



IPC

PT Pelabuhan Indonesia II (Persero)
Energizing Trade. Energizing Indonesia.

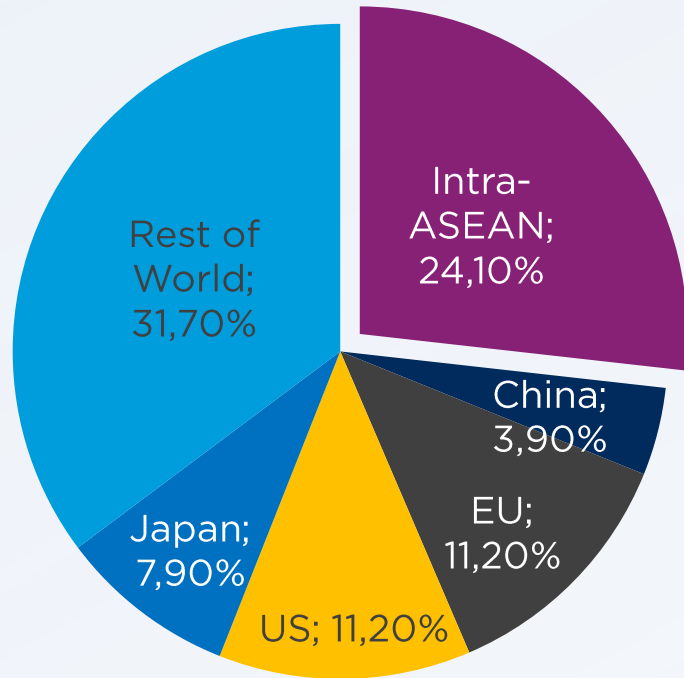
IPC ROLE IN INTRA- ASEAN CONTAINER TRADE

ASEAN PORT AND SHIPPING 2020

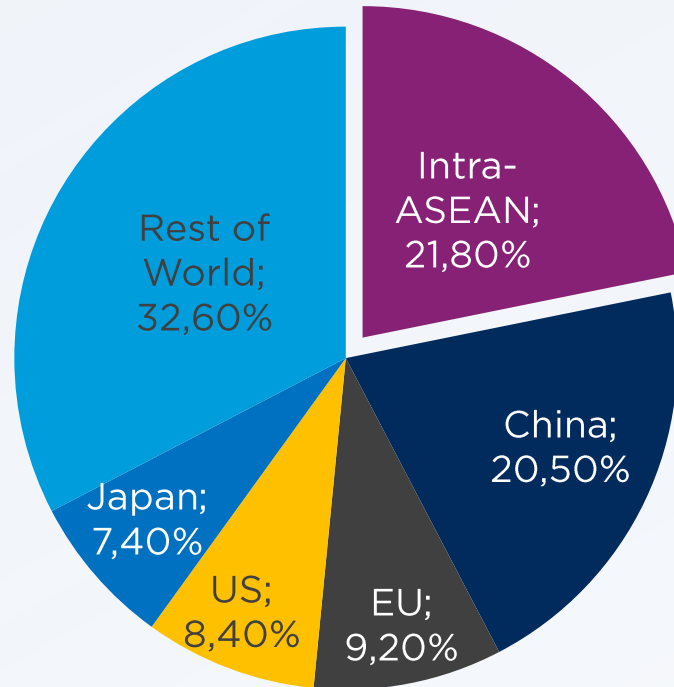
Elvyn G Masassya
PT Pelabuhan Indonesia II (Persero)

INTRA ASEAN TRADE IN NUMBER

..Intra ASEAN trade is still dominating compared to trade in the other continent / countries



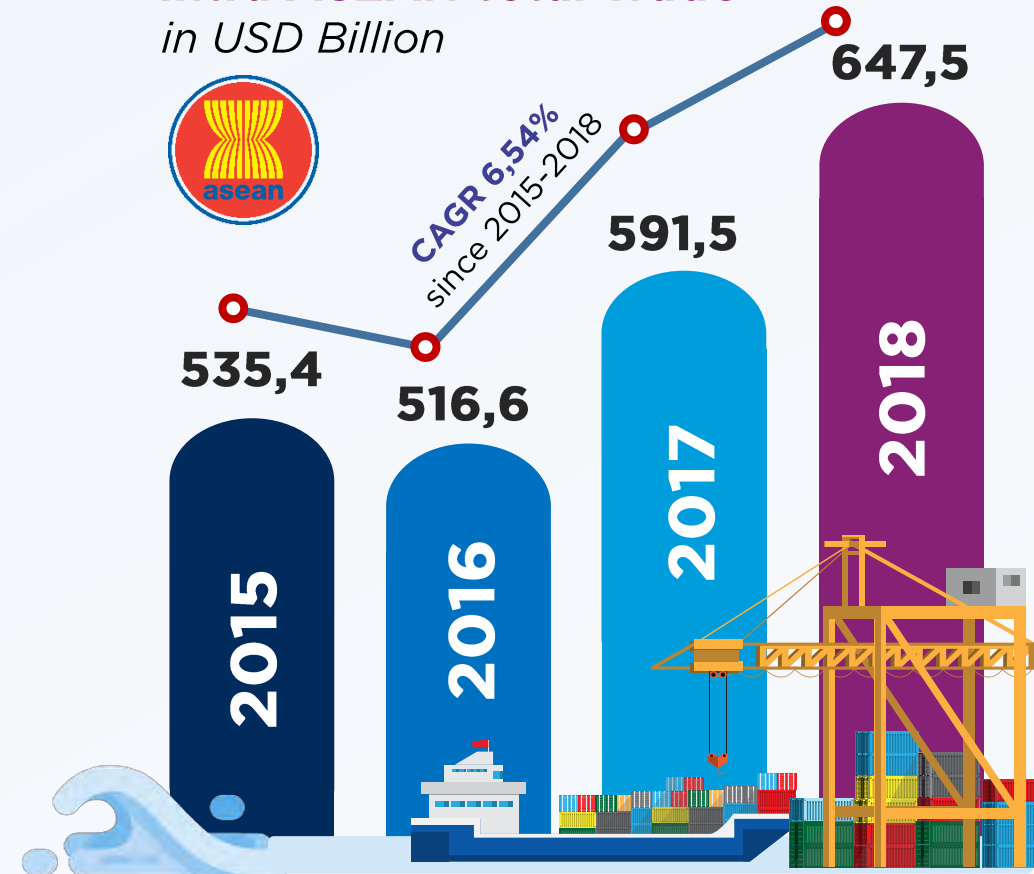
**DESTINATION OF
GOOD EXPORT 2018**



**DESTINATION OF
GOOD IMPORT 2018**

Source: ASEAN Secretariat (as of September 2019).

