

A woman wearing a light-colored hijab and a red long-sleeved shirt is looking at a jar of jam in a grocery store. The jar has a label with the word "Honey" and some smaller text. The background is a blurred grocery store aisle with shelves and lights.

INDONESIA RETAIL POLICY BRIEF 2025

**TOWARDS HEALTHIER FOOD ENVIRONMENTS:
REGULATING INDONESIA'S MODERN FOOD
RETAIL SECTOR**



KEY MESSAGES

- 1 Indonesia faces rising levels of non-communicable diseases (NCDs) due to changing dietary patterns: 1 in 3 adults and 1 in 5 children aged 4 – 19 years suffer from overweight or obesity.
- 2 Modern retailers are increasingly contributing to this trend: most packaged food and beverage (F&B) sales in Indonesia now occur through modern retailer outlets, whose growth is outpacing that of traditional retail.
- 3 Most private-label products marketed and sold by Indonesia's leading retailers do not meet the criteria to be considered 'healthy', and healthier food baskets purchased through modern retailers are unaffordable for many consumers.
- 4 Indonesian policymakers can support healthier food environments by implementing regulations that both inform consumers and discourage unhealthy food choices. This includes the draft Nutri-Level front-of-pack label and the sugar-sweetened beverage tax (MBDK), both of which have faced delays and are currently planned for implementation in 2027 and 2026, respectively.
- 5 Prioritizing these mandatory measures—and preventing further delays in implementation—is essential to addressing rising levels of NCDs in Indonesia.

HEALTH IMPLICATIONS OF INDONESIA'S GROWING MODERN FOOD RETAIL SECTOR

Indonesia faces a triple burden of malnutrition. While undernutrition has declined nationally, 1 in 5 children under five remain stunted, and anaemia affects over 27% of women of reproductive age.¹ At the same time, rates of people living with overweight and obesity are rising rapidly. The 2023 Indonesian Health Survey (SKI) indicated an 8.9% rise in the prevalence of overweight and obesity amongst adults above 18 years between 2013 and 2023, with 1 in 3 (37.8%) suffering from overweight or obesity in 2023.^{2,3} Amongst children aged 4 – 19 years, 1 in 5 (19.8%) suffer from overweight or obesity.^{2,3} The 2025 United Nations Children's Fund (UNICEF) Child Nutrition report also indicates that Indonesia has among the most rapidly rising levels of childhood overweight in the world.⁴

A key driver of this trend is changing dietary patterns. According to the SKI 2023, average fruit and vegetable intake falls below Indonesian dietary guidelines.^{2,5} Among children aged 5-19 years, more than half

consume 1 or more sugar-sweetened beverage (SSB) per day, and 42.5% consume 1 or more confectionery products per day.³ Furthermore, ultra-processed foods (UPFs) are increasingly available, representing 47.3% of packaged F&B sales in 2023.⁶

The prevalence of highly processed packaged foods in Indonesian diets is closely linked to the expansion of the modern retail environment. Although the traditional retail sector^a remains dominant and is still the primary food source for most Indonesians, the modern retail sector^b is expanding rapidly, and now accounts for the majority of packaged F&B sales.⁷

^a Including warungs, pasar (wet markets), and street vendors
^b Modern formats include registered, tax-paying entities excluding e-commerce

Modern retailers have steadily gained market share, with total sales increasing 7.9% between 2010 and 2019, outpacing the 3.1% growth of the traditional retail sector for the same period.⁸

Convenience stores are driving this expansion, representing 73% of modern grocery sales, with retailers such as Alfamart and Indomaret leveraging small-store formats and franchise models to reach both urban and rural consumers. Convenience stores, in particular, offer limited fresh produce compared with supermarkets and hypermarkets, and they are increasingly important channels for processed food and sugar sweetened beverages.^{7,9}

As modern grocery retailers become more prominent sources of highly processed packaged products, their influence on the food environment is growing. Policymakers therefore have a critical window of opportunity to introduce measures that ensure the expanding role of modern retailers supports healthier diets.

