

The Effectiveness of Sea Toll Concept Implementation to Develop The Economic Growth in Remote Area

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Abstract

This study aims to analyze the benefits of the sea toll program which is a priority program (NawaCita) of Indonesia's elected president in 2014-2019. This research used descriptive-qualitative methods. The results show, first, the important role of the sea toll to help the mobility of goods, people and information. Sea toll has a very large fleet of vessel because of its biggest capacity compared to other modes and the charge tends relatively low, sea toll is the government's tool to reach remote area, increase regional revenues and distribute essential goods equally; Second, the benefits of sea toll for the economic growth to the community in destination area. The sea toll is the solution for the government to distribute sustainable, stable and low-cost goods because sea toll might reduce the price disparity occurring in the regional, remote, outermost and border areas; Third, the effectiveness of the sea toll to connect islands in Indonesia. The islands are areas which are difficult to reach in the eastern region of Indonesia.

Keywords: sea toll, economic growth, remote area, mobility, and effectiveness

Introduction

Indonesia is an archipelago consisting of 17,504 islands. As a maritime country, Indonesia can only be connected by sea to carry out economic activities, therefore the role of sea transportation in Indonesia is very important to support the economy between regions. (Jusna c& Nempung, 2016)

Transportation or carrier is an important facility for the development of a country's development, because all development activities will not be separated from the transportation facilities and infrastructure itself. If sea transportation in a country is good, especially Indonesia as an archipelago where sea transportation is a means of connecting between islands, then development of the country will run

smoothly which will have a good impact on the regional economy, especially the eastern part of Indonesia even for the country itself. To achieve this, good, regular and adequate sea transportation facilities are needed. (Ilmar & Daud, n.d.).

Good sea transportation, regular or in other words has a shipping schedule that can still be one solution to reduce the disparity in prices of essential goods and essential goods. Development of connectivity of Java Island, as a center for the production and consumption of goods, with other islands in Indonesia which must be accompanied by a return of cargo from these islands to Java. This requires the availability of the volume of commodities as industrial raw materials or products produced on other islands. In general, freight transport in sea transportation plays an important role in two things, namely economic development and non-economic development. for the community. Economic objectives such as increasing national income, developing national industries and creating and maintaining the level of employment opportunities for the community. In line with these economic objectives there are also objectives that are non-economic, namely to enhance national integrity, and enhance national defense and security (Hobbs, 2008). Therefore, this study aims to analyze the effectiveness of the application of sea tolls in supporting the improvement of the economy in remote areas. the framework of effective and efficient sea highway transportation so that the people in eastern Indonesia feel the benefits that reduce price disparity and increase the economy and industry of eastern Indonesia, especially remote areas.

Methodology

This researched used primary and secondary data. Primary data was obtained directly from a number of informants through observation and interview. The source of information used in this studied was as many as 2 people with detailed as follows: 1 Ministry of Transportation staff; 2 Trisakti ITL lecturers. Secondary data was obtained from documented of sea highway program records from the

Ministry of Transportation. Data analysis used in this study was descriptive analysis presented in percentages.

Results and Discussion

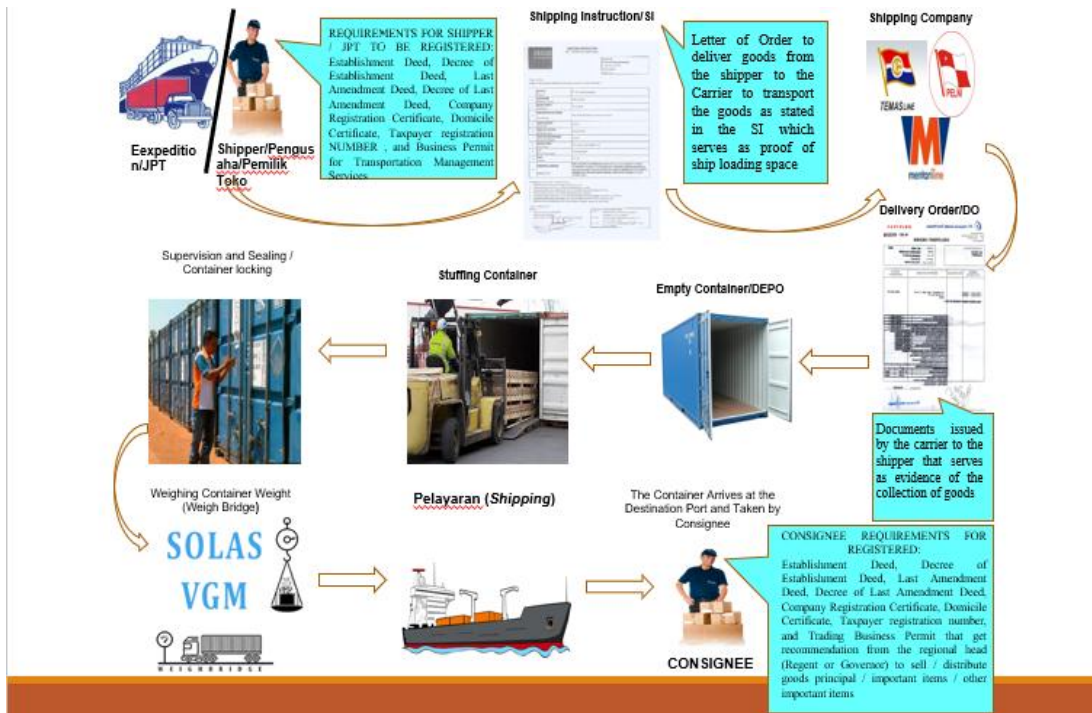
1. The Important Role of Sea Tolls for Mobility of Goods and Humans in Indonesia.

