Early Warning System

IFC-40643

Ara Tiendas I

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Quick Facts

Countries	Colombia
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Borrower	JERONIMO MARTINS COLOMBIA S A S
Sectors	Infrastructure
Investment Type(s)	Loan
Investment Amount (USD)	$ 93.00 million
Project Cost (USD)	$ 93.00 million

Project Description

According to the bank, the proposed investment consists of a corporate loan of up to US$93 million equivalent in Colombian Pesos to Jeronimo Martins Colombia SAS (“Ara Tiendas” or “Ara”, or the “company”). The company is the Colombian subsidiary of Jeronimo Martins SGPS SA (“JM”, the “Group” or the “Sponsor”), a Portuguese food retailer. The proposed loan will partly finance the expected capital expenditure of the company over the next 2 years, for expansion of its logistic and stores’ infrastructure, and the respective operations across Colombia (the “Project”). JM is the leading food distributor in its home country, Portugal, and successfully entered Poland in 1995, becoming the leading retailer in just over a decade. Ara opened its first store in Colombia in 2013. As of December 2017, Ara operated 389 stores, with an average size of 340 sqm, across three regions of the country: The Coffee Growing Region in the South Zone (Eje Cafetero), the Caribbean Coast in the North Zone, and, since September 2016, Greater Bogota Region in the Center Zone. A significant portion of Ara’s sales come from its own private label products, and they aim to continue to increase that share. The new stores that will be added will have a similar format to that of the existing ones and each store will generate around 7-9 direct jobs. The project will also generate temporary employment during the construction period of its stores and distribution centers, and indirect employment through the supply chain. About 50% of the stores’ employees are expected to be women. All the referred 389 stores are leased. Out of the three main distribution centers, one is on company’s own property (in Barranquilla, in the Caribbean coast region, in South zone), and the other two in Pereira, in the Coffee Growing region, in North Zone) and in Bogotá (center zone) are rented, as well as smaller rented satellite centers. Ara will have closer sourcing to its stores by opening several new DCs in the 3 regions where it has presence already and additionally in other regions where the company also plans to open new stores.

Investment Description

- International Finance Corporation (IFC)

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Jeronimo Martins Colombia, S.A.S.	Client	-

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/

Campaign Documents

- Company Overview of Jeronimo Martins Colombia, S.A.S.