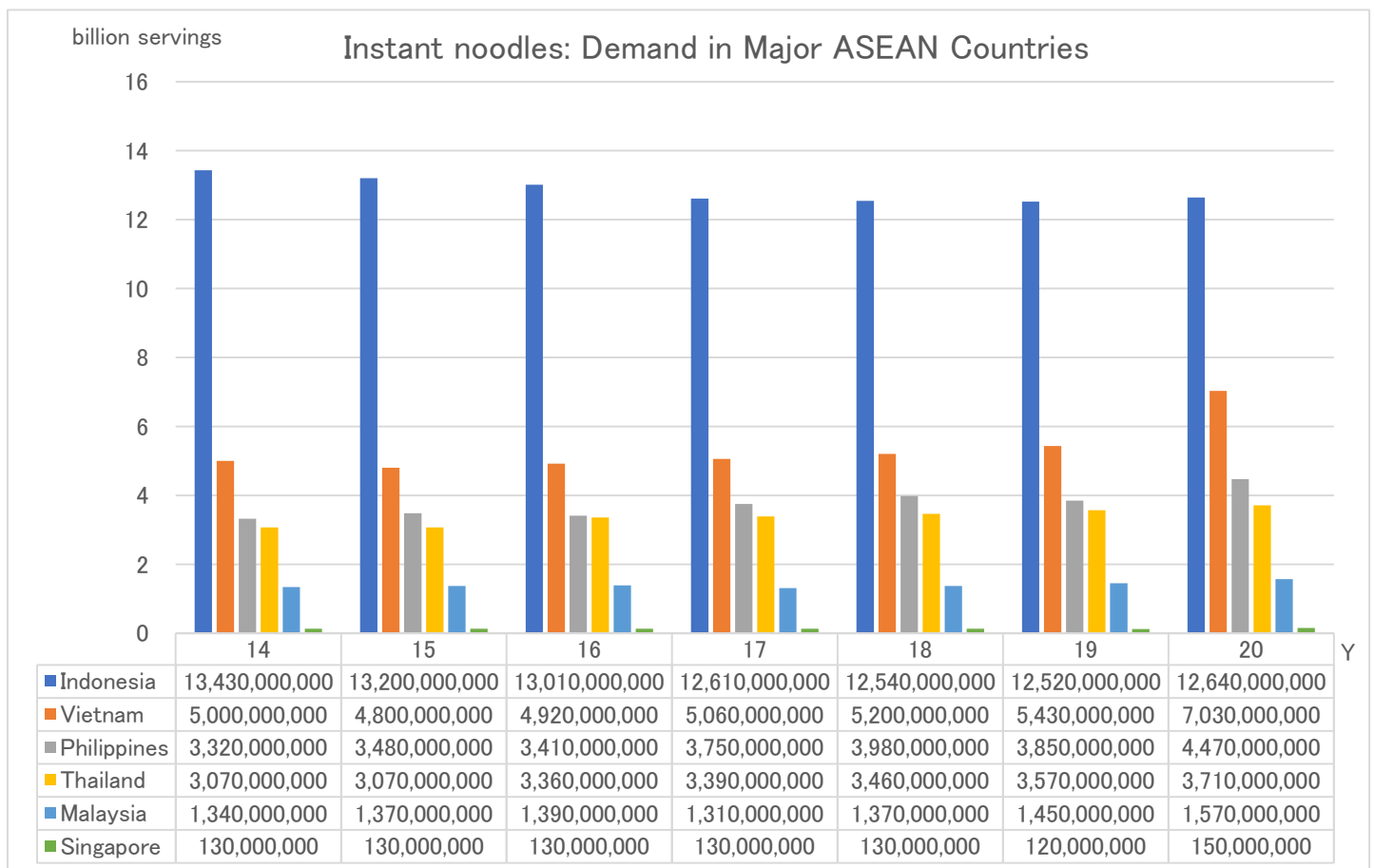


Indonesia: Instant noodles industry

<Industry overview> Second largest market in the world after China

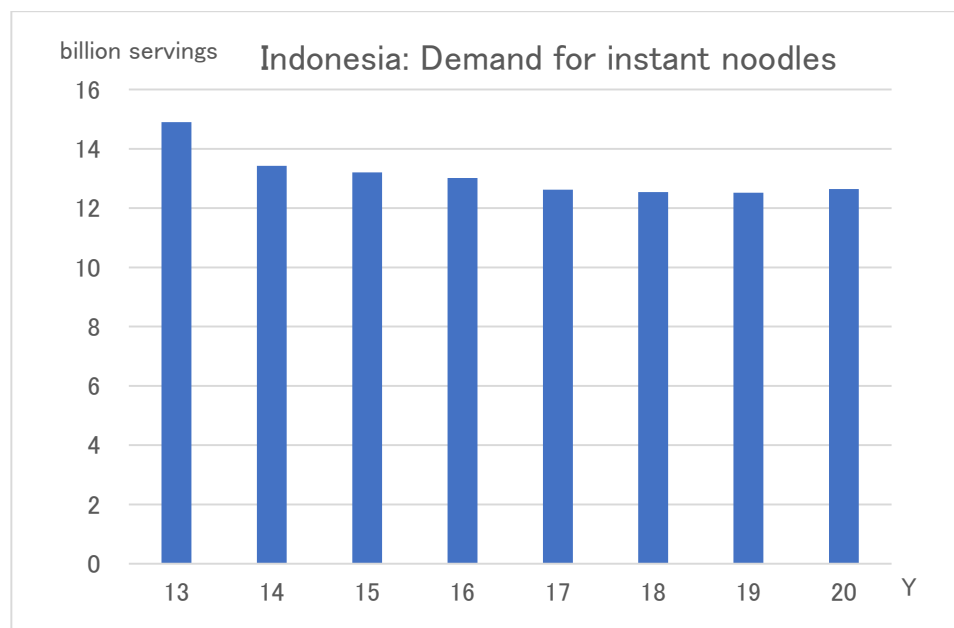
Indonesia's instant noodle industry boasts the second-largest demand in the world after China. Instant noodles are widely distributed as popular processed food in Indonesia. Demand is driven by a huge market size of 270 million people (4th in the world), and the advantage of affordable prices for middle-income groups and easy cooking methods, it is widely distributed as a popular processed food.



(Data by Ashu Research based on the World Instant Noodles Association data)

<Demand volume> Stagnant trend

Although it is a huge market as mentioned above, demand has been at a standstill recently. Demand saw continued expansion through to 2013 but had negative growth for six consecutive years from 2014 to 2019. Along with the growth of the domestic economy, the number of fast food options has grown together with a widening choice of other easy-to-prepare foods besides instant noodles. However, 2020 picked up with demand up by 1.0% from the previous year to 12.64 billion servings. This was mainly due to increased stay-at-home demand as the Indonesian government imposed curfews in March 2020 in response to the spread of the new coronavirus (COVID-19).

