budget (Investment) Plan

1058. Figure 17-B-2 also shows the operating revenue of each IPC. The income generated by IPC2 & IPC3 almost reaches 1,000 billion Rp. It is presumed that such large incomes of IPC2 & IPC3 are results of its container operations. On the other hand, IPC1 and IPC4 mainly operate non-container cargo such as primary-products, raw materials and regional goods transportation.

1059. In above aspects in Figure 17-B-2, MOC/DGSC and IPCs have the potential of evaluating the relationship between financial condition and port performances such as handling volume. The proposed capacity building program aims at fostering above potential.

1060. The so-called “non-commercial ports”, are mainly located in “Northern Sumatra”, “Sulawesi”, “Irian Jaya” and “Maluku”. The total income/revenue from these small ports is reported to be just 346 billion Rp. in 2002. Average revenue per one “non-commercial port” is supposed to be less than one-tenth (1/10) of an average IPC1 ports.

1061. Although ODA (Official Development Assistance) is still an effective financing resource for the development of public ports, ODA financing scheme will be forced to change due to the following reforms:

- To apply a on-lending scheme
- To accelerated drive an autonomy policy

1062. In the former, ODA loan is on-lent to an executing agency such as IPC. In this case, a borrower/central government should more strictly assess an IPC’s viability of return on its capital investment. In the later reform, a local government will provide financing resources by itself. Thus, in case of IPC/local government having a lower-profitability, it is no easy matter to appropriate sufficient funds for its port development. As a result, there is a strong possibility that disparity in financing power will hinder well-balanced development of the port sector.

1063. In other words, the regional disparities in Indonesia will widen in the absence of a steady fund allocation policy for port development, because ports in developing regions will find it difficult to raise investment funds.

1064. On the other hand, budgeting system for non-commercial port can proceed according to Ministerial Decree No.4 in year 2003. In this case, local governments integrate proposals/requests from state’s branches, coordinating each with other sectors’ projects. There is a possibility that such integrated proposals including multi-sector will be significant, because the said integrated proposal is composed of so-called “small-scale” projects such as a mooring facilities, access roads as well as water/electrical supplies, and such component-projects are able to keep step with each other.

1065. As to the coordination with other sectors’ projects/plans, typical problems are observed in access road development/improvement for Tanjung Priok and Bojonegara. In the case of commercial ports within the jurisdiction of IPC, the related projects to be coordinated mostly belong to the category of “large-scale” plans/programs. The central government i.e. MOC/DGSC should play a key part in coordinating with such related projects more effectively. Since, it is not easy matter for IPC/local governments to coordinate with “large-scale projects” under central government or other state-owned companies.

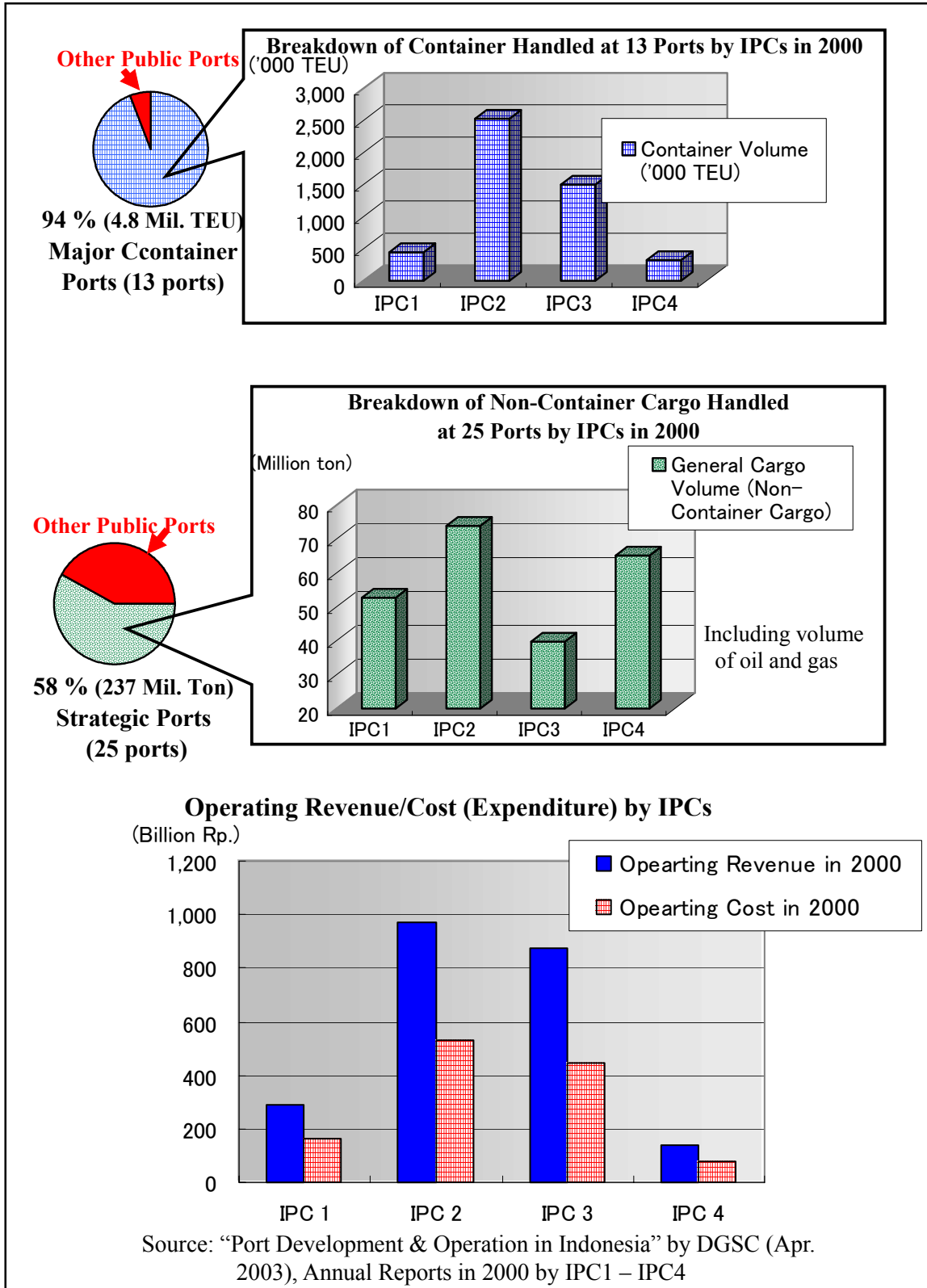


Figure 17-B-2 Cargo Volume Handled & Operating Revenue/Cost by IPCs

1066. Under these circumstances, the study proposes a cost allocation scheme for the urgent projects at Tg. Priok port. However, the concept of this cost allocation scheme can be applied to other ports development. The cost allocation scheme is described as follows:

1067. Generally, port sector requires a large amount of capital investment; i.e. its share of the borrowed capital to the whole asset is large. The proposed urgent project for the Tg. Priok port is no exception. Figure 17-B-3 shows the whole capital investment for public ports as well as the estimated cost for the proposed project at Tg. Priok. As mentioned earlier, investment in Indonesian ports has greatly fluctuated due to financial difficulties of the government and/or IPCs. Therefore, the average from 98/99 to 2000/01 is adopted as the total capital investment for public ports.

1068. As shown in Figure 17-B-3, the estimated cost of the proposed project is huge amount in comparison with the annual investment/expenditure for all public ports. However, expenditure period of the said project is expected to be around 4-5 years. The Study recommends that ODA scheme such as JBIC yen loan is the most appropriate financing resource. Therefore, the local budget portion as a complementary of the foreign (JBIC) loan is considered to be secured by the central government and IPC2 because annual expenditure of its local portion is relatively small.

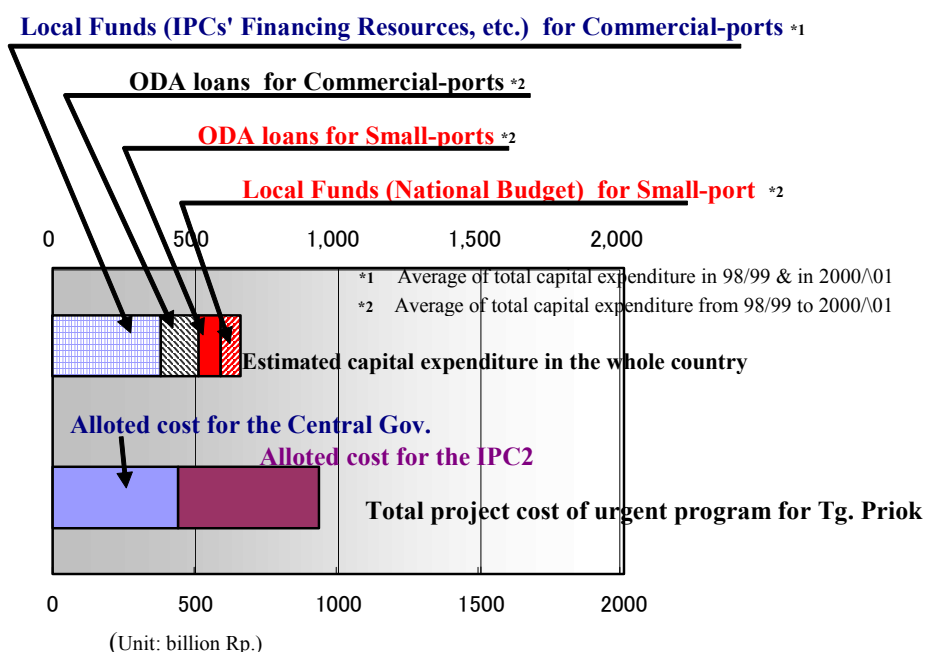


Figure 17-B-3 Comparison between Annual Expenditure for the Whole Public Port & Estimated Cost of Proposed Urgent Project at Tg. Priok Port

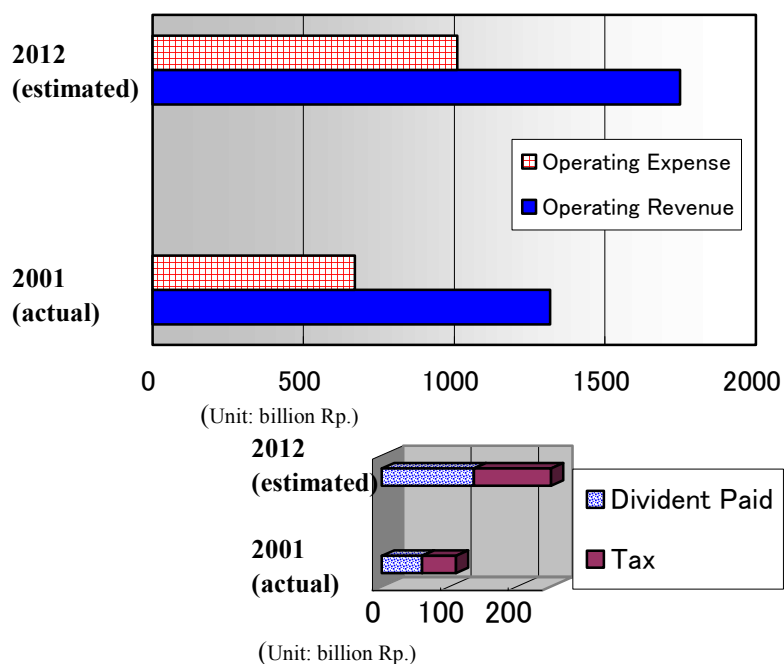


Figure 17-B-4 Improvement of Revenue/Expense structure of IPC2 & Contribution to the national finances

1069. As shown in Figure 17-B-4, the proposed urgent project will increase the capacity of Tg. Priok up-to the maximum-level. The project will also increase the revenue of IPC2. As a result, dividend and tax are estimated to be boosted significantly. It is notable that such scenario is formulated on condition that the central government bears improvements of non/lower-profitable facilities. Needless to say, the dividend rate and amount of tax will be reduced if the whole cost is borne by IPC2.

1070. In addition, increased productivity of port activities will result in greater profits for IPC. IPCs should establish a more appropriate profit sharing scheme between IPCs and private sector. Therefore, it is vital for IPCs to strengthen above capabilities such as capacities of evaluating/auditing private sector's productivities/its financial situations.

1071. However, whether earnings from Tg. Priok port would be sufficient to cover the Bojonegara project is difficult to assess. The results of the sensitivity analysis strongly depend on the cost-sharing policies among IPC2, the central government and private participants of both Bojonegara/Tg. Priok ports. As described later, it is necessary to enhance capacities of formulating such investing program throughout the district of IPC2.

1072. At present, there is no institutional system/scheme whether investment funds can be transferred from IPCs to local governments (through the Central Gov. or not) in order to achieve the well-balanced port development. It is necessary to further examine above cross-subsidy or cost allocation system.

1073. In short, greater supervision of the private sector will result in a more favorable profit-sharing system for the public sector and better service for port-users. Needless to say, the accurate evaluation of statistical data enables the public sector to supervise/audit the private sector fairly and completely.

17-B-3 Approval/Permission, Supervision/Monitoring Procedure

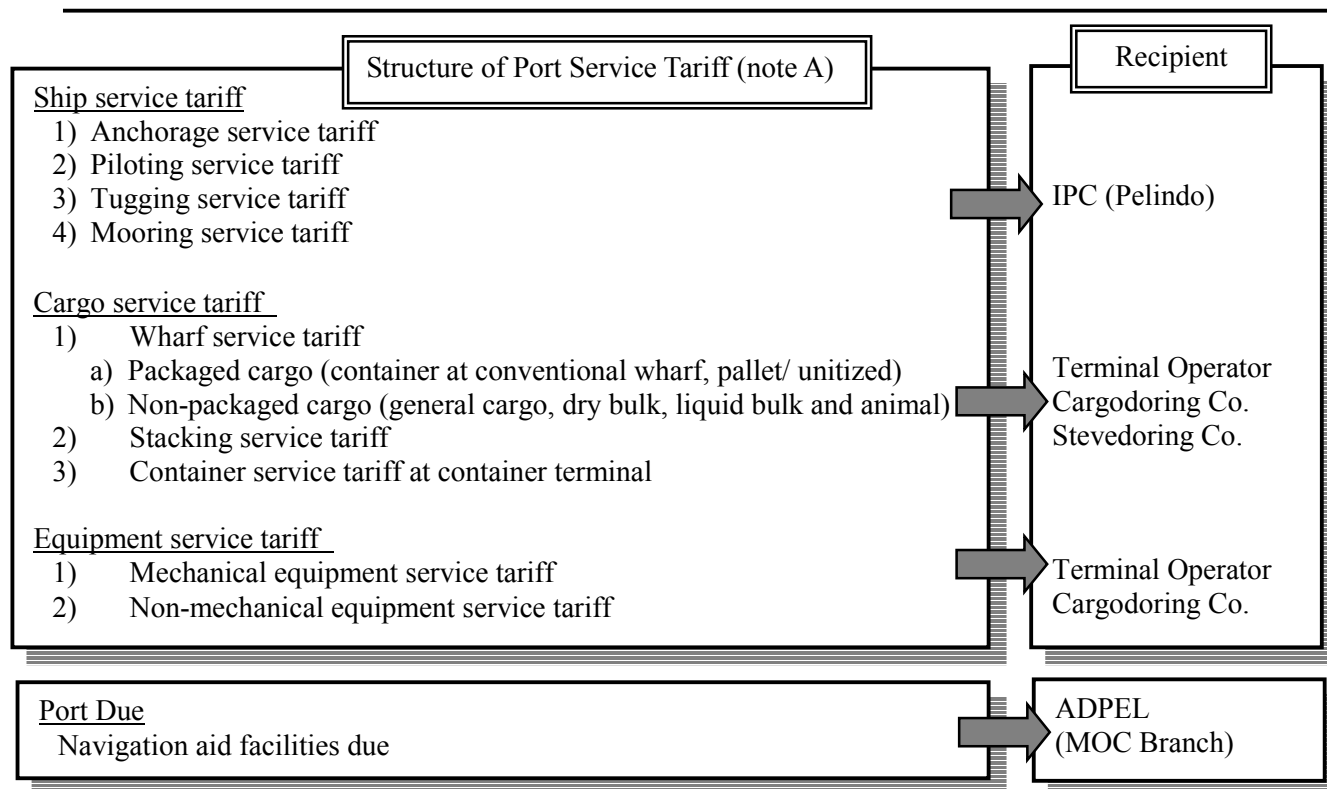
1074. As described earlier, IPC (Pelindo) is regarded as a public sector working for the public benefit. To manage commercial ports, IPC can take a great number of administrative measures/procedures to ensure that the private sector provides efficient and safe operation.

1075. In the view of the Study, one of the problems with JKT metropolitan ports is that the tariff is less competitive against other ASEAN ports. The reason why the Study focuses on tariff system is that the existing tariff system intends to weigh widespread performances of the private sector such as operational, financial, technical angles. In other words, the tariff system and its monitoring contain all sorts of performance of the private sector.

1076. It is necessary for the public sector to collect/process the appropriate performance data of the private sector, and to acquire the capability of assessing tariff.

