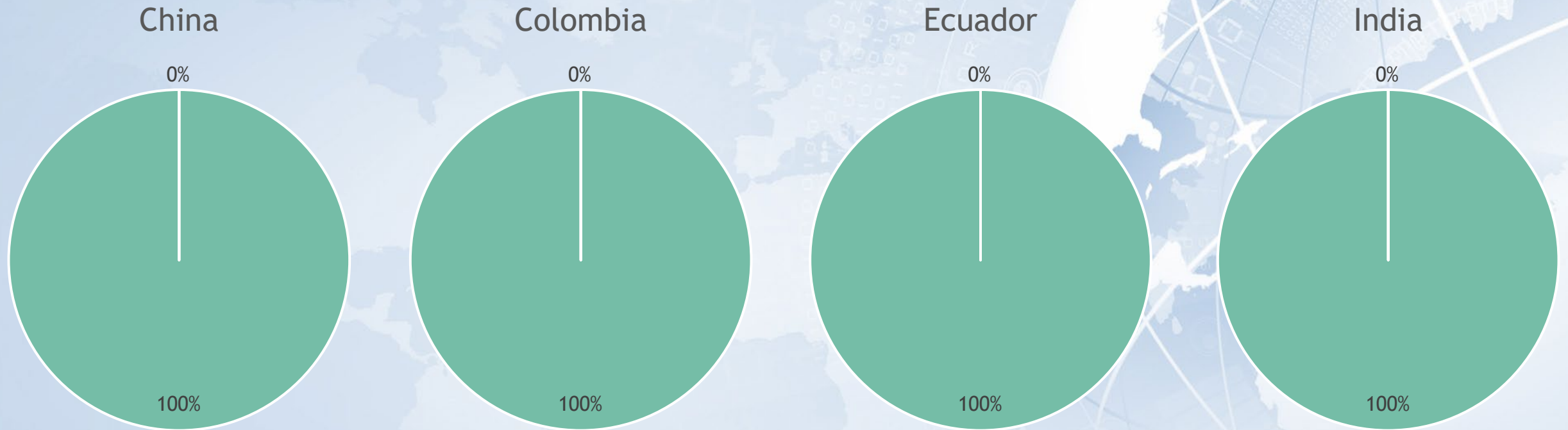


January 2024

FCIB Credit & Collections Survey

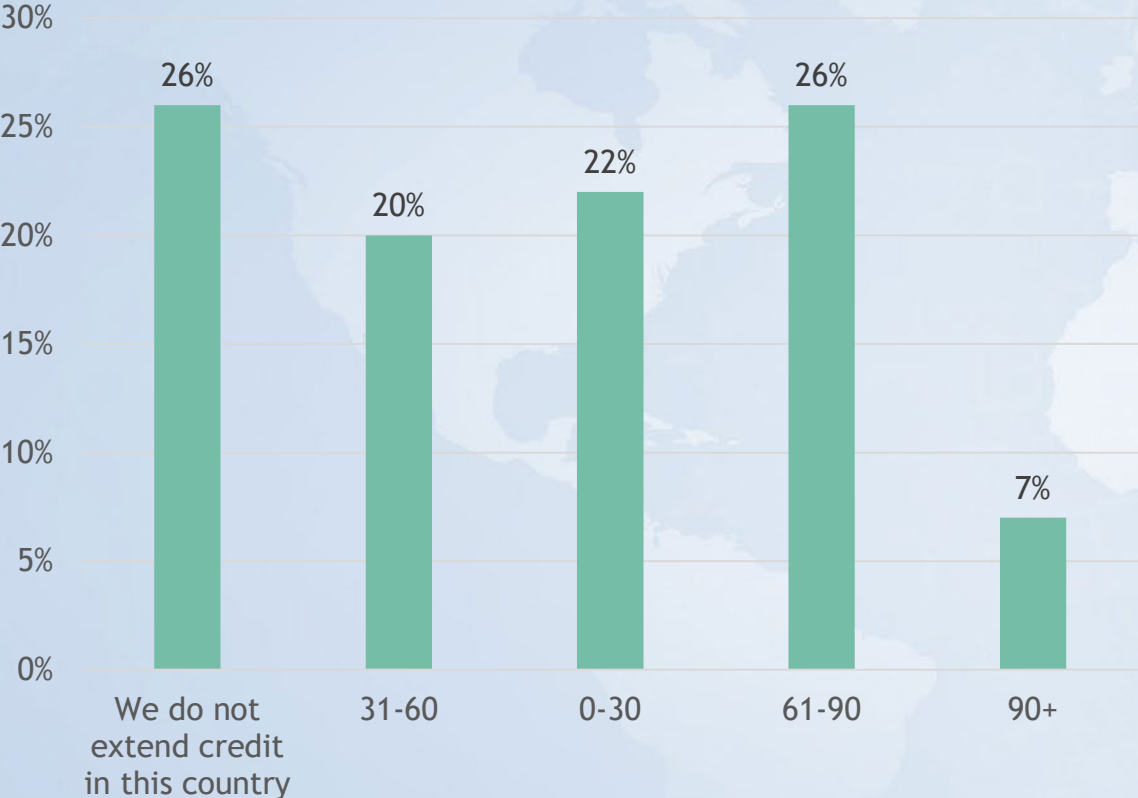
China, Colombia, Ecuador, India

Are your sales primarily to **new** or **existing** customers?

