

Coca-Cola to see more fizz with RM1b plans

By Adeline Paul Raj

bt@nstp.com.my

THE world's largest beverage company, The Coca-Cola Company, plans to invest RM1 billion in Malaysia over the next five years to further boost its growth here.

To start off, it is setting up a 12ha bottling plant at the Enstek Industrial Park in Nilai, Negri Sembilan, which is expected to be operational by the end of next year.

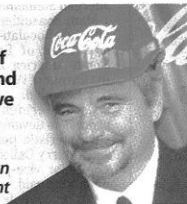
The investment is expected to create as many as 800 jobs at the plant and up to 8,000 jobs with local suppliers.

"With the new plant, one of the most modern of its kind in this part of the world, we will be able to support our core brands of Coca-Cola and Sprite, enhance our competitive edge and increase our geographic coverage," Glenn Jordan, president of the firm's Pacific Group, said in his speech at the groundbreaking ceremony in Nilai yesterday.

The company, which has had a

“
With the new plant, one of the most modern of its kind in this part of the world, we will ... enhance our competitive edge ...”

Glenn Jordan
Pacific Group president



presence in Malaysia for 75 years, is looking to boost its sales here as the annual per capita consumption of Coca-Cola products is "well below" that of many Asean countries, Jordan said.

New beverages will be introduced in the coming months, he added.

Its Malaysian unit, Coca-Cola Bottlers (M) Sdn Bhd, will be taking over the bottling and distribution operations once its existing franchise agreement with local partner Fraser & Neave Holdings Bhd expires

next September.

Coca-Cola Bottlers purchased the land from TH Properties, developer of the industrial park. How much the land was sold for is unknown as the company declined to take questions from the local press yesterday.

In an interview later with the Associated Press, Jordan said that Malaysian investors held a 15 per cent stake in the new bottling facility, with the Armed Forces Fund Board holding a 10 per cent stake

and private firm AAD Equity, led by former finance minister Tun Daim Zainuddin, 5 per cent.

He also said that Asia contributed about 18 per cent to the group's global sales.

Prime Minister Datuk Seri Najib Razak, who led the groundbreaking ceremony, said the investment by the world's most recognised brand bodes well for other companies to follow suit.

Malaysia has been trying, amid stiff competition, to boost such investments here after foreign direct investments declined to RM22.1 billion last year from RM46.6 billion in 2008.

"We hope it will be the first of additional manufacturing and service-based operations to be set up here," Najib said.

He noted that the company reinvests 6-7 per cent of its revenue in capital expenditure every year.

Its planned RM1 billion investment here will include sales and merchandising assets, product innovation and marketing.

