

3.4. Workshop on Shipping Business Modernization, 11 August 2003, Nikko Hotel, Jakarta

A one-day workshop was carried out to discuss shipping development and business modernization needs, to get participant point of view with conduct Delphi Survey. The Workshop was held by JICA Study Team cooperation with Ministry of Communication and Ministry of Industry and Trade.

The Workshop was participated by shipping companies, freight forwarders and the STRAMINDO personnel including the JICA consultants, their counterparts and local assistants.

Attached at the end of this section are the handout, the program and list of participants during the workshop.

Highlight of Discussion

- Question by Mr. Mochammad Syawal from INSA

He asked Mr. Nose when the price war between airline and passenger shipping company would cool down and why JST did not put Maluku and Papua Island in the trunk line.

He asked Mr. Nagaya how to make and read the “Container Tariff According to Distance” chart, he also asked about the “Profitability by Trips” chart that showed 16 trips/year whether it was use for short distance or for long distance to reach the break event point.

He asked Mr. Sakae if there was any policy from Japanese government that could increase load factor because number of load factor in Japan is very high, almost 80% - 85% compare to Indonesia that is only 45% – 50 %.

Answer

Mr. Nose answered that eventually the price war will back to normal situation; depend on situation and government policy.

Mr. Nagaya answered that the “Container Tariff According to Distance” chart showed computer calculation when the market competition is effective but somehow it just showed theoretical assumption. He added about the “Profitability by Trips” chart was the assumption of second hand vessel which conducting short distance trip (200-500 miles).

Mr. Sakae said that Japanese government does not have special policy but there was open market with free competition.

- Question by Mr. Soelarto Hadisoewarno

He asked why there was no report from JICA Study Team about ferry services because many accidents happened on ferry services and he further asked about high-speed passenger ship, ISO standard and RORO container or multipurpose RORO for international trips and about CIF and FOB.

Answer

Mr. Nose answered that this study covered the safety of ferry services. He added that high-speed passenger ship was ineffective at this time because of high operational cost, but in the future, high-speed passenger ship would be necessary in certain area with calm sea condition.

Mr. Sakae answered that ISO standard was necessary and he recommended vessel with shallow draft and with bigger size of container capacity because it was necessary to increase productivity. He added that CIF and FOB were out of STRAMINDO scope of study.

- Comment by Mr. Maman Permana from INSA

He said that JICA Study Team need to make political pressure to Indonesia Government to materialized STRAMINDO proposal.



PROGRAM

Monday, 11 August 2003

8:30-9:00	Registration
	<i>First Session: Shipping Development Needs</i>
9:00-9:20	Workshop Orientation and First Industry Opinion Survey
	Kumazawa Ken STRAMINDO Team Leader
9:20-10:00	Logistics Chain Management Issues in Indonesia
	Darmawan Tas'an Head of Business Development Compartment, INFA
10:00-10:20	<i>Coffee Break</i>
	<i>Second Session: Business Modernization Needs</i>
10:20-11:00	Changing Business Environment for Inter-island Passenger Shipping
	Nose Michiharu STRAMINDO Member
11:00-12:00	Modern Shipping Management for Inter-island Freight Shipping
	Nagaya Toshiaki STRAMINDO Member
	Sakae Yusei STRAMINDO Member
	(Refer to Attachment 3.4.1)
12:00-12:30	Open Discussion
	Moderator: Soebagjo Windoe Chairman of Foreign Division, INSA
12:30-12:45	Second Industry Opinion Survey and Closing Remarks
	Kumazawa Ken STRAMINDO Team Leader
12:45-14.00	<i>Lunch</i>

WORKSHOP PARTICIPANTS

University	
Soelarto Hadisoewarno	Dharma Persada University
INSA	
Mochamad Syawal	INSA
Soebagjo Windoe	INSA
Maman Permana	INSA
INFA	
Darmawan Tas'an	INFA
Nararya Soeprapto	INFA
W. F. Moningka	INFA
Shipping Company	
R. Soebandrio	PT. Pelni
Eko Sugiarto	PT. Pelni
Sutrisno	Bahtera Adhiguna
Muhammad Nursyaf Koto	Bahtera Adhiguna
Hendrato	Djakarta Llyod
Heru Effendi	Gesuri Llyod

