

# Indonesia's Food & Beverage Industry: Investment Trends and Financing Opportunities

Indonesia Investment & Trade Forum

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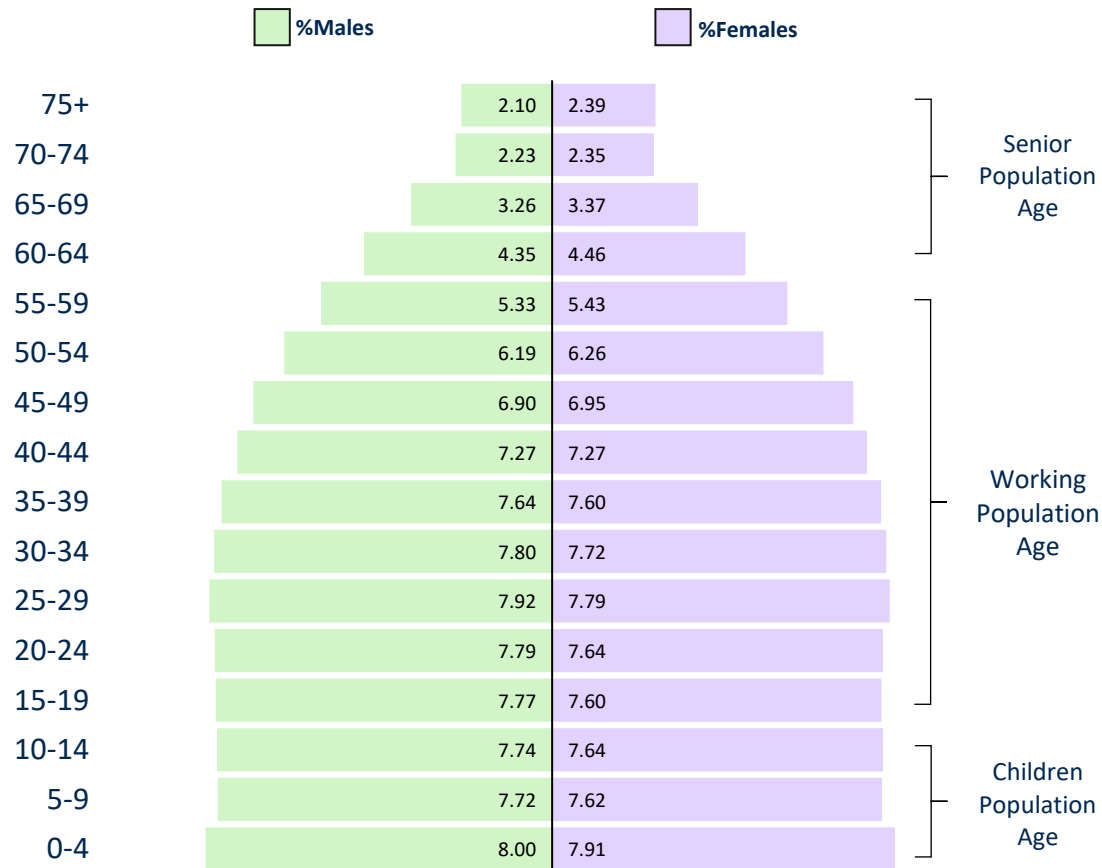
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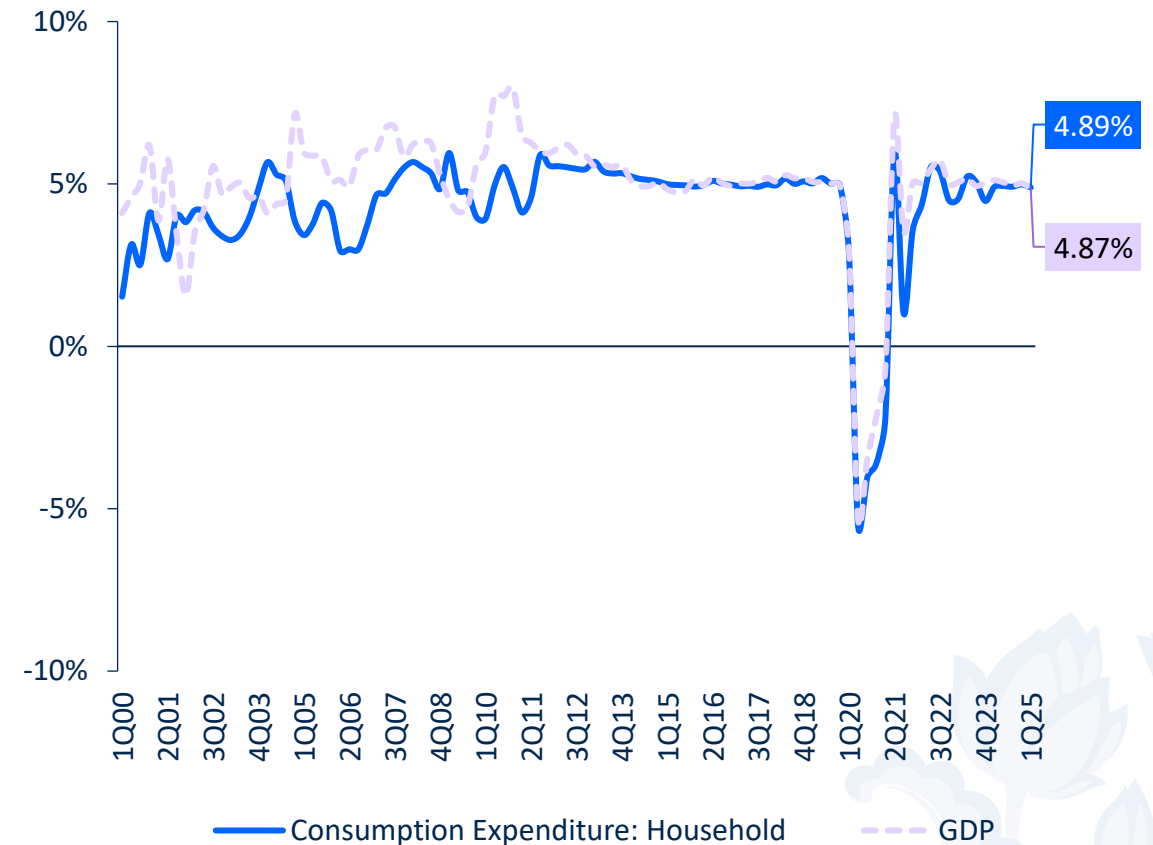
## Supportive Factors for Indonesia's F&B Industry (1)

Indonesia's growing population and demographic dividend continue to drive steady consumption, sustaining 4.5%–5% per year.

