



EBRD aims to finance Al Dahra's expansion in Romania and Serbia

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The European Bank for Reconstruction and Development (EBRD) will decide on July 21 whether to extend two loans with a total amount of €54mn to companies in the Al Dahra group of companies, a leading global agribusiness player headquartered in Abu Dhabi.

The loans are aimed at financing the group's expansion in Romania (crop production mainly, including logistics) and Serbia (crop production and processing).

Al Dahra is owned by Sheikh Mohammed bin Zayed Al Nahyan, and part of Al Ain Holding. In 2018, the company acquired Serbia-based agricultural company Poljoprivredna Korporacija Beograd (PKB) for just over €100mn and Agricost farms in Romania for over €200mn. Four years earlier, Al Dahra had bought 51% of Serbia's Rudnap Agrar from its 100%-owner Rudnap Group, which is controlled by Serb businessman Vojin Lazarevic.

PKB was the biggest agricultural company in former Yugoslavia and now is the biggest in Serbia, with 29,000 hectares of land near Belgrade. Agricost holds a long-term concession contract with the Romanian state for 57,000 hectares of land on a Danube island, the biggest plot of land in Europe. In both countries, Al Dahra promised big investments: €500mn in Romania and the development of an industrial complex of 10 independent biogas plants in the Serbian capital Belgrade.

One of the EBRD loans, in the amount of €20mn, would be extended to Agricost to finance new storage facilities needed in the context of rising alfalfa production volumes over the next five years. Increased storage will enable Al Dahra to better position itself on the global alfalfa market during the low supply winter period.

The other loan considered by the EBRD would be for Al Dahra Serbia (ADS), an agribusiness company with operations near Belgrade.

In contrast to the Romanian subsidiary of Al Dahra, ADS is a vertically integrated agribusiness company involved in primary agriculture activities, livestock and dairy farming.

Proceeds from the loan would enable ADS to finance investments in crop farming improvements, a new alfalfa factory, an animal feed factory and the modernisation of its dairy farm operations.