Related to this discussion, in accordance with the results of the interviews conduct with the informants on the important role of the sea highway for goods / human mobility is transportation, is a very important field of activity in the lives of Indonesian people and even the world, in Indonesia itself the distribution of essential goods is very dependent in transportation. Safe, comfortable and smooth transportation can support the distribution of goods and products that can be evenly distribution, increase regional income and open isolated areas and increase state revenues at a macro level. Another thing is why the role of transportation and factors support (roads, ports, etc.) is very important because Indonesia is an archipelago (archipelago), where optimization of collaboration among sea, land and air modes is need to reach all parts of Indonesia and distribution of essential goods will become more optimal. . (Kadarisman, Yuliantini, & Majid, 2016)

Transportation can build a regional / state economy if managed optimally. The sea highway that utilizes a fleet of ships that can carry more cargo than other modes at low price, is the best solution to reduce the inequality in prices of basic goods that occur especially for eastern Indonesia. This shows the importance of the presence of sea tolls in Indonesia, so that the development and improvement of the quality of transportation or transportation services is absolutely necessary.

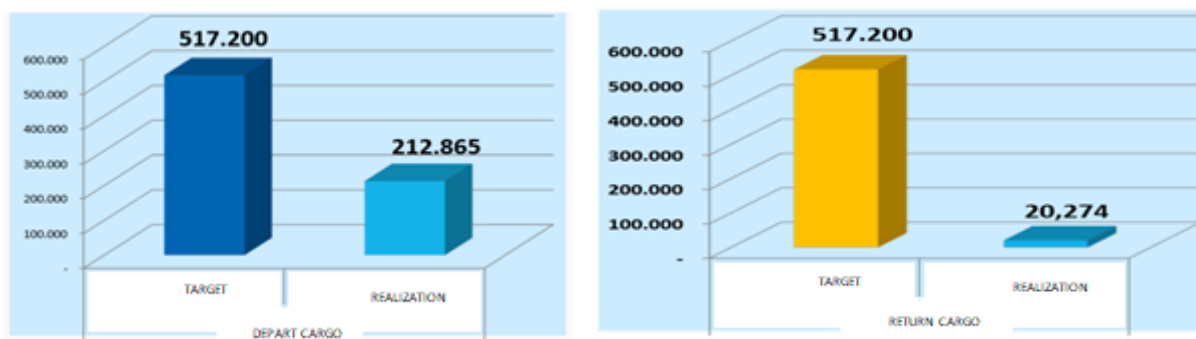
The sea toll program is expect to be carry out in a sustainable and increase about the network/track and the service is expect, sea toll to be able to reach eastern Indonesian regions every year which requires the existence of a toll road.

1 Load Process of Cargo on Sea Toll



*(Source above from Ministry of Transportation)

CARGO DATA YEAR 2017 OF SEA TOLL



Notice : Target & Realization return and depart cargo of sea toll at 2017

*(Source above from Ministry of Transportation)

The data above is the target and realization of cargo departing and returning from the toll road program in 2017. Realization that is not in line with the target is due to several factors, consist :

1. Repair of sea toll boats & road infrastructure to and from the port which need a long and uncertain time.
2. Limitations of involve from the regional government in providing markets for people to market their production / catches.
3. Limitations level of public education, especially eastern Indonesia.
4. Delay in the process of sending cargo departing / returning due to bad weather conditions.

Sea tolls which play a role as the mobility of essential goods / staples cannot be separated from the **Presidential Regulation No.70 2017** Year which must be obey by parties that involve in the sea toll program with the enactment of the regulation concerning the implementation of public obligations for the transport of goods from and to regional, remote, outermost and border areas (3TP), then shipping instruction (SI) made is as proof of the shipper's request to the carrier to be able to load the load as stated in the SI.

