

Nestlé layoffs in Africa 'won't affect SA'

By [Fifi Peters](#)

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Plans by the world's biggest food and drinks company, Nestlé, to reduce staff across the continent will not affect SA, its Bryanston-based unit said on Wednesday...



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Nestlé's Swiss parent company confirmed reports it would axe 15% of its workforce across 21 African countries after overestimating consumer spending power in the region.

Similar steps have been taken by other international companies such as Coca-Cola, Cadbury and Eveready that have all cut jobs in recent months, bringing into question Africa's supposedly booming middle class.

"The workforce cuts by Nestlé in the East African region which were reported in the media do not concern Nestlé SA," a local company spokesperson said.

In contrast to the disappointing performance being experienced in the east of the continent, Southern Africa - which includes SA, Swaziland, Lesotho, Namibia and Botswana - are Nestlé's fastest growing African markets. In the first quarter of the year, growth in the region was already in double digits, the local division said.

Central and West Africa, Nestlé's biggest market on the continent, had seen good growth, the company said.

About 60 workers across equatorial Africa - which includes the Democratic Republic of Congo, Uganda, Angola and Kenya - would be affected by the restructuring as the Swiss company embarked on a drive to break even by next year.

Last year, Nestlé's net profit declined by 9.6% to £3bn, according to a news report.

Nestle employs about 11,000 workers in Africa.

Source: BDpro

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