

Import of Salt: Needs or Interest

Retno Sunu Astuti
Faculty of Social and Political Sciences
Diponegoro University
Semarang, Indonesia
retnosunu@gmail.com

Desti Relinda Qurniawati
Faculty of Social and Political Sciences
Diponegoro University
Semarang, Indonesia
destirelinda28@gmail.com

Kismartini
Faculty of Social and Political Sciences
Diponegoro University
Semarang, Indonesia
kis_martini@yahoo.co.id

Abstract—Salt is an important commodity in the life of a country including Indonesia. Indonesian salt production has not met the needs, so the government issued import policies as stated in the Regulation of Minister of Trade No. 125 / M-DAG / PER / 12/2015 concerning Provisions on the Import of Salt, Protection of Salt Farmers. The policy was reinforced by Law Number 7 of 2016 concerning Protection and Empowerment of Fishermen, Fish Cultivators and Salt Farmers. In 2018 based on Government Regulation Number 9 of 2018 concerning the Procedures for Controlling the Import of Fisheries Commodities and Salt Commodities as Raw Materials and Assisting Materials, industrial salt import permits are set at 2,370,054.45 tons. Pamekasan Regency is one of the salt-producing centers in Madura region and has 26,800 tons of imported salt quota. These conditions lead to rejection because the people's salt supply for the industry is sufficient. Based on secondary data with qualitative descriptive method, this study shows that the implementation of Government Regulation Number 9 Year 2018 does not provide protection and welfare for salt farmers, because it causes the people's salt prices to fall even not absorbed to the maximum. The implementation of imported salt distribution should be based on the data of salt needs in each region, so that it can be determined how much import salt quota must be fulfilled.

Keywords—Salt Import, Welfare, Protection, Interest.

I. INTRODUCTION

Indonesia is a country in Southeast Asia and located on the equator called Nusantara (Antara Islands) because it consists of 17,508 islands [1]. The total area of Indonesia is 5,180,053 km² with a land area of 1,922,570 km² and waters 3,257,483 km² [2]. The data shows that Indonesia is a country where most of its territory is sea. The land area of Indonesia is only one third of the total area, while the two-thirds are in the ocean. Central Intelligence Agency (CIA), The World Factbook calls Indonesia a maritime country that has a coastline of 54,716 km² [3].

The CIA makes Indonesia the country with the second longest coastline in the world, after Canada. One of the resources in the field of marine is salt. Salt is a commodity that is quite important in the life of a country. Besides being used for consumption, salt is also needed for industrial purposes. As the demand for salt increases, the country demands maximum production. Indonesia's natural wealth which is supported by the coastline is wide enough to be the main capital of the government to produce salt, the reality that happened in 2004 the government issued a policy of importing salt to meet national salt needs in the Decree of the Minister of Industry and Trade No. 360 / MPP / Kep / 5/2004

concerning Provisions on Salt Imports and changes occur, namely the Regulation of the Minister of Trade Number 125 / M-DAG / PER / 12/2015 concerning Provisions on the Import of Salt.

National salt needs are the total amount of consumption and industrial salt in Indonesia. Nationally, the amount of production has not been able to meet the needs, so the government considers it necessary to import salt (see table 1).

TABLE I. NATIONAL SALT BALANCE

Description	Year					
	2012	2013	2014	2015	2016	2017
Needs	3,3 million tons	3,6 million tons	3,6 million tons	3,4 million tons	3,4 million tons	4,2 million tons
Production	2,1 million tons	1,1 million tons	2,2 million tons	2,8 million tons	118 thousand tons	916,9 thousand tons
Imports	2,3 million tons	2,1 million tons	2,3 million tons	1,9 million tons	3 million tons	2,2 million tons

Source: KKP, BPS, Kompas, Metro TV (researcher's data).

