

Job cuts may result from Coca-Cola merger

The creation of Africa's biggest Coca-Cola bottling company, which brewer SABMiller will have a majority stake in, could result in up to 387 head office job cuts but no lower-level retrenchments are planned, says SABMiller's South African unit.



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SABMiller said last year it would merge its African soft-drinks divisions with SA's second-biggest Coca-Cola bottler and with the Coca-Cola Company's local operations, to form Coca-Cola Beverages Africa.

The new bottler would produce 40% of Coca-Cola's beverage volumes in Africa and more than 80% of its volumes in SA.

The merging businesses have a combined headcount in SA of about 7,500 people. So any possible redundancies as a direct result of the proposed merger will amount to about 5% of employees in SA.

"At this stage the parties anticipate that there will be no involuntary retrenchments of employees in the recognised bargaining units as a direct result of the proposed transaction. It is expected that there will be a degree of overlap in head-office functions at executive, managerial, administrative and technical levels which may result in a maximum of 387 positions becoming redundant," SAB said.

These redundancies were unlikely to occur at a single point in time, as the business integration process was expected to be completed "over a period of time".

Source: Business Day via I-Net Bridge