

# FCIB Member Relations and Resources

David Anderson  
FCIB Member Relations  
October 8, 2020

# Overview:

- I. PRS Country Reports
- II. PRS Political Risk Letter
- III. FCIB's Credit & Collections Survey
- IV. FCIB Credit Reports

# I. The PRS Group and PRS Country Reports

- Established in 1979, placing it among the earliest commercial providers of political and country risk forecasts.
- Originally the *Political Risk Services* division of Frost & Sullivan, Inc. and then of UK-based IBC Group (now known as Informa), the company kept its original focus on political risk analysis and became independent in 1999.



The firm and its methodologies for assessing risk are the product of research conducted by **Professors William Coplin and Michael O’Leary** of the **Maxwell School of Public Affairs at Syracuse University** in conjunction with the **US Department of State and the CIA**. The overall goal was to develop an **intellectually rigorous way of assessing the various components of country risk** that could be applied to a range of institutional settings.



# TURKEY

UPDATED AS OF APR 2020

ORIGINAL PUBLICATION DATE: OCTOBER 2019

## Country Report

PUBLISHED BY  
THE PRS GROUP, INC.  
5010 CAMPUSWOOD DR., SUITE 204  
EAST SYRACUSE, NY 13057-1233, USA  
TEL: +1 (315) 431-0511 • FAX: +1 (315) 431-0200  
E-MAIL: CUSTSERV@PRSGROUP.COM  
WWW.PRSGROUP.COM

### Turkey Table of Contents

	<u>Page</u>
Country Update .....	U-1
Country Forecast	
Map .....	2
Highlights .....	3
Current Data .....	5
Comment & Analysis .....	11
Forecast Scenarios	
Most Likely Five-Year Regime Scenario: AKP Coalition (65% Probability) .....	17
Second Most Likely Five-Year Regime Scenario: Divided Government (25% Probability) .....	30
Third Most Likely Five-Year Regime Scenario: Military-Civilian (10% Probability) .....	33
Forecast Summary .....	36
Political Framework	
Players To Watch .....	39
Country Conditions	
Climate for Investment & Trade	
Overview .....	1
Tariff and Non-tariff Barriers .....	4
Policies .....	5
Legal Framework .....	7
Corruption and other Bureaucratic Obstacles .....	9
International Agreements .....	10
Labor Conditions .....	11
Background	
Geography .....	15
Social Conditions .....	15
Government .....	16

PRS Country Reports are priced at \$250 and include:

- Full country analysis and forecast
- Full 6-month follow-up report.
- Country stats delivered in .csv for simple dashboarding.
- The PRS Risk Index delivered at 6-month intervals.



## Country Data (10 year view)

TURKEY												
Note (where applicable):												
	2010-2014 Average	2015-2019 Average	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Domestic Economic Indicators</b>												
GDP (Nominal, \$bn)	863.92	819.14	731.07	832.70	871.07	949.48	935.26	857.81	863.46	853.87	767.12	753.46
Per Capita GDP (\$)	11555	10207	10107	11343	11681	12528	12118	10967	10891	10632	9423	9124
Real GDP Growth Rate (%)	7.6	4.1	8.5	11.1	4.8	8.5	5.2	6.1	3.2	7.5	2.8	0.9
Inflation Rate (%)	7.7	11.8	6.4	10.5	6.2	7.4	8.2	8.8	7.8	11.1	16.3	15.2
Capital Investment (\$bn)	238.16	238.20	178.12	233.66	237.97	270.83	270.24	254.97	253.12	256.84	229.47	196.53
Capital Investment/GDP (%)	27.4	29.0	24.4	28.1	27.3	28.5	28.9	29.7	29.3	30.1	29.9	26.1
Budget Revenues (\$bn)	185.76	168.79	169.18	176.63	184.07	204.32	194.59	177.17	183.43	173.07	156.13	154.16
Budget Revenues/GDP (%)	21.5	20.6	23.1	21.2	21.1	21.5	20.8	20.7	21.2	20.3	20.4	20.5
Budget Expenditures (\$bn)	193.93	182.48	194.81	185.49	200.05	214.00	205.28	185.80	193.34	186.18	171.12	175.94
Budget Expenditures/GDP (%)	23.3	22.3	26.7	22.3	23.0	22.5	22.0	21.7	22.4	21.8	22.3	23.4
Budget Balance (\$bn)	-14.17	-13.69	-25.63	-8.86	-15.98	-9.68	-10.69	-8.63	-9.91	-13.11	-14.99	-21.78
Budget Balance/GDP (%)	-1.7	-1.7	-3.5	-1.1	-1.8	-1.0	-1.1	-1.0	-1.2	-1.5	-2.0	-2.9
Money Supply (M1, \$bn)	104.91	122.53	89.95	96.25	99.85	120.34	118.16	114.37	126.56	123.42	122.85	125.47
Change in Real Wages (%)	11.0	5.5	9.4	9.5	11.1	11.8	13.0	15.2	11.1	-3.2	4.3	0.2
Unemployment Rate (%)	9.5	11.3	11.1	9.1	8.4	9.0	9.9	10.3	10.6	11.1	11.0	13.7
<b>International Economic Indicators</b>												
Foreign Direct Investment (\$bn)	13.18	13.15	9.10	16.18	13.74	13.56	13.34	19.26	13.93	11.10	13.02	8.42
Foreign Reserves (\$bn)	93.72	82.35	79.05	76.66	98.28	109.25	105.34	91.43	90.60	82.58	70.19	76.95
Gross Reserves (ex gold, \$bn)	95.36	83.88	80.71	78.32	99.94	110.93	106.91	92.92	92.06	84.12	71.69	78.59
Gold Reserves (\$bn)	14.97	20.18	5.26	9.89	19.24	20.08	20.40	17.61	14.05	23.54	19.30	26.38
Gross reserves (inc gold, \$bn)	110.34	104.05	85.97	88.21	119.18	131.01	127.31	110.53	106.11	107.66	90.99	104.97
Total Foreign Debt (\$bn)	347.74	429.02	291.85	305.53	342.41	332.93	405.99	400.50	410.01	455.89	444.82	433.89
Total Foreign Debt/GDP (%)	40.1	52.6	39.9	36.7	39.3	41.4	43.4	46.7	47.5	53.4	58.0	57.6
Debt Service (\$bn)	11.27	16.75	12.30	11.81	11.52	9.55	11.18	10.21	9.86	12.44	11.02	40.20
Debt Service/XGS (%)	5.6	5.5	7.5	6.2	5.4	4.4	4.6	4.7	4.8	5.4	4.5	8.0
Current Account (\$bn)	-53.89	-21.49	-44.62	-74.40	-47.96	-63.64	-38.85	-27.31	-26.85	-40.58	-20.75	8.02
Current Account/GDP (%)	-6.3	-2.5	-6.1	-8.9	-5.5	-6.7	-4.2	-3.2	-3.1	-4.8	-2.7	1.1
Current Account/XGS (%)	-26.8	-10.0	-27.2	-39.1	-22.5	-29.3	-16.0	-12.6	-13.1	-17.6	-8.5	1.6
Exports (\$bn)	152.08	167.59	120.99	142.39	161.95	161.79	173.29	154.87	152.65	169.21	178.91	182.31
Imports (\$bn)	223.55	209.57	177.32	231.55	227.32	241.71	239.87	208.87	192.57	227.79	219.68	198.92
Trade Balance (\$bn)	-71.47	-41.98	-56.33	-89.16	-65.37	-79.92	-66.58	-54.00	-39.92	-58.58	-40.77	-16.61
Exports of Services (\$bn)	46.05	55.63	36.19	40.85	43.23	47.67	62.29	55.49	45.33	53.46	59.02	64.83
Income, credit (\$bn)	5.16	4.39	5.20	4.63	5.76	5.29	4.91	4.51	5.36	4.96	6.13	0.97
Transfers, credit (\$bn)	2.35	52.54	1.63	2.63	2.47	2.38	2.63	2.47	2.17	2.75	0.86	254.44
Exports G&S (\$bn)	205.63	280.14	164.01	190.50	213.41	217.13	243.12	217.34	205.51	230.38	244.92	502.55
Liabilities (\$bn)	11.91	4.02	20.08	16.43	10.03	8.28	4.75	3.42	3.15	2.37	5.04	6.13
Net Reserves (\$bn)	98.42	100.03	65.89	71.78	109.15	122.73	122.56	107.11	102.96	105.29	85.95	98.84
Liquidity (months import cover)	5.2	5.8	4.5	3.7	5.8	6.1	6.1	6.2	6.4	5.5	4.7	6.0
Currency Exchange Rate	1.814	3.985	1.503	1.675	1.802	1.906	2.186	2.725	3.021	3.643	4.855	5.681
Currency Change (%)	-7.3	-21.3	3.0	-11.4	-7.6	-5.8	-14.7	-24.7	-10.9	-20.6	-33.3	-17.0
<b>Social Indicators</b>												
Population (million)	74.66	80.36	72.33	73.41	74.57	75.79	77.18	78.22	79.28	80.31	81.41	82.58
Population Growth (%)	1.6	1.4	1.4	1.5	1.6	1.6	1.8	1.3	1.4	1.3	1.4	1.4
Infant Deaths/1000	23	18	25	24	23	22	21	19	19	18	17	16
Persons under Age 15 (%)	26	25	27	27	26	26	26	25	25	25	24	24
Urban Population (%)	71	74	69	70	72	72	73	73	73	74	75	76
Urban Growth (%)	3.3	2.2	4.4	3.0	4.5	1.6	3.2	1.3	1.4	2.7	2.7	2.8
Literacy % pop.	92	96	89	91	91	94	95	95	95	96	96	96
Agricultural Work Force (%)	25	22	23	23	26	26	26	26	26	18	19	19
Industry-Commerce Work Force (%)	26	26	27	27	26	26	26	26	26	27	27	26
Services Work Force (%)	49	52	50	50	48	48	48	48	48	55	54	53
Unionized Work Force (%)	7	8	9	8	7	6	6	6	8	8	8	8
Energy - total consumption (10 <sup>6</sup> Btu)	4.94	6.05	4.51	4.83	5.06	5.09	5.21	5.75	5.97	6.15	6.17	6.20
Energy - consumption/head (10 <sup>6</sup> Btu)	0.07	0.08	0.06	0.07	0.07	0.07	0.07	0.07	0.08	0.08	0.08	0.07

## Global PRS Risk Index

### Political Risk Services

15-Apr-2020

Reproduction without written permission of The PRS Group is strictly prohibited.

