FMCG MONITOR

An integrated view of Indonesia FMCG market

OCTOBER & Q3

2016

KANTAR WORLDPANEL

EXECUTIVE SUMMARY

1 Q3 MARKET UPDATE

Find out quarterly Market update in this section

2 FMCG INDICATOR

The spending growth is driven by an increase in price as volume continues to shrink. Consumers now shop less often and buy less items in every trip

3 FMCG BUYERS ACROSS SES

Consumption across social classes shown a little decline, the increase in spending is also caused by price increase.

4 RETAILERS SNAPSHOT

In October 2016, traditional trade is still the most important channel in Indonesia, but modern trade is also getting more important as can be seen that minimarket share is increasing.

5 SEGMENT PERFORMANCE

Value growth has mostly slowed down compared to last year, with Food and Beverages shrinking, Home care growing slower, but Dairy and Personal Care growing faster .

6 DO YOU KNOW?

Convenient products are getting more popular as consumers now tend to buy more instant/easy to prepare products.

1 KEY INDICATOR

MACRO TREND

Compared to September 2016, ID inflation in October 2016 experienced an increase from 3.07% to 3.31%.

+3.31%
CPI

Exchange Rate
Vs Year Ago
5.7%

GDP
+ 5.02%

Indonesia Q3 2016 GDP growth is 5.02%, slightly above expectations (Trading Economics) at 5.0 percent, though a little bit slower than Q2 GDP (5.18%).

Rupiah exchange rate to USD strengthened by 0.8% in October 2016 compared to a month ago. Compared to last year the exchange rate strenghten 5.7%.
The average rate for USD is Rp 13,081- in October 2016

Source : *BPS and Bank Indonesia*

FMCG TREND

FMCG OCTOBER 2016
ANNUAL GROWTH

+4.4%

Total National Indonesia FMCG value managed to grow 4.4% in October 2016 vs last year. The growth slowed by 0.4% compared to last month.

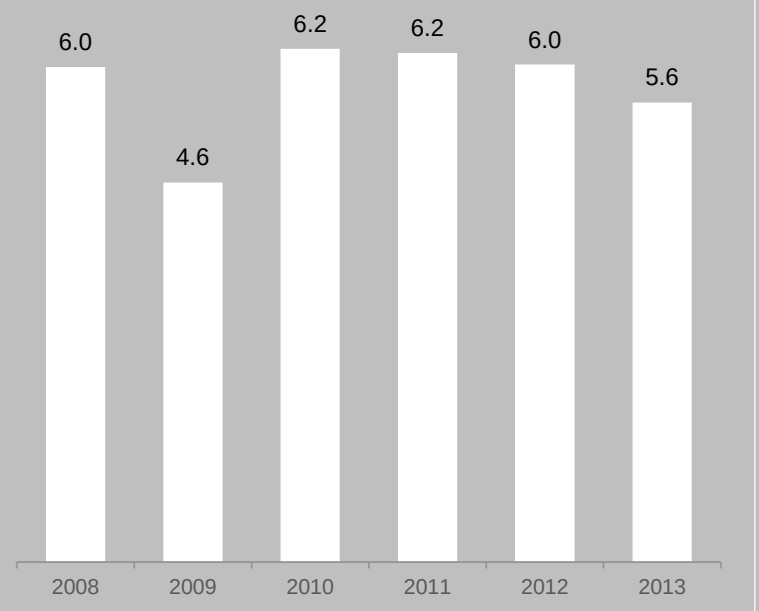
Source : *Kantar Worldpanel Indonesia | Household Panel (52 week ending 11 Oct 2016) vs. Year Ago*