**Indonesia's Population Pyramid, 2025**



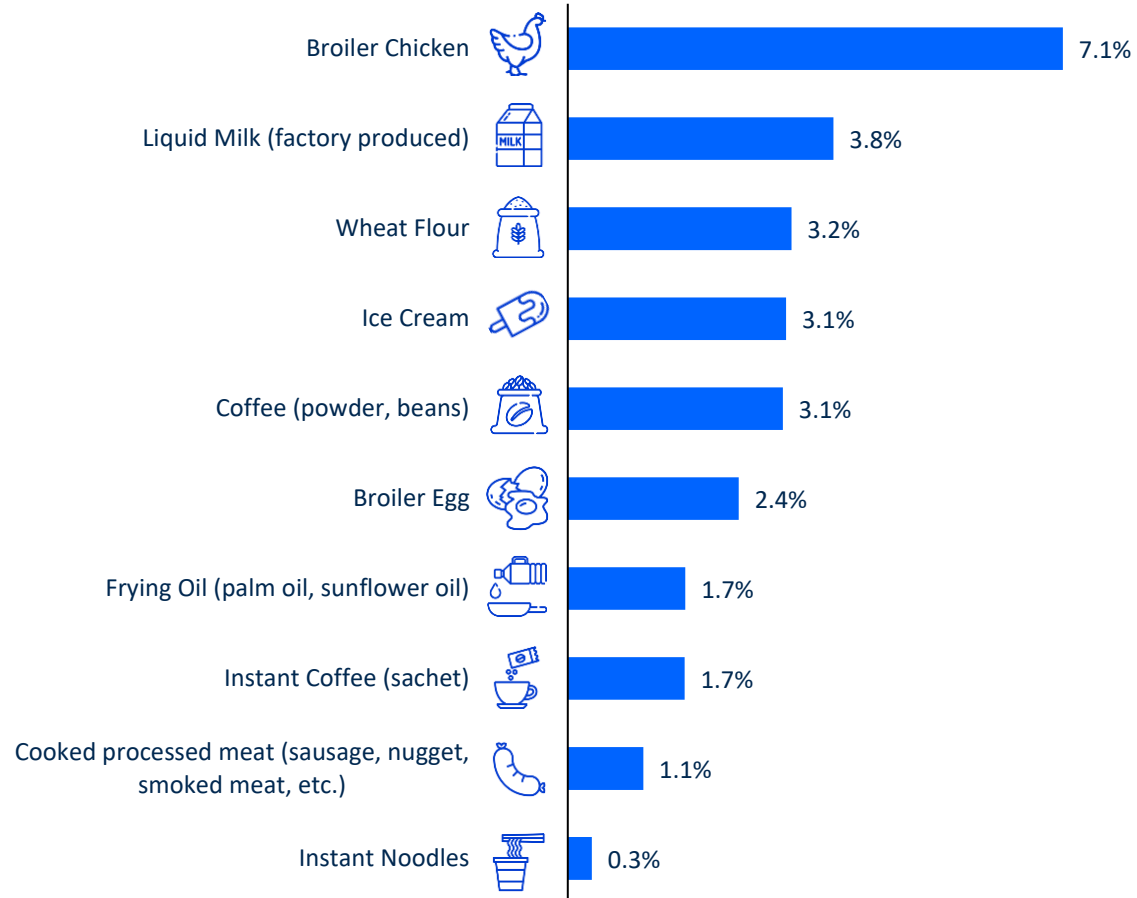
**Indonesia's Household Consumption GDP Growth (%yoy)**



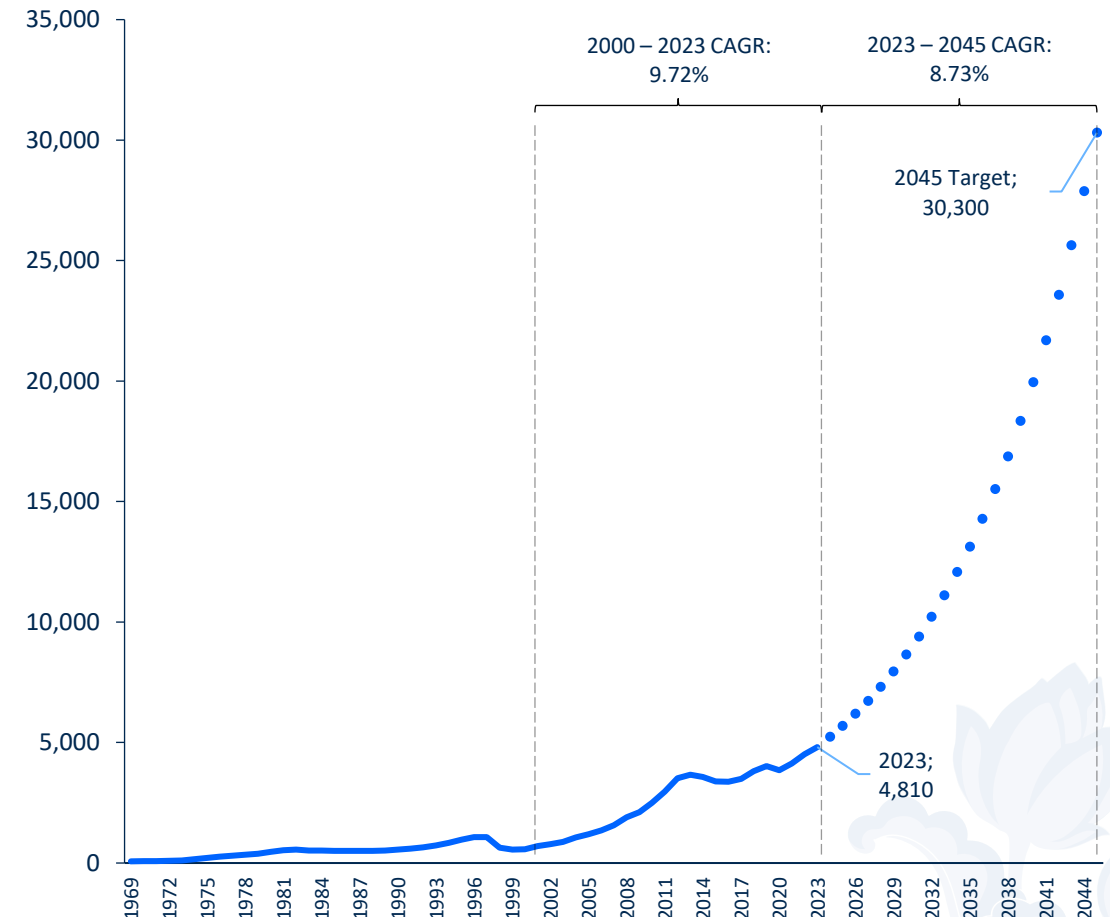
## Supportive Factors for Indonesia's F&B Industry (2)

Rising incomes and shifting consumer preferences toward convenience are driving growth in Indonesia's F&B Industry.

**CAGR of Per Capita Consumption by Product, 2019 -2024**



**Indonesia's GNI per Capita 1969 - 2045 (US\$)**



## Banking Perspective on F&B Industry

Abundant raw materials and government-backed agricultural development strengthen Indonesia's sustainable supply base for the F&B industry

### Top Producers of Several Agricultural Products

Indonesia become top global and regional producers of several agricultural commodities, including for fisheries and aquaculture.



**Palm Oil**  
 47.50 Mn MT  
 #1st Global



**Rice**  
 33.02 Mn MT  
 #1st ASEAN



**Seaweed**  
 9.75 Mn Tons  
 #2nd Global



**Cocoa Beans**  
 180 Th Tons  
 #7th Global



**Maize**  
 12.70 Mn MT  
 #1st ASEAN



**Shrimp\***  
 226.04 Th Tons  
 #4th Global



**Coffee Beans**  
 10.9 Mn Bags (60kg)  
 #4th Global



**Eggs**  
 6.89 Mn Tons  
 #4th Global



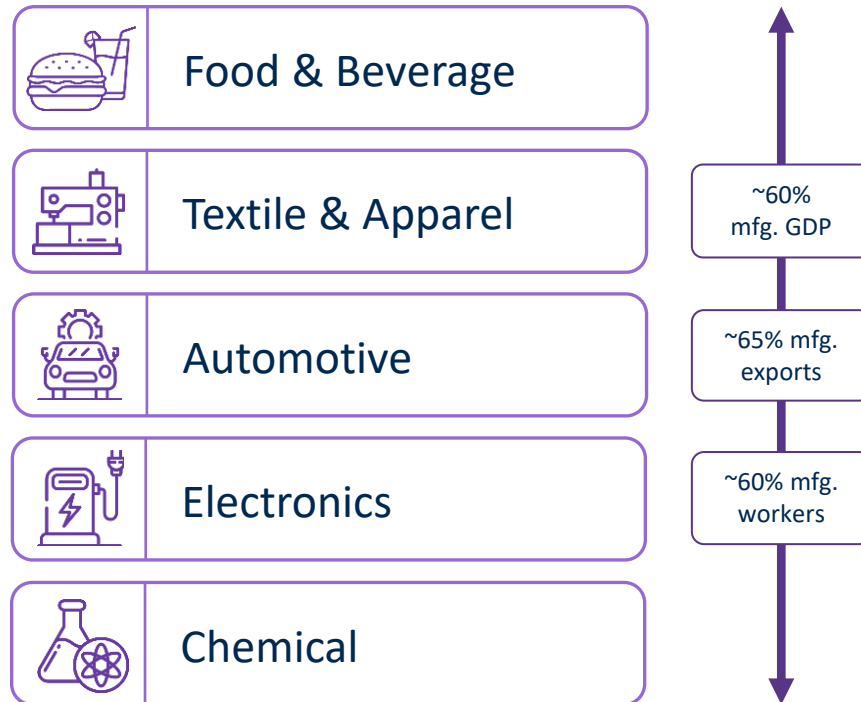
**Capture Fisheries**  
 6.84 Mn MT  
 #2nd Global

## Banking Perspective on F&B Industry (1)

With strong government backing, Indonesia's F&B sector is increasingly prioritized by banks for financing and transactional support.

### A.T. Kearney suggestions on Indonesia's Manufacturing Sector Priority

(5 sectors were selected for "Making Indonesia 4.0")



#### 2025-2029 Medium-Term Development Plan Main Priority Activities



Coconut



Salt



Seaweed



Oil Palm

#### 2025-2029 Medium-Term Development Plan Main Priority Activities



Dairy Processing

ex: liquid, powdered and condensed milk, probiotics, etc.



Refreshment Product

ex: coffee-based product, tea-based product, cacao, etc.



Fish Processing

ex: preserved fish, fillets, and other fish and seaweed processed products.



Vegetable Oil Processing

ex: fortified cooking oil and vegetable oil-based products.



Fruit/Vegetable Processing

ex: canned fruits/vegetables, fruit processing industry waste-based supplements.

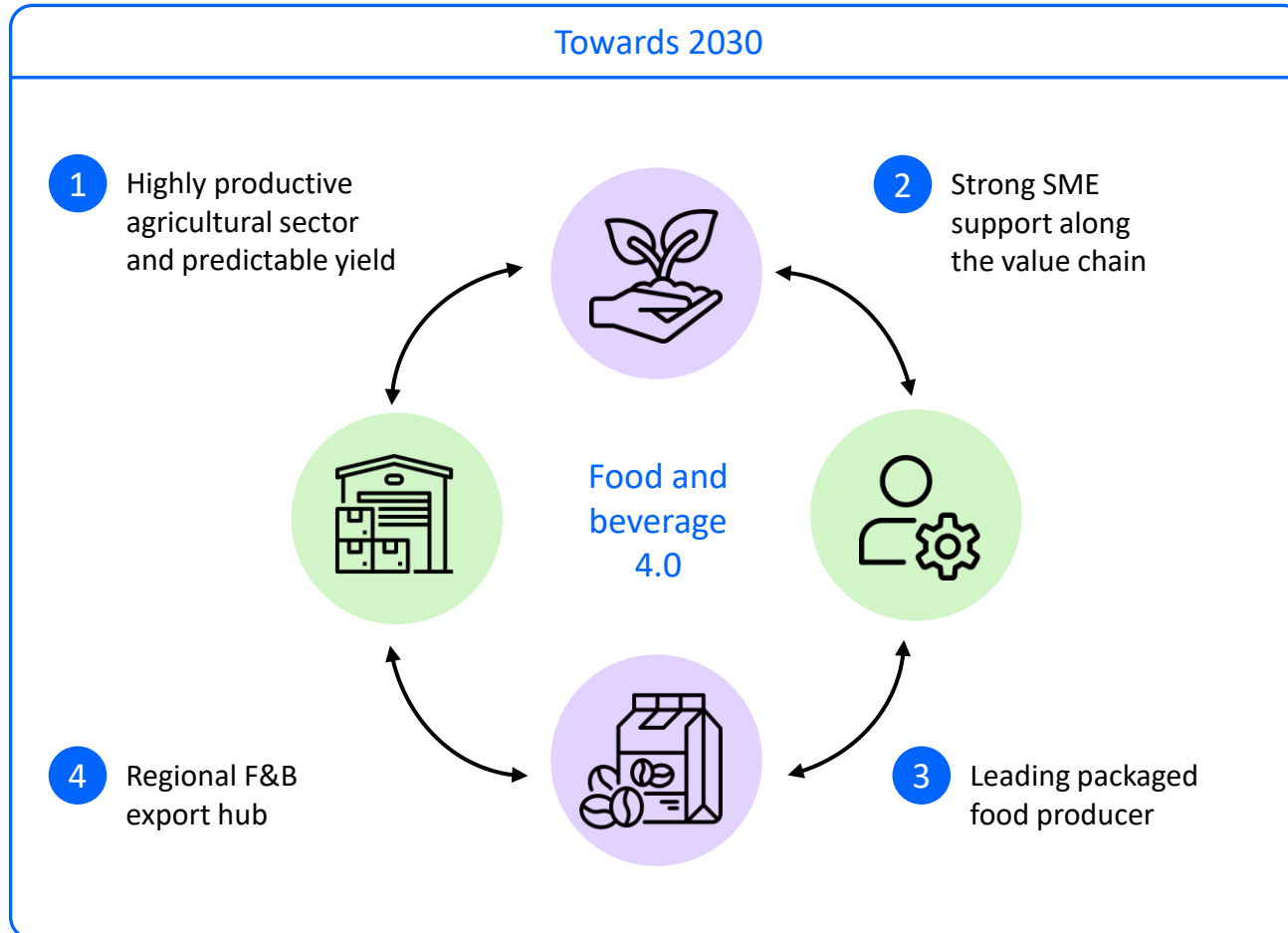


Flour and Cane Sugar

ex: starch, tropical wheat flour, granulated composite flour, sugar.

## Banking Perspective on F&B Industry (2)

F&B sector development strategies involving MSMEs create new opportunities for banks to expand financing in this segment.



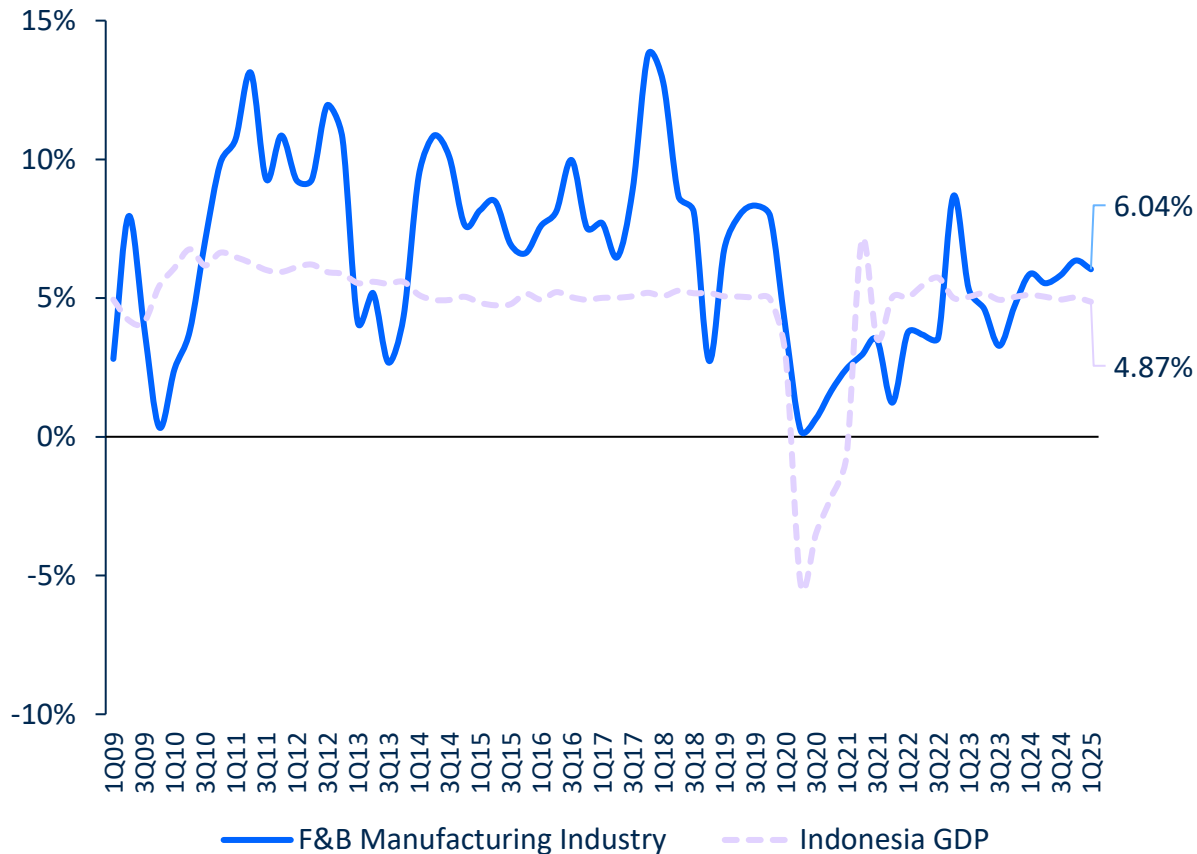
The Food & Beverage 4.0 strategy includes:

- 1 Enhancing productivity in upstream sectors—agriculture, livestock, and fisheries—through advanced technologies such as automated monitoring and drones
- 2 Supporting MSMEs across the value chain to adopt technologies that boost output and market share, as over 80% of the workforce is in MSMEs;
- 3 Investing in packaged food products to meet growing domestic demand;
- 4 Expanding exports by leveraging agricultural resources and domestic economies of scale.

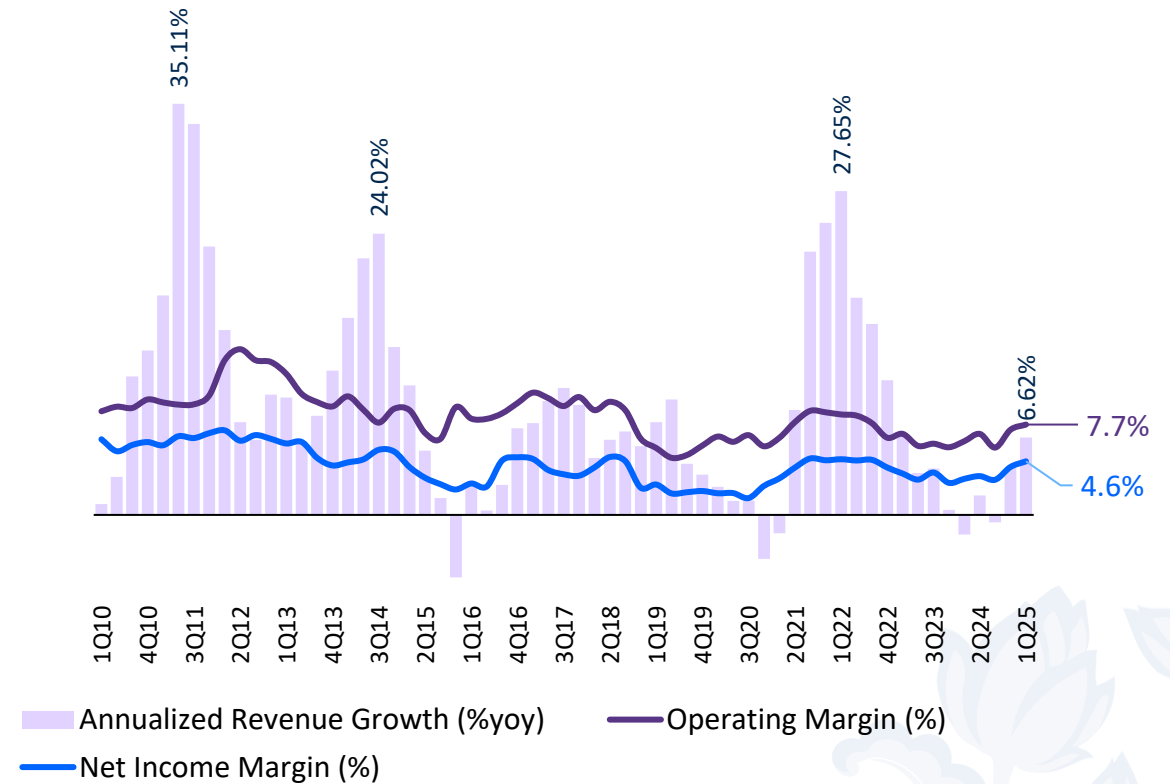
## Banking Perspective on F&B Industry (3)

Faster growth, resilience in downturns, and stable margins make Indonesia's F&B sector attractive for bank financing.

### F&B Manufacturing and Indonesia's GDP Growth



### Median Revenue Growth, Operating Margin, and Net Income Margin from Publicly Listed F&B Companies

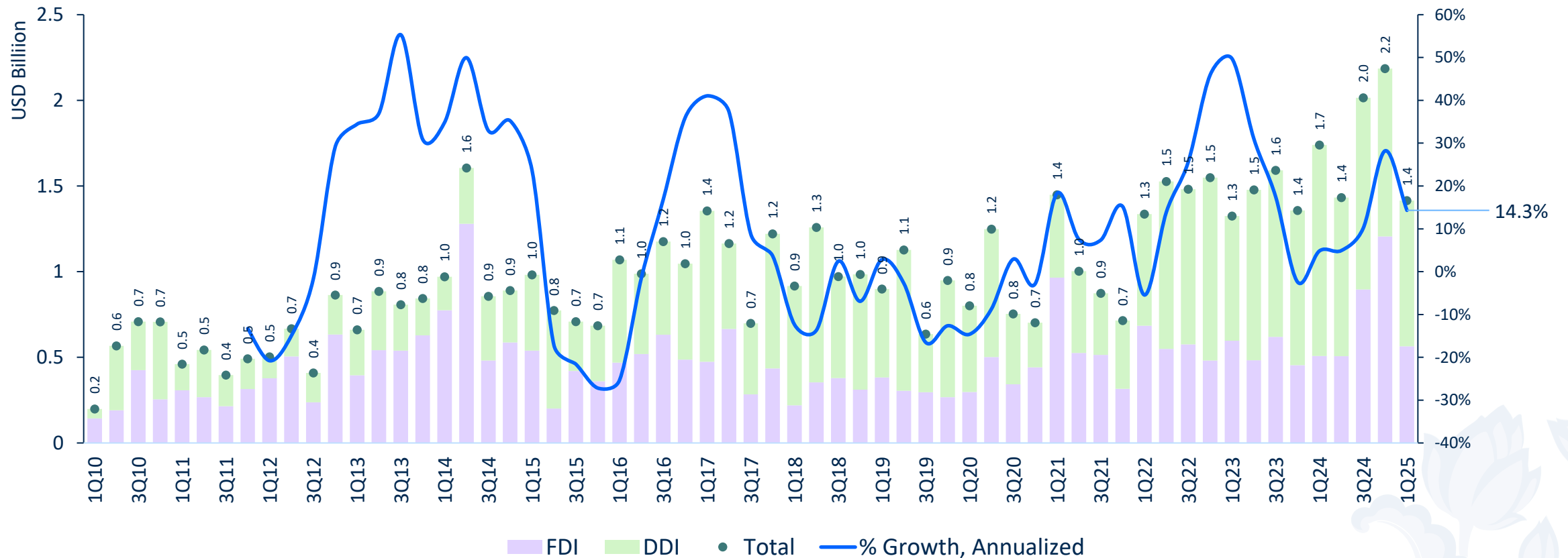




## Banking Perspective on F&B Industry (4)

Rising FDI and DDI in Indonesia's F&B sector underscore strong financing needs and opportunities for banks.

