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Indonesia

Food Service - Hotel Restaurant Institutional

Hotel Restaurant Institutional Update

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Report Highlights:

Indonesia's hotel and restaurant sector grew about 5 percent in 2017. Continued urbanization, tourism, and MICE (Meeting, Incentive, Conference, and Exhibitions) activities drove the growth. Key U.S. exports to the sector include meat, dairy products, fresh fruit, frozen potatoes, condiments, and bakery ingredients.

Post:
Jakarta

I. MARKET SUMMARY

Market Overview

Indonesia is the most populous country in the ASEAN region with an estimated 2018 population of 265 million people. It is home to approximately 13,500 islands and hundreds of local languages and ethnic groups, although the population is mostly concentrated on the main islands of Java, Sumatra, Kalimantan, Sulawesi and Papua. It has vast natural resources, including petroleum and natural gas, lumber, fisheries and iron ore. Indonesia is a major producer of rubber, palm oil, coffee and cocoa.

In 2016, GDP growth was 5.02 percent. The Bank of Indonesia expects economic growth will reach between 5.0 and 5.4 percent in 2017 and 5.1 to 5.5 percent in 2018. This contrasts with growth rates above 6 percent during 2007 to 2015 period. Inflation has ranged between 3.49 (January) and 3.88 (July) during January-September 2017 period, while the rupiah has remained weak vis-à-vis the U.S. dollar, fluctuating around IDR 13,300 in 2017. According to Statistics Indonesia data, from 2011-2016 the hotel industry grew at an average rate of 8 percent, while the restaurant industry grew at an average rate of 5 percent.

Per capita gross domestic product grew from \$1,213 in 2005 to \$3,475 in 2016. Household consumption accounted for an estimated 57 percent of GDP growth in Indonesia in 2016. Food and beverage expenditures reached 22 percent, while restaurant and hotel expenditures reached 6 percent of GDP. Incomes are rising, driving an expansion of the middle class. The middle class population grew from 37 percent in 2004 to 57 percent in 2016. This growing demographic is creating new demand for western food products, imported brand names, and a cultural shift that includes more socializing outside of the home. Middle class consumers also have newly acquired access to media and the internet, which further exposes Indonesians to various international products, activities, and lifestyles. Meanwhile, strict import regulations, abrupt policy changes, and protectionist policies create significant challenges for importers serving the HRI sector.

Strong domestic demand, slowing exports, and import growth have pushed up Indonesia's trade deficit. These points, along with a wave of economic nationalism, have led the Government of Indonesia (GOI) to strictly regulate imported food products, such as beef, dairy, and fresh fruit. The GOI also reduced certain fuel subsidies, while electricity prices increased. Inflation and more protectionist policies are likely to create challenges for the expansion of U.S. food product exports to Indonesia.

Indonesia's Hotel, Restaurant, and Institutional (HRI) sector is extremely diverse, consisting of high-end hotels and restaurants that serve local and international cuisine, fast food outlets, cafés and bars, bakeries, and low-end small restaurants, street-side restaurants known as warungs, and vendors that sell food to customers on the street. Catering operations serve airlines, factories, private social functions, cruise and military ships, offshore mining and oil operations with expatriate staffs, prisons, and hospitals.

There is a concentration of high-end HRI businesses in Bali, Jakarta and other urban areas. The growth

of these businesses is in line with the growth of tourism and Indonesia's growing middle class. Hotels and restaurants specializing in Western and other non-Indonesian cuisines are the dominant users of imported food products. Local caterers and restaurants tend to purchase local products.

Table 1. Indonesia: Food Service Outlets

Description	2016		% Growth 2016/2017		Annual Forecast % Growth 2016-21 CAGR	
	No of Outlets	Sales (IDR. billion)	No of Outlets	Value	No of Outlets	Value
Cafes and bars (Chain & Independent)						
Specialist Coffee Shop	1,086	3,111	6.0	6.3	6.0	6.6
Café/Bars total	5,106	30,219	3.2	4.2	3.0	4.6
Full-service restaurants (Chain & Independent)						
Asian	97,988	380,716	0.2	2.5	0.1	3.5
European	398	4,721	2.3	4.2	2.1	3.3
Latin American	49	442	2.0	4.5	2.0	3.5
Middle Eastern	65	494	3.1	6.0	2.9	5.0
North American	906	592	2.0	3.8	1.7	3.6
Pizza	499	4,976	2.6	2.9	2.5	2.9
Others	635	6,326	4.1	4.6	3.3	4.6
Fast Food (Chain & Independent)						
Asian	1,512	6,426	1.6	3.4	1.9	4.9
Bakery products	1,070	2,141	1.1	3.5	1.3	4.5
Burger	613	4,847	0.3	0.8	0.6	1.3
Chicken	1,279	6,728	2.3	2.9	1.4	2.3
Convenience Store	1,136	567	14.0	13.0	12.0	15.0
Ice cream	493	438	1.0	1.5	1.5	2.0
Middle Eastern	26	42	3.8	2.0	3.6	1.5
Traditional food seller						
Street Stalls and Warungs	92,400	16,288	0.2	0.6	0.1	1.8

Source: Euromonitor

The GOI regulates the expansion of quick service restaurants (QSR) through Ministry of Trade (MOT) Regulation No. 7/2013 and MOT Regulation No. 58/2014. The regulation limits the number of outlets owned by a company to a maximum of 250 outlets. MOT 58/2014 clarifies that companies with more than 250 outlets prior to the regulation's implementation are not required to divest them to a third party. The outlets are also required to use a minimum 80 percent of local equipment and ingredients.

Additionally, Ministry of Health (MOH) regulation No. 30/2013 requires QSRs to provide sugar, salt, and fat content information as well as a health message that reads "consuming more than 50 grams of sugar, 2,000 milligrams of sodium, or 67 grams of fat per person per day increases the risk of hypertension, stroke, diabetes, and heart attack." The regulation, originally scheduled to be implemented in April 2016, is delayed until 2019 due to economic policy reforms issued in September 2015.

Imported Food Products

There is strong demand for western, Japanese and Korean products in Indonesia, particularly as more people associate them with quality, consistent availability, and healthy lifestyles. This is exemplified by the growth of Japanese and Korean restaurants throughout Indonesia. Also, as tourists and expatriates increase in areas beyond Java, demand for imported products is expected to increase. Unfortunately, protectionist policies (such as ambiguous import regulations and registration numbers (ML) for imported retail packaged foods), have led to irregular supplies of imported products at retail and food service outlets.

Table 2. Indonesia: Imported Food Products in Market for HRI Industry

Products	Description	Type of HRI Industry
Fruits	fresh, frozen, canned, dried	All types
Vegetables	fresh, frozen, canned, preserved	All types
Potatoes	Frozen, dehydrated	All types
Dairy products	milk, cheese, butter, whipping cream, yogurt, ice cream	High-end
Bakery ingredients	baking mix, dried fruits & nuts, fillings, chocolate, whey, NFDM, yeast, food coloring, etc.	Middle & high-end
Soup, soup bases, broth	canned, dried/powder	Middle & high-end
Condiments	mayonnaise, salad dressings, sauces (barbeque, chili, soy, marinating), mustard, spices, etc.	Middle & high-end
Seafood	fresh/chilled/ frozen salmon, crab, scallop, tuna	High-end
Preserved fruit, jam, spread		Middle & high-end
Cooking ingredients	vinegar, cider, vegetable oil (corn, sunflower, soybean, canola, olive), tomato paste and puree, etc	Middle & high-end
Non-alcoholic beverage	juices, coffee, tea, and soft drinks	Middle & high-end
Alcoholic beverage	liquor, beer and wine	High end
Mixed drinks, blends	dried/powder	Middle & high-end
Beef (prime cut)	fresh, chilled, frozen	High-end
Beef of secondary cuts/trimming, oxtail, tongue	frozen	All types
Beef offal/heart/liver	frozen	Small restaurants, street-side vendors and small catering services
Poultry	frozen duck, turkey	High-end
Delicatessen	processed meat and poultry	High-end

Source: FAS Jakarta

Table 3. Indonesia: Advantages and Challenges for U.S. HRI Food Products

ADVANTAGES AND CHALLENGES FACING U.S. PRODUCTS IN INDONESIA	
Advantages	Challenges

U.S. food products are considered high-quality, healthy, and consistently available.	Imported products are more expensive compared to domestic and other countries goods.
Expatriates and the growing middle class are potential HRI customers. As more urban women enter the workforce, time for shopping & cooking declines and consumers seek convenience.	Most products require halal certification.
Applied duties on most food and agricultural products are 5%; except for 153 items of value added food products (GAIN ID1530)	Import regulations are often complex and non-transparent, thus requiring close business relationships with a local agent.
The U.S. Fresh Food of Plant Origin (FFPO) safety control system has been recognized. U.S. horticultural products may enter Indonesia without Certificate of Analysis (CoA)	Twenty-eight horticulture commodities must have an import recommendation from the MOA and an import permit from the MOT.
Sufficient number of GOI-approved U.S. meat and U.S. dairy establishment that able to export products to Indonesia.	Animal based foods must have an import recommendation from the MOA- Director General of Livestock & Animal Health Service and The National Agency for Drug and Food Control (BPOM) as well as an import permit from MOT.
Distribution systems on the island of Java are improving, providing increased access to a population of 146 million.	Infrastructure outside of the main island of Java, including ports and cold storage facilities, is poorly developed.
Indonesia does not produce sufficient quantities of beef, dairy products, tree nuts, temperate zone fresh fruit and vegetables.	Competition remains strong, especially from Australia, New Zealand and China. Food product imports from Malaysia, Philippines, Thailand and Vietnam are also growing.
International restaurants, hotel chains, boutique hotels, and specialized cafés are increasing.	Product shelf life should be considered for shipments to Indonesia due to the extended transportation and inconsistent custom clearance procedures & time.

