

Indonesia's 6-Month Economic and Political Review 2021



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Yongky Susilo
Board of Experts of Indonesian Retail and
Mall Tenant Association (HIPPIINDO)



Moderated by
Donny Agustiady
Director of PwC Indonesia



Hosted by
Dr. Dino Patti Djalal
Founder and Chairman of FPCI

Monday, 28 June 2021 | 14:00 - 15:30 (GMT+7)

e Free! Registration via Eventbrite - bit.ly/FPCIREVIEW21

The Speaker

Retail and Consumer Strategist



KADIN International Trading House
Former Executive Director The Nielsen Company

Kresna - Technology Investment
Associate to Capillary Tech – Omni Channel Retail Solution
Advisor Paper.ID – Digital Invoice

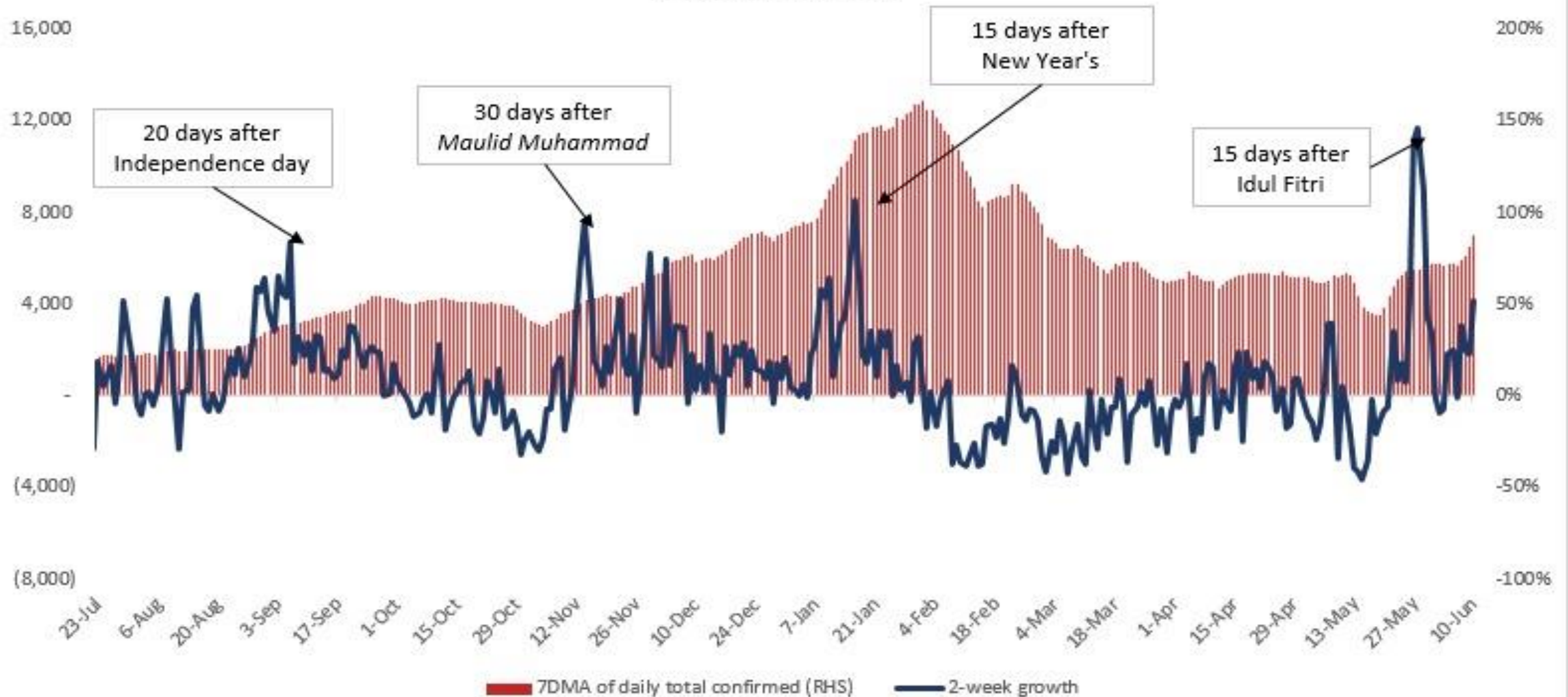
Senior Associate, Foreign Policy Community of Indonesia
Member of Satgas Pokja 3 Ekonomi
Member APINDO, FORKOM Kemendag
Board expert of HIPINDO, Advisor AP3MI
Faculty member of Rumah Perubahan

Was Professor MM-UI, Senior Academic Advisor Bunda Mulia
University
Book author of RETAIL RULES .

