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Indonesia

Food Service - Hotel Restaurant Institutional

Food Service - HRI Report 2014

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Report Highlights:
Indonesian hotel and restaurant industry was growth at 8.7 and 5.2 percent in 2013. The industry attributes continued growth to urban Indonesian's increased purchasing power, tourism, and MICE (Meeting, Incentive, Conference, and Exhibitions) development.

Post:
Jakarta

Executive Summary:

I. MARKET SUMMARY

Market Overview

Indonesia is the most populous country in the ASEAN region with 255 million people in 2015, mostly concentrated on the five main islands of Java, Sumatra, Kalimantan, Sulawesi and Papua. It is home to approximately 13,500 islands and hundreds of local languages and ethnic groups. It is bestowed with vast natural resources, including petroleum and natural gas, logs, fisheries and iron ore. Indonesia is a major producer of rubber, palm oil, coffee and cocoa.

In 2013, the Indonesian GDP declined to 5.8 percent. Economic growth is expected to fall to 5.1 and 5.2 percent in 2014 and 2015. This contrasts with positive growth rates above 6.0 percent during the 2007 to 2012 period. Overall inflation exceeded six percent through November 2014 while the rupiah weakened vis-à-vis the U.S. dollar, moving above IDR 12,000 during 2014. The trade, hotel and restaurant sector contributed 14.33 percent of GDP in 2013, the third largest contributor to GDP. The 2013 Bank Indonesia report stated that the hotel industry grew at an average rate of 6.8 percent, while the restaurant industry grew at an average rate 5.5 of percent during the 2003 – 2012 period. In 2012 and 2013 the hotel industry grew 9.4 and 8.7 percent respectively, while the restaurant industry grew 4.2 and 5.2 percent.

Gross Domestic Product per capita grew to $3,463 in 2013 from $1,882 in 2007. Household consumption accounted for 55.82 percent of GDP growth in Indonesia in 2013. 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 socializing outside of the home. Middle class consumers also have newly acquired access to media and the internet, which further expose Indonesians to various international products, activities and lifestyles.

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 in November 2014, while electricity prices increased. In January 2015 fuel prices will be 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, bakery, 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 concentrated in Bali and urban areas. Bali has the highest number of food service outlets, followed by Jakarta, Surabaya, Bandung, Surabaya, Yogyakarta, Semarang, Medan, Bogor, Malang, Tangerang, and Solo. Four and five-star hotels, restaurants, cafés and bars specializing in Western and other non-Indonesian cuisines for tourists are dominant users of imported food products. Local caterers and restaurants tend to purchase local products.

Table 1. Indonesia: Food Service Outlets

Description	2013		% Growth 2012/2013		Annual Forecast % Growth 2013-18 CAGR	
	No of Outlets	Value (Rp. billion)	No of Outlets	Value	No of Outlets	Value
Cafes and bars (Chain & Independent)						
Specialist Coffee Shop	777	2,302	14.6	20.4	11.4	11.2
Café/Bars total	4,085	39,152	4.9	9.6	4.2	3.5
Full-service restaurants (Chain & Independent)						
Asian	98,791	308,388	0.5	8.9	0.3	3.6
European	362	3,536	2.8	9.3	2.3	3.2
Latin American	46	349	4.5	13.5	4.0	4.5
Middle Eastern	32	196	3.2	12.0	2.9	3.5
North American	849	4,854	4.3	10.1	3.4	4.0
Pizza	470	4,058	4.4	11.1	2.5	5.3
Others	566	4,860	4.0	10.4	3.3	6.2
Fast Food (Chain & Independent)						
Asian	1,668	6,116	2.5	11.3	2.9	3.1
Bakery products	1,016	1,575	2.9	12.3	2.5	5.2
Burger	554	3,222	11.2	18.5	5.5	9.4
Chicken	1,177	5,496	4.3	11.3	3.2	6.5
Convenience Store	593	284	14.9	60	13.2	14.3
Ice cream	527	395	24.6	27	14.7	16.0
Middle Eastern	23	34	4.5	5.5	4.0	2.0
Traditional food seller						
Street Stalls and Warungs	94,018	14,285	1.1	6.8	0.7	1.3

Source: Euromonitor

The GOI regulates the expansion of quick service restaurants (QSR) through Ministry of Trade (MOT) Regulation No. 7/2013 and its amended by MOT Regulation No. 58/2014. The regulation limits the number of outlets owned by a company to maximum 250 outlets. The latest regulation amendment clarifies that companies with more than 250 outlets prior to the regulation's implementation no need to franchise the surplus of the outlets or 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." This regulation will be implemented in April 2016.

Imported Food Products

There is strong demand for western products in Indonesia, particularly as more people associate them with quality, consistent availability, and healthy lifestyles. 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. This often leads Indonesians to source more locally produced products, which can result in lower quality goods.

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%.	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 are allowed to enter Tanjung Priok – port of Jakarta.	Approximately 39 fruit based products must have an import recommendation from the MOA and an import permit from the MOT.
GOI approved numbers of U.S. meat and U.S. dairy establishment 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, and Thailand 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 any new 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 long-term 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 chefs, 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. The BPOM introduced labeling regulations in 2011 and 2012 that stating labels must be written in the Indonesian language and note GMO derived ingredients.

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 been improved slightly starting early 2013 by the implementation of the E-registration for low risk processed food products (707 kinds of food products). However, the distinction between food retail packaging and food service package is unclear, resulting in complications for HRI imports with BPOM.

