

# AND AGE SSION

13, 2016  
INDONESIA



*In an economy that is largely driven by rising household consumption, the market's potential for Food & Beverages is only growing*

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## UNDERSTAND THE SECTOR POTENTIAL

- Indonesia's consumption class is predicted to grow from 100 to 140 million by 2020 with an urbanization factor of 71% by 2030
- F&B is a major driver of the domestic economy contributing more than 7% to the GDP
- The constantly rising purchasing power has driven the turnover of the retail market for F&B by an annually 12% between 2008 and 2012
- Share of F&B in manufacturing amounts to 30%
- As labour-intensive industry, F&B manufacturing workforce has increased about 22% in recent years
- The industry's turnover amounted to 82 Million US\$ in 2014, showing an increase of 8.5% bases on the previous year

## BENEFIT FROM OUR PROGRAM

- Participate in a European Pavilion at the SIAL InterFOOD Trade Fair
- Meet potential business partners
- Introduce your products
- Meet the government officials and industry leaders to learn about various regulatory procedures and policies in the F&B sector
- Learn about the current F&B situation and development

**SIAL**InterFOOD  
ASIAN  
JAKARTA



## **Food & Beverages Trade Mission to Indonesia European Pavilion at the SIAL InterFOOD Jakarta Jakarta, November 8 – 13, 2016**

### **General Information**

The overall objective of EU-Indonesia Business Network (EIBN) is to work towards the enhancement of exports and investments of the EU to Indonesia, particularly by Small and Medium Enterprises (SMEs). As part of the activities, EIBN organizes trade missions to offer European companies the unique opportunity to make contact with the major players and business events on the ground in Indonesia. For the upcoming Food & Beverage Trade Mission in November 2016, we are in the process of selecting 20 companies to participate in the mission.

Please fill in the registration form and send it back to us signed before **August 1st, 2016**.

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## The Food & Beverage Market in Indonesia

The food and beverage sector, fuelled by rising incomes and increased spending on food by the middle class has seen a constant impressive growth over the past years in Indonesia. Urban lifestyles are giving rise to a more varied diet, with an increasing demand for imported products, which is supported by the development of retail infrastructure in the form of malls and hypermarkets.

Altogether, the industry's turnover in 2014 was 82 billion US\$, showing an increase of 8.5% to 2013. Also the projections for the coming years are more than promising displaying a growth rate of 9.8% annually in the food sector and 11.6% annually in the beverage sector at least until 2019. Therefore, it comes not as a surprise that the Government of Indonesia (GoI) established the F&B sector as one of its industrial development priorities aiming at utilizing the sector's potential.

The constant growth pattern has been proven this industry to be very resilient during both regional and global economic downturns, being this among other reasons, why it remained amongst the most promising markets for international companies operating in F&B.

In the recent decade the market share of European Importers and distributors has shown a rather modest development compared to other internationally operating players. While food imports from USA, Canada and Australia have been growing by around 25% and those from other Asian countries by 15%, the EU-share of the import market has averagely been increasing by around 3% annually since 2005.

According to the Business Monitor International report on Food and Drink in Indonesia, the Food and Beverage consumption is expected to keep on rising in the coming years, mainly due to the wage growth prospects. Indeed, the food consumption forecast growth for 2017 counts to +6,9%. For alcoholic drinks, the growth is expected to amount to +8,4% in 2017. Soft drinks value sales' growth in 2017 should increase by 8,8% in 2017. Finally, the mass grocery retail value sales' growth is expected to amount to +10,0% in 2017.

### Opportunities

Increasing urbanization, growing health consciousness, and changing life styles will remain strong forces behind the growth of the F&B sector. The small market share owned by European producers leaves space for positive developments, with a local population more and more demanding for high quality, prestigious European products.

### Challenges

Despite the promising prospects, European F&B exporters face important challenges in entering the Indonesian market. The series of Free Trade Agreements signed by Indonesia with neighboring or Asian countries gave place to preferential import tariffs and rendered the competitiveness of some European products.

Moreover, it has to be mentioned that the F&B market in Indonesia is heavily regulated. All imported food items must bear Indonesian language labeling and indicate genetically modified ingredients, as well as be registered with the Indonesian Department of Health.

