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**Aan:** Connekt  
**Van:** Nuffic Neso Jakarta / Frits Blessing  
**Datum:** 26 February 2016  
**Betreft:** Buitenland Promotie Kennisexport achterlandverbindingen  
Projectnummer: **PTL08.007, Deliverable 2E:**  
*Special Interest Group Interisland Inland Shipping*

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Living Lab Logistics Indonesia-NL (LLLI-NL) started in 2013 to develop 3-helix networks between Indonesia and the Netherlands to co-create solutions for contemporary challenges in logistics. In 2015 the LLLI-NL Roadmaps were developed, which included a Human Capital Agenda and Applied Research Agenda related to Agrologistics and Port & Hinterland Connections. One of the priority topics selected is to support the development of an *Indonesian short sea shipping strategy: develop an inclusive strategy including tools and application for inclusion of cargo in the Pelayaran Rakyat (PELRA)*.

There are 3 major reasons for LLLI-NL to be interested:

- Indonesia's government introduced a maritime policy in 2014 when Joko Widodo (Jokowi) became President, which focusses very much on 'Tol Laut', a major large scale Indonesian East-West backbone, based upon container traffic. Large scale port developments are foreseen. However, to serve the smaller islands and 'feed' major shipping lines, a fine network of small scale shipping is required, but hardly get attention from policy makers / researchers.
- The existing small scale shipping network is PELRA (Pelayaran Rakyat). The small captain owned short sea vessels in the Indonesian domestic sea connections is very comparable to the inland shipping industry in Europe, that have seen interests in the sector growing after decades of neglect. There are opportunities of collaboration and improved market organization and development of joint commercial activities.
- The sector could benefit from a practical and an out-of-the-box approach, introducing user friendly new technology (ICT). An ideal 'green-field' pilot and experimental field.

(See further background information in Annex 1)

This offers opportunities for foreign export promotion of logistics knowledge and knowhow in hinterland connections, and specifically **ICT tools and capacity building**. The opportunities have been explored by NESO Jakarta in a series of exploratory meetings to align activities and clarify needs and priorities and to identify stakeholders in universities, government and companies:

- Universitas Hasanuddin, Makassar, 17 November 2015
- Pelindo IV, Makassar, 17 November 2015
- Participation in workshop Fisheries and Aquaculture Food Security Wageningen 19 November 2015; focus on challenges in fish supply chains from ports to consumers.
- Capacity building Surabaya 23-26 November 2016
- Meeting Surabaya 2 February 2016

Culminating in a SIG workshop with Dutch and Indonesian organisations to align activities of water, maritime and logistics, specifically the PELRA opportunity to improve hinterland connections between ports and smaller islands. There were 27 participants from Dutch and Indonesian companies, universities and government, with 5 students doing research at companies in the living Lab network as well. This forms the basis for further development of export opportunities in hinterland connections expertise via education and research to business.



## Meetings 17 November 2015 Makassar

**Location:** Universitas Hasanuddin, Makassar  
**Subjects:** PELRA, Eastern Indonesia  
**Setting:** Living Labs Logistics, Water and Maritime  
**Participants:** Prof Budu, Vice Rektor,  
Prof Jamal Jamaluddin, Dean Faculty of Marine Sciences & Fisheries,  
Prof Akbar Tahir (Faculty MS&F)  
Prof Gagaring Pagalung, Dean of Faculty Economics & Business,  
Bu Karmila, International Office,  
Frits Blessing, EP Nuffic Living Labs

Discussed on Universitas Hasanuddin joining with Living Labs:

- According to Prof Budu LL concept fits very well in ambitions and priorities: national, regional and for UNHAS as an autonomous university
- PELRA (Pelayaran Rakyat):
  - UNHAS has been requested by Bappenas to take the lead in improving the positions / vitality of PELRA
  - UNHAS organized a PELRA roundtable discussion in Makassar 2 weeks ago. Pelindo IV was present as well
  - Frits explained interest from LL partners (DIALOG and maritime industry organizations) to assist in this activity

