



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



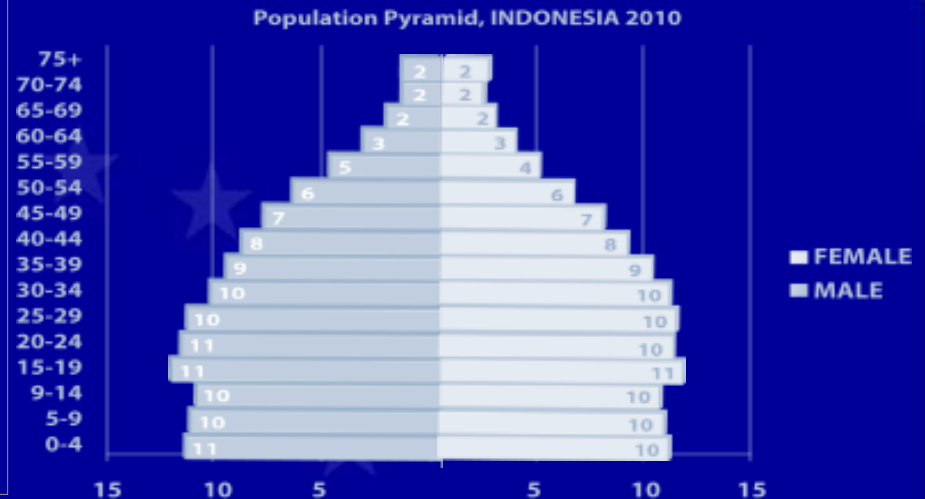
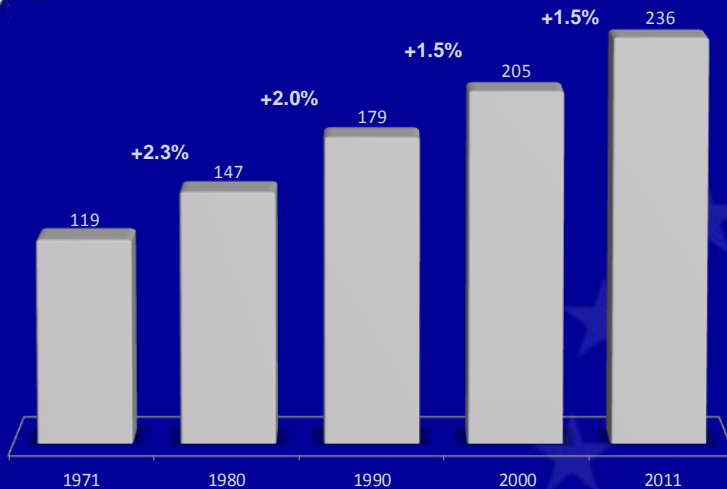
# Pharmaceutical-Cosmetic Sector Meeting