Danu Diredja	Gesuri Llyod
A. Fadjar	Gesuri Llyod
HM. Rudhy Syahrudin	PT. Kalla Lines
Nova A. Mahendrata	PT. Kalla Lines
M. Iqbar MS.	PT. Kalla Lines
Budi MR.	PT. Meratus
Kusnadi	PT. Meratus
Suwanto Hasan	PT. Nagah Berlian
Bambang	PT. Rimba Segara Lines
Kusnadiansyah	PT. Rimba Segara Lines
Capt. Lengkong	PT. Tresnamuda Sejati
Forwarding Company	
Erik Satya	PT. Sarana Citra Adicarya
Janto Gosal	PT. Sarana Citra Adicarya
Mahendra Rianto	PT. Gotrans Interna Express
JICA Study Team	
Kumazawa Ken	Team Leader
Wakui Tetsuo	Deputy Team Leader
Sasanuma Mitsuhiro	Member
Sakae Yusei	Member
Sakurai Takashi	Member
Nagaya Toshiaki	Member
Ian Espada	Member
Shirai Yuko	Member
Uematsu Hideaki	Member
Katsurada Toshisada	Member
Ueda Hachiro	Member
Nose Michiharu	Member
Yamada Yasuko	Member
Ministry of Communication	
Adolf R. Tambunan	Directorate General of Sea Communication
Abdul Azis	Directorate General of Sea Communication
Ministry of Industry and Trade	
Putu Juli Ardika	Directorate General of ILMEA

3.5. Workshop on Traditional Shipping Modernization, 28 August 2003, Omni Batavia Hotel, Jakarta

A one-day workshop was carried out to discuss problems and potentials of traditional shipping, and to discuss some proposals for future traditional shipping.. The Workshop was carried out by JICA Study Team cooperation with Ministry of Communication and Ministry of Industry and Trade.

The Workshop was participated by traditional shipping companies, and the STRAMINDO personnel including the JICA consultants, their counterparts and local assistants.

Attached at the end of this section are the handout, the program and list of participants during the workshop.

Highlight of Discussion

Session 1 (Problems and Potentials of Traditional Shipping)

1. Mr. Jimmy Nikijuluw suggested that the study should manage route system of traditional shipping and improve human resources of traditional shipping.
2. Mr. Naman (Pelra) expected that the result of this workshop could be proposed to the government.
3. Prof. Yamin Jinka explained that traditional shipping is still using family management and do not have enough capital money to develop their business. He suggested that this study should improve human resources through special training, build special shipyard for traditional vessel.
4. Mr. Syamsul (Pelra) expressed his disagree on transforming wooden vessel into steel hull vessel in order to continue the culture and tradition.
5. Mr. Prasetyo Hatmodjo (STRAMINDO consultant) suggested that route system should be divided into main route and branch route, where main route would be served by big vessels and branch route would be served by small vessels including traditional shipping. He also suggested that human resources, technology and regulation should be contributed on the action plan of modernization.
6. Mr. Amir Hamzah (Pelra) explained that most of traditional vessel do not insured.
7. Mr. Mukmin Tone (Pelra) suggested that traditional vessel should be classified in order to get trust from insurance company.
8. Mr. Adolf R. Tambunan suggested that modernization should be divided into two strategies, strategy for survival and improvement. He said that government would help and gave facilities to improve traditional shipping.
9. Mr. Jimmy Nikijuluw said that government could make classification for traditional shipping based on government standardization if BKI does not want to classify them.
10. Mr. Amir Hamzah suggested to improve port facilities for traditional shipping.

Session 2 (Some Proposals for Future Traditional Shipping)

1. Mr. Yusuf Musa suggested changing wooden vessel into steel vessel up to 1000 ton of size, but still holding the characteristic of traditional vessel.

2. Mr. Daniel Rosyid suggested that traditional shipping need to be improved through diversification of their business opportunity and modern management implementation.
3. Mr. Asaad (Pelra) said that if traditional vessel has cargo insurance, cargo owners would use traditional shipping services.
4. Prof. Yamin Jinka said that the major problem of traditional shipping is management system.
5. Mr. Rahim Suggested that government should make new regulation for improving traditional shipping.
6. Mr. Adolf. R Tambunan suggested that modernization should be on technology and business development. He also suggested changing management of traditional shipping.

PROGRAM

Thursday, 28 August 2003

8:30 - 9:00 Registration

9:00 - 9:30 Opening Remarks

Kumazawa Ken

STRAMINDO Team Leader

H. Rahim

DPP Pelra Chairman

Jimmy AB Nikijuluw

DGSC

First Session: Problems and Potentials of Traditional Shipping

Moderator: Kadir Katerru

DGSC

9:30 - 10:30 Modernization of Traditional Shipping

Prasetyo Hatmodjo/Ir. Setiyo Margo Utomo (BPPT)

STRAMINDO Consultant

10:30 - 11:00 *Coffee Break*

11:00 - 12:00 Panel Discussion

Panelist: Prasetyo Hatmodjo

Local DPP PELRA

1. H.Amir Hamzah (Jakarta)

2. Syamsudin (Makassar)

3. Kasir Ibrahim (Gresik)

4. Abdul Hayyi (Surabaya)

5. H.Tekka (Samarinda)

12:00 - 13:00 *Lunch Break*

Second Session: Some Proposals for Future Traditional Shipping

Moderator: Ir. Suprpto

DGSC

13:00 - 13:25 Traditional Shipping Policy and Business Environment

Purnomo

Research & Development of MOC

13:25 – 13:50	Past Experience on Introduction of Technology in Traditional Shipyard
	Daniel Rosyid ITS (Refer to Attachment 3.5.1)
13:50 - 14:20	Traditional Ship Building Technology
	Rys Bambang BPPT
14:20 - 14:45	<i>Coffee Break</i>
14:45 - 15:45	Panel Discussion
	Panelist: The Above Presenters
15:45 - 16:00	Closing Remarks
	Kumazawa Ken STRAMINDO Team Leader

