



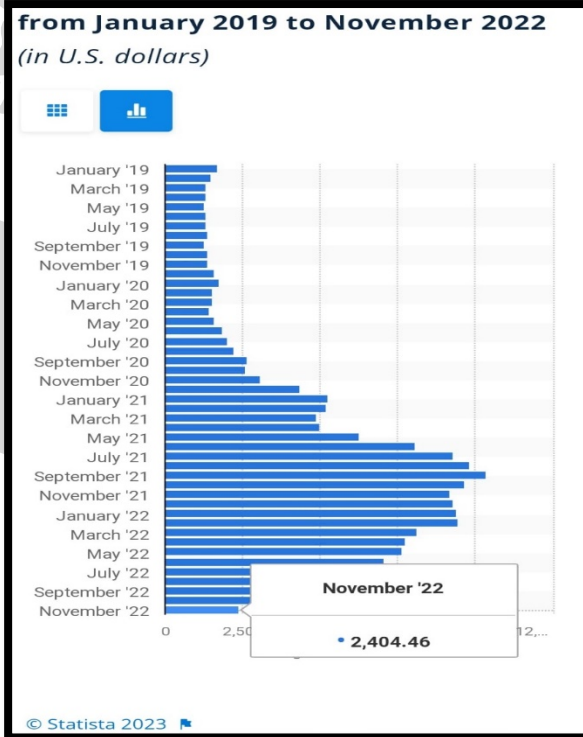
The Pathway of Success for Indonesia Maritime Sector: People, Purpose, Passion

DENON PRAWIRAATMADJA

VICE CHAIRMAN FOR TRANSPORTATION

JAKARTA, 22 February 2023

INTERNATIONAL ISSUES REGARDING LOGISTICS AND SHIPPING



RUSSIAN-UKRAINE WAR

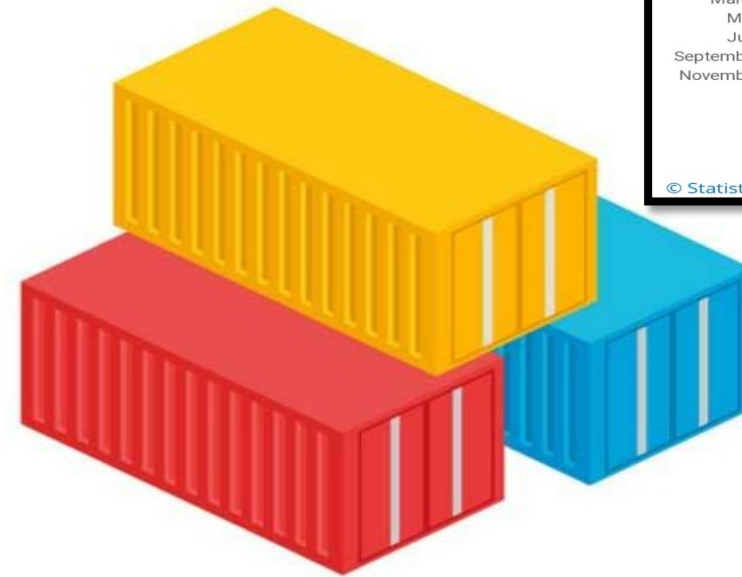
The Russo-Ukrainian war resulted in food, energy, and financial crises. Inflation has skyrocketed in many countries.

WORLD ECONOMIC RECESSION

Black clouds overshadow the world economy this year. It is predicted that there will be a recession in several countries.

COVID-19

The COVID-19 pandemic has affected all industrial sectors, including the shipping business industry. Although it is no longer as heavy as it was at the start of the pandemic, the shipping sector's recovery has not been optimal.



