

Exploring Stakeholder Significance and Impact at Tanjung Moco Port within the Tanjung Pinang Free Trade Zone

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ABSTRACT

The Tanjungpinang Free Trade Zone has been operational for over 15 years, but this area has yet to fully harness the potential and benefits of Free Trade Zone regulations due to the absence of a free port serving as a crucial connectivity node between the Tanjungpinang Free Trade Zone, export destinations, and the hinterland area. The aim of this research is to analyze the role of Tanjung Moco Port as a Free Port within the Tanjungpinang Free Trade Zone. This research was conducted using qualitative methods, which involved literature reviews and interviews with BP Tanjungpinang Area officials and business stakeholders operating in the Tanjungpinang Free Trade Zone. The study's findings reveal that maritime connectivity offers several advantages that align with the Tanjungpinang Free Trade Zone's development plans. Through an analysis of needs and supply chains, the study underscores the significance of Tanjung Moco Port's existence to support logistics activities.

Keywords : Free Port; Free Trade Zone; Tanjung Moco; Tanjungpinang; Logistic

ABSTRAK

Free Trade Zone Tanjungpinang telah berjalan selama lebih dari 15 tahun akan tetapi Kawasan ini belum dapat memaksimalkan potensi dan dukungan regulasi Free Trade Zone akibat belum adanya Pelabuhan bebas sebagai simpul konektivitas antara Free Trade Zone Tanjungpinang dengan negara tujuan ekspor dan Kawasan hinterland. Tujuan dalam penelitian ini untuk menganalisa Pelabuhan Tanjung Moco sebagai Pelabuhan Bebas di Free Trade Zone Tanjungpinang. Penelitian ini dilakukan melalui metode kualitatif melalui studi literatur dan wawancara dengan BP Kawasan Tanjungpinang dan pelaku usaha di dalam Free Trade Zone Tanjungpinang. Hasil studi menunjukkan adanya keuntungan konektivitas maritim yang selaras dengan perencanaan free trade zone Tanjungpinang melalui Analisa kebutuhan dan supply chain sehingga keberadaan Pelabuhan Tanjung Moco diperlukan dalam menunjang aktivitas logistik.

Kata Kunci : Pelabuhan Bebas; Kawasan Perdagangan Bebas; Tanjung Moco; Tanjungpinang; Logistik

INTRODUCTION

In accordance with the directive of Government Regulation No. 26 of 2008 regarding National Spatial Planning, National Strategic Areas (NSAs) are regions where spatial planning is prioritized due to their significant national influence on state sovereignty, defense and security, the economy, social aspects, culture, and/or the environment. This includes areas designated as world heritage. Based on Government Regulation No. 26 of 2008 concerning National Spatial Planning (RTRWN), a portion of Tanjungpinang City is covered within the Economic Interest Corner NSA, which includes the Tanjungpinang Free Trade Zone, the Bintan Special Economic Zone, and Industrial Zones in Senggarang and Dompok Darat. These strategic economic areas encompass various sectors such as trade, maritime, industry, transportation, banking, tourism, and other fields, and the Free Trade Zone is an integral part of the Bintan Free Trade Zone, forming a unified business package that cannot be separated (Muzwardi, 2017).

Geographically, Tanjungpinang Free Trade Zone holds a highly strategic position, as it borders the Malacca Strait, the Singapore Strait, and the Malay Peninsula. This strategic location positions Tanjungpinang as a potential gateway for foreign investments, goods, and services into Indonesia. Additionally, Tanjungpinang can serve as a central hub for international shipping traffic (Muzwardi et al., 2021). Supported by FTZ regulations, Tanjungpinang eases the flow of goods, particularly exports and imports (Berliana & Adiando, 2022).

