

# The 2024 economic impact of the Coca-Cola System's African operations in Egypt

Final report





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# Economic impact study of the Coca-Cola System's African operations in Egypt

## Rationale

The economic impact of the Coca-Cola System's African operations extends beyond its manufacturing plants and offices, supporting value across its entire value chain. By sourcing from local suppliers, they drive upstream economic impact, while their distribution network and selling partners enable downstream benefits. TCCC commissioned this socio-economic impact assessment to understand the magnitude of these effects in Egypt.

## Scope

This study quantifies the economic impact of the Coca-Cola System's African operations in Egypt in 2024. Through input-output modelling, the study estimates how the operations of the System contribute to local GDP (value added) and support employment.

## Highlights

### Operations

- The System produced and sold 1.7 billion litres of beverages in Egypt in 2024
- Consumers in Egypt spent \$817 million on these beverages
- The Coca-Cola System spent \$793 million on Egyptian suppliers, which represented 18% of the System's total procurement across Africa

### Value added

- The System supports \$981 million in value added across its value chain, equal to 0.27% of the country's GDP in 2024
- Households are the primary beneficiaries of the activities of the System, receiving \$476 million in salaries.
- The System contributes \$85 million in direct value added and supports \$100 million in VAT payments. The System also enables \$796 million in value added at their value chain partners, predominantly in the trade (\$264 million) and business services (\$242 million) sectors

### Employment

- The System supports some 64,900 jobs across their value chain, representing 0.22% of total employment in the country
- For each direct job at the System, there were 11 jobs supported elsewhere along the value chain in Egypt
- The System supports 22,000 jobs in the trade sector, 17,000 in manufacturing and 4,700 in agriculture

# Key findings

## Operations



**301 million UCs**

sold in Egypt, equal to 1.7 billion litres



**\$793 million**

worth of goods and services purchased from Egyptian suppliers



**\$817 million**

spent by consumers on the System's beverages

## Value added



**\$981 million**

value added supported in the economy across the value chain



**\$476 million**

in salaries supported across the value chain



**\$209 million**

supported in tax payments across the value chain, including VAT payments

## Employment



**5,372**

people employed directly by the System in Egypt



**59,600**

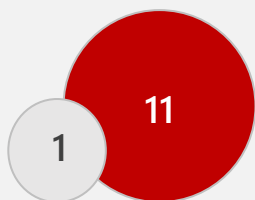
additional employment opportunities supported indirectly across the value chain, excluding direct employees



**20,200**

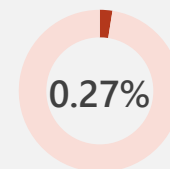
jobs for people selling the System's beverages

## Employment multiplier



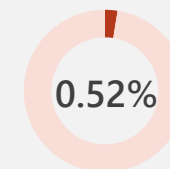
For every 1 job at the System additional 11 jobs are supported across Egypt

## Macro-economic contribution



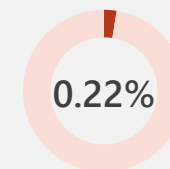
0.27%

of GDP



0.52%

of tax revenues



0.22%

of employment



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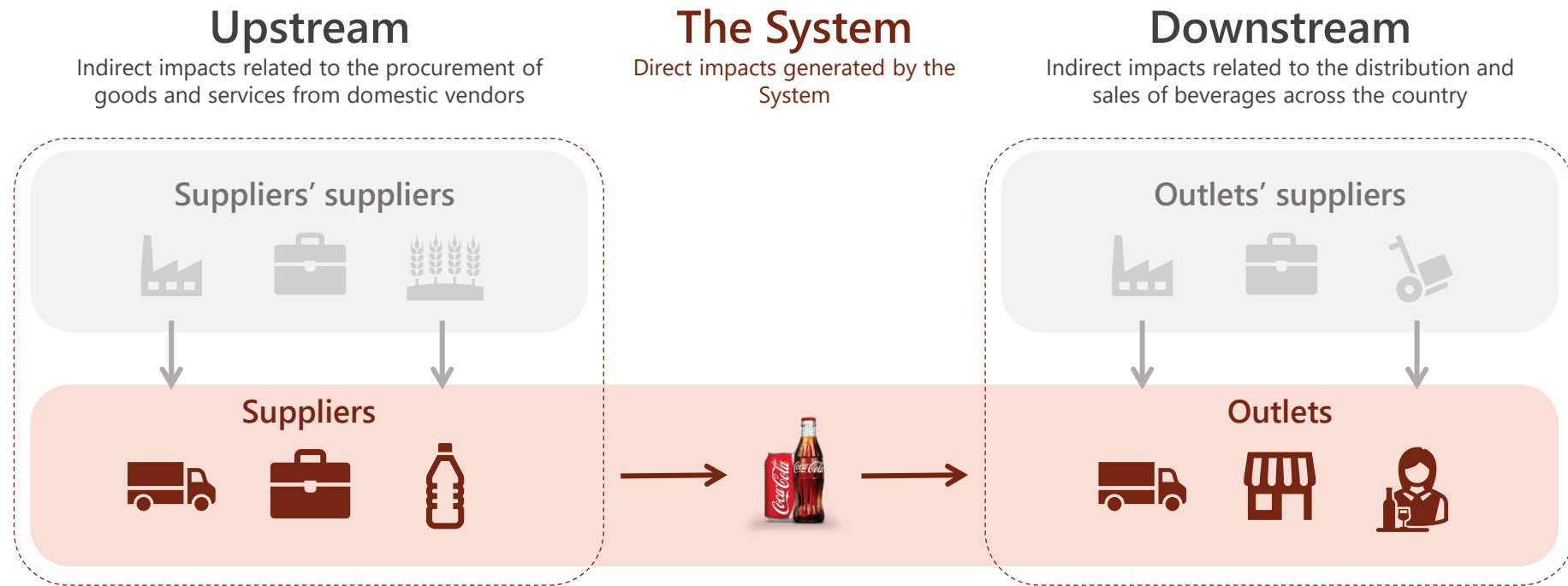
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# The study captures the impact of the System on incomes and jobs across their value chain



