



	May 2016	May 2017	October 2018
<b>Total Respondents</b>	90	105	61
<b>Respondents with customers in this county</b>	23	43	19
<b>Sales are primarily to</b>	<b>May 2016</b>	<b>May 2017</b>	<b>October 2018</b>
Existing Customers	96%	95%	100%
New Customers	4%	5%	0%
<b>Respondents extending credit to customers vs. those who do not</b>	<b>May 2016</b>	<b>May 2017</b>	<b>October 2018</b>
Extend Credit	68%	86%	79%
Do Not Extend Credit	32%	14%	21%
<b>Payment terms granted by those extending credit to customers in this country:</b>	<b>May 2016</b>	<b>May 2017</b>	<b>October 2018</b>
0-30	35%	27%	20%
31-60	29%	32%	33%
61-90	29%	22%	40%
91+	7%	19%	7%
<b>Average days beyond terms:</b>	<b>May 2016</b>	<b>May 2017</b>	<b>October 2018</b>
	N/A	N/A	16.1
<b>Payment methods used (multiple selections permitted):</b>	<b>May 2016</b>	<b>May 2017</b>	<b>October 2018</b>
Wire Transfer	95%	93%	100%
EFT (seller initiated)	0%	7%	5%
EFT (buyer initiated)	24%	17%	5%
Check	19%	7%	16%
Credit Card	19%	21%	16%
Extended Payment Program or Progress Billing	0%	2%	0%
B.P.O. (Bank Payment Obligation)	5%	0%	0%
Letter of Credit	24%	24%	11%
Cash Against Documents	5%	10%	5%
Dated Draft	0%	0%	0%
*Other	5%	5%	0%

\*OTHER (NOTE: Previous surveys asked for top method of payment which included PIA and open account)

May 2016	May 2017
• Insured limit	• Credit insurance

Payment Delays Are:	May 2016	May 2017	October 2018
Increasing	23%	21%	33%
Decreasing	45%	5%	7%
No Change	0%	56%	47%
No Payment Delays	32%	18%	13%

\*NOTE: Previous Surveys asked for average length of payment delay.

Causes of payment delays, open account:	May 2016	May 2017	October 2018
Billing Disputes	14%	16%	17%
Other Disputes	0%	6%	0%
Cash Flow Issues	43%	34%	42%
Inability to Pay	21%	6%	0%

Causes of payment delays, open account:	May 2016	May 2017	October 2018
Unwilling to Pay	14%	3%	0%
Customer Payment Policy	8%	13%	17%
Government Approval	0%	0%	8%
Regulatory Issues	0%	0%	0%
Foreign Exchange Rates	0%	9%	0%
Central Bank Issues	0%	3%	0%
Cultural Norms and Customs	0%	0%	8%
*Other	0%	10%	8%

\*NOTE: Previous Surveys asked for average length of payment delay.

**\*OTHER**

May 2017	October 2018
<ul style="list-style-type: none"> <li>• Cash flow, low sales, and also customers pay on given day a month.</li> <li>• Starting terms at receipt of goods instead of invoice date.</li> <li>• Slow sell out.</li> </ul>	<ul style="list-style-type: none"> <li>• We only have two customers there, and we do not typically experience delays.</li> </ul>

**PRS Political & Economic Risk Forecast (Updated 04/01/18)**

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
Guatemala					2013-2017	3.6	3.8	-0.03
Divided Government 65%	High	B+	B+	B+	2018	3.2	4.1	0.70
Divided Government 50%	High	B-	B-	B-	2019-2023	3.4	4.3	-0.35

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:**

October 2018
<ul style="list-style-type: none"> <li>• There are financing programs for Pymes (Pequeñas y Medianas Empresas, which means Small and Mid-Sized Businesses) which help make sales without taking further risks.</li> <li>• Get to know your customers in detail, and visit them at least twice a year, to verify their current standing upon the new plastic regulations.</li> <li>• Know our customer, the legal entity you are actually doing business with... 5 C's of Credit; Due diligence.</li> <li>• CIA Recommended.</li> <li>• Select a financially strong distributor.</li> <li>• Be careful in Latin America. If the company doesn't have U.S. ties, cash in advance.</li> </ul>
May 2017
<ul style="list-style-type: none"> <li>• Due diligence. Visit or have a local person visit the customer site.</li> <li>• Get a credit application and know your customer.</li> <li>• Do not extend largest credit limits.</li> <li>• It's customary to pay late.</li> </ul>

#### May 2017

- We are selling to subsidiaries of blue-chip companies in this country only.
- Only give small credit lines.
- Do your due diligence. Know your customer before extending credit. Have a few sales orders before selling, unless it's a well-known customer.
- Avoid checks, performance bonds need to be aligned with contracts but it's better to request guarantees since the cost is low and are very liquid. Also, some banks grant Abasto lines to Buyers which provides secure payment per shipment.
- Use credit insurance
- Be mindful of country risk and push customer to on all information.
- Political issues. Delay in projects could result in cash flow issues for the customer. Recommend to secure at least 50% of the transaction.
- Try to obtain trade references.
- Know completely the best they can who they are truly selling to. Start with the credit application; know the owners and/or officers of that company and their background before extending terms.
- Obtain audited FS first. Then establish risk grade. Then decide how to secure risk.
- Know your customer and build strong relationship. Guatemala can offer good opportunities and, for us, cash flow has not been an issue.

#### May 2016

- Credit insurance is a must.
- Know your customers!
- Do a full credit investigation
- Make sure you have a security interest before selling any company in Guatemala.