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Report Highlights:

Indonesia's sugarcane production is forecast to decrease to 35 million metric tons (MMT) in marketing year 2026/27, with plantation white sugar production falling to 2.5 MMT. Strong El Niño conditions are expected to reduce both harvested area and sugarcane yields. Despite this decline, the Government of Indonesia (GOI) is not expected to issue import allocations for plantation white sugar and is expected to sharply reduce raw sugar import allocations for industry in 2026/27. This decision reflects an anticipated increase in 2025/26 plantation white sugar production. Sugar consumption is forecast to rise marginally to 7.25 MMT (raw sugar equivalent) in 2026/27. Population growth and expanding demand from the food and beverage industry will drive this increase, though growing health consciousness will temper consumption gains.

Glossary:

API-P	: Producer Importers Identification Number
API-U	: General Importers Identification Number
ASEAN	: Association of Southeast Asian Nations
ATIGA	: ASEAN Trade in Goods Agreement
BMKG	: The Indonesian Meteorology, Climatology, and Geophysics Agency
CMFA	: Coordinating Ministry for Food Affairs
GOI	: Government of Indonesia
HET	: Maximum Retail Price
HFCS-55	: High Fructose Corn Syrup with 55 percent fructose content (HS Code 170260)
ICUMSA	: International Commission for Uniform Methods of Sugar Analysis
ID	: Import Duty
IU	: International Unit
MOI	: Ministry of Industry
MOT	: Ministry of Trade
MSOE	: Ministry of State-Owned Enterprises
NFA	: National Food Agency
OECD	: The Organization for Economic Cooperation and Development
Sembako	: Nine staple foods
TCD	: Tons of Cane per Day
TPD	: Tons Per Day
VAT	: Value Added Tax

Executive Summary

Sugar is strictly regulated in Indonesia as one of the nine essential "Sembako" food products (including rice, corn, soybeans, cooking oil, beef, poultry meat, shallots, eggs, and sugar) under the National Food Agency Regulation No. 12/2024. Ministry of Industry (MOI) Regulation No. 47/2024 on Assurance of Fulfillment of Raw Material Needs for the Sugar Industry (issued on October 15, 2024) classifies domestic sugar into three categories: raw cane sugar, plantation white sugar, and refined sugar (see Table 1).

Table 1. Indonesia Sugar Classifications

Category	Purpose	HS Codes
Raw cane sugar	Raw material for sugar refineries or sugar mills	1701.12.00, 1701.13.00, 1701.14.00
Plantation white sugar	Household consumption	1701.91.00, 1701.99.90
Refined sugar	Raw material for food and beverage and pharmaceutical industries	1701.99.10

Source: MOI No. 47/2024

The regulation also states that the sugar industry, which consists of sugar mills and sugar refineries, must prioritize using domestically produced raw materials. They may only import raw materials when domestic supplies are not sufficiently available in terms of volume or quality, or if the raw material is not produced domestically. In 2022, the GOI also included sugar as one of the first five commodities whose import volume allocation would be based on the commodity balance policy (please see ID2024-0046, Section IX: Import Procedure, page 50 for more information on commodity balance).

Indonesian sugar mills and refineries utilize centrifugal machines to separate sugar crystals from sugarcane or raw sugar liquid to produce the so-called centrifugal sugar in the form of plantation white sugar (semi-refined) and refined sugar. Sugar mills are only permitted to produce white sugar (plantation white sugar) and refineries are only permitted to produce refined sugar. Sugar mills use domestically produced sugarcane as raw material while refineries use imported raw sugar as raw material. However, since domestic demand for white sugar far outpaces local production, significant volumes of imports are sometimes required to fill the idle capacity of sugar mills. Using the commodity balance policy, the GOI tightly controls the timing, import volume, and distribution of import quotas. Additionally, if refined sugar with certain technical specifications is unavailable in the local market, food and beverage companies may be authorized to import these special sugars. National demand for both plantation white and refined sugar continues to increase along with population growth and an expanding food and beverage industry. Nonetheless, the pace of growth is expected to be slower than the last decade due to increased health awareness. Therefore, sugar consumption for 2025/26 is estimated to marginally increase to 7.2 MMT of raw sugar equivalent from 7.16 MMT of raw sugar equivalent in 2024/25. Sugar consumption is forecast to further increase to 7.25 MMT of raw sugar equivalent in 2026/27.

Production

Sugarcane

In Indonesia, white sugar is produced from domestically produced sugarcane and is primarily for direct human consumption. Refined sugar is made from imported raw sugar, which is generally used for processing by the food and beverage industry. Refined sugar produced from imported raw sugar is prohibited from being distributed to retail markets for direct human consumption. Characteristics and profiles of the Indonesian sugar industry are described in Table 2.