**Intra ASEAN total Trade
in USD Billion**

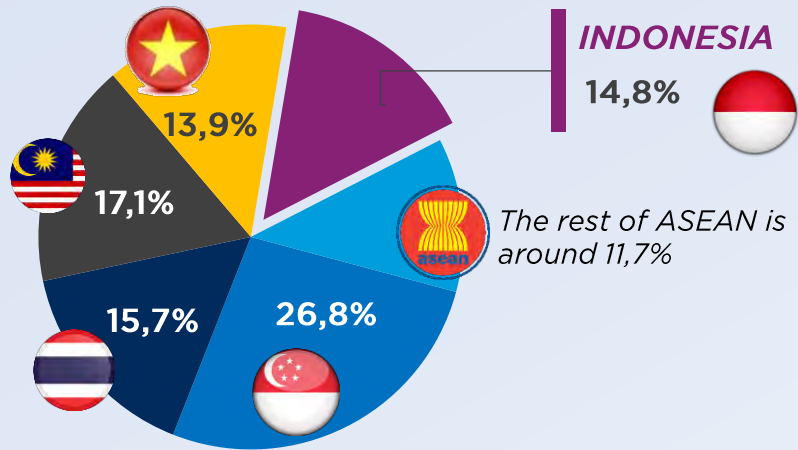


Source: United Nations Conference on Trade and Development (UNCTAD) (n.d.a) for World Trade Data; ASEAN Secretariat (as of September 2019) for all others.

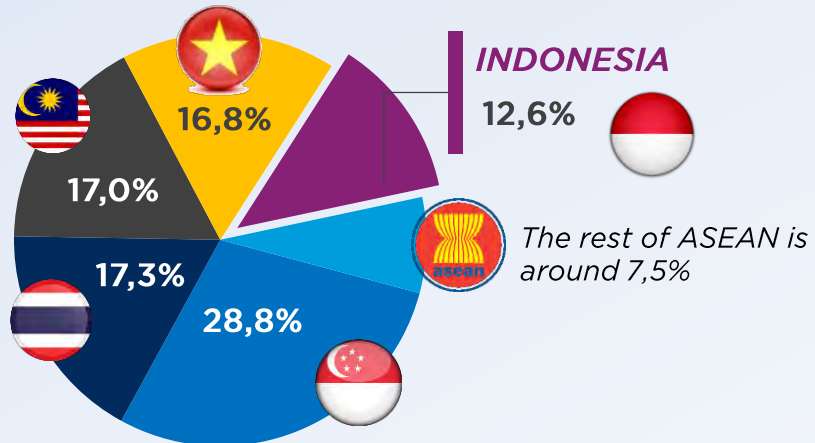
INDONESIA'S POSITION IN INTRA-ASEAN TRADE

..Indonesia has a strategic geographical location between ASEAN countries in the trade flow

Share of Good Import (%) by ASEAN Member 2018

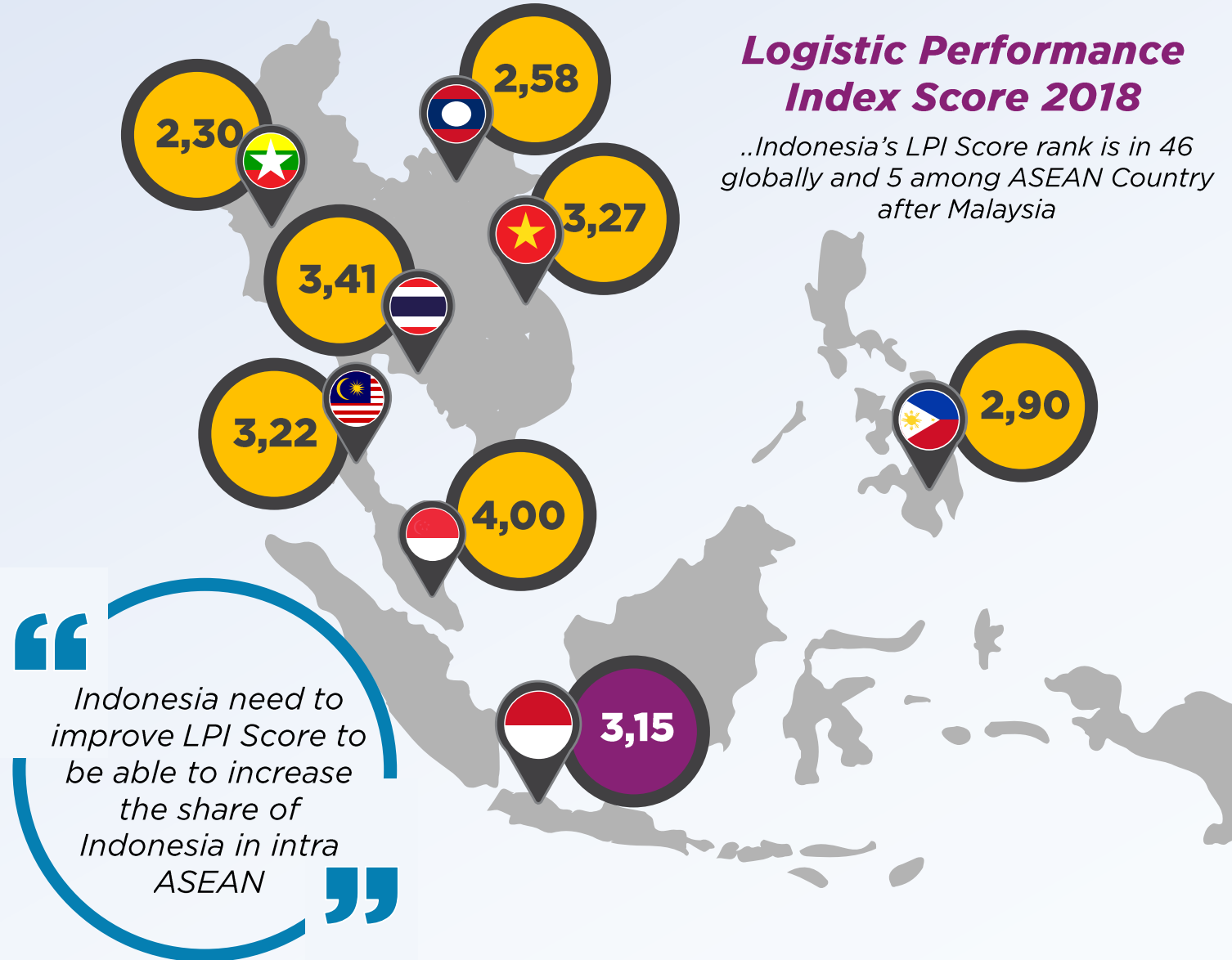


Share of Good Export (%) by ASEAN Member 2018



Logistic Performance Index Score 2018

..Indonesia's LPI Score rank is in 46 globally and 5 among ASEAN Country after Malaysia



INDONESIA'S LOGISTIC CHALLENGE

Meanwhile, Indonesia still need to face several Challenge..

