Industri FMCG : Perkembangan Industri dan proyeksinya di 2023

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Unilever

Agenda

1. FMCG Industry Characteristic
2. Indonesia's FMCG Business Outlook
3. Indonesia's FMCG Challenges in 2023
4. Logistic requirement for FMCG and sharing economy opportunities

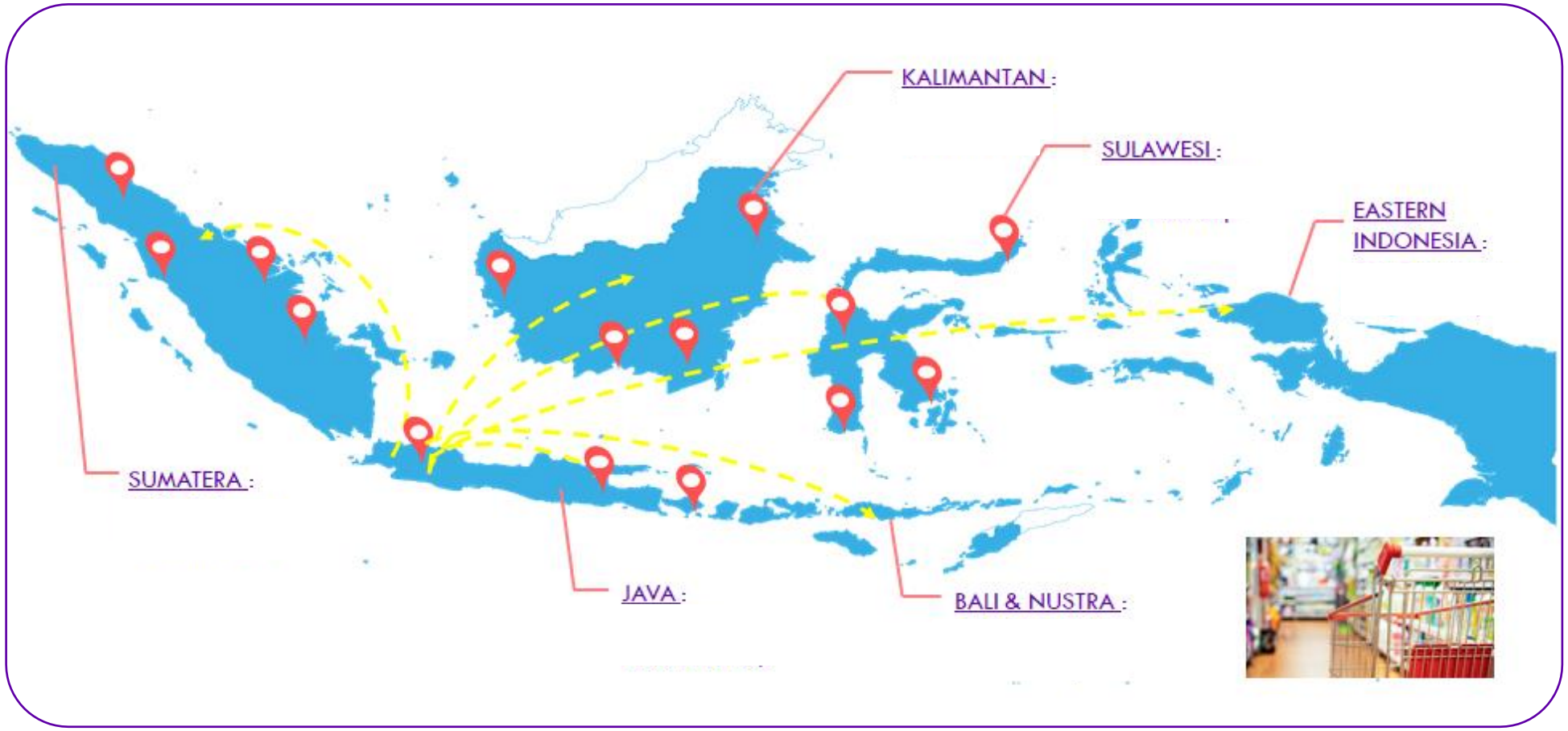
LATAR BELAKANG

✓ Profil logistik:
- Indonesia merupakan negara kepulauan lebih dari 17.500 pulau
- Berbagai macam moda pengiriman, darat dengan truk dan kereta, laut, udara, ataupun kombinasi antar moda.

✓ Unilever Indonesia memiliki statistik ***volume* logistik** sebagai berikut:
- Lebih dari 2 juta karton dikirim setiap harinya ke penjuru indonesia.
- Dengan terbagi menjadi lebih dari 1000 *shipments* pengiriman dengan berbagai moda transportasi.