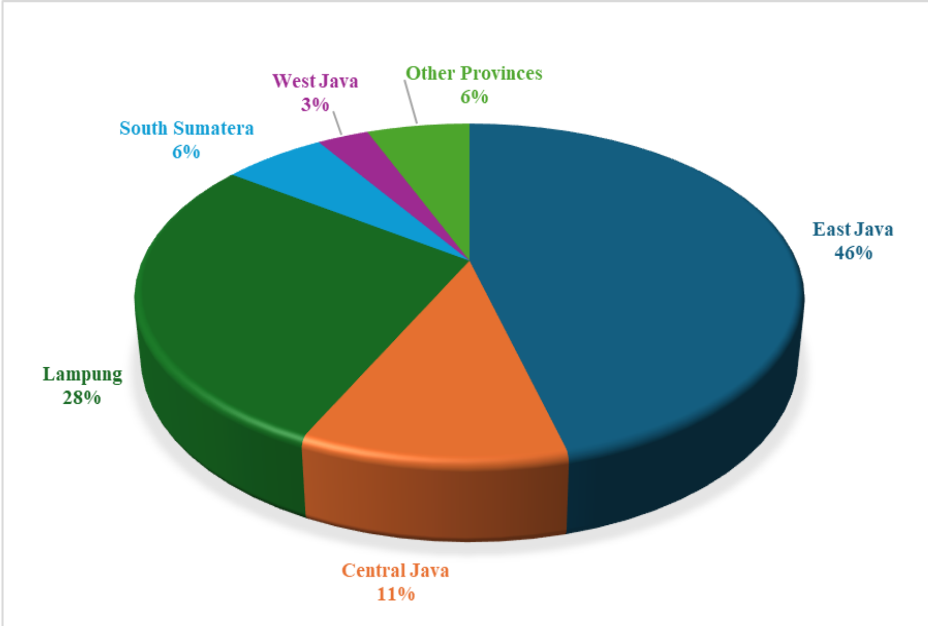
Table 2. Characteristics and Profiles of the Indonesian Sugar Industry in 2025

No.	Description	Sugarcane Based	Raw Sugar Based
1.	Number of companies	18	11
2.	Number of plants	49	11
3.	Processing capacity	324,350 TCD Avg. 5,100 TCD per mill	5.016 MMT of installed capacity (initial permit) 4.228 MMT of installed capacity (actual) 3.668 MMT of running capacity (84.14 percent)
4.	Raw material	Sugarcane from mills' own plantations and farmers as well as any annual authorized amount of imported raw sugar to fill idle capacity when assigned by GOI.	Imported raw sugar
5.	Number of processing day	Avg. 160 days per year	Avg. 320 days per year
6.	Annual production potential	2.5-3.0 MMT	3-4 MMT
7.	Age of existing mills	5-188 years old	7-16 years old
8.	Influence of climate on production	Strong	Almost none
9.	Overseeing agency	Ministry of Agriculture (GOI Regulation No. 17/1986)	Ministry of Industry (Law No. 5/1984)

Source: MOA, MOI, Ministry of Trade (MOT), compiled by FAS/Jakarta

Currently, a total of 59 sugar mills are operating in Indonesia, with a national installed capacity of 324,350 tons of cane per day (TCD). Of these mills, 40 mills are administered by state-owned companies and 19 are privately owned. According to the most recent publication on sugarcane by the Indonesian Statistics Agency (*BPS, Badan Pusat Statistik*), in 2024, Indonesia's primary sugarcane production areas are East Java, Lampung, and Central Java. Figure 1 provides further breakdown of Indonesia's sugarcane producing areas.

Figure 1. Indonesia's Main Sugarcane Producing Areas (2024)



Source: BPS, 2026

In 2025, BPS reported that smallholder farmers accounted for approximately 54 percent of the total sugarcane production area, while the rest is managed by state-owned enterprises (18 percent) and private companies (28 percent). The area managed by smallholder farmers is on the declining trend due to land conversion to nonagricultural uses from rapid infrastructure development on Java as well as competition with other food crops, such as corn and paddy, which can provide higher margins. On the other hand, private companies' area expansion in 2025/26, which is estimated to reach 1.8 percent outside of Java and 7.9 percent on Java Island, offset the decline in smallholders' production area. As a result, harvested area in 2025/26 is estimated to increase to 560,000 hectares from 505,000 hectares in 2024/25. However, with predicted drier weather due to El Niño conditions, the harvested area in 2026/27 is forecast to decrease to 550,000 hectares.

The Ministry of Investment and Downstream Industry has granted land development permits to 10 companies for integrated sugarcane plantations and sugar mills covering approximately 541,094 hectares in Merauke Regency, South Papua Province. The permits follow Presidential Decree No. 15/2024 (April 19, 2024), which established the Task Force for Accelerating Sugar and Bioethanol Self-Sufficiency in Merauke. As of the end of December 2025, only two companies have opened a total of 22,000 hectares intended for sugarcane plantation.

Additionally, the Food Estate Program is one of President Prabowo's flagship programs and is part of the National Strategic Projects to achieve self-sufficiency in food and energy. Approximately 30 percent of the new area targeted for expansion is located in pristine forests and peatlands. A lack of infrastructure and problems in opening new land related to property rights and the displacement of indigenous people remain the main obstacles to achieve the target. Therefore, despite the newly opened land, additional sugarcane production from Merauke, South Papua is not expected to materialize in the near future.

In early March 2026, the Indonesian Meteorology, Climatology, and Geophysics Agency (BMKG) predicted that most parts of Indonesia will enter the 2026 dry season earlier than normal. This condition occurs following the weak La Niña phenomenon in February 2026, which has now shifted to a neutral phase with the potential to become an El Niño by mid-year. BMKG also explained that global climate anomalies in the Pacific Ocean are currently in a normal range and are predicted to persist until June 2026. However, starting mid-year, there is a 50 to 60 percent probability of a weak to moderate El Niño. BMKG stated that out of a total of 325 seasonal zones (*ZOM*, *Zona Musim*) in Indonesia, 46.5 percent are predicted to experience an earlier than usual start to the dry season, 24.7 percent (173 ZOM) are in line with the 25-year normal average, and 10.3 percent (72 ZOM) are later. Most of the main Indonesian rice and corn producing areas in Sumatera, the northern coast of West Java, most of Central Java to East Java, West Nusa Tenggara, East Nusa Tenggara, and small parts of Kalimantan and Sulawesi will begin entering the dry season in April 2026, slightly earlier than normal. Peak dry season in most of Indonesia will occur in August 2026. Generally, BMKG predicted that the 2026 dry season will be drier and longer than normal. As occurred during the El Niño in 2023, less water from rainfall tends to lead to shorter sugarcane stalks, which reduces sugarcane yield. On the other hand, less rainfall will result in lower moisture content in sugarcane, thus increasing the recovery rate of sugar.

