QUARTER 2
2017

FMCG MONITOR

An integrated view of Indonesia FMCG market

KANTAR WORLDPANEL

EXECUTIVE SUMMARY

1 Q2 MARKET UPDATE

Find out quarterly Market update in this section

2 FMCG INDICATOR

Price increase has impacted buyers to shop less frequent while improving trip size

3 FMCG BUYERS ACROSS SES

Exposures to new categories in higher price tier is seen within middle and Lower Class consumers

4 RETAILERS SNAPSHOT

Intensive promotions offered by minimarket resulting to the upbeat growth within the channel

5 SEGMENT PERFORMANCE

Dairy and personal care continue to display increasing demand and consumption.

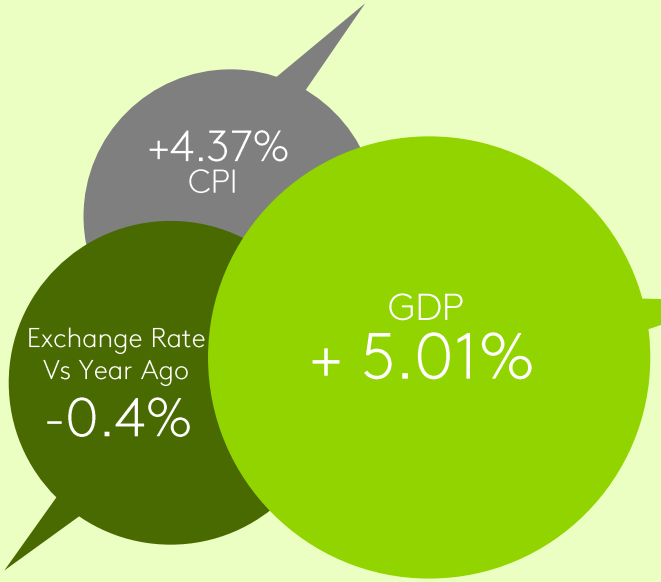
6 DO YOU KNOW?

Explore key factors which drives success of most chosen FMCG categories in Indonesia

1 KEY INDICATOR

MACRO TREND

Compared to previous month, Indonesian inflation rate in June 2017 shows an incremental trend from 4.33% to 4.37%



National GDP manages to grow above the 5% threshold but still lower compared to previous period in last year

Rupiah exchange rate shows a stable performance in June 2017, compared to the month before and same periode last year with average rate of IDR 13,365.

Source : *BPS and Bank Indonesia*

FMCG TREND

FMCG Q2 2017
YoY GROWTH

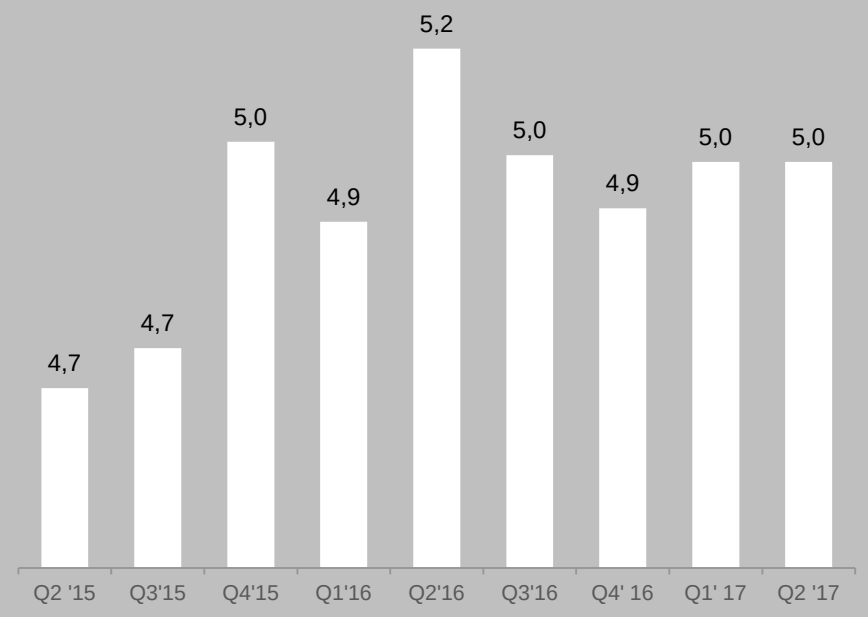
Total FMCG value in national Indonesia shows a continuous steady growth at 9.5% throughout Q2 2017.

