



**MARKET ACCESS SECRETARIAT  
Global Analysis Report**

# Foodservice Profile

## Indonesia

**July 2016**



### EXECUTIVE SUMMARY

- Indonesia is the largest foodservice market among all ASEAN (The Association of Southeast Asian Nations) countries. The value sales for Indonesia’s foodservice market reached US\$36.8 billion in 2014, which was about US\$14 billion higher than the second top country in the ASEAN market.
- Full-service restaurants, fast food, and street stalls/kiosks are the top three growth drivers for Indonesia’s foodservice market. International fast food brands, such as Fast Food Indonesia, the operator of the KFC chain, continued to play a leading role for the foodservice market in 2014.
- The top five Indonesia’s foodservice companies in 2014 were Yum! Brand Inc., McDonald’s Corp., Top Food Indonesia PT, Sederhana Citra Mandiri PT, Starbucks Corp., and A Great American Brand, LLC.
- Having the longest history in Indonesia’s foodservice market, the full-service sector is close to maturity; however, due to the expansion of modern shopping centres, sales in full-service sector are still expected to increase at a CAGR (compound annual growth rate) of 8.8% from 2015 to 2019.
- Bars/pubs continued to dominate the Indonesian café/bars market in 2014, with a 78% market share in 2014. However, since over 90% of the populations are Muslims, the sales of alcoholic drinks are strictly controlled by the government, and consumer expenditure on alcoholic drinks remains the lowest in South East Asia.
- Asian fast food and chicken fast food restaurants continued to drive growth in the Indonesian fast food channel in 2014. Many Indonesians still prefer to eat rice which can make them feel full, while young consumers are shifting from traditional cuisines to western meals such as French fries and burgers.

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## MARKET OVERVIEW

### ASEAN Market

In the agri-food and seafood sectors, Canada exported goods with a value of US\$1.5 billion to the ASEAN market in 2015, representing 3.1% of total exports to the world. The percentage distribution of Canada's export was relatively small. However, with export values from Canada increasing by a compound annual growth rate (CAGR) of 13.1% from 2010 to 2015, ASEAN remains as an emerging market for Canadian agri-food and seafood exporters.

#### Canada's Export to ASEAN Partners in Agri-food and Seafood HS6, In US\$ Millions

| Partner Country   | 2010          | 2011            | 2012            | 2013            | 2014            | 2015            | Total           | % CAGR*<br>2010-15 |
|-------------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| Indonesia         | 247.19        | 371.66          | 391.12          | 547.25          | 515.89          | 527.75          | 2,600.86        | 16.4               |
| Philippines       | 229.28        | 193.08          | 184.03          | 244.47          | 166.31          | 291.64          | 1,308.81        | 4.9                |
| Vietnam           | 70.91         | 129.75          | 152.57          | 198.00          | 221.44          | 282.03          | 1,054.70        | 31.8               |
| Thailand          | 98.78         | 196.36          | 158.85          | 122.89          | 122.39          | 177.21          | 876.48          | 12.4               |
| Malaysia          | 117.22        | 138.11          | 178.14          | 107.33          | 136.00          | 158.35          | 835.15          | 6.2                |
| Singapore         | 62.36         | 68.99           | 96.45           | 96.80           | 119.81          | 76.69           | 521.11          | 4.2                |
| Cambodia          | 0.93          | 0.61            | 0.69            | 0.48            | 0.47            | 8.14            | 11.31           | 54.4               |
| Myanmar           | 0.00          | 0.07            | 0.27            | 3.73            | 4.02            | 5.97            | 14.08           | N/C*               |
| Brunei Darussalam | 0.31          | 0.25            | 0.35            | 0.66            | 0.51            | 0.54            | 2.62            | 12.1               |
| Laos              | 0.00          | 0.00            | 0.00            | 0.01            | 0.00            | 0.05            | 0.06            | N/C*               |
| <b>ASEAN</b>      | <b>826.98</b> | <b>1,098.88</b> | <b>1,162.48</b> | <b>1,321.62</b> | <b>1,286.85</b> | <b>1,528.39</b> | <b>7,225.19</b> | <b>13.1</b>        |

\*CAGR: Compound Annual Growth Rate.

\*N/C: Not Calculated.

\*Value Definition: Statistics Canada uses "Free On Board" value to determine the export to the world (Lexicon on Page 14).

\*Note: Rows exports from 2010 to 2015 may not add to exactly total exports due to rounding.

### Indonesian Market

#### Canada's Gross Export Gap to Indonesia in Agri-food and Seafood HS6, 2014 In US\$ Billions

| Import Supplier                   | 2010  | 2011  | 2012  | 2013  | 2014  | % CAGR 2010-14 |
|-----------------------------------|-------|-------|-------|-------|-------|----------------|
| Indonesia's import from the World | 13.24 | 19.22 | 18.06 | 18.50 | 19.25 | 9.80           |
| Indonesia's import from Canada*   | 0.32  | 0.53  | 0.48  | 0.67  | 0.59  | 16.43          |
| Gross export gap with Canada      | 12.92 | 18.70 | 17.58 | 17.83 | 18.66 | 9.62           |

\*Value Definition: Statistics Indonesia uses "Cost, Insurance, and Freight Import" value to determine the import from the world (Lexicon on Page 14).

Source for all: Global Atlas, 2016.