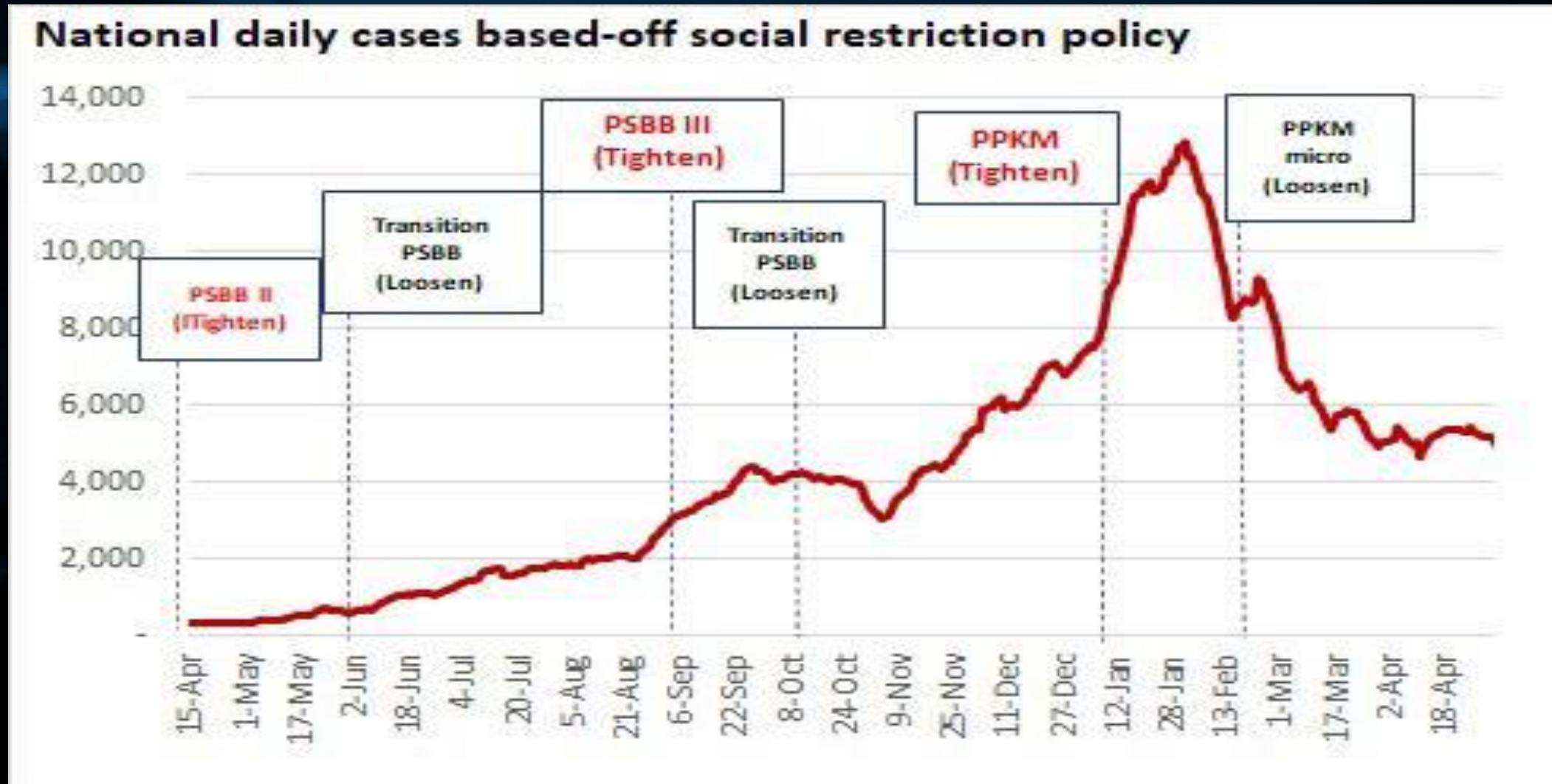
HOLIDAY > NEW WAVE > GROWTH SLOW DOWN

HOLIDAY CURSE DURING PANDEMIC

Post-Holiday Spike

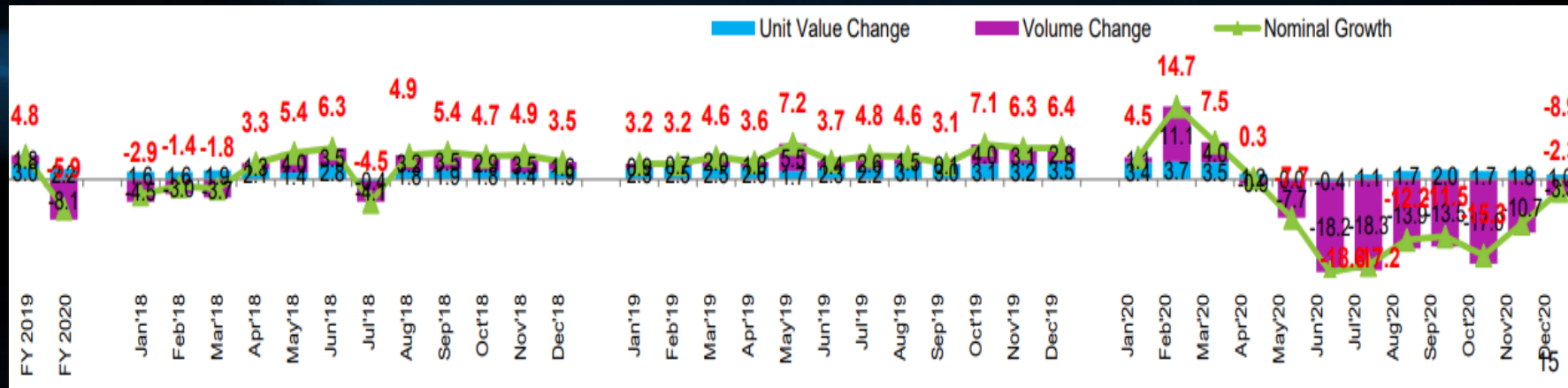


TIMING FOR LOCKDOWN IS CRUCIAL



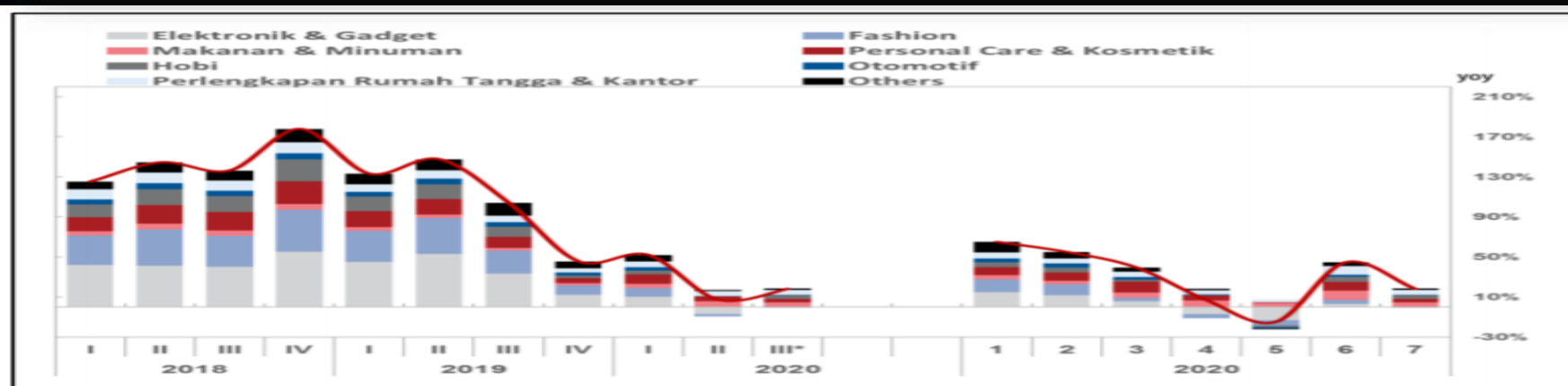
DURING PANDEMIC BOTH OFFLINE AND ONLINE ARE BUSTED

Offline



Plummet

Online



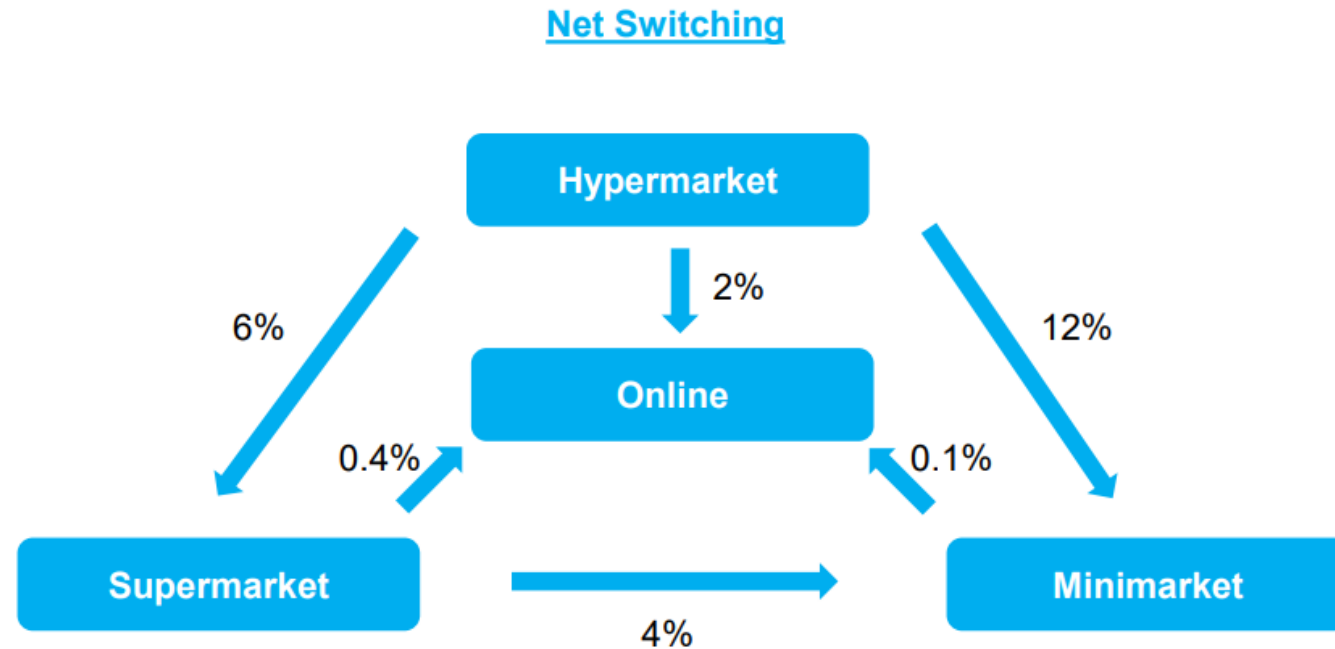
Sumber: Big data analytic, * Data Juli 2020

