



## Payment Practices Barometer

International survey  
of B2B payment behaviour

Survey results Eastern Europe

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## Summary

Eastern Europe is heavily influenced by the weak economic conditions in the Eurozone. In particular, countries like Poland, Czech Republic, Slovakia and Hungary, which are nearer to the borders of the Eurozone, are affected by the continued financial constraints experienced by their neighbouring economies, which also puts pressure on their cash flow levels and have the overall effect of slowing trade and triggering insolvencies.

As a consequence, compared to last year's survey, the use of trade credit in the above mentioned Eastern European countries declined overall. In line with the survey pattern, the Czech Republic recorded the largest drop in the average total value of domestic and foreign B2B sales transacted on credit terms. This notwithstanding, the key drivers for trade credit supply across all of the countries surveyed in Eastern Europe did not change from a year earlier. Building long-term trade relationships remains the most frequent reason for offering trade credit. This was the case for 48.2% of respondents regarding domestic trade and 43.4% of respondents in regard to foreign trade.

Compared to one year ago, the average overall credit term decreased by 4 days, with the largest decrease (11 days) being observed in the Czech Republic. On average, the credit periods extended by respondents to B2B customers do not vary much between domestic (averaging 28 days) and foreign sales (averaging 33 days), suggesting a fairly consistent perception of trade credit risk arising from B2B sales to domestic and foreign customers.

Despite a drop in the overall value of overdue invoices those which are overdue are remaining outstanding longer. The average value of overdue domestic B2B invoices overall fell 6.9% and of foreign B2B invoices declined 17.9%. In contrast the value of invoices more than 90 past due increased from 3.6% to 4.7% since last year led by growth in long overdue foreign receivables.

The increase in long overdue receivables is also contributing to the increase in the value of receivables write offs reported by Eastern European respondents. A 38.5% increase in the average total value of domestic receivables written off was reported along with a 44.4% rise in foreign write offs, bringing the respective averages to 3.6% and 2.6%. Poland recorded the highest percentage (5.8%) of uncollectable receivables and Hungary the lowest (1%). The impact of late payments and defaults is also reflected in average DSO, which at 49 days is, on average, 20 days higher than the average overall credit terms, and has increased by 6 days over the level measured in 2012.

Survey respondents in Eastern Europe were asked to indicate, according to their company's credit policy, when a DSO level becomes a reason of concern for the sustainability of the business. The highest percentage of respondents (54.5%) become concerned when the DSO is between 1 day and 45 days longer than the average credit term; 29.4% when DSO is 46 days to 90 days longer than the average credit term, and 16.1% when DSO exceeds the average credit term by more than 90 days. Respondents in Hungary however appear to be a bit more relaxed. 36.1% do not get concerned until their DSO exceeds the average credit term by more than 90 days.

In the current economic environment, the prospects for business growth and sustainable profitability are an additional reason for concern in many countries across Europe. For the majority of Eastern European respondents, falling demand of products and services and maintaining adequate cash flow are the biggest challenges to the profitability of their businesses this year.

# Survey results Eastern Europe

## 1. SALES ON CREDIT TERMS

### Use of trade credit in B2B sales to domestic and export customers and perception of related risk vary widely among countries surveyed in Eastern Europe

- On average, 56.3% and 57.3% of the total value of the sales of the respondents in Eastern Europe to domestic and foreign B2B customers respectively are transacted on credit terms (averages for Western Europe: 48.1% domestic versus 41.9% foreign). The domestic percentage ranges from 84.5% in Slovakia to 16.5% in the Czech Republic. The export percentage from 87.1% in Slovakia, to 18.9% in the Czech Republic.
- Compared to one year ago, there was a 3.6% drop in the average total value of domestic B2B sales made on credit by respondents in Eastern Europe. Foreign B2B sales on credit dropped by 8.5% (Western Europe: average 8% drop in both domestic and foreign B2B sales on credit). The Czech Republic recorded the largest average drop domestically (down 31.8%) and internationally (down 48.8%).
- Contrary to the survey pattern, B2B sales made on credit to domestic customers in both Hungary and Slovakia rose by around 2% from a year earlier. Foreign B2B sales on credit in these countries remained stable (up less than 1% over the same time period).
- Perceptions of domestic and foreign trade credit risk vary widely from country to country. Of the countries surveyed in Eastern Europe, Poland stands out as the country with the widest difference in credit practices for domestic B2B customers (42.3% sales on credit) and foreign B2B customers (30.6% sales on credit).
- Eastern European manufacturing sector respondents make the most use of B2B trade credit and those in the financial services sector respondents the least use. Small enterprises are the most inclined to offer credit terms to B2B customers, and micro enterprises the least likely.

#### Proportion of sales made on credit to total B2B sales of respondents in Eastern Europe



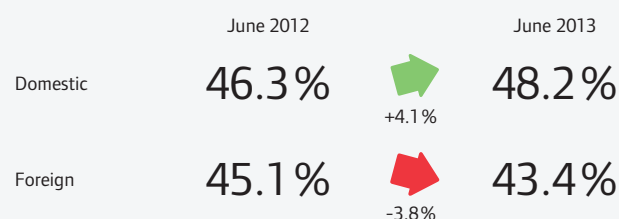
Sample: companies surveyed (active in domestic and foreign markets)  
Source: Payment Practices Barometer – June 2013

## 2. TRADE CREDIT SUPPLY DETERMINANTS

### Building long-term B2B trade relationships is still the key driver of trade credit supply

- The highest percentage of survey respondents in Eastern Europe prioritise trade credit supply to build long-term B2B trade relationships with domestic (48.2% of respondents) and foreign customers (43.4%) (averages for Western Europe: 42.1% of respondents as to domestic sales and 37.3% as to foreign sales). The domestic range was 64.4% in Slovakia to 36.5% in the Czech Republic. The foreign percentage ranged from 60.7% in Slovakia to 33.3% in Hungary.
- Over the past year, 4.1% more respondents in Eastern Europe extended trade credit to build long-term trade relationships with domestic B2B customers. In Hungary, this percentage was 98.3%, by far the largest change observed across all of the countries surveyed.
- Over the same time period, 3.8% fewer respondents extended trade credit to build long-term trade relationships with foreign B2B customers. Hungarian respondents diverged from the general trend with 27.6% more respondents extending trade credit for this reason.
- The manufacturing sector and the services sector prioritise trade credit supply to build long-term trade relationships with domestic and foreign B2B customers respectively. This opinion is shared by almost half of the respondents in small enterprises as to domestic sales and export sales.

#### Percentage of survey respondents granting trade credit to build long term trade relationships with B2B customers



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

### 3. AVERAGE CREDIT TERMS – DOMESTIC / FOREIGN

#### Average domestic and foreign credit terms extended to B2B customers do not vary much

- B2B customers of survey respondents in Eastern Europe are extended on average, 29 days from the invoice date to pay for their credit purchases (average credit term in Western Europe: 34 days).
- The lowest average credit term was recorded in Poland (25 days) and the highest average was recorded in the Czech Republic (34 days).
- Over the past year, the average payment term recorded in Eastern Europe decreased by 4 days. The largest decrease is observed in the Czech Republic (11 days shorter than last year).
- Credit periods set by respondents in Eastern Europe do not vary much between domestic (averaging 28 days) and foreign (averaging 33 days) B2B customers.
- The manufacturing sector set the longest B2B credit periods (averaging 31 days), the financial services sector the shortest (26 days). Large enterprises granted the longest credit period to B2B customers (38 days), micro and small enterprises the shortest (26 days each).

