

Macroeconomic Report

Eid Al-Fitr Boost May Retail Sales

Indonesia's Retail Sales

	2020								2021				
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Motor Vehicles Part and Accessories	113.5	88.1	98.7	105.6	118.2	118.7	118.7	121.1	125.5	119.3	117.9	118.0	122.8
Food, Beverages, and Tobacco	226.8	243.0	232.8	233.6	238.2	235.3	222.7	221.6	232.1	223.9	218.6	234.7	287.3
Automotive Fuels	54.2	48.5	55.6	61.1	65.4	67.5	71.0	73.3	75.7	67.9	66.5	71.8	74.4
Information & Communication Equipment	272.9	265.9	277.1	267.1	250.9	241.2	212.7	199.6	206.1	194.4	188.8	185.9	188.1
Other Household Equipment	143.0	142.9	139.1	136.0	138.5	135.7	132.5	127.5	136.4	126.9	124.4	127.1	127.5
Cultural and Recreation Goods	63.1	54.7	62.5	72.7	67.0	64.4	65.0	65.0	64.8	62.0	56.7	58.1	58.2
Other Goods	67.5	78.3	71.7	77.7	79.5	79.3	77.7	78.9	85.1	81.8	73.5	85.6	100.1
- o/w Clothing	51.8	62.5	56.7	62.2	62.7	64.8	66.3	70.6	76.1	70.7	64.5	69.9	80.3
TOTAL INDEX	190.7	198.3	193.6	194.1	196.6	193.8	183.5	181.3	190.1	182.0	177.1	187.9	220.4

Source: Bank Indonesia, NHKSI Research

Retail Sales Grew in April 2021

Indonesia's retail sales performance increased in April 2021, reflected in the Real Sales Index (RSI) from Bank Indonesia which was recorded at 220.4. This number grew compared to March which was at 187.9. Meanwhile, retail sales growth was boosted by the jump in demand during Ramadhan. The jump was experienced by almost all groups, mainly the foods, drinks, and tobacco groups which rose 22.4% MoM. The growth is even higher than the previous month which was at 7.4% MoM. Compared to RSI in April 2020 which was at 190.7, IPR in April this year increased by 15.6% YoY. We also see that retail sales may potentially increase again in May 2021, boosted by Ramadan and Eid Al-Fitr seasonal factors.

Highest Consumer Confidence Index in 2021

Consumer Confidence Index (CCI) in May 2021 reached 104.4 or up compared to the previous month at 101.5. The increase was driven by improved consumer perceptions of current economic conditions, as reflected in the current Economic Condition Index (IKE) in May 2021, which rose to 86.8 from 80.3 in the previous month. Meanwhile, consumer expectation of future economic condition was still maintained. It can be seen from the Consumer Expectation Index (CEI) booked at 122.1 or sideways from 122.6 in April 2021. We see that the consumer confidence index may potentially be depressed by the increase of Value Added Tax (VAT). As a note, the government plans to revise the Value Added Tax law. In the fifth amendment of Law No. 6 Year 1983 on the General Provisions and Tax Procedures, the VAT rate regulation is proposed to increase to 12% from the current 10%.

Foreign Exchange Reserves Remains Solid

Bank Indonesia (BI) recorded the position of Indonesia's foreign exchange reserves in May 2021 of USD 136.4 billion. This foreign exchange reserve remained high, although it decreased compared to the position at the end of April 2021 of USD 138.8 billion, influenced by the payment of the Government's foreign debt. The current position is equivalent to financing 9.5 months of imports or 9.1 months of imports and servicing government external debt, and is above the international adequacy standard of around 3 months of imports. We see that a number of government policies will continue to support the economic outlook, amidst adequate foreign exchange reserves.