## Impacts



### Value added

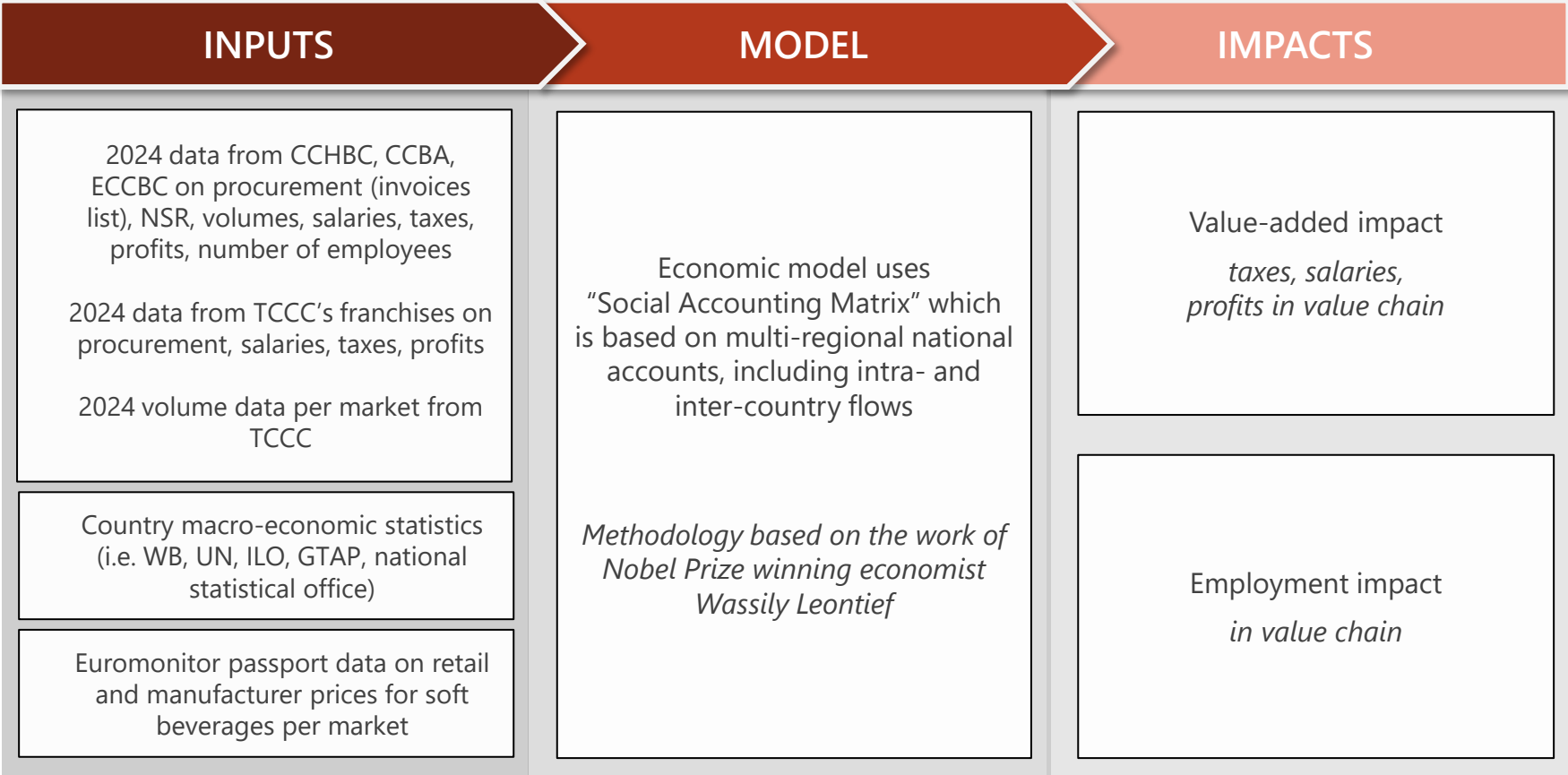
Aggregation of incomes for households (salaries), governments (taxes), and companies (profits), comparable to GDP