#### Average domestic and foreign credit periods recorded in Eastern Europe (average days)

	June 2012		June 2013
Domestic	31.0		38.0
Foreign	38.0		33.0



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

### 4. OVERDUE DOMESTIC AND FOREIGN B2B INVOICES – PAYMENT TIMING

#### Compared to one year ago, there is a marked increase in foreign B2B invoices still delinquent after 90 days past due

- An average of 29.4% (Western Europe: 30.1%) and 21.6% (Western Europe: 28.8%) of the total value of the invoices issued by the Eastern European survey respondents to their domestic and foreign B2B customers respectively are unpaid at the due date. Of these, around 75% are settled within 1 to 30 days after the due date; just over 20% between 31 to 90 days past due date and nearly 5% are paid over 90 days after the due date.
- At country level, Slovakia recorded the highest average total value of overdue domestic B2B invoices (38.7%). The lowest proportion was recorded in Hungary and the Czech Republic (around 25% each). The Czech Republic however also recorded the highest percentage of foreign past due B2B invoices (26.7%). The lowest proportion was recorded in Poland (16.8%).
- Overall, the average total value of domestic past due B2B invoices decreased by 6.9% and of foreign past due invoices by 17.9% over the past year. The Czech Republic recorded the largest decrease. In contrast, Slovakia recorded an average increase of 8.4%. As to foreign B2B sales, Poland saw the largest decrease (down by 30.9%).
- Compared to last year, the average total value of domestic and foreign B2B invoices still delinquent after 90 days past due increased by 2.3% and 30% respectively. This latter is by far the most notable variation observed.
- There is very little variation in the average proportion of domestic and foreign past due B2B invoices recorded by business sectors and business sizes surveyed in the region.

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

	June 2012		June 2013
Domestic	31.6%		29.4%
Foreign	26.3%		21.6%

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

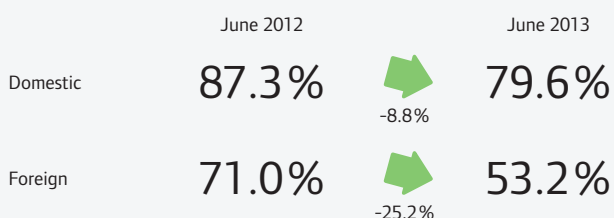


## 5. MAIN REASONS FOR PAYMENT DELAYS FROM B2B CUSTOMERS

**Domestic B2B customers in Eastern Europe are far more likely to pay late due to liquidity constraints than are foreign customers and then customers of Western European businesses**

- 79.6% (2012: 87.3%) and 53.2% (2012: 71.0%) of respondents in Eastern Europe reported that the insufficient availability of funds is the main reason for payment delays by domestic and foreign B2B customers respectively. Averages for Western Europe: 62.3% of respondents as to domestic and 45.9% as to foreign customers.
- At country level, Hungary (88.2% of respondents) tops the list in respect of late domestic payments and the Czech Republic (72.6%) had the lowest percentage. The foreign percentage was highest (68.3%) in Slovakia and lowest (31.3%) in Poland.
- Nearly 30% of respondents reported that payment delays from foreign B2B customers are mainly due to the complexity of the payment procedure. This was cited by the highest percentage of respondents in Poland (54.8%).
- Respondents in the wholesale/retail/distribution and manufacturing sectors were the hardest hit by payment delays due to liquidity constraints of domestic (82.0% of respondents) and foreign (62.8%) B2B customers respectively. This opinion was shared by 83.8% of respondents in micro enterprises as to domestic sales, and by 58.3% of respondents in medium-sized enterprises as to foreign B2B sales.

Percentage of respondents citing insufficient availability as the main reason for payment delays from B2B customers



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

## 6. UNCOLLECTABLE B2B RECEIVABLES - DOMESTIC / FOREIGN

**Marked increase in uncollectable B2B receivables over the past year, particularly those arising from foreign trade**

- An average of 3.6% of the total value of domestic B2B receivables was written off as uncollectable by respondents in Eastern Europe (average for Western Europe: 5%). This is mainly due to the customer being bankrupt or out of business. By country, this percentage was highest in Poland (5.8%) and lowest in Hungary (1.7%).
- As to B2B exports, uncollectable receivables amounted to an average of 2.6% of the total value of receivables from foreign customers (average for Western Europe: 4.7%). This is mainly due to the customer being bankrupt or out of business, or the failure of collection attempts abroad. At country level, this percentage ranged from around 5.0% in Poland to less than 1% in Hungary.
- If measured against the average percentages of domestic (4.3%) and foreign (4.7%) B2B invoices which are more than 90 days past due, these findings suggest a higher probability of collecting long overdue foreign receivables than long overdue domestic receivables.
- Compared to one year ago, the average total value of uncollectable domestic and foreign B2B receivables of Eastern European respondents increased by 38.5% and 44.4% respectively.
- Respondents in the financial services sector recorded the highest percentage of uncollectable domestic and foreign B2B receivables (averaging around 5% of the total value of B2B receivables). By business size, medium-sized enterprises recorded the highest proportion of uncollectable domestic B2B receivables, as did large enterprises in relation to foreign receivables (around 4% each).

Average total value of domestic and foreign B2B uncollectable receivables



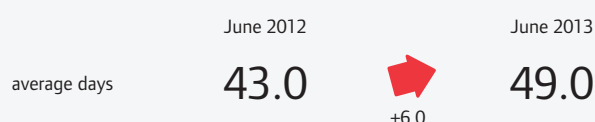
Sample: companies surveyed (active in domestic and foreign markets)  
Source: Payment Practices Barometer – June 2013

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

**Around 45% of the respondents in Eastern Europe become concerned when average DSO is 46 days to over 90 days longer than the average credit period extended to B2B customers**

- The DSO of respondents in Eastern Europe averages 49 days (2012: 43 days). This is notably higher than the average credit period recorded in the region (29 days) reflecting the volume of invoices that are paid late. Average DSO for Western Europe: 57 days.
- At country level, Poland recorded the highest average DSO for the region (69 days) and the Czech Republic the lowest (40 days).
- Overall, 54.1% of the Eastern European respondents reported a DSO ranging from 1 to 30 days, 34.1% of respondents from 31 to 90 days, and 11.8% posted a DSO of over 90 days.
- 54.5% of respondents become concerned when DSO is 1 to 45 days longer than the average credit term; 29.4% when DSO is 46 to 90 days longer than the average credit term, and 16.1% when DSO exceeds the average credit term by more than 90 days. In Hungary, 36.1% of respondents (more than twice the average for the region) do not become concerned until their DSO exceeds the average credit term by more than 90 days.
- Compared to one year ago, Poland recorded the largest increase in DSO (an average of 17 days). Contrary to the survey pattern, Slovakia recorded a 4 days decrease in average DSO.
- The manufacturing sector recorded the highest DSO (averaging 51 days). By business size, medium sized enterprises recorded the highest average DSO (55 days). The largest increase in average DSO over the past year (averaging 9 days) was recorded by respondents from the services sector and from micro enterprises.

