

The Food and Beverage Market Entry Handbook: Indonesia:

**a Practical Guide to the Market in Indonesia for European Agri-food
Products**



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1 The Food and Beverage Market Entry Handbook: Indonesia

This Handbook is intended to act as a reference for those agri-food producers planning for, or in the process of entering, the Indonesian market. This Handbook provides **step-by-step guides** on entering the agri-food market in Indonesia including relevant information such as **analysis of the Indonesian market** for different product categories, **market access** and **market entry procedures**, **IP protection**, **referrals to professional buyers** and a signposting and referral system providing useful contacts and ways to penetrate the Indonesian market.

How to use this handbook


Depending on your stage of market entry, company profile, and product range, different sections within this handbook will be helpful to a different extent for your business strategies.

For those wishing to learn more about the Indonesian food and beverage market in general, section 2 provides a general country overview; section 3 provides an overview of the agri-food market; and section 4 an overview on market entry. These latter two sections contain information on: the food and beverage market, market access procedures, customs procedures, SPS and labelling requirements, intellectual property protection, including the status of geographical indications. The information contained within these sections is of a general nature and so may not be relevant for those in the more advanced stages of market entry.

If you want to find out more information relevant for your product, then check out the **Market Snapshots for Selected Products** (section 5). This content illustrates the market situation, market access procedures, SPS requirements etc. specific for this product or product category. This information will provide more industry specific information to consider as part of any market entry or market expansion strategies.

If you already have decided that the Indonesian market is where you want to be, but you need some support, then the **Support Services Directory** can point you in the right direction. Contact information for a service provider, business facilitation support organisation, or from a business contact, could help put you in touch with the right parties who can help you to build your brand in the Indonesian market.

2 Country introduction and overview

	
Capital:	Jakarta
Population:	267 Million
Area:	1.905 Million Km ²
Political structure:	Constitutional republic
Major languages:	Indonesian (official), Over 700 varieties of regional languages
Major religions:	Islam 86%, Christianity 10%, Hinduism 1.7%, others 2.7%
Life expectancy:	71.2 years (Male 69.3 years, Female 73.7 years)
Currency:	Indonesian Rupiah IDR (Rp); 1 EUR = 17000 Rp (2020 average)
GDP growth (real):	-1.5 % (2020) <i>(Largely attributed to the outbreak of Covid-19, GDP growth in 2019 was 5%)</i>
Exports:	18.41% of GDP (2019)
Imports:	18.91% of GDP (2019)
Main exports*:	Mineral Fuels (21%), Animal and vegetable fats (11%), Electrical Equipment (5%)
Main imports*:	Machinery (16%), Mineral fuels (14%), Electrical equipment (12%), Iron and steel (6.1%), Plastics (5.1%)
Unemployment rate:	4.9% (February 2020) <i>(Before the outbreak of Covid 19)</i>
Labour force:	69% (February 2020) <i>(Before the outbreak of Covid 19)</i>
Main industries:	Agriculture: 13.7 % of GDP Industry: 41 % of GDP Services: 45.4% of GDP
Average household income (2019):	EUR 10 161
Household expenditure on food and beverages (2019):	EUR 2 567
Food and beverage market size (2019):	EUR 177bn

Sources: Euromonitor International: Economies and Consumers, 2021; IMF; UN, World Bank; WHO, OECD. * Goods only listed

2.1 Country overview: Indonesia at a glance

2.1.1 Past economic and political trends

- *The archipelago of Indonesia has attracted traders for centuries, due to its wide varieties of resources and its key geographic location at the crossroads of Southeast Asia.*
- *Although attracting traders and settlers from Portugal, France, and the UK, it was the Dutch who were the foremost foreign presence in Indonesia for over 300 years. The concept of an Indonesian nation-state emerged in the early 20th century.*
- *The post-World War 2 period included an end to Japanese occupation, in the aftermath the nation of Indonesia declared its independence*
- *After Independence, the first leaders of Indonesia Sukarno and Suharto both held office for a significant amount of time, challenged with stabilising a fractured nation. Under Suharto's leadership, the country experienced significant industrialisation and economic growth this combined with his anti-communist stance helped Indonesia to forge ties with the west during the cold war era.*

Located at the crossroads of Southeast Asia and home to a wide abundance of resources and biodiversity, the country of Indonesia has attracted individuals from across the world which has helped to shape the nation that exists today, such examples of this include the presence of the Dutch in Indonesia for a long period of time and its present status as the world's largest Islamic country by population. The country was referred to as the Dutch East Indies during its time as a Dutch colony and was regarded as one of the most valuable European colonies in the world due to its large abundance of resources. During the early 20th century intellectuals in the country began to ponder the concept of a unified Indonesian nation-state. The end to Japanese occupation towards the end of World War Two helped to unite the many ethnicities of Indonesia behind the idea of a unified nation state.

After independence the inner divisions within Indonesia began to appear as inner conflicts flared up between Marxists and regional groups seeking political influence. As the predominant leader of the Indonesian nationalist movement, Sukarno emerged as the leader of the newly independent Indonesian state and guided the country through a period of turmoil towards stability under his "guided democracy" system of governance.

He was replaced by Suharto who held the position of president for 31 years. Under his "New Order" administration, Suharto constructed a strong, centralised, and military-dominated government. An ability to maintain stability over a sprawling and diverse Indonesia and an avowedly anti-Communist stance won him the economic and diplomatic support of the West during the Cold War. For most of his presidency, Indonesia experienced significant industrialisation, economic growth, and improved levels of educational attainment.

2.1.2 Current economic situation and mid-term outlook

- *The Asian financial crisis ultimately led to the end of Suharto's long presidency and liberalised the economy and society of Indonesia,; this era is known locally as the "reform era" and led the groundwork for the current economic structure of the country.*
- *Despite internal insurgencies and a devastating tsunami in 2004, the economy of Indonesia has continued to grow between 2000 and 2020 and will likely return to growth quickly after the upheaval of COVID-19 is settled.*
- *Indonesia's proximity to some of the world's most valuable trade routes and its location in South East Asia makes it one of the most strategically important nations for the global economy, and this has helped to spur economic investment and growth in the country.*
- *As the world's largest Islamic country by population, the country has also been able to exert influence far beyond its borders and is a member of many international organisations such as the organisation of Islamic co-operation (OIC) and ASEAN.*

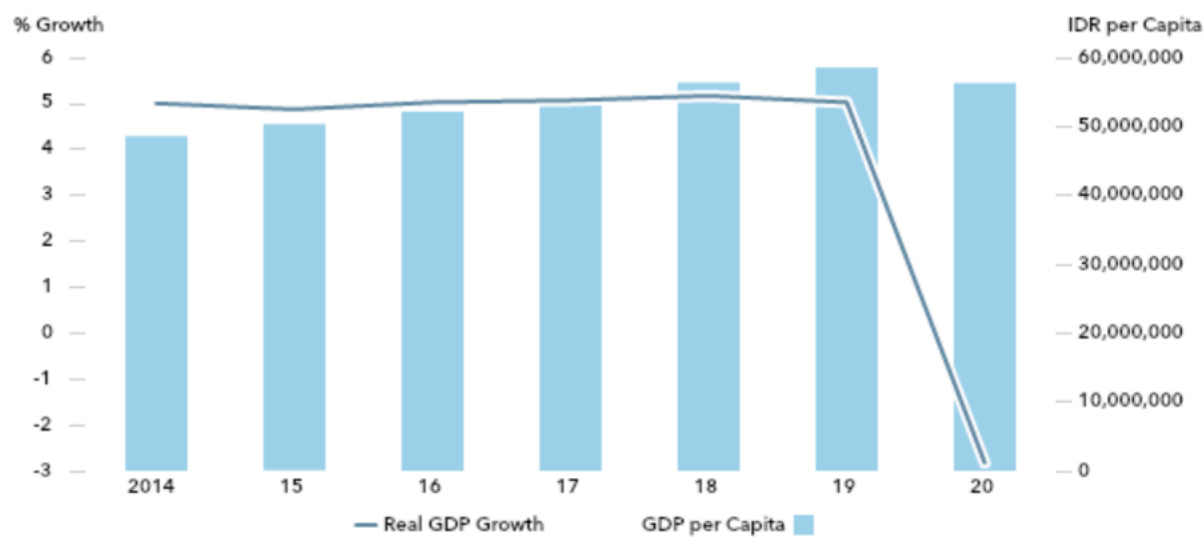
Towards the end of Suharto's long presidency, the country was heavily impacted by the wider Asian financial crisis of 1997. This ultimately led to the end of Suharto's presidency and the implementation of a swath of reforms known as "the reform era" which saw the liberalisation and opening up of the country and its economy, combined with political amendments which enhanced democracy in the country.

During the 2000s, despite suffering from internal insurgencies and a devastating tsunami in 2004, the economy of Indonesia continued to expand with the GDP of the country every year between 2000 and 2020. This has been compounded by the rise of educational attainment in the country, industrialisation, and the forging of ever close economic ties with organisations such as ASEAN. Indonesia's economic planning follows a 20-year development plan, spanning from 2005 to 2025. It is segmented into 5-year medium-term plans, called the RPJMN (*Rencana Pembangunan Jangka Menengah Nasional*) each with different development priorities.

As the world's largest Islamic country by population, the country has also been able to exert influence far beyond its borders and is a member of many international organisations such as the organisation of Islamic co-operation (OIC), ASEAN, and the G20. Looking ahead, despite the impact of COVID-19 which saw the country's economy contract for the first time in the 20th century the economy will likely bounce back quickly and return to growth, spurred by a growing middle class and overall population which now places Indonesia as the world's fourth most populous country.

As the economic centre of the world continues to shift eastwards, Indonesia will likely benefit from its strategic location in Southeast Asia and its proximity to some of the world's most valuable trade routes which are continuing to grow in importance.

Figure 2-1: Real GDP Growth and Per Capita GDP in Indonesia: 2014-2020



Source: Euromonitor International: Economies and Consumers, 2021

Real GDP growth and GDP per capita in Indonesia fell in 2020 largely as a consequence of the outbreak of COVID-19 which resulted in large scale closures of the Indonesian economy as seen in many other nations in the region. GDP growth up until 2020 remained stable and the economy today still ranks as the 16th largest in the world with a nominal GDP worth roughly EUR 912 billion at the end of 2020. The country has made enormous progress in poverty reduction in recent decades and today is commonly ranked as an upper middle income economy and the country is also a member of the G20 economic bloc.

2.1.3 Populations trends

- *Over half of the population lives on the island of Java alone, the island is home to some of the largest urban centres in the country and the current capital city, Jakarta.*
- *Indonesia has stated its intention to move its capital city from Jakarta to a new location in Kalimantan as part of an effort to decentralise power away from Java and to alleviate overpopulation on the island.*
- *The east of the country has a much smaller population than the west with the country's largest region, Papua only having a population of 3.3 million individuals, despite being roughly the same size as Poland.*
- *The population of Indonesia is amongst the most diverse in the world with a total of 633 ethnicities being officially recognised in the country. The three largest ethnicities being the Javanese (94 Million), The Sudanese (36 Million), and the Malay (8.7 Million)*

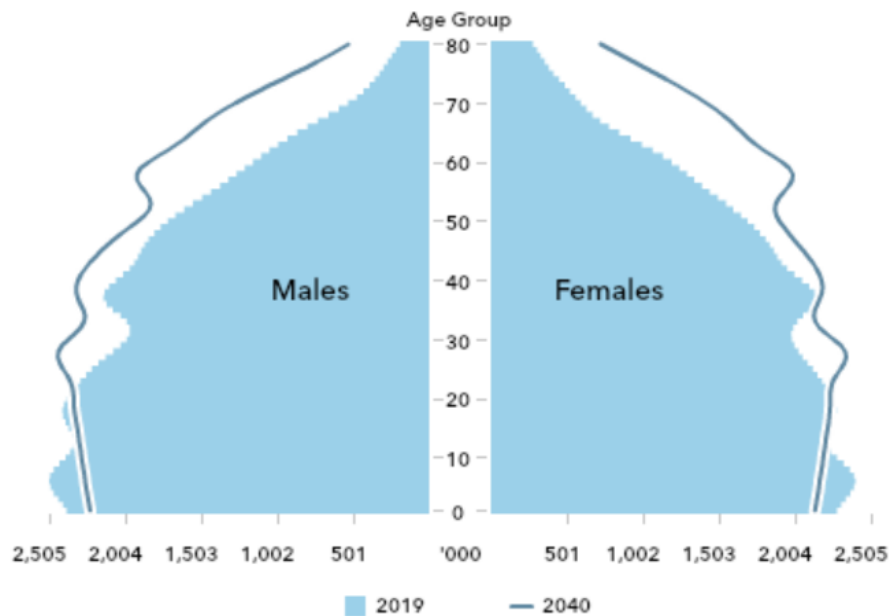
Figure 2-2: Province of Indonesia by population



Source: Agra CEAS based on various

As can be observed in Figure 2-2, many Indonesians live on the island of Java and the western region of the country with the population generally becoming sparser towards the east of the country. Many variables can explain this with the geography of the west of the country being more favourable for large scale human settlement when compared to the dense rainforests and mountains that dominate the eastern region of Papua. The western region of the country was also impacted by its proximity to nearby nations and was generally the first point of contact outsiders had with Indonesia. As a result, traders generally set up operations in the western portion of the country which spurred population growth and saw a large scale altering of the local geography to allow for suitable human settlements which generally did not happen at the same scale in the east of the country. As the population is extremely diverse there exists a wide variety of local languages and customs in the country, a total of 700 languages are spoken in the country which corresponds to roughly 10% of all languages spoken in the world. Indonesian is the only language recognised at the national level; however, a wide variety of languages are recognised at the regional level. Indonesian is spoken by 210 million individuals split by 43 million speaking it natively and 156 million speaking it as a second language, this also makes Indonesian one of the most spoken languages in the world. Other large native languages spoken in the country include Javanese (32% of the population), Sudanese (16% of the population) and Madurese (5% of the population). Despite the presence of the Dutch for over 300 years on the islands, the language is not widely spoken or learned in the country.

Figure 2-3: Age Pyramid in 2019 and 2040 in Indonesia



Source: Euromonitor International from national statistics/UN, 2020

Note: Data for 2040 is forecast

The total population has been rising at a rate of roughly 1.1% with a fertility rate currently of 2.3 which is slightly above the 2.1 rate which is generally accepted as the replacement ratio. This fertility rate has been declining rapidly in recent years in line with the economic growth of the country which indicates that Indonesia has been moving towards a developed service economy in recent years which generally leads to falling birth rates.

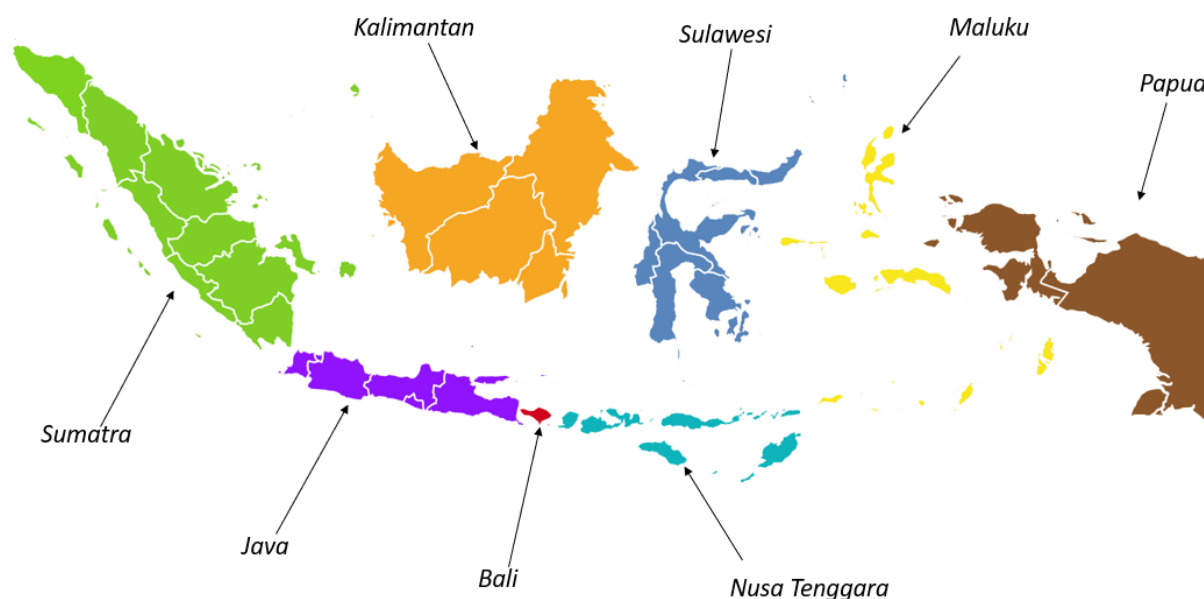
2.2 Geography and key markets

Indonesia is the world's largest archipelago nation lies between the Indian and Pacific oceans, this strategic location grants Indonesia access to some of the world's most valuable shipping lanes which connect trade between Southeast Asia, Eastern Asia, and Australia. The main islands of the country are Sumatra, Java, Madura, and Kalimantan. Indonesia has a total land area of 1 904 569 square kilometres (735 358 sq. mi), including 93 000 square kilometres (35 908 sq. mi) of inland seas (straits, bays, and other bodies of water); this also makes it the largest island country in the world. Indonesia shares three of its islands with other nations; Borneo is shared with Malaysia and Brunei, Timor shared with East Timor; and New Guinea shared with Papua New Guinea. Other countries nearby include Singapore, the Philippines, and Australia. Despite its large population and rapid urbanisation in the country, Indonesia is still home to vast wildernesses which supports some of the world's highest levels of biodiversity.

2.2.1 Overview of urban markets

The country of Indonesia is split across 34 subdivisions with 5 provinces having special status within the country, these provinces are Aceh, Jakarta, Yogyakarta, Papua, and West Papua. The largest province of the country is Papua in the east of the country while the smallest province is the special capital region of Jakarta. As the island of Java is home to over half the population, provinces located on the island generally have the largest populations with West Java being home to 46 million individuals alone. East Java and Central Java are also each both homes to over 30 million individuals. The largest urban markets outside of the island of Java are Medan in North Sumatra and Makassar in South Sulawesi.

Figure 2-4: Provinces of Indonesia



Source: Agra CEAS based on various

Table 2-1: Provinces of Indonesia

Region	Province	Capital
Sumatra	Ache	Banda Ache
	Bangka Belitung Islands	Pangkalpinang
	Bengkulu	Bengkulu
	Jambi	Jambi
	Lampung	Bandar Lampung
	North Sumatra	Medan
	Riau	Pekanbaru
	Riau Islands	Tanjungpinang
	South Sumatra	Palembang
	West Sumatra	Padang
Kalimantan	Central Kalimantan	Palangka Raya
	East Kalimantan	Samarinda
	North Kalimantan	Tanjung Selur

	South Kalimantan	Atlanta
	West Kalimantan	Pontianak
Maluku	North Maluku	Sofifi
	Maluku	Ambon
Java	Banten	Serang
	Central Java	Semarang
	East Java	Surabaya
	West Java	Bandung
	SCR of Jakarta	Jakarta
	SR of Yogyakarta	Yogyakarta
Papua	West Papua	Manokwari
	Papua	Jayapura
Nusa Tenggara	East Nusa Tenggara	Kupang
	West Nusa Tenggara	Mataram
Bali	Bali	Denpasar
Sulawesi	Gorontalo	Gorontalo
	Central Sulawesi	Palu
	North Sulawesi	Manado
	South Sulawesi	Makassar
	Southeast Sulawesi	Kendari
	West Sulawesi	Mamuju

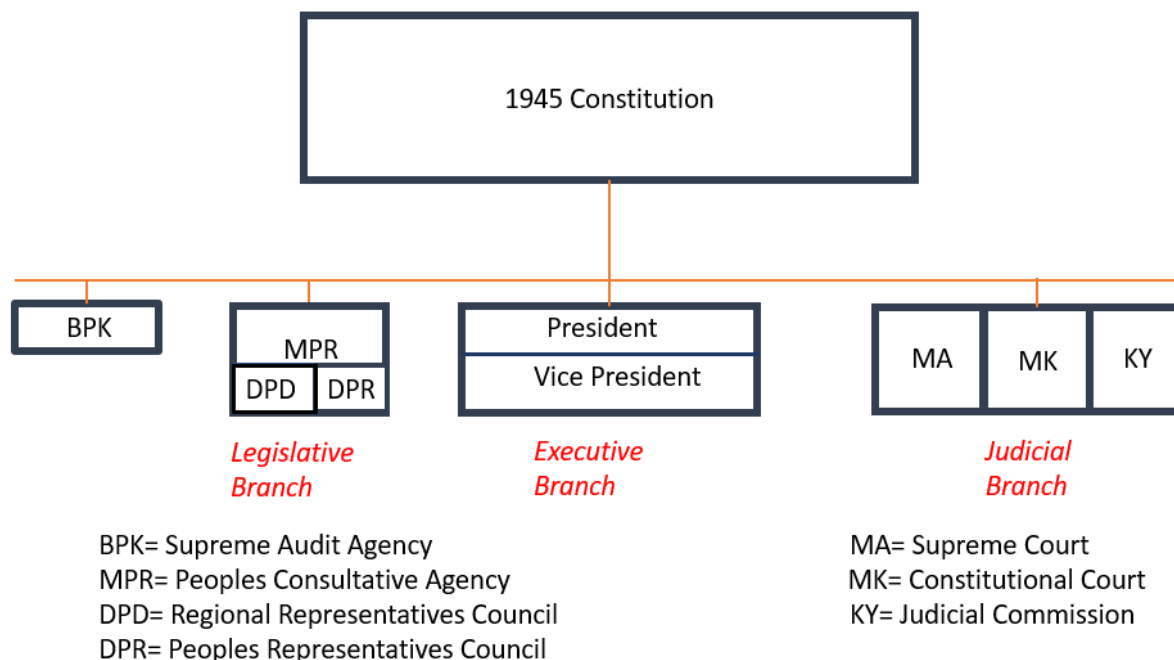
Source: Agra CEAS based on various

The democratic system of Indonesia is heavily influenced by the political philosophy of “Pancasila” which outlines the five fundamental tenants of the state, these tenants are:

1. The belief in one god
2. A just and civilised humanism
3. Unity of Indonesia
4. Democratic citizenship lead by wise guidance born of representative consultation
5. Social justice for all peoples of Indonesia.

The principals of Indonesia have been present since the foundation of the state, during the reform era of the late 90s a number of constitutional amendments changed the political structure of the country into its present state as outlined in Figure 2-5 below.

Figure 2-5: Overview of the political structure of Indonesia



Source: Agra CEAS based on various

2.2.2 Snapshots of important markets

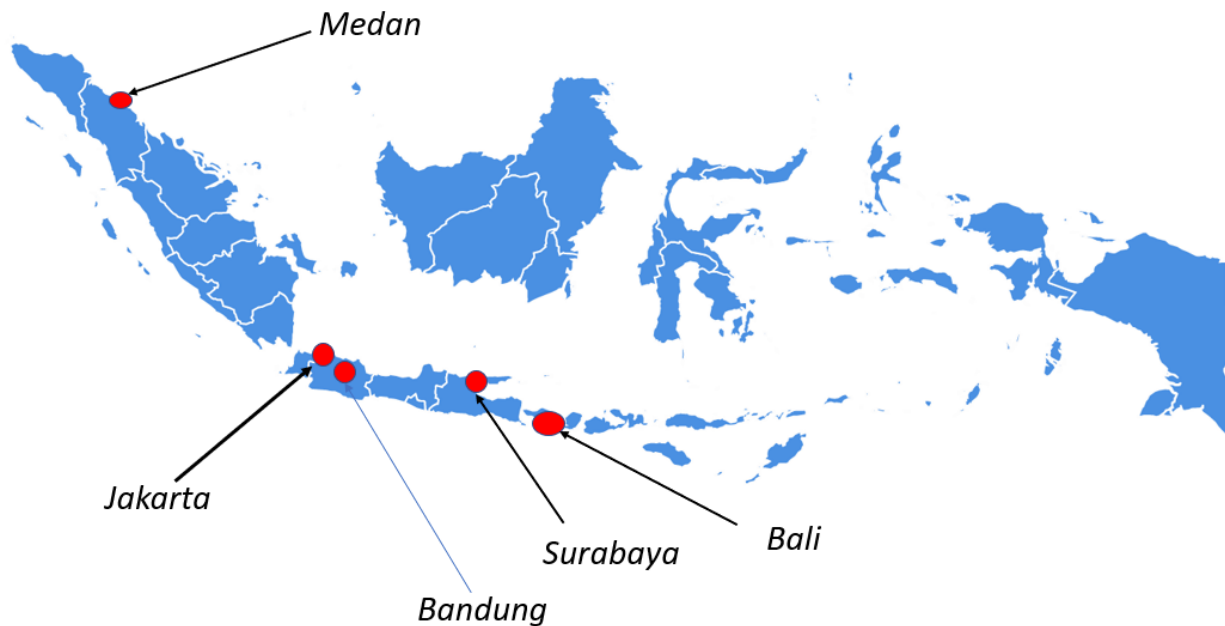
Within Indonesia, the island of Java is one of the key markets that must be considered when exporting to the country. Java is home to 145 million people (57% of the total population of the country) and is the centre of economic and commercial activity in Indonesia; indeed it is so populous and economically important that it can be considered to consist of several markets. Jakarta the capital of the country and located on Java island is home to 33 million people (metro population). Jakarta is the economic nerve centre of Indonesia and alone accounts for 17.7% of Indonesia's total GDP¹. The island of Java is also home to the city of Surabaya the second largest city in the country and one of the fastest growing. As reported in section 2.2.1 the population of Indonesia towards the east of the country is sparse compared to the west and this leaves very few large urban centres in this region of the country that would be of major interest to EU producers. Indonesia is considering moving its capital away from Jakarta and by extension the island of Java towards the island of Borneo in the centre of the country, such a move will likely result in a shift in economic activity away from Java and help to decrease the countries reliance on the island.² This may in turn create a market of interest in this region; however, until any such a move occurs it is not possible to define this potential market.

¹ GDP at current prices in Indonesia, Knoema, Available at <https://knoema.com/atlas/Indonesia/ranks>.

² Indonesia announces location of new capital on Borneo, DW, <https://www.dw.com/en/indonesia-announces-location-of-new-capital-on-borneo/a-50163224>

Indonesia is a country with a wide variety of consumption habits, a reflection of the many ethnicities that live in the country. However, five key regions for more focused profiles have been identified based on the market size and the extent to which European agri-food products may be of interest at present. These are the city of Jakarta, the island of Bali, the city of Surabaya, the city of Medan and the city of Bandung.

Figure 2-6: Location of focus markets



Source: Agra CEAS

The city of Jakarta



Key facts:

Total GDP (2019):	<i>EUR 265 billion</i>
Real GDP growth (2019):	<i>5.9% (estimated)</i>
Population:	<i>10.7m (capital region); 33.4 m (Metro)</i>

The city of Jakarta is the economic centre of Indonesia. The city is the centre of commerce and trade within the country and is typically the main city in the nation that attracts travellers to the country to conduct business. Home to over 33.4 million people, the metro area alone accounts for roughly 13% of the country's total population. The city ranks as the world's 29th largest city by population ahead of other Asian capitals such as Bangkok and Seoul. The city has drastically transformed since the end of the second world war which saw the city have a population of just 3 million to its population today. Immigration both internally and externally to the city has resulted in a city that has a large variety of culinary dishes to choose from, of those foods of a European influence, are included. The Betawi cuisine is commonly associated with the city of Jakarta and these foods include *Pastel de nata* (an egg tart pastry of Portuguese influence), *Sayur Paspasan* (mixed vegetable soup), and *Klappertaart* (also known as *Kue Kelapa*, it's a coconut pastry dish influenced of a Dutch influence).

Street markets that serve food and beverages are a common sight on the streets of Jakarta with some of the more popular ones including the markets of *Pasar Baru*, *Glodok*, *Petak Sembilan*, and *Pasar Santa*. These markets typically serve street foods which include fruit and vegetables, noodles, and spices. Night markets also operated in the city and serve the same purpose.

The district of Kota Tua was once the home of the government of the Netherlands administration centre in Jakarta and even today is home to a large amount of European style architecture and is home to a small amount of European oriented restaurants and outlets.

As Indonesia is a member of many international organisations the city of Jakarta plays an influential role in international politics and economics. The city is ranked as an international alpha city and is home to the ASEAN secretariat, also with Indonesia being the largest economy in ASEAN the city is of key importance for the international political bloc. The city's current status as the capital of Indonesia is likely to change in the near future as the government has indicated a will to change the capital away from Java and towards

the island of Borneo. Despite this Jakarta will remain the economic centre of the country for the immediate future.

Sources: Indonesia moving its capital out of Jakarta, Voice of America, available at <https://www.voanews.com/east-asia-pacific/indonesia-moving-capital-out-jakarta>; Jakarta street food scene for local delicacies, Wonderful Indonesia, available at <https://www.indonesia.travel/gb/en/destinations/java/dki-jakarta/jakarta-street-food-scene>

The island of Bali



Key facts:

Total GDP (2019):

EUR 47 billion

Population:

4.2 million

While having a small population within the context of regions in Indonesia (Bali ranks as the 17th most populous region) the island attracted an estimated 6.3 million tourists in 2019 making it Indonesia's most visited region. Attracted by Bali's sandy beaches and mountains tourists from Europe flock to the island every year as a getaway location; in 2019 alone an estimated 200 thousand French and 190 thousand German tourists visited the island. Tourism from Europe helps to compound the consumption of European products on the island in particular beer, wine and spirit products which are not as widely consumed in the rest of Indonesia. There are a number of Irish bars on the island and the sale of wine and spirits is common on the island.

Certain cultural aspects need to be observed with respect to Bali. For instance, unlike the majority of Indonesia, the island has a Hindu majority, and as such consumption habits that appeal to Hindus need to be considered when exporting food and beverages to the island such as the sale of meat products. Also, the majority of the population is ethnic Balinese and have their own consumption habits and norms including the consumption of Balinese foods such as *Basa gede* (spice paste) *Betutu* (roast poultry dish), and *Bebek betutu* (Stuffed duck).

As the island attracts thousands of European tourists annually, European restaurants are commonly found throughout the island which includes Italian, French, and Portuguese establishments. Although the influence of COVID-19 led to a dramatic fall in the number of visitors to the island in 2020, it is likely that tourists from Europe will return once the upheaval from the virus has settled as the island has grown to be synonymous with travel to Indonesia as a whole. This, in turn, will lead to a rise in demand for European

food and beverage products in the future which makes Bali, in particular, an area of interest for European producers seeking to enter the Indonesian market.

Sources: The first timers guide to Bali, Indonesia, Will fly for food, Available at <https://www.willflyforfood.net/the-first-timers-travel-guide-to-bali-indonesia/>; Bali at a glance, exotic Bali destination, available at <https://www.exoticbalitravel.com/info/bali.html>

Medan



Key facts:

Total GDP (current prices):	EUR 25bn (estimated)
Real GDP growth (2018):	6%
Population:	4.6 m (Metro)

The city of Medan acts as the economic and political centre of Sumatra and acts as a gateway city for western Indonesia. The city is extremely multicultural with an ethnic breakdown that results in 33% of the population identifying as Batak, 33% Javanese, 10% Chinese, and Malays at 6.5%. The city is home to the highest concentration of Chinese on the island of Sumatra and its multicultural status results in a city with a wide variety of consumption habits and norms.

Foods commonly found in Medan include those inspired by its Batak population such as *Saksang* (pork dish), *Manuk Napinadar* (grilled chicken), and *Ayam Tasak Telu*. The majority of Bataks are Christian and are not restricted to Islamic halal dietary standards as is commonplace in the vicinity of the island.

Medan is one of the largest cities in Indonesia and has been able to leverage its vicinity to other large markets such as Malaysia and Singapore to attract business to the city. Many European companies have offices located in the city such as Phillips and ABB Group. The city has experienced a real estate boom in recent years as the value for property continues to climb in the city which further incentivizes investment and population growth which helps to compound the large service sector economy of the city. The service sector in particular for the city of Medan is important as the majority of its population is employed through this channel because of this the city is often referred to locally as the “city of a million shop houses”.

The city hosts a number of festivals throughout the year as these festivals are generally a reflection of its multi-ethnic population; such festivals include the festival of Eid-ul-Fitr during which the consumption of sweets and biscuits soars. Another popular festival is the moon festival celebrated largely by its Chinese population; this festival leads to a rise in the consumption of mooncakes in the city.

Sources: Medan city : Development and governance under the decentralisation era, Tangin ,K.M, Ari, Samsura, Ary.A, D, Sagala, Saut, Pencawan ,Anthoni, available at

https://www.researchgate.net/publication/319542909_Medan_City_Development_and_governance_under_the_decentralisation_era

Must-try street food in Medan city, Lim, Casca, Available at <https://indonesia.tripcanvas.co/sumatra/local-street-food-in-medan/>

Surabaya



Key facts:

Total GDP (current prices):

EUR 68bn

Population:

9.5 m (Metro)

The city of Surabaya is the capital of the province of East Java and is one of the four main central cities of Indonesia. When including its metro population the city is the second-largest settlement in the country of Indonesia. The city is of significant historical significance to the country of Indonesia as was during its time a Dutch colony the largest city in the colony. The city today remains a large financial and economic hub in the country and is home to Indonesia's second-biggest port, the port of Tanjung Perak.

The city has a majority Javanese population and its population is roughly 80% Muslim which means that consumption habits within the city largely reflect consumption norms within the Islamic religion such as the consumption of Halal foods. The city's location by the sea also lends itself towards having a wide variety of seafood markets dotted across the region.

With increase investments in transport links to the city of Jakarta combined with an expansion of its airport and seaports, the city of Surabaya has continued to attract investment. The city is often referred to as the gateway to eastern Indonesia and its location along the Madura strait is of strategic importance to Indonesia.

Sources: Global cities future programme, Surabaya, Available at <https://www.globalfuturecities.org/indonesia>.

Lonely Planet, Surabaya, Available at <https://www.lonelyplanet.com/indonesia/java/surabaya>

Bandung**Key facts:****Total GDP (current prices):**

EUR 33bn

Population:

8.3 m (Metro)

Bandung is the capital of Indonesia's West Java region and is one of the most populous cities in the country. The city attracts a large number of tourists mainly domestic, however it is also increasingly visited by tourists from Asia and Europe, attracted by its many cultural attractions and its generally cooler climate when compared to other major urban centres within Indonesia.

The city's economy is largely comprised of its tourist, commercial, fashion, and high tech manufacturing sectors and the city continues to attract investment domestically and internationally and transportation links such as a new high-speed rail connection and airport continue to make the city more attractive for investment. The presence of over 50 higher education institutions in the city also attracts young professionals from across Indonesia and further afield.

The majority of the population of Bandung are of Sundanese descent (who are mainly Sunni Muslims). Sundanese foods include *soto Bandung* (soup of beef and daikon radish), *Sambal terasi* (condiment), and *Sayur Asem* (vegetable soup). The city has a number of street and night markets which sale a large amount of domestically produced goods from the island of Java such as rice and fish.

The city played host to a number of key conferences during the cold war era and gain popularity throughout Africa and Asia as a city associated with co-operation between the two continents, some of the largest cross dialogue conferences between countries from the two continents took place in this city and as a result Bandung became widely known in both continents.

Sources: Indonesia Tourism – Bandung, available at <https://www.indonesia-tourism.com/west-java/bandung.html>;

Countriesaroundtheworld.com, Bandung, available at <https://countriesaroundtheworld.com/an-overview-of-bandung-indonesia->

2.3 Domestic agricultural production and regions

Agriculture remains one of the key sectors of the Indonesian economy despite its importance decreasing in recent decades in line with the country's economic development, today agriculture accounts for 13.7% of the country's GDP. Currently, roughly 30% of Indonesia's land area (635 000 Km² or roughly the same

size as Spain) is used for agriculture activities.³ Employment in agriculture accounts for roughly 27% of the labour force of the country, however this has been declining significantly year on year as this figure was 40% in 2010⁴. The importance for employment is considerably higher than the importance for GDP. The agricultural sector of Indonesia consists of:

- Large plantations which are either operated by the state or private companies.
- Smallholder plots which are typically operated by family households.

Indonesia is a tropical country and has the capacity to produce a wide variety of crops; a fact that has attracted individuals to the islands for decades. Indonesia enjoys plentiful rainfall, sunshine, and possesses vast and abundant fertile soils. At present, the country is the largest producer of palm oil, cloves, and cinnamon in the world while it also ranks highly in the production of nutmeg, cassava, coconut oil, vanilla, natural rubber, rice, and cocoa. The country is the world's 3rd largest producer of rice, 4th largest producer of coffee, 5th largest producer of tobacco, and the 6th largest producer of tea. The government of Indonesia has indicated it wishes to be self-sufficient in certain crops such as rice which is a staple food in the country. As the country has a wide variety of different islands and geographies each region will be suited towards the production of certain agricultural products, this is outlined below.

Sumatra

The island of Sumatra has become the focus of widescale agricultural development by the Indonesian government in recent years as its geography is well suited in the production of a wide variety of crops to help feed Indonesia's growing population. Sumatra's climate is hot except in the highlands and products grown on the island include tobacco, tea, coffee, palm oil, peanuts, and pepper. Coffee is an important product for Sumatra as the island grows roughly 3 quarters of all Indonesian coffee.

Java

As the most populated and urbanised island in Indonesia the land area available for agriculture on Java island continues to shrink year on year, regardless the island's large population is a reflection of its capacity to produce significant crop yields. Rice is widely grown on the island and is important for domestic consumption there. Other crops are grown to scale on Java island include corn, cassava, peanuts, soybeans, and sweet potatoes.

Kalimantan

The Kalimantan region refers to the Indonesian section of the island of Borneo, in total, it accounts for 77% of the total land area of the island. As previously mentioned, the island's population is less than other islands that make up Indonesia. The region has been signalled as one of the key regions the Indonesian government wants to priorities with regards to agriculture and high-tech horticultural projects have sprung up throughout the region in recent years. Crops grown on the island include rice, garlic, shallots, and chilli.

³ TradingEconomics, Indonesia-Agricultural land (% of land area), Available at <https://tradingeconomics.com/indonesia/agricultural-land-percent-of-land-area-wb-data.html>

⁴ TradingEconomic, Indonesia – Employment in agriculture (% of total employment), Available at <https://tradingeconomics.com/indonesia/employment-in-agriculture-percent-of-total-employment-wb-data.html>

Sulawesi

The islands of Sulawesi are all smaller than other islands located in Indonesia and as a result, its agricultural production revolves around the sea and fishery. Rice, bananas, and coconuts are grown extensively throughout the island however internally in Indonesia the islands are known for their production of shrimp, seaweed and tuna. Soybean production has grown in recent years in this region and is increasingly important to the agricultural sector of the islands.

Maluku

The islands of Maluku much like Sulawesi is influenced by being quite small and in close proximity to the ocean, and as such agricultural production on the islands revolve around fishery and rice production. The islands have some large-scale rice fields and the islands produce sweet potatoes and corn; however it is fish that are the largest agri-food product that is sent from the islands towards the rest of Indonesia and the world.

Nusa Tenggara

Nusa Tenggara has been highlighted internally by the Indonesian government as a region at high risk from the effects of climate change, as a result, the government has been investing in high-tech agricultural solutions such as horticultural centres and fish farming on the islands to ensure its agri-food consumption is not heavily impacted. At present, the island is known for its production of tuna, seaweed, and coconut.

Bali

While 80% of the island's GDP comes from its tourist sector the island does produce a wide variety of crops which in itself draws tourists to the island. Balinese coffee is widely popular in Indonesia and further afield while tobacco, vanilla, and cloves are also associated with the island of Bali. The fruit known as *salak* (a fruit native to Indonesia) is widely grown in the east of the island and seafood from the islands can be found throughout its many food markets and restaurants.

Papua

The mountainous geography and dense rainforests of Papua help to explain its relatively small population. As a result of a small population combined with little historical altering of the landscape for human settlement such as on the island of Sumatra leads to smaller agricultural output than other regions of Indonesia. Cash crops such as tobacco and coffee are grown on the island and the island also produces palm oil, rubber and tea.

3 Introduction to the food and beverage market and consumers

3.1 Overview of the food and beverage market and demand for imported products

3.1.1 F&B market summary

As noted in section 2.3 agriculture remains one of the largest sectors of the Indonesian economy and the varied geographic features of the islands allows the country to grow a wide variety of foods such as rice, coffee, and tea. As Indonesia is the world's third-largest producer of rice, the food has grown to become a staple food in the country creating a unique situation where despite being one of the largest producers of rice in the world, the country continues to also be one of the world's largest importers of rice. Situations such as this have resulted in the government pursuing a "self-sufficiency" policy in regards to certain foods that are largely consumed in the country such as rice, sugar, and wheat with products such as these gaining priority in government spending and exporters of these products facing significant trade barriers when exporting to Indonesia.

The food and beverage processing sector is quite competitive in Indonesia; it is comprised roughly of 5 700 large scale and medium scale producers and 1.6 million micro and small-scale producers.⁵ Most food processed in Indonesia is consumed domestically and the sector employs roughly 765 000 employees in large and medium scale companies and 3.75 million employees in micro and small-scale companies.⁶ The most popular processed goods produced in Indonesia include dairy, baby foods, and baked goods. The sector is very competitive which is why producers tend to focus on key regions of the country. However, a nationwide approach is common among some of the largest processed foods producers in the country such as Ultrajaya Milk, Mayora Indah (baked goods), and Indofood (Variety of processed foods). As the population continues to grow and incomes increase it is likely the demand for processed foods in the country will continue to grow which will have the knock-on effect of increasing production in the country. Currently, the value of the food processing industry in Indonesia is roughly EUR 98 Billion.⁷

3.1.2 International trade in F&B

Indonesia's main agricultural exports to the wider world are palm oil (which is one of the largest producers of); coconut and coconut milk; coffee; tea; and rice. The country has aimed to increased exports of these products and fruit and vegetable products in the near future with an aim to boost the sector following the onset of Covid-19. The large demand domestically for these products however continues to impact total exports. On the other hand, the country's most imported agri-food products are wheat, oilcake, raw cane

⁵ Indonesia country profile, Food Export USA, Available at <https://www.foodexport.org/export-insights/market-and-country-profiles/indonesia-country-profile>

⁶ Indonesia Country Profile, Available at <https://www.foodexport.org/export-insights/market-and-country-profiles/indonesia-country-profile#:~:text=According%20to%20the%20National%20Statistical,3.75%20million%20employees%20in%202015.>

⁷ Indonesia-Food processing ingredients, USDA, Available at <https://apps.fas.usda.gov/newgainapi>

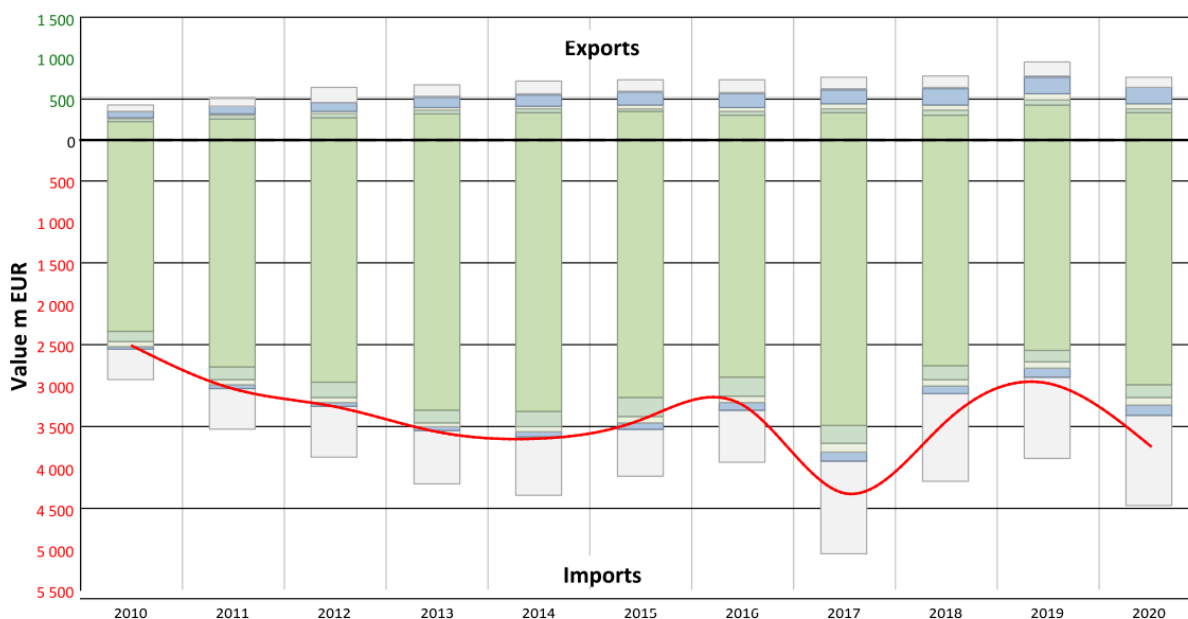
sugar, cotton and soybeans, as well as frozen beef and live cattle. Its main suppliers are the USA, China, Australia, Thailand and Argentina.⁸

The EU has a negative trade balance with Indonesia owing to the EU's large importation of Indonesian palm oil which accounts for close to 55% of total agri-food exports from Indonesia to the EU. There remain several barriers to trade which further help to explain this trade deficit such as

- **De-facto alcohol ban** (EU alcohol exporters face significant trade barriers when exporting to Indonesia which is often described as a de-facto ban).
- **Poultry** (Indonesia does not recognise the EU's regionalisation policy which creates a massive barrier to trade for poultry exporters)
- **Plant foods** (EU member states with the exception of France face significant difficulties in exporting their products through the country's largest port, the port of Tanjung).

A list of further examples, including more importantly for EU agri-food producers, those which constrain EU exports is included in section 4.3 and further, go into detail about the background to and rationale behind these barriers to trade.

Figure 3-1: Structure of EU-27 (i.e. exc. the UK) agri-food trade with Indonesia, 2010 to 2020



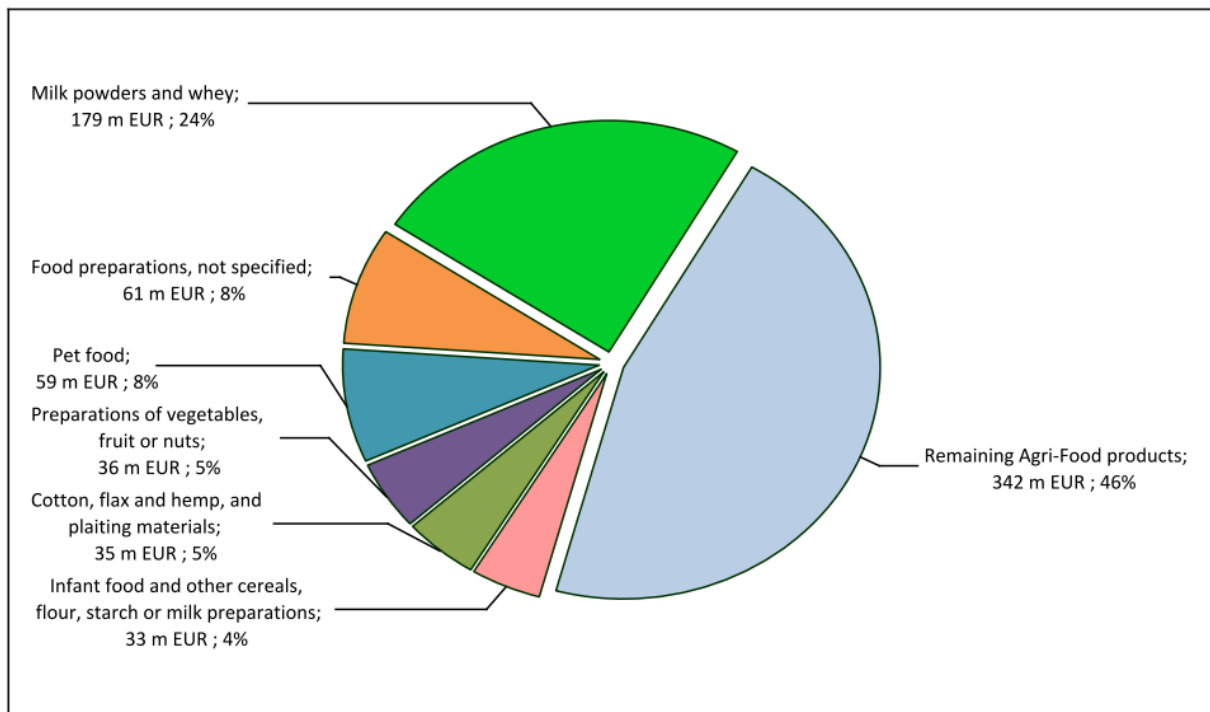
Source: European Commission: agri-food trade statistical factsheet, European Union – Indonesia. Based on Eurostat-COMEXT data.

The major exports from the EU to Indonesia in 2020 were, in terms of value (Figure 3-2):

⁸ Market Overview – Indonesia, Available at <https://www.agr.gc.ca/eng/international-trade/market-intelligence/reports/market-overview-indonesia/?id=1591616225283>

- Milk powders and whey- Valued at EUR 179 million and accounts for 24% of total Agri-good exports from the EU to Indonesia.
- Pet foods – Valued at EUR 59 million and accounting for 8% of total Agri-good exports
- Preparations of vegetables, fruit or nuts – Valued at EUR 36 million and accounting for 5% of total Agri-good exports
- Infant food- Valued at EUR 33 million and accounting for 4% of total Agri-good exports

Figure 3-2: Top EU-27 agri-food exports to Indonesia in 2020



Source: European Commission: agri-food trade statistical factsheet, European Union – Indonesia. Based on Eurostat-COMEXT data

3.1.3 The market for imported F&B

Indonesia mainly produces different products than the EU, which is why it imports the following:

1. **Dairy products.** Due to increasing westernisation, the consumption of dairy products of Indonesian consumers is increasing. This development expands the gap between the national milk output and people's dairy consumption which ultimately depicts the country's insufficient dairy production. The local milk industry is centred on Java, Indonesia's main island, where many small-scale and mainly poorly equipped farmers deliver their often qualitative inferior milk to processors. Thus, processors, however, often need to buy big amounts of milk from abroad to fulfil the demand, which explains the high import numbers of milk powder and whey imports from

the EU. The focus is more on these kind of primary products for local processing rather than finished products, though some of the latter are also imported.⁹

2. **Primary products.** Indonesia ultimately has a deficit in multiple primary products such as some types of meat plus some fruits and vegetables, when considering their consumption through different methods (e.g. both as fresh products and as ingredients in processed products). This leads to Indonesia importing these products, though it is important to note the quantities to import are carefully planned and the process to import them can be challenging. It should be noted that these products can often ultimately serve as inputs to locally produced processed products.
3. **Selected processed food and petfood.** Even though Indonesia is producing its own processed food on its own – including from imported ingredients - the supply is not sufficient, which is why the country imports a certain quantity. The move towards processed and packaged food is partly caused by ongoing urbanisation. Due to full timetables, some consumers do not have enough time to prepare fresh meals anymore and thus rely on processed and packaged food.¹⁰ Moreover, the increasing demand for westernised food also increases the imports from the EU. Pet food is also a beneficiary of these trends to a certain extent.

Against the background above, some high-quality European goods such chocolate and confectionery and olive oil are also popular amongst certain Indonesian consumers; in particular, amongst those who follow the westernisation trend or are originally from the EU.

3.2 Growth Drivers and Trends

The key factors affecting the food and beverage market in Indonesia are:

- **Continuous economic development.** The Indonesian economy has been developing a lot since the beginning of this century and is forecast to continue to grow and, according to some projections, it will become the sixth or seventh biggest economy in the world by 2030. Due to the economic development, urbanisation is expanding as well and thus more and more Indonesians move to cities away from the countryside. As a result, urban centres are much more developed than rural areas and the main part of the affluent Indonesian population is living in them. The country's per capita income is growing as well, which provides consumers with bigger purchasing power. This means consumers will ultimately continue to spend more on food and beverages. However, Indonesia is also one of the Asian countries that suffered the most from the Covid-19 pandemic and thus the economic development recently slowed down.
- **Young and growing population.** More than 2/5th of the Indonesian population is less than 24 years old, which makes it a young country. This new generation is better educated than the older ones, which is why their needs and demands are different as well and thus are the effects on the food and beverage market. Moreover, Indonesia is the fourth most populous country worldwide

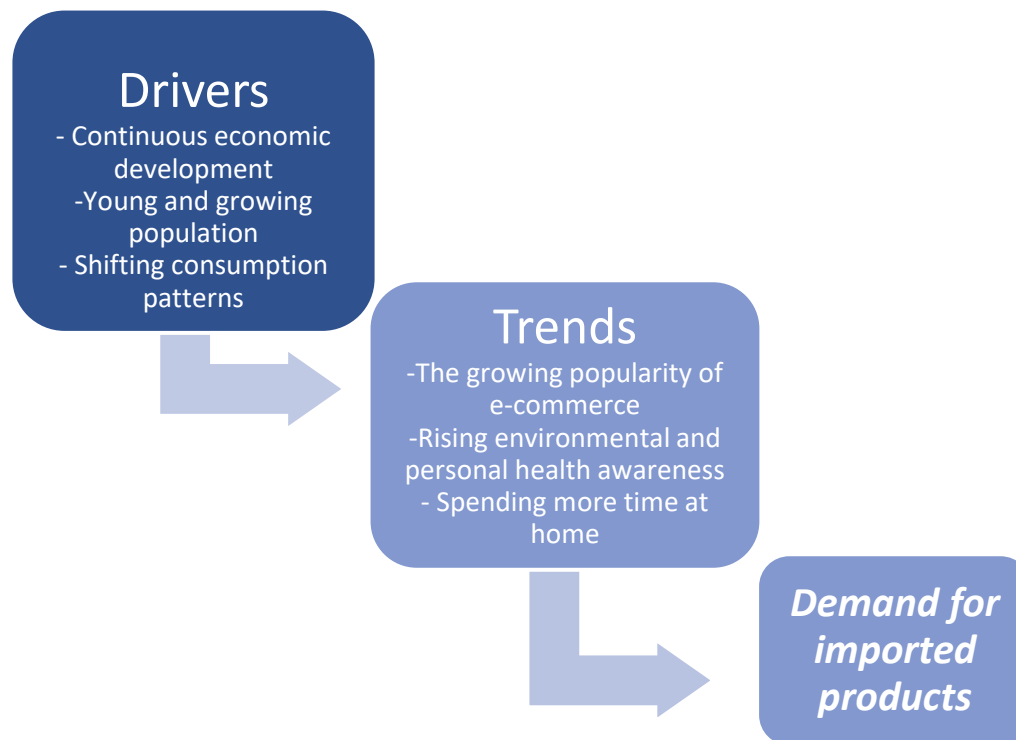
⁹ Indonesia's Dairy Industry Needs to Scale Up to Meet Local Demand, Available at http://www.gbgingonesia.com/en/agriculture/article/2015/indonesia_s_dairy_industry_needs_to_scale_up_to_meet_local_demand_11207.php

¹⁰ EIBN, (2017). EIBN Sector Reports: Food and Beverage.

and its population is growing continuously, even though at a slower pace than in the past due to increasing economic development. Most of its population, including most of the young population is living on Java, Indonesia's biggest island.

- **Shifting consumption patterns.** The growing middle class, increasing household incomes and spending power, urbanisation, westernisation and the increasingly young and educated population are changing consumption patterns of Indonesians. The middle class does not only spend their incomes on necessities anymore but also on non-essential and luxury goods because they are less sensitive to prices than before. These more cosmopolitan consumers value brands and quality over quantity and thus, consumers now tend to purchase food and beverage products that were deemed to be too luxurious and expensive some years ago.¹¹ Since the Covid-19 pandemic hit Indonesia hard and changed their general behaviour, it also affects the food and beverage market.

Figure 3-3: Growth drivers and trends – the Indonesian food and beverage market



Source: Agra CEAS based on European Commission agri-food factsheet; Euromonitor International, and various (see footnotes).

In terms of current trends, the following stand out:

- **The growing popularity of e-commerce.** E-commerce marketplaces are common and online sales increasing, even faster during the lockdown because consumers had to isolate themselves at their homes. Most Indonesian consumers use their phones for online shopping. Prior to the pandemic, close to 1/4th of consumers ordered something online through their phones at least once a week.

¹¹ EIBN, (2017). EIBN Sector Reports: Food and Beverage.

This number is higher than the global average and forecast to grow even more due to the pandemic. Even before the pandemic around 45% of consumers ordered groceries online one time per month. These numbers are highly likely to have increased during the pandemic as well. During the lockdown, in particular, ridesharing food delivery services from the companies Gojek and Grab became very popular together with local e-commerce platforms such as Tokopedia, Bukalapak and Blibli.

- **Rising environmental and personal health awareness.** As Indonesia is a country made up of many islands, the effects of climate change e.g. rising sea levels are a real threat for them. Thus, environmental issues are a serious concern for many Indonesians, in particular the young generations. More than 70% of millennials think they are able to have a positive impact on the world through their actions and choices and around 40% of them feel that purchasing ethically- and ecologically- conscious products is a good choice. Thus, a positive and trustworthy brand image is important to consumers before they decide to buy items. Before the pandemic, close to 70% of consumers were interested in healthy ingredients in the drink and food that they bought. Healthy eating is a big trend in Indonesia. Due to Covid-19, consumers are now also interested in food that can better their immune systems. Organic produce may also benefit from this to some extent going forwards.
- **Spending more time at home.** There are several reasons why Indonesians increasingly spend time at home. On the one hand, family ties are strong in Indonesia and spending time with the family at home is highly valued. Those ties were a big help when the country got badly hit by the Covid-19 pandemic. On the other hand, already before the pandemic, working from home became trendy in the country. The pandemic enhanced this trends and Indonesians are likely to continue to work from home a lot more than before. These developments impact the consumption habits of Indonesians. Many consumers do not have enough time or do not want to cook by themselves. As a result, sales of home deliveries and take away food increased by a lot during the lockdown. About 55% of consumers get take away or home deliveries at least once per week. In pre-pandemic times Indonesian consumers were prone to on-the-go snacking. However, this changed now, and consumers increasingly snack at home.¹²

3.3 Consumer profiles and preferences

3.3.1.1 Consumer profiles

Certain aspects of the Indonesian population that were touched upon in sections 2.1 and 2.2 are worth bearing in mind when considering Indonesian consumers. Most notably:

- **Ethnicity and religion.** Indonesia is a highly diverse country, which recognizes 633 ethnicities. Javanese, Sudanese and Malay are the three main ones. Due to the high diversity, a total of around 700 different languages is spoken in Indonesia, which make up around 10% of all languages spoken in the world. Indonesian is the nationally accepted language spoken by most people; however, other languages are officially recognized at a regional level. Indonesian is one of the most spoken languages in the world with 210 m people speaking it, yet for the majority of

¹² Euromonitor International: Economies and consumers, 2021

people, it is the second language. Another important aspect to keep in mind is that Indonesia is the world's biggest Islamic country. Nearly 9 out of 10 Indonesians identify as Muslims.

- **Population distribution.** Indonesia is forecast to remain the world's fourth most populous country until 2050. The nation is made up of more than 17 000 islands out of which around 6 000 are inhabited. Due to the different location, geography and size of the islands, the population is not evenly distributed. More than half of the population is living on Indonesia's main island Java, which is also home to the country's current capital city Jakarta. Java is very densely populated in the west and more sparsely to the east. Jakarta is one of the key markets in Indonesia (besides Medan, Surabaya, Bandung and the island of Bali) and about 57% of the total Indonesian population is living in the city.
- **Age.** Even though the fertility rate has been decreasing over the last years due to the economic development of the country, the overall population continues to grow. Thus, Indonesia has more young than old inhabitants and the number of young Indonesians is forecast to increase more during the next decades. Ultimately, this means that the young generation is one of the most important consumer groups.

Against the considerations set out above, notable overarching consumer types in Indonesia are set out below. It is important to note that, while these overarching types have relevance across the country to some extent, the various aforementioned nuances must be taken into account given that in such a diverse country, the relevance of universal consumer types is limited:

- **The up to date Thriver.** This consumer type which includes mainly the young population, is going with the latest trends and tries to keep up to date through e.g. social media. Their personal image and status are important to most consumers. They generally enjoy shopping; however, they value experiences over material possessions, which is why shopping experiences should fit their personal wants and needs. They are likely to do impulse purchases if they think that they found a good bargain. Up to date thrivers are looking for value for money and quality. They are into good quality brands and luxurious items, but also open to low cost and private label products if they deem them to be of good quality. They are highly likely to try new products. Most of them also show a growing interest in e-commerce shopping due to convenience and social media engagement.
- **The Essentialist.** This consumer group, which is composed of mainly the older generation, does not care about following the latest trends or buying products from the most popular brands. They are carefully choosing what to spend their money on. Most of the time they stick to purchasing essential products because they do not value material possessions. The Essentialist prefers to have an in-store shopping experience and usually also make their purchase decisions rather in-store than online. They do not have a high brand loyalty which means that products with good prices are welcome. Discounts and other special offers can spark the interest of the essentialist.
- **The sustainable quality seeker.** This consumer group is unlikely to be interested in the newest trends but rather in finding good quality products that in the best case also are environmentally friendly. They are open to trying new products because they are not very loyal to brands. However, they are taking enough time to properly research before buying a product. The

sustainable quality seeker is willing to pay more for high-quality products and expects the brands of the products they buy to share their values.¹³

3.3.2 Cultural Sensitivities and Other Considerations

Indonesia is one of the world's most ethnically diverse nations and with this comes a wide abundance of regional differences throughout the country. Language is one of the most apparent differences, despite Indonesian being the majority language and spoken by 80% of the population. Indonesia alone is home to roughly 10% of the world's languages and as such, it can be expected to see a wide variety of them present on labelling and advertisements of products throughout the country. Generally, there are few “catch-all” approaches to cultural sensitivities in Indonesia and each region / its characteristics should be explored as a case study in its own right when being considered as a potential market if the market entry approach is to be optimised.

3.3.2.1 Ethnicity and religion

Indonesia is a majority Islamic country and its ethnic Java population of 95 million represents roughly 40% of the population which represents the largest ethnic population of the country and the majority population for the cities of Jakarta, Bandung, and Surabaya (the three cities previously identified as key markets for European agri-food producers). Islam does not allow its followers to drink alcohol or consume pork. Due to the high percentage of Muslims in Indonesia it will be hard to sell these products. Meat from other animals is only allowed if it is Halal. In 2019 the country introduced its Halal certification law, which aims to ensure that consumer related products entering the country are Halal certified.

Concerning religion, alongside the majority Islamic population, Hinduism and Christianity are also two religions with a sizeable population in the country with Hinduism being the majority religion on the island of Bali and Christianity being the majority population in the regions of Papua and North Sulawesi. Most Hindu's are vegetarians and thus do not consume meat. Even the ones that consume meat would never eat beef because cows are sacred in Hinduism. Moreover, some Hindus also do not drink alcohol. The Christian part of the population does not have any dietary restrictions based on their religion.¹⁴

3.3.2.2 Gift giving

Gift giving is quite common in Indonesia and at times expected or at the minimum anticipated. Such events where a gift would be anticipated include first meetings with potential long term business partners as the act of gift-giving will set a good precedent before conducting business. A gift from your home country is generally a safe gift to give and will be well received, also for occasions such as birthdays, weddings, etc. The religion of the individual being gifted to must be borne in mind; for example, the gift of alcohol to Muslims or foods from cattle to Hindus will generally not be well received. In general, candy

¹³ Euromonitor International: Economies and Consumers, 2021

¹⁴ Indonesian Culture, Available at <https://culturalatlas.sbs.com.au/indonesian-culture/indonesian-culture-etiquette>

(without gelatine), such as chocolate and fruit baskets are a good choice.¹⁵ Plums, grapes and peaches are considered to be good gifts.

3.3.2.3 Festivals and holidays

Many regions will have their own holidays and unique festivals that fall in line with the unique religion or ethnicity of the region, however, on a national level, the following events are national holidays in Indonesia. It should be noted that many of these falls in a range and change every year rather than being a fixed date.

- **Lunar new year** (*Between January and February*). Largely celebrated by the country's ethnic Chinese population, this day has been a public holiday in Indonesia since 2003 and has grown in popularity in Indonesia in recent years. This date is generally associated with gift-giving and fireworks displays as well as festivals celebrating the country's ethnic Chinese population.
- **Labour Day** (*May 1st*). International labour day is a public holiday in Indonesia as is generally observed in the country as a day's rest and relaxation. During this date, the internal movement of people increases substantially as workers take advantage of the day off to visit the countries numerous tourist locations and beaches.
- **Pancasila Day** (*June 1st*). Pancasila day is a way of celebrating the founding political philosophy of Pancasila which has been the guiding principle of the Indonesian political system since the foundation of the state as discussed at the end of section 2.2.1. This day is a public holiday and is treated as a wide-scale celebration of the Indonesian state and its achievements.
- **Independence Day** (*August 17th*). Independence Day in Indonesia celebrates the countries founding and independence from The Netherlands. This is the country's national day and as such the wide-scale visibility of Indonesian flags and the celebration of the state is common on this day.
- **Mawlid** (*October 18th*). Mawlid is the celebration of the birth of the prophet Mohammed and due to Indonesia's majority Islamic population a public holiday. On this date the act of visiting mosques and gift-giving is common.

Indonesia also has much smaller celebrations throughout the year which are celebrated on a national level, such examples include Indonesian army day on the 15th of December and mother's day on the 22nd of December. Regional holidays are common and such examples of these include Hindu holidays celebrated on the island of Bali and Christmas celebrated in regions with a high Christian population such as Papua.

3.3.2.4 Important cultural symbols

The large size of Indonesia means many regions will have their own individuals' symbols that they deem to be culturally important, however, nationally the following cultural symbols are universally important to Indonesians

¹⁵ International Gift Giving Etiquette – Indonesia, Available at <http://www.1worldglobalgifts.com/indonesiagiftgivingetiquette.htm>

National Animals

Indonesians take pride in the wide biodiversity and uniqueness of their animals and imagery of animals are common on packaging throughout the country. Animals that Indonesians have a particular fondness for including the Komodo dragon, the Javan hawk-eagle, and the Asian Arowana a fish that is typically identified as the national animal of charm.

The National Flag

The national flag which is known locally as *Merah-Putih* has grown to be associated with freedom and independence for many Indonesian after many centuries of outside interferences. The flag will be visible throughout the country and especially on national holidays such as Independence Day.

