

POTENTIAL DEVELOPMENT OF PATIMBAN PORT TO REDUCE LOGISTIC COSTS IN INDUSTRIAL AREA OF WEST JAVA REGION

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Abstract : West Java is one of the provinces in Indonesia with a fairly dense population. In West Java, Industrial Estates are quite large in number, so it is not surprising that West Java is the third-largest contributor to Gross Domestic Product (GDP). Patimban Port built by the government is prepared to collaborate with Tanjung Priok port as a supporter to reduce national logistics costs. This study discusses the potential for reducing logistics costs with the construction of the Patimban port for industrial companies in the West Java Industrial Estate, especially in the Cikampek area. The method used in this research is descriptive qualitative, in which the approach is based on interviews. Books, journals, and articles from related institutions were also used as references for this research. With the construction of the Patimban port, there is also the potential for the development of Industrial Estates around the port, and later the Patimban port will also be supported by road access that can make it easier to reach

Keywords: West Java, Industrial Estate, Development, Port, Logistics Cost

Introduction

West Java is a fairly large province in Indonesia. The area of West Java province reaches 35,377.76 km² or about 1.85% of Indonesia's land area. The population in West Java is also quite large, so the province of West Java can be said to be a fairly dense province with a population of 48.27 million people. The largest population is in Bogor Regency where there are ± 5.43 million people, or about 11.24% of the total population in West Java. The second position is Bandung Regency with a population of around 3.62 million people or about 7.51% of the total population in West Java. Lastly, the least population is in Banjar City with a population of 200.97 thousand or about 0.42%.



Source : Jabar.bps.go.id 2019



Source : Badan Pusat Statistik 2020

An industrial area is an area dominated by industrial activity which has a combination of facilities consisting of industrial plants, research facilities, and laboratories for development, office buildings, banks, as well as social and public facilities (Dirdjojuwono, 2004). Industrial areas in West Java are indeed very dense. According to data obtained by the Ministry of Industry of the Republic of Indonesia (Kemenperin), the average land area of each industrial area in West Java is also wider than industrial areas in other areas. No wonder West Java is the third-largest contributor to the country's gross domestic product (GDP). Of the 74 industrial areas spread across Indonesia, 40 of them are in West Java. Broadly, of the 31,000 hectares of industrial estates in Indonesia, 23,000 hectares are in West Java. It can be said that West Java is the heart of the national industry by controlling more than 50 percent of the contribution of the industrial sector to the national economy (Agung Suryamal Sutisno, 2014).

According to Triatmodjo (1992), a port is an area of water that is protected from waves and used as a berth for ships and other water vehicles that functions to raise or lower passengers, goods, and animals. It is also an area to repair and refuel ships and is equipped with a wharf where ships use moor and cranes for loading and unloading goods. It also functions as a transit warehouse as well as a place for storing goods for a

longer period of time, while waiting for distribution to the destination area or the next shipment. As a sea transportation infrastructure, ports have a very important strategic role in the growth of industry and trade. They are a business sector that contributes to economic and national development because they are part of the transportation and logistics system chain. Therefore, effective, efficient, and professional port management is needed so that port services are smooth, safe, and fast. Sea transportation plays a very important role in the distribution of goods and services in Indonesia, especially in the eastern islands of Indonesia. To support this role, it is necessary to support port infrastructure with adequate facilities.

Patimban Subang Port, West Java, is a new port on the north coast of West Java located in Patimban area, built by central government policy through the Presidential Decree of the Republic of Indonesia Number 47 of 2016 concerning the determination of Patimban port and supported by Presidential Regulation of the Republic of Indonesia Number 3 of 2016 concerning the acceleration of the implementation of national strategic projects and Presidential Regulation Number 122 of 2016 concerning the acceleration of the provision of priority infrastructure. The Indonesian government and several Ministries synergize with Japan through the framework of the Japan International Corporation Agency (JICA) based on the Memorandum of Understanding between the Ministry of Transportation and the Japan International Corporation Agency (JICA) Number: PJ 24 of 2017 to accelerate the implementation of Patimban Port development project as a project of national strategy (Ministry of Transportation, 2017). The construction of Patimban port needs to be carried out quickly to immediately meet the demand for sea transportation methods to support the accessibility of economic activities between the western regions of Indonesia.

Method

The method used in this research is descriptive qualitative. In this study, researchers used this research method because it focuses on the explanations of research interviews conducted with several experts and of various literature such as journal articles, books, and reports/news and other information generated by the agency related. This research focuses on (1) the presence of Patimban port which has the potential to reduce logistics costs that occur in the industrial area specifically in Cikampek area, (2) the factors that support companies in the industrial area, especially in Cikampek area to take advantage of the existence of the port as an export-import distribution activity.

Discussion and Result

Patimban Port Profile

Patimban Port is one of the National Strategic Projects (PSN), covering an area of 369 hectares, with a reserved area of 356 hectares, and a total investment cost of up to Rp 43.2 trillion. In the first phase, Rp. 14 trillion has been implemented, funded by loans from the APBN and the Japan International Cooperation Agency (JICA). The total funds needed is estimated at Rp 43.22 trillion. As much as 79% of the funds came from progressive loans from the Japanese government, 10% came from the state budget, and 11% came from concession holders. The role of ports in supporting the Indonesian economy is very important. Adequate ports play an important role in supporting the movement of goods and people. The Patimban Port Project in Subang, West Java was built to serve as an economic corridor on the north coast of Java.

The construction of Patimban port also pays attention to several aspects, including:

1) Micro & Macroeconomic Aspects

The micro economy includes the influence of the economic conditions of the surrounding community. With the construction of

this port, it is likely to generate several jobs for the community around the port. In terms of the macroeconomy, it is expected that with the existence of the port, the economic conditions in West Java will experience growth which can increase GRDP (Gross Regional Domestic Product) in West Java.

2) Operational Aspect

Patimban Port will also be equipped with supporting facilities and infrastructure for the ease of operation at the port. It is planned that this port will build a container terminal with an estimated capacity of 7.5 million TEUs and the construction of a car terminal of ± 8 Ha which can accommodate a capacity of 218,000 CBU.

In this study, the analytical tool used is TOWS (Threats, Opportunity, Weakness, Strengths) analysis with the following explanation:

1) Threats

The threat for this Patimban port is the existence of Tanjung Priok port in Jakarta and Tanjung Emas port in Semarang which have existed long before Patimban port. This fact makes some companies that always carry out export/import activities are not so sure to use them at Patimban port.

2) Opportunity

The estimated opportunity is that with a large number of industrial sectors, most of which are located in the West Java area, many companies will prefer Patimban Port to carry out export/import activities there because the distance is quite affordable.

3) Weakness

The weakness in the Patimban port that occurs at this time is related to the lack of clarity on the implementation of port operations.

4) Strengths

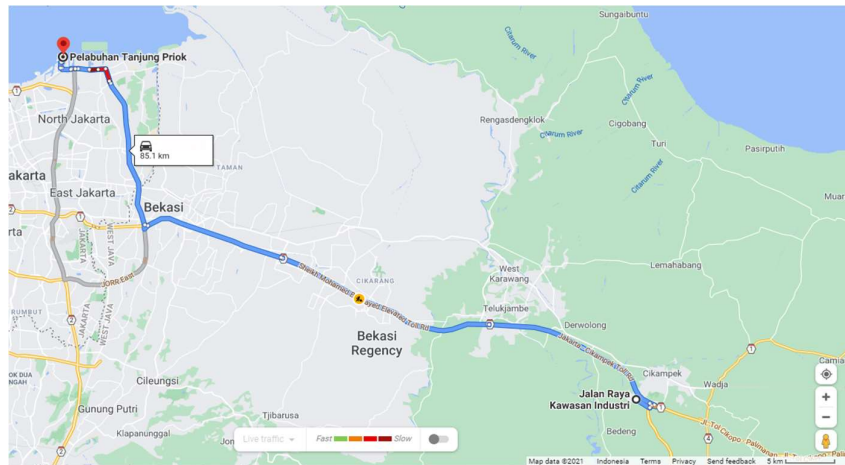
The strength that exists at Patimban port is its strategic location around the Industrial Area of West Java and the Rebana Area, Cirebon - Patimban - Kertajati Golden Triangle.

