

Coca-Cola commits to 30% BEE stake

By [Ann Crotty](#)

30 Jun 2017

The Coca-Cola Company and the Competition Commission have agreed on conditions to ensure that the long, drawn-out restructuring of Coca-Cola Beverages Africa (CCBA) does not face delays at the Competition Tribunal.



©niloo138 via [123RF](#)

In addition to the normal employment-related conditions, Coca-Cola has committed to increase the black economic empowerment (BEE) equity stake in Coca-Cola Beverages SA (CCBSA) to 30% by no later than 2021. CCBSA, which had previously committed to a 20% BEE equity stake, said the 30% holding would include "an appropriate level of worker-employee ownership".

Coca-Cola said on Thursday it would engage with South African and international parties interested in acquiring a controlling interest in CCBA.

In an apparent nod to mounting concerns about foreign ownership of South African assets, Coca-Cola said it acknowledged the government's preference for a South African controlling interest in companies deriving most of their revenue and profit from the domestic market. It would "seriously consider South African parties", Coca-Cola said.



New African Coca-Cola company gets going

4 Jul 2016



The factors it will take into consideration include alignment with Coca-Cola's values, depth of management, track record and the financial capacity to establish ownership of the estimated \$3.15bn stake.

The agreement, announced on Thursday, includes a commitment from Coca-Cola to maintain CCBA's head office in SA. The company will remain incorporated in SA and will be resident in the country for tax purposes. Coca-Cola said it intended to take full advantage of SA's deep capital markets, developed business infrastructure and expansive local talent pool to maximise CCBA's potential as a bottling operator.

Coca-Cola's African bottling operations have been involved in continued restructuring discussions since late 2014, when Alan Clark, former SABMiller CEO, announced plans to restructure SABMiller's African Coca-Cola bottlers to create CCBA. The company will serve 12 countries on the continent and is expected to account for about 40% of all Coca-Cola beverage volumes in Africa.

In 2016, when AnheuserBusch Inbev finalised its acquisition of global rival SABMiller, Coca-Cola announced it was exercising its right to repurchase the African bottling operations from SABMiller.



Brewer AB InBev sells big brands to complete megamerger

12 Oct 2016



It agreed to stick to its commitment of maintaining existing levels of employment and said this would be extended for a further three years from the conclusion of the transaction.

Source: Business Day

For more, visit: <https://www.bizcommunity.com>