

# Urgency of Port Management Arrangements in Supporting Flows of Export-Import Goods in Belawan Ports

Hasim Purba<sup>1\*</sup>, Aflah<sup>2</sup>

<sup>1</sup>Faculty of Law, University of Sumatera Utara, Medan, Indonesia

<sup>2</sup>Faculty of Law, University of Sumatera Utara, Medan, Indonesia

\*Corresponding E-mail: hasim.purba@usu.ac.id

**Abstract.** The role of the port is an important cause in an economic development, especially in supporting the smooth flow of import-export goods to and from ports. The importance of the port's position and role, port management and operations must be truly capable of offering excellent port services. To be able to realize the excellent port service, the role of all stakeholders in the port, whether related government institutions, business entities, and port service providers, as well as the business world of port service users, especially in export-import activities, needs to be arranged in sync, so that each institution can synergize to improve port performance. With exist various and parties who are both operating in ports where each other interrelated, for harmony and smooth functioning of each is required an effective rule of law, which can cut the sectoral barriers of each institution to improve the smooth flow of import-export goods at ports.

## 1. Introduction

Legal aspects of international trade such as export-import activities cannot be ignored. The smoothness of the export-import trade of goods depends on the rule of law which becomes the instrument of procedures for the procedure of expenditure and the importation of goods which become the object of the trade from and / to the jurisdiction of the Republic of Indonesia.

To anticipate progress in the economic field, and to increase the progress of trade traffic, both nationally and internationally (globally and regionally), Indonesia needs a new legal instrument that can solve the development economic and commercial problems of law.<sup>1</sup> Advances in the economic sector, especially in the international trade sector (export-import) must be supported by legal instruments that applicable in our country, both civil and public.

In order to support the implementation of international trade, the legal instruments must be functioned effectively as a driving factor for the smooth flow of import-export goods. New law rules, according to Sunaryati Hartono<sup>2</sup>, is an economic law largely no longer adheres to the principles of civil law as well as conventional public law, but with the emergence of new needs arise also new rules and new institutions that are difficult to categorize into the system of civil law and legal system international public.

Each country seeks to increase its export of goods to other countries in the framework of its foreign trade<sup>3</sup>. Export destination countries sometimes prevent imports in their countries by using the GATT /

---

<sup>1</sup> Muhammad Sood, *Hukum Perdagangan Internasional*, Cet. I Jakarta, Rajawali Pers, PT. Raja Garafindo Persada, 2011, Vol. 9.

<sup>2</sup> Sumaryati Hartono, *Hukum Ekonomi Pembangunan Indonesia*, Cet. Pertama, Bandung. Bina Cipta, 1982. Vol. 1.

<sup>3</sup> Erman Rajagukguk, *Butir-butir Hukum Ekonomi*, Cet. I. Jakarta; Lembaga Studi Hukum dan Ekonomi; Fakultas Hukum UI, 2011. Vol. 45.

WTO provisions<sup>4</sup>. As one of the countries that have become a member of international trade organizations, Indonesia is bound to comply with the provisions of international trade agreed in GATT / WTO negotiations<sup>5</sup>. These provisions have in some way influenced the national legal system and institutions in the trade sector<sup>6</sup>. The influence is inevitable, especially develop the national economy, because Indonesia has adopted a free trade system since the signing of the Uruguay Round which ended in Marrakech (Marocco) on April 15, 1994<sup>7</sup>.

As a support, the Indonesian government should be able to find a direct policy in the field of law concerning international trade. Therefore, Indonesia should develop legislation that supports the activities of international export-import trade by always protecting the national interest. To face the era of globalization in the economic sector, especially in the activities of international trade, import-export should be completely available national legal instruments in addition to international legal instruments that have been born from various agreements that can ease the flow of import-export goods, especially in the seaports as the gateway in and out of import-export goods from the Indonesian customs area.

Port<sup>8</sup> as a gate in and out of import-export goods has an important role in supporting the smooth flow of export-import goods. Given the important role of ports in export-import activities, ports need professional handling and management. In order to support the professionalism of port handling and management, the readiness and effectiveness of the legal regulations on which port management is required.

