



High Logistics Costs Impede Higher Economic Growth For Indonesia, Says Joint Report

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JAKARTA, 6 September 2013 - High logistics costs are a serious impediment to higher economic growth for Indonesia, according to a report launched today by Bandung Institute of Technology in West Java, in partnership with the World Bank. "The costs of logistics across Indonesia account for some 24 per cent of GDP (Gross Domestic Product), higher than in neighboring countries. Cutting down costs and improving the quality of logistics and transport systems would vastly improve Indonesias access to international markets and increase trade," says Henry Sandee, a senior trade specialist at the World Bank. The Annual Logistics Report is compiled by Bandung Institute of Technologys Research Center for Logistics and Supply Chains, the Indonesian Logistics Association (ALI), the STC Group, Panteia Research Institute in the Netherlands, and the World Bank Indonesia Office. The report provides an analysis and overview of the progress made in tackling the problem of logistics in Indonesia. One of the reports case studies examines inefficiencies at Jakartas Tanjung Priok port. "The waiting time (dwelling time) for containers at Tanjung Priok has increased from 4.8 days in October 2010, to 8 days in 2013. This is creating more bottlenecks for Indonesias exports and imports," says World Bank senior trade specialist Henry Sandee. Other findings suggest that opening up the port to 24 hours a day, 7 days a week, has not translated yet into faster processing of documents or of goods. The report also shows that using Cikarang Dry Port - an integrated facility that support Tanjung Priok in handling export and import shipments, as well as domestic transactions -- may reduce costs and time. Yet, due to infrastructural and institutional constraints, the Cikarang Dry Port remains under-utilized. It is the intention of all partners to launch a state of logistics report annually and the 2014 version will be launched early next year. Media Contacts
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