Unhas is very interested to collaborate with LL partners in Indonesia and The Netherlands

**Location:** Pelindo IV, Makassar  
**Subjects:** PELRA, Eastern Indonesia  
**Setting:** Living Labs Logistics, Water and Maritime  
**Participants:** Bu Niken (Director General Affairs and HRM)  
Rio Baan (Staff)  
Frits Blessing (EP Nuffic Living Labs)

Discussed the LLLI-NL Roadmaps Logistics 2015:

- Discussed draft version. Frits will send 0.1 draft version in PDF, so Bu Niken can discuss the report internally at Pelindo IV as well with other (operational) departments
- Re Applied Research: Pelindo IV interested in relevant research on Port & Hinterland Connections with a focus on the Makassar region and on Food Secure Supply Chains Eastern Indonesia / Maluku, including PELRA





## Workshop 19 November 2015 Jakarta

Location: IBIS Hotel Jakarta

Subjects: Logistics / maritime transport related to fisheries

Setting: Embedded in a Workshop organized by Wageningen University for FAFI Project  
(Fisheries and Aquaculture Food Security)

### Participants:

No.	Name Participants	Institution	Position
1	Hendar Sugilar	Biro Perencanaan KKP	
2	Uton Muchtar Kartiwa	Direktorat Pelabuhan Perikanan, DJPT, KKP	Divisi of Prep. of business plans and service
3	Angreini Oktarina	Dit. Pelabuhan Perikanan - DJPT-KKP	Mgmt of the operational dir. of Fishing Port
4	Prayudi Budi Utomo	Direktorat Sistem Logistik, DJPDSPKP, KKP	PIC WP3
5	Erika Dewanti	Direktorat Bina Mutu dan Diversifikasi Produk	Representative of Ibu Trisna ningsih PIC 4
6	Devi Setyarini	Repr ibu Innes, Direktorat Akses Pasar	Staff Market Access and Promotion
7	Arif Rahman Hakim	Pusat Penyuluhan - BPSDM KP	Fisheries Extension
8	Anggi Soesalit	Pusat Penyuluhan - BPSDM KP	Fisheries Extension
9	Aef Permadi	Sekolah Tinggi Perikanan Jakarta	PIC WP 8
10	Ketut Sumandiarsa	Sekolah Tinggi Perikanan Jakarta	Fasilitator/Translator
11	Syaiful	Representatif ibu Hendarni Mulyani	Staff of Directorate General of quarantine
12	Nugroho Syamsubagiyo	Kepala Pelabuhan, UPT. Pengelola Pelabuhan	Head Office Port Muara Angke
13	Sumarni	UPT. Pengelola Pelabuhan Perikanan	Quality Control Port Muara Angke
14	Sepriadi Kurniawan	Pengelola Pelabuhan Perikanan Muara Angke	Staff of Port managing fisheries Muara Angke
15	Agus Prihantoro	Bidang Perikanan DKPKP Prov. DKI Jakarta	Section Head of Capture Fisheries Management
16	Salman A.S.	Bidang Perikanan DKPKP Prov. DKI Jakarta	Staff of Capture fisheries Management
17	Muh. Arifin	Representatif Kepala PPISHP Lab. Pluit	Head of the training center of production inspection and certification of fishery products
18	Setyo Widardo	Kepala Bidang Perikanan Tangkap, <b>DKP Tegal</b>	Head of Capture Fisheries Management, Dinas of Marine, Agriculture and Food Security Tegal
19	Agus Budiono	Kepala Pelabuhan Perikanan <b>Tegal Sari</b>	Head of Port Fisheries Tegalsari
20	Herry Pramardikdo	Kepala <b>TPI Tegal</b> , Unit Pelelangan	Head of Fish Auction Tegalsari
21	M. Garim	Pengelola Pelabuhan Perikanan Tegalsari	Staff Staff of Port managing fisheries Tegalsari
22	Untung Widodo	Consultant	supporting study WP3
23	Hesti Pramaningrum	Dit. Pelabuhan Perikanan -	staff
24	Ingrid Gevers	Wageningen UR	Teamleader FAFI
25	Rian Schelvis	Wageningen UR	Expert FAFI
26	Hendrikus Postma	Asia Ships	Owner
27	Frits Blessing	Living Labs Indonesia-NL	Program Manager