Global PRS Risk Index. Ranked in ascending order of risk.

	04/20	19	18	17	16		04/20	19	18	17	16
GLOBAL AVERAGES	70	71	72	72	71						
1. Singapore	90	92	92	91	90	44. Turkey	72	72	72	73	72
2. Canada	89	91	91	92	92	51. Dominican Republic	71	70	71	71	69
2. Hong Kong	89	90	91	93	92	51. Mexico	71	71	70	75	79
4. Norway	88	88	88	88	88	51. Morocco	71	72	72	71	69
4. Taiwan	88	89	90	89	89	51. Paraguay	71	72	74	72	73
6. Austria	87	87	87	87	86	55. Colombia	70	71	73	74	73
6. Czech Republic	87	89	89	88	89	55. Guatemala	70	71	72	71	73
6. United Arab Emirates	87	89	90	88	87	55. Suriname	70	71	71	68	68
9. Australia	86	88	86	86	85	58. Indonesia	69	71	68	69	69
9. Japan	86	87	85	85	85	58. Italy	69	70	69	71	70
9. New Zealand	86	86	86	86	87	58. Vietnam	69	69	71	69	70
9. Sweden	86	86	86	86	88	61. Philippines	68	69	70	68	68
13. Ireland	85	84	83	82	81	62. Ghana	67	68	68	71	68
13. Switzerland	85	86	86	84	84	62. Honduras	67	68	70	67	68
15. Bulgaria	84	83	83	83	81	62. South Africa	67	69	67	65	67
15. Finland	84	85	87	83	84	62. Sri Lanka	67	69	68	70	71
15. Israel	84	85	85	84	81	66. Brazil	65	66	68	67	68
15. Netherlands	84	86	87	86	84	66. China	65	67	69	69	67
19. United States	83	87	87	88	86	66. Nicaragua	65	67	66	72	74
20. Germany	82	84	84	84	83	66. Papua New Guinea	65	67	67	64	67
20. Poland	82	82	82	78	79	70. Angola	64	63	65	63	64
20. Slovakia	82	83	84	81	82	70. Bangladesh	64	65	66	63	64
20. South Korea	82	81	81	81	83	70. Cameroon	64	65	68	67	68
24. Botswana	81	81	81	82	82	73. Egypt	63	64	63	58	56
24. Denmark	81	83	83	82	82	73. Kazakhstan	63	66	66	68	67
28. Belgium	79	80	80	80	79	75. Bolivia	62	61	63	67	67
28. Chile	79	80	83	83	82	75. Gabon	62	64	63	66	69
28. Malaysia	79	78	78	79	78	75. Guinea	62	58	58	59	54
28. Jamaica	78	79	80	78	76	75. Kenya	62	65	67	67	65
30. Spain	77	80	80	78	77	75. Myanmar	62	63	64	64	64
30. Trinidad & Tobago	77	78	78	79	79	80. Algeria	61	62	62	62	63
30. Uruguay	77	79	79	77	77	80. Zambia	61	65	66	65	67
33. Kuwait	76	77	77	77	78	82. Tunisia	60	64	62	65	67
33. Panama	76	78	78	77	77	83. Argentina	59	62	66	70	67
33. Peru	76	78	78	78	78	83. Congo	59	62	62	63	67
33. Romania	76	77	77	77	77	83. Côte d'Ivoire	59	60	64	68	68
33. Thailand	76	76	76	76	76	86. Nigeria	57	57	57	55	58
33. United Kingdom	76	76	77	78	80	86. Russia	57	57	57	56	52
36. Costa Rica	74	75	75	73	72	86. Ukraine	57	58	53	53	55
36. Oman	74	74	74	76	77	89. Haiti	56	59	61	64	64
36. Saudi Arabia	74	74	76	76	76	90. Ecuador	55	59	59	57	57
42. Azerbaijan	73	74	73	71	71	91. Pakistan	52	55	56	57	54
42. Hungary	73	74	74	73	73	92. Congo DR	50	50	50	50	49
44. El Salvador	72	76	74	69	69	92. Sudan	50	53	56	55	53
44. France	72	74	78	76	75	94. Iran	49	49	50	57	57
44. Greece	72	74	72	68	65	95. Libya	46	46	48	44	40
44. Guyana	72	68	66	67	65	96. Iraq	45	48	48	47	47
44. India	72	74	72	72	70	96. Syria	45	45	45	46	43
44. Portugal	72	75	77	74	74	98. Cuba	43	48	50	48	56
						99. Venezuela	39	39	39	39	41
						100. Zimbabwe	38	42	43	42	44

## II. The PRS Group's Political Risk Newsletter





## POLITICAL RISK LETTER

### HIGHLIGHTS FROM NEW REPORTS.....2

#### ARGENTINA

*Leftward Shift as Crisis Persists*

#### COLOMBIA

*Missed Opportunity for Duque*

#### CUBA

*Reforms Stir Resentment*

#### PERU

*Conditions Ripe for Populist Revolt*

#### SPAIN

*Government Unity Strained*

#### SWEDEN

*Minority Government Vulnerable*

#### SWITZERLAND

*EU Relations Dominate the Agenda*

### UPDATES TO RECENT REPORTS.....6

#### CHINA

*Signs of Turbulence*

#### COTE D'IVOIRE

*Re-election Bid Heightens Risks*

#### GERMANY

*Coalition Hanging Together*

#### GREECE

*Voters Satisfied with ND*

#### INDIA

*Controversies Sustain Modi's Popularity*

#### IRAN

*Conservatives Ascendant*

#### KAZAKHSTAN

*Tokayev Sidelines Rival*

#### ROMANIA

*Next Government Faces Fiscal Challenges*

### POLITICAL & ECONOMIC FORECAST TABLE.....12



THE PRS  
GROUP

5010 Campuswood Drive, Suite 204  
East Syracuse, NY 13057-1233, USA

T +1 (315) 431 0511  
F +1 (315) 431 0200

custserv@prsgroup.com  
www.prsgroup.com

CHIEF EXECUTIVE:  
Christopher McKee, PhD

MANAGING EDITOR:  
Benedict F McTernan, MA

PRODUCTION HEAD:  
Christa A Mosher

ADVISERS:  
William D Coplin, PhD (Emeritus)  
Director

Primoz Manfreda, MA  
Director of Business  
Development/Operations (UK)

Jeremy C Weltman, MSc  
Senior Adviser

Jack Daly, MA  
Senior Adviser

Goodwin Cooke  
Senior Adviser,  
Professor of International  
Relations, Syracuse University

Llewellyn D Howell, PhD (Emeritus)  
Senior Adviser,  
Professor of International Studies  
Thunderbird, The Garvin School  
of International Management

Jane Hughes, MA (Emeritus)  
Adjunct Professor of Economics,  
Brandeis University

Richard L Millett, PhD (Emeritus)  
Professor of History,  
Southern Illinois University



© 2020, The PRS Group, Inc. Political Risk Letter (ISSN: 0887-7629) is published monthly. An annual subscription of 12 monthly issues costs \$572. Reproduction without written permission from the publisher is strictly prohibited. All rights reserved. Direct all inquiries to The PRS Group, 5010 Campuswood Dr, Suite 204, East Syracuse, NY 13057-1233, USA. Tel: +1 (315) 431 0511. Fax: +1 (315) 431 0200. We can also be reached with comments on our website: [www.prsgroup.com](http://www.prsgroup.com), or send an e-mail to [custserv@prsgroup.com](mailto:custserv@prsgroup.com).

2 • Aug-2020

## HIGHLIGHTS FROM NEW REPORTS

### ARGENTINA

#### *Leftward Shift as Crisis Persists*

Argentina's economy was forecast to contract for a third consecutive year in 2020 even before the Perónist government of President Alberto Fernández imposed emergency measures to contain the spread of COVID-19 in March, including a national lockdown that brought domestic economic activity to a screeching halt in the second quarter of the year. The government was already in debt-restructuring talks with the private holders of some \$66 billion of sovereign bonds when the pandemic hit, and the resulting blow to the economy significantly shortened the timeline for averting a debt crisis.

The new government took office amid uncertainty over the degree to which the policy direction would be set by Alberto Fernández, who campaigned as a moderate on economic issues, or his running-mate, two-time former President Cristina Fernández de Kirchner, whose tenure in the top office featured populist and statist policies that contributed directly to the current problems. The emergency created by the pandemic provided Fernández with an opportunity to bolster his credentials as a consensus builder.

Such considerations facilitated Economy Minister Martín Guzmán's successful conclusion of a restructuring deal in early August that will free

up significant fiscal resources in the near term. However, the government must still renegotiate the terms for repayment of some \$44 billion of loans from the IMF, and there are clear indications that the political tides are shifting against the president.

The health crisis continues unabated, with the number of daily new COVID-19 cases rising steadily, despite the extension of the economically crippling lockdown through the end of August. Against that backdrop, Fernández's approval rating fell to 58% in August, comparable to the level seen when he first took office in December 2019, and there are signs that the vice president is beginning to become more assertive in determining the direction of policy.

While the debt-restructuring agreement was essential to averting a near-term debt crisis, Argentina is hardly out of the woods. In addition to renegotiating the terms for repayment of IMF loans, the government must also address some \$2 billion of Paris Club debt that matures in May 2021, and deal with the interest payments on debt issued under local legislation that were suspended by decree in April. The prospects for success on any of those fronts will dim if the administration comes to be perceived as falling under the vice president's sway. Any move to replace Guzmán, or his voluntary departure from the government, would not bode well in that regard.

Reproduction without written permission  
of the publisher is strictly prohibited.

