



**WE WILL
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WITH YOU**

16th ASEAN PORTS & SHIPPING 2018

Understanding RORO Freight Transportation : Experience & Challenges

Chiefy Adi Kusmargono, S.Psi, M.Sc

Johor, July 3rd – 5th 2018

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President Director of PT. Indonesia Kendaraan Terminal, Tbk / IPC Car Terminal (2017-current).

Previous position as General Manager of Banten Port, Main Branches of PT Pelabuhan Indonesia II (Persero) / Indonesia Port Corporation (2014-2017), Permanent Secretary Coordinator of Indonesia Port Corporation I, II, III, and IV (2012-2014). Port experienced 17 years.

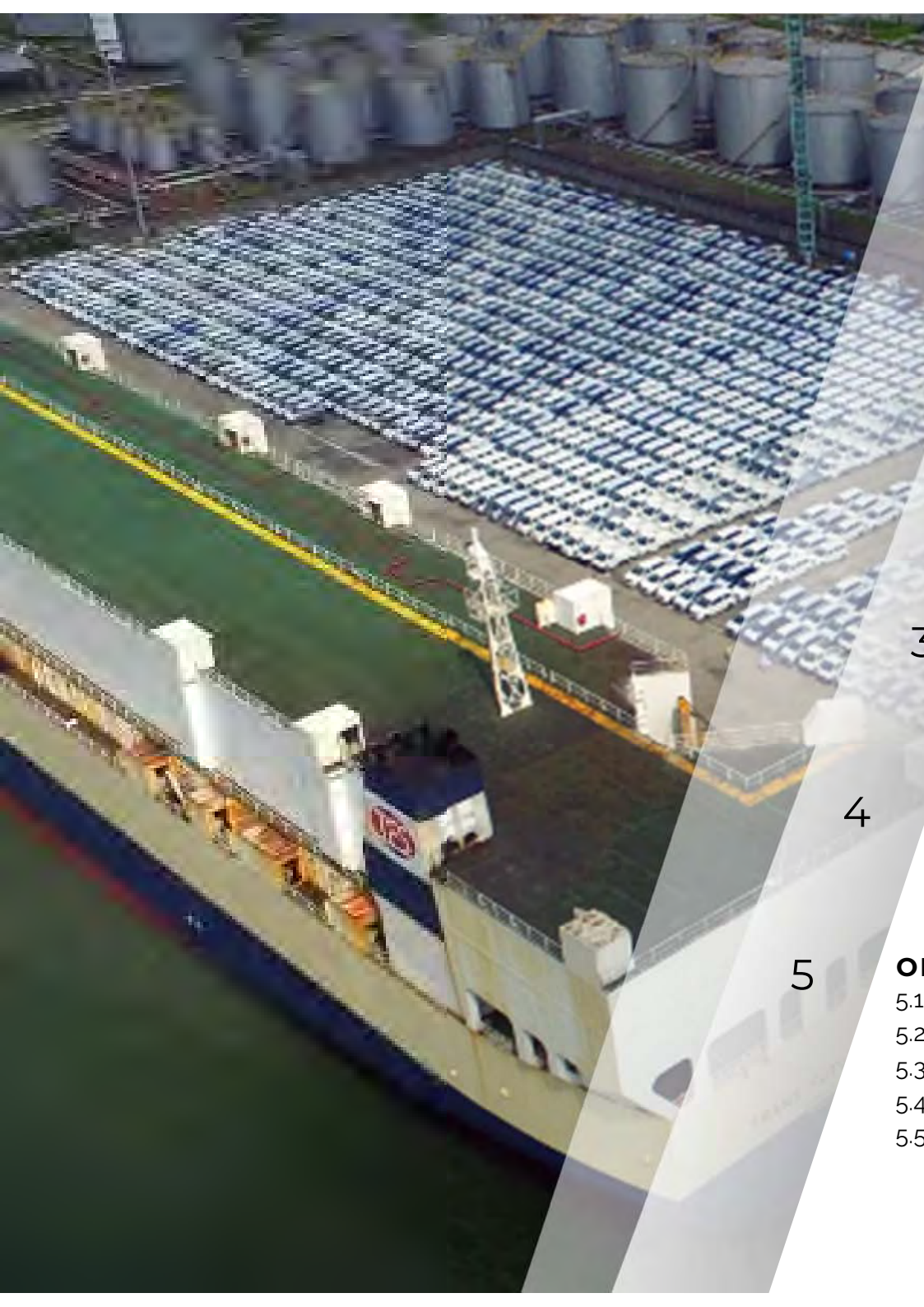
Bachelor's Degree in Psychology Gadjah Mada University Yogyakarta (2000), Master of Science in Netherlands Maritime University (2012) majoring in Shipping and Transport.

Certified of Port Expert from Institut Pertanian Bogor, (2014). Certified In Human Capital Management from LM-PPM (2010). Certified Modern Port Management UNCTAD (2010), Certified in Auditor for Human Capital Management from ACA-HCM (2009), Certified in Improving Port Performance I from UNCTAD (2003), Certified in Advanced Port & Logistics Professionals Course (2016, Busan Port International Academy), Certified in Master Class Risk Governance from Enterprise Risk Management Academy (ERMA) (2017).

General Secretary of Indonesia Port Association (ASBUPI), Member of International Association of Ports and Harbours (IAPH), Member of Indonesia Psychologist Association (HIMPSI).

The Most Indonesia Innovative & Inspirative Leader of the Year from Economic Review Magazine (2018), The Best CMO Creative Branding & Marketing - Subsidiary of SOE Companies. The 1st Best Sales & Marketing Director - Sector: Subsidiary of BUMN Company (2017). Silver Winner as Best Leader for Category "Mental Revolution for The Best Working Performance" (2018).

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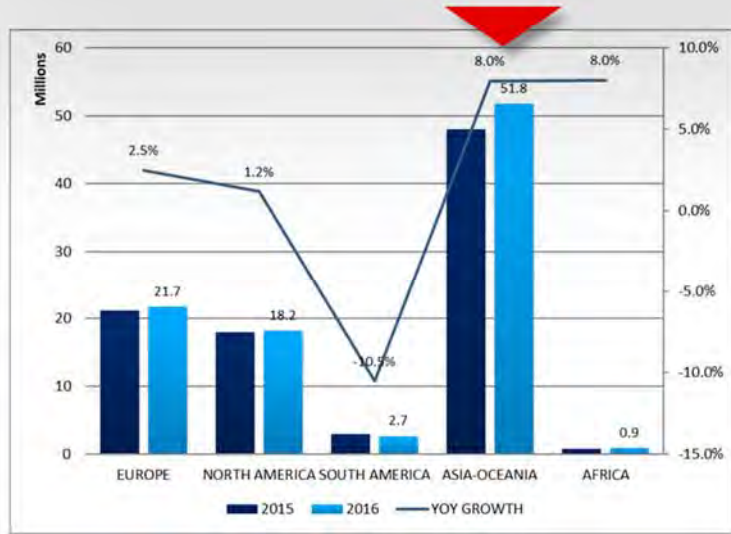
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1. INDUSTRY HIGHLIGHTS

**Understanding RORO Freight
Transportation : Experience & Challenges**

IPC CAR TERMINAL
JULY 2018

1.1 INDONESIA AUTOMOTIVE INDUSTRY



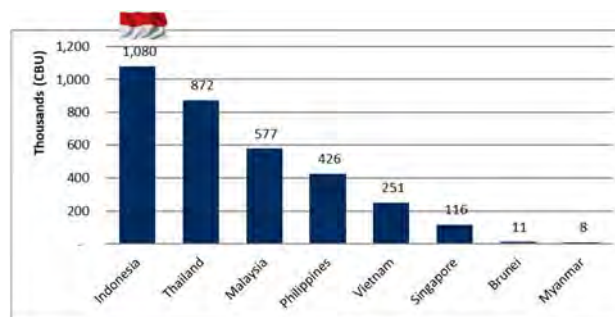
Asia-Oceania is the **dominant region** of automotive production, accounting for **54% of global production**.



THE WORLD'S CAR SALES 2017

No	REGIONS/COUNTRIES	2017
1	CHINA	29,122,531
2	USA	17,583,842
3	JAPAN	5,238,888
4	INDIA	4,017,539
5	GERMANY	3,811,246
6	UNITED KINGDOM	2,955,182
7	FRANCE	2,604,942
8	BRAZIL	2,238,915
9	ITALY	2,190,403
10	CANADA	2,077,000
11	SOUTH KOREA	1,798,796
12	IRAN	1,718,565
13	RUSSIA	1,602,270
14	MEXICO	1,570,764
15	SPAIN	1,451,089
16	AUSTRALIA	1,188,677
17	INDONESIA	1,060,894
18	TURKEY	980,394
19	ARGENTINA	900,403
20	THAILAND	873,506

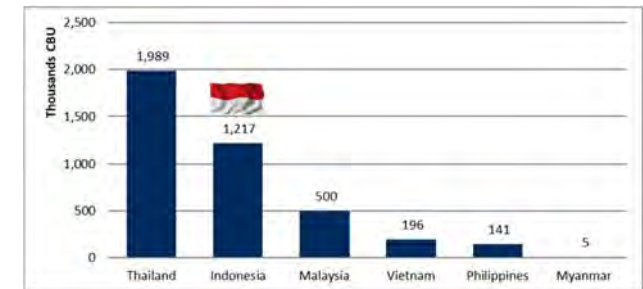
In terms of automobile **sales**, Indonesia is the **world's 17th largest** and the **the 1st largest in ASEAN**.



THE WORLD'S CAR PRODUCTION 2017

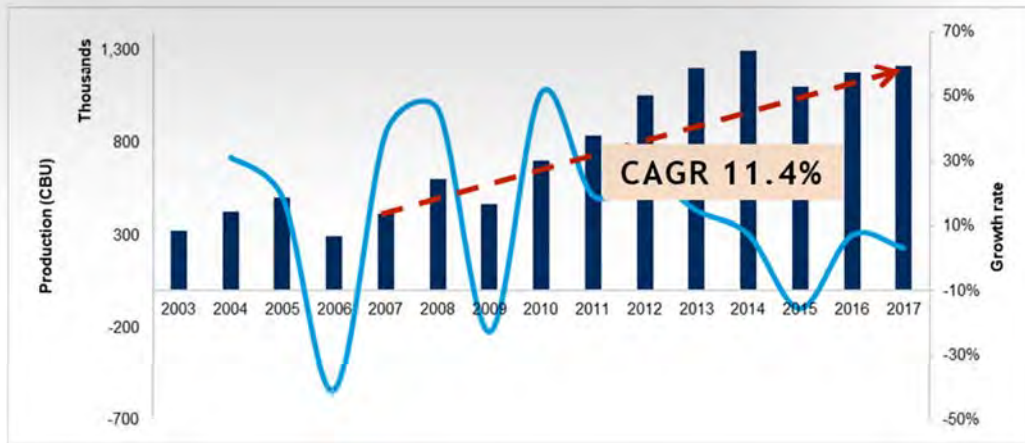
No	REGIONS/COUNTRIES	2017
1	CHINA	29,015,434
2	USA	11,189,985
3	JAPAN	9,693,746
4	GERMANY	5,645,581
5	INDIA	4,782,896
6	SOUTH KOREA	4,114,913
7	MEXICO	4,068,415
8	SPAIN	2,848,335
9	BRAZIL	2,699,672
10	FRANCE	2,227,000
11	CANADA	2,199,789
12	THAILAND	1,988,823
13	UNITED KINGDOM	1,749,385
14	TURKEY	1,695,731
15	RUSSIA	1,551,293
16	IRAN	1,515,396
17	CZECH REPUBLIC	1,419,993
18	INDONESIA	1,216,615
19	ITALY	1,142,210
20	SLOVAKIA	1,001,520

In terms of automobile **production**, Indonesia is the **world's 18th largest** and the **the 2nd largest in ASEAN**.



