



Payment Practices Barometer

International survey
of B2B payment behaviour

Survey results Asia-Pacific

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Summary

The Asia-Pacific region continues to be the growth engine of the world economy. For the region as a whole, economic growth this year is estimated at 4.8%, more or less the same as last year (4.7%). Most countries in the region are export-oriented, and this is largely reflected in the strong propensity towards offering credit terms to foreign B2B customers observed in Hong Kong and Singapore. Survey respondents in these countries reported that half of their sales to B2B customers abroad are made on credit terms.

China, which is by far the regions biggest economy, appears to be the least inclined to use trade credit in B2B transactions, both domestically and abroad. In contrast, Japanese respondents, appear to be the most likely to use trade credit with customers domestically, as are respondents in Hong Kong with customers abroad. Japan also shows the widest difference in trade credit practices for domestic and foreign customers.

Similar to Europe and the Americas, in the countries surveyed in Asia-Pacific, building long-term trade relationships is the key driver for offering credit terms to B2B customers. China has the highest percentage of respondents for which this is the most influential factor in offering credit domestically and Hong Kong in offering credit to foreign customers. The percentage of Australian respondents who offered credit terms to foreign B2B customers as a source of short term finance is almost double the average for Asia-Pacific and is the highest of the countries surveyed in the region.

Overall, average payment terms set for B2B customers by survey respondents in Asia-Pacific do not vary much between domestic and foreign trade. As observed in both Europe and the Americas, this finding suggests respondents in Asia-Pacific have a comparable perception of payment default risks arising from B2B trade domestically and abroad. Taiwanese respondents offer the longest average payment terms for B2B customers, Australian respondents the shortest.

On average, in Asia-Pacific domestic B2B invoices are likely to be paid almost as quickly as foreign invoices. Singapore records the highest, and Japan the lowest, average total value of overdue invoices from B2B customers. In contrast to the overall survey pattern, over the past year Singapore also recorded the largest increase in the average total value of domestic B2B receivables more than 90 days past due.

According to half of the respondents in Asia-Pacific, payment delays by domestic B2B customers are most frequently due to a lack of liquidity. The percentage of respondents citing this reason is highest in Indonesia. Foreign payment delays are most often due to the complexity of the payment procedure. The percentage of respondents citing this reason is highest in China. At overall survey level, there is almost no difference between the average total value of uncollectable domestic and foreign B2B receivables. India recorded the highest, and Japan the lowest, average total value of B2B receivables that went uncollected mainly due to the customer being bankrupt, out of business, or to the failure of the collection attempts. Compared to one year ago, there was a marked increase in the total value of uncollectable receivables arising from international trade in Japan (up 29.2% on average) and Indonesia (up 23.7% on average). These trends were inconsistent with the overall survey pattern and are by far the largest changes observed.

India has the highest and the Australia the lowest, average DSO of the countries surveyed in Asia-Pacific. The percentage of survey respondents who become concerned about the sustainability of the business when average DSO exceeds the payment term by more than 90 days is 136% higher in Taiwan than the average for Asia-Pacific and is the highest of the countries surveyed in the region.

According to the highest percentage of the survey respondents in Asia-Pacific, maintaining adequate cash flow is the biggest challenge to the profitability of the business this year. Singapore recorded the highest, and China the lowest, percentage of respondents sharing this opinion. Of the other challenges to business profitability surveyed, falling demand of products and services was cited most often in Taiwan, collection of outstanding invoices most often in India and bank lending restrictions most often in Australia.

Survey results Asia-Pacific

1. SALES ON CREDIT TERMS

Around half of the B2B sales of the respondents in Asia-Pacific are made on credit; Japan shows the widest difference in trade credit practices for domestic and foreign B2B customers

- On average, 50.0% and 43.8% of the total value of the sales of the respondents in Asia-Pacific to domestic and foreign B2B customers respectively are made on credit. Averages for the Americas: 48.8% domestic and 43.8% foreign. Averages for Europe: 50.0% domestic and 45.0% foreign. The domestic percentage is lowest in China (35.7%) and highest in Japan (64.3%). The foreign percentage is lowest in China (27.5%) and highest in Hong Kong (51.3%).
- Perceptions of domestic and foreign trade credit risk vary from country to country. The difference in the percentage of domestic (64.3%) and foreign (48.7%) sales made on credit is biggest in Japan.
- Compared to one year ago, in Asia-Pacific there was a modest increase in the proportion of sales made on credit to domestic (up 5.0% on average) and foreign (up 3.0% on average) B2B customers.
- In line with the survey pattern, Taiwan recorded the largest increase in domestic B2B sales made on credit (up 14.0% on average), and Australia the largest increase in foreign B2B sales on credit (up 18.0% on average).
- Respondents in all of the business sectors surveyed in Asia-Pacific are almost equally likely to use trade credit in B2B transactions. This is the case for respondents across all of the business size groups surveyed in the region.

Proportion of sales made on credit to total B2B sales of respondents in Asia-Pacific

	November 2012		November 2013
Domestic	47.7%	+5.0%	50.0%
Foreign	42.4%	+3.0%	43.8%

Sample: companies surveyed (active in domestic and foreign markets)
Source: Payment Practices Barometer – November 2013

2. TRADE CREDIT SUPPLY DETERMINANTS

Most respondents in Asia-Pacific extended trade credit to establish long term trade relationships

- The most frequently cited reason of the survey respondents for offering trade credit is to build long-term trade relationships with domestic (47.4% of respondents) and foreign B2B customers (43.7%). Respondents in the Americas: 39.3% in respect to domestic sales and 35.3% in respect to foreign sales. Respondents in Europe: 43.4% domestic and 36.6% foreign.
- On a country basis, the domestic percentage is highest in China (55.2%) and lowest in India (33.6%). The foreign percentage is highest in Taiwan (48.0%) and lowest in Australia (38.8%). The percentage of Australian respondents (28.6%) who offered credit terms to foreign B2B customers as a source of short term finance is almost double the average for Asia-Pacific and is the highest of the countries surveyed in the region.
- Compared to last year, around 60.0% more respondents in Singapore extended trade credit as a source of short term finance. This is by far the largest change observed.
- The Asia-Pacific wholesale/retail/distribution sector has the highest percentage of respondents offering trade credit to build long-term trade relationships.
- By business size, respondents from micro-enterprises make the most use of trade credit to establish long term trade relationships with domestic and medium-sized enterprises with foreign B2B customers.

Percentage of respondents extending trade credit to establish long term trade relationships

	November 2012		November 2013
Domestic	49.1%	-3.6%	47.4%
Foreign	43.0%	+1.7%	43.7%

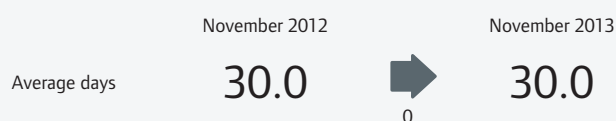
Sample: companies surveyed (active in domestic and foreign markets)
Source: Payment Practices Barometer – November 2013

3. AVERAGE CREDIT TERMS – DOMESTIC / FOREIGN

Respondents in Taiwan set the longest, and Australian respondents the shortest, average payment terms for B2B customers

- Overall, the payment terms extended to B2B customers of survey respondents in Asia-Pacific averages 30 days from the invoice date. This is consistent with the average payment term recorded in the Americas (31 days) and Europe (33 days).
- Respondents in Taiwan set the longest payment terms for their B2B customers (averaging 41 days). The shortest payment terms are set by Australian respondents (averaging 22 days).
- In every country surveyed in Asia-Pacific, average payment terms do not vary much between domestic and foreign customers. This suggests that respondents see very little difference in the credit risk arising from sales on credit to domestic and foreign B2B customers.
- Over the past year, the average payment term recorded in Asia-Pacific remained stable. This is the result of slight increases in payment terms recorded in some countries balancing out small decreases in other countries.
- The wholesale/retail/distribution and services sectors in Asia-Pacific set the shortest B2B payment terms (averaging 28 days). By business size, average payment terms set by respondents do not differ much from the survey average of the region.

Average payment terms recorded in Asia-Pacific



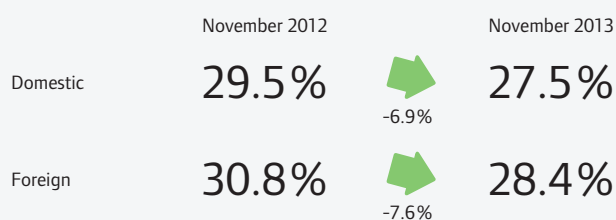
Sample: companies surveyed (active in domestic and foreign markets)
Source: Payment Practices Barometer – November 2013

4. OVERDUE DOMESTIC AND FOREIGN B2B INVOICES – PAYMENT TIMING

Singapore records the highest, and Japan the lowest, average total value of past due invoices

- An average of 27.5% and 28.4% of the total value of the invoices issued by survey respondents in Asia-Pacific to their domestic and foreign B2B customers respectively are unpaid at the due date (overall averages for the Americas: 27.0% domestic and 29.5% foreign. Europe: 30.0% domestic and 27.3% foreign). Just over 68% of the late payments of survey respondents were received 1 to 30 days late; around 27% between 31 and 90 days late and around 5% over 90 days late.
- At country level, Singapore has the highest average total value of overdue domestic (34.6%) and foreign (36.0%) B2B invoices. The lowest proportion of overdue domestic (13.0%) and foreign (18.1%) B2B invoices was recorded in Japan.
- Compared to one year ago, in Asia-Pacific, the average total value of overdue domestic B2B invoices decreased by 6.9%, and that of overdue foreign invoices by 7.6%. Japan recorded the largest decrease in the average total value of overdue domestic B2B invoices (down 34.5%), and China in respect to overdue foreign invoices (down 21%).
- In contrast to the overall survey pattern, over the past year Singapore recorded a 63.4% increase in the average total value of domestic B2B receivables more than 90 days past due and subsequently representing a high chance of default. This is the largest change observed.
- Respondents from the manufacturing and wholesale/retail/distribution sectors in Asia-Pacific posted the highest average proportion of overdue domestic B2B invoices (28.8% each). By size, small enterprises had the highest percentage of domestic (30.1%) and large enterprises of foreign (30.6%) past due B2B invoices.

