

Socialist Republic of Viet Nam
Republic of Indonesia

**Data Collection Survey
on Port EDI
in ASEAN Region**

FINAL REPORT

SUMMARY

November 2012

Japan International Cooperation Agency

The Overseas Coastal Area Development Institute of Japan

EI
JR
12-225

Contents

1.	Background and Objectives of Study	1
2.	Vietnam.....	3
2.1	Visited Organizations	3
2.2	Present Situation of Port-related Procedures	4
2.3	VINAMARINE's Approach to Computerization.....	4
2.4	Suggestions to Improve Port-related Procedures.....	7
3.	Indonesia.....	12
3.1	Visited Organizations	12
3.2	Present Situation of Port-related Procedures	13
3.3	Present Situation of Port EDI Development	14
3.4	Issues of Port-related Procedures.....	15
3.5	Measures to improve the port-related procedures.....	17

1. Background and Objectives of Study

Convention on Facilitation of International Maritime Traffic (FAL Convention) which aims to standardize, simplify and expedite such procedures related to arrival at and departure from ports of vessels as entry into and departure from ports, customs clearance, immigration, quarantine, sanitary and others was formulated at International Maritime Organization (IMO). Currently 104 countries have ratified this convention. On the other hand, ASEAN countries agreed that ASEAN SINGLE WINDOW (ASW) which aims at facilitating trade activities in intra ASEAN by standardizing, commonalizing and computerizing documents related to trades including customs procedure shall be established in 2012. In addition, in Brunei Action Plan (ASEAN Strategic Transport Plan) 2011 – 2015 which was adopted at the 16th ASEAN Transport Meeting in November 2010, such actions as “Support Simplification and Harmonization of Port Documentation by 2014” and “Identify and support electronic transmission of information by 2014 (in 47 Designated Ports)” are included. However, Malaysia, the Philippines, Cambodia and Myanmar have not ratified the FAL Convention and the works for establishing ASW are behind schedule.

The government of Vietnam ratified the FAL Convention in March 2006. The procedure at the time of arrival at and departure from ports of vessels (hereinafter referred to as “port-related procedures”) and the forms of required documents were stipulated by Decree No71/2006-ND-CP in conformity with international standards. In addition, the government unified port-related procedures at all ports in Vietnam and set up a One Stop Office which is operated 24 hours a day. However, Vietnam has not applied electronic data interchange system on port-related procedures (hereinafter referred as to “Port EDI system”) to administrative procedures fully.

The government of Indonesia ratified the FAL Convention in January 2003. On the other hand, the government is promoting the establishment of Indonesian National Single Window (INSW) which is composed of two systems: TRADENET and INAPORTNET. The former is a system on export/import-related procedures and the latter is a system on port-related procedures. Now, INAPORTNET is in the phase of trial operation at major ports of Indonesia. However, problems such as difficulties of connection with TRADENET and expansion to every port over the country have emerged. In addition to such difficulties, standardization of port-related procedures at all ports in Indonesia, unification of the forms and coordination and collaboration among relevant agencies are issues to be solved in order to achieve the goal at which INSW aims.

Simplification, international standardization and computerization of port-related procedures are trends of ports in the world and indispensable for enhancing international competitiveness of a port. Efforts for such improvement of port-related procedures may result in enhancement of international competitiveness of industries and economic growth of the country.

Against such a background, the government of Japan acknowledges the importance of ASEAN's policy for enhancement of connectivity among ASEAN countries and prepared the list of key projects for supporting enhancement of connectivity as the flag ship projects. Assistance in introducing Port EDI is included in the projects.

The government of Vietnam intends to computerize port-related procedures. The government of Indonesia has been carrying out the project for establishing INAPORTNET. However the project has not been completed as several issues remain unsolved. Vietnam and Indonesia are the potential countries which could receive Japanese assistance on Port EDI system. This study aims to collect data/information which is required to analyze the possibility of promoting Japanese assistance including the introduction of Japanese Port EDI system.

2. Vietnam

2.1 Visited Organizations

The study team visited the organizations for collecting information and materials concerned and exchanging views with personnel in charge of port-related procedures.

