



MANUFACTURING

The manufacturing sector plays a vital role in creating opportunity and reducing poverty in developing countries. IFC's manufacturing clients tend to create or maintain more employment (including indirectly, through third-party distribution channels) than those in any other sector.

We have increased our activities in the sector, which includes construction materials, energy-efficient machinery, chemicals, and equipment for solar and wind power. We invest in companies that are developing new products and markets, and restructuring and modernizing to become internationally competitive.

We focus on manufacturing clients that are—or can be—strong players in their local markets. In middle-income countries, we increasingly support local second-tier companies and cross-border investments. As these industries represent some of the most carbon-intensive sectors, we are helping clients develop and undertake investments that help reduce carbon emissions and energy consumption.

In FY12, our new commitments in the manufacturing sector totaled slightly more than \$1 billion, or nearly 7 percent of commitments for IFC's own account.



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MANUFACTURING / KEY DATA FOR FY12

FY12 Development Outcome Scores



Project Financing and Portfolio, by Industry

Manufacturing		
\$ millions, for the years ended June 30		
	FY12	FY11
IFC commitments	1,021	830
Loans	838	689
Equity	179	141
Guarantees and risk management	4	NA
Core Mobilization Commitments*	534	490
Total commitments	1,555	1,320
Committed portfolio for IFC's account	5,578	5,095
Committed portfolio for Loan Syndications**	1,738	1,806
Total portfolio	7,317	6,901

*Including Loan Syndications (B-Loans, Parallel Loans and ALPS), IFC Initiatives, AMC, and Other Mobilization by Decision, as applicable for this Industry.

**B-Loans, ALPS and Agented Parallel Loans.

Development Reach

Manufacturing	Portfolio		New Business
	CY10	CY11	FY12
Employment	356,172	368,551	7,635
Female Employment	78,719	73,457	456
Net Income (\$ million)	3,758	3,521	NA
Net Sales (\$ million)	50,945	64,843	NA
Domestic Purchase of Goods and Services (\$ million)	21,510	30,241	345
Payments to Government (\$ million)	2,492	2,826	65



GALAXY CHEMICALS CREATES JOBS, BOOSTS CONFIDENCE IN EGYPT

Despite his engineering degree, Mohamed Youssef Sallam, 27, faced dim job prospects—until he was recruited by Galaxy Chemicals Egypt, an IFC client.

Galaxy changed his life, says Sallam. He is now an electrical engineer at Galaxy Chemicals, able to provide a better life for his wife and two-year-old son.

Our work with Galaxy demonstrates how IFC is helping restore investor confidence in the Middle East and North Africa, and providing comfort in an environment where perceptions of political risk are on the rise.

Galaxy Chemicals is a subsidiary of India's Galaxy Surfactants, a manufacturer of specialty chemicals. The venture marked the Indian company's first foray into an overseas market, mobilizing South-South investment and helping Egypt diversify its manufacturing base, says Galaxy Egypt Managing Director Vaijanath Kulkarni.

IFC provided \$20 million in financing to the company, helping it set up a plant in the free trade zone near the Suez Canal. When complete, the factory will produce 92,000 metric tons per annum of foaming agents for home and personal-care products, such as toothpastes, shampoos, liquid soaps, and detergents.

The project created 130 jobs and generated new employment opportunities in industries that supply the facility.

Galaxy is replacing petroleum-based chemicals with sustainable plant-based chemicals made from palm kernel oil. By setting up the plant in Egypt and moving the finished product closer to the consumer, the company has significantly reduced its carbon footprint.

The company's focus on employee health and safety and regular training also has raised standards for the industry.