Early Warning System

FMO-50356

FrieslandCampina Pakistan Holding B.V.

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Quick Facts

Countries	Pakistan
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2016-06-29
Borrower	FrieslandCampina Pakistan Holding B.V.
Sectors	Agriculture and Forestry, Water and Sanitation
Investment Type(s)	Loan
Investment Amount (USD)	$ 30.59 million
Loan Amount (USD)	$ 30.59 million

Project Description

According to FMO website, in July 2016, the consortium, led by FrieslandCampina, signed a share purchase agreement with Engro Corporation Limited to acquire a 51 percent stake of Engro Foods Limited. Upon fulfilment of the regulatory requirements, the consortium closed the deal on 20 December 2016. The acquisition of Engro Foods, which is the second largest dairy company in Pakistan, enables FrieslandCampina to obtain a key position in Central Asia. Pakistan is the third largest milk producing country in the world with an annual production of 38 billion litres of milk and where only up to 10 percent of the produced milk is processed into high added value dairy products. FMO and IFC support FrieslandCampina in its objective to minimize malnutrition in Pakistan, one of the largely populated countries in the world (about 200 million people, 54 percent under 24 years of age), by developing and improving dairy based products.

Investment Description

- Netherlands Development Finance Company (FMO)

Private Actors Description

It is a co-investment with a Dutch enterprise, Royal Friesland Campina N.V., and IFC to acquire a 51 percent controlling stake in a large publically listed leading Food & Beverage company Engro Foods Limited in Pakistan. FMO has invested EUR 40 million.

Contact Information

No contact information provided at the time of disclosure.

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism