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IFC CEO Signs \$20 Million Investment to Support Construction Sector in Egypt



The FINANCIAL -- IFC, a member of the World Bank Group, is investing \$20 million in Hassan Allam Holding (HAH), one of Egypt's largest private construction companies, to support and strengthen Egypt's infrastructure and promote job creation.

HAH has more than 16,000 employees and workers and specializes in building large-scale infrastructure projects, including power plants, roads and water treatment plants. IFC's support is designed to help Egypt address a chronic shortage of key

infrastructure facilities. Inadequate investment in key infrastructure sectors and the resulting supply-side bottlenecks have generated high inflation and undermined poverty reduction.

The construction sector is also a key source of jobs. In Egypt, it employs 10 percent of the country's workforce. Investments in the sector can spur massive gains in job creation. In the short run, every \$1 billion invested in infrastructure can generate almost 50,000 jobs in the Middle East and North Africa's oil-importing countries, like Egypt, according to IFC.

“Infrastructure is vital for Egypt's continued growth,” said Kamal Allam, HAH’s Chairman. “This partnership with IFC demonstrates the potential of private sector groups, like ours, to deliver important large-scale infrastructure projects. It also helps our transformation from a family business into a corporate institutional structure by adopting benchmark corporate governance standards to support future plans and ambitions.”

The investment is part of the World Bank Group’s strategy in Egypt to support private industries with the potential to create jobs, while helping increase the competitiveness of the country’s growing construction sector.

“Infrastructure is the foundation on which economies—and societies—are built. Without roads, power plants and other infrastructure, countries are unable to spur economic growth and fight poverty,” said Philippe Le Houérou, Executive Vice President and CEO of IFC, the largest global development institution focused on the private sector in emerging markets. “This partnership will help address Egypt’s infrastructure needs, boost employment and unlock the country’s economic potential.”

The investment comes amid a wider push by IFC to combat poverty and boost shared prosperity in Egypt. Between fiscal years 2011 and 2016, IFC’s investments in the country totaled close to \$1.5 billion, including financing mobilized from other investors. These investments covered 18 projects across a host of sectors, including financial markets, infrastructure, oil and gas, agribusiness, manufacturing, and health care.

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