1077. Therefore, this sub-chapter focuses on tariff system from viewpoints of its administrative procedure. According to aforementioned Governmental Decree PP No. 69 in 2001 or Ministerial Decree KM No. 28 in 1997, the whole tariff system in public ports is outlined as follows:

1078. Figure 17-B-5 illustrates the tariff structure (categories) and recipient bodies which apply to commercial ports. In case of non-commercial ports, KAMPEL (MOC’s branch) functions as port operation/management body, as well as recipient instead of IPC.



Source; Study Team

note A: According to KM No.28 (MOC decree) in 1997, the following tariff are stipulated as other service tariff; Passenger terminal service, Port ticket, Land/waters area use, Building/space use, Electricity service, Information service and water supply tariff

Figure 17-B-5 Outline of Tariff Structure (in case of commercial port)

1079. There are many decrees or regulations stipulating Indonesian seaport tariff. Tariff decisions and monitoring procedure are stipulated by two decrees; Ministerial Decree KM. No.28 in 1997, and Ministerial Decree KM. No.14 in 2002. The former one stipulates the whole tariff system such as categories, classification and decision system while the later decree regulates stevedoring business such as its license, its tariff system.

1080. Figure 17-B-5 shows typical procedures for deciding port tariffs, which are broadly categorized into three (3) types, according to relevant decrees/regulations.

1081. As to the decision of ship service tariff, IPC is able to decide tariffs after consulting with MOC. Moreover, KM No.28 in 1997 stipulates that IPC shall review its tariff at least every twelve (12) months.

1082. KM 28 in 1997 stipulates that IPC (Pelindo) is able to decide “port service tariff” including “ship service tariff”, “cargo service tariff” and “equipment service tariff”. However, there are some cases where this KM 28 decree does not apply. As shown in the middle part of Figure 17-B-5, cargo and equipment service tariff correspond to the said cases.

1083. The cargo and equipment services’ tariff is decided based on a more complicated system. For instance, the tariff in conventional terminal at Tanjung Priok Port, which seemed to be determined on the basis of a joint agreement between the Indonesian Associations concerned such as Stevedoring Company Association, Importer/Exporter associations, National Ship Owner Association and DPW GAFEKSI/INFA, however the roles of IPC/MOC seem to be unclear in this process of such tariff decision.

1084. On the other hand, IPC and MOC are able to participate in deciding the handling charge of JICT and KOJA. In this process, terminal operators are able to propose a new tariff to IPC, then IPC evaluates its proposal after consulting with terminal users as well as MOC.

1085. A validity of tariff should be evaluated at all kinds of afore-mentioned tariffs. However, existing procedures have some difficulties to assess the whole tariff structure due to the shortcomings of performance/statistics data.

1086. It is considered that afore-mentioned procedures are formulated on the basis of the following concepts/principles: “Cost Basis Evaluation”, “Deregulation by the public sector” and “Assessing Service Level”.

1) *Cost Basis Evaluation*

1087. Under the present tariff system in Indonesia, a port tariff seems to be evaluated in consideration of management/operational costs, depreciation cost as well as a certain profit, etc. In other words, the private sector (port service providers) can flexibly set up the rates according to their financial condition/situation.

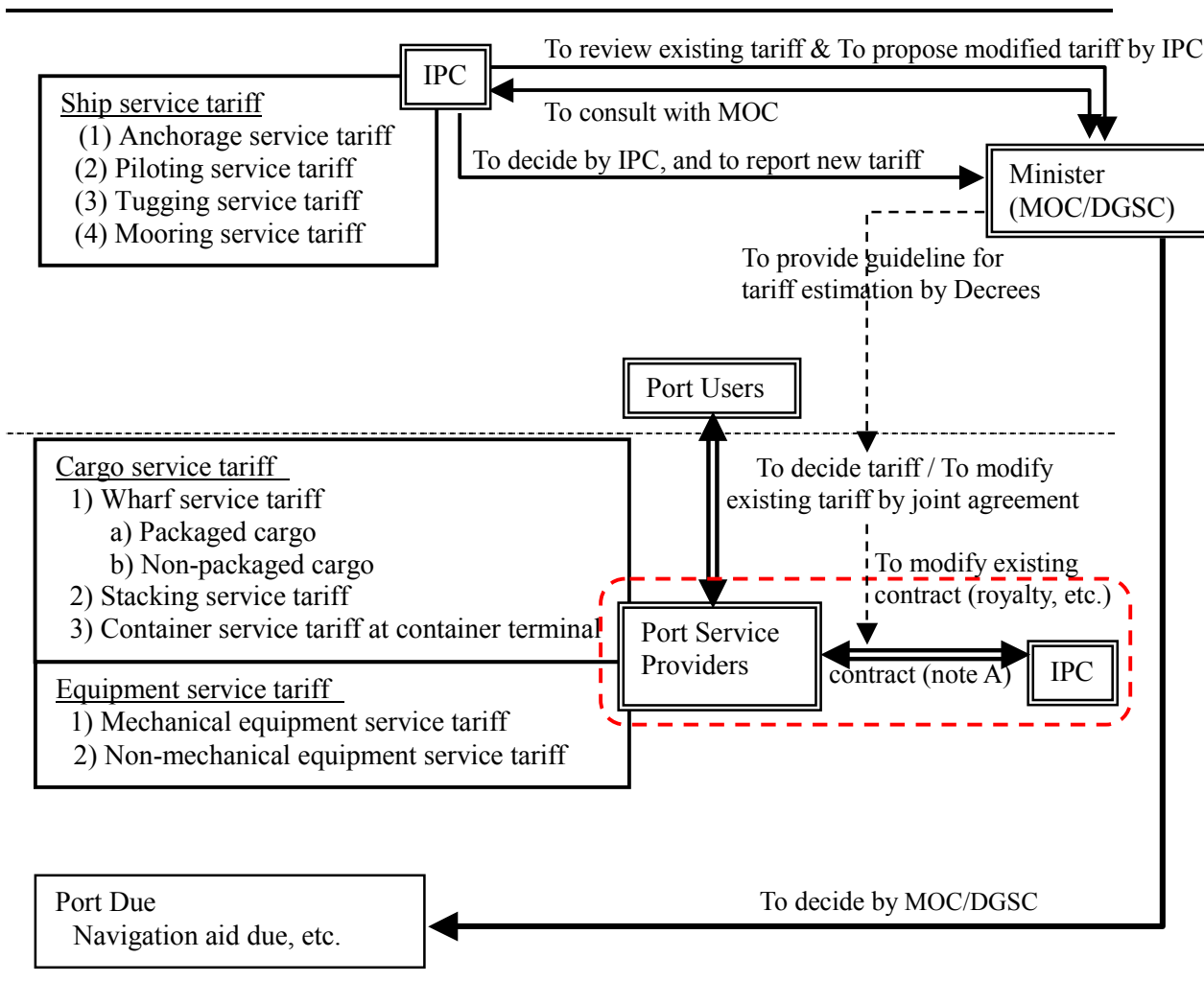
1088. It is no easy matter to use “Cost Basis Evaluation” efficiently, because each port service provider has different managerial/operational conditions, and its position is changing constantly. Thus, it is vital to comprehensively grasp the condition/performance of each port service provider for “Cost Basis Evaluation” to function well as an indicator for estimating tariffs.

2) *Deregulation by public sector (central government and IPCs)*

1089. Under the “Deregulation”, a competitive environment is likely to be created to increased private sector participation. In such an environment, port service providers will be

able to reduce their tariff rates more flexibly in accordance with their economic/financial situation.

1090. The public sector shall not regulate the fields of the “competitive market”, and also the government or IPCs should respect the initiative of port service providers as much as possible. When “full-competition” is realized, the government will be required to further deregulate the tariff determination. In such a case, the private sector would only have to report to the government or IPCs. However, the current tariff system does not effect a reduction in the rates despite the deregulation/privatization



Source; Study Team

Note A; Above figure illustrates the case of “conventional terminal contact” in Tanjung Priok Port.

Figure 17-B-6 Decision Procedure of Tariff

3) Assessing Service Level

1091. Another concept is to assess service levels of port service providers, namely, in case of a reduction in the tariff, port service providers and IPCs should strive to maintain the quality of services for users at a minimum. Meanwhile, the improvement of service levels is strongly required when a rise in tariffs is proposed by service providers.

1092. From the above-perspectives, assessing service level/quality and evaluating tariff are inseparable. For instance, Ministerial Decree KM No.30 in 1999 indicates that a tariff should be calculated by cost accounting and the level of service. However, these decrees/notifications do not necessarily stipulate detailed procedures for assessing service level. As mentioned earlier, IPC (Pelindo II, Tg. Priok Branch Office) tries to process performance data in order to evaluate operators' performance/service level. Therefore, it is vital to encourage above trial by IPC in order to formulate more appropriate criteria for assessing service levels.

4) *Comprehensive Evaluation/Monitoring of the Private Sector through Appropriate Port Tariff*

1093. According to above-stated policies/concepts, the central government (MOT, DGSC) and IPCs are making every effort to comprehensively evaluate the operational, technical, financial and other relevant performances of the private sector for an appropriate port tariff, skillful operations and other effective manner.

1094. However, above Indonesian public sector has yet to acquire skill in evaluating all the performances/data of the private sector. The port tariff is regarded as a typical issue.

1095. As shown in Figure 17-B-7 (1), Indonesian port tariff is considered to be less competitive against major ASEAN ports. In addition, productivity/service level seems to be lower.

1096. Moreover, Figure 17-B-7 (2) indicates typical tariff rates in Tg. Priok. Remarkable rise in its rates has been in effect for the last 7 to 8 years. Needless to say, these tariff increases are considered to be approved in consideration of the afore-said "cost basis evaluation" such as the inflation due to the impact of the East Asian Economic Crisis, capital investment to new facilities/equipments for port operation, etc. In addition, there is a possibility that the published tariff does not necessarily reflect the market rate since discount schemes are available for large customers.

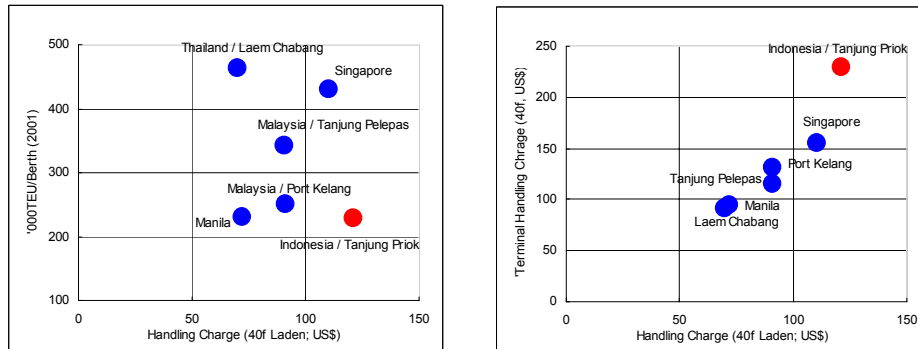
1097. However, the tariff denominated in USD (US\$) indicates the marked increase in prices rather than the tariff denominated in Rp. for inter-island ships, as shown in Figure 17-B-7 (2).

1098. As indicated in Figure 17-B-7 (2), the rapid increase in the tariff for ocean-going ships and the container handling charge are creating serious problems for the trade industry. On the other hand, the improvement in operation services has been slow to materialize in spite of the above rapid rise in rates.

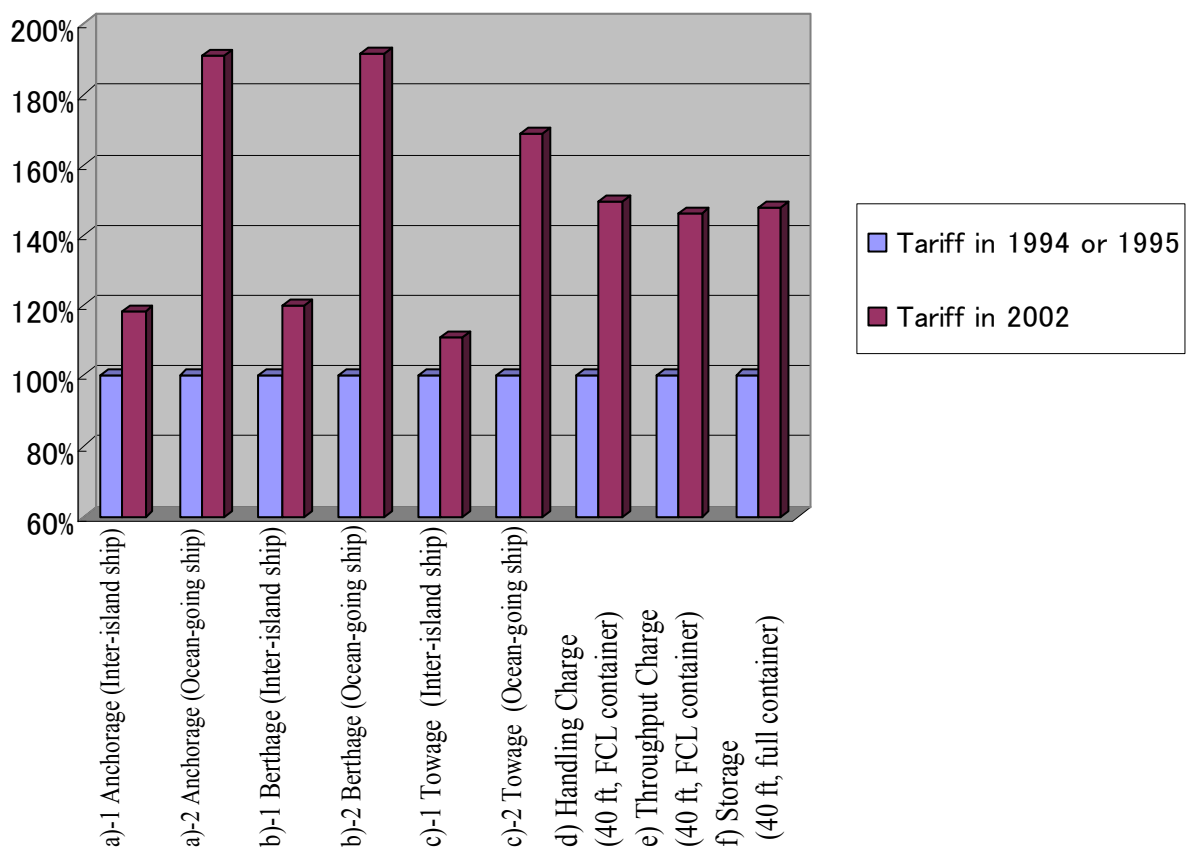
1099. Therefore, it is vital to assess service level/quality and to evaluate tariff simultaneously. In such case, the monitoring of service providers is key factor because their "operating", "investing" and "financing" activities should be justly analyzed in order to conduct "Cost Basis Evaluation", "Service Level Assessment" effectively.

1100. As described later, the public sector (MOC, IPCs) is obtaining the various data/information such as port statistics, performance data. The Study recommends that the collecting and processing systems be improved to overcome the shortcomings of existing system (see below for further details). Such modified port statistics will be effective for assessing performance activities of port service providers.

(1) Comparison of Tariff/Productivity between Tg. Priok and Major ASEAN ports



(2) Change in Port Tariffs at Tg. Priok since mid-1990s



note)
 a)-1 & a)-2 apply to Cargo Ship
 b)-1 & b)-2 apply to Wharf structure type
 c)-1 & c)-2 apply to 8001 - 14000 GRT ships within guiding area
 d) with using wharf crane
 e) including wharf charge
 a), b) & c) tariffs in 1994 or 2002
 d), e) and f) tariffs in 1995 or Oct. 2002
 Tariffs in 1994 or 1995 = 100 %

Figure 17-B-7 Indonesian Port Tariffs compared to Major ASEAN Ports and its Change from mid-1990s

1101. The administrative procedures which mainly aim at supervising/monitoring private sector are as follows;

1102. As shown in Figure 17-B-8, port service providers (terminal operators, etc.) shall report their performance and other activities to ensure that they are satisfying the performance requirements stipulated in their contracts. IPC evaluates operators’ performance and decides whether or not to review contracts.