### Direct Investment in Indonesia's Food and Beverages Manufacturing (USD Billion)

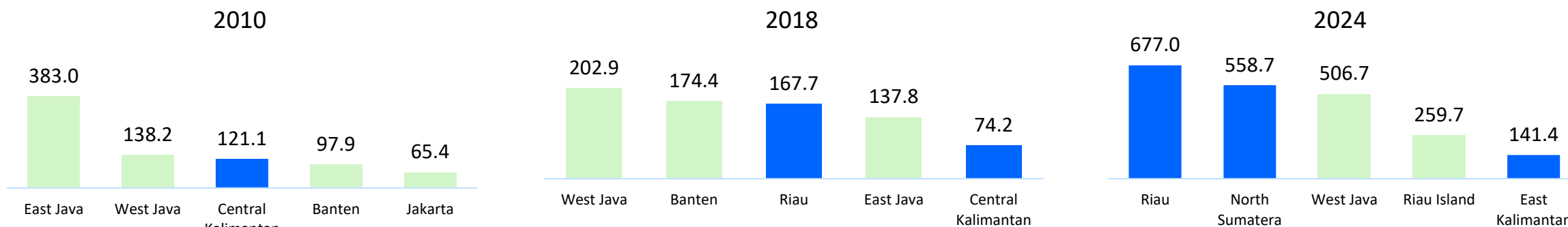




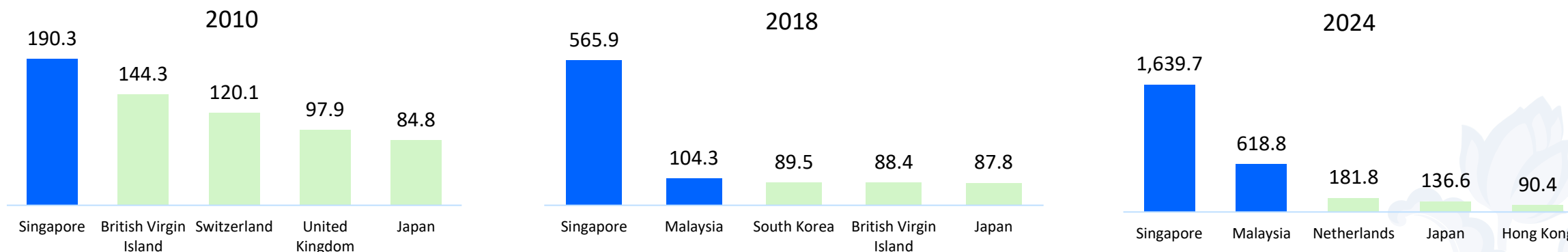
## The trend of FDI and DDI in F&B Industry (1)

Provinces rich in agricultural resources attract most FDI in Indonesia's F&B sector, with ASEAN—led by Singapore and Malaysia—as key investors.

### Top 5 Food & Beverage FDI by Province (USD Mn)



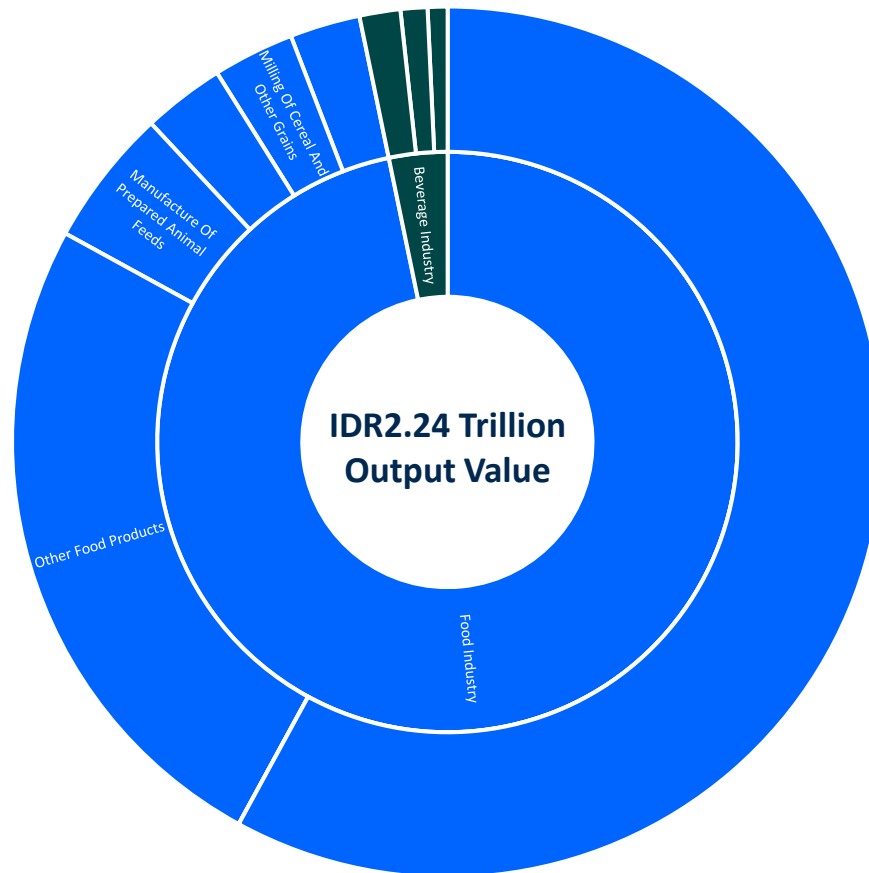
### Top 5 Food & Beverage FDI by Origin Country (USD Mn)



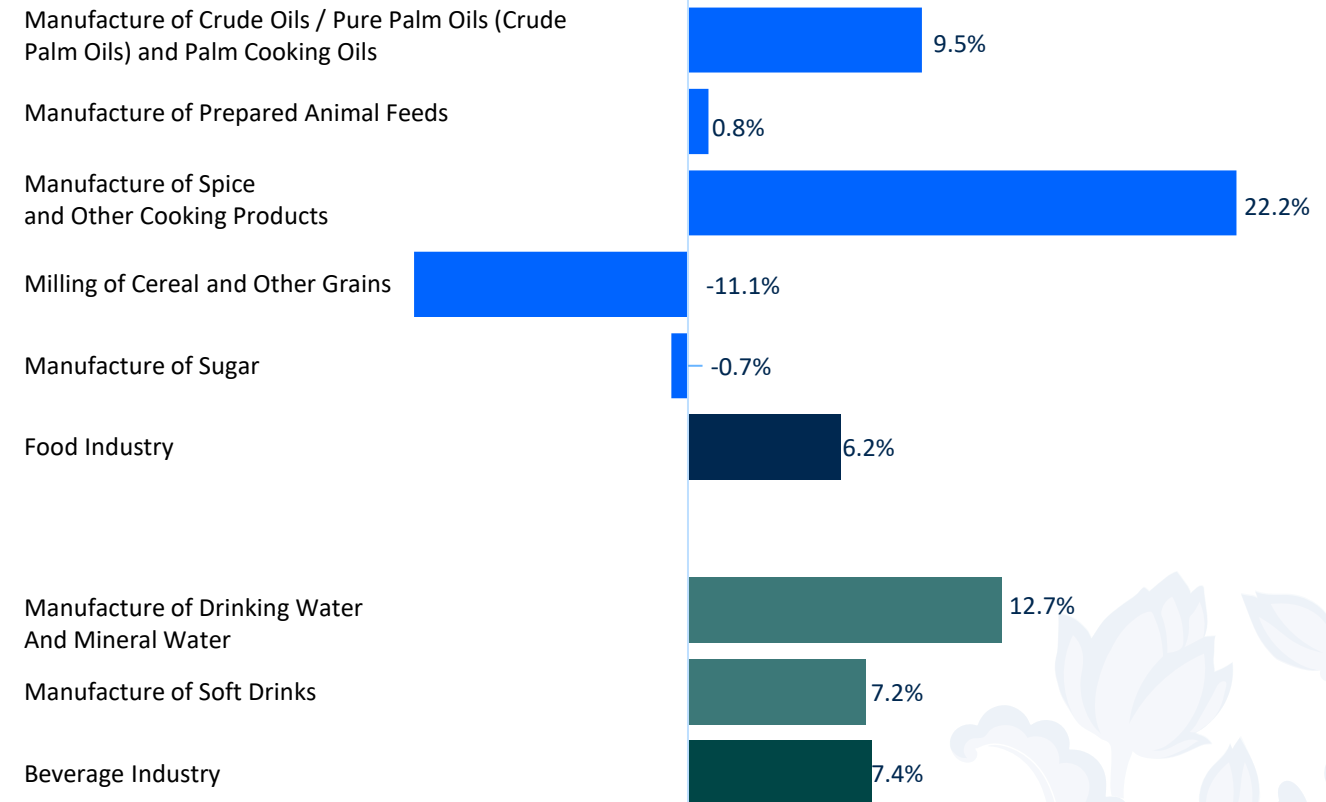
## The trend of FDI and DDI in F&B Industry (2)

Indonesia's food and beverage industries consistently outpace overall economic growth, driving sector expansion.

**Output Value in Food & Beverage Industry by Subsectors (IDR Tn)**



**CAGR of Food & Beverage Industry Output (Top 5 Output Value) (2017 - 2022)**



## The trend of FDI and DDI in F&B Industry (3)

Many F&B manufacturers in Indonesia have adopted vertical integration, producing key products locally from upstream to downstream.

Sector	Example Companies	Vertical Integration	Brands / Products
Palm Oil → Food	Indofood, Sinar Mas (SMART), Wilmar	Palm plantations → refining → consumer & industrial products	Bimoli, Sania, Rose Brand
Dairy	Indofood (Indomilk), Diamond, Greenfields	Dairy farms → processing → packaged dairy	Indomilk, Diamond, Greenfields
Poultry / Meat	Japfa, CP Indonesia, Malindo Feedmill	Feed mill → poultry farming → meat processing → frozen & ready-to-eat	So Good, Fiesta, SunnyGold
Cocoa / Chocolate	Mayora, Petra Foods (Delfi), Barry Callebaut Indonesia	Feed mill → poultry farming → meat processing → frozen & ready-to-eat	So Good, Fiesta, SunnyGold
Coffee	Mayora, Kapal Api, Nestlé Indonesia	Coffee beans → roasting → instant & RTD coffee	Torabika, Kapal Api
Snacks / Nuts	Garudafood	Peanut/nut sourcing → processing → branded snacks	Garuda, Gery
Sugar	Rajawali Nusantara Indonesia (RNI), state sugar mills	Peanut/nut sourcing → processing → branded snacks	Garuda, Gery
Seafood	CP Prima	Aquaculture → processing → frozen & packaged seafood	Shrimp, value-added seafood

## Opportunity for Thai and Indonesia F&B Industry

1

Thailand and Indonesia offer complementary strengths in the F&B sector. Thailand brings advanced food processing technology, packaging, and product development, while Indonesia provides a large consumer market, abundant raw materials, and competitive labor. Both governments support joint ventures in areas such as grain storage, cold chain, and food distribution.

2

There are strong opportunities for collaboration through joint ventures in food processing, combining Thai expertise with Indonesian raw inputs, particularly in seafood, ready meals, and halal-certified products for Muslim markets. Thai firms are also encouraged to invest in Indonesia's Special Economic Zones (SEZs), processing palm oil, sugarcane, and other agricultural outputs into higher-value products.

3

Branded food partnerships present further opportunities, with Thai companies expanding their presence through local partners and Indonesian firms adopting innovations in plant-based proteins and functional foods.

4

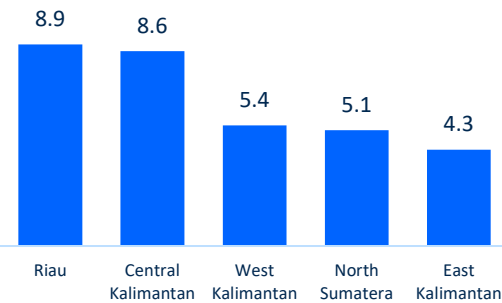
This collaboration offers win-win benefits. Thai firms gain raw material access and market expansion, while Indonesia benefits from technology transfer, capital inflows, and modernized processing capabilities. High-potential areas include fisheries, rice and grain processing, food biotech, and value-added packaged foods for the growing ASEAN market.

## Development of F&B Manufacturing Outside Java (1)

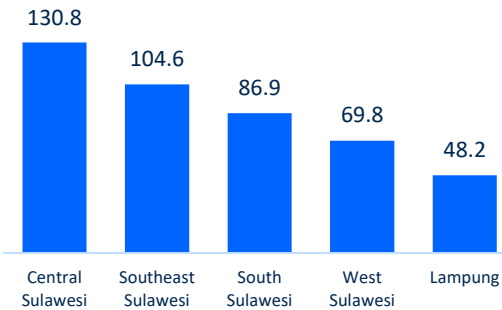
Outer Java is emerging as a key agricultural production hub, drawing increasing F&B sector investment.



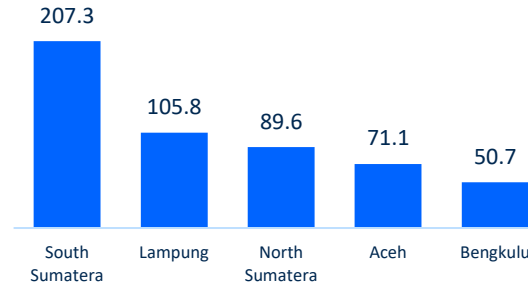
**Top 5 Crude Palm Oil Producers (Mn Tons)**