Average total value of domestic and foreign B2B invoices unpaid by the due date



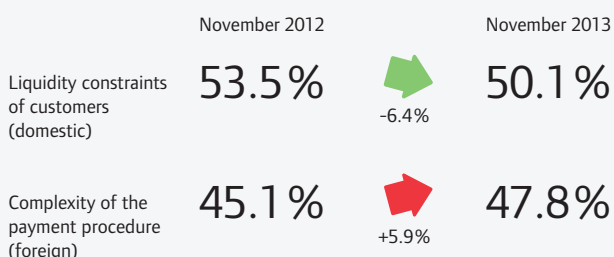
Sample: companies surveyed (active in domestic and foreign markets)
Source: Payment Practices Barometer – November 2013

5. MAIN REASONS FOR PAYMENT DELAYS FROM B2B CUSTOMERS

Domestic B2B invoices are most likely to be paid late due to liquidity constraints of customers; foreign invoices due to complexity of the payment procedure

- For 50.1% (2012: 53.5%) of the respondents in Asia-Pacific, payment delays from domestic B2B customers occur most often due to insufficient availability of funds. Respondents in the Americas 53.9%; in Europe: 66.2%. At country level, this percentage is highest in Indonesia (63.5%), and lowest in Japan (38.6%).
- Complexity of the payment procedure is the reason most often cited by respondents in Asia-Pacific (47.8%) for payment delays by foreign B2B customers (2012: 45.1%). This percentage is highest in China (61.2%) and lowest in Australia (34.6%). Respondents in the Americas: 39.3%; in Europe: 34.0%.
- Compared to one year ago, in Asia-Pacific, there was a significant increase (up 113.0% from 24.5% in 2012) in the percentage of Taiwanese respondents citing the complexity of the payment procedure as the main reason for payment delays from foreign B2B customers.
- Respondents in the financial services sector in Asia-Pacific were the most often hit by payment delays due to liquidity constraints of domestic B2B customers (55.6% of respondents). Respondents from both the manufacturing and the services sectors (around 58.0% each) were the most often impacted by payment delays from foreign customers. By business size, medium-sized enterprises (52.3% of respondents) were the most frequently impacted by payment delays from domestic B2B customers. This was the case for 48.7% of large enterprises in respect to foreign customers.

Main reasons for payment delays from B2B customers (percentage of respondents in Asia-Pacific)



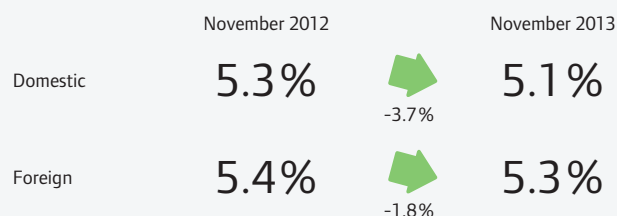
Sample: companies surveyed (active in domestic and foreign markets)
Source: Payment Practices Barometer – November 2013

6. UNCOLLECTABLE B2B RECEIVABLES – DOMESTIC / FOREIGN

Of the countries surveyed in Asia-Pacific, India has the largest proportion of uncollectable domestic and foreign B2B receivables

- On average, 5.1% of the total value of domestic B2B receivables was written off as uncollectable by respondents in Asia-Pacific. This is mainly due to the customer being bankrupt or out of business, or to the failure of the collection attempts. This percentage is highest in India (7.7%) and lowest in Japan (2.2%).
- Uncollectable receivables amounted to an average of 5.3% of the total value of receivables from foreign customers. This is mainly due to the customer being bankrupt or out of business, or to the failure of the collection attempts abroad. The value of uncollectable foreign receivables is highest in India (7.2%) and lowest in Japan (3.4%).
- Compared to one year ago, in contrast to the survey pattern there was a marked increase in the total value of uncollectable receivables arising from international trade in Japan (up 29.2% on average) and Indonesia (up 23.7% on average). These are by far the largest changes observed.
- Respondents in the financial services sector in Asia-Pacific recorded the highest proportion of uncollectable domestic and foreign B2B receivables (averaging 6.2% of the total value of B2B receivables). By business size, large enterprise respondents had the highest proportion of uncollectable receivables (5.8% of the total value of B2B receivables).

Average total value of uncollectable domestic and foreign B2B receivables in Asia-Pacific



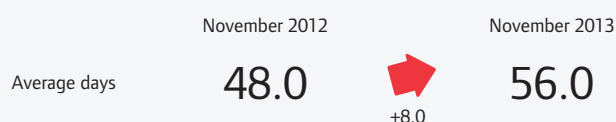
Sample: companies surveyed (active in domestic and foreign markets)
Source: Payment Practices Barometer – November 2013

7. AVERAGE DAYS SALES OUTSTANDING (DSO) - TREND OVER THE PAST YEAR

Taiwanese respondents, on average, do not become concerned about the impact of their DSO on the sustainability of the business as quickly as respondents in the other countries surveyed in Asia-Pacific

- The DSO posted by respondents in Asia-Pacific averages 56 days. Average for the Americas: 58 days; for Europe: 55 days. This is notably higher than the 30 days average payment term recorded in the region reflecting the high volume of invoices that are paid late.
- The average DSO in India (80 days) is markedly above the average of the region. In the other countries surveyed, average DSO ranges from 45 days in Australia to 57 days in Indonesia.
- 55.1% of the respondents in Asia-Pacific reported a DSO of between 1 and 30 days, 30.3% of 31 to 90 days, and 14.7% posted a DSO of more than 90 days. The percentage of survey respondents who don't become concerned about the sustainability of the business until average DSO exceeds the payment term by more than 90 days is 136% higher in Taiwan than the average for Asia-Pacific and is the highest of the countries surveyed in the region.
- Over the past year, in Asia-Pacific there was an average 8 days increase in DSO. The largest average increase (about 10 days) was recorded in Indonesia.
- Services sector respondents had the highest DSO by sector (averaging 60 days). Large enterprises (averaging 58 days) by business size. The largest average increase in DSO (around 10 days) was recorded in the wholesale/retail/distribution sector and in large enterprises.

Average DSO recorded in Asia-Pacific



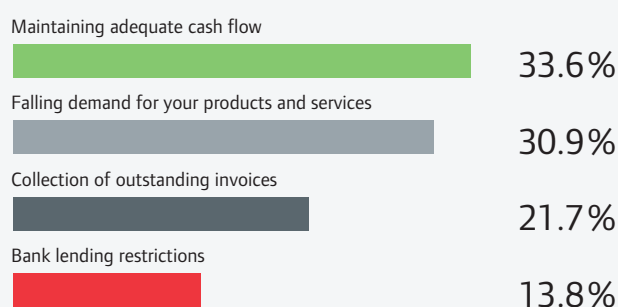
Sample: companies surveyed (active in domestic and foreign markets)
Source: Payment Practices Barometer – November 2013

8. THE BIGGEST CHALLENGE TO THE PROFITABILITY OF THE BUSINESS THIS YEAR

Most of the respondents in Asia-Pacific consider maintaining adequate cash flow to be the biggest challenge to the profitability of their business this year

- 33.6% of respondents in Asia-Pacific consider maintaining adequate cash flow to be the biggest challenge to the profitability of their business this year. This represents the highest response rate of the factors surveyed. The percentage of respondents citing this reason ranges from a high of 36.8% in Singapore to a low of 31.0% in China. Respondents in the Americas: 35.0%; in Europe: 29.4%
- For 30.9% of respondents, the biggest challenge to business profitability this year will be falling demand of products and services. For 21.7% it will be collection of outstanding invoices. Bank lending restrictions was cited the least often (13.8% of respondents).
- Falling demand of products and services was cited most often in Taiwan (39.3% of respondents). Collection of outstanding invoices was cited most often in India (28.0% of respondents) and bank lending restrictions most often in Australia (17.3%).
- 35.7% of manufacturing sector respondents in Asia-Pacific said that maintaining adequate cash flow is the biggest challenge to the profitability of their business this year. This is also the opinion of nearly 35% of micro-enterprise respondents. Approximately 33% of respondents from micro-enterprises and from the wholesale/retail/distribution sector said that the biggest challenge is falling demand of products and services.

The biggest challenge to the profitability of the business this year – Asia-Pacific



Sample: companies interviewed (active in domestic and foreign markets)
Source: Payment Practices Barometer – November 2013

Survey design Asia-Pacific

Background

For internationally active companies, it is vital to have good knowledge of the payment practices of potential customers in countries that they do or plan to do business with, as miscalculation may result in serious cash flow problems. This applies to big as well as small companies. Big companies are particularly hit by poor payment behaviour due to the volume of their international transactions. Smaller companies often learn the hard way early in their international endeavours that they have incorrectly estimated the payment practices of their international business partners.

Atradius Group is conducting regular reviews of corporate payment practices through a survey called the “Payment Practices Barometer”. This report presents the results of the twelfth evaluation of payment practices. Using a questionnaire, a net of 1,670 interviews were conducted. The interviews were all conducted exclusively for Atradius Group and there was no combination of topics.

Survey scope

- Basic population: companies from eight countries were monitored in Asia-Pacific: Australia, China, Hong Kong, India, Indonesia, Japan, Singapore and Taiwan
- The appropriate contacts for accounts receivable management were interviewed
- Selection process: Internet survey: Companies were selected and contacted by use of an international internet panel. At the beginning of the interview, a screening for the appropriate contact and for quota control was conducted
- Interview: Web-assisted personal interviews (WAPI) of approximately 12 minutes duration.