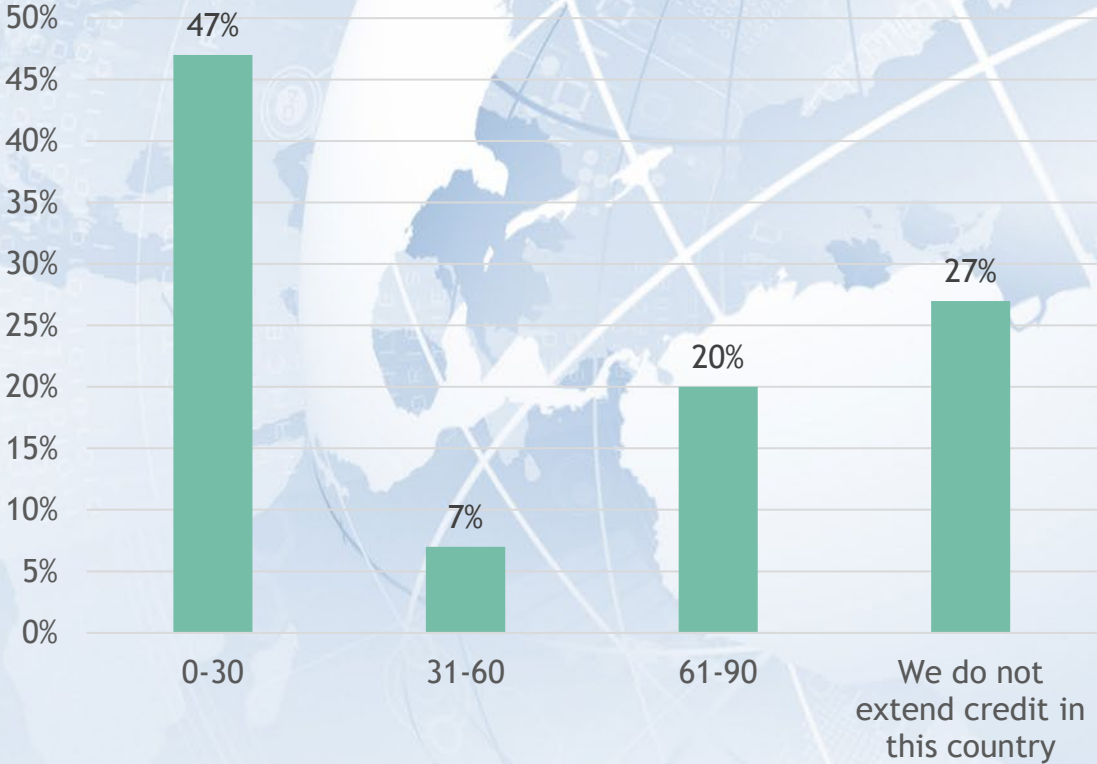


On average, what payment terms are you granting?

