

Indonesia Covid-19 Observatory

The World Bank's Indonesia Covid-19 Observatory is a multi-GP partnership that aims to generate usable and near-real-time insights on the impact of the pandemic to inform the Government of Indonesia's policy response to the crisis.

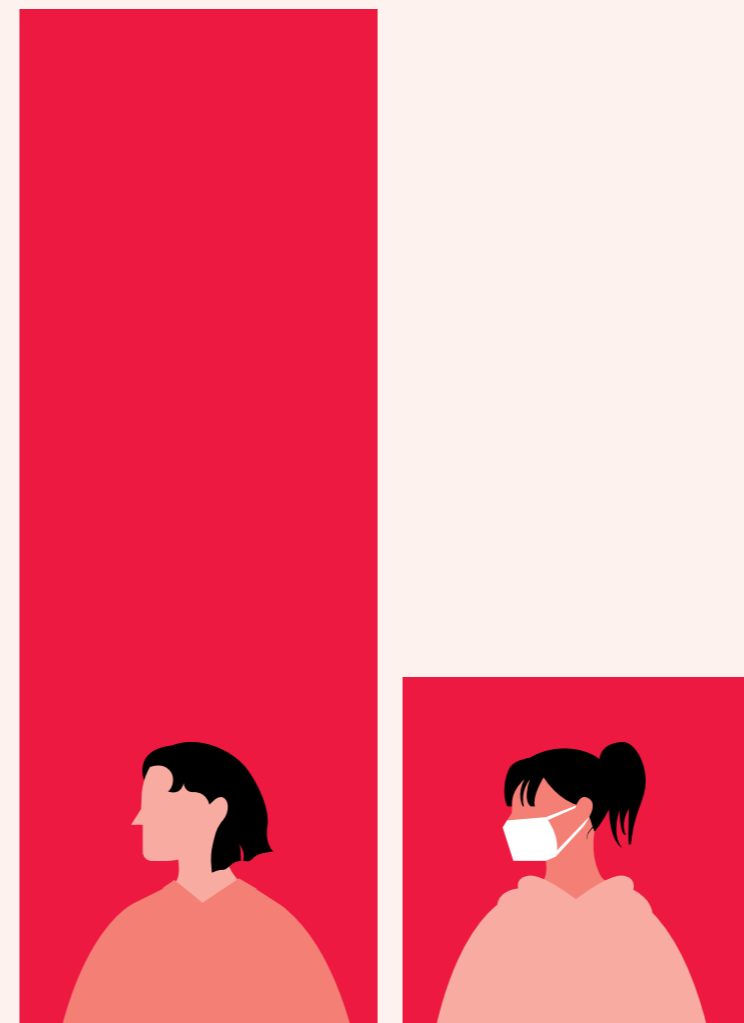
PLEASE DIRECT INQUIRIES TO
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E-commerce is a valuable alternative source of income during the pandemic



FIGURE 1

25% of merchants surveyed joined during the pandemic ...



