

I'm not a bot



BGI Ethiopia is a leading brewery and beverage company in Ethiopia, proudly home to five iconic and distinctive brands. With breweries strategically located in seven cities-Addis Ababa, Batu, Hawassa, Kombolcha, Gubrye, and Maichew -we have been shaping Ethiopia's beverage industry for 20+ years and operate internationally as part of Groupé Castel. We are committed to our core values of integrity, customer satisfaction, and innovation, consistently delivering the highest quality products to our customers. Our diverse portfolio ranges from light beers to non-alcoholic beverages and wines, producing five different beers and eleven wines renowned for their excellence. At BGI Ethiopia, we believe that sustainable business growth goes hand-in-hand with community development. Our Corporate Social Responsibility (CSR) initiatives focus on education, healthcare, humanitarian assistance, art and culture, and sports. Through active involvement and investment, we strive to create lasting positive impact and tackle everyday challenges faced by our communities. Our recent transformation projects, such as the integration of all plant operations through advanced ERP systems, have enhanced our efficiency, decision-making, and teamwork. With a dedicated team of over 3,000 employees, we continue to innovate and drive progress, always aiming to brew a brighter, more sustainable future for Ethiopia Like our Facebook Page: Follow us on Instagram: X: Primary Mexico, Lideta Sub City Addis Ababa, Addis Ababa 0000, ET Get directions Kombolcha, North Central Ethiopia, ET Get directions Hawassa, South Ethiopia, ET Get directions Get directions Get directions Get directions Gubre, Wolkite, Southern Nations, Nationalities, and Peoples' Region, ET Get directions View Similar People BGI-Ethiopia, the country's leading beverage company, has ignited speculation with the launch of its VISION 2028 plan, a comprehensive strategy outlining substantial investments in production capacity, operational efficiency, and talent management. While details remain opaque, analysts predict significant shifts in the Ethiopian beverage landscape. At the heart of VISION 2028 lies an ambitious goal: doubling BGI-Ethiopia's production capacity within the next five years. This translates to potentially exceeding ten million hectoliters annually, a figure that dwarfs the company's current output. To achieve this, BGI plans to relocate operations from its historic Addis Ababa plant to its breweries in Sebeta and Maichew. The move, driven by logistical constraints and water scarcity in the capital, marks a significant departure from the company's longstanding presence in the city. The plan also encompasses a major overhaul of BGI-Ethiopia's organizational structure. Aiming to become an "employer of choice," the company is offering early retirement packages to experienced employees while investing in reskilling and upskilling initiatives for its remaining workforce. The move could significantly alter the demographics and skillsets within the organization. Modernization efforts extend beyond human resources. BGI-Ethiopia plans to revamp its distribution network, aiming to streamline delivery and optimize agent networks. This overhaul seeks to improve efficiency and agility, potentially impacting the wider logistics landscape in the country. While BGI-Ethiopia officials have emphasized their commitment to social responsibility and environmental sustainability, specific details regarding planned initiatives within VISION 2028 remain scarce. The company's impact on community development and environmental practices under the new strategy will require further scrutiny and monitoring. The implications of VISION 2028 extend beyond BGI-Ethiopia itself. Its ambitious expansion plans could significantly alter the dynamics of the Ethiopian beverage market, potentially impacting competitors and influencing consumer preferences. Additionally, the company's focus on talent management and workforce development could have broader ramifications for the country's human capital landscape. The success of VISION 2028 hinges on several factors, including the effectiveness of operational changes, the ability to attract and retain skilled talent, and the ongoing economic and political climate in Ethiopia. As the plan unfolds, independent observers will closely monitor its progress and assess its impact on the company, the industry, and the nation as a whole. The next five years will be crucial for BGI-Ethiopia as it navigates the ambitious roadmap laid out in VISION 2028. Whether the company successfully brews a potent concoction of growth and progress or encounters bitter aftertastes remains to be seen. One thing is certain: BGI-Ethiopia's bold vision has stirred the Ethiopian beverage landscape, and its effects will be felt far beyond the frothy head of a freshly poured beer. Additional Notes: This report has focused on factual information gleaned from BGI-Ethiopia's official press release and available public information. No endorsement or criticism of the company or its products is intended. Share this post: Share on Facebook Share on Telegram Share on LinkedIn Related Posts ETHIOPIA - BGI - Ethiopia, the leading beverage company in the country, has launched its ambitious Vision 2028 in a strategic move to