Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Required Report - public distribution

Date: 10/24/2002

GAIN Report #ID2027

Indonesia

Exporter Guide

Annual

2002

Approved by:
Charles T. Alexander
U.S. ATO Jakarta
Prepared by:
Paulina Gandakusuma & Fahwani Y.R.

Report Highlights:
Indonesia is an archipelago nation of over 200 million people, making it the world's fourth most populous nation. Following the economic crisis in mid 1997, U.S. food and agricultural exports dropped from over $900 million in 1996 to $489 million in 1998. Since then they had been on the rebound, reaching $571 million in 1999, $720 million in 2000 and approached a record level $1.2 billion in 2001. This would make Indonesia once again a top ten market for U.S. agricultural exports. USDA export programs had played a crucial role in this achievement, most notably GSM-102 Credit Guarantee Program, Supplier Credit Guarantee Program, the PL-480 and Section 416(b) food assistance programs.

Includes PSD changes: No
Includes Trade Matrix: No
Annual Report
Jakarta ATO [ID2], ID

EXPORTER GUIDE 2002: INDONESIA

SECTION I. MARKET OVERVIEW

Economic Trends and Outlook

Indonesia is an archipelago nation of over 200 million people, making it the world's fourth most populous nation. From 1970 to 1996, Indonesia's annual Gross Domestic Product averaged 7 percent, resulting in a tenfold increase in per capita GDP. In 1996, total U.S. exports to Indonesia increased to over $3.4 billion, including nearly $900 million in agricultural and forestry products. The total for agricultural products represented more than a 100 percent increase over the 1994 total of $420 million. This rapid expansion in overall trade with the United States led the U.S. Department of Commerce to designate Indonesia as a 'Big Emerging Market' and the Foreign Agricultural Service to open an Agricultural Trade Office in Jakarta.

Beginning in late 1997, however, Indonesia experienced a dramatic collapse in its economy, culminating in a GDP contraction of over 13 percent in 1998. This sharp economic contraction - exacerbated by a severe El Nino drought in 1997/98 and ongoing political uncertainties - resulted in Indonesia moving from 'Big Emerging Market' status to one of the world's largest recipients of food and humanitarian assistance. Concomitantly, U.S. agricultural and forestry exports dropped to $811 million in 1997 and $489 million in 1998.

In 1999, the Indonesian economy and in turn U.S. agricultural exports, began to recover. Flat growth in 1999 was followed by 4.9 percent GDP growth in 2000, 3.3 percent growth in 2001, a projected 4.0 percent growth in 2002 and 5 percent growth in 2003. During this period, U.S. agricultural exports rebounded to $571 million in 1999, $720 million in 2000 and approached a record level $1.2 billion in 2001. This would make Indonesia once again a top ten market for U.S. agricultural exports. USDA export programs had played a crucial role in this achievement, most notably GSM-102 Credit Guaranteed Program (which currently only available as a South East Asia Program), Supplier Credit Guarantee Program, the PL-480 and Section 416(b) food assistance programs.

Though surprisingly resilient, the Indonesian economy must overcome numerous challenges before achieving a sustainable foundation for long-term growth. The most serious challenges include a weak banking sector, large public and private sector debt, exchange rate volatility, entrenched corruption, and political uncertainty. On the positive side has been the fundamental political changes that have made Indonesia the world's third largest democracy, a major first step towards implementing the necessary economic reforms. The overall economic outlook for Indonesia is for slow but continued growth with annual U.S. agricultural exports expected to show steady though moderate growth from the 2001 level of $1 billion.

Market Opportunities

- Indonesia's population of over 200 million is relatively young with more than half the population below the age of 25. Nearly 60 percent of the population lives on Java and accounts for 60-65 percent of the sales of fast moving consumer goods. Java also has the best infrastructure although urban areas in Sumatera, Bali and Sulawesi are also developing.

- It is currently estimated that the upper and middle income groups combine to represent 20 percent of the population, or equal to about 40 million people. This is about half of the pre-crisis level of 78 million. Most of these people live in the major urban areas, including cities on Java (Jakarta, 11 million people; Surabaya, 3 million; Bandung, 1 million; and Semarang, 1 million); Sumatera (Medan, 2 million; and Palembang, 1 million); Sulawesi (Ujung Pandang, 1.5 million; and Manado, 1 million); and the island of Bali (3 million.)

- The population is becoming increasingly more literate and Westernized during the past decade due to increased overseas studies and international travel; access to international TV; expansion of modern malls (about 20 in Jakarta); dramatic growth in major international hotel and restaurant chains; a significant number of western expatriates in urban areas; and dramatic growth in tourism (5.5 million international tourists in 2001).

- The peak business periods are during the holiday seasons when consumer spending increases. The most important holiday seasons are Ramadhan (the month-long Muslim fasting period in which food consumption goes up significantly), Lebaran or Idul Fitri (Muslim celebration of the end of the fasting), and Chinese New Year. Indonesians consume significantly greater amounts of flour, sugar, eggs, poultry, meat, cheese, cakes, cookies, pastries, fresh and dried fruits.

- Even though Christmas is celebrated by less than 10 percent of the population, stores take advantage of the season and decorate and promote festive foods such as special fruits, sweets and pastries. Other western celebrations such as Valentine's Day and U.S. Independence Day have also become trendy among upper-scale restaurants in Indonesia.

- The Indonesian consumer is very price conscious and susceptible to economic swings, with purchasing fluctuations occurring more in the middle and lower level income groups. Although the Indonesian consumer is traditionally loyal to brands, there are signs that brand loyalty is diminishing while "brand image" has become more important.

- More urban women are entering the workforce and choosing to stay there after marriage and children. With less time available for shopping and cooking, their focus is increasingly on convenience.

- The number of household appliances for cooking is low. For example, in the capital city of Jakarta, an estimated 43 percent of households have a refrigerator, 27 percent have a gas stove and 10 percent have a microwave oven.

ADVANTAGES AND CHALLENGES FACING U.S. PRODUCTS IN INDONESIA	
Advantages	**Challenges**
Market scale - Indonesia has a population of over 200 million people.	Weak purchasing power of the majority of the population.
Applied duties on food and agricultural products beginning in 1998 are 5 percent or less based on the Government of Indonesia's agreement with the IMF.	Import regulations are complex, often non-transparent, and require exporters to establish close business relationships with local importers/agents.
The distribution system on the island of Java is improving, providing increased access to a population of 120 million.	Infrastructure including ports and cold storage facilities outside of the main island of Java are poorly developed.
A reputation for quality is the strongest selling point for U.S. food products.	Third-country competition remains strong, especially from Australia, New Zealand and the EU.
A stabilized currency has made imported products more affordable to middle-income consumers.	Import financing remains a problem as Indonesia's banking system remains weakened by the impact of the financial crisis that began in mid-1997.
The availability of imported products will be expanded by the rapid growth of the modern supermarket sector and the western restaurant chains.	Important considerations are labeling regulations - including possible halal certification - and size of packaging tailored to the specific Indonesian market sector.
Investment by U.S. multi-nationals in the food processing sector requires world standard ingredients, including processed products targeted for regional export strategies.	Global purchasing organizations buy from the cheapest acceptable source.
Indonesia has a well-developed tourism industry with many hotel chains and restaurants purchasing imported products through local agents/importers.	In a cost-cutting measure, many hotels replaced much of their expatriate F&B staff with locally-hired staff. While most are well-qualified, they are unfamiliar with U.S. quality food products and tend to emphasize price over quality.
Indonesia is rich in natural resources, with multinational companies involved in the development of oil & gas, mining, and lumber. Some of the well-developed sites have commissary services with significant demand for imported products.	Sites tend to be in remote areas where transportation and lack of infrastructure presents barriers to cost-efficient distribution of imported food products.

SECTION II: EXPORTER BUSINESS TIPS

- While quality and price are important, they are secondary to the personal interaction of the business partners. Perhaps nowhere in the world is meeting face-to-face more important than in Indonesia.

- Visit the market to conduct market research, especially for product testing, price comparison, adjusting the product for local tastes, and understanding government regulations. Meet the importers, distributors and retailers - they can help you with your market research.

- It is a good idea to start your research in Singapore where your product can easily move into the ASEAN region. Singaporean agents, importers, distributors and retailers are sophisticated and know the regional markets well. In addition, the shipping time is less and smaller shipment sizes can be sent into new markets from Singapore.

- Appoint one or several agents on a trial basis and provide them with incentives to get your product into the market. Support your agent by maintaining product quality. Educate the agent, the importer, the distributor, the retailer and the consumer about your product. This market for consumer-ready food products is relatively new and it should never be assumed that anyone knows how to promote, handle, and prepare your product.

- Have the agent register your product. According to Indonesian regulations, all products must be registered through the Ministry of Health to obtain an ML number. However, a significant percentage of the imported products on supermarket shelves are not registered and enter the market in mixed container loads. The registration process can be lengthy, bureaucratic and costly and generally requires a local agent or importer.

- Your product should be packed and shipped for a tropical climate, and have clear storage instructions. This is especially important as few cold storage or air-conditioned facilities and delivery trucks exist and sometimes stores turn off cold storage facilities at night to conserve energy.

- When introducing new products, several factors should be kept in mind. Indonesian consumers have an aversion to low-quality products and are attracted to branded products. They also tend to be image conscious and very price sensitive. Brand loyalty is most likely to be broken by products that are of good quality, well packaged, well-distributed, well-promoted and competitively priced, rather than cheap products.