**Indonesia's Top 10 Agri-food and Seafood HS6 Import from Canada  
Ranked by Market Shares in the World Export, 2014, In US\$ Millions**

| Commodity HS6 | Description                                   | 2014   | Canada's Market Share |
|---------------|---|--------|-----------------------|
| 100830        | Canary seeds                                  | 7.02   | 95.64%                |
| 071310        | Dried peas                                    | 5.09   | 76.65%                |
| 030616        | Frozen cold-water shrimp                      | 3.60   | 64.17%                |
| 030614        | Frozen crab                                   | 19.82  | 43.62%                |
| 200410        | Frozen fries                                  | 8.06   | 21.37%                |
| 100199        | No-durum wheat                                | 466.17 | 19.85%                |
| 070190        | Fresh potatoes without seeds                  | 3.63   | 16.67%                |
| 230990        | Animal feed except dog or cat food in package | 38.12  | 7.45%                 |
| 040210        | Skim milk powder <= 1.5% fat                  | 14.43  | 2.22%                 |
| 120190        | Soybeans                                      | 13.20  | 1.12%                 |

**Indonesia's Top 10 Agri-food and Seafood HS6 Import from Canada  
Ranked in Export Value, 2014, In US\$ Millions**

| Commodity HS6 | Description                                   | 2010  | 2011  | 2012   | 2013   | 2014   | %CAGR 2010-14 |
|---------------|---|-------|-------|--------|--------|--------|---------------|
| 100199        | No-durum wheat                                | 0.00  | 0.00  | 389.46 | 545.91 | 466.17 | N/C*          |
| 230990        | Animal feed except dog or cat food in package | 29.65 | 25.62 | 33.57  | 43.44  | 38.12  | 6.48          |
| 030614        | Frozen crabs                                  | 6.95  | 12.25 | 13.37  | 16.85  | 19.82  | 29.93         |
| 040210        | Skim milk powder <= 1.5% fat                  | 4.36  | 9.86  | 7.18   | 11.94  | 14.43  | 34.91         |
| 120190        | Soybeans                                      | 0.00  | 0.00  | 4.60   | 2.60   | 13.20  | N/C           |
| 200410        | Frozen fries                                  | 2.51  | 2.43  | 4.40   | 10.96  | 8.06   | 33.88         |
| 100830        | Canary seeds                                  | 0.96  | 1.81  | 1.81   | 4.96   | 7.02   | 64.52         |
| 071310        | Dried peas                                    | 0.35  | 1.14  | 3.76   | 1.85   | 5.09   | 95.86         |
| 070190        | Fresh potatoes without seeds                  | 5.13  | 7.43  | 5.76   | 12.72  | 3.63   | -8.32         |
| 030616        | Frozen cold-water shrimp                      | 0.00  | 0.00  | 3.42   | 3.27   | 3.60   | N/C           |

\*CAGR: Compound Annual Growth Rate.

\*N/C: Not Calculated.

Source for all: Global Atlas, 2016.



## CONSUMER BEHAVIOUR

### Consumer Trends

The annual disposable income per household grew at a CAGR of 10% from 2010 to 2015, reaching US\$7,910.3 in 2015, which brought out the significant growth in consumer expenditure.

**Consumer Expenditure by Category, 2015, In US\$ Billions**

| Categories   | 2013  | 2014  | 2015  | 2016 <sup>F</sup> | 2020 <sup>F</sup> | % CAGR*<br>2011-15 | % CAGR*<br>2016 <sup>F</sup> -20 <sup>F</sup> |
|--|-------|-------|-------|-------------------|-------------------|--------------------|---|
| Total Consumer Expenditure                               | 408.6 | 451.8 | 492.8 | 539.6             | 785.0             | 10.9               | 9.8   |
| Consumer Expenditure on Food and Non-Alcoholic Beverages | 135.6 | 149.3 | 162.1 | 176.7             | 253.5             | 10.3               | 9.4   |
| Consumer Expenditure on Alcoholic Beverages              | 0.4   | 0.4   | 0.5   | 0.5               | 0.7               | 8.3                | 8.5   |

*F: Forecast. CAGR: Compound Annual Growth Rate.*

Despite the increase in consumer expenditure, a passive outlook on the economy caused by the impacts of Chinese economic slowdown, and the Indonesian government's recent cuts on the subsidy of fuel and electricity are both leading consumers to save more and spend less.

Health awareness is also growing among Indonesian consumers. Health-conscious consumers are seeking for more options of healthier food and drinks in restaurants and other foodservice channels. The "Superfood", a nutritious food considered to be good for health, such as pitted prunes, is growing popularity across Indonesia, especially in its urban areas.

### Eating and Drinking Habits

Indonesian consumers enjoy savoury and rice tastes. Vegetable with fish or chicken is a typical side dish accompanying with rice. However, in recent years, more Indonesian people are replacing rice with food such as bread, potatoes, oatmeal and corn. Many young people living in the cities usually prefer to have bread and a cup of coffee for breakfast. The popularity of French patisseries is on the rise. Consumers usually go to the boutique bakeries, such as PAUL, Paris Baguette and Tous Les Jours, to purchase their favourite desserts.

Since over 90% of the populations are Muslims, the sales of alcoholic drinks are strictly controlled by the Indonesian government. As a result, consumer expenditure on alcoholic drinks per capita in Indonesia remains the lowest in South East Asia.

### Eating Out Habits

Because of the growing number of working mothers who used to be in charge of cooking at home, Indonesian families are eating out more often. For high-income consumers, food may not be the primary factor in choosing foodservice outlets as they also consider ambience and branding. For low-income consumers, eating out is regarded as a typical time for family gatherings. Thus, regardless of the branding, these consumers usually visit the foodservice outlets in shopping centres.