reinforce its market dominance. This transformative initiative seeks to reshape the company's operations, ensuring sustainability and fortifying its position as an industry leader. At a press conference held at the Sheraton Addis Hotel, Herve Milhade, the CEO of BGI-Ethiopia, outlined the key elements of the Vision 2028. The company is poised to make substantial investments in its operations, production network, and distribution model, signalling a commitment to adapt to the evolving Ethiopian market dynamics. A major component of the investment plan involves increasing production capacity, with the historic Addis Ababa plant set to be relocated to the breweries in Sebeta and Maichew. Milhade emphasized the significance of this move, stating, "The investment is one of the major projects we are running to make our company operationally more competitive and continue to provide the best products to our consumers." According to the company, the decision to relocate the plant stems from considerations of logistical challenges, water supply constraints, and the strategic advantage of optimizing production capacities at the Sebeta and Maichew locations. To realize Vision 2028, BGI-Ethiopia is not only focusing on infrastructural changes but is also revamping its organizational structure. Milhade asserted, "Our vision is to double our production capacity in the coming years and bring our volume close to 10 million hectoliters annually. To reach this new ambition, we will invest in our people, our products, our operations, our consumers, and the community we live in." The company, which currently employs 3,500 permanent and 2,000 casual workers across its seven plants, aims to become the employer of choice in the industry. BGI-Ethiopia is committed to operational excellence by optimizing staffing levels, minimizing role overlap, and enhancing employee satisfaction through fulfilling jobs and competitive compensation. As part of the modernization efforts, BGI-Ethiopia is also streamlining its distribution network to ensure efficient operations for its sales forces and agents. Milhade expressed confidence in Ethiopia's growth potential, affirming the company's commitment to adapting to market demands responsibly. Beyond the business perspective, BGI-Ethiopia is actively contributing to the national economy, being the leading platinum taxpayer in its industry, contributing over 7.4 billion Birr (US\$131.9M) annually in taxes. BGI-Ethiopia, a subsidiary of Castel Group has been serving Ethiopia for over 25 years. The company's brand portfolio includes a range of beers such as St. George Beer, Castel Beer, Meta Beer, Draught (draft) beer, and Wine brands such as Acacia, and Rift Valley Wines Liked this article? Subscribe to Food Business Africa News, our regular email newsletters with the latest news insights from Africa and the World's food and agro industry. SUBSCRIBE HERE Share — copy and redistribute the material in any medium or format for any purpose, even commercially. Adapt — remix, transform, and build upon the material for any purpose, even commercially. The licensor cannot revoke these freedoms as long as you follow the license terms. Attribution — You must give appropriate credit , provide a link to the license, and indicate if changes were made . You may do so in any reasonable manner, but not in any way that suggests the licensor endorses you or your use. ShareAlike — If you remix, transform, or build upon the material, you must distribute your contributions under the same license as the original. No additional restrictions — You may not apply legal terms or technological measures that legally restrict others from doing anything the license permits. You do not have to comply with the license for elements of the material in the public domain or where your use is permitted by an applicable exception or limitation . No warranties are given. The license may not give you all of the permissions necessary for your intended use. For example, other rights such as publicity, privacy, or moral rights may limit how you use the material. Your browser does not support the video tag. Over the decades, CASTEL Group has grown to prominence by becoming a trusted and iconic beverage brand not only in Ethiopia through BGI, but also across more than 25 countries in Africa which it operates in. Castel Group started operation in Ethiopia 25 years back under the name of BGI Ethiopia from its green field plant in Kombolcha town. With its mission to produce, sell and give customers the best quality and most loved brands, BGI Ethiopia has been keen in sustainable development and growth in its structural operation throughout the years. Currently, BGI is one of the largest brewery in Ethiopia. It boasts of numerous plants, strategically located and holds a large market share. Recently in 2022, it acquired the Meta Abo brewery from Diageo as part of its expansive and industrial master plan. Business aside, the company is keen on rendering its support to the community. CSR projects to its employees, partners, and the community at large still remain central to the firm's day-to-day engagements; embodying its values of quality and care. As the company continues to grow from strength to strength, Capital reached out to BGI Ethiopia's new CEO, Herve Milhade, for an insider's view of the