Figure 2. Comparison of Rainfall Analysis, Prediction for May 2026 and Realization 2025

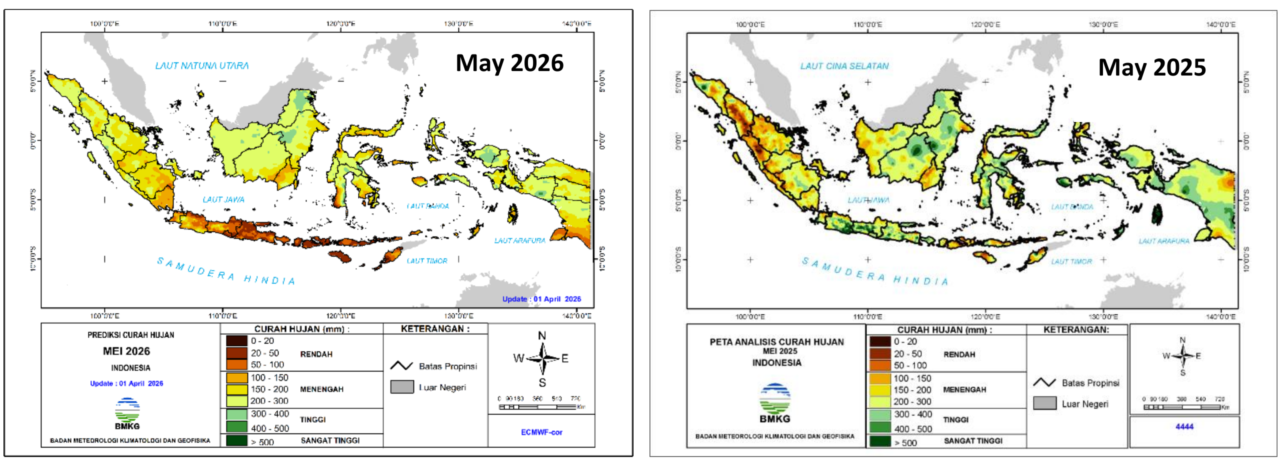
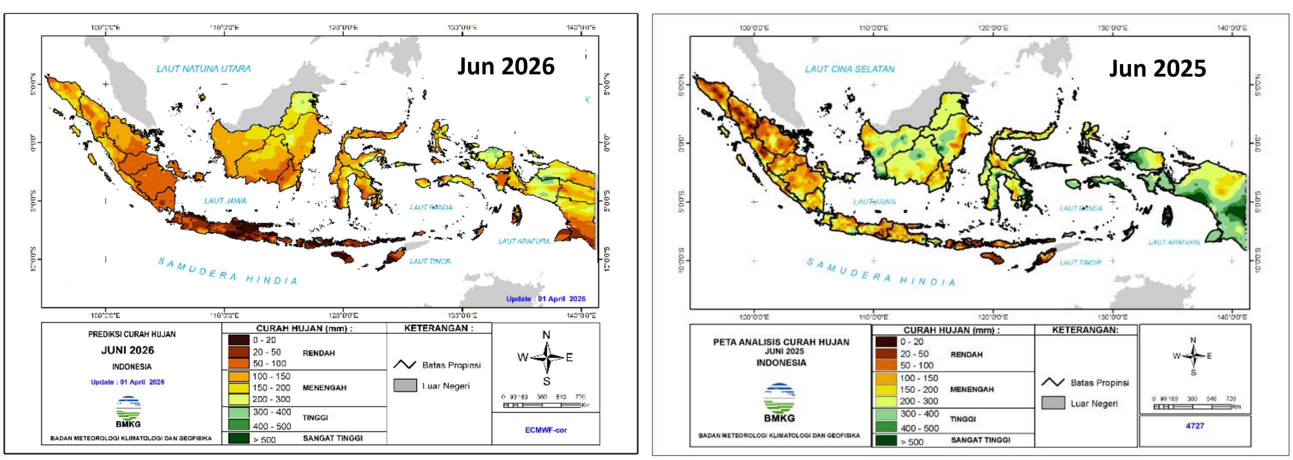


Figure 3. Comparison of Rainfall Analysis, Prediction for June 2026 and June 2025



Source: BMKG, April 2026

The 2025/26 La Niña, though relatively weak, provided sufficient rainfall to extend the sugarcane vegetative period. Continued precipitation during the dry season allowed crops to develop additional stalk segments, resulting in longer, more productive stalks. Therefore, yields are estimated to increase to 66.1 metric tons (MT) per hectare compared to 63.4 MT per hectare achieved in 2024/25. In line with the prediction of drier weather in 2026, yield is forecast to decrease to 62.5 MT per hectare in 2026/27. Considering the larger harvested area and higher yields, 2025/26 sugarcane production is estimated to increase to 38.0 MMT. Sugarcane production is forecast to decrease by 0.8 percent to 35.0 MMT in 2026/27. Based on the realization of harvested areas and sugarcane production reported by the Ministry of Agriculture (MOA) and industry associations, Post revised the 2024/25 sugarcane harvested area and production to 505,000 hectares and 33.0 MMT, respectively.

