

## The Impact of Pandemic Covid 19 on The Economy in Situbondo

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### ABSTRACT

This study aims to examine the projected impact of Covid-19 in the second quarter of 2020. By using qualitative literature data sourced from secondary data. Situbondo's economic growth projection may not be more than one percent. In general, the agricultural category will grow in the range of minus 3-4 percent. However, it is different with the information and communication category as well as the health service category, the two groups of these categories will enjoy growth above 10 percent.

Keywords: Covid-19, Economy, Projections



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### INTRODUCTION

In December 2019, cases of mysterious pneumonia were first reported in Wuhan, Hubei Province. The source of transmission of this case is still uncertain, but the first case was linked to a fish market in Wuhan (Susilo et al, 2020). In a span of one month, there was an increase in cases which increased significantly, extending to several provinces in China, even to Japan, Thailand and South Korea (Adiputra, 2020). The spread of the Corona virus is very fast even across countries. To date, there are 188 countries that have confirmed that they are affected by the Corona virus. The spread of the Corona virus that has spread to various parts of the world has an impact on the Indonesian economy, both in terms of trade, investment and tourism (Hanoatubun, 2020).

The city of Surabaya is still the largest contributor to the number of positive cases of Covid in East Java. As of July 9, 2020, the number of positive patient cases for Covid-19 was recorded at 6,781 cases, after increasing by 100 cases. Based on data on the [infocovid19.jatimprov.go.id](http://infocovid19.jatimprov.go.id) page, there were an additional 187 new cases on June 26 in Surabaya. On June 27 there were 70 cases, June 28 there were 96 cases, June 29 there were 95 cases, and there were 210 cases on June 30. Whereas on July 1, the addition of positive cases of Covid-19 increased by 156 cases, July 2 there were 128 cases, July 3 increased to 99 cases, July 4 reached 131 cases, and 136 cases on July 5. While on July 6, the number of positive cases of Covid-19 increased to 59 cases, July 7 there were 56 cases, July 8 increased 108 cases and 100 cases on July 9.

Apart from Surabaya, Situbondo Regency has also experienced an increasing trend of the number of positive covid-19s. As of July 9, 2020, the number of Situbondo residents who have been confirmed positive for COVID-19 has reached 132 people. Of these, 81 people are still being treated. The details, starting from hospitalization for 9 people, self-isolation for 60 people and in the observation building for 12 people. In addition, 11 people died, and 40 people finished treatment or recovered. (www.detik.com)

The impact of the Covid-19 outbreak on the world economy was also devastating. As reported by www.kompas.com in the first quarter of 2020, economic growth in a number of Indonesia's trading partner countries grew negatively: Singapore -2.2, Hong Kong -8.9, the European Union -2.7 and China experienced a decline to minus 6.8. Several countries still grew positively but decreased compared to the previous quarter. The United States fell from 2.3 to 0.3, South Korea from 2.3 to 1.3 and Vietnam from 6.8 to 3.8. Indonesia experienced a deep contraction from 4.97 in the fourth quarter of 2019 to only 2.97 in the first quarter of 2020. The deep contraction in the 1st quarter in Indonesia was beyond estimation considering the physical distancing and PSBB arrangements came into effect in early April 2020.

Based on year-on-year growth, Indonesia's largest source of economic growth in the first quarter of 2020 was in the information and communication sector at 0.53 percent. This is reasonable considering that with the advice not to leave the house, many people access jobs, entertainment and education through information technology. In line with this, the sales volume of PLN electricity to households has increased. Based on a release from the Central Statistics Agency, the number of foreign tourists coming to Indonesia in the first quarter of 2020 also dropped dramatically by only 2.61 million visits, a decrease of 34.9 percent compared to last year. Of course, parts of a country, province and district in Indonesia are feeling the impact of the Covid 19 pandemic. Situbondo Regency, whose trend of increasing number of positive covid-19s continues to increase, of course, also affects the regional economy. How the projected impact of covid-19 on the economy in Situbondo in the second quarter of 2020 is the study discussed in this article.

