

 Early Warning System

IFC-30967
Eleme Fertilizer

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.



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Quick Facts

Countries	Nigeria
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Borrower	INDORAMA ELEME FERTILIZER AND CHEMICALS LTD



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Project Description

OVERVIEW OF IFC'S SCOPE OF REVIEW

IFC's view of this project included: A site visit inclusive of the existing operations, the site for the new fertilizer plant and the location of the new jetty; Meetings with Eleme's Financial Director, the Project Head who is also responsible for Environment, Health and Safety, Quality Control and Assurance Manager, Safety Manager, Fire Safety Manager, Human Resources Manager, Training Manager, Security Manager and Medical Doctor. A meeting was also held with community representatives; Review of the respective environmental impact assessments ("EIA") undertaken for the fertilizer project and jetty, various documentation related to the environmental management and occupational health and safety systems, human resources documentation, responses to IFC's environmental and social questionnaire and presentations by the Company on the project and current operations; and Review of a comprehensive Environmental and Social Due Diligence report of the project undertaken on behalf of various lenders, including IFC, by an experienced international consultancy against IFC's Environmental and Social Sustainability Framework and the Equator Principles.

PROJECT DESCRIPTION

The Indorama Corporation ("Indorama") is an Indonesian based multinational company operating in 19 different countries and a leading manufacturer of petrochemicals and associated downstream products such as polyethylene, polypropylene, polyester fiber, filament, spun yarns and fabrics. In 2006 the Government of Nigeria privatized the Eleme Petrochemicals Company located in Port Harcourt, the capital city of Rivers State. At the time IFC provided an investment to Indorama to acquire a 75% equity stake in the Company which was renamed Indorama Eleme Petrochemicals Limited ("Eleme" or the "Company"). The current shareholding is: the Indorama Group 65%, Nigerian National Petroleum Corporation ("NNPC") 10%, Rivers State Government 10%, Host Communities 7.5%, the Nigerian Federal Government 5%, and Employees 2.5%. IFC is no longer invested in Indorama and is currently considering a \$300 million loan to Eleme to support development of a new urea-based fertilizer plant. The current operations are located on a 360 hectare site west of central Port Harcourt. Approximately 50% of the site is developed and thus there is sufficient space to accommodate the new plant. Existing operations on the site include an Olefins Plant that produces 330,000 tons of ethylene and 126,000 tons of propylene annually. The primary feedstock for the Olefins plant is Natural Gas Liquid ("NGL") which is supplied by the Nigerian Agip Oil Company ("NAOC"), a joint venture between Agip and the Nigerian National Petroleum Corporation, via an 84 kilometer pipeline from a gas collection and separation plant (gas plant) located in OBIAFU /OBRIKOM. The ethylene is used in the Polyethylene Plant to produce high and low density polyethylene with a total combined capacity of 320,000 tons per year. Propylene is used in the Polypropylene Plant to manufacture 120,000 tons of polypropylene polymers per year; these are used in the various applications including the production of materials associated with packaging and labeling, textiles and plastics amongst others. The facility also has two nitrogen plants that produces 4,400 Nm³ of nitrogen gas and 10 metric tons ("MT") of liquid nitrogen per day. Power for the facility is generated via two out of four available natural gas turbines with a total power generation capacity of 132 megawatts ("MW") and there are 3 steam turbines for the Olefins Plant. The new fertilizer plant will be located within the confines of the existing site and occupy some 38 hectares. The main project components involve an Ammonia Plant, a Urea Plant and Urea Granulation plant. The Ammonia Plant will produce 2,300 tons of ammonia per day that will be transferred to the Urea Plant, though in the event that the Urea Plant is not operational, the ammonia would be fed to a storage tank. The Urea Plant will produce 4,000 tons of granulated urea which will either be exported via the port or sold in the domestic market. With the exception of natural gas that will be transported to the site via a new pipeline to be constructed, all the utilities required for the operations such as power, air and nitrogen will be supplied via existing on-site facilities. The new gas pipeline



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Investment Description

- International Finance Corporation (IFC)



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Contact Information

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/>



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Bank Documents

- [Eleme ESAP.pdf](#)



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Other Related Projects

- IFC-47723 Indorama Eleme Fertilizer-III