FMCG MONITOR

An integrated view of Indonesia FMCG market

JANUARY
2016

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EXECUTIVE SUMMARY

1

Compared to December 2015, **ID inflation in January 2016 increased from 3.35% to 4.14%.** The average rate for USD 1 is **Rp 13,958- in January 2016**

2

FMCG still shows no sign of recovery in the beginning of 2016. Consumers still hold their consumption,.

3

Coconut Milk is still enjoying growth in early year 2016 with 4% volume growth (in unit) and 3% value increase

4

Modern trade is still enjoying positive value growth with Minimarket as the biggest modern trade channel.

5

Early 2016 is not a good time for beverages, especially carbonated soft drink that lose its volume the most. Find out more here to know where CSD volume goes.

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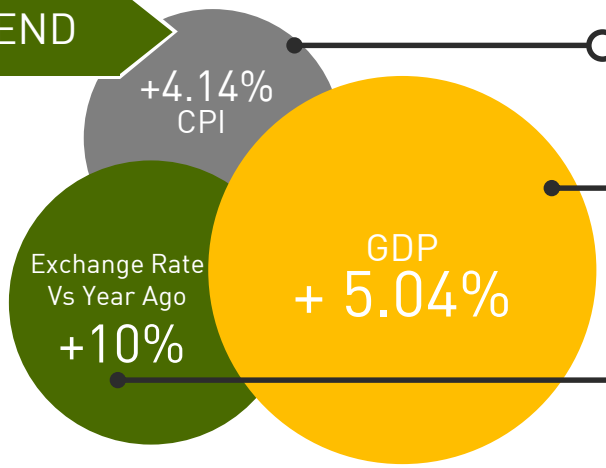
1 KEY INDICATOR

MACRO TREND



Compared to December 2015, ID inflation in January 2016 increased from 3.35% to 4.14%.

Indonesia Q4 2015 GDP growth 5.04%, slightly above expectations of a 4.91 percent (Trading Economics).

Rupiah exchange rate to USD is slightly weakened (0.2%) in January 2016 compared to a month ago, In this months vs. year ago, the exchange rate also weakened 10%. The average rate for USD 1 is Rp 13,958- in January 2016

Source : *BPS and Bank Indonesia*

FMCG TREND

Total National Indonesia FMCG value slightly decreased by 4.7 % in Early January 2016 (12 week ending 31 Jan 2016) vs. Year Ago

