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Indonesia

Food Service - Hotel Restaurant Institutional

Food Service Hotel Restaurant Institutional Update

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Report Highlights:

The Indonesian hotel and restaurant industries grew 6.25 and 3.89 percent in 2015, respectively. Industry contacts attribute the increase to continued urbanization, tourism, and MICE (Meeting, Incentive, Conference, and Exhibitions) development. The Bank of Indonesia expects that economic growth will fall around 4.9 to 5.3 percent in 2016 and 5.2 to 5.6 percent in 2017.

Post:
Jakarta

I. MARKET SUMMARY

Market Overview

Indonesia is the most populous country in the ASEAN region with an estimated 2017 population of 261 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 is bestowed with 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 2015, Indonesian GDP declined to 4.79 percent. The Bank of Indonesia expects economic growth will reach between 4.9 and 5.3 percent in 2016 and 5.2 to 5.6 percent in 2017. This contrasts with growth rates above 6 percent during 2007 to 2012 period. Inflation has ranged between 2.79 (August) and 4.45 (March) during the January-October 2016 period, while the rupiah has remained weak vis-à-vis the U.S. dollar, fluctuating around IDR 13,000 in 2016. The 2015 Statistics Indonesia report states that the hotel industry grew at an average rate of 8.86 percent, while the restaurant industry grew at an average rate 5.44 of percent during the 2011 – 2015 periods. In 2014 and 2015 the hotel industry grew 7.81 and 6.25 percent respectively, while the restaurant industry grew 5.27 and 3.89 percent.

Per capita gross domestic product grew from \$1,213 in 2005 to \$3,366 in 2015. Household consumption accounted for an estimated 55 percent of GDP growth in Indonesia in 2015. Food and beverage expenditures reached 21.36 percent while restaurant & hotel expenditures reached 5.35 percent of GDP. Indonesian incomes are rising, driving an expansion of the middle class. The middle class population grew from 37 percent in 2004 to 56.7 percent in 2013. This group spends \$2 to \$20 a day, as defined by the “Satu Dasawarsa Membangun Untuk Kesejahteraan Rakyat – A Decade of Development for People Welfare,” (Cabinet Secretary April 2014). 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. Despite the establishment of the middle class, the Indonesian rupiah’s depreciation is weakening business related to imported products.

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 and horticultural products. The GOI also reduced certain fuel subsidies, while electricity prices increased. In January 2015 electricity prices were adjusted automatically based on the related indicators (exchange rate, fuel price, etc.). Inflation and more protectionist policies are likely to create challenges for the expansion of U.S. food product exports to Indonesia.

The Indonesian 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 tourist as well as Indonesia’s growing middle class. Four and five-star hotels, restaurants, cafés and bars specializing in Western and other non-Indonesian cuisines for tourists are the dominant users of imported food products. Local caterers and restaurants tend to purchase local products.

Table 1. Indonesia: Food Service Outlets

Description	2015		% Growth 2015/2016		Annual Forecast % Growth 2015-20 CAGR	
	No of Outlets	Sales (IDR. billion)	No of Outlets	Value	No of Outlets	Value
Cafes and bars (Chain & Independent)						
Specialist Coffee Shop	1,025	2,846	7.5	4.9	6.5	6.9
Café/Bars total	4,944	28,058	3.8	3.9	3.3	4.6
Full-service restaurants (Chain & Independent)						
Asian	97,689	359,248	0.3	2.5	0.2	3.5
European	390	4,400	2.6	3.8	2.3	4.7
Latin American	48	409	4.2	4.0	3.9	5.0
Middle Eastern	63	449	3.2	6.0	3.0	7.0
North American	888	5,566	2.3	4.7	1.8	4.7
Pizza	486	4,671	3.7	5.9	3.0	5.9
Others	606	5,845	3.6	6.3	3.2	6.3
Fast Food (Chain & Independent)						
Asian	1,490	6,039	1.5	2.8	1.8	4.4
Bakery products	1,059	2,009	2.4	4.7	2.2	5.7
Burger	612	4,660	3.3	3.0	3.3	4.0
Chicken	1,238	6,315	3.9	3.3	3.9	4.9
Convenience Store	988	488	15.0	12.0	15.0	14.0
Ice cream	502	488	3.6	3.0	3.6	3.0
Middle Eastern	26	39	3.8	6.0	3.8	6.0
Traditional food seller						
Street Stalls and Warungs	92,256	15,747	0.2	0.9	0.1	1.9

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. 30/20013 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 retail packaged imported 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 (first grade)	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)	Approximately 39 fruit based products 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 &d 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 145 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 which can be accounted for.

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 2015) state that all imported food materials/ingredients, including processed foods, must obtain an entry permit (SKI) from the head of BPOM for every shipment. The SKI is needed to releasing 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).

MOT also issued and implemented a new regulation on horticultural imports (September 28, 2015 and December 1, 2015, respectively). Regulation No. 71/2015 replaced MOT Regulation No. 16/2013 and its amendments 47/2013 and 40/2015. The new import regulation makes few substantial changes. Import licenses are still required and quantities will be allocated subject to the importer's cold storage capacity. MOT eliminated the requirement that the importer must import at least 80 percent of the quantity indicated in their allocated import permit. The new regulation also specifies that the total import allocation will be set annually and that importers are no longer required to register as horticultural product importers. Import permits will continue to be issued on a biannual basis, remaining valid for six month periods.

