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Report Highlights:

In 2021, the total value of all food and beverage retail sales in Indonesia totaled \$72 billion, a 12 percent decrease from the previous year due to COVID-19 pandemic social distancing measures. Traditional markets still dominate the retail food and beverage sector, accounting for 76 percent of market share, although they continue to lose market share to modern retail stores and e-commerce. Among modern retail channels, convenience stores make up the largest segment and are the only retail channel whose sales grew during the pandemic as customers sought out alternatives to crowded traditional markets and supermarkets. Even as the pandemic subsides, convenience stores are expected to continue to grow in number and sales.

Market Fact Sheet: Indonesia

Executive Summary

Indonesia is the fourth most populous nation in the world, with a population of approximately 273 million in 2021. Fifty-six percent of the population is on Java Island, one of the most densely populated areas in the world. In 2021, Indonesia's GDP reached \$1,185 billion and GDP per capita reached \$4,341 (est.). Indonesia is a major producer of rubber, palm oil, coffee, and cocoa. In 2021, agricultural imports reached \$24.4 billion (\$7.6 billion of which was consumer-oriented products). In addition to consumer-oriented products, soybeans and wheat are top imports. Agricultural self-sufficiency is a stated goal of the Indonesian government and is often used to justify trade barriers and restrictions.

Indonesia Consumer – Oriented Products Imports (US\$ million, 2021)



Food Processing Industry

The food processing industry is comprised of approximately 7,868 large and medium-sized producers and 1.6 million micro and small-scale producers. Most of the products are consumed domestically (mostly retail) and the market is considered highly competitive.

Food Retail Industry

Indonesian grocery retail sales reached \$72 billion in 2021 (traditional grocery retailers held 76 percent share). There are four players in the hypermarket space (Carrefour/Trans Mart, Giant, Hypermart, and Lotte Mart), and six in the supermarket segment (Alfa Midi, Hero, Superindo, Ranch Market & Farmers Market, Food Mart, The Food Hall). Major convenience stores include Indomaret and Alfamart.

Food Service Industry

The foodservice sector's total contribution to GDP was about \$23 billion in 2020. The sector is dominated by small restaurants and street-side restaurants known as *warungs*.

Quick Facts for 2021

Agricultural Product Imports: \$24.4 billion
U.S. Share (13%) – \$3.3 billion
Consumer-Oriented Product Imports: \$6.3 billion
U.S. Share (9%) – \$705 million
Edible Fish & Seafood Products Imports: \$388 million
U.S. Share (6%) – \$29 million
Top 10 Growth Products:
Dairy products, baked goods, baby food, confectionery, processed meat & seafood, savoury snacks, sauces, dressing & condiments, sweet biscuit, snack bars & fruit snack, and ice cream & frozen dessert
Top 10 Retailers
Indomaret, Alfamart, Alfa Midi, Transmart/Carrefour, Hypermart, Superindo, Giant, Lotte Mart, Farmer's Market, Hero
GDP/Population 2021
Population (millions): 273
GDP: \$1,185 billion
GDP per capita: \$4,341
Economic Growth
2021: (+3.69%)
2020: (- 2.07%)

Strength/Weakness/Opportunities/Challenge

Strengths	Weaknesses
Large consumer base, growing middle class.	Inadequate infrastructure, including ports and cold storage facilities outside of the main island of Java
Opportunities	Challenges
Rapid growth of retail sector; Japanese, Korean, and Western restaurant chains; bakeries; expanding online sales platforms; growing export demand for processed products.	Challenging business climate, and unpredictable regulatory environment.

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Data and Information Sources: Trade Data Monitor, Central Bureau of Statistics, Euromonitor International.

SECTION I. MARKET SUMMARY

Overall, Indonesia's food and beverage retail sales declined by 12 percent to \$72 billion in 2021 due to COVID-19 social distancing restrictions limiting operational hours and reducing customer capacity at shopping malls, supermarkets, restaurants, and other establishments. The hardest hit in terms of sales were hypermarkets (28 percent decline) and traditional markets (16 percent decline), largely driven by the worsening of the pandemic during the first half of 2021. Hypermarkets were particularly disadvantaged by their location in large shopping centers which social distancing guidelines discouraged the public from frequenting. Conversely, convenience stores and other small retailers experienced positive growth, benefiting from their widespread locations that are closer to residential areas and away from areas conducive to large public gatherings. Indonesian consumers tended to shop closer to home to limit their exposure during the pandemic.

