

Nestle SA injects R505m into local economy

Nestle South Africa announced on Wednesday, 2 February 2011, that it will invest R505 million into the construction of two new factories.

The company also announced its recent acquisition of a soya processing company in Potchefstroom. These investments will create 350 permanent jobs.

"Nestle is proud to make this announcement today as it demonstrates our ongoing commitment to investment in South Africa. We will continue to invest in South Africa, in line with our long-term commitment to business sustainability and economic development," said Sullivan O'Carroll, Chairperson and Managing Director of Nestle South Africa.

Two new factories

Nestle South Africa is investing R244 million in the construction of a 16,000 square metre factory at Babelegi for the production of Milo and Cheerio cereals which are currently being imported.

This investment will create 70 permanent jobs and at least 100 indirect jobs in the construction phase. Skills development and training abroad will be provided to some of the permanent employees by Nestle's global specialists in the areas of engineering and technology.

A further R155 million will be invested in the construction of another factory in Babelegi for the production of Maggi products. This new factory will create 160 permanent jobs and at least 200 indirect jobs in the construction phase.

Acquisition

The company also announced its recent R106 million acquisition and upgrade of Potchefstroom-based Specialised Protein Products (SPP), which also included the absorption of 120 employees.

This acquisition will increase the production capacity of Nestle's non-dairy creamers and offers the company an opportunity to develop good quality and affordable soya based products.

"These investments are aligned to Nestle's ambition of being the world's leading Nutrition, Health and Wellness Company while offering consumers quality, nutritious and affordable products.

"Local business will also benefit from this as most raw materials required for the manufacturing of our products will be sourced locally, thus creating a market for local business and emerging farmers," concluded O'Carroll.

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