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Baker McKenzie acts for facility agent and lenders in the project financing of the largest beet sugar factory in the world

Cairo, Egypt, 13 May, 2022 – Helmy, Hamza & Partners, Baker McKenzie's Cairo office, has acted as English law and Egyptian law counsel to the lenders, in relation to the financing of Canal Sugar's project for the development of a large-scale agricultural farm (approximately 188,000 acres) in Minya, Egypt, to produce, amongst other things, beet sugar; combined with a sugar beet processing plant with a production capacity of 937,000 metric tons of refined white sugar and additional by-products capacity for molasses and beet pulp . The syndication was led by National Bank of Egypt and includes Qatar National Bank Al Ahli, African Export-Import Bank, Banque du Caire, Suez Canal Bank, the United Bank, Arab Investment Bank, Agricultural Bank of Egypt, Industrial Development Bank and Housing & Development Bank. The project, when fully operative, will be the largest beet sugar factory in the world.

The financing is comprised of four facilities, including a EUR 135 million facility funded by National Bank of Egypt and African Export-Import Bank through an on-lending arrangement with a group of German banks, and supported by a guarantee from the German export credit agency, Euler Hermes. A second facility of USD 56 million is funded by National Bank of Egypt and supports a murabaha financing from the Saudi Development Fund. The financing also includes a USD 67 million facility and an EGP 7.457 billion facility, both extended by the Egyptian banks participating in the transaction.

The facilities will be used partly to finance the ongoing investment costs in respect of Canal Sugar's industrial and agricultural beet sugar complex and partly to refinance bridge facilities extended to Canal Sugar in 2019. The total investment cost of the project is approximately USD 1 billion. Once fully operative, the project will enable Egypt to become a sugar exporting country.

The financing documents were signed on 13 December 2021 and financial closing was achieved on 10 April 2022.

Commenting on this highly important transaction, Mohamed Ghannam, Managing Partner and Head of Projects at Helmy, Hamza & Partners, Baker McKenzie Cairo said: "We are very pleased to have been able to draw on our strong project financing capabilities where we have covered the English and Egyptian law aspects of the financing and work in close collaboration with our clients to see a successful and rapid development on this crucial project. This landmark project will be pivotal to the Egyptian economy with an aim to bridge the gap between sugar production and consumption and therefore be the first strategic commodity that will allow the country to achieve self-sufficiency in addition to the creating many job opportunities. We congratulate our clients and all stakeholders for reaching this important milestone."

Helmy, Hamza & Partners, Baker McKenzie Cairo, team was overseen by Managing Partner and Head of Projects Mohamed Ghannam and led by Counsel Victoria Long and Senior Associate Mohamed Elharmy and supported by Associates Ahmed Shehata and Khadija Eino. The UAE law aspects of the financing were covered by Habib Al Mulla & Partners, Baker McKenzie Dubai and the team was led by Sandeep Puri (Partner) and supported by Sabina Passi (Senior Associate), Farah Abed (Associate) and Marilyn Acquah (Trainee Solicitor).

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Notes to Editor:

About Helmy, Hamza & Partners, Baker McKenzie Cairo

Helmy, Hamza & Partners, Baker McKenzie Cairo is one of the oldest established international law firms in the Egyptian legal market. Combining in-depth knowledge of local laws with the experience of a global firm, we help you navigate the legal and business landscape in Egypt and worldwide.

Baker McKenzie Cairo currently employs approximately 38 lawyers, all of whom have an outstanding knowledge of the local legal, business, social and cultural environment. While most of us are Egyptian by training, we are all international and global in our know-how, experience and practice.

Collaborating with colleagues in other firm offices as well as with local law firms where needed, we can seamlessly guide you through the intricacies of Egypt's regulatory environment without the interface issues that can occur between international and local counsel. Working as a cohesive team means we can provide efficient, high-quality service with less duplication.

We have unrivalled international resources across 78 offices worldwide. Practicing in Egypt since 1986, our firm is deeply committed to furthering your business interests both within the Middle East and globally.