

THE ECONOMIC TIMES



SAAD ABDUL-LATIF
CEO, PEPSICO AMEA

THE ECONOMIC TIMES

India, China have large headroom for growth: Saad

Saad Abdul-Latif, CEO of PepsiCo's Asia, Middle East and Africa (AMEA) division, which generates nearly \$6 billion in annual revenues, oversees operations of over 100 countries across the region. ET's Ratna Bhushan caught up with the PepsiCo veteran of 27 years for an exclusive chat at the India Economic Summit. Excerpts:



TOP GUN: Saad Abdul-Latif

You've been to India several times. But now, with India topping growth in the PepsiCo system globally, it must be different?

I couldn't be happier, though it's always good to be here. But this time, it's particularly gratifying because we are getting good growth across-the-board—carbonated drinks, juices and water and snacks. There's a motivated set of people here which is good to see.

What about the India division revenues?

India is in the growth stage. It would be probably unfair to compare India's revenues with that of the developed markets, which are in revenue stage.

Where does India rank versus China in terms of growth and scope for expansion?

I'm lucky to have both India and China with me. Both countries have immense headroom for growth, considering their per-capita consumption. Second, both countries have varied consumer preferences in terms of foods. That itself is a challenge—how to meet the needs of different consumers in different regions within these countries. Both countries have a lot of youth population. Additionally, households coming under the affordable income bracket are in excess of 800 million people.

The company has talked of commitment to portfolio transformation to healthier products. How relevant is that in a market like India, where aerated drinks sales are now in double digits?

We are following a two-fold strategy—grow the core and secure the future. The core is carbonated drinks, which has a huge growth potential. We want to transform ourselves into a total beverages

and snacks company. So there's water, Tropicana, Slice, Nimbooz, Aliva and Quaker. The focus is on growing the core business as much as it is on diversifying to other products.

Coca-Cola is putting detailed calorie information on packs. Is PepsiCo planning a similar initiative or any other such responsible communication?

As a consumer, I support the (Coca-Cola's) initiative. PepsiCo already gives out calorie and nutrition information on all packs. We are talking to our stakeholders and if it's an industry initiative, we would be happy to be part of it. Our initiatives at responsible communication already include not targeting advertising to children less than 12 years of age, activation with school kids and ingredient information on packs.

Starting January 1, 2009, in India, beverages and snacks foods were aligned under a common leadership. What gains have been made from that restructuring?

The great thing about coming together is that we are cross-utilising our resources very effectively, which is reflecting in the business. The benefits are to be seen in areas such as human resources, IT, public affairs and various back-end operations.

Going by AC Nielsen, the top two soft drink brands in India are with Coca-Cola.

Over the last two years, our business is growing faster—certainly faster than our competitor's. That's what we know.