

COMPANIES OF DANANTARA INDONESIA

The Tanjung Priok Terminal Connecting Indonesia's Cars to the World

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Danantara Indonesia Investor Relations Team



Photo credit: Danantara Indonesia Investor Relations Team

"To reach a port we must sail, sometimes with the wind,
and sometimes against it. But **we must not drift or lie at anchor.**"

OLIVER WENDELL HOLMES, SR., American physician and poet

It was a slow Tuesday at work when a sudden invite popped up from Bahana Sekuritas, the securities firm and Danantara Indonesia company. It was for a site visit, the next day, to PT Indonesia Kendaraan Terminal (IPCC)'s Tanjung Priok terminal. And it was my turn to go.

At first, it felt like pulling the short straw, because I would be going alone. But honestly, it's more tiring to be negative, so after a quick mindset shift, I kind of liked the spontaneity of saying yes to something unexpected.

There was just one minor problem: I know *nada* about cars.

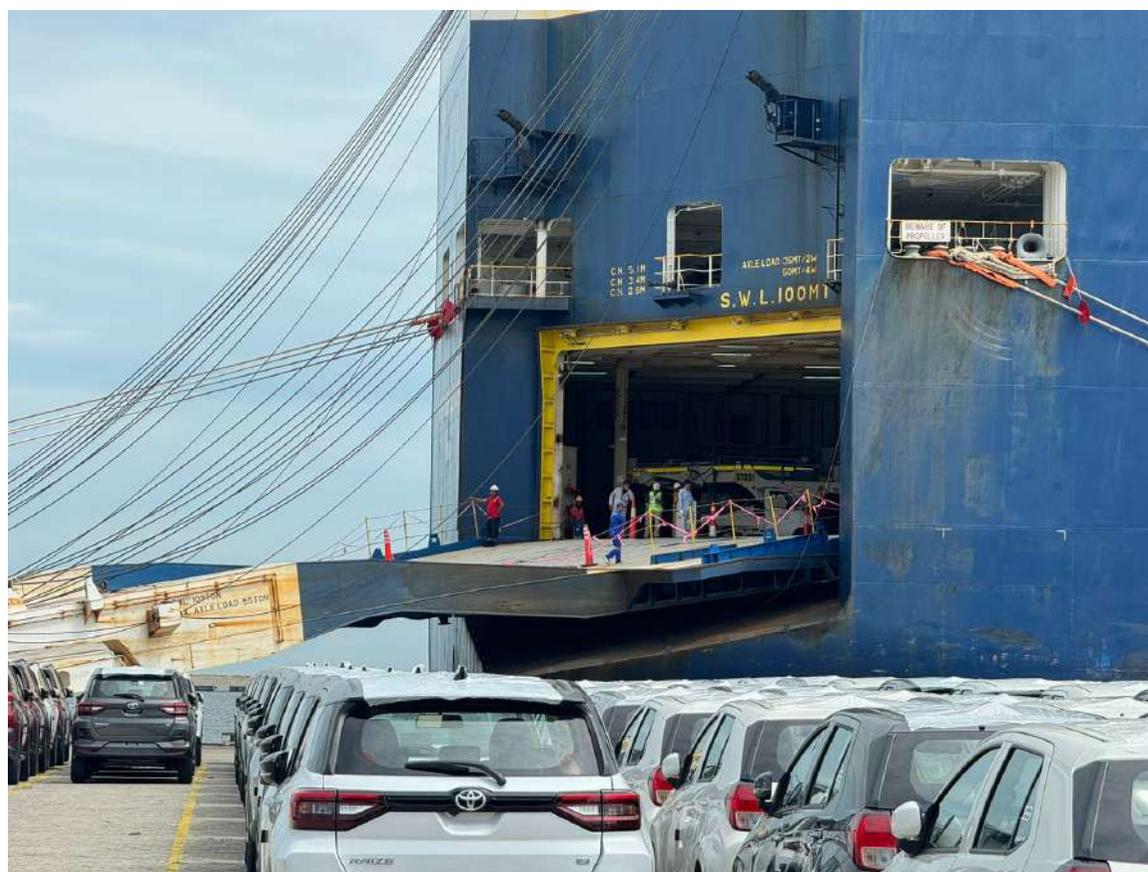


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Sure, I had watched the Suzuka F1 GP earlier this year, but that was purely for *vibes*. I am not someone who could explain the Drag Reduction System in her own words. I was more invested in Carlos Sainz, Jr. and Charles Leclerc's driver parade banter than the tire changes under Nagoya's cloudy skies.

Still, I had a window to dive deep into IPCC's annual reports plus some research on cars: at least enough to nod intelligently if someone said that electric cars do not actually need gear shifts. During the calm morning drive to Tanjung Priok, our friends at Bahana gave me a crash course in investment banking.

Somehow, that mix made me feel...ready.

And then there it was, the IPCC terminal, resting quietly at the edge of the harbor. It was enormous, efficient, and surprisingly calm. No honking, no shouting. Just the steady hum of movement and the harsh glint of sunlight bouncing off rows of cars, each lined up in perfect formation, like soldiers waiting for deployment.



Photo credit: IPCC

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One Hour, 250 Cars

IPCC is owned by PT Pelindo, a Danantara Indonesia company that runs ports across the country. It is Indonesia's largest vehicle terminal, a city within a city: multi-storey car parks, inspection lines, control rooms, unloading berths, satellite yards.

In the inspection facility, one of the supervisors demonstrated how they check each car. Just 40 to 60 seconds per car. One hour, 250 cars.

Ships come almost every day. Loading and unloading? Usually done within 48 hours.

To give a sense of IPCC's scale: around 85% of Indonesia's CBU imports and 74% of exports pass through here. Their customer list reads like a mall parking lot on a Sunday: Toyota, Hyundai, Suzuki, BMW, Mini.

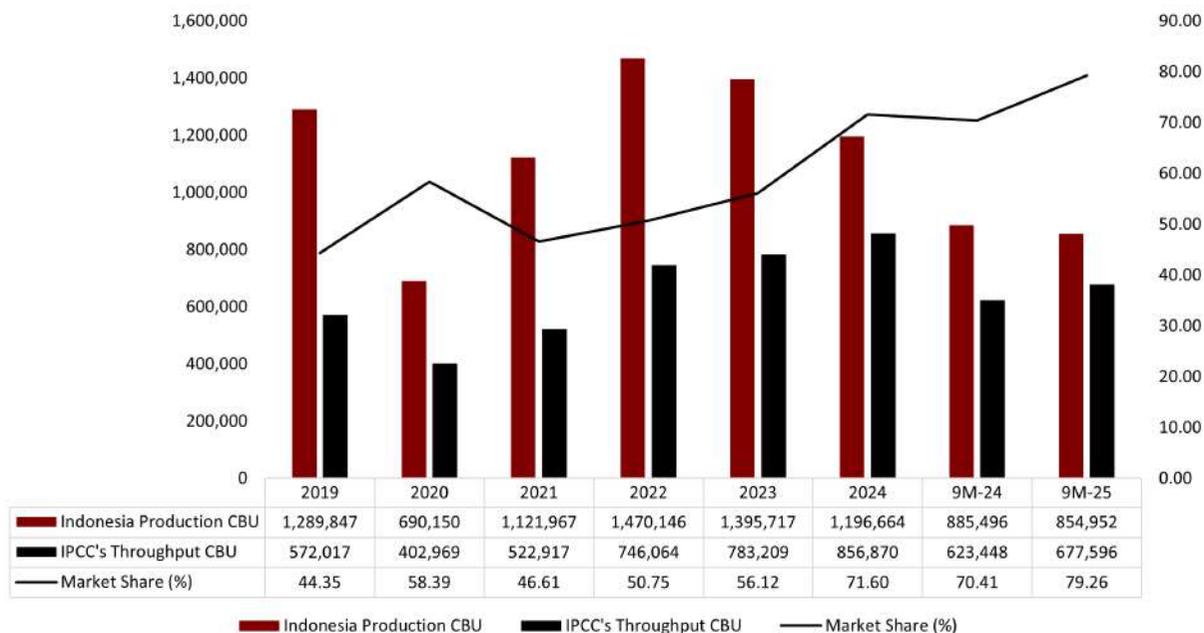
The scale shows up in the financials too. Since its IPO, IPCC's revenue has grown every year except the pandemic year of 2020. It climbed from around IDR 516.8 billion in 2021 to IDR 825 billion in 2024.