The duty of the shipping company to make arrangements fairly and regularly the use of cargo space based on the SI it receives to avoid monopoly. There needs to be a fair and regular procedure for distributing shiploading space to all vessel operators and users of the Sea Toll Load Room, given the growing public interest in the regional, remote, outermost and border area in using the Toll Sea freight transportation subsidy.

2. Benefits of Marine Tolls to the Economic Welfare of the Community in the Area of the Sea Toll

Related to this discussion, the following is shown the results of in-depth interviews with informants who explain that the construction of sea tolls is aims at creating connectivity and pressing price disparities that still occur between the

West (Kalimantan, Java, Bali, Sumatra) and East Indonesia (Sulawesi, Nusa Tenggara, Papua, Maluku) due to the low availability of basic goods or in other words a bad supply chain. With the existence of sea toll boats, transportation costs are reduce for goods (goods are all types of commodities including livestock that are unload / load from and to the ship).

The government, in this case the Ministry of Transportation, in collaboration with the Ministry of Trade and State-Owned Enterprises, wants "Our Home" which functions to accommodate goods from & to the island of Java due to the low volume of reverse cargo and considering the expensive cost of return trip. Our Home / logistics center which is expected to facilitate the public in obtaining essential / important goods.

The price reduction of goods transport by the sea toll fleet reach 20 percent compare to before the sea toll. The following is an example of data that strengthens the decline in goods with the existence of sea tolls:

**THE PRICE OF REQUIRED OF CORE GOODS AND IMPORTANT GOODS IN SOME AREAS
THROUGH THE DECEMBER 2017 SEA TOLL**

No	TYPE/ COMMODITY	WEIGHT	INFORMATION	Bengkulu Utara	Waingapu	Lembata	Sangihe	Biak Numfor	Anambas	Natuna	Larantuka
1	RICE	Rp/Kg	PRIVATE	12.000	-	10.000	13.500	13.000	14.000	15.000	12.000
			SEA TOLL	12.000	11.000	10.000	11.300	12.000	14.000	12.000	12.000
		%	DECREASE PRICE & DISPARITY	0,00	-	0,00	16,30	7,69	0,00	20,00	0,00
2	SUGAR	Rp/Kg	PRIVATE	12.000	-	16.000	12.500	15.000	14.000	15.000	15.000
			SEA TOLL	12.500	17.000	15.000	10.800	13.000	13.000	12.500	14.000
		%	DECREASE PRICE & DISPARITY	-4,17	-	6,25	13,60	13,33	7,14	16,67	6,67
3	COOKING OIL	Rp/Lt	PRIVATE	14.000	-	18.000	15.000	15.000	13.600	15.000	17.000
			SEA TOLL	15.000	17.000	17.000	13.100	-	15.600	14.000	14.000
		%	DECREASE PRICE & DISPARITY	-7,14	-	5,56	12,67	-	-14,71	6,67	17,65

**THE PRICE OF REQUIRED OF CORE GOODS AND IMPORTANT GOODS IN SOME
AREAS THROUGH THE JANUARY-MAY 2017 SEA TOLL**

No	Type / commodity	Weight	Information	Natuna	Anambas	Sangihe	Talaud	Kep. Yapen
1	Rice	Rp / Kg	Private	15000	15,000	12,500	13,000	12,800
			Sea Toll	12,000	14,300	11,300	12,000	8,000
		%	Decrease Price & Disparity	20	5	10	8	38
2	Sugar	Rp / Kg	Private	15,000	13,000	12,500	14,000	12,500
			Sea Toll	12,500	13,000	11,300	12,000	11,000
		%	Decrease Price & Disparity	17	0	10	14	12
3	Oil Cooking	Rp / Kg	Private	15,000	78,000	12,500	20,000	17,000
			Sea Toll	14,000	75,000	11,800	16,000	16,000
		%	Decrease Price & Disparity	7	4	6	20	6

**(Source above obtain from Ministry of Transportation)*

The above information is a comparison of the prices of core / important private goods and marine tolls in December 2017 & May 2018 for 3 regions, namely Sangihe, Anambas & Natuna as representatives of other regions. Natuna in 2017 & 2018 where the ratio of prices of goods (rice, sugar, cooking oil) to private and sea tolls is still the same and has not change. Anambas for rice in 2017 private & sea toll prices are the same but in 2018 a decrease about 5%, for sugar in 2017 a decrease about 7%, for cooking oil in 2017 & 2018 each decrease by 15% & 4%. Sangihe in 2017 & 2018 for rice goods decrease by 17% & 10%, for sugar 2017 & 2018 14% & 10%, cooking oil in 2017 & 2018 respectively decrease by 13% & 6%.

