Early Warning System

IFC-38364

FCS RE Hansae Haiti

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Quick Facts

Countries	Haiti
Specific Location	Port-au-Prince
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2017-06-15
Borrower	HANSAE HAITI S.A.
Sectors	Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 3.00 million
Project Cost (USD)	$ 30.00 million

Project Description

IFC is considering providing a loan of up to US$3 million to partially support Hansae Co. Ltd., a South Korean garment manufacturer in setting up its first manufacturing operating in Haiti. The IFC's development objectives include job creation, contribution to economic growth, and increased foreign investment in Haiti.

Hansae currently exports approximately 300 million pieces of clothing per year from 11 production facilities in 5 countries: Nicaragua, Guatemala, Indonesia, Myanmar and Vietnam.

Phase 1 of the Haiti project entails the establishing of a cutting and sewing plant of up to 44 production lines in the Sonapi (Societe Nationale des Parcs Industriels) industrial park in Port-au-Prince.

This proposed investment is an E&S Category B project according to IFC’s Policy on Environmental and Social Sustainability, because potential adverse E&S risks are limited, reversible and may be readily mitigated.

The key E&S issues associated with this proposed apparel manufacturing operation are expected to relate to Hansae’s capacity and practices to assess and manage E&S issues and risks, the provision of safe and fair working conditions, and appropriate management of small quantities of emissions and wastes from the company’s operations including that potentially generated from future washing operation.

Investment Description

- International Finance Corporation (IFC)

Hansae's investment plan in Haiti amounts to US$30 million, out of which US$13.5 million is allocated to the project or phase I of the investment plan . The IFC is financing phase I with an A loan of up to US$3 million.

Hansae Co is owned 31% by minority or public shareholders, 14% by the CEO Dong Nyeong Kim and family, 42% by Hansae Yes 24 Holdings (owned 64% by Mr. Kim and family), 11% by the National Pension Service and 2% by various Hansae senior employees.

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/