



INDONESIA

Market Brief

Indonesia is the largest economy in Southeast Asia and is forecasted to become the world's 4th largest economy by 2050. The U.S. is the 2nd largest supplier of agricultural products to Indonesia, reaching a record \$3.5 billion in export value and a 13% market share in 2022, with strong demand across bulk, intermediate and consumer-oriented goods.

Quick Facts

Demographics

- 276 million (2022 est.)
- 4th most populous and the largest Muslim-majority country in the world

2023 GDP

- GDP (current US\$): \$1.37 trillion
- GDP growth: 5%

2024 Minimum Wage Earnings (USD)

- \$2,449

Best High-value, Consumer-Oriented Product Prospects Categories in Indonesia



Dairy products



Meat products



Fresh fruits



Confectionery



Baked products



Snacks



Dried fruits and nuts



Beverages



Healthy and functional F&B



Primary ingredients (e.g., wheat)

Top U.S. Competitors in Indonesia

- China
- Australia
- New Zealand
- India



Market Trends



- Large consumer base as Indonesia is the largest economy in Southeast Asia, with a rapidly growing middle class.
- Modern grocery stores are expanding to regions outside Java and other major urban areas, increasing market presence for imported products.
- Agricultural self-sufficiency is a stated goal of the Indonesian government and is often used to justify trade barriers and restrictions.

Logistics



- Outside of the main island of Java, infrastructure, including ports and cold storage facilities, are inadequate.

Import Regulations and Procedures



- Halal certification will be mandatory in Indonesia for most food and beverages starting October 17, 2024. U.S. producers seeking to send halal-eligible products to Indonesia should apply for halal certification either directly with the Indonesian government or through an accredited U.S. halal certifying bodies. Mandatory halal certification does not apply to non-eligible products such as those containing pork, alcohol, and other forbidden ingredients.
- For details, please check the 2024 FAIRS Annual Country Report for Indonesia at this link <https://fas.usda.gov/data/indonesia-fairs-annual-country-report-9>

Market Entry Recommendations



- Agricultural imports are required to be conducted by general importers/distributors and producer importers. Retailers and food service operators cannot import directly, thus, they procure imported products from importers or distributors, and from food processing companies.
- Buyers may be slow to respond to e-mails, especially if they do not know the sender. Indonesians generally prefer a face-to-face meeting.



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