The type of cargo that transport by fleet (sea highway) must comply with **Presidential Regulation No. 71 Year 2015** consists of cargo of agricultural goods (such as rice, soybeans, etc.), industrial products (sugar, oil, flour, etc.),

livestock products (meat, eggs, fish, etc.), and important goods (such as : fertilizer, seeds, cement, etc.). As for other necessities which are demand from the eastern Indonesian community which are then regulate through the **Regulation of the Minister of Trade No. 38 Year 2018** consisting of mineral water, garlic, baby and adult diapers, and so on. The sending / distributing of the above essential goods through the sea lane cannot be separate from the involvement of the parties who play a role in maintaining the supply chain, consist:

- ❖ **Ministry of Transportation:** ease of obtaining data on the number and type of goods transport according to the manifest issues by the the ship , Knowing the schedule of the ship movements,number of voyage, user **data subsidies**.
- ❖ **Ministry of Trade:** ease of controlling goods, monitoring trade between region,evaluating the impact of shipping goods on price disparities in remote areas.
- ❖ **Ship Operator:** Clear procedure to serve Shipping Instruction proposed by the shipper and to divide allotment space between ports and shipper until dispatch of Delivery Order.
- ❖ **Harbour Master/Port State Control :** supervise and control the goods are load, the safety and feasibillity of ships both during sailling and port.
- ❖ **Shipper:** Clear procedure for issuing Shipping Instructution (SI),How to deliver it to the ship operator, the date/timeof delivery of SI & freight costs to be paid, get clear transparent information about capacity of remain cargo space.
- ❖ **Local Goverment:** To control & evaluate relate to the type of cargo and the validity of the shipment of goods, consideration in providing appropriate recommendations related to the commodity shipping , controlling the shipper & consignee in order to control price disparity , monitoring the highest retail price of goods transported via sea toll.

3. Aspects of Effectiveness of Sea Tolls as Inter-Island Connectors

Relate to this discussion, the following shows the results of in-deep interviews with informants that explaining Indonesian is the largest archipelago country in the world, where sea transportation is certainly being veins the transportation system in Indonesia. Sea transportation can connect between islands in all regions of Indonesia, ships that are use as carriers, in the form of goods, people & information. Although denote as the largest archipelagic country in the world, there are still some problems that still occur specifically in the distribution of core / essential goods through the sea, some of the factors inhibiting the distribution of goods include: Limitations of the shipping lane, lack of the fleet of ships and the lack of adequate infrastructure (roads, ports, etc.) from and to the port which causes high logistics costs to be incur so that the impact on the high price disparity of essential / important goods and other factors is less optimization of other modes in helping the distribution of goods principal / important.

Effective and efficient sea transportation (not apart from a number of supporting factors) is believe to be able to build inter-island connectivity and improve the welfare of people in regional, remote, outermost and border areas as in eastern Indonesia, where airway utilization is consider to be less effective due to limitation capacity and operational costs that tend to be high, depends on 100% in land transportation are also not possible, because it is almost impossible for Indonesia to connect all the islands with existing bridges because of that believe that the sea toll program is the best solution to reduce the price disparity that still occurs.

Sea toll aims to build effective and efficient sea transportation connectivity between islands that place in difficult lane to reach.

The execution of sea tolls is inseparable from the legal basis that regulates it as follows: ***Rules Of Minister Transportation Of Republic Of Indoneisa Number Pm 4 Year 2018*** : "*The implementation of Public Service Obligation (PSO) for Goods Transportation at Sea is the implementation of shipping of goods to*

regional, remote, outermost, and border areas in accordance with the established routes, while maintaining and safeguarding the safety and security of shipping".

Construction of the Sea Toll is an effort to provide a sea transportation network on a regular basis in other words having a regular transportation schedule through the implementation of sea transportation services with a subsidy pattern and support by an increase in port facilities.

Conclusion

Sea Toll Road is the right concept in solve the problems in the outermost, remote, regional and border areas, it is undeniable that the existence of sea tolls is very helpful in improving the welfare of the community, building connectivity, increasing regional income, facilitating mobility of goods / people, as inter-island and not only in economic aspects. The sea toll road is also one of the nation's uni tools where long distances will be erode and social inequality that occurs will continue to decrease as the sea toll program runs

The sea highway has a simple understanding is the sea transportation trip that is intend to connect the areas that are on the most difficult to reach lanes. The sea toll program is a pioneer program, especially for sea transportation where the use of marine fleets will be further enhanced and the network of the marine fleet will be wider so that it can connect areas that are in difficult to reach routes. Sea transportation is the artery in building the national economy to help the flow of essential goods, people and information through the sea to support the optimal and equitable allocation of economic resources.

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