Despite the overall decline in sales, Indonesia's grocery retail sector remains one of the most promising markets in Asia. Driven by a large population, growing middle class, and increasing urbanization, Indonesia presents opportunities for a full spectrum of consumer-oriented products.

Current trends in Indonesia's retail food industry include:

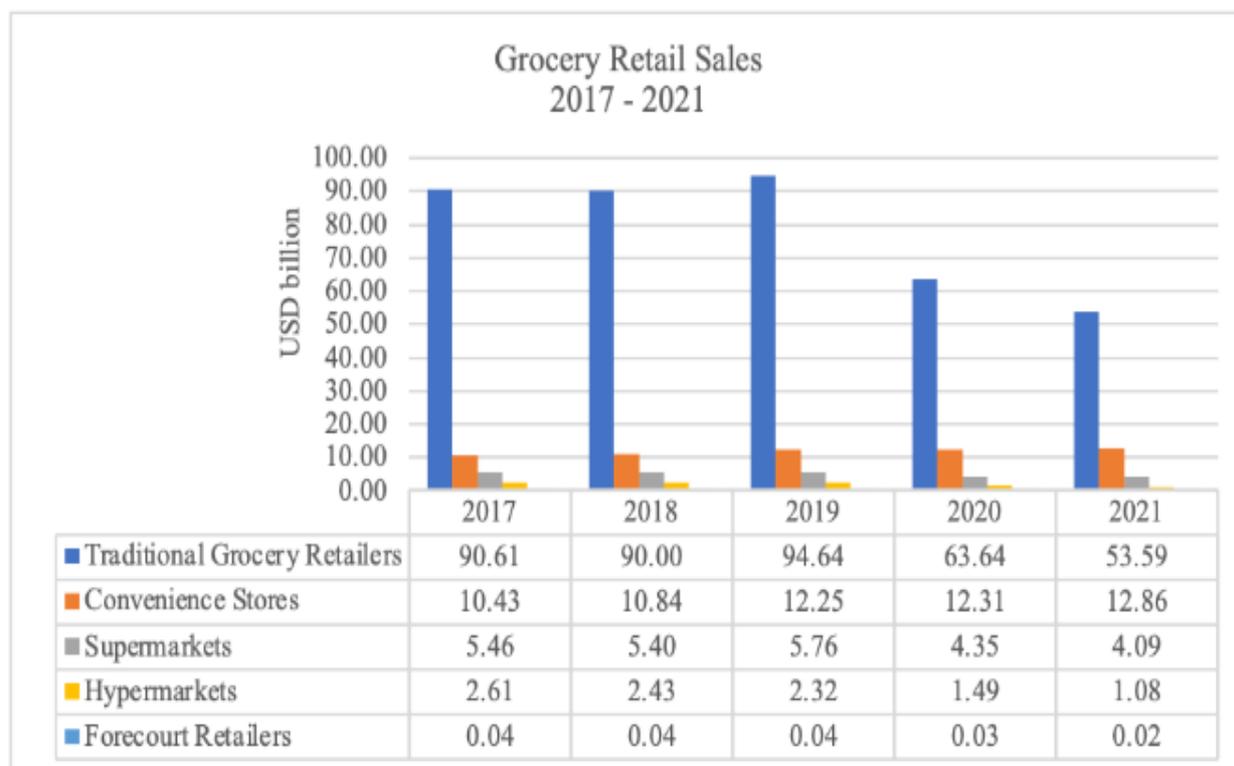
- **Online Shopping.** Modern retailers continue to expand their online presence to boost sales performance through e-commerce. Imported food products are widely available in online platforms such as Tokopedia and Shopee, which are sold by both importers and local retailers operating official stores within the platforms.
- **Specialty Stores.** In urban areas such as Jakarta, Bandung, and Surabaya, specialty stores are increasing in popularity. These stores offer high-quality imported products focusing on specific product categories, e.g., fruits, meat, seafood, organic products, premium poultry products etc. These specialty stores target upper-middle income consumers and are often located near residential areas.
- **Small Format Stores.** Supermarket and hypermarket operators have recently launched smaller format stores to compete with large convenience chains and reach consumers closer to their homes. Examples include Supra Boga Lestari launching its chain of Day2Day stores.
- **Supermarket Refrigeration Trends.** With increased demand for frozen food and fresh products, modern retailers have expanded their retail refrigeration capacity. According to the Indonesian Cold Chain Association (ARPI), the total market value for frozen food in 2021 was estimated at 95 trillion IDR (\$6.4 billion) and will increase to 200 trillion IDR (\$13.5 billion) in 2025.
- **On-the-Go Packaging.** Convenience stores such as Indomaret and Family Mart have added imported fresh fruits in the form of on-the-go packaging to their product portfolio, available in urban areas.
- **Health Foods.** Healthy lifestyle trends continue as urban consumers seek healthier alternatives to mainstay processed products. The trend resulted in the newly launched supermarket Growell Whole Foods in 2020, which focuses on healthy and organic food products. The new outlet offers certified products from the United States, Japan, United Kingdom, and South Korea.

