PepsiCo Opens New Plant In China

The Associated Press

PURCHASE, N.Y. (AP) — PepsiCo Inc. has opened its sixth food manufacturing plant in China to strengthen its position in the growing market.

The food and beverage company, whose brands include Lay's, Quaker Oats, Tropicana and its namesake cola, said Tuesday that the plant will help it expand further into the central and western parts of the country.

The Wuhan, China, facility will have the capacity to make about 15,000 tons of Lay's potato chips a year. PepsiCo says 40 percent of the Chinese population has tried Lay's chips, which come in flavors such as Numb & Spicy Hot Pot and Hot & Sour Fish Soup in the country.

The plant is also expected to use 30 percent less water and 20 percent less energy than some of the company's other facilities in the region, which PepsiCo says will help reduce operating costs.

With sales still somewhat slow in the U.S., PepsiCo is racing to strengthen its foothold in the emerging markets that will be critical for its long-term growth.

In April the Purchase, N.Y., company received regulatory approvals to secure a stake in Tingyi Holding Corp., a drink maker based in Taiwan. The deal tripled PepsiCo's manufacturing scale in China.

Shares of PepsiCo rose 11 cents to $70.10 in morning trading Tuesday. They are approaching their 52-week high of $70.89 set a week ago.

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