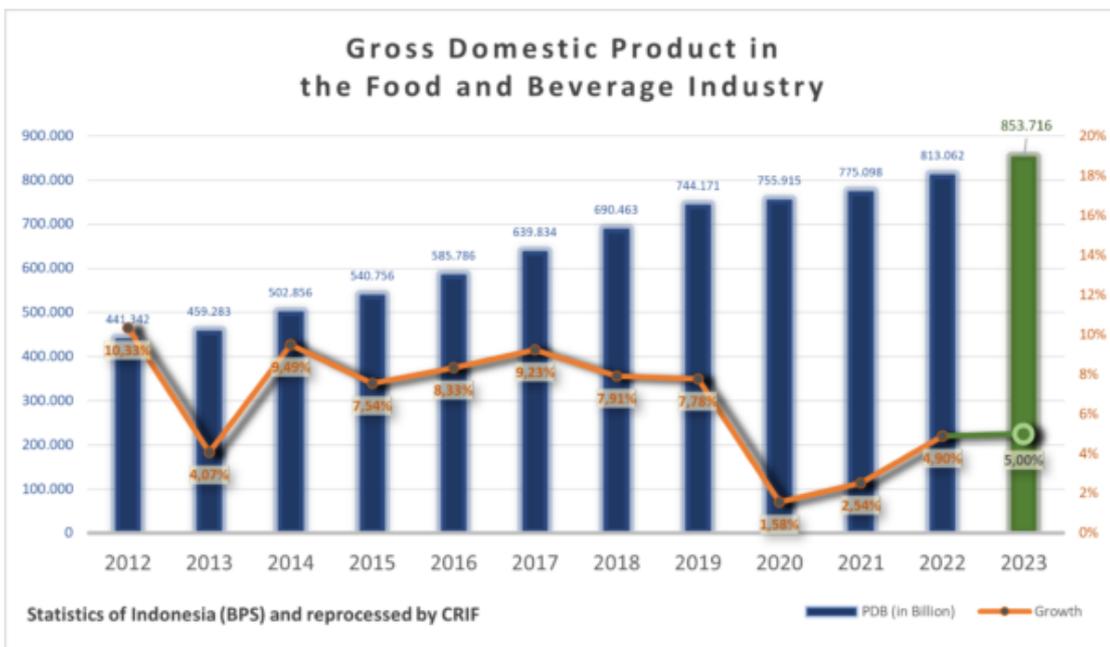


# CRIF INDONESIA STUDY: THE INDONESIAN FOOD AND BEVERAGE INDUSTRY IS PREDICTED TO GROW WELL IN 2023



As one of the most important sectors in the country's economy, the food and beverage (F&B) industry makes a significant contribution to economic growth, job creation, and the development of a culinary culture. One of the main factors supporting the positive performance of the food and beverage industry in Indonesia is population growth and an increase in people's purchasing power. With a large population and increasing average incomes, the demand for food and beverages continues to increase. This encourages industry players to continue to innovate in creating attractive, quality products that suit consumer tastes.

Based on data from Statistics Indonesia (BPS), the food and beverage (F&B) industry increased by 4.90% on an annual basis in 2022 to IDR 813.062 billion. This condition is inseparable from the increased production of the food and beverage commodity itself.



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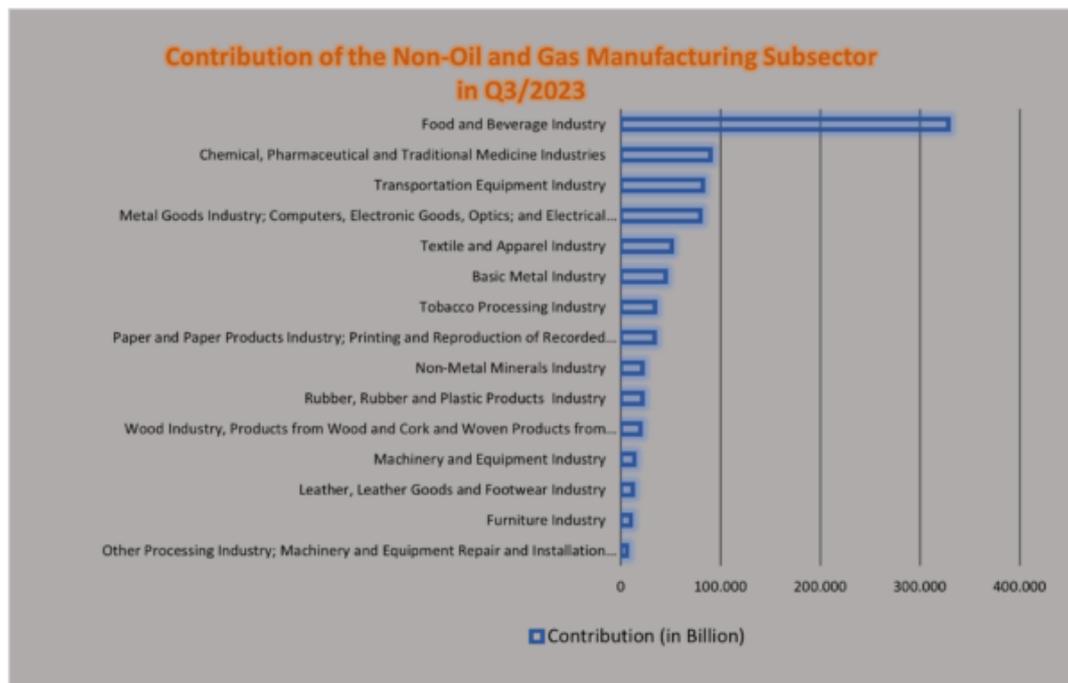


