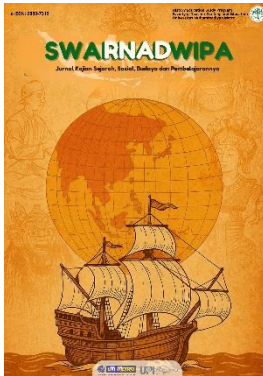


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## The Efforts of Koninklijke Paketvaart Maatschappij (KPM) in Maintaining the Existence of Its Shipping Network in Indonesia 1945–1958

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### Abstract

The purpose of this research is to find out what the Koninklijke Paketvaart Maatschappij (KPM) efforts were in maintaining the existence of the shipping network in Indonesia in 1945-1958. The method used in this study is the historical method with data collection techniques, namely library and documentation techniques, as well as qualitative data analysis techniques. . The results of this research are the KPM's attempts to regain control of shipping in Indonesian territory with the efforts made as one of the Dutch shipping companies that were given monopoly rights, resulted in failure. The losses and the many rejections and efforts to nationalize Dutch companies, including KPM ownership, were the end of KPM's operations on Indonesian shipping routes

**Keywords:** KPM, Dutch government, Indonesian government

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### INTRODUCTION

Indonesia is one of the world's maritime countries, consisting of thousands of islands with a vast territorial sea area. The potential of Indonesia's marine natural resources is extremely abundant, giving rise to the nation's aspiration to become a global maritime axis. This ambition is supported by Indonesia's strength as an archipelagic state and its rich maritime resources, which include various species of marine animals and plants (Nikawanti, 2021).

As an archipelagic country, Indonesia cannot be separated from the crucial role of its naval forces. In this context, the sea functions not only as a provider of food and energy but also as a unifying medium connecting the regions of the archipelago. Historically, Indonesia's past maritime glory can be seen during the Sriwijaya and Majapahit Kingdoms, which demonstrated their status as maritime-based states with skilled sailors supported by ship equipment capable of sailing across oceans beyond territorial boundaries (Siswanto, 2018).

Throughout Indonesia's historical development, the navy has played a significant role in the lives of its people since the era of the kingdoms. The naval power possessed by strong and resilient great kingdoms was reflected in their victorious fleets. Advanced naval forces were not used solely for warfare; rather, they were primarily employed to support daily life activities, particularly in trade and economic activities. From the perspective of

the colonial government, the navy was also regarded as highly important. This was evident when the colonial government granted monopoly rights over inter-island and ocean shipping in Indonesia to the Koninklijke Paketvaart Maatschappij (KPM), a Dutch royal shipping company (Samiasih, 2015).

After Japan unconditionally surrendered on 14 August 1945, the Netherlands – one of the European nations with a long history of involvement in Indonesia – returned with the intention of reasserting control over Indonesian territory by utilizing their technological advantages and reclaiming assets left behind before the Japanese occupation. One such asset was in the shipping sector operated by KPM. At that time, the existence of the Koninklijke Paketvaart Maatschappij (KPM) in Indonesia also provided benefits to Indonesian society. As a large shipping company equipped with advanced technology, KPM was capable of navigating remote and difficult-to-reach waters of Indonesia, such as those in Sulawesi, Papua, and Kalimantan, which were largely inaccessible to local shipping services. These regions were surplus areas rich in natural resources and mineral wealth, including gold mines in Papua. This situation brought significant benefits to the Netherlands, as KPM undertook various efforts to maintain its existence in Indonesia. These efforts spanned two periods: prior to the transfer of sovereignty, such as improving port infrastructure and establishing the SGS; and after the transfer of sovereignty, during which KPM continued diplomatic relations with PELNI in shipping operations and operated under the supervision of the Indonesian government.

## **RESEARCH METHODS**

This study employs the historical method, also known as historical research. The historical method is a systematic collection of principles and rules intended to effectively assist in the gathering of various types of historical sources, in critically evaluating or examining those sources, and in producing a “synthesis” (generally in written form) of the findings obtained (Wasino, 2018). The historical method used in this research is a process that involves identifying the problem under study, ensuring clarity, and conducting clear and critical analysis of records and remains of past events (Sjamsuddin, 2007).