Source : *Kantar Worldpanel Indonesia | In Home Household Panel (MAT June 2017) vs. Year Ago*

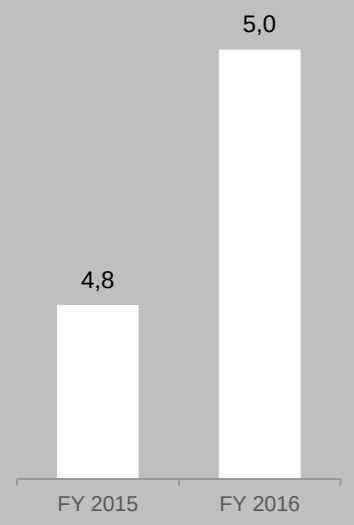
1 Q2 MARKET UPDATE

Indonesia's economy still captured a steady growth and is among the highest gainer within Asian countries, which comes as a result of recovery in government spending and increasing export number.

INDONESIA QUARTERLY GDP GROWTH %



INDONESIA ANNUAL GDP GROWTH %

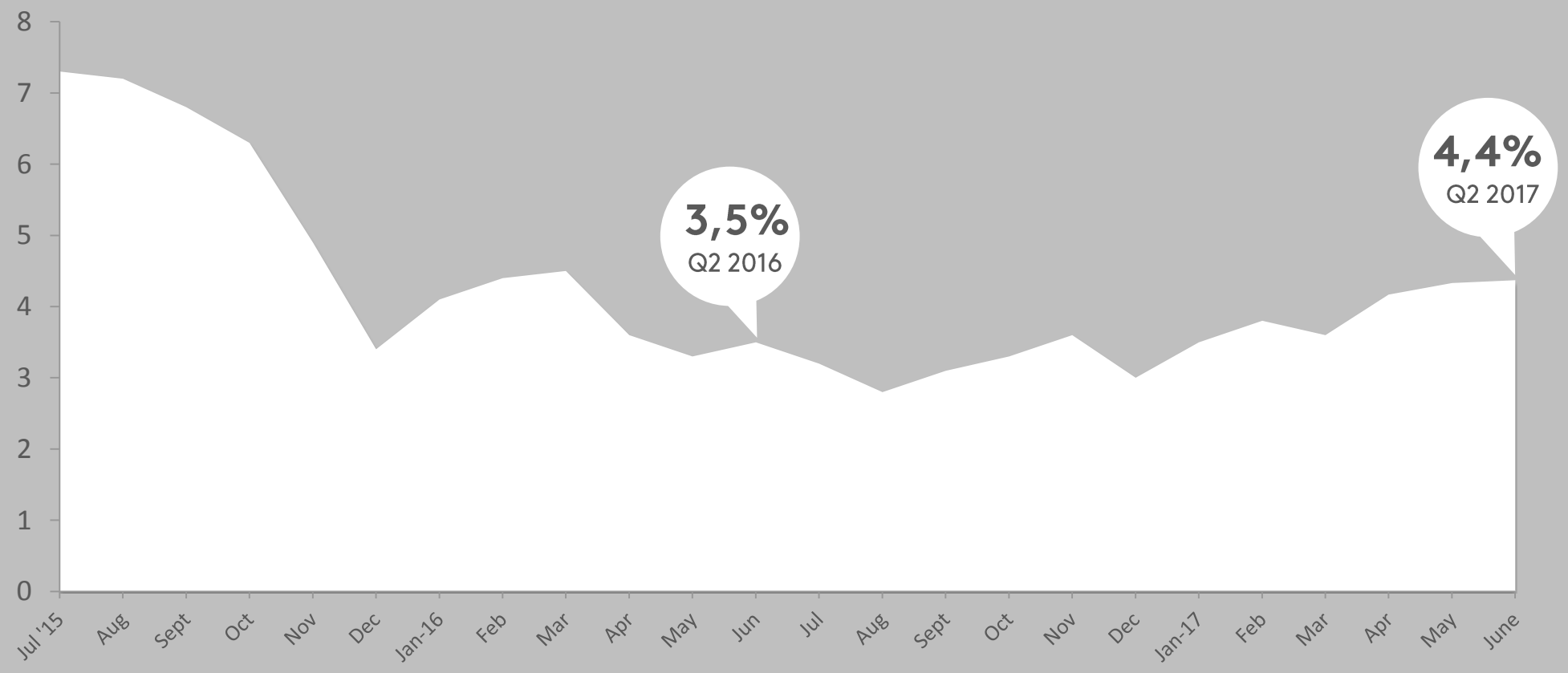


Q2 2017 YOY	GDP Growth
Indonesia	+5.01%
Thailand	+3.7%*
China	+6.9%*
Philippines	+6.5%*
Malaysia	+5.8%*
Taiwan	+2.1%
South Korea	+2.7%

Source: Central bank of Indonesia & Worldbank

Inflation rate secured a steady performance and remained at a low level, reflecting the effectiveness of Central Bank of Indonesia's effort to maintain financial system stability and recover domestic economy.

INDONESIA MONTHLY INFLATION RATE (%)

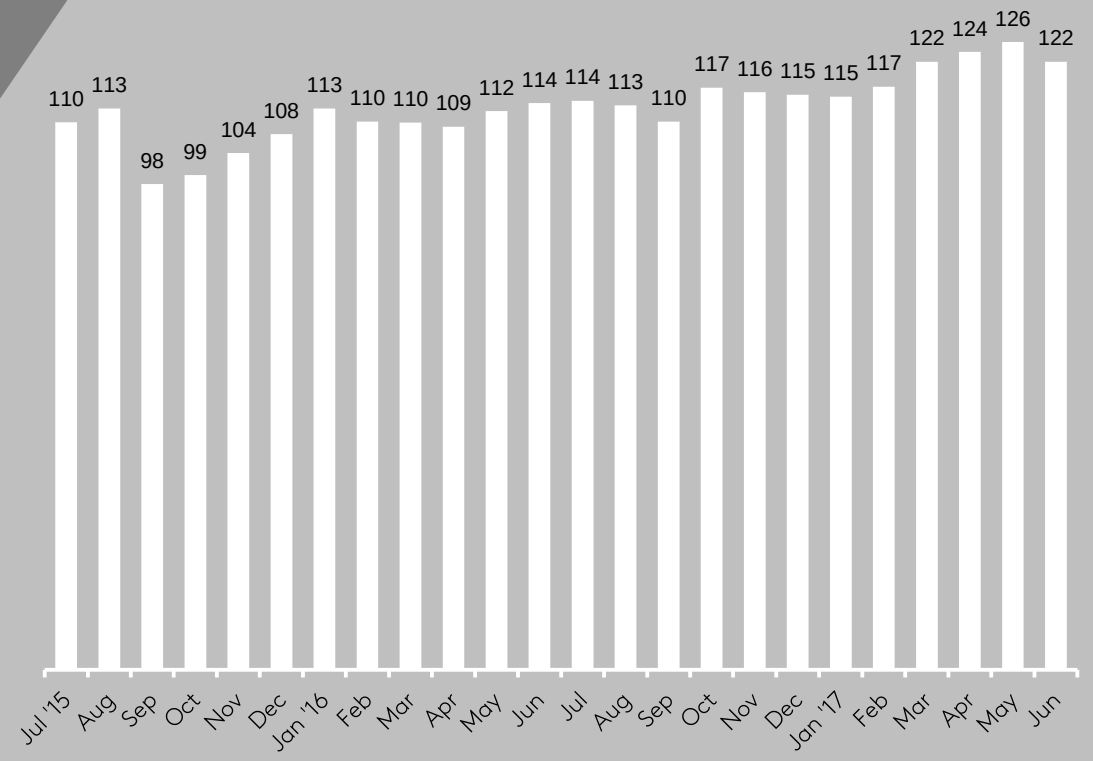


Source: Central Bank of Indonesia

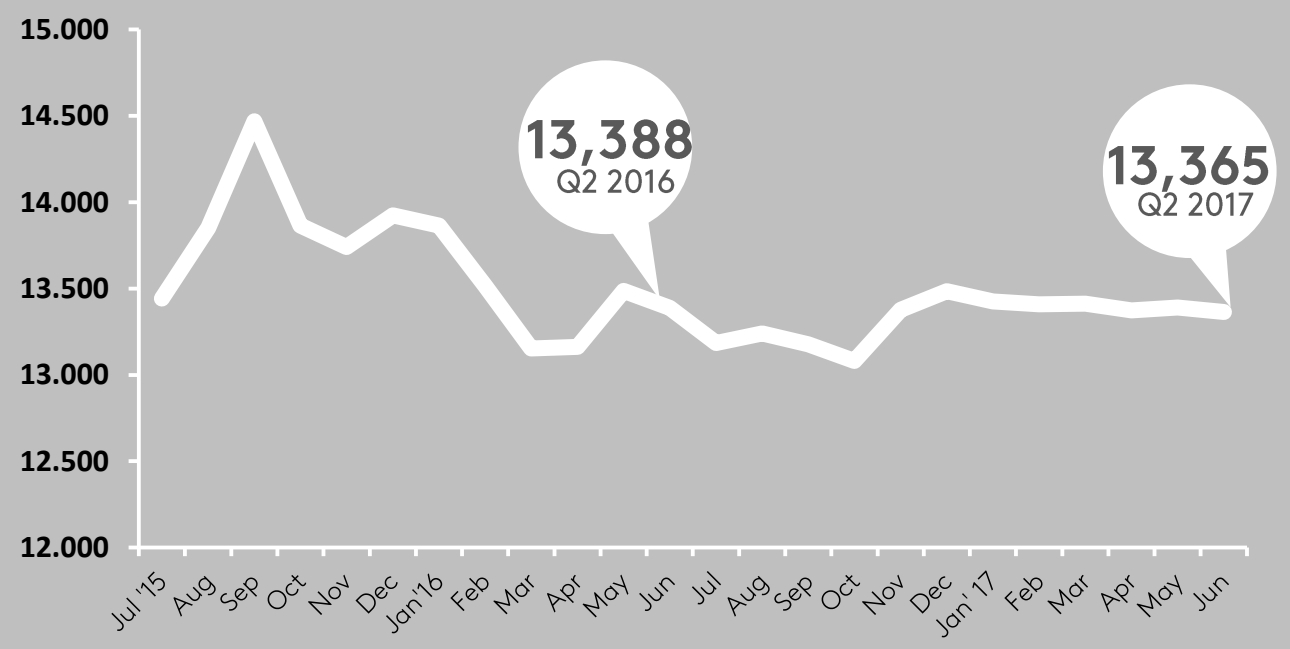
1 Q2 MARKET UPDATE

By the end of Q2 2017, Indonesian consumers remained optimistic yet slightly less upbeat compared to the previous period. Exchange rate displayed a modest improvement compared to the same period last year, potraying improvement of local financial state.

INDONESIA CONSUMER CONFIDENCE INDEX



IDR – USD EXCHANGE RATE



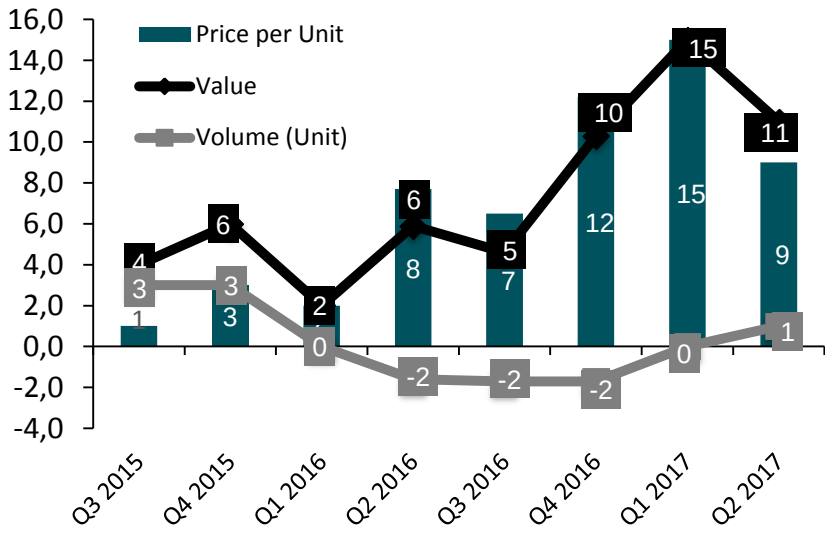
Source: Central bank of Indonesia

2 FMCG INDICATOR

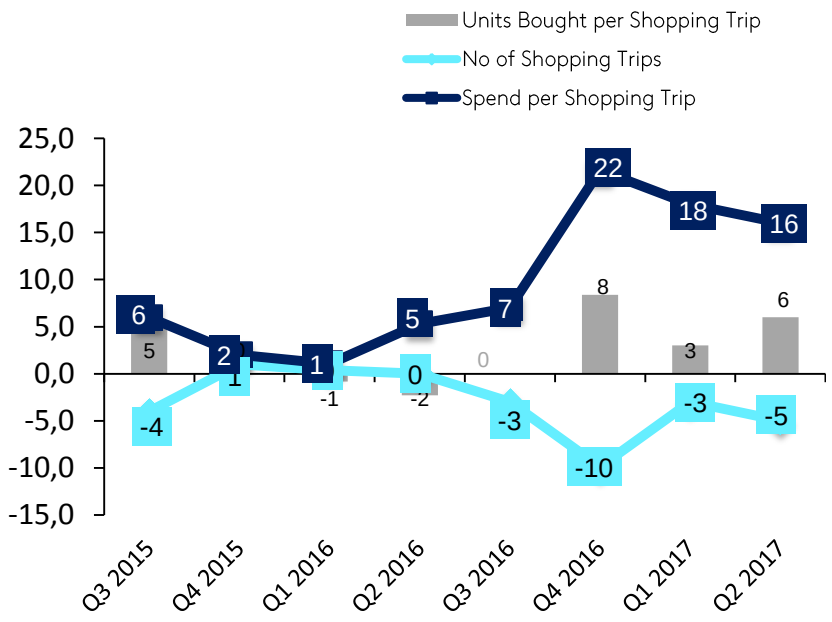
Ever increasing unit price has impacted to the declining number of shopping trips, driving shoppers to buy more on each purchase.

QUARTERLY GROWTH VS YEAR AGO

VALUE VOLUME & PRICE



FREQUENCY, UNITS BOUGHT & SPEND PER TRIP



Quarterly (12 WEEKLY) Data vs Year Ago

Q2 2017 OUTLOOK

	MAT Q2 2016	MAT Q2 2017
Value %	5.2%	9.5%
Volume % (units)	1.4%	-0.6%
Price per unit	3.7%	10.2%
Frequency	-0.9%	-5.3%

MAT June 2017 Data vs Year Ago

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

3 FMCG BUYERS ACROSS SES
YEARLY DATA

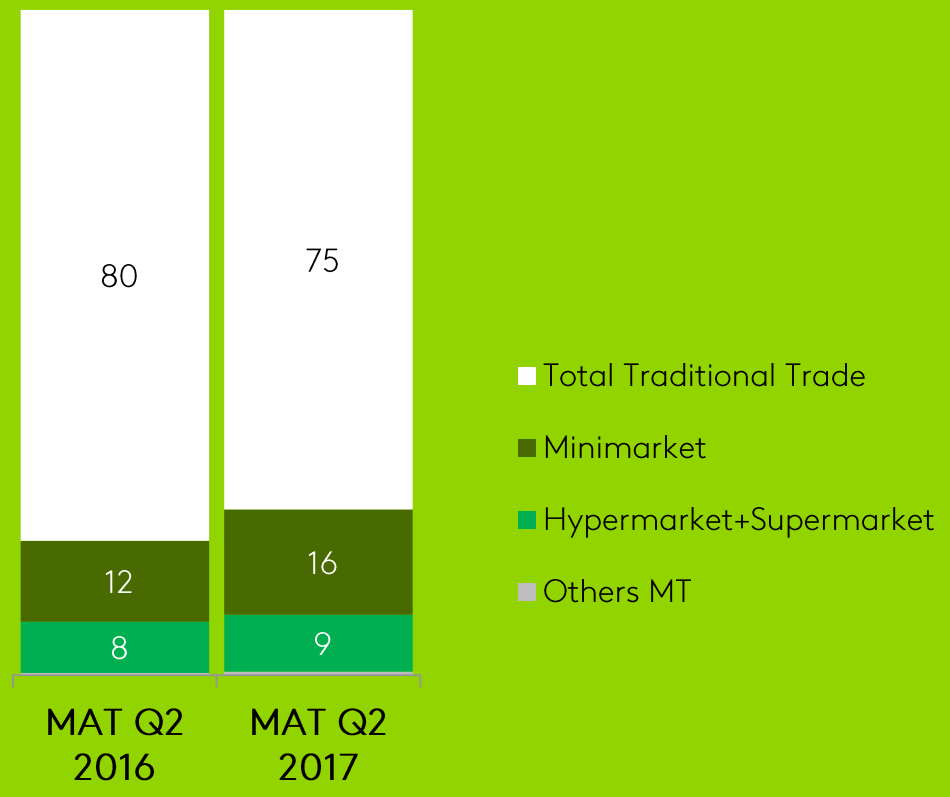
Middle and Lower Class consumers continued to increase their FMCG spending as they induce trial to products at higher price tier and exposures to new categories.

	UPPER CLASS 26% of Indonesia	MIDDLE CLASS 40% of Indonesia	LOWER CLASS 34% of Indonesia
SPEND PER BUYER	+5.3%	+9.4%	+12.6%
VOLUME (UNITS) PER BUYER	-3.7%	-0.3%	-0.2%
PRICE/UNIT	+9.4%	+9.7%	+12.9%
FREQ	-7%	-3.1%	-6.6%
#CATEGORIES BOUGHT CHANGE	+1.3 From 52 to 53 categories	+2.2 From 47 to 49 categories	+2.9 From 41 to 44 categories

Indonesia National, MAT June 2017 vs YA, Total FMCG In Home Data, SES Breakdown (based on monthly household expenditure)

4 RETAILER SNAPSHOT

VALUE SHARE%



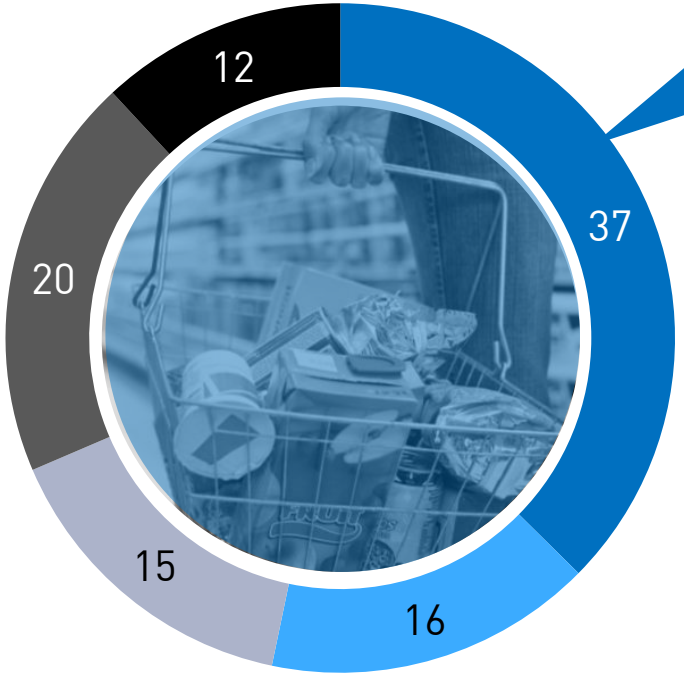
Minimarket continued to rise its value share, attributed by the intense consumer promotions that drives shoppers to increase their trip size.

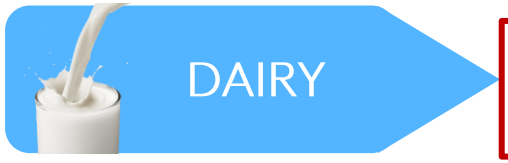
Source : *Kantar Worldpanel Indonesia – Household Panel – Total FMCG*