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. Companies have three years (from October 2014) to comply with the new law. In the meantime, companies have been instructed to follow existing Indonesia Ulama Council (MUI) halal certification procedures. The government established a new institution called the Halal Product Guarantee Agency under the Ministry of Religious Affairs. The new agency is expected to issue halal certificates. However, operating procedures for the new agency are yet to be determined. In the meantime, businesses are expected to follow existing MUI rules and procedures.

Duties and Taxes

Although Indonesia applies a five percent import duty to most of 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 spirit and liqueurs. (Previously, a tariff was charged at the rate of IDR. 14,000/liters 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 from 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).

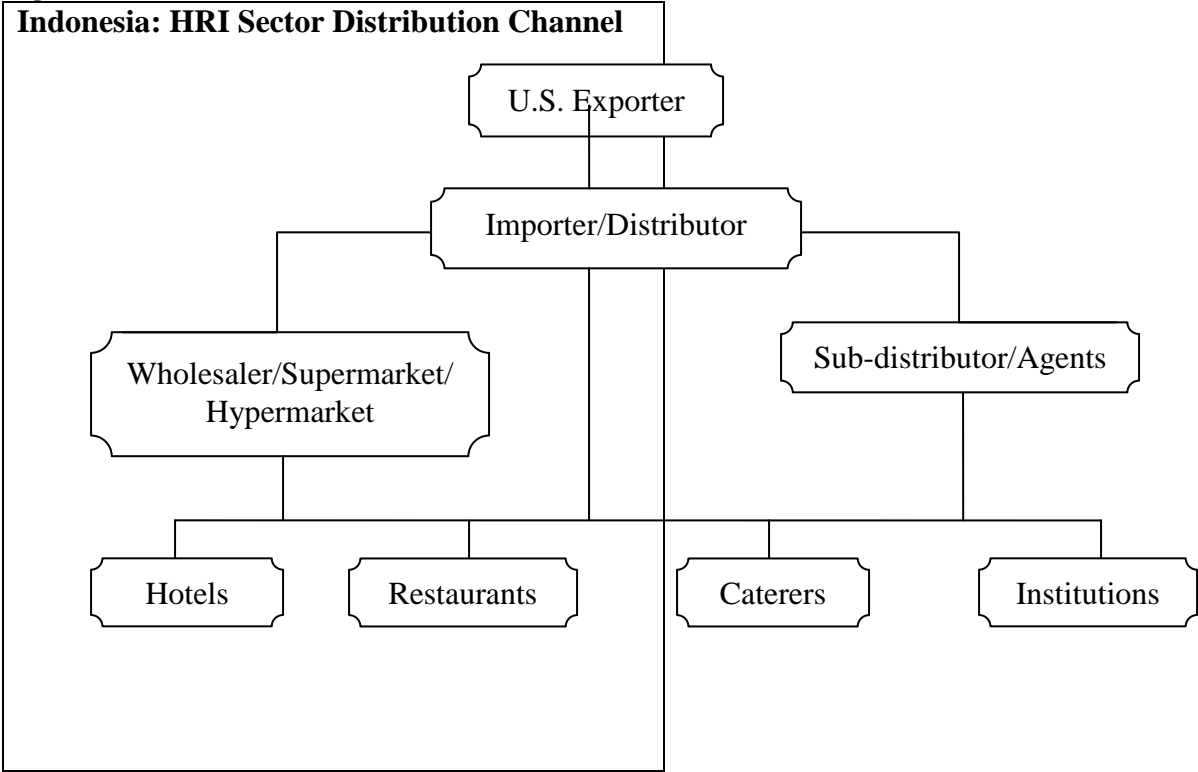
When U.S. products arrive in Indonesia via an importer or distributor, the products are delivered directly to HRI operators. Sub-distributors, agents or wholesalers may be necessary for HRI operators located outside Jakarta. Medium and small HRI operators normally purchase products through local agents, 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, 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 2015, there were around 2,197 star-rated, boutique and resort hotels with roughly 217,474 rooms in Indonesia. These hotels are concentrated in West Java (283 hotels), Bali (281 hotels), Jakarta (228 hotels), Central Java (204 hotels), East Java (143 hotels), North Sumatera (111 hotels), DI Yogyakarta (89), South Sulawesi (78 hotels), West Nusa Tenggara (63), South Sumatera (61) and Riau (60). International hotels, locally-owned boutique and resort hotels and state-owned companies are also expanding.

Table 5. Indonesia: Major Hotel Chains

Hotel Chain	Hotel Name
Accor – French group	All Season, Ibis, Formule 1, Mercure, Pullman, MGallery, Novotel, Fairmont, Raffles, and Swissotels Hotels
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 - domestic	Santika Premier, Santika, Amaris, Royal Collection (The Samaya, The Kayana, Anvaya)
Swiss Bel-Hotel – Hongkong	Grand Swiss Hotel, Swiss Bel Hotel, Swiss Belinn, Zest, Hotel Ciputra, Arion Swiss Hotel
Starwood	W hotel, St. Regis, The Luxury Collection, Westin, Sheraton, Le Meredien, 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 management - domestic	Harris, Preference (Maison Aurelia Sanur, Tamarind Nusa Lembongan 2017, Des Indes Menteng 2017), POP Hotel, Yellow Hotel
Sahid Hotel network - domestic	Sahid, Griyadi
InterContinental Hotels Group	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

Source: HVS Global Hospitality Service data, website and news

Bali remains the most visited tourist destination in Indonesia, followed by Jakarta, Batam, and Tanjung

Uban (Bintan island). A total of 10.2 million tourists visited Indonesia in 2015. GOI data indicates that in 2015, Singapore, Malaysia, China, Australia, Japan, South Korea, India, the Philippines, and Taiwan accounted for the highest numbers of tourists from the Asia Pacific region. These were followed by arrivals from United Kingdom, the United States, France, Germany and the Netherlands. Tourist arrivals are expected to reach 12 million in 2016.