Advantages	Challenges
The digital transformation in e-commerce and ride-hailing apps in Indonesia will provide opportunity for the retail sector to reach more customers who are increasingly relying on online shopping.	Slow technology adoption within the demographic groups who live in rural areas limits e-commerce growth to large urban areas.
Healthy lifestyle trends are increasing opportunities for fresh products e.g., meat, fruits, and dairy.	Importing these products requires undergoing a lengthy and burdensome licensing process, including the requirement of import permits, plant approvals, halal certifications, and food/fruits registration numbers.
Younger consumers are driving demand for a variety of snack foods.	Imported snack foods are mostly available only in premium supermarkets.
Modern grocery channels continue to increase the variety of products and locations, continuing a shift from traditional markets.	Indonesia's modern retail sector is still dominated by traditional outlets, accounting for 76 percent of total grocery retail sales.

Grocery Retail Outlets by Channel in Indonesia

Category	2017	2018	2019	2020	2021
Traditional Grocery Retailers	4,574,208	4,546,222	4,512,891	4,061,674	3,574,342
Convenience Stores	31,488	32,699	34,704	36,969	38,323
Supermarkets	1,377	1,402	1,429	1,450	1,411
Forecourt Retailers	481	378	396	381	358
Hypermarkets	333	330	336	311	285
Total Grocery Retailers	4,607,887	4,581,031	4,549,756	4,100,785	3,614,719

Source: Euromonitor International



Source: Euromonitor International

SECTION II. ROADMAP FOR MARKET ENTRY

Entry Strategy

Please see this report: [Exporter Guide 2021](#) for information on how to enter the Indonesian market, including market research and local business customs.

Trade Shows in Indonesia

Name of Event	Location	Dates of Event	Website
Food and Hotel Indonesia 2021 Hotelexpo Indonesia 2022	Jakarta	26 – 29 July, 2022	www.foodhotelindonesia.com www.hotelexpoindonesia.com
Food Ingredients Asia 2022	Jakarta	7 – 9 September, 2022	https://www.figlobal.com/asia-indonesia/en/home.html
Food, Hotel & Tourism Bali, 2022	Bali	22 – 24 September, 2022	www.fhtbali.com
Hotelexpo Indonesia 2022	Jakarta	27 – 29 July, 2022	

Import Procedure

Please utilize the links below for information on import procedures, regulations, tariffs, approved U.S. establishments and retail products:

- [Retail Product Registration Guide for Imported Food and Beverages](#) – This report provides guidance on the registration process for retail foods.
- [Food and Agricultural Import Regulations and Standards - Export Certificate 2021](#) - This report provides information on certificates required to export food and agricultural products to Indonesia.
- [Food and Agricultural Import Regulations and Standards - Annual Report 2021](#) - This report provides information on Indonesia's import requirements for food and agricultural products.
- [Tariffs and FTAs Information - Based on HS Code](#)
- [List of U.S. Processed and Retail Products in Indonesia](#) - this site provides an updated list of U.S. products that have received approval for retail sale in Indonesia.
- Approved U.S. establishments: [Dairy Products](#), [Meat Products](#), [Pet Food](#)
- [U.S. Dairy Plant Registration Guidelines](#) – this report provides information on the questionnaire/process required to apply for approval to export U.S. dairy products.
- [Guide to Re-selling Containerized Cargo After Arrival](#)