Plummet

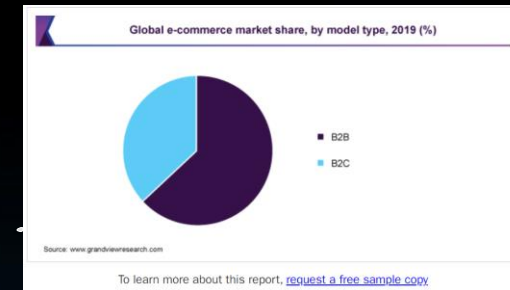
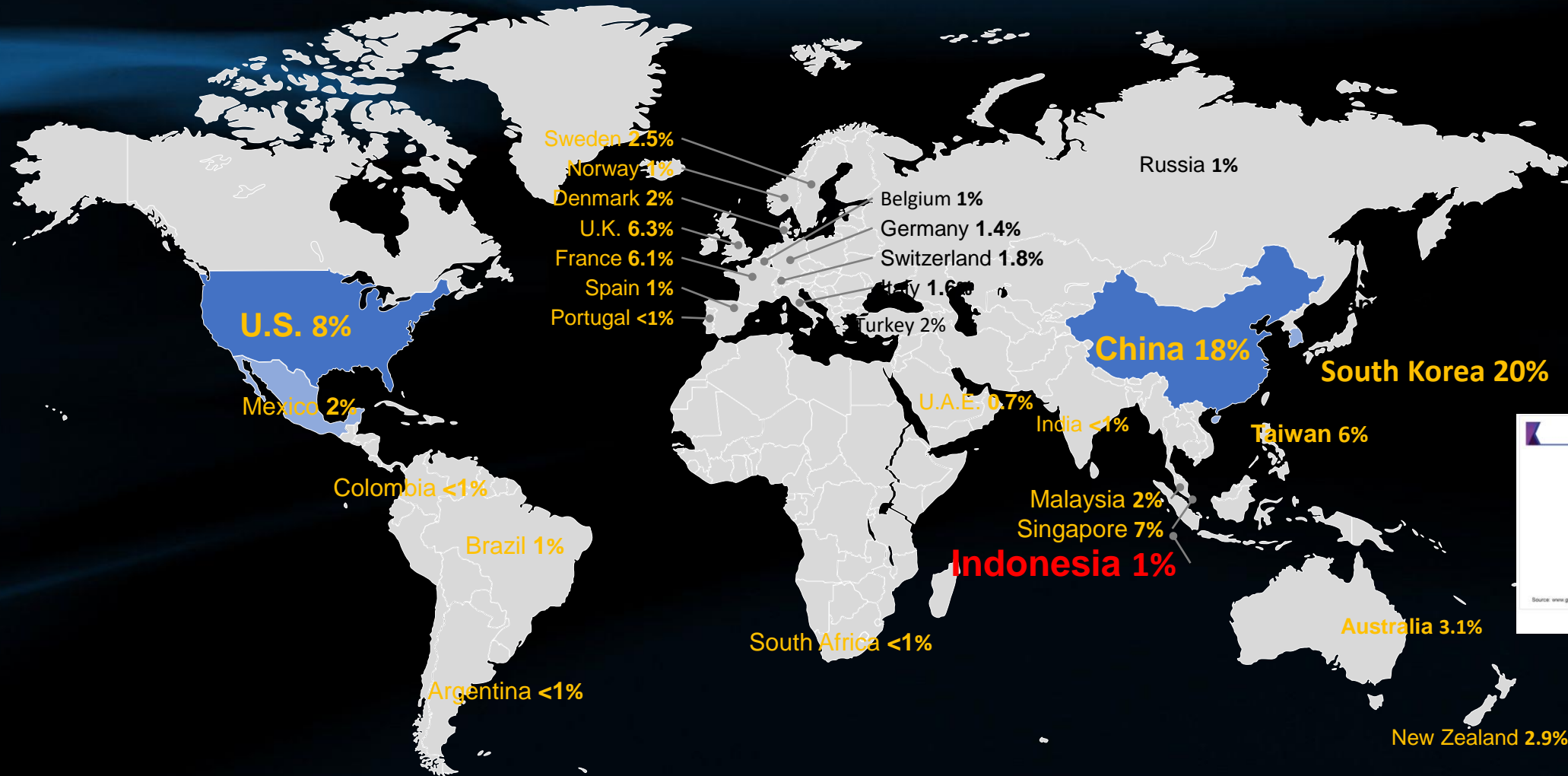
SWITCHING TO ONLINE IS ONLY A FRACTION

n

The switching from larger to smaller channel accelerates



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



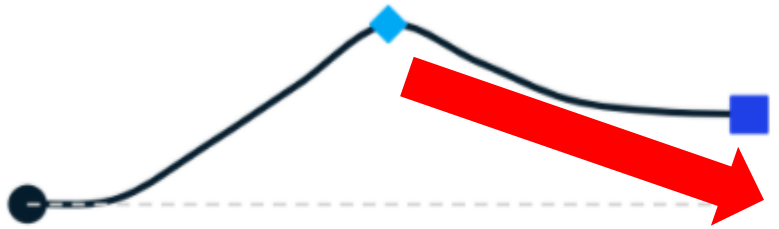


- Corporate training and postsecondary education move to hybrid model
- But online schooling ineffective for younger ages

Telemedicine



- Convenience for patients and doctors
- Surge in new users during the pandemic
- Enabled by new personal digital health devices

