

Investment project creates jobs in Babelegi

PRETORIA: A R500 million investment project has been launched in Babelegi, Hammanskaraal, creating over 130 permanent jobs.

The two new production sites of Nestle in Babelegi will be for the manufacturing of the company's breakfast cereals Milo and Cheerios, and the addition of new production lines for the manufacturing of MAGGI Noodles.

The project includes the construction of a 16 000 square metre factory for the manufacturing of the cereals.

Speaking at the launch, Davies said South Africa and the rest of the African continent had a significant role to play in food security around the world and in many food deficient countries.

He further urged African businesses to add more value to their agricultural products.

"This investment is one of the several investment opportunities that has taken place recently in South Africa by a global multinational company in the agro-processing area, and it is reflecting the fact that we as the South African government are trying to position ourselves and deepening the presence of agro-processing in our country and companies," said Davies.

Nestle has been granted approval in accordance with Section 12I Tax Allowance Programme of the Income Tax Act. Davies approved the tax allowance deduction for Nestle of R168 million in terms of their investment and training needs.

The 12I Tax Allowance Programme allowance is geared towards providing investment support in new manufacturing assets and the training of employees.

The Babelegi investment alone has created over 130 permanent jobs and as well as 300 indirect jobs over a 20-month period during the construction phase.

Also speaking at the launch, Nestle's Global Chief Executive Officer Paul Bulcke said the company had a long history in South Africa and Africa, and that consumers and their employees held an important key role in their products and services.

"Forty percent of our products are sold in emerging economies and are expected to grow up to 50% in 2020. We have been present on the African continent for more than 100 years, and we see great growth opportunities for the future," said Bulcke.

The company said it would continue to invest in South Africa in line with their long term commitment to business sustainability, growth and economic development.

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