ECONOMICS AND NATIONAL ISSUES REGARDING LOGISTICS AND SHIPPING

INDONESIA ECONOMIC PROJECTION

INSTITUTION	2023
Ministry of Finance	5,3%
Bank Indonesia	4,5% s/d 5,3%
IMF	5%
World Bank	4,8%

Decrease in international cargo

Increase in shipping business expenses

The competitiveness of Indonesia shipping is still low

Logistics efficiency

NATIONAL LOGISTIC ECOSYSTEM (Presidential Instruction INPRES NO. 5 TAHUN 2020)



Background

Presidential Instruction INPRES No.5 of 2020 concerning the National Logistics Ecosystem (NLE)

In order to :

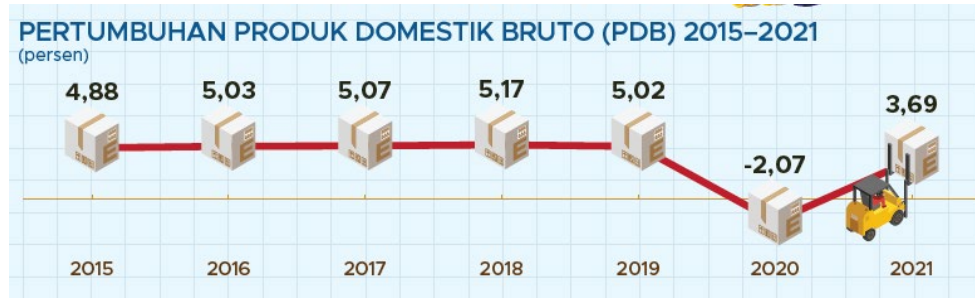
- Improving national logistics performance
- Improving the investment climate
- Increasing the competitiveness of the national economy

Objective

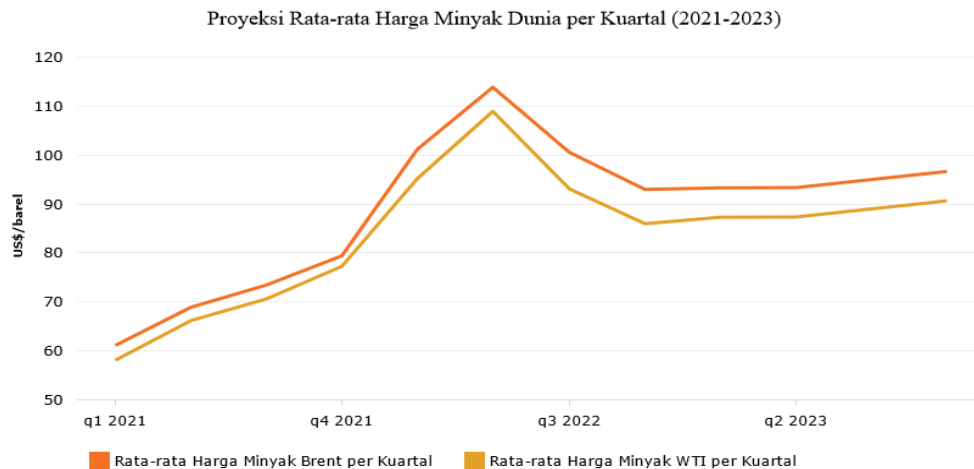
The three main NLE strategies:

- Creating efficient regulation and eliminating repetition in business processes
- Creating a collaboration platform between the private sector and the government
- Creating integrated digital logistics processes in one platform

