

 Early Warning System

IFC-47144

Borcelik Fin.



## Quick Facts

<b>Countries</b>	Turkiye
<b>Specific Location</b>	Gemlik
<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Proposed
<b>Bank Risk Rating</b>	B
<b>Voting Date</b>	2024-10-24
<b>Borrower</b>	Borcelik Celik Sanayii Ticaret AS
<b>Sectors</b>	Industry and Trade
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 130.00 million
<b>Loan Amount (USD)</b>	\$ 130.00 million
<b>Project Cost (USD)</b>	\$ 530.00 million



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## Project Description

As stated on the project disclosure page, the IFC is considering a financing package of up to US\$210M consisting of a senior, corporate A loan of up to US\$80M, a MCPP Trust Loan of up to US\$50M, and a B1/Parallel loan of up to US\$80M to Borcelik to finance the expansion program, which will include: the installation of a 1.6 mt Pickling Line and Tandem Cold Mill (PLTCM) upstream line combined with the 0.5 mt Continuous Galvanizing and Annealing Line (CGAL) downstream line on the industrial premises/land adjacent to the Gemlik Plant.

Borcelik has acquired ownership of the adjacent closed-out Borusan Pipe factory land, a subsidiary of Borusan Group, which has an overall area of about 125,000 square meters and is bordered with other industries. Borcelik plans to demolish a few small steel structures on about 7800 m<sup>2</sup> while retaining the majority of the existing structures and constructing about 9300 m<sup>2</sup> of new areas during the execution of the expansion work.

Borcelik The Group was a former IFC client until 2014 (# 20476), and its environmental and social (E&S) performance was satisfactory based on IFC supervision during the project's lifetime.



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## Investment Description

- International Finance Corporation (IFC)

As stated on the project disclosure page, the total cost to implement the Project (including working capital) is estimated at up to US\$530 million. IFC is considering a financing package of up to US\$210M in senior loans consisting of i) an A loan of up to US\$80 million for IFC's own account; ii) a B1/Parallel Loan of up to US\$80 million; and iii) a MCPP Trust Loan of up to US\$50 million.



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### Private Actors Description

As stated by the IFC, Borçelik Celik Sanayii Ticaret A.S. is a JV between Borusan Holding A.S. (“BH” or “Group”) and ArcelorMittal, one of the largest global steelmakers (<https://www.borusan.com/en/home>).

Founded in 1990, Borcelik is the second largest private sector flat steel manufacturer and galvanized steel producer in Turkiye (<https://www.borcelik.com/en>). The Company has a production capacity of 1.5 million (m) tons of hot dip galvanized steel, cold-rolled steel, and hot-rolled steel, all of which are industrial raw materials that serve the automotive, white goods, and construction sectors, among others.

The parent, BH, is a diversified Turkish conglomerate with primary operations in steel manufacturing and the distribution of cars and industrial machinery. Borcelik’s main plant is located at Gemlik (near Istanbul in Turkey) in a 240,000 square meter (sqm) area. Two smaller steel service centers are located in Bursa (20k sqm) and Manisa (10k sqm).



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
ArcelorMittal SA	Parent Company	Industry and Trade	owns	Borcelik Celik Sanayii Ticaret AS	Client	Industry and Trade
Borusan Holding AS	Parent Company	Industry and Trade	contracts with	ArcelorMittal SA	Parent Company	Industry and Trade
Borusan Holding AS	Parent Company	Industry and Trade	owns	Borcelik Celik Sanayii Ticaret AS	Client	Industry and Trade



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## 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](mailto:CAO@worldbankgroup.org) You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>



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**Bank Documents**

- [Environmental and Social Review Summary](#)