According to Rahman (2017), the use of historical research methods facilitates a process of understanding past situations and conditions through careful consideration of evidence and facts related to historical events. In other words, historical research methods aim to expand knowledge regarding how, what, when, who, and where historical events occurred. This historical research is intended to identify the efforts undertaken by the Koninklijke Paketvaart Maatschappij (KPM) in maintaining the existence of its shipping network in Indonesia, carried out through step-by-step procedures of historical research.

These stages include the historical heuristic stage, which involves collecting data or sources related to KPM in Indonesia after independence. This is followed by source criticism, aimed at verifying the authenticity and credibility of the sources obtained, including book covers, authorship, and content. The next stage is interpretation, in which the researcher analyzes the sources to ensure that the findings can be academically accounted for. In the final stage, historiography, the researcher presents the results derived from the sources in relation to the research problem, namely the efforts of the Koninklijke Paketvaart Maatschappij (KPM) to maintain the existence of its shipping network in Indonesia during the period 1945–1958.

## **RESULTS AND DISCUSSION**

This section is the core part of the research article, which is generally the longest part. The research results presented in this section are clean results without the need to include the data analysis or hypothesis testing process. Only the results of the analysis process or the results of hypothesis testing are presented in this section. To further clarify

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the research results, tables and graphs can be used, which, of course, are followed by explanatory sentences discussing the table or graph.

For qualitative research, the results section contains detailed sections in the form of sub-topics directly related to the research focus. The discussion in the article aims to:

- 1) Answer the problem formulation and research questions.
- 2) Show how the findings were obtained.
- 3) Interpret or interpret research findings.
- 4) Linking research results to established knowledge structures.
- 5) Generating new theories or modifying existing theories.

In answering the problem formulation and research questions, the research results must be concluded explicitly. Interpretation of research findings is carried out using existing logic and theories. In the form of reality in the field, findings are integrated or linked to the results of previous research or existing theories. For this purpose, there must be a reference. In generating new theories, old theories can be confirmed or rejected; some may need to modify old theories or theories.

In an article, sometimes it is unavoidable to organize the writing of research results into "subheads". The following is an example of writing the format for subheadings in writing articles.

### **General Historical Overview of the Koninklijke Paketvaart Maatschappij (KPM) in Indonesia**

The Dutch East Indies was a vast archipelago consisting of approximately 13,000 islands, some of which were inhabited. At that time, the archipelago could not yet function as an administrative-political unit or develop economically, as it lacked adequate capacity and maritime connectivity. Commercial shipping is believed to have begun around 3000 BCE, alongside the growth of civilizations and interactions among nations inhabiting the Mediterranean region, where the Greeks pioneered the development of maritime navigation. The Indonesian archipelago became one of the important centers of trade starting in the seventeenth century, when the Dutch arrived and established the Vereenigde Oost-Indische Compagnie (VOC) in Batavia (Jakarta). Due to its highly strategic geographical position, which connected regions and countries in Southeast Asia, Indonesian ports clearly indicate that international shipping routes had long passed through Indonesian waters (Samiasih, 2015).

The development of VOC monopolies and royal policies that required local rulers to pay taxes by surrendering agricultural products gradually forced the population's capacity to be concentrated in the agrarian sector. This process directly contributed to the decline of maritime activities in the archipelago. During the colonial period, the VOC, through the Dutch colonial government, organized and exploited all maritime potential by allocating military power to secure the maritime sector in order to protect its commercial shipping interests (rather than commercial shipping as a whole). In 1799, following the dissolution of the VOC, serious challenges emerged for the financial condition of the metropolitan state. The VOC's earlier activities, which focused on purchasing commodities for shipment to European markets, were no longer effective. Consequently, the colonial government shifted toward production-based activities, while shipping activities – namely the transportation of goods and passengers by sea using vessels – were managed by private companies through a tender system.

The implementation of the tender system had a significant impact on the growth of private shipping companies. This policy shift introduced a new understanding of shipping as a relationship between economics and politics, between business and government, and between maritime enterprises and maritime empires (Munro, 2003).