BPOM regulations require importers to apply for an import recommendation on 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 (amended in 2013) 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 release the products from customs.

Horticultural and Animal-Based Food Products

MOA and MOT regulations on animal and animal product imports were amended in 2013. Import permits for animal products will be issued on a quarterly basis every December, March, June and September. Under the amendment, quotas have been eliminated, but various constraints remain, such as a ban on selling imported beef through modern retail outlets.

MOA and MOT horticultural import regulations were also amended in 2013. Import permits for these products will be issued on a semester basis (December and June). The GOI has eliminated quotas for horticultural products.

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 new law also states that the Indonesian government will establish a new institution called the Halal Product Guarantee Agency (Badan Penyelenggara Jaminan Produk Halal - BPJPH) to issue halal certificates. Once formed, the BPJPH will assume the role currently fulfilled by the MUI. As of December 2014, implementation of the halal law remained uncertain, partly due to resource restraints.

Duties and Taxes

Although import duties applied to most of food and agricultural products are 5 percent, most imported products are also assessed a value added tax of 10 percent and sales tax of 2.5 percent.

On April 7, 2010, the Ministry of Finance (MOF) revised import duties on alcoholic beverages containing ethyl alcohol. This regulation replaced the ad valorem tariff with a specific tariff charged at the rate of Rp14,000/liter for beer, Rp 55,000/liter for wine, and Rp, 125,000/liter for whisky, rum, and other distilled spirits. The former luxury tax (75 percent) was removed. Alcoholic beverages are imported based on a quota set by MOT every April. In addition to that, MOF also set new excise tax for on ethyl alcohol, beverages, and concentrates containing ethyl alcohol and implemented on January 2014.

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
I. 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

I. 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. Prices are higher 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, and Thailand 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; with utilize 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.

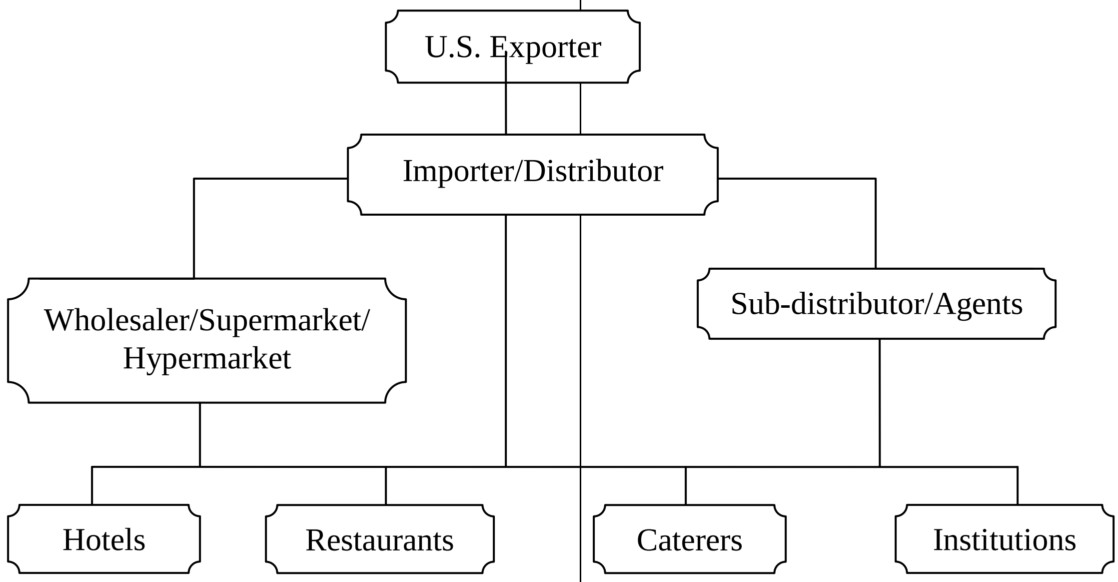
Some U.S. chains and upscale HRI operators import items directly from U.S. exporters. Quick Service Restaurants/fast food operators have exclusive contracts with importers/distributors. For example, frozen potatoes (french fries/crinkle cuts), fried chicken coating mix, doughnut mix, and pizza cheese 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 Channel

Figure 1. Indonesia: HRI Sector Distribution Channel

Indonesia: HRI Sector Distribution Channel



Insufficient distribution infrastructure results in lack of supply of imported food nationwide. Imported products mostly arrive in the Jakarta or Surabaya 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 compare 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

<u>Hotels and Resort (restaurants and catering services)</u>

There are around 1,700 star-rated, boutique and resort hotels with roughly 171,000 rooms in Indonesia. Major concentrations of those hotels are in Bali (227 hotels), West Java (229 hotels), Jakarta (185 hotels), Central Java (166 hotels), East Java (113 hotels), North Sumatera (96 hotels), Riau Islands (76 hotels), Yogyakarta (61), South Sulawesi (57 hotels) International hotel chains include Pullman, Intercontinental, Crown, The Ritz-Carlton, Le Meredien, Kempinski, J.W. Marriot, Ascot, Four Season, Grand Hyatt, Mandarin, Conrad, Westin, Novotel, Oberoi, St Regis and locally-owned boutique and resort hotels. State-owned companies are also entering the hotel business.

