



Dutch Good Growth Fund

Part of DGGF

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

Title

DGGF107305320200518 Lollypop machines in Egypt

Exporter

Gea Food Solutions Weert B.V., Weert

Country of investment

Egypt

Sector

Food processing machines

Contract amount

Maximum indemnification: EUR 454.551,-

Period

Manufacturing period: 14 months

Credit period: 36 months

Parties involved

Debtor: HMTO for Import and Export Co. Mr. Hussein Abbas Ahmed & Mohammed Hemdan Ahmed, Giza, Egypt

Impact on development

Job creation

According to the statement of the exporter, this transaction to be insured will create six direct (full-time) jobs, one of which is for a woman. Indirect jobs are also likely to be created in the chain.

Increasing the strength of production

The estimation investment in the packaging machine will increase the gross margin of the debtor by 35%.

Sharing of knowledge, skills and techniques

By using modern machines built in accordance with European standards for efficiency, hygiene and safety, the level of knowledge of the operators, technical service and cleaning staff will increase.



Other positive effects

Since the machines are efficient in use, less waste is produced. We assess this as beneficial to the environment.

Risk category

For this transaction (<€ 10 million, no sensitive sector), only a CSR-E assessment has to be carried out. This was previously done for another GEA transaction. The conclusion of this assessment is acceptable CSR-risk. This assessment is still valid.

Description

This transaction concerns the supply of machines to produce lollipops, including the installation. The machines are produced by GEA Food Solutions in Weert and are supplied to the Egyptian confectionery producer HMTO for import and export co. (hereinafter HMTO). The exporter wants to offer a 3-year supplier credit to his customer and will charge an interest of 8% for this. The home bank of exporter has indicated that they were not interested in discounting the bills of exchange as a result of the small size of the transaction. Exporter requests us to insure the credit risk and the bills of exchange to be discounted upon delivery.





Ministry of Foreign Affairs