



# Food and Beverage Industry in Indonesia:

*“Market potential and import procedures”*

# Agenda

- EIBN: who are we and what we do
- Indonesia market overview
- Food and Beverage Industry in Indonesia
- Regulatory environment and registration process

# EIBN: who we are and what we do



## About us

- Project initiated & co-funded by EU, launched in 2013.
- Consortium of five European bilateral chambers of commerce in Indonesia (EKONID, BritCham, IFCCI, INA, EuroCham) and two counterparts in Europe (EUROCHAMBRES and CCI Barcelona).

## Mission

- Promote Indonesia in the EU as a high-potential trade and investment market.
- Increase exports and investment of EU businesses (esp. SMEs) to Indonesia.

## Knowledge center

- Interactive Web Portal [www.eibn.org](http://www.eibn.org)
- Business Handbook
- Sector Reports



## Services

- Free Inquiry Helpdesk



- Customized Market Studies



- Business Partner Search



- Business Delegations



# Indonesia Market Overview



# Indonesia Market Overview

## What makes Indonesia so attractive

**4<sup>th</sup>**  
World's Most  
**Populous** Country

**250**million  
**Population** (in 2015)

**17,508** islands  
Biggest **Archipelagic** Nation

**10<sup>th</sup>**  
World's Largest **Economy**

**1**trillion  
USD **GDP** (PPP)

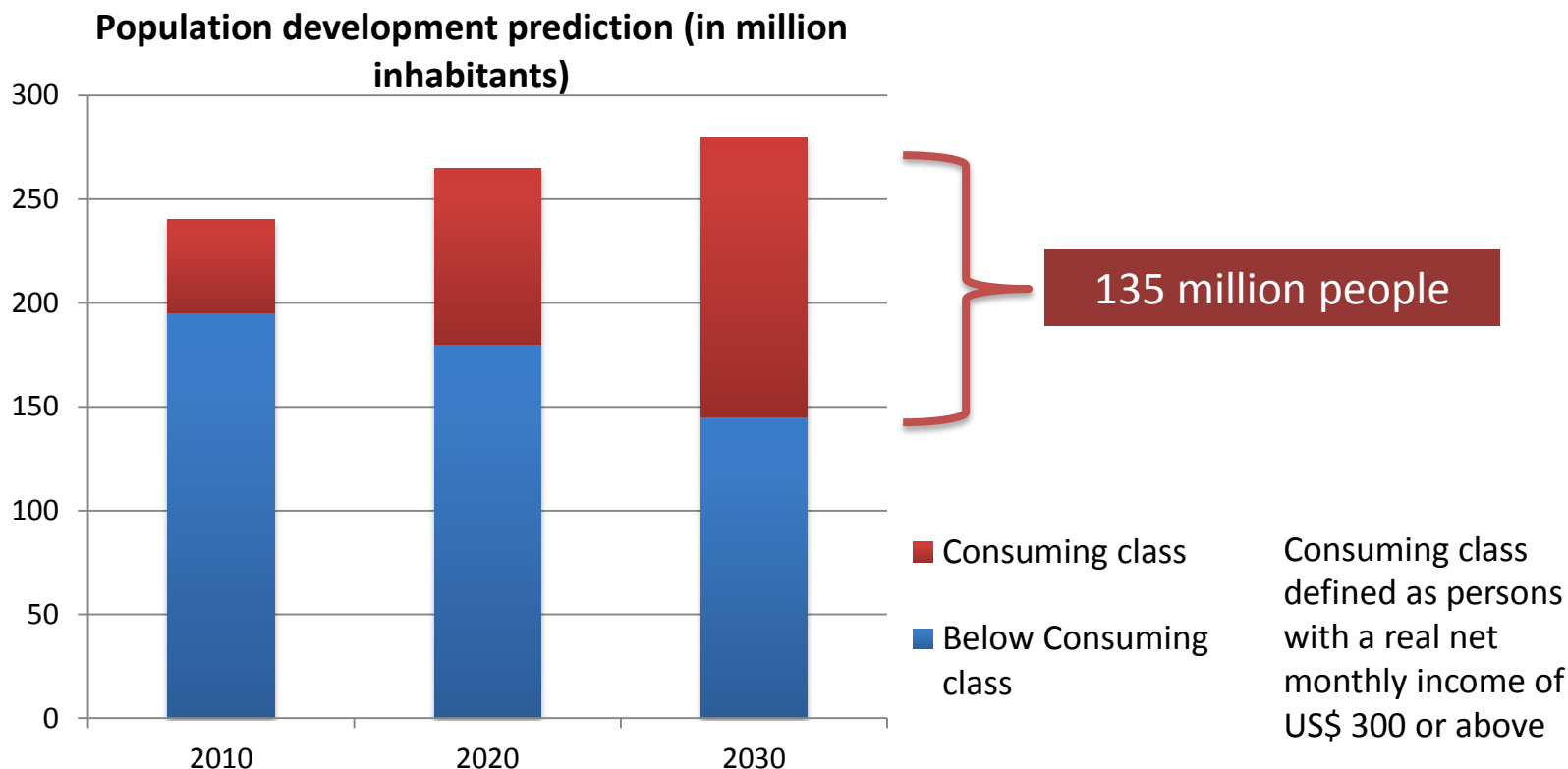
**4,876**  
USD **GDP**  
**per capita** (PPP)