1 SHIPPING TREND

1. Shipping Alliances & Consolidation

Since April 2017, the trade channel has been dominated by 3 Shipping Alliance, namely 2M, Ocean and THE Alliance

2. Vessel Size

Since the Global Financial Crises shipping line has become increasingly active and responsive to increasing ship capacity

3. Transshipment VS Direct Call

Transshipment volume in the world has increased by 4% since 2010

3 PORT TREND

7. Automation & Greenport

Automation become a new trend to boost terminal capacity

8. Indonesia Port Dev.

There are at least 4 port developments in Indonesia that threaten to takeover the IPC market

9. Big Data & Analytic

Projected data processing revenues are projected at US \$ 87 billion

2 TRADE, INDUSTRY & CARGO OWNER

4. Relation Game Changing

Since entering Industry 4.0, all logistics parties have started to approach directly with Cargo Owner

5. 3D Printing & Environment

The development of 3D is considered very rapid and predicted in 2040 50% manufacture will be done with 3D Printing.

6. Political Uncertainty

During 2019 there were at least a number of political polemics that occurred and had an impact on the flow of world trade,

.. To face these challenge, collaboration among Government, logistic stakeholder - port operator is needed



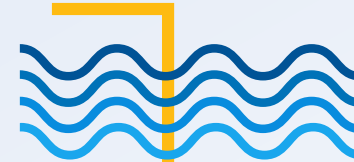
INDONESIA AS GLOBAL MARITIME AXIS

..Jokowi has an ambition to transform Indonesia to be a Global Maritime Axis

5

MAIN OBJECTIVES TO ACHIEVE INDONESIA'S VISION BECOMING GLOBAL MARITIME AXIS

1. REDUCE LOGISTICS COST
2. IMPROVE SUPPLY CHAIN RELIABILITY
3. INCREASE JOB OPPORTUNITIES
4. ATTRACT PRIVATE INVESTMENT
5. STIMULATE REGIONAL ECONOMIC GROWTH



..Action needed to be taken to achieve the objectives

1. REPOSITION TO BE MORE COMPETITIVE
2. REDUCE THE COST OF DOING BUSINESS
3. IMPROVE CONNECTIVITY
4. INTEGRATE INDUSTRY AND LOGISTICS
5. INCREASE PORT CAPACITY



GOVERNMENT EFFORTS TO MAKE INDONESIAN AS A GLOBAL AXIS MARITIME



INFRASTRUCTURE DEVELOPMENT

Connecting major infrastructure with people's production zones: small industrial zones, Special Economic Zones, tourism zones, paddy fields, plantation zones, and fishponds



ENCOURAGE INVESTMENT

Inviting as much investment as possible to create jobs, cut licensing, extortion and other investment constraints



HR DEVELOPMENT

Development of human resources by ensuring pregnant women's health, infant health, toddler health, school-age child health, reducing maternal-infant mortality, improving the quality of education, vocational training, building Indonesian talent management institutions, and support for high-talented diaspora



BUREAUCRACY REFORM

Structural reform to have institutions that are simpler, more agile, mindset changes, speed of service, speed of granting permission, institutional efficiency



APBN (STATE BUDGET) UTILIZATION

Ensuring the use of a focused and targeted APBN, ensuring that every rupiah from the APBN has economic benefits, providing benefits to the people, improving the welfare of the community

A world map rendered in a wireframe style with glowing cyan lines and dots, representing a global network. The map is centered on the Atlantic Ocean, with North and South America on the left and Europe, Africa, and Asia on the right. The text is overlaid on the left side of the map.

IPC ROLE IN INTRA- ASEAN CONTAINER TRADE

INDONESIA PORT CORPORATION II PROFILE

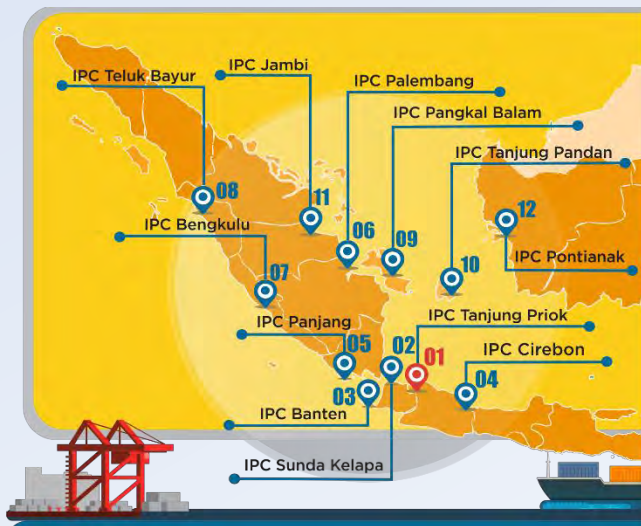
..IPC is the largest port operator company in Indonesia with 12 Branches & 17 Subsidiaries