Sample overview

Sample overview Asia-Pacific

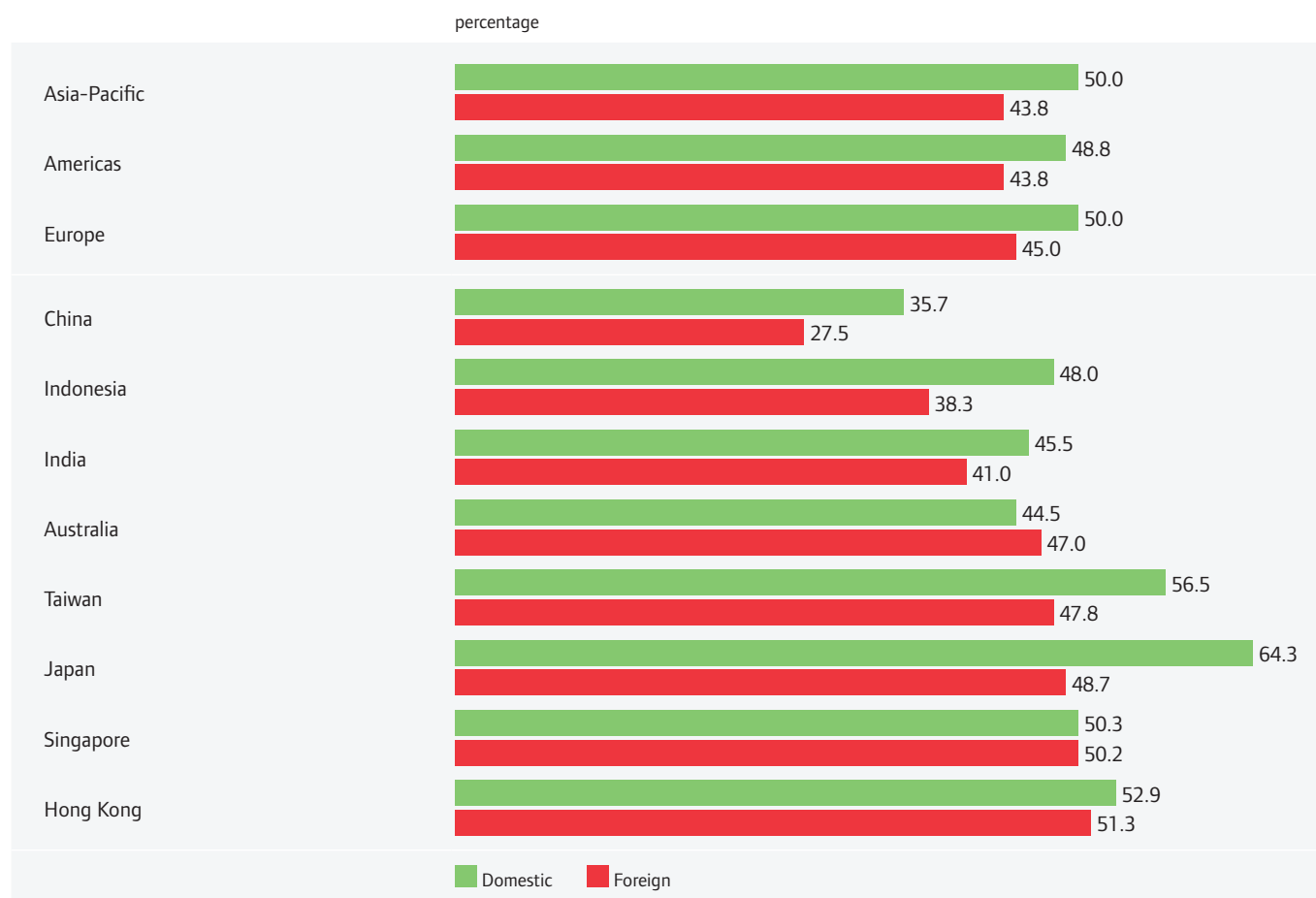
Country (n=1,670)	n	%
Australia	202	12.1%
China	210	12.6%
Hong Kong	203	12.1%
India	214	12.8%
Indonesia	206	12.3%
Japan	214	12.8%
Singapore	212	12.7%
Taiwan	201	12.1%
Business size (n=1,670)	n	%
Micro-enterprise	587	35.1%
Small enterprise	526	31.5%
Medium-sized enterprise	316	19.1%
Large enterprise	241	14.4%
Business sector (n=1,670)	n	%
Manufacturing	416	24.9%
Wholesale / Retail / Distribution	345	20.7%
Services	662	39.6%
Financial services	247	14.7%

It may occur that the results are a percent more or less than 100% when calculating the results. This is the consequence of rounding off the results. Rather than adjusting the outcome so that it totalled 100% we have chosen to leave the individual results as they were to allow for the most accurate representation possible.

Statistical appendix Asia-Pacific

1. SALES ON CREDIT TERMS

What percentage of the total value of your domestic / foreign B2B sales is on credit?



Sample: all interviewed companies (active in domestic and foreign markets)

Source: Payment Practices Barometer - November 2013

Sales on credit terms Asia-Pacific - Domestic / Foreign

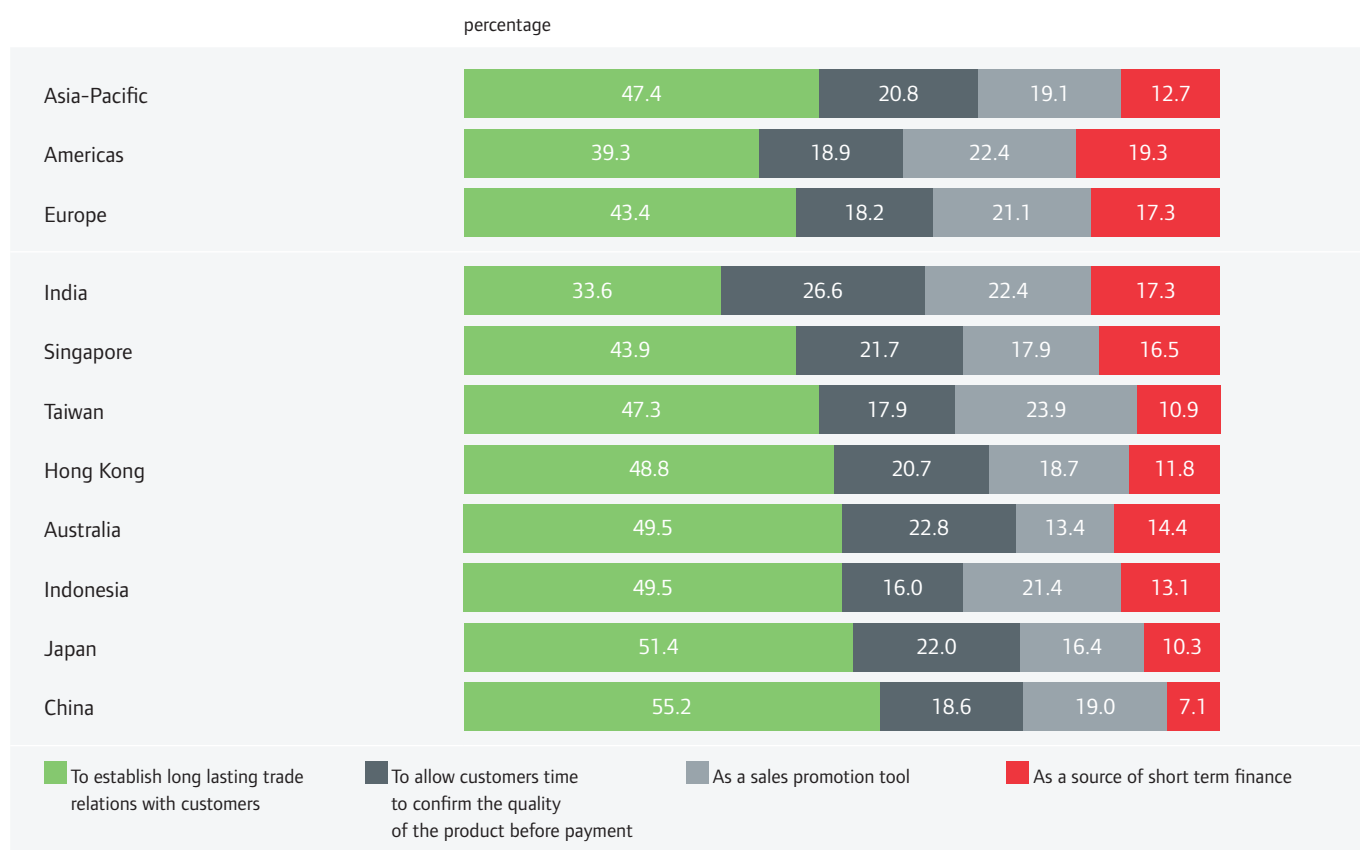
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
Domestic	51.6%	47.2%	50.0%	51.7%	47.1%	50.9%	51.5%	52.1%
Foreign	43.2%	41.9%	45.1%	45.9%	41.0%	40.8%	46.3%	48.1%

Sample: all interviewed companies

Source: Payment Practices Barometer - November 2013

2. TRADE CREDIT SUPPLY DETERMINANTS

What are the main reasons that your company grants trade credit to its domestic B2B customers?