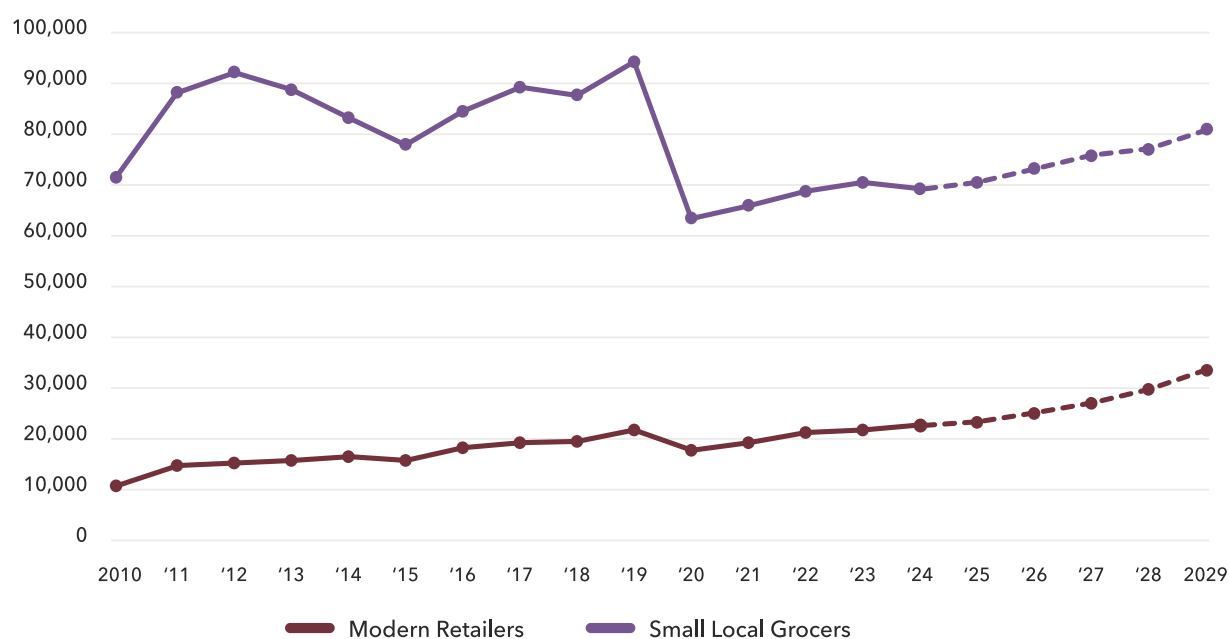
ABOUT ATNi'S RETAIL ASSESSMENT 2025

The Indonesian Retail Assessment was carried out by ATNi, a global foundation headquartered in the Netherlands that actively challenges the food industry, investors, and policymakers to shape healthier food systems.

ATNi's Indonesia Retail Assessment highlights the contribution of Indonesia's largest modern retailers—Alfamart, Indomaret and Super Indo—to unhealthy food environments, examining their nutrition strategies and commitments, the healthiness of their private-label products, their promotional practices, and the affordability of a healthier food basket.

For more information about ATNi, visit our [website](#). Find more details about the research findings that this policy brief is based on [here](#).