## Agenda

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

# Indonesia – the context

## 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

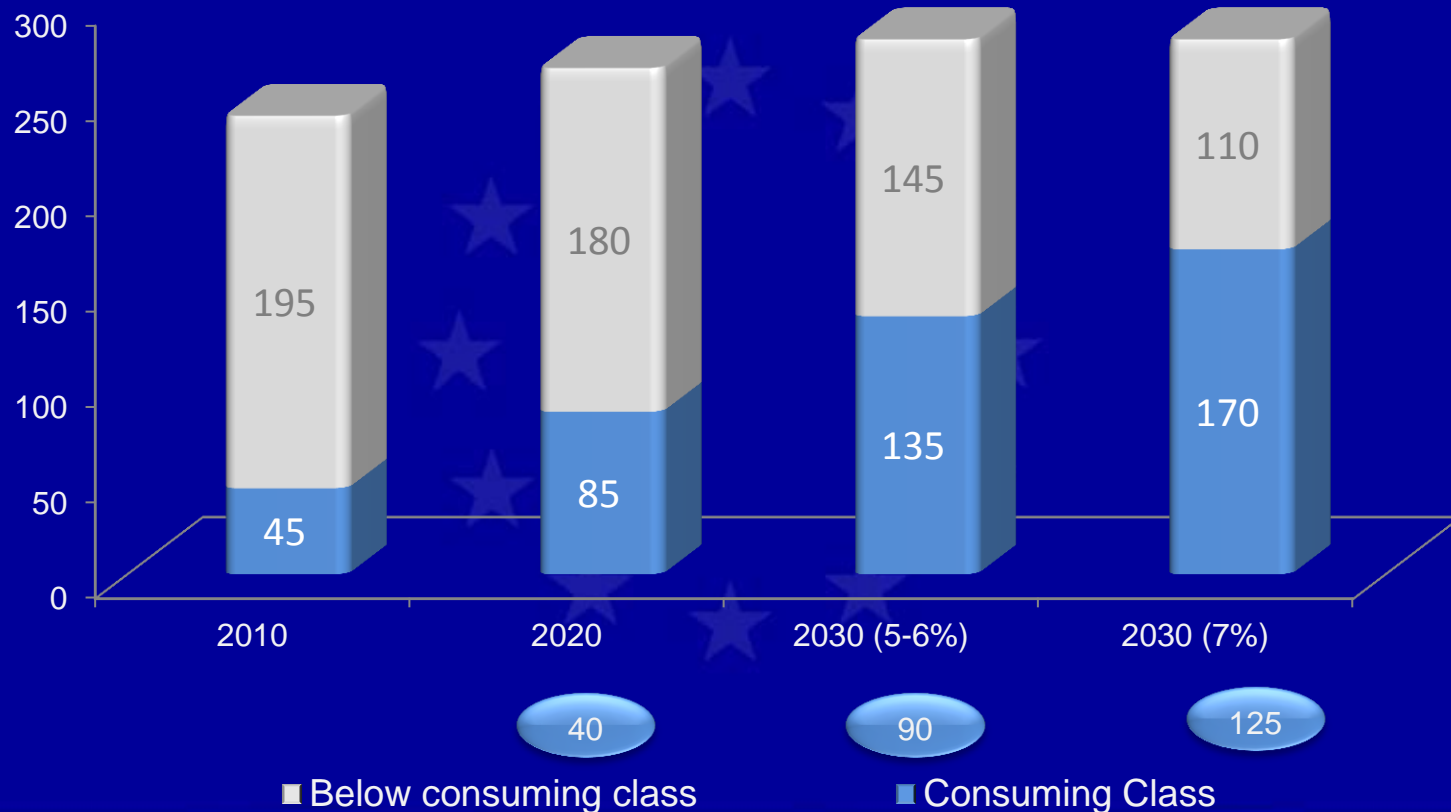
# Indonesia – the context

**Personal care has been a growth driver for the economy**



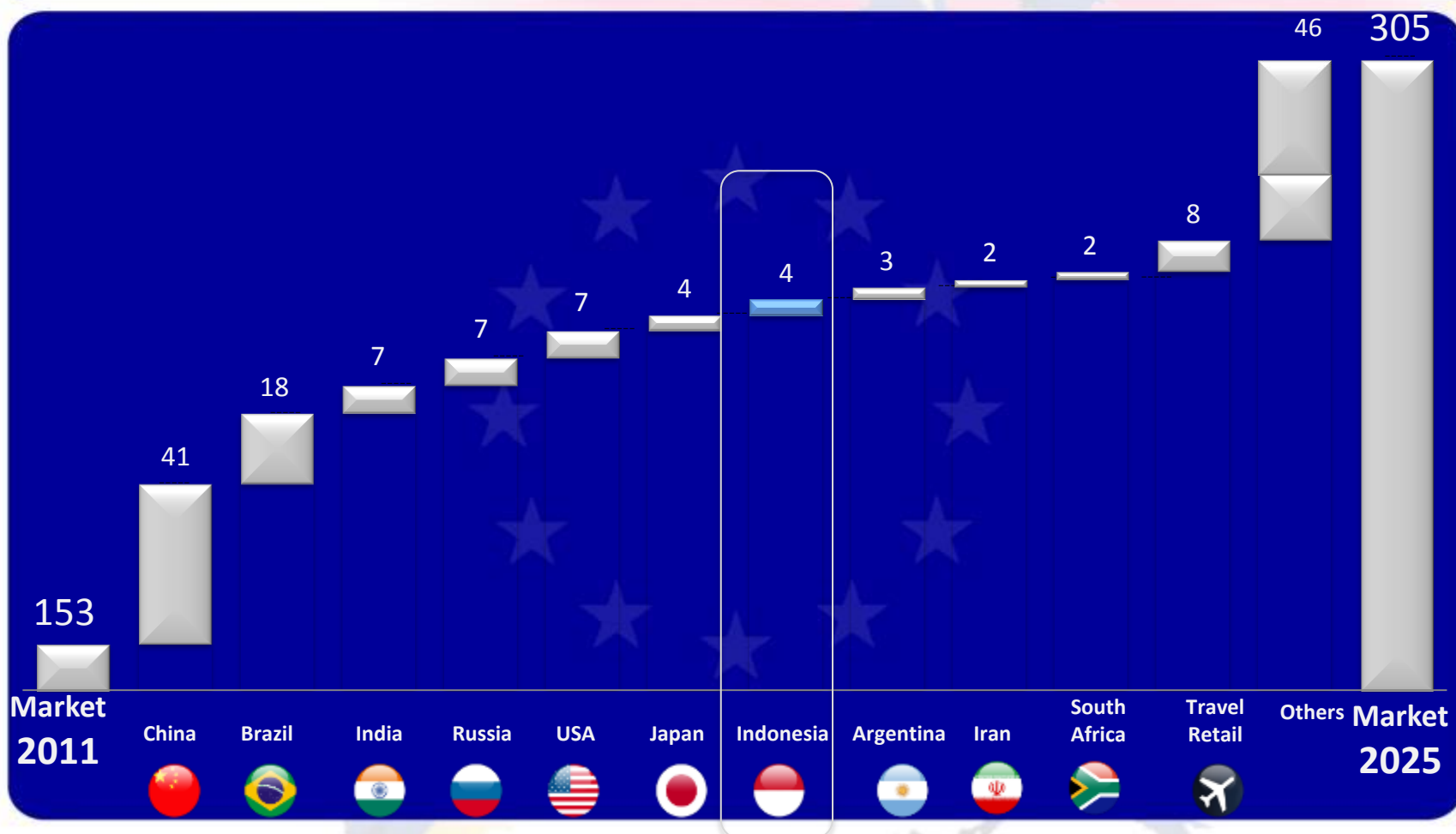
# Potential of the Beauty Market in Indonesia