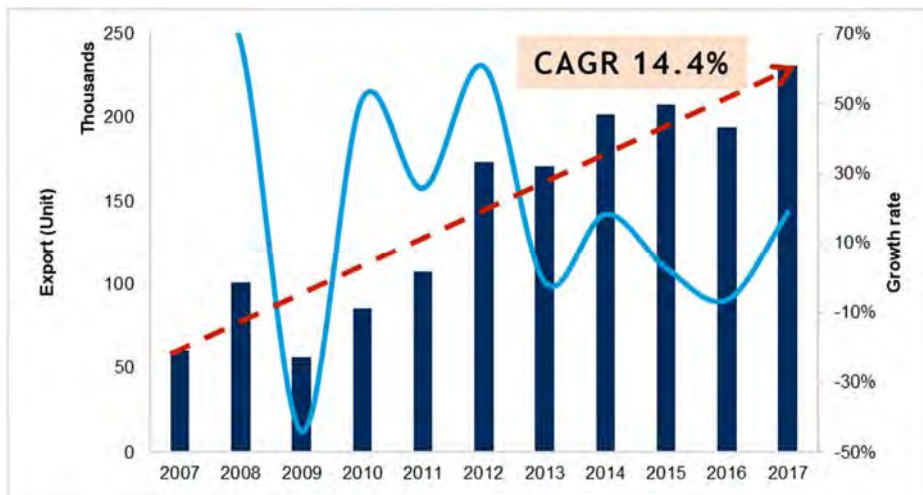
(Source: OICA, ASEAN Automotive Federation, Drewry)

...INDONESIA AUTOMOTIVE INDUSTRY

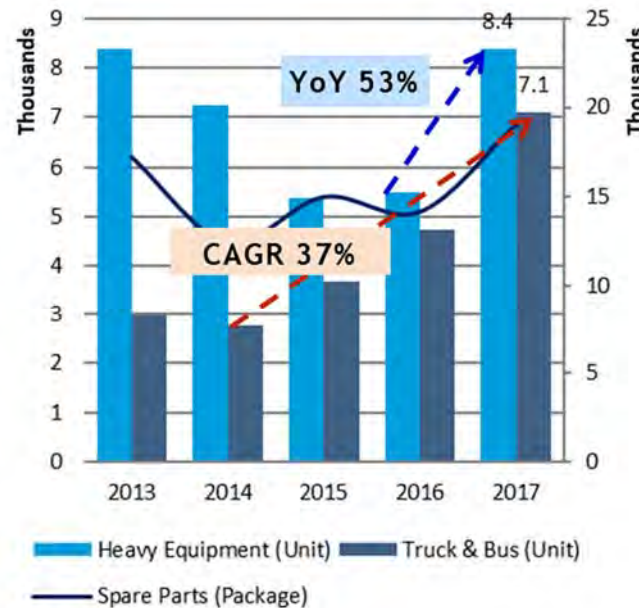


The Indonesian automobile production grew at a CAGR of 11.4% between 2007 and 2017.

(Source: Gaikindo, Drewry)



Indonesian automobile exports have grown from 2007 to 2017, achieving a CAGR of 14.4%.



The positive performance in 2017 was also extended to heavy equipment (53% year-on-year growth), trucks and buses (51% year-on-year growth) and spare parts (35% year-on-year growth).

The trucks and buses segment had grown steadily from 2014, registering a CAGR of 37%.

(Source: IPCC, Drewry)

1.2 FUTURE GROWTH



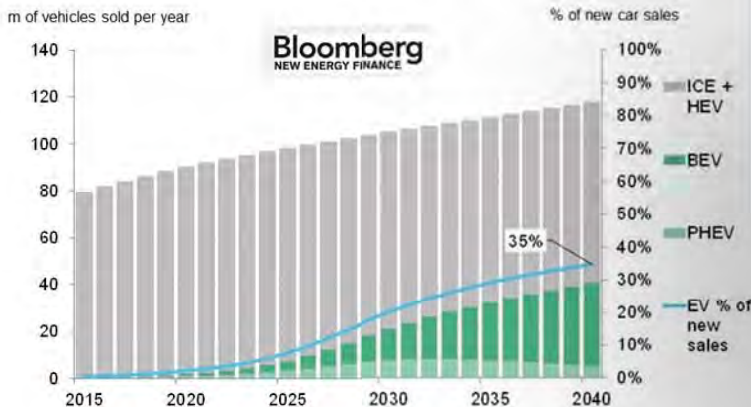
Global Vehicle Sales Trend and Forecast
(Thousand units)



Source: Data from various statistics compiled by SC-ABeam Automotive Consulting. Data from 2015 onward are forecasts.

VEHICLE SALES IN EMERGING COUNTRIES

Global vehicle sales are projected to rise from around **85 million vehicles in 2013** to roughly **140 million in 2030**, driven by **growing demand in emerging countries**. At the same time, the center of the **automobile market** is poised to **shift from advanced countries to emerging countries**, which will account for an estimated **70% of global sales**.



ELECTRIC VEHICLES TO BE 35% OF GLOBAL NEW CAR SALES BY 2040

The study, published today, forecasts that sales of electric vehicles will hit **41 million by 2040**, representing **35%** of new light duty vehicle sales. This would be almost 90 times the equivalent figure for 2015, when EV sales are estimated to have been 462,000, some **60% up** on 2014.

1.3 INTERNATIONAL CAR TERMINALS



Based on throughput, IPCC is currently the 3rd largest car terminal in ASEAN behind Asia Automobile Terminal Singapore Pte. Ltd. and Namyong (Laem Chabang)

(Source: PwC)

No Negara	Nama Pelabuhan	Operator Terminal Kendaraan	Throughput Kendaraan
1 Belgia	Zeebrugge	C.Ro, ICO, Toyota, WWL, PSA Zeebrugge	2,776,113
2 Jerman	Bremerhaven	BLG Automobile Logistics	2,068,000
3 Cina	Port of Shanghai	Shanghai Haitong International Automotive Terminal Co., Ltd.	1,522,000
4 Korea Selatan	Pyeongtaek-Dangjin Pt	WWL, Eukor	1,505,780
5 Jerman	Emden	Autoport Emden, EVAG	1,336,700
6 Jepang	Nagoya Port	Sebuah perusahaan manufaktur mobil	1,300,000
7 Arab Saudi	Jeddah Islamic Port	United National Marine Projects Co. Ltd	1,122,569
8 UK	Grimsby	C.Ro, BCA, DFDS, GBA, Gefco	1,080,000
9 Singapura	Port of Singapore	Pasir Panjang Automobile Terminal	1,020,000
10 Thailand	Laem Chabang (A5)	Namyong	990,000
11 Belgia	Antwerp	ICO, Grimaldi Antwerp Euro Terminal, Salleum Terminals	962,418
12 UK	Southampton	Associated British Ports	901,000
13 Cina	Port of Tianjin	Tianjin Port Ro-Ro Terminal Co., Ltd, Tianjin Global Ro-Ro Terminal Co., Ltd	798,000
14 Spanyol	Barcelona	Autoterminal, Setram	778,109
15 Spanyol	Valencia	Ford, Valencia Terminal Europa	774,174
16 Meksiko	Veracruz	CPV, SSA Mexico	770,729
17 Slovenia	Koper	Luka Koper	749,384
18 Amerika	Baltimore	Amports, Ports America, WWL VSA, Ceres	731,750
19 UK	Bristol	BCA, GBA, Gefco, Groupe Cat	719,000
20 Amerika	Jacksonville	Amports, Southeast Toyota, WWL	652,265
21 Belanda	Vlissingen	Cobelfret, Verbrugge Terminals	646,230
22 UK	London	Forth Ports	637,719
23 Amerika	Brunswick	Atlanta Vehicle Processors, IAP, WWL VSA, Amports, Mercedes Benz, BMW	631,713
24 Italia	Livorno	Livorno Terminal Marittimo	596,677
25 UK	Tyne	Port of Tyne	593,543
26 Arab Saudi	King Abdulaziz Port Dan/a		576,491
27 Indonesia	Tanjung Priok	IPCC	520,863
28 Amerika	New York	FAPS, Toyota Logistics Services, BMW	505,151
29 Uni Emirat Arab	Jebel Ali	DP World	500,000
30 Spanyol	Santander	n/a	490,063
31 Cina	Port of Guangzhou	Guangzhou Nansha Port Automotive Terminal Co., Ltd	489,000
32 Afrika Selatan	Durban Ro-Ro Terminal	Transnet Port Terminals	480,000
33 Jerman	Cuxhaven	BLG Logistics	478,495
34 Cina	Port of Dalian	Dalian Automobile Terminal Co., Ltd	454,000
35 Spanyol	Vigo	n/a	451,771
36 Argentina	Zarate	n/a	450,000
37 Belanda	Rotterdam	n/a	437,500
38 Italia	Salerno	n/a	400,953
39 Kanada	Vancouver	WWL VSA	393,280
40 Amerika	San Diego	Pasha Automotive Services	390,954



IPCC is the 27th largest car terminal in the world based on throughput, above New York, Rotterdam and Vancouver.

(Source: PwC)



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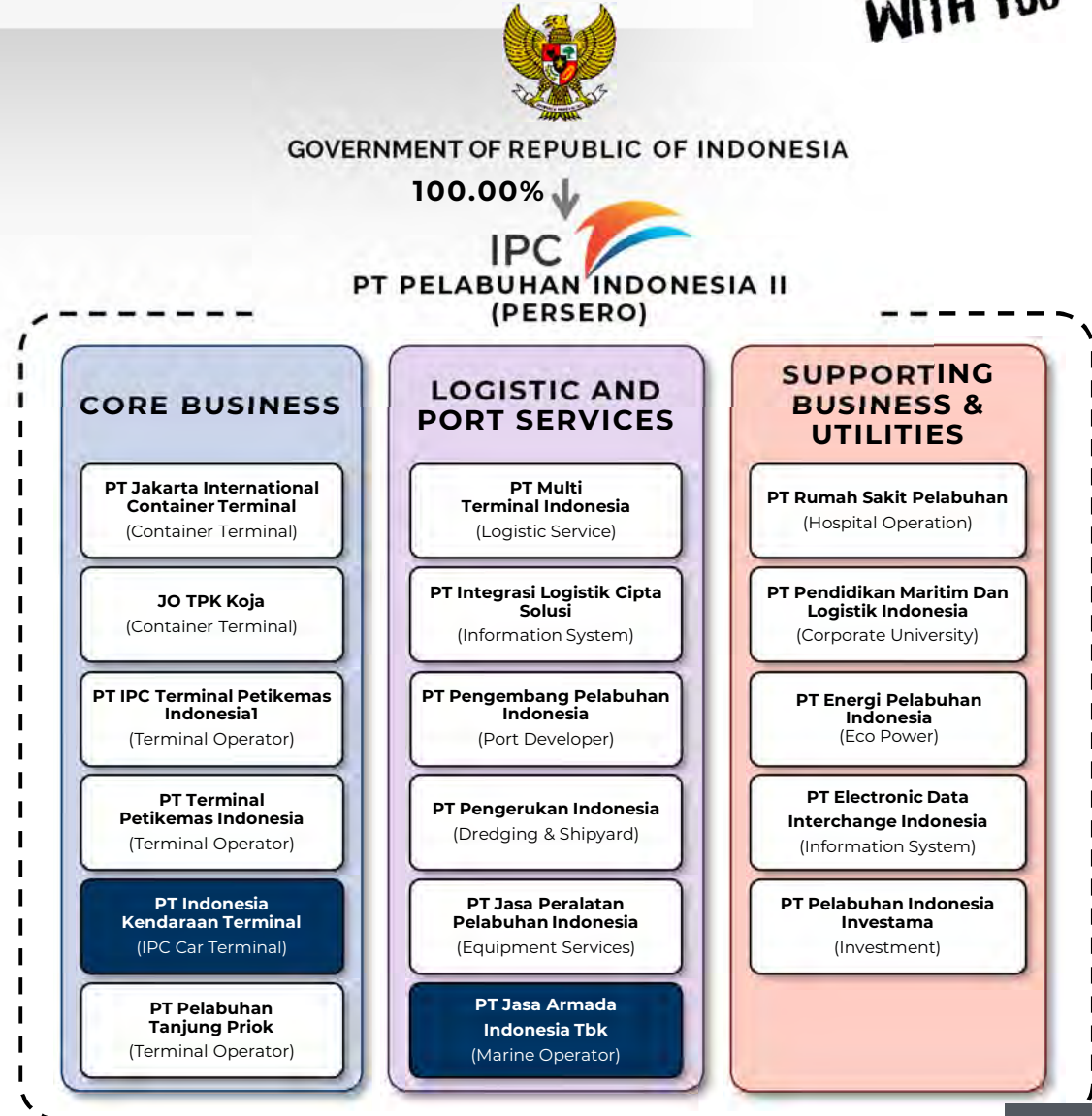
2. COMPANY HIGHLIGHTS