Garuda Pancasila (Right)

Garuda Pancasila is the national emblem of Indonesia and features a mystical bird known as the Garuda. Within the Garuda bird is a shield that represents the five guiding principles of the Indonesian state, this emblem is a great source of pride for many Indonesians and should be respected.



4 Market access and entry

This section provides details on the necessary requirements for entry into the Indonesian market, outlining existing market access restrictions and explaining procedures. A summary of market access and entry is presented in section 4.1, in the form of a SWOT analysis.

4.1 Summary SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ World's fourth most populous country with demographic tailwinds including a growing middle class. ▪ High level of geographical concentration of potential consumers on the island of Java. ▪ Theoretical good level of complementarity of EU and Indonesian major agri-food products. 	<ul style="list-style-type: none"> ▪ Complex, dynamic and often unclear regulatory landscape for agri-food products. ▪ Regulations in place more often than not explicitly require local entities or partners to fulfil obligations. In cases they do not, procedures are still in Indonesian. ▪ Very low demand for added value products the EU normally exports; the limited EU imports concentrated on more commodity style products.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ As well as being large, population is becoming richer; country forecast to be 6th or 7th biggest economy by 2030. ▪ Emerging interest in healthy and organic foods; it is likely that this interest will grow as the population becomes wealthier. ▪ High level of imports of commodity style food products indicates there may be future possibilities to move up the value chain. ▪ EU promotional campaign for agri-food products in Indonesia being run over the next two years. 	<ul style="list-style-type: none"> ▪ Strong favouring of domestic production; this is clearly reflected in the legislative framework for food and often results in low levels of imports. ▪ Halal certification becoming de-facto mandatory from 2024; Halal Product Assurance Organizing Agency (BPJPH) will have to recognise certification for it to be valid. ▪ Severe restrictions on trade in various products, including alcohol, dairy and fruit and vegetables; though some of these are theoretically temporary in nature. ▪ A variety of additional trade barriers which provide challenges to agri-food products more or less across the board.

4.2 Food and beverage legislation and regulations

Overall, the food regulation landscape in Indonesia is complex, dynamic and often unclear. Procedures must be completed in Indonesian and can take considerable time in some cases; plus information is

generally only available in Indonesian. In view of this, it is highly recommended that a local importer or agent is identified to assist with ensuring the compliance of imported products.

4.2.1 Import requirements/restrictions, customs procedures and documentation

The general documentation requirements for shipments to Indonesia are set out in Table 4-1. A summary of specific requirements by food and beverage type covered in this handbook is set out in Table 4-2, with further explanations regarding some of the general registrations / notifications required for food products provided thereafter. As a general rule, documents on the exporter side can be in English, but those on the importer side must be in Indonesian.

Table 4-1: General requirements for goods exported to Indonesia (including F&B)

Name	Description	To be prepared by	Language
Air Way bill	A document containing the details of the transportation of products by air and proving the transport contract between the consignor and the carrier's company. One Air Waybill may be used for the multiple transshipment of products.	Carrier (or his agent)	EN
Bill of Lading	A document containing the details of the international transportation of products by sea.	Carrier (or his agent)	EN
Manifest	A document notifying the authorities of the arrival of a vessel/an aircraft and summarising the goods loaded therein.	Freight forwarder (or his agent)	EN or ID
Tax payment receipt (SSP)	A document confirming the payment of import VAT (PPN), income tax (PPh) and or sales tax on luxury goods (PPnBM). Must be completed and submitted in Indonesian and accompany import declaration.	Importer	ID
Importer's identification number (API)	A document proving the bearer is authorised to import goods. To be submitted electronically; issued licence valid for five years.	Importer	ID
Trade business licence (SUIP)	Document proving the bearer is authorised to perform trade business activities in Indonesia.	Importer	ID
Commercial Invoice; pro forma invoice	A document containing the details of the transaction. Original and one copy to be submitted. There are requirements on minimum content for customs clearance though these are fairly standard invoice requirements. Pro forma invoice is a pre-requisite for pre-shipment inspection procedures and generally contains the same information as commercial invoice.	Exporter	EN or ID
Customs import declaration	Official form for customs clearance; also contains information required for assessment of dutiable value. Form is extensive.	Importer	ID

Name	Description	To be prepared by	Language
Packing List	A document containing the details of the shipment and serving as a basis for the treatment of goods by customs.	Exporter	EN
Registration of the importer	Document proving that an importer with an importer identification number is registered with the Indonesian Directorate General for Customs and Excise.	Importer	ID
Certificate of non-preferential origin	A document confirming the non-preferential origin of the goods to be imported. While not always necessary, it may be requested by customs or the importer if there are doubts about the origin.	Exporter	EN

Source: European Commission Access2Market

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Table 4-2: specific market entry requirements mapped to handbook categories

Name and description	Fresh meat	F&V	Dairy	Alcohol (spirits,	Olive oil	Confectionery	Proc meat	Ice cream	Processed F&V	Fruit juice	Honey
Import approval. A document approving the importation of certain types of products. To be submitted via the INATRADE website.	X	X <i>most cases</i>	X <i>most cases</i>	X	?	X	X <i>most cases</i>	X	X <i>most cases</i>	?	X
Veterinary inspection. A document confirming that veterinary inspection of animal products imported into Indonesia has been conducted. To be conducted within two days of arrival of the goods.	X		X				X				X
Veterinary health certificate for animal products. Issued by authorities of the country of export, translation into English or Indonesian required.	X		X				X				X
Authorisation to import endangered species and products. Permits the import of certain wildlife products, notably those subject to CITES.	?						?				
Phytosanitary certificate. Issued by authorities of the country of export, translation into English or Indonesian required.		X			X				X		
Certificate of fumigation. Document certifying that fumigation has been conducted in accordance with Indonesian quarantine requirements. May be issued by country of export, but translation into EN or ID required.		X							X		
Phytosanitary inspection. Document confirmation phytosanitary inspection completed. Fee and processing time vary; valid only for one importation.		X							X		
Registration for agricultural quarantine; registration of new plant varieties; import permit for propagating material. <i>All only required if import is</i>		?							?		

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<i>intended for plant propagation. See Access2Market for more information.</i>											
Registration of foodstuffs. Document confirming product complies with Indonesian Health and consumer safety standards, and has been registered with the National Agency of Drug and Food Control.			X	X	X <i>most cases</i>	X	X 1601 1602	X	?	X	X
Import permit for drugs and food. Document permitting the import of foodstuffs.			X	X	X <i>most cases</i>	X	X 1601 1602	X	?	X	X
Certificate of analysis. Certifies that microbiological and physical/chemical tests have been carried out in a suitable lab in the country of export.			X	X	X <i>most cases</i>	X	X 1601 1602	X	?	X	X
Free sale certificate. Confirms that the goods to be imported are freely sold in the country of export.			X	X	X <i>most cases</i>	X	X 1601 1602	X	?	X	X
Certificate of good manufacturing practice. Confirming that the manufacturing site complies with GMP requirements.			X	X	X <i>most cases</i>	X	X 1601 1602	X	?	x	X

Source: Agra CEAS based on Access2Market

X = required for category; ? = only required for category in specific cases, consult Access2Market for more details

Petfood and live plants are excluded as requirements are substantially different given their non-food status. Details are provided in the product snapshots.

More detail on the overarching registration/notifications for food are provided below:

- **Registration of processed foods** – all packaged processed foods must have a registration approval letter before they are sold. This requirements applies to both domestically produced and imported foods. Key points to note are:
 - There are certain exemptions to this registration requirement. They include, among others: food with a seven day life at room temperature; samples; processed foods used as raw materials; bulk packaged food.
 - A different registration is required for each different packaging size, label design, etc. An online system is used for this registration.
 - There are different registration types (new, variation and renewal); and different two different procedures depending on if a product if common/low risk, or specific food products such as those with claims or intended for specific purposes.
 - Considerable time is typically required for registration to be completed – quoted timelines after the reception of completed data range from 60 to 150 days, but in reality may be longer. There are fees for the registration.
 - Product registration licence numbers are valid for five years.
 - Only limited liability companies under Indonesia law are able to complete this registration, meaning that if a foreign owned company or local company is not established, an importer or distributor must be appointed to do this. Indeed, in view of the complexity of the process, it is strongly recommended to work with a local partner.
- **Import permit for foodstuffs** – this must be obtained for each shipment, it can be applied for online at <https://e-bpom.pom.go.id>; though it is best undertaken by a local agent or importer.

It is also important to note that imported food products need to have 2/3 of their initial shelf life remaining at the time they arrive in Indonesia, for them to be accepted. If the remaining shelf life is less than this it is liable to be rejected.

4.2.2 Food safety and other food certification requirements

The Indonesian Food and Drug Authority or Indonesian (abbreviated to BPOM in Indonesian) is the body responsible for food safety in Indonesia.

Food Law No. 18/2012 is the main regulation covering all food and food products. An unofficial translation of the law can be found here: <https://www.informea.org/sites/default/files/legislation/ins139381E.pdf>

The law provides a base for the government to regulate on:

- food planning
- food availability
- food affordability
- nutrition and consumption
- food safety
- food labelling and advertising

- control
- food information system
- food research and development
- food institution
- public participation
- enforcement

It is worth noting that domestic food production is consistently prioritised over imports in order to meet demand; this is in effect set out in article 14 and articles 36 to 40 of the law.

Notable chapters of the food law with high relevance for imported products are:

- Chapter VII on food safety
- Chapter VIII on food labelling and advertising

There are various implementing regulations and other regulations which concern imported food. The potential list is very long and frequently changes. Notable acts impacting imported food include:

- Act No. 16 of 1992 concerning Animal, Fish, & Plant Quarantine
- Government Regulation (PP) No. 69 of 1999 concerning Food label and Advertisement
- Government Regulation (PP) No. 28 of 2004 concerning Food Safety, Quality, and Nutrition

A comprehensive list of recent regulations for processed foods can be found at the following link (in Indonesian):

<https://jdih.pom.go.id/view/chart/5>

Links to relevant legislation

The relevant legislation in Indonesia is only published in Indonesian, with occasional, mainly unofficial translations to English. The portal (in Indonesian, but with some functionality also available in English) for legislation administered by BPOM, including BPOM regulations listed in this section is:

<https://jdih.pom.go.id/>

Food categorisations

BPOM Regulation No. 34/2019 (replacing BPOM Regulation No. 21/2016) covers food categories. It establishes some 16 main categories of food products:

1. Dairy products and their analogues except for those belonging to Category 2
2. Fats, oils, and oil emulsions;
3. Edible ice including sherbet and sorbet;
4. Fruits and vegetables (including mushrooms, tubers, nuts including soybeans), seaweed, seeds;
5. Confectionery / candy and chocolate;
6. Cereals and cereal products derived from cereal seeds, roots and tubers, beans and pith (inner plant stems), excluding products covered in other categories
7. Bakery products;
8. Meat and meat products including poultry
9. Fish and fishery products including molluscs, crustaceans and echinoderms;

10. Eggs and egg products;
11. Sugar and sweeteners, including honey;
12. Salt, spices, soups, sauces, salads and protein products;
13. Processed food for special nutritional purposes;
14. Drinks, excluding milk;
15. Ready-to-eat snacks category;
16. Ready-to-eat (packaged) food

The regulation, in Indonesian, can be found here (there is no English translation at present):

<https://jdih.pom.go.id/download/product/827/34/2019>

Domestic and imported food products sold in retail packaging must comply with the provisions on food categories in the regulation. These include standards and guidelines for assessments, inspections and certifications for food safety controls. If processed food type is not listed in this regulation, written approval to use another name is required from the head of BPOM.

Food additives

Only authorised food additives can be used, within the defined maximum threshold limit. BPOM Regulation No. 11/2019 sets out 26 groups of food additives (and several types under each group). The annex contains a list of authorised additives (other than flavourings) and maximum limits. The regulation, in Indonesian, can be found here: <https://jdih.pom.go.id/download/product/848/11/2019>

Pesticide residues

Provisions for maximum residue levels (MRLs) are included in the Food Law No 18/2012, along with provisions for other contaminants. There are implementing regulations for setting the MRL levels, and also levels for other contaminants. The key regulations for MRLs are:

- MOA Regulation No. 55/2016 sets MRLs for pesticides for fresh foods of plant origin (including fruits, vegetables, cereal, and legumes).
- SNI 7313:2008 concerning Maximum Residue Level of pesticide for agriculture products.
- Joint Decree No. 881/Menkes/SKB/VIII/1996, 711/Kpts/TP.270/8/96 between the MOA and MOH on microscopic organism and metal contamination.

Notable provisions in the latter are:

- A list with the maximum allowable residue for products directly or indirectly consumed by humans.
- Provisions that agricultural products circulated in Indonesia, whether locally produced or imported, are not permitted to contain higher levels of pesticide than those in the list; imported products with greater levels are to be rejected.
- A list of 218 pesticides and products per pesticide.

Alcoholic beverages

Distribution of alcoholic beverage is controlled by the Indonesian government. Three categories of alcoholic beverages exist:

- Category A: 0 to 5% alcohol by volume (abv)
- Category B: 5 to 20% abv
- Category C: 21 to 55% abv

Each year, the ministry of trade determines the amount and type of alcoholic beverages that will be imported to fulfil national demand. There is a limited set of ports through which they can pass, though this includes most major ports and all international airports. Importers of alcoholic beverages must hold a specific permit from the ministry of trade. There are minimum requirements on the range and volume of products that must be met to obtain the permit (20 brands or producers from five countries; with volumes of 3 000 cartons per brand per year). Subsequently there are a limited number of importers (around 20 in total).

Distribution is tightly controlled:

- Distribution of category B and C beverages falls under the control of the Indonesian government and can only be performed through certain approved outlets..
- Category A beverages cannot be sold in minimarkets and other retail shops, though they are permitted in supermarkets and hypermarkets.
- Sales to consumers under 21 years old are not permitted.

Further points to note are:

- According to BPOM Regulation No. 14/2016, alcoholic beverages distributed in Indonesia must comply with food safety standards on methanol content (max 0.01% by volume), microbe and chemical contamination, and food additives.
- Advertising of alcoholic beverages is not permitted.
- Registration of imported alcoholic beverages with BPOM is required before they can be sold.

Excise taxes for alcoholic beverages are high, as set out in Table 4-3 below. These excise taxes are in addition to import tariffs which reach up to 150% for spirits; and they favour domestic production.

Table 4-3: excise tax for alcoholic beverages in Indonesia as of 1st January 2019

Type	Duty IDR per litre	
	Domestic	Imported
All types of ethyl alcohol, level, content and type	20 000	20 000
Category A (under 5%)	15 000	15 000
Category B (5 to 20%)	33 000	44 000
Category C (21 to 55%)	80 000	139 000
Concentrate containing ethyl alcohol (as a raw material or processing aid for beverage production)	100 000	100 000

Discussions on the regulation of alcohol

There are periodic discussions in Indonesia on the regulation of alcohol, including on a complete ban. On balance, the latter seems unlikely in the immediate future due to the impact it would have on industries such as tourism. Nonetheless, exporters should be aware that, as per the National Legislative Priority Program 2021, the Indonesian government has prepared a draft law on alcoholic beverages. The law is expected to be passed later in the year, and it is expected to clarify the legal regime on alcohol in Indonesia, including provisions on its importation.

Other product specific regulations

There are various product specific regulations, including for dairy products, fruit and vegetables, meat / meat products and petfood. Key elements of this are covered in the corresponding product snapshots.

4.2.3 Labelling Requirements

Food labelling requirements are covered in Chapter VIII of Food Law No. 18/2012. In addition to this:

- BPOM Regulation No. 13/2016 regulates processed food claims and advertisements
- BPOM Regulation No. 31/2018 regulates labelling requirements for processed food products.

Key overarching points to note are:

- A label is one of the requirements that must be submitted for product registration (see previous section).
- Products imported for retail distribution must be labelled in Bahasa Indonesia prior to arrival in Indonesia.
- The information on the labels must be printed in the Indonesian language (Bahasa), Arabic numeric and Roman text. The use of foreign terms is permitted if there is no Bahasa Indonesia equivalent.
- Anything in the form of picture or writing that is placed in or on, or accompanies the food is considered to be part of the food label information.
- Supplementary labels must be done in such a way that they are visible and cannot easily come off

Labels must contain the following information:

- Product name, including food type (see “food categorisations” in previous section).
- Ingredients list.
- Net weight or net volume.
- The name and address of manufactures or importer.
- Halal logo (if applicable).
- Date and/or production codes.

- Best before / expiry date in month and year format (exceptions for wine and beverages with over 10% alcohol content, vinegar and bread/cakes with shelf life under 24 hours).
- BPOM Registration Number.
- Source of certain food ingredients.
- Nutritional information (see below).
- If a food has been irradiated, is organic or contains GMOs (see box below).
- Storage instructions, serving suggestions and usage (for certain products).
- 2D Barcode for has obtained a registration number after 7th December 2018.
- Allergens (notably all processed products containing gluten, shellfish, eggs, fish, peanuts, soybeans, milk (including lactose), tree nuts, and sulphites).
- Food additives (name and additive registration number; with specific further requirements for colours and sweeteners).

Food that is irradiated, is organic or contains GMOs

Irradiated packaged food must bear “IRADIASI” after the name of the packaged food, plus the green label on the right; as well as the name and address of the radiation facility (including the country) and the month and year of the irradiation. If the food is not to be re-irradiated, the label must contain the term “TIDAK BOLEH DIRADIASI ULANG”



Food derived from genetically engineered products for which the GM material can still be detected require the term “PRODUK REKAYASA GENETIK”



To use the word “organic” or the Indonesian organic logo (left), a product food must have an organic certificate issued by an Indonesian Organic Certifier or a Foreign Organic Certifier domiciled in Indonesia and accredited by National Accredited Committee (KAN).

Nutritional facts

Regulation No. 22/2019 requires all processed food to nutritional information on the label. There are exceptions for tea and coffee, mineral bottled water, herbs, spices, seasoning, condiments and alcoholic beverages.

Guidelines on nutritional information have been issued and subsequently updated. In short, the information to include should include:

- Serving size
- Servings per package
- Type and amount of nutrient content and of non-nutritional substances
- RDA percentage

Nutrients to cover are:

- Total energy
- Total fat
- Saturated fat
- Protein
- Total Carbohydrates
- Sugar
- Sodium

It should be noted that Ministry of Health Regulation No. 30/2013 (amended by MOH Regulation No. 63/2015) requires processed foods to include information on sugar, salt, and fat content information and a health message on the label. The nutrient information is captured above. The health message, according to the aforementioned regulation, should contain text to indicate that consuming more than 50 grams of sugar, 2 000 milligrams of Sodium, or 67 grams of fat per person per day increase the risk of hypertension, stroke, diabetes, and heart attack.

Additional requirements for specific products

There are special labelling requirements for certain specific products. Most notably:

Products containing pork

A label, written in red on a white background, with the image of a pig and the words “MENGANDUNG BABI” should be attached to the product.

For products which may have come in to contact with products of pork origin during production, the following wording in red must be attached to a label: “*Pada proses pembuatannya bersinggungan dan/atau menggunakan fasilitas bersama dengan bahan bersumber babi*” (in contact with and/or using a common facility as substances of pork origin during the production process).

Products containing alcohol

Both food and beverage products containing alcoholic must state the alcohol level contained in %. This applies to any food containing alcohol (e.g. cakes, chocolates with alcohol fall within this requirement). Labels for alcoholic beverages must contain the following terms:

- “MINUMAN BERALKOHOL” (alcoholic beverage) and the type of the alcoholic beverage.
- DIBAWAH UMUR 21 TAHUN ATAU WANITA HAMIL DILARANG MINUM (prohibited for people under 21 years and pregnant women)
- “mengandung alkohol ±...% (v/v) (Contains alcohol + ... % v/v)

Halal labelling

Law No. 33/2014 on Halal Product Assurance covers Halal. It set up an agency under the Ministry of Religious Affairs called the Halal Product Assurance Organizing Agency (BPJPH). However, the

law only came into effect in late 2019. As a consequence of this, implementation regulations relevant for importers are still emerging. Regulation number 39 of 2021 was released in early 2021 as part of Indonesia's omnibus law, and this provided the first indications with regards to implementation, though overall it is considered that uncertainties remain. An unofficial translation of this extensive regulation can be found at: http://www.usdaindonesia.org/wp-content/uploads/2021/03/GovReg-39_2021_Organization-of-Halal-Product-Assurance.pdf . A good initial overview of the regulation and its implications can be found at the following two links: <https://www.theworldlawgroup.com/writable/documents/news/Mar-2021-Issue-4-Halal-Product-Guarantee-Sector.pdf> <https://www.agroberichtenbuitenland.nl/actueel/nieuws/2021/07/02/regulatory-updates-regarding-indonesias-halal>

In order for food and beverages to be sold as halal (bottom right), they must comply with the requirements of the regulation. Products derived from animals not slaughtered in accordance with halal requirements have to be labelled as non-halal (bottom right). There is a transition period to 2024 for full compliance.

Halal certification and labelling are effectively mandatory for imports of meat and meat products (including poultry) and dairy products (it is required in order to obtain an import recommendation from the Ministry of Agriculture).

In order to obtain halal certification, imported products must be registered with the Halal Product Assurance Organizing Agency (BPJPH), and the product must have already been certified by an overseas Halal institution that has a co-operation agreement or recognition from BPJPH in place.



Recognised certification bodies which are located in the EU include:

- Halal Food Council of Europe (HFCE) – Belgium
- The Muslim Religious Union of Poland (MRU) – Poland
- Halal Quality Control (HQC) – The Netherlands. Germany. Denmark and Austria
- Instituto Halal De Junta Islamica (Halal Institute of Spain) – Spain

- World Halal Authority (WHA) – Italy
- Total Quality Halal Correct Certification (TQHCC) – Netherlands
- Halal Feed and Food Inspection Authority (HFFIA) – Netherlands
- Halal Certification Services (HCS) – Switzerland. Germany. Spain
- Islamic Foundation of Ireland (IFI) – Ireland

A full list of recognised bodies can be found at: <https://www.halalmui.org/mui14/main/page/list-of-halal-certification-bodies>.

In addition to the above, there are special labelling requirements for foods which are outside the main product scope of this handbook: foods for special nutrition / dietary uses; (set out in Regulation No. 24/2020) and baby foods (set out in BPOM regulations No. 03.1.52.08.11.07235/2011 and No. 3/2014).

4.2.4 Protection of intellectual property rights, including geographical Indications (GIs)

The Directorate General for Intellectual Property is the body responsible for IP in Indonesia. Legislation for trademarks in Indonesia is set out in Law No. 20 of 2016 regarding marks and geographical indications. As the title suggests, the law also covers GIs. An unofficial translation of the law can be found here: https://internationalipcooperation.eu/sites/default/files/arise-docs/2019/Indonesia_Law-on-Marks-and-Geographical-Indications-20-2016.pdf

Key points to be aware of are:

- Since early 2018, Indonesia has been a signatory to the Madrid protocol.
- If a foreign party wishes to register a trademark, they are required to engage an Intellectual Property Right Consultant
- Indonesia's system works on a first to file basis.
- Protection, once granted, is for 10 years.
- Typically, it takes between 12 and 24 months for a trademark to be registered in Indonesia. Renewal is typically shorter, but filing for renewal at least 6 months before expiry is advisable.

It should be noted that the Omnibus Law (Law 11/2020), which entered into force on February 2, 2021, has implemented some amendments to Indonesia's IPR laws. While it is too early to assess the impact of this, the consensus is that these changes may have positive impacts in terms of reducing the time required for trademark and GI registration; and potentially on managing IPR rights.

Searching for trademarks in Indonesia

WIPO maintains a searchable database which can be found at the following link: <https://www3.wipo.int/branddb/id/en/>

Protecting GIs in Indonesia

GIs can be registered under the aforementioned law. Foreign GIs can be registered as long as it has recognition as a GI in the country of origin. As is the case with trademarks, for applicants who are based outside Indonesia, an Indonesian based proxy / IPR consultant must be engaged for filing the application. Six foreign GIs have been identified as being registered in Indonesia, including four EU ones: Champagne, Parmigiano Reggiano, Cognac and Grana Padano.

Webinar on GI protection in Indonesia

The EU SME South East Asia centre completed a webinar on GI protection in Indonesia in late 2018; and due to the date of legislation (2016), this webinar remains relevant. It can be found at:

<https://www.southeastasia-iprhelpdesk.eu/en/past-webinars/28-september-webinar-protecting-european-geographical-indications-indonesia>

4.2.5 Relevant authorities for IPR and GI protection and further contacts

Directorate General for Intellectual Property (DJKI)

Kementerian Hukum & Hak Asasi Manusia

Jl. HR. Rasuna Said Kav. 8-9,

Jakarta Selatan, Jakarta, Indonesia

✉ halodjki@dgip.go.id

🌐 <https://dgip.go.id/>

4.3 International trade

4.3.1 Indonesia and foreign trade

Indonesia is home to numerous key factors that make international trade vital for the country's economy. The country is located in one of the world's key areas of freight movement as is vital for ensuring the movement of freight goods from several key markets that surround it such as India, China, and Australia. This combined with a growing economy that is heavily influenced from foreign investment means in recent years Indonesia has played an active role in the advocating of increased international trade and agreements in the region and wider afield.

4.3.2 Key trade agreements, present, and future

Indonesia has several key free trade agreements with countries located within its immediate vicinity and further afield, these trade agreements help to solidify the country's trade-oriented economy. Indonesia is also a large advocate for increased free trade across the world and as such will likely be a party to several more free trade agreements in the future.

Table 4-5: Chronological list of Indonesian trade/economic agreements with third countries/regions

Partners	Type of agreement	Entry into force
ASEAN Free Trade Area	Free Trade Area	1993

Partners	Type of agreement	Entry into force
Korea (a)	Comprehensive Economic Cooperation Agreement	2007
Japan	Economic Partnership Agreement	2008
Australia, New Zealand (a)	Free Trade Agreement	2009
India (a)	Comprehensive Economic Cooperation Agreement	2010
Group of eight trade tariff agreement (Bangladesh, Egypt, Nigeria, Turkey, Malaysia, Pakistan, and Iran)	Preferential Tariff Agreement	2011
Pakistan	Preferential Trade Agreement	2012

(a) Signed as a member of the ASEAN economic bloc

Source: Agra CEAS based on various

Indonesia in recent years has taken a more proactive role in seeking FTAs and these agreements have increasingly been viewed as a way to boost economic growth, particularly due to the COVID-19 pandemic. FTAs Indonesia is currently in negotiation or that are pending ratification include:

- **Indonesia-Chile FTA**
- **Indonesia-EFTA FTA**
- **Regional comprehensive partnership agreement with the following countries**
(Australia, Cambodia, India, Japan, Laos, Myanmar, Philippines, Thailand, Brunei, China, South Korea, Malaysia, Vietnam, New Zealand, and Singapore.)
- **Indonesia-South Korea FTA**
- **Indonesia- US FTA**
- **Indonesia-EU FTA** (see below)

Indonesia has also agreed but has yet to implement a trade preferential system with countries that are members of the OIC (Organisation of the Islamic Conference). Once implemented this agreement will grant Indonesia trade preferentiality with a total of 35 countries, mainly fellow Islamic nations from across the world.

4.3.3 EU- Indonesia free trade agreement negotiations

The negotiations between the European Union and Indonesia concerning a potential free trade agreement began were launched in July 2016, since then a total of nine rounds of trade negotiations have taken place with a tenth round being held virtually in June 2020 due to the COVID-19 pandemic. A 11th round is likely later this year. Several chapters have been closed which include chapters concerning sanitary and phytosanitary issues as well as issues concerning trade defence instruments. Current negotiations concern issues involving rules of origin legislation and product-specific rules. Both sides have published their lists of geographic indications (GIs) before the beginning of the ninth round of negotiations. Although Indonesia's ever-increasingly open attitude to trade boosts the chance of a deal, reaching an FTA agreement between the EU and Indonesia may likely take a few more years. The extent to which an FTA may be able to address the barriers for agri-food products set out in section 4.3.4 and other challenges for exporters is currently unclear. It is recommended that the website of DG TRADE be periodically checked for the latest update on negotiations: <https://ec.europa.eu/trade/policy/countries-and-regions/countries/indonesia/>

4.3.4 WTO disputes and other trade barriers

Indonesia has several agri-food related trade disputes with the EU which both cause challenges at present and will no doubt need to be addressed before the implementation of a free trade agreement. A total of eight are identified as key barriers to trade for EU agricultural producers; these include:

- **Import restrictions on dairy products, spirits, and alcoholic beverages (no longer a problem at the time of writing).** From April 2019 the Indonesian trade ministry placed a *de-facto* ban on alcoholic imports from the EU to counteract the negatively perceived recast of the EU Renewable Energy Directive on palm oil-based biofuels. Importers expressed difficulties in obtaining licenses for importing dairy ingredients and products and a general sense of uncertainty surrounding Indonesia's policy towards extending existing import permits for EU dairy producers. Indications are that the situation began to ease at the end of 2020 / beginning of 2021, and no issues have been reported of late; though it is worth being aware of this historical challenge and the risk of recurrence.
- **Exportation of plant products to Indonesia and access to the port of Tanjung.** The exportation plant products via the port of Tanjung in Jakarta is limited to countries that are currently a member of the country recognition agreement (CRA). While countries outside this agreement may export to other ports in Indonesia, this leads to much more complicated trade flows. Only France may export plant products from the EU through the port as it is the only member state with a license to do so (France's license expires in 2022). This measure makes the exportation of fruit and vegetables from other member states to Indonesia significantly more difficult than for countries which are members of the CRA. It should nonetheless be noted that Member States have faced considerable problems obtaining access for plant product to Indonesia at all (see below) and subsequently there is anyhow very restricted access.
- **Foodstuff – registration and other technical requirements.** Burdensome import requirements concerning registration and labelling requirements remain a trade barrier for EU agri-food exporters. Indonesian consumer protection law requires all foodstuff sold to Indonesian consumers to be approved and bear a registration number from the food and safety authority in the country (BPOM). This process is quite lengthy and average times for approvals are typically between 6-9 months.
- **Fees for desk evaluation and audit in relation to member states export applications.** In 2016 Indonesia introduced a new fee (through Regulation 25/2016) which impacts the process for market access applications – both fruit and livestock products. The fee extends to import applications, desk evaluation, a fee for audits, and finally a fee for the after visit report and application; and include some elements of provisions for travel as well. These fees present a large barrier to trade for potential EU agri-food exporters. The Ministry of Agriculture has been reluctant to perform online audits, leading to further complications in obtaining market access. In view of these challenges/costs and the uncertainty of the outcome (see point below), there is reluctance from some Member States to submit applications.
- **Regionalisation policy and restrictions in Indonesia – avian flu.** Indonesia implements countrywide bans following outbreaks of low pathogenic avian influenza (AI) and highly

pathogenic avian influenza. Furthermore, Indonesia does not distinguish if the outbreak is from wild birds, captive birds, or poultry. This creates issues in member states with outbreaks as the wider principle of regionalisation is not respected. A lack of transparency on Indonesia's broader regionalisation policy for animal diseases also causes a major trade barrier for EU producers.

- **Live ruminants and their products.** Indonesia implements restrictions on several animals and animal products relating to bovine spongiform encephalopathy (BSE) and other diseases. This process creates issues for EU meat exporters as the process for passing approval to export to Indonesia is often unclear which results in unnecessary long approval processes and procedures.
- **Lack of transparency and delays for approval procedures for animal and plant products.** EU member states lack feedback on the export applications to Indonesia from simple questionnaires' to questions about the long and burdensome application process. This lack of transparency creates what is often viewed as an unjustified long approval process when trying to get authorisation to export animal or plant products to Indonesia. By way of example, multiple Member States have reported that approval procedures initiated over five years ago (i.e. in 2016 or earlier) remain ongoing.
- **SPS related import restrictions.** The legislation for food self-sufficiency (Food law 18/20/12) sets out the framework for restricting food imports into Indonesia. This broad and hard to decipher legislation often creates problems for EU exporters and creates instruments that allow the government to ban imports of food products quickly and without just reason. The legislation also requires the government to maintain food prices in the country which can often result in market intervention that is detrimental for EU producers.

Further information, as well as an up to date list of trade barriers, can be found here:

<https://trade.ec.europa.eu/access-to-markets/en/barriers/results?isSps=false&countries=ID§ors=20>

4.3.5 Summary of key trade barriers

Several key EU Agri goods are heavily affected by the implementation of trade barriers to Indonesia, namely plant products, alcohol, meats, and dairy. The long approval process to gain access to the Indonesian market has also been highlighted as a concurrent issue for EU producers. Meats producers face several externalities that may impact their ability to export to Indonesia such as the lack of regionalisation recognition for some diseases from the country and BSE issues. While France enjoys access to the port of Tanjung for its exports of plant-based products, this luxury is not shared throughout member states and creates a huge barrier to trade in these products for other member states as the port is one of the main gateways into the Indonesian marketplace.

Negotiations surrounding a potential free trade agreement create hope that these issues can be tackled in the near future and Indonesia has shown a willingness to negotiate a conclusion. Disputes in relation to palm oil have impacted the trade of alcohol from the EU to Indonesia and will need to be discussed and resolved before it is likely that the Indonesian market will reopen to EU alcohol producers.

4.4 Operating in the Indonesian food and beverage market

4.4.1 Logistical services and transportation infrastructure

Due to the unique geographic shape of Indonesia, being the world’s largest archipelago, sea trade and traffic is vital for the movement of freight goods throughout the country. Shipping remains the main mode of traffic and will need to be considered when moving goods throughout the country. Road, air, and rail transport links have improved significantly in recent years and have helped the country’s growing population to commute to ever-expanding urban centres throughout the country.

Shipping

Indonesia’s economy is reliant on its comprehensive shipping infrastructure to move goods into the country from abroad and then internally. Traditional wooden *pinisi* ships are commonly used to move people and goods around internally and ferries run 24 hours throughout the country as it is commonly the main method of moving people and traffic internally between many locations. Waterways are highly needed also because the rivers on the islands are often not wide enough to hold medium-sized ships. The port of Tanjung in Jakarta is the country’s busiest port and carries over 5.2 TEUs annually which it plans to double by 2023 with the conclusion of a new extension project.

Figure 4-1: Major Ports in Indonesia



Source: Agra CEAS based on various

Airfreight

Like sea travel, air transport forms a vital means of transporting goods and cargo throughout Indonesia and getting these services into the country. Indonesia has roughly 673 airports with 186 of these being paved. The airport in Jakarta known as Soekarno-Hatta International airports is the country’s largest and its sole cargo route between itself and the European Union is through Frankfurt. In 2019 the country had

a monthly average of 45 200 CTK (Cargo ton kilometres) and 160 000 CTK for domestic and international freight respectively.¹⁶

Figure 4-2: Major International Cargo Airports in Indonesia



Source: Agra CEAS based on various

Rail freight

The majority of rail freight and infrastructure in Indonesia is located on the island of Java. There is also some smaller rail infrastructure located on the island of Sumatra. New rail projects are currently under construction throughout the country which corresponds to a growing demand for public transports as the middle class continues to expand. Cargo movements through rail are quite small in the country and are largely used to transport sugar cane and palm oil.

Road Freight

Due to the geographic complexities of Indonesia, the use of road freight plays a fair lower role in the movements of cargo goods within the country as is seen in other countries. Maritime freight generally gets priority in infrastructure spending however increased e-commerce sales particularly with the onset of COVID-19 have created an increased demand for road freight within the country. Logistics companies within Indonesia that are concerned with road freight remain small with roughly 75% of these companies having 20 or fewer trucks.¹⁷

¹⁶ Indonesian air carriers report sharp decline in air traffic, the Jakarta post, available at <https://www.thejakartapost.com/news/2020/05/05/indonesian-air-carriers-report-sharp-decline-in-cargo-traffic.html>

¹⁷ The Indonesian road freight transport market is expected to grow at a CAGR of above 9% during the forecast period of 2020-2025, Yahoo finance, available at <https://uk.finance.yahoo.com/news/indonesia-road-freight-transport-market-001100074.html>

Waterway freight

Waterways are crucial for getting's goods and people to islands that are less developed than Java such as Kalimantan and Papua which have less developed road and rail networks and are large enough to justify waterway development, because of this Kalimantan alone is home to over half of the countries waterways.

4.4.2 Distribution – retail channel overview

The retail sector of Indonesia is growing rapidly spurred by a fast growing population that is increasingly urbanising. Also, the growth of the middle class in Indonesia has created a new demand for services in the country which is also helping to spur the growth of the retail market of the country. Due to the geographic uniqueness of Indonesia, the retail market is quite fragmented, and many retailers will choose to operation specifically within one region of the country. In total, there are roughly 35 000 convenience stores, 350 hypermarkets, 1 500 supermarkets, and over 4.5 million traditional stores located throughout the country.¹⁸

Hypermarkets

Hypermarkets are relatively new in Indonesia and mainly located in or in proximity to the country's large urban centres. Many of these new hypermarkets have a wide variety of food and beverages available and will be one of the main channels of distribution for the sale of European goods in the country. Some of the larger hypermarket chains in operation in Indonesia include Makro, Little market, and The Grand lucky.

Supermarkets

Supermarkets, like hypermarkets, are mainly located within the countries larger urban areas and are increasingly visible on the streets of Indonesia. Supermarkets also have a wide variety of food and beverages available and hypermarkets will be a key channel for the distribution of food and beverages from the EU throughout Indonesia. Supermarket chains in Indonesia include Foodmart, Alfamidi, and Bromo Swalayan.

Department Stores

International and domestic department stores are located throughout urban centres in Indonesia and are often associated with the sale of more luxury items. This channel offers more opportunity for luxury European agri food products such as chocolate and confectionery. Departments stores are growing in importance in Indonesia as the population continues to expand alongside rising income levels.

Convenience Stores

Small shops and convenience stores are located throughout Indonesia and will typically be visible on the majority of streets in urban centres and in rural areas where convenience stores will typically be one of

¹⁸ The distribution network in Indonesia, Nordea, Available at <https://www.nordeatrade.com/se/explore-new-market/indonesia/distribution>

the main channels of food and beverage distribution. Some of the larger convenience store chains located in Indonesia include Indomaret and Alfamart which both have a large presence in Indonesia.

Food markets

A wide variety of fresh products can be found in food markets throughout the country and will be one of the first points where consumers can purchase fresh goods grown in the country. Each urban centre will have a food market of some variety and will often feature some of the more prominent examples of foods typically consumed by the local ethnic population. Food festivals are very common in Indonesia and food markets will often act as the central hub of activities during these festivals.

E-commerce

E-commerce has grown in popularity in Indonesia in recent years as an ever-higher percentage of the population gains access and becomes accustomed to Internet usage. The onset of COVID-19 has only further increased the demand for goods purchased through the e-commerce channel. Towards the end of 2019, the largest e-commerce in operation in Indonesia was Tokopedia, Shopee Indonesia, Bukalapak, Lazada, and Blibli, by 2025 the countries E-Commerce retail market is estimated to be valued at roughly EUR 105 billion.¹⁹

4.4.3 Intermediaries

The complexity of Indonesia legislation applicable to agri-food imports, together with the various administrative procedures (which are often in Indonesia) mean that a good relationship with a local importer or intermediary is absolutely essential. It should be noted that importers themselves have to comply with extensive registration and licence requirements.

One of the administratively simpler options is to work with an undername importer, that is to say an importer who has import licences for the product that an exporter wishes to send to Indonesia (and hence sidestepping the need to apply for an import licence). Before working with an undername importer, it is necessary to consult with them to determine the precise nature of the products being imported and whether or not the licence is held for these.

In terms of the intermediaries involved by end market:

- **Retail:** most supermarkets rely on a network of local importers, rather than import the product themselves; the reason being it avoids supermarkets from being caught up in the administratively burdensome process of importing products.
- **Food processing:** Large and medium-sized food processors in Indonesia source raw materials locally and globally. While sometimes this is through intermediaries, large food processors often directly import ingredients. This is particularly common among food manufacturers who export

¹⁹ E-commerce opportunities in Indonesia's retail market, Oxford business group, Available at <https://oxfordbusinessgroup.com/overview/delivered-success-market-dominated-brick-and-mortar-stores-e-commerce-proving-attractive-young->.

due to the advantages they obtain in terms of export incentives (examples being Indofood and Mayora).

- **Food service:** international restaurant chains tend to import their own ingredients if they are not sourced locally. There are some food service operations (including notably airlines) which source directly from abroad, but often intermediaries are used.

There is no generic criteria that importers require in terms of quantities and frequencies of shipment. Ultimately, what importers request will differ between importers and also by product. Some issues to be aware of with regards to quantities are:

- Quotas are set by the Ministry of Agriculture for agricultural products (see also section 4.2.1 on the prioritisation of domestic production); and hence volumes that importers of these products are greatly impacted by the overall quota set by the ministry for the year. Nonetheless, depending on their relationship with the authorities, different importers may be able to obtain different parts of the overall import quota for the year.
- It is fairly common for importers to request a minimum of a container of a product, in order to maximise cost efficiency; though of course consumer demand can impact this.
- For alcohol, the quantity that an importer can handle is effectively influenced by their size (which is a function by the number of brands they work with). There are a total of 23 importers of alcoholic beverages, though not all importers are authorised to handle all alcoholic beverages (15 can handle spirits, 12 beer and 11 wine). A handful of the 23 importers have a fairly dominant position.

Finally, other general tips for working with importers are:

- It is necessary to check that the importer is active in the geographical area being targeted, or that they have good partners / distributors who are active in the region. Many importers are only active in one part of the country due to the bureaucratic challenges they face to operate in multiple regions.
- Following on from the above, it is worth thinking about the mode of distribution when targeting importers; and even if the importer handles the administrative complexities, foreign manufacturers may be able to develop relationships with distribution channels in order to help their product sell. For example, on-trade can be a good channel for alcoholic beverages. Participating in trade shows, food exhibitions and alike can also help with this.
- It is very difficult to re-sell or re-export products that have arrived at Indonesian ports; and any change to the consignee will require approval from the original consignee. Therefore, exporters must be certain of the importer they are sending a shipment too; and in this context it is recommended that due diligence be performed before working with an importer for the first time.
- Exporters should ensure that the product quality and quantity are always as discussed under the contract and that the products fall under the correct halal/non-halal brackets.
- Exporters should have a long-term view in mind. For example, establishing a presence of the product in Indonesia might take longer than expected. Therefore, good relationships with key stakeholders such as importers, distributors, retailers, and local government bodies would be important for success. Overall, patience is an important attribute when entering the market.

- Buyers may be slow to respond to e-mails, especially if they do not know the sender. Indonesians generally prefer a face-to-face meeting. Thus, it is recommended to visit the market and arrange meetings. They may also communicate indirectly (e.g. "yes" does not necessarily mean they agree as culturally they may prefer not to say anything negative).
- Exporters are recommended to pay close attention to changes in government regulations and key political viewpoints within the country as they can affect the market for products – the most notably example of this being alcohol.
- Exporters should be aware of Indonesia's cultural diversity; but also its majority Muslim population. During the preceding month of Ramadan, many Indonesians fast, and the pace of business slows.

Business Contact Database:

A database of importers, wholesalers, retailers, and distributors can be found in section 8.5

N.B. due diligence will have to be performed for any contacts on this database as no warranty is given as to the standing of these individuals, organisations or firms, and no corresponding responsibility or liability is accepted by the authors.

4.4.4 Business environment

The business environment of Indonesia follows many parallels to other nations in the region such as the respect for elders in the workplace and the value of saving face. The country's growing service sector combined with an ever-growing educated and richer population has led to projections of Indonesia to become one of the world's largest economies in the upcoming years. The country's key location within the crossroads of regional trade between the countries of China, India, and Australia has allowed it to leverage its position to spur economic investment into the country. As the economic centre of the business world continues to shift eastward Indonesia will likely become an ever more attractive region for investment.

4.4.5 Key operational considerations and challenges: summary

Key challenges to bear in mind when operating in the Indonesian market are:

- Each region is extremely diverse and will bring with it, its own set of unique challenges and opportunities. It is important not only to view Indonesia from one perspective as each region deserves further study in their rights. That said, in terms of food and beverage import opportunities, the focus is very much centred on Java and Bali (as indicated in section 2.2.2).
- Following on from the above, it is important to note that cold chain infrastructure is focused mainly in the large cities (notably on the island of Java); meaning that the sale of perishable goods in areas outside this area is more likely to be challenging.
- Market access poses considerable challenges, with processed food products needing to be registered before they can be exported; and authorisation needed for meat plus fruit and vegetable products. Most of the formalities have to be completed in Indonesian by a local entity,

meaning that a good local partner or entity is very important. The legislative situation in Indonesia for food and beverages in Indonesia can more broadly be considered as challenging.

- Indonesia is actively promoting self-sufficiency in agri-food products. As a result domestic food production is consistently prioritised over imports in order to meet demand, creating a potentially challenging environment where export opportunities in a segment diminish as domestic production increases.
- It must be remembered that the country is a majority Muslim one, and this obviously impacts both export opportunities and requirements. The most wide-reaching example of this is the requirement for halal certification which has recently been introduced.
- English is widely spoken by young people, but interpretation may be required for business meetings, particularly outside Jakarta and other major cities in Indonesia.

4.4.6 Other relevant information

4.4.6.1 Methods of payment in Indonesia

Cash-based payments are currently the most predominant form of payment in Indonesia and will generally be expected when purchasing from smaller retail outlets and local merchants. Card payments are not common but have grown in popularity in recent years, particularly due to COVID-19 and the rise in demand for contactless payment methods. Tipping is not standard practice in the country and will not be generally expected, however a small tip for exceptional service is generally well-received. US Dollars are accepted by some vendors in the country, particularly those selling luxury products however the Rupiah is needed for most day-to-day transactions.

4.4.6.2 Travel from the EU to Indonesia

As tourism is a vital industry in the country, Indonesia has a more relaxed approach to its immigration policy (not including emergency measures that may have been introduced during the COVID-19 pandemic), in normal circumstances, all citizens of EU member states can obtain a visa on arrival for a period of 30 days upon arrival in Indonesia. Visas to Indonesia typically cost around 30 EUR with an extension of stay for a period of 30 days also costing 30 EUR. A 60-day multiple entry business visa is also available which allows for travel in and out of Indonesia for this period of time.

5 Market Snapshots for Selected Products

This section provides specific information for various food and beverage categories and products. This information covers three main categories:

- **Consumption:** data on the evolution of consumption; consumer profiles and any notable consumer trends;
- **Offer:** domestic production; imports and exports; the competitive landscape; relevant specific customs procedures/import considerations;
- **Distribution:** main distribution channels used; domestic and imported offer.

Furthermore, each category contains a SWOT analysis and a key takeaways message.

Fresh meat	Fresh fruit and vegetables	Dairy
Wine	Spirits	Olive oil
Chocolate and confectionery	Beer	Processed meat
Ice cream	Processed fruit and vegetables	Pet food
Fruit juice	Honey	Live plants

5.1 Fresh meat

5.1.1 SWOT analysis

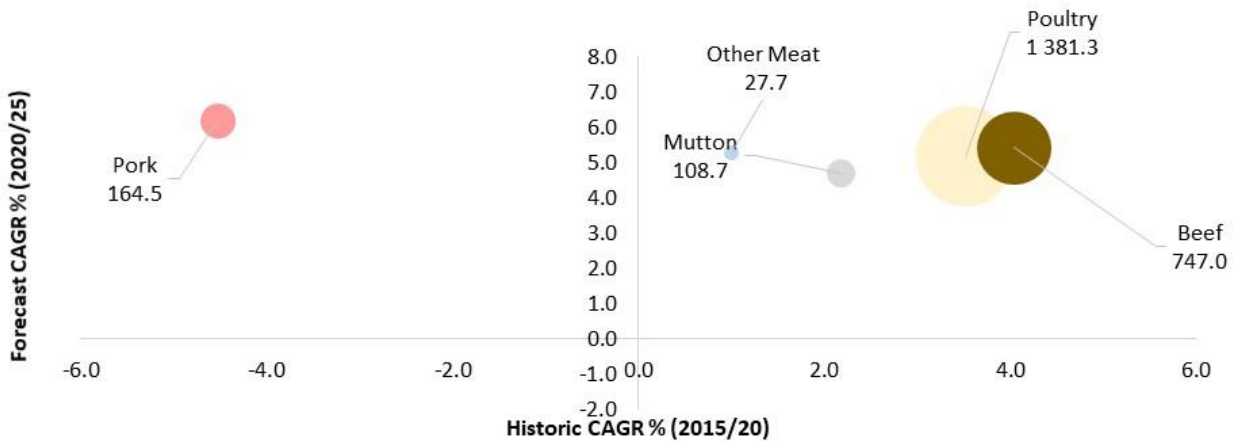
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Rising incomes in Indonesia is leading to higher sales of meats with all meat sales forecasted to grow between 2021 and 2025. ▪ Indonesian consumers incorporate meats into a wide variety of their staple dishes. 	<ul style="list-style-type: none"> ▪ The need to obtain halal certification combined with this typically being a cumbersome process. ▪ Certain restriction on poultry products from the EU due to a lack of regionalisation recognition ▪ Total EU exports are small considering the size of the country ▪ Indonesia’s government is actively promoting self-sufficiency in products such as poultry and beef.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Demand for premium and organic meats is growing in the country. ▪ Animal welfare and production process awareness is leading to a demand for free range poultry and organic alternatives which benefits EU producers with this process of production in place. ▪ Some possible opportunities in the economy beef segment if market access is secured. 	<ul style="list-style-type: none"> ▪ Australia and India are the largest exporters with favourable trading conditions. ▪ The Indonesian meat production sector is a key component of the countries agri-sector, which encourages consumers to buy locally. ▪ Market access is very challenging. ▪ Few opportunities for pork.

5.1.2 Consumption

5.1.2.1 Evolution of consumption

Figure 5-1 below shows that poultry is the most popular fresh meat product in Indonesia with a total volume of 1.4 million tonnes, poultry has been growing in popularity in Indonesia for a number of years and this will likely continue to be the case as the product as a forecasted compound annual growth rate (CAGR) between 2021 and 2025 of 5.2%. Beef is also quickly growing in popularity in Indonesia and had a total volume of 747 000 tonnes in 2020; it is the second largest fresh meat product in Indonesia by a large distance and is forecasted to grow at a CAGR of 5.4% by 2025. Pork had been falling in popularity between 2015-2020 with a CAGR decline of 4.5%; however pork is forecasted to rebound in popularity with a forecasted CAGR between 2021 and 2020 of 6.2% making it the highest growing fresh meat product. In 2020 pork had a total volume of 164 000 tonnes. Mutton is less popular with a total volume tonne in 2020 of 108 000 tonnes and the smallest forecasted CAGR between 2021 and 2025 of 4.7%. Other meats accounted for a far smaller share of the market with only a total volume of 28 000 tonnes in 2020, however other meat are forecasted to grow at a CAGR between 2021 and 2025 of 5.3%.

Figure 5-1: Evolution and forecast of fresh meat market (000 tonnes) in Indonesia, 2020-2025; total volume



Source: Euromonitor International: Fresh Food, 2021.

5.1.2.2 Consumer profile and purchase criteria

Consumers

The consumption of meat in Indonesia is heavily influenced by a number of external factors such as cultural backgrounds, religion and availability of meats throughout the country. Indonesia is home to over one thousand different ethnic backgrounds with many of them adapting different meat consumption habits within the country. Indonesia's small Chinese Buddhist and Balinese Hindu population is predominantly vegetarian and will rarely consume fresh meat products such as beef and pork. However, a key determinant is the fact that Indonesia is the world's largest Islamic nation by population with 86% of Indonesia's 270 million population adhering to Islam. Under Islamic interpretation the consumption of pork is forbidden and as such pork is not a largely popular food consumed in Indonesia although it is widely available throughout the country and is widely consumed by the country's non-Buddhist Chinese population. This pushes the majority of consumption to poultry and beef. While poultry is the more broadly consumed staple, beef consumption is slightly weighted towards urban areas where consumers are on balance wealthier. Other meats such as rabbit and lamb are less available and consumed in the country and are not typically sold through conventional distribution channels. There is limited awareness of sheep and goat meat, and demand for this meat typically spikes during the Islamic festive seasons, particularly around the months of Ramadan and Eid-el-Fitr.

Drivers and method of consumption

Versatility and price are both key drivers of fresh meat sales in Indonesia which helps to explain why poultry is the most popular fresh meat product consumed in the country. Poultry can be adapted to a wide variety of Indonesian dishes and is generally easy to cook which appeals to Indonesian consumers. Eating out is fast becoming a common practice amongst Indonesian consumers, particularly at the weekend and this acts as another driver of fresh meat consumption as consumers commonly associate going out with the consumption of fresh meat (rather than processed) meat. While vegetarianism is growing quickly in Indonesia, the majority of the population continue to eat a meat of some variety, at

breakfast it's common for Indonesians to incorporate poultry into their breakfast dishes with notable examples including *Nasi Goreng* and *Bubur Ayam*. Beef dishes are usually considered to be “heavy dishes” and as such are not commonly consumed as a breakfast meal. Most lunch and dinner dishes will also include a fresh meat of some variety with a popular Indonesian dinner dish incorporating fresh meat including *Soto* (which can incorporate both poultry and beef), *Rawon* (a beef soup) and *Bebek goreng* (a dish incorporating duck). Indonesian dishes frequently incorporate beef offal and off-cuts, creating a market for the product in the country.

Purchase criteria

Meats such as beef, chicken, duck and goat can be sold and consumed if they follow the halal certification standards which allows for the country's large Islamic population to consume these meats. Halal certification as a consequence is a key purchasing criterion (and effectively a *de facto* pre-requisite) for the majority of Indonesia's population. Pricing is also a large factor and further helps to explain the popularity of poultry in Indonesia as poultry is affordable to all of Indonesia's income classes while beef is generally more expensive which makes it difficult for low earners to purchase beef on a regular basis. Availability is another key criterion with poultry being largely available throughout the country in wet markets and street vendors while beef is also available through these channels but is more likely to be purchased through more modern distribution channels such as a supermarket. Duck and goat meats are generally perceived as “*out of the home*” meats and as such are largely associated with food vendors instead of supermarkets with many consumers consequently considering the purchase of duck and goat meats through food vendors as a purchase criterion.²⁰

Fresh meat on retailers' shelves in Indonesia

As noted in section 5.1.5, fresh meat is most commonly purchased through wet markets in Indonesia. Therefore, offerings in modern grocery channels reflect this. Meat is often packed on site (like in a wet market – see first photo below). Supermarkets may offer frozen meat - often imported - that would not be available in wet markets (second photo below).

²⁰ Indonesia's beef consumption and preference trends, EY Sweeney, available at <https://www.redmeatcattlepartnership.org/files/Neqx4-26925-beef-consumption-consolidated-report-final-english.pdf>; Euromonitor International: Fresh Food, 2021; https://www.mla.com.au/globalassets/mla-corporate/prices--markets/documents/os-markets/red-meat-market-snapshots/2020/australia_2020-mla-mi-snapshot-28092020_distribution.pdf



Above: fresh meat counter in an outlet of a major supermarket.



Above: imported frozen meat from New Zealand and the USA. Country flags indicated on the display labels in order to communicate origin.

In terms of retail prices for meat, they vary by cut, but in broad terms it will be expected that imported products sell for a price close to that of local ones unless they are very clearly and specifically targeting the premium market in which case retail prices can be higher (substantially so in a few cases).



Above: various beef cuts packaged on site

Pork products are separated and the presence of pork clearly indicated (see below).



Pictures: © Agra CEAS / Euromonitor International, 2021.

5.1.2.3 Recent market trends

Rising incomes combined with higher awareness amongst Indonesian consumers have led to a growing push for free range chickens (*ayam kampung*) within Indonesia as health concerns about broiler chicken injected with chemicals have grown amongst consumers. Pork is forecasted to grow the fastest within Indonesia with a CAGR between 2021 and 2025 of 6.2%. The reasons behind this include the rise of consumption of the product in areas of Indonesia with a lower Islamic population and its rise in popularity amongst the countries Chinese ethnic population. Overall, consumption of all meats are expected to continue growing Indonesia which is a consequence of a growing middle class which is able to afford both

more meat in general, and more premium meats outside of poultry. Nonetheless, poultry is likely to remain the main choice of fresh meat in the country, driven by consumers in Indonesia with a lower income. Vegetarianism is growing in popularity in Indonesia however the majority of vegetarians fall into the countries Hindu and Buddhist population who are vegetarians on religious grounds.

5.1.3 Offer

5.1.3.1 Domestic production

The fresh meat production sector of Indonesia is large considering also the large size of the country geographically and in relation to population. The wide variety of climates in Indonesia acts both as an advantage and disadvantage for fresh meat production depending on the region in question. As an example the sparsely populated and largely rainforest region of Papua has a smaller capacity to produce fresh meat than the island of Java. Overall in Indonesia in 2019 there were an estimated 17 million herds of cattle in the country with the majority of these herd belonging to smallholder farms, this also make Indonesia one of the largest cattle producers in South East Asia. Poultry production is a key sector for the agricultural economy with roughly 3.7 billion heads produced in Indonesia in 2019 which supplies more than half of all animal protein demand in the country. Poultry production has also doubled from 2013 to 2019 and the country is self-sufficient in the meat.²¹

The largest domestic producers by meat type are:

- Beef: PT Indoguna Utama, PT Estika Tata Tiara Tbk. (Kibif)
- Poultry: Charoen Pokphand Group and PT Japfa Comfeed
- Pork: PT Indo Tirta Suaka

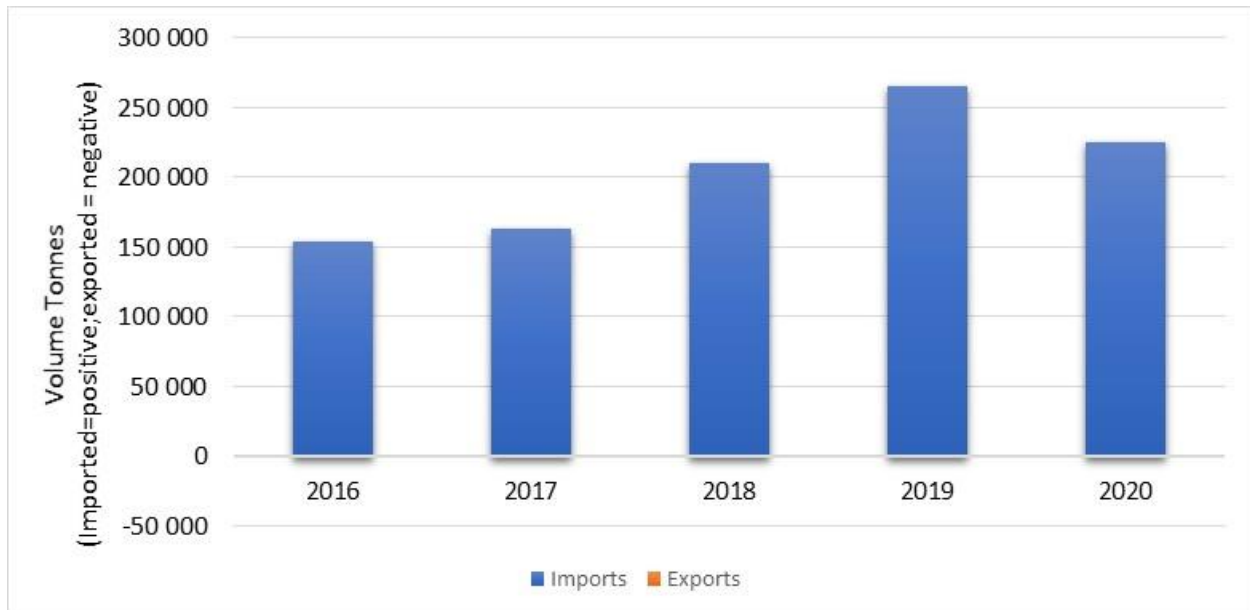
5.1.3.2 Imports and exports

Figure 5-2 shows that Indonesia imports far more fresh meats then it exports. This, however, is not a reflection of a small domestic production base; on the contrary, domestic production of fresh meat in the country largely satisfies demand and is in line with a self-sufficiency program from the Indonesian government with the government expressing a wish to be self-sufficiency in beef and chicken in order to improve food security; self-sufficiency in meat is estimated to be around the 90% mark.

Indonesia imported 225 000 tonnes of fresh meat products in 2020 which is a slight decline from the 265 000 tonnes imported in 2019. This fall however can be attributed to a general fall in imports across varies sectors as a result of COVID-19.

²¹ Cattle production in Indonesia from 2010 to 2019, Statistica, available at <https://www.statista.com/statistics/659016/indonesia-cattle-production/>; Chicken production in Indonesia from 2010 to 2019, Statistica, available at <https://www.statista.com/statistics/659054/indonesia-chicken-production/>; Euromonitor International: Fresh Food, 2021.

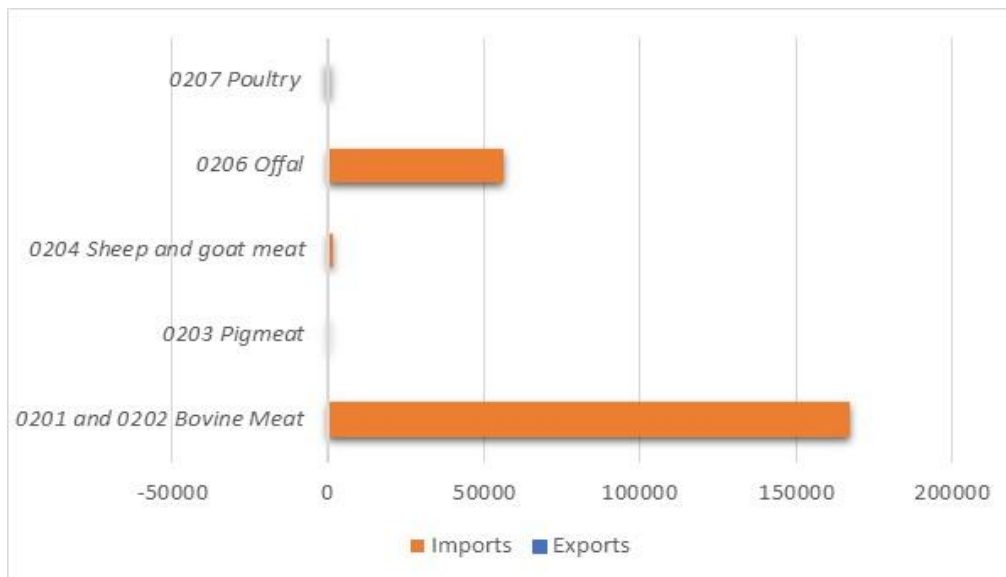
Figure 5-2: Trade balance (imports and exports) of fresh meat in Indonesia, 2016-20; volume tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

Figure 5-3 shows that bovine meat is the largest imported fresh meat into Indonesia with a total volume in 2020 of 167 000 tonnes. This is followed by offal which has an imported volume tonne figure of 56 000 tonnes. These meats dominate the levels of imported meats going to Indonesia. Exports of meats is largely insignificant as the majority of fresh meats produced in Indonesia are also consumed domestically.

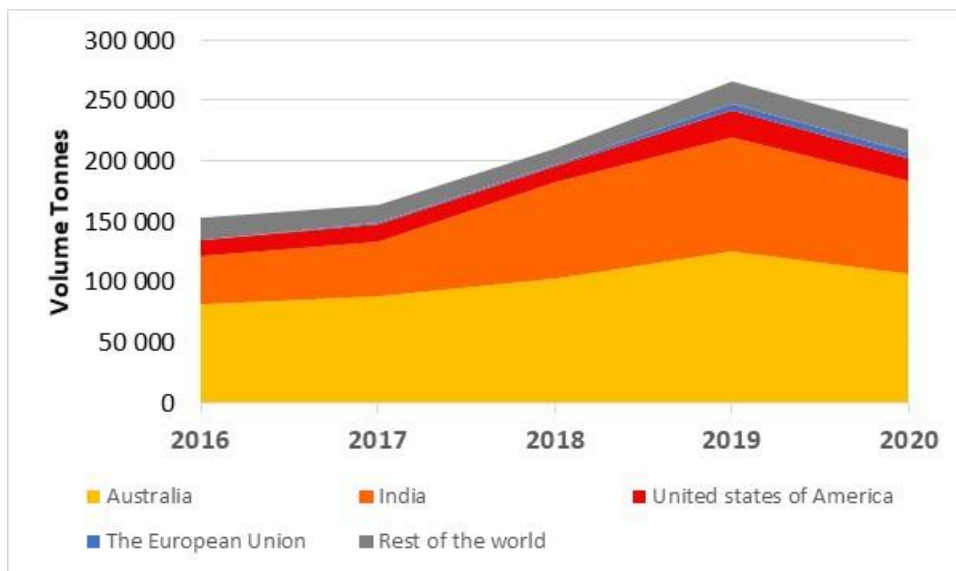
Figure 5-3: Trade balance (imports and exports) of fresh meat in Indonesia, by type, 2020; volume tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

Figure 5-4 shows that Australia and India are the largest exporters of meats to Indonesia followed by the United States. This reflects the strong position of their bovine meat exports. The largest exports from the EU are Spain and France; however the total quantities exported by these countries are negligible in the context of total imports. Australia has a free trade agreement with Indonesia, coupled with a close geographical proximity to the country which helps to explain why it is the largest exporter of fresh meat to Indonesia. However, with the price of imported Australian beef quite high there have been signals that Indonesia is seeking alternative, cheaper sources of beef. Imports from Spain have grown rapidly in recent years partly as a result of this.

Figure 5-4: Indonesia imports of fresh meat by country, 2016-20; volume tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

5.1.3.3 EU GI products

As noted in section 4.2.4, there is legislation for registering GIs in Indonesia. No GIs for fresh meat have been identified as having been registered.

5.1.3.4 Main competitors

The main trade-based competitors for EU fresh meat products in Indonesia are Australia, India and the United States. Australian and India combined account for over half of all fresh meat exports to Indonesia with Australia and India currently having an advantage with trade to Indonesia due to trade agreements. Australia and India also benefit from having a closer geographic proximity to Indonesia than the EU. However, overall the vast majority of meat in Indonesia is produced domestically; so the key competition overall can be seen to be domestic production itself.

5.1.4 Specific market entry requirements

Market Access and Entry

There are two key regulations for meat import

- Ministry of Agriculture Regulation No. 42/2019 regarding The Importation of Carcass, Meat, Offal and/or Its Processed Products
- Ministry of Trade Regulation No. 29/2019 regarding the Provisions of Export and Import of Animal and Products of Animal Origin and its amendment, Regulation No. 72/2019

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements notably include an import inspection and a veterinary certificate for animal products.

