

# High commodity prices to stay

The president of the Coca-Cola says high commodity and food prices are here to stay, for a while, at least.

Tokyo - The president of the Coca-Cola Company says high commodity and food prices are unlikely to calm down anytime soon.

Muhtar Kent said that prices were rising due to a "perfect storm" of conditions including countries diversifying to ethanol, growing demand from emerging companies and weather factors.

The conditions "are here to stay for some time," Kent told a news conference in Tokyo.

"We will certainly make sure that we take every precautionary step to make sure that we keep growing," said Kent, who takes over on July 1 as the US beverage giant's chief executive officer.

Food prices have risen rapidly this year, raising particular fears in the developing world.

World Bank President Robert Zoellick has said two billion people across the world are struggling with high food prices, and 100 million people in poor countries may be pushed deeper into poverty by the crisis.

Kent said that Coca-Cola has been hit by higher prices for its raw materials including sugar and fructose, which is commonly made from corn.

Kent said that Coca-Cola will continue to look to grow both organically and through foreign acquisitions to offset stagnant demand in its home market.

Some 80% of Coca-Cola's revenue is generated outside of North America, he said.

"Our target is to have many more billion-dollar brands and enhance our current 13 brands," he said, while adding that he did not expect the company to diversify into alcoholic drinks.

Coca-Cola last month reported that its first-quarter profits jumped 19% on the back of robust international sales.

Source: *AFP*

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