FIGURE 1
HISTORICAL AND PROJECTED SALES GROWTH OF THE INDONESIA'S MODERN AND (FORMAL) TRADITIONAL GROCERY RETAIL SALES



ATNI'S INDONESIA RETAIL ASSESSMENT FINDINGS

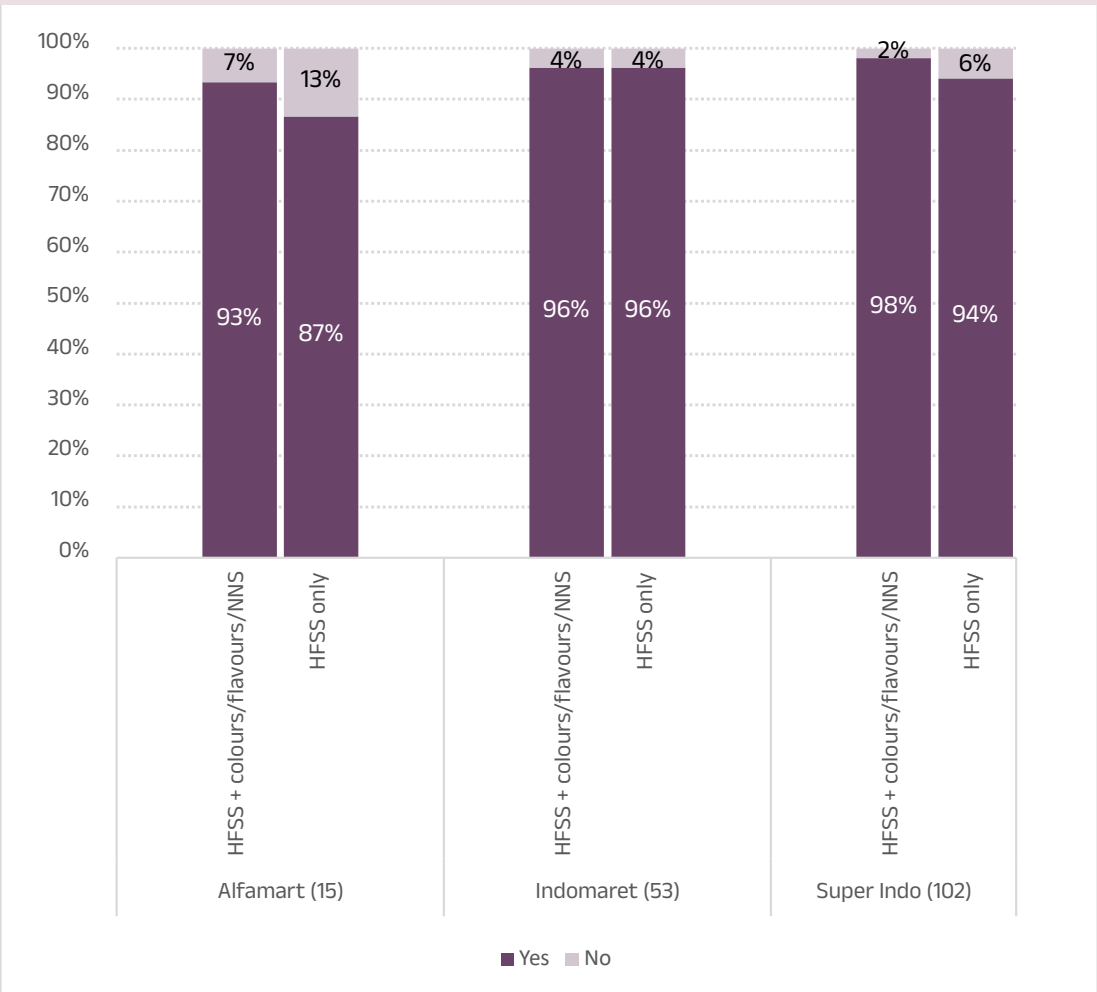
Most private-label products sold by leading retailers are unhealthy

An analysis of 191 private-label products across Indonesia's three leading retailers, Alfamart, Indomaret and Lion Super Indo, highlighted that most private-label products do not meet the nutritional criteria to be considered healthy. Across all three retailers, only 27% of products met the Health Star Rating (HSR) threshold of ≥ 3.5 , to be classified as relatively 'healthy'. When assessed using the WHO Nutrient Profile Model (NPM) for South-East Asia Region (SEARO), only 8-18% of products across retailers met the eligibility criteria to be considered healthy enough to market to children.

In addition, the proportion of private label portfolio considered 'unhealthy' because of high fat, salt, sugar content and/or containing colors, flavors, non-nutritive sweeteners (UPF markers) was very high for all Indonesian retailers (Figure 2).

These findings build on results from ATNi's 2024 Global Index, which included an assessment of the healthiness of branded products sold by the world's largest F&B manufacturers. In that assessment, only 21% of products sold in Indonesia were classified as 'healthier'. This further underscores the need for policies that apply both to food manufacturers and to retailers.