Countries have to have been approved access to export the meat product in question to Indonesia. In addition to this and the documentary requirements listed in the tables referred to above, in order to export fresh meat, the establishment has to be approved. The most recent list of approved establishments identified can be found here: <http://kesmavet.ditjenpkh.pertanian.go.id/index.php/pelayanan-2/154-daftar-negara-dan-unit-usaha-karkas-daging-jeroan-dan-atau-olahannya-dari-luar-negeri-yang-telah-disetujui-untuk-importasi>. For a non-listed establishment to obtain authorisation, an application must be made to KESMAVET. An endorsement of the competent authority of the country of export is normally required and a fee payable.

In line with the regulations above, exporting establishments must provide halal certificates recognised by an Indonesia halal authority (which following the entry into force of the recent law on halal is BPJPH).

When importing, it is necessary to indicate the destination market in the import recommendation approval (Surat Rekomendasi Pemasukan – SRP).

Imports of pigmeat are somewhat complex. Frozen imports are permitted, while fresh theoretically are not. Regulation No. 139/PD/410/ 2014, Appendix II, provides a list of pork products eligible for import into Indonesia; pork offal is not included in this. There are regulations which restrict the end markets for which imported pigmeat can be used. Supply chains on the import side need to be segregated. Overall, it is recommended to work closely with a specialist pigmeat importer in order to help navigate the complex regulatory situation for imported pork.

In terms of tariffs, fresh meat products face ad valorem tariffs of 5%.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – poultry category (0207) from Spain to Indonesia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0207&origin=ES&destination=ID>

Standards, SPS measures

As noted in section 4.3.4, there are SPS related challenges with:

- Regionalisation policy and restrictions (most notably with avian influenza).
- Live ruminants and their products due to bovine spongiform encephalopathy (BSE) and other diseases. procedures.

There is also a lack of transparency and delays for approval procedures for animal products. It is recommended that this section be consulted for more details.

Definitions for different types of fresh meat products are set out in category 8 of BPOM Regulation No. 34/2019. The list of definitions included is extensive and it is recommended that the regulation (which is currently only available in Indonesian) be consulted directly: <https://jdih.pom.go.id/download/product/827/34/2019>

Labelling

As noted above halal certification for meats other than pork is required.

5.1.5 Distribution

Wet markets account for around 80% of fresh meat sales. The channel is particularly popular for beef sales. Modern retailers account for a bit over 10% of all fresh meat sales (with supermarkets and hypermarkets the main sub-channels). Specialist stores and butchers are emerging as a notable channel for more premium meats, including some imported ones. The online channel remains small and is estimated to account for under 1% of meat sales, though it is growing.

5.1.6 Challenges for EU products

The main challenge for EU producers come from the domestic production of Indonesian fresh meat which largely caters to most of the domestic demand for the fresh meat, particularly in beef and poultry. The Indonesian government has been pushing for self-sufficiency in a number of agri sectors including the production of beef and poultry. Furthermore, there are strict halal requirements and these can even act to limit the levels of meats arriving from outside the country. Finally, the approval processes and requirements for importing meat can pose serious obstacles to importers.

Market Takeaway: Fresh meat

Consumption: Consumption of poultry is high in the country followed by beef. Halal meats are crucial in the market to cater for the majority of Indonesian consumers; the consumption of pork is low for related reasons.

Competition: Domestic production the main competitor. Australia and India are the largest competitors on an international level, and both enjoy favourable trading conditions compared to the EU combined with an advantage through their geographic proximity to Indonesia.

Distribution: dominated by wet markets. Specialist shops / butchers and modern retailers offer better possibilities for imported meat.

Challenges: Halal meat certification from Indonesia authorities can be a cumbersome process combined with a government which is openly against large imports of meats due to a policy of self-sufficiency the government wishes to pursue in relation to poultry and beef.

Opportunities: some premiumisation of fresh meat combined with a growing demand for free-range and organic meats presents an opportunity for EU producers, if market access can be secured. Some possibilities in the area of economy beef, including offal which is popular in Indonesia cuisine.

5.2 Fresh fruit and vegetables

5.2.1 SWOT analysis

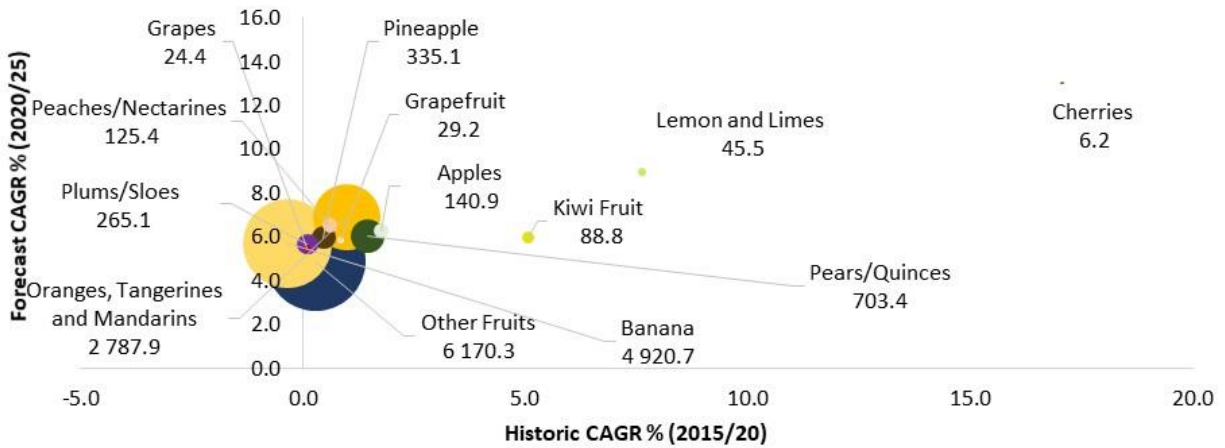
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Consumption of fruits has grown in recent years as the costs have declined in Indonesia. ▪ Indonesian consumers are actively seeking out new and unique fruit and vegetable products. ▪ Consumption of fresh fruit and vegetables is viewed increasingly as a key component of a balanced diet amongst Indonesian consumers. 	<ul style="list-style-type: none"> ▪ Indonesia is already a large producer of many fresh fruit and vegetable products with only a small number of products falling to meet domestic demand. ▪ The largest exporters of fresh fruit and vegetables, China and Australia, both have favourable trading conditions compared to the EU.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Products such as blueberries, strawberries, and cherries are growing in popularity in Indonesia and aren't produced to scale in the country at present. ▪ Fruit as a snack and the convenience cooking markets are growing. ▪ Increased consumer focus on traceability and certifications such as organic; though both are in an early stage. 	<ul style="list-style-type: none"> ▪ The government of Indonesia has been actively seeking to achieve self-sufficiency in several fresh fruit and vegetable products as a part of a wider campaign to improve food security, ▪ The production of fruits now traditionally grown in Indonesia such as apples and strawberries has increased in recent years in line with increased access to modern production infrastructure. ▪ Market access can be particularly difficult.

5.2.2 Consumption

5.2.2.1 Evolution of consumption

Figure 5-5 below shows that the most popular fruits by volume tonne consumed in Indonesia. The other fruit category includes the fruits of durian and rambutan. This category had a total volume of 6.17m tonnes in 2020 and is forecasted to grow at a CAGR of 6.5% between 2021 and 2025. The next biggest fruit by volume tonnes in Indonesia is bananas with 4.9m tonnes consumed in 2020; despite a slight decline of 0.4% between 2015-2020, bananas are set to rebound in consumption with a CAGR of 5.7% forecast between 2020 and 2025. Oranges and tangerines are also popular in Indonesia with 2.7m tonnes of the product consumed in Indonesia in 2020, this category is also projected to have a large growth rate of 6.9% per year between 2021 and 2025. Cherries were the fastest-growing fruit consumed in Indonesia between 2015 and 2020 with a CAGR of 17% and this will remain high at 13% between the forecasted years of 2021 and 2025. However, it will not be the fastest-growing fruit going forwards as cranberries and blueberries are projected to have a slightly higher forecasted CAGR of 14.2% making these fruits the fastest growing fruits in Indonesia between 2021 and 2025.

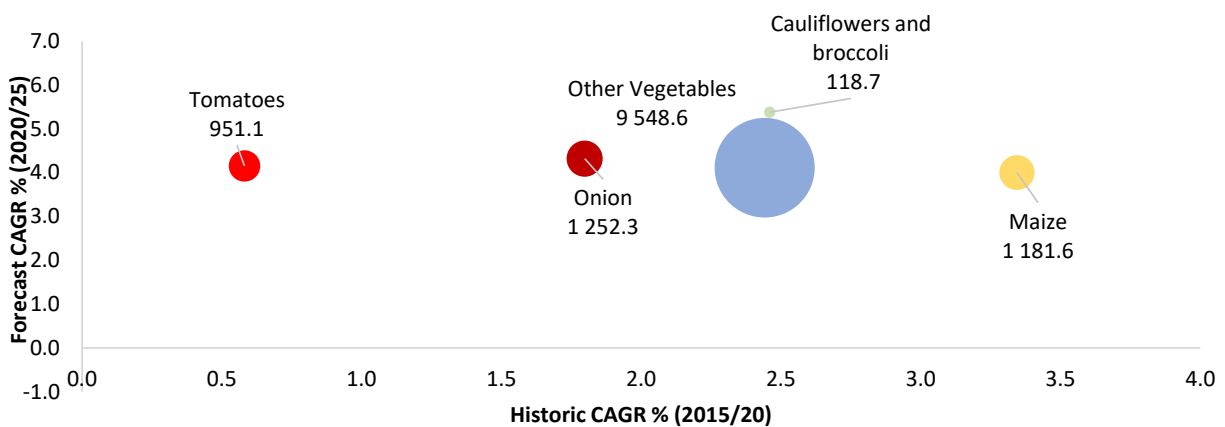
Figure 5-5: Evolution and forecast of fruits market (000 tonnes) in Indonesia, 2015-2025; total volume



Source: Euromonitor International: Fresh Food, 2021.

Figure 5-6 below shows that other vegetables are the largest consumed vegetable category in Indonesia, with a total of 9.5m tonnes consumed in the country in 2020, the category has grown at a CAGR of 2.4% between 2015-2020 and is expected to grow by a slightly faster rate of 4.2% between 2021 and 2025. Onion is the second most popular vegetable product consumed in Indonesia with 951 000 tonnes consumed in 2020, the product is expected to grow by a CAGR of 4% between 2021 and 2025. Maize is a high volume / low value category within Indonesia that has grown quickly in recent years and is expected to continue to do so going forwards.

Figure 5-6: Evolution and forecast of the vegetable market (000 tonnes) in Indonesia, 2015-2025; total volume



Source: Euromonitor International: Fresh Food 2021.

5.2.2.2 Consumer profile and purchase criteria

Consumers

Total consumption of fruits in Indonesia per consumer has been historically low by international standards with a total per capita consumption of fruits in Indonesia in 2016 being around 170 grams per day. However fruit consumption has been growing since then due to a wide variety of factors such as the improvement in supply chain logistics across the country which has made fruits available to a wider consumer base, and one that is increasingly wealthy, health-oriented and curious to consume a wider variety of foods. This is demonstrated by the growth in consumption of new fruits in the Indonesian fruit market such as cherries and blueberries which are projected to grow at a CAGR of 14.2% between 2021-25. Consumers in urban areas of the country are increasingly able to purchase a wider variety of fruits due to the increasing rise in the presence of hypermarkets and supermarkets in their locations which offer increased access to a wider range of fruits and more affordable rates. The costs of fruits in comparison to vegetables has been traditionally a large barrier to consumption and helps to explain why fruit consumption in the country has been traditionally low, however, this barrier is of less significance yearly as income levels continue to rise in the country.

Vegetable consumption is synonymous with the consumption of many of the most favoured dishes in Indonesia such *nasi goreng* (a national dish that incorporates pickled cucumber and carrots). Many Indonesian dishes incorporate local vegetables such as *Kangkung*, *Genjer*, and spinach. The availability factor of vegetables in Indonesia combined with the lower cost to acquire them historically compared to fruits has resulted in the consumption of vegetables in Indonesia being very common. Vegetables appeal to a wide variety of consumers such as: the cost-conscious consumer (due to vegetables still being generally cheaper than fruits however this pricing difference is converging every year); traditionalist consumers (as many of Indonesia's cultural dishes incorporate a vegetable of some variety); religious consumers (as restrictions on meat consumption habits and the adherence to vegetarianism in some cases boosts the consumption of vegetables); and health-conscious consumers (rising incomes combined with great education about the importance of a healthy diet is another boost for vegetable consumption).

Drivers and method of consumption

Fruit consumption in Indonesia is driven by a number of factors. There is a rise in demand for snack foods as consumers in urban areas particularly are living ever busier lives and resonate with foods that they are able to consume on the go to retrieve a nutritional boost. Fruits such as bananas, papayas, and star fruit are amongst the more common fruits consumed through this method as retailers of various sizes will generally have them in stock and these fruits benefit from being available year-round; while other fruits such as durian, mango and lansium are only seasonally available. The improvement of the supply chain of fruits in Indonesia has resulted in the increased availability of fruits throughout the country and has helped to lower costs for fruits which is a key driver behind the growth of fruit consumption in the country in recent years. The government of Indonesia has also been promoting the consumption of fruits in line with a campaign to promote the production and awareness of native fruits in the country. Many Indonesians will consume fruits as a sole food item with vegetables typically being reserved instead for larger dishes. Fruits are also rarely incorporated into breakfast dishes in Indonesia.

Vegetable consumption in Indonesia is driven by the large presence of them in the country both historically and currently. This is due to a combination of factors already discussed such as dietary restrictions on religious grounds, the incorporation of vegetables into many of Indonesians most well-known dishes, and the product availability throughout the country. When not incorporating them directly in meat dishes, Indonesians like to consume vegetables by boiling and serving them with traditional dressings such as peanut sauce, coconut flakes, brown sugar sauce, etc, dipping it in chili sauce and cane sugar sauce, or stir-frying. Vegetables can be consumed by Indonesians during any part of the day including in the morning with notable breakfast dishes incorporating vegetables being *bubur ayam*. Vegetables are readily affordable to most Indonesian consumers; this has traditionally been a key advantage the product has had over fruits. This greater availability has resulted in consumers often associating their healthy consumption habits with the consumption of vegetables as fruits were sometimes unaffordable.

Together, fruit and vegetable consumption has been growing in the country and it is likely that as the expansion of modern retailers in the country continues that the supply chain issue historically that have resulted in fruits being more expensive than vegetables will subside. Furthermore, a wider variety of both fruit and vegetables available to consumers will also result in fruit and vegetables that have not been traditionally popular in Indonesia such as blueberries and broccoli growing in popularity.

Purchase criteria

Availability is a key exclusion criterion for purchasing fruit and vegetables, with consumption strongly influenced by which products are actually available for sale – this is particularly the case in rural areas.

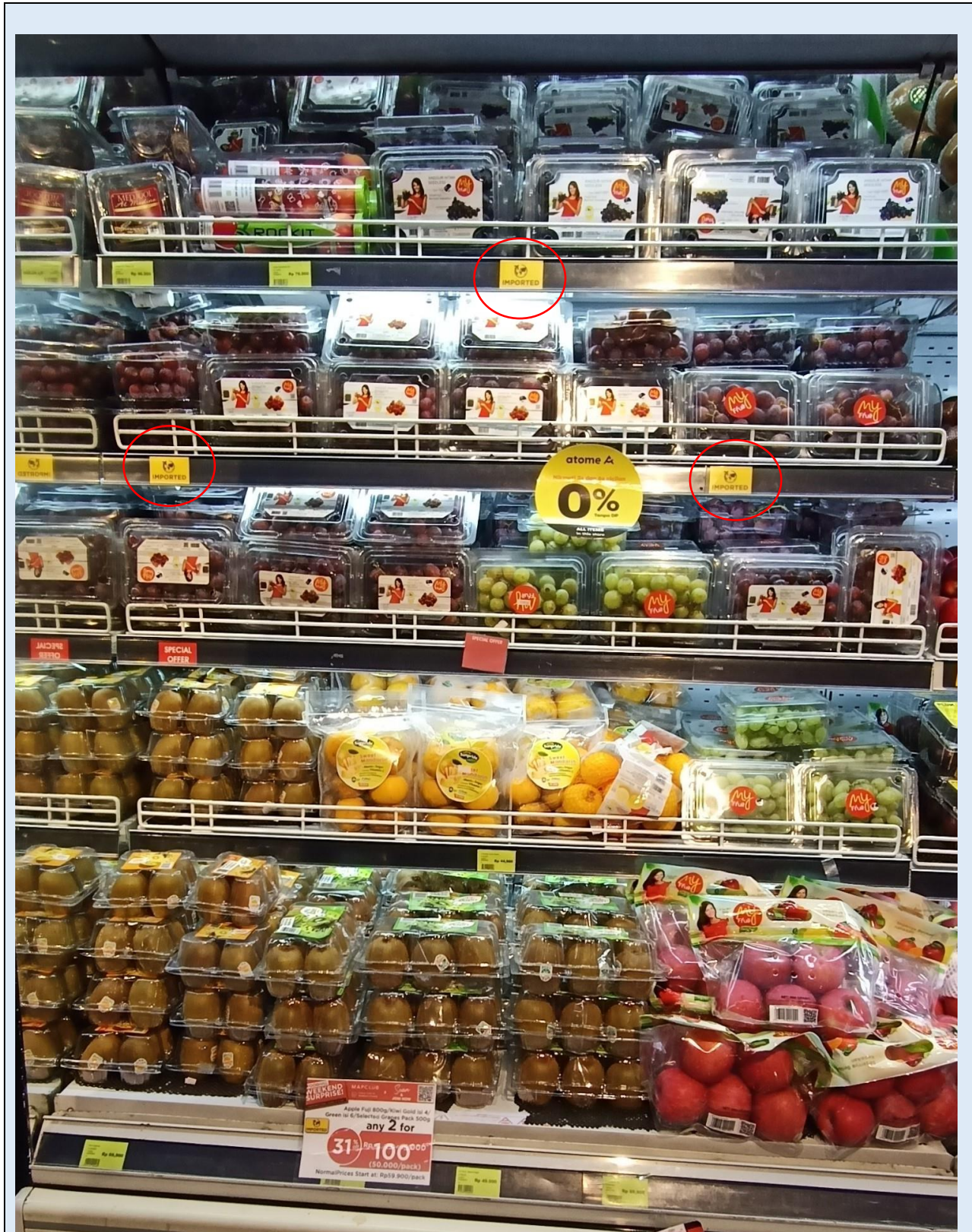
The purchase criterion of price, as stated, has been historically a large reason why the total consumption of fruits has been low in Indonesia traditionally. The sourcing of fruits and vegetables has become an important criterion in recent years as the government of Indonesia has been actively promoting the consumption of fruit and vegetables produced domestically in recent years. That said, historically imported fruits have been considered more affordable and of a better quality.

While in general terms loose fruit is preferred to packaged, the situation is different for premium imported fruit. In this segment, packaged, branded products tend to be preferred. Traceability increasingly plays a role for imported products as well with consumers paying higher levels of attention to the origin, labelling and certifications of imported produce.²²

Fresh fruit and vegetables on retailers' shelves in Indonesia

As noted in section 5.2.5, wet markets remain the main outlet through which consumers purchase fresh fruit and vegetables. Supermarkets are gaining traction however and tend to offer higher quality products; the methods of merchandising reflect this. Most notably, fruit and vegetables in supermarkets are often sold in packaging; not just berries and grapes, but all fruit (see below).

²² Euromonitor International: Fresh Food, 2021; <https://www.horticulture.com.au/globalassets/hort-innovation/assets--news/austrade-market-insight---indonesia.pdf>; <https://indonesia.rikolto.org/en/news/learning-vegetables-and-fruits>



Above: fruit display in a supermarket. Fruit is packaged and well organised; the fact that the fruit is imported is marked through yellow labels (circled in red).

In line with the quality of products offered, shelves are typically well organised in order to attract consumers (see below).



Packaging for imported fruit is common – not just plastic containers for small fruit, but also plastic bags for products that may otherwise be sold loose. The use of individual protective packaging for imported fruit is also common (see below). Peeled fruit may be sold in a styrofoam tray wrapped in plastic cling wrap.



Pricing depends on the type of fruit or vegetable, but imported fruit and vegetables typically retail at prices 1.2 to 1.6 times greater than corresponding local products (in the cases such local products exist). Discounts are also occasionally used to promote certain fresh fruits and vegetables (see first picture).

Pictures: © Agra CEAS / Euromonitor International, 2021.

5.2.2.3 Recent market trends

Recently the prices of fruit and vegetables have begun to equalise which is pushing cost-conscious consumers to purchase both products while in the past vegetables were preferred due to them being cheaper to purchase. Furthermore, modernised supply chains aided by the growth of hypermarkets and supermarkets have made fruit and vegetables of a wider variety readily available to consumers across Indonesia. This explains the fast growth in sales of unique fruits to the Indonesian market such as cherries and blueberries. Consumers in Indonesia are accustomed to many native vegetables due to their presence in traditional Indonesian dishes, however, recently consumers have been seeking new vegetable products to diversify their vegetable consumption, products such as tomatoes and potatoes are such examples.

Increased interest in healthy lifestyles has provided some tailwinds for fruit and vegetable consumption in recent years. Connected to this, consumers are becoming more selective about the products they consume, so an increased level of attention is being paid to certifications (most notably organic) for fruit and vegetables. While this trend remains fairly young, current indications are that it is likely to continue and expand.

Finally, Indonesia is commonly ranked as one of the most vegetarian-friendly countries in the world due to the presence of vegetables across a large number of domestic dishes and their availability across the country. Vegetarianism has been rising in Indonesia in recent years as a personal choice for food consumption and vegan-friendly restaurants are now common in urban centres.

5.2.3 Offer

5.2.3.1 Domestic production

The bulk of fruits and vegetables needed by consumers are supplied by local traditional farmers. The products' prices are highly dependent on seasonal availability and proximity to production centres due to transportation and cargo infrastructure restrictions. As a result, the prices of horticulture products vary greatly throughout Indonesia. Fruit and vegetable production is a key component of Indonesia's agricultural sector and the country's wider food security. Some of the more popular native fruits produced in Indonesia include durian, mangosteen, rambutan, salak, banana, jackfruit, and mangos. Due to Indonesia's wide variety of climatic biomes and topographies, the production of types of fruit and vegetables can vary across the country. Non-tropical fruits such as apples, strawberries, and grapes are grown in the cooler mountainous regions of Indonesia with the region of Malang being the centre of Indonesia's apple and dragon fruit production while the production of strawberries is centred around Bandung in West Java. The Indonesian government has been actively promoting a policy of self-sufficiency in several agri-good areas which extends to fruit and vegetable production, as a result, the levels of production across various fruit and vegetable products have continued to grow with examples in Indonesia including

- 1 million metric tonnes of **tomatoes**

- 1.3 million metric tonnes of **potatoes**
- 2.6 million metric tonnes of **citrus** fruits
- 7.33 million metric tonnes of **bananas**
- 770 thousand metric tonnes of **jackfruit**

Despite this, the need to continuously import fruit and vegetables into Indonesia despite the country having the capacity to produce a wide variety of them highlights issues in domestic production in relation to meeting domestic demand. It is likely however that as the fresh fruit and vegetable sector continues to modernise that these issues can be rectified.²³

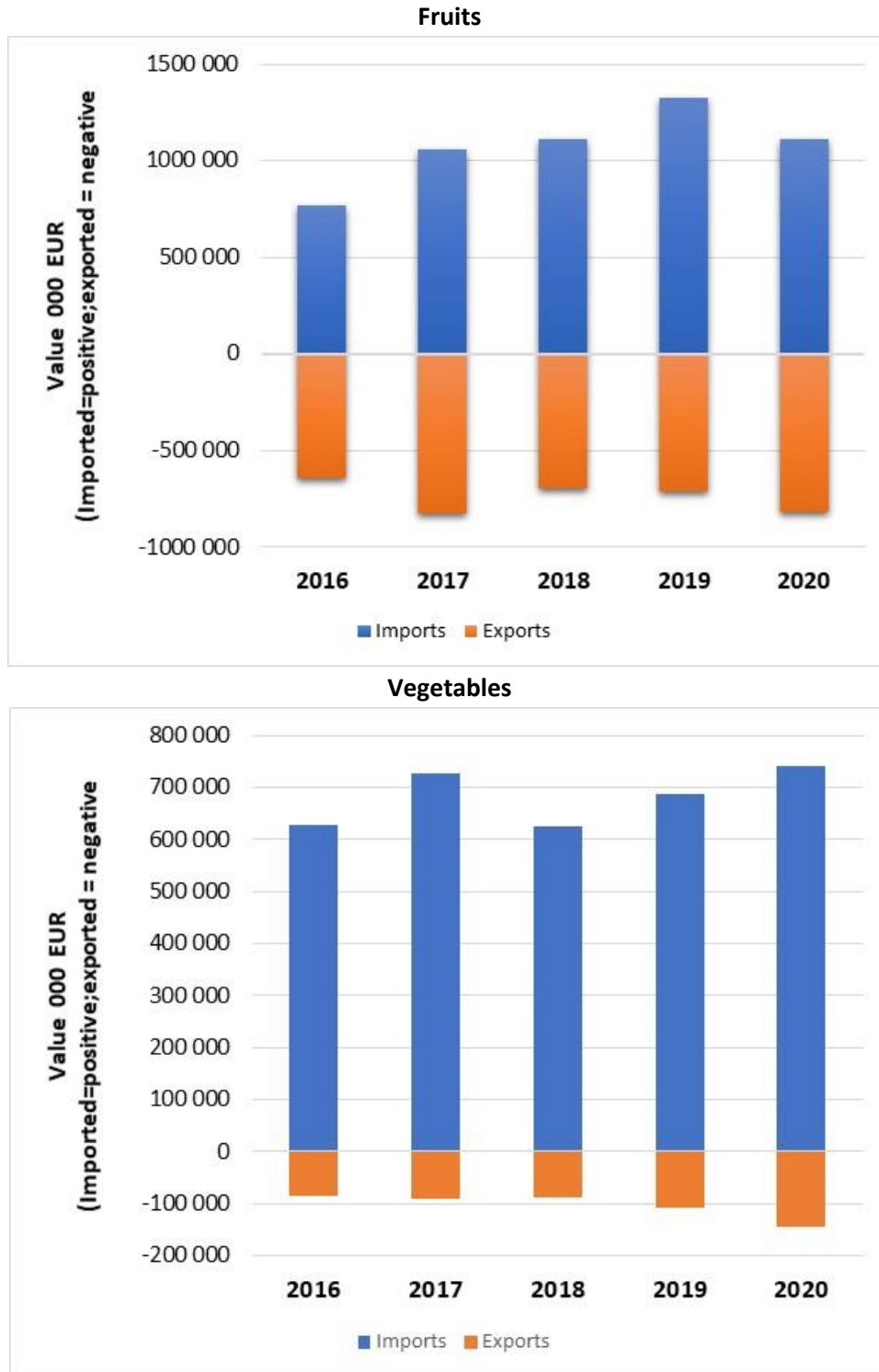
5.2.3.2 Imports and exports

As Figure 5-7 shows, Indonesia continues to export a large amount of fruit and has a trade deficit in the product in value terms, although programs from the government have been put in place to help stabilise this deficit such as the promotion of domestic production and trade barriers for the importation of certain fruits. Products that have newly gained popularity in Indonesia such as cherries and blueberries are largely imported into the country alongside other products such as apples, grapes, strawberries, and to a lesser extent peaches. Indonesia does have the capacity to produce many of these products in specific areas of the countries however this has yet to be done to scale.

Vegetables are another product that Indonesia has a trade value deficit in, largely attributed to the large demand for vegetable products in the country combined with the rise in demand for speciality vegetables (in the context of the Indonesian market) that are not grown to scale in Indonesia such as garlic. Onions are the most imported vegetable product with the biggest exported by far in China. Potatoes is one area where an EU country, Germany, is the largest exporter however the total figure is quite low at EUR 6m. Outside of onions, garlic, and leeks, the total imports of other vegetables are small.

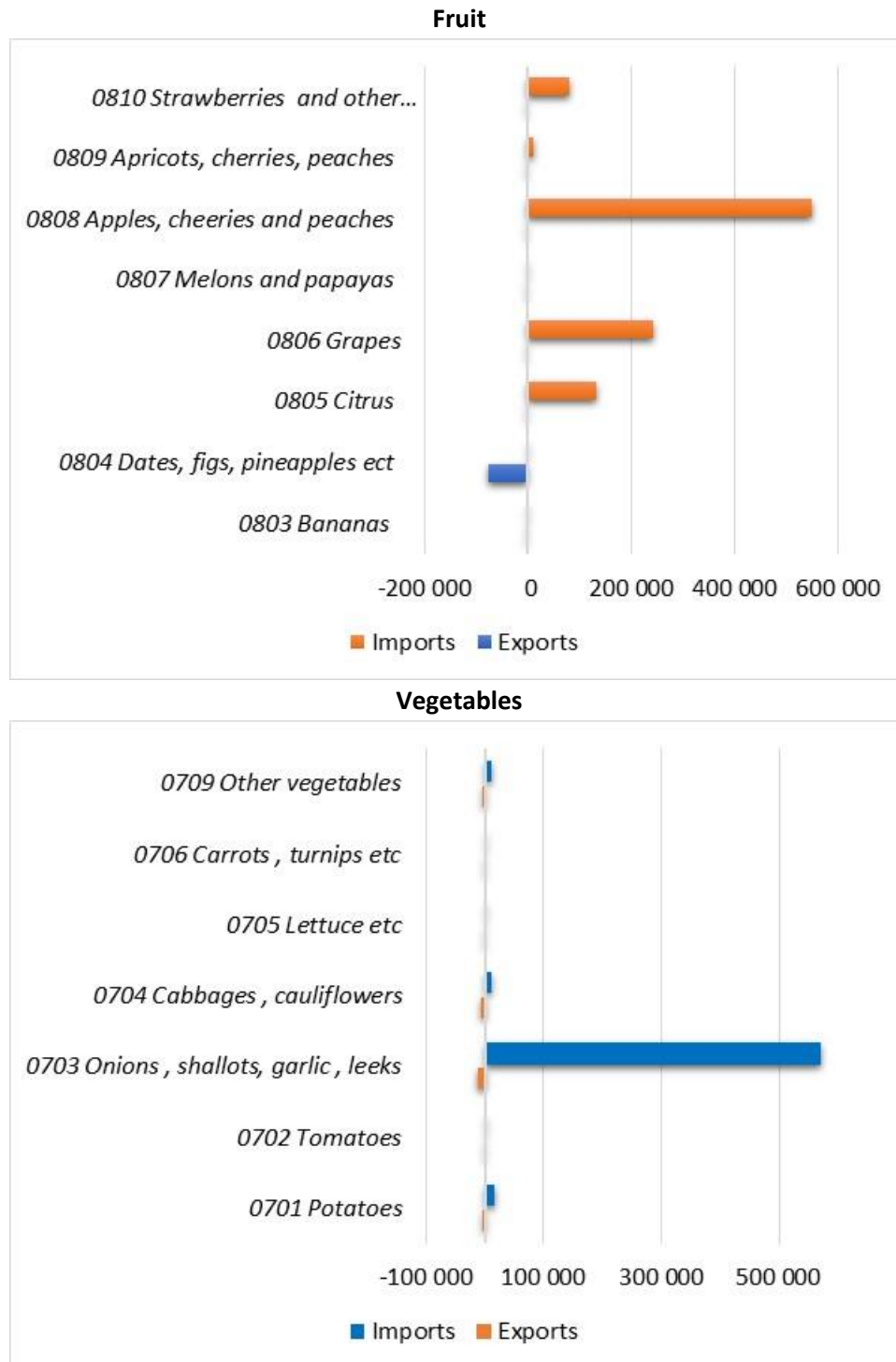
²³ <http://www.fao.org/giews/countrybrief/country.jsp?code=IDN>; knoema.com

Figure 5-7: Trade balance (imports and exports) of fruits and vegetables in Indonesia, 2016-20; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN code 07 and 08.

Figure 5-8: Indonesian trade balance of fruit and vegetables by type, 2020 (value 000 EUR; selected types only)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

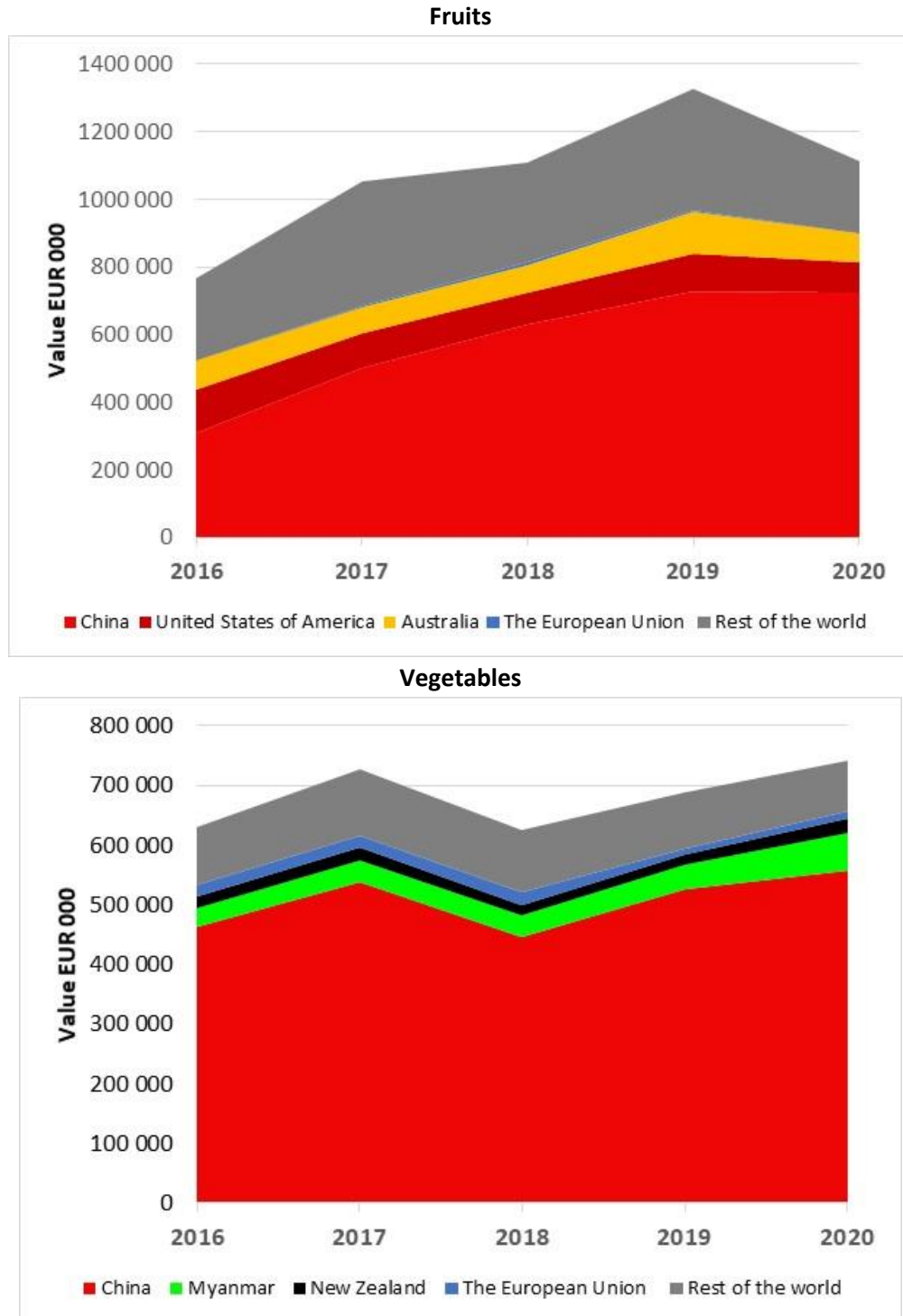
Note: names for CN codes abbreviated in most cases.

Only indicated CN codes presented in these figures. 6 codes for fruit and 7 codes for vegetables are missing, which is why individual figures do not add up to totals in previous graphs.

In terms of origin, China is the largest exporter of fruits to Indonesia with the most popular fruits coming from China to Indonesia being apples and citrus which account for most of the trade. The United States also largely exports apples while Australia largely exports grapes and citrus fruits. The largest exporter from the EU is Greece which exports strawberries and grapes, however, this trade is low with the strawberries trade being value at EUR 660 000 and grapes at EUR 800 000.

China largely dominates the trade of vegetables to Indonesia with the country accounting for over 75% of all vegetables being sent to Indonesia alone, this is followed by Myanmar and New Zealand. The largest EU exporter of vegetables is Germany which mainly exports potatoes to Indonesia and is the largest exporter of potatoes to the country. The Netherlands is a small exporter of onions and shallots with a value of EUR 5.7 m in 2020, however, this is small in the context of the wider EUR 513 m value of onion imports into Indonesia in total.

Figure 5-9: Indonesian imports of fruits and vegetables by country, 2016-20; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN code 07 and 08.

5.2.3.3 EU GI products

As noted in section 4.2.4, there is legislation for registering GIs in Indonesia. No GIs for fresh fruit or vegetables have been identified as having been registered.

5.2.3.4 Main competitors

The main competition for EU producers is the combination of domestic production alongside imports from China, the United States, and Australia. Australia and China both have favourable geographic and trading conditions when sending their fruit and vegetable products to Indonesia and can readily facilitate and shortfall in production in Indonesia for certain products. Indonesia has been promoting the production of domestic fruit and vegetables in recent years with investments going into the modernisation of the countries fruit and vegetable production infrastructure, this is in line with a wider food security initiative to achieve food self-sufficiency, as a result, it can be expected the domestic producers will in the future become an ever bigger competitor for EU fresh fruit and vegetable products.

5.2.4 Specific market entry requirements

Market Access and Entry; Standards, SPS measures; labelling

MOA regulation No. 02/2020 regulates the import of horticultural products. This replaced MOA regulation No 38/2017.

Before any fresh fruit and vegetable product can be exported to Indonesia, the country has to be authorised for the product in question. As noted in section 4.3.4, Member States have had significant difficulties with obtaining these authorisations despite considerable and continued efforts. It is recommended that your Member State be contacted to ascertain any authorisations/agreements in place, the conditions applicable to these and the status of any applications.

Fresh fruit and vegetable imports must pass through the designated entry points only, namely these are:

- a. Tanjung Perak Seaport, Surabaya;
- b. Belawan Seaport, Medan;
- c. Soekarno Hatta Airport, Jakarta; and
- d. Soekarno Hatta Seaport, Makassar

Historically, Tanjung has handled 90% of all horticultural imports, so access to this port is important. However, Country Recognition Agreements (CRAs) are required to use this port; and with the exception of France, EU countries do not have such agreements in place (the US, Canada and Australia do following the conclusion of agreements). There are multiple Member States trying to complete such CRAS, which it should be noted are concluded on an individual product basis.

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements notably include a phytosanitary certificate and fumigation certificate. It should

be noted that an agreement with an Indonesia trade partner must be both in place and registered, as set out in Regulation 24/2021.

Under the MOA regulation, an Import Recommendation of Horticulture Product (RIPH) is required, the requirements for this are complex. The MOA has a presentation from 2019 explaining this process; while the Regulation has subsequently changed, the requirements are broadly similar. A contact for queries can also be found at the end of the presentation.

<https://www.agroberichtenbuitenland.nl/binaries/agroberichtenbuitenland/documenten/publicaties/2019/03/06/the-facts-of-indonesia-importation-of-horticulture-products-obtaining-a-horticulture-product-import-recommendation-riph-certificate-from-the-indonesian-ministry-of-agriculture/Directorate+General+of+Horticulture.pdf>

Fresh fruit must undergo either cold treatment or irradiation or fumigation with methyl bromide according to MOA regulation 45/2015. More information on quarantine requirements, including a link to the regulation itself can be found at the following link (in Indonesia):

<https://karantina.pertanian.go.id/page-14-impor-tumbuhan-dan-produk-tumbuhan.html>

In terms of tariffs:

- Vegetables generally face tariffs of 0%, 5% or 20% depending on the exact CN code.
- The most common fruits exported from Europe face tariffs of 5% in most cases and 20% in a few cases.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – citrus fruit category (0805) from Spain to Indonesia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0805&origin=ES&destination=ID>

5.2.5 Distribution

Around half of all fresh fruit and vegetables are purchased through wet markets, making them the dominant retail channel. This is particularly the case in rural areas. Typically, the chain for fresh fruit and vegetables from the farmers to the end consumers sold through markets depends on multiple intermediaries. These are mainly the collectors, village/local wholesalers, distributor agents, and fruit-vegetable vendors. With this chain length comes the risks of higher cost and damage to products.

Modern retailers such as supermarkets and hypermarkets are gaining prominence for distributing fresh fruits and vegetables in Indonesia. They tend to be known for higher quality produce and imported fruit and vegetables. These big retailers are gradually shifting from traditional supply channels towards preferred suppliers who can deliver high volumes at consistent quality; one such example of such an intermediary is Sewu Segar Nusantara which works with Australian and New Zealand produce.

The e-commerce channel is emerging to some extent but remains minor for fruit and vegetables. Notable players in the fruit and vegetable space include Sayurbox, Tamihub, Tani Hub and Happy Fresh.

The distribution of imported fruits and vegetables is limited in traditional stores such as wet markets and independent groceries. Rather it is focused on modern retail and in some cases, e-commerce.

5.2.6 Challenges for EU products

The main challenge for EU products includes the desire from the Indonesian government to obtain food self-sufficiency across a number of fresh fruit and vegetable products which has seen a shift away from importation towards domestic production. There are major barriers to the import of fresh fruit and vegetables, with Member States reporting considerable difficulties in obtaining the authorisations necessary for produce from their country to access the Indonesian market. EU fresh fruit and vegetable also suffer from the large geographical distance between the EU and Indonesia which makes large-scale exportation of fresh fruit and vegetables complicated. There are opportunities within the more niche areas of Indonesia's fruit and vegetable sectors such as strawberries and cherries where EU producers may be able to grow, onions and potatoes are also two EU products in the country that have a small presence; as long as authorisations for the products are in place.

Market Takeaway: Fresh fruit and vegetables

Consumption: Consumption of fruit is catching up with vegetables as a result of falling prices. Vegetables typically are incorporated into many Indonesian dishes.

Competition: While there is substantial domestic production, it is insufficient to meet overall demand at present across some sectors such as onions, however, China and Australia largely meets this shortfall.

Distribution: wet markets dominant overall, but imported produce more likely to be found in modern retail channels.

Challenges: Considerable restrictions in trade combined with the two largest competitors China and Australia having more favourable trading conditions present the major key challenges for EU producers.

Opportunities: Niche fruits and vegetables in the Indonesian market are growing in popularity such as blueberries, cherries, and strawberries and are highly produced in the EU. Potatoes, and onions are the two main vegetable products that present small opportunities for EU producers, and there is some niche demand for western fresh herbs. Traceable and organic produce show some potential.

5.3 Dairy

5.3.1 SWOT analysis

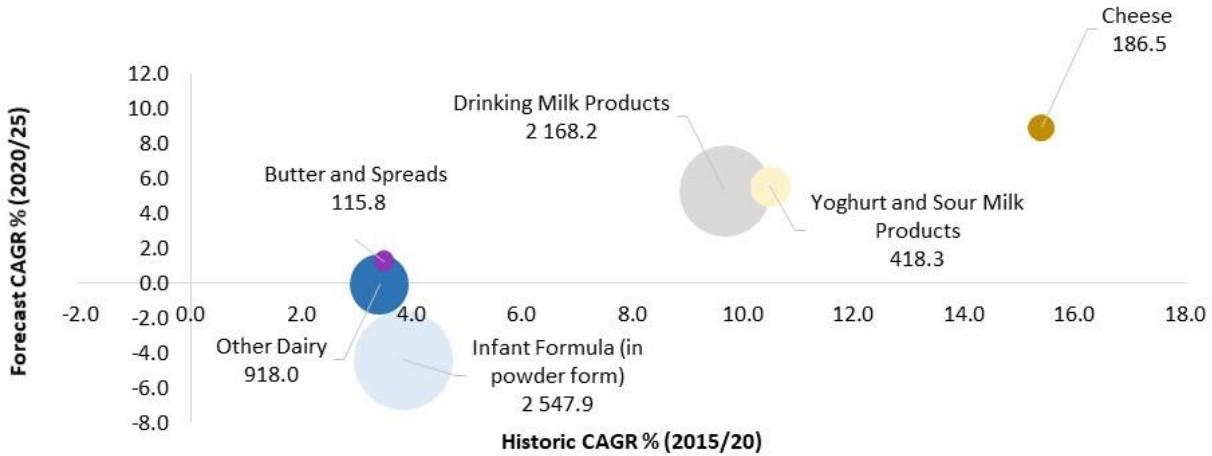
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Massive structural shortage in dairy products. ▪ Fast growing market; particularly the cheese, yoghurt and drinking milk markets. 	<ul style="list-style-type: none"> ▪ Very low per capita levels of consumption of dairy at present. ▪ Market is very focused on drinking milk and condensed milk. Very limited demand for the type of cheese that EU producers typically export; and for butter.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Markets beyond the largest cities beginning to open up. ▪ Healthy image of dairy a notable driver in its consumption. ▪ With consumers maturing some are showing an openness to trying new products. 	<ul style="list-style-type: none"> ▪ De facto ban on EU imports of dairy products at present. ▪ While domestic production relies mainly on smallholders and faces massive challenges, organised production is increasing. ▪ Multiple markets (e.g. yoghurt, cheese) dominated by one producer.

5.3.2 Consumption

5.3.2.1 Evolution of consumption

Drinking milk products are the largest dairy segment in Indonesia (other than infant formula). The segment was worth some EUR 2.17bn in 2020, having grown at almost 10% per year in recent years. The more mature other dairy segment is next in size terms at just under EUR 1bn. While it grew at 3.5% per year over the last five years, it is forecast to remain flat over the period to 2025. Yoghurt and sour milk products follow at EUR 418m; the segment has grown at over 10% per year recently and is forecast to maintain strong growth in coming years. The segments for cheese (EUR 187m) and butter / spreads (EUR 116m) remain niches; though the cheese segment has effectively exploded in recent years, growing at almost 16% per year and hence almost doubling in size since 2015. While the forecast 9% per year growth going forwards is slower, it is still considerable. Butter however is a much more mature niche, with historic growth of 3.5% per year and forecast growth of just under 2% per year (Figure 5-10).

Figure 5-10: Evolution and forecast of dairy market (retail value, EUR millions) in Indonesia, 2015-2025



Source: Euromonitor International: Packaged Food, 2021.

5.3.2.2 Consumer profile and purchase criteria

Consumers

Historically, Indonesia has been a low consumer of milk products. The uptake of consumption of dairy is a fairly recent trend. Nonetheless, milk consumption is estimated to be around 12 litres per person per year. Not only is this a fraction of the consumption of Western countries (which generally consume well in excess of 200 litres per person per year), but by most estimates it is well behind other countries in the region; per capita consumption in Thailand for example is estimated to be more than 2.5 times greater than that in Indonesia. As was seen in the previous section, drinking milk has a fairly dominant position among dairy products and is the one product that can be considered to be quite widely consumed. Nonetheless, consumption of most dairy products is rather concentrated in (and in some cases, even restricted to) urban areas due to the existence of storage and transport infrastructure. With this background in mind, notable consumer characteristics are set out below:

- **Milk:** flavoured milk drinks account for around 60% of the milk market by volume, with cow's milk accounting for a further 30%; and shelf stable milk dominant in this cow's milk segment. Whereas consumers of other dairy products often are restricted to mid and higher income groups, there are lower income consumers of milk products as well – likely due to the fact many products are shelf stable, and hence refrigeration is not a pre-requisite. That said, the impact on purchasing power of lower income consumers from the COVID-19 pandemic has led to reduced consumption of milk by this group. Children under 12 are the main consumers of flavoured milk, though there is an emerging group of young adults driven to the product by a combination of health concerns and convenience.
- **Cheese:** in line with the general trend for dairy products, cheese consumers are very much focused in urban areas and tend to have mid to higher incomes – the familiarity with cheese of consumers outside this group is low. The vast majority of cheese consumed in Indonesia – well over 90% in volume terms – is processed cheese. Unprocessed, packaged cheese is very much a niche which targets affluent and knowledgeable consumers.

- **Butter and spreads:** the market is dominated by margarine and spreads; the overall butter market is estimated to be a bit over the 1 000 tonne mark, compared to close to 60 000 tonnes for margarine and spreads. As will be seen in the purchase criteria section, price and shelf stability are major reasons for this; effectively limiting butter to wealthier, urban consumers. Indeed, the main “consumer” of butter is the food service industry, rather than any class of retail consumer.
- **Yoghurt:** the key consumer group for yoghurt is urban based women and children with (or from families with) middle and higher levels of income. Drinking yoghurt is by far the most popular product, accounting for around ¾ of the consumption of all yoghurt and sour milk by volume in Indonesia.
- **Other dairy:** the segment is dominated by condensed milk. The product’s shelf stability make it an attractive alternative to milk for a range of consumers, including most notably those in rural areas where fresh dairy is not available.

Drivers and method of consumption

A key driver for **milk** is the healthy image of the product – protein, vitamin and mineral content in particular. This is particularly true among more affluent consumers. Milk (particularly non-flavoured and powder form products) tend to be multi-purpose. They may be used as baking ingredients; as ingredients in western style dishes; or as an accompaniment to breakfast cereals. The use of milk in baking in particular received a boost from consumers staying at home during the pandemic.

The market for **cheese** in Indonesia can be considered quite early stage. While western style cheese was first introduced in Indonesia in the 19th century with the arrival of the Dutch, the wider consumption of cheese has only occurred since the 1990s following the entry into the market of certain multinationals. As a result of the fairly novel status of cheese, consumers are at a stage where they are interested in the launch of new cheese products and new ways of using / consuming cheese. For a long time, cheese has been used in sweet street snacks such as *pisang bakar* (fried bananas) and *martabak manis* (a filled, deep-fried pancake). It is also commonly used in *kaasstengels* (cheese sticks). However, it is increasingly used in home cooking – particularly in more western style dishes by consumers with children, due to the perception of it as a healthy product. Mozzarella is a notable beneficiary of this, though edam is also used in some home cooking. Wider use in food service is also emerging as a user of cheese.

The **butter** market is primarily driven by the food service sector – most notably those offering Western cuisine – this includes hotels and cafes offering breakfast toast and pastries. Retail consumers of butter are most likely to use it in home baking – which has benefitted to some extent from the closure of food service outlets during the COVID-19 pandemic. Margarine is driven by a variety of uses. Overall it is considered to have a much wider range of cooking applications than butter in Indonesia cuisine; as well as advantages in price and shelf stability; and subsequently is massively preferred and much more broadly used.

is a notable driver of **yoghurt** consumption, with a lot of mass media coverage on the product’s nutritional benefits assisting with the product’s image. Drinking yoghurt consumption is partially driven by the fact it is a convenient product to consume.

As noted above, condensed milk is the main **other dairy** category. Uses of condensed milk are broad; for many consumers it serves as a fresh dairy alternative. The product is commonly used in shaved ice, as milk in tea and with *martabak* (thick pancakes). It may also be used with coffee, in cakes or as a spread on bread. Demand is high both in food service and retail. Household usage of condensed milk is particularly high during festive seasons such as Ramadan/Hari Raya, when it is used to make snack foods or Indonesians like having something sweet with their breakfast. The cream segment is small and is driven by expatriates and home cooks.

Purchase criteria

In line with the general situation for dairy in Indonesia, price and shelf stability are frequent considerations for consumers of dairy products. Looking more specifically on a product by product basis:

- **Milk:** pack size and convenience are increasingly important criterion, as they are more tailored to smaller households; the reduced chance of spoilage from being left out for too long; and on the go consumption. More affluent consumers may specifically focus on the health aspect of milk, and in the extreme case this may even lead to them choosing milk alternatives – though this niche remains small. Lower and mid income consumers are more influenced by price.
- **Yoghurt:** interestingly, price, while still in consumers' minds, is not a primary purchasing criterion for yoghurt consumers. Nutrition and convenience are notable considerations for consumers. With regard to the latter, packaging is a notable consideration, with 150ml to 200ml products increasing popular due to the convenience aspect. Flavour is a consideration, but ultimately consumers are quite open to considering new flavours.
- **Cheese:** as noted above, processed cheese dominates the market. Brand is important, though its importance is slowly diminishing. Kraft (now Kraft Heinz) was the first company to introduce mass market cheese in Indonesia, and subsequently it is a well-recognised and respected brand – the company still holds a market share of well over 50% to this day – though its market share has been on a downwards trend in recent years. Part of the reason for the company's fall in market share is consumer curiosity as consumers become more open to trying new cheeses – novelty is therefore a criterion for some consumers – albeit it of questionable sustainability. For consumers with mid to lower incomes – who are a big potential growth market – price is a strong purchase criterion.
- **Butter and spreads:** with the retail market for butter being so small, no notable purchase criterion stand out. With the New Zealand brand Anchor butter having such a strong position in the market, many purchasers simply buy the product by default. For margarine, price is a major consideration at the time of purchase though nutrition and taste are emerging criteria taken into account.
- **Other dairy:** price and brand are notable drivers. A lot of purchasers of condensed milk through retail channels are in fact small / independent food service providers who do not meet the volume requirements for purchasing wholesale; and they are very price conscious.²⁴

²⁴ Euromonitor International: Packaged Food, 2021; <https://www.australialivestockexporters.com/indonesias-dairy-industry.html>; <https://www.sbs.com.au/food/article/2020/03/30/indonesias-love-affair-cheese-and-chocolate>; <https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Dairy%20and%20Products%20Annual%20Jakarta%20Indonesia%2010-15-2019>

Dairy products on retailers' shelves in Indonesia

The range of dairy products other than milk and yoghurt tends to be somewhat limited in supermarkets. Products are organised by category (see below).



Above: butter, cheese and cream selection in a supermarket.



Above: butter, cheese and cream sections on the centre and left; beginning of yoghurt section on the right.

Processed cheese dominates the cheese section, with various different processed cheese products on offer (see below).



Above: part of the product range of processed cheese products in a supermarket.

Imported butter and cheese target the premium section, almost without exception. Pricing depends on the product, but most imported cheeses targeting the premium market retail at between IDR 20 000

and IDR 80 000 (EUR 1.20 to 4.80) per 100 grams. Imported premium butter is generally in the range of IDR 20 000 to 40 000 (EUR 1.20 to 2.40) per 100 grams.



Above: broader cheese range in a supermarket, with brie and Emmental present.

Across the dairy sector, the use of smaller pack sizes is increasingly common; this even extends to e.g. milk, for which the 200ml and 250ml packs are the most popular formats. Cheeses in portions (e.g. slices or triangles) are another example of a popular product with small pack size; though producers continue to innovate with other small pack sizes, e.g. cheese stick that weight under 50 grams and come in flexible packs. While the most common pack size for imported butter is 200 or 250 grams, imported premium cheese most commonly is sold in packs of 125 grams (though in it is common to find pack sizes up to 250 grams).

Pictures: © Agra CEAS / Euromonitor International, 2021.

5.3.2.3 Recent market trends

The market for **milk** as a whole continues to grow rapidly. Manufacturers and distributors are actively trying to improve accessibility to fresh milk – both in terms of supply of product, and in terms of distribution e.g. outside major urban areas – and this is a major reason behind the increase in consumption. Most notably, it is having a positive impact on fresh milk consumption – though fresh cow’s milk remains a niche accounting for around only 5% of all milk consumption.

As noted above, an increasing variety of **cheese** is being offered to Indonesian consumers as they show an interest in different products. Processed cheese continues to dominate and this is unlikely to change in the foreseeable future. The unprocessed cheese market remains a very small niche – though there has been increasing interest in unpackaged, hard processed cheese in Indonesia in recent years among more

affluent consumers. The most notable ongoing trend in the cheese market is the efforts to expand cheese consumption, which is currently very concentrated on mid to high level income consumers in the largest (tier 1) cities. Companies are targeting mid to low income consumers, including those outside tier 1 cities by offering lower priced products and shelf stable products such as cheese sticks that do not require constant refrigeration.

With regards to **butter** the only recent trend which stands out in is the slight increase in domestic use due to home baking during the pandemic. It is unclear to what extent this will stick as the economy opens up. Food service remains the main driver of the butter market; while hotels and cafes are the historical users, there are some early signs that butter may also be being used by some smaller, independent food service outlets. In the margarine market, health awareness is driving fortification of products. Consumer interest in taste is also leading to the emergence of some “butter-taste” margarines. Nonetheless, price remains a major consumer consideration and multiple producers are offering lower priced products to attract consumers.

In the **yoghurt** market, the range of products and flavours available has been increasing, reflecting the increased consumer interest in products and the fact that consumers are open to novelty in this growing market. While drinking yoghurt does dominate, the markets for flavoured and plain spoonable yoghurt are growing rapidly – they have grown at over 50% and 30% per year respectively in recent years; and going forward, plain yoghurt is forecast to grow at almost 40% per year (with flavoured yoghurt just behind at 30%). While this increased interest in spoonable yoghurts appears to go against the convenience trend, it is being driven by a combination of convenient packaging, nutrition (notably the combination of yoghurt with toppings such as cereals) and the entry of some trusted players from the drinking milk segment into the area of yoghurts.

For **other dairy** (condensed milk) category, there has been some innovation in terms of flavours and packaging in an attempt to boost sales; but ultimately the market is quite a mature one.²⁵

5.3.3 Offer

5.3.3.1 Domestic production

Indonesia has a strong structural shortage in the overarching production of dairy; by most estimates, under ¼ of the raw materials required for the production of dairy products produced locally. Local production of dairy is more or less entirely concentrated on the island of Java; and local producers face various challenges which ultimately lead to low productivity and low production. Local production is polarised between a small group of integrated dairy companies with around 5 000 cows; and smallholders with under five cows. The former group accounts for around 10% of the dairy herd but over 20% of local dairy production. Almost all milk goes to dairy processors for the production of pasteurized or UHT liquid milk, powdered milk, yoghurt, butter, or cheese. While multinationals are present across all dairy products and dominant in some, there are various notable local dairy processors – in particular in the fragmented drinking milk segment where no one company controls more than 25% of the market. In contrast, the

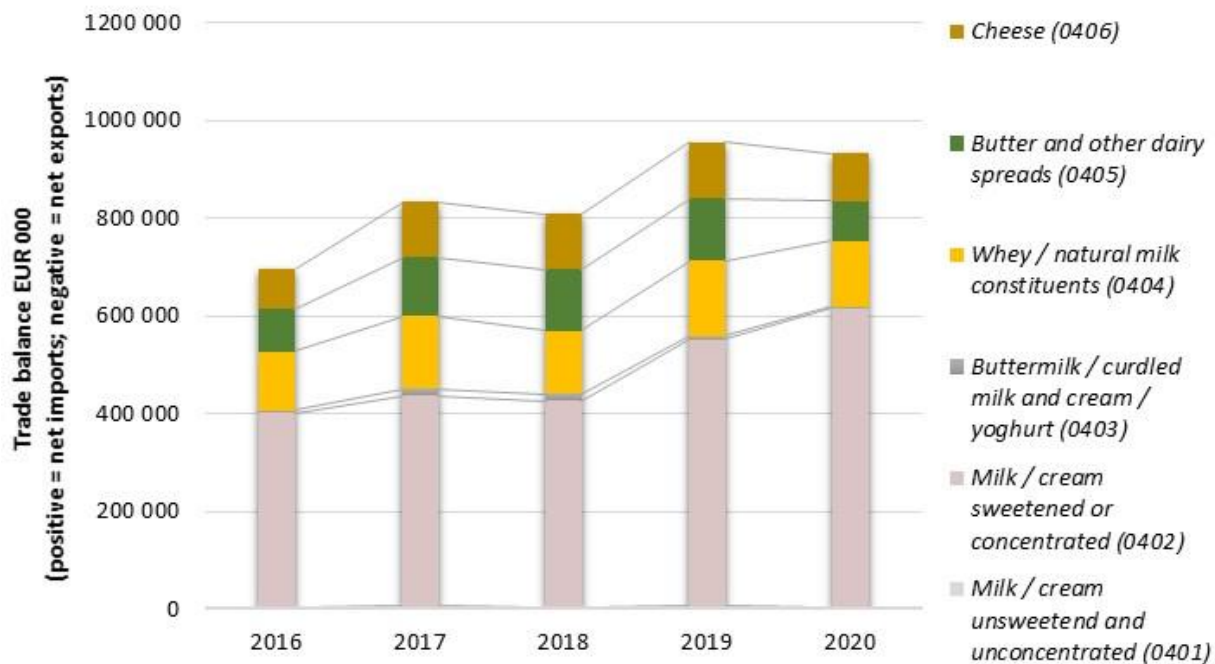
²⁵ Euromonitor International: Packaged Food, 2020; <https://thirdbridge.com/indonesian-dairy-market-2/>

cheese and yoghurt markets are dominated by Kraft and Yakult respectively, each of which holds around 60% of the market.²⁶

5.3.3.2 Imports and exports

Indonesia has a massive deficit in dairy products, making it a net importer. Imports have increased fairly steadily over the last five years, though imports of some categories (such as butter) fell in 2020 due to the COVID-19 pandemic. Sweetened / concentrated milk / cream is the most imported product by some distance with net imports of EUR 614m in 2020 (Figure 5-11).

Figure 5-11: Trade balance (imports and exports) of dairy in Indonesia, 2016-20; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
CN codes in brackets.

In terms of origins of imports, New Zealand is an important origin for multiple categories. More specifically, as show in Figure 5-12:

- **Sweetened / concentrated milk / cream:** New Zealand accounts for around 2/3 of imports of this small category. France is next with around 20%.
- **Unsweetened / unconcentrated milk / cream:** origins of imports of this massive category are quite varied compared to other dairy categories. That said, the US and New Zealand combined still account for 2/3 of imports. The EU accounts for around 15%. Import value has steadily grown since 2017.

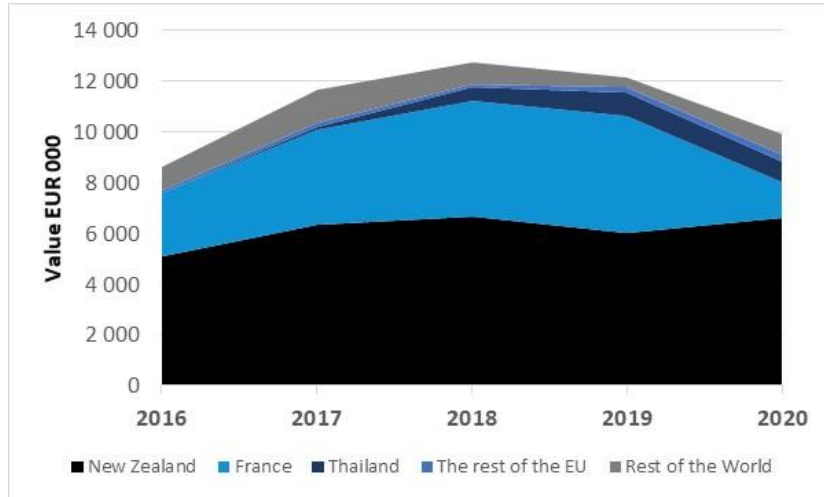
²⁶

<https://www.australialivestockexporters.com/indonesias-dairy-industry.html>;
[https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Dairy%20and%20Products%20Annual Jakarta Indonesia 10-15-2019](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Dairy%20and%20Products%20Annual%20Jakarta%20Indonesia%2010-15-2019)

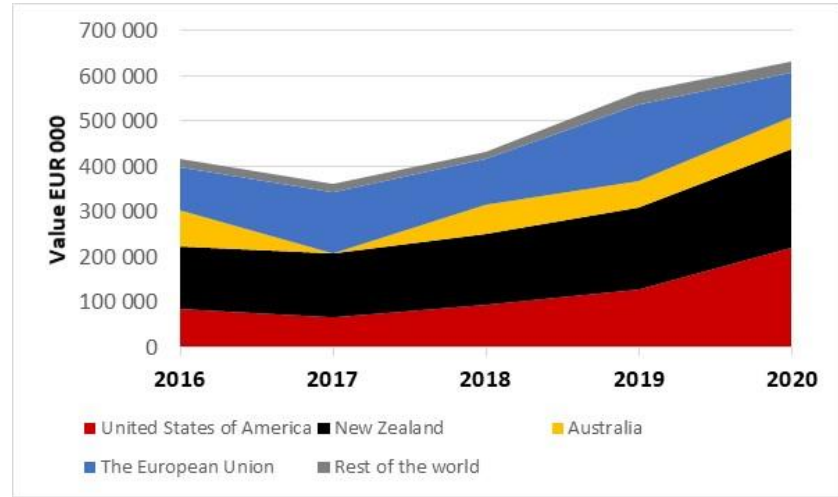
- **Buttermilk, curdled milk and yoghurt:** New Zealand and Australia account for just over half of imports. The EU, led by Belgium accounts for around 1/3.
- **Whey and natural milk constituents:** while the USA is the largest origin, Germany and France follow, each accounting for around 15%. The rest of the EU accounts for around 25%.
- **Butter / dairy spreads:** New Zealand dominates, accounting for 2/3 of imports. The Netherlands and Belgium are next, each accounting for around 10%.
- **Cheese:** New Zealand accounts for around 40% of imports. The USA and Australia are next. The EU combine accounts for around 15%.

