

## **Encouraging Affordable Children's Milk Products to Overcome Stunting, Coordinating Minister Airlangga Inaugurates a Milk Raw Material Factory in Cikarang**



**COORDINATING MINISTRY FOR ECONOMIC AFFAIRS  
REPUBLIC OF INDONESIA**

### **PRESS RELEASE**

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**Cikarang, March 21st, 2023**

Based on the National Industrial Development Master Plan (RIPIN) 2015-2035, the dairy processing industry is one of the food sectors that has received development priority to provide and fulfill public nutrition. This industry has a great opportunity to provide dairy products for 273 million Indonesians, who currently consume milk on an average of 16.9 kg/per capita/per year.

To provide quality and affordable child nutrition milk products for the people of Indonesia, the Coordinating Minister for Economic Affairs Airlangga Hartarto inaugurated a raw material factory for Infant Formula and Growing Up milk to realize raw material independence, at PT Kian Mulia Manunggal, Cikarang, West Java, on Tuesday (21/03).

"I express my appreciation because earlier it was explained that the expansion was upstream, downstream, vertical, and horizontal. Not many companies can develop in an integrated manner, let alone play in the regional market," said Coordinating Minister Airlangga appreciating Tempo Scan for continuing its business expansion from the upstream to downstream levels, in the form of developing brand equities for Infant Formula and Growing Up milk, as well as the construction of milk powder processing production facility in

the form of intermediary milk powder (Spray Dryer Facility), to meet raw materials demand and control imports.

The government certainly supports the development of Tempo Scan's brand equities because this is one of the efforts to provide finished products of Infant Formula and Growing Up Milk with adequate economies of scale, to successfully compete with multinationals' products, and to be able to control raw materials, which previously still depended on imports. The import substitution program for intermediary milk powder raw materials can save the country's foreign exchange up to Rp1 trillion.

This effort is in line with the National Strategy for the Acceleration of Stunting Prevention in 2018-2024, which aims to ensure that all resources are allocated primarily to improve the coverage and quality of nutrition services for households, pregnant women, and children aged 0-2 years. The Government and the public certainly hope that Tempo Scan will continue to increase the production and competitiveness of its products, so it can make a greater contribution to supporting the Government's import substitution program in the form of reducing imports of intermediary milk raw materials in Infant Formula and Growing Up products as well as supporting the Government's program in solving stunting problems.

"This must continue to be encouraged and improved because the upstream itself involves the community. Therefore, I see that industries like this are strategic because they are needed for Indonesia to enter the demographic bonus. Of course, earlier, the Minister of Health said that this demographic bonus must be productive," Coordinating Minister Airlangga said.

During the doorstep session, Coordinating Minister Airlangga explained the impact of the construction of this factory on the economy. "First, of course, this factory is an import substitution, with an investment of Rp2.5 trillion, it can save foreign exchange of Rp1 trillion. Actually, the capacity is still large enough to be filled. And of course, this factory is expected to encourage not only upstream, but also downstream. The upstream can be connected to breeders," Coordinating Minister Airlangga concluded.

Also present at the inauguration were the Minister of Health, the Head of Food and Drug Supervisory Agency, the Deputy 3 of Coordinating Ministry for Human Development and Culture, the Special Staff of Minister of Industry, the Chairman and Co-Founder of Tempo Scan Group, and the President Director of PT Tempo Scan Pacific. (map/iqb/fsr)

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