Main items discussed:

- Distribution of fish needs cold chain from catching to feeding (incl maritime stretches)
- Mapping of fish logistics from catching / breeding areas to consumption (focus on Java) to **know** what happens to the fish while distributed.



It was a good meeting with representatives of the fishing port in Muara Angke, Tegal, KKP (Ministry of Maritime Affairs & Fisheries) central office. We discussed the challenges faced at the fishing port related to the distribution and logistical process of fish.

- Pak Prayudi presented the SLIN programme of KKP and the planned and on-going activities.
- Hendrikus Postma from AsiaShips presented a new simple design fishery ships that can be built by yards used to build wooden vessels.
- Pak Utung presented his finding on the ikan asin supply chain and the bottlenecks.
- Frits Blessing presented the Living Lab approach with some case examples and his contribution to FAFI.

The challenges in the supply chain of captured fresh fish are very similar to the distribution of farmed fish. The participants proposed to not only look at aquaculture but also map out the fresh fish supply chain starting at the fishing port and following its journey to the consumers. This would help MMAF to better understand the bottlenecks and to address them.

4 potential complementary studies were identified:

1. Select a fresh fish species in Tegal or Muara Angke and map out the distribution channels and logistical process to the various consumers and bottlenecks along the way (like Frits said; hold de fish by its tail and follow its route);
2. Same as 1, but with Ikan Asin (Salted fish / processed);
3. Map out the distribution channels of fresh fish to consumers starting in Belitung and identify opportunities to bring more fish to Java instead of export;
4. Map out the distribution channels of patin from Kalimantan to consumers starting in Balikpapan and identify opportunities to bring more fish to Java;

WUR will develop 4 ToR's for these questions, and will ask ITS (Surabaya) and ITB (Bandung) to submit an offer in due course.

Especially Study 3 and 4 (Belitung and Kalimantan) relate very much to conditioned maritime transport. From the smaller islands fish is brought to bigger ports by small cargo boats and/or high speed passenger ferries.





### Meetings 23-26 November 2015 Surabaya

Location: ITS / Faculty of Marine Technology / Department Maritime Transport  
Subjects: Various meetings related to NUFFIC NICHE Project / Capacity Building  
Setting: Mission Dutch NICHE Team (Erasmus University, Rotterdam University of Applied Sciences, STC BV)  
Participants: Prof Rob Zuidwijk (EUR), Frits Blessing (LLLI-NL) Anne Padmos (STC)  
Tri Achmadi, Setyo Nugroho, Department Staff

Several discussions and workshops were held. Many of those included 'Tol Laut' and a broad range of maritime developments including the need to pay attention to PeLRA

The development of ITS / FME / DMT Roadmaps were discussed in the field of Research Agenda and Education. Both activities includes research on PELRA:

- a PELRA research proposal will be developed to submit to LPDP (Indonesian university research funds)
- students will be get thesis and other assignments on PELRA



### Preparations visit to The Netherlands

The next visit of Pak Tri and Pak setyo to the Netherlands would be early April 2016. This visit would focus on communications between business, institutes and government, all in connection with the procedures for the 'Tol Laut'. Pak Tri and Pak Setyo would also be interested to be advised on concessions for Ports. Based on this it was suggested to arrange visits and discussions with:

- Coastal shipping (Mercurius?)
- Inland Waterway transport (Mercurius Shipping, EICB)
- TUD (intro to Prof Tavasszy i.c.w. meeting ITS staff studying in The Netherlands Ni Luh and Jauhari)
- KPM archive/Maritime Museum Rotterdam?
- RDM Campus
- Smartport
- NML
- Dinalog
- Damen shipyard

Part of the visit can be devoted to PELRA <-> Inland Shipping policies.