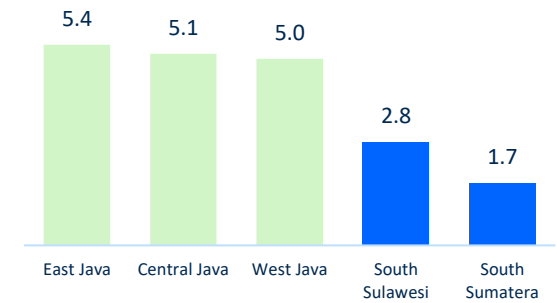
**Top 5 Cocoa Producers (Th Tons)**



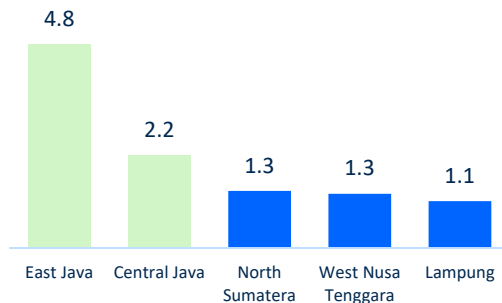
**Top 5 Coffee Producers (Th Tons)**



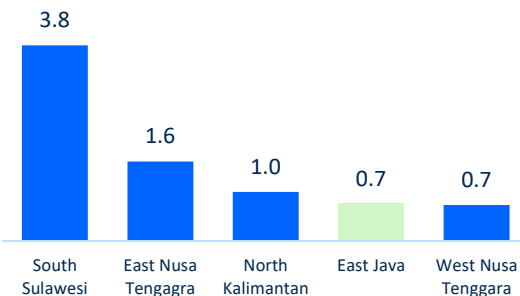
**Top 5 Rice Producers (Mn Tons)**



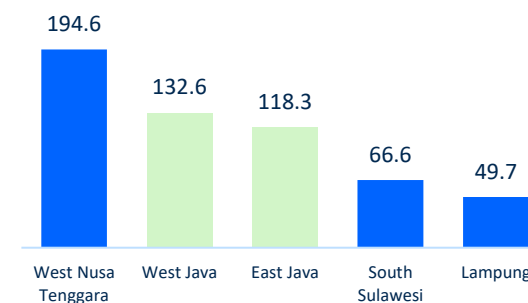
**Top 5 Maize Producers (Mn Tons)**



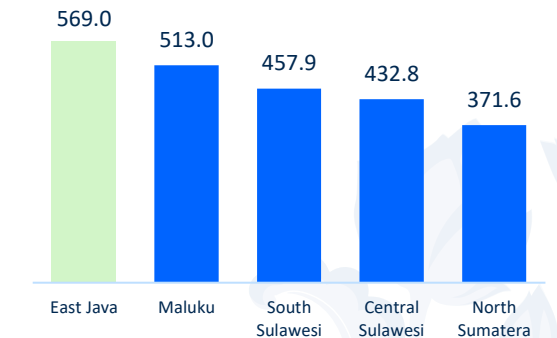
**Top 5 Seaweed Producers (Mn Tons)**



**Top 5 Shrimp Producers (Th Tons)**

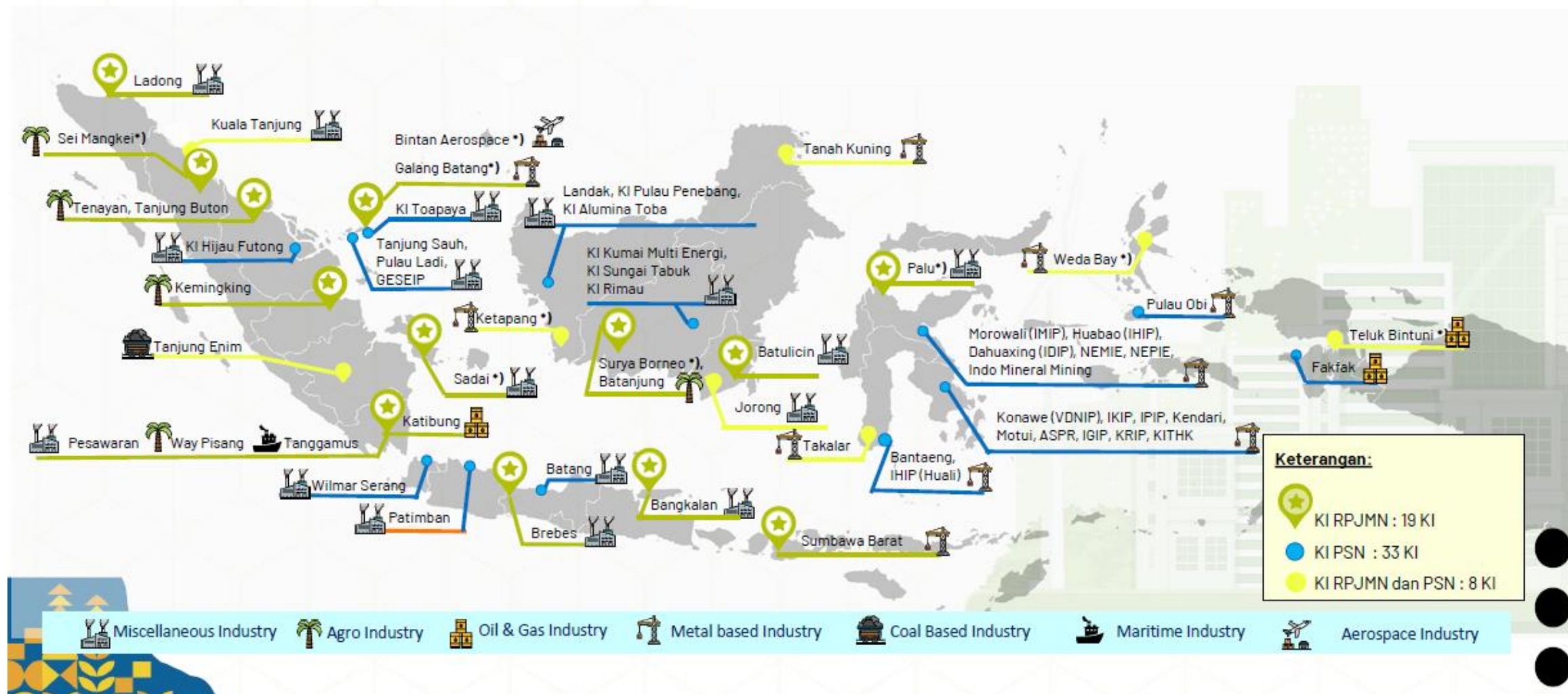


**Top 5 Capture Fisheries Producers (Th Tons)**





SEZ development outside Java targets agriculture and F&B industries, driving investment in regional economies.



## Development of F&B Manufacturing Outside Java (3)

Strong government incentives reflect commitment to accelerating SEZ development and attracting investors.

Incentive Type (Tax)	Details
Corporate Income Tax Holiday	100% CIT exemption for 5–25 years (depending on investment size); after holiday: 50% CIT reduction for 2 years
Tax Allowance (alternative)	30% additional income deduction over 6 years; accelerated depreciation; loss carry forward up to 10 years; lower dividend withholding tax (10%)
VAT & Sales Tax	VAT not collected on imports to SEZ or on transactions inside SEZ; VAT-free equipment and raw materials
Import Duty Exemption	No import duties for capital goods/equipment for 5 years; no import duty on raw materials used in production
Excise Exemption	No excise on imported goods used inside SEZ
Local Taxes (Property & Regional)	Local tax discounts of 50–100% (property tax, land & building taxes, local service fees)

Facility / Incentive (Non Tax)	Details
Streamlined Licensing	One-stop service; fast-track permits (business, construction, environmental)
Customs Simplification	Simplified import/export procedures; bonded-zone like treatment (minimal red tape)
Infrastructure Support	Government-developed infrastructure: roads, utilities, ports, logistics zones
Land Use & Property Rights	Long-term land rights (up to 80 years); foreigners can own buildings inside SEZ
Labor Flexibility	Easier labor regulations (contracting, shifts); lower minimum wages in outer islands; workforce training programs
Immigration Facilities	Easier visa & KITAS/KITAP for foreign staff; multiple entry and residency pathways
Repatriation of Profits	Lower withholding tax on dividends (10%); easy profit repatriation