### Indonesia's Foodservice Sector by Distribution Type, 2014 Historic % Breakdown Based on Retail Value Sales

| Type           | 2010  | 2011  | 2012  | 2013  | 2014  |
|----------------|-------|-------|-------|-------|-------|
| Eat-in         | 92.3% | 92.2% | 92.1% | 92.0% | 91.9% |
| Home Delivery  | 1.7%  | 2.0%  | 2.3%  | 2.5%  | 2.8%  |
| Takeaway       | 6.0%  | 5.8%  | 5.6%  | 5.5%  | 5.3%  |
| Drive-Through* | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  |

*Note: Drive-Through holds very little market share in the Indonesian foodservice industry.*

## THE OVERALL FOODSERVICE MARKET

Foodservice in Indonesia grew at a CAGR of 8.7% from 2010 to 2014, reaching US\$36.8 billion sales in 2014. Full-service restaurants, fast food and street stalls/kiosks are the top three growth drivers for Indonesia's foodservice market. It is predicted that the growth of outlet volume in foodservice industry will slow down from 2015 to 2019; however, the value sales are expected to grow faster over the same period. This future change may result from new regulations issued by the Indonesian government which placed limitation of the number of foodservice outlets.

### ASEAN Foodservice Value Sales by Countries, 2015 In US\$ Millions

| Countries   | 2010     | 2011     | 2012     | 2013     | 2014     | 2015 <sup>E</sup> |
|-------------|----------|----------|----------|----------|----------|-------------------|
| Indonesia   | 26,381.7 | 28,427.5 | 30,797.9 | 33,625.9 | 36,814.8 | 39,906.4          |
| Thailand    | 20,550.3 | 20,442.0 | 20,977.2 | 21,783.6 | 22,928.4 | 24,256.6          |
| Vietnam     | 10,152.2 | 11,977.9 | 13,945.5 | 16,446.2 | 18,547.5 | 21,267.4          |
| Malaysia    | 8,510.7  | 9,002.7  | 9,495.3  | 10,039.8 | 10,718.3 | 11,500.4          |
| Philippines | 8,520.1  | 8,865.6  | 9,345.6  | 9,864.9  | 10,400.5 | 11,050.7          |
| Singapore   | 7,875.4  | 8,133.9  | 8,314.3  | 8,579.4  | 8,861.4  | 9,223.4           |

*E: Estimated.*

### Value Sales and Growth of Indonesia's Foodservice by Subsector, 2014 In US\$ Millions

| Subsector                   | 2013     | 2014     | 2015 <sup>E</sup> | 2016 <sup>F</sup> | 2019 <sup>F</sup> | % CAGR<br>2010-14 | % CAGR<br>2015 <sup>E</sup> -19 <sup>F</sup> |
|-----------------------------|----------|----------|-------------------|-------------------|-------------------|-------------------|--|
| Total Consumer Foodservice  | 33,625.9 | 36,814.8 | 39,906.4          | 43,310.8          | 56,290.7          | 8.7               | 9.0  |
| Full-Service Restaurants    | 27,486.2 | 30,022.8 | 32,465.4          | 35,152.5          | 45,423.5          | 8.5               | 8.8  |
| Cafés/Bars                  | 3,298.6  | 3,634.9  | 3,969.0           | 4,338.8           | 5,756.0           | 9.4               | 9.7  |
| Fast Food                   | 1,442.8  | 1,651.3  | 1,861.1           | 2,092.8           | 2,941.5           | 12.7              | 12.1   |
| Street Stalls/Kiosks        | 1,203.6  | 1,291.9  | 1,376.4           | 1,468.7           | 1,821.1           | 6.3               | 7.2  |
| Pizza Consumer Foodservice* | 356.8    | 411.9    | 474.2             | 542.5             | 755.1             | 11.6              | 12.3   |
| Self-Service Cafeterias     | 179.9    | 196.8    | 211.7             | 228.1             | 288.9             | 8.9               | 8.1  |
| 100% Home Delivery/Takeaway | 14.9     | 17.1     | 22.8              | 29.8              | 59.8              | 57.2              | 27.3   |

*Note: Pizza consumer foodservice is including three sub-sectors (pizza fast food, pizza full-service restaurants and pizza 100% home delivery/takeaway). These sub-sectors are already included in the total fast food, total full-service restaurants and total 100% home delivery/takeaway sectors. Thus, pizza consumer foodservice is not included in the total consumer foodservice value sales.*

*F: Forecast. E: Estimated. CAGR: Compound Annual Growth Rate.*



International fast food brands, such as Fast Food Indonesia, the operator of the KFC chain, continued to play a leading role for the foodservice market in 2014. The number of chained foodservice outlets is expected to grow at a CAGR of 6.2% from 2015 to 2019. Chained cafés, usually located in major cities such as Jakarta, is forecast to expand with a CAGR of 5% in the number of outlets over the same period. Independent foodservice operators represented 90% of total value sales in Indonesia's foodservice market in 2014. Yet, with 191,021 outlets in 2014, the market is about to saturate and is expected to grow at a CAGR of 0.2% in total number of outlets from 2015 to 2019.

### Value Sales and Growth of Indonesia's Foodservice by Type, 2014 In US\$ Millions

| Subsector                        | 2013     | 2014     | 2015 <sup>E</sup> | 2016 <sup>F</sup> | 2019 <sup>F</sup> | % CAGR<br>2010-14 | % CAGR<br>2015 <sup>E</sup> -19 <sup>F</sup> |
|----------------------------------|----------|----------|-------------------|-------------------|-------------------|-------------------|--|
| Total Consumer Foodservice       | 33,625.9 | 36,814.8 | 39,906.4          | 43,310.8          | 56,290.7          | 8.7               | 9.0  |
| Chained Consumer Foodservice     | 2,583.9  | 2,985.8  | 3,409.5           | 3,878.2           | 5,584.4           | 13.4              | 13.1   |
| Independent Consumer Foodservice | 31,042.1 | 33,829   | 36,496.9          | 39,432.6          | 50,706.3          | 8.3               | 8.6  |

F: Forecast. E: Estimated. CAGR: Compound Annual Growth Rate.