### Average DSO recorded in Western Europe



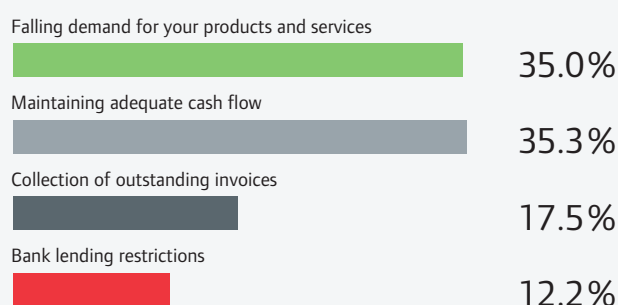
Sample: companies surveyed (active in domestic and foreign markets)  
Source: Payment Practices Barometer – June 2013

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

**Falling demand of products and services and maintaining adequate cash flow are the biggest challenges to profitability this year**

- The majority of Eastern European respondents (around 35%) consider falling demand of products and services and maintaining adequate cash flow to be the biggest challenges to the profitability of their businesses this year.
- By country, the percentage of respondents citing falling demand of products and services ranges from a high of 39.0% in Poland to a low of 27.2% in Hungary. The highest percentage of respondents citing maintaining adequate cash flow (48.5%) was recorded in Slovakia and the lowest in Poland (22.9%).
- The other challenges to business profitability examined in the survey (collection of outstanding invoices and bank lending restrictions) were cited less frequently (by 17.5% and 12.2% of respondents respectively).
- At a country level, collection of outstanding invoices was cited most often in Hungary (by 23.8% of respondents) and least often in Slovakia (10.4%). Bank lending restrictions was mentioned most frequently in Poland (19.0%) and least often in Slovakia (4.0%).
- Respondents in the Eastern European manufacturing sector (35.7%) and in medium-sized enterprises (36.7%) appear to be the most concerned about the impact of the falling demand of products and services on the profitability of the business this year. The most concerned about maintaining adequate cash flow levels this year are respondents from both the manufacturing and the wholesale/retail/distribution sectors (36.7%) and from medium-sized enterprises (40.8%).

### The biggest challenge to the profitability of the businesses this year



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

# Survey design Eastern Europe

## Background

For internationally active companies, it is vital to have good knowledge of the payment practices of potential customers in countries 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 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 Keala Research conducted a net of 821 interviews. The interviews were all conducted exclusively for Atradius and there was no combination of topics.

## Survey scope

- Basic population: companies from four countries were monitored the Czech Republic, Hungary, Poland and Slovakia
- 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  
Telephone survey: Companies were selected and contacted by telephone. At the beginning of the interview, a screening for the appropriate contact and for quota control was conducted. Telephone survey took place for Hungary and Slovakia.
- Sample n=821 persons were interviewed in total (approximately n=200 persons per country. In each country, a quota was maintained according to four classes of company size.
- Interview: Web-assisted personal interviews (WAPI) of approximately 11 minutes duration. Telephone interviews (CATI) of approximately 19 minutes duration.

## Sample overview

### Sample overview Eastern Europe

Country (n=821)	n	%
Czech Republic	208	25.3%
Hungary	206	25.1%
Poland	205	25.0%
Slovakia	202	24.6%
Turnover (n=821)	n	%
Micro enterprise	389	47.4%
Small enterprise	227	27.6%
Medium/Large enterprise	147	17.9%
Large enterprise	58	7.1%
Economic sector (n=821)	n	%
Manufacturing	272	33.1%
Wholesale / Retail / Distribution	226	27.5%
Services	281	34.3%
Financial services	42	5.1%

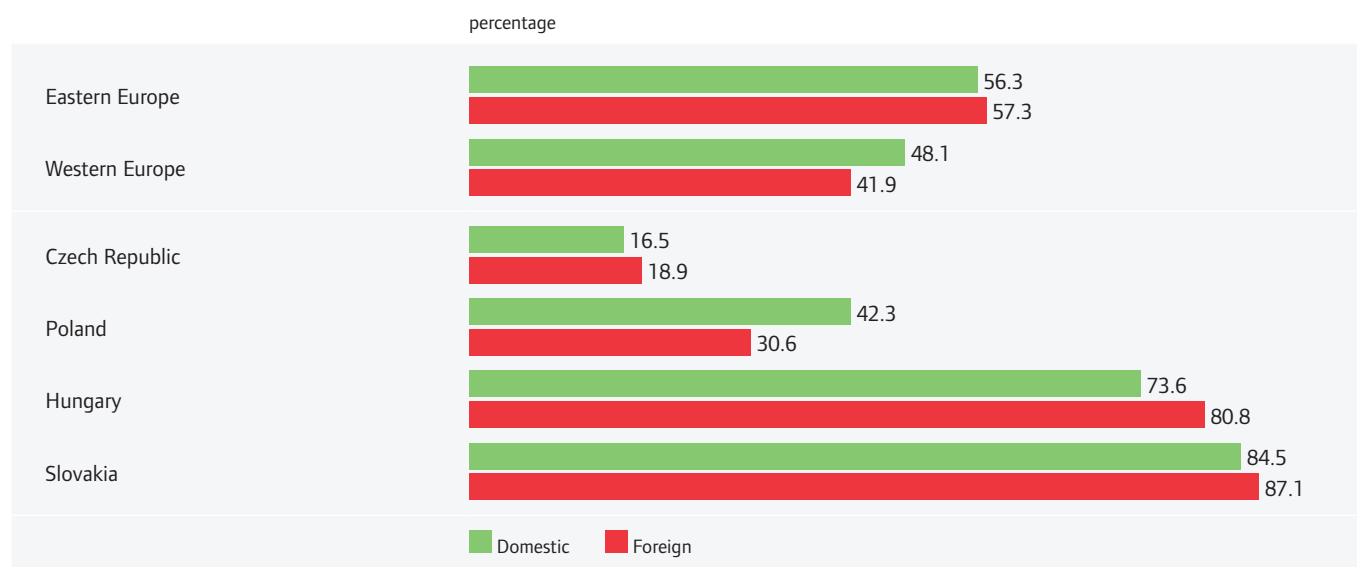
It may occur that the results are a percent more or less than a 100% when calculating the results. This is the consequence of rounding off the results. Rather than adjusting the outcome so that it totalled 100% we have chosen to leave the individual results as they were to allow for the most accurate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



