



# Can Indonesian Shipowners/Operators Compete in Today's Global Shipping Market?



# Why do we have that question?

- Stigma?
- Fleet profile?
- Business focus?



# Stigma?

- Professionalism?
- Safety?
- Quality? Reliability?



## Professionalism?

- Among 6 public listed shipping company in Indonesia, 3 are having family control shareholders members in the management?
- Although we have good maritime academy in the region for seamen , how about good school for shipping business?



## Safety?

- Reliability of BKI?
- Regulatory bodies?
- Internal procedure?



## Quality? Reliability?

- Market requirement?
- Understanding on standard international shipping terms?



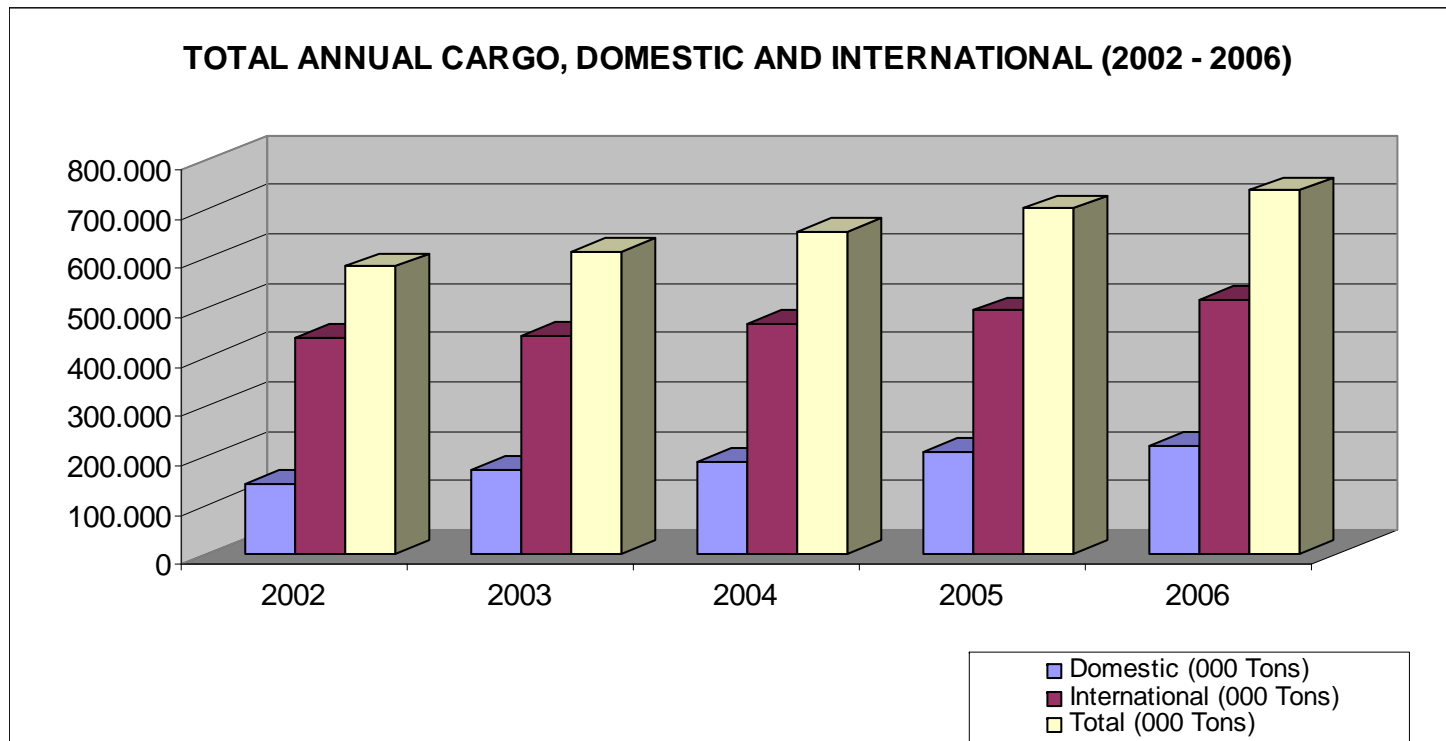
# Indonesian Fleet Profile – Ship Age

## Nationally flagged fleet (Vessels above 1,000 GRT)

| Flag State  |                          | Ship Age    |             |               |               |            | Grand Total |
|-------------|--------------------------|-------------|-------------|---------------|---------------|------------|-------------|
|             |                          | 0 - 4 years | 5 - 9 years | 10 - 14 years | 15 - 19 years | > 20 years |             |
| Indonesia   | Number of Ships          | 1%          | 3%          | 6%            | 5%            | 85%        | 1.405       |
|             | DWT                      | 2%          | 2%          | 4%            | 10%           | 82%        | 4.416.795   |
|             | Average vessel size, DWT | 7.364       | 1.948       | 2.076         | 5.944         | 3.052      | 3.144       |
| Malaysia    | Number of Ships          | 3%          | 20%         | 15%           | 10%           | 53%        | 457         |
|             | DWT                      | 9%          | 42%         | 19%           | 9%            | 21%        | 6.528.753   |