The GOI has 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).

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 2016-2019. 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, and Tanjung Lesung-Banten.

Table 6. Indonesia: Tourism Indicators

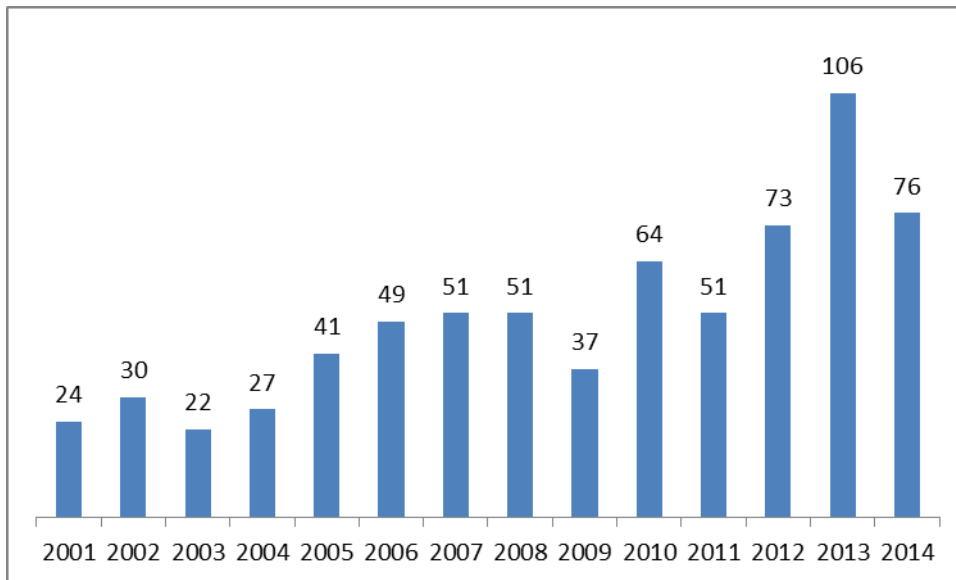
Description	Year				
	2011	2012	2013	2014	2015
No. of foreign tourists (mil)	7.6	8.0	8.8	9.4	10.2
Revenue (US \$bill)	8.55	9.12	10.05	11.16	11.62
Occupancy Rate (%)-rated hotels	51.2	51.5	52.2	51.8	53.9
Number of hotel rooms-rated & non rated hotels	381,457	405,778	430,793	469,277	507,201

Source: Statistic Indonesia

Meeting, Incentive, Conference and Exhibition (MICE)

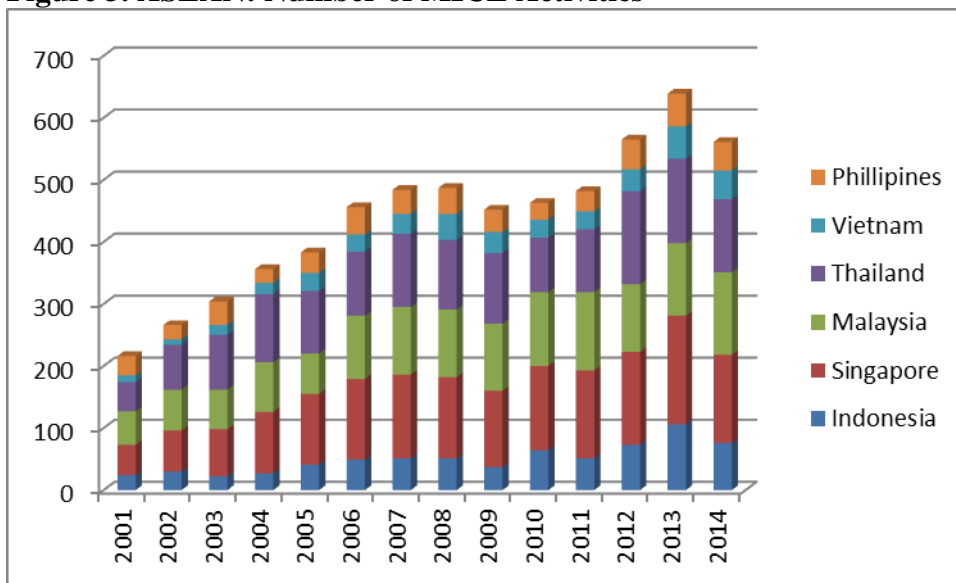
The rapid expansion of the airline sector, including low-cost carriers, provides effective and efficient access to reach MICE destination cities. Although Indonesia has several tourist destinations, it lacks transportation infrastructure, an online comprehensive MICE database, and market access for product 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 42nd as a venue for MICE in 2014. The main venues are Bali, Jakarta, and Yogyakarta. There are 29,613 participants attending MICE activities in Indonesia in 2014. Neighboring countries attracted 42,742 (Thailand), 57,497 (Singapore) and 71,157 (Malaysia). Additionally, Post notes that there are numerous domestic MICE events in Indonesia's secondary cities.