1 SOE COMPANY **BUMN**

Hadir untuk negeri

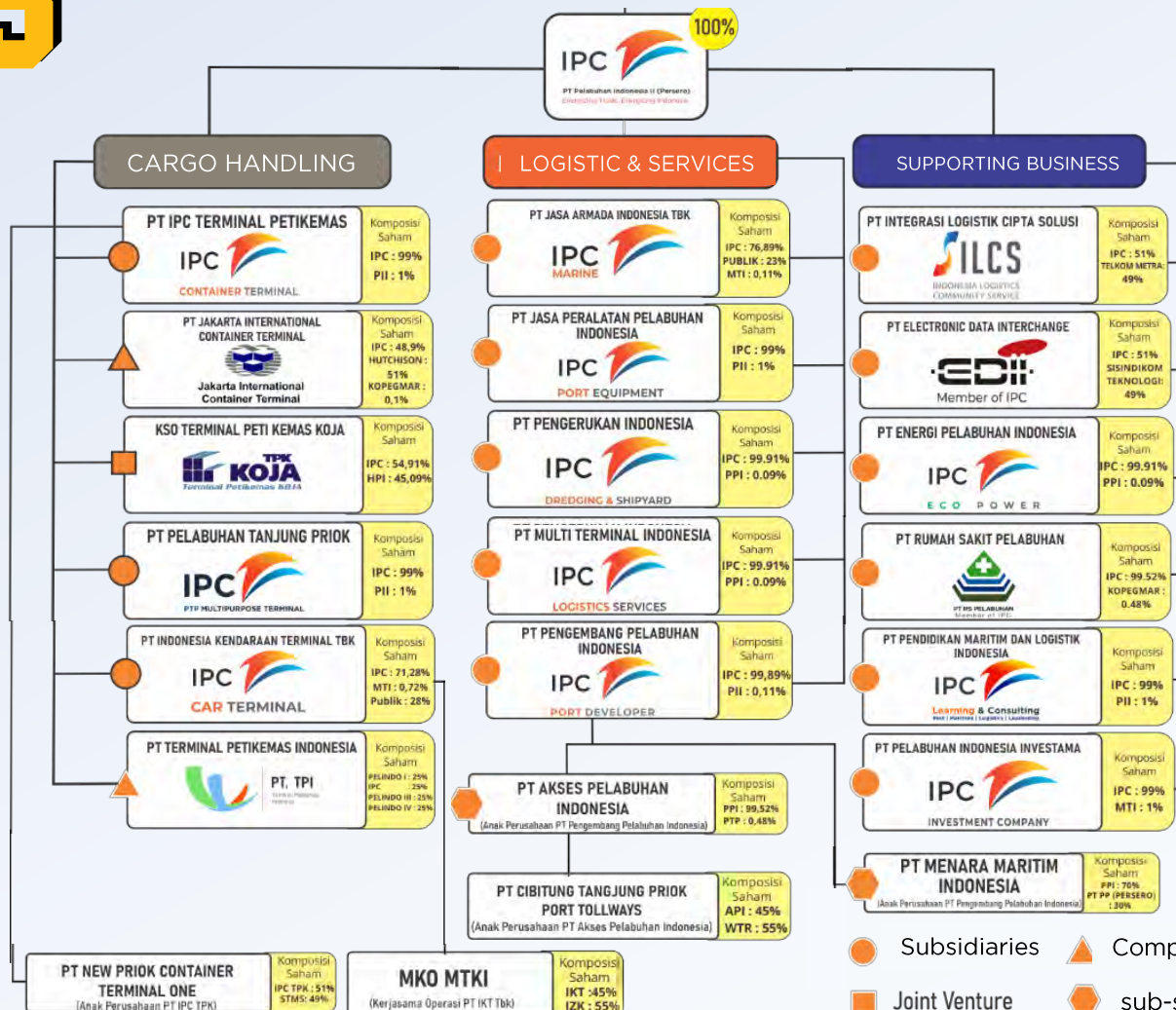
100% state-owned enterprise and engaged in operating public ports.

2 IPC BRANCHES



12 branches across 10 provinces with Tanjung Priok port as **the biggest port in Indonesia** handling 7.6 million TEUS and at **22nd position in the world**

3 IPC SUBSIDIARIES



17 subsidiaries with business: terminal operator, logistics and port services, and supporting business

INDONESIA PORT CORPORATION'S VISION 2024



IPC VISION

"To be world class trade facilitator through port ecosystem"



IPC MISSION

"Maximize stakeholder value"

IPC ROADMAP 2020-2024

.. IPC created roadmap for 5 years to achieve the vision of 2024

2020



WORLD CLASS

World class performance

2021



STRENGTHENING

Consistent world class performance

2022



VALUE CHAIN EXPANSION

Expansion of value chain presence

2023



VALUE CHAIN INTEGRATION

Holistic value chain presence

2024



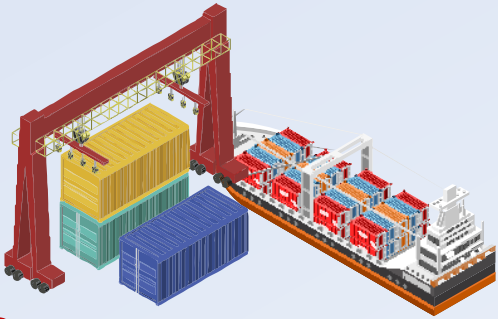
WORLD CLASS TRADE FACILITATOR

Ecosystem player

THE ROLE OF IPC IN PROMOTING CONTAINER TRADE FLOW IN INTRA-ASEAN TRADE

3 initiatives to promote container trade in Intra-ASEAN and to reduce logistics costs in Indonesia..