Table 4. Indonesia: Major Hotel Chains 2012

Hotel Chain	Hotel Name	Number of Rooms
Accor – French group	Ibis, Formulae, Mecure, Pullman and Novotel	10,837 rooms
Aston International - Hawaii	Grand Aston, Alana, Royal Alana, Royal Kamuela and Kamuela, Aston, Aston City, Aston Inn & Quest, Neo Hotels , Fave Hotel	6,087 rooms
Santika Hotels & Resorts - domestic	Santika Premier, Santika, Amaris, The Samaya, The Kayana	5,653 rooms
Swiss Bel-Hotel – Hongkong	Grand Swiss, Swiss Bel Hotel, Swiss Belinn, Zest	4,196 rooms
Starwood	W, St. Regis, The Luxury Collection, Westin, Sheratorn, Le Meredien	2,702 rooms
Tauzia Hotel management - domestic	Harris, Preference, POP Hotel	2,319 rooms
Sahid Hotel network - domestic	Sahid	2,042 rooms
InterContinental Hotels Group	InterContinental, Crowne, Holiday Inn	1,995 rooms
Hyatt	Hyatt	1,971 rooms
Discovery Hotels & Resorts	Borobudur, Discovery Kartika Plaza, Home@36 Bali, Palaca Hotel Cipanas, Discovery Express Paramita, Gaja Hotel, Hotel Ebony, Discovery Hotel & Convention Ancol, Kendari Beach City Hotel	1,918 rooms

Source: HVS Global Hospitality Service data

Bali remains the most visited tourist destination in Indonesia, followed by Jakarta and Batam. A total of 8.8 million tourist visited Indonesia in 2013. GOI data indicated that in 2013, Singapore, Malaysia, Australia, China, Japan, South Korea, Taiwan, India and Philippines accounted for the highest numbers of tourists by from Asia Pacific, followed by the United States, United Kingdom, France, Germany, Netherlands, and Germany. The number of tourist arrivals is predicted at around 10 million in 2015.

Table 5. Indonesia: Tourism Indicators

Description	Year				
	2009	**2010**	**2011**	**2012**	**2013**
No. of foreign tourists (mil)	6.3	7.0	7.6	8.0	8.8
Revenue (US $bill)	6.29	7.60	8.55	9.12	10.05
Occupancy Rate (%)-rated hotels	48	49	51	51	49
Number of hotel rooms-rated & non rated hotels	334,817	353.138	381,457	405,778	430,793

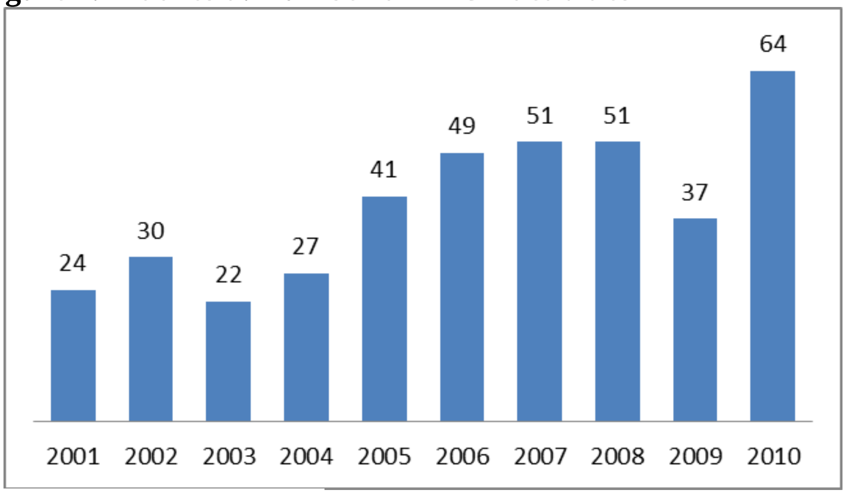
Source: National Statistical Agency (BPS)

MICE

The GOI has assigned 10 main cities and 3 potential cities as MICE destinations. The main cities are Medan, Padang/Bukit Tinggi, Batam, Jakarta, Bandung, Yogyakarta, Surabaya, Bali, Makassar and Manado, and the potential cities are Palembang, Lombok and Balikpapan. The aggressive expansion of hotel industry in each provincial capital, however, indicates that many locations are able to support MICE events.