FIGURE 2
PROPORTION OF HFSS AND/OR UPF PRODUCTS FOR THE THREE RETAILERS IN INDONESIA



Retailers generally do not prioritize nutrition in their corporate strategies

Retailers have both a responsibility and an opportunity to contribute to a healthier food environment in Indonesia, facilitating healthy dietary choices and supporting positive nutritional outcomes. However, ATNi's Retail Assessment found limited evidence of grocery retailers taking steps towards this objective.

Of the three retailers assessed, only Super Indo shows evidence of commitments and initiatives aimed at promoting healthier choices. One example is the implementation of the 'sugar content indicator'—a colour-coded labelling system on price tags based on guidance from the Indonesian Ministry of Health and WHO, aligned with the Healthier Choice logo requirements for sugary beverages.¹⁰

Despite these steps, none of the three retailers disclose clear targets or policies to systematically support healthier diets—such as increasing the proportion of healthier products or fresh produce, improving in-store positioning of nutritious options, restricting the marketing of unhealthy products to children, or adhering to Codex guidelines for health and nutrition claims. While Alfamart and Indomaret reference efforts to ensure product affordability, there is no indication that these efforts extend specifically to healthier products.

Products promoted by retailers are generally unhealthy

Analysis of 1546 products from retailers' weekly flyers or catalogues shows that products classified as unhealthy—or products that are unhealthy when consumed in excessive amounts—dominate promotions. Only 32% of products in Super Indo's weekly promotions were found to be 'healthier', compared with 5% from Indomaret, and 3% from Alfamart

Healthy diets remain unaffordable for many

Retailers have an opportunity to support healthier diets by ensuring that healthier food options are affordable for consumers. However, findings from a pricing analysis of products sold by Indomaret shows that a healthier food basket costs 10.8% more than a less healthy food basket. Furthermore, ATNi's assessment found that a healthier food basket represents over 90% of daily per capita net income, making a healthier food basket from modern retail unaffordable for much of the population.



STRONGER MANDATORY REGULATION TO SUPPORT ACCESS TO HEALTHIER, AFFORDABLE FOOD

The Indonesian Retail Assessment findings highlight that modern retailers are not yet sufficiently contributing to healthier diets. While some retailers are piloting promising initiatives—such as the sugar content indicators on price tags at Super Indo—there remains a need for mandatory policies that hold retailers accountable and enable the public to make healthier choices.

The Indonesian policy landscape is evolving to address the challenges of rising NCDs, with the latest National Food and Nutrition Action Plan (RAN-PG) 2025–2029, actively aiming to promote healthier alternatives and reduce UPF consumption. However, many proposed measures have faced delays or remain voluntary in nature. There is a need for measures which both create increased transparency and inform consumers on healthier choices, but also restrict unhealthy food choices, and encourage product reformulation. Nutrition labelling, together with economic measures such as taxation or subsidies, presents important opportunities to support healthier food retail environments.

Front-of-pack (FOP) nutrition labelling

At present, Indonesia has two FOP nutrition labels, including the voluntary Healthier Choice Nutrition Claim (2019) and a Guideline Daily Amount (GDA) label (see Table 1). The Healthier Choice FOP label aims to support consumers in identifying healthier food choices, with eligible products required to fall below maximum thresholds for salt, sugar, and fat content. The GDA label provides quantitative information on a product’s nutrient content, without guidance for consumers on interpretation of healthiness. However, both labels do not align with global recommendations for effective interpretive labels to address NCDs, as defined by the WHO and United Nations Children’s Fund (UNICEF).^{11–13}

Originally planned for implementation in 2024, the Ministry of Health has recently enacted new regulations mandating a traffic-light style FOP nutrition label: Nutri-Level, which will become mandatory in 2027 (Table 1). Similar to Singapore’s Nutri-Grade and the EU Nutri-Score label, Nutri-Level intends to provide simplified nutritional information on a product’s healthiness, and to align Indonesia with global best practices. F&B companies have been given until 2027