✓ Data statistik secara ***stakeholders***:
- Lebih dari 1000 *drop points* (MT customer dan distributor) sebagai titik *delivery*
- Lebih dari 30 pabrik & *warehouse* sebagai sumber pengantaran
- Bekerjasama dengan lebih dari 50 penyedia jasa transportasi
- Secara keseluruhan proses pengiriman setidaknya 4000 individu terlibat setiap harinya.

Our products are distributed widely across Indonesia



Tujuan

Java	OI
60%	40%

Jenis Produk

DRY	ICE
90%	10%

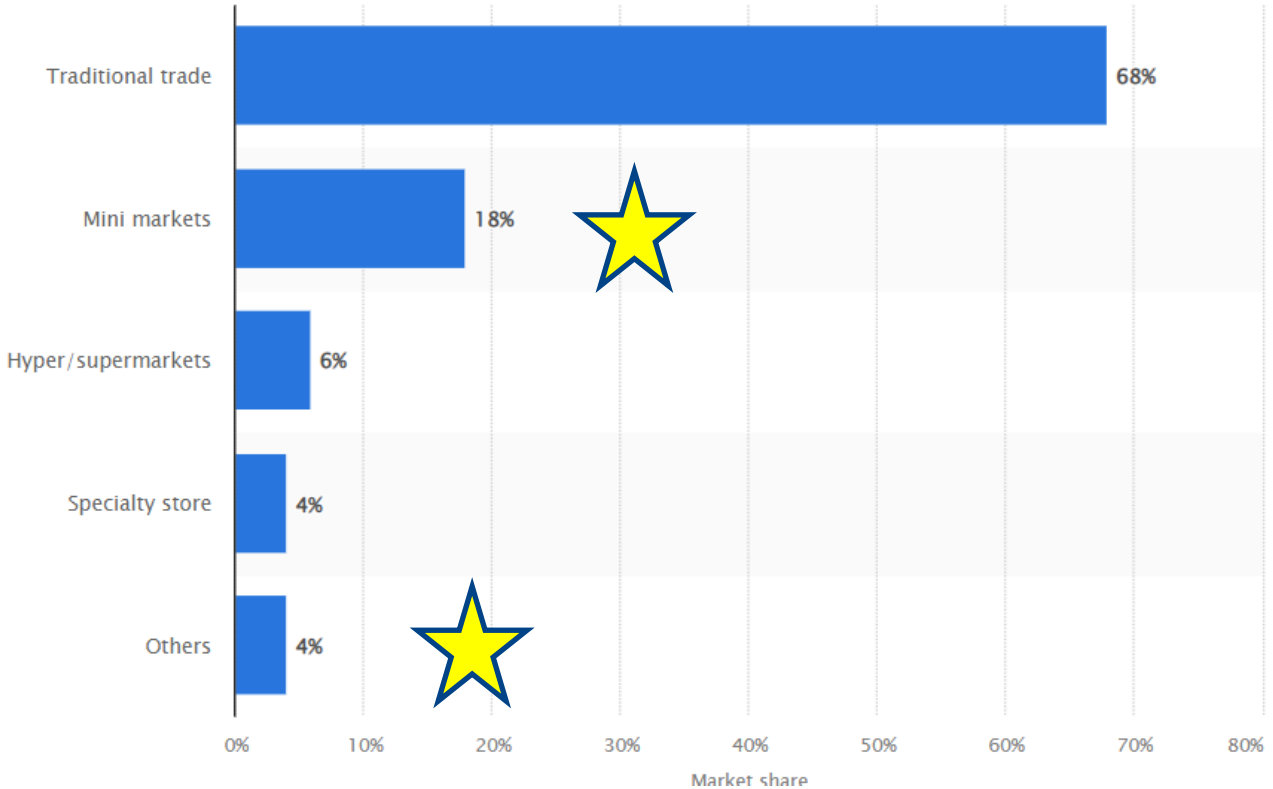
FMCG Industry Characteristic

Designed for Frequent Use, Consumed quickly

Low buying effort

Highly distributed, Low Cost

Leading sales channels of fast-moving consumer goods (FMCG) in Indonesia Q1-22, by market share



Source : Statista 2022

Indonesia's FMCG continue to recover despite inflation

- In June 2022, the inflation rate reached 4.4% in Indonesia, the highest point in the past seven years.
- Despite this, Indonesia's GDP continues to grow, driven by household consumption and export, and in Q2'22 GDP grew at 5.4%, a 0.4% increase from the previous quarter.

Price increase slowly affects household FMCG purchase

FMCG purchase	Unit per household	Spend per household	Weight per trip	Spend per trip	Shopping trip
Total panel growth	**-0%**	**4%**	**-4%**	**4%**	**0%**
Upper (16%)	-2%	1%	-5%	-0%	1%
Middle (57%)	1%	5%	-5%	5%	0%
Lower (27%)	-1%	5%	-3%	5%	0%

4.0% and above | Between +/-4.0% | -4.0% and below

NielsenIQ

Source: NielsenIQ Consumer Panel Services (CPS) – Total FMCG – Q2 2022 vs YA

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Different purchase priorities of SES

Value growth (Q2 '22 vs LY)	Upper SES (16%)	Middle SES (57%)	Lower SES (27%)
▲ **10% and more**	Cooking aids, snacks & confectionery, decorative, beauty	Cooking aids, decorative, snacks & confectionery,, instant food	Healthcare*
▲ 5%- 10%	Instant food, homecare others	Beauty, hygiene	Cooking aids, dairy, RTD, snacks & confectionery, basic PC
2%- 5%	RTD, non RTD, hygiene	Dairy, RTD, non-RTD, basic PC, homecare others	Homecare others
▼ -2% - [+2%]	Basic PC		Instant foods, beauty, hygiene
▼ **[-2%] and more**	Dairy, pharma OTC, healthcare	Pharma OTC, healthcare	Non-RTD, decorative, pharma OTC
	Vol = -2% / Val = 1%	Vol = 1% / Val = 5%	Vol = -1% / Val = 5%

Note :
Vol: AWOP unit growth, **Val**: Spend/HH growth
*Low buyer base, read with caution

NielsenIQ

Source: NielsenIQ Consumer Panel Services (CPS) - Total FMCG – Q2 2022 vs YA

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FMCG e-commerce: Increasing role across categories

	Average category bought	Shopping trip growth vs. Year ago
Total panel	3.6 ▲	+32%
Upper SES	4.3 ▲	+22%
Middle SES	3.4 ▲	+36%
Lower SES	2.8 ▲	+44%

Top 10 FMCG e-commerce growth contributor

1. Skincare	6. Honey ▼
2. Powder milk	7. Face powder
3. Baby diapers	8. Non-powdered detergent
4. Cooking oil ▲	*9. Cologne**
5. Shampoo ▲	*10. Vitamin**

*not in Top 10 in Moving Annual Total Q1 2022

NielsenIQ

Source: NielsenIQ Consumer Panel Service (CPS) – Moving Annual Total (MAT) Q2 2022

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2023 Indonesia's FMCG Challenges

HIGH INFLATION PROJECTION

ARISING COMMODITY PRICE

RAPID CHANGES ON DIGITALIZATION

LOGISTIC COST INCREASE

- Fuel Increase > +30%
- Labor's minimum wage adjustment +7-8%
- Ocean freight rate
- Reinvestment for new channel or business model

