

# Coca-Cola commits to 30% BEE stake

By [Ann Crotty](#)

30 Jun 2017

The Coca-Cola Company and the Competition Commission have agreed on conditions to ensure that the long, drawn-out restructuring of Coca-Cola Beverages Africa (CCBA) does not face delays at the Competition Tribunal.



©niloo138 via [123RF](#)

In addition to the normal employment-related conditions, Coca-Cola has committed to increase the black economic empowerment (BEE) equity stake in Coca-Cola Beverages SA (CCBSA) to 30% by no later than 2021. CCBSA, which had previously committed to a 20% BEE equity stake, said the 30% holding would include "an appropriate level of worker-employee ownership".

Coca-Cola said on Thursday it would engage with South African and international parties interested in acquiring a controlling interest in CCBA.

In an apparent nod to mounting concerns about foreign ownership of South African assets, Coca-Cola said it acknowledged the government's preference for a South African controlling interest in companies deriving most of their revenue and profit from the domestic market. It would "seriously consider South African parties", Coca-Cola said.



New African Coca-Cola company gets going

4 Jul 2016



The factors it will take into consideration include alignment with Coca-Cola's values, depth of management, track record and the financial capacity to establish ownership of the estimated \$3.15bn stake.

The agreement, announced on Thursday, includes a commitment from Coca-Cola to maintain CCBA's head office in SA. The company will remain incorporated in SA and will be resident in the country for tax purposes. Coca-Cola said it intended to take full advantage of SA's deep capital markets, developed business infrastructure and expansive local talent pool to maximise CCBA's potential as a bottling operator.

Coca-Cola's African bottling operations have been involved in continued restructuring discussions since late 2014, when Alan Clark, former SABMiller CEO, announced plans to restructure SABMiller's African Coca-Cola bottlers to create CCBA. The company will serve 12 countries on the continent and is expected to account for about 40% of all Coca-Cola beverage volumes in Africa.

In 2016, when AnheuserBusch Inbev finalised its acquisition of global rival SABMiller, Coca-Cola announced it was exercising its right to repurchase the African bottling operations from SABMiller.



#### Brewer AB InBev sells big brands to complete megamerger

12 Oct 2016



---

It agreed to stick to its commitment of maintaining existing levels of employment and said this would be extended for a further three years from the conclusion of the transaction.

*Source: Business Day*

For more, visit: <https://www.bizcommunity.com>