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# Sea Toll to Support the Flow of Goods: A Case Study of East Indonesia

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## Abstract

Indonesia is divided into West, Central, and East regions, with different prices of basic commodities. However, eastern Indonesia is several times more expensive than in other regions. Therefore, this study aims to determine the ability of the Sea Toll to reduce the high-cost economy of transporting goods to Eastern Indonesia. It also aims to determine the advantages and disadvantages of the current performance of the sea toll for all regions. This is a normative legal research, comprising of primary and secondary data analyzed descriptively using the qualitative method. The result showed that the sea toll concept is the most ideal for achieving the Government's goal concerning reducing the high cost of shipping goods to Eastern Indonesia. This is because the distribution of goods is faster by cutting a lot of bureaucracy and transit areas, therefore, the travel time is short, due to the numerous transit places used to get to their destination. Secondly, sea tolls play a significant role as an alternative to support the smooth transportation of goods and services, therefore it needs to be supported by good regulations and a sea toll supervisor for its operation. The benefits of operating the sea tolls have been felt by the people of the eastern region and other regions with a decrease in the price of basic goods. Therefore, it can be stated that the objectives of the sea tolls have been fulfilled, specifically in terms of the equality and balance in the price of basic commodities in Indonesia, especially the eastern region, therefore a social society can be achieved.

**Keywords:** Sea Toll; Smoothness; Goods; East Indonesia

## INTRODUCTION

Indonesia is an archipelagic country consisting of numerous islands interconnected by both land and sea, scattered throughout its territory. It has made several efforts, such as enabling its human resources to properly manage its minerals or reserves in order to improve the lives of its citizens (Mursitama et al., 2019). However, some of them have not been treated equally. Indonesia is divided into three regions, namely West, Central, and East, although, unequal treatment is issued out in terms of prosperity and justice, in fulfilling basic daily needs (astalog.com, 2020), such as building materials, and other essential items. The western region includes the islands of Java, Sumatra, West and Central Kalimantan. The Central Region encompasses of Bali, West and East Nusa Tenggara, South, East, and North Kalimantan, Gorontalo, North, Central, West, South, and Southeast Sulawesi. Meanwhile, the Eastern Region consists of Maluku, North Maluku, West Papua, and Papua (Yani & Montratama, 2018). These conditions caused the Indonesian Government to think of possible ways to resolve the issues which arose as a result of differences in the prices of goods namely, clothing, food, and shelter required by the people (Retnowati, 2011; Haidir et al., 2017). In addition, various deliberations and strategic steps or efforts have been adopted to create a socially just society in all aspects, including equal price distribution in all the regions (Aufiya, 2017). Eventually, it was discovered that the ocean united these regions. The archipelago nation is united by its vast maritime area (Hikam & Praditya, 2015). This became the basis for the concept of the Sea Tolls, which is a marine logistical transportation designed to connect major ports in the archipelago (Andilas & Yanggana, 2017). Problems related to the sea tolls are challenges that urgently need to be resolved, particularly ways to equalize the requirements of the West and East regions and it is hoped that this leads to sustainable development which involves economic, environmental, and social aspects (Wicaksana, 2017a; Haidir et al., 2017). In accordance with the explanation as mentioned above, this research is based on the sea toll program initiated by President Jokowi to reduce the price of basic necessities such as clothing, food and board in remote areas, particularly in the East, where these items are extremely expensive compared to West and Central region. Presently, sea toll is considered as an appropriate solution to resolving the issue of price differences in the eastern part of Indonesia. Its role which serves as an alternative to boost the smooth transportation of goods and services after being functional since 2015, which is approximately 5 years, as well as the performance benefits of the current sea toll in all regions, particularly the eastern part are issues discussed in this research.

## METHOD

This involves a description of the methods used to resolve these problems. They include an explanation of the type of research, its nature, data sources, means of collection, processing, analysis, and ways to draw conclusions (Abdul Kadir, 2015). In addition, this type of research is a normative law, which is carried out by examining library materials or secondary data related to the problem under investigation (Benuf & Azhar, 2020). The research is based on the implementation of the sea toll which is aimed at ensuring there is a balance between the prices of goods such as clothing, food and shelter in the East, West and Central regions.

