



	June 2015	July 2016	March 2018
Total Respondents	16	64	50
Respondents with customers in this county	11	28	25
Sales are primarily to	June 2015	July 2016	March 2018
Existing Customers	61%	93%	84%
New Customers	29%	7%	16%
Do accounts in this country represent a significant portion of respondents A/R?	June 2015	July 2016	March 2018
Yes	N/A	96%	12%
No	N/A	4%	88%
Respondents extending credit to customers vs. those who do not	June 2015	July 2016	March 2018
Extend Credit	43%	75%	96%
Do Not Extend Credit	N/A	25%	4%
Payment terms granted by those extending credit to customers in this country:	June 2015	July 2016	March 2018
0-30	25%	45%	21%
31-60	50%	45%	58%
61-90	25%	5%	21%
91+	0%	5%	0%
Average days beyond terms:	June 2015	July 2016	March 2018
	N/A	N/A	16.3
Payment methods used (multiple selections permitted):	June 2015	July 2016	March 2018
Wire Transfer	43%	96%	96%
EFT (seller initiated)	0%	4%	8%
EFT (buyer initiated)	0%	12%	13%
Check	0%	4%	8%
Credit Card	0%	12%	8%
Extended Payment Program or Progress Billing	0%	8%	4%
B.P.O. (Bank Payment Obligation)	0%	0%	0%
Letter of Credit	0%	24%	29%
Cash Against Documents	0%	12%	17%
Dated Draft	0%	0%	8%
*Other	57%	8%	0%

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

June 2015	July 2016
<ul style="list-style-type: none"> 43% Open account; 14% Payment in advance, no methods specified 	<ul style="list-style-type: none"> Avalised draft; "We are selling through a subsidiary located in South Africa"

Payment Delays Are:	June 2015	July 2016	March 2018
Increasing	N/A	14%	29%
Decreasing	N/A	4%	8%
No Change	N/A	46%	46%
No Payment Delays	25%	36%	17%

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

June 2015
<ul style="list-style-type: none"> 50% of respondents were experiencing delays of <30 days; 25% of respondents were experiencing delays of 30-60 days.

Causes of payment delays, open account:	June 2015	July 2016	March 2018
Billing Disputes	0%	6%	10%
Other Disputes	50%	0%	0%
Cash Flow Issues	25%	13%	40%
Inability to Pay	0%	6%	5%
Unwilling to Pay	0%	13%	5%
Customer Payment Policy	0%	6%	20%
Government Approval	0%	0%	0%
Regulatory Issues	0%	18%	5%
Foreign Exchange Rates	25%	13%	0%
Central Bank Issues	0%	6%	5%
Cultural Norms and Customs	0%	6%	5%
*Other	0%	13%	5%

***OTHER**

July 2016	March 2018
<ul style="list-style-type: none"> Transit time for products; Cash flow issues being caused by: F/X, labor strikes, and overall weakening economic conditions. 	<ul style="list-style-type: none"> Third-party payments

Resources used to check creditworthiness of customers (multiple selections permitted):	June 2015	July 2016	March 2018
Customer visits	38%	56%	54%
Trade references	38%	44%	58%
International credit reports	75%	89%	92%
Country risk reports	25%	56%	58%
Financial statements	50%	72%	75%
Bank references	25%	17%	33%
Tax records	0%	6%	4%
Customer's borrowing relationship with their bank	0%	11%	17%
Customer's line of credit with their primary bank	0%	0%	17%

Documents used to confirm or finalize sale to prior to shipping (multiple selections permitted):	June 2015	July 2016	March 2018
Credit Applications	75%	57%	46%
Purchase Orders	75%	75%	96%
Sales Contract	63%	75%	50%
Other	0%	7%	0%

***OTHER**

July 2016

- Payment in advance, credit insurance

Advice when doing business in this country:

March 2018

- Know who you are actually doing business with, credit application, financials, thoroughly vet your customer.
- Our customers in South Africa do not make payment until they receive the goods which generally delays almost all the payments.
- Good economy and no issues with cash inflow.
- Make sure that your lines of communication are accurate and know who you are dealing with.
- Generally, not too many issues selling into this country for us.
- Make sure you check the stability of the country before sending out your shipment. There are changes taking place in the country.
- Be very careful with who you are dealing with and do a complete and thorough evaluation on their financials, ownership, and market.

March 2018

- Beware of the payments coming in from unauthorized sources.
- Getting money out of South Africa is sometimes difficult. Be prepared to stay on top of customers so they don't slide extremely delinquent.
- Overall it is not too difficult to trade with companies in South Africa. They vary in their financial strength and capabilities. Macro-economic issues such as labor strike, F/X rates, etc. have had impacts on businesses there. They also tend to have several weeks of operations close down in December through early to mid-January.
- Know your customer and secure your payment with either payment in advance of shipment or letter of credit.
- Know your customer depending on which sector you work standard terms can vary between 30 to 120 days. Overdue can be between 30 to 90 days. But prepayment is accepted in 25% of international transaction.
- I would advise pre-payment of a part pre-payment.
- Be patient and open to think outside of the box.

July 2016

- Economic climate and the rules of the government ruling the country. Anything else, Ask FCIB.
- South Africa is sort of in the middle of the spectrum of countries to do business in. Information available on companies is fair, but customers will provide financials if pushed. Most of our customers there pay us well.
- Obtain Financials.
- Billing in local currency domestically helps a lot.
- Seek trade refs from vendors they have within the U.S.
- Be very aware of what is happening in the country that could affect the customer's inability to pay you even though they have the funds.
- Understand the industry you are supporting. Some industries may have additional risks.
- Check regulations.

June 2015

- Payments are held by banks frequently due to conversion rates with the US Dollar. Very difficult to get money out of the country.