Table 7. Indonesia: Major Hotel Imported Food Products/Ingredients Consumption

Company Name	Location	Purchasing Agent (s)
International Chain Hotel/Resort		
Aman Hotel	Bali (Amandari, Amanusa, Amankila), Moyo Island (Amanwana), Yogyakarta (Amanjiwo)	Importer/Distributor
Banyan Tree Hotels & Resorts	Bali (1)	Importer/Distributor
Belmond Jimbaran Puri Bali	Bali (1)	Importer/Distributor
Bulgari	Bali (1)	Importer/Distributor
Conrad (Hilton group)	Bali (1)	Importer/Distributor
Fairmont hotel	Jakarta (1)	Importer/Distributor
Four Season	Bali (2), Jakarta (1)	Importer/Distributor
Hard Rock	Bali (1)	Importer/Distributor
Hilton	Hilton Bandung (1), Double tree by Hilton Hotel Jakarta (1), Hilton Garden Inn Bali (1)	Importer/Distributor
Hyatt	Bali (2), Jakarta (1), Yogyakarta (1)	Importer/Distributor
Intercontinental Hotel	Bali (1), Bandung (1)	Importer/Distributor
J.W. Marriot	Jakarta (1), Medan (1), Surabaya (1 and Fairfield by Marriot 1), Bali (Courtyard by Marriot 2, the Stone Hotels at Legian, Renaissance Uluwatu)	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)	Importer/Distributor
Mantra Sakala Resort & Beach Club	Bali (1)	Importer/Distributor
Melia	Jakarta (1 – Grand Melia) , Bali (3 - Melia & Sol)), Yogyakarta (1 - Purosani)	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 (1), Bandung (1), Batam (1), Lampung (1), Makassar (1), Tangerang (1), Yogyakarta (1), Pakanbaru (1), Jakarta (2)	Importer/Distributor
Oberoi	Bali (1), Lombok (1)	Importer/Distributor
Pullman (Accor Group)	Jakarta (2), Bali (1), Surabaya (1)	Importer/Distributor
Raffles hotel	Jakarta (1)	Importer/Distributor
Ritz Carlton	Jakarta (2), Bali (1)	Importer/Distributor
Shangri-La	Jakarta (1), Surabaya (1)	Importer/Distributor
Sheraton (Starwood Hotel)	Lombok (1), Yogyakarta (1), Bandung (1), Jakarta (2), 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 (2, Tanah Gajah and Jimbaran)	Importer/Distributor
Uma (Como group)	Bali (1)	Importer/Distributor
W Retreat & Spa (Starwood Hotel)	Bali (1)	Importer/Distributor
Westin Jotel	Bali (1), Jakarta (1)	Importer/Distributor
Domestic Hotel		
Alila	Bali (5), 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)	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
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
Gumaya Tower	Semarang (1)	Importer/Distributor
Tugu	Malang (1), Blitar (1) Bali (1), Lombok (1)	Importer/Distributor
Villas & Resorts		
Cocotinos	Lombok (Sekotong 1), Manado (Resort 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 (4)	Importer/Distributor
Qunci Villas	Lombok (1)	Importer/Distributor
Puri Sunia Resort	Bali (1)	Importer/Distributor
The Kayana	Bali (1)	Importer/Distributor
The Legian Beach	Bali (1)	Importer/Distributor
The Lombok Lodge	Lombok (1)	Importer/Distributor
The Samaya	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 Jakarta, Manado, Medan, Bali (Ubud) and Bintan in 2016 – 2018. The Westin Bali (Ubud) will open in 2017. The St Regis Jakarta and the Sarasvati Luxury Collection Resort in Bali will open in 2019. Aloft hotels will open in Bali and Jakarta in 2017-2019 and Element Bali (Ubud) will open in 2017.

Other hotel chains will open in 2017-2019. These include Marriot (JW Marriot, MOXY), Accor group (Ibis), Intercontinental Hotels Groups (Holiday inn), Santika, Archipelago (Aston, Fave Hotel, Harper), Hilton (Waldorf Astoria in Bali (2), Double Tree and Hilton Garden Inn), Solis Capella Resort Hotel, Cordis Nusa Dua Bali, Langham Place Hotel, Raffles Bali, Fairmont Bali, Mandarin Oriental Bali, Kempinski Nusa Dua, Rosewood Tanah Lot, Shangri-La Nusa Dua Resort & Spa, Jumeirah Bali, Andaz Hotel Bali by Hyatt, Edition Hotel & Resort and Cordis Nusa Dua.

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 (560 outlets as of November 2016), A&W (230 outlets as of March 2016), California Fried Chicken (275 outlets as of December 2015), McDonald's (168 outlets as of February 2016), and Pizza Hut (219 outlets plus 107 delivery outlets as of October 2016). 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, Fatburger, Wendy's) and pizza outlets (Domino's pizza, Pizza Marzano, Pizza Hut) from different companies have opened in Jakarta and its surrounding area over the last few years. Korean fast food such as BonChon Chicken and Kyochon are also growing. Coffee shops are also growing (Starbucks, Excelso Cafe, The Coffee Bean & Tea Leaf, 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, 7-Eleven, Indomaret, Alfamart, and Lawson convenience stores are popular.

