



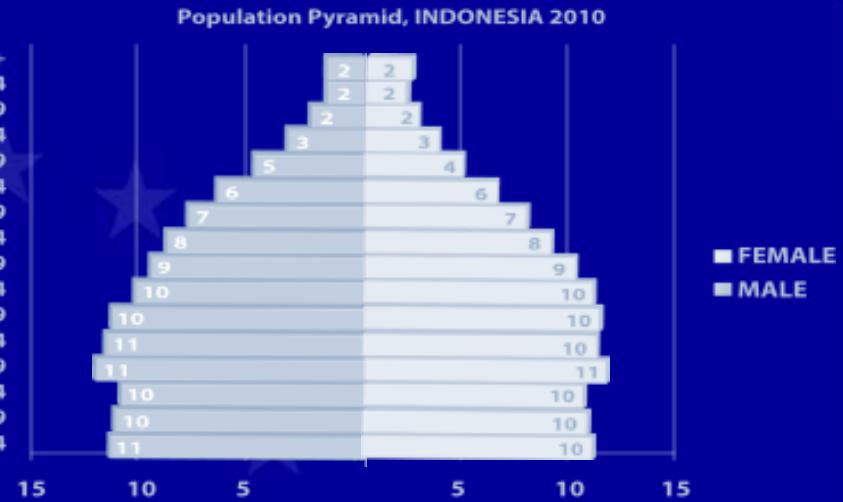
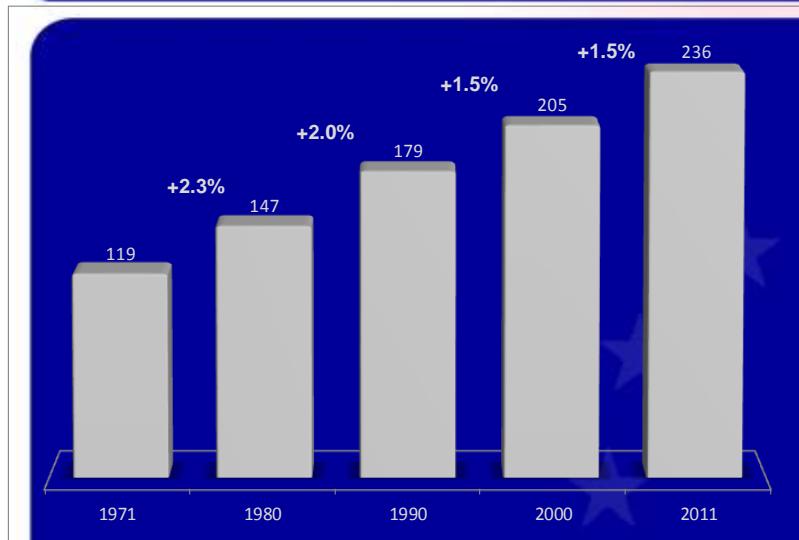
Pharmaceutical-Cosmetic Sector Meeting
19 November 2014
Vismay Sharma
L'Oréal Indonesia



Agenda

- Indonesia – the context
- Potential of the beauty market in Indonesia
- Private Sector Participation
- Key challenges
- Recommendation

The demographics of Indonesia

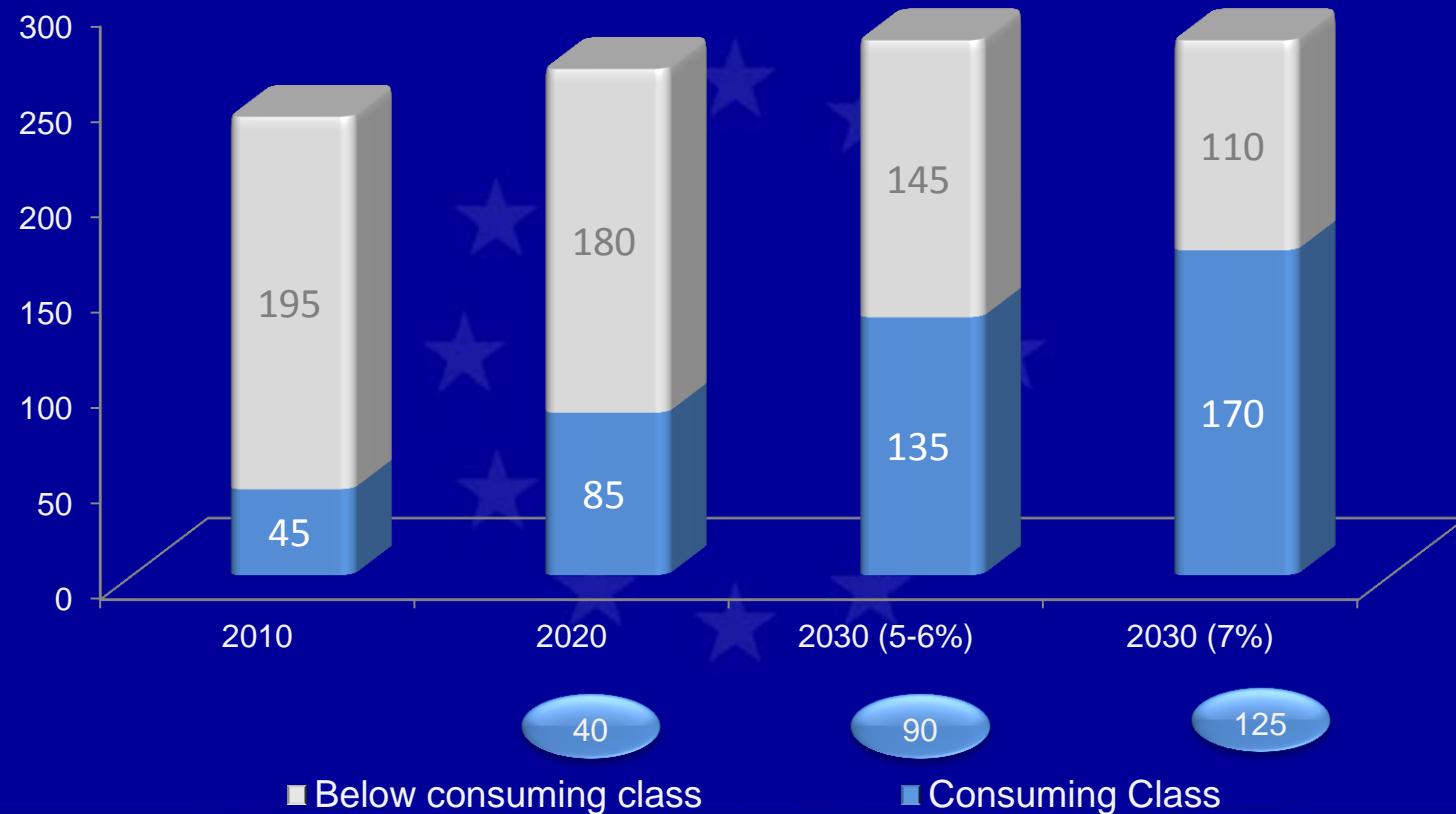


- 243 million people
- Average age 27
- 60 million are aged <15 year old: 7 million new consumers in middle class every year- increasing urbanisation
- 4 million new consumer each year for beauty market

