

## Amway India plans Rs 55 cr expansion by Dec 2009

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With an aim to meet the market demand, Amway India Enterprises Pvt Ltd, a major direct selling FMCG Company in the country, is planning to triple its production capacity by the end of the current calendar year 2009, at an investment of Rs. 55 crore.

The company has said it will expand the production capacity at its contract manufacturing facility in Baddi (Himachal Pradesh). The company has just inked an agreement with its Baddi-based leading vendor Sarvotham Care Ltd for the purpose.

Amway India is a wholly owned Indian subsidiary of the US \$ 8.2 billion Amway Corporation, Michigan, USA, one of the largest Direct Selling Companies in the world. The company manufactures its production through seven third-party contract manufacturers in the country, with Baddi-based Sarvotham Care being Amway India's largest vendor (contract manufacturer).

Around 85 per cent Amway products sold in India are being manufactured by its vendor Sarvotham Care.

"With an aim to meet the market demand, we are planning to triple the production capacities by December 2009. We are adding four new manufacturing lines at our contract manufacturing facility in Baddi in Himachal Pradesh. The work is expected to start around mid-May and to be completed by the end of the current calendar year 2009. An investment for expansion is estimated to cost at Rs. 55 crore," said William S Pinckney, Managing Director & CEO, Amway India Enterprises Pvt Ltd, at a press conference during the Baddi plant visit for select media reporters.

Stating that the direct selling (DS) industry has good potential in the country, he said, "Direct selling industry in the country is estimated at Rs. 3,500 crore. Amway India's has market share of 30 per cent in the country. Amway India grew by 40 per cent in recession-hit 2008 touching Rs. 1,128 crores (from Rs. 800 crore in 2007). We are expecting to achieve 25 per cent growth for the next two-three years and the sales turn over target of Rs. 2,500 crore by 2012."

Baddi facility is spread over 1.60 sq ft area and presently has five manufacturing lines. Amway India currently offers 110 products in five categories of Personal Care, Home Care, Nutrition & Wellness, Cosmetics and Gift catalogue. The company has 130 offices and 55 city warehouses across the country, covering over 4,000 cities and towns through its home delivery network.