75%

JOINED BEFORE THE PANDEMIC

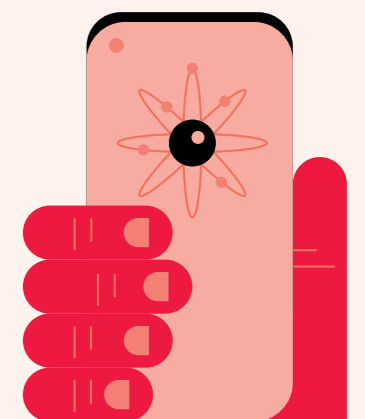
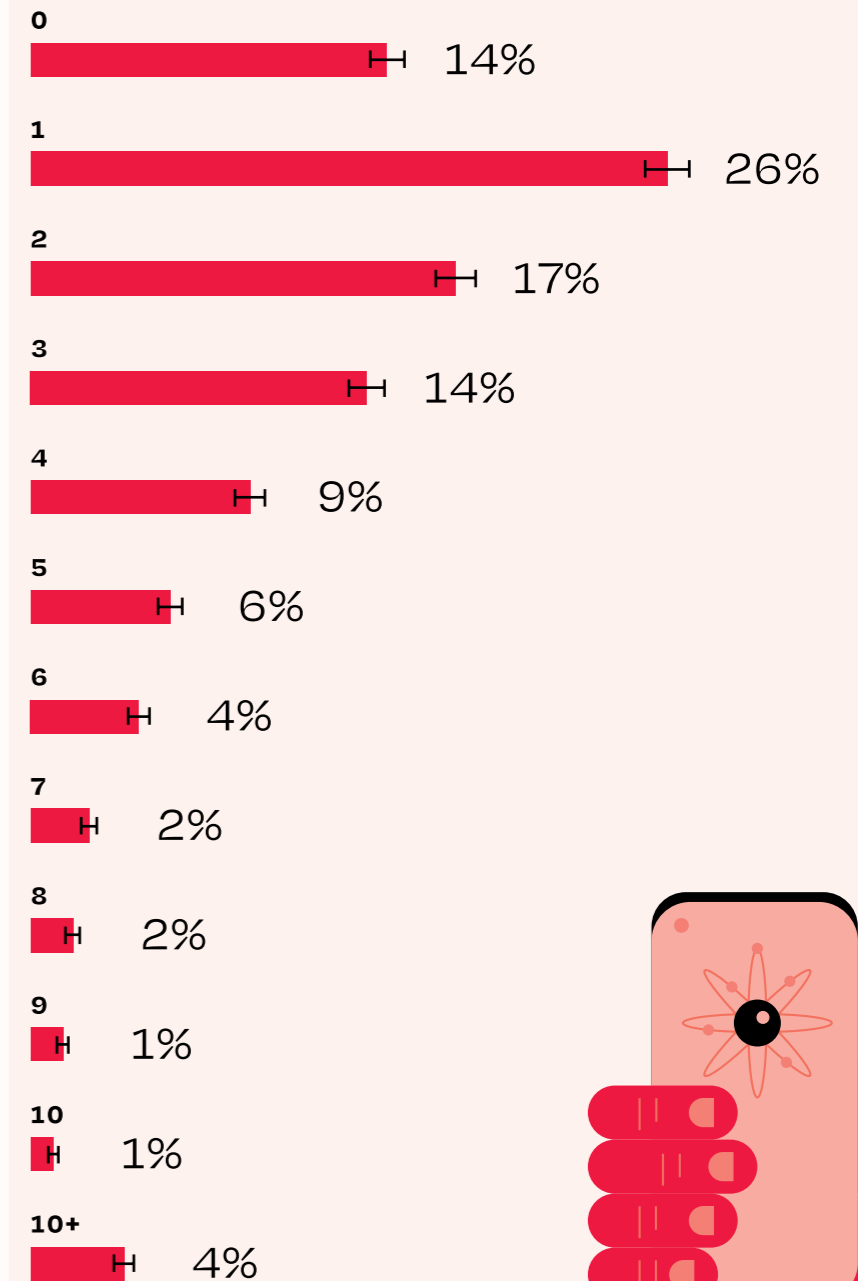
25%

JOINED DURING THE PANDEMIC

FIGURE 2

> 50% of merchants surveyed are young online businesses

YEARS OF SELLING ONLINE



Signs of recovery were evident by November



FIGURE 1

Total sales have recovered to the pre-pandemic level...

TOTAL SALES (RED NUMBERS, 95 CI)

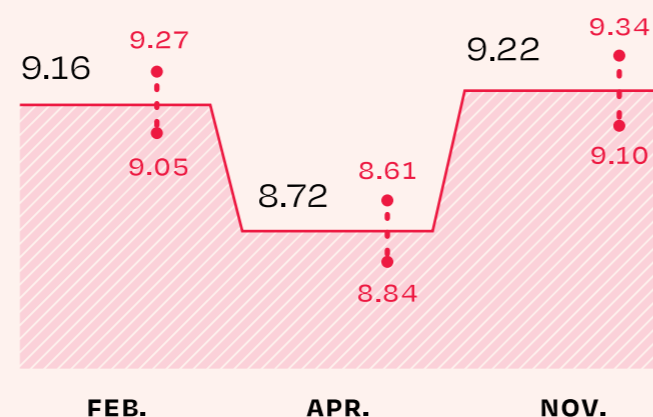
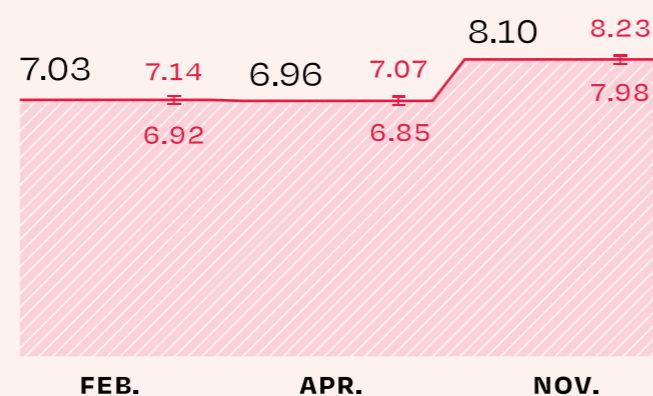


