



Payment Practices Barometer

International survey
of B2B payment behaviour

Survey results the Americas

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Summary

For the first time the Payment Practices Barometer sees the inclusion of Brazil along with the NAFTA region countries. Besides growing the scope of the publication, the inclusion of Brazil in the survey means providing internationally active companies with further insights into the payment behaviour of potential customers from countries – it is the case for both Brazil and Mexico – which are currently considered to be among the world's most tantalising export markets. A good knowledge of the local payment practices in these countries, as well as in countries a business does or plans to do business with, is essential in avoiding miscalculations which may result in serious cash flow problems for the supplier.

In respect to the local payment behaviour in Mexico, for instance, our survey highlights that domestic B2B invoices are far more likely to remain unpaid at the due date than foreign invoices. Survey respondents in the country reported that most often domestic B2B customers delay payments due to lack of liquidity. It is therefore vital for a foreign supplier to have a comprehensive knowledge of and regularly updated information on a prospective customer's financial strength and stability.

In Brazil, the average total value of uncollectable domestic B2B receivables is the highest of the countries surveyed in the Americas. Receivables are reported as being uncollectable most often due to the buyer being bankrupt, out of business or to the failure of the collection attempts.

In terms of the use of trade credit in sales to B2B customers, our survey findings in the Americas highlights a mixed scenario. The U.S. shows the strongest, and Canada the weakest, propensity to offer credit terms to B2B customers. Brazilian and Mexican respondents seem, on average, to be far more likely to offer credit terms to their B2B customers domestically than internationally. However, Brazil stands out as the country with the biggest difference in domestic and foreign B2B trade credit practices. Conversely, respondents in Canada and the U.S. appear to be, on average, almost as likely to offer credit terms to domestic B2B customers as they are to foreign B2B customers. In all of the countries surveyed, building long-term trade relationships is the dominant driver for offering credit terms to B2B customers. In contrast to this pattern are foreign trade credit decisions of respondents in Brazil, who reported offering trade credit terms to foreign B2B customers most often to allow them time to confirm the quality of the product before payment.

Overall, average payment terms set for B2B customers by survey respondents in the Americas do not vary much between domestic and foreign trade. This suggests respondents have an almost equal perception of payment default risks arising from B2B trade domestically and abroad. Mexican respondents set the most relaxed average payment terms for B2B customers, U.S. respondents the shortest.

On average, domestic B2B invoices in the U.S. and Canada are likely to be paid quicker than foreign invoices, with Canada recording the highest average total value of past due foreign B2B invoices compared to observations in the Americas overall. The situation is completely opposite in Mexico, which records the highest average total value of past due B2B invoices from domestic customers. Over the past year, Mexico saw the largest increase in the average total value of foreign receivables more than 90 days past due and subsequently representing a high chance of default.

Payment delays by domestic B2B customers are reported to be most often due to a lack of liquidity. The percentage of respondents citing this reason is highest in Mexico. Foreign payment delays are most often due to the complexity of the payment procedure (the percentage of respondents is highest in Brazil and Mexico) or to inefficiencies of the banking system (the percentage of respondents is highest in Brazil). Overall, the average total value of uncollectable foreign B2B receivables is higher than that of uncollectable domestic receivables. The domestic percentage is highest in Brazil and lowest in Canada. The foreign percentage is highest in Brazil and lowest in Mexico. Over the past year, Mexico saw the largest increase in the average total value of uncollectable B2B receivables.

Brazil has the highest and the U.S. the lowest, average DSO across all of the countries surveyed in the Americas. The percentage of Brazilian respondents who become concerned about the sustainability of the business when average DSO exceeds the payment term by more than 90 days is notably higher in Brazil than the average for the Americas and is the highest of the countries surveyed in the region.

For the highest percentage of the survey respondents in the Americas, maintaining adequate cash flow is the biggest challenge to the profitability of the business this year. Canada records the highest, and Mexico the lowest, percentage of respondents sharing this opinion. Mexican respondents are more concerned than their peers in the Americas about the impact that collecting outstanding invoices will have on the profitability of the business this year. More so than their peers in the Americas, respondents in Brazil are concerned about bank lending restrictions and in Canada about a fall in demand of products and services.

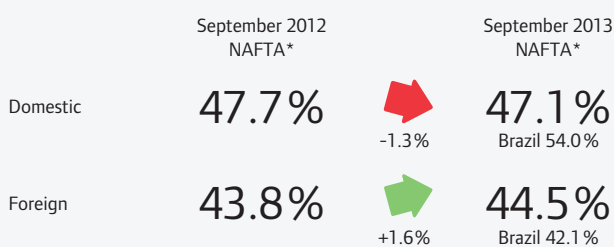
Survey results the Americas

1. SALES ON CREDIT TERMS

Around half of the B2B sales of the respondents in the Americas are made on credit; Brazil shows the widest difference in trade credit practices for domestic and foreign B2B customers

- On average, 48.8% and 43.8% of the total value of the sales of the respondents in the Americas to domestic and foreign B2B customers respectively are made on credit. Averages for Europe: 50% domestic and 45% foreign. The domestic percentage is lowest in Canada (42.9%) and highest in Brazil (54.0%). The foreign percentage is lowest in Canada and Brazil (42.1%) and highest in the U.S. (46.1%).
- Perceptions of domestic and foreign trade credit risk vary from country to country. The difference in the percentage of domestic (54.0%) and foreign (42.1%) sales made on credit is biggest in Brazil.
- Compared to one year ago, in the NAFTA* region there was no marked change in the proportion of sales made on credit to either domestic (down on average 1.3%) or foreign (up on average 1.6%) B2B customers.
- On a country basis, over the past year Canada recorded a marked drop in domestic B2B sales made on credit (down 11.7% on average). Foreign sales on credit dropped on average by 4.8%. Domestic B2B sales made on credit in the U.S. rose 5.8%; more than twice as much as foreign sales (up 2.7%). Conversely, in Mexico, foreign B2B sales made on credit increased 6.7%; more than twice as much as sales made on credit to domestic B2B customers (up 2.5%).
- Respondents in the manufacturing sector across all of the countries surveyed in the Americas make the most use of trade credit. By business size, this is the case for medium-sized enterprises as well.

Proportion of sales made on credit to total B2B sales of respondents



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

* Comparison with last year is only possible for NAFTA. Brazil was not included in last year's survey.