**G20** **2<sup>nd</sup> fastest** growing  
Member State  
after China



# Indonesia Market Overview

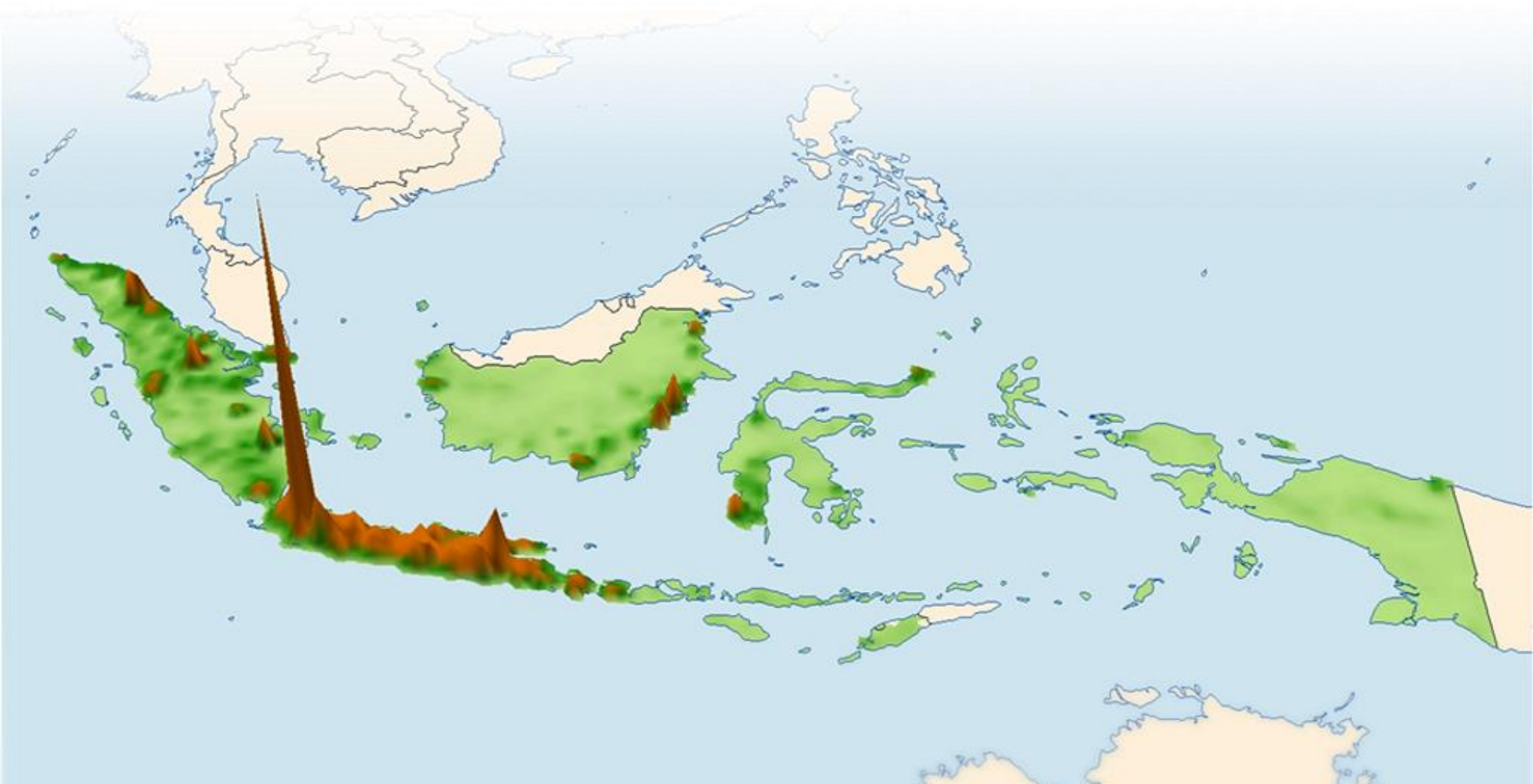
## What makes Indonesia so attractive





# Indonesia Market Overview

## Economic activity by region



# Food and Beverage Industry in Indonesia

IMAGE INSERT

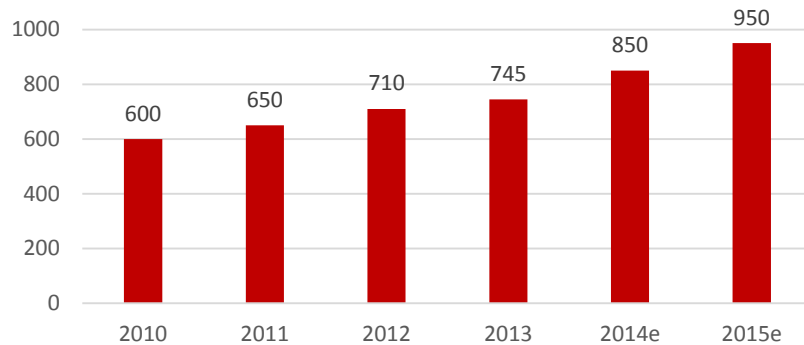


# Food and Beverage Industry in Indonesia (2015)

## Indonesia's Food and Beverage Spending Trends

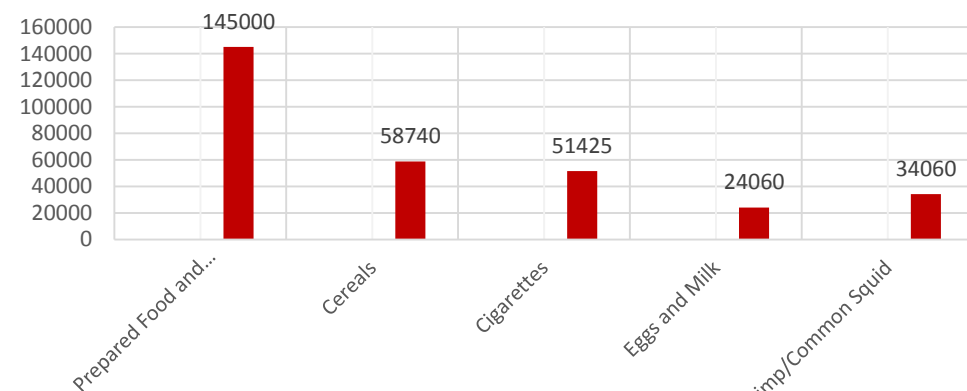
- The F&B sector's output has contributed to more than 7% of total GDP, as well as 31.5% of the total industrial manufacturing output
- The turnover of the Food and Beverage Industry has been growing at an average pace of close to 8-9% up to a total of estimated US\$73 billion in 2015
- Monthly Indonesian food and beverage spending per capita is IDR 457.312

Total Sales of Processed Food and Beverage  
(in trillion IDR)



Source: GAPMMI, 2015

Top 5 of Monthly Food Expenditure per Capita (in IDR)

