FMCG MONITOR

An integrated view of Indonesia FMCG market

Oct

2014

#Data up to P10 2014

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executive SUMMARY

1

Consumer Price Index (CPI) in **October 2014 inflated 0.47% from September 2014.** Current YTD inflation (January – October 2014) is **4.19%.** In year on year basis, the CPI rose 4.83%.

October inflation rate are mainly due to the price increase of several commodities, e.g. electricity, gas, fuel and also some of the foodstuff.

2

The growth of Urban area shows double digit in value wise. This is mostly driven by the **price increase**, no organic growth captured. The same as urban areas, while **rural captures double digit growth**. Volume and price increased are the drivers of this rural movement

Positive movement is captured in all FMCG segments, both in Urban and Rural. **Dairy and Home Care** are still the most growing segment in Rural

3

Coconut milk, experienced a quite big value growth, 42%. The increasing number of households (**penetration**) that purchase coconut milk and **higher level of consumption** boost the category performance.

4

In Urban, **Supermarket showed positive trend versus last year quarter.**

The **euphoria of minimarket in rural**, boost Rural FMCG movement. The minimarket growth in rural is 25% compare to YA

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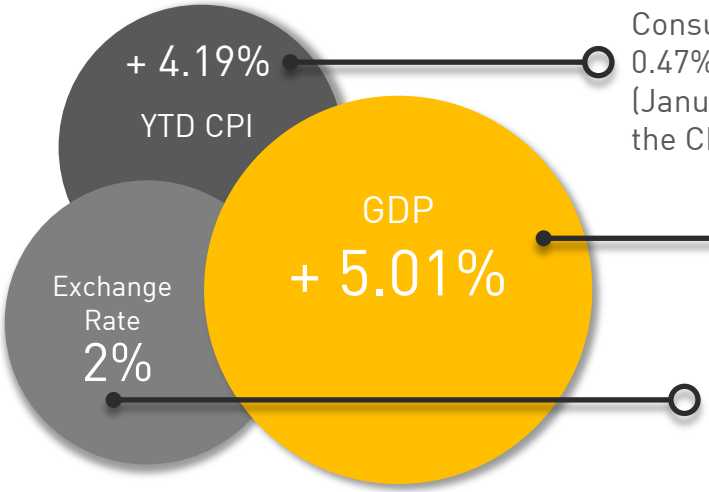
KEY INDICATOR

Macro Trend



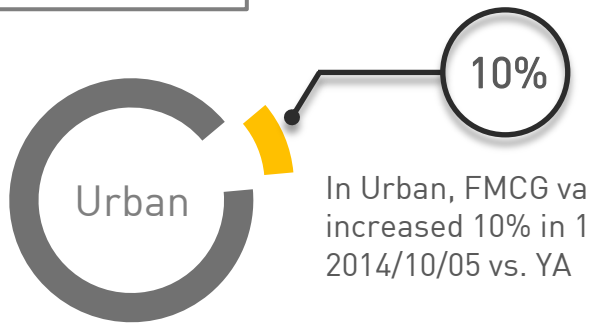
Consumer Price Index (CPI) in October 2014 inflated 0.47% from September 2014. Current YTD inflation (January – October 2014) is 4.19%. In year on year basis, the CPI rose 4.83%.

In year on year basis, the GDP in second quarter is 5.01%

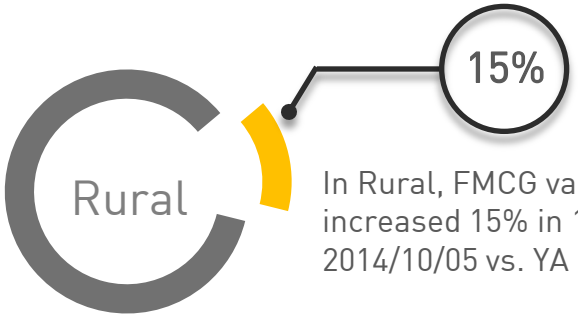
Rupiah exchange rate to USD weakened to 2% in October 2014 vs. September 2014. The exchange rate weakened by 7% in this month vs. YA