## Meeting 2 February 2016 Surabaya

**Location:** ITS, Surabaya  
**Subjects:** PELRA and other 3-helix projects  
**Setting:** Follow-up meeting on LLLI-NL and NICHE activities  
**Participants:** Setyo Nugroho, Ferdhi Zulkamaen , Eka Wahyu Ardhi

### PELRA (LL Logistics + Water / NICHE Act 3 (assignments in education) and 4 (follow up joint research))

- We discussed approach and main lines with part of the ITS (so far informal) PELRA Research Group (Pak Setyo, Ferdhi and Eka and other ITS, PELRA, Biro Klassifikasi staff).
- Ferdhi is writing proposal for LPDP to be submitted in June 2016. The proposal consists of 4 blocks:
  1. Ship Management: how PELRA members manage their ships. Difference with bigger commercial ships;
  2. Vessel itself: Industry does not want to ship via PELRA because cargo is not insured, because vessels are not classed because they do not fulfill safety requirements
  3. PELRA's role in domestic trades: how they proceed with documents, bills of Lading, how could they meet the procedures of modern shipping, performance measurements, exemptions now from Pelindo's to stay longer alongside, so far. It would be far better to provide performance support: how to, procedures, communications, etc
  4. Supporting systems: tools, procedures, technologies that supports the above, example ICT. System architecture, standard forms and definitions, Masterplan
  5. ITS is looking trying to involve partners, including PPM Jakarta.
- Discussed Partnerships / Advisory Group. Would be nice to have co-funding from NL preferably like MoT proposal: Dutch experts pay their own time / expenses (or funded via NL). Could also be a kind of Advisory Group: Frits will help approaching some relevant organizations: Albert Veenstra (Dinalog), Eric van Heck (EUR), TNO (Cassandra), EICB, Pelindo ?, Danser ?, PoR? Try to make a concrete output / deliverables: recommendations, tools, implementation, micro-container/pallet (mini units), software, ...
- Output according to LPDP should be 'commercial' and 'implementation'. Needs to be clarified further in the near future;

The proposed Project Team in Indonesia involves persons from ITS, PELRA, Biro Klassifikasi

**Location:** Pelindo III, Surabaya  
**Subjects:** Roadmaps LLLI-NL  
**Setting:** General Update Living Labs  
**Participants:** Pak Toto Heli Yanto (Director General Affairs and HRM)  
Pak Nugroho Dwi Priyohadi (Senior Manager)  
Bu Nurul  
Bu Neyna  
Frits Blessing (Living Labs)

### Discussed:

- It is good to realize that the Living Lab is a concept, a platform and network that facilitates collaboration and innovation between companies, governments and universities (3-helix) in both Indonesia and The Netherlands. The Living Labs bring these parties together and share information, thus helping individual members to develop talent, labor market relevant education, applied research / solutions for business and society.
- This year we expect a MOU between The Netherlands and Indonesia in which the Living Lab concept will be officially agreed between the 2 countries. Under this MOU there are / will be Framework Agreements and Roadmaps for Human Capital and Applied Research per sector.
- Based upon the Framework Agreement and Roadmaps, Living Lab activities are developed in several regions with several partners.





- The current step and my reason to visit you was to help you developing more structural Living Lab activities in an international 3-helix setting with and for Pelindo III, fitting into the LLLI-NL Roadmaps, e.g.
  - Human Capital Agenda:
    - Business involvement in education while developing Pelindo III employees, as discussed several times with ITS. Partners could be other Indonesian universities, Dutch universities, other companies (Indonesian and/or Dutch), government
  - Applied Research Agenda:
    - Mapping product specific supply chains (e.g. for Eastern Indonesia)
    - Short Sea Shipping / PELRA
    - Passenger and cargo integration
- Developing these Living Lab Activities can be done with several other Living Lab participants both in Indonesia and The Netherlands, including universities, other companies (including other Pelindo's), governments.