Figure 5-12: Indonesian imports of different dairy categories by country, 2016-20; EUR 000

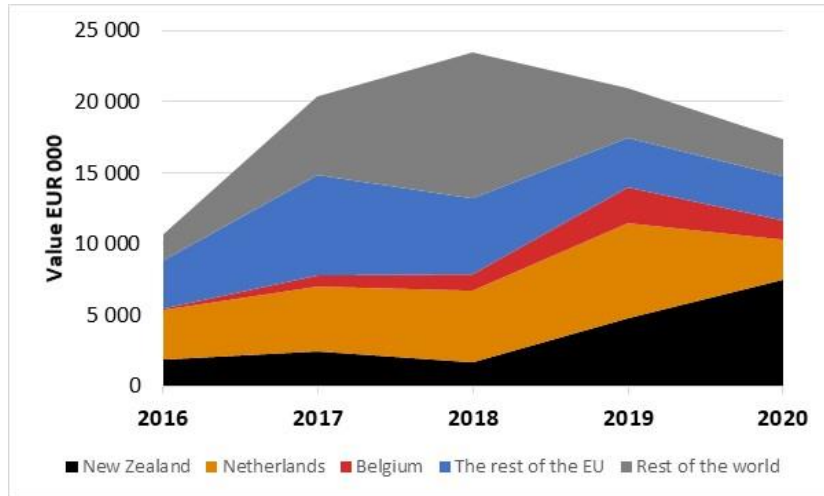
0401 Milk/cream unsweetened/concentrated



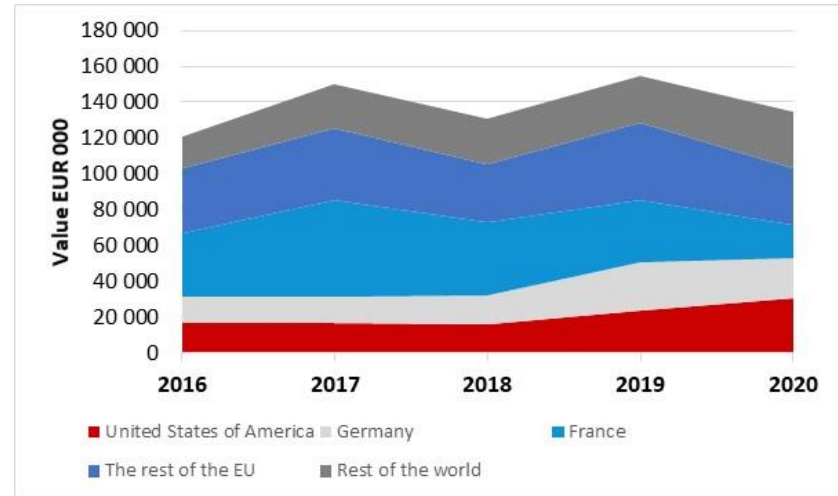
0402 Milk/cream sweetened/concentrated



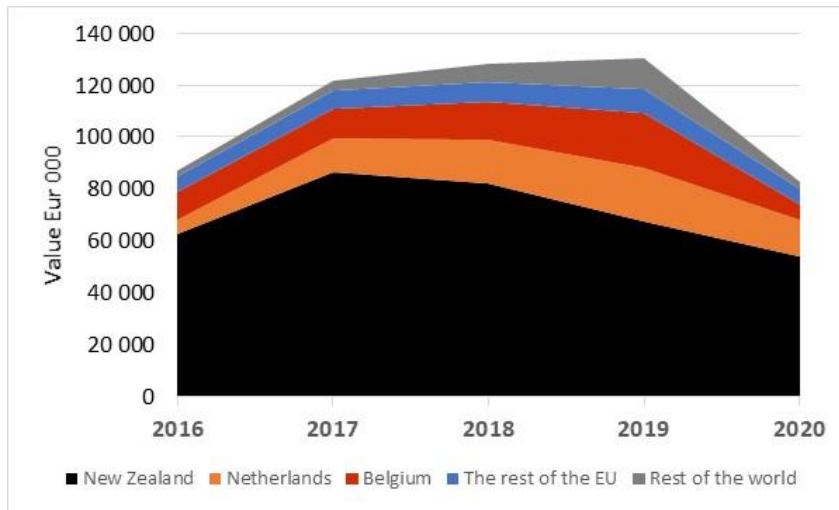
0403 Buttermilk / curdled milk and cream / yoghurt



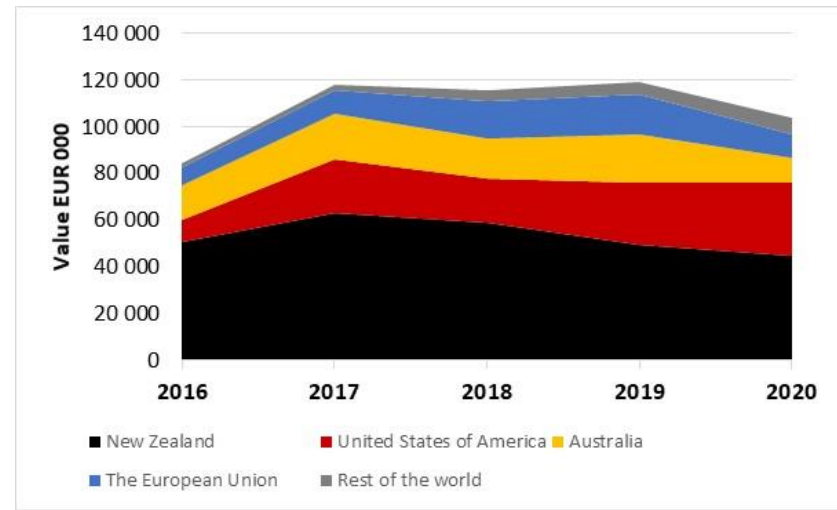
0404 Whey/natural milk constituents



0405 Butter/dairy spreads/



0406 Cheese



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

CN codes indicated above graphs.

5.3.3.3 EU GI products

As noted in section 4.2.4, there is a system for protection of GIs in Indonesia. Parmigiano Reggiano and Grana Padano have been registered as trademarks.

5.3.3.4 Main competitors

With domestic milk production severely constrained, the main competition comes from other importers – most notably from New Zealand - as is commonly the case in markets in the region, it is a leading origin of multiple dairy imports. The US and Australia are other major origins of imports for some categories. Despite the reliance on imports for raw materials, a certain amount of dairy processing does occur in the country. In some segments – most notably in the cheese, yoghurt and the very small butter (excluding margarine) segments, there are companies with dominant (i.e. over 50%) market shares.

5.3.4 Specific market entry requirements

Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for dairy notably include: veterinary inspection; veterinary certificate; the registration of the product; import permit; certificate of analysis; free sale certificate; and certificate of good manufacturing practice.

Furthermore, under Law No. 18/2009 regarding Animal Husbandry and Animal Health, dairy establishments wishing to export to Indonesia must be registered. The most recently identified public list of establishments can be found at the following link: <http://kesmavet.ditjenpkh.pertanian.go.id/index.php/pelayanan-2/permohonan-rekomendasi-pemasukan-susu/daftar-negara-dan-unit-produk-susu-dari-luar-negeri-yang-telah-disetujui-untuk-importasi>

Halal certification is also required according to the same law.

In terms of tariffs, most dairy products face an ad valorem tariff of 5%, though in a few cases tariffs of 10% apply.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general cheese category (0406) from France to Indonesia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0406&origin=FR&destination=ID>

Standards, SPS measures

As noted in section 4.3.4, there have been import restrictions on dairy products from the EU to Indonesia at present, which equated to a de facto ban, though indications are that the situation is easing at the time of writing.

Definitions for dairy are in category 01 of BPOM Regulation No. 34/2019. The definitions are extensive and comprehensive. The regulation, in Indonesian, can be found here (there is no English translation at present):

<https://jdih.pom.go.id/download/product/827/34/2019>

Labelling

Dairy products must conform to the labelling requirements for packaged foods set out in section 4.2.3.

5.3.5 Distribution

Modern grocery retailers account for just over half of the distribution of dairy; with traditional retailers accounting for the other half. Non-store retailing accounts for under 1% of the distribution of dairy products as a whole, with e-commerce the main channel within this (Figure 5-13). However, this overarching picture for dairy masks significant differences between product, based on their shelf stability / chilling requirements and the consumers who purchase the product (which itself is impacted by the former factor). More specifically:

- **Drinking milk:** while there is a fairly even split between modern and traditional grocery retailers, the latter are slightly more important than the former.
- **Other dairy:** traditional grocery retailers account for almost 60% of distribution, and modern retailers around 40%.
- **Butter and spread:** due to the domination of shelf stable margarine, traditional grocery retailers dominate with almost 80% of distribution by value. E-commerce is negligible.
- **Cheese:** reflecting the more urban and higher income consumer, modern grocery retailers account for 90% of distribution by value, with supermarkets and hypermarkets combined accounting for just under 80% alone.
- **Yoghurt:** in line with the need for refrigeration and reflecting the consumers, modern grocery retailers dominate distribution, accounting for 96% of distribution; with this split fairly evenly between supermarkets, hypermarkets and convenience stores. Direct selling accounts for around 2%.

Imported dairy products of all types are much more likely to be found in modern retail channels (hypermarkets and supermarkets in particular) and, to some extent, through e-commerce channels.

Figure 5-13: Distribution channel overview of dairy in Indonesia (2020); all dairy products; retail value



Source: Euromonitor International: Packaged Food, 2021.

5.3.6 Challenges for EU products

The market for dairy in Indonesia can be considered a challenging one, albeit one with future potential. Key challenges for EU exporters are:

- **A low level of dairy consumption.** Per capita dairy consumption is very low not just on a global scale but also on a regional level; and while the market is populous the low level of consumption nonetheless considerably limits the overall market size.
- **Infrastructure restricting the distribution of fresh dairy.** This firstly means that fresh dairy products are restricted to large cities; and secondly that the most popular dairy products in the country are shelf stable ones.
- **Strong competition and the domination of some segments by a single company.** Most notably, Kraft and Yakult have strong holds on the cheese and yoghurt markets respectively. New Zealand is an important origin of multiple dairy products. This has also led to e.g. a massive preference for processed cheese over unprocessed cheese.
- **Restrictions on dairy exports from the EU to Indonesia.** There are currently import restrictions on dairy products from the EU which equate to a de-facto ban

While these challenges are considerable, as seen in section 5.3.2.1, the market is rapidly growing with improving infrastructure opening up the possibilities for fresh dairy products.

Market Takeaway: Dairy

Consumption: very low but increasing level of per capita consumption. Consumers focused in urban areas. Drinking milk the largest segment. Preference for shelf stable products.

Competition: massive domestic shortage in milk production leading to a heavy reliance on imported milk/ingredients for domestic processing, with New Zealand having a strong role in this. Markets for some products dominated by one company (cheese – Kraft; yoghurt – Yakult).

Distribution: varies by the shelf stability of the product. Shelf stable products largely distributed through traditional retailers; modern retailers dominate for products which require refrigeration.

Challenges: low consumption, limited infrastructure for fresh dairy, strong competition and restrictions on dairy exports from the EU to Indonesia at present.

Opportunities: fast overall growth; improving infrastructure opening up the market for fresh dairy products.

5.4 Wine

5.4.1 SWOT analysis

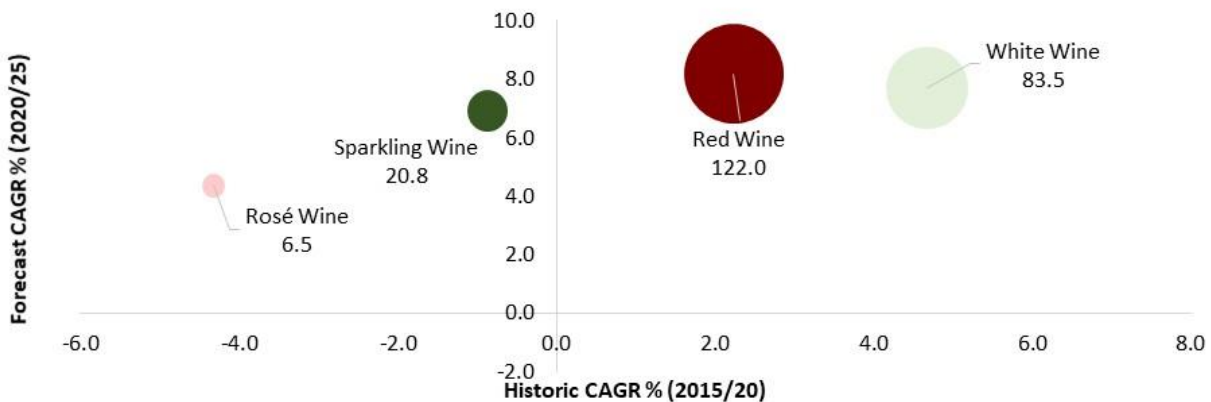
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ France, Italy and Spain are part of the top ten exporters of wine to Indonesia by value. ▪ Domestic production is much lower than the overall wine demand. ▪ EU wine is known for its high-quality. ▪ The wine market is forecast to grow at quite high rates until 2025. 	<ul style="list-style-type: none"> ▪ Australia and Chile together account for around half of the value of wine exports to Indonesia. ▪ Most consumers are Muslims, which forbid them to consume wine; and high taxes pushes the product out of the reach of many of the remaining potential consumers ▪ It is not easy to sell wine during Ramadhan.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Red wine and white wine are the two biggest categories and moreover are forecast to experience the highest growth rates. ▪ Still light grape wine is very popular overall. ▪ E-commerce and online marketing and promotion via social media channels is increasingly used. 	<ul style="list-style-type: none"> ▪ The market is very small compared to other countries. ▪ Indonesia's wine imports in 2020 were exceptionally low compared to previous years. ▪ Indonesia is producing local wines and while at a small scale in absolute terms, it is notable in terms of the market size. In many categories they are consumers' favourites.

5.4.2 Consumption

5.4.2.1 Evolution of consumption

In 2020 the total wine market size in Indonesia was worth more than EUR 233m. As shown in Figure 5-14, red wine and white wine are leading the market. In 2020 the red wine market was worth about EUR 122m, followed by white wine with a market size of more than EUR 83m. These two categories together made up more than 88% of the total market size in 2020. The remaining 12% are made up of sparkling wine, which accounted for close to EUR 21m and rosé wine with approximately EUR 6.5m. Historically, between 2015 and 2020 part of the wine market was growing whereas another part was decreasing. However, the forecast does look much more positive with all categories forecasted to grow at quite high rates. The two biggest categories red and white wine showed the highest historic growth rates of about 2.2% for red wine and more around 4.7% for white wine (between 2015/20). Moreover, red wine is forecast to grow by over 8% and white wine by close to 8% between 2020 and 2025. Sparkling wine, the third biggest category decreased at a rate of close to -1% between 2015 and 2020 and now is forecast to increase by close to 7% between 2020 and 2025. Rosé wine historically decreased at a CAGR of more than -4% but is forecast to increase by more than 4%.

Figure 5-14: Evolution and forecast of wine market (million Euros) in Indonesia, 2015-2025; total value



Source: Euromonitor International: Alcoholic Drinks, 2021.

5.4.2.2 Consumer profile and purchase criteria

Consumers

Around 86% of Indonesians are Muslims. In Islam it is forbidden to consume alcohol, and thus wine consumption is not an option. However, since Indonesia is a highly populated country the remaining 14% are close to 38m people that are potential consumers of wine. Moreover, not all Muslims are actively religious or resistant to alcoholic drinks. Indonesian law does not prohibit the consumption of alcohol. The consumption of wine is legal for anyone who is at least 21 years old.²⁷

In reality the actual consumer segment is very small, as reflected by the small market size seen in the previous section. Partly as a result of the very high level of taxation, wine is largely considered to be a luxury product in the country, which is why consumers mainly are part of the upper-middle class and higher classes. The non-Muslim population is made up of mainly Christians and Chinese consumers, who are recognized to having a disproportionate share of wealth, which makes them the main consumer group, in addition to expats, international tourist or wine lovers in general.²⁸ Many Indonesian wine consumers increasingly educate themselves about wines and thus are more sophisticated when it comes to choosing wines. With regards specifically to European wines, due to a combination of price and image, consumers are more likely to be either affluent (i.e. with income over IDR 300m - EUR 18 000 per year); tourists; or wine connoisseurs. That said, there is a segment of young urban consumers who purchase cheaper European wines.

It should be noted that there is strong interest in non-grape fruit and herbal wine in Indonesia; notably by consumers using it as herbal medicine. *Orang Tua* (often called “Amer” is the most popular of these).

²⁷ How to Market Wine in Indonesia, Practical Guide, Available at <https://cellar.asia/wine/how-to-market-wine-in-indonesia/>

²⁸ Export Market Guide – Indonesia, Available at <https://www.wineaustralia.com/selling/by-market/export-market-guide-indonesia>

Drivers and method of consumption

In Indonesia wine is consumed for special occasions. Due to Covid-19 and the lockdown, on-trade sales declined a lot. Consumers were not able to stay in hotels, go to bars and restaurants, and thus, were not able to enjoy fancy dinners, to spend a festive time with their families or to connect with their friends, which they usually liked to do pre-Covid-19. Wine is also a popular party drink, in particular during the festive seasons. However, it should be noted that Ramadhan is generally not a good time to and promote wine. Moreover, caused by worldwide travel restrictions, fewer tourists visited the country in 2020. Tourists usually drink some wine during their vacation in Indonesia and hence are a notable driver for the product.²⁹

During the pandemic, consumers switched to off-trade wine consumption. They enjoy wine at home alone or with their families during nice dinners or just relaxing evenings. However, some retailers promoted their wines with special discounts on social media platforms during lockdown which motivated consumers, even more, to order some wine online and to get it delivered. It is expected that consumers are likely to go out to bars etc. again once the pandemic is over and they feel safe again.³⁰

Wine clubs are a notable method that connoisseurs obtain access to new wines, though more often than not the number of members of such clubs are small (i.e. in the hundreds); and frequently comprise large numbers of expatriates.

Purchase criteria

Price is a very important purchase criterion, in particular now since the Indonesian economy was affected by the Covid-19 pandemic. Many consumers will remain more cautious for a while until the economy properly recovers. As a result, they either will not purchase wine at all or they will choose cheaper options such as domestic wine or new world wines. However, higher-income consumers are likely to continue to purchase higher prices wines.

One reason for some consumers to buy wine is status. Wine is a luxury product for them and thus is used to show off and impress others. These consumers usually purchase old world wines because of their prestige. Moreover, these consumers pay attention to the quality of the wine they buy. Old world wines are deemed to be of very high quality; however, some locally produced wines and new world wines are known for their good quality as well.³¹

Novelty also is a criterium because Indonesian wine consumers are getting increasingly adventurous and want to try new wines and varieties. Indonesians prefer to drink fruit and herbal wines, however, red and

²⁹ How to Market Wine in Indonesia, Practical Guide, Available at <https://cellar.asia/wine/how-to-market-wine-in-indonesia/>

³⁰ Euromonitor International: Alcoholic Drinks, 2021.

³¹ How to Market Wine in Indonesia, Practical Guide, Available at <https://cellar.asia/wine/how-to-market-wine-in-indonesia/>

white wines are popular choices as well.³² As a general rule, amateurs prefer sweet and lighter wines, while more experienced consumers will appreciate more complex wines including full bodied ones.

Wine on retailers' shelves in Indonesia

As a category B alcoholic drink, wine is sold in specific designated liquor stores in Indonesia. Permits must be acquired to sell wine. The range offered by stores varies somewhat. Often ranges are limited allowing spaced layouts (see below).



While 750ml bottles are by far the most popular, larger packing formats (e.g. 2 000 or 3 000 ml bag in box) are also available and increasingly popular.

Indicative retail prices for wines (example: red wine 750ml bottle) are as follow:

- Economy: IDR 200 000 – 400 000 (EUR 12 to 24)
- Mid-range: IDR 400 000 – 900 000 (EUR 24 to 53)
- Premium: Above IDR 900 000 (above EUR 53)

³² Euromonitor International: Alcoholic Drinks, 2021.



Wine and spirit products may be somewhat mixed when displayed. Prices, when displayed, typically omit the thousands (so 300 = 300 000 IDR).



Pictures: © Agra CEAS / Euromonitor International, 2021.

5.4.2.3 Recent market trends

- **Still light grape wines and other sparkling wine:** Still light grape wines is gaining popularity, due to the consumers' growing knowledge of different varieties. However, this market in particular is currently shaped by local players, which heavily promote local wines domestic and international tourists. Still light grape wine from local players such as Sababay and Hatten are cheap compared to international imported wine. Moreover, locals and tourists enjoy the 'local tastes' of these wines. Sweeter new world wines are similar to the Indonesian ones and usually cheaper as well which is why they are popular too. Sparkling wine, even though a niche, is gaining momentum as

well. It is purchased through on- and off-trade channels but on-trade consumption seems to be preferred choice. Other sparkling wine is more popular than Champagne because of its lower price.³³

- **E-commerce and social media promotion:** Indonesia has a high number of internet users compared to other parts of the world. Even though e-commerce is still a small niche, an increasing amount of wine is sold online through websites such as Jakartawines.com and Vines-indonesia.com. The pandemic and lockdown gave e-commerce a big boost because companies that might have relied on on-trade sales needed to find different outlets. Promotional discounts or other offers such as buy one bottle get one for a reduced price are common and attract consumers. The importance of social media marketing of wine is also growing. Since it is forbidden to promote wine on TV, companies looked for other options. Social media platforms offer spaces to create brand profiles, use influencers to help sell wine, and offer promotions.³⁴ However, similar forms of offline promotion remain highly important as well.
- **Popularity among youngsters.** Despite challenges around price, wine is gaining popularity with some youngsters. That said, non-grape Amer has thus far been the biggest beneficiary of this trend due to its low price compared to imported grape wine. Social media is also playing a role in this popularity.

5.4.3 Offer

5.4.3.1 Domestic production

Viticulture in Indonesia dates back to the 18th century, when Dutch explorers introduced wine to the country in Kupang. Later in the century the interest in grape growing expanded to areas in Besuki and Banyuwangi in the island of Java. Today, interest in wine is growing and wine is produced locally, yet, still on a smaller scale.³⁵

Hatten and Sababay are two popular local wine brands. Hatten Wine Estates is situated in Bali and it the biggest and best-known wine maker Indonesia. It was established in 1994 and since then has been growing Alphonse-Lavallee' grapes and the country's own Belgia white and Proplingo Biru varieties.³⁶ Due to the tropical island, these Indonesian wines are mainly sweet-tasting and grapes can be harvested throughout the whole year.³⁷

The still light grape wine category is fragmented, however, it was dominated by the following three local companies in 2019: Arpan Bali Utama PT, Tri Hita Karya UD and Sababay Industry PT. Together these three

³³ Euromonitor International: Alcoholic Drinks, 2021.

³⁴ How to Market Wine in Indonesia, Practical Guide, Available at <https://cellar.asia/wine/how-to-market-wine-in-indonesia/>

³⁵Thousands of Islands Together: The Indonesian Wine Trade, Available at <https://www.singaporewinevault.com/thousands-of-islands-together-the-indonesian-wine-trade/>

³⁶A SUCCESSFUL INTRODUCTION TO INDONESIAN WINE, Available at <https://roadsandkingdoms.com/2017/a-successful-introduction-to-indonesian-wine/>

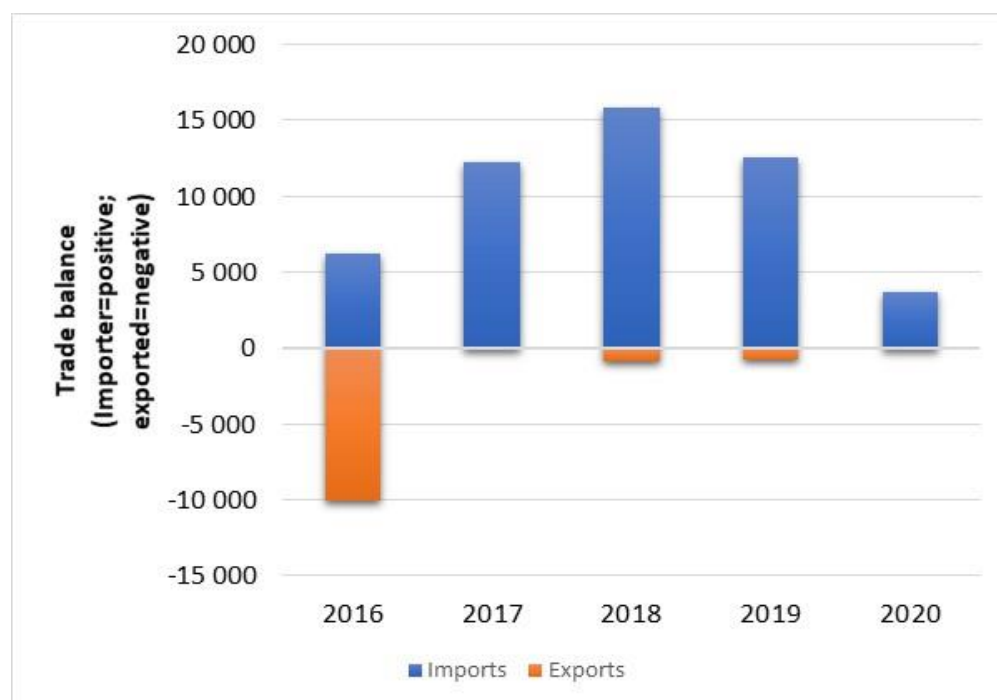
³⁷ Thousands of Islands Together: The Indonesian Wine Trade, Available at <https://www.singaporewinevault.com/thousands-of-islands-together-the-indonesian-wine-trade/>

companies accounted for about 30% of total volume sales with wine brands including Plaga, Aga, Sababay and Hatten Wines Rosé. The sparkling wine category was dominated by Arpan Bali Utama PT's Hatten Tanjung brand in 2019; and the non-grape wine category by Perindustrian Bapak and its Orang Tua Anggur brands. The Champagne market on the other hand was dominated by international and non-local brands and so was the fortified wine and vermouth market.³⁸

5.4.3.2 Imports and exports

As shown in Figure 5-15, Indonesia is by far a net importer of wine. In 2020 the country imported wine with a value of about EUR 3.7m, whereas it exported a value of about EUR 160 000 in the same year. This means that in 2020 Indonesia imported close to 96% more wine than it exported to the world. Between 2016 and 2018 the imported value more than doubled and after the peak in 2018 went down by around 77%. Whereas Indonesia exported wine worth of about EUR 10m in 2016, since 2017 its exports are nearly negligible. In 2020 the country exported a total value of EUR 160 000.

Figure 5-15: Trade balance (imports and exports) of wine in Indonesia, 2016-20; EUR 000



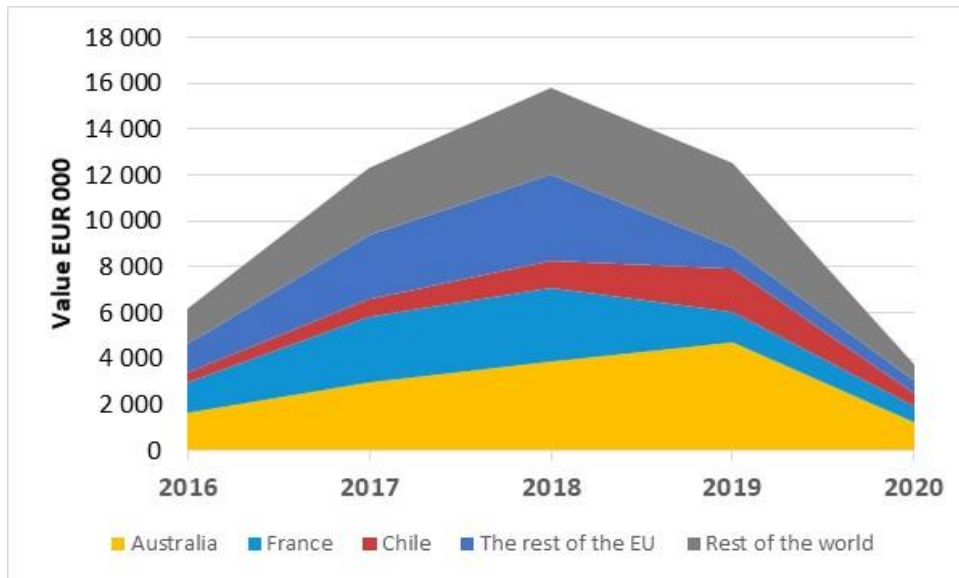
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2204.

Three out of the most successful ten exporters of wine to Indonesia are from EU, namely France, which ranks 2nd, Italy, which ranks 4th and Spain which ranks 10th. In 2020 Australia exported a total value of about EUR 1.2m and France around EUR 720 000. In the same year, Chile accounted for EUR 530 000 and Italy for about EUR 440 000. Even though Spain only ranked 10th it still exported wine with a value of EUR

³⁸ Euromonitor International: Alcoholic Drinks, 2021.

68 000 to Indonesia. Australia and Chile together accounted for half of the exports markets value in 2020. The figure moreover shows that the exported value of wine from all countries decreased a lot in 2020 (Figure 5-16).

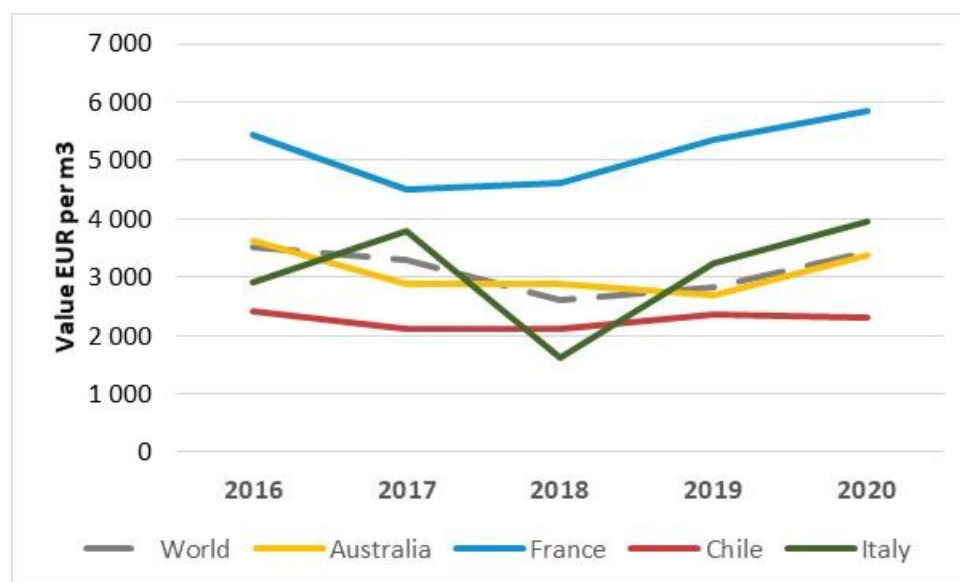
Figure 5-16: Indonesian imports of wine by country, 2016-20; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2204.

The unit value of French wines was around EUR 5 840 per tonne in 2020 and thus by far the highest of the main exporting countries as depicted in Figure 5-17. The unit value is about 70% higher than the world's average which was at about EUR 3 420 per tonne in 2020. The unit value of Italian exports to Indonesia was also above the world's average in 2020 at about EUR 3 940. The unit values of the two biggest non-EU exporters Australia and Chile and the other hand were below the world's average. In 2020 the unit value of wine from Australia as approximately at EUR 3 380 per tonne and the one from Chile below that at about EUR 2 310. The overall unit values went down between 2016 and 2018, but have been increasing again since then.

Figure 5-17: Indonesian imports of wine by country, 2016-20; Value EUR per tonne



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2204.

5.4.3.3 EU GI products

As noted in section 4.2.4, there is a system for protection of GIs in Indonesia. Champagne has been identified as having been registered as a trademark; section 4.2.4 provides details on how to check if other wine GIs have also been registered.

5.4.3.4 Main competitors

In general, countries that produce cheap new world wines are big competitors to European old world wines. Australia and Chile together accounted for half of the value of wine imports to Indonesia in 2020 and thus are the main competitors. Moreover, Indonesia is producing wine locally and thus is a competitor itself. Even though the production is not as big scale as in other countries, Indonesian wines are still very popular among locals and tourists. Moreover, they are cheaper than EU wines as well.

However, even though EU wines are generally higher than local wines or new world wines, they are also known to be of very high quality and thus still popular on this very small market. The unit value of French wine is around 70% higher than the world's average price, yet France is the second biggest wine exporter to Indonesia by value. This shows that high-quality EU wines are still very appreciated by the small group of Indonesian consumers.

5.4.4 Specific market entry requirements

Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category

in Table 4-2. Requirements for wine notably include: the registration of the product; import permit; certificate of analysis; free sale certificate; and certificate of good manufacturing practice.

In terms of tariffs, wines face ad valorem tariffs of 90%. There is a substantial excise duty on top of this (see section 4.2.2).

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general wine category (2204) from France to Indonesia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2204&origin=FR&destination=ID>

Standards, SPS measures

As noted in section 4.3.4, there have been import restrictions on alcoholic beverages from the EU to Indonesia at present, which equated to a de facto ban, though indications are that the situation is easing at the time of writing.

As noted in section 4.2.2, alcoholic beverages are classified based on percentage alcohol by volume; with wine most likely to fall in to the 5 to 20% bracket, and distribution is strictly controlled.

It should be noted that there are periodic discussions on banning the sale and/or consumption of alcoholic beverages in Indonesia. Discussions regarding this most recently occurred at the end of 2020. The situation should be monitored.

Labelling

As noted in section 4.2.3, as is the case for other alcoholic beverages, wine labels must bear the following:

- “MINUMAN BERALKOHOL” (alcoholic beverage) and the type of the alcoholic beverage.
- DIBAWAH UMUR 21 TAHUN ATAU WANITA HAMIL DILARANG MINUM (prohibited for people under 21 years and pregnant women)
- “mengandung alkohol ±...% (v/v) (Contains alcohol + ... % v/v)

5.4.5 Distribution

Close to 60% of wine by value in Indonesia is sold off trade and the remaining 40% on trade. Figure 5-18 shows the off-trade distribution channels. Most wine, around 93.7% of the volume is sold in store-based retailing, whereas the remaining 6.3% are sold in non-store-based retailing (internet retailing). The online retail sector is growing in Indonesia. Before 2017, wine was nearly exclusively sold via store-based retailing but between 2017 and 2020 e-commerce retailing increased by 6.2%. Around 93.1% of wine is sold in traditional grocery retailers, and only 0.6 via modern grocery retailers. In particular independent small grocers are popular and accounted for about 81% of the total volume sold in 2020. The second most

popular channel in 2020 were other grocery retailers with 6.4%, followed by Food/drink/tobacco specialist with 5.7%.

Figure 5-18: Distribution channel overview of wine in Indonesia (2020); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2021.

5.4.6 Challenges for EU products

Religion is the number one challenge to sell wine in Indonesia because about 86% of the population is Islamic and thus is not supposed to drink any kind of alcohol. However, there are still 38m inhabitants that can potentially be targeted. However, high taxation in reality makes the set of consumers very constrained. Locally produced wines as well as new world wines from e.g. Chile and Australia are popular and cheaper than EU wines, yet the long tradition and quality of EU wines speak for themselves.

Ramadhan is not a good time to sell wine in Indonesia and some regions of the country even unlawfully ban the sales and consumption of alcoholic drinks during these days. The operating hours of bars and clubs might also be reduced or temporarily closed during Ramadhan.

Finally, it must be remembered that EU alcoholic beverages have recently faced challenges in accessing the Indonesian market as a de facto ban in response to difficulties with palm oil. The situation with the de facto ban does appear to have eased recently.³⁹

³⁹ How to Market Wine in Indonesia, Practical Guide, Available at <https://cellar.asia/wine/how-to-market-wine-in-indonesia/>

Market Takeaway: Wine

Consumption: *The wine market was around EUR 233m (retail value) in 2020, with the markets for red wine and white wine being the biggest.*

Competition: *New world wines, in particular from Australia and Chile, as well as the demand for locally produced wine.*

Distribution: *40% on-trade and 60% through off-trade channels by volume. The most popular off-trade channels are traditional grocery retailers, in particular independent small grocery. Yet, e-commerce is on the rise.*

Challenges: *The high number of Muslims in the country that do not drink alcohol and even ban it in some areas during Ramadhan; the decreasing economy due to Covid-19; the decreasing wine market; political issues between the EU and Indonesia due to palm oil.*

Opportunities: *Red wine and white wine are the biggest categories and moreover forecast to grow at the highest rates; still light grape wine is very popular overall.*

5.5 Spirits

5.5.1 SWOT analysis

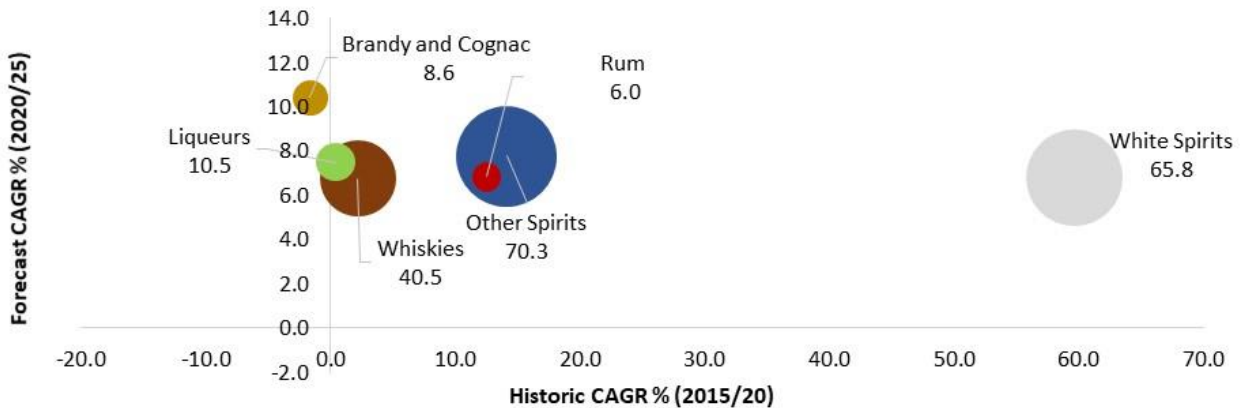
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Consumption of spirits in the on-trade establishment in major urban areas has become somewhat normalised in recent years. ▪ Tourism is high on the island of Bali which generally has a less restrictive view towards alcohol than the rest of the country due to the island being majority Hindu instead of Islamic. 	<ul style="list-style-type: none"> ▪ Very small market overall. ▪ 150% taxation on all alcohol imported from abroad, with excise to be added to this as well. ▪ Consumption of alcohol is essentially limited to a few areas of the country such as major urban centres and touristic hotspots.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ The hopeful return to pre-Covid tourism figures in the country, tourists are a key driver in the consumption of imported spirits. ▪ The re-opening of on-trade establishments accounted for 65% of total spirit distribution sales in 2019 and were forced to close as a result of the COVID pandemic. 	<ul style="list-style-type: none"> ▪ A complete ban on the sale and consumption of alcohol discussed previously with a ban on the sale of alcohol in convenience stores in 2015 showing the Indonesian government is willing to implement restrictions. ▪ South Korean white spirits and British cordials, whiskies, and liquor the biggest threat internationally. ▪ Recent market access challenges for European exporters.

5.5.2 Consumption

5.5.2.1 Evolution of consumption

As observed below in Figure 5-19, other spirits are the largest spirits in the Indonesian market by value with a market size of EUR 70m in 2020. The market has grown rapidly at over 14% per year over the last five years, with forecast growth of 7.8% per year over the next five. White spirits is next, the market being worth EUR 66m in 2020 having rocketed in the last five years (60% CAGR). Forecast growth is 6.8% per year. The whisky market is third at EUR 40.5m. markets for other alcoholic beverages are in the EUR 6m to 11m range.

Figure 5-19: Evolution and forecast of spirits market in Indonesia, 2015-2025; total value, EUR millions



Source: Euromonitor International: Alcoholic Drinks, 2021.

5.5.2.2 Consumer profile and purchase criteria

Consumers

As with any other alcoholic beverage, the consumption of spirits in Indonesia is restricted by (1) the country's large Islamic population which accounts for 86% of the population and largely abstains from the consumption of alcohol; and (2) recent restrictions on the sale of alcohol and taxation on imported alcohol. This makes the spirit market in Indonesia difficult; however there have been a number of success stories recently such as with soju and other white spirits. The consumption of spirits is largely practiced in the country's urban areas such as Jakarta and Surabaya where the presence of on-trade establishments selling spirits is common, it is also common in the country's touristic centres such as Bali where the presence of imported spirits from the EU is more likely and the majority Hindu island has fewer restrictions on the sale and consumption of alcohol. Consumers of spirits in Indonesia are likely to be tourists visiting from countries where the consumption of spirits is more normalised, wealthier urban Indonesians with more liberal views towards the consumption of alcohol, or members of the Indonesian population with no restrictions or reservations about consuming alcohol such as the country's Chinese population.

Drivers and method of consumption

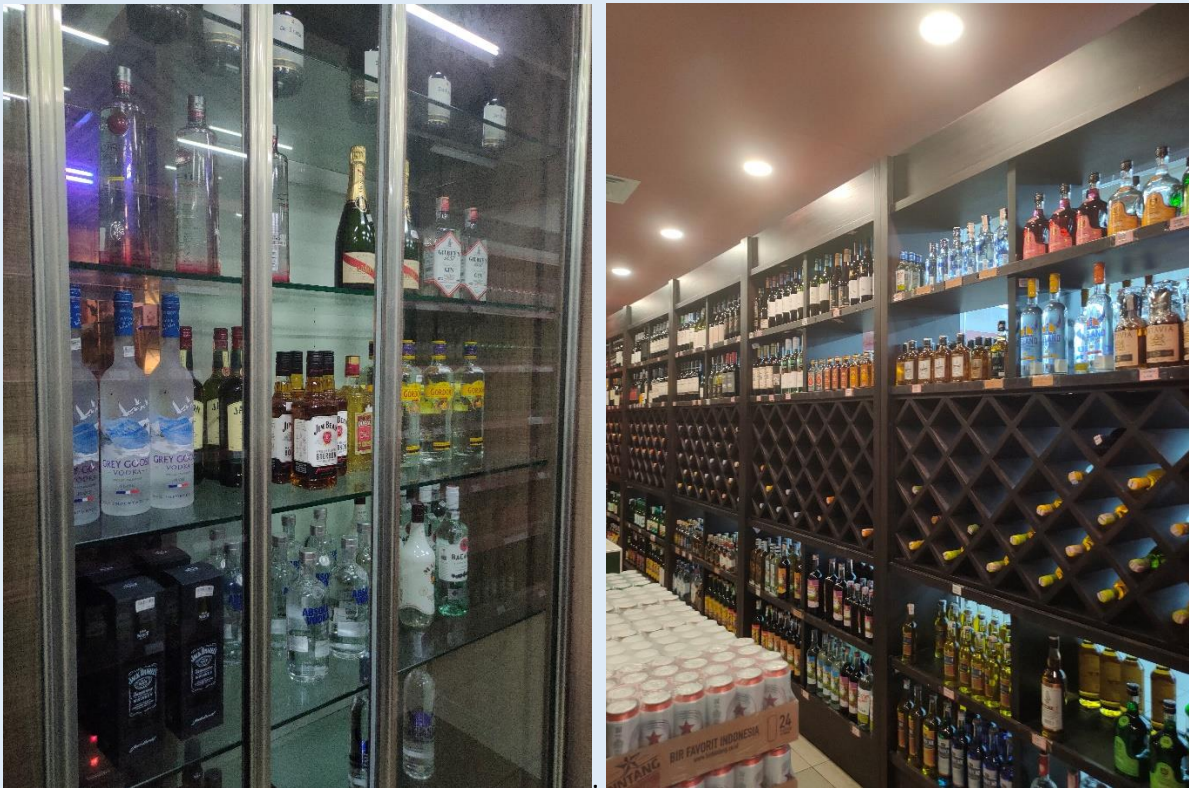
A key driver of spirit consumption has been the presence of on-trade restaurants and bars offering the product to consumers. Spirit sales were heavily impacted by the outbreak of COVID-19 as a result of these establishments being forced to close. Tourism which was a key driver in the consumption of spirits in Indonesia has also declined with the industry virtually shutting down during COVID-19, as a result, demand for spirits was also negatively impacted. Before COVID-19, consumers, especially those in urban areas were showing a preference for premium spirits which will likely be a trend that will negatively be impacted by COVID-19 as the economic situation makes it difficult for middle-income consumers to carry on this trend. Before COVID-19, it was common for Indonesians that do consume spirits to order a shot with their dinner in restaurants with female consumers being noted for preferring cocktails over hard spirits.

Purchase criteria

Accessibility, popularity, and affordability are the primary purchasing criteria for consumers to buy spirits from off-trade channels. Since 2015, the sale of imported spirits has been impacted by a 150% tariff by the government of Indonesia as a method to curb the importation and consumption of spirits into the country. Excise must subsequently also be added. This pushes cost-conscious or consumers of middle or lower-income largely away from imported spirits and has resulted in tourists or high-income earners being the main consumers of imported spirits in Indonesia. Premiumisation of spirit consumption was a trend seen recently before COVID-19 but is likely to be impacted negatively by COVID-19. Social media is increasingly used to promote non-economy spirit brands.⁴⁰

Spirits on retailers' shelves in Indonesia

Spirits are typically category C alcoholic drinks. Subsequently they must be sold in specific designated liquor stores in Indonesia. Permits must be acquired to sell alcoholic drinks. As is the case with wine, the range of products on offer varies somewhat between stores, with some offering a limited range and others a broader range.



Above: contrasting ranges of spirits in different shops – more limited on the left and more expansive on the right.

⁴⁰ Euromonitor International: Alcoholic Drinks, 2021; <http://www.thejakartapost.com/life/2021/03/09/indonesias-rich-and-complex-independent-alcohol-industry.html>

The vast majority of spirits fall in the mid-range segment – largely due to challenges with price stemming from high taxation. The prices of spirits vary by spirit type. Indicative typical retail prices for 700ml bottles are:

- Cognac – IDR 600 000 to 3.5m (EUR 35 to 206)
- Liqueur – IDR 550 000 to 900 000 (EUR 32 to 53)
- Gin – IDR 320 000 to 750 000 (EUR 19 to 44)
- Whisky – IDR 650 000 to 3.5m (EUR 38 to 206)
- Vodka – IDR 250 000 to 850 000 (EUR 15 to 50)



While 700/750ml and, for some products 1L bottles remain the standard, smaller formats such as 350ml and 200ml are available, with some producers choosing this format to encourage consumer experimentation with their product. Glass dominates as a packaging material.

Pictures: © Agra CEAS / Euromonitor International, 2021.

5.5.2.3 Recent market trends

The acceptance of on-trade establishments in the sale of spirits has generally occurred in the larger urban centres of Indonesia however the lingering threat of an outright ban of alcohol sales in the country by the government continues to hamper large-scale investment into the sector. Some consumers have shifted towards purchasing spirits via off-trade channels such as hypermarkets and supermarkets which generally have more leniency to sell spirits compared to small convenience stores which faced a ban on the sale of all alcohol in 2015. Restrictions on permits that allow the sale or production of alcohol on-premises continues to hamper also the development of the spirit market in the country. It is likely in the future, as the levels of tourists arriving into Indonesia rebound after COVID-19 and touristic hotspots regain popularity that demand for imported spirits will also rebound.

5.5.3 Offer

5.5.3.1 Domestic production

The production of spirits is small in Indonesia owing to a generally small demand for the product in the country combined with a government that is largely anti-alcohol, reflecting the makeup of its population. Still, a number of spirits are produced domestically in areas of the country with fewer reservations towards alcohol such as Bali, these spirits include Arak Bali, Brem Bali, and Sager. While no comprehensive data on spirit production exists, it can be estimated that around 60% of spirits consumed in the country are produced locally, with the balance imported.

Diageo is the largest player in the market with imported brands such as Captain Morgan and Smirnoff red being present in the companies' Indonesian portfolio, the company has a 32% share of the market. Hite Jinro CO LTD is the second-largest player in the market with a 14% share and mainly focuses on the sale of Korean spirits such as the popular soju white spirit, the rest of the market is largely fragmented and small, focusing on the sale of a particular spirit rather than a broad amount of them.⁴¹

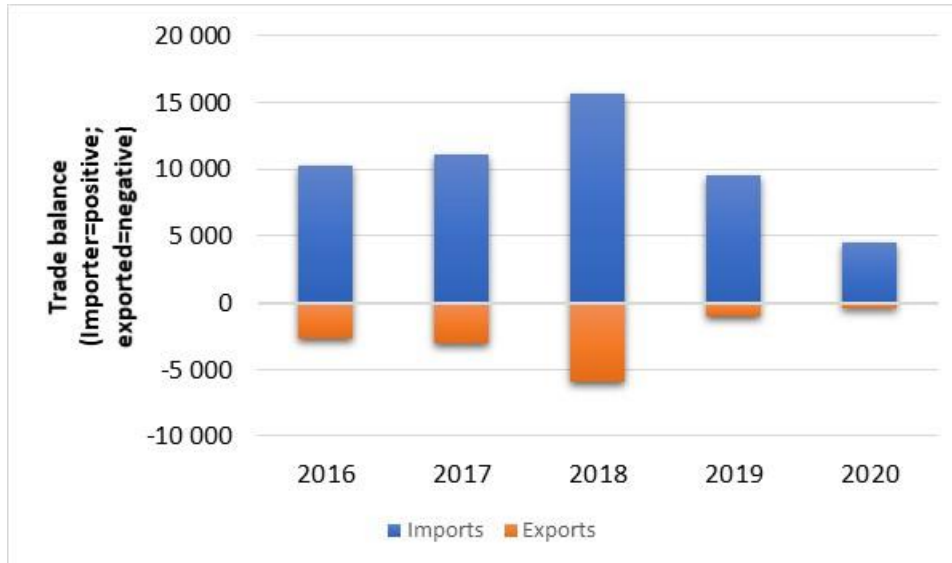
5.5.3.2 Imports and exports

As shown below in Figure 5-20, Indonesia imports far more spirits than it exports however this trade is still very small owing to the difficulties involved in the import of spirits from abroad into Indonesia and the generally small demand for the product within the country. Legislation and taxation also makes it difficult for alcoholic beverages from abroad to enter their market which helps to further explain the small

⁴¹ Euromonitor International: Alcoholic Drinks, 2021

importation figures. Due to the small domestic production of spirits, exports are minimal. Imports fell sharply in 2020 to under EUR 5m due to the COVID-19 pandemic.

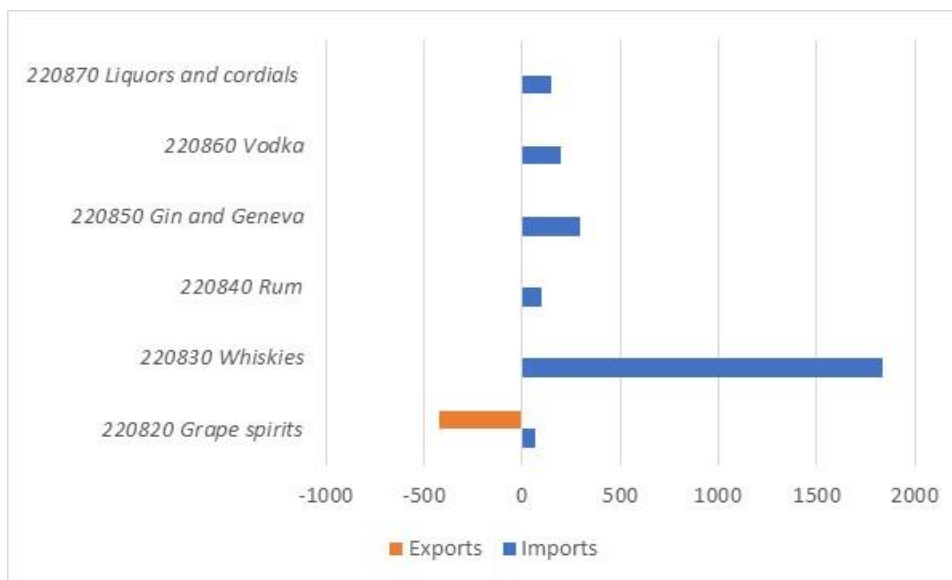
Figure 5-20: Trade balance (imports and exports) of spirits in Indonesia, 2016-2020; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2208.

As shown below in Figure 5-21, whiskies account for the largest amount of spirits imported into Indonesia from abroad, this is followed by gin and jenever, vodka, and liquors and cordials all having low figures on account of the restrictions in play in the exportation of spirits to Indonesia. Grapes spirits is an oddity as it stands out as the only alcoholic spirit where Indonesia has a trade surplus.

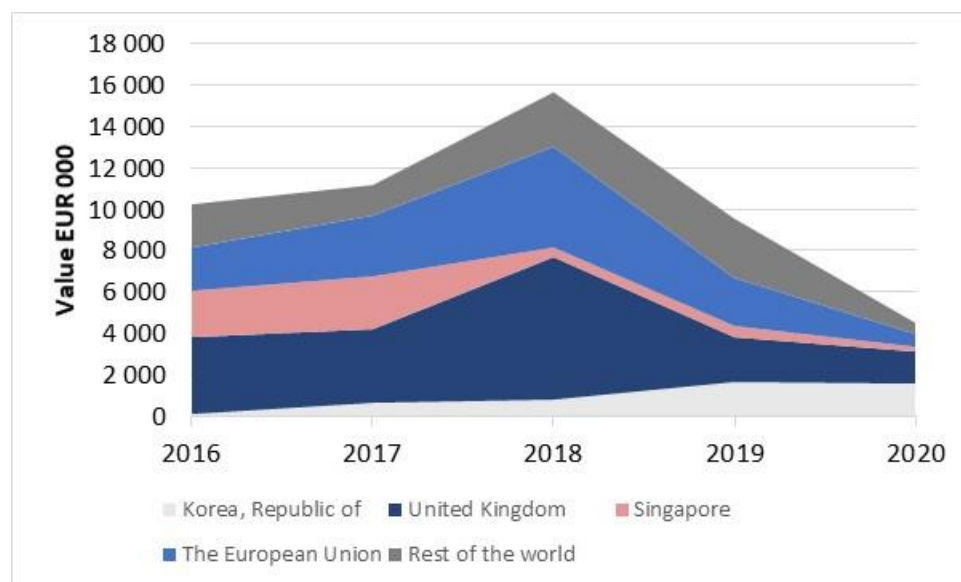
Figure 5-21: Trade balance (imports and exports) of spirits in Indonesia, by type, 2020; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Spirit names shortened. CN codes before spirit name.

Figure 5-22 demonstrates that South Korea is the largest exporter of spirits to Indonesia followed by the United Kingdom and Singapore. France is the largest exporter from the EU and mainly exports liquors and cordials and is followed by Italy and Ireland. In total, EU exports of spirits to Indonesia in 2020 were valued at EUR 629 000 and have been declining in recent years; though the impact of the COVID-19 pandemic should be borne in mind for the year 2020.

Figure 5-22: Indonesian imports of spirits by country, 2016-2020; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2208

5.5.3.3 EU GI products

As noted in section 4.2.4, there is legislation for registering GIs in Indonesia. Cognac has been registered under this system.

5.5.3.4 Main competitors

The largest market competition for imported spirits in Indonesia comes from South Korea which has been able to gather a small following around some of its more popular white spirit products such as Soju. The UK is a competitor in the space of liquors, whiskies, and brandies for EU products and benefits from a premium perception amongst some the more accustomed consumers to imported spirits. Domestic competition is small across the country, mainly being focused in Bali where the production of spirits is generally more accepted.

5.5.4 Specific market entry requirements

Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for spirits notably include: the registration of the product; import permit; certificate of analysis; free sale certificate; and certificate of good manufacturing practice.

In terms of tariffs, spirits face ad valorem tariffs of 150%. There is a substantial excise duty on top of this (see section 4.2.2).

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general spirits category (2208) from France to Indonesia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2208&origin=FR&destination=ID>

Standards, SPS measures

As noted in section 4.3.4, there have been import restrictions on alcoholic beverages from the EU to Indonesia at present, which equated to a de facto ban, though indications are that the situation is easing at the time of writing.

As noted in section 4.2.2, alcoholic beverages are classified based on percentage alcohol by volume; with spirits most likely to fall in to the 20 to 55% bracket, and distribution is strictly controlled.

It should be noted that there are periodic discussions on banning the sale and/or consumption of alcoholic beverages in Indonesia. Discussions regarding this most recently occurred at the end of 2020. The situation should be monitored.

Labelling

As noted in section 4.2.3, as is the case for other alcoholic beverages, spirits labels must bear the following:

- “MINUMAN BERALKOHOL” (alcoholic beverage) and the type of the alcoholic beverage.
- DIBAWAH UMUR 21 TAHUN ATAU WANITA HAMIL DILARANG MINUM (prohibited for people under 21 years and pregnant women)
- “mengandung alkohol ±...% (v/v) (Contains alcohol + ... % v/v)

5.5.5 Distribution

As is the same for wine and beer, issues revolving around the sale of alcohol in convenience stores have negatively impacted this distribution channel to the benefit of specialist retailers, with only the province of Bali being excepted from this restriction. E-commerce has emerged as a new channel for spirits sales in 2020 as a result of the COVID-19 pandemic and will likely continue to be a growing channel as the

government threatens to become ever restrictor on the sale of spirits in conventional outlets. On-trade sales of spirits accounted for the majority of spirit sales by volume before Covid-19 at a percentage of 65% which further highlights the negative impacts that closing these establishments will have on imported spirits.

Figure 5-23: Distribution channel overview of spirits in Indonesia (2020); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2021.

5.5.6 Challenges for EU products

Challenges for EU products include the difficulties involved in the exportation of spirits to the Indonesian market with the recent barriers to trade in place making this an incredibly difficult process – and during the de facto ban, effectively impossible. This combined with high taxes and the lingering threat of further restrictions being put in place revolving around the sale and consumption of alcohol in the country makes Indonesia a difficult spirit market. One area of opportunity will be the re-opening of on-trade establishment in the country post-COVID and the return over time of tourism to the country which will result in a rebound in demand for spirit products.

Market Takeaway: Spirits

Consumption: Spirit consumption not widely practised across the country with the majority Islamic country considering it forbidden to consume the product and prices high. It can be found however in major urban centres, areas with a non-Islamic population, and touristic spots such as Bali.

Competition: mainly from the UK and South Korea which have a small presence in the market, South Korea mainly focuses on spirits that are not readily produced in the EU such as their domestic soju spirit which makes the UK the larger direct competitor between the two.

Distribution: On-trade sales accounted for 65% of spirit distribution before the outbreak of COVID-19 however this figure has declined greatly as a result of restrictions, likely, however, to rebound once the economy opens back up.

Challenges: The exportation of spirits to Indonesia is complicated and threats of a complete ban on the consumption of alcohol remain ever-present. Imported spirits also face an 150% tax with excise on top of this which limits the capacity of the average Indonesian to purchase them.

Opportunities: A hopeful return to pre-Covid tourism figures combined with the re-opening of on-trade establishments act as the key opportunities for imported spirits in the market.

5.6 Olive oil

5.6.1 SWOT analysis

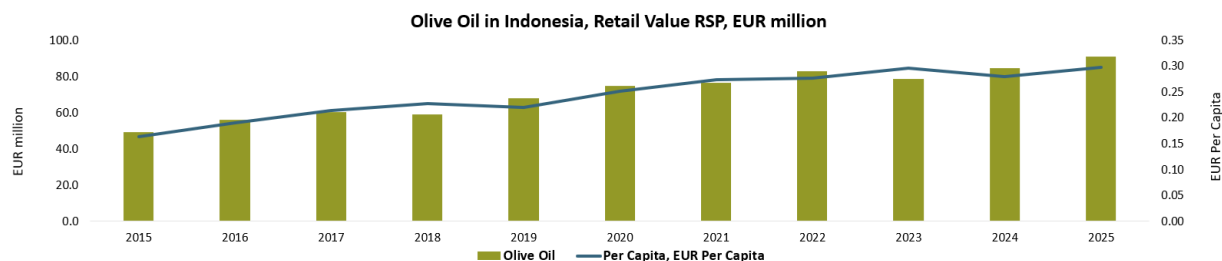
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> Indonesia does not really produce olive oil domestically. The olive oil market has been growing during the last years and is forecast to continue to grow 4% per year between 2020 and 2025. A market dominated by EU exports, which account for more than 80% of the market (mainly Italy and Spain). 	<ul style="list-style-type: none"> Due to the pandemic, Indonesia's economy is suffering, and people have less income available to spend on non-essential products. The olive oil market is a niche and very small for such a highly populated country.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> There is an increased interest in high quality and healthy edible oils, and thus olive oil. This interest even increased at a faster pace during the pandemic. The growing importance of the e-commerce market opens up new opportunities for EU exporters to sell their olive oil. Online promotion through social media channels is trending as it proves to be a good way to reach consumers. 	<ul style="list-style-type: none"> The high local production and consumption of palm oil. Olive oil is just a minor cooking oil market. The other oil category is also gaining popularity fast.

5.6.2 Consumption

5.6.2.1 Evolution of consumption

The consumption of olive oil shows a general upward trend in recent years, growing at a CAGR of 8.8% between 2015 and 2020 where the market size reached close to EUR 75m. The forecasted average growth rate between 2020 and 2025 is 4% per year. The market is forecast to increase to EUR 90m by 2025. Currently, the olive oil market is still pretty small for a highly populated country such as Indonesia, however, the per capita consumption is forecast to reach 0.1kg by 2024 (Figure 5-24).

Figure 5-24: Evolution and forecast of the retail market for olive oil (value, EUR millions) and olive oil consumption per expenditure, in Indonesia; 2015-2025



Source: Euromonitor International: Packaged Food, 2021.

Note: figures for 2020 to 2025 based on forecasts.

5.6.2.2 Consumer profile and purchase criteria

Consumers

Olive oil is much more expensive than palm oil which is locally sourced and produced and thus much cheaper. Consequently, consumers who have to carefully watch their money are less likely to purchase olive oil. The main consumers of olive oil are coming from urban, higher-income households, with more disposable income; in particular in times of the Covid-19 pandemic where the Indonesian economy struggled. Some edible oil consumers often opt for olive oil because they are very health conscious and olive oil is deemed to be one of the healthiest edible oils available, whereas other consumers choose it because they look for high-quality value for money solutions.

Drivers and method of consumption

Consumers are increasingly getting more concerned about their personal health and wellbeing, in particular during the pandemic. Thus, interest in olive oil is increasing. Consumers use olive oil to prepare meals at home for their families or order food cooked with olive oil from restaurants for taking away or deliveries. Indonesians moreover are interested in the western lifestyle, which also drives the consumption of olive oil because it is used frequently in western cuisine. In this context, consumers will use olive oil for cooking and frying as well as a salad dressing.

Purchase criteria

As said, the number one choice of edible oil in Indonesia is palm oil. However, consumers buy olive oil instead, if they are looking for high-quality products. Value for money is an important criterion. Another one is health and wellness. As olive oil is supposed to be healthier than other edible oils people purchase it if they are looking to improve their health and wellbeing. Consumers with higher incomes are more likely to choose bigger packs, such as two litres bottles because they usually will get a higher quantity for a smaller price. Consumers with comparatively lower incomes, who are still willing to pay more for good quality products and their health tend to choose small bottles (e.g. 200ml), which are generally cheaper and use the product more sparingly.⁴²

Olive oil on retailers' shelves in Indonesia

Olive oil typically forms a small part of the broader oil range in supermarkets in Indonesia (see below).

⁴² Indonesia, An Emerging Market in Olive Oil Consumption, available at <https://www.oliveindustrynetwork.com.au/Directory/indonesia-an-emerging-market-in-olive-oil-consumption-article-412.aspx#.YJkq8Dis2w> ; Euromonitor International: Packaged Food, 2021.



Above: olive oil (right of picture) among the extensive range of edible oils

The product is either generally grouped in one column, or if it shares space with other products then it tends to be at the eye / touch level (see below).



Above: olive oil sharing shelf space with other oils – placed at the eye/touch level, with other bulk oils at stop.

While 500ml bottles are commonly available, 250ml bottles can be effective due to their higher level of affordability. Glass is the standard packaging material as it assists with the premium feel of the product. Indeed, the high price of olive oil compared to palm oil makes the communication of its premium status important. Some producers use social media platforms and influences to this end.

In terms of price, a competitive retail price range, per 250ml, is:

- Extra virgin: IDR 50 000 to 75 000 (EUR 3 to 4.50)
- Lower qualities: IDR 35 000 to 60 000 (EUR 2 to 3.50)

The range of different olive oils on sale generally is not extensive.



Above: range of olive oils available in one supermarket

Pictures: © Agra CEAS / Euromonitor International, 2021.

5.6.2.3 Recent market trends

- **E-commerce and social media:** Due to the pandemic that forced people to spend a lot more time at home, the consumers' interest in e-commerce channels increased. A growing number of Indonesian consumers is ordering olive oil online. Ordering online is convenient, and platforms often offer a bigger variety of choices than traditional channels as well as a lot of promotions and discounts. The main platforms on which olive oil is sold are Shopee, Bukalapan and Tokopedia. Any type of discounts and offers are welcome by consumers who have to deal with the economic recession that Indonesia is facing in the light of the pandemic. As a result, the e-commerce sector is forecast to continue to grow at least until 2025. Moreover, to reach as many consumers as possible, olive companies tend to increasingly promote their products on social media and other online platforms because of the growing importance of the internet and mobile phones in consumers lives.
- **Health and Wellness trend:** Products that are deemed to be good for the health, such as olive oil, are trending. This trend is forecast to become even more prominent in the future. Connected to this, olive oil is also being used on the body for skin care purposes by some consumers; and some parents now specifically feed olive oil to their babies and children due to its perceived healthiness.

Despite these positive opportunities, the increase in the popularity of olive oil and its high price is leading to the counterfeiting of the products; with counterfeiters using green dye to colour other, cheaper oils and selling them as olive oils. The low level of knowledge of olive oils in the country in general makes this issue challenging to tackle.

5.6.3 Offer

5.6.3.1 Domestic production

Indonesia is known to be a large producer of palm oil, which is one reason why palm oil is the number one edible oil category volume and value-wise.⁴³ The size and value of the olive oil market ranks second, however, far behind palm oil.⁴⁴

Olive trees cannot be commercially grown in Indonesia. Even though they do not tolerate low temperatures (below -7 °C) for long, they still require a certain amount of cold for the fruit to develop. As Indonesia is a tropical country the temperatures are high throughout the whole year, providing no opportunity for this development period.⁴⁵ Thus, Indonesia has to import olive oil.

