FMCG MONITOR

An integrated view of Indonesia FMCG market

OCTOBER
2015

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EXECUTIVE SUMMARY

1

Compared to September 2015, **ID inflation in October 2015 decreased from 6.83% to 6.25%.** The average rate for USD 1 is **Rp 13,865,- in October 2015**

2

FMCG industry is still unable to bounce back to its healthy shape which is shown by a slight decrease in term of volume and value. **A reduction on shopping trips** does also contribute to the sluggish development of the overall FMCG industry.

3

RTD Tea has been gaining more attention from Indonesians. Indonesians' culture for loving tea accompanied with a "mobile version" of tea has granted RTD Tea with both value and volume boost.

4

Supermarket and Hypermarket appear to be the only channel which have shown an improvement comparing to other trade channels.

5

Baby products take a quite high portion of Indonesians spending on FMCG products. 22.5% of total spending goes to baby products for HH with 0-2 years old baby whereas the number declines into 14.7% for HH with 2-4 years old baby.

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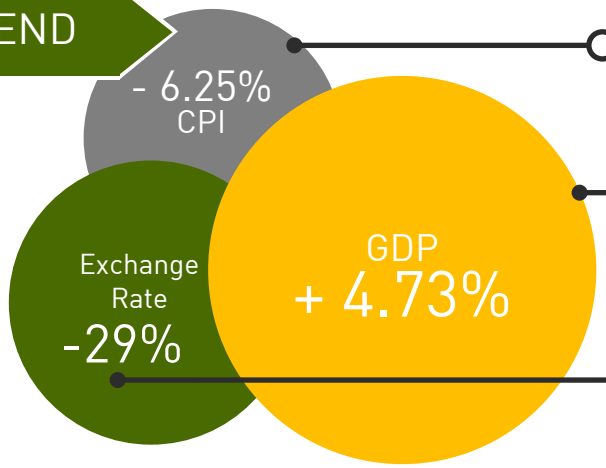
1 KEY INDICATOR

MACRO TREND



Compared to September 2015, ID inflation in October 2015 decreased from 6.83% to 6.25%.

In year on year basis, the GDP in third quarter 2015 is 4. 73%, slightly below expectation at 4.79% (via Trading Economics/Reuters).

Rupiah exchange rate to USD is strengthened in October 2015 compared to a month ago, although the exchange rate is weakened by 29% in this month vs. year ago. The average rate for USD 1 is Rp 13,865- in October 2015

Source : *BPS and Bank Indonesia*

FMCG TREND

Total National Indonesia FMCG value is declining by 1.21% in October 2015 (12 week ending 11 Oct 2015) vs. Year Ago

Source : *Kantar Worldpanel Indonesia | Household Panel*

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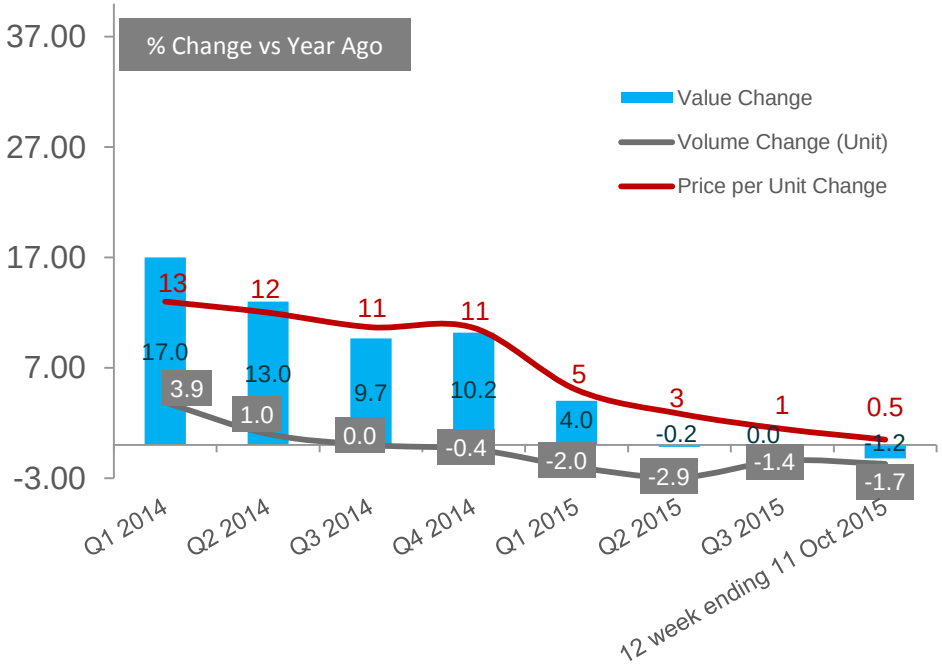
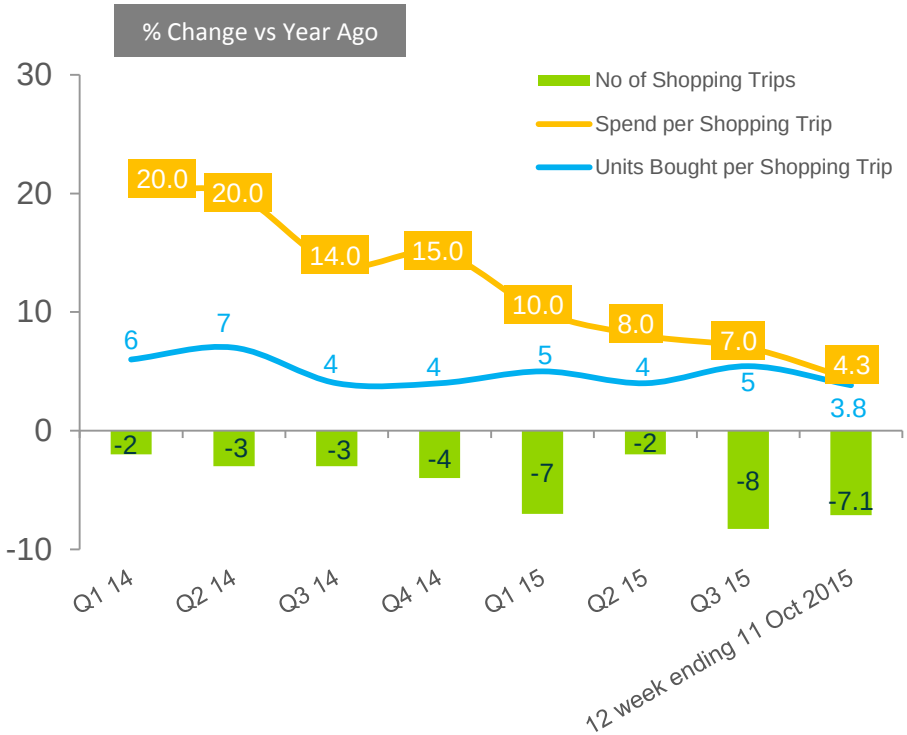
2 FMCG – 12 WEEKLY YEAR – ON – YEAR CHANGE (%)

FMCG sector continues to show a negative movement, shown by a higher decline on volume and value. Moreover, the slowdown of shopping trips still continues on this quarterly period where the negative change is even worse.