## Meeting 10 February 2016 Makassar

**Locations:** Pelindo IV,  
**Subjects:** Logistics / maritime transport related to fisheries  
**Setting:** Embedded in a FAFI Workshop organized by Wageningen University  
**Participants:** Pak Mundzyr (Pelindo IV)  
 Prof Akbar Tahir (Faculty of Marine Sciences & Fisheries)  
 Prof Gagaring Pagalung, Dean of Faculty Economics & Business,  
 Mario Koetin (Trisakti International Business School)  
 Frits Blessing (Living Labs)

Follow-up meeting to:

- Discuss LLLI-NL Roadmap priorities including PELRA
- Prepare for the Living Lab meeting on Logictis, Water and Maritime in Jakarta on 15 February 2015
- Develop a LLLI-NL Activity Plan (Business involvement in Education) for more collaboration between Pelindo IV, regional companies, UNHAS, TIBS and Dutch LL Parters RUAS and PoR
  - Applied Research projects discussed included PELRA

Worksheet Living Lab Activity

Note: please consider 3-helix, both countries, labor market relevant education & talent + applied research



<b>Project name / Living Lab Activity</b> <b>Business Involvement in Education Makassar</b>		<b>Expected results</b> <i>The envisaged results of the project based on the point of the horizon</i> Several results:													
<b>Project participants (and who takes the lead)</b> <i>Who can contribute to the project with knowledge or knowhow (3-helix)</i>		<ul style="list-style-type: none"> <li>• Offer opportunities for Company staff to develop skills (English, logistics, international culture, <b>dll</b>)</li> <li>• Offer opportunities for Companies to be involved in Applied Research</li> <li>• More port relevant education S1 and S2 (SCM) in SW Sulawesi</li> <li>• More International orientation in education and companies</li> </ul>													
<table border="1"> <thead> <tr> <th></th> <th>Indonesia</th> <th>The Netherlands</th> </tr> </thead> <tbody> <tr> <td>University</td> <td>UNHAS, TIBS</td> <td>RUAS</td> </tr> <tr> <td>Company / Organization</td> <td>Pelindo IV, Samudera Indonesia, Semen Tonasa</td> <td>Port of Rotterdam</td> </tr> <tr> <td>Government / Public</td> <td>Min of Transportation?</td> <td>Dinalog?</td> </tr> </tbody> </table>		Indonesia	The Netherlands	University	UNHAS, TIBS	RUAS	Company / Organization	Pelindo IV, Samudera Indonesia, Semen Tonasa	Port of Rotterdam	Government / Public	Min of Transportation?	Dinalog?			
	Indonesia	The Netherlands													
University	UNHAS, TIBS	RUAS													
Company / Organization	Pelindo IV, Samudera Indonesia, Semen Tonasa	Port of Rotterdam													
Government / Public	Min of Transportation?	Dinalog?													
<b>Actions/ steps</b> <i>What steps need to be taken in order to reach the envisaged results</i>															
<b>February-April 2016</b> Assign Working Committee Make MOU Sign 20-22 April 2016 Make Project Plan + budget+ Governance (Committee)	<b>April-July 2016</b> Pilot activities like guest lectures, site visits, FGD Making Detailed Plans for Academic Year 2016-2017	<b>August 2016 – July 2017</b> Assignments in Edu Masterclasses for Staff Internships NL+RI Inhouse MLM (S2) pilot cohort TIBS-RBS + UNHAS Developing Applied Research Agenda	<b>August 2017 – July 2018</b> Full Integrated Program Assignments in Edu Masterclasses Thesis NL + RI Inhouse MLM (S2) pilot cohort UNHAS + TIBS-RBS Start Applied Research Projects	<b>August 2018</b> Broaden the program to other regions (Sulawesi / Eastern Indonesia)											
<b>Duration</b> <i>What is the timeline of the activities</i> See above, 2016-2018+															
<b>Current situation</b> <i>what is the starting point, what bottlenecks need to be solved</i> Pelindo IV and TIBS both in LLLI-NL. UNHAS new member since 2015. TIBS and RBS have close collaboration for > 4 years and want to build upon it. Pelindo IV needs staff development in international context, more logistics education in Makassar. Many challenges in Eastern Indonesia															
		<b>Funding NL / RI</b> Companies Internal funds universities (international mobility, applied research)													
		<b>Delivery</b> <i>When?</i>													