1 Q3 MARKET UPDATE

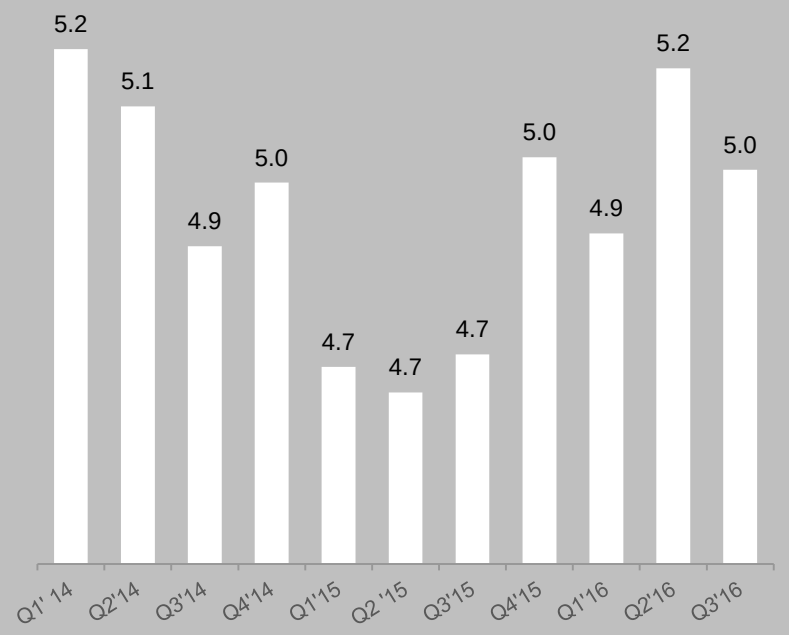
Indonesia's economy is starting to shows increasing pace again and with it, consumer will spend more of their money. Also compared to other neighboring countries like Thailand and Malaysia, Indonesia's growth is faster.

INDONESIA ANNUAL GDP GROWTH %

YEARLY ANNUAL GDP GROWTH 2008 -2013



QUARTERLY ANNUAL GDP GROWTH 2014 -2016



Q3 2016	GDP Growth
Indonesia	+5.0%
Thailand	+3.2%
China	+6.7%
Philippines	+7.1%
Malaysia	+4.3%
Taiwan	+2.0%
South Korea	+2.6%

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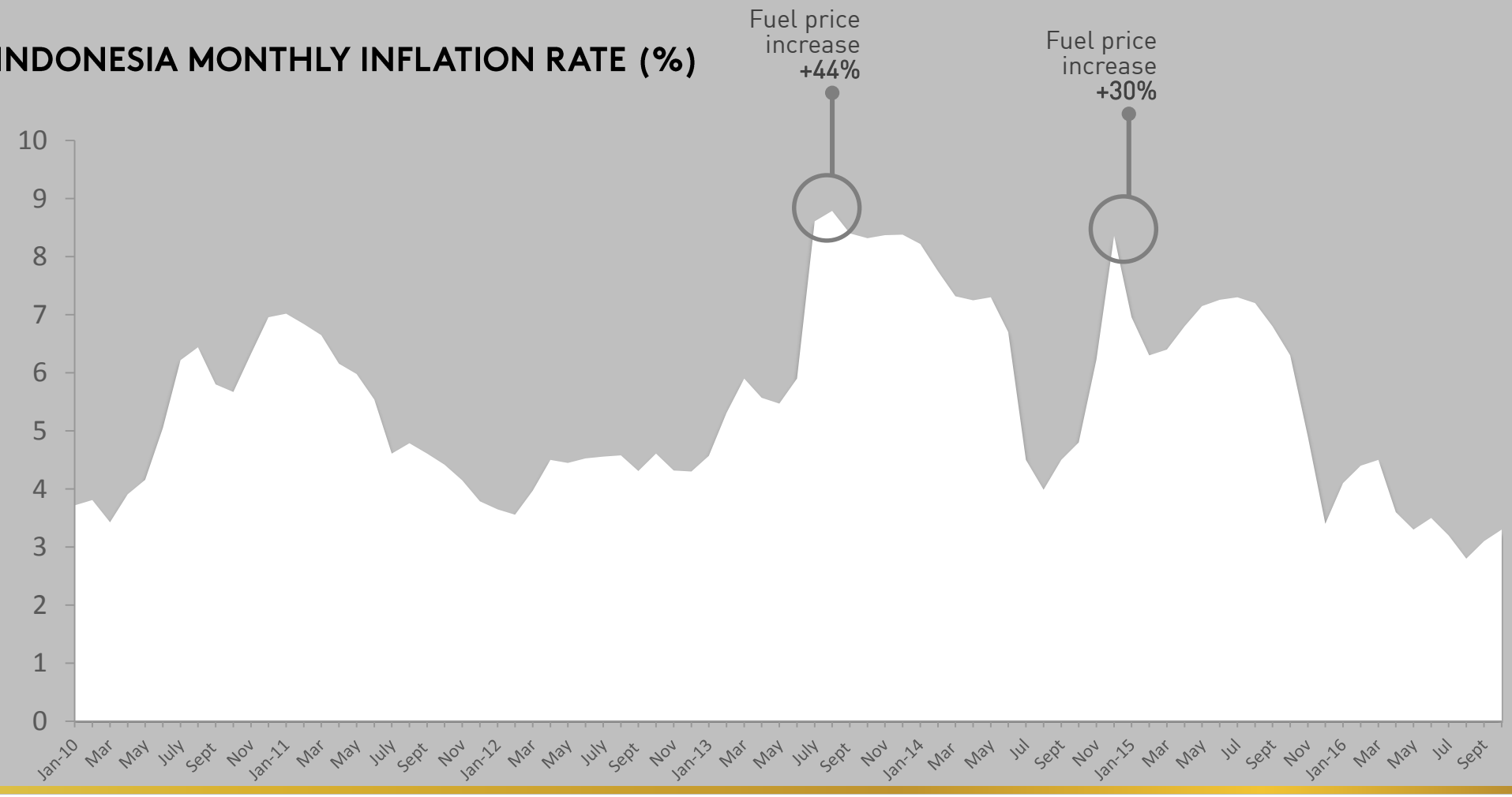
Source: Central bank of Indonesia, World Bank

Monthly inflation continues to be in a very low rate as the economy of Indonesia stabilizes

INDONESIA MONTHLY INFLATION RATE (%)

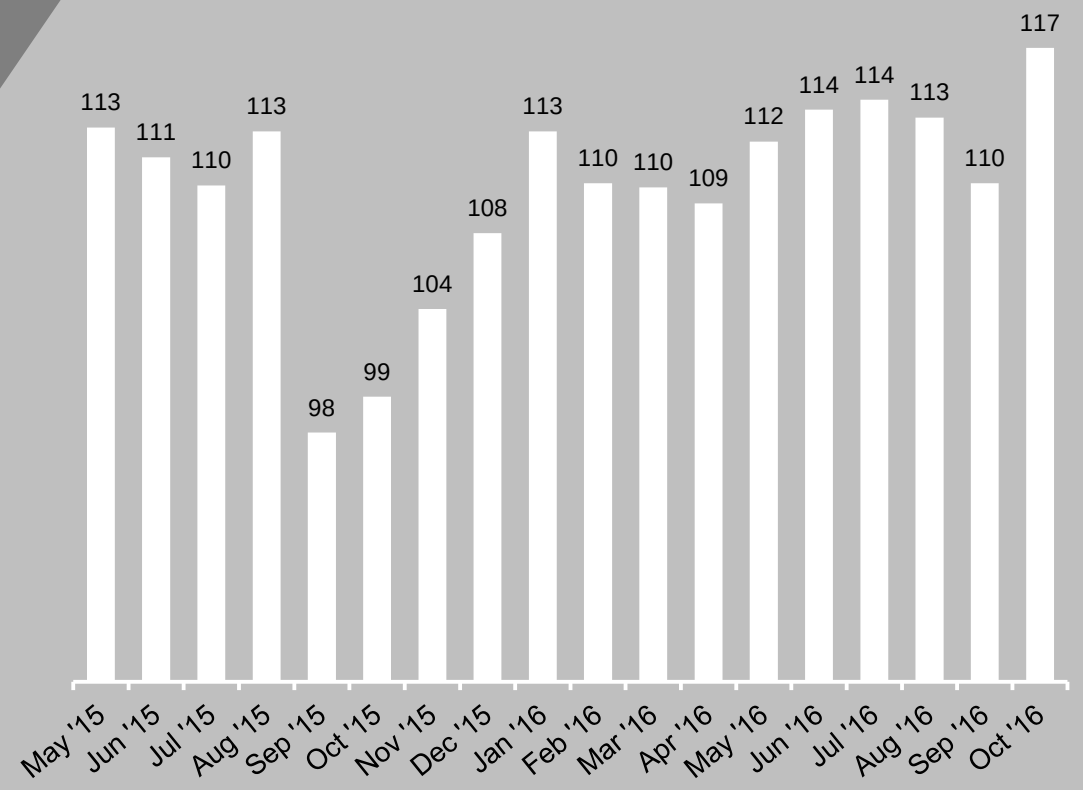


Source: Central bank of Indonesia