Sample: all interviewed companies (active in domestic markets)

Source: Payment Practices Barometer – November 2013

Trade credit supply determinants Asia-Pacific - Domestic

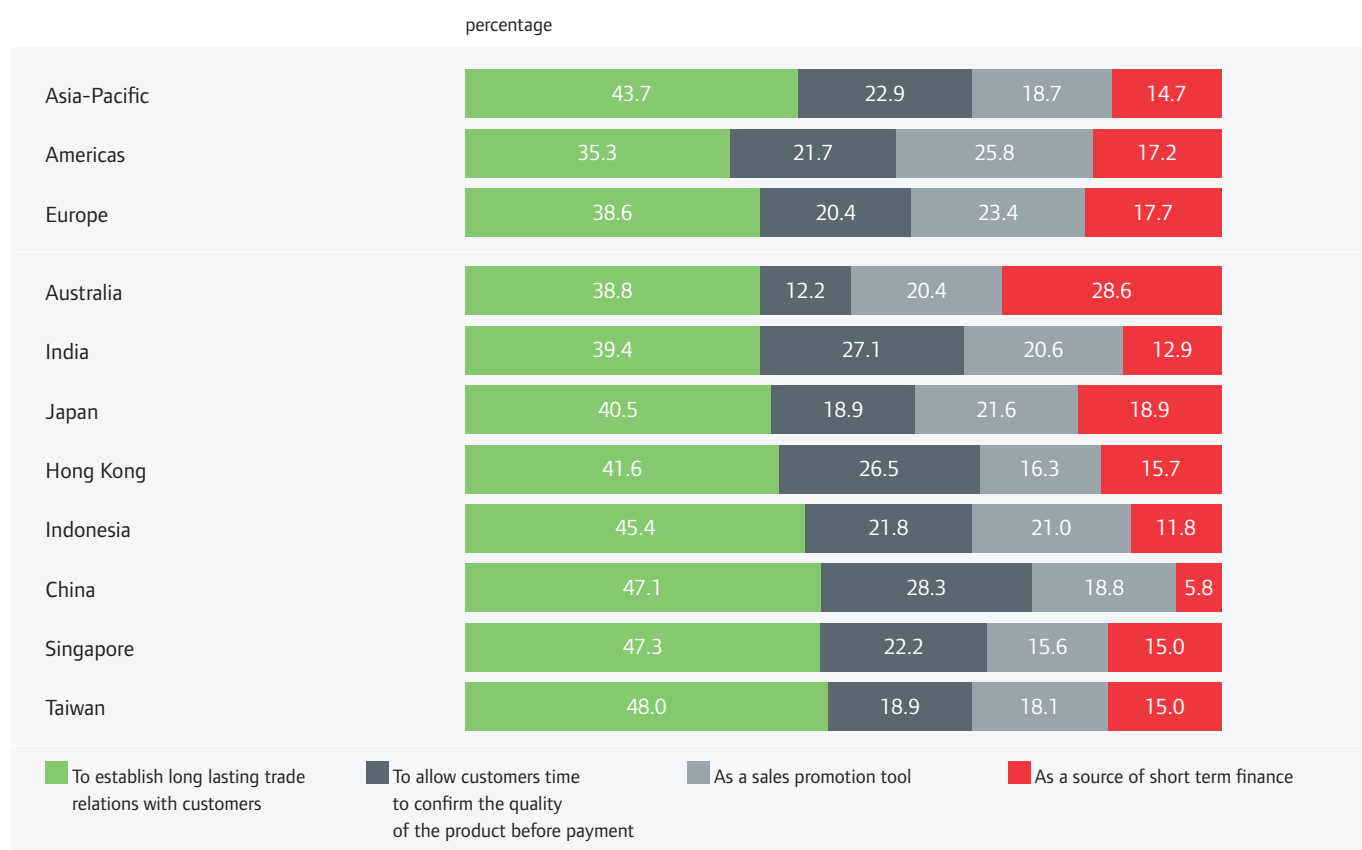
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
Long term trade	49.16%	51.17%	46.74%	38.54%	50.18%	46.15%	47.92%	42.70%
Sales promotion	19.52%	20.63%	17.60%	20.49%	19.43%	19.66%	18.84%	17.98%
Time to confirm	20.24%	18.02%	23.22%	19.51%	20.85%	20.51%	18.28%	24.72%
Short term finance	11.08%	10.18%	12.44%	21.46%	9.54%	13.68%	14.96%	14.61%

Sample: all interviewed companies (active in domestic markets)

Source: Payment Practices Barometer – November 2013

2. TRADE CREDIT SUPPLY DETERMINANTS

What are the main reasons that your company grants trade credit to its foreign B2B customers?



Sample: all interviewed companies (active in foreign markets)

Source: Payment Practices Barometer – November 2013

Trade credit supply determinants Asia-Pacific - Foreign

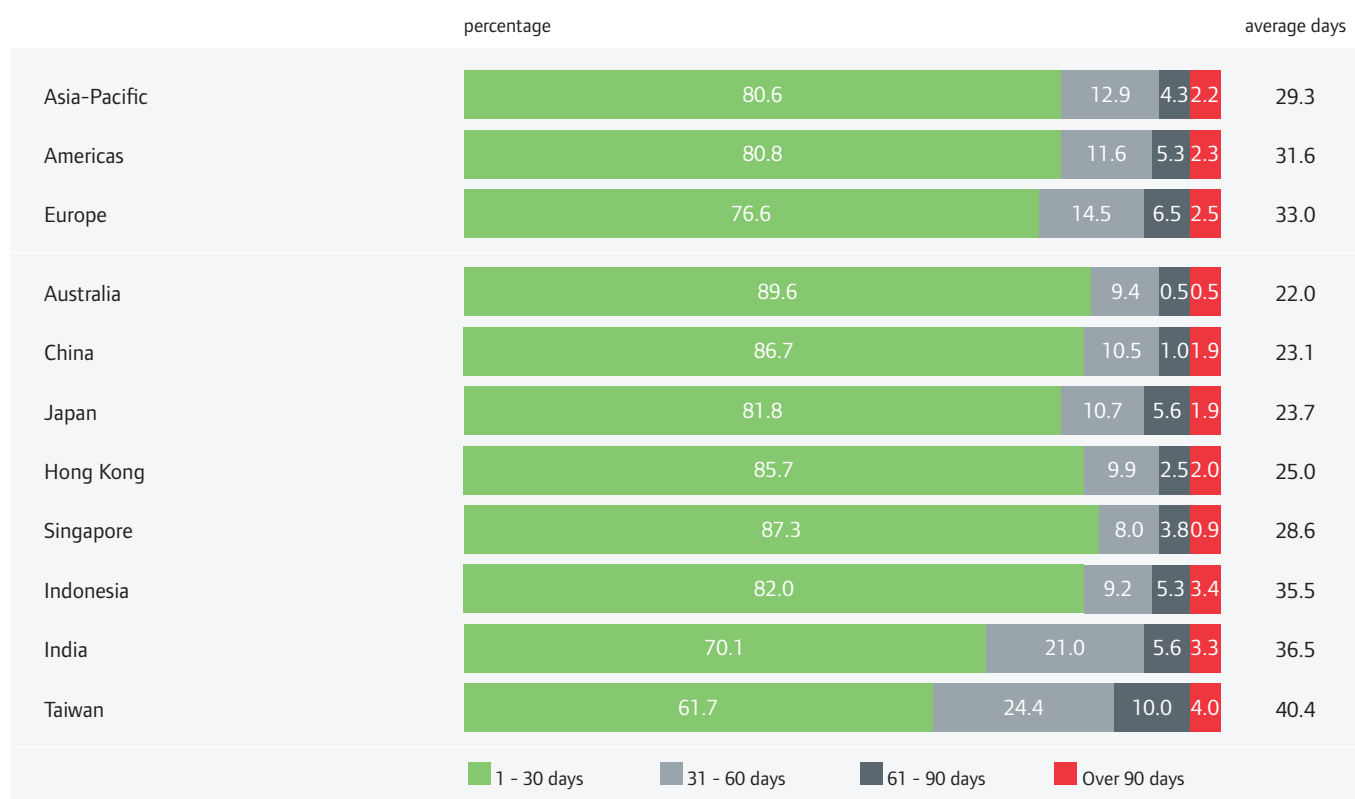
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
Long term trade	44.44%	46.74%	40.24%	44.68%	50.18%	46.15%	47.92%	42.70%
Sales promotion	19.75%	18.77%	17.72%	18.44%	19.43%	19.66%	18.84%	17.98%
Time to confirm	22.22%	21.84%	27.33%	15.60%	20.85%	20.51%	18.28%	24.72%
Short term finance	13.58%	12.64%	14.71%	21.28%	9.54%	13.68%	14.96%	14.61%

Sample: all interviewed companies (active in foreign markets)

Source: Payment Practices Barometer – November 2013

3. AVERAGE CREDIT TERMS – DOMESTIC / FOREIGN

What payment terms does your company set for its domestic B2B customers?