Political Risk Letter



## POLITICAL & ECONOMIC FORECAST TABLE

Next to each country name is the date of our last economic update, followed by the 18-month (2nd line) and 5-year (3rd line) political forecasts: the REGIMES most likely to hold power and their PROBABILITIES, risk ratings for TURMOIL (low to very high), and risk ratings (A+ the least to D- the most) for financial TRANSFER, direct INVESTMENT, and EXPORT to the country. When a forecast has changed, the previous rating appears in parentheses. An asterisk means a nonincumbent regime. Our 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	TRANS- FER	INVEST- MENT	EXPORT		REAL GDP GROWTH	INFLATION	CURRENT ACCOUNT
Algeria	4/1/2020					2015-2019	2.0	4.6	-22.19
Military-Civilian 75%		High	C+	C+	B-	2020	-5.0	2.8	-22.90
Military-Civilian 70%		Moderate	B-	C+	B-	2021-2025	3.0	4.1	-14.00
Angola	4/1/2020					2015-2019	-0.8	21.4	-0.29
MPLA 75%		High	C	B	C+	2020	-3.7	23.5	-6.10
MPLA 70%		Moderate	C	B	B-	2021-2025	3.2	14.1	-4.70
Argentina	8/1/2020					2015-2019	-0.2	36.2	-18.81
*Divided Government 50%		Moderate	C- (D+)	B (B-)	C+ (C)	2020	-11.5	38.3	6.00
*Divided Government 55%		Moderate	C+ (C)	C+	C+	2021-2025	3.3	25.1	-3.20
Australia	7/1/2020					2015-2019	2.4	1.7	-31.44
LP-NP Coalition 70%		Low	B+	A-	A	2020	-4.4	1.6	-18.10
LP-NP Coalition 50%		Low	A-	A	A	2021-2025	2.4	1.8	-23.90
Austria	2/1/2020					2015-2019	1.9	1.5	9.02
OVP-Greens 50%		Low	A+	A	A	2020	-6.1	0.9	3.60
OVP-FPO 45%		Low	A	A	A-	2021-2025	2.1	1.5	5.70
Azerbaijan	4/1/2020					2015-2019	0.3	6.8	2.22
YAP 70%		High	B	B+	B	2020	-2.7	3.3	-1.85
YAP 65%		Moderate	B	B	B-	2021-2025	2.4	3.0	1.40
Bangladesh	5/1/2020					2015-2019	7.4	5.7	-2.63
AL-led Coalition 85%		High	C	B-	B-	2020	1.8	5.0	-2.70
AL-led Coalition 75%		High	C+	B-	B-	2021-2025	7.4	5.3	-6.60
Belgium	6/1/2020					2015-2019	1.5	1.6	0.23
*Broad Coalition 45%		Low	B+	A-	A-	2020	-7.4	0.4	-3.40
*Broad Coalition 45%		Low	A-	A-	A-	2021-2025	2.1	1.7	0.95
Bolivia	5/1/2020					2015-2019	4.3	3.0	-1.78
*Divided Government 45%		High	C+	B-	B-	2020	-3.0	2.7	-2.20
*Divided Government 55%		Moderate	C	C+	C+	2021-2025	2.6	4.3	-2.45
Botswana	7/1/2020					2015-2019	2.7	3.0	0.44
BDP 75%		Low	B+	A	A-	2020	-5.3	2.1	-0.40
BDP 60%		Low	B+	B+	B+	2021-2025	3.9	4.0	0.05
Brazil	7/1/2020					2015-2019	-0.7	5.5	-37.80
*Divided Government 55%		High	D+	B	B-	2020	-5.9	3.7	-38.90
*Center-Right Coalition 40%		Moderate	C-	B	C+	2021-2025	2.4	3.6	-54.80
Bulgaria	5/1/2020					2015-2019	3.6	1.4	1.50
*Center-Right Coalition 45%		Low	A-	A	A-	2020	-5.3	0.9	1.70
*Center-Right Coalition 45%		Low	A-	A-	A-	2021-2025	3.2	2.7	2.10
Cameroon	6/1/2020					2015-2019	4.3	1.6	-1.19
RDPC 65%		High	C+	B	B-	2020	-1.6	2.8	-2.00
RDPC 55%		High	C	B-	B-	2021-2025	4.5	2.2	-1.30
Canada	7/1/2020					2015-2019	1.8	1.7	-45.68
Minority Liberal 60%		Low	A	A	A+	2020	-5.6	0.5	-52.70
*Minority CPC 45%		Low	A-	A	A	2021-2025	2.5	2.1	-45.10
Chile	2/1/2020					2015-2019	2.1	3.0	-7.74
Divided Government 55%		Low	B+	A-	A-	2020	-4.5	3.2	-8.70
*Broad Coalition 40%		Low	B+	B+	B+	2021-2025	3.1	2.9	-9.20
China	8/1/2020					2015-2019	6.7	2.0	173.67
Pragmatists 65% (70%)		High	B-	B-	C+	2020	1.6	3.7	175.00
Pragmatists 60% (65%)		High	B-	B-	C+	2021-2025	5.7	3.0	74.00
Colombia	8/1/2020					2015-2019	2.5	5.1	-13.54
Divided Government 60%		Moderate	B	B+	B	2020	-5.9	2.5	-14.20
Divided Government 40%		Moderate	B-	B	B-	2021-2025	3.3	3.5	-11.70
Congo	2/1/2020					2015-2019	0.4	1.5	-1.09
PCT-led Coalition 85%		Moderate	D+	B-	C+	2020	-2.3	2.1	-0.15
PCT-led Coalition 80%		Moderate	C-	B-	C	2021-2025	1.7	2.9	-0.22

12 • Aug-2020

Reproduction without written permission  
of the publisher is strictly prohibited.

Political Risk Letter

## Risk Categories covered:

- Turmoil
- Financial Transfer Risk
- Direct Investment Risk
- Export (To the Country) Risk

## Financial Transfer Risk

Risk to the financial transfer, nonconvertibility from the local currency to the desired foreign currency, and the transfer of foreign currency out of the country.

The factors are:

1. Exchange controls on international business
2. Payment delays facing exports to that country
3. Policy related to fiscal and monetary expansion
4. Governmental foreign borrowing



COUNTRY REGIMES AND PROBABILITIES	TURMOIL	TRANS- FER	INVEST- MENT	EXPORT		REAL GDP GROWTH	INFLATION	CURRENT ACCOUNT
Congo DR	1/1/2020				2015-2019	4.6	14.2	-1.58
FCC-CACH 45%	Very High	C+	C-	C-	2020	-2.2	11.0	-2.40
FCC-CACH 40%	High	C	C-	C-	2021-2025	3.7	7.8	-2.00
Costa Rica	3/1/2020				2015-2019	3.2	1.4	-1.75
Divided Government 60%	Low	C+	A-	B+	2020	-3.5	0.9	-2.60
Divided Government 50%	Low	B	B+	B	2021-2025	3.3	2.6	-1.95
Côte d'Ivoire	8/1/2020				2015-2019	7.8	0.9	-1.07
RHDP 40%	Very High	C+	B-	C (C+)	2020	2.7	1.2	-2.00
RHDP 40%	High	C+	C	C	2021-2025	7.0	1.9	-1.50
Cuba	8/1/2020				2015-2019	1.9	5.5	1.98
*Reform Communist 50%	Low	D-	C	D	2020	-7.5	4.5	0.50
*Reform Communist 50%	Moderate	C-	C-	C-	2021-2025	2.4	6.0	-0.04
Czech Republic	7/1/2020				2015-2019	3.5	1.7	0.29
ANO Minority 45%	Low	A	A	A	2020	-5.9	2.3	-2.50
*Center-Right Coalition 40%	Low	A	A	A-	2021-2025	2.7	2.6	-0.40
Denmark	7/1/2020				2015-2019	2.5	0.7	25.35
Center-Left Minority 60%	Low	A+	B+	A	2020	-4.2	0.4	16.40
Center-Left Minority 40%	Low	A	A-	A-	2021-2025	2.4	1.4	23.30
Dominican Republic	7/1/2020				2015-2019	6.1	2.2	-0.92
*PRM-led Coalition 60%	Moderate	B	B	B-	2020	-6.5	2.1	-1.65
*PRM-led Coalition 40%	Moderate	B	B	B	2021-2025	4.2	3.8	-1.50
Ecuador	7/1/2020				2015-2019	0.5	1.2	-0.53
Divided Government 45%	High	D	C+	C-	2020	-6.2	0.8	-5.20
Divided Government 60%	Moderate	C	C	C	2021-2025	2.2	1.6	0.40
Egypt	7/1/2020				2015-2019	4.8	15.7	-12.64
Military-Civilian 85%	High	C-	B-	C+	2020	1.9	6.4	-12.80
Military-Civilian 75%	Moderate	C	B-	C+	2021-2025	4.5	6.3	-8.70
El Salvador	5/1/2020				2015-2019	2.4	0.5	-0.76
Divided Government 50%	High	B	B+	B-	2020	-3.6	-0.3	-0.70
Divided Government 60%	Moderate	B-	B	B-	2021-2025	2.1	1.0	-1.10
Finland	4/1/2020				2015-2019	1.8	0.6	-1.96
Center-Left Coalition 65%	Low	A-	A-	A	2020	-6.2	0.5	-4.75
*Broad Coalition 40%	Low	A	A	A	2021-2025	2.1	1.6	-1.20
France	3/1/2020				2015-2019	1.5	0.9	-16.25
Centrist Coalition 65%	Moderate	B-	B+	B+	2020	-8.6	0.3	-26.20
*Broad Coalition 40%	Low	B	B+	B	2021-2025	2.8	1.6	-19.70
Gabon	5/1/2020				2015-2019	2.1	2.5	-0.80
Reformist PDG 50%	High	C	B	C+	2020	-1.2	3.0	-1.30
Reformist PDG 40%	Moderate	C	B	C+	2021-2025	3.9	2.9	-0.20
Germany	8/1/2020				2015-2019	1.7	1.2	288.37
*CDU/CSU-Green 45%	Low	A-	A-	A-	2020	-6.0	0.7	210.50
*CDU/CSU-Green 45% (40%)	Low	A-	A-	A-	2021-2025	2.3	1.8	242.00
Ghana	1/1/2020				2015-2019	4.6	12.8	-2.35
NPP 50%	Moderate	C	B+	B-	2020	1.3	9.4	-2.70
NPP 50%	Moderate	C	B	C+	2021-2025	4.8	7.3	-2.15
Greece	8/1/2020				2015-2019	0.9	-0.1	-3.51
Center-Right Coalition 75%	Low	C	A-	B-	2020	-7.9	-1.3	-8.70
Center-Right Coalition 50%	Low	B-	A-	B-	2021-2025	2.9	1.6	-5.50
Guatemala	4/1/2020				2015-2019	3.3	3.8	0.99
Divided Government 65%	High	B	B	B	2020	-1.6	2.0	1.50
Divided Government 50%	High	B-	B-	B-	2021-2025	3.0	4.0	-0.40
Guinea	2/1/2020				2015-2019	6.5	8.7	-1.72
RPG 75%	High	C+	B-	C	2020	2.9	8.5	-2.30
*RPG Coalition 55%	High	C	B	C+	2021-2025	6.7	8.0	-2.10
Guyana	5/1/2020				2015-2019	3.5	1.0	-0.42
APNU-AFC 40%	High	B+	B-	B-	2020	43.0	2.2	-0.90
APNU-AFC 40%	Moderate	A-	B+	A-	2021-2025	18.6	3.7	0.60
Haiti	4/1/2020				2015-2019	0.8	14.5	-0.13
Divided Government 75%	Very High	C-	C+	C-	2020	-3.4	23.4	-0.38
Divided Government 60%	High	C	C+	C	2021-2025	0.7	12.7	-0.30
Honduras	3/1/2020				2015-2019	3.8	3.7	-0.63
*Divided Government 50%	High	B-	B	C+	2020	-2.7	3.2	-0.45
*Divided Government 45%	High	C+	B-	C+	2021-2025	3.3	4.0	-0.30