More information in the [Statistical appendix](#)

2. TRADE CREDIT SUPPLY DETERMINANTS

Building long-term B2B trade relationships is the key driver of trade credit supply in the Americas; it is however less influential in Brazil than in the other countries surveyed

- The most frequently cited reason of the survey respondents for offering trade credit is to build long-term trade relationships with domestic (39.3% of respondents) and foreign B2B customers (35.3%). Respondents in Europe: 43.4% domestic and 36.6% foreign. The domestic percentage is highest in the U.S. (42.0%) and lowest in Brazil (33.6%). The foreign percentage is highest in Mexico (41.3%) and lowest in Brazil (26.9%).
- Compared to last year, 24.0% and 53.0% more respondents in the NAFTA* region extended trade credit to promote sales growth with domestic and foreign B2B customers respectively. The domestic percentage is highest in the U.S. (63.6%) and the foreign percentage is highest in Mexico (68.0%).
- The wholesale/retail/distribution sector in the Americas has the highest percentage of respondents offering trade credit to build long-term trade relationships with domestic B2B customers. This is the case for the services sector in relation to customers abroad.
- By business size, respondents from small enterprises make the most use of trade credit to establish long term trade relationships with B2B customers both domestically and abroad.

Percentage of respondents granting trade credit to promote growth of B2B sales



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

* Comparison with last year is only possible for NAFTA. Brazil was not included in last year's survey.

More information in the [Statistical appendix](#)

3. AVERAGE CREDIT TERMS – DOMESTIC / FOREIGN

Mexican respondents set the most relaxed, and U.S. respondents the shortest, average payment terms for B2B customers

- Overall, the payment terms extended to B2B customers of survey respondents in the Americas averages 31 days from the invoice date. This is consistent with the average payment term recorded in Europe (33 days).
- On a country basis, Mexican respondents set the most relaxed payment terms for their B2B customers (averaging 46 days from the invoice date) Brazilian respondents set payment terms averaging 29 days, Canadian respondents 25 days, and U.S. respondents 24 days.
- In every country surveyed in the Americas, 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 B2B customers domestically and abroad.
- Over the past year, the average payment term recorded in the NAFTA* region only decreased 2 days. However, in the U.S. and Canada, foreign payment terms dropped by approximately 10 days. The average domestic payment term recorded in Mexico moved in the opposite direction rising around 6 days compared to one year ago.
- Average B2B payment terms across the business sectors surveyed in the Americas do not vary much from the survey average. By business size, large firms granted the longest credit period (36 days), micro enterprises the shortest (27 days).

Average domestic and foreign payment terms recorded in the Americas



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

* Comparison with last year is only possible for NAFTA. Brazil was not included in last year's survey.

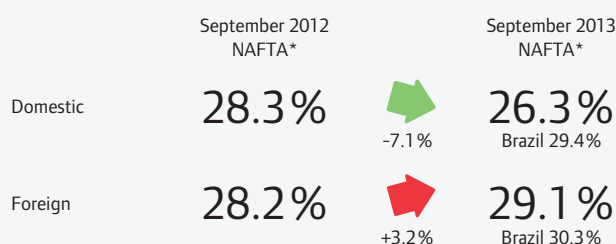
More information in the [Statistical appendix](#)

4. OVERDUE DOMESTIC AND FOREIGN B2B INVOICES – PAYMENT TIMING

Mexico records the highest proportion of past due invoices from domestic B2B customers, Canada from foreign customers

- An average of 27.0% and 29.5% of the total value of the invoices issued by survey respondents in the Americas to their domestic and foreign B2B customers respectively are unpaid at the due date (overall averages for Europe: 30.0% domestic and 27.3% foreign). Just over 65% of the late payments of survey respondents were received 1 to 30 days late; around 29% between 31 and 90 days late and around 6% over 90 days late.
- At country level, Mexico has the highest average total value of overdue domestic B2B invoices (30.4%). The lowest proportion of overdue domestic B2B invoices was recorded in Canada (22.2%). As to foreign B2B sales, Canadian respondents record the highest percentage of overdue invoices (32.4%) and Mexican respondents the lowest (25.5%).
- Compared to one year ago, overall, in the NAFTA* region, the average total value of past due domestic B2B invoices decreased by 7.1%, and that of foreign past due invoices increased by 3.2%. The largest decrease in the average total value of past due domestic B2B invoices (14.3%) was recorded in Canada. Mexico saw the largest increase in past due invoices of foreign B2B customers (up nearly 10%).
- Mexico also recorded the largest increase in the average total value of foreign B2B receivables more than 90 days past due, standing a high chance of default.
- Respondents from the manufacturing sector in the Americas posted the highest proportion of overdue domestic (31.6%) and foreign (32.85) B2B invoices. By size, large enterprises had the highest percentage of domestic (30.2%) and foreign (31.1%) 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 – September 2013

* Comparison with last year is only possible for NAFTA. Brazil was not included in last year's survey.

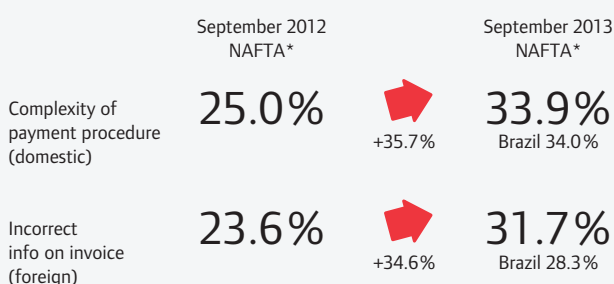
More information in the [Statistical appendix](#)

5. MAIN REASONS FOR PAYMENT DELAYS FROM B2B CUSTOMERS

Most common reasons for late payment of B2B invoices are liquidity constraints of the customer (domestic) and inefficiencies of the banking system and complexity of the payment procedure (foreign)

- 53.9% of respondents in the Americas said that insufficient availability of funds is the most frequent reason for payment delays from domestic B2B customers. Respondents in Europe: 66.2%. At country level, This percentage was highest in Mexico (65.2%), and lowest in Canada (43.5%).
- Inefficiencies of the banking system and complexity of the payment procedure were each cited by about 39% of survey respondents (highest percentage) as the reason for payment delays. Nearly 45% of respondents in Mexico and Brazil cited complexity of the payment procedure. 42.5% of respondents in Brazil cited inefficiencies of the banking system. Respondents in Europe: 34.0% cited complexity of the payment procedure and 32.2% inefficiencies of the banking system.
- Compared to one year ago*, in the NAFTA region, there was a significant increase in the percentage of respondents citing the complexity of the payment procedure as the main reason for payment delays from domestic B2B customers (up 35.7%). The percentage of respondents reporting foreign payment delays due to incorrect information on the invoice increased significantly (up 34.6%).
- Respondents in the wholesale/retail/distribution sector in the Americas were the hardest hit by payment delays due to liquidity constraints of domestic (60% of respondents) and foreign (40.2%) B2B customers. This was also the case for respondents from micro enterprises (61.7% of respondents as to domestic customers and 42.9% as to foreign customers).

Main reasons for payment delays from B2B customers (biggest change - percentage of respondents in NAFTA*)



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

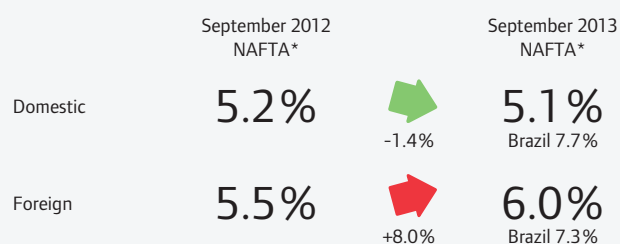
* Comparison with last year is only possible for NAFTA. Brazil was not included in last years's survey.

