

Nestle Pakistan achieves 22% growth and turnover of 800 million dollars

Nestle Pakistan has achieved a growth of 22% in 2012 to reach an annual turnover of US\$ 800 million (Rs 79 billion). In this context, Nestle Pakistan has made a fresh investment of \$ 104 million in Egron project – a milk powder drying facility located at its Sheikhupura dairy, juice and water factory.

The milk powder plant has now been equipped with new technology and it can produce an additional 30,000 tons per year. Power generation capacity and waste water management system have also been upgraded and additional filling lines have been set up during this year.

Earlier in 2011, the company had launched four new products, of which two were milk powder products – Milkpak milk powder and Nesvita milk powder.

Nestle, which has been in Pakistan since 1988, has engaged some 200,000 farmers in an effort to enhance milk productivity. Though competition in UHT milk and juice segments is getting tougher, but Nestle is not considering it as a threat and insists that its products are of high value.

Jose Lopez, Executive Vice President Operations of Nestle Global stated, the success of these and other products has forced the management to enhance capacity to meet present as well as future demand for milk powder products in

“Nestle Pakistan is for Pakistan only, we are a part of Pakistani economy, we invest here and find wonderful results.”

- Jose Lopez, Executive Vice President Operations of Nestle Global.



Pakistan, despite the local law and order situation. Nestle operates for the long run in every part of the world, and cannot take decisions by analyzing local circumstances.

He also stated that, law and order is not something to worry about as in some other parts of the world Nestle has suffered because of security issues, but is still working, like in Syria, where its unit was bombed.

The company also exports powdered milk to Afghanistan and nearly 8% of its revenues come from this market. Though exports can be a profitable venture, Nestle has no plans to enhance sales to Afghanistan or to some other country, unlike India from where it is exporting to Sri Lanka and Nepal.

Nestle considers Pakistan as a medium-sized market out of Nestle's 468 units worldwide, despite the fact that Pakistan is the sixth most populous country on the globe. The main reason is lack of awareness in the people, especially rural population, of such products. Still, it proves positive for Nestle as it has a lot of ground to cover and this is why it has invested \$ 148 million over the past two years in factory expansion projects to meet rising consumer demand, concluded Jose Lopez. ♦

English Biscuits supports expansion at Aga Khan University Hospital

The Aga Khan University and English Biscuits signed a memorandum of understanding to expand the neonatal intensive care unit (NICU) at the University Hospital. The MoU was signed between English Biscuits and Mr Firoz Rasul, President of the Aga Khan University. The expansion will enable the University Hospital to treat in a specifically equipped unit more premature and seriously ill babies who need specialised care. The 200-million-rupee project includes increasing in the number of beds from 12 to 24 and the addition of special equipment to care for these critically ill babies.

Firoz Rasul stated, we are extremely grateful for this exceptional generosity from English Biscuits. This is the first gift in their campaign to raise substantial funds from the corporate sector in Pakistan. Donations such as these provides confidence to continue to expand our services and facilities in Karachi.”



Britain's retailer Tesco to open super market in China

Britain's biggest retailer, Tesco plans to create a supermarket giant in China, as it seeks to offset a slump in profits on weaker European sales. Tesco will combine its Chinese business with that of Hong Kong-listed retailer China Resources Enterprise (CRE) to form a joint venture.

The British supermarket the world's third biggest, announced that its net profit slumped by a third in the group's first half. Tesco reported that net profits dived 33.6 % to 820 million pounds (\$1.3 billion, 981m euros) in the first half of its financial year, or 26 weeks to August 24. That compared with profit after tax of 1.24bn pounds in the equivalent period a year earlier. Revenue rose 1.9% to 31.91 bn pounds. ♦