⁴³ Top Indonesian palm oil developments in 2020, Available at <https://news.mongabay.com/2020/12/top-indonesia-palm-oil-news-story-2020/>

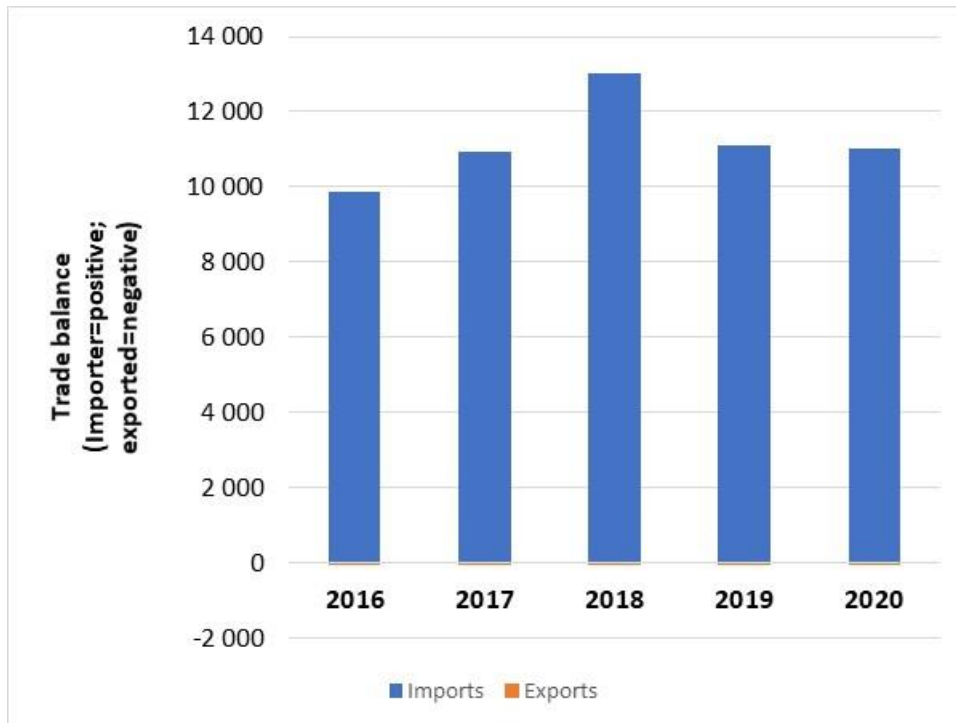
⁴⁴ Euromonitor International: Packaged Food, 2021.

⁴⁵ Growing Olive Trees, Available at <https://wikifarmer.com/growing-olive-trees/>

5.6.3.2 Imports and exports

As can be seen in Figure 5-25, Indonesia is a net importer of olive oil. The country effectively exports no olive. In 2020, Indonesia imported olive oil with an approximate value of EUR 11m. Imports increased by around EUR 3.1m between 2016 and 2018. Imports peaked in 2018 and decreased by EUR 2m since then.

Figure 5-25: Trade balance (imports and exports) of olive oil in Indonesia, 2016-2020; EUR 000

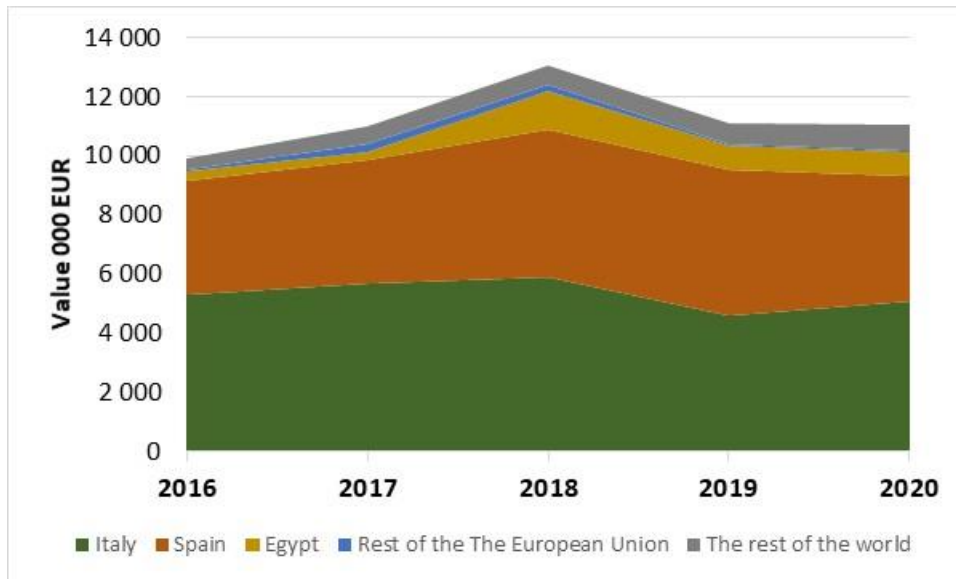


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1509.

The EU accounts for most of the olive oil exports to Indonesia as depicted in Figure 5-26. Italy and Spain are the two main exporters to Indonesia and together account for more than 80% of the total markets value. In 2020, Italy exported olive oil valued at about EUR 5m and Spain for close to EUR 4.2m. Portugal ranked 7th, France 10th and Greece 12th. Egypt, Turkey, and Palestine are the most important non-EU exporters which exported a total value of about EUR 1.55m in 2020.

Figure 5-26: Indonesian imports of olive oil by country, 2016-2020; EUR 000

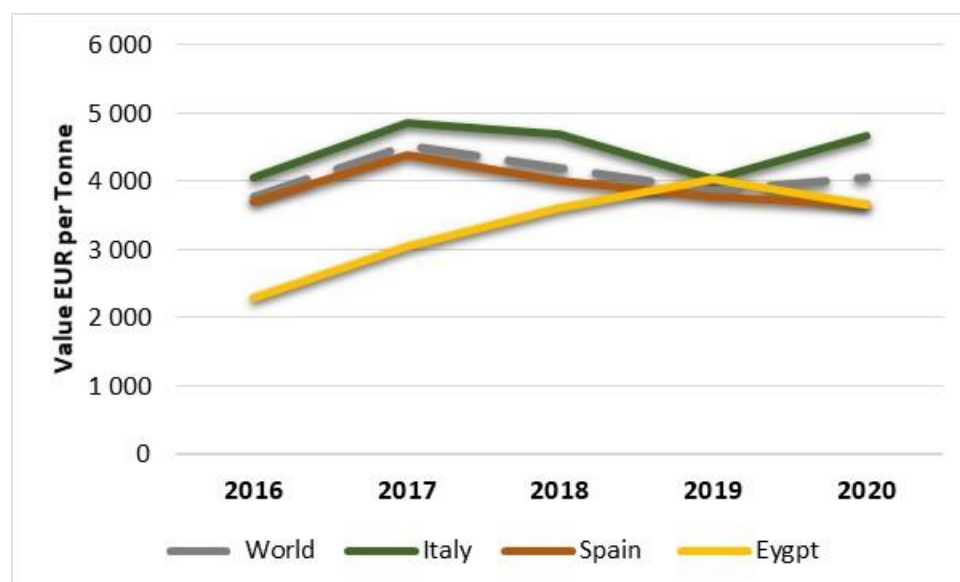


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1509.

In 2020, the world's average unit value per tonne of olive oil exports to Indonesia was around EUR 4 000, which is lower than in 2017 and 2018. The unit value of Italian olive oil is higher than the world's average, at close to EUR 4 700 in 2020 as shown in Figure 5-27. The unit value of Spanish olive oil on the other hand is generally slightly lower than the world's average and was close to EUR 3 700 in 2020. Portugal's unit value is higher than the Spanish and Italian one and was about EUR 4 800 in 2020, whereas the Greek olive oil decreased a lot in the last two years and was about EUR 2 000 in 2020.

Figure 5-27: unit value of Indonesian imports of olive oil by country, 2016-2020; EUR 000 per tonne



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1509.

5.6.3.3 EU GI products

As noted in section 4.2.4, there is legislation for registering GIs in Indonesia. No GIs for olive oil have been identified as having been registered.

5.6.3.4 Main competitors

The competition within the olive oil sector is currently quite small. As said, Italy and Spain are alone accounts for more than 4/5th of the olive oil import market in Indonesia. Besides the Eu, the three main competitors are Egypt, Turkey and Palestine. Due to the EU's big market share, the main olive oil companies exporting to Indonesia are European as well. However, the actual competitors are other edible oils, palm oil in particular, because it is cheap, locally sourced and in general the go-to edible oil for Indonesian consumers. Compared to the palm oil market, olive oil is a very small niche market.

5.6.4 Specific market entry requirements

Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for olive oil notably include: a phytosanitary certificate; the registration of the product; import permit; certificate of analysis; free sale certificate; and certificate of good manufacturing practice.

In terms of tariffs, olive oil faces an ad valorem tariff of 5%.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general olive oil category (1509) from Spain to Indonesia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1509&origin=ES&destination=ID>

Standards, SPS measures

Definitions for oil, including different types of olive oils, are included in section 02.1.2 of BPOM Regulation No. 34/2019. As well as definitions for oil in general, there are definitions for extra virgin olive oil, virgin olive oil, ordinary virgin olive oil and cold pressed oils, among others.

The regulation, in Indonesian, can be found here (there is no English translation at present):

<https://jdih.pom.go.id/download/product/827/34/2019>

Labelling

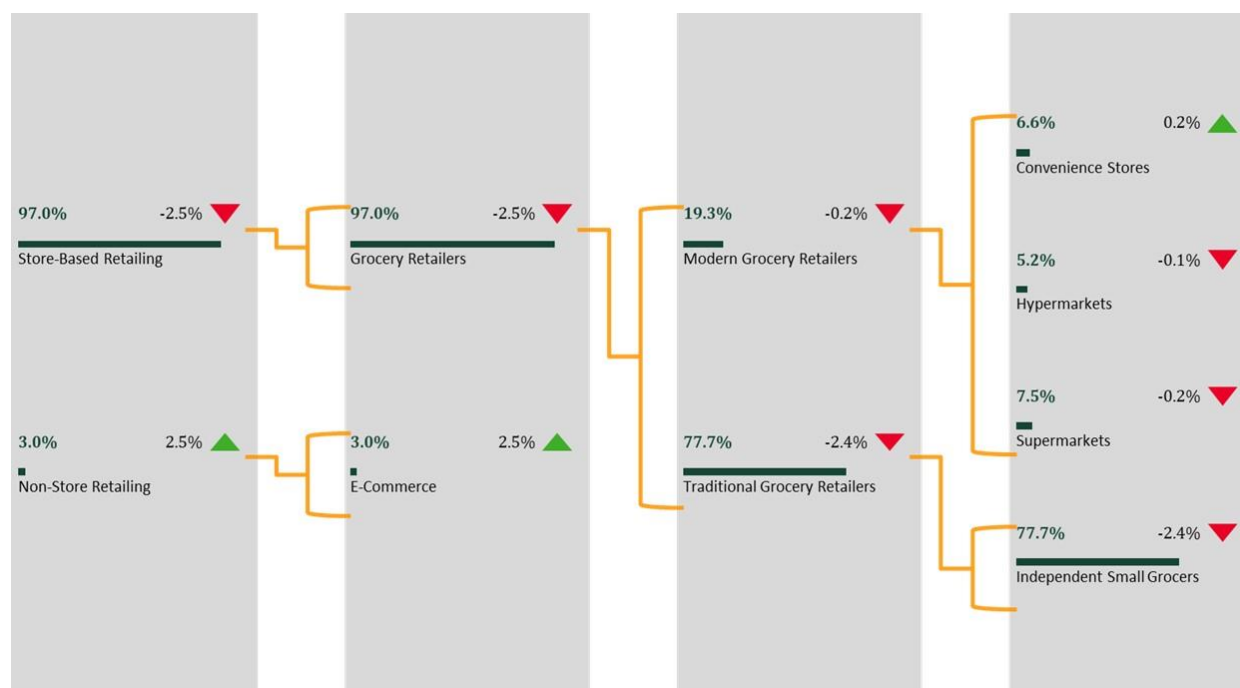
Olive oil must conform to the labelling requirements for packaged foods set out in section 4.2.3.

5.6.5 Distribution

Figure 5-28 shows distribution channels by retail value for edible oils as a whole in Indonesia. Traditional grocery retailers account for close to 4/5th of the total sales of edible oils. Within this category, independent small grocers are the most popular channel and account for about 77.7% of sales. Modern grocery retailers accounted for about 1/5th of retail sales in 2020. Supermarkets and convenience stores are the most popular modern grocery retail channels. In 2017, sales through e-commerce retailing were nearly neglectable, however, since then they increased by 2.5% up to a total of 3%. Nonetheless, it must be remembered that foodservice channels are also important for olive oil distribution.

However olive oil currently accounts for only 4% of the retail value of all edible oils in Indonesia, and has a slightly different distribution profile. Supermarkets/hypermarkets are the key channel for olive oil in particular. Bakeries and pastry shops increasingly offer olive oil, and the e-commerce channel is growing in importance. It should also be noted that the HORECA channel plays an important role in olive oil distribution.

Figure 5-28: Distribution channels overview of edible oils (including olive oil) in Indonesia (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.6.6 Challenges for EU products

The olive oil market in Indonesia is very attractive for EU producers. Even though it currently is a small niche market, it has been growing and it is forecast to continue to grow in the coming years. Most imported olive oil in Indonesia comes from Italy and Spain and thus it might be harder for companies from other EU member states to find their place in the market. However, due to the good image of olive oil from the EU, there should be a place for everyone. Moreover, the disposable income of consumers recently decreased a little bit due to the negative effects of the pandemic on disposable incomes. Thus, some consumers who might have chosen olive oil before might opt for cheaper options now.

Market Takeaway: Olive oil

Consumption: Growing at a good pace, the retail market reached EUR to EUR 75m in 2020, accounting for about 4% of the total edible oil market in value terms and growing faster than other oil products besides the other oils category.

Competition: Indonesia's olive oil production, if any, is negligible. The EU (mainly Spain and Italy), dominate the olive oil market. Indirect competition with other edible oils, in particular palm oil, is high, however, olive oil is gaining popularity.

Distribution: Almost all through supermarkets and some through discounters. E-commerce is in a nascent, but rapidly growing phase.

Challenges: Due to the bad effects of the pandemic on the Indonesian economy, consumers disposable income decreased a bit putting pressure on more price sensitive products such as olive oil.

Opportunities: The e-commerce market is growing and online promotion of products via e.g. social media becomes more important and offer new possibilities for EU exporters. Perception of the product as healthy.

5.7 Chocolate and confectionery

5.7.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Indonesia is a net importer of chocolate confectionery. ▪ The EU accounts for about 10.4% of chocolate exports and around 4.6% of sugar confectionery exports to Indonesia. 	<ul style="list-style-type: none"> ▪ The value of the chocolate imports decreased between 2016 and 2020 by around 25%. ▪ Chocolate with toys, boxed assortments and seasonal chocolate have a lower market size compared to some other categories and are forecast to decrease. ▪ The market size of lollipops and pastilles, chews and gums is relatively small and forecast to decrease between 2020 and 2025.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ The markets for chocolate tablets and countlines are currently by far the biggest and forecast to grow at high rates compared to other categories. ▪ The two biggest sugar confectionery categories mints and boiled sweets showed the highest historic growth rates and are forecast to have comparatively high growth rates between 2020 and 2025 as well. ▪ Healthy products e.g. sugar-reduced or with another additional value as well as affordable products due to bad economic situation caused by the pandemic. 	<ul style="list-style-type: none"> ▪ Other neighbouring and close by countries account for the majority of chocolate and sugar confectionery imports. ▪ The confectionery market is dominated by Mayora Indah, which is a domestic company. ▪ Indonesia is a net exporter of sugar confectionery.

5.7.2 Consumption

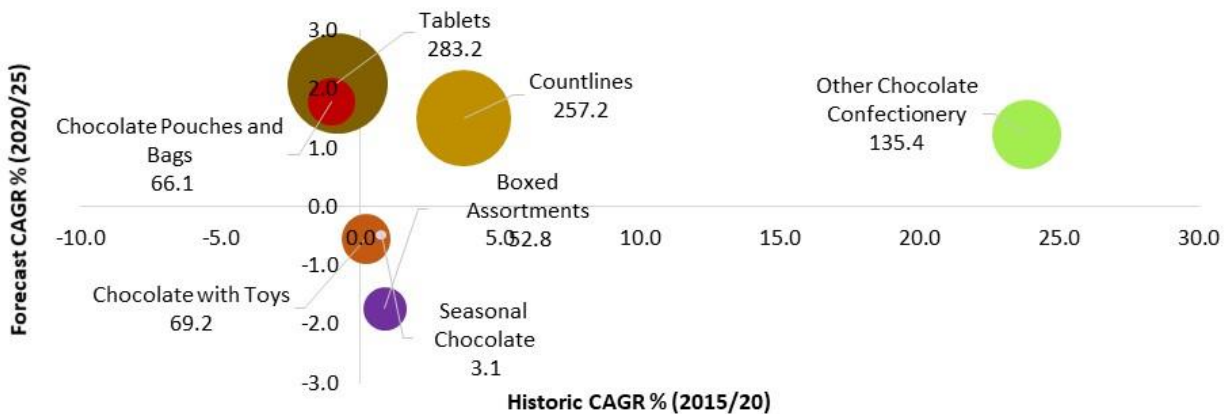
5.7.2.1 Evolution of consumption

In 2020 the total market size of the chocolate confectionery market in Indonesia was about EUR 867m. As shown in Figure 5-29 the biggest market is the one for tablets with a size of about EUR 283m, followed closely by countlines with around EUR 257m. The market sizes for other chocolate confectionery were much lower than the first two at approximately EUR 135m. Chocolate with toys and chocolate pouches and bags had a similar market size in 2020, around EUR 69m for chocolate with toys and about EUR 66m for chocolate pouches and bags. The market size of boxed assortments was lower than the previous at close to EUR 53m, followed by seasonal chocolate which had the smallest market size with about EUR 3m in 2020. Historically, the chocolate market has been growing in the last years.

Between 2015 and 2020 the category other chocolate confectionery showed by far the highest CAGR of close to 24%, followed distantly by countlines far behind with 3.7%. Boxed assortments grew at a historic CAGR of 0.9% between the same years, seasonal chocolate with 0.7% and chocolate with toys at 0.2%. On the other hand, the market for tablets and chocolate pouches and bags has been declining between 2015 and 2020 at similar rates; -0.8% for tablets and -1% for chocolate pouches and bags. However, the forecasted CAGR's look very different from the historic ones. Between 2020 and 2025 the market size of tablets is forecast to grow at the highest CAGR of 2.1% and chocolate pouches and bags at the second-highest at around 1.8%. Countlines are forecast to grow at a rate of 1.5% followed closely by other

chocolate confectionery with 1.2%. The market size of the other three categories is forecast to decrease between 2020 and 2025: seasonal chocolate with a forecast CAGR of -0.5%, chocolate with toys -0.6% and boxed assortments at -1.7%.

Figure 5-29: Evolution and forecast of chocolate confectionery market in Indonesia, 2015-2025; total retail value EUR million



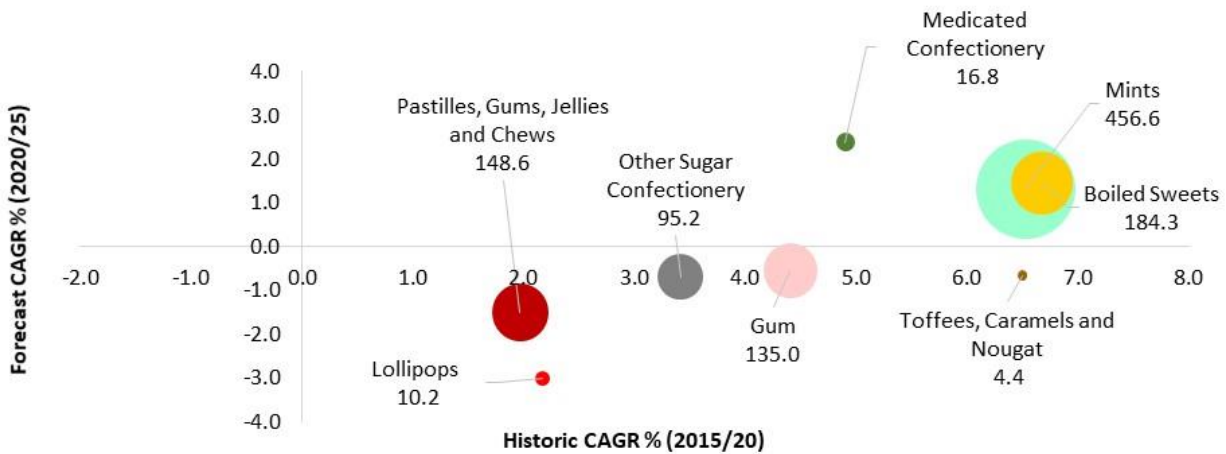
Source: Euromonitor International: Packaged Food, 2021.

In 2020 the total market size of the sugar confectionery market in Indonesia was EUR 1.05bn. As depicted in Figure 5-30 the biggest market by far in 2020 was the one for mints with a value of close to EUR 457m. With a lot of distance, it was followed by boiled sweets with a market size of around EUR 184m, pastilles, gums, jellies and chews with close to EUR 149m, gum with approximately EUR 135m and other sugar confectionery with around EUR 95m. The market size of the remaining four other categories was much smaller in 2020: medicated confectionery with a value close to EUR 17m, followed by lollipops with approximately EUR 10m and toffees, caramels and nougat with about EUR 4.4m.

The historical 2015-2020 growth rates are higher than the forecasted ones for all product types. Between 2015 and 2020 boiled sweets had the highest growth rate at about 6.7% per year, followed closely by mints as well as toffees, caramels and nougat, both with a CAGR of 6.5%. Thus, the two biggest categories mints and boiled sweets also showed the highest growth. Medicated confectionery grew at 4.9% each year, gum at about 4.4%, and other sugar confectionery at approximately 3.4%. The two lowest growth rates had lollipops with about 2.2% and pastilles, gums, jellies and chews with 2%. The forecasted growth rates are all much lower and even expect a decrease of the market size of 5 out of the 8 categories. Between 2020 and 2025 medicated confectionery is forecast to have the highest CAGR at about 2.4%, followed by the two largest categories: boiled sweets with 1.4% and mints with 1.3%. The market for gum is forecast to decrease by -0.6% and the market size of both, other sugar confectionery and toffees

caramels and nougat is forecast to decrease by -0.7% each year. Pastilles, gums jellies and chews are even forecast to decrease by about -1.5% and lollipops have the lowest forecasted CAGR of about -3%.

Figure 5-30: Evolution and forecast of sugar confectionery market in Indonesia, 2015-2025; total retail value, EUR million



Source: Euromonitor International: Packaged Food, 2021.

5.7.2.2 Consumer profile and purchase criteria

Consumers

Over 9 out of 10 Indonesians like chocolate, which is why chocolate consumers generally come from all age and social groups in Indonesia. However, the main consumers are still mainly from the growing middle class and higher-income groups due to the higher price point of chocolate compared to other snacks. Women are more likely to consume chocolate than men; and chocolate consumers most commonly fall in the age range of 16 to 35.

Sugar confectionery consumers also come from all age groups and social groups, however, in particular children like to consume sugar confectionery. Consumers in urban areas are increasingly becoming more health-conscious which is why they mainly consume healthier sugar confectionery options. Rural consumers on the other hand are less likely to be too health conscious and enjoy all kinds of sugar confectionery. However, rural consumers often have less disposable income and thus less money available to purchase sugar confectionery.

Drivers and method of consumption

Snacks are popular in Indonesia. Chocolate for example is one of the top snacks right behind pastry, biscuits and sugar confectionery. Due to the Covid-19 pandemic, people increasingly stay at home caused by restrictions and social limitations, which changed the way Indonesians consume chocolate and sugar confectionery. Impulse or on-the-go consumption decreased and chocolate and sugar confectionery are currently mainly consumed at home. Some outlets are closed which further restricts consumption. However, in particularly hard times like this pandemic, consumers like to treat themselves to make

themselves feel better and chocolate and sugar confectionery are popular options. Thus, the pandemic encourages snacking at home, together with the family or alone.

On the other hand, parents start to pay more attention to their children's sugar intake because they are concerned about their kid's health. Due to the fact that families are mainly spending time together at home parents restrict their children's chocolate and sugar confectionery consumption. Children are not going shopping alone anymore and cannot purchase confectionery. Consumers, in general, are becoming more health-conscious and interested in wellness, which is why sugar confectionery has a hard time. However, healthier options such as mints are popular, in particular in times of the pandemic because they help against coughing. Chocolate, such as boxed assortments, generally is a popular gift for special occasions, however, due to the pandemic, people do not mingle with people and remain in their families for festivities and thus do not gift a lot right now.

Purchase criteria

In hard times like the current Covid-19 pandemic, consumers increasingly pay attention to the price of products. As the disposable incomes of many consumers decreased, they either choose to purchase cheaper chocolate options or no chocolate and all and instead switch to cheaper sweet treats. Yet even sugar confectionery is still too expensive for some consumers in current hard times. Countlines are a popular choice because this category has a lot of different product types that suit the wants and needs of different consumers and thus are normally relatively affordable. Boxed chocolate assortments on the other hand are usually very expensive, which is why they are currently not a popular choice for people with currently limited disposable incomes. Despite this focus on price, there is nonetheless a certain degree of brand loyalty at the lower end of the market.

Higher income groups on the other hand continue to not pay as much attention to the price but more to the quality of products. This is true for chocolate and sugar confectionery. Another purchase criterium is comfort. In hard times consumers who purchase chocolate want to feel good and safe and thus often choose familiar products.

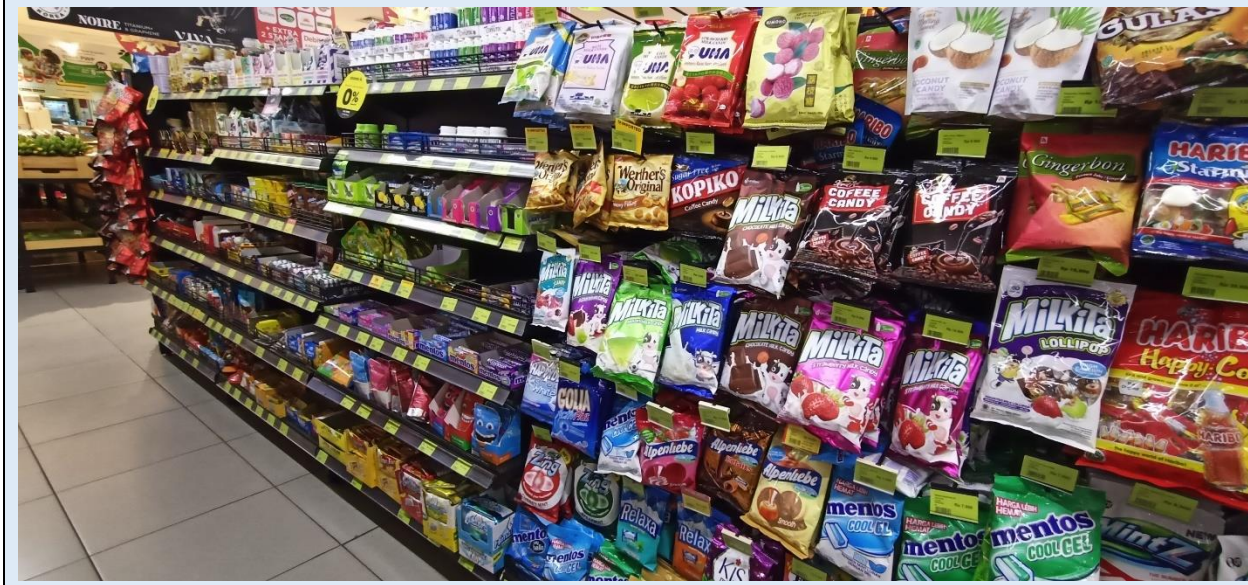
Health-conscious consumers on the other hand are likely to choose chocolate confectionery that is packed separately so portion control is easier. Moreover, chocolate with toys is less popular since parents try to limit their kids' sugar intake. Health-conscious consumers are moreover less likely to purchase regular sugar confectionery but rather sugar confectionery with added value and perceived health benefits such as mints, which can be sugar-free and contain medicated ingredients such as menthol. Thus, in theory, the health trend should limit the amount of unhealthy sugar confectionery such as boiled sweets, lollipops, and pastilles, gums, jellies and chews that are purchased but this is not really the case. This is due to the price consciousness of consumers and some of them prefer to purchase the cheapest options instead of the healthier ones.

The taste of chocolate is the main purchase criterium for this category. When it comes to flavour as a purchase criterium the winner is clear. About 4/5th of consumers prefer filled chocolate over other options. Around 17% of consumers prefer purchasing plain milk chocolate. Plain dark and plain white

chocolate are rather unpopular in Indonesia. Nuts, caramel, coffee and green tea cream are some popular chocolate fillings.⁴⁶

Confectionery on retailers' shelves in Indonesia

Chocolate and confectionery ranges are fairly extensive (see below). Flexible packaging is fairly dominant, though cartons and metal tins are sometimes used for premium products. Packaging tends to take into account Indonesia's hot and humid climate, and hence commonly are designed to preserve freshness. This has specifically led to an increase in popularity of zip/press closures on flexible plastic packs. While large packs are common, smaller packs (i.e. under 50 grams) are gaining in popularity for reasons of consumption control (health) and affordability for the average Indonesian consumer.



⁴⁶ Euromonitor International: Packaged Food, 2021; The Potential of Local Cocoa and Indonesian Chocolate Consumption (2020), Available at: <http://report.licorice.pink/blog/indonesia/the-potential-of-local-cocoa-and-indonesian-chocolate-consumption/>; DEMAND FOR CHOCOLATE PRODUCTS ON THE RISE IN INDONESIA (2019), Available at: <https://www.s-ge.com/en/article/global-opportunities/20191-c7-food-indonesia-chocolate-products>; The Potential of Local Cocoa and Indonesian Chocolate Consumption (2020), Available at: <http://report.licorice.pink/blog/indonesia/the-potential-of-local-cocoa-and-indonesian-chocolate-consumption/>



Chocolate products are frequently arranged by type (see below).



In some cases, luxury products may be placed in more special displays (see below). More premium chocolates targeting mid and upper income consumers typically sell for between IDR 50 000 and 90 000 (EUR 3 and 5.30) for 100 grams. At the very top end of the market, it is possible to find products selling for up to IDR 130 000 (EUR 7.70) per 100 grams. It is not uncommon for discounts or special discount packs to be offered during festivals such as Ramadan, New Years and Valentine's day; and given the higher price of imported products this tactic can help increase volumes. Specially crafted gifting hampers may also be offered around these events, and the reputation of premium imported products makes them suitable for such hampers.



Pictures: © Agra CEAS / Euromonitor International, 2021.

5.7.2.3 Recent market trends

The following market trends for chocolate and sugar confectionery have been identified:

- **Marketing, social media, storytelling:** The presence on social media or other marketing channels is important for sugar and chocolate confectionery companies because they need to make consumers aware of their products. Media and internet penetration are growing a lot these days which makes online marketing even more important. For example, Ceres, the leading chocolate company in Indonesia, is using aggressive marketing. In 2020 it launched a campaign offline as well as on social media to promote a car-free day in Jakarta. The campaign aimed mainly at young

people wanted to make people recognize the different meanings of love and appreciate them and by doing so giving their products (Silver Queen) to people they love.

- **New flavours:** Consumers are attracted by new and innovative flavours or flavour and texture combinations. Since consumers prefer filled chocolate, new fillings and flavours are trending. Ceres for example launched a new flavour variant of its Silver Queen brand containing green tea, cashews and white chocolate. Nestlé introduced a Kit Kat with a milk tea flavour and Snickers Oat with chocolate, caramel, oat and peanuts. Moreover, Indomaret, the main Indonesian convenience store launched its own private label chocolate including Cashew nut chocolate. Within sugar confectionery, some new variants of filled products have been released, such as Mentos Cool Gel, which has a mint gel filling or Mintz Zing with cherry or spearmint filling and a harder outer shell.
- **Smaller pack sizes:** The rising number of health-conscious consumers fuel the trend of smaller pack sizes in particular of chocolate confectionery. Portion control is easier when portions are separately packed. Moreover, smaller packages are easier to carry around and multipacks are easier to share with family and friends.
- **Rising health and wellness awareness:** As mentioned before consumers are increasingly becoming aware of the negative impacts on the health of some food ingredients including sugar. Thus, they aim to switch to supposedly healthier options, which is why standard mints, medicated confectionery or sugar-free confectionery are trending.
- **E-commerce remains a niche:** Even though e-commerce is becoming more important, in particular, due to the pandemic and people staying at home, it is still a niche for chocolate and sugar confectionery. One reason for this is the established consumer habits, who prefer to buy in store. Another one is related to the hot climate in Indonesia which makes it more complicated to properly transport and store chocolate confectionery until it reaches the consumer.⁴⁷ Nonetheless, some companies have launched online stores on the back of the pandemic to try to reach consumers directly.

5.7.3 Offer

5.7.3.1 Domestic production

Cocoa is the fourth most important crop by area planted just behind oil palm, coconut and rubber. About 70% of cocoa is grown in Sulawesi and more than 20% in Sumatra. Approximately 95% of Indonesian cocoa plantations are farmed by smallholder farmers, which together cultivate an area of about 1.7m ha.⁴⁸ During the last quarter-century the cocoa sector in Indonesia has been growing rapidly and the cocoa bean became one of the most important agricultural goods for export. However, in recent years the cocoa production is decreasing because smallholder farmers do not have the financial means needed to optimize production. Moreover, the tree population is aging, and farmers have to deal with diseases, and other issues. Some cocoa farmers also switched to cultivating oil palm or rubber instead because the

⁴⁷ Euromonitor International: Packaged Food, 2021.

⁴⁸ EVALUATION REPORT OF THE COCOA PROGRAM IN INDONESIA, Available at: <https://utz.org/reports/cocoa-program-indonesia-evaluation-report-highlights/#:~:text=Cocoa%20is%20Indonesia%27s%20fourth%20crop,area%20of%201.7%20million%20ha.>

economic perspectives look more promising.⁴⁹ In 2019 Indonesia produced only about 220 000 tonnes of cocoa beans, which made it the sixth biggest producer in the world. The Agricultural Ministry of Indonesia has plans to work against this decline in cocoa production and aims to increase production by 2m tonnes by 2045.⁵⁰

Domestic companies Ceres and Mayora Indah are the market leaders by far and together accounted for about 62% of value in 2020 (Ceres for 36% and Mayora Indah for 26%). They are the only two companies that show a double-digit value share. The remaining chocolate confectionery companies on the market are mainly international ones such as Mondelez, Ferrero and Nestlé.⁵¹

Even though Indonesia is a big buyer of sugar, the country produces sugar by itself as well. In 2019, about 2.3m metric tonnes of sugar cane were harvested in the country.⁵² Since Indonesia needs a lot of sugar, domestic production is increasing.⁵³ Until 2025 Indonesia strives to double its sugar production.⁵⁴

The sugar confectionery market is more fragmented than the one for chocolate, yet three companies had double-digit market value shares in 2020. Like in chocolate, Mayora Indah is leading the market for sugar confectionery as well. In 2020 the company accounted for more than 15% of the market's value, mainly due to its Kopiko brand in boiled sweets and its Kis brand in standard mints. As a local company, it has a large distribution network across Indonesia, including in rural areas. The multinational brand Perfetti Van Melle ranked second with close to 13% of the market value due to its brands Mentos, Alpenliebe, Marbels, Golia Activ Plus, Fruit-tella and Chupa Chups.⁵⁵

5.7.3.2 Imports and exports

Figure 5-31 shows that Indonesia is a net importer of chocolate confectionery. In 2020 chocolate with a value of about EUR 64.6m was imported whereas chocolate with a value of around EUR 38.6m was exported. This means Indonesia imported about 40% more than it exported in the same year. Between 2016 and 2020 the value of imported chocolate slightly fluctuated and compared to 2016 decreased by about EUR 22.4m, which is a decrease of around 25%. The value of the export market, decreased a bit as

⁴⁹ Cocoa, Available at: <https://www.indonesia-investments.com/business/commodities/cocoa/item241>

⁵⁰ 'Unstoppable' demand for chocolate in Indonesia, says candy maker (2019), Available at: <https://www.freemalaysiatoday.com/category/business/2019/11/19/robust-demand-for-chocolate-in-indonesia-candy-makers-report/>

⁵¹ Not Many Know, SilverQueen Chocolate Is An Original Indonesian Product! (2021), Available at: <https://voi.id/en/technology/38820/not-many-know-silverqueen-chocolate-is-an-original-indonesian-product>

⁵² Production of sugar cane in Indonesia from 2012 to 2019, Available at: <https://www.statista.com/statistics/706999/production-of-sugar-cane-in-indonesia/#:~:text=In%202019%2C%20approximately%202.26%20million,rupiah%20to%20the%20Indonesian%20GDP.>

⁵³ Increasing Sugar Production in Indonesia Through Land Suitability Analysis and Sugar Mill Restructuring (2019), DOI:10.3390/land8040061

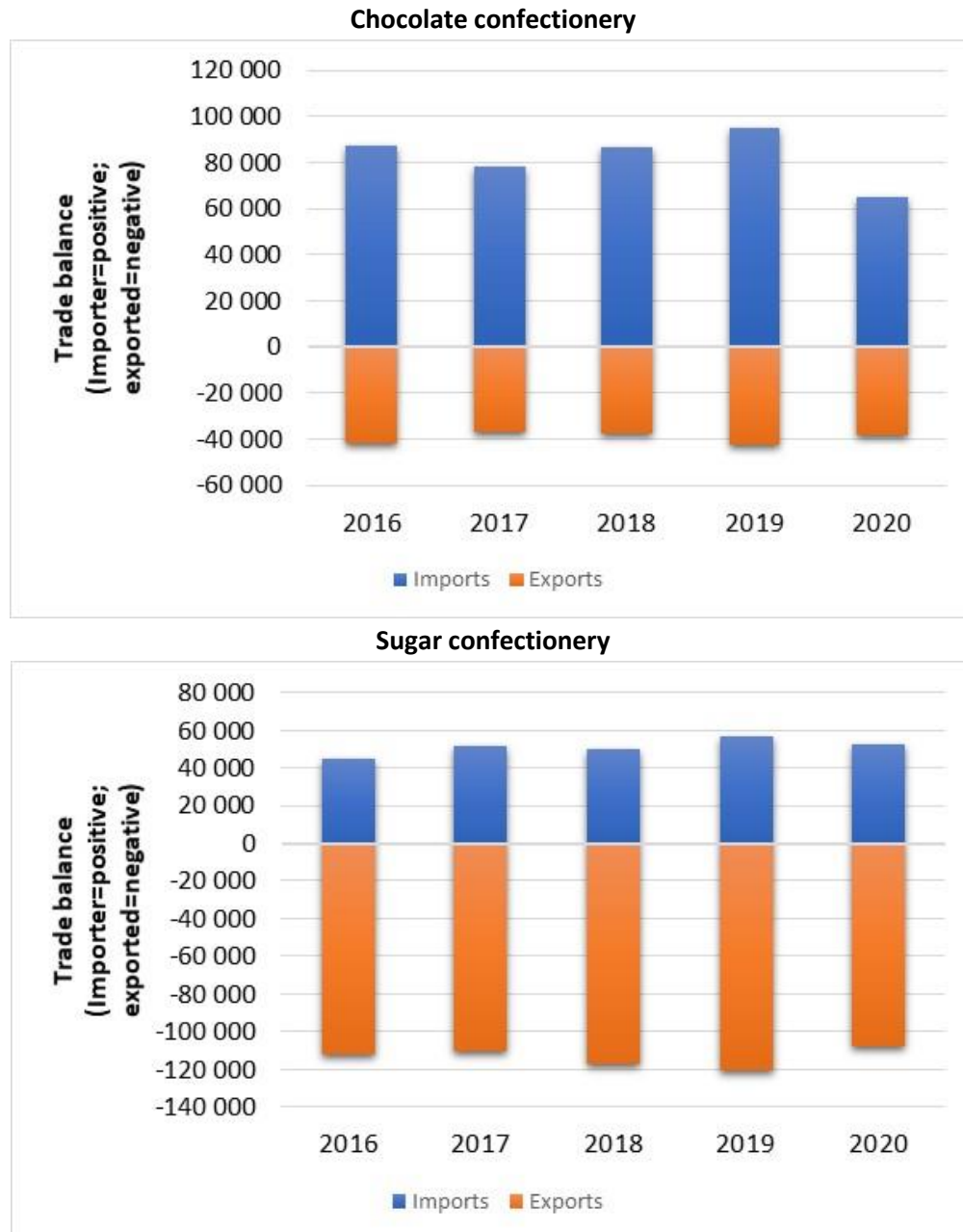
⁵⁴ Indonesia to Cut Imports & Double Sugar Production in 5 Years (2020), Available at: <http://sugar-asia.com/indonesia-to-cut-imports-double-sugar-production-in-5-years/>

⁵⁵ Euromonitor International: Packaged Food, 2021.

well, however, remained more stable. Between 2016 and 2020 it decreased by approximately EUR 3.6m, which is a bit more than 8%.

On the other hand, Indonesia is a net exporter of sugar confectionery. In 2020 it exported a value of EUR 107.7m, whereas it imported EUR 52.4m. This means Indonesia exported approximately 51% more than it imported in 2020. Since 2016 the country's exports of sugar confectionery decreased by about EUR 4.7m, which is a decrease of approximately 4.2%. Yet, the imports increased by around EUR 7.5m over the same time, which is more than 14%.

Figure 5-31: Trade balance (imports and exports) of confectionery in Indonesia, 2016-20; EUR 000



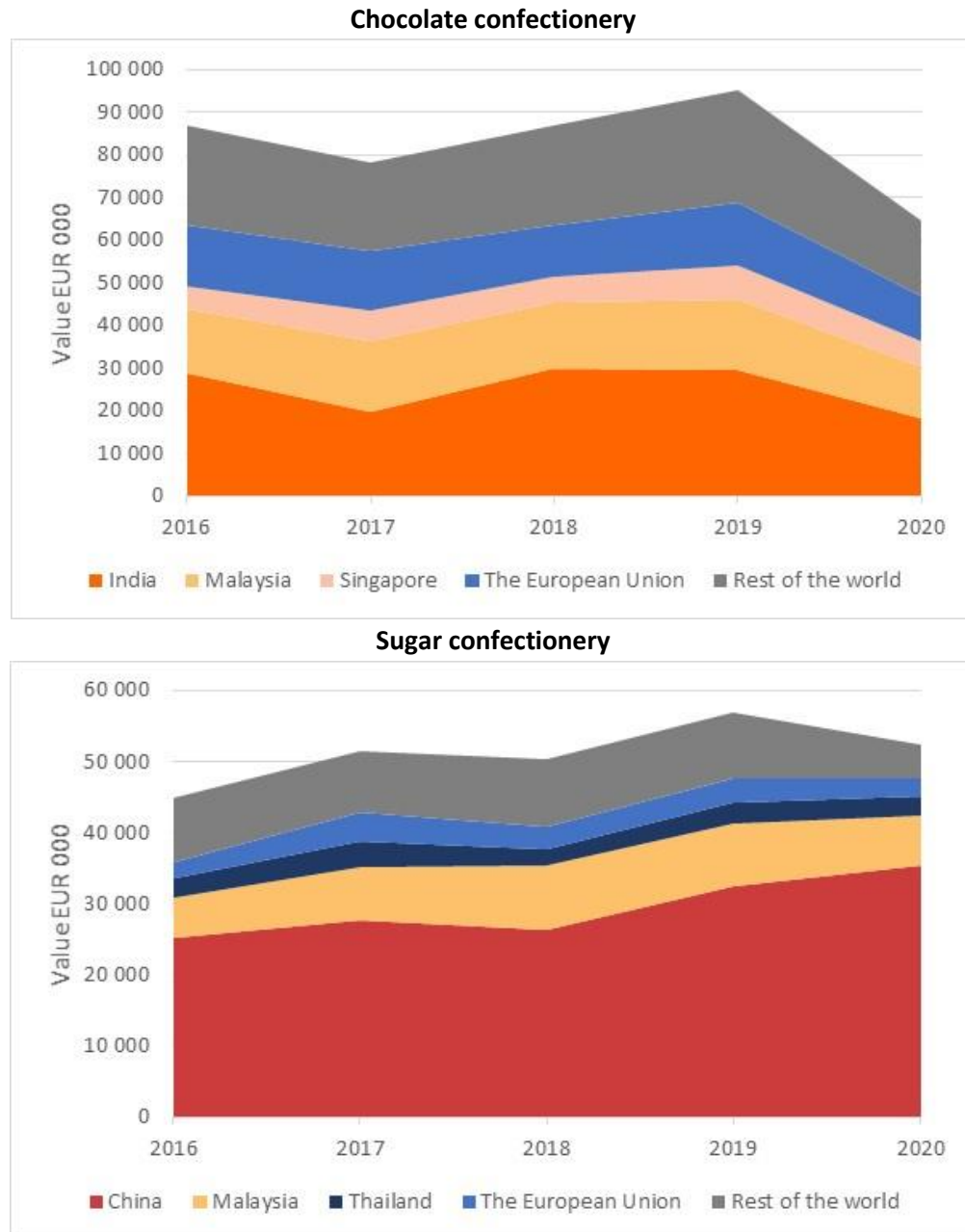
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1806 and 1704.

In 2020 the three main exporters of chocolate confectionery to Indonesia were from Asia. India was the main exporter of chocolate confectionery to Indonesia and exported chocolate worth more than EUR 18.1m as shown in Figure 5-32. Malaysia ranked second with an exported value of approximately EUR 12.1m, followed by Singapore with a bit less than EUR 6m and China with around EUR 5.3m. Out of the first 10 largest exporters in 2020, three were from the EU which together accounted for approximately

12% of total chocolate confectionery exports to Indonesia. The EU as a whole exported a total value of close to EUR 10.4m to Indonesia in 2020.

The main exporter of sugar confectionery to Indonesia in 2020 was China by far, which accounted for close to 68% of the total value of the import market. This means China exported a value of about EUR 35.5m, followed by a big distance by Malaysia with a value of about EUR 7m and Thailand with around EUR 6m. In total, three out of the top 10 exporters of sugar confectionery to Indonesia are from the EU: Belgium, which ranked 5th in 2020, Germany and Hungary. Belgium exported sugar confectionery worth about EUR 1.1m, Germany approximately EUR 0.53m and Hungary EUR 0.36m. The exports of the EU as a whole had a value of about EUR 2.4m, which was around 4.6% of the import market value in 2020.

Figure 5-32: Indonesian imports of confectionery by country, 2016-20; EUR 000

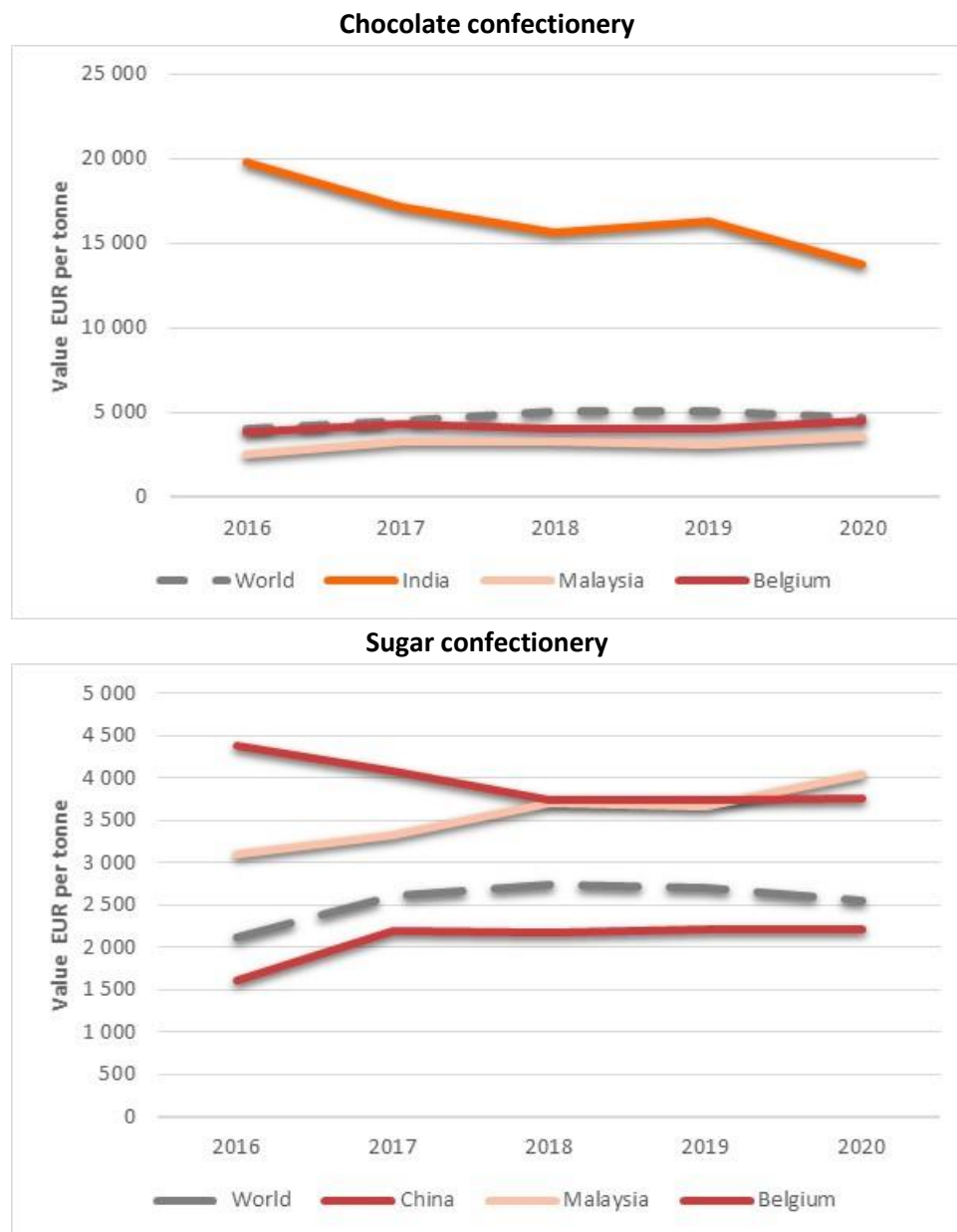


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1806 and 1704.

The world's average unit value of chocolate confectionery exports to Indonesia was about EUR 4 740 per tonne in 2020 as depicted in Figure 5-33. Chocolate exported from India had by far the highest unit value of about EUR 13 800. However, the unit value of chocolate from Malaysia was below the world's average at approximately EUR 3 570 per tonne and so was chocolate from Belgium at about EUR 4 470. In general, the unit values remained quite stable since 2016, only the unit value from Indian chocolate decreased.

The world's unit value for sugar confectionery in 2020 was around EUR 2 540 per tonne. The value of Chinese exports was below the world average at about EUR 2 200 per tonne. The unit value of Malaysian exports on the other hand was much higher than the average at approximately EUR 4 000. Exports from Belgium had a unit value of about EUR 3 750 per tonne in 2020. Since 2016 the unit value of Belgian sugar confectionery exports to Indonesia decreased by EUR 630 per tonne, whereas the unit value of exports from Malaysia increased by EUR 940 per tonne at the same time. The world's average and China's unit value remained quite stable.

Figure 5-33: Per unit value of Indonesian imports of confectionery for selected countries, 2016-20 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1806 and 1704.

5.7.3.3 EU GI products

As noted in section 4.2.4, there is legislation for registering GIs in Indonesia. No GIs for confectionery have been identified as having been registered.

5.7.3.4 Main competitors

The chocolate, as well as the sugar confectionery import market, are by far dominated by other neighbouring Asian countries. India, Malaysia and Singapore dominate chocolate confectionery imports and thus are the biggest competitors for this category. China is by far the biggest competitor in the sugar confectionery import market, yet Malaysia and Thailand are large competitors as well. Ceres and Mayora Indah are market leaders of the Indonesian chocolate market. Both companies produce domestically. In particular, the brands Silver Queen, Choki and Beng-Beng are popular and thus the biggest competitors in the chocolate confectionery category. Mayora Indah with its Kopiko and Kis brand is also leading the sugar confectioner market. Besides this domestic company, many other international companies dominate the sugar confectionery sector in Indonesia and thus are the biggest competitors after Mayora Indah.

5.7.4 Specific market entry requirements

Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for confectionery notably include: the registration of the product; import permit; certificate of analysis; free sale certificate; and certificate of good manufacturing practice.

In terms of tariffs, both chocolate and sugar confectionery face ad valorem tariffs of 15 or 20%.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general sugar confectionery category (1704) from Germany to Indonesia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1704&origin=DE&destination=ID>

Standards, SPS measures

Definitions for confectionery are included in category 05 of BPOM Regulation No. 34/2019. The definitions are extensive and comprehensive. The regulation, in Indonesian, can be found here (there is no English translation at present):

<https://jdih.pom.go.id/download/product/827/34/2019>

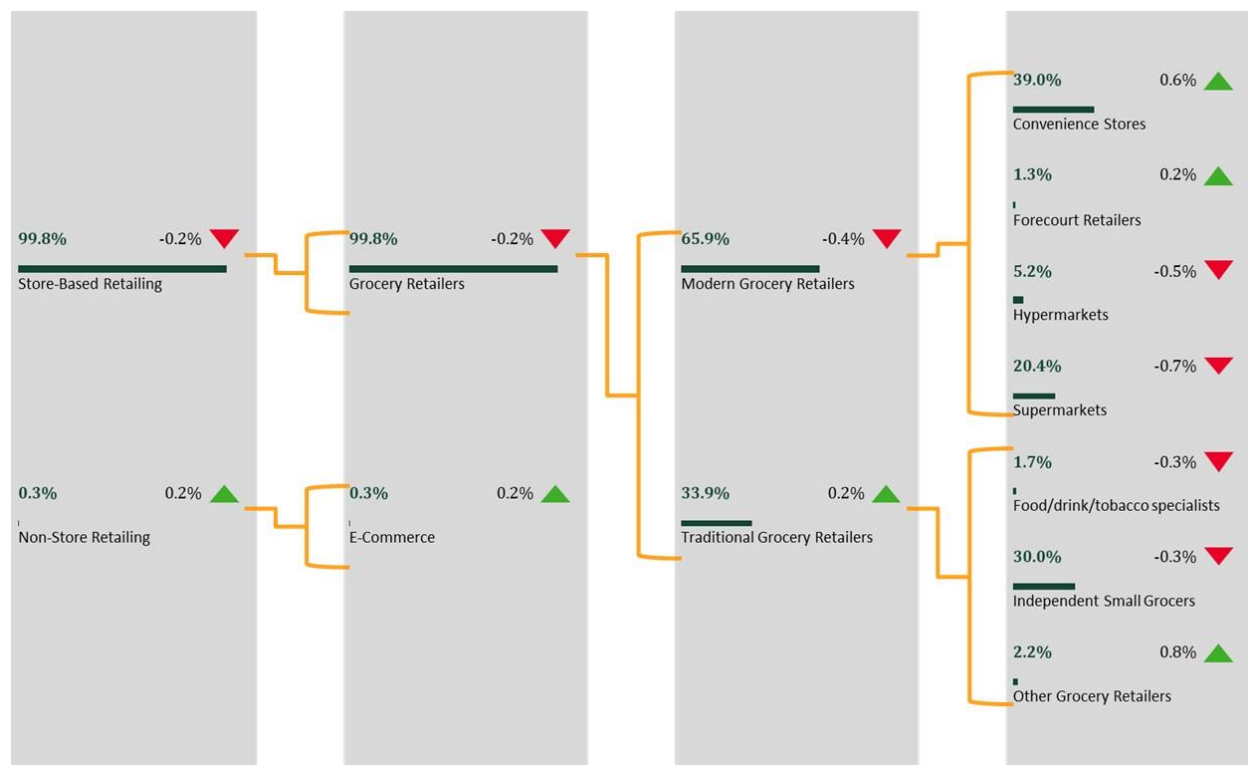
Labelling

Confectionery must conform to the labelling requirements for packaged foods set out in section 4.2.3. It is recommended to pay particular attention to the halal status of confectionery, and notably whether or not it contains pork gelatine, as products will have to conform to the labelling requirements for pork, alcohol content and non-halal set out in section 4.2.3.

5.7.5 Distribution

As shown in Figure 5-34 chocolate confectionery is still mainly exclusively sold through store-based retailing (99.8% of retail value), while the remainder comes from non-store-based internet retailing. Even though its retail value remains very low, the importance of internet retailing is increasing. Modern grocery stores, which accounted for 65.9% of the retail value in 2020 are the main channel, followed by traditional grocery retailers with the remaining 33.9%. The most important modern grocery retailers were convenience stores which accounted for 39% of the retail value in 2020 and supermarkets, which accounted for 20.4%. The popularity of convenience stores is growing. When it comes to traditional grocery retailers, independent small grocers are the most popular and accounted for 30% of the retail value in 2020. The retail value of other grocery retailers is low but it is increasing.

Figure 5-34: Distribution channel overview of chocolate confectionery in Indonesia (2020); retail value

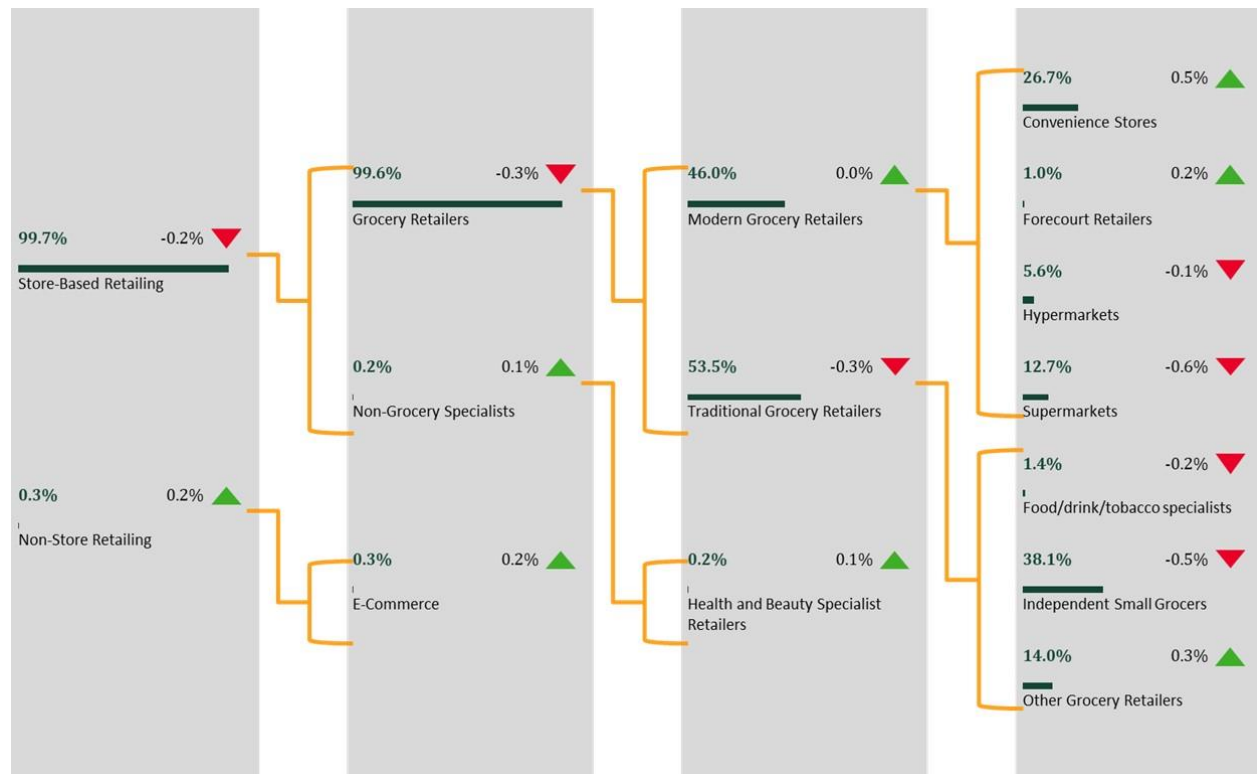


Source: Euromonitor International: Packaged Food, 2021.

Figure 5-35 shows the distribution channel overview of sugar confectionery in Indonesia. As is the case for chocolate confectionery, mainly all channels used are store-based (99.7%) and only about 0.3% of the retail value in 2020 came from non-store-based internet retailing. Even though the rate is very low, e-

commerce increasingly popular. With 53.5% traditional grocery retailers are the most popular channels followed by modern grocery retailers. Independent small grocers were the main channel of traditional grocery retailers and accounted for 38.1% of the retail value in 2020 followed by other grocery retailers with 14%. Convenience stores with 26.7% and supermarkets with 12.7% were the most popular modern grocery retail channels in 2020. The popularity of convenience stores and other grocery retailers is increasing.

Figure 5-35: Distribution channel overview of sugar confectionery in Indonesia (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.7.6 Challenges for EU products

EU producers are facing different challenges when entering the Indonesian sugar and chocolate confectionery market. Due to the current economic situation caused by the pandemic the chocolate and confectionery markets are forecast to grow slower and some categories are even forecast to decrease. Consumers rather spend their money on staple foods or switch to cheaper chocolate or other snack options. In general, Indonesian consumers moreover are getting increasingly health-conscious and thus try to limit their sugar intakes which can have negative effects on both sectors. Consumers in rural areas are less likely to be too health conscious, however, it is more complicated to logistically reach them and their incomes are on balance lower. Moreover, the EU is currently not a major exporter of chocolate and sugar confectionery to Indonesia. The main company dominating both, the chocolate and sugar confectionery market is a big domestic one. Yet, it is possible for EU producers to find a niche for their products.

Market Takeaway: Chocolate and confectionery

Consumption: The market size of the chocolate market was about EUR 867m and the one for sugar confectionery around EUR 1.05bn in 2018. Both markets are forecast to grow at lower rates than historically.

Competition: from a combination of domestic production and other neighbouring countries including China, Malaysia, Singapore, and Thailand.

Distribution: Nearly exclusively through store-based retailers such as convenience stores and independent small grocers. Convenience stores continue to grow in popularity and Internet retailing is currently very low but increasing.

Challenges: To compete with big domestic companies as well as international ones. The move to purchase staple foods rather than confectionery due to the bad economic situation caused by the pandemic. The rising health consciousness of consumers. Distribution to rural areas.

Opportunities: Mints and boiled sweets for sugar confectioner and tablets and countlines for chocolate. Healthy products e.g. sugar-reduced and medicated, as well as affordable products.

5.8 Beer

5.8.1 SWOT analysis

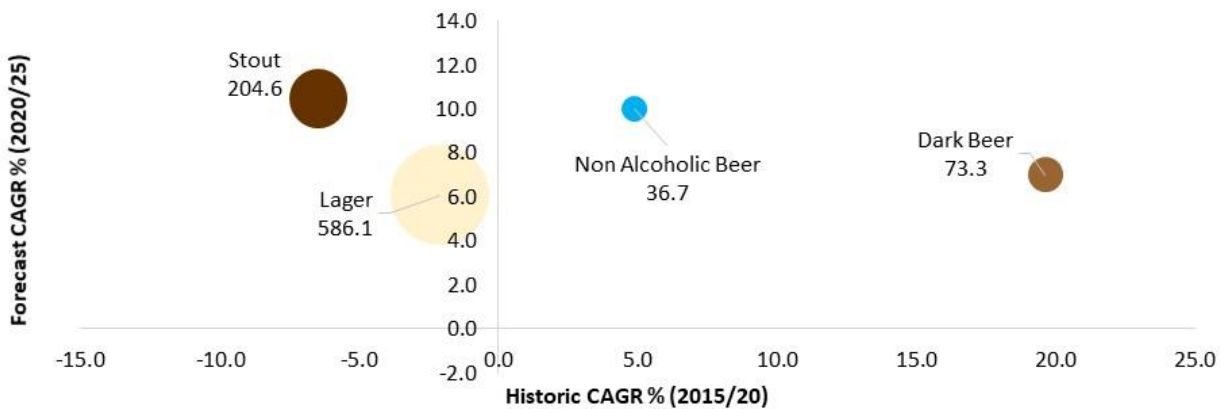
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Beer consumption amongst the country's Chinese population is generally accepted. ▪ Despite restrictions, the presence of on-trade bars and restaurants that cater to imported beers such as Irish and Spanish bars remain in some urban centres and touristic destinations. 	<ul style="list-style-type: none"> ▪ Beer consumption has never been common within Indonesia. ▪ Indonesia is the world's largest Islamic population and most of this segment of the population will abstain from beer consumption on religious grounds
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ The rebound in tourist numbers to the countries could see a new rise in demand for imported beers. ▪ Non-alcoholic beers have yet to become a significant product in the market and may grow in popularity as the sale of beer with alcohol continues to be discouraged. 	<ul style="list-style-type: none"> ▪ The threat of an outright ban on the consumption of alcohol in the country comes up for debate every couple of years. ▪ Restrictions already in place such as the ban of beer sales from convenience stores and the taxation on imported beers show that the Indonesian government is more than capable to impose further restrictions if it desires to.

5.8.2 Consumption

5.8.2.1 Evolution of consumption

As observed below in Figure 5-36 lager is by far the biggest valued beer in the Indonesian market with a value of EUR 586m, while the market has shrunk in size in recent years due mainly to the 2020 pandemic, it is forecast to grow at 6% per year between 2021 and 2025. Stout is also a popular beer consumed in Indonesia with a value of EUR 205m and forecast growth above 10% per year going forwards. Dark beer has been the fastest-growing beer in value in Indonesia in recent years experiences a large CAGR of 20% between 2015-20 which has resulted in the market for dark beer growing to a value of EUR 73m. Non-alcoholic beer is a small market with a value of EUR 37m and is expected to grow by just under 10% per year until 2025.

Figure 5-36 the beer market in Indonesia (value, EUR million); 2015-2025



Source: Euromonitor International: Alcoholic Drinks, 2021.

5.8.2.2 Consumer profile and purchase criteria

Consumers

The consumption of beer is small in Indonesia when considering that it is the fourth most populated country in the world. Several factors help to explain this. Firstly, the country is a majority Islamic nation which results in demand from the countries roughly 86% Islamic population being small, the sale of alcohol faces several oppositions from with the nations Islamic political parties and is generally not encouraged among a large segment of the population. Due to these factors, the sale of beer outside of Jakarta, Bali, and other major urban or tourist centres is generally not common. The sale of beer from convenience stores has been banned since 2015 which further limits the accessibility of the product to a large number of Indonesian consumers. Of those who do drink beer, it is largely within tourist arriving in destinations such as Bali or Jakarta, the countries Chinese population which generally faces less religious-oriented restrictions on the consumption of beer, and consumers of non-alcoholic varieties of beer.

Beer consumption amongst the country's Chinese population is generally small with notable beers such as Bintang beer being popular. It is important to note that due to excessive taxes on imported beers arriving in Indonesia that many consumers who are also cost-conscious or of a lower-income class will be unable to afford imported varieties and will instead choose the few local beers produced in the country.

The island of Bali is one of the most common regions where the consumption of beer is more acceptable due to the influx of tourism and the island being a majority Hindu region which places fewer restrictions on the consumption of alcohol. On the island, it is more common to find imported beers as a tourist will generally have the means to afford them despite the high taxes imposed. On-trade establishments such as Irish bars make access to imported beers easier for tourists in this region, particularly when compared to the rest of the country.

Currently, there is a debate within Indonesia to ban the sale of all alcohol across the country with numerous proposals being placed by the countries religious parties though this ban has not yet come to pass.

