Early Warning System

IFC-40420

Eleme Fertilizer II

Early Warning System

Eleme Fertilizer II

IFC-40420

Quick Facts

Countries	Nigeria
Specific Location	Port Harcourt
Financial Institutions	International Finance Corporation (IFC)
Status	Closed
Bank Risk Rating	B
Voting Date	2018-04-27
Borrower	INDORAMA ELEME FERTILIZER AND CHEMICALS LTD
Sectors	Agriculture and Forestry
Investment Amount (USD)	$ 170.00 million

Project Description

Project Description

The Indorama Group ('Indorama' or the 'sponsor') a long-standing IFC client in several countries, is one of the world's fastest growing group in petrochemical and fibers business having global business presence in 29 countries including Asia, Africa, Europe and Americas having over 30,000 employees.

In August 2006, Indorama International Finance Plc, UK ('Indorama') purchased a 75% equity stake in erstwhile Eleme Petrochemicals Company Limited (now known as Indorama Eleme Petrochemicals limited) under the federal government's privatization plan which was successfully assisted by IFC. IFC also assisted Indorama in implementing a turnaround program for olefins, Polyethylene and Polypropylene plants. (IFC Project # 24802.)

In June 2016, Indorama successfully commissioned 1.4 million metric tons per annum (MMTPA) urea fertilizer facility (including captive Ammonia facility) in Nigeria under Indorama Eleme Fertilizer & Chemicals Limited ('IEFCL' or the 'company'), with investment from IFC parallel lenders and other commercial lenders (IFC Project #30967).

Further, IFC made additional investment in the company to support the jetty that was constructed in the nearby Onne port for the export of fertilizer (IFC Project #38096).

Having successfully commissioned the Line 1 Urea fertilizer plant and the anticipated growth in demand, Indorama recently approved the construction of the second Ammonia / Urea fertilizer line to be located next to its existing line to expand the current capacity from 1.4 MMTPA to 2.8 MMTPA at a cost of approximately US$1.1 billion. (the "project"). The required land of 26 Hectare is already available to set up the new project at the Indorama Petrochemicals complex. The proposed IFC investment for the project includes a US$170m A Loan (including the MCPP Loan) and mobilization of up to US$830m in parallel/B loans.

The public disclosure documents for IFC's previous investments in this fertilizer facility area available at:

- Project# 24802: Eleme: https://disclosures.ifc.org/#/projectDetail/ESRS/24802
- Project# 30967: Eleme Fertilizers https://disclosures.ifc.org/#/projectDetail/ESRS/30967
- Project 38096: Indorama Port: https://disclosures.ifc.org/#/projectDetail/ESRS/38096

The company has, to this date, successfully implemented the Environmental and Social Action Plans (ESAPs) for these investments and has developed sound environmental and social (E&S) management systems and established organizational capacity for the same. For the construction and commissioning of Line 1 and associated facilities, the lenders had commissioned a third-party independent monitoring agency, which has confirmed the overall successful implementation of the ESAP and E&S management systems.

IEFCL's existing fertilizer manufacturing facility (Line 1) consists of 2,300 metric ton per day (MTPD) of ammonia and 4,000 MTPD of urea production lines, a urea granulation plant, a product warehouse, bulk loading and bagging facilities, ammonia storage and associated utilities such as the demineralized water plant, effluent treatment plant etc. The proposed project (Line 2) will be similar to Line 1.

The ammonia produced in Ammonia Plant is delivered to the urea plant where it is converted into Urea along with CO2, or to the existing 15,000 metric ton atmospheric ammonia storage tank, when the urea plant is under shutdown. After the Urea synthesis, the Urea solution is sent to granulator to produce Urea granules (final product). From the granulator, the urea will be transported by belt conveyor to either bagging/bulk loading or to the urea storage building. The Company to build a new urea storage area with a capacity to hold up to 60,000 metric tons of urea. A portal scraper reclaimer will be used to reclaim the product onto a belt conveyor for transfer to either bulk loading or bagging area and therefrom dispatch for either export or domestic market respectively.

Investment Description

- International Finance Corporation (IFC)

Private Actors Description

The Indorama Group (‘Indorama’ or the ‘sponsor’) a long-standing IFC client in several countries, is one of the world’s fastest growing group in petrochemical and fibers business having global business presence in 29 countries including Asia, Africa, Europe and Americas having over 30,000 employees. In August 2006, Indorama International Finance Plc, UK (‘Indorama’) purchased a 75% equity stake in erstwhile Eleme Petrochemicals Company Limited (now known as Indorama Eleme Petrochemicals limited) under the federal government’s privatization plan which was successfully assisted by IFC. IFC also assisted Indorama in implementing a turnaround program for olefins, Polyethylene and Polypropylene plants. (IFC Project # 24802.) In June 2016, Indorama successfully commissioned 1.4 million metric tons per annum (MMTPA) urea fertilizer facility (including captive Ammonia facility) in Nigeria under Indorama Eleme Fertilizer & Chemicals Limited (‘IEFCL’ or the ‘company’), with investment from IFC parallel lenders and other commercial lenders (IFC Project #30967). Further, IFC made additional investment in the company to support the jetty that was constructed in the nearby Onne port for the export of fertilizer (IFC Project #38096).

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	INDORAMA ELEME FERTILIZER AND CHEMICALS LTD	Client	-

Contact Information

Contact Person: Mr. Kendirck Oluka
Company Name: Indorama Eleme Fertilizer & Chemicals Limited (IEFCL)
Address: Indorama Complex, East-West Expressway, Eleme, P.M.B. 5151,
Port Harcourt, Rivers State, Nigeria
Email: kendrick@indorama.com.ng
Phone: +234 805 506 4248

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

- Project Information

Other Related Projects

- IFC-47723 Indorama Eleme Fertilizer-III