

SABMiller and Coke commit to helping entrepreneurs

To gain competition authority approval for the proposed merger of the soft-drink businesses of SABMiller, The Coca-Cola Company and Gutsche Family Investments, the parties have committed themselves to invest R800m in developing entrepreneurs.



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Competition Tribunal hearings on the proposed merger that will create Coca-Cola Beverages SA (CCBSA) are scheduled to start on May 9.

The parties in Wednesday's statement undertook to maintain employee levels at premerger levels for three years. The parties have also undertaken that employees in the bargaining unit will not be subjected to involuntary retrenchment as a result of the merger and that retrenchments of senior management staff be limited.

SABMiller said in a statement on Wednesday that the agreed public interest conditions for the merger included creating a R400m fund for enterprise development in the agriculture value chain.

Another R400m has been committed to develop downstream distribution and retail capabilities with associated skills development and training. This is expected to create an additional 20,000 black-owned retailers.

Coca-Cola Beverages SA committed itself to keep its headquarters in SA.

It also agreed to be 20% empowerment owned.

It will maintain and grow Appletiser's South African production operations "to serve the domestic market and as a base from which to export Appletiser to the rest of the continent and elsewhere in the world".

Other commitments include allowing small retail outlets (smaller than 20m²) to be free to provide 10% of visible space in their Coca-Cola fridges to smaller competitor products.

Source: Business Day

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