Coordinating Ministry for Economic Affairs
Republic of Indonesia

Development of National Logistics System Framework


“Regional Seminar on Development of Efficient and Effective Logistics Systems, Hangzhou, China, 7-8 May 2013”

Erwin Raza,
Indonesian National Logistics Team
A. Introduction
   ✿ Parties involved in Drafting of National Logistics System Blueprint
   ✿ Implementing Structure

B. Main Features of National Logistics System Blueprint:
   ✿ Framework
   ✿ Vision, Mission, Objectives
   ✿ Six Key Drivers
   ✿ Network System
   ✿ Goal and Phasing

C. Challenges: From Action Plans to Implementation
A. Introduction (2):
Parties involved in Formulating National Logistics Blueprint

Through Collaboration of .....

- Academicians
- Private Sectors (Associations)
- Practitioners/Logistics Experts
- Ministries/ Government Agencies’ Representatives
- Input from International Institution/ Experts

Output

Presidential Regulation No.26/ 2012 on the Blueprint of the Development of the National Logistics System, signed and entry into force on 5 March 2012

As a National Guideline and Framework for Developing the Logistics System by relevant ministries, Province and Municipalities governments, and private sectors
A. Introduction (3):
Implementing Structure

Committee on Acceleration and Expansion of Indonesia’s Economic Development 2011 - 2025 (KP3EI)
Executive Chairperson:
Coordinating Minister for Economic Affairs (CM EA)

Chairperson for Connectivity Task-Force:
Vice Minister of National Development Planning

Head of National Logistics Team:
Deputy for the Coordinating of Industry and Trade Policy Affairs
Supported by: Expert Group (Acadimicians and Practitioners), and
Secretary General of National Logistics Team

Working Group for (six) Key Drivers:
The Members: consisting of representatives of relevant ministries/agencies, academicians and practitioners.
Mission of Indonesian Economy 2025
“To Actualize Self-Sufficient, Advanced, Just, and Prosperous Indonesia”

**Vision 2025**

Locally Integrated, Globally Connected for National Competitiveness and Social Welfare

**Missions**

1. Support the effective and efficient flow of goods to ensure public basic needs are met, and that national product competitiveness is improved on the domestic, regional and global markets.
2. Create national logistics nodes and build their connectivity in rural and urban areas, and between regions, islands and international hub ports through multi-stakeholder collaboration.

**Objectives: Support the effective and efficient flow of goods**

1. Ensure the availability of basic and strategic commodities across Indonesia at affordable prices enabling a fair and prosperous society and strengthen the national sovereignty and integrity;
2. Reduce logistics costs through improvement of flow of goods and improved national logistics services capacity thus improve national competitiveness in national and global markets;
3. Prepare for international commitments (e.g., ASEAN logistics integration under PIS, AEC in 2015, and global market integration).
B. Blueprint of Logistics System (3) : Six Key-Drivers

- Key Commodities
- Logistics Infrastructure Development
- Players and Logistics Service Providers Enhancement
- Human Resources Development
- Implementation of Information and Communication Technology
- Harmonisation of Regulation and Policy
B. Blueprint of Logistics System (5):

Goal and Phasing

Phase I (2011-2015)

Goal: lay a strong foundation to establish an effective and efficient National Logistics System in order to achieve the locally integrated vision and create a strong basis for being connected to ASEAN logistics networks.

Action: Regulatory Revision, HR Development and Logistics Infrastructure Improvement in order to create Local and National Logistics Integration.

- National Logistics Costs of the 2015 GDP declines by 3% from that of 2011
- Indonesian LPI Score is 3.1

Phase II (2016-2020)

Goal: strengthen domestic logistics integration, and synchronization, coordination and integration with ASEAN logistics networks, and lay a strong foundation to be integrated with the global logistic network to achieve the Globally Connected vision.

Action: Development and expansion of logistics infrastructure, capacity building for actors and providers of logistics services to make the national logistics system connected to the ASEAN logistics network.

- National Logistics Costs of the 2020 GDP declines by 4% from that of 2015
- Indonesian LPI Score is 3.3

Phase III (2021-2025)

Goal: operate effective and efficient national logistics system connected to the Global logistics network.

Action: Strengthening of the National Logistics System to be connected to the Global Logistics network.

- National Logistics Costs of the 2025 GDP declines by 5% from that of 2020
- Indonesian LPI Score is 3.5
International Hub Port: Kuala Tanjung - in West region; Bitung - in East Region

Short Sea Shipping is the backbone of National Freight Transportation System

Distribution Center:
- Each regency/city/province will have one Distribution Center.
- Each Economy Corridor will have at least one National Distribution Center.
- Distribution Center will be designated as buffer stock.

