

NAVIGATING THE NOW AND BEYOND PANDEMIC COVID 19

WEBINAR – CURRENT CHALLENGES & FUTURE OPPORTUNITIES FOR PORT & TERMINAL IN ASIA

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EVP Corporate Strategy Planning

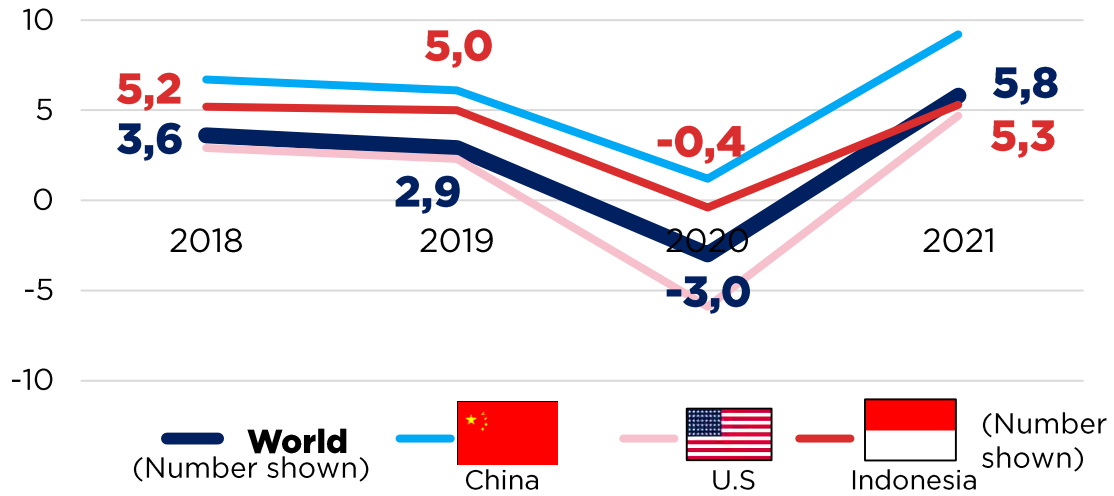
PT Pelabuhan Indonesia II (Persero)
29 May 2020



The Impact of Pandemic on Macro Economic 2020

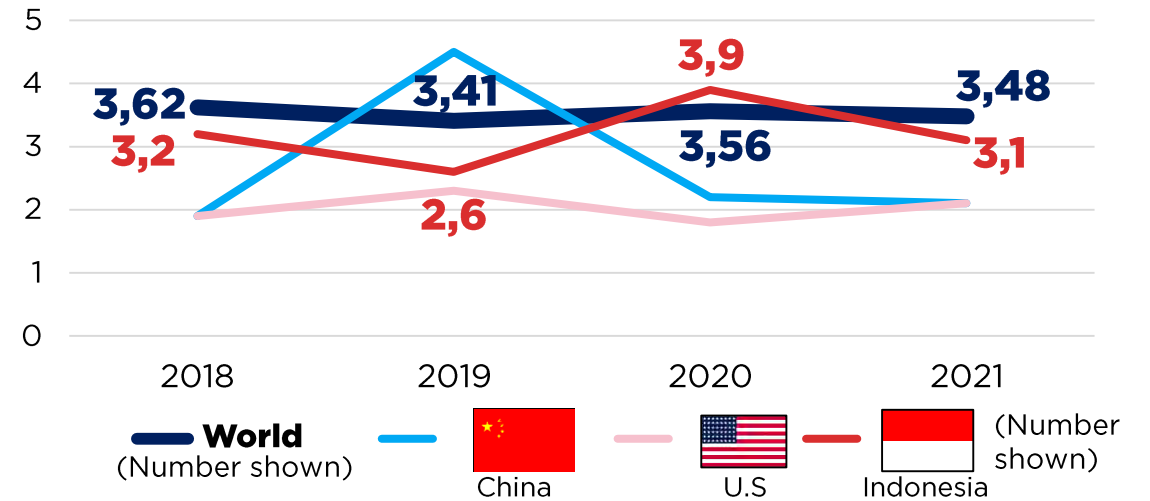
GDP Growth (%)

