Atradius Payment Practices Barometer

A survey of the payment behaviour in European companies

Results Winter 2010

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Survey background

1.1

For companies trading internationally, an accurate understanding of the payment behaviour of potential customers in the countries with which they do business, or plan to, is vital, as a wrong decision may result in serious cash flow problems. This applies to large as well as small companies: large companies are particularly exposed to poor payment behaviour because of the volume of their international transactions, while smaller companies often learn the hard way early in their international endeavours that they have incorrectly assessed the payment behaviour of their international business partners.

Atradius conducts regular surveys of corporate payment behaviour across a range of countries; its findings published in the Atradius Payment Practices Barometer. From its inception in 2006, when 1,200 companies from six European countries were interviewed for their views of their business partners' payment behaviour, the twice yearly Atradius Payment Practices Barometer has grown in scope each year.

In the first survey of 2010 (the seventh in the series) over 1,500 companies from eight European countries (Belgium, Denmark, France, Germany, Great Britain, Italy, the Netherlands, and Sweden) have been surveyed.

Survey objectives

1.2

The "Atradius Payment Practices Barometer" has the following objectives:

1. Determining an objectively comparable index for payment behaviour: how many days does a business partner generally take to pay?

2. Determining a psychological index for payment behaviour: what are expectations like and do they match the reality?

3. Establishing how frequently critical events occur (e.g. payment delays, payment defaults) with customers in different countries?

4. Comparing payment behaviour over specific periods: how is payment behaviour developing across different countries?

5. Determining from which country companies enjoy the best relationships with buyers

6. Ranking in order of importance the criteria which impact the decision to sell products on credit to a buyer

7. Determining in which countries the best and worst payers operate

Structure of the survey 1.3

1. Determine the appropriate company contact for accounts receivable management
2. Ascertain the interviewed company's industry and size
3. Ascertain the industries and countries with which the company does business
4. Assessment of general data on payment behaviour:
   - established payment term (days);
   - differentiation of payment terms by business partner
5. Evaluation of domestic payment behaviour:
   - global assessment of domestic payment behaviour
   - average time span (days) within which invoices are being paid
   - frequency of payment delays and / or payment defaults
6. Evaluation of foreign business partners' payment behaviour (for every country with business connections):
   - global assessment of foreign business partners' payment behaviour
   - average time span (days) within which invoices are being paid
   - frequency of payment delays and / or payment defaults

Perspectives evaluating payment practices 1.4

"payment behaviour" =

a. assessment of the overall mood concerning the payment behaviour of a country's companies

⇨ **relatively long-term indicator**

b. individual experiences with business partners

- number of days for incoming payments
- assumed frequency of payment delays
- assumed frequency of payment default

⇨ **short-term indicators**

national assessment or assessment of domestic customers	international assessment or assessment of foreign customers	assessment of one region by foreign countries or assessment of customers from one region by foreign countries

Survey scope 1.5

Basic Population

- Companies from countries were monitored (Belgium, Denmark, France, Germany, Great Britain, Italy, the Netherlands, Sweden)
- 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

Sample

- n=1,551 persons were interviewed in total (approx. n=150-200 persons per country)
- In each country, a quota was maintained according to three rough industry categories and two classes of company size.

Interview

- Web-assisted personal interviews (WAPI) of approximately 12 minutes duration
- Interview period: 04.02.2010 – 01.03.2010

Sample overview

1.6

Country (n=1,551)	n	%
Belgium	202	13%
Denmark	163	11%
France	212	14%
Germany	201	13%
Great Britain	205	13%
Italy	205	13%
The Netherlands	205	13%
Sweden	158	10%

Turnover (n=1,551)	n	%
1-10 million euro	557	36%
10-100 million euro	636	41%
100 million – 1 billion euro	230	15%
Over 1 billion euro	128	8%

Economic sector (n=1,551)	n	%
Manufacturing	438	28%
Wholesale / Retail / Distribution	507	33%
Services	496	32%
Financial services	110	7%