Drivers and method of consumption

Beer consumption has never been a common feature of Indonesian culture with the country having lower rates of consumption than its neighbours such as Malaysia and Brunei, this results in a large driver of beer consumption coming from the tourist that visits the countries many touristic spots. Urban centres such as Jakarta and Medan do have a number of on-trade establishments that will sell beer to consumers such as restaurants and bars. However many Indonesians will prefer to visit coffee shops.

In 2019 it was estimated that 16.1 million tourists arrived in Indonesia and brought with them a more accepted mindset around the consumption of beer. The impact of COVID-19 and subsequent restrictions in the travel have caused a slow in consumption and highlight the importance of tourists as a driver in beer consumption in Indonesia.

As Indonesians have traditionally not consumed beer it can be difficult to pinpoint a specific method of consumption that consumers will prefer. The country's Chinese population is focused mainly on the islands of North Sumatra and Java which experience a tropical climate year-round which will increase demand for cooler beers amongst this small domestic segment of beer consumers. Tourist will likely consume beer in the same method as they are accustomed to in their home countries with demand also for colder beer being high on account of the generally high temperatures experienced in Indonesia.

Purchase criteria

Imported beer is expensive in Indonesia, and this is not by accident. The government has been under pressure to limit the consumption of beer in general across the country even if total consumption is still small. One of the methods used to do this has been tariffs and excise; these limit the buying capacity for many Indonesians for imported beer products. Imported beers as a result are largely consumed by tourists. The non-alcoholic beer had been growing in popularity in Indonesia with brands such as Bintang zero and Guinness zero popping up in the market in recent years, however, general consumption of these products is small and many of the small numbers of consumers of beer will continue to prefer an alcoholic alternative.⁵⁶

Beer on retailers' shelves in Indonesia

Beer with an alcohol content under 5% counts as class A alcoholic drinks. Subsequently they can be sold at the same outlets that sell wine and spirits; plus at retail stores such as supermarkets and minimarkets that have government granted permission.

⁵⁶ Euromonitor International: Alcoholic Drinks, 2021; <http://www.thejakartapost.com/life/2018/02/05/asia-on-top-indonesia-lowest-in-beer-consumption.html>; <https://www.whiteboardjournal.com/living/culinary/growing-the-indonesian-craft-beer-scene-with-beervanas-aaron-grieser/>

In line with the findings of sections 5.8.2 and 5.8.3, available beer is dominated by local brands (see below), with even multinationals brewing some international brands locally. Pricing for locally produced beers is generally:

- 300/320ml cans and bottles: IDR 20 000 to 35 000 (EUR 1.2 to 2.10)
- 500ml can: IDR 22 000 to 45 000 (EUR 1.30 to 2.70)

The limited imported products available are normally priced more highly, e.g. IDR 40 000 to 50 000 (EUR 2.40 to 3) for a 330ml bottle, though prices do go up to IDR 80 000 (EUR 4.80) in a few cases.

In terms of packaging, while glass is historically dominant, metal cans are increasingly popular. It should be noted that companies operating locally have chosen to reduce their pack sizes (most commonly from 330ml to 320ml) to offset tax increases (the price of the product has remained the same but the volume reduced). Consumers are increasingly purchasing multi packs e.g. six packs.



Pictures: © Agra CEAS / Euromonitor International, 2021.

5.8.2.3 Recent market trends

Despite being an officially secular state, the government has been under pressure to limit the sale and distribution of alcohol with the country with such examples including the banning of beer sales from convenience stores and the high tax rate for imported beers. Talk of a complete ban on the sale of beer in Indonesia has been discussed numerous times in the past however this has yet to be enforced and remains an ongoing debate in the country. It is important to note that beer has never had a large presence in the country and the sector itself is small leading to opposition to anti-beer legislation being small and mainly reserved to those with a vested interest in the tourist industry rather than a domestic consumer who drinks little to no beer annually. All beer product markets are expected to decline in Indonesia in the forecasted years up until 2025 due to rising anti-beer legislation and campaigns and the decline in the number of tourists arriving in Indonesia due to COVID-19 and the implementation of travel restrictions. Due to a lack of popularity amongst domestic consumers, it is likely that the beer market will need to rely on tourism reaching pre-Covid levels again to return to more sustainable positive growth.

5.8.3 Offer

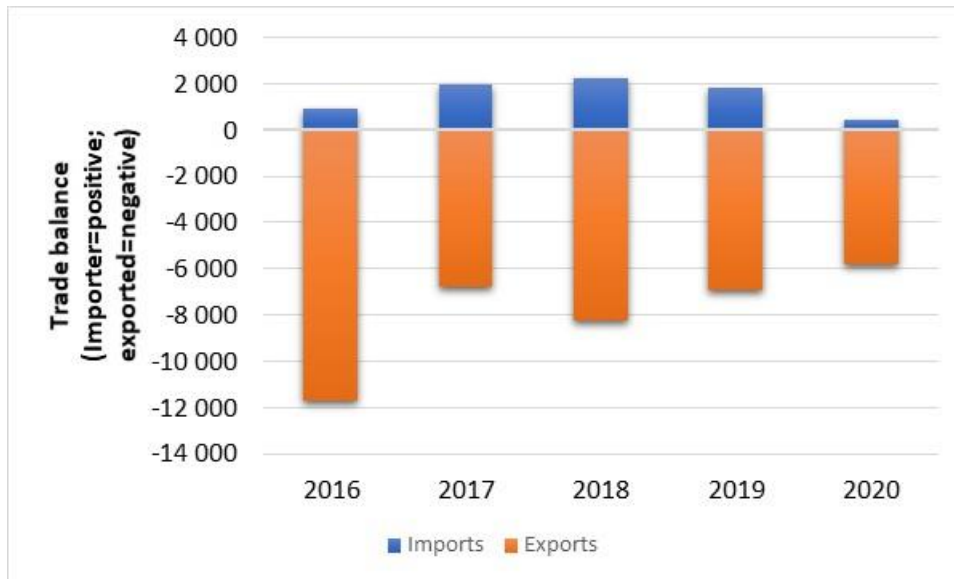
5.8.3.1 Domestic production

Indonesia is a small producer of beer as a consequence of low domestic demand for the product. The largest produced beer in the country is Bintang beer, a part of the wider Multi Bintang Indonesia company that dominates the domestic beer market in the country. Beverindo Indah Abadi has emerged in recent years as a new and significant beer producer in the country due to a combination of effective marketing campaigns within the limits of a ban in the advertising of beer on certain Indonesian social media platforms. Despite this, the market remains largely consolidated between Multi Bintang Indonesia and Delta Djakarta PKT who together have a market share of over 75%. Delta Djakarta PKT's more popular beer is Anker beer which is largely consumed within Jakarta and other large urban centres within the island of Java.

5.8.3.2 Imports and exports

As shown below in Figure 5-37 it can be observed that Indonesia has a trade surplus in beer. However total exports are small and imports of beer are very difficult due to a combination of legislative restrictions and taxation policies which makes the market largely unfavourable for many exporters. Total imports fell to just EUR 397 000 in 2020, largely as a result of a fall in demand due to tourist arrivals plummeting and increased hesitation as a result of political messages coming out of the government regarding the sale of alcohol.

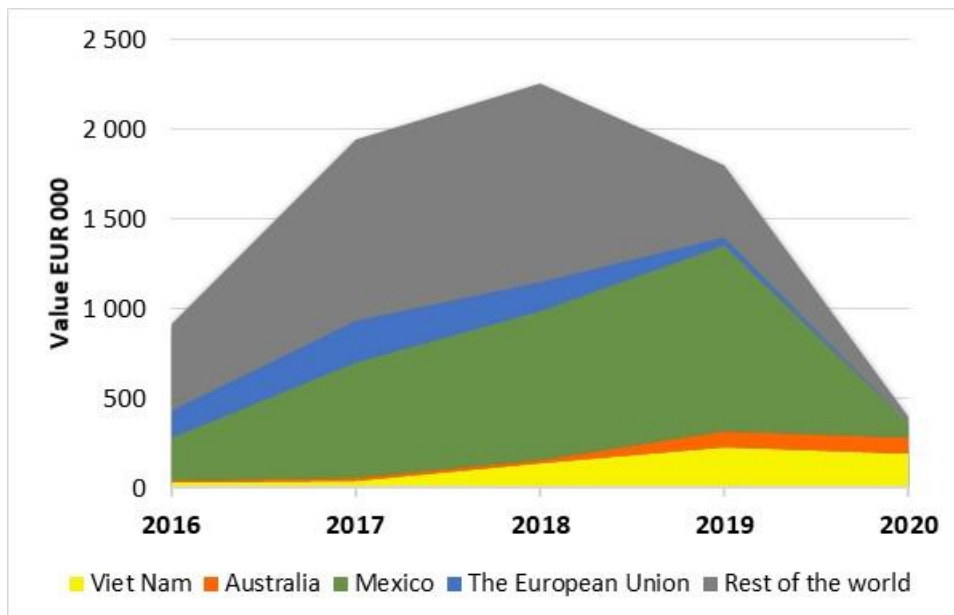
Figure 5-37: Trade balance (imports and exports) of beer in Indonesia, 2016-20; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2203.

Figure 5-38 further shows that Vietnam was the largest exporter of beer into Indonesia in 2020 with a total value of EUR 189 000 however in recent years Mexico had been the largest beer exporter to Indonesian before a sharp decline in 2020 saw it become the third-largest exporter due to demand for Mexican beer mainly coming from tourism. Belgium and the Netherlands are the largest beer exported from the EU to Indonesia however exports from both are extremely small.

Figure 5-38: Indonesian imports of beer by country, 2016-20; EUR 000

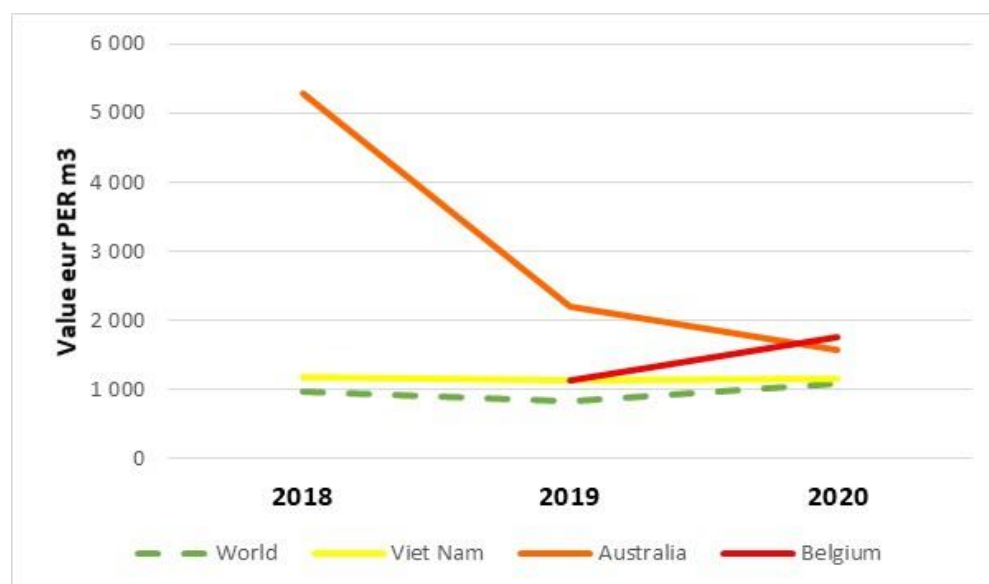


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2203.

Figure 5-39 goes further to explain the unit value of Indonesian beer imports with Australian beer having the highest overall per unit value in recent years however this has declined to roughly the same price as Belgium with EUR 1600 per m³.

Figure 5-39: Per unit value of Indonesian imports of beer for selected EU countries, 2016-20 (EUR per m³)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2203.

5.8.3.3 EU GI products

As noted in section 4.2.4, there is legislation for registering GIs in Indonesia. No GIs for beer have been identified as having been registered.

5.8.3.4 Main competitors

The main competitors in this market come from domestic producers who can leverage their lower costs in comparison to imported beers in the market. Domestic producers also face easier market access in comparison to imported beers which may be viewed to have too much regulation involved to make it worthwhile for distributors to consider purchasing them. Vietnam, Mexico, and Australia are the main foreign competitors however total exports from these countries are small as a combination of several factors that also present barriers to trade for EU exporters such as taxation and regulatory restrictions.

5.8.4 Specific market entry requirements

Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category

in Table 4-2. Requirements for beer notably include: the registration of the product; import permit; certificate of analysis; free sale certificate; and certificate of good manufacturing practice.

In terms of tariffs, beer faces quantity tariffs of IDR 14 000 per litre. There is a substantial excise duty on top of this (see section 4.2.2).

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general beer category (2203) from Belgium to Indonesia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2203&origin=BE &destination=ID>

Standards, SPS measures

As noted in section 4.3.4, there have been import restrictions on alcoholic beverages from the EU to Indonesia at present, which equated to a de facto ban, though indications are that the situation is easing at the time of writing.

As noted in section 4.2.2, alcoholic beverages are classified based on percentage alcohol by volume; with beer most likely to fall in to either the under 5% category or the 5 to 20% category.

It should be noted that there are periodic discussions on banning the sale and/or consumption of alcoholic beverages in Indonesia. Discussions regarding this most recently occurred at the end of 2020. The situation should be monitored.

Labelling

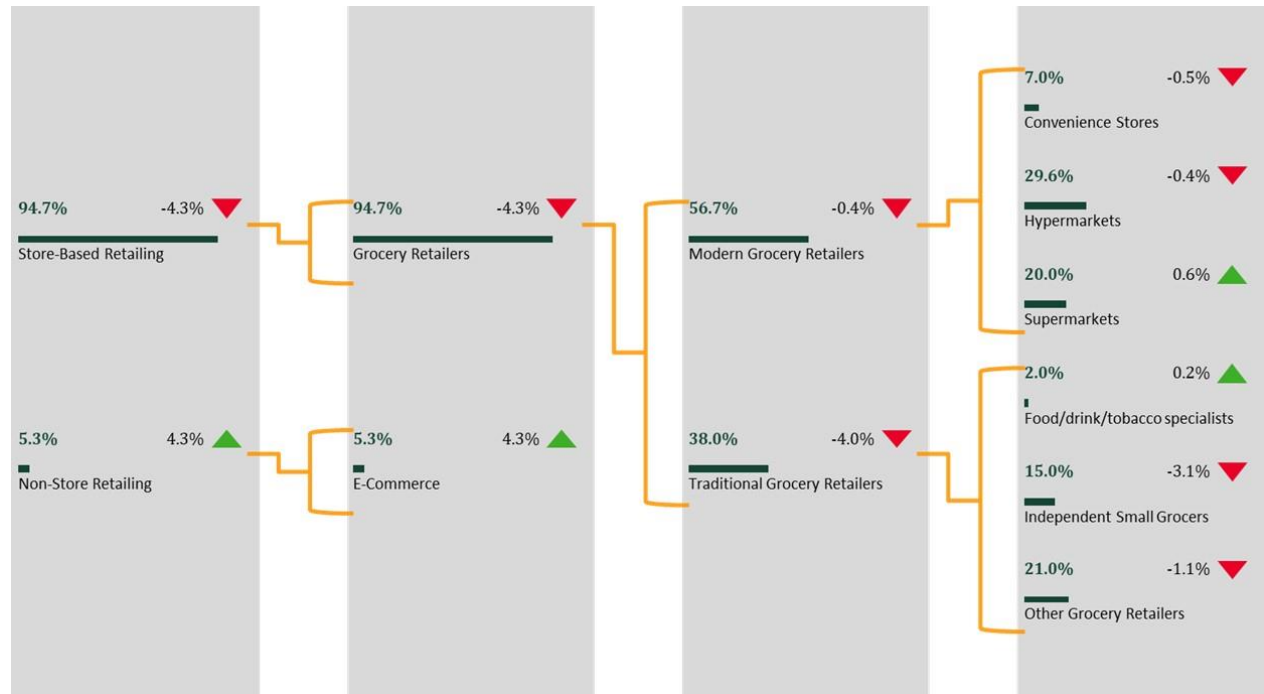
As noted in section 4.2.3, as is the case for other alcoholic beverages, beer labels must bear the following:

- “MINUMAN BERALKOHOL” (alcoholic beverage) and the type of the alcoholic beverage.
- DIBAWAH UMUR 21 TAHUN ATAU WANITA HAMIL DILARANG MINUM (prohibited for people under 21 years and pregnant women)
- “mengandung alkohol ±...% (v/v) (Contains alcohol + ... % v/v)

5.8.5 Distribution

As shown in Figure 5-40 store-based retailing is the main distribution channel for beer in Indonesia. Modern grocery retailers have grown to become the major point of sale for beer due to restrictions in place since 2015 on the sale of beer from traditional outlets such as convenience stores and independent small grocers, this further explains why these two channels are experiencing declines. On-trade sales accounted for 49% of all beer sales in Indonesia in 2019 however this has declined sharply in 2020 due to a combination of lockdown restrictions and the decline in tourism which was one of the main consumers of on-trade beer in the country.

Figure 5-40: Distribution channel overview of beer in Indonesia (2020); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2021.

5.8.6 Challenges for EU products

An increasingly hostile environment for the sales of beer in Indonesia due to a combination of political pressure and a rising anti-alcohol consumption sentiment in the country has resulted in imported beer facing a difficult market in Indonesia. Taxation of imported beer combined with the product not being traditionally consumed in Indonesia makes it difficult for imported beer to attract the casual consumer to purchase them. The majority Islamic population also is a large challenge as most of this population will abstain from beer consumption on religious grounds which leaves a very small domestic market made up mainly of the country’s Chinese population plus transient tourists that will actively consumer beer.

Market Takeaway: Beer

Consumption: Consumption of beer in Indonesia is small and historically has never been common, this is due to the country's large Islamic population, the largest in the world, which will typically abstain from the consumption of beer.

Competition: Domestic beers are the main competition as they have a pricing advantage over imported beers in the country, competition from abroad is largely from Australia, Mexico and Vietnam however imports from these countries are also small.

Distribution: Due to stringent distribution laws which ban the sale of beer from small convenience stores, a large number of beer sales come from hypermarkets and supermarkets which have shifted to become the most accessible channel of beer distribution.

Challenges: There is a lingering threat of a complete ban on the sale of alcohol in Indonesia which threatens the sector entirely in the country, combined with imported beer facing several policies and taxation restrictions present the biggest challenges in the market.

Opportunities: The rebound of tourism to the country once the impact of COVID-19 has settled should result in demand for imported beer rising again, however, this timeline is unclear at present.

5.9 Processed meat

5.9.1 SWOT analysis

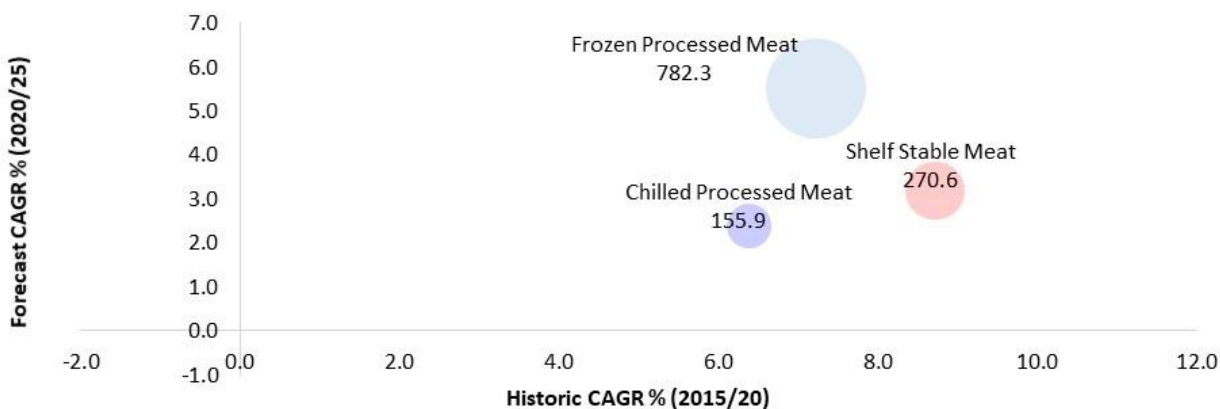
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Processed meats such as sausages and chicken nuggets popular in Indonesia and commonly produced in the EU. ▪ Consumers increasingly have the capacity to store frozen process meats in their homes 	<ul style="list-style-type: none"> ▪ Fresh meat consumption still largely preferred amongst consumers. ▪ The exportation of meat to Indonesia is a generally long and complicated process. ▪ The market is highly focused on halal beef and poultry products.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ An urbanising population with an increasing demand for convenience foods. 	<ul style="list-style-type: none"> ▪ Domestic producers, which are well in tune with the local market, dominate the space. They have been innovating in the production of processed meats commonly produced in the EU such as sausages. ▪ Health fears continue to push consumers towards fresher alternatives.

5.9.2 Consumption

5.9.2.1 Evolution of consumption

Figure 5-41 below shows that frozen processed meat is the most popular processed meat category in Indonesia with a total value of EUR 742m. This category has been growing quickly in Indonesia with a CAGR of 7.2% and this growth is expected to continue going forwards albeit at a slightly lower CAGR of 5.5% between 2021 and 2025. Shelf-stable meat is the second-largest processed meat category and has been the fastest growing with a CAGR of 8.7% in recent years, this has resulted in the retail value of shelf-stable meats coming to EUR 270m. Between 2021 and 2025, shelf-stable meat is expected to have a CAGR of 3.2%. Chilled processed meats have a retail value of EUR 155m and are the smallest within the three mentioned categories, the product is expected to grow by a CAGR of 2.4% between 2021 and 2025.

Figure 5-41: Evolution and forecast of the processed meat market in Indonesia, 2015-2025; retail value EUR million



Source: Euromonitor International: Packaged Food, 2021.

5.9.2.2 Consumer profile and purchase criteria

Consumers

Consumption of processed meats in Indonesia has been a growing trend amongst consumers in the country. This has been aided by the increased availability of storage appliances for them such as refrigerators in the average Indonesian household; the rise in demand for convenience foods; and the impact of COVID-19 which resulted in a rise in demand for processed meats from consumers seeking to stockpile goods for a prolonged period. Consumers of processed meats are more likely to live in urban areas with a lower capacity to produce fresher alternatives combined with the incomes in urban areas being higher increasing the capacity for consumers to purchase the appliances to store frozen processed meats. Amongst the more common processed meats consumed in Indonesia are processed beef, *basko* (an Indonesian variant of the meatball), sausages, and chicken nuggets with the latter growing very popular in Indonesia recently. It is important to remember that, as a majority Muslim country, processed meat consumption is focused on meats other than pork with halal certification.⁵⁷

Drivers and method of consumption

A key driver in the consumption of processed meats in Indonesia has been the convenience attached to the preparation and consumption of the product. This is a further result of an increasingly urbanising population living ever busier lives. Curiosity around products such as chicken fingers and nuggets has also been a driver in the consumption of these products in particular and these products are now commonly consumed in the country which was not the case several years ago. The need to stockpile goods during the outbreak of the COVID-19 pandemic increased the sales of processed meats in the country as they can be stored longer than fresher alternatives and this trait appealed to consumers. Fast food has been growing in Indonesia and a number of fast food chains have established a presence in Indonesia,

⁵⁷ Indonesia beef consumption and preference trends, EY Sweeney, available at <https://www.redmeatcattlepartnership.org/files/Neqx4-26925-beef-consumption-consolidated-report-final-english.pdf>

particularly in the country's urban areas which acts as a new driver of consumption for processed meats. Some of the more popular chains include California fried chicken, Hok Ben, and Geprek Benu with foreign chains like McDonald's also having a presence in the country.

Charcuterie products like Jamon, Prosciutto, Chorizo and dried/smoked hams remain a niche. They are mainly distributed to HORECA channels and certain supermarkets located in expatriate areas; or in tourist friendly areas such as Bali.

Purchase criteria

As the outbreak of COVID-19 continues to impact many sectors of the Indonesian economy, consumers are more cost-sensitive across the board; making price a notable consideration. Consumers have been shown during the COVID-19 pandemic to have a preference for buying processed meats in bulk and this generally makes financial sense in Indonesia as buying in bulk leads to a reduction in costs in the long term.

5.9.2.3 Recent market trends

As most on-trade channels of distribution for processed meats were forced to close during the COVID-19 pandemic this has resulted in consumers becoming more accustomed to the cooking of processed meats in the home. This means the storage of processed meats at home has become more common with sales of refrigerators increasing during the pandemic. Consumers are increasingly demanding convenience foods to complement their ever-busy lives which processed meat is largely able to accommodate. As Chicken nuggets, chicken sausages and chicken fingers have benefitted from this convenience trend. It is likely going forwards with the country continuing to urbanise, that processed meat will have an even bigger presence in the Indonesian marketplace. The rise in vegetarianism in the country is one threat that will negatively impact the consumption of processed meats however general rising demand for the product should offset most of this.

5.9.3 Offer

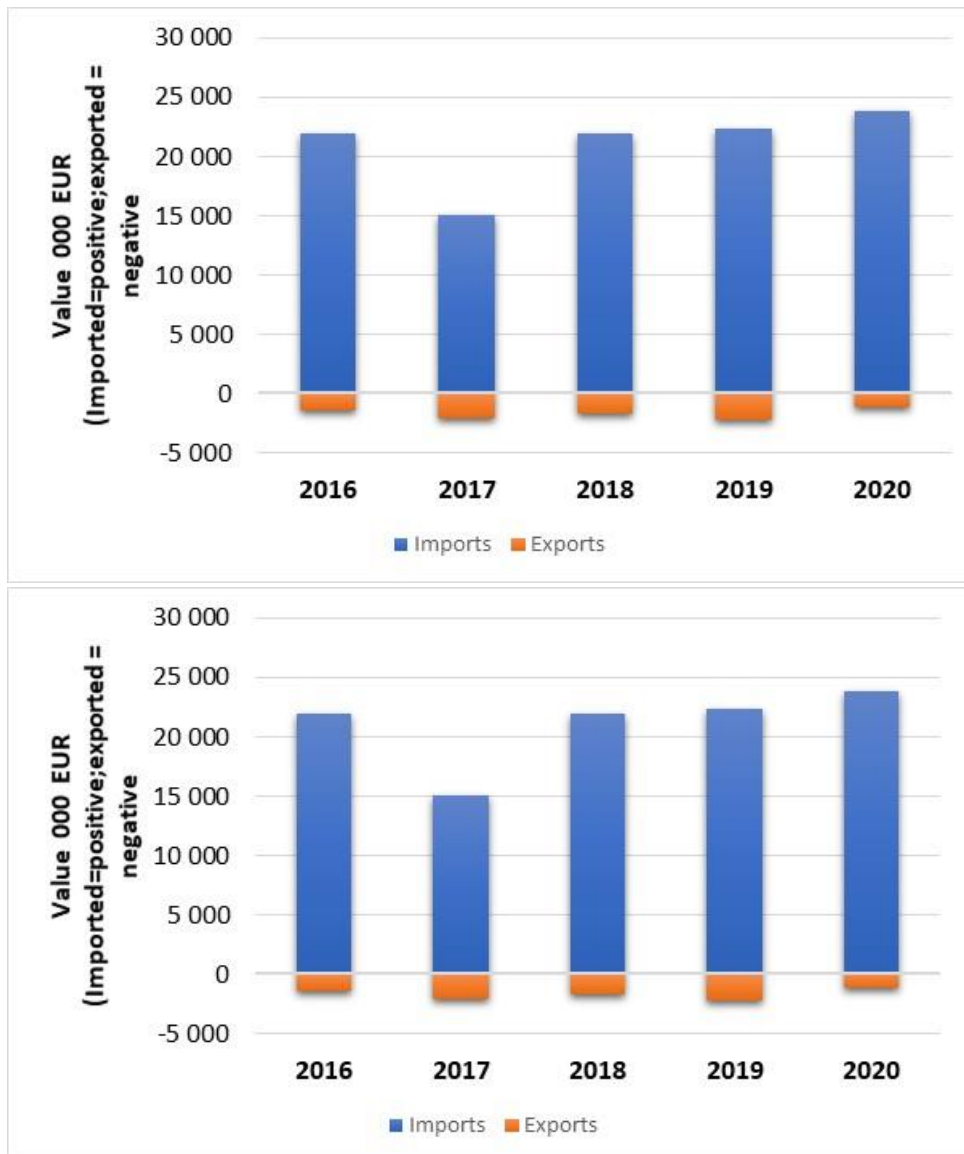
5.9.3.1 Domestic production

The production of processed meats in Indonesia has been growing in recent years. Some of the larger producers of processed meats in Indonesia include the companies So Good Food PT, Prima food, and Sierad produce which each produce a wider variety of processed meats from sausages, basko, and poultry-based processed meats such as chicken nuggets. Most of Indonesia's processed meat plants are located adjacent to or within the vicinity of the country's urban centres as these are the areas that are most likely to demand their products.

5.9.3.2 Imports and exports

Figure 5-42 below shows that Indonesia imports more processed meats than it exports. However this total figure is small, largely on account of domestic production which can largely cater for the market in Indonesia. Indonesia has a number of restrictions in place in relation to the importation of meats which makes this a difficult market for foreign nations to export meat.

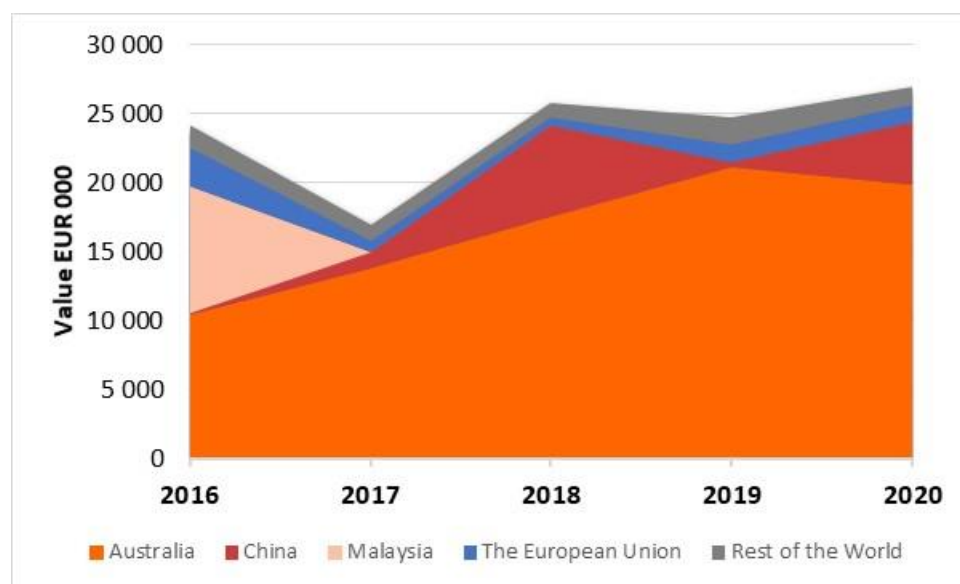
Figure 5-42: Trade balance (imports and exports) of processed meat in Indonesia, 2016-20; in euros



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN codes 0210, 1601, 1602.

Figure 5-43 below shows that Australia is the largest exporter of processed meat to Indonesia followed by China and Malaysia; although total exports from these three countries are small in absolute terms. France is the largest exporter from the EU and is the main EU country of note that exports processed meat to Indonesia. EU exports to Indonesia of processed meat are also very small.

Figure 5-43: Indonesia imports of processed meat by country, 2016-20; in euros



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0210, 1601, 1602.

5.9.3.3 EU GI products

As noted in section 4.2.4, there is legislation for registering GIs in Indonesia. No GIs for processed meat products have been identified as having been registered.

5.9.3.4 Main competitors

Main competitors in this market come from strong, large-scale domestic producers operating in Indonesia which can largely cater to the Indonesian domestic market and are in tune with the non-pork, halal demand. Domestic producers also enjoy protection largely from foreign competition due to the policies in place which restrict or complicate the importation of processed meat from abroad.

5.9.4 Specific market entry requirements

Market Access and Entry

As set out in section 5.1.4, there are two key regulations for meat import

- Ministry of Agriculture Regulation No. 42/2019 regarding The Importation of Carcass, Meat, Offal and/or Its Processed Products
- Ministry of Trade Regulation No. 29/2019 regarding the Provisions of Export and Import of Animal and Products of Animal Origin and its amendment, Regulation No. 72/2019

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements notably include an import inspection and a veterinary certificate for animal products.

In addition to the documentary requirements listed in the tables referred to above, in order to export meat products, the establishment has to be approved. The most recent list of approved establishments identified can be found here: <http://kesmavet.ditjenpkh.pertanian.go.id/index.php/pelayanan-2/154-daftar-negara-dan-unit-usaha-karkas-daging-jeroan-dan-atau-olahannya-dari-luar-negeri-yang-telah-disetujui-untuk-importasi>

In terms of tariffs, processed meat products face ad valorem tariffs of 5% if under CN code 0210, or 30% if under CN codes 1601 or 1602.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – CN code 0210 from Spain to Indonesia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0210&origin=ES&destination=ID>

Standards, SPS measures

As noted in section 4.3.4, there are SPS related challenges with:

- Regionalisation policy and restrictions (most notably with avian influenza).
- Live ruminants and their products due to bovine spongiform encephalopathy (BSE) and other diseases. procedures.

There is also a lack of transparency and delays for approval procedures for animal products. It is recommended that this section be consulted for more details.

Definitions for different types of meat products are set out in category 8 of BPOM Regulation No. 34/2019. The list of definitions included is extensive and it is recommended that the regulation (which is currently only available in Indonesian) be consulted directly: <https://jdih.pom.go.id/download/product/827/34/2019>

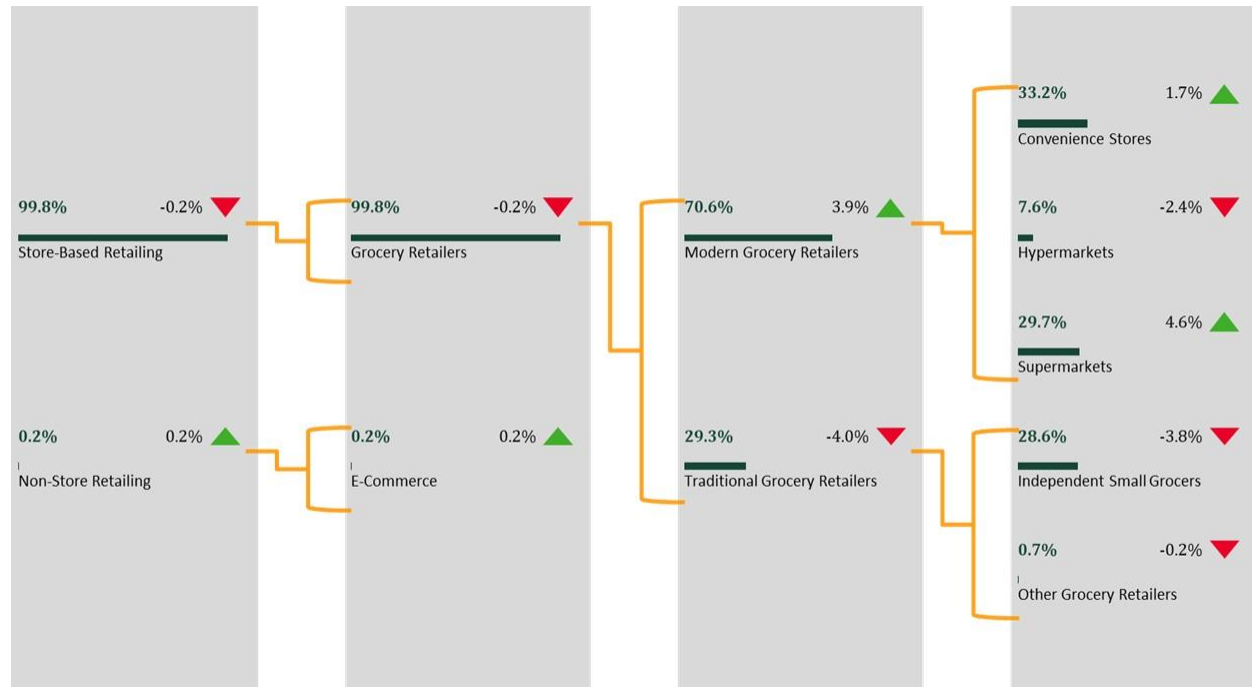
Labelling

Processed meat must conform to the labelling requirements for packaged foods set out in section 4.2.3. Halal certification for meat products other than pork is required.

5.9.5 Distribution

Figure 5-44 outlines the main distribution channel for processed meats in the Indonesian market. As shown, store-based retailing is the predominant channel for processed meats in the Indonesian market with modern grocery retailers accounting for 70% of sales; the growth in supermarkets and hypermarkets has helped to further solidify modern grocery retailers as the key distribution channel for processed meat. E-commerce has emerged as a new channel for processed meat distribution in recent years, especially during the outbreak of COVID-19 with platforms such as Tokopedia, Bukalapak, and Shopee being the most popular.

Figure 5-44: Distribution channel overview of processed meat and seafood in Indonesia (2020); retail value



Source: Euromonitor International: Packaged foods, 2021.

5.9.6 Challenges for EU products

Notable challenges include restrictions in place for the exportation of meats to Indonesia, combined with the wider presence of Indonesian domestic producers of processed meats in the country creates a market that is very difficult, but not impossible, to enter. Challenges from third countries in this regard are small due to these countries also largely facing the same issues with regards to exporting meats to Indonesia including halal certification and phytosanitary checks.

Market Takeaway: Processed meat

Consumption: Consumption of processed meat growing in Indonesia as a result of an urbanising population and the rising demand for convenient food products in the country.

Competition: The largest competitor comes from the domestic producers of processed meats which can largely cater to the demand for the product from within the Indonesian market.

Distribution: Modern grocery retailers are the main channel of distribution for processed meats with 70% of sales coming from this channel; e-commerce is growing but remains small at just 2% of sales.

Challenges: Restrictions on the importation of meat from within the Indonesian authorities combined with a lengthy approval process is the main barrier to trade.

Opportunities: Consumption is likely to keep rising resulting in more demand for processed meat which could result in uptake in consumers seeking foreign variations of the product.

5.10 Ice cream

5.10.1 SWOT analysis

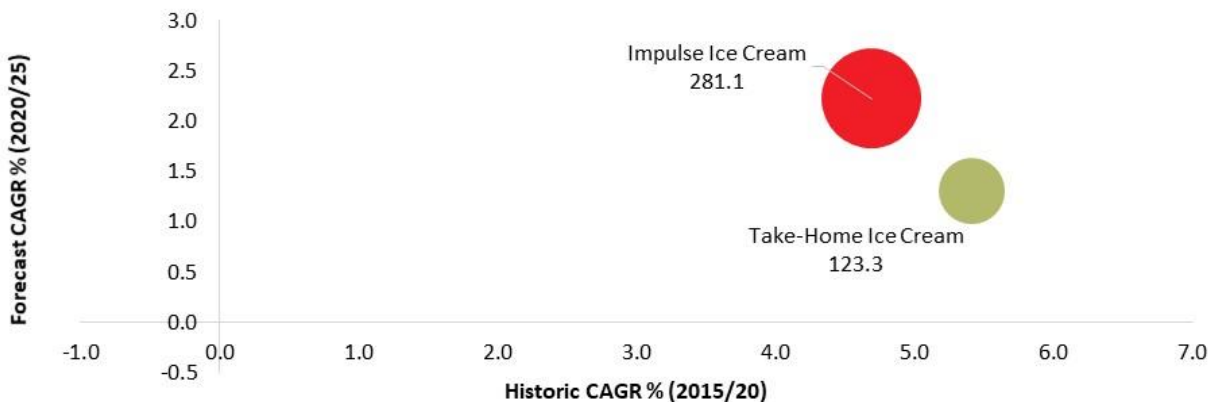
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ The EU accounted for close to 9% of the total import market value in 2020. In particular, France is the biggest EU exporter; yet Ireland and Italy exported ice cream as well. ▪ The unit value of European ice cream is generally much higher than one of the main exporting countries. 	<ul style="list-style-type: none"> ▪ The ice cream market is forecast to grow less quickly than it has historically. ▪ Many consumers are becoming more price-sensitive and prefer cheap products or not to buy ice cream at all and staple foods instead. ▪ The per capita consumption of ice cream in Indonesia is lower than in some neighbouring Asian countries.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Markets for impulse ice cream and take-home ice cream look both promising; impulse ice cream even better due to its bigger size and forecasted growth rate. ▪ Healthy ice cream varieties, as well as product cooperation's and affordable products, are trending (however, premium products are being launched as well). ▪ Clearly marked halal ice cream as well as classic flavours and fruity flavours. 	<ul style="list-style-type: none"> ▪ There is considerable domestic production and the ice cream market is dominated by international and domestic big companies. ▪ The import market is dominated mainly by China; however, Thailand and Turkey are big competitors as well. ▪ Artisanal ice cream makers are in competition for high-quality ice cream.

5.10.2 Consumption

5.10.2.1 Evolution of consumption

Impulse ice cream had by far the biggest market size for ice cream in Indonesia as depicted in Figure 5-45. In 2020 the category had a market size of about EUR 281m, followed with a lot of distance by take-home ice cream which had a market size of more than EUR 123m. There is no market for frozen yogurt in Indonesia. Impulse ice cream alone accounted for close to 70% of the total market size in 2020. Historically, as well as forecasted CAGRs are all positive, however, the forecasted rates are lower than the historic ones. Historically, between 2015 and 2020 impulse ice cream has a CAGR of 4.7%. Between 2020 and 2025 the category is forecast to grow at about 2.2% each year. Take-home ice cream grew at a yearly rate of 5.4% between 2015 and 2020 and now is forecast to grow at a CAGR of 1.3% between 2020 and 2025. Thus, the biggest category, impulse ice cream, is forecast to have a higher growth rate than take-home ice cream.

Figure 5-45: Evolution and forecast of the ice cream market in Indonesia, 2015-2025; retail value EUR million



Source: Euromonitor International: Packaged Food, 2021.

5.10.2.2 Consumer profile and purchase criteria

Consumers

The per capita consumption in Indonesia is lower than the ones in other neighbouring countries including Malaysia and Singapore. In general, consumers span all groups of society from younger to older inhabitants as well as lower to higher income. However, young Indonesians are the main consumer groups in absolute numbers. The lifestyle of this consumer type makes on-the-go products popular because they snack more than other consumer groups.⁵⁸ In particular children and babies between 0- and 15-years old account for a large share of ice cream consumption in Indonesia. Consumer preferences may vary by income level.⁵⁹

Drivers and method of consumption

Due to the Covid-19 pandemic and related restrictions and lockdowns, consumers increasingly spend time at home, which changed the consumption habits of ice cream. Most consumers feel like having ice cream when it is hot, when they are relaxing or just as a snack in general.⁶⁰ Indonesian consumers previously preferred to have ice cream outside on the go, while enjoying the good weather. Impulse purchases were very common. In the current situation, the dynamic changed a bit and take home-ice cream is more popular because consumers can enjoy it in their safe homes with their family whenever they feel like it.

⁵⁸ Euromonitor International: Packaged Food, 2021.

⁵⁹ Biggest Ice Cream Consumers by State, <https://gravyanalytics.com/blog/biggest-ice-cream-consumers-by-state/> Indonesia Ice Cream Market Assessment and Forecasts to 2023 (2020). Available at: <https://www.businesswire.com/news/home/20200129005551/en/Indonesia-Ice-Cream-Market-Assessment-and-Forecasts-to-2023-Flexible-Packaging-is-the-Most-Commonly-Used-Pack-Material-while-Paper-Board-is-Expected-to-Grow-the-Fastest-During-2018-2023---ResearchAndMarkets.com#:~:text=Convenience%20stores%20is%20the%20leading,of%20ice%20cream%20in%20Indonesia>.

⁶⁰ How much do Indonesian people like to eat ice cream? Let's find out (2020), Available at: <http://report.licorice.pink/blog/indonesia/how-much-do-indonesian-people-like-to-eat-ice-cream-lets-find-out/#:~:text=Three%20types%20of%20ice%20cream,tastes%20like%20chocolate%20and%20vanilla>.

Moreover, consumers health awareness is rising, yet this does not seem to have bad effects on the ice cream consumption because ice cream is deemed to be one of the healthier snack options because it can contain milk along with protein, vitamins and minerals.

Purchase criteria

Consumers' flavour preferences are an important indicator of what products will be bought more often. In 2020 the most bought flavours were classic ones such as chocolate, vanilla and strawberry. Chocolate chip ranked fourth followed by rum and raisin and cappuccino. Besides these dense ice cream flavours, Indonesians also enjoy more fruity flavours including durian, coconut and mixed fruits. In 2020 Indonesian consumers mainly preferred ice cream from sticks. This category accounted for the most market value with around 70% followed by about 23% from ice cream cones and the remaining percentage from other categories. Besides the flavour, the price is one of the main purchase criteria for Indonesian consumers. In particular during the pandemic, because many people lost their jobs or have in general less disposable income available to purchase ice cream and thus some rather buy staple foods instead.

The format of ice cream plays an important role as well. Single portion ice cream is demanded the most due to the high amount of on-the-go consumption (even though it is currently less due to the pandemic). Yet, since consumers are staying home, they also often choose multi packs to take home and store until they feel like eating ice cream. Health-conscious consumers pay usually more attention to ingredients than other consumers and thus prefer to purchase ice cream they deem to be healthier than others. And last but not least, Indonesian consumers are also curious and open to trying new and innovative products when they see one that sparks their interest.⁶¹ Due to the high amount of Muslims in the country, it is important for many consumers that the ice cream they buy is clearly halal.⁶²

5.10.2.3 Recent market trends

In the last years the following trends have been in particular shaping the ice cream category:

- **Healthy ice cream varieties:** The health consciousness of Indonesian consumers is growing, and an increasing number of people appreciate products with an added value. Aice for example launched a new ice cream that contains a high level of vitamin C. In particular, during the times of Covid-19, this was a good move because consumers were more concerned about getting sick and Vitamin C is deemed to be helpful to prevent colds, etc.
- **Importance of innovation and new product development:** The different players are keen to launch new and innovative products to get the attention of consumers. Campina Ice cream with its Campina brand started a collaboration with Disney and launched Campina Frozen Vanilla Cotton Candy ice cream showing the famous Frozen movie characters to attract children. Cornetto also started a cooperation but with Silver Queen and launched Cornetto Silver Queen which is a chocolate and nut flavoured cornetto.

⁶¹ Euromonitor International: Packaged Food, 2021.

⁶²Ice Cream Sales & Trends, <https://www.idfa.org/ice-cream-sales-trends> How much do Indonesian people like to eat ice cream? Let's find out (2020), Available at: <http://report.licorice.pink/blog/indonesia/how-much-do-indonesian-people-like-to-eat-ice-cream-lets-find-out/#:~:text=Three%20types%20of%20ice%20cream,tastes%20like%20chocolate%20and%20vanilla.>

- **Affordable products vs. premiumisation:** Due to lower disposable incomes caused by the pandemic many companies launched affordable ice cream products. After the affordable Aice brand gained popularity, Unilever launched its Seru ice cream which is also targeting lower-income consumers. Unilever's other ice cream products are mainly targeted at middle- and higher-income consumers, which means the company found a good way to expand its consumer base. Joyday, a cheap Chinese ice cream brand also gained a lot of popularity. On the other hand, some other companies like Campina went in the opposite direction and introduced new premium ice cream, which targets high-income consumers. Campina's premium gold ribbon ice cream is moreover marketed via stand-alone ice cream counters in shopping centres and through a celebrity couple. Both trends seem to work and attract different consumer types.
- **Home delivery and expansion of reach:** Due to the Covid-19 pandemic and related restrictions Indonesians are spending a lot more time at home, which increased the popularity of ice cream home delivery services. Campina ice cream for example offers such services and also covers bigger cities outside Java such as Makassar and Medan. Moreover, to increase their consumer base, companies such as Alpen Food Industry with its Aice brand aim to increase their presence outside of the main island of Java.

5.10.3 Offer

5.10.3.1 Domestic production

The ice cream market in Indonesia was dominated by the international company Unilever. The companies account for close to 40% of the retail value in 2020. Campina Ice Cream Industry, which is a domestic player ranked second with nearly 16% of the retail value followed by Alpen Food Industry with about 12%. Even though the competition from other companies is increasing the international brand Unilever and Alpen Food Industry with its Aice brand from Singapore are forecast to keep their market shares.⁶³ Alpen Foods Industry has two production sites in Indonesia, the newest being located in East Java and Unilever also produces locally. Thus, even though some companies are not originally from Indonesia, they usually still produce their products locally. Small-scale artisanal ice cream shops can be found in Indonesia as well.⁶⁴

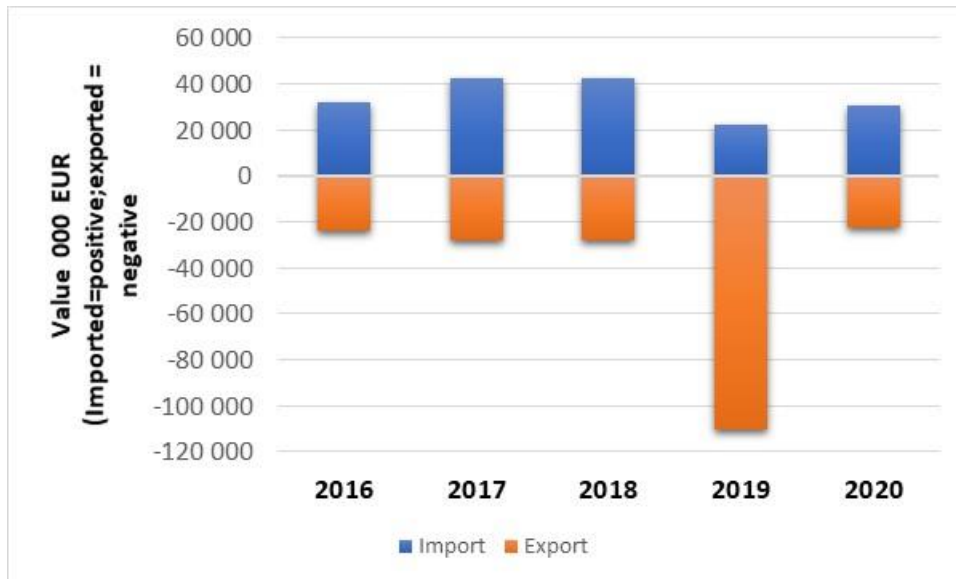
5.10.3.2 Imports and exports

Indonesia is a net-importer of ice cream as shown in Figure 5-46. Only in 2019, the country exported more ice cream than it imported. In 2020 Indonesia imported ice cream with a value of about EUR 30.4m and exported ice cream with a value of around EUR 22.5m. Compared to 2015, the value of exports, as well as imports, were similar in 2020.

⁶³ Meet Aice: The Affordable Singaporean Ice Cream Is Now Available In Manila (2019). Available at: <https://www.yummy.ph/news-trends/aice-ice-cream-philippines-20190809>

⁶⁴ Ice Cream in Indonesia (2020). Available at: <https://www.marketresearch.com/MarketLine-v3883/Ice-Cream-Indonesia-13900836/>

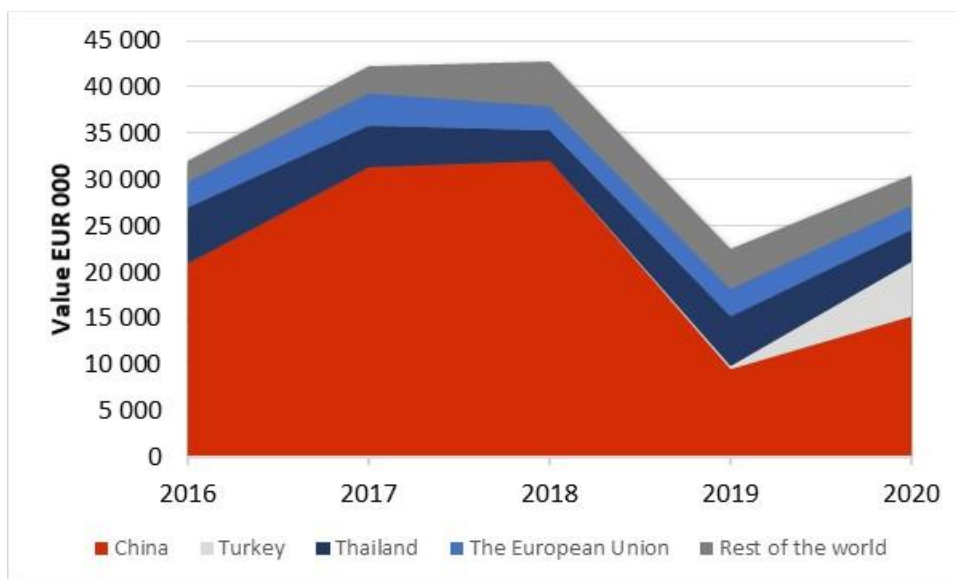
Figure 5-46: Trade balance (imports and exports) of ice cream in Indonesia, 2016-20; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2105.

The largest exporter of ice cream to Indonesia is China, followed by Turkey and Thailand (Figure 5-47). These three countries consistently account for around 80% of imports. In total, the EU accounted for close to 9% of total ice cream exports to Indonesia in 2020.

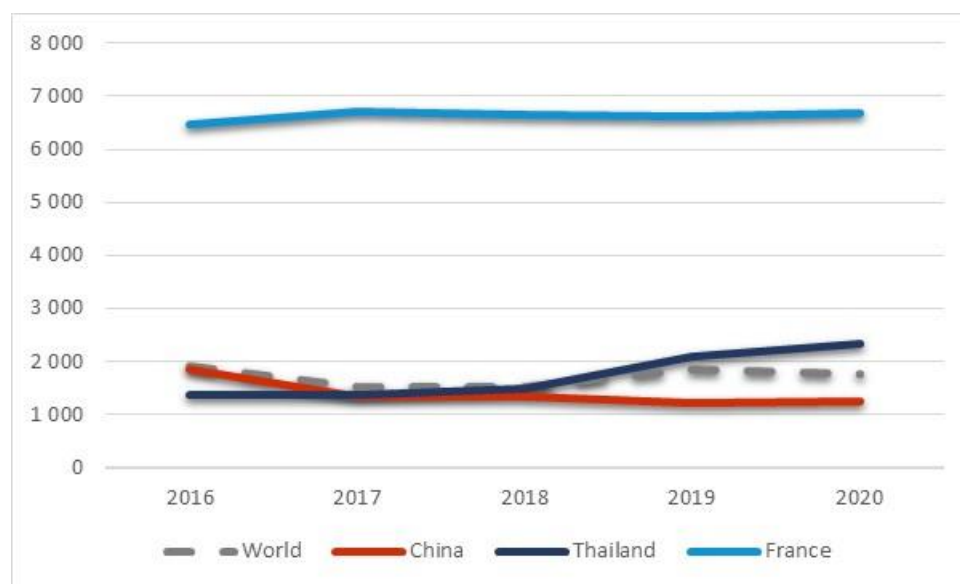
Figure 5-47: Indonesian imports of ice cream by country, 2016-20; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2105.

The world's unit value of ice cream exports to Indonesia was around EUR 1 760 per tonne in 2020 as depicted in Figure 5-48. Ice cream unit values from the two important exporting countries China and Thailand are similar to the world's average. In 2020 China's unit value was a bit below the world's average at EUR 1 230 and Thailand's was a bit higher at around EUR 2 330 per tonne. The unit value of exports from France about 3.5 times higher than the world average at around EUR 6 680 per tonne.

Figure 5-48 Indonesian imports of ice cream by country, 2016-20; Value EUR per tonne



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2105.

5.10.3.3 Main competitors

There is considerable domestic production and competition in the export market is high as well. China is dominating the exporter; however, Turkey and Thailand are big competitors as well. Company-wise the ice cream market is dominated by international as well as big domestic companies including Unilever, Campina Ice Cream Industry and Alpen Foods Industry. Yet, there is space on the market for EU producers to find their niche to successfully enter the Indonesian ice cream market.

5.10.4 Specific market entry requirements

Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for ice cream notably include the registration of the product; import permit; certificate of analysis; free sale certificate; and certificate of good manufacturing practice.

In terms of tariffs, ice cream faces an ad valorem tariff of 15%.

information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general ice cream category (2105) from France to Indonesia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2105&origin=FR&destination=ID>

Standards, SPS measures

Definitions for edible ice, including ice cream are included in category 03 of BPOM Regulation No. 34/2019. The definitions are extensive and comprehensive. The regulation, in Indonesian, can be found here (there is no English translation at present):

<https://jdih.pom.go.id/download/product/827/34/2019>

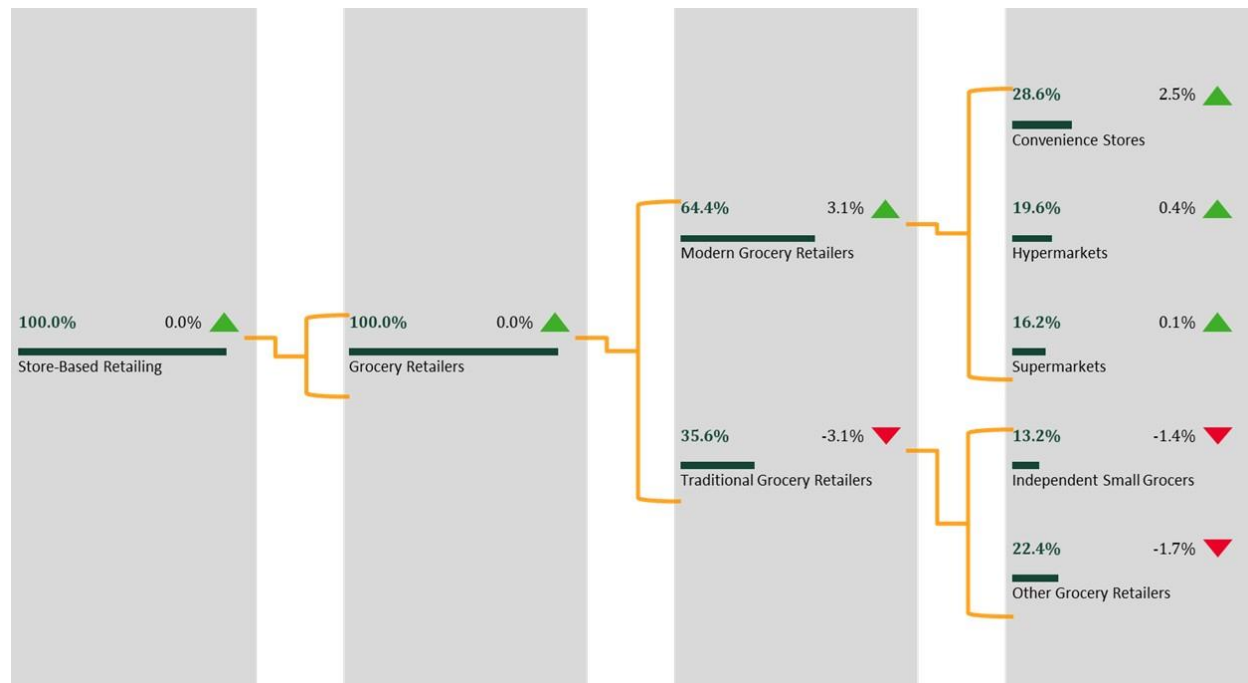
Labelling

Ice cream must conform to the labelling requirements for packaged foods set out in section 4.2.3.

5.10.5 Distribution

As shown in Figure 5-49 all ice cream is sold in store-based retailing. Ice cream is not sold through other channels such as e-commerce. Modern grocery retailers accounted for about 64% of the total retail value in 2020. Convenience stores were the most popular modern grocery channel in 2020 and accounted for 28.6% of the retail value, followed by hypermarkets with 19.6% and supermarkets with 16.2%. The popularity of all three modern channels has been increasing since 2017, whereas the popularity of traditional grocery retailers has decreased. Yet, other grocery retailers still account for about 22% of the retail value and independent small grocers for 13%.

Figure 5-49: Distribution channel overview of ice cream in Indonesia (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.10.6 Challenges for EU products

There are several challenges for EU ice cream products to keep in mind before entering the Indonesian market. First of all, as a result of the pandemic consumers are more price-sensitive than before and tend to focus on purchasing staple foods before thinking about less essential snacks like ice cream. In general, the majority seems to prefer reasonably priced ice cream over more expensive options. This might complicate the situation for European ice cream because often the prices are likely to be higher than other ice cream options available in Indonesia. For example, the unit value of ice cream from France being exported to Indonesia is close to 4 times higher than the world's average. However, there is still a possibility to introduce also higher priced ice cream due to the premiumisation trend. Higher-income consumers do not pay as much attention to the price but more to the quality.

It should also be kept in mind that the market is forecast to grow at a lower rate than historically. It is important to find a fitting niche for EU products while remembering current market trends on the Indonesian market. Another challenge can be logistics. It is not easy to distribute ice cream throughout the whole country as many regions remain rural. Most Indonesians are Muslims, and subsequently they prefer ice creams with a halal label.⁶⁵

⁶⁵ How much do Indonesian people like to eat ice cream? Let's find out (2020), Available at: <http://report.licorice.pink/blog/indonesia/how-much-do-indonesian-people-like-to-eat-ice-cream-lets-find-out/#:~:text=Three%20types%20of%20ice%20cream,tastes%20like%20chocolate%20and%20vanilla.>

Market Takeaway: Ice cream

Consumption: *The Indonesian ice cream market was about EUR 404m in 2020. Impulse ice cream and take-home ice cream had the biggest market sizes.*

Competition: *Considerable domestic production. The biggest exporters of ice cream to Indonesia are China, Turkey and Thailand and the leading companies on the market are international such as Unilever and also domestic such as Campina Ice Cream Industry.*

Distribution: *100% through store-based retailing; mainly via modern grocery retailers such as convenience stores and hypermarkets. The popularity of modern grocery retailers has been increasing.*

Challenges: *The increasing price sensitivity of consumers, less disposable income, lower forecasted growth rates and distribution.*

Opportunities: *Healthy ice cream variants and affordable products, but also premium products for a niche consumer group, clearly marked halal ice cream.*

5.11 Processed fruit and vegetables

5.11.1 SWOT analysis

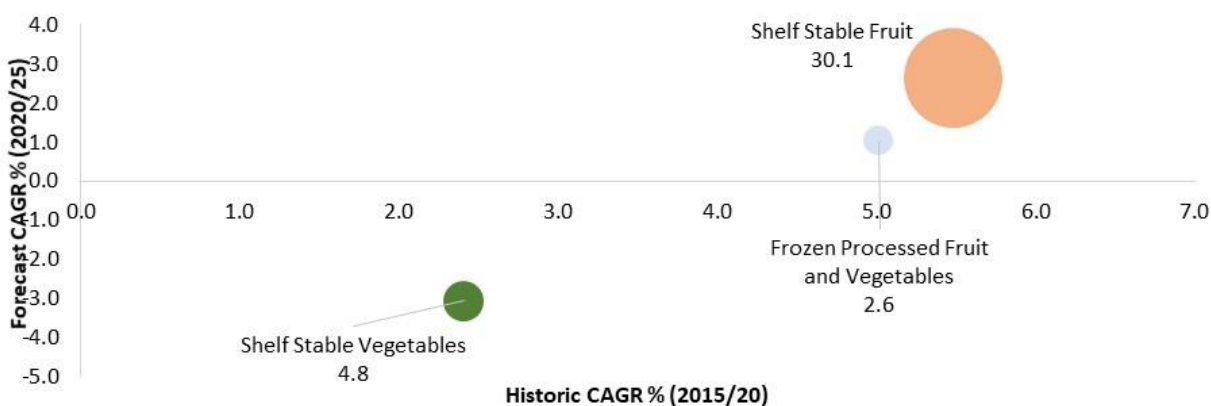
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> A small market for processed fruits used in deserts has emerged in recent years. Consumers are growing to appreciate the longevity and convenience of process fruit and vegetables. 	<ul style="list-style-type: none"> The wide presence of cheaper and fresher alternatives in the market. Consumption of processed fruit and vegetables is very small considering market size
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> Processed vegetables such as French fries growing in popularity in the country. An urbanising population that is continuously seeking convenience foods. The return of on-trade channels likely to boost the segment. 	<ul style="list-style-type: none"> A population with rising awareness of the health risks involved in consuming too much processed foods. The Indonesian government has been pushing to increase the production of fresh fruit and vegetables which will likely result in a continuing decline in prices for these products. Competing with established local companies likely to be difficult in such a small market.

5.11.2 Consumption

5.11.2.1 Evolution of consumption

Shelf-stable fruit has the highest retail value at EUR 30 m and is expected to grow at a CAGR of 3.3% between 2021 and 2025. This is followed by shelf-stable vegetables which is has a much smaller retail value of EUR 4.8 m and is expected to decline by a CAGR of -3.1% between 2021 and 2025. Frozen processed fruit and vegetables is the smallest overall category with a retail value of EUR 2.6m and a predicted CAGR of 1% between 2021 and 2025 and shown below in Figure 5-50

Figure 5-50: Evolution and forecast of the processed fruit and vegetable market in Indonesia, 2015-2025; retail value, EUR million



Source: Euromonitor International: Packaged Food, 2021.

5.11.2.2 Consumer profile and purchase criteria

Consumers

As shown by Figure 5-50, the overall market for processed fruit and vegetables in Indonesia is small considering the size of the consumer base, the world's fourth-largest. The wide-scale availability of fresh fruit and vegetables at low costs in the country help to explain why the market for processed fruit and vegetable is small and the rise in health-conscious consumers makes it also more difficult for processed fruit and vegetables to resonate with Indonesian consumers, there have been some shifts however due to the outbreak of COVID-19. Consumers seeking to stockpile goods have helped to boost sales of shelf-stable processed fruit and vegetables and the implementation of social distancing has made it more difficult for consumers to purchase fresh fruit and vegetables from outlets such as traditional markets which in turn has the knock-on effect of pushing these consumers to purchase processed alternatives.

Drivers and method of consumption

Processed fruit and vegetables have found a small following amongst Indonesian culinary entrepreneurs, with some of them using shelf-stable fruits in their deserts and while processed vegetables are increasingly used to make juices. Subsequently there is some usage of processed fruit and vegetables at home. Shelf-stable fruit may be used in desserts such as pudding or *es buah* (fruit bowl dessert), while shelf-stable vegetables are used in soup and stir fry dishes.

The foodservice sector has been a key driver in the consumption of certain processed fruit and vegetables. However, as the sector has been heavily impacted by the outbreak of COVID-19 this channel for processed fruit and vegetable products has shut. Nonetheless, it is expected that this channel will emerge as a key driver for processed fruit and vegetable consumption once the sector reopens and tourism can resume to Indonesia. E-commerce has also emerged as a key driver of processed fruit and vegetable sales in Indonesia with platforms such as Tokopedia and Bukalapak improving their cold chain logistics to support the sale and transportation of processed fruit and vegetables during the outbreak of COVID-19.