6. UNCOLLECTABLE B2B RECEIVABLES - DOMESTIC / FOREIGN

Of the countries surveyed in the Americas, Brazil has the largest proportion of uncollectable B2B receivables

- On average, 5.8% of the total value of domestic B2B receivables was written off as uncollectable by respondents in the Americas. This is mainly due to the customer being bankrupt or out of business. The most impacted were respondents in Brazil (7.7%), and Mexico (6.4%).
- Uncollectable receivables amounted to an average of 6.4% of the total value of receivables from foreign customers. This is mainly due to the customer being bankrupt or out of business, or the failure of collection attempts abroad. Uncollectable foreign receivables rates are highest in Brazil (7.3%).
- Respondents in the financial services sector in the Americas recorded the highest proportion of uncollectable domestic and foreign B2B receivables (averaging about 7% of the total value of B2B receivables). By business size, SME respondents had the highest proportion of uncollectable receivables (about 6% of the total value of B2B receivables).
- Compared to one year ago, respondents in the Canadian manufacturing and the Mexican wholesale/retail/distribution sectors reported a significant increase in the proportion of uncollectable domestic and foreign B2B receivables.

Average total value of uncollectable domestic and foreign B2B receivables



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

* Comparison with last year is only possible for NAFTA. Brazil was not included in last years's survey.

More information in the [Statistical appendix](#)

More information in the [Statistical appendix](#)

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

The percentage of Brazilian respondents who become concerned when average DSO exceeds the average payment term by more than 90 days is the highest of the countries surveyed in the region

- The DSO posted by respondents in the Americas averages 58 days. Average for Europe: 55 days. This is notably higher than the average credit period recorded in the region (31 days) reflecting the high volume of invoices that are paid late.
- The average DSO in Brazil (86 days) is markedly above the average of the region. In the other countries surveyed, average DSO ranges from 55 days in Mexico to 41 days in the U.S.
- 55.6% of the respondents in the Americas reported a DSO of between 1 and 30 days, 27.6% of 31 to 90 days, and 16.8% posted a DSO of more than 90 days. The percentage of Brazilian respondents who become concerned about the sustainability of the business when average DSO exceeds the payment term by more than 90 days is notably higher in Brazil than the average for the Americas and is the highest of the countries surveyed in the region.
- Over the past year, in the NAFTA* region there was an average 6 days increase in DSO. The largest average increase (about 10 days) was recorded in Mexico.
- Financial services respondents had the highest DSO by sector (averaging 63 days). Medium sized enterprises (averaging 68 days) by business size. The largest average increase in DSO (10 days) was recorded in the wholesale/retail/distribution and manufacturing sectors and in micro enterprises.

Average DSO recorded in the Americas



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

* Comparison with last year is only possible for NAFTA. Brazil was not included in last year's survey.

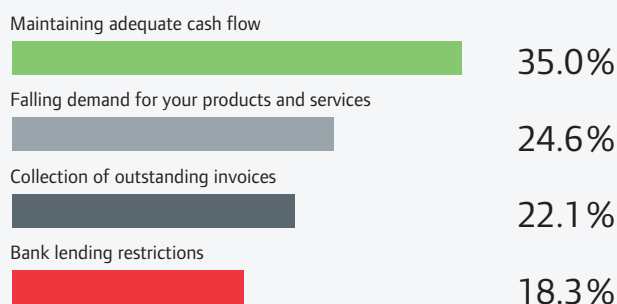
More information in the [Statistical appendix](#)

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

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

- 35% of respondents in the Americas 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 any factor surveyed. The percentage of respondents citing this reason ranges from a high of 38.2% in Canada to a low of 30% in Mexico. Respondents in Europe: 29.4%
- For 24.6% of respondents the biggest challenge to business profitability this year will be falling demand of products and services, followed by collection of outstanding invoices (22.0%). Bank lending restrictions was cited the least often (15.3% of respondents).
- Falling demand of products and services was cited most often in Canada (29.0% of respondents). Collection of outstanding invoices and bank lending restrictions were cited most often in Mexico (27.0% and 21.7% of respondents respectively).
- 38.4% of wholesale/retail/distribution sector respondents in the Americas say that maintaining adequate cash flow is the biggest challenge to the profitability of their business this year. This is also the opinion of 36.3% of respondents from medium-sized enterprises. Approximately 27% of respondents from micro enterprises and from the manufacturing sector say that the biggest challenge is falling demand of products and services.

The biggest challenge to the profitability of the business this year



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

More information in the [Statistical appendix](#)

Survey design the Americas

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 “Atradius Payment Practices Barometer”. This report presents the results of the twelfth evaluation of payment practices. Using a questionnaire, a net of 829 interviews were conducted. 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 in the Americas: Brazil, Canada, Mexico and the U.S.
- 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 the Americas

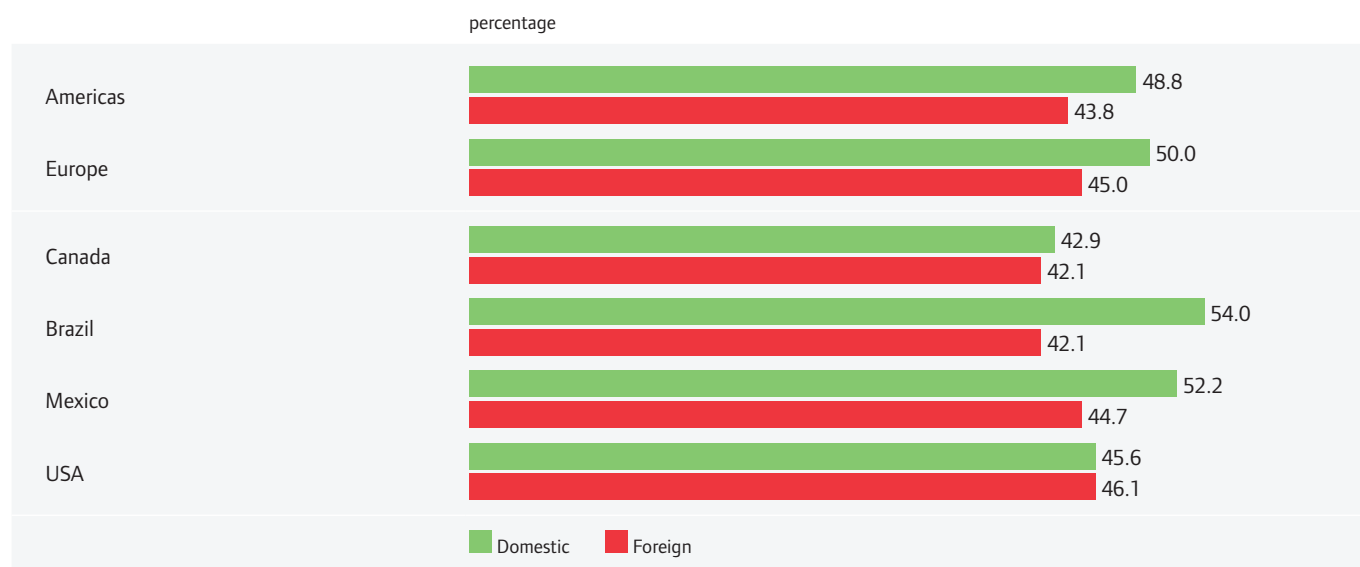
Country (n=829)	n	%
Brazil	208	25.0%
Canada	207	25.0%
Mexico	207	25.0%
U.S.A.	207	25.0%
Business size (n=829)	n	%
Micro enterprise	263	31.7%
Small enterprise	261	31.4%
Medium-sized enterprise	182	21.9%
Large enterprise	123	14.8%
Business sector (n=829)	n	%
Manufacturing	171	20.6%
Wholesale / Retail / Distribution	203	24.4%
Services	362	43.7%
Financial Services	93	11.2%

