Early Warning System

IFC-45316

Arcelik LTF

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Quick Facts

Countries	Bangladesh, Turkiye
Specific Location	Araihazar subdistrict in Narayanganj district, Bangladesh
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2022-06-10
Borrower	ARCELIK AS
Sectors	Construction, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 160.45 million
Project Cost (USD)	$ 305.06 million

Project Description

The proposed investment is a senior, unsecured A-Loan of up to EUR150 million to finance Arcelik’s working capital needs in Turkey and construction of a new Singer (refrigerator, washing machine, television, AC devices and other household appliances) manufacturing facility in Bangladesh. The new facility in Bangladesh will be located in Bangladesh Special Economic Zone in Araihazar subdistrict in Narayanganj district, located 29 km away from the Dhaka city center and was built by the Bangladesh Economic Zone Development Authority between 2019 and 2021 in cooperation with Japan International Cooperation Agency. Construction work for the new plant is expected to start at the mid of May 2022 and will last around 14 months. After commissioning of the new facility, the company’s existing two Singer Bangladesh facilities located in Hemayetpur area in Dhaka will be closed with one of them turned into a distribution center for Singer Bangladesh.

Investment Description

- International Finance Corporation (IFC)

Private Actors Description

From the IFC's website:

Arcelik A.S. (www.arcelikglobal.com/en) is a leading manufacturer of consumer durables and consumer electronics headquartered in Istanbul, Turkey. The company has 30 production facilities in 9 countries (Turkey, Romania, India, Pakistan, Russia, Bangladesh, South-Africa, China and Thailand), several R&D design centers and performs sales in more than150 countries globally. Arcelik is publicly listed and the major shareholder is Koc Holding, the largest Turkish conglomerate. Arcelik produces refrigerators, washing machines, dishwasher, tumble dryers, oven, cookers, televisions, consumer electronics, small household appliances, and AC devices in its production facilities (thirteen of them located in Turkey, two in Romania, two in Bangladesh and the remainder in other countries). Among the company's flagship brands are Arçelik, Beko, Grundig, Arctic, Altus, Dawlance, Flavel, Blomberg, Elektrabregenz and Defy. The company also has two facilities for waste electrical and electronic equipment recycling in Bolu and Eskisehir, in Turkey. Turkey and Romania are the largest countries of operation in terms of production volume and staff numbers.

Arcelik's current ownership structure is as follows: Koc Group (57.24%), Burla group (17.61%), Arcelik (9.97%), and publicly listed shares on Borsa Istanbul (15.18%).

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Arcelik A.S.	Client	Industry and Trade
-	-	-	-	Koc Holding AS	Investor	Finance

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

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

- Environmental & Social Review Summary (ESRS)

Other Related Projects

- IFC-49303 Arcelik SLL