Industry (n=1,551)	n	%
Building / construction	131	8%
Real estate	30	2%
Plastics (processing or fabrication)	22	4%
Chemical / pharmaceutical	66	4%
Health Care	70	5%
Steel- / metal-working	71	5%
Raw materials	27	2%
Energy	39	3%
Oil and gas	22	1%
Automotive	53	3%
Textiles / footwear / clothing / fabrics	27	2%
Food / drinks / agricultural products	75	5%
Furniture	14	1%
Technology (science / electronics)	75	5%
Telecommunications	41	3%
Financial services	109	7%
Services	131	8%
Media / advertising / PR	17	1%
Printing / publishing	25	2%

	n	%
Paper / packaging	18	1%
Transport / logistics	89	6%
Trade / wholesale	131	8%
Retail	47	3%
Travel and Tourism / leisure	40	3%
Government / local authorities	85	5%
Education	47	3%
Other	35	2%
Don’t know / no answer given	14	1%

Where a single answer is possible, it may occur that the results are a percent more or less than 100% when totalling the results, as a consequence of “rounding off”. It has been decided not to adjust the results so that the outcome would fit to 100%, as the aim is to represent the individual results as exactly as possible.

Foreword 2.1

The 7th edition of the Atradius Payment Practices Barometer focuses on the corporate payment behaviour of companies from eight major economies in the European Union. The background and the objectives of our report are the same as in previous editions, as we strive to provide businesses with a panoramic picture of international payment behaviour, thus helping them take the right decisions when selecting potential customers in countries with which they do or plan to do business. In this report, however, we have broadened our field of investigation by asking the companies surveyed to express their opinions on:

- which country's buyers they enjoy the best business relationships with,
- the importance of various criteria which may impact their decision to sell products on credit to a buyer, and
- which industries the best and worst payers in their respective countries operate in.

In addition, this edition of the report shows some corporate payment behaviour trends by comparing the winter 2010 results with those of the summer 2008, summer 2009 and winter 2009 surveys.

Credit management features 2.2

In the EU countries surveyed, the average payment term ranged from 19 to 60 days, against a European average of 32 days. German companies still had the most rigorous credit period, 19 days on average, followed by Danish and British companies with 26 days. Italian companies still allowed their customers the longest to pay, with an average payment term of 60 days. The average payment term of the remaining countries was between 30 days and 33 days.

The average payment term was shorter than in the previous survey periods. In comparison to summer 2009, the most notable change was in the responses from Italy where a decrease of 7 days was recorded. A slight increase (2 days) was reported by respondents in the Netherlands. In comparison to the previous survey periods, the average payment term was generally shorter in most markets.

Of the companies in the EU countries surveyed, the British, more than any other (69% of respondents), applied different payment terms depending on the country or industry of their business partners, whereas German companies varied their payment terms least often (35% of the respondents). Between 47% and 55% of the respondents for the other countries surveyed differentiated their payment terms depending on the country or industry of their business partners. In comparison to summer 2009, companies in France, the Netherlands and Germany were less likely to use different payment terms. Average responses from all the other countries surveyed showed an increase in use of differentiated payment terms.

In comparison to the previous survey periods, data suggests there might be some seasonality in the responses from Italy, Belgium and Denmark.

The EU companies surveyed were asked to rank, in order of importance, a few specific criteria which play a role in the decision to sell products or services on credit terms. In all countries, intuition ranked first in terms of importance. “Credit rating” ranked second, in all countries except Sweden, where “track record” was considered to be more important. “Recommendation” followed, except for in Germany and France where “reputation” and “credit check” respectively were considered to be more important. “Track record”, “familiarity” and “credit check” received the same ranking in respect to their level of importance.

Domestic payment behaviour 2.3

Respondents from Great Britain rated the payment practices of their domestic business partners highest (as "good"), followed by Sweden and France. Italy rated them the lowest (as "fair"). In comparison to summer 2009, only French companies perceived a marked improvement in domestic payment behaviour, whereas the improvement in British payment behaviour was modest. All the other countries surveyed perceived a slight deterioration or no significant change in domestic payment behaviour, except for Denmark. In comparison to the previous survey periods, the most significant deterioration in domestic payment behaviour was perceived by companies in Sweden and Denmark.

The average domestic payment duration ranged from 22 days (in Germany) to 72 days (in Italy). Italy's payment duration was 34 days longer than the next longest payment duration. All the other countries reported an average domestic payment duration in the range from 27 days to 38 days. Except for in the Netherlands, Sweden and Denmark where there was little change, domestic payment durations were generally shorter than in summer 2009. Responses in Great Britain showed the steepest decrease (approximately 8 days). Over the four survey periods, the trend has been a decline (most notably in France) in about half of the countries and no meaningful change in the others.