# Statistical appendix Eastern Europe

## 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 - June 2013

## Sales on credit terms Eastern Europe - Domestic / Foreign

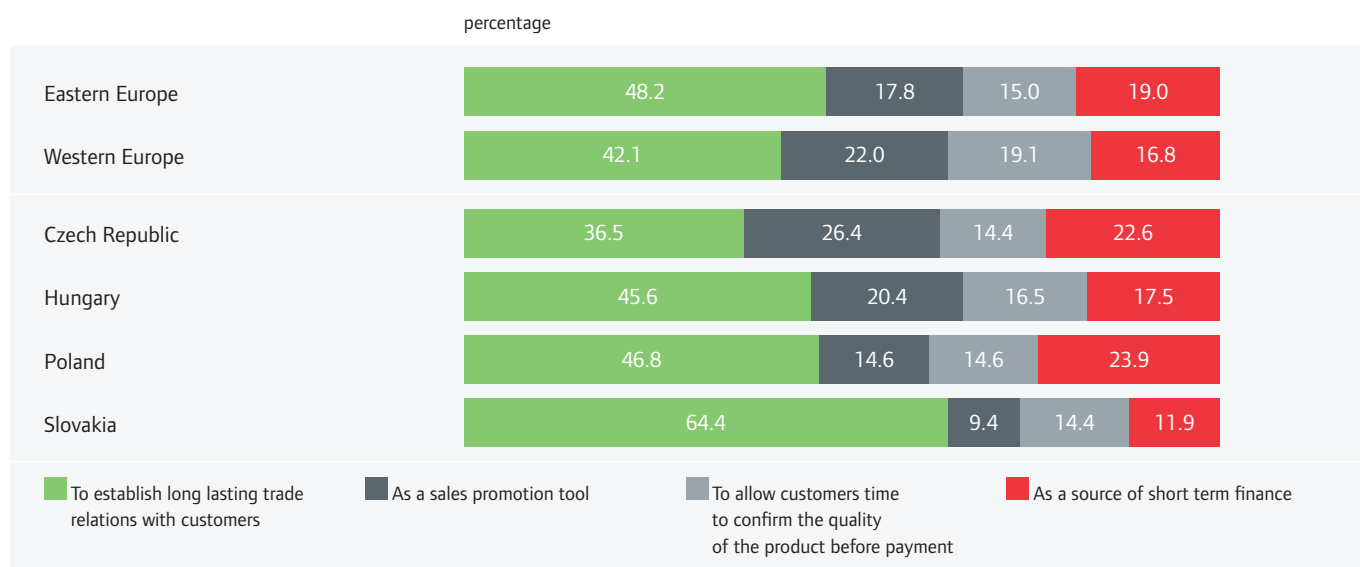
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
Domestic	70.2%	55.3%	47.2%	33.6%	51.5%	62.5%	60.8%	52.1%
Foreign	73.4%	50.8%	42.2%	20.9%	54.4%	62.6%	56.7%	47.1%

Sample: all interviewed companies

Source: Payment Practices Barometer - June 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 – June 2013

## Trade credit supply determinants Eastern Europe – Domestic

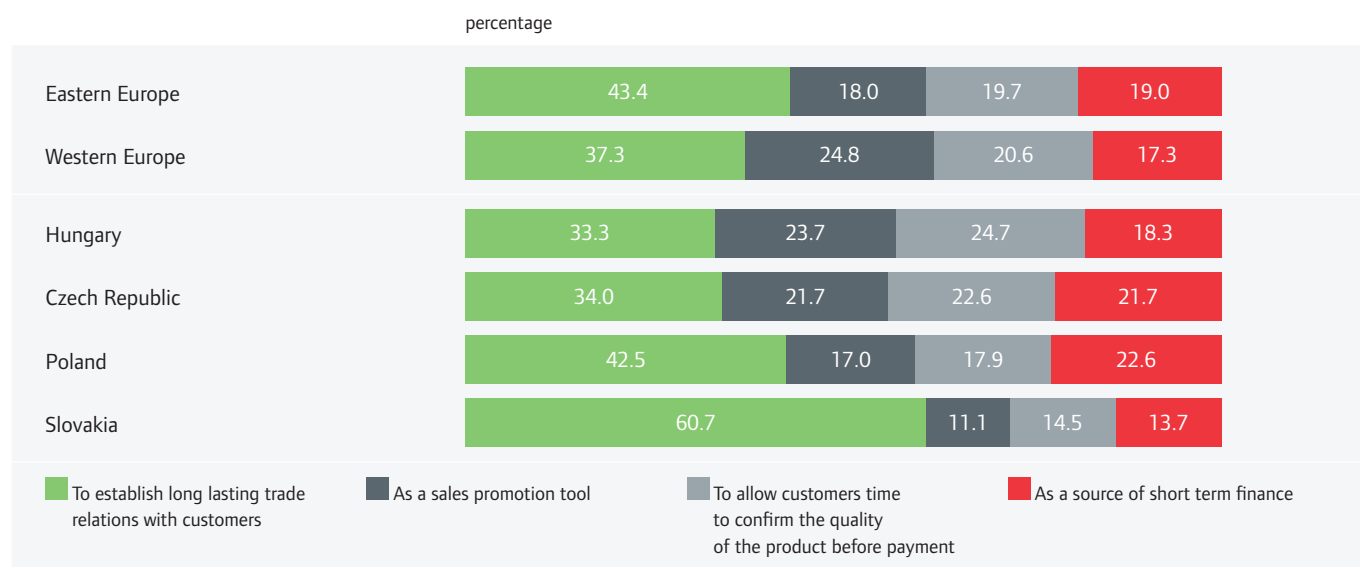
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
Long term trade	52.21%	47.35%	46.98%	35.71%	48.33%	50.66%	46.26%	43.10%
Sales promotion	13.60%	22.57%	18.15%	16.67%	17.48%	17.62%	19.73%	15.52%
Time to confirm	19.85%	11.50%	13.88%	9.52%	16.45%	13.66%	14.97%	10.34%
Short term finance	14.34%	18.58%	21.00%	38.10%	17.74%	18.06%	19.05%	31.03%

Sample: all interviewed companies (active in domestic markets)

Source: Payment Practices Barometer – June 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 – June 2013

## Trade credit supply determinants Eastern Europe - Foreign

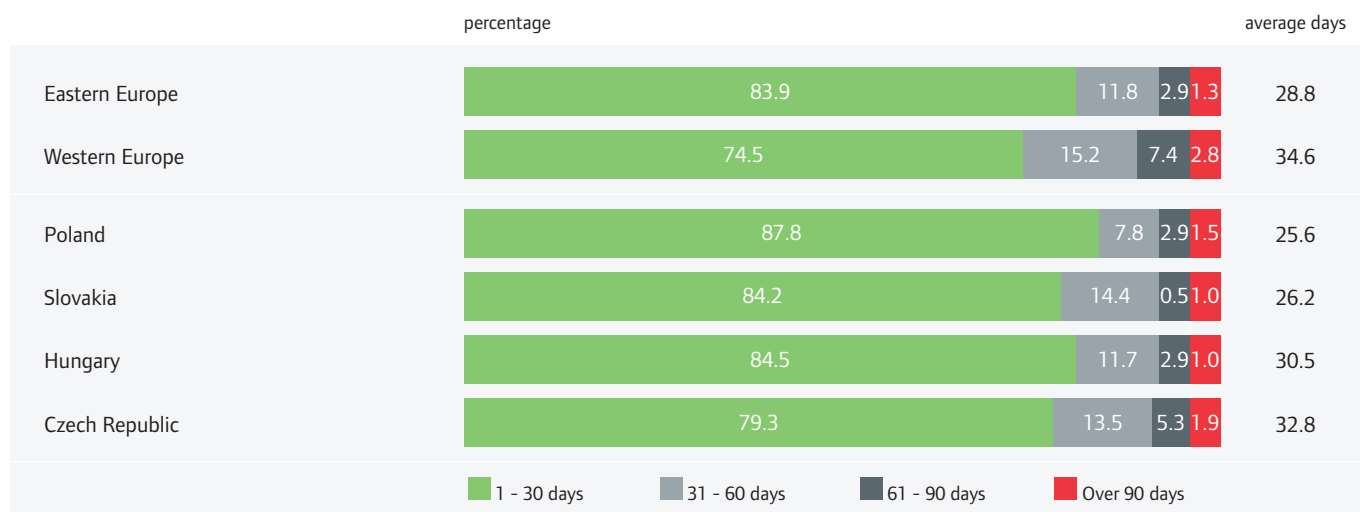
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
Long term trade	45.11%	41.35%	46.36%	25.00%	38.93%	48.25%	46.94%	31.25%
Sales promotion	17.39%	21.15%	18.18%	8.33%	24.83%	16.78%	10.20%	15.63%
Time to confirm	21.74%	19.23%	18.18%	12.50%	18.12%	21.68%	19.39%	18.75%
Short term finance	15.76%	18.27%	17.27%	54.17%	18.12%	13.29%	23.47%	34.38%

