



INDONESIA 2021 **BACK TO GROWTH**

10 key points

1

Indonesian remains optimistic. Mostly, Indonesians were not locked down and nearly 99% of establishments were left open with precautionary measures. The Indonesian

government's strategy for distributing the Covid-19 vaccine prioritized different groups, in terms of priority and risk of contracting the virus. Stage one was for health workers, stage two for elderly and public service workers (such as retailers in traditional market, teachers, police officer and soldiers, etc.). When we look at the number of victims and level of suffering, the situation is much more positive than in other countries. According to Ipsos' SEA 3rd wave study in February 2021, the country remains the most optimistic (76%) about the economic recovery over the next six months compared to other countries in the region.

2

The Indonesian outlook is positive. Its economy rebounded in the second half of 2020 and the recovery is expected to accelerate in 2021 and 2022. According to

the International Monetary Fund, real GDP is projected to expand by 4.8% in 2021 and 6% in 2022.

3

Health is a new issue. During the crisis, the focus was about illness, such as those with an impaired immune system, obese or nutritional deficiencies. The trend now turns

to fresh, healthy, seasonal products; the premium went to fruits and vegetables known to be rich in vitamins such as avocados, papayas and oranges as they protect the body's natural defenses. These new habits will stay because people have felt the physical and psychological benefits: feeling better, healthier and building a sense of vitality.

4

Indonesian consumers are increasingly educating themselves about brands and products. The relationship with brands is based on the emergence of new expectations

about them, and advertising. Consumers want more clarity, more transparency. They look for more information, and compare. They are more and more self-discussing, more aware, and more demanding.

5

Employment, health, access to the media, shopping. Almost all sectors have accelerated their transformation. The digital economy existed before March 2020, but

Covid-19 gave it a boost given that online access was very unequal: a smartphone costs a month's salary or even more for many. Operators have lowered their prices, and this discount has changed things, opening access to new ranges of the population.

6

"Tele" was the word of 2020 but has been around for a long time. The youngest in society have adopted communication technologies for using social

networks, such as Tik Tok and Instagram, and for their shopping; telemedicine and teleconsultations have exploded, for people and for pets. And we have tele-entertainment, with the categories having benefited from the crisis being personal care, leisure and streaming platforms.

7

Jakarta is on its way to becoming one of the biggest smart cities in Asia. The "no-contact" services and technologies

accelerated by the pandemic makes possible the generalization of digital payments from smartphones, for municipal services and at supermarkets, Starbucks, KFC, hotels and cafes, BRT, MRT, LRT, toll, plane and train tickets, concert ticket payment, cineplex reservation, parking, hospital and doctor, housekeeping and costs of schooling. QR codes via smartphone apps have become an everyday part of Indonesians' lives.

8

The future of Indonesia is electric, hydrogenic and geothermal. Globally, electric propulsion and hydrogen are the two resources called upon to replace

hydrocarbons and the economic stakes are colossal. Indonesia is now stepping up agreements with global manufacturers of electric batteries. In parallel, state-owned geothermal companies target an investment volume of around \$500 million.

9

Indonesia is becoming more responsive.

Indonesia is one of the world's leading producers of nickel (nearly 20% of global production) and is the biggest producer of palm oil. Both nickel and oil represent today one of the most characteristic emblems of contemporary environmental struggles. Reconciling production, demand, ambition (the government plans to build 400,000 electric cars per year and a fleet of two million electric two-wheelers by 2025), environmental concerns, appetite for small producers, and attention to health, will be one of the conditions for responsible growth.

10

Indonesia wants to expand its attractiveness.

In response to the Covid-19 crisis, the government launched CHS Program (Clean, Healthy & Safety) for Indonesia's tourism sector, including hotel, F&B and retailers. The World Tourism Organization declared that Bali is ready and very willing to start reopening to tourism, as we can spot with the preferential loan package to accelerate the recovery of tourism in Bali, to create jobs for more than 80% of the population (\$US 670 million) and alert people on waste management.

IPSOS FLAIR INDONESIA 2021**Q&A WITH SOEPRAPTO TAN, COUNTRY MANAGER, IPSOS IN INDONESIA****Q How do Indonesians feel about the situation of their country now?**

A Despite a 2% decline of the GDP in 2020, the first annual contraction since 1998, according to Ipsos SEA 2nd wave study period October 2020, 75% of Indonesian optimistic that national economy will recover. And the optimism was quite stable, on Ipsos SEA's 3rd wave (February 2021), it had increased to 76%, in the wake of Covid-19 vaccination which have been rolling out since 13 January 2021.

Q Is the prospect of mass vaccination against Covid in 2021 a potential game changer?

A Furthermore, as of April 5, 2021, as many as 8,838,081 people have been vaccinated for Covid-19, or 208,899 more than the previous day. Meanwhile, 4,208,326 people have received their second vaccination, or 193,925 more than the previous day. The Government aims to inoculate a total of 181.554.465 citizens by early 2022.

Q Why shall we say that for Indonesia it is "Back to Growth"?

A All of those certainly enhance the optimism of Indonesians that there is a hope to "rise-up"; health will recover soon,

and the economy will continue down a path to growth. And Ipsos, as previously, continues on this journey to track the evolving of citizens' behaviors and opinion during the pandemic: the 4th wave of the Living in Crisis study was conducted on May 2021. The growth includes a more effective international role. Indonesia will host the G20 Summit in 2022 and have the Presidency of ASEAN in 2023, it wants to host the summer Olympics in 2032 and the prognosis for the Indonesian economy, despite the impact of Covid-19, is favourable. In 2024, according to IMF forecasts, the world's top five countries with the highest GDP should be occupied by four Asian countries, China, India, Japan and ... Indonesia in fifth The United States, number one since 1992, would take second place. This forecast is even more remarkable given that Indonesia is sometimes absent from the table, foreexample in 1992 and 2008.

Q What are the priorities for Indonesia in 2021?

A The most significant priority is to be able to surf on new opportunities, such as food and services delivery at the office or at home: the focus being on cleanliness, disinfection, digital health, teleworking, transportation, teleconference tools and apps. Anything that overcomes the difficulty of getting around on your own and simplifying your life is bound to be successful in this growing market.

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BACK TO GROWTH 10 KEY POINTS

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