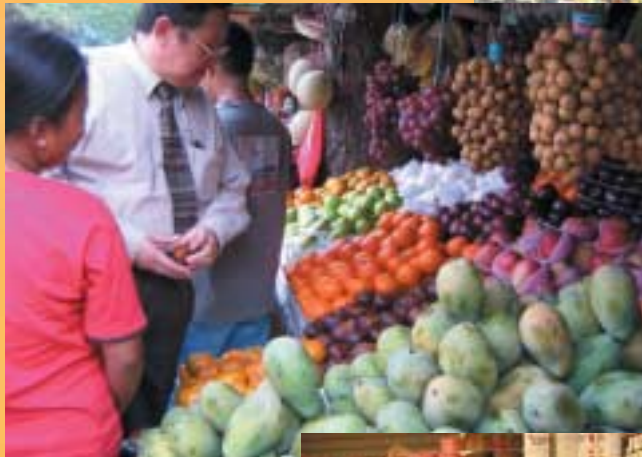




Australian Government
Department of Agriculture,
Fisheries and Forestry

Food Exporters' Guide to INDONESIA

Handbook



Prepared by
INSTATE Pty Ltd

Handbook

Food Exporters' Guide to **INDONESIA**



Prepared for the Australian Government Department of
Agriculture, Fisheries and Forestry

by INSTATE Pty Ltd

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*Cover images courtesy of P J Dawson and P T Davids Distribution Indonesia.
CLOCKWISE FROM TOP LEFT: Fruit stalls, Jakarta; Carrefours checkouts, Jakarta; Davids dry warehouse, Jakarta; fruit & vegetables, Alfa hypermarket; Alfa hypermarket, Surabaya.*

FOOD AND AGRICULTURE BUSINESS GROUP

The Australian Government Department of Agriculture Fisheries and Forestry is the Commonwealth agency with portfolio responsibility for food production and processing policy. The Food and Agriculture Business Group facilitates integrated policy development, innovation and stakeholder engagement across the agriculture and food industries.

The Food Policy and Safety Branch of the Group, which includes the Food Policy and Communications Section, develops and implements policy with the aim of facilitating a globally competitive, innovative and export oriented food processing and beverage industry. The section works cooperatively with and has regard to the mandates of the National Food Industry Council (NFIC), National Food Industry Strategy Ltd (NFIS Ltd), the Primary Industry Ministerial Council's food sub-committee, and industry.

The section is also responsible for disseminating information to food industry stakeholders on issues of interest and importance including sectoral profiles, international and domestic trends, emerging issues, statistics, developments in food policy and programs, and decisions by government and food agencies.

Other portfolio publications of possible interest include:

Spencer S, *Price Determination in the Australian Food Industry: A Report*, Australian Government Department of Agriculture, Fisheries and Forestry, Canberra, 2004.

Department of Agriculture, Fisheries and Forestry, *Australian Food Statistics 2003*, report prepared by ABARE, Canberra, 2003.

Food News Bulletin (published quarterly), produced by the Australian Government Department of Agriculture, Fisheries and Forestry, Canberra.

Department of Agriculture, Fisheries and Forestry, *Exporting Australian Processed Foods*, report prepared by INSTATE Pty Ltd, Milsons Point, NSW, 2000.

Department of Agriculture, Fisheries and Forestry, *Chains of Success*, Canberra, 1998.

Most portfolio publications can be accessed via:

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Abbreviations/Acronyms

A set of abbreviated or industry terminology used throughout this report

ABARE	Australian Bureau of Agricultural and Resource Economics
ABS	Australian Bureau of Statistics
ABV	Alcohol by volume
AFIC	Australian Federation of Islamic Councils Inc
AFTA	ASEAN free trade agreement
AIMMI	Indonesian Food and Beverage Importers Association
API	Importers identity number
APRINDO	Indonesian Retail Merchants Association
ASEAN	Association of Southeast Asian Nations
ASIBSINDO	Indonesian Fruit and Vegetables Importers Association
ASPIDI	Association of Indonesian Meat Importers
ASPINDO	Indonesian Mining Services Association
BPS	<i>Biro Pusat Statistik</i> (Indonesian Government Statistical Agency)
BKPM	Investment Co-ordinating Board
BPOM	National Agency of Drug and Food Control
BSE	Bovine spongiform encephalopathy
BSN	National Standardisation Agency
BULOG	National Logistic Agency
CIF	Cost insurance and freight
DPR	<i>Dewan perwakilan rakyat</i> (Lower house of Parliament)
FDI	Foreign direct investment
FOB VALUE	Free on board value
FMCG	Fast moving consumer goods
GAPPINDO	Indonesian Fishery Association
GAPMMI	Indonesian Food and Beverage Industry Association
GDP	Gross domestic product
GINSI	Indonesian Importers Association
GOLKAR	Federation of Functional Groups
HA	Hectares
IBRA	Indonesian Bank Restructuring Authority
ICCV	Islamic Coordinating Council of Victoria Inc
IMA	Indonesian Mining Association
IMF	International Monetary Fund
IPS	Dairy Processors Association
IT	Information technology

KFC	Kentucky fried chicken
Km²	Square kilometres
m²	Square metres
ML	<i>(Makanan luar)</i> Imported food licence number (must be printed on food packaging)
MPR	<i>Majelis permusyawaratan rakyat</i> (Upper house of Parliament)
MUI	Indonesian Islamic Council
NA	Not available
n.e.s.	Not elsewhere specified
PA	Per annum
PAN	National Mandate Party
PKB	National Awakening Party
PKS	Prosperous Justice Party
PBB	Crescent Moon and Star Party
PDI-P	Democratic Party for Struggle
P&D	Packing and distribution
PKB	People's awakening party
PPP	United Development Party (Federation of former Islamic parties)
Rp	Indonesian rupiah
SICHMA	Supreme Islamic Council of Halal Meat in Australia Inc
SKU	Stock keeping unit
SMEs	Small and medium sized enterprises
SNI	Indonesian national standards
UDP	United development party
VAT	Value added tax
WTO	World trade organisation
YOY	Year on year