Table 3. Production, Supply, & Distribution: Sugarcane for Centrifugal

Sugar Cane for Centrifugal	2024/2025		2025/2026		2026/2027	
Market Year Begins	May 2024		May 2025		May 2026	
Indonesia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	510	510	0	570	0	560
Area Harvested (1000 HA)	500	505	0	560	0	550
Production (1000 MT)	28000	33000	0	38000	0	35000
Total Supply (1000 MT)	28000	33000	0	38000	0	35000
Utilization for Sugar (1000 MT)	28000	33000	0	38000	0	35000
Utilization for Alcohol (1000 MT)	0	0	0	0	0	0
Total Utilization (1000 MT)	28000	33000	0	38000	0	35000
(1000 HA) ,(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query]						

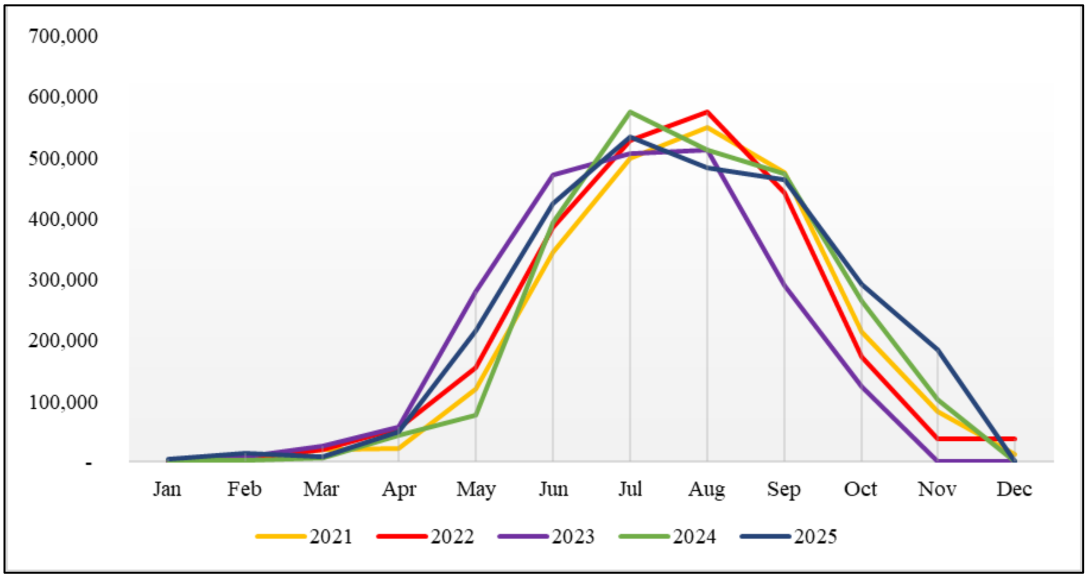
Note: New Post data is not official USDA data.

Plantation White Sugar and Refined Sugar

Smallholder farmers supply sugarcane to both state-owned enterprises and private sugar mills. Indonesia’s state-owned sugar mills are aging, with approximately 37 out of 43 being over 100 years old. State-owned sugar mills’ contributions to total production are on the decline as private companies with more efficient machinery and technology produce more. Nonetheless, with new sugar mills coming online, state-owned companies’ ownership of sugarcane plantations is increasing. From 2021 to 2025, plantation area of state-owned companies increased by 9.0 percent per annum while private companies’ area grew by 3.91 percent per annum. In 2025, private companies controlled 50.1 percent of Indonesia's total sugarcane plantation area, while state-owned sugar mills held 49.9 percent. The private sector area increased 4.9 percent from 2024, reaching 271,950 hectares. As a result of aging machines, the average 5-year recovery rate across the entire industry is estimated to reach only 7.1 in 2025/26 compared to 7.5 percent in 2024/25. In addition, lower moisture content from less rainfall is forecast to increase the recovery rate in 2026/27 to 7.2 percent.

The Muslim holiday of Ramadan ended in late March 2026, allowing the milling season to begin earlier than in 2024 and 2025, when the holiday extended through April. Therefore, most mills are expected to begin the milling season on time in April 2026 and will conclude by November 2026. Considering the abovementioned factors, 2025/26 plantation white sugar production is estimated to increase by 12.5 percent to 2.7 MMT from 2.4 MMT in 2024/25. Plantation white sugar production in 2026/27 is forecast to decrease by 7.4 percent to 2.5 MMT due to declined harvested area and lower sugarcane yield.

Figure 4. Indonesia: Monthly Plantation White Sugar Production (MT)



Source: FAS Industry Contacts

There are 11 sugar refineries processing imported raw sugar into refined sugar, with a total installed capacity of 5.02 MMT. The running capacity of these refineries varies depending on the GOI's issuance of raw sugar import permits. In 2025/26, running capacity decreased to 70 percent, compared to 78.8 percent in 2024/25 due to decreased authorized raw sugar imports. In line with the forecasted growth of the food and beverage industry, demand for refined sugar in 2026/27 is expected to increase by 5 to 6 percent. Accordingly, 2026/27 refinery running capacity is forecasted to reach approximately 73.5 percent. Table 4 outlines the capacity of Indonesian sugar refineries over the past decade.