This is a descriptive research, intended to provide accurate data concerning human conditions as well as other issues. The object of research, which is the Sea Toll, was described based on available information. The primary and secondary data sources were adopted (Utsman, 2014). Furthermore, primary data was obtained from people that felt the direct impact of the Sell Toll implementation, specifically in the Eastern Region. It was carried out by interviewing parties related to the research problem. Meanwhile, secondary data was primarily utilized in this study. This includes official documents, books, research results in the form of reports, diaries, etc. The data was analyzed by adopting a qualitative approach, which means that those obtained from the library were thoroughly reviewed.

## RESULTS AND DISCUSSION

### Sea Toll Concept

The sea toll concept is an effort to realize the first *Nawacita* (nine programs of the President), which specifically involved boosting the identity of the country as a maritime nation. Meanwhile, the third includes developing Indonesia from the periphery by strengthening regions and villages within the framework of the unitary state. Apart from that, it is also an affirmation that the state is indeed accessible to all regions through ships. Subsequently, this concept was initially coined in the United States in 2011 (Yani & Montratama, 2018), and studies concerning sea tolls were reported in 1949 (Tritton, 1949). Therefore, ideas concerning the territorial welfare of a country, implemented through seamless sea transportation have been discussed long ago, and this has been thoroughly considered by President Jokowi (Haidir et al., 2017).

There is an enormous difference between the prices of goods sold in the western and eastern regions of Indonesia (Sirajuddin et al., 2016). The implementation of this program which offers a sea transportation network that regularly conveys goods to impoverished and remote areas is a way to overcome price differences (Sa'adah et al., 2019). The regular sailing of ships scheduled from West to East and vice versa is expected to guarantee the availability of goods and reduce price disparities in the community due to high logistics costs. However, the operation of sea toll is to anticipate imbalances in the development of the current national economy. The Government assumes that it ensures that there is a balance between the economic growths of all the regions throughout Indonesia (Haidir et al., 2017).

This concept is an "Effective sea connectivity which involves the regular sailing of ships scheduled from West to East Indonesia, and it is expected to reduce the high price of inter-island transportation in the country (in certain instances even tends to be higher than sending goods abroad) although its reliability or availability is still extremely limited (Hafizon et al., 2019). It is ironical when goods are exported from the island of Java to Singapore daily while having to wait quite a long time to convey items to Papua, therefore the Sea Highway is expected to be able to resolve this problem, because their aims and objectives are to ensure the availability of goods, to reduce price disparities in the community, and to ensure the continuity of their conveyance to underdeveloped, and remote areas (Kusuma & Tseng, 2019).

The essence of the sea toll or Sea Highway is to develop transportation by ship or marine logistics system, which serves non-stop from Sabang to Merauke. This concept is aimed at triggering the wheels of the economy, thereby causing it to be effective, efficient and equitable (Acciaro et al., 2014). Subsequently, large ships were going back and forth in the Indonesian sea, and this made the costs of logistics to become quite affordable. Therefore, this concept is one of the programs prioritized by President Jokowi to develop the maritime sector. One of the supporting factors is the need for an enormous seaport to accommodate large ships crossing the route from Sabang to Merauke. It stretches as far as 5,000 kilometers or one-eighth of the earth's circumference (Sirajuddin et al., 2016). Therefore, the Ministry of Transportation proposed special routes for its implementation. The 18 sea toll routes established in early 2019 is shown in table 1, however most of them are feeder routes aimed at resolving an evenly reduced price disparity of goods (Natalia & Agus, 2016).

To support the sea toll program, in 2016, the Government established six routes in the first phase, as shown in table 1.

Table 1 Sea Toll First Route 2016

No.	ROUTE	REGIONS
1	First	Tanjung Perak – Wanci – Namlea – Wanci -Tanjung Perak
2	Second	Tanjung Perak – Kalabahi- Moa- Saumlaki- Moa- Kalabahi- Tanjung Perak

3	Third	Tanjung Perak-Calabai (Dompur)- Maumere- Larantuka- Lewoleba- Rote- Lewoleba- Sabu- Waingapu- Sabu- Rote- Lewoleba-Larantuka- Maumere- Calabai (Dompur)-Tanjung Perak
4	Fourth	TanjungPerak-BauBau- Tanjung Perak
5	Fifth	Makassar-Tahuna-Lirung-Tahuna-Makassar
6	Sixth	Tanjung Priok-Natuna-Tanjung Priok

Source: (Indonesian Ministry of Sea Transportation)