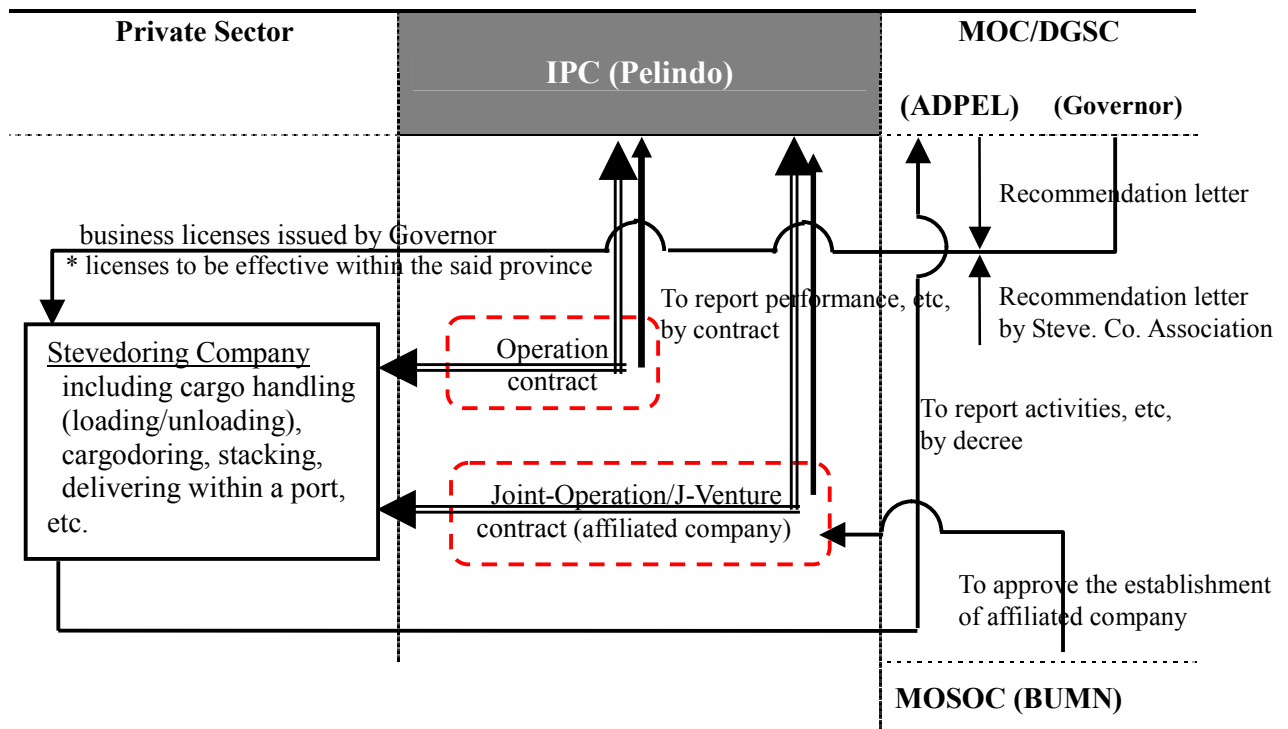


Figure 17-B-8 Supervision/Monitoring Procedure for Terminal Operation Activities

1103. Supervision/monitoring by the central government consists of the following;

- Stevedoring companies shall be licensed to their business by the governor. The license shall be issued by recommendations from ADPEL (MOC branch).
- Licensed companies shall report their business activities and performances to ADPEL.

17-B-4 External/Internal Audit Procedure

1104. Needless to say, an audit system of the private sector applies to the accounting policy/standard in Indonesia.

1105. In the port sector, evaluating the financial condition of private sector has great importance in terms of the relationship between its profitability and the validity of its tariff, cross-checking among their performances, statistics and operating revenue/expenditure, etc.

1106. In other words, the public sector should also enhance its auditing/ monitoring of the private sector. It is desirable that an audit be conducted together with above cross-checking of port statistics, relevant performance data.

1107. Figure 17-B-9 outlines IPC2’s revenue in 2000. As described previously, the income from container service has large share, around 40 % of the total revenue.

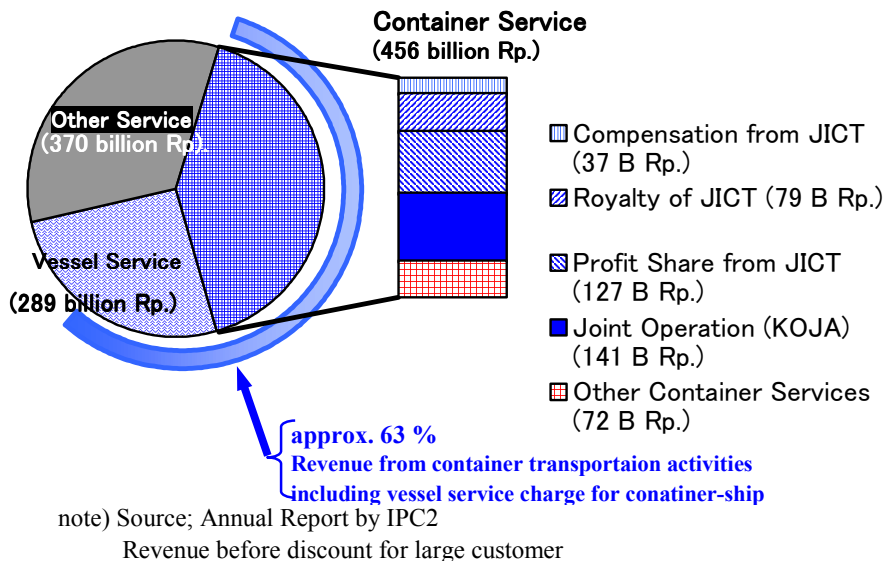


Figure 17-B-9 Summary of IPC2 Revenue in 2000

1108. In consideration of vessel service for container ships such as pilotage, towage, etc., the revenue by container transportation is estimated to account for over 60 % of IPC2’s annual operating revenue. In the year 2000, both JICT and KOJA terminals generated huge amount of income for IPC2, over 300 billion Rp. As mentioned earlier, such container facilities will bring more income to IPC2 when the proposed project is carried out. Therefore, it is vital to properly assess/audit container terminal operators comparing to their set-up tariff and performance data.

1109. Currently such various data/statistics and financial statements are separately processed/ evaluated by relevant organizations such as DGSC, ADPEL, IPC and MSOC. Thus there is insufficient linkage among above organizations. For instance, a cross-checking system of financial conditions compared with operational performances is not necessarily effective at present.

1110. In this context, the integrated capacity building program is required which enables to audit financial conditions of private sector as well as to assess their performances, and cross-checking statistics.

17-C. ANALYSIS ON THE CURRENT PORT RELATED STATISTICS TOGETHER WITH PROCESSING SYSTEM OF DATA AND INFORMATION

17-C-1 Existing Framework of Data Collecting and Processing

1111. SIMOPPEL (*Sistem Informasi Manajemen Operasional Pelabuhan: Management Information System of Port Operation*) was established in 1993, which stipulated the system of collecting and processing of data either for commercial port or non-commercial port. The purpose of SIMOPPEL is:

- Integrated understanding for data and information avoiding different interpretation
- Uniformity of technical implementation for collecting and processing of data, presentation of report, and analysis and evaluation of port operation services

1112. SIMOPPEL is consists of some different levels which is categorized from Level-I to Level -III together with basic data according to the data aggregation. It is a part of Information System of Sea Communication (DGSC) as well as that of Ministry of Communication as shown below in the case of commercial port. Report on each level should be received by higher level monthly.

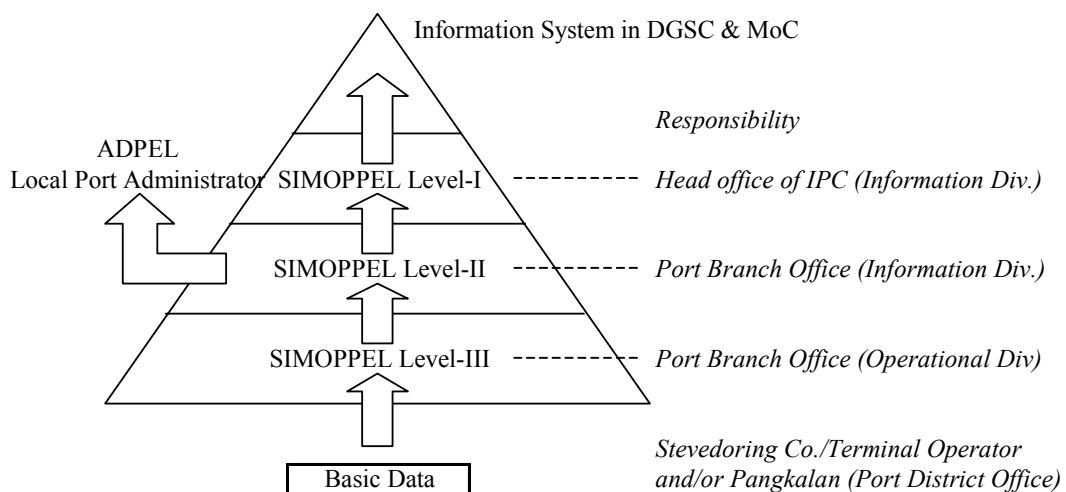


Figure 17-C-1 Structure of SIMOPPEL

1113. It is stipulated by regulation that SIMOPPEL includes the following information:

- *Traffic*; which includes ship call, cargo flow and distribution, passenger flow, container and animal throughput
- *Production*; which includes port service amount according to valid tariff structure
- *Performance*; which includes ship service time, handling productivity, utilization ratio and capability of port service facility and equipment, together with indicator for evaluation the effectiveness and efficiency level of service
- *Port Equipment Capacity*; which includes port equipment capacity for each service, together with indicator for monitoring them

1114. In actual, traffic data is obtained from PPKB-D data (*Permintaan Pelayanan Kapal & Barang Ditetapkan*: Decision for Request of Ship and Cargo Service) and *Kinerja* data (*Kinerja Pelayanan Kapal dan Barang*: Realization of Ship and Cargo Service). PPKB-D data is planned-based while *Kinerja* data is realized-based. In case of Tanjung Priok port, PPKB-D data is input by PPSA (one stop service office) supervised by Operation Division of the port branch office through the procedure of ship arrival, berthing and departure illustrated in Figure 17-C-2. *Kinerja* data is input by Operation Division of the branch office based on the report from stevedoring/terminal operator and/or *Pangkalan* (port district office under the port branch office, 5 offices in case of Tanjung Priok port).

Figure 17-C-2 Procedure of Ship Arrival, Berthing and Departure

1115. Performance data is obtained based on the report from stevedoring/terminal operator and/or *Pangkalan* and some of them are compiled to *Kinerja* data.

1116. Data collecting procedure is illustrated in Figure 17-C-3.

Figure 17-C-3 Data Collecting Procedure

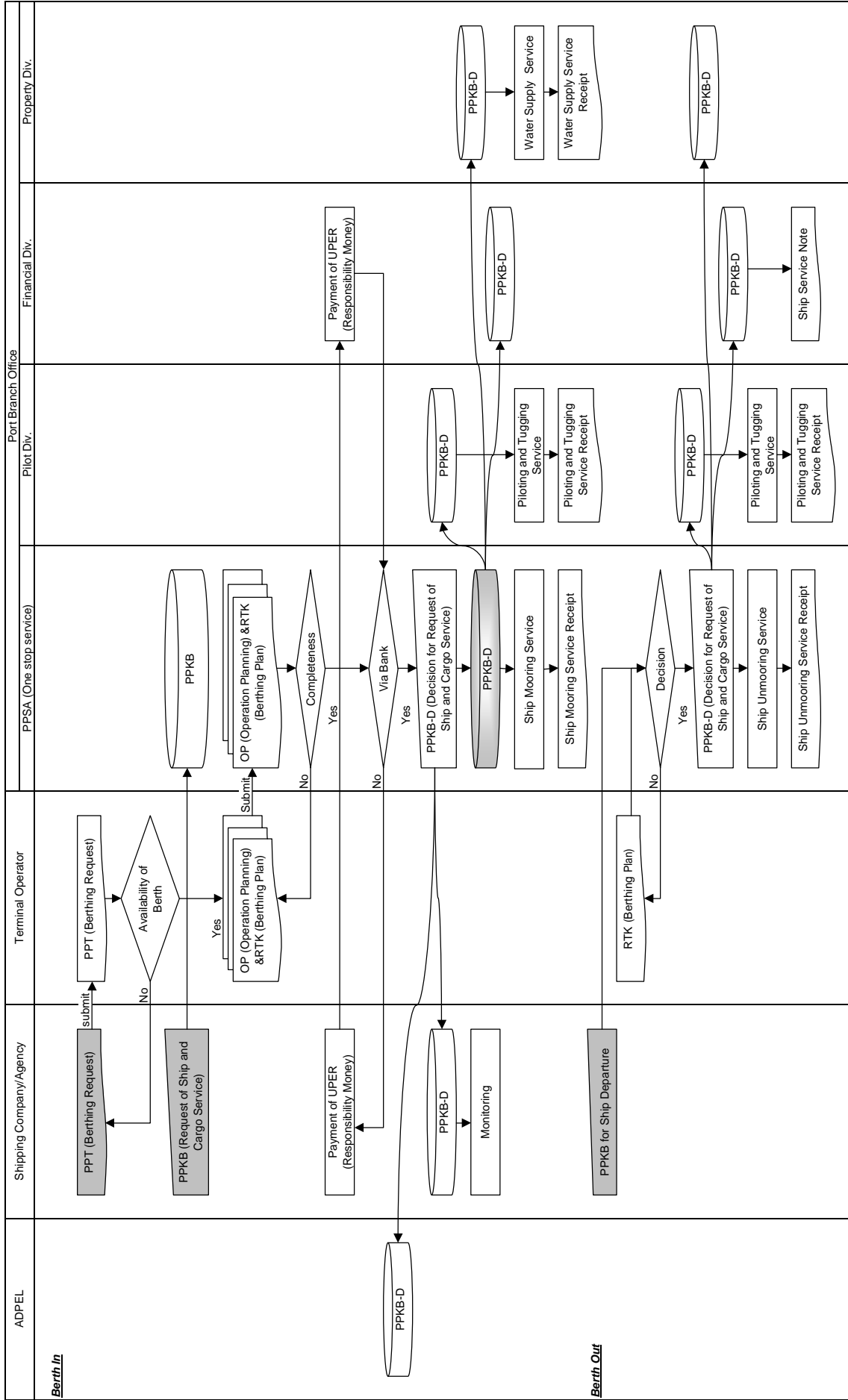
17-C-2 Situation of Port Statistics

1117. Study team obtained samples of monthly reports for each level of SIMOPPEL. According to a report of Level-I, which should be reported to DGSC from Pelindo and/or local port administration office, the following contents are included. However, it is not provided by electrical data, and which makes it difficult to aggregate them in whatever style. Eventually, DGSC is not able to provide port statistics timely in useful and user-friendly manners either monthly or annually.

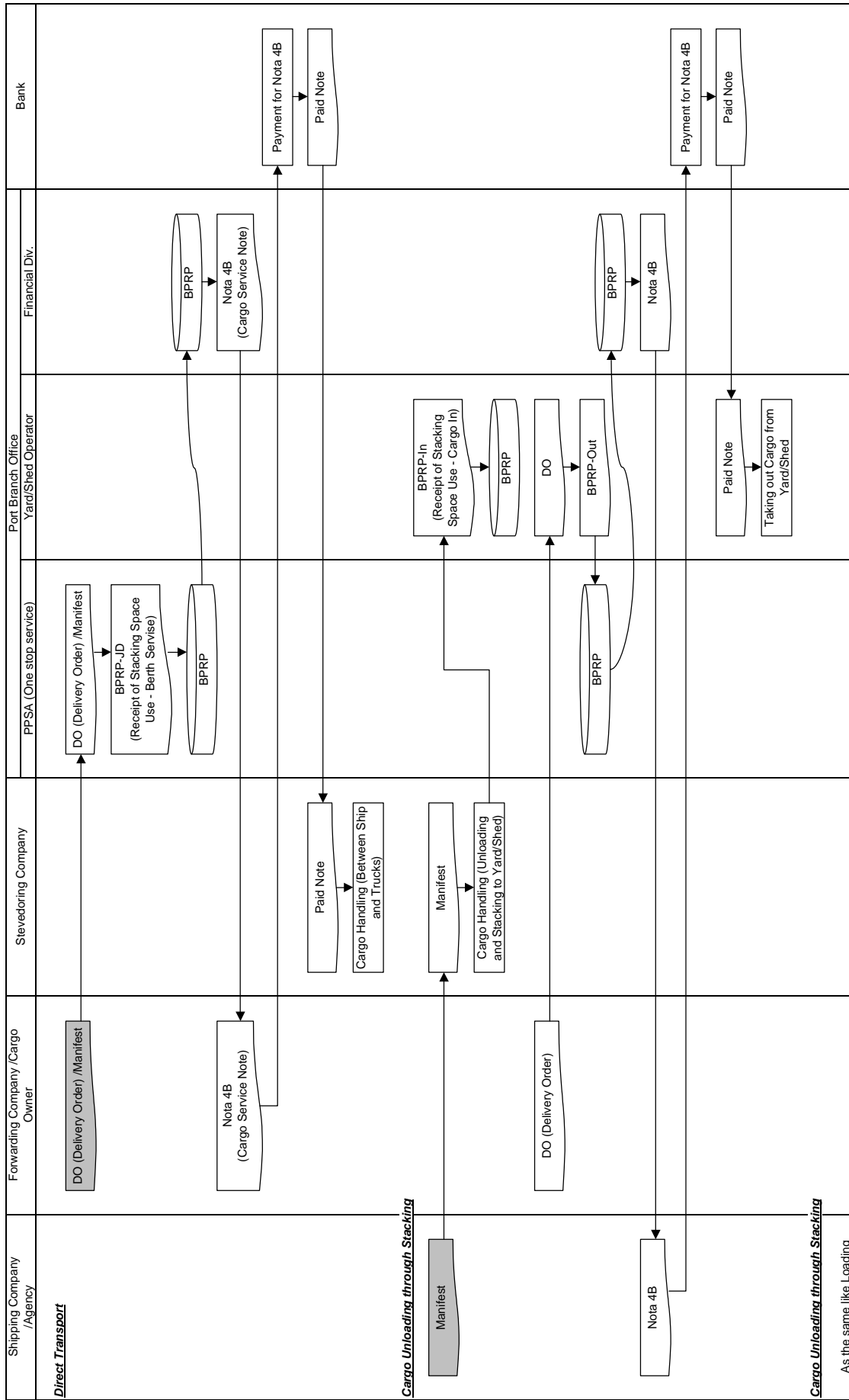
Ship call (International/Domestic, Liner/Tramper, Public/Special, Flag)
Cargo throughput (International/Domestic, In/Out, Liner/Tramper, Public/Special, Flag)
Cargo flow by distribution type (Public/Special, Direct/Shed/Yard)
Cargo flow by packing type (International/Domestic, In/Out, Packing type (General Cargo, Bag, Dry Bulk, Liquid Bulk and Unitized Cargo)
Container throughput (Container Terminal/Conventional Wharf, Laden/Empty, In/Out/Transship, 20box/40box/Ton)
Cargo throughput by commodity (International/Domestic, In/Out, Commodity)
Animal Flow
Production of port main facility, ship service (piloting and tugging), stacking service (shed and yard), terminal business (container and non-container) and container terminal business (ship operation, yard operation, stacking, CFS)
TRT (Turn Round Time), WT (Waiting Time), PT (Piloting Time), AP (Approaching Time), BT (Berthing Time) with NOT (Non-Operating Time), ET (Effective Time), IT (Idling Time)
BOR (Berth Occupancy Ratio), Ton per berth, SOR (Shed Occupancy Ratio), Ton per shed area, YOR (Yard Occupancy Ratio), Ton per yard area and Utilization ratio of handling equipment
TGH (Liner/Tramper, Public/Special, Flag)

