



	July 2019	July 2020	June 2021
Total Respondents	71	57	37

	July 2019	July 2020	June 2021
Respondents with customers in this county	23	22	15

Sales are primarily to	July 2019	July 2020	June 2021
Existing Customers	91%	100%	87%
New Customers	9%	0%	13%

Respondents extending credit to customers vs. those who do not	July 2019	July 2020	June 2021
Extend Credit	78%	86%	64%
Do Not Extend Credit	22%	14%	33%

Payment terms granted by those extending credit to customers in this country:	July 2019	July 2020	June 2021
0-30	61%	47%	60%
31-60	28%	53%	20%
61-90	0%	0%	20%
91+	11%	0%	0%

Average days beyond terms:	July 2019	July 2020	June 2021
	19.4	16.6	12

Payment methods used (multiple selections permitted):	July 2019	July 2020	June 2021
Wire Transfer	83%	100%	87%
EFT (seller initiated)	9%	14%	13%
EFT (buyer initiated)	13%	14%	20%
Check	4%	14%	13%
Credit Card	13%	14%	13%
Extended Payment Program or Progress Billing	0%	0%	0%
B. P. O. (Bank Payment Obligation)	0%	0%	0%
Letter of Credit	26%	14%	20%
Cash Against Documents	13%	5%	33%
Dated Draft	0%	0%	0%
*Other	0%	0%	

Payment Delays Are:	July 2019	July 2020	June 2021
Increasing	0%	32%	10%
Decreasing	11%	5%	0%
No Change	61%	37%	70%
No Payment Delays	28%	26%	20%

Causes of payment delays, open account:	July 2019	July 2020	June 2021
Billing Disputes	25%	14%	25%
Other Disputes	8%	7%	12%
Cash Flow Issues	17%	14%	0%
Inability to Pay	0%	0%	12%
Unwilling to Pay	8%	7%	12%
Customer Payment Policy	25%	36%	12%
Government Approval	0%	0%	0%
Regulatory Issues	0%	0%	0%
Foreign Exchange Rates	0%	0%	0%

Causes of payment delays, open account:	July 2019	July 2020	June 2021
Central Bank Issues	0%	0%	0%
Cultural Norms and Customs	17%	0%	0%
*Other	0%	22%	27%

***OTHER**

July 2020	June 2021
<ul style="list-style-type: none"> • Covid-19 • Political Issues • Claims 	<ul style="list-style-type: none"> • Rise in payment delays due to global supply chain issues, transportation and logistics issues causing delays in material availability and cash flows. • For the past 12 months, we have been experiencing an increased amount of orders that are being delayed to our customers due to vessel/transport delays causing late payments. Customers are unable to pay for our product until goods arrive at the port at which time they get clearance documents to apply for payment at their bank; therefore most of our orders to Asia are paid late.

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

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
Hong Kong					2016-2020	0.3	1.9	19.28
Limited Autonomy 60%	Moderate	A	A-	A	2021	2.9	1.5	13.10
Limited Autonomy 50%	Moderate	A-	B+	A-	2022-2026	2.4	2.0	16.00

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:

June 2021
<ul style="list-style-type: none"> • Have a good agent able to communicate effectively for you. • Use CAD terms. • Request payment in advance. • Really know your true customer (5 C's of Credit), understand their business model and always look to get financial disclosure. • Know your customer - get company financials

July 2020
<ul style="list-style-type: none"> • Know the true customer (The true Legal entity you are selling, not their DBA or Trade/Banner Name) 5 C's of Credit. • We are experiencing a shift in attitude with our customers in Hong Kong. Be very cautious. • Keep watching mainland China! • Know your customer (the True Legal entity you are selling not the DBA or Banner name) and know the government obstacles in foreign countries • Political concerns are influencing payments from this area. • Know your customer. Confirm they are not on a restricted party list. • Term within 30 days to HK country good to go since they pay well. • Cash against documents. is a good solution.

July 2019

- Hong Kong has a very efficient payment system that ensures faster collections. Being a super economy helps in providing credits.
- Assess 3 years financials and if their financials are weak request for parent guarantee or other secured terms.
- Work with a knowledgeable person with lots of experience selling into HK.
- For Hong Kong, the challenge here is, you are not able to perform the credit assessment for the customer since the law does not require most of the companies to publish the financial statement unless your customer is listed company.
- Hong Kong is a relatively safe country but I would at least sell on CAD payment term to mitigate the risk of China's intervention.
- Establish good working relationship with customer. Secured with LoC.
- Insure receivables, if possible.
- Due your due diligence. Know who you're selling to.