

Qatar



Total Respondents:

February 2015	45
February 2017	75
August 2017	68

Respondents with customers in this country:

February 2015	23
February 2017	19
August 2017	24

Sales are primarily to:

	Existing Customers	New Customers
February 2017	79%	21%
August 2017	88%	12%

Do accounts in this country represent a significant portion of respondents A/R?:

	Yes	No
February 2017	5%	95%
August 2017	0%	100%

Respondents extending credit to customers vs. those who do not

	Extend Credit	Do Not Extend Credit
February 2015	65%	N/A
February 2017	68%	32%
August 2017	83%	17%

Payment terms granted by those extending credit to customers in this country:

	0-30	31-60	61-90	91+
February 2015	27%	36%	45%	18%
February 2017	25%	67%	8%	0%
August 2017	32%	42%	16%	10%

Payment methods used (multiple selections permitted):

	Wire Transfer	EFT (seller initiated)	EFT (buyer initiated)	Check	Credit Card	Extended Payment Program or Progress Billing	B.P.O. (Bank Payment Obligation)	Letter of Credit	Cash Against Documents	Dated Draft	*Other
February 2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	29%	0%	0%	71%
February 2017	84%	5%	11%	0%	0%	0%	0%	0%	0%	0%	0%
August 2017	91%	17%	13%	13%	22%	4%	9%	30%	17%	4%	9%
*OTHER (NOTE: Previous surveys asked for top method of payment which included PIA and open account)											
February 2015	<ul style="list-style-type: none"> 6% Payment in advance, 65% open account; no payment methods specified 										
August 2017	<ul style="list-style-type: none"> Payment in advance, no method specified 										

Payment Delays Are:

	Increasing	Decreasing	No Change	No Payment Delays
February 2015	N/A	N/A	N/A	18%
February 2017	10%	16%	37%	37%
August 2017	13%	9%	61%	17%
*NOTE: Previous Surveys asked for average length of payment delay.				
February 2015	<ul style="list-style-type: none"> 64% cited delays <30 days, 18% cited delays >90 days 			

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Causes of payment delays, open account:

	Billing Disputes	Other Disputes	Cash Flow Issues	Inability to Pay	Unwilling to Pay	Customer Payment Policy	Government Approval	Regulatory Issues	Foreign Exchange Rates	Central Bank Issues	Cultural Norms and Customs	Other
February 2017	10%	10%	0%	0%	0%	20%	0%	0%	0%	0%	10%	50%
August 2017	11%	21%	5%	0%	11%	11%	0%	5%	0%	0%	21%	15%
*Other												
February 2017	<ul style="list-style-type: none"> Customer billing requirements are getting stricter, thus resulting in delay of payments. Most of them require suppliers to load their invoices into their portals, in which most of the time there are system incompatibilities resulting in the rejection of invoices. No issues with LC's, other than all Middle East countries - actually their banks - still cling to the notion that an endorsement by the local Chamber of Commerce carries some sort of mystical power. I only have one customer with terms and they pay timely. construction project delays issues with documentation 											
August 2017	<ul style="list-style-type: none"> Current regional dispute resulting in inability to receive or pay for product in some cases. The Arab embargo is making the movement of goods and funds challenging. 											

Resources used to check creditworthiness of customers (multiple selections permitted):

	Customer visits	Trade references	International credit reports	Country risk reports	Financial statements	Bank references	Tax records	Customer's borrowing relationship with their bank	Customer's line of credit with their primary bank
February 2017	60%	30%	90%	60%	50%	10%	0%	10%	10%
August 2017	39%	39%	91%	48%	61%	4%	4%	4%	4%

Documents used to confirm or finalize sale to prior to shipping (multiple selections permitted):

	Credit Applications	Purchase Orders	Sales Contract	Other
February 2017	32%	84%	63%	0%
August 2017	52%	87%	48%	9%
OTHER				
August 2017	<ul style="list-style-type: none"> Always have a security deposit or prepayment plan set up for all our customers. No matter where they are from. Equipment Trials - They can return items after testing or keep and pay. 			

Advice when doing business in this country:

February 2017	<ul style="list-style-type: none"> Understand the customer's business by working closely with your sales team. For contract sales-ensure the billing requirements from the customer are addressed on the contract. For spot sales-please insure you have the system capabilities to manage the customer's billing requirements up front and before shipping product otherwise, it is implied your company accepted their terms. Just maintain a good relationship with your partners, but do not get too flexible otherwise they might abuse of your flexibility. Customers in Qatar and other Middle Eastern countries will not share financials or bank information. Please check customer reputation and financial strength of the potential customer through the sources available to you. Do the due diligence. Know your customer! Be aware of payment conditions. Most customers in this region pay invoices based on the bill of lading date versus the net due date of the invoice. Most of our customers in Qatar are subsidiary companies of Qatar Petroleum. Whenever they are a major shareholder of Qatar Petroleum / Shell, we can go with credit terms. We have significant sales but no bad debts to write-off. But you could see payment delays from 30 to 60 days due to their internal receipt process. It may find irrespective of Incoterms
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August 2017

- Make sure you really know your customer. Get all legal information, credit application, tax documents and financial disclosure if you can.
- Build personal relationships.
- Know your customer. Monitor current political situations which have resulted in trade restrictions.
- Financial stability.
- Pay attention to recent news and understand the culture.
- Access to customer information especially financial part is an issue.
- Customers tend to try to pay slowly. You need to somewhat aggressively manage accounts in most countries within the Middle East. You can influence timelier payments, but it takes effort. They have the ability to pay, but will take as long as you allow.
- Absent the embargo, Qatar is very stable and presents little risk.
- Know your customer - Obtain financial statements.
- Understand the country political status in the region , Cultural norms and customs; banking, tax, customs regulations.
- Know who you are selling to. Have payment agreements/terms in order.