Political Risk Letter

Reproduction without written permission  
of the publisher is strictly prohibited.

Aug-2020 • 13

# Export Market Risk

Risks facing exporters, related to market conditions, barriers to imports, and delays or difficulties in receiving payment for goods.

Risk ratings, expressed as letter grades, indicate the climate for foreign exporters for 18-month and 5-year forecast periods.

The 18-month letter grades are determined by equally weighted factors, each combining the current level and the forecasts of change under the most likely regimes.

1. Turmoil
2. Exchange controls
3. Tariffs
4. Other Trade Barriers
5. Payment delays
6. Foreign debt

THE  
**PRS**  
GROUP

EST. 1979

CHALLENGING BORDERS  
CHALLENGING RISK

Vol XLII No 8  
August 2020



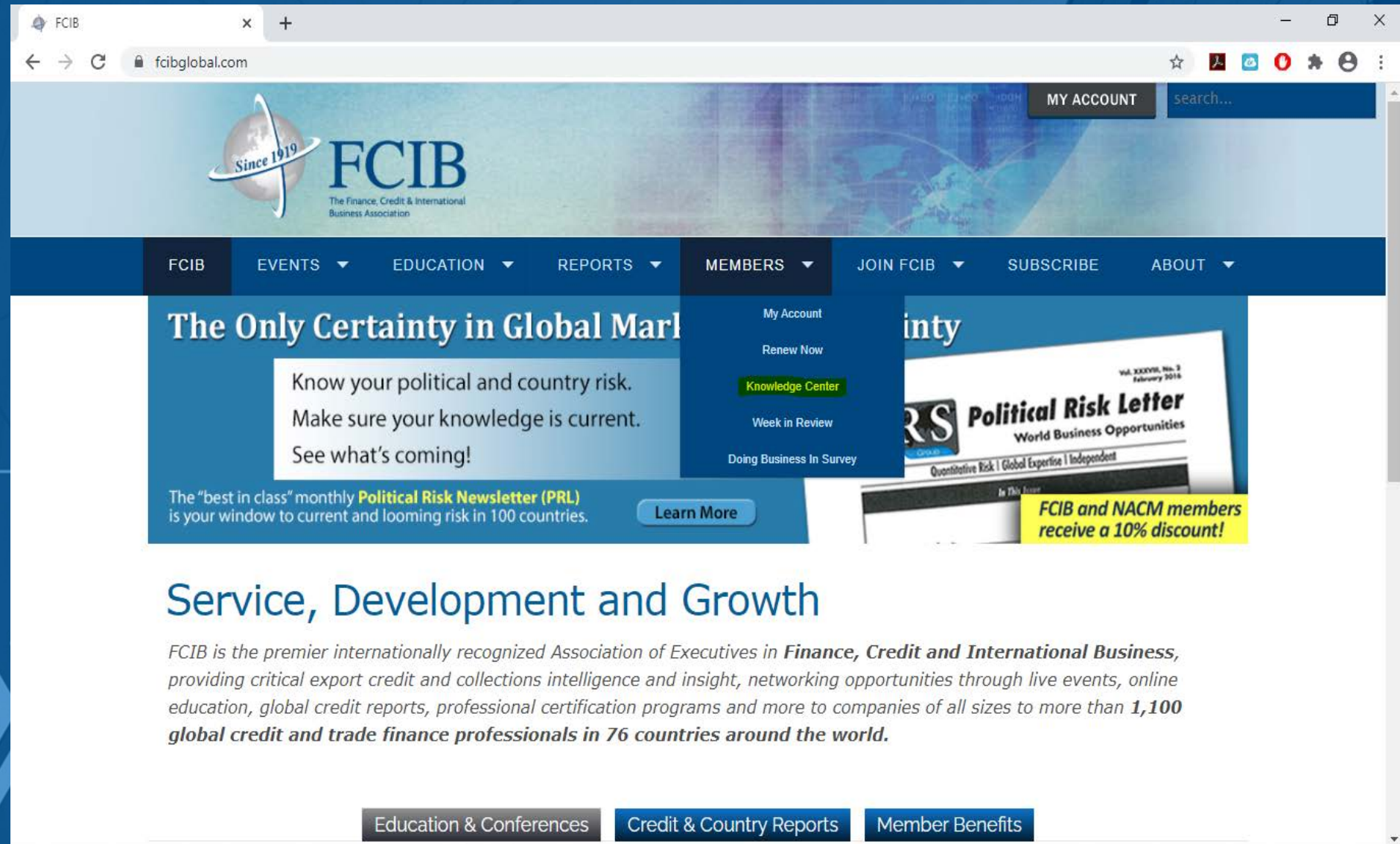
Members receive preferred pricing of \$515 for a 12-month subscription.

# III. FCIB's Credit & Collections Survey

The Credit & Collections Survey opens at the end of each month and is found in the FCIB Knowledge Center.

The survey is open to everyone, and participation earns CEU/ICEU or participation credit.

Past surveys are available only to FCIB members, but ALL participants receive the full survey results.



The screenshot shows the FCIB website (fcibglobal.com) with a navigation bar including links for FCIB, EVENTS, EDUCATION, REPORTS, MEMBERS, JOIN FCIB, SUBSCRIBE, and ABOUT. The MEMBERS dropdown menu is open, highlighting the Knowledge Center. A prominent banner for the Political Risk Newsletter (PRL) is displayed, stating it is the "best in class" monthly newsletter. Below this, a section titled "Service, Development and Growth" describes FCIB as the premier internationally recognized Association of Executives in Finance, Credit and International Business, providing critical export credit and collections intelligence and insight, networking opportunities through live events, online education, global credit reports, professional certification programs and more to companies of all sizes to more than 1,100 global credit and trade finance professionals in 76 countries around the world. At the bottom, there are three buttons: Education & Conferences, Credit & Country Reports, and Member Benefits.

FCIB

Since 1919

FCIB

The Finance, Credit & International Business Association

MY ACCOUNT

search...

FCIB

EVENTS

EDUCATION

REPORTS

MEMBERS

JOIN FCIB

SUBSCRIBE

ABOUT

The Only Certainty in Global Markets

Know your political and country risk.  
Make sure your knowledge is current.  
See what's coming!

The "best in class" monthly **Political Risk Newsletter (PRL)** is your window to current and looming risk in 100 countries.

Learn More

My Account

Renew Now

**Knowledge Center**

Week in Review

Doing Business In Survey

**Political Risk Letter**

World Business Opportunities

Quantitative Risk | Global Expertise | Independent

FCIB and NACM members receive a 10% discount!

**Service, Development and Growth**

FCIB is the premier internationally recognized Association of Executives in **Finance, Credit and International Business**, providing critical export credit and collections intelligence and insight, networking opportunities through live events, online education, global credit reports, professional certification programs and more to companies of all sizes to more than **1,100 global credit and trade finance professionals in 76 countries around the world.**

Education & Conferences

Credit & Country Reports

Member Benefits



Respondents are surveyed on their experiences selling into four countries in a region. Surveys cover South America, Central America, North America, Europe, Asia, MENA, and Oceania, Each survey asks:

Are your sales primarily to new (<1 year) or existing customers?

Are you extending credit to customers in this country and, if so, on what terms?

What is your average number of days beyond terms?

If you are experiencing payment delays in this country, are they decreasing, increasing, or staying the same?

What is the most common cause of payment delays?

What methods are you using to secure payment?

What advice would you give to someone who is selling into this country for the first time? What do they NEED to know?





