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Coke Adds $120M to Its Life in Russia

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Coca-Cola's plant in Rostov-on-Don provides employment to 422 locals. **Khristina Narizhnaya**

ROSTOV-ON-DON — Global soft-drink giant Coca-Cola opened a $120 million factory in Rostov-on-Don on Monday designed to serve the 2014 Sochi Olympics.

The new facility — the beverage firm's 17th in the country — is the first step in Coca-Cola's new $3 billion Russian investment program spread over the next five years, company chief executive Mukhtar Kent said. The company will invest in production, distribution and brand acquisition.

The company will invest across the country in infrastructure, such as equipment and trucks, as well as marketing and technology, Dana Bolden, a spokesman for the Atlanta-based company said, Bloomberg reported.

"Russia's consumer economy is going to grow, and we want to make absolutely sure that we will grow with [it]," said Kent, who is also a member of the Foreign Investment Advisory Council chaired by Prime Minister Vladimir Putin.

The company opened its first production facility in Leningrad in 1990 at a ceremony that then-city functionary Putin attended. Since then, Coca-Cola has invested $3 billion in Russia, making it one of the country's biggest foreign investors.

Coca-Cola operates the majority of its factories locally in partnership with Hellenic, a Greece-based international bottler.

The company's other manufacturing operations are in Moscow and the Moscow region, St. Petersburg, Oryol, Nizhny Novgorod, Samara, Stavropol, Volzhsky, Yekaterinburg, Novosibirsk, Krasnoyarsk and Vladivostok.

Coca-Cola global executives and local government officials attended Monday's opening ceremony, which had to be postponed five times because of issues with timing and technical difficulties.

The trademark red factory spans 26.5 hectares and is one of the largest and most modern in Europe. The factory employs the latest technologies and three production lines. Plans are in the works to open five more lines.

Construction plans for the Rostov-on-Don factory were signed off at the 2007 Sochi forum. The company decided to build a factory here because of the favorable location near Sochi and positive investment climate.

The region's administration is supportive of investment, Rostov-on-Don Governor Vasily Golubev said. The region was one of the first places to pass a law on public-private partnerships, and other investor-friendly legislation is in the works, he added.

It took one year to build the factory, but another two years to get the permits to start operations, deputy minister of regional development Yury Reilyan said.

"We need to shorten the agreement process by at least half," he said. But Coca-Cola's investment signifies that investors are attracted to Russia, Reilyan said.

The factory is located about 20 kilometers outside the city at the Novoaleksandrovsky Industrial Park, whose other six residents include Ball Packaging, Contour Global, Danone-Unimilk, Regata, Aston and the region's sparkling wine plant, Rostovsky Zavod Shampanskikh Vin.

The plant employs 422 locals and will create more jobs as it expands. Other development prospects in the region include tourism expansion and a golf course.

"These plants belong to the people," Coca-Cola's Kent said. "We cannot put the plant in a suitcase and take it back. We will continue to work with the people of Russia, which have a great future."

After the news conference, Golubev shook hands with Kent. The two agreed to meet for a golf match in the future.

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