## **METHODS**

This research is a qualitative descriptive study. In this writing, the researcher uses library research, that is, in the data collection process, there is no need to go into the field directly but take various reference sources that support this research. The type of data used is mostly in the form of qualitative data in the form of explanations and descriptions obtained from various literary sources. Secondary data sources such as media articles, journals and document studies. Data analysis was done by means of data reduction, data display and conclusion drawing in order to get a summary description of the literature study to be developed in this study and to validate the data using triangulation of data sources.

## **RESULTS AND DISCUSSION**

The impact of the Covid-19 epidemic in general has spread to all areas of human life. This time we will see how this pandemic affects the running of the economy in Situbondo. Situbondo's economy can be seen in the quarterly GRDP, which this year has begun to be calculated in the exercises status. The majority of economic growth in the first quarter of 2020 (January - March) still grew, but grew slowly. In general, economic growth slowed by 3.53 percent compared to the first quarter of 2019 which grew 4.89 percent. Globally, the majority of growth during this quarter experienced contraction (negative) or slowed down. The growth of Situbondo is actually above the national growth (2.97 percent) and East Java (3.04 percent). This was mainly supported by food crop agriculture, whose peak harvest occurred in March, while nationally and East Java shifted in April or the second quarter.

National data show a sharp decline in foreign tourists starting in mid-February, but local tourist attractions are still open until mid-March. The blow to the tourism economy, the impact of covid-19, began to be shown by slowing growth in other service categories, which grew slower by 4.29 percent, the category of accommodation service providers and food and drink providers which grew slower by 5.47 percent in line with various travel ban policies and WFH and SFH. Meanwhile, the trade category still grows quite high, which is above 6 percent, even though it is slowing down compared to Q1 2019 which amounted to 7.69 percent. Clothing commodity trade is one of the growth pressures in this trade category, in line with the contraction of national household consumption in the clothing, footwear and grooming service sub-component by minus 3.29 percent. Symptoms of a decline in people's purchasing power as a result of slowing economic activity due to Covid-19, nationally, can be seen from the slowdown in household consumption by 2.84 percent.

Given the importance of people's purchasing power in the structure of the economy, the government is trying to stabilize prices by maintaining the supply and distribution of goods so that inflation is maintained nationally. In addition, social assistance began to be disbursed in the second quarter as a buffer for indications of contraction in several categories that could trigger a decline in people's incomes and a decrease in purchasing power. In general, these various social assistance refers to low-income residents, even though it is very likely that many of those with middle income suddenly lost a large portion of their income in this second quarter. This means that the potential increase in the percentage of poverty may not be avoided.

The economic picture in the second quarter can be seen from the economic projections. Situbondo's economic growth may not be more than one percent. And this is the deepest pressure on the Situbondo economy throughout this decade. The food crop sub-category, which in the previous quarter still enjoyed growth, in this second quarter fell free with an estimated growth of minus two percent. The existence of rats and birds of prey with minimal control is one of the causes. Farmers have started to streamline the agricultural production process to anticipate their decline in income. As a result, many farm workers are not absorbed. They went to the mountains and started growing tobacco. Therefore, the sub-category of plantations is unlikely to contract even though it may grow slowly. In general, the agricultural category will contract growth exceeding the first quarter of the year which is in the range of minus 3-4 percent. Almost all of the industrial sub-categories were contracted except for the food and beverage sub-category and the tobacco processing sub-category. Meanwhile, industries related to medicines and traditional medicines will increase sharply by over 10 percent. Almost all service categories sank with minus growth, such as education services. Meanwhile, only a few grew around one percent, such as in the category of financial services providers. However, it is different with the information and communication category as well as the health services category, the two groups of these categories will enjoy a growth of above 10 percent.

## CONCLUSION

The economic picture of the economy in the first quarter and the economic projection for the second quarter of no more than one percent gives us a concrete picture of the economic impact of Covid-19 in Situbondo. Health management intersects with efforts to recover the economy. Changes that suddenly shock almost all categories of the economy. When suddenly our source of income is drastically reduced, our purchasing power becomes limited, security becomes vulnerable, and all social problems arise. Tertiary needs start to be left behind (buying vehicles), then secondary needs are drastically reduced (consumption of housing and equipment, consumption of hotels and clothing) so that primary needs (food) are also neglected. Because this is the point where people's survival depends. Seeing the track record of economic growth in the

Agriculture category in Situbondo, the Government should not be negligent in agricultural development.

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