

Gardenia to expand Pampanga factory

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Gardenia Bakeries Philippines, a wholly-owned subsidiary of Singapore Gardenia, is already planning of expanding its Pampanga plant, which is yet to be opened in January next year, as capacity would not be enough given the strong demand in northern Luzon.

Simplicio P. Umali Jr., president and general manager of Gardenia Bakeries Philippines, said the ongoing project worth P2 billion needs to be expanded because the plant's capacity will be fully utilized by next year already.

The Pampanga plant has three lines for buns, flavored bread, and loaf line with production capacity of 6,000 loaves of bread per day. It is similar to its original plant in Laguna. Gardenia has two other bread manufacturing plant in Cebu and Cagayan de Oro.

The P1-billion first Mindanao plant located in the Phividec Industrial Estate in Cagayan de Oro is expected to be operational also before end this year. It has a capacity to produce 130,000 loaves of bread and buns a day.

The company is planning as much as P2 billion in new investments for the expansion program, depending on how many lines they may add.

Umali said they will make the decision for the expansion early next year. Construction of the Pampanga plant is ongoing and is expected to be in commercial operation before end this year.

According to Umali, project financing will be the same structure with previous plants in Laguna, Cebu and Cagayan de Oro where its parent firm Gardenia International Limited of Singapore invested 50 percent of the cost and the other half will be through loans from local banks.

Gardenia, the country's largest breadmaker, accounts for more than 60 percent of market share of the branded loaf bread market in the country. It is also growing at more than double the industry's steady annual growth of 5-6 percent.

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