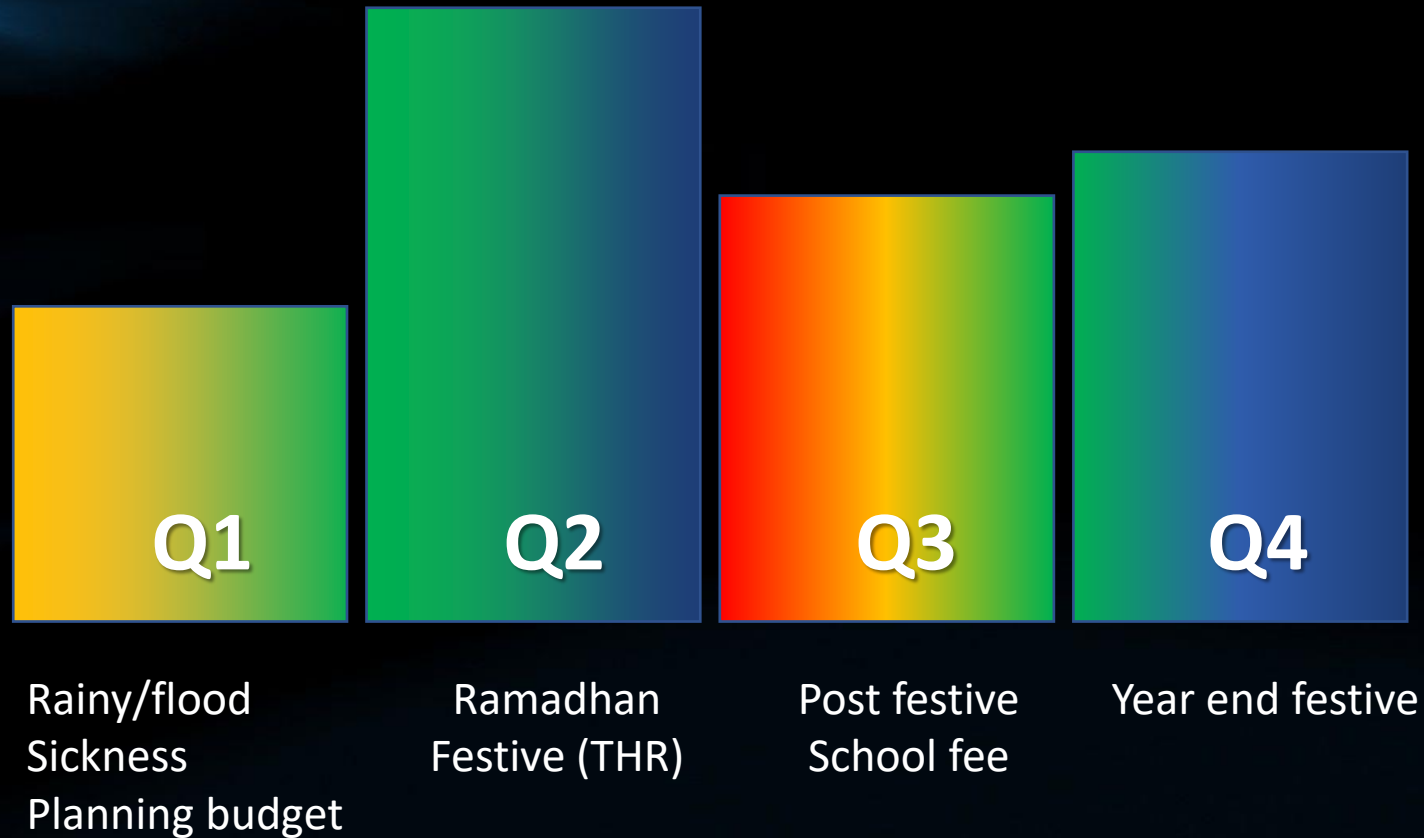
IT WAS TEMPORARY ACTION

Evolution of demand over pandemic period, illustrative	Reasons why trend may or may not stick after pandemic
<p data-bbox="308 425 509 515">Work from home</p> 	<ul data-bbox="1388 429 2153 572" style="list-style-type: none">• Flexibility for workers• Cost savings for companies• But some tasks more effective in person
<p data-bbox="308 718 484 808">Business travel</p> 	<ul data-bbox="1388 722 2153 908" style="list-style-type: none">• Videoconferencing and other digital tools available as alternatives• Cost savings for companies• Carbon reduction goals of companies
<p data-bbox="308 1011 453 1100">Leisure travel</p> 	<ul data-bbox="1388 1015 2153 1200" style="list-style-type: none">• Streaming and virtual tourism inadequate substitutes• Leisure travel in China has surpassed pre-pandemic level

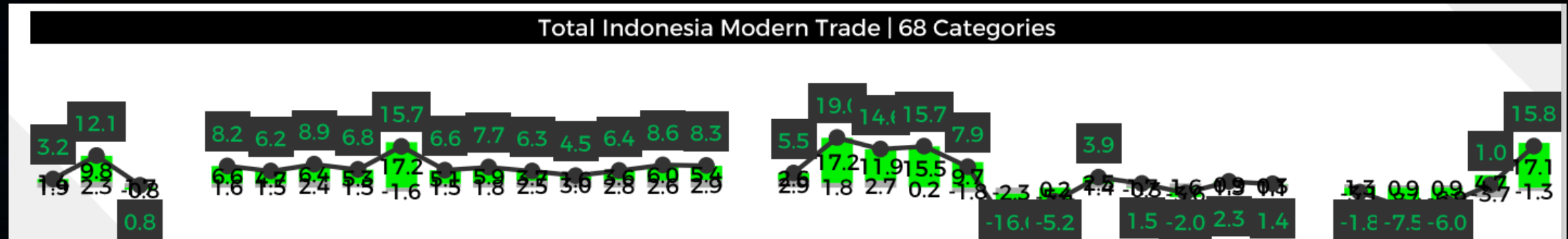
2021 GROWTH POSTPONEMENT

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

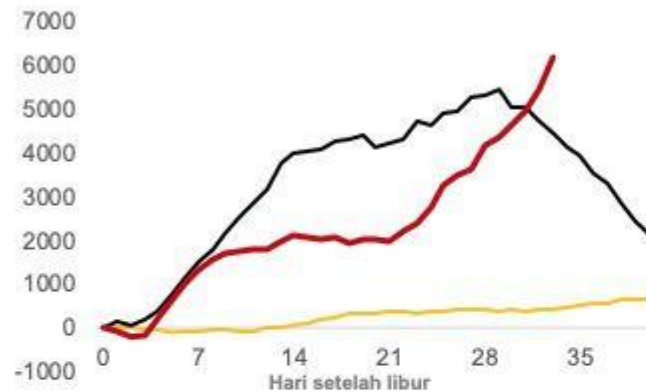
Indicator	Actual / Forecasts					Probability of Recession					20.0%
	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	
Economic Activity											
Real GDP (QoQ%)	-4.2	5.0	-0.4	-0.6	2.6	4.4	-0.6	-0.7	2.9	3.7	
Real GDP (YoY%)	-5.3	-3.5	-2.2	-0.5	6.7	6.0	5.5	5.1	5.0	4.9	
CPI (YoY%)	2.3	1.4	1.6	1.6	2.1	2.6	2.7	2.7	2.7	2.7	

THIS WAVE COVID CASES IS MORE EXPONENTIAL

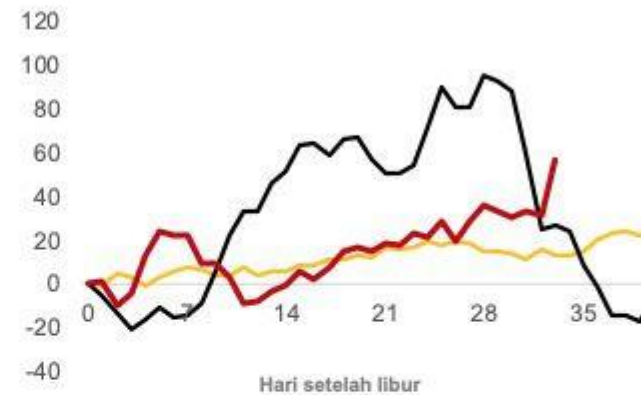
Pola kenaikan kasus lebih **eksponensial** dibandingkan libur Nataru

Pada H+33 libur Nataru, kasus sudah melewati puncaknya. Namun, saat ini, kasus masih terus menanjak.

