

08/10/2019

StrongPack and Sidel partner to create leading co-packing hub for non-alcoholic beverages in Africa



StrongPack Ltd. recently established its operations in the Nigerian market with the mission to become the number one, high-quality, non-alcoholic contract packaging company in Africa. As part of its greenfield project, they installed a total of four Sidel lines over the span of two years, including a can line, two regular complete PET lines and one PET line integrating Sidel's ActisTM coating system. The latter one was critical to increase the drinks' shelf life, thus addressing some of the challenges in the local distribution chain. By choosing Actis, StrongPack could lightweight the bottles by 25% while redesigning their shapes.

Carbonated soft drinks (CSD) are the second most popular beverage category in Africa, after bottled water. This segment continues to grow mainly due to the fact that the consumers' purchasing power is steadily increasing on a continent with the youngest demography globally. However, distribution is complicated by long transportation routes and difficult road conditions, creating a large demand for bottled drinks with longer shelf life.

Within this emerging market, Nigeria is a very interesting case. With 195.9 million inhabitants and a population growth of 2.6% in 2018², it has been showing a healthy CSD performance over the last few years, even during economic slumps (with a volume growth of 11.1% CAGR from

¹ Euromonitor 2018

² The World Bank (https://www.worldbank.org/)



2012 to 2017). This phenomenon was mainly driven by population increase, price competition and aggressive marketing campaigns from the major global CSD players.³

A long-term business approach focused on innovation

Witnessing these business opportunities in the CSD market, StrongPack started their operations in 2018 as a co-packer of non-alcoholic beverages with some ambitious goals: "In the next five years, we want to become the number one non-alcoholic contract packaging company in all of Africa," explains Del Tupaz, Managing Director at StrongPack. "At the same time, we aim to be the leading high quality co-packer in Nigeria, whatever the brand. This is fundamental to our business approach and it is definitely paying us back. We have recently started co-packing 60 cl PET bottles for a leading global soft drink company," he adds.

When starting their operations in Nigeria, StrongPack needed to differentiate themselves and their capabilities from the existing players in the market, in a country that has historically chosen returnable glass bottles as a main packaging format. They did this by investing in state-of-the-art technology for PET and can production, therefore expanding the range of packaging options they could offer to their customers. PET, for example, is well renowned for the convenience, the reusability and the performance it can offer through the supply chain. However, given the hot temperatures and the tough logistics in Nigeria, handling PET packaging is more demanding compared to other parts of the world. Some products are displayed and merchandised outside on open marketplaces, often directly under the sun, a distribution set-up which leads to carbonation loss. Additionally, with poor road conditions, bottles are shaken during transportation, increasing the loss of carbonation further.

The Managing Director of StrongPack adds, "We were looking for a solution that would help us overcome some of these challenges. After careful consideration, we found that Sidel and their Actis solution – as integrated in a Combi configuration in one of our complete PET lines – was what would fit the local value chain conditions best." This decision makes StrongPack the first and only beverage producer in Africa who has Sidel's Actis technology installed and is able to provide coated PET bottles for CSD.

³ Euromonitor 2018



Outstanding partnership turns greenfield project into success

StrongPack first started their discussions with Sidel a few years ago when they entered the beverage bottling business, targeting a greenfield project with two complete lines, one for cans and the other one handling PET bottles. These lines started running in 2018 and back then were mainly dedicated to packaging RC Cola, one of the leading cola brands in the world, established in 1905. Their performance and reliability perfectly matched the co-packer's expectations, therefore StrongPack invested in another two complete PET lines, one standard PET and one integrating Sidel's Actis in Combi configuration.

Planned on a new site of 8.4 hectares and housed in a building of 32,000 square meters in Agbara, an industrial area close to Lagos, this greenfield project was especially challenging. Therefore, StrongPack was looking for local support and an open-minded, innovation-driven and proactive partner they could trust along this journey of building up a leading co-packing hub from scratch. "All the way through this demanding project, we partnered with Sidel and their well-structured team. Together with their project managers and line designers, we regularly evaluated the progress and made adjustments where necessary. During this process, we have been pleasantly surprised by how Sidel's team has been able to support our requirements, both in terms of speed and flexibility and by the holistic approach they applied. Even in the face of unforeseen challenges, we achieved our goals thanks to the exceptional communication between the teams, where a culture of learning was practiced on a daily basis," comments StrongPack's Managing Director.

