

The European Bank for Reconstruction and Development (EBRD) is supporting the modernisation of the Slovenian steel sector by investing €8.5 million in bonds issued by SIJ-Slovenska Industrija Jekla d.d., the largest specialised steel manufacturer in the country. The EBRD subscription is approximately 17 per cent of the total €51 million issue. The bonds will be listed on the Ljubljana Stock Exchange. The investment will contribute to the further development of Slovenia's capital market by fostering successful non-sovereign issues with longer maturities.

Proceeds from the EBRD's investment will be used to support SIJ's development and modernisation programmes, including the installation of an argon oxygen decarburisation furnace, with the broad aim of increasing efficiency and reducing energy and water consumption. SIJ will undertake additional commitments to improve the management of their environmental, health and safety systems.

SIJ has a strong record in implementing industrial modernisation projects in Slovenia. As well as supporting the company in implementing the next stage of its development, the EBRD sees this engagement as an opportunity to work with the company to execute a multi-year investment programme to drive SIJ's production and sustainability standards towards international best practice.

Jolanta Gabriel, EBRD Head of Office in Slovenia, said: "We are impressed with the efforts SIJ is making to be at the forefront of the specialised steel market. The investment programme will enable the company to extend its leadership in high value-added steel products. This serves an example for the whole industry in Slovenia and the EBRD is proud to support it."

Anton Chernykh, CEO of SIJ-Slovenska Industrija Jekla d.d., added: "We are very satisfied with our cooperation with the EBRD which allows us to strengthen our growth by implementing high standards in our environmental and social policies. The EBRD's participation in the financing of our group will have a very positive impact on the products we develop and the implementation of our strategic objectives."

This is the EBRD's first acquisition of Slovenian corporate bonds. The Bank's funds are extended through an investment in SIJ's offering of 4.0 per cent notes due in July 2020. SIJ-Slovenska Industrija Jekla d.d. is one of the leading European niche manufacturers of specialised steel products. With more than 3,100 employees, it is also one of the largest employers in Slovenia.

The EBRD has been active in Slovenia since 1991 and has invested in all sectors of the economy. Since the beginning of its operations, the Bank has invested €818 million in 69 projects in the country.



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source: balkans.com