The advantages of the construction of Patimban port can be seen from the strengths and opportunities in the TOWS analysis, where the construction location of Patimban Port is considered strategic because it is within the industrial area in West Java.

Potential for Reducing Logistics Costs

In general, the existence of Patimban Port is expected to reduce logistics costs by bringing production centers closer to the port, increasing economic flexibility, and reducing traffic congestion levels to and from Jakarta.

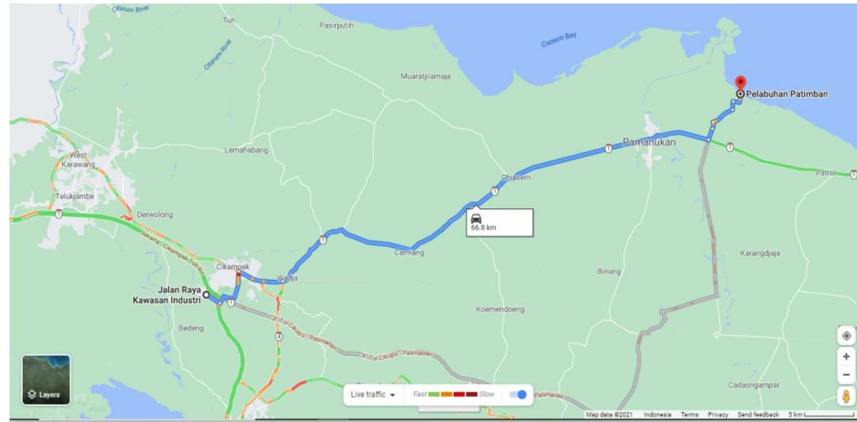
Distance



Source : Google Maps Kawasan Industri Cikampek – Pelabuhan Tanjung Priok 2021

- Cikampek Industrial Estate – Tanjung Priok

The distance between Cikampek Industrial Estate area and Tanjung Priok Port or vice versa is ± 85.1 km. Along the way there will be several congestion points in the area after the exit of the toll road towards the port of Tanjung Priok. It is estimated that the total time that can be taken for the delivery of goods using truck mode is ± 1 hour 48 minutes by the route of Jakarta – Cikampek Toll Road.



Source : Google Maps Kawasan Industri Cikampek – Pelabuhan Patimban 2021

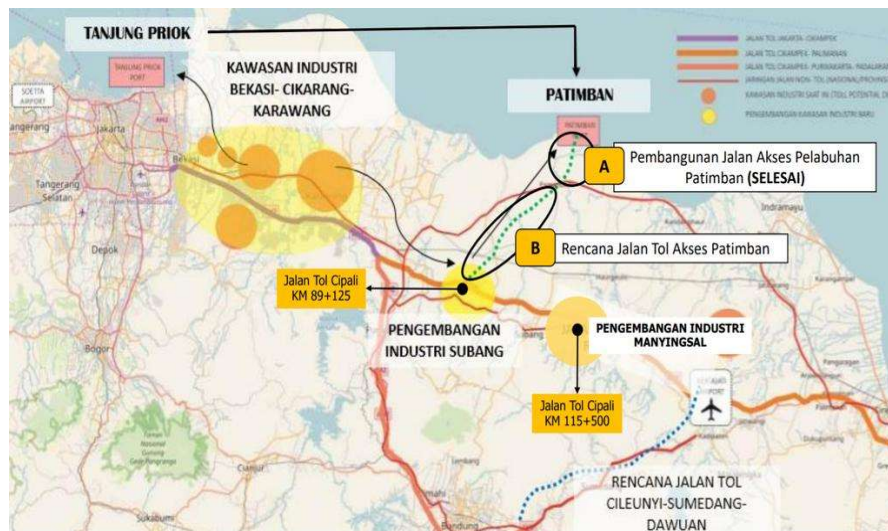
- Cikampek Industrial Estate – Patimban

The distance between Cikampek Industrial Estate area and Patimban Port or vice versa is ± 66.8 km. Sometimes there are several points of congestion depending on the situation and traffic flow conditions. It is estimated that the total time that can be taken for the delivery of goods using truck mode is ± 1 hour 34 minutes by the route of pantura road.