### Outlets and Transactions of Indonesia's Foodservice by Subsector, 2014

| Subsector                   | Outlets | Transactions<br>(Millions) | Average Sales<br>per Outlet (US\$) | Average Sales<br>per Transaction<br>(US\$) |
|-----------------------------|---------|----------------------------|------------------------------------|--|
| Total Consumer Foodservice  | 207,493 | 6,168.3                    | 177,426.71                         | 5.97                                       |
| Full-Service Restaurants    | 101,653 | 4,019.0                    | 295,345.93                         | 7.47                                       |
| Fast Food                   | 5,934   | 381.3                      | 278,277.72                         | 4.33                                       |
| Cafés/Bars                  | 4,310   | 257.8                      | 843,364.27                         | 14.10                                      |
| Street Stalls/Kiosks        | 94,872  | 1,449.5                    | 13,617.29                          | 0.89                                       |
| 100% Home Delivery/Takeaway | 157     | 1.6                        | 108,917.20                         | 10.69                                      |
| Self-Service Cafeterias     | 567     | 59.1                       | 347,089.95                         | 3.33                                       |
| Pizza Consumer Foodservice* | 669     | 33.8                       | 615,695.07                         | 12.19                                      |

### Outlets and Transactions of Indonesia's Foodservice by Subsector, 2019

| Subsector                   | Outlets | Transactions<br>(Millions) | Average Sales<br>per Outlet (US\$) | Average Sales<br>per Transaction<br>(US\$) |
|-----------------------------|---------|----------------------------|------------------------------------|--|
| Total Consumer Foodservice  | 215,906 | 6,793.5                    | 260,718.55                         | 8.29                                       |
| Full-Service Restaurants    | 102,937 | 4,335.2                    | 441,274.76                         | 10.48                                      |
| Fast Food                   | 8,080   | 505.9                      | 364,047.03                         | 5.81                                       |
| Cafés/Bars                  | 5,514   | 337.7                      | 1,043,888.28                       | 17.04                                      |
| Street Stalls/Kiosks        | 98,255  | 1,536.2                    | 18,534.43                          | 1.19                                       |
| 100% Home Delivery/Takeaway | 417     | 4.6                        | 143,405.28                         | 13.08                                      |
| Self-Service Cafeterias     | 703     | 73.9                       | 410,953.06                         | 3.91                                       |
| Pizza Consumer Foodservice* | 1,101   | 50.0                       | 685,831.06                         | 15.10                                      |

**Note for all:** Pizza consumer foodservice is including three sub-sectors (pizza fast food, pizza full-service restaurants and pizza 100% home delivery/takeaway). These sub-sectors are already included in the total fast food, total full-service restaurants and total 100% home delivery/takeaway sectors. Thus, pizza consumer foodservice is not included in the total consumer foodservice value sales.



**Top 10 Foodservice Companies in Indonesia, 2014**  
**% Breakdown Based on Retail Value Sales**

| Companies                      | 2014 |
|--------------------------------|------|
| 1. Yum! Brands Inc.            | 1.8% |
| 2. McDonald's Corp.            | 0.4% |
| 3. Top Food Indonesia PT       | 0.4% |
| 4. Sederhana Citra Mandiri PT  | 0.3% |
| 5. Starbucks Corp.             | 0.2% |
| 6. A Great American Brand, LLC | 0.2% |
| 7. Eka Bogainti PT             | 0.2% |
| 8. J Co Donuts & Coffee PT     | 0.2% |
| 9. Sinar Solaria PT            | 0.2% |
| 10. Edam Burger Indonesia PT   | 0.2% |

**Top 10 Foodservice Companies Worldwide, 2014**  
**% Breakdown Based on Retail Value Sales**

| Companies                               | 2014 |
|---|------|
| 1. McDonald's Corp.                     | 3.4% |
| 2. Yum! Brands Inc.                     | 1.7% |
| 3. Restaurant Brands International Inc. | 0.9% |
| 4. Seven & I Holdings Co. Ltd.          | 0.8% |
| 5. Doctor's Associates Inc.             | 0.8% |
| 6. Starbucks Corp.                      | 0.7% |
| 7. Wendy's Co., The                     | 0.4% |
| 8. Dunkin' Brands Group Inc.            | 0.4% |
| 9. Domino's Pizza Inc.                  | 0.3% |
| 10. DineEquity Inc.                     | 0.3% |

**Top Foodservice Companies in Indonesian by Brand and Retail Value Sales, 2014**  
**In US\$ Millions**

| Brand                  | Global Brand Owners         | 2013   | 2014   | %CAGR<br>2010-2014 | %CAGR<br>2012-14 |
|------------------------|-----------------------------|--------|--------|--------------------|------------------|
| KFC                    | Yum! Brands Inc.            | 327.90 | 368.80 | 11.27              | 10.89            |
| Pizza Hut              | Yum! Brands Inc.            | 251.50 | 296.80 | 13.54              | 15.99            |
| Es Teler 77            | Top Food Indonesia PT       | 149.10 | 161.80 | 10.00              | 9.27             |
| McDonald's             | McDonald's Corp.            | 134.40 | 155.60 | 15.81              | 18.93            |
| Sederhana, Rumah Makan | Sederhana Citra Mandiri PT  | 84.90  | 94.70  | 10.51              | 10.76            |
| Starbucks              | Starbucks Corp.             | 81.10  | 90.80  | 25.08              | 21.61            |
| A&W                    | A Great American Brand, LLC | 82.30  | 90.60  | N/C                | 11.02            |
| HokBen                 | Eka Bogainti PT             | 78.50  | 85.60  | 14.56              | 9.04             |
| J Co Donuts & Coffee   | J Co Donuts & Coffee PT     | 66.20  | 84.00  | 23.42              | 19.73            |
| Solaria                | Sinar Solaria PT            | 67.40  | 72.80  | 12.04              | 8.27             |

**CAGR:** Compound Annual Growth Rate.

**N/C:** Not Calculated.

Foodservice outlets are expanding hours of operation to increase value sales. Most outlets open from 6 a.m. to midnight or past midnight to meet consumers' busy lifestyle. Full-service restaurants and fast food outlets offer special breakfast menus at limited times, usually from 6 a.m. to 11 a.m., while other types of foodservice establishments, such as self-cafeteria, usually choose to open in limited times either early in the morning or late at night. Breakfast foodservice is currently trendy in Indonesia, but the competition in this channel is very strong, thus, companies are seeking innovation to create new menus to attract consumers.