Source: IMF , The Great Lockdown May 2020



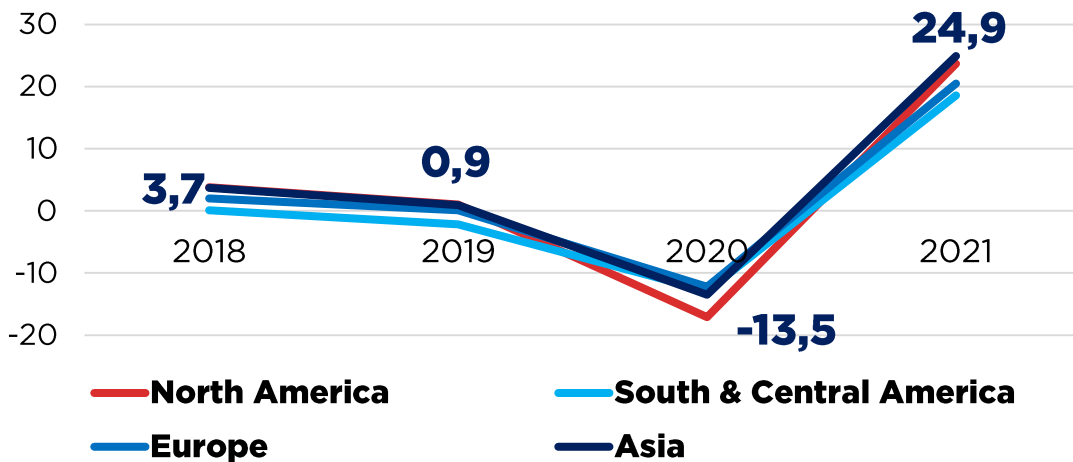
Inflation Rate (%)

Source: Fith Rating & Statista, May 2020



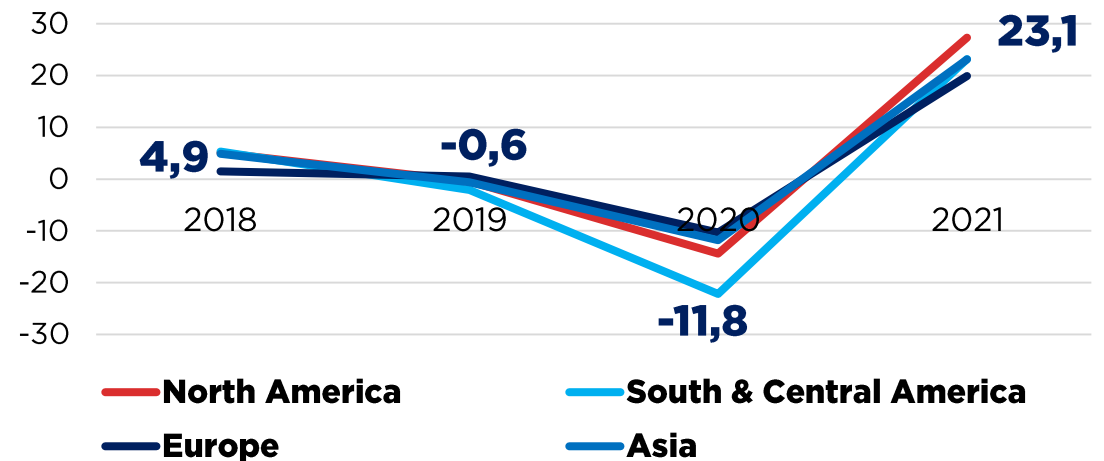
Annual Change Export Merchandise Trade (%)

Source: WTO



Annual Change Import Merchandise Trade (%)

Source: WTO



3 Covid -19 Scenarios for Indonesia during pandemic

Scenario of Pandemic impact to Indonesia's economy



Pandemic End Time

2 - 3 months of pandemic ending - **around June 2020**

4 - 6 months of pandemic ending - **around December 2020**
back to work

Beyond December 2020



Indonesia GDP Growth

3% - 4%
GDP Growth

0% - 3%
GDP Growth

Minus
GDP Growth



Corporate Performance

Business will experience **turbulence** but will still be **able to back to normal**