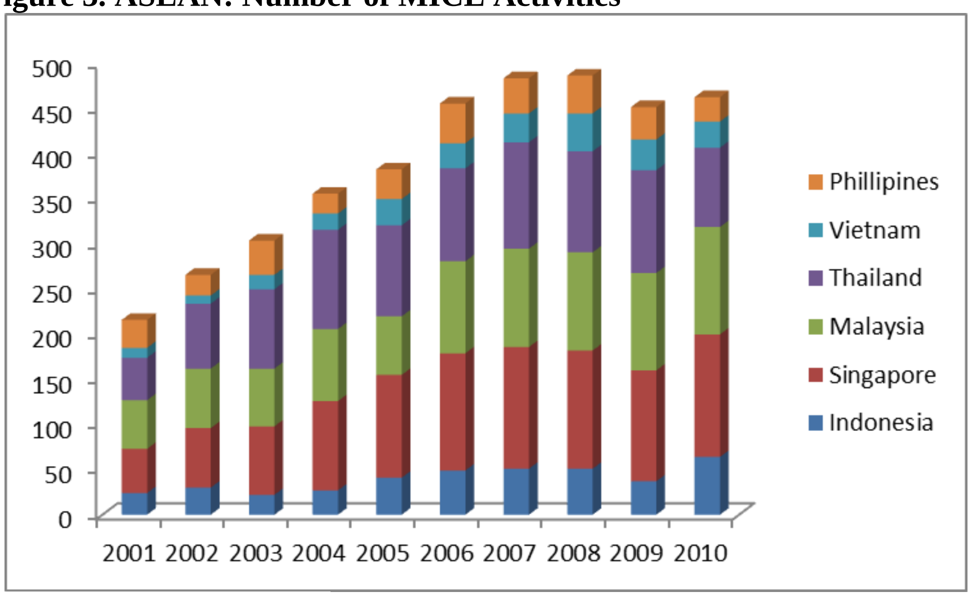
The rapid expansion of the airline sector, including low-cost carriers provide effective and efficient access to reach MICE destination cities. Although Indonesia has several tourist destinations, it lacks transportation infrastructure, an online comprehensive MICE database, and market access for product 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 39 as a venue for MICE in 2010. The main venue is Bali, Jakarta, and Bandung.

Table 6. Indonesia: Major Hotel Imported Food Products/Ingredients Consumption

Company Name	Location	Purchasing Agent (s)
International Chain Hotel		
Bvlgary	Bali (1)	Importer/Distributor
Conrad	Bali (1)	Importer/Distributor
Four Season	Jakarta (1), Bali (2)	Importer/Distributor
Hard Rock	Bali (1)	Importer/Distributor
Hilton	Bandung (1), Jakarta (1) Double tree by Hilton Hotel)	Importer/Distributor
Hyatt	Bali (2), Bandung (1) Jakarta (1), Yogyakarta (1)	Importer/Distributor
Intercontinental (IHG)	Jakarta (1), Bali (1), Bandung (1) Crown Plaza (2, Jakarta, Semarang), Holilday Inn (3, Bandung, Bali, Lombok), Holiday Inn Express (4, Jakarta)	Importer/Distributor
J.W. Marriot	Jakarta (1), Medan (1), Surabaya (1)	Importer/Distributor
Kempinski	Jakarta (1)	Importer/Distributor
Keraton at the Plaza-The Luxury Collection (Starwood Hotel)	Jakarta (1)	Importer/Distributor
Le Meridien (Starwood Hotel)	Jakarta (1), Bali (1)	Importer/Distributor
Mandarin Oriental	Jakarta (1)	Importer/Distributor
Nikko	Bali (1)	Importer/Distributor
Oberoi	Bali (1), Lombok (1)	Importer/Distributor
Pullman (Accor Group)	Jakarta (2), Bali (1)	Importer/Distributor
Ritz Carlton	Jakarta (2)	Importer/Distributor
Shangri-La	Jakarta (1), Surabaya (1)	Importer/Distributor
Sheraton (Starwood Hotel)	Lombok (1), Yogayakarta (1), Bandung (1), Jakarta (2), Lampung (1), Surabaya (1), Bali (1)	Importer/Distributor
St Regis (Starwood Hotel)	Bali (1)	Importer/Distributor
The Chedi (GHM)	Bali (4)	Importer/Distributor
W Retreat & Spa (Starwood Hotel)	Bali (1)	Importer/Distributor
Westin (Starwood Hotel)	Bali (1)	Importer/Distributor
Domestic Hotel		
Alila	Bali (5), Jakarta (2, Kemang Icon)	Importer/Distributor
Aryaduta	Jakarta (2), Tangerang (1), Medan (1), Makassar (1), Palembang (1), Pakanbaru (1), Manado (1)	Importer/Distributor
Ayana Resort & Spa	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
Gran Melia	Jakarta (1)	Importer/Distributor
Melia	Bali (1)	Importer/Distributor
Mulia	Jakarta (1), Bali (2)	Importer/Distributor
Nusa Dua Beach Hotel	Bali (1)	Importer/Distributor
Padma	Bandung (1), Bali (1)	Importer/Distributor
Papandayan	Bandung (1)	Importer/Distributor
The Laguna	Bali (1)	Importer/Distributor
Trans Luxury Hotel	Bandung (1)	Importer/Distributor
Gumaya Tower	Semarang (1)	Importer/Distributor
Tugu	Malang (1), Bali (1), Lombok (1)	Importer/Distributor

Villas & Resorts		
Banyan Tree Ungasan	Bali (1)	Importer/Distributor
Cocotinos Sekotong	Lombok (1)	Importer/Distributor
Damai	Bali (2)	Importer/Distributor
Hotel Ombak Sunset	Lombok (1)	Importer/Distributor
Jamahal Private Resort & Spa	Bali (1)	Importer/Distributor
Jeeva Klui Resort	Lombok (1)	Importer/Distributor
Jimbaran Puri Bali	Bali (1)	Importer/Distributor
Kayumanis Nusa Dua Private Villa & Spa	Bali (1)	Importer/Distributor
Kebun Villas & Resort	Lombok (1)	Importer/Distributor
Komaneka	Bali (4)	Importer/Distributor
Quncivillas	Lombok (1)	Importer/Distributor
Puri Sunia Resort	Bali (1)	Importer/Distributor
The Chedi Club	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)	Importer/Distributor
Ubud Hanging Garden	Bali (1)	Importer/Distributor
Uma	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 will open the Westin Ubud Resort & Spa and the Westin Jakarta in 2015. They will also will open a W Hotel in Jakarta in 2017; Four Point Hotels will open in Makassar in 2015, Bandung in 2016 and Surabaya in 2017; Sheraton will open another hotel in Jakarta in 2015; Aloft will open new properties in Bali (Ubud) in 2016 and Jakarta in 2017 (2 hotels); St Regis will open in Jakarta in 2016; and A Saravati Luxury Collection resort will open in Bali in 2016.