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.groupon.co.id, www.evoucher.co.id, www.hargahot.com, and www.lazada.co.id are also gaining popularity.

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

Company Name	Sales in 2013	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 International, PT, Tbk	Net Revenue IDR 402.32 billion (total for Sapo Oriental, Cal Donuts, and CFC)	California Fried Chicken /CFC (275 outlets as of December 2015)	Nation wide	Importers/Distributor
Generasi Mutiara Bangsa, PT (Mahadya Group)	N/A	Carl’s Jr (16 outlets as of December 2015)	Jakarta, Surabaya, Bekasi	Importers/Distributor
Fastfood	Revenue	Kentucky Fried	120 cities all over	Importers/Distributor

Indonesia, PT. Tbk	IDR. 4.47 trillion	Chicken (560 outlets as of November 2016 – KFC regular and KFC Box)	Indonesia	
Lotteria Indonesia, PT	N/A	Lotteria (30 outlets as of November 2016)	Jakarta, Bogor, Depok, Tangerang, Cikarang, Karawang, Bandung, Bekasi	Importers/Distributor
Rekso National Food, PT	N/A	Mc Donald (168 outlets as of February 2016)	32 cities of all over Indonesia 45% independent outlets	Importers/Distributor
MOG Indonesia, PT	N/A	MOS Burger (2 outlets as of November 2016)	Jakarta	Importers/Distributor
Cipta Selera Murni, PT	N/A	Texas Fried Chicken (93 outlets as of September 2015)	Nationwide (30 cities)	Importers/Distributor
Trans Burger Indonesia, PT	N/A	Wendy's (47 outlets as of May 2016)	Jakarta, Bandung, Yogyakarta, Solo, Semarang, Surabaya, Bali, Medan, Makassar, Manado	Importers/Distributor
Michelindo Food International, PT	N/A	BonChon Chicken (25 outlets as of May 2015)	Jakarta, Tangerang, Bali, Bekasi, Surabaya, Bandung, Banjarmasin, Yogyakarta, Makassar	Importers/Distributor
DOM Pizza Indonesia, PT	N/A	Domino's Pizza (78 outlets as of March 2016)	Jakarta, Tangerang, Depok, Bekasi, Bogor, Bandung, Bali, Cikarang, Cimahi, Cibinong	Importers/Distributor
Ismaya Group	N/A	Pizza E Birra (7 as of Sept 2016)	Jakarta, Bandung	Importers/Distributor
Sari Melati Kencana, PT	N/A	Pizza Hut (219 outlets plus 107 delivery outlets as of October 2016)	Nation wide	Importers/Distributor Direct
Mitra Adiperkasa, PT	N/A	Pizza Marzano (3) and Pizza Express (11) outlets as of October 2016	Jakarta, Tangerang	Importers/Distributor
Kyochon Indonesia, PT (Wahana Artha Group)	N/A	Kyochon (6 outlets as of March 2016)	Jakarta	Importer/Distributor
Mega Mahadana Hadiya, PT (Mahadya Group)	N/A	Wing stop (10 outlets as of December 2015)	Jakarta, Depok, Tangerang	Importer/Distributor

Other type of restaurant				
Indofood CBP Sukses Makmur PT, Tbk	N/A	Popola Mama (5 outlets as of October 2016)	Jakarta, Tangerang	Importer/Distributor
Sriboga Marugame Indonesia, PT	N/A	Marugame Udon (28 outlets as of September 2016)	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 (15 outlets as of October 2016)	Jakarta, Surabaya, Medan, Tangerang, Jambi, Lampung, Palembang, Bengkulu	Importer/Distributor
Entertainment Indonesia, PT	N/A	Amigos (2) outlets as of October 2016	Jakarta	Importers/Distributor
Gading Food, PT	N/A	Fish & Co (21 outlets as of October 2016)	Jakarta, Surabaya, Yogyakarta, Bali, Medan, Bekasi, Semarang	Importers/Distributor
Mugi Rekso Abadi Group (MRA)	N/A	Hard Rock Café (2) outlets as of October 2016	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 (19 outlets as of May 2016)	Jakarta, Tangerang	Importers/Distributor
Cashwood Indonesia Group	N/A	TGI Friday's (4 outlets as of October 2016)	Jakarta	Importers/Distributor
Mas Millenium Indonesia, PT	N/A	Tony' Romas (5 outlets as of October 2016)	Jakarta, Surabaya	Importers/Distributor
Jaddi international, PT	N/A	Vin + (5 outlets as of October 2016)	Jakarta, Bali	Importers/Distributor
OBS Citra Indonesia, PT	N/A	Outback Steak House (4) outlets as of October 2016	Jakarta	Importers/Distributor
Planet Hollywood Inc.	N/A	Planet Hollywood (2)	Jakarta, Bali	Importers/Distributor
Sari Coffee Indonesia, PT	N/A	Starbuck (248 outlets as of July 2016)	Jakarta, Medan, Bali, Surabaya, Bogor, Cikampek , Balikpapan, Semarang, Batam, Makassar, Solo, Palembang, Yogyakarta, Bandung, Bandar	Importers/Distributor