The average domestic payment delay ranged from 12 days (in Italy) to 0 days (in France). In all the other countries, the average payment delay was 7 days or less. In comparison to summer 2009, the average payment delay decreased markedly only in Great Britain, whereas in Denmark it increased by 4 days. With the exception of Denmark, the current survey period showed a picture of payment delays which were shorter or almost the same as in the previous survey periods.

Domestic payment delays were reported to occur in general between "very infrequently and "rather infrequently": the highest frequency was reported by Italy and the lowest by Sweden. In comparison to summer 2009, there was not much change in the frequency of payment delays. The most significant decrease in frequency was seen in the responses from Belgium, followed by responses in the Netherlands and France. Over the four survey periods, only Great Britain, Sweden and the Netherlands have shown a meaningful change in the frequency of domestic payment delays.

Domestic payment defaults were reported to occur in general "very infrequently": the highest frequency was reported by Great Britain and the lowest by Denmark. In comparison to 2009, the frequency of domestic payment defaults in the countries surveyed remained farily consistent, with the exception of an increase in Great Britain, and a decrease in France and the Netherlands. In comparison to the previous survey periods, for most countries there was little change in the reported frequency of domestic payment defaults. Only Great Britain showed a noticeable increase in frequency during the heart of the economic crisis and in noticeably higher frequencies in winter 2010 and summer 2008. In most other markets, if there was a difference, the frequency of domestic payment defaults was higher during the heart of the economic crisis.

The public sector - Government / Local authorities – topped the ranking of worst payers in Belgium, France, and the Netherlands. In particular, the percentage of Dutch respondents with a negative opinion on the payment behaviour of the public sector is much larger than that in Belgium and France, and noticeably above the European average. Only in Denmark did the public sector top the ranking of the best payers in the country. The payment behaviour of companies in the Building and Construction sector was considered to be worst in Great Britain, Italy and Sweden. At the top of the evaluation scale of best payers in Germany and Italy were the companies of the Retail sector. The Financial Services sector ranked first as best payer only in Great Britain, and the Automotive sector received the same evaluation only in Sweden.

Foreign payment practices 2.4

Respondents from Great Britain rated the payment practices of their foreign business partners highest, namely as being "good" to "very good", whereas respondents from the other countries rated foreign payment behaviour as being "good" on average. Respondents from Belgium and the Netherlands rated foreign payment behaviour the lowest. With the exception of France, the average perception was of a worsening of foreign payment behaviour, in comparison to summer 2009. The most significant deterioration was in the responses from Denmark, Sweden and Belgium. The more northern situated countries appear to have experienced their worst evaluations in winter 2010.

The reported average foreign payment duration ranged from 25 days (reported by German respondents followed by 26 days reported by British) to 56 days (by Italian). In comparison to 2009, average responses in all countries, except for Sweden and the Netherlands, reported a decrease in foreign payment duration. German respondents reported the highest decrease, followed by Italy and France. In comparison to the previous survey periods, foreign payment duration was shorter, except for Belgium.

The average foreign payment delay was in the range of 14 days (reported by Belgian respondents, followed by Dutch reporting 10 days) to -4 days (reported by Italian respondents). British and French companies said they were paid by foreign customers, on average, at the due date. In comparison to summer 2009, foreign payment delays decreased the most in Germany. In Belgium, Denmark and Sweden, payment delays by foreign customers increased. No significant shift in foreign payment delays was shown in the other European countries surveyed. In comparison to the previous survey periods, the frequency of foreign payment delays was perceived as generally lower or almost unchanged, except for in Great Britain and France. Foreign payment delays were reported to occur in general between "very infrequently" and "rather infrequently" (most often in Great Britain and least often in France). In comparison to summer 2009, companies in most of the countries perceived a decrease or no significant change in the frequency of foreign payment delays. The most significant increase was perceived in Great Britain. In comparison to the previous survey periods, the frequency of foreign payment delays was perceived as generally lower or almost unchanged, except for in Great Britain and France. Foreign payment defaults were reported to have occurred in general "very infrequently" (most often in Great Britain and least often in Denmark). In comparison to summer 2009, companies in most of the countries surveyed, except for Great Britain, perceived a lower frequency of foreign payment defaults, but in most instances this decrease was marginal. In comparison to the previous survey periods, respondents in Denmark, along with Sweden, perceived the biggest decrease.

The EU companies surveyed were asked to identify the country with which they had the most satisfying business relationship. Companies in the majority of the countries declared their business relationships with German customers to be the most satisfying. The Nordic countries showed satisfaction in particular with their business relationships with companies in other Nordic countries.

Customers' payment behaviour by country of origin 2.5

According to the EU surveyed companies trading internationally, it took their foreign customers, on average, between 26 days (customers from Sweden) and 57 days (customers from Portugal and Greece) to pay their invoices. Foreign customers from Africa paid in less than 43 days. The EU businesses were paid by their customers from the majority of the countries sooner than or almost in line with summer 2009. The biggest decrease in average payment duration was reported on payments from African companies.

The EU businesses surveyed assessed the payment behaviour of their international customers as "good", with the exception of customers originating from Greece and Africa, whose payment behaviour was described as "fair". Except for British customers, the payment behaviour of EU customers was rated better by their domestic business partners than by the other EU business partners.

In comparison to summer 2009, payment behaviour of customers from Poland and Portugal improved, whereas payment behaviour of customers from the Nordic countries deteriorated markedly. With the exception of buyers from Finland, the general trend since the last survey period has been of shorter payment durations. In almost every other country payment duration peaked in 2009 (either the summer or winter survey period). Payment durations of buyers from Poland, Belgium and the Netherlands peaked in summer 2008, with payment durations of Belgian buyers falling in summer 2009 and of Polish buyers in winter 2010. Payment durations of buyers from the Netherlands have been unchanged over the past two years.

Overall, according to respondents, the frequency of payment delays has been on the decline. In general, the frequency of payment delays peaked in summer 2008. While there have been some cases of delays climbing from lows in 2009 (Russia and Asia Pacific), according to our respondents, the frequency of payment delays in most countries has either declined or stayed relatively consistent over the past two years. This likely reflects more prudent credit management since the financial crisis began in 2008.

In most cases there has not been much fluctuation in the frequency of payment defaults over time. Ireland, Greece and Africa had the highest reported frequency of payment defaults in winter 2010. For the most part however, payment defaults are considered to occur very infrequently. Norwegian buyers are said to default the least frequently or close to never.

Conclusions 2.6

In general, the winter 2010 survey results suggest an improvement in payment behaviour. Businesses, on average, are paying 6 days faster than in the summer 2009 survey period. Only the Netherlands and Sweden responses showed an increase, and that was only of one day. Average payment terms were relatively stable adding only one day (average of countries surveyed) from summer 2009 payment terms. Despite this, respondents were rather critical of customers' payment behaviour (only Great Britain and France gave more favourable ratings in winter 2010 than they did in summer 2009 and of these two only Great Britain showed a significant improvement) reflecting the quite tense times that European economies were still facing in autumn 2009 and winter 2010.

One of the most striking findings in the winter 2010 survey was the assessment of domestic payment behaviour given by companies in Denmark and Sweden. In these two countries, the perception was of an overall continuous worsening of domestic payment behaviour over the four survey periods. It is striking because it originates from countries which in past surveys always topped the domestic payment behaviour evaluation scale. On the other side of the coin, there was an overall increased optimism about the payment behaviour of domestic customers in Great Britain and France, particularly in comparison to one year ago. This was due to British and French suppliers receiving their domestic payments noticeably sooner than in the past. The survey findings suggest a partially different picture of foreign payment behaviour. In general, the companies surveyed rated their foreign customers' payment behaviour more positively than that of domestic customers. However if compared to the previous survey periods, quite a few countries with a positive opinion about foreign payment behaviour in the past (Denmark, Sweden, Belgium and the Netherlands, which were the only countries in which an improvement in payment duration was not reported) were now somewhat less optimistic about the payment behaviour of their foreign customers. Despite faster payment of invoices according to winter 2010 survey responses (37 days compared to 42 days in summer 2009), only France had slightly higher ratings than in summer 2009. The responses emphasise that payment risks remain a crucial issue for companies, particularly in these times of gradual economic recovery.