Table 4. Capacity of Indonesian Sugar Refineries

No	Year	Number of Refineries	Unit (1,000 MT)		Running Capacity (%)
			Installed Capacity	Processed Raw Sugar	
1	2016	11	3,608.19	3,348.49	92.80
2	2017	11	4,227.88	3,333.38	78.84
3	2018	11	4,227.88	3,265.06	77.23
4	2019	11	4,227.88	3,335.90	78.90
5	2020	11	4,227.88	3,263.99	77.20
6	2021	11	4,227.88	3,311.55	78.33
7	2022	11	4,227.88	3,500.96	82.81
8	2023	11	4,227.88	3,331.15	78.79
9	2024	11	4,227.88	3,667.51	84.14
10.	2025	11	4,227.88	3,557.76	84.15
11.	2026*	11	4,227.88	1,558.84	37.58

Source: Nusantara Sugar Community
*Note: *as of February 2026*

Consumption

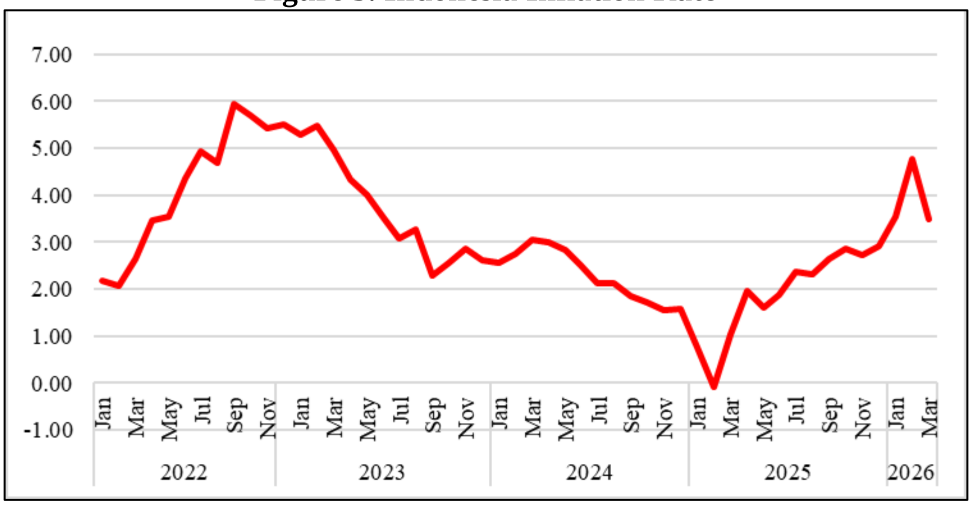
BPS reported that the Indonesian annual gross domestic product (GDP) grew by 5.39 percent year on year (YoY) in the fourth quarter of 2025, higher than the 5.04 percent YoY growth in the previous quarter. With this development, the Indonesian economy as a whole in 2025 grew by 5.11 percent YoY, up from the previous year's economic growth of 5.03 percent YoY. Furthermore, Bank Indonesia stated that Indonesian economic growth in 2026 is projected to increase in the range of 4.9 to 5.7 percent YoY, supported by increased domestic demand. In terms of business sectors, BPS noted that the five main sectors that made a large contribution to GDP in the fourth quarter of 2025 were manufacturing and industry (19.20 percent), trade (13.24 percent), agriculture (11.56 percent), construction (10.16 percent), and mining (8.93 percent).

Throughout 2025, the food and beverage industry grew by 6.0 percent, higher than the national economic growth and above the manufacturing industry growth of 5.15 percent. Driven by rapid urbanization rates and changing consumer lifestyles, the food and beverage sector is expected to continue to grow.

The World Bank projects that Indonesia's economic growth is expected to reach 5 percent in 2025/26, before gradually rising to 5.2 percent in 2027. Driven by improved consumption and private investment, the Organization for Economic Cooperation and Development (OECD) projects Indonesia's economic growth at 5 percent in 2025 and 2026 and will further increase to 5.1 percent in 2027. This projection is an increase from the OECD's projection in September 2025, which projected Indonesia's economic growth at 4.9 percent in 2025 and 2026.

Albeit slowly, the Indonesian economy is improving as reflected by an increasing inflation rate. Despite BPS data showing that the middle class shrank from 57.3 million to 47.85 million people in 2024, the middle class is beginning to show signs of recovery in demand, marked by increased spending on certain items such as fashion, electronics, and restaurant consumption. This increase was driven by growing optimism and improving economic stability after a previous period of inflation and uncertainty.

Figure 5. Indonesia Inflation Rate



Source: Bank Indonesia

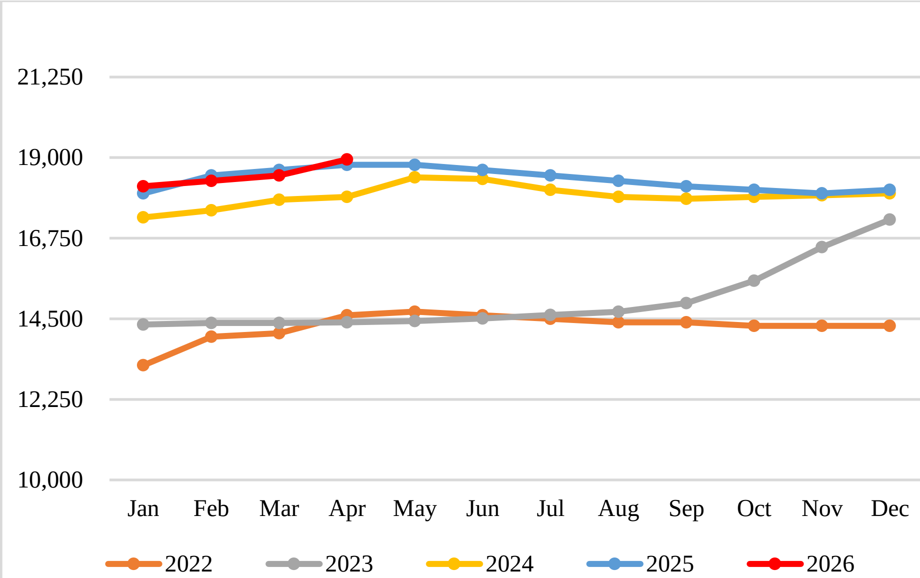
Therefore, the Indonesian Food and Beverage Industry Association (*GAPMMI, Gabungan Perusahaan Makanan dan Minuman Indonesia*) estimates that the food and beverage industry will continue to grow by 6.1 percent driven by technological innovations, changing consumption patterns, and increasing awareness of sustainability. This will drive an increased demand for sugar. However, due to Indonesia's high rates of obesity, diabetes, hypertension, and other non-communicable diseases stemming from the high consumption of salt, sugar, and fat, on November 4, 2024, Indonesia notified the World Trade Organization (WTO) of its draft measure to label salt, sugar, and fat (SSF) content in processed foods and beverages including fast food. The GOI is preparing to implement measures such as mandatory front-of-package labelling and a sugar excise on sweetened packaged beverages. In line with increased health awareness, in its October 2024 publication, the OECD projected that Indonesia's consumption of sugar will grow at a slower pace of 1.16 percent per year from 2024 to 2033 compared to 1.64 percent per year during the period of 2014 to 2023. Therefore, it is estimated that Indonesian per capita consumption of sugar in 2026 will reach approximately 27.2 kilograms (kg), an increase from 27.0 kg in 2025. Considering the above factors, sugar consumption in 2025/26 is estimated to marginally increase by 0.6 percent to 7.2 MMT of raw sugar equivalent, consisting of 3.5 MMT of sugar for direct consumption and 3.7 MMT of sugar for food and beverage industry use. In line with population growth, sugar consumption in 2026/27 is forecast to further increase to 7.25 MMT of raw sugar equivalent.

Corn milling capacity, which absorbed 2,500 workers in 2025, is continuing to grow. Installed capacity of the industry is estimated to increase to 4,700 MT per day in 2025/26 from 4,500 MT per day in 2024/25. The industry consists of four major players that remain the main importers of corn due to food safety requirements for corn in the wet milling process. The four corn wet mills produce corn starch, high fructose corn syrup (HFCS) 55, glucose syrup, and maltodextrin from imported corn. In 2025/26, the industry is estimated to produce a total of 106,000 MT of HFCS 55 (equal to 86,920 MT of raw sugar equivalent), an 11.7 percent decline from 120,000 MT (equal to 98,400 MT of raw sugar equivalent) produced in 2024/25. Due to a significantly reduced corn import allocation for 2026/27, HFCS 55 production in 2026/27 is forecast to continue declining with unpredictable figures, given that wet mills must choose between producing corn starch, glucose, fructose, or dextrose amid severely limited raw materials. Consequently, to meet domestic demand, imports of HFCS 55 during the period of May 2025 to February 2026 increased by 109.1 percent to 81,362 MT of raw sugar equivalent compared to 38,911 MT of raw sugar equivalent imported during the same period of May 2024 to February 2025. From May 2025 to February 2026, Indonesia imported HFCS 55 from China (82 percent) and Turkey (17 percent).

Price

Despite the increasing price of plantation white sugar on the retail market, to date, the National Food Agency (NFA) has not issued any new regulation referencing purchasing and selling prices for plantation white sugar at the farm gate and for retail. Therefore, the reference prices remain the same as those stated in Regulation No. 12/2024 (please see ID2025-0019). Currently, the average retail price of plantation white sugar is recorded at 18,950 Indonesian rupiah (IDR) per kg (USD$1,112 per MT), above the GOI reference retail price of plantation white sugar of 18,500 IDR per kg (USD$1,085 per MT). When farm gate prices fall below the reference purchasing price, the Head of NFA may assign Indonesia’s national logistics agency, BULOG, or other state-owned companies to procure sugar from farmers at the reference price. When retail prices of sugar increase above the reference prices, the Head of NFA may also assign BULOG or other state-owned companies to conduct market operations at the reference price level. At the time of publication of this report, the milling season has recently begun, and the average retail price for plantation white sugar remains above the reference price.

Figure 6. Jakarta Monthly Average Retail White Sugar Prices (IDR/kg)



Source: Bank Indonesia.

Stocks

Despite higher domestic plantation white sugar production, lower imports are estimated to reduce 2025/26 ending stocks to 1.08 MMT of raw sugar equivalent compared to 1.75 MMT of raw sugar equivalent in 2024/25. Stocks are forecast to decline further to 430,000 MT of raw sugar equivalent in 2025/26, a record low since 2011/12 due to the forecast decrease in plantation white sugar production and growing food and beverage industry demand. Approximately 31.2 percent of plantation white sugar stocks are being held by sugar mills, 1.22 percent by farmers, 67.09 percent by wholesalers, and the rest (0.54 percent) by the GOI.

Trade

MOT Regulation No. 18/2025 regulates imports of several agricultural commodities, namely animal and animal products, rice, sugar, corn, garlic, and horticultural products. Imports of sugar are subject to business licensing for imports and pre-shipment verification or technical traceability at the country of origin. MOT Regulation No. 18/2025 states the approval process for imported sugar. Table 5 outlines sugar specifications that are allowed for import according to Regulation No. 18/2025.