1 MARITIME TRILOGY & INFRASTRUCTURE



Maritime Trilogy



7 Hub Development



Corporate Strategic Projects



Transshipment hub and direct call port

2 DIGITALIZATION



Improve operational activities



Capturing customer expectations



Back office administration effectiveness

3 PARTNERSHIP



Partnership with Global Port Player



Sister Port



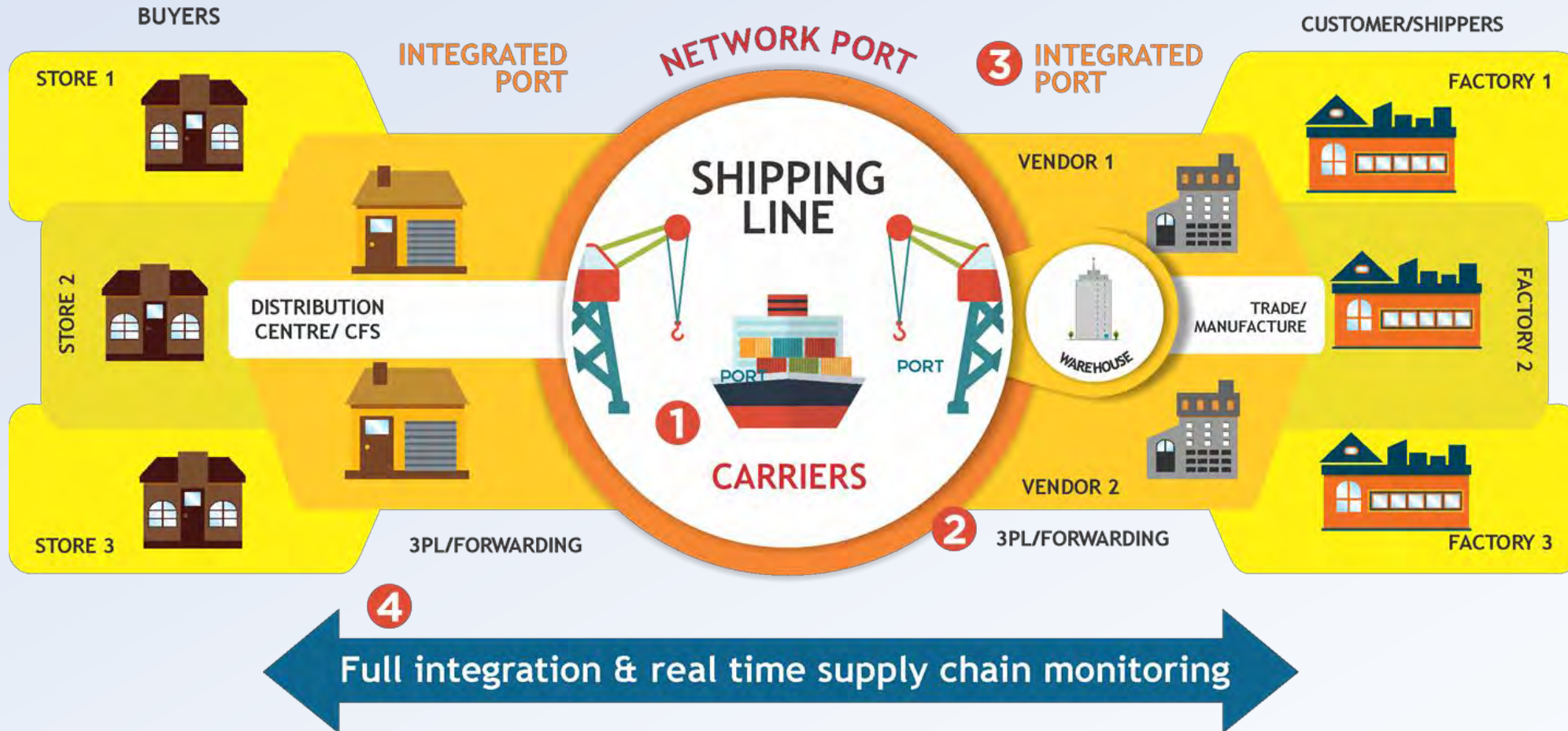
Partnership & Investment Opportunities



INFRASTRUCTURE DEVELOPMENT INITIATIVES

MARITIME TRILOGY

“Maritime Trilogy” is a solution by combining both sea toll road and integrated port concept. Port Network will connect the 7 hub ports (sea side) while integrated port connect ports with industrial area (land side).

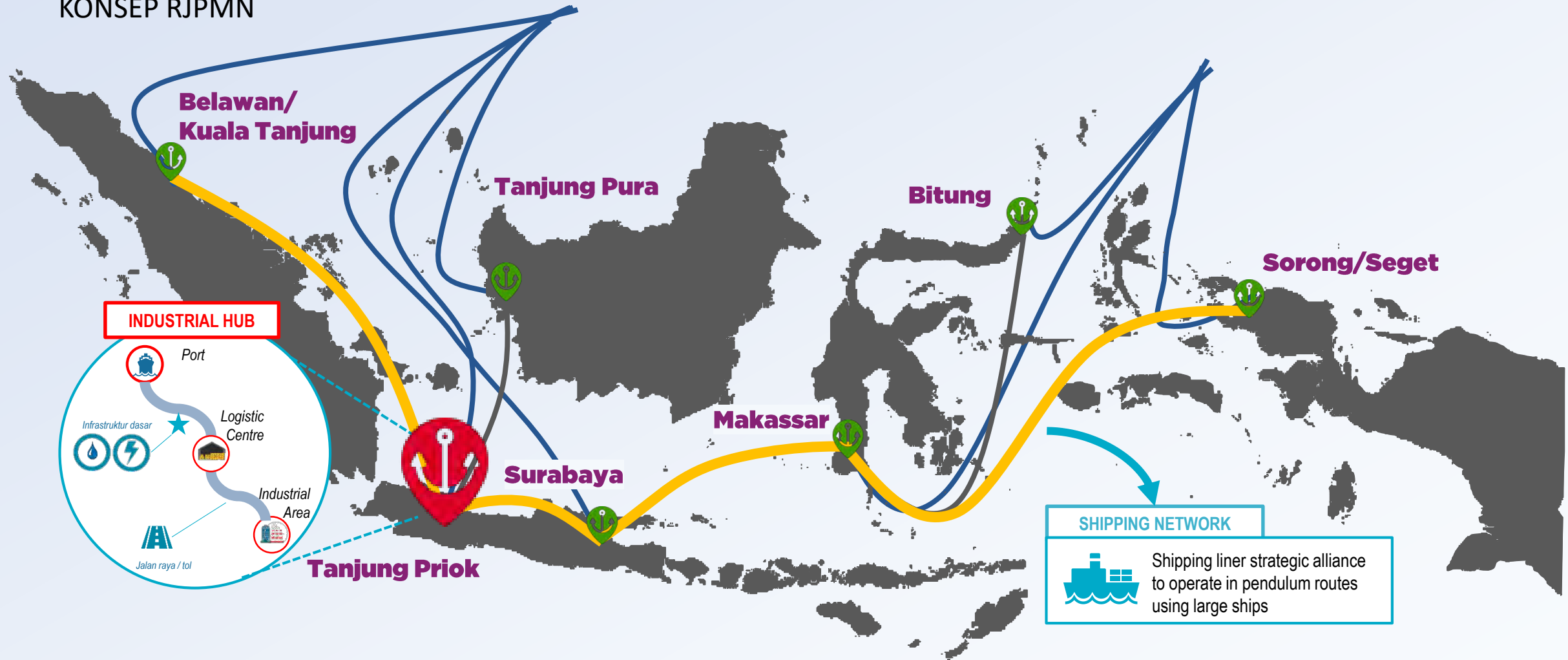


Integration is essential aspect which ensures not only internal consistency between policies and actions projects but also linkages between the process of planning and implementation.

