

THE HINDU

PepsiCo to invest \$500 m. in India over three years

Special Correspondent

NEW DELHI: Global soft-drinks giant PepsiCo on Sunday announced that it would pump in \$500 million in India spread over the next three years so as to triple its business in the country.

Speaking to the media at the beverage major's corporate headquarters in Gurgaon (Haryana) near here, PepsiCo Chairperson and CEO Indra Nooyi said: "As a tangible sign of our continued confidence in India, I am delighted to announce that we will be investing \$500 million in the next three years with the goal of tripling our business here."

Ms. Nooyi noted that the fresh investments, which were expected to generate 50,000 direct and indirect jobs in the country, would be spread over various areas such as increasing manufacturing capacity, creating market infrastructure, initiating environment sustainability measures, research and development (R&D), development of new products and agriculture.

Alongside, to exploit the country's market potential, PepsiCo was also open to ac-



Indra Nooyi

quiring local brands or companies. "We are constantly on the look-out to grow both organically and inorganically," she said. As to whether the company earmarked a budget for such acquisitions, she said: "We have billions of dollars to target companies in India."

However, with over \$1 billion already invested in India, PepsiCo will be according priority to capacity enhancement. Although details were not divulged, the company, according to PepsiCo India CEO (Beverages) Sanjeev Chadha, would be expanding its current capacities as also set up green field plants. The U.S. soft-drinks major now

has 43 bottling plants in the country. Of these, while 15 are company-owned, the remaining 28 are franchisees. Even when PepsiCo's new plants come up, there will not be any change in its existing relationship with bottlers.

India, Ms Nooyi said, was an important market and among the top three fastest growing for PepsiCo in the world. To develop the market further, the company will be launching a number of new wellness and health-oriented products.

"Typically in a year, we may launch 5-10 products [in India]," she said.

In this regard, the company would aim to increase the share of health products in its existing product-mix to 50 per cent from the current level of 30 per cent. The Quaker Oats platform, for instance, had not been launched fully in India and it could see more products from the brand, she said.

PepsiCo also announced a pilot programme in India aimed at eradicating hunger and extreme poverty by 2015, in keeping with the United Nations' Millennium Development Goal (MDG).