WORKSHOP PARTICIPANTS

Ministry of Communication

Jimmy AB Nikijuluw
 Adolf R. Tambunan
 A. Kadir Katerru
 Sri Lestari R
 Suprpto
 Budi Indrayanto
 Fadil. R
 Purnomo, SH

Directorate General of Sea Communication
 Directorate General of Sea Communication
 Directorate General of Sea Communication
 Directorate General of Sea Communication
 Directorate General of Sea Communication
 Directorate General of Sea Communication
 Directorate General of Sea Communication
 Research and Development

Ministry of Industry and Trade

Putu Juli Ardika
 Ernawati

Directorate General of ILMEA
 Directorate General of PDN

Coordinator Ministry of Economy

Tulus. H

BPPT

Prasetyo Hatmodjo
 Heru Edi Jatmika
 Setyo Margo Utomo
 Rys Bambang S
 Soegeng Hardjono

BPPT
 BPPT
 BPPT
 BPPT
 BPPT

DPP Pelra

A. K. Jaelani
 Abdul Rahim Paita
 H. M. Arief D
 H. Amir Hamzah
 Nammang
 H.M. Djabir Massi
 H. Rusdin Rahim, SE

DPP Pelra
 DPP Pelra
 DPP Pelra
 DPP Pelra
 DPP Pelra
 DPP Pelra
 DPP Pelra Sunda Kelapa

DPC Pelra

Baharuddin
 Andi Akmal
 M. Asaad
 Abdul Hayyi M.
 Saleh Wangen
 M. Kasir Ibrahim
 Hanif
 M. Mawir
 Sudirman Abdullah
 H. Achdar Sunani
 H. Mukmin Tone

DPC Pelra Sunda Kelapa
 DPC Pelra Sunda Kelapa
 DPD Pelra Jawa Timur
 DPC Pelra Surabaya
 DPC Pelra Surabaya
 DPC Pelra Gresik
 DPC Pelra Lamongan
 DPC Pelra Kalibaru
 DPC Pelra Kalibaru
 DPC Pelra Kalibaru
 DPC Pelra Kalibaru

H. Syamsuddin	DPC Pelra Makassar
Hafsul Hafattah	DPC Pelra Makassar
H. Tekka. S	DPC Pelra Samarinda
Yusrizal	DPC Pelra Riau
Kopelra	
H.M. Djufri Abwata	Kopelra Sunda Kelapa
H.M. Yunus	Kopelra Sunda Kelapa
H. Yusuf Musa	Kopelra Gresik
Port Administrator	
Surbini, Bsc	Port Administrator of Sunda Kelapa
University	
Daniel M. Rosyid	ITS – Surabaya
M. Yamin Jinka	University of Hasanudin - Makassar
Others	
Handoko Prasetyo	
JICA Study Team	
Kumazawa Ken	Team Leader
Sakae Yusei	Member
Shirai Yuko	Member

3.6. Workshop on Shipping Investment and Ship Finance, 22 October 2003, Thamrin Room, Mandarin Oriental Hotel, Jakarta

A one-day workshop was carried out to discuss institutional development for favorable shipping investment environment, necessity of national tonnage development, applicable ship finance scheme in Indonesia, and Philippine's experience in public ship finance. The Workshop was held by JICA Study Team cooperation with Ministry of Communication and Ministry of Industry and Trade.

The Workshop was participated by shipping companies, and the STRAMINDO personnel including the JICA consultants, their counterparts and local assistants.

Attached at the end of this section are the handout, the program and list of participants during the workshop.

Highlight of Discussion

First Session

The Chairman for first session of the discussion is Mr. Jimmy AB Nikijuluw, the Director of Sea Traffic and Transport. The presenters were Mr. Husseyn Umar Maritime Lawyer from Ali Budiardjo, Nugroho, Reksodiputro Law Firm and Mr. Uematsu Hideaki Shipping Policy Expert from JICA - STRAMINDO.

