



## Port Performance in Indonesia: World Bank VS UNCTAD Data

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**Jakarta, 18 July 2023** - Indonesia is currently building digitization in the logistics sector, such as implementing the National Logistic Ecosystem (NLE) and implementing Inaportnet which plays a role in integrating standard port information systems in serving ships and goods from all relevant agencies or stakeholders at ports. The government also implemented the Indonesia National Single Window (INSW), Indonesia's national system that allows for single submission of data and information.

The achievements of the Port Governance Reform Action from 2021 to the present, include:

- a. The Port Management Reform Action coordinates with 18 Institutional Ministries and 46 Local Governments

- b. 14 Ports have implemented the National Logistics Ecosystem digitization feature.
- c. Digitizing One Stop Services through the Indonesia National Single Window for ship services and goods services
- d. Implementation of Joint Inspection between Customs and Quarantine (50% cost efficiency)
- e. Reducing the movement of goods at seaports from 11 movements to 3 movements (cost efficiency of 60%), for airports from 7 movements to 3 movements (cost efficiency of 40%).
- f. Improvement of TKBM governance (Tenaga Kerja Unloading Load), enactment of regulations in accordance with laws and regulations, everything is regulated starting from worker qualifications, worker needs and implementation of the TKBM monitoring system.
- g. Port service bureaucracy has been trimmed, starting from the structure, regulations and institutional integration, starting from the KSOP of the Main Port and Animal Fish and Plant Quarantine.
- h. 149 Ports have implemented a ship service digitization system (Inaportnet).
- i. The truck service has implemented the STID (Truck Identification Data System) to control transportation both in and out of the port area.
- j. Application of domestic manifest as a form of government supervision in domestic cargo shipping lanes (between areas), this is done as a form of preventing smuggling on domestic shipping.
- k. The implementation of a monitoring system through the Port Guard Canal is a form of government effort to invite all people to supervise government public services in the port sector.

Based on data from the United Nations Conference on Trade and Development (UNCTAD) which was released in September 2022, Indonesia is in the top 20 in port performance. UNCTAD is a United Nations agency dealing with issues of trade, investment and development which has 191 member countries and is headquartered in Geneva, Switzerland. Ports in Indonesia are included in the top 20 in the world based on data from the average movement of container ships of 1,000 GT and above in the first half of 2022. Indonesia is ranked 12th above Canada, Australia, Russia, the United States, Germany, Greece, France and Italy. The average movement in ports in the world reaches 20.1 hours in port, while Indonesia reaches 24.9 hours in port. The average turnaround time for container ships has increased by 13.7% compared to 2020 and 2021.

This means that digitization has had an impact on service time and costs in the port area which is the result of collaboration of 18 ministries/agencies, local governments and the National Corruption Prevention Strategy (Stranas PK). One of the transformation initiatives that has been carried out in the port aspect has been carried out at Pelindo through port standardization and digitization which in the end succeeded in reducing port stay and cargo stay.

Unfortunately, the World Bank views the hard work of all port stakeholders differently. From the results of the 2023 Logistics Performance Index (LPI) release, Indonesia has actually dropped 17 ranks from 46th

(2018) to 63rd (2023), with a drop in score from 3.15 to 3.0. The LPI, according to World Bank information, is an index based on survey results on the perceptions of logistics players in the world.

For this reason, it is hoped that Stranas PK can become a facilitator regarding the results of the release from the World Bank regarding LPI by holding discussions with the World Bank as the issuer of the LPI results, as well as the government and logistics stakeholders at the port to jointly discuss Indonesia's LPI rating which has fallen from 46 to 63 in 2023. In addition, this discussion is expected to serve as input and improvement for the logistics ecosystem in Indonesia to be better in the future.

Stranas PK is mandated by Presidential Regulation Number 54/2018 which contains focus and targets so that corruption prevention can be carried out in a more focused, measurable and direct impact. Corruption prevention efforts carried out by Stranas PK have 3 main focuses, namely Licensing and Commerce, State Finance and Law Enforcement and Bureaucratic Reform with 15 actions that have been carried out in the 2023-2024 period. For the focus of action 3, namely law enforcement and bureaucratic reform, there is a port governance reform action in which the port governance reform action is closely related to the logistics ecosystem at seaports and airports.