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## **Analysis of the Impact of the Covid-19 Pandemic on the Coal Mining Industry Sector At Pt. Jhonlin Baratama Site Lolo, Js Group Paser Regency**

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### **Abstract**

The Covid-19 pandemic has had a major impact on every economic sector in Indonesia, including the mining industry sector. PT Jhonlin Baratama is one of the mining industries located in Kuaro District, Lolo Village, Paser Regency, directly adjacent to PT. Kideco Jaya Agung. The study aims to determine the impact of the Covid-19 pandemic on the mining industry sector. This research uses descriptive qualitative research. Data collection techniques were carried out using observation, interview and documentation techniques. The data analysis technique used in this research is to use the data analysis method of the Miles and Huberman model which is carried out in three stages, namely 1) data reduction; 2) Display data and; 3) Drawing conclusions. The results showed that the Covid-19 pandemic had an impact on the mining industry sector, namely, an intensive reduction in salaries, then a decrease in demand for existing coal and also the value of East Kalimantan's non-oil and gas exports during 2020 fell by 17.16%, where Kalimantan's non-oil exports East is dominated by mining products (coal). This proves that the pandemic has had a considerable impact on mining, especially coal mines.

*Keywords: Covid-19, Mining Industry, Paser Regency*

### **1. Introduction**

Indonesia is one of the countries that has the potential for energy and mineral resources that are quite large, including coal. There are 20 provinces that have coal resources, with South Sumatra and East Kalimantan being the provinces with the highest level of coal resources in Indonesia, which is equivalent to 82% of the total coal resources in Indonesia. Indonesia's coal resources reach 161.34 billion tons (MT) and reserves of 28.17 MT (Directorate General of Mineral and Coal, 2013). Coal production growth during 2008-2012 was 13% per year, with an average production of around 200 million tons per year. For domestic use of coal, the electricity sector is more dominant, the rest is for the cement, textile, fertilizer, metallurgical, and other industries. Coal production which always increases from year to year makes coal as the main commodity in the general mining sub-sector and occupies a very vital position and is one of the primary energy sources for the Indonesian industrial world (Directorate General of Mineral and Coal, 2013).

Coal is a natural resource that is not renewable or non-renewable resource, this means that once this mineral is exhausted, it will not be able to recover or return to its original state. Coal mining as mining in general is a series of activities that include the stages of general



investigation, exploration, feasibility studies, construction, mining, processing and refining, transportation and sales and post-mining activities. The existence of the coal mining industry can have an impact on the environment, social and economy of the local community. In terms of its negative impact, mining is more often understood as an activity that causes more problems than benefits, ranging from disturbing health, conflicts over land grabs, environmental damage, to ex-mining areas that are left gaping. On the other hand, there are many benefits from mining activities, such as opening isolated areas, a source of regional original income, creating jobs so that it is a source of foreign exchange for the country (Hakim, 2014).

Paser Regency is one of the coal contributor areas in East Kalimantan Province. The total area of Paser Regency is 11,603.94 Km<sup>2</sup>, covering land and sea areas. Among the sub-districts in Paser Regency, Long Kali District is the sub-district that has the largest area because it covers 20.56 percent of the total area of Paser Regency. Meanwhile, Tanah Grogot sub-district has the smallest area among the sub-districts in Paser Regency. Its area covers only 2.89 percent of the total area of Paser Regency. Mining sector including coal mining has a significant role in economic growth in Paser district. The value of GRDP from the mining and quarrying sector has increased significantly from year to year.

Table 1. GRDP Value by Current Prices 2009-2013 (in Millions of Rupiah)

Field of business	2009	2010	2011	2012	2013
Mining and excavation	7.181.386	10.086.581	12.917.131	13.691.208	14.465.664

Source: Paser Regency BPS, 2014

The development of Covid-19 in Paser Regency is based on data from the Paser Health Office, according to the spokesman for the Covid-19 task force, Amir Faisol, who said, to this day, Paser Regency is still in the Red Zone. Covid-19 cases in Paser Regency reached 1754 positive cases of Covid-19 on January 31, 2021. Meanwhile, 1532 people recovered and some of them were still undergoing treatment. For the positive cases of Covid-19 as many as 54 people and 64 people who recovered. The data in each sub-district of Covid-19 cases in Paser Regency, including Tanah Grogot as many as 917 positive, 783 recovered and 23 people died. Batu Sopang District, positive 329 cases, recovered 298, died 6 people. Paser Belengkong District, 159 positive cases, 135 recovered, 2 people died. Kuaro District, positive 148 cases, recovered 131, died 4 people. Long Ikis Subdistrict, 89 positive cases, 82 recovered, and 3 people who died Long Kali Subdistrict, 47 positive cases, 42 recovered, 2 people died. Muara Komam sub-district, 25 positive cases, 24 recovered, none died. Batu Engau Subdistrict, 21 positive cases, 21 recovered and none who died, green zone. Muara Samu Subdistrict, 10 positive cases, 10 recovered, and none who died, green zone. Finally, Tanjung Harapan District, 9 positive cases, 8 recovered, none died.

