

RETAIL SALES SURVEY

December 2008

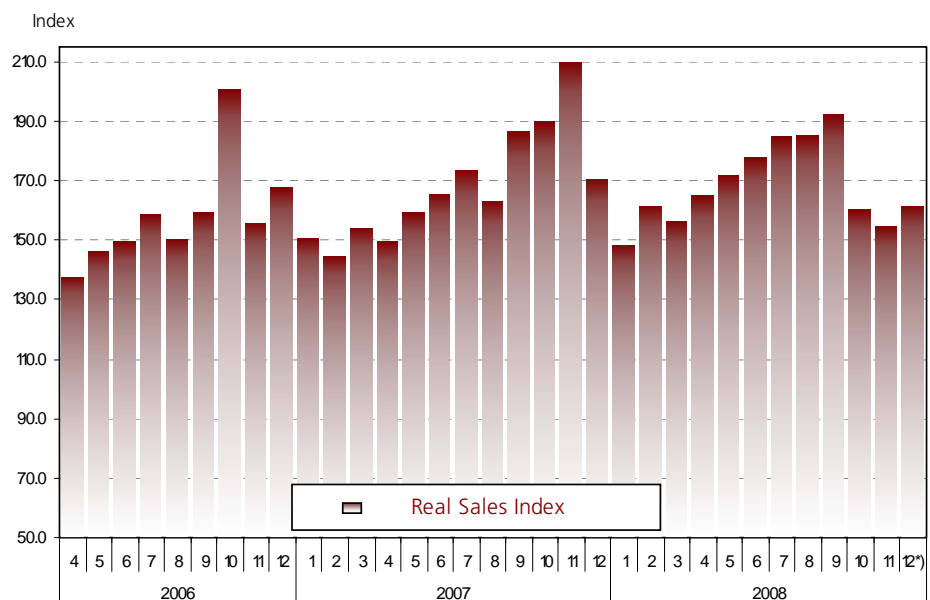
Real sales mounted in monthly basis whereas it decreased in annual basis

- **Long holiday and the feast day celebration (Christmas and New Year) had boosted real sales index by 4.5% (mtm). However, the increase did not lead annual growth index into positive way despite the downtrend was smaller compared with the annual growth index in previous month from -26.3% to -5.4%.**
- **A decrease fuel price gave positive signal to price expectation index for the next 3 and 6 months. The indexes continued to turn down.**

Real Sales Index

Retail sales survey in 5 major cities in Indonesia (Jakarta, Bandung, Semarang, Surabaya, and Medan) recorded that in December 2008 real sales had slightly increased by 4.5% (mtm). The increase was dragged up by soaring demand on some commodities because of seasonal impact related to Christmas and new year holiday. Almost all groups of commodity had an increase on real sales, except chemicals which down by -3.2%. Handicrafts, arts and toys led the growth which gained 14.4%, clothing with 10.5%, motor vehicle spare parts (8.8%), stationery (5.3%), food and tobacco (4.4%), household appliances (4.3%), construction materials (1.9%). Meanwhile, fuel was relatively stable (table 1).

Graph 1. Real Retail Sales Index



*) Preliminary figure

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 (KLUI) 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 2001-2008, correlation rate between the survey and GDP from private consumption was 0.71%.

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

DESCRIPTION	2007		2008											
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec*
Food and tobacco	7.3	-31.9	-17.2	8.8	-1.9	-4.7	4.7	-2.5	5.8	6.3	16.3	-25.3	0.4	4.4
Clothing	-38.6	2.8	-12.4	24.3	-18.0	6.7	5.1	7.9	5.7	1.0	6.1	-22.8	-9.5	10.5
Household appliances	47.9	-11.3	-24.9	0.9	-1.1	3.0	-1.0	3.2	-2.0	11.5	4.2	-12.2	-6.1	4.3
Chemicals	77.0	-39.4	-14.4	4.7	11.6	34.9	0.2	-2.3	3.4	0.4	5.9	-17.6	-2.2	-3.2
Construction materials	9.2	-12.9	36.7	10.6	-3.9	18.5	17.4	6.6	0.9	1.6	-10.5	-9.3	-5.4	1.9
Fuels	11.7	11.5	-24.7	1.3	1.8	-6.2	-3.2	15.2	-3.0	-1.3	-7.5	-8.2	6.2	0.0
Stationery	14.4	-16.2	-3.9	1.8	-4.2	-2.2	6.1	13.0	9.2	-16.8	-6.3	-0.9	-3.3	5.3
Motor vehicles spare parts	3.4	-21.2	-6.6	-6.5	1.4	1.1	2.2	-11.7	3.2	5.7	9.3	-10.2	-4.6	8.8
Handicrafts, arts, and toys	17.2	-16.5	-14.7	12.1	-3.6	-8.6	4.1	2.9	9.5	-4.6	6.3	-16.0	-8.2	14.4
TOTAL INDEX	10.5	-18.6	-13.2	8.8	-2.9	5.4	3.9	3.7	3.9	0.3	3.6	-16.5	-3.6	4.5

