

## MIRA INFORM REPORT

<b>Report No. :</b>	540784
<b>Report Date :</b>	22.11.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	MOSTAR CO FOR FOOD PRODUCTS & PULSES
<b>Registered Office :</b>	Al Jbaiha Al Baladia Street, Complex No. 101, Office 108 Amman
<b>Country :</b>	Jordan
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	29.11.2016
<b>Com. Reg. No.:</b>	45844
<b>Legal Form :</b>	Single Person Company
<b>Line of Business :</b>	Subject engaged in the import and distribution of general foodstuffs and pulses.
<b>No. of Employees :</b>	13

### RATING & COMMENTS

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

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

<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	No Complaints
<b>Litigation :</b>	Clear

#### NOTES :

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto: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)
Jordan	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

**JORDAN - ECONOMIC OVERVIEW**

Jordan's economy is among the smallest in the Middle East, with insufficient supplies of water, oil, and other natural resources, underlying the government's heavy reliance on foreign assistance. Other economic challenges for the government include chronic high rates of unemployment and underemployment, budget and current account deficits, and government debt.

King ABDALLAH, during the first decade of the 2000s, implemented significant economic reforms, such as expanding foreign trade and privatizing state-owned companies that attracted foreign investment and contributed to average annual economic growth of 8% for 2004 through 2008. The global economic slowdown and regional turmoil contributed to slower growth from 2010 to 2017 - with growth averaging about 2.5% per year - and hurt export-oriented sectors, construction/real estate, and tourism. Since the onset of the civil war in Syria and resulting refugee crisis, one of Jordan's most pressing socioeconomic challenges has been managing the influx of approximately 660,000 UN-registered refugees, more than 80% of whom live in Jordan's urban areas. Jordan's own official census estimated the refugee number at 1.3 million Syrians as of early 2016.

Jordan is nearly completely dependent on imported energy—mostly natural gas—and energy consistently makes up 25-30% of Jordan's imports. To diversify its energy mix, Jordan has secured several contracts for liquefied and pipeline natural gas, developed several major renewables projects, and is currently exploring nuclear power generation and exploitation of abundant oil shale reserves. In August 2016, Jordan and the IMF agreed to a \$723 million Extended Fund Facility that aims to build on the three-year, \$2.1 billion IMF program that ended in August 2015 with the goal of helping Jordan correct budgetary and balance of payments imbalances.

Source : CIA

## ***SUMMARY***

Company Name	: MOSTAR CO FOR FOOD PRODUCTS & PULSES
Country of Origin	: Jordan
Legal Form	: Single Person Company
Registration Date	: 29th November 2016
Commercial Registration Number	: 45844
National ID Number	: 200158277
Issued Capital	: JD 5,000
Paid up Capital	: JD 5,000
Total Workforce	: 13
Activities	: Distributors of general foodstuffs and pulses
Financial Condition	: Fair
Payments	: Nothing detrimental uncovered
Person Interviewed	: Rafat Mohamed Naeem Ramadan Haj Ghoul, Managing Director

## ***COMPANY NAME***

MOSTAR CO FOR FOOD PRODUCTS & PULSES

## ***ADDRESS***

### ***REGISTERED & PHYSICAL ADDRESS***

Location : Al Jbaiha Al Baladia Street, Complex No. 101, Office 108

Town : Amman

Country : Jordan

Mobile : (962-79) 5022059

Email : [info@mostarco.com](mailto:info@mostarco.com)

### ***Premises***

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

## ***KEY PRINCIPALS***

<u>Name</u>	<u>Nationality</u>	<u>ID Number</u>	<u>Position</u>
• Rafat Mohamed Naeem Ramadan Haj Ghoul	Jordanian	9771032608	Managing Director

## ***LEGAL FORM & OWNERS***

**Date of Establishment** : 29<sup>th</sup> November 2016

**Legal Form** : Single Person Company

**Commercial Reg. No.** : 45844

**National ID No.** : 200158277

**Issued Capital** : JD 5,000

**Paid up Capital** : JD 5,000

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<i>Name of Shareholder (s)</i>	<i>Percentage Holding</i>
• Rafat Mohamed Naeem Ramadan Haj Ghoul	100%

## ***OPERATIONS***

**Activities:** Engaged in the import and distribution of general foodstuffs and pulses.

**Import Countries:** Europe and India

**International Suppliers:**

- CRM Mills Co            India

Subject has a workforce of 13 employees.

