

Gabon Special Economic Zone issues first tranche of XAF 33 billion (USD 57 million) corporate bond programme, guaranteed by GuarantCo, which will finance investment in logistics infrastructure

First 10-year tenor local currency infrastructure bond in Gabon, the CEMAC* region and Francophone Africa

For Immediate Release

London, 19 December 2018 – GuarantCo has partnered with the Gabon Special Economic Zone (GSEZ), a joint venture between Olam International, African Finance Corporation and the Government of Gabon, to finance logistics infrastructure which will support the country’s industrial competitiveness and build a business-friendly ecosystem. GSEZ provides critical infrastructure to companies in Gabon which would otherwise not be able to develop it themselves, particularly small and medium enterprises (SMEs) which are key to creating economic activity and employment.

GuarantCo, a Private Infrastructure Development Group (PIDG) company, has credit enhanced the first XAF 14.3 billion (USD 24.7 million) tranche of a total XAF 33 billion (USD 57 million) corporate bond programme being used to finance GSEZ’s investment in logistics infrastructure which will support the forestry industry and improve the national railway service capacity. The project will also benefit the wider CEMAC region; supporting the rail logistics capacity to increase efficiency and scale of trade.

The success of the first 10-year tenor local currency infrastructure bond in Gabon, the CEMAC region and Francophone Africa, is a powerful example of the potential of the local African debt capital markets to play a significant role in addressing the infrastructure deficit and alleviating poverty on the continent.

Lasitha Perera, CEO of GuarantCo, said: “We are delighted to have guaranteed the first XAF 14.3 billion tranche of the XAF 33 billion corporate bond programme for the Gabon Special Economic Zone to finance logistics infrastructure. The project will not only generate employment but also supports the acceleration of the country’s economic transformation. This bond, a first of its kind, was subscribed to by a combination of local banks and institutional investors. For many of the latter this is the first non-government bond that they had invested in and GuarantCo’s role in the transaction included helping to educate the market. Building the capacity of local capital markets to be part of the solution for alleviating poverty in Africa speaks to the heart of PIDG’s mission.”

Gagan Gupta, CEO of GSEZ, said: “We are very pleased to launch our maiden 10-year corporate bond and are particularly excited to have found a partner in GuarantCo for this first guaranteed local currency bond issue. GSEZ which started as one business one country infrastructure company has transformed itself into a multi-country and multi-business company in span of less than 7 years. This bond issue will allow us to diversify the sources of financing of our infrastructure projects and support our ambition to become one of the leading integrated logistics players in Africa. It will allow us to invest in additional critical infrastructure that are key to unlock the continent’s full economic potential. This bond issuance guaranteed by GuarantCo is also a first in our region. As such, we are proud to participate in the development and the sophistication of the regional financial market, with this new instrument supporting the financing in local currency.”

*Cameroon, the Central Africa Republic, Chad, Equatorial Guinea, Congo and Gabon

ENDS

Contact for GuarantCo

Marjolein van Kampen-Brooks

Head of Communications

M: 00 44 7388 857097

E: marjolein.kampen-brooks@guarantco.com

Contact for PIDG

Katharine Rooney

Head of Communications

M: 00 44 7739 749022

E: katharine.rooney@pidg.org

Contact for Gabon Special Economic Zone

Sarah Adnane

Head of Communications

M: 00 241 02 000 699

E: sarah.adnane@olamnet.com

Notes to editors

About GuarantCo

GuarantCo mobilises private sector local currency investment for infrastructure projects and supports the development of financial markets in lower income countries across Africa and Asia. GuarantCo is part of the Private Infrastructure Development Group (PIDG), is supported by the governments of the UK, Switzerland, Sweden, the Netherlands and Australia, and is rated AA- by Fitch and A1 by Moody's.

www.guarantco.com

About PIDG

The Private Infrastructure Development Group (PIDG) encourages and mobilises private investment in infrastructure in the frontier markets of sub-Saharan Africa, south and south-east Asia, to help promote economic development and combat poverty. Since 2002, PIDG has mobilised \$33.7bn from private sector investors and DFIs, supported 170 infrastructure projects to financial close and provided 231 million people with access to new or improved infrastructure. PIDG is funded by donors from seven countries (UK, Switzerland, Australia, Norway, Sweden, Netherlands, Germany) and the World Bank Group. www.pidg.org

About Gabon Special Economic Zone

Gabon Special Economic Zone (GSEZ) is a joint venture between Gabonese Republic, Olam International and African Finance Corporation with a mandate to develop infrastructure in the country to enhance the country's industrial competitiveness and build a business-friendly ecosystem. GSEZ is the operational company for Nkok Special Economic Zone and also serves as the parent company for GSEZ's other infrastructure projects. www.gsez.com