Home delivery increased its market shares in all types of consumer foodservice in 2014. Full-service restaurants, fast food, and café/bars profited from this trend. Also, due to the popularity of the Internet, more consumers are expected to order home deliveries online.

Package food and beverage manufacturers are expanding into the consumer foodservice because of the high performance of the foodservice market. Locally well-known instant coffee brands, such as Kapai Api from Santos, are selling their franchises to street stalls to increase the presence of their products in street stall market.





## FULL-SERVICE RESTAURANTS

Full-service restaurants are food-oriented establishments that provide proper full table services and multiple selections of meals. Full-service restaurants increased in value sales by 9.2% from 2013 to 2014, rising to US\$30 billion in 2014, while transactions increased by 2.1%, and the number of outlets increased by 0.5%, reaching 101,653 outlets in 2014. Having the longest history in the Indonesian market, the full-service market is close to maturity; thus, the growth in transaction volume and the number of outlets started declining. However, due to the expansion and development of modern shopping centres, value sales in full-service restaurant are still expected to increase at a CAGR of 8.8% from 2015 to 2019.

**Indonesian Full-Service Restaurants\* (FSR) by Type, 2014**  
% Breakdown Based on Retail Sales

| Type               | 2010   | 2011   | 2012   | 2013   | 2014   |
|--------------------|--------|--------|--------|--------|--------|
| Asian FSR          | 94.72% | 94.67% | 94.59% | 94.53% | 94.40% |
| North American FSR | 1.44%  | 1.46%  | 1.47%  | 1.49%  | 1.51%  |
| Pizza FSR          | 1.21%  | 1.21%  | 1.22%  | 1.24%  | 1.32%  |
| European FSR       | 1.08%  | 1.08%  | 1.08%  | 1.08%  | 1.09%  |
| Latin American FSR | 0.09%  | 0.10%  | 0.10%  | 0.11%  | 0.11%  |
| Middle Eastern FSR | 0.06%  | 0.06%  | 0.06%  | 0.06%  | 0.06%  |
| Other FSR          | 1.40%  | 1.43%  | 1.47%  | 1.49%  | 1.52%  |

*Source: Calculated using data from Euromonitor International, 2016.*

*\*Note: Full-service restaurants catalogued in this segment only include those have proper full table services, that is, consumers will order at the tables, and waiters or waitress will bring food to the tables afterwards.*

**Indonesian Full-Service Restaurants\* (FSR) by Type, 2019**  
% Breakdown Based on Retail Sales

| Type               | 2015   | 2016   | 2017   | 2018   | 2019   |
|--------------------|--------|--------|--------|--------|--------|
| Asian FSR          | 94.22% | 94.05% | 93.89% | 93.75% | 93.64% |
| North American FSR | 1.54%  | 1.58%  | 1.62%  | 1.66%  | 1.70%  |
| Pizza FSR          | 1.39%  | 1.46%  | 1.51%  | 1.54%  | 1.53%  |
| European FSR       | 1.11%  | 1.12%  | 1.13%  | 1.14%  | 1.15%  |
| Latin American FSR | 0.11%  | 0.11%  | 0.11%  | 0.11%  | 0.11%  |
| Middle Eastern FSR | 0.06%  | 0.07%  | 0.07%  | 0.07%  | 0.07%  |
| Other FSR          | 1.56%  | 1.61%  | 1.67%  | 1.73%  | 1.80%  |

*Source: Calculated using data from Euromonitor International, 2016.*

*\*Note: Full-service restaurants catalogued in this segment only include those have proper full table services, that is, consumers will order at the tables, and waiters or waitress will bring food to the tables afterwards.*

The independent full-service restaurant is the dominant subsector in the Indonesian full-service restaurant foodservice market. In 2014, its value sales accounted for 96.5% of total sales in the full-service restaurant channel. Nevertheless, chained full-service restaurants had the fastest value growth of 15% in 2014, comparing to 9% growth recorded in the independent full-service sector. This fast growth in chained restaurants was linked to their aggressive expansion strategy. Asian full-service restaurants still remained the most popular among Indonesian consumers in 2014. Many Asian restaurants are expected to introduce newly created menus especially some Korean and Japanese dishes.

