Early Warning System

# IFC-46855

## South-East Europe Food Retail

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### Quick Facts

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| **Financial Institutions** | International Finance Corporation (IFC) |
| **Status** | Active |
| **Bank Risk Rating** | B |
| **Voting Date** | 2022-09-12 |
| **Borrower** | SC KAUFLAND ROMANIA SCS |
| **Investment Type(s)** | Loan |
| **Loan Amount (USD)** | $ 175.00 million |

## Project Description

According to the disclosure page, IFC will provide of up to EUR 175 million senior loan to German retail chain Schwarz Group (Schwarz, or the Group). The proceeds of the loan will be used to support the expansion of Lidl format stores in the Western Balkans, including Albania, Bosnia and Herzegovina, Kosovo, North Macedonia and Montenegro (EUR 75 million) and the expansion of Kaufland operations in Romania and Moldova (EUR 100 million).The Schwarz Group is divided into a retail, production, and environmental services division. Lidl and Kaufland are its pillars in food retailing. Some private label products of Lidl and Kaufland, ranging from ice cream to beverages, are produced at the Schwarz Produktion division. Special emphasis is placed on the use of sustainable raw materials and environmentally friendly packaging. With its environmental service provider PreZero, the Schwarz Group pursues its vision of closed loop waste recycling. With more than 341,000 employees, the discounter Lidl is currently present in 30 countries with around 12,000 stores and more than 200 goods distribution and logistics centers. Lidl’s assortment ranges from both own private label and well-known branded goods from the food and non-food sector. As part of its expansion program, Lidl is planning on launching operations with the construction of new stores and potentially warehouses in 5 countries: North Macedonia, Albania, Montenegro, Bosnia and Herzegovina and Kosovo. Kaufland is active in 8 European countries with more than 1,350 stores and over 139,000 employees. With an average of 30,000 product items, the company offers an extensive range of groceries and everything for everyday needs. Kaufland Romania and Moldova are part of the European Kaufland store network. Present in Romania for the past 15 years, the company currently operates a network of 152 stores, 2 logistics centers and 2 administrative offices with approximately 16,019 employees. In 2019, Kaufland opened first two stores in the Republic of Moldova and is currently operating a chain of 7 stores in the country. As part of its 2022-24 financial year expansion program, Kaufland plans to open 41 and 9 new stores in Romania and Moldova accordingly, mainly by greenfield construction.

## Investment Description

- International Finance Corporation (IFC)

## Contact Information

No contact information was added at the time of the disclosure.

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