

SABMiller to construct US\$80m brewery in Uganda

By [Janice Roberts](#)

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Brewing giant SABMiller plc will invest US\$80m in a new brewery at its Ugandan subsidiary, Nile Breweries (NBL), doubling the company's design capacity to 3.6m hectolitres by 2013.



"The new brewery will be constructed in Mbarara in western Uganda, the fastest-growing regional beer market in the country, with the site chosen as the optimum location to meet the increasing local demand," the company said on Thursday, 9 February 2012.

The development of the new brewery followed a US\$29m investment to expand capacity at the existing Jinja site in 2009 and a cumulative US\$25.6m investment to develop maltings and effluent treatment plants in 2011, bringing the total capex for the country to over US\$130m over the last three years.

"The total Ugandan beer market is also in significant growth, up 28% for the 12 months to the end of December 2011, driven by strong economic growth and population expansion.

"Average per capita beer consumption is still relatively low at around 8 litres per year, compared to an average of around 60 litres in SA," the company added.

The Mbarara site would employ around 140 people directly and would brew the bulk of NBL's portfolio of beers, including Nile Special, Club Pilsener, Eagle Extra and Eagle Lager.

"Eagle beers are currently brewed using sorghum, a locally grown crop sourced from 9000 smallholder farmers.

"The new brewery in Mbarara will provide an additional market opportunity for farmers in the Ankole and Kigezi regions, near Mbarara.

"It is anticipated that a total of 26000 jobs will be supported in the wider economy by the new brewery."

Mark Bowman, Managing Director of SABMiller Africa, said this was a tremendous development for Nile Breweries and demonstrated the group's commitment to further investing in Africa.

"The Mbarara Brewery will double our country-wide production capacity, create a significant number of jobs in the local economy and provide a secure revenue stream for local farmers.

"The development is also testament to the success of our local raw material sourcing strategy in Uganda, which has provided a blueprint for other operations across Africa, most recently with the world's first commercial cassava-based beer in Mozambique."

The development site is on the banks of the River Rwizi which will provide the water source for the brewery.

The project includes state-of-the-art water and effluent treatment and will support SABMiller's group-wide aim to increase its water efficiency.

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