



Good food, Good life

## Press release

Batang, 20 May 2021

### **Nestlé Indonesia starts the construction of its new factory in Central Java, an investment of USD 220 million**

Batang, 20 May 2021 - Today, Nestlé Indonesia started the construction of its new Nestlé Bandaraya factory in Batang, Central Java. The new factory that will be built on 20 hectares of land, will produce liquid milk BEAR BRAND and ready-to-drink beverages MILO and NESCAFÉ to fulfill the growing demand of our nutritious products by our consumers. The new factory will provide about 200 new job opportunities and open a new business opportunity for the community for dairy development.

The start of the new factory construction is marked by the ground-breaking ceremony attended virtually by Mr. Luhut Binsar Pandjaitan, Coordinating Minister for Maritime Affairs and Investment of the Republic of Indonesia and in the presence of Mr. Bahlil Lahadalia, Minister of Investment of the Republic of Indonesia, Mr Ganjar Pranowo, Governor of Central Java Province and Mr. Ganesan Ampalavanar, President Director of PT Nestlé Indonesia.

“Despite the Covid-19 pandemic, we are optimistic about the growth opportunities in Indonesia, and our decision to invest for the new factory and capacity expansion of our existing factories is a demonstration of our long term commitment to invest in Indonesia, with primary focus to create more employment, to utilize as much as possible local raw materials, and to produce quality and nutritious food and beverages products that are safe and tasty for our consumers, and to contribute to the development of Indonesian economy,” said **Ganesan Ampalavanar, President Director of PT Nestlé Indonesia.**

The new Nestlé Bandaraya factory which is located at Batang Industrial Park will be ready for commercial production in 2023 and will apply state-of-the-art technology to ensure the implementation of highest environmental-friendly operational standards.

**Luhut Binsar Pandjaitan, Coordinating Minister for Maritime Affairs and Investment of the Republic of Indonesia,** said, “We appreciate Nestlé Indonesia's decision to invest USD 220 million for its new Bandaraya factory, in addition to the USD 100 million investment done by Nestlé Indonesia in 2019 for capacity

expansion in its three factories that have already been completed in 2020. This investment reinforces Nestlé's already strong presence and commitment to Indonesia which is fully supported by the conducive investment climate created by the Government."

On the same occasion, PT Nestlé Indonesia signed a memorandum of understanding with the regional government of Batang, aimed to develop a partnership with prospective dairy farmers and farmer groups to develop dairy farming and fresh milk raw materials for the new factory.

**Minister of Investment/Chairman of Investment Coordinating Board of Republic of Indonesia, Bahlil Lahadalia added,** "We welcome the investment of Nestlé for its new factory and the capacity expansion of its existing factories. Nestlé Indonesia will collaborate with Batang regional government to develop smallholder dairy farming in Batang. This will be very good as it will be beneficial for dairy farmers and rural economic in Central Java. The collaboration between investor and regional entrepreneurs from the location of investment has become the focus of the Ministry of Investment/Investment Coordinating Board, as we expect that investment will create a positive economic multiplier effect. What has been done by Nestlé Indonesia is a good example."

Since 1975, Nestlé Indonesia has been partnering with dairy farmers and cooperatives in East Java by providing technical and financial assistance to improve the productivity and quality of fresh-milk production. This is in line with Nestlé's way of doing business, that is, to create shared value along its value chain and for the society. Every day, Nestlé Indonesia procures about 750,000 liters of fresh milk from 26,000 dairy farmers grouped under 42 dairy cooperatives and farmers groups to fulfill the fresh-milk requirement of Kejayan Factory in East Java. About IDR 4.6 billion is paid every day or IDR 1.6 trillion paid annually to dairy farmers in rural areas, thus supporting the rural economy development and dairy farmers' livelihood.

**The Regent of Batang regency, Wihaji** said, "We welcome the presence of Nestlé Indonesia. The presence of the new factory will benefit Batang residents, particularly in employment and especially for prospective dairy farmers and small and medium enterprises (SME). There will be other potential that are naturally raised with the presence of new Nestlé factory, as it will create economic activities."

On this occasion, Minister of Investment/Chairman of Investment Coordinating Board of Republic of Indonesia, Bahlil Lahadalia also inaugurated the capacity expansion of Nestlé's three existing factories, located in Karawang (West Java), Kejayan-Pasuruan (East Java) and Panjang (Lampung), that have been completed in 2020.

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## **About Nestlé Indonesia**

Nestlé Indonesia is a subsidiary of Nestlé S.A., the world's largest food and beverage company having its headquarter in Vevey, Switzerland. As a nutrition, health and wellness company, Nestlé has been operating for more than 150 years, and present in 187 countries around the world, with more than 2,000 brands that are working towards the purpose to unlock the power of food to enhance quality of life for everyone, today and for generations to come.

Nestlé Indonesia was established in 1971 and currently employs 3,600 employees. Nestlé Indonesia has three factories in Indonesia that produce dairy, food and beverage products under well-known brands of DANCOW, MILO, NESCAFÉ, LACTOGROW, CERELAC, KITKAT, BEAR BRAND, etc. This year Nestlé Indonesia is commemorating its 50th year anniversary in Indonesia, and we are proud of our achievement as a successful company that creates value for our dairy and coffee farmers, business partners, customers, consumers, and the Indonesian society. We are looking forward to accelerating our progress together with Indonesia!

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### **Media contact for Nestlé:**

Stephan Sinisuka

Head of Corporate Communication

Nestlé Indonesia

Tel: +62 21 7883 6000; Fax: +62 21 7883 6001

E-mail: [nestle.indonesia@id.nestle.com](mailto:nestle.indonesia@id.nestle.com)