

 Early Warning System

IFC-28969

Vina Eco Board Co., Ltd.



Quick Facts

Countries	Vietnam
Specific Location	Phu An Thanh Industrial Park, Long An Province
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2011-06-06
Borrower	VINA ECO BOARD COMPANY LIMITED
Sectors	Agriculture and Forestry, Infrastructure
Investment Type(s)	Equity
Investment Amount (USD)	\$ 9.00 million
Project Cost (USD)	\$ 93.00 million



Project Description

Vina Eco Board (“VECO” or “the Company”) will operate a wood processing and furniture business in Long An province, Vietnam. The Company also aims to connect with local farmers as wood raw materials suppliers and then provides advice and seedlings to them.

For the wood waste, the Company will build a 11 MW bio-mass power plant to recycle the waste. In a long term, the Company is also planning to support the development of local wood processing industry by establishing the first particleboard facility in Vietnam.



Investment Description

- International Finance Corporation (IFC)

Founded in 1691 in Japan, Sumitomo Forestry Co, Ltd. ("SFC" or the "Sponsor") is one of the most experienced companies in sustainable forest and plantation management, wood products and wood-based housing sectors. SFC is planning to invest in a USD 93 million project to establish a greenfield particleboard plant with an annual capacity of 250,000 m3 near Ho Chi Minh City, Vietnam (the "Project").

The new particleboard plant will be owned and operated by Vina Eco Board Co., Ltd. ("VECO" or the "Company"). VECO was established in May 2010 by SFC and Sumitomo Forestry (Singapore) Ltd., SFC's wholly owned subsidiary in Singapore. Incorporated in 1947, SFC is a publicly listed company on the first section of Tokyo Stock Exchange and Osaka Securities Exchange. SFC's shares are widely held by institutional investors, financial institutions as well as individual investors.

The total project cost is estimated to be approximately USD93 million, and SFC plans to finance the Project with 50% in long term debt and 50% in equity. The proposed IFC investment is an equity investment of up to USD 9 million for up to 20% of VECO's share capital.



Contact Information

1/ Project Contact

General Project Inquiries Sumitomo Forestry Co., Ltd.
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2/IFC Contact

General IFC Inquiries
IFC Corporate Relations
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3/Local Access for Project Documentation

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An Thanh Commune, Ben Luc District
Long An Province, Vietnam

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>