- Tariff and Import Taxes: Indonesia's bound tariff rates on major food and agricultural items generally range from 5 to 30 percent. Temporary tariffs, however, on all food items including high valued foods were cut to a maximum of 5 percent in February 1998 under an IMF agreement and remain in effect as of 2001. The major exception is the 170 percent duty applied to all imported alcoholic beverages.

- Other Taxes: The government levies a 10 percent value-added tax on the sale of all domestic and imported goods. A luxury tax ranging from 20 percent to 35 percent is also levied on certain products. For imports, these sales taxes are collected at the point of import and are calculated based on the landed value of the product, including import duties

- Labeling and marking requirements: Regulations of food labeling are in place and the government is currently in the process of implementing new food labeling guidelines. Halal certification and labeling is not required at this time but these guidelines are also under review. Given that more than 85 percent of the population professes the Islamic faith, it is highly recommended that a *halal* certification be obtained.

- Be patient and think long term. It is not unusual to visit the market 2-3 times before details are finalized.

- Take advantage of the services offered by the Agricultural Trade Office. We can provide a briefing in our office, provide reports and contact lists for your areas of interest, arrange hotel accommodations, and inform you of upcoming events such as U.S. food product shows and agent shows.

- The Southeast Asia Market Access Program sponsored by the Western U.S.A. Trade Association (WUSATA) and the Midwest Agricultural Trade Association (MIATCO) provides many services for a fee including store checks, competitive products shopping, distributor referrals, and in-market assistance. See Section V for contact lists of all Foreign Market Development (FMD or Cooperator) programs and Market Access Program (MAP) participants active in the food sector in Indonesia.

- ***Always remember, while quality and price are important, they are secondary to the personal interaction of the business partners. Perhaps nowhere in the world is meeting face-to-face more important than Indonesia.***

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

A. Retail Sector:

<u>Market Overview</u>

The traditional sector dominates the retail food business in Indonesia. In 2001, an A.C. Neilsen study indicates that there were 1,903,602 retail food outlets in Indonesia. Of these outlets, 814 were supermarkets (up 41 percent since 1997) , 3,051 were mini-markets (up 99 percent), 59,055 were large provision shops (no change), 599,489 were small provision shops (up 66 percent), and 1,241,193 were warung provision shops (up 18 percent). It is currently estimated by trade sources that 25 percent of retail food sales in Jakarta take place in supermarkets and other modern retail outlets. Nationwide, this figure is only 5 percent.

It is difficult to obtain reliable Indonesian production and import statistics. However, trade sources estimate that imported food account for around 5 percent of retail food sales in Indonesia.

The ongoing economic crisis and political uncertainty in 2001 has reportedly had only a minimal impact on retail food sales. An exception are the speciality stores that carry a high percentage of imported items, which make them more susceptible to a volatile exchange rate and burdensome product registration requirements for imported food products. In value terms, retail food sales at hypermarket, supermarkets, and mini markets was estimated at $1.1 billion in 2000. This represents a 53 percent increase over the 1998 level of $720 million. Some project that the level will triple to $3 billion by 2005.

Most supermarkets, hypermarkets, and warehouse outlets usually buy most of their imported products from distributors or agents. Some are importing direct from foreign suppliers, particularly perishable products. This trend is expected to expand in the near future. In general, new products and suppliers must be approved by the purchasing unit in headquarters in Jakarta. Subsequent orders may take place from individual stores, especially those outside of Jakarta. Delivery is to a central warehousing facility or individual stores.

Future Trends

In the near future, recently-developed patterns of consumer behavior are expected to continue. Consumers are adjusting to paying higher prices for imported and local food products. They will remain very selective in their product purchases and will be looking for good quality products at low prices. Promotion will be important as consumers will be more fickle and influenceable and there will be opportunities to replace traditional brands.

A return to pre-crisis shopping behavior is anticipated over the long term. Value-for-money will remain important to consumers, but they will also be looking for greater variety in retailers' assortments. Brand names will again become important to consumers and new product introductions will increase. There will be a growing concern with the nutrition aspects of food products.

Some retailers already offer a wide range of services to consumers, including the acceptance of credit cards, ATM services, flower departments, laundry counters, food courts near shopping areas, automated banking services, and home delivery. Some anticipate these services will be reduced in the next five years in the interest of lower retail prices. A low-price or money-back guarantee is the main addition they see to retailers' service offerings. Others suggest that emphasis will be placed on increasing service quality and efficiency, rather than adding new services.

