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## Unilever Sticks to St. Petersburg for Deodorant Line

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Unilever is shifting its entire European stick deodorant production from Britain to its St. Petersburg factory to take advantage of cheaper labor costs, the company announced.

The British-Dutch home and personal care giant will invest 7 million euros (\$9.5 million) this year to modernize the production line at its Severnoye Siyaniye plant outside St.

Petersburg and hopes to double production rates to 20 million units in 2008.

"The transfer of all European stick deodorant production to Russia is logical and in line with Unilever's global development strategy. ... Russia is a priority target for business development and production," the company said in a statement.

"Lower labor costs are only one of the key reasons for switching production to St. Petersburg," Irina

Kurachenkova, a spokeswoman for Unilever said Wednesday.

By the end of 2007, Unilever will start exporting deodorants from the St. Petersburg plant to countries around Europe and the CIS. Among the brands produced there will be Rexona, Dove, Sure, Brut and Lynx.

Currently Unilever produces its stick deodorants for the European market at its Leeds plant in northern England.

Kurachenkova said the switch of production to Russia would not lead to job losses at the company's British plant. The Leeds factory would swap to producing aerosol deodorants and capacity would be increased.

Since entering the Russian market in 1992, Unilever has plowed more than \$600 million into production in the country and currently employs over 2,000 workers. The company acquired the Severnoye Siyaniye plant in 1994.