He continues: "At full development of the site, we will be able to produce 1.2 billion litres of non-alcoholic beverages per year. The capacity and capabilities of our factory in Agbara will position us as a main hub for many potential African customers."

Highest level of flexibility: CSD packaged in different container types and formats

Thanks to the successful partnership with Sidel, the Nigerian co-packer now has a future-proof factory with four complete lines, where the equipment and processes are efficiently laid out, allowing them to do quick changeovers and fast CIPs for great production reliability and flexibility – both in cans and PET. "From the very beginning, we didn't have any doubts as to Sidel's capabilities: we knew that they were one of the leading companies in the industry providing turnkey solutions for carbonated soft drinks." Notably, Sidel and StrongPack share



common values, such as employee safety and high quality standards. "The project execution, including the piping installation, the layout design and the processing area definition, has been performed with an absolute focus on accessibility and functionality. It was excellent. There were no shortcuts taken," he adds.

The overall production capacity of the Agbara plant currently lies at a remarkable 850 million PET bottles per year, including both standard and coated bottles. The two regular PET packaging lines are running at 36,800 bottles per hour (bph) and 46,000 bph. In addition, the versatile canning line produces 40,000 cans per hour. For the latter, the entire line layout and concept has originally been developed to support non-alcoholic malt production, a beverage which is quite popular in Nigeria. "We believe there is a growing market for this drink and that's why, since the beginning, we put a pasteuriser – designed to handle sensitive products – in our can line. It is not only for the malt but also to be able to manage other drinks like iced tea and juices in cans. These are not yet extremely popular in Nigeria but this setup already prepares us for the future and keeps our production highly flexible," explains the Managing Director of StrongPack.

Lightweighted bottle saves three tons of PET resin per day

The complete PET line featuring Actis in a Combi configuration and handling two bottle formats (35 cl and 50 cl) is fuelling the unique production advantages offered to CSD brands by the Agbara site. Actis (Amorphous Carbon Treatment on Internal Surface) is Sidel's proven plasma coating technology, extending the shelf life of beverages by up to five times while enabling package lightweighting, yet with no compromises on recyclability. These benefits, paired with the ease of operations and the many Actis references installed globally, currently accounting for more than five billion bottles produced across CSD, beer, juices, tea and coffee, are exactly why StrongPack selected this solution. "The reduction of the 35 cl bottle weight down to 15.5 grams allows us to roughly save about three tons of resin per day. That is three tons that are not going to the landfill," says StrongPack.

Helped by the Actis technology and the increased shelf life of the PET bottles, StrongPack plans to reach additional markets in West Africa that otherwise would not be available to them. Choosing Actis also offered the opportunity to develop a new bottle design for their 35 cl and 50 cl formats, which not only matches Actis' requirements but also stands out at the point of sale – a key factor in the Nigerian market. "Today, we are particularly pleased with Actis, so much so,



that we have renewed our confidence in Sidel and already ordered a second PET line featuring this technology," StrongPack Chairman, Eric Thibault, concludes proudly.





Editors Note: The images within this document are for illustrative purposes only and should not be used for reproduction. If high resolution copies are not attached with the document, please contact Katherina Riesner at F&H Porter Novelli for copies – see contact details below.

For editorial, advertising and sponsorship enquiries, please contact: F&H Porter Novelli Katherina Riesner, Consultant

Tel: +49 (0) 89 121 75 180 Email: sidel@fundh.de

For any other enquiries, please contact:

Sidel

Lucia Freschi, Public Relations Manager Tel: +39 0521 999452/Cell: +39 3472632237

Email: lucia.freschi@sidel.com

Sidel is a leading provider of equipment and services solutions for packaging beverage, food, home and personal care products in PET, can, glass and other materials.

With over 40,000 machines installed in more than 190 countries, we have nearly 170 years of proven experience, with a strong focus on the factory of tomorrow with advanced systems, line engineering and innovation. Our 5,500+ employees worldwide are passionate about providing solutions that fulfil customer needs and boost the **performance** of their lines, products and businesses.

Delivering this level of performance requires that we stay flexible. We continuously ensure we **understand** our customers' changing challenges and commit to meeting their unique performance and sustainability goals. We do this through dialogue and by understanding the needs of their markets, production and value chains. In turn, we apply our solid technical knowledge and smart data analytics to ensure lifetime productivity reaches its full potential.

We call it **Performance through Understanding**.

Find out more at www.sidel.com and connect with us



youtube.com/user/sidel

in linkedin.com/company/side



twitter.com/Sidel Intl.

facebook.com/SidelInternational