Covid-19 is undeniably having an impact on the national economy. Various policies have been made by the Indonesian government to minimize the impact of Covid-19 on the Indonesian people. One of them is the policy of the President of the Republic of Indonesia, Joko Widodo, who issued Government Regulation in Lieu of Law (Perpu) Number 1 of 2020 concerning State Financial Policy and Financial System Stability for Handling the Corona

Virus Pandemic. In Article 2 of the Perpu, it is possible for the government to relax the limitation of the budget deficit of more than 3 percent. Economic growth is projected to weaken significantly at 2.1 percent (most optimistic) to minus 3.5 percent in 2020 before returning to an average of 5.4 percent in 2021-2022 when aggregate demand has recovered (Plan et al., 2020). Think tanks and strategic thinkers corrected their projections, especially in 2020, which is likely to see a slowdown, recession, and even an economic depression. Development in every country is guaranteed to be disrupted. Each country revises its APBN and provides a large allocation of funds to overcome this corona outbreak. Technically, the types of community activities regulated in Minister of Health Regulation (PMK) No. 09 of 2020 concerning PSBB Guidelines as the Acceleration of Handling Covid-19 include closing schools and workplaces, restrictions on religious activities, restrictions on activities in public places, restrictions on social activities. culture, restrictions on transportation modes, and restrictions on other activities specifically related to aspects of defense and security. The government also emphasized the difference between PSBB and regional quarantine where people are not allowed to do activities outside their homes.

The increase in positive cases that occur from day to day causes a lot of losses to various sectors in Indonesia. One of them is the Indonesian economic sector. The Covid-19 pandemic has severely damaged the Indonesian economy. The rupiah exchange rate is still not as weak as it is now. On March 2, 2020, the exchange rate of 1 USD against the rupiah was Rp. 14,265.00, as of today April 9, 2020 the exchange rate of 1 USD against the rupiah is Rp. 15,880.004 . So the rupiah weakened by 1.615 points or weakened by 11.32% in 39 days. The worst weakening of the rupiah until April 10, 2020, occurred on March 23, 2020, with the exchange rate of 1 USD against the rupiah of Rp. 16,575.00 or weakened by 16.19%.

Another economic impact is the movement of the Composite Stock Price Index (JCI) which is in free fall. JCI data shows that before there were Covid-19 cases in Indonesia, the JCI value was in the 6000's range, but after the Covid-19 outbreak in Indonesia, the JCI's value fell freely into the 4000's range. The enormous negative impact can already be seen from the industrial side in Indonesia. As of April 7, 2020, the Ministry of Manpower (Kemenaker) noted that more than 1.4 million workers throughout Indonesia were directly affected by the Covid-19 or corona outbreak (Sihaloho & Padjadjaran, 2020). The impact on the economic sector during the Covid-19 pandemic in Indonesia, among others:

- 1) The occurrence of massive layoffs
- 2) There was a decline in Indonesia's Manufacturing PMI reaching 45.3% in March 2020.
- 3) There was a 3.7% decline in imports in the first quarter.
- 4) The occurrence of inflation which has reached 2.96% year-on year (yoy) which has been contributed from the price of gold and food commodities in March 2020.
- 5) The occurrence of flight limitations resulting in a decrease in revenue in the sector. The perceived loss reached Rp. 207 billion. As many as 12,703 flights were canceled at 15 airports in January-March 2020.
- 6) Six thousand hotels have decreased placement (occupancy) to reach 50%. This can result in a loss of tourism foreign exchange (Hanoatubun, 2020).

## **2. Methodology**

The research uses qualitative research methods. The purpose of qualitative research according to Bogdan and Taylor which has been quoted by Imam Gunawan is research that produces descriptive data in the form of written or spoken words from people, as well as behavior that can be observed in the individual background as a whole (Imam Gunawan, 2013) . Then for this research approach using descriptive-qualitative method. Where according to Suharsimi Arikunto that approach is a method used in conducting non-experimental research which, when viewed from the point of view of the goal, will obtain the type or types taken (Suharsimi Arikunto, 1993).

### **2.1 Data collection technique**

The data collection technique in qualitative research is by distributing questionnaires. Questionnaire is a data collection technique that is carried out by giving a set of questions or written statements to informants for answers (Sugiyono, 2018). Then in this study, researchers interviewed 2 informants consisting of workers from PT Jhonlin Baratama Site Lolo.

### **2.2 Sampling technique**

This study used a purposive sampling technique. Purposive sampling is a sampling technique of data sources that have been considered (Sugiyono, 2018). The consideration in this study is time, therefore researchers consider informants who can provide information according to the criteria and needs. The criteria for selecting research informants are workers who have smartphones and can operate smartphones smoothly. The workers who have been selected are workers who are in the age of 20 and 25 years, and are currently working at PT. Jhonlin Baratama Site Lolo with 7 months and 5 years of work.

