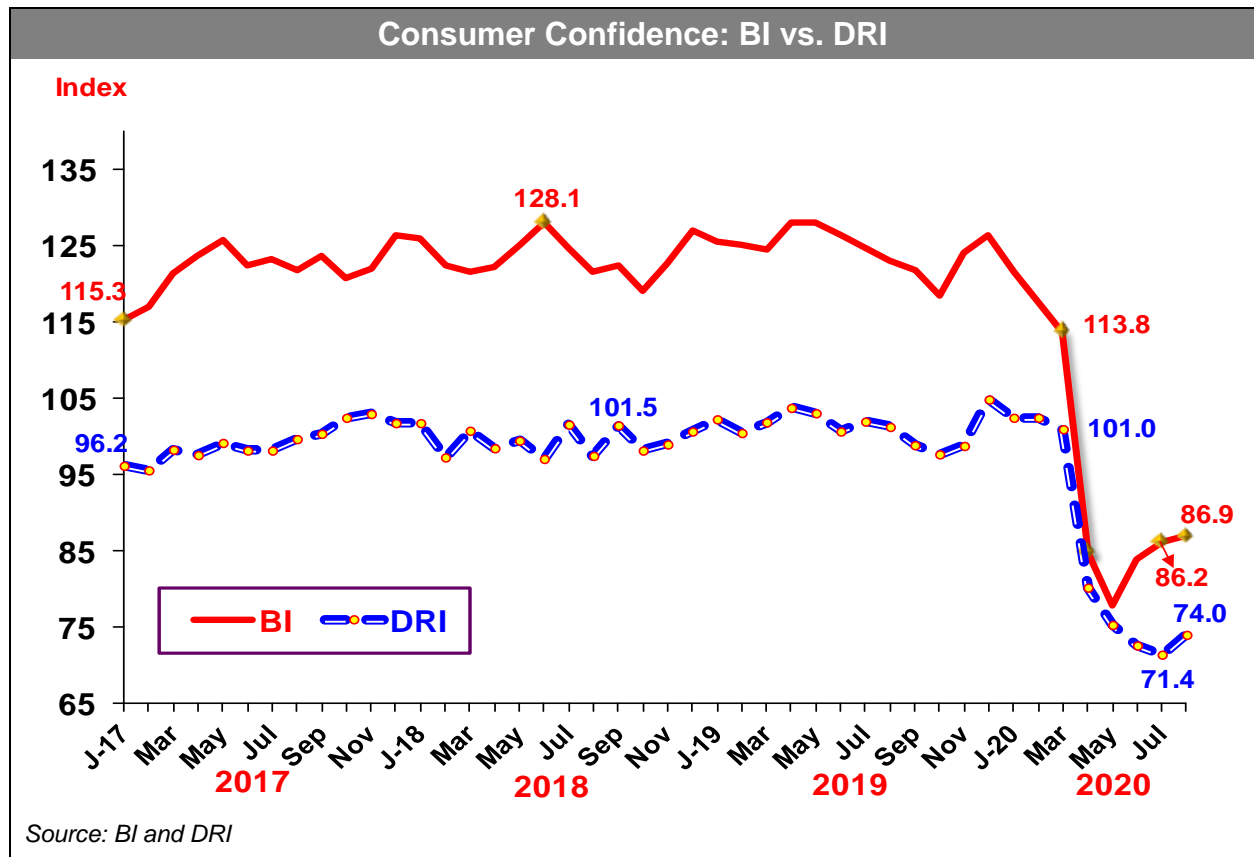
