Indonesia’s 6-Month Economic and Political Review 2021

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Monday, 28 June 2021 | 14:00 - 15:30 (GMT+7)
Free! Registration via Eventbrite - bit.ly/FPCIREVIEW21

www.fpcindonesia.org
The Speaker
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Former Executive Director The Nielsen Company

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Associate to Capillary Tech – Omni Channel Retail Solution
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Senior Associate, Foreign Policy Community of Indonesia
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Faculty member of Rumah Perubahan

Was Professor MM-UI, Senior Academic Advisor Bunda Mulia University
Book author of RETAIL RULES.
HOLIDAY > NEW WAVE > GROWTH SLOW DOWN
HOLIDAY CURSE DURING PANDEMIC

Post-Holiday Spike

- 20 days after Independence day
- 30 days after Maulid Muhammad
- 15 days after New Year’s
- 15 days after Idul Fitri

7DMA of daily total confirmed (RHS) vs 2-week growth
Timing for lockdown is crucial.
DURING PANDEMIC BOTH OFFLINE AND ONLINE ARE BUSTED

Plummet

Plummet

Source: Big data analytic, * Data Juli 2020
SWITCHING TO ONLINE IS ONLY A FRACTION

The switching from larger to smaller channel accelerates

Net Switching

Hypermarket

Online

Supermarket

Minimarket

6%  2%  12%

0.4%  0.1%

4%

Source: CPS
Online FMCG is tiny and driven by B2B

Source: 2017 estimates based on Nielsen Retail Measurement Services, Nielsen Consumer Panel Services, Nielsen E-Commerce Measurement, Leading Industry
CONSUMER BEHAVIOR RETURN TO NORMAL (CHANGE DURING PANDEMIC IS NOT STICKY)

Restaurant delivery
- Convenience for consumers, replacing some home cooking and meals out
- But also return to dining in restaurants once health concerns wane

Online grocery shopping
- Convenience for consumers
- Surge in new users during pandemic
- Efficiency for grocers
- Some return to in-person shopping, such as handpicking and selecting produce

Online education
- Corporate training and postsecondary education move to hybrid model
- But online schooling ineffective for younger ages

Telemedicine
- Convenience for patients and doctors
- Surge in new users during the pandemic
- Enabled by new personal digital health devices
It was temporary action
2021 GROWTH POSTPONEMENT
INDONESIA RETAIL ANNUAL GROWTH CYCLE

Q3 dan Q4 harus biasanya tumbuh meninggi dan membangun BASELINE baru buat pertumbuhan tahun berikutnya.
FMCG GROWTH 2021 IS PICKING UP DUE TO FESTIVE
# Growth Projection Revised

<table>
<thead>
<tr>
<th>Economic Activity</th>
<th>Q2 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
<th>Q1 21</th>
<th>Q2 21</th>
<th>Q3 21</th>
<th>Q4 21</th>
<th>Q1 22</th>
<th>Q2 22</th>
<th>Q3 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP (QoQ%)</td>
<td>-4.2</td>
<td>5.0</td>
<td>-0.4</td>
<td>-0.6</td>
<td>2.6</td>
<td>4.4</td>
<td>-0.6</td>
<td>-0.7</td>
<td>2.9</td>
<td>3.7</td>
</tr>
<tr>
<td>Real GDP (YoY%)</td>
<td>-5.3</td>
<td>-3.5</td>
<td>-2.2</td>
<td>-0.5</td>
<td>6.7</td>
<td>6.0</td>
<td>5.5</td>
<td>5.1</td>
<td>5.0</td>
<td>4.9</td>
</tr>
<tr>
<td>CPI (YoY%)</td>
<td>2.3</td>
<td>1.4</td>
<td>1.6</td>
<td>1.6</td>
<td>2.1</td>
<td>2.6</td>
<td>2.7</td>
<td>2.7</td>
<td>2.7</td>
<td>2.7</td>
</tr>
</tbody>
</table>
This wave COVID cases is more exponential.
JAKARTA ALONE IS PHENOMENAL

Source: BNPB, Verdhana research
FASTER SPREAD THIS TIME

Source: Jakarta COVID-19 task force, Verdhana research
# 4th Wave PPKM Similar to 3rd Wave; Focus on Red Zone