Future trends over the next five years include Ready-to-Cook food and Ready-to-Eat food due to modern life styles and international exposure

Entry Strategy

The best way to penetrate the Indonesian market is to select an agent. In general, the volume of imported product sales is small. An agent is needed to assure the widest distribution for your products as well as to undertake the marketing efforts necessary to create awareness for your products among consumers as well as to register your products (ML number) in National Agency for Drug and Food

Control.

In some situations, it may make sense to sell your product directly to supermarkets and/or to appoint them as the exclusive distributors. This is primarily the case when your product is a gourmet, upscale product and not likely to generate sufficient volume to interest an agent in bringing in container loads. Nevertheless, your initial sales efforts to Indonesia should include both visits with potential agents as well as with key retailers.

Best Market Prospects

Best market prospects for U.S. suppliers include fresh fruit, frozen french fries, sauces & seasonings, canned foods, beans, pastas, salad dressings, and snack foods. Niche markets exist for frozen pizzas, frozen meat & poultry, delicatessen items, biscuits, confectioneries, breakfast cereals, tomato paste, cooking/salad oils, and non-alcoholic beverages

Further Information

For a more detailed assessment of the Indonesia retail food sector, please see: *Indonesia, Market Development Report, Retail Sector Report 2001*. Information on how to access this report is available under Section V.

B. HRI Food Service Sector

Market Overview

The Hotel, Restaurant, and Institutional (HRI) industry in Indonesia is extremely diverse. It consists of hotels, restaurants that serve local and Western food, fast food outlets, and clubs. Small restaurants, street stalls known as warungs, and hawkers that sell food to customers on the street comprise the majority of retail outlets. Catering operations service airlines, factories, and private social function. Cruise and military ships, mining and oil operations, prisons, and hospitals are also a part of this sector.

It is estimated that only 10-20 percent of the food items purchased by the HRI trade are imported products. The majority of imported products are sold to four and five-star hotels and up-scale restaurants that sell Western food. A significant volume of imported items is also sold to Western fast food outlets, but the variety is limited. Approximately 60 percent of imported food items are estimated to move through the hotel and restaurant sector. Caterers and institutional users account for the remaining 40 percent.

Future Trends

For the foreseeable future, it is suspected that the recent terrorist attacks in Bali, as the most popular tourism spot, will have an adverse and lingering affect on the HRI industry in Indonesia. The ensuing unrest in many parts of the world, including Indonesia, have led continued to political and economic uncertainty. The Indonesian Ministry of Tourism estimates a decline in foreign visitors in near term, but remain optimistic that tourist levels will rebound to previous levels on 2003. This has led many in the HRI sector to focus more on Indonesian customers, leading to a more price conscious consumer.

Entry Strategy

A U.S. exporter that is interested in selling to the HRI trade in Indonesia should look for a reputable importer/distributor to represent their products. These companies have the import licenses and knowledge of customs clearance procedures that are required to succesfully bring in products. They will also have the capability to be in a position to ensure the widest distribution for your items.

Jakarta and Bali are ideal locations to target in your market entry efforts. These cities have a sizeable HRI trade, which consist of 5-star hotels and upper-scale restaurants. They also have sizeable expatriates communities and a large numbers of foreign visitors that seek imported food products.

Best Market Prospects

Best market prospects for U.S. suppliers include U.S. beef, beef liver, and prime rib; chicken breast and other parts; duck and turkey; french fries; pastry products; sauces and seasonigns; oil and vinegars; cereals; canned seafood and canned food; snack for hotel bars and room service; reasonably-priced wines; fresh fruits; liquor; beer; soft drinks, and juices; tortillas and Mexican products; tree nuts; and ice cream.

Further Information

For a more detailed assessment of the Indonesia retail food sector, please see: *Indonesia, Market Development Report, HRI Food Service Sector Report 2001*. Information on how to access this report is available under Section V.

C. Food Processing Sector

Market Overview

Indonesia offers significant market potential for U.S. suppliers of food and agricultural ingredients into the local food processing sector. In 1997, the most recent year for which data has been published, the sector value was US$5.94 billion. However, on a per capita basis, the market for processed food is small: $30 per annum.

The Indonesian processed food industry encompasses most types of processed food found in a developed market. The urban middle class are the main consumers of processed food. There are at least 4,500 food processing companies in Indonesia, but less than ten major groups dominate the industry. The great majority of companies in the industry are small-scale family owned businesses.

Major groups are typically vertically integrated, owning primary production, processing and distribution facilities.

Entry Strategy

The range of products represented in the industry makes recommendation of one strategy difficult. Generally applicable principles are as follows:

- Personal contact and local representation is essential if a permanent presence in the market is envisaged.
- Local representation requires careful and detailed research to confirm claims. Prospective representatives who claim connections to important people should be treated with extreme caution. Such connections are not necessary - commercial acumen is greater value in the market than "good connections".
- Do not make any commitment to grant exclusive rights to a product before gaining experience of a prospective representative's capabilities.
- Pay attention to accounting standards applied in the preparation of reports supporting the financial standing of candidate representative's or partners.