Worksheet LL Activity



## Workshop Living Labs 15 February 2016 Jakarta

Location: Erasmus Huis Jakarta  
 Subjects: Opportunities aligning activities water and logistics and maritime living labs for logistics knowledge and knowhow in hinterland connections  
 Setting: Living Lab Meeting for Logistics, Water and Maritime  
 Participants:

Joni Gusmali	Aero Logistic / Garuda Indonesia Cargo
Erwin Raza	Coordinating Ministry for Economic Affairs
Andias Wibisono	Coordinating Ministry for Economic Affairs
Frits Blessing	Nuffic/ NESO
Peter A. Halm	Embassy of the Kingdom of the Netherlands
Siebe Schuur	Embassy of the Kingdom of the Netherlands
Prof Akbar Tahir	Hasanuddin University, Marine Science and Fisheries
Prof.Dr.dr.Budu SB.M(K)	Hasanuddin University, planning and Cooperation
Roland A. Barky	Hasanuddin University
Eka Wahyu Ardhi	ITS, FMT, Department of Marine Transportation
Ferdhi Zulkamaen	ITS, FMT, Department of Marine Transportation
Setyo Nugroho	ITS, FMT, Department of Marine Transportation
Indhira S. Meiliala	Nuffic / NESO
Joni Zulfikar	Nuffic / NESO
Mervin Bakker	Nuffic / NESO
Nina Ghassani	Pelindo III
Fahmi Ollong	PT Ollop
Mohammed Fazrin Assidiqy	Royal Haskoning DHV
Sutrisno	Royal Haskoning DHV
Bagus Agung Wibawa	Samudera Indonesia
Oddy Medrian	Samudera Indonesia
Dini N. Latifah	Samudera Indonesia
Tom de Reu	Student HAN LE 2016
Rick Pieter Kool	Student HZ 2016 RHDHV
Hilary Lin Richards	Student HZ 2016 W+B
Tom Jacobus van Mierlo	Student HZ 2016 W+B
Niels de Leng	Student RUAS-RMU LTV 2016
Mario Koetin	Trisakti International Business School
Prof.Dr.Ir. S. Imam Wahyudi	UNISSULA
Devina Soraya	Universitas Indonesia (UI), Global Partnership Office
Ranie I. Sary	Universitas Indonesia (UI)
Maik van den Berg	Witteveen + Bos Indonesia





Setting: around a map of Indonesia all the Living Lab activities related to Logistics (LLLI-NL), Water and Maritime on Java, Sulawesi and Ambon were discussed between the 3-helix parties involved.



Participants from ITS and Universitas Hasanuddin discussing the LL PELRA Activity

The inland shipping activity was discussed. an interesting link was made between participants from Unhas (Makassar), ITS (Surabaya), PT Olopp (supply chain optimization from Ambon to Rotterdam) and Samudera Indonesia (Headquarters Jakarta) who wants to develop services in Eastern Indonesia.

