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The Logistics Cost of Cikarang Dry Port: A General Review

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Abstrak

High logistics costs in Indonesia are thus one of the principal economic inefficiencies that restrain the country's growth and competitiveness in the global marketplace. In this context, the paper focuses on the contribution of the Cikarang Dry Port (CDP) to the national economy. This qualitative research draws on an extended narrative review of the Cikarang Dry Port. These results reflect how the CDP is pivotal in reducing logistics costs, benefiting clients and manufacturing firms around the dry port area through bettered transportation and logistics service provision. The study also puts much emphasis on the fact that logistics efficiency is not only crucial at the level of individual enterprise performance but also, more broadly, for Indonesia's economic landscape. The CDP consolidates supply chains and reduces transportation costs, ultimately building overall cost competitiveness for Indonesian enterprises in more state and international markets. The study calls for the Indonesian government to invest in developing and upgrading the infrastructure of the Cikarang and Bekasi areas. These strategic investments would also help reduce the overall cost of logistics, thereby creating an enabling environment for business operations and playing a role in the economic development and growth of the nation.

Keyword*: Cikarang dry port, CDP, Logistics costs*

INTRODUCTION

Logistics cost efficiency is increasingly recognized as one of the main factors determining a country's competitiveness in the era of globalization. In Indonesia, CDP plays a strategic role in enhancing the competitiveness of the country's logistics costs as an important logistics node. Situated in a strategic area supported by complete modern facilities, CDP has many advantages that potentially reduce the overall logistics cost-effectively.

Located in Bekasi Regency, West Java, Cikarang Dry Port is one of the largest dry ports in Indonesia. It facilitates smooth import and export operations. As the demand for efficient supply chains grows, assessing how the Cikarang Dry Port contributes to logistics cost competitiveness becomes essential.

Cikarang Dry Port, situated in the heart of the Cikarang industrial center, has emerged as a cornerstone of national logistics infrastructure and a crucial gateway for goods and commodities. This research paper aims to analyze the logistics costs linked to the operations of Cikarang Dry Port while also addressing the challenges and opportunities in Indonesia's broader logistics landscape.

The discussion will focus on how Cikarang Dry Port's operations can bolster logistics cost competitiveness in Indonesia, alongside the hurdles and prospects it faces. Key areas of interest will include

infrastructure development, technological advancements, and stakeholder collaboration, which are vital for improving logistics cost competitiveness at Cikarang. By examining various factors that influence logistics costs—such as infrastructure, technology, and government policies—this paper seeks to provide a comprehensive understanding of their impact on logistics competitiveness in the region.

METHOD

The methodology for this paper will be qualitative. It will essentially consist of a narrative review of the extant literature regarding understanding logistics costs in the Cikarang Dry Port. The research aims to study the articulation of such logistics operations at this hub in a manner that could reflect their complexity. Such information sources will include, but are not limited to, detailed case studies, industry reports, and academic publications. The paper seeks to attain an in-depth understanding of the various logistics challenges facing stakeholders at Cikarang Dry Port and the prospects for further optimization of logistics strategies in the facility. Results from this study will go a long way in adding to ongoing debates relating to logistics efficiency and cost management within a dry port context. The factors influencing these areas will be deeply examined to provide insights for guiding best practices. Such insights will be of particular use to practitioners in the field and policymakers charged with formulating strategies that can help improve operational effectiveness and bring down the cost of operation in port logistics.

RESULTS AND DISCUSSION

Cikarang Dry Port addresses congestion at Tanjung Priok since most logistics activities around the main port have shifted inland. The need to move these activities reduces congestion at Tanjung Priok and accelerates the clearance of goods, thereby increasing efficiency in the supply chain in Indonesia (Henderson, 2020).

Facilities in Cikarang offer a better opportunity for cost reduction, especially concerning the exploitation of storage space and congested goods management from the main port. According to the data collated by the Ministry of Transportation, in-country logistics costs have been reduced by about 15% over the last five years with the coming of the Cikarang Dry Port (Suryanto & Wijaya, 2021).