1118. Furthermore, in general, the past figures related to the port statistics announced by DGSC are not always consistent with the data compiled in Pelindo itself. There are some discrepancy in figures between central government and Pelindo. It is not favorable especially for

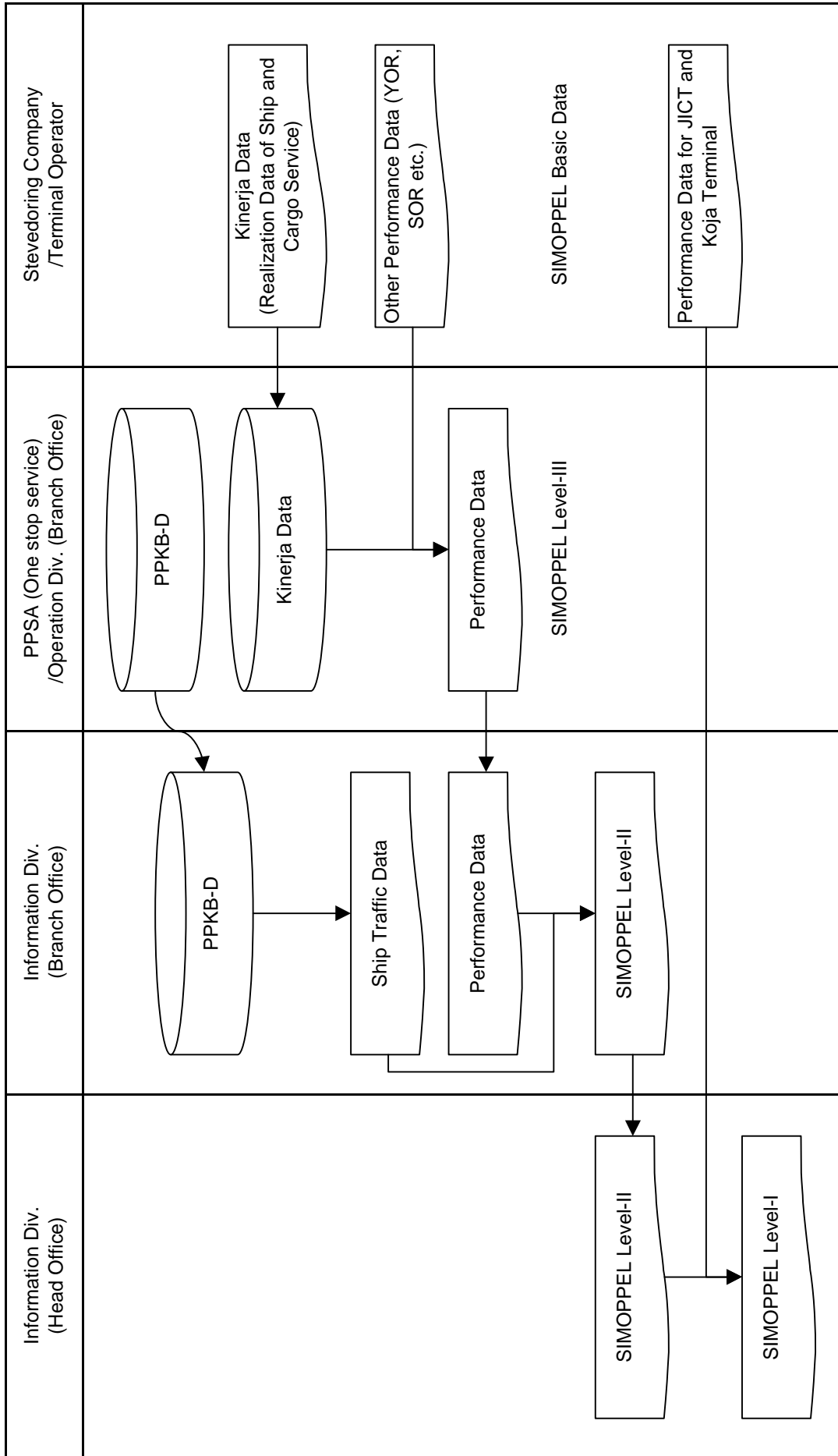
Procedure of Ship Arrival, Berthing and Departure



Procedure of Cargo Handling



Data Collecting Procedure



container movement because it is always cited in international level and a discrepancy would undermine the credibility of statistics.

1119. Recently, Directorate of Ports and Dredging, DGSC, has published a pamphlet titled “Port Development and Operation in Indonesia”. It is not specific to the port statistics but the integrated approach should be appreciated. It contains the interesting data as follows:.

Example of Data in “Port Development and Operation in Indonesia” (1)

Growth of Sea Borne Cargo Volume in Indonesia

Description	Unit	1996	1997	1998	1999	2000	2001	2002
A Cargo	mil.ton	450.1	431.6	475.3	397.0	408.0	429.4	0.0
1 Export	mil.ton	262.2	167.7	170.5	145.5	105.0	142.9	
2 Import	mil.ton	48.7	49.6	38.8	46.5	105.0	52.2	
3 Domestic	mil.ton	139.2	214.3	266.0	205.0	198.0	234.3	
B Container	'000TEU	2,892.6	4,201.7	3,640.2	3,878.8	5,091.0	5,502.3	5,932.3
C Passenger	mil.pax	7.7	8.3	11.1	12.0	12.5	11.8	0.0
1 PELNI	mil.pax	4.1	4.4	6.7	8.6	8.8	7.4	
2 Non-PELNI	mil.pax	3.6	3.9	4.4	3.4	3.7	4.4	

Note: PELNI: (Indonesia National Shipping Line/State Owned, Source: Statistic Data, DGSC 2002

Cargo through Indonesia Public Port

Including Volume of Oil and Gas

Example of Data in “Port Development and Operation in Indonesia” (2)

General Cargo in 25 Strategic Ports

Port	1996	1997	1998	1999	2000	2001	2002
10 Banten/Bojonegra	17,254.5	17,254.5	19,087.3	22,130.0	25,600.4	19,503.5	19,698.1
11 Tanjung Priok	25,440.5	28,030.3	23,447.4	25,222.8	17,747.7	32,999.8	35,604.4
Total	239,894.7	249,747.2	256,942.3	216,181.7	236,479.6	241,727.8	255,244.2

Example of Data in “Port Development and Operation in Indonesia” (3)

Container Cargo in 13 Major Container Ports

Port	1996	1997	1998	1999	2000	2001	2002
1 Tanjung Priok	1,487.0	2,394.1	1,879.9	2,119.0	2,310.0	2,556.4	2,684.2
2 Tanjung Perak	554.0	798.6	877.6	982.9	1,106.9	1,268.0	1,305.8
3 Belawan	245.7	256.2	226.9	266.6	311.1	358.8	405.6
4 Tanjung Emas	126.3	157.9	212.9	230.7	262.7	260.1	336.1
5 Makassar	102.5	136.7	82.4	125.5	164.7	177.5	197.4
6 Panjang	77.5	77.4	59.4	65.2	75.9	76.1	82.9
7 Palembang	60.1	53.1	28.4	46.6	45.9	48.2	50.6
8 Pontianak	44.1	62.1	59.3	66.4	93.1	100.8	105.8
9 Banjarmasin	74.3	102.3	95.5	109.3	131.6	138.8	163.8
10 Samarinda	19.6	32.7	22.5	54.6	68.7	71.6	103.0
11 Bitung	18.2	43.2	32.4	48.9	66.7	80.4	84.7
12 Balikpapan					22.4	34.2	68.2
13 Batam					133.3	134.6	137.0
Sub total	2,809.3	4,114.3	3,577.2	4,115.7	4,793.0	5,305.5	5,725.1
14 Others	83.3	87.4	85.5	107.6	297.9	196.8	207.1
Total	2,892.6	4,201.7	3,662.7	4,223.3	5,090.9	5,502.3	5,932.2

Note: International + Domestic Container

Example of Data in “Port Development and Operation in Indonesia” (4)**Port Performance on Ship Operation**

Port	2001						2002					
	WT	AT	ET	BT	ET/BT	WT	AT	ET	BT	ET/BT		
1 Tanjung Priok	3.0	4.0	40.0	55.0	73%	5.8	3.4	46.3	70.6	66%		
2 Tanjung Perak	-	-	42.0	53.0	79%	1.5	3.5	37.5	46.5	81%		

hour

WT: Waiting Time, AT: Approach Time, ET: Effective Time, BT: Berthing Time

Example of Data in “Port Development and Operation in Indonesia” (5)**Port Performance on Cargo Handling**

Port	2001				2002			
	GC T/G/H	BC T/G/H	LC T/G/H	DC T/G/H	GC T/G/H	BC T/G/H	LC T/G/H	DC T/G/H
1 Tanjung Priok	33	34	0	0	35	35	179	147
2 Tanjung Perak	20	17	83	21	21	18	85	-

GC: General Cargo, BC: Bag Cargo, LC: Liquid Bulk Cargo, DC: Dry Bulk Cargo

Example of Data in “Port Development and Operation in Indonesia” (6)**Port Performance on Port Facilities Utilization**

Port	2001			2002		
	BOR	SOR	YOR	BOR	SOR	YOR
1 Tanjung Priok	66%	40%	45%	68%	40%	45%
2 Tanjung Perak	-	6%	5%	71%	7%	5%

BOR: Berth Occupancy Ratio, SOR: Shed Occupancy Ratio, YOR: Yard Occupancy Ratio

17-C-3 Evaluation of Data Collecting and Processing System**1) Purpose of Port Statistics**

1120. Before evaluating the existing data collection and processing system, it should be reminded/clarified the purpose of port statistics, or why we make statistics and how to utilize them, which is important to reduce the burden of data works for not very useful data and to make effective statistics efficiently. The study team raises the following two major purposes of port statistics on ship and cargo/passenger movement:

To evaluate the port activity and to formulate future appropriate port development plans in terms of demand forecast as well as port facility planning

To evaluate the port activity and to formulate effective port administration and/or management plans in terms of optimizing the existing port facilities as well as supervising private sectors' activities

1121. From the viewpoint of demand forecast, we need cargo/passenger trend data with proper categories. Indispensable data are:

- Commodity-wise cargo volume by categories of import /export /domestic-loading/ and domestic-unloading

- Origin/destination wise cargo volume by the above categories

1122. From the viewpoint of port facility planning, we need ship data and productivity data of port facility. Indispensable data are:

- Arrival ship data such as draft, LOA by vessel type, and waiting time for berthing by reason
- Berth productivity – BOR (Berth Occupancy Ratio), ton (TEU) per berth
- Productivity of other port facilities – SOR (Shed Occupancy Ratio), YOR (Yard Occupancy Ratio), TEU (ton) per crane

1123. From the viewpoint of formulating effective port administration and/or management plans, we need productivity data of port facility as mentioned above as well as handling productivity data. Indispensable data are:

- Berth productivity – BOR (Berth Occupancy Ratio), ton(TEU) per berth, ratio of effective time to berthing time
- Productivity of other port facilities – SOR (Shed Occupancy Ratio), YOR (Yard Occupancy Ratio), TEU (ton) per crane
- Handling productivity – TEU (ton) per crane per hour, (TGH (ton/gang/hour))

1124. As for TGH data, it is rather cumbersome indicator than the others because number of gangs is often not clear and it varies according to the type and commodity of cargo. That makes difficult to evaluate TGH comparing to other cases. It is also hard to find where to get its feedback on.

2) *Evaluation of Data Collecting System*

1125. SIMOPPEL system itself would be a good hierarchical system for data collecting, however, based on the observation and experience of the study team, the following points should be tackled for the efficient and effective data collection:

- Complete computerization and data sharing system among related entities

There are still some cases that data is exchanged by paper. That is not efficient way when processing data and makes being apt to input figures incorrectly. Furthermore, it takes time to exchange data and makes difficult for data sharing as well as to keep data consistency. For examples, when unified Excel Format will be provided in user-friendly as well as easy-processing form, situation will be greatly improved. It is necessary that even small stevedoring company is able to input data.
- Simplification of data

With regard to the above user-friendliness, complicated input data is not working well. It is desirable to be more simplified by selecting minimum required data.
- Compulsory data collecting system

For private sectors such as terminal operator, stevedoring company, it is necessary to establish some compulsory system for collecting data binding with an agreement of their business. Penalty is also needed unless they reported data correctly.
- Consolidated responsibility for data collecting

Consolidated responsibility should be attached to an appropriate body. In case of commercial port, a branch office should appoint/establish a sole responsible unit for data collection/process and all kinds of data should be integrated in that unit in cooperation with other related division such as operating division, pilot division.

3) *Evaluation of Data Processing System*

a) *Available Data*

1126. The following data which is provided to the study team is evaluated:

- “*Penetapan Rencana Alokasi Tambat Kapal dan Kegiatan Bongkar Muat*” based on PPKB (*Permintaan Pelayanan Kapal & Barang*: Request of ship and cargo service) which covers all ships arrived at the port including International Container Terminal (JICT and Koja) and special wharves as well as non-cargo handling vessels such as docking – hereinafter referred to as “PPKB data”
- “*Kinerja Pelayanan Kapal dan Barang*” obtained based on the report from stevedoring/terminal operator and/or *Pangkalan*, which covers ships arrived at public conventional berths for cargo handling (including 009 berth (MTI terminal) and excluding passenger terminal) – hereinafter referred to as “Kinerja data”
- “*Laporan Harian Pemanduan Gerakan Kapal dan Keterlambatan Pelayanan Pemanduan*”, which records piloting and tug service provided to each vessel – hereinafter referred to as “Piloting data”

b) *PPKB Data*

1127. PPKB data contains the following items: (See an example shown in **Appendix**.)

Item	Description
PPKB No.	
Vessel Name	
Type of Shipping Route	International/Domestic, Liner/Tramper etc.
Vessel Size	LOA, Draft, GRT, DWT
Shipping Agent Name	
Stevedoring Co. Name	
Date/Time of Receiving PPKB	Request date/time from shipping agency
Date/Time of Deciding PPKB (PPKB-D)	Decision date/time for PPKB by PPSA
Planned Arrival Date/Time	
Planned Berthing Date/Time	
Berthing Location	Berth No. etc.
Planned Loading Volume by Handling Type	Volume is described by ton/box/m ³ . Handling types are yard, shed, direct, pipe etc.
Planned Unloading Volume by Handling Type	Ditto
Planned Departure Date/Time	
Last Port and Next Port	

1128. PPKB data containing detail shipping information is excellent data to evaluate various port activities except handling productivity and some facilities’ productivity such as effective operating time at berth, idling time and so on.

c) Kinerja Data

1129. *Kinerja* data contains the following items: (See an example shown in **Appendix**.)