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 the Americas

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 - September 2013

Sales on credit terms the Americas - Domestic / Foreign

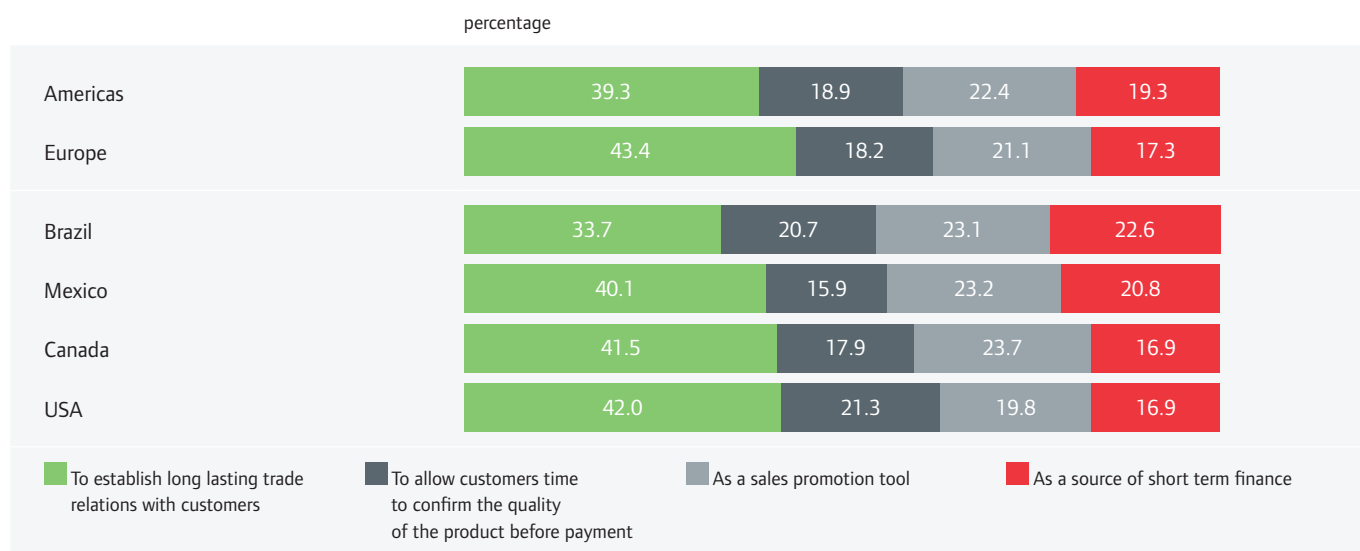
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
Domestic	52.7%	50.3%	45.1%	52.4%	41.2%	51.1%	54.4%	50.9%
Foreign	48.3%	38.8%	44.0%	43.1%	45.4%	43.0%	46.2%	40.7%

Sample: all interviewed companies

Source: Payment Practices Barometer - September 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 – September 2013

Trade credit supply determinants the Americas – Domestic

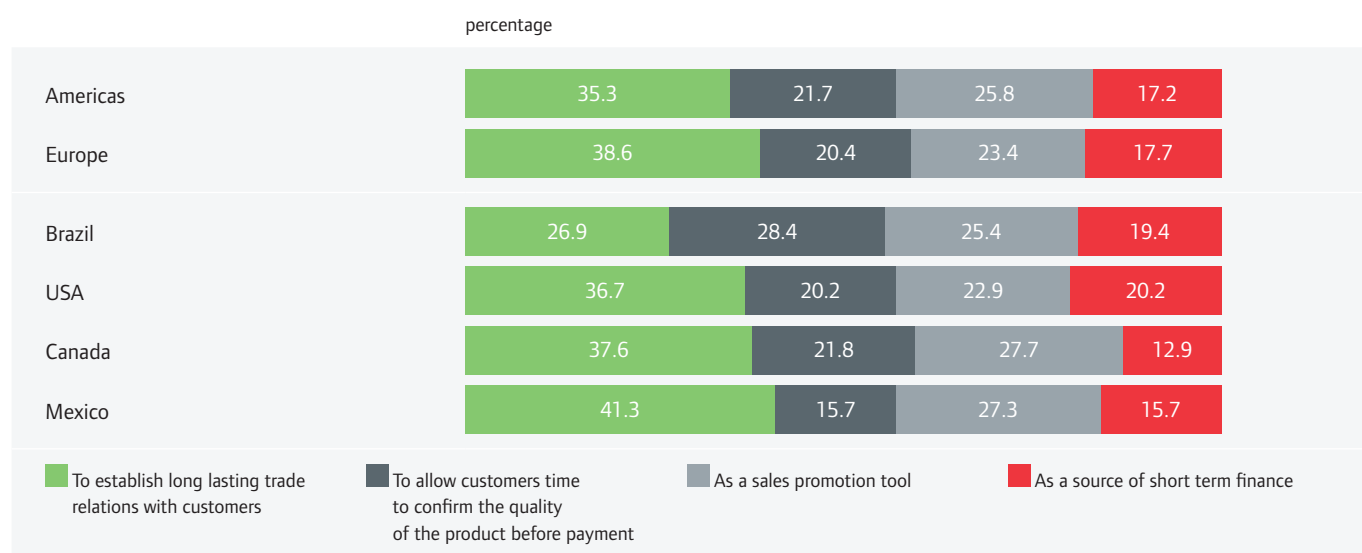
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
Long term trade	36.84%	45.81%	38.67%	32.26%	38.40%	41.00%	39.01%	38.21%
Sales promotion	21.05%	22.66%	22.93%	22.58%	25.10%	21.46%	19.78%	22.76%
Time to confirm	22.22%	13.79%	19.34%	22.58%	19.39%	18.01%	18.13%	21.14%
Short term finance	19.88%	17.73%	19.06%	22.58%	17.11%	19.54%	23.08%	17.89%

