

## **Mondelez ups India bet, to invest Rs 4,000 crore in next three years**

The chocolate maker will expand capacity at its manufacturing facilities, build more warehousing capacity, and augment cold-chain facilities



Deepak Iyer, managing director at Mondelez India, said that a lot of expansion was in rural markets

**Mondelez India** is set to pump in Rs 4,000 crore between 2023 and 2026 to meet the growing demand for its products.

The maker of Cadbury Dairy Milk chocolates will make investments in manufacturing to expand reach. It will add capacity at existing factories, warehousing and logistics associated with factories, and augment its route-to-market, including investments in cold chain to reach rural markets, via chillers and refrigerators.

“We are seeing a very healthy volume growth trajectory. India remains a priority market for Mondelez International and we continue to accelerate our investments to grow our business here,” Deepak Iyer, managing director at Mondelez India, told Business Standard in an interview. He added that a bulk of the investments will go towards manufacturing.

The chocolate major signed a memorandum of understanding with the [Andhra Pradesh](#) government to invest approximately Rs 1,600 crore over the next three years. He said its other investments in its brands, advertising, and media will continue.

This investment by the maker of Oreo cookies comes after it invested Rs 1,500 crore between 2019 and 2022.

The investment comes at a time when demand for packaged foods remains on an upswing, albeit impacted by high inflation that is eating into household budgets.

Iyer explained that a lot of the expansion is in rural markets. Last year, the company directly supplied to over 200,000 villages. Five years ago, its rural reach was only a fourth of what it currently covers.

[Mondelez India](#) witnessed growth across all its three divisions, even during the pandemic years.

“We are seeing robust growth across all three categories — chocolates, biscuits, and baked snacks,” said Iyer.

The management of Mondelez International said on its global call that its India business grew in double-digits for the year-end quarter on the back of both chocolates and biscuits.

“Momentum in emerging markets (EMs), particularly China and India showing strong results, combined with the resilience of our categories, as evidenced by strong volume growth, is helping us to offset the challenges that many [companies](#) are facing, such as global cost inflation, the energy crisis, recession concern in Europe, and supply-chain volatility,” Dirk Van de Put, chief executive officer told investors after announcing its December quarter results.

He also added that Silk premium chocolates doubled their prior-year penetration in India.

Luca Zaramella, executive vice-president and chief financial officer at Mondelez International, also told investors on the same call, “You’re going to see good volume growth in EMs, particularly in countries like China, India, Brazil...”