Restaurants

Sources estimate that there are approximately 6,000 restaurants in Indonesia. Bali has around 2,600 restaurants, followed by Jakarta 2,082 restaurants, Bandung 377, Surabaya 324, Yogyakarta 215, Semarang 122, Medan 116, Bogor 73, Malang 62, Tangerang 51 and Solo 41.

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 domination of roadside stalls and vendors in the food service industry. The most prevalent fast food outlets include Kentucky Fried Chicken (480 outlets as of October 2014), A&W (240 outlets as of October 2013), California Fried Chicken (246 outlets as of October 2013), McDonald's (161 outlets as of May 2014), and Pizza Hut (233 outlets plus 86 delivery outlets as of December 2014). These outlets will remain popular due to affordable prices, high standards and quality, and a pan-Indonesia footprint. More and more burger restaurants (ex: Burger King, Carl's Junior, MOS Burger, Fatburger, Wendy's) and pizza (ex: Domino pizza, Marzano Pizza) outlets from different companies have opened in Jakarta and its surrounding over the last few years. Korean fast food such as BonChon Chicken and Kyochon are also growing.

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, beverages, and products with imported food ingredients. In Jakarta, 7-Eleven, Indomaret, Alfamart, Starmart, Lawson, and Ministop convenience stores are popular.

Table 7. 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 (240 as of Oct 2013)	Nation wide	Importers/Distributor
Sari Burger Indonesia, PT	N/A	Burger King (47 as of Oct 2014)	Jakarta, Bandung, Bali	Importers/Distributor
Pioneerindo Gourmet International, PT, Tbk	Net Revenue IDR. 390.55 billion (total for Sapo Oriental, Cal Donuts, and CFC)	California Fried Chicken /CFC (246 as of Oct 2013)	Nation wide	Importers/Distributor
Generasi Mutiara Bangsa, PT (Mahadya Group)	N/A	Carl's Jr (7 as of May 2014)	Jakarta	Importers/Distributor
Fastfood Indonesia, PT. Tbk	Revenue IDR. 3.96 trilliun	Kentucky Fried Chicken (480 in Oct 2014)	98 cities all over Indonesia	Importers/Distributor
Lotteria Indonesia, PT	N/A	Lotteria (26 as of May 2014)	Jakarta, Bogor, Depok, Tangerang, Cikarang, Karawang	Importers/Distributor
Rekso National Food	N/A	Mc Donald (161 as of May 2014)	Nation wide	Importers/Distributor
MOG Indonesia, PT	N/A	MOS Burger (4)	Jakarta	Importers/Distributor
Cipta Selera Murni, PT	N/A	Texas Fried Chicken (92 as	Nation wide	Importers/Distributor

		of June 2014)		
Trans Burger, PT	N/A	Wendy's (26 as of Oct 2013)	Jakarta, Bandung, Yogyakarta, Surabaya, Bali, Makassar	Importers/Distributor
Michelindo Food International, PT	N/A	BonChon Chicken (20 as of May 2014)	Jakarta, Tangerang, Bali, Bekasi, Surabaya, Depok	Importers/Distributor
Mitra Adiperkasa, PT	N/A	Domino's Pizza (60 as of October 2014)	Jakarta, Tangerang, Depok, Bekasi, Bogo, Bandung, Bali	Importers/Distributor
Ismaya Group	N/A	Pizza E Birra (6 as of Dec 2014)	Jakarta, Bandung	Importers/Distributor
Sari Melati Kencana, PT	N/A	Pizza Hut (233 outlets plus 86 delivery outlets as of Dec 2014)	Nation wide	Importers/Distributor Direct
Mitra Adiperkasa, PT	N/A	Pizza Marzano (4) and Pizza Express (7)	Jakarta, Tangerang	Importers/Distributor
Indofood CBP Sukses Makmur PT, Tbk	N/A	Popola Mama (3 as of Dec 2014)	Jakarta	Importer/Distributor
Kyochon Indonesia, PT (Wahana Artha Group)	N/A	Kyochon (3 as of May 2014)	Jakarta	Importer/Distributor
Mega Mahadana Hadiya, PT (Mahadya)	N/A	Wingstop (3 as of Dec 2014)	Jakarta	Importer/Distributor
Other type of restaurant				
Berkat Anugerah Sentosa, CV	N/A	Samwon House, SamWon Express, Woo Ri Jung (10 as of May 2014)	Jakarta	Importer/Disributor
Entertainment Indonesia, PT	N/A	Amigos (2)	Jakarta	Importers/Distributor
Gading Food, PT	N/A	Fish & Co (16 as of Dec 2014)	Jakarta, Suarabya, Bali	Importers/Distributor
Mugi Rekso Abadi Group (MRA)	N/A	Hard Rock Café (2)	Jakarta , Bali	Importers/Distributor
Superutama Nusantara, PT	N/A	Sizzler (American Grill, 6 as of Oct 2013)	Jakarta	Importers/Distributor
Cahaya Sakti, CV	N/A	Tamani Café (20 as of Oct 2013)	Jakarta, Tangerang	Importers/Distributor
Cashwood Indonesia Group	N/A	TGI Friday's (3 as of May	Jakarta, Tangerang	Importers/Distributor

