

PRESS ARTICLE

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SIDEL'S FIRST DRY ASEPTIC LINE IN INDONESIA TO MEET GROWING DEMAND FOR HEALTHIER BEVERAGES



PT.Hokkan has installed the first Sidel dry aseptic line in Indonesia and in doing so has expanded its production capacity as a co-packer of non-carbonated healthy soft drinks for the growing Indonesian beverage market. The investment follows the success of the first Sidel line installed at the company - a wet aseptic Combi line - with the two lines now working alongside each other to offer the company increased flexibility in production.

Indonesia is one of the best-performing emerging countries with a GDP growth in 2013 of 5.8%¹. This continuing growth in the economy, together with an increasing population, has led to a significant jump in the consumption of beverages in Indonesia over recent years. For example, from 2012 to 2017, the forecast CAGR (compound annual growth rate) in Asian Speciality Drinks is 8.4%, representing a growth of almost 50% over the whole period. As Indonesia's growing "middle-class" with more expendable income is looking for new experiences and tastes, the global trend of urbanisation - with more people living within the main urban areas of major cities - is reflected in the country's consumption patterns which are expected to continue to grow.

PT.Hokkan Indonesia is part of the Japanese Hokkan Group and is a co-packer for the beverage industry, specialising in PET bottles of up to 500ml. The company's bottle manufacturing facility is located in Bogor in the West Java Province of Indonesia some 50 kilometres south of Jakarta. It benefits from supplies of fresh natural water drawn from wells and is also close to Sukabumi city with its established distribution network in nearby Jakarta. With the commissioning of its second Sidel Combi line in March 2015, the plant has more than doubled its potential production capacity. The aseptic process makes it possible to manufacture high quality products with a long shelf life packaged in flexible and lightweight bottle designs. PT.Hokkan Indonesia is currently investing further in its research and development (R&D) laboratory services to extend its offering to potential customers located in the region.

¹ Source – World Bank

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Ready for consumers' switch to healthy beverages in PET

PT.Hokkan Indonesia recognised the potential that the Indonesian market represents for growth in healthy beverages. Following the current global trend, Indonesian consumers are becoming more health-conscious, a trend that is set to continue, with younger people in particular already demanding conveniently packaged, healthy products. Dairy products, such as drinkable yoghurts, are already one area that has been positively influenced by the emerging trend, with single-serve, "on-the-go", rigid plastic formats performing particularly well. PT.Hokkan Indonesia is therefore focusing its business development on milk based products, including milk tea, milk coffee and 'Matcha', a popular drink in Indonesia based on a finely ground powder produced from specially grown and processed green tea plants. Matcha, one of the beverages currently produced on the Sidel wet aseptic Combi line, is an excellent example of a product which meets the increasing demands for healthier alternatives. Growing the plants in the shade gives Matcha a higher theanine content which contributes to improved mental focus, while the antioxidant catechine delivered by green tea leaves also provides positive health benefits.

Safe aseptic production for optimum quality

The philosophy driving PT.Hokkan Indonesia is the pursuit of the best possible quality for its customers. The transfer of the experience and knowledge of aseptic production gained by the Hokkan Group in Japan was seen as key in providing safe packaging technology and optimum product quality in the new plant in Indonesia. Rather than gaining market share from existing suppliers to the Indonesian market, the Hokkan Group sees itself attempting to create a new aseptic market, in which it strongly believes, for the Indonesian consumer. "From our experience in Japan, we know that aseptic technology can achieve lightweight bottles, a flexible bottle design and long product shelf life. Aseptic technology offers us numerous opportunities for making quality products," said Masaaki Ikezawa, President Director of PT.Hokkan Indonesia.

The Hokkan Group felt comfortable that Sidel fully understood its focus on product quality and that the Sidel aseptic PET lines could match their food safety requirements. Cost, of course, was important although not its priority, as the Group was intent on quality and fast start-up of the installation. Being a co-packer, flexibility of the line - especially in the design and format of the bottles produced - was also an important consideration.

Dry preform decontamination brings additional benefits

When PT.Hokkan Indonesia originally looked to extend its production capacity in the aseptic market they turned to Sidel and selected a Sidel PET aseptic line which included a wet aseptic Combi Sensofill FMa, combining blow moulding, filling and capping in a single integrated system. Based on the success of this line, the company then looked to further extend its production capacities and in 2014 again turned to Sidel for recommendations. Recognising the potential that dry preform decontamination technology provides for further cost savings as well as the benefits it offers in environmental terms, Sidel proposed its Sidel Predis™ dry system which replaces wet bottle sterilisation. Sidel Predis provides 100% decontamination of all preforms using hydrogen peroxide mist, removing the need for water and requiring only small amounts of chemicals. It protects the integrity and safety of any beverage - either high or low acidity - distributed at ambient temperatures.