### Employment

Job opportunities supported

# The model combines Coca-Cola System financials and official statistical data to quantify impacts



# The MRIO methodology recognises the interconnected nature of economies across Africa, resulting in more comprehensive and robust impact estimations

## Example of flows captured by the MRIO\*



## Methodology

The multi-regional input-output (MRIO) methodology expands upon a traditional input-output model

- A traditional model captures the impact of the System in one country without considering interlinkages and effects in another country
- An MRIO incorporates economic interlinkages between markets, capturing effects of cross-country purchasing. This means the MRIO does not just capture the procurement of the bottler in Egypt, but that of all bottlers in Africa from Egyptian suppliers
- On top of that, the model also captures the purchasing of the System's value chain partners and suppliers across the country that import from Egypt, further affecting the economic impacts in the country
- This means that the model captures, for example, the spending of the System's bottler in Libya on sugar from Egypt, and also the spending of the System's downstream outlet in Algeria on furniture from an Egyptian manufacturer

The methodology considers the System's operations across Africa and examines how these contribute to impact domestically and in other African countries

The impacts captured by the MRIO in Egypt and outlined in this report are driven by

- The System's domestic economic activity in Egypt, as captured by other studies
- The System's activity in other African countries, which supports economic activity in Egypt (i.e. sourcing of goods and services produced in Egypt by bottlers operating in other countries)

\* This visualisation is a simplified example of the methodology and does not capture all intra-country linkages included in the model

# Consumer spending on the Coca-Cola System's beverages is the starting point of our analysis

This is the conceptual idea behind our model....



# In 2024, consumers in Egypt spent \$817 million on 1.7 billion litres of the System's beverages

... and these are the figures behind it



\*The procurement figure of \$793 million includes some \$400 million of spending on suppliers in Egypt by TCCC and the System's operations outside of Egypt. This \$400 million is not included in the local consumer retail value of \$817 million.

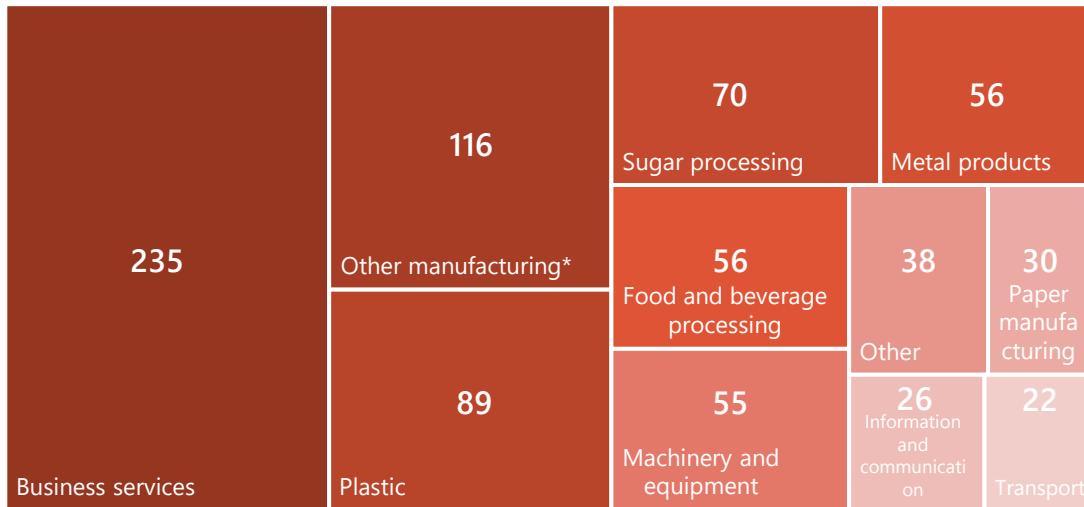
# Procurement and sales activities of the System reach various sectors of the economy

## Key takeaways

- The System in Africa spent \$793 million on goods and services in Egypt, most of which was directed toward manufacturing sectors
- The System sold total 1.7 billion litres (301 million UCs) of beverages in Egypt
- Total margins for selling partners and distributors amounted to \$308 million, primarily through on-trade channels

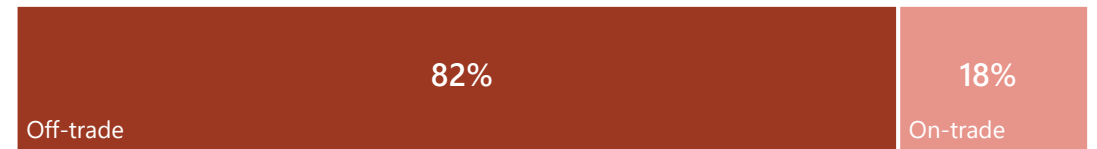
## Breakdown of procurement towards domestic suppliers

\$ million



**By sourcing goods and services locally, the System supports impact upstream in its value chain.** In 2024, the System in Africa spent \$793 million on goods and services from Egypt, representing 18% of its total spend continent-wide. Most of the spending in Egypt is directed towards manufacturing (\$474 million), which includes packaging materials such as plastic and metal products, but also machinery and equipment, and sugar processing. Business services also represented a significant share of the System's spending in Egypt, receiving \$235 million.

