Early Warning System

IFC-47720

ABSA AMSA Trade Finance II

Quick Facts

Countries	South Africa
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2023-07-24
Borrower	Absa Bank Limited, ArcelorMittal South Africa
Sectors	Finance, Industry and Trade
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 76.00 million
Project Cost (USD)	$ 152.00 million

Project Description

According to the IFC, the proposed Project with Absa Bank Limited is a) an up to ZAR2bln (equivalent to US$112mln); and b) an up to USD40mln working capital support to eligible suppliers of a large manufacturing company. The Project falls under the Global Supply Chain Finance (GSCF) Program, a supply chain finance program launched by the International Finance Corporation in December 2022. The GSCF supports open account trade in the emerging markets by providing funded or unfunded risk participation in partner banks' facilities.The project is part of a crisis response initiative, through which IFC plays a countercyclical role when the markets experience the turbulence due to the negative economic impacts of the ongoing global food and energy crisis.

Early Warning System Project Analysis

The IFC categorized the project as FI-2.

Investment Description

- International Finance Corporation (IFC)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Absa Bank Limited (Financial Intermediary)

Private Actors Description

As stated by the IFC, Absa is a leading Pan-African financial services group offering banking, insurance and financial products and services to individuals, corporates and small and medium enterprises clients. Headquartered in Johannesburg, south Africa, it is the third largest commercial bank in South Africa with operations in Botswana, Ghana, Kenya, Mauritius, Mozambique, Uganda, Tanzania, Seychelles, and Zambia.

According to Bloomberg, ArcelorMittal South Africa Limited is an integrated steel producer. The Company operates steel-producing plants throughout South Africa. ArcelorMittal produces flat products, long products, and rolled coil.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	ArcelorMittal South Africa Ltd	Undisclosed	Industry and Trade

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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