*Source for all: Euromonitor International, 2016.*





**Top Five Chained Brands in the Indonesian Full-Service Restaurant, 2014  
% Breakdown Based on Retail Sales**

| Global Brand Name      | Global Brand Owner         | 2011  | 2012 | 2013  | 2014  |
|------------------------|----------------------------|-------|------|-------|-------|
| Pizza Hut              | Yum! Brands Inc.           | 27.1% | 27%  | 27.3% | 27.9% |
| Sederhana, Rumah Makan | Sederhana Citra Mandiri PT | 9.6%  | 9.5% | 9.2%  | 8.9%  |
| Solaria                | Sinar Solaria PT           | 7.4%  | 7.6% | 7.3%  | 6.9%  |
| D'Cost Seafood         | Pendekar Bodoh PT          | 4.6%  | 5.5% | 5.6%  | 5.8%  |
| Planet Hollywood       | Planet Hollywood Inc.      | 1.6%  | 1.7% | 1.7%  | 1.7%  |

Pizza full-service restaurants generated the highest growth in value sales, increasing by 16% in 2014, among all the subsectors of full-service restaurants. This significant growth may partly result from the strong performance of the company Sari Melati Kencana, the operator of the Pizza Hut chain in Indonesia. Sari Melati Kencana is the only pizza full-service restaurant chain in Indonesia that has a nationwide network. The chain retained its leadership in chained full-service restaurants with a 28% market share in 2014. Choosing a local company as an operator, Pizza Hut successfully attracted many Indonesian consumers with the authentic Indonesian taste of its food. For example, since rice is the main dish of Indonesian consumers which makes them feel full, Pizza Hut provides a thicker crust as a filling option. In addition, Pizza Hut is following the new market trend to fulfill consumers' needs. It offers breakfast menus with many non-pizza dishes, such as platters, omelets, and pasta. It also creates a 100% home delivery service brand Pizza Hut Express to meet consumers' desire for fast and convenient food.

## CAFÉ/BARS

Café/bars in Indonesia include pubs, café, specialty coffee shops and juice or smoothie bars. Café/bars in the Indonesian foodservice market increased at a CAGR of 9.4% in value sales from 2010 to 2014, reaching US\$3.6 billion in 2014, and are expected to keep increasing in value sales at a CAGR of 9.7% from 2015 to 2019. The outlet volume grew at a CAGR of 5% from 2010 to 2014, and is estimated to increase at the same rate from 2015 to 2019. The number of transactions in the Indonesia café/bars market increased at a CAGR of 5.5% over the same period, and is forecast to remain its growth at the same rate from 2015 to 2019.

Bars/pubs continued to dominate the Indonesian café/bar market in value sales in 2014. The values sales in this sector accounted for 78% of total retail value sales in the Indonesian café/bar sector in 2014. This may result from the choice of target consumers and cost per transactions in the bar/pub channel. Bars/pubs mainly target affluent consumers with higher income, and beverages sold in bars/pubs are mostly beers and imported alcoholic drinks which are sold at high prices.

**Indonesia's Café/ Bars Foodservice Subsector by Distribution Type, 2014  
% Breakdown Based on Retail Value Sales**

| Type                   | 2013   | 2014   | 2015 <sup>E</sup> | 2016 <sup>F</sup> | 2019 <sup>F</sup> |
|------------------------|--------|--------|-------------------|-------------------|-------------------|
| Bars/ Pubs             | 78.47% | 77.90% | 77.34%            | 76.81%            | 75.54%            |
| Café                   | 15.63% | 15.59% | 15.48%            | 15.36%            | 14.93%            |
| Specialty Coffee Shops | 5.88%  | 6.48%  | 7.16%             | 7.81%             | 9.51%             |
| Juice/Smoothie Bars    | 0.02%  | 0.02%  | 0.02%             | 0.02%             | 0.02%             |

F: Forecast. E: Estimated.



Specialty coffee shops retained the highest growth in value sales of 22% in 2014. Unlike bars/pubs, specialty coffee shops usually target a wider range of consumers and offer a wider range of food options to meet different groups' needs. Chained specialty coffee shops grew at 23% in 2014, while the independent specialty coffee shops increased by just 10% in value sales in 2014. The popularity of leading brands such as Starbucks and Excelso Café is growing, which mainly results from their wider selection of food and beverages and affordable prices. Excelso Café, for instance, provides Indonesian consumers both light and heavy meals cooked based on the order, such as French fries and different kinds of pasta.

**Top 10 GBN (Global Brand Name) Brand Shares in Chained Café, 2014**  
**% Breakdown Based on Retail Sales**

| Global Brand Name          | Global Brand Owner             | 2011  | 2012  | 2013  | 2014  |
|----------------------------|--------------------------------|-------|-------|-------|-------|
| Starbucks                  | Starbucks Corp.                | 31.4% | 33.5% | 36.8% | 33.2% |
| Excelso Café               | Excelso Multirasa PT           | 13.3% | 13.8% | 13.1% | 12.1% |
| The Coffee Bean & Tea Leaf | International Coffee & Tea LLC | 10.6% | 10.3% | 10.1% | 10%   |
| Oh La La Café              | Oh La La International PT      | 5.1%  | 4.6%  | 4.2%  | 3.9%  |
| Coffee Toffee              | Coffee Toffee Indonesia PT     | 2.6%  | 2.5%  | 2.5%  | 3.7%  |
| McCafé                     | McDonald's Corp.               | 2.9%  | 2.7%  | 3%    | 3.4%  |
| Bakerzin                   | Baker's Inn Holdings Pte Ltd.  | 2.7%  | 2.7%  | 2.7%  | 2.9%  |
| Ya Kun Kaya Toast          | Ya Kun International Pte Ltd.  | 2.4%  | 2.2%  | 1.9%  | 1.9%  |
| Black Canyon               | Black Canyon Thailand Co. Ltd. | 2%    | 2.1%  | 1.7%  | 1.6%  |
| Bengawan Solo Coffee       | Bengawan Solo Coffee PT        | 1.8%  | 1.6%  | 1.6%  | 1.4%  |

Mitra Adi Perkasa, the operator of Starbucks Indonesia, kept its leading role in chained café/ bars with a 33% market share in value sales in 2014. It is expected that drive-through services will be provided in areas such as highway rest areas by Mitra Adi Perkasa from 2015 to 2019. This will give Indonesian consumers a new shopping concept in the café market.

