

News monitored for: Pepsi - Corporate

PepsiCo to invest ₹33,000 crore in India

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Announcing one of its single largest investments in a country, global beverages and snacks major PepsiCo today said it will invest Rs 33,000 crore in India by 2020 to more than double the capacity of the business here.

The company, which has so far invested \$2 billion in the country since its entry in 1989, said the investment will be made to strengthen its capability in various strategic areas, including innovation, manufacturing, infrastructure and agriculture.

"The Rs 33,000-crore investment, which we are making, is going to cover both food and beverages, and over the next seven years, we will more than dou-

ble the capacity of our business," PepsiCo chairman and CEO Indra Nooyi said.

PepsiCo's announcement comes more than a year after its arch rival Coca Cola had said it, along with partners, would invest \$5 billion in India by 2020 on various activities, including setting up of new bottling plants.

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

While Ms Nooyi did not elaborate on new manufacturing units that may come up, she said the investments will also cover building all the infrastructure in the supply chain, which goes with doubling its business,



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INDRA NOOYI

including sourcing of fruits, potatoes, oats and oranges.

Stating that the firm has eight brands with over Rs 1,000 crore turnover in India, Ms 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 market here."

When asked about the upcoming elections in India and its implications on the investment climate in the country, she said: "We are not guided by elections. We are guided by potential of India. We are not waiting for any election results to invest in India. We are investing in India for its economic story."

Sounding bullish on the Indian market, Ms Nooyi said: "You got to invest against the long-term fundamentals of the country. We believe that fundamental India story is still strong... I think our investment shows confidence in India."

Highlighting India's demographic advantage,

she said: "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 the USA and France combined or something like that."

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 five or seven is still big."

Ms Nooyi said PepsiCo's new investment will be for its organic growth purposes in India and it currently does not have any definite plan for acquisitions in India.