## Market Entry Strategy

In order to successfully enter the Indonesian market, it is highly recommended, and in some cases mandatory (alcoholic beverages), to find a local partner either as importer or as distributor. They will help with the local procedures and the registration and certification with the Agency for Drug and Food Control (BPOM).

The following event will provide the right platform for European F&B producers and distributors to introduce their products and meet potential local partners:

## SIAL InterFOOD 2016

SIAL InterFOOD is the product of collaboration between two strong powers in the food and beverage industry: SIAL GROUP, the world's largest food exhibition network with 50 years of experience, INTERFOOD, the leading food and beverage exhibition in Indonesia, running for 14 years.

This partnership has proved to be a resounding success as in its first edition in 2014, the show attracted over 35,000 visitors in 2014, and nearly 40,000 thousand visitors in 2015.

This year, the SIAL InterFOOD will be held from 09 – 12 November 2016 at the Jakarta International Expo, Kemayoran, Indonesia.

## European Pavilion at the SIAL InterFOOD 2016

European companies are invited to participate – at an accessible fee - at the SIAL InterFOOD 2016. The aim is to introduce European F&B products to the Indonesian market. A large Indonesian audience will be present: end-consumers but also distributors and importers as well as retail companies. European F&B products and introduction of European culture will feature under a large European pavilion.

The European pavilion will provide a comprehensive platform for all EU 28 embassies and representing companies (F&B producers and/ or distributors) to introduce their home country and their products.

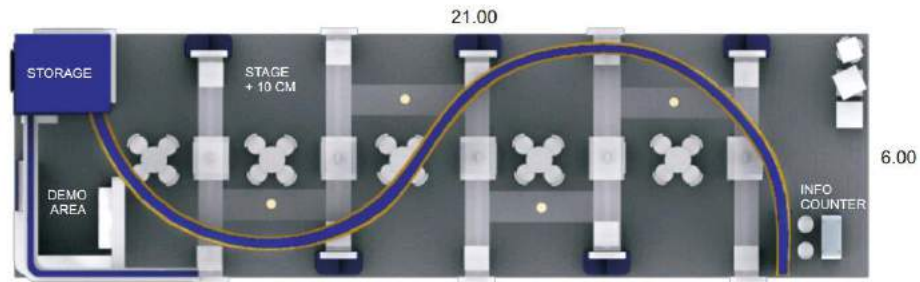
Target groups are:

1. Europe-based F&B producers interested in exploring the Indonesian market;
2. European distributors in Indonesia and / or operating in the region interested in finding new customers or developing their distribution network.

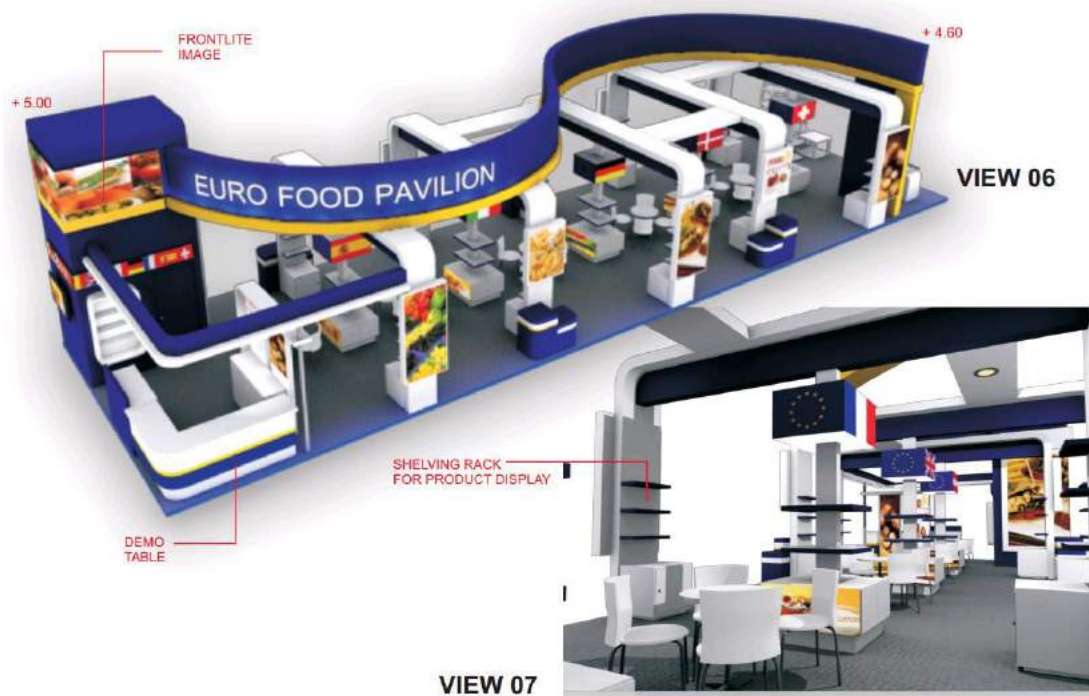
The EU-Indonesia Business Network will make available a range of activities and services to give the opportunity to the European companies to present themselves and to meet with their end-consumers and potential importers. The EIBN will provide market information, and assist the European companies on the spot in meeting with potential local partners (importers, distributors, retail companies, etc.).