Introducing technology into the operations at Cikarang Dry Port greatly enhances logistics cost competitiveness. Companies operate an information technology-based supply chain management system to monitor the flow of goods and effectively manage them in real time. An illustrative example of such an application of technology at Cikarang is the automation system involved in the movement of goods. The handling can be done quickly and more accurately by using heavy equipment with GPS and sensor integration. The development of such a system reduces

waiting periods and reduces the occurrence of product damage, which in turn reduces replacement expenses and lowers insurance claims. Cikarang Dry Port introduces the latest information and communication technology, such as RFID-based tracking systems and integrated electronic data, enhancing transparency and handling efficiency. The advantage of technology is that it can facilitate reduced processing times for merchandise and accelerated information exchange among the stakeholders involved in the supply chain (Hadianto & Lestari, 2020).

Indonesia can enhance its logistical capabilities by addressing congestion caused by geography, inefficiency within the industry, and infrastructure gaps. The Cikarang Dry Port has the multimodal transport capability to enable the changing logistics landscape toward the realization of a far more efficient and environment-friendly facility for transporting goods across the archipelago. Government policy is highly decisive in shaping the competitiveness of logistics costs. The Indonesian government has been working in several ways to increase efficiency in logistics, such as developing infrastructure and cutting tax rates for logistics companies. The Cikarang Dry Port provides essential contributions to the economic development of the community around that area, especially in the manufacturing sector. Access to logistics contributes to enabling the firms in Cikarang to reduce the cost of operations while increasing levels of efficiency in ensuring goods are distributed efficiently down the value chain to other firms in Bekasi and Karawang. This improves global competitiveness for Indonesian products (Putra & Salim, 2022).

Although Cikarang Dry Port has advantages, several disadvantages must be considered to achieve better logistics cost competitiveness. One of the major problems is the traffic congestion that often occurs around the Cikarang industrial area. Due to this hold-up, a chance is provided to study optimizing logistics costs and increasing company competitiveness. Challenges provide avenues that invite creative solutions. Companies need to invest more in alternative transportation methods, like electric vehicles, to find better transport routes; hence, logistics companies can get past such obstacles. Cikarang Dry Port can improve logistics cost competitiveness using more technology and supportive policies. Even though Cikarang Dry Port has positively impacted logistics, there are some crucial challenges related to shortages in road and railway infrastructure. The hugely congested flow along the main land route that connects the dry port to Tanjung Priok remains a drag on reducing the waiting times for merchandise at the port (Rahmadani, 2019).

CONCLUSION

In short, Cikarang Dry Port is the answer to improved logistics performance in Indonesia. Good infrastructure and other advanced technologies embraced in operations, such as automation of cargo handling and real-time tracking, strategically

positioned CDP to enable seamless supply chain processes, adding to overall operational efficiency. Government agencies, logistics firms, and local businesses create a fostering ecosystem with much-reduced logistics costs. This collaboration enhances efficiency in the chains and equips SMEs with resources and support to thrive in the emerging, increasingly competitive marketplace. The partnership opens a leeway for stimulating innovation and growth, enabling SMEs to expand their business and tap into new markets.

Given CDP's potential contribution to the national economy, solving its problems—ranging from geographical limitation to congestion and infrastructure bottlenecking—is a positive way forward. Strategic investments in infrastructural development, regulatory reforms that would make for efficient customs clearance processes, and driving innovation in logistics practices can substantially develop the various capabilities of CDP. This integrated approach will set a firm position as a logistics node and thus be more conducive for all economic actors. We can jointly aspire to develop the full potential of the Cikarang Dry Port and meet growth with competitiveness in the Indonesian logistical environment.

Further studies could be based on a comprehensive analysis of the quantitative effects that Cikarang induces on logistics and delivery time costs. The analysis can be performed for specific critical indicators, such as transportation cost, time efficiency, and operational reliability, which helps state areas for improvement. Moreover, a comparative performance study with other regional dry ports could provide important contextual insights that help highlight competitive advantages or disadvantages in logistics networks.

The social and environmental impact of the dry port operations would also be helpful. This could involve an analysis of the impact on local communities, labor conditions, and environmental care. Through an investigation into these dimensions, the researchers would know how Cikarang would be viable for the long term both as a logistic hub and generally for sustainable development in the region.

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