Item	Description
Vessel Name	
Berthing Location	Berth No. etc.
Shipping Type	International/Domestic, Liner/Tramper etc.
Vessel Size	LOA, Draft, GRT, DWT
Shipping Agent Name	
Stevedoring Co. Name	
Arrival Date/Time	
Berthing Date/Time	
Departure Date/Time	
Performance	WT, ET, IT, NOT, BT, TRT, ET/BT
Loading/Unloading Volume	Volume is described by ton
TGH	Ton per Gang per Hours
Kind of Cargo	Commodity

1130. Actual data is more practical to analyze the real berth performance, however, some information is not clear such as container volume. The number of box data is sometimes shown in the column of Kind of Cargo but sometimes just described as container. In contrast, PPKB data clearly separates number of container box from other cargo. And TGH calculation is unclear because the number of gangs is not shown in the data. Furthermore, the relationship between packing type and commodity is also vague. In addition, waiting time, which can be calculated extracting berthing time from arrival time, is not clear due to unclarity of arrival time.

d) Piloting Data

1131. Piloting data contains the following items: (See an example shown in **Appendix**)

Item	Description
Vessel Name	
Vessel Size	LOA, Draft, GRT, DWT
Flag	
Pilot Name	
Ship Arrival Date/Time	
Request Date/Time for pilot	
Date/Time when ship is ready for pilot	
Date/Time of Pilot on Board	
Starting Time of Ship Moving	
Ending Time of Piloting	
From Where to Where	Berth No., Port name etc.
Kind of Movement	In, Out and Shifting
Shipping Agent Name	
Tugboat Name	
Tugging Time	Starting Time and Ending Time

1132. Piloting data is also useful data to evaluate navigational situation including ship waiting time etc.

e) Common Issues/Problems

1133. All data is available in the form of Excel Sheet, however, this electrical data is not optimized with the following reasons:

- Some data is not input by value data but text data. For example, date/time data and cargo volume is input as like as “01/03-11,02”, “167BOX-330-BOX” or “755GC”. This data must be converted to value data before being processed, which work is troublesome. Data should be input by value data from the initial input stage.
- There is no uniformity on such names as commodities, port names, berth names etc. This situation causes that the same names/categories will be identified as the different names/categories and it is unfavorable for data to be processed in computers. The name should not be different according to a person who inputs it. Therefore, uniform coding table of commodity, port names and so on must be prepared and shared/used by all related entities.
- Incorrect input especially in date/time data. To avoid this mistake, special check columns which automatically calculate the difference such as waiting time, approaching time. Misspelling is also found in the data, which causes that the same situation as above-mentioned.
- Each data is not relational data to the other data. The above three data, for example, can be complemented with each others, therefore, the integrated system which covers PPKB data, realization data, piloting data and other related data should be established for easy processing of data. Port facility data provided by technical division can be also integrated to the same system. It can keep the consistency of port facility data and berth name data used by PPSA. The system could be also improved so that realization data can be just added on PPKB data.

17-D. ENHANCEMENT OF INSTITUTIONAL CAPACITY**17-D-1 Action Program for Improvement of Import/Export Logistics in Jakarta Metropolitan Port**

1134. Based on the analysis on the factors impeding trade facilitation, the study team recommends the following action plan for the improvement of import/export logistics in Tanjung Priok port.

1) To reduce the transit/dwelling time of cargo in the port area

1135. Transit/dwelling time of cargo in the port area is long and unreliable due to inefficiency of shipping operation, cargo handling, customs clearance and land transport management as well as complicated documentation. It is reported it takes over 10 days to clear the customs. EDI system is not operated effectively.

Necessary Action in the short term

1136. In order to reduce the transit/dwelling time in the port area, the following measures can contribute. Some of them should be examined and implemented promptly in effective manners.

- Consolidation of customs offices in the port area. There are 3 customs offices in the port area, which should be integrated to one customs office with single window procedure of customs clearance as well as sole and transparent system.

- EDI system is key for speedup of document procedure in the port including customs clearance. EDI system has already been established in Tanjung Priok, however, it is not fully utilized and optimized yet. It is important to brush up the existing EDI system with close coordination and cooperation of customs office.
- To provide sufficient berth windows for port users such as shipping agency and to increase availability of berth for port users. This can reduce undesirable waiting time on the sea side as well as on the land side and in order to do that, the following measures are necessary:
 - To re-organize and consolidate the existing terminal operators in order that 5 to 10 berths are available for each terminal operator.
 - To reduce berthing time by changing berth fee collecting from day charge to time charge system
 - To improve handling productivity at quay side. This can be realized not only by improving gang/crane productivity but also by controlling direct transport to/from the quay side without use of yard/transit shed. To promote the use of yard/transit shed with some incentive will be necessary.
 - To establish an effective land traffic management system as well as improvement of roads in/around the port.

2) *To secure transparency of port related charge*

1137. Almost all kind of dues and charges in the port are high comparing to other ASEAN major ports, such as handling tariff which decide in the negotiation between stevedoring and consignee/-nor, Terminal Handling Charge (THC), customs clearance fee etc. Opaque additional money is sometimes required. And also, there is a lack of transparency in setting charge for cargo handling, customs clearance etc.

Necessary Action in the short term

1138. Transparency of port related charge will lead the charge to be reasonable in the long run. The following measures can contribute to improve the transparency:

- To re-examine the existing tariff and port charge system and establish the more appropriate system comparing the other cases in neighboring ports in Asia by the leadership of DGSC.
- Based on the above examination, DGSC should formulate the revised concept/system about tariff and port charge and open it to the public.
- IPC sets the maximum tariff and port charge in according to the concept/system and set up a kind of claim office for the case that excessive charge over the maximum setting is collected from port users.

3) *To produce and keep new development spaces according to the proper master plan as well as land-use plan*

1139. Existing port facilities are not enough to accommodate future export/import cargo demand. In case of trade of automobiles in AFTA, There is not enough space to handle them in Tanjung Priok. Their improvement and/or development are urgent, however, it seems to be delayed due to the current financial problem as well as an absence of proper planning, evaluation and coordination system.

Necessary Action in the short term

- To develop an automobile terminal with sufficient vehicle stacking space optimizing the existing land of redundant use
- To formulate master plan as well as land-use plan of the port as earliest possible in order to prevent unregulated development in the port area.
- To produce and keep vacant spaces in the ports, especially for Tanjung Priok, effectively for the future development

4) *To enhance the security in the port*

1140. Such case as pilferage from a load with cutting seals of container in a terminal is often reported. And recently, port security from terrorism, smuggling are pointed out on a global basis.

Necessary Action in the short term

- To set up a security committee participated by related organization in order to prevent such incident as pilferage in the port
- The committee will meet regularly to discuss about problems reported from related offices as well as port users, measures to be taken and recommendation to improve the situation.
- To introduce sufficient hardware for the port security such as fence and ITV which can be monitored from a central office, as well as constant surveillance system in actual site.

5) *To develop special economic zone with close linkage of the ports*

1141. Any free trade zone or export processing zone has not yet been developed in or adjacent to the port, which are often seen in other Asian ports to attract industrial location for the competitiveness of trade.

Necessary Action in the short term

- To develop special economic zone adjacent to Bojonegara new port, in which the various merit for export/import industry shall be explored and realized
- Within the special economic zone, free business activities are ensured since tariffs, and taxes are exempted on goods brought in while international logistics activities are available to generate high added value through series like processing, assembly, exhibition, sales, etc. As a consequence, Bojonegara new port is expected to operate beyond simple functions like stevedoring and storing but emerge as an international logistics port by developing related sectors such as trade and banking by attracting foreign investment and creating jobs through such international logistics value-added activities.

17-D-2 Recommendation on Data Collecting and Processing System**1) *To Unify Commodity Classification***

1142. Commodity is essential data for demand forecast as well as evaluation of handling productivity. However, cargo statistics in Indonesia have no fixed commodity classification system so far. The study team analyzed past years' commodity-wise statistics and found that number of commodities listed in the statistics reached one hundred eighty one (181).

1143. Commodity classification by packing type is not sufficient for carrying out traffic demand forecast because this classification system is not necessarily related with port facility classification such as cargo handling equipment and storage facility. For example, both crude palm oil and gasoline are in general classified into liquid bulk cargo category in the packing type classification system. However, these two commodities are usually handled independently and require special storage facilities.

1144. On the other hand, subdivision of commodities does not necessarily give better information for planning works. For instance, Besi Bars (steel bars), Besi Beton (steel bars for concrete) and Besi Ulir (steel bars deformed) can be regarded practically as same commodity in the port planning.

1145. Suitability for transportation by containers should also be taken into consideration for setting up cargo classification. Containerization has been a general tendency for sea transportation. Therefore, commodities with same tendency for containerization should be classified in the neighborhood with each other.

1146. The study team proposes a commodity classification system as shown in Table 17-D-1.

Table 17-D-1 Proposed Commodity Classification

10 Agricultural and Fishery Products	50 Metal, steel and machinery
11 Rice	51 Steel and steel products
12 Wheat	52 scrap
13 Other grain (beans, maize, corn), and powder	53 Machinery
14 Crude Palm Oil (CPO)	54 Transportation vehicle
15 Cattle feed	55 Car parts
16 Flower, Fruit and Vegetable	56 Aluminum
17 Fish	57 Construction equipment
18 Live Animal	58 Other metal products
19 Other Agri/Fishery products	60 Textile and textile manufactures
20 Lumber and wood products	61 Textile fiber
21 Logs	62 Garment
22 Lumber	63 Other textile goods
23 Plywood	70 Food stuffs
24 Pulp	71 Sugar
25 Paper and paper products	72 Drinks
26 Other wood products	73 Bottles
30 Minerals	74 Edible and cooking Oil
31 Cement, clinker and gypsum	75 Other food stuffs
32 Fertilizer	80 Other manufactured goods
33 Soda ash, sulfur	81 Furniture
34 Coal	82 Electronic equipment
35 Salt	83 Electronic parts
36 Copper, Nickel, Mg, etc	84 Ceramics
37 Stone, sand and clay	85 Glass
38 Other minerals and goods	86 Personal effect
40 Crude oil and petroleum	87 Other manufactured goods
41 Crude oil	90 Other cargo
42 LPG	91 Brick
43 Gasoline and other fuel	92 Construction materials
44 Asphalt	93 Other Cargo
45 Chemical products	00 Unknown
46 Lubricant	
47 Plastic and plastic products	
48 Rubber and rubber products	
49 Other Petro-chemical products	

1147. A relational table between commodity and packing type is also necessary to be prepared for the sake of aggregation by packing type.

2) *To Utilize Manifest Data*

1148. So far, origin-destination country data has not been obtained/collected. This data is also useful for the analysis of trade and for the demand forecast as is the case with commodity data. It is considered that the O-D country data can be obtained from manifest data, so the study team recommends that the possibility of getting such kind of data from stevedoring and/or shipping agency will be examined.

3) *To Simplify Data Input*

1149. It is desirable to be more simplified style of data format by selecting minimum required items. It makes input work easy for all end users and also make the system sustainable as well as credible.

1150. As for TGH data, it is rather cumbersome indicator than the others because number of gangs is often not clear and it varies according to the type and commodity of cargo. That makes difficult to evaluate TGH comparing to other cases. Berth productivity can be evaluated other indicators such as ton per meter, thus TGH can be omitted from data input.

4) *To Realize Integrated Computerization*

1151. When unified Excel formats will be provided in user-friendly and easy-processing manners, the situation will be greatly improved. It is necessary that even small stevedoring company is able to input data. Completeness of computerization is also effective to establish consistent database in cooperation with the related division including Operation Division, Pilot Division and Technique Division.

5) *To Establish Compulsory Data Collecting System*

1152. For private sectors such as terminal operator, stevedoring company, it is necessary to establish some compulsory system for collecting data binding with an agreement of their business. Penalty is also needed unless they reported data correctly.

6) *To Consolidate Responsibility for Data Collection/Process and Formulating Port Statistics*

1153. In terms of data and statistics related to a specific port, a branch office should appoint/establish a sole responsible body for data collection/process as well as formulate port statistics. All kinds of data related to the port should be integrated in that body in cooperation with other related division. The study team recommends Information Division should be a responsible body for data processing and formulating statistics.

7) *To Enhance Capability of Data Processing and Expertise of Statistics*

1154. In order to achieve the sustainable system, capabilities of data processing as well as expertise of port statistics should be enhanced providing suitable training to the related staff.

17-D-3 Concept for “Port Affairs Information Unit” Established in DGSC and/or IPC

1155. The objectives of “capacity building” are to improve “organizational performances” for achieving successful development of the port sector. Generally, a capacity building program has targets and countermeasures, to reach these targets.

1156. Figure 17-D-1 shows typical targets and countermeasures of “capacity building program”.

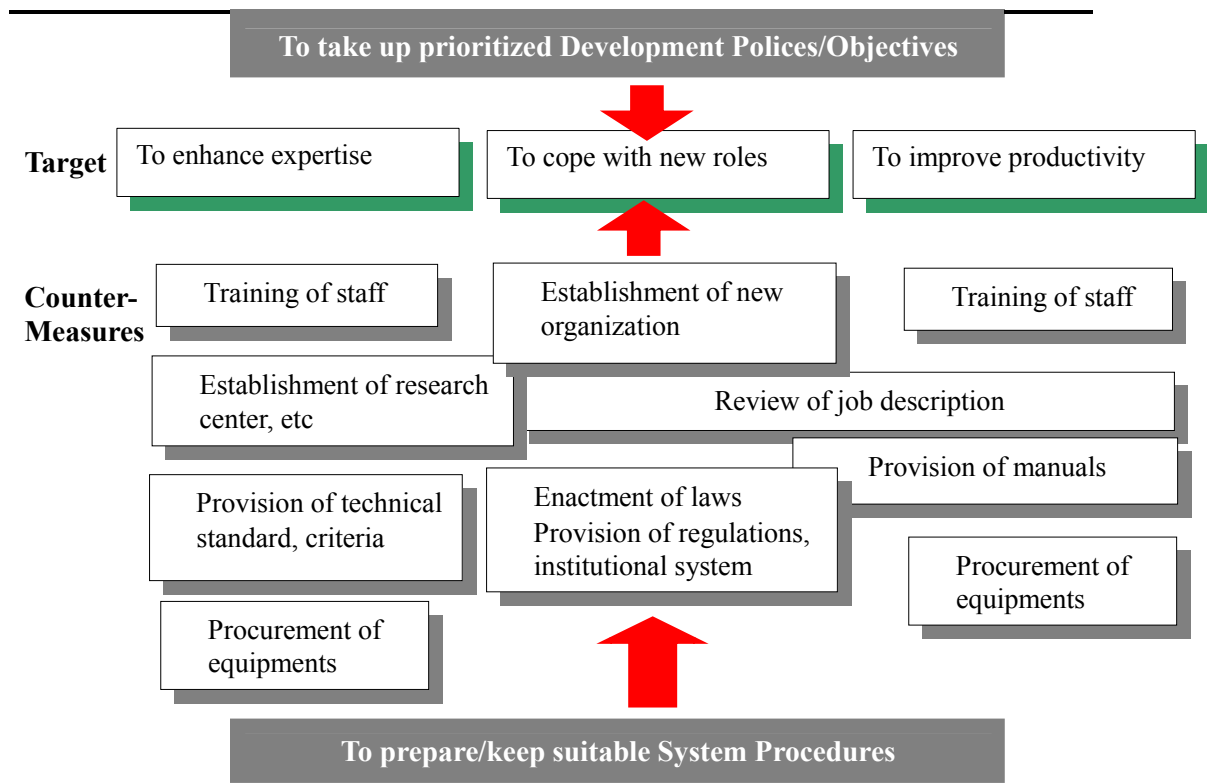


Figure 17-D-1 Illustrated Example of “Capacity Building Program”

1157. As stated previously, the Study has pointed out some problems on the institutional frame as well as the statistics system. As shown in Figure 17-D-4, the institutional improvement includes various organizational and/or regal measures. However, it is considered that any new organizations or any laws/regulations are not functioning without supporting by suitable system-procedures and skilled staff/administrative official. Needless to say, valid data/information enables such officers to have an administrative judgment more correctly.

1158. Therefore, it is considered that the control of valid data/information has a first priority. In addition, required program will also place great emphasis on the training curricula, because stuff and related parties shall understand the significance of a proposed program, and also acquire relevant skills.

1159. In general, Indonesian port sector faces two difficulties from different angles, at this moment. One of difficulties is to cope with the decentralization policy, which is directly linked to operation/ maintenance (OM) system at small port in future. It is urgent that such OM system at small ports be established in order to maintain safety/social net at the remote area. On the other hand, the Study has specified several problems in Tanjung Priok Port, which are typical of difficulties in large ports in Indonesia. These problems are closely related

with role-sharing between the public and private sectors. In large ports, bottlenecks can hinder the smooth foreign trade as well as the economic growth. Moreover, these large ports are pulling the Indonesian sea transportation, and essential to respond to the progress of FTA.

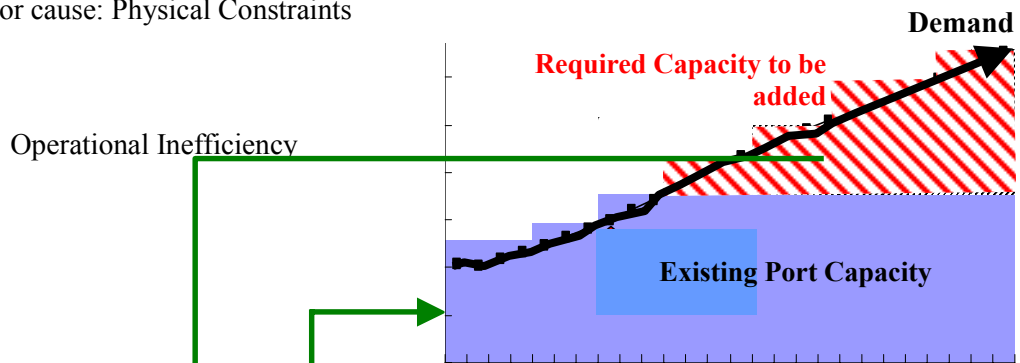
1160. As a first step of a proposed capacity building program, it is considered that an appropriate data/information system will be urgently established which processes port statistics, performance data of the private sector such as productivity, financial, managerial and other relevant conditions. Moreover, the skill should be enhanced in order to manage/control such data/information system. These enhancements have a great importance of above-mentioned two difficulties.