Sample: all interviewed companies (active in domestic markets)

Source: Payment Practices Barometer – November 2013

Payment terms Asia-Pacific - Domestic (average days)

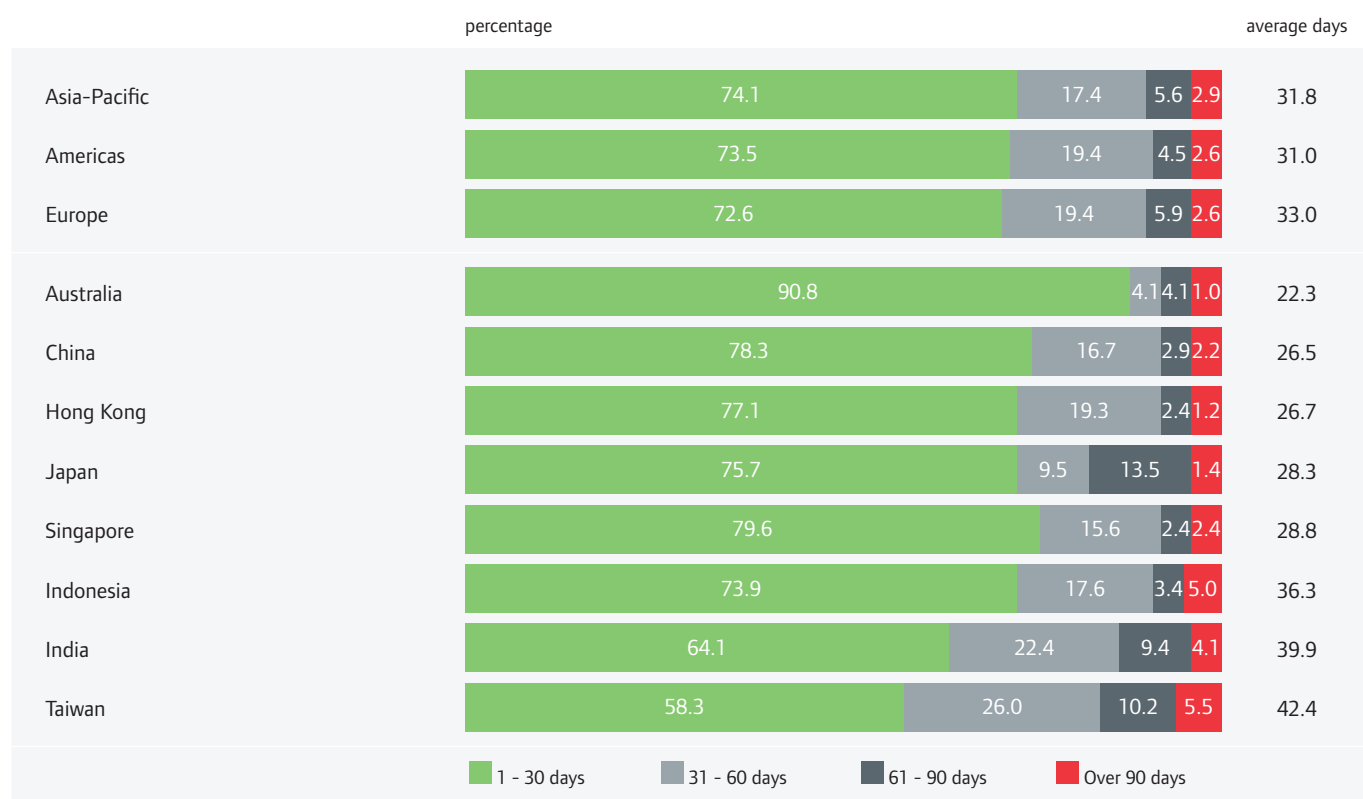
Business sector				Business size			
Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
32	28	28	31	28	31	30	29

Sample: all interviewed companies (active in domestic markets)

Source: Payment Practices Barometer – November 2013

3. AVERAGE CREDIT TERMS – DOMESTIC / FOREIGN

What payment terms does your company set for its foreign B2B customers?



Sample: all interviewed companies (active in foreign markets)

Source: Payment Practices Barometer – November 2013

Payment terms Asia-Pacific - Foreign (average days)

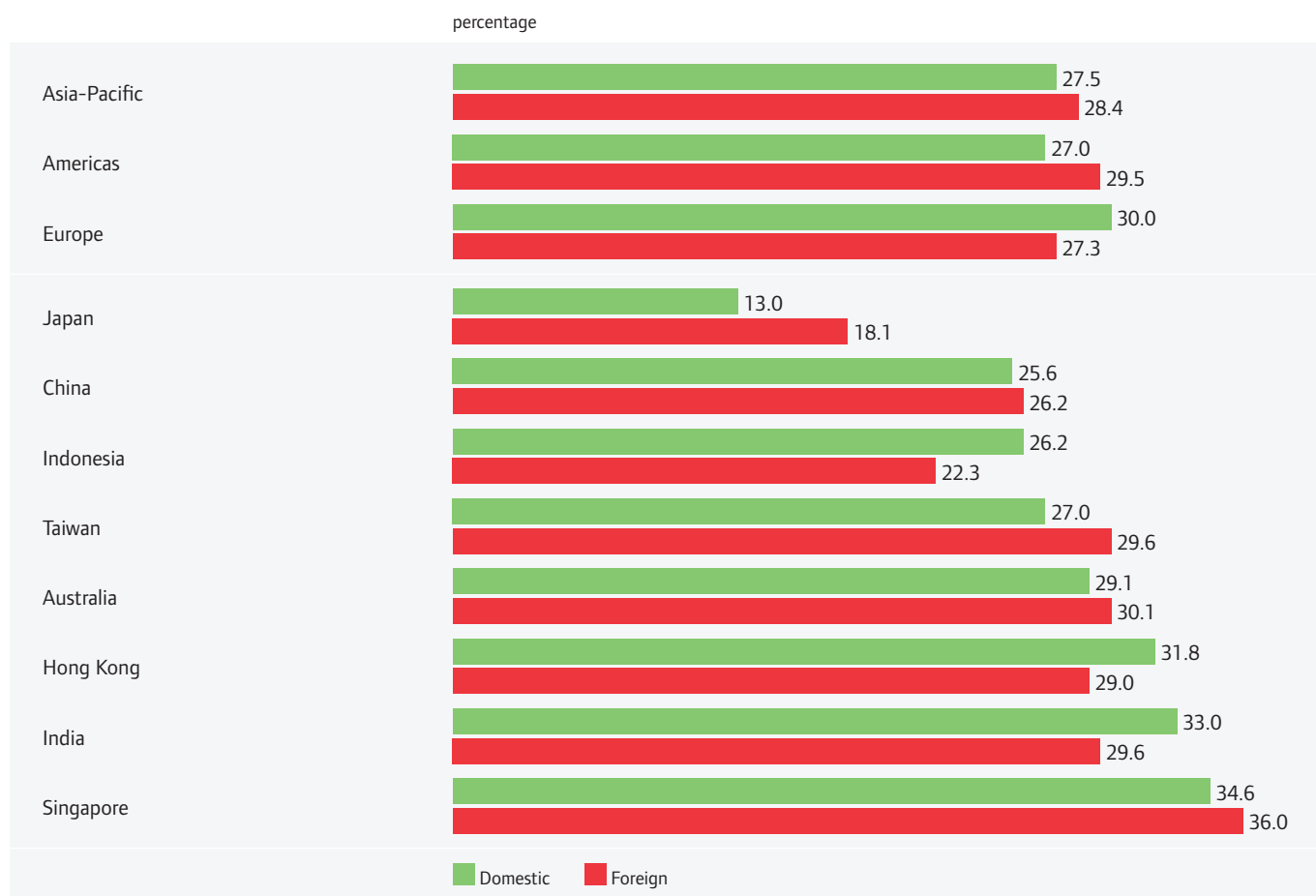
Business sector				Business size			
Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
35	30	31	30	26	33	34	33

Sample: all interviewed companies (active in foreign markets)

Source: Payment Practices Barometer – November 2013

4. OVERDUE DOMESTIC AND FOREIGN B2B INVOICES – PAYMENT TIMING

What percentage of your domestic / foreign B2B invoices are overdue?



Sample: all interviewed companies (active in domestic and foreign markets)

Source: Payment Practices Barometer - November 2013

Overdue invoices Asia-Pacific – Domestic / Foreign

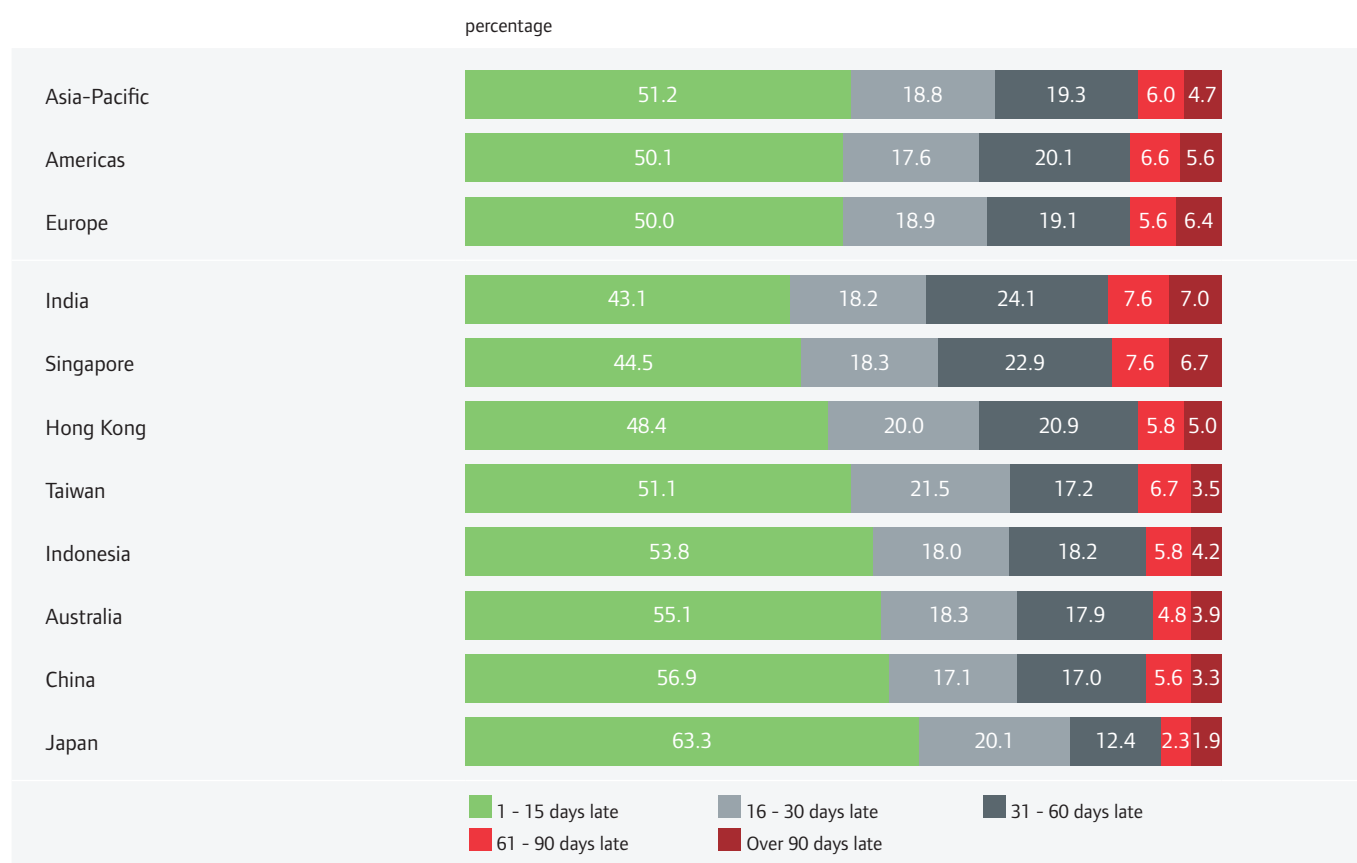
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
Domestic	28.8%	28.8%	25.8%	27.7%	23.8%	30.1%	27.8%	29.8%
Foreign	27.5%	26.9%	29.9%	29.9%	25.2%	29.0%	28.6%	30.6%

