FMCG MONITOR

An integrated view of Indonesia FMCG market

Early

Nov

2014

#Data up to P11 2014

KANTAR WORLDPANEL

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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

FMCG growth in both Urban and Rural area are mainly driven by **price increase instead of unit growth**. Buyers still tend to retain themselves to purchase more units.

All segments capture positive movement. **The most growing segment** in **Urban** is **Homecare**, and the same time, **dairy is growing significantly in Rural**

3

Canned Food, experienced a double digit value growth i.e. 28%. The increasing number of buyers (**penetration**) who purchase canned food and **higher level of consumption** boost the category performance.

4

In Urban, **Supermarket keep increasing the contribution to Modern trade channel**

The **euphoria of minimarket in rural**, boost Rural FMCG movement. The minimarket growth in rural is 31% compare to year ago.

5

The less affluent consumer still continues to struggle. This will caused consumption declining on main categories for lower class consumers i.e. instant noodle and sweet condensed milk.

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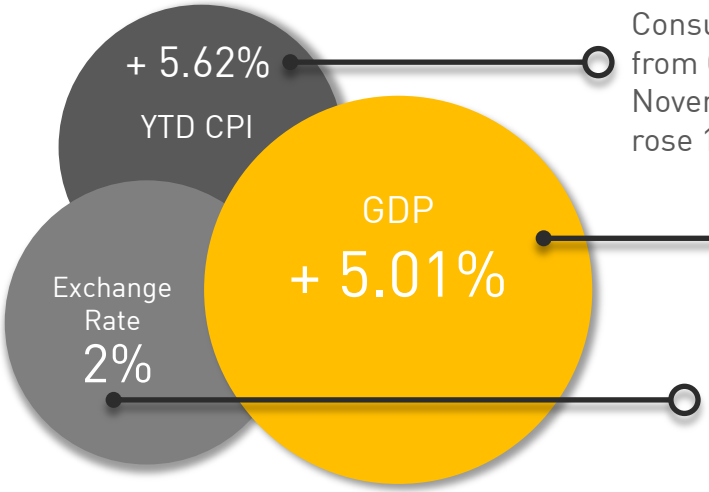
KEY INDICATOR

Macro Trend



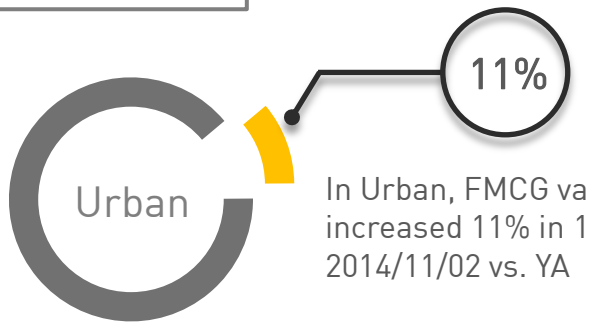
Consumer Price Index (CPI) in November 2014 rose 1.5% from October 2014. Current YTD inflation (January – November 2014) is 5.62%. In year on year basis, the CPI rose 11.5%.

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

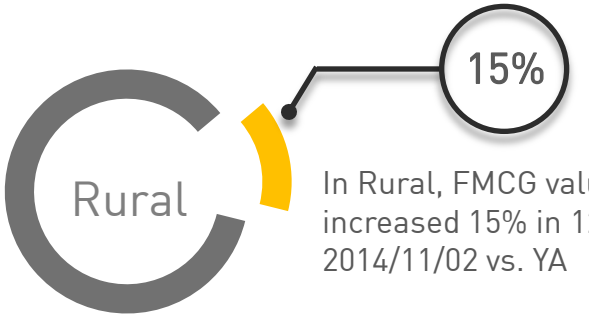
Rupiah exchange rate to USD weakened to 2% in October 2014 vs. September 2014. The exchange rate weakened by 7% in this month vs. YA