	December 2017	February 2019	February 2020
Total Respondents	70	75	58
	December 2017	February 2019	February 2020
Respondents with customers in this country	30	36	24
Sales are primarily to	December 2017	February 2019	February 2020
Existing Customers	100%	86%	98%
New Customers	0%	14%	4%
Respondents extending credit to customers vs. those who do not	December 2017	February 2019	February 2020
Extend Credit	90%	89%	100%
Do Not Extend Credit	10%	11%	0%
Payment terms granted by those extending credit to customers in this country:	December 2017	February 2019	February 2020
0-30	26%	36%	17%
31-60	41%	32%	50%
61-90	22%	16%	25%
91+	11%	16%	8%
Average days beyond terms:	December 2017	February 2019	February 2020
	11.8	26.9	14.9
Payment methods used (multiple selections permitted):	December 2017	February 2019	February 2020
Wire Transfer	97%	94%	100%
EFT (seller initiated)	10%	6%	13%
EFT (buyer initiated)	13%	3%	8%
Check	10%	6%	13%
Credit Card	20%	9%	13%
Extended Payment Program or Progress Billing	0%	6%	0%
B.P.O. (Bank Payment Obligation)	3%	0%	0%
Letter of Credit	10%	9%	8%
Cash Against Documents	7%	3%	8%
Dated Draft	10%	0%	0%
*Other	3%	0%	4%

**\*OTHER**

December 2017	February 2020
• Credit insurance	• Payment Term: 50% CIA, balance at 45 days.

Payment Delays Are:	December 2017	February 2019	February 2020
Increasing	10%	17%	13%
Decreasing	0%	7%	8%
No Change	67%	56%	58%
No Payment Delays	23%	20%	21%

Causes of payment delays, open account:	December 2017	February 2019	February 2020
Billing Disputes	14%	13%	11%
Other Disputes	32%	5%	0%
Cash Flow Issues	23%	32%	50%
Inability to Pay	0%	0%	0%
Unwilling to Pay	0%	0%	6%

Causes of payment delays, open account:	December 2017	February 2019	February 2020
Customer Payment Policy	14%	13%	6%
Government Approval	0%	5%	0%
Regulatory Issues	0%	5%	0%
Foreign Exchange Rates	0%	0%	0%
Central Bank Issues	0%	0%	0%
Cultural Norms and Customs	0%	9%	16%
*Other	17%	18%	11%

**\*OTHER**

December 2017	February 2019	February 2020
<ul style="list-style-type: none"> <li>Lack of internal resources to focus on collections.</li> <li>Transportation issues.</li> <li>Correspondent banking delays</li> </ul>	<ul style="list-style-type: none"> <li>Customer system issues.</li> <li>Customer PO and acceptance of monthly steel totals.</li> <li>Customer systems and processing changes.</li> <li>Wire delays.</li> </ul>	<ul style="list-style-type: none"> <li>Political unrest.</li> <li>Unspecified delays.</li> </ul>

**PRS Political & Economic Risk Forecast (Updated 02/01/20)**

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
Chile					2015-2019	2.2	3.0	-6.89
Divided Government 75%	Moderate	B+	A-	B+	2020	0.8	2.6	-7.90
*Broad Coalition 40%	Low	B+ (A-)	B+	B+	2021-2025	3.2	2.9	-8.20

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:**

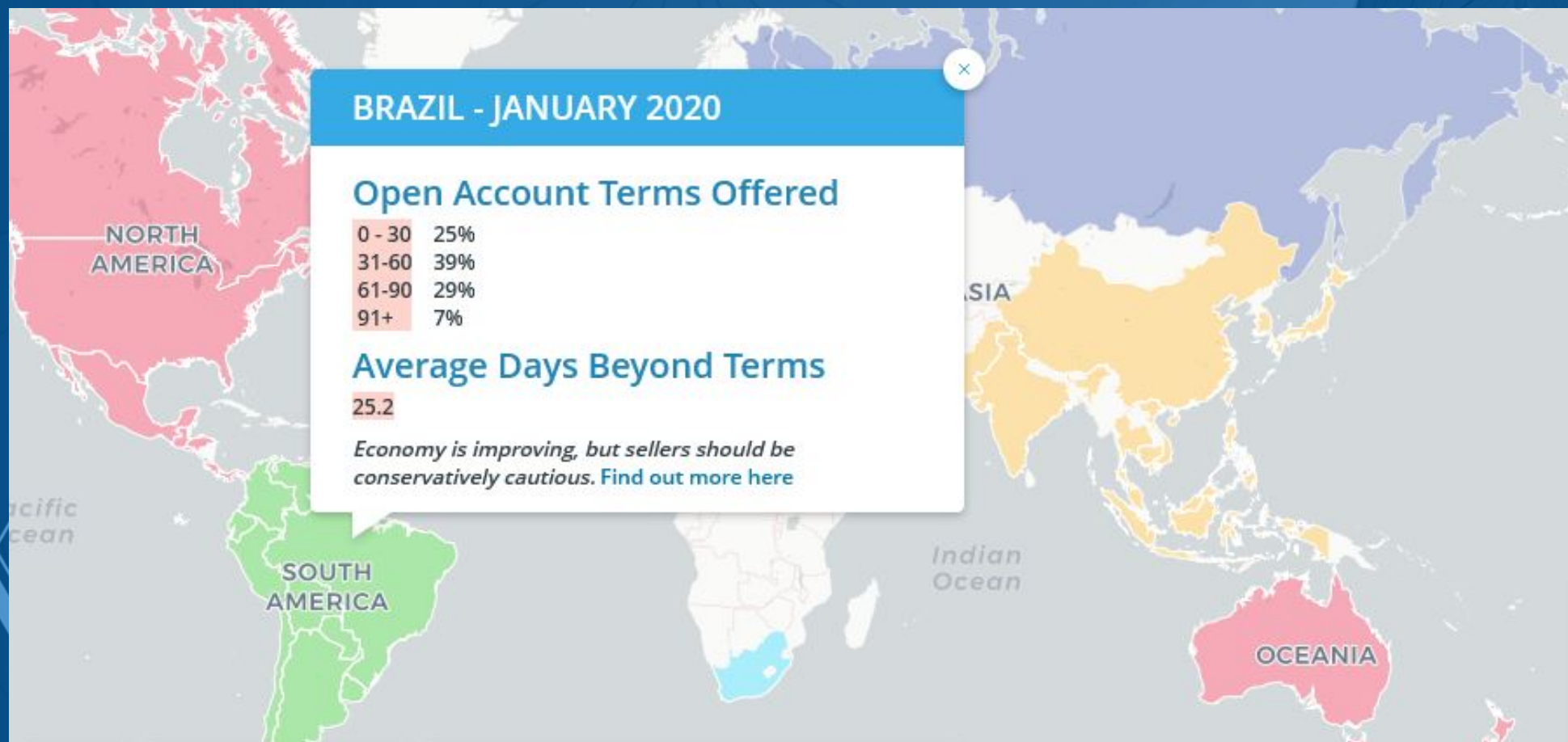
February 2020
<ul style="list-style-type: none"> <li>Assess and document any credit granted. Understand the buyer payables process.</li> <li>Deal only with established companies</li> <li>Obtain financials and complete due diligence before extending credit.</li> <li>Meet customer and/or if possible, visit customer site.</li> <li>Review bank and trade references.</li> <li>While generally stable, recent riots have caused some upheaval in outbound remittances. Watch geopolitics and partner with customers to minimize delays.</li> <li>It's important to have a strong business relationship with your Customer and good communication with their treasury or accounting teams. It is helpful to have a presence there; we partner with our sales people—they are our "eyes and ears" in the field.</li> <li>Know the True Legal Entity/Customer you are doing business with. Spend the time to get all 5 C's of Credit on you customers.</li> <li>Each company has its own payment policy.</li> <li>Economy is slowing in Chile due to falling demand for raw materials.</li> <li>It is difficult to collect. Stay close to your customer.</li> <li>We carry credit insurance for all our customers.</li> <li>Ensure that you have developed a good relationship and are clear on the expectations of payment.</li> <li>Keep on top of customer's financial standing, government stability</li> </ul>



# International Credit & Collections Survey Results



FCIB Members may [view the archive](#) of current and past surveys. (FCIB Member login required)





## Country Specific Advice from respondents in 2020:

**United Kingdom:** Two big concerns in the country; a no deal Brexit and Covid-19 impacts. There are big concerns over what happens to trade with a no deal Brexit. This could throw the country into a deeper recession or even depression. Stay in close contact with your customer here.

**China:** Political tensions are increasing in China. There is currently a trend away from reliance on Chinese manufactured products resulting in declining revenues for some industries.

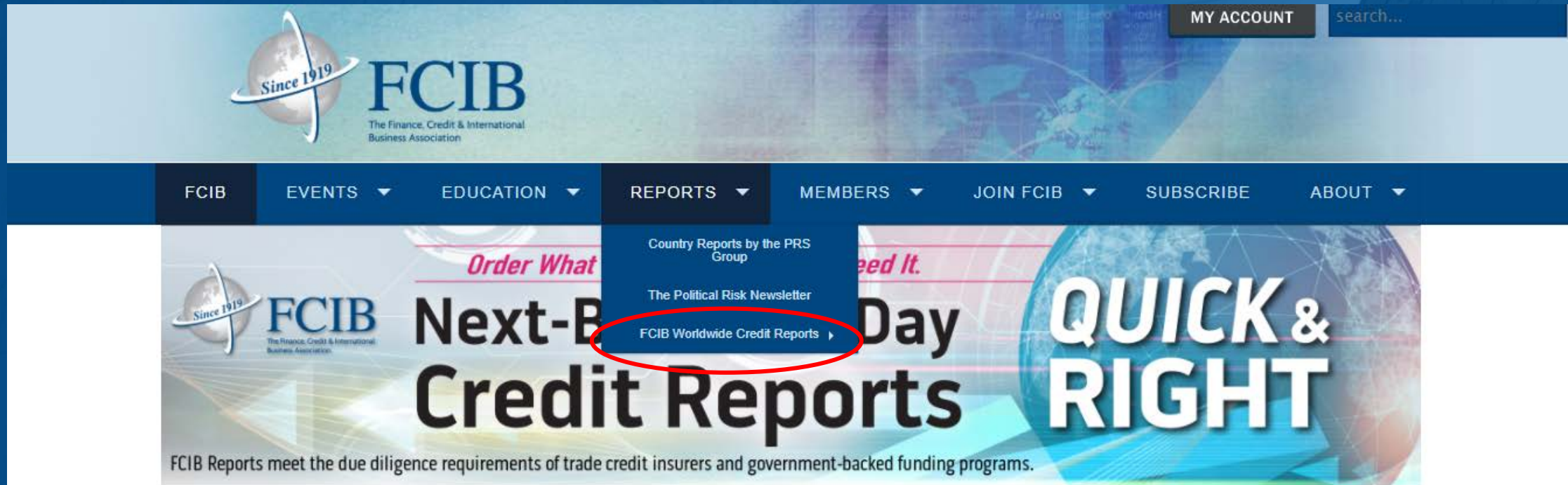
**India:** Government regulations remain a barrier for ease of doing business in India. Getting product into the country in a timely manner is challenging.