FIGURE 2

...while online sales have grown stronger than the pre-pandemic level

ONLINE SALES (RED NUMBERS, 95 CI)



3



Those who were more versatile to switch product categories to cater to changing consumer's demand appeared to weather the pandemic better.

Digital merchants appeared to be more resilient in terms of keeping their business going during the pandemic, reflecting the ability to switch to sell online

FIGURE 1

Close to 80% of businesses of digital merchants surveyed have kept their business open throughout the pandemic

BUSINESS OPERATIONS DURING THE PANDEMIC

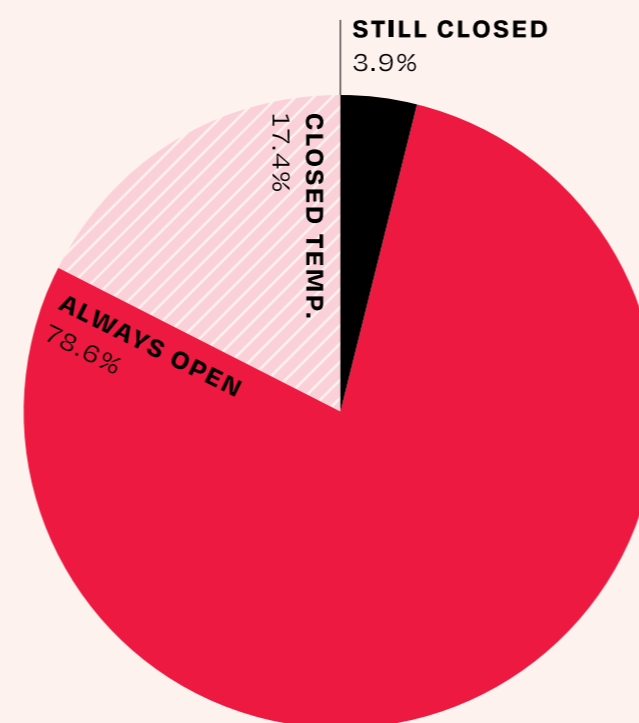
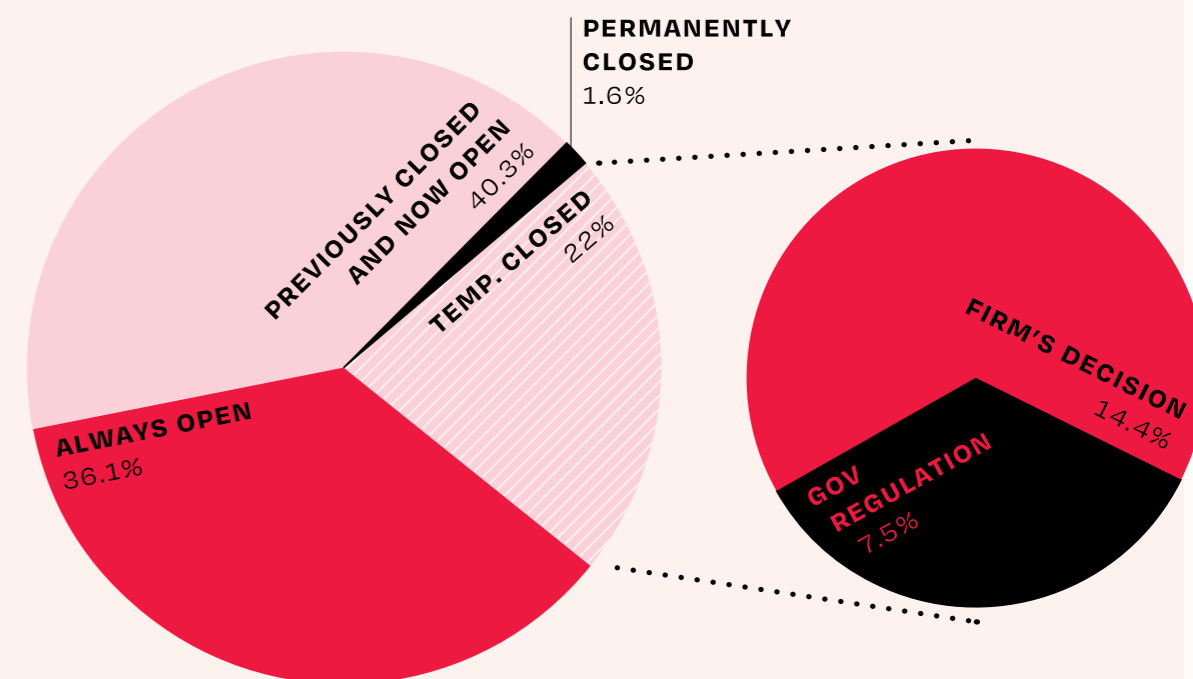