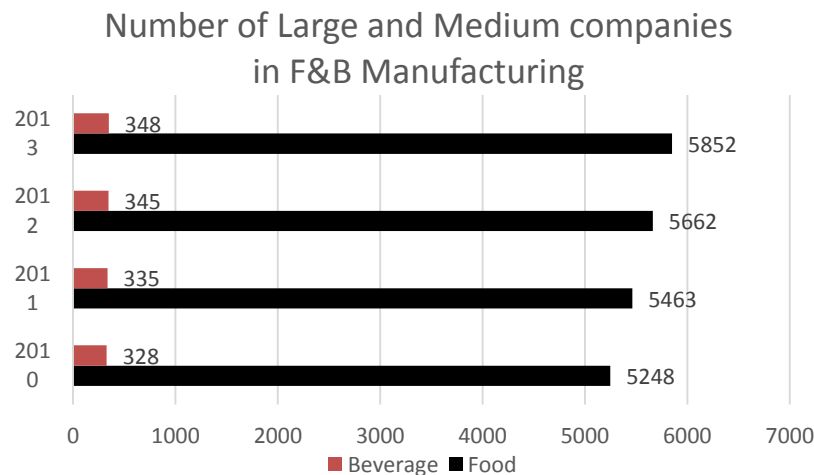


Source: The Indonesian Central Bureau of Statistics (BPS), 2016

# Food and Beverage Industry in Indonesia (2015)

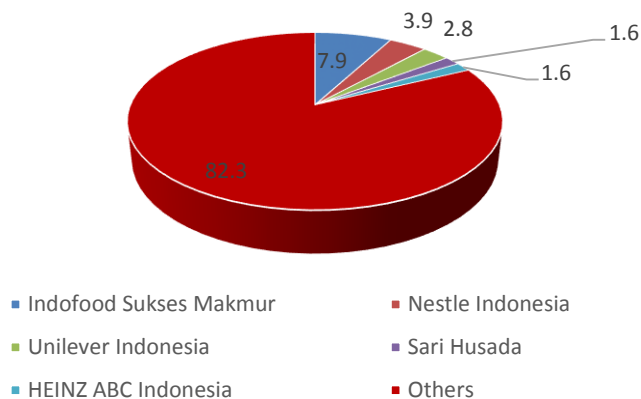
## Competitive landscape

- The Food & Beverage sector is estimated to encompass over 6,000 companies, of which approximately 90% are classified as large or medium sized. The players are dominated by the presence of large local companies, but also important international and foreign companies
- The Indonesian Food packaged market share remains very highly fragmented while Beverage is highly concentrated market
- Among the leading packaged food players in Indonesia, Indofood, Nestle Indonesia, Heinz ABC Indonesia and Unilever Indonesia has the strongest market share. In beverage, Danone Aqua held on firmly to its leadership within soft drinks with 47.5% of market share

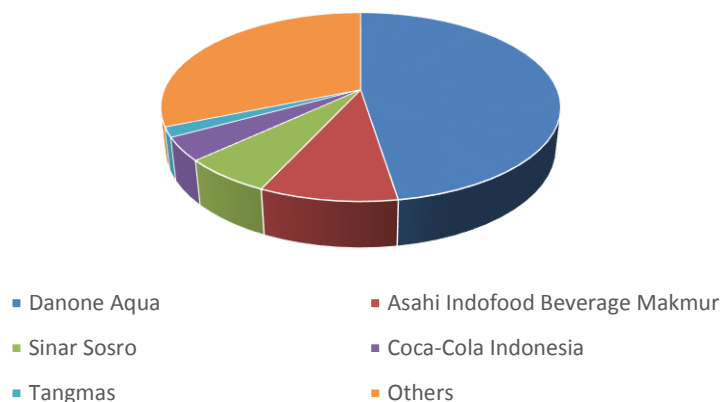


# Food and Beverage Industry in Indonesia (2015)

Packaged Food Market Share (%)



Soft Drinks Market Share (%)



Top 20 Packaged Food

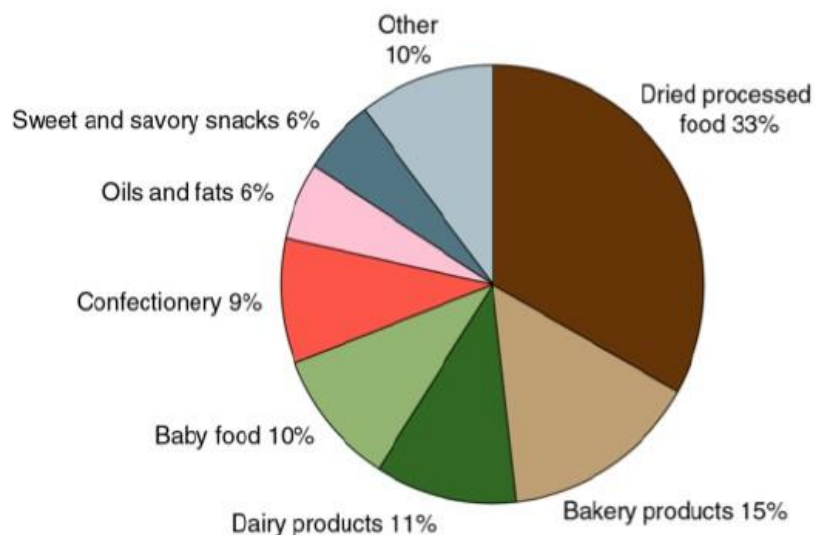
1. Indofood Sukses Makmur Tbk
2. Nestle Indonesia
3. Unilever Indonesia
4. Sari Husada Tbk
5. Heinz ABC Indonesia
6. Kalbe Farma
7. Indolakto
8. Ultra Prima Abadi
9. SMART Tbk
10. Ajinomoto Indonesia

