

Sales are primarily to	August 2019	August 2020	July 2021
Existing Customers	95%	90%	100%
New Customers	5%	10%	0%

Respondents extending credit to customers vs. those who do not	August 2019	August 2020	July 2021
Extend Credit	100%	82%	82%
Do Not Extend Credit	0%	18%	18%

Payment terms granted by those extending credit to customers in this country:	August 2019	August 2020	July 2021
0-30	37%	11%	12%
31-60	53%	67%	66%
61-90	10%	22%	22%
91+	0%	0%	0%

Average days beyond terms:	August 2019	August 2020	July 2021
	16.5	27.2	7.5

Payment methods used (multiple selections permitted):	August 2019	August 2020	July 2021
Wire Transfer	84%	80%	100%
EFT (seller initiated)	26%	10%	30%
EFT (buyer initiated)	32%	0%	10%
Check	21%	0%	20%
Credit Card	16%	0%	20%
Extended Payment Program or Progress Billing	0%	10%	0%
B.P.O. (Bank Payment Obligation)	0%	20%	0%
Letter of Credit	11%	40%	20%
Cash Against Documents	0%	10%	0%
Dated Draft	0%	0%	0%
*Other	5%	10%	0%

August 2019	August 2020
• RIBA	• Credit insurance.

Payment Delays Are:	August 2019	August 2020	July 2021
Increasing	21%	56%	25%
Decreasing	5%	11%	0%
No Change	63%	33%	63%
No Payment Delays	11%	0%	12%

Causes of payment delays, open account:	August 2019	August 2020	July 2021
Billing Disputes	20%	11%	0%
Other Disputes	7%	0%	14%
Cash Flow Issues	0%	67%	29%
Inability to Pay	0%	0%	14%
Unwilling to Pay	14%	0%	0%
Customer Payment Policy	26%	22%	43%
Government Approval	7%	0%	0%
Regulatory Issues	0%	0%	0%
Foreign Exchange Rates	0%	0%	0%
Central Bank Issues	0%	0%	0%
Cultural Norms and Customs	26%	0%	0%
*Other	0%	0%	0%

PRS Political & Economic Risk Forecast (Updated 04/01/21)

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
Italy					2016-2020	-1.1	0.6	55.51
Broad Coalition 40%	Moderate	C+	B+	B-	2021	3.6	0.8	67.50
*Center-Right Coalition 55%	Moderate	B-	B	B-	2022-2026	2.3	1.0	70.40

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:

July 2021

- Know your buyer, local agent always suggested.
- Know your customer. Pandemic still having impact on supply chain and the receipt of merchandise slowing down payments.
- Set up RIBA (Direct Debit)

August 2020

- KYC. Italy was hit pretty hard by Covid-19. Many businesses are struggling to survive. Stay in close contact with your customers.
- Legislation on Retention of Title is quite detailed in comparison to some of the other European countries.
- Important to understand company reputation and history.

August 2019

- Stick to your payment terms, expect 15-day grace period.
- Know the Legal customer you are actually selling not their banner/trade name... 5 C's of Credit.
- Economy slowing down across Eurozone impacting Italy. Ask for 3 years financials before selling open account.
- Strong relationships with customers are very import. Must be persistent with collections.
- Do appropriate due diligence of the customer before granting unsecured credit. If you do grant unsecured credit, have a clause in your sales contract allowing you to change the payment term if the customer's creditworthiness deteriorates.