Sample: all interviewed companies (active in foreign markets)

Source: Payment Practices Barometer – June 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 – June 2013

#### Payment terms Eastern Europe - Domestic (average days)

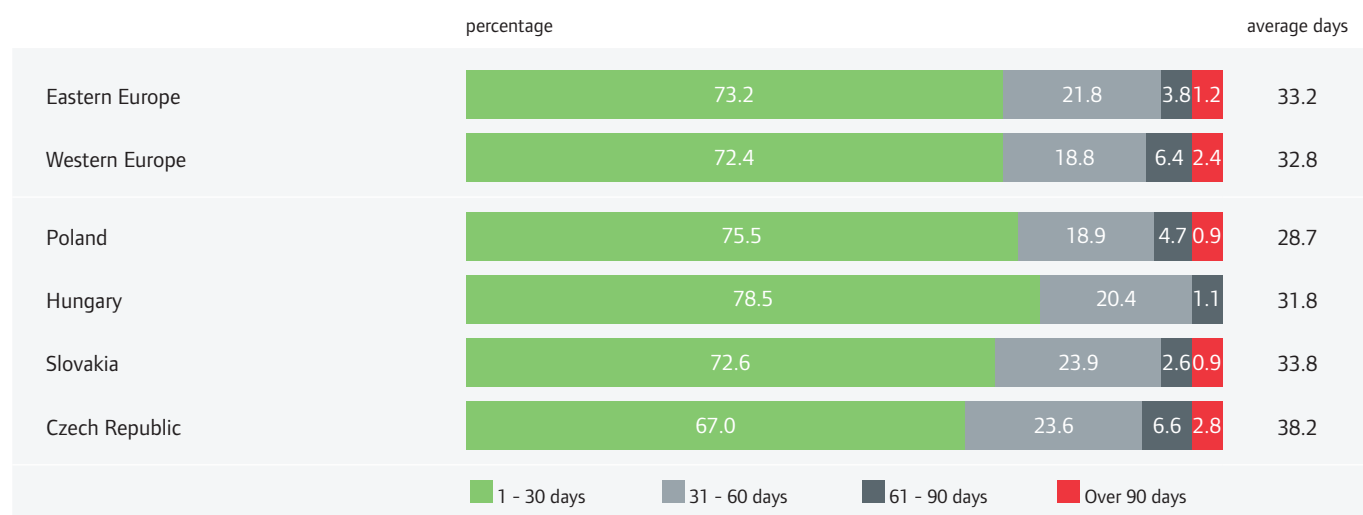
Business sector				Business size			
Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
31.1	28.8	27.0	25.8	26.7	26.0	35.2	37.7

Sample: all interviewed companies (active in domestic markets)

Source: Payment Practices Barometer – June 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 – June 2013

#### Payment terms Eastern Europe - 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
37.0	31.2	29.9	27.3	28.9	32.4	40.3	34.7

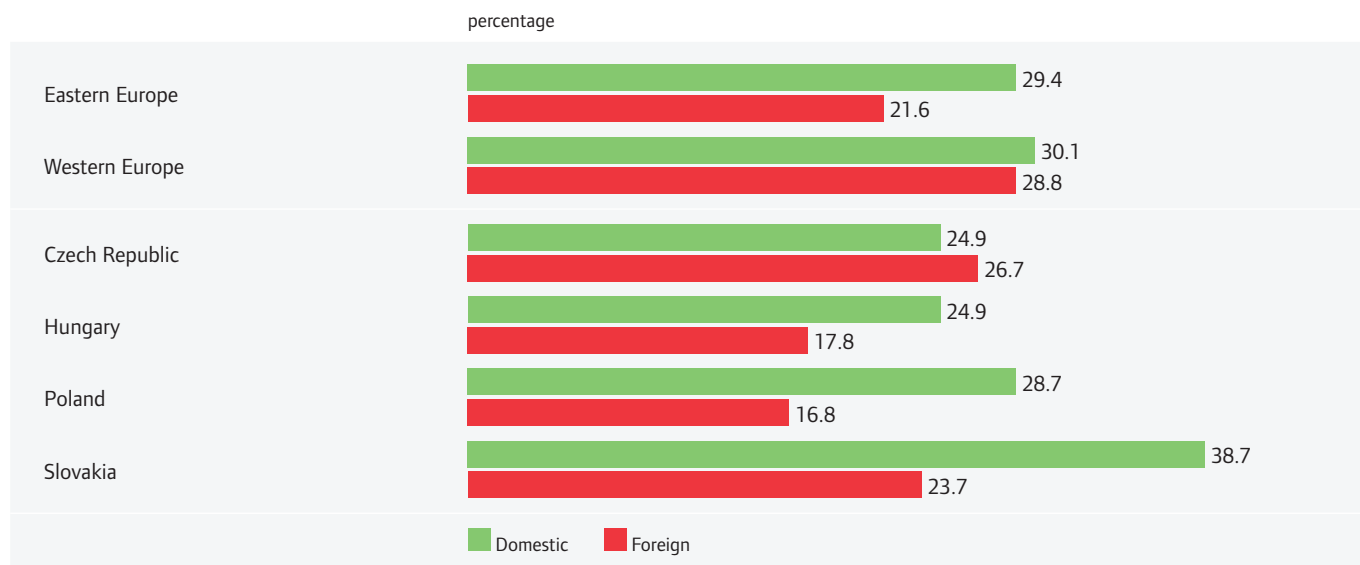
Sample: all interviewed companies (active in foreign markets)

Source: Payment Practices Barometer – June 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 – June 2013