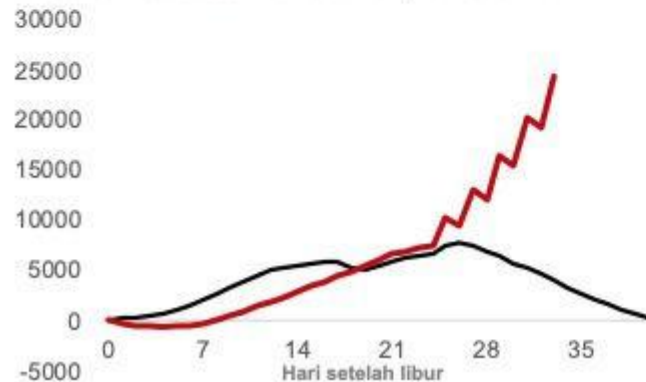
Penambahan **Kasus** dibandingkan baseline



Penambahan **Kematian** dibandingkan baseline



Penambahan **Perawatan RS** dibandingkan baseline



Perbandingan baseline hari ke-0:

Idul Fitri 2020 - 25 Mei '20

Natal Tahun Baru - 3 Jan '21

Idul Fitri 2021 - 16 Mei '21

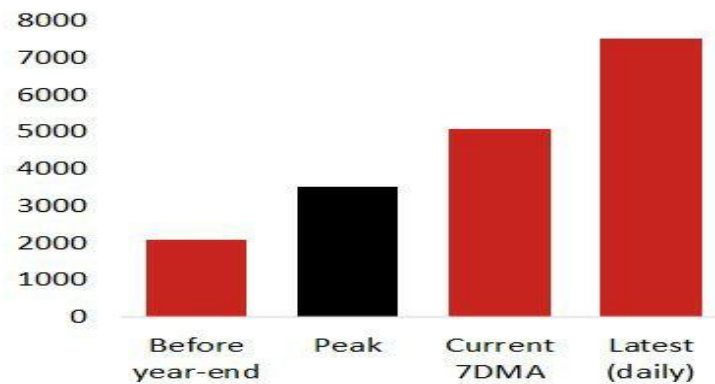
Update 18 Juni 2021

JAKARTA ALONE IS PHENOMENAL

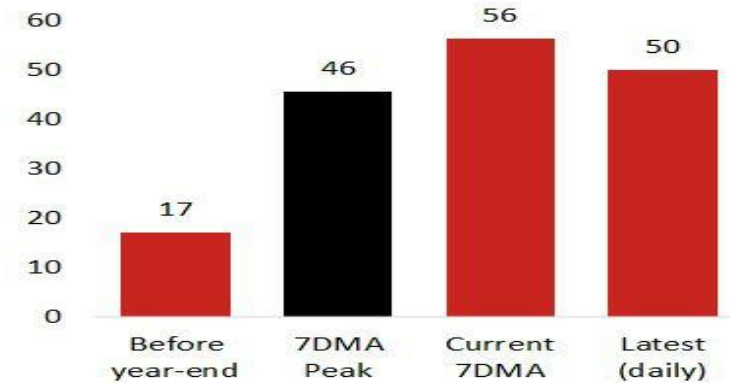
7DMA Jakarta fatality cases vs daily confirmed cases



Confirmed cases (# of people)

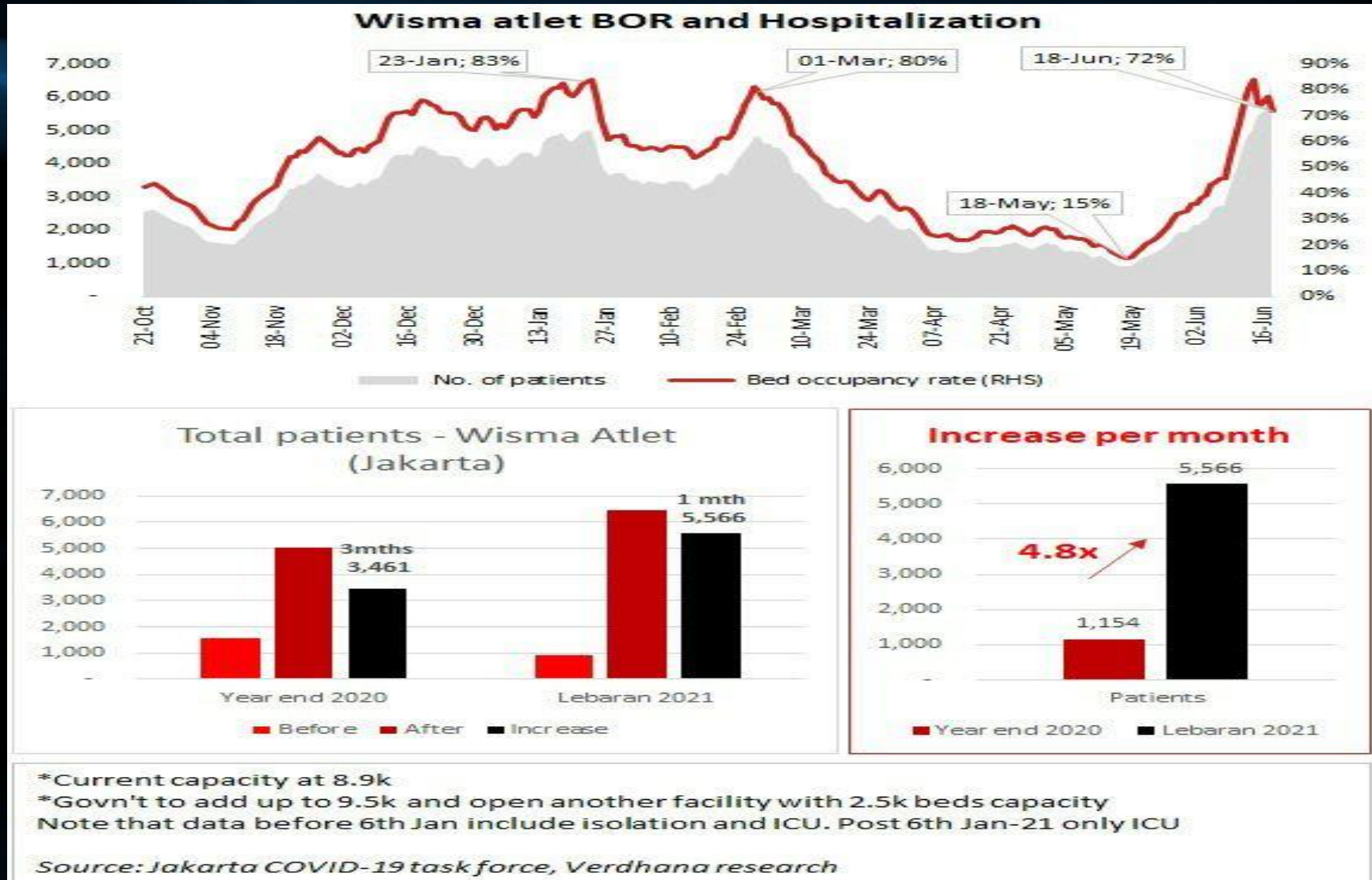


7DMA fatality cases (# of people)



