

SHIPPING INDUSTRY

- INDONESIA HAS STARTED TO DEVELOPE INTO INDUSTRIALIZED COUNTRY AS FROM 1970.
- CARGO MOVEMENT BE IT – BULK – GENERAL CARGO – CONTAINER – OIL AND GAS ARE STEADILY INCREASED WITH AVERAGE OF 6 TO 7 % P. ANNUM.
- IN 2006 DOMESTIC AND IMPORT – EXPORT CARGO HAS REACHED NOT LESS THAN 740 MILLION TONS/M3.
- HOWEVER, REGRETFULLY THE GOVERNMENT DID NOT TAKE THE BENEFIT OF EVER INCREASING DOMESTIC AND FOREIGN TRADING CARGO BY BUILDING INDONESIAN SHIPPING.
- INDONESIAN COMMERCIAL BANK HAS ALSO NOT PAID ATTENTION TO FINANCE SHIPPING INDUSTRY. INTEREST RATE IS UNREASONABLY VERY HIGH IN ADDITION TO TERM AND CONDITION WHICH COULD NOT BE FOLLOWED BY SHIPPING INDUSTRY.
- INCONSEQUENT THEREOF ONLY ± 55 % DOMESTIC CARGO IS CARRIED BY INDONESIAN FLAG VESSEL AND NO MORE THAN 5 % FOREIGN TRADING CARGOS, IMPORT AND EXPORT IS CARRIED BY INDONESIAN FLAG VESSEL.

SHIPBUILDING INDUSTRY

- IN LINE WITH VERY POOR PERFORMANCE OF SHIPPING INDUSTRY NO DOUBT INDONESIA SHIPBUILDING INDUSTRY IS GROWING VERY BADLY.
- NO FIRM SHIPBUILDING PROGRAM FROM BOTH GOVERNMENT AND PRIVATE SHIPPING SECTOR.
- ALMOST NO ATTENTION AT ALL FROM COMMERCIAL BANK, APART FROM VERY HIGH INTEREST RATE AND HARD TERM AND CONDITION.
- MOST STATE OWNED SHIPBUILDING INDUSTRY LOCATED AT JAKARTA – SURABAYA – MAKASSAR ARE HAVING VERY OLD FACILITY AS WELL AS CAPACITY AND ALMOST OF THEM ARE FROM THE DUCH PERIOD.
- THE ONLY GOVERNMENT PLANNED SHIPBUILDING PROJECT IS CARAKA JAYA AND MINA JAYA WHICH, DUE TO LACK OF FINANCING, THE PROJECT RUN INTO BIG FAILURE.

PRESIDENTIAL DEGREE NO. 5 DATED 28 MARCH 2005
(INPRES NO.5 MARET 2005)

- HAVING REALIZED SHIPPING AND SHIPBUILDING INDUSTRY WAS NEGLECTED FOR MORE THAN 3 DECADES, ON 28 MARCH 2005 THE GOVERNMENT HAS LAUNCHED PRESIDENTIAL DEGREE GIVING INSTRUCTION TO 13 MINISTERS, 33 GOVERNORS, ALSO RELATED MAJORS TO COORDINATE AND STIMULTANIOUSLY TAKING NATIONAL ACTION TO PROGRAMME CABOTAGE SYSTEM.
- THIS IS REAL GENUINE STEP TO REMEDY THE LONG DELAY OF SHIPPING AND SHIPBUILDING DEVELOPMENT.
- HAVING LAID DOWN MILE STONE TO DEVELOP THE SHIPPING AND SHIPBUILDING INDUSTRY HOWEVER INDONESIA IS STILL FACING VERY BIG PROBLEM TO STEP FURTHER SUCH AS ;

- A. THE INFRASTRUCTURE OF SHIPBUILDING, CAPACITY, FACILITY, EQUIPMENT ALL HAVE TO BE INCREASED AND MANY OF THEM HAS TO BE TOTALLY RENEWED.
- B. THE COMMERCIAL BANK NEEDS ENCOURAGEMENT AND FACILITATION FROM THE GOVERNMENT TO PUSH UP FINANCING OF SHIPPING AND SHIPBUILDING INDUSTRY.
- C. THE GOVERNMENT HAS TO FACILITATE THE SHIPBUILDING INDUSTRY TO THE TAX RULES, NOT ONLY ABOLISHMENT OF ADDED VALUE TAX FOR DOMESTIC NEW SHIPBUILDING AND REPAIRING BUT ALSO MINIMIZING THE CORPORATE TAX.
- D. THE PORT AUTHORITY HAS TO CHANGE THEIR BUSINESS ATTITUDE THAT THE SHIPBUILDING INDUSTRY WHICH MOST OF THEM ARE LOCATED AT THE PORT AREA IS BELONGING TO NATIONAL ASSET OF INDONESIA AS HUGE MARITIME COUNTRY.

THIS CONNECTION THE SHIPBUILDING INDUSTRY HAS TO BE FAIRLY FACILITATED WITH REASONABLE RENTAL OF LANDS INSTEAD OF, ALL THE TIME INCREASING RENTAL FEE AND CHASING THE SHIPYARD TO RELOCATE THEIR PREMISES OUTSIDE OF THE HARBOUR AREA.