## Breakdown of sales volumes by sales channel



## Breakdown of margins for selling partners by sales channel

% of total margins earned by local selling partners



**The sale of the System's beverages in Egypt supports impacts downstream.** In 2024, a total of 301 million UCs (1.7 billion litres) were sold in Egypt, with 82% of all volumes distributed through off-trade channels and 18% through on-trade channels\*\*. While off-trade accounts for most of the volume, the on-trade channel generates higher margins, therefore driving higher downstream impacts. Selling partners and distributors earned a total of \$308 million in margins from through the System's activities.

\*Other manufacturing is composed of: glass and other non-mineral products (4.72%); Textiles (0.2%); and other manufacturing nec (95%)

\*\*Off-trade refers to beverages sold for later consumption, typically through supermarkets, grocery stores, and mom-and-pop shops. On-trade refers to beverages sold for immediate consumption at the point of sale, for instance, at hotels, cafés, and petrol stations.



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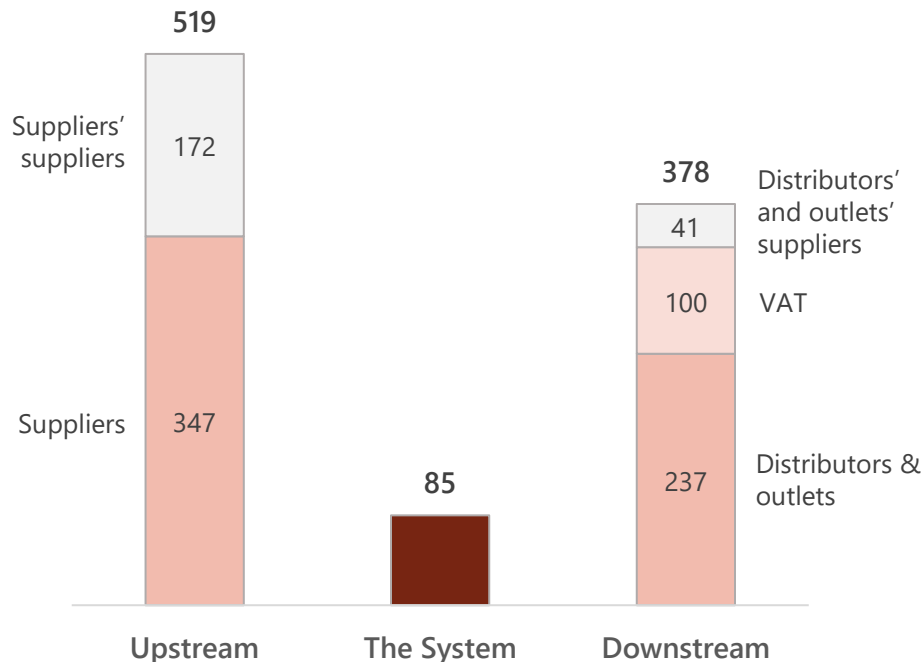
# The System supports over \$981 million in value added in Egypt

## Key takeaways

- The \$981 million in total value added is equal to 0.27%\* of Egypt's GDP in 2024
- The System directly generates \$85 million in value added
- Indirectly, the System supports an additional \$796 million through its value chain partners, and \$100 million in VAT

## Value added by value chain link

USD million



## Explanation

The Coca-Cola System directly generated \$85 million in value added in Egypt. This includes the salaries and taxes paid by the System to their employees and the Egyptian government.

Indirectly, the System supported \$896 million in value added, including VAT.

Out of this \$896 million, \$519 million takes place upstream, enabled by the \$793 million the System spends on goods and services from Egyptian vendors.

Of the \$519 million upstream impact, most of this, \$347 million, is value added supported at the System's direct suppliers – the companies producing ingredients, packaging materials, machinery and parts, and offering a wide range of services – from transport, to insurance, marketing and catering. The remaining \$172

million occurs at the suppliers of these suppliers. For instance, an aluminium producer sells materials to the beverage can manufacturer that supplies the System with the cans for their beverages.

The downstream value added, supported by the System's distribution and sales activities, is \$378 million. Of this amount, \$100 million is value added tax (VAT) enabled by the sales of beverages in Egypt. \$237 million is supported at the System's distributors and outlets, while the suppliers of these distributors and outlets generated \$41 million.

These figures only capture the incomes attributable to the System.

\*In 2024 Egypt's GDP amounted to USD 361 billion (Egypt Ministry of Planning and Economic Development (PED))

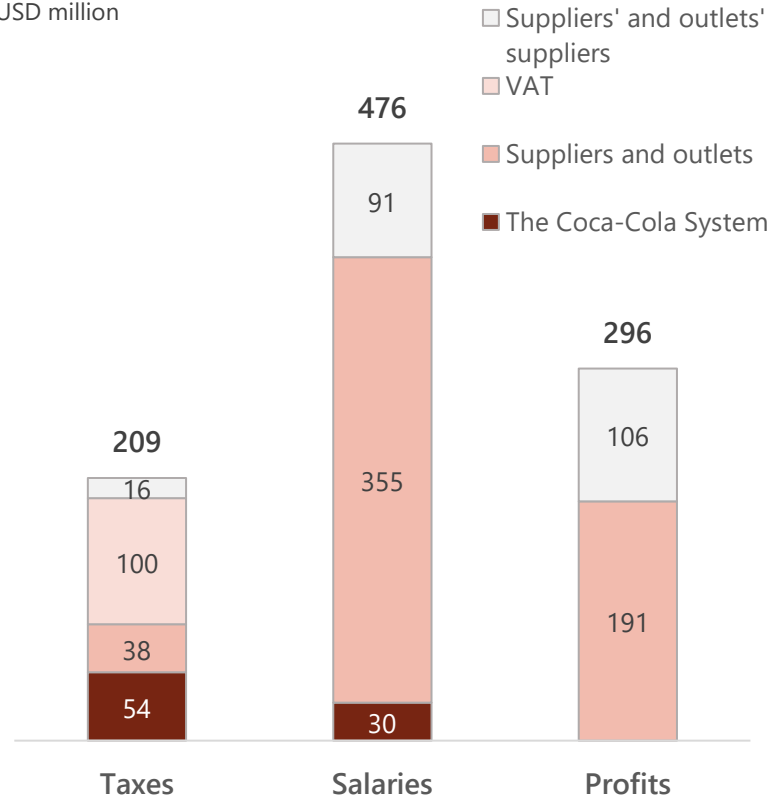
# Households are the biggest beneficiaries of the operations of the System

## Key takeaways

- Households are the primary beneficiary of the System's activities, receiving \$476 million in salaries
- The System paid \$30 million in salaries to its own employees, and supported another \$355 million at its direct suppliers and outlets
- Companies are the second largest beneficiary of the System, receiving \$296 million in profits

## Value added by beneficiary

USD million



## Explanation

The total value added of \$981 million can also be broken down by beneficiary.

Households across the value chain benefited \$476 million, of which \$30 million was earned by the System's own employees. Salaries include wages, bonuses and other allowances paid directly to employees. They are net of any taxes to avoid double-counting.

Egyptian companies across the System's value chain made an estimated \$296 million in profits from their cooperation with the System, of which \$191 million was made by the System's direct suppliers and selling partners.

Tax payments supported by the Coca-Cola System throughout their value chain equal \$209 million. \$54 million of this is paid directly by the

System. The major categories making up this amount include sugar taxes and payroll taxes paid in Egypt.

\$100 million is VAT related to the sales of the System's beverages. It further enabled \$38 million in tax payments from their suppliers, distributors, and the outlets selling their beverages.

The estimated tax impacts of the operations of the System represented 0.52%\* of the total tax revenues collected by the Egyptian government.

\*Egypt tax revenues amounted to USD 40 billion (source: Egypt Ministry of Finance)

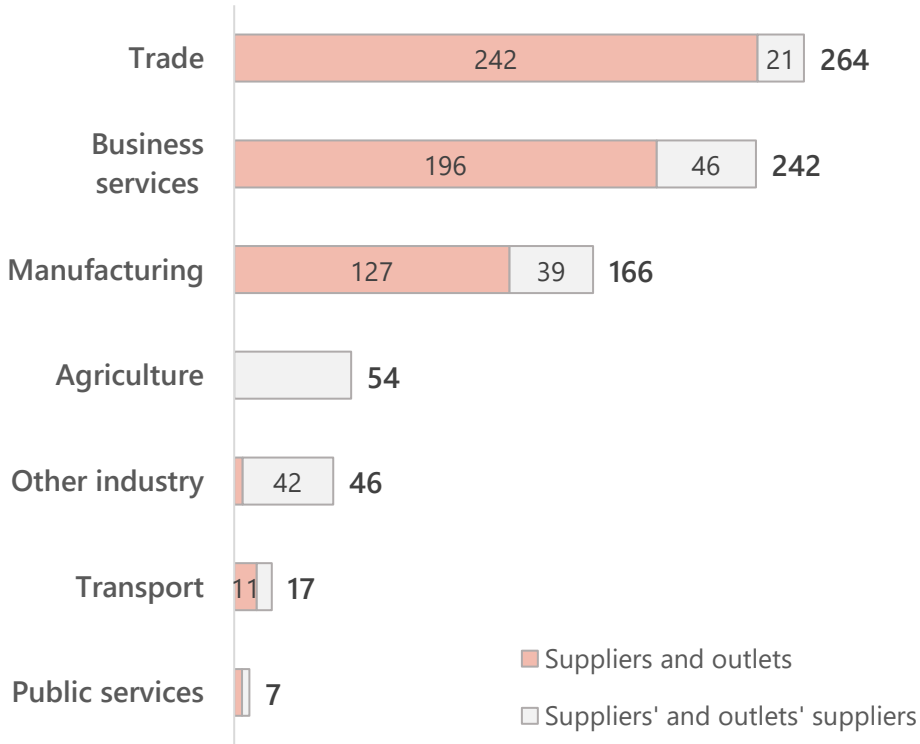
# The System mostly supports value added in the trade sector through the sale of beverages across the country