**Argentina:** Central Bank imposed limitations on foreign currency payments may present payment delays. Confirm that your customer has emergency funds outside of Argentina to use for payment. Make sure your customer's customer is located in Argentina to prevent potential collection issues

**Mexico:** There is a tendency for slower payment, due to several things: currency flow, cultural norms, movement of product, etc. Be mindful of billing due dates and start seeking payment once due.

**United Arab Emirates:** If you are doing business here, chances are payments will not be coming out of the UAE. Customers tend to use banks located in other countries where the majority of their funds are located. You will get paid, but, on their terms.

## IV. FCIB Worldwide Credit Reports



The screenshot shows the top portion of the FCIB website. At the top left is the FCIB logo, which includes a globe icon with 'Since 1919' and the text 'FCIB The Finance, Credit & International Business Association'. To the right of the logo is a navigation bar with links: FCIB, EVENTS, EDUCATION, REPORTS, MEMBERS, JOIN FCIB, SUBSCRIBE, and ABOUT. A 'MY ACCOUNT' link and a search bar are also present. Below the navigation bar is a large banner. The banner features the FCIB logo on the left, the text 'Next-B Day Credit Reports' in the center, and 'QUICK & RIGHT' on the right. A red circle highlights the 'FCIB Worldwide Credit Reports' link in the dropdown menu under 'REPORTS'. Below the banner, a line of text states: 'FCIB Reports meet the due diligence requirements of trade credit insurers and government-backed funding programs.'

Since 1919 **FCIB**  
The Finance, Credit & International Business Association

MY ACCOUNT search...

FCIB EVENTS EDUCATION REPORTS MEMBERS JOIN FCIB SUBSCRIBE ABOUT

Order What **Next-B Day Credit Reports** Need It.

Country Reports by the PRS Group  
The Political Risk Newsletter  
**FCIB Worldwide Credit Reports**

**QUICK & RIGHT**

FCIB Reports meet the due diligence requirements of trade credit insurers and government-backed funding programs.

### Service, Development and Growth

*FCIB is the premier internationally recognized Association of Executives in **Finance, Credit and International Business**, providing critical export credit and collections intelligence and insight, networking opportunities through live events, online education, global credit reports, professional certification programs and more to companies of all sizes to more than **1,100 global credit and trade finance professionals in 76 countries around the world.***



# What is an FCIB Worldwide Credit Report?

- Trusted supplier network with regional expertise and contacts
- Fresh investigations that start with a phone call.
- Reports are built on interviews of employees, trade references, and third party sources.
- All third-party information is independently verified.
- Meet the requirements of the U.S. Export-Import Bank (EXIM) and trade credit insurers.
- Qualitative, 360 degree view of a target company that provide actionable credit limits and recommendations.



# FCIB Worldwide Credit Reports are NOT DATABASE REPORTS

- Research teams gather information from:
  - Government contacts, databases, registries, and other public and proprietary sources.
  - Interviews with employees, trade references, and bank contacts.
- Pricing is based on the country and delivery speed. Reports are available on a Next Business Day basis in most countries.

# What's the difference between an In-Depth Report and a "Slim" Next Business Day Report?

	IN-DEPTH	"Slim" Next Business Day		IN-DEPTH	"Slim" Next Business Day
Fresh Investigation	YES	YES	Contact References	YES	NO
Trade Name Verification	YES	YES	Financial Information	YES	LIMITED
Registration Verification	YES	YES	Board Members and Key Staff/Executives	YES	NO
Contact/Address Verification	YES	YES	Trade References	YES	NO
Credit Risk Rating	YES	YES	Operations & History	FULL	LIMITED
Credit Limit Recommendation	YES	YES	Property & Assets	YES	NO
Number of Employees	YES	YES	2-Week Question Period	YES	YES
Shareholder Information	YES	YES	Contract Required	NO	NO
Historical Currency Comparison	YES	YES	Minimum Order Required	NO	NO
Subsidiary Information	YES	NO			

"Slim" Next Business Day Reports are priced at \$60-\$80 and are ideal for simple verification, credit risk assessment, and credit limit recommendations.

# FCIB Worldwide Credit Report

REQUIRED CREDIT	ADVISED CREDIT	RATING
MAXIMUM	USD 120 000	12/20

## GEOPOLITICS – MEXICO

POLITICAL DATA	ECONOMIC DATA
Form of Government: Republic Economic Risk: Low	Currency: 1 MXN = 0.0579941 USD Branch Situation: Stable

## IDENTIFICATION

Ordered as:	MADERAS Y MATERIALES JR SA DE CV
Address in the order:	MEXICO
Legal Name:	MADERAS Y MATERIALES JR SA DE CV
Legal Address:	Av. de los Ganaderos 21834 Ejido Matamoros
Post Code:	22204
Postal Town:	Tijuana
Primary Geographic Area:	Baja California
Country:	MX
Operative Address:	Av. de los Ganaderos 21834 Ejido Matamoros
Post Code:	22204
Postal Town:	Tijuana
Primary Geographic Area:	Baja, California
Country:	MX
RFC:	MMJ-001021-KM7
Legal Form:	Sociedad Anonima de Capital Variable
Telephone:	+52 664 701-0160
Fax:	N.A.
Email:	direccion@maderasjr.com
Website:	http://www.maderasjr.com
Date Created(yyyy-mm-dd):	2000--
Date Incorporated(yyyy-mm-dd):	2000-10-21
Managers:	Juan Ramon Padilla Martinez, General Manager
Number of shares:	N.A.
Capital:	N.A.
Staff:	100 employee(s)
Activity:	Supply and commercialization of wood construction materials and lumber.

## BANKS

Name of the Bank:	Banco Nacional de Mexico SA (Banamex)
Location:	Mexico
Source(s):	Other

## BUSINESS

History	MADERAS Y MATERIALES JR SA DE CV was founded in 2000 and is based in Mexico.
Principal Activity	The company deals with the distribution, supply and commercialization of wood construction materials and lumber.
Products/Services description	The Company offers pine, mahogany, and cedar lumber, plywood, melamine, and compressed and treated wood.
Sales are	Wholesale
Imports	The company imports from Worldwide
Exports	The company does not export
Operations Area	National

## CLIENTS

Transaction style:	Business-to-business(B2B)
Comments on clients:	It serves contractors, wholesalers, and related businesses.

## SUPPLIERS

Supplier's Name	Dongwha Fibreboard Sdn Bhd
Country	Malaysia
Supplier's Name	ANHUI WANMU WOOD CO., LTD
Country	China
Supplier's Name	Cmpc Maderas SA
Country	Chile
Telephone	+56 2 2696 5437
Additional Comments	We have tried to contact the credit department on several occasions, but none of our calls were answered despite insisting.
Supplier's Name	Pollmeier Massivholz GmbH & Co.KG
Country	Germany
Supplier's Name	GlobalPanels S.A. de C.V.
Country	Mexico
Telephone	+52 55 5362 5501
Supplier's opinion	Good Client
Additional Comments	We were informed that the company is a good customer, but no other details were provided on grounds of confidentiality.
Payments are	made on a 30 days basis - monitored over the last 12 months
Staff	Non consolidated: 100
Source(s)	Other

## LOCATION

Headquarters	Av. de los Ganaderos 21834 Ejido Matamoros Tijuana, Baja California 22204 México
Number of Branches	0



# FCIB Worldwide Credit Report

SHAREHOLDERS - MANAGER - RELATED COMPANIES	
Listed at the stock exchange	NO

SHAREHOLDERS/PARENT COMPANY(IES)	
Name	Juan Ramon Padilla Martinez
Additional Comments	The Padilla family members are its main shareholders.

MANAGEMENT	
Name	Juan Ramon Padilla Martinez
Position	General Manager
Name	Saul Padilla Castor
Position	Sales and Administration Manager
Name	Juan Ramon Padilla Martinez
Position	General Manager
Name	Ruben Martin
Position	Administrative Director

FINANCIALS - LEGAL RECORDS	
Type of company	Private As a private company the subject does not publish any financial statements.
Contact	We contacted Ms Patricia, Administrator, who provided information on employees and regularity of payments, but refused to disclose any other details without being informed about the inquirer.
Comments on the financial data	Despite our efforts, no financial data could be currently obtained.
OFAC LIST <sup>1</sup>	NO

<sup>1</sup>The Specially Designated Nationals (SDN) List, also known as OFAC LIST, is a publication of OFAC which lists individuals and organizations with whom United States citizens and permanent residents are prohibited from doing business.

Legal records	
Bankruptcy	NO
Lawsuit(s)	NO
Collection(s)	NO
Note(s) of protests	NO
Returned check(s)	NO
Outstanding debt(s)	NO
Lien(s)	NO

SUMMARY	
Local credit bureau gave a normal credit rate.	

Status	Active
Size	Medium - 50 to 499 people
Experience	Good (>10 years)
Group	None
Trade references	Average
Payments	Regular
Profitability	N.A.
Indebtedness	Controlled
Cash	Normal
Legal Filings	NO
General Overview	Good Mid-sized, privately held company. Over 15 years experience. Imports from several areas worldwide. Regular payments to suppliers. No records of overdue balances or adverse filings found.

A credit line in the range of USD 120 000 could be considered.

ADVISED CREDIT	RATING
USD 120 000	12/20

The rating measures the risk.  
It is scaled from 0/20 to 20/20, 0 being the lowest grade (high risk) and 20/20 the highest (no risk). X/20 means a company that is not found and/or does not exist.