FIGURE 2

...compared to 36% of general firms*

*NOTE: SOURCE WORLD BANK'S COVID-19 BUSINESS PULSE SURVEY (BPS) ROUND 1 (JUNE 15-23, 2020)



Digital skills/knowledge/training and cash transfer are the top support program and government assistance digital merchants want to mitigate the impacts of the pandemic



FIGURE 1

Digital skills/knowledge/training, sales & marketing and cheaper & reliable logistics services are the top three areas in which sellers need support...

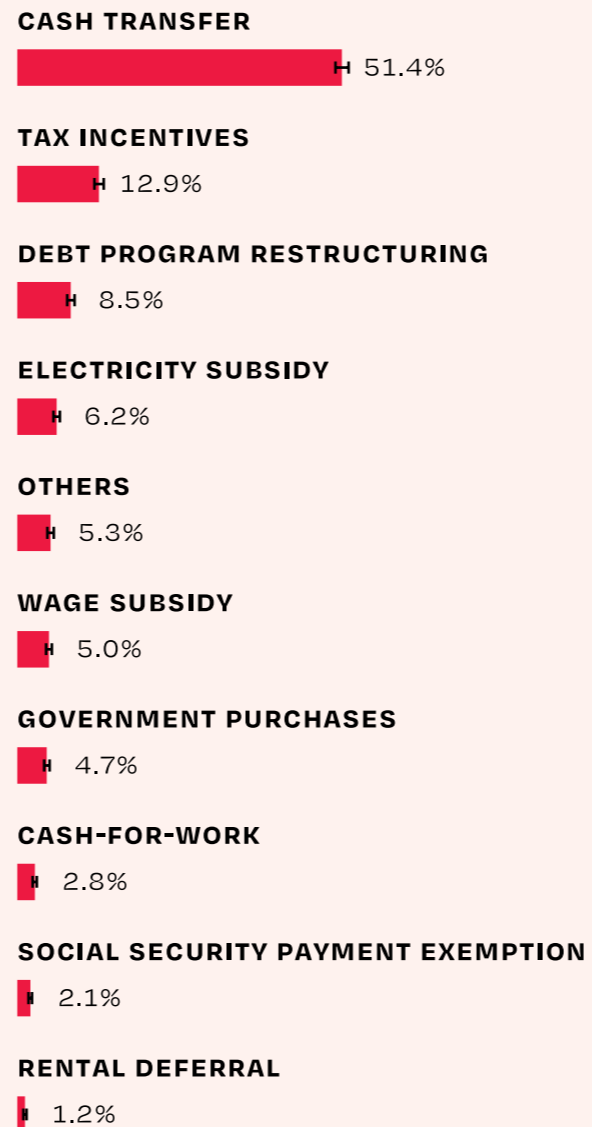
WHAT ARE THE TOP THREE PROGRAMS THAT WOULD BE MOST USEFUL GOING FORWARD? (% OF MERCHANTS)



FIGURE 2

...while cash transfers remain the most popularly demanded government assistance by far for mitigating the pandemic's impacts

MOST USEFUL GOVERNMENT ASSISTANCE IN THE FUTURE?



One in five merchants surveyed received government assistance and 62% of those received cash transfers mostly in the form of pre-employment cards and BLT produktif

Digital merchants who received debt-restructuring programs were more likely to receive extension to loan maturity and postponement of loan repayments than subsidized interest rates (either for new or existing credits)

FIGURE 1

Digital merchants who received cash transfer largely received it via pre-employment card and BLT *Produktif*

WHAT TYPES OF CASH TRANSFER PROGRAMS DID MERCHANTS WITH DIFFERENT BUSINESS SIZE RECEIVE?