		2014)		
Mas Millenium Indonesia, PT	N/A	Tony' Romas (4 as of Dec 2014)	Jakarta, Bali	Importers/Distributor
Jaddi international, PT	N/A	Vin + (5 as of Dec 2014)	Jakarta, Bali	Importers/Distributor
OBS Citra Indonesia, PT	N/A	Outback Steak House (3)	Jakarta	Importers/Distributor
Planet Hollywood Inc.	N/A	Planet Hollywood (2)	Jakarta, Bali	Importers/Distributor
Sari Coffe Indonesia, PT	N/A	Starbuck (180 as of September 2014)	Jakarta, Medan, Bali, Surabaya, Bogor, Cikampek , Balikpapan, Semarang, Batam, Makassar, Solo, Palembang, Yogyakarta, Bandung	Importers/Distributor
Excelso Multirasa, PT	N/A	Excelso Café' (more than 115 outlets as of September 2014)	Nation wide	Importers/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. 390.55 billion (total for Sapo Oriental, Cal Donuts, and CFC	Cal Donut (21 as of Oct 2013)	Jakarta, Tangerang, Bekasi	Importer/Distributor
Talkindo Selaksa Anugrah, PT	N/A	BreadTalk (35)	Nation wide	Importers/Distributor Direct
Intimas Lestari Nusantara, PT	N/A	Country Style Donuts (12)	Jakarta	Importers/Distributor
Dunkindo Lestari, PT	N/A	Dunkin Donuts (more than 293 as of July 2013)	Nation wide	Importers/Distributor
J Co Donuts & Coffee, PT	N/A	J Co Donuts & Coffee (66 as of oct 2013)	Nation wide	Importers/Distributor Direct
Premier Doughnut Indonesia, PT	N/A	Krispy Kreme (14 as of Dec 2014)	Jakarta	Importers/Distributor Direct
Mustika Cita Rasa, PT	N/A	Holland Bakery (261 as of June 2013)	Jakarta, Bandung, Surabaya,Lampung, Batam, Pakanbaru,Makassar, Manado, Solo, Bali, Balikpapan, Semarang	Direct/Importer/Distributor
Pancious Tirtajaya, PT	N/A	Pancious Pancake House (12)	Jakarta, Tangerang, Bandung, Surabaya	Importers/Distributor

Berjaya Bersama Sally, PT	N/A	Sour Sally (40 as of Dec 2013)	Jakarta, Bandung, Semarang, Solo, Surabaya, Bali, Medan, Palembang, Makassar	Importers/Distributor
Cheil Jedang Indonesia, PT	N/A	Tous Les Jours (14 as Dec 2014)	Jakarta, Tangerang, bekasi, Depok	Importers/Distributor
Dunia Makmur Jaya, PT	N/A	Breadlife (59 as of Dec 2014)	Jakarta, Tangerang, Bekasi, Bogor, Bandung, Semarang, Surabaya, Samarinda, Balikpapan, Banjarmasin, Pontinak, Makassar, Medan, Bali	Imporer/Distributor
Mount Scopus Indonesia, PT	N/A	Cheesecake Factory (8)	J akarta	Importers/Distributor
	N/A	The Harvest (13)		Importers/Distributor
Ice Cream				
Trans Ice, PT	N/A	Baskin Robbins (304as of June 2013)	Jakarta, Bandung, Surabaya, Medan, Yogyakarta	Direct
Sari Ice Cream Indonesia, PT	N/A	Cold Stone Creamery Ice Cream (15 as of December 2014)	Jakarta, Bali	Direct
Rahayu, Arumdhani International, (Mugi Rekso Abadi Group//MRA)	N/A	Haagen-Dazs (32)	Nation wide	Dirct

Source: Website, Importers, Media

Facts on the restaurant industry:

- Chain fast food is appropriate to customers in all income groups because it offers affordable package prices, creative new menus, menu & facilities for children, and delivery services to time sensitive customers.
- Full service restaurants promote group events, such as televised sports.
- Restaurants are found in shopping mall, apartment, 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.
- Chains and independent bakeries are growing.
- More restaurants are working with credit card companies to offer discounts to increase 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.
- The alcoholic beverage market is controlled by the government through quotas.

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 tempe are widespread in Java (ketoprak, siomay, kembang tahu, gado-gado), while meatballs (bakso), fried noodle and chicken noodle (mie ayam) are dishes that 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 heart.

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.

Table 8. 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	N/A	CASC	Jakarta, 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, Pakanbaru, 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	Importer/Distributor
Jasa Boga Indonesia, PT	N/A	JBI	East Kalimantan	Importer/Distributor
Prasmanindo	N/A	PBU	Jakarta, Balikpapan, Gosowong-	Importer/Distributor

Boga Utama, PT			Sumbawa, Sulawesi, Maluku	
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

Facts on catering industry:

- In-flight catering is expected to expand as tourism grows.