Source : *BPS and Bank Indonesia*

FMCG Trend



In Urban, FMCG value increased 11% in 12 w/e 2014/11/02 vs. YA



In Rural, FMCG value increased 15% in 12 w/e 2014/11/02 vs. YA

Source : *Kantar Worldpanel Indonesia | Household Panel*

*FMCG is excluding rice, sugar, and fresh food

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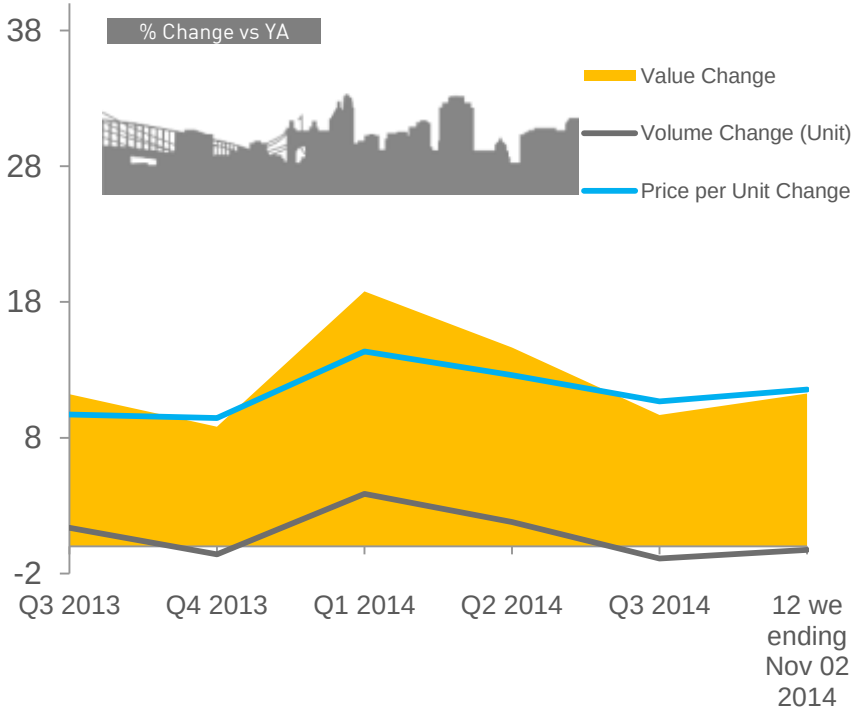
1

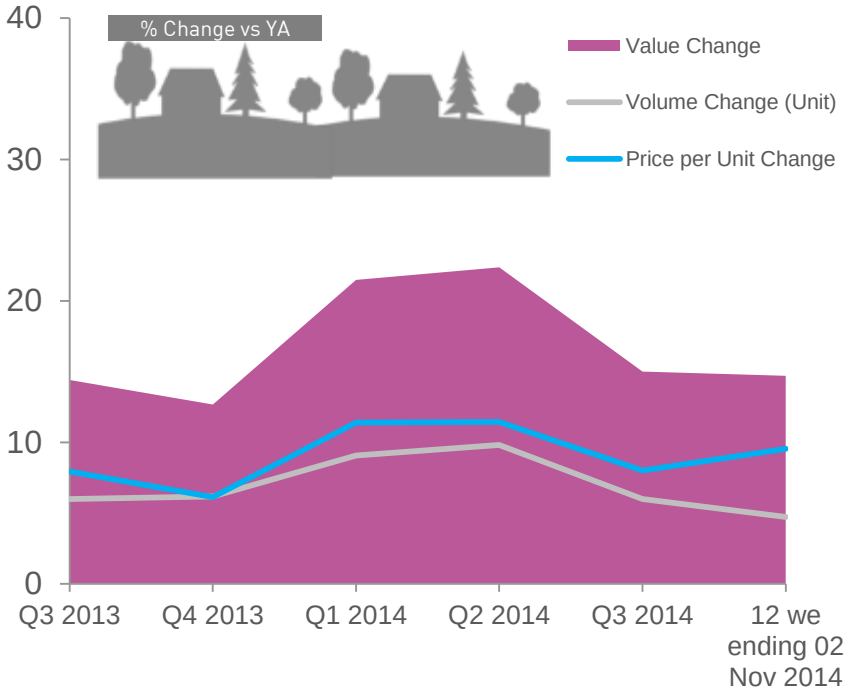
FMCG – 12 WEEKLY YEAR – ON – YEAR CHANGE (%)

FMCG growth in both Urban and Rural area are mainly driven by price increase instead of unit growth. Buyers still tend to retain themselves to purchase more units.