Core results Belgium 3.1

Credit management features

- Average payment term: 31 days (average payment term in Europe: 32 days)
- 54% of the respondents differentiated their payment terms by the country or industry of their buyers

56% of the respondents in Belgium set their payment terms in the range of 30 days to 59 days, and the corresponding average payment term was 31 days in winter 2010 (compared to 33 days in summer 2009, 34 days in winter 2009 and 35 days in summer 2008). This winter 2010 average was slightly faster than the average European payment term. 54% of the Belgian respondents differentiated their payment terms by the country or industry of their buyers (overall European average: 52%). Compared to prior survey periods, Belgian responses appear to be consolidating within the range established during the financial crisis in 2009 (52% of respondents in summer 2009 and 58% in winter 2009), but still above the levels of summer 2008 (48%). The companies surveyed were asked to rank in order of importance a few specific criteria which play an important role in the decision to sell products or services on credit terms: Belgian respondents ranked track record first in terms of importance, followed by reputation and familiarity.

Domestic payment behaviour

- Average rating: “fair” to “good”
- Average domestic payment duration: 38 days (European average: 36 days)
- Average domestic payment delay: 7 days
- Frequency of domestic payment delays and payment defaults: almost as frequent as in 2009 and summer 2008.

71% of the respondents in Belgium assessed domestic payment behaviour as ranging from “fair” to “good”. The assessment was relatively in line with the overall European average rating of domestic payment behaviour. While Belgian respondents consistently rated domestic payment behaviour as “fair” to “good” over the last two years, payment duration (the number of days it takes customers to pay) has consistently come down. In winter 2010, it took domestic customers on average 38 days to pay their invoices (compared to 41 days in summer 2009, 44 days in winter 2009 and 46 days in summer 2008). This was relatively consistent with the European average. “The improvement in domestic payment duration is most visible since the last quarter of 2009, mainly in the building and industrial sectors” says Claude Troussart, Atradius RS Executive Manager in Belgium. “The government has kept its promise and, since the beginning of 2009, invoices are being paid more and more within payment terms. There is also the increasing influence of cash payments either requested by the larger companies or driven by reductions in credit insurance.” Belgian respondents received their domestic payments within 7 days of the average payment term (compared to 8 days in summer 2009, 10 days in winter 2009 and 11 days in summer 2008). According to Belgian respondents, domestic payment delays decreased in comparison to the previous survey periods. “The decrease in domestic payment delays derives from two major drivers in the Belgian economy, the government and the building sector, which showed an improvement in their payment pattern.” added Troussart. Domestic payment defaults occurred almost as frequently as in the previous survey periods.

The Belgian companies surveyed were asked which industry, in their country, they considered represented the best and worst payers. A mixed opinion was expressed about the public sector (Government / Local authorities) which topped the ranking of both best and worst payers in the country. The Chemical / Pharmaceutical industry ranked second as best payer, whereas the Building and Construction industry ranked second as worst payer.

Foreign payment behaviour

- Average rating: "fair" to "good"
- Average foreign payment duration: 45 days (European average: 36 days)
- Average foreign payment delay: 14 days
- Frequency of foreign payment delays and payment defaults: almost as frequent as in 2009 and summer 2008.

65% of the respondents in Belgium assessed foreign payment behaviour as ranging from "fair" to "good". The assessment was almost in line with that of domestic payment behaviour and considerably below the overall European average rating of foreign payment behaviour. Though still "fair" to "good", Belgian respondents have perceived a worsening of foreign payment behaviour in comparison to 2009 and summer 2008. Since summer 2008 the average evaluation has slipped from 2.9 to 2.5. Despite a fairly consistent payment duration, shorter payment terms have resulted in this less favourable rating, This finding is in line with the following data: in winter 2010, it took foreign customers on average 45 days to pay their invoices (compared to 44 days in summer 2009, 45 days in winter 2009 and 43 days in summer 2008), which was above the average foreign payment duration in Europe. This means that Belgian respondents received their foreign payments within 14 days of the average payment term (compared to 11 days over the course of 2009 and 8 days in summer 2008). Of the European countries surveyed, Belgium stands out as the country with the longest payment delays from foreign customers. According to Belgian respondents, foreign payment delays as well as foreign payment defaults occurred almost as frequently as in the previous survey periods. The Belgian companies surveyed were most satisfied with their business relationships with French buyers (27% of the respondents), followed by Dutch buyers (25%) and then German buyers (21%).