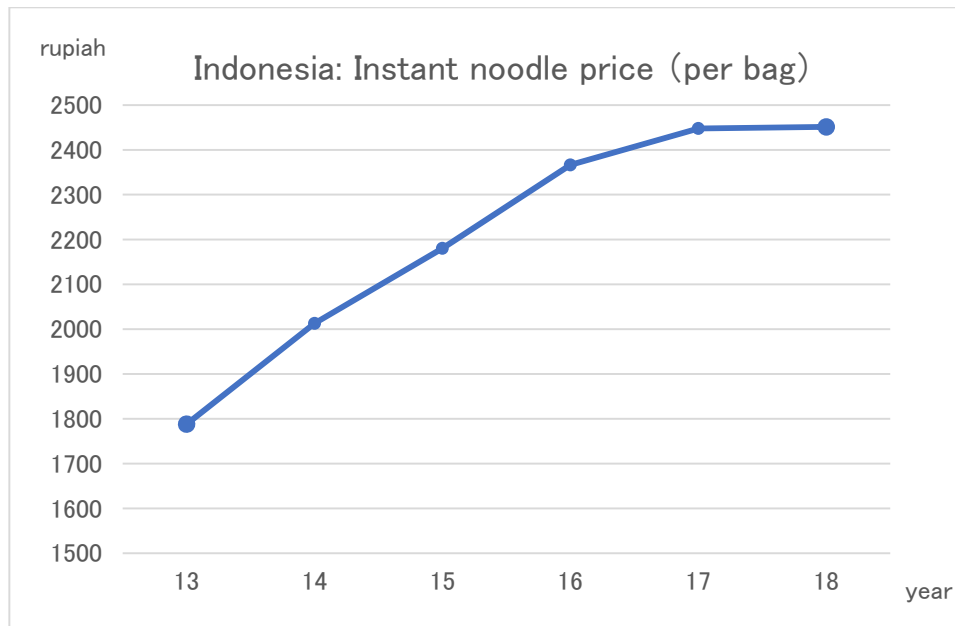


(Data by Ashu Research based on the World Instant Noodles Association data)

<Product price> Upward trend

The retail price of instant noodles domestically has been on an upward trend for several years. The price for 2018 (as of the end of April) was 2,451 Rupiah (about 19 yen) per bag. Compared to 2013, the price has risen by 663 rupiah (about 40%) in about 5 years. This is due to manufacturers shifting to higher-end lines as competition with imported products is intensifying, and the taste of consumers changing with changes in lifestyles accompanying economic growth.

Indofood, which nearly monopolizes the domestic market, has recently launched a premium line using high-quality flour. The Wings Group, a major company, followed by Indofood, launched new high-end products with cooked chicken in 2018. The price was set at 5,000 rupiah (about 39 yen) per bag, which is about twice the price of general products.



* Figures are as of the end of each year from 2013 to 2017, and as of the end of April in 2018.

(Data by Ashu Research based on CEIC data)

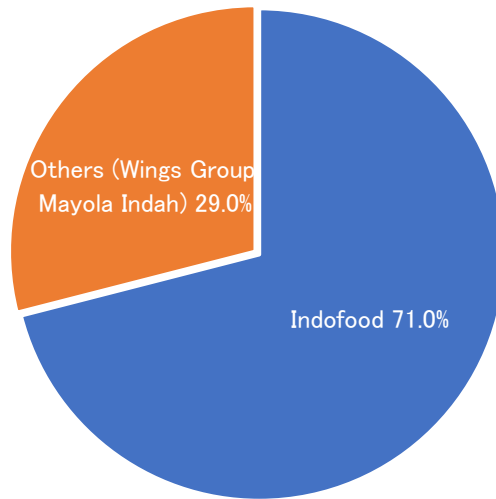
<Industry map> Indofood plays a leading role

In the Indonesian instant noodle industry, Indofood (under the Salim Group, a local conglomerate) has almost monopolized the market with a market share of about 70% (2020). Aside from Indofood, the other major players are conglomerate Wings Group and Mayola Indah. Other companies include Consciencefood Holding, ABC President Indonesia, and Jakarana Tama Food Industry.

The main brand developed by Indofood is “Indomie”. In addition to Indonesia, it is also sold in the Middle East, Europe, and the United States. In Saudi Arabia, a Muslim nation, it has a 90% or more share in the instant noodle market as a halal food that conforms to Islamic precepts.

There is also business development by Japanese companies. Nissin Foods Holdings is expanding through Nissin Foods Indonesia, accelerating its local operations. In 2015, it formed a tie-up with Mitsubishi Corporation (Mitsubishi acquires 34% of voting rights in Nissin Foods Indonesia) and announced a policy of accelerating local business through the development of material suppliers and the expansion of its sales network. It also intends to focus on exports to neighboring countries, particularly halal products.

Indonesia: Instant Noodles Market Share (2020)



(Ashu Research: May 2021)