II. ROAD MAP FOR MARKET ENTRY

A. ENTRY STRATEGY

Most imported products for the HRI industry enter Indonesia by reputable local importers or distributor agents. They represent imported products, obtain import licenses and permits, understand customs clearance procedures, and distribute the products all over Indonesia. It is important that U.S. exporters appoint reliable local importers/agents in order to stay current on import requirements or regulations. Many regulations related to distribution and marketing of imported food and beverage products are enforced in an ambiguous manner.

Exporters interested in shipping to Indonesia should visit and research the market, and prioritize building a relationship with a local importer/distributor. Understanding the complexity and weaknesses of the distribution system is also critical, especially if refrigeration and cold storage facilities are required. Exporters should familiarize themselves with local tastes and work closely with food and

beverage professionals, and purchasing staff to modify any food items as necessary. It is also important for exporters to educate themselves on product knowledge, handling, preparation, pricing, and specific promotion strategies.

Jakarta and Bali remain the ideal locations to target the HRI food service sector. These cities are home to many hotels and international restaurants that cater to sizeable expatriate communities, foreign visitors, and high-income consumers. Bali remains the ‘trendsetter’ in specialized cafés, hotel chains, and restaurants. Other large cities such as Surabaya, Bandung, Medan, Batam, Balikpapan, Lombok and Makassar also have potential for import growth.

Market access for imported food products

Labeling

Requirements for food product labeling (primarily applicable to packaged food for retail sale) are broad in scope. The former Food Act of 1996, the Consumer protection Act of 1999, and the current Food Law 18/2012 all deal with labeling. BPOM regulation 12/2016 covers labeling regulations and Indonesian language requirements as well as GMO ingredient labeling.

As of January 2013, supplementary labels must be affixed prior to customs clearance (before arriving at the Indonesian territory). Statements or claims on the benefits of food products shall only be included if they are supported by scientific facts.

Imported Product Registration Number (ML)

All imported processed food products in retail packaging must be registered with BPOM before they can be imported. The registration process should be conducted by a local agent or importer. The process for food registration is complex, often non-transparent, costly, and time consuming due to the detailed requirements for supporting documentation. The ML registration process has improved slightly by the implementation of E-registration for low risk processed food products. However, the distinction between food retail packaging and food service package is unclear, resulting in complications for HRI imports.

BPOM regulations require importers to apply for an import recommendation for animal-based food products, including processed products, from the Director General of Livestock and Animal Health Service (DGLAHS), Ministry of Agriculture (MOA). This recommendation must be obtained before an exporter applies for an ML number.

Entry Permit (SKI)

BPOM regulations (the latest one is in BPOM No 4/2017) state that all imported food materials/ingredients, and processed foods listed in the regulation, must obtain an entry permit (SKI) from the head of BPOM for every shipment. The SKI is needed to release products from customs.

Animal-Based Food and Horticulture Products

The Ministry of Agriculture issued a new regulation on animal and animal product imports on July 15, 2016. MOA Regulation No. 34/2016 (which replaces MOA Regulation 58/2015, No 139/2014 and No 2/2015), allows secondary cuts and offal imports for general importers and producer importers. Import recommendation applications for animal products can be submitted to MOA at any time. Import permits

issued by MOT (regulation No. 59/2016) remain valid for six months from the date of the import recommendation issuance. Similar to the previous regulation, MOA Regulation No.34/2016 and MOT Regulation No.59/2016 do not establish an official quota, but import quantities are constrained via other means. This regulation opens the market for imported beef to traditional market and modern retail outlets (the GOI had prohibited selling imported meat to retailers since 2011).

MOA issued a new regulation, No. 38/2017, (replacing MOA Regulation No. 16/2017, issued on May 2017), which revised the requirements to obtain the “import recommendation” (RIPH – Rekomendasi Import Produk Hortikultura) and removed the RIPH requirement for processed horticultural products. Now, only fresh fruits and vegetable imports need an RIPH. The regulation covers 28 fresh horticulture commodities. Beginning in 2018, RIPHs will be valid for the entire calendar year, and MOA will allow importers to apply for RIPHs twice during the year. However, they must complete the first RIPH before requesting another. However, as of November 2017, MOT had not yet issued the corresponding regulation governing import permits. For the first time in 2018, MOA will ban imports of apples and lemons during the local harvest seasons for each crop. For apples, that is August-September.

MOT is responsible for issuing import permits and specifying quantities permitted for import based on an MOT estimate of the importer’s cold storage capacity. Importers must own their cold storage facilities. According to MOT Regulation No. 30/2017 (corresponding regulation of MOA Regulation No. 16/2017), cold storage capacity will continue to be used as a benchmark for the quantity permitted for import. The ownership requirement applies specifically to general importers. Importer-producers can rent cold storage space.

Halal

In September 2014, Indonesia passed a law governing halal products (33/2014). The law makes halal certification mandatory for all food, beverages, drugs, cosmetics, chemicals, organic and genetically modified products sold in Indonesia, as well as machinery and equipment used in processing these products. By 2019 all companies have to comply with the new law. The government established a new institution called the Halal Product Guarantee Agency (BPJPH) under the Ministry of Religious Affairs. This new agency was launched on October 11, 2017. BPJPH will oversee the collection of fees and issuance of halal certificates for specific products, but MUI will still issue halal fatwas and certify halal auditors. However, as of November 2017, BPJPH has issued no implementing regulations. Therefore, businesses are expected to follow existing MUI rules and procedures.

Duties and Taxes

Although Indonesia applies a five percent import duty to most food and agricultural products, most imported products are also assessed a value added tax of 10 percent and sales tax of 2.5 percent. Alcoholic beverages are imported based on a quota set by MOT every April. (Note that some goods face import duties between 10 and 30 percent. These include coffee, tea, sausages, processed seafood, cocoa, and pasta.)

On July 23, 2015, the Ministry of Finance (MOF) revised import duties on alcoholic beverages containing ethyl alcohol. This regulation set the import duty at the ad valorem tariff rate of 90 percent for wine, cider, perry, and mead, and 150 percent for spirits and liqueurs. (Previously, a tariff was charged at the rate of IDR 14,000/liter for beer, IDR 55,000/liter for wine, and IDR 125,000/liter for whisky, rum, and other distilled spirits).

Table 4. Indonesia: Excise Tax for Ethyl Alcohol and Products Containing Ethyl Alcohol

Type	Ethyl Alcohol content	Excise Tax (IDR per liter)	
		Domestic Product	Import
I. Ethyl alcohol or ethanol			
All kinds of ethyl alcohol, level content, and type		20,000	20,000
II. Beverages containing ethyl alcohol			
A	5% or less	13,000	13,000
B	More than 5% up to 20%	33,000	44,000
C	More than 20%	80,000	139,000
III. Concentrate containing ethyl alcohol			
All concentrates, content level and type, as a raw material or processing aid in beverages contain ethyl alcohol production		100,000	100,000

Competition

Indonesian consumers are generally knowledgeable about U.S. food quality and safety. U.S.-origin goods are generally more expensive than competitors due to higher freight costs compared to competing origins. Consolidated shipments with products from several suppliers are highly favored and can be cost effective for Indonesian importers. Consolidated shipments, however, can create documentation problems.

Third-country competition remains strong, especially from Australia, New Zealand, China and European countries. Food product imports from ASEAN countries such as Malaysia, Philippines, Thailand, and Vietnam are also growing.

Indonesian regulations have led to a larger share of local products in retail markets. The quality and variety of most Indonesian-produced food products are not comparable to those of the U.S. and other imported products. Local production is largely limited to more Asian types of foods; using different ingredients and production processes.

B. MARKET STRUCTURE

Distribution System

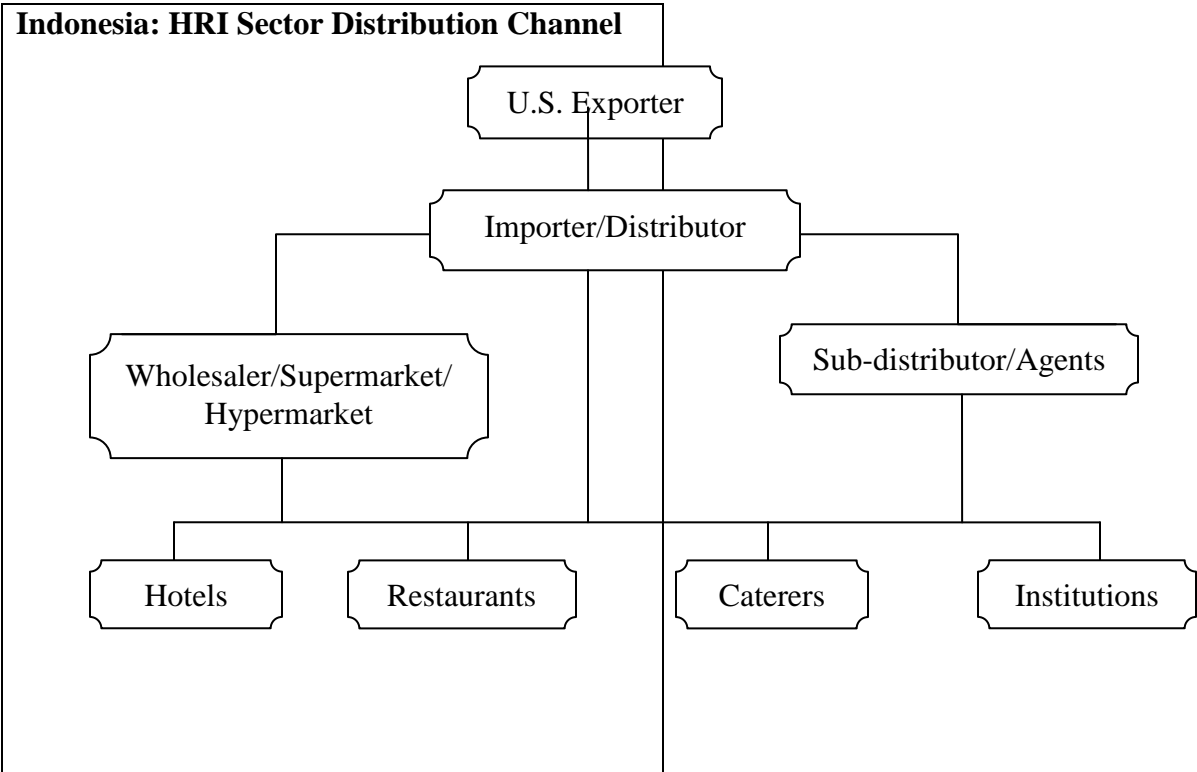
The Indonesian distribution system for imported products is simple (see distribution chart below). When U.S. products arrive in Indonesia via an importer or distributor, the products are delivered directly to HRI operators. Sub-distributors, agents or wholesalers may be necessary for HRI operators located outside Jakarta. Medium and small HRI operators normally purchase products through local agents, wholesalers, regular supermarkets and hypermarkets.