Source : *BPS and Bank Indonesia*

FMCG Trend



In Urban, FMCG value increased 10% in 12 w/e 2014/10/05 vs. YA



In Rural, FMCG value increased 15% in 12 w/e 2014/10/05 vs. YA

Source : *Kantar Worldpanel Indonesia | Household Panel*

*FMCG is excluding rice, sugar, and fresh food

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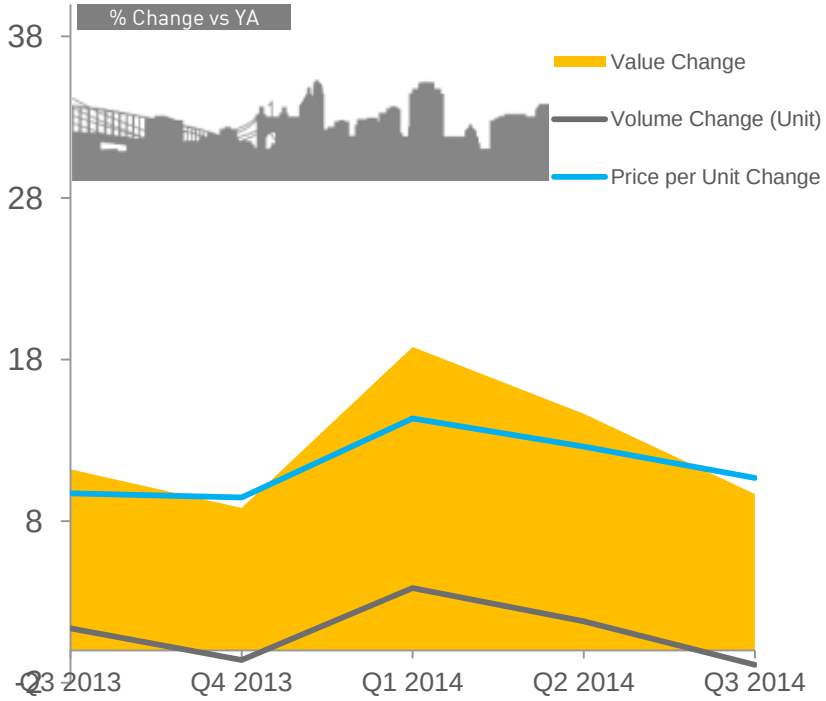
1

FMCG – 12 WEEKLY YEAR – ON – YEAR CHANGE (%)

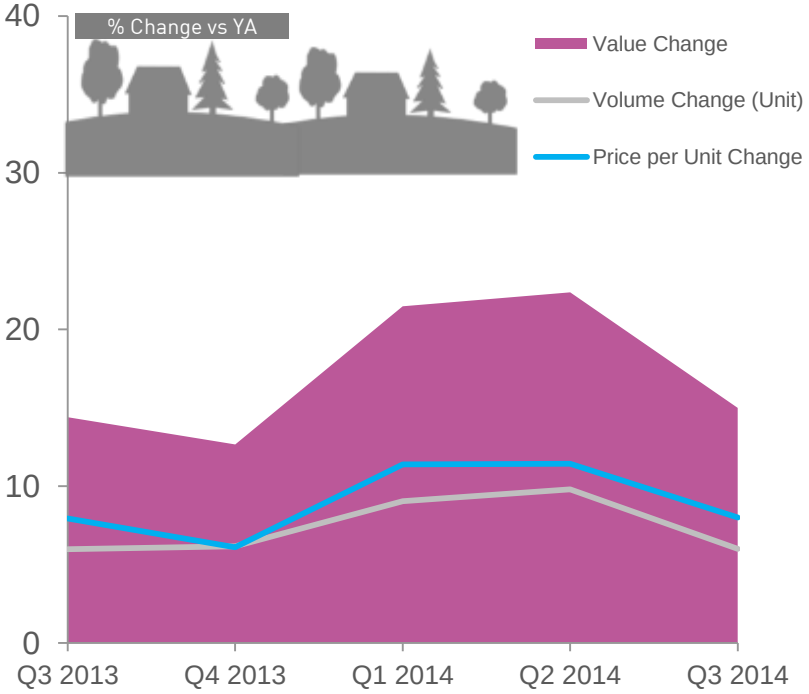
The growth of Urban area shows double digit in value wise. This is mostly driven by the price increase, no organic growth captured. The same as urban areas, while rural captures double digit growth. Volume and price increased are the drivers of this rural movement

Urban



Source : *Kantar Worldpanel Indonesia – Household Panel – Total FMCG*

Rural



*FMCG is excluding rice, sugar, and fresh food

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2

FMCG SEGMENTS TRENDS – VALUE CHANGE (%)

Positive movement is captured in all FMCG segments, both in Urban and Rural. Dairy and Home Care are still the most growing segment in Rural