According to CRIF forecasts for 2023, the food and beverage industry is expected to experience an increase of around 5% compared to the previous year. Factors influencing this growth are the high sensitivity of the food and beverage industry to changes in the economic environment. CRIF also considers that this industry still has good prospects, especially in the context of national economic recovery after the Covid-19 pandemic.

The Indonesian Trade Attache in Singapore stated that Indonesia must make the most of the momentum of economic recovery and the level of demand in the region to the fullest, including food and beverage products. Food and beverage products indeed play a central role in supporting Indonesia's exports. Exports of Indonesian food and beverage products in 2022 increased quite high, namely 17.6% or reach USD 44 billion. (Antara News, 2023)

The Ministry of Industry noted that so far the food and beverage industry has been able to make a significant contribution to the national economy. Therefore, this strategic sector is included in the development priority on the Making Indonesia 4.0 roadmap.

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Based on data we have collected from BPS, throughout Q1/2023, the food and beverage industry, which is the sub-sector of the non-oil and gas processing industry, is the largest contributor to national GDP, reaching 6.47% or IDR 328,324 billion. In the same period, the food and beverage industry (mamin) experienced an annual growth of 5.33%. This growth is the fourth largest among other processing industry sub-sectors.

In addition, based on information we quoted from bisnis.com website which was released on January 30, 2023, the Indonesian Food and Beverage Entrepreneurs Association (GAPMMI) predicts that the investment value of the food and beverage industry (mamin) is predicted to increase by around 20% this year, as demand increases after the easing of the Covid-19 pandemic.

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This optimism is driven by an increase in investment value in 2022 which increased 107% to reach IDR 54.9 trillion from IDR 26.5 trillion in 2021.

However, even though the performance of the food and beverage industry in Indonesia is promising, there are still a number of challenges that need to be faced. Some of them are intense competition, fluctuations in raw material prices, complex government regulations, and infrastructure that still needs to be improved. Industry players need to have the right strategy to face this challenge and continue to innovate in order to remain competitive in an increasingly dynamic market.

## Potential and Innovative Trends in the Food and Beverage Industry in Indonesia in 2023

Indonesia, a country renowned for its rich culinary heritage, has a diverse and vibrant food and beverage industry. This sector plays an important role in the country's economy and cultural identity. With a population of over 270 million people, Indonesia offers a wide market for a variety of culinary delights, from traditional street food to fine dining experiences. In this increasingly digital era, the food and beverage industry in Indonesia has become a resource that not only captivates the appetite, but also goes viral on social media. Through platforms such as Instagram, Facebook and YouTube, unique, interesting and different food and drinks have captured the public's attention, sparked trends and provided extraordinary profits for industry players.

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One example of the success of the viral food and beverage industry in Indonesia is the “photogenic culinary” phenomenon. Beautifully arranged food, striking colors and creative presentations have become the main attraction for social media users. Apart from that, unique food and drink trends have also become the center of attention in Indonesia. Innovations in creating unusual dishes, such as foods with surprising looks, unusual tastes or unconventional combinations, have piqued the interest of social media users. For example, food with the appearance of plants or everyday objects, such as sushi shaped into cartoon characters, has gone viral and attracted a lot of attention.

Not only that, the viral food and beverage industry in Indonesia is also driven by the power of influencers. Collaboration between industry players and popular celebrities or influencers has become a successful strategy for promoting products and reaching a wider audience. Through unboxings, reviews, or recommendations, influencers are able to provide significant exposure for food and beverage brands, creating a desire and desire to try the product.

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## Indonesia and Taiwan Collaborate to Develop the Food and Beverage Industry

Indonesia and Taiwan are working together to develop the food and beverage industry. This collaboration is driven by the fast growth of the two countries, as well as the common culture and values. One form of cooperation is through the Wow!Taiwan project. This project aims to introduce Taiwanese food and beverage products and technology to the Indonesian market. Wow!Taiwan also provides a platform for Indonesian and Taiwanese entrepreneurs to exchange information and experiences in Business Matching sessions.

The Wow!Taiwan project has been well received by Indonesian entrepreneurs. They say that this project will help them to improve the quality of their products and services. The Wow!Taiwan Project is an initiative of the Taiwan Bureau of Foreign Trade (BOFT) which aims to introduce Taiwan's most advanced and innovative technology products and solutions to the global market.