

MIRA INFORM REPORT

Report No. :	533880
Report Date :	19.10.2018

IDENTIFICATION DETAILS

Name :	WONJI SHOA SUGAR FACTORY
Registered Office :	Liaison Office Room 309, Philips Bldg, Addis Ababa, P. O. Box 133, Addis Ababa
Country :	Ethiopia
Financials (as on) :	2017 (Summarized)
Date of Incorporation :	15.03.1954
Com. Reg. No.:	02/45, Addis Ababa
Legal Form :	State Owned Company
Line of Business :	Subject operate production and processing of sugar
No. of Employees :	8000

RATING & COMMENTS

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

MIRA's Rating :

A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Good
Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES:

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

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Ethiopia	C1	C1

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

ETHIOPIA - ECONOMIC OVERVIEW

Ethiopia - the second most populous country in Africa - is a one-party state with a planned economy. For more than a decade before 2016, GDP grew at a rate between 8% and 11% annually – one of the fastest growing states among the 188 IMF member countries. This growth was driven by government investment in infrastructure, as well as sustained progress in the agricultural and service sectors. More than 70% of Ethiopia's population is still employed in the agricultural sector, but services have surpassed agriculture as the principal source of GDP.

Ethiopia has the lowest level of income-inequality in Africa and one of the lowest in the world, with a Gini coefficient comparable to that of the Scandinavian countries. Yet despite progress toward eliminating extreme poverty, Ethiopia remains one of the poorest countries in the world, due both to rapid population growth and a low starting base. Changes in rainfall associated with world-wide weather patterns resulted in the worst drought in 30 years in 2015-16, creating food insecurity for millions of Ethiopians.

The state is heavily engaged in the economy. Ongoing infrastructure projects include power production and distribution, roads, rails, airports and industrial parks. Key sectors are state-owned, including telecommunications, banking and insurance, and power distribution. Under Ethiopia's constitution, the state owns all land and provides long-term leases to tenants. Title rights in urban areas, particularly Addis Ababa, are poorly regulated, and subject to corruption.

Ethiopia's foreign exchange earnings are led by the services sector - primarily the state-run Ethiopian Airlines - followed by exports of several commodities. While coffee remains the largest foreign exchange earner, Ethiopia is diversifying exports, and commodities such as gold, sesame, khat, livestock and horticulture products are becoming increasingly important. Manufacturing represented less than 8% of total exports in 2016, but manufacturing exports should increase in future years due to a growing international presence.

The banking, insurance, telecommunications, and micro-credit industries are restricted to domestic investors, but Ethiopia has attracted roughly \$8.5 billion in foreign direct investment (FDI), mostly from China, Turkey, India and the EU; US FDI is \$567 million. Investment has been primarily in infrastructure, construction, agriculture/horticulture, agricultural processing, textiles, leather and leather products.

To support industrialization in sectors where Ethiopia has a comparative advantage, such as textiles and garments, leather goods, and processed agricultural products, Ethiopia plans to increase installed power generation capacity by 8,320 MW, up from a capacity of 2,000 MW, by building three more major dams and expanding to other sources of renewable energy. In 2017, the government devalued the birr by 15% to increase exports and alleviate a chronic foreign currency shortage in the country.

Source : CIA

SUBJECT'S NAME

Registered Name: **WONJI SHOA SUGAR FACTORY**
Requested Name: **WONJI SHOA SUGAR FACTORY**
Other Names: **WSSF**

ADDRESS AND TELECOMMUNICATION

Physical Address: Liaison Office Room 309, Philips Bldg, Addis Ababa
Postal Address: P.o. Box 133,
Addis Ababa
Country: Ethiopia
Phone: 251-11-5516782/5620/5519700/-22-2200003
Fax: 251-22-2200977/2201400
Email: wssf@ethionet.et
Website: None

CREDIT OPINION

Financial Index as of December 2017 shows subject firm with a medium risk of credit. However, bank and credit information obtained reveal a history of prompt payments.

LEGAL

Legal Form: State owned company
Date Incorporated: 15/03/1954
Reg. Number: 02/45, Addis Ababa
Nominal Capital: USD. 170,000,000
Subscribed Capital: USD. 170,000,000
Subscribed Capital is Subscribed in the following form:

	Position	Shares
Mr. Ato Wondwossen Bekele	GM	
Mr. Tariku Gebeyhu	Director	
Mr. Lemma Gurmu	Director	
Mr. Fekade Sime	GM	
ESDA Government of Ethiopia	Holding Company	100%

RELATED COMPANIES

None	Parent company.
None	Subsidiary company.
Metahara Sugar Factory, Finchaa Sugar Factory.	Affiliated company.
None	Shareholder of subject firm.
Nazareth in Ethiopia	Branches of the firm

OPERATIONS

Registered to operate production and processing of sugar

Imports:	Asia, Europe
Exports:	Neighboring countries
Trademarks:	None
Terms of sale:	Cash (40%) and 25-90 days (60%), invoices.

Main Customers:	firms and organizations
Employees:	8000 employees.
Vehicles:	Several motor vehicles.
Territory of sales:	Ethiopia
Location:	Owned premises, 5000 hectares

AUDITORS AND INSURANCE

Auditors:	Information not available.
Insurance Brokers:	Information not available.

FINANCE

Currency Reported:	Ethiopian Birr (ETB.)
Fiscal Year End:	December 31, 2017

Inflation: According to information given by independent sources, the inflation at December 31st, 2010 was of 13%.

Financial Information Not Submitted

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Profit and Loss (expressed in USD.)

Sales

2017
460,000,000

BANK

Bank Name: National Bank
Branch: Addis Ababa, Ethiopia
Comments: Other Banks Bank of Abyssinia

TRADE REFERENCES

Experiences: Good

NOTARIAL BONDS

None

COMMENTS/ ADDITIONAL INFORMATION

This information was obtained from outside sources other than the subject company itself and confirmed the above subject.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.48
UK Pound	1	INR 96.87
Euro	1	INR 84.98
ETB	1	INR 2.63

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

INFORMATION DETAILS

Analysis Done by :	NIY
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)