The port as a "terminal point"<sup>9</sup> for ships that will embrace import-export goods becomes an integral part of the system of economic development and international trade. The opinion of H.A.Abbas Salim, it is generally accepted that ports have functions<sup>10</sup> :

- a. Interface, the Port as meeting place of two modes/transportation system such as sea transportation and land transportation. That means that the port must give various facilities and services needed for the transfer of goods from ships to land transportation or vice versa.
- b. Link, the port is the link of the transportation system. As a chain, the port (both seen in performance and cost) will affect the overall transportation activities.
- c. Gateway, the port function as a gate from a country or region. The notion the port as a gateway can show in terms :
  - 1) The Port as the entrance or the exit of goods from/to the country or region. In this case, the port functioned very importantly for the economy of a country or region.
  - 2) The Port as gateways of ships entrance shall obey the constitution of the country/region to which the port is located, namely the provisions of Customs, Immigration, Quarantine, export-import regulations and onwards.
- d. Industry Entry, develop an export-oriented industry from a country/region, the port function is increasingly important.

---

<sup>4</sup> Ibid

<sup>5</sup> Muhammad Soed, Op.,cit. hal. 13.

<sup>6</sup> Ibid

<sup>7</sup> Ibid

<sup>8</sup> The port is a place consisting of land and surrounding waters with certain boundaries as a place of government activity and economic activity, used as a vessel leaning, anchored, up and down passenger and / or loading and unloading of goods equipped with service safety facilities and port supporting activities as well as a place of transport of infra and intermodal transport (Government Regulation Number 69 Year 2001 on the Port).

<sup>9</sup> Hasim Purba, *Hukum Pengangkutan di Laut, Perspektif Teori dan Praktek*; Medan, Pustaka Bangsa Press, 2005. Vol. 177.

<sup>10</sup> H. A. Abbas Salim, *Manajemen Pelayaran Niaga dan Pelabuhan*, Jakarta. Pustaka Jaya, 1994, Vol. 44-45.

Given the importance of the role of ports in supporting the smooth flow of import-export goods, it is necessary to support the readiness and effectiveness of the legal rules relating to the management of port functions. Based on the background, it is necessary to have a scientific paper on the topic " Urgency Of Management Arrangements in Belawan Port".

## 2. Result and Discussion

### 2.1. *The Role of Ports in the Smooth Flow of Imported Goods*

The term international trade or so-called trade among nations, first known in the Continent of Europe then evolved in Asia and Africa<sup>11</sup>. International trade or international business is absolutely implemented by the inter-state because no nation/country in the world can meet all its own needs. Therefore, the activities of international trade, especially the import-export of goods between countries become part of international life.

Relations between companies, especially the form of international trade continues to grow. The international sale and purchase agreement are known as an import-export agreement<sup>12</sup>. Export Activities is the activity of issuing/delivering goods from the territory of Indonesia to abroad, and while Import is the activity of importing goods from abroad into the territory of the Republic of Indonesia are all implemented in international trade relations. Furthermore, according to Law Number 2 in the Year 2009 on Indonesian Export Financing Institution<sup>13</sup>, it is explained that exports are activities to remove goods from Indonesia customs areas and/or services from the territory of the Republic of Indonesia. Meanwhile, imports are activities of importing goods from abroad into the Indonesian customs area.

The rapid development of international trade relations requires legal rules that govern all rules and rights and obligations of the parties as legal subjects of international trade. These international trade actors are often called exporters and importers. Anticipating progress in the economic field, and the continued advance of trade traffic, both nationally and internationally (globally and regionally), Indonesia needs new legal instruments that can address the growing legal and economic issues of trade and commerce today<sup>14</sup>.

International trade is no different from the exchange of goods between two people in a country, the difference that the international trade of one person happens to be in a different country<sup>15</sup>. In conducting international trade activities, business actors refer to international legal norms, both private international law, and public international law<sup>16</sup>.

The rules of international law governing international trade issues, called international trade laws, are rules of international law governing the exchange of goods, services, and capital between residents of a country and another, or which occurs between two or more citizens or residents (subject laws) of different countries<sup>17</sup>. Each country has different rules and trading systems. Those bound in import-export transactions are exporters and importers or parties directly or indirectly involved<sup>18</sup>.

In international trade practice, exporters and importers will be known by various government agencies/institutions that offer services for the smooth flow of export-import goods. One of the things to be considered in export-import activities is the role and function of relevant agencies in supporting the smooth flow of goods, namely ports as the gateway to the entry of import-export goods from and /

---

<sup>11</sup> Muhammad Soed, Op.,Cit. Vol. 7.

