Early Warning System

IFC-37095

MEG

Quick Facts

Countries	Egypt
Specific Location	Nasr city, Sadat city, Moustord
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2019-02-21
Borrower	MIDDLE EAST GLASS MANUFACTURING COMPANY S.A.E
Sectors	Industry and Trade, Technical Cooperation
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.00 million

Project Description

According to bank documents, the IFC project under consideration will refinance Middle East Glass Manufacturing Company's (MEG)existing long-term loans, denominated in both EGP and US$, and the ongoing capital expenditures program, including three major furnace rebuilds, resource efficiency improvements and the operational streamlining of the cullet processing operation.

Investments under the Project will be made in the Group's three operational facilities in Egypt: (i) MEG plant, situated in Nasr city, constructed in 1983, with one furnace totaling 84,963 tons per annum capacity for flint and green color, (ii) MEG Sadat, in Sadat city, constructed in 2007 and acquired by MEG in 2014, with two furnaces totaling 71,158 tons per annum capacity, for flint and amber color; and (iii) MGMG plant, situated in Moustord, constructed in 1968 and acquired by MEG in 2016 with three furnaces totaling 105,093 tons per annum in capacity for flint, green and amber color.

The IFC Resource efficiency team is also working with the client on potential energy and water savings through the implementation of an advisory project focusing on implementing several changes in its process to save energy and increase cullet use.

Investment Description

- International Finance Corporation (IFC)

IFC is considering a proposed IFC financing of US$100 million in total including the following: (i) IFC A loan of US$30 million; (ii) IFC Trust fund loans of up to US$45 million, comprising of a US$22.5 million MCPP HKMA Loan and an additional US$22.5 million MCPP SAFE Loan; and (iii) B Loan/Parallel loan of up to US$25 million.

In addition to IFC funds of US$100 million, the Group will contribute up to US$26 million from internal cash generation, bringing total Project costs to US$126 million. The uses of funds are as follows: US$67 million for the refinancing and US$59 million for capex.

Private Actors Description

Middle East Glass Manufacturing Company is listed in the Egypt Stock exchange since 2002. The majority shareholder with 51.4% is MENA Glass Holding, a Cayman based investment vehicle for Mr. Abdulgalil Besher. He hails from a prominent Yemeni merchant family and is currently the sole owner of MENA Glass Holding.

Gulf Capital has a shareholding of 35.9% in the business through two of its investment funds (MTM Packaging 1 & 2). Gulf Capital is one of the largest alternative investment firms in the Middle East, managing US$4 billion across ten funds and investment vehicles.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Gulf Capital	Investor	-
-	-	-	-	Middle East Glass Manufacturing Company	Client	-

Contact Information

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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/

Bank Documents

- Environmental & Social Review Summary