company's operations and ambitions. The new BGI boss joined Castel Group in 2018 and has worked in the company's other subsidiaries including SODIBRA in Cote d'Ivoire, SABC in Cameroon and MOCAF in the Central African Republic. Prior to his appointment, he was the head of Castel Malawi, where he presided over the turn-around of the company which was on the verge of closure. Before the Castel Group, Milhade worked at Danone Group and Suntory Group where he spent more than two decades holding different leadership positions as VP Operations and CEO within their beverages division. The following are excerpts from the candid interview; Capital: What views do you have of Ethiopia in terms of business in comparison to the multiple African countries you have worked in before? Herve Milhade: I have had the pleasure of working in the foods business for more than 25 years, with a majority of those years in foreign countries, primarily African states. One thing that I would like to point out is that Africa is not one country, but it is made up of different countries with diverse cultures with each country being unique. For me, Africa as a continent has huge potential of growth. Simiary as part of the continent, Ethiopia has a very young population with its own unique and diverse culture and has huge prospects for growth. Thus it is very exciting to do business in Ethiopia. As part of my role in Ethiopia, I am leveraging all the years of experience to better understand how Ethiopia works and how the company provide the best products and services to its customers and consumers with a huge ambition. Despite the country's hurdles in recent times, as you well know, Ethiopia is on a huge stride of growth and the landscape of business is bright right now. This now presents lots of opportunities which as BGI, we are already capitalizing on; for a symbiotic growth, both for us and the country. Capital: How do you see BGI's business as the dominant player in the beer business? (Photo: Anteneh Akilu) Herve Milhade: BGI is of course one of the top tier companies in the country. We are the third highest taxpayer in Ethiopia. As a company we have gone from strength to strength over the years. We also have the drive of growing as a collective and within our own category we have been sharing leadership skills with other companies like our competitors. BGI with its brands, which are the best brands in Ethiopia including St. George, is one of the oldest brands which resonate with the heart of all Ethiopians. As the market continues to grow, develop and expand, we shall also do the same and continue to serve the customers and the consumers. We also have a strong conviction of giving back to society through our corporate social responsibility conduit and we will continue to do so. All in all, we are a loyal taxpayer, dream maker, a brand developer, and a happiness provider. Because when you drink a glass of wine or a pint of beer, and create an experience of happiness, we intend to be right there with you, through our brands. We also see ourselves as a contributor to the economy and we will continue to invest big in the country as well as bring in more employment opportunities. Capital: What is your market share? Herve Milhade: It's quite difficult to talk about the market share here in the country because of the level of diversity. Due to our location and rich history, we are the leader in some areas and our competitors could be leaders in other parts of the country. I have to say that we are leading this market but we are stronger in some parts than others. We are the leader especially in Addis for instance, but we are not as strong as our competitors in the west and in the eastern parts of the country. For the case of wine, we are currently head and shoulders above the rest in terms of producing premium wine, which is something to be proud of. We are proud of our two brands, Rift Valley and Acacia, which are real wines produced with real grapes. In terms of volume, we are selling close to 2 million bottles of wine per year. But there is room for growth in this space, because most people are not well aware of the wine culture, so we need to train people to understand what wine is and how to drink it, and of course the obsession will follow. Our focus as a company is more on the quality than the quantity; and although we are smaller when compared to our regional competitors, we want to be known for our premium wine. Capital: These days, the price of your beer has frequently been on the rise. This of course is different from previous experience years back, when the Ministry of Trade had to approve the price changes before going to market. What has brought about the change? Herve Milhade: It is not our desire to increase the price of our product but it is because the circumstances oblige us to do so. We have to be aware of the huge inflation around us. As a business, the cost of what we used to buy and import has skyrocketed over the last two years. The shortage of foreign exchange in the country has also hampered our business. Thus for us to continue to do business as well as invest in the country, we have to increase our prices. We try our best to only add a minimal increase so as to make us profitable as well and increase our investment to the country. Capital: BGI's factory, Raya