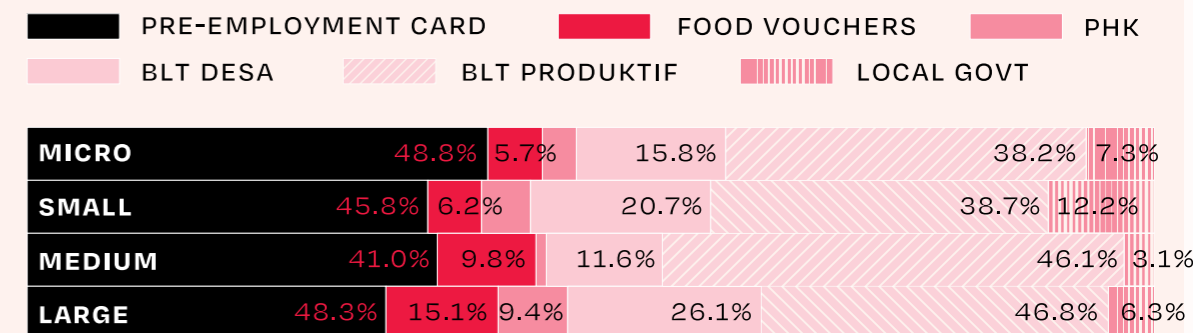
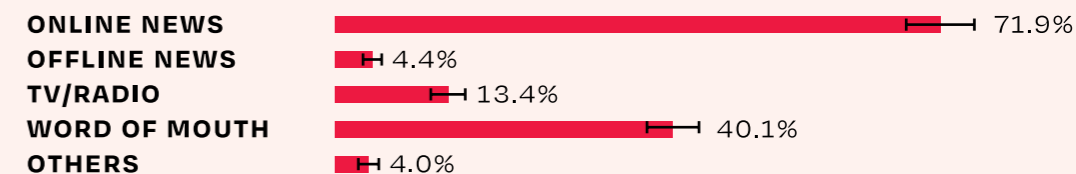


FIGURE 2

Half of merchants received government assistance by applying for it and three-quarters of them learned about government assistance from online news

IF APPLIED FOR GOVERNMENT ASSISTANCE, FROM WHERE DID MERCHANTS LEARN ABOUT THE GOVERNMENT ASSISTANCE?



Sellers used different types of cash transfers in different ways, which indicates that some government assistance is more effective if targeted to some types of sellers.



FIGURE 1

Self-employed tended to use cash more for business...

HOW SELF-EMPLOYED MERCHANTS USED CASH TRANSFERS?