Investment Trends

Foreign investment in the food processing sector is increasing as a result of liberalized investment regulations and the need for new capital during the ongoing economic crisis. A further consideration is the establishment of the AFTA trade zone giving favored treatment to regional production. Each of the following U.S.-based corporation operation's in Indonesia exports to the region using their world brand names: Heinz - PT. Heinz ABC Indonesia; Campbells Soups - PT. Arnott's Indonesia (via Australian subsidiary); and Nabisco - PT. Nabisco Foods.

European investment is strongest in the dairy foods industry with Nestle, Freische-Foremost and Nutricia all long standing participants. Japanese investment in the sector does not match its standing in other Indonesian manufacturing industry.

Consumption Trends:

Significant growth potential exist in this sector for U.S. food ingredients. Indonesia will follow the economic model of shifting towards increased consumption of processed foods as the economy develops and the population becomes more urban.

Best Market Prospects

Best market prospects include wheat, food-use soybeans, beef, dairy products, flavorings, processed poultry products, processed potato products, fruit concentrates, and peas & lentils.

Further Information

For a more detailed assessment of the Indonesia retail food sector, please see: *Indonesia, Market Development Report, Food Processing Sector Report 1999.* Information on how to access this report is available under Section V.

D. Distribution System

Due to the widespread and diverse nature of the country, involving hundreds of islands, this system is complex. In many cases, the infrastructure is insufficient, especially outside big cities and Java island. The ability to move frozen and refrigerated products is limited. There are approximately 10 national distributors who service the whole country and numerous agents/distributors with a more local reach. There are hundreds of wholesalers and millions of retailers.

A World Bank study indicated that inadequate ports were the single largest and most consistent complaint in every province and with all levels of the distribution system. The most frequent criticisms cited in the report concerned shallow drafts in ports requiring small ships and inadequate loading and unloading facilities resulting in frequent congestion. Also cited by distribution firms are the unreliable shipping schedules and inadequate number of small ships serving Eastern Indonesia, particularly during bad weather periods - which results in frequent shortages and leads firms to hold higher than desired inventories, with higher costs.

Imported products that enter the Indonesian market often move to a distributor or agent, who in turn, sells them directly to modern retail outlets. Delivery of the products may be direct to stores or to the warehousing facilities of the retailer. Only a few retailers buy directly from foreign suppliers and assume responsibility for the logistics function. Major food processors tend to buy directly while smaller operations tend to buy through local agents.

The trade in fresh fruit differs from that of other consumer-ready food products. Fresh fruit imports are dominated by trading houses that specialize in fruit, whereas other food items are widely traded. For example, it is not unusual for one importer to carry such items as meat, poultry, french fries, and confectionary ingredients and deliver them directly to the retailer. On the other hand, fresh fruit will change hands several times before reaching the consumer, usually at the wet market or curbside fruit stands.

Restaurants and retailers alike frequently complain about the poor distribution system. Their complaints center around getting a consistent supply of quality food products. Sometimes distributors sell outdated products that they purchased inexpensively or a frozen product was not stored correctly and has been refrozen. In addition, they complain about the large number of distributors they must deal with since most of the distributors carry only a handful of products or carry a limited supply.

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

Best market prospects, as identified by the Agricultural Trade Office in Jakarta are as follows:

Rank	Product	HS Code	2001	
			Value Import from U.S. ($ 1,000)	U.S. Market Share (%)
1	Apple, fresh	080810	25,045	53
2	Grapes, fresh	080610	5,316	53
3	Bovine livers, frozen	020622	3,899	100
4	Food preparation nes	210690	3,684	8
5	Whey	040410	3,083	16
6	Potatoes, frozen, uncooked steamed or boile	071010	3,056	83
7	Peptones, proteins and derivatives,nes	350400	2,086	47
8	Dog or cat food (retail)	230910	1,506	47
9	Protein concentrates and textured prote	210610	1,432	31
10	Potatoes, prepared, frozen	200410	1,325	25
11	Ice cream and other edible ice	210500	1,299	80
12	Potato flakes, granules and pellets	110520	1,233	81
13	Bovine edible offal, frozen except liver	020629	1,137	15
14	Orange, fresh or dried	080510	797	12
15	Bovine cuts boneless, frozen	020230	769	3
16	Almond, fresh or dried, shelled	080212	631	79
17	Coffee extracts, essences, concentrates	210110	626	35

