



DECLINE IN PROFITS DURING THE COVID-19 PANDEMIC ON EXPEDITION OF PT. KARYA MAKMUR MEDAN

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Abstract

The purpose of this research is to see a decrease in profit on the expedition of PT. Karya Makmur during the Covid 19 pandemic. This can be seen from the lack of availability of goods in the warehouse, the large number of trucks / night queues, and also the limitation of the collection of groceries by suppliers from Medan so that this can result in a decrease in profits on the expedition of PT. Karya Makmur. The research method used is descriptive method with a qualitative approach.

Keywords: *Declining Profits, Covid-19, Expeditions*

1. INTRODUCTION

Since the Chinese authorities confirmed that they had identified a new virus named novel coronavirus (2019-nCoV) on January 7, 2020. Until March 11, 2020, WHO declared COVID-19 (Novel corona disease) a pandemic, for what happened at this time we should be aware of the spread and impact of the corona virus. The impact of this virus is very large, not only on health, but also on financial and social impacts as a whole.

The Transportation Sector Chamber of Commerce and Industry (Kadin) has held a meeting with transportation business actors under its auspices. From the meeting, it was concluded that the impact of the Covid-19 pandemic was felt in many aspects of the transportation business and it can be concluded that each mode has begun to be affected by the Covid-19 pandemic, land transportation modes are affected by social distancing and physical distancing policies. The policy which was followed up with massive outreach to the community to work from home, study from home, and pray from home, as well as the closure of tourist locations has limited the movement of people outside the home. Business actors really understand the objectives of the policy. It's just that, at the same time there has been a decline in road transport turnover since two months ago.

The Indonesian Chamber of Commerce and Industry (Kadin) for Transportation noted that the decrease in turnover for goods transportation has reached 25 percent to 50 percent. Meanwhile, the decline in passenger transportation has reached 75 percent to 100 percent in all modes, both intercity and non-PSO urban transportation. Even the decline in turnover for tourism transportation has reached 100 percent. The condition for decreasing turnover is predicted to be even worse in the next six months. This is in line with the extension of the Covid-19 pandemic emergency period until May 29, 2020.

If this condition is still prolonged and the business climate cannot return in the next year, it is predicted that many road transportation business actors will go out of business.

In the mode of air transportation, the frequency has decreased since the beginning of 2020. Starting from closing routes to China, then closing routes to Saudi Arabia and South Korea (South Korea), plus the absence of traveling or traveling activities has reduced the income of airline operators by between 20 percent and 50 percent.

There is not much that can be done by national transportation business actors at this time, so it is hoped that there will be a stimulus soon to ease the heavy burden of national transportation business actors a little.



Another impact of the practice of social distancing is a surge in demand for basic necessities. This can occur due to restrictions on trade activities, reduced human resources due to contracting COVID-19, or the closure or reduction in operating hours of goods distribution facilities such as ports, airports and terminals.

If it is not anticipated, it will result in a lack of supply which could cause the masses to panic and buy up goods (panic buying).

In Singapore, panic buying resumed after Malaysia announced that it was under quarantine. Singaporeans get most of their necessities from Malaysia.

The transportation sector plays a role in ensuring the continuity of supply of basic necessities and the needs of other supporting sectors, such as food, medicine, fuel, electrical energy and other necessities.

Disruption to the flow of goods in the short term, such as a cut in the availability of food, can have more fatal consequences than the pandemic itself and in the long run will certainly have an impact on economic growth

Expedition of PT. Karya Makmur, the Medan-Abdya route (Aceh Barat Daya) was established in 1993 in the Sunggal area, which is a goods expedition, which carries goods from Medan to servants and vice versa. At the beginning of the expedition, this was a form of CV business, but as this expedition grew, in 2019 it changed to PT. Karya Makmur. This expedition transports all types of goods that will be sent to Abdya by land using a tronton truck with a load of 25 tons. All types of goods can be sent using this expedition, such as, basic necessities (oil, rice, sugar, salt etc.), fertilizer, grocery, furniture, snacks etc.