7 HUB PORTS DEVELOPMENT

The development of 7 hub ports requires a huge investment, an opportunity for global players or investors to participate.

KONSEP RJPMN



INFRASTRUCTURE DEVELOPMENT PROJECTS

★ PORT OF KIJING (TANJUNG PURA TERMINAL)

- Project cost Phase 1: USD 139 million
- Concession Agreement has been signed 12 July 2018 for 69 year;
- Divided into 2 phases:
 - First Phase : 2018-2020
 - Second Phase : 2024 - 2026
- Groundbreaking on April 2018

	Phase I	Phase II	TOTAL
Total Container Capacity (m TEUs/year)	0,95	1,00	1,95
Dry Bulk Cargo (mt / year)	15	15	15
Multipurpose Cargo (mt / year)	0,50	0,50	1,00
Liquid Bulk Cargo (mt / year)	8,34	3,84	12,18

- ★ Strategic Projects as declared in Presidential Decree No.3/2016 & No. 58/2017

★ SORONG PORT

- Feasibility study, RIP and SI & DED are currently under review ;
- Located at Seget District, West Papua;
- Expected development in 2021;
- One of part of project development to support "Toll Laut Program, where it can accommodate ships with size 3.000-5.000 TEUs
- This project can foster industrial activity for the eastern Indonesian
- Divided into 3 phases:

	Phase I	Phase II	Phase III	TOTAL
Capacity (m TEUs/year)	0,50	0,95	1,50	2,95
SEZ + Port (Ha)	10.000			
Length of Berth (m)	540	400	500	1,440
Container Yard (Ha)	22	13	15	50

★ NEW PRIOK (KALIBARU)

- New Priok Container Terminal I (NPCT1) was fully operating since August 2016
- Currently in bidding process of CT II as well as product terminal I & II

★ CIKARANG BEKASI LAUT INLAND WATERWAY (CBL)

- Feasibility study and market study has been reviewed
- Partnership for the construction and issuance of permits process
- Expected construction year: 2020
- Optimize connectivity to hinterland
- Capacity 1.6 Million TEUs/year
- Project cost: USD 197 million



DIRECT CALL & TRANSHIPMENT



TANJUNG PRIOK'S INFRASTRUCTURE DEVELOPMENT

Tanjung Priok Port is the Indonesia Regional Gateway

Tanjung Priok Port is the **biggest** port in Indonesia

> 60% Container in Indonesia through Tanjung Priok

The growth of Tanjung Priok traffic is driven by industry and consumption in the western part of Java Island



- Stacking yard reconfiguration/zoning**
It can increase container yard capacity from 4.5 mTEU up to 7.2 mTEU
- Improvement of facilities**
New loading equipment and strengthening of the existing berths
- Land optimization**
Rearrangement of idle area and utilize it as supporting facilities
- Other infrastructures improvements**
Dredging the channel up to -16



□ Port Area ■ Gateway activity ■ Industrial activity

Waterfront area covers roughly 400 ha

Land side currently covers roughly 600 ha

Currently a **gateway port**

Benefits from large urban captive urban hinterland

A world map rendered in a wireframe style, with cyan lines connecting various points across the continents to represent a global network. The map is set against a dark blue background.

IPC DIGITALIZATION PORTFOLIO & INITIATIVES

IPC DIGITAL STRATEGY

IPC has compiled a Digital Strategy & Roadmap in accordance with the company's vision, character, and values.