Sample: all interviewed companies (active in domestic markets)

Source: Payment Practices Barometer – September 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 – September 2013

Trade credit supply determinants the Americas – Foreign

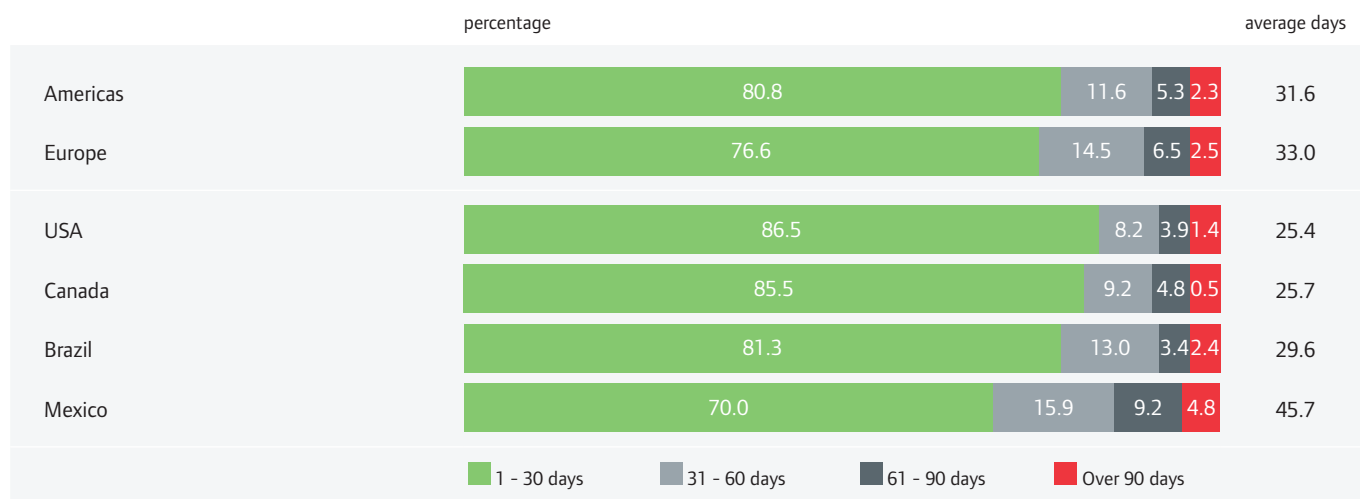
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
Long term trade	33.87%	35.65%	36.48%	34.33%	39.19%	36.78%	32.54%	32.97%
Sales promotion	25.81%	26.09%	23.27%	31.34%	22.97%	21.84%	28.57%	31.87%
Time to confirm	25.00%	20.00%	21.38%	19.40%	18.92%	22.99%	26.19%	15.38%
Short term finance	15.32%	18.26%	18.87%	14.93%	18.92%	18.39%	12.70%	19.78%

Sample: all interviewed companies (active in foreign markets)

Source: Payment Practices Barometer – September 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 – September 2013

Payment terms the Americas - Domestic (average days)

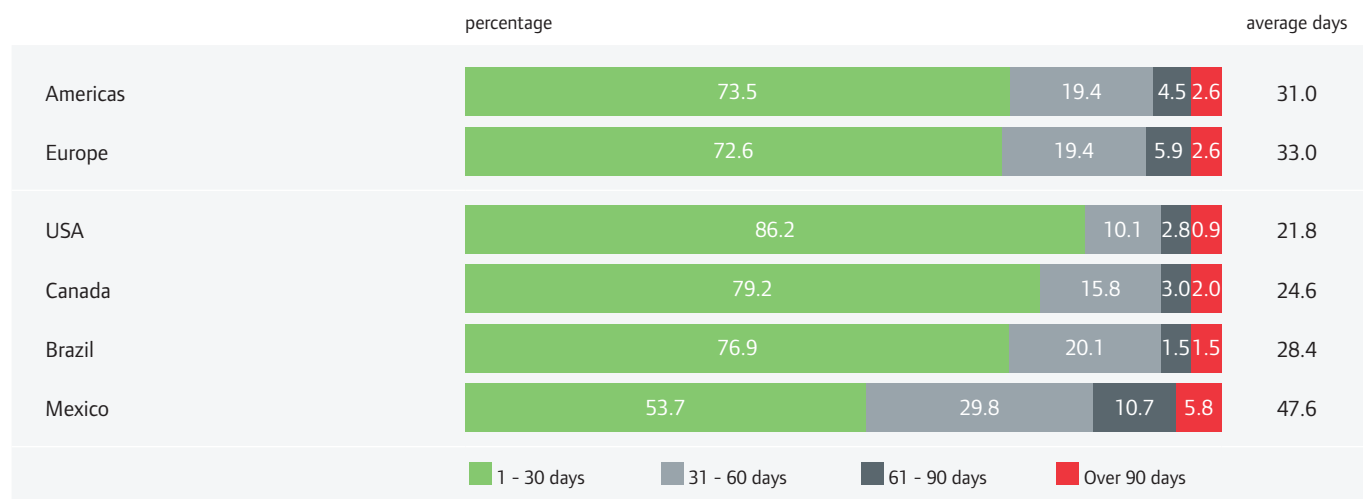
Business sector				Business size			
Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
31.7	32.4	31.4	30.4	27.7	33.7	31.5	35.7

Sample: all interviewed companies (active in domestic markets)

Source: Payment Practices Barometer – September 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 – September 2013

Payment terms the Americas - 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
30.6	27.8	32.5	33.8	26.3	29.3	30.1	39.4

Sample: all interviewed companies (active in foreign markets)

Source: Payment Practices Barometer – September 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 – September 2013