Source: BNPB, Verdhana research

FASTER SPREAD THIS TIME



4TH WAVE PPKM SIMILAR TO 3RD WAVE; FOCUS ON RED ZONE

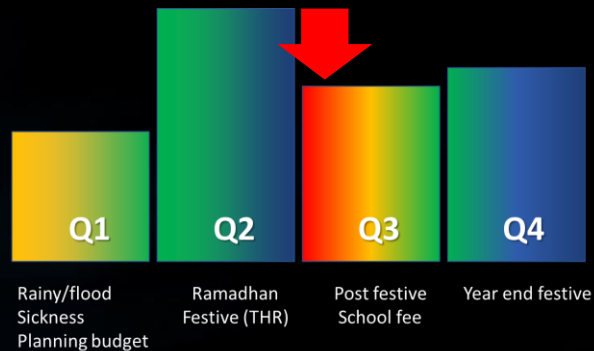
	PSBB I (national)	PSBB II (national)	PPKM 1 (Java-Bali restriction)	PPKM 2 (national)
Timeline	(10'Apr - 3'June 2020)	(14'Sep - 11'Oct 2020)	(11'Jan - 8'Feb 2021)	(22'Jun - 5 Jul 2021)*
Number of days	32	35	36	14
Non-essential sector	Full work-from-home	25%	25%	25%
Art and social activities (Political, exercises, entertainment)	Closed	Closed	Closed	Closed
Traditional markets and shopping malls	Essential shops and F&B only	50% ; up to 9PM	25% capacity; up to 25'Jan = 7PM ; 25'Jan - 8'Feb = 8PM;	Only shopping malls: 25% ; up to 8PM
F&B	No dine-ins	No dine-ins	25% capacity; up to 25'Jan = 7PM ; 25'Jan - 8'Feb = 8PM; takeaways/delivery 24 hours	25% ; up to 8PM takeaways/delivery 24 hours
11 essential sectors	100%	50%	100%	100%
Additional essential sectors: Traditional markets, minimarkets, supermarket, hypermarket (only for Jakarta)	-	-	-	100%; (some restriction on operational hours)
Public facilities	Closed (no gathering above 5 people)	Closed (no gathering above 5 people)	Closed	Closed in red zones, 25% in other zones
Weddings/other ceremonies	No receptions/celebrations	No receptions/celebrations	Maximum 30 person	25%
Worship places	Closed	Closed in red zones, 50% in other zones	50%	Closed in red zones, 50% in other zones
Construction project	100%	100%	100%	100%
School and education institution	Online	Online	Online	Online
Public transportation	50%	50%	50%	50%
Private transportation	50%	Max 2 people per row, except for passengers from same domicile	No restrictions	No restrictions
Others	-	-	-	Curfew in 10 spot/main roads

**to be evaluated every 2 weeks*

Source: government data, Verdhana research

JUNE 21 WILL BE CONSUMPTION DEEP CHASM

After festive drop



PPKM 4th wave



June school fee payment



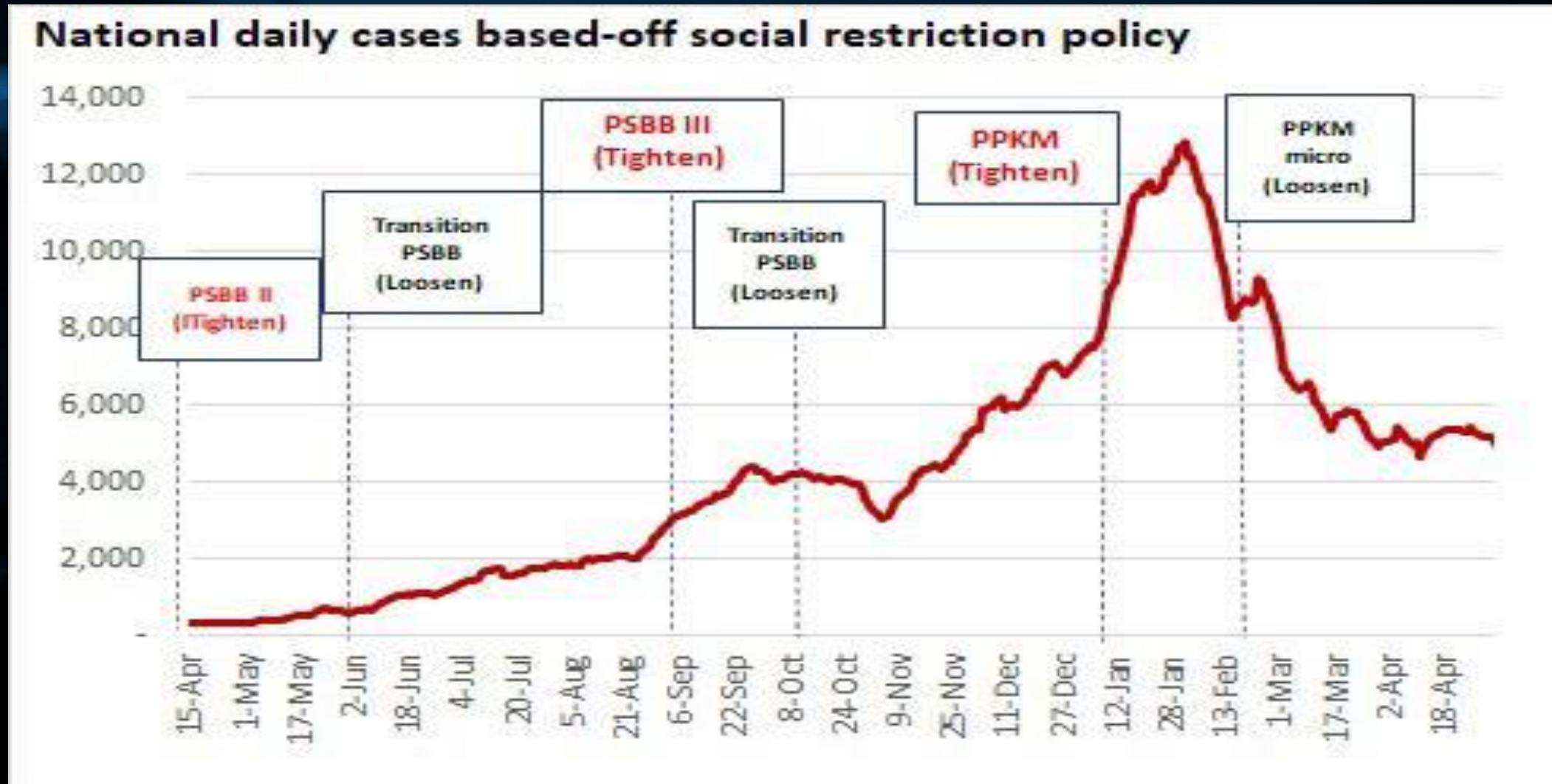
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Q2 GDP Growth

2.5 - 3%

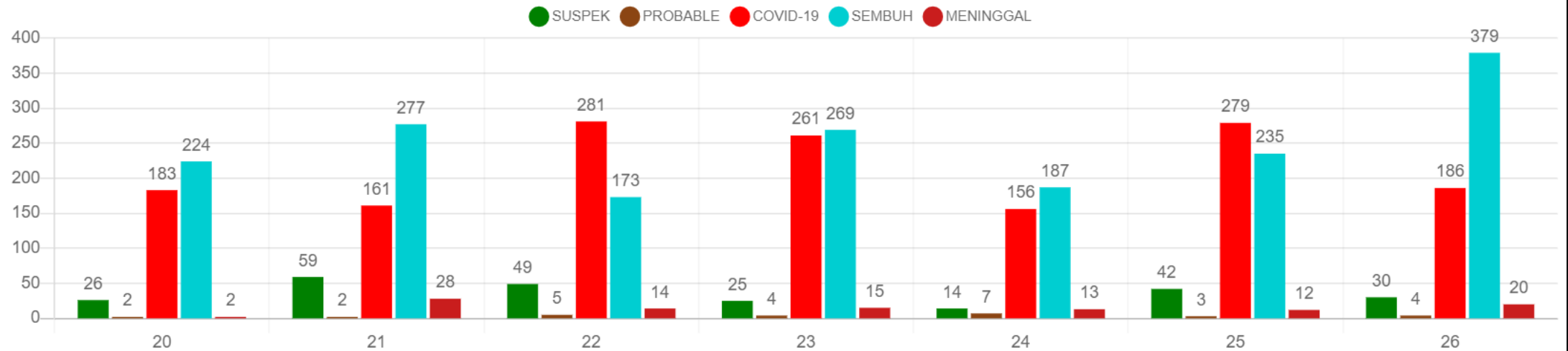
JUMPSTART Q4 AND DIGITAL TRUE ACCELERATION

IT MAY TAKE 2 MONTHS TO BRING DOWN CASES (JULY AUGUST21)

