

COCA-COLA SABCO

A THIRST FOR GROWTH





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Country manager, Simon Everest, discusses the future potential of the country and the company's expansion plans

A THIRST FOR GROWTH



The bottling line in action
prior to being packaged

With its famous white-on-red logo, its seemingly endless list of 3,500 global products and its phenomenally successful marketing campaigns, there are very few, if any, companies anywhere that can claim to be as well recognised throughout the world as Coca-Cola. From its beginnings in Atlanta, in 1886, the subsequent 127 years has seen the company reach the point where it today boasts a presence in more 200 countries.

One of these countries is Mozambique. It is here that Coca-Cola Sabco commenced operations in Maputo in 1994, at first employing 80 people. In the years that followed the company would go on to establish a second plant in Chimoio in 1997, with a third opening in Nampula in 2001. As of today the company employs close to 1,000 people.

“We have come an awful long way since we produced our first product in Maputo in May 1994,” states country director, Simon Everest, “but it has been in the last several years in particular that the market here has really begun to evolve. In a country where per capita income is less than \$1,000, and most of the population live on subsistence levels, carbonated soft drinks have been regarded as very much a luxury item. Now as the country becomes wealthier, primarily due to the increase in mining and oil and gas operations, the products we produce become much more accessible to the masses.”

As Everest goes on to highlight, this increased wealth has not gone unnoticed



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by a number of competitors, however Coca-Cola Sabco has something very important on its side. “Where we really score is the fact that our distribution levels are second to none. Through the work of our three factories, our network of trucks and our mobile distribution centres we are able to reach customers across Mozambique. This is without question one of major competitive advantages, that and the fact that the Coca-Cola brands are recognised in all four corners of the world for their consistent quality.”

One of the company’s more recent product launches has seen it introduce the Minute Maid juice drink brand to Mozambique. Launched in can form, it is hoped that Minute Maid will increase Coca-Cola Sabco’s share of the strong juice segment that forms a significant part of the non-alcoholic, ready-to-drink beverage market.

While there are a number of other brands the company is looking to introduce at various stages of its development in the country, its most pressing concern is to

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Head office

“THE COCA-COLA BRANDS ARE RECOGNISED IN ALL FOUR CORNERS OF THE WORLD FOR THEIR CONSISTENT QUALITY”

ensure that it has the capacity required to supply market demand for its core products. The way it is doing this is through several major expansion projects.

“First and foremost,” Everest explains, “we have simply outgrown our factory in Maputo. What we have decided to do in order to rectify this is first by installing a brand new PET line, itself a \$20 million undertaking, at our facility in Chimoio,

before constructing a brand new factory in Maputo. This new line will see its first product run off in October 2013. Apart from helping us tap further into an area of the country that is becoming a hub for mining, this new line will also provide us with the ability to enter into the water category.”

As the economy of the country develops, Coca-Cola Sabco believes the first thing its inhabitants will want is a water brand

“COCA-COLA SABCO DEVOTES A SIGNIFICANT AMOUNT OF TIME AND EFFORT TO VARIOUS SOCIAL AND COMMUNITY BASED PROJECT”



Inside the warehouse



Fresh bottles ready to be filled and capped

that they can trust. “The water segment at present,” Everest says, “is highly fragmented, with three regional players and several smaller bottlers all with various quality standards in existence. What we believe is that there is now room in this market for a national water player and that is what we intend to be once we launch our BonAqua brand in September of this year.”

The second phase of the company’s expansion sees it in the process of building a 21 hectare greenfield site in Matola Gar, on the outskirts of Maputo. While it will

1994

 The year that Coca-Cola commenced operations in Maputo

ultimately have sufficient space in which to house seven lines, this site will initially be home to two returnable glass lines and one PET line. The current Maputo PET line will be moved to Nampula, thus with the creation of this facility Coca-Cola Sabco will have PET lines established and operational in each of its manufacturing units across the country.

As is the case in the majority of the markets that the company is present in, Coca-Cola Sabco devotes a significant amount of time and effort to various social and community based projects, including the redevelopment



Exterior view of the plant

“THE FACT THAT WE ARE INVESTING \$140 MILLION HERE OVER THE NEXT THREE YEARS TRULY DEMONSTRATES COCA-COLA’S COMMITMENT AND BELIEF IN MOZAMBIQUE”

of medical clinics and local schools. Coca-Cola’s track record in this field led to it being approached by the Clinton Foundation to assist in its distribution of HIV medication throughout Mozambique.

One area that also deserves to be highlighted is the work that the company

does to establish business opportunities for local people. It does this by setting up individuals with their own vending boxes and a certain amount of core product that they then sell. “We have had some really positive success stories come out of this initiative,” Everest enthuses. “At present

we tend to focus on women. This approach forms part Coca-Cola’s five-by-twenty programme that aims to empower five million women by 2020 and has already proven very successful in Mozambique.”

When Everest came into the business two years ago, his primary concern was to ensure that Coca-Cola Sabco was able to get its future capacity right. Now, with the aforementioned expansion projects underway, he is confident that by the end of 2015 the business will be in a very good place indeed.

“I think,” Everest concludes, “the very fact that we are investing \$140 million here over the next three years truly

demonstrates Coca-Cola’s commitment and belief in Mozambique. Having had a business established in the country for 20 years now we understand the marketplace and have built a strong reputation for ourselves. Now as the country becomes wealthier I feel there is a great future for our products here. Certainly there are many worse places to be and I for one feel truly blessed to be a part of what we are doing in Mozambique.” **BE**

For more information about
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