



News Insight FMCG

Middle East and Africa

November 2016

The "News Insight FMCG" newsletter aims at collecting news and developing insights on the Fast Moving Consumer Goods market in the Middle East and Africa.

Infomineo gathers insights covering MEA region market trends and FMCG players' strategic plans: expansion projects, M&A, partnerships and projects, latest nominations, publications and events across countries of the region.

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Agenda

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Focus of the month

Islamic economy food and lifestyle expenditure to reach US\$3 trillion by 2021 (SGIE report)

For the fourth year, Thomson Reuters in partnership with the Dubai Islamic Economy Development Centre, presented the key findings from the State of the Global Islamic Economy Report.

The Islamic Economy is estimated to be worth US\$1.9 trillion. Food and beverage tops Muslim spend by category, at US\$1.17 trillion in 2015, followed by clothing and apparel at US\$243 billion, media and recreation at US\$189 billion, travel at US\$151 billion, and spending on pharmaceuticals and cosmetics at US\$78 billion. Additionally, the revenue generated by Halal Certified Food and Beverage companies world-wide has been estimated at US\$415 billion.

Halal Food has shown clear signs of maturity with increased private equity investments in the sector. Upgrades in regulations are also occurring, with the introduction of accreditation to oversee certifiers set to reduce complexity and encourage more players to enter the industry. Muslim spend on food and beverages is expected to reach US\$1.9 trillion by 2021.

Modest Fashion is gaining mainstream interest with several retailers and brands such as D&G, Uniqlo and Burberry entering the industry and several notable investments driving the sector forward. As the sector gains traction, spend is projected to reach US\$368 billion by 2021.

The Halal Pharmaceutical and Cosmetics sector continues to expand as awareness about ingredients rises and new products are developed, such as permeable nail polish, Halal vaccines and new ranges of nutraceuticals. Muslim spend on these products is expected to reach US\$213 billion by 2021.

[Read full report \(registration\)](#)

Latest news on FMCG players

Ajinomoto, PepsiCo vying to buy into Africa's Promasidor

- Japan's Ajinomoto and PepsiCo are among bidders seeking to buy a stake in African dairy and drinks company Promasidor in a deal that would give them access to its distribution network across the continent.
- A deal could value Promasidor at roughly US\$1 billion.
- The interest from the Japanese food maker and U.S. drinks giant shows how multinationals based in mature markets are looking abroad for growth and betting that Africa's expanding middle classes will buy more packaged food and drinks.
- A third bidder is involved in the process, but its identity is not clear. Ajinomoto is seen as more likely to clinch a deal than PepsiCo.

[Read more – Reuters](#)

AB InBev takes over SABMiller

- Global brewer Anheuser-Busch InBev (AB InBev) has acquired South African brewer SABMiller in a deal estimated at over US\$100 billion, which will see AB InBev take over SABMiller's operations globally.
- The deal gives AB InBev presence in 17 African countries, making it a brewing powerhouse with an estimated 46% of global beer profits and 27% of global volume, boasting an expanded portfolio which includes global, multi-country and local brands.

[Read more – Wall Street Journal](#)

Nestlé to invest US\$17 million in the expansion of its manufacturing plant in Cameroon

- Works will take place in the Douala plant.
- Despite the details of the project not having been revealed, it is known that Nestlé Cameroon has been considering for some time the introduction of Penja pepper, a local condiment, in the manufacture of the famous Maggi cube, a culinary broth popular among housewives. This might require the acquisition of new equipment.
- The Maggi cube represents 90% of the production plant in Douala, through which Nestlé achieves a monthly turnover of US\$8.4 million in the CEMAC area.

[Read more – Agence Ecofin](#)

GSK Nigeria completes divestment of drinks bottling business

- GlaxoSmithKline Nigeria has completed the divestment of its drinks bottling and distribution business to Suntory Beverage & Food Nigeria.
- Consequently, GSK Consumer Healthcare Company (retained business) now consists of the consumer healthcare wellness, oral healthcare and nutrition categories and pharmaceutical business.
- Since 2013, Suntory Beverage of Japan had been outsourcing production and sales of drinks in Nigeria to GSK Nigeria.

