



## Port Governance Reform, Digital System Already in Effect at 246 Indonesian Ports

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Jakarta, 04 July 2024 - The Corruption Eradication Commission (KPK) together with the National Strategy for Corruption Prevention (Stranas PK) continues to encourage improvements in port governance in Indonesia, as an effort to prevent corruption and encourage optimal service. In 2022-2023, these efforts included implementing digitalisation in 14 major ports, and in 2023-2024, port digitalisation has expanded to a total of 246 ports.

"Of the 246, 46 of them are national priority ports in export and import transactions that cover national coverage. The National Logistic Ecosystem (NLE) has also been implemented in more than 2000 specialised terminals and terminals for own use. As a result, the port service process has become faster and cheaper," said KPK Deputy for Prevention and Monitoring Pahala Nainggolan in a Media Discussion related to efforts to improve port governance carried out by STRANAS PK in the KPK Red and White House Conference Room, Tuesday (02/07).

The implementation of NLE also extends to 6 air ports, namely Kualanamu Medan International Airport, Soekarno-Hatta Tangerang, Juanda Sidoarjo, Ngurah Rai Denpasar, Sultan Aji Muhammad Sulaiman Sepinggan Balikpapan and Hasanuddin Makassar which cover 96% of export and import activities nationally. This achievement affects the national logistics costs which have decreased from 24% to 14.29% based on research conducted by Bappenas.

Pahala continued, in terms of service time for goods that previously took 2 weeks, now the average is only 20.8 hours. In addition, in terms of cargo handling costs at the port, there is an efficiency of 46.1%. The next impact is on ship services which achieve 21.6% service time efficiency with an average dwelling time of 2.9 days. Another efficiency also occurs in the cost of ship services, which is 45.5% cheaper than the cost before digitalisation.

"In short, 18 ministries and agencies (K/L) have collaborated to achieve digitalisation of government ports and digitalisation at private ports. Now we can monitor the movement of goods in 246 ports and 2000 private ports, at least the quantity. Other achievements include 16 air ports that have gone from a service speed of 2 days to 3 to 4 hours. This digitalisation was also achieved with the help of LNSW," said Pahala.

#### LNSW Integrates Systems between Ministries/Institutions

Head of the National Single Window (LNSW) Oza Olavia said that many activities at the port involve 18 ministries/institutions, so digitalisation is important in port governance. According to Oza, the institution she leads plays a role in managing system integration between ministries and institutions related to export, import and logistics processes.

"We are indeed trying to improve governance at the port by integrating the systems of 18 ministries/institutions that have authority at the port without reducing their authority. We make the business process simpler, we utilise digital technology so that everything runs smoothly and the time is more efficient and will certainly reduce costs. This means that digitalisation and integration of processes are not only in ministries/institutions, we also connect with SOEs, we also connect with the private sector," Oza explained.

The same thing was also conveyed by Pelindo President Director Arif Suhartono. He said that with digitalisation at the port, processes related to finished goods are much better. "Everything is controlled from the system. How to shorten the port stay so that in the end the capacity can increase. The beauty of transformation is increasing capacity without excessive investment, sometimes even without investment," he said.

The port digitisation process also has an impact on state revenue for the ministries/institutions that have port services. In the PNB of the Ministry of Transportation with the Directorate General of Sea Transportation work unit through the implementation of Inaportnet from 2021-

2023 since the port reform action took place, an increase of 116.05% by 4.278 Trillion Rupiah.

Up to 15 months into the implementation of the 2023-2024 action (B15), the Port Governance Reform Action achieved the highest achievement (63.64%). This action aims to improve port services by simplifying business processes and institutional governance at the port so as to provide certainty of service time and reduce high logistics costs at the port.

Another port action development is the Domestic Manifest Service Information by the Ministry of Transportation and the Ministry of Trade. The goal is to provide transparency and obtain data on commodity distribution as an effort to prevent hoarding by unscrupulous individuals that results in scarcity.

In this media discussion, port stakeholders Rifani, Head of the Sub-Directorate of Foreign Traffic at the Directorate General of Sea Transportation, Chotibul Umam, Head of the Sub-Directorate of Import at the Directorate General of Customs, Achmad Farchanny, Director of Health Surveillance and Quarantine at the Directorate General of Disease Prevention and Control (P2P) of the Ministry of Health, Ikhwandi from the Indonesian Quarantine Agency and Iwan from Immigration were also present.

#### National Logistic Ecosystem (NLE) Service Effectiveness Survey 2023

The 2023 NLE Service Effectiveness Survey was conducted by the Australia Indonesia Partnership Programme for the Economy (Prospera) at 14 national ports, with a sample population of 1,393 respondents.

The survey results showed time efficiency compared to the previous process in online delivery order (DO) services by 40.3%, online container handover letter (SP2) by 47.0%, SSm Quarantine Customs (QC) by 73.4%, SSm Carrier by 21.6%, and SSm Licensing by 56.4%.

In addition to time savings, there were also cost savings in online delivery order (DO) services by 25.7%, online container delivery letter (SP2) by 32.4%, SSm Quarantine Customs (QC) by 46.1%, SSm Carrier by 45.5%, and SSm Licensing by 97.8%.

The efficiency assessment included testimonials from service users who stated that NLE services help companies work more effectively and efficiently, in terms of time and cost.