- Mr. Sularto informed that material for shipyard is still 60% import and using foreign vessel as transportation.
- Mr. Hidayat Mao informed that there are two opinions regarding maritime agencies services, first, maritime agencies services should be exclusively done by shipping company, second, maritime agencies services must be opened to other companies.
- Mr. Husseyn Umar said that Indonesia need to develop national fleet to implement law enforcement of cabotage. He informed that the idea of PT. PANN was to develop national fleet and PT. PANN get two-step loan from World Bank. He added that the loan for dockyard would be granted by the bank system and the policy should be directed to support shipping industry.
- Mr. Uematsu suggested creating new regulation in domestic shipping.
- Mr. Suyono expressed his disagree on the statement that stated difficulty of getting loan and he also added that to get loan company must be reliable, reputable and profitable.
- Mr. Dolok Hutagalung informed that no regulation assert that shipping company cannot built ship by themselves and crucial matter is how to price the ship.
- Mr. Budi informed that difficulty of getting loan from Indonesian bank, caused by ambiguity of mortgage law and ship law.

Second Session

The Chairman for second session of the discussion is Mr. Hidayat Mao Specialist Staff DGSC for International Cooperation. The presenters were Mr. Petrus Sumarsono from BAPPENAS, Mr. Sasanuma Ship Finance Expert from JICA – STRAMINDO, and Mr.

Samuel C. Custodio Former Director of DOTC, Philippines.

- Question by Mr. Widihardja from Berlian Laju Tanker

He asked Mr. Sasanuma about detail of ODA loan; the scheme, amount of loan, interest rate, etc.

He asked Mr. Custodio regarding Philippine's experience when receiving the loan from Japanese government.

Answer

Mr. Sasanuma explained about the mechanism behind the scheme of loan and that Indonesia was highest priority and still receives the biggest loan from Japan. He added that interest rate should be higher than saving rate and IDR could be as basis of loan but it was depend from Indonesian side.

Mr. Custodio explained about experiences in Philippine when accepted Japanese government loan. He explained about shipping industry condition and government support for development of shipping industry in Philippine.

- Question by Mr. Jaelani from Traditional Shipping

He asked Mr. Petrus about DGSC – BPS data discrepancy.

He also asked Mr. Custodio about how Philippine's government maintain and develop traditional shipping in Philippine.

Answer

Mr. Petrus explained that two institutions were established the data, DGSC and BPS, and it is important for those institutions to work together and established one accurate data.

Mr. Custodio answered the Philippine government is still maintain traditional shipping, because that is important for small island in Philippine.

- Comment by Mr. Kumazawa

He said that difficulties and constraint condition in Indonesia caused by economic crisis. Indonesia needs to improve shipping industry in order to improve non-trade balance, because of too many deficits.

- Question by Mr. Suyono from Samudera Indonesia

He commented the un-updated data used by Mr. Petrus. Then, he asked Mr. Charles Manaro about his company condition compare with his competitor.

Answer

Mr. Charles Manaro explained that in the late 80's when deregulation came, he took the opportunity to change from the break bulk straight into 20" container. The major breakthrough was when the government challenge to have regular liner service with fixed schedule and advertise in newspaper. It also came to courage the willingness of the government to change the regulation. Then, they make decision that any vessels

which can load and discharge within 24 hours with fixed schedule and advertise should be given priority. It was the moment that the company took off and became the pioneer in inter-island container shipping. He said that the situation now was the same like in the 80's. It was very irresponsible if the government keep providing the shipping company with financial health without changing the environment or the system. He also would like to discuss with Mr. Kumazawa regarding ship finance, he said that it was very important but have to be attached with certain condition and have to be fulfilled by government regulation. He added that it was not feasible to run 50 years old vessel in Indonesia, but it has to be 30 years old.

- Question by Mr. Husseyn Umar

He said that Mr. Sasanuma has very good listing on possible resources of ship finance and he would like to know which resources that could be more feasible for the fleet financing on the thought of Indonesian condition.

He questioned Mr. Custodio regarding sub loan whether the sub loan means direct loan giving to the shipping company or through the mechanism like PT. PANN.

Answer

Mr. Sasanuma explained that there are several organizations of funding and ODA fund is better than commercial fund. However, the decision was not made by the team but made by BAPPENAS. In case of fund for shipping, BAPPENAS has duty to propose a kind of aid to get tax loan to other sources.

Mr. Custodio said that sub loan was loan from JBIC to Development Bank of Philippine (DBP) for many projects in Philippine such as shipping, port, shipyard, etc.

- Question by Mr. Soelarto

He said that Indonesian seafarers are not having STCW certificates as Philippine's seafarers do because of the English ability and that Indonesia has only one institution in Makassar financed by JICA.

Answer

Mr. Custodio said that government was responsible in operating many seafarers schools and regulate the quality standard.

- Commented by Dr. Ian Espada

He said that the DGSC – BPS data discrepancy was a big issue. BPS got data from DGSC, so JST adopted data from DGSC.

- Question by Mr. Adolf R. Tambunan

The DGSC data was coming from Voyage Report and was reported by every shipping company and still the best available data. DGSC had developed the software with internet or web base, trained the people, and also hardware system. The only problem was quality of the input because shipping companies do not report the data regularly and not in good quality. He said that he personally requested Mr. Kumazawa to develop national shipping data center as one of the action plans.

