

MARKET INSIGHT - INDONESIA

CULTURAL FESTIVALS AND EVENTS
FEATURING FRUIT AS GIFTS OR OFFERINGS

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INDONESIA MARKET SNAPSHOT

Indonesia's growing consumption of fresh fruit and vegetables reflects increased demand for higher quality and healthy food – especially among middle-to-upper class citizens. This demographic represents a large and growing market sector: 148 million people, out of a total population of 260 million.

Currently, increased demand for high-quality fruit is encouraging imports. The tradition of fruit offerings in Bali also adds to demand. This creates major opportunities for Australian fruit exporters, although competition is intense.

Fresh fruit imports rise 36 per cent

Indonesia's local fruit producers struggle to meet consumer demand – especially in terms of quality and variety. The root causes are the prevalence of small scale operations, dated handling practices, limited access to cold storage and treatment, and challenging logistics. As a result, demand for imported fruits remains strong.

In 2017 alone, Indonesia's fresh fruit imports increased 36 per cent, to a total value of A\$1.55 billion. In contrast, vegetables imports increased 14 per cent to a total value of A\$1.07 billion.

Despite Australian exporters maintaining a strong position in the market, fruit exports to Indonesia decreased from A\$125 million in 2016 to A\$109.8 million in 2017. This was largely due to seasonal restrictions on citrus and an increasingly competitive landscape.

Australia's most valuable fruit export to Indonesia is table grapes, with exports increasing in value by 0.6 per cent in 2017. Australia's fastest-growing fruit exports are stone fruit (including cherries), with exports growing by 49 per cent in 2017. This was due to strong market demand and continuous promotions.

Festivities & fruits

Indonesia is a multicultural country with more than 300 ethnic groups and six major religions. The country is predominantly Muslim, while approximately 10 per cent of the population is Christian and the island of Bali is mostly Hindu. Major religious celebrations include Ramadan and Idul Fitri (for Muslims), Christmas (celebrated across Indonesia), and Galungan and Kuningan (in Bali).

During Ramadan, Muslims break their fasts with family and friends at dinner time. In 2019, Ramadan will start on 5 May, and Idul Fitri (when fasting ceases) will be celebrated on 5 and 6 June. Local fruits – especially sweet and juicy fruits such as cantaloupe, cucurbits/squash, coconut and watermelon – are often incorporated in fast-breaking meals.



Similarly, the giving of fruits as gifts is traditional during Christmas and at the end of the calendar year. During Ramadan, Idul Fitri and Christmas, fruit sellers report sales up to three times higher than at other times of the year.

In Bali, Galungan is a two-week celebration that terminates in the Kuningan festival. In 2019, Galungan will commence on 22 July. During the festival, tall bamboo poles called penjor are decorated with fruits, coconut leaves and flowers, and set up on the right side of the entrance of the majority of homes across the island.

Balinese also take offerings of fruit towers when they go to their local temple. These fruit towers incorporate a variety of fruits such as apples, banana, oranges or mandarins.

Fruit sales generally rise by 50 per cent during Chinese New Year celebrations, and sales of imported fruit rise dramatically too. Fruits are often presented as gifts during this period – especially mandarins, which symbolise fortune and wealth.

Gift packs including fruit are increasingly popular. For upper income customers, Tasmanian cherries are viewed as a premium gift and have become extremely popular. The retail price of a 5kg gift box of Tasmanian cherries is approximately A\$80–\$100.

Retailers also offer fruit baskets during Idul Fitri and end-of-year festivities. The retail price of a typical basket ranges from A\$30–\$100.

For further information on the Indonesia fruit market or on export opportunities, please contact Sonya Monica: sonya.monica@austrade.gov.au