

RETAIL SALES SURVEY

October 2008

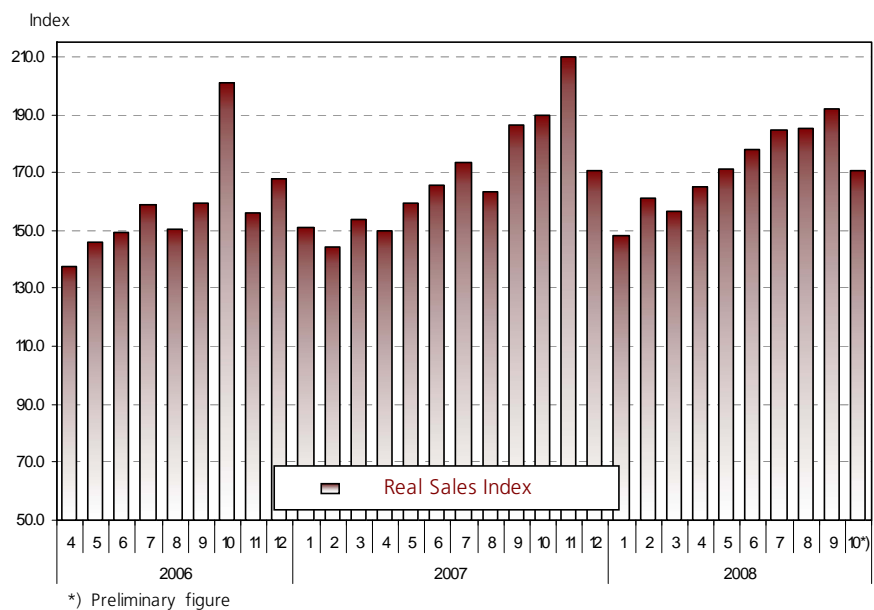
- Real sales in October 2008 dismantled by 11.1% (mtm) and by 10.0% (yoy)
- Price expectation index for the next 3 and 6 months decreased

Real Sales Index

Real sales were decreased either in monthly and annual basis

Retail sales survey in October 2008 which covered 5 big cities in Indonesia reported that real sales was moved down by 11.1% over previous month. The descending sales were seen on 8 commodity groups, with the highest downward was gained by food and tobacco group (-17.7%), followed by chemicals group (-17.3%), handicrafts, arts, and toys group (-10.9%), motor vehicles spare parts group (-10.2%), construction materials group (-9.8%), fuels group (-8.1%), household appliances group (-6.5%), and clothing group (-5.1%). On the contrary, stationery group still grew by 0.1%.

Graph 1. Real Retail Sales Index



Methodology

Retail Sales Survey (RSS) is a monthly survey that have been conducted since September 1999 to around 270 retailers as respondents (purposive sampling) in Jakarta, Bandung, Semarang, Surabaya and Medan. The purpose is to get prior information about moving trend of GDP by private consumption. Respondents are panel and classified into 9 sectors based on The Indonesian Classification by Sectors (KLU) 1997. The result is served in real index. Price and loan interest rates expectations are calculated by balance score method (net balance + 100) where if the index is above 100 indicated an optimism and vice versa. Based on correlation test in 2001-2007, correlation rate between the survey and GDP seen from private consumption was 0.72%.

Table 1. Growth (m-t-m) in Real Retail Sales Index

DESCRIPTION	2007					2008									
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct*)
Food and tobacco	-6.1	19.6	-0.4	7.3	-31.9	-17.2	8.8	-1.9	-4.7	4.7	-2.5	5.8	6.3	16.3	-17.7
Clothing	-8.3	41.5	12.8	-38.6	2.8	-12.4	24.3	-18.0	6.7	5.1	7.9	5.7	1.0	6.1	-5.1
Household appliances	-0.4	8.6	-4.9	47.9	-11.3	-24.9	0.9	-1.1	3.0	-1.0	3.2	-2.0	11.5	4.2	-6.5
Chemicals	-11.4	11.0	-3.3	77.0	-39.4	-14.4	4.7	11.6	34.9	0.2	-2.3	3.4	0.4	5.9	-17.3
Construction materials	3.6	-5.5	-1.9	9.2	-12.9	36.7	10.6	-3.9	18.5	17.4	6.6	0.9	1.6	-10.5	-9.8
Fuels	-3.8	-0.3	-1.8	11.7	11.5	-24.7	1.3	1.8	-6.2	-3.2	15.2	-3.0	-1.3	-7.5	-8.1
Stationery	-11.0	14.0	-2.1	14.4	-16.2	-3.9	1.8	-4.2	-2.2	6.1	13.0	9.2	-16.8	-6.3	0.1
Motor vehicles spare parts	2.2	6.3	-9.5	3.4	-21.2	-6.6	-6.5	1.4	1.1	2.2	-11.7	3.2	5.7	9.3	-10.2
Handicrafts, arts, and toys	-6.7	4.7	8.3	17.2	-16.5	-14.7	12.1	-3.6	-8.6	4.1	2.9	9.5	-4.6	6.3	-10.9
TOTAL INDEX	-6.0	14.2	1.9	10.5	-18.6	-13.2	8.8	-2.9	5.4	3.9	3.7	3.9	0.3	3.6	-11.1