*) Preliminary figure

On the annual basis, real sales dropped by -5.4%, was smaller than those on previous survey (-26.3%). Real sales decreased in almost all commodity groups. The biggest decline was occurred on fuel group (-30.0%), followed by household appliances (-22.7%), food and tobacco (-12.1%), handicrafts, arts and toys (-11.5%), motor vehicle spare parts (-10.0%), stationery (-5.7%), and clothing (-5.4%). In the meantime, construction materials and chemicals still dragged up sales by 73.1% and 13.3% respectively (table 2).

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

DESCRIPTION	2007		2008											
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec*
Food and tobacco	44.6	-16.2	-22.9	-11.9	-13.1	-21.9	-25.6	-26.8	-25.6	-15.8	-18.2	-38.7	-42.6	-12.1
Clothing	20.3	15.7	17.3	40.9	8.8	14.1	17.2	12.9	5.5	16.3	-12.8	-40.3	-12.0	-5.4
Household appliances	68.0	25.2	0.9	9.0	3.0	5.9	7.5	8.0	4.4	16.9	12.2	3.5	-34.2	-22.7
Chemicals	81.7	-0.8	-7.8	4.4	6.4	55.6	42.9	38.1	39.4	57.9	50.7	28.4	-29.0	13.3
Construction materials	16.7	8.2	56.6	73.3	43.9	79.2	91.4	84.4	98.9	95.1	84.9	70.9	48.0	73.1
Fuels	-4.8	6.9	-10.8	-2.1	-11.0	-5.7	-17.0	-2.5	-7.6	-5.1	-12.0	-17.8	-21.9	-30.0
Stationery	50.0	23.7	35.5	40.8	22.0	21.9	16.4	21.9	14.3	6.8	-12.2	-11.2	-24.9	-5.7
Motor vehicles spare parts	13.5	-6.9	-14.1	-18.0	-20.3	-20.6	-22.3	-34.4	-33.1	-30.8	-28.8	-29.4	-34.8	-10.0
Handicrafts, arts, and toys	18.7	-4.3	-5.8	11.8	0.9	0.9	2.9	-1.2	2.5	4.8	6.4	-17.4	-35.3	-11.5
TOTAL INDEX	34.4	2.0	-1.7	11.7	1.7	10.3	7.5	7.4	6.4	13.7	3.2	-15.5	-26.3	-5.4

* Preliminary figure

Table 3. Real Retail Sales Index by Categories

DESCRIPTION	2007		2008											
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec*
Food and tobacco	282.0	192.1	159.0	172.9	169.6	161.7	169.3	165.1	174.7	185.7	215.9	161.2	161.8	168.8
Clothing	160.9	165.5	145.0	180.3	147.8	157.7	165.8	178.9	189.0	190.9	202.6	156.5	141.6	156.6
Household appliances	290.0	257.3	193.2	194.9	192.9	198.6	196.6	203.0	198.9	221.9	231.3	203.1	190.8	199.0
Chemicals	388.1	235.3	201.3	210.8	235.3	317.5	318.1	310.8	321.3	322.6	341.6	281.5	275.4	266.6
Construction materials	120.2	104.7	143.2	158.4	152.2	180.4	211.8	225.8	227.9	231.7	207.4	188.1	177.9	181.3
Fuels	166.8	185.9	139.9	141.8	144.4	135.4	131.1	150.9	146.4	144.6	133.7	122.7	130.2	130.2
Stationery	375.8	314.9	302.5	307.9	295.1	288.5	306.1	345.9	377.7	314.3	294.4	291.7	282.1	296.9
Motor vehicles spare parts	31.5	24.8	23.2	21.7	22.0	22.2	22.7	20.1	20.7	21.9	23.9	21.5	20.5	22.3
Handicrafts, arts, and toys	378.9	316.4	270.0	302.8	292.0	266.9	277.9	285.9	313.1	298.7	317.6	266.9	245.0	280.2
TOTAL INDEX	209.8	170.9	148.3	161.3	156.6	165.1	171.5	177.9	184.8	185.5	192.2	160.4	154.6	161.6

* Preliminary figure

Price and Loan Interest Rate Expectations

Price expectation index for the next 3 and 6 months dropped each by 6.3 points and 3.9 points to 137.9 and 133.1 respectively. This was indicated that there were less respondents who still predicted price to hike. The government policy to cut oil price in early December 2008 was likely to become the most significant factor that influence respondent price expectation for the next 3 and 6 months.