Vision **IPC SMART PORT**

**CUSTOMER
EXPECTATION
DRIVEN**

**EFFICIENT
OPERATION
DRIVEN**

**BACK-OFFICE
COLLABORATIVE
DRIVEN**

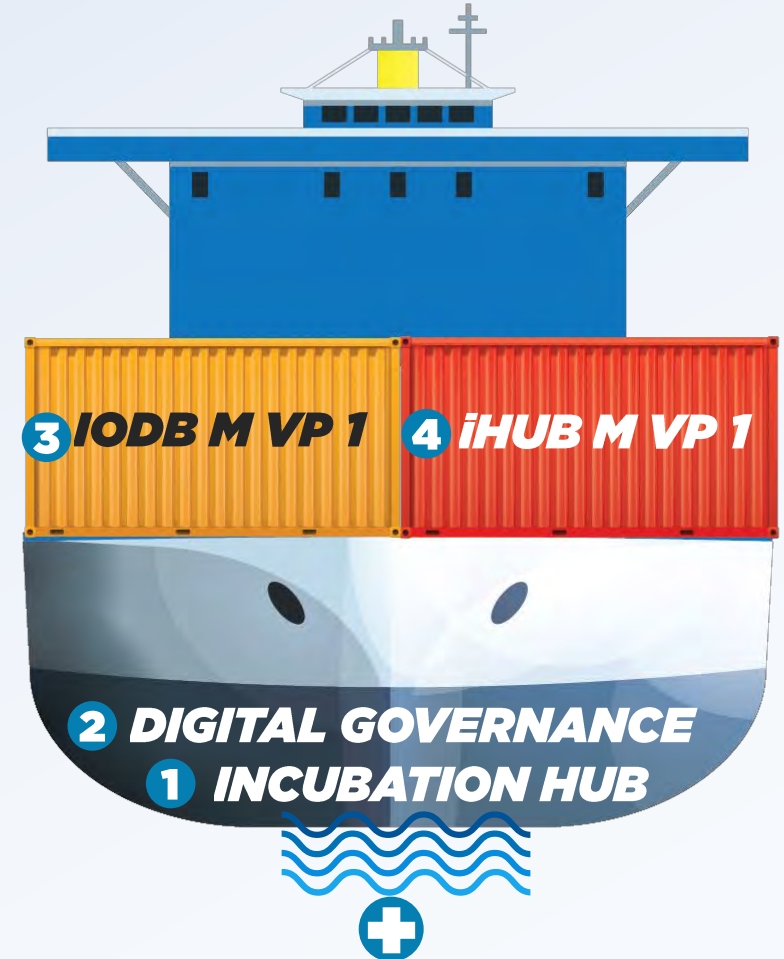
DIGITAL SERVICE FACTORY

DIGITAL TECHNOLOGY

DIGITAL GOVERNANCE

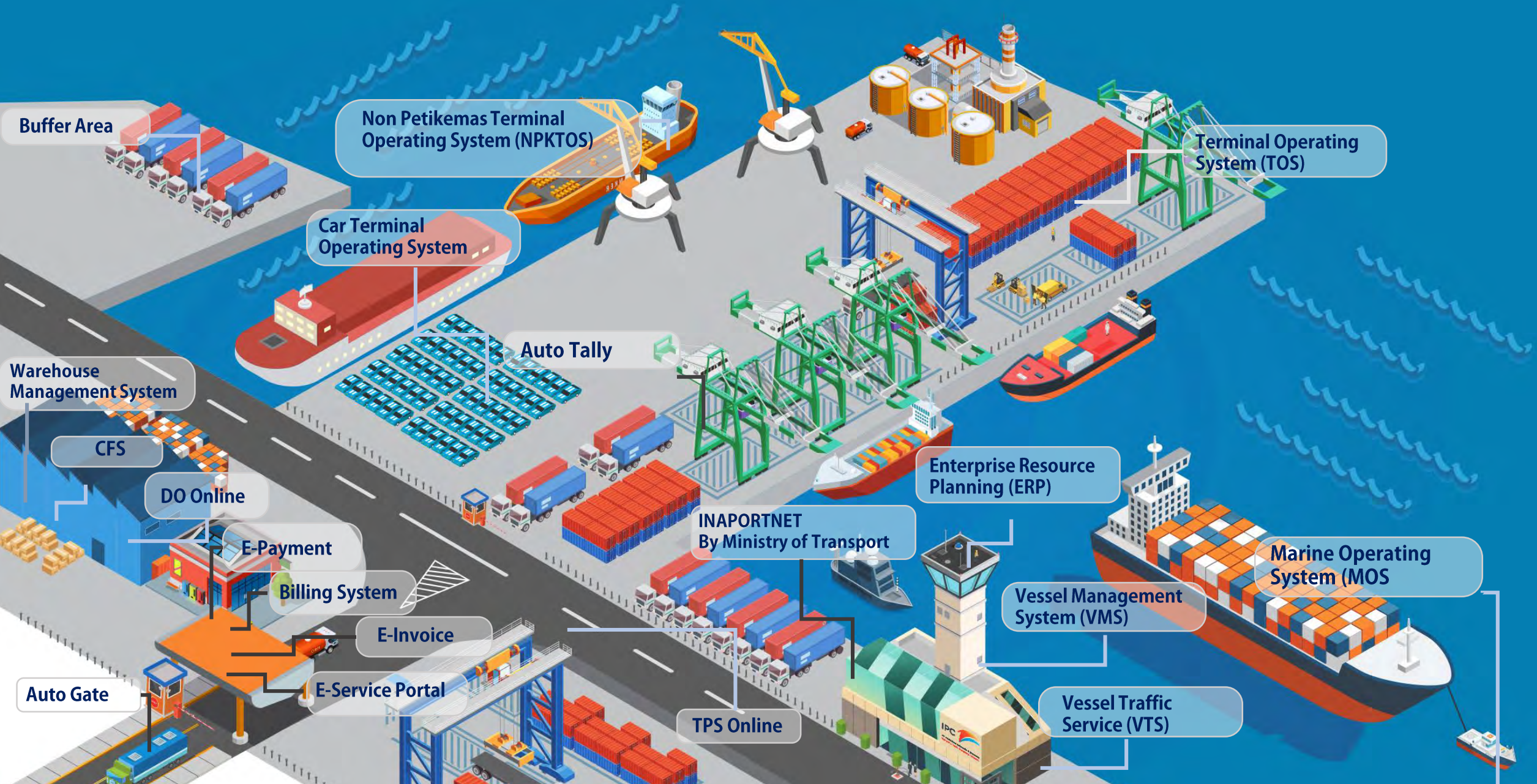
INCUBATION HUB

In 2020, IPC Digital Strategy is initiated by 4 (four) actions supported by the right change management



IPC EXISTING DIGITAL PORTOFOLIO

IPC EXISTING DIGITAL PORTFOLIO



SCALLING UP IPC'S DIGITAL CAPABILITIES

Be Digital: Connected Port

IOT - INTERNET OF THINGS



- Equipment Turnaround
- Asset Utilization
- Worker Safety
- Alerts

AI - ARTIFICIAL INTELEGENCE



- Robotic Process Automation
- Chatbot with Machine Learning

ANALYTICS



- Dynamic Planning
- Predictive Maintenance
- Data & Analytics
- Worker Productivity
- Geolocation
- Dynamic Scheduling
- Inventory Optimization
- Geofence Violation
- AIS analytics for vessel and operations planning

CLOUD



- Cloud Technology
- Cloud Security
- DevOps

USER EXPERIENCE



- Trade & Logistics Ecosystem
- Documents Tracing
- Transactions Visibility
- Faster Processing & Visibility
- Dematerialize Documentation
- Track & Trace
- Alerts
- Shipment Visibility
- In Port Congestion
- Integrated Payment Portal
- Freight Marketplace

MOBILITY



- CX Mobile Application
- Connected Fleet
- Connected Workers

IPC'S SHORTLISTED DIGITAL INITIATIVES

Leveraging technology to streamline operations and drive disruptive business impact.



OPERATIONS

Enabling productivity, reliability and reducing cost through an integrated data platform integrating front-end and back-end driving visibility, analytics, and cost transparency across operations and assets

1. **i-Hub (eService expansion)**
2. **Connected Operations-Maintenance (IODB)**



PARTNER AND INNOVATION ECOSYSTEM

Connect to partners and open innovation ecosystem through APIs and open platforms to promote new external innovative services

1. **Freight Marketplace**
2. **IPC Incubation Hub**



BACK OFFICE

Driving efficiency, employee, and customer experience from a transparent and more automated back-office with access to the right information at the right time

1. **Robotic Process Automation (RPA) on Finance and Customer Service**
2. **Integrated Payment Gateway**