## The growth of consuming class in Indonesia



# Potential of the Beauty Market in Indonesia

**Indonesia can be one of the largest growth contributors**



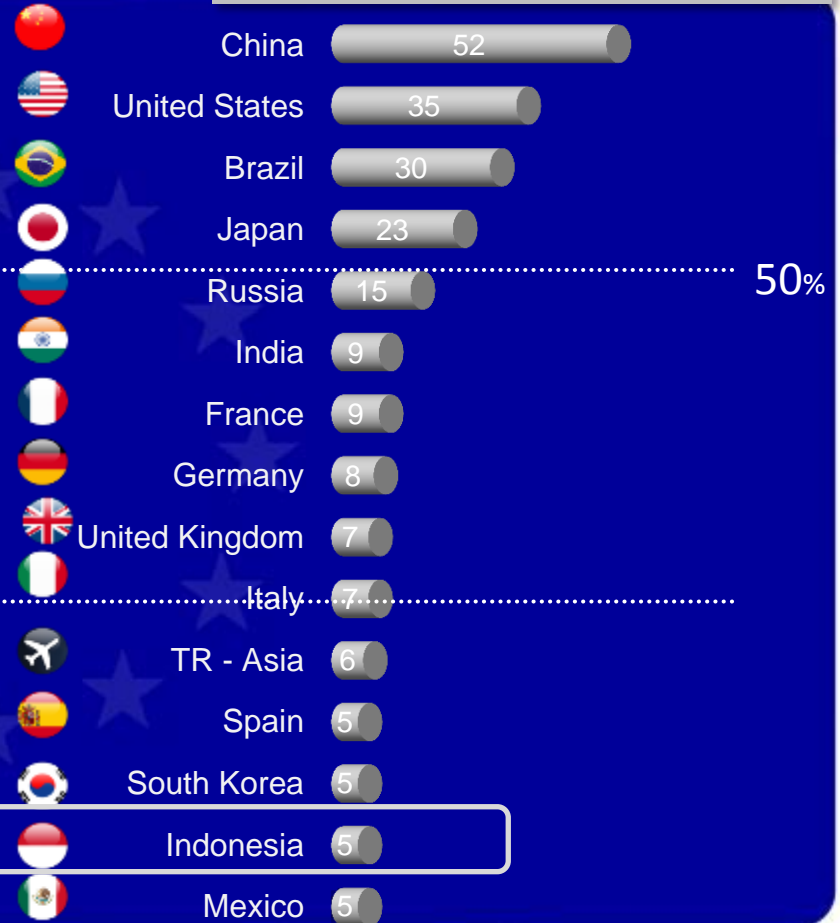
# Potential of the Beauty Market in Indonesia

## Becoming one of the top 15 markets of the world

Top 15 countries for Beauty in 2011



Top 15 countries for Beauty in 2025





## 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



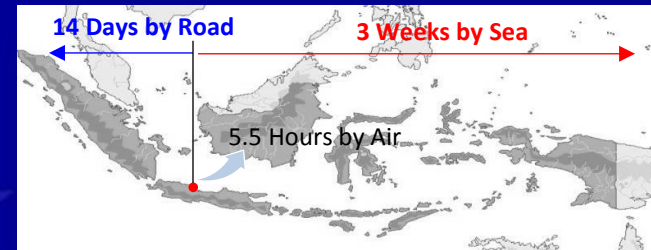
Beauty for a Better Life Program



L'Oréal Girls Science Camp

## Areas of Challenges

- Infrastructure



- Manpower

- Talent
- Wages and productivity cannot be disconnected from each other



- 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



