

MIRA INFORM REPORT

Report No. :	525847
Report Date :	21.08.2018

IDENTIFICATION DETAILS

Name :	NIAZI TRADING
Registered Office :	Building No. 617, Shop No. 1, Block No. 311, Street No. 1122, Road No. 539, PO Box 2137, Manama
Country :	Bahrain
Date of Incorporation :	29.03.2009
Com. Reg. No.:	64413-02
Legal Form :	Sole Proprietorship
Line of Business :	Subject is engaged in the import, distribution and installation of telecommunication equipment. Distributors of general foodstuffs and beverages and providers of demolition and site preparation services.
No. of Employees :	20

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)
Bahrain	A2	A2

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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BAHRAIN - ECONOMIC OVERVIEW

Low oil prices have generated a budget deficit of at least a \$3.5 billion deficit in 2017, nearly 10% of GDP. Bahrain has few options for covering this deficit, with low foreign assets and fewer oil resources compared to its GCC neighbors. In 2016 the three major US credit agencies downgraded Bahrain's sovereign debt rating to "junk" status, citing persistently low oil prices and the government's high debt levels. Nevertheless, Bahrain in 2017 was able to raise about \$4 billion by issuing international debt.

Oil comprises 85% of Bahraini budget revenues, despite past efforts to diversify its economy, build communication and transport facilities for multinational firms with business in the Gulf, and expand infrastructure development. As part of its diversification plans, Bahrain implemented a Free Trade Agreement (FTA) with the US in August 2006, the first FTA between the US and a Gulf state. It plans to introduce a Value Added Tax (VAT) by the end of 2018.

Other major economic activities are production of aluminum - Bahrain's second biggest export after oil - finance, and construction. Bahrain continues to seek new natural gas supplies as feedstock to support its expanding petrochemical and aluminum industries. In April 2018 Bahrain announced it had found a significant oil field off the country's west coast, but is still assessing how much of the oil can be extracted profitably.

In 2011, Bahrain experienced economic setbacks as a result of domestic unrest driven by the majority Shia population; however, the economy recovered in 2012-15, partly as a result of improved tourism. In addition to addressing its current fiscal woes, Bahraini authorities face the long-term challenge of boosting Bahrain's regional competitiveness — especially regarding industry, finance, and tourism — and reconciling revenue constraints with popular pressure to maintain generous state subsidies and a large public sector. Since 2015, the government lifted subsidies on meat, diesel, kerosene, and gasoline and has begun to phase in higher prices for electricity and water.

Source : CIA

SUMMARY

Company Name	: NIAZI TRADING
Country of Origin	: Bahrain
Legal Form	: Sole Proprietorship
Registration Date	: 29 th March 2009
Commercial Registration Number	: 64413-02
Invested Capital	: BD 10,000
Total Workforce	: 20
Activities	: Distribution and installation of telecommunication equipment. Distributors of general foodstuffs and beverages and providers of demolition and site preparation services
Financial Condition	: Undetermined
Payments	: No Complaints
Person Interviewed	: Mohammed Aziz Khan Amir Mohammed Khan Niazi, Proprietor

COMPANY NAME

NIAZI TRADING

ADDRESS

Registered & Physical Address

Building : Building No. 617, Shop No. 1, Block No. 311
Street : Street No. 1122, Road No. 539
PO Box : 2137
Town : Manama
Country : Bahrain
Telephone : (973-17) 704637
Facsimile : (973-17) 230921
Mobile : (973-33) 000737 / (973-35) 570815
Email : niazimetals@gmail.com / azizniazi@niazitrading.com

Premises

Subject operates from a small suite of offices and a showroom that are rented and located in the Central Business Area of Manama.

KEY PRINCIPALS

<u>Name</u>	<u>Nationality</u>	<u>Position</u>
Mohammed Aziz Khan Amir Mohammed Khan Niazi	Bahraini	Proprietor

LEGAL FORM & OWNERS

Date of Establishment : 29th March 2009

Legal Form : Sole Proprietorship

Commercial Reg. No. : 64413-02

Invested Capital : BD 10,000

Mr Mohammed Aziz Khan Amir Mohammed Khan Niazi is the sole proprietor of the business.

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Note to the Legal Form Commonly referred to as an Individual establishment, only Bahraini citizens and citizens of the Gulf Cooperation Council (GCC) countries (must be resident in Bahrain) may register an Individual Establishment in the Kingdom of Bahrain. An Individual Establishment is a non-incorporated entity and is owned by one individual only. The owner is liable for all debts and liabilities of the business to the extent of his/her personal assets. There are no legal requirements concerning the amount of capital of a sole proprietor.

AFFILIATED COMPANIES

Niazi Metals Scrap
Lahore
Pakistan

Niazi Nextech
Manama

Niazi Cargo
Manama

Sydney Making and Fitting of Awnings & Windows Shutters
Manama
Tel: (973-39) 199881

OPERATIONS

Activities: Engaged in the import, distribution and installation of telecommunication equipment. Distributors of general foodstuffs and beverages and providers of demolition and site preparation services.

