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Daikin Establishes Air Conditioner Factory in Indonesia

Daikin Industries, Ltd. has recently decided to establish a new factory for residential air conditioners in the Republic of Indonesia at the Greenland International Industrial Center (GIIC), which is located near the capital of Jakarta. The new production base is being built in response to the rapidly growing demand in the Indonesian air conditioner market. Operations are planned to start in December 2024.

Currently, Indonesia has the world's fourth largest population at 270 million people and is estimated to reach 300 million in 2030. In addition to the relocation of its capital administrative functions, the Indonesian government plans to invest in various fields including urban infrastructure, human resources, and industrial development in anticipation of further development as it set its sights on becoming the fifth largest country in terms of GDP in 2045, which is the year Indonesia celebrates the 100th anniversary of its founding.

The country is one of the largest air conditioning market in Asia with forecasts for economic growth and rise in the middle-income class spurring predictions for further expansion in the air conditioner market, mainly for residential use. Small-sized models account for the largest share of the market due to their suitability to the local electric power situation and unique housing styles in Indonesia. Consequently, Indonesia represents a promising market for products that can demonstrate high energy-saving performance, such as inverter-type air conditioners, and meet the needs of the market.

The new factory will utilize the latest advanced technologies, including IoT and AI, in line with the initiatives for Industry 4.0 instituted by the Indonesian government. In addition to data visualization and analysis, Daikin expects to leverage its collective know-how that has been cultivated until now and will achieve even higher production efficiency along with recurring quality improvements. Through localized production and active sales promotion of residential air conditioners that use the energy-efficient and environmentally conscious refrigerant R32, Daikin aims to contribute and support the achievement of carbon neutrality that the Indonesian government is advocating.

Daikin Industries has been doing business in Indonesia for 52 years since 1970. During this time, Daikin has worked in cooperation with local company PT. Imora Makmur to build a nationwide sales and after sales service network in Indonesia along with market creation for air conditioners.

Future plans call for the new factory to play a role not only in the domestic market but also to serve as an export base for the ASEAN region. With this aim to supply products worldwide, Daikin Industries will continue making investments in the factory as the company endeavors for further development of the Republic of Indonesia through job creation.