## Key takeaways

- The System supports a total of \$264 million of value added in the trade sector, mostly through the distribution and sale of their beverages
- Companies in the business services and manufacturing sectors also received a large share of the value added, benefiting \$242 million and \$166 million
- The System also supports \$54 million of indirect value added in the agriculture sector

## Indirect value added by sector

USD million



## Explanation

The indirect value added\* can be broken down by economic sector.

The System supported the most value added, \$264 million, in the trade industry. This is driven primarily by the sale of the System’s beverages at supermarkets, hotels, and restaurants. \$242 million of this was generated by the System’s selling partners, of which \$75 million in off-trade channels (traditional and modern stores), and \$161 million through on-trade channels (hotels, restaurants, cafes, petrol stations, etc.).

The System supported \$242 million in the business services sector, with \$196 million of that resulting directly from the System’s procurement of services, including marketing, advertising, and insurance. The remaining \$46 million is supported further along the value chain at the suppliers’ and outlets’ suppliers.

Manufacturing companies generated \$166 million from their cooperation with the System, of which \$127 million was generated by the System’s direct suppliers providing goods such as packaging materials for the beverages.

The System also supported \$54 million in the agriculture sector. While the System does not procure from the sector directly, the System’s suppliers do. This includes, for example, the sugar beet farmers who supply raw sugar to the sugar processor from whom the System buys its sugar.

Companies in the other industries sector, such as utilities and oil and gas companies, generated \$46 million; most of this is supported at the suppliers of the System’s suppliers.

\*Indirect value added excluding VAT (\$100 million) and value added directly generated by the System (\$85 million)



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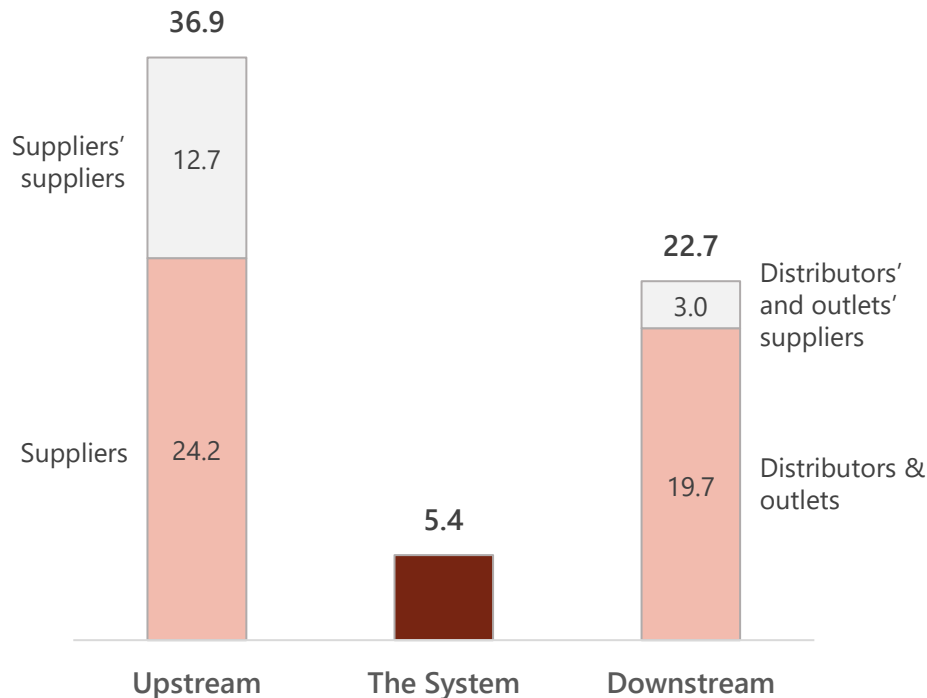
# The System supports 64,900 employment opportunities

## Key takeaways

- The System supports some 64,900 jobs across its value chain, representing 0.22%\* of total employment in Egypt
- The System directly employs 5,372 employees, and supports an additional 59,600 jobs through its value chain partners
- For each direct job at the System, 11 additional jobs are supported elsewhere along the value chain

## Jobs by value chain link

# thousands



## Explanation

The System supports some 64,900 job opportunities across its value chain, equal to 0.22% of total employment in Egypt.

5,372 people are directly employed by the System, and another 59,600 jobs are supported indirectly at their value chain partners.

36,900 jobs are supported upstream in the value chain. These refer to the jobs required to provide the System with the \$793 million worth of goods and services they procure suppliers in Egypt.

Of these 36,900 jobs, 24,200 are at the suppliers of the System, while the remaining 12,700 are supported at the suppliers' suppliers.