Table 2 Sea Toll Second Route 2017

NO.	ROUTE	REGIONS
7	Seventh	Tanjung Priok-Enggano-Mentawai-Enggano-Tanjung Priok
8	Eighth	Tanjung Perak-Belangbelang-Sangatta- Pulau Sebatik- Tanjung Perak
9	Ninth	Tanjung Perak- Kisar (Wonorelli)- Namrolle- Kisar (Wonorelli)-Tanjung Perak
10	Tenth	Makassar-Tidore-Tobelo-Morotai-Pulau Gebe- Maba- Pulau Gebe- Morotai-Tobelo-Tidore-Makassar
11	Eleventh	Tanjung Perak-Dobo- Merauke-Dobo-Tanjung Perak
12	Twelfth	Makassar-Wasior-Nabire-Serui-Biak-Serui-Nabire-Wasior-Makassar
13	Thirteenth	Tanjung Perak-Fakfak-Kaimana-Timika-Fakfak-Tanjung Perak

Source: ( Indonesian Ministry of Sea Transportation)

The Government assigned BUMN (State-Owned Enterprises) companies to operate six sea highway routes in 2016, while in 2017, they provided opportunities for the involvement of private firms to operate in the seven routes.

### Sea Toll and Economic Competitiveness

Sea toll leads to economic competitiveness which curbs inequality in the Western and Eastern regions. It is defined as a network of routes regularly plied by ships from Aceh to Papua (Patmasari et al., 2016). The main sea toll route passes through the major port cities in Indonesia. However, from the hub port, it connects to other islands or cities by the use of smaller ships. Furthermore, the Sea Toll is also able to promote quality economic growth as long as it is supported by the logistics network. This is because poor transportation networks lead to high logistics costs, and Indonesia is one of the countries with the most expensive logistics costs (Kadarisman et al., 2017). Therefore, in order to reduce this, it is also necessary to develop an integrated sea transportation network that is efficiently connected to road and rail networks (Negara & Das, 2017).

The activity of the sea toll, which involves the transportation of goods tends to create several positive impacts (Infrastructure Reform Sector Development Program, 2015). One of which is reducing the gap in prices of commodity prices and encouraging the development of various sectors that trigger community independence due to the accelerated connectivity between the islands, however, this is extremely important in facilitating human activities in regions or provinces boosted by sea transportation (America's Marine Highway Report to Congress, 2011). Previously, the mode of transportation involved only small motorboats with an inappropriate level of safety at a high price. The activities of small traders have also been made easier with the existence of operational pioneer ships. Apart from being extremely fast when crossing, the ticket prices are also cheaper, thereby causing traders to further increase their sales profit due to this effect (Negara & Das, 2017).

Sea toll roads need to be built starting from Belawan, Surabaya, Makassar, to Sorong in order to strengthen connectivity and the logistics system with an investment value of approximately US \$ 6.8 billion to the US \$ 7 billion. Its construction requires the support of new port infrastructure and expansion of over 20 ports (Triantoro, 2020). In addition, 5 major ports need to be prepared as part of the sea toll network, particularly Medan, Surabaya, Jakarta, Makassar and Sorong. To strengthen them, large ships are easily mobilized, thereby streamlining connectivity and strengthening the logistics network between countries and islands. Furthermore, the Government intends to construct 23 feeder ports in Indonesia. It targets the crossing of 50 million ships by 2017, and this is designed to streamline the movement of goods from one island to another and the main ports (Marpaung, 2013). The Government is expected to provide all infrastructures required to support the construction of sea tolls, such as electricity and container transportation equipment. However, the process is still in the negotiation stage with investors. Subsequently, the achievement of President Jokowi's vision and mission to realize the construction of a sea highway is an effort to boost smooth connectivity and strengthen the logistics networks (Wisnu & Thobias, 2019). This is a concrete step that is in line with one of the major strategies of the 2011 to 2025 Master Plan for the Acceleration and Expansion of Indonesian Economic Development (MP3EI). According to the Presidential Regulation Number 48 of 2014 concerning Amendments of Presidential Regulation Number 32 of 2011 regarding MP3EI, there is a provision which stated that one of the conditions for the success of sustainable development is to accelerate connectivity between the various regions in Indonesia (Gibbs et al., 2014).