TABLE II. THE AMOUNT OF SALT PRODUCTION BY PROVINCE

Province	Year		
	2014	2015	2016
Aceh	8,093.90 (0.36%)	9,135.84 (0.32%)	14,595.47 (12.37%)
NTT	11,764.71 (0.53%)	11,189.87 (0.39%)	9,459.16 (8.01%)
NTB	193,651.17 (8.66%)	162,499.23 (5.71%)	9,987.16 (8.47%)
Bali	7,674.11 (0.34%)	10,547.62 (0.37%)	499.91 (0.43%)
Sulawesi Selatan	80,203.94 (0.28%)	82,869.26 (2.91%)	3,577.71 (3.04%)
Sulawesi Tengah	17,080.63 (0.76%)	14,243.00 (0.5%)	3,795.37 (3.22%)
Gorontalo	-	709.83 (0.03%)	176.54 (0.16%)
Jawa Timur	921,195.42 (41.19%)	1,011,697.13 (35.53%)	51,891.82 (43.95%)
Jawa Tengah	560,988.43 (25.08%)	783,942.50 (27.53%)	17,220.55 (14.51%)
Jawa Barat	629,403.18 (28.14%)	761,007.36 (26.72%)	6,887.14 (5.84%)
Total	2,236,404.32 (100%)	2,847,841.64 (100%)	118,090.14 (100%)

Source: KKP Statistics (researcher's data).

TABLE III. EAST JAVA SALT PRODUCTION

Regencies	Year		
	2014	2015	2016
	Production	Production	Production
Bangkalan	8,641.62 (0.94%)	9,500.00 (0.94%)	8,110.35 (15.6%)
Gresik	8,664.75 (0.94%)	16,535.73 (0.94%)	195.70 (0.4%)
Pasuruan City	10,760.00 (1.2%)	12,490.00 (1.2%)	1,499.85 (2.9%)
Surabaya	156,220.76 (17%)	86,226.86 (8.5%)	2,269.00 (4.4%)
Lamongan	32,810.00 (3.6%)	38,804.00 (3.8%)	2,957.20 (5.7%)
Pamekasan	89,282.50 (9.7%)	123,534.40 (12.2%)	9,830.06 (18.9%)
Pasuruan	16,086.95 (1.75%)	19,354.40 (1.9%)	869.50 (1.7%)
Probolinggo	25,184.82 (2.73%)	23,004.51 (2.3%)	5,040.62 (9.7%)
Sampang	256,540.10 (27.8%)	398,983.61 (39.4%)	7,123.51 (13.7%)
Sidoarjo	-	17,720.52 (1.8%)	576.62 (1.1%)
Sumenep	292,051.54 (31.7%)	236,117.96 (23.3%)	10,161.91 (19.6%)
Tuban	24,952.38 (2.7%)	29,425.14 (2.8%)	3,257.50 (6.3%)
Total	921,195.42 (100%)	1,011,697.13 (100%)	51,891.82 (100%)

Source: KKP Statistics (researcher's data).

East Java Province is one of the salt producers in the ten provinces producing salt. Salt production in East Java was the largest contributor to national salt production during the period 2014 to 2016. In 2014 it contributed 41.19%, 2015 contributed 35.53% and 2016 contributed 43.95% (see table 2), consisting of several centers of East Java salt production, there are 12 regencies / cities from 38 regencies / cities in East Java, (table 3) which are the percentage of East Java people's salt production in 2016 [4].

Based on the table above in 2016 the highest salt producing regencies/cities were Sumenep Regency, Pamekasan Regency, Bangkalan Regency and Sampang Regency, all of which are located on Madura Island, so Madura is well-known as the Salt Island.

The East Java Government, in controlling salt imports and protecting salt farmers against salt import policy, issued a policy that is Regulation of East Java Governor No. 78 of 2011 concerning the Control of Imported Salts and People's Salt Business Empowerment, the purpose of this policy is to avoid conflicts of interest between companies as salt importers and farmers salt as a salt supplier, so that salt farmers are not expected to be harmed by the salt import policy. In 2016 the Indonesian government authorized a policy to protect salt farmers as stipulated in Law Number 7 of 2016 concerning Protection and Empowerment of Fishermen, Fish Cultivators, and Salt Farmers in article 37, which explained that the central government controls the import of fishery commodities and salting commodities,

carried out determining the entry place, type and volume, time of entry, and fulfillment of administrative requirements and quality standards.

Based on Government Regulation Number 9 of 2018 concerning Procedures for Controlling the Import of Fisheries Commodities and Salting Commodities as Raw Materials and Assisting Materials for industry, the government has issued an import permit of 2,370,054.45 tons [5]. Pamekasan Regency as one of the salt producing centers gets 26,800 tons of industrial salt import quota. The salt will be for the chemical industry which requires NaCl levels above 97% [6]. This caused rejection from various parties. A number of activists and salt farmers refused the import of salt that would enter Pamekasan Regency in early 2018 because the salt stocks are still available and feared to cause losses to salt farmers [7]. Madura Island Salt Society Association (AMG) delivered a petition that the entry of salt imports in Pamekasan Regency caused a decline in the price of people's salt from 2.7 IDR million per ton to 2 million IDR per ton [8].

