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EBRD supports pulp and paper mill in Bosnia and Herzegovina *€11 million loan to Natron Hayat*

The EBRD is providing an €11 million loan to Natron Hayat, a pulp and paper mill located in Maglaj in central Bosnia and Herzegovina, to support the company's further growth and development in line with EU standards.

Natron Hayat is a producer of various paper and cardboard products. Previously state-owned, the company was privatized in 2005 and is now owned by KEAS, Turkey's leading forestry and paper products producer.

The EBRD financing will be used for permanent working capital, supporting the company's strategy to expand its production volume and boost its sales to export markets.

In addition, the project will help Natron Hayat review the energy use within its operations and assess measures and investments aimed at optimising on-site energy generation and improve the energy efficiency of its facilities. Furthermore, the project will also assist Natron Hayat in raising the company's health and safety standards.

The project represents a follow-up investment after the Bank provided in 2006 an €11 million loan to restart a pulp production line at Natron Hayat and to support the renovation of company's facilities.

"The EBRD is pleased to support Natron Hayat in its drive to increase production volumes and raise energy efficiency and environmental standards. Supporting the development of industrial projects in private sector with a particular focus on export revenue generation possibilities is one of the EBRD's key priorities in Bosnia and Herzegovina", said Frederic Lucenet, EBRD Director for Manufacturing and Services.

Yıldırım Aktürk, President of the supervisory board of Natron Hayat, added that "the project represents a milestone in the deepening of our relationship with the EBRD. The loan does not only provide our company with the resource to boost our performance in the face of growing competition. It also provides us with strong confidence for our future plans to have the EBRD as our committed long-term partner."

Since the beginning of its operations in Bosnia and Herzegovina, the Bank has committed over €1.3 billion in various sectors of the country's economy, mobilising additional investment of over €1.5 billion.

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