## ***FINANCIAL DATA***

Financial highlights provided by local sources are given below:

Currency: Jordanian Dinar (JD)

<b>Year</b>	<b>Sales</b>
Year Ending 31/12/17:	JD 980,000

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

Note: According to Jordanian Commercial Law, only Public Shareholding Companies (Listed on the Amman 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***

- Arab Bank Plc  
Shmeisani Branch  
PO Box: 950545 & 950544  
Amman 11195  
Tel: (962-6) 5607231 / 5607115  
Fax: (962-6) 5606793 / 5606830

## ***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 Rafat Mohamed Naeem Ramadan Haj Ghoul, Managing Director

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 company is considered to be a fair trade risk.

## ***COUNTRY OUTLOOK***

GDP growth moderated during 2015 to an estimated 2.4 %, the slowest pace in four years, magnifying already-high unemployment. Security spill overs from regional conflict worsened, negatively impacting tourism, construction, investment and trade. However, growth in a number of sectors held up well through the third quarter of 2015, including in finance and insurance services, transport, storage and communications, electricity and water, and mining and quarrying. Unemployment rose to 13.0 % in 2015, an increase of 1.1 % age points relative to 2014. There was a mild deflation for most of 2015 due to further falls in global oil prices, a weakened Euro, a negative output gap, and easing of supply side pressures experienced in previous years (notably on housing prices, due to the large influx of refugees in 2012-13). Monetary policy remained expansionary with the central bank reducing the key policy lending rate by 125 basis points during the course of 2015. International reserves slightly rose to \$ 14.2 billion (7.5 months of imports) by end-2015.

The fiscal deficit was narrower in 2015 thanks to lower expenditures and lower transfers to the National Electric Power Company (NEPCO), which outweighed the fall in domestic revenues and grants. NEPCO resorted to borrowing from commercial banks instead of the government in 2015 providing a 7.0 % of GDP relief to the fiscal balance, without which the fiscal deficit would have widened. NEPCO's debt continues to be government guaranteed and combined with the fiscal deficit and slowing GDP growth contributed to pushing the gross debt to GDP ratio to an estimated 93 % at end-2015.

The current account deficit is expected to have widened in 2015, mainly due to lower public transfers and a 7.1 % fall in tourism receipts, and despite a narrowing trade deficit. The merchandise trade balance narrowed by 14 %

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on account of a 40.4 % fall in energy imports. These outweighed a 7.1 % contraction of direct exports (themselves buttressed by 10.9 % growth in phosphate exports) affected by land trade route closures with Syria and Iraq, traditionally Jordan's largest export partner. Remittances are slowing, growing by only 1.5 % during 2015.

Growth is expected to improve to 3.0 % in 2016, assuming no further worsening in the regional security situation and associated spill overs. This is driven by an expansion in mining and quarrying sector and positive base effect of tourism and construction sectors. Jordan is working towards an Extended Fund Facility (EFF) with the IMF. The EFF is anticipated to support further fiscal consolidation efforts in parallel with growth-enhancing and job-creating structural reforms. The baseline growth forecasts assume agreement on an EFF leading to a fiscal adjustment and a lower debt-to-GDP level. The balance of risks is on the downside. Managing repercussions from the regional security and political situation is a key risk in addition to the challenges of hosting a substantial number of Syrian refugees. Additionally, persistently low oil prices are a risk this year and in the medium term, given their potential impact on remittances, exports, FDI and grants from the GCC. Fiscal adjustment measures are likely to be difficult. Furthermore, the willingness and speed of reform implementation particularly to improve the business climate will be crucial to meet the country's investment aspirations.

Key Economic Indicators	2014	2015	2016*	2017*
Real GDP Growth (%)	3.1	2.4	3.0	3.3
Inflation Rate (%)	2.9	-0.9	1.3	2.7
Fiscal Balance (% of GDP)	-9.1	-3.4	-2.1	-1.3
Current Account Balance (% of GDP)	-1.0	-9.1	-6.6	-6.0

\* forecast

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.33
UK Pound	1	INR 91.72
Euro	1	INR 81.69
JOD	1	INR 100.02

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	DIV
<b>Report Prepared by :</b>	TRU

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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)