Table 1 Visited Organizations

Name of Organizations	Participants in the Meeting
VINAMARINE	
For Courtesy call	Dr. Bui Thien Thu, Deputy Administrator
On Inception Report	Mr. Tuan Anh, Director, Int'l Cooperation Dept.
Discussion based on Questionnaire	Int'l Cooperation Dept. Shipping/Maritime Service Dept. Science/Technology Dept. Legislation Dept. Planning/Finance Dept.
On Information System	Science/Technology Dept. Legislation Dept. Int'l Cooperation Dept.
On Legal Framework	Legislation Dept.
For Video Conference (on pilot system of Hai Phong)	Mr. Do Duc Tien, Deputy Director General Maritime Administrations
For Video Conference (on Port EDI System)	Dr. Bui Thien Thu, Deputy Administrator Maritime Administrations
On Report	Dr. Bui Thien Thu, Deputy Administrator Int'l Cooperation Dept. Science/Technology Dept. Legislation Dept. Planning/Finance Dept. Shipping/Maritime Service Dept. VINAMRINE Office
Maritime Administration	
Hai Phong	Mr. Chu Giang, Vice Director
Ho Chi Minh	Mr. Hai Nam, Deputy Director
Ministry of Transport	
Int'l Cooperation Dept.	Mr. Nguyen Van Thach, Deputy Director General
Relevant Agencies	
General Department of Vietnam Customs	Mr. Hiroki Sakurai, JICA expert
	Int'l Cooperation Dept.
Border Guard Command (Immigration)	Mr. Nguyen Ngoc Cu, Director, Border Gate Dept.
Ministry of Health (Health Quarantine)	General Department of Preventive Medicine Mr. Dang Quang Tan, Director, Border Health Quarantine Division
Ministry of Agriculture & Rural Development (Plant Quarantine)	Plant Protection Deptment Ms. Phan Thanh Hang, Vice direction, Plant Quarantine Division
Ministry of Agriculture & Rural Development (Animal Quarantine)	Animal Health Department Dr. Hoang Van Nam, Director General

Name of Organizations	Participants in the Meeting
Shipping Agents	
Head Quarter	K-LINE Vietnam MOL Vietnam
Office at Hai Phong	K-LINE Vietnam VOSA Hai Phong
Office at Ho Chi Minh	VOSA Sai Gon Haivan Shipping Services Corp.
Office at Cai Lan	NYK Line Vietnam
Ports	
Thua Ve Terminal	
Cai Lan Port	Mr. Hoang Trong Tung, Deputy General Director

2.2 Present Situation of Port-related Procedures

Legal framework of port-related procedures in Vietnam is stipulated in Section 1 Chapter 3 of a new Decree NO.21/2012/ND-CP “On Management of Seaports and Maritime Navigable Channels” The section is composed of fifteen articles and required forms are attached in the Decree (see Figure 1).

Provisions of Decree 21/2012ND-CP		Form 01	Form 03	Form 04	Form 05	Form 06	Form 07	Form 08	Form 09	Form 10	Form 11	Form 12	Non Form	Form2	Non form	Non Form
		FAL Forms								Non FAL Forms						
Administrative Agency		Notification of Arrival of Ship	General Declaration	Crude Oil	Passenger List	Ship's Declaration	Dangerous Goods Manifest	Ship's Stowage Plan	Crews' Declaration	Maritime Declaration of Health	Animal Quarantine Declaration	Plant Quarantine Declaration	Port Clearance permit	Security Statement	Passengers Effects Declaration	Other paper issued by authorities
Port Authority	Maritime Administration (VINAMRINE/Ministry of Transport)	A	AB	AB	AB	AB	AB	AB	AB	AB			A	A		-
Border Custom Authority	General Department of Customs (Ministry of Finance)		AB	AB	AB	AB	AB	AB	AB						b	-
Border Guard Authority	Border Guard Command (Ministry of National Defense)		AB	AB	AB	AB	AB	AB	AB							-
International Medical Health	Department of Preventive Medicine (Ministry of Health)									A						-
Plant Quarantine Office	Plant Protection Department (Ministry of Agriculture and Rural Development)										A					-
Animal Quarantine Office	Animal Health Department (Ministry of Agriculture and Rural Development)											A				-
		A: Entry a: Entry of specified vessels B: Departure b: Departure if necessary c: In notification of vessel arrival (to send)														

Figure 1 Relevant Administrative State Agency and Forms to be Submitted

2.3 VINAMARINE’s Approach to Computerization

There was a tendency to facilitate and computerize the port-related procedures in the global maritime transportations. VINAMARINE had consideration to introduce computerized procedures through the Internet supporting shipping agents and ship owners and relevant state

administrative agencies (CIQ agencies) . It was expected to reduce paperwork and save time for applicants and administrative agencies. In 2002, VINAMARINE built a computer system of port-related procedures which covers port entry and departure declaration at MA-HCMC according to the provisions of Decision 55/2002/QĐ-TTg of Prime Minister dated April 23, 2002.

Approach of VINAMARINE since 2002 is divided into five phases as shown in Table 2. These projects have been implemented by VINAMARINE with the national budget under contract with Vietnamese IT consultants. However, in order to construct the new port declaration system at all ports in Vietnam following the pilot project at Hai Phong Port, VINAMARINE expects technical and financial assistance from foreign donors, because of its difficulties described in Table2.

