

## **LPEM UI Research: Measuring the Tangible Economic Impact of AMMAN Mining**

**Jakarta, 11 March 2026** – The Institute for Economic and Social Research, Faculty of Economics and Business, University of Indonesia (LPEM FEB UI) has released a study titled 'Analysis of the Macroeconomic and Socioeconomic Impact of PT Amman Mineral Nusa Tenggara (AMMAN).' The report estimates the contributions of mining activities, smelter construction, and AMMAN's Community Development and Empowerment (PPM) programs to the national and regional economies from 2018 to 2024.

The study utilizes an economic multiplier approach based on Inter-Regional Input-Output (IRIO) to estimate the impact of AMMAN's investment, operational spending, and community empowerment programs. This method accounts for both direct impacts—such as spending on goods and services from contractors and suppliers—and indirect impacts, which refer to the economic activity generated when those suppliers produce goods to meet AMMAN's demands. Through inter-sectoral and inter-regional linkages, these activities create a "multiplier effect" that extends far beyond AMMAN's immediate operational area.

### **National Macroeconomic Contributions**

The research found that AMMAN's activities contribute significantly to the national economy through increased output, Gross Domestic Product (GDP) formation, job creation, and the strengthening of Indonesia's fiscal and external balance.

- **GDP Contribution:** Over the study period, AMMAN's contribution to national GDP reached IDR 173.4 trillion (averaging IDR 24.8 trillion annually).
- **Economic Scale:** This accounts for approximately 0.13% of Indonesia's national GDP at current market prices as of 2024.

### **Socioeconomic and Community Impact**

Beyond macro figures, the study highlights broad socioeconomic benefits. Uka Wikarya, Head of Natural Resources and Energy Studies at LPEM FEB UI, noted that AMMAN's business activities create economic opportunities for communities across various regions.

"Our findings show that AMMAN's contribution isn't just in macro statistics, but at the household and community levels. For example, providing food for thousands of employees supports local farmers and livestock breeders. Logistics and other service needs create jobs across various sectors. This ensures that the economic growth triggered by AMMAN has a broad reach," said Uka.

#### **Key Social Metrics (2018–2024):**

- **Household Income:** Generated **IDR 67.6 trillion** in total income.
- **Poverty Reduction:** Contributed to a decrease in the national poverty rate by 0.024 to 0.098 percentage points (approx. 80,000 to 206,000 people).
- **Unemployment:** Reduced national unemployment by 0.012 to 0.069 percentage points (approx. 29,000 to 90,000 people).

## **Fiscal and External Position**

AMMAN provides substantial contributions to state revenue. Between 2018 and 2024, the company's total fiscal contribution, including direct payments and indirect taxes from related stakeholders, reached IDR 39.05 trillion. This includes taxes, royalties, and Non-Tax State Revenue (PNBP).

From an external perspective, AMMAN's exports strengthen Indonesia's Balance of Payments. Total exports reached USD 10.29 billion during the study period, resulting in a net foreign exchange saving of USD 7.66 billion (averaging USD 1.09 billion per year), bolstering Indonesia's external stability and foreign reserves.

## **Employment and Future Outlook**

In terms of labor, AMMAN's activities generated an average of 55,000 jobs per year nationally, peaking at over 105,000 opportunities in 2024. This job creation stems from both direct operations and the multiplier effect within the domestic supply chain.

Looking ahead, LPEM FEB UI expects the operation of AMMAN's copper smelter to further increase domestic value-add and strengthen the national mineral downstream industry. With the right policy support, AMMAN is positioned to be a primary driver of the national economic structure, enhancing the value of natural resources and fostering sustainable, inclusive growth for Indonesia.