

Hungary



Total Respondents:

May 2014	18
January 2015	21
December 2016	53

Respondents with customers in this country:

May 2014	10
January 2015	17
December 2016	18

Sales are primarily to:

	Existing Customers	New Customers
December 2016	100%	0%

Do accounts in this country represent a significant portion of respondents A/R?:

	Yes	No
December 2016	0%	100%

Respondents extending credit to customers vs. those who do not

	Extend Credit	Do Not Extend Credit
May 2014	69%	N/A
January 2015	82%	N/A
December 2016	82%	18%

Payment terms granted by those extending credit to customers in this country:

	0-30	31-60	61-90	91+
May 2014	29%	42%	29%	0%
January 2015	30%	50%	20%	0%
December 2016	38%	46%	8%	8%

Payment methods used (multiple selections permitted):

	Wire Transfer	EFT (seller initiated)	EFT (buyer initiated)	Check	Credit Card	Extended Payment Program or Progress Billing	B.P.O. (Bank Payment Obligation)	Letter of Credit	Cash Against Documents	Dated Draft	*Other
May 2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0%	0%	0%	100%
January 2015	n/a	n/a	n/a	n/a	n/a	n/a	6%	0%	6%	0%	88%
December 2016	82%	18%	12%	18%	18%	0%	6%	24%	24%	0%	12%
*OTHER (NOTE: Previous surveys asked for top method of payment which included PIA and open account)											
May 2014	<ul style="list-style-type: none"> 31% Payment in advance, 69% Open account; no payment method specified. 										
January 2015	<ul style="list-style-type: none"> 6% Payment in advance, 82% Open account; no payment method specified. 										
December 2016	<ul style="list-style-type: none"> Payment in advance, no method specified; Bill of exchange and promissory notes 										

Payment Delays Are:

	Increasing	Decreasing	No Change	No Payment Delays
May 2014	N/A	N/A	N/A	38%
January 2015	N/A	N/A	N/A	36%
December 2016	6%	0%	88%	6%
*NOTE: Previous Surveys asked for average length of payment delay.				
May 2014	<ul style="list-style-type: none"> 62% Reported payment delays of <30 days 			
January 2015	<ul style="list-style-type: none"> 50% Reported payment delays of <30 days; 7% reported delays of 30-60 days; 7% reported delays of 60-90 days. 			

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Causes of payment delays, open account:

	Billing Disputes	Other Disputes	Cash Flow Issues	Inability to Pay	Unwilling to Pay	Customer Payment Policy	Government Approval	Regulatory Issues	Foreign Exchange Rates	Central Bank Issues	Cultural Norms and Customs	Other
December 2016	7%	7%	46%	0%	13%	7%	7%	0%	0%	0%	13%	0%

Resources used to check creditworthiness of customers (multiple selections permitted):

	Customer visits	Trade references	International credit reports	Country risk reports	Financial statements	Bank references	Tax records	Customer's borrowing relationship with their bank	Customer's line of credit with their primary bank
December 2016	41%	29%	82%	47%	76%	29%	12%	12%	12%

Documents used to confirm or finalize sale to prior to shipping (multiple selections permitted):

	Credit Applications	Purchase Orders	Sales Contract	Other
December 2016	41%	94%	59%	0%

Advice when doing business in this country:

December 2016	<ul style="list-style-type: none"> • Ask yourself, who are the owners? Are they local or abroad? Ask for payment in advance to start and see how long it takes to collect payment compared against the urgency of the order. • There is a lot of corruption in Hungary • Do the front end research thoroughly, know who you are doing business with and have all the documents signed (especially T&C's) • In some of the counties in Eastern Europe, credit reports and financial data are hardly available or are published with delay. Very important, therefore, is the relationship with a customer (also in respect of balance sheets to be , for example, given directly from the customer). • Know your customer and build the relationship, also consider credit insurance if extending terms. • Be aware of the risks when doing business in Hungary.
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