Urban



Rural



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

*FMCG is excluding rice, sugar, and fresh food

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2

FMCG SEGMENTS TRENDS – VALUE CHANGE (%)

All segments capture positive movement. The most growing segment in Urban is Homecare, and the same time, dairy is growing significantly in Rural

Urban

12 w/e 2014/11/02 vs. YA

Foods	Dairy	Beverages	Home Care	Personal Care
+13 %	+10 %	+9 %	+15 %	+10 %

Rural

12 w/e 2014/11/02 vs. YA

Foods	Dairy	Beverages	Home Care	Personal Care
+ 15%	+ 26%	+ 7%	+ 18%	+ 11%

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

*FMCG is excluding rice, sugar, and fresh food

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3

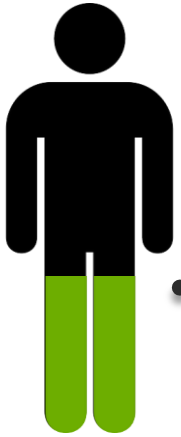
HOT CATEGORIES (URBAN)

Canned food experienced quite big value growth. More buyers and bigger consumption level drive overall growth of this category.

Canned Food

19%

Total volume (in Kg) increase in Urban Indonesia
12 w/e 2014/11/02 vs. YA



2.1 pts

Penetration increase in Urban Indonesia 12 w/e 2014/11/02 vs. YA
(Base : 26.5 million households)

Rp:

28%

The value growth increased in Urban Indonesia
12 w/e 2014/11/02 vs. YA

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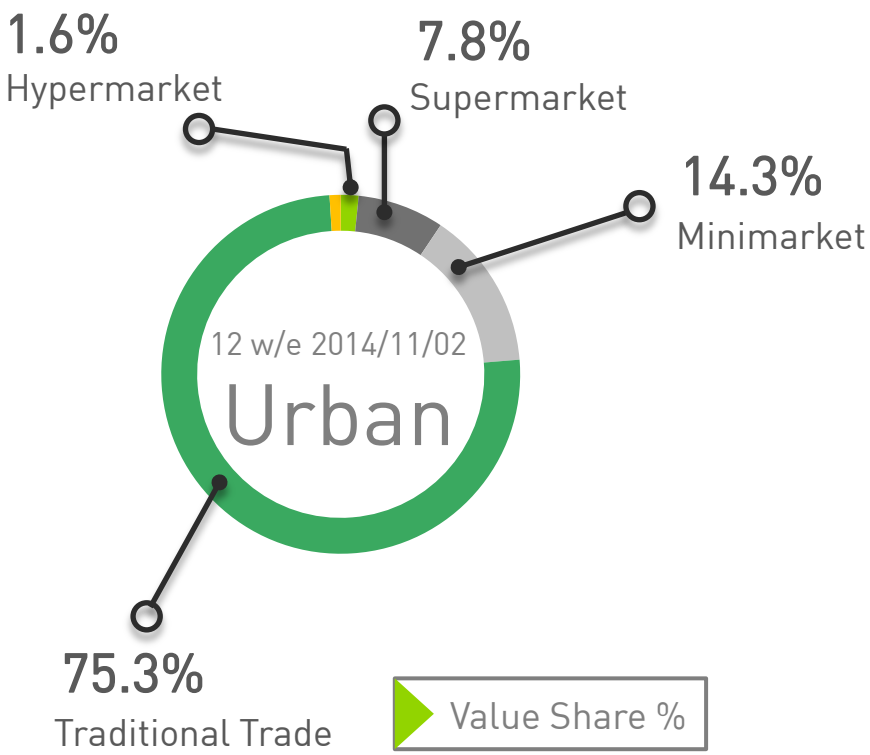
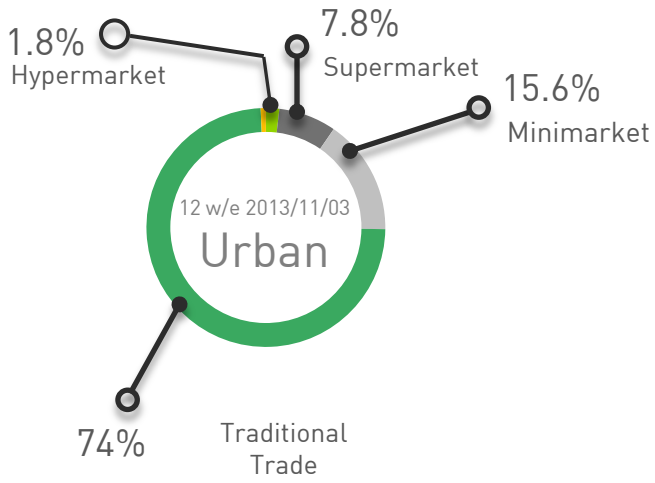
4 RETAILER SNAPSHOT - URBAN