Source : *Kantar Worldpanel Indonesia | Household Panel*

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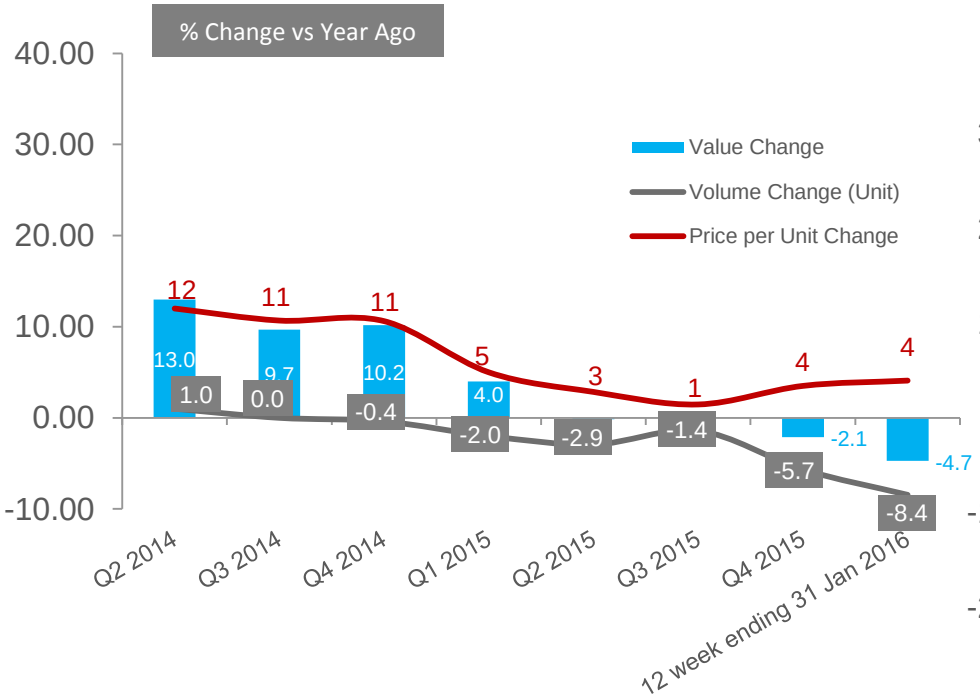
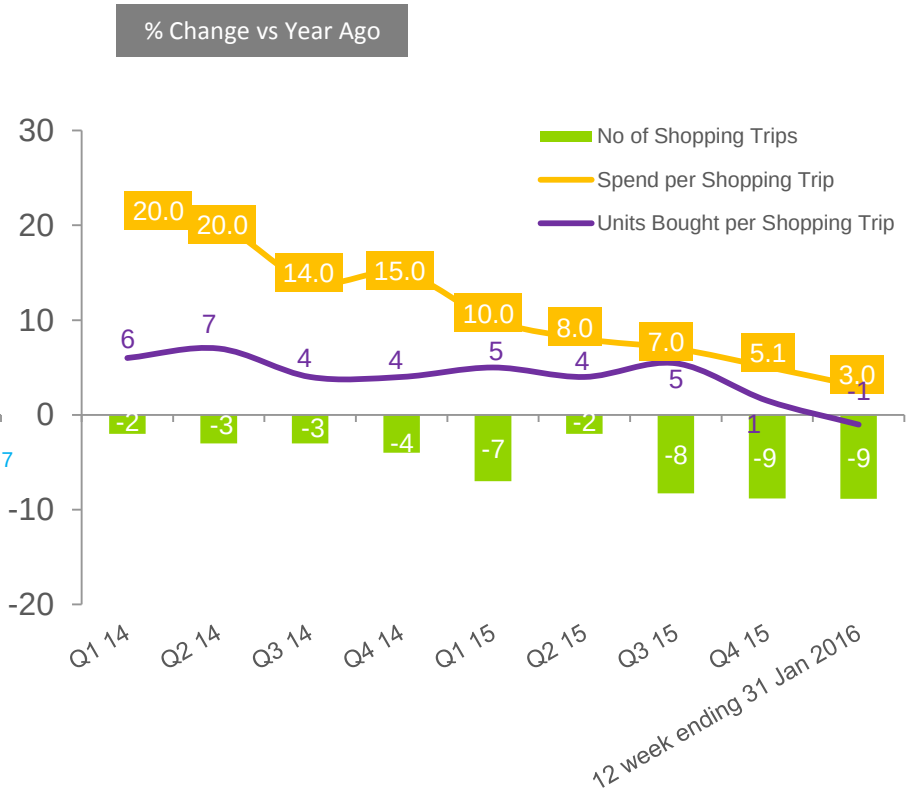
2 FMCG – 12 WEEKLY YEAR – ON – YEAR CHANGE (%)

FMCG still shows no sign of recovery in the beginning of 2016. Consumers still hold their consumption, as can be seen by the decreasing volume (unit) spend, unit bought per shopping trip, and also the number of shopping trip.