Top 20 Soft Drink

1. Danone Aqua
2. Asahi Indofood Beverage Makmur
3. Sinar Sosro
4. Coca Cola Indonesia
5. Tangmas
6. Oasis Waters International
7. Amerta Indah Otsuka
8. CS2 Pola Sehat
9. Akasha Wira International
10. Mayora Indah Tbk

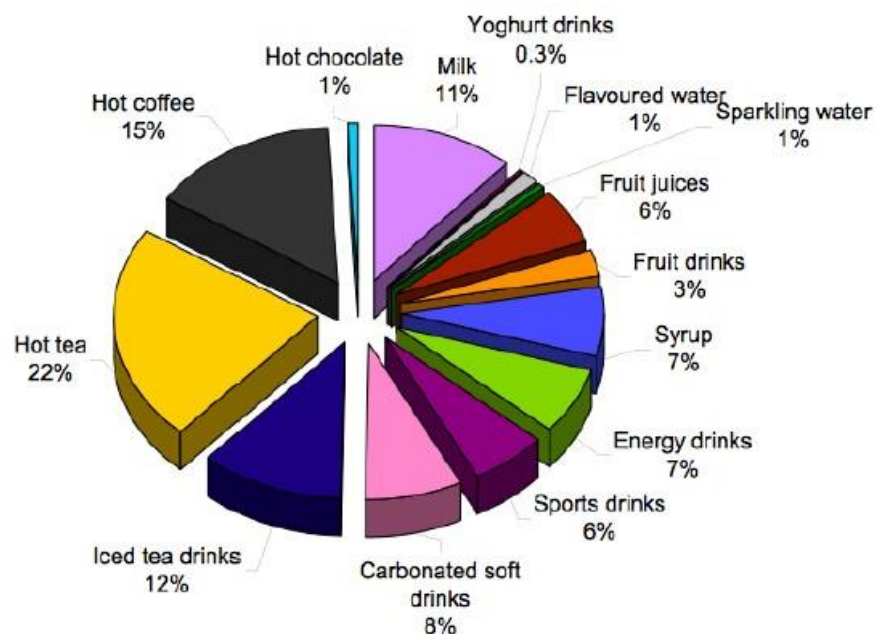
# Food and Beverage Industry in Indonesia

## Packaged Food Breakdown



Source: USDA, Economic Research Service  
Calculations using EuroMonitor Data, 2012

## Non-Alcoholic Beverage Breakdown



Source: Roy Morgan Research, 2012

# Regulatory environment and registration process



# Regulatory environment

## Recent Indonesian Food and Beverage Regulations

### **Decree of Chairman of BPOM No. HK.00.05.52.4040 on Food Categories**

- Standard reference for the registration of food and beverages
- It divides food into those using foreign brands (ML) and those using local brands (MD) in their registration. This ML/MD number has to be displayed on the packaging

### **Decree of Ministry of Health No. 033/2012 on Food Additives**

- The list of food categories is divided into 27 categories.
- In accordance with this ministerial decree BPOM has issued 25 regulations to limit included food additives

### **Ministry of Agriculture regulation 60/2012 and Ministry of Trade regulation 60/2012**

- In order to import horticulture products into Indonesia, an import-licensing regime is being imposed by the Ministry of Agriculture and the Ministry of Trade
- an import recommendation for horticulture products (RIPH) from the Ministry of Agriculture, a prerequisite for applying for the Import Permit Letter (SPI) from the Ministry of Trade

### **Regulation No. 22/M-DAG/PER/5/2010 of 21 May 2010 of the Ministry of Trade**

- all local and foreign companies that produce or import goods for the Indonesian market are obligated to attach labels written in Bahasa Indonesia

### **Law no.33/2014 on Halal Product Assurance**

- Food and Beverage products must be Halal certified by 2019



# Registration process

## Regulatory body



Badan Pengawas Obat dan Makanan (**BPOM**) Republik Indonesia  
Indonesian National Agency for Drug & Food Control (NA-DFC)

[www.pom.go.id](http://www.pom.go.id)

Directorate of **Drug and  
Biological  
Product** Evaluation

Directorate of **Traditional  
Medicines, Cosmetics,  
and Food  
Supplements** Evaluation