1161. Generally, Figure 17-D-2 and Figure 17-D-3 show the typical effects when above countermeasures will be conducted to resolve/ease the problems in large Indonesian ports.

DGSC’s functions to be enhanced	IPCs’ functions to be enhanced
---------------------------------	--------------------------------

• **Problem : Handling capacity constraints**

Major cause: Physical Constraints



Target 1: To improve productivity/efficiency

-To increase port capacity without large investment-

(a) Strengthening of DGSCs’ function that provides some guidelines for evaluating of the private sector

Target 2: To implement long-term solutions

-To secure financing resources for large investments-

(c) Clarification of sharing in roles/responsibilities between the Central Gov. and IPC-
 - Establishment of cost allocation scheme* for port development -
 *Provision of related institutional system

-Strengthening of IPCs financial conditions/positions-
 -Strengthening of investing activities-

Target 3: To administer port assets

-To smoothly coordinate/ negotiate with the private sector-
 (e) Strengthening of DGSC/IPCs’ function that administer/ manage port facilities/property
 - Establishment of inventory of port facilities/property-

(to be continued)

Target 1: To improve productivity/efficiency

-To increase port capacity without large investment-

(a) Strengthening of IPCs’ function that supervises/ evaluates terminal operators, stevedores, etc.-
 (b) Strengthening of IPCs’ function that negotiate about operation contacts, etc. -

-To modify existing contract between IPCs & the private sector if necessary-

To improve profitability by each contract

Target 2: To implement long-term solutions

-To secure financing resources for large investments-

(d) Improvement of IPCs’ profitability
 - Reviewing of existing contacts with operators, etc.-
 - Strengthening of internal audit system-

Figure 17-D-2 Illustration of Targets in “Capacity Building Program”

DGSC's functions to be enhanced	IPCs' functions to be enhanced
---------------------------------	--------------------------------

• **Problem : Less competitiveness**

Major cause: Less Competitiveness of port tariff

Operational Inefficiency

Target 4: To improve tariff system

- To establish appropriate tariff system that is attractive to related parties concerned-
- (f) Reviewing of existing tariff laws/regulations and other relevant institutional rules

(g) Clarification of role-sharing between the Central Gov. and IPC-

- Establishment of appropriate tariff decision system -
- *Provision of related institutional system

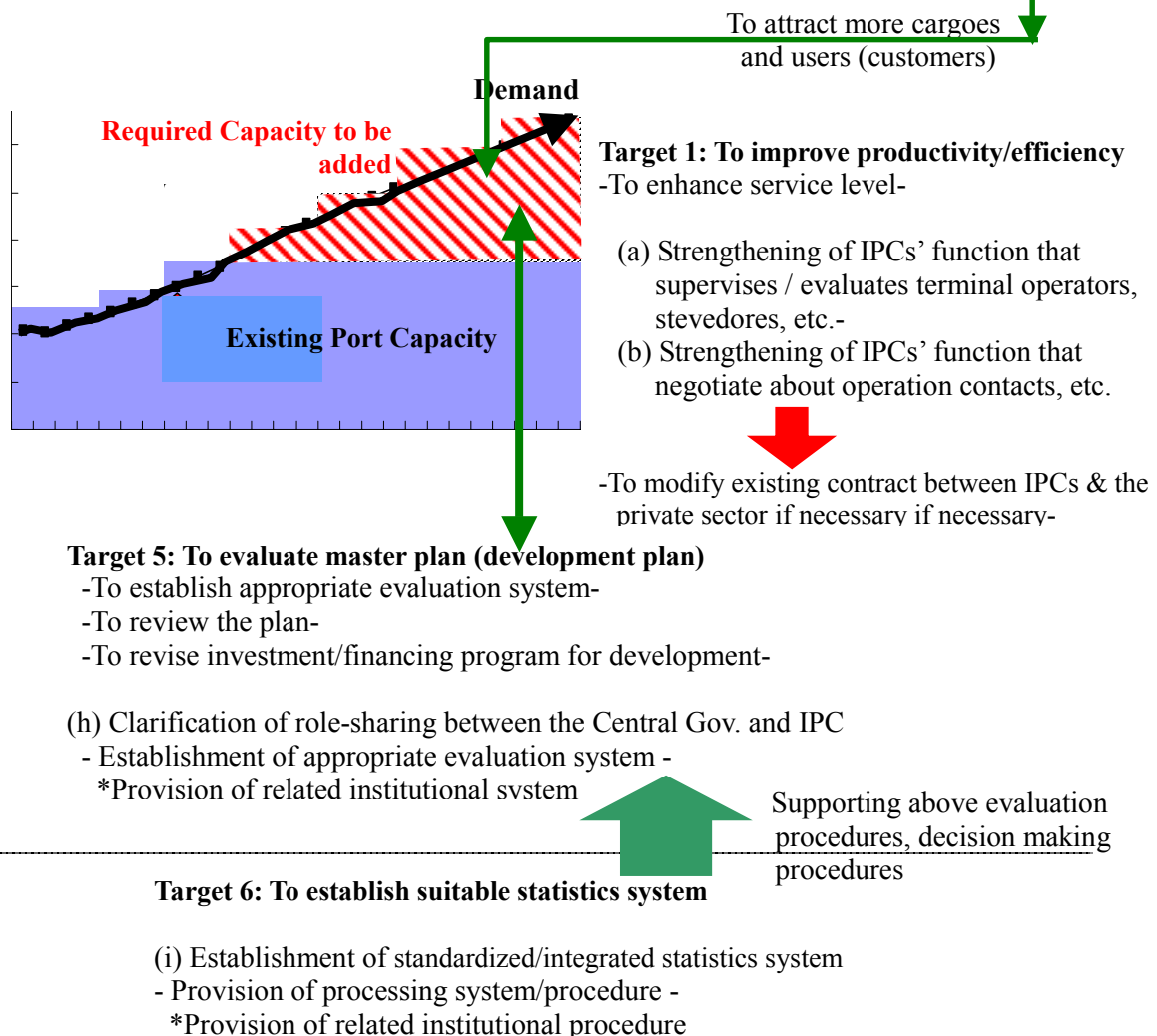


Figure 17-D-3 Illustration of Targets in “Capacity Building Program”

1162. Besides, the cycle of “Plan – Do – See – Action – (Revised Plan)” is a well-known procedure for achieving objectives by each organization, without distinction between the public and private sector. The viability of the said cycle has a great importance for organizational capacity. Figure 17-D-4 illustrates examples of “PDSA cycles” and its relationships among relevant organizations.

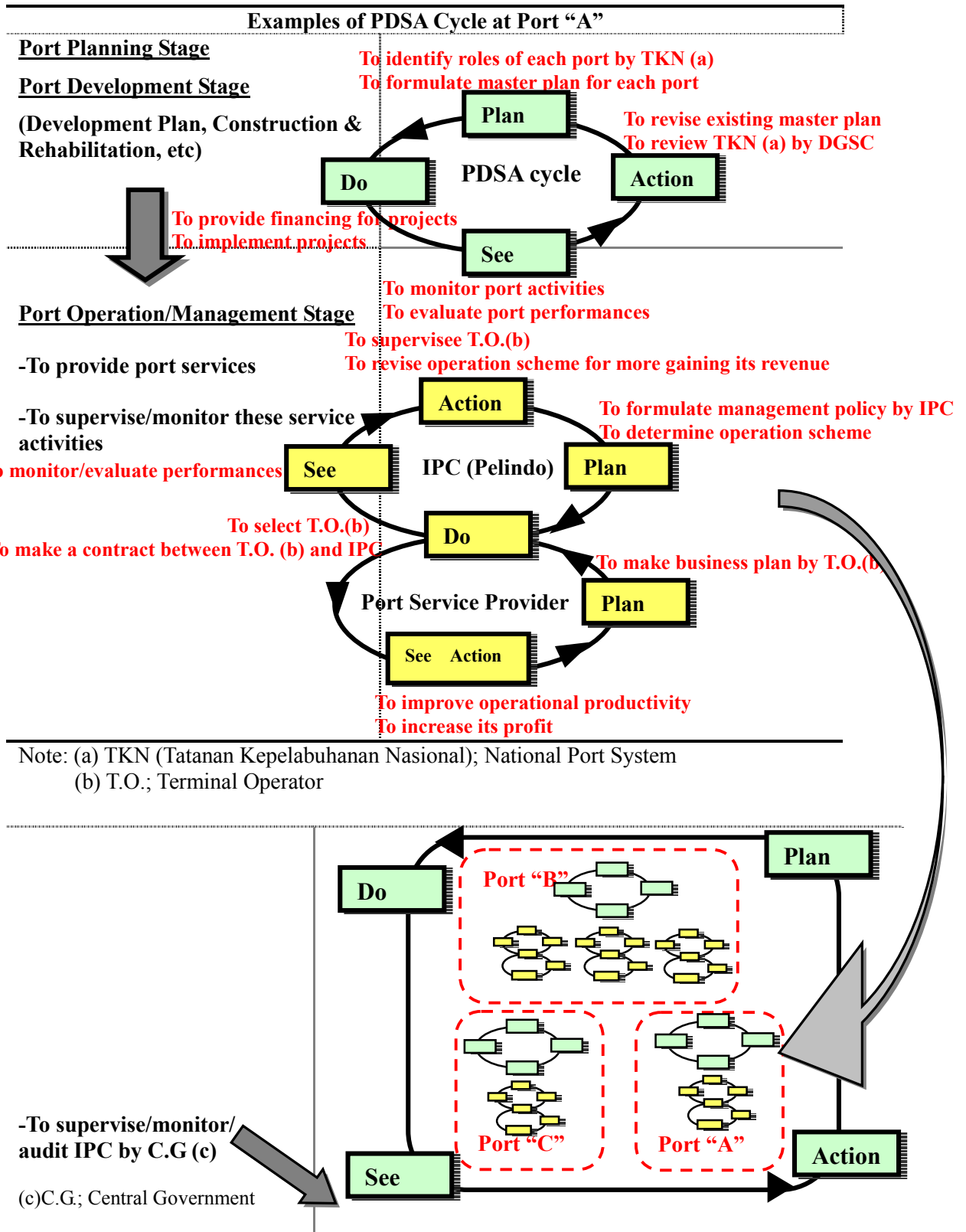


Figure 17-D-4 Illustrated Examples of “PDSA cycle” in Port Activities

1163. As shown in Figure 17-D-4, there are many “PDSA cycles” in port sector, DGSC and IPC can utilize “PDSA cycle” procedures to materialize the significant growth in Indonesian sea

transportation. The upper part in Figure 17-D-4 shows most typical procedure-cycle in “planning – implementation (do) – check/evaluation (see)” stage.

1164. Therefore, it is expected that the capacity building aims at strengthening “integrated planning” function as well as “evaluation/monitoring of private sector” function, moreover “statistics processing” function.

1165. Among them, “integrated planning” function is considered to be composed of the following sub-functions;

- To process the information/data of ports/sea transportation activities for evaluating each port development plan;
- To evaluate alternatives for achieving nationwide objectives, and to prepare the integrated overall plan, policies/strategies for the port development;

1166. The “evaluation/monitoring of private sector” function is considered to be composed of the following sub-functions;

- To analysis the information/data regarding the performances of port service providers (operators, stevedoring companies, etc), and to evaluate the performances of port service providers;
- To review managerial/operational contracts with the private sector.

1167. It is the accurate “statistics processing” that will support afore-mentioned functions.

1168. The various targets in the capacity building program cannot all be realized simultaneously. Some targets can be realized in the short term, while others will be achieved in the middle/long term.

1169. The objective of the proposed capacity building program should be narrowed down to specified fields. In the Study, the following issues are given first priority;

- Port Statistics;
- Inventory of port facilities/property;
- Performance data (results/achievements of the private sector).

1170. The above issues should be considered urgently. Because they can be applied to various fields of port administration. The public and private sectors need access to a broad range of reliable data/ information on port activities.

1171. Therefore, as a first step, the proposed program aims at enhancing the procedures of the collecting/processing of above essential information. Second step is to strengthen the capability of evaluating the said data/information for the supervising/auditing port service providers.

1172. Needless to say, such easier access to reliable data will lead its customers to trust the Indonesian port sector. The MOC/DGSC/IPC will take a big step toward the solution of the afore-mentioned problems when the said program is launched.

1173. It is proposed to establish a new unit which is solely responsible for managing all kinds of information on port affairs. The said unit will control/manage afore-mentioned data/information, and be responsible for implementing the proposed capacity building program. An outline of the said program is given below.

17-D-4 Proposed Program for Administration & Management Skill Enhancement

1174. Title of the skill enhancement program (*provisional name*) is as follows:

Project Title: Administrative and managerial improvement in port affairs toward trade facilitation and enhancement of port competitiveness

1) Objectives of the A & M skill enhancement program

1175. The port is a key infrastructure to promote/attract trade industry as well as foreign capital investment. Needless to say, it is vital for an archipelagic country to develop port facilities for improving maritime transportation more efficiently and smoothly.

1176. In Indonesia, the port administration system is not necessarily efficient for timely responding to the accelerated reforms of managerial/operational system such as “Privatization” and “Decentralization” in spite of every effort of the agencies concerned.

1177. Under these circumstances, the said program aims at strengthening capacities of collecting/processing port affairs’ information/data as well as enhancing capabilities of analyzing/evaluating such basic information/data. Because, the efficiency of the port administration is strongly required in the various fields such as port planning, financial affairs, property/asset management, management/operation of facilities and supervision guidance of the private sector. Moreover, the program also aims at supporting necessary improvements of institutional framework, self-supporting improvements of port administrative affairs in future.

1178. There are broadly the following objectives of the said program in order to undertake the above measures.

- To enhance the capability of evaluating performances and financial situations/accountings of the private sector
- To establish the modified institutional framework in order to more effectively allot investment funds for port development as well as more efficiently determine other governmental strategies such as proper tariff policy, etc.
- To establish the modified port statistic system which supports aforesaid evaluation of tariff/performance data as well as formulation of a future investment program

2) Background**a) JICA Development Studies**

1179. In the light of the importance of Indonesian port sector, JICA has conducted many development studies. Among them, the following studies have close relation to this program;

- The Study on the Port Development Strategy in the Republic of Indonesia (Mar. 1999)
 - The long term port development strategy up to the 2018 was formulated by this study, however, the drive toward the decentralization & the privatization are advancing quite remarkably rather than perspectives in this study.
- The Study on Development of the Greater Jakarta Metropolitan Ports in the Republic of Indonesia (hereinafter referred to as “the Study”) (through Mar. 2002 to Dec. 2003)

The Study focused on urgent development programs of Tanjung Priok &

Bojonegara ports, its feasibility analyses of each urgent project. In the course of the Study, it is pointed out that the following institutional framework/systems are necessary to be modified/reformed; port statistics system, evaluating tariff system/auditing private port service providers and other relevant institutional schemes.

1180. Outline of Indonesian port sector and its major problems to be resolved as follows:

b) *Public ports in Indonesia*

1181. According to the new law of port affairs (so-called “National Port System” in Governmental Decree PP No.69 in 2001), Indonesian port administration system is broadly divided into two categories which are public port and special port. The former is vitally important to both international and domestic transportation throughout over 15,000 islands. The latter supports a certain activity such as loading/unloading of specified law materials/ primary products etc.. Therefore, these special ports are exclusively developed / managed by private and/or government companies basically.

1182. Among public ports, around 110 ports are owned / managed by state-owned companies (IPCs), and are functioning as principal bases of international / coastal shipping routes. Above-mentioned around 110 ports are referred to as the “commercial port” hitherto, on the other hand remainder public ports (around 6 hundreds) are categorized to regional small port which is so-called the “non-commercial port”.

1183. As to responsibilities of managing public ports, new port-classification will be introduced and its ownership will be transferred from national government to new management bodies such as local governments. The above turn-over to local bodies will be taken in accordance with afore-mentioned Governmental Decree PP No.69 in 2001, and PP No.25 in 2000 which stipulates the promotion of autonomy policy. Needless to say, the afore-said transfer of public ports that should not be applied to so-called large-scale ports which will remain as IPCs’ (PELINDOs’) ports.

1184. However, detailed transition procedures/framework seem to be not yet fixed, namely the following matters are not prepared; financing resources for development and/or maintenance of small-ports, establishment of a responsible organization and its personnel, and other required stipulations in each local government, etc.

c) *Outline of Port Tariff System in Indonesia*

1185. Port tariff system in Indonesia is basically categorized into the following 4 (four) groups;

- Ship Service Tariff
- Cargo Service Tariff
- Equipment Service Tariff
- Port Due

Note) above major category of port tariff is quoted from Ministerial Decree KM No. 28 in 1997.

1186. In short, “Ship Service Tariff” and “Port Due” are levied by public sector such as the central government, state-owned companies (IPCs). On the other hand, private sector draws its income from “Cargo Service Tariff” and “Equipment Service Tariff”. A part of private sector’s income that is transferred to public sector (IPCs) in the form of concession fee, lease fee and compensation, etc.