China

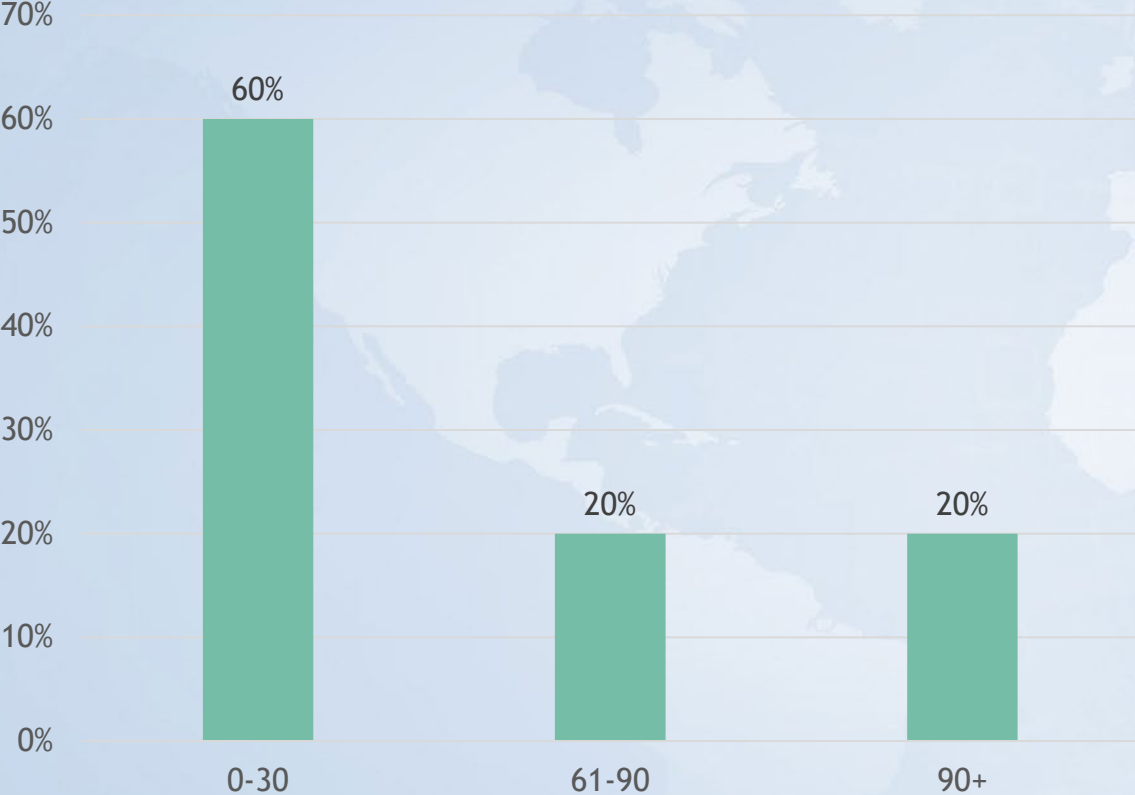


Colombia

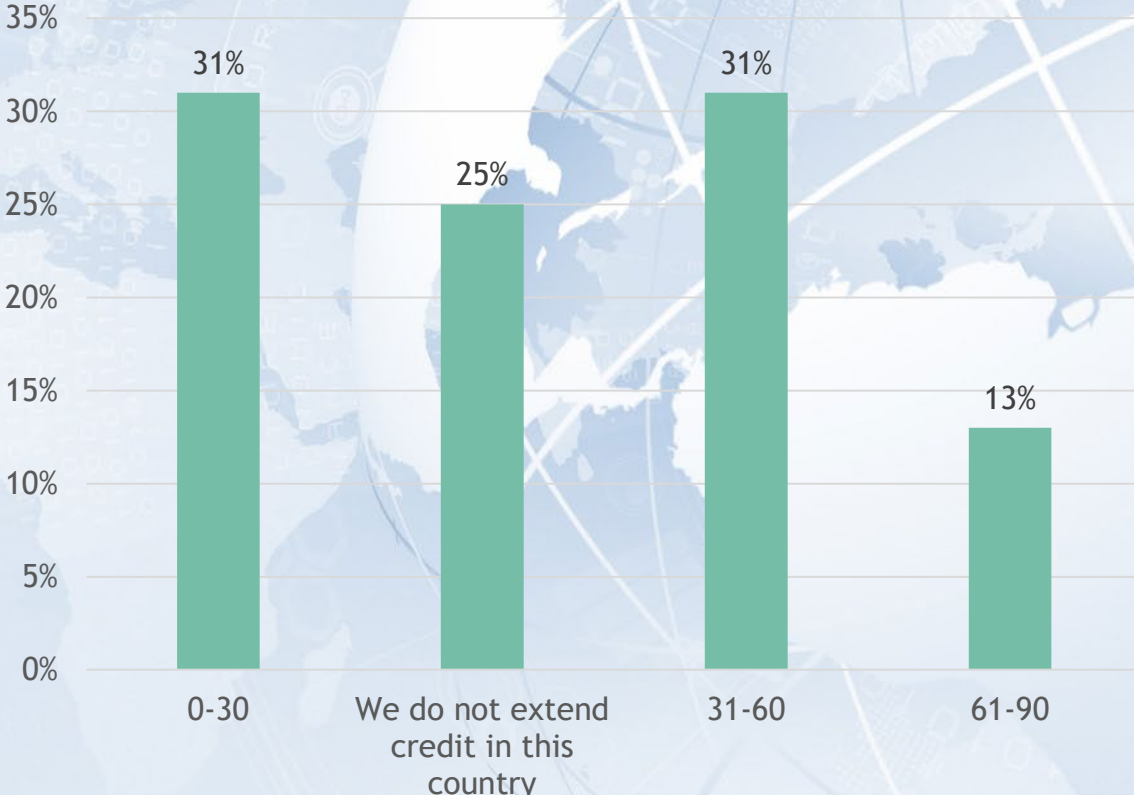


On average, what payment