Then comes the most surprising part: IPCC has zero debt. No bank loans, no bonds, no borrowed money sitting in the background. The liabilities on its balance sheet are mostly PSAK 73 recognition of long-term land lease agreements with parent company Pelindo.

Running without debt also means the company sits on a lot of cash. As of the end of 2024, it held IDR 810.4 billion in cash and cash equivalents, which is about 39% of its total assets. That also explains why IPCC could pay out 80% of its 2024 net profit as dividends.

Unlike many regional peers, the debt-free structure and fixed-cost base allow higher volumes to translate directly into margin expansion. Over the twelve months from September 2024 to 2025, IPCC delivered a 18.36% operating margin, 12.67% revenue growth, and 28.42% net profit margin.

IPCC's Share of Indonesia's CBU Imports



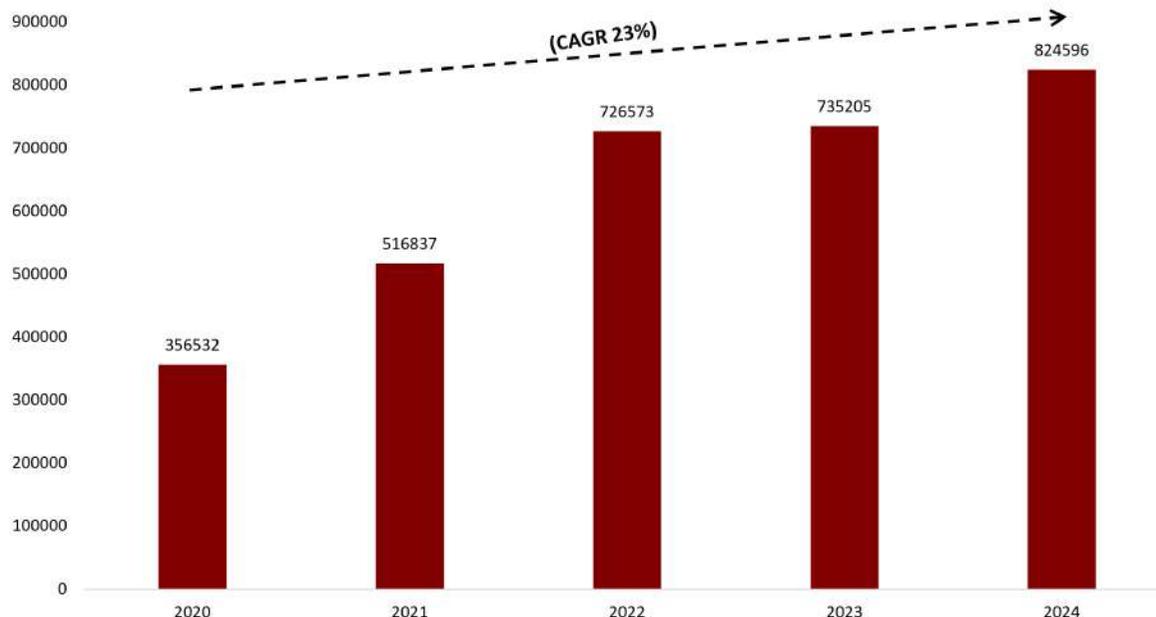
Source: IPCC

The free cash flow also looks sustainable. A large portion of IPCC's cost of goods sold comes from depreciation rather than cash expenses, which means more of its revenue converts into actual cash. That is how the company can maintain an 80% dividend payout ratio and still plan future projects.

As one of Indonesia's four major ports, Tanjung Priok leads the pack in overseas and inter-island cargo, handling the highest volume of loading and unloading. Pelindo reported for overseas activities in 2024 alone unloaded 37.5 million tons. That is nearly double Tanjung Perak's 20.8 million, and far ahead of Belawan (5 million) and Makassar (1.5 million). On the loading side, Priok moved 25.1 million tons, compared to Perak's 9.9 million.