In parallel, EIBN will facilitate a space in the European Pavilion for workshops and various programs to be provided by European embassies and companies (such as workshops, product tasting, cooking demo, etc.).





LAY OUT





## How Can You Participate?

### EU Member States embassies

Country areas will be available within the European pavilion and can be utilized by each embassy to display material (flag, flyers, etc.). Each embassy can also propose programs such as workshops, cooking demos by national chefs, etc.

### EU F&B producers and distributors

- Product display and tasting in the country areas within the European pavilion
- Workshops and product presentations in the pavilion
- Individual meeting requests can be arranged on the side of the event (please contact us for more information)

## What To Do Next?

### EU Member States embassies

Circulate the information to potentially interested national companies. Register your interest in participating and make program suggestions to the EIBN team.

### EU F&B producers and distributors

Inform your national embassy in Indonesia that you would be interested in participating in the event. Contact the EIBN team for additional information and program suggestions.

## Participation Fees and Conditions

### A. Participation Fees

#### 1.400 EUR per company (+10% VAT)

- The participation fee includes booth stand in joint EU Pavilion at SIAL InterFOOD trade fair; access to related events; and pre-researched and pre-arranged meeting agenda. EIBN will engage with its network of Indonesian businesses and introduce your product/company prior to your arrival. EIBN will set individual business meetings according to the interest shown, to take place during the mission.
- The full amount is due 4 weeks before the commencement of the program.
- If the participant cancels within the 4 weeks prior to the trade mission commencement or fails to attend, 50% of the participation fee will be refunded.
- The Participation Fee covers all internal group ground transportation in Indonesia, logistics, meals, attendance at briefings and events, visits and as well as needed support for meetings with Indonesian companies.
- Accommodation, Flight from Europe to Indonesia and all food or ground transportation expenses outside the scheduled meals and activities are borne by the participants.
- EIBN will assist in booking the accommodation (discounted corporate rates available for participants at selected hotels).

## **B. Conditions**

### **Eligibility criteria:**

The participant will need to:

- be headquartered in an EU member state,
- be directly engaged in the industry in which the trade mission is focused or in business aligned with trade mission objective,
- be currently exporting or demonstrate export readiness,
- be represented on the mission by an employee or officer of the company.

### **Conditions:**

- The participant must submit a completed and signed mission registration form and supplemental application materials, including adequate information on the company's products and/or services, primary market objectives, and goals for participation.
- Upon signature of the registration, the participation for the trade mission will be binding and the participation fee will be due. EIBN reserves the right to evaluate the ability of the applicant to meet the criteria above.
- The participant must hold and maintain travel and other appropriate insurances in connection with attendance at, and participation in, the trade mission.
- The participant accepts full responsibility for all of the business and organizational outcomes arising from their participation. EIBN will not be held responsible for the commercial endeavors of any party that participates in the trade mission.
- The participant agrees to participate in a separate survey to evaluate the trade mission.