##### Overdue invoices Eastern Europe - Domestic / Foreign

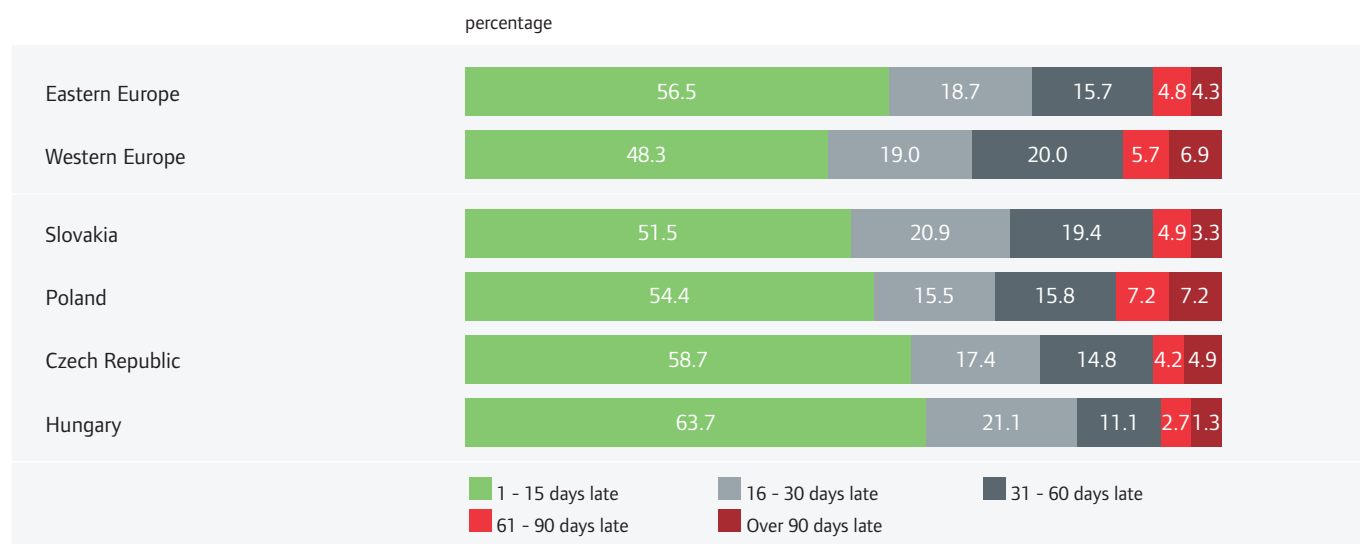
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
Domestic	29.4%	28.6%	30.2%	28.5%	31.4%	29.4%	27.1%	21.7%
Foreign	21.4%	20.1%	23.3%	21.7%	21.2%	21.5%	22.1%	23.1%

Sample: all interviewed companies

Source: Payment Practices Barometer – June 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 – June 2013

##### Payment is made between ... Eastern Europe - Domestic

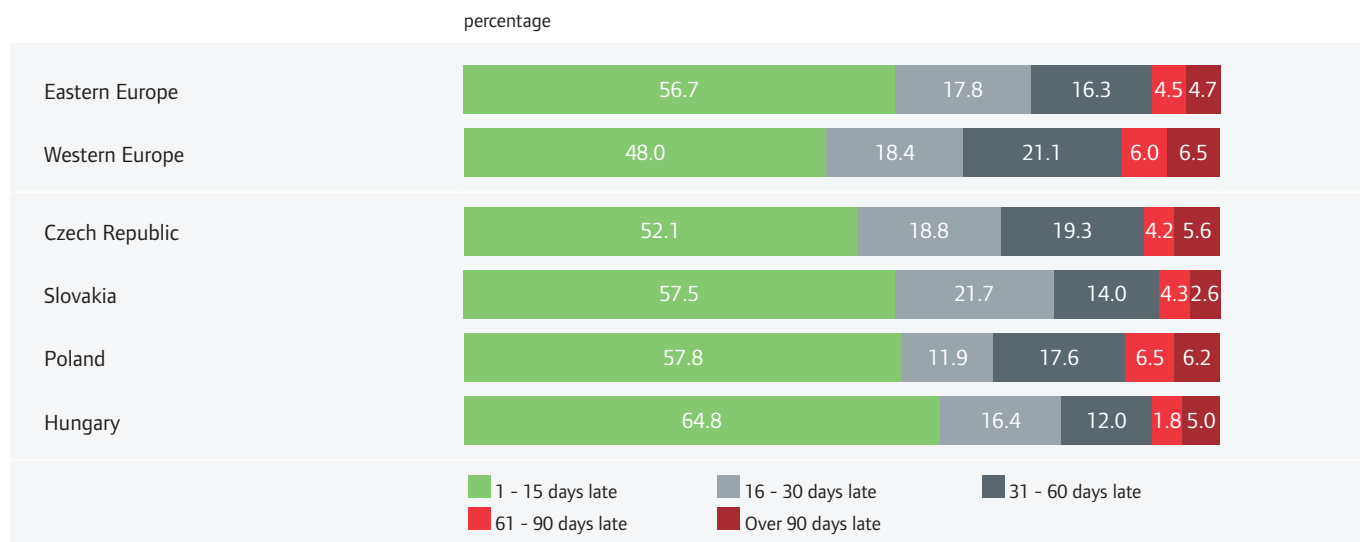
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
1-15 days late	56.6%	57.4%	56.2%	54.3%	54.0%	61.8%	55.4%	54.1%
16-30 days late	21.8%	17.7%	17.6%	13.2%	19.4%	18.2%	17.5%	18.7%
31-60 days late	15.3%	17.8%	14.2%	16.3%	17.5%	12.3%	16.5%	15.7%
61-90 days late	4.0%	4.3%	5.8%	5.9%	4.5%	4.9%	5.4%	5.1%
Over 90 days late	2.4%	2.8%	6.1%	10.4%	4.7%	2.7%	5.2%	6.5%

Sample: all interviewed companies (active in domestic markets)

Source: Payment Practices Barometer – June 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 – June 2013

##### Payment is made between ... Eastern Europe – Foreign

	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	55.6%	57.5%	60.9%	45.6%	57.6%	60.8%	55.0%	40.9%
16-30 days late	19.4%	19.1%	14.1%	16.4%	16.7%	16.5%	18.6%	25.1%
31-60 days late	15.0%	16.5%	16.1%	24.5%	14.2%	16.1%	17.3%	20.7%
61-90 days late	4.8%	3.4%	4.6%	6.2%	5.3%	3.4%	4.3%	7.4%
Over 90 days late	5.2%	3.5%	4.2%	7.2%	6.1%	3.2%	4.8%	5.9%

Sample: all interviewed companies (active in foreign markets)

Source: Payment Practices Barometer – June 2013

## 5. MAIN REASONS FOR PAYMENT DELAYS FROM B2B CUSTOMERS

### Main reasons for payment delays by domestic B2B customers - Eastern Europe

	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
Eastern Europe	79.64%	9.27%	7.90%	15.65%	13.53%	11.85%	7.14%
Poland	74.25%	16.17%	11.98%	27.54%	25.15%	22.75%	1.20%
Czech Republic	72.62%	8.93%	11.31%	19.05%	14.88%	13.69%	10.12%
Hungary	88.16%	3.29%	0.66%	13.16%	12.50%	4.61%	1.32%
Slovakia	84.21%	8.19%	7.02%	2.92%	1.75%	5.85%	15.20%

#### Business sector

Manufacturing	79.25%	10.85%	9.43%	12.26%	10.38%	12.74%	4.72%
Wholesale trade / Retail trade / Distribution	82.07%	7.07%	7.07%	14.67%	15.76%	11.41%	7.61%
Services	79.31%	9.05%	7.76%	16.81%	13.79%	12.50%	8.62%
Financial services	70.00%	13.33%	3.33%	36.67%	20.00%	3.33%	10.00%

#### Business size

Micro enterprise	83.78%	7.09%	6.76%	12.16%	10.81%	8.78%	8.78%
Small enterprise	78.53%	8.38%	8.90%	13.61%	15.18%	11.52%	5.24%
Medium-sized enterprise	77.69%	13.08%	6.92%	20.00%	13.85%	16.15%	6.15%
Large enterprise	60.98%	17.07%	14.63%	36.59%	24.39%	21.95%	7.32%