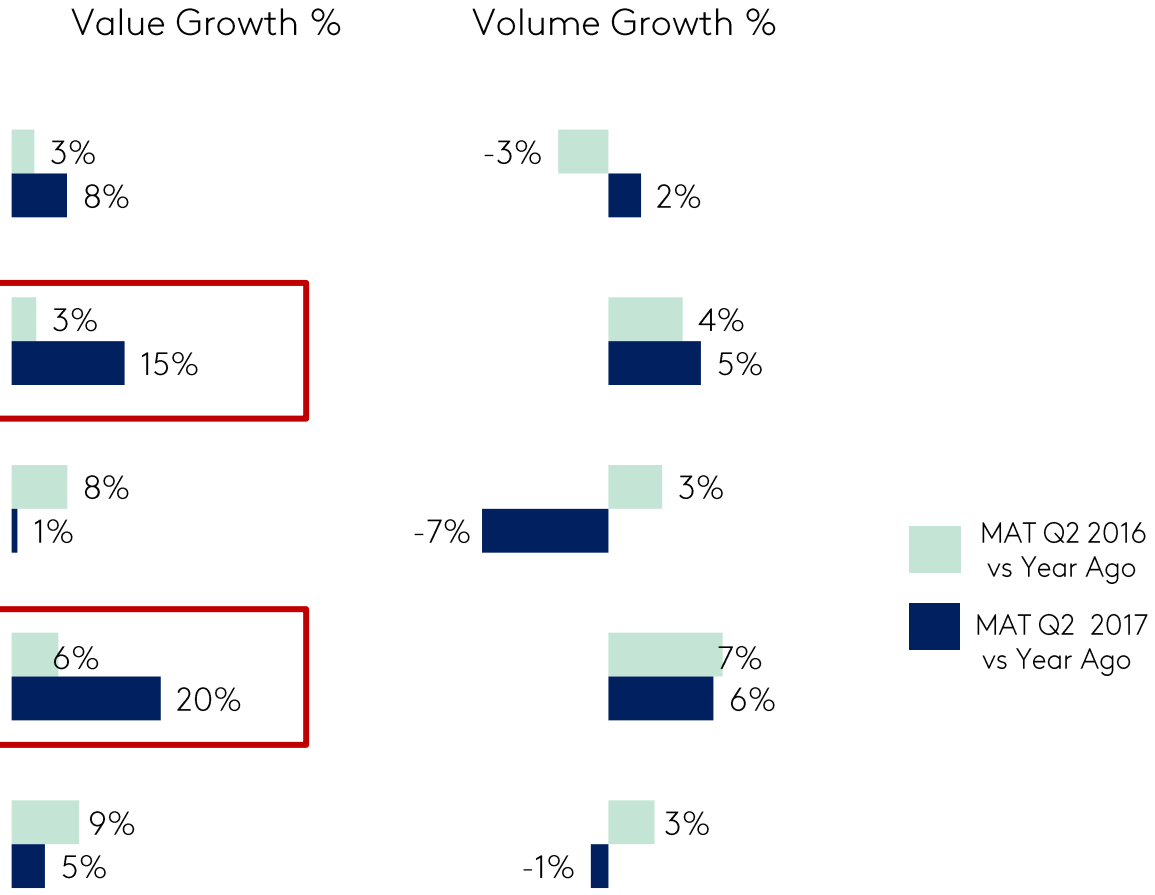
5 SEGMENT PERFORMANCE

Immense growth is shown within dairy sector and personal care. Increasing consumption and price increase attributed to the compelling rise which indicates increasing demand and premiumization.

Segment value % contribution







Indonesia National, 52 w/e June 2017 vs YA, Total FMCG In Home Data

6 DO YOU KNOW?

Beside penetration, purchase frequency also attributes as a pivotal factor that drives product relevance to reach more consumers and it's captured among top 5 Indonesia's most chosen categories.

INDONESIA'S TOP 5 MOST CHOSEN CATEGORIES

All categories already reach 99% penetration

INSTANT NOODLE
Purchase Frequency
1-2 times per week

INSTANT COFFEE
Purchase Frequency
1-2 times per week

DETERGENT
Purchase Frequency
Once a week

BISCUIT
Purchase Frequency
Once a week

SEASONING & STOCK
Purchase frequency
Once a week

Source: Kantar Worldpanel – Brand Footprint Report 2017 – Indonesia (Urban)

KANTAR WORLDPANEL

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

CONTACT US

Kantar Worldpanel Indonesia
World Trade Center 6, 7th Floor, JL Jendral Sudirman Kav 29-31, Jakarta, 12920

fanny.murhayati@kantarworldpanel.com
priatama.arifin@kantarworldpanel.com
www.kantarworldpanel.com/id

Kantar Worldpanel Indonesia @KWP_ID