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

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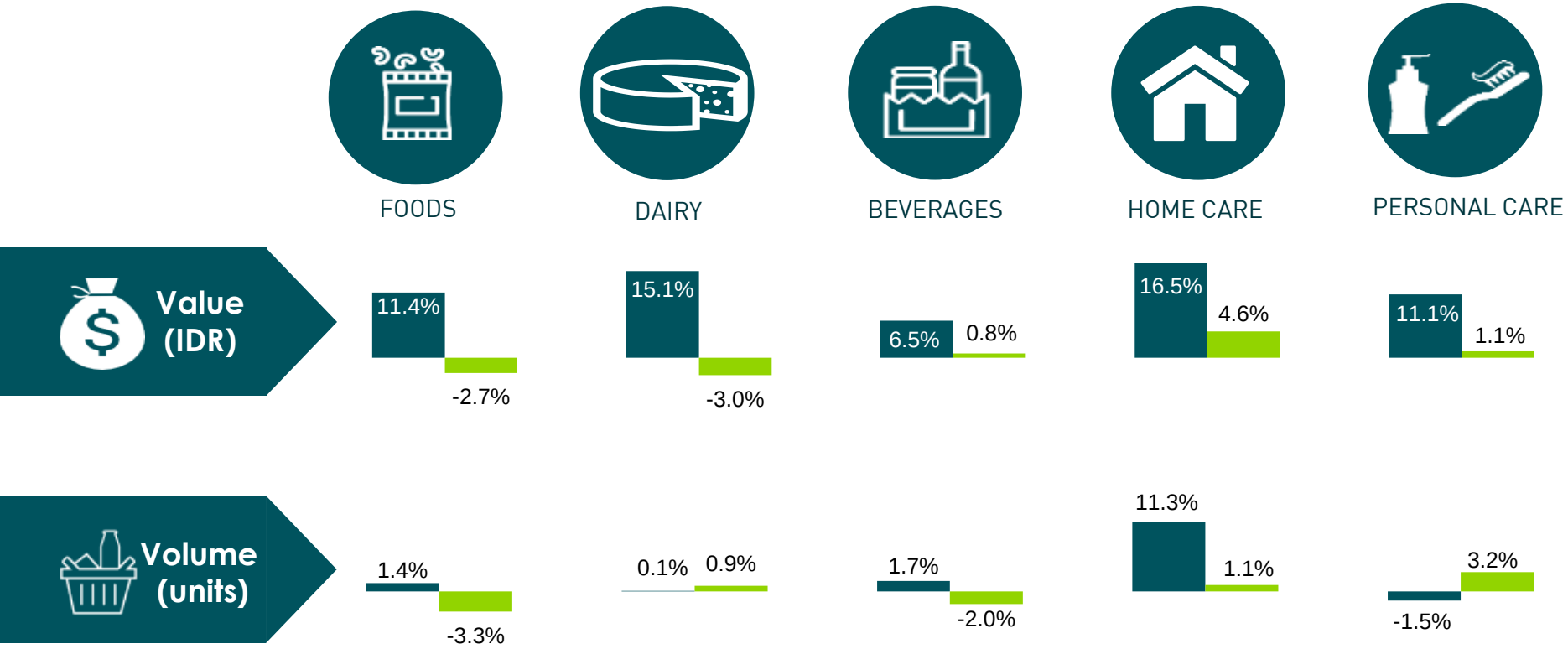
FMCG SEGMENTS TRENDS – VALUE AND VOLUME CHANGE (%)

Foods and Dairy are still unable to bounce back to its healthy shape whilst homecare gained the highest value growth among FMCG segments - thought still much slower than last year's growth. On the other hand, personal care gained the highest volume growth whilst its value still enjoyed a positive growth as well.



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

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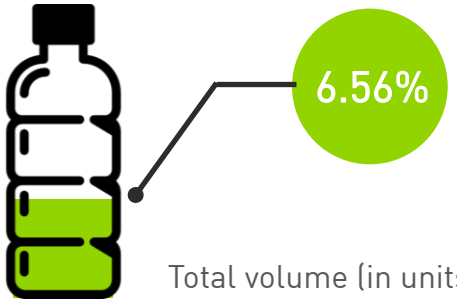
RTD TEA

3 HOT CATEGORIES
NATIONAL | 12 week ending 11/Oct/2015

The hottest category on this period goes to RTD TEA, thanks to its significant boost in term of volume, frequency, and also value. Cultural habit of drinking tea and high availability which are accompanied with a hot season since months ago have helped this category to be one of Indonesians' favorites.