Tanjungpinang's Free Trade Zone is designed as an enclave, where the spatial area is confined to specific locations (Susilo, 2021). The development of investments in the Free Trade Zone is assessed based on an analysis of influencing factors, including 1) manufacturing industry development, 2) service development, and 3) the development of support systems for free trade industries (Manik et al., 2017). Ports play a vital role in the Free Trade Zone ecosystem. This research examines the support system of the Free Trade Zone, focusing on the Port of Tanjung Moco through an analysis of its feasibility as a Free Port within the Tanjungpinang Free Trade Zone.

Since the enactment of Law No. 44 of 2007 concerning the establishment of government regulations replacing Law No. 1 of 2007 concerning amendments to Law No. 36 of 2000 regarding the establishment of government regulations replacing Law No. 1 of 2000 concerning Free Trade Zones and Free Ports, a new era in economic growth management has become more open and liberal. The implementation of this law through Government Regulation No. 46 of 2007, Government Regulation No. 41 of 2017 concerning amendments to Government Regulation No. 47 of 2007 regarding free trade zones and free ports in Bintan. Furthermore, Government Regulation No. 41 of 2021 regulates the operation of free trade zones and free ports.

As directed by the President at a Limited Cabinet Meeting regarding the Acceleration of Development in the Batam, Bintan, and Karimun Regions on October 30, 2019, the potential of Free Trade Zone areas must be integrated. Integration involves three main programs: the development of integrated and mutually supportive strategic industrial and service sectors, the acceleration of infrastructure development that is interconnected and integrated among islands and between the Batam, Bintan, and Karimun regions and Singapore, Malaysia, and other countries. In addition, it requires policy and regulatory changes related to ease of licensing, facilities, and investment convenience.

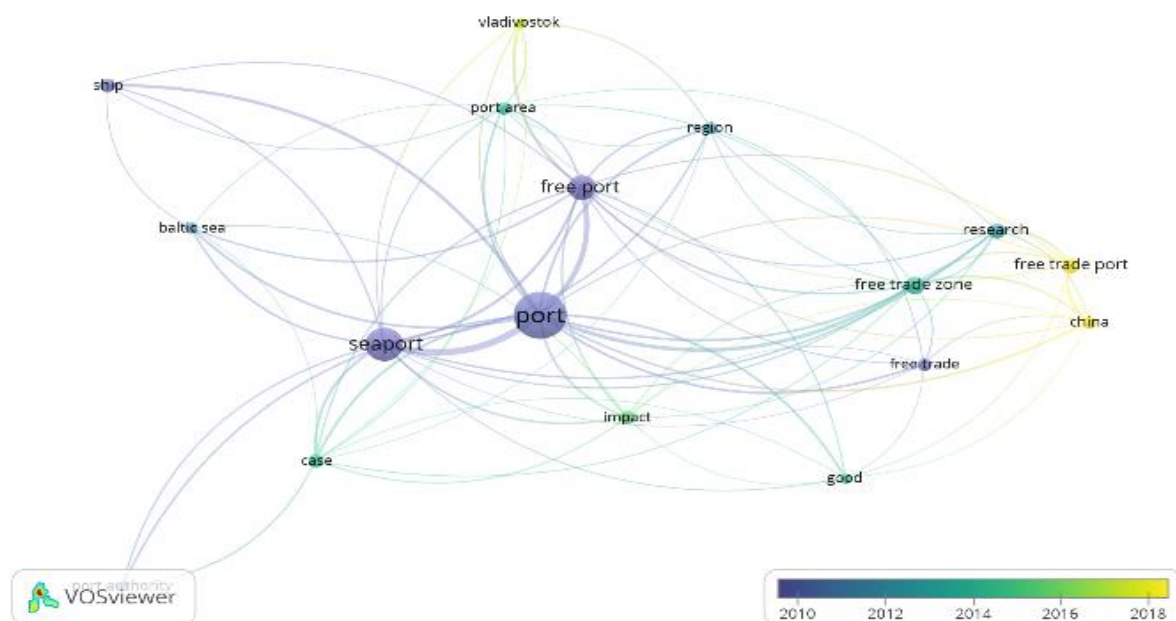
Investment convenience, including incentives, is expected to attract investors, creating an economic agglomeration in the Batam, Bintan, Karimun, and Tanjungpinang

regions. According to the economic development model of a region, it depends on the logistics chain, with a stronger dependence on the presence of ports in special zones such as Free Trade Zones, Bonded Zones, Export Processing Zones, and Integrated Industrial Zones. Based on this model, Tanjungpinang's Free Trade Zone requires a port as a logistics link for the competitiveness of the region.