Table 2 Approach of VINAMARINE for Building the System

Project Phase-1	Construction of online declaration system for port procedures in port of HCM city
Implementation Entity	VINAMARINE MA-HCM
Background	DECISION No. 55/2002/QĐ-TTg OF APRIL 23, 2002 ON EXPERIMENTAL REFORM OF ADMINISTRATIVE PROCEDURES AT SEA PORTS IN HO CHI MINH CITY AREA
Content	Installation of the hardware and software of the online declaration system for port procedures in MA of HCM city
Feature of the System	-
Hardware	Procurement of hardware Installation it at MA of HCM city
Development Term	2002 (3 ~ 4months)
System Developer	OCI (A company in Vietnam)
Cost	Over US\$100 thousand
Finance	Vietnamese budge
Difficulties	Due to undeveloped information infrastructure of Vietnam and different application forms among organizations, the usage of this system was limited.

Project Phase-2	Expansion of the system in ports of Quan Ninh, Hai Phong, Da Nang, Vung Tau
Implementation Entity	VINAMARINE Each MA
Background	Decision No. 178/2002/QĐ-TTg of December 13, 2002 on the experimental reform of administrative procedures at seaports in the provinces of Ba Ria-Vung Tau and Quang Ninh, as well as the cities of Da Nang and Hai Phong
Content	Installation of the hardware and software for applying the system in MA of HCM city to MA of Quan Ninh, Hai Phong, Da Nang, Vung Tau
Feature of the	-

System	
Hardware	Procurement of hardware and installation at relevant MASLAN connection with the server in Ha Noi
Development Term	2002 (3 ~ 4months)
System Developer	OCI (A company in Vietnam)
Cost	Over US\$300 thousand
Finance	Vietnamese budget
Difficulties	Same as above

Project Phase-3	Construction of the online declaration system for port procedures at all ports in Vietnam
Implementation Entity	VINAMARINE Each MA
Background	Decree No. 160/2003/ND-CP of December 18, 2003 on the management of maritime activities at seaports and maritime zones of Vietnam
Content	Construction of VINAMARINE information system including online declaration system for port procedures in almost all local MA
Feature of the System	-Online declaration system for port procedures by shipping agents -Assist for local MA's management (Handle the port related procedures, Monitor vessels which are under local MA, Reporting and statistical work printing) -Assist for VINAMARINE's management (Monitor all the vessels within Vietnamese ports)
Hardware	Procurement of hardware and Installation it at relevant MASLAN connection with the server in Ha Noi
Development Term	2003 ~ 2004 (2years)
System Developer	Sai Gon COL (A company in Vietnam)
Cost	About US\$1.5 million
Finance	Vietnamese budget
Difficulties	-According to the law, users still need to submit original papers. -According to Decree No.71 /2006 /ND-CP, the items for declaration were changed which limited the availability of the system.

Project Phase-4	Development of a pilot port declaration system in port of Hai Phong “Pilot Project”
Implementation Entity	VINAMARINE MA-Haiphong
Background	Decree No.21/2012/ND-CP/March 21.2012 on management of sea ports and marine navigable channels

Content	Construction of a pilot system by which users can declare the port procedures stipulated in Decree No.21/2012/ND-CP via the internet
Feature of the System	-Users just need to declare required items once via the internet at the local MA -Users can receive results via the online system -CIQ agencies can send the results (By the past system, they could look at the information only)
Hardware	No procurement of new hardware
Development Term	2011 December ~ 2012 March
System Developer	ANZ (A company in Vietnam)
Cost	About US\$30 thousand (Software reform only)
Finance	Vietnamese budget
Difficulties	-It is aimed at the online port-related procedures only. It has no relationship with MA's management. (Monitoring vessels, Charging the port fees etc.) -There is no consideration about the necessity of submitting/presenting the original papers

Project Phase-5	Construction of the new port declaration system at all ports in Vietnam
Implementation Entity	VINMARINE Each MA
Background	Same as above
Content	Expansion of the new port declaration system in all local MA
Feature of the System	Same as above
Hardware	Planning procurement of new hardware
Development Term	Not fixed
System Developer	-
Cost	US\$ 2 ~ 3 million (Not fixed)
Finance	Under consideration (No prospect up to now)
<i>Difficulties</i>	<i>-Getting hold of funds -Consideration has been given to making a single window with CIQ agencies but there is no specific plan.</i>

2.4 Suggestions to Improve Port-related Procedures

(1) Basic Direction

When VINMARINE tackles the improvement of the port-related procedures in Vietnam, it is necessary to take particular note of:

-The government intends to promote the policy on reform of administrative procedures

including computerization.

- Relevant agencies are making efforts for establishing a national single window under ASEAN single window Project. Customs is establishing V-NACCS system for customs clearance procedures.
- VINAMARINE started the project for establishing the Port Declaration System and is at the stage of trial operation of the system at Hai Phong Port.