Overdue invoices the Americas - Domestic / Foreign

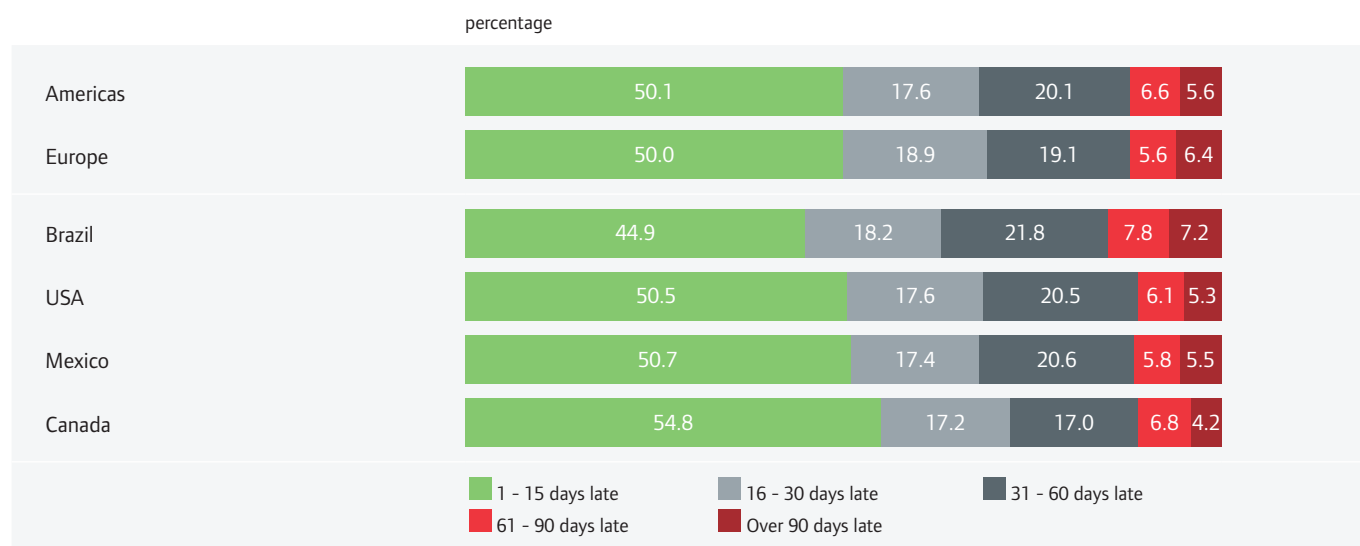
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
Domestic	31.60%	28.10%	24.40%	26.40%	23.20%	29.90%	26.40%	30.20%
Foreign	32.80%	27.20%	27.40%	32.20%	29.10%	31.20%	26.10%	31.10%

Sample: all interviewed companies

Source: Payment Practices Barometer – September 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 – September 2013

Payment is made between ... the Americas - Domestic (average days)

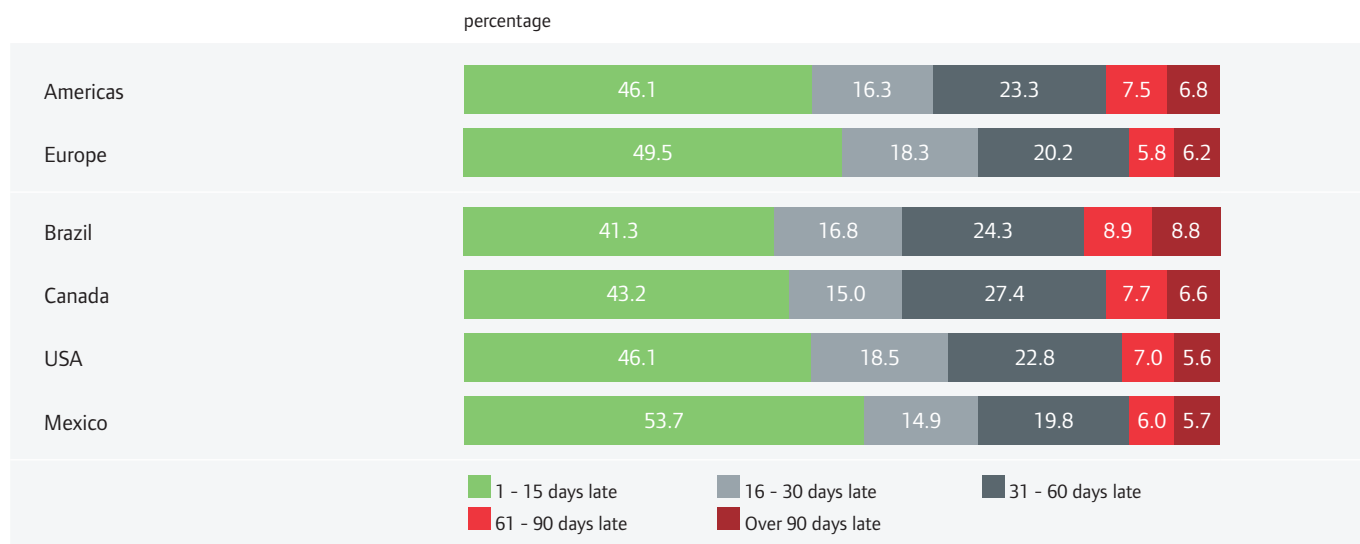
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
1-15 days late	47.1%	53.5%	49.9%	49.0%	56.8%	45.8%	52.2%	44.0%
16-30 days late	18.2%	16.2%	18.7%	15.4%	15.7%	18.6%	17.3%	19.4%
31-60 days late	22.4%	18.0%	19.8%	20.9%	17.0%	22.2%	19.6%	21.6%
61-90 days late	6.7%	6.3%	6.4%	7.8%	5.3%	7.5%	6.3%	7.5%
Over 90 days late	5.6%	6.0%	5.1%	6.9%	5.2%	5.9%	4.5%	7.6%

Sample: all interviewed companies (active in domestic markets)

Source: Payment Practices Barometer – September 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 – September 2013

Payment is made between ... the Americas – 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	44.1%	51.6%	44.9%	43.6%	49.3%	43.4%	50.8%	42.6%
16-30 days late	16.5%	16.8%	16.1%	15.5%	14.3%	17.5%	16.1%	15.7%
31-60 days late	25.4%	20.6%	24.2%	21.7%	22.7%	24.6%	21.7%	23.3%
61-90 days late	7.5%	5.6%	8.3%	8.7%	6.7%	8.0%	6.4%	8.6%
Over 90 days late	6.5%	5.4%	6.5%	10.6%	7.1%	6.5%	5.0%	9.8%

Sample: all interviewed companies (active in foreign markets)

Source: Payment Practices Barometer – September 2013

5. MAIN REASONS FOR PAYMENT DELAYS FROM B2B CUSTOMERS

Main reasons for payment delays by domestic B2B customers - the Americas

	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
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%
Brazil	55.85%	20.74%	23.40%	34.04%	32.98%	23.40%	1.60%
Canada	43.51%	24.03%	20.13%	32.47%	25.97%	30.52%	7.79%
Mexico	65.15%	16.67%	13.13%	36.36%	28.28%	35.35%	3.54%
U.S.	47.47%	27.85%	22.78%	32.28%	24.05%	24.68%	6.33%

Business sector

Manufacturing	47.06%	26.14%	26.14%	37.91%	32.68%	33.99%	3.92%
Wholesale trade / Retail trade / Distribution	59.12%	22.65%	14.92%	31.49%	24.31%	28.18%	3.87%
Services	55.05%	19.51%	17.77%	31.36%	25.44%	23.00%	6.62%
Financial services	50.65%	20.78%	24.68%	41.56%	37.66%	40.26%	0.00%