**FAST FOOD**

Fast food in Indonesia grew at a CAGR of 13% in value sales from 2010 to 2014, reaching US\$1.65 billion in 2014. The transaction volume and the number of outlets in fast food service each increased at a CAGR of 8% and 7% over the same period. Value sales in fast food are also estimated to increase at a CAGR of 12% from 2015 to 2019, while the number of transactions and outlets will each increase at a CAGR of 5% and 6% over the same period.

**Indonesia's Fast Food Foodservice Subsector by Distribution Type, 2014**  
**Historic % Breakdown Based on Retail Value Sales**

| Type          | 2010  | 2011  | 2012  | 2013  | 2014  |
|---------------|-------|-------|-------|-------|-------|
| Eat-in        | 74.4% | 74.3% | 74.8% | 75.3% | 75.8% |
| Home Delivery | 8.5%  | 9.0%  | 9.5%  | 10.0% | 10.5% |
| Takeaway      | 17.0% | 16.5% | 15.5% | 14.5% | 13.5% |
| Drive-Through | 0.1%  | 0.2%  | 0.2%  | 0.2%  | 0.2%  |



**Indonesian Fast Food by Type, 2014  
% Breakdown Based on Retail Value Sales**

| Type                        | 2013   | 2014   | 2015 <sup>E</sup> | 2016 <sup>F</sup> | 2019 <sup>F</sup> |
|-----------------------------|--------|--------|-------------------|-------------------|-------------------|
| Asian Fast Food             | 35.72% | 35.22% | 34.80%            | 34.45%            | 33.99%            |
| Chicken Fast Food           | 32.10% | 31.37% | 30.40%            | 29.69%            | 29.26%            |
| Burger Fast Food            | 18.82% | 19.73% | 20.92%            | 21.77%            | 22.00%            |
| Bakery Products Fast Food   | 9.20%  | 9.10%  | 8.86%             | 8.70%             | 8.69%             |
| Ice Cream Fast Food         | 2.31%  | 2.52%  | 2.79%             | 3.04%             | 3.52%             |
| Convenience Store Fast Food | 1.66%  | 1.88%  | 2.05%             | 2.19%             | 2.41%             |
| Middle Eastern Fast Food    | 0.20%  | 0.18%  | 0.17%             | 0.16%             | 0.14%             |

*F: Forecast. E: Estimated.*

Asian fast food and chicken fast food continued to drive growth in the Indonesian fast food channel in 2014. Asian fast food restaurants provide Indonesian, Japanese and Korean cuisines to Indonesian consumers. Many Indonesians still prefer to eat rice because it can let them feel full, while many young people are shifting to western meals such as French fries and burgers.

International brands continue to dominate the Indonesian fast food market. Indonesian consumers are showing strong loyalty to brands such as KFC, McDonald's, A&W, Dunkin's Donuts and Baskin-Robbins. However, the competition among the leading operators is very strong. In order to attract consumers, leading operators are adding more innovation into the menus and offer rewards to Indonesian consumers. For example, KFC offer Indonesian consumers specific set meals with music CDs.

Convenience store fast food continued to grow at the fastest rate in value sales in 2014, rising by 30%. Modern Putra, Indonesia's 7-Eleven, remained as the leading convenience store fast food brand in 2014. Convenience store fast food is new to Indonesian consumers; however, they are more easily accessible and have many ready-to-eat foods, which are mainly attached to Indonesians' busy lifestyle, and thus, remain popular among consumers.

**Top 10 GBN (Global Brand Name) Brand Shares in Chained Fast Food, 2014  
% Breakdown Based on Retail Sales**

| Global Brand Name        | Global Brand Owner                       | 2011  | 2012  | 2013  | 2014  |
|--------------------------|--|-------|-------|-------|-------|
| KFC                      | Yum! Brands Inc.                         | 30.1% | 28.8% | 27.4% | 26.7% |
| Es Teler 77              | Top Food Indonesia PT                    | 13.3% | 13%   | 12.5% | 11.7% |
| McDonald's               | McDonald's Corp.                         | 10.6% | 10.6% | 11.2% | 11.3% |
| A&W                      | A Great American Brand, LLC              | 6.9%  | 7.1%  | 6.9%  | 6.5%  |
| HokBen                   | Eka Bogainti PT                          | 6.3%  | 6.9%  | 6.6%  | 6.2%  |
| J Co Donuts & Coffee     | J Co Donuts & Coffee PT                  | 5.2%  | 5.6%  | 5.5%  | 6.1%  |
| California Fried Chicken | Pioneerindo Gourmet International Tbk PT | 3.4%  | 3.6%  | 3.5%  | 3.4%  |
| Texas Chicken            | Friedman Fleischer & Lowe                | 2.8%  | 2.7%  | 2.5%  | 2.3%  |
| Dunkin' Donuts           | Dunkin' Brands Group Inc.                | 2%    | 2%    | 1.9%  | 2.1%  |
| Baskin-Robbins           | Dunkin' Brands Group Inc.                | 1.3%  | 1.5%  | 1.7%  | 1.8%  |

*Source for all: Euromonitor International, 2016.*



## STREET STALLS/KIOSKS

Street stalls or kiosks are small and mobile foodservice establishments where foods of limited selections are offered at low prices. Street stalls or kiosks are the most affordable and popular foodservice channel in Indonesian market. In 2014, the number of street stalls accounted for 46% of the total outlets in consumer foodservice in Indonesia. Its rapidly prepared food and favorable prices attract people at different income levels.

Street stalls in Indonesia increased at a CAGR of 6.3% in value sales from 2010 to 2014, rising US\$1,291.9 million in 2014, while the transaction volume increased at a CAGR of 1.4%, and the number of outlets increased at a CAGR of 1.2%, reaching 94,872 outlets in 2014. It is estimated that value sales in street stalls will keep increasing at a CAGR of 7.2% from 2015 to 2019, and the transaction volume and outlet volume will each increase at a CAGR of 1.2% and 0.7% over the same period.