Urban

12 w/e 2014/10/05 vs. YA

Foods	Dairy	Beverages	Home Care	Personal Care
+11 %	+9 %	+8 %	+14 %	+10 %

Rural

12 w/e 2014/10/05 vs. YA

Foods	Dairy	Beverages	Home Care	Personal Care
+ 14%	+ 25%	+ 9%	+ 19%	+ 13%

Source : *Kantar Worldpanel Indonesia – Household Panel – Total FMCG*

*FMCG is excluding rice, sugar, and fresh food

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3

HOT CATEGORIES (URBAN)

Coconut milk experienced a quite big value growth. The increasing number of households that purchase coconut milk and level of consumption boost the category performance.

Coconut Milk

22%

Total volume (in liters) increase in Urban Indonesia
12 w/e 2014/10/05 vs. YA

5.6pts

Penetration increase in Urban Indonesia 12 w/e 2014/10/05 vs. YA
(Base : 26.5 million households)

Rp:

42%

The value growth increased in Urban Indonesia
12 w/e 2014/10/05 vs. YA

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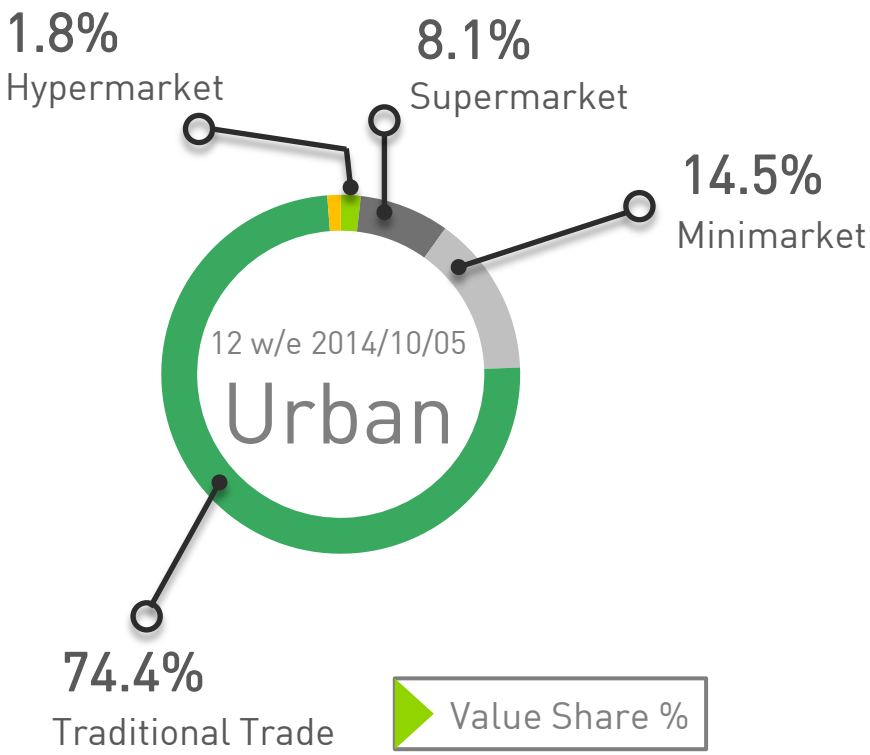
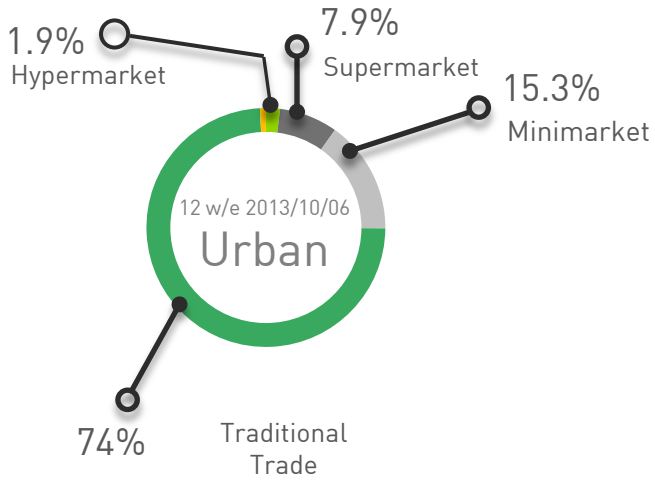
4 RETAILER SNAPSHOT - URBAN



