

News monitored for: Pepsi - Corporate

Pepsi ups India game, to invest ₹33,000cr by 2020

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NEW DELHI: PepsiCo chairman and CEO Indra Nooyi announced plans to invest ₹33,000 crore in India by 2020. The proposal "is PepsiCo's vote of confidence in India's future", she said shortly after meeting finance minister P Chidambaram here on Monday.

This is the largest investment proposal by any company during the term of UPA-2, comfortably beating Unilever's \$3.2 billion (about ₹19,000 crore) stake purchase in Hindustan Unilever in July this year, and comes at a time when the government is pulling out all stops to encourage investments to kickstart the economy.

"India is a country with huge potential and it remains an attractive, high-priority market for PepsiCo. We have built a highly successful business in India and we believe we have only scratched the surface of the long-term growth opportunities that exist for PepsiCo and our partners," the India-born Nooyi said in a statement.

Pepsi will invest in doubling its manufacturing



■ Nooyi: 'Vote of confidence'

capacity and ramping up delivery infrastructure across rural India. It has invested about \$2 billion (about ₹12,600 crore at current exchange rates) since 1990, when it entered the country and now has 42 plants across India.

With eight brands and a turnover of more than ₹1,000 crore, India is one of the top five markets of PepsiCo. Apart from soft drink brands such as Pepsi, 7 UP, Mirinda and Mountain Dew, it also sells packaged snacks under the Lehar, Uncle Chipps and Kurkure brands.

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Pepsi adds fizz to govt's economic revival plans

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NEW DELHI: PepsiCo chairperson Indra Nooyi's announcement of a ₹33,000 crore investment in India over the next seven years is expected to provide a massive psychological boost to the government that is desperately trying to kickstart investment activity to revive the economy.

Pinakiranjan Mishra, partner at consultancy firm Ernst & Young, said Pepsi was taking a long-term view of the country. "The consumer markets are not very regulated and are relatively free in India so you could expect similar announcements (from

other consumer goods companies)," he said.

Nooyi exuded confidence about India's long-term economic growth potential as she detailed the finer contours of PepsiCo's investment plans.

Pepsi, which remains one of the country's top advertisers, had last year bagged the ₹400-crore title sponsorship for India's domestic cricket league.

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

"If you look at the middle class, which is going to be added over

the next decade, it is such a staggering number, bigger than the populations of US and France combined or something," she said.

Last year, Pepsi's rival Coca-Cola had announced a \$5-billion investment plan for India to be implemented from 2012 to 2020.

"Our hope is that whosoever is in power, manages this country consistently for all the potential the country has," Nooyi said when asked about the current political climate in the country.

"Psychologically this (announcement) may create a positive sentiment in the country," said E&Y's Mishra.