

## Apical-Kao Joint Venture Opens in Indonesia

PT Apical Kao Chemicals commenced operations on 14 May 2019. With an annual output capacity of about 100,000 tonnes, the \$80 million investment is a joint venture with [Apical Group](#) and Kao Corp, to meet rising demand for high-quality Japanese consumables in Southeast Asia.

Kao's partnership with Apical, one of the largest producers of palm oil in Indonesia, gives it the advantage of extending its reach and strengthening its supply chain, while securing an even more stable supply of [sustainable](#) and high-quality fat and oil products.



[First announced](#) on 6 Jan 2017, the joint venture allows major Japanese consumer and chemical products maker Kao to establish a production base for fat and oil products in Indonesia. This is in addition to its other production bases in the Philippines and Malaysia. The [joint venture](#) is expected to boost Kao's global output capacity to increase by 130%. Its proportion of self-procured fatty acids will increase to 60%.

The fatty acid plant is situated on the premises of Apical's Dumai operations area. Apical owns 65% and Kao owns the remaining 35% of the joint venture. A ceremony was held on 13 May 2019 to commemorate the opening of the facility.

This development marks another milestone for both companies who are part of the previously announced [blockchain initiative SUSTAIN](#). A collaboration with stakeholders in the supply chain, technology, and non-profit circles, SUSTAIN seeks to [improve traceability](#) to production areas and accelerate the push towards NDPE (No Deforestation, No Peat, No Exploitation) compliance in the palm oil chain. SUSTAIN was officially formed on 7 September 2018.