Value Share %



Value Change %

Value Change %	12 w/e 2014/11/02 vs. YA
Minimarket	+1.8%
Hypermarket	-0.3%
Supermarket	11.4%
Traditional Trade	13.5%

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

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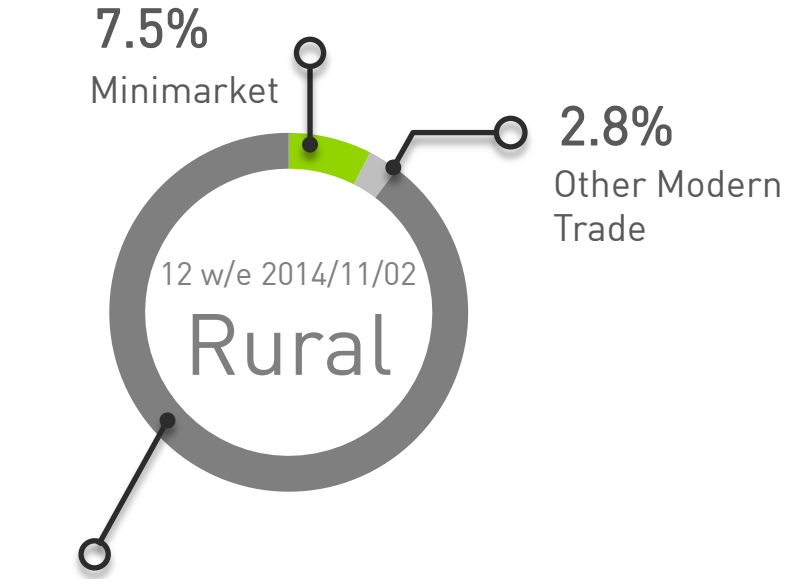
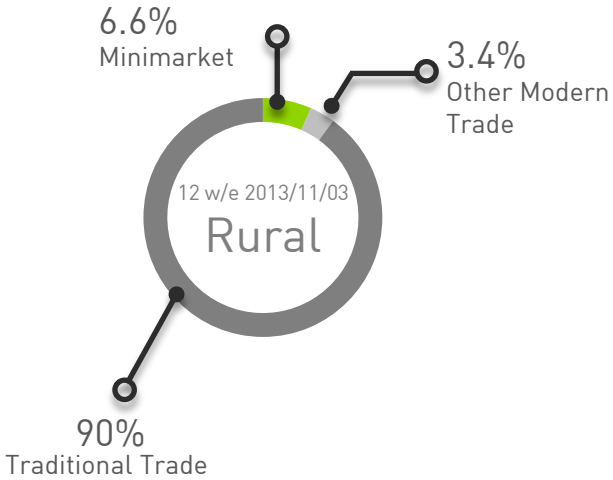
RETAILER