Taking into account such situation surrounding port-related procedures, it would appear that the establishment of Port EDI System is most vital for the improvement of port-related procedures in Vietnam.

When establishing the Port EDI System in Vietnam, there are several crucial matters such as connection with the system which each Maritime Administration built individually and uses in carrying out its duties, coordination with relevant state agencies including connection with the system which are built by each state agency, arrangement of necessary legal framework for e-application and examination of possibility of further simplification of port-related procedures.

Problems related to these matters may emerge in the process of developing and introducing Port EDI System. Therefore it is thought that strategic implementation of the project of introducing computerized port-related procedures is the best way for improving port-related procedures in Vietnam. The above-mentioned matters should be examined and solved in parallel with implementing the project.

The most basic matters in establishing Port EDI system are described below; VINAMARINE shall pay close attention to them.

- Formulating the master plan of establishment of Port EDI System
Master plan shows the direction of the system building and people concerned can understand the contents of the system.
- Coordination and collaboration with relevant state administrative agencies
Several state agencies are responsible for port-related procedures and the system needs to be built under common views on introducing computerized procedures.
- Designation of responsible organizations for the development and operation of system
A responsible body has to supervise the project through developing, operating and renewal stages.
- Familiarizing the officials of state administrative agencies and personnel of applicant who are in charge of port-related procedures in handling the system
In order to make full use of the merits of computerization, all concerned persons concerned have to acquaint themselves with the system.
- Promoting the use of the system
The system will be pointless unless shipping agents use it. It is necessary to make efforts for promoting the use of the system continuously.

- Renewal and upgrading of the system

The system needs to be updated within a specified period of time. The system needs to be developed and maintained considering renewal at certain intervals.

(2) Development of Port EDI System

In order to start the project for introducing full-scale Port EDI System, it is necessary to assess the present situation in detail, decide a basic framework of operation of Port EDI System including an organizational framework and arrange the necessary legal framework etc.

Sample concept of the Port EDI system is shown as reference. It is drafted under several preconditions described below. Such conditions have to be examined in detail and decided based on VINAMARINE's policy.

1) Objectives of Introducing the System

The objectives of introducing the system are:

- Streamlining Tasks of Applicants
- Streamlining Duties of Administrative Agencies
- Integrated Management of Information of Administrative Agencies
- Realizing port-related procedures that meet international standards

2) Scope of the system

Scope of the system is decided based on the provision of Decree No.21/2012/ND-CP in principle. Considering actual on-site situations, necessary items may be added. Then, its legal background and necessity shall be assessed.

3) System Users

Applicants and officials at the One Stop Office of each MA are main users. The system may be managed by VINAMARINE and data shall be sent to VINAMARINE.

- Applicants (Shipping Companies, Shipping Agents)
- VINAMARINE
- Local Maritime Administrations
- Relevant state agencies which do not have their own system and use this system

4) System Structure

Conceptual image of system structure is illustrated in the following Figure 2.

