

2 Indonesia Logistics Infrastructure

Indonesia Logistics Infrastructure Narrative

Although Indonesia has been significantly impacted by a number of natural disasters, there is significant logistics capacity nationally. In the provinces, the majority of the population are able to be accessed by asphalt roads and there are a number of sea ports located throughout the country which enable large scale movement of cargo by sea.

The structure of the primary logistics providers is that they are controlled by the Indonesian government. The sea ports (Pelindo), airports (Angkasa Pura), passenger ferries (ASDP), airlines (Garuda Indonesia) are controlled by majority owned government entities. Currently substantial investment is on-going on these logistics hubs, in particular with new seaports being constructed in Surabaya and airports under-going extensive renovations or new development areas such as Bali, Medan and Kupang. Private companies also operate in the land transport and shipping areas to supplement logistics movements.

The most substantial constraint that is faced by logistics operations within Indonesia is road congestion. Congestion of the roads can add hours or days onto transit times for cargo movements. This congestion is most evident within the larger cities, as well as the exit and entry in major sea ports.

Projects are underway to improve road access, for example the Trans Papua road which is set to connect all of Papua province. However, the construction of these roads is complex and expensive so may take years to reach completion.