Sample: all interviewed companies

Source: Payment Practices Barometer – November 2013

4. OVERDUE DOMESTIC AND FOREIGN B2B INVOICES – PAYMENT TIMING

Domestic overdue B2B invoices - Payment is made between



Sample: all interviewed companies with overdue invoices (active in domestic markets)

Source: Payment Practices Barometer – November 2013

Payment is made between ... Asia-Pacific - Domestic (average days)

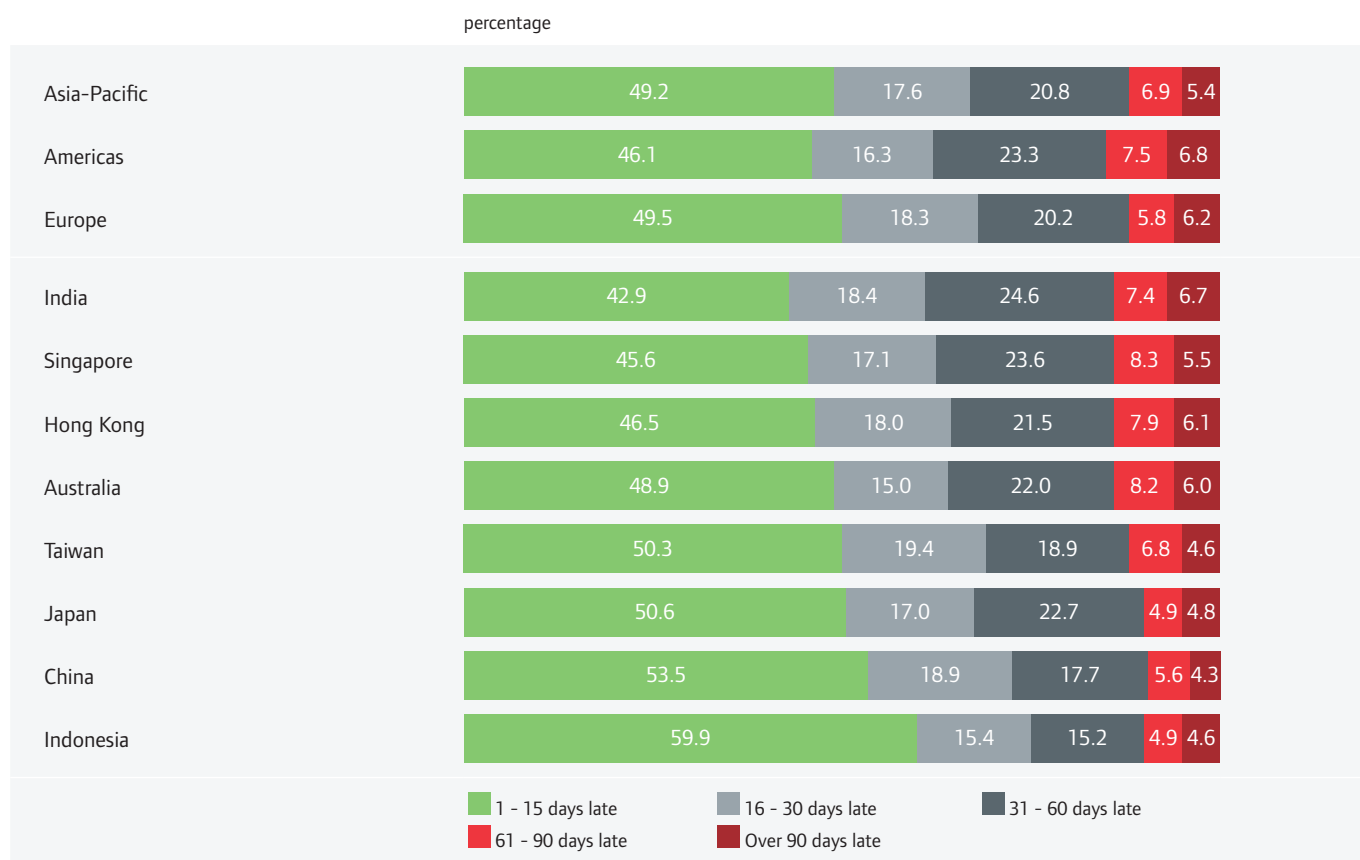
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
1-15 days late	50.1%	51.5%	52.5%	49.6%	53.8%	49.7%	51.3%	49.8%
16-30 days late	19.3%	19.1%	18.3%	18.6%	17.1%	20.1%	19.0%	18.7%
31-60 days late	20.7%	19.5%	18.0%	19.9%	18.2%	19.6%	19.0%	20.9%
61-90 days late	5.9%	5.8%	5.9%	6.8%	6.1%	6.2%	6.0%	5.5%
Over 90 days late	4.0%	4.1%	5.2%	5.2%	4.9%	4.2%	4.7%	5.1%

Sample: all interviewed companies (active in domestic markets)

Source: Payment Practices Barometer – November 2013

4. OVERDUE DOMESTIC AND FOREIGN B2B INVOICES – PAYMENT TIMING

Foreign overdue B2B invoices – Payment is made between



Sample: all interviewed companies with overdue invoices (active in foreign markets)

Source: Payment Practices Barometer – November 2013

Payment is made between ... Asia-Pacific – Foreign (average days)

	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
1-15 days late	47.3%	52.7%	49.2%	47.6%	51.4%	48.0%	51.6%	45.5%
16-30 days late	17.7%	17.2%	17.4%	18.3%	17.4%	17.6%	17.1%	18.4%
31-60 days late	21.9%	18.9%	21.0%	21.2%	18.7%	22.1%	20.0%	22.1%
61-90 days late	6.9%	6.3%	7.5%	6.8%	7.1%	7.1%	6.6%	6.9%
Over 90 days late	6.1%	4.9%	4.9%	6.1%	5.4%	5.1%	4.6%	7.1%

Sample: all interviewed companies (active in foreign markets)

Source: Payment Practices Barometer – November 2013

5. MAIN REASONS FOR PAYMENT DELAYS FROM B2B CUSTOMERS

Main reasons for payment delays by domestic B2B customers - Asia-Pacific

	Insufficient availability of funds	Dispute over quality of goods delivered or service provided	Goods delivered or services provided do not correspond to what was agreed in the contract	Complexity of the payment procedure	Inefficiencies of the banking system	Incorrect information on invoice	Other
Asia-Pacific	50.10%	32.57%	29.12%	37.96%	30.23%	29.33%	3.80%
Americas	53.87%	21.92%	19.63%	33.95%	28.08%	28.65%	4.58%
Europe	66.18%	17.32%	15.05%	21.11%	22.33%	17.62%	5.18%
Australia	53.16%	17.09%	17.09%	26.58%	24.05%	29.11%	11.39%
China	47.18%	41.54%	25.13%	52.31%	46.67%	27.69%	0.51%
Hong Kong	42.93%	40.76%	30.98%	40.76%	26.09%	33.70%	1.09%
Taiwan	44.12%	42.94%	36.47%	40.00%	26.47%	27.06%	1.18%
Singapore	48.33%	34.44%	35.56%	36.11%	27.78%	28.89%	6.11%
Indonesia	63.54%	27.60%	22.40%	31.25%	35.94%	32.29%	5.21%
Japan	38.60%	22.22%	24.56%	25.15%	16.37%	26.90%	4.09%
India	60.80%	31.66%	39.20%	47.74%	34.67%	28.64%	2.01%

Business sector

Manufacturing	47.38%	35.08%	27.49%	43.98%	31.68%	29.58%	1.31%
Wholesale trade / Retail trade / Distribution	51.81%	32.83%	28.61%	33.43%	31.63%	28.31%	5.42%
Services	49.19%	26.31%	26.49%	34.95%	28.83%	28.47%	5.41%
Financial services	55.56%	46.11%	41.67%	42.78%	28.89%	33.33%	1.11%

Business size

Micro enterprise	48.68%	25.99%	21.15%	31.72%	25.11%	26.87%	7.27%
Small enterprise	50.73%	30.83%	32.04%	38.35%	29.85%	27.43%	3.40%
Medium-sized enterprise	52.34%	40.64%	33.92%	41.23%	34.21%	32.75%	1.46%
Large enterprise	48.55%	36.51%	32.37%	44.40%	34.85%	32.37%	1.24%

Sample: all interviewed companies (active in domestic markets)

