



## Good economy can only be damaged by bad politics.

More than anything else, people expect their government to create an environment within which they can get on with their lives. Creature comforts add to the quality of life, by reducing the effort required for daily chores. The buying and selling of these simpler pleasures of life are pillars of the economy.

The signs for the consumer economy are still positive. The Roy Morgan Consumer Confidence index was at an all-time high of 124 points across the nation at year's end, contrary to the drop indicated by Bank Indonesia in its big city indicator. The Good Governance monitor continued to rate the SBY administration highly, but the thumbs-down from big-city-folk had already become visible by December. The Bank Century scandal has undoubtedly taken its toll, with the mood of the people adversely affected primarily in the big cities for now. But the contagion is spreading and could dampen buoyant spirits if the seemingly unending saga isn't brought to a conclusion soon.

A walk through a home reveals a lot about the family that lives in it. A virtual look inside all the homes should say a lot about the country. Equally revealing are the intentions, the desires of Indonesian households. That is what this column will attempt to explore this week, because there's never been a better time. For three consecutive quarters more people believed now is "a good time to buy major appliances", with 36 per cent agreeing at year's end.

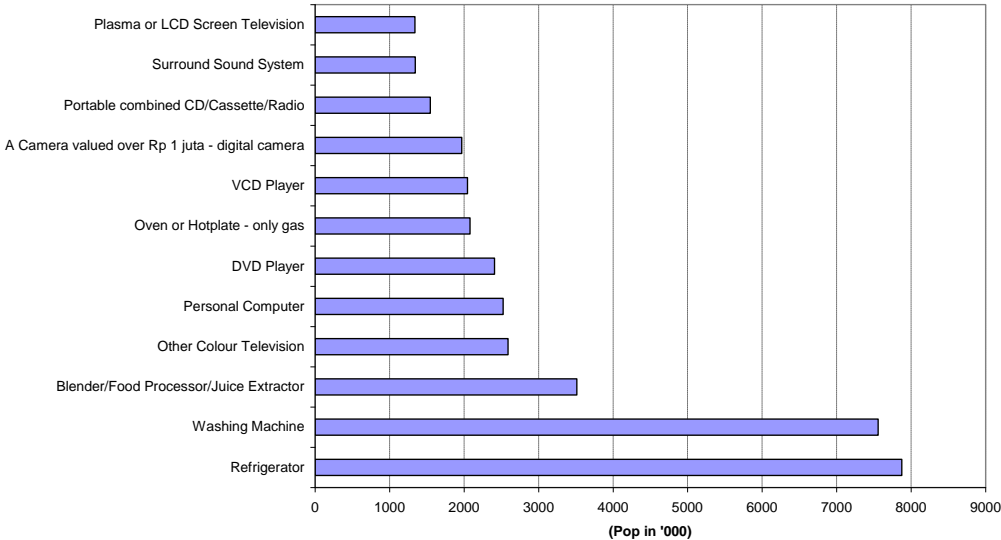
87 per cent of Indonesians live in homes owned, not rented, by the family. By international standards, that is a big number. Two reasons explain the phenomenon. First, most homes are inherited, handed down from generation to generation. Second, a number of generations live together as an extended family, under the same roof. Only 3.5 per cent of homes have a car parked outside. This number is growing, but very slowly. What is growing steadily is the population of motorcycles, with 60 per cent of households proudly owning at least one today.

Inside the home, domestic appliances help make life easier. The consumer electronics industry had a good year in 2009 and expects a much better year in 2010. In that sense, life should be getting better for a lot more people and not only those replacing ageing gadgets. Today, nine out of ten homes have a TV set. In the next 12 months, 2.5 million people are planning to buy a new one but most of them will be replacements or additions. Refrigerators are on top of the nation's shopping list. While only 38 per cent of homes have one today, some 8 million people are planning to buy one. Washing machines are a similar story. Only 10 per cent of homes have one, but ranks as No. 2 on the wish-list with 7.6 million intenders. The international favourite, the humble toast, is neither popular today nor about to become a best-seller. Only 7 per cent of households own one, less than 800,000 Indonesians are planning to buy one.

The microwave oven also personifies growing middle-class aspirations. Some 600,000 women are planning to add one to the kitchen this year. While nine out of ten homes have an electric iron today, the replacement market remains strong with about 700,000 homes looking at another one. Ovens and dishwashers remain upper-class conveniences, each garnering only

200,000 intenders nationwide. Less than 100,000 people want a new coffee-maker, or a telephone answering machine.

**DOMESTIC APPLIANCES INDONESIANS "INTEND TO BUY"**



In the home entertainment arena, the country’s affluent homes are reflections of a global phenomenon. Plasma or LCD screens and accompanying surround systems have jumped in popularity, with some 2 million people eyeing a new system. A similar number are hoping to add a personal computer to the home. Almost a million are thinking of a new digital video camera. Over 800,000 have been thinking of a new portable music system like an MP3 or MP4, and 500,000 are keen on an iPod in particular. But it’s not just the passive seekers of entertainment who are growing in numbers. Almost a million people are planning to buy an electrical musical instrument, like a guitar or keyboards.

Material possessions are not the only reflections of a home. Gender differences reflect an interesting facet of life in Indonesia. 70 per cent of women and only 30 per cent of men “enjoy grocery shopping”. 83 per cent of women “love to cook”, a pleasure shared by only 17 per cent of men. Six out of ten women and two out of five men “can’t relax till I know the house is clean and tidy”. About half of all men and women have “worked in the garden” in the last month, a number that will surprise many a reader.

On the one hand, this report pays little attention to the everyday struggle of millions of poor Indonesians living with very little joy, either material or emotional. On the other, it does not address the role consumer credit can play in boosting the consumption of goods and services that forms the backbone of Indonesia’s economy. To do those updates real justice, they are best left for another day.

These conclusions are based on Roy Morgan Single Source, a syndicated survey with over 24,000 Indonesians 14 years and older interviewed each year. The information gathered is projected to reflect over 85 per cent of Indonesia’s population 14 years and older.

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