Early Warning System

EBRD-53763

Beko Egypt Home Appliances Industries LLC

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Quick Facts

Countries	Egypt
Specific Location	Ash Sharqiyah
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	B
Voting Date	2023-01-11
Borrower	Beko Egypt Home Appliances Industries LLC
Sectors	Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million
Project Cost (USD)	$ 100.00 million

Project Description

According to the Bank’s website, the project consists of the provision of a senior loan of up to USD 50 million in favour of Beko Egypt Home Appliances Industries LLC to finance the establishment of its first production facility in Egypt, at the Industrial Zone in 10th of Ramadan City, Ash Sharqiyah.

The Loan will finance the development of a greenfield regional manufacturing hub in Egypt with an annual capacity of 1.1m units (600k units of refrigerator and 500k units of oven), out of which 60% will be directed for exports to diversified markets including European countries, the Middle East and Africa. The new products manufactured in the facility will increase access to high-energy class refrigerators and ovens, which are well beyond current market standards in the MENA region. The Project's total investment cost amounts to c. USD 100m, with the new facility expected to start operations by 1H 2024. The Bank's financing will be mainly directed towards the construction of the production facility building, which will be LEED Gold certified, and the establishment of an R&D centre.

Early Warning System Project Analysis

Categorised B (2019 ESP): Arçelik is well known to the Bank through previous transactions; has a good Environmental & Social performance track record; strong EHS organization with experienced staff at the corporate level; and duly implements agreed Environmental and Social Action Plan ("ESAP") for previous projects.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

Provision of a senior loan of up to USD 50 million

Private Actors Description

Beko Egypt is a fully owned subsidiary of Arçelik A.S ("Sponsor") engaged in the production of white goods. Arçelik, incorporated in Turkey, is a leading global player in the production, sales and aftersales services of consumer durable goods and consumer electronics. Arçelik is majority owned and controlled by Koç Group, the largest investment holding company in Turkey and is listed on Borsa Istanbul.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Arcelik A.S.	Parent Company	-
-	-	-	-	Beko Egypt Home Appliances Industries LLC	Client	-

Contact Information

COMPANY CONTACT INFORMATION

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form: https://www.ebrd.com/eform/information-request

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at: http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html

Bank Documents

- Translation: Beko Egypt Home Appliances Industries LLC (Arabic)