

L'Oreal opens huge Indonesia plant

JABABEKA, INDONESIA: Cosmetics giant L'Oreal has opened its largest factory in the world in a move that hope is aimed at boosting profits from strong demand for its beauty products in Asia.

The French group, the world's biggest cosmetics company, said the factory outside Jakarta would churn out 200m products next year, with the potential to raise its output to 500m.

Joechen Zaumseil, L'Oreal vice-president for Asia-Pacific, said the €100m plant in the Jababeka industrial zone would be its "production hub for South-east Asia".

He said the company planned to double the its customers worldwide from the current level of one billion and hoped that three quarters of those new clients would be in Asia.

The factory will employ around 800 people and about 70% of its production will be sold in Indonesia or in other parts of South-east Asia, according to Indonesia's Industry Minister Mohamad S. Hidayat.

L'Oreal has seen its Indonesian sales grow 30% a year on average in the past four years.

The increasing demand for beauty products is driven by a growth in Indonesia's middle-class, as South-east Asia's biggest economy maintains a strong growth rate above six percent, even as the the global economy stumbles.

Source: *AFP* via I-Net Bridge