Customers' payment behaviour by country of origin

- Average rating: "good"
- Average payment duration of Belgian customers: 35 days
- Payment delays from Belgian customers: as often as in 2009, less often than in summer 2008
- Payment defaults from Belgian customers: relatively consistent across survey periods.

International business partners assessed the payment behaviour of Belgian customers more favourably than did domestic business partners, describing it as "good". This evaluation was consistent with previous survey periods. In winter 2010, it took Belgian companies 35 days to pay their international business partners, the same as in summer 2009 but improved compared to 39 days in winter 2009 and 41 days in summer 2008. International business partners reported that payment delays by Belgian customers occurred almost as often as in 2009, and less often than in summer 2008. Payment defaults by Belgian customers were reported to occur at about the same rate as in previous survey periods.

Core results Denmark 3.2

Credit management features

- Average payment term: 26 days (average payment term in Europe: 32 days)
- 53% of the respondents differentiated their payment terms by the country or industry of their buyers

56% of the respondents in Denmark set their payment terms in the range from 30 days to 59 days and 40% less than 30 days. Correspondingly, the average payment term was 26 days in winter 2010 (compared to 30 days in summer 2009, 35 days in winter 2009 and 29 days in summer). This was noticeably below the average European payment term. "The average payment term decreased so much, particularly in comparison to winter 2009, due to the recession and the more difficult risk environment" says Erik Skovgaard Nielsen, Country Coordinator in Atradius Denmark. "Less credit cover available and more focus on cash flow has resulted in more trade on cash basis or shorter credit terms." 53% of the Danish respondents differentiated their payment terms by the country or industry of their buyers (overall European average: 52%). Danish respondents were as likely to use differentiated payment terms as in winter 2009 (52% of the respondents), and slightly more likely than in both summer 2009 and summer 2008 (46% and 47% respectively). The companies surveyed were asked to rank in order of importance a few specific criteria which play an important role in the decision to sell products or services on credit terms: Danish respondents ranked familiarity first in terms of importance, followed by credit check.

Domestic payment behaviour

- Average rating: "fair" to "good"
- Average domestic payment duration: 28 days (overall average in Europe: 36 days)
- Average domestic payment delay: 2 days
- Frequency of domestic payment delays: consistent across survey periods
- Frequency of domestic payment defaults: as often as in 2009, marginal improvement over survey periods

79% of the respondents in Denmark assessed domestic payment behaviour as ranging from "fair" to "good". The evaluation was fairly consistent with the overall European average rating of domestic payment behaviour. Danish respondents perceived a worsening in domestic payment behaviour in comparison to 2009 and summer 2008. This perception reflects the following data: in winter 2010, it took domestic customers 28 days to pay their invoices, as was the case in summer 2009 (compared to 30 days in winter 2009 and 29 days in summer 2008). This was noticeably below the average domestic payment duration in Europe. In winter 2010, Danish respondents received their payments within 2 days of the average payment term (compared to 2 days earlier in summer 2009, 5 days earlier in winter 2009 and at the due date in summer 2008). According to Danish respondents, domestic payment delays occurred as often as in 2009, and slightly less frequently than in summer 2008. Payment defaults from domestic customers occurred almost as often as in 2009, and less often than in summer 2008.

In Denmark, the companies surveyed were asked which industry, in their country, they considered represented the best and worst payers. The public sector (Government / Local authorities) topped the list of best and worst payers in Denmark. The percentage of respondents having a good opinion however was much larger than that with a bad opinion. The Trade / Wholesale industry ranked second as best payer, whereas companies operating in the Building and Construction industry ranked second as worst payers.

Foreign payment behaviour

- Average rating: ″fair″ to “good″
- Average foreign payment duration: 33 days (European average: 36 days)
- Average foreign payment delay: 7 days
- Frequency of foreign payment delays: almost as frequently as in summer 2009, less often than in both winter 2009 and summer 2008
- Frequency of foreign payment defaults: less often than in summer 2008, at about the same frequency as in 2009

67% of the Danish respondents assessed foreign payment behaviour as being “fair″ to “good″. This assessment was slightly more favourable than that of domestic payment behaviour and a little less favourable than the overall European average rating of foreign payment behaviour.

