

MIRA INFORM REPORT

Report No. :	534161
Report Date :	12.10.2018

IDENTIFICATION DETAILS

Name :	ARABIAN PETROLEUM SUPPLY COMPANY (APSCO)
Registered Office :	Jeddah Industrial City 1408 Jeddah 21431
Country :	Saudi Arabia
Date of Incorporation :	18.12.1960
Com. Reg. No.:	4030003595, Jeddah
Legal Form :	Limited Liability Company
Line of Business :	Subject is engaged in the processing and marketing of lubricants, greases and petroleum products as well as aviation and marine supplies.
No. of Employees :	550

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 : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Saudi Arabia	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

SAUDI ARABIA - ECONOMIC OVERVIEW

Saudi Arabia has an oil-based economy with strong government controls over major economic activities. It possesses about 16% of the world's proven petroleum reserves, ranks as the largest exporter of petroleum, and plays a leading role in OPEC. The petroleum sector accounts for roughly 87% of budget revenues, 42% of GDP, and 90% of export earnings.

Saudi Arabia is encouraging the growth of the private sector in order to diversify its economy and to employ more Saudi nationals. Approximately 6 million foreign workers play an important role in the Saudi economy, particularly in the oil and service sectors; at the same time, however, Riyadh is struggling to reduce unemployment among its own nationals. Saudi officials are particularly focused on employing its large youth population.

In 2017, the Kingdom incurred a budget deficit estimated at 8.3% of GDP, which was financed by bond sales and drawing down reserves. Although the Kingdom can finance high deficits for several years by drawing down its considerable foreign assets or by borrowing, it has cut capital spending and reduced subsidies on electricity, water, and petroleum products and recently introduced a value-added tax of 5%. In January 2016, Crown Prince and Deputy Prime Minister MUHAMMAD BIN SALMAN announced that Saudi Arabia intends to list shares of its state-owned petroleum company, ARAMCO - another move to increase revenue and outside investment. The government has also looked at privatization and diversification of the economy more closely in the wake of a diminished oil market. Historically, Saudi Arabia has focused diversification efforts on power generation, telecommunications, natural gas exploration, and petrochemical sectors. More recently, the government has approached investors about expanding the role of the private sector in the health care, education and tourism industries. While Saudi Arabia has emphasized their goals of diversification for some time, current low oil prices may force the government to make more drastic changes ahead of their long-run timeline.

Source : CIA

SUMMARY

Company Name	: ARABIAN PETROLEUM SUPPLY COMPANY (APSCO)
Country of Origin	: Saudi Arabia
Legal Form	: Limited Liability Company
Registration Date	: 18 th December 1960
Commercial Registration Number	: 4030003595, Jeddah
Chamber Membership Number	: 90
Issued Capital	: SR 400,000,000
Paid up Capital	: SR 400,000,000
Total Workforce	: 550
Activities	: Processing and marketing of lubricants, greases and petroleum products
Financial Condition	: Undetermined
Payments	: Nothing detrimental uncovered
Person Interviewed	: Shams Uddine, Secretary

COMPANY NAME

ARABIAN PETROLEUM SUPPLY COMPANY (APSCO)

ADDRESS

Registered & Physical Address

Location : Jeddah Industrial City
PO Box : 1408
Town : Jeddah 21431
Country : Saudi Arabia
Telephone : (966-12) 6081171 / 6370444
Facsimile : (966-12) 6370966
Email : customerservices@apsco.com.sa / customerservice@apsco-ksa.com / tmousa@apsco-ksa.com

Premises

Subject operates from a large suite of offices that are rented and located in the Industrial Area of Jeddah.

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
Mohamed Ali Alireza	Chairman
Bassam Gabbani	General Manager
Kamal Eddine Hussine	Sales Manager
Ahmed Ramli	Marketing Manager
Mohamed Al Attas	Commercial Manager
Tariq Moosa	Accounts Manager
Shams Uddine	Secretary

LEGAL FORM & OWNERS

Date of Establishment : 18th December 1960

History : Subject began in 1960 and was owned by "HAACO" (51%) and "Mobil Investment" (49%). However on 19th July 2007 HAACO bought the shares from Mobil Investment and owned 100% of the subject.

Legal Form : Limited Liability Company

Commercial Reg. No. : 4030003595, Jeddah

Chamber Member No. : 90

Issued Capital : SR 400,000,000

Paid up Capital : SR 400,000,000

Name of Partner (s)	Percentage
Haji Abdullah Alireza & Co Ltd (HAACO) Jeddah	100%

AFFILIATED COMPANIES

Alireza Delta Transport Co Ltd
PO Box: 4209
Dammam 31491
Tel: (966-13) 8474999
Fax: (966-13) 8141222
CR No. 2050006275

Saudi Can Co Ltd
PO Box: 6882
Jeddah 21452
Tel: (966-12) 6363733
Fax: (966-12) 6364722
CR No. 4030014075

OPERATIONS

Activities: Engaged in the processing and marketing of lubricants, greases and petroleum products as well as aviation and marine supplies.

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Subject are sole agents for Mobil.

APSCO Aviation activities include Into-plane fuelling and fuel depot operations covering 30 International airports, domestic airports, and airstrips Kingdom wide. APSCO is a long term supplier of aviation fuels to the national carrier, Saudi Arabian Airlines at several airports in the kingdom.

Import Countries: Europe and GCC countries

Subject has a workforce of approximately 550 employees.

FINANCIAL DATA

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

BANKERS

National Commercial Bank
Al Balad Branch
King Abdulaziz Street
PO Box: 5066
Jeddah 21422
Tel: (966-12) 6434777
Fax: (966-12) 6441686

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

GENERAL COMMENTS

Mr Yasser Al Maayouf, VP, General Authority of Civil Aviation (GACA) for Aviation Standards, granted Engineer Azzam Qari, Fuels Director, APSCO, the License of ground handling services operators and providers "GACAR Part 151". Thus, APSCO became the first Company to acquire this License in the field of supplying aircrafts with fuel in the Kingdom, which is aligned with the latest Aviation international standards, and in-line with the Kingdom's 2030 Vision.

The License has been recognized and presented to APSCO during a ceremony organized on this occasion at the Ritz Carlton Hotel in Jeddah on Thursday 16/08/2018.

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.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 74.39
UK Pound	1	INR 98.30
Euro	1	INR 85.90
SAR	1	INR 19.64

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	POJ

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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)

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