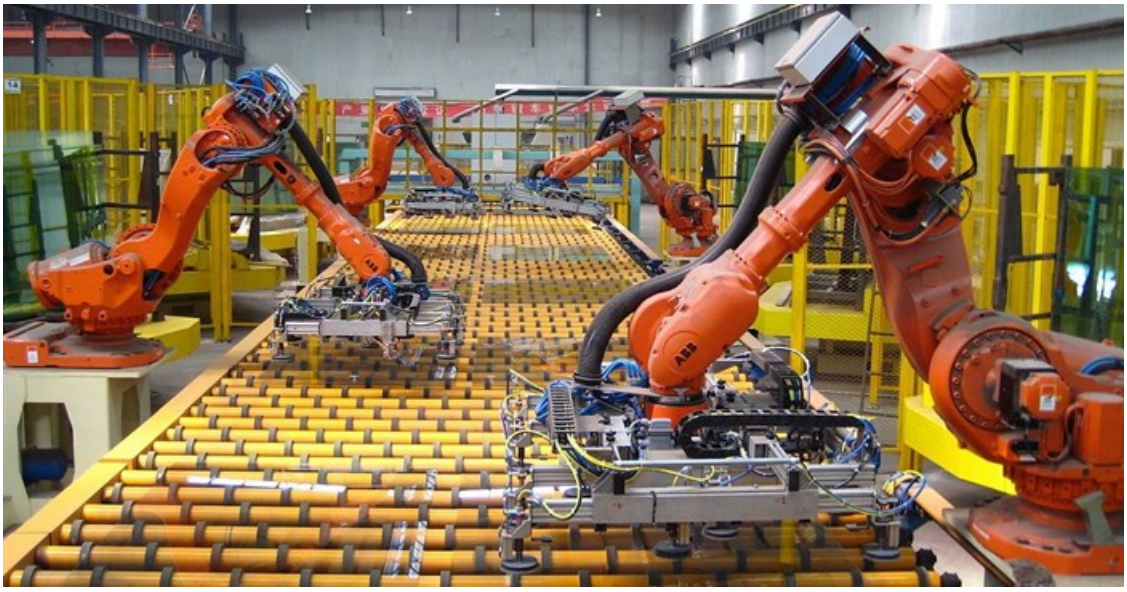
MIGA backs Nigerian float glass plant

A member of the World Bank Group, the Multilateral Investment Guarantee Agency (MIGA) has issued guarantees amounting to $71.9m in support of Nigeria's first float glass plant.



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The guarantees, supporting construction, operation and maintenance, cover a loan by China Development Bank, and an equity investment and non-shareholder loan by CNG (Nigeria) Investment respectively.

Local glass supply chain

When completed, the plant will have a capacity of 500 tonnes per day, producing tinted glass and solar control coated glass. The factory will contribute to the development of the local glass supply chain, sourcing 80% of its raw materials domestically, and further supporting the development of the local network of glass distributors and traders downstream.

The project sponsor, China Glass Holdings Limited (CGHL), will transfer proprietary energy efficient technology from China to Nigeria, and provide technical training to local staff.

Some 80% of production is expected to be sold locally to meet rapidly rising domestic demand, while the balance will be exported to other countries in West Africa.

High demand for float glass

Nigeria’s infrastructure development has led to high demand for float glass, however, most supply at present is through imports, and is insufficient to meet domestic needs.

“This project helps Nigeria diversify away from the oil and gas sector,” said Keiko Honda, CEO and executive VP of MIGA. “It will also help integrate domestic and regional markets, and stimulate entrepreneurship, consequently contributing to growth and job creation.”

MIGA is providing guarantees for up to 10 years against transfer restriction, expropriation, and war and civil disturbance. The guarantees cover 90% ($38.7m) cover on equity, and 95% ($32.2m) on debt.

“MIGA’s political risk insurance cover is a critical component of our overall risk management framework within Nigeria,” said Cui Xiangdong, CEO of CGHL.

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