The Koninklijke Paketvaart Maatschappij (KPM) was established by the Dutch in 1888 by Rotterdamsche Lloyd (RL) and Stoomvaart Maatschappij Nederland (SMN), headquartered in Amsterdam, on Prins Hendrikkade. Its establishment coincided with the strengthening of the navy, likely driven by perceived threats such as the alliance between Britain and Germany in New Guinea and the operations of the British North Borneo Company. At that time, the colonial government was considered increasingly active and aggressive in formulating policies aimed at ensuring the security of its imperial interests. From its establishment until 1916, KPM operated using predominantly steam-powered vessels. The company primarily focused on regular scheduled shipping routes for passengers and cargo across the islands of the Dutch East Indies.



**Figure 1. KPM Headquarters Building in Batavia**  
Source: National Library of the Republic of Indonesia

In 1906, the company began to implement business expansion by opening new routes from the islands of the Dutch East Indies to other countries. In 1908, KPM operated the Java–Australia Line (JAL) between Java and Australia, followed in 1910 by the Java–Siam route, or Java–Thailand, and finally in 1915 the Deli–Straits–China Line (DSCL), which served shipping routes between Medan and the South China Sea.

The presence of KPM was directed as an instrument of political and economic integration of the Dutch East Indies. The concept of “shipping follows the trade” later changed after KPM began operations. The routes operated by KPM covered almost all islands, enabling the company to serve as a connector that strengthened ties between local traders and Dutch merchants. The impact was the development of trade at the local level and a transformation of the concept into “trade follows the shipping.” This success also made KPM a symbol of the Dutch government’s efforts and achievements in expanding its political reach throughout the Dutch East Indies until Indonesia’s independence.

The KPM fleet played a role that went beyond merely transporting goods and passengers based on profitability. The company also possessed additional supporting fleets, which constituted a distinct advantage. With this technological capacity, KPM was able to operate along Indonesian routes as well as reach international routes for cargo and passenger transport between major countries. From the outset, KPM identified its interests in relation to economic development and the growth of trade in the Dutch East Indies. Furthermore, KPM was utilized by the Dutch colonial government in developing shipping infrastructure, enabling political control over the entire territory of the Dutch East Indies as part of efforts to achieve colonial integration under the banner of Pax Neerlandica (a Campo, 1994).

Since KPM began operations in 1891, its fleet regularly called at 30 ports across the Dutch East Indies, including smaller ports throughout Indonesia. At that time, Indonesia faced no major difficulties in maritime transportation, as KPM vessels routinely serviced

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these ports. KPM was regarded as the primary means of maritime transport for both goods and passengers. At its peak, KPM operated a fleet of 136 vessels with a total capacity of 260,000 tons. In line with KPM's rapid development, the Dutch government and KPM entered into an agreement aligning the interests of both parties, known as the Groot Archipel Contract (Archipelagic Shipping Agreement). However, following Indonesia's independence, this agreement was no longer valid (Samiasih, 2015).

After World War II, KPM attempted to restore its fleet, but these efforts were hindered by political changes in the Dutch East Indies, which proclaimed independence as the Republic of Indonesia in 1945, followed by a four-year conflict (1945-1949). During this period, part of KPM's fleet was also used to transport logistics and Dutch troops throughout the archipelago.

Following Indonesia's independence after Japan's surrender, it is undeniable that attempts at recolonization were still carried out by European powers, including the Netherlands. The primary objective was to regain control over economic activities, particularly in the shipping sector, by reactivating shipping companies that had previously been vital and profitable for the Dutch colonial administration. Historical literature on post-colonial relations between Indonesia and the Netherlands has traditionally focused on unresolved issues following the transfer of sovereignty in 1949, which deteriorated bilateral relations during the 1950s, especially concerning the New Guinea issue. The economic dimension of the decolonization process has remained relatively underexplored, despite the prominent position of the Dutch business community in independent Indonesia, which represented the most significant continuity with the colonial era (Kerkhof, 2005).