Total volume (in units) increase in National Indonesia (12 week ending 11/10/2015 vs. Year Ago)

Shopping Frequency increase in National Indonesia (12 week ending 11/10/2015 vs. Year Ago)

The value growth increased in National Indonesia (12 week ending 11/10/2015 vs. Year Ago)

Image Source: wikimedia.org. Used with modification

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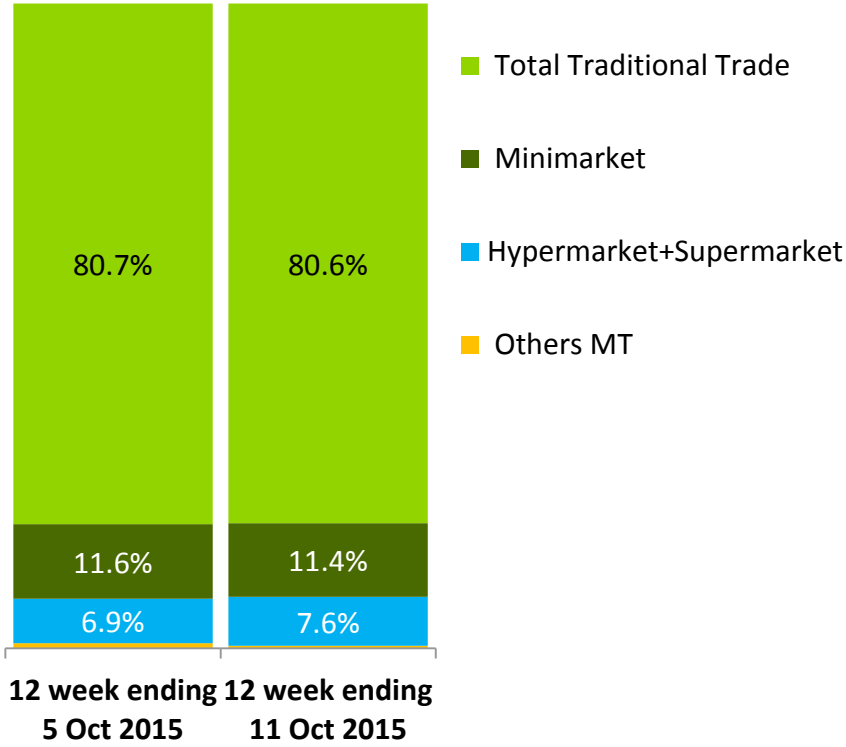
4 RETAILER SNAPSHOT NATIONAL INDONESIA

Value Share %



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

Value Change % (vs Year Ago)

Value Change %	12 week ending 11/10/2015 vs. Year Ago
Hypermarket+ Supermarket	+9.53%
Minimarket	-2.59%
Traditional Trade	-1.35%

Supermarket and Hypermarket appear to be the only channel which have shown an improvement comparing to other channels. On the other hand, Minimarket and traditional trade suffered from a negative value change

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5 DO YOU KNOW?

Indonesians' spending on baby products reaches 22.5% of their total spending for HH with 0-2 years old baby. However, as the baby grows, spending on baby products declines although it still takes a high portion of In overall spending. The highest spend for baby products is for baby milk which is followed by baby diapers on the second place.

HOUSEHOLD WITH BABY
0-2
YEARS OLD

22.5%

22.5% of total spending goes to baby products with two highest spending are on baby milk and diapers

HOUSEHOLD WITH BABY
2-4
YEARS OLD

17.1%

As the baby grows. Total spending for baby products decline to 17.1% where the highest spending are also on baby milk and diapers.

Data for National Indonesia
Date ending 12 weekly 11 Oct 2015

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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 50 million households.

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

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