He asked Mr. Custodio whether the loan proceeded with feasibility study in advanced leading to DSMP1 and who conducted the feasibility study JICA or OECF. He also asked who organized the DSMP, Philippine Marina or Ministry of Finance.

Answer

Mr. Custodio answered that there was feasibility study taken care by Development Bank of Philippine. The DSMP organized by a project team consist of Development Bank of Philippine and Philippine Marina. Development Bank as a bank that knows everything about financial and banking sector and Marina knows everything about shipping. Therefore, they all worked together as a project team.



PROGRAM

Wednesday, 22 October 2003

8:30-9:00	Registration	
9:00-9:15	Opening Remarks	
	Tjuk Sukardiman	Director General of DGSC
9:15-9:45	Key Note Speech	
	Kumazawa Ken	JICA Study Team Leader
<i>First Session</i>		
9:45-10:45	Institutional Development for Favorable Shipping Investment Environments	
	Hussey Umar	Maritime Lawyer
	(Refer to Attachment 3.6.1)	
	Uematsu Hideaki	JICA Study Team constituent
	(Refer to Attachment 3.6.2)	
10:45-11:15	<i>Coffee Break</i>	
11:15-12:15	Panel Discussions	
12:15-13:30	<i>Lunch</i>	
<i>Second Session</i>		
13:30-14:00	Necessity of National Tonnage Development	
	Petrus Sumarsono	Bappenas
	(Refer to Attachment 3.6.3)	
14:00-14:30	Applicable Ship Finance Schemes in Indonesia	
	Sasanuma M.	JICA Study Team Member
14:30-15:00	Philippines' Experience in Public Ship Finance	
	Samuel C. Custodio	Former Director, DOTC, Philippines
	(Refer to Attachment 3.6.4)	
15:00-15:30	<i>Coffee Break</i>	
15:30-16:30	Panel Discussion	
16:30-16:45	Closing Remarks	

WORKSHOP PARTICIPANTS

Philippine	
Samuel C. Custodio	
Embassy of Japan	
Sakamoto Keisuke	Embassy of Japan
JICA	
K. Isogai	JICA
Nishimura Hirokazu	JICA
JBIC Jakarta	
T. Sakai	
Ministry of Communication	

Tjuk Sukardiman	Directorate General of Sea Communication
Hidayat Mao	Directorate General of Sea Communication
Jimmy Nikijuluw	Directorate General of Sea Communication
Adolf R. Tambunan	Directorate General of Sea Communication
Abdul Azis	Directorate General of Sea Communication
J. Nainggolan	Directorate General of Sea Communication
Loren Situmorang	Directorate General of Sea Communication
Agus Wahyudi	Directorate General of Sea Communication
Simson Sinaga	Directorate General of Sea Communication
Sri Lestari R.	Directorate General of Sea Communication
Thomas A. Sitorus	Directorate General of Sea Communication
Kemal Heryandri	Planning Division
Johny Malisan	Research and Development
Dedy A.	Research and Development
Umar Aris	Legal Division
Nelson	Legal Division
Ministry of Industry and Trade	
Putu Juli Ardika	Directorate General of ILMEA
Ministry of Finance	
Hudaya H.	Directorate General of Budget
Rudolf Hutaauruk	Directorate General of Financial Institution
M. Syihabudin	Directorate General of Financial Institution
Shipping Company	
Rachmat Arif	Djakarta Llyod
Hendrato	Gesuri Llyod
Achmad Fadjar	Gesuri Llyod
Heru Effendi	Gesuri Llyod
Djati Adi	Kalla Lines
Rahayu	PT. Pelni
Amir Usman	PT. Pelni
Koesyoto	Indobaruna Bulk Transport
Uke FD	Bahtera Adhiguna
Charles Manaro	Meratus
Widihardja T.	Berlian Laju Tanker
Capt. H. Soehariyo	Gurita Lintas Samudera
H. Soenarto	Gurita Lintas Samudera
Khoiri Soetomo, SE	Dharma Lautan Utama
Mayo L. Tanasale	Panurjwan
Syarifuddin Mallarangan	Prima Vista
Capt. Lengkong	Tresnamuda Sejati
Fida	Arpeni Pratama Ocean Lines
Bobby Andhika	Andhika Lines
Erik Satya	Saka Delimas Vicarya
Imran Y.	Priok/Kayu Enggono S
Suyono	TSK Lines
K. Asaoka	TSK Lines
N. Murakami	NYK
PT. ASDP	
Edy Sanjoto	ASDP
Deddy setiawan	ASDP
PT. PANN Multi Finance	
Dolok Hutagalung	PT. PANN Multi Finance
Ali Budiardjo, Nugroho, Reksodiputro Law Firm	
M. Husseyn Umar	
Samat A.M Siahaan	
PELRA	
A. K. Jaelani	Pelra
Tomen	
Y. Adachi	
IPERINDO	