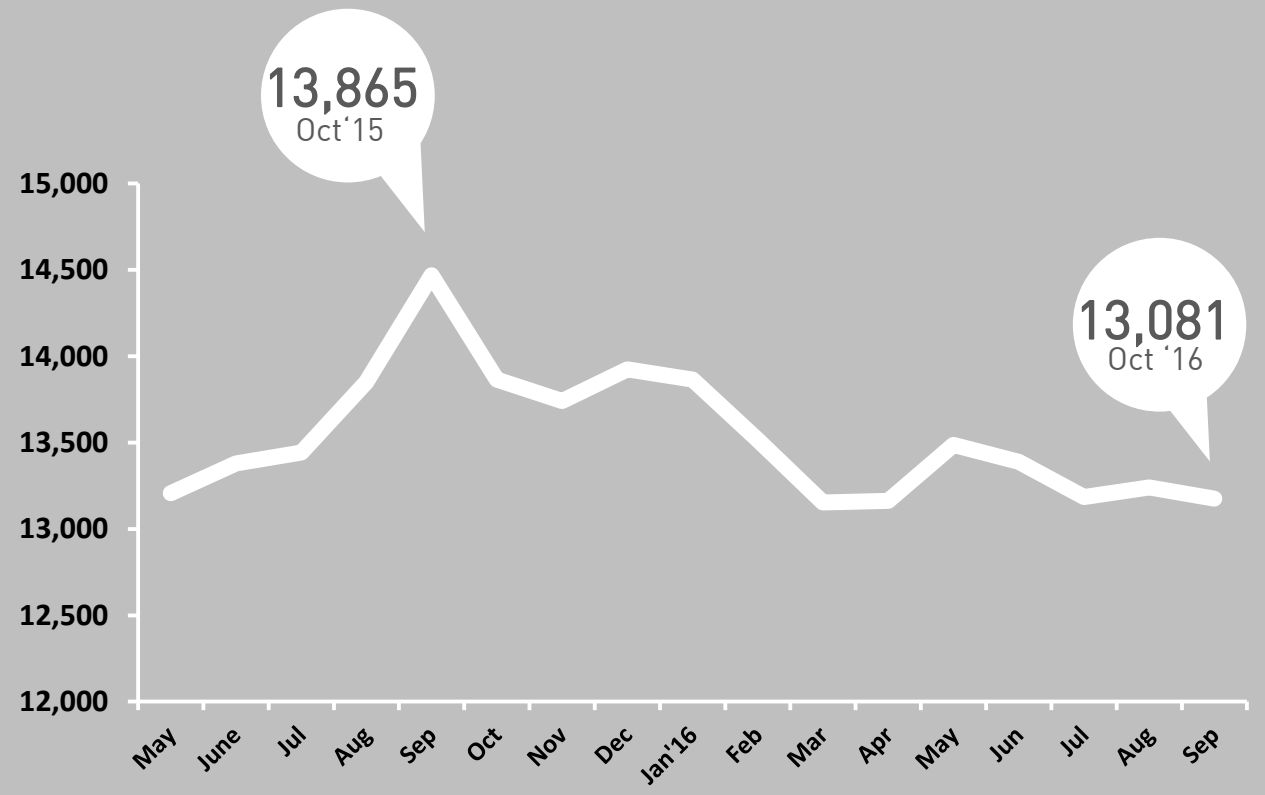
1 Q3 MARKET UPDATE

Consumers started to spend their money again in 2016. Indonesian Rupiah also became stable at 13,000++ Rupiah per USD, and slowly getting stronger.

