



Dutch Good Growth Fund

Part of DGGF

Export credit insurance of an export transaction from a Dutch exporter.

Title

DGGF20180207 Food processing machines in Kenya

Exporter

Gea Food Solutions Weert B.V., Weert

Country of investment

Kenya

Sector

Food processing machines

Contract amount

Maximum indemnification: EUR 1.082.152,--

Period

Manufacturing period: 0 months

Credit period: 60 months

Parties involved

Debtor: Kenya Sweets Limited, Nairobi

Impact on development

Job creation

The transaction is part of an expansion project in which a new factory will be built in which the lollipop processing machines will be installed. The present transaction will contribute to direct employment growth; according to the exporter's statement, direct employment will be around 19 FTEs. It is expected that the entire expansion project, where a new factory will be built for the production of sweets, will create additional employment for approximately 23 FTEs.

Increasing the strength of production

The production power is strengthened by the delivery of the lollipop processing machines. We have received the following information from exporter:

The process of producing lollipops involves three steps: forming, cooling and packaging. The machines have different capacities, with the lowest determining the final output volume per minute, the packaging machines have the lowest capacity, namely max. 800 lollies per minute; the other machines have a maximum production capacity of 2,100 lollies per minute. The current capacity of this production line is tailored to the wishes of the customer. Warm raw material (sugar mass) is supplied to the forming machine, which determines the shape of the

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lollipop and adds the stick. These preformed lollipops then go into a chiller to allow them to harden. After this machine the lollipop is provided with packaging (foil around the lollipop). The packaging of the lollipops in bags is done by existing machines. This production capacity can easily be increased with a small additional investment (placing an extra packaging machine)

Sharing of knowledge, skills and techniques

The machines are technically of high quality and their design conforms to the high European standards and guidelines in the field of efficiency, hygiene and safety.

The exporter has confirmed that it will facilitate training for the local staff to ensure that the employees who will operate the machines and those who will maintain the machines have sufficient knowledge and expertise to continue the production process. The exporter will also continue to provide technical advice during the operational period, in addition to spare parts, to support the company in the operational field.

Working with the new machines will lead to a higher level of knowledge in the area of the food processing process among operators, technical service and cleaning staff.

Risk category

The transaction concerns food processing machines from GEA food solutions on Kenya Sweets in Kenya and has a value of EUR 936,250. As this remains below the threshold of 1 million euro for DGGF transactions and it does not concern a sensitive area or sector, only an exporter assessment has been carried out.

The exporter has CSR in the organization and has set up its management system in accordance with various international standards (including ISO, UN Global Compact, ILO, OECD guidelines). Based on the foregoing, the environmental and social risks associated with the transaction are assessed as acceptable

Description

The transaction concerns the delivery of a line arrangement of lollipop processing machines to expand the existing factory of Kenya Sweets in Nairobi / Kenya (hereinafter referred to as 'KS'). These are three main machines, namely: a forming machine, cooling machine and a packaging machine. The project to which the machines are delivered involves a new production line to be able to produce lollies with a high capacity.



Rijksoverheid