BAHASA INDONESIA TERMS

<i>bakmi noodles</i>	a noodle and meat dish
<i>halal</i>	(food) permitted to be eaten by Muslims
<i>haram</i>	(food) not permitted to be eaten by Muslims
<i>kaki lima</i>	lit. 'five legs' – a street barrow stall with 3 legs plus the operator's 2 legs
<i>Lebaran or Idul Fitri</i>	the Muslim celebration at the end of fasting
<i>menggurui</i>	to give unsolicited advice / 'preach'
<i>perinci</i>	traditional wooden-hulled sailing ships used to service smaller ports
<i>Ramadan</i>	a month-long Muslim fasting period, the dates for which vary
<i>toko kelontong</i>	stalls at wet market / independent food stores
<i>warung makan</i>	mini roadside stalls / restaurants
<i>warung</i>	roadside stall

INDONESIA: FACTS IN BRIEF

Geography

Area	1.9 million km ²		
Topography	Mostly coastal lowlands; larger islands have interior mountains		
Natural resources	Petroleum, tin, natural gas, nickel, timber, bauxite, copper, coal, gold, silver		
Climate	Tropical, hot, humid, more moderate in highlands		
Capital city	Jakarta (estimated population 8 827 900 in 2003)		
Major cities	Jakarta, Surabaya, Bandung, Medan, Semarang		
Administrative divisions	1 special city district (Jakarta Raya), 2 special regions (Aceh, Yogyakarta), and provinces:		
	<i>Bali</i>	<i>Banten</i>	<i>Bengkulu</i>
	<i>Gorontalo</i>	<i>Jambi</i>	<i>Jawa Barat</i>
	<i>Kalimantan Barat</i>	<i>Jawa Tengah</i>	<i>Jawa Timur</i>
	<i>Kalimantan Timur</i>	<i>Kalimantan Selatan</i>	<i>Kalimantan Tengah</i>
	<i>Lampung</i>	<i>Kepulauan Bangka</i>	<i>Maluku</i>
	<i>Maluku Utara</i>	<i>Belitung</i>	<i>Nusa Tenggara Timur</i>
	<i>Papua</i>	<i>Nusa Tenggara Barat</i>	<i>Sulawesi Selatan</i>
	<i>Sulawesi Tengah</i>	<i>Riau</i>	<i>Sulawesi Utara</i>
	<i>Sumatera Barat</i>	<i>Sulawesi Tenggara</i>	<i>Sumatera Utara</i>
	<i>Sumatera Selatan</i>		

► **Chapter 7 discusses the recent political and economic environment in Indonesia**

► **Appendix 5 provides useful contacts and information sources**

Culture and society

Population	234 893 453 (estimated in 2003)
Population growth	1.52% (estimated in 2003)
Official language	Bahasa Indonesia
Other languages	English and local dialects, the most widely spoken of which is Javanese
Main ethnic groups	Javanese (45%), Sundanese (14%), Madurese (7.5%), coastal Malays (7.5%), other (26%)
Religions	Muslim (88%), Protestant (5%), Roman Catholic (3%), Hindu (2%), Buddhist (1%), other (1%)

Government

Nature of government	Republic; President is Head of State and Head of Government
Main parties	Indonesian Democratic Party of Struggle (PDI-P Partai Demokrasi Indonesia) Crescent Moon and Star Party (PBB) Federation of Functional Groups (Golkar) National Awakening Party (PKB) National Mandate Party (PAN) Prosperous Justice Party (PKS) United Development Party (PPP) (Federation of former Islamic parties)

► **Appendix 6**
provides AUD/IDR
exchange rates

Economy

Currency	Indonesian Rupiah (IDR)
GDP by sector (%)	Agriculture: 17.5%; industry: 44.5%; services 38% (2002)
Merchandise eports	US\$57 billion (2002)
Key export destinations (% of total)	Japan: 21.1%; USA: 13.2%; Singapore: 9.4%; South Korea: 7.2%; China: 5.1%; Australia: 3.4% (2002)
Merchandise imports	US\$35 billion (2002)
Key import sources (% of total)	Japan: 14.1%; Singapore: 13.1%; USA: 8.4%; China: 7.8%; Korea: 5.3%; Australia: 5.1% (2002)

Recent Economic Indicators	1990	1995	1996	1997	1998	1999	2000	2001	2002	2003
GDP (US\$bn current prices, IMF)	114	202	227	216	95	140	152	141	173	207
GDP per capita (US\$ current prices, IMF)	638	1038	1153	1079	467	675	715	665	804	946
GDP per capita (US\$ purchasing power parity)	NA	3127	3386	3609	3079	3104	3275	3393	3100	3460
Real GDP growth (% change YOY)	7.1	NA	7.9	4.7	-13.2	0.8	4.9	3.3	3.6	3.8
Current account balance (US\$m)	-3 000	-6 800	-7 800	-5 000	4 096	5 785	7 985	6 899	4 889	4 865
Current account balance (% GDP)	-2.6	-3.4	-3.4	-2.3	4.3	4.1	5.2	4.7	2.7	2.3
Goods and services exports (% GDP)	26	28	28	28	53.0	35.4	42.4	41.1	31.3	29.9
Inflation (% change YOY)	7.9	9.4	7.9	6.2	58	20.7	3.8	11.5	11.9	6.6
Unemployment rate (%)	NA	NA	NA	NA	15.5	17.5	13.0	8.1	10.3	10.5

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