

A Brief Guide to Special Purpose Port in Indonesia

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Special Purpose Port in Indonesia is specifically intended for supporting the main business of a company in the mining, industry, plantation, or fishery sector, and is restricted to be used for public purposes without consent from the government.

This brief guide provides the stages for procuring the necessary licenses to construct and operate a Special Port in Indonesia.

Licensing Stages:

1. Recommendation from Governor and Regent / Mayor regarding the suitability of specific port location plan with the spatial planning of province and regency / city.
2. Approval of Special Port Location;
3. Approval of Designated Port Master Plan;
4. Special Purpose Port Development License;
5. Special Purpose Port Operations License;
6. Approval of Special Purpose Ports that is open to foreign / international trade

Approval of Special Port Location

1. To obtain the approval of the special port location, the applicant should submit an application to the Minister through the Director-General, enclosing:
 - a. copy of the basic business license;
 - b. location of the proposed location is equipped with geographic coordinates correspond to map the sea;
 - c. feasibility study of safety and security aspects of the cruise which includes plot, swimming, plan the placement of navigational aids shipping, ship visits and the current plan of economic and technical feasibility of operational plans that include volume loading and unloading of raw materials, equipment and production support
 - d. survey covering (a depth of tidal waves and currents), the topography, the zero point (benchmark) the location of the port which is expressed in geographical coordinates are recommended by the official holder of the safety functions of the local shipping;
 - e. recommendation Governor and Regent / Mayor regarding the suitability of specific port location plan with the regional spatial plan Provincial and Regency / City.
2. Director-General shall conduct assessment and communicate the results of such assessment as set forth in Article 4 paragraph (3) of the Regulation of Minister of Transportation 55/2002 to the Minister not later than 14 (fourteen) working days after receipt of the complete application.
3. Approval of the location or rejection shall be given by the Minister not later than 14 (fourteen) working days after receipt of the complete application.
4. Rejection of application shall be given in stating the reasons of rejection.

Approval of the Special Port Master Plan

1. for the interests of special port management, a special port master plan at a predetermined location in accordance with the development plans for the main business.

2. Planning periods in the special port master plan referred to in subsection (1), shall be in accordance with development plan for the main business.
3. Preparation of Special Port Master Plan shall be performed by observing:
 - a. national port order and plan;
 - b. spatial plan of the Province and Regency / City;
 - c. security and safety of shipping;
 - d. technical feasibility, economical and environment; and
 - e. licensing from related authority.

Special port master plan, include:

1. Planning for land area usage, among others:
 - a. dock;
 - b. warehousing;
 - c. stockpile;
 - d. waste storage facilities and waste management;
 - e. fire fighting facilities;
 - f. office facilities;
 - g. other port facilities
2. Planning for water territory usage, among others:
 - a. dock;
 - b. docking area in harbor water;
 - c. shipping line;
 - d. pond of the port for the docking and motion of the vessel;
 - e. waters for quarantine activities;
 - f. intra-port connecting water flow;
 - g. guide on water territory;
 - h. water territory for the government's vessel;
 - i. water territory for idle vessel;
 - j. water territory for emergency purposes.

This particular port master plan shall be accompanied by recommendations from the official holding the shipping safety function.

Port master plan approval is given in conjunction with the granting of a special port development license.

Special Port Construction License:

Within a period of 1 (one) year after obtaining the license for construction of the special port, the construction should be commenced. The special port should be completed and ready for operation not later than 3 (three) years after the construction license is granted.

Submission of application for Special Port Construction License by attaching: a. port master plan proposal specifically recommended by the officials of shipping safety function; b. recommendation from the Governor and Regent / Mayor of the suitability of the spatial plans for Provincial and District / City, for an international / national special port.