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

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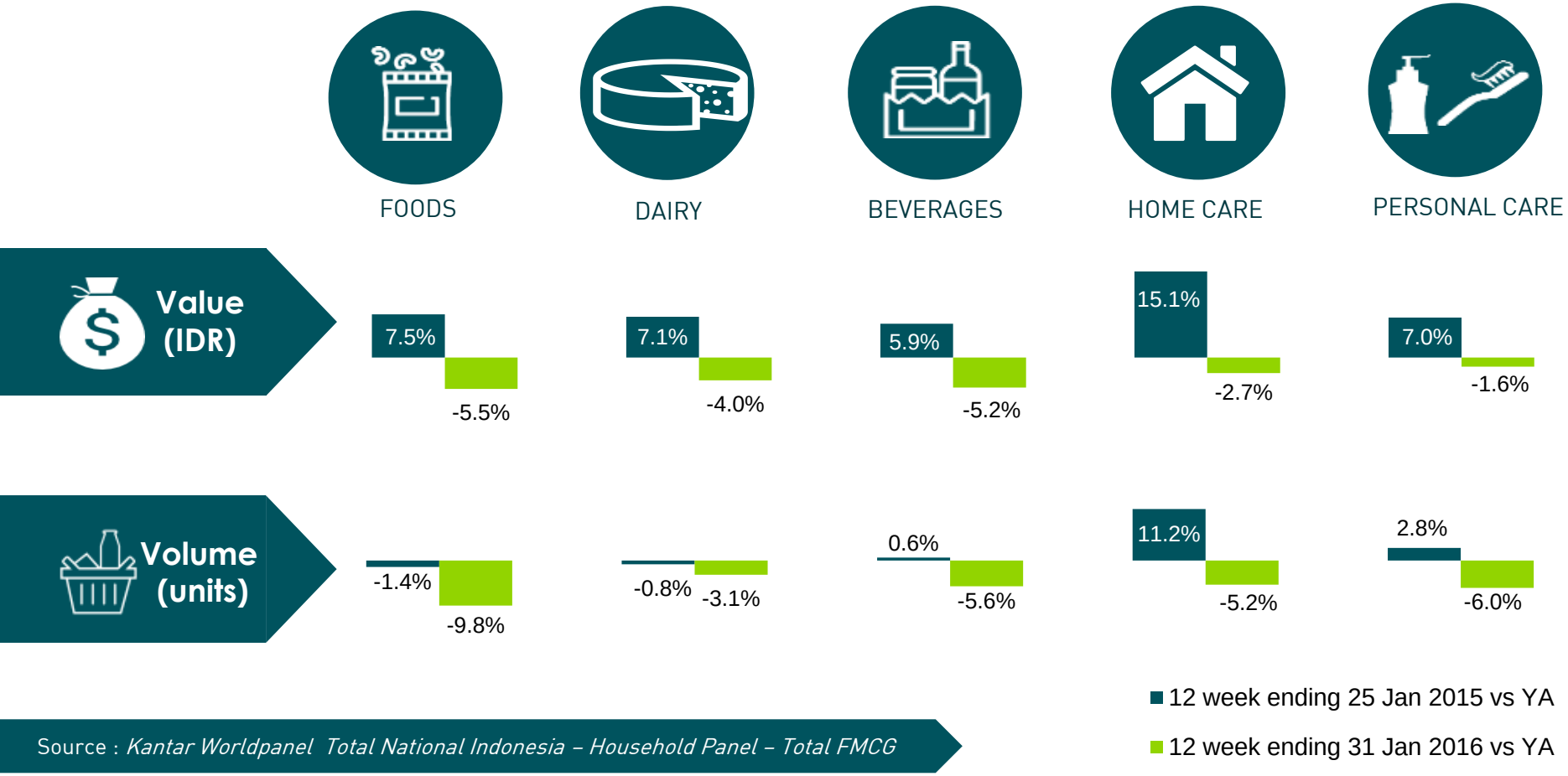
FMCG SEGMENTS TRENDS – VALUE AND VOLUME CHANGE (%)

The decreasing trend impacted all segments, with food as the segment with biggest lose. Consumers mainly decreased their consumption for non necessity categories, in this case, light foods like chocolate, ice cream, and biscuits were impacted the most.



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

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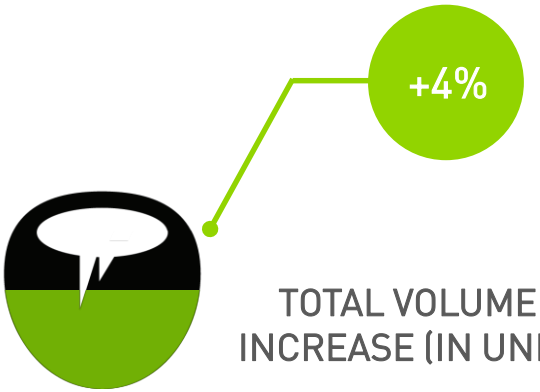
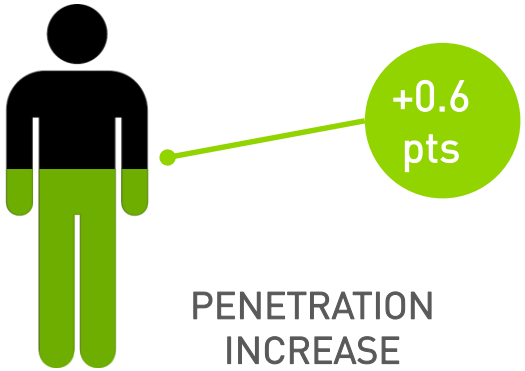
Coconut Milk

3 HOT CATEGORIES
NATIONAL | 12 week ending 31 Jan 2016

Coconut Milk is still enjoying growth in early year 2016 with 4% volume growth (in unit) and 3% value increase. Indicating that even in times when Indonesian consumers reduce their consumption for non-necessity categories, their pockets are still spared for coconut milk.