The success of the policy in Korten's view (1988) will achieve the goal if there is a match between policies and benefit groups [9]. Based on Government Regulation Number 9 of 2018 in Article 2, it is explained that import control as referred to in paragraph (1) is carried out to guarantee the protection and empowerment of fishermen, fish cultivators and salt farmers, and to ensure the availability and distribution of natural resources for domestic industries. In fact, in Pamekasan Regency, the policy of controlling salt imports does neither provide benefits nor protect salt farmers. This article will answer the question "Why does Pamekasan Regency get imported salt quota even though it still has sufficient salt supply?"

II. METHOD

This study utilized descriptive qualitative method. Data sources used in this study are secondary data in the form of documents, regulations, news and information from the internet. This article utilized the results of interim research that has been obtained by researchers from the results of literature studies and document studies. The selection of the research location is in Pamekasan Regency, East Java Province. This location was chosen because Pamekasan Regency is one of the second highest East Java salt producing centers in 2016 and receives 26,800 tons of imported salt quotas in 2018 for the industry.

III. FINDINGS

The Indonesian government imports salt to meet national salt needs. The policy of importing salt in Indonesia according to the People's Coalition for Fisheries Justice (KIARA) has been carried out since 1990 with a total import of salt of 349,042 tons with a total value of US \$ 16.97 million [10].

In 2015 the amount of salt production (see table 1) was 2.8 million tons, this amount almost met the national salt demand of 3.4 million tons, but this did not make the government stop importing salt and even had to import 1.9 million tons. President Director of PT Garam (Persero) at the time Achmad Budiono said that what was imported was salt for the Chlor Alkali Plants (CAP) industry because Indonesia did not have the salt. The salt processing process to achieve CAP quality is actually not too difficult; it only requires a good washing and technology process [11].

The study conducted by Jamil et al. (2017) shows that factors that significantly influence the volume of demand for Indonesian salt imports are: domestic salt production, imported salt prices, real Indonesian Gross Domestic Product (GDP), real GDP of import source countries and real exchange rates. Domestic salt production and imported salt prices have a negative relationship with import volume, while other variables have a positive relationship. This policy has not been fully implemented effectively. Policy recommendations that should be implemented by the government are data synchronization, strengthening supervision of import policies, and land intensification and intensification to increase domestic salt production [12].

Pamekasan Regency is one of the cities in Madura region. The regency consists of 13 sub-districts namely Tlanakan, Pademawu, Galis, Larangan, Pamekasan, Proppo, Palengaan, Pegantenan, Kadur, Pakong, Waru, Batumarmar and Pasean. Pamekasan Regency has an area of 79,230 ha [13].

As one of the salt centers, Pamekasan Regency experiences the rainy season between October-April and the dry season April-October. Air temperature between 28-30°C with 80% humidity makes Pamekasan have quite hot weather conditions [14]. Based on these conditions, salt and tobacco thrive as one of the leading commodities of Pamekasan which can produce optimally, because both of these commodities require quiet hot temperatures.

Pamekasan Regency in 2017 has a salt pond area of 915.5 ha in three sub-districts, namely Tlanakan, Pademawu, and Galis, along with salt supply data in Pamekasan Regency up to April 2018 (see table 4) obtained from the Pamekasan Regency Fisheries Office.

Based on the table IV, Pamekasan Regency does not need imported salt, because the amount of salt stock in the Regency can still fulfill its own salt needs, until the upcoming salt harvest season starts from July to November.

TABLE IV. NATIONAL SALT BALANCE

Sub-districts	Stock (ton) December 2017	Stock (ton) January 2018	Stock (ton) February 2018	Stock (ton) March 2018	Stock (ton) April 2018
Galis	2,368	945	325	160	135
Pademawu	2,030	1,291	1,132	775	520
Tlanakan	20	10	-	-	-
Total	4,418	2,246	1,457	935	655

Source: Fisheries Office of Pamekasan Regency.