Distribution Channels

Distribution of imported products in Indonesia is limited to mostly urban areas and through supermarkets, hypermarket, and specialty stores, especially for perishable products such as dairy, meat, and fresh fruits. Convenience stores benefit from their wide distribution centers, with warehouses located across Indonesia. However, they mostly sell local products and a few imported products in small packaging which are affordable for middle-lower income consumers, such as confectioneries and snacks. Wet markets in Jakarta and other, secondary cities may offer limited imported products such as lower quality fresh fruits and secondary cuts of beef and offal. Grocery retailers procure foreign products via local importers or distributors due to regulations prohibited them from importing directly. However, some

supermarkets have designated affiliate companies established expressly for importing directly.

Market Structure

Convenience Stores

[Indomaret](#) continues to lead the category with more than 19,000 outlets across Indonesia, followed by [Alfamart](#) with 16,000 outlets. About 91 percent of the sales value for convenience stores in Indonesia is derived from these two companies, which have modern, integrated distribution systems and centralized procurement. Convenience stores are expected to continue to be the fastest growing grocery retail segment, with an average of 1,000 new outlet expansions each year. Convenience stores demonstrated their resiliency and necessity during the pandemic, providing reasonably priced products closer to residential areas during periods of mobility restrictions. Amid the pandemic, convenience stores had the strongest growth of all the retail channels in Indonesia, not only in terms of expanding their outlets but also in maintaining positive sales growth in 2020 and 2021.

In recent years, major convenience store chains, such as Indomaret, Alfamart, Lawson, and Family Mart, have transformed their stores from offering only grocery items to offering grocery items as well as ready-to-eat food. They have also expanded the locations of their mini stores which are mainly nested in office spaces and coffee shops. Although these kiosk-sized stores sell only a few imported products (fruits, confectioneries, snacks, beverages), with the large number of these outlets, this channel offers wide-reaching prospects for select products.

Hypermarket/ Supermarket Stores

Hypermarkets and supermarkets are generally located in malls and shopping centers, and generally offer 5 to 30 percent imported food and beverage products. The percent of imported products can be as much as 60 percent for some premium or high-end stores. Those premium outlets target upper-middle income and high-income consumers with a large variety of imported products such as fresh fruits, meat, snacks, condiments, and dairy products.

Superindo, Farmers, and Ranch Market are the top three supermarket brands in Indonesia, while the hypermarket category is led by Transmart Carrefour, Hypermart, and Lottemart. Major supermarkets and hypermarkets offer in-store bakeries, cafés and restaurants, and prepared meals, with grocery products typically contributing about 65 percent of total sales. Additional information on Indonesian supermarket/hypermarket chains can be found in this report: [Retail Chain Overview and Product Survey](#).

There is currently a trend of supermarket chain operators diversifying their businesses by launching new supermarket brands targeting several different niche markets. The diversification is part of their business strategy to survive the fierce competition in Indonesia's retail sector. For example, in 2021, PT Supra Boga Lestari (operator of Ranch Market, Farmers Market, the Gourmet, and Day2Day) launched eleven new outlets from its new supermarket brand, Farmers Family, to meet the needs of lower-middle income consumers.

Specialty Stores

Increasing demand for healthy food options has led to the expansion of specialty stores focusing on fresh meat, fruit and vegetables, and seafood. Found mostly in major urban areas, outlets such as [Total Buah](#), [Rumah Buah](#), [Frestive](#), and [All Fresh](#) offer high quality fresh produce to middle-upper income consumers. Meatshops have also expanded, as demand for quality meat and seafood has increased. Stores such as [Indoguna Meatshop](#), [Goodwins Butchery](#), [Celine Meatshop](#), Bumi Maestro Ayu, and Stevan Meatshop sell premium cuts of beef, fresh and frozen seafood, and condiments.

