Early Warning System

IFC-47721

CHO Tunisia III

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Quick Facts

Countries	Tunisia
Specific Location	Sfax, Beja, Gafsa, Bizerte, Kairouan
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2023-12-31
Borrower	CHO Company SA
Sectors	Agriculture and Forestry
Investment Type(s)	Equity
Investment Amount (USD)	$ 25.00 million

Project Description

As stated by the IFC, the proposed Project of equity injection will enable CHO, while strengthening its balance sheet and reducing its costs, to continue implementing its strategic plan aiming to enhance its global market position and ensure and diversify sourcing of raw material beyond Tunisia.

Under this new investment, the Company aims to strengthen its global market position. Thus, CHO (i) has established a subsidiary in Morocco and is currently looking for local partnerships to strengthen its position in the market; (ii) will add c. 1,000ha to its plantations located in Tunisia, (iii) has the objective to reach 30kT of bottled olive oil by 2026, (iv) intends to open new exports markets (UK and Africa), and (v) rebalance its balance sheet.

The Project will be supported by IFC's Advisory Services on three fronts already discussed with the Company: 1) Value Chain Farmers advisory (smallholders and mills to improve yields and quality), 2) Gender Edge Certification and 3) a Corporate Governance (CG) to help the Company strengthen its CG and raise its profile in view of a qualified IPO in the medium term.

Investment Description

- International Finance Corporation (IFC)

As stated on the project disclosure page, this project is a proposed IFC investment of US$ 25 million for a 16.5% equity holding in CHO.
The project also includes the mobilization of up to US$50 million equity from co-investors.

Private Actors Description

As stated by the IFC, CHO Group was established in 1996 and is a leading olive oil producer in Tunisia. The Company’s facilities are mainly located in the region of Sfax, Tunisia, and its destination markets span over 50 countries worldwide. CHO retains a workforce of over 950 employees.
CHO was created by three entrepreneurs, Mr. Abdelaziz Makhloufi, Mr. Moncef Rekik, and Mr. Abderazzak Tounsi. The original founders own directly or indirectly about 88.5 percent of shares. The remaining is held by SICAR Invest, part of the Banque Nationale Agricole Group.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Banque Nationale Agricole	Investor	Finance	invests in	CHO Company	Client	Agriculture and Forestry

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Bank Documents

- Environmental and Social Review Summary

Other Related Projects

- IFC-36202 CHO Tunisia
- IFC-44266 CHO Tunisia II