Danish respondents perceived an overall deterioration in foreign payment behaviour in comparison to 2009 and to summer 2008. This perception is consistent with the following data: in winter 2010, it took foreign customers 33 days to pay their invoices (as in both summer 2009 and summer 2008, and compared to 37 days in winter 2009), which was shorter than the European average foreign payment duration. This means that Danish respondents received their foreign payments within 7 days of the average payment term (compared to 3 days in summer 2009, 2 days in winter 2009 and 4 days in summer 2008). According to Danish respondents, payment delays from foreign customers occurred almost as frequently as in summer 2009, and less often that in both winter 2009 and summer 2008. Erik Skovgaard Nielsen added, “This is due to an Increase in advance payments, cash payments and shorter credit terms overall. Especially in trading with companies in Eastern European countries and other emerging markets a significant shift in credit terms from open account to cash terms took place.″ Payment defaults have consistently declined since summer 2008. The Danish companies surveyed had the most satisfying business relationships with Swedish buyers (26% of the respondents), German buyers (22%), and Norwegian buyers (19%). Only 1% of the Danish respondents were most satisfied with their business relationships with buyers in France.

Customers′ payment behaviour by country of origin

- Average rating: “good″
- Average payment duration of Denmark customers: 32 days
- Payment delays from Danish customers: increased to winter 2009 levels
- Payment defaults from Danish customers: fairly consistent over survey periods

International business partners assessed the payment behaviour of Danish companies more favourably than did domestic business partners, describing it as “good″. This evaluation was somewhat lower than previous survey periods. In winter 2010, it took Danish customers 32 days to pay their foreign business partners (compared to 29 days in summer 2009, 35 days in winter 2009 and 31 days in summer 2008). Payment delays as well as payment defaults by Danish customers were reported by international business partners to have increased in winter 2010. This increase was marginal for payment defaults but more meaningful for payment delays.

Core results France 3.3

Credit management features –

- Average payment term: 33 days (average payment term in Europe: 32 days)
- 48% of the respondents differentiated their payment terms by the country or industry of their buyers

58% of the respondents in France set their payment terms in the range of 30 days to 59 days. Correspondingly the average payment term was 33 days in winter 2010 (compared to 38 days in summer 2009, 46 days in winter 2009 and 40 days in summer 2008). This was quite similar to the average payment term at the European level. 48% of the French respondents differentiated their payment terms by the country or industry of their buyers (overall European average: 52%). French respondents were slightly more likely to use differentiated payment terms than they were in 2009 (51% of respondents in summer 2009 and 50% in winter 2009), and more likely to than in summer 2008 (43%). The companies surveyed were asked to rank in order of importance a few specific criteria which play an important role in the decision to sell products or services on credit terms: French respondents ranked track record first in terms of importance, followed by familiarity and reputation.

Domestic payment behaviour

- Average rating: quite "good"
- Average domestic payment duration: 33 days (European average: 36 days)
- Average domestic payment delay: 0 days
- Frequency of domestic payment delays and payment defaults:
  delays improved, defaults fairly consistent with the previous survey periods

52% of the respondents in France assessed domestic payment behaviour as ranging from "good" to "excellent". The average assessment was fairly consistent with the overall European average rating of domestic payment behaviour and more favourable than that in the previous survey periods. An overall improvement in domestic payment behaviour was perceived by the French respondents in comparison to 2009 and summer 2008. This positive perception is consistent with the following data: in winter 2010, it took domestic customers, on average, 33 days to pay their invoices (compared to 37 days in summer 2009, 55 days in winter 2009 and 51 days in summer 2008). European averages over the same respective survey periods were 39, 45, 48 and 46 days. This means that French respondents received their domestic payments by the due date, in line with summer 2009, whereas the average payment delay was 9 days in winter 2009, and 11 days in summer 2008. Of the countries surveyed, France stands out as the only country in which domestic payments were, on average, received on the due date. "The improvement is more visible since the last quarter of 2009 as the government has respected its commitment to pay invoices within payment terms" says Cristophe Cataldo, Atradius Risk Services Executive Manager in France. "Also building sectors improved their payment delays. This decrease has been amplified by the Companies Modernisation Law effect. The decreased trend of domestic payment duration had already begun for several years, except in winter 2009 which saw an increase connected to the crisis context. In winter 2010, in exit crisis context, we came back to the trend of decrease primed before crisis, also amplified by the impact of the Companies Modernisation Law". According to French respondents, domestic payment delays occurred slightly less frequently than in previous survey periods. "The decrease in long domestic payment delays explains the low frequency of domestic payment delays. Indeed the government and the building sector, reveal an improvement in their payment pattern" adds Cataldo. Domestic payment defaults occurred almost as frequently as in summer 2009, but in line with earlier survey periods.

