

MIRA INFORM REPORT

Report No. :	537754
Report Date :	03.11.2018

IDENTIFICATION DETAILS

Name :	NOUR EL SABAH FOR IMPORT & EXPORT
Registered Office :	23 Ahmed Gad Street, Sheikh Hasanin Square, Dakhaliya Mansoura
Country :	Egypt
Financials (as on) :	31.12.2017
Date of Incorporation :	2001
Com. Reg. No.:	37980
Legal Form :	Sole Proprietorship
Line of Business :	Subject is engaged in the import and distribution of general foodstuff products, including rice, lentils, beans and pulses.
No. of Employees :	8

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 :

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

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ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Egypt	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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EGYPT - ECONOMIC OVERVIEW

Occupying the northeast corner of the African continent, Egypt is bisected by the highly fertile Nile valley where most economic activity takes place. Egypt's economy was highly centralized during the rule of former President Gamal Abdel NASSER but opened up considerably under former Presidents Anwar EL-SADAT and Mohamed Hosni MUBARAK. Agriculture, hydrocarbons, manufacturing, tourism, and other service sectors drove the country's relatively diverse economic activity.

Despite Egypt's mixed record for attracting foreign investment over the past two decades, poor living conditions and limited job opportunities have contributed to public discontent. These socioeconomic pressures were a major factor leading to the January 2011 revolution that ousted MUBARAK. The uncertain political, security, and policy environment since 2011 has restricted economic growth and failed to alleviate persistent unemployment, especially among the young.

In late 2016, persistent dollar shortages and waning aid from its Gulf allies led Cairo to turn to the IMF for a 3-year, \$12 billion loan program. To secure the deal, Cairo floated its currency, introduced new taxes, and cut energy subsidies - all of which pushed inflation above 30% for most of 2017, a high that had not been seen in a generation. Since the currency float, foreign investment in Egypt's high interest treasury bills has risen exponentially, boosting both dollar availability and central bank reserves. Cairo will be challenged to obtain foreign and local investment in manufacturing and other sectors without a sustained effort to implement a range of business reforms.

Source : CIA

SUMMARY

Company Name	: NOUR EL SABAH FOR IMPORT & EXPORT
Country of Origin	: Egypt
Legal Form	: Sole Proprietorship
Registration Date	: 2001
Commercial Registration Number	: 37980, Mansoura
Invested Capital	: EGP 60,000
Total Workforce	: 8
Activities	: Distributors of general foodstuff products
Financial Condition	: Fair
Payments	: Nothing detrimental uncovered
Operating Trend	: Steady
ARIC Credit Rating	: BB
ARIC Credit Score	: 54
Recommended Credit Limit	: US\$ 300,000
Person Interviewed	: Mohamed Hassan Mahmood Morsi, Assistant General Manager

COMPANY NAME

NOUR EL SABAH FOR IMPORT & EXPORT

ADDRESS

Registered & Physical Address

Street : 23 Ahmed Gad Street
Area : Sheikh Hasanin Square, Dakhaliya
Town : Mansoura
Country : Egypt

Telephone : (20-50) 2248006 / 1395187
Facsimile : (20-50) 2225001
Mobile : (20-122) 3117381 / (20-100) 6210310 / 9001481 / 7744674
Email : hyber1@hotmail.com / hyber.one@hotmail.com

Premises

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

KEY PRINCIPALS

Name

Position

Hassan Mahmood Morsi

Proprietor & General Manager

Mohamed Hassan Mahmood Morsi

Assistant General Manager

Mahmood Mishaal

Marketing Manager

LEGAL FORM & OWNERS

Date of Establishment : 2001

Legal Form : Sole Proprietorship

Commercial Reg. No. : 37980, Mansoura

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Export Licence No. : 70045

Invested Capital : EGP 60,000

Mr Hassan Mahmood Morsi is the sole proprietor of the business.

Note to the Legal Form An Sole Proprietorship 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

OPERATIONS

Activities: Engaged in the import and distribution of general foodstuff products, including rice, lentils, beans and pulses.

Import Countries: India, China, Thailand, Argentina and the United States of America

International Suppliers:

Dhaval Agri Export Ltd	India
Raj Foods International	India
Androlli SA	Argentina
Star Food Ltd	China
Tianjin Jainjhi Guixinjyuan Foods Co Ltd	China
Bionner Ltd	China
Asanee Ltd	Thailand
Erker Inc	United States of America
O M Trading Ltd	India
Jabas International	India

Operating Trend: Steady

Subject has a workforce of 8 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Egyptian Pounds (EGP)

Year	Sales
Year Ending 31/12/14:	US\$ 9,720,000

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Year Ending 31/12/15: US\$ 10,100,000

Year Ending 31/12/16: US\$ 10,550,000

Year Ending 31/12/17: US\$ 11,000,000

Local sources consider subject's financial condition to be Fair.

