# The Effect of Pangkal Balam Port Development on Regional Original Revenue in Bangka Belitung Island Province

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Abstract: The job of ports in financial improvement is getting greater, alongside the rising significance of ports in coordinated factors exercises, particularly multi-purpose or multimodal transportation. One of the significant and vital jobs of a port in its exercises is to contribute extraordinarily to modern, monetary, and exchange development and to be a business area that adds to public and territorial financial turn of events. Pangkal Balam Port is remembered for the port advancement plan by the Bangka Belitung Islands common government. The extent of this advancement incorporates recovery and improvement of ports, extending of port channels, standardization of delivery and waterway streams, mining, simplicity of administration, and the accessibility of venture data in the transportation area. The effect of the advancement of the Pangkal Balam port enormously impacted the local pay of the Bangka Belitung area. The motivation behind this study was to dissect the impact of the advancement of the Pangkal Balam port on local unique pay. The examination technique utilized is the Blunder Adjustment Model. The outcomes showed that the improvement of the Pangkal Balam port affected territorial nearby income.

Keywords: Development, Pangkal Balam Port, Regional Original Revenue

#### 1. Introduction

Ocean transportation plays a basic part in advancing public improvement in numerous areas, including joining Indonesia, which is wealthy in strict, ethnic, social, racial, and phonetic assortment. Besides, ocean transportation is an essential foundation for the Indonesian economy, especially in the 3T (boondocks, furthest, and lacking) regions. Large number of Indonesian islands, occupied by individuals of numerous identities, religions, races, and dialects, require appropriate correspondence foundation. Aside from being a hub of between island network, ocean transportation is likewise a connection and a vein that drives public financial development in all pieces of Indonesia [1]

Sea transportation is critical for archipelagic countries. Sea transportation is the backbone of the Indonesian economy, which comprises 17,000 islands connected by a wide ocean. Given the critical relevance of transportation to the economy, proper development of marine transportation is required to sustain economic growth. As a result of recent global economic developments, the difficulties of transportation development, including maritime transportation, have become extremely complicated. As a result, the growth of maritime transportation should be aimed not only on a national scale, but also on a regional and worldwide scale [2]

As approved by Regulation No. 17 of 2008, ocean transportation makes a critical commitment to the public and territorial economies. It has also become a very strategic matter for national insight and a vital tool that supports the aims of national unity and integrity. It should also be highlighted that sea transportation is becoming increasingly essential because Compared to land and air transportation, the value of the costs paid is the lowest costs. Furthermore, sea transportation offers an edge over other modes of transportation in terms of flexibility. Ships may go across terrain that two-wheeled vehicles and airships cannot owing to natural factors and their position. The presence of sea transportation facilities has a favorable impact [3]

The same may be stated for what transpired in the area of the Bangka Belitung islands. As an archipelago, the Bangka Belitung Islands rely on ocean travel to connect with other countries. The Bangka Belitung Islands have eight ports, including three special ports for goods and five ports for people and goods. Eight ports are located, with six on Bangka Island and two on Belitung Island. Water transportation is carried out in the region of the Bangka Belitung Islands by PELNI and unnamed enterprises. The Oceanic Line connects Jakarta, Palembang, Tanjung Pinang, Surabaya, and Pontianak with the Area of the Bangka Belitung Islands. [4]

On Bangka Island, in the vicinity of Bangka Belitung, is Pangkal Balam Harbor. Items for the mining, horticulture, and agro-industry can be produced in hinterland ports. The principal products include tin, kaolin, quartz sand, rock, elastic, palm oil, and pepper. Pangkal Balam Port has several amenities, including a 787-meter-long pier, stacking facilities, a passenger terminal, and a parking area. Pangkal Balam Port handles import-export products, inter-island trade, and passenger transit to Jakarta via ferry/Ro-Ro and Tanjung Pandan via jetfoil/fast boat. [5]

