

# Coca-Cola Supplier Development Conference aims to grow local procurement

In terms of the agreed public interest conditions, which were approved by the Competition Commission, Coca Cola Beverages South Africa (CCBSA) held its inaugural Supplier Development Conference to identify opportunities to maintain and grow local procurement.



The conference forms part of the local company's commitment to a series of public interest conditions attached to its parent company's (Coca Cola Beverages Africa) establishment last year.

Over 500 handpicked, black-owned high-growth-potential SMME delegates attended the event. They were addressed by a line-up of speakers with broad industry knowledge, including Minister of Economic Development, Ebrahim Patel.

"This is a seminal event that is more than delivering a merger condition; it is about being an active partner in South Africa's economic and social development, as a whole and in the development of the local beverage sector in particular. In this and other initiatives, we're working to promote small business and supplier development, and to enhance entrepreneurship in our economy," said Velaphi Ratshefola, MD of CCBSA.

## Commitment to local procurement

The public interest commitments agreed to were wide-ranging and in respect of protecting suppliers' direct interests, included a commitment to maintain and, where possible, improve the company's level of local procurement of South African inputs. These include all tin and aluminium cans and ends, glass and PET bottles, PET closures, packaging, crates and sugar. The company undertook to honour existing agreements with suppliers and further undertook to provide training for its managers on the value of local procurement.

The company has also undertaken to invest in retailer development and agriculture enterprise development by making R800 million available for entrepreneurship development over the next five years. A R400-million allocation will focus on the development of downstream distributors and retailers. Between 2017 and 2020, an additional 25,000 black retailers of its products will receive business skills training.

A R400-million fund for enterprise development in the agriculture value chain will support and train historically disadvantaged developing farmers and historically disadvantaged or small suppliers of inputs for Appletiser and CCBSA products.

## **Appletiser to offer 20% shareholding to black investors**

“In addition, as part of our commitment to the country’s economic development, we agreed to initiate a 20% black shareholding in Appletiser to be delivered by May this year and are increasing the empowerment shareholding in CCBSA as a whole by 9%, to take it up to 20% within five years.

“We’ve been working hard on several of the other public interest merger commitments that were endorsed by the Competition Commission, but this has largely been done out of the public eye,” states Ratshefola.

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