22,700 jobs are supported downstream in the value chain. These are required to distribute and sell the 1.7 billion litres of the System's

beverages sold throughout the country.

Of these 22,700 jobs, 19,700 are supported at the System's distributors and selling outlets, such as supermarkets and restaurants. The remaining 3,000 jobs are supported at the suppliers of the distributors' and selling outlets'.

For each direct job at the System, an additional 11 jobs were supported elsewhere along the value chain. Of these, 7 are supported upstream in the value chain through the procurement of goods and services from suppliers, and 4 are supported downstream in the value chain through the distribution and sale of beverages.

These figures only capture the jobs attributable to the System (not all jobs at the suppliers, distributors, and partnering outlets).

\*In 2024, Egypt national employment amounted to 11.2 million (Source: ILO)

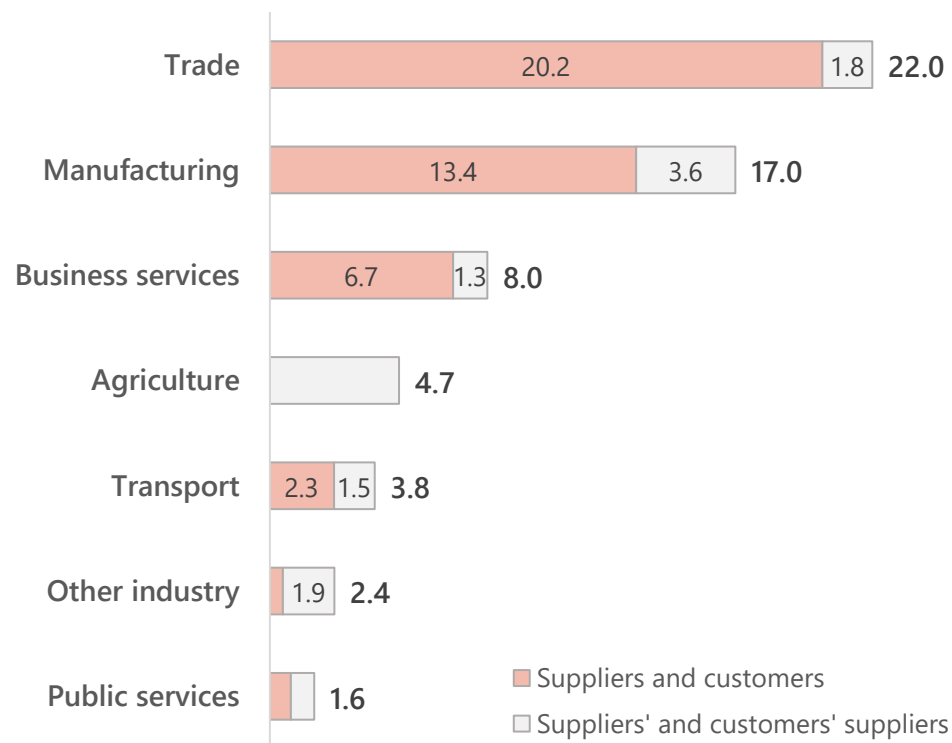
# Most jobs are supported in the trade sector

## Key takeaways

- The System supports a total of 22,000 jobs in the trade sector, mostly through the distribution and sale of beverages
- The manufacturing sector is the second-largest sector in terms of jobs supported, with the System supporting 17,000 jobs
- The System supports 8,000 jobs in the business services sector, making it the third-largest sector in terms of jobs supported

## Indirect jobs by sector

# thousands



## Explanation

The near 59,600 indirect jobs\* supported by the System can be broken down by economic sectors.

The trade sector is where the System support the highest number of employees. Of the 22,000 jobs supported in the sector, 20,200 are involved in the sale of the System's beverages: including 1,100 at wholesalers, 5,300 at off-trade outlets such as supermarkets and mom-and-pop shops, and 13,300 at on-trade outlets such as hotels, restaurants, cafes and petrol stations.

In the manufacturing sector, 17,000 jobs are supported, of which 13,400 jobs are at the System's direct suppliers.

The System also supports 8,000 jobs in the business services sector, of which 6,700 jobs are at the direct suppliers providing marketing and other services.

In the agriculture industry, the System supports 4,700 jobs. While the System does not procure directly from the industry, some of its suppliers do. This leads to the jobs supported in the agricultural sector.

3,800 and 2,400 jobs are supported in the transport and other industry sector, respectively. The transport industry includes jobs such as logistics providers and freight carriers. Other industry includes sectors such as utilities, oil & gas, construction, as well as water supply services.

An additional 1,600 jobs are supported on the public services, which include positions in fields such as administration and education.