*SLoC: Sea Lane of Communication; ALKI: Indonesian Archipelagic Sea Lane*
1. CONTAINERS PROJECTION IN MALACA STRAIT
   a. SINGAPURE : 28.4 MILLION TEUs
   b. PELEPAS : 6.5 MILLION TEUs
   c. PORT KLANG : 8.8 MILLION TEUs
   d. PENANG : 1.1 MILLION TEUs
   e. BELAWAN : 0.8 MILLION TEUs
   f. BATAM : 0.25 MILLION TEUs
   TOTAL : 45.85 MILLION TEUs

2. MALACA STRAIT IS AS THE REGULER SEA LINE FOR MAIN LINE OPERATORS

3. KUALA TANJUNG IS (NATURAL) SEAPORT, WITH:
   - DEPTH : 16 M LWs;
   - CAPACITY ±20 MILLION TEUs/YEAR
C. Challenges from Action Plan to Implementation (2): ICT Infrastructure

An integrated services on data/information and documents for both domestic and international trade, interconnected to ASEAN and Global Networks.
C. Challenges from Action Plan to Implementation (3) : ICT Infrastructure
C. Challenges: from Action Plan to Implementation (3):

**INSW** Integrated GA System

**Interoperability**

**List of Issuing Import License GA**

<table>
<thead>
<tr>
<th>No</th>
<th>Government Agencies</th>
<th>Imp-Exp.Licensing</th>
<th>Recommendation</th>
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<tbody>
<tr>
<td>1</td>
<td>Ministry of Trade</td>
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<td>2</td>
<td>Fishery Quarantine</td>
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<td>3</td>
<td>Animal Quarantine *</td>
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<td>4</td>
<td>Plantation (Quarantine *)</td>
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<td>5</td>
<td>Food &amp; Drugs Control</td>
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<td>6</td>
<td>Ministry of Industry</td>
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<td>7</td>
<td>Ministry of Energy</td>
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<td>8</td>
<td>Nuclear Control NA</td>
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<td>9</td>
<td>Ministry of Forestry</td>
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<td>10</td>
<td>DG of Post &amp; Teleco</td>
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<td>11</td>
<td>Ministry of Agriculture</td>
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<td>National Police</td>
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<td>14</td>
<td>Ministry of Environment</td>
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<td>15</td>
<td>Ministry of Defense</td>
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<td>16</td>
<td>Ministry of Transport.</td>
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<td>17</td>
<td>Central Bank (BI)</td>
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<td>18</td>
<td>Customs (DGCE)</td>
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Two Pilars Policy: Trade-System & Port-System

Trade-System (“TradeNet”):
Aims to improve and speed up services in export-import documents clearance (Flow of Document)

Port-System (“PortNet”):
Aims to support the acceleration of cargo handling in export-import goods traffic (Flow of Goods)

Trade-System, as one of main pillars in NSW System will exchange data through NSW Portal:
- Realization of Data import/Export from Customs System
- Licensing Export/Import from Trade System (GA)

Port-System, as one of main pillars in NSW System will exchange data through NSW Portal:
- Cargo Manifest (inward/outward)
- Release Approval (SPPB/PE)

INSW Portal System:
- Information Manifest
- Utilization Rep
- License Reconc.

- Material MacOS
- Goods/Ships Handling
- In/Out Goods

- Info Vessel
- Info CY/WH
- Cont. Tracking

- Import/Export Licensing
- Import/Export Regulation
- Trade Information

- Se Approval (SPPB/PE)
I-Cares
(Integrated Cargo Clearance System)

• First INSW – Post Customs Clearance
• Integrated Cargo Release Initiatives (I-Cares), Launched in November 14, 2012, under B2B initiatives,
• Involving:
  ᵃ Terminal Operator : Koja Container Terminal
  ᵃ Consignee : Toyota Motor Manufacture Indonesia (TMMIN)
  ᵃ Bank : CIMB Niaga
  ᵃ Trucker : 5 Truckers Company
  ᵃ Shipping lines
• Name of System : CargoLink, http://www.cargolink.co.id
Inter-connection TPS Online, Ina/Air-PortNet, i-CaRe System With Indonesia-NSW Portal

- System integrator & interface
- Cargo/Containers services system
- Integrator & Interface system
- Inhouse System TPS
- TPS Online
- K/L (Instansi)
- InaPortNet
- i-CaRe System
- Port-System

Vessel services system

Indonesia NSW

Consignee
Many Thanks!