Business size

Micro enterprise	61.73%	12.24%	10.71%	28.06%	22.96%	18.88%	8.16%
Small enterprise	50.86%	25.43%	19.40%	38.36%	31.47%	26.29%	3.02%
Medium-sized enterprise	49.39%	25.00%	22.56%	36.59%	32.32%	36.59%	2.44%
Large enterprise	52.83%	27.36%	32.08%	31.13%	23.58%	39.62%	4.72%

Sample: all interviewed companies (active in domestic markets)

Source: Payment Practices Barometer – September 2013

5. MAIN REASONS FOR PAYMENT DELAYS FROM B2B CUSTOMERS

Main reasons for payment delays by foreign B2B customers - the Americas

	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
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%
Brazil	33.07%	25.20%	20.47%	44.88%	42.52%	28.35%	0.79%
Canada	29.63%	32.10%	39.51%	33.33%	39.51%	27.16%	3.70%
Mexico	38.14%	15.25%	23.73%	44.92%	38.14%	33.05%	1.69%
U.S.	40.66%	32.97%	21.98%	29.67%	37.36%	34.07%	2.20%

Business sector

Manufacturing	36.52%	26.96%	27.83%	40.00%	40.87%	32.17%	1.74%
Wholesale trade / Retail trade / Distribution	40.19%	24.30%	23.36%	34.58%	32.71%	28.04%	0.93%
Services	28.78%	26.62%	24.46%	39.57%	38.13%	30.94%	3.60%
Financial services	41.07%	21.43%	26.79%	46.43%	53.57%	32.14%	0.00%

Business size

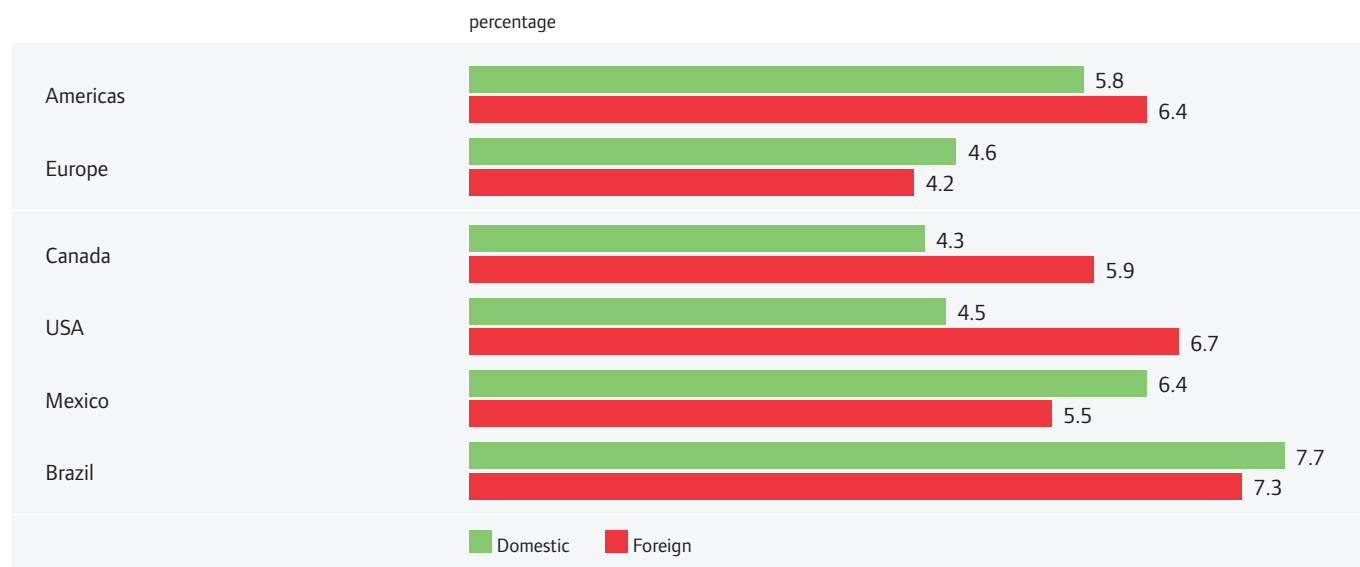
Micro enterprise	42.86%	15.87%	22.22%	25.40%	41.27%	9.52%	6.35%
Small enterprise	28.93%	27.04%	27.67%	43.40%	38.99%	31.45%	1.89%
Medium-sized enterprise	37.82%	31.93%	21.85%	42.86%	42.86%	35.29%	0.00%
Large enterprise	39.47%	19.74%	28.95%	36.84%	34.21%	39.47%	1.32%

Sample: all interviewed companies (active in foreign markets)

Source: Payment Practices Barometer – September 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 - September 2013

Uncollectable B2B receivables the Americas - Domestic / Foreign

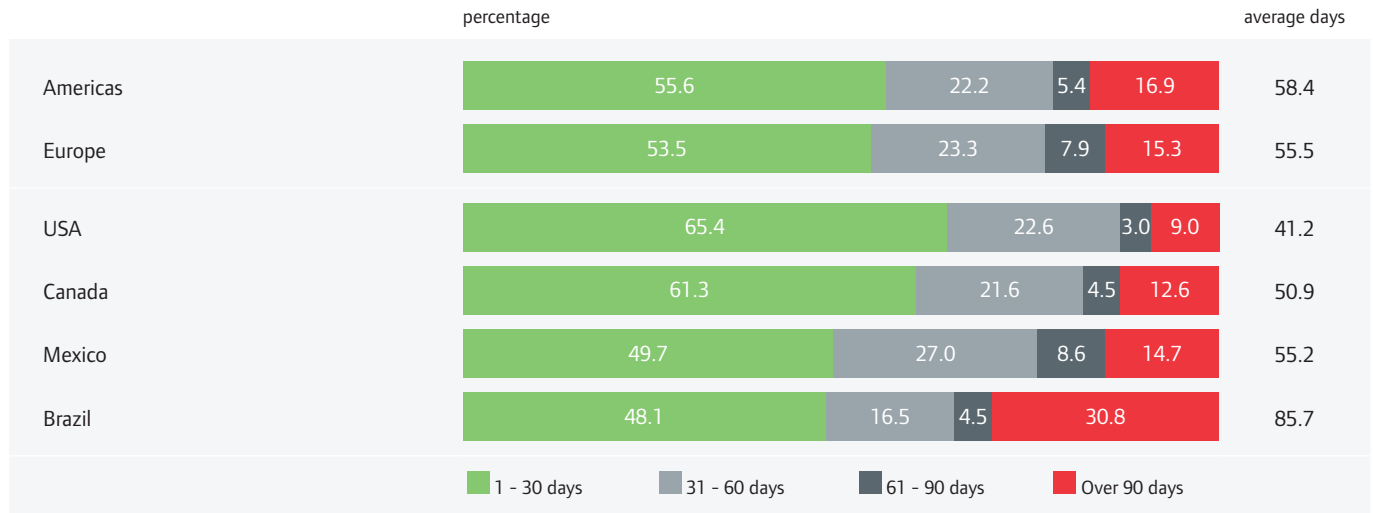
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
Domestic	6.6%	5.6%	5.2%	6.8%	4.4%	6.3%	6.6%	6.3%
Foreign	6.7%	5.5%	6.2%	7.7%	5.5%	6.7%	6.5%	6.4%

