

International Sugar Organization

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EXECUTIVE DIRECTOR

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Article from Sugaronline

"India: PepsiCo seeks to reduce sugar content in fizzy drinks by 30%"

The Secretariat would like to draw the attention of Members and colleagues to the article below regarding PepsiCo.

INDIA: PepsiCo seeks to reduce sugar content in fizzy drinks by 30%

PepsiCo India is planning to reduce the sugar content in all its carbonated drinks in line with its parent's churning of its beverages portfolio worldwide, according to India's Business Standard newspaper.

The company is gearing up to launch a new 7UP with 30% less sugar and plans to extend the formulation to its other brands, according to Vipul Prakash, senior vice-president, beverages, PepsiCo India.

"Our priority now is to transform the portfolio towards a healthier range and it will remain so for the next three years. If we continue at the current pace, we might achieve our target two or three years ahead of the deadline," he said.

PepsiCo India has a three-pronged strategy of introducing zero calorie drinks, entering categories that are inherently low in sugar, and reducing sugar in its core products. It launched 7UP Revive, a hydration drink, last year and plans to address the low-sugar category with brands like Gatorade and Lipton tea. After 7UP, PepsiCo plans to reduce sugar in its other fizzy drinks.

"Without that, we will not be able to meet the target," Prakash said.

The New York-headquartered snacks and beverages maker has set a target of less than 100 calories from added sugar per 12 oz serving for at least two-thirds of its drinks.

Indra Nooyi, chief executive of PepsiCo worldwide, last week said the company would this year promote "products that are naturally beneficial, like water and unsweetened tea". With "changing consumer preferences reflecting a growing shift towards healthier lifestyles, we need to transform our portfolio", she told investors.

PepsiCo's efforts are similar to those of its rival Coca-Cola, which under a new management is also aiming to renovate its offerings. Reducing sugar in drinks and adding new categories are focus areas for Coca-Cola.

Continuing efforts to widen the its non-cola portfolio, PepsiCo India has launched Tropicana Essentials (fruit and vegetable juice), Himalaya Orchards (flavoured water) and Himalaya sparkling water. Also, Pepsi Black, a zero calorie version of Pepsi Cola, has been introduced in India.

Prakash said PepsiCo's non-cola drinks were growing 1.5 times faster than colas in India. Last year, the company introduced smaller servings to drive subdued sales in the fizzy drinks market, where new and smaller brands are offering cheaper products. Growth in smaller pack sales was 50% higher than large and conventional packs, Prakash said.

For more information on this topic please see the links below to read abstracts from two relevant ISO studies which can be purchased through the ISO website (www.isosugar.org):

- India: Future Sugar Industry Prospects (MECAS(15)19)
- Industrial and Direct Sugar Consumption an International Survey (MECAS(16)18)

http://www.isosugar.org/publication/50/india:-future-sugar-industry-prospects---mecas(15)19

http://www.isosugar.org/publication/43/industrial-and-direct-sugar-consumption----an-international-survey---mecas(16)18-