This expedition is opened every Monday-Saturday, the income from this expedition is obtained from the commission given by the truck, which is 10% of the freight cost. Usually the freight costs Rp. 10,000,000.00-, so that the commission earned is Rp. 1,000,000.00- / truck. Within a day, trucks usually operate up to 2-4 trucks / night. So the estimated monthly revenue for the expedition is Rp. 50,000,000.00 - up to Rp. 70,000,000.00- / month. The total number of cars operating is 25 truck tronton, trucks operate according to the queue number, to wait for the goods from the supplier. However, since covid entered Indonesia, especially Medan, the income from this expedition has decreased in profit.

The main goal of the company is to maximize profits. The definition of operating profit is the difference between realized income arising from transactions during one period and the costs associated with these costs.

According to Harahap (2009), profit is an excess of income over expenses during an accounting period. Meanwhile, the understanding of profit that is observed by the current accounting structure is the difference between the measurement of income and costs. According to Warren et.al (2005: 25), net profit or net profit, namely: (net income or net profit) is an excess of income against the expenses incurred.

According to Suwardjono (2008) the definition of profit is profit is defined as a reward for the company's efforts to produce goods and services. This means that profit is an excess of income over costs (the total cost attached to production activities and delivery of goods or services).

Based on some of the definitions above, it can be concluded that profit is an estimate between income and expenses that occur in a certain period in a company. Profit is the four main elements, namely revenue, expense, gain, and loss. According to Stice, et al (2004) the definition of the elements of profit is as follows:

1. Revenue is the inflow or other increase of the assets of an entity or the settlement of its obligations (or a combination of the two) from the delivery or production of goods, the provision of services, or other activities that constitute the largest business or the first attempt by the entity.
2. Expenses are outflows or other uses of assets or the incidence of liabilities (or a combination of both) from the delivery or production of goods, the provision of services, or other activities that constitute the largest business or the first business undertaken by the entity.
3. A gain is an increase in equity or (net assets) from side or occasional transactions of an entity and from all transactions. Other events and conditions that affect the entity, except those that arise from the owner's income or investments.



4. Loss is a decrease in equity (net assets) from side or occasional transactions of an entity and from all transactions. Events and other conditions that affect the entity, except those that arise from the income or investments of the owners.

An exact comparison of income and expenses is reflected in the income statement. The presentation of earnings information through the report is an important focus of company performance, compared to performance measurement which is based on a picture of increasing or decreasing net capital. Earnings information can also be used to predict future changes in earnings. Changes in earnings can be used to assess how a company is performing.

According to Stice, et al (2004: 225-226), the best indicator of performance is profit. So understanding profit, what is measured by profit and its components is important in order to understand and interpret the financial condition of a company. A good change in profit, which indicates that the company has good finances, which in turn will increase the value of the company.

Change in profit is an increase or decrease in profit per year. The indicator of changes in earnings used in this study is profit before tax. The use of profit before tax as an indicator of changes in earnings is intended to avoid the effect of using different tax rates between analyzed periods (Zainuddin and Hartono, 2004).

2. RESEARCH METHODS

a. Research Methods

Based on the problems studied, the method used in this research is a descriptive study through a qualitative approach. Descriptive research method is a method used to analyze events that occurred during the research. What is meant by descriptive research is a research method that is carried out to obtain a description of the situation that is occurring in the present or is ongoing.

According to Sugiono (Haharoh, 2008: 50) the research method is a scientific method used to obtain data for a specific purpose. The purpose of this study is to find a general description of the decline in profits during the Covid-19 pandemic on the expedition of PT. Karya Makmur Medan, the research method that will be applied to this research is descriptive method with a qualitative approach, while data collection is done by interview, observation and documentation study of respondents or key people (Key Information)

1) Descriptive Method

The research method is a method or technique that is used as a tool to collect data and analyze it in order to obtain a conclusion in order to achieve the research objectives. Descriptive research is a research method that is carried out to obtain a picture of the situation that is occurring in the present or is ongoing. Moh Ali (! 985: 52) explains that the descriptive research method is used to solve or answer problems faced in the current situation. The form of descriptive research used in this research is a relationship study approach by means of case studies. This research focuses intensively on one particular object, by studying it as a case.

