

Voluntary Report – Voluntary - Public Distribution

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Report Name: Indonesia Plans to Implement Labeling Requirements and to Restrict Sugar Salt and Fat Content in Processed Food and Beverages

Country: Indonesia

Post: Jakarta

Report Category: Agricultural Situation, WTO Notifications

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Report Highlights:

Indonesia’s National Agency of Drug and Food Control (BPOM) has drafted a new regulation that would mandate the use of a “Nutri-Level” front-of-pack labeling system for sugar, salt, and fat (SSF) content and set maximum SSF levels. Like the system used in Singapore, the proposed grading system would rank products as “A, B, C, and D” levels. C and D-level products would be required to display their “Nutri-Level” grade as well as their total SSF content per serving or per package. The first phase would apply to ready-to-drink, non-alcoholic beverages, potentially as early as December 2024. Once in force and fully implemented, this regulation would have a significant effect on U.S. packaged food and non-alcoholic beverage exports to Indonesia - currently valued at approximately \$54 million per year. U.S. stakeholders are requested to share comments and concerns with FAS as soon as possible. Please note that the final regulation may be published prior to the January 2, 2025, comment deadline.

Overview: Restriction of Sugar, Salt and Fat to Improve Health

On November 4, 2024, Indonesia notified the World Trade Organization (WTO) of its plans to control sugar, salt, and fat (SSF) consumption in processed foods, including fast food, under notification number [G/TBT/N/IDN/169](#). Indonesia is accepting comments until January 2, 2025. The WTO notification is focused on this broader goal as outlined in Government Regulation No. 28 Year 2024 on “Implementation of Law No. 17 Year 2023 regarding Health,” which was signed and entered into force on July 26, 2024. The WTO notification does not include the proposed labeling and other requirements included in the draft implementing regulation (see below sections of this report), which only underwent comments from Indonesian industry.

GR No. 28/2024, Article 194, specifically contains measures to reduce overall rates of obesity, diabetes, and other non-communicable diseases in Indonesia by attempting to discourage the consumption of SSF, as follows¹:

- 1) “In order to control the consumption of sugar, salt, and fat, the Central Government determines the maximum limit of the content of SSF in processed foods, including ready-to-eat processed foods.
- 2) Determination of the maximum limit of sugar, salt, and fat as referred in paragraph (1) is coordinated by the minister who organizes the Coordination, Synchronization and Control of Affairs Ministry in the implementation of government in the field of human development and culture with participating relevant ministries and institutions².
- 3) Determination of the maximum limit of SSF as referred to in paragraph (1) shall be done by considering:
 - a. risk assessment; and/or
 - b. international standards³.
- 4) In addition to the determination of the maximum limit of sugar, salt, and fat content as referred to in paragraph (1), The Central Government can set the imposition of an excise on certain processed foods in accordance with the provisions of laws and regulations.”

GR No. 28/2024 also provides further provisions on SSF content, which include the following summary of Articles 195 and 196⁴:

- Every person who produces, imports, or distributes processed food, including fast food, shall comply with the maximum content limits of sugar, salt, and fat and include the relevant nutrition labels on processed food packaging or information media for fast food. Business actors that do not comply with the content limits are prohibited from advertisements, promotion, and sponsorship at certain times, locations, or to certain target groups, and are prohibited from

¹ [GR No. 28/2024, Article 194, page 90](#)

² Coordinating Minister for Human Development and Culture coordinates several ministries including Ministry of Health and BPOM.

³ Based on the Explanation of the Government Regulation Number 28 Year 2024: "International standards" are technical standards developed by one or more countries and/or international organizations in the field of health and/or food.

⁴ The WTO notification number [G/TBT/N/IDN/169](#)

distributing in certain areas⁵. The use of ingredients that are at risk of causing non-communicable diseases in processed food production is also restricted or prohibited.

- Administrative consequences for violations of the sugar, salt, and fat content limits in processed food could be subject to business actors in the form of written warnings, administrative charges, temporary suspension of production or distribution activities, withdrawal of products from circulation, and revocation of business licenses.

Definition of “Processed Food” Subject to Proposed Restrictions

Prior to the issuance of GR No. 28/2024, BPOM made other efforts to curb non-communicable diseases through Regulation No. 26 of 2021 on “Information on Nutritional Values on Processed Food Labels.” This regulation required all processed foods to display nutritional value information on the product label, except for powdered tea and coffee, tea bags, mineral bottled water, herbs, spices, seasonings, alcoholic beverages, and condiments. According to BPOM No. 26/2021, processed food is defined as “food or drink that is processed in a certain way or method with or without additional ingredients.” In addition, this labelling policy only applies to products which requires distribution registration at BPOM. BPOM No. 23/2023 notes that the following food products are exempt from product registration:

- Food with a maximum 7-day shelf life at room temperature (including street food).
- Bulk processed food products that are not for sale directly to retail consumers.

Draft Implementing Regulation: Mandatory Front-of-Package Nutrition Label

In September 2024, BPOM published draft implementing regulations to implement GR No. 28/2024 and invited comments from local industry only (please see Attachment 1, an unofficial translation of the draft regulation). The specifics within this measure, outlined below, have not yet been notified to the WTO. These draft implementing regulations would amend BPOM Regulation No. 26 of 2021, making it mandatory to disclose the product’s SSF content on the front-of-package label.

Nutri-Level Format: The draft regulation would also make it mandatory for processed products to be categorized into one of four ranks based on their “Nutri-Level:”

- Level A, which contains the lowest proportion of SSF content and is marked by a dark green label.
- Level B, which contains the second lowest proportion of SSF content and is marked by a light green label.
- Level C, which contains the second highest proportion of SSF content and is marked by a yellow label.
- Level D, which contains the highest proportion of SSF content and is marked by a red label.

The domestic-only public consultation period closed on September 30, 2024. The draft implementing regulation defines the parameters which determine Levels A – D for each nutrient as listed below, calculated in weight per 100 milliliters:

⁵ Based on the Explanation of the Government Regulation Number 28 Year 2024: “Certain areas” in these provisions include educational facilities, health service facilities, and children's play areas.

Nutrient	A	B	C	D
Sugar (g)	≤ 0.5	>0.5 - ≤6.0	>6.0 - >12.5	≥12.5
Salt (sodium) (mg)	≤ 5.0	>5.0 - ≤120.0	>120.0 - ≤500.0	>500.0
Fat (g)	≤ 0.5	>0.5 - ≤3.0	>3.0 - ≤17.0	>17.0

The determination of a beverage product's Nutri-Level is based on the product's SSF content (weight) per 100ml as noted in the table above. Processed foods at levels C and D must display the product's Nutri-Level along with the total SSF content per serving or per package, while for processed foods at levels A and B this requirement is voluntary.

Additional Nutri-Level labeling requirements and related notes include:

- Packaged food and beverages labeled as level A are prohibited from containing natural or artificial sweeteners (including via carry-over ingredient⁶).
- Packaged food and beverages labeled as level B may only contain natural sweeteners⁷.
- Packaged food and beverages labeled as level C or D are allowed to use natural and artificial sweetening food additives.
- The product must be labeled according to its highest letter. For example, if the product is in level B for sugar but level D for salt and fat, the product must be labelled as level D.
- "Sugar" includes all monosaccharides and disaccharides, excluding lactose.
- Processed plain liquid milk and plain milk powder are exempt from the requirement to declare the total fat content on the Nutri-Level label⁸.

Below are examples of the format that can be used for the labeling of A and B-level processed foods (this labeling is optional for A and B-level products):

- Option I: No Nutri-Level graphic or information (only possible for A and B-level products).
- Option II: Indicate the product's Nutri-Level by highlighting one of the letters without listing the total sugar, salt and/or fat content (only possible for A and B-level products.)

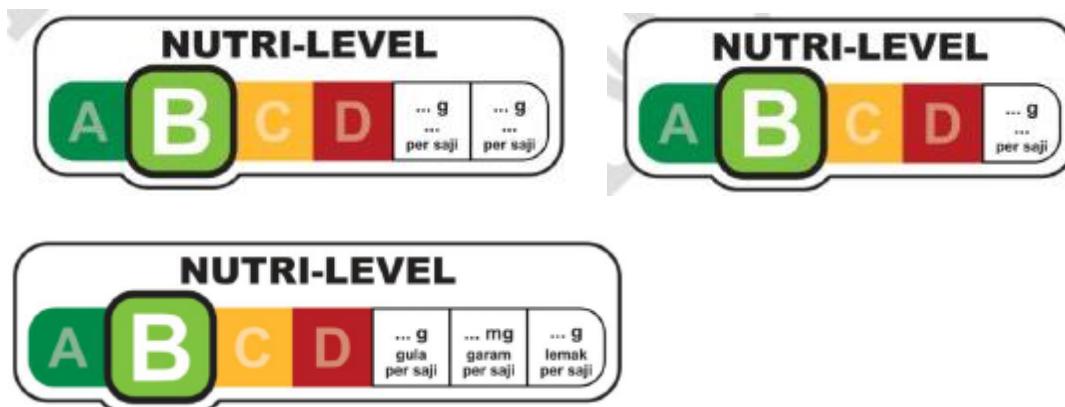


⁶ BPOM Regulation No. 11/2019 defines carryover ingredients as the presence of additive in food that come from all raw materials, auxiliary materials and/or food additives, whether mixed or packaged separately, but still forms a single product that does not function technologically in the final food product.

⁷ According to BPOM Regulation No. 29/2023, natural sweetener includes cane sugar (granulated sugar), palm sugar, coconut sugar, beet sugar, stevia leaves, saga leaves, legi wood, and other natural sweeteners; sorbitol (sorbitol syrup); mannitol; isomalt /isomaltitol; steviol glycosides; maltitol; maltitol syrup; lactitol; xylitol and erythritol.

