

News monitored for: Pepsi - Brands

Pepsi pledges cash splash

OUR CORRESPONDENT

New Delhi, Nov. 11: PepsiCo will invest a whopping Rs 33,000 crore, or \$5.5-billion, in India by 2020 to double manufacturing capacity and sell new items, chairman and CEO Indra Nooyi today said.

"PepsiCo is going to make an investment of Rs 33,000 crore in India between now and 2020, that is \$5.5 billion and the investment is going to be made in manufacturing, agriculture, infrastructure and innovation," Nooyi said.

After meeting finance minister P. Chidambaram in North Block today, Nooyi said she was confident of the economy's prospects, and the long-term investment would further cement the company's position in the country.

The investment could boost investor confidence at a time other players have been waiting for the outcome of the gen-

eral elections in 2014. It is also a shot in the arm for the UPA government, which has been stating that the fundamentals of the economy were strong.

Nooyi said the results of the upcoming polls would not affect PepsiCo's investment plans.

"We are not guided by elections. We are guided by the potential of India. We are not waiting for any election results to invest in India. We are investing in India for its economic story," she said.

"You got to invest against the long-term fundamentals of the country. We believe the fundamental India story is still strong... I think our investment shows confidence in India."

The company, which has so far invested \$2 billion in India since its entry in 1989, said its proposed investments would strengthen its capability in various strategic areas, including innovation, manufac-



P. Chidambaram with Indra Nooyi in New Delhi on Monday. Picture by Prem Singh

turing, infrastructure and agriculture.

"India is a country with huge potential and it remains an attractive, high-priority market for PepsiCo," she said. "We believe we've only scratched the surface of the long-term growth opportunities that exist for PepsiCo and

our partners."

Stating that India will be among the top global markets for the company, she said: "...based on the population and based on the prospects it should stay in the top five or seven markets of PepsiCo and my hope is that it moves up in the list. I think in PepsiCo,

which is a \$67-billion company, to be in the top 5 or 7 is still big."

While Nooyi did not elaborate on new manufacturing units that may come up, she said the investments would also cover building infrastructure in the supply chain, which goes with doubling its business, including sourcing of fruits, potatoes, oats and oranges.

Stating that the firm has eight brands with over Rs 1,000 crore turnover in India, Nooyi said, "We have product portfolio and innovation pipeline around the world that is fantastic in food and beverages and snacks and our goal is to put in the pipeline, put in the infrastructure, built the supply chains and we can start bringing all those products to the market here."

PepsiCo's announcement comes more than a year after rival Coca Cola had said it, along with partners, would invest \$5 billion in India by 2020

on various activities, including the setting up of bottling plants.

PepsiCo has 42 plants across India, including franchises. Apart from cold drinks such as Pepsi, 7UP, Mirinda and Mountain Dew, it sells snacks under Lehar, Uncle Chipps and Kurkure brands.

"You know that they (Coca Cola) bought Thums Up and local brands and we did every thing organically and there is a big difference between the two companies," she said when asked about the competition in the market especially from Coca Cola.

Nooyi said PepsiCo's target was to grow above industry in each business segments that it is present in.

"That's really our long term plan. Any one year, there might be ups and downs but long term we want to grow ahead of the category," Nooyi said.