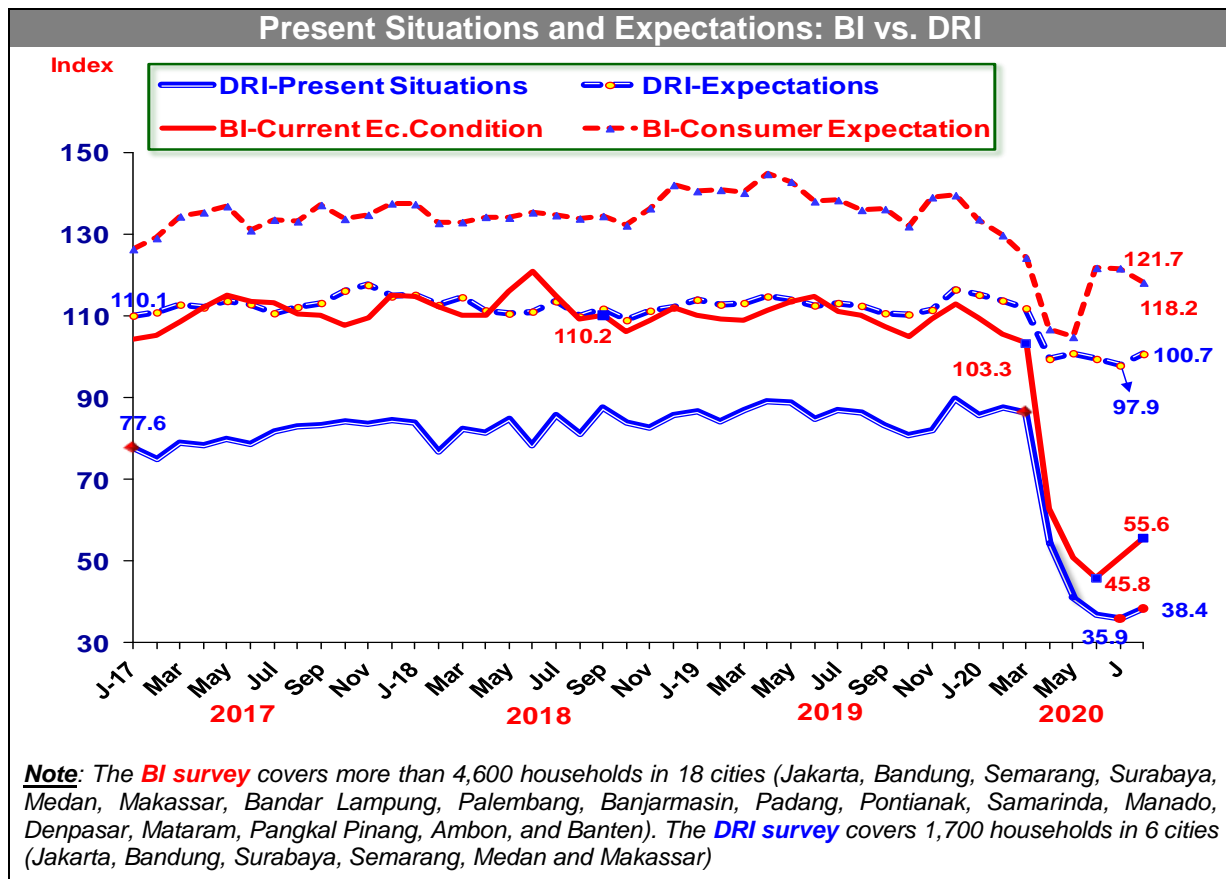