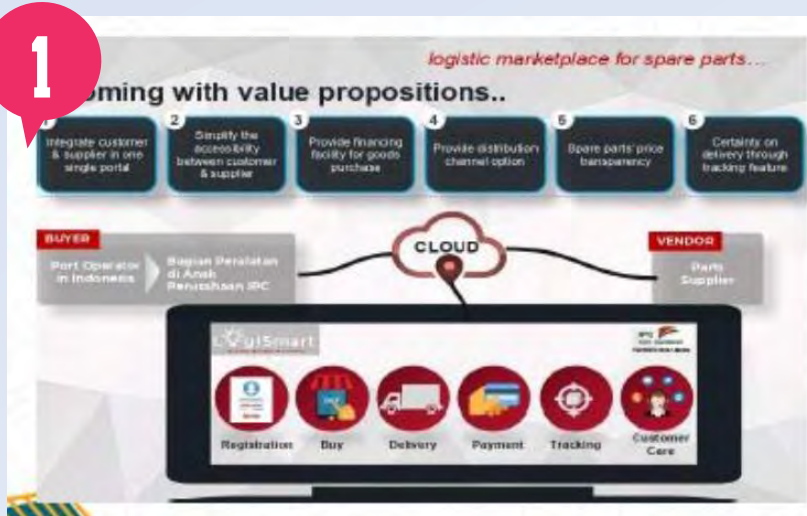
BUSINESS INTELLIGENCE AND ANALYTICS

Collaborating data and information within enterprise and logistic value chain through leadership and expertise in data and analytics to unlock potential benefits for the company and national logistics ecosystem

1. **Predictive Analytics**
2. **Big Data: Logistic and Open Ecosystem**

DIGITALIZATION THROUGH INNOVATION

...INNOCEN – Innovation Excellent as an innovation catalyst in IPC



LOGISMART

e-commerce for equipment spare part



DIGITARIUM

online apps for Maritime Museum



DIGIWARE

Blockchain smart logistics (order management, trace and track, and forwarding (open API)





PARTNERSHIP INITIATIVES

PARTNERSHIP WITH GLOBAL PLAYER

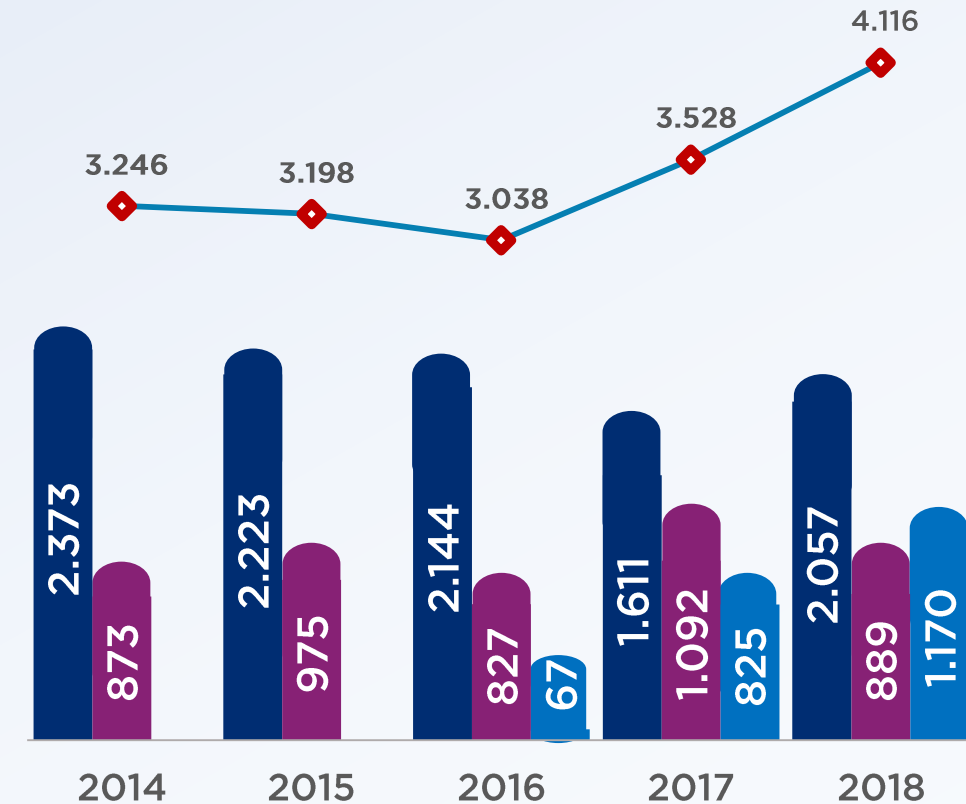
IPC has done partnerships with world class players in the port industry to gain capabilities enabling the goal to become world class port operator

IPC HAS STRONG RELATIONSHIPS WITH JV PARTNERS...



	JICT	KOJA	NEW PRIOK CT1
JV Partner Descriptions	<ul style="list-style-type: none"> Leading global port Technologically innovative and advanced Award winning proprietary terminal management system 		<ul style="list-style-type: none"> One of the largest trading companies in Japan Global operator of ports
Partner Role	<ul style="list-style-type: none"> Operation of JICT terminal in Tanjung Priok 	<ul style="list-style-type: none"> Operation of KOJA terminal in Tanjung Priok 	<ul style="list-style-type: none"> Operation of New Priok CT1

... HANDLING MORE THAN 4,1M TEU VOLUME A YEAR TOGETHER...



Jakarta International
Container Terminal



PARTNERSHIP & INVESTMENT OPPORTUNITIES

GREEN FIELD PROJECT



BASIC & PORT INFRASTRUCTURE

- Strategic Partnership
- Bon Issuance
- Commercial Loan
- Public Private Partnership
- B O T Scheme

BROWN FIELD PROJECT



SUPRASTRUCTURE & TERMINAL EXPANSION

- Strategic Partnership(Operating Company, Equipment Provides)
- Commercial Loan
- B O T Scheme

COMMERCIALIZATION



PORT ALREADY IN OPERATION

- IPO
- Divestment
- Rental Scheme
- Asset Securitization

PROJECT

- Kijing Deep Sea Port Development
- Kijing Economic Zone Development
- New Priok Phase 2
- New Priok Product Terminal
- Sorong Ports Development

IPC SISTER PORT



CONCLUSION

1 OPPORTUNITIES CAPTURED & LOGISTIC PERFORMANCE IMPROVED



Indonesia will be more eager to capture the opportunities in intra-ASEAN trade and improved logistical performance index through the establishment of trade facilitator

2 3 INITIATIVES TO PROMOTE INTRA-ASEAN TRADE



3 strategic initiatives that will be conducted to promote Intra-ASEAN trade, are Infrastructure Development, Digitalization & Global Partnership with Logistic Stakeholder

3 SUPPORT & COLLABORATION IS NEEDED



Support & Collaboration among ASEAN logistic stakeholder and Indonesia government are needed in order to conduct 3 initiatives through strategic business partnership & regulation

Thank You