INDONESIAN SHIPPING OUTLOOK 2023



Sumber: BPS



Container

International

There was a decrease in cargo on international activities

Domestic

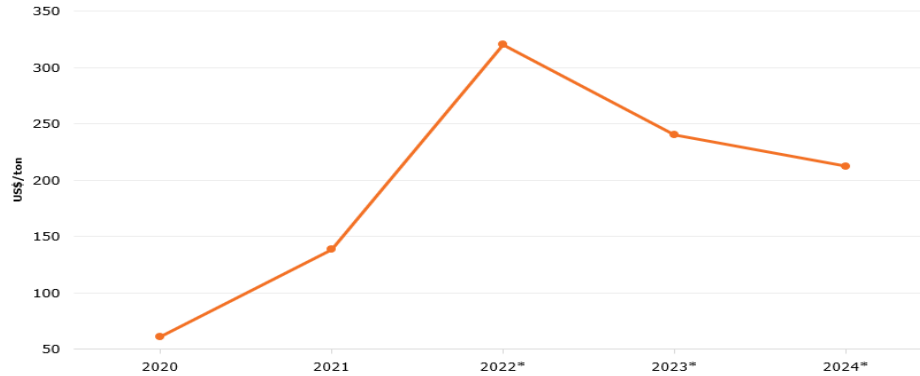
It will still grow along with the performance of the national economy

Offshore

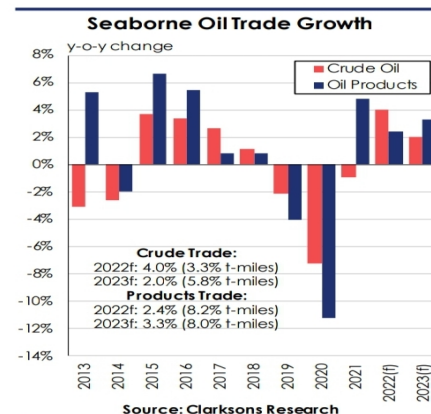
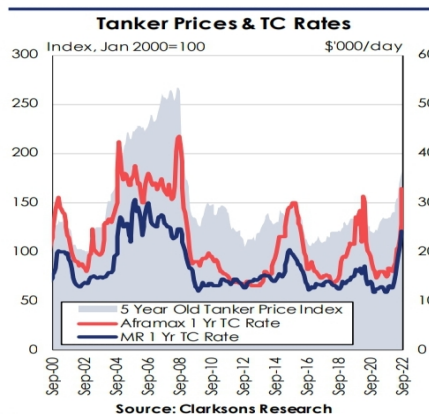
The need for offshore support vessels has not shown a significant increase due to a large number of unproductive oil and gas wells.

As for survey and drilling activities, the need for offshore support vessels is very influential with the development plan for discovering potential locations for new oil and gas wells, especially in Indonesia's deep sea areas

INDONESIAN SHIPPING OUTLOOK 2023



Coal	354.00	▼ 7.00	-1.94%	-8.20%	-12.38%	128.76%	Nov/03
USD/T							



Coal Transport International

China remains a driver of market conditions. Currently, all BDI (Baltic Dry Index) indicators in the past month have shown a very significant decline

Domestic

The condition of international transportation will have an impact on domestic coal transportation, especially transshipment vessels, but domestic transportation will not be affected much as long as the demand for coal in the country is still growing. In addition, what is currently interesting is that the plan to form BLU has been changed with Government Agency Partners (MIP).

Liquid Cargo

International

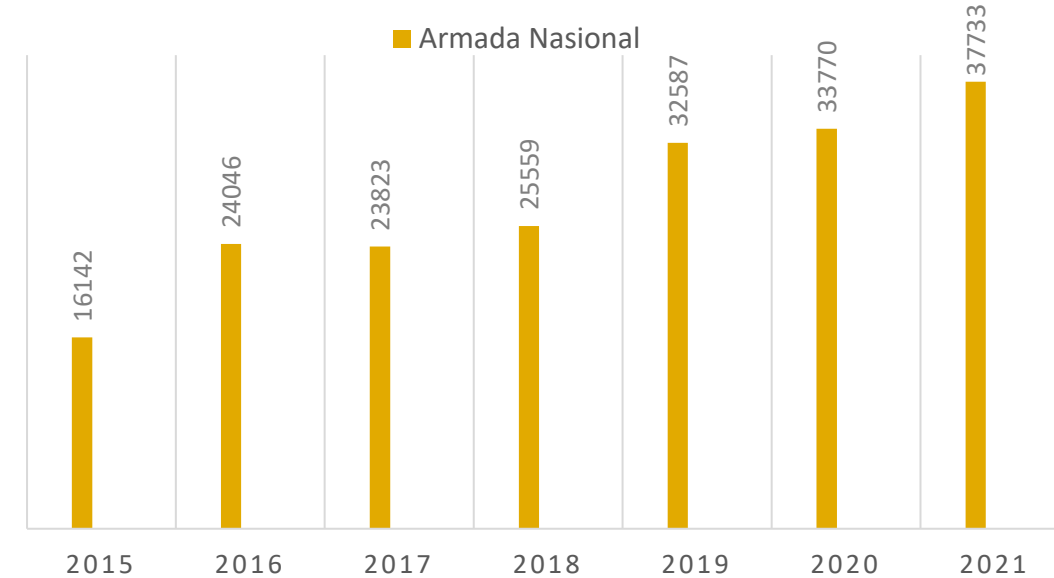
The tanker market is still quite promising, although it's not like the previous year and before Covid-19

