

 Early Warning System

ADB-57290-001

Veyseloglu Modern Retail Expansion Project



Quick Facts

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|-------------------------|--|
| Countries | Azerbaijan |
| Financial Institutions | Asian Development Bank (ADB) |
| Status | Approved |
| Bank Risk Rating | B |
| Voting Date | 2024-11-11 |
| Borrower | Araz Supermarket LLC, Oba Market LLC, Veyseloglu LLC |
| Sectors | Agriculture and Forestry, Industry and Trade |
| Investment Type(s) | Loan |
| Investment Amount (USD) | \$ 10.00 million |
| Loan Amount (USD) | \$ 10.00 million |
| Project Cost (USD) | \$ 10.50 million |



Project Description

As stated by the ADB, the transaction involves a loan of up to \$10,000,000 (or the local currency equivalent) to Araz Supermarket LLC (Araz) for the Veyseloglu Modern Retail Expansion Project in Azerbaijan, and technical assistance (TA) of \$500,000 for the Building the Capacity of Smallholder Fruit and Vegetable Farmers for Climate-Resilient Farming.



Early Warning System Project Analysis

The ADB categorized the project E&S risks as follows:

Environment - B

Involuntary Resettlement - C

Indigenous Peoples - C



Investment Description

- Asian Development Bank (ADB)



Private Actors Description

As stated on the companies' websites:

Veyselloglu LLC started its operations in 1994 by importing food products from Türkiye. After establishing a partnership with Ishak Yaycili, the owner of Yaycili Kardeshler company has been engaged in export and wholesale in Türkiye since 1997. The company has expanded its operations to include representatives of many world-renowned brands and now distributes 4,025 products nationwide.

The founders of the "Veyselloglu" distribution company, Aydin Veyselloglu, Ilgar Talibov and Bakhtiyar Allahverdi, assessed the opportunities in the retail sector on May 7, 2011 and decided to establish a network of Araz supermarkets.

Aiming to create a network of "Araz" supermarkets in all regions of Azerbaijan with the slogan "Wherever you are, "Araz" is there", "Araz" supermarket chain, which aims to cover the entire retail sector, first started operating in 2011 with 4 branches in Baku.

Araz supermarket currently serves its customers with about 400 markets in many parts of the country, more than 11000 employees and a modern logistics center located in Mahammadi settlement.

"OBA Market" LLC is an affordable neighborhood store chain that operates in every region of Azerbaijan. "OBA Market" LLC, which is part of the Veyselloglu Group of Companies, entered the retail market in Azerbaijan in 2016 with a new - discount store concept. The main objective of the company is to provide customers with fast-moving consumer goods (FMCG) at the lowest possible price and high quality. Starting from 2020, OBA Market has significantly increased the SKUs (stock keeping unit) and sells Private Label products, as well as local and foreign brand products.



| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2 | Private Actor 2 Role | Private Actor 2 Sector |
|------------------|----------------------|------------------------|----------|----------------------|----------------------|------------------------|
| - | - | - | - | Veysaloglu Group | Client | Industry and Trade |
| Veysaloglu Group | Parent Company | Industry and Trade | owns | Araz Supermarket LLC | Client | Industry and Trade |
| Veysaloglu Group | Parent Company | Industry and Trade | owns | Araz Supermarket LLC | Subsidiary | Industry and Trade |
| Veysaloglu Group | Parent Company | Industry and Trade | owns | Oba Market LLC | Subsidiary | Industry and Trade |
| Veysaloglu Group | Parent Company | Industry and Trade | owns | Oba Market LLC | Client | Industry and Trade |



Contact Information

ADB Team Leader:

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No contacts provided at the time of disclosure.

ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.



Bank Documents

- [Veyseloglu Modern Retail Expansion Project: Environmental and Social Compliance Audit Report](#)
- [Veyseloglu Modern Retail Expansion Project: Preliminary Poverty and Social Analysis](#)

Media

- [ADB, Araz Sign \\$10.5 Million Deal to Sustain Food Security and Farmer Resilience in Azerbaijan](#)



Other Related Projects

- ADB-57290-002 Araz Supermarket LLC: Building the Capacity of Smallholder Fruit and Vegetable Farmers for Climate-Resilient Farming