

AN EVALUATION REVIEW OF PT PELABUHAN INDONESIA (PERSERO) BUSINESS SEGMENT POST-MERGER PRODUCTIVITY

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Abstract: This research attempts to analyze of PT Pelabuhan Indonesia's business segment post-merger productivity. A descriptive qualitative method was applied by using a group formula. This study try to calculate the business merger segment product. Secondary data used this research was taken from PT Pelabuhan Indonesia 2021 annual report and literature like articles, websites, and documents relevant to the topic discussed in this research. It is one of the pilot studies that evaluate the productivity of PT Pelabuhan Indonesia's business segment productivity after the company merger. This study discusses the impact of the merger on productivity and provides a guideline to improve PT Pelabuhan Indonesia's business segment productivity.

Keywords: *Evaluation review, Post merger productivity, Business segment, PT Pelabuhan Indonesia, Ship flow*

Introduction (Including Literature Review)

PT Pelabuhan Indonesia (PERSERO), known as PELINDO, is a logistic company specializing in port management and development in Indonesia. Following the Governmental Regulation (PP) no. 15/1983 and PP no. 5/1985, PELINDO is a state-owned enterprise (BUMN) under the Department of Transportation of the Republic of Indonesia. Founded on 5th February 1960, this company runs its business as port service provider and optimizes its resources to deliver high-quality, competitive products and services to gain profits and improve its values based on the principle of limited liability.

PELINDO is currently managing at least 94 ports in Indonesia. It has four operating regions: PT Pelabuhan Indonesia I, managing ports in western Indonesia, including Aceh, North Sumatera, Riau, and Riau Islands; PT Pelabuhan Indonesia II, managing twelve ports in ten provinces, including Teluk Bayur Port

in West Sumatera Province, Jambi Port in Jambi Province, Boom Baru Port in Palembang, South Sumatera, Bengkulu Port in Bengkulu Province, Panjang Port in Lampung Province, Tanjung Pandan and Pangkal Balam Ports in Bangka Belitung Province, and Banten Port in Banten Province; PT Pelabuhan Indonesia III, managing ports in East Java, Central Java, South Kalimantan, West Kalimantan, Bali, West Nusa Tenggara, and East Nusa Tenggara; and PT Pelabuhan Indonesia IV.

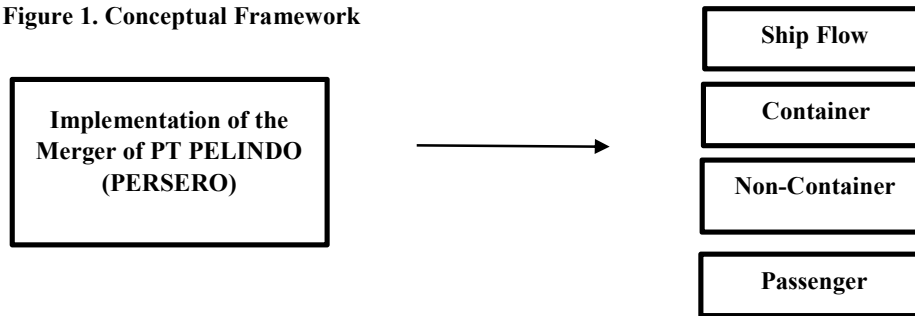
In October 2021, PELINDO I, III, and IV merged into PELINDO II. This merger aims to improve maritime connectivity among domestic and international ports. Through this merger, PELINDO holds better strategic control and stronger financial support to operate its business more efficiently and effectively with a higher standard, bringing positive impacts for public and, particularly, the users. This merger has transformed these four regional companies into a national-scale companies. Its business scheme is expected to improve the service capacity and business efficiency. Although this merger appears to bring positive impacts, several challenges should be addressed, including hampered services due to changes in production schemes and top to lower management. In this regard, the present study attempted to evaluate the company's productivity after the merger.

Research Problem

1. Does PT PELINDO merger affect company bussiness segment productivity in term of ship flow, container, non- container, and passenger?

