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India Head & Shoulders Above Rest for P&G

Optimistic of growth, global FMCG giant to invest \$1 billion in the country over five years



REASON TO SMILE: P&G chief Bob McDonald

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Bob McDonald, the chairman, president and CEO of P&G remains one of the few global chief executives still brimming with optimism about the India growth story. Prolonged policy paralysis may have caused several business leaders, both within and outside

India, to swing from optimism to unbridled pessimism. But for McDonald and P&G, India ranks among the most important emerging markets to invest in, thanks to a billion-plus population and the quality of local operations.

"We have had outstanding year-on-

year results. It's over a billion-dollar business, and has been growing at 20% a year for more than a decade. We are investing over a billion dollars over five years in terms of capital and marketing," says McDonald.

Seven new categories were recently added to the India portfolio of the multinational FMCG giant, bringing the total number of segments it operates in to 14. But given that P&G has a global portfolio of 37 categories, there's obviously scope for expansion. The company has five manufacturing plants, of which one is under construction. "We are going to continue to localise supply and bring in those new categories," says McDonald. P&G will have to contend with a very well-entrenched rival in the

country, Hindustan Unilever, which is four times its size in India.

Asked if beating Unilever is on the agenda, McDonald prefers to say, "Our priority is to win with Indian consumers. We would like to see every one of the over billion people here use a P&G product. We reach around 750 million people right now, and that's a large increase—over the past three years, we have added about 25%."

McDonald's confidence about the potential of emerging markets has not always been welcomed since some analysts feel it may have resulted in the consumer giant neglecting its core markets in mature economies.