Why Manufacturing Matters: A Value Chain Reaction

Manufacturing lies at the core of the global economy. Manufacturers bolster demand for raw materials, energy and technology, and they develop relationships and partnerships with suppliers around the world. Their influence ripples up the value chain, encouraging technological and social changes.

Very often, a worker’s first experience with the formal economy is on a factory floor. Through manufacturing jobs, people may get their first opportunities to acquire insurance, access financial services, and learn about sustainability concepts. The manufacturing sector employs a large number of women and hires employees at every phase of the skills spectrum, helping foster and build a more dynamic, diverse and sophisticated workforce.

The jobs that manufacturers create and the products they produce help move countries out of poverty and into the global markets. Today, manufactured products account for 70 percent of merchandise exports.

IFC’s engagement with manufacturing focuses on developing production complexity, product complexity and value chain complexity to help countries develop and expand their economies. At IFC, we invest in and advise companies that produce base materials and that manufacture a wide array of products, including chemicals, construction materials, automotive parts, textiles and more. Our investments help manufacturers create safer working environments, improve food and water safety, reduce greenhouse gas emissions, boost recycling and renewables use, create better pricing, and foster innovation via new technologies. IFC is invested in increasing shared prosperity and reducing poverty while supporting the Sustainable Development Goals.

Manufactured goods remains the most important sector for developing economies overall.

World Trade Organization, 2018
Our Approach

IFC’s approach with manufacturers is focused on jobs, productivity and sustainability. We help countries innovate their manufacturing sectors as a means to develop more efficient and complex economies. We do this by leveraging funding opportunities, facilitating technology transfers, arranging skills training initiatives and offering strategic guidance.

IFC provides loans and underwrites investments on our own and in partnership with other investment organizations and financial institutions. Equally important to our core approach is our advisory services. We help companies identify investment opportunities, reduce risks, innovate solutions, enter new markets and improve environmental, social, labor and corporate governance standards.

Clients value IFC as a long-term partner with global expertise. We work with partners to mobilize funding that is not easily or readily available elsewhere.

We bring together public and private stakeholders and international partners to build consensus and help countries produce more complex products using more complex processes and more complex value chains.

Sustainability is a key part of our work. IFC helps manufacturers modernize and become more energy efficient. We finance projects that improve environmental, health and safety performance. IFC has been an active investor in renewables and has financed solar photovoltaic technology, for example, since 1989.

Our approach is designed to encourage an industry-wide shift to safe, sustainable and profitable production in emerging market economies.

IFC Manufacturing Portfolio

We currently have $3.9 billion committed in investment in 180 manufacturing projects around the world, including in many of the poorest countries.

We are invested in private sector manufacturing in Albania, Argentina, Bangladesh, Bosnia and Herzegovina, Brazil, Bulgaria, Cameroon, China, Cote D’Ivoire, Czech Republic, Democratic Republic of Congo, Egypt, Ethiopia, Georgia, Ghana, Guatemala, Haiti, India, Indonesia, Jordan, Kazakhstan, Kenya, Kosovo, Liberia, Mali, Mexico, Mozambique, Myanmar, Nigeria, North Macedonia, Pakistan, Papua New Guinea, Russian Federation, Senegal, South Africa, Sri Lanka, Tajikistan, Tanzania, Thailand, Tunisia, Turkey, Ukraine, Uzbekistan, Venezuela, West Bank and Gaza, and Yemen.

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IFC—a sister organization of the World Bank and member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets.