

SABMiller to build new brewery in Namibia

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The world's second-largest brewer, SABMiller (SAB) will begin construction of its planned 260,000 hectolitre brewery in Namibia next month, the company said on Wednesday (6 March).



This will mean SABMiller, which has been importing beer into Namibia through Castle Brewing Namibia for more than 20 years, will now be able to brew and bottle beer in the country.

Competition in Africa's beer market has slowly been growing, as liquor groups expand operations in emerging markets to offset the effects of declines in Europe, where tough economic conditions prevail.

Earlier this month, Dutch giant Heineken said it would build a 1.5-million-hectolitre-a-year brewery in Ethiopia.

The brewery, its third in Ethiopia, is expected to be operational by the second half of next year.

SABMiller's Namibian brewery should be operational in 18 months, and the company said it will be built to accommodate future growth. The brewery includes a 750ml returnable bottle packaging line and warehousing facilities. Total estimated investment is N\$360m.

SABMiller's country representative Cobus Bruwer said the company has a long history in Namibia, having imported beers for the local market for more than two decades.

"The company has an estimated 22% of the local market, with popular brands including Castle, Carling Black Label and Castle Lite," Bruwer said.

SABMiller Namibia will be 60% owned by SAB SA Holdings, a wholly owned subsidiary of SABMiller. Namibian partners comprising 20% Onyewu Holdings and 20% by three charitable trusts will own the balance of shares.

SABMiller outlined its plans in April 2010 and bought 7.2 hectares of land in Okahandja, 70km north of Windhoek. The land

was subsequently transferred to SABMiller but there were delays with the rezoning applications and the final approval for the rezoning was only received in October 2011.

"We are pleased to be moving ahead with construction. The local brewery will allow us to sell more beer to consumers in the Namibian market and will us to make a meaningful contribution to the Namibian economy," SAB's managing director Mauricio Leyva.

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