Worksheet Living Lab Activity  
 Note: please consider 3-helix, both countries, labor market relevant education & talent + applied research

Prof. Bach (Unhas)  
 Faridhi (ITS)

**Project name / Living Lab Activity**  
 PELRA

**Expected results**  
 The envisaged results of the project based on the point of the horizon  
 Several results:   
 • Problem ~~state~~ diagnosis  
 • A sustainable future for ships serving smaller islands in Indonesia  
 • Developing methodologies (and ICT) that helps small ships to be connected to major shippers / cargo interests, ports and so on

**Project participants (and who takes the lead)**  
 Who can contribute to the project with knowledge or knowhow (3-helix)

University	ITS, UNHAS	The Netherlands	EURC, TU/e, DLRAS
Company / Organisation	PELRA		
Government / Public	Ministry of Transport		NM, EC30, TH07

**Actions/ steps**  
 What steps need to be taken in order to reach the envisaged results

<b>January-June 2016</b> ITS in making research proposals UNHAS in doing a market study F&D Unhas - ITS partners Joint research proposal Joint seminar	<b>June-Dec 2016</b> Go create development plan Research → ITS + technology → Unhas → market study → Joint → network	<b>2017</b> selection D Examination → Book → National seminar → Joint seminar with the NL <i>development program test trial</i>	<b>2018</b> Market packages / products → design of ship → design of port → design of network → ICT product	<b>2019</b> Implementation Redevelopment
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**Duration** What is the timeline of the activities  
 See above, 2019

**Current situation**  
 what is the starting point, what bottlenecks need to be solved  
 Maritime plans / T&I Law in Indonesia focus mainly on mega ships and containers.  
 Small ships (PELRA members) are of utmost importance to serve smaller islands and communities.  
 PELRA market structure is very similar to european island shipping. Hence: a lot to learn and share.  
 PELRA's existing conditions are more than 60% of operation time is waiting for cargo

**Funding NL / RI**  
 PELRA  
 Ministries + transport, maritime affairs,  
 NL partners  
 Research

**Delivery**  
 When?

Worksheet LL Activity - PELRA 0.1



## Annex 1

### Indonesian Maritime Sector Policy

In 2014, electoral debate in Indonesia powered up a national discourse about the country's intent, capabilities, and roadmap as a maritime power in the Indo-Pacific region. Indonesia's newly installed president, Joko Widodo, popularly known as Jokowi, promised in his election manifesto in May 2014 to (1) focus on strengthening Indonesia's maritime security, (2) expand the canvas of regional diplomacy to cover the entire region of the Indo-Pacific, and (3) project the Indonesian navy as a respected regional maritime power in East Asia.[1] He further announced in June 2014 that he aimed to transform Indonesia into a "global maritime axis" (*poros maritim dunia*).[2] He reaffirmed his vision after being declared victorious in July 2014 and called upon all citizens to "work together to develop Indonesia into a global maritime axis, a global civilizational hub." [3] While taking the oath of office to become Indonesia's seventh president on October 20, 2014, Jokowi reiterated his call to transform Indonesia into a maritime nation and invoked the slogan of "*Jalesveva Jayamah*" (in the ocean we triumph).[4]

Jokowi's articulations are an important step forward in Indonesia's effort towards developing a grand maritime strategy. His vision goes beyond the idea of merely achieving maritime security and seeks to transform Indonesia into a maritime power. He is the first president in democratic Indonesia to publicly promulgate a maritime security doctrine, taking the debate out of the pages of the policy documents and placing it into the domain of a broader politico-strategic discourse. In light of these debates and discussions, this paper examines Jokowi's ideas and what they mean for Indonesia's grand maritime strategy in the coming years.