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IPCC's Revenue Performance



Source: IPCC

But here is something I only realized when I went there: visiting IPCC is also one of the most honest ways to understand Indonesia's automotive industry. Because Indonesia's automotive story is far bigger, and far more global, than the cars we see crowding mall basements.

The country is one of the world's major vehicle producers: 15th globally, second in ASEAN after Thailand. And those cars do not just stay here. We export to nearly 100 countries, from Vietnam to Mexico.

At the same time, the EV boom has flipped the script on imports. More than 60% of electric vehicles sold in Indonesia are shipped in whole, or CBU as the industry calls it, and mostly from China.

Several global brands have either set up or are expanding plants in Indonesia. BYD alone is building a factory with a planned capacity of about 150,000 units per year. That is far more than what the domestic market needs, so exports will likely rise. Even if EV imports decline once local production ramps up, exports will only grow.

An Ocean of BYDs

Location matters. Most ICE factories sit around the Karawang corridor, which naturally feeds into Tanjung Priok.

Newer EV plants, including BYD's, are located around the town of Subang. In turn, Subang is closer to Patimban, IPCC's primary rival in the northern shore of West Java.

BYD's plant is slated for operations in early 2026, however. For now, BYD imports are a big part of the terminal's daily rhythm.

Nearly 80% of Indonesia's EV imports come from the Chinese automaker, and on certain days, you can stand in one spot and see nothing but BYD units in every direction. The volume is so large that since August, BYD has started sending its own 7,000-unit roll-on roll-off vessels, which look like floating parking garages.



Photo credit: IPCC

And the wave is not slowing down. Indonesia's EV tax and duty incentives end in December 2025. Most analysts expect car brands to front-load imports before the deadline. If that happens, IPCC's fourth-quarter 2025 numbers could be busy, especially because Gaikindo's Jakarta Auto Week is happening in November.

EV growth is also pulling IPCC into more services beyond the port. The company already handles distribution work, which means taking cars from ship to showroom by truck, for clients like Suzuki. Now, IPCC is bidding for BYD's domestic distribution contract.

If they secure it, Tanjung Priok will become BYD's main base not just for imports but for nationwide distribution.

All of this is why IPCC is pushing to grow revenue beyond the port itself. The domestic distribution business, although still small, has grown more than 250% from last year. The big picture is clear: IPCC wants to be present along the entire chain, not just at the terminal gates.

Growth like this needs more space. Since expanding sideways is impossible, IPCC is going vertical. A new five-storey car storage building for around 2,500 units is in the works. Capex this year is about IDR 7 billion and is planned to rise to IDR 30 billion next year to build it.

A bigger change is coming between 2026 and 2029. Domestic operations will relocate to a six-hectare area near JICT 2. This will free up prime yard space in the main terminal for international cargo, which is where the higher-margin business sits. As Bahana Sekuritas notes in their latest report, IPCC is expected to post a 27.5% net profit margin and 18.7% ROE this year. By 2027, those figures jump to 29% and 21%, before hitting a 30.4% net profit margin in 2029: affirming the financial strength behind these activities.

Government policy will also help. A tariff adjustment is scheduled for 2027, with a size of 15-20%. It will be the first update since 2021 and is expected to support revenue.

Meanwhile, competition is there, but uneven. Patimban Port has taken about 20% of the market after five years of operation, but only by offering heavy discounts of up to 40%. Inland logistics there are more expensive, volumes are smaller, and only two of its original five domestic shipping lines are still active.

Tanjung Priok remains the main national hub. It has more routes, more ships, stronger connectivity, and the kind of scale efficiency that comes from handling vehicles for decades.

Ports Do Not Sleep

IPCC runs 24/7, powered by three rotating groups working two 12-hour shifts, with about 400 people keeping the place alive.

And yet, for all the talk about strategy and scale, what I did not expect was how human the place felt. The people spoke less like port operators and more like caretakers. Proud, precise, and deeply honest about what they do.