Wing Wirjawan	IPERINDO
Djoko Rukmono	IPERINDO
Bappenas	
Petrus Sumarsono	
University	
Prof. Soelarto H.	Dharma Persada University
Others	
Heru Sidarjo HP	Forum Bisnis
Luthfi Syarief	
JICA Study Team (STRAMINDO)	
Kumazawa Ken	Team Leader
Sasanuma Mitsuhiro	Member
Sakae Yusei	Member
Sakurai Takashi	Member
Nagaya Toshiaki	Member
Ian Espada	Member
Shirai Yuko	Member
Uematsu Hideaki	Member
Katsurada Toshisada	Member
Nose Michiharu	Member

3.7. Second Seminar on Building Public-Private Partnership in Domestic Shipping Development through Implementing STRAMINDO Action Plan, 15 January 2004, Istana Ballroom, Sari Pan Pacific Hotel, Jakarta

A one-day seminar was carried out to discuss STRAMINDO Master Plan and Action Plan Components, and to discuss STRAMINDO Action Plan in Expanding Ship Investment Schemes, Modernizing and Maintaining Domestic Fleet, and Advanced Management Education. The Second Seminar was held by JICA Study Team cooperation with Ministry of Communication and Ministry of Industry and Trade.

The Second Seminar was attended by JICA Advisory Committee, JICA Study Team, JICA Indonesia, Directorate General of Sea Communication, Directorate General of Metal, Machinery, Electronic and Multifarious Industries, and representatives from shipping company.

Attached at the end of this section are the handout, the program and list of participants during the seminar.

Highlight of Discussion

Morning Session

The Chairman for discussion session was Mr. Hidayat Mao Specialist Staff DGSC for International Cooperation. The presenters were Mr. Kumazawa Ken the team leader of JICA-STRAMINDO, Mr. Sasanuma Mitsuhiro Ship Finance Expert from JICA-STRAMINDO.

- Mr. Son Diamar (BAPPENAS)

STRAMINDO Action Plan should be in lined by President's announcement in 2001 that Indonesia should be developed based on 5 pillars: (1) to redevelop maritime culture, (2) to develop maritime industry including fishery, tourism, sea transportation, energy and mining, (3) for defense and security, (4) spatial maritime development, and (5) to develop legal system in the country.

Presidential Instruction has been prepared by all stakeholders include governmental and non-governmental side.

Content of Presidential Instruction:

- To order government state owned companies and government agencies to use Indonesian vessels.
- In the area of fiscal and financial system, to relax the tax system so that will be incentive for procurement, to provide tax deductible as incentive of using national dockyards as well as national vessels.
- To instruct to return the function on PT. PANN to focusing on ships building, procurement and preparing only.
- To improve the port system and management
- Human resources development that be provided by sufficient fund to facilitate among funding agencies, professionals and educational institutions.

He explained that BAPPENAS was trying to prepare new proposal through coordination with all institution including non-government stakeholder to prepare action plan.

- Mr. Hans Camarusan agreed with Mr. Kumazawa explanation that Indonesia had insufficient domestic shipping finance. He explained that Indonesia had poor financial and banking policies. He suggested to develop human resources because Indonesia had poor human resources. He explained that Indonesia play high economy cost and the regulation is not effective, therefore Indonesia fleet could not compete with Singapore, Malaysia, Thailand and Philippine.
- Mr. Rahman Passa (PT. PANN) asked about the opportunities to develop Indonesia fleet with the condition of funding in Indonesia as Mr. Sasanuma explained before. He explained about the ship financing experience in Indonesia that PT.PANN had done high-quality project through cooperation with the industry to built ship for coal and cement transport. He suggested shipping company and shipper to discuss together to develop ship that could benefit for both side. He wished that STRAMINDO could push the development of fleet in Indonesia.
- Mr. Syawal (INSA) asked for Mr. Sasanuma clarifications on how TSL or ODA could push or recommend the bank to press the interest rate different with commercial basis. Regarding the terminology of pioneer shipping, if it was changed (subsidiary shipping) into tertiary shipping, he said that the government would not subsidize the shipping line to maintain the remote area.
- Mr. Kadir Jaelani (PELRA) suggested that master plan should integrate all mode of transportation including air and land transport.
- Mr. Sasanuma explained that very low interest rate would distort the financial system of the country. He suggested to make shipping business more profitable in order to pay the interest rate. The tertiary shipping is the feeder line or local line and the demand was not guaranteed. This line needs support from the government. He suggested to reduce the subsidiary for pioneer shipping
- Mr. Son Diamar explained that Indonesia had to reform policy and system including banking sector. He added that need big push to prepare the action plan of the master plan.
- Mr. Hans expressed his opinion that if shipping companies could not make their operation more efficient, three years later the shipping company could not carry passenger.

Afternoon Session

1st Session

The Chairman for first session was Mr. Jimmy Nikijuluw Director of Directorate of Sea Traffic and Transport. The presenters were Mr. Katsurada Toshisada Transport Economist from JICA-STRAMINDO and Mr. Nomori Etsuo Ship-repairing Expert from JICA-STRAMINDO.