Traditional Stores

Traditional stores consist of wet markets and independent grocery stores (“mom and pop” stores), whose customers are mainly lower-to-middle income households. This retail channel accounts for about 76 percent of retail grocery sales. The pandemic had a negative impact on sales through traditional stores, especially wet markets, as consumers increasingly preferred to shop in modern grocery retail stores (e.g., convenience store) to avoid crowded places. Some traditional markets sell imported products such as apples, mandarins, oranges, grapes, pears, and meat. Traditional small grocers do not carry the variety of products and services offered by minimarkets, instead selling affordable, mostly local food and beverage products familiar to local consumers. This differentiation, along with location, helps them remain competitive against modern retail outlets.

Although the Government of Indonesia has implemented a program to revitalise wet markets, including helping them to survive by going digital, this channel will likely continue to struggle to maintain its market share due to more consumers switching to modern grocery and digital channels.

Top Indonesian Food Retailers (2021)

No	Brand Name	Sales Value (USD million)	Number of Outlet
1	Indomaret (Salim Group)	6,197	19,133
2	Alfamart (Sumber Alfaria Trijaya Tbk PT)	5,443.5	16,060
3	Alfa Midi (Sumber Alfaria Trijaya Tbk PT)	921.7	2,021
4	Hypermart (Matahari Putra Prima Tbk PT)	370.9	100
5	Super Indo (Koninklijke Ahold Delhaize NV)	304	180
6	Carrefour (Trans Retail Indonesia PT)	239	70
7	Transmart Carrefour (Trans Retail Indonesia PT)	236.8	60
8	Lotte Mart (Lotte Group)	211.4	45
9	Farmer’s Market (Supra Boga Lestari Tbk PT)	135.3	35
10	Circle K (Alimentation Couche-Tard Inc)	75.9	367

Source: Euromonitor 2021

Retail Sales Value of Alcoholic Drinks, Soft Drinks and Packaged Food (US\$ million)

Product	2017	2018	2019	2020	2021
Alcoholic Drinks	589	637	651	719	521
Soft Drinks	7,523	7,642	7,393	7,881	6,725
Packaged Food	28,416	30,073	29,902	32,264	32,967
Rice	6,998	7,445	7,416	7,933	8,275
Cooking Ingredients and Meals	3,399	3,685	3,828	4,094	4,358
Dairy	3,189	3,452	3,541	3,870	4,199
Noodles	2,631	2,699	2,731	2,924	3,029
Baby Food	2,758	2,872	2,785	2,878	2,880
Baked Goods	2,304	2,421	2,378	2,538	2,399
Sweet Biscuits, Snack Bars and Fruit Snacks	1,651	1,768	1,762	1,934	1,980
Savory Snacks	1,559	1,673	1,680	1,832	1,803
Confectionery	1,930	1,943	1,906	2,058	1,897
Processed Meat, Seafood, and Alternatives to Meat	1,459	1,554	1,327	1,612	1,550
Ice Cream	390	403	390	424	425
Breakfast Cereals	84	90	89	95	98
Processed Fruit and Vegetables	40	43	42	44	45

Source: Euromonitor 2021

SECTION III. COMPETITION

Local Competition

Local companies have a strong presence in the food and beverage market. Locally produced noodles, biscuits, confectionery, savoury snacks, processed meat, processed dairy products (such as UHT milk, cheese, and yoghurt), canned fish, and tropical fruits dominate retail shelves. In recent years, local producers have increased organic branding of fresh vegetables such as spinach and kale due to growth in demand from wealthier urban populations seeking healthier lifestyle products. Major multinational companies, including Nestle, Unilever, Friesland Campina, Danone, and Kraft Heinz, locally produce a variety of dairy-based products, ready-to-drink beverages, condiments, and baby food.

Import Market Competition

In 2021, total Indonesia consumer-oriented products imports were valued at \$7.6 billion. Imports from the United States totaled \$705 million, a decrease of 3 percent year-over-year mainly due to a decline in exports of dairy (milk powder), fresh fruits (apples and lemons) and French fries. Indonesia mostly imports products that serve as inputs to food manufacturers or are not produced in adequate volumes locally, such as milk powder, French fries, beef, fresh and processed fruits and vegetables, and wine. The United States competes with New Zealand, Australia, and the EU in the dairy products category, with China and Australia in the fresh fruit category, and with Australia and India in the beef products category. Consumers in Indonesia view U.S. beef as a high-quality, premium product which competes with Australian beef at high-end supermarkets and hypermarkets, whereas Indian beef (buffalo meat) is mostly sold in traditional wet markets.

