



African Development Bank

Private Sector Operations

DANGOTE INDUSTRIES CORPORATE LOAN

Project Brief

BOARD APPRAISAL: May 2014

COUNTRY	Nigeria
PROJECT NAME:	Dangote Industries Corporate Loan
SECTOR	Manufacturing
TOTAL PROJECT COST	USD 9 BILLION
AfDB CONTRIBUTION	USD 300 MILLION
SPONSOR AND BORROWER	<p>Dangote Industries Ltd is one of the largest manufacturing conglomerates in sub-Saharan Africa. It is headquartered in Lagos, Nigeria and employs 22,000 people across its various operations. The Group has four listed companies, the flagship being Dangote Cement Plc. The other listed entities include Dangote Sugar Refinery Plc and National Salt Company of Nigeria (NASCON). In 2012, consolidated turnover of the Group was USD 2.6bn with EBITDA of USD 1.2bn. Profit After Tax increased by 45% at USD 1.1bn from 2011 to 2012 and Total Assets increased by 10% to USD 5.6bn in the same period.</p>
PROJECT DESCRIPTION	<p>Corporate loan to Dangote Industries Ltd (DIL) which is establishing greenfield crude oil refining (445,000 barrel per day of crude oil and 0.6 MTPA of polypropylene) and fertilizer manufacturing (integrated facility of 2.8 MTPA of urea) plants in Nigeria for consumption in Nigeria and neighboring African countries. The location for both projects is in Lekki Free Trade Zone, Lagos State, Nigeria. DIL has also an ambitious expansion programme of its cement business in 13 African countries.</p>
PROJECT BENEFITS	<p>The projects will add value to local natural resources and is expected to reduce by more 80% current imports of fuel in the country which is becoming a national security issue. DORC will also double the country's refining capacity. For the fertilizer, Nigeria which currently relies 80% imports will be turned into a major exporter. The projects will help FGN on forex savings of \$ 65 billion through import substitution and provide USD 1.08 billion revenues for FGN (taxes and fees). The project will also create over 30,000 temporary jobs during construction, 2,900 direct jobs during operations.</p>