TOTAL VOLUME INCREASE (IN UNIT)



PENETRATION INCREASE

VALUE INCREASE (RP)

Image downloaded from oksmoothie.com

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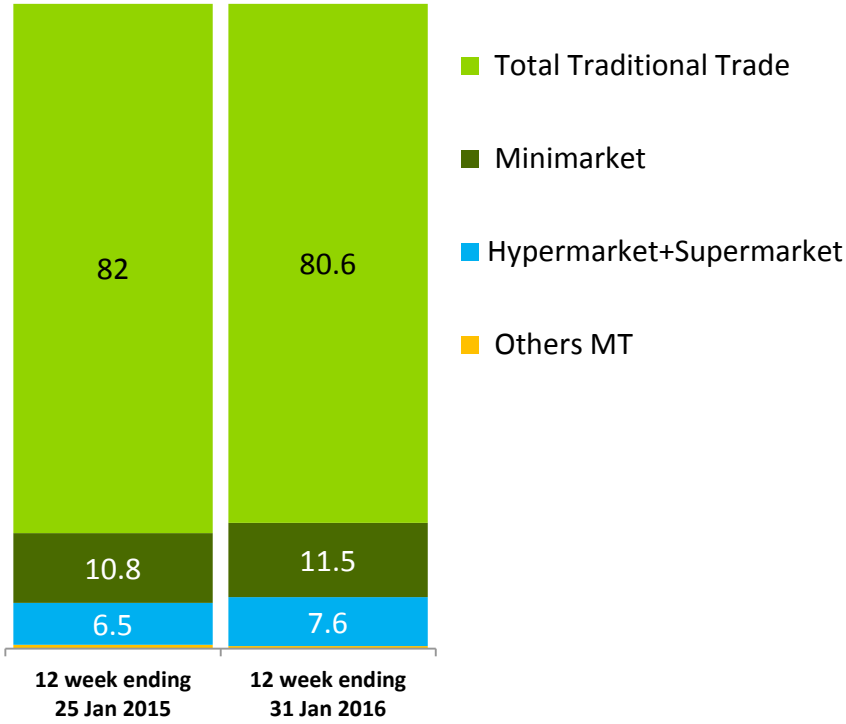
4 RETAILER SNAPSHOT NATIONAL INDONESIA

Value Share %



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

Value Change % (vs Year Ago)

Value Change %	12 week ending 31 Jan 2016 vs. Year Ago
Total Modern Trade	+3.8%
Minimarket	+1.5%
Traditional Trade	-5.8%

In general, modern trade is still enjoying positive value growth with Minimarket as the biggest modern trade channel also enjoying positive growth. On the other hand, traditional trades are undergoing negative growth compared to same quarter a year ago.