Mr. Barens S. Saragih, INSA

- He explained that in order to modernize the fleet and to increase the performance of

ship, need to maintain the ship, pick the right type of ship and count the calculation, the right type of cargo and right type of shipping route and also need to consider port facilities and cargo handling facilities in both ports, loading and discharging ports.

- In the case of container, not only need port that equipped with gantry crane but also logistic system in the port, transportation to and from the port, highway system, etc.
- He requested JICA to conduct study regarding bulk cargo, i.e. coal, oil, cement, fertilizer, CPO, and other mining products, in order to specify what type of the ship that best for coal, oil, CPO and others.
- He suggested to introduce the Government of Indonesia Class for domestic shipping.
- Regarding ship management, he said that shipping company need to have qualified and professional senior inspector to carry out the ship management unit in the company. He added that shipping company did not want to lose their control by having ship management to have new license as shipping license or company license.

Mr. Joeswanto, IPERINDO

- There are two facts:
 - There is no country in the world that requires such a fast inter island liner system rather than Indonesia. Despite of this, it is difficult to find second hand vessels abroad that suitable for local needs. Thus, it is worth considering that originally designing vessel is most suitable for Indonesia.
 - Ship management concept is not a new issue. There was a case where a fund body will only give loan for buying new ship if the ships are managed by shipping company. Good management will support the shipping activities
- IPERINDO support the ship management company because it will increase the shipyard performance and productivity.

Questioned by Dirk Koliangen, STMT Trisakti

From 3 model of ship that been explained, he asked what type of ship that most suitable for Indonesia domestic shipping.

Questioned by Sumantri, PT. Andika Lines

- Regarding model of ship, he asked who would build and finance the ship, government or private.
- He expressed his opinion that ship management company should be licensed as supporting company of shipping company.
- He also asked JICA who would establish ship management company, government, private or JICA.

Heru Adi Jatmika, BPPT

He informed that BPPT was currently focus mainly on developing ship's model by using leveling network based model. He suggested Mr. Katsurada to use network base as model ship base to get an optimal type of ship.

Mr. Syawal, INSA

He expressed his disagreement regarding ship management company because it should be exist as part of shipping company. He objected if in STRAMINDO action plan regarding revision of shipping law would purpose shipping management company.

Mr. Katsurada, JICA-STRAMINDO

- He answered that the three models type of ship is suitable for Indonesia, because the assignment route is different for each ships.
- Regarding the new model of ship, he suggested to establish ship holding and maintenance company support by Government to purchase the new model ship. Another option is to purchase a second hand vessel that can be rehabilitate/renew/converted to this type of ship.
- Regarding the financing, foreign assistance would be considered for ship holding and management company
- Regarding profitability of ship management, the commissionable days currently about 346 days per year and it would be improved by contracting out the ship management

Mr. Nomori, JICA-STRAMINDO

- He expressed his opinion that ship management system in Indonesian shipping company is not ship management system but ship repair arrangement. He said that realization of ship management system in Indonesian shipping company has not existed yet.
- Regarding finance for ship management system, he said that if the ship management system were a part of shipping company, the finance would be difficult. However, if it established as ship management company or partnership with private shipping company, would not be difficult to purpose the finance.

2nd Session

The Chairman for second session was Mr. Kemal Heryandri. The presenters were Mr. Nagaya Toshiaki Maritime Financial Expert from JICA-STRAMINDO and Capt. Indra from ETA-MOC.

- Mr. Oentoro Surya (INSA) agreed with management of education development program. He expressed his opinion that advance education was important for shipping company to improve their human resources. Indonesia had to improve maritime education through STRAMINDO advance education program. The program should be cooperated with shipping company and should be monitored by STRAMINDO. The program should provide teacher staff from foreign maritime institution and prepare manager of shipping company to become a teacher through training. The curriculum of the program should cover maritime insurance, claim, and law.
- Mr. Dirk Koliangen (STMT Trisakti) expressed his opinion that human resources in maritime and shipping are very important and he supported the program of improvement education in maritime management. Existing of maritime human resources in Indonesia should be extended to higher degree. He wished that STMT Trisakti could involve in this program.

- Mr. Sahattua P.S (STIP) explained about the background of STIP and the kind of major in STIP. He expressed that STRAMINDO advance education program was a good opportunities for STIP to involve in this program. He suggested to streamlining the project action of that program.
- Mr. Baren Saragih (INSA) suggested to get loan from inside sources, and this loan could give to the student as a soft-loan in order to improve our human resources. He expressed his opinion that human resources cannot improved without any training.
- Mr. Nagaya explained that private company could participate for the funding loan system for the student.
- Mr. Sahattua explained that the curriculum of the STIP is combination of the Singapore Maritime Academy, and Shipping and Transport College of Netherlands curriculum. He further explained about the history of the STIP.
- Mr. Nagaya said that major issue of traditional shipping is how to develop traditional shipping from family business to modern business.
- Mr. Indra said that we are jump to higher-level training and considered about port worker training as support level. Traditional shipping was not including in the program because it was not part of conventional vessel.