Many businesses **go bankrupt** & the are only **half of them** are survive

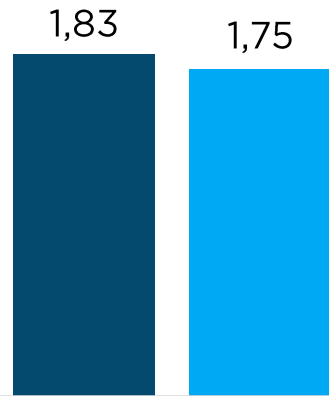
The phenomenon of **bankruptcy** is widespread & **cash buffer days** are up

IPC'S Operational Throughput Performance impact



CONTAINER
In Million TEUS

▼ 4,02%



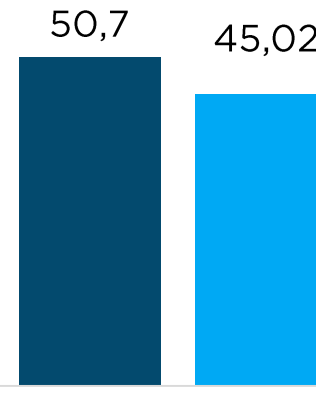
NON - CONTAINER
In Million Tonnage

▼ 1,60%



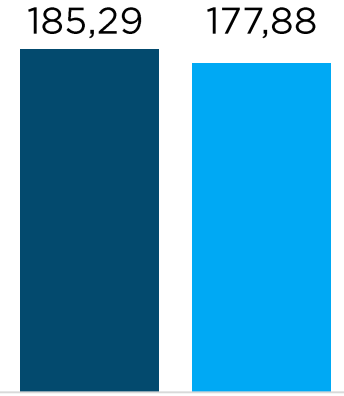
SHIPPING CALL
In Million GT

▼ 11,20%



PASSENGER
In Thousand People

▼ 4,00%



Note:

● 1st Quarter - 2019 ● 1st Quarter - 2020 ▼ Trend

IPC Strategy for navigating through “the now & beyond” Pandemic Covid-19

People



- People health
- Workplace readiness
- Communication & Support Culture



PEOPLE HEALTH

- Accelerate smart work (Agile virtual work system)
- Enhance health & Hygiene



WORKPLACE READINESS

- Manage workforce flexibility
- Identify critical & supporting role
- Decrease risk exposure (i.e. face to face switch to on line)



COMMUNICATION & CULTURE

- Organize clear & effective communication structure & channels
- Build & enhance ecosystems (cross sector solution with others)

Business



- Governance & planning
- Revenue enhancement & cost effectiveness
- Re-focusing IPC



GOVERNANCE & PLANNING

- Implement corporate governance to maintain zero accident
- Achievable / executable programs, while remaining aggressive



REVENUE ENHANCEMENT & COST EFFECTIVENESS

- Cost efficiency by prioritizing activities that can increase revenue
- Prioritizing the must-have program/budget & maximizing resources effectively
- Smart in looking for additional revenue opportunities especially outside the IPC groups