Value Share %



Value Change %

Value Change %	12 w/e 2014/10/05 vs. YA
Minimarket	+ 4%
Hypermarket	+ 4%
Supermarket	+13%
Traditional Trade	+ 11%

Source : *Kantar Worldpanel Indonesia – Household Panel – Total FMCG*

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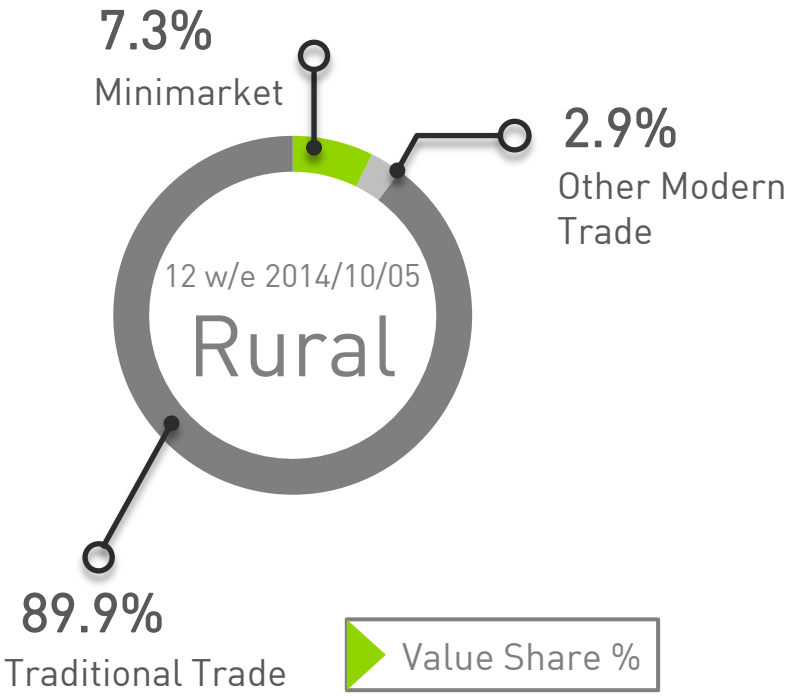
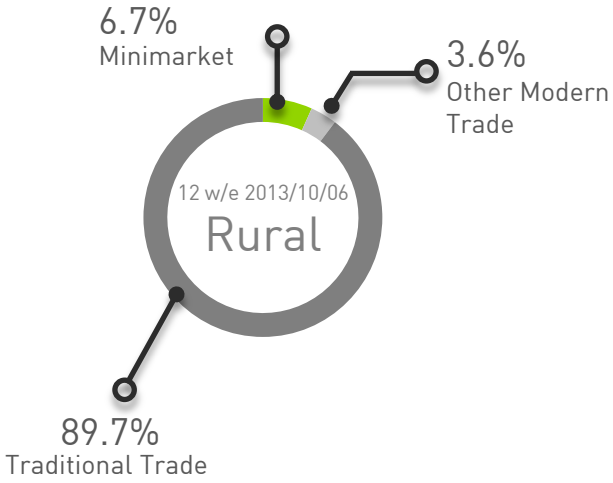
5 RETAILER SNAPSHOT - RURAL





Value Change %

Value Change %	12 w/e 2014/10/05 vs. YA
Minimarket	+ 25%
Traditional Trade	+ 15%

Source : *Kantar Worldpanel Indonesia – Household Panel – Total FMCG*

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SPOTLIGHT OF INDONESIA

Some categories that are successful to drive volume growths even at the time when price inflation is high – convenience, indulgence trends

Volume % growth, Indonesia Urban, YTD P10 2014 vs. YA

55%

Canned Food

49%

Frozen Food

19%

RTD Tea

15%

Soft drink

About Kantar Worldpanel

Kantar Worldpanel is the world leader in consumer knowledge and insights based on continuous consumer panels. Its **High Definition Inspiration™** approach combines market monitoring, advanced analytics and tailored market research solutions to deliver both the big picture and the fine detail that inspire successful actions by its clients. Kantar Worldpanel's expertise about what people buy or use – and why – has become the market currency for brand owners, retailers, market analysts and government organizations globally.

In Indonesia, Kantar Worldpanel – high definition inspiration™ tracks household purchase of over 70 different FMCG categories across food and non food from its sample of 7,000 households across urban and rural Indonesia on a weekly basis; representing around 49.5 million households.

For further information, please visit us at www.kantarworldpanel.com/id

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