Some U.S. chains and upscale HRI operators import items directly from U.S. exporters. Quick service restaurants/fast food operators have exclusive contracts with importers/distributors. For example, frozen potatoes (french fries/crinkle cuts), fried chicken coating mix, beef patty, doughnut mix, and pizza cheese are brought in through exclusive importers in order to ensure that the products meet strict international franchise standards.

The food distribution system becomes more complex beyond Jakarta and Bali. Supermarkets, hypermarkets, and small scale agents play important roles in the distribution of imported products for medium and small HRI operators. Such products are limited to canned and fresh fruits, canned vegetables, frozen potatoes, frozen vegetables, preserved fruits/jams, butter, yogurt, condiments, sauces, and dried fruits (raisins).

Distribution Channels

Figure 1. Indonesia: HRI Sector Distribution Channels



Insufficient distribution infrastructure results in lack of supply of imported food nationwide. Imported products mostly arrive in the Jakarta, Surabaya or Belawan seaports, where the shipments are broken down for re-shipment via air, truck, or smaller ship to other cities. Imported perishable products are purchased directly from foreign suppliers or agents to serve upscale HRI industries, and air shipments from Australia and other origins to Jakarta or Bali are common.

Distribution of domestic products is less complicated compared to imported products. The HRI operators purchase domestic products directly from local manufacturers and their distributors, agents, wholesalers, and wet markets located in the same areas.

C. SUB-SECTOR PROFILES

Hotels and Resort (restaurants and catering services)

In 2016, there were around 2,387 star-rated, boutique and resort hotels with roughly 233,000 rooms in Indonesia. These hotels are concentrated in Bali (317 hotels), West Java (314 hotels), Jakarta (232 hotels), Central Java (217 hotels), East Java (158 hotels), North Sumatera (116 hotels), DI Yogyakarta (94 hotels), South Sulawesi (93 hotels), Riau (88 hotels), West Nusa Tenggara (75 hotels), and South Sumatera (64 hotels). International hotels, locally-owned boutique and resort hotels and state-owned company's hotels are also expanding.

Table 5. Indonesia: Major Hotel Chains

Hotel Chain	Hotel Name
Accor – French group	All Season, Ibis, Formule 1, Grand Mercure, Pullman, MGallery by Sofitel, Novotel, Fairmont, Raffles, Swissotels Hotels, Banyan Tree, The Phoenix Hotel, Royal Surakarta Heritage, Ramada Bali, Days Hotel & Suites
Archipelago International	Grand Aston, Alana, Royal Alana, Royal Kamuela and Kamuela, Aston, Aston City, Aston Inn, Quest Hotels, Neo Hotels, Fave Hotel, Harper, 100 Sunset Boutique
Santika Hotels & Resorts - <i>domestic</i>	Santika Premier, Santika, Amaris, Royal Collection (The Samaya, The Kayana, Anvaya)
Swiss Bel-Hotel International	Grand Swiss Hotel, Swiss Bel Hotel, Swiss Belinn, Zest, Hotel Ciputra, Arion Swiss Hotel
Starwood Hotels and Resorts	W Hotel, St. Regis, The Luxury Collection, Westin, Sheraton, Le Meredien, JW Marriott's, The Ritz-Carlton, Moxy, Mandapa, The Laguna, Four Points by Sheraton, Aloft Hotels, Luna2 Studiotel, Sarasvati (2019), Element Bali Ubud (2017), Sthala Bali Ubud (Oct 2016), Keraton at The Plaza, The Hermitage
Tauzia Hotel - <i>domestic</i>	Harris, Preference (Maison Aurelia Sanur, Tamarind Nusa Lembongan 2017, Des Indes Menteng 2017), POP Hotel, Yellow Hotel, Harris Vertu, Fox Harris
Sahid Hotel - <i>domestic</i>	Sahid, Griyadi
InterContinental Hotels Group (IHG)	InterContinental, Crowne, Holiday Inn, Indigo
Hyatt	Hyatt
Discovery Hotels & Resorts	Borobudur, Discovery, Home@36 Bali, Palaca Hotel Cipanas, Hotel Ebony, Kendari Beach Hotel, Discovery Express,
Louvre Hotel Group (LHG) – Jin Jang Holdings International	Royal Tulip, Golden Tulip, Kyriad, X2 Resort
Hilton	Conrad, Hilton, Hilton Garden Inn, Double Tree
Hotel Indonesia Group	Patra Jasa, Aero Wisata, Hotel Indonesia Natour, Pegadaian, Taman Wisata Candi, Jakarta Tourisindo
Kagum Hotels	Golden Flower, Gino Feruci, Banan Inn, Grand Serela, Serela, Zodiak

Source: HVS Global Hospitality Service data, website and news

Bali remains the most visited tourist destination in Indonesia, followed by Jakarta, Batam, Tanjung Uban (Bintan island), Surabaya, Bandung and Yogyakarta. A total of 11.5 million tourists visited Indonesia in 2016. GOI data indicates that in 2016, China, Malaysia, Singapore, Australia, Japan, India, South Korea, and Philippines accounted for the highest numbers of tourists from the Asia Pacific region.

These were followed by arrivals from The United Kingdom, U.S., France, Taiwan, Germany and Netherlands. Tourist arrivals are expected to reach 15 million in 2017, 17 million in 2018, and 20 million in 2019.

Indonesians are traveling more domestically. During long weekends and holiday seasons, transportation modes such as airlines and trains are frequently fully booked. This trends has led to growth in the HR sector in outlying cities.

The GOI passed a number of regulations intended to support the tourism industry with “Wonderful Indonesia” branding. In August 2015, the Ministry of Transportation issued regulation PM 121/2015, permitting foreign flagged cruise ships to transit the ports of Tanjung Priok, Tanjung Perak, Belawan, Makassar and Benoa Bali. Passengers may embark or debark at these locations. As per Presidential Regulation 21/2016, Indonesia extended its visa waiver program to 169 countries. The GOI continues to prioritize the development of transportation infrastructure (roads, seaports and airports). It is expected to boost the arrival of cruises.

In September 2015, Indonesia issued Presidential Regulation 105, opening 18 ports to foreign yachts and improving infrastructure for yachts from Sumatera to Papua. The GOI has also identified 10 priority locations for tourism development from 2017-2019. They are Danau Toba-North Sumatera, Kepulauan Seribu-Jakarta, Bromo-East Java, Labuan Bajo-East Nusa Tenggara, Yogyakarta, Wakatobi- Southeast Sulawesi, Belitung-Bangka Belitung, Morotai, North Maluku, Mandalika-West Nusa Tenggara, ad Tanjung Lesung-Banten.

Table 6. Indonesia: Tourism Indicators

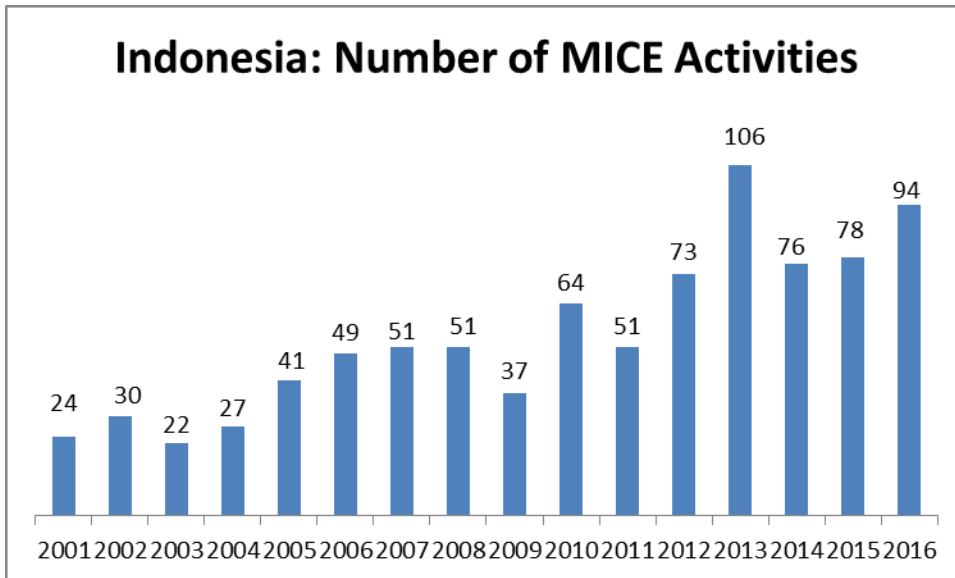
Description	Year					
	2011	2012	2013	2014	2015	2016
No. of foreign tourists (mil)	7.6	8.0	8.8	9.4	10.2	11.5
Revenue (US \$bill)	8.55	9.12	10.05	11.16	11.62	11.3
Occupancy Rate (%) -rated hotels	51.2	51.5	52.2	51.8	53.9	54.3
Number of hotel rooms-rated & non rated hotels	381,457	405,778	430,793	469,277	507,201	527,176