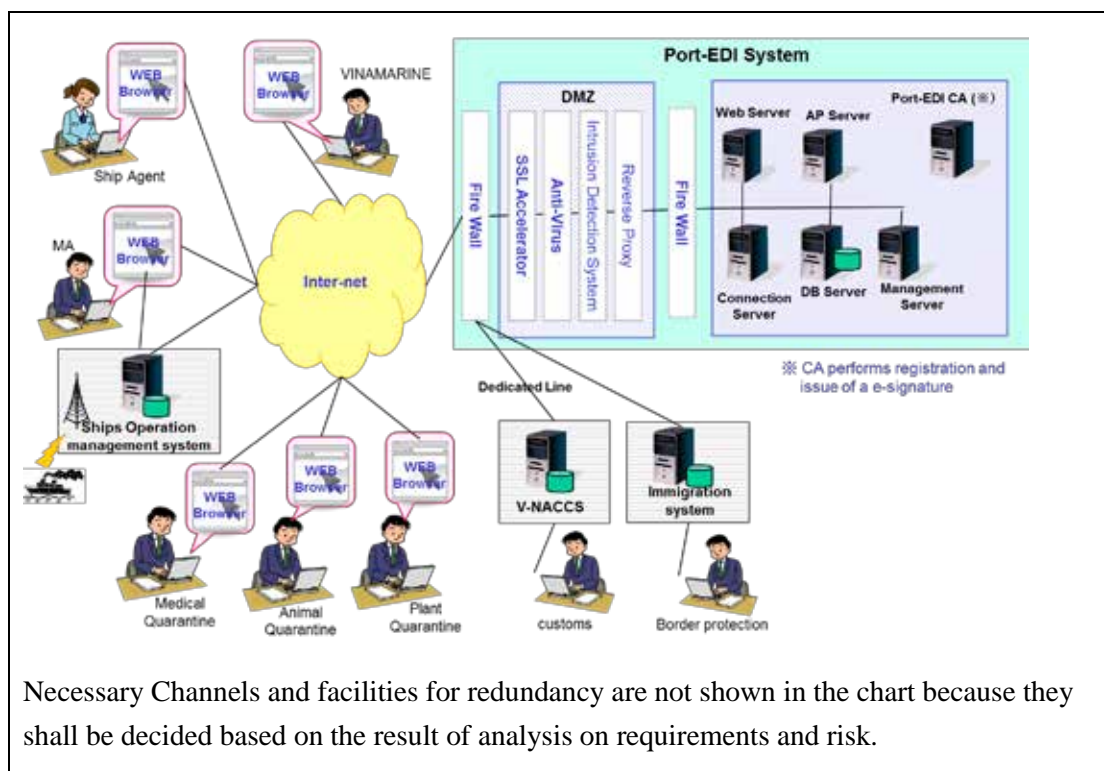


Figure 2 Conceptual Image of System Structure

5) Preconditions in drafting the concept of the system

It is assumed that the system includes the following features. It shall be decided based on VINAMRINE’s policy.

- Declaration Processing Features
- Other System connecting Feature
- Port Charge calculating Feature
- Vessel Schedule Drawing up Feature
- Statistic Compiling Feature
- User Information Management Feature
- Master Data File Maintenance Feature
- Operation/Management and Security Securing Feature

The system may be connected to the following systems which will be developed by relevant agencies.

It is important to take necessary measures for securing sufficient security based on confidentiality, integrity and availability of the information which is dealt with in the system. After evaluating the value of information and analyzing risks, security securing feature to satisfy the requirements shall be identified.

In addition, the system is examined on the following assumptions. When conditions are changed or the situation changes, it would be required to cope with those changes.

- *Declaration processing function should be developed with reference to the Pilot Port Declaration System, facilitating the port-related procedures.
- *The Port Declaration System in Vietnam should be built on web-based application, because there are many users in the relevant agencies, and the volume of passing data on each occasion is small.
- *From the viewpoint of business efficiency in administrative agencies, the functions already computerized in each MA system should be built in the Port Declaration System in Vietnam.
- *The Port Declaration System in Vietnam should have a sufficient security function to ensure intrusions to other systems through the concerned system never occur.
- *The affection caused by system failure may be limited because applicants must submit original papers after e-declarations on the present stage. Therefore data center is not duplicated.
- *Vietnam ports should realize Single Window connecting to the systems of other relevant agencies (V-NACCS and Immigration procedure system).
- *The Port Declaration System in Vietnam should be built with hardware that has sufficient capacity to be deployed throughout Vietnam.
- *The submission of the e-certificate is stipulated in Law No.51/2005/QH11. If an applicant who intends to use the system in port-related procedures fails to submit the original papers, he has to get an e-certificate which is issued by a third party. From viewpoints of cost saving for applicants and others, placing a certificate authority within the system is recommended.

3. Indonesia

3.1 Visited Organizations

The Study Team visited following organizations to collect information and materials concerned and exchanging views with the personnel in charge of port-related procedures and the development of EDI systems.