### **The Period Prior to the Transfer of Indonesian Sovereignty**

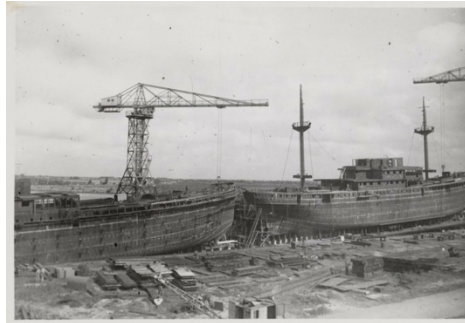
#### **1. Improvement of Infrastructure and Facilities**

The proclamation of Indonesia's independence did not immediately free the country entirely from the constraints of colonialism. One of the colonial powers that sought to regain control over Indonesian territory was the Netherlands. Unresolved relations between Indonesia and the Netherlands persisted, largely due to the Dutch refusal to recognize Indonesian independence. The Dutch were unwilling to acknowledge the changes that had taken place in Indonesia during World War II. Following the Japanese occupation, the Dutch failed to recognize the profound psychological changes that had occurred, particularly the growth of nationalist sentiment, which was no longer confined to a small group of intellectual elites but had spread among the general population. The Indonesian people no longer wished to live under colonial domination; they aspired to live as a free nation, even if this required struggle and sacrifice to the very end.

Public resistance to the return of Dutch colonial rule resulted in widespread unrest and armed conflict in various regions. Dutch colonial forces, organized under the Netherlands Indies Civil Administration (NICA), returned to Indonesia by accompanying Allied troops under the pretext of managing Japanese prisoners of war who remained in the country. Due to their combat experience and superior weaponry, Dutch forces succeeded in occupying several areas, particularly port cities and plantation regions that had previously served as the main economic centers of the Dutch colonial government before World War II. Meanwhile, Indonesian soldiers and volunteers controlled inland areas and employed guerrilla warfare tactics (Singgih, 2010).

Following Japan's surrender, which left extensive destruction – particularly to port infrastructure – significant economic losses occurred, and maritime-based economic activities were severely disrupted. This situation prompted the Dutch government, in cooperation with KPM, to seek ways to attract the sympathy of the Indonesian population. One of the initial measures taken by the Dutch government together with KPM was the

rehabilitation and improvement of port infrastructure and facilities in areas where KPM vessels would call, especially in major trade centers and export–import hubs, particularly in Eastern Indonesia and on the island of Java.



**Figure 2. KPM Harbor in Karossa, West Sulawesi, 1947**

Source: Beelbank 010003030558

At the harbor, ships owned by KPM located in Karossa (West Sulawesi), KPM built vessels that would be operated on KPM shipping routes, both between regions of the Indonesian archipelago and on international routes. However, not all ships constructed by KPM were intended to be used on the Makassar–Singapore shipping route. One of the vessels was instead sent to operate along the South Coast and the East Coast of Kalimantan, not via Makassar but through Surabaya, Bawean, Banjarmasin, Bali Harbor, Lombok, and onward.

The harbor located in West Lombok, which ceased operations in 1979, had previously been one of the busiest ports in the archipelago. In the past, Ampenan Harbor was the main artery of trade on Lombok Island in the 19th century. This is evidenced by the large number of old buildings, both residential houses and former warehouses, in the area. Eventually, the Dutch colonial government also became interested in taking control of the harbor.



**Figure 3. Ampenan Harbor**

Source: KITLV 141624

The bustling and strategic nature of Ampenan as a trading port attracted both domestic and foreign merchants to establish companies and settle in Ampenan. Subsequently, the Dutch improved the facilities and supporting infrastructure for port activities in Ampenan, such as the renovation of the docks, the development of transportation networks from Ampenan to all parts of Lombok Island (roads, bridges, and others), as well as the establishment of pawnshops and offices of the Koninklijk Paketvaart Maatschappij (KPM).

As part of KPM's strategy, ports located in regions with abundant natural resources were upgraded. However, although under the dominance of KPM, this did not mean that maritime activities of all ethnic groups across the archipelago came to a halt. Their activities, especially those of ethnic groups on various islands outside Java, were largely

<http://dx.doi.org/10.24127/sd.v10i1.4963>

limited to inter-island shipping and trade. There were also a number of indigenous sailors and traders who chose, or changed their profession, to become sea pirates, while others avoided the situation or retreated inland to become farmers.