Method

Figure 1. Conceptual Framework



This study was categorized as a descriptive qualitative study. Bodgar and Taylor (Moleong, 2010:4) define qualitative study as a research procedure that presents descriptive data in written or oral statements, or observable behaviors. The data used in this study were secondary data collected from PT PELINDO's annual report 2021.

Data Source and Collection

The primary data sources in qualitative studies are words and behaviors, while documents tend to serve as secondary data. The data were collected from the following sources:

1. Documents

Guba and Lincoln (1981:228) define documents as any written materials or films. Documents have been long used as a source of data to test, interpret, and forecast certain phenomena. Documents could be in the form of autobiography, memoir, diary, personal letters, court records, newspaper, magazine articles, brochures, bulletin, and photographs.

2. Online search

The most important point in an online search is to mention the data sources, either theoretical sources or important information. Online search was performed to support the research validity. The research

input was PT Pelabuhan Indonesia and its merger. The research subject was PT Pelabuhan Indonesia, while the object was business segments run by PT Pelabuhan Indonesia.

Study Object

The present study was conducted on 1 August 2022 in PELINDO, A company specializing its business in the field of port service provider and optimizing its resources to deliver high-quality, competitive product and services to gain profits and improve its values based on the principle of limited liability.

Discussion and Results

A. Post-Merger Business Segmentation

PT PELINDO's operation is exercised based on several regulations:

1. Government Regulation no. 19/1960 on general port management by Port Business Entity (Badan Pengusahaan Pelabuhan/BPP).
2. Government Regulation no.18/1969 stipulates that BPP was managed by each port. BPP substituted PN after the Port Authority (Otoritas Pelabuhan) was dissolved.
3. Its Public Company status was changed into Limited Liability Company (Perseroan Terbatas/PT) based on Government Regulation no. 57/1991, whose share was held by the Republic of Indonesia. Hence, its name was changed to PT Pelabuhan Indonesia under the management of the Ministry of State-owned Enterprise, as stipulated in Notarial Deed no. 3 dated 1 December 1992.
4. Following Government Regulation no. 15 of 1983, Perum Pelabuhan (Public Port Company) was merged and divided into four operating regionals and named Perum Pelabuhan I to IV. These four companies were state-owned enterprises under the Department of Transportation of the Republic of Indonesia.

5. The Decision of Minister of State-owned Enterprise no. SK-311/MBU/12/2019, as a part of the government's strategic programs in improving trading connectivity to reduce national logistic costs.
6. Decision of Minister of State owned-enterprise no. SK-83/MBU/Wk2/11/2020 dated 13 November 2020
7. Decision of Minister of State owned-enterprise no. SK-33/MBU/Wk2/03/2021 dated 29 Maret 2021.
8. Government Regulation no. 101 of 2021 on The Merger of PT Pelabuhan Indonesia 1 (PERSERO), PT Pelabuhan Indonesia III (PERSERO), and PT Pelabuhan Indonesia (PERSERO) into PT Pelabuhan Indonesia II (PERSERO).

Based on the regulations mentioned above, PT PELINDO runs four port operations, as displayed in the following figure:

Figure 2. Port Operation Chart



The enactment of Government Regulation no. 101 of 2021 on The Merger of PT Pelabuhan Indonesia 1 (PERSERO), PT Pelabuhan Indonesia III (PERSERO), and PT Pelabuhan Indonesia

IV (PERSERO) into PT Pelabuhan Indonesia II (PERSERO). was found to be well-implemented, as indicated by the following data.