*) Preliminary Figures

Compared to the preceding year, real sales encountered downward by 10.0%. Similar with last period survey, construction materials group still outstanding with 69.9% in growth, followed by chemicals group and household appliances group each gained by 28.9% and 10.2% in growth. On the other side, food and tobacco group decreased by 32.4%, followed by motor vehicles spare parts group which moved down in sales growth by 29.3%, clothing group by 26.7%, fuels group by 17.7%, handicrafts, arts, and toys group by 12.5%, and stationery group by 10.3%.

Table 2. Growth (y-o-y) in Real Retail Sales Index

DESCRIPTION	2007					2008									
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct*)
Food and tobacco	7.5	21.3	-10.2	44.6	-16.2	-22.9	-11.9	-13.1	-21.9	-25.6	-26.8	-25.6	-15.8	-18.2	-32.4
Clothing	57.6	62.7	-7.3	20.3	15.7	17.3	40.9	8.8	14.1	17.2	12.9	5.5	16.3	-12.8	-26.7
Household appliances	7.9	14.5	7.4	68.0	25.2	0.9	9.0	3.0	5.9	7.5	8.0	4.4	16.9	12.2	10.2
Chemicals	-6.6	0.0	-13.4	81.7	-0.8	-7.8	4.4	6.4	55.6	42.9	38.1	39.4	57.9	50.7	28.9
Construction materials	32.4	22.5	19.8	16.7	8.2	56.6	73.3	43.9	79.2	91.4	84.4	98.9	95.1	84.9	69.9
Fuels	-17.4	-16.1	-11.3	-4.8	6.9	-10.8	-2.1	-11.0	-5.7	-17.0	-2.5	-7.6	-5.1	-12.0	-17.7
Stationery	26.3	54.5	50.3	50.0	23.7	35.5	40.8	22.0	21.9	16.4	21.9	14.3	6.8	-12.2	-10.3
Motor vehicles spare parts	16.6	30.2	9.9	13.5	-6.9	-14.1	-18.0	-20.3	-20.6	-22.3	-34.4	-33.1	-30.8	-28.8	-29.3
Handicrafts, arts, and toys	0.7	0.5	-13.1	18.7	-4.3	-5.8	11.8	0.9	0.9	2.9	-1.2	2.5	4.8	6.4	-12.5
TOTAL INDEX	8.6	16.8	-5.5	34.4	2.0	-1.7	11.7	1.7	10.3	7.5	7.4	6.4	13.7	3.2	-10.0

* Angka sementara

Table 3. Real Retail Sales Index by Categories

DESCRIPTION	2007					2008									
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct*)
Food and tobacco	220.6	263.8	262.8	282.0	192.1	159.0	172.9	169.6	161.7	169.3	165.1	174.7	185.7	215.9	177.7
Clothing	164.2	232.4	262.2	160.9	165.5	145.0	180.3	147.8	157.7	165.8	178.9	189.0	190.9	202.6	192.3
Household appliances	189.8	206.2	196.1	290.0	257.3	193.2	194.9	192.9	198.6	196.6	203.0	198.9	221.9	231.3	216.2
Chemicals	204.3	226.7	219.2	388.1	235.3	201.3	210.8	235.3	317.5	318.1	310.8	321.3	322.6	341.6	282.5
Construction materials	118.7	112.2	110.1	120.2	104.7	143.2	158.4	152.2	180.4	211.8	225.8	227.9	231.7	207.4	187.0
Fuels	152.4	152.0	149.3	166.8	185.9	139.9	141.8	144.4	135.4	131.1	150.9	146.4	144.6	133.7	122.9
Stationery	294.2	335.5	328.4	375.8	314.9	302.5	307.9	295.1	288.5	306.1	345.9	377.7	314.3	294.4	294.6
Motor vehicles spare parts	31.7	33.6	30.5	31.5	24.8	23.2	21.7	22.0	22.2	22.7	20.1	20.7	21.9	23.9	21.5
Handicrafts, arts, and toys	285.0	298.5	323.2	378.9	316.4	270.0	302.8	292.0	266.9	277.9	285.9	313.1	298.7	317.6	282.8
TOTAL INDEX	163.2	186.3	189.9	209.8	170.9	148.3	161.3	156.6	165.1	171.5	177.9	184.8	185.5	192.2	170.8