### **2.3 Data analysis technique**

The data analysis technique used in this study is to use the data analysis method of the Miles and Huberman model which is carried out in three stages, namely 1) Data reduction, at this early stage selecting, focusing, simplifying, abstracting and transforming raw data in written notes. The aim is to obtain findings which then become the focus of the research; 2) Data display, in this stage the reduced data is then displayed to provide an understanding of the data in order to determine the next step; 3) Drawing conclusions, after data reduction and display are carried out, conclusions are made or conclusions are drawn from the data that has been studied (Milya Sari & Asmendri, 2020).

## **3. Results and Discussion**

### **3.1 Research sites**

PT Jhonlin Baratama is a subsidiary of the Jhonlin Group which was founded in 2003 and is headquartered in Tanah Bumbu Regency, South Kalimantan. The location of PT Jhonlin

Baratama is in Kuaro District, Lolo Village, Paser Regency, directly adjacent to PT. Kideco Jaya Agung. PT. Jhonlin Baratama managed to achieve ISO 9001: 2008 certification which is a brilliant achievement for PT. Jhonlin Baratama.



*Figure 1. Research Location*

*(Source: Private Collection, 2021)*

### **3.2 The Impact of Covid-19 on the Mining Industry at PT. Jhonlin Baratama Site Lolo**

Indonesia is one of the countries rich in minerals, which include gold, silver, copper, oil, natural gas and coal is one of them. We can know that the coal mining industry itself can increase the country's foreign exchange, if it is managed in accordance with applicable procedures and rules. The mining industry can indirectly have a positive impact on the local community through empowerment efforts, by providing jobs in certain sectors. With the mining industry, it can also help the community to fulfill their daily needs. As we know, currently all countries are experiencing difficult conditions, which affect all aspects of social, economic, political, as well as all activities of human life. In this case, both the government and the community feel the impact of the Covid-19 pandemic.

At this time a number of countries are still struggling to deal with Covid-19. This condition also has various impacts, especially on the industrial sector, one of the industries affected is the coal industry in the Kalimantan area. With the existence of a mining company in the midst of the community, it can improve and develop community development there. Between the company and the community around the mine, there are components that influence each other. Both need each other to be able to develop the company and improve the community's economy. In improving the economy, communities around the mine can open up business opportunities such as establishing basic food stalls, restaurants, or renting out houses for workers who migrate. Along with the development of the mining industry, it can change the pattern of people's lives, one of which is the shift in livelihoods by depending on mining companies due to land changes or damage to agricultural land.

The Covid-19 pandemic is currently pressing the market and coal prices. This condition greatly impacted the national coal production decline by 11% in the early 11 months of 2020. Dodik (2020) said that there were three factors that caused the decline in production compared to the previous year. First, the demand for coal consumption has decreased due to the pandemic. Second, there was a rapid decline in coal prices, third, there was limited access or mobility of employees and logistics of mining companies during the pandemic. Then it was also said that the companies most affected were coal companies with

coal quality below 4,000 kcal and did not have long-term contracts, as a result their production was reduced and had to stop.

Based on the results of the study, it is also known that most of the employees of PT. Jhonlin Baratama Site Lolo complained about the lack of manpower, due to the reduction in staff and the quarantine system implemented by the company. Then there was an intensive reduction in wages, then a decline in coal demand. This fact is reinforced by a report from the Central Statistics Agency (2021), namely the impact of Covid-19 on businesses in the mining and quarrying category, BPS reported that the value of East Kalimantan's non-oil exports during 2020 fell 17.16%, where East Kalimantan's non-oil exports were dominated by mining products. (coal). The same thing was also found in the results of research conducted by Hendra in 2020 where the supply of coal was still strong, but due to a decrease in demand resulting in oversupply occurring in the global market resulting in a downward trend in prices, this trend also made Indonesian coal experience negative growth due to selling coal at a price below the cost of production. Another impact is the number of companies trying to sell coal domestically because the price is much better than the export price. This proves that the pandemic has had a considerable impact on mining, especially coal mines.

#### **4. Conclusion**

Indonesia is one of the countries that has the potential for energy and mineral resources that are quite large, including coal. There are 20 provinces that have coal resources, with South Sumatra and East Kalimantan being the provinces with the highest level of coal resources in Indonesia, which is equivalent to 82% of the total coal resources in Indonesia. The Covid-19 pandemic is currently pressing the market and coal prices. This condition greatly impacted the national coal production decline by 11% in the early 11 months of 2020. Then it was also said that the companies most affected were coal companies with coal quality below 4,000 kcal and did not have long-term contracts, as a result their production was reduced and had to stop. most of the employees of PT. Jhonlin Baratama Site Lolo complained about the lack of manpower, due to the reduction in staff and the quarantine system implemented by the company. Then there was an intensive reduction in wages, then a decline in coal demand. This fact is reinforced by a report from the Central Statistics Agency (2021), namely the impact of Covid-19 on businesses in the mining and quarrying category, BPS reported that the value of East Kalimantan's non-oil exports during 2020 fell 17.16%, where East Kalimantan's non-oil exports were dominated by mining products. (coal).

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