<table>
<thead>
<tr>
<th>Timeline</th>
<th>PSBB I (national)</th>
<th>PSBB II (national)</th>
<th>PPKM 1 (Java-Bali restriction)</th>
<th>PPKM 2 (national)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of days</td>
<td>32</td>
<td>35</td>
<td>36</td>
<td>14</td>
</tr>
<tr>
<td>Non-essential sector</td>
<td>Full work-from-home</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Art and social activities</td>
<td>Closed</td>
<td>Closed</td>
<td>Closed</td>
<td>Closed</td>
</tr>
<tr>
<td>(Political, exercises, entertainment)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traditional markets and shopping malls</td>
<td>Essential shops and F&amp;B only</td>
<td>50% ; up to 9PM</td>
<td>25% capacity; up to 25/Jan = 7PM ; 25/Jan - 8/Feb = 8PM; 25/Jan - 8/Feb = 8PM; takeaways/delivery 24 hours</td>
<td>Only shopping malls: 25% ; up to 8PM takeaways/delivery 24 hours</td>
</tr>
<tr>
<td>F&amp;B</td>
<td>No dine-ins</td>
<td>No dine-ins</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>11 essential sectors</td>
<td>100%</td>
<td>50%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Additional essential sectors:</td>
<td>Traditional markets, minimarkets, supermarket, hypermarket (only for Jakarta)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public facilities</td>
<td>Closed (no gathering above 5 people)</td>
<td>Closed (no gathering above 5 people)</td>
<td>Closed</td>
<td>Closed in red zones, 25% in other zones</td>
</tr>
<tr>
<td>Weddings/other ceremonies</td>
<td>No receptions/celebrations</td>
<td>No receptions/celebrations</td>
<td>Maximum 30 person</td>
<td>25%</td>
</tr>
<tr>
<td>Worship places</td>
<td>Closed</td>
<td>Closed in red zones, 50% in other zones</td>
<td>50%</td>
<td>Closed in red zones, 50% in other zones</td>
</tr>
<tr>
<td>Construction project</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>School and education institution</td>
<td>Online</td>
<td>Online</td>
<td>Online</td>
<td>Online</td>
</tr>
<tr>
<td>Public transportation</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Private transportation</td>
<td>50%</td>
<td>Max 2 people per row, except for passengers from same domicile</td>
<td>No restrictions</td>
<td>No restrictions</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Curfew in 10 spot/main roads</td>
</tr>
</tbody>
</table>

*to be evaluated every 2 weeks

Source: government data, Verdana research
JUNE 21 WILL BE CONSUMPTION DEEP CHASM

**After festive drop**

**PPKM 4th wave**

**June school fee payment**

Q2 GDP Growth

2.5 - 3%
JUMPSTART Q4 AND DIGITAL TRUE ACCELERATION
IT MAY TAKE 2 MONTHS TO BRING DOWN CASES (JULY AUGUST 21)
BREAKOUT IN KUDUS SEEM TO BE CONTROLLED
PEOPLE MUST GO MALLING
Jakarta leads the trend
ALL TYPE OF FOOD PLACES GAIN BACK
UPGRADE VERSION FOR NEW PROKES

PROKES V1.0

Body temp check
Mask, wash hand, distance

PROKES V2.0 (new)

Oxygen saturation and temperature check
Double Mask, wash hand, distance
Vaccination
Antigen test for every meeting as mandatory

Tracing system
Acceleration or **Deceleration by Covid19**

**TREN DIGITALISASI DI INDONESIA: AKSELERASI DI TENGAH PANDEMI**

Statistik Transaksi Ekonomi – Keuangan Digital


**TRANSAKSI E-COMMERCE** (Nominal, Rp Triliun)

- 2017: 42,2
- 2018: 105,6
- 2019: 205,5
- 2020*: 429,0*

Sumber: Bank Indonesia, 2020
*Data proyeksi, realisasi s.d Agustus 2020 Rp179,4T

**TRANSAKSI DIGITAL BANKING** (Nominal, Rp Triliun)

- 2017: 16.998,1
- 2018: 21.859,5
- 2020*: 26.638,7

Sumber: Bank Indonesia, 2020
*Data proyeksi, realisasi s.d Agustus 2020 Rp17.215,8T

**TRANSAKSI UANG ELEKTRONIK** (Nominal, Rp Triliun)

- 2017: 12,4
- 2018: 47,2
- 2019: 145,2
- 2020*: 196,9*

Sumber: Bank Indonesia, 2020
*Data proyeksi, realisasi s.d Agustus 2020
Nilai Transaksi E-Commerce Mencapai Rp 266,3 Triliun pada 2020

Nominal Transaksi E-Commerce (2017-2020)
Sumber: Bank Indonesia (BI), Januari 2021

<table>
<thead>
<tr>
<th>Tahun</th>
<th>Nilai Rp Triliun</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>42,2</td>
</tr>
<tr>
<td>2018</td>
<td>105,6</td>
</tr>
<tr>
<td>2019</td>
<td>205,3</td>
</tr>
<tr>
<td>2020</td>
<td>266,3</td>
</tr>
</tbody>
</table>

Expectation 109% vs Reality 30%
2020, BI Catat Transaksi Digital Banking 774,5 Triliun

JAKARTA, investor.id - Bank Indonesia (BI) mencatat sepanjang tahun 2020 transaksi non tunai mengalami peningkatan seiring dengan perkembangan digitalisasi. Adapun, nilai transaksi digital banking mencapai Rp 2.774,5 triliun atau meningkat 13,91% secara tahunan (year on year/yoy).

Gubernur BI: Selama Pandemi, Transaksi Digital Naik 37,8 Persen

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