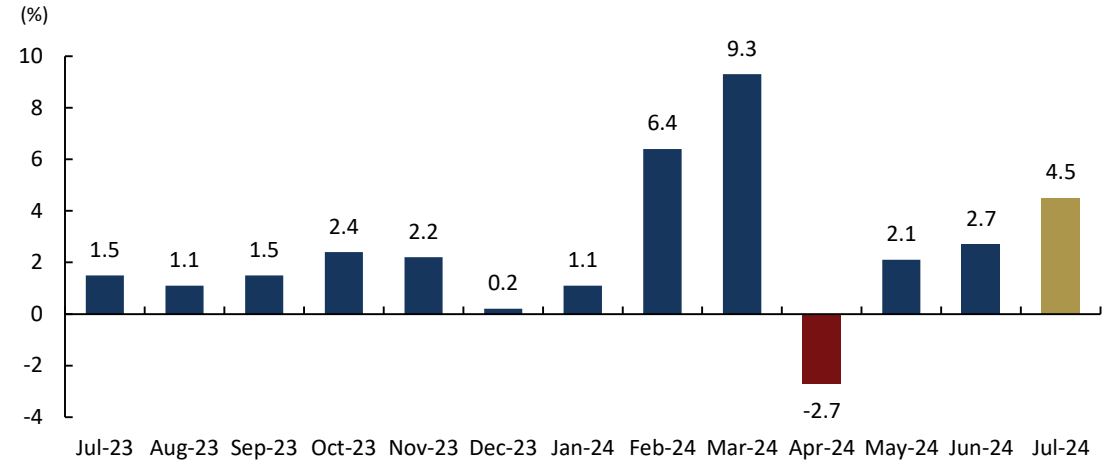


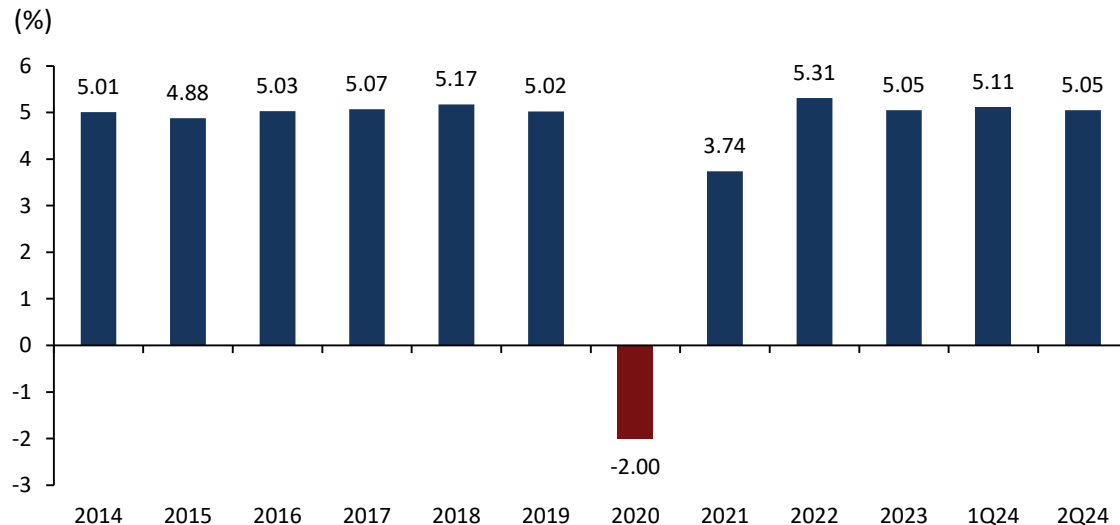
Indonesia Retail Sales Index: 10 September 2024

- In July 2024, Indonesia’s retail sales increased 4.5 percent year-on-year (YoY), marking a notable acceleration from the 2.7 percent rise recorded in June and slightly surpassing Bank Indonesia’s (BI) July expectation of 4.3 percent YoY.
- This growth represented the third consecutive month of retail turnover expansion and the fastest pace since March, driven in large part by ongoing government cash transfers that bolstered consumer spending. A closer look at the data reveals faster growth in food sales, which surged 6.5 percent compared to 3.5 percent rise in June. Meanwhile, clothing sales rebounded strongly, increasing 3.4 percent after contracting 0.5 percent in the previous month.
- However, not all sectors experienced gains. Sales of cultural and recreational goods declined further by 6.2 percent, following 2.7 percent drop in June. Similarly, the information and communication sector saw a sharper decline, with sales falling 7.2 percent compared to 1.0 percent dip previously. Home appliances also recorded deeper contraction, with sales plunging 12.8 percent, worsening from an 8.7 percent decrease in June.
- BI expects retail sales to grow 5.8% in August. However, judging from the sharp drop in the ICT sector (which could be a potential indication of lagging demand in the following months) and a significant decline in annual car sales in August (-14.2% YoY drop), along with the fading effect of government cash transfers, we expect YoY growth for August to hover between 2% and 3%. With this ongoing trend, we anticipate economic growth this year to slightly moderate, with our projected GDP growth for 2024 at 4.9%, down from 5.05% in 2023.

Indonesia Retail Sales Index Growth (YoY)



Indonesia GDP Growth 2Q24



Indonesia Consumer Confidence Index