Table 3 Visited Organizations

Name of Institute	Organization Unit	Participants in the Meetings
Directorate General of Sea Transportation	Directorate of Sea Traffic & Transportation	Mr. Simson Sinaga, Deputy Director Ms. Sri Lestari Rahayu, Head of Legal Division Mr. Ronny Tanjung, Head of Data & Information Development Section, Sub Directorate of System & Information Development
Coordinating Ministry of Economic Affairs	JICA Experts	Mr. Hiroshi Imagawa, Chief Advisor on Trade-Related Administration Mr. Toshiaki Nagaya, Technical Cooperation Capacity Development for Trade-Related Administration Mr. Ayabe, Technical Cooperation Capacity Development for Trade-Related Administration
	Export Development Division	Mr. Djoko Tuhu Wibowo, Assistant Deputy for Export Development Ms. Agnes Rumonfand, Head of Export Development Division Mr. Ridky Irfan Wirautama, Head of Sub-Division, Monitoring & Evaluation of Export Development Policy
Port Authority Main Office of Tanjung Priok	Head of Port Authority	Mr. Sahat, Head of Port Authority
	Sea Transportation Traffic, Operations & Port Businesses Dept.	Mr. Patric Halomoan Pardede, Section of Port Related Business Mr. Douglas Anggiat, Facility & Supervision of Port Operation Section
Harbormaster Office Main Class of Tanjung Priok	Deputy Harbormaster	Mr. Worsono, Deputy Harbormaster
	Administration Div.	Mr. Roy Kasiono, General & Public Relation Sub Section, Administration Div.
	Sailworthiness & Seamanship Dept.	Mr. Dian Permana Putra, Field of Seaworthiness & Seamanship
PT Pelabuhan Indonesia II	Directorate of Operation & Engineering	Mr. Heru Satro, Senior Manager, Planning & Information System Development & Database Mr. Arif Rusman Yulianto, Assistant Senior Manager, Planning & Information System Development & Database Mr. Syaiful Amin, Information System
Directorate General of Customs and Excise	Directorate of Customs & Excise Information	Mr. Ambang Priyonggo, Deputy Director of Risk Management Mr. Rachmad Huda, Head of Sub Directorate of Systems and Procedure Automation
Immigration Office Class I of Tanjung Priok	Traffic Immigration Section	Mr. Maknum, Head of Cross-Border Sub Section
Port Health Office Class I of Tanjung Priok	Quarantine & Surveillance Control Dept.	Mr. Widjonarko, Head of Quarantine & Surveillance Control Dept., and other staffs
The ASEAN Secretariat	ASEAN Economic Community Dept.	Ms. Megasari Widyaty, Senior Officer, Infrastructure Div.
Toyota Tsusho Corporation	Representative Office in Indonesia	Mr. Hiroyuki Yazawa, Chief Representative
	PT. Toyota Tsusho Indonesia	Ms. Banta, General Manager, Autoparts & Electronics Div., Logistics Dept.
Mitsui O.S.K. lines, Ltd.	PT Mitsui O.S.K. Lines Indonesia	Capt. Rudy P. Nainggolam, Manager, Ship Operation Capt. Elfried A. Wenur, Ship Operation, Port Captain
	PT Andhika Lines (as the sub-agent for husbanding)	Cap. Alimudin, Vice Chairman Mr. Dharma Kala Tiku, Head Operation
NYK Line	PT NYK Line Indonesia	Mr. Katsuo Isomura, President Director Ms. Susi Besinga, Director Mr. C.J. Soga Gustama, GM, Operation Div. Capt. Dolvie Karauwan, Tanjung Priok Branch Manager
Freight Forwarders	MOL Logistics (Japan) Co., Ltd.	Mr. Shunsuke Mishiro, Jakarta Chief Representative Ms. Anne Velonika, Secretary

3.2 Present Situation of Port-related Procedures

(1) Related Laws and Regulations

The port-related procedures in Indonesia are prescribed in the separate laws and regulations by the jurisdiction of maritime and port affairs, customs, immigration and quarantine. Regarding the FAL convention, the government of Indonesia ratified FAL convention with Presidential Decision dated on 3 July 2002. After then DGST once intended to set up the national committee but could not reach the agreement with relevant agencies.

Laws and regulations on the port-related procedures in Indonesia are established to administrate the security of ships and ports, order of port areas, safety of navigation, management of shipping activities, customs clearance, immigration and quarantine. Main laws and regulations are listed in Table 4.

Table 4 Main Laws and Regulations on Port-related Procedures

On FAL Convention	
	Presidential Decree N0 51/2002
On Duties of Harbor Master	
	Law No.17-2008 on Shipping
On ISPS code	
	Decision of Ministry of Transportation No.KM33-2003 on Implementation of Amendment to SOLAS 1974 concerning International Ships and Port Facility Security/ ISPS CODE in Indonesian Region
	Presidential Decision No,65-1980 on Ratification of SOLAS
	Governmental Regulation No.61-2009 on Port
On Procedures at Port Entry	
	Decision of Ministry of Transportation No.KM33-2001 on Implementation and Operation Sea Transport
	Decision of Ministry of Transportation No.KM21-2007 on System and Procedure for Ship Services, Goods and Passenger on the Sea Ports Implemented by the Technical Unit(UPT) Port Office
On Procedures at Departure from Ports	
	Decision of Ministry of Transportation No.KM01-2010 on Procedure of Issuance of Port Clearance
	Decision of DGST No.U14-11/17/13/ODIN on Guidelines for Printing, Filling and Reporting Letter of Sailing Approval
On CIQ clearance	
	Law No.10-1995 on Customs and Law No.17-2006 on Amendment of LawNo.10-1995 on Customs
	Regulation of DGCE (Director General of Customs and Excise) No.P-12/BC-2006 on Operation of Electronic Data Interchange (EDI) Service Center in the Framework of Forwarding Arrival Plan of Carriers (RKSP), Inward Manifest & Outward Manifest
	Law No.6-2011 on Immigration
	Law No.1-1962 on Quarantine on the Sea

Source: Study Team

(2) Process of Port-related Procedures

Table 5 summarizes the procedures of ship entrance and departure by the government agency.