CURRENCY: Mexican Pesos – MXP - per 1.00 USD

	3/31	6/30	9/30	12/31
2013	12.3276	12.8122	13.1362	13.0847
2014	13.0579	12.9721	13.4168	14.7589
2015	15.2331	15.4105	16.9550	17.2872
2016	17.2427			

\*\*\*\*\*END REPORT\*\*\*\*\*

THIS REPORT IS STRICTLY CONFIDENTIAL AND FOR YOUR OWN USE. While the information given in this report is obtained from sources deemed to be reliable, neither FCIB nor any of its representatives or agents can assume legal liability for accuracy of the information herein.

Super Rush	2 Days	\$115
Rush	4 Days	\$90
Routine	7 Days	\$80

# FCIB/D&B Report Comparison

REQUIRED CREDIT	ADVISED CREDIT	RATING
	171,429	Average Risk
GEOPOLITICS – MEXICO		
POLITICAL DATA	ECONOMIC DATA	
IDENTIFICATION		
DUNS Number	D-U-N-S: #81-262-7896	
Ordered as:	MADERAS JR	
Address in the order:		
Legal Name:	Maderas y Materiales JR, S.A. de C.V.	
Legal Address:	Av. de Los Ganaderos No. 21834 Col. Ejido Matamoros C.P. 22680 Tijuana, Baja California Norte Mexico	
Post Code:		
Postal Town:		
Primary Geographic Area:		
Country:		
Operative Address:		
Post Code:		
Postal Town		
Primary Geographic Area:		
Country:		
RFC:	MMJ001021KM7	
Legal Form:		
Telephone:	(664) 701-0762 (664) 701-0160 (664) 661-9769	
Fax:	(664) 661-9769	
Email:	administrador@maderasjr.com	
Website:	www.maderasjr.com	
SIC	50990000	
Industry Grouping	Durable Goods	
Date Created(yyyy-mm-dd):		
Date Incorporated(yyyy-mm-dd):	2000	
Managers:	Juan Ramon Padilla Martinez, Administrator	
Number of shares:		
Capital:		
Staff:	75 (Here); 100 (Total)	
Activity:	Wholesaler of timber and construction materials	

RISK SUMMARY			
CAPITAL	\$11,000,000	EMMA SCORE	4
CONDITION	Undetermined	RISK INDICATOR	3
CURRENT RATIO	1.35	RATING	O3
DEBT TO EQUITY RATIO	3.45	FORMER	
PAYMENT RECORD(S)	27	RATING	O3
PRINCIPAL(S)	2	D&B PAYDEX	75
RECORD	Clear	SUIT(S)	NO
D&B Maximum Credit Recommendation: MXN 171,429			
D&B'S RATING: O 3			
RISK ASSESSMENT			
The O portion of the Rating indicates the Estimated Financial Strength.			
The 3 on the right indicates the Composite Credit Appraisal (See Table Below)			
By evaluating all risk factors, the company is assigned with EMMA score of 4, indicating "Average Risk".			

EMMA Score	
EMMA Score Analysis Description	
Maderas y Materiales JR, S.A. de C.V.'s EMMA Score is 4	
EMMA Score	According to D&B records, this business has no payment behaviour more than 60 days past due
Analysis Description	According to D&B Records, this business's payments are within terms which has a positive impact on the score.
	Our comparisons indicate this business has a lower risk legal form.
	This business operates in a statistically lower risk industry.

Industry Group EMMA score Quartile Values	
Lower	3
Median	4
Upper	9

Distribution of EMMA score based on SIC 5099										
Score	1	2	3	4	5	6	7	8	9	10
Distribution	4%	1%	34%	26%	2%	1%	2%	5%	13%	12%
The percentages may not always add up to 100 due to rounding.										

Risk Assessment Matrix			
Emerging Market Mediation Alert Score (EMMA)			
PAYDEX	Low	Medium	High
(EMMA 1-3)	(EMMA 4-7)		(EMMA 8-10)
PAYDEX >=80	AA	BA	CA
80 > PAYDEX >=60	AB	BB(*)	CB
PAYDEX < 60	AC	BC	CC
(*) = Subject lies in this group)			

# FCIB/D&B Report Comparison

SUPPLIERS

DATE	PAYING TERMS	CURRENCY RECORD	HIGH CREDIT	NOW OWES	PAST DUE	LAST SALE
03/16	Ppt/Slow/30	USD	2,500	750	0	N30
02/16	Ppt/Slow/30	USD	2,500	1,000	0	N30
02/16	Ppt/Slow/30	USD	2,500	1,000	0	N30
01/16	Ppt/Slow/30	USD	2,500	2,500	1,000	N30
12/15	Ppt/Slow/30	USD	2,500	2,500	0	N30
11/15	Ppt/Slow/30	USD	2,500	2,500	500	N30
10/15	Prompt	USD	1,000	500	0	N30
08/15	Ppt/Slow/30	USD	2,500	1,000	0	N30
07/15	Ppt/Slow/30	USD	2,500	1,000	500	N30
06/15	Ppt/Slow/30	USD	2,500	1,000	0	N30
05/15	Ppt/Slow/90	USD	2,500	1,000	0	N30
04/15	Slow/30	USD	250,000	0	0	N30
04/15	Ppt/Slow/60	USD	2,500	1,000	0	N30
03/15	Ppt/Slow/60	USD	2,500	750	0	N30
02/15	Ppt/Slow/60	USD	2,500	2,500	250	N30
01/15	Prompt	MXP	200,000	0	0	N30
01/15	Prompt	MXP	10,000	0	0	N30
01/15	Prompt	MXP	50,000	0	0	N30
01/15	Ppt/Slow/60	USD	2,500	500	500	N30
12/14	Ppt/Slow/60	USD	2,500	750	100	N30
11/14	Ppt/Slow/60	USD	2,500	750	0	N30
10/14	Ppt/Slow/60	USD	2,500	2,500	750	N30
09/14	Ppt/Slow/30	USD	2,500	2,500	1,000	N30
08/14	Ppt/Slow/30	USD	2,500	1,000	750	N30
07/14	Ppt/Slow/30	USD	2,500	2,500	500	N30
06/14	Prompt	USD	1,000	1,000	0	N30
05/14	Prompt	USD	1,000	1,000	0	N30
Payment references contained in this report may have been obtained from the same source in different months and monetary units. In some instances, payment beyond terms can be the result of disputes over merchandise, lost invoices, etc.						
PAYDEX of This Industry	75					
Industry Name	Durable goods					
Industry Median	80					
Upper/Lower Quartile	80/73					
Based on	216 businesses					
D&B Notes						
Amounts between \$875 and \$1,749 are displayed as \$1,000						
Amounts between \$1,750 and \$3,749 are displayed as \$2,500						
Amounts between \$8,750 and \$12,499 are displayed as \$10,000						
Amounts between \$47,500 and \$52,499 are displayed as \$50,000						
Amounts between \$225,000 and \$274,999 are displayed as \$250,000						

BANKS	
Name of the Bank	HSBC MEXICO, S.A.
City	Tijuana
State	Baja California Norte
Country	Mexico
Branch	Matamoros
Name of the Bank	BANAMEX, S.A.
City	Tijuana
State	Baja California Norte
Country	Mexico
Branch	Local
BUSINESS	
History	Established as a Stock Company with Variable Capital, on Oct 21st 2000. Deed 86775 registered by Notary's office 1 Bachelor Salvador Lemus Quintanilla, registered in the Mercantile Registry in Tijuana, Baja California Norte. Vol. 185. , nu. 15. Duration of 99 years. It was established in 2000. This is a well established business. Status active.
	<b>MARKET</b> In this country the subject is considered a medium concern in this field. Competition in this market is strong.
	<b>VEHICLES &amp; EQUIPMENT</b> The subject owns the vehicles used by the business. Vehicles including: 27 vehicles of various models. Operates with owned equipment, including office furniture, computer equipment, forklifts as well as cranes.
	<b>MARKET</b> In this country the subject is considered a medium concern in this field. Competition in this market is strong.
	<b>VEHICLES &amp; EQUIPMENT</b> The subject owns the vehicles used by the business. Vehicles including: 27 vehicles of various models. Operates with owned equipment, including office furniture, computer equipment, forklifts as well as cranes
	Principal Activity
	Wholesaler of timber and construction materials Wholesales: Wood and wood by-products, SIC: 50990200
Products/Services description	Manufacturing, importing, exporting, trading, distribution and sale of timber and materials related to this field.
Sales are	Selling terms: 15 days, 30 days and 45 days (70%), cash (30%). Sells through own personnel. Has 320 client(s). Sells to private enterprises(100%). Sales are steady throughout the year.



# FCIB/D&B Report Comparison

Imports	YES Imports from Canada(70%), United States, Taiwan, Indonesia (30%). Purchases mainly from: MADERAS Y MATERIALES LA DIFERENCIA, S.A. DE C.V. RUGUSA, S.A. DE C.V. LLANtera DEL GUAYCURA, S.A. DE C.V. PANEL REY DE MEXICO, S.A. DE C.V. DEACERO, S.A. DE C.V. INDUSTRIAS SAORI, S.A. DE C.V
Exports	NO
Operations Area	Sells mainly in Mexican Republic states, Baja California Norte, Baja California Sur (100%)

## CLIENTS

Transaction style:	
Comments on clients:	

## LOCATION

Headquarters	Maderas y Materiales JR, S.A. de C.V. Blvd. Cucapa No. 451-B, Ejido Matamoros, Tijuana, Baja California Norte, Mexico  Maintains sales office. There are 15 employees in this branch. At this address the subject maintains the administrative offices, a sales office, a warehouse and a location containing all operation.  The subject leases premises of 6,000 square meters of building of single-story.  The real estate is the property of one partner Juan Ramon Padilla Martinez. Monthly rent \$10,000 USD. The lease contract is valid for an indefinite amount of time.
Number of Branches	Maderas y Materiales JR, S.A. de C.V. Av. Ejido de las Granjas S/N, Tijuana, Baja California Norte, Mexico. Maintains warehouse. There are 10 employees in this location.