III. COMPETITION

Table 9. Indonesia: Imports Verses Domestically Produced Goods Competition, 2013

Product Category	Major Supply Sources	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Fresh Fruit Net volume import: 499 thousand ton Value: $637.94 million	China 58.57% Thailand 12.30% U.S. 9.55% Australia 4.43% United Arab Emirats 2.56% Vietnam 2.18% Egypt 2.01%	China supplies: Fuji apple: Yalie pear, Shandong pear, red globe table grape, mandarin, orange, lemon. China offers very competitive prices Thailand supplies: longan, durian, mangoes US supplies: red delicious and other varieties of apple, table grape and orange Australia supplies: pear, red globe table grape, orange United Arab Emirats supplies dates Egypt supplies dates and orange	Only tropical fresh fruits are produced locally and supplies are inconsistent.
Fresh Vegetables Net volume import: 658,570 ton	China 71.2% India 9.61% Canada 4.88% Thailand 2.88% Vietnam 2.76%	China supplies: garlic, onion, shallot, carrot, potato, chili. China offers very competitive prices.	No garlic and onion are produced locally. Local shallot and chili production cannot meet domestic demand during rainy season.

Value: $490 million	Australia 2.06% New Zealand 1.91% U.S minor supplier (1.73%)	India supplies: onion, shallot Canada supplies: peas Thailand supplies: shallots Vietnam supplies: shallot, chili	Only tropical fresh vegetables are produced locally. Supplies are inconsistent.
Red meats fresh, chilled, frozen Net volume import: 56.548 Ton Value: $249.33 million	Australia 74.75% New Zealand 18.52% U.S. 6.46%	Australia and New Zealand offer competitive pricing and no reported cases of FMD and BSE.	Shortage of supply. Most domestic production is sold fresh to traditional markets and modern retail outlets
Processed fruit & vegetables Net volume import: 112,705 ton Value: $167.32 million	China 30.04% U.S. 29.02% Canada 7.94% Netherlands 5.95% Thailand 5.79% Germany 3.70%	China and Thailand supply processed fruit and vegetable products. Brands are well known and prices are competitive U.S. and Canada supply French fries and frozen vegetables	Limited processed fruit and vegetable products produce locally.
Malt, mixes & dough Net volume import: 64,326 ton Value: $249.18 million	Malaysia 40.52% Singapore 28.64% Thailand 7.47% Netherland 5.52% Australia 4.08% New Zealand 3.68%	Malaysia, Singapore and Thailand are neighboring countries with similar tastes and culture. ASEAN free trade agreement opens the Indonesia market.	Domestic production of premixes for bakery industry is growing. The opportunity still open to other suppliers to supply the market.
Butter Net volume import: 22,910 tons Value: $102.71 million	New Zealand 67.30% Belgium 10.29% Australia 8.53% Netherland 5.58%France 3.88%	New Zealand and Australia have a competitive pricing and geographic proximity. Belgium, Netherland and France butter taste are preferred by Indonesian customer.	Almost no butter produced locally.
Cheese Net volume import: 12,890 ton Value: $61.28 million	New Zealand 50.32% U.S. 20.05% Australia 17.49% Philippines 6.19%	New Zealand and Australia have a competitive pricing and geographic proximity. Philippines is one of multinational firm factory site.	Domestic cheese production is growing but still use imported dairy ingredients
Fruit & vegetable juices	Brazil 29.55% Thailand 18.49%	Indonesia looks for variant of products with competitive prices.	Local products have limited type of fruit juices due to limited fresh

Net Volume: 15,476 Ton Value:$30.55 million	Austria 10.58% China 10.07% Australia 5.25% U.S. 4.79% South Africa 4.63% Malaysia 4.50% Taiwan 3.62%	Geographic proximity gives Australia and ASEAN countries advantage due to short product shelf life.	fruits supply.
Breakfast Cereals/Pancake Mix Net volume import:7,587 Ton Value:$24.01 million	Philippines 44.76% Malaysia 25.23% China 15.66% Thailand 4.84% Australia 3.91% U.S. minor supplier (0.92%)	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: 5.014 Ton Value: $20.06 million	Vietnam 30.16% U.S 26.86% Thailand 10.51% Benin 10.07% China 7.48% South Africa 4.57%	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: $2.45 million	n/a Major supplier are Australia and Singapore followed by France, Chili and the 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

Table 10. Indonesia: Products Present in the Market That Have Good Sales Potential

Product Category	2013 Import (Volume, MT)	2013 Import ($mil)	5 Yr. Avg Annual Import (Volume) Growth %)	Import Tariff Rates (%)	Key Constraints to Market Development	Market Attractiveness for USA
Fresh fruit	498,948	637.93	4	5	Competition with China,	Health awareness and rising middle