Domestic

The domestic market for tankers is still promising. The policy of using B30 will trigger the need for domestic transportation.

INDONESIAN FLAG VESSEL'S GROWTH

Indonesia's fleet grows from 6,041 in 2005 to 37,722 ships in 2021 due to the application of the cabotage principle



The Meaning of the Principle of Cabotage

State Sovereignty

The principle of cabotage means state sovereignty (sovereign of the country) because it relates to the role of the sea transportation sector in maintaining the security and defense of the country from possible attacks by foreign countries.

Shipping Industry Ecosystem

The national shipping industry is a motor, as well as having an industrial ecosystem that is interrelated with other industries, such as shipyards, insurance, component industries and seafaring HR education institutions.

National Shipping Empowerment

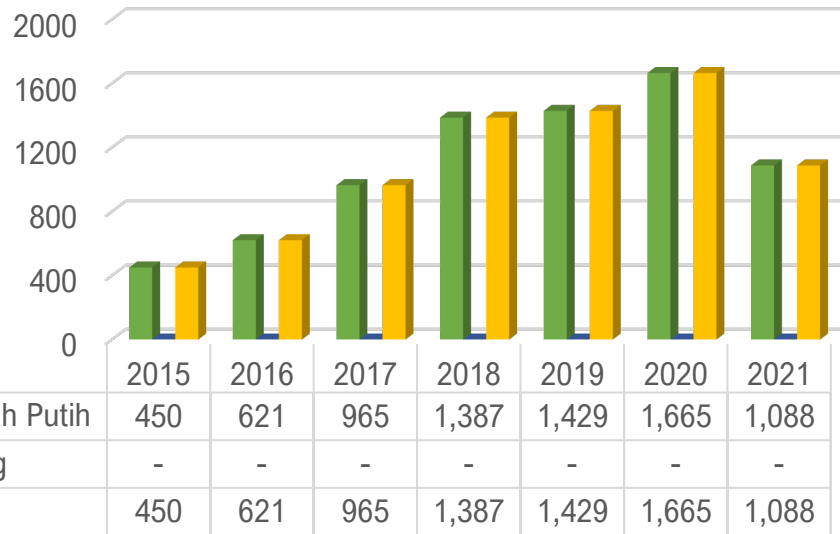
The cabotage principle policy has had a positive impact on the growth and development of the national shipping industry.

National Logistic

The growth of shipping has an impact on the smooth running of logistics activities