**Understanding RORO Freight
Transportation : Experience & Challenges**

IPC CAR TERMINAL
JULY 2018

2.1 IPC GROUP OF COMPANIES

IPCC is 100% owned by Pelindo II (IPC), which is 100% owned by the Government of Indonesia. IPCC is 1 of 17 subsidiaries of IPC.



...IPC GROUP OF COMPANIES

IPC is the largest port operator in Indonesia with 12 ports located in the fastest growing areas in Indonesia, including Tanjung Priok that handles around 65% of national container exports & imports.



2,806 HA

TOTAL CONCESSION AREA IN
JAVA, SUMATERA & KALIMANTAN

627 HA

CONCESSION AREA IN
TANJUNG PRIOK, JAKARTA

6.9 MILLION
TEUS

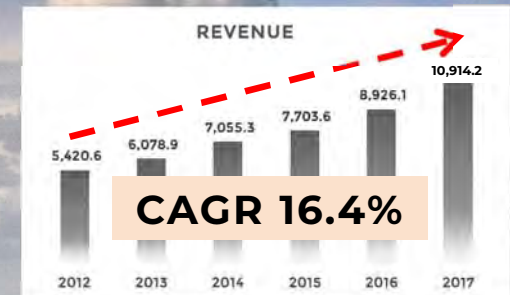
CONTAINER THROUGHPUT 2017

52.5 MILLION
TONS

NON CONTAINER THROUGHPUT

10.9 IDR
TRILLION

TOTAL REVENUE 2017



2.2 IPCC AT A GLANCE

“DEDICATED TERMINAL”

A terminal reserved for just one similar type of commodity
(in this case: Cars, Heavy Equipments, Trucks, Buses, Spareparts)

Dedicated terminal is beneficiary for **safety** and **smoothness** of the cargo:

- No contamination
- Faster loading & unloading
- Yard & storage availability
- Customs facility

IPCC is the only **“Dedicated Car Terminal”** in Indonesia.





2018

Total land area of 31 ha with a capacity of 700,000 vehicles a year.



2012

Car terminal division was spun off as IPC Car Terminal. Total land area became 16.9 ha, with a capacity of 400,000 vehicles a year.



2007

Completed construction of Tanjung Priok Car Terminal. Start Operations as a division of Pelindo II. Total area of 7.38 ha with a capacity of 200,000 vehicles a year.



2006

GOI instructed IPC to develop dedicated terminal to handle vehicles (cars, heavy equipments, trucks, buses and spareparts) in Tanjung Priok.

...IPCC AT A GLANCE

Key milestones of Car terminal transformation from a division of IPC became an individual company.

...IPCC AT A GLANCE

Line of Business:
Integrated World-Class Car Terminal



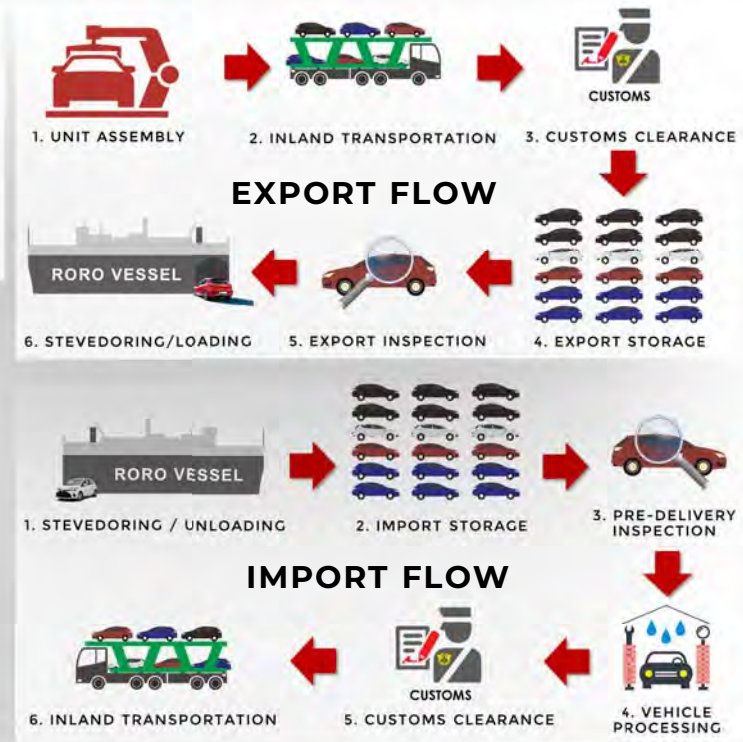
1. TERMINAL HANDLING
Terminal Cargo Handling for
Automotive, Heavy Equipments
& Spareparts



2. VALUE ADDED SERVICES
Vehicle Processing Service (VPC)
Equipment Processing Service (EPC)
Road Freight Services
Port Stock

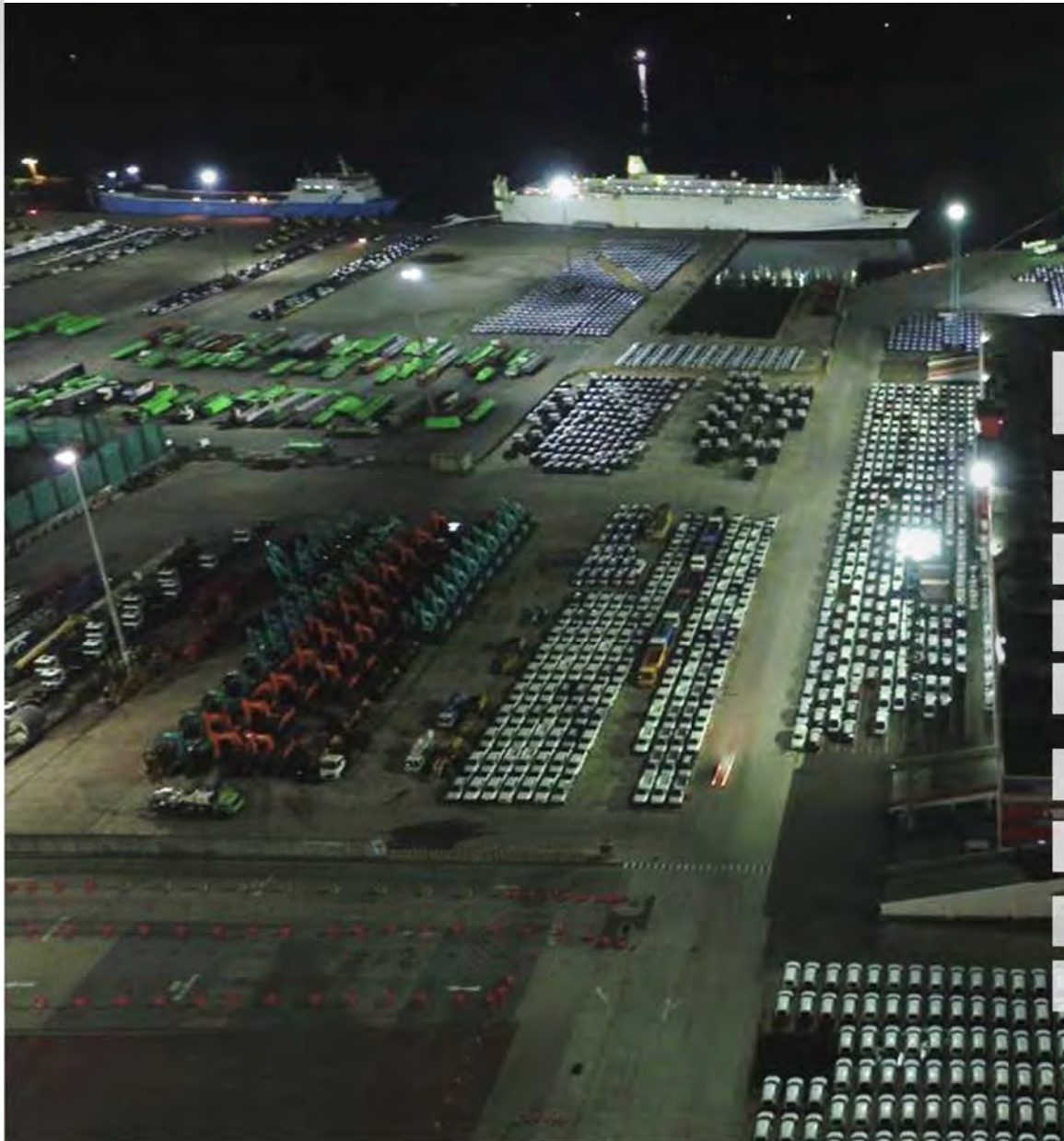


3. SEA TOLL SERVICES
Cargo carried by Trucks (supporting
Government Sea Toll Program).



2.3 FACILITIES

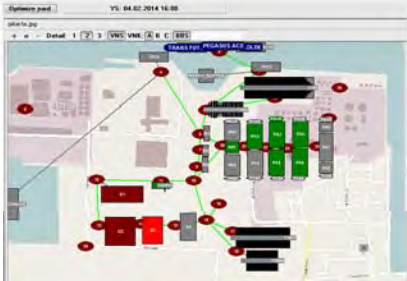
Key Facilities



DESCRIPTION	INTERNATIONAL TERMINAL	DOMESTIC TERMINAL
Berth I Length	88 m'	148 m'
Berth I Depth	- 8 m LWS	- 8 m LWS
Berth II Length	220 m	304 m
Berth II Depth	-12 m LWS	-12 m LWS
Storage Area	23.3 Ha	7.7 Ha
Total Area	31 ha	
Capacity per-year	450,000 units	250,000 units
Total Capacity	700,000 units/Y	