* Angka sementara

Price and Loan Interest Rate Expectations

Price expectation index for the next 3 and 6 months fell by 5.9 points and 2.9 points respectively compared to the previous month. The reading were at 145.9 and 135.6 respectively. This downturn performed that there were less respondents who still expected price to hike in the next 3 and 6 months.

In step with moving down in price expectation index, loan interest rate expectation index for the next 3 and 6 months also performed a descending trend. Loan interest rate expectation index for the next 3 months decreased by 5.3 points and

Price expectation index in the next 3 and 6 months decreased

now hit the level of 128.5. In the mean time, loan interest rate expectation index for the next 6 months decreased by 10.5 points and now touch the level of 108.9.

Retail Sales Expectations

Respondent's expectation on their sales for the next 3 and 6 months remain stayed at the optimistic level. This month's survey reported that the income expectation index for the next 3 and 6 months touched the level of 121.5 and 113.0 respectively, or fairly increased by 1.0 and 2.9 points respectively.

Respondents remain optimistic over their next 3 and 6 months sales

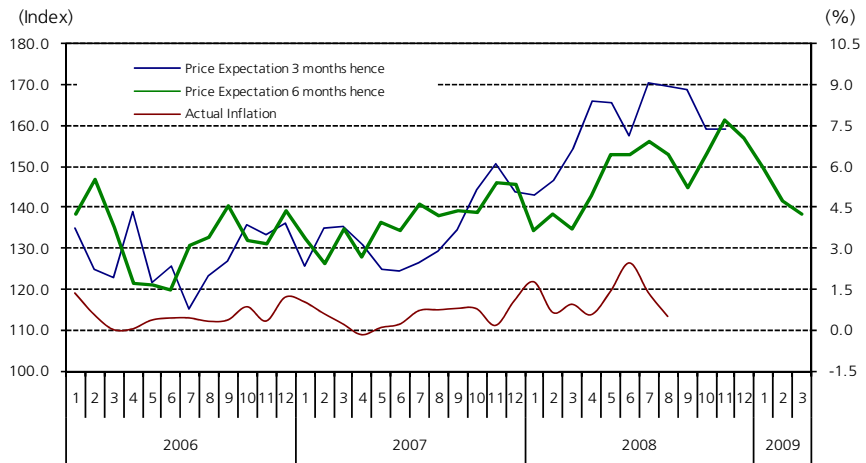
Table 4. Price, Interest Rate, and Sales Expectations

DESCRIPTION	2007						2008								
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
General Price :															
Next 3 month	150.7	143.8	143.3	146.9	154.6	166.3	165.9	157.9	170.6	169.9	169.0	159.2	159.2	151.8	145.9
Next 6 month	138.6	134.6	142.8	153.1	152.9	156.3	152.7	144.8	153.3	161.4	157.0	149.8	141.5	138.5	135.6
Loan Interest Rate :															
Next 3 month	100.7	99.0	99.3	102.0	101.3	105.0	97.4	102.6	113.6	114.7	121.3	118.8	119.9	133.8	128.5
Next 6 month	103.1	99.0	102.4	103.0	103.4	105.7	98.5	95.6	111.4	112.1	117.8	113.0	113.0	119.4	108.9
Sales															
Next 3 month	133.8	130.7	129.2	131.6	129.4	115.0	115.4	116.9	109.9	110.3	115.1	124.5	126.0	120.5	121.5
Next 6 month	118.4	118.3	125.9	122.7	132.0	120.7	112.1	121.7	116.9	114.0	113.2	113.7	119.5	110.1	113.0