Free Trade Zone policies must align with national port policies, particularly regarding strategic planning and the development of cross-border transportation, to support the realization of Indonesia's maritime axis. For regulatory, control, and supervision activities related to sea ports serving ferry transportation and commercially operated river and lake ports, these are carried out in accordance with the applicable laws and regulations.

To achieve this alignment and position Tanjung Moco as a Free Port and primary activity center in the Tanjungpinang Free Trade Zone, a port development strategy is required. One form of this strategy is the formulation of a port logistics development plan. This development plan can serve as a basis for promotion, clarify logistics flow, investments, and the development of major infrastructure within the Tanjungpinang Free Trade Zone. Therefore, the Tanjungpinang Free Trade Zone Management Agency needs to formulate the Tanjung Moco Port Development Plan.

This research contributes to the model of Free Ports within the Free Trade Zone ecosystem in Indonesia, as presented in Figure 1. Currently, Indonesia lacks a standardized international regime for Free Ports, aligned with local wisdom.



Source: VOSviewer Analysis, 2022

Figure 1. Free Port Research Analysis

Based on VOSviewer Analysis from 2010 to 2022, Free Ports have connections to research on Free Trade Zones, Port Areas, cargo traffic, and China, as presented in Figure 1. This analysis does not yet demonstrate a link between Free Ports and Indonesia, making this research relevant in developing a Free Port model in Indonesia.

RESEARCH METHOD

This research was conducted in the Tanjungpinang Free Trade Zone through interviews with the Tanjungpinang Development Authority, as part of the focus group discussions (FGD) carried out by the Indonesian Free Trade Zone Optimization Study Team. The researcher was a member of this study team. Additionally, the research involved observations of the supporting infrastructure at the Tanjung Moco Port during the years 2021-2022. This included analyzing the operational aspects of the port's docks and the land-side facilities. The study also involved an analysis of the stakeholders connected to the port, which included the Indonesian Port Authority (KSOP), the Department of Transportation for the Riau Islands Province, the Tanjungpinang Development Authority, and the Department of Transportation for the City of Tanjungpinang. The data collected from interviews were essential for analyzing the interests and needs of Tanjung Moco Port, while the observations were conducted to analyze both the challenges and potentials of the port.

RESULTS AND DISCUSSION

The Tanjung Moco Port, based on field analysis, does not yet have regular operations, and the visiting ships are temporary and non-commercial in nature. While Tanjung Moco Port is designed to serve as a regional feeder port, given its function as the gateway to the Tanjungpinang Free Trade Zone, it is utilized as an import-export port. The liberalization of trade in Indonesia after the 1998 reform has not significantly impacted the development of ports at the Indonesian border, including Tanjung Moco Port. The legal establishment of the Tanjungpinang Free Trade Zone paved the way for the creation of Free Ports through Government Regulation No. 47 of 2007 concerning Free Trade Areas and Free Ports in Bintan, and it was officially inaugurated by President Susilo Bambang Yudhoyono in 2009.

Tanjung Moco Port serves both the Free Trade Zone and the administrative area of Tanjungpinang City. Based on statistical data processed between 2016-2020, there is a difference between the volume and value of imports and exports. The volume of exports is recorded positively, with a difference of 507,131,848 tons compared to imports, but the value of exports in US\$ experienced a deficit of 22,846,055 compared to imports. The highest import values are in the basic metals sector, with the highest value in 2020 reaching US\$ 6,344,173, with a total volume of 43,341 tons.

