Early Warning System

IFC-42974

EPCL Expansion

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Quick Facts

Countries	Pakistan
Specific Location	Port Qasim, Karachi
Financial Institutions	International Finance Corporation (IFC)
Status	Completed
Bank Risk Rating	B
Voting Date	2020-02-27
Borrower	ENGRO POLYMER & CHEMICALS LIMITED
Sectors	Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 15.00 million
Project Cost (USD)	$ 40.00 million

Project Description

EPCL’s manufacturing facility spans over 68 acres and is located in the Eastern Zone of the 4500 hectares industry park, managed by Port Qasim Authority (PQA), approximately 30 km east of Karachi, Pakistan. The project will be set up inside the EPCL’s existing fence line and on additional land adjacent to its existing site owned by Engro Chemicals Pakistan Ltd.

As a follow-on to expansion under Phase-III (Project IFC-41160), ENGRO Polymer & Chemicals Limited (EPCL), through this project they are purusing an optimisation plan including:

(i) implementing Oxy Vent Recycling (OVR) system to reduce manufacturing costs; which will reduce the raw material requirement by 2%, lowering the atmospheric release of ethylene di-chloride (EDC) by 6 kg/ton of VCM.

(ii) introduce Hydrogen Peroxide (H2O2) to its product suite by becoming the first producer in the south of the Country; and

(iii) Working capital.

With this increased local availability of Hydrogen Peroxide (H202) in the Country, customers will benefit from shorter delivery time and lower inventory costs.
The Project is also expected to maintain the Company's competitiveness through value addition, and will create jobs and enable transfer of technical and managerial know-how.
IFC anticipates that the Project will lead to increased competitiveness of the PVC and base chemicals sector, which will support the growth of the main users of these products such as the textile, building and construction sector.

Investment Description

- International Finance Corporation (IFC)

The total project cost is estimated at around US$40 million. The proposed IFC investment includes an A loan for up to US$15 million for IFC’s own account.

Private Actor Relationship

Largest shareholders of EPCL are Engro Corporation (56.2%) and Mitsubishi Corporation (11.0%). Engro Corporation (“ECorp” or the “Sponsor”) is one of Pakistan’s largest and professionally managed conglomerates with business interests in fertilizers, foods, chemical storage & handling, trading, energy and petrochemicals. ECorp’s main shareholder is Dawood Hercules Corporation, which is owned by Dawood family and associated companies. ECorp is listed on Pakistan Stock Exchange. The remaining shareholding is distributed among various institutions and general public.

Private Actors Description

Engro Polymers and Chemicals Limited (“EPCL” or the “company”), is the only fully integrated chlor-vinyl chemical complex in Pakistan. The company is involved in the manufacture, marketing and distribution of poly-vinyl chloride (PVC) and selling of chlor-vinyl allied products including Vinyl Chloride Monomer (VCM), Caustic Soda (NaOH), Hydrochloric Acid (HCl), Sodium Hypochlorite (NaOCl) and Hydrogen (H2).

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Engro Corporation	Parent Company	-	owns	Engro Polymer and Chemicals Limited	Client	-
Mitsubishi Corporation	Parent Company	-	owns	Engro Polymer and Chemicals Limited	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/

Other Related Projects

- IFC-41160 Engro Polymer Phase 3