Source: Statistic Indonesia

Meeting, Incentive, Conference and Exhibition (MICE)

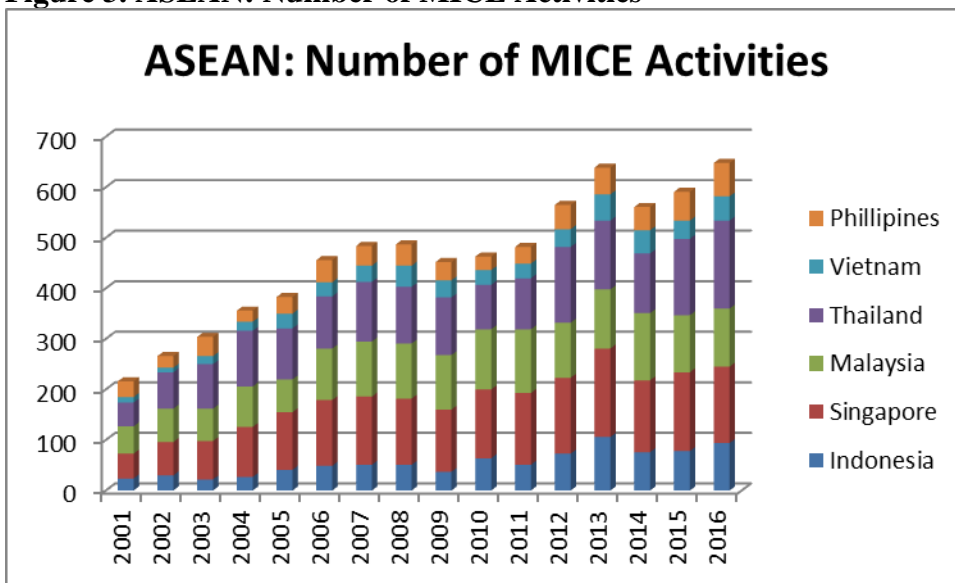
The rapid expansion of the airline sector, including low-cost carriers, provides effective and efficient access to reach MICE destination cities. Although Indonesia has several tourist destinations, it lacks transportation infrastructure, an online comprehensive MICE database, and market access for product samples and souvenirs for MICE activities.

Figure 2. Indonesia: Number of MICE activities



Source: ICCA Statistic Report

Figure 3. ASEAN: Number of MICE Activities



Source: ICCA Statistic Report

Based on International Congress and Conventions Association (ICCA) data, Indonesia was ranked 40nd as a venue for MICE in 2017. The main venues are Bali, Jakarta, and Yogyakarta. There are 41,350 participants attending MICE activities in Indonesia in 2016. Neighboring countries attracted 74,390 (Thailand), 61,294 (Singapore), 45,729 (Philippines) and 45,721 (Malaysia) participants. Additionally, Post notes that there are numerous domestic MICE events in Indonesia's secondary cities.

Table 7. Indonesia: Major Hotels

Company Name	Location	Purchasing Agent (s)
International Chain Hotel/Resort		
Aman Hotel	Bali (Amandari, Amanusa, Amankila), Moyo Island (Amanwana),	Importer/Distributor

	Yogyakarta (Amanjiwo)	
Banyan Tree Hotels & Resorts	Bali (1), Bintan (1, Angsana (1) and Cassia Bintan (1) under Banyan Tree group)	Importer/Distributor
Belmond Jimbaran Puri Bali	Bali (1)	Importer/Distributor
Bulgari	Bali (1)	Importer/Distributor
Como Hotel	Bali (2, Shambala and Uma).	Importer/Distributor
Conrad (Hilton group)	Bali (1)	Importer/Distributor
Fairmont hotel	Jakarta (1), Bali (1)	Importer/Distributor
Four Point	Jakarta (1), Bandung (1), Surabaya (1), Makassar (1), Bali (1), Medan (1), Manado (1),	Importer/Distributor
Four Season	Bali (2), Jakarta (1)	Importer/Distributor
Hard Rock	Bali (1)	Importer/Distributor
Hilton	Hilton Bandung (1), Hilton Bali (1), Doubletree by Hilton Hotel Jakarta (1), Hilton Garden Inn Bali (1)	Importer/Distributor
Hoshinoya	Bali (1)	Importer/Distributor
Hyatt	Bali (1), Jakarta (1), Yogyakarta (1)	Importer/Distributor
Intercontinental Hotel	Bali (1), Bandung (1)	Importer/Distributor
J.W. Marriot	Jakarta (1, and Mayflower apartment), Medan (1), Surabaya (1 and Fairfield by Marriot 1), Bali (Marriot 1,Courtyard by Marriot 2, the Stone Hotels at Legian, Fairfield by Marriot Legian, Edition Hotels & Resorts Jimbaran), Bandung (Courtyard by Marriot, Moxy), Yogyakarta (Marriot will open in November 2017)	Importer/Distributor
Karma resort	Bali (Royal Candidasa, Royal Jimbaran, Karma Jimbaran, Karma Kandara, Royal Sanur, Karma Mayura); Lombok (Karma Reef)	Importer/distributor
Kempinski	Jakarta (1)	Importer/Distributor
Keraton at the Plaza-The Luxury Collection (Starwood Hotel)	Jakarta (1)	Importer/Distributor
M Gallery Collection (Accor Group)	Bali (Royal Beach Seminyak1, Amarterra Villas Nusa Dua 1), Solo (the Royal Surakarta Heritage 1), Yogyakarta (Phoenix Hotel 1)	Importer/Distributor
Mandarin Oriental	Jakarta (1), Bali (1)	Importer/Distributor
Mantra Sakala Resort & Beach Club	Bali (1)	Importer/Distributor
Melia	Jakarta (1 – Grand Melia), Bali (4, Kuta Beach Club, Melia the Garden Villas, Sol Beach House Benoa, Sol House Legian),Yogyakarta (2 – Purosani, Ininside Yogyakarta), Makassar (1)	Importer/Distributor
Le Meridien (Starwood Hotel)	Jakarta (1), Bali (1)	Importer/Distributor
Nikko	Bali (1)	Importer/Distributor
Novotel (Accor Group)	Bali (3), Bangka (1), Bogor (1), Palembang (1), Semarang (1), Solo (1), Balikpapan (1), Banjarmasin (1), Lombok (1), Manado (1), Surabaya (2), Bandung (1), Batam (1), Lampung (1), Makassar (1), Tangerang (1), Yogyakarta (1), Pakanbaru (1), Jakarta (2), Bukittinggi (1)	Importer/Distributor
Oberoi	Bali (1), Lombok (1)	Importer/Distributor
Pullman (Accor Group)	Jakarta (2), Bali (1), Surabaya (1)	Importer/Distributor
Raffles hotel (Accor Group)	Jakarta (1)	Importer/Distributor
Ritz Carlton (Marriot Group)	Jakarta (2), Bali (1, and Mandapa Ubud))	Importer/Distributor
Rosewood Hotels &	Bali (1)	Importer/Distributor

Resorts		
Shangri-La	Jakarta (1), Surabaya (1), Bali (1)	Importer/Distributor
Sheraton (Starwood Hotel)	Lombok (1), Yogyakarta (1), Bandung (1), Jakarta (1), Lampung (1), Surabaya (1), Bali (1)	Importer/Distributor
Sofitel Bali Nusa Dua Beach Resort (Accor Group)	Bali (1)	Importer/Distributor
St Regis (Starwood Hotel)	Bali (1)	Importer/Distributor
The Chedi (GHM)	Bali (1, Tanah Gajah)	Importer/Distributor
W Retreat & Spa (Starwood Hotel)	Bali (1)	Importer/Distributor
Westin Hotel	Bali (1), Jakarta (1)	Importer/Distributor
Domestic Hotel		
Alila	Bali (5, Studio at Alila 1), Jakarta (1, Kemang Icon 1), Solo (1)	Importer/Distributor
Aryaduta	Jakarta (2), Tangerang (1), Medan (1), Makassar (1), Palembang (1), Pekanbaru (1), Manado (1), Bandung (1)	Importer/Distributor
Ayana Resort & Spa	Bali (1, Rimba Jimbaran 1), Jakarta (1).	Importer/Distributor
Anvaya (Santika group)	Bali (1)	Importer/Distributor
Borobudur	Jakarta (1)	Importer/Distributor
Dharmawangsa	Jakarta (1)	Importer/Distributor
Grand Candi	Semarang (1)	Importer/Distributor
Grand Mahakam	Jakarta (1)	Importer/Distributor
Grand Sahid Jaya	Jakarta (1)	Importer/Distributor
Gumaya Tower	Semarang (1)	Importer/Distributor
Movenpick Resort & Spa	Bali (1)	Importer/Distributor
Mulia	Jakarta (1), Bali (1),	Importer/Distributor
Nusa Dua Beach Hotel	Bali (1)	Importer/Distributor
Padma	Bandung (1), Bali (2), Kerawang (Resinda Hotel 1)	Importer/Distributor
Papandayan	Bandung (1)	Importer/Distributor
Tentrem Hotel	Yogyakarta (1)	Importer/Distributor
The Laguna	Bali (1)	Importer/Distributor
Trans Luxury Hotel	Bandung (1), Bali (1)	Importer/Distributor
Plataran Hotels & Resorts	Yogyakarta (1), Bali (3), Komodo (1), Puncak-West Java (1)	Importer/Distributor
Tugu	Malang (1), Blitar (1) Bali (1), Lombok (1)	Importer/Distributor
Vasa Luxury	Surabaya (1)	Importer/Distributor
Villas & Resorts		
Cocotinos	Lombok (Sekotong 1), Manado (Resort 1, Lembah 1)	Importer/Distributor
Damai	Bali (Lovina 1)	Importer/Distributor
Hotel Ombak Sunset & Villa Ombak	Lombok (2)	Importer/Distributor
Jeeva Klui Resort	Lombok (1)	Importer/Distributor
Kayumanis Nusa Dua Private Villa & Spa	Bali (4)	Importer/Distributor
Kebun Villas & Resort	Lombok (1)	Importer/Distributor
Komaneka	Bali (5)	Importer/Distributor
Nihi Sumba Island (nihiwatu)	Sumba (1)	Importer/Distributor
Qunci Villas	Lombok (1)	Importer/Distributor
Puri Sunia Resort	Bali (1)	Importer/Distributor
The Kayana (Santika)	Bali (1)	Importer/Distributor