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Government of Indonesia Contacts for Food & Beverage Control				
Organization	**Contact Person**	**Address**	**Phone**	**Fax**
POM (National Agency for Drug and Food Control)	Drs. Sampoerno, Head	Jl. Percetakan Negara 23, Jakarta Pusat, Indonesia	62-21-424-4688; 424-3605	62-21-425-0764
Department of Agriculture-Directorate General for Animal Husbandry	Drh. Sofjan Soedradjat, MS, Director	Jl. Harsono R.M. No.3, C Bld, 6th Floor, Jakarta 12550, Indonesia	62-21-781-5580	62-21-781-5581
Department of Agriculture-Quarantine Agency	Dr. Delima Asri Azahari, Head	Jl. Pemuda No. 64, Kav 16-17, Jakarta Timur, Indonesia	62-21-489-4877	62-21-489-4877; 489-2016
Indonesian Trade Association Contact List				
APRINDO (Indonesian Retail Merchants Association)	Mr. Handaka Santosa, Secretary General	E-Trade Building, 3rd Floor, Jl. Wahid Hasyim No.55. Jakarta 10350, Indonesia	62-21-315-4241; 392-8545	62-21-323-267
ASIBSINDO (Indonesian Fruit & Vegetables Importers Association)	Mr. Yusnan Chandra, Chairman	Jl. Kramat Kwitang IB No. 17, Jakarta, 10420, Indonesia	62-21-3190-6574	62-21-3190-6574
ASPIDI (Association of Indonesian Meat Importers)	Mr. Thomas Sembiring, President	Jl. Ciputat Raya No. 351, Kebayoran Lama, Jakarta 12240	62-21-7279-3417 & 7279-3409	62-21-7279-3419 asp_1984@cbn.net.id
Indonesian Fish Cannery Association	Hendri Sutandinata, MBA, Chairman	Jl. Cipinang Indah Raya No. 1, Jakarta 13420, Indonesia	62-21-819-6910	62-21-850-8587
IPS (Dairy Processor Assocaition)	Mr. Sabana , Director & Ms. Debora Rukmawati (Secretary)	Wisma Nestle. Arcadia Office Park, Jl. Letjen T.B. Simatupang Kav 88, Jakarta 12520	62-21-7883-6000	62-21- 7883-6001
AIMMI (Indonesian Food & Beverage Importer Association)	Mr. Mario Waas, Secretary General	Grand Boutique Center, Block C-8, Jl. Arteri Mangga Dua, Jakarta 14430, Indonesia	62-21-612-2667; 628-0710	62-21-626-1351

U.S. Cooperator and MAP Participants				
Organization	**Contact Person**	**Address**	**Phone**	**Fax**
AgriSource Co., Ltd Regional representative for USA Dry Peas, Lentils & Chickpeas	Tim Welsh, Managing Director	Ambassador's Court, 4th Floor, No. 416, 76/1 Soi Lang Suan, Ploenchit Road, Bangkok, Thailand 10330	(66-2) 251-8655 /6	(66-2) 251-0390 E-mail: agsource@loxinfo.co.th
Lieu Marketing Assoc. Pte. Ltd Regional representative for: California Pistachio Commission, California Table Grape Commission, California Tree Fruit Agreement, Pear Bureau Northwest, Raisin Administrative Committee, United States Potato Board, Wine Institute of California, FMI	Richard Lieu, Director	# 08-22 Block 3, Alexandra Distripark, Pasir Panjang Road, Singapore 118483	65-278-3832	65-278-4372 E-mail: gabaric@singnet.com.sg
Peka Consult, Inc. Country representative for Washington Apple Commission, California Table Grape Commission, California Pear Bureau, Sun-maid raisin, Sunkist Pistachious,	Kafi Kurnia, Leonard Tjahjadi, Dian Mediana	Jl. Kemang Raya No. 1, Jakarta, Indonesia 12160	(62-21) 721-1358	(62-21) 721-1357 E-mail: peka@indo.net.id
PT Swaco Prima Windutama Country representative for U.S. Grain Council and American Soybean Association	A. Ali Basry, Director	Wisma Mitra Sunter # 402 Blok C-2, Boulevard Mitra Sunter, Jl. Yos Sudarso Kav 89, Jakarta, Indonesia 14350	(62-21) 651-4752	(62-21) 651-4753 E-mail: asagrain@indosat.net.id
PacRim Assoc. Ltd Regional Representative for the U.S. Dairy Export Council	Dan Fitzgerald, Director	The Regent Hotel, 155 Rajadamri Road, Bangkok, Thailand 10330	(66-2) 251-6127	(66-2) 254-6913 E-mail: usdec@pacrim.co.th