INDONESIA CONSUMER CONFIDENCE INDEX



IDR – USD EXCHANGE RATE



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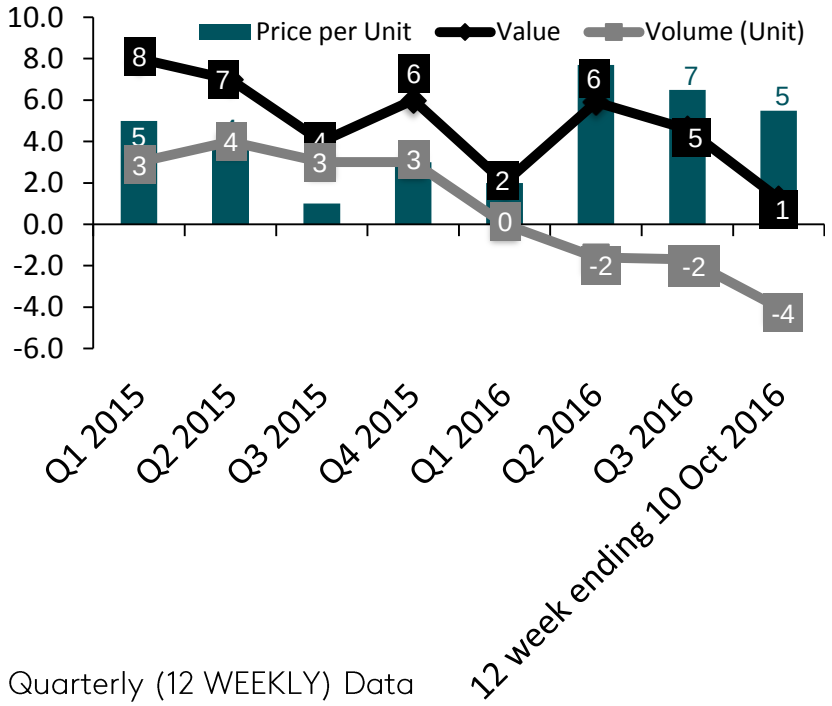
Source: Central bank of Indonesia

2 FMCG INDICATOR

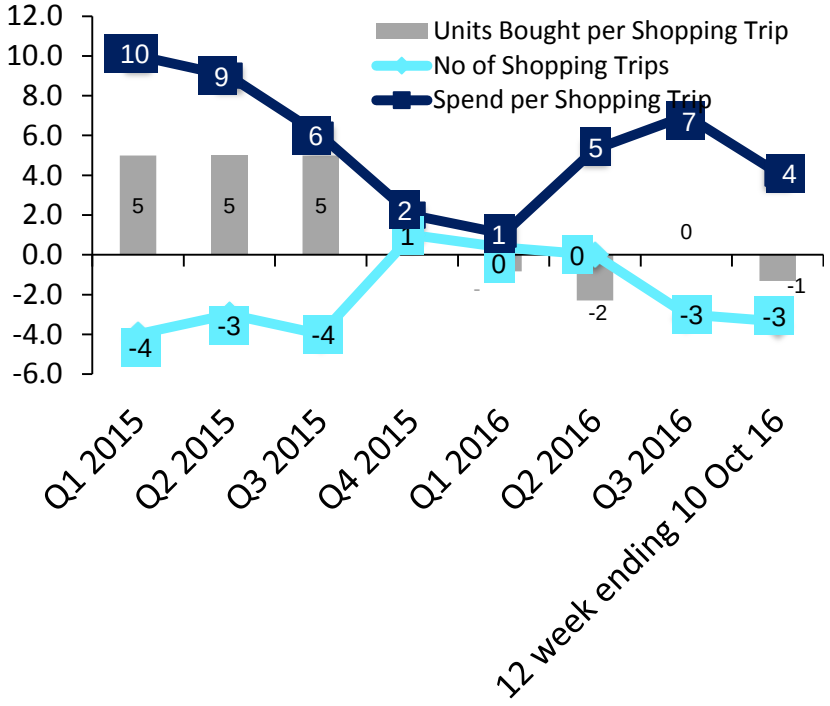
The growth for consumer spending is still positive, though it is driven by an increase in price.

QUARTERLY GROWTH VS YEAR AGO

VALUE VOLUME, AND PRICE



FREQUENCY, UNITS BOUGHT AND SPEND PER TRIP



Quarterly (12 WEEKLY) Data

OCTOBER 2016 YEARLY OUTLOOK

	OCT 2015	OCT 2016
Value %	9.2%	4.4%
Volume % (units)	3.9%	-0.3%
Price per unit	5.2%	4.8%
Frequency	-3.1%	-0.7%

Yearly (52 WEEKLY) OCT 2016 Data vs Year Ago

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

3 FMCG BUYERS ACROSS SES
YEARLY DATA

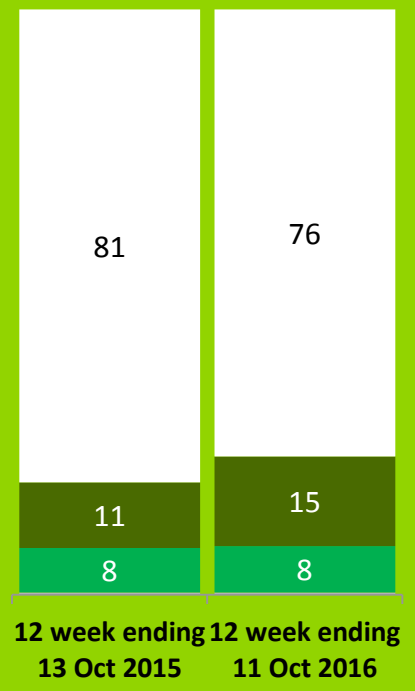
Consumption across social classes shown a little decline, the increase in spending is also caused by price increase.