Group)		
The Legian Beach	Bali (1)	Importer/Distributor
The Lombok Lodge	Lombok (1)	Importer/Distributor
The Samaya (Santika Group)	Bali (2)	Importer/Distributor
The Ulin Villa & Spa	Bali (1)	Importer/Distributor
The Santosa Villa & Resort	Lombok (1)	Importer/Distributor
Sudamala Suites & Villas	Lombok (1), Bali (1)	Importer/Distributor
Ubud Hanging Garden	Bali (1)	Importer/Distributor
Viceroy	Bali (1)	Importer/Distributor
Villa Semana	Bali (1)	Importer/Distributor

This list is not comprehensive.

Source: Website, importers, Media

Starwood Hotels plans to open more hotels in several Indonesia cities in the next few years. In addition to 7 current hotels, Four Points hotel by Sheraton will open in Surabaya and Bintan in 2019 -2021. The Westin Surabaya will open in 2019. The St Regis Jakarta will open in 2019. Aloft hotels will open in Bali, Bandung and Jakarta in 2018-2019, and Element Bali (Ubud) will open in 2018.

Other hotel chains will open in 2018-2019, including Marriot (Fairfield Legian Bali), Accor group (Ibis), Tauzia Hotel Management (World Hotel), Como Echo Beach, Jumeirah Bali, Park Hyatt Jakarta, Hilton (Waldorf Astoria in Bali), Archipelago (Alana, Aston, Harper, Fave, Neo hotels), Springhill Villas & Resort at Jimbaran Hijau, Accor (The Himana-Mercure Bali Jimbaran), Marriot (Renaissance Bali Resort & Spa Uluwatu), Hyatt (Andaz Bali), The Sarasvati Luxury Collection Resort Bali, Solis Hotels & Resorts (Solis Ubud), Ayana Komodo, Cordis Nusa Dua Bali, Langham Hotels & Resort (Jakarta and Bali), Kempinski Nusa Dua, and Ayana at Komodo-Flores.

Restaurants

Western style fast food outlets purchase imported foods, but the variety is limited. Restaurants serving noodles, Japanese food, pizza, and fried chicken, as well as bakery product outlets and coffee houses are prominent and tend to use imported beef, fresh and canned fruits, frozen potatoes and vegetables, dressing, sauces, bakery ingredients, juice and mixed drinks, whipping cream, bakery ingredients and mixes, delicatessen products, and various coffee ingredients, such as creamer, honey, and flavorings. Irreplaceable food ingredients for French, Italian, Japanese and Korean restaurants depend greatly on imported products (cheese, condiments, oils, sauces, rice, and canned foods).

Fast food outlets continue to thrive, despite the dominance of roadside stalls and vendors in the food service industry. The most prevalent fast food outlets include KFC (588 outlets as of December 2016), A&W (230 outlets as of March 2016), California Fried Chicken (256 outlets as of December 2016), McDonald's (177 outlets as of September 2017), and Pizza Hut (224 outlets of October 2017). These outlets will remain popular due to affordable prices, high standards and quality, and a pan-Indonesia footprint. Burger restaurants (Burger King, Carl's Junior, MOS Burger, Fat burger, Wendy's) and pizza outlets (Domino's pizza, Pizza Marzano, Pizza Hut) from different companies have opened in Jakarta and its surrounding area. Korean fast food such as Chick 'n Roll (former BonChon Chicken) and Kyochon are also growing. Coffee shops are also growing (Starbucks, Excelso Cafe, The Coffee Bean

& Tea Leaf, Maxx Coffee, Kopi Tiam, etc). Chain fast food outlets and specialty coffee shops are spreading from mixed retail locations to stand-alone shops.

Restaurant franchises are operated by several local businesses. They include: Mahadya Group (Carl’s Jr, Wing stop and Caribou Coffee); Ismaya Group (Pizza E Birra, Blowfish, Fook Yew, Skye, Sushigrove, The People Café, Djournal, Kitchenette, Publik Markete, Social House, and Tokyo Belly); Sriboga Group (Pizza Hut and Marugame Udon); Mitra Adiperkasa (MAP) (Krispy Kreme, ColdStone Creamery, Godiva, Chatterbox, Starbucks, Domino’s Pizza, Paul, Pizza Express, Burger King and Genki Sushi); Kawan Lama group (Chatime and Cupbop); and CT Corp (Coffee Bean & Tea Leaf, Baskin Robbins and Wendy’s).

Throughout Java and Bali, 24 hour convenience stores like Circle K and Minimart provide tourists and expatriates with hot coffee, tea, cold beverages, burgers, hotdogs, freshly baked pastries, bread and cookies. This sector is expected to expand in the future and to offer more food and beverages products with imported food ingredients. In Jakarta, Indomaret, Alfamart, and Lawson convenience stores are popular (7-Eleven, closed in July 2017).

Food trucks are a new trend appearing in Jakarta. Like the United States, food trucks move around to serve a variety of consumers and update their position via social media. While the new wave of food trucks serves a range of high quality Indonesian and International foods, established food truck businesses serve more typical Indonesian fare near offices and construction sites.

In addition to home delivery services provided by various restaurants, the growth of home delivery using motorcycle taxis has grown immensely in recent years. “Go-jek” is a motorcycle service similar to Uber. While providing rides to paying passengers, it has become even more popular as a low-cost delivery service, used primarily as a means to save time in Jakarta’s gridlocked traffic. Retail food and non-food items can easily be ordered via an online app, thus expanding food delivery to restaurants that normally would not provide the service. Following the success of Go-jek, several other businesses have copied the concept, including GrabBike and Blu-Jek. Gojek services are currently available in the Jakarta region (Jakarta, Tangerang, Bekasi, Depok, and Bogor), as well as Bandung, Surabaya, Bali, Medan and Makassar.

Online discount vouchers found through websites such as www.elavania.co.id; www.fave.com; and www.lakupon.com are gaining popularity.

Table8. Indonesia: Major Restaurants Consuming Imported Food Products/Ingredients

Company Name	Sales in 2016	Outlet Name, Type & Number of Outlets	Location	Purchasing Agent (s)
Franchise Restaurant/Fast Food/Pizza				
Biru Fast Food Nusantara, PT	N/A	A & W (230 outlets as of March 2016)	Nation wide	Importers/Distributor
Sari Burger Indonesia, PT	N/A	Burger King (44 outlets as of May 2016)	Jakarta, Tangerang, Bekasi, Bogor, Bandung, Bali, Surabaya	Importers/Distributor
Pioneerindo Gourmet	Net Revenue	California Fried Chicken /CFC (256)	Nation wide	Importers/Distributor

International, PT, Tbk	IDR 473.54 billion (total for Sapo Oriental, Cal Donuts, and CFC)	outlets as of December 2016)		
Generasi Mutiara Bangsa, PT (Mahadya Group)	N/A	Carl's Jr (22 outlets as of October 2017)	Jakarta, Surabaya, Bandung, Tangerang Selatan, Bekasi, Bogor	Importers/Distributor
Fastfood Indonesia, PT. Tbk	Revenue IDR. 4,88 trillion	Kentucky Fried Chicken (588 outlets as of December 2016 – KFC regular 575 outlets and KFC Box 13 outlets)	145 cities all over Indonesia	Importers/Distributor
Lotteria Indonesia, PT	N/A	Lotteria (30 outlets as of October 2017)	Jakarta, Bogor, Depok, Tangerang, Cikarang, Karawang, Bandung, Bekasi	Importers/Distributor
Rekso National Food, PT	N/A	Mc Donald (177 outlets as of September 2017)	38 cities of all over Indonesia More stand-alone outlets	Importers/Distributor
MOG Indonesia, PT	N/A	MOS Burger (2 outlets as of October 2017)	Jakarta	Importers/Distributor
Cipta Selera Murni, PT	N/A	Texas Fried Chicken (103 outlets as of October 2017)	Nationwide (30 cities)	Importers/Distributor
Trans Burger Indonesia, PT	N/A	Wendy's (50 outlets as of August 2016)	Jakarta, Bandung, Yogyakarta, Solo, Semarang, Surabaya, Bali, Makassar, Manado, Malang, Palembang, Balikpapan, Cirebon	Importers/Distributor
Michelindo Food International, PT	N/A	Chick 'n Roll (formerly BonChon Chicken) (25 outlets as of February 2017)	Jakarta, Tangerang, Bali, Bekasi, Surabaya, Bandung, Banjarmasin, Yogyakarta, Makassar	Importers/Distributor
DOM Pizza Indonesia, PT	N/A	Domino's Pizza (130 outlets as of October 2017)	Jakarta, Tangerang, Depok, Bekasi, Bogor, Bandung, Bali, Serang, Sukabumi	Importers/Distributor
Ismaya Group	N/A	Pizza E Birra (7 as of October 2017)	Jakarta, Bandung	Importers/Distributor
Sari Melati Kencana, PT	N/A	Pizza Hut (224 outlets as of October 2017)	Nation wide	Importers/Distributor Direct
Mitra Adiperkasa, PT	N/A	Pizza Marzano (8) and Pizza Express (8) outlets as of October 2017	Jakarta, Tangerang	Importers/Distributor
Kyochoon Indonesia, PT	N/A	Kyochoon (7 outlets as of October 2017)	Jakarta	Importer/Distributor

