

# Arçelik brings Beko appliances to SA as it advances African expansion

Turkish multinational consumer durables and electronics manufacturer Arçelik is expanding its portfolio in southern Africa by adding the Beko brand to its local portfolio. Beko is a freestanding home appliances brand in Europe in the white goods sector and the number one large home appliances brand in the UK.



Beko store in Durban. Source: Supplied

Beko is being launched in SA at standalone stores at Design Quarter in Fourways, Johannesburg on 28 August and at Crescent Umhlanga Ridge in Durban on 4 September. Brands under the Arçelik umbrella in South Africa now include Defy, Grundig and Beko.

## Africa at forefront of growth strategy

Arçelik currently employs more than 2,700 staff in South Africa, with two manufacturing facilities, and is the largest manufacturer of major domestic appliances in sub-Saharan Africa.

“Arçelik’s growth strategy is to expand into regions where the middle class is growing exponentially. We see huge economic growth potential in Africa, and it is at the forefront of our expansion plans. This is why we have already made significant investment in the continent, for example, our purchase of Defy in 2011, and we are continuing to invest and grow our business in this region,” says Rajan Gungiah, Beko regional marketing director for sub-Saharan Africa.



Rajan Gungiah, Beko regional marketing director for sub-Saharan Africa. Source: Supplied

Africa's current population of around 1.2 billion is projected to reach 1.7 billion by 2030, with 80% of this population growth occurring in cities – making it the fastest urbanising region in the world. Consumer spending on the continent is projected to increase to \$2.2tn by 2030.

Arçelik's purchase of Defy was the largest industrial investment yet made from Turkey into Africa. Following this acquisition, the group states that it has invested significantly in manufacturing facilities, product range, quality and design, and is increasing vertical integration in key markets.

Based on this strategy, Arçelik now has assembly lines in Sudan and Ethiopia to support distribution in those countries. Beko is already available in 20 African countries, including Nigeria, Kenya, Rwanda and Mauritius.



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## Working towards sustainable design and production

According to Arçelik, Beko's focus has been on "making healthy living convenient for consumers via a wide range of appliances supporting families to make healthy choices", adding that it has broadened its brand mission to recognise that healthy living is only possible on a healthy planet. Arçelik states that Beko is therefore committed to protecting the earth by designing and manufacturing energy-efficient products and investing in resource efficiency in production, and encourages competitors to follow suit.

“We work hard to contribute towards a healthier planet by developing products that reduce waste. As a responsible manufacturer, we are acutely aware of the challenges the region faces, including energy and water scarcity. We firmly believe in the potential of this continent and are responding to these issues by investing in appliances that are designed with Africa in mind,” says Gungiah.

Arçelik has invested strongly in renewable materials and has committed to ambitious targets for greenhouse gas reduction. For instance, it has developed all-biological polylactic plastics with high temperature and degradation resistance, as well as bio-based hard polyurethane foam insulation material, which are already being used in some products, and in a solar fridge for markets with an uncertain power supply. In another innovation, fishnet material is used for oven doors and display covers.



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Arçelik's global production operations were carbon neutral in 2019 and 2020, and its targets to reduce greenhouse gas emissions are approved by the Science-Based Targets Initiative. The company has committed to reducing scope 1 and 2 emissions by 30% by 2030, compared to a base year of 2018.

Additionally, it has set scope 3 commitments based on the International Energy Agency's greenhouse gas emission factor projections. This target aligns with the scenario to keep climate change to under 1.5 degrees worldwide, and the company challenges competitors to follow suit.

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