

## Bringing Heineken to Sedibeng

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EUROPE'S largest brewer is on track to open its R3 billion brewery and depot in Sedibeng later this year, creating around 225 new employment positions at a time when the world recession has wrecked havoc in the local job market.

Amsterdam-based brewer Heineken announced last year it would build its first local brewery in partnership with spirits company Diageo aimed specifically at producing and bottling premier labels Heineken and Amstel for the South African market.

The investment came after Heineken terminated with immediate effect a 40-year-old contract with international rival SABMiller for the manufacture and distribution of Amstel in March 2007. At the time Amstel accounted for 9% of the national beer market with Heineken contributing another 2%.

Cape Town-based Brandhouse Beverage previously imported from Heineken's European breweries marginally less than the 2,3-million hectolitres of Amstel sold annually by SABMiller.

Heineken regional president for Africa and Middle East Tom de Man said the location of the brewery between Vereeniging and Alberton was "a difficult one based on far more than just geology, geography and infrastructure". The multinational group was aware that southern Johannesburg would "benefit enormously" from new commercial investment, which would in turn assist and enable social and economic progress in the area.

The 80-hectare site also enabled Heineken to gain strong support from government, various development agencies and the Department of Trade and Industry. Initial brewing capacity will touch 3-million hectolitres with built-in flexibility for expansion.

Executive Mayor of the Sedibeng District Municipality, Mahole Simon Mofokeng, said the brewery was expected to initially create 225 new positions across the employment strata and "a considerable number" of new service-related outsourcing opportunities in downstream businesses. Heineken would also provide technical training for South African personnel locally and abroad.

Former Gauteng finance MEC Paul Mashatile stated last year that in injecting R7 billion into the provincial economy, the plant and depot was a catalyst for regional economic growth. He believed the investment was proof that the international community had confidence in Gauteng despite the challenges facing South Africa.

The new brewery would be 75% owned by Heineken and 25% by Diageo, already involved in the Brandhouse joint venture to market and distribute various alcoholic drinks.

Local brewery GM Johan Dover said having built 17 breweries internationally – including four in Africa in the past 15 years – Heineken "fully understood" the opportunities and challenges in establishing the new facility.



**Editor's Note:**

Heineken International is a Dutch brewing company founded in 1864 by Gerard Adriaan Heineken in Amsterdam. When the company announced plans to invest locally, the group owned 119 breweries in 65 countries and employed more than 54000 people.

The group is the third-largest brewery in the world after Anheuser-Busch InBev and SABMiller.

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