While investment in Tanjungpinang City, particularly in Small and Medium-sized Industries (SMIs), is closely related to existing investments. From 2014-2019, there were fluctuations in investment values, with the highest increase from 2018 to 2019. In 2019, the average investment in the medium sector was Rp. 268 billion, while the average investment in the micro sector was Rp. 11.7 billion.

Geographically, Tanjung Moco Port is strategically located, adjacent to Batam and Singapore, two major global trade centers. It is the only cargo port with the potential for international-scale development. Tanjungpinang City serves as the provincial government center of the Riau Islands, and its existing ports are based on the Minister of Transportation's Decree No. KP 432 of 2017 on the National Port Master Plan, as amended by the Minister of Transportation's Decree No. KM 30 of 2020 on Amendments to the Minister of Transportation's Decree No. KP 432 of 2017 on the National Port Master Plan. According to these regulations, there are 28 ports within the administrative area of

Tanjungpinang City, and all of them adhere to the Provincial Regulation No. 1 of 2017 concerning the Spatial Plan for the Riau Islands Province for the period 2017-2037.

Among these 28 ports, two are capable of supporting industrial activities in Tanjungpinang City, as presented in Table 1. These two ports are Sri Payung Batu 6 and Tanjung Moco Port. Tanjung Moco Port is the only one that can be developed to support export activities in the future. Sri Payung Batu 6 is constrained by limited land on the land side and shallow waters in the maritime area, which makes further development unfeasible. Tanjung Moco Port is located on Dompok Island, within a Free Trade Zone and Free Port area in Tanjungpinang City, accessible via a national standard bridge and road. It is close to all Key Production Industries (KPI) in Tanjungpinang City. The planning recommendation for this port is to designate it as an export port serving both national and international routes.

Table 1. Existing and Planned Hierarchy of Sea Cargo Ports in Tanjungpinang City

No.	Port Name	Hierarchy	Status
1	Tanjung Moco	Collector Port (CP)	Planned
2	Sri Payung Batu 6	Collector Port (CP)	Existing
3	Dompok	Regional Feeder Port (RFP)	Planned
4	Sei Jang	Regional Feeder Port (RFP)	Planned
5	Tanjung Geliga	Regional Feeder Port (RFP)	Planned
6	Tanjung Unggat	Regional Feeder Port (RFP)	Planned

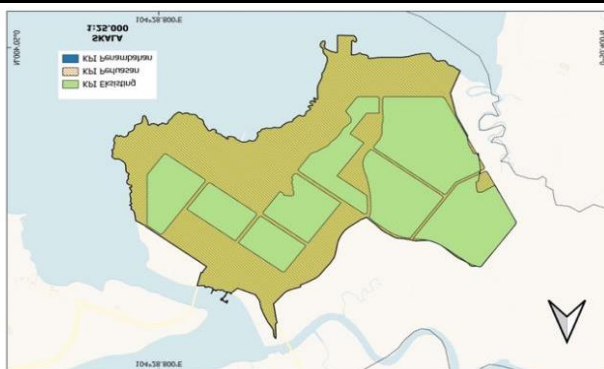
Source: Minister of Transportation's Decree No. KP 432 of 2017 concerning the National Port Master Plan and Data Analysis, 2017

Thus far, the Tanjungpinang Free Trade Zone has not had a dedicated cargo port. In practice, the Tanjungpinang Free Trade Zone relies on external ports, particularly the Kijang Port, as the primary hub for container handling. Tanjung Moco Port's development began in the 2016 fiscal year, with government investment funds allocated from the State Budget (APBN) for the construction of trestle upper structures, trestle segment L, and a dock. This initial construction phase incurred a total budget of Rp. 20 billion.

In 2017, the Ministry of Transportation proposed additional development of Tanjung Moco Port with a total budget of Rp. 47.43 billion, which included further construction of trestle upper structures, trestle segment L, a dock, gates, sea and land signposts, office space, warehouses, security post, and a genset procurement of 15 KVA.