Table 5. Ministry of Trade Regulation No. 18/2025 on Sugar Imports

No.	HS Code	Description	Allowed for Import
A.		Raw Sugar	
1.	17.01	Cane or beet sugar, pure chemically sucrose, solid form	
		-does not contain additional color or flavor	
2.	1701.12.00	-- beet sugar	With ICUMSA ≥600 IU
3.	1701.13.00	-- cane sugar	
4.	1701.14.00	-- other cane sugar	
B.		Refined Sugar	
1.	17.01	Cane or beet sugar, pure chemically sucrose, solid form	
		-Other	
2.	1701.99	--other:	
3.	1701.99.10	---purified sugar	With ICUMSA ≤75 IU
C.		White Sugar	
1.	17.01	Cane or beet sugar, pure chemically sucrose, solid form	
		-others:	
2.	1701.91.00	--containing additional color or flavor	With ICUMSA 76 – 300 IU
3.	1701.99	--others:	
4.	1701.99.90	---others	With ICUMSA 76 – 300 IU

Source: Ministry of Trade Regulation No. 18/2025

In addition to MOT Regulation No. 18/2025, MOI Regulation No. 47/2024 further states that imported raw sugar must only be used as raw material for sugar mills to produce white sugar for household consumption or for refineries to produce refined sugar for food and beverage industry use. Refined sugar may only be imported as a raw material by the food and beverage industry with MOI authorization. MOT Regulation No. 18/2025 further states that imports of all types of sugar will be determined under the commodity balance mechanism decided in December of each year. Further description of import requirements for each sugar type are as follows:

1. Raw sugar for refineries:
   - Can only be imported by importers who hold importer-producer identification numbers (*API-P, Angka Pengenal Importir-Produser*).
   - When GOI has not decided on the commodity balance, any application for import approval of raw sugar for refined sugar production submitted to MOT must be completed with import recommendation from MOI.
   - Import licenses are valid for the period in accordance with the commodity balance (one year), or if the import licenses are issued without commodity balance, the validity is in accordance with the recommendation from MOI.
2. Raw sugar for plantation white sugar production:
   - Can only be imported by importers who hold importer-producer identification numbers (*API-P, Angka Pengenal Importir-Produser*).
   - Without commodity balance, it may only be allowed if the imports' approval application submitted to MOT is completed with import recommendation from MOI, the Ministry of State-Owned Enterprises (MSOE), MOA, and the Coordinating Ministry for Food Affairs (CMFA), and after an assignment letter from MOT is obtained.
   - Import licenses are valid for the period in accordance with the commodity balance (one year), or if the import licenses are issued without commodity balance, the validity is in accordance with the recommendation from MOI.
3. Plantation white sugar:
   - Can only be imported to build up national stocks and stabilize prices.
   - Only state-owned enterprises and importers who hold general importer identification numbers (*API-U, Angka Pengenal Importir-Umum*) can import white sugar upon authorization from the MSOE or CMFA.
   - Import licenses for white sugar are valid for one year from the issuance date.
4. Refined sugar for industry:
   - Can only be imported by importers who hold importer-producer identification numbers (*API-P, Angka Pengenal Importir-Produser*).
   - Whenever GOI has not decided on the commodity balance, any application for import approval of raw sugar for refined sugar production submitted to MOT must be completed with an import recommendation from MOI.
   - Import licenses are valid for the period in accordance with the commodity balance (one year), or if the import licenses are issued without commodity balance, the validity is in accordance with the recommendation from MOI.

GOI expects sugar mills, sugar refineries, and the food and beverage industry to consume domestically produced refined sugar. However, companies with specific refined sugar technical requirements that domestic producers cannot meet may still import a limited amount of refined sugar to meet their needs.

Import allocations for sugar mills

The GOI announced it will not issue import licenses for raw sugar intended for plantation white sugar production in 2026. The decision, made at the December 30, 2025 interministerial commodity balance meeting, reflects the forecast increase in 2025/26 plantation white sugar production. Denoting the increasing prices of plantation white sugar and forecast decrease in 2026/27 local plantation white sugar that could potentially further increase prices, GOI may consider allowing imports of plantation white sugar by the end of 2026.

Import allocations for sugar refineries

At the December 30, 2025 commodity balance meeting, the GOI also set the 2026 raw sugar import allocation for refineries at 3.12 MMT, an 8.2 percent decline from the 3.4 MMT authorized in 2025. In addition, the GOI set a total of 508,360 MT of sugar for certain export-oriented industries that require flexibility in sourcing inputs. Approximately 98 percent of the allocation would be for raw sugar while the balance is for refined sugar imports. Considering the increasing demand for refined sugar by the food and beverage industry, despite the already set allocation, the GOI allows industry to propose additional import permits when needed. In 2025, sugar refineries imported a total of 3.8 MMT of raw sugar despite a total allocation of 3.4 MMT. This sugar must be refined and may only be distributed to the domestic food and beverage industry.

Table 6 outlines GOI sugar import duties and taxes. These rates are set under Law No. 7/2021 on tax harmonization and Ministry of Finance Regulation No. 43/2022, which implements Indonesia's commitments under the Association of Southeast Asian Nations (ASEAN) Trade in Goods Agreement (ATIGA).