## AUGUST CONSUMER CONFIDENCE INDEX (CCI)



- **Bank Indonesia's (BI) CCI** shows the level of consumer confidence remained in pessimistic territory of below 100 despite its third consecutive increase in August, slightly up 0.7 point m/m to 86.9, significantly lower than the 123.1 level reached in the same month a year ago.
- **Danareksa Research Institute's (DRI) CCI** saw its first rebound in over a year in August, up 3.7% m/m to 74.0 following increased confidence in its present conditions and expectations components.



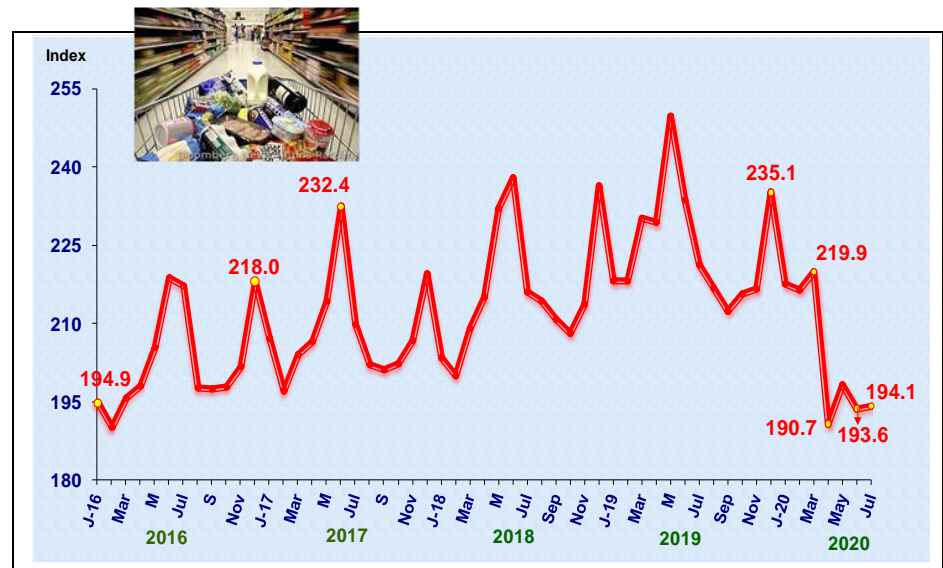
- **BI's CECI** reflects more favorable consumer perception in August with an increase of 4.9 points m/m (up 9.7%) despite lower by 54.7 points y/y (down 49.6%), standing at 55.6 compared to 50.7 last month. All of its components edged up, mainly influenced by stronger consumers' confidence on the **Current Job Availability Index**, which was up 15.8% m/m although still down 64.3% y/y to 35.2. It was followed by the **Current Income Index**, which was up 12.6% m/m but still down 49.5% y/y to 59.8 and the **Right Time to Buy Durable Goods index** (up 4.8% m/m but still down 37.0% y/y to 71.8).
- **DRI's PSI** rose 6.8% m/m to 38.4 as consumer assessments of current economic and employment conditions improved.
- **BI's EI** still continued to weaken in August, down 2.9% m/m and 13.1% y/y to 118.2 from 121.7 the month earlier due to softening in all of its components: The **Business Activity Expectation Index** was down 7.8% m/m and 16.7% y/y to 115.5, **Income Expectations Index** down 0.6% m/m and 15.2% y/y to 124.7 and **Job Availability Expectations Index** down 0.1% m/m and 6.5% y/y to 114.4.
- **DRI's EI** saw a 2.8% m/m rebound to 100.7 as consumers became more upbeat with prospects of improved family incomes and employment opportunities over the next six months, pinned on hopes in the recovery of economic and business activities and the disbursement of the National Economy Recovery funds.

## DRI

- **DRI's Six-month Inflation Expectations Index** declined 0.8% to 164.8. The **Interest Rates Expectation Index** edged down 2.8% to 109.3. The **Exchange Rates Expectation Index** rose 9.1% to 94.5, as consumers in the main cities were more positive on the outlook for the rupiah.
- **DRI's Index on Buying Intentions for Durable Goods over the Next Six-months** edged down further by 20.7% y/y to 151.6 in August. Declines in the Buying Intentions Index were seen in five of the 10 categories of goods tracked (automobiles, houses, land, home appliances, and livestock).
- **DRI's Consumer Confidence in the Government Index (CCGI)** rebounded 2.1% m/m in August to 114.3. Five of the CCGI components recorded increases: Consumer Confidence toward Government's **Ability to Spur Economic Growth** (up 0.8% m/m to 112.0), **to Stabilize General Prices** (up 4.0% m/m to 105.4), **to ensure a safe and orderly environment** (up 1.2% m/m to 157.9) and **to Ensure the Rule of Law** (down 5.6% m/m to 127.4). By contrast, consumers expressed less confidence in the government's ability **to Provide and Maintain Public Infrastructure** (down 1.3% to 159.2).

## RETAIL TRENDS

- **BI's Monthly Retailer' Sales Index** rebounded in July by 0.3% m/m despite still being 12.3% lower y/y to 194.1 as only two of its eight categories decreased, namely Communication and Information Gadgets (down 3.6% m/m and 17.3% y/y to 267.1) and Other House Appliances (down 2.2% m/m and 21.3% y/y to 136.0). Among the other categories, Art and Recreation Goods increased the most (up 16.2% m/m but still down 38.7% y/y to 72.7) followed by Fuel (up 10.0% m/m but still down 26.1% y/y to 61.1), Other Good without Clothes (up 9.7% m/m but still down 66.5% y/y to 62.2), Other Goods (up 8.4% m/m but still down 60.3% y/y to 77.7), Spare Part and Accessories (up 7.0% m/m but still down 33.7% y/y to 105.6), and Foods, Beverages and Tobacco (up 0.3% m/m but still down 1.9% y/y to 233.6).
- **Retailer' Sales Expectations:** The **Three-month Expectations Index** edged down 4.7% m/m but was still up 2.1% y/y to 149.4. The **Six-Month Sales Expectations Index** also edged down 2.2% m/m but was still up 2.8% y/y to 165.6.
- **Retailer' Inflation Expectations:** The **Three-month Inflation Expectations Index** increased 1.7% m/m but it was still down 2.5% y/y to 133.7. The **Six-month Inflation Expectations Index** was also up 1.0% m/m but still down 9.7% y/y to 157.7.



**Note:** The **BI Retail Sales Survey** covers around 600 retailers in 10 cities: Jakarta, Semarang, Bandung, Surabaya, Medan, Purwokerto, Makassar, Manado, Banjarmasin and Denpasar. The items covered in the survey are categorized into 7 groups: spare parts & accessories; food, beverages and tobacco; automotive fuel; communication & information equipment; household goods; cultural and recreational goods; and other goods (which incl. items like footwear, cosmetics, etc.).

## AUTOMOTIVE TRENDS

### Autos

- Total car sales for August 2020 rose significantly, up 47.4% m/m to 37,277 from 25,283 units in July. However, these figures were still down 58.8% y/y from 90,568 in August last year.
- Total car sales for the first eight months this year were down 51.1% y/y to 323,492 versus 661,919 in the same period last year.
- Gaikindo reported that the top five brands for August were Toyota (8,740), Daihatsu (6,651), Mitsubishi (4,867), Suzuki (3,501) and Honda (3,047).
- Total LCGC sales for the first eight months reached 63,952, down 53.5% y/y from 137,389 in the same period last year.
- Gaikindo's Chairman Jongkei D Sugiarto said that the Covid-19 pandemic still influenced car sales that the sales for the first eight months this year were only 323,492 units, far below the last revised target of 600,000 units.
- The five best selling models for July 2020 were Suzuki Carry (4,622), Toyota Fortuner (1,667), Toyota Kijang Innova (1,272), Honda Brio (1,223) and Mitsubishi Xpander (including Cross) (1,167).
- Based on Gaikindo's data, total car exports for July were 15,014 units, down 52.5% y/y from 31,638 in the same month last year, but up significantly (71.0%) m/m from only 8,779 in June.
- Daihatsu dominated the export market with 5,673 units (37.8% of total exports), followed by Toyota with 3,644 (24.3%) and Suzuki with 4,322 (28.8%).

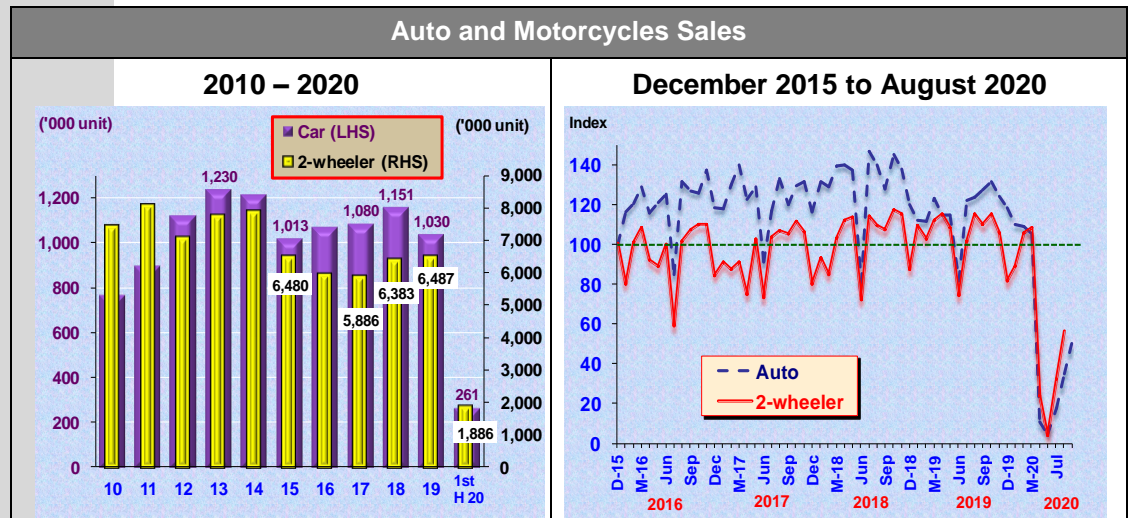
BRAND	Sales Volume (units)				% Change			
	Aug-20	Jul-20	Aug-19	Jan-Aug 2020	Jan-Aug 2019	Aug 20/ Jul 20	Aug 20/ Aug 19	Jan-Aug 2020/19
TOYOTA	8,740	7,332	29,159	98,330	213,588	19.2%	-70.0%	-54.0%
DAIHATSU	6,651	1,553	15,415	57,978	115,451	328.3%	-56.9%	-49.8%
MITSUBISHI	4,867	4,690	14,240	47,550	109,769	3.8%	-65.8%	-56.7%
SUZUKI	3,501	6,369	8,622	38,656	63,351	-45.0%	-59.4%	-39.0%
HONDA	3,047	2,016	11,909	43,892	84,890	51.1%	-74.4%	-48.3%
OTHER	10,471	3,323	11,223	37,086	74,870	215.1%	-6.7%	-50.5%
<b>TOTAL</b>	<b>37,277</b>	<b>25,283</b>	<b>90,568</b>	<b>323,492</b>	<b>661,919</b>	<b>47.4%</b>	<b>-58.8%</b>	<b>-51.1%</b>

Sources: Gaikindo, Astra

### Motorcycles

- Motorcycle sales for June 2020 dropped 56.4% y/y to 167,992 from 385,136 units in the same month last year. However, they were up sharply (668.8%) m/m from only 21,851 units last month.
- Total motorcycle sales for the first half this year were down 41.5% y/y to 1,886,489 from 3,226,619 in the same period last year.
- Motorcycle exports in June rose sharply by 481.9% m/m to 32,884 from only 5,651 in May, but were still down 41.9% y/y from 56,608 in June last year.
- Total motorcycle exports for the first half this year decreased 28.1% y/y to 264,450 from 367,532 in the same period last year.

- General Chairman of AISI Johannes Loman said that the sales drop was due to the impact of the Covid-19 pandemic, which in turn depressed motorcycle demand. Motorcycles are used by the public in general as their backbone transportation to work or to do business. He predicted that motorcycle sales would reach just 3.2 million units for the whole year versus 6.5 million last year.



## HIGHLIGHTS

- Head of Statistics Indonesia (BPS) Suharyono announced that Indonesia's trade balance in August 2020 booked a surplus of US\$ 2.33 billion, with exports valued at \$13.07 billion against imports at \$10.74 billion. Indonesia's cumulative trade balance during the January-August 2020 period logged a surplus of \$11.05 billion, significantly higher than the corresponding period last year that saw a deficit of \$2.04 billion. BPS said that in August 2020, Indonesia's trade balance recorded a surplus with several countries such as \$1 billion with the United States with clothing and accessories products, both knitted and non-knitted, as well as machines and electrical equipment, a \$451 million trade surplus with the Philippines in vehicle products and parts as well as processed food products, and a trade balance surplus of \$425 million with India in products of mineral, fuels, vegetables animal fats, and organic chemicals.
  - *(The Jakarta Post, Bisnis)*
- The rise in the popularity of online shopping, particularly online grocery shopping, driven by the Covid-19 pandemic and the enforcement of large scale social restrictions (PSBB) is predicted to be the driving force of growth in the e-commerce sector in Indonesia and Southeast Asia this year. Indonesia E-commerce Association (IdEA) Chairman Bima Laga said the use of e-commerce platforms to shop would continue to increase as Jakarta entered another phase of PSBB that commenced on Monday September 14. E-groceries platform Happy Fresh Marketing Vice President David Lim said that there was an uptick in demand every time the government announced a new regulation like the PSBB measures. "More and more people are relying on e-grocery platforms, but the more important thing is how to make it a permanent habit once the pandemic is over," he added. A survey by Redseer in August found half of Indonesian respondents said their spending on e-grocery platforms had increased during the pandemic, while up to 60 percent said they would continue to buy groceries online in the future.
  - *(The Jakarta Post)*