			Lampung	
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 (53 outlets as of October 2016)	Jakarta (31), Bogor (1), Depok (2), Tangerang (4), Bekasi (4), Bandung (5), Surabaya (5), Malang (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 (55 outlets as of October 2015)	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 2016)	Jakarta	Importer/Distributor
Cupbop Indoneia (kawan Lama group)	N/A	Cupbop (2 outlets as of October 2016)	Jakarta, Tangerang	Importer/Distributor
Jaya Wira Jerindo	N/A	Shihlin Taiwan Street Sanck-Crispy chicken (83 outlets as of June 2016)	Nation wide	Importer/Distributor
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 402.32 billion (total for Sapo Oriental, Cal Donuts, and CFC)	Cal Donut (21 outlets as of December 2015)	Jakarta, Tangerang, Bekasi	Importer/Distributor
Talkindo Selaksa Anugrah, PT	N/A	BreadTalk (146 outlets as of July 2015)	Nation wide	Importers/Distributor Direct
Intimas Lestari Nusantara, PT	N/A	Country Style Donuts (18 outlets as of May 2015)	Jakarta	Importers/Distributor
Dunkindo Lestari, PT	N/A	Dunkin Donuts (242 outlets as of May 2015)	Nation wide	Importers/Distributor
J Co Donuts &	N/A	J Co Donuts &	Nationwide +	Importers/Distributor

Coffee, PT		Coffee (162 outlets as of October 2016)	Malaysia (12), Philippines (39), Singapore (5)	Direct
Premier Doughnut Indonesia, PT	N/A	Krispy Kreme (14 outlets as of October 2016)	Jakarta, Tangerang	Importers/Distributor Direct
Mustika Cita Rasa, PT	N/A	Holland Bakery (330 outlets as of January 2016)	Nation wide	Direct/Importer/Distributor
Pancious Tirtajaya, PT	N/A	Pancious Pancake House (15 outlets as of October 2016)	Jakarta, Tangerang, Bandung, Surabaya, Makassar	Importers/Distributor
Berjaya Bersama Sally, PT	N/A	Sour Sally (23 as of October 2016)	Jakarta, Bandung, Surabaya, Bali, Palembang,	Importers/Distributor
Cheil Jedang Indonesia, PT	N/A	Tous Les Jours (29 outlets as of October 2016)	Jakarta, Tangerang, Bekasi, Depok, Bogor, Bandung	Importers/Distributor
Dunia Makmur Jaya, PT	N/A	Breadlife (56 outlets as of October 2016)	Jakarta, Tangerang, Bekasi, Bogor, Depok, Bandung, Semarang, Surabaya, Samarinda, Balikpapan, Banjarmasin, Pontianak, Makassar, Medan, Bali	Importer/Distributor
Mount Scopus Indonesia, PT	N/A	Almond Tree formerly Cheesecake Factory (11 outlets as of October 2016)	Jakarta, Tangerang, Depok, Bekasi	Importers/Distributor
	N/A	The Harvest (25 outlets as of October 2016)	Jakarta, Bandung, Surabaya, Malang, Bali,	Importers/Distributor
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 (16 as of October 2016)	Jakarta, Bali	Direct
Rahayu, Arumdhani International, (Mugi Rekso Abadi Group//MRA)	N/A	Haagen-Dazs (33 outlets as of March 2015)	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.
- 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.

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 offals. 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.

Table9. Major Restaurants Consuming Imported Food Products/Ingredients

Company Name	Sales in 2013	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,	Importer/Distributor
Cardig Anugrah Sarana Catering, PT & Purantara Mitra Angaksa Pura, PT	N/A	CAS Food	Jakarta, Bali	Importer/Distributor
Kulinair Food Solutions, PT	N/A		Bali	Importer/Distributor
Indocater, PT	N/A	Indocater	Jakarta, Bogor, Bandung, Cikarang, Tangerang, Serang, Cilegon, Aceh, Bontang, Sangata, Sorong, Natuna	Importer/Distributor
Pangansari Utama, PT	N/A	PSC	Jakarta, Subaraya, Timika, Balikpapan, Medan, Pekanbaru, Makassar, Palembang, Denpasar, Sorong, Tembagapura, Batam	Importer/Distributor
Patra Supplies and Services, PT	N/A	Patra Supplies & Services	Jakarta, Balikpapan	Importer/Distributor
Patra Jasa, PT	N/A	Patra Catering	Jakarta (office), Aceh, Prabumulih, Jambi, Java & Kalimantan	Importer/Distributor
Jasa Boga Indonesia, PT	N/A	JBI	East Kalimantan	Importer/Distributor
Prasmanindo Boga Utama, PT	N/A	PBU	Jakarta, Balikpapan, Gosowong-Sumbawa, Sulawesi, Maluku	Importer/Distributor
Event catering				
Akasya Catering	N/A	Akasya	Jakarta	Importer/Distributor, wholesaler
Culture Royale, PT	N/A	Culture Royale	Jakarta	Importer/Distributor, wholesaler
Puspa Catering Services	N/A	Puspa	Jakarta	Importer/Distributor, wholesaler
Tiara Royale, PT	N/A	Tiara Royale	Jakarta	Importer/Distributor, wholesaler