Sample: all interviewed companies

Source: Payment Practices Barometer - September 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 – September 2013

Average DSO the Americas (average days)

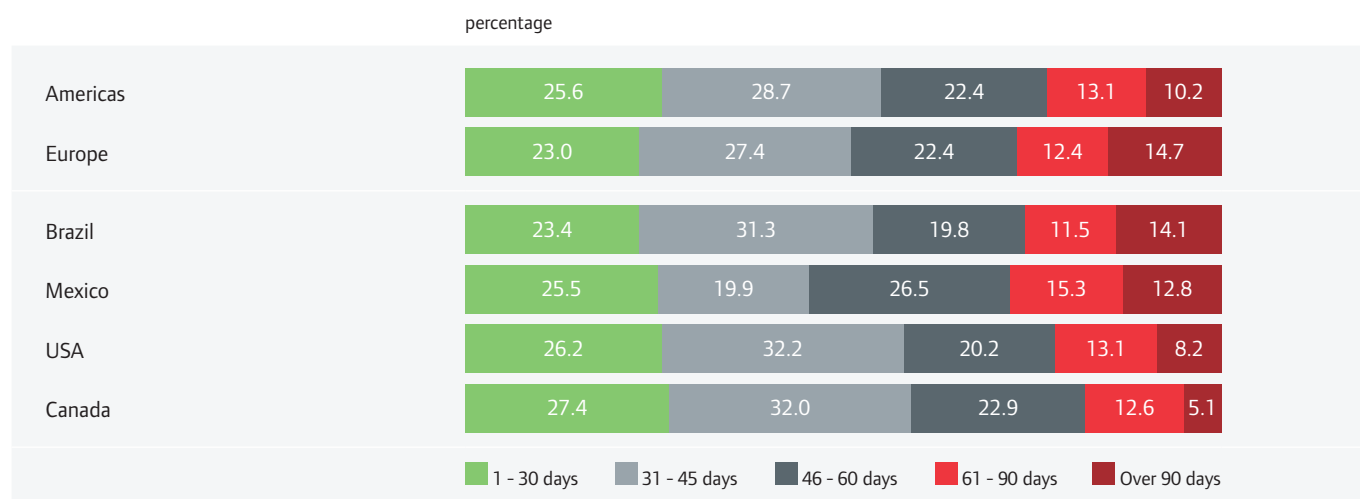
Business sector				Business size			
Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
55.1	55.6	60.4	63.4	62.5	50.9	68.4	53.9

Sample: all interviewed companies

Source: Payment Practices Barometer – September 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 – September 2013

DSO becomes a concern in the Americas when it is ... days longer than payment term

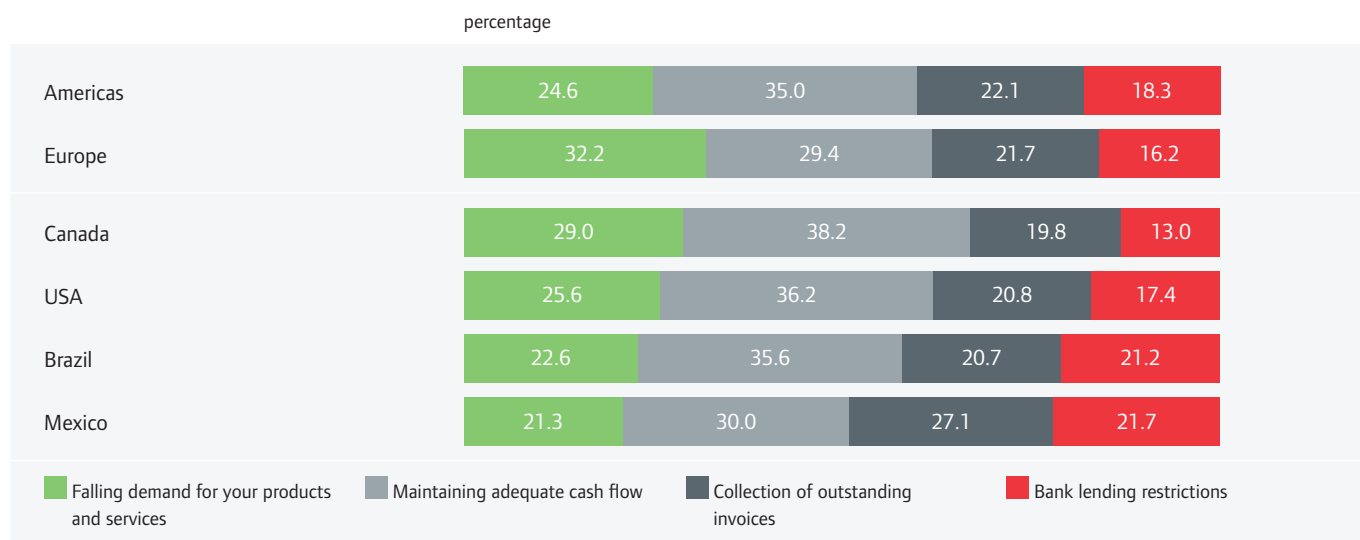
	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
1-30 days	19.25%	30.69%	25.72%	25.88%	33.48%	22.31%	16.87%	30.56%
31-45 days	31.06%	32.80%	25.72%	25.88%	27.60%	30.68%	28.92%	25.93%
46-60 days	25.47%	15.87%	24.12%	24.71%	18.10%	25.90%	25.90%	17.59%
61-90 days	12.42%	13.23%	13.18%	14.12%	9.95%	11.95%	18.07%	14.81%
Over 90 days	11.80%	7.41%	11.25%	9.41%	10.86%	9.16%	10.24%	11.11%

Sample: all interviewed companies

Source: Payment Practices Barometer – September 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 – September 2013

Greatest challenge to business profitability in 2013 - the Americas

	Business sector				Business size			
	Manufacturing	Wholesale trade / Retail trade / Distribution	Services	Financial services	Micro enterprise	Small enterprise	Medium-sized enterprise	Large enterprise
Falling demand	27.49%	20.69%	25.69%	23.66%	27.76%	23.37%	21.98%	24.39%
Adequate cash flow	36.84%	38.42%	34.25%	26.88%	35.74%	33.72%	36.26%	34.15%
Outstanding invoices collection	21.64%	20.20%	23.48%	21.51%	21.29%	22.99%	23.63%	19.51%
Bank lending restrictions	14.04%	20.69%	16.57%	27.96%	15.21%	19.92%	18.13%	21.95%

Sample: all interviewed companies

Source: Payment Practices Barometer – September 2013

Notes

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