

ABSTRACT

Metal and mineral mining business in Indonesia still have a good business projection, it is indicated by the growth of metal and mineral mining companies revenue in Indonesia from 2013 to 2017 showing growth of improvement. Growth of the revenue is not accompanied by a strong financial ratio growth, indicating that the growth of Net Profit Margin, EBITDA and EBIT from 2013 to 2017 shows negative growth. Based on this phenomenon it is important for metal and mineral mining companies to maintain the efficiency of the company.

The purpose of this research was to analyze the efficiency of metal and mineral mining companies and know the variable efficiency of metal and mineral mining companies in Indonesia from 2013 until 2017 with involving 9 companies. Those companies are the one that listed on Indonesia Stock Exchange.

This efficiency research was conducted using Stochastic Frontier Analysis (SFA) method which regrests input, output and netput variables. From the results of this study indicate that the input and output variables have a significant effect on efficiency while the netput variable not have significant effect on efficiency.

From efficiency perspective there are five metal and mineral mining companies that have efficiency above average and there are two companies have efficiency value below average. Mining companies in the metal and mineral sector owned by the private sector are more efficient than state-owned mining companies in the metal and mineral sector.

From this study it can be concluded that the variable cost of revenue, opex, and total equity have a significant influence on the mining efficiency value of the metal and mineral sectors. While the results of the study concluded that PT. J Resources Tbk is the company with the highest efficiency value.

Key Words: *Efficiency, Environment, Input, Metal and Mineral Mining, Output, Parametric, Stochastic Frontier Analysis (SFA)*