Source: Website

III. COMPETITION

Table10. Indonesia: Imports Verses Domestically Produced Goods Competition, 2015

Product Category	Major Supply Sources	Strengths of Key Supply Countries	Advantages and Disadvantages of Local
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			Suppliers
<p>Fresh Fruit</p> <p>Net volume import: 427.56 thousand ton</p> <p>Value: \$640.82 million</p>	<p>China 50.5%</p> <p>Thailand 12.2%</p> <p>U.S. 9.45%</p> <p>Australia 7.0%</p> <p>Pakistan 4.7%</p>	<p>China supplies: Fuji apple: Yalie pear, Shandong pear, red globe table grape, mandarin, orange, lemon. China offers very competitive prices</p> <p>Thailand supplies: longan, durian, mangoes</p> <p>US supplies: red delicious and other varieties of apple, table grape and orange</p> <p>Australia supplies: pear, red globe table grape, orange</p> <p>Pakistan supplies: orange</p>	<p>Only tropical fresh fruits are produced locally and supplies are inconsistent.</p>
<p>Fresh Vegetables</p> <p>Net volume import: 639.25 thousand ton</p> <p>Value: \$459.60 million</p>	<p>China 84.1%</p> <p>New Zealand 3.3%</p> <p>Netherlands 2.6%</p> <p>India 2.5%</p> <p>U.S minor supplier (1.1%)</p>	<p>China supplies: garlic, onions, shallots, carrots, chilies. China offers very competitive prices</p> <p>New Zealand supplies: onion</p> <p>India supplies: onions, shallots</p>	<p>No garlic and onion are produced locally. Local shallot and chili production cannot meet domestic demand during rainy season.</p> <p>Only tropical fresh vegetables are produced locally. Supplies are inconsistent.</p>
<p>Red meats fresh, chilled, frozen</p> <p>Net volume import: 54.22 thousand ton</p> <p>Value: \$257.90 million</p>	<p>Australia 78.1%</p> <p>New Zealand 16.8%</p> <p>U.S. 4.5%</p>	<p>Australia and New Zealand offer competitive pricing and no reported cases of FMD and BSE.</p>	<p>Shortage of supply. Most domestic production is sold fresh to traditional markets and modern retail outlets</p>
<p>Processed fruit & vegetables</p> <p>Net volume import: 126.11 thousand ton</p> <p>Value: \$170.53 million</p>	<p>China 30.9%</p> <p>U.S. 21.7%</p> <p>Netherlands 7.6%</p> <p>Canada 5.0%</p> <p>Belgium 4.3%</p> <p>Thailand 4.3%</p> <p>India 3.9%</p> <p>Vietnam 3.7%</p> <p>Brazil 3.3%</p> <p>Germany 3.0%</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: 3,328 ton</p>	<p>Thailand 35.7%</p> <p>Germany 17.7%</p> <p>Singapore 14.1%</p> <p>Malaysia 8.7%</p> <p>Australia 7.9%</p>	<p>Indonesians prefers Asian-style bakery products, but are open to new western bakery products.</p>	<p>Domestic production is growing.</p>

Value: \$7.66 million	U.S. 6.6% Japan 3.4% Vietnam 3.4%		
Butter Net volume import: 21,121 ton Value: \$81.23 million	New Zealand 75.3% Belgium 9.3% Netherland 6.0% Australia 4.1% France 3.7%	New Zealand and Australia have a competitive pricing, geographic proximity and supply sweet cream butter. European exporters primarily supply lactic butter.	Almost no butter produced locally.
Cheese Net volume import: 11,876 ton Value: \$53.77 million	New Zealand 48% U.S. 23% Australia 18.5% Netherlands 3.6%	New Zealand and Australia have competitive pricing and geographic proximity.	Domestic cheese production is growing but still use imported dairy ingredients
Fruit & vegetable juices Net Volume: 14,951 ton Value:\$26.1 million	Brazil 38.4% United Arab Emirates 15.8% Thailand 10.2% China 9.2% U.S. 6.9% Austria 6.1% Australia 4.5%	Indonesia looks for variant of products with competitive prices. Brazil supplies orange juice concentrate to Indonesia.	Local products have limited type of fruit juices due to limited fresh fruits supply.
Breakfast Cereals/Pancake Mix Net volume import:6,397 Ton Value:\$18.26 million	Malaysia 60.4% Philippines 10.3% China 10% Thailand 7.9% U.S. minor supplier (1.6%)	Multinational companies established their production facilities in ASEAN countries (such as Philippines, Malaysia and Thailand) to reach the market in surrounding countries.	Domestic manufactured produces limited variety of breakfast Cereals.
Tree nuts Net volume import: 3,145 ton Value: \$16.89 million	U.S. 35.1% Thailand 21.2% Vietnam 20.7% China 10.6%	Thailand supplies repacked tree nuts from the U.S.	Local tree nut production is limited to the cashew nut.
Wine & Beer Net volume import: n/a Value: \$2.28 million	n/a Major supplier are France and Australia followed by Singapore, Italy, Chili, Portugal, U.S	Australia offers competitive pricing and geographic proximity. Singapore is a transit country for most of the imported products to Indonesia	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 PROSPECT

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

Table11. Indonesia: Products Present in the Market That Have Good Sales Potential

Product Category	2014 Import (Volume, thousand MT)	2014 Import (\$mil)	5 Yr. Avg Annual Import (Volume) Growth (%)	Import Tariff Rates (%)	Key Constraints to Market Development	Market Attractiveness for USA
Fresh Fruit	427	640	-5	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 Vegetable	639.25	\$459.60	4.5	5 20% for fresh/chilled potatoes other than seed, shallot other than seed and carrot	Price concern	Lack of supply and quality domestic products and demand of other vegetable varieties
Red Meats, Fresh/Chilled/Frozen	54.22	\$257.90	-2.1	0 5% and 30% for processed meat	Competition with Australia and New Zealand Importer has to obtain an import recommendation from	Lack of domestic supply