	UPPER CLASS 26% of Indonesia	MIDDLE CLASS 40% of Indonesia	LOWER CLASS 34% of Indonesia
SPENDING PER BUYER	0.7%	+3.8%	+7.3%
VOLUME PER BUYER	-2.5%	-0.7%	-0.7%
PRICE/UNIT	+3.3%	+4.6%	+8.1%
FREQ	-0.6%	+0.9%	-2.6%
#CATEGORIES BOUGHT CHANGE	0.2 From 51.8 to 52 categories	0.2 From 47.1 to 47.3 categories	0.1 From 41.2 to 41.9 categories

Indonesia National, 52 WEEK ending 11 Oct 2016 vs YA, Total FMCG, SES Breakdown (based on monthly household expenditure)

4 RETAILER SNAPSHOT

VALUE SHARE%



- Total Traditional Trade
- Minimarket
- Hypermarket+Supermarket
- Others MT

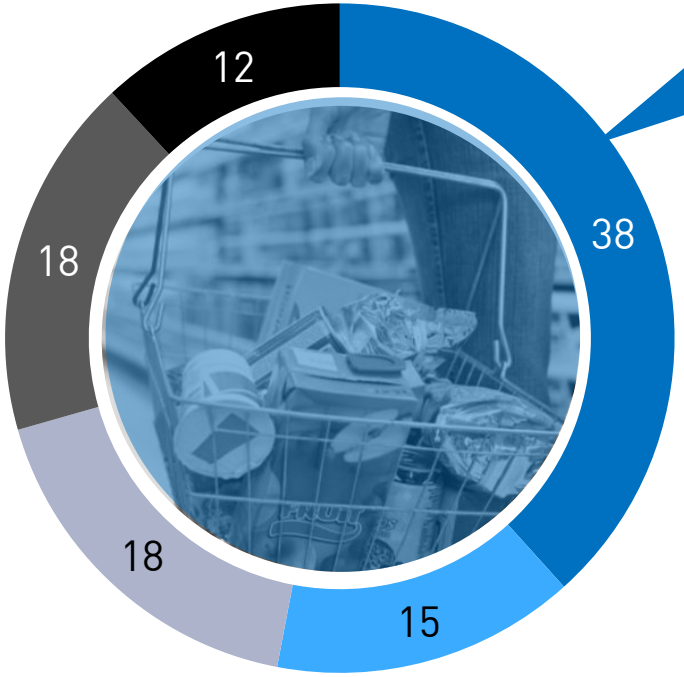
In October 2016, traditional trade is still the most important channel in Indonesia, but modern trade is also getting more important as can be seen that minimarket share is increasing.