Competitive Situation for Selected Imported Consumer-Oriented Products in the Retail Market, 2021, (\$million), metric tons (MT)

Product Category (Value and Quantity)	Key Exporter Countries (By value)	Key Constraints to Market Development	Market Attractiveness for U.S.
Fresh Fruit: \$1,387 million 710,867 MT	<ol style="list-style-type: none"> 1. China (66%) 2. Australia (9%) 3. Thailand (8%) 4. USA (6%) 	Two-step import licensing system often leads to delays in issuance of import recommendations and permits.	Increased awareness of healthy lifestyle. A \$1.4 billion market.
Beef & beef products \$970 million 276,761 MT	<ol style="list-style-type: none"> 1. Australia (42%) 2. India (30%) 3. USA (11%) 4. Brazil (9%) 	As of 2022, import quota is determined at an inter-ministerial meeting that takes place prior to the issuance of import permits through the Commodity Balance system.	Shortage of local production. Middle-upper and premium supermarkets all sell mostly imported beef.
Bakery goods, cereals & pasta \$211 million 70,164 MT	<ol style="list-style-type: none"> 1. Malaysia (34%) 2. Thailand (21%) 3. China (12%) 4. South Korea (10%) 	Requires obtaining food registration (ML) number from BPOM*, takes up to 6 months.	Demand for healthier bakery, cereals and pasta options continue to increase.
Cheese \$139 million 30,440 MT	<ol style="list-style-type: none"> 1. New Zealand (41%) 2. USA (21%) 3. Australia (13%) 4. Argentina (9%) 	Requires establishment, import recommendation, import permit approval and ML number, a lengthy process.	Local cheese production is dominated by processed cheeses; most the hard/semi-hard, and fresh cheeses are imported.
Condiments & sauces \$109 million 58,803 MT	<ol style="list-style-type: none"> 1. China (25%) 2. Malaysia (20%) 3. Thailand (17%) 4. Singapore (12%) 	Requires obtaining food registration (ML) number from BPOM*, takes up to 6 months.	Rapid urbanization and rising appetite for foreign food items are the key drivers for the demand of these products.

*BPOM: Indonesia's Food and Drug Administration
Source: Trade Data Monitor

SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

Best Prospective U.S. Products for the Indonesian Food Retail Market

- Fresh fruits
- Beef
- Cheese
- Snack foods
- Frozen food
- Condiments

Top Consumer-Oriented Products Imported from the World

- Beef
- Garlic
- Food preparation: non-dairy creamer, food supplement etc
- Milk and cream powder
- Sauces
- Grapes
- Apples
- Pears
- Malt Extract
- Mandarin
- Whey and lactose
- Dog and cat food
- Butter
- Longan
- Coffee
- French fries

Top Consumer-Oriented Products Imported from the United States

- Milk and cream powder
- Food preparation: food supplement and flavouring
- Apples
- Frozen beef
- Grapes
- French fries
- Malt extract
- Whey and lactose
- Almonds
- Onion powder
- Cheese
- Raisins
- Oranges
- Dog and cat food

Products Not Present in Significant Quantities but which have Good Sales Potential

- Wine
- Cherries
- Plums
- Avocado
- Blueberries
- Strawberries
- Pistachios
- Fresh cut flowers
- Prunes
- Peaches
- Soups and broths

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

FAS – U.S. Embassy Jakarta
Web: www.usdaindoneisa.org
E-mail: AgJakarta@fas.usda.gov
Tel: +62 21 50831162

Food Standard and Registration
The National Agency for Drug and Food
Control (BPOM)
Web: www.pom.go.id

Indonesian Food & Beverage Association
Web: www.gapmmi.or.id
Email: gapmi@cbn.net.id

Indonesian Fruit & Vegetables Exporters &
Importers Association
Email: info@aseibssindo.org

Association of Indonesian Meat Importers
Email: asp_1984@cbn.net.id

National Meat Processor Association
Email: nampa@napa-ind.com

Dairy and Meat Approval Directorate
General of Livestock and Animal Health
Services
www.ditjennak.pertanian.go.id

Animal/Plant Quarantine and Inspection
Indonesian Agricultural Quarantine Agency
www.karantina.pertanian.go.id

Attachments:

No Attachments