The Connected Supply Chain is required to overcome the challenges

Agility and resilience

Reshape asset and cost base

Positive for people and planet

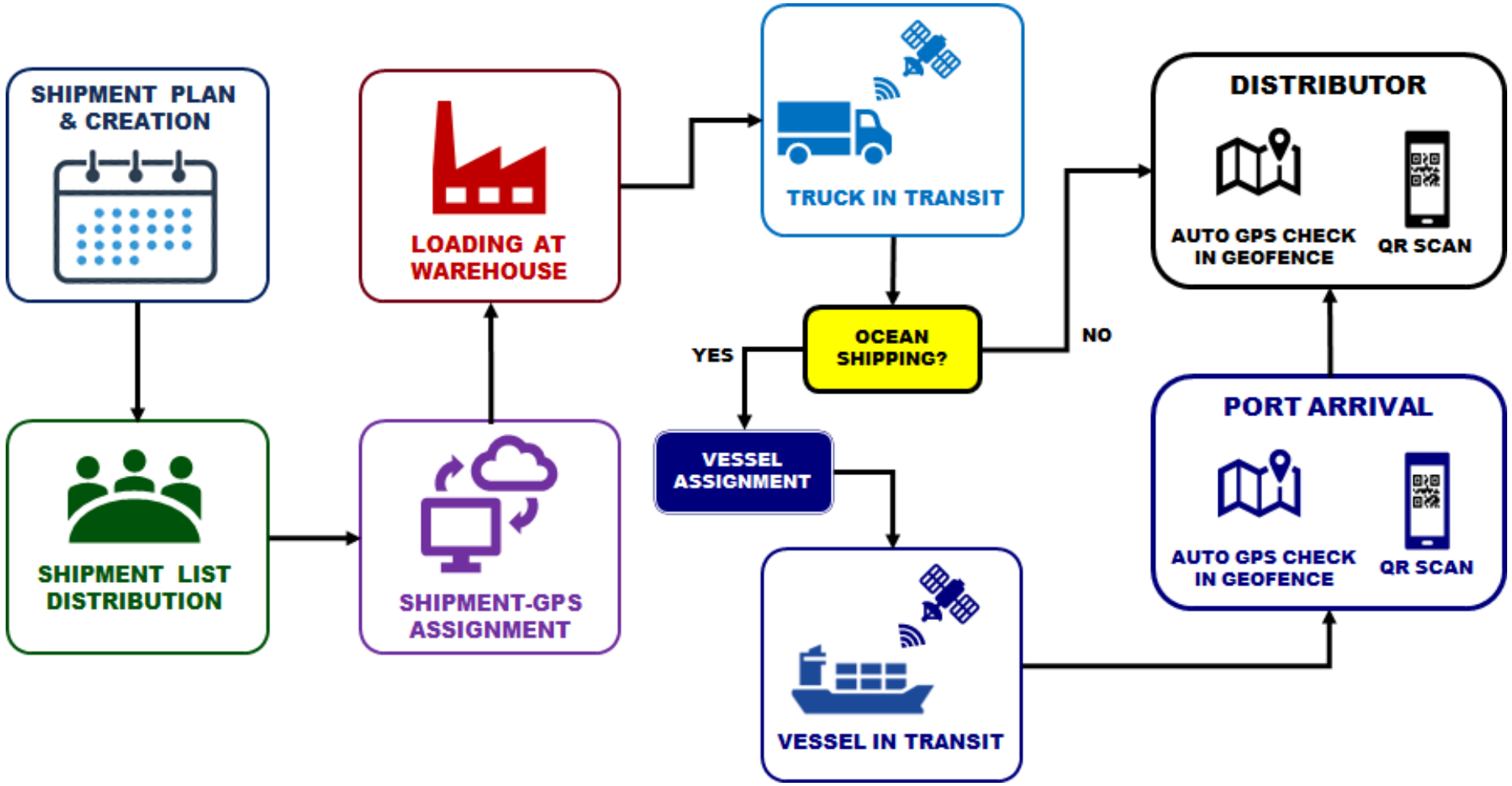
Core enablers

Future fit talent

Digital transformation

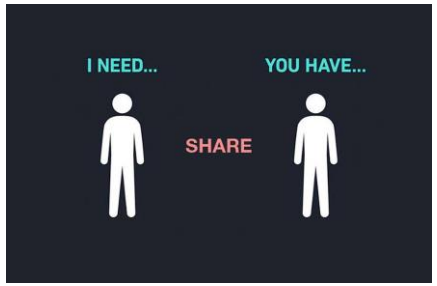
Partnerships for purpose

Logistic Process Flow in FMCG



Kebutuhan Dukungan Jasa Logistik untuk FMCG

1) **Peningkatan kualitas jaringan internet**, terutama di luar Jawa karena teknologi GPS sangat mengandalkan koneksi internet. Jika koneksi internet lemah maka akan mengganggu sistem GPS.
2) Jika memungkinkan diadakan ***alert system* yang terpusat** ketika terjadinya *force majeur*, para pelaku logistik bisa bersiap dan berbenah
3) **Peningkatan infrastruktur untuk logistik,** terutama pelabuhan, stasiun, jalan dan jembatan.
4) **Kebijakan pusat yang terprediksi dan terencanakan sebelumnya** (misalnya *truck banned*, *weighting bridge* (ODOL/*over dimension overload*), kelayakan *standard* kendaraan (umur/kondisi), ketersediaan BBM, standarisasi harga BBM di luar Jawa.
5) **Transparansi cost component transport** sehingga kenaikan dapat diprediksi oleh pengguna
6) Peraturan pembatasan *type* kendaraan tertentu di daerah / area tertentu
7) **Dukungan Financial sector untuk industri logistik** (dapat berupa bunga kredit, pinjaman, cashless transaksi, etc)
8) Komunikasi dan kolaborasi Pengguna, Pengusaha Transportasi dan pemerintah



SHARING ECONOMY Opportunities

Warehouse

Benefit

Converted DC to Multi user Facilities

Connected warehouse demand and 3PL Solution

Online, accessible and scalable for liquidity

Potential Sublease in Logistic Network Warehouse (Greater Jakarta and Outer Island)

Transportation

Benefit

Connection to Wide Range of Supply with **1 Gate**

Competitive Pricing, capturing backhaul more real-time and floating rate implementation

Flexible capacity to catch volatile amount of shipment

Thank You