Source: Payment Practices Barometer – November 2013

5. MAIN REASONS FOR PAYMENT DELAYS FROM B2B CUSTOMERS

Main reasons for payment delays by foreign B2B customers - Asia-Pacific

	Insufficient availability of funds	Dispute over quality of goods delivered or service provided	Goods delivered or services provided do not correspond to what was agreed in the contract	Complexity of the payment procedure	Inefficiencies of the banking system	Incorrect information on invoice	Other
Asia-Pacific	38.21%	36.45%	32.61%	47.77%	39.25%	32.09%	1.77%
Americas	35.49%	25.42%	25.42%	39.33%	39.57%	30.70%	1.92%
Europe	47.30%	21.08%	17.76%	34.03%	32.21%	21.99%	3.58%
Australia	46.91%	28.40%	19.75%	34.57%	35.80%	29.63%	4.94%
China	27.61%	44.78%	30.60%	61.19%	50.75%	35.82%	0.00%
Hong Kong	36.36%	39.61%	35.71%	35.71%	30.52%	36.36%	1.95%
Taiwan	36.52%	40.00%	40.87%	52.17%	36.52%	40.00%	0.00%
Singapore	44.90%	32.65%	32.65%	44.22%	34.69%	23.13%	4.76%
Indonesia	31.48%	35.19%	30.56%	43.52%	48.15%	37.04%	0.93%
Japan	37.31%	25.37%	26.87%	46.27%	31.34%	20.90%	2.99%
India	44.59%	36.94%	35.67%	58.60%	43.31%	29.94%	0.00%

Business sector

Manufacturing	37.05%	35.08%	30.16%	48.52%	40.98%	30.16%	1.31%
Wholesale trade / Retail trade / Distribution	34.06%	37.55%	34.06%	49.34%	41.05%	31.88%	1.31%
Services	39.93%	33.56%	29.53%	48.66%	38.59%	32.89%	3.36%
Financial services	44.27%	44.27%	42.75%	41.22%	33.59%	35.11%	0.00%

Business size

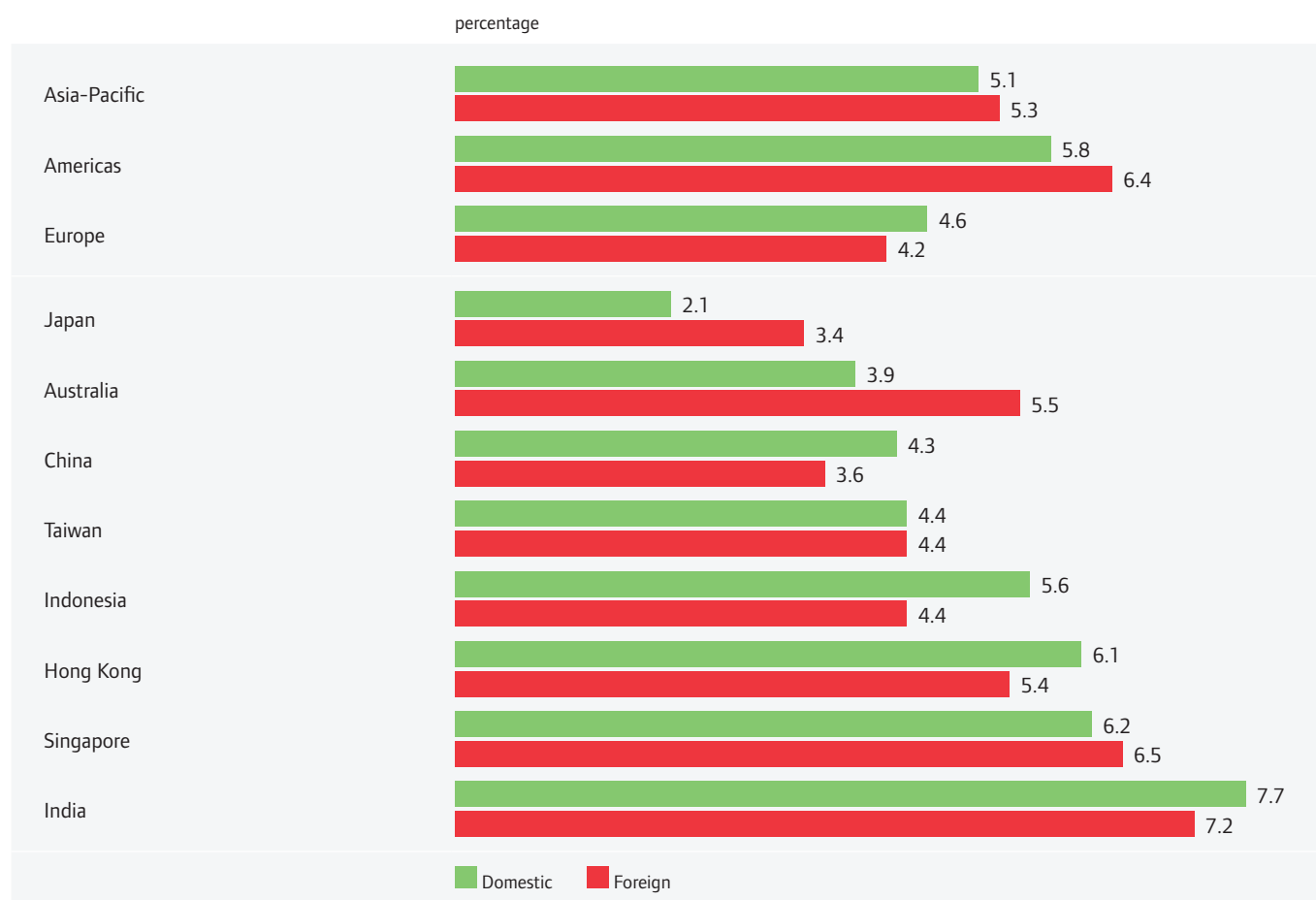
Micro enterprise	33.50%	33.50%	26.00%	46.50%	33.00%	29.00%	4.50%
Small enterprise	38.23%	37.54%	30.03%	46.08%	38.57%	27.99%	1.37%
Medium-sized enterprise	42.96%	34.66%	36.46%	49.82%	46.57%	35.74%	0.72%
Large enterprise	36.27%	40.41%	37.82%	48.70%	36.27%	36.27%	1.04%

Sample: all interviewed companies (active in foreign markets)

Source: Payment Practices Barometer – November 2013

6. UNCOLLECTABLE B2B RECEIVABLES - DOMESTIC / FOREIGN

Over the last six months, what percentage of the total value of your B2B receivables (domestic and foreign) were uncollectable?



Sample: all interviewed companies (active in domestic and foreign markets)

Source: Payment Practices Barometer - November 2013

Uncollectable B2B receivables Asia-Pacific - Domestic / Foreign

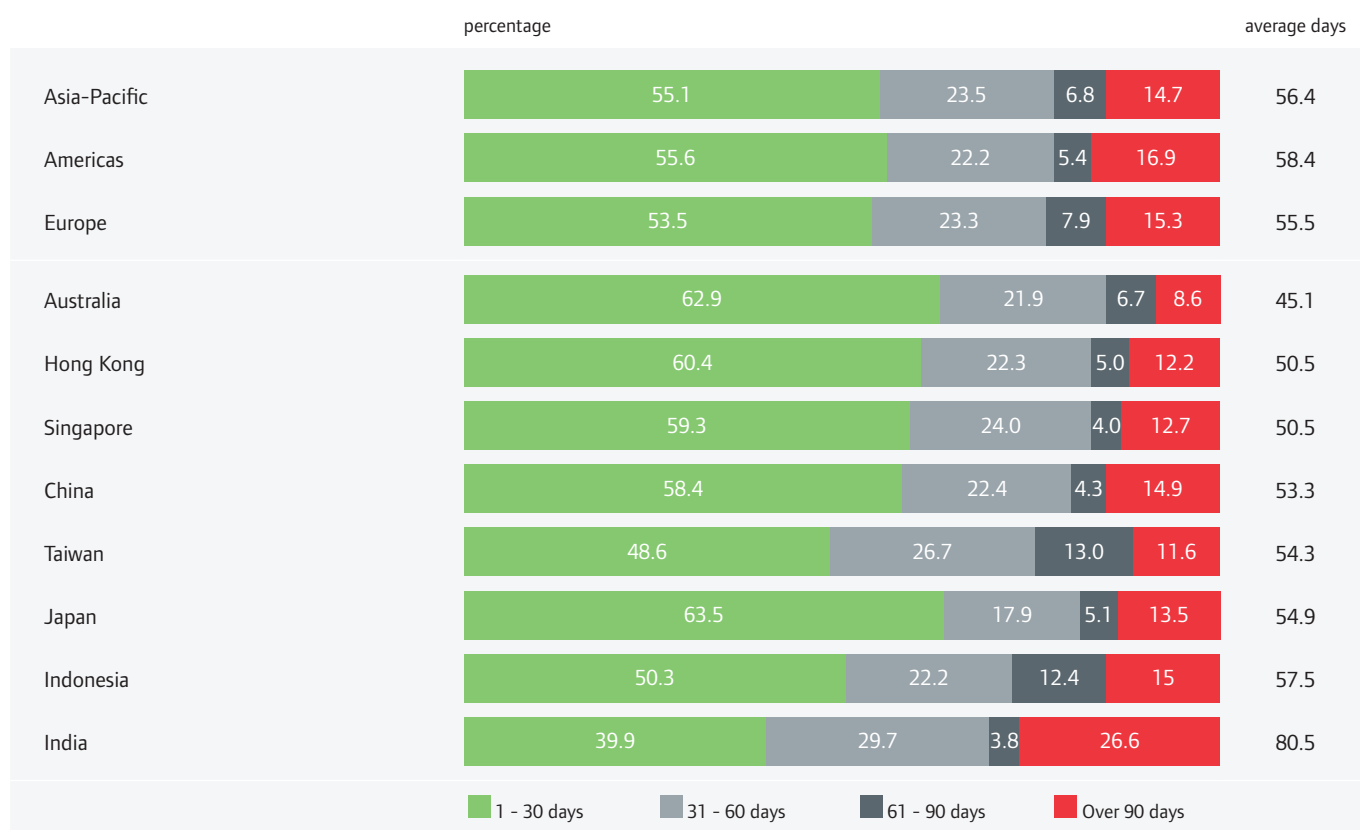
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
Domestic	5.4%	4.8%	4.7%	6.2%	4.0%	5.6%	5.4%	5.9%
Foreign	5.2%	4.8%	5.4%	6.2%	4.6%	5.5%	5.3%	5.7%

Sample: all interviewed companies

Source: Payment Practices Barometer - November 2013

7. AVERAGE DAYS SALES OUTSTANDING (DSO) - TREND OVER THE PAST YEAR

What is your company's annual average DSO?