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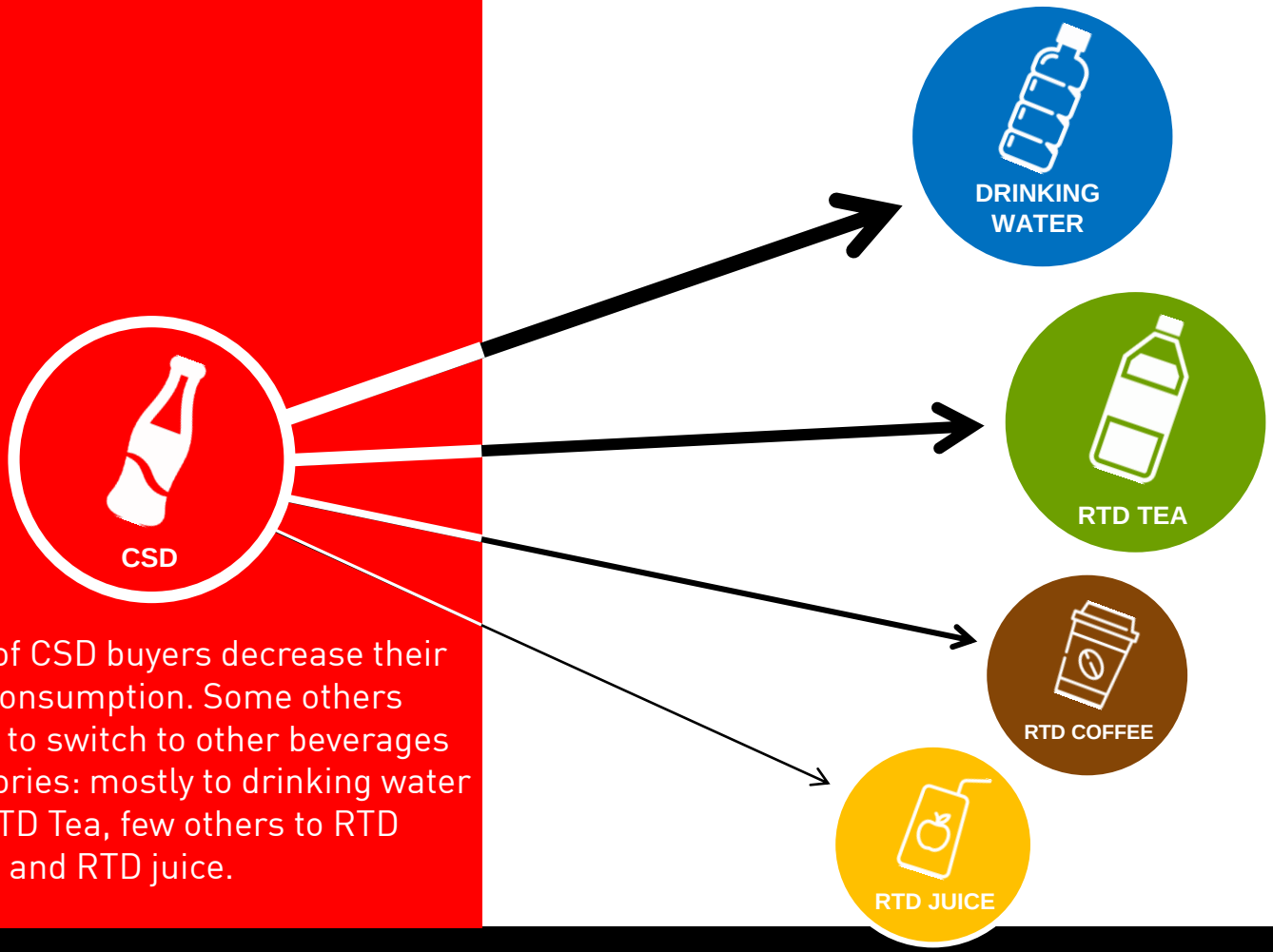
5 DO YOU KNOW?

Early 2016 is not a good time for beverages, almost every beverages categories suffering negative growth. This negative growth also applied to carbonated soft drink (CSD). In fact, compared to year ago, carbonated soft drink suffered the most volume growth decline. So where did CSD's volume go?



Most of CSD buyers decrease their CSD consumption. Some others chose to switch to other beverages categories: mostly to drinking water and RTD Tea, few others to RTD coffee and RTD juice.

Icons downloaded from flaticon.com

Based on Gain & Loss analysis among beverage categories. National Indonesia | FY 2015 vs FY 2014

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ABOUT KANTAR WORLDPANEL

Kantar Worldpanel is the global expert in shoppers' behavior. Through continuous monitoring, advanced analytics and tailored solutions, Kantar Worldpanel inspires successful decisions by brand owners, retailers, market analysts and government organizations globally.

With over 60 years' experience, a team of 3,500, and services covering 60 countries directly or through partners, Kantar Worldpanel turns purchase behavior into competitive advantage in markets as diverse as FMCG, impulse products, fashion, baby, telecommunications and entertainment, among many others. Kantar Worldpanel is part of the Kantar, one of the world's largest insight, information and consultancy networks. Kantar is the data investment management division of WPP.

In Indonesia, Kantar Worldpanel – Inspiring Successful Decision™ 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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