

## **BKPM Chairman Visited Tanjung Priok Port, Ascertaining Economic Activity Keeps Running**

Jakarta, 5 October 2020 – The Chairman of Indonesia Investment Coordinating Board (BKPM) Bahlil Lahadalia made a visit PT Pelabuhan Indonesia (Pelindo) II/ IPC. The visit was made to review the loading and unloading operations in Tanjung Priok Port on Friday morning (2/10). The BKPM Chairman wanted to ascertain that the port activities keep running despite the slowdown due to the COVID-19 pandemic.

In the visit, The BKPM Chairman was received by the President Director of IPC Arif Suhartono. Chairman Bahlil conveyed that IPC has a strategic role for investment, which is in easing the flow of exported and imported goods in the production process of a company.

“IPC President Director told me that despite the slowdown of the flow of exported and imported goods during the pandemic era, there is an escalation of the domestic flow of goods. It is a good signal. It means that there is local economic resilience in Indonesia. It should be supported,” said Bahlil.

Bahlil thought that the positive sign of the economy in the wriggling regions should be responded to and supported by the Government by providing facilitation such as fiscal incentives. Moreover, BKPM will support IPC’s effort to increase the use of domestic products in the period of the pandemic. It is in line with the spirit of the Government in encouraging companies to increase the Domestic Component Level (TKDN).

“This pandemic era could be a big opportunity to increase TKDN and to expand the local industry. Let us develop optimism and creativity so that we will not be affected much by the pandemic,” Bahlil concluded.

On the same occasion, President Director of IPC Arif Suhartono welcomed the visit of the BKPM Chairman. This moment is an opportunity for IPC to show its commitment to supporting the national economy by providing port service without being disrupted by the pandemic.

“We welcome the visit of the BKPM Chairman. During the pandemic and the implementation of LSSR (Large-Scale Social Restrictions), IPC was always ready to provide the best port activity services. It is part of our role as the backbone of the inter-island trade connectivity in Indonesia. We also accelerate the digital transformation process in all lines of activity and business process, particularly in trading activity,” said Arif.

Export-import activities are the major contributor to port revenues. This global pandemic situation has resulted in a slowdown in the flow of goods worldwide, including Indonesia’s exports and imports. IPC manages 12 ports with total operating revenues reaching IDR 12 trillion in 2019.

The pandemic negatively impacted the overall flow of export and import of goods. A significant downturn occurred at the end of the first semester of 2020. It is expected that the commencement of economic activity in Asian countries will result in an increased flow of export and import in Indonesia that mostly serves Intra Asia.

From January to August 2020, the flow of containers at all container terminals managed by IPC decreased by 9.9% or around 4.45 million TEUs than the same period in the previous year of 4.95 TEUs.

Arif also explained that IPC is building 200-hectare Kijing Terminal Area in Mempawah, West Kalimantan. The terminal area plan is 70 hectares, while the other 130 hectares are for the industrial zone. Kijing Terminal is part of the expansion of Pontianak Port that will become the main gate of export and import of goods to and from Kalimantan.

“We propose the Government support to issue a regulation concerning location, particularly on industrial land, near the port, so that there is no housing there (such as in Tanjung Priok). The progress of Kijing has reached almost 70%, and there are already industries that have entered,” said Arif.

The visit of BKPM Chairman to the location of Tanjung Priok Port is expected to maintain synergy between the Government and IPC to supporting the program of economic recovery from the impact of

the COVID-19 pandemic. BKPM is continuously committed to providing ease of doing business and investment facilitation for companies in Indonesia, including national companies or State-Owned Companies (SOEs).