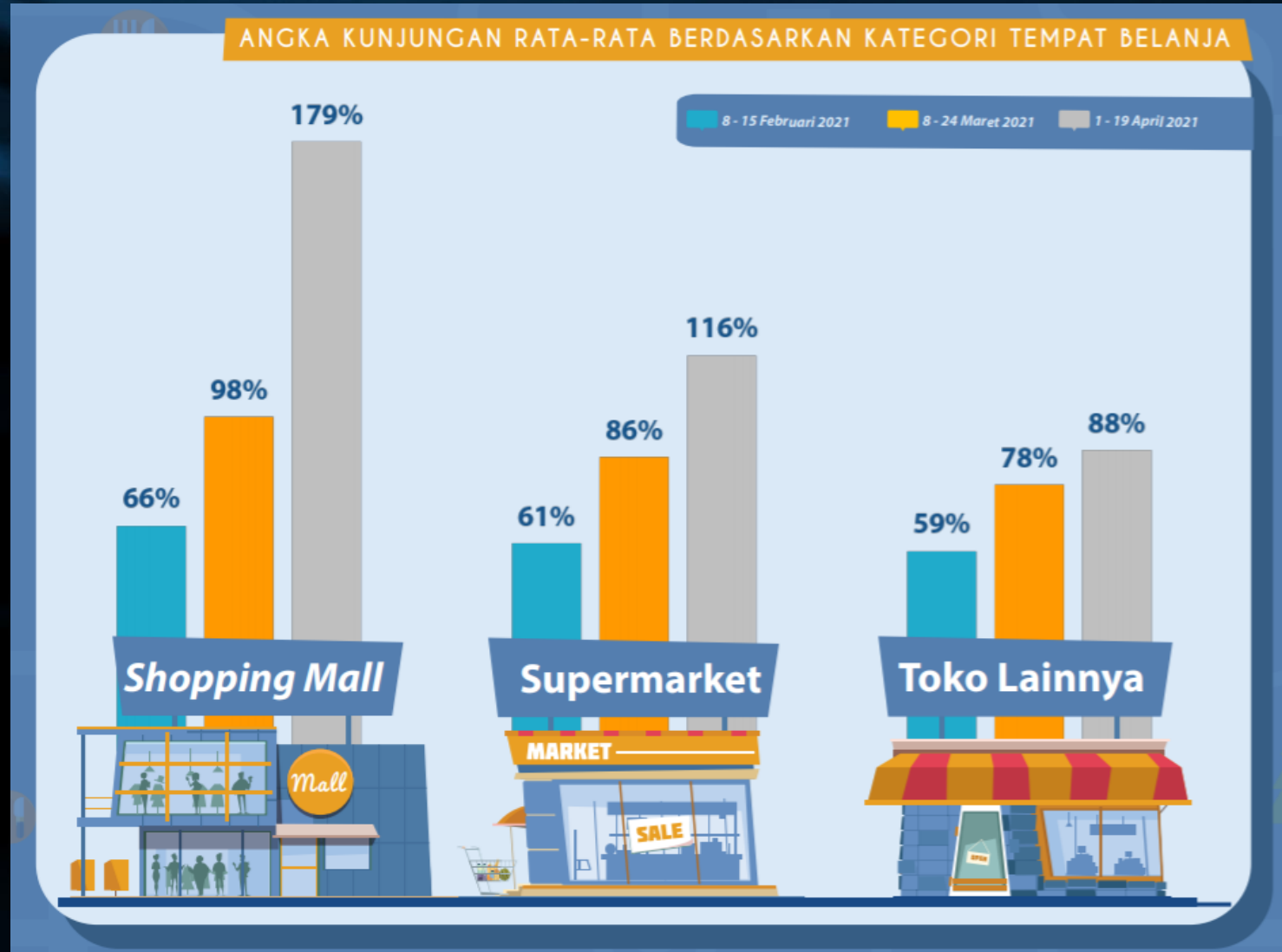


BREAKOUT IN KUDUS SEEM TO BE CONTROLLED

GRAFIK PENAMBAHAN KASUS COVID-19 TANGGAL 20 - 26 Juni 2021



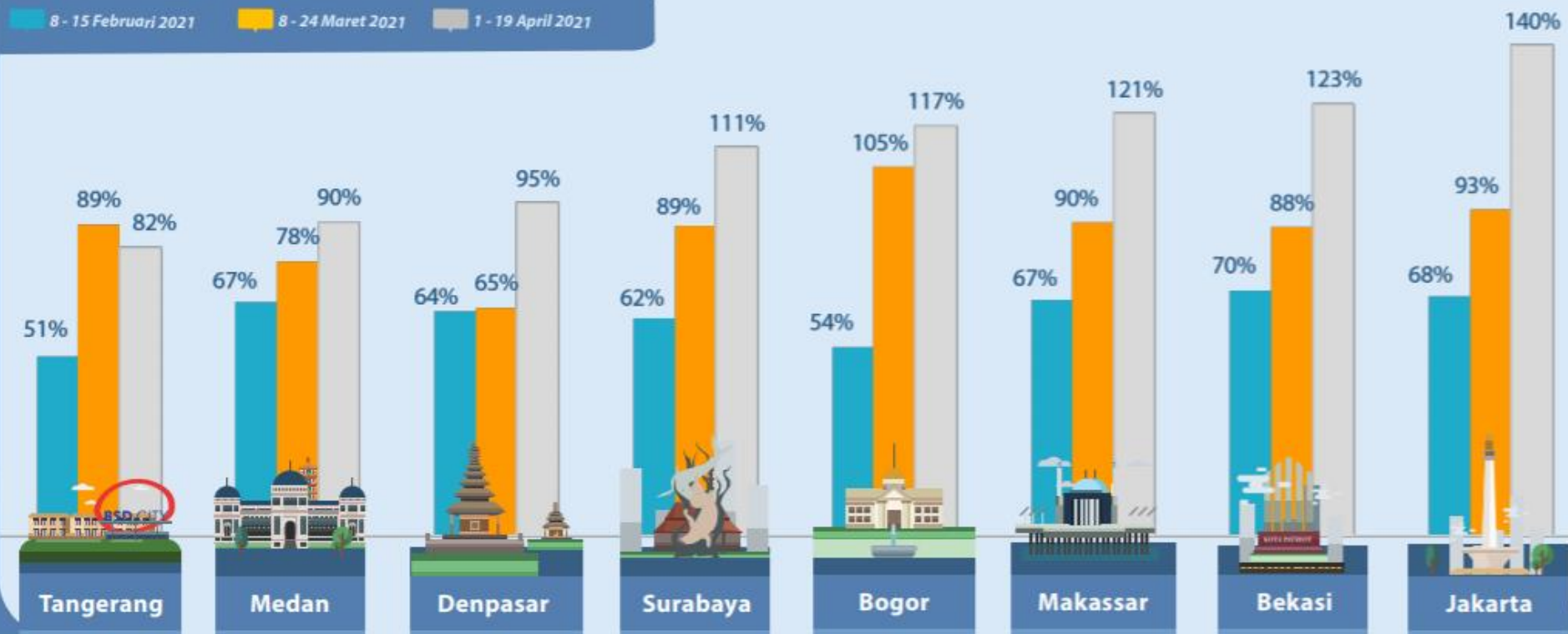
PEOPLE MUST GO MALLING



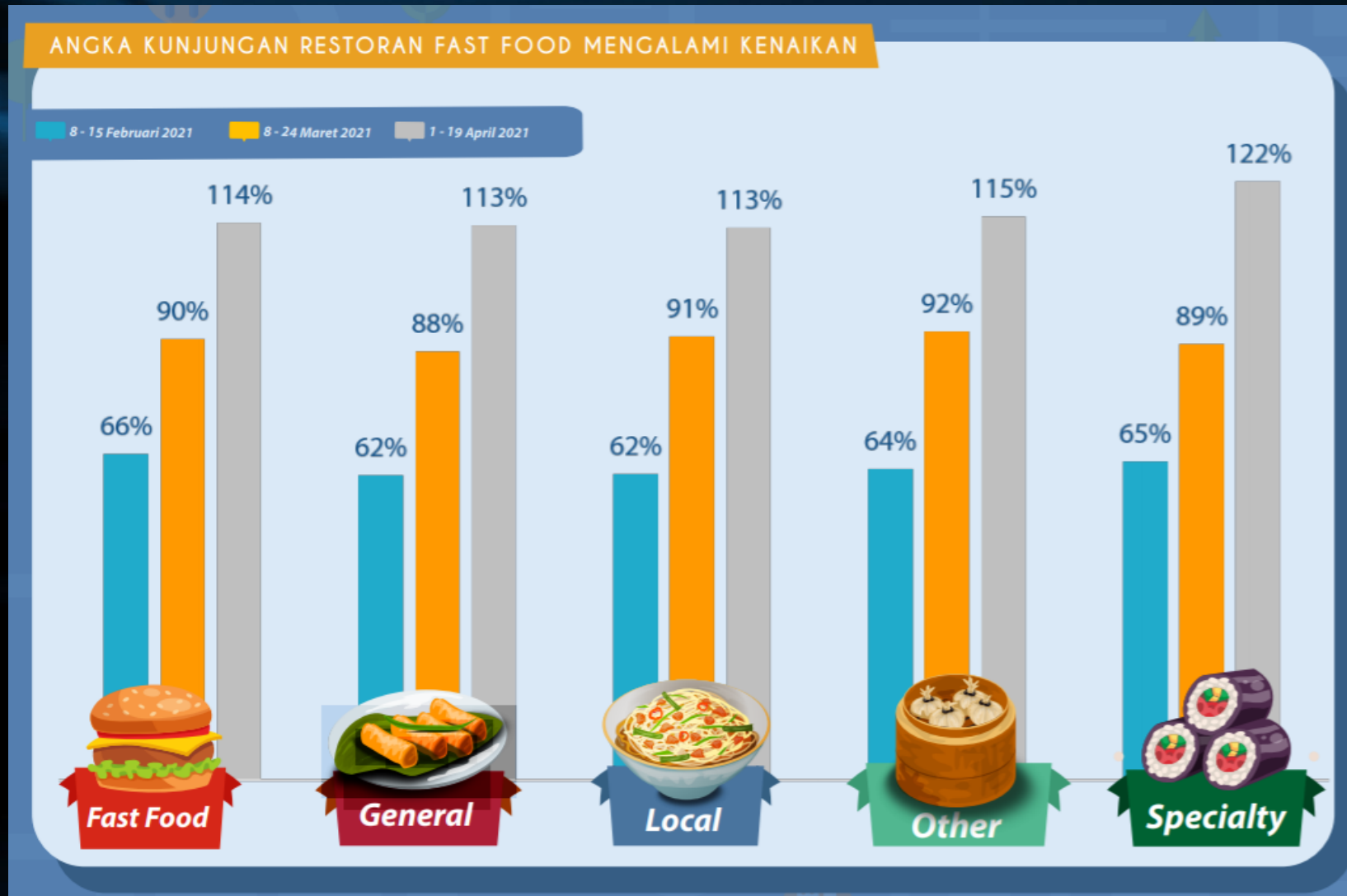
JAKARTA LEADS THE TREND

ANGKA INI MELONJAK DRASTIS DIBANDINGKAN DENGAN POSISI DI BULAN MARET 2021.

ANGKA KUNJUNGAN RATA-RATA RESTORAN BERDASARKAN KOTA



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

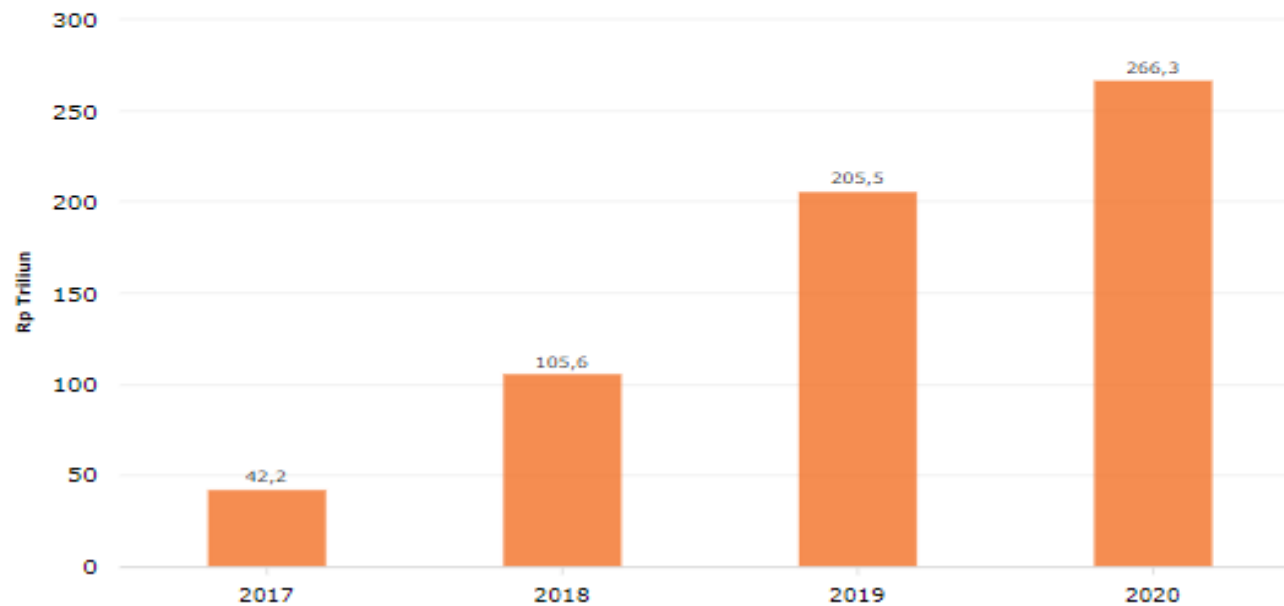


Expectation 109% vs Reality 30%

Nilai Transaksi E-Commerce Mencapai Rp 266,3 Triliun pada 2020

Nominal Transaksi E-Commerce (2017-2020)

Sumber : Bank Indonesia (BI), Januari 2021



Expectation 37% vs Reality 13%

2020, BI Catat Transaksi Digital Banking 774,5 Triliun

56 WIB
(investor.co.id)

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*).

Home / Money / Whats New

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

Kompas.com - 29/09/2020, 15:43 WIB