Table 3 Ports, Work Routes and Target Frequency

No.	PORT NAME	ROUTE	TARGET FREQUENCY 1 <u>January-31</u> <u>December 2019</u>
1.	Tanjung Perak-Makassar-Bitung-Tidore-Tanjung Perak (H-1)	1 round voyage: 16 days	23
2.	Tanjung Perak-Wanci-Namlea-Namrole-Tanjung Perak (H-2)	1 round voyage: 13 days	27
3.	Tanjung Perak-Tenau-Saumlaki-Dobo-Tanjung Perak (H-3)	1 round voyage: 19 days	19
4.	Tanjung Perak-Makassar-Kendari-Tanjung Perak (H-4)	1 round voyage: 11 days	33
5.	Belawan-Malahayati-Sabang-Tapak Tuan-Belawan PP (T-1)	1 round voyage: 9 days	39
6.	Teluk Bayur-Sinabang-Gn Sitoli-Mentawai (Sikakapi)-Teluk Bayur (T-2)	1 round voyage: 9 days	47
7.	Tanjung Priok-Tarempa-Selat Lampa-Penagi-Serasan-Midai-Tanjung Priok (T-3)	1 round voyage: 28 days	28
8.	Makassar-Polewali-Belang-belang-Sangatta-Nunukan/Sebatik-Makassar (T-4)	1 round voyage: 11 days	31
9.	Bitung-Tagulandang-Tahuna-Melangoane-Miangas-Marore-Bitung (T-5)	1 round voyage: 9 days	39
10.	Bitung-Pagimana-Bunta-Mantangisi-Parigi/Tinombo-Tilamuta-Bitung (T-6)	1 round voyage: 10 days	36
11.	Makassar-Selayar-Jampea-Ps Wajo-Raha-Makassar (T-7)	1 round voyage: 10 days	36
12.	Kendari-Lameruru-Bungku-Kolonodale-Luwuk-Kendari (T-8)	1 round voyage: 8 days	44
13.	Tanjung Perak-Oransbari-Waren-Teba-Ambon-Tanjung Perak (T-9)	1 round voyage: 22 days	16
14.	Tidore-Morotai-Buli-Maba-P. Gebe-Tidore (T-10)	1 round voyage: 8 days	46
15.	Tanjung Perak-Fak Fak-Kaimana-Timika-Agats-Boven Digoel-Tanjung Perak (T-11)	1 round voyage: 22 days	16
16.	Saumlaki-Larat-Teba-Moa-Kisar-Kalabahi-Saumlaki (T-12)	1 round voyage: 11 days	32
17.	Tenau-Rote-Sabu-Lamakera-Tenau (T-13)	1 round voyage: 6 days	55
18.	18. Tenau-Lewoleba-Tabilota-Larantuka-Marapokot-Tenau (T-14)	1 round voyage: 8 days	45

Source : (Sri Mas Sari, 2018)

### **Supporting Facilities and Infrastructure for Sea Toll**

Certain facilities and infrastructure which serves as a means of conveying the distributed goods need to be provided in order to ensure that they arrive smoothly and quickly at the destination is the readiness of the port (Irawati & Hati, 2017). The reason is that when the distribution of goods from one place to another through the port is demanding, it tends to affect the economic growth activities of a country. Therefore, guaranteeing the smooth transportation of goods and services is extremely important in the distribution of goods, and requires thorough consideration (Marpaung, 2013). Apart from properly-designed ports, ships are one of the distribution media that is an appropriate and effective liaison for the Indonesian archipelago, and automatically the transportation of goods and services in large capacities is carried out by ships (Setiawan, 2018). Human resources also need to be prepared in the transportation or distribution of goods and services (Varian et al., 2017).

The Indonesian economy is mostly boosted by port activities such as the transportation of goods and services which are expected to be evenly distributed in the various regions, thereby guaranteeing a smooth flow. Based on this, President Jokowi scheduled the sea toll program, with the hope that it supports the smooth distribution of goods and services in the Indonesian territory, as well as in ASEAN countries by launching the Asean Economic Community program (Negara & Das, 2017).

The Government has long been making preparations to support the national economic program, and one of them is port development, for example, the Tanjung Priok port, which was established in 2012. Its development has become a priority in supporting the Sea Toll program considering that it is a distribution center for both domestic and international goods in Indonesia (Al Syahrin, 2018). Singapore has one of the best ports in the world, and it is preferred by international ships because it has sufficient depth and a broad dock compared to Tanjung Priok port in Jakarta. Furthermore, its development was designed to have a new container dock with a depth of approximately 19 meters to be able to accommodate larger ships. The capacity of this new port is equivalent to the one in Singapore (Mursitama et al., 2019).

