

Emami to revisit plan for manufacturing unit in Egypt

Our Bureau

Kolkata, Feb. 11

Emami Ltd will revisit its earlier plan of setting up a manufacturing unit in Egypt due to the prevailing volatile economic and political situation, said N. H. Bhansali, CEO, Finance, Strategy and Business development.

The company had earlier planned a unit in Egypt for manufacturing its personal and healthcare products to cater to the African and parts of European market by the end of this fiscal. The company had invested about Rs 8 crore on the proposed unit.

"We are going slow on our plans (in Egypt). We are revisiting our strategy taking into account the macroeconomic

situation prevailing in these markets," Bhansali said.

Meanwhile, Emami's manufacturing facility in Bangladesh commenced operations and will go full steam by early next fiscal.

The FMCG major is also set to hike product prices by 4-5 per cent in the current quarter. This price hike is on the back of nearly six per cent rise in prices since the beginning of this fiscal.

According to N. Krishna Mohan, CEO - Sales and Supply Chain and Human Capital, the hike would help offset the impact of high input costs and inflationary pressures.

Raw materials account for almost 17-18 per cent of Emami's total expenditure. Price of menthol, which accounts for a major share of its raw material prices,

almost doubled from Rs 1,600 a kg about 12-18 months back to Rs 3,000 a kg at present, thereby necessitating price hikes, he pointed out.

"We plan to take a judicious price hike of about 4-5 per cent on some products, mainly for summer. However, it will be done this month and March so there will be not much impact on the fourth quarter results," Krishna Mohan said at a press meet here on Monday.

Emami expects 18 per cent growth in its top line and bottom line by the end of this fiscal, on a year-on-year basis. Healthcare, including OTC products, accounts for about 40 per cent of its total turnover.

*shobha.roy@
thehindu.co.in*