(Wahana Artha Group)				
Mega Mahadana Hadiya, PT (Mahadya Group)	N/A	Wing stop (15 outlets as of October 2017)	Jakarta, Depok, Tangerang Selatan, Bogor, Medan, Tangerang, Bandung	Importer/Distributor
Global Food Indonesia, PT	N/SA	Fat Burger (4 outlets as of October 2017)	Jakarta	Importer/Distributor
Other type of restaurant				
Indofood CBP Sukses Makmur PT, Tbk	N/A	Popola Mama (5 outlets as of October 2017)	Jakarta, Tangerang	Importer/Distributor
Sriboga Marugame Indonesia, PT	N/A	Marugame Udon (38 outlets as of October 2017)	Jakarta, Tangerang, Surabaya, Bandung, Bali, Medan, Balikpapan, Makassar, Bekasi, Pontianak, Semarang, Manado, Depok, Bogor, Yogyakarta	Importer/Distributor
Berkat Anugerah Sentosa, CV	N/A	Samwon House, SamWon Express, K-Drink (11 outlets as of October 2017)	Jakarta, Surabaya, Tangerang, Jambi, Lampung,	Importer/Distributor
Entertainment Indonesia, PT	N/A	Amigos (2) outlets as of October 2017	Jakarta	Importers/Distributor
Gading Food, PT	N/A	Fish & Co (21 outlets as of October 2017)	Jakarta, Surabaya, Yogyakarta, Bali, Medan, Bekasi, Semarang, Tangerang	Importers/Distributor
Mugi Rekso Abadi Group (MRA)	N/A	Hard Rock Café (3) outlets as of October 2017	Jakarta , Bali	Importers/Distributor
Superutama Nusantara, PT	N/A	Sizzler/American Grill (6 outlets as of October 2016)	Jakarta, Surabaya	Importers/Distributor
Cahaya Sakti, CV	N/A	Tamani Café (12 outlets) and Tamani Express (5 outlets) as of October 2017	Jakarta, Tangerang, Tangerang Selatan	Importers/Distributor
Cashwood Indonesia Group	N/A	TGI Friday's (5 outlets as of October 2017)	Jakarta	Importers/Distributor
Mas Millenium Indonesia, PT	N/A	Tony' Romas (6 outlets as of October 2017)	Jakarta, Surabaya, Tangerang, Bali	Importers/Distributor
Jaddi international, PT	N/A	Vin + (5 outlets as of October 2017)	Jakarta, Bali	Importers/Distributor
OBS Citra Indonesia, PT	N/A	Outback Steak House (4) outlets as of October 2017	Jakarta	Importers/Distributor
Sari Coffee Indonesia, PT	N/A	Starbuck (264 outlets as of Oct 2017)	Jakarta, Medan, Bali, Surabaya, Bogor, Cikampek , Balikpapan, Semarang, Batam, Makassar, Solo,	Importers/Distributor

			Palembang, Yogyakarta, Bandung, Bandar Lampung, Manado, Pontianak, Tangerang Selatan, Malang, , Mataram, Cirebon, Tangerang, Pakanbaru, Depok, Samarinda, Bekasi	
Excelso Multirasa, PT	N/A	Excelso Café' (more than 131 outlets as of January 2016)	Nationwide (30 cities)	Importers/Distributor
Multirasa Nusantara, PT	N/A	Yoshinoya Japanese Restaurant (65 outlets as of October 2017)	Jakarta (35), Bogor (2), Depok (3), Tangerang (5), Bekasi (4), Bandung (5), Surabaya (8), Malang (1), Yogyakarta (1), Semarang (1)	Direct, Importer
Trans Coffee, PT	N/A	The Coffee Bean & Tea Leaf (110 outlets as of November 2016)	Jakarta, Tangerang, Bandung, Bali, Surabaya, Makassar, Samarinda, Bekasi, Banjarmasin, Balikpapan	Importer/Distributors
Richeese Kuliner Indonesia, PT	N/A	Richeese factory (67 outlets as of October 2017)	Jakarta, Bogor, Tangerang, Depok, Bandung, Cirebon, Tegal, Sumedang, Surabaya, Malang, Bali, Garut, Bekasi, Bogor, Medan, Semarang, Solo	Importer/Distributor
Biko Group	N/A	Beer Garden (4 outlets as of October 2017)	Jakarta	Importer/Distributor
Cupbop Indoneia (Kawan Lama group)	N/A	Cupbop (3 outlets as of October 2017)	Jakarta, Tangerang	Importer/Distributor
Jaya Wira Jerindo, PT	N/A	Shihlin Taiwan Street Snack-Crispy chicken (87 outlets as of February 2017)	Nation wide	Importer/Distributor
Food Beverages Indonesia, PT	N/A	Chatime (200 outlets as of October 2017)	Jakarta, Banten, Jawa Tengah, Jawa Timur, Bali, Sumatra Utara, Sumatera Selatan, Sulawesi Selatan, Sulawesi Utara, Jambi, Riau, Lombok	Direct
Mega Mahadana Hadiya, PT	N/A	Caribou Coffee (3 outlets as October 2017)	Jakarta	Direct & Importer/Distributor
MAXX Coffee Prima, PT (Lippo Group)	N/A	Maxx Coffee (76 outlets as of September 2017)	Nation wide	Importer/Distributor
Plataran Indonesia, PT	N/A	Plataran (11 outlets as of October 2017)	Jakarta, Bali, Flores, Bromo, Yogyakarta,	Importer/Distributor

			Puncak)	
Japanese, Italian, French, Western and Chinese restaurants including coffee shops in Jakarta, Bali and other cities				
Bakery				
Pioneerindo Gourmet International, PT, Tbk	Net Revenue IDR 473.54 billion (total for Sapo Oriental, Cal Donuts, and CFC)	Cal Donut (21outlets as of December 2016)	Jakarta, Tangerang, Bekasi	Importer/Distributor
Talkindo Selaksa Anugrah, PT	N/A	BreadTalk (180 outlets as of October 2017)	Nation wide	Importers/Distributor Direct
Intimas Lestari Nusantara, PT	N/A	Country Style Donuts (13 outlets as of October 2017)	Jakarta	Importers/Distributor
Dunkindo Lestari, PT	N/A	Dunkin Donuts (242 outlets as of May 2015)	Nation wide	Importers/Distributor
J Co Donuts & Coffee, PT	N/A	J Co Donuts & Coffee (215 outlets as of October 2017)	Nationwide + outlets in Hongkong (3), Malaysia (13), Philippines (36), Singapore (3)	Importers/Distributor Direct
Premier Doughnut Indonesia, PT	N/A	Krispy Kreme (18 outlets as of October 2017)	Jakarta, Tangerang	Importers/Distributor Direct
Mustika Cita Rasa, PT	N/A	Holland Bakery (339 outlets as of July 2017)	Nation wide	Direct/Importer/Distributor
Pancious Tirtajaya, PT	N/A	Pancious Pancake House (17 outlets as of July2017)	Jakarta, Tangerang, Palembang, Surabaya, Makassar, Bekasi	Importers/Distributor
Berjaya Bersama Sally, PT	N/A	Sour Sally (23 as of October 2017)	Jakarta, Bandung, Surabaya, Bali, Palembang,	Importers/Distributor
Cheil Jedang Indonesia, PT	N/A	Tous Les Jours (34 outlets as of October 2017)	Jakarta, Tangerang, Bekasi, Depok, Bogor, Bandung, Surabaya	Importers/Distributor
Dunia Makmur Jaya, PT	N/A	Bread life (53outlets as of October 2017)	Jakarta, Tangerang, Bekasi, Bogor, Bandung, Semarang, Surabaya, Samarinda, Balikpapan, Banjarmasin, Pontianak, Makassar, Medan, Bali, Solo, Jambi	Importers/Distributor
Mount Scopus Indonesia, PT	N/A	Almond Tree (14outlets as of October 2017)	Jakarta, Tangerang Selatan, Depok, Bekasi, Bandung, Surabaya	Importers/Distributor
	N/A	The Harvest (37 outlets as of October 2016)	Jakarta, Bandung, Surabaya, Malang, Semarang, Medan , Bali, Yogyakarta, Bogor,	Importers/Distributor

			Tangerang, Tangerang Selatan	
Ice Cream				
Trans Ice, PT	N/A	Baskin Robbins 210 outlets as of October 2016)	Nation wide	Direct
Sari Ice Cream Indonesia, PT	N/A	Cold Stone Creamery Ice Cream (20 as of October 2017)	Jakarta, Bali, Tangerang Selatan	Direct
Rahayu, Arumdhani International, (Mugi Rekso Abadi Group//MRA)	N/A	Haagen-Dazs (32outlets as of October 2017)	Jakarta, Tangerang, Bandung, Semarang, Yogyakarta, Surabaya, Bali, Medan	Direct

Source: Website, Importers, Media

Facts on the restaurant industry:

- Fast food franchises are appropriate for customers in all income groups because they offer affordable prices, creative menus, child-friendly menus & facilities, and delivery services for time sensitive customers.
- Full service restaurants promote group events, such as televised sports.
- Restaurants are found in shopping malls, apartment buildings, hospitals, schools, office buildings, freeway rest areas, airports, recreational parks and residential areas.
- Convenience store expansion increases the probability of selling imported food and beverages products.
- Bakery businesses are growing in popularity in Jakarta and throughout major urban areas, and it has become a status symbol among Indonesian artists to own a trendy bakery.
- Restaurants are increasingly partnering with credit card companies by offering discounts to increase the number of credit transactions.
- Gathering, entertaining and socialization in restaurants is growing. Eating out is a common activity across all socio-economic levels, especially amongst families on weekends.
- Social media is a very popular means of publicizing foodservice information targeting young customers.
- Control of the alcoholic beverage market is divided between local governments and the central government. The Central government sets a quota and distributes the quota amongst importers while local governments determine which retail businesses are permitted to sell alcohol.