Subsequently, during the implementation of the sea toll, 24 ports were built including deep ones in Kuala Tanjung, Tanjung Priok, Tanjung Perak, Makassar, Sorong. Four of them are already functional (Rumata, 2019), the President has also carried out a groundbreaking analysis of ports in Kuala Tanjung, and it has been operating since 2018. However, out of the five ports, only the one at Sorong has not started functioning yet. The port of Sorong is expected to boost a special economic zone that is intended to be established in the West Papua region. Apart from that, the region is expected to build a shipyard company, fishery industry, power plants, as well as develop marine tourism in Raja Ampat, which requires approximately US \$ 7 billion or an equivalent of Rp75 trillion in order to build five large ports to support the sea toll program (Haidir et al., 2017).

The performance of the sea toll is intended to be integrated with infrastructure both on land and air. This makes transportation costs and logistics distribution affordable in addition, the prices related to basic necessities also drop significantly. As an archipelagic country, the sea toll has become a mainstay for people in remote areas. However, these areas possess potential commodities, unknown to the public due to lack of ships to sail them. Therefore, the sea toll is expected to bring up new growth centers as a multiplier effect (Nur Vitasari, 2017). In addition, its implementation requires a roll on and off the ship that sails the fixed route of the Long Port-Tanjung Perak Port, Surabaya, and is expected to function once every three days. This is to reduce the burden on roads, and logistics costs, by translating it into multi-modal businesses, such as using land, sea, air, and rail (Tol et al., 2019).

The ports inaugurated by the Government have adequate facilities such as being equipped with an enormous collection point. Fishermen also increase their sea products, because they have shelters for their catch. In additionally, the adequate port area causes business people to become enthusiastic about using these ports in loading and unloading activities. The development of adequate infrastructure has caused people from neighbouring areas to become interested in developing their businesses which absorbs a lot of local labor. Production outcomes do not only include those commodities found in various regions in Indonesia, they are also expected to be exported (Romadhon, 2018).

### **Analysis of the applicable rules in the implementation of the Sea Toll**

The policy regarding the implementation of the sea toll has been reported earlier in the sub-chapter centered on the legal basis that supports the objectives of realizing this program targeted at reducing the price disparities as stated in the 2015-2019 National Mid-Term Development Plan to ensure the availability of goods and improve the welfare of the community. Based on this objective, the Government has launched a Sea Toll Program against the backdrop of high price disparities between western and eastern Indonesia. The economic growth of Java island has resulted in the inefficiency of sea transportation in Indonesia due to the imbalance of loads returned from areas with low economic growth, particularly in the Eastern Region (Yani & Montratama, 2018).

The Government has established several legal bases for the Sea Toll Program, including Presidential Decree No. 106 of 2015 concerning the Implementation of Public Obligations for the Transportation of Goods at Sea and Regulation of the Minister of Transportation No. PM. 4 of 2016 regarding Amendments to the Regulation of the Minister of Transportation No. PM 161 of 2015 concerning Implementation of Public Service Obligations for

Transportation of Goods at Sea. The Government established the six first-stage sea toll routes with SK AL.108 / 7/8 / DJPL-15 centered on the Sea Toll Route Network of the 2016 Fiscal Year and its Implementation Provisions. In addition, the Minister of Transportation Regulation No. 10 of 2016 concerning the Goods Transportation Rates at Sea was also enacted in the Context of Implementing Public Service Obligation. The Presidential Regulation No.70 of 2017 regarding the Implementation of Public Service Obligations for the Transportation of Goods from advantaged and to disadvantaged, remote, outermost and border Areas, in lieu of Presidential Regulation No. 106 of 2015 concerning the Implementation of Public Obligations for Transportation of Goods on the Sea (Haji Hairuddin & Haji Megat Latif, 2013). Minister of Trade Regulation No. 53 of 2020 concerning the Determination of the Types of Goods Transported in the Program for Organizing Public Service Obligations for Transportation of Goods from and to Disadvantaged, Remote, Outermost and Border Areas was also enacted (Mashuda et al., 2019).