\*Indirect jobs supported by the System, excluding people directly employed by the System (5,372)



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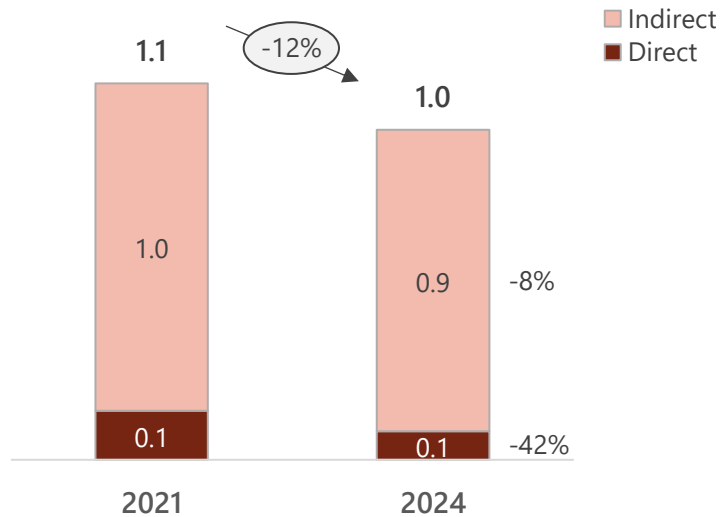
# Both value added and jobs decreased compared to 2021

## Key takeaways

- Value added decreased by 12% compared to 2021
- Indirect value added decreased by 8%, mainly driven by a drop in revenues, reinforced by a shift towards off-trade sales

## Value added

USD million



The total value added (VA) decreased by 12% compared to 2021, driven primarily by a decrease of 31% in revenues. This in turn is caused by currency effects and a 4% decrease in volumes.

Direct VA decreased by 42%, mainly due to currency devaluation. Indirect VA decreased by 8%, reflecting a 41% drop in downstream VA, partially offset by a 58% increase in upstream VA.

The increase in upstream VA is driven by a 75% increase in local procurement, due to the installation of a new production line at HBC and a significant increase in spending by TCCC.

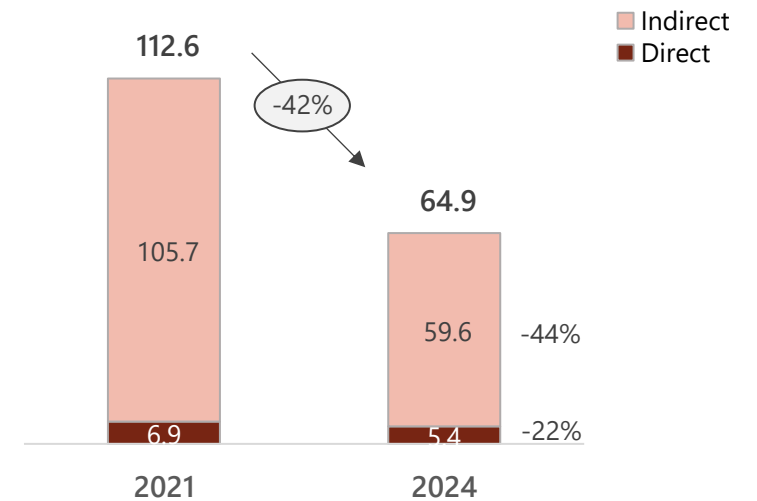
The drop in downstream VA is caused by the decrease in revenue reinforced by a shift in sales towards lower margin off-trade channels.

## Key takeaways

- Total employment decreased by 42% compared to 2021
- Indirect employment decreased by 44%

## Employment

# thousands



Jobs supported by the System decreased by 42% compared to 2021, with direct employment decreasing 22%, and indirect employment decreasing 44%.

The decrease in indirect employment reflects a 75% drop in downstream jobs, partially offset by a 143% increase in upstream employment.

The decrease in downstream jobs was

driven by the same factors effecting the downstream VA, reinforced by changes in the underlying macro-economic statistics around employment in the hospitality sector.

The rise in upstream jobs was driven by the increase in local procurement, reinforced by updated macroeconomic statistics.

# steward redqueen

Teerketelsteeg 1  
1012 TB Amsterdam, the Netherlands  
Tel: +31.(0)23.553.0400

[www.stewardredqueen.com](http://www.stewardredqueen.com)  
[info@stewardredqueen.com](mailto:info@stewardredqueen.com)

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# Annex A: Countries included in the impact study for Africa

List of countries where production and/or sales activities of the System were taken into account for the Nigeria report

Algeria	Gabon	Réunion
Angola	Gambia	Rwanda
Benin	Ghana	São Tomé and Príncipe
Botswana	Guinea	Senegal
Burkina Faso	Guinea-Bissau	Seychelles
Burundi	Kenya	Sierra Leone
Cabo Verde	Lesotho	Somalia
Cameroon	Liberia	South Africa
Central African Republic	Libya	South Sudan
Chad	Madagascar	Sudan
Comoros	Malawi	Tanzania
Congo	Mali	Togo
Congo, Democratic Republic of the	Mauritania	Tunisia
Côte d'Ivoire	Mauritius	Uganda
Djibouti	Mayotte	Western Sahara
Egypt	Morocco	Zambia
Equatorial Guinea	Mozambique	Zimbabwe
Eritrea	Namibia	
Eswatini	Niger	
Ethiopia	Nigeria	