Note: According to Egyptian Commercial Law, only Joint Stock Companies SAE (Listed on the Stock Market) are required to publish their financial information. Financial information on other legal forms can only be obtained from the companies / businesses directly

BANKERS

Egyptian Saudi Finance Bank
Suez Canal Street
Mansoura
Tel: (20-50) 2334505

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 Mr Mohamed Hassan Mahmood Morsi, Assistant General Manager

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.

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COUNTRY OUTLOOK

Economic growth doubled (to 4.2 %) in FY15, after four years of slow growth. Yet challenges remain, and were aggravated by the recent foreign exchange crunch. Growth in FY15 (July 2014/June 2015) was attributed to the restoration of stability and improved confidence, resilient private consumption, and the government's public investments that started to crowd in private investments. The first quarter of FY16 witnessed subdued growth (of 3 %, from 5.6 % a year earlier), mainly due to foreign exchange shortages that stifled production. The inadequacy of foreign exchange along with an overvalued Pound hampered Egypt's competitiveness; lowering the volume of exports by 26 % in Q1-FY16. Unemployment inched downwards (to 12.8 % in the H1-FY15 versus 13.3 % a year earlier), albeit partially reflecting dropouts from the labour force. The labour force participation rate dropped to 46 % of the adult population (those above 15 years old) versus 50 % at end-2010. Headline inflation eased slowly in early-2016, reaching 9 % in February 2016, from an average of 11 % in the previous three months. The Central Bank of Egypt (CBE) has recently started tightening monetary policy to curb inflation, especially in light of the recent exchange rate depreciation.

The CBE allowed the official exchange rate to weaken in mid-March as pressures on external accounts intensified. Net international reserves (NIR) dropped in FY16, due to large debt repayments, the unfavourable external environment, the recent crash of the Russian airplane over Sinai, as well as the CBE's ongoing injection of foreign exchange to meet import needs and to clear forex backlogs. Thus, NIR declined to just below \$16.5 billion in October 2015, and has stabilized at this level through end-February 2016. The CBE left the official exchange rate to weaken by 14.3 % on March 14, 2016, after the parallel market premium had surged to 18 % above the official rate. The CBE held a later auction at a slightly stronger exchange rate, but still signalled a move towards more flexibility.

The fiscal stance improved in FY15 due to key consolidation measures, but the reform momentum has faded in FY16. The budget deficit reached 11.5 % of GDP in FY15 (compared to 12.2 % of GDP in FY14, and 13 % of GDP in FY13), thanks to the partial streamlining of energy subsidies, revenue-enhancement measures, and the drop in international oil prices. This was achieved whilst the government raised allocations to health, education, and infrastructure, in line with the constitutional mandate. Yet, the reform pace has slowed down in FY16, as the energy subsidy reform program was only partially implemented, and the ratification of the VAT and the mining laws have been delayed.

The outlook is for GDP growth to slow down to 3.3 % in FY16, before rebounding thereafter. A combination of unfavourable domestic and external factors is undermining growth in FY16. Important sectors have been underperforming, notably, the extractives which continue to suffer from liquidity issues (accumulated arrears were recorded at \$3 billion in end-2015); and tourism, affected by the Russian plane crash last October. Externally, the sluggish recovery of the Euro zone is expected to weigh on Egypt's growth, while the lower oil prices and slowdown in Gulf countries might negatively impact Egyptians' remittances; hence private consumption. The deficit is expected to decline to 11.3 % of GDP in FY16, and decline further in the medium term, with continued fiscal consolidation effort. Egypt's external accounts are likely to worsen in FY16 before recovering afterwards, provided that monetary authorities continue to ease restrictions on foreign exchange and re-align the exchange rate.

Key Economic Indicators	2014	2015	2016*	2017*
Real GDP Growth (%)	2.2	4.2	3.3	4.2
Inflation Rate (%)	10.1	10.9	9.8	9.5
Fiscal Balance (% of GDP)	-12.2	-11.5	-11.3	-9.8

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Current Account Balance (% of GDP)	-0.9	-3.7	-4.6	-4.6
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* forecast

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.87
UK Pound	1	INR 94.75
Euro	1	INR 83.23
EGP	1	INR 4.07

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	SDA

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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)