# Thank You





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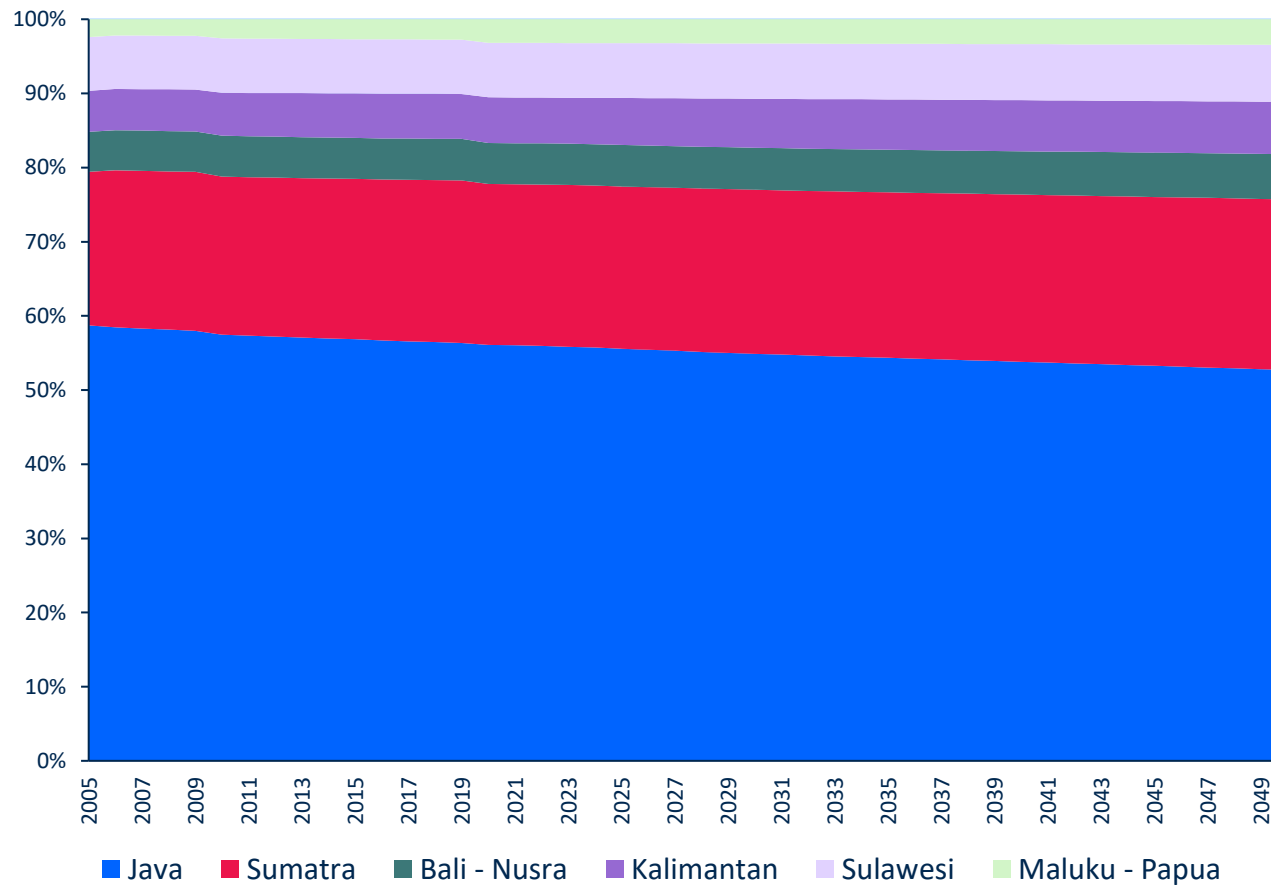
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## New Center of Growth in Outer Java Region

Indonesia's population will become less concentrated in Java, as the population growth rate outside Java outpaces that of Java.

**Population Projection by Region**



**Population Growth CAGR**

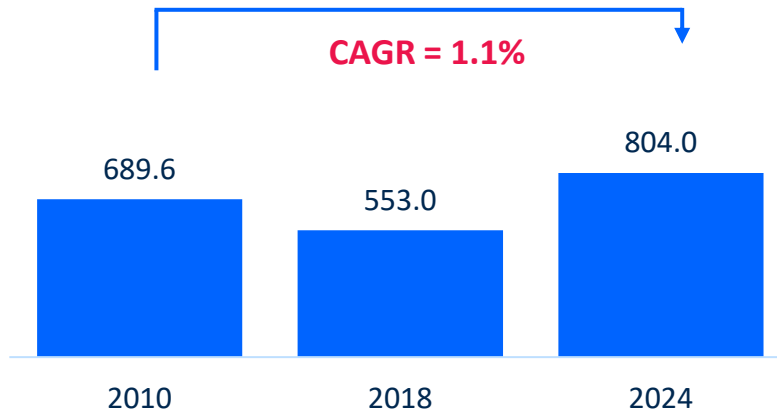
Maluku - Papua	2.82%	0.87%
Sulawesi	1.46%	0.73%
Kalimantan	2.01%	1.04%
Bali - Nusra	1.52%	0.91%
Sumatra	1.62%	0.79%
Java	1.06%	0.37%
	<b>CAGR 2005 -2025</b>	<b>CAGR 2025 -2050</b>



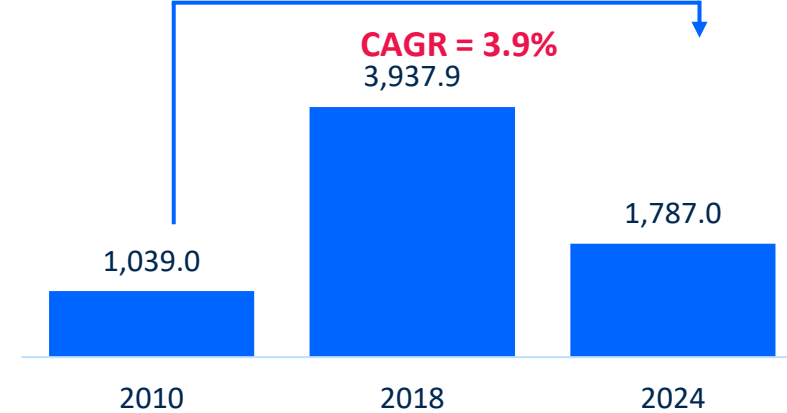
## FDI in Food & Beverage Industry and Real Estate

Outer Java Region become new hotspot for FDI  
in Food & Beverage Manufacturing and Real Estate

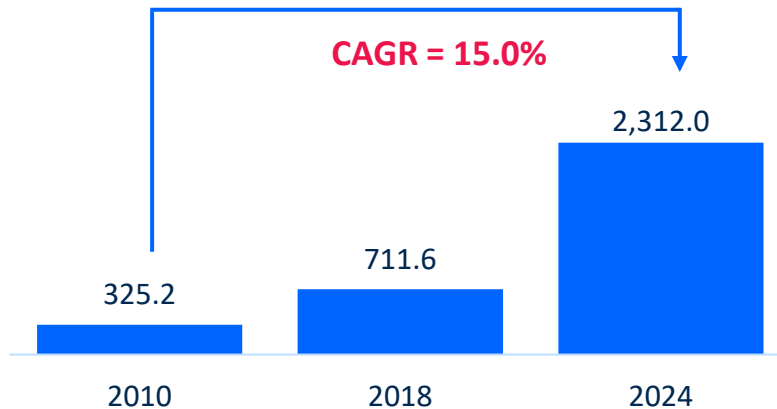
**Food & Beverage FDI in Java (USD Mn)**



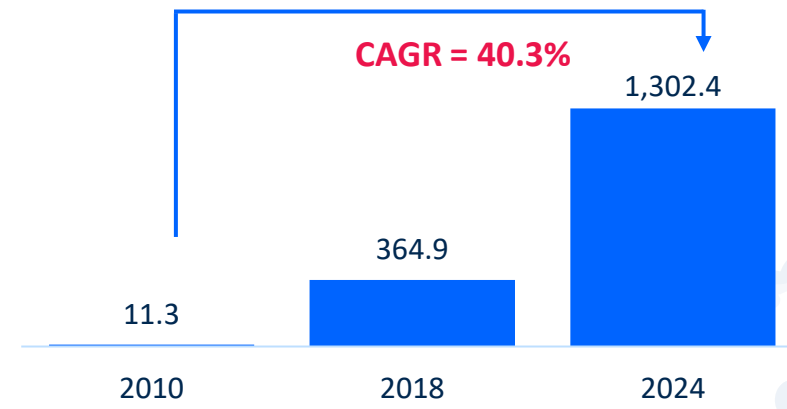
**Real Estate FDI in Java (USD Mn)**



**Food & Beverage FDI in Outer Java (USD Mn)**



**Real Estate FDI in Outer Java (USD Mn)**



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