PROGRAM

Thursday, 15 January 2004

9:00-9:15	Opening Remarks	
	Mr. Tjuk Sukardiman	Director General of Sea Communication
9:15-9:30	Address by JICA Indonesia	
	Mr. Otake Yuji	JICA Deputy Representative in Indonesia
9:30-10:30	STRAMINDO Master Plan and Action Plan Components	
	Mr. Kumazawa Ken	Team Leader, JICA STRAMINDO
10:30-11:00	<i>Coffee Break</i>	
11:00-11:30	Action Plan 1: Expanding Ship Investment Schemes	
	Mr. Sasanuma Mitsuhiro	Ship Finance Expert, STRAMINDO
	(Refer to Attachment 3.7.1)	
11:30-12:00	Discussions	
	Panelists: (Speakers), Mr. Son Diamar from Bappenas, PT. PANN	
	Moderator: (Mr. Hidayat Mao)	
12:00-13:15	<i>Lunch Break</i>	
13:15-14:00	Action Plan 2: Modernizing and Maintaining Domestic Fleet	
	Mr. Katsurada Toshisada	Transport Economist, STRAMINDO
	Mr. Nomori Etsuo	Ship repairing Expert, STRAMINDO
	(Refer to Attachment 3.7.2)	
14:00-14:30	Discussions	
	Panelists: (Speakers), INSA, IPERINDO	
	Moderator: (Mr. Jimmy Nikijuluw)	
14:30-15:00	<i>Coffee Break</i>	
15:00-15:30	Action Plan 3: Advanced Management Education	
	Mr. Nagaya Toshiaki	Maritime Financial Expert, STRAMINDO
	(Refer to Attachment 3.7.3)	
	Capt. Indra	(ETA of MOC)
	(Refer to Attachment 3.7.4)	
15:30-16:00	Discussions	
	Panelists: (Speakers), Universities, INSA	
	Moderator: (Mr. Kemal Heryandri)	
16:00-16:30	Closing Remarks	
	Mr. Ogura Shigeo	Chairman of the JICA Advisory Committee
	Mr. Subagyo	Director General of Metal, Machinery, Electronics and Multifarious Industries

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Capt. Albert Lapiam	Directorate of Guard and Rescue, DGSC
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Henny H.	Directorate General of ILMEA

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Budiyono	Ministry of Finance
A. Heri Susanto	DJLK, Ministry of Finance
Syahrudin	DJLK, Ministry of Finance

Coordinating Ministry of Economy Affairs

Tulus Hutagalung	Coordinating Ministry of Economy Affairs
Edward	Coordinating Ministry of Economy Affairs
Firman M.U. Tamboen	Coordinating Ministry of Economy Affairs

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Son Damar	Special Expert to Minister, BAPPENAS
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Maman Permana	INSA
M. Husseyn Umar	INSA
Soebago Windoe	INSA
Memet R. Kusrin	INSA
Carmelita/S. Somantri	INSA

IPERINDO

Joeswanto Karidjodimedjo
Djoko Rukmono

Chairman of IPERINDO
IPERINDO

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Prasetyo Hatmodjo
FX. Heru Adi Jatmika
Setyo Margo Utomo
Soegeng Hardjono
Sucipto
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Ibrahim Hasyim
Achmad Fajar
Richard B. Susanto
Ivan
H. Soenarto
Janto Gosal
Bambang
Oentoro Surya

PT. Tomo & Son
Hyundai
Temas Line
PT. TMS Lines
PT. TMS Lines
Barwil/Norasia
PT. PELNI
PT. PELNI
TSK Line
TSK Line
NYK
PT. Nagah Berlian
PT. Kalla Lines
PT. PELINDO II
PT. PELINDO II
PT. PELINDO II
PT. Lintas Samudera
PT. Meratus
PT. Djakarta Lloyd
PT. Djakarta Lloyd
PT. CIF Transportasi Indonesia
PT. CIF Transportasi Indonesia
PT. Bhum Mulia Prima
PERTAMINA
PT. Gesuri Lloyd
PT. Tangguh Karimata Jaya
PT. IKI
Tanto Intim Lines
PT. Sarana Citra Adicarya
PT. Dharma Lautan Utama
PT. Arpeni Pratama Ocean Lines

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Edy Sujatmiko
Naomi
Ade
Meiga
Joko S.

Antara
The Jakarta Post
Sailing Magazine
Sailing Magazine
Shipping Gazette

Ahmad	Ocean Week
Iwas	Ocean Week
Jannes	Harian KOMPAS
Andi Cakra	Maritim
Takeshi Shigeishi	Jakarta Shimbun
Embassy of Japan	
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