

Danone to double India business by 2020, lines up 10 new products

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French nutrition and dairy major Danone plans to double its business in India by 2020 for which it will bring in more global brands here and has lined up ten new launches for this year.

The company, which today launched its global flagship infant nutrition brand 'Aptamil' In India, is also looking to leverage on its Indian manufacturing operations to export to neighbouring countries such as Nepal, Bangladesh and Sri Lanka.

The company is currently present in nutrition and dairy segments in India. It started the the nutrition business in 2012 with the acquisition of nutrition portfolio from WockhardtBSE -0.94 % Group.

"At present, our nutrition business is about 80 per cent of our overall business in India and the rest from the dairy segment. Going forward this proportion will continue. We plan to double our nutrition business between now and 2020 and so should our dairy business," Danone India Managing Director Rodrigo Lima told PTI.

While he did not share the financial details of its business in India, Lima said the focus for the company would be to enhance market share in existing categories and enter new segments.

"We are looking at launching 10 products this year, which would include two products that we will be imported from our global portfolio," he said.

Neocate, which is prescribed for nutritional management of infants with cow's milk allergy and other indications where an elemental diet is recommended, is among the global brand that will be launched by the middle of this year.

The other items that will hit the Indian market this year from Danone stable will include a malt-based drink and a range of products for children with in-born errors of metabolism (IEM).

Bullish on the Indian market, he said: "We are very optimistic about Indian market, we have been present here since 2010...We have been growing at approximately 20 per cent CAGR over this period. We forecast to grow at this rate or even faster."

Globally, out of Danone's 22.4-billion-euro turnover 50 per cent comes from

emerging markets.

He said India and China are the fastest growing markets for Danone in Asia.

When asked about investments planned for India to meet its future target, he said it would be only for annual requirements on plant and machineries without sharing a figure.

Ever since the company started business in India in 2010, it has invested Rs 1,800 crore in the country, which includes acquisition of the nutrition portfolio from Wockhardt and upgradation of Lalru facility in Punjab.

On the company's growth plans, Lima said: "From now to 2020 it will all be organic."

When asked about exports from India, he said: "Currently around 3 per cent of the company's turnover is from exports and could increase to around 5 per cent by 2020."

Danone India currently exports to Bangladesh, Sri Lanka and Nepal.

On the launch of infant formula brand Aptamil, its first global brand in India, he said, "Regulations didn't allow us to launch with certain ingredients earlier. We have been wanting to launch the product for a long time."

Recently FASSAI allowed inclusion of two particular nutrients which supports brain and eye development in infants following which the company could launch the brand in India.

Aptamil, priced at Rs 640 for a 400 grams pack, will be available in 20 cities in the country. India is the 46th country where the brand has been launched.

"For us Make in India is central to our growth strategy and Aptamil will also be manufactured in India at our world class facility at Lalru, Punjab. We have invested over Rs 150 cr to upgrade the machinery at this plant that we acquired from Wockhardt in 2012," Lima said.

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