Sample: all interviewed companies

Source: Payment Practices Barometer – November 2013

Average DSO Asia-Pacific (average days)

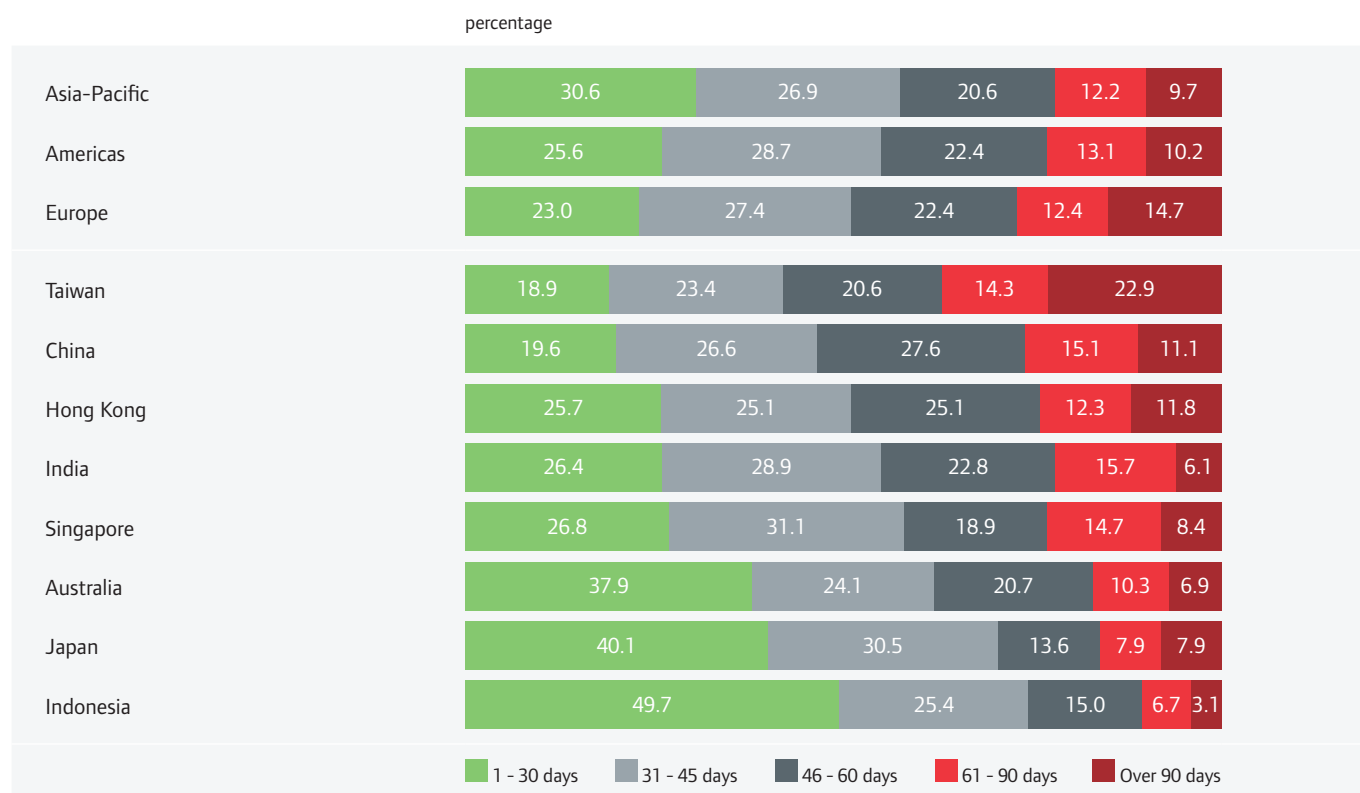
Business sector				Business size			
Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
53	56	60	54	57	54.9	56	58.9

Sample: all interviewed companies

Source: Payment Practices Barometer – November 2013

7. AVERAGE DAYS SALES OUTSTANDING (DSO) - TREND OVER THE PAST YEAR

According to your company's credit policy, when does your DSO level become a concern?
... days longer than payment term.



Sample: all interviewed companies

Source: Payment Practices Barometer – November 2013

DSO becomes a concern in Asia-Pacific when it is ... days longer than payment term

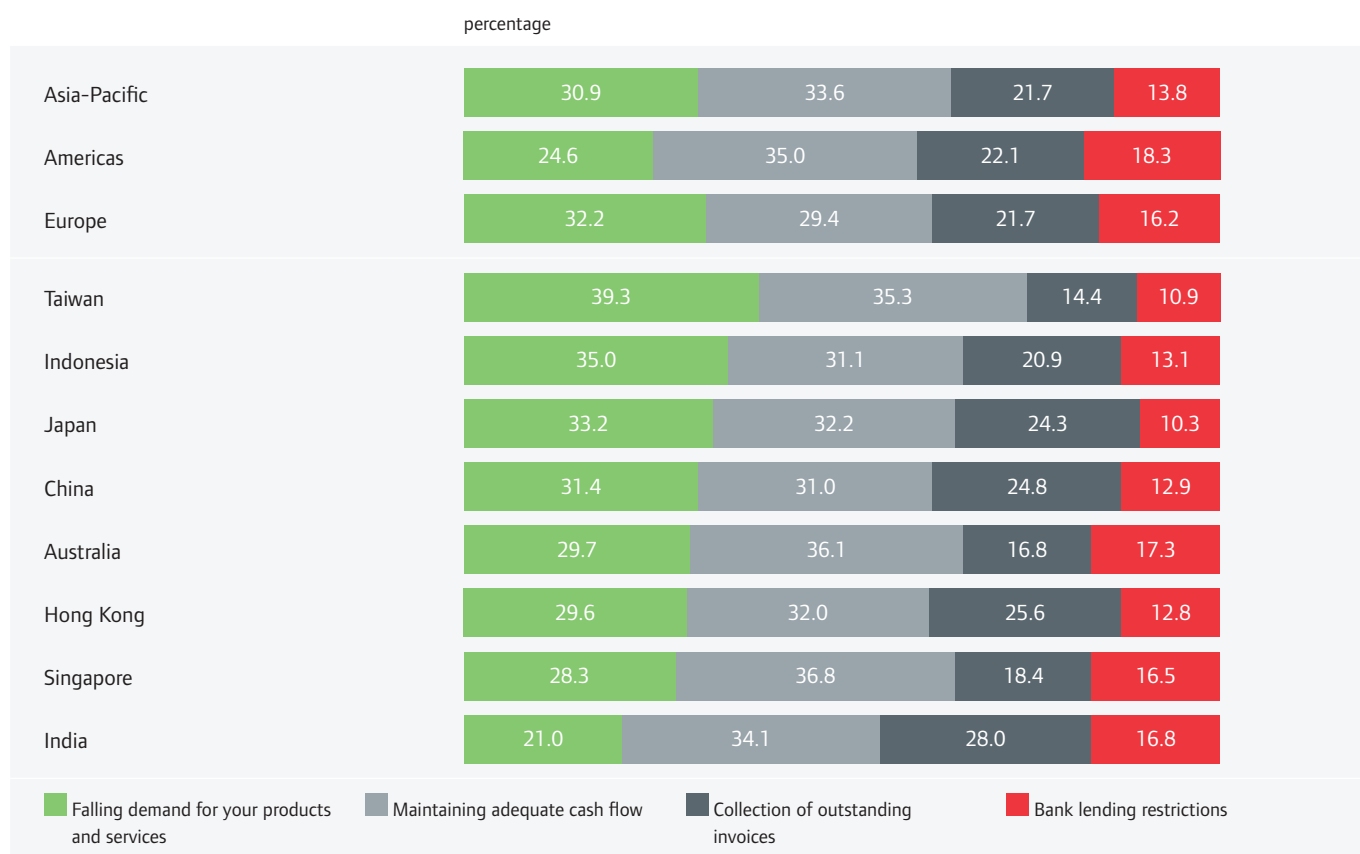
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
1-30 days	27.06%	30.81%	34.84%	24.04%	41.19%	26.73%	24.86%	24.90%
31-45 days	27.32%	26.74%	25.30%	31.69%	27.60%	26.96%	24.57%	29.05%
46-60 days	24.48%	21.22%	18.20%	19.13%	12.31%	23.96%	26.59%	22.41%
61-90 days	11.34%	10.47%	13.00%	14.75%	10.40%	12.67%	13.58%	12.86%
Over 90 days	9.79%	10.76%	8.67%	10.38%	8.49%	9.68%	10.40%	10.79%

Sample: all interviewed companies

Source: Payment Practices Barometer – November 2013

8. THE BIGGEST CHALLENGE TO THE PROFITABILITY OF THE BUSINESSES THIS YEAR

What will be the greatest challenge to the profitability of your business in 2013?



Sample: all interviewed companies (active in domestic and foreign markets)

Source: Payment Practices Barometer – November 2013

Greatest challenge to business profitability in 2013 - Asia-Pacific

	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
Falling demand	27.23%	33.94%	32.47%	27.32%	33.04%	28.85%	31.86%	28.46%
Adequate cash flow	35.66%	32.38%	33.08%	33.17%	34.98%	34.19%	31.58%	32.21%
Outstanding invoices collection	23.37%	19.32%	22.00%	21.95%	20.67%	21.15%	22.16%	24.34%
Bank lending restrictions	13.73%	14.36%	12.44%	17.56%	11.31%	15.81%	14.40%	14.98%

Sample: all interviewed companies

Source: Payment Practices Barometer – November 2013



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