The survey also revealed that loan interest rate expectation index in the next 3 and 6 months also scaled down by 5.4 points and 4.0 points, and stood at 113.3 and 102.0 respectively. The downturn is related with the respondent's expectation on price for the next 3 and 6 months which was also declined.

Retailers expected that general prices and loan interest rate for the next 3 and 6 months decreased

Sales expectation in the next 3 months was slightly increased

Retail Sales Expectations

Rising real sales in December 2008 was accompanied with respondent's expectation on their sales for the next 3 and 6 months which ran positively as shown by the index which stayed at optimistic level. Respondent's optimism on sales for the next 3 months rose 3.6 points to 123.0, while for 6 months ahead was slightly dropped 4.5 points to 115.3 (table 4).

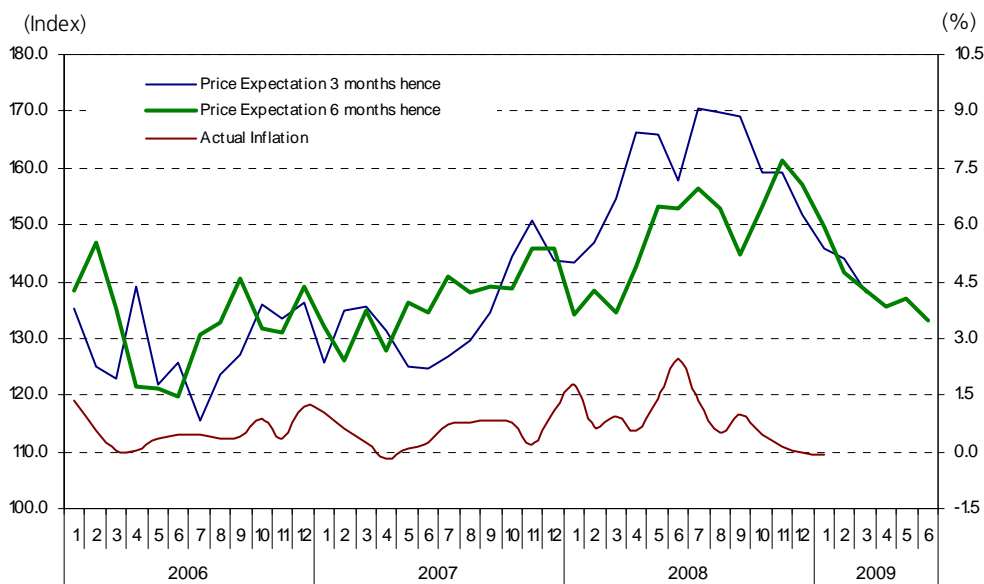
Table 4. Price, Interest Rate, and Sales Expectations

DESCRIPTION	2007		2008											
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
General Price :														
Next 3 month	146.9	154.6	166.3	165.9	157.9	170.6	169.9	169.0	159.2	159.2	151.8	145.9	144.2	137.9
Next 6 month	153.1	152.9	156.3	152.7	144.8	153.3	161.4	157.0	149.8	141.5	138.5	135.6	137.0	133.1
Loan Interest Rate :														
Next 3 month	102.0	101.3	105.0	97.4	102.6	113.6	114.7	121.3	118.8	119.9	133.8	128.5	118.7	113.3
Next 6 month	103.0	103.4	105.7	98.5	95.6	111.4	112.1	117.8	113.0	113.0	119.4	108.9	106.0	102.0
Sales														
Next 3 month	131.6	129.4	115.0	115.4	116.9	109.9	110.3	115.1	124.5	126.0	120.5	121.48	119.43	122.98
Next 6 month	122.7	132.0	120.7	112.1	121.7	116.9	114.0	113.2	113.7	119.5	110.1	112.96	119.79	115.32