With the ± 18.3 km difference in distance between Cikampek Industrial Estate to Tanjung Priok Port and Patimban Port, it has the potential particularly to reduce the cost of fuel consumption for the delivery vehicles, both from the Cikampek Industrial Estate to the Patimban port and vice versa. In addition to reducing fuel costs, it also has the potential to reduce travel time, reduce the level of congestion in Jakarta, especially the area around the Tanjung Priok port, and reduce the density of loading and unloading activities at the Tanjung Priok port.

Patimban Port can become a new economic development center outside Jakarta and can encourage a new economic cycle in Rebana area (Cirebon, Subang, Majalengka). The Rebana area, the Cirebon-Patimban-Kertajati Golden Triangle, is expected to become the largest Special Economic Zone (SEZ) in Indonesia and one of Indonesia's strategic ports.

Patimban Port will be very strategic going forward because it is supported by supplementary infrastructures such as Kertajati Airport and toll road access. In addition, the port will also integrate existing economic areas such as Bekasi, Karawang, Purwakarta, Bandung, and other areas of West Java. The construction of Patimban Port will also reduce congestion in Jakarta, because not all logistics and distribution will pass through Tanjung Priok Port. The port to port cooperation is expected to increase time efficiency and reduce national logistics costs.



Source : DIREKTORAT JENDERAL BINA MARGA KEMENTERIAN PEKERJAAN
UMUM DAN PERUMAHAN RAKYAT 2020

The port will also be one of the ports that prioritizes the use of technology and digital systems in its operations. All systems will be digitally integrated and can be accessed in real-time, thereby increasing the efficiency of the logistics process and avoiding Dwelling Time problems.

In terms of accessibility, Patimban Port will be equipped with toll roads and railroads. With convenient transportation and these facilities, it is hoped that Patimban Port area can become a very large logistics area in the future.



Source : Balai Besar Pelaksanaan Jalan Nasional VI 2018

Conclusion

West Java Province has the largest industrial area in Indonesia, which is around 31.5%. Of the 74 industrial areas in Indonesia, 40 are in West Java. It can be said that West Java is the core of the national industry, controlling more than 50% of the industry's contribution to the national economy. In the next few years, it is estimated that the growth of industrial activity in West Java is likely to increase. Therefore, the development of Patimban Port requires support from many parties.

Patimban Port which was built on an area of 369 hectares is one of the National Strategic Projects (PSN). Patimban Port is suitable as a cargo distribution center in industrial areas around Karawang, Cikampek, Subang, and Bandung, by developing a bonded logistics center. The construction of an international port on the north coast of Java as a distribution center can be used to expand manufacturing-based industrial areas, thereby creating new jobs and encouraging economic growth in the surrounding area. Distribution of goods to and from several regional distribution centers in West Java will be better because there are many alternative modes of transportation.

If Patimban Port is already operating, it can reduce congestion in Jakarta, especially the traffic flow towards Tanjung Priok port, because most of the logistics distribution activities from the industrial area of West Java

have moved to Patimban Port. The construction of Patimban port also has the advantage of reducing logistics costs, especially in the West Java industrial area. This port shortens the distance from the location of the industrial area, especially in the area of West Java, which was previously the port of Tanjung Priok. In addition to shortening distances, it can also increase truck utilization and reduce shipping costs which include spending on fuel usage and reducing costs for toll road access payments.

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Interview

Capt. Syahrial Nasution (Himpunan Ahli Pelabuhan Indonesia)

Muhammad Rifni (Praktisi)