|             | Average vessel size, DWT | 41.269      | 30.798      | 18.061        | 12.714        | 5.745      | 14.586      |
| Philippines | Number of Ships          | 4%          | 9%          | 8%            | 12%           | 67%        | 872         |
|             | DWT                      | 30%         | 28%         | 10%           | 9%            | 23%        | 6.598.746   |
|             | Average vessel size, DWT | 51.909      | 23.702      | 10.277        | 5.303         | 2.578      | 7.567       |
| Singapore   | Number of Ships          | 14%         | 25%         | 18%           | 12%           | 31%        | 916         |
|             | DWT                      | 21%         | 27%         | 27%           | 9%            | 16%        | 34.838.480  |
|             | Average vessel size, DWT | 57.191      | 40.316      | 40.316        | 28.369        | 19.717     | 38.033      |



# Business Focus



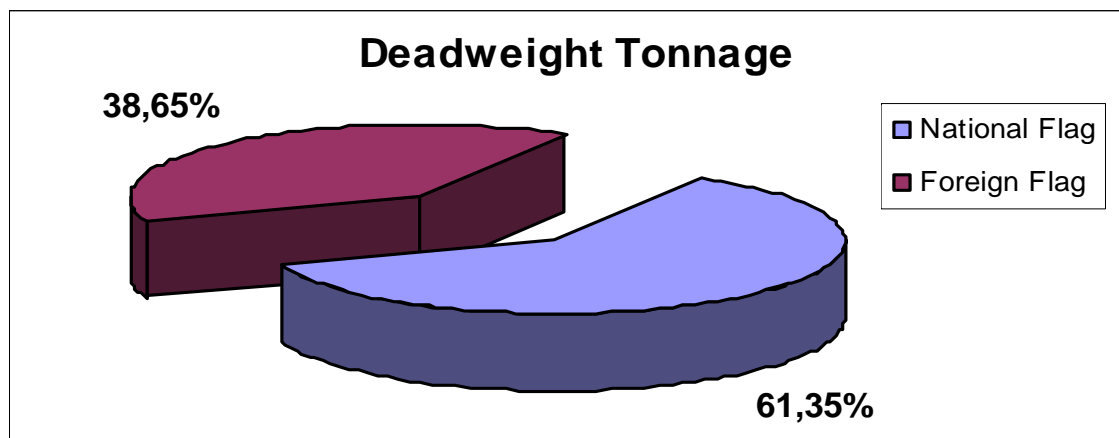
Source : Department of Sea Communications



## Indonesian Fleet Profile - Nationality

For Vessels above 1,000 GRT

|        | National Flag | Foreign Flag | Total |
|--------|---------------|--------------|-------|
| Number | 591           | 120          | 711   |
| DWT    | 3822          | 2408         | 6230  |



Source : UNCTAD, as of 1 January 2006



## What should we do to compete in today's global shipping market?

- Change the stigma
- Fleet development and renewal
- Domestic business as a base
- Access to international market
- Access to international fund



## Access to international market

- Singapore as Asia's shipping capital
- Surprisingly only 3 Indonesian based shipping companies registered under AIS
- Joint Venture – 51 % obligation



## Access to international fund

- Mortgage law
- Country risks
- Exposure