Table 6. Indonesia: Sugar Import Duty (ID) and Value Added Tax (VAT), 2024

No.	Commodity	ID non-ASEAN		ID ASEAN	VAT (%)
		(IDR/Kg)	(USD$/ton)	(%)	
1	Raw cane sugar	550	35	5	11
2	White sugar	790	50	10	11
3	Refined sugar	790	50	10	11

Source: Ministry of Finance (MOF) Regulation No. 26/2022, MOF regulation No. 43/2022

Based on the aforementioned factors, 2026/27 raw sugar imports are forecast to increase by 5.3 percent to 4.0 MMT compared to the estimated imports of 3.8 MMT raw sugar in 2025/26. Furthermore, 2026/27 refined sugar imports are also forecast to increase by 53.8 percent to 200,000 MT raw sugar equivalent compared to the estimated refined sugar imports of 130,000 MT in 2025/26.

During the period of May 2025 to February 2026, Brazil supplied approximately 51 percent of Indonesian raw sugar imports, followed by Thailand (28 percent) and Australia (21 percent). During the same period, Thailand supplied 57 percent of Indonesian refined sugar imports, followed by Malaysia (23 percent) and Vietnam (15 percent). From May 2025 to February 2026, Indonesia also exported 83,199 MT of its refined sugar production to China (27 percent), Papua New Guinea (21 percent), and The Gambia (19 percent).

Table 7. Production, Supply, and Distribution: Centrifugal Sugar

Sugar, Centrifugal	2024/2025		2025/2026		2026/2027	
Market Year Begins	May 2024		May 2025		May 2026	
Indonesia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	1950	1950	1750	1750	0	1080
Beet Sugar Production (1000 MT)	0	0	0	0	0	0
Cane Sugar Production (1000 MT)	2400	2400	2600	2700	0	2500
Total Sugar Production (1000 MT)	2400	2400	2600	2700	0	2500
Raw Imports (1000 MT)	4642	4642	5000	3800	0	4000
Refined Imp.(Raw Val) (1000 MT)	146	146	150	130	0	200
Total Imports (1000 MT)	4788	4788	5150	3930	0	4200
Total Supply (1000 MT)	9138	9138	9500	8380	0	7780
Raw Exports (1000 MT)	0	0	0	0	0	0
Refined Exp.(Raw Val) (1000 MT)	228	228	150	100	0	100
Total Exports (1000 MT)	228	228	150	100	0	100
Human Dom. Consumption (1000 MT)	7160	7160	7750	7200	0	7250
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	7160	7160	7750	7200	0	7250
Ending Stocks (1000 MT)	1750	1750	1600	1080	0	430
Total Distribution (1000 MT)	9138	9138	9500	8380	0	7780
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Note: New Post data is not official USDA data.

TRADE MATRICES

Table 8. Import Trade Matrix, Raw Sugar 2024 -2026

Import Trade Matrix			
Country	Indonesia		
Commodity	Sugar, Raw		
Time Period	May-Apr	**Units:**	1,000 MT
Imports for	2024/25		**2025/26***
U.S.	0		0
Others		Others	
Brazil	2761	Brazil	1528
Thailand	1239	Thailand	870
Australia	642	Australia	625
Total for Others	4642		3023
Others not Listed	0		0
Grand Total	4642		3023

Note: *Only for the period of May 2025 to Feb 2026
Source: Trade Data Monitor

Table 9. Import Trade Matrix, Refined Sugar 2024 -2026

Import Trade Matrix			
Country	Indonesia		
Commodity	Sugar, Refined		
Time Period	May-Apr	**Units:**	1,000 MT
Imports for:	2024/25		**2025/26***
U.S.	0		0
Vietnam	42	Others	
Thailand	34	Thailand	58
Brazil	21	Malaysia	24
Ukraine	16	Vietnam	16
India	15	France	2
Malaysia	5		
South Korea	4		
Others			
Total for Others	95		100
Others not Listed	41		2
Grand Total	136		102

Note: *Only for the period of May 2025 to Feb 2026
Source: Trade Data Monitor

Table 10. Export Trade Matrix, Refined Sugar 2024 -2026

Export Trade Matrix			
Country	Indonesia		
Commodity	Sugar, Refined		
Time Period	May-Apr	**Units:**	1,000 MT
Exports for:	2024/25		**2025/26***
U.S.	1		1
Others		Others	
Vietnam	71	China	23
Thailand	35	Papua New Guinea	18
The Philippines	29	Gambia	16
Papua New Guinea	28	Senegal	7
China	19	Singapore	6
Malaysia	8	Fiji	6
Fiji	8	Malaysia	4
Cambodia	6	Sri Lanka	2
Singapore	6		
Total for Others	210		82
Others not Listed	3		0
Grand Total	214		83

Note: *Only for the period of May 2025 to Feb 2026
Source: Trade Data Monitor

Table 11. Exchange Rate (IDR/USD)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	14,392	14,369	14,306	14,480	14,592	14,848	14,990	14,853	15,232	15,596	15,668	15,619
2023	14,992	15,240	15,418	14,661	15,003	15,000	15,026	15,237	15,487	15,897	15,587	15,439
2024	15,803	15,630	15,624	16,276	16,251	16,394	16,199	15,473	15,144	15,732	15,942	15,892
2025	16,312	16,575	16,575	16,679	16,300	16,231	16,238	16,461	16,692	16,560	16,710	16,720
2026	16,796	16,844	16,870	17,037								

Note: Exchange rate is 17,037 IDR/USD $1, as of April 7, 2026.
Source: Bank of Indonesia

Attachments:

No Attachments