2. Establishment of the Joint Ship Ownership Foundation (Stichting Gemeenschappelijk Schepenbezit / SGS)

The return of KPM to Indonesia initially encountered some obstacles, as under the GAC agreement between the Dutch government and KPM, the agreement was valid only from 1931 to 1946 and was not extended. However, KPM's efforts to remain involved can still be seen, as KPM continued to obtain monopoly rights through the Round Table Conference (RTC) and was still used as a maritime transportation provider for carrying goods and passengers for both the Dutch colonial administration and Indonesian society. Based on the Dutch view that gaining renewed sympathy and economic benefit from the Indonesian people was important, KPM was granted access to participate more actively and play a greater role in shipping activities. One of KPM's revived efforts was to gain control over small port cities. At that time, the Dutch were still attempting to regain control and management of several economic centers in Indonesia, particularly in the shipping sector, until Indonesia officially received the transfer of sovereignty from the Dutch colonial government in 1949.

In an effort by the Dutch government to secure broader opportunities for the continuity of its corporate management and to strengthen its position in Indonesia, especially in the shipping industry, the Dutch government established the Joint Ship Ownership Authority, or Stichting Gemeenschappelijk Schepenbezit (SGS), in Batavia (now Jakarta) on 14 March 1947. The purpose of this foundation was to accelerate the management of the Indonesian local shipping industry through the regulation of vessels, financial management, and technical assistance. The SGS Foundation was chaired by a former KPM officer, Sunar Suraputra. To support Indonesian coastal shipping, SGS provided assistance such as credit loans, technical support, and the leasing of cargo space on ships to indigenous shipping companies. This foundation supported small Indonesian shipping companies through what was referred to as "feeder services," transporting goods between small coastal towns and major ports. KPM primarily sought to eliminate indigenous competition through SGS and to shed its "colonial" image in Indonesia (Kerkhof, 2005).

The establishment of the SGS Foundation aimed to assist regional areas in developing shipping enterprises, and it marked the initial emergence of shipping companies in various regions. On the other hand, it also served as a support mechanism for the continued operation of KPM in Indonesia. This was evident in the transfer of 14 large vessels and 8 small vessels to regional shipping companies, such as the South Sulawesi Shipping Company (Maskapai Kapal Selebes Selatan / MKSS), which later became the South Sulawesi Shipping Company (Perusahaan Pelayaran Sulawesi Selatan / PPSS). Another example was the Noord Celebes en Molukken Maatschappij (NOCEMO), which later became known as Pelayaran Rakyat Indonesia (PERINDO).

The use of KPM as a transportation medium connecting international and inter-regional shipping routes within Indonesia created opportunities to gain greater benefits through the extensive networks owned by KPM. At that time, Indonesia was not yet fully capable of operating shipping and conducting trade smoothly, as it did not yet possess an adequate fleet. Several regions in Indonesia subsequently became areas of operation for the SGS Foundation.



**Figure 4. MKKS Office, Makassar**  
Source: National Library of the Republic of Indonesia

One of the headquarters or offices of SGS was located in Makassar, an area that served as one of the largest sources of copra and rice. In 1947, MKSS operated three vessels, namely Ms. Latimodjong, Ms. Djeneberang, and Ms. Lompobatang, each with an average capacity of 180–200 tons, which were leased from the Stichting Gemeenschappelijk Schepenbezit (SGS) in Jakarta. These ships were operated by Indonesian crew members. In early 1948, the fleet was expanded by three additional vessels, Ms. Belanta, Ms. Barombong, and Ms. Sadang, bringing the total to six ships with a combined capacity of 1,047.24 tons. These vessels transported copra and rice, which at the time were the main trade commodities and sources of income for both the population and the government.

Second, the port of Ambon. Ship traffic entering Ambon Bay came from voyages originating in Batavia, Ternate, or from Batavia en route to the Banda Islands. Ambon Island's position under these conditions appeared to lie along a linear shipping route. However, it should be emphasized that shipping activities and ship visits to Ambon during the early trading period in Southeast Asia and throughout the colonial era experienced periods of both high activity and stagnation. These fluctuations nevertheless brought significant profits to the Dutch colonial authorities, and KPM also gained international recognition, including among major trading organizations in developed countries. The number of ship visits to the waters of Ambon Bay increased, particularly during the period of colonial rule.