The companies surveyed in France were asked which industry, in their country, they considered represented the best and worst payers. Mixed opinions were expressed regarding both the top two ranked industries. The public sector (Government / Local authorities) topped the list of both the best and worst payers in the country while companies operating in the Trade / Wholesale industry ranked second in France both as best payers and worst payers. In both cases however a higher percentage of respondents found them to be the worst payers than did the best payers.

Foreign payment behaviour

- Average rating: “good”
- Average foreign payment duration: 33 days (European average: 36 days)
- Average foreign payment delay: 0 days
- Frequency of foreign payment delays: almost as often as in 2009, less often than in both summer 2009 and summer 2008
- Frequency of foreign payment defaults: almost as often as in the previous survey periods.

57% of the respondents in France assessed foreign payment behaviour as “good” to “excellent”. This average assessment was more favourable than that of domestic payment behaviour and quite similar to the overall European average rating of foreign payment behaviour. French respondents perceived no marked difference in foreign payment behaviour in comparison to summer 2009 and summer 2008, whereas a significant improvement was perceived in comparison to winter 2009. This perception is in line with the following data: in winter 2010, it took foreign customers, on average, 33 days to pay their invoices (compared to 41 days in summer 2009, 51 days in winter 2009 and 42 days in summer 2008. This means that, on average, in winter 2010 French respondents received their foreign payments on the due date (compared to 2 days after the due date in both summer 2009 and summer 2008 and 5 days later than the due date in winter 2009). “As French companies improved their payment practices and delays and are focusing more and more on their cash flow, they require their foreign customers to respect payment conditions.” adds Cataldo. According to French respondents, foreign payment delays occurred almost as often as in winter 2009 and less often than in both summer 2009 and summer 2008 suggesting there could be some seasonality in French payment behaviour. “Taking into account the credit crisis lessons, French companies are focusing more and more on optimisation of their Working Capital Requirements. Therefore, they have reinforced their credit management procedures and their accounts receivables follow-up. The positive impact of these measures can be seen in winter 2010” concludes Catalgo.Payment defaults from foreign customers were reported to occur almost as often as in the previous survey periods. 38% of the French respondents stated that the buyers with whom they had the most satisfying business relationships were the Germans. Only 1% of the French respondents were most satisfied with their business relationships with the Dutch buyers.

Customers’ payment behaviour by country of origin

- Average rating: “good”
- Average payment duration of French customers: 40 days
- Payment delays and payment defaults from French customers: relatively consistent with 2009 and summer 2008

On average, international business partners assessed the payment behaviour of French customers almost as favourably as did domestic business partners, describing it as “good”. This assessment was more favourable than in winter 2009 and in line with both the summer survey periods. In winter 2010, it took French customers 40 days to pay their international business partners (compared to 47 days in summer 2009, 51 days in winter 2009 and 48 days in summer 2008). Payments delays as well as payment defaults from French customers were reported by international business partners to occur about as frequently as in the previous survey periods.

Core results Germany 3.4

Credit management features

- Average payment term: 19 days (average payment term in Europe: 32 days)
- 35% of the respondents differentiated their payment terms by the country or industry of their buyers

65% of the respondents in Germany set payment terms of less than 30 days, subsequently the average payment term was 19 days in winter 2010 (compared to 22 days in summer 2009 and 24 days in both winter 2009 and summer 2008). Of the countries surveyed, Germany stands out as the country with the most rigorous average payment term, which was significantly below the average European payment term. "The suppliers are rewarded for their intensified and more rigorous receivables management now" says Michael Karrenberg, Atradius Risk Services Director Germany, Central & Eastern Europe. "In the course of the economic crisis, many companies have shortened their payment terms in order to secure liquidity. First the market did not accept this but now the measures seem to have taken effect." 35% of the German