beer, in the northern part of Ethiopia, has been affected by the war in recent times. What is the status of the factory today? (Photo: Anteneh Akilu) Herve Milhade: Of course, the war has affected us heavily. We have two plants there: one being Raya and the other being Kombolcha. We are very glad to say that we have resumed production in both plants, especially at the Raya plant where we reached out to produce the beer some weeks ago and now we are able to sell the product in the Tigray region. I would also like to commend the community, the people, and technicians there at the Raya and Kombolcha plants who protected the plants and made sure that they are both in good shape at the height of the conflict. We are now in a good position to resume full production. Capital: How big is the Raya plant? Herve Milhade: This plant is one of our biggest plants because we produce over 50,000 hectoliters of beer per month. We have around 400 employees and we have huge plans to continue to invest because the north and the Tigray region are one of the most dynamic regions in the country. We have a strong market there and we will probably, very quickly, plan an additional production capacity. I had the pleasure of visiting Raya and Mekele a week ago and the people's resilience was amazing to see. Despite the two years of uncertainty and hardship, they are keen to refocus and go back to where they were before. Of course those were dire times, and as BGI, we are happy to go back there and start work to help them rebuild better. We are also thankful for their commitment and loyalty in protecting the plant. Capital: Recently, BGI announced a 500 million birr investment on the newly acquired Meta Abo factory. What are the primary reasons for the investment? Herve Milhade: First of all, the Meta acquisition was in alignment with our industrial master plan of having new products and increasing our sales in the market. Meta opened a gateway for us to leverage the new production capacity as well as in getting prime branch areas. So we took over Meta from Diageo which was in a bit of a rough patch. To rejuvenate Meta Abo, it was evident that we needed to inject some level of investment to jumpstart our production. Of course, the development and growth of a company is synonymous with its staff; thus we reinvested and beefed on our human capital and reshaped the organization structure. Part of the investment went into re-building costs such as the lockers as well as in making the environment work friendly in order to safeguard the interest of our employees and show our commitment to work. Secondly, we are channeling the investment to upscale the production capacity. Currently, we are able to produce around 30,000 hectoliters of beer per month but our plan is to have ten folds of that production capacity. To get there, we will make the appropriate investments every year to make sure Meta becomes the biggest brewery and plant within the country. Thirdly, part of the investment is being trickled down to the community through various levels of community engagements through our CSR projects. We want the community to be part of our adventure and to benefit when we are benefiting as well. We want to provide power and be a source of employment to the community around us and that is why we invested into Meta. Capital: BGI is planning to move its headquarters from Addis Ababa to Meta in Sebeta. Why is that and how soon will it happen? Herve Milhade: We aren't moving our HQ rather our plant which is in Addis Ababa. Our Addis Plant presents logistical challenges. Plus looking ahead, it will not be feasible to have such a factory in the middle of the city center. It would be better to have it in a place near the capital and Sebeta makes a perfect sense to do just that. Now, relocation is not an easy task and there is a process to it. We are not going to just leave the city for another location. We are not in a hurry to do so, and such processes can take even years to fully materialize. Part of my role is to anticipate and see through such processes by moving in a direction of what works best for BGI. Capital: What about your wines? Do you have plans of rebranding Castle winery brand? (Photo: Anteneh Akilu) Herve Milhade: We are not going to rebrand. We are going to refresh and rejuvenate it. And it's not only castle winery; it's with all our products. We need to move with the times, for instance our consumers who used to enjoy St. George 50 or 20 years ago are different from the demographic enjoying the drink today. For the case of wine, we need to have a top-notch premium wine in the market. Our customers deserve only the best from us and we need to keep them happy and proud of our product. So we are currently working not to change the brand but to give it a facelift and to revitalize it. Capital: In terms of product types, you used to have different types of beer including Bati and Amber and others. Are you going to reintroduce those or remain with Meta? Herve Milhade: This is more likely to happen in the future. For the time being, we want to capitalize on the brands that we have. Meta brand is now back to the market and we will continue to develop the major brands, which are, St George, Castle and Sen'g; and probably you will see new products or innovations coming in. But I can't