TABLE V. NATIONAL SALT BALANCE

Sub-districts	2015		2016		2017	
	KP1 (ton)	KP2-3 (ton)	KP1 (ton)	KP2-3 (ton)	KP1 (ton)	KP2-3 (ton)
Galis	30,500.22	19,275.76	509.80	568.50	12,286.50	8,944.00
Pademawu	72,728.66	47,472.92	1,312.00	666.00	21,961.00	10,843.00
Tlanakan	745.94	284.06	6.00	14.00	766.00	31.00

Source: Fisheries Office of Pamekasan Regency.

Pamekasan Regency in the 2018 salt import policy will get 26,800 tons of industrial salt import quotas. The salt will be for the chemical industry which requires NaCl levels above 1.9 parts per million (ppm). This caused rejection from various parties, which was supported by the Chairman of the Commission II Apik [6]. The refusal is based on the fact that the Industry in Pamekasan Regency consists of ice cube factories, animal feed manufacturing plants and fish salting plants that only require a minimum of 85% NaCl. Industrial salt production in Pamekasan Regency, the level of Production Quality 1 (KP 1) is quite high compared to KP 2 and KP 3, where KP 1 salt is used for industrial needs with a minimum NaCl level of 97%.

Based on the explanation above, the following data regarding the amount of KP1 (>97,1%) salt that can be used for industry and KP2 and KP3 (94,7% - <94,7%) for consumption available in Pamekasan Regency from 2015-2017 in the table V.

Government Regulation Number 9 of 2018 regulates Procedures for Controlling Imports of Fisheries Commodities and Salt Commodities as Raw Materials and Auxiliary Materials for industry. Article 2 paragraph 3 explains that import control is carried out through the establishment of entry points, type and volume, time of entry, and fulfillment of administrative requirements and quality standards.

The importing place of the commodity is determined by considering the location of the industry in accordance with the needs, but based on the results of the research in Pamekasan Regency it is not effective because the industry in Pamekasan Regency does not need imported salt and can still be met by local salt. Types of salt commodities are types of salt commodities used as raw materials and industrial auxiliary materials, based on the results of research the types of salt imported into Pamekasan Regency are specifically for industrial needs, so that the determination of the types of salt commodities is in accordance with Government Regulation No. 9 of 2018. Salt commodities imported to Pamekasan Regency are deemed ineffective because the amount of salt stock in the Regency is still available until the July to November harvest season. Salt quality commodity quality contains 97% or more but less than 100% calculated from dry basis. Based on the research results in Pamekasan Regency, salt imported from Australia and India is salt that

has 97% NaCl. So that the quality of salt imported into Pamekasan Regency is appropriate.

Based on Law No. 7 of 2016 concerning Protection and Empowerment of Fishermen, Fish Cultivators and Salt Farmers, it has been mentioned in Article 38 that everyone is prohibited from importing fishery commodities and salt commodities that are not in accordance with the place of entry, type, time of entry, and / or quality standards stipulated by the Minister. The implementation of Government Regulation No. 9 of 2018 should refer to Law No. 7 of 2016 so that it does not conflict with the previous policy.

The authority to provide import recommendations for salt industry in Government Regulation Number 9 of 2018 is the authority of the Ministry of Industry (Kemenperin). This is clearly contrary to Law No. 7 of 2016 where the salt import recommendation is stipulated by the Ministry of Maritime Affairs and Fisheries (KKP). This statement was confirmed by the Chairman of the Indonesian People's Salt Farmers Association (APGRI) Jakfar Sodikin [15].

The results of the study show that the implementation of Government Regulation No. 9 of 2018 is contrary to Law No. 7 of 2016, the Government Regulation in the procedures for controlling salt imports has not provided protection and welfare to the salt farmers of Pamekasan Regency which causes the price of people's salt to fall even the people's salt is not absorbed maximally.

IV. CONCLUSION

This study concludes that Pamekasan Regency does not need imported salt intended for industry because the industry in Pamekasan Regency is only a small industry consisting of the animal feed industry, fish salting and ice-cube factories whose salt needs can still be fulfilled from local production. Based on the research findings, the researchers recommend that the government should distribute salt imports based on the data of salt needs in each region, so that it can determine the amount of imported salt quota that must be fulfilled so as not to cause rejection and loss for salt farmers on the policies taken by the government. A good policy is a policy that is in favor of the needs of the public, not just a momentary interest of a certain group.

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