2) Qualitative Approach

The approach used in this research is a qualitative approach, namely a research approach that answers the research problem, requires a thorough and comprehensive understanding of the object under study, to produce research conclusions in the context of the time and situation concerned.

Bogdan and Taylor (Moleong, Lexy J, 2009: 5) define qualitative methodology as a research procedure that produces descriptive data in the form of written words or from people and observable behavior.

b. Data source

Qualitative research does not recognize the term population let alone sample. Populations or samples in the qualitative approach are still referred to as data sources in certain social situations (Djam'an Satori, 2007: 2). Spradley (Sugiono, 2011: 297) said that social situations or social situations consist of three elements, namely: places, actors, and activities that interact synergistically.



In this study, the data source used a purposive sample (purposive sample) which focuses on selected informants who are rich with cases for in-depth studies (Nana Syaodih, 2007: 101) Therefore, to find out the decline in profit during covid-19 on the expedition of PT. Karya Makmur is data collected through interviews, observations and documentary studies. Data source is the subject from which it was obtained. Objects that are used as data sources in research can take the form of humans, objects, documents and so on. Thus, based on the problems in this study, the data source is the expedition manager, namely Founna Edo Rianto, SE.

c. Researcher's Sample or Object of Study

According to Ridwan (2008: 63), purposive sampling is the sampling technique used by researchers if the researcher has certain considerations in taking the sample or determining the sample for a specific purpose. The sample / object that was the source of the data was the expedition manager, namely Founna Edo Rianto, SE.

d. Research Instruments

In qualitative research, the main research instrument is the researcher himself, but then a simple research instrument is developed, which is expected to complement the data and compare it with the data that has been found through observation and interviews.

e. Data Collection Technique

In qualitative research, data collection techniques can be done through settings from various sources, in various ways. The data collection techniques used in this study include interview techniques, observation techniques and documentation techniques.

f. Data Analysis

Sugiyono (2007) suggests that data analysis is the process of systematically searching and arranging data obtained from interviews, field notes and documentation, by organizing data into categories, describing them into units, synthesizing, arranging into patterns, choosing which ones important and will be studied, and draw conclusions so that they are easily understood by oneself and others.

Data analysis in qualitative research was carried out before entering the field, during the field, and after the field. However, in qualitative research, data analysis is more focused during the field process along with data collection. In reality, qualitative data analysis takes place during the data collection process rather than after completing data collection.

3. RESULT AND DISCUSSION

PT. Karya Makmur is an expedition to deliver all kinds of goods, such as groceries, fertilizers, grocery, snacks, drinks, etc. This expedition was a land route between Medan-Abdya (Aceh Barat Daya), which was managed by the Abdya people. There are 25 total truck trucks working together with the expedition PT. Karya Makmur. The 25 trucks were not only owned by the expedition, but there were other Abdya people who were also working with the expedition so that their trucks would operate through the expedition of PT. Karya Makmur. The expedition place / building or commonly called a warehouse, is not the warehouse itself but the building lease is carried out by the manager, which costs Rp. 80,000,000.00- / year.

PT. Karya Makmur has been operating for a shipping permit since 1993, which was originally in the Sunggal area, now it is on Jalan Gagak Hitam no. 80 Ringroad. Initially this expedition in the form of a CV business has now been changed to PT. Karya Makmur.

With the existence of a business license to run this expedition, the suppliers and buyers of goods from Abdya believe in the safety and security of goods. If there is no permit, it will be difficult for the supplier / buyer to deposit their merchandise on the expedition. This is dikrenakan, if there is an accident the supplier / buyer does not know which party will ask for accountability.

The risk carried by the expedition is large, because it is not only a major accident that is the responsibility of the expedition, if there is damage to goods or damage to the package box is the



responsibility of the expedition. However, it should also be noted, in the case of accidents on the way it is the main responsibility of the expedition, but will be replaced by the party who owns the truck / token. With the usual warehouse rental amount of Rp. 80,000,000.00- / year, if there is a decrease in profit, it will be very detrimental to the manager, because the manager makes deductions for the usual monthly warehouse rent from the commission after deducting all expenses, such as water, electricity, wifi, workers. He made a reduction in rent fees every month in order not to burden him at the end of the year.