disclose everything. We have a very strong ambition complimented by dedicated projects. But the first project or one of the most important projects we have is called the simplification project which means we want to harmonize as a company. The company has been built through acquisition. So this means that there are different members of the family which we need to be unified. The second project is to make our organization and business more efficient. To this end, we are reviewing our industrial master plan. We are reviewing our distribution network and previewing our sales force and adjusting them to become more efficient. This efficiency project across the company is something we consider to be paramount to our success. The third project focuses on our commitment to the community through our CSR projects. As one of the leading companies in the country, we need to give back to the society and provide visible results. We want to focus on sustainable projects which are really going to contribute to the development of the country. Be it in health, education, environment or humanitarian assistance, we want to be there with the community every step of the way. BGI is a large-scale brewery and beverage production wing of Group Castel, operating in over 53 countries. Since 1998, BGI Ethiopia PLC has been operating in the production and distribution of beer, wine and other beverages. BGI owns five breweries including the iconic St. George Brewery in Addis Ababa, the Kombolcha Brewery, the Hawassa Brewery, Zebidar Brewery and Maychew Northern Brewery, producing 3.6 million Hectoliters of beer (bottles and draft) annually. BGI Ethiopia P.L.C. also owns and manages the Castel winery and vineyard located in the town of Zeway. Established in 2012, the winery produces 12,000 Hectoliters of different wine varieties annually under the brand names Acacia and Rift Valley. BGI Ethiopia's products are distributed by partner agents in all corners of the country and exported internationally to North America (USA and Canada), Europe (UK, Italy, France, Germany, Switzerland, Belgium, Netherland, etc.) Middle East (Israel and UAE), Australia, Africa (Kenya, Tanzania, South Africa, South Sudan, Djibouti, etc.), Asia (China, Japan, etc.) Ethiopian brewery and beverage making company BGI Ethiopia PLCCompany typePrivateIndustryBreweryBeverageFounded1998HeadquartersMexico Area, Addis Ababa, EthiopiaArea servedWorldwideKey peoplePierre-Emmanuel Medard (CEO)ProductsSaint George BeerCastle WineryRevenue\$6.4 millionOwnerBrasseries International Holdings HEBU Properties LtdNumber of employees3,500 (2023)ParentCastel GroupWebsitebgiethiopia.com BGI Ethiopia PLC is an Ethiopian brewery and beverage making company owned by the French brewing company Castel Group divisions Brasseries International Holdings (BIH) and HEBU Properties Ltd. Established in 1998, both groups started initial capital investment of 10 million dollars with major plants in Kombolcha, Addis Ababa, Zeway, Hawassa and Raya. BGI Ethiopia owns six breweries including the most iconic Saint George Beer and serves 53 countries worldwide. BGI Ethiopia is a major brewing company in Ethiopia with annual production capacity of 3.6 million hectoliters of bottled and draft beer. In 2009, the company started wine production named Castle Winery that produces 1.4 million hectoliters of different wines under brand names Acacia and Rift Valley. Its vineyard is located in Ziway town. BGI Ethiopia was founded in 1998 by wing of Castel Group, Brasseries International Holdings (BIH) and HEBU Properties Ltd with 10 million dollars initial capital.[1] Starting operation in Kombolcha, Addis Ababa, Zeway, Hawassa and Raya, BGI Ethiopia owns six breweries including the Saint George Beer and additionally served 53 countries internationally. The company annually produces 3.6 million hectoliters of bottled and draft beer. Privatization agreement was signed in September 1998 and BIH bought a total stake of 22,394 shares (73%) in BGI Ethiopia PLC in February 1999 with approved total share transfer.[2] In 2009, the company showed interest to a start wine production.[3] It owns and operates Castle Winery where its vineyard is located in Ziway town. The winery produces 1.4 million hectoliters of different wines under brand names Acacia and Rift Valley. Distributed by domestic partner agents, BGI products are exported internationally to North America, Europe, the Middle East, Australia, Africa and Asia.[4] North America (United States and Canada) Europe (United Kingdom, Italy, France, Germany, Switzerland, Belgium, the Netherlands etc.) Middle East (Israel and United Arab Emirates) Australia Africa (Kenya, Tanzania, South Africa, South Sudan, Djibouti etc.) Asia (China) ~ "Ethiopia: Groupe Castel buys second brewery within 2 months". www.inside.beer. 2018-04-10. Retrieved 2024-08-08. ~ Fortune. (Addis). "A Woman Sues BGI Ethiopia, Alleges Fraudulent Shares Transfer". Retrieved 2024-08-08. ~ Foliole, Metasebia (6 February 2007). "Ethiopia: Bgi Seeking New Investment in Winery". aliafrica. ~ "BGI ETHIOPIA PLC - Addis Ababa". businessguide.ezega.com. Retrieved 2024-08-08. Retrieved from " BGI Ethiopia is a leading brewery and beverage company in Ethiopia, proudly home to five iconic and distinctive brands. 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