GOI promotes the leading culinary tourist destination areas, such as Bali, Joglosemar (Yogyakarta, Solo, dan Semarang), Bandung, Medan, Palembang, Malang, Batam, dan Surabaya. Since mid-2016, many Indonesian artists have established bakeries in Malang, Surabaya, Semarang, Yogyakarta, Bandung, Bogor, Jakarta, Makassar, Pontianak, Palembang, Medan, Jambi, Lampung, Kendari, Solo and Cirebon. The bakeries produce modern bakery products such as cake, brownies, and pastries, with various filling and toppings. Most domestic tourists buy the products for “oleh –oleh,” which are gifts to take home to family, neighbors, and friends.

Warungs and Street Stalls

Warungs and street stalls are very popular and found throughout Indonesia. Various local dishes and snacks are sold in this type of venue and consumed by lower income consumers. Fried chicken, burgers, hotdogs, and kebabs are being featured more frequently on their menus. Hygiene is typically substandard. Soy based food such tofu and tempeh are widespread in Java (ketoprak, siomay, kembang tahu, gado-gado), while meatballs (bakso), fried noodle and chicken noodle (mie ayam) are consumed throughout Indonesia. Martabak is a popular street stall snack containing eggs, wheat flour, condensed milk, chocolate sprinkles and cheese. Commonly imported ingredients for street stall dishes include soy, wheat/wheat flour, dairy products, and beef offal. Franchise street stalls that serve kebabs, burgers, bubble tea, and other similar food are growing in popularity.

Institutional

Caterers are typically small to medium-sized private enterprises that serve factories, offices, schools, hospitals, company events, private social functions, and weddings. Caterers typically serve local food products, although they are likely to use imported beef offal, fresh and canned fruits, frozen potatoes and vegetables, dressings, bakery ingredients and mixes. Airlines, mining and petroleum companies, and international standard catering services, hotels and restaurants may use other types of imported foods.

On-line catering order for lunch, especially office staff, is currently available in Jakarta area through www.kulina.id. This service launched in 2015.

Table 9. Major Restaurants Consuming Imported Food Products/Ingredients

Company Name	Sales in 2016	Outlet Name, Type & Number of Outlets	Location	Purchasing Agents
In-flight and industrial catering				
Aerofood Catering Service, PT	N/A	ACS	Jakarta, Bali, Surabaya, Medan, Balikpapan, Yogyakarta, Bandung, Lombok, Pekanbaru	Importer/Distributor
CAS Food Purantara In-flight Catering	N/A	CAS Food Purantara	Jakarta, Surabaya, Bali	Importer/Distributor
Indocater, PT	N/A	Indocater	Jakarta, Bogor, Bandung, Cikarang, Karawang, Depok, Tangerang, Serang, Cilegon, Aceh, Dumai	Importer/Distributor
Pangansari Utama, PT	N/A	PSC	Jakarta, Surabaya, Timika, Balikpapan, Batam, Medan, Pekanbaru, Makassar, Palembang, Tembagapura,	Importer/Distributor
Patra Supplies and Services, PT	N/A	Patra Supplies & Services	Jakarta, Balikpapan	Importer/Distributor
Jasa Boga Indonesia, PT	N/A	JB	East Kalimantan, South Kalimantan	Importer/Distributor
Prasmanindo Boga Utama, PT	N/A	PBU	Jakarta and Balikpapan offices. Client in North Sumatera, Central-	Importer/Distributor

			South and East Kalimantan, Gosowong-Sumbawa, South – Southeast and North Sulawesi, Maluku	
GCC Services Indonesia, PT	N/A	GCC Services	Jakarta	Importer/Distributor
Event catering				
Akasya Catering	N/A	Akasya	Jakarta	Importer/Distributor, wholesaler
Dwi Tunggal Citra Catering	N/A	Dwi Tunggal	Jakarta	Importer/Distributor, wholesaler
Puspa Catering Services	N/A	Puspa	Jakarta	Importer/Distributor, wholesaler
Puspita Sawargi	N/A	Puspa Sawargi	Jakarta	Importer/Distributor, wholesaler
Tiara Royale, PT	N/A	Tiara Royale	Jakarta	Importer/Distributor, wholesaler

Source: Website

III. COMPETITION

Table 10. Indonesia: Imports Verses Domestically Produced Goods Competition, 2016

Product Category	Major Supply Sources	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Fresh Fruit Net volume import: 471,990 tons Value: \$816 million	China 45.48 % Thailand 12.64 % The U.S. 11.84 % Australia 7.12 % Pakistan 3.67 % South Africa 2.99 % New Zealand 2.71% Egypt 2.52%	China offers very competitive prices	Only tropical fresh fruits are produced locally and supplies are inconsistent.
Fresh Vegetables Net volume import: 642.28 thousand ton Value: \$570.95 million	China 76.34% India 7.22% New Zealand 5.12% Netherlands 3.60.6% Germany 3.15% The U.S minor supplier (0.22%)	China supplies: garlic, onions, shallots, carrots, chilies. China offers very competitive prices India supplies: onions, shallots, chili New Zealand supplies: onion	No garlic and onion are produced locally. Local shallot and chili production cannot meet domestic demand during rainy season. Only tropical fresh vegetables are produced locally. Supplies are inconsistent.
Red meats fresh, chilled, frozen	Australia 54.49% India 26.30%	New Zealand and Australia have a geographic proximity and	Shortage of domestic supply. Most domestic production is

<p>Net volume import: 150.26 thousand ton</p> <p>Value: \$574.75 million</p>	<p>New Zealand 10.37% The U.S. 8.48 %</p>	<p>competitive pricing and no reported cases of FMD and BSE.</p> <p>GOI just open market for Indian meat buffalo at second semester 2016. The price is cheaper than beef.</p>	<p>sold fresh to traditional markets and modern retail outlets</p> <p>Meat processing industry and food service sector rely on imports.</p>
<p>Processed fruit & vegetables</p> <p>Net volume import: 152.06 thousand ton</p> <p>Value: \$203.63 million</p>	<p>China 31.06 % The U.S. 19.44 % Vietnam 8.68% Netherlands 8.243 % India 4.33% Thailand 4.01% Belgium 3.46% Canada 3.44% Brazil 3.40 %</p>	<p>China and Thailand supply processed fruit and vegetable products. Brands are well known and prices are competitive</p> <p>U.S. and Canada supply French fries and frozen vegetables</p>	<p>Limited processed fruit and vegetable products produce locally.</p>
<p>Bakery dough</p> <p>Net Volume Import: 3.8 thousand ton</p> <p>Value: \$9.43 million</p>	<p>Thailand 28.90 % Singapore 17.81% Australia 13.65% Germany 13.63 % Malaysia 10.49% The U.S. 4.37% Vietnam 3.51%</p>	<p>Indonesians prefers Asian type of style bakery products, but are open to new western bakery products.</p>	<p>Domestic production is growing.</p>
<p>Butter</p> <p>Net volume import : 26.19 thousand ton</p> <p>Value: \$96.29 million</p>	<p>New Zealand 72.15% Belgium 9.81 % Netherland 8.67 % France 3.26% Australia 3.26%</p>	<p>New Zealand and Australia have a competitive pricing, geographic proximity and supply sweet cream butter.</p> <p>European exporters primarily supply lactic butter.</p>	<p>Almost no butter produced locally.</p>
<p>Cheese</p> <p>Net volume import: 13.74 thousand ton</p> <p>Value: \$57.96 million</p>	<p>New Zealand 55.28 % Australia 17.46% The U.S. 14.71 % Netherlands 4.0% Denmark 3.84%</p>	<p>New Zealand and Australia have competitive pricing and geographic proximity.</p>	<p>Domestic cheese production is growing but still use imported dairy ingredients</p>
<p>Fruit & vegetable juices</p> <p>Net Volume: 16.66 thousand ton</p> <p>Value:\$28.52 million</p>	<p>Brazil 43.88 % China 10.69% Switzerland 9;69% The U.S. 8.48% Austria 5.89% Thailand 4.12% Australia 3.63% United Arab Emirates 3.42%</p>	<p>Indonesia looks for variant of products with competitive prices.</p> <p>Brazil supplies orange juice concentrate to Indonesia.</p>	<p>Domestic fruit juice production is growing.</p> <p>Local products have limited type of fruit juices due to limited fresh fruits supply.</p>
<p>Breakfast Cereals/Pancake Mix</p> <p>Net volume import:5.05 thousand ton</p>	<p>Malaysia 55.18 % China 15.10% Philippines 13.76% Thailand 4.69 % Australia 3.22% The U.S. minor supplier (1.10%)</p>	<p>Multinational companies established their production facilities in ASEAN countries (such as The Philippines, Malaysia and Thailand) to reach the market in surrounding countries.</p>	<p>Domestic manufactured produces limited variety of breakfast Cereals.</p>

Value:\$25.06 million			
Tree nuts Net volume import: 4.03 thousand ton Value: \$23.24 million	Vietnam 31.39% The U.S. 31.65 % Thailand 14.61 % Australia 7.37% China 4.86% Philippines 3.32%	Thailand supplies repacked tree nuts from the U.S. Vietnam supplies cashew nut	Local tree nut production is limited to the cashew nut.
Wine & Beer Net volume import: n/a Value: \$7.87 million	n/a Major supplier are Singapore, Australia, Italy, Mexico, France, Chili. Belgium and The U.S.	Singapore is a transit country for most of the imported products to Indonesia Australia offers competitive pricing and geographic proximity.	Population mostly Moslem. Insignificant supply of domestic wine production and limited local beer manufacturers for the rest of population and tourists' consumption.

