



## **Dutch Good Growth Fund**

### **Part of DGGF**

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

### **Title**

DGGF102537920190820 Electrical tools to India

### **Exporter**

Ferm B.V., Zwolle

### **Country of investment**

India

### **Sector**

Electric tools

### **Contract amount**

Maximum indemnification: USD 933.000,-

### **Period**

Manufacturing period: 0 months

Credit period: 18 months suppliers credit

### **Parties involved**

Debtor: Ferm India, Bangalore, India

### **Impact on development**

Job creation

Currently, 37 FTEs work for Ferm India. This transaction is expected to lead to a growth in local employment. An estimate is that this will create 9 extra jobs (5 men and 4 women). The transaction is also expected to have a positive impact on indirect employment. (At the moment there is no estimate of the numbers.)

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Increasing the strength of production

In addition to the growth in employment, the sales and profits of the buyer are also expected to increase. Given the purchase value of sales of USD 1 million, the sales of the buyer will increase. In addition, the profit that the buyer makes on this transaction enables the buyer to grow further in the short term. This also applies to buyers of buyers, as projects with the right power tools can be realized faster and better. The end users will also generate additional demand for spareparts. Exporter indicates that he expects to export a total of USD 3 million to India in 2020.

DGGF17366720180612 Electrical tools - India



### Sharing of knowledge, skills and techniques

Technologies and innovations developed in the Netherlands lead to greatly increased productivity for the Indian construction / industry. This transaction promotes the transfer of technological knowledge that is tailored to the local situation. Exporter provides training to the team of engineers and sales people at Ferm India and in this way these people are trained on a European level. On the other hand, local needs for adaptation are reported by Ferm India to the employees of the exporter. He then investigates whether an adaptation of the products can be made for this special market in order to make the tools in question even better suited to the Indian market.

### Risk category

This DGGF application from Ferm BV concerns the supply of power tools to Ferm India in India. This transaction does not concern activities listed on the FMO exclusion list. The requested transaction has a value of USD 2 million. As this exceeds the threshold value of 1 million euros for DGGF transactions, an environmental and social assessment has been carried out. As we do not expect any adverse effects from the distribution and sale of power tools, the project is classified as a C.

### Description

The transaction involves the supply of power tools, including coaching and training.