U.S. Cooperator and MAP Participants				
Organization	**Contact Person**	**Address**	**Phone**	**Fax**
U.S. Meat Export Federation	Eric Choon, Asean Director	39 Tyrwhitt Road, 3rd Floor Suite, Singapore 207538	65-733-4255/6	65-732-1977 E-mail: echoon@usmef.com.sg
USA Poultry & Egg Export Council	Margaret Say Regional Director	# 15-04 Liat Towers, 541 Orchard Road, Singapore 238881	(65) 737-1726	(65) 737-1727 E-mail: usapeec_sing@pacific.net.sg
U.S. Wheat Associates	Mark Samson Vice President for South Asia	# 15-02 Liat Towers, 541 Orchard Road, Singapore 238881	(65) 737-4311	(65) 733-9359 E-mail: msamson@uswheat.org
American Soybean Association	John Lindblom Regional Director	#11-03 Liat Towers, 541 Orchard Rd., Singapore 238881	(65) 737-6233	(65) 737-5849 E-mail: asaspore@pacific.net.sg
U.S. Grains Council	Suresh Chandran, technical Director	Regional DirectorWisma SOCFIN, Peti Surat #06 Tingkat Tiga, Jl Semantan 50490 Kuala Lumpur	(60-3) 255-9826	(60-3) 256-2053 E-mail: suresh@usgc.com.my

POST CONTACT AND FURTHER INFORMATION

The U.S. Agricultural Trade Office in Jakarta maintains up-to-date information covering food and agricultural import opportunities in Indonesia and would be pleased to assist in facilitating U.S. exports and entry to the Indonesia market. Questions or comments regarding this report should be directed to the U.S. ATO in Jakarta at the following local or U.S. mailing address:

U.S. Commercial Center
Wisma Metropolitan II, 3rd Floor
Jalan Jenderal Sudirman Kav.29-31
Jakarta 12920 - Indonesia
Tel: +62215262850
Fax: +62215711251
e-mail:atojkt@cbn.net.id
ATO Jakarta
Home Page:http://www.usembassyjakarta.org/fas

U.S. Agricultural Trade Office
U.S. Embassy-Jakarta
Box 1, Unit 8129
FPO AP 96520

Please contact our home page for more information on exporting U.S. food products to Indonesia, including “Hotel and Restaurant Industry: Bali”, “Market Brief: Imports of U.S. Fresh Fruit: Indonesia”, Market Brief: " Indonesian Meat Processing Industry", "Market Brief - Indonesian Bakery Industry", Market Brief - Indonesian Beverage Industry", "Market Brief - Beef Liver & Chicken Leg Quarter in Indonesia", and "Market Brief-Furniture Industry in Indonesia". As of January 2003, the following updated reports are available; “Food Processing Sector Report: Indonesia”, "The Retail Sector Report: Indonesia", "The HRI Food Service Sector Report: Indonesia".

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service’s Home Page: http://www.fas.usda.gov

EXPORTER GUIDE:
APPENDIX I. STATISTICS

A. KEY TRADE INFORMATION FOR INDONESIA

Item	Import from the World (million)			U.S. Market Share (%)		
	2001	2000	1999	2001	2000	1999
Agricultural Products	4,145	4,165	4,544	29	17	14
Consumer-Oriented Agr.	849	818	483	12	11	11
Fish & Seafood Products	31	37	25	7	2	2

Demographic Information: Indonesia			
Total Population (million) in 2001	208.9	Annual Growth Rate in 2001	1.54 %
Urban Population (million) in 2001	na	Annual Growth Rate in 2001	na
Number of major Metropolitan Areas	8		
Size of the Middle Class (millions) in 2001	na	Growth Rate in 2001	na
Per Capita Gross Domestic Product (million) in 2001	US $805		
Unemployement Rate in 2001	8 %		
Per Capita Food Expenditures in 2001*	US $392		
Percent of female Population Employeed	51 %		
Exchange Rate (US $ 1= X.X. local currency)	See below		

Footnote : * = 64.13% of Income per Capita, US $1=IDR 10,400

Exchange Rate (Rp/US $) on Month Ending Basis

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997	2387	2403	2418	2443	2458	2450	2528	2190	3350	3700	3740	5700
1998	13513	9377	8740	8211	10767	15160	13850	11700	11314	9142	7755	8100
1999	9419	8992	8778	8632	8179	6750	6989	7736	8571	6949	7439	7161
2000	7414	7517	7598	7988	8728	8742	9055	8370	8891	9493	9524	9385
2001	9488	9914	10460	11675	11375	11440	11312	8670	9675	10435	10430	10200
2002	10383	10222	9655	9316	8785	8730	9108	8867	9015	9313		

