

5TH MARITIME INDONESIA 2013
MARE FORUM, JAKARTA, MARCH 6, 2013

Distinguished participants,
Ladies and Gentlemen,

First of all, I would like to congratulate Mare Forum for organizing the 5th Maritime Indonesia 2013. Based on my observation, I find that this is the only forum that consistently gathers maritime players/shipowners, banks, stakeholders and maritime experts who, I am assured, have contributed much to the development of international shipping. We as Indonesian shipowners in particular feel the importance of the forum as to keep updating and sharing our knowledge and experience in this industry.

Discussing about the investment opportunities in Indonesia and abroad, at this stage, is relevant. Indonesia has successfully implemented the cabotage principle, providing the opportunity for the development of Indonesian shipping industry. The revision of Indonesian Laws on maritime transportation in 2008 is the starting point.

Moreover, the Government now keeps promoting the development of infrastructures through the so-called MP3EI (Master Plan of Acceleration, Enlargement and Development of Indonesian Economy), as it has found the importance of infrastructure for the development of Indonesian economy. All these creates investment opportunities in infrastructures including port development and shipping and others like offshore and natural resource-based industries and shipping technological innovations.

We are witnessing the growth of Indonesian shipping as shown by the increase of the number of Indonesian flagged vessels and the increasing share of cargoes carried by Indonesian flagged vessels within the country in the last five years. However, Indonesia still needs to strengthen its shipping. Indonesian-flagged vessels are typically older than vessels operated by foreign shipping companies. Most of them are over 20 years old. Then, in international trade, foreign (flagged) vessels still dominate the maritime export and import services in Indonesia.

We understand that world shipping market presently is still unfavourable affected by the global economic downturn. This has caused some Indonesian shipowners focussing on domestic transportation services, thus showing a favourable climate for Indonesian shipping. Especially, inter-island connectivity needs maritime transportation contributing to the development of regional economies in the country.

Considering the development of Indonesian shipping, I should say that ship financing is centrally important. Indonesian shipowners require the support of onshore and offshore banks and financial institutions in ship financing which legal certainty is assured.

Through this forum, I would like to take the opportunity to ask the support of the Indonesian exporters and Government as well to have export commodities be carried by Indonesian (flagged) vessels. We wish that a shift from FOB to CIF terms of trade could give fair opportunity for Indonesian shipowners to expand their cargo share in Indonesian world trade.

By this brief introduction, we welcome you, including those in finance side, for comments and opinions.

CONCLUDING REMARKS

Distinguished participants
Ladies and gentlemen,

We're grateful that we have come to the end of our sessions and productive discussions for the whole day. Without further ado, let me make some conclusions in brief.

1. The Forum has underlined the better climate for investment in Indonesia known as an archipelagic country that need to promote itself to be a maritime country.
2. Indonesia has an abundant and environmental-friendly natural resources which require good infrastructure and logistics. The current development shows that they have their potentialities to develop.
3. Indonesia needs to build infrastructures, such as seaports, airports, highways, and other public utilities.
4. The Indonesian Government has shown a willingness to promote its infrastructures and logistics through the MP3EI.
5. Indonesia has shown good performance by its stable economy growth and legal improvement.
6. Considering the above, financial support by onshore and offshore banks and financial institutions is admittedly crucially important for the development of Indonesian infrastructures/logistics.

Finally, we hope that all of us have better understanding on the Indonesian maritime industry and see the investment opportunities. But what is important, we need action and implementation of what we have discussed and analyzed thus far.

Thank you very much.