



## Pelindo Immediately Begins Belawan Transformation

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Jakarta, 15 March 2023 - PT Pelabuhan Indonesia (Persero) or Pelindo will soon begin transformative steps in collaboration with the INA (Indonesia Investment Authority) consortium for the development and operation of Belawan Port in Medan, North Sumatra.

"Belawan Port must improve its performance and capacity so that it can immediately enter the global logistics ecosystem," said Arya Sinulingga, Special Staff III of the Minister of BUMN, in Jakarta.

According to Arya, joining the global logistics ecosystem is a strategic step so that Belawan Port can serve the transportation of goods directly (direct call) to destination countries.

So far, 95% of exports from Sumatra have to transit to other countries before they can be transported to their destination countries. In 2021, almost half of the export containers from Sumatra will be shipped to Malaysia. The remaining half are transported to Singapore, Thailand, Taiwan, from Myanmar. From here, the containers are transferred to larger ships, and then transported to more than 30 export destination countries.

This transit requirement makes exporters have to bear sea freight costs which are expensive and take longer travel times. In addition, the state also has to spend more foreign exchange because most of the shipping services (boat rental, insurance, docking fees, etc.) are paid for in foreign currency.

transformative step

In addition to cooperating with strategic partners, basic infrastructure improvements will also be carried out, such as the addition of loading and unloading equipment such as Quay Container Crane or QCC (container loading and unloading equipment at the wharf), and Rubber Tyred Gantry Crane (RTG, container loading and unloading equipment at CY).

A number of transformative steps will also be carried out, through optimizing infrastructure, improving operational performance, and implementing IT system integration. It is hoped that port loading and unloading performance can increase, port stay time can be reduced, and logistics costs will become cheaper.

With these moves, the volume and capacity of Belawan Port will increase. Gradually, the capacity of the largest container port in Sumatra will increase from 700,000 TEUs to 1.4 million TEUs per year.