					MOA and an import permit from MOT before importing . Meat establishments must be approved by MOA before they can ship to Indonesia	
Processed fruit & Vegetables	126	170	9.3	Mostly 5 20% for products preserved by sugar	Complicated import permitting process.	Lack of processed fruit and vegetable produced locally. Food service sector, bakery is growing and need processed fruit/vegetables.
Bakery dough	3.32	7.6 6	17	10% for mixes and dough	Price concerns	Bakery industry is growing
Fruit & vegetable Juices	14.95	:\$26.	5.1	Mostly 10	Obtaining Import Registration Number (ML) procedure for retail package product is complicated	Health awareness and rising middle class drive demand for fruit based products. Domestic industry mostly produces tropical fruit juice.
Butter	21.12	81.23	10	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	11.87	53.77	11.97	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	6.39	18.26	4.5	20	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	3.14	16.89	-4.8	5	Price concern	Bakery sector is growing and use tree nuts as one of the ingredient.

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.

Table12. Indonesia: Products Not Present in Significant Quantities but That Have Good Sales

Product Category	2015 Import (Volume, thousand MT)	2015 Import (\$mil)	5Yr. Avg Annual Import (Volume) Growth (%)	Import Tariff Rates (%)	Key Constraints to Market Development	Market Attractiveness for USA
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Wine & Beer	N/A	2.28	N/A	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
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Note: * Global Trade Atlas

In the past few years, local wine makers have begun producing wine from local grapes and imported Australian grape must to avoid imported alcoholic beverage taxes. 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.

Table13. Indonesia: Products Not Present in Significant Quantities Due to a Significant Barrier, but with Good Sales.

Product Category	2015 Import (Volume, thousand MT)	2015 Import (\$mil)	5Yr. Avg Annual Import (Volume) Growth (%)	Import Tariff Rates (%)	Key Constraints to Market Development	Market Attractiveness for USA
Fresh Potatoes	38	17	33.88	20	MOA enforces strict protocols on exporting countries to prevent the use of imported fresh potatoes as seeds	Limited variety of fresh potatoes for table potatoes and chips potatoes industry
Poultry Meat	2.57	3.43	42.6	5 except 20 % for chicken thighs 5% 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
Tel: +62 21 3435-9161
Fax: +62 21 3435-9920
e-mail: agjakarta@fas.usda.gov

U.S. mail: Foreign Agricultural Service
Foreign Agricultural Service
FAS
Unit 8200 Box 436
FPO, AP 96520-0436

For more information on exporting U.S. agricultural products to Indonesia and other countries, please visit the Foreign Agricultural Service's Home Page: <http://usdaindonesia.org> and <http://www.fas.usda.gov>.

VI. OTHER RELEVANT REPORTS

1. [Ministry of Trade Updates Beef Import Regulation \(ID1625\)](#)
2. [Indonesia Expands U.S. Plants Products Eligible for Recognition \(ID1624\)](#)
3. [Indonesia Eases Import Rules for Meat Products \(ID1623\)](#)
4. [Indonesia Amends Import Regulations for Livestock Products \(ID1618\)](#)
5. [Indonesia Amends Export Procedures for Plant Products \(ID1615\)](#)
6. [Ministry of Trade Changes Horticulture Import Regulations \(ID1533\)](#)
7. [Indonesia Raises Import Tariffs on Value-Added Goods \(ID1530\)](#)
8. [California Recognized as Fruit Fly Free Area \(ID1522\)](#)
9. [Indonesia Revises Seafood Import Rules \(ID1501\)](#)
10. [FAIRS Export Certificate Report 2015 \(ID1545\)](#)
11. [Exporter Guide Update 2015 \(ID1548\)](#)
12. [New Regulation on Animal Quarantine Measures \(ID1429\)](#)
13. [New Regulation on Alcoholic Beverage Distribution \(ID1411\)](#)
14. [Alcohol Beverages Excise Tax Update \(ID1408\)](#)

15. [Indonesian Government Explain New Horticulture Import Permit Reg. \(ID1352\)](#)
16. [Unofficial Translation of Ministry of Agriculture Decree No 4390/2013 \(ID1335\)](#)
17. [Indonesia Extends Import Requirements on Food and Beverage Products \(ID1304\)](#)
18. [Phytosanitary Requirement for Fresh Bulb \(ID1303\)](#)
19. [Minister of Agriculture Regulations No 42 and 43 Year 2012 \(ID1218\)](#)
20. [Prior Notice-Application of Imported Fresh Food of Plant Origin \(FFPO\) \(ID1206\)](#)
21. [Market Brief-Wine \(ID1113\)](#)
22. [Mandatory Labeling of Imported Food and Beverage Products \(ID1028\)](#)
23. [Indonesian Market Brief on Functional Beverage Ingredients \(ID1041\)](#)
24. [Processed Meat-Chicken and Fish Products Ingredient \(ID1039\)](#)
25. [Snack Food Ingredient \(ID1037\)](#)
26. [Bakery Products Ingredient \(ID1036\)](#)

Table 14. Indonesia: Exchange Rate (Rp./1US \$) on Month Ending Basis

Ye ar	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
20 06	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
20 07	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
20 08	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
20 09	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
20 10	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
20 11	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
20 12	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
20 13	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
20 14	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
20 15	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
20 16	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	1308 4		13,2 27