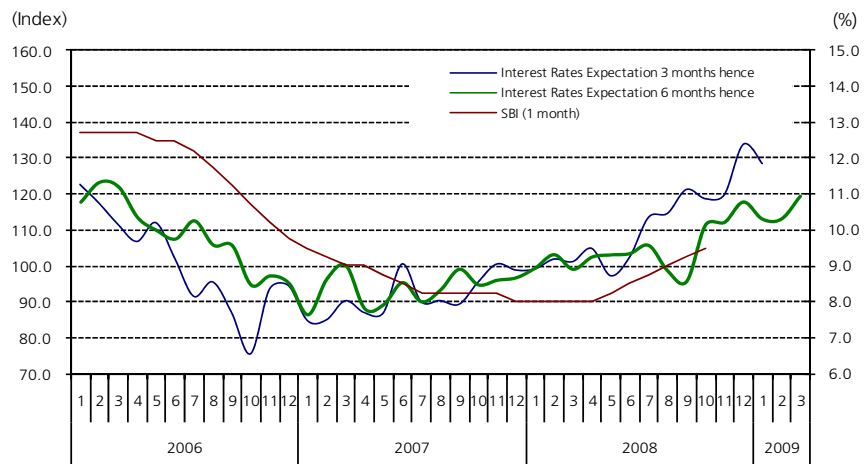
Notes:

Balance Score Method (net balance + 100) has been adopted to construct the Price Expectation, Interest Rates Expectation, and Sales Expectation Indexes. When the index is above 100 point indicate an increase of Price, Interest Rates, and Sales and vice versa

Graph 2. Price Expectations and Actual Prices



Graph 3. Interest Rates Expectations and SBI Rates



Real sales only grew in Medan either in monthly and annual basis

Retail Survey by Regions

In monthly basis, real sales ascended only in 2 of 5 cities surveyed, i.e.: Semarang (9.1%) and Medan (1.5%). Descended real sales were experienced in Jakarta (-34.0%), Surabaya (-3.8%), and Bandung (-2.5%) over previous month. Compared to the previous year, real sales also went up in Medan (39.6%) and Surabaya (17.6%). On the contrary, descended real sales in annual basis were experienced in Jakarta (-22.1%), Bandung (-14.1%) and Semarang (-6.1%).

Table 5. Real Retail Sales Growth Index (m-t-m) by City

DESCRIPTION	2007					2008									
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct*
Jakarta	-10.6	18.5	6.6	18.2	-27.8	-18.6	16.9	-3.9	-2.7	15.0	5.0	4.7	0.3	22.7	-34.0
Bandung	1.6	11.8	-3.1	-5.9	-10.2	-1.7	2.6	-5.0	0.7	0.2	5.3	4.8	-1.5	-0.8	-2.5
Surabaya	-0.9	4.3	-5.1	1.2	1.2	-4.9	-6.8	8.2	14.7	2.9	0.0	0.1	-0.7	6.0	-3.8
Medan	4.5	2.4	-3.0	4.0	8.9	1.7	-2.4	1.6	-0.4	4.7	-0.9	3.6	4.5	7.7	1.5
Semarang	4.2	12.1	-11.6	-3.4	-19.0	41.0	-5.5	-0.5	-5.6	-0.5	-11.4	8.0	2.1	-9.8	9.1
TOTAL INDEX	-6.0	14.2	1.9	10.5	-18.6	-13.2	8.8	-2.9	5.4	3.9	3.7	3.9	0.3	3.6	-11.1

* Angka sementara

Table 6. Real Retail Sales Growth Index (y-o-y) by City

DESCRIPTION	2007					2008									
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct*
Jakarta	-2.2	12.9	-12.0	54.8	-1.2	-8.1	17.3	0.6	2.9	7.7	8.6	8.2	21.5	25.9	-22.1
Bandung	36.6	34.3	14.5	7.8	3.0	11.2	9.7	2.5	4.9	4.1	0.9	-0.8	-3.8	-14.6	-14.1
Surabaya	-5.9	-1.8	-5.8	-4.1	-4.6	-8.7	-13.9	-4.0	8.4	12.2	13.1	13.9	14.2	16.1	17.6
Medan	51.2	49.5	31.7	37.9	46.5	43.2	28.3	43.0	36.9	50.4	33.0	26.9	26.9	33.4	39.6
Semarang	2.8	15.8	16.2	-10.2	-11.6	7.0	22.4	3.1	11.4	1.6	-17.3	-3.5	-5.5	-23.9	-6.1
TOTAL INDEX	8.6	16.8	-5.5	34.4	2.0	-1.7	11.7	1.7	10.3	7.5	7.4	6.4	13.7	3.2	-10.0

* Preliminary Figures