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Nestlé Fiji sells its Ba factory to a local company

Nestlé Fiji Ltd is selling its Ba factory, which produces Maggi Noodles and Jason's Snacks for the South Pacific Islands, as well as its snacks business, to its long term partner, local firm CJ Patel.

The two organisations, which have been in partnership in Fiji since 1971, have entered into a co-manufacturing agreement whereby Maggi noodles will continue to be produced for Nestlé by CJ Patel at the Ba Factory, with Nestlé providing ongoing manufacturing expertise to the factory.

CJ Patel will take over full responsibility for the manufacture and marketing of Jason's Snacks in the Fijian market and Jason's is expected to continue to be a leading growth brand in the local snacks category.

"As a result of the loss of export noodle sales in 2008, the Ba factory has been operating at less than half capacity and regrettably, this is not economically sustainable," said Heath Tilley, spokesman for Nestlé Fiji Ltd. Mr Tilley stressed that the sale was solely driven by changes in Nestlé's regional volume requirements.

"However, we believe that having the factory owned by this well established local company whose business has many different activities opens up a number of options for Ba Factory's role in the future. We have been in partnership with CJ Patel since 1971 and we know them and their capabilities well," Mr Tilley said. "Nestlé has already entered into a co manufacturing agreement with CJ Patel and they will continue to produce our Maggi Noodles at the Ba factory.

Mr Tilley said that over the past twelve months Nestlé Fiji had kept their employees at the Ba factory informed of the challenges the Company faced.

It is anticipated a significant number of employees will transfer to CJ Patel's employment when the sale of the Ba factory is implemented. These details will be worked through with CJ Patel, Ba employees and their representatives over the next few months. Redundant employees will receive generous packages and also be given assistance by Nestlé Fiji to find new jobs.

Nestlé says that despite the sale, which takes effect on 1st October 2009, it remains committed to Fiji and will continue to have a strong marketing and sales presence here.

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