[Read more – This Day](#)

NNFM commences installation of US\$15 million sorghum mill

- Northern Nigeria Flour Mills (NNFM) has commenced the installation of a sorghum milling facility worth \$15 million to produce flour from locally grown sorghum for inclusion into wheat flour products.
- The facility provides a milling capacity of 100,000 metric tons, allowing to save an estimated US\$25 million in foreign exchange yearly.
- Additionally, NNFM has recently modified part of its site facilities at the Kano plant in preparation to receive locally grown wheat from the Wheat Farmers Association of Nigeria (WFAN) in line with the commitment to continue to purchase all locally grown wheat at a mutually agreeable price.

[Read more – All Africa](#)

Unilever Global launches new factory in Egypt

- Unilever Global announced the inauguration of a new detergent plant with total investments worth US\$24 million.
- The factory will annually produce 120,000 tons of detergent that will be exported to GCC countries, Kenya and Ethiopia to meet the local market needs.

[Read more – Mubasher](#)

Edita plans to expand in Gulf markets supported by new brands

- The Egyptian Edita Food Industries plans to enter new markets in the Gulf region in the coming period, after it has contracted with Khalifa Abdulrahman Algosabi Cold Stores in Saudi Arabia.
- The company has adopted an expansion-based strategy focused on marketing new brands that were recently obtained from Hostess Brands Company.
- Edita will also begin the construction of a factory in Egypt, in 2017, which will manufacture and mix all the raw materials used in food production, including sweet

filler for biscuits and creamy covering for crackers.

[Read more – Daily News Egypt](#)

Coca-Cola to build new plant in KSA valued at US\$80 million

- Coca-Cola has unveiled plans around its new bottling plant which is expected to be ready by 2019 in KSA.
- The plant, which exceeds 187,000 sqm, will create jobs for more than 200 Saudis and include production lines for soft drinks and bottled water, seeing an investment of up to US\$80 million.
- It will play a key role in supporting the operations of Coca-Cola in the country, leveraging state-of-the-art technology to support capacity, productivity and capability.

[Read more – Saudi Gazette](#)

Coca-Cola opens bottling plant in Qatar

- The Coca-Cola Company announced the official opening of its Al Mana Plant, which entailed an investment of US\$36 million.
- Being the first Coca-Cola bottling plant in Qatar, it is spread over an area of more than 28,000 sqm and contains PET plastic bottle production lines, employing 300 employees.
- The facility is expected to increase the firm's production and ensure the meeting of the growing demands of the country and, potentially, the region.

[Read more – The Peninsula Qatar](#)

Cargill to build a new US\$45 million plant in Jordan

- Cargill Company announced the establishment of a new industrial project in Jordan to manufacture grain and animal feed, with investments totaling US\$45 million.
- The project will include a factory and some advanced laboratories, and will be completed by 2017, under the trademark Provimi Jordan.

[Read more – Mubasher](#)

Agthia Group eyes acquisition in Gulf

- Agthia plans an acquisition in the water sector before the end of 2016, valued at US\$ 54.5-81.7 million.
- In GCC countries, the company aims at increasing distribution of its products and attracting more clients, as well as at expanding its presence in the northern emirates

and other export markets.

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UAE's food sector sales to hit US\$17 billion by 2020

- UAE food sales are projected to grow by an annual average of 7.3% between 2015 and 2020.
- The UAE's seafood demand is also set for rapid growth over the next four years, with an 8% CAGR by 2020.
- The confectionary sector is also anticipated to grow with total chocolate and sweets sales growing by 6.2% CAGR by 2020.
- With the country's burgeoning confectionery segment boosted by major international market players operating local production facilities, further growth will come from premium chocolate producers establishing new production facilities in the Emirates.

[Read more – Saudi Gazette](#)

Al Meera set to expand with 5 new stores in Qatar

- Retail major Al Meera Consumer Goods Company has announced that it is in the final stages of preparations for five of the company's upcoming stores in the country, which will add a total of 9,709 sqm supermarket area to its presence in Qatar.
- Each center will feature a supermarket equipped with world-class technologies and facilities, a large parking space, and a diversity of shops, restaurants and other stores.

[Read more – Trade Arabia](#)

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