



International Finance Corporation

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IFC ASSISTS CYPRUS INDUSTRY \$733,000 FOR ASBESTOS-CEMENT PROJECT

The International Finance Corporation (IFC), an affiliate of the World Bank, is joining Cypriot and Swiss investors in establishing a \$3.4 million plant to manufacture asbestos-cement high pressure pipe that will help meet Cyprus' domestic needs and will save nearly \$2 million a year through substitution for asbestos pipe that would otherwise have to be imported.

The IFC investment of up to \$733,000 is being made in Cyprus Pipes Industries Limited, a new company, and consists of \$500,000 in loan, \$136,000 in equity, and \$97,000 in standby commitments to help support a local offering of the company's stock and to help meet any deficiency of funds required for the project. In addition to IFC's loan, Barclay's Bank, Cyprus, is lending \$1,040,000 equivalent in local currency and the Cyprus Development Bank is lending \$500,000.

The project's principal private sponsor, Cyprus Cement Company, is providing \$340,000 equivalent of the equity financing. The project's technical sponsor, Eternit AG of Switzerland, will subscribe to \$204,000 of equity. Twenty percent of the Company's equity worth \$272,000 will be offered to local investors.

Equity financing is also being provided by the Government of Cyprus, \$272,000, and the Cyprus Development Bank, \$136,000. IFC is a shareholder in Cyprus Cement Company and, in 1972, helped to finance an expansion project that more than tripled its cement capacity.

The Cyprus Pipes Industries' plant will be the island's first for manufacturing asbestos-cement high pressure pipe. As such, it represents the introduction of new industry into Cyprus. At full capacity the plant will produce some 6,500 metric tons per annum of 100mm to 600mm diameter pipe using the Dalmine-Amanzio process.

Eternit will provide engineering and construction supervision, as well as long-term technical assistance. The plant will be located about 11 miles east

of Limassol on the south coast of Cyprus.

The project fits within the Government's development program and is expected to benefit the economy by providing pipe for irrigation, sewerage and other water distribution programs. It will utilize domestic raw materials except for imported long fiber asbestos.

(Any inquiries strictly relating to IFC's participation in this project should be directed to the IFC Information Office, 1818 H Street, N.W., Washington, D.C. 20433, Telephone (202) 477-6247.)