...FACILITIES

Supporting Facilities



YARD, BERTH & RESOURCE PLANNING SYSTEM



AUTOGATE SYSTEM



LOADING/ UNLOADING AREA CAR CARRIER



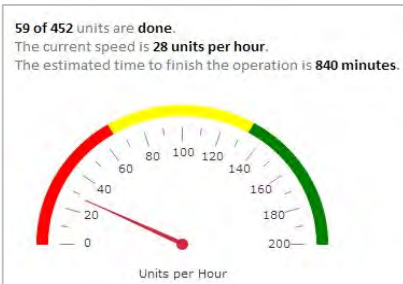
INTEGRATED INSPECTION FACILITY



VIN & BARCODE SCANNING



TAXI CARS



DASHBOARD INFORMATION



CONTROL TOWER



SIMULATOR ROOM

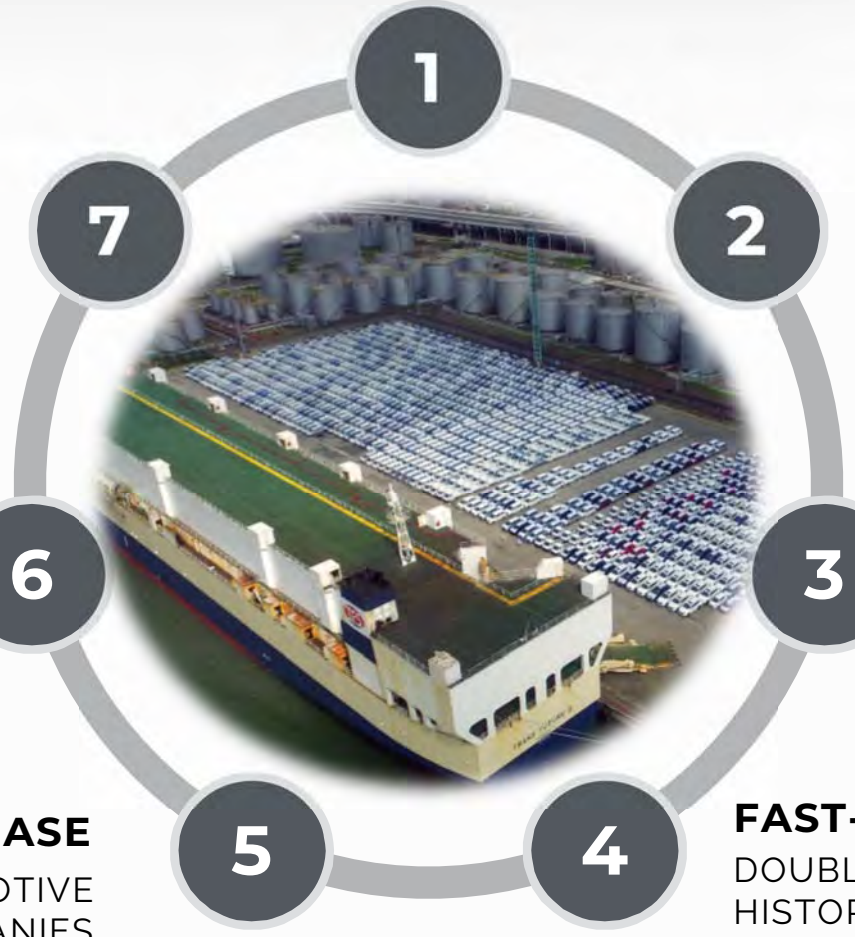


CUSTOMER SERVICE CENTER BUILDING

2.4 KEY INVESTMENT HIGHLIGHTS



**THE ONLY DEDICATED CAR TERMINAL
IN THE WORLD'S 4TH MOST POPULOUS COUNTRY**
STRONG SUPPORT & COMMITMENT FROM SHAREHOLDER (IPC)



**HIGHLY EXPERIENCED
MANAGEMENT TEAM**
84 YEARS OF COMBINED
EXPERIENCE

CAPTIVE 100% MARKET
NATIONAL AUTOMOTIVE
EXPORTS & IMPORTS

**HIGH MARGIN
BUSINESS**
SUPERIOR FINANCIAL
PERFORMANCE

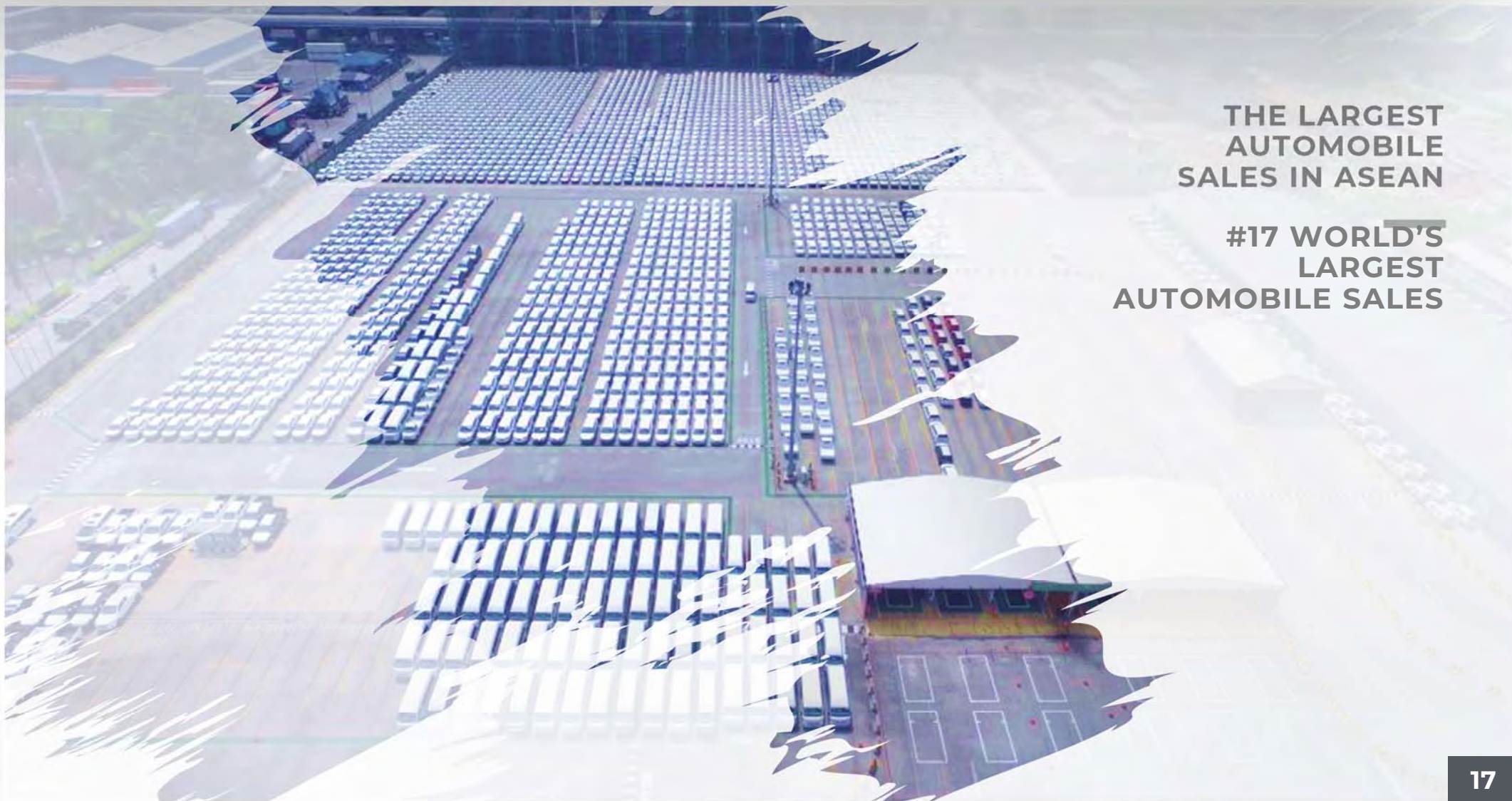
FAST-GROWING MARKETS
DOUBLE DIGITS
HISTORICAL GROWTH

**SECURED LAND
CONCESSION
& WELL PLANNED
EXPANSION**
300% AREA IN THE NEXT 5Y

SOLID CLIENT BASE
HIGHLY REPUTATED AUTOMOTIVE
AND SHIPPING COMPANIES

THE ONLY DEDICATED CAR TERMINAL IN THE WORLD'S 4TH MOST POPULOUS COUNTRY

Backed Up by The Largest Port Operator in Indonesia



THE LARGEST
AUTOMOBILE
SALES IN ASEAN

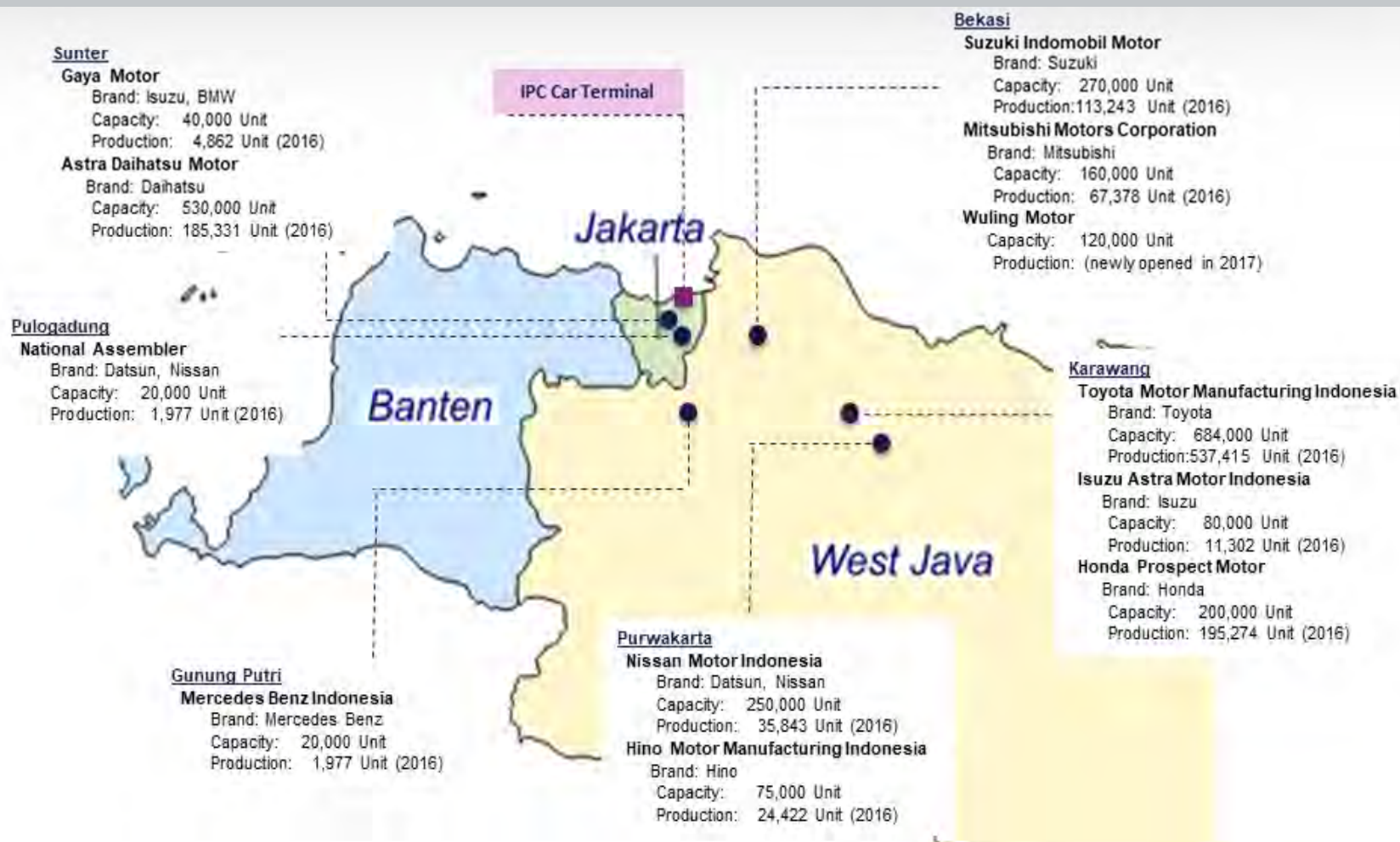
#17 WORLD'S
LARGEST
AUTOMOBILE SALES

CAPTIVE 100% MARKET: ALL NATIONAL EXPORTS & IMPORTS

Strategic Location Near All Automotive Manufactures in Indonesia



*“The automobile terminal market is characterised by **concentrated oligopolies** or **monopolies**.”*
 - Drewry, Independent Maritime Advisors

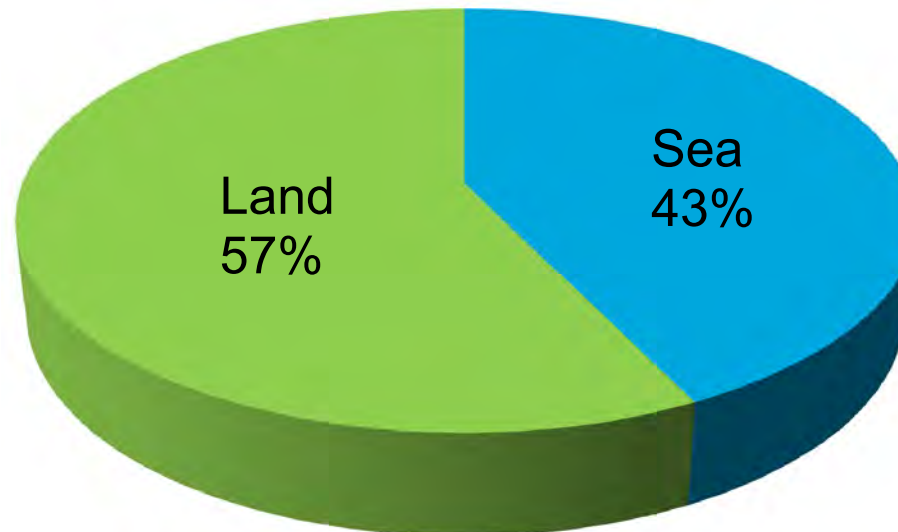


NATIONAL

ECONOMIC GROWTH 2017
(5,07%)

AUTOMOTIVE SALES 2017
(1.060.894 UNITS)

LOGISTICS DISTRIBUTION



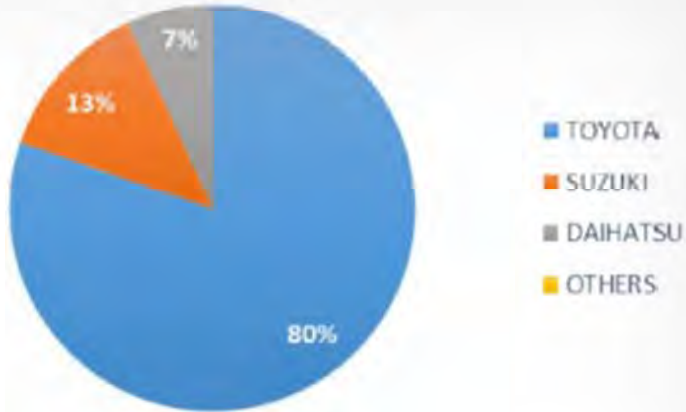
2.5 OUR CUSTOMERS

Car Manufacturer, Shipping Line and Logistic Key Players in the World

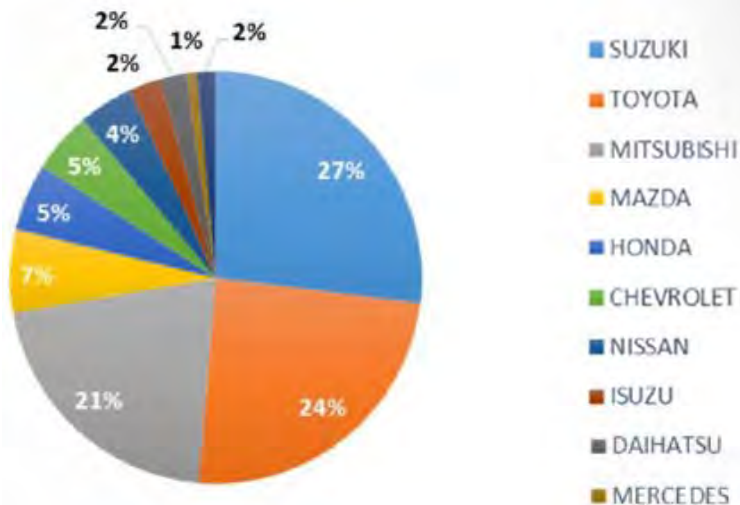


AUTOMOBILE MARKET SHARE

Export 2017



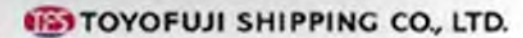
Import 2017



INTERNATIONAL CAR CARRIERS

7 major international PCTC operators currently call on Indonesia, of which 5 are among the top 10 PCTC operators in the world. These players are as follow:

- ✓ NYK
- ✓ K-Line
- ✓ Toyofuji
- ✓ Eastern Car Liner (ECL)
- ✓ WWL
- ✓ MOL Car Carriers
- ✓ Hoegh Autoliners



2.6 CERTIFICATIONS & AWARDS



- **Prima Utama (Excellent Service) for Public Service in Transportation Sector**, Ministry of Transportation, 2014
- **Prima Utama (Excellent Service) for Public Service in Transportation Sector**, Ministry of Transportation, 2016
- **The Best Subsidiary Company** of BUMN in Marketing Award 2016
- **The Best CEO Marketing Leadership** BUMN Award 2016
- **The Best Subsidiary**, IPC Forum Manajemen 2017
- **The Best Innovation Subsidiary of IPC**, Anniversary IPC 25th Talkshow 2017 & Appreciation Night
- **The Best Customer Satisfaction Index**, 2017 of IPC Subsidiary IPC Annual Meeting 2018
- **The Best In Indonesia Business and Company Award**, World Achievement Association, 2018.
- **The Best Trusted Car Terminal Company & Service Excellent of The Year 2017**, Indonesia Development Achievement Foundation (IDAF) dan Venna Event Management
- **The 1st Best 5 of Sales & Marketing Director** – Sector : Subsidiary of BUMN Company, 1st Indonesia Sales and Marketing Award, Economic Review
- **The Best Sales & Marketing** in Sector : Subsidiary Of BUMN Company, 1st Indonesia Sales And Marketing Award, Economic Review
- **Gold Winner Brand Strategy of Corporate Branding** – Subsidiary of SOE's Companies, 5th BUMN Branding & Marketing Award, BUMN Track, 2017
- **Gold Winner Brand Communication of Corporate Branding** – Subsidiary of SOE's Companies, 5th BUMN Branding & Marketing Award, BUMN Track, 2017
- **The Best CMO Creative Branding & Marketing Initiative** – Subsidiary of SOE's Companies, 5th BUMN Branding & Marketing Award, BUMN Track, 2017
- **The Best Branding** – Subsidiary of SOE's Companies, BUMN Track, 2017
- **The Most Indonesia Innovative & Inspirative Leader of the Year 2018**, 2nd Indonesia Sales and Marketing Award, Economic Review, 2018
- **The Best Indonesia Sales & Marketing Award**, 2nd Indonesia Sales and Marketing Award, Economic Review, 2018
- **The 2nd Best Indonesia Legal Award**, 1st Indonesia Legal Award, Economic Review, 2018
- **Gold Winner of The Best Indonesia Unite Category**, Subsidiary of SOE's Companies, Mental Revolution Award, BUMN Track, 2018
- **Silver Winner of The Best Leader of The Work Ethics Category**, Subsidiary of SOE's Companies, Mental Revolution Award, BUMN Track, 2018
- **Platinum Winner of Human Capital Management System**, Subsidiary of SOE's Companies, Economic Review, Indonesia Human Capital Award IV, 2018

ISO 9001:2015
Quality
Management
Systems

ISO 14001:2015
Environmental
Management
Systems

OHSAS
18001:2007
Occupational
Health And
Safety
Management
Systems

ISPS CODE



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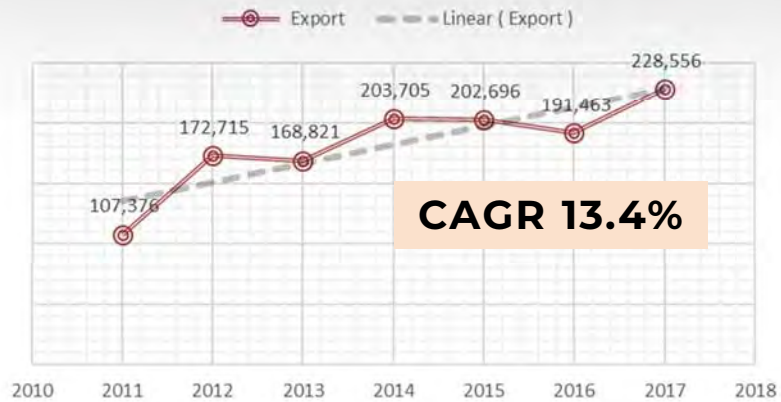
3. OPERATIONAL HIGHLIGHTS

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IPC CAR TERMINAL
JULY 2018

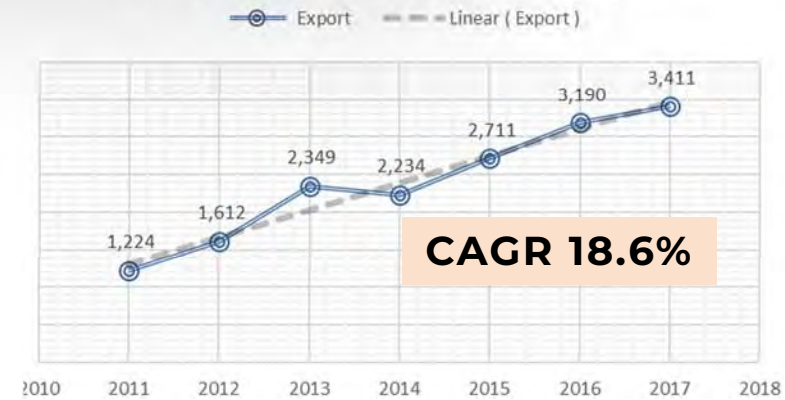
3.1 THROUGHPUT GROWTH

CBU Car Export Throughput



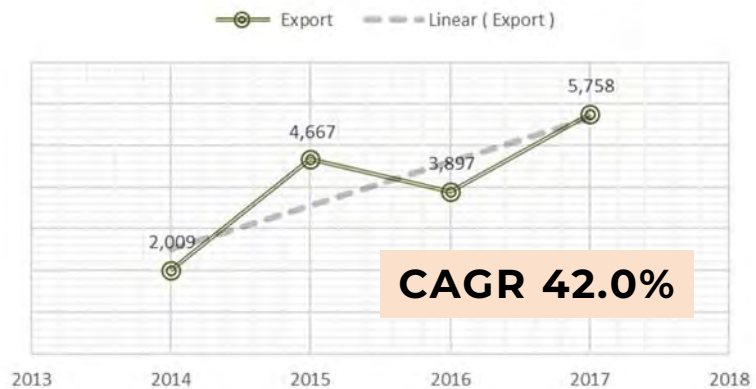
Car export growth in IPCC during 2011-2017: **CAGR 13.4%**

Heavy Equipment Export Throughput



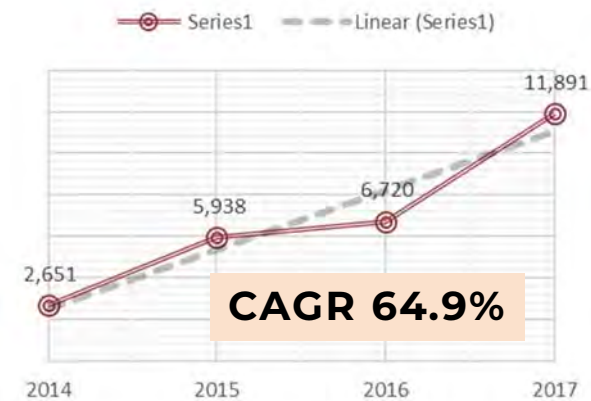
Heavy equipment export growth in IPCC during 2011-2017: **CAGR 18.6%**

Sparepart Export Throughput



Sparepart export growth in IPCC during 2014-2017: **CAGR 42.0%**

Heavy Equipment Domestic Throughput



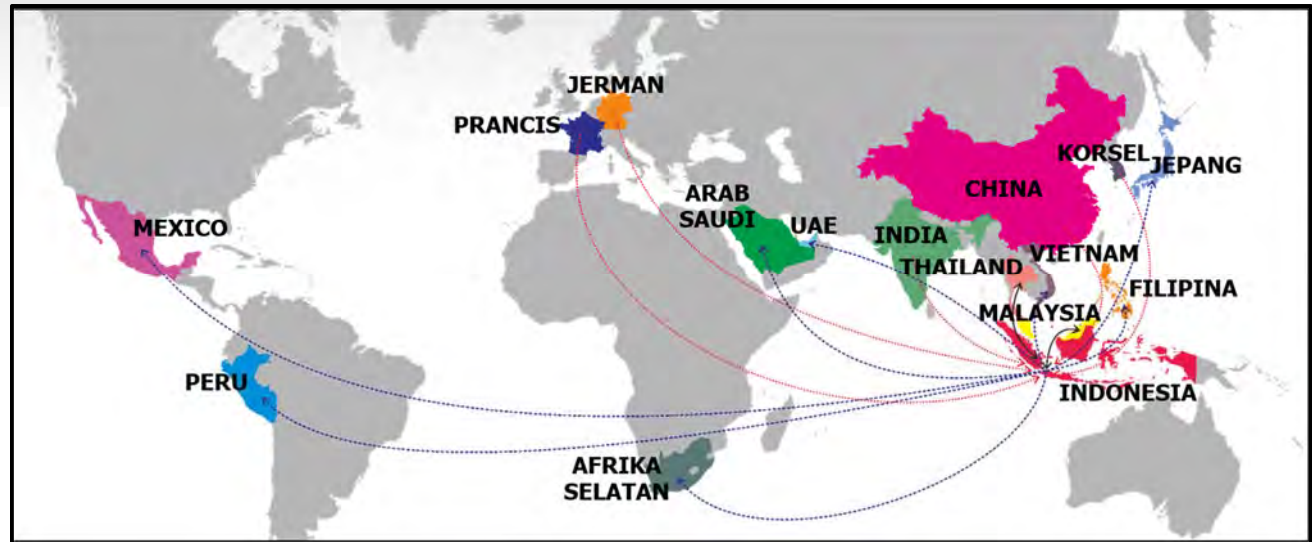
Heavy equipment domestic growth in IPCC during 2014-2017: **CAGR 64.9%**

3.2 INTERNATIONAL & DOMESTIC CARGO FLOWS

INTERNATIONAL CARGO FLOWS

EXPORT 2017	
Destination Country	Share
Phillippines	40.6%
Saudi Arabia	18.9%
Japan	8.0%
Vietnam	7.6%
Mexico	6.9%
Thailand	6.3%
UAE	3.8%
Peru	2.8%
Malaysia	2.6%
South Africa	2.5%

IMPORT 2017	
Origin Country	Share
Thailand	64.0%
India	27.2%
Korea	5.1%
Malaysia	2.1%
Germany	0.9%
China	0.6%
France	0.1%



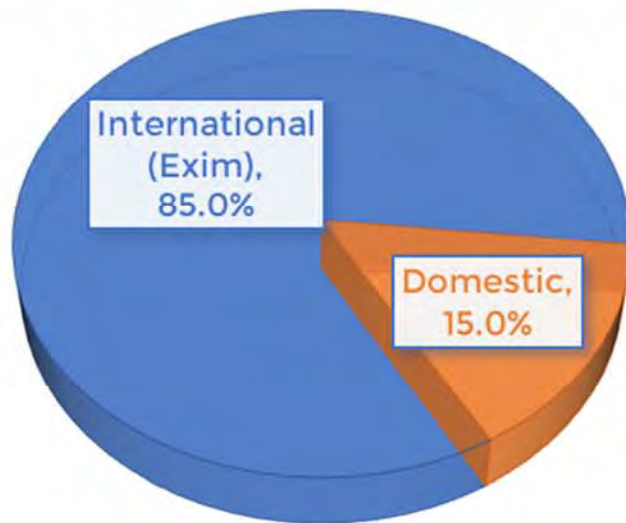
DOMESTIC CARGO FLOWS

DOMESTIC 2017	
Destination City	Share
Makassar	40%
Batam	16%
Balikpapan	14%
Pakanbaru	12%
Banjarmasin	11%
Tj. Pinang	4%
Medan	3%
Gresik	1%

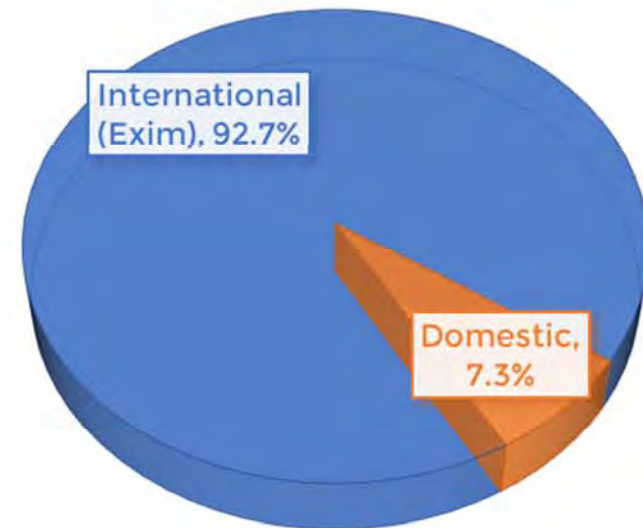


3.3 INTERNATIONAL & DOMESTIC CARGO PROPORTION

INTERNATIONAL VS DOMESTIC THROUGHPUT
2017



INTERNATIONAL VS DOMESTIC INCOME 2017



IPCC's **throughput** in 2017 consists of **85% international** (exports & imports) and **15% domestic**.

In terms of financial, IPCC's **revenue** in 2017 consists of **92.7% international** and **7.3% domestic**.



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4. DEVELOPMENTS HIGHLIGHTS

**Understanding RORO Freight
Transportation : Experience & Challenges**

IPC CAR TERMINAL
JULY 2018

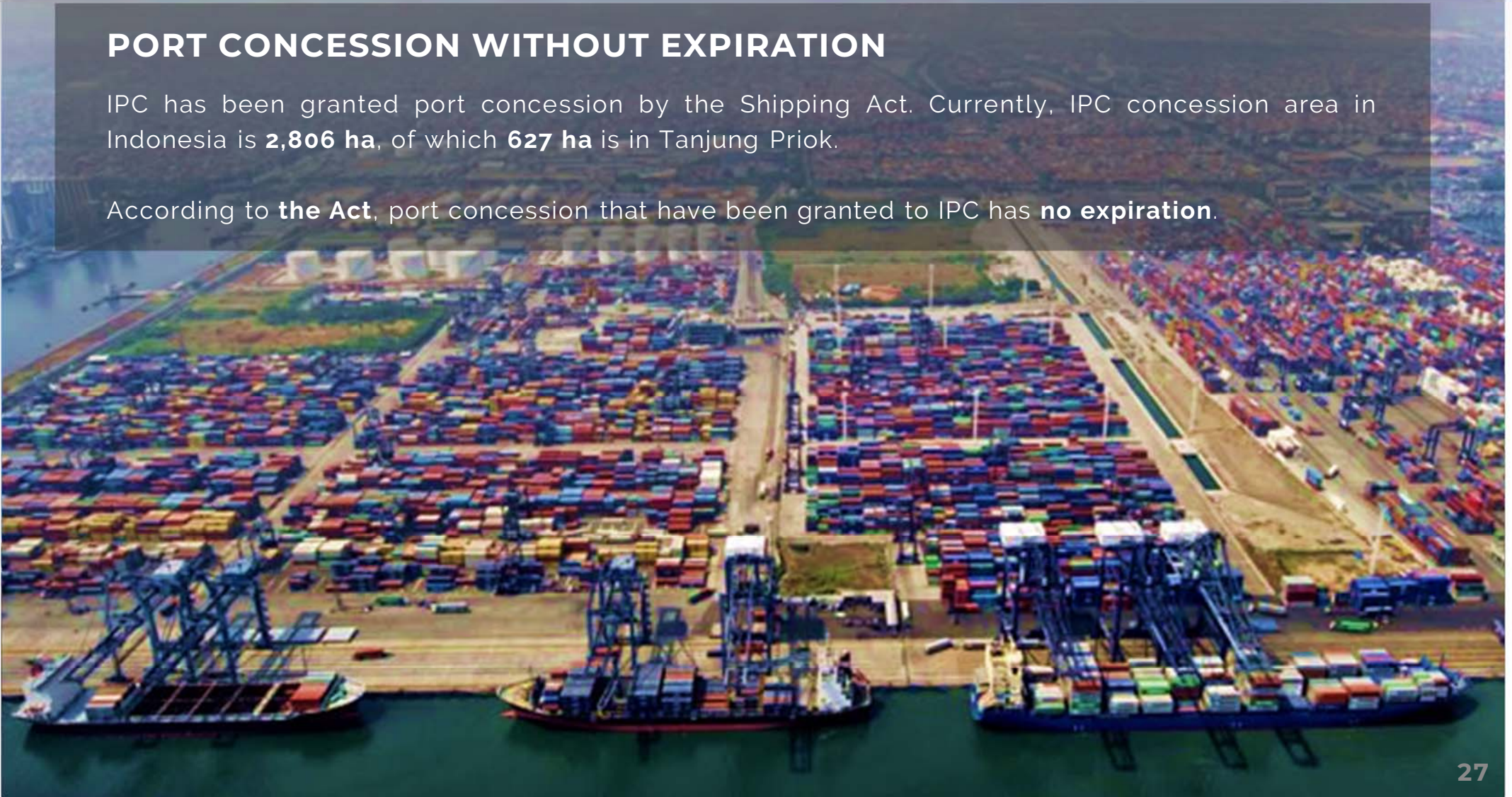
SECURED LAND CONCESSION & WELL PLANNED EXPANSION

627 ha Area in Tanjung Priok Belongs to IPC, Secured by The Port Act

PORT CONCESSION WITHOUT EXPIRATION

IPC has been granted port concession by the Shipping Act. Currently, IPC concession area in Indonesia is **2,806 ha**, of which **627 ha** is in Tanjung Priok.

According to **the Act**, port concession that have been granted to IPC has **no expiration**.



4.1 EXPANSION LAND AREA

Strong Support from IPC: 300% Area Expansion for IPCC in the next 5Y, within IPC territory in Port of Tanjung Priok



TOTAL YARD:
31 HA (2018) → 89.5 HA (2022)

TOTAL CAPACITY:
700K (2018) → 2,100K (2022)



FUTURE WORLD'S 5TH LARGEST CAR TERMINAL

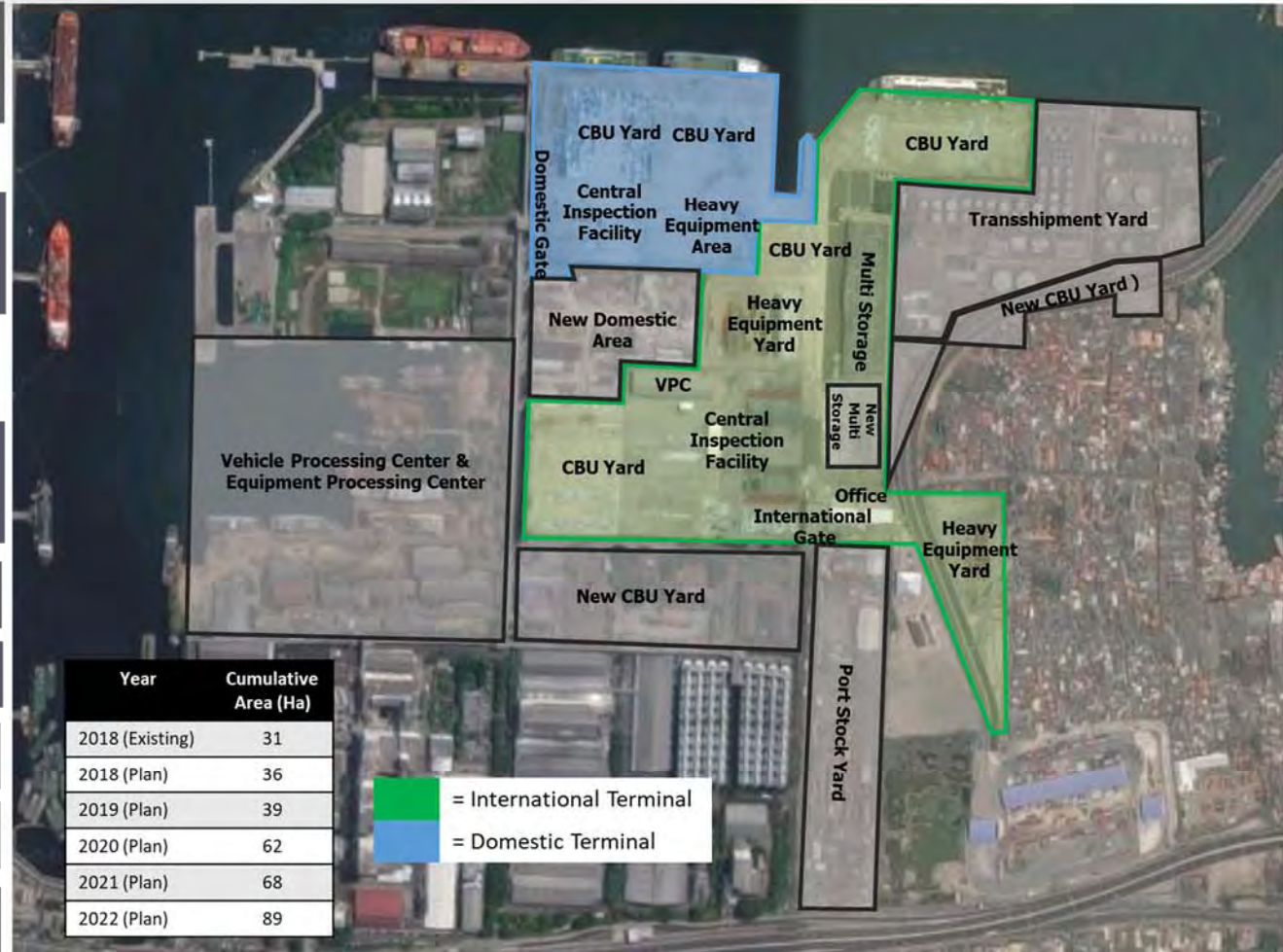
1. GERMANY (BREMERHAVEN, 240 HA)

2. BELGIUM (ZEEBRUGGE, 159 HA)

3. BELGIUM (ANTWERP, 125 HA)

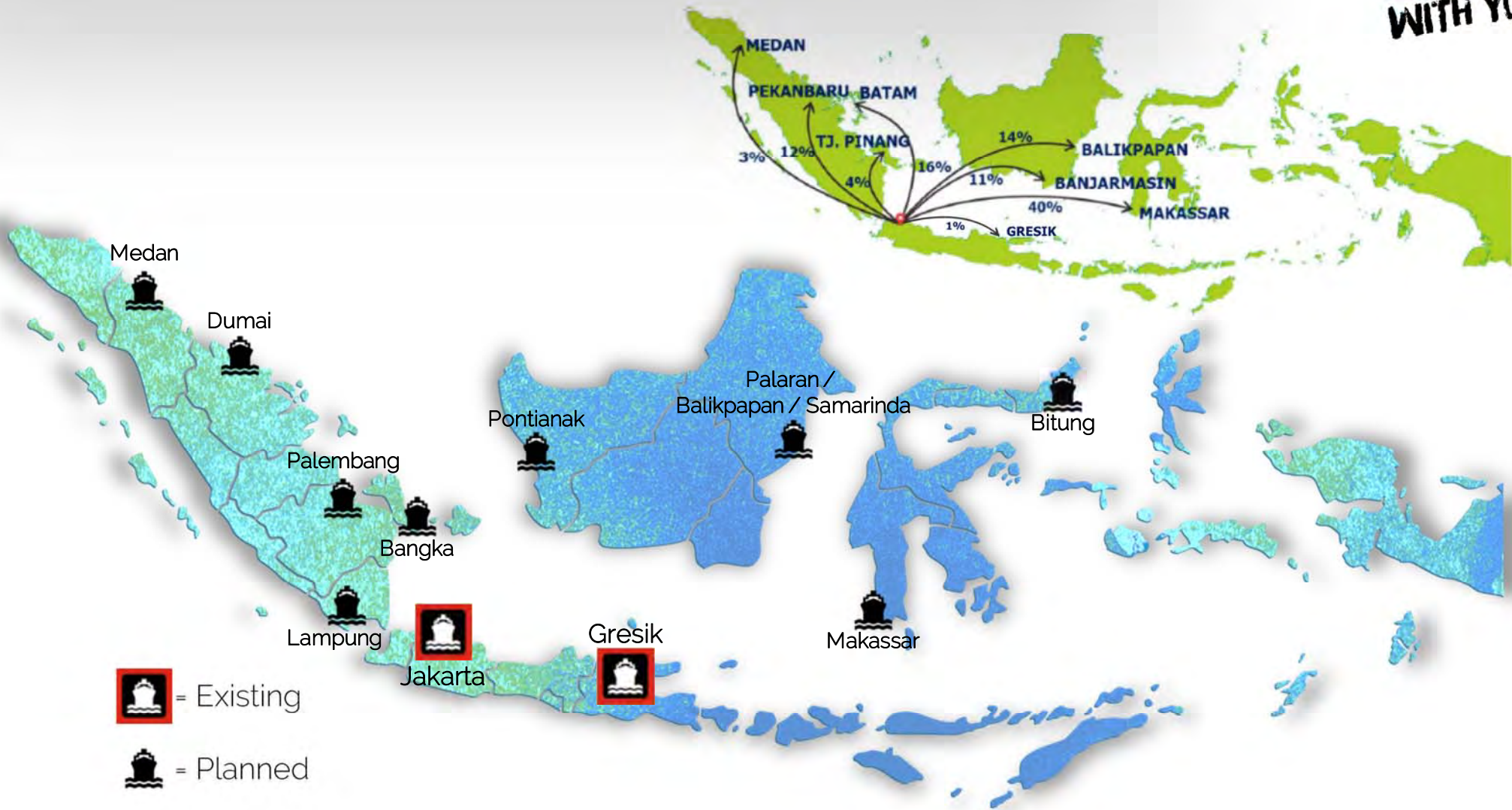
4. FRANCE (LE HAVRE, 100 HA)

5. INDONESIA (IPCC TJ. PRIOK, 89.5 HA)



4.2 DOMESTIC CAR TERMINALS DEVELOPMENT

Based on actual domestic cargo flows, IPCC plans to develop new car terminals in the most prospective areas.



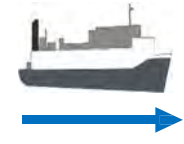
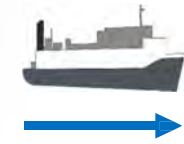
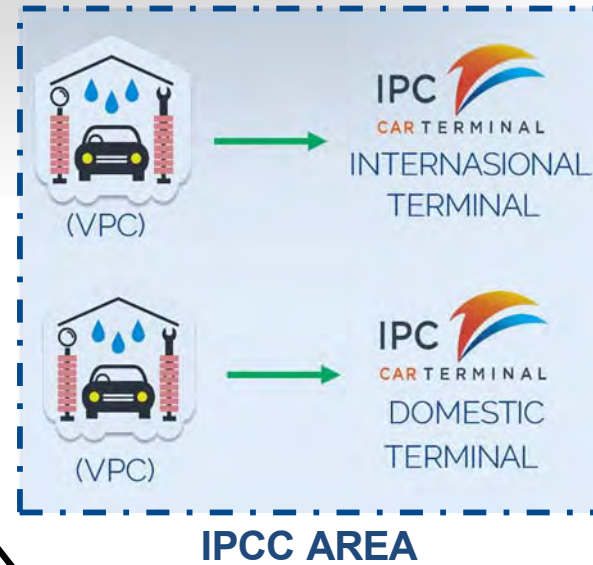
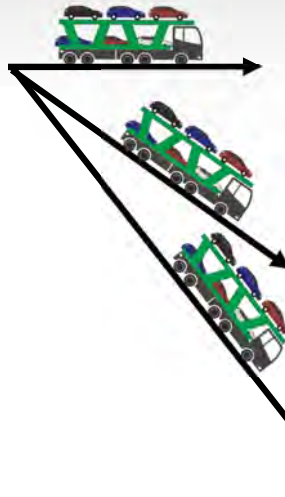
4.3 VEHICLE & EQUIPMENT PROCESSING CENTER DEVELOPMENT

Based on actual demand and Best Practice in Europe Car Terminal (Zeebrugge, Barmerhaven, Rotterdam etc), VPC & EPC play an important role to reduce logistic cost cargo owner through integration services within terminal

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FACILITIES

- Minor Repair
- Painting
- Engine Repair
- Accessory Fitting
- Washing
- Spare Part Management
- Marking And Labelling
- Pre Delivery Inspection (PDI)
- Port Stock
- Showroom
- Inventory Management





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5. OPPORTUNITIES AND CHALLENGES

**Understanding RORO Freight
Transportation : Experience & Challenges**

IPC CAR TERMINAL
JULY 2018

5.1 CHALLENGE OF TRANSFORMATION FROM ROAD TO RORO VESSEL

Problem with the competitiveness price of vessel fuel and mindset of truck owner



Fact :

- Jakarta To/From Semarang / Surabaya By Road = 12.000 Units Truck Per Day (Red Arrow)
- Merak Port To/From Bakauheni Port By Ferry = 4.000 Units Truck Per Day (Blue Arrow)

Challenges :

- 30% Total Trucks Moving By Using RoRo Vessel (Yellow Arrow)
- 50% Total Truck Form Ferry Moving To Roro Vessel By Using Route Tanjung Priok–Panjang Port (Brown Arrow)

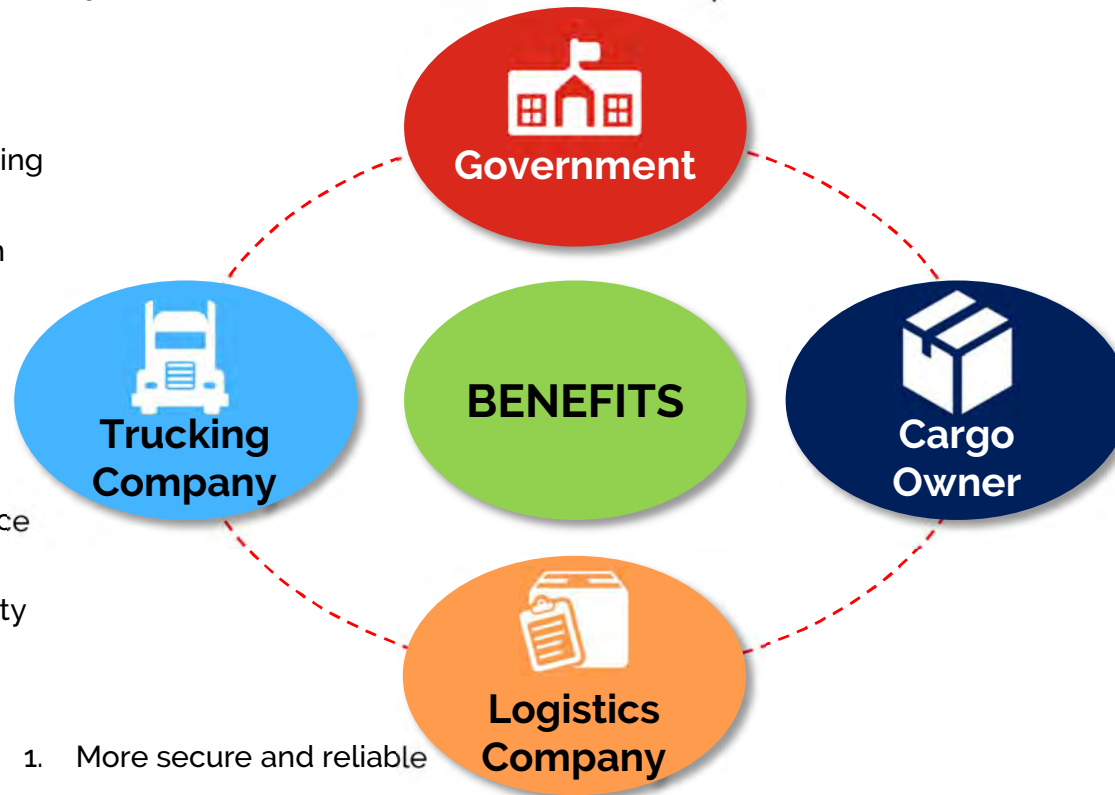
.... BENEFITS OF RORO SERVICES

National Interests (inter-island connectivity and short-sea shipping), accelerate logistics activities and reducing the burden of land transportation



1. Supporting inter-island connectivity (Java island and other islands)
2. Reducing government road maintenance, repairing, and fuel budget
3. Avoiding major accidents due to overloaded trucks causing congestion
4. *Eco-Friendly / Go Green*
5. Lower costs needed for infrastructure expansion

1. Avoiding congestion resulting in high operational costs
2. Avoiding illegal charges on the road
3. Reducing truck fuel consumption
4. Minimize risk of road accidents
5. Reducing truck maintenance cost (e.g. spareparts, tire)
6. Improve driver's productivity and effectiveness



1. Cheaper logistics cost than using land transportation
2. More secure and reliable
3. Fastest lead time with regular service, creating efficiency through effective management
4. Suitable and efficient for any type of cargo

1. More secure and reliable
2. Ensure timeliness
3. Efficient supply chain management that encourages effective inventory management
4. Suitable and efficient for any type of cargo

5.2 OCEAN GOING TRANSHIPMENT TERMINAL

Based on actual international cargo flows to Australia and Middle East, IPCC plans to develop transshipment terminal to reduce the shipping line cost

IPCC FOR RELAY TRANSHIPMENT FOR SOUTH ASIA AND OCEANIA



Potential transshipment to IPCC achieved by capturing market share of cargo from India and Japan for destination of Australia and New Zealand. Cargo from India under the brand TATA, SUZUKI and MAHINDRA and cargo from Japan has high demand in Australia and New Zealand.

Shipping line which serving the existing routes are MOL, NYK and K-Line transit at Singapore. With Indonesia strategic position, the growth of export cargo and the increased capacity of ships berthing and IPCC's land development, IPCC is very interesting to be relay transshipment between India and Japan to Australia and New Zealand or vice versa.

Shipping line from Japan to Australia could berthing in Jakarta and return to Japan, does not need to Australia, but the cargos can be transported by ship from India to Australia, so the ship operating costs could be reduced.

IPCC FOR HUB TRANSHIPMENT FOR MIDDLE EAST MARKET



With the hub and spoke transshipment patterns, IPCC can take advantage by serving Middle East market, such as Saudi Arabia, Oman, Bahrain, Yemen, UAE and Iraq.

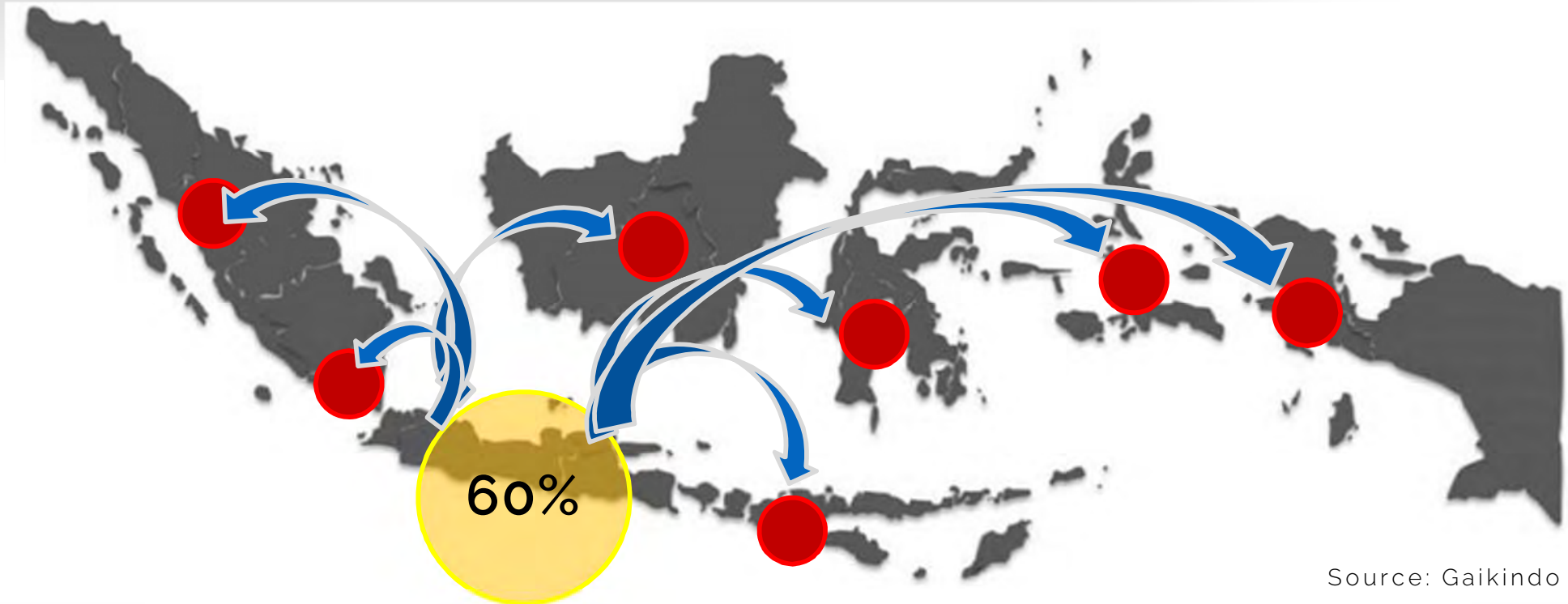
With the increasing volume of Indonesian exports and become the majority in the shipment of cargo, especially cargo from Toyota, Daihatsu and Suzuki for the purposes of the Middle East by mother vessel, there will be possibilities that lower export volume such as from Thailand, Australia, Taiwan, or Japan can be consolidated in Indonesia using feeder vessel by IPCC's transshipment terminal.

5.3 CHALLENGE OF DOMESTIC AUTOMOTIVE INDUSTRY

Problem with the development regional equity



MARKET OF DOMESTIC



Source: Gaikindo

The problem of domestic market is because the infrastructure development haven't equally distributed. Currently, 60% of indonesia's automotive market are centered at Java Island. So this is the reason for IPCC to take into action to build and operater car terminal outside Java

5.4 CHALLENGE OF GLOBAL AUTOMOTIVE INDUSTRY

CHALLENGES

1

ENERGY AND ENVIRONMENT ISSUE

Many country in the world are concern about the energy and environment issues with CO2 tax and café rule implemented

→ VEHICLE TECHNOLOGY TRANSFORMATION IS NEEDED TO ADJUST WITH THE GLOBAL CHANGE. (DRIVETRAIN, ENGINE, ENGINEERING QUALITY, ETC.)

2

TECHNOLOGY AND VEHICLE SAFETY ISSUE

Safety requirement for global & ASEAN are getting more strict (a high safety technology is needed)

→ INCREASE THE VEHICLE SAFETY TO COMPETE WITH GLOBAL VEHICLE (EXPORT COMPETITION)

3

FREE TRADE AREA ISSUE

Vehicle competition increased because the addition on choice of vehicle overtime (with lower import cost)

→ A NEW CBU MODEL RELEASED (COMPETE WITH NATIONAL PRODUCT)

5.5 IPCC STRATEGY

To support the increase of export cargo and government sea toll (Tol Laut) program

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1.

Terminal development to increase capacity by 50% within current 31 ha area in **Port of Tanjung Priok**

2.

Increase 59% throughput by transferring domestic car throughput currently handled by a sister company in Port of Tanjung Priok, as of 2018.

3.

Value Added Services Development (2018-2022):

- **VPC & EPC** to achieve CAGR of **>25%**
- **Port Stock** to achieve CAGR of **>30%**

4.

New domestic terminal development in **other cities** that possess highest throughput

5.

Terminal expansion in Port of Tanjung Priok, from currently **31 ha** to become **89.5 ha** (all is owned by IPC and inline with the Government's Port Blueprint as a Car Terminal area), resulting IPCC as the **5th largest car terminal in the world** (in terms of area)

6.

Ocean Going Transshipment Terminal Operations for Australia and Middle East Market (**Long Term**)

7.





Human Capital Development



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