The transition from sailing ships to steamships became a major factor in increasing the volume of ship traffic in Ambon Bay. Advances in maritime technology greatly influenced the intensity of shipping, as dependence on the monsoon winds diminished and travel time was shortened by the mobility of engine-powered vessels, such as those operated by KPM. In addition, the development of shipping networks, competition among shipping companies, and the growth of export-import activities in regional trade further contributed to the increasing number of vessels entering the waters of Ambon Bay. This was reinforced by the abundance of natural resources to be sold and transported by sea, making KPM a highly important mode of transportation (Sutherland, 2017).

However, in the end, SGS, which sought to develop new inter-island shipping routes, was forced to dissolve. This was due to several factors, including the inadequacy of human resources, as indigenous personnel lacked sufficient expertise in maritime affairs, as well as the poor quality of the vessels operated by SGS, which were owned by KPM. These conditions caused numerous operational problems and damages that ultimately resulted in financial losses. Consequently, the ships used by SGS were eventually returned to KPM.

### **The Period After the Transfer of Indonesian Sovereignty**

1. Establishing Diplomatic Relations between KPM and PELNI under the Supervision of the Indonesian Government

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The continued operation and dominance of KPM in Indonesia's inter-island waters compelled the Indonesian government to formulate efforts to build unity and national integration in Indonesian shipping. This began with an offer of a joint venture or share ownership proposed by the Indonesian government to KPM, which was rejected by KPM. The proposal was considered more beneficial to Indonesia due to its more dominant share ownership, and KPM also rejected the provisions regarding payment terms and the gradual takeover of the entire KPM fleet by the Indonesian government.

The Indonesian government acknowledged that building a national fleet, whether public or private, could take many years. Therefore, in February 1950, the Minister of Transportation, H. Laoh, proposed that the entire inter-island KPM fleet be transferred to a new joint company, to be owned by the Indonesian state (51 percent) and KPM (49 percent). Indonesia would pay compensation for the takeover of the fleet over several years, while KPM would be entrusted with management in return for a fixed percentage of profits and would be responsible for training and recruiting Indonesian personnel. Thus, the plan envisaged a gradual transfer of fixed capital and operational management of KPM into Indonesian hands. In response to this proposal, KPM opposed the plan and objected to the full takeover of the fleet and the proposed payment scheme. KPM then made a counterproposal to retain the core of Indonesia's plan by establishing a mixed shipping company through SGS, but with equal ownership shares. In addition, Indonesia would only gradually take over part of the KPM fleet.

In pursuit of advancing national shipping, the Indonesian government established the Foundation for Central Ship Control (Penguasaan Pusat Kapal-Kapal / PERPUSKA) in 1950, which operated by leasing KPM-owned vessels that were previously operated by SGS before being nationalized and subsequently dissolved. However, PERPUSKA faced many obstacles during its operations, as the fleet used was of poor quality and suffered frequent damage. As a result, the PERPUSKA Foundation was dissolved in 1952, and PT PELNI was established in the same year as the national shipping company. This marked the beginning of the decline of KPM's shipping operations in Indonesia. Due to its colonial image, KPM became a popular target of nationalist propaganda, which was reflected, among other things, in the lack of enthusiasm among prospective indigenous sailors from traditional recruitment areas in Java and Sumatra to work for the company (Sulistiyo, 2016).

Nevertheless, KPM still held several strong advantages. The Dutch maintained KPM's operations in Indonesian waters because KPM possessed experienced personnel and a relatively large fleet, while PELNI suffered from a lack of commercial and maritime expertise as well as a shortage of cargo capacity. Despite steady growth, PELNI continued to incur losses and remained a modest inter-island shipping service until KPM came under Indonesian management in December 1957. The state-owned company was only able to compete successfully with KPM on the important route to Singapore, due to strong support from Jakarta on that route. In December 1954, the Indonesian government ordered that all storage and transshipment activities in Indonesian ports henceforth be handled by indigenous companies. This measure was intended to end the near-total Dutch dominance in this sector and to allow Indonesian shipping companies to play a more active role in the shipping industry (Eng, 2006).

In its operations within Indonesian waters, KPM came directly under the supervision of the Indonesian government and the Ministry of Maritime Transportation. In inter-island trade, KPM replaced its vessels with chartered ships toward the end of their service life. A charter is a reciprocal agreement between the shipowner (vercharter) and the charterer, whereby the shipowner undertakes to provide a vessel complete with equipment and crew for the benefit of the charterer, and the charterer undertakes to pay for its use. Meanwhile, new vessels were used only outside Indonesian shipping routes and often on

KJCPL service routes. As a result, KPM increasingly became a holding company with continuously declining capital (Suworo, 2016).