1187. Currently, Indonesian tariff system is considered to apply the following 3 (three)

policies:

- Cost Basis Evaluation
- Deregulation by Public Sector
- Assessing Service Level

1188. It is considered that the goal of above 3 policies is to realize an ideal tariff system as follows; firstly, “Private sector’s participation” and “Competitive market” are facilitated by deregulation policy, and then private participants in port services can flexibly reduce its tariff for surviving such “Competitive market”. Meanwhile, the participation of the public sector is restricted to just assess/check a proposed tariff in comprehensive review of service-levels and cost-accounting of the said tariff.

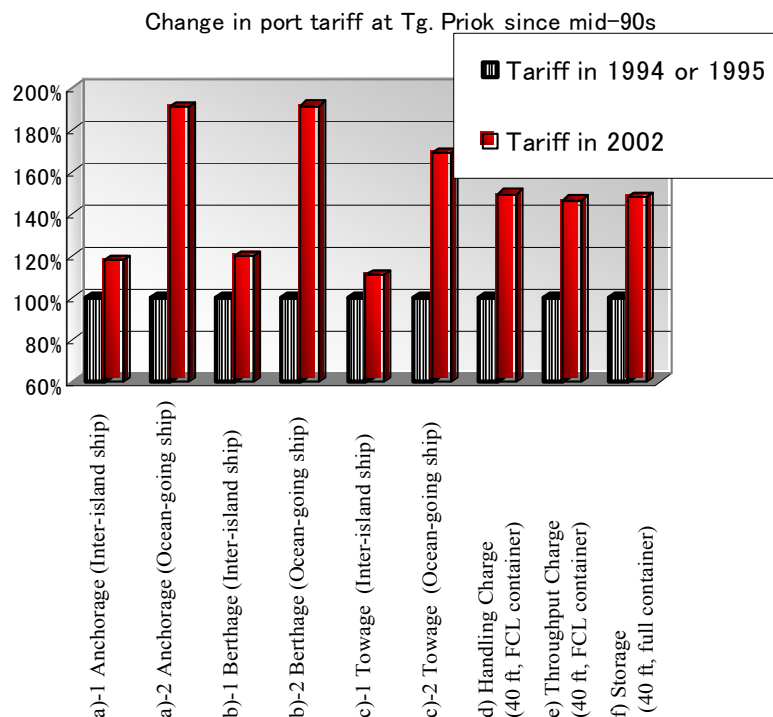


Figure 17-D-5 Change in Port Tariff at Tanjung Priok since mid-90s

1189. However, above Indonesian tariff system is not necessarily effective as indicated in the representative examples in the above Figure.

1190. The problems become obvious for the trading industry facing the rapid increase in the tariff for ocean-going ships and container handling, as shown in above Figure. Moreover, the improvement in its operation-services makes slow progress in spite of the above rapid rise in rates.

1191. Therefore, it is vital to properly evaluate a tariff condition together with a financial condition of each service provider compared with their performance data.

d) Outline of Investing Activities for (public) Port Development in Indonesia

1192. The following Figure outlines development-investments (capital expenditures) for public ports. The national budget control by DGSC seems to recently change its course for the increase after Asia Economic Crisis. However, such budget is not necessarily enough amount to

support widespread sea transport activities in Indonesia.

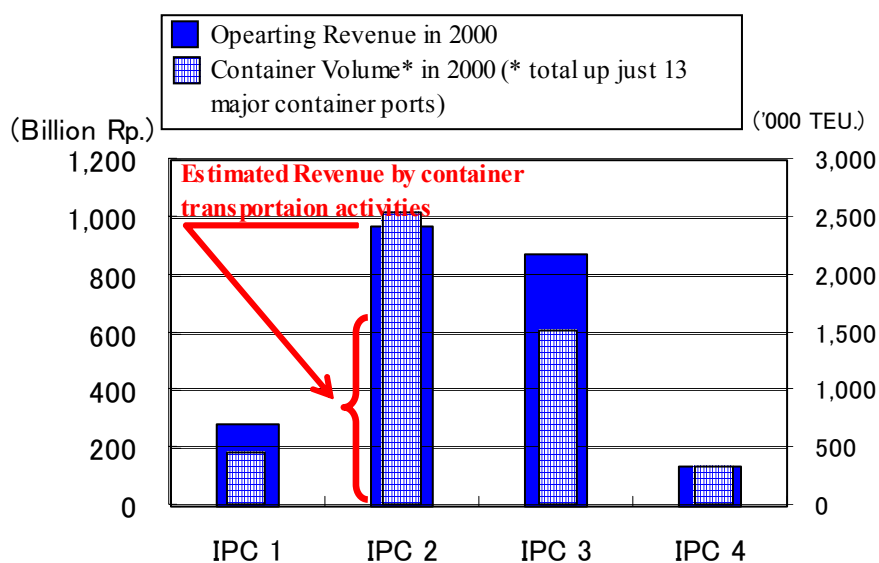
1193. As stated earlier, the majority of its capital expenditures are appropriated to IPCs' ports by means of IPCs' own resources and/or ODA loans. Such component seems to be proper because the great portion of sea-borne cargoes is originated/attracted from/to IPCs' ports. If anything, there is a problem that DGSC has some difficulties in the expenditure control throughout the country, because the functions of DGSC are extremely restricted in the fields of IPCs' investment programs.

1194. As to benefits by port project, examinations of the Study are as follows: it is possible to further boost its benefits in the national economy and a financial viability of a project, in case that the central government and IPCs will formulate appropriate cost-sharing/expenditures-sharing program for a project. From this view, it is desirable that proper cost-sharing scheme is formulated among the central government, IPCs and other relevant bodies. Needless to say, it is necessary to deeply examine an institutional framework which is the basis of such cost/expenditures-sharing scheme.

1195. Regarding financing resources of such cost/expenditures-sharing scheme, ODA loans might be effective for the moment. However, its applicable loan conditions will become more sever with the progress of the growth in the Indonesian economy. Thus, the public sector (the central government; DGSC, IPCs) should formulate wide-ranging cost-sharing framework including the private sector.

1196. The privatization is regarded as a kind of cost-sharing scheme involving the private sector. In such case, its share of the cost is paid in the form of concession fee, lease fee and compensation, etc as stated previously. Above fee levels basically depend on its financial conditions such as its profit/revenue, its performances such as productivity by private sector. Therefore, it is vital for the public side to properly audit/evaluate above achievements and other related activities of private sector.

1197. Especially, the amount of income produced by container facilities which is presumed to occupy a large portion of the whole revenue of IPCs. In case of IPC2, it is estimated that the revenue from container services has around 60 % share of the total revenue as shown in the following Figure. Therefore, the said technical cooperation program focuses on the enhancement of capacities to audit/evaluate container terminal operators, other related container services providers.



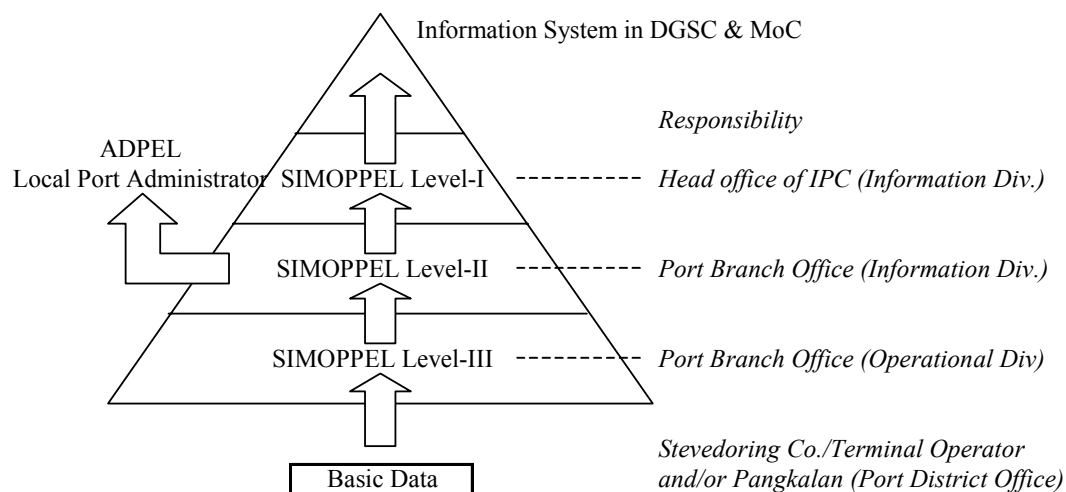
e) Outline of Port Statistic System in Indonesia

1198. An ideal port statistic system to be established which has the following objectives:

- To evaluate the port activity and to formulate future appropriate port development plans in terms of demand forecast as well as port facility planning
- To evaluate the port activity and to formulate effective port administration and/or management plans in terms of optimizing the existing port facilities as well as supervising private sectors' activities

1199. Especially, the later objective of statistic system should be achieved in order that the said technical cooperation program be conducted successfully.

1200. From these views, the Study evaluated existing port statistic system (SIMOPPEL) which has been operated since 1993.



1201. The existing SIMOPPEL system is illustrated in the above Figure. As a result of its evaluation by the Study, the said existing system itself would be a good hierarchical system for data collecting. However, there are some discrepancies in figures (statistics) between each level in the above Figure. Moreover, the Study briefly evaluated other shortcomings of existing SIMOPPEL system.

1202. In consideration of such shortcomings, the Study proposed that a modified system and its compilers of statistics should be equipped with the following characteristics;

- *To unify commodity classification, *To utilize manifest data, *To simplify data input,
- *To realize integrated computerization *To establish compulsory data collecting system
- *To consolidate responsibility for data collection/process and formulating port statistics
- *To enhance capability of data processing and expertise of statistics

3) Outline of the A & M Skill Enhancement Program

a) Inspection/examination of detailed administrative system

1203. In this program, Indonesian side will examine details of port administrative system through a chain of the private sector, Pelindos and the central government with the assistance of foreign experts. Such examination will concentrate on “port statistics” and “financial situations

of private sector/IPC's", because both of them could be widely applied to various fields of the port administration. As a result of such examination, detailed format of such data/information will be considered. Regulatory procedures of collecting/processing will also be drawn up.

b) Establishment of implementing unit for the program

1204. It is necessary to establish a new unit "Port Affairs Information Unit (*provisional name*)" in DGSC. A new system "Port Affairs Information System (*provisional name*)" will be provided with making good use of IT technology. The new unit and system will be key factors which transfer improved contents/procedures of port administration throughout the country. For the purpose of the above enhancement program, the new unit will formulate training programs which utilize the following Indonesian guidelines/manuals.

c) Provision of Indonesian manuals, guidelines

1205. Manuals will be composed of detailed formats, regulatory procedures of collecting/computer aided processing port affairs data. Moreover, guidelines will introduce some methods and basic knowledge regarding evaluation/ analysis of such basic data in order to determine port administrative affairs more efficiently.

4) Major activities of the program

a) Establishment of "Port Affairs Information Unit (*provisional name*)"

1206. First of all, afore-mentioned new unit will be established in DGSC. The new unit will have sole responsibility for the following activities.

b) Recipient of technology transfer team

1207. Foreign technical cooperation experts will be dispatched by international aid agencies. Such technology transfer team will be composed of long-term and short term experts such as Port statistics/EDI expert, Port administration/Port financial affairs expert, Port planning expert, Port operation expert, Port administration/Property management expert, Port administration/Port tariff policy expert.

c) Inspection/examination of detailed administrative system

1208. Together, the new unit and expert team will carry out the following inspection/examination: What are detailed contents of existing information/data (port statistics, inventory of port facilities/property, productivity/performance data, financial conditions and information on tariff etc.)? How are such data/information processed? How are such data/information utilized in the port administration?

1209. Above inspection/examination will be conducted at each stage by private companies, Pelindos (Indonesian Port Corporations), the central government, and also by business fields.

d) Training of staff of the Port Affairs Information Unit

1210. The technology transfer of the following elementary knowledge/theories/know-how will be conducted by foreign experts and through overseas training: the basic knowledge on transportation administration including port sector, the know-how of analyses of basic port data, the theories/know-how of decision-making and evaluating/assessing achievements of port affairs, and also required knowledge/know-how regarding the below "Port Affairs Information System".

e) Establishment of the “Port Affairs Information System (provisional name)”

1211. “Port Affairs Information System (provisional name)” will be established in order to control all port affairs information more efficiently. Such system will enable the public sector to comprehensively compile the huge volume of port affairs data making full use of IT/EDI technologies. In addition, the new unit will provide appropriate training program/manuals of such system in order to spread it throughout the country.

f) Provision of guidelines regarding port administrative procedures

1212. The new unit together with foreign experts will provide guidelines regarding port administrative procedures to collect/compile information/data, methods of evaluating processed data. Such guidelines will be formulated reflecting problems identified by above-mentioned inspection/examination.

g) Formulation of training program

1213. As a part of the self-supporting scheme, the said A & M enhancement program will include a training program to enable the Indonesian side to continuously transfer its technologies/know-how from a new unit into IPCs, ADPELs and local port management bodies in future.

5) Outcome of the program

- Establishment of a new organization that is able to control and analyze all port affairs information,
- Establishment of a new information system that enables comprehensive evaluation of port activities due to its standardized format, integrated contents
- Fostering of administrative officials who have the skill to evaluate/asses basic data/information
- Establishment of a technology transfer scheme from the central government (a new unit) into IPCs, local governments, etc.

6) Procedure of Administration & Management Skill Enhancement Program

1214. As described previously, this program will consist of “Long/Short term experts”, “Training program” and “Provision of equipment”.

1215. Figure 17-D-6 shows above component parts of this “A & M Skill Enhancement Program”. Most important part is the “new unit ((Port Affairs Information Unit)” which will manage the whole program with the assistance of foreign technical experts.

1216. This program will cover Tanjung Priok port in the initial stage. Thus, trial run of the new statistics system will be launched at Tanjung Priok port, and detailed examination of administrative procedures will also be conducted. Therefore, it is desired that a new unit of DGSC be combined with officers of IPC2 (HQ office and Tanjung Priok branch office).

1217. One of the major objectives is to introduce a new statistics system. As to the responsible body for the statistics system, it is proposed that an information division of a port branch office be appointed for collecting/compiling relevant data. On the other hand, the new unit will be established in DGSC which is solely responsible for providing unified format/processing procedure, etc.

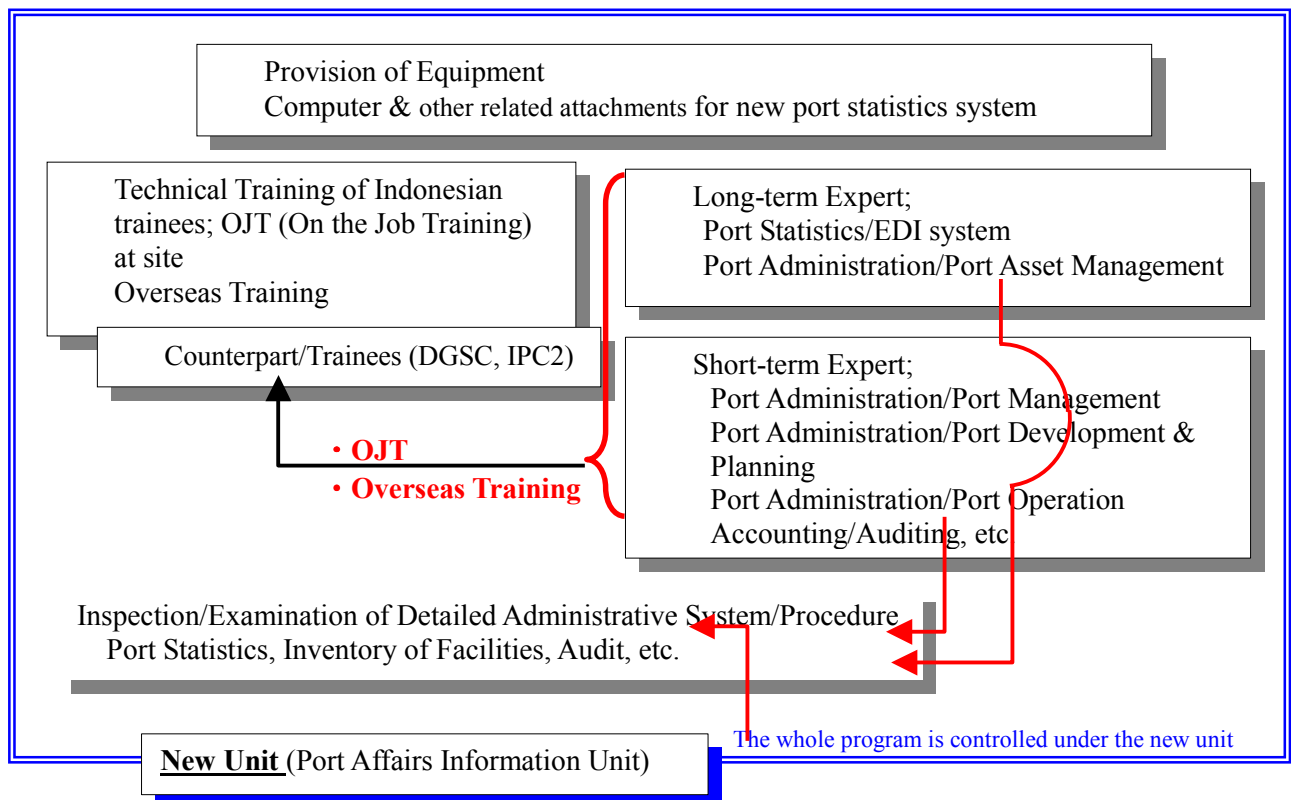


Figure 17-D-6 Illustration of Administration & Management Skill Enhancement Program

1218. The said system is needed to be user-friendly and easy-processing functions, thus the Study suggested utilizing popular software such as “Excel”, “Access” basis. To introduce the such statistics system, a long term expert (Port Statistics/EDI system) will examine the following subjects together with the new unit:

- Unification of commodity classification
- Utilization of manifest data
- Simplification of data input
- Integrated computerization

1219. On the other hand, the new unit should play an important role in the regulatory examination, which includes the following item

- Establishment of compulsory data collecting system
- Delegation of responsibility for data collection/process and formulating port statistics

1220. Port Asset Management expert will further research into the inventory of port facilities, the administration of assets, etc. This great importance in the age of “Decentralization” and “Privatization” where facilities/rights will likely be transferred.