The Government is also evaluating the implementation of the Sea Toll Program, which is considered to be defective. This is different from the initial concept which was planned to shipping from west to East and vice versa, using large-capacity ships on a scheduled basis. However, the Government needs to design and establish a Sea Toll master plan immediately, because it is needed as a reference by the relevant ministries or agencies. It is also beneficial to actors and other stakeholders involved in the Sea Toll Program, including shipping companies (Baihaqi et al., 2018).

The policies enacted for the basis of the implementation of the sea toll supports its operation, therefore, it is more flexible and easier to carry out its activities which includes the transportation of goods and services to remote areas or the border of Eastern Indonesia (Yani & Montratama, 2018). This is to realize the Government's expectations, specifically to minimize the transportation of goods and services to areas without obstacles. Therefore, the distribution of economic welfare throughout the territory of Indonesia is optimally carried out, because so far the policies made do not support the transportation of goods and services by sea, instead, they have acted as an obstacle to creating barrier-free traffic (Haidir et al., 2017).

### **Benefits of the Sea Toll for Eastern Indonesia**

The main problem in Eastern Indonesia is the high and unbalanced prices when compared to other regions. Ultimately, the solution is the sea toll, it reduces the high prices encountered by people in the Eastern region (Yani & Montratama, 2018). There are several benefits, such as individuals from the East can send their regional products to Java or to the western and central regions of Indonesia. The goods distributed include the production of spices, copra products, etc. Furthermore, extraordinary fishery products either dried or processed raw materials are conveyed from Eastern Indonesia to Java and surrounding areas, therefore it possesses good selling value (Mursitama et al., 2019). Apart from being profitable, the people from Eastern Indonesia can convey their goods to Java at an affordable price, and this offers good feedback for the return trips of ships destined for sea toll operations which have been conveying cargo to the Java Island (Wicaksana, 2017).

Therefore, the active enthusiasm for carrying out trading activities in Java is realized by promoting goods or businesses from the Eastern Region. In addition, all problems regarding the return of cargoes from the East to Java Island are expected to be balanced. All this is achieved when there is cordial cooperation between the Central and Regional Governments, Entrepreneurs, as well as State and Regional-Owned Enterprises, in order to create harmony. (Mashuda et al., 2019).

### **Findings of the Current Development of the Sea Toll**

It was discovered that after 4 (four) years of sea toll implementation, the Tanjung Priok Port commenced on November 4, 2015. it was inaugurated by the Transportation Minister and was initially operated with 2 (two) container ships, 1 (one) ship from Tanjung Priok to Biak and 1 (one) ship from Tanjung Perak, Surabaya to West Nusa Tenggara and East Nusa Tenggara. This program was assigned from a State-Owned Enterprise, namely PELNI Company, which aims to overcome the disparity in the prices of basic commodities and essential goods, as well as boost economic growth in remote, underdeveloped, frontier and border areas (T3P). The sea toll concept is intended to direct shipping from advanced areas to the T3P area (Andilas & Yanggana, 2017).

Sea toll barriers (Anto Kurniawan, 2019) are caused by several monopolistic practices of certain ship owners in the Maluku area. The initial agreement showed that 11 (eleven) basic commodities were transported, while in the actual sense, other goods were conveyed. Problems related to the return cargo from the T3P area to the Java region were discovered (Hafizon et al., 2019), for example, the sea toll cargo in 2017 realized 212,865 tons, or 41.2 percent of the targeted 517,200 tons, while the return freight realized only 20,274 ton (Rumaji & Adiliya, 2019). Furthermore, although several regulations have been described in accordance with the legal basis, several revisions such as the issuance of Trade Minister Regulation No. 53 of 2020 concerning the Determination of the Goods Transported in the Public Service Obligation Program From and To Disadvantaged, Remote, Outermost and Border Areas, have been issued, however, the expected outcome has not been realized, because based on information obtained from the field, the cost of logistics in the various regions still expensive, for example, the

shipping cost from Jakarta to Padang, Medan, Banjarmasin, Makassar, is high while to Singapore, Hong Kong, Bangkok and Shanghai is affordable (Adam & Dwiastuti, 2015).