Special Port Construction License requirements:

- a. Administrative requirements, consisting of:

- 1) Articles of Association of the Company;
- 2) Taxpayer Identification Number;
- 3) Business License from the relevant agencies;
- 4) proof of land ownership;
- 5) proposal of planned activities;
- 6) Special Port Location Approval;
- 7) recommendation from the official in charge of safety functions in local shipping.

b. Technical requirements, consisting of:

- 1) port master plan
- 2) detailed engineering design and construction including calculations, technical specifications, methods of implementation of development, stages of construction, drawings and schedules of dock facility layout, building construction drawings (plans, looks and pieces), dredging and reclamation plan drawings and sludge disposal area (in case of dredging and reclamation work involved);
- 3) The port survey, which shall include:
 - i. oceanography hydro conditions (tidal wave, depth, current levels of salinization and sediment levels).
 - ii. Topography (contour lines around the dock);
 - iii. Soil conditions (soil type and characteristics)
- 4) A review of the safety of shipping, the shipping line and port pools.
- 5) The boundaries of the land and waters or waters equipped with geographic coordinates;
- 6) Environmental studies that have been approved by the competent authority according to the laws and regulations.

Special Port Construction License process:

- 1) to obtain national / international Special Port Construction License, the applicant shall submit an application to the Director General by attaching the requirements.
- 2) To obtain a local or regional Special Port Construction License, the applicant shall submit an application to the Regent / Mayor, attaching the requirements.
- 3) granting or refusal of the application for construction license shall be given by the Director-General, Regent / Mayor, not later than 14 (fourteen) working days from receipt of the complete application.
- 4) Rejection of an application by the Director General or Regent/Mayor shall be made in writing stating the reasons.

Special Port Operations License

To obtain a license to operate a special port, the applicant should meet the following requirements:

- a. has a Special Port Construction License given by:
 - 1) The Director General of Sea Transportation on behalf of the Minister for the national Special Port;
 - 2) Governor for Regional Ports;
 - 3) Regent / Mayor for Local Ports.
- b. Construction of special ports have been completed in accordance with license granted evidenced by the recommendation of officials holding the shipping safety function;
- c. security, public order and safety are recommended by the official holding the shipping safety functions;
- d. Report on environmental management and monitoring during development;

- e. Have systems and procedures;
- f. Available resources in the technical field of port operation who is knowledgeable in the field of port and sea transportation.

Special Port Operations License process:

1. to obtain a license to operate a special port, Applicant should comply with the above requirements and attached the proof with the application to:
 - a. Minister through the Director-General to national / international port;
 - b. Governor for a regional special port;
 - c. Regents / Mayors for special local port.
2. The Director General provides the review results of the application for a national / international special port operations license by a letter to the Minister not later than 7 (seven) working days from receipt of the complete application by attaching the following document:
 - a. copy of the special port construction license;
 - b. proof of requirements inspection made by the officer appointed by the Director-General in the form of the minutes of the assessment results;
 - c. environmental studies that have been approved by the competent authority according to laws and regulations.
3. granting or refusal of the application for a national / international special port operations license is given by the Minister not later than 14 (fourteen) working days from receipt of complete application.
4. Rejection of an application is submitted by the Minister in writing stating the clear reasons for refusal.
5. Granting or refusal of the application for a regional special port operations shall be made not later than 14 (fourteen) working days from receipt of the complete application.
6. Rejection of the application shall be made by the Governor and Regent / Mayor in writing stating the clear reason for rejection.

Approval for Special Ports that are open to international trade

Requirements for the approval of a special port to be open for international trade:

- a. Administrative aspect, which consists of:
 1. the recommendations of Governor, Regents / Mayors;
 2. recommendations of the official holding the shipping safety function in port;
- b. Economic aspects, which are:
 1. support for a particular industry;
 2. the flow of goods at least 10,000 tons / year;
 3. the flow of exports of at least 50,000 tons / year
- c. safety aspects of shipping, which consists of:
 1. minimum water depth - 6 meters LWS;
 2. pool wide enough for a at least 3 (three) ships in motion;
 3. facilities, navigation aids;
 4. coast operating radio stations;

5. infrastructure, facilities and human resources for the port guide;
 6. patrol boats where necessary;
- d. technical aspects of port facilities, consist of:
1. at least one permanent concrete pier moorings;
 2. closed warehouse;
 3. loading and unloading equipment;
 4. Fire extinguisher 1 unit;
 5. Facilities bunker;
 6. pollution prevention facilities.

In terms of the requirements referred above have been met, the Minister shall set a Special Port to be open for international trade after obtaining consideration from the Minister responsible in the field of industry and commerce as well as the Minister of Finance.

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