The Bangka Belitung province administration has included Pangkal Balam Port in its four port development plan. In order to progress the political and economic growth of the area, the Common Administration of the Bangka Belitung Islands plans to set up four stacking and dumping ports for passengers on Bangka Island. At the ports of Muntok and Tanjung Ular in West Bangka Rule, Belinyu Port in Bangka Regime, and Pangkalbalam Port in Pangkalpinang City on Bangka Island, buildings and offices will be constructed. The drive's degree incorporates recovery and port turn of events, profundity of port paths, standardization of delivery and waterway streams, mining, simplicity of administration, and the accessibility of venture data in the transportation area, in addition to other things. The digging of the [6]

It is envisaged that the construction of the Pangkal Balam port will have a favorable impact on economic growth and welfare for the inhabitants of Bangka Belitung, as well as that superior commodities will be routed directly without passing via other regions. This development will also have an impact on the increase in area income from tourism. Bangka Belitung is a popular tourist destination for cruise ships from around the world because it is one of the priority tourist sites [7]

The growth of the Pangkal Balam port had a significant impact on the regional income of the Bangka Belitung province. As of December 9, 2021, the Bangka Belitung Islands had the greatest regional revenue realization in Indonesia. The Ministry of Home Affairs (Kemendagri) revealed that provincial revenue realization surpassed 97.1% of the 2021 regional expenditure budget (APBD), with one contribution from revenue harbor. The port's revenue is derived from the services it provides. Passenger transportation, freight transportation (multipurpose and container), and ship services are all available at the Pangkal Balam Port Terminal.

The realization of regional revenue at the province and regency/city levels in the Bangka Belitung area improved when compared to the fourth quarter of 2020, fourth quarter of 2021, reflecting an increase in the components of regional original income and transfer income. Meanwhile, expenditure realization increased compared to the same period the previous year, owing to higher spending by Bangka Belitung ministries/agencies. Meanwhile, APBD spending

realization at the province and district/city levels has tended to diminish, with lower realization in comparison to the same period in 2020. However, APBN spending realization has grown compared to the same period previous year.

# 2. Literature Review

#### 2.1 Sea Transportation

Any transportation movement that utilizations boats to convey travelers, products, or creatures starting with one port then onto the next that is coordinated by an ocean transportation business [8].

Sea transportation is the activity or process of conveying people and goods by sea across short or large distances using ship transportation facilities, and port facilities serve as distribution service locations as well as a center for sea transportation activities [9].

A port is an area comprising of land or potentially water with explicit limits that is utilized for government and business exercises, for example, transport mooring, traveler all over, and additionally stacking and dumping of products, as terminals and boat billets furnished with delivery wellbeing and security offices and port help exercises, as well as an area for intra-and multi-purpose transportation [10]

A port is a safeguarded area of water that is outfitted with marine terminal offices, for example, a harbor where boats can be secured for stacking and dumping merchandise, cranes for stacking and dumping products, marine distribution centers (transito) and capacity spots where boats dump, and stockrooms where products can be put away for a more extended timeframe while sitting tight for conveyance to their objective or shipment [11]

#### 2.2 Regional Original Revenue

Territorial unique income (Cushion) is income produced inside its own region; the more the job of Cushion in the local monetary framework, the more noteworthy the area's monetary ability to do provincial improvement tasks[12]

Cushion is inferred by its income, which incorporates provincial assessments, local duties, isolated abundance the board results, and other substantial territorial unique pay. Territorial unique pay is viewed as great for meeting provincial advancement finance in the event that it comes to 70% of generally speaking Cushion income[13].