terms are you granting?

Ecuador



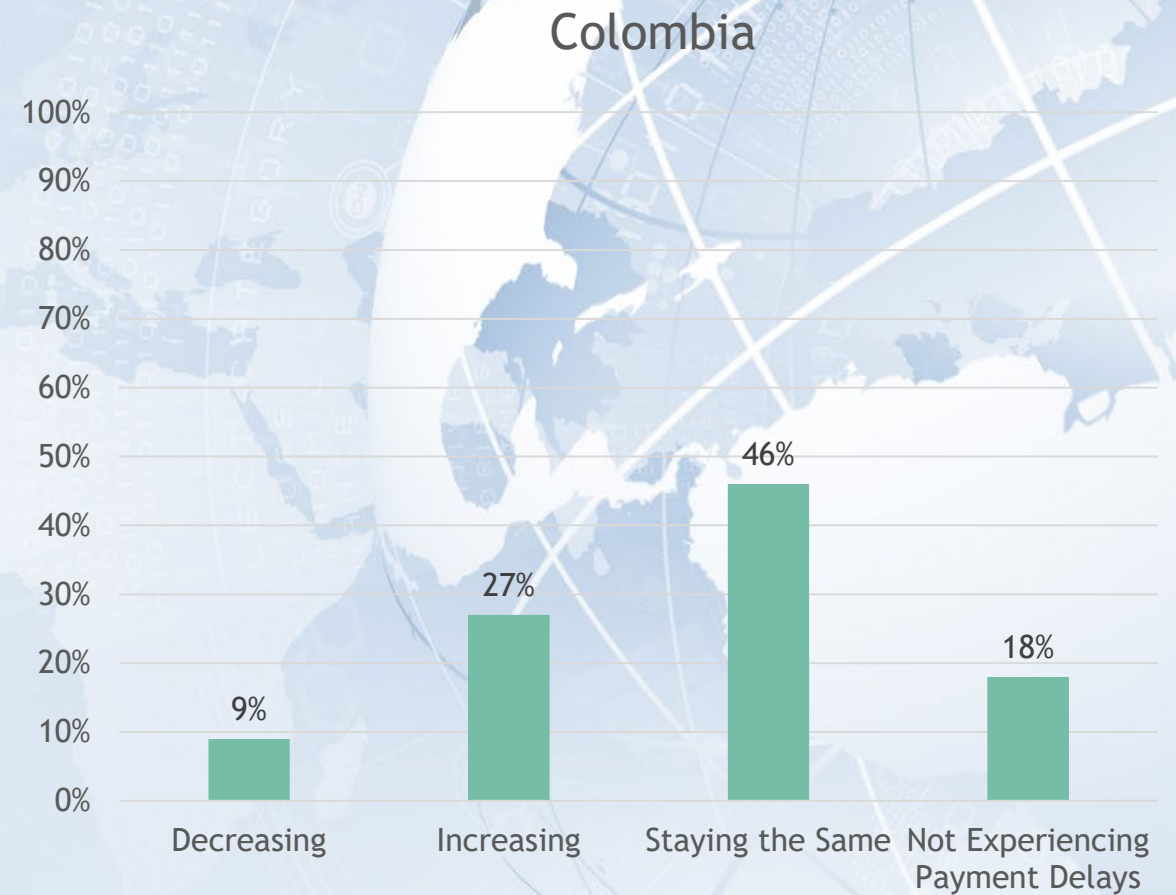
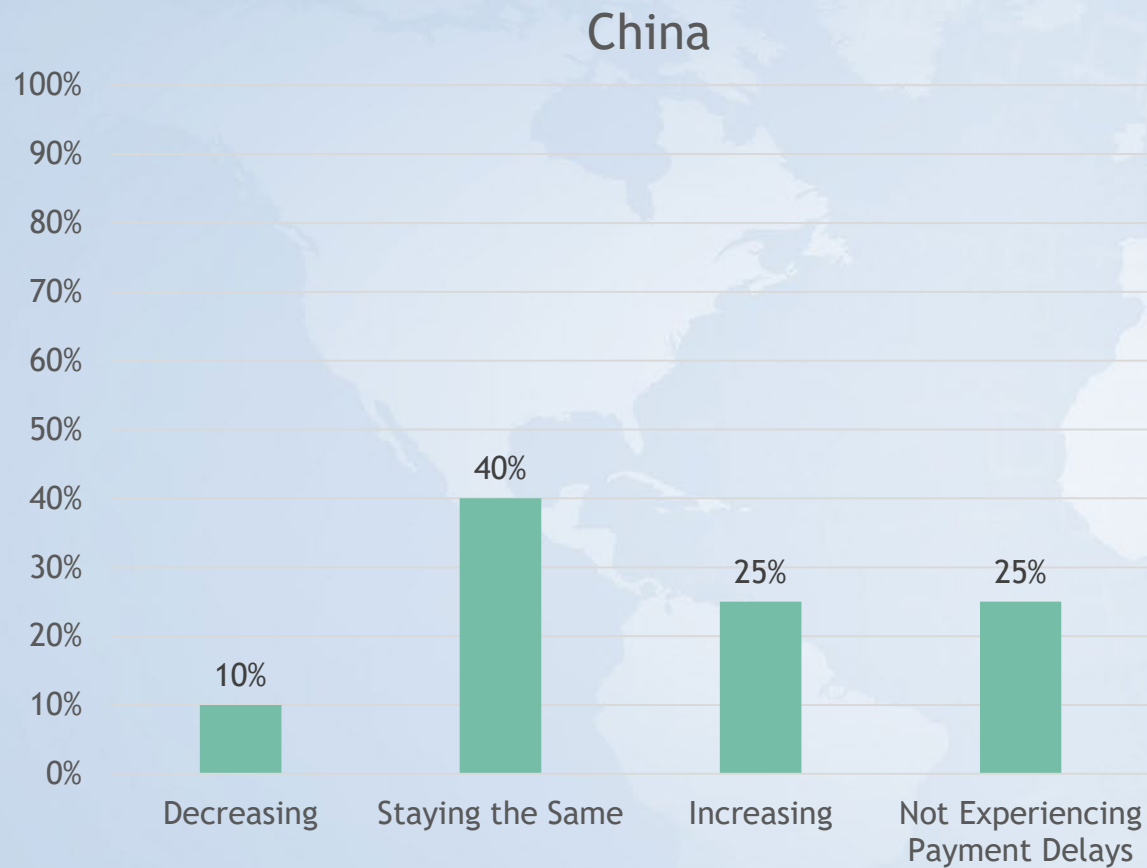
India