## SHAREHOLDERS - MANAGER - RELATED COMPANIES

Listed at the stock exchange	Capital Stock: \$11,000,000 Mexican Pesos. (\$60K US) Initial capital: \$50,000 Mexican Pesos. (\$3K in US)
------------------------------	--

## SHAREHOLDERS/PARENT COMPANY(IES)

Name	Mr. Juan Ramon Padilla Martinez
Additional Comments	87.4%
Name	Miss Haydee Berenice Padilla Castor
Additional Comments	5.3%
Name	Mr. Saul Enrique Padilla Castor
Additional Comments	2.1%

Name	Mrs. Emma Jimenez Flores
Additional Comments	5.2%

## MANAGEMENT

Power of Attorney assigned to the principal administrator.	
Name	Juan Ramon Padilla Martinez
Position	Sole Administrator
Name	Saul Enrique Padilla Castor
Position	Manager Administrative

## FINANCIALS - LEGAL RECORDS

Type of company	
Contact	
Comments on the financial data	In the recent investigation ending on Apr 25, 2016. Mr. Juan Ramon Padillo Martinez, Administrator Sole, through Miss Veroncia Hernandez Assistant did not provide financial statement per company policy. However, confirmed ownership and operation details for this report.
OFAC LIST <sup>1</sup>	Up to April 19, 2016, the subject is not registered in the list issued by OFAC, USA. For further information, visit the site: <a href="http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.asp">http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.asp</a>
<sup>1</sup> The Specially Designated Nationals (SDN) List, also known as OFAC LIST, is a publication of OFAC which lists individuals and organizations with whom United States citizens and permanent residents are prohibited from doing business.	
Compranet <sup>1</sup>	Up to April 25th, 2016, this business is not listed in the Compranet website
<sup>1</sup> Mexican Government public procurement system; a web site that displays government procurement.	

	Fiscal from 1/1/2008 – 12/31/2008		Fiscal from 1/1/2009 – 12/31/2009	
	In Mexican Pesos	In US Dollars	In Mexican Pesos	In US Dollars
Net Sales	176,606,801	9,812,233	151,563,271	8,420,779
NET SALES TOTAL	176,606,801		151,563,271	
Sales Costs	151,378,300	8,413,848	131,275,215	7,297,725
Cost of Goods Sold	151,378,300		131,275,215	
Gross Profit	25,228,501	1,402,344	20,288,056	1,127,721
Sales Operations	17,223,011		18,499,794	
Oper. Costs-Total	17,223,011		18,499,794	
Operating Income	8,005,490	444,997	1,788,262	99,416
Total cost of financing	-6,288,992		-1,163,600	
Finan. Costs-Total	-6,288,992		-1,163,600	
Income before Taxes	1,716,498	95,452	624,662	34,741
P.T.U			-232,291	
Income Taxes			-816,161	
Total Taxes			-1,048,452	
INCOME (LOSS)	1,716,498	95,417	-423,790	-23,559

# FCIB/D&B Report Comparison

FINANCIAL RATIOS To Dec 31, 2009			
OPERATION RATIOS		INDEBTEDNESS RATIO	
Net Income to Sales	-0.27 %	Total Liab. to Total Assets	77.52 %
Net Income to Assets	-0.61 %	Total Liab. to Net Worth	3.45 TIMES
Net Income to Net Worth	-2.73 %		
ACTIVITY		LIQUIDITY	
Net Sales to Total Assets	2.20 TIMES	Curr. Assets to Curr. Liab.	1.35 TIMES
Net Sales to Fixed Assets	82.91 TIMES	Total Assets to Total Liab.	1.29 TIMES
Selling Days Receivable	48.48 DAYS	Net Worth to Total Liab.	0.29 TIMES
		Net Worth to Curr. Liab.	0.31 TIMES

Legal records	
Bankruptcy	On Apr/25/2016 a match was made against our suits database and no suits were found filed against the subject.
Lawsuit(s)	NO
Collection(s)	NO
Note(s) of protests	NO
Returned check(s)	NO
Outstanding debt(s)	
Lien(s)	NO

SUMMARY	
Local credit bureau rating	
Status	Due to the lack of financial figures, subject's overall financial condition and trend can not be clearly determined.
Size	
Experience	
Group	
Trade references	27
Payments	
Profitability	
Indebtedness	
Cash	
Legal Filings	
General Overview	Business is sound, and Favorable credit

Risk Summary			
Capital	\$11,000,000	EMMA Score	4
Condition	Undetermined	Risk Indicator	3
Current Ratio	1.35	Rating	03
Debt to Equity Ratio	3.45	Former Rating	03
Payment Records	27	D&B Paydex	75
Principals	2		

ADVISED CREDIT	RATING

CURRENCY: Mexican Pesos – MXP - per 1.00 USD

	3/31	6/30	9/30	12/31
2013	12.3276	12.8122	13.1362	13.0847
2014	13.0579	12.9721	13.4168	14.7589
2015	15.2331	15.4105	16.9550	17.2872
2016	17.2427			

# FCIB/D&B Report Comparison

What information does a credit professional need to make a smart credit decision?

FCIB Reports provide the due diligence that comes with a credit investigation.



# Databases can't provide customer service or pick up the phone.



“Hello, database? I have questions about the information in this report”

The background is a solid blue color with various geometric patterns. In the upper half, there are faint, light blue lines radiating from a central point, resembling a stylized sun or a network diagram. In the lower half, there are several hexagonal shapes of different sizes and shades of blue, some outlined and some filled. On the right side, there is a large, semi-circular graphic that looks like a globe or a sphere with a grid of lines and dots, suggesting a global or technological theme.

**Why do I need customer service?  
I know how to read a credit report.**

# Customer service shouldn't end with the delivery of the report.

- All reports come with a two-week “look back” window.
  - Clarification of any information contained in the report with the research team.
  - Follow-up on new information. New contacts, new interviews.
  - Checks against conflicting information.
  - Redirect to find information that was missing from the report, or get an explanation for why it's missing (e.g. audited financials)
  - One-year monitoring for legal filings and updated financials (when available) can be added to many reports for a small fee (approximately \$10 per report)





MY ACCOUNT

search...

FCIB

EVENTS

EDUCATION

REPORTS

MEMBERS

JOIN FCIB

SUBSCRIBE

ABOUT

[Home](#) | [Reports](#) | [FCIB Worldwide Credit Reports](#)

# Worldwide Credit Reports

Country Reports by the PRS Group

The Political Risk Newsletter

FCIB Worldwide Credit Reports

Pricing and Orders

CREDIT REPORT SAMPLES

Get the most up-to-date financial information available on international customers.

**Each FCIB Worldwide Credit Report order starts with a fresh investigation.**

FCIB's **In-Depth Credit Reports** provide a comprehensive view of a company's legal status, ownership, management, banking and finance, operational and payment history, and the latest full financial statements\*. Our vetted partners conduct on-the-ground investigations of subject companies by contacting trade references, government sources and employees.

**FCIB's Next Business Day Reports** cover more than 60 countries and offer a fast and affordable alternative to our In-Depth Credit Reports. Built upon a fresh investigation, not a database, they provide verification of a company's legal status, basic financial information\*, a predictive credit risk rating, credit recommendation, legal filings, operational history and more.

## In-Depth Reports

- [China](#)
- [Mexico](#)

## Next Business Day Reports

- [Hong Kong](#)
- [Romania](#)
- [Singapore](#)

## Pricing and Orders

**Login required to view pricing and place an order.**

If this is your first order and you are not an FCIB/NACM member please create a new account on the next page.

FCIB and NACM members, please use your FCIB/NACM login.

	FCIB In-Depth Reports	FCIB Next Business Day Reports
Fresh Investigation	YES	YES
Trade Name Verification	YES	YES

## Ordering and Pricing Page

### FCIB Worldwide Credit Report Order Form

Fields with a red asterisk (\*) next to them are required.

Country:\*

Tajikistan  
Tanzania, United Republic of  
Thailand  
Timor-Leste  
Togo  
Tokelau  
Tonga  
Trinidad and Tobago  
Tunisia  
Turkey  
Turkmenistan  
Turks and Caicos Islands  
Tuvalu  
Uganda  
Ukraine  
United Arab Emirates  
United Kingdom  
Uruguay  
Uzbekistan  
Vanuatu  
Venezuela

### Singapore

Select Your Report Speed \* (prices are in U.S. Dollars):

- ☐ Routine - \$125.00 (5-8 Days)  
☐ Next Business Day - \$135.00 (Full Report)  
☐ Next Business Day - \$70.00 (Slim Report)

#### Credit Report Company Information:

Company Legal Name: \*   
Street Address Line 1:   
Street Address Line 2:   
Street Address Line 3:   
City:   
State / Province:   
Postal / Zip Code:

Country: \* Singapore

Phone:

Fax:

#### Billing Information

David Anderson (106849)  
FCIB (829440)

#### Company Address

8840 Columbia 100 Parkway  
Columbia, MD 21045

#### Membership

FCIB Member: Yes  
NACM Member: Yes

Pricing: FCIB Pricing

#### Recent Credit Report Orders

# QUESTIONS?

## FCIB Worldwide Credit Reports



**FCIB Credit Reports** go beyond the numbers, providing in-depth personal and operational information about your customers and prospects that is **vett**ed, **valid**ated and **ver**ified. FCIB adds value by using multiple providers—in fact, the best provider, on-the-ground in a region. FCIB checks to see that the subject is who they say they are. The more you know, the better your credit decision will be.



## International Credit & Collections Survey

Participate and gain critical insight into how credit professionals are selling internationally by country and region. Members can access the survey map and archives.



Country Reports



Political Risk Letter





# FCIB

The Finance, Credit & International  
Business Association

David C. Anderson

Member Relations

davida@fcibglobal.com

410-423-1835

[www.fcibglobal.com](http://www.fcibglobal.com)

E-mail: [fcib\\_global@fcibglobal.com](mailto:fcib_global@fcibglobal.com)

Phone: +410-423-1840

*Service, Development, Growth*