



	May 2017	February 2019	February 2020
<b>Total Respondents</b>	103	69	58
<b>Respondents with customers in this county</b>	30	16	14
<b>Sales are primarily to</b>	<b>May 2017</b>	<b>February 2019</b>	<b>February 2020</b>
Existing Customers	96%	93%	100%
New Customers	4%	7%	0%
<b>Respondents extending credit to customers vs. those who do not</b>	<b>May 2017</b>	<b>February 2019</b>	<b>February 2020</b>
Extend Credit	79%	75%	79%
Do Not Extend Credit	21%	25%	21%
<b>Payment terms granted by those extending credit to customers in this country:</b>	<b>May 2017</b>	<b>February 2019</b>	<b>February 2020</b>
0-30	17%	33%	34%
31-60	35%	42%	55%
61-90	26%	25%	11%
91+	22%	0%	0%
<b>Average days beyond terms:</b>	<b>May 2017</b>	<b>February 2019</b>	<b>February 2020</b>
	N/A	19.4	13
<b>Payment methods used (multiple selections permitted):</b>	<b>May 2017</b>	<b>February 2019</b>	<b>February 2020</b>
Wire Transfer	93%	81%	93%
EFT (seller initiated)	7%	19%	14%
EFT (buyer initiated)	25%	6%	14%
Check	18%	13%	21%
Credit Card	32%	31%	29%
Extended Payment Program or Progress Billing	7%	0%	7%
B.P.O. (Bank Payment Obligation)	4%	0%	0%
Letter of Credit	25%	25%	29%
Cash Against Documents	11%	6%	7%
Dated Draft	0%	0%	0%
*Other	0%	0%	0%
<b>Payment Delays Are:</b>	<b>May 2017</b>	<b>February 2019</b>	<b>February 2020</b>
Increasing	17%	17%	28%
Decreasing	4%	8%	18%
No Change	62%	75%	36%
No Payment Delays	17%	0%	18%
<b>Causes of payment delays, open account:</b>	<b>May 2017</b>	<b>February 2019</b>	<b>February 2020</b>
Billing Disputes	0%	27%	11%
Other Disputes	5%	0%	0%
Cash Flow Issues	38%	37%	56%
Inability to Pay	14%	0%	11%
Unwilling to Pay	5%	9%	0%
Customer Payment Policy	10%	0%	0%
Government Approval	0%	9%	0%
Regulatory Issues	0%	0%	0%
Foreign Exchange Rates	19%	0%	0%

Causes of payment delays, open account:	May 2017	February 2019	February 2020
Central Bank Issues	0%	0%	11%
Cultural Norms and Customs	0%	18%	0%
*Other	9%	0%	11%

**\*OTHER**

May 2017	February 2020
<ul style="list-style-type: none"> <li>• Prepayment issues</li> <li>• Starting terms at receipt of goods instead of invoice date.</li> </ul>	<ul style="list-style-type: none"> <li>• Reason varies, sometimes delivery is delayed on our end.</li> </ul>

**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
<b>Honduras</b>					2014-2018	3.9	4.0	-0.88
Center-Right Coalition 50%	High	B	B	B-	2019	3.4	4.3	-0.35
*Divided Government 45%	High	C+	B-	C+	2020-2024	3.3	4.4	-0.95

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:**

**February 2020**

- Document properly any credit granted.
- Know and verify your customer thoroughly. Do your due diligence. Develop contacts (via visits/calls/email constantly).
- Pull a country risk report.
- Check bank and trade references.
- Having to purchase foreign currency through government auctions frequently delays remittances. As one of the poorer countries in Latin America, the slow flow of money also hinders timely payments.
- Know your customer. Corruption and a poor economy are issues to be considered.

**February 2019**

- Our long-time customer is a global business. we've done our due diligence on the account and management has approved terms. No chargebacks just slow payers. these terms are acceptable versus dollars invoiced
- Search the company and draft enforceable terms.
- Make sure you visit the company as the financial information can be adjusted by the customers to look better.
- Review audited financial statement and income tax, credit line over \$100K by standby letter of credit.
- Don't give credit without a guarantee.
- Review financial statements, obtain credit reports for customer and the country risk and if possible, visit customer.
- [Get a] credit application and international credit report.

**May 2017**

- Get a credit application and know your customer fully; use credit insurance; obtain trade references.



#### May 2017

- The economy of Honduras is very unstable in my point of view. Be careful when increasing credit exposure.
- Do all your legal checks to avoid any documentation issues.
- High risk country. Recommend to secure 100% of the transaction.
- Payments may be delayed as customers have to buy dollars at government auctions. Several days may be required before enough dollars can be purchased to satisfy the debt.
- High risk. We sell on prepayment only.