Table 5 Summary of Port-related Procedures by the Government Agency

Port Authority Main Office of Tanjung Priok	
	Management activities regarding regulation, planning, development and maintenance of facilities and business development of Tanjung Priok Port
Harbormaster Office Main Class of Tanjung Priok	
	Receiving PANS, inspection and receiving documents/certificates onboard, giving approval onboard, deposit of original certificates, receiving documents for departure, giving approval and issuing Port Clearance Out
Customs & Excise Main Service Office of Office Type A of Tanjung Priok	
	Receiving RKSP and reply of BC1.0 (EDI), receiving Inward Manifest and reply of BC 1.1 (EDI), receiving Inward Manifest (paper), inspection/receiving documents and giving approval onboard, receiving Outward Manifest and reply of BC 1.1 (EDI)
Immigration Office Class I of Tanjung Priok	
	Receiving notification with Crew List, inspection/receiving documents and giving approval onboard, issuing Shore Pass, issuing Immigration Clearance
Port Health Office Class I of Tanjung Priok	
	Receiving notification (Crew List etc.), documents, inspection and receiving documents onboard, issuing Certificate of Pratique onboard
PT. Indonesian Port II (Persero)	
	Receiving documents including PKKA, inputting data on the documents to SIMPOPPEL, receiving PANS, PKK (EDI) and PPKB (EDI) for entrance, receiving PPKB for departure

Note: No action to Tanjung Priok Quarantine Office and Fish Quality Control and Security of Fishery Class I Jakarta II

Source: Interviews with Shipping Agents

3.3 Present Situation of Port EDI Development

PELINDO II started to electronize the port-related office works at the Tanjung Priok Port in 1995, having started its operation in 1997. Since then, they have been working on the computerization of their procedures for the purpose of smoothing the cargo flow at the Port.

Meanwhile, the government decided to develop the Indonesia National Single Window in 2006. In response DGST started to develop the system for INAPORTNET as one of the configured systems of INSW based on the system which has been developed and used by PELINDO II at the Tanjung Priok Port. The budget of Ministry of Economy was prepared in 2007, while system development and preparation of the related facilities have been proceeded with the budget of the Ministry of Transport since 2008, which historical progress is summarized in Table 6.

Table 6 History of Development of INAPORTNET

2007:	
Port	Tanjung Priok Port, DGST HQ
Scope	-Installation of Supporting Facilities (Rooms and Accessories) -Procurement of Hardware, Networking, Software Tools -Development of Applications based on the system developed by PELINDO II
Fund	Ministry of Economy
2008:	

Port	Belawan Port, Tanjung Perak Port, Tanjung Emas Port
Scope	-Installation of Supporting Facilities (Rooms, Accessories and Cabling etc -Enhancement of Servers, Client-PC -Procurement of Hardware, Software Tools and Network -Development of Applications of the system
Fund	Ministry of Transport
2009	
Port	DGST HQ, Tanjung Priok Port, Belawan Port, Tanjung Perak Port, Tanjung Emas Port
Scope	-Procurement of Supporting facilities of DGST HQ office -Procurement of Hardware, Software and Data Communications Network for Belawan Port, Tanjung Perak Port and Tanjung Emas Port -Procurement Software License -Development of Applications of the system
Fund	Ministry of Transport
2010	
Port	DGST HQ, Tanjung Priok Port, Belawan Port, Tanjung Perak Port, Tanjung Emas Port
Scope	-Procurement of Software License -Development of Applications for Monitoring and Auditing INAPORTNET in DGST office
Fund	Ministry of Transport
2011	
Port	DGST HQ
Scope	-Preparing Blueprint and Roadmap for INAPORTNET Development -Monitoring and Evaluation -Socialization of Blueprint
Fund	Ministry of Transport

Prepared from Assessment Report of INAPORTNET, Dec. 2011 DGST

Source : Study Team

3.4 Issues of Port-related Procedures

Concerning port-related procedures in Indonesia, we have identified five aspects of the current situation that need to be taken into account, including the characteristics of Indonesian ports; laws and regulations concerning the port-related procedures; computerization of the procedures; present implementation status of the procedures in the Port of Tanjung Priok; and measures taken by DGST. Based on this situation, we have identified issues related to port-related procedures.

(1) Issues on Characteristics of Indonesian ports and Port-related Procedures

Following issues related to port-related procedures are identified.

- It is probably very difficult to implement integrated port-related procedures steadily and properly across the country as the locations, features and sizes of ports differ.
- The establishment of a port management system is essential to implement the port-related procedures steadily and properly.
- The provisions of related laws and regulations and actual port operations are not always

consistency, which hampers procedural improvements and system establishment.

(2) Issues in terms of laws and regulations concerning the port-related procedures

The issues related to laws and regulations concerning the port-related procedures are as follows.