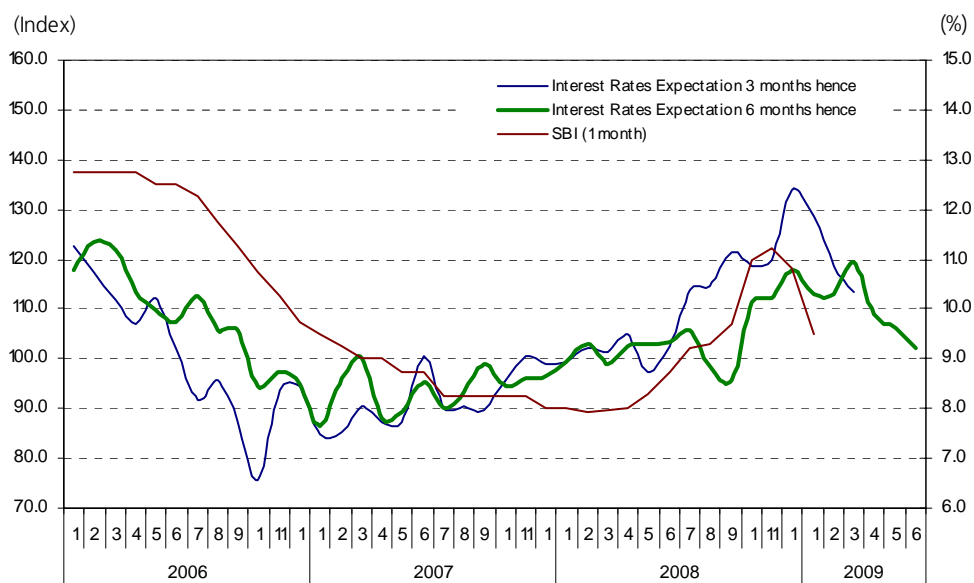
Notes:

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



Retail Survey by Regions

The highest monthly real sales increase was occurred in Jakarta, while in annual basis happened in Medan

Observed by regions, in monthly basis, sales were up in all cities surveyed. Sales beat most in Jakarta (5.6%), along with Medan (5.4%), Semarang (3.1%), Surabaya (2.8%), and Bandung (1.9%). In the mean time, in annual basis, sales increase on December 2008 were happened in 3 cities, i.e: Medan (21.6%), Semarang (20.3%), and Surabaya (10.1%). On the contrary, sales in Bandung and Jakarta dropped by -7.4% and -7.0% respectively.

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

DESCRIPTION	2007		2008											
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec*)
Jakarta	18.2	-27.8	-18.6	16.9	-3.9	-2.7	15.0	5.0	4.7	0.3	22.7	-34.3	-3.1	5.6
Bandung	-5.9	-10.2	-1.7	2.6	-5.0	0.7	0.2	5.3	4.8	-1.5	-0.8	-6.2	-7.0	1.9
Surabaya	1.2	1.2	-4.9	-6.8	8.2	14.7	2.9	0.0	0.1	-0.7	6.0	-4.0	-6.5	2.8
Medan	4.0	8.9	1.7	-2.4	1.6	-0.4	4.7	-0.9	3.6	4.5	7.7	-6.0	1.1	5.4
Semarang	-3.4	-19.0	41.0	-5.5	-0.5	-5.6	-0.5	-11.4	8.0	2.1	-9.8	5.0	1.1	3.1
TOTAL INDEX	10.5	-18.6	-13.2	8.8	-2.9	5.4	3.9	3.7	3.9	0.3	3.6	-16.5	-3.6	4.5

* Preliminary figure

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

DESCRIPTION	2007		2008											
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec*)
Jakarta	54.8	-1.2	-8.1	17.3	0.6	2.9	7.7	8.6	8.2	21.5	25.9	-22.4	-36.4	-7.0
Bandung	7.8	3.0	11.2	9.7	2.5	4.9	4.1	0.9	-0.8	-3.8	-14.6	-17.4	-18.3	-7.4
Surabaya	-4.1	-4.6	-8.7	-13.9	-4.0	8.4	12.2	13.1	13.9	14.2	16.1	17.4	8.4	10.1
Medan	37.9	46.5	43.2	28.3	43.0	36.9	50.4	33.0	26.9	26.9	33.4	29.2	25.6	21.6
Semarang	-10.2	-11.6	7.0	22.4	3.1	11.4	1.6	-17.3	-3.5	-5.5	-23.9	-9.7	-5.4	20.3
TOTAL INDEX	34.4	2.0	-1.7	11.7	1.7	10.3	7.5	7.4	6.4	13.7	3.2	-15.5	-26.3	-5.4

* Preliminary figure