

MIRA INFORM REPORT

Report No. :	522591
Report Date :	07.08.2018

IDENTIFICATION DETAILS

Name :	FOOD INTERNATIONAL LLC
Registered Office :	International Building, Zuun Altan, Erdenetolgoi Street, Bayanzurkh District, 22th Khoroo, Ulaanbaatar 13260
Country :	Mongolia
Date of Incorporation :	10.03.2010
Com. Reg. No.:	9011663014
Legal Form :	Limited Liability Company
Line of Business :	<ul style="list-style-type: none"> Trading as importers and distributors of foodstuffs mainly confectionery and canned fish. Agents involved in the sale of food, beverages and tobacco
No. of Employees :	42

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES:

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Any query related to this report can be made on e-mail: infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Mongolia	B2	B2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

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MONGOLIA - ECONOMIC OVERVIEW

Foreign direct investment in Mongolia's extractive industries – which are based on extensive deposits of copper, gold, coal, molybdenum, fluorspar, uranium, tin, and tungsten - has transformed Mongolia's landlocked economy from its traditional dependence on herding and agriculture. Exports now account for more than 40% of GDP. Mongolia depends on China for more than 60% of its external trade - China receives some 90% of Mongolia's exports and supplies Mongolia with more than one-third of its imports. Mongolia also relies on Russia for 90% of its energy supplies, leaving it vulnerable to price increases. Remittances from Mongolians working abroad, particularly in South Korea, are significant.

Soviet assistance, at its height one-third of GDP, disappeared almost overnight in 1990 and 1991 at the time of the dismantlement of the USSR. The following decade saw Mongolia endure both deep recession, because of political inaction, and natural disasters, as well as strong economic growth, because of market reforms and extensive privatization of the formerly state-run economy. The country opened a fledgling stock exchange in 1991. Mongolia joined the WTO in 1997 and seeks to expand its participation in regional economic and trade regimes.

Growth averaged nearly 9% per year in 2004-08 largely because of high copper prices globally and new gold production. By late 2008, Mongolia was hit by the global financial crisis and Mongolia's real economy contracted 1.3% in 2009. In early 2009, the IMF reached a \$236 million Stand-by Arrangement with Mongolia and it emerged from the crisis with a stronger banking sector and better fiscal management. In October 2009, Mongolia passed long-awaited legislation on an investment agreement to develop the Oyu Tolgoi (OT) mine, among the world's largest untapped copper-gold deposits. However, a dispute with foreign investors developing OT called into question the attractiveness of Mongolia as a destination for foreign investment. This caused a severe drop in FDI, and a slowing economy, leading to the dismissal of Prime Minister Norovyn ALTANKHUYAG in November 2014. The economy had grown more than 10% per year between 2011 and 2013 - largely on the strength of commodity exports and high government spending - before slowing to 7.8% in 2014, and falling to the 2% level in 2015. Growth rebounded from a brief 1.6% contraction in the third quarter of 2016 to 5.8% during the first three quarters of 2017, largely due to rising commodity prices.

The May 2015 agreement with Rio Tinto to restart the OT mine and the subsequent \$4.4 billion finance package signing in December 2015 stemmed the loss of investor confidence. The current government has made restoring investor trust and reviving the economy its top priority, but has failed to invigorate the economy in the face of the large drop-off in foreign direct investment, mounting external debt, and a sizeable budget deficit. Mongolia secured a \$5.5 billion financial assistance package from the IMF and a host of international creditors in May 2017, which is expected to improve Mongolia's long-term fiscal and economic stability as long as Ulaanbaatar can advance the agreement's difficult contingent reforms, such as consolidating the government's off-balance sheet liabilities and rehabilitating the Mongolian banking sector.

Source : CIA

COMPANY NAME

FOOD INTERNATIONAL LLC

ADDRESS

Building : International Building, Zuun Altan
Street : Erdenetolgoi Street
Area : Bayanzurkh District, 22th Khoroo
Town : Ulaanbaatar 13260
Country : Mongolia
Mobiles : (976 99) 246 375 / (976 94) 000 984
E-Mail : foodinternational0424@gmail.com

Also Known As : Food International Company / Food international /
Food International Company LLC

SENIOR COMPANY PERSONNEL

Name	Position
1. Solongo Shar (Mrs)	General Director
2. Bolor Erdene Enkhbaatar (Mrs)	Import Manager
3. Orgilbold Ganbaatar	Accountant

Total Employees : 42

PAYMENTS

No complaints have been heard regarding payments from local suppliers or banks.

We consider it is acceptable to deal with subject for SMALL amounts, although it is normal accepted practice for international suppliers to deal on secured terms with Mongolian importers.

Trade risk assessment : Normal

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PRINCIPAL BANKER

NAME : KHAN BANK OF MONGOLIA

Branch : Peace Avenue
P.O. Box : 185
Town : Ulaanbaatar

Telephone: (976 11) 457 880
Fax : (976 11) 457 880

Account number : 5085207148

FINANCIAL INFORMATION

Private companies in Mongolia are not required to publish or disclose balance sheets. However, the subject interviewed offered the following information :

Sales Turnover : TUGRIK 969,129,829.50 - 2015 - exact
: TUGRIK 1,639,482,711.00 - 2016 - exact
: TUGRIK 1,800,000,000.00 – 2017 – approx

Net Profit : TUGRIK 211,034,429.40 - 2015 - exact
: TUGRIK 274,801,279.23 - 2016 - exact

Financial year ends 31 December.

LEGAL STATUS AND HISTORY

Date Started : 10 March 2010

History : Subject was established in Ulaanbaatar on 10 March 2010.

C.R. No. : 9011663014

Tax No. : 6158307

Authorized Capital : TUGRIK 1,000,000

Paid Up Capital : TUGRIK 1,000,000

Limited Liability Company with the following sole shareholder :

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Solongo Shar (100%)
(Mongolian national)

Affiliated company of the Food International LLC :

Associate

Munkhsuld International Company LLC
2-7, Chingeltei District, 7th khoroo, 3rd Khoroolol
Ulaanbaatar
Telephone: (976 75) 750 877
C.R. No. : 9011646113
Tax No.: 6142427

ACTIVITIES

The Company is involved in the following activities :

Trading as importers and distributors of foodstuffs mainly confectionery and canned fish.

Subject's main supplier is Shanghai Linghand trade.

In 2018, subject plans to launch ice cream production line from China.

NACE Code : 4617 - Agents involved in the sale of food, beverages and tobacco

Imports from Brazil, Poland and China.

Subject does not export, all sales are domestic.

FACILITIES

The Company has the following facilities :

Owned premises comprising administrative offices and storage facilities located at the heading address.

SPECIAL NOTE

Interviewed : Enkhchimeg Batbayare (Import Manager - subject's affiliated company).

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.68
UK Pound	1	INR 89.26
Euro	1	INR 79.38
MNT	1	INR 0.028

Note: Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	NIT

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)