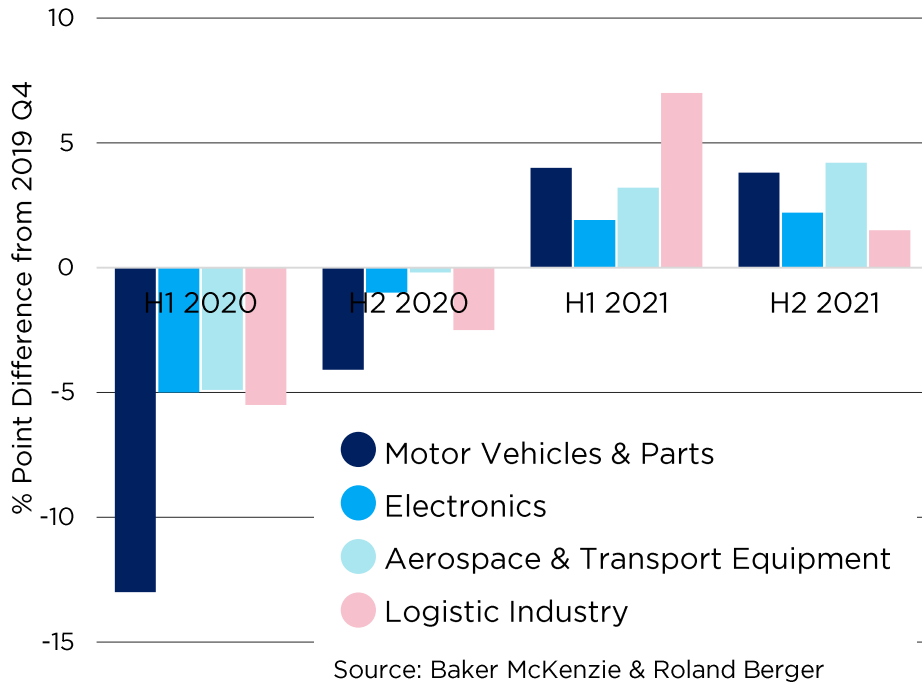


RE-FOCUSING IPC

- Synergy of subsidiaries by staying focused on the core business
- Focus and return to the core corporate competences by developing the services capabilities to meet customer expectation.

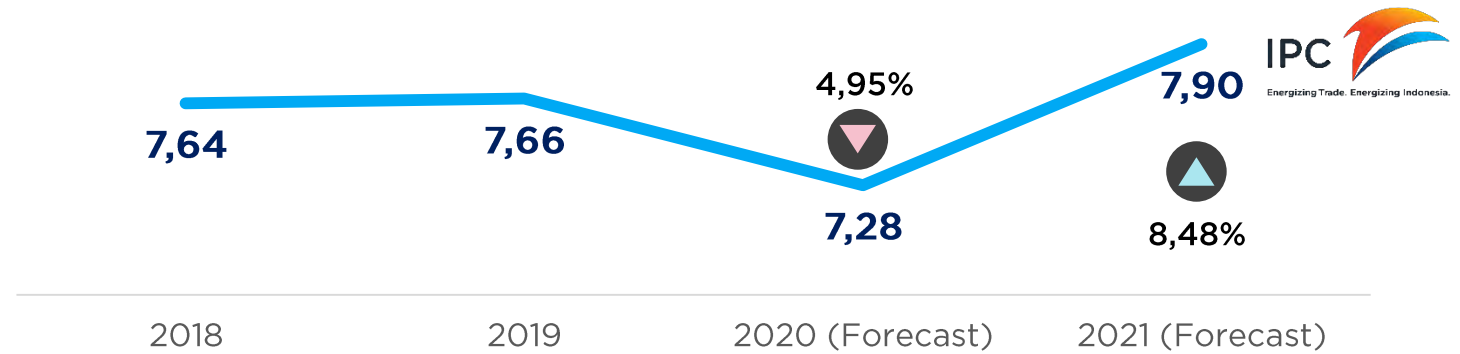
Optimism Bouncing Recovery scheme after a pandemic

Forecast Global Sectoral Output



Hardest-hit sectors are likely to see the strongest recovery as pent-up demand is released in line with a recovery in sentiment, and production ramps up. After a dramatic decline in H1 2020, all five sectors will experience a recovery in H2 2020.

IPC Recovery Performance - Container Throughput (Million TEUS)



4 Main Initiatives to achieve the Optimism Bouncing Recovery scheme



Business Expansion

Expansion of the port area, Add the new facilities such as NPCT 2, Kijing Port & Business expansion outside IPC group



New normal of working life

The new normal of employee working life goes effectively & manager to organize clear & effective communication



Port Services & Digitalization

Enhancement & standardization of port operation services through development of digitalization in IPC group



Collaboration & transshipment

Collaboration among Stakeholder, International organization (IPC Sister Port) & Expand market for transshipment activities through development of partnership with key shipping lines

Thank You