Sample: all interviewed companies (active in domestic markets)

Source: Payment Practices Barometer – June 2013

## 5. MAIN REASONS FOR PAYMENT DELAYS FROM B2B CUSTOMERS

### Main reasons for payment delays by foreign B2B customers - Eastern Europe

	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
Eastern Europe	53.18%	16.39%	12.04%	28.76%	20.07%	17.39%	7.69%
Poland	31.33%	25.30%	15.66%	54.22%	43.37%	31.33%	2.41%
Czech Republic	50.62%	17.28%	13.58%	33.33%	20.99%	16.05%	8.64%
Hungary	67.92%	3.77%	1.89%	15.09%	11.32%	5.66%	3.77%
Slovakia	68.29%	14.63%	13.41%	7.32%	1.22%	12.20%	14.63%

#### Business sector

Manufacturing	62.88%	17.42%	10.61%	20.45%	15.15%	18.18%	6.06%
Wholesale trade / Retail trade / Distribution	41.33%	18.67%	14.67%	33.33%	26.67%	18.67%	6.67%
Services	48.05%	10.39%	11.69%	35.06%	22.08%	15.58%	11.69%
Financial services	53.33%	26.67%	13.33%	46.67%	20.00%	13.33%	6.67%

#### Business size

Micro enterprise	47.67%	10.47%	13.95%	30.23%	19.77%	13.95%	16.28%
Small enterprise	57.94%	14.95%	11.21%	24.30%	19.63%	16.82%	3.74%
Medium-sized enterprise	58.33%	19.05%	5.95%	34.52%	21.43%	17.86%	2.38%
Large enterprise	31.82%	36.36%	31.82%	22.73%	18.18%	31.82%	13.64%

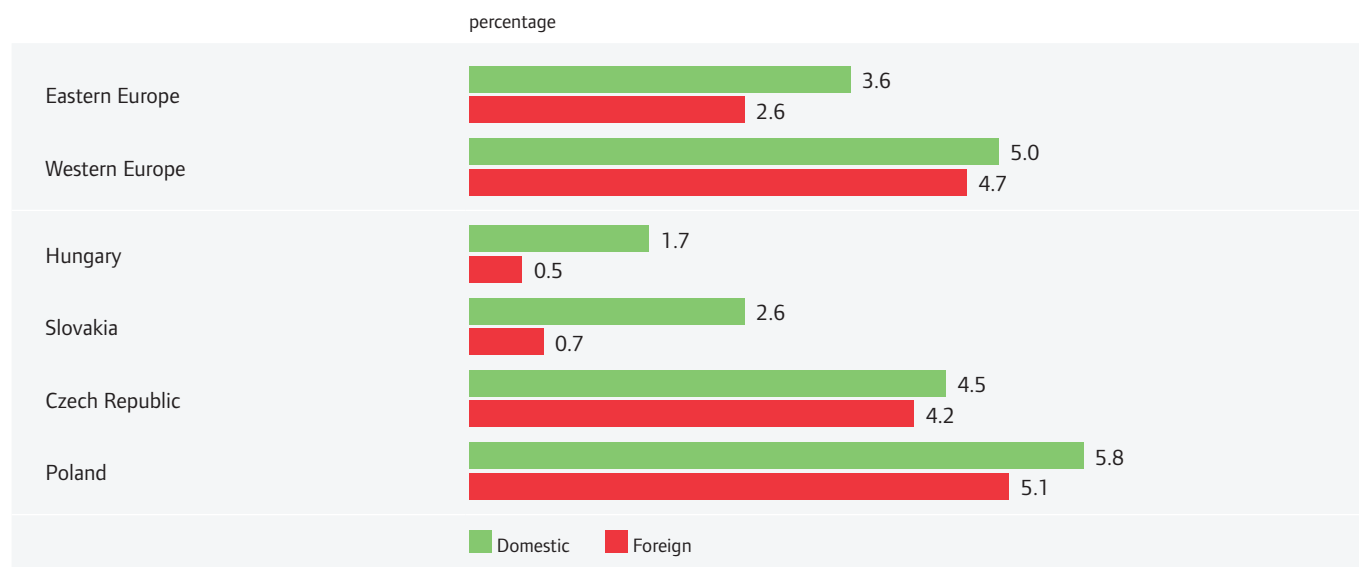
Sample: all interviewed companies (active in foreign markets)

Source: Payment Practices Barometer – June 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 - June 2013

## Uncollectable B2B receivables Eastern Europe - Domestic / Foreign

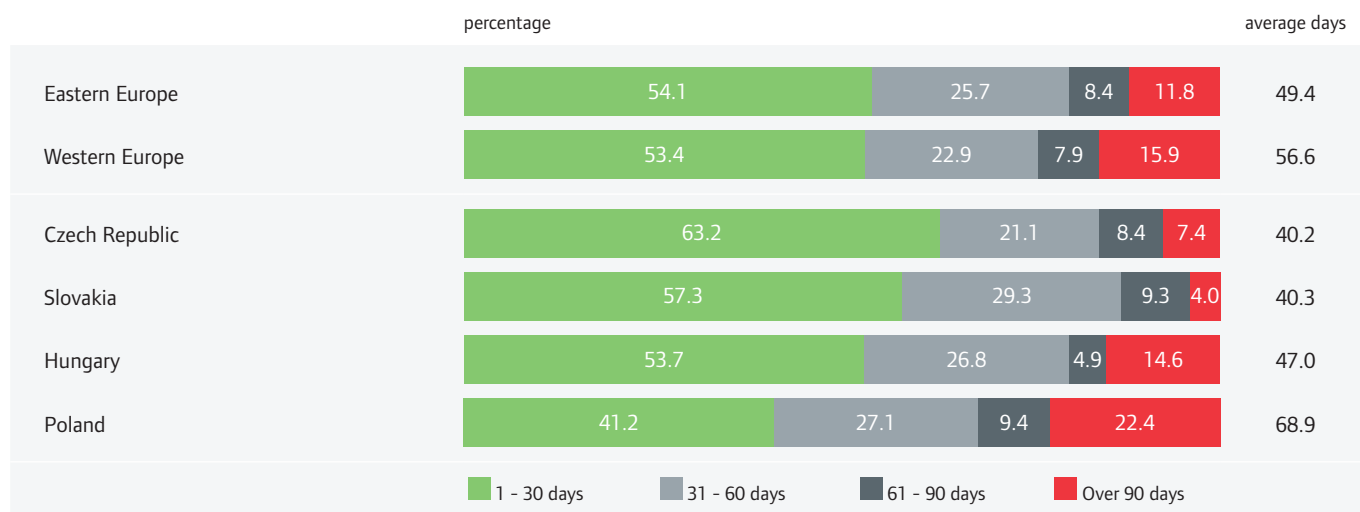
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
Domestic	2.8%	3.9%	3.9%	4.5%	3.5%	3.6%	3.9%	3.3%
Foreign	2.2%	2.9%	2.3%	5.5%	1.5%	2.9%	3.3%	4.2%

Sample: all interviewed companies

Source: Payment Practices Barometer - June 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 – June 2013