In reality, both of these work packages faced significant issues. In the 2016 fiscal year, the construction on the land side was halted due to the absence of land handover from the Local Government. In the 2017 fiscal year, the Tanjungpinang Port Authority (KSOP Tanjungpinang) proposed a new development plan that involved certifying the reclaimed land and constructing road access. The development of Tanjung Moco Port is expected to attract 1,000 DWT-sized ships with a faceline of -8 mLWS.

The presence of Tanjung Moco Port will become the central point in the logistics chain for the Industrial Zone in Dompok Darat, as presented in Figure 2.



Source: Tanjungpinang Free Trade Zone Authority, 2019

Figure 2. Dompok Darat Industrial Zone

Business Analysis of Tanjung Moco Port

One of the primary businesses for container ports is the availability of container depots. The optimization of the land side, through land expansion and land hardening via reclamation, is essential for achieving higher container stacking volumes.

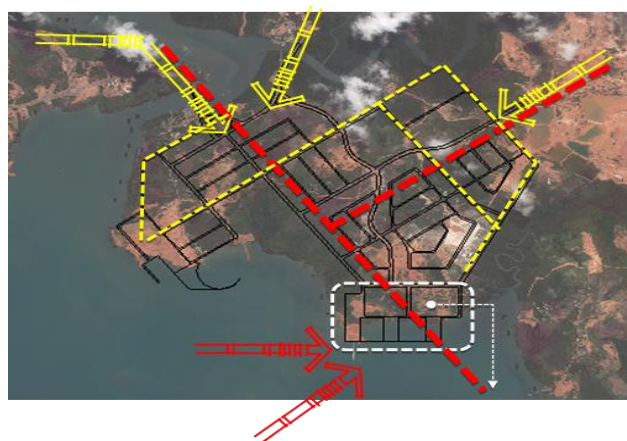
Challenges in the Development of Tanjung Moco Port

The development of Tanjung Moco Port cannot be operationalized as a container port at present, as presented in Figure 3. This is due to a lack of synchronization between the stakeholders involved in the port's development.



Source: GIS data, 2022

Figure 3. Tanjung Moco Port Location



Source: Tanjungpinang BP, 2017

Figure 4. Accessibility of Tanjung Moco Port to the Tanjungpinang Free Trade Zone

In its planning concept, Tanjung Moco Port will be supported by a Gas Power Plant (PLTG) located on the land side of the port, as presented in Figure 3 and Figure 4. This power plant will support the flow of goods from three industrial zones, with a planned maximum development area of 82.68 hectares. The primary goal of the Tanjungpinang Development Authority (BP Tanjungpinang), which manages the Free Trade Zone, is to maximize Tanjung Moco Port, as outlined in the Master Plan for the Development of the Tanjungpinang Free Trade Zone.

Obstacles to the Development of Tanjung Moco Port

The development of Tanjung Moco Port cannot be operationalized as a container port at present. This is due to a lack of synchronization between the stakeholders involved in the port's development, as presented in Table 2.

Table 2. Mapping and Roles of Stakeholders

No	Actors	Roles Related to Tj Moco
1	Kemhub	Roles Related to Tj Moco
2	Pemprov Kepri	As a planning authority for port services in the maritime area
3	BP. Tanjungpinang	Planning port services through the establishment of BP Tanjungpinang
4	Pemko Tanjungpinang	Planning port services on the land side.

Source: *Processed Primary Data, 2023*

Based on Table 2, it can be observed that the Ministry of Transportation (Kemhub) plays a central role in the development of Tanjung Moco Port. The Provincial Government of Riau Islands (Pemprov Kepri) has interests related to the port, particularly concerning pilotage, mooring, and other maritime port services. The Tanjungpinang Development Authority (BP. Tanjungpinang) acts as a coordinating body integrating Tanjung Moco Port with the industrial area in Dompok Darat. The Tanjungpinang City Government (Pemko Tanjungpinang) is responsible for land-side port service planning and container stacking services.