### Maritime Connectivity and Commerce

One key objective of Jokowi's idea of Indonesia as a global maritime axis is enhancing inter-island connectivity and upgrading port infrastructure within the Indonesian archipelago, which encompasses thousands of islands and spans almost 6 million square kilometers. Many of these islands remain unconnected to their neighbors and several benefit from only loose or intermittent contact. This lack of connectivity is more pronounced in the outer islands of Eastern Indonesia, such as Maluku and North Maluku. As a result, many of these islands have acted as self-sufficient economies, not contributing to or benefitting from national economic production and distribution processes. Similarly, Indonesia's port infrastructure has suffered from neglect and financial constraints over the years. Many of the ports are in bad shape and impede the country's internal and external maritime commerce in the form of revenue losses, time-lag, procedural delays and inadequate port facilities. According to a World Bank report, shipping a container from Padang to Jakarta costs more than three times as much shipping the same container from Jakarta to Singapore.[5] As a consequence, Indonesia's maritime trade and commerce has failed to utilize its full potential. The nascent doctrine envisages that the revamping of the country's maritime infrastructure, including the development of better ports and ships, could transform Indonesia into a hub of regional maritime trade and commerce. Inter-island connectivity, it is hoped, would enable effective internal utilization and prevent external poaching of maritime resources. An inter-connected archipelago could leverage Indonesia's choke points and maritime corridors to enhance trade and commerce.

Though the idea of Indonesia as a global maritime axis may come as a novelty to many, it is not a new idea. The transport department of Indonesian government has set up a three-pronged archipelago belt project – the Northern, Middle and Southern Archipelago Belts – to connect different parts of Indonesia.[6] Maritime connectivity was an important agenda item for Indonesia during the APEC Focus Group Discussion in April 2013.[7] ASEAN also has sought to achieve inter-island connectivity through its plans of developing a "nautical highway system" or proposed "ring shipping route" in maritime Southeast Asia as a part of the Master Plan on ASEAN Connectivity.[8] Though the idea of interconnecting thousands of Indonesian islands has long existed, it received serious governmental attention for the first time in the Defense White Paper of 2003 and was further elaborated in the Defense White Paper of 2008.

Source: [www.brookings.com](http://www.brookings.com)





To improve the contribution of maritime sector, its connectivity and industrial capacity must be enhanced. We and some institutions have agreed to improve coordination to realize connectivity and industry encouraged through cluster," Agus said after a regional financial and economic study coordinating meeting in Ambon, Maluku on Monday (5/25).

The meeting agrees six commitments to expedite Indonesian maritime economy awakening. First is to strengthen an integrated maritime development road map in line with five comparative strengths of maritime development. Second is to boost banking or non-banking funding to maritime sector. Third is to expedite the optimization of short-term policies such as vessel procurement to strengthen supplies in eastern Indonesia, especially towards Lebaran Day.

Fourth is to improve the productivity of maritime and fishery economy through the eradication of illegal, unreported, and unregulated fishing. Fifth is to expedite the development of maritime axis infrastructures and to develop national shipyard and shipping industries.

Sixth is to improve the participation of local government synergistically to support various policies of maritime-based economic development.

Source: <http://maritimeneews.id/improving-maritime-sector-bi-and-government-agree-six-commitments/>





## Annex 2

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February 12, 2016

Dear friends,

***Invitation: Roundtable Discussion on Domestic Shipping in Indonesia***

Domestic shipping has recently received a lot of attention in Indonesia. Topics discussed include the Sea Tollway, ferries, pioneer shipping and the implementation of the Shipping Law. Howard Dick from the University of Melbourne in Australia has written about these topics in the last 30 years and is able to provide a long term perspective about continuity and changes in this sector. Howard will be visiting us on February 23 and we would like to invite you to participate in a roundtable discussion. There will be a short presentation by Howard followed by a discussion.

The roundtable will take place on:

Date : Tuesday, February 23, 2015  
Time : 10.30 AM – 12.00 PM  
Venue : Ciliwung Room  
The World Bank Office Jakarta  
Indonesia Stock Exchange Building  
**Tower 1 – Floor 9**  
Jl. Jend. Sudirman Kav. 52-53, Jakarta

I am looking forward to welcome you at the event.

Sincerely,

Henry Sandee  
Senior Trade Specialist  
Trade and Competitiveness  
World Bank Office – Jakarta

WORLD BANK OFFICE, JAKARTA

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