Take the control room. I expected a war zone of blinking red lights. Instead, there was order, and oddly, a billiard table in the corner. A ping-pong table. Even a treadmill.



Photo credit: Danantara Indonesia Investor Relations Team

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Ports are tough places to work, but IPCC carves out pockets of humanity where it can. Maybe that is why the people seemed so centered. They live in a rhythm most of us never see: steel, schedules, and silence punctuated by the occasional ship horn.

Every inch of the terminal seemed to run on that ethos. Every inspection, every log entry, every ship movement carried a kind of intentionality. Watching the teams work, I realized this terminal is not impressive because of its size or its technology. It is impressive because of its order. Its discipline. Its people.

That discipline extends to operations. Weekly coordination meetings with cargo owners align ship schedules down to the hour. All vehicle movement follows strict FIFO principles. Their internal system, PTOS-C, talks to automakers, shipping agents, and customs simultaneously, updating everything in real time.

Contrast this with Vietnam's Hai Phong Port, which operates multiple cargo terminals independently under separate operators. Similarly, Thailand's Laem Chabang Port operates under a concession model with multiple terminals managed by private operators. Relying on external providers for inspection and distribution, despite its large scale.

By integrating inspection, storage, and distribution on a single site, IPCC achieves a level of efficiency that outpaces most ASEAN ports: another edge that firmly positions it as one of the region's leading car terminals.