The existence of these four actors raises questions about the dominant entity responsible for the port's operations. To identify the dominant actor in port operations, one should consider their respective capacities, both in the maritime and land areas, and their jurisdiction within the overlapping region with Tanjung Moco Port.

In terms of the authority to operate the port, the Ministry of Transportation's responsibilities and functions do not align with the operation of commercial port businesses. This function is typically assigned to state-owned enterprises like Pelindo, which handle various port services.

The Riau Islands Provincial Government is involved in establishing the Riau Islands Port Business Entity (BUP Kepri). BUP Kepri currently manages three ports, namely Kuala Riau Port (Pelantar 2), Tanjunguban Port, and Penagi Port in Natuna. BUP Kepri aims to be part of Tanjung Moco Port's management, contingent on receiving the asset transfer approval from the Ministry of Transportation. However, this situation has not been realized yet.

On the other hand, the Tanjungpinang Development Authority includes Tanjung Moco as a port to be managed. This decision aligns with the development roadmap of the Tanjungpinang Free Trade Zone since Tanjung Moco Port is situated within this zone.

The Tanjungpinang City Government is the last actor in the management of the port. They own land behind the existing reclamation area. In 2022, the Tanjungpinang City

Government proposed the establishment of the Tanjungpinang Port Business Entity to the Tanjungpinang City Council (DPRD Kota Tanjungpinang). The establishment of this business entity is linked to their plans for involvement in port-related businesses at Tanjung Moco.

The research findings reveal a complex web of actors with intersecting interests in Tanjung Moco Port's operations. These stakeholders' interests are not synchronized, and this lack of alignment creates challenges.

To address these challenges, it is necessary to develop a functional strategy through alliances among stakeholders. When examining the planning of various stakeholders, it becomes evident that each actor will involve its respective Port Business Entity (BUP). The Riau Islands Provincial Government has the Riau Islands Port Business Entity PT. Pelabuhan Kepri, while BP Tanjungpinang and the Tanjungpinang City Government are still in the planning phase. On the other hand, the Ministry of Transportation's KSOP lacks synchronization with BP Tanjungpinang. KSOP actually places the blame on BP Tanjungpinang, citing the absence of a Detailed Engineering Design (DED) for Tanjung Moco as a requirement for building port facilities. According to KSOP, there has been no clarity from the Tanjungpinang Free Trade Zone Authority regarding this matter.

CONCLUSION

Based on the research conducted at Tanjung Moco Port, it can be concluded that the port's non-operational status is primarily due to conflicting interests in port management. These conflicting interests have resulted in a lack of coordinated efforts and a clear operational framework for the port. As a result, a decisive decision from the central government, specifically the Ministry of Transportation, is needed to reconcile the business aspects involving the Provincial Government, Tanjungpinang Development Authority (BP Tanjungpinang), and Tanjungpinang City Government.

This reconciliation should focus on the division of port services and the management of port assets, aiming to establish a unified and well-coordinated approach to develop and operate Tanjung Moco Port. This step is essential to unlock the port's potential and play a significant role in regional and international trade, thereby benefiting the local economy and industries. It is crucial for the stakeholders to work together and establish a clear operational structure to maximize the port's benefits and address the existing challenges effectively.

RECOMMENDATIONS

Synchronization of programs and the formation of a joint business alliance among various stakeholders are essential for optimizing Tanjung Moco Port. Further research is needed to compare different free port models and identify macroeconomic factors such as regional influences.

This research can provide analytical tools and decision-making insights to better understand the dynamics of free ports and how they continue to support global trade and supply chains (Lavissière & Rodrigue, 2017). The roles and functions of free ports have evolved with the changes in political, economic, and technological landscapes, especially those related to international trade routes. As a result, free ports may experience advancements or setbacks with the ebb and flow of global trade.

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