

Dabur, Marico shut Egypt plants, Emami assessing situation

PTI

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LEADING Indian FMCG firms Dabur and Marico Industries said on Tuesday they have shut down their plants in Egypt due to the ongoing unrest in the African nation, while another company Emami is assessing the situation for its future course of action.

Dabur India chief executive officer Sunil Duggal said that the company has shut temporarily its hair oil production plant in Egypt since Monday. "If the unrest continues for a longer period of time, there might be some impact. It would be too early to comment on the same," Duggal said.

Marico also said it has shut down its two factories in the African nation in the wake of political unrest in the country. "Egypt and the Mena region is an important market for Marico. In view of the current situation, our factories have been temporarily closed as a safety measure," a Marico spokesperson said.

For Dabur, Egypt accounts around 15% to Dabur's overseas business, which stood at around Rs 600 crore last fiscal, while it contributes about 2.5% to its overall turnover. "We are still watching the developments in Egypt. If the unrest is resolved over the next few days and weeks, we would not see much of any impact on business," Duggal said.

While Marico did not specify how much revenues it generates from Egypt, the firm currently sells hair care brands fiancee, hair code and parachute in the region.

The Middle East and north African (Mena) region contributes around 7-8% to the company's turnover. Last fiscal, the firm's turnover was Rs 2,030.85 crore.

"Prolonged closure of production facilities in Egypt would, therefore, cause a progressive drying up of the supply pipeline for the Mena region. We had initiated as a back measure, plans to supplement the Mena supply chain with supplies from India," the company has said in filing to the Bombay Stock Exchange.

Another FMCG firm Emami said the impact will not be much as it has just started its business in the country. The Kolkata-based company had recently bought a manufacturing facility for around Rs 25 crore.

"We have just started operation in Egypt. Our business is nascent there. Whether there will be an impact because of the political turmoil, it is too early to say. There will be some short-term impact but we have to wait for sometime to see the longer impact," Emami International director Prashant Goenka said.

At present, Egypt contributes up to 2% to the company's overseas business, which was at around Rs 120 crore last fiscal. Currently, the company sells skincare products and haircare range in the country.