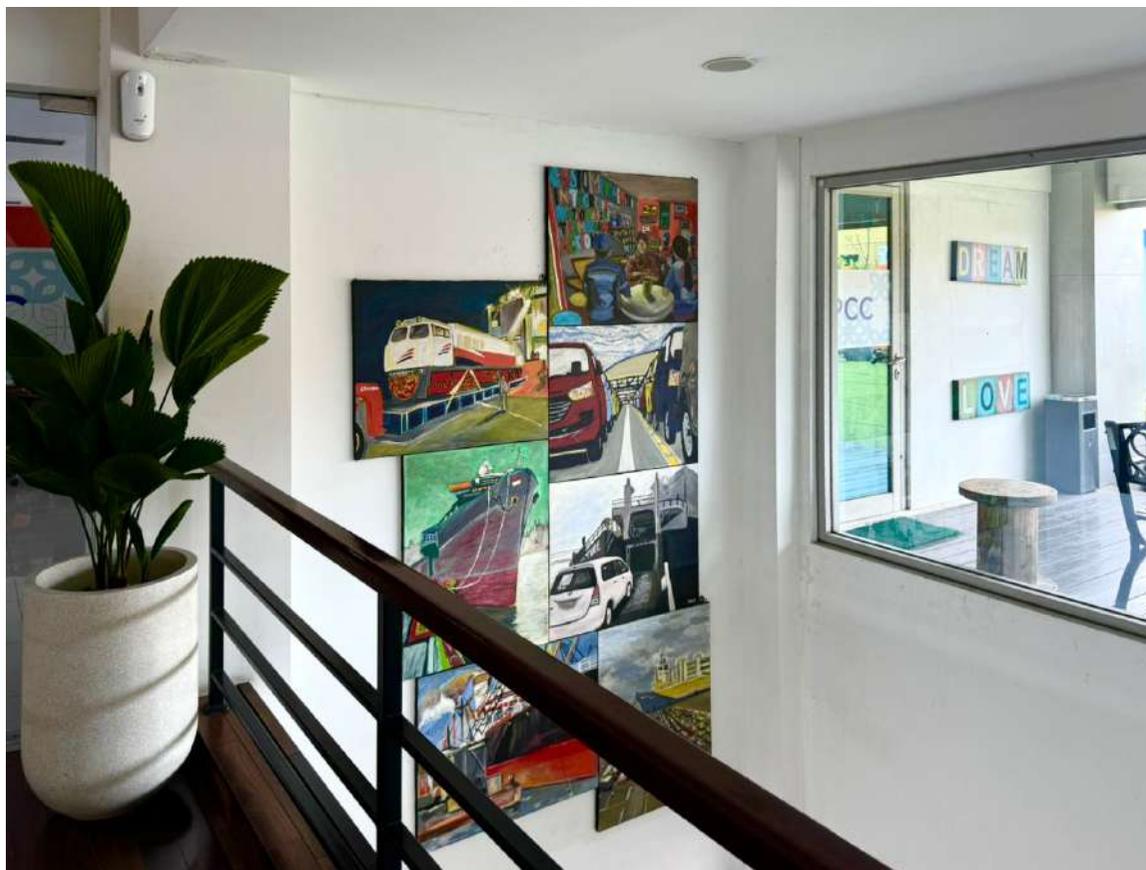


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As we headed back toward the gate, the sun casting long shadows across rows of cars ready for their next journey, I felt a strange clarity settle in.

I had come looking for context about Indonesia's automotive industry. Instead, I found something far simpler: a reminder that behind every car on our roads, every export statistic, and every vessel docking at Tanjung Priok are people who treat their work with dignity and care.

In a port that never sleeps, that commitment is the only thing that keeps everything moving.

And maybe that is the real story. Not the machines, but the humans that carry them forward.

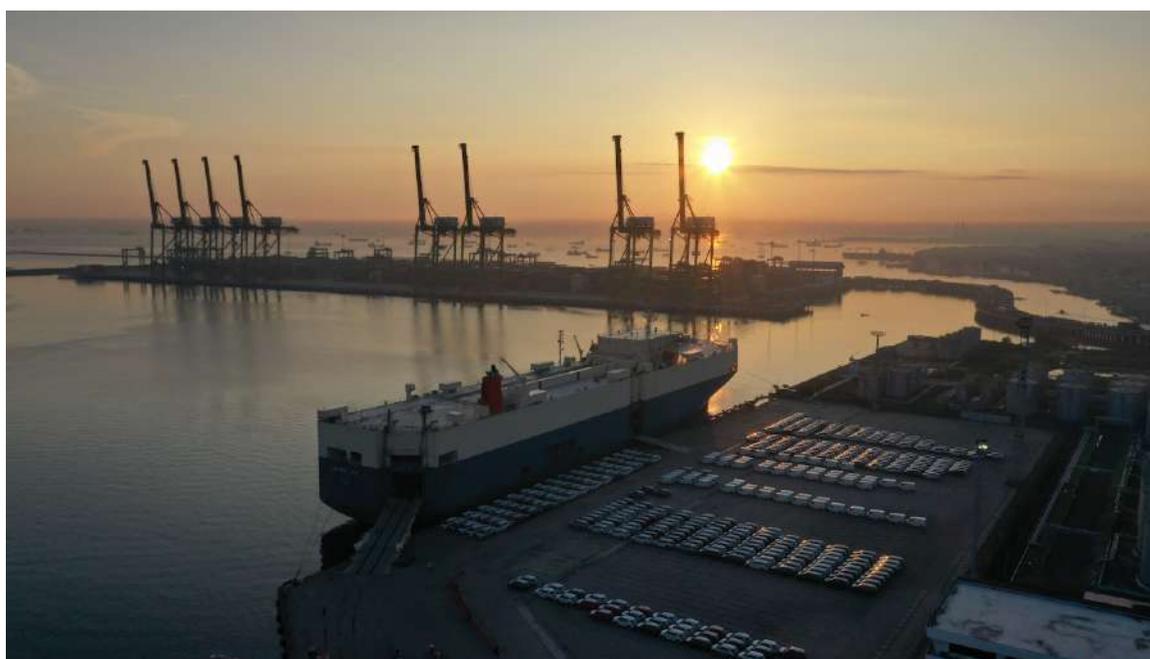


Photo credit: IPCC

Did You Know?

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Source: KITLV (Leiden University Libraries)

In 1877, a stretch of brackish water and mangrove thicket was refashioned into what we now know as Tanjung Priok. A station with the same name opened alongside the port in 1885, built to move the Dutch East Indies' natural commodities by rail.

Set at what is now Terminal 1, the old station's façade featured neoclassical, arch-topped doors crafted from solid teak and clear glass: structures designed to withstand the tropical climate.

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