- Some law and regulatory provisions concerning the port-related procedures do not seem to have been adapted to actual port operations or environmental changes.
- Considering the contents and background of the port-related procedures unique to Indonesia, and looking at the result of the review of application items in each stage of the procedures, basically it would be desirable to establish laws and regulations concerning the procedures according to international standards.
- An environment for collaboration and coordination between the agencies concerned in streamlining and improving the port-related procedures, including coordination for the enforcement of the FAL Convention, is not sufficiently established.

(3) Issues related to the computerization of the port-related procedures

The issues in the computerization of the port-related procedures based on INAPORTNET are as follows.

- Concerning the development and operation of INAPORTNET, communication between the management and system development divisions of the agencies concerned on one side and those who implement the port-related procedures on site on the other should be ensured.
- INAPORTNET is deployed in major ports, however they are not ready to apply it.
- DGST that is responsible for INAPORTNET does not have enough human resources in the system sector.
- The system has not been sufficiently reviewed from the perspective of system users.
- Few measures to integrate INAPORTNET into INSW have been taken, resulting in concern that SSO (Single Sign On) may not work well.
- Apart from the coordination on the management level between the agencies involved in the system development, close discussion on system technology and operation between system developers is needed.

(4) Issues in implementing the port-related procedures in the Port of Tanjung Priok

The issues in implementing the port-related procedures in the Port of Tanjung Priok are as follows.

- The agency or system that manages the whole series of port-related procedures does not function properly in certain aspects.
 - The same data items are repeatedly requested. For example, the documents submitted by
-

the captain during an on-board inspection and the documents submitted by the ship agency contain the same data items.

- The applicant still have to provide the same data that was already provided to the customs office via EDI in a separate document. This diminishes the advantages of computerization.

(5) Issues related to measures taken by DGST

Following Issues are identified in terms of measures taken by DGST.

- DGST does not have enough human resources that can deal with the computerization of the procedures. They also have no organization dedicated to the computerization work. They are short of organizational capacity and funds.
- Under the INSW policy, DGST has been focusing on the system aspect. They have not taken enough measures to improve the port-related procedures themselves or to establish an environment for the improvement.
- Not enough measures are taken to utilize the information collected during the computerized port-related procedures for other administrative affairs. For example, statistical data should be developed as part of the procedures.

3.5 Measures to improve the port-related procedures

We have categorized the measures needed to solve the issues related to port-related procedures of Indonesia into organizational readiness; laws and regulations concerning the procedures; implementation of the procedures; and system technology.

(1) Measures in organizational readiness

- For essential port-related procedures, organizations should be established so that integrated procedures can be implemented in every port according to international standards.
- In major ports, the procedures should be established in a highly efficient manner.
- The responsibilities and functions of the Port Authorities in the port-related procedures should be clearly defined.
- Human resources should be developed and organizations should be established so that the port-related procedures and system are implemented according to international standards.
- More efficient processing of port administrative affairs under the computerized port-related procedures should be considered and its organizational structure should be established.
- The mechanism for promoting INAPORTNET described in the blueprint should be established and effectively managed.

(2) Measures in laws and regulations concerning the port-related procedures

- The whole range of laws and regulations concerning the port-related procedures should be reviewed and amended as required to streamline them in terms of necessary documents and data, avoidance of redundancy and reduction of procedure items.
- Based on the spirit of the FAL Convention, collaboration with the agencies concerned should be promoted to establish domestic legislature for the port-related procedures.
- Proper laws and regulations should be established based on the INAPORTNET-centered port-related procedures, incorporating other port-related procedures not currently subject to INAPORTNET.
- Proper laws and regulations should be established to ensure technical measures to achieve reliable electronic procedures.

(3) Measures in implementing the port-related procedures

- According to the spirit of the MOU concerning the port-related procedures in the Port of Tanjung Priok, the agencies concerned should actively try to thoroughly implement the procedures based on the new system.
- Should any problem occur during system implementation, the agencies concerned should work together to solve it and improve the system functions as required. Necessary coordination should be ensured between the field offices and DGST and other headquarters.

(4) Measures in system technology

- Close exchange of opinions with INAPORTNET users should be promoted. Feedback from system users should be incorporated in system amendments.
- To achieve the INSW 's goal of " single channel " , discussions between system designers and developers should be enhanced to have detailed reviews of technical problems.
- The port-related procedures subject to INAPORTNET should be thoroughly reviewed to extend its coverage as required. The system functions too should be extended as required, taking into account the circumstances of the ports that try to introduce the system.
- Sufficient coordination should be made with the agencies involved in the port-related procedures to properly design the system interfaces that are necessary to achieve SSO.
- The reliability of the system should be improved.
- While proper implementation of the blueprint should be ensured, it should be reviewed and adjusted according to environmental changes in order to achieve their goals.