Finally, there is some gifting of shelf stable fruit during festivals and special occasions.

Purchase criteria

Purchase criteria for processed fruit and vegetables rotate around the intended use. This include the desire to use these products to complement other products such as fruits in deserts or vegetables for the preparation of juices. Taste tends to be a key criterion as consumers will have preferences for the types of processed fruit and vegetables they wish to consume. The ability to store shelf-stable processed fruit and vegetables became a key criterion during COVID-19 as consumers sought to stockpile certain foods for a prolonged period.

Price is a notable criterion. In general, economy products witness a higher demand. However, some canned fruits and berries are considered premium and command a higher price. While private labels in processed fruits and vegetables are gaining prominence, well-established brands still dominate the market. Consumers associate a reputable brand with trust and quality and prefer to buy products from brands they are familiar with; particularly in the case of consumption for festivals or for gifting. With

regards to packaging, families tend to purchase large resealable value-pack sizes (1kg or more) whereas younger people or single-person households prefer to buy smaller/ single-serve packs in the 100 to 200 gram range.

Finally, brand and packaging can influence consumers.⁶⁶

5.11.2.3 Recent market trends

The outbreak of Covid-19 has helped to boost sales of processed fruit and vegetable products in Indonesia however the total size of the retail market when considering the size of the population is remains small. The ability to store processed fruit and vegetables for a prolonged period combined with consumers having increased access to applications that complement the storage of frozen processed fruit and vegetables such as freezers have helped to encourage the sale of processed fruit and vegetables. However there remains the wide presence of fresh fruit and vegetable alternatives which continue to be preferred.

It is likely that as consumers become more accustomed to both home cooking and the use of e-commerce to purchase groceries that a small following of consumers for processed fruit and vegetables may emerge. The consumption of certain processed fruit and vegetables such as frozen fries had been growing in popularity in Indonesia in recent years, aided by the growth of on-trade establishments selling these products. This growth in popularity can be expected to continue once on-trade establishments have reopened and are able to operate under normal rules.

5.11.3 Offer

5.11.3.1 Domestic production

The production of processed fruit and vegetables in Indonesia is small and largely overshadowed by the country's large production of fresh fruit and vegetables. This also can be explained by the low overall demand for processed fruit and vegetables in Indonesia from the consumer base. Amongst the largest companies that operate processed fruit and vegetable plants in Indonesia, include Kikkoman Corp, Buatama Indojoya, and Del Monte Pacific which combined have roughly a 40% market share, the rest of the market is largely made up of smaller producers which specialise in certain processed fruit and vegetable products.

5.11.3.2 Imports and exports

Identifying data on trade in processed fruit and vegetable product is extremely complicated due to the number of different lines under which such products can be imported. Data on trade in processed fruit and vegetables is ultimately captured under the trade data for fruit and vegetables in section 5.2.3.2.

⁶⁶ Euromonitor International: Packaged Food, 2021

5.11.3.3 EU GI products

As noted in section 4.2.4, there is legislation for registering GIs in Indonesia. No GIs for processed fruit or vegetable products have been identified as having been registered.

5.11.3.4 Main competitors

The processed fruit and vegetable market is small in Indonesia and made up of three large players Kikkoman Corp, Buatama Indojoya, and Del Monte Pacific with the rest of the market being made up of several smaller producers. The competition in this very limited market and is mainly from the domestic producers which are more accustomed to Indonesian consumer preferences and has the advantage of catering the processed fruit and vegetable market in Indonesia as it begins to grow and develop.

5.11.4 Specific market entry requirements

Market Access and Entry; Standards, SPS measures; labelling

MOA regulation No. 02/2020 regulates the import of horticultural products. This replaced MOA regulation No 38/2017.

As a general rule, a country has to be authorised to export fruit and vegetable products to Indonesia. As noted in section 4.3.4, Member States have had significant difficulties with obtaining these authorisations despite considerable and continued efforts. It is recommended that your Member State be contacted to ascertain any authorisations in place and the status of any applications.

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements notably include a phytosanitary certificate and fumigation certificate.

An Import Recommendation of Horticulture Product (RIPH) is required for products considered horticultural; which may include some processed fruit and vegetable products. The requirements for this are complex, a link to more information was provided in section 5.2.4.

Section 04 of BPOM Regulation No. 34/2019 (replacing BPOM Regulation No. 21/2016) covers standards for fruit and vegetables and their products. The regulation, in Indonesian, can be found here (there is no English translation at present):

<https://jdih.pom.go.id/download/product/827/34/2019>

In terms of tariffs:

- Vegetables generally face tariffs of 0%, 5% or 20% depending on the exact CN code.
- The most common fruits exported from Europe face tariffs of 5% in most cases and 20% in a few cases.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

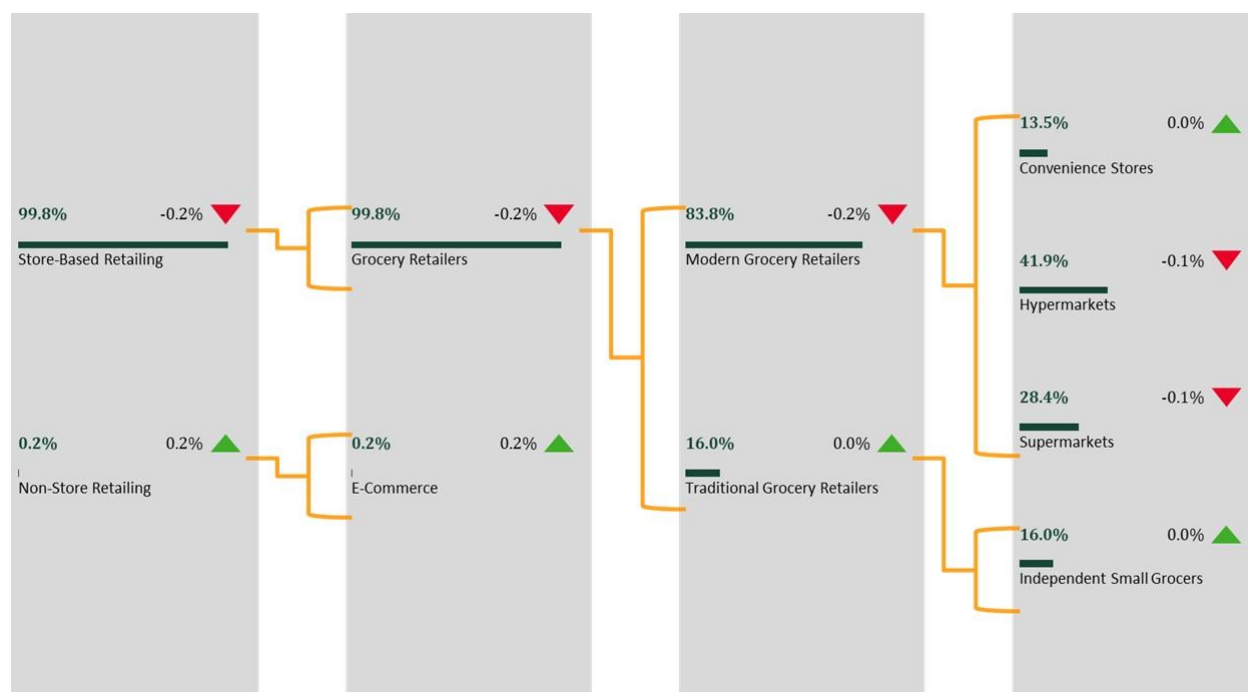
Example link – frozen fruit category (0811) from Spain to Indonesia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0811&origin=ES&destination=ID>

5.11.5 Distribution

As can be seen in Figure 5-51, store-based retailing remains largely the only channel to purchase processed fruit and vegetables in Indonesia with e-commerce emerging only recently in 2020 as a result of the outbreak of COVID-19. Hypermarkets and supermarkets are the largest distributors of processed fruit and vegetable products as these markets will generally have a larger capacity to store frozen fruit and vegetables for a longer period than other outlets. Traditional grocery retailers now account for 16% of sales and have seen a large decline, in line with a general shift towards modern retail outlets across all sectors of agri-food purchasing.

Figure 5-51: Distribution channel overview of processed fruit and vegetables in Indonesia (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.11.6 Challenges for EU products

The main challenge for EU products comes from the difficulties involved in exporting processed fruit and vegetables to Indonesia. Another challenge is also the very small market for processed fruit and vegetables in Indonesia which makes establishing a large presence amongst Indonesian consumers particularly difficult.

Market Takeaway: Processed fruit and vegetables

Consumption: Consumption very low when considering the size of the wider Indonesian consumer base. Frozen fruit, and vegetables the largest product consumed in the country.

Competition: Largely comes from the domestic market with several small producers making up most of the market share.

Distribution: Increasingly sold through modern retail channels, e-commerce has emerged as a new channel in 2020 due to the outbreak of Covid-19

Challenges: Exporting to Indonesia is difficult. Once in the market it is also difficult as the demand for process fruit and vegetables is generally small.

Opportunities: Demand for on-trade processed fruit and vegetables likely to return to normal once these establishments reopen, these establishments act as a key channel for the sale of certain processed fruit and vegetables such as frozen fries which could result in a demand for these products increases.

5.12 Pet food

5.12.1 SWOT analysis

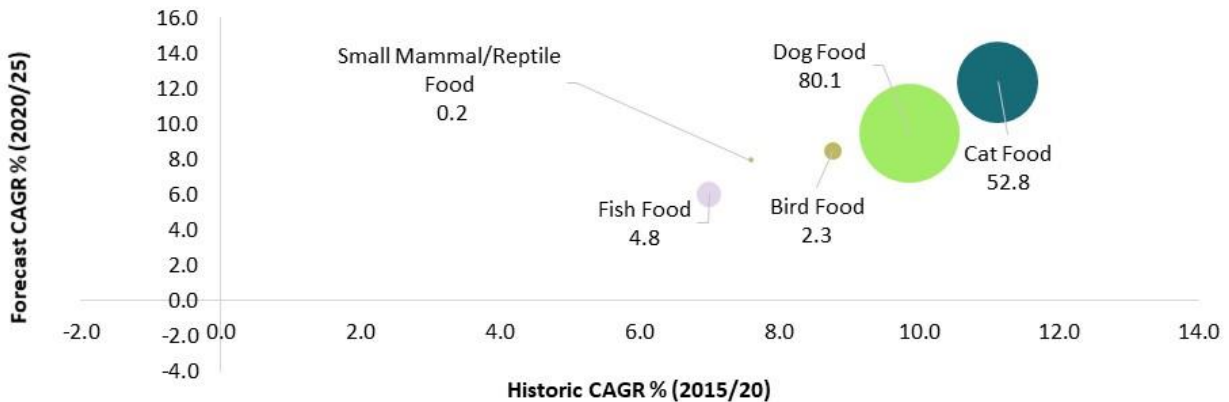
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ A heavy reliance on imports. ▪ The whole pet food sector is forecast to grow at quite high rates in the coming years. ▪ In 2020, the EU accounted for close to 17% of the total import market value. 	<ul style="list-style-type: none"> ▪ The pet food market is currently still comparatively small compared to other countries. ▪ Muslims are not allowed to have dogs as pets but only for protection and hunting. ▪ Pet food exported from the EU faces ad valorem tariffs of 5%.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ The Covid-19 pandemic increased the interests in pets as companions and well as the overall level of humanisation. ▪ Sales via e-commerce are increasing at a high rate. ▪ Health and wellness-related high-quality pet food with ingredients that are deemed to be able to boost pet's health. 	<ul style="list-style-type: none"> ▪ Thailand and China are the main exporting countries and thus big competitors. ▪ The market is largely dominated by big international players and a few local ones. ▪ Consumers are getting increasingly price-conscious due to their worsening economic situation caused by the pandemic.

5.12.2 Consumption

5.12.2.1 Evolution of consumption

The total market size of the pet food market in Indonesia was about EUR 140m in 2020. Dog and cat food alone accounted for close to 95% of the total market size. Figure 5-52 below illustrates that dog food is the most popular pet food item purchased in Indonesia with a value of roughly EUR 80m. The sale of dog food has grown at a high rate between 2015 and 2020 with a historic CAGR of close to 10%, yet the percentage is expected to slightly drop to a CAGR of 9.5% for the foreseeable years up until 2025. Cat food has also grown even quicker in Indonesia between 2015 and 2020 with a CAGR of more than 11% which is expected to even increase to a CAGR of close to 12.5% up until 2025, this, in turn, leads to a present value of close to EUR 53m for cat food in Indonesia. Fish food had a value of EUR 4.8m in 2020 and has grown the slowest between 2015-2020 with a CAGR of 7%. Between 2020 and 2025 fish food is forecast to grow at a slower rate of 6% per year. Bird food grew at a higher CAGR of about 8.8% between 2015 and 2020, still, the value of bird food in the Indonesian market is only roughly EUR 2.3m. The category is forecast to grow at a CAGR of around 8.5% between 2020 and 2025. Small mammal and reptile food had the smallest market size in 2020 with about EUR 0.2m. Historically the category grew at a rate of 7.6% and is forecast to grow at a slightly higher rate of 8%.

Figure 5-52: Evolution and forecast of the market for pet food (EUR million) in Indonesia, 2015-2025



Source: Euromonitor International: Pet Care, 2021.

5.12.2.2 Consumer profile and purchase criteria

Consumers

In general, most pets can be found in Java in the capital city Jakarta as well as other big cities on the island.⁶⁷ The highest dog populations can be found in Bali as well as the West and North parts of Jakarta. Even though the market for dog food is the biggest, there are more cat owners in Indonesia.⁶⁸ This is maybe partly caused by restrictions in Islam, which are followed by many Muslims. According to the religion, dogs are not allowed as pets inside but only for protection or hunting.⁶⁹ A lot of pet owners do not buy special pet food but feed their animals leftovers or homemade food rather than special petfood. However, the more pets, in particular cats and dogs, get humanised and thus treated as a part of the family, the more likely consumers purchase proper pet food for their beloved pets. The group of pet owners has no specific age group or social group; however, kids are unlikely to decide the kind of food that a family buys for their pets and thus adults are the main age group. Moreover, the higher the income of loving pet owners the more money they tend to spend on pet food.

Drivers and method of consumption

Since the beginning of the Covid-19 pandemic, consumers increasingly spend time at home and even study or work from their homes. This means that Indonesians are now spending much more time with their pets at home than they did before when they were busy and mostly only home in the mornings, evenings and

⁶⁷ Despite pandemic, Indonesia pet food remains bullish (2020), Available at: <https://www.petfoodindustry.com/articles/9224-despite-pandemic-indonesia-pet-food-remains-bullish?v=preview#:~:text=The%20Indonesian%20Pet%20Food%20Association,other%20big%20cities%20are%20located.>

⁶⁸ INDONESIA PET FOOD MARKET - GROWTH, TRENDS, COVID-19 IMPACT, AND FORECASTS (2020), Available at: <https://www.mordorintelligence.com/industry-reports/indonesia-pet-food-market#:~:text=Market%20Overview,market%20experienced%20a%20positive%20growth.>

⁶⁹ The Resilient Indonesian Pet Food Market during the COVID-19 Pandemic (2021), Available at: <https://brightindonesia.net/2021/04/08/the-resilient-indonesian-pet-food-market-during-the-covid-19-pandemic/>

weekends. Caused by the lack of social contacts due to restrictions and lockdown and an increasing amount of people are interested in having pets so they are less lonely, boosting the overall number of pets. Some people thought about getting cats or dogs whereas other consumers chose small pets such as fish or reptiles to keep them company. Due to the continuing urbanisation in the country and less available living spaces, small pets are gaining popularity. Another reason for some consumers to buy e.g. fish is the relaxation factor that they are supposed to have which can help people who are stressed from working at home. Pets in general are deemed to reduce their owner's boredom, loneliness, as well as to increase their mental and physical health.

Now that consumers spend more time at home, they are more attentive to their pets' needs than before, which drives pet food sales. The sales of cat and dog treats have been increasing. On the one hand, because dog owners have more time to train their dogs and use dog treats as a reward and on the other hand because cat owners offered purchased more cat treats to replicate their own snacking habits and as an indulgence for their cats. These developments furthermore increase the level of humanisation of pets in Indonesia.

Purchase criteria

The economic situation means that many consumers have to pay increased attention to the price of pet food when taking purchase decisions. This criterion is in contradiction with the rising health and wellness awareness of Indonesian pet owners, which increasingly prefer to buy higher quality and healthier pet food for their pets. Yet, some less affluent consumers would still purchase more expensive pet food depending on how high on their priority list is their pet's wellbeing and health. Higher-income consumers are of course much more likely to choose expensive pet food such as dog food containing raw meats with bone and offal and fresh vegetables or all-natural, organic and holistic cat food with expected therapeutic effect. However, dog owners are more likely to purchase premium products than cat owners. The type of food is a purchase criterion as well. Muslim pet owners tend to choose halal food over other pet food types. This is in particular true for cat owners as they are fed meat whereas birds, reptiles etc. are not. Halal does not seem to be not a big purchase criterion for dog food because technically dogs are not allowed to be pets according to Islam.⁷⁰ Dry food is the more popular choice than wet food for both cat and dog food. Treats are chosen the least.⁷¹

5.12.2.3 Recent market trends

In the last years the following trends have been in particular shaping the pet food market:

- **E-commerce:** In line with the wider e-commerce trend during the pandemic, the channel has become important for pet food. In dog food, e-commerce is even forecast to overtake pet shops and potentially become the biggest distribution channel for dog food. As a result, companies put

⁷⁰ Cat food included in a widening range of Indonesian halal products (2019). Available at: <https://www.patheos.com/blogs/thefreethinker/2019/10/cat-food-included-in-a-widening-range-of-indonesian-halal-products/>

⁷¹ The Resilient Indonesian Pet Food Market during the COVID-19 Pandemic (2021), Available at: <https://brightindonesia.net/2021/04/08/the-resilient-indonesian-pet-food-market-during-the-covid-19-pandemic/>; Euromonitor International: Pet Care, 2021.

more effort into building a better presence on e-commerce platforms including Lazada, Shopee and Tokopedia.

- **Focus on distribution:** Different players seem to focus on different distribution channels depending on their target consumers. For example, veterinary clinics are often chosen as a distributor of higher quality and premium pet food, whereas mass channels such as hyper-and supermarkets are mainly used by big companies because they take quite high listing fees. Besides online shopping, many consumers made the switch from pet shops to grocery stores because they turned to one-stop shopping to limit their risk of getting Covid-19.
- **Rising health and wellness awareness:** The health and wellness awareness of Indonesian pet food owners is increasing, which is why pet food of high quality and with ingredients that are deemed to be healthy become more and more popular. This trend already started prior to the pandemic, however, the pandemic and the fact that people spend more time with their pets and thus had more time to bond with them boosted its growth. For example, for dogs, pet food with no added preservatives and grain-free options is trending and in cat food nutritionally balanced and specialised food is popular.⁷²

5.12.3 Offer

5.12.3.1 Domestic production

The pet food market in Indonesia is dominated by international companies, only around 5% of players are local. Thus the local pet food production is rather small. In dog food Mars, Nestlé and Hill's Pet Nutrition made up more than 60% of the total retail value in 2020 and thus are the market leaders. In cat food Hill's Pet Nutrition's Hill's Science Diet, Royal Canin's eponymous brand, Nestlé's Friskies and Mars's Whiskas are were the leading brands in 2020. The retail value share of each of the three brands was around 20%. Local cat food brands seem to slowly become more popular among Indonesian consumers such as Feli Cat, Vittamax, and My dear cat. Central Proteinaprima is dominating the other pet food market in Indonesia and is offering a large variety of different fish, bird and small mammal/reptile food. The company has a long history in Indonesia and in particular, its Takar brand which offers fish food is popular.⁷³

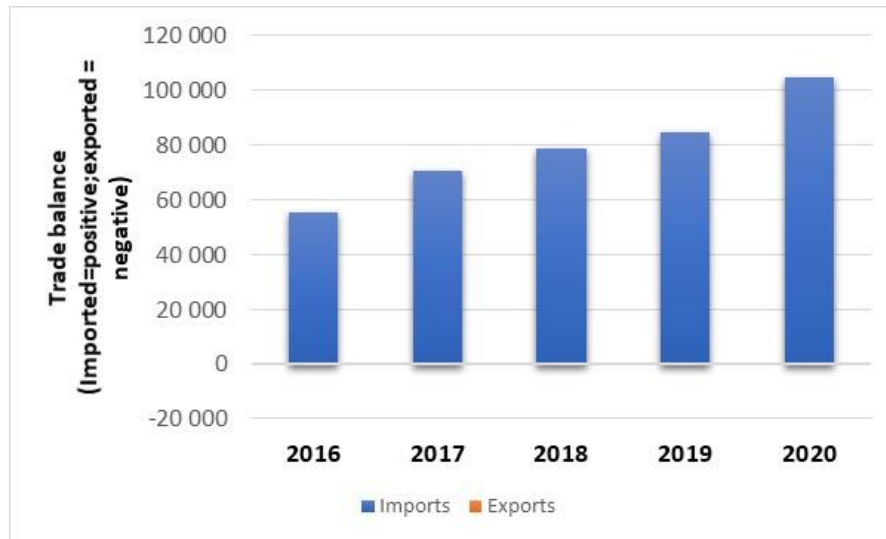
5.12.3.2 Imports and exports

Figure 5-53 shows that Indonesia imports much more pet food than it exports. In 2020 the country imported pet food with a value of EUR 105m and exported about EUR 131 000. Since 2016 imports have been increasing whereas exports decreased. Between 2016 and 2020 the value of imports increased by about EUR 61m which is an increase of about 50%.

⁷² Euromonitor International: Pet Care, 2021.

⁷³ INDONESIA PET FOOD MARKET - GROWTH, TRENDS, COVID-19 IMPACT, AND FORECASTS (2020), Available at: <https://www.mordorintelligence.com/industry-reports/indonesia-pet-food-market#:~:text=Market%20Overview,market%20experienced%20a%20positive%20growth;> Euromonitor International: Pet Care, 2021.

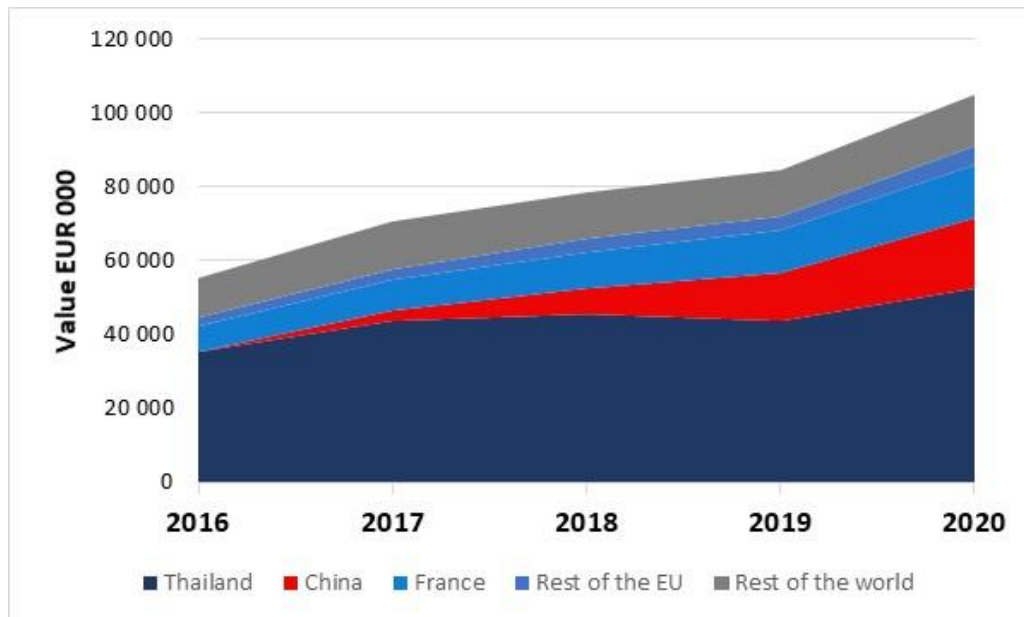
Figure 5-53: Trade balance (imports and exports) of pet food (cat and dog) in Indonesia, 2016-20; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code also

Figure 5-54 clearly shows that Thailand was the biggest exporter of cat and dog food to Indonesia in 2020. Thailand exported products with a value of close to EUR 60m, which was about 58% of the total market's value. China ranked second with about EUR 22m, followed by France with about EUR 16.4m. Besides France, two more EU countries are part of the top 10 exporters: Germany, which ranked 7th and Austria which ranked 8th. In total, The EU accounted for about 17% of the total import market's value in 2020.

Figure 5-54: Indonesian imports of pet food (cat and dog) by country, 2016-20; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 230910

5.12.3.3 Main competitors

Among importers, the countries of Thailand and China stand out as the largest exporters to the country and thus are the main competitors. The pet food market in Indonesia is dominated by big international companies such as Mars, Nestlé, Hill's Pet Nutrition and Royal Canin. Only about 5% of the retail value comes from local brands.

5.12.4 Specific market entry requirements

Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1. In addition to these, the following specific requirements exist for petfood:

- Import approval
- Veterinary inspection
- Veterinary health certificate for animal products

Certificates of processing, origin and analysis may also be requested.

In order to export petfood to Indonesia, the establishment has to be approved. The most recent list of approved establishments identified can be found here:

<http://kesmavet.ditjenpkh.pertanian.go.id/index.php/pelayanan-2/130-daftar-negara-dan-unit-usaha-pakan-hewan-kesayangan-pet-food-dari-luar-negeri-yang-telah-disetujui-untuk-importasi>

In terms of tariffs, pet food faces ad valorem tariffs of 5%.

information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – cat and dog food category (230910) from France to Indonesia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=230910&origin=FR&destination=ID>

Standards, SPS measures and labelling

Pet food and its importation is currently regulated by various regulations (of other animal products). As a consequence, the SPS related challenges for meat are also relevant for meat-based pet food, e.g.:

- Regionalisation policy and restrictions (most notably with avian influenza).
- Live ruminants and their products due to bovine spongiform encephalopathy (BSE) and other diseases. procedures.
- Lack of transparency and delays for approval procedures for animal products.

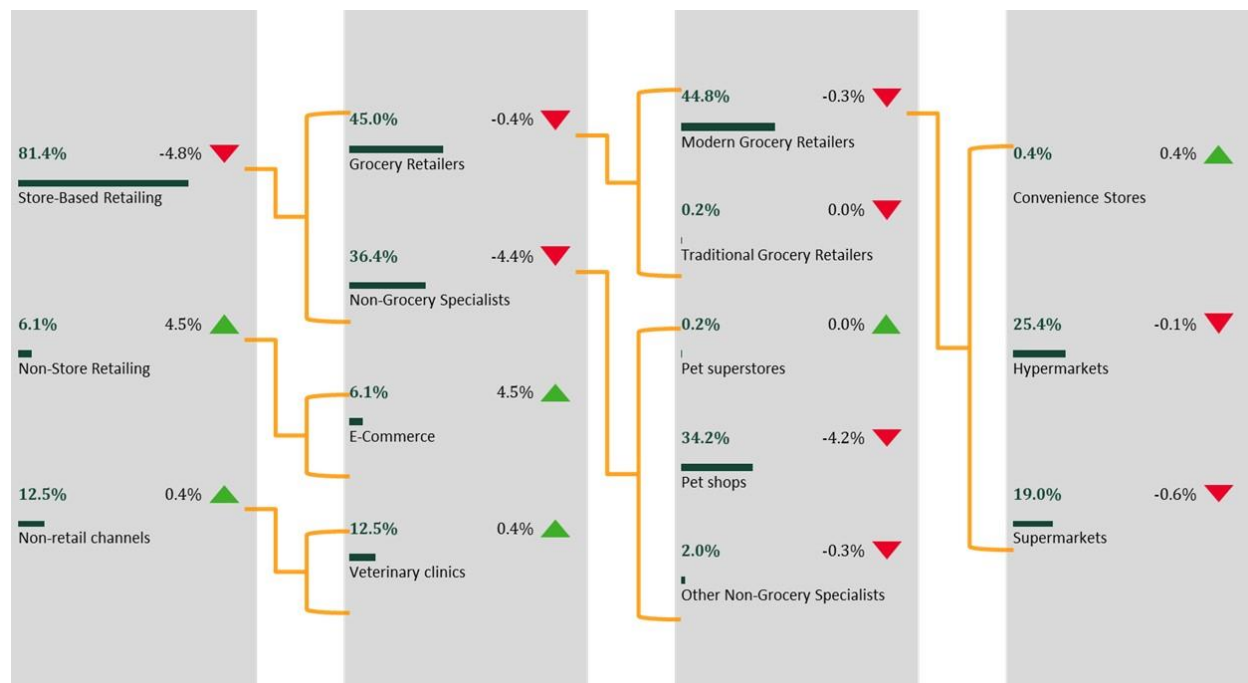
It is recommended that section 4.3.4 be consulted for more details on these challenges.

However, it should be noted that legislation on pet food supply and distribution has been in the drafting process since 2017 and is likely to emerge in the near future.

5.12.5 Distribution

Figure 5-55 below shows that store-based retailing is the largest distribution channel for pet food products with 81.4% of pet foods being distributed via this channel. Since 2017, e-commerce retailing has been gaining a lot of popularity and in 2020 accounted for 6.1% of the retail value, while pet clinics accounted for 12.5%. Yet modern grocery retailers such as supermarkets with 19% and hypermarkets with 25.4% remain the most important grocery retailers. Another important channel in 2020 was pet shops, which accounted for 34.2% of the total retail value.

Figure 5-55: distribution of pet food in the Indonesia (2020); retail value



Source: Euromonitor International: Pet Care, 2021.

5.12.6 Challenges for EU products

EU producers are facing different challenges when entering the petfood market in Indonesia. First of all, the competition is big. Other exporting countries, in particular Thailand and China, are big competitors; with international brands including Mars, Nestlé, Hill's Pet Nutrition and Royal Canin sourcing e.g. from Thailand. The overall market for pet food in Indonesia currently is still quite small, however, it is growing at high rates. The distribution landscape is quite fragmented making it a challenge to find the proper distribution channel for specific products. Yet, this is very important indeed to make sure that the target consumers can be reached.

Market Takeaway: Pet food

Consumption: *The Indonesian pet food market had a size of about EUR 140m in 2020 and is forecast to grow at high rates until 2025.*

Competition: *Multinationals dominate. The two largest exporters of pet food to Indonesia are Thailand and China.*

Distribution: *The main channels are pet shops, as well as modern grocery retailers such as hypermarkets, supermarkets. Since 2017, internet retailing has been increasing a lot as well and thus becomes more important.*

Challenges: *Pet food market is still comparatively small; distribution landscape is somewhat fragmented making it tough to, find and establish proper distribution channels.*

Opportunities: *E-commerce is growing rapidly, high-quality premium products that are deemed to be healthy but also economically products.*

5.13 Fruit juice

5.13.1 SWOT analysis

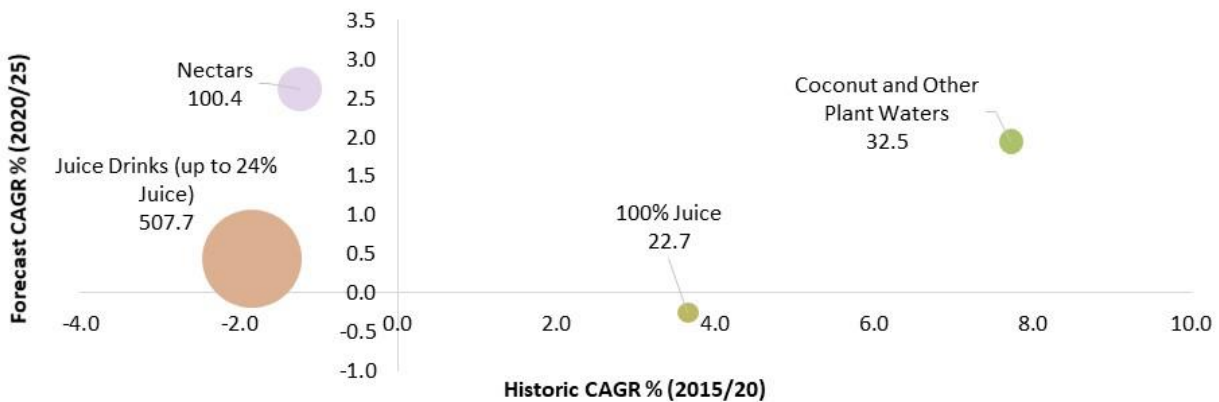
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ The EU accounted for more than 20% of total exports; the main exporting countries in 2020 were Italy, Austria, France and Germany. ▪ Fruit juice is deemed to be healthier than other soft drink options. 	<ul style="list-style-type: none"> ▪ The 100% fruit juice category is the smallest and is forecast to decrease slightly until 2025. ▪ Indonesia is a net exporter of fruit juices and thus produces a lot of them domestically.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ The two biggest markets juice drinks and nectars are both forecast to grow even more until 2025. ▪ New innovative flavours as well as on the go sizes are popular, as well as cheap products due to price promotions, bundle packs, etc. 	<ul style="list-style-type: none"> ▪ Brazil, China and the USA are the three biggest fruit juice exporters to Indonesia; as well as the Indonesian company Tirta Alam Segar which accounted for half of the market's value in 2020. ▪ Other healthy drinks can be a threat to fruit juice.

5.13.2 Consumption

5.13.2.1 Evolution of consumption

The fruit juice market in Indonesia had a total size of about EUR 663m in 2020. Figure 5-56 shows that the juice drinks category was by far the biggest and accounted for around EUR 500m for 75% of the total market size. Nectars was the second biggest market with around EUR 100m, followed by coconut and other plant waters with approximately EUR 32.5m and 100% juice with close to EUR 23m. Historically, between 2015 and 2020, the two smallest categories coconut and other plant waters and 100% juice grew at the highest rates; coconut and other plant waters with a CAGR of about 7.7% and 100% juice at around 3.7%. The two biggest categories on the other hand decreased a little bit; juice drinks at a CAGR of about -1.8% per year and nectars with -1.2%. However, between 2020 and 2025 both categories are forecast to grow; nectars at a CAGR of around 2.6% and juice drinks at approximately 0.4%. Coconut and other plant waters are forecast to grow as well at a rate of 1.9%. 100% juice is the only category that is forecast to slightly decrease with a CAGR of about -0.3%.

Figure 5-56: Evolution and forecast of the market for fruit juice in Indonesia (total value EUR m), 2015-2025



Source: Euromonitor International: Packaged Food, 2021.

5.13.2.2 Consumer profile and purchase criteria

Consumers

Juice consumers come from all age groups as well as from all groups of society. In particular, children drink juice, however, health-conscious adults as well because juice is deemed to be a healthy drink choice. As juice can be expensive lower-income consumers choose cheaper options whereas higher-income consumers choose more expensive options if they correspond with their tastes.

Drivers and method of consumption

The Covid-19 pandemic has had effects on the fruit juice sector in Indonesia. On the one hand, on-trade fruit juice consumption became partly impossible due to operating restrictions within the food service. On the other hand, consumers have less disposable income due to the bad economic situation caused by the pandemic and thus are less likely to purchase fruit juice because it is deemed to be not essential by some consumers. The on-trade consumption is forecast to need some years to recover from the crisis before numbers will go back to normal. Even after the pandemic, consumers are likely to stay cautious and might keep preventing a lot of social contacts. Currently, fruit juice is mainly consumed at home, throughout the day as a refreshment or during meals.⁷⁴ Kids are likely to consume fruit juice while being at school because it is supposed to be a healthy drink that makes it favourable to give to kids. The rising overall health consciousness is creating more demand for fruit juice as well. Even though it is currently less common, on-the-go consumption is quite popular in Indonesia and thus many people drink fruit juices while walking somewhere.

⁷⁴ REPORT ON DRINKING HABITS OF FRUIT JUICE IN INDONESIA, Available at: [https://nusaresearch.com/upload/userfiles/files/Report%20Fruit%20Juice%20-%20Nusaresearch%20Indonesia\(1\).pdf](https://nusaresearch.com/upload/userfiles/files/Report%20Fruit%20Juice%20-%20Nusaresearch%20Indonesia(1).pdf)

Purchase criteria

One of the main purchase criteria is flavour. In 100% juice orange is the consumer's favourite flavour, which accounted for 2/5th of the retail volume in 2020. Apple ranked second, followed by grape. Yet there are many more flavours available because preferences are diverse. Also, in the juice drinks (up to 24% Juice) category orange is the most popular flavour and accounted for even 4/5th of the retail volume in 2020. However other flavours such as lemon, apple, grape and mango are wanted as well. Besides flavours the price plays an important role, when consumers choose products. In particularly in Covid-19 times, many consumers have reduced disposable incomes due to the bad economic situation and thus have to pay attention to the price. Therefore, consumers actively look for price promotions and discounts as well as bundle and big family packs to get more products for a reduced price. Due to the increasing health trend consumers are interested in innovation. Juice is deemed to be a healthier option than other soft drinks. Thus, health-conscious consumers are likely to choose juice over other options as long as they have enough money available. Finally, as on the go consumption is frequent (see above), convenience and/or packaging is a consideration for many consumers.⁷⁵

5.13.2.3 Recent market trends

The following trends in the fruit juice sector are visible:

- **Importance of distribution channels:** Covid-19 has impacted the distribution of fruit juices, which is why company's pay increasing attention to the channels they choose to offer their products. Due to food service closures, on-trade channels are currently probably not the best choice in Indonesia. Even in a post-Covid-19 scenario, it will take a while for certain channels to gain back their popularity. Thus, the biggest juice company in Indonesia, Tirta Alam Segar, has managed to grow strongly recently through choosing traditional grocery retail channels.
- **New flavours, health and wellness:** Many companies introduced new flavour combinations to keep consumers' interest. E.g. the Ale Ale brand launched a Guava flavoured juice, Danone introduced even several new flavours to its VIT Levite range including Worry Free Lychee, Citrus & Mint, Easy Breeze Lemon, Cucumber & Mint and Innocent Wild Berries, Lime & Mint. This trend is forecast to continue because Indonesian consumers seem to enjoy new flavours a lot. In particular, the rising health and wellness trend is an inspiration for companies to create new products and flavours.
- **Packaging and promotions:** Even though on the go consumption is currently lower than pre-pandemic, it is still important which is why companies design smaller packages that are suitable for on-the-go consumption. Floridina for example introduced a new and modern ready-to-drink format to the markets, which aims to attract young consumers. Also, Ale and Minute Maid offer specific products for this category because they all aim to be chosen by impulse buyers. E.g. the regular Minute Maid Nutriforce is offered in a 296ml cup, whereas it also has a special 180ml carton with straw that is aimed at school children. Moreover, fruit juice is a category in which promotions are important for consumers and they consciously choose cheaper options if available. For example, 100% fruit juice weekly as well as monthly promotions as well as buy-2-

⁷⁵ Euromonitor International: Packaged Food, 2021.

get-1-free offers are particularly common in Indonesia. Other companies offer bigger family or other bundle packs to attract consumers.⁷⁶

5.13.3 Offer

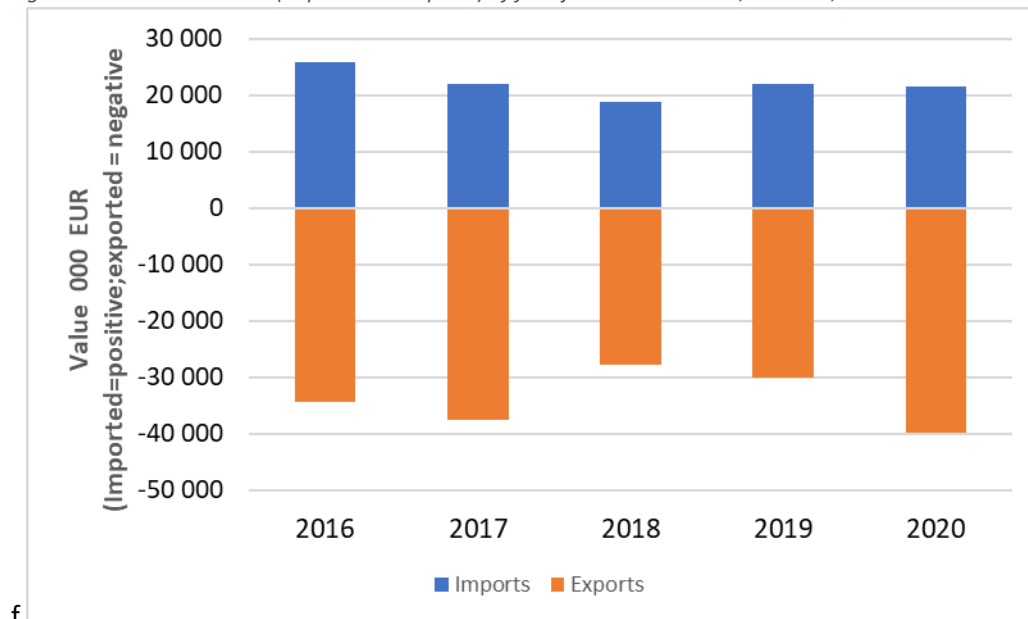
5.13.3.1 Domestic production

The fruit juice market is led by the Indonesian company Tirta Alam Segar PT, which accounted for close to 50 % off-trade value in 2020. In particular the company's Ale brand and Floridina brand are popular. Still important, but far behind Tirta Alam Segar PT ranked Coca-Cola Indonesia PT which accounted for around 23.5%, particularly with its popular Minute Maid brand. Unilever Indonesia Tbk PT ranked third in 2020 and holds approximately 9% of the total market's retail value; with its Buavita brand being the most popular.⁷⁷

5.13.3.2 Imports and exports

Figure 5-57 below shows that Indonesia is a net exporter of fruit juices. Exports were around EUR 39.7m in 2020 compared to imports of about EUR 21.5m. Overall compared to 2016, the country's exported value increased whereas the imported value decreased.

Figure 5-57: Trade balance (imports and exports) of fruit juices in Indonesia, 2016-20; Value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2009.

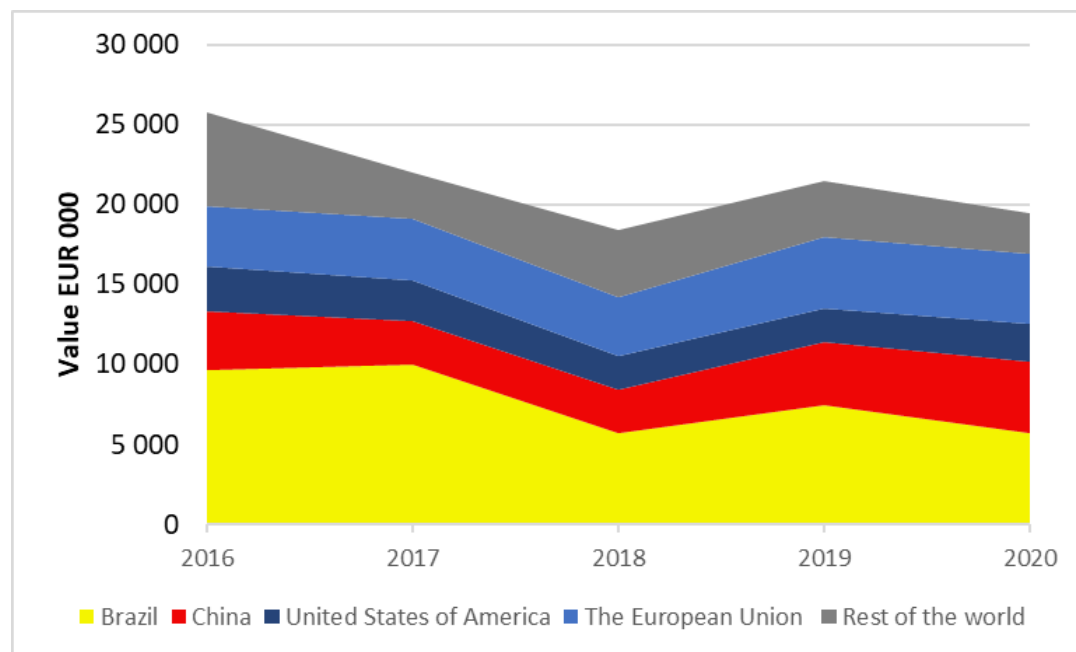
Figure 5-58 shows that Brazil is the largest exporter of fruit juices to Indonesia with a total amount valued at more than EUR 5.7m, about 27% of imports. This is followed by China with approximately EUR 4.4m

⁷⁶ Euromonitor International: Packaged Food, 2021.

⁷⁷ Euromonitor International: Packaged Food, 2021.

and the USA with just under EUR 2.4m. Four out of the top ten exporting countries are from the EU: Italy, Austria, France and Germany. Together these four countries accounted for about 19% of total fruit juice imports to Indonesia. Total EU exports accounted for around 20% of total exports.

Figure 5-58: Indonesian imports of fruit juices by country, 2016-2020; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2009.

5.13.3.3 Main competitors

First of all, Indonesia is a net exporter of fruit juices and thus is a big competitor itself. The country is producing fruit juice domestically. Secondly, the three biggest exporting countries of fruit juices to Indonesia are Brazil, China and the USA.

5.13.4 Specific market entry requirements

Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for fruit juice notably include: the registration of the product; import permit; certificate of analysis; free sale certificate; and certificate of good manufacturing practice.

In terms of tariffs, fruit juice faces ad valorem tariffs of between 5 and 10%.

information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general fruit juice category (2009) from France to Indonesia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2009&origin=FR&destination=ID>

Standards, SPS measures

Definitions for drinks, including fruit juice are included in category 14 of BPOM Regulation No. 34/2019. The regulation, in Indonesian, can be found here (there is no English translation at present):

<https://jdih.pom.go.id/download/product/827/34/2019>

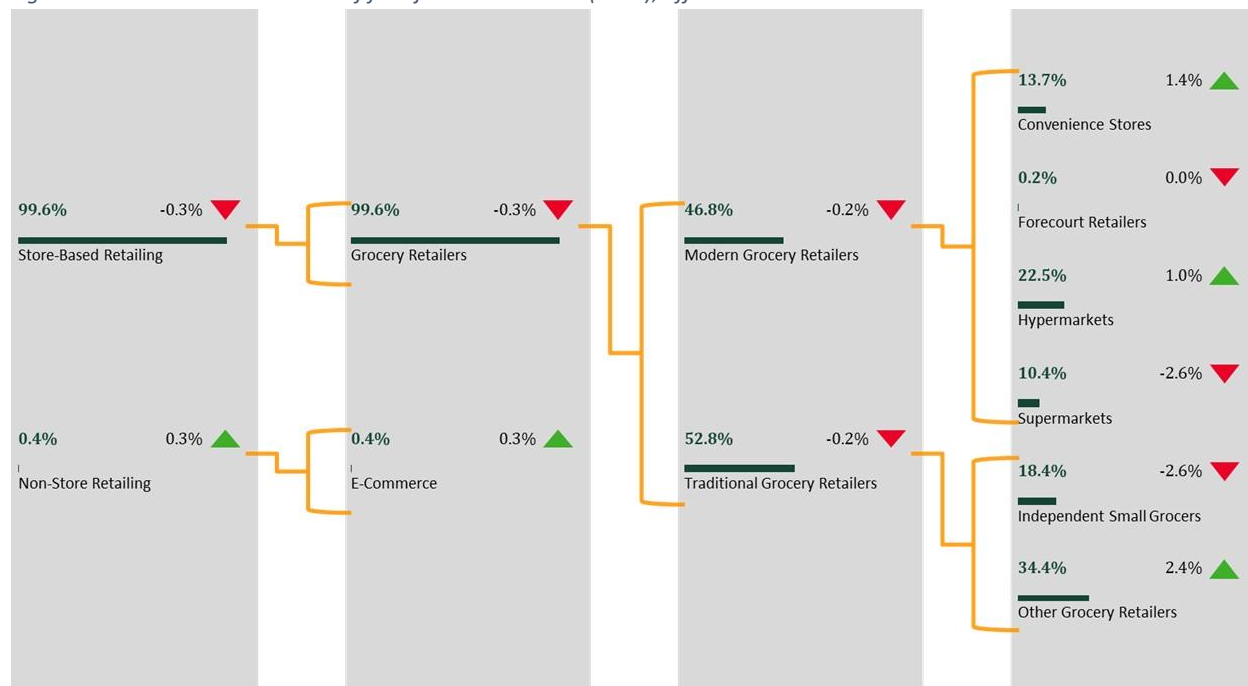
Labelling

Fruit juice must conform to the labelling requirements for packaged foods set out in section 4.2.3.

5.13.5 Distribution

Fruit juices are sold on-trade as well as off trade. Figure 5-59 below shows that off-trade fruit juice is nearly exclusively sold through store-based retailing (99.6%). E-commerce only accounted for 0.4% of the off-trade volume in 2020, yet the channel grew by 0.3% since 2017. Traditional as well as modern grocery retailers are important channels. Other grocery retailers accounted for about 34.4% of the off-trade volume in 2020 and independent small grocery for about 18.4%. The most popular modern grocery retail channels were hypermarkets with 22.5%, followed by convenience stores with approximately 13.7% and supermarkets with 10.4%.

Figure 5-59: Distribution channels of fruit juice in Indonesia (2020); off-trade volume



Source: Euromonitor International: Packaged Food, 2021.

5.13.6 Challenges for EU products

First of all the market is strongly dominated by an Indonesian company. On top of that products from some big international companies are popular as well. Thus EU producers need to find the right niche to fit their products in. Indonesia is a net exporter of fruit juice and produces a lot of it domestically which limits the number of overall imports needed to fulfil the local demand. Due to the pandemic, consumers have less disposable income available and many deem fruit juice to be not an essential product. Thus, many consumers are very price sensitive and are less likely to choose expensive fruit juice brands and more likely to stick to cheaper options.

Market Takeaway: Fruit juice

Consumption: In 2020 the total market size of the fruit juice sector was about EUR 663m. Most categories are forecast to slightly grow until 2025.

Competition: Indonesia is a net exporter and thus its domestic production is competing with imports. The three biggest origins of imports are Brazil, China and the USA.

Distribution: Both, traditional as well as modern grocery retailers are important channels. In particular, other grocery retailers and hypermarkets are popular.

Challenges: Price sensitivity of consumers, less disposable incomes due to economic situation, the large availability of local products; a market dominated by one big domestic company.

Opportunities: Juice drinks and nectars because they have the biggest market size and are forecast to increase the most; new flavours; promotions and family size or bundle options as well as on-the-go consumption.

5.14 Honey

5.14.1 SWOT analysis

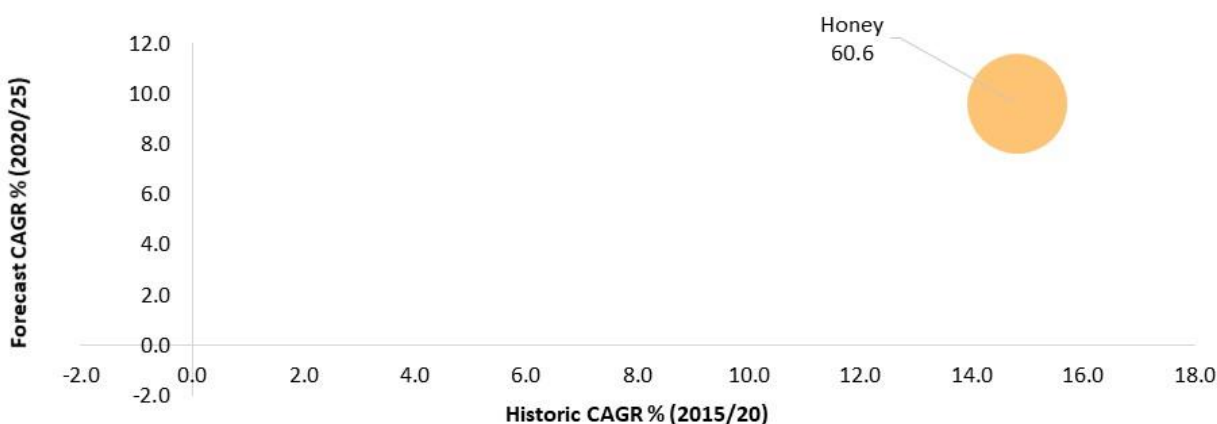
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> The market historically grew a lot and is forecast to continue to do so until 2025. There is very little domestic production. 	<ul style="list-style-type: none"> The honey market in Indonesia is comparatively small. The currently increasing price sensitivity of consumers. The EU is currently not exporting a lot of honey to Indonesia.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> Higher-income groups, with more disposable income. Health and wellness conscious consumers. 	<ul style="list-style-type: none"> The availability and popularity of many other sweet spreads. The main exporting countries Saudi Arabia, New Zealand and Argentina. The market is highly dominated by three honey brands.

5.14.2 Consumption

5.14.2.1 Evolution of consumption

Figure 5-60 depicts the evolution of the consumption of honey in Indonesia. In 2020, the total market size was just over EUR 60m. Historically, between 2015 and 2020 the market grew strongly and showed a CAGR of close to 15%. Between 2020 and 2025, the market is forecast to continue to grow at a fast rate of close to 10% which is however 1/3rd lower than the historic one.

Figure 5-60: Evolution and forecast of the honey market in Indonesia (million euros), 2015-2025; total retail value EUR m



Source: Euromonitor International: Packaged Food, 2021.

5.14.2.2 Consumer profile and purchase criteria

Consumers

The per capita expenditure on honey in Indonesia is comparatively low and was about EUR 0.2 in 2020.⁷⁸ Thus, honey is a niche and consumers are very specific. Due to the high price of honey compared to other sweet spreads consumers are usually from higher-income classes and have enough disposable income for premium goods such as honey. As honey is not a staple food in Indonesia, consumers are open to trying new products and also want to learn about products that are usually not used in Indonesian cuisine. Honey consumers are moreover often health-conscious and see a value in honey other than it being a sweet treat. Indonesian consumers often perceive honey to have a medicinal as well as nutritional value (e.g. vitamins and minerals).

Drivers and method of consumption

Honey, in particular during times of the pandemic, is consumed mainly at home. It is a sweet spread that can be consumed throughout the day for breakfast, lunch or dinner. Consumers use it as a spread on bread, to sweeten their tea or they use it for baking; its usages are multiple. Curiosity about and interest in new products is driving honey consumption in Indonesia. Moreover, honey is deemed to be healthier than certain other sweet spreads which is why health-conscious consumers often prefer it.⁷⁹

Purchase criteria

The price is effectively an exclusion criterion for many consumers. Price-sensitive consumers are unlikely to purchase honey because of its usually higher prices compared to other sweet spreads. Higher-income consumers thus are more likely to purchase honey, also because they are generally less affected by the negative economic impacts many Indonesians have to face caused by the Covid-19 pandemic. Some consumers also choose honey over other sweet spreads because it is deemed to be healthier.

5.14.2.3 Recent market trends

The health and wellness trend are driving the honey consumption in Indonesia as well as the premiumisation trend.⁸⁰

5.14.3 Offer

5.14.3.1 Domestic production

Historically, native Indonesians used to hunt for honey from wild bees. Even though regional beekeeping has been developing over the past years data about the national honey production is rare to find.⁸¹ A few years back, the Ministry of Forest announced that Indonesia produced about 5 000 tonnes of honey in

⁷⁸ Euromonitor International: Packaged Food, 2021.

⁷⁹ Madurasa, Indonesian Honey, Available at: <http://foodtesting-id.blogspot.com/2016/04/madurasasa-indonesian-honey.html#:~:text=The%20brand%20of%20honey%20has,%2C%20plastic%20bottles%2C%20glass%20bottles>.

⁸⁰ Euromonitor International: Packaged Food, 2021.

⁸¹ Kahono, Sih & Chantawannakul, Panuwan & Engel, Michael. (2018). Social Bees and the Current Status of Beekeeping in Indonesia. 10.1007/978-981-10-8222-1_13.

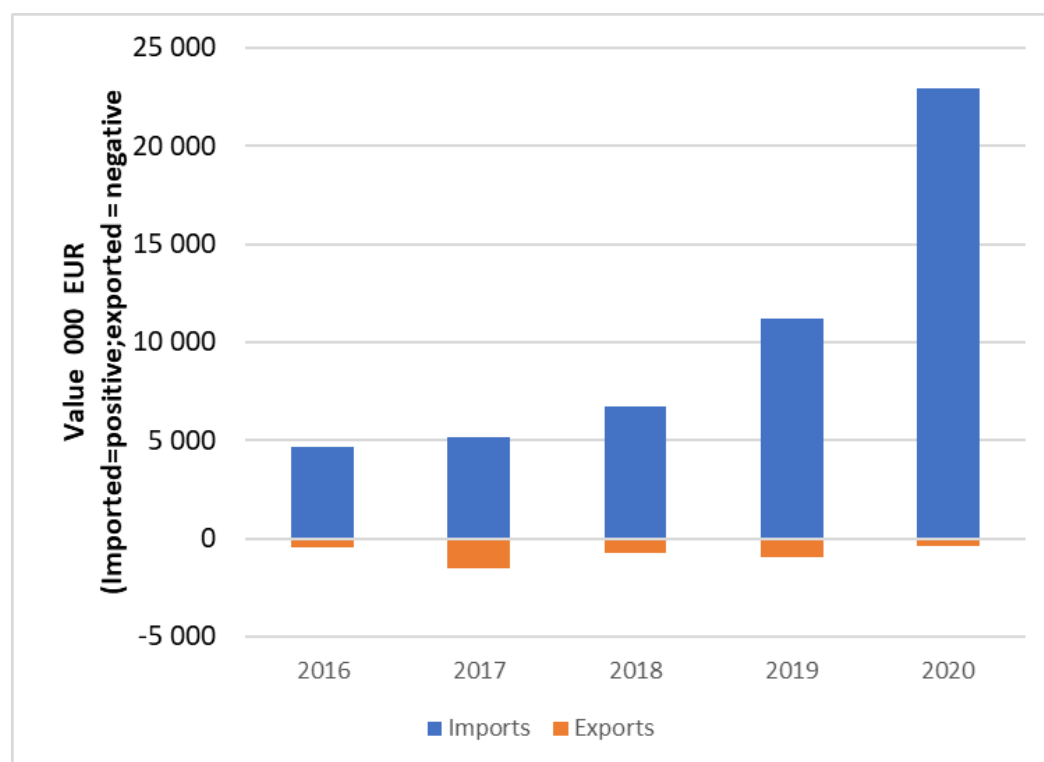
2014 which is massively insufficient to meet the domestic demand in particular because honey consumption has been increasing a lot since then.⁸²

In 2020 Sunbulah Group dominated the honey market in Indonesia and accounted for more than 25% of the retail value. It's Al Shifa is the most popular honey brand in the country. Ultra Sakti PT with its Madu TJ brand ranked second with close to 20% of the retail value and Madurasa Unggulan Nusantara PT with its Madurasa brand accounted for around 18% of retail value in 2020.⁸³ Thus, these three companies together made up around 2/3 of the total market.

5.14.3.2 Imports and exports

As shown in Figure 5-61 Indonesia is by far a net importer of honey, with exports nearly being negligible. In 2020 Indonesia imported honey with a value of about EUR 22m, whereas it exported about EUR 405 000. Since 2016 the imports of honey have been growing, in particular between 2019 and 2020 where imports of honey increased by around 50%. Exports, on the other hand, have always been low.

Figure 5-61: Trade balance (imports and exports) of honey in Indonesia, 2016-20; Value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

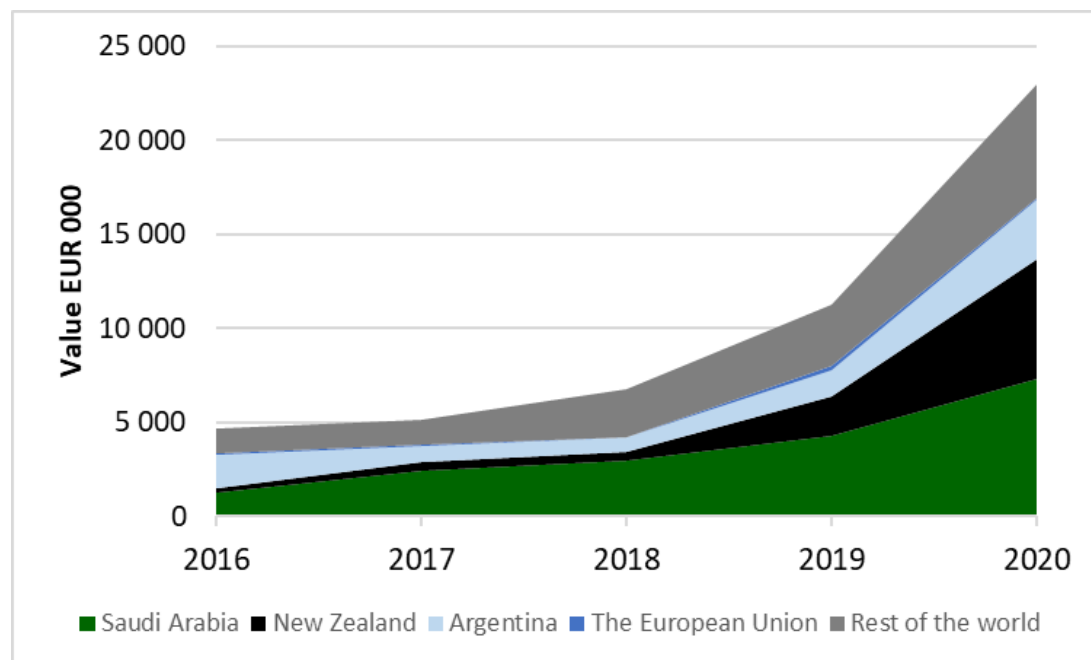
Data for CN code 0409

⁸² Embassy of the Argentine Republic Indonesia (2014). Natural Honey, Available at: https://www.academia.edu/12136292/Indonesia_Natural_Honey_Market_Review#:~:text=According%20to%20Ministry%20of%20Forest,spoon%20per%20person%20per%20year.

⁸³ Euromonitor International: Packaged Food, 2021.

The main exporter of honey to Indonesia in 2020 was Saudi Arabia, with close to EUR 7.3m, followed by New Zealand with about EUR 6.4m and Argentina with more than EUR 3.2m as shown in Figure 5-63. Together these three countries accounted for around 77% of the total export market value of honey exports to Indonesia in 2020. France, which ranked 9th exported a value of EUR 73 000.

Figure 5-62: Indonesian imports of honey by country, 2016-20 value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 0409

5.14.3.3 EU GI products

As noted in section 4.2.4, there is legislation for registering GIs in Indonesia. No GIs for honey have been identified as having been registered.

5.14.3.4 Main competitors

The honey export market to Indonesia is highly dominated by Saudi Arabia, New Zealand and Argentina, which makes them the three biggest competitors.

5.14.4 Specific market entry requirements

Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for honey notably include: a veterinary health certificate for animal products; veterinary inspection; the registration of the product; import permit; certificate of analysis; free sale certificate; and certificate of good manufacturing practice.

In terms of tariffs, honey faces an ad valorem tariff of 5%.

information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general honey category (0409) from France to Indonesia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0409&origin=FR&destination=ID>

Standards, SPS measures

Definitions for honey are included in category 11 of BPOM Regulation No. 34/2019. The regulation, in Indonesian, can be found here (there is no English translation at present):

<https://jdih.pom.go.id/download/product/827/34/2019>

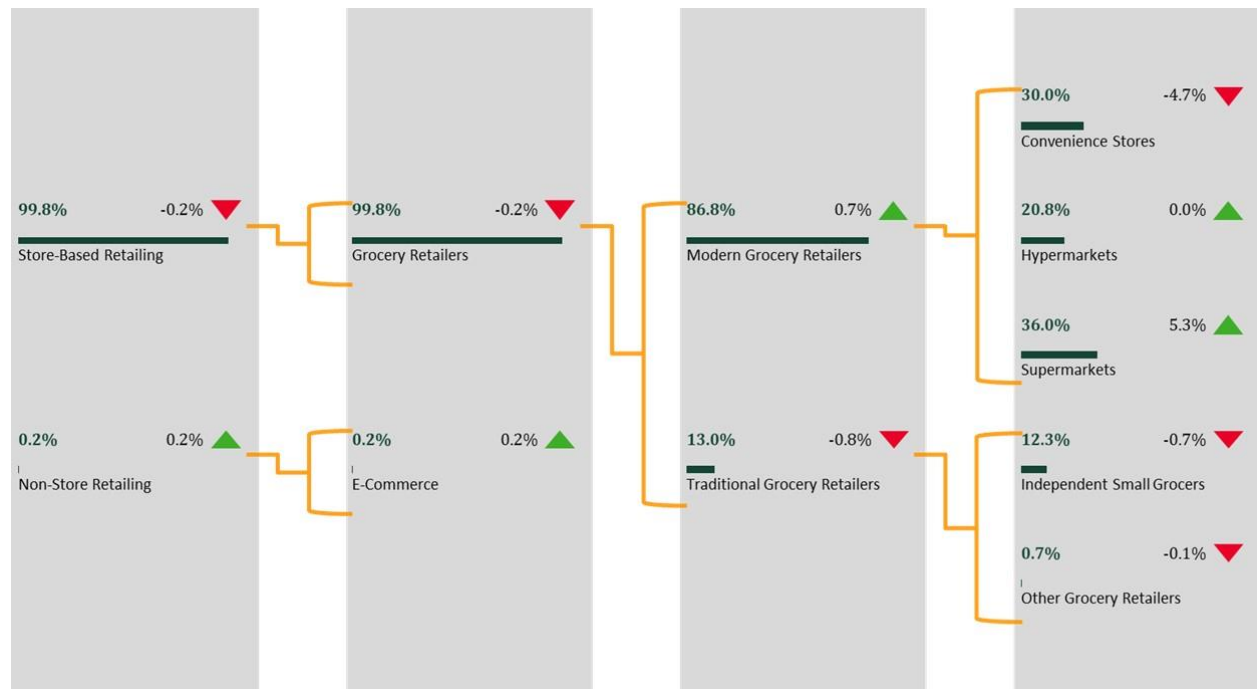
Labelling

Honey must conform to the labelling requirements for packaged foods set out in section 4.2.3.

5.14.5 Distribution

In 2020 nearly all retail value of sweet spreads (including honey) came from store-based retailing (99.8%) as depicted in Figure 5-63. The remaining 0.2% of the retail value came from e-commerce. Modern grocery retailers overall gained popularity and accounted for about 86.8% of the retail value in 2020, whereas the popularity of traditional grocery retailers decreased by 0.8 percentage points since 2017 and was accounted for around 13% of the retail value. All modern grocery channels are popular, yet, supermarkets are the main channel that accounted for 36% of the retail value in 2020, followed by convenience stores and hypermarkets.

