

HIBER SUGAR FACTORY COMPANY PROFILE



Sugar happens to be one of the most important and strategic products of any country. It has a huge demand gap across the globe. Given its climatic condition and virginity of much of its soil, Ethiopia is taken as one of the best countries which produce a high quality white sugar. Cognizant of this fact, the Government of Ethiopia considers sugar as a strategic commodity and encourages investors to invest in it and fetch a huge profit. It is in light of this reality that Hiber Sugar S.C. was born out of its visionary shareholders

Factory site location

Beles River Basin, Jawi and South Achefer Weredas Amhara Regional State 548km from Addis Ababa through Dangla or 600 km. through Chagni, in well constructed Asphalt road.

Trade Sector:

Agro-Industry, which posses all legality licenses.

Envisaged Main Products

Plantation of white sugar, raw sugar, refined sugar, fortified sugar and organic sugar.

Additional Products

Co-generation~25MW Electricity, Molasses, Diversified Products, confectionary Factory, Paper Factory, Animal Fattening, Dairy (milk Production),Crops, Spices, Vegetables, Fruits, Ethanol, Pulp Product and Fertilizer, etc.

Capacity of Sugar Production

Initial phase 2500 -3500TCD to be scaled up to 6,000 TCD

Land and water Ownership

Currently 6,183 hectare of fertile/virgin land possessed in lease basis for 40 years utilization

period, additional 6,000 hectare expected to be secured soon. Regarding irrigation we already secured 5m³ per second from constructed irrigation canal by Government (Tana Beles Hydro electric power generation project). And there is enough electric power around the factory site.

Climate

Altitude 1100-1200 Mt. above sea level; Annual Rainfall 1579 mm, 5 months rainy season, which minimizes irrigation cost; Maximum Average Temperature 37.6 °c, Minimum Average Temperature 11.8°c Humidity 79 %.

Share Holders Size

So far more than 5000(five thousands) members and more is expected in future.

Total Capital Required

Approximately 150 Million USD

Sugar Cane Productivity

Ethiopia is a leader in the world in Sugar Cane Productivity with a range of 150-200 Tons of cane per hectare and white Sugar 22-26 tons of sugar per hectare. This is due to its high Sucrose content ranging from 11.5% - 13%. Besides, the Raton cane can be harvested up to 5 or 6 times which minimize production cost.

Market demand

Since sugar is highly valuable product for one country, still we don't even satisfy our country's demand by the existing 4 Sugar producing factory. The demand of the country is 6-7million quintals of sugar per year, but the total production does not exceed from 3.6million quintals per year.

In 2013G.C. annual personal consumption of sugar was 5.1kg/year; average world consumption was 27kg/year. The consumption increases 4-6% per year and reaches 10-12kg per year. So there is high demand of the product and its byproducts too.

Employment

More than 50% of the population of the country is on young productive age, so we do have enough labor availability. The company will create Job opportunities for more than 10,000 Permanent and Casual workers.

The company has skilled share holders, who spent ¾ of their lives in the existing sugar factories from expert to General Manager Level and well experienced management members. This is a good opportunity for the company.

Production Cost of Sugar

As we explained above because of the high land productivity (Qt of cane/hectare) and cheap labor availability the cost of production is approximately Birr 5000-5500 (238-260 USD) per Ton.

Whole Selling Price of Sugar

It seems A high price but, due to the high demand and low supply of the product and the current price is set by the government for the whole sellers is more than the price we set we expected the selling price will be approximately Birr 13,000-14,000 (619-666 USD) per Ton

Estimated Profitability

Because of high land productivity and low production cost the profitability is estimated to be more than 100%, (feasible sector)

Current Development Stage

1000 hectares of land partially cleared, and roughly leveled

Pay-back period

The payback period is the exact length of time needed for a firm to recover its initial investment. We don't finalize the feasibility study yet, but we took the study of the ongoing sugar factory (Wonji Shewa sugar factory), so it is expected to be Ten years.

Governance

Overseen by strong board of directors who established transparency and accountability in the company. Managed by an experienced general manager and key functional managers who are well experienced, qualified and works closely with shareholders and relevant government bodies.

Risk Assessment

We don't have any political issues regarding the area we took for investment, nearby there is a Government owned Sugar factory (Tana Beles Integrated sugar project).

Vision

To be a world class integrated producer of Sugar, green energy and related product.

Mission

To consistently satisfy our customer needs through efficient innovative and ethical Practice while meeting the diver's expectations of other stakeholders.

Core values

Hiber sugar S.C shall gain competitive advantage through its empowered talented, energetic and passionate workforce who shall be committed to the following values:-

- ✓ Quality product and services to our customers.
- ✓ Excellent in team driven performance
- ✓ Ethical business practices
- ✓ Safe, healthy and sound environmental practice

Company Name: Hiber Sugar S.C

Date of Establishment : 25/09/2001 E.C

Country : Ethiopia

Capital City Addis Ababa

Company Address : Nefas Silk Lafto Sub City Woreda 02 on
Ring Road from Jemo Square about 100mt to Jemo Condominium
Africa Building 3rd floor

Tel. + 251 911 41 10 39

+ 251 118 50 13 57/58

E-mail mengistetilaye@gmail.com /danforkid@gmail.com

Website www.hibersugarethiopia.com

Names and professions of share holders, board of directors and Management members

R.N.	NAME	EDUCATIONAL BACK GROUND	POSITION IN HSSC
1	Ato Yowondesen Bekele	Mechanical Engineer	share holder
2	Ato Taye Eshete	Agronomist	share holder
3	Ato Mekonene Getachew	Mechanical Engineer	share holder
4	Ato Muluneh Bimerew	Irrigation Engineer	share holder
5	Ato Bekele Andarge	Mechanical Engineer	share holder
6	Ato Ademite Zeyehun	Economist, world bank	share holder
7	Ato Ameiro Belete	Agronomist	Board Member
8	Azemach Yerga Gebere	Economist	Board Member
9	Ato Taddele Derseh	Management	Board Member
10	Ato Alemayehu Tsegasselassie	Accountant	Board Member
11	Ato Getenet Tesefaye	Lower	Board Member
12	Ato Minchile Bazezew	Accountant	Board Member
13	Ato Dereje Assefa	Lower	Board Member
14	Ato petros Moges	Accountant, Bank Manager	Board Member
14	Ato Mengiste Tilaye	Agricultural Engineer	Management, CEO
15	Ato Daniel Bekele	Agricultural Economist	Management