



	June 2017	September 2018	November 2019
Total Respondents	72	43	96

	June 2017	September 2018	November 2019
Respondents with customers in this county	29	16	28

Sales are primarily to	June 2017	September 2018	November 2019
Existing Customers	90%	93%	86%
New Customers	10%	7%	14%

Respondents extending credit to customers vs. those who do not	June 2017	September 2018	November 2019
Extend Credit	93%	86%	82%
Do Not Extend Credit	7%	14%	18%

Payment terms granted by those extending credit to customers in this country:	June 2017	September 2018	November 2019
0-30	35%	33%	26%
31-60	31%	42%	43%
61-90	23%	25%	22%
91+	12%	0%	9%

Average days beyond terms:	June 2017	September 2018	November 2019
	N/A	26	15.9

Payment methods used (multiple selections permitted):	June 2017	September 2018	November 2019
Wire Transfer	97%	100%	86%
EFT (seller initiated)	7%	8%	7%
EFT (buyer initiated)	14%	31%	14%
Check	7%	0%	11%
Credit Card	14%	8%	4%
Extended Payment Program or Progress Billing	0%	0%	0%
B.P.O. (Bank Payment Obligation)	3%	8%	0%
Letter of Credit	41%	15%	25%
Cash Against Documents	3%	0%	11%
Dated Draft	0%	0%	4%
*Other	0%	0%	4%

***OTHER**

November 2019

- Cash in Advance

Payment Delays Are:	June 2017	September 2018	November 2019
Increasing	21%	18%	30%
Decreasing	0%	9%	0%
No Change	65%	73%	48%
No Payment Delays	14%	0%	22%

Causes of payment delays, open account:	June 2017	September 2018	November 2019
Billing Disputes	38%	9%	24%
Other Disputes	8%	0%	6%
Cash Flow Issues	25%	36%	35%
Inability to Pay	0%	0%	6%
Unwilling to Pay	0%	0%	0%

Causes of payment delays, open account:	June 2017	September 2018	November 2019
Customer Payment Policy	0%	18%	12%
Government Approval	4%	9%	0%
Regulatory Issues	0%	0%	0%
Foreign Exchange Rates	0%	0%	6%
Central Bank Issues	0%	0%	0%
Cultural Norms and Customs	8%	0%	0%
*Other	17%	28%	11%

***OTHER**

June 2017	September 2018	November 2019
<ul style="list-style-type: none"> Causes of delays vary. Some are billing issues and others involve shipment issues, cash flow, customer practices and cultural norms. CIA customer only Their customers have not paid them and, consequently, our payments will be delayed. 	<ul style="list-style-type: none"> The challenge here is documentation and cash flow issue, customer has to ensure their cash flow is well maintained as they have challenge in collections within country. Shipment Delays, Transport time causes delays in payment 	<ul style="list-style-type: none"> Invoicing issues. Unspecified issues.

PRS Political & Economic Risk Forecast (Updated 10/01/19)

18-month & 5-year political forecasts and probability for REGIMES most likely to hold power; risk ratings for TURMOIL (low to high), and RISK RATINGS (A+ least, D- most) for financial TRANSFER, direct INVESTMENT, and EXPORT to the country. If forecast has changed, the previous rating appears in parentheses. An asterisk (*) means a nonincumbent regime. Most recent economic data and forecasts include a previous five-year average, a one-year forecast or estimate, and a five-year forecast average. REAL GROWTH of GDP and INFLATION are expressed as percentages, and CURRENT ACCOUNT figures are in billions of US dollars.

Country Regimes and Probabilities	Turmoil	Transfer	Investment	Export		Real GDP Growth	Inflation	Current Account
Indonesia					2014-2018	5.0	4.4	-21.85
Reformist Coalition 75%	Moderate	B	B	B	2019	5.1	3.1	-27.80
Reformist Coalition 55%	Moderate	B	B	B	2020-2024	5.3	3.5	-29.30

Forecast provided by The PRS Group, Inc. [Click Here for More Information on the Political Risk Letter and other offerings.](#)

Advice when doing business in this country:

November 2019
<ul style="list-style-type: none"> Complete due diligence including financial statement analysis. Really know the customer you are selling... Do the research with (5 C's of Credit). Consider the Rupiah currency when making credit decisions - and know your customer. Credit application, credit report, audited financial statement and warranties or Letter of credit. Sell to customer on a pre wire basis. Make a point to know your customer if possible. No issues with Indonesian customer payments. Probably the best paying customer base we have. If granting open credit, research and credit report. I don't have anything specific for Indonesia since we typically do not have any problems there. However, with any international order, make sure all of the terms in the purchase order are agreed to by both parties. Less of a credit issue but the tax piece can get tricky - so make sure you have access to good advice.



September 2018

- New customers should at least get n% advance payment.
- If its B2B set up, once has to ensure the customer's financials are thoroughly checked before allocating credit line. Also ensure you have a presence there in the country (local contact) who can assist with the language and document translation. In most case the challenge is with the documentation required to release payment. KYC is the most important.
- Transportation time could cause payment delays as customers require product before payment process begins.
- Persistence
- Before extending credit investigate the government regulations about payments on current and past due invoices.
- Prepay at first. Expect challenges on amount owed.
- Make sure your customer is aware of the payment terms during the negotiation phase of the deal!

June 2017

- Make sure you really know your customer, credit application, really pull all information (credit and legal)
- If you are selling via an agent or reseller, they often cannot pay until they get paid. If you invoice via progress stages, make sure the customer does the same to the end user - otherwise there will be cash flow issues
- I have no issues or delays with payments from companies in Indonesia.
- Know your customer, make visits. Local content laws apply here.
- Country risk, rules and regulations.
- Don't just rely on their financial statement. Complement with trade reference.
- Start small. Visit customer if possible. Get some collaterals.
- Purchase credit insurance to cover your exposures.
- I would consider making any new customer's in this country cash in advance.
- Same advice as for other customers: know your customer, the banks and ensure that you have reviewed the country as well and a clear understanding of the current economic and political situation.