B. CONSUMER FOOD & EDIBLE FISHERY PRODUCT IMPORT

Indonesia Imports (In Millions of Dollars)	Imports from the World			Imports from the U.S.			U.S Market Share		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
CONSUMER-ORIENTED AGRICULTURAL TOTAL	483	818	849	51	86	100	11	11	12
Snack Foods (Excl. Nuts)	9	19	20	1	1	1	2	2	2
Breakfast Cereals & Pancake Mix	3	6	5	1	1	1	7	11	10
Red Meats, Fresh/Chilled/Frozen	22	63	41	2	9	6	8	14	15
Red Meats, Prepared/Preserved	1	2	2	1	1	1	14	8	11
Poultry Meat	3	10	1	2	8	1	71	79	62
Dairy Products (Excl. Cheese)	126	253	317	12	10	32	9	4	10
Cheese	8	12	14	1	1	1	0	1	4
Eggs & Products	8	5	2	1	1	1	6	6	12
Fresh Fruit	56	135	140	15	31	32	28	23	23
Fresh Vegetables	59	64	73	1	1	1	2	0	1
Processed Fruit & Vegetables	17	30	29	7	13	12	41	43	42
Fruit & Vegetable Juices	3	4	5	1	1	1	4	6	9
Tree Nuts	1	2	1	1	1	1	34	53	51
Wine & Beer	2	1	2	1	1	1	24	12	6
Nursery Products & Cut Flowers	1	1	1	1	1	1	5	2	3
Pet Foods (Dog & Cat Food)	2	2	3	1	1	2	45	46	47
Other Consumer-Oriented Products	162	208	192	9	11	12	6	5	6
FISH & SEAFOOD PRODUCTS	25	37	31	1	1	2	2	2	7
Salmon	1	1	2	1	0	1	1	0	2
Surimi	1	1	1	0	0	0	0	0	0
Crustaceans	11	12	11	1	1	1	2	3	11
Groundfish & Flatfish	3	6	4	1	1	1	1	2	5
Molluscs	4	6	6	1	1	1	0	3	5
Other Fishery Products	5	12	8	1	1	1	4	1	7
AGRICULTURAL PRODUCTS TOTAL	4,544	4,165	4,145	636	724	1,197	14	17	29
AGRICULTURAL, FISH & FORESTRY TOTAL	4,663	4,329	4,283	682	783	1,251	15	18	29

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

C. TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS

Reporting: Indonesia - Top 15 Ranking

CONSUMER-ORIENTED AGRICULTURAL TOTAL - 400

(1000$)	1999	2000	2001
New Zealand	44001	121356	130334
China (P. Rep. of	53832	102673	116445
Australia	75658	104206	110297
United States	51151	86193	99877
Netherlands	39884	58066	62165
Thailand	39907	59944	61432
Philippines	4626	22851	32482
Malaysia	28349	17421	25368
Singapore	17731	23133	23596
Germany	8654	21382	19897
Denmark	4668	10761	16632
France	7303	14443	15226
Pakistan	3283	7744	14947
Ireland	5870	29584	14625
Madagascar	11249	44522	9578
Other	86620	93982	95814
World	482838	818306	848778

FISH & SEAFOOD PRODUCTS - 700

(1000$)	1999	2000	2001
Japan	2384	3010	4223
India	3621	2014	2548
Taiwan (Est.)	4045	4732	2439
Singapore	1111	2462	2433
China (Peoples	1573	3538	2348
Free Zones	0	0	2332
United States	514	655	2253
Malaysia	848	1503	2129
Thailand	490	1620	1918
Australia	779	1214	1484
Korea, Republic	1052	3934	1353
Netherlands	418	895	752
Burma	316	192	667
Germany	2080	4	619
United Kingdom	377	459	580
Other	5638	10518	3023
World	25261	36762	31095

EXPORTER GUIDE
APPENDIX II: CALENDAR OF ENDORSED TRADE SHOWS IN INDONESIA

Name of Event	FOOD & HOTEL INDONESIA2003
Event Location	Jakarta International Exhibition Center, Kemayoran, Indonesia
Industry theme	The 7th International Hotel, Catering Equipment, Food and Drink Exhibition
Dates of Event	April 2-5, 2003
Type of Event	International Exhibition
Name of Organizer	P.T. Pamerindo Buana Abadi
Phone of Organizer	(62-21) 316-2001
Fax of Organizer	(62-21) 316-1983/4
E-mail of Organizer	pamindo@rad.net.id

Name of Event	FOOD, HOTEL & TOURISM BALI
Event Location	Bali International Convention Center, Nusa Dua - Bali, Indonesia
Industry them	The 4th International Exhibition for Equipment, Food, Beverages and Services to Support Indonesia's Tourism and Hospitality Industries
Date of Event	February 5-7, 2004
Type of Event	International Exhibition
Name of Organizer	PT Pamerindo Buana Abadi
Phone of Organizer	(62-21) 316-2001
Fax of Organizer	(62-21) 316-1983/4
E-mail of organizer	pamindo@rad.net.id

C:\RPT145784395.WPD