⁸ Plain milk powder includes full fat powdered milk (full cream), instant full fat milk powder, milk powder partially skimmed, skimmed milk powder, milk and cream powder blend (plain), and drinks containing powdered milk (plain).

- Option III: Indicate the product's Nutri-Level by highlighting one of the letters and providing the product's total SSF content per serving or per package qualifying the product to be at the level of A or B. (The SSF information is required for C and D-level products.)



Note: Per saji = per serving
 Gula per saji = sugar per serving
 Garam per saji = salt per serving
 Lemak per saji = fat per serving

Serving size: The serving size values for each food category are also defined in the draft regulation. For example, one serving of the “flavored drink” category is 100 – 250ml. The serving size for “snacks” is 15 – 40g, and the serving size for fruit juice is 100 – 250ml.

Implementation dates: Once the draft implementing regulation is finalized, the implementation of mandatory “Nutri-Level” labeling will be carried out in phases. The first phase will apply to ready-to-drink beverages, including liquid concentrates and powdered drinks. After the final regulation is issued (amending BPOM Regulation No. 26 of 2021), compliance dates depend on the product category:

- Drinks with an SSF content at the C and D levels: 18 months post-publication
- Processed food: 30 months post-publication.

According to industry sources, BPOM is considering a grace period before these compliance dates. Industry sources indicate the final regulation may be published by end of 2024, which would start the clock for affected beverage products to comply 18 months later. Meanwhile, the implementation for other product categories for the next phase would be determined later by the head of BPOM.

The Front-of-Package Nutrition Label guidelines remain voluntary until the final implementing regulations for GR No. 28/2024 are issued by BPOM and the implementation date is reached for the product category. Additional background on this planned measure is provided [here \(in Bahasa Indonesia\)](#).

Local Industry Requests to Postpone Maximum Limits of SSF in Foods and Labeling Rules

During the domestic public comment period, industry associations encouraged the government to postpone the implementation of mandatory Nutri-Level labeling. A key justification was that there was

minimal consultation with domestic industry during the drafting of the regulation. Associations reminded the government that this new regulation will have a significant impact on businesses, including high costs to redesign and print the labels.

Local industry also commented that determining a maximum limit of sugar, salt, and fat for various categories of food and beverage products will be very difficult to implement. This is especially true since SSF each have technological functions. Food formulations use sugar, salt, and fat in their products for various reasons, including taste, texture, and preservation. Restrictions on sugar, salt, and fat content will affect the technological functions and formulations of processed foods. Local industry is asking the Government of Indonesia to conduct a comprehensive review of GR No. 28/2024 and the proposed implementing regulations. Specifically, they ask that risk assessments be prioritized and involve relevant stakeholders, especially the processed food and beverage industry.

Industry is also concerned that GR No. 28/2024 seems to blame non-communicable diseases on processed food producers. Processed foods subject to the draft implementing regulation only represent approximately 30 percent of the public's SSF consumption. About 70 percent of SSF in Indonesia is dominated by foods not subject to the draft implementing regulation, such as street food or other daily foods cooked in households. Exempt products include the wide array of non-packaged sweet drinks, fried snacks, and desserts consumed daily across Indonesia.

On the draft Revision of BPOM Regulation No. 26 of 2021, local industry views that the 30-month grace period for processed food after the final regulation is published will be difficult. They note the improvement and development of processed foods to meet the new regulations will take longer than the proposed timeline. In general, industry concerns mainly revolved around the lack of clarity in terms of SSF maximum levels and the timeline of implementation.

Anticipated Impact

BPOM allows importers to apply Indonesia-specific product labels via sticker upon arrival or before; these labels would need to be in color under the final regulation. The implementation of this regulation would likely have a significant impact on U.S. packaged foods exported to Indonesia, such as cheese, chocolate, snacks, non-alcoholic beverages, cereals, confectioneries, etc. Such exports to Indonesia are currently valued at approximately \$54 million per year.

U.S. Government Response

To encourage the Government of Indonesia to consider different approaches to achieve their public health objectives, on September 5, 2024, FAS Jakarta held a food additives workshop in collaboration with Food Industry Asia (FIA). FAS brought in a former senior FDA official to explain FDA's approach to sweeteners. A key point was how U.S. FDA works closely with industry to establish voluntary goals for reduced sugar and sodium content. The speaker noted that doing such changes gradually helps get consumers acclimated to the changing taste without major disruption to demand for the products. The audience included BPOM officials responsible for the draft implementing regulation.

The U.S. Government will encourage the Government of Indonesia to notify the details of the implementing regulation to the World Trade Organization and to delay implementation until more robust

stakeholder consultation occurs. In addition, FAS Jakarta will continue to seek clarity on areas which remain unclear, including the eventual scope of products and their implementation dates.

Attachments:

[Indonesia Nutri-Level regulation proposal EN Sept 2024.pdf](#)