Sea Toll needs to involve national shipping, both state-owned and private companies. Its operational activities are integrated with existing shipping services, including People's Voyages. Its development is also integrated with the hinterland transportation system of each region. Integration includes the provision of infrastructure (roads and railways) and the actors (transportation service companies as feeders). Sea toll is one of the important strategies adopted for the development of marine transportation in Indonesia, which is an archipelago or maritime country (Tol et al., 2019). The concept needed to be implemented to become the backbone of an integrated multi-modal transportation system. Sea toll is expected to promote a balance in regional growth, both economically and industrially by increasing connectivity and the flow of goods, to and from the region of east Indonesia. Furthermore, with the growth of the East Indonesia, the volume of shipments increases, thereby triggering the implementation of this concept (Laut & Minimum, 2018).

The Government has also evaluated the implementation of the Sea Toll Program, which was considered defective. This is different from the initial concept, which was in the form of shipping from the west to the East and vice versa by using large-capacity ships on a scheduled basis. However, the Government needs to design and establish a sea toll master plan immediately. The master plan is needed as a reference for the relevant ministries or agencies in implementing this concept. This reference is also required for actors and other stakeholders involved in the Sea Toll Program, including shipping companies (Hafizon et al., 2019).

Furthermore, certain factors need to be considered, specifically their ability to supervise as well as ensure that the sea toll performance is effective and efficient, thereby reducing the logistics costs in the various regions and provinces. Several problems at the port cause the, for example, dwelling time, and monopolistic practices which are still ongoing in the transportation and distribution of goods, thereby resulting in ineffective and inefficient logistics costs. Subsequently, another factor is the reason behind high costs and difficulty in bringing it down. This is due to the unbalanced amount of cargo, conveyed to the eastern region and back to Java Island. Conversely, more goods are transported to the eastern region, however only a few goods are transported to Java. This is a problem that requires a solution, which involves searching for natural resources in the eastern region and conveying them to Java, for example, spices that last a long time and are urgently needed by people. It is also considered as an extraordinary natural resource derived from the east. Apart from that, the empty capacity on the return voyage is used to trigger the delivery of various other goods from the region, for example, fishery commodities in the Indonesian fisheries territory (Siti Zaharah Jamaluddin et al., 2019).

. Another obstacle is the port infrastructure which is still lacking in terms of the number of ships and their inadequate conditions. However, assuming the issues reported earlier are resolved, the sea toll operation tends to be effective. Initially, the Government provided subsidies, to aid in slowly reducing prices and causing the community to become independent.

## CONCLUSION

There are numerous reasons the prices of goods needed by people in the East are higher than in the west and central Indonesia. This is because the process of transporting these items from Java or the west to the eastern region is the major problem. This process involves a lot of authorities therefore it takes a long time and leads to a high-cost economy. Furthermore, with the implementation of sea tolls, it causes tends to be eliminated.

The implementation of the sea toll during the administration of President Joko Widodo started from 2015 to 2020, and several signs of progress have been made in the eastern part, although there are still shortcomings, presently, it has realized almost the similar worth with the eastern, western and central Indonesia. This is an extraordinary achievement because the high costs of transporting goods and services to remote areas have been curbed through bureaucratic reviews, considered to have an economic impact as well as the provision of infrastructures such as ports, large ships and reliable human resources.

The sea toll has numerous benefits, namely infrastructural development, accelerating economic growth, and distribution of goods throughout Indonesia, particularly in the eastern region. Conversely, its economy needs to be improved by utilizing sea tolls, in distributing goods to marketing centers in Java such as spices, copra, various types of fishery products, etc., because transportation prices are relatively cheap thereby boosting productivity and creating several job opportunities. Sea toll, which serves as an alternative to boost the transportation of goods and services needs to be supported by appropriate regulations. A regulatory agency that oversees its operations needs to be established. The bureaucracy and administration that obstructs the sea toll road operation need to be altered, therefore objectives namely equitable distribution and balance in the prices of goods, particularly in the eastern region is fulfilled, in order to realize social justice.

Several studies concerning sea tolls have been carried out. However, its review in relation to sea transportation law was carried out differently. This research is based on the regulatory, and economic law perspectives in accordance with the welfare of all Indonesians in the West, Central and East regions, as well as the transportation of goods using sea tolls, which leads to economic equality. This research is expected to serve as an input for the

Government. As the party issuing this policy, they also need to be able to propose a balance between the social and economic life of all Indonesians through adequate transportation by using sea tolls. Furthermore, in accordance with the Law academic community, it is expected that they are able to develop and analyze policies issued by the Government by referring to the underlying theories and definitions, as well as referring to the regulations mentioned above that support the sea toll program. Therefore, the idea behind this research is quite new.

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