<sup>12</sup> Adrian Sutedi, *Hukum Ekspor Impor*, Penerbit Swadaya Grup. Jakarta. Muhammad Soed, Op.,Cit. Vol. 18. 7.

<sup>13</sup> Read Also Law Nंबर 2 In The Year 2009 About Indonesia Export Financing Institutions.

<sup>14</sup> Muhammad Soed, Op.,Cit. hal. 9.

<sup>15</sup> Hadi Prayitno dan Budi Santoso, *ekonomi Pembangunan*, Cet. Pertama, Ghalia Indonesia, Jakarta. 1996. Vol. 257.

<sup>16</sup> Muhammad Soed, Op.,Cit. Vol. 18.

<sup>17</sup> Ibid

<sup>18</sup> Adrian Sutedi, Op.,Cit. vol. 16.

to the Indonesian customs area.

The port as a terminal point for the ships is the main and part of the economic system because of its role as a support for the development of industry, trade, and shipping<sup>19</sup>. One thing that must be considered in supporting the smooth flow of import-export goods in the port is how the services of various relevant agencies in the port to support the export-import activities. The forms of service include service provision administrative formalities licensing import-export, as well as physical management services import-export goods at the port.

In addition to functioning to support the national economy, the port also serves to support international trade traffic<sup>20</sup>. In its position as an international traffic, then the port has legal status and held agreements with other countries for the interests of the country itself, then the traffic must be smooth. Warehouse accommodation should be good, regulations should be uncomplicated and kept away from any formality that takes time and money<sup>21</sup>.

Broadly speaking the port has a role, among others:

1. To serve the needs of international and regional trade (hinterland) where the port is located.
2. Helping the turning of trade wheels and the development of regional industries.
3. To accommodate the increasing market of international traffic flow (traffic) both transshipment and inland (inland routing).
4. Provide transit facilities for the hinterland or neighboring regions/countries<sup>22</sup>.

One thing to consider in supporting the smoothness of sea transport in a port is how to work unloading goods from one link to another chain. The strength of this chain is determined by the weakest and endless link will move as fast as the slowest moving parts<sup>23</sup>. Thus, the weakness of one chain will lead to the emergence of chain reaction<sup>24</sup>. If the port become the weak chain, the chained reaction can be an increase in the volume of the goods flow or the decrease in port productivity which will result in the queue of ships waiting at the dock<sup>25</sup>. The existence of this queue of vessels will result in lower work of port laborers and result in delayed delivery of goods to the recipient of goods, which will incur congestion<sup>26</sup>.

The congestion in the service activities of import-export goods flows at the port will have a negative impact on the national economy and the availability of goods in the market and will cause economic losses for export-import players which will ultimately harm the nation's economy. Therefore, in supporting the smooth flow of import-export goods, the port must be able to act effectively and efficiently.

A port can be effective and efficient if the ship does not wait long at sea, can undertake loading and unloading of goods quickly and smooth (quick dispatch) and supported by facilities equipment or facilities and adequate infrastructure, because it is very important for shipping companies.

To support the smooth flow of import-export goods in the port, and the adequacy of facilities and

---

<sup>19</sup> Pedoman Pembangunan Pelabuhan, Terjemahan dari Port Development Hand book, UNTAD, Dep. Hub. Dirjen Hubla, Dirjen Pelabuhan dan Pengerukan, Japan International Cooperation Agency, dalam Elfrida Gultor, *Refungsionalisasi Persada*. Jakarta, 2006. vol. 5.

<sup>20</sup> Hasim Purba, Op., Cit. vol. 178.

<sup>21</sup> Ibid

<sup>22</sup> Ibid, vol. 180.

<sup>23</sup> Elfrida Gultom, *Refungsionalisasi Pengaturan Pelabuhan Untuk Meningkatkan Ekonomi Nasional*, Raja Grafindo Persada. Jakarta, 2006. vol. 7.

<sup>24</sup> Ibid

<sup>25</sup> Ibid

<sup>26</sup> Ibid

infrastructure, an effective and efficient port is also inseparable from the professionalism of all stakeholders and related institutions that offer ideal services in the smooth flow of import-export goods at the port. One of the things that must be considered is from the aspect of the readiness of the rule of law and the effectiveness of the rule of law as well as the commitment of all port service agencies in supporting the smooth flow of goods in and out of the port.