### GBN (Global Brand Name) Brand Shares in Chained Street Stalls/Kiosks, 2014 % Breakdown Based on Retail Sales

| Global Brand Name     | Global Brand Owner        | 2011  | 2012  | 2013  | 2014  |
|-----------------------|---------------------------|-------|-------|-------|-------|
| Edam Burger           | Edam Burger Indonesia PT  | 38.7% | 37.8% | 36.3% | 34.5% |
| Red Crispy            | Magfood Inovasi Pangan PT | 9.6%  | 9.5%  | 9.2%  | 9%    |
| Mr Burger             | Gempita Indonesia Muda PT | 9%    | 8.6%  | 8.1%  | 7.6%  |
| Kebab Turki Baba Rafi | Baba Rafi Indonesia PT    | 4.8%  | 5.8%  | 6.7%  | 7.5%  |
| Quickly Bubble Tea    | Kuai Keli Inc.            | 3.8%  | 3.8%  | 3.7%  | 3.6%  |
| Edola Burger          | Edola Kantenindo PT       | 3.9%  | 3.5%  | 3.2%  | 2.9%  |
| Fresh Corn            | Anvic Multi Bisnis PT     | 1.3%  | 0.7%  | 0.6%  | 0.6%  |
| Others                | Others                    | 28.9% | 30.4% | 32.1% | 34.4% |

Independent street stalls focus on local foods such as sate padang (beef stay), while chained street stalls focus more on International foods including western, Italian, middle eastern, Japanese and Korean cuisines. The number of international food sellers has been increasing in Indonesia in recent years. Popular international dish include sushi and burgers.

Most independent street stalls are unlicensed, which has raised some issues on hygiene and food safety. The Indonesian government is expected to regulate the street stalls market in the near future, which may force food providers to improve hygiene levels. A number of local instant coffee brands are expanding their businesses into the street stall market. The famous coffee brand Torabika from Mayora is offering franchises for stalls to sell coffee under its brand name.

### Value Sales and Growth of Indonesia's Street Stalls/Kiosks Foodservice by Type, In US\$ Millions

| Subsector                        | 2013   | 2014   | 2015 <sup>E</sup> | 2016 <sup>F</sup> | 2019 <sup>F</sup> | % CAGR<br>2010-14 | % CAGR<br>2015 <sup>E</sup> -19 <sup>F</sup> |
|----------------------------------|--------|--------|-------------------|-------------------|-------------------|-------------------|--|
| Chained Street Stalls/Kiosks     | 9,058  | 9,402  | 9,769             | 10,160            | 11,495            | 3.6               | 4.2  |
| Independent Street Stalls/Kiosks | 84,960 | 85,470 | 85,897            | 86,241            | 86,760            | 0.9               | 0.3  |
| Street Stalls/Kiosks             | 94,018 | 94,872 | 95,666            | 96,401            | 98,255            | 1.2               | 0.7  |

F: Forecast. E: Estimated.

Source for all: Euromonitor International, 2016.



## OPPORTUNITIES

- Indonesia is the world's fourth most populous nation, which is a large consumer market for Canadian exporters. It also remains as the biggest agri-food and seafood importer from Canada in the ASEAN market, with a CAGR of 16.4% from 2010 to 2015.
- Indonesia has the largest foodservice market among all ASEAN countries, with US\$36.8 billion value sales in 2014. Despite the government's new regulation to limit the foodservice expansion, the value sale in foodservice are expected to increase at a CAGR of 9% from 2015 to 2019.
- The popularity of western style cuisines among Indonesian consumers is on the rise, especially among young people. International brands are playing a leading role in the Indonesian fast food, pizza full-service, and chained coffee foodservice market.
- Indonesia was excluded from the recently concluded Trans-Pacific Partnership (TPP), but it has declared the interest in joining in the TPP. It is very likely to expand as a potential export partner with Canada in the future.

## FOR MORE INFORMATION

International Trade Commissioners can provide Canadian industry with on-the-ground expertise regarding market potential, current conditions and local business contacts, and are an excellent point of contact for export advice.

- **Overview of Trade Commissioner Services in Indonesia**  
[www.tradecommissioner.gc.ca/id](http://www.tradecommissioner.gc.ca/id)
- **Find a Trade Commissioner**  
[www.tradecommissioner.gc.ca/eng/find-trade-contacts.jsp](http://www.tradecommissioner.gc.ca/eng/find-trade-contacts.jsp)

For additional intelligence on this and other markets, the complete library of Global Analysis reports can be found under *Statistics and Market Information* at the following link, arranged by sector and region of interest:

- [ats-sea.agr.gc.ca](http://ats-sea.agr.gc.ca)

For additional information on Food & Hotel Asia (FHA) 2016, please contact:

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## RESOURCES

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Euromonitor International, 2015. *Street Stalls/ Kiosks in Indonesia*.

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## LEXICON

**Free on Board (F.O.B.):** A standard reference to the price of merchandise on the boarder or at a national port. In F.O.B. contracts, the seller is obliged to have the goods packaged and ready for shipment at the place agreed upon, and purchaser agrees to cover all ground transport costs and to assure all risks in the exporting country, together with subsequent transport costs and expenses incurred in loading the goods onto the chosen means of transport.

**Cost, Insurance, and Freight Import Value (C.I.F):** The import value represents the landed value of the merchandise at the first port of arrival in the importing country. It is computed by adding “Import Charges” to the “Customs Value” and therefore excludes import duties.



## FOODSERVICE PROFILE: INDONESIA

*Global Analysis Report*

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