

 Early Warning System

**MIGA-13803**

Pasabahce Egypt Glass Manufacturing SAE



## Quick Facts

|                                |   |
|--------------------------------|---|
| <b>Countries</b>               | Egypt   |
| <b>Financial Institutions</b>  | Multilateral Investment Guarantee Agency (MIGA) |
| <b>Status</b>                  | Closed  |
| <b>Bank Risk Rating</b>        | B   |
| <b>Voting Date</b>             | 2018-07-20                                      |
| <b>Borrower</b>                | Pasabahce Cam Sanayii. ve Ticaret. A.S.         |
| <b>Sectors</b>                 | Industry and Trade                              |
| <b>Investment Type(s)</b>      | Guarantee                                       |
| <b>Investment Amount (USD)</b> | \$ 16.20 million                                |



## **Project Description**

### PROJECT DESCRIPTION

On November 6, 2018, MIGA agreed to issue up to \$16.2 million in guarantees covering equity and quasi-equity investments by Pasabahce Cam Sanayii. ve Ticaret. A.S. of Turkey ("Pasabahce Turkey") into Pasabahce Egypt Glass Manufacturing S.A.E. in Cairo, Egypt. The guarantees are issued for a period of up to 15 years against the risks of Transfer Restriction, Expropriation, and War and Civil Disturbance.

The project consists of an asset acquisition by Pasabahce Turkey as part of its business growth plan in the glassware sector. Investments other than assets purchased include the modernization of the plant and introduction of different production processes to improve the quality standards.

### ENVIRONMENTAL CATEGORIZATION

The project is a category B under MIGA's Policy on Environmental and Social Sustainability.

### DEVELOPMENT IMPACT

The project entails the acquisition of an existing glass manufacturer and subsequent modernization and enhanced capacity of the plant via the upgrading of production equipment, adoption of technically advanced production processes and increase in quality standards. These improvements are expected to yield higher volumes of output, as well as products of higher quality, while transferring knowledge and expertise to the local workforce. The project will source certain raw materials, production inputs and services locally, supporting domestic value chains. The project's output is mostly geared to international markets, generating revenues in foreign exchange and taking advantage of Egypt's strategic location along trade routes, as well as the country's suite of preferential trade agreements. It is estimated that over 600 employees will be working at the plant when fully operational, compared with less than 200 at present.



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## Investment Description

- Multilateral Investment Guarantee Agency (MIGA)



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### Private Actors Description

Pasabahce Cam Sanayii. ve Ticaret. A.S. is one of the largest glass manufacturer in Europe. As stated on the company's website, Pasabahce carries out its production operations in Turkey at the plants in Kirklareli, Eskisehir, and Denizli, and abroad at the plants in Egypt, Bulgaria, and the Russian Federation. Today, Pasabahce has 6000 employees, and 65 percent of its sales comes from exports to 140 countries.



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| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2                         | Private Actor 2 Role | Private Actor 2 Sector |
|-----------------|----------------------|------------------------|----------|---|----------------------|------------------------|
| -               | -                    | -                      | -        | Pasabahce Cam Sanayii. ve Ticaret. A.S. | Client               | Industry and Trade     |

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## Contact Information

### ACCOUNTABILITY MECHANISM OF 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**

- [Pasabahce Turkey/ Sisecam Code of Conduct, 2017](#) [Original Source]