Table 1. Ship Flow Productivity

Description	Unit	Ship Flow Productivity	
		2021	2020
General Port			
Domestic	GT	365.275.148	274.691.231
International	GT	201.654.893	256.676.692
Total General Port		566.930.041	531.367.923
Non-General Port			
Domestic	GT	335.932.191	305.566.794
International	GT	244.159.765	205.638.361
Total Non-General port		619.287.206	511.205.155
Overall Total Ship Flow Productivity		1.186.217.247	1.042.573.078

Source : PELINDO Annual Report, 2021

Table 2. Container Productivity

Description	Unit	Container Productivity	
		2021	2020
Domestic Service	Teus	7.872.429	6.010.578
International Service	Teus	9.184.207	8.021.773
Overall Total Cargo Productivity		17.056.636	14.032.351

Source : PELINDO Annual Report, 2021

Table 3. Non-Container Productivity

Description	Unit	Non-Container Productivity	
		2021	2020
General Port			
General Cargo	Ton	9.774.309	9.874.741
Bag Cargo	Ton	5.424.664	4.061.793
Liquid Bulk	Ton	37.182.559	28.878.398
Dry Bulk	Ton	60.314.892	50.339.692
Vehicle	Ton	4.692.647	2.765.535
Animal	Ton	205.041	247.792
Gas	Ton	19.155	0
Total Non-Cargo Productivity		117.613.268	96.167.951
Non-General Port			
General Cargo	Ton	298.316	55.152
Bag Cargo	Ton	-	-
Liquid Bulk	Ton	2.428.979	13.608.317
Liquid Bulk	Ton	25.860.246	19.366.918
Vehicle	Ton	-	-
Animal	Ton	-	-
Gas	Ton	-	-
Total Non-General Port		28.587.541	33.030.387
Overall Total Non-Cargo Productivity		146.200.809	129.198.339

Source : PELINDO Annual Report, 2021

Table 4. Passenger Productivity

Ship flow productivity growth rate		
Description	Growth Rate (%)	Result
General Port		
Domestic	$\left(\frac{365.275.148 - 274.691.231}{274.691.231} \right)$ $= 0,3297 \times 100\%$ $= 32,98 \%$	Increased Post-merger productivity
International	$\left(\frac{201.654.893 - 256.676.692}{256.676.692} \right)$ $= 0,2143 \times 100\%$ $= 21,44 \%$	Increased Post-merger productivity
Non-General Port		
Domestic	$\left(\frac{335.932.191 - 305.566.794}{305.566.794} \right)$ $= 0,0993 \times 100\%$ $= 9,94 \%$	Increased Post-merger productivity
International	$\left(\frac{244.159.765 - 205.638.361}{205.638.361} \right)$ $= 0,1873 \times 100\%$ $= 18,73 \%$	Increased Post-merger productivity

Source : PELINDO Annual Report, 2021

Based on the data, the productivity growth of all business segments of PT Pelabuhan Indonesia could be measured using the following formula :

$$\text{Growth Rate} = \left(\frac{\text{Present Value} - \text{Past Value}}{\text{Past Value}} \right)$$

Table 5. Ship flow productivity growth rate

Description	Unit	Passenger Productivity	
		2021	2020
Domestic			
Embarkation	Person	4.085.873	3.421.322
Disembarkation	Person	3.969.156	3.434.453
Total Domestic		8.055.029	6.855.775
International			
Embarkation	Person	338	185.421
Disembarkation	Person	1.538	199.351
Total International		1.876	384.772
Total Overall Passenger Productivity		8.056.905	7.240.547

Source : PELINDO Annual Report, 2021

Table 6. Container Productivity

Container Productivity		
Description	Growth Rate (%)	Result
Domestic Service	$\left(\frac{9.184.207 - 8.021.773}{8.021.773} \right)$ $= 0,1449 \times 100\%$ $= 14,49\%$	Increased Post-merger productivity
International Service	$\left(\frac{7.872.429 - 6.010.578}{6.010.578} \right)$ $= 0,3097 \times 100\%$ $= 30,97\%$	Increased Post-merger productivity

