



PwC Indonesia Legal Alert

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New health regulation
impacting Fast-Moving
Consumer Goods
(FMCG) ^{P1}

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I. Introduction

Data from the International Diabetes Federation (IDF) highlights a pressing global health crisis. The number of people living with diabetes worldwide reached 537 million in 2021. This figure is projected to soar to 643 million by 2030 and 783 million by 2045. Alarmingly, Indonesia ranks fifth among countries with the highest prevalence of diabetes, affecting 19.5 million individuals in 2021. This number is expected to surge to 28.6 million by 2045.¹ The high prevalence of diabetes in the country is attributed to several factors, such as increased consumption of processed foods and sugar.²

To tackle this urgent health challenge, the Indonesian Government issued Government Regulation No. 28 of 2024 on the Implementation of Law No. 17 of 2023 on Health (**GR No. 28/2024**) on 26 July 2024. This regulation serves as an implementing measure of the law and introduces specific provisions for regulating sugar, salt, and fat intake, among other topics.

The regulation of sugar, salt, and fat intake is anticipated to directly impact the Fast-Moving Consumer Goods (**FMCG**) sector.

II. Overview of sugar, salt and fat intake control in GR No. 28/2024

1. Maximum content of sugar, salt and fat

GR No. 28/2024 mandates that the Government establish thresholds for the maximum allowable content of sugar, salt and fat in processed foods, including ready-to-eat products.³ This shall be

¹ Source: <https://sehatnegeriku.kemkes.go.id/baca/blog/20240110/5344736/saatnya-mengatur-si-manis/>

² Source: <https://www.thejakartapost.com/opinion/2024/10/24/understanding-diabetes-and-its-impact-on-public-health-in-indonesia.html>

³ Food and/or beverages that have already been processed and are ready to be served immediately, either on the business premises or off-site. This includes food served by catering services, hotels, restaurants, eateries, cafeterias, canteens, street vendors, food stalls, mobile food vendors, and similar businesses.

accomplished through risk assessment and/or by considering international standards.

Every person who produces, imports and/or distributes processed food, including ready-to-eat processed food, must comply with the thresholds established by the Government.

The existing Minister of Health (MoH) Regulation No. 30 of 2013 on the Inclusion of Sugar, Salt and Fat Content Information and Health Messages for Processed Foods and Ready-to-Eat Foods as amended by the MoH Regulation No. 63 of 2015 (**MoH Regulation No. 30/2013**), requires that the information on sugar, salt and fat intake be derived from accredited laboratory test results. **However, this regulation does not set limits on the allowable intake of these substances for processed foods and ready-to-eat products.** It only states that sugar content exceeding 50 grams, sodium exceeding 2,000 milligrams or total fat exceeding 67 grams is deemed excessive.

2. Noncommunicable diseases (NCDs)

Any party involved in the production, import and/or distribution of processed foods, including ready-to-eat products, is restricted, and/or prohibited from using substances or ingredients that pose a risk of causing NCDs.

Further guidelines for preventing NCDs are expected to be detailed in ministerial regulations. Existing regulations of the MoH and the Food and Drug Supervisory Agency focus more on the labelling requirements to include health warning information on processed food labels, considering the risk of NCDs.

3. Excise on certain processed foods

GR No. 28/2024 authorises the Government to impose excise taxes on certain processed foods. Although the concept of an “excise on sugary drinks” is mentioned in the recent tax revenue details for the 2023 fiscal year, as referred to in the appendix of Presidential Regulation No. 75 of 2023 on the Details of State Budget (*Anggaran Pendapatan dan Belanja Negara/APBN*), the enforcement of this excise has not been materialised.

4. Inclusion of nutritional labels

GR No. 28/2024 mandates all parties involved in the production, import and/or distribution of processed foods, including ready-to-eat products, to include nutritional labels (detailing sugar, salt and fat content) on the packaging or informational media.

The new labelling requirement in GR No. 28/2024 extends to producers, importers and distributors in the processed food industry. This contrasts with MoH Regulation No. 30/2013, which applies only to producers or entities with more than 250 franchise outlets that produce processed foods containing sugar, salt and/or fat for commercial purposes.

5. Limitations on advertising, promotion and event sponsorship

GR No. 28/2024 **imposes restrictions on advertising, promotion and sponsorship** activities of processed foods, including ready-to-eat products, **at certain times, locations and target audiences**, if they exceed the maximum allowable content of sugar, salt and fat.

It also **prohibits the sale or distribution** of processed foods, including ready-to-eat products, **in certain areas**⁴ if they exceed the maximum allowable content of sugar, salt and fat.

Non-compliance with these new provisions introduced by GR No. 28/2024 may result in administrative sanctions, including fines, temporary suspension of production and/or distribution activities, withdrawal of processed foods from circulation and revocation of business licenses.

III. Next steps

GR No. 28/2024 represents a novel approach to regulating sugar, salt and fat intake, as prior regulations did not directly address these issues.

These new regulatory measures will take effect two years after the determination of the maximum content levels for sugar, salt and fat, which is anticipated by 2026.

We will closely monitor the progress of the implementing rules for these new provisions on FMCG by the MoH and other relevant authorities.

This Legal Alert is intended to provide an overview of the provisions relating to the sugar, salt and fat intake control under GR No. 28/2024. It may not cover all related aspects. Please do not hesitate to contact us if you require more detailed advice or have specific questions.

⁴ These include educational institutions, playgrounds and healthcare facilities.

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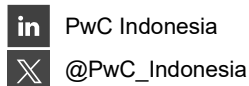
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