Figure 5-63: Distribution channel overview of sweet spread (inc. honey) in Indonesia in 2020; retail value



Source: Euromonitor International: Packaged Food, 2021.

5.14.6 Challenges for EU products

Currently, the value of exported EU honey is low compared to other exporting countries such as Saudi Arabia, New Zealand and Argentina and the competition is big. Honey remains to be a niche market in Indonesia even though it has been and still is gaining popularity. Thus, the per capita consumption is very low as well, especially compared to e.g. EU countries. Moreover, honey compared to other sweeteners is a very expensive product. Due to economic issues caused by the pandemic, the price consciousness of consumers is increasing which might have effects on the honey market. Yet, due to the high overall price consumers are more likely to be from higher income groups which are likely to have been less impacted by the negative effects of the pandemic.

Market Takeaway: Honey

Consumption: The honey market in Indonesia has a size of about EUR 60m in 2020. Since 2016 it has been growing at a high rate and is forecast to continue to grow at a strong rate until 2025.

Competition: Main competitors are other exporting countries, mainly Saudi Arabia, New Zealand and Argentina. The local production on the other hand is rather small.

Distribution: Mainly via modern grocery channels such as supermarkets, convenience stores and hypermarkets.

Challenges: The very small market size, current low level of exports from the EU, increasing price consciousness of consumers and the high price of honey products.

Opportunities: addressing higher income groups due to premiumisation and health trends.

5.15 Live plants

5.15.1 SWOT analysis

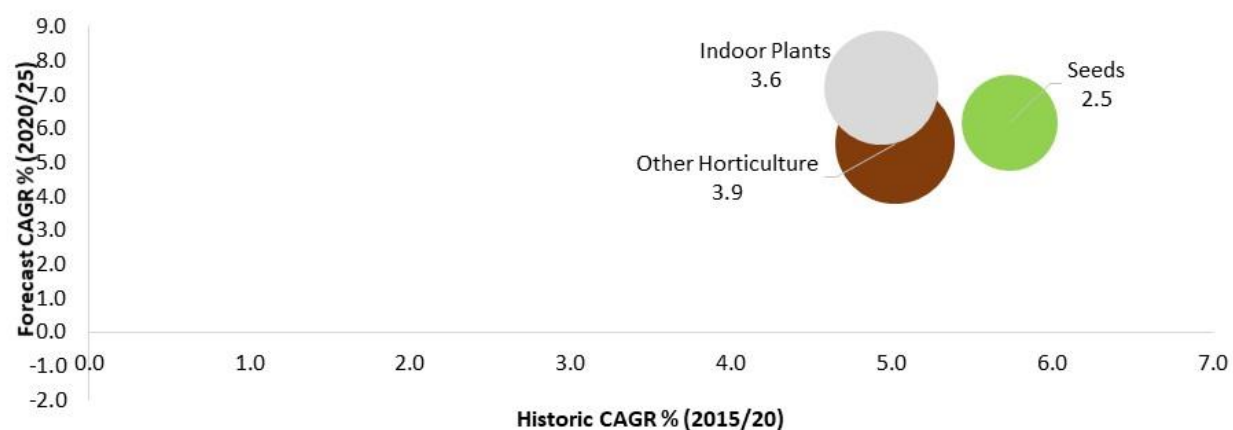
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> Market is forecast to grow at fast rates (5-7% per year). 	<ul style="list-style-type: none"> Market is very small. High level of fragmentation in the market.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> Smaller plants suitable for more limited gardens have been popular of late. 	<ul style="list-style-type: none"> Difficult market access. EU imports are negligible, with neighbouring countries dominant source of imports, though ultimately domestic production is already in excess of demand.

5.15.2 Consumption

5.15.2.1 Evolution of consumption

The market for horticultural plants is fairly evenly split between the three categories of other horticulture, indoor plants and seeds; though the latter is smaller than the other two (Figure 5-64). Combined the three segments have a market value of just EUR 9.9m; have grown at a fairly similar rate (5-6% per year) and are forecast to grow between 5.6% and 7.2% per year going forwards. The segment for the more garden planting orientated pots and planters (not displayed) is slightly bigger than the combined three segments at EUR 14.7m; and also has a historical growth rate of 5% and forecast growth rate of around 7%.

Figure 5-64: Evolution and forecast of the market for horticultural products in Indonesia, 2015-2025; EUR million



Source: Euromonitor International: Home and Garden, 2021

5.15.2.2 Consumer profile and purchase criteria

5.15.2.3 Consumers

Consumers

With most Indonesians living in houses, the ownership of a garden is very common in the country. Nonetheless, this does not create a large market for live plants, with garden products in general largely considered non-essential items. Consumers of indoor plants are primarily urban based. Buddhists in the country, which number around 11-12 million, on balance tend to have a slightly greater appreciation for live plants.

Drivers and method of consumption

No specific drivers for live plants stand out. The government has been actively promoting the production of flora and fauna native to Indonesia as a part of both a tourism drive internationally and a national sense of pride campaign domestically. The government has also been actively promoting the growth of the floricultural sector of Indonesia however the sector faces challenges from other more commercial sectors such as the production of fruit and vegetables.

Purchase criteria

Price is a notable consideration and this in turn often drives consumers towards seeds rather than grown plants. The increasingly limited space available for gardens has made the size/compactness of the plant a notable criterion if it is to be used in an urban garden.

5.15.2.4 Recent market trends

The COVID 19 pandemic has had positive impacts on interest in plants and gardening as consumers spend more time at home. It is possible that this interest continues going forwards. A national “Go Green” campaign has led to more interest in plants e.g. through planting trees; and Indonesians in general are predicted to become increasingly concerned about the environment, supporting growth of the small live plants sector. That said, continued economic challenges may have a negative impact. Furthermore, the floriculture sector has been struggling to scale in the country due to a combination of fewer areas available for the wide-scale production of floral products, competition from the countries fruit and vegetable sectors which generally get priority for food security reasons.

5.15.3 Offer

5.15.3.1 Domestic production

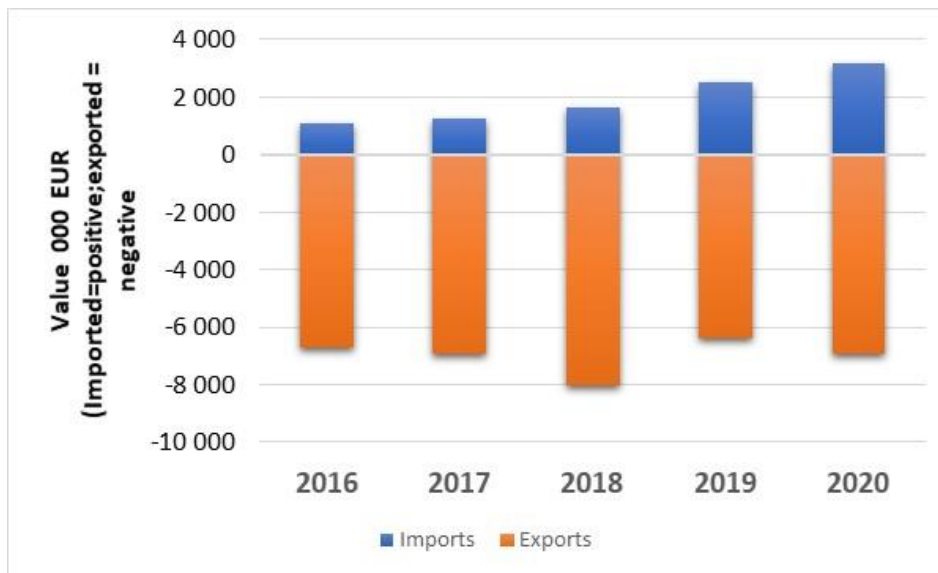
The production of live plants in Indonesia is a small sector when compared to the larger horticultural sectors of fruit and vegetables, the reasoning behind this include the increased commercial viability of fruit and vegetable products, the demand from the government to ramp up the production of goods that can offset concerns about food security (with live plants not generally being viewed as one of these products), and the reduction of land availability for the wide-scale production of live plants due to a rising economy and population which prioritises other sectors of the economy. The market for horticultural

products in Indonesia is extremely fragmented, with the largest player - Trubus Mitra Swadaya PT – estimated to only have a 2% market share.

5.15.3.2 Imports and exports

As shown below in Figure 5-65, Indonesia exports a much higher value of live plant products than it imports, this can be explained by the wider variety of native live plants in Indonesia which may not appeal to consumers domestically but will appeal to collectors abroad. Imports totalled EUR 3.2m in 2020.

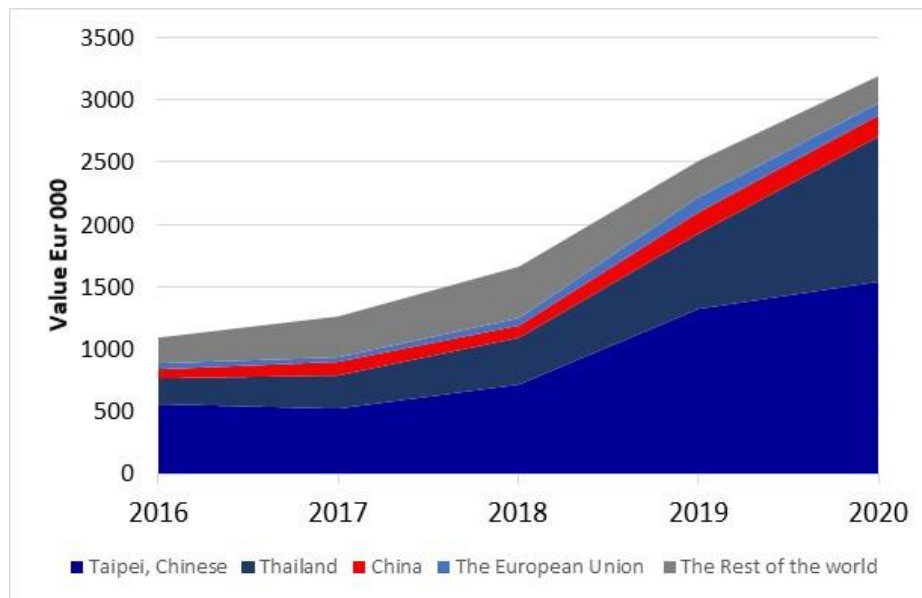
Figure 5-65: Trade balance (imports and exports) live plants in Indonesia 2016-20; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 0602

In terms of origin, as shown in Figure 5-66 Chinese Taipei, Thailand, and China are the three biggest exporters of live plants due in part to the geographical proximity of Indonesia to these three countries. The largest exporter of live plants from the EU is Spain followed by Italy and Belgium; though overall the EU's share is negligible.

Figure 5-66: Indonesia imports of live plants by country, 2016-20; Value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN codes 0602.

5.15.3.3 Main competitors

The main competitors come from firstly the extremely fragmented domestic producers. Chinese Taipei, Thailand and China are the biggest competitors from outside of Indonesia however even the exportation of live plants from these three countries to Indonesia are small.

5.15.4 Specific market entry requirements

Market Access and Entry; Standards, SPS measures; labelling

MOA regulation No. 02/2020 regulates the import of horticultural products. This replaced MOA regulation No 38/2017.

A full list of the general documentary requirements for export set out in Table 4-1 of section 4.2.1. Specific requirements for live plants are:

- A registration for agricultural quarantine
- Import permit for plant propagating material
- Phytosanitary certificate
- Phytosanitary inspection
- Registration of new plant varieties, if the variety is new; and authorisation to import endangered species, if the product is subject to cites.

In terms of tariffs, most live plants under code 0602 face tariffs of 5%; though there are a few products which face tariffs of 0%, 10% or 20%.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

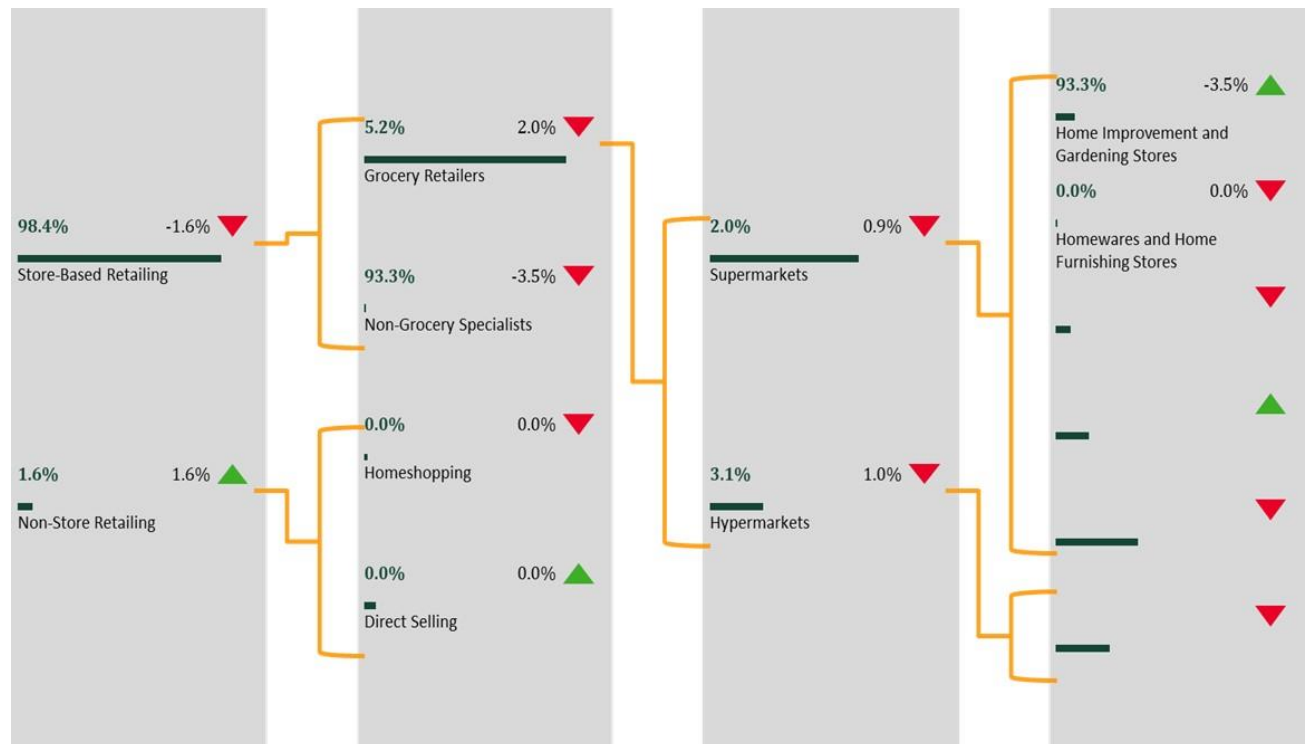
Main page – select product, country of origin and destination country:
<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – live plants category (0602) from Spain to Indonesia
<https://trade.ec.europa.eu/access-to-markets/en/search?product=0602&origin=ES&destination=ID>

5.15.5 Distribution

Figure 5-67 displays the distribution of gardening items – including horticultural products – in Indonesia. Distribution comes predominantly from Indonesian store-based retailers with the majority of sales coming from home gardening stores. Hypermarkets and Supermarkets account for 5% of all sales. The use of other less formal channels for the distribution of horticultural products as well can be expected.

Figure 5-67: Distribution channel overview of garden items in Indonesia (2020); retail value



Source: Euromonitor International: Home and garden, 2021.

5.15.6 Challenges for EU products

Arguably the biggest challenge that EU products have is entering a market that firstly has several trade barriers in place for the exportation of live plants; and secondly that the market is very small and highly fragmented.

Market Takeaway: Live plants.

Consumption: *though most Indonesians have gardens, a low level of consumption.*

Competition: *Mainly from fragmented domestic producers. The limited competition from abroad includes Thailand and China although exports from these two countries are small.*

Distribution: *Mainly sold in garden and home improvement retailers with a small percentage coming from supermarkets and hypermarkets combined.*

Challenges: *Approval to export to Indonesia combined with the very small market.*

Opportunities: *very limited, though unique potted plants may have some scope.*

6 Communication

6.1 Communication strategy

Companies wanting to market products and advertise in Indonesia have different channels to consider. The aim of this section is to breakdown each section of the mass media landscape in Indonesia and to introduce the main communication channels (new and traditional media, as well as fairs) available in the country, as well as provide a brief overview of key regulations for the advertisement of food and beverages.

6.1.1 Online & Digital Media

While figures vary, generally internet penetration in Indonesia is generally estimated to currently be in the 55-65% range, having increased rapidly – even almost exponentially – in recent years. Social media penetration is estimated to be just below this. Almost all internet users own smartphones, and mobile devices subsequently account for the majority of internet use.⁸⁴

As is the case elsewhere in the world, online and digital marketing is becoming increasingly important – largely as a result of this increasing internet penetration. Online media is estimated to have grown at above 30% per year in recent years, and this growth rate is forecast to continue up to 2025. Nonetheless, the audience which consumes online media does differ slightly from that which consumes traditional media. As would be expected, internet usage decreases with age. Furthermore, while online media is commonly used on the populous Java island, outside this island Indonesians generally prefer to read print newspapers rather than consume online media.⁸⁵

Digital advertising agencies may provide companies with support to develop a successful digital marketing strategy for Indonesia. The box below includes some of the larger digital advertising companies though other agencies also exist.

Notable Indonesian Digital Advertising Agencies:⁸⁶

Arfadia, <https://www.arfadia.com/>

Enterpage digital solutions, <https://enterpage.id/>

Highangle, <https://www.highangle.co.id/>

Cuatroodia, <http://cuatroodia.com/>

Nubiz, <https://nubiz.co.id/>

⁸⁴ <https://datareportal.com/reports/digital-2020-indonesia>

⁸⁵ <https://en.prnasia.com/blog/2019/10/indonesia-media-landscape-2019-how-to-reach-out-to-both-digital-and-traditional-media/>

⁸⁶ Top Digital Marketing Companies in Indonesia, <https://www.goodfirms.co/directory/country/top-digital-marketing-companies/indonesia>. Note: agencies mentioned are for information only. Due diligence will have to be performed for the companies as no warranty is given as to the standing of these individuals, organisations or firms, and no corresponding responsibility or liability is accepted by the authors.

Yumbox / Nanyang Bridge, <https://www.nanyangbridge.com/>
IDP Solution, <http://idpsolution.com/>
Occam, <http://www.occam.co.id/>
Vero, <https://vero-asean.com/>
Lime Commerce, <https://www.limecommerce.com/>

6.1.1.1 Social media platforms

Against the background set out above of increasing importance of digital media in Indonesia, social media marketing is unsurprisingly increasingly important. Indeed, the fact that social media penetration is only slightly below internet penetration (i.e. more or less all internet users are also on social media), social media marketing is even more important. Overall, spending on social media advertising is number three among digital advert spending, just behind digital banner advert spending though still quite a long way behind digital search advert spending. Nonetheless, social media advert spending has been increasing more quickly than these two other channels. While all age groups use social media to some extent, it is particularly popular among the 18 to 35 age group, which is estimated to account for around 2/3 of all social media users. The most popular social media platforms are listed below.⁸⁷

YouTube

YouTube is the most widely used social media channel in Malaysia, with close to 9 in 10 internet users using it in any given month. It is commonly used as a TV substitute / TV catch up substitute; indeed Indonesia TV channels feature strongly among the most popular YouTube channels in Indonesia. As well as a source of media, YouTube is increasingly used by Indonesians as a source of product information; over half of Indonesian YouTube users report accessing the platform to obtain production information; and while less relevant for food and beverages, over 4 in 5 users report accessing the platform for information on how to use a product.

Notable YouTube food orientated channels in Indonesia

Kokiku TV <https://www.youtube.com/user/KokikuTv/videos>
Sobat Kuliner <https://www.youtube.com/channel/UCJu29dZexAfHRBPU9DCPANw/videos>
Luksunshine <https://www.youtube.com/user/Luksunshine>
Fun Cooking with Yackikuka <https://www.youtube.com/c/MellianaHardiyackikuka>

WhatsApp

This is the second most popular social media channel in Indonesia, just behind YouTube and fractionally ahead of Facebook. The channel is increasingly used by small businesses as a way of interacting directly with customers. Most notably, WhatsApp is increasingly being used to send newsletters, replacing email channels through which newsletters often get lost.

⁸⁷ <https://datareportal.com/reports/digital-2020-indonesia>; <https://greenhouse.co/blog/indonesias-social-media-landscape-an-overview/> ; <https://www.ipsos.com/en/instagrams-impact-indonesian-businesses>; <https://www.incidfy.co/the-rise-of-social-media-in-indonesia/>

Facebook

Facebook is used by over 8 out of 10 Indonesian internet users in any given month, making it the third most popular social media channel. Facebook is almost exclusively accessed through mobile devices (over 9 in 10 Facebook users only access it through mobiles). Facebook has been shown to be more popular with older consumers than younger ones, with its popularity peaking in the 30-35 year old demographic. The platform has been shown to influence the purchasing decisions of a substantial share of its users; around 1/3 have made purchases based on information they found on Facebook and a similar number has made purchases based on recommendations through the platform.

Instagram

Instagram is used by just under 8 out of 10 internet users in Indonesia, making it the fourth most popular social media platform in the country. Whereas Facebook's popularity in Indonesia lies among older users, Instagram's tends to lie among younger users, with its popularity peaking among the 16-25 year old demographic. The platform is considered an active social marketplace in Indonesia; around 4 in 5 users say they use the platform to find out more about brands they are interested in, while ¾ of users say they have discovered a new brand on Instagram. The platform is also commonly used by Indonesian small businesses either as a website alternative and/or for communicating directly with customers.

Top Food Instagram influencers in Indonesia⁸⁸

Anakjajan.com @anakjajan
Kokiku TV @kokikutv
TastemadeIndonesia @tastemadeindonesia
Fun Cooking with Yackikuka @yackikuka
Hungryfever @hungryfever
Eats and Treats @eatandtreats
Windy Iwandi @fooddirectory
Jiewa Vieri @inijie
Karin Novilda @awkarin
Vincent Rompies @vincentrompies
Juna Rorimpandey junarorimpandeyofficial
Steak Channel @steakchannel

Other platforms

The above four platforms are the most popular in Indonesia by some distance. However, Twitter, Line and Facebook Messenger are also popular platforms used by around half of internet users; while LinkedIn, Pinterest, WeChat and Snapchat are used by around 1/3. Some of these are particularly popular among women (e.g. almost 70% of Twitter users and 90% of Snapchat users are female). While Line is used in a

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<https://www.heepsy.com/ranking/top-food-influencers-in-jakarta;>
https://blog.feedspot.com/indonesian_food_blogs/

similar way to WhatsApp for interacting with customers, creative methods allowed by the platform such as chatbots are often used to interact with customers. However, despite this enhanced functionality, WhatsApp remains the more popular messaging platform in Indonesia by some distance.

6.1.1.2 Food blogs

Another interesting option to promote EU food products in Indonesia is to work closely together with food bloggers. There are possibilities to hire food bloggers and to ask them to promote certain products on their blog.

Well-known food bloggers are influencers as well and increasingly cross over between written blogs and several social media accounts. This diversity of channels used also diversifies the exposure of a product on several platforms. Indeed, many of the top YouTube and Instagram pages for food in Indonesia in section 6.1.1.1 also have blogs.

The box below contains a selection of notable food bloggers in Indonesia, though this list is not extensive and certain blogs may be particularly relevant for certain food and beverage products. The box below does include some of the owners of YouTube and Instagram accounts previously mentioned. The sources in the footnotes may be referred to for more comprehensive lists of food bloggers.

Selected top Indonesia Food Bloggers⁸⁹

AnakJajan https://anakjajan.com/tag/indonesia-food-blogger/?_sm_nck=1
 Sashy Little Kitchen <https://www.sashylittlekitchen.com/>
 Eats and Treats <https://eatandtreats.blogspot.com/>
 Daily cooking quest <https://dailycookingquest.com/>
 Wanderbites <https://www.wanderbites.com/>
 The Yummy traveller <http://www.yummytraveler.com/>

6.1.2 Traditional Media

Despite the increasing popularity of digital and online media, traditional media still plays an important role; in particular among certain demographics such as older groups and citizens outside the heavily populated island of Java. Indeed, at a national level, adverts on television have been identified as being more instrumental in the identification of new brands by consumers than social media (though overall, search engines are the number one source of exposure). More information on different traditional media by type is set out below:⁹⁰

⁸⁹

<https://www.heepsy.com/ranking/top-food-influencers-in-jakarta;>
https://blog.feedspot.com/indonesian_food_blogs/

⁹⁰ [https://www.mediabuzz.org/newspapers/indonesia/;](https://www.mediabuzz.org/newspapers/indonesia/) [https://medialandscapes.org/country/indonesia/media/;](https://medialandscapes.org/country/indonesia/media/)
<https://datareportal.com/reports/digital-2020-indonesia>

- **Television:** TV remains the most popular media in the country despite the considerable inroads that digital media has made. It is estimated that 9 in 10 Indonesians watch TV. TV advertising spend is still estimated to outstrip that of other channels, including digital media. TV channels can be divided into public, private television, community television and subscribed. Around half of Indonesia's 500 or so channels are private, with subscribed channels in second place. Indonesians almost exclusively watch national channels (rather than regional ones, which are rare). Notable TV channels include ANTV, SCTV, Indosiar, RCTI and MNCTV; combined these account for almost 2/3 of all TV viewing in Indonesia.
- **Print media:** the number of publications has increased considerably since the end of the 20th century. There are now around 800 main printed media publications and these are mainly newspapers. Of these, Kompas is generally accepted to have the largest circulation with around 500 000 copies sold per day. However, against the background that overall newspaper circulation is between 7 and 8m newspapers per day, it can be seen that the print media is quite fragmented. While many newspapers are widely circulated across Indonesia, regional publications exist as well. As is the case elsewhere in the world, newspapers have increasingly made web content available as well.
- **Radio:** remains a popular media in Indonesia, despite the emergence of digital media. Indeed, the medium continues to grow, with Indonesians estimated to listen to radio 16 hours per week on average. The popularity of radio does vary based on location; while around 50% of the population listens to radio in major cities, this percentage rises to above 80% in smaller cities. Nonetheless, radio is highly fragmented, with total radio stations estimated to be in excess of 1 000 and groups owning multiple radio stations.

6.1.3 Fairs and exhibitions

In addition to the digital approach or traditional media, companies may decide to promote their products on various trade fairs. Trade fairs are numerous and cover a broad range of sectors and are generally becoming a more attractive and sophisticated method for in-country product promotion and industry networking.

While the majority of trade fairs take place in Jakarta, there are also some fairs in other cities/areas such as Surabaya, Tangerang and Bali. JI Expo and the Jakarta Convention Centre are notable trade fair venues in Jakarta; while Indonesia Convention Exhibition (Tangerang), Grand City and Dyandra Convention Centres (Surabaya), Bali Nusa Dua Convention Centre (Bali) and Badung Convention Centre (Badung) are notable venues outside the capital.

A list of selected major upcoming food related events and fairs can be found in section 8.4. Further, more comprehensive lists including more specialist fairs can also be found online at websites such as:

- <https://10times.com/indonesia/food-beverage>
- <https://www.tradefairdates.com/Food-Fairs-Indonesia-FSL216-L99-S1.html>

6.2 Advertising regulations

There is no single law in Indonesia which regulates advertising. Rather, the regulation of advertising is set out in several different laws, the most notable of which are:

- Law Number 8 of 1999 on Consumer Protection (the Consumer Protection Law) covering general aspects of advertising.
- Law Number 40 of 1999 on the Press (the Press Law) covering advertising which uses print and electronic media in the form of text, sound, image, sound and image, and data and graphs.
- Law Number 32 of 2002 on Broadcasting (the Broadcasting Law) covering broadcast media - television and radio in particular.
- Law Number 11 of 2008 on Information and Electronic Transactions (the ITE Law) concerning advertising using electronic media in the form of digitally transmitted information.

In addition to the various laws which regulate advertising at a national level it should be noted that:

- Some local regulations for certain aspects of advertising exist (e.g. on billboards in Jakarta).
- Codes of standards for advertising have historically existed (from the Indonesian Broadcasting Commission – KPI - and Association of Advertising Agencies - PPPI).
- There are specific regulations for the advertising of certain products, and some of these affect food. The most notable is the Government Regulation Number 69 of 1999 on Food labelling and Advertising; though Annex III of Minister of Health Decree Number 386/MEN.KES/SK/IV/1994 also covers some aspects.

While the regulations in place try to reflect the pluralism of Indonesia, it must be remembered that ultimately Indonesia is a majority Muslim country, and some of the advertising restrictions reflect that. In terms of the advertising of food and beverages, this is best reflected in the case of alcohol, the regulation of which has evolved. The Broadcasting Law prohibits the broadcasting of commercial advertisements promoting alcohol or addictive substances. However, there is some ambiguity around whether this affects only liquor products, or also beer and wine. Nonetheless, advertising through other channels such as social media does take place. Codes of conduct also contain provisions on alcohol advertising. In terms of food advertising, false or misleading statements are not permitted; and connected to this there are restrictions around the use of the word halal in advertising.

In view of the complexity of the regulations and possible changes in them, it is recommended that the issue of compliance with current advertising regulations be discussed in detail with the agency if they are being engaged.⁹¹

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<https://www.mondaq.com/publishing/465412/advertising-and-marketing--advertising-law#:~:text=Legal%20Service,of%20signboards%20of%20excessive%20size.> ;
<http://www.casbaa.com/advertising/resources/advertising-regulations/2335-indonesia> ;
<https://www.campaignasia.com/article/indonesias-beer-sales-regulations-how-marketers-will-react/396865> ;
<http://www.lekslawyer.com/wp-content/uploads/2015/03/Indonesia-Ad-Law.pdf>

7 Indonesian Etiquette

7.1 Quick facts

It is important to remember that Indonesia is a majority Muslim country, and a group-orientated culture. These two facts have considerable impacts on overall etiquette rules. It should be noted that, as a diverse country, nuances in etiquette exist across different groups. Some general etiquette considerations are set out below; some of these are explored in more detail in section 7.2 below⁹²:

- The Muslim religion impacts working days/times, major holidays and other aspects such as gift-giving practices.
- The concept of “face” is important for maintaining group harmony. The causing of shame “*malu*” should be avoided. Subsequently it is necessary to take care with one’s own behaviour while also being conscious that this concept may also impact the behaviour of Indonesian counterparts.
- Hierarchy plays an important role in Indonesian culture, with hierarchical relationships respected. Superiors are often called “*Bapak*” or “*Ibu*”. Those higher up the hierarchy tend to make decisions. While this can lead to the “*Bapak Syndrome*” (i.e. deferring to the boss to decide), Indonesians nonetheless tend to be advocates of group discussion. Subordinates will not disagree with superiors in public.
- Business is personal in Indonesia, meaning that time is needed to build a strong relationship. Subsequently, dealing with someone face-to-face is by far the most effective way of doing business.
- Following on from the above, trust is an important concept in business relationships, re-affirming the importance of face to face meetings. It is important to be well prepared for the first in-person meeting, as technical data and pricing may be discussed from the beginning. Information on turnover, competition, market share etc. will generally not be shared before any in-person meeting. Nonetheless, multiple meetings may be required to arrive at a conclusion given the importance of trust and personal relationships.
- Time: relationships are prioritised over time, with the latter considered elastic in Indonesia. Subsequently it is not unusual for meetings to start or finish late. Confirmation of meeting attendance occurs a lot later than it does in Europe, indeed if at all. Last minute cancellations of meetings can occur.
- While the official language is Bahasa Indonesia, English is widely spoken by young people. Nonetheless, interpretation may be required for business meetings, particularly if they occur outside major urban centres such as Jakarta. If English is used, care should be taken to use simple language in order to avoid any misunderstandings.
- Gift giving is not common during a first meeting, but may subsequently be offered. They should be small and corporate in nature to avoid any hint of corruption. Gifts should always be opened in front of the giver.

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<https://www.commisceo-global.com/resources/country-guides/indonesia-guide>;
<https://culturalatlas.sbs.com.au/indonesian-culture/indonesian-culture-business-culture>;
<https://straitspartners.co/how-to-know-about-indonesian-business-culture/>

- The provision of refreshments to guests is traditionally important and polite. As a host one should ensure refreshments are offered; as a guest you will most probably be offered tea or coffee and it is polite to accept even if you are not thirsty. One should wait for the host to indicate one can drink.
- Business attire is generally conservative and office clothing is formal. Women should ensure that they are well covered from ankle to neck. Tight fitting clothes are best avoided.

7.2 Key DOs and DON'Ts

Dos	Don'ts
<ul style="list-style-type: none"> • Use titles before people's names. The normal titles are: <i>Bapak (Pak)</i> for Mr; <i>Ibu (Bu)</i> for Mrs; <i>Mas</i> for young man and <i>Mbak</i> for Miss/ young woman. The first name is generally used after the title. • Give business cards during your first meeting after the initial handshake/greeting. Use the right hand to give business cards, and ensure they are given to each person you are meeting. Using your title on the card enhances credibility. • Avoid excessive physical contact in the first meeting. A handshake is normally enough. Some men and women may avoid shaking the hands of their opposite sex, preferring to introduce themselves by nodding their head and smiling instead. • Speak slowly and calmly without raising your voice. People who speak in high pitched voices can come across as aggressive. • Smile when you meet people you know; it is most notably considered as polite by older people. • Take off your shoes before entering a house or a place of worship like mosque. • Use your right hand when eating, giving or receiving items or shaking hands. The left hand is considered unclean and so should be avoided. 	<ul style="list-style-type: none"> • Schedule meetings during prayer times or on Friday afternoon. It must be remembered that Muslims pray five times a day and Friday prayer is particularly important. • Point in public; above all with the left hand or your right index finger. If it is necessary to point, use the right thumb with the fingers folded underneath. • Touch someone else's head. The soul is believed to inhabit the head, making a person's head sacred. • Use red ink when writing a person's name. Red was originally used to record the names of the deceased. • Take every "yes" answer as a definitive yes. As Indonesians are generally gracious, polite and can be indirect; they try to avoid saying "no". It is necessary to read between the lines to a certain extent; for example, "Yes, but..." is more likely to mean "No." • Use a loud voice or strong tone (even if in a positive way). The expression of anger in public through tone of voice, loudness or body language is generally deemed inappropriate. • Criticize in public. The concepts of saving face, respect and loyalty are notable in the Indonesian culture.

- | | |
|--|--|
| <ul style="list-style-type: none">• Take your time to build up strong business relationships. Face-to-face meetings are important and the first meeting may be more about getting to know you rather than business. Exercise patience and try to avoid pressure tactics as Indonesians prefer to ensure matters can have sufficient consideration.• Pause before answering questions. This is normal in Indonesia and shows that time has been taken to understand the question. Do not interrupt the silence if other people pause before answering.• Be acquainted with major Muslim practices. It must be remembered that Indonesia is a majority Muslim country, and this impact various aspects of culture; for example, alcohol should never be given as a gift to a Muslim. | <ul style="list-style-type: none">• Exert strong pressure when performing business dealing, particularly in relation to timing or deadlines. Patience is highly appreciated; in contrast rushing an Indonesian counterpart may backfire.• Talk when eating; this is considered rude. Conversation is reserved for before or after the meal. As a dinner guest, you should wait to be shown your place; and also, to be invited to eat before starting.• Be offended if people ask you some personal questions. This is a way of showing friendliness. It is acceptable to avoid answering the question.• Be offended if an Indonesian comes late to a meeting (particularly more important people). While Indonesians value time, they do not have strict views towards lateness. The issue of lateness should not be raised during the meeting either. |
|--|--|

8 Directory of Trade Support Projects, Organisations, and Service Providers

There are a variety of services available, both within the EU and in The USA, for producers wishing to export to The USA. These service providers include EU funded projects, services provided by the Member States and their embassies, other organizations and service providers, as well as buyers, importers, and distributors.

- Section 8.1 contains the project profiles for EU funded initiatives operating in The USA.
- Section 8.2 contains the contact information for Member State embassies within The USA
- Section 8.3 contains a listing of service providers including some information on the services available.
- Section 8.4 provides a calendar of exhibitions, trade shows, and other events to be held in the USA in 2020.
- Section 8.5 contains a database of professionals' contacts (buyers, importers, and distributors).

8.1 European Union Organisations

Certain EU funded, or co-funded, projects within Indonesia offer a range of business enabling services and information providing important insights into the Indonesian market. Depending on your company profile these services can be free or fee based; and are available for companies from any EU Member State.




eurocham

EuroCham Indonesia

The European business chamber of commerce in Indonesia is the principal voice of European business in operation in Indonesia works to advocate for European interests in the country. The organisation also works to improve market access into the country for European businesses and is available to consult with European business seeking to enter the Indonesian market.

Contacts

 World trade centre 1, 5, Kav. 29-31, Sudirman, Jakarta

 (+62) 21 571 0085

 <http://www.eurocham.id/>



EU-ASEAN Business council

Based in the country of Singapore, the EU-ASEAN business council is a voice for European business operating in the ASEAN region. The overarching objective of the EU-ABC is to promote changes in policies, rules and regulations so that European businesses can more easily invest and develop their businesses in ASEAN, benefiting not only their own shareholders but also local economies and populations.

Contacts

📍 19/F Singapore Tower, 50 Raffles Place, Singapore 048623

☎ (+65) 6631 2751

✉ info@eu-asean.eu

🌐 <https://www.eu-asean.eu/>



American-European business association (AEBA)

AEBA is a forum, of 30 select transatlantic corporate members, which promotes and facilitates lively and informed debate on key business, economic and political topics. The association's chief goals are to improve and increase understanding and cooperation between the business community and governments in Europe and North America, so as to advance opportunities in the globalised world.

Contacts

📍 Wenta Business Centre, 1 Electric Avenue, London, EN3 7XU

☎ (+44) 1252 703 514

✉ cl@aeba.org.uk

🌐 <http://aeba.org.uk/>

8.2 Directory of EU Member State Embassies/Consulates

EU MS	Address	Contact information
Austria (Embassy)	Jalan Diponegoro 44, Mentang, Jakarta	☎ (+62) 23554005 ✉ Contact Through Website 💻 https://www.bmeia.gv.at
Belgium (Embassy)	Deutsche Bank building, Jalan Iman Bonjol 80, Jakarta	☎ (+62) 21 316 20 30 ✉ jakarta@diplobel.fed.be 💻 https://indonesia.diplomatie.belgium.be
Bulgaria (Embassy)	Jl.Imman Bonjol 34-36, Jakarta	☎ (+62) 21 390 40 48 ✉ Embassy.jakarta@mfa.bg 💻 https://www.mfa.bg/en/embassies/indonesia
Croatia (Embassy)	Menara Mulia-Suite 2801 Jl.Gatot Subroto Kav. 9-11 Jakarta	☎ (+62) 21 525 78 22 ✉ jakarta@mvep.hr 💻 http://www.mvep.hr/en/diplomatic-directory/indonesia-jakarta
Czech Republic (Embassy)	Jl.Gereja Theresia 20 Mentang, Jakarta	☎ (+62) 81 192 456 63 ✉ Contact Through Website 💻 https://www.mzv.cz/jakarta
Denmark (Embassy)	Kuningan City Mall ,1 st Floor No. L1 20-32 Jakarta	☎ (+62) 21 304 187 03 ✉ jktamb@um.dk 💻 https://indonesien.um.dk/
Estonia (Honorary Consulate)	Jl.Pinang Emas 17, Pondok Indah, Jakarta	☎ (+62) 21 70 82 8803 ✉ consulate.estonia.jkt@gmail.com 💻 https://vm.ee/en/countries/indonesia
Finland (Embassy)	Menara Rajawali 9 th , Jl Mega Kuningan, Jakarta	☎ (+62) 215 761 631 ✉ sanomat.jak@formin.fi 💻 https://finlandabroad.fi/
France (Embassy)	Jl.MH.Thamrin No 20, Jakarta	☎ (+62) 23 55 76 00 ✉ Contact through website 💻 https://id.ambafrance.org/-Indonesia-
Germany (Embassy)	Jalan M.H Thamrin Nr 1, Jakarta	☎ (+62) 811 15 25 26 ✉ Contract through website

EU MS	Address	Contact information
		 https://jakarta.diplo.de/id-en/embassy
Greece <i>(Embassy)</i>	Plaza 89, 12 th floor suite 1203, Jl. Rasuna Said, No6 Jakarta	 (+62) 221 520 7776  gremb.jrt@mfa.gr  https://www.mfa.gr/missionsabroad/en/indonesia
Hungary <i>(Embassy)</i>	Jl.Rasuna Said Kav, Kuningan, Jakarta	 (+62) 21 520 3461  mission.jkt@mfa.gov.hu  https://jakarta.mfa.gov.hu/
Ireland <i>(Embassy)</i>	World trade centre 1, L-14, Jl.jend, Sudirman Kave 29-31, Jakarta	 (+62) 21 280 94300  Contact through Website  https://www.dfa.ie/
Italy <i>(Embassy)</i>	Jl. Diponegoro No.45, Menteng, Jakarta	 (+62) 21 3193 7445  ambasciata.jakarta@esteri.it  https://ambjakarta.esteri.it/
Latvia <i>(Honorary Consulate)</i>	Sentra Pemuda Kav 5-6, Jalan Pemuda No 61, Rawamangun, Jakarta	 (+62) 21 3970 7210  indonesia@latvia.or.id  https://www.latvia.or.id/
Lithuania <i>(Honorary Consulate)</i>	Jl.Jeruk No.4, Menteng, Jakarta	 (+62) 392 0465  sugikadr@centrin.net.id  https://jp.mfa.lt/
Luxembourg <i>(Honorary Consulate)</i>	Jalan Ampera Raya 5, Jakarta	 (+62) 21 7883 6682  tsd101@cnb.net.id
Malta <i>(Honorary Consulate)</i>	Jl Metro Raya TE No 4-5, Pondok Indah	 (+62) 21 7581 8493  Consulate.malta.jkt@gmail.com
The Netherlands <i>(Embassy)</i>	Jalan HR Rasuna Said Kav.S-3, Jakarta	 (+62) 215 200 734  Jak@minbuza.nl  https://www.netherlandsworldwide.nl
Poland <i>(Embassy)</i>	H.R JL.Rasuna Said Kav.X Blok IV/3, Jakarta	 (+62) 21 2525 940  dzakarta.amb.sekretariat@msz.gov.pl  https://www.gov.pl/
Portugal <i>(Embassy)</i>	Jl.Indramayu No 2 2A, Jakarta	 (+62)21 31908030  jakarta@mne.pt  https://jacarta.embaxadaportugal.mne.gov.pt/

EU MS	Address	Contact information
Romania <i>(Embassy)</i>	Jl.Teuku Cik Di Tiro No 42A, Mentang ,Jakarta	 (+62) 21 390 0489  jakarta@mae.ro  https://jakarta.mae.ro/en
Slovakia <i>(Embassy)</i>	Jl Prof Mohammad Yamin SH 29, Jakarta	 (+62) 213101068  emb.jakarta@msz.sk  https://www.mzv.sk/
Spain <i>(Embassy)</i>	Jl.Haji Agus Salim 61 Jakarta	 (+62) 21 314 23 55  emb.yakarta@maec.es  http://www.exteriores.gob.es
Sweden <i>(Embassy)</i>	Menara Rajawali 9 th floor, Kawasan Mega Kunigan, lot 51	 (+62) 21 2553 5900  ambassaden.jakarta@gov.se  https://www.swedenabroad.se

8.3 Other organisations and service providers

8.3.1 Trade promotion organisations (TPOs) and agri food promotion organisations (APOs)




























EU MS	Address	Contact information
Austria Agrarmarkt Austria Marketing (APO)	Austria	https://www.ama.at/Home
Belgium (Flanders) FIT (TPO)	Belgium	+32 2 552 80 11 export@vlam.be
Belgium (Flanders) Flanders' Agricultural Marketing Board (APO)	Deutsche Bank Building, 16th floor; 80, Jalan Iman Bonjol; ID - 10310 Jakarta	(+62) 213162036 jakarta@fitagency.com
Belgium (Wallonia) AWEX / Wallonia-Brussels, Jakarta Trade Office (TPO)	c/o Embassy of Belgium Deutsche Bank Building, 16th floor (13th) 80, Jalan Imam Bonjol ID - 10310 Jakarta	(+62) 21 3983 1470 jakarta@awex-wallonia.com
Belgium (Brussels) (TPO)		https://hub.brussels/en/
Bulgaria Bulgarian Small and Medium Enterprises Promotion Agency (TPO)		https://www.sme.government.bg/en/
Cyprus Trade Service of the Ministry of Energy, Commerce and Industry (TPO)	<i>Cyprus</i>	35722867155 ts@meci.gov.cy
France Business France in Indonesia (TPO)	Jl. MH Thamrin No. 20, Jakarta	(+62) 212 35 57 994 rachid.boulaouine@businessfrance.fr
France SOPEXA (APO)	<i>France</i>	(+33) 01 55 37 50 00 mybusiness@sopexa.com
Estonia Enterprise Estonia (TPO)	<i>Estonia</i>	(+372)6279421 info@eas.ee
Finland Business Finland (TPO)	Porkkalantaku 1 Helsinki	+358 29 50 55000 harry.dhavilla@businessfinland.fi
Germany Federation of German Food and Drink (APO)	<i>Germany</i>	(+49) 30 200786-157 bve@bve-online.de
Greece Enterprise Greece / Office of Economic and Commercial Affairs (TPO)		https://www.enterprisegreece.gov.gr/en/

EU MS	Address	Contact information
Hungary Hungarian Export Promotion Agency (TPO)	<i>Hungary</i>	☎ (+36) 1 922 2600 ✉ info@hepa.hu
Ireland Enterprise Ireland (TPO)	Singapore (regional)	☎ +65 68049380 ✉ Kevin.ryan@enterprise-ireland.com
Ireland BoardBia (APO)	Bord Bia South East Asia and Oceania office, Ireland House 541 Orchard Road Liat Towers, 8th Floor Singapore 238881	☎ 65 6804 9344 ✉ ciaran.gallagher@bordbia.ie
Italy Italian Trade Agency (TPO)	Jakarta	☎ (+62) 215713560 ✉ giacarta@ice.it
Lithuania Enterprise Lithuania (TPO)	<i>Lithuania</i>	☎ 37 061 299 015 ✉ info@enterpriselithuania.com
Malta Trade Malta (TPO)	<i>Malta</i>	☎ (+356) 2247 2400 ✉ info@trademalta.org
Netherlands Netherlands Enterprise Agency (TPO)	<i>Netherlands</i>	☎ +31 6 52570 8314 ✉ wieger.dejong@rvo.nl
Portugal Portuguese Trade & Investment Agency – AICEP (TPO)	Jakarta	☎ (+62) 21 319 08 030 ✉ aicep.jakarta@portugalglobal.pt
Slovenia Spirit Slovenia (TPO)	<i>Slovenia</i>	☎ (+386) 1 5309 817 ✉ info@spiritslovenia.si
Spain FIAB (APO)	<i>Spain</i>	☎ 34 91 411 72 11 ✉ internacionalizacion@fiab.es
Spain ICEX / Economic and commercial office of Spain in Indonesia (TPO)	Calle H Agus Salim, 61 - Jalan H Agus Salim 61, Jakarta 10350	☎ (+62) 213917543 / 213917544 ✉ yakarta@comercio.mineco.es
Spain (Catalunya) Catalonia Trade and Investment Office (TPO)	Singapore (regional)	☎ +65 93 476 72 00 ✉ singapore@catalonia.com
Spain (Basque country)	Singapore (regional) One Raffles Quay, North Tower, Level 25, Suite 38, Singapore 048583	☎ (+65) 6622 5869 ✉ phuidobro@basquetrade.eus

8.3.2 Other service providers

Service provider	Address	Contact information
SERVICES FOR AUSTRIAN COMPANIES		

Service provider	Address	Contact information
Advantage Austria Jakarta	Menara Kadin Indonesia, 19 th floor Jalan HR Rausna Said blox, Jakarta	☎ +62 21 2550 0185 ✉ Jakarta@advantageaustria.org 🌐 https://www.advantageaustria.org/
SERVICES FOR BELGIAN COMPANIES		
Belindo	Eegene 130, Dendermonde, East Flanders	☎ + 32 475 65 27 21 ✉ info@belindo.eu 🌐 https://www.belindo.eu/
SERVICES FOR BULGARIAN COMPANIES		
Bulgarian Chamber of Commerce & Industry	17, Adriana Budevskia Str. Sofia 1463, Bulgaria	☎ (+359 2) 8117 400; 987 26 31 ✉ bcci@bcci.bg
SERVICES FOR CROATIAN COMPANIES		
Croatian Chamber of Economy	Rooseveltovo trg 2, 10000 Zagreb, Croatia	✉ investicije@hgk.hr ; hgk@hgk.hr 🌐 www.investincroatia.hr
SERVICES FOR CZECH COMPANIES		
Czech Chamber of Commerce	Florentinum, Na Florenci 2116/15, 110 00 Praha 1	☎ +420 266 721 300 ✉ office@komora.cz 🌐 www.komora.cz
SERVICES FOR CYPRIOT COMPANIES		
Cyprus Chamber of Commerce and Industry	38, Grivas Dhigenis Ave. & 3, Deligiorgis Str., P.O.Box 21455, 1509 Nicosia	☎ +357 22889800 ✉ chamber@ccci.org.cy
SERVICES FOR DANISH COMPANIES		
Dancham	Alamanda Tower, 23 rd floor, TB Simatupang Kav 23-24, Jakarta	✉ Admin@danmcham.id 🌐 http://dancham.id/
SERVICES FOR DUTCH COMPANIES		
Dutch business council- Indonesia	Graha CIMB Niaga 24 th floor, Jalan Jenderal Sudirman Kav, Jakarta	✉ Contact through website 🌐 https://dutchbusinessnetwork.com/
SERVICES FOR ESTONIAN COMPANIES		
Estonian Chamber of Commerce & Industry	Toom-Kooli 17, 10130 Tallinn	☎ +372 604 0060 ✉ koda@koda.ee
SERVICES FOR FRENCH COMPANIES		
Indonesian French chamber of commerce and industry	Kota Jakarta Selatan, Daerah Khusus Ibukota, Jakarta	☎ + 62 21 739 7161 ✉ contacts@ifcci.com 🌐 www.ifcci.com
SERVICES FOR GERMAN COMPANIES		
AHK Indonesische	Jl. H. Agus Salim No. 115 Jakarta	☎ +62 32 6098 5800 ✉ Contact through website

Service provider	Address	Contact information
		 https://indonesien.ahk.de/
SERVICES FOR ITALIAN COMPANIES		
IBAI	JL Hos Cokroaminto No 117 Mentang, Jakarta	 +62 81 1979 4262  Contact through website  www.ibai.or.id
SERVICES FOR LATVIAN COMPANIES		
Latvian Chamber of commerce and industry	35 Krisjana Valdemara str., Riga, LV-1010, Latvia	 +371 67225592  info@chamber.lv
SERVICES FOR LITHUANIAN COMPANIES		
Lithuanian Chamber of commerce and industry	Vašingtono sq. 1-63a, LT- 01108 Vilnius	 +370 2613 102  info@chambers.Lt  https://chambers.lt/en/
SERVICES FOR LUXEMBURG COMPANIES		
Chamber of commerce, Luxembourg	7, Rue Alcide de Gasperi, Luxembourg Kirchberg	 +352 42 39 39  chamcom@cc.lu  https://www.cc.lu/
SERVICES FOR MALTESE COMPANIES		
The Malta Chamber of Commerce, Enterprise and Industry	64, Republic Street, Valletta, Malta	 + 356 2203 2000  https://www.maltachamber.org.mt/
SERVICES FOR POLISH COMPANIES		
Polish business club in Indonesia	Jl.dugen Tiga Raya no 9, Jakarta	 + 62 21 7984 245  info@polclub.biz  http://polclub.biz/
SERVICES FOR PORTUGUESE COMPANIES		
Camara de comercio (Portuguese Chamber of commerce)	Rua Das portas de Santo Antao,89	 + 351 213 224 050  geral@ccip.pt  https://www.ccip.pt/en/
SERVICES FOR ROMANIAN COMPANIES		
Chamber of Commerce and Industry of Romania	Address: 2, Octavian Goga Blvd, sector 3, 030982 Bucharest	 +40 21 3117534  narcis.pirnau@ccir.ro  www.ccir.ro
SERVICES FOR SLOVAK COMPANIES		
Slovak Chamber of Commerce & Industry	Gorkého 9, 81603 Bratislava, Slovakia	 +421 2 54433272
SERVICES FOR SLOVENIAN COMPANIES		
Chamber of Commerce and Industry of Slovenia	Dimičeva 13, SI-1504 Ljubljana	 +386 1 5898 000  info@gzs.si
SERVICES FOR SPANISH COMPANIES		
ASEMPEA	Velazquez 37 Madrid	 +34 91 420 24 27  info@asempea.com  https://www.asempea.com/

Service provider	Address	Contact information
SERVICES FOR SWEDISH COMPANIES		
Sweden Chamber of Commerce	Brunnsgatan 2, 111 38 Stockholm, Sweden	 (+46) 8 555 100 00  https://www.chamber.se/

8.4 Calendar of trade events and exhibitions 2021

Note: the ongoing issues with coronavirus at the time of writing both resulted in various cancellations/delays without fixed rescheduling dates and may result in further changes to the calendar outlined below. In view of this:

- 1. Scheduled fairs which did not take place have been included with their original date, as it is generally not clear when they will be rescheduled for, and most events are anyhow recurring. It is recommended that the links provided be monitored for news on when the event or the next edition is being scheduled for.**
- 2. It is strongly recommended to monitor the links provided for any future events to check whether they are still going ahead, and if not whether a new date has been decided.**

Event	Date	Recurrence	Venue	Organiser Details
June 2021				
Indonesia Agrofood Expo	3 rd - 6 th	Annual	Jakarta convention centre, Jakarta	☎ (+62) 21 789 29 38 ✉ Contact through website 🌐 http://agrofood.co.id/
Halal Indonesia Expo	4 th - 6 th	Annual	Jakarta convention centre, Jakarta	☎ (+62) 21 789 2938 ✉ halalindonesiaexpo@gmail.com 🌐 http://www.halalexpo-indonesia.com/
Tangerang International food & Hospitality Expo	4 th - 6 th	Annual	Indonesia convention centre, Tangerang	☎ (+62) 21 4585 5844 ✉ info@indorichexpo.com 🌐 https://indorichexpo.com/
Indo Feed	23 rd - 25 th	Annual	Jakarta convention centre	☎ (+62) 218650962 ✉ info@indolivestock.com 🌐 https://www.indolivestock.com/
Eastfood Indonesia Expo	24 th -27 th	Annual	Grand city mall 2 convex Surabaya, Surabaya	☎ (+62) 6345861 ✉ info@krisamedia.com 🌐 https://eastfoodindonesia.com/
July 2021				
Retail Indonesia	28 th - 31 st	Annual	Jakarta international expo, Jakarta	☎ (+49)40 399 99 05 20 ✉ agnes@merebo.com 🌐 http://www.merebo.com/
August 2021				
Food manufacturing Indonesia	25 th -27 th	Annual	JIE Expo, Kemayran, Jakarta	☎ (+62) 21 5435 8118 ✉ Contract through website

Event	Date	Recurrence	Venue	Organiser Details
				 foodmanufacturing-indonesia.com
September 2021				
BIHEX	3 RD - 5 TH	Annual	Jogja expo centre, Yogyakarta	 (+62) 21 4585 5844  info@indorichexpo.com  https://indorichexpo.com/
Food and Hotel Indonesia	21 st – 24 th	Annual	Jakarta International expo, Jakarta	 (+44) 20 7560 4309  Fiona.Murray@informa.com  https://www.foodhotelindonesia.com/
October 2021				
International seafood and meat expo	13 rd – 16 th	Annual	Komplex Perkantoran Graha Kencana, Jakarta	 (+62) 21 5366 0804  info@iism-expo.com  https://iism-expo.com/

8.5 Database of professionals' contacts

8.5.1 List of relevant buyers, importers, and distributors

Company name	Type	Area of interest	Contact information
Alamboga Internusa	Import/Distribution	F&B	☎ (+62) 361 720 200 ✉ info@alamboga.com 🌐 https://alamboga.com/
Alfamidi	Distribution	F&B	☎ (+62) 815 8513 0734 ✉ Contact through website 🌐 https://alfamidiku.com/
Alfa Midi	Import/ Distribution	F&B	🌐 https://alfamidiku.com/
AEON	Import/ Distribution	F&B	☎ +62 21 55695999 🌐 https://aeonstore.id/
Agro boga Utama	Import	Meat	🌐 https://www.agrobogautama.co.id/
All Fresh Fruits	Import/ Distribution	Fruit, vegetables	☎ +62 21 8378 0581 🌐 https://www.allfresh.co.id/
Bromo Swalayan	FinterImport/ Distribution	F&B	☎ (+62) 578123 ✉ Contact through website 🌐 https://bromo-swalayan.business.site/
Classic fine foods	Import/Distribution	F&B	☎ (+62) 21 4584 8040 ✉ customerservice.jkt@classic.co.id 🌐 https://www.classicfinefoods.co.id/
CV. Starindo Gemilang	Import/ Distribution	Food additives	☎ +62 812-3004-657 🌐 https://stargem.lookchem.com/
Gala Laksana Kreasi	Import/ Distribution	F&B (mainly ingredients)	✉ as per website 🌐 http://galalaksana.com/index.html
Dijon Food Specialties	Import/ Distribution	F&B (various European)	☎ +62 361 759-636 ✉ customerservice@dijon-bali.com 🌐 https://dijon-bali.com/
Dinamik Multi Sukses	Import	Olive oil	🌐 http://dinamikms.com/
DMX Trading	Import	Fruit and vegetables	☎ +62 21 22655378 🌐 http://dmxindonesia.com/index.php/produk
Grand superstore lucky	Import/Distribution	F&B	✉ Contact through website 🌐 http://www.grandlucky.co.id/
Gandum Mas Kencana	Trade/ Distribution	F&B	☎ +62 215520023 ✉ wecare@gandummas.co.id

Company name	Type	Area of interest	Contact information
			https://www.gandummas.co.id/en
Hero Supermarket	Import/Distribution	F&B	☎ (+62) 21 8378 8000 ✉ Contact through website https://www.hero.co.id/
Interaromat	Importer / Exporter and Distribution	F&B	☎ (+31) 20 89 322 98 ✉ info@interaromat.com http://www.interaromat.com/
Indogrosir	Import/ Distribution	F&B	☎ (+62) 61 7877 858 ✉ Contact through website http://www.indogrosir.co.id/
Indofood	Import/ Distribution	F&B	☎ (+62-21) 5795 8822 https://www.indofood.com/
Indofresh	Import	Fruit and vegetables	☎ (+62) 21 6909590 http://www.indofresh.co.id/
Indogal	Import	Meat	☎ (+62) 21 27899881 https://www.indogal.co.id/
Indoguna Pratama	Import/ Distribution	Various F&B inc. meat	http://www.indoguna.co.id/
Indomaret	Import/ Distribution	F&B	☎ (+62) 21-50897400, 21-50897411 https://indomaret.co.id/
Jakarta Wines	Distribution	Wine	☎ (+62) 898 1988 228 ✉ admin@jakartawines.com https://www.jakartawines.com/
Jebsen & Jessen	Import/ Distribution	F&B (mainly as ingredients)	✉ ingredients@jjsea.com https://www.ingredients.jjsea.com/
Japfa Comfeed	Import/ Distribution	Meat	☎ +62 21 28545680 www.japfacomfeed.co.id
Kalimas foods	Import/Distribution	F&B	☎ (+62) 711423505 ✉ info@kalimasfoods.com https://kalimasfood.com/
Kartikawira Adisukses	Import	F&B (notably confectionery)	☎ (+62) 21 6322935 https://kartikawira.com/
Kem chicks	Import.Distribution	F&B	☎ (+62) 21 5140 2828 ✉ customerservice@pacificplace.co.id https://www.pacificplace.co.id/
Libra foods	Import/ Distribution	F&B	☎ (+62)6919191/292 ✉ wenny@libra-foods.com http://www.libra-food.com/

Company name	Type	Area of interest	Contact information
Lotus Enterprises	Import, storage, distribution and food service	F&B	☎ (+62)361701001 ✉ info@lotus-enterprises.com 🌐 https://www.lotus-enterprises.com/
MPPA	Import/ Distribution	F&B	☎ (+62) 215469333 ✉ Contact through website 🌐 hypermart.co.id
Mulia Raya Agrijaya	Import	Fruit and vegetables	☎ (+62) 21 54399525 🌐 https://www.muliaraya.co.id/
Nirwana Lestari	Import	Confectionery (chocolate)	☎ (+62) 21 8204054 🌐 http://nirwanalestari.com/
Pandurada Kharisma	Import/ Distribution	Dairy, confectionery, olive oil	🌐 http://www.pandurasa.com/
Pepito– Speciality store	Import/ Distribution	F&B	☎ +62 361 759 112 ✉ cs.pepito@rcoid.com 🌐 https://www.pepitosupermarket.com/
Prambanan Kencana	Import	F&B, notably olive oil	🌐 http://www.prb.co.id/
PT.Manohara Asri	Import/ Distribution	F&B	☎ +62 31 382 1487 🌐 http://manohara-asri.com/webpage2021/
PT. Serba Indah Aneka Pangan	Import/ Distribution	F&B (mainly processed)	☎ (+62) 61 887 7378
PT. Danora Agro Prima	Import/ Distribution	F&B ingredients	☎ +62 21 30042657
PT Maturindo International Trading	Import/ Distribution	F&B	☎ +62.21.8307222, +62.21.8306255 🌐 https://maturindo-trading.com
PT Charoen Pokphand	Import/ Distribution	Meat	☎ +62 622 16919999 🌐 www.cp.co.id
PT FKS Multi Agr Tbk	Import/ Distribution	F&B	☎ +62 21 5088 9889 ✉ corporate.secretary@fksmultiagro.co.id 🌐 https://www.fksmultiagro.com/
PT SMART Tbk	Import/ Distribution	F&B	☎ +62 21 50338899 🌐 www.smart-tbk.com
PT. Mayora Indah	Import/ Distribution	F&B	☎ +62 622 15655315 ✉ consumer@mayora.co.id 🌐 www.mayora.com
PT. Heinz ABC	Import/ Distribution	F&B	☎ +62 21 50857000 🌐 www.heinzabc.co.id

Company name	Type	Area of interest	Contact information
PT Jaddi Internasional	Import	Spirits, wine, beer	+62 21 7801060
PT. Pancaniaga Indoperkasa	Import	Spirits, wine, beer	+ 62 21 65301574 https://www.pancaindo.com/
PT. Panja Artha Niaga	Import	Spirits, wine, beer	+ 62 21 4606568 https://paniaga.com/
PT Mandiri Graha Persada	Import	Spirits, wine, beer	+ 62 21 5151911 https://pt-mgp.com/
PT. Mitra Indo Maju	Import	Spirits, wine, beer	+ 62 21 629 9275
PT. Aerofood Indonesia	Import	Spirits, wine, beer	http://aerowisatafood.com/
PT. Mitra Buana Intimas	Import	Spirits, beer	https://www.saladplate.com/supplier/mitrabuanaintimas
PT. Jakarta International Expo	Import	Beer	https://exhibition.jiexpo.com/
PT. Muliatama Mitra Sejahtera	Import	Spirits	+ 62 21 56983031
PT. Nano Logistic	Import	Spirits, beer	https://www.nano-logistic.com/
PT. Pelita Makmur Perkasa	Import	Spirits	https://www.saladplate.com/supplier/pelitawines
PT. Sarinah	Import	Spirits, wine	https://sarinah.co.id/import
PT. Sarindo Makmur Sejahtera	Import	Spirits, wine	+ 62 21 4517679 http://ptsarindo.com/
PT. Aska Indoco	Import	Beer	+ 62 21 661 8835
PT. Berjaya Buru Karya	Import	Beer	
PT. Bogacitra Nusapratama	Import	Wine	+ 62 21 5698-2830 https://bogafinewine.com/contact/
PT. Bumi Menara Internusa	Import	Spirits, seafood	+ 62 31 7491000 https://www.ptbmi.com/
PT. Nusadua Graha International	Import	Spirits	+ 62 21 3927884
PT. Osimo Indonesia	Import	Other alcohol	+ 62 267 8450124 https://pt-osimo-indonesia.business.site/

Company name	Type	Area of interest	Contact information
PT. Prambanan Kencana	Import	Beer, various F&B inc dairy and olive oil	☎ + 62 21 65301574 🌐 http://www.prb.co.id/
PT. Prima Aktif Nusantara	Import	Wine	🌐 https://www.primavine.com/about-us/
Purantara Mitra Angkasa Dua	Import	Spirits, various F&B	☎ + 62 21 55915001 🌐 http://www.casfood.co.id/
PT. Dima Indonesia	Import	Various F&B (generally larger brands)	☎ + 62 21 57936970 🌐 https://www.dima.co.id/
PT. Interfood Suskes Jasindo	Import	Various F&B for retail and food service	☎ + 62 711 5722313
Ranch Market	Import/Distribution	F&B	✉ Contact through website 🌐 https://www.ranchmarket.co.id/
Sogo	Import/ Distribution	F&B	☎ (+603) 2618 1888 ✉ enquiry@klsogo.com.my 🌐 https://www.sogo.com.my/
Segar Jaya Mandiri	Import	Fruit and vegetables	☎ +62 21 22434298 🌐 https://www.simfruits.com/
Suri Nusantara Jaya	Import	Meat	☎ +62 21 84310583 🌐 https://surinusantarajaya.com/
SUKANDA DJAYA	Import/ Distribution	F&B (notably dairy, olive oil and confectionery)	☎ +62 21 2981 2788 🌐 https://sukandadjaya.com/
Transmart (Carrefour)	Import/ Distribution	F & B	☎ (+62) 822 0825 5160 ✉ Contact through website 🌐 https://carrefour.co.id/
Titian Abadi Lestari	Import/ Distribution	F&B	☎ (62) (021) 651 0028, 651 6894-95 ✉ sales@titian-abadi.com 🌐 https://www.titian-abadi.com/
Total Buah	Import/ Distribution	F&B	☎ (+62) 21 45875998 ✉ info@totalbuah.id 🌐 http://totalbuah.id/
Vines Indonesia	Distribution	Alcoholic Beverages	☎ (+62) 852 1062 7929 ✉ info@vines-indonesia.com 🌐 https://vines-indonesia.com/

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