THE ROLE OF NATIONAL SHIPPING IN THE GOLDEN INDONESIA ERA

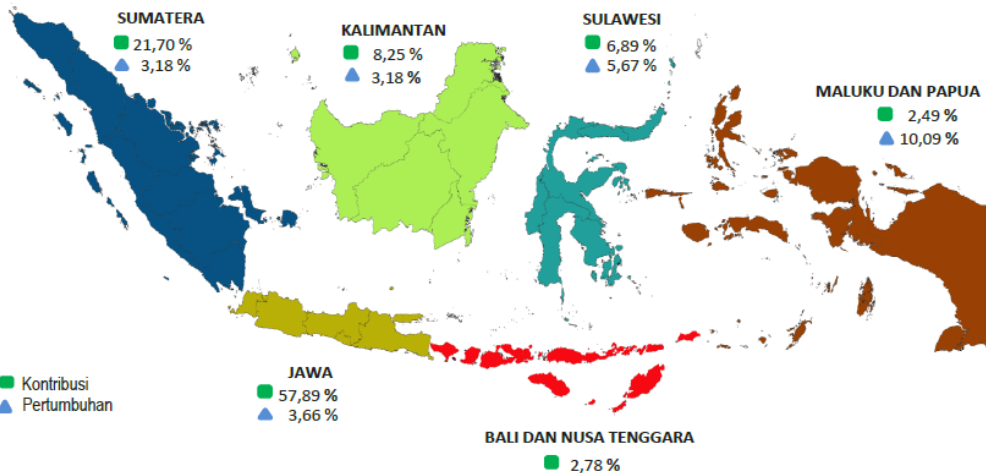
DOMESTIC (in million ton)



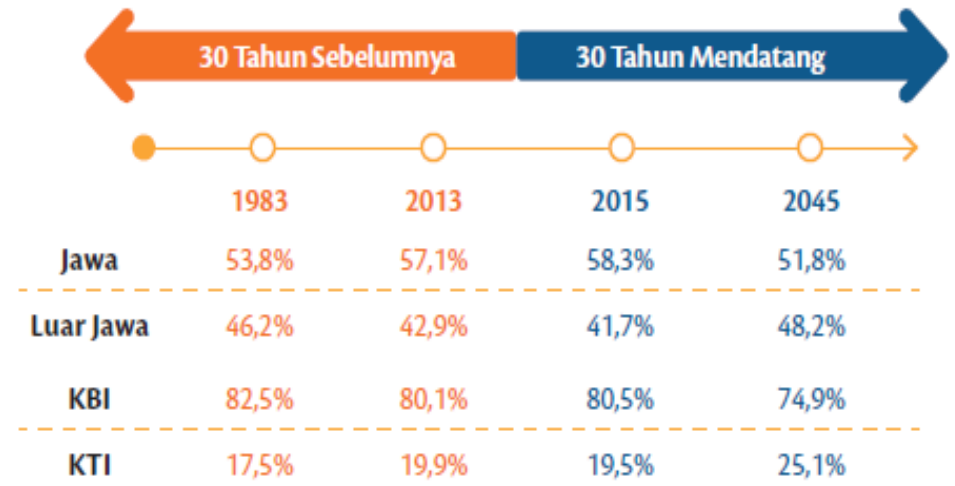
STRATEGI PEMBANGUNAN MARITIM



- Ekonomi Maritim:** meningkatkan peranan ekonomi maritim menjadi sekitar 12,5 persen PDB pada tahun 2045 dengan fokus pada: (1) pembangunan konektivitas laut yang efisien dan efektif, (2) industrialisasi perikanan yang berkelanjutan dan berdaya saing, dan (3) pariwisata bahari yang inklusif.
- Peradaban Maritim:** menciptakan kualitas sumber daya manusia maritim yang unggul, inovasi teknologi kemaritiman, dan budaya maritim yang kuat sebagai basis peradaban bahari.
- Kekuatan Maritim:** mewujudkan kemampuan pertahanan keamanan maritim yang kuat dan handal menghadapi tantangan regional dan global.



Currently, Java Island still dominates the structure of the Indonesian economy. But going forward, Indonesia's development is targeted to be more evenly distributed



SHIPPING COMPETITIVENESS

"Equal treatment is the key to increasing shipping competitiveness."

Financing institution support is needed to provide competitive interest rates with long tenors

Monetary



Support from the fiscal side is needed to reduce the burden on national shipping

Fiscal



There is a need for a single agent multi task for law enforcement at sea

Operational





KADIN INDONESIA

Thank You

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