1—BUSINESS
2—CONSUMPTION
3—SAVINGS

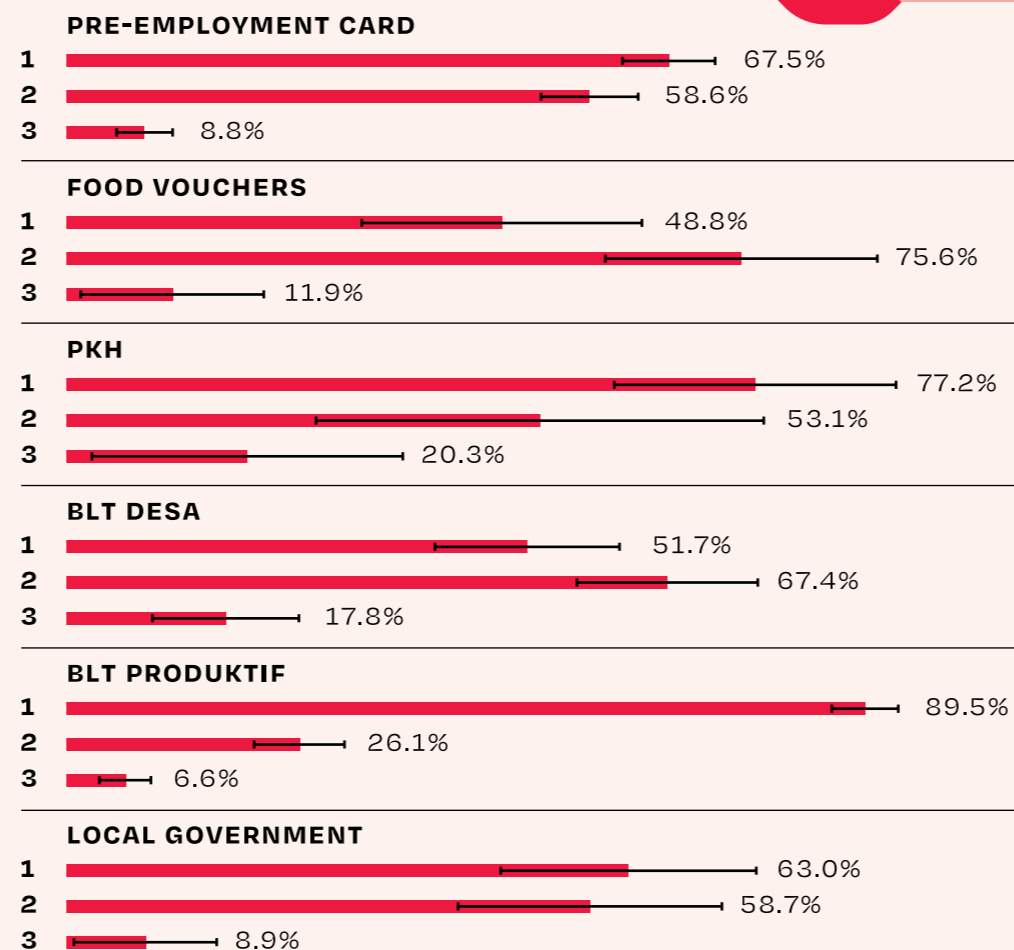
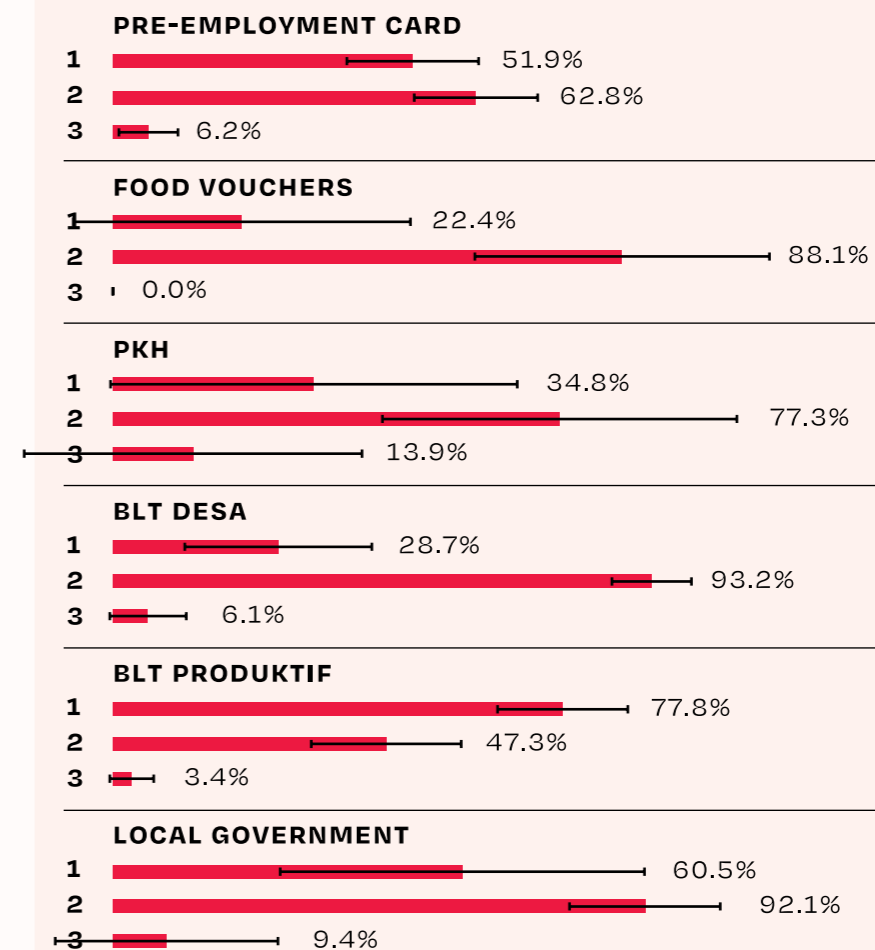


FIGURE 2

...and homemakers for consumption

HOW HOMEMAKER-MERCHANTS USED CASH TRANSFERS?

1—BUSINESS
2—CONSUMPTION
3—SAVINGS



But to a large extent, utilization of government assistance programs is already aligned with expectations of the government.