## *2.2. Implementation of Port Services*

In supporting the smooth flow of import-export goods in Belawan Port as it is known that port function is very strategic in supporting export-import activities. Ports as gateways in and out of goods from/to customs areas in the port are highly dependent on the quality of port services. Port services shall include anything related to operate ports and other activities in carrying out port functions to support the smooth, safe, and orderly flow of vessels, passengers and/or inter-modal and encourage national and regional economies.

Referring to the urgency of the port role, the port is an important production branch for the state and which controls the livelihood of the masses dominated by the state<sup>27</sup>. This is under the mandate of Article 33 Paragraph (2) of the Constitution of Republic Indonesia in The Year 1945. Therefore, the constitutionally port management should be really directed to the national interest, including in promoting the national and regional economy to prosper the nation. From the constitutional mandate, various laws and regulations formulated for the basis of port management should be really as implement the constitution.

Various legal products have been issued as the basis for port management, namely Law Number 17 in the Year 2008 on Shipping; hereinafter issued Government Regulation Number 61 in the Year 2009 on Port, which further followed by arrangement through Regulation of Minister of Transportation of RI Number: PM 51 in the Year 2015 About Port of Sea Operation.

Port management conducted by State Enterprise PT (Persero) Pelabuhan Indonesia I operates 2 (two) ports namely Belawan Ujung Baru Port and Gabion Belawan Container Terminal managed by Belawan International Container Terminal. Both business units are under the leadership of PT (Persero) Pelabuhan Indonesia I Medan.

From the handling of export-import goods handled by both business units in reality there is a difference, in which case PT Pelabuhan Indonesia I Belawan Branch handles loading and unloading of various types of packing of goods, including bulk liquid and dry bulk goods unloaded from and / to ship on docks in the working area of PT Pelabuhan Indonesia I Belawan Branch. Various types of goods such as conventional goods, with packaging sacks, crates, dry bulk, non-container liquid bulk is generally done in the working area of Pelabuhan Indonesia I Belawan.

To serve the needs of service users especially in serving export-import activities, PT (Persero) Pelabuhan Indonesia I Belawan Branch has implemented 24 hours/day work system or by determining the target volume of work that must be achieved by the stakeholders, especially the parties associated with export-import activities.

But in reality, the target work and work system 24 Hours / Today still often get obstacles in its application. The constraints are not only from the internal port but often faced is the constraint of the readiness of performing parties outside the port environment such as: in the import activity.

1. The preparedness of trucking to transport goods dismantled from ships to be transported outside the port area
2. The readiness of a warehouse or place of cultivation of goods in Line II or warehouse receiver of the importer

---

<sup>27</sup> Read More Article 33 Paragraph (2) of the Constitution of Republic Indonesia in The Year 1945

3. The readiness of the loading and unloading Workers (TKBM) or other workers and workers at the receiving warehouse location
4. The readiness of equipment such as (crane tool, weighing instrument) in the warehouse or the area of receipt of goods

Some of these constraints, in general, will directly affect the performance and smooth flow of goods to and from Belawan Port. The unpreparedness of supporting factors outside the port area as a whole result in a decline in port performance, even stagnation, or congestion at ports that lead to high Dwelling Time<sup>28</sup> at the ports of the largest limit set by the government. Dwelling Time that exceeds a predetermined limit will impact on things like.

1. The scarcity of goods in the market and result in soaring prices that ultimately burdensome for society
2. Vulnerable to abuse of authority by the parties related to authorizing port service for export-import of goods
3. Disrupt develop the economy nationally and regionally.

In addition to external factors, internal factors in PT (Persero) Pelabuhan Indonesia I Belawan branch also required anticipation forwards like

1. Working system arrangement of Manpower Loading and Unloading (Tenaga Kerja Bongkar Muat/TKBM) is complete and assertive.
2. Peer compliance for all agreed work goals
3. The addition and improvement of port facilities
4. Improvement and refinement of administrative services in all related agencies using IT services

Similarly, information on BICT's unit that provides port services for export of goods transported by containers has provided the right service for service users. However, the implementation of the 24 Hour / Day work system in practice still faces certain factors from the workers / warehouse / container accumulation area at the receiving site before the Gabion Belawan port area.