Import Countries: Europe and the Far East

Subject has a workforce of 20 employees.

FINANCIAL DATA

Companies registered in Bahrain are not legally required to make their accounts public and no financial information was released by the company or submitted by outside sources.

BANKERS

Al Ahli Commercial Bank
Government Avenue

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PO Box: 5941
Manama
Tel: (973-17) 244333
Fax: (973-17) 241301

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

GENERAL COMMENTS

During the course of this investigation the following sources were consulted:

- Internal database
- Journals, directories, media & web searches
- Local Registry office
- Interview with Mohammed Aziz Khan Amir Mohammed Khan Niazi, Proprietor

The subject and its shareholders/owners have been searched in the following databases; Office of Foreign Assets Control (OFAC), United Nations Security Council Sanctions, Australian Sanctions List, US Consolidated Sanctions List, EU Financial Sanctions List and UK Financial Sanctions List and nothing adverse could be found on the exact names listed within the report.

During the course of this investigation nothing detrimental was uncovered regarding subject's operating history or the manner in which payments are fulfilled. As such the business is considered to be a fair trade risk.

COUNTRY OUTLOOK

The growth momentum has slowed, following the drop in oil prices. GDP growth has slowed to 3.2 % in 2015 from its 5.4 % level in 2013 and 4.6 % in 2014, reflecting a slowdown in both the hydrocarbon and non-hydrocarbon sectors. Non-oil GDP slowed during 2015 to 3.9 from 4.9 % in 2014, despite resilience in hotels and restaurants sectors. Hydrocarbon GDP remained constant in 2015. Inflation was subdued at an average rate of 1.8 % in 2015 reflecting lower international food prices and appreciation of the US Dollar. The current account surplus turned into a deficit of 3.2 % of GDP in 2015. Reserves declined to 2.6 months of imports. Unemployment fell to 3.1 % in September 2015, from 3.8 % at end-2014.

The government maintained an expansionary fiscal stance since 2009 resulting in budget deficits and rising debt. However, the situation has worsened in 2015 with a decline in oil revenues by about 10 % of GDP and a general fiscal deficit estimated at 12.5 % of GDP (from 3.3 % in 2014). Public debt to GDP ratio has increased to 63 % (compared to 8 % in 2008). This was financed through GCC grants (which increased by 85 % to \$3.7 billion during 2015) and the issuance of a \$1.5 billion bond. The government had to raise the public debt ceiling to BD10 billion, representing 80 % of GDP to enable additional borrowing. The new debt ceiling is well over the GCC-

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agreed debt-threshold criterion of 60 %. S&P downgraded Bahrain's rating to BBB-/A-3 in 2015 with a negative outlook, and further downgraded it in 2016 to BB/B, but with a stable outlook.

The government took significant fiscal consolidation measures in 2015. Revenue enhancing measures, such as higher tobacco and alcohol taxes and government services fees were introduced. A cost-cutting program entailed the raising of petrol prices by up to 60 % in January 2016 (likely to create savings worth \$148.4 million), the gradual phasing-in of price increases for electricity, water, diesel, and kerosene subsidies by 2019, an increase and unification of natural gas prices for industrial users, and the removal of meat subsidies. Lower oil prices are forcing the government to cut back on capital spending, since restraining current spending may exacerbate the already tense political scene. Parliamentarians have proposed a law to privatize several state owned businesses to help curb the deficit.

The outlook is for growth to decline in the next few years. Real GDP growth is projected at 2.2 and 2.0 % in 2016 and 2017 respectively, as continuing low oil prices depress private and government consumption. Beyond 2018, growth is expected to pick up as new aluminium and refinery capacity comes on stream, and as other projects are completed, including the Airport expansion, retail and GCC Development Fund social housing projects. Bahrain National Gas Company signed a \$355 million deal with a Japanese company for a new gas plant, which is expected to increase capacity by 350 million cubic feet, starting 2018. Average inflation is expected to increase to 3.2 % in 2016, reflecting subsidy reform and moderate to 2.3 % thereafter. The current account is likely to record a deficit of 8.2 % of GDP in 2016 projected to trend downwards thereafter, as oil prices recover and global demand for aluminium rises. International reserves are expected to reach 2.3 months of imports in 2016, down from 2.6 in 2015 and 3.2 in 2014.

Key Economic Indicators	2014	2015	2016*	2017*
Real GDP Growth (%)	4.5	3.2	2.2	2.0
Inflation Rate (%)	2.7	1.8	3.2	2.3
Fiscal Balance (% of GDP)	-3.3	-12.5	-16.9	-15.3
Current Account Balance (% of GDP)	4.5	-3.2	-8.2	-7.2

* Forecast

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.76
UK Pound	1	INR 88.87
Euro	1	INR 79.67
BHD	1	INR 185.27

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	TPT

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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)