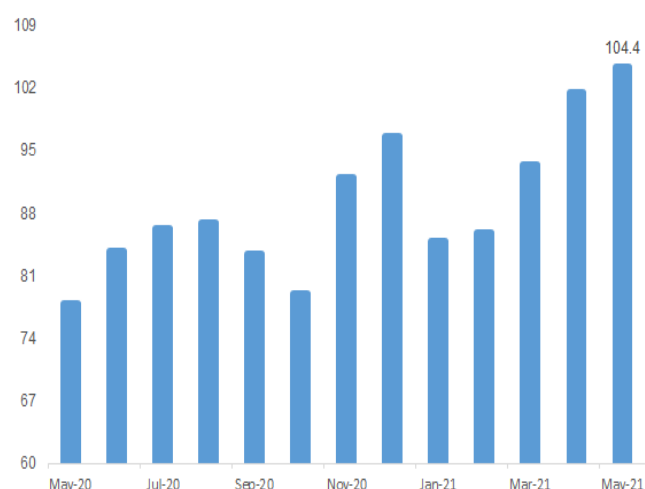
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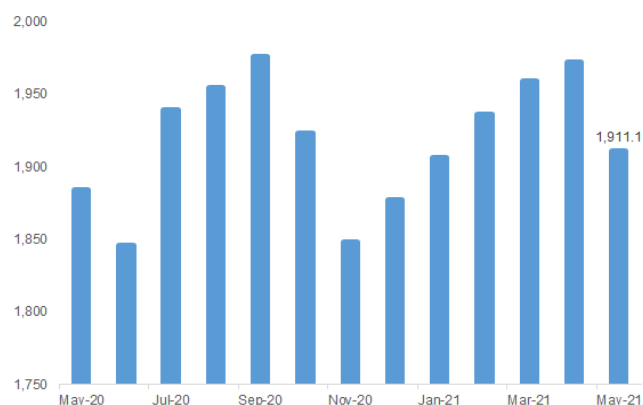
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Indonesia's Cons. Conf. Index | May 2020 - May 2021



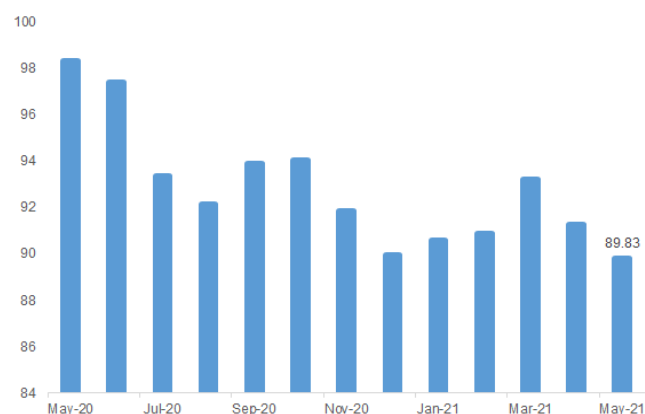
Source: Bloomberg, NHKS Research

Indonesia's Net Foreign Asset | May 2020 - May 2021



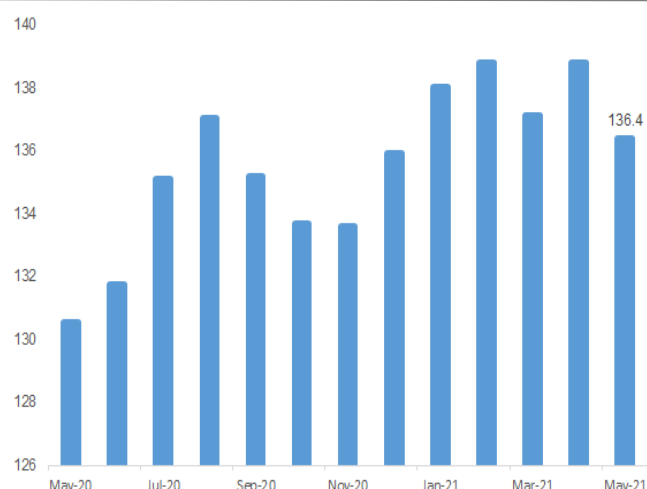
Source: Indonesia Statistics, NHKS Research

US Dollar Index | May 2020 - May 2021



Source: Bloomberg, NHKS Research

Indonesia's Foreign Reserves | May 2020 - May 2021



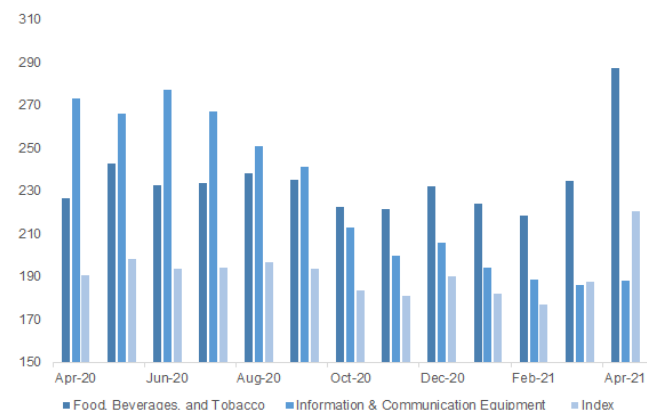
Source: Bloomberg, NHKS Research

Indonesia's Rupiah Vs. USD | May 2020 - May 2021



Source: Bloomberg, NHKS Research

Indonesia's Retail Sales | May 2020 - May 2021



Source: Bloomberg, NHKS Research

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