5 RETAILER SNAPSHOT - RURAL



Value Share %



Value Change %

Value Change %	12 w/e 2014/11/02 vs. YA
Minimarket	+31%
Traditional Trade	+15%

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

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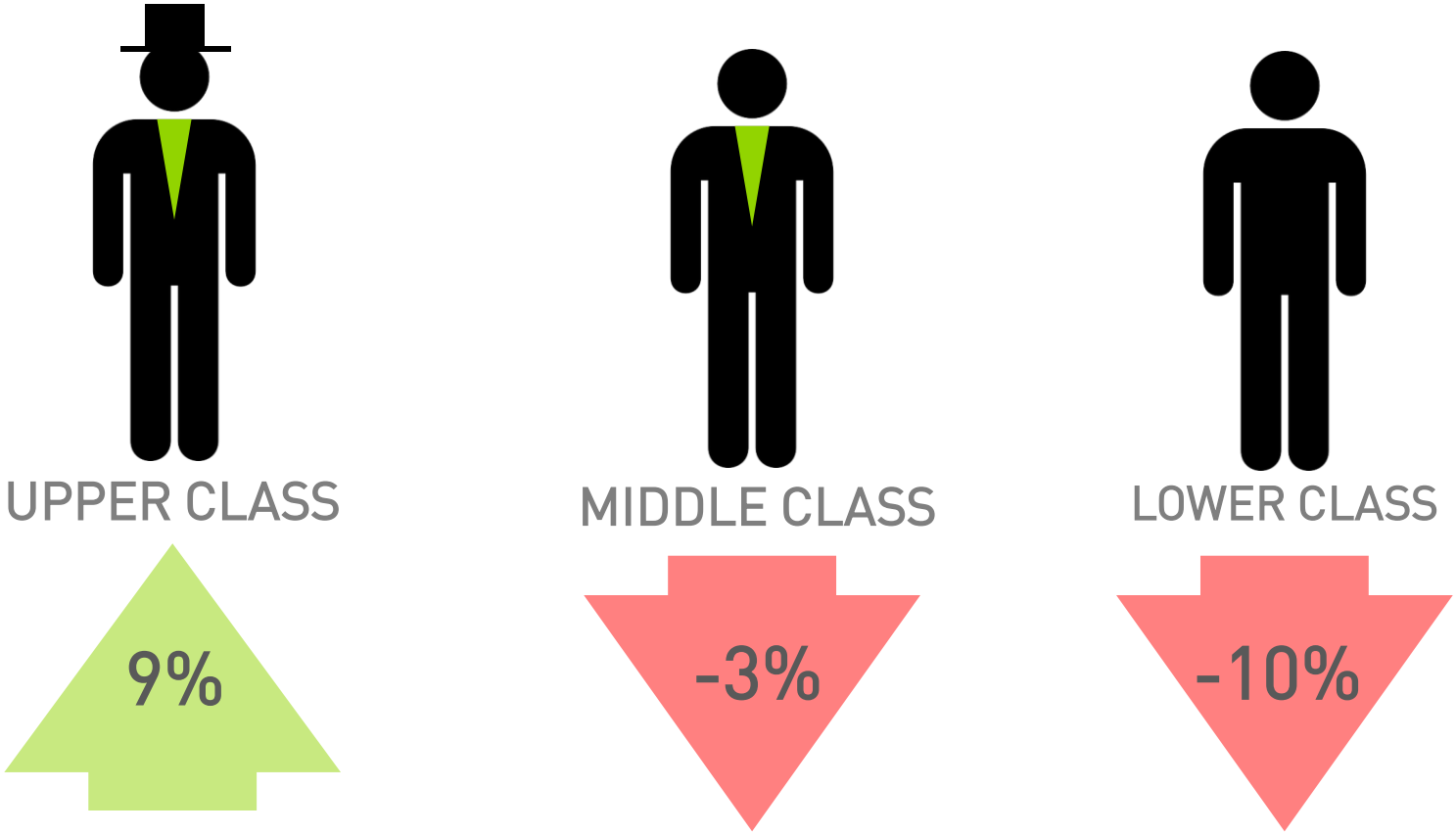
SPOTLIGHT OF INDONESIA

The less affluent consumer still continues to struggle. This will caused consumption declining on main categories for lower class consumers i.e. instant noodle and sweet condensed milk.



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

Volume (Unit) % growth, Indonesia Urban, 12 we 2014/11/02 vs. YA

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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