1221. In various contracts/agreements with the private sector or other governmental organization, the most important issues are as follows: clarification of assets/real property within the port area, a legal power/right of the public sector (DGSC/MOC, IPC2) to such asset,

etc. These kinds of issues should be clearly defined in the related laws and regulations.

1222. Therefore, the long term expert (Port Asset Management expert) will identify an existing inventory of port facilities and other related assets of IPC2 and the state. In addition, the said expert further examines a institutional framework of port assets such as a procedure of assets/rights-transfer, an evaluation of asset-value, etc. Needless to say, the new unit should examine a regulatory system of a inventory of port facilities/assets with the assistance of long-term expert.

1223. On the other hand, short term experts are expected to deeply examine Indonesian administrative rules/procedures in their expertise fields. Thus, they will research validity of wide-ranging data, how to process these various data for analyses, etc. In addition, another task of foreign experts is to conduct OJT (On the Job Training) in their expertise fields.

1224. Foreign experts and the new unit will advice, complementary information and other relevant input. Similarly, in the case of overseas training, curricula / material will cover a number of different fields. Proposed program scheme be able to cope with any request from counterparts since there are diverse experts.

1225. Moreover, the new statistics system will enable the public sector to easily compile/process the distribution data in any style. In the course of this program, more favorable procedures are expected to be obtained through OJT.

1226. The important issue of statistics is “continuity”, i.e. it is necessary to process/transfer past data in exiting SIMOPPEL system when new modified system is effective. Because, SIMOPPEL has collected huge data during 10 years over the whole country and its huge volume of data are considered to be valuable.

1227. On the other hand, responsibilities of DGSC are to provide/ establish institutional framework such as enacting/amending laws/regulations in timely response to the reforms in the port-sector. In particular, tariff-decision/ evaluation procedures and cost-sharing scheme for port projects need to be modified/instituted urgently.

1228. The training program can be divided into two categories such as “basic training” and “specialized training”. As stated previously, capacity building training is broadly divided into the overseas training in overseas countries and OJT in Indonesia. The former is categorized as “basic training”.

1229. The contents of “basic training” cover a wide-range of fields in the port sector. The objectives of this “basic training” are given below.

1230. The technology transfer of the following elementary knowledge/theories/know-how will be conducted by foreign experts and through overseas training: basic knowledge on the transportation administration including port sector, the know-how of analyses of basic port data, the theories/know-how of decision-making and evaluating/assessing achievements of port affairs, and also required knowledge/know-how regarding the “Port Affairs Information System”.

1231. The purposes of this “basic training” are as follows;

- The public sector (MOC, IPCs) obtains various data/information such as port statistics, performance data. In addition, the evaluating financial condition of private sector has great importance in terms of the relationship between its profitability and the validity of its tariff, cross-checking among their performances, statistics and operating revenue/expenditure, etc.

- Moreover, the public sector should also target on the enhancement of auditing/monitoring the private sector, and it is desirable that such audit are conducted together with above cross-checking of port statistics, relevant performance data. Because, there are the application of a concession-fee based on revenue/profit share scheme and/or setting-up performance target in the field of a privatization in port operation.
- In other words, each business field of trainees such as “tariff”, “auditing”, “operational productivity”, “statistics” are closely related with each other. Thus, each trainee should have basic knowledge and know-how regarding other related fields.

1232. “Specialized training” will mainly consist of “case-study” exercises. For instance, financial analyses will be conducted on the basis of IPC’s financial statements, sensitivity analysis will be done on the relationship between tariff-rate and financial viabilities of both public/private sides, etc.

1233. The objectives of this “specialized training” are given below;

- The public sector (MOC, IPCs) obtains various data/information such as port statistics, performance data. In addition, evaluating financial condition of the private sector has great importance in terms of the relationship between its profitability and the validity of its tariff, cross-checking among their performances, statistics and operating revenue/expenditure, etc.
- Moreover, the public sector will also enhance its ability to audit/monitor the private sector.. It is desirable that such audit is conducted together with above cross-checking of port statistics.

1234. The following curricula are expected to be conducted by foreign experts:

- Port development policy/Development investment policy
- Port privatization
- Port Management & Operation
- Port Planning
- Economical and Financial Analyses
- Accounting/Auditing
- System analysis
- International maritime transport/Maritime business
- Transport Economics

1235. As stated previously, these curricula intend to enhance elementary/basic knowledge, theories and know-how ranging the whole transport sector. Subsequently, the curricula are taken-up as follows:

- To enhance the capability of evaluating port tariff and the expertise of tariff policy
- To enhance the capability of assessing/auditing financial situations/accountings of the private sector (port service provider)
- To enhance the capability of assessing performances (Operational Productivity/Service Levels) by private sector
- To enhance the capability of data processing and the expertise of statistics

1236. The program schedule is outlined as follows:

	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year
Long-Term Expert	←—————→				
Short-term Expert	←-----→				
Training Program Design	←————→				
Basic Training		←-----→			
Specialized Training (OJT basis, etc.)		←-----→			
Formulation of self-training program in RI				←-----→	
Establishment of Database System	Design	Trial Run		Operation & Dissemination	
	←-----→	←-----→		←-----→	

1237. Candidates for training should be in upper-middle to higher management in the following business fields during 2nd to 3rd year. In 4th to 5th year, the program covers middle to upper-middle management who would have been subordinate of the trainees in the previous stage.

1238. Among various fields in DGSC/MOC/IPC2 business, tasks of candidates are closely related with the “Profitability”, “Competitiveness” of Tanjung Priok port in the progress of privatization. Meanwhile, other tasks of trainees are statistics system and inventory management.

1239. Therefore, it is considered that a candidate for trainee is a responsible position on the above field and “middle” class to “upper-middle” class. Although definite candidates will be selected by the new unit, considering opinions of technical experts. At this moment, this draft program suggests as follows;

- Candidates are a responsible position on dealing with a matter of the contract agreements regarding JICT and/or KOJA
- Similarly, candidates are a responsible position on assessing/auditing JICT and/or KOJA as affiliated companies
- In branch office of Tg. Priok port, candidates are responsible positions on port statistics and assessing container terminal operators.

1240. On the other hand, required responsibilities of DGSC are considered to provide/ establish institutional framework such as enacting/amending laws/regulations in timely response to the reforms of the port-sector by the social/economic changes. Especially, tariff-decision/ evaluation procedures, cost-sharing scheme for port projects and procedures of port assets-evaluation/contracts are modified/instituted urgently. Therefore, candidates for trainees and/or counterparts in DGSC are considered as follows:

- Candidates are responsible on evaluating proposed tariff, and dealing with relevant laws/regulations regarding port tariffs
- Candidates are responsible on examining a cost (investing) allocation scheme, and dealing with relevant laws/regulations regarding port development budget control
- Candidates are responsible on regulatory frameworks of the port statistics system, the inventory system/procedure of port assets/property.

Outcome by this program will be wide application in the whole country because major

objectives are to establish a modified statistics system, to enhance the capabilities of assessing tariff structure, to strengthen the capabilities of auditing private operators and to propose/suggest new tariff system, etc.

Appendix

PERNYATAAN RENCANA ALOKASI TAMBAT KAPAL DAN KEGIATAN BONGKAR MUAT
HARI : JUMAT 4/3 SABTU - 12.00 - TANGGAL 01 s/d 02 MARET 2002

NO.	PPND	NAMA KAPAL	URUSAN KAPAL	PELAY	P K B		RENCANA		RENCANA KEGIATAN												RENCANA KELUAR	KETERANGAN																	
					PERM	AGEN	TIBA	SAMBAR	BONGKAR			MUAT			BONGKAR			PERFORMASI																					
		BERANDA	PU	GR		DEKURAN	DITETAPKAN	TIBA	SAMBAR	NO	GB	LP	TL	PPS	GB	LP	TL	PPS	ET/BT	TRT	BT	IT	ET	WT	ET	WT	ET	WT	ET/BT	BONGKAR (TON)	MUAT (TON)	JML B/M (TON)	SOP/ DAY	TGH	JENIS BARANG				
1	91720	SAMUDERA-TRAMPER	5	4	3	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
2	91720	SAMUDERA-TRAMPER	5	4	3	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
3	91720	SAMUDERA-TRAMPER	5	4	3	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
4	91720	SAMUDERA-TRAMPER	5	4	3	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5	91720	SAMUDERA-TRAMPER	5	4	3	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
6	91720	SAMUDERA-TRAMPER	5	4	3	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
7	91720	SAMUDERA-TRAMPER	5	4	3	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

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KINERJA PELAYANAN KAPAL DAN BARANG
CABANG PELABUHAN TANJUNGPRIK
BULAN : MARET 2002

NO	NAMA KAPAL	STA	KADE	JENIS PELY.	GRT	LOA	AGENT PBLR.	TANGGAL / JAM		PERFORMASI												BONGKAR (TON)	MUAT (TON)	JML B/M (TON)	SOP/ DAY	TGH	JENIS BARANG
								TIBA	SANDAR	TOLAK	WT	ET	ET	IT	NOT	BT	TRT	ET/BT	TRT	BT	IT						
1	VIENTIANE	T	112	KLNA	2370	85	TNLS	04-03-2002	04-03-0730	05-03-240	7	30	15	10	55	62	55	-	3.000	3.000	1145	23	24	50	167BOX - 330BOX		
2	MARCLIPPER.MV	L	214	KLNA	5850	122	JTTS	27-03/21.30	28-03/00.05	28-03/20.05	3	18	1	1	20	23	90	2.088	4.125	6.213	6524	345	345	1858BOX - 2508BOX			
3	MARCLIPPER.MV	L	214	KLNA	5850	122	JTTS	28-03/08.00	13-03/10.30	13-03/24.00	3	11	1	1	13	16	85	2.313	3.125	5.438	8784	494	494	1978BOX - 1468BOX			
4	ASIAN FRIENDSHIP.MV	T	213	KLNA	4000	105	JTTS	28-02/12.10	01-03/17.20	03-03/17.15	31	40	3	3	46	77	87	2.463	1.825	4.288	1.958	107	107	20 BOX - 79 BOX			
5	BOYNE RIVER.MV	L	203	KLNA	16235	160	JTTS	24-03/03.00	24-03/05.15	24-03/15.50	2	9	1	1	11	13	82	250	87	87	250	25	25	292BOX - 210BOX			
6	CONTI JORK.MV	L	214	KLNA	5850	122	JTTS	20-03/05.00	20-03/06.15	21-03/01.45	1	18	1	1	20	21	90	3.650	2.62	8.051	6503	366	366	3458BOX - 2998BOX			
7	MARCLIPPER.MV	L	214	KLNA	5850	122	JTTS	06-03/09.15	06-03/13.30	07-03/16.05	5	22	2	2	26	31	85	4.313	3.738	8.051	6503	366	366	3458BOX - 2998BOX			

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PERETAPAN REWCANA ALOKASI TAMBAT KAPAL DAN KEGIATAN BONGKAR MUAT
HARI : JUM'AT s/d SABTU - 12.00 - TANGGAL 01 s/d 02 MARET 2002

No. Form : FM.01/COM/01/01/005

NO.	No PPKG	NAMA KAPAL	UKURAN KAPAL	PELAY	PBM	PPKB	REWCANA		RENCANA KEGIATAN						SOP PER DAY	PELABUHAN		REWCANA KELUAR	KETERANGAN							
							DIAJUKAN Tgl/Jam-Mnt	DITETAPKAN Tgl/Jam-Mnt	TIBA Tgl/Jam-Mnt	SANDAR Tgl/Jam-Mnt	NO KODE	BONGKAR		MUAT		ASAL	TUJUAN			Tgl/Jam-Mnt						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	
		SAMUDERA:																								
		TRAMPER																								
1	99769	RACHMANEL-1/INA	214						01/03-11:02	02/03-09:00	007	755 GC									651	BATAM	DUMAI	06/03-07:00	MUATAN LUAR NEGERI	
3	99776	KEN TEN/PHI	001						01/03-10:21	02/03-09:00	210										126	SINGAPORE	SANDAKAN	05/03-16:00	EX TO LCH, BAN ANI, LUMBIL MAS GSR	
3	99729	OCEAN SERENA/PHI	001						29/02-11:42	02/03-09:00	208	2883 GC														
4	99778	ADVANCE PESCADORES/PHI	008						23/02-12:21	02/03-09:00	212															
5	99770	SUNRISE COSMOS/PHI	012						01/03-14:13	02/03-13:00	PMB.1															
		LINER:																								
1	99797	PAC BALI/LIB	170						01/03-10:24	02/03-09:00	009															
2	99749	BARBAROSSA/ANTIGUA	129						27/02-14:42	01/03-10:30	UTPK3															
3	99754	BAY BRIDGE/LIB	003						29/02-13:14	02/03-09:00	UTPK1															
4	99772	KARUNIA JAYA-1/INA	408						01/03-14:16	02/03-09:00	UTPK1															
5	99788	KOTA BENAR/PHI	008						01/03-10:47	02/03-09:00	UTPK1															
6	99788	ACK HIBISCUS/PHI	060						28/02-09:18	01/03-16:00	UTPK1															
7	99760	CONTI BARCELONA/GERMAN	028						28/02-08:57	01/03-13:00	UTPK1															
8	99767	SAPPAN CARRIER/SPR	007						01/03-10:15	02/03-10:30	UTPK2															
		NUSANTARA:																								
1	99743	LCT. MENUMBA R. WI/INA	099						01/03-15:42	01/03-19:00	BP															
2	99738	TK GOLDEN SARI/HTB TRIDAYA BARUNA/VIHNI	006						01/03-15:04	01/03-16:18	081															
3	99760	UNION STAR-22/INA	015						29/02-17:28	01/03-09:00	002															
4	99707	BG ROYAL PALMA-2/IB ROYAL PALMA/INA	038						01/03-10:35	01/03-15:39	004-LJ															
5	99716	GG PIONEER-III/HOND	032						01/03-14:07	01/03-14:43	007															
6	99778	JEMBAR HATI/INA	034						01/03-14:29	01/03-15:15	009															
7	99729	TB. ML UNIVERSAL ML-7391/INA	015						01/03-14:19	01/03-15:00	WU															
9	99728	BG CONTINENTAL-1698+1697+TB UNIVERSAL ML	005						01/03-10:54	01/03-16:50	WU															
10	99764	TK FOURSEA/HTB OCEAN SILVER/VI SPR	102						01/03-10:54	01/03-20:00	WU															
11	99769	KELUDI/INA	290						01/03-09:49	01/03-09:00	106															
12	99761	DOBONSOLO/INA	214						01/03-10:53	01/03-16:00	106															
13	99764	GANDA DEWATA/INA	138						01/03-09:49	01/03-09:00	106/07															
14	99761	SAMUDERA JAYA/INA	386						01/03-06:54	01/03-14:23	107															
15	99761	SIRIMAU/INA	371						01/03-09:28	01/03-17:00	109															
16	99760	KRI SOPONG/INA	077						01/03-09:03	01/03-15:40	109															
17	99713	HARONI MAS/INA	067						01/03-14:02	01/03-15:00	111															
18	99761	C.N III - 2/INA	113						29/02-17:07	01/03-17:48	202															
19	99731	TK TALESTARI/HTB PRATAMA-7/INA	011						01/03-14:32	01/03-17:13	207															
20	99697	MUSI RIVER/INA	006						01/03-14:41	01/03-15:46	383															
21	99767	AYU PERMATA/INA	022						28/02-16:40	01/03-09:00	BOGASARI															
22	99757	AMANAH/INA	443						01/03-14:41	01/03-14:06	DKP															
23	99763	KRI PATTI UNUS/INA	013						29/02-16:21	01/03-13:00	KOLINAMIL															
24	99772	KRI TELUK MANADO/INA	046						01/03-13:50	01/03-14:05	PMB.2															
25	99773	GAS INDONESIA/INA	148						01/03-15:47	01/03-24:00	PMB.4															
26	99769	VILAVANTI/PHI	045						01/03-09:38	01/03-16:30	PMB.4															
27	99738	PAN OIL - 6/INA	052						27/02-10:53	01/03-17:00	BT. 12															