Source : PELINDO Annual Report, 2021

Table 7. Non-Container Productivity Growth Rate

Non-Container Productivity		
General Port		
Description	Growth Rate (%)	Results
General Cargo	$\left(\frac{9.774.309 - 9.874.741}{9.874.741} \right)$ $= -0,0101 \times 100\%$ $= -1,01\%$	Decreased Post-merger productivity because growth occurs only in some cargo owner
Bag Cargo	$\left(\frac{5.424.664 - 4.061.793}{4.061.793} \right)$ $= -0,3355 \times 100\%$ $= 33,55 \%$	Increased Post-merger productivity
Liquid Bulk	$\left(\frac{37.182.559 - 28.878.398}{28.878.398} \right)$ $= 0,2875 \times 100\%$ $= 28,75 \%$	Increased Post-merger productivity
Dry Bulk	$\left(\frac{60.314.892 - 50.339.692}{50.339.692} \right)$ $= 0,1981 \times 100\%$ $= 19,81\%$	Increased Post-merger productivity
Gas	$\left(\frac{19.155 - 0}{0} \right)$ $= \text{no comparison}$	-
Vehicle	$\left(\frac{4.692.647 - 2.765.535}{2.765.535} \right)$ $= 0,6968 \times 100\%$ $= 69,68\%$	Increased Post-merger productivity

Animal	$\left(\frac{205.041 - 247.792}{247.792} \right)$ $= -0,1725 \times 100\%$ $= -17,25\%$	Decreased post-merger productivity because meat demand was only found in some cities
Non-General Port		
General Cargo	$\left(\frac{298.316 - 55.152}{55.152} \right)$ $= 0,8151 \times 100\%$ $= 81,51\%$	Increased Post-merger productivity
Liquid Bulk	$\left(\frac{2.428.979 - 13.608.317}{13.608.317} \right)$ $= -0,8215 \times 100\%$ $= -82,15$	Decreased post-merger productivity due to less demand for liquid bulk.
Curah Cair (Liquid Bulk)	$\left(\frac{25.860.246 - 19.366.918}{19.366.918} \right)$ $= 0,3352 \times 100\%$ $= 33,52\%$	Increased Post-merger productivity

Source : PELINDO Annual Report, 2021

Table 8. Passenger Productivity Growth Rate

Passenger Productivity		
Description	Growth Rate (%)	Results
Domestic		
Embarkation	$\left(\frac{4.085.873 - 3.421.322}{3.421.322} \right)$ $= 0,1942 \times 100\%$ $= 19,42\%$	Increased Post-merger productivity
Disembarkation	$\left(\frac{3.969.156 - 3.434.453}{3.434.453} \right)$ $= 0,1556 \times 100\%$ $= 15,56\%$	Increased Post-merger productivity

International		
Embarkation	$\left(\frac{338 - 185.421}{185.421} \right)$ $= -0,9981 \times 100\%$ $= -99,81\%$	Decreased post-merger productivity due to Covid-19 regulation in Indonesia
Disembarkation	$\left(\frac{1.538 - 199.351}{199.351} \right)$ $= -0,9922 \times 100\%$ $= -99,22\%$	Decreased post-merger productivity due to Covid-19 regulation in Indonesia

Source : Annual Report PT PELINDO, 2021

The following table presents the overall growth rate of PT PELINDO's business segments:

Description	Growth Rate (%)	Results
Total Ship Flow Productivity Growth Rate	$\left(\frac{1.186.217.247 - 1.042.573.078}{1.042.573.078} \right)$ $= 0,1378 \times 100\%$ $= 13,78\%$	Increased Post-merger productivity
Total Container Productivity Growth Rate	$\left(\frac{17.056.636 - 14.032.351}{14.032.351} \right)$ $= 0,2155 \times 100\%$ $= 21,55\%$	Increased Post-merger productivity
Total Non-Container Productivity	$\left(\frac{146.200.809 - 129.198.339}{129.198.339} \right)$ $= 0,1315 \times 100\%$ $= 13,16\%$	Increased Post-merger productivity
Total Passenger Productivity	$\left(\frac{8.056.905 - 7.240.547}{7.240.547} \right)$ $= 0,1127 \times 100\%$ $= 11,27\%$	Increased Post-merger productivity

Source : PELINDO Annual Report, 2021

Conclusion

Based on the result, it could be concluded that PELINDO's business segments tend to show increased productivity after the company mergers. The company is expected to maintain and improve its productivity and reduce national logistic costs, as the shipping network now is more integrated.

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