Table 1. The Market Share of KPM and PELNI in Inter-Island Transportation and Short-Sea Shipping, 1956 and 1957.

NO	KPM	1956	%	1957	%
1	Between islands	1.919		1.735	
	Singapore/ Malaya a)	241		194	
	Irian b)	50		51	
	Amount	2.210		1.980	
	Canal Voyage c)	449		275	
	Amount	2.659		2.255	
	Near Sea Voyage d)	190		202	
	Amount	2.849	75	2.457	71
2	PELNI	968	25	1.006	29
	Amount	3.817	100	3.463	100

(Source: KPM and the Ministry of Transportation in Dick, 1987)

- a) Indonesia to and from Singapore and Malaya
- b) Singapore to and from West Irian and the Irian regions
- c) Cargo transported under through bills of lading (Through Bill of Lading)
- d) Cargo transported to/from neighboring countries, especially the rice trade from Southeast Asia to Indonesia

The worsening relationship between KPM and PELNI in shipping affairs resulted in significant losses for KPM. The annulment of the Round Table Conference (RTC) agreements also meant that Indonesia was no longer obliged to protect foreign assets or to allow foreign companies, particularly Dutch firms, to operate in Indonesia. As a result, the economic position of the Netherlands in Indonesia became increasingly unstable. On 9 December 1957, KPM was placed under the supervision of the Supervisory Committee (Panitia Penguasa), which consisted of senior military officers, Indonesian KPM employees, and officials from the relevant ministries. The establishment of the Supervisory Committee clarified the position of the Government of the Republic of Indonesia in exercising control over KPM, in the sense that KPM was required to submit to the authority of the Indonesian government, which was in the process of building and developing a national shipping economy through the establishment of PT PELNI. Consequently, inter-island shipping routes were to be controlled and managed by PT PELNI, while at the same time the Supervisory Committee detained a number of KPM vessels.

## CONCLUSION

Based on the author's discussion, it can be concluded that the efforts undertaken by the Koninklijke Paketvaart Maatschappij (KPM) to maintain its hegemony over shipping networks in Indonesia between 1945 and 1958 were carried out through various strategies.

KPM's efforts to maintain its existence prior to the transfer of Indonesian sovereignty (1945-1949) included: Rebuilding port infrastructure and facilities at locations where KPM operated. The slow pace of Indonesian shipping activities in the post-independence period provided KPM with opportunities to regain control over several shipping routes that it had previously abandoned. The provisions of the Round Table Conference (RTC) decisions, which still allowed KPM to maintain a monopoly in Indonesia, motivated KPM to rehabilitate ports along its former routes, such as the Makassar-

<http://dx.doi.org/10.24127/sd.v10i1.4963>

Singapore route and the South and East Kalimantan coastal routes. Through these efforts, the public was expected to continue relying on KPM for economic activities such as trade, export-import operations, and other commercial activities. Establishing the Stichting Gemeenschappelijk Schepenbezit (SGS) as an organization that provided assistance in the form of loans, ship leasing, and that also stimulated the emergence of local shipping companies. Another objective of KPM in establishing SGS was to support and sustain KPM's economic operations in Indonesia. However, SGS was dissolved in 1950 due to the lack of experience among most indigenous workers, which resulted in significant financial losses.

KPM's efforts after the transfer of Indonesian sovereignty by the Netherlands (1950-1958) included: Establishing diplomatic relations between KPM and PELNI under the supervision of the Indonesian government. Competition between KPM and PELNI continued until 1958. KPM's fleet, which was superior to that of PELNI, caused the Indonesian government to incur considerable losses. KPM continued to be utilized at that time because it possessed extensive organizational and commercial networks with other countries. As a result, it was not possible for PELNI to compete with and surpass KPM within a short period. Nevertheless, PELNI persisted until KPM eventually withdrew, and some of KPM's vessels were seized by the Indonesian government. This, however, did not pose a major problem for KPM, because when the government planned the nationalization of Dutch companies, KPM had already insured its vessels with British companies and was therefore able to continue operating its shipping routes outside Indonesia.

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