TABLE 1
OVERVIEW OF FOP NUTRITION LABELS IN INDONESIA

Guideline Daily Amount (GDA)	Healthier Choice Logo	Draft Nutri-Level
<div> <div>Per sajian (250 ml)</div> <div> <div>ENERGI 120 kkal</div> <div>LEMAK TOTAL 0 g</div> <div>LEMAK JENUH 0 g</div> <div>NATRIUM (GARAM) 30 mg</div> <div>GULA 14 g</div> </div> <div> <div>Person A KG based on energy requirement 2150 kkal</div> </div> </div>	<div> <div>PILIHAN LEBIH SEHAT</div> <div> </div> </div>	<div> <div>NUTRI-LEVEL</div> <div> <div>A B C D</div> <div> <div>NUTRI-LEVEL</div> <div> <div>A B C D</div> <div> <div>0 mg per 100 ml</div> <div>0 mg per 100 g</div> </div> </div> </div> </div> </div>

to comply, with voluntary adoption expected from the end of 2025.¹⁴

Recent studies have highlighted Indonesian consumers' preference for a mandatory traffic-light style FOP nutrition label.^{15,16} However, there are concerns that a dual system (Healthier Choice and Nutri-Level) may confuse consumers.¹⁷ Policymakers are therefore encouraged to retire the Healthier Choice logo once the Nutri-Level is implemented, in line with WHO recommendations to use only a single FOP nutrition label system on pack.¹²

Sugar-sweetened beverage (SSB) excise taxes

Since 2016, Indonesia's Ministry of Finance has considered implementing an SSB excise tax to address NCDs and support public health funding.¹⁸ The draft SSB tax (MBDK) is currently planned for

implementation in 2026, having faced multiple delays due to debates over potential harms to industry.¹⁸⁻²⁰ However, the rate of the excise tax is still being decided. Current proposals for the rate of the tax include a 2.5% excise tax based on the retail price, or fixed rates ranging from Rp 1,500 per litre for packaged sweetened drinks and Rp 2,500 per litre for concentrates.²¹

These proposals however, are notably lower than the 2016 WHO recommendation of a 20% excise tax on the retail price, which is considered necessary to effectively protect children's health and reduce obesity and type 2 diabetes.²² The Centre for Indonesia's Strategic Development Initiatives (CISDI) has shown that a single year of a 20% excise tax on the retail price of SSBs could prevent approximately 250,000 cases of overweight and 500,000 of obesity.¹⁹ Furthermore, if implemented until 2033, the tax could cumulatively prevent 3.1 million cases of type 2 diabetes.



RECOMMENDATIONS TO POLICYMAKERS

1 Implementation of the mandatory Nutri-Level FOP label in line with the current timeline.

A mandatory FOP label can empower consumers to make healthier choices and provide guidance for retailers and F&B manufacturers reformulating their products. It can also form the basis for further regulation on advertising—for example, prohibiting Nutri-Level C and D products from being advertised to children, or sold in and around schools.

To strengthen the system, policymakers can consider setting mandatory requirements not only for products scoring C and D, but also for products receiving A and B, to more clearly signpost healthier options to consumers.

2 Implement the MBDK tax in 2026. Taxation on unhealthy foods such as SSBs can help reduce the prevalence of overweight and obesity, as well as type 2 diabetes, as indicated by CISDI's analysis. For optimum impact, policymakers can consider aligning the tax design with WHO recommendations for a 20% excise tax on the retail price.

CALL TO ACTION

Modern food retailers are increasingly shaping Indonesia's food environment, and mandatory measures are needed to ensure that this growth supports healthier diets. Implementation of the Nutri-Level FOP label and the MBDK SSB tax can empower consumers to make healthier choices and discourage excessive sugar intake. For optimal impact, these measures should align with global recommendations and should not face further delays.

Retailers can lead by adopting Nutri-Level on their private-label products before 2027, as well as using the Nutri-Level to guide marketing and price promotions for healthier options, and to reformulate private-label products. Civil society can advocate for greater transparency and support consumer education. Coordinated action will help ensure that the rapid growth of modern retail promotes healthier diets, making nutritious choices more visible and affordable for all Indonesians.

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