

 Early Warning System

IFC-47118

Abyssinia Steel



Quick Facts

Countries	Ethiopia, Kenya, Uganda
Specific Location	Ethiopia, Kenya, and Uganda
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2025-02-12
Borrower	Abyssinia Group of Industries
Sectors	Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 20.00 million
Project Cost (USD)	\$ 70.00 million



Project Description

According to the Bank's website, the Project entails a proposed IFC A Loan investment of up to USD20 million in Abyssinia Group of Industries, a leading steel producer in Ethiopia, Kenya, and Uganda, which will support the capacity expansion, backward integration, decarbonization efforts, and working capital needs of Abyssinia. It also entails IFC mobilizing local currency parallel loans to strengthen the Group's financial position with longer tenors.

The Project includes (i) expanding capacity in Ethiopia with a block rolling mill, a 25-ton induction melting furnace, a ladle refining furnace, in addition to wire drawing lines and nail machines; (ii) improving operational efficiencies in Uganda; (iii) decarbonization-related investments through an 11MW waste heat recovery (WHR) power plant in Uganda; (iv) decarbonization-related investments by developing a 5MW solar power plant in Kenya; and (v) refinancing of existing working capital facilities in Kenya including through local currency Parallel Loans.



Early Warning System Project Analysis

This is a Category B project according to IFC's Policy on Environment and Social Sustainability (2012). Based on information reviewed by IFC, the proposed project will have limited adverse E&S impacts that are few, site specific, largely reversible and readily addressed through existing mitigation measures and good international industry practices (GIIP).



Investment Description

- International Finance Corporation (IFC)

The total Project cost is estimated at USD70 million. The proposed investment is an A-loan for IFC's own account of up to USD20 million.



Private Actors Description

Abyssinia Group of Industries was founded in 2003 and is the second-largest steel producer in Kenya, the largest in Ethiopia, and one of the largest overall in East Africa, with a production capacity of 660,000 metric tons per annum (TPA). It has only recently begun operations in Uganda. The Group manufactures a wide range of steel products for the construction industry, such as reinforced bars, steel angles, pipes, tubes, plates, wires, wire mesh (including barbed wire), and nails.

The Project Sponsor is Mr. Jateen Patel, a Kenyan businessman. Mr. Patel and his family hold a majority stake in the Group. The Group started its operations in Ethiopia in 2003 and has since expanded its footprint to Kenya and Uganda.

The Project will be implemented by Abyssinia Iron & Steel Ltd in Kenya and by Abyssinia Cold Rolling Mills PLC in Ethiopia.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Abyssinia Group of Industries	Client	-



Contact Information

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Bank Documents

- [Environmental & Social Review Summary \(ESRS\)](#)