The unpreparedness of the exporter-importer company in compensating the 24 Hr / Day system implemented at BICT will have a direct impact on BICT's performance, including trucks carrying out from Belawan Port will be congested due to lack of the same services. Container deposition area outside the port area. This will also result in reduced revenue at lower levels from truck operators and trucking vehicles.

### **3. Conclusion and Recommendation**

#### *3.1. Conclusion*

Ports have an important and strategic role in supporting the smooth flow of import-export goods, in order to support economic development, must be regulated in accordance with the mandate of the constitution, namely Article 33 Paragraph (2) of the 1945 Constitution. Given the urgency of ports, is controlled by a state whose execution may be a state-owned enterprise specifically established for it, in this case PT (Persero) Pelabuhan Indonesia I Medan which directs the business unit of Pelabuhan Indonesia I Belawan Branch and business unit of PT Belawan International Container Terminal BICT), must still be able to provide excellent service to the users of seaport services in import-export activities.

Current arrangements concerning seaports provided for in Law Number 17 Year 2008 on Shipping; Government Regulation Number 61 in the Year 2009 Concerning Port and Regulation of the Minister of Transportation Number: PM 51 in the Year 2015 Concerning the Implementation of Sea Ports shall be the basis for the provision of port services for port service users, especially in the export and import activities of goods to and from Belawan Port .

---

<sup>28</sup> Dwelling Time or loading and unloading time of goods to and from ships at port.

### 3.2. Recommendation

Considering the existence of obstacles faced especially in implementing work system 24 Hours / Day at Port Belawan, among others, external port factor that is unprepared hours of work, labor and warehouse facility; the area of accumulation of goods in the area of line II, it is necessary to coordinate all across all stakeholders in order to achieve a mutual agreement and commitment in support of 24 Hours work system to improve the performance and efficiency of costs at the port, so as to support the smooth flow of import-export goods in Belawan Port.

### The acknowledgements

This research was funded by University of Sumatera Utara in accordance with TALENTA University of Sumatera Utara Research Contract Year of Fiscal 2018 Number: 2590/UN5.1.R/PPM/2018 Date 16 March 2018.

### References

- [1] Adolf, Huala dan A. Chandrawulan, 1995, *Masalah-Masalah Hukum Dalam Perdagangan Internasional*; Jakarta, Raja Grafindo Persada.
- [2] Gultom, Elfrida, 2006, *Refungsionalisasi Pengaturan Pelabuhan Untuk Meningkatkan Ekonomi Nasional*; Jakarta, Raja Grafindo Persada.
- [3] Hartono, Sumaryati, 1982, *Hukum Ekonomi Pembangunan Indonesia*; Cet. Pertama, Bandung, Bina Cipta.
- [4] H.S. Salim dan Budi Sutrisno, *Refungsionalisasi Pengaturan Pelabuhan Untuk Meningkatkan Ekonomi Nasional*; Jakarta, Raja Grafindo Persada.
- [5] Lewis, Athur, 2012, *Dasar-Dasar Hukum Bisnis, Intraduction to Bisnis Law*; Bandung, Nusa Medan.
- [6] Pramono, Nindy, 2006, *Bunga Rampai Hukum Bisnis*; Bandung, PT Cipta Aditya Bakti.
- [7] Purba, Hasim, 2005, *Hukum Pengangkutan di Laut, Perspektif Teori dan Praktek*; Medan, Pustaka Bangsa Press.
- [8] Rajagukguk, Erman, 2011, *Butir-Butir Hukum Ekonomi, Cet. I*; Jakarta, Lembaga Studi Hukum dan Ekonomi, Fakultas Hukum UI.
- [9] Soemitro, Hanitijo, Ronny, 1994, *Metodologi Penelitian Hukum dan Jurimetri, Cetakan Kelima*; Jakarta, Ghalia Indonesia.
- [10] Sood, Muhammad, 2011, *Hukum Perdagangan Internasional*; Jakarta, PT Raja Grafindo Persada.
- [11] Sutedi, Adrian, 2014, *Hukum Ekspor Impor*; Jakarta, Raih Asa Sukses (Penerbit Swadaya Grup).
- [12] Kartadjoemena, H.S., 1966, *GATT dan WTO Sistem, Forum dan Lembaga Internasional di*
- [13] *Bidang Perdagangan Internasional*; Jakarta, UI-Press, Universitas Indonesia.