

**INTER-SEAPORT TRANSPORT OF GOODS/FREIGHTS IN THE COUNTRY**  
**(Regulation of the Minister of Transportation No. KM71/2005 dated November 18,2005)**

BY GRACE OF GOD THE ALMIGHTY,  
THE MINISTER OF TRANSPORTATION

Considering:

- a. that in the framework of empowering the national shipping industry, especially for the consequent application of cabotage principles, it is necessary to arrange the operation of inter-seaport transport of goods/freights in the country as soon as possible so that inter-seaport transport of goods/freights in the country is wholly served by Indonesian flag ships;
- b. that the arrangement of the operation of inter-seaport transport of goods/freights in the country as meant in letter a, has become a policy of the government as meant in Presidential Decree No. 5/2002 on empowerment of national shipping industry;
- c. that based on the considerations as meant in letters a and b, it is deemed necessary to regulate procedures for inter-seaport transport of goods/freights in the country by a regulation of the Minister of Transportation;

In view of:

1. Law No. 21/1992 (BN No. 5317 pages 13A – 16A and so on) on navigation (Statute Book of 1992 No. 98, Supplement to Statute Book No. 3493).
2. Government Regulation No. 82/1999 (BN No. 6400 pages 17A-20A and so on) on transport on waters (Statute Book of 1999 No. 187, Supplement to Statute Book No. 3907).
3. Government Regulation No. 69/2001 (BN No. 6699 pages 23A-27A and so on) on seaport affairs (Statute Book of 2001 No. 127, Supplement to Statute Book No. 4145).
4. Government Regulation No. 51/2002 (BN No. 6870 pages 14A-26A and so on) on shipping affairs (Statute Book of 2002 No. 95, Supplement to Statute Book No. 4227).
5. Presidential Regulation No. 51/2002 (BN No. 7182 pages 2A-23A) on the status, tasks,

functions, authority, organizational structures and working arrangements of state ministries;

6. Decree of the Minister of Transportation No. KM.33/2001 (BN No. 6696 pages 28A-30A) on operation and organization of seaport;
7. Decree of the Minister of Transportation No. 54/2002 (BN No. 6855 pages 18A-24A) on operation of seaport;
8. Decree of the Minister of Transportation No. KM.55/2002 (BN No. 6857 pages 26A-30A) on management of special seaport;
9. Decree of the Minister of Transportation No. KM.62/2002 on the Organization and Working Arrangement of Office of Seaport Administrators as already amended by Decree of the Minister of Transportation No. KM. 71/2004;
10. Decree of the Minister of Transportation No. KM.63/2002 on the Organization and Working Arrangement of Seaport Offices;
11. Regulation of the Minister of Transportation No. KV.43/2005 on the organization and working arrangement of the Ministry of Transportation as already amended the latest by Decree of the Minister of Transportation No. KM.62/2005;

D E C I D E S :

To stipulate :

THE REGULATION OF THE MINISTER OF  
TRANSPORTATION ON INTER-SEAPORT TRANSPORT  
OF GOODS/FREIGHTS IN THE COUNTRY.

Article 1

Referred to in this regulation as:

1. Inter-seaport transport of goods/freights in the country shall be activities of transport of goods/freights using ship from one seaport to another seaport in the territory of the Republic of Indonesia.
2. Supporting activities of downstream and upstream petroleum and natural-gas business

shall be activities supporting petroleum and natural-gas downstream and upstream businesses.

#### Article 2

1. Inter-seaport transport of goods in the country shall be executed by national sea-transport service providers, special sea-transport service providers and smallholder shipping companies by using Indonesian flag ships.
2. Inter-seaport goods/freights in the country as meant in paragraph 1, shall cover:
  - a. petroleum and natural gas
  - b. general cargo
  - c. coal
  - d. wood and primary processing
  - e. rice
  - f. palm oil
  - g. fertilizer
  - h. cement
  - i. minerals (ferrous minerals, non-ferrous minerals, minerals of category C)
  - j. other grains
  - k. liquid and other chemical substances
  - l. grains resulting from agriculture; as well as fresh vegetable, fruit and fish;
  - m. supporting activities of downstream and upstream petroleum and natural-gas business.
3. Details of the goods/freights as meant in paragraph 2, shall be as contained in the attachment to this regulation.

#### Article 3

1. The inter-seaport transport of goods/freights in the country as meant in Article 2 shall be executed with the provision as follows:
  - a. transport of goods/freights using container is realized when the regulation is stipulated;
  - b. transport of wood and primary processed products is realized when the regulation is stipulated;
  - c. transport of cargo not using container is realized when the regulation is stipulated;

- d. transport of cement, fertilizer and rice is realized when the regulation is stipulated;
  - e. transport of palm oil, mining and quarrying products, other grains, fresh vegetable fruit and fish is realized in not later than January 1, 2008;
  - f. transport of liquid and other chemicals and grains resulting from agriculture is realized in not later than January 1, 2009;
  - g. transport of petroleum and natural gas is realized in not later than January 1, 2010;
  - h. transport of coal is realized in not later than the expiration of the contract period and January 1, 2010;
  - i. transport of supporting activities of downstream and upstream petroleum and natural gas business is realized in not later than January 1, 2011.
2. In the case of Indonesian flag ship being available for carrying the inter-seaport goods/freights in the country before the deadline as meant in paragraph 1 letters f, g, h and I, the transport shall be realized by using Indonesian flag ship.

#### Article 4

Violation of the provision as meant in Article 3 shall be subjected to sanction in the form of revocation of business license of sea transport/operational license of special sea transport in accordance with legislation in force.

#### Article 5

The Director General of Sea Transport shall supervise and control the implementation of this regulation.

#### Article 6

The regulation shall come into force as from the date of stipulation.

Stipulated in Jakarta  
On November 18, 2005

THE MINISTER OF TRANSPORTATION

Sgd

H. HATTA RAJASA

**ATTACHMENT:****KIND OF GOODS/FREIGHTS BY TYPE/KIND OF TRANSPORT FACILITY**

<b>No.</b>	<b>Group of Goods/Freights</b>	<b>Kind of Goods/Freights</b>
1.	Petroleum and natural gas	Crude oil Condensate Fuel Gas/LPG/LNG Asphalt Other liquid petroleum products
2.	General goods not packed in container (general cargo)	Processed/Packaged goods and beverages Pulp and paper products Vehicle Tobacco, cigarette Tea Sugar Salt Other goods
3.	Coal	All kinds of results of coal mining
4.	Wood and primary processing	Logs Timber Wood materials, e.g plywood Other forest products (rattan, resin, etc) Wood chips
5.	Rice	All kinds
6.	Crude palm oil	Palm oil Coconut oil
7.	Fertilizer	All kinds
8.	Cement	All kinds
9.	Minerals (ferrous minerals, non ferrous minerals, minerals of Category C)	Ores Sand/gravel Other quarrying and mining products
10.	Other grains	Cocoa Wheat Coffee Other bulk/granule cargo (non agricultural, non quarry and mining)
11.	Liquid and other chemicals	Chemicals Cooking oil Other non-petroleum liquid cargo
12.	Grains resulting from agriculture	Soybean Pulse/legumes Other agricultural grains
13.	Fresh vegetable, fruit, and fish	Fish/crustaceans Meal Fruits Vegetables Live animal Other fresh agricultural/livestock/sea products

THE MINISTER OF TRANSPORTATION

Sgd

M. HATTA RAJASA