The beginning of the entry of Covid-19 in Indonesia did not really affect the Indonesian economy, especially the transportation sector, because only a few were infected with the virus, so the government still provided leeway for the public to do activities as usual, which resulted in an increase in cases of Covid-19 infection in Indonesia. With the increase in cases of Covid-19 infection, the government immediately established the PSBB (Large-Scale Social Restrictions). One of the impacts on the economy is the inter-province transportation sector, namely the Medan-Abdya route, namely the expedition of PT. Karya Makmur.

Since the implementation of the PSBB in the Medan area, Abdya's orders for goods have decreased, so that few goods have entered the warehouse which has resulted in many transporting cars lining up waiting their turn for days on the median. In other words, many cars from Abdya had entered but when they arrived at the median, there were many queues of cars to carry goods. But the item doesn't exist. Due to the lack of goods orders from Abdya.

In this case of transportation, it cannot be said that the car is not running at all or has stopped its activities completely. This is because this type of transportation, as discussed above, is carrying basic necessities for residents of Abdya district. However at the moment.

Towards the approaching Ramadan period, suppliers from Medan limit orders from Aceh, due to the supplier's fear of heaping up staples by Abdya's traders on basic necessities such as rice, oil and sugar. Which usually can reach 3 times a week, since Covid-19 can only be done once a week, which is usually 100kg for one basic food intake. This results in fewer departing cars, due to reduced goods, with fewer departing cars, the commission per car earned is reduced. This cannot be blamed on the supplier's side, because these reasons make sense, coupled with this pandemic.

During the Covid-19 pandemic, the addition of PSBB resulted in the Medan-Abdya expedition experiencing a decrease in profits due to reduced demand for goods from Abdya, and also reduced permits for purchasing goods, especially basic necessities such as sugar and oil from suppliers, especially when approaching Ramadan, due to suppliers are afraid that Abdya's sellers will pile up goods, so that Abdya's sellers will increase the price of goods. Due to the increasing number of virus infections, the government will impose a lockdown. With the decrease in goods that enter the expedition, it will affect the expedition's income, namely the reduction in the commission earned. The commission set by the expedition of goods transporting cars is 1 million, if before the Covid incident an average of 3-4 cars carrying goods per day, at the time of Covid an average of 1 car per day. From this it is clear that the decline in profits obtained by the expeditioner PT. Karya Makmur.

This expedition is opened every Monday-Saturday, the income from this expedition is obtained from the commission given by the truck, which is 10% of the freight cost. Usually the freight costs Rp. 10,000,000.00-, so that the commission earned is Rp. 1,000,000.00- / truck. Within a day, trucks usually operate up to 2-4 trucks / night. So the estimated monthly revenue for the expedition is Rp. 50,000,000.00 - up to Rp. 70,000,000.00- / month. The total number of cars operating is 25 truck tronton, trucks operate according to the queue number, to wait for the goods from the supplier. However, since covid entered Indonesia, especially Medan, the income from this expedition has decreased in profit.

Although there was no loss because somehow the transportation was obliged to open during the PSBB, due to the expedition of PT. Karya Makmur brings basic food items which are the staple food of Abdya residents. However, the management felt this decline in profit because if there was a decrease in the number of expensive cars, the commissions received were also reduced. This is because the expedition building is not private property but rent, the rent for the building is 80,000,000 / year, workers' salaries, water and electricity. So that during this pandemic it has not ended making a significant decrease for this expedition.



4. CONCLUSION

The outbreak of the Covid-19 virus has a very serious impact in all sectors, especially in the discussion of this study, namely the transportation, freight forwarding sector, which has decreased profits. The reason for the reduced interest of buyers from Abdya, so that the goods sent are few, so that the income from the warehouse in the form of commissions obtained from cars that leave every night is reduced. Here it is hoped that the public should comply with government recommendations so that this pandemic will end soon.

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