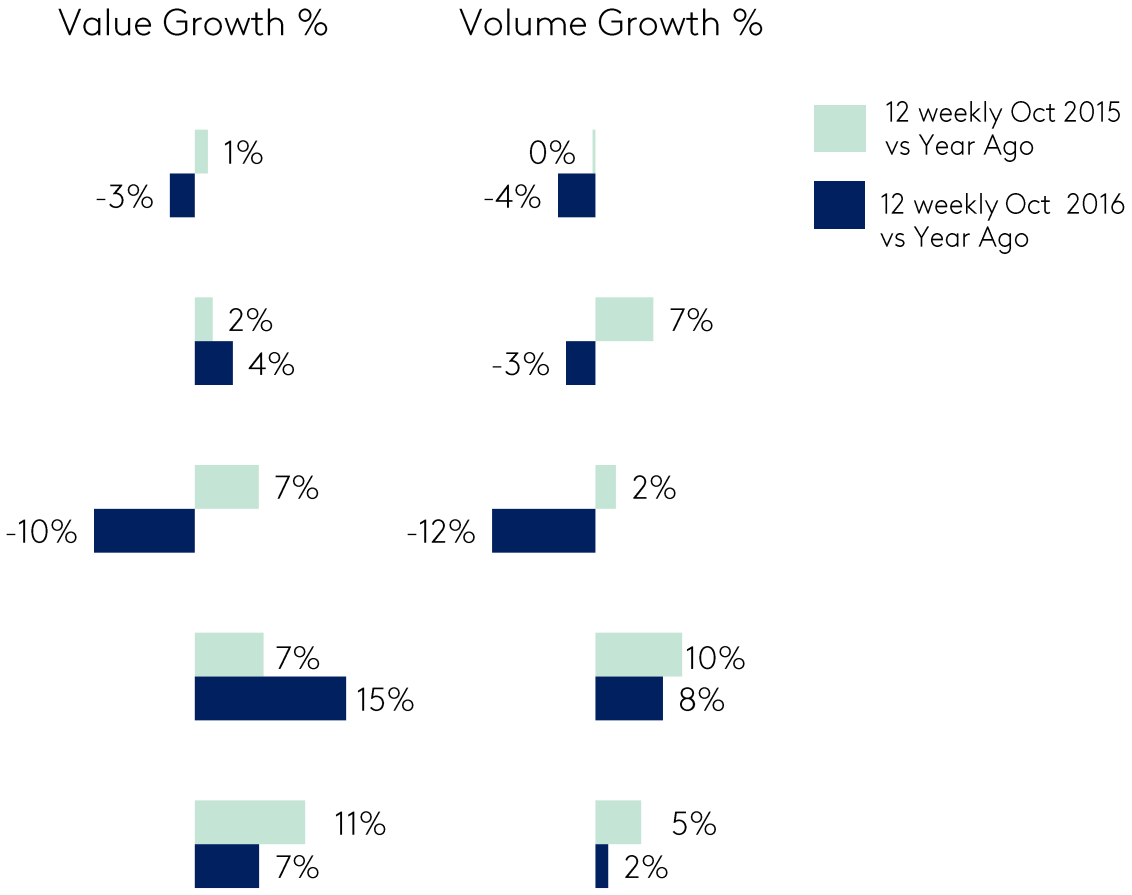
Source : *Kantar Worldpanel Indonesia – Household Panel – Total FMCG*

5 SEGMENT PERFORMANCE

Value growth has mostly slowed down compared to last year, with Food and Beverages shrinking, Home care growing slower, but Dairy and Personal Care growing faster .

Segment value % contribution





Indonesia National, 12 Week Ending 11 Oct 2016 vs YA, Total FMCG

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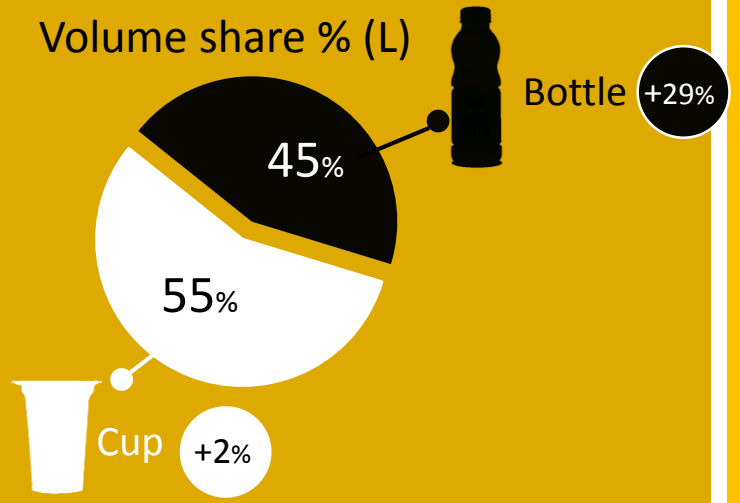
6 DO YOU KNOW?

Convenient products are getting more popular as consumers now tend to buy more instant/easy to prepare products.

RTD Tea

+9% val

Volume share % (L)



Coconut Milk

+11% val

4% Volume wise (L), every consumer bought 4% more Coconut Milk this year.

14x Consumers bought coconut milk 14x a year, 3% more frequent than last year.

Yoghurt Drink

+49% val

Rp 7,185 IDR/ Unit

Even though the price is high, Yoghurt Drink was able to grow this year as a result of strong communication of health benefits and taste.

Source: Kantar Worldpanel – Households Panel – National Indonesia – MAT Oct 2016 vs YA

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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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