What is the average number of days beyond terms in these countries?

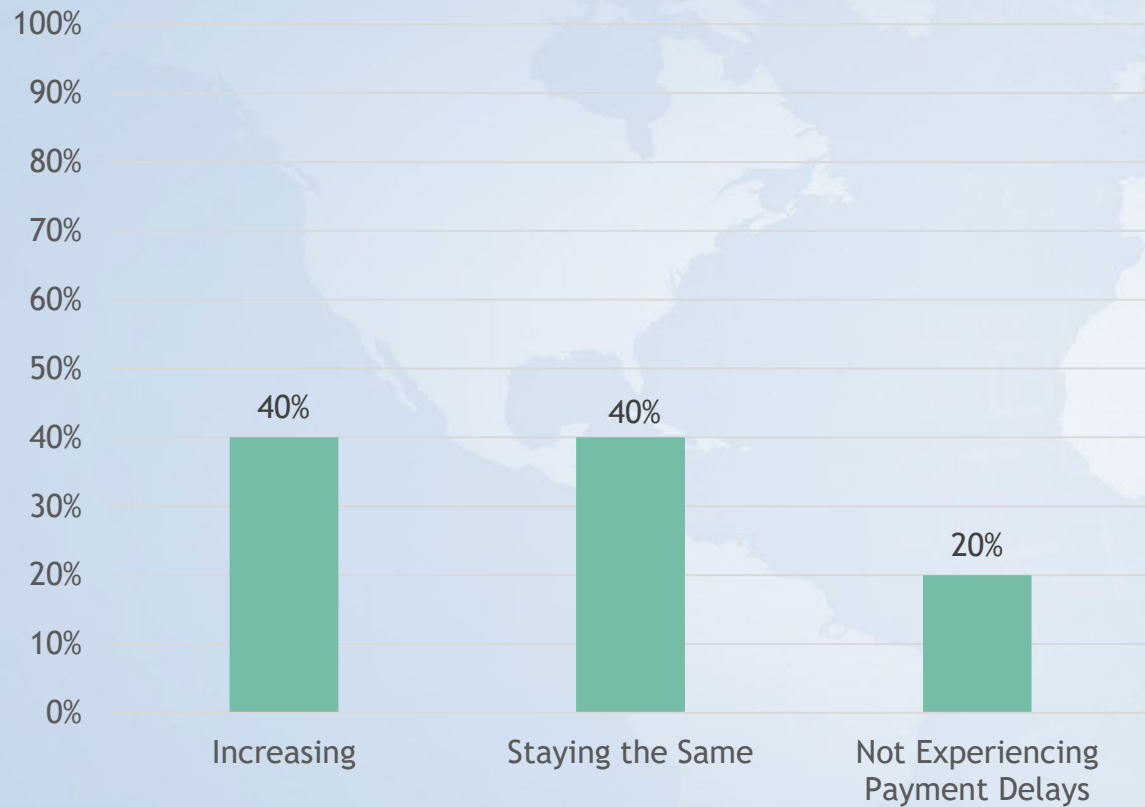


Are payment delays increasing, decreasing, or staying the same?

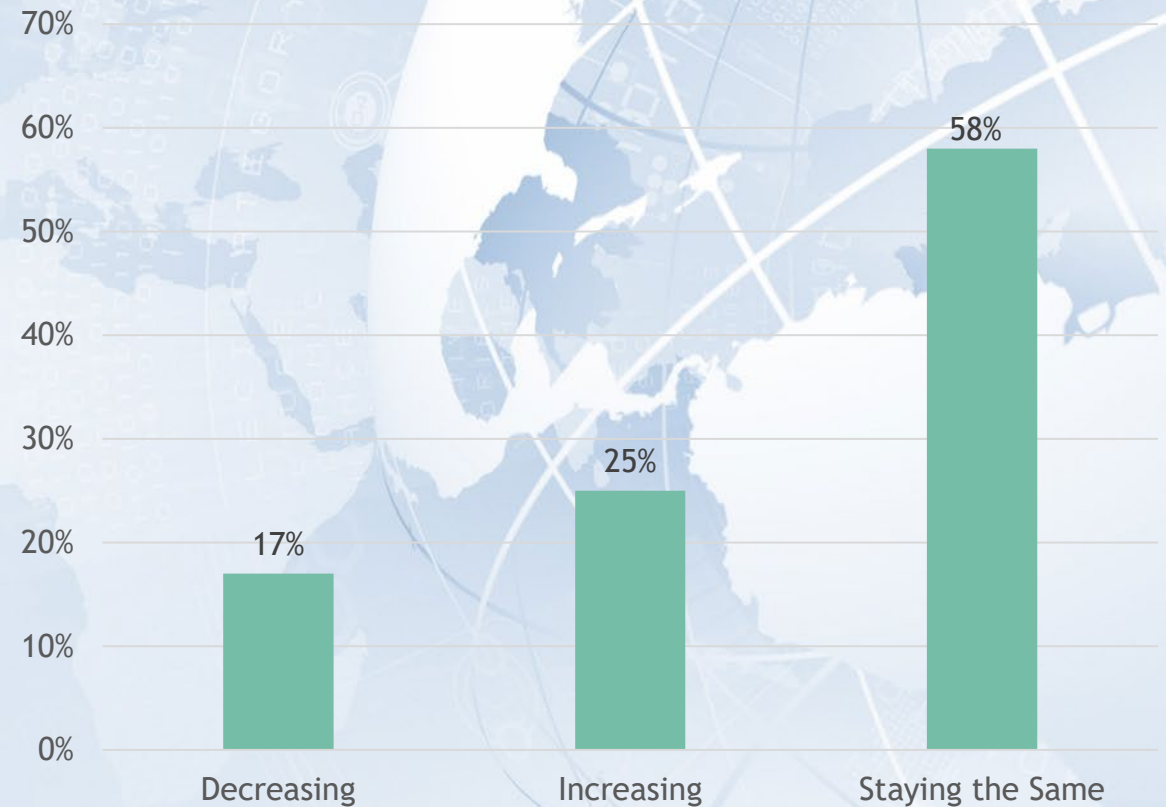


Are payment delays increasing, decreasing, or staying the same?

Ecuador

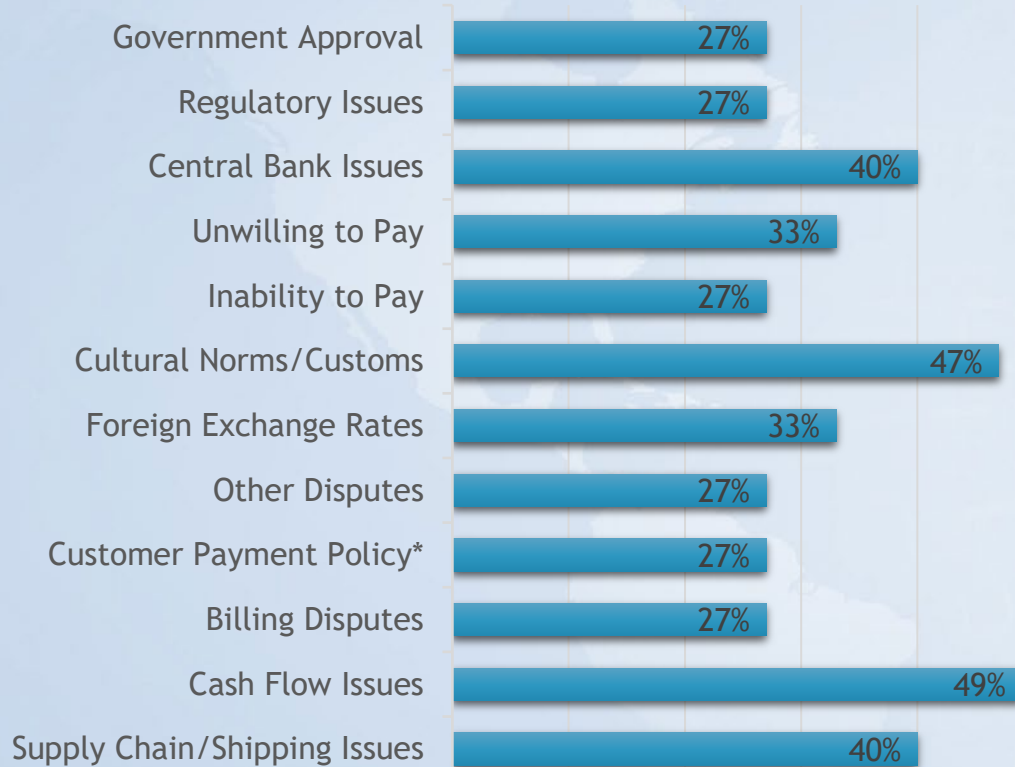


India

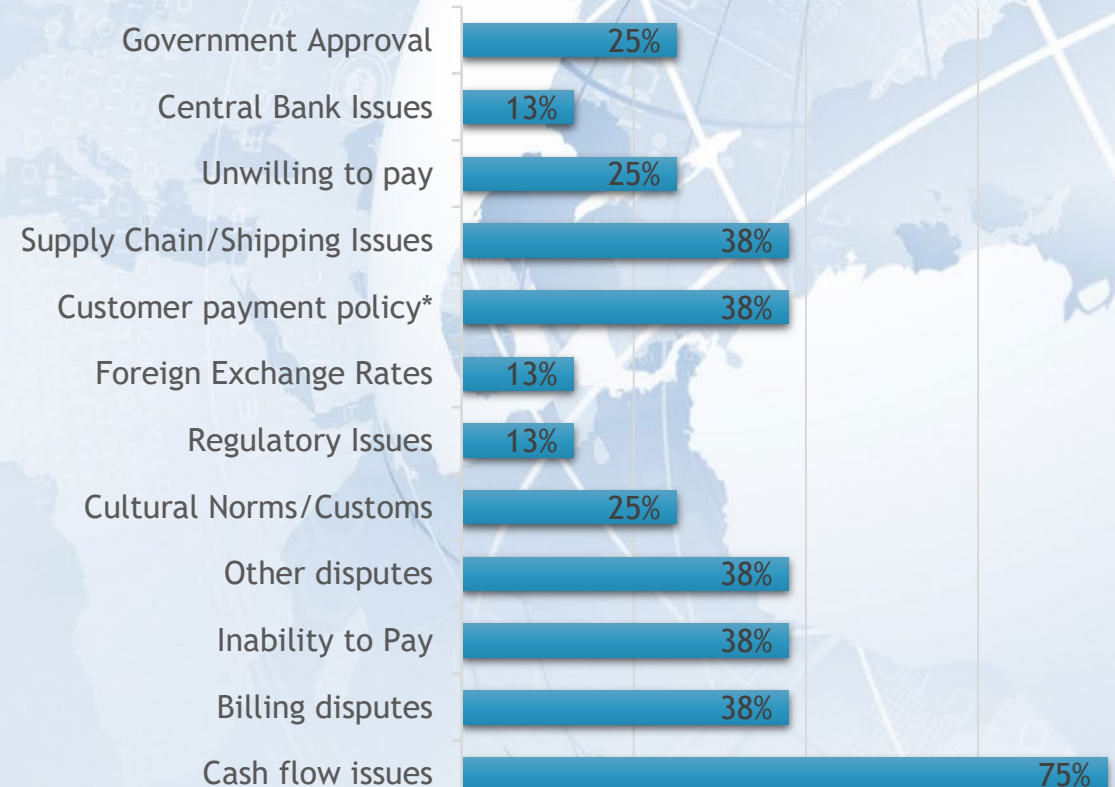


The most common causes of payment delays

China



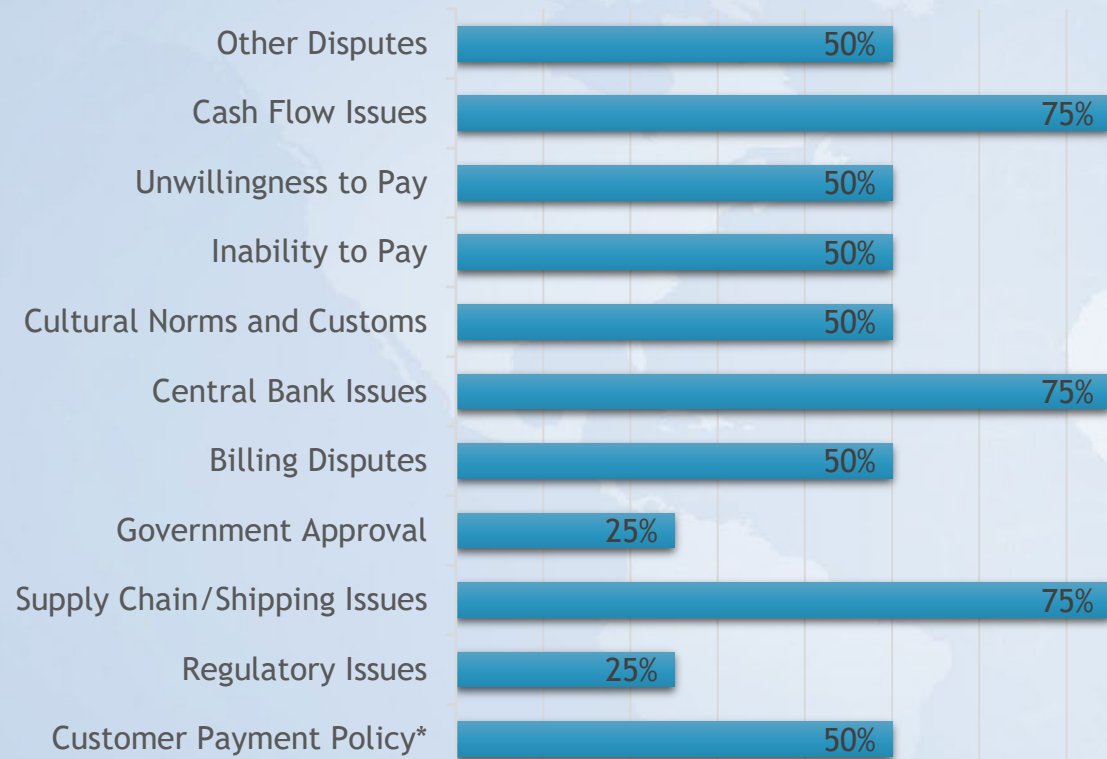
Colombia



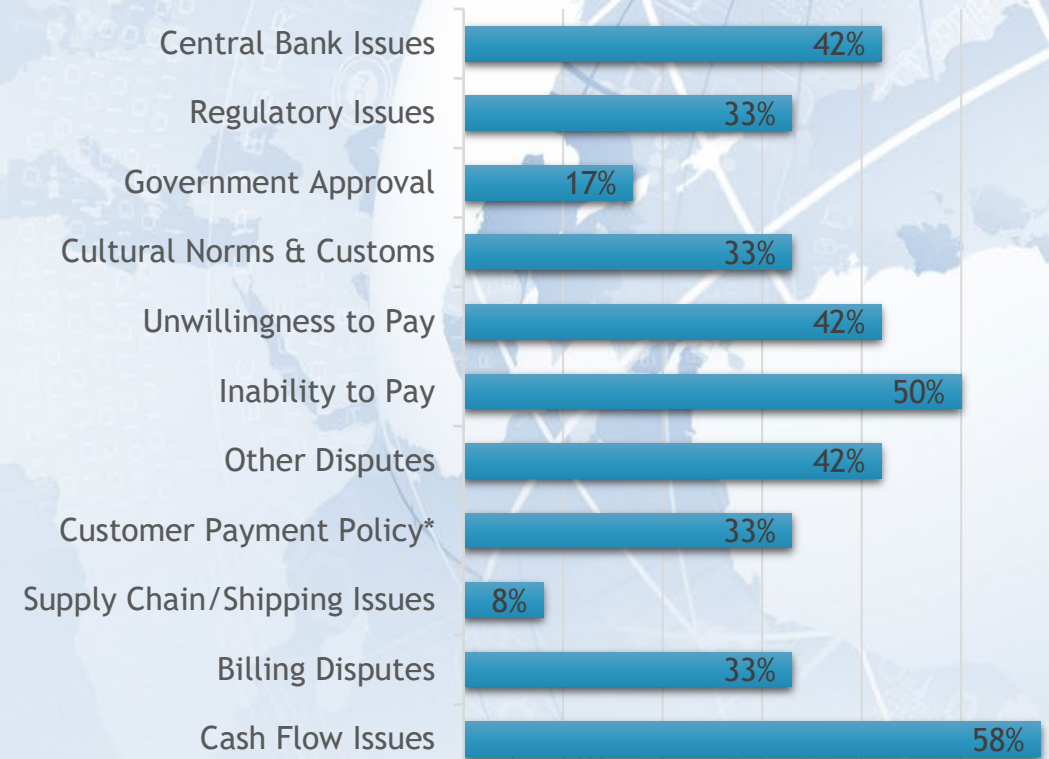
*(i.e. customer only pays on a set day of the month)

The most common causes of payment delays

Ecuador

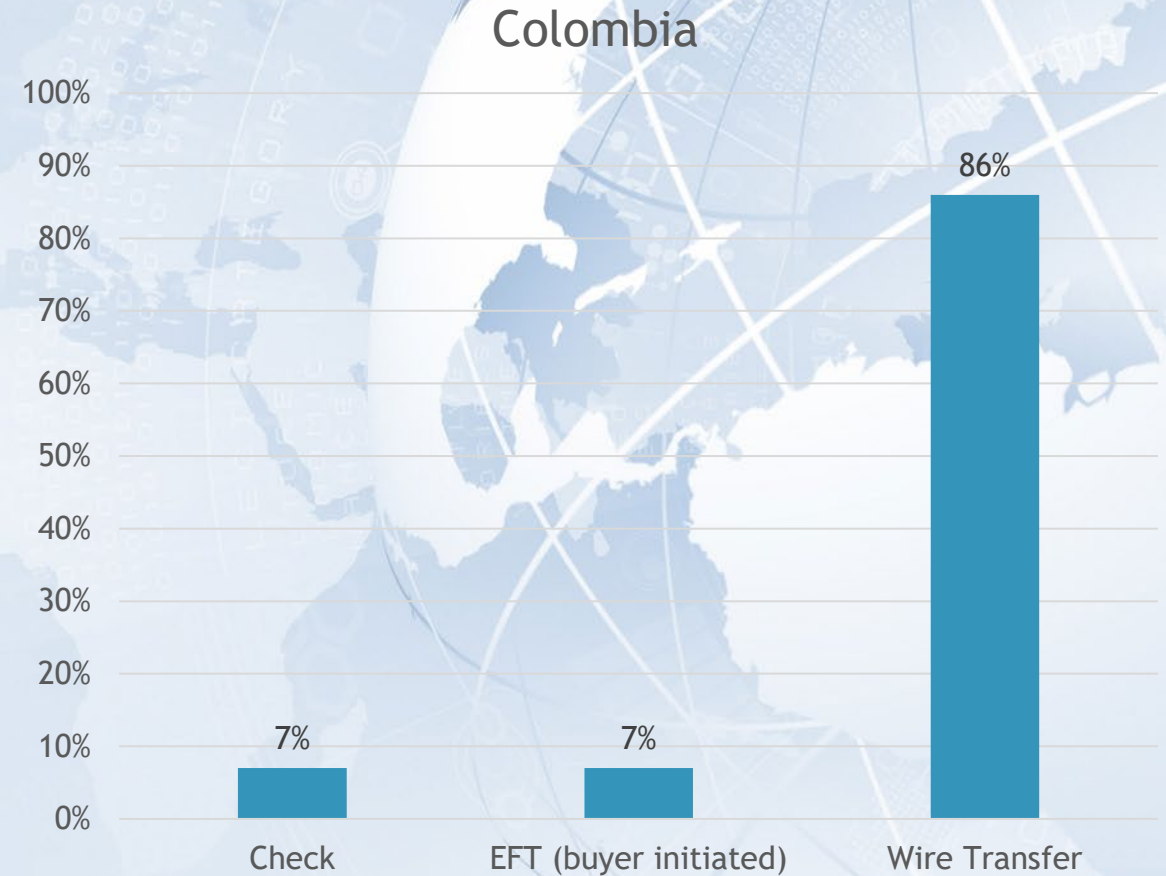
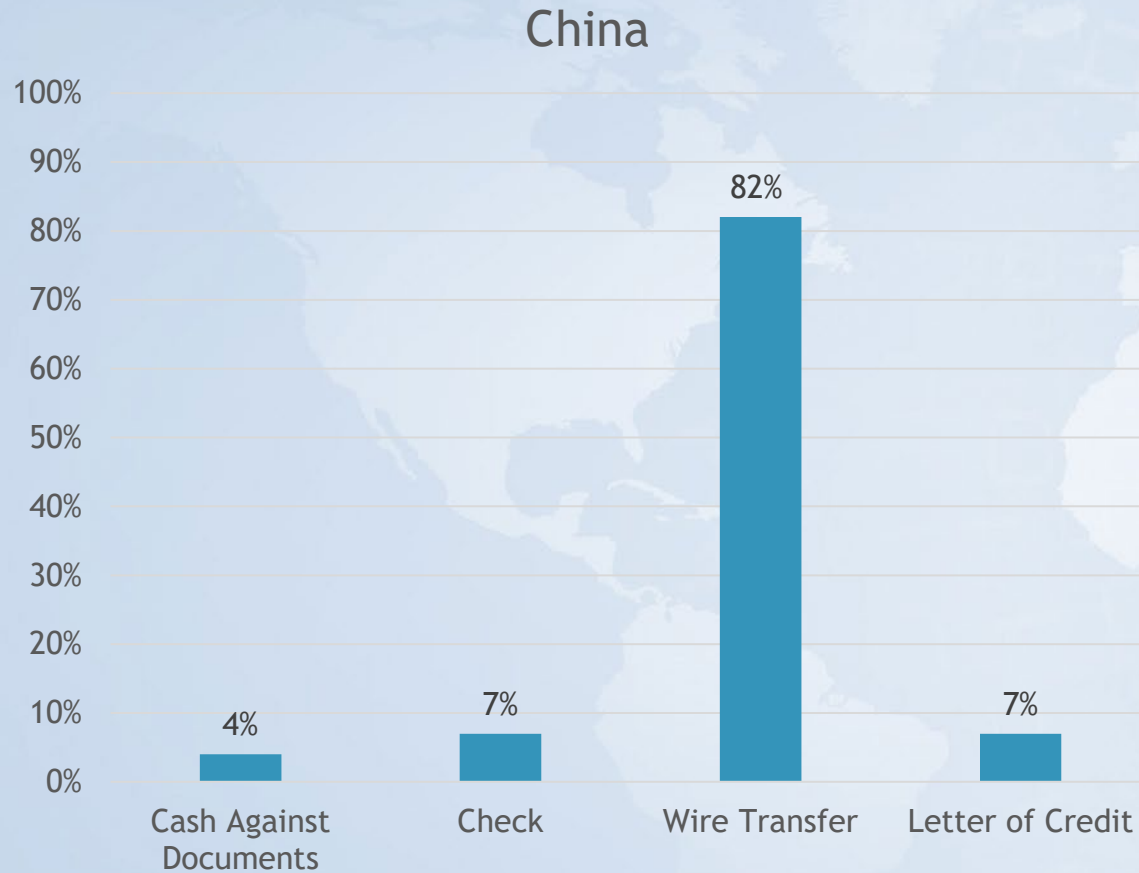


India



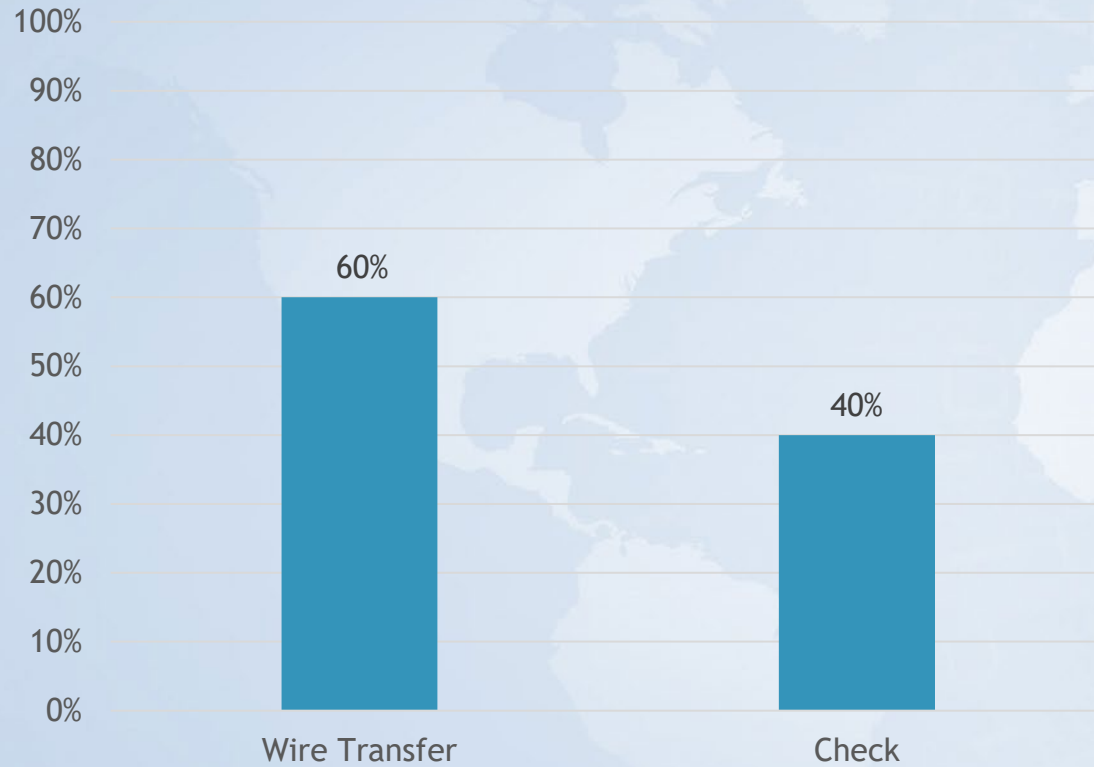
*(i.e. customer only pays on a set day of the month)

Methods used to secure payment

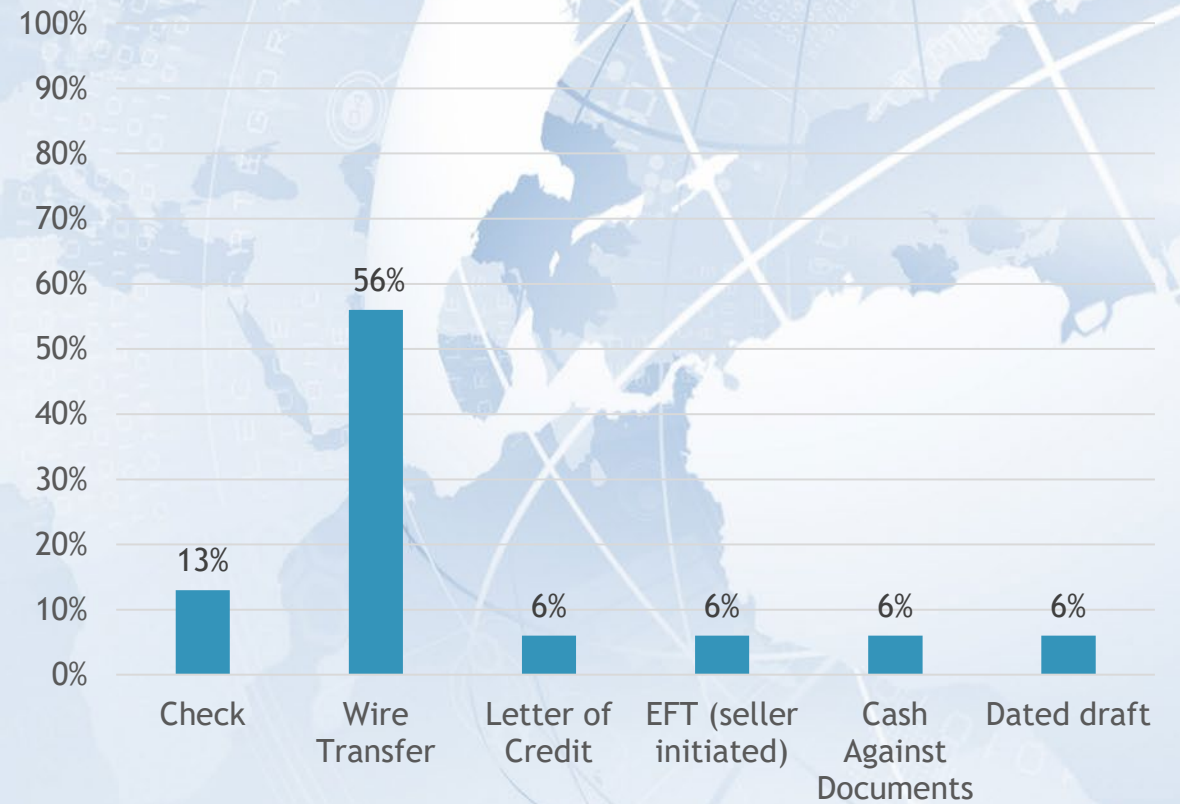


Methods used to secure payment

Ecuador



India



Insights from Credit Professionals

China

- Secure an advance payment, avoid paid when paid terms, don't sell anything without a contract in place.
- With current global dynamics between the US and China, we are keeping a very close eye on our APAC customers.
- Understand VAT tax and all govt requirements.

Colombia

- Ask lots of questions. Do more in depth research on the prospective company.
- Timely follow-up and attention to details in documentation.

India

- Secure a contract first, ask for advance payment, consider payment on account when the approval process takes longer.
- Payments should match bill of entry.
- Make your new customers sign a credit agreement with all terms and conditions (and interest) stipulated.
- Secured with letter of credit. Get to know your customer. Small credit line established to minimize risk.

Insights from Credit Professionals

Non-country-specific Advice from the survey.

- Know your real customer, not the Trade/Banner name but the True Legal Entity (5 C's of Credit).
- Start early building a relationship with your customer, and include your salesperson - you'll make a team and teams work together.
- Follow up with the customer's Procurement Dept and Finance Dept as many times as necessary.
- Obtain updated credit information Look for owner and addresses verification, as changes are often not communicated by the customer. Know all you can about the customer. Pull a credit report for payment history and legal status and name verification.
- With continued global inflation, war in Ukraine and high interest, you need to know your true legal customer to prevent fraud and keep your A/R secured.
- It is important to know customer's payment process to avoid misunderstandings or delays due to administrative issues.
- Obtain financial statements on your customers and backstop sales with credit insurance.
- Ensure payment language is on the wire payments received.