				20% for mandarin & mangoes	Thailand, Australia, Enforcement of Government of Indonesia regulations inhibit some U.S. fresh fruit imports	class pushes the demand for quality fresh products. Lack of supply and quality domestic fruit products.
Fresh Vegetable	658,570	490.54	2.57	5 20% for fresh/chilled potatoes other than seed, shallot other than seed and carrot	Competition with China, India, Canada, Thailand, Vietnam, Australia, and New Zealand. Enforcement of Government of Indonesia regulations inhibit some U.S. fresh vegetables imports	Lack of supply and quality domestic products and demand of other vegetable types.
Processed fruit & Vegetables	112,705	167.32	11	Mostly 5	Competition with China, Canada, Netherlands, Thailand	Lack of processed fruit and vegetable produced locally.
Malt, mixes & dough	64,326	249.18	19.66	10% for mixes and dough	Price concerns	Bakery industry is growing
Fruit & vegetable Juices	15,476	30.55	10.65	Mostly 10	Competition with Brazil, Thailand, Austria, China, Australia, South Africa, Malaysia, Taiwan Obtaining Import Registration Number (ML) procedure for retail package product is complicated	Health awareness and rising middle class drive demand for fruit based products.
Butter	22,910	102.71	22.68	5	Competition	Growing bakery

					from New Zealand, Australia and several European countries Dairy product manufacturers must be approved by the GOI before they can ship to Indonesia	sector to include cookies production and also restaurants that serve bakery products.
Cheese	12,890	61.28	27	5	Competition from New Zealand and Australia Dairy product manufacturers must be approved by the GOI before they can ship to Indonesia	Growing western style and traditional food using cheese
Breakfast Cereals/Pancake Mix	7,587	24.01	6.45	5	Competition with Philippines, Malaysia China, Thailand, Australia Obtaining Import Registration Number (ML) procedure is complicated	Health awareness, a growing middle class, and changing lifestyles drive demand for healthy, western and convenience food products.
Tree nuts	5,014	20.05		5	Price concern	Snacking is very popular in Indonesian culture Bakery sector is growing and use tree nuts as one of the ingredient.

Source: Global Trade Atlas

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.

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

Indonesia does not produce enough beef and there is little production of high quality beef locally. Quotas on meat imports (lifted in late 2013), have hampered beef imports to Indonesia. While the market is currently open and does not impose a quota, local importers have difficulty importing U.S. meat because import permits are only valid for three months. As a result, interval times to place an order import product are too short, effectively limiting imports to about two weeks every quarter.

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

Product Category	2013 Import (Volume, MT)	2013 Import ($mil)	5Yr. Avg Annual Import (Volume) Growth %)	Import Tariff Rates (%)	Key Constraints to Market Development	Market Attractiveness for USA
Red Meats, Fresh/Chilled/Frozen	56,548	249.33	-0.82	5	Competition with Australia and New Zealand Importer has to get an import permit from MOT every quarter.	Lack of domestic supply Lack of domestic supply
Wine & Beer	N/A	2.44	N/A	Specific tariff, IDR 14,000 and IDR 55,000/liter	Competition from Australia, Singapore France, Chile, Italy, Portugal, Government of Indonesia sets a quota and regulations inhibit alcoholic beverage import and production	No significant domestic wine supply and limited domestic beer supply
Poultry Meat	961	2.96	-10.79	5 except 20 % for chicken thighs	MOA has not issued import recommendations for poultry products (including duck and turkey) since January 2014. MOA requires that	Domestic chicken prices are high and no turkey is produced locally

					poultry exported to Indonesia must be slaughtered manually and halal.	

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
FAS
Unit 8200 Box 437
DPO, AP 96520-0437

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

FAIRS Country Report 2014
New Regulation on Animal Quarantine Measures
New Regulation on Alcoholic Beverage Distribution
Alcohol Beverages Excise Tax Update
FAIRS Export Certificate Report 2013
Exporter Guide Update 2013
Indonesia Implements MOT Reg No. 46 2013 Issues Beef Import Permit
Indonesian Government Explain New Horticulture Import Permit Reg
Ministry of Agriculture and Trade Revise Horticultural Import Regulation
The GOI's New Regulation on Meta and Meat Products (ID1345)
Revise GAIN Report ID 1345
Revised Regulation on the Importation of Horticulture Products

Indonesia Extends Import Requirements on Food and Beverage Products
Indonesia Officially Recognize Safety Control System of United State's Fresh Food of Plant Origin
Phytosanitary Requirement for Fresh Bulb
Minister of Agriculture Regulation No 42 and 43 Year 2012
Prior Notice – Application of Imported Fresh Food of Plant Origin (FFPO)
Market Brief - Wine

Table 12. Indonesia: Exchange Rate (Rp./1US $) on Month Ending Basis

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
2006	9,369	9,280	9,117	8,826	9,212	9,353	9,124	9,119	9,205	9,110	9,165	9,020	9,158
2007	9,090	9,160	9,118	9,083	8,828	9,054	9,186	9,410	9,137	9,379	9,376	9,419	9,187
2008	9,304	9,051	9,199	9,234	9,318	9,225	9,118	9,153	9,378	10,995	12,151	10,950	9,756
2009	11,330	11,975	11,575	10,713	10,340	10,225	9,920	10,060	9,681	9,545	9,480	9,400	10,354
2010	9,365	9,335	9,070	9,012	9,180	9,038	8,952	9,041	8,952	8,928	9,013	9,014	9,075
2011	9,057	8,823	8,709	8,574	8,537	8,597	8,508	8,578	8,823	8,835	9,055	9,170	8,772
2012	9,000	9,158	9,188	9,180	9,565	9,468	9,485	9,573	9,588	9,605	9,605	9,670	9,424
2013	9,680	9,713	9,745	9,722	9,811	9,929	10,277	10,936	11,532	11,076	11,997	11,946	10,542
2014	12,226	11,675	11,404	11,589	11,611	11,969	11,591	11,717	12,212	12,163	12,161		

Source: National Statistical Agency (BPS-Badan Pusat Statistik) and Business Indonesia Daily Newspaper