

Asec Minya Cement Co - AMCC

Basic Information

Project name: Minya Cement Plant

Borrower: Asec Minya (formal Arab Minya Cement Co) - AMCC

Sponsor: Qalaa Holding and Safari Investments

Sector: building material

Country: Egypt

Financial Product: Project Finance

AlexBank – Intesa Sanpaolo's role: participant

Equator Principles category: B

Project overview

As part of a big Group (Asec Cement Group) the strategy is to construct a 'Greenfield' cement plants in high growth markets of MENA region. AMCC has acquired a license in November 2007 to establish a cement production plant with a 1.8 Mtpa design capacity in El Minya Governorate. The Estimated total project cost was EUR 230.5 million including license fee (of approximately EUR 25M), with initially proposed funding structure: 40% equity versus 60% debt.

Summary of Key Environmental Impacts and Risks

The Arranger has provided a report, issued in April 2010 by EcoConServ, an Egyptian consultant for environmental issues, which claims that the project is abiding by the Equator Principles.

In particular the reports highlights that:

- the selected location lies in a dry desert area 13 km away from the River Nile, without any residential activity. In fact the nearest populated area is about 18.5 km South East (Matay City), while to the East is El_Sheikh Hassan village at 12.5 km
- the facility will apply the most up-to-date technology utilized in the field of cement industry (Best Available Technology-BAT, Best Environmental Practice-BEP). Its impact on the surrounding environment is insignificant and in total compliance with EEAA regulation and IFC guidelines
- an Environmental Impact Assessment (EIA) report has been prepared and submitted to the Egyptian Environmental Affairs Agency (EEAA) for revision and approval; this approval certifies that the project complies with all the applicable environmental laws and regulations of the Government of the Arab Republic of Egypt (GOE) and that all the mitigation measures stated in the environmental management plan will guarantee that the project will address all the possible associated adverse social and environmental impacts.

Positive Impacts

As the only cement plant in Minya producing Grey cement, ASEC Minya is perfectly positioned to serve other high-demand markets across Upper Egypt. The plant has created 400 direct and 800 indirect jobs in Minya at a time when the Egyptian economy is struggling to regain strength after the country's second revolution in two years.

Since the start of the project, ASEC Minya has played an active role in the development of the governorate with important initiatives in support of educational and athletic programs in schools and universities across the governorate.