Early Warning System

IFC-38323

Almarai

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Quick Facts

Countries	Egypt
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2017-09-26
Borrower	ALMARAI COMPANY
Sectors	Agriculture and Forestry, Industry and Trade

Project Description

Almarai, a Saudi Arabian based group and one of the region's largest food and beverage manufacturing and distribution companies is investing in CAPEX and acquisitions to grow its joint venture (JV) operations in Egypt. The proposed IFC investment is a corporate loan to Almarai holding company; the proposed loan will fund Almarai's contributions to support the expansions of its joint-venture operation in Egypt which includes setting up of a new juice factory and expansion of its existing dairy facilities (the Project). Almarai's investments in Egypt are made through a 52:48 joint venture between Almarai and PepsiCo under the name of Beyti (the Company).Beyti is one of the largest producers of milk, juice and yoghurt in Egypt, targeting a market of 86 million consumers and catering to different consumer profiles. Beyti was established in 1998 with the acquisition of the largest commercial dairy farm in Egypt (but now disposed) from the Saudi Group Dallah Al Baraka. In 2002, Beyti began marketing Beyti-branded milk in the Egyptian market, and expanded into juice production in 2007, followed by a cream line. In 2002, the plant's efficient layout led the European Dairy Magazine to name the Beyti plant Factory of the Year. In late 2009, IDJ Company, a partnership between PepsiCo International and regional dairy powerhouse Almarai, acquired Beyti, providing it with the latest technologies and know-how in the industry. Beyti invested in construction of a multi-million dollar, fully-automated, state-of-the-art facility on the Cairo-Alexandria Desert Road to allow it to process top quality dairy and agricultural products. The existing production site is located in Nubaria, Beheira Governorate and includes diverse production formats for production of thousands of milk and juice beverages, and yoghurt. The plant makes use of the latest and best food processing techniques as it employs high-speed processing machinery and is capable of producing a diverse variety of dairy, juice and dairy-based products to the highest standards of hygiene and safety. Today, Beyti produces a number of agricultural food products including juices, 100% natural milk, flavored milk, a variety of spoon-able and drinkable yogurts, as well as cooking and whipping creams, for domestic consumption and export sales. Beyti also holds a strong market position in all the categories in which it operates; and, employs over 3,000 people. The specific scope of the new investment primarily entails construction of a new juice factory in the same location as existing dairy and juice factories, described briefly above. The new factory is expected to have a daily capacity to produce 4,400,000/day long shelf life juice boxes. The new factory will be comprised of three (3) production units each containing four (4) lines, comprising a total of twelve (12) new production lines. The new operation will consist of diverse supporting equipment for beverage manufacturing, twelve (12) packaging machines offering diverse formats, and water chilling equipment. Additional supporting, process related service units include ammonia refrigeration, air compressors, a raw water treatment unit with a production capacity of 4,800 m3/day; and industrial and domestic wastewater treatment operations with a capacity of 3,200 m3/day.

Investment Description

- International Finance Corporation (IFC)

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

- 38323_Directors Memo Delayed Disclosure (Internal Office Memo)
- Almarai public disclosure clearance letter

Other Related Projects

- IFC-46920 RSE Almarai 3