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With the Sidel Combi Predis FMA the preform decontamination, blowing, filling and capping functions are housed in a single production enclosure. Predis enhances production flexibility and helps to protect liquid packaging from micro-organisms, preserving sensitive drink integrity and lengthening shelf life.

Sidel demonstrated the advantages of the Predis system and, having thoroughly researched the options, PT.Hokkan Indonesia decided to adopt this technology for its second Sidel aseptic line. This line has now been successfully installed and validated to the exact microbiological standards specified by the Hokkan Group. Ikezawa continues - "Our wet aseptic line currently produces milk coffee, milk tea, Matcha, isotonic beverages and teas in six different bottle shapes and in sizes ranging from 250ml to 500ml (a total of 15 stock keeping units). The dry aseptic line will produce the same product range, with the ultimate intention of being able to run all bottle sizes on both lines to maximise the flexibility in production. With both lines able to run at speeds of up to 40,000 bottles per hour on all formats, this has more than doubled our total annual production capacity."

PET bottle designs to match Indonesian culture

PT.Hokkan Indonesia has also been working closely with the Sidel team on the design and development of new bottles. This includes a focus on lightweighting opportunities, with the collaboration ongoing for the 500ml bottle to further reduce its weight. "We let the professionals do the job of bottle design. At PT.Hokkan Indonesia we liaise with our customers to identify their requirements in terms of what they want from the bottle and then we work with Sidel to ensure we meet those requests with an optimised solution for the final bottle design," said Ikezawa.

The customer alone could not have researched local market trends and the most practical designs to fulfil consumer demand due to time and cost implications. However, Sidel had the experience and expertise to respond quickly in handling the research and turning around the designs in a relatively short time. The supplier did so successfully, meeting the different cultural approaches and needs of the market to deliver a professional solution. The finished designs were evaluated and tested well before production started.

Training support at key stages

Training is also an important element in maximising the efficiencies of a bottling line and Sidel continues to work closely with PT.Hokkan Indonesia to ensure the company's employees are equipped with the skills and competence to excel. A combination of onsite training for all the equipment supply and commissioning, with classroom based training on the filling and blowing technologies, has already been provided. Advanced training at the Bogor production facility of PT.Hokkan Indonesia is now being planned.

Future market development

Although the purchase of healthy beverages, such as sour milk drinks and sports and energy drinks, is not yet common practice among Indonesian consumers other than the younger generation, increasing awareness of health issues, accompanied with rising disposable income, is stimulating a change in habits. PT.Hokkan Indonesia expects naturally healthy products, including speciality Asian drinks, powder concentrates, fruit and vegetable juices, functional drinks and teas to grow significantly in sales over the coming years. Packaging formats in the country tend to be 'single-serve' now, with most drinks packaged in PET bottles. Demand for returnable glass bottles

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has declined substantially in recent years, mainly through one producer switching production from glass to one-way PET bottles. The increasing use of PET is down to a number of factors: its 100% recyclability, excellent barrier material properties that allow extended shelf life, bottle design freedom and the greater brand recognition possibilities offered by the package transparency. Being re-sealable, light and compact, the PET bottles are also more convenient for the customer as they do not have to be consumed at one time and are far more suited to the dynamic urban lifestyles of younger Indonesian consumers. The addition of the second aseptic PET bottling line to its production facility will enable PT.Hokkan Indonesia to maximise the opportunities that these market trends offer.

Providing the right solutions

Globally there is growing concern about the costs - both financial and environmental - of raw materials and energy consumption. The Hokkan Group, like other beverage producers and co-packers, therefore looks to Sidel to provide solutions in reducing the use of materials and energy, in increasing savings, extending the possibilities of lightweighting, retaining quality and extending the shelf life of its sensitive products. "In our view, Sidel is a company that leads the field of innovation, bottle design, flexibility and services. We will continue to work with them to find ways to further reduce energy consumption and they have presented a highly innovative solution for using recycled PET material. At PT.Hokkan Indonesia, we appreciate this partnership," said Ikezawa.



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About Sidel

Our purpose is to help brands protect the product inside, preserve the planet outside and touch the lives of millions of people every day.

We do so by offering complete and modular PET packaging solutions, including people, services and equipment.

Sidel has over 165 years of industrial experience. With 30,000 machines installed in more than 190 nations, we have been helping producers fill beverage bottles for over 80 years, blow them for more than 50 and label them for more than 35. We have 40 years of aseptic packaging expertise, and were one of the first companies to introduce PET bottles to the beverage industry over 30 years ago.

Part of the Tetra Laval group and headquartered in Switzerland, Sidel has over 50 office locations, 13 production sites and 7 training centres worldwide. Each of our more than 3,400 employees, spread over five continents, is committed to creating the optimum liquid-packaging solution.

We call it **A Better Match** - for our world, our customers and ourselves.

Find out more at www.sidel.com and connect with us



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