Territorial unique income incorporates income from the provincial duty area, local collects, the aftereffects of locally possessed organizations, the results of isolated local abundance the board, and other legal local unique pay[14]

## 3. Research Methods

## 3.1 Research Design

This study's research design is explanatory research analysis, often known as hypothesis research by explanation. Explanatory research is an analytical approach used to evaluate hypotheses and explain the causal link between variables. Logical exploration utilizes speculation testing and inferential measurements to characterize a speculation or make sense of the connection of one variable with another [15]

#### 3.2 Data Analysis Technique

The quantitative data analysis technique utilized to answer the challenges in this work is an examination of the error correction model, or ECM (Error Correction Model). This research will yield a short-term regression equation for a long-term balance. Furthermore, if there is a long-term trend in these variables, a long-term equation is constructed by analyzing repeated regression tests using the OLS (Ordinary Least Squares) approach. Based on the findings of the calculations and regression analysis, it can also be utilized to answer the current hypothesis, namely that the elements that have the greatest influence on the development of Pangkal Balam port may be shown [16]

# 4. Analysis and Discussion

# 4.1 The Effect of Pangkal Balam Port Development On Regional Original Revenue In Bangka Belitung Island Province

Based on the results of the stationarity and cointegration tests, the analysis utilized in this model is the Error Correction Model (ECM) since there is a long-term balance.

**Table 1. Long Term Estimation Results** 

Variable Dependen : Ln_Revenue						
Variable	Coefficient	Std. Error	t-Statistic	Prob.		
C	2,630205	0,356079	7,386578	0,0000		
Ln_Pangkal_Balam	0,107548	0,019231	5,592557	0,0000		
R-Squared	0,726830					
Adjusted R-squared	0,713183					

Source: Data processed Eviews 10

In long haul assessment, in view of the consequences of Table 1, it tends to be resolved that the impact of Pangkalbalam port extension on provincial unique income depends on the computation results created utilizing a straightforward direct relapse table. Since genuinely critical outcomes uncover that the probability worth of Pangkalbalam port improvement is under (0,0000 < 0,05), the Pangkalbalam port improvement variable affects provincial unique income. In financial terms, This suggests that the rationale for the expansion of the Pangkalbalam port is clearly and conclusively demonstrated to affect the distinctive revenue of the province. While a reasonable perspective contends that the expansion of the Pangkalbalam port coincides with a rise in the province's unique income.

The size of the impact of Pangkalbalam port improvement on local unique income is shown by the worth of R-Squared = 0.726830, and that implies that the greatness of the impact of Pangkalbalam port advancement on provincial unique income is 72,68%; the excess 27,32% is affected by factors outside the model considered.

**Table 2 Short Term Estimation Results** 

Variable Dependen : Ln_Revenue						
Variable	Coefficient	Std. Error	t-Statistic	Prob.		

С	0,025419	0,001712	14,84808	0,000	
D(Ln_Pangkal_Balam)	0,042951	0,016911	2,539788	0,0156	
<b>RES</b> (-1)	-0,790281	0,159805	-4,945287	0,0000	
R-Squared	0,710856				
Adjusted R-squared	0,700616				

Source: Data processed Eviews 10

In transient assessment, in light of the consequences of Table 1, it tends to be resolved that the impact of Pangkalbalam port extension on provincial unique income depends on the computation results produced utilizing a straightforward direct relapse table. Since genuinely critical outcomes uncover that the probability worth of Pangkalbalam port improvement is under (0,0156 < 0,05), the Pangkalbalam port advancement variable affects provincial unique income. In monetary terms, This implies that the expansion of the Pangkalbalam port has a demonstrably favorable and considerable impact on the province's unique revenue. While a logical viewpoint claims that the Pangkalbalam port's expansion is accompanied by an increase in local unique income.

The magnitude of the influence of Pangkalbalam port development on regional original revenue is indicated by the value of R-Squared = 0,710856, which means that the magnitude of the influence of Pangkalbalam port development on regional original revenue is 71,08 %; the remaining 28,92% is influenced by factors outside the model studied.

#### 5. Conclusion

The study's findings indicate that the expansion of the Pangkalbalam port in the Bangka Belitung Archipelago Province has a considerable and favorable impact on regional own-source revenue, both in the short and long term. This demonstrates that the Pangkalpinang local government's development of facilities and infrastructure, as well as the port expansion, have had an impact on increasing local revenue, which will later be used for the welfare of the people of the Bangka Belitung Islands Province and, in particular, the people of Pangkal Pinang.

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