



	March 2015	August 2016	September 2018
Total Respondents	41	70	41
Respondents with customers in this county	21	27	14
Sales are primarily to	March 2015	August 2016	September 2018
Existing Customers	N/A	93%	93%
New Customers	N/A	7%	7%
Respondents extending credit to customers vs. those who do not	March 2015	August 2016	September 2018
Extend Credit	17%	56%	64%
Do Not Extend Credit	N/A	44%	36%
Payment terms granted by those extending credit to customers in this country:	March 2015	August 2016	September 2018
0-30	50%	43%	22%
31-60	50%	36%	78%
61-90	0%	14%	0%
91+	0%	7%	0%
Average days beyond terms:	March 2015	August 2016	September 2018
	N/A	N/A	17.7
Payment methods used (multiple selections permitted):	March 2015	August 2016	September 2018
Wire Transfer	0%	63%	79%
EFT (seller initiated)	0%	7%	0%
EFT (buyer initiated)	0%	11%	7%
Check	0%	0%	7%
Credit Card	0%	11%	0%
Extended Payment Program or Progress Billing	0%	0%	0%
B.P.O. (Bank Payment Obligation)	0%	0%	14%
Letter of Credit	33%	41%	36%
Cash Against Documents	6%	22%	7%
Dated Draft	6%	7%	0%
*Other	55%	7%	0%

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

March 2015	August 2016	September 2018
<ul style="list-style-type: none"> • 38% Payment in advance (unspecified method); 17% Open account. 	<ul style="list-style-type: none"> • Backstop sales with credit insurance. • Federal Export Credit Guarantee. 	<ul style="list-style-type: none"> • bullets... •

Payment Delays Are:	March 2015	August 2016	September 2018
Increasing	N/A	4%	0%
Decreasing	N/A	15%	11%
No Change	N/A	48%	78%
No Payment Delays	34%*	33%	11%

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

March 2015
<ul style="list-style-type: none"> • 33% reported delays <30 days; 33% reported delays of 30-60 days.

Causes of payment delays, open account:	August 2016	September 2018
Billing Disputes	20%	29%
Other Disputes	13%	14%
Cash Flow Issues	13%	0%
Inability to Pay	0%	0%
Unwilling to Pay	0%	0%
Customer Payment Policy	20%	0%
Government Approval	7%	0%
Regulatory Issues	0%	14%
Foreign Exchange Rates	13%	0%
Central Bank Issues	0%	0%
Cultural Norms and Customs	7%	0%
*Other	7%	43%

***OTHER**

August 2016	September 2018
<ul style="list-style-type: none"> Exim bank issues 	<ul style="list-style-type: none"> Customers generally pay well. Sometimes we also can have surprises like advance cash payments. Not paying attention to due Invoices. Metrics are deceiving as the couple of customers with terms have limited credit availability and open pay orders above their limit on a prepayment basis.

PRS Political & Economic Risk Forecast (Updated 08/01/18)

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
Vietnam					2013-2017	6.2	3.5	6.48
CPV Mainstream 50%	Low	B-	B	B	2018	6.8	4.0	0.85
CPV Mainstream 50%	Low	B+	B+ (B)	B+ (B)	2019-2023	6.2	4.1	-3.10

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:

September 2018

- local set up company advisable to transact via financial instrument or collect deposit.
- KYC, language can be an issue, local presence is required, withholding taxes can be difficult to solve.
- Lots of government regulation. Be prepared for delays due to weak infrastructure.
- Prepay, no terms. Our distributor in Singapore is their contact and then our customer in Singapore will take all of the risk. We will ship direct with 100% down payment.
- We only have two customers with open terms, so it's difficult to provide advice.
- We sold on a prepay status until we built history and then gave a small credit limit.

August 2016

- Know your customer; Check references.
- Be firm and fix payment dates for them to pay. Follow up every two weeks.

August 2016

- Vietnam continues to struggle with international banking and credit standards. Selling on open account is not advised. I accept only confirmed documentary letters of credit.
- Ensure you are dealing with a well-established company and that you have all paperwork in place - contract.
- Financial performance for past 3 years, country current political stability, any sanction country dealings and any country regulatory that you need to take note of.
- Risky to extend credit in Vietnam.
- Try to avoid open credit.