Personal care has been a growth driver for the economy

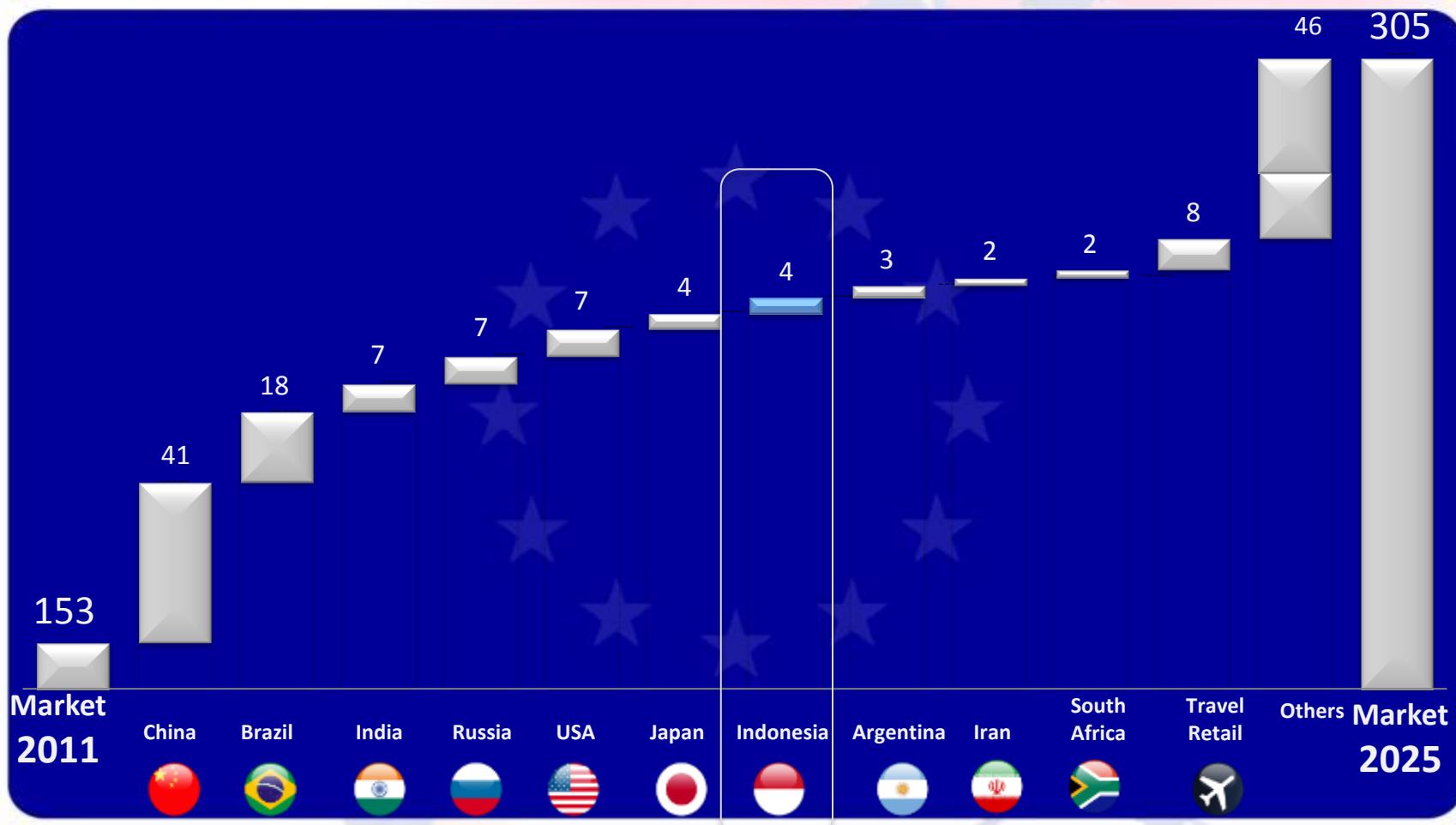


The growth of consuming class in Indonesia



Potential of the Beauty Market in Indonesia

Indonesia can be one of the largest growth contributors



Potential of the Beauty Market in Indonesia

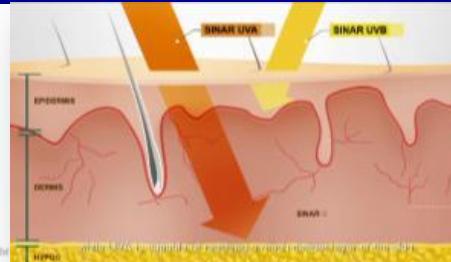
Becoming one of the top 15 markets of the world



Ability to create products for the country & educate consumers



New Evaluation Centre to develop products for Indonesia



L'Oréal Unveils- education program in collaboration with BPOM & PERDOSKI

Commitment to sustainable development and the environment



First LEED Certified factory in Indonesia



First Green Office certified by GBCI

CSR and giving back to the society



For Women in Science program



Beauty for a Better Life Program



L'Oréal Girls Science Camp

Areas of Challenges

- Infrastructure
 

14 Days by Road
3 Weeks by Sea
5.5 Hours by Air
- Manpower
 - Talent
 - Wages and productivity cannot be disconnected from each other

Level	2011	2020	Change (%)
Senior Mgt (mil)	2.0	1.8	-6%
Mid Mgt (mil)	1.5	0.5	-73%
Entry (mil)	2.5	1.8	-28%

Source: BCG Talent Crisis 2013
- Regulation
 - Country's specific requirement/regulation
 - Insufficient time required for implementation
 - Some regulations lead to inefficiency and unnecessary costs (e.g. pre-shipment inspection/surveyor report, Halal Product Assurance Law for cosmetic, etc.)
 - Intellectual Property Rights (IPR) protection and enforcement

Way Forward Post-2015 ASEAN Economic Community

- Good regulatory principles supported by consistent regulation that align with ASEAN Cosmetic Directive and minimize country's specific regulation
- Participation of Industry associations for policy making in anticipation of ASEAN Economic Community
- Transparent and efficient import procedure
- Concrete collaboration with government for IPR protection and increasing public awareness on the dangers of counterfeit products
- Trade incentive scheme provided by the Government to attract more investment

EIBD

EU-INDONESIA
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DIALOGUE



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