### Average DSO Eastern Europe (average days)

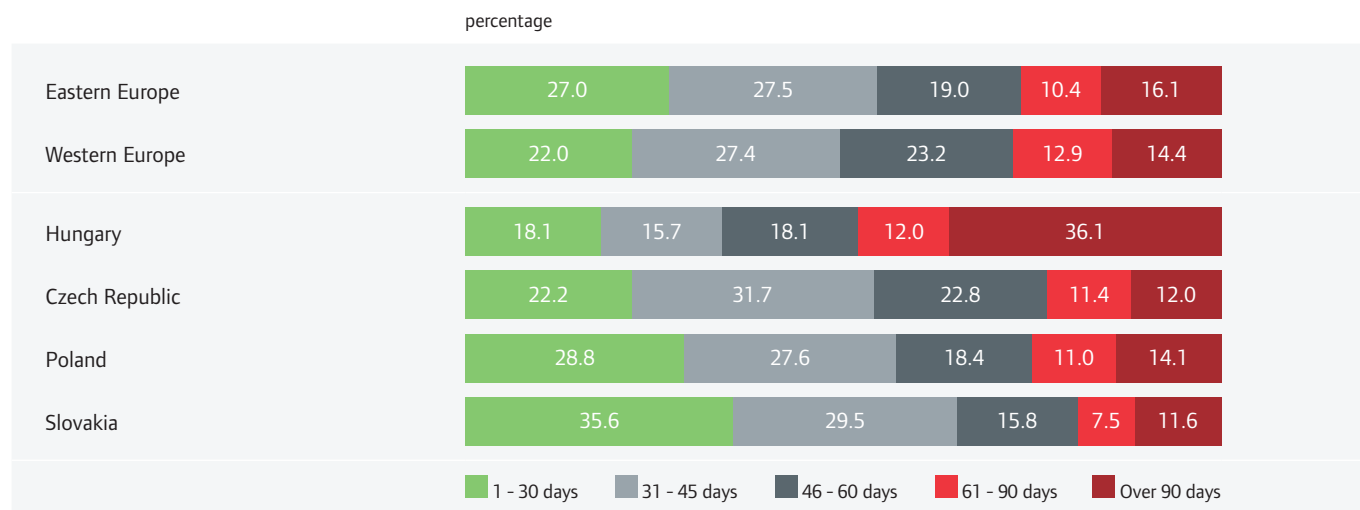
Business sector				Business size			
Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
51.3	49.8	49.8	36.8	45.0	52.6	55.0	47.8

Sample: all interviewed companies

Source: Payment Practices Barometer – June 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 – June 2013

## DSO becomes a concern in Eastern Europe when it is ... days longer than payment term

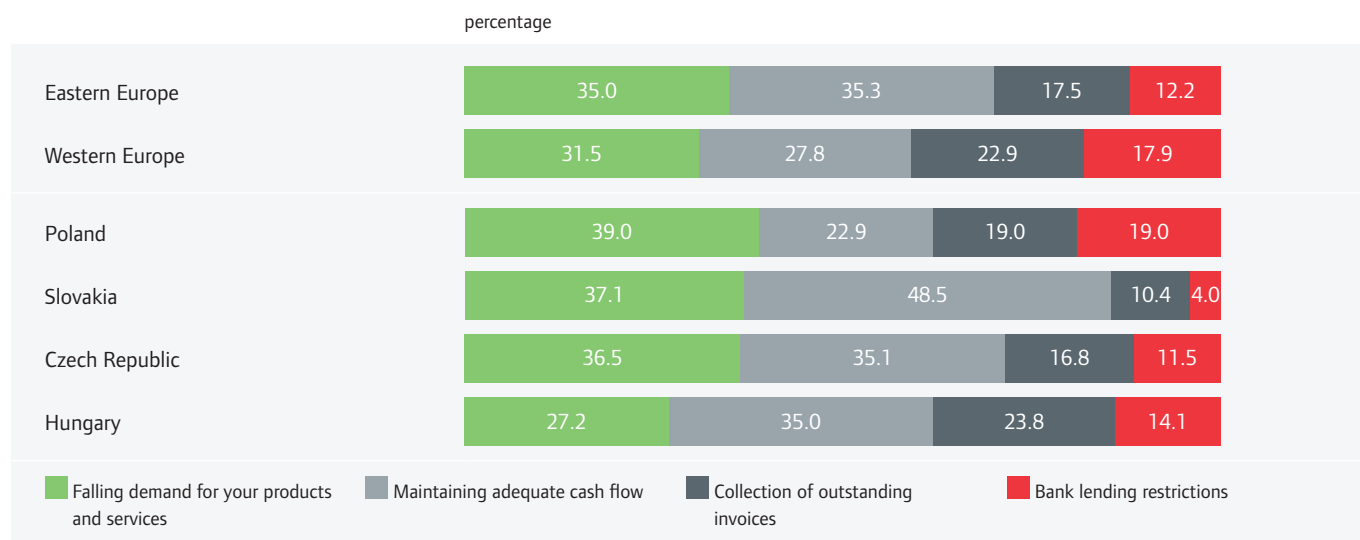
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
1-30 days	31.74%	26.38%	25.63%	13.33%	27.78%	25.68%	29.13%	21.05%
31-45 days	25.75%	25.77%	28.14%	43.33%	26.67%	26.35%	32.04%	26.32%
46-60 days	18.56%	19.02%	19.10%	20.00%	17.41%	20.27%	16.50%	31.58%
61-90 days	10.18%	11.66%	10.05%	6.67%	12.59%	8.11%	6.80%	13.16%
Over 90 days	13.77%	17.18%	17.09%	16.67%	15.56%	19.59%	15.53%	7.89%

Sample: all interviewed companies

Source: Payment Practices Barometer – June 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 – June 2013

### Greatest challenge to business profitability in 2013 - Eastern Europe

	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
Falling demand	35.66%	35.40%	34.52%	30.95%	35.99%	31.72%	36.73%	36.21%
Adequate cash flow	36.76%	36.73%	34.16%	26.19%	31.62%	39.65%	40.82%	29.31%
Outstanding invoices collection	15.44%	18.58%	18.51%	19.05%	19.79%	19.38%	9.52%	15.52%
Bank lending restrictions	12.13%	9.29%	12.81%	23.81%	12.60%	9.25%	12.93%	18.97%

Sample: all interviewed companies

Source: Payment Practices Barometer – June 2013

## Acerca de Crédito y Caución

Crédito y Caución es el operador líder del seguro de crédito interior y a la exportación en España desde su fundación, en 1929. Con una cuota de mercado del 54%, lleva más de 80 años contribuyendo al crecimiento de las empresas, protegiéndolas de los riesgos de impago asociados a sus ventas a crédito de bienes y servicios. Desde 2008, es el operador del Grupo Atradius en España, Portugal y Brasil.

El Grupo Atradius es un operador global del seguro de crédito presente en 45 países. Con una cuota de mercado de aproximadamente el 31% del mercado mundial del seguro de crédito, tiene acceso a la información de crédito en más de 100 millones de empresas en todo el mundo y toma cerca de 20.000 decisiones diarias de límites de crédito comercial. El operador global consolida su actividad dentro del Grupo Catalana Occidente.



Crédito y Caución  
Paseo de la Castellana, 4  
28046 Madrid  
Spain

[www.creditoycaucion.es](http://www.creditoycaucion.es)