Source: Global Trade Atlas

IV. BEST PRODUCT PROSPECTS

A. Products Present in the Market That Have Good Sales Potential

Table 11. Indonesia: Products Present in the Market That Have Good Sales Potential

Product Category	2016 Import (Volume, thousand MT)	2016 Import (\$mil)	5 Yr. Avg Annual Import (Volume) Growth (%)	Import Tariff Rates (%)	Key Constraints to Market Development	Market Attractiveness for USA
Fresh Fruits	471	816	-7.84	5% for all fruit except Mandarins and mangos (20%)	Competition with China. Current Government of Indonesia regulations inhibit fresh fruit imports.	Health awareness and rising middle class pushes demand of quality fresh products Lack of supply and quality of domestic fruit products
Fresh Vegetables	642.28	570.95	-3.88	5 20% for fresh/chilled potatoes shallot and carrot	Price concern Government of Indonesia regulations inhibit some U.S. fresh vegetables imports	Lack of supply and low quality domestic products and demand of other

						vegetable varieties
Red Meats, Fresh/Chilled/Frozen	150.26	574.75	38.55	5 30% for processed meat	<p>Competition with Australia and New Zealand and lately with Indian buffalo meat</p> <p>Importer has to obtain an import recommendation from MOA and an import permit from MOT before importing the products</p> <p>Meat establishments must be approved by MOA before they can ship to Indonesia</p>	Lack of domestic supply
Processed fruit & Vegetables	152.06	203.63	6.37	5 and 10% depend on the products 20% for products preserved by sugar	Complicated import permitting process.	<p>Lack of processed fruit and vegetable produced locally.</p> <p>Food service sector, bakery is growing and need processed fruit/vegetables.</p>
Bakery dough	3.82	9.43	17.80	10% for mixes and dough	Price concerns	Bakery industry is growing
Fruit & vegetable Juices	16.66	28.52	5.5	Mostly 10	Obtaining Import Registration Number (ML) procedure for retail package product is complicated	<p>Health awareness and rising middle class drive demand for fruit based products.</p> <p>Domestic industry mostly produces</p>

						tropical fruit juice.
Butter	26.19	96.29	14.66	5	Dairy product manufacturers must be approved by the GOI before they are able to export to Indonesia	There is no butter produced domestically Growing bakery sector to include cookies production and also restaurants that serve bakery products.
Cheese	13.74	57.96	16.08	5	Dairy product manufacturers must be approved by the GOI before they are able to export to Indonesia	Growing western style and traditional food using cheese
Breakfast Cereals/Pancake Mix	9.15	25.06	11.85	10	Obtaining Import Registration Number (ML) procedure for retail package product is complicated	Limited breakfast cereals products produced domestically. Health awareness, a growing middle class, and changing lifestyles drive demand for healthy, western and convenience food products.
Tree nuts	4.03	23.28	-6.35	5	Price concern	Bakery sector is growing and use tree nuts as one of the ingredient. Consumer understand the U.S. tree nut quality

Source: Global Trade Atlas

The GOI's import restrictions on beef products continue to hamper trade, despite local production shortages of regular beef, and virtually no production of high-quality grain fed beef. Recent policy changes, however, have expanded the validity of import permits from four to six months as well as increasing the number of cuts eligible for export to Indonesia.

B. Products Not Present in Significant Quantities but That Have Good Sales

There are good opportunities for sales of some U.S. high-value items. Many of these are not yet in the market in significant quantities. They include alcoholic beverages (beer and wine), egg yolks, dehydrated & mashed potato, pea flour, specialty fruits and certain types of berries. Challenges to entering these markets include a lack of consumer knowledge (dehydrated & mashed potato), the availability (specialty fruits, pea flour), and complicated import and distribution procedures for alcoholic beverages and egg yolk products.

Table 12. Indonesia: Products Not Present in Significant Quantities but That Have Good Sales

Product Category	2016 Import (Volume, thousand MT)	2016 Import (\$mil)	5Yr. Avg Annual Import (Volume) Growth (%)	Import Tariff Rates (%)	Key Constraints to Market Development	Market Attractiveness for USA
Wine & Beer	N/A	7.87	N/A	Beer IDR 14,000/l Wine and spirit back to ad valorem tariff 90 and 150%	Government of Indonesia sets a quota and regulations inhibit alcoholic beverage import, production, and distribution	No significant domestic wine supply and limited domestic beer supply

Note: Global Trade Atlas

In the past few years, local wine makers have begun producing wine from local grapes and imported Australian grape must. These wines are readily available and affordable.

C. Products Not Present because They Face Significant Barriers

Chicken parts, poultry processed products and fresh potatoes have a potential market in Indonesia. However, GOI regulations prevent U.S. suppliers from serving the market.

Table 13. Indonesia: Products Not Present in Significant Quantities Due to a Significant Barrier, but with Good Sales.

Product Category	2016 Import (Volume, thousand MT)	2016 Import (\$mil)	5Yr. Avg Annual Import (Volume) Growth (%)	Import Tariff Rates (%)	Key Constraints to Market Development	Market Attractiveness for USA
Fresh Potatoes	39.06	16.19	-10.37	20	MOA enforces strict protocols on exporting countries to prevent the use of imported fresh potatoes as seeds	Limited variety and production of fresh potatoes for table potatoes and chips potatoes industry
Poultry Meat	3.50	4.87	52.73	5 except 20 % for chicken thighs and 30% for processed meat	MOA has not issued any import recommendations for poultry products (including duck and turkey) since January 2014. MOA has to approve the poultry establishment for export to Indonesia. MOA requires that poultry exported to Indonesia must be slaughtered manually and halal.	Domestic chicken prices are high and no turkey is produced locally

Note: Global Trade Atlas

V. POST CONTACT AND FURTHER INFORMATION

The Foreign Agricultural Service (FAS), U.S. Embassy 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 Indonesian market. Questions or comments regarding this report should be directed to FAS Jakarta at the following addresses:

International Post: Foreign Agricultural Service
U.S. Embassy Jakarta
Sarana Jaya Building, 8th Floor
Jl. Budi Kemuliaan I No. 1
Jakarta 10110
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e-mail:agjakarta@fas.usda.gov

U.S. mail: Foreign Agricultural Service
Foreign Agricultural Service
FAS

200 6	9,36 9	9,28 0	9,11 7	8,82 6	9,21 2	9,35 3	9,12 4	9,11 9	9,20 5	9,11 0	9,16 5	9,02 0	9,15 8
200 7	9,09 0	9,16 0	9,11 8	9,08 3	8,82 8	9,05 4	9,18 6	9,41 0	9,13 7	9,37 9	9,37 6	9,41 9	9,18 7
200 8	9,30 4	9,05 1	9,19 9	9,23 4	9,31 8	9,22 5	9,11 8	9,15 3	9,37 8	10,9 95	12,1 51	10,9 50	9,75 6
200 9	11,3 30	11,9 75	11,5 75	10,7 13	10,3 40	10,2 25	9,92 0	10,0 60	9,68 1	9,54 5	9,48 0	9,40 0	10,3 54
201 0	9,36 5	9,33 5	9,07 0	9,01 2	9,18 0	9,03 8	8,95 2	9,04 1	8,95 2	8,92 8	9,01 3	9,01 4	9,07 5
201 1	9,05 7	8,82 3	8,70 9	8,57 4	8,53 7	8,59 7	8,50 8	8,57 8	8,82 3	8,83 5	9,05 5	9,17 0	8,77 2
201 2	9,00 0	9,15 8	9,18 8	9,18 0	9,56 5	9,46 8	9,48 5	9,57 3	9,58 8	9,60 5	9,60 5	9,67 0	9,42 4
201 3	9,68 0	9,71 3	9,74 5	9,72 2	9,81 1	9,92 9	10,2 77	10,9 36	11,5 32	11,0 76	11,9 97	11,9 46	10,5 42
201 4	12,2 26	11,6 75	11,4 04	11,5 89	11,6 11	11,9 69	11,5 91	11,7 17	12,2 12	12,1 63	12,1 96	12,4 36	11,8 99
201 5	12,6 25	12,8 63	13,0 84	12,9 22	12,9 37	13,3 32	13,4 81	14,0 27	14,6 57	13,5 63	13,7 47	13,7 94	13,4 19
201 6	13,8 46	13,3 95	13,2 76	13,2 04	13,6 15	13,1 80	13,0 94	13,3 00	12,9 98	13,0 51	13,5 63	13,4 36	13,3 30
201 7	13,3 43	13,3 52	13,3 08	13,3 27	13,3 21	13,3 19	13,3 23	13,3 51	13,4 92	13,4 99			13,3 64

Source: Business Indonesia Daily Newspaper & Bank Indonesia