Directorate of  
**Food Safety**  
Evaluation

# Registration process

## BPOM's Definitions of Products

- **Drug** is finished drug including biological product that is an ingredient or mixture of ingredients utilized for affecting/examining physiological system or pathological condition in order to determine diagnosis, prevention, treatment, recovery and improvement of health and contraception for human.
- **Biological Product** is vaccine, antibody, antigen, hormone, enzyme, blood product and other fermentation product (including monoclonal antibodies and product originating from DNA recombinant technology) utilized to affect/inspect physiological system or pathological condition in order to prevent, treat, recover and improve health.
- **Traditional Medicine** is an ingredient or mixture of ingredients in the form of plant material, animal material, mineral material, essence preparation, or mixture of those materials which for generations has been used for medication, and can be implemented according to public norms.
- **Quasi Medicine** is medicine with active ingredients with pharmacological effect for minor complaints.

*Classification of product is not necessarily defined by BPOM definitions, but more to the ingredients contained instead. Two similar products may need to undergo different registration process according to the ingredients contained.*

# Registration process

## BPOM's Definitions of Products

- **Cosmetics** is ingredient or preparation intended for used on the outer human body (epidermis, hair, nail, lips and outer genital organ) or teeth and mucous membrane in the mouth specifically to clean, perfume, alter the appearance and or improve body odor or protect or maintain the body in good condition.
- **Food Supplement** is product that is meant to complement the nutritional need, maintain, increase and improve health function, containing one or more ingredients in the form of vitamin, mineral, amino acid or other ingredient (originating from plant or non-plant) that have nutritional value and/or physiological effect, not intended as food.
- **Food** is everything coming from biological resources and water, whether processed or not, designated as food or drink for human consumption, including food supplement, food raw material and other materials used in the process of preparation, processing and/or production of food or beverage.
- **Processed Food** is food or beverage resulting from a process in a certain way or method with or without added ingredient.
- **Functional food** is processed-food containing one functional component or more, which based on scientific analysis has certain physiological functions, is proven not dangerous and beneficial to health.

# Registration process

## Who should apply?

Only local distributor or agent located in Indonesia



## Registration stages

Pre-registration can be done by E-Registration and Walk-in

### Electronic Registration :

- Register through an online form at <http://e-reg.pom.go.id>
- Processing time: 30 working days
- Determination of the registration category and evaluation path/timeline
- Consultation on completeness of registration dossier and document
- Registration Fee

### Walk-in Registration:

- Processing time: 30 working days
- Determination of the registration category and evaluation path/timeline
- Consultation on completeness of registration dossier and document
- Registration Fee

### Registration

- Submit registration dossier according to the registration category

# Registration process

## Timeline for evaluation

60 WD

- Food with Non Flavouring Instances and other food

120 WD

- For Functional Food, Herbal Food

150 WD

- For Special Processed Food
- For Irradiated Food, Genetically Modified Food, Flavouring Instances, Organic Food, Milk and its processed products, Meat and its processed products, Fish and its processed products, Alcohol beverages

# Registration process

## Registration requirements for Import of Products :

- All companies must submit their company legal documentation (SIUP), API (The Importer Identity Number) and API-T (Restricted Importer's Identification Number) for an alcohol beverage importation
- The certification GMP/ HACCP/ ISO 22000 should also be submitted
- Designation Letter from originated country to local agent in Indonesia
- Health Certificate or Certificate of Free Sale
- A power of Attorney to assign local agent to conduct registration



# Registration process

## Labeling and Halal requirements

### Labeling requirement

- All local and foreign companies that produce or import goods for the Indonesian market are obligated to attach labels written in Bahasa Indonesia.
- Once obtained Halal certification, all companies must include the Halal Label on Product packaging, specific part of the Product, and/or specific place of the Product

### Halal requirements

A new Halal Law has been enacted in 2014 regulated by new body namely BPJPH or *Halal Product Assurance Organizing Agency*

- The Halal Law requires all products that meet the halal requirements and enter, are circulated, or sold within Indonesia to be halal certified within the next five years (by October 17, 2019).
- Halal certificates are valid for four years and subject to extension.
- The companies selling non-halal products must attach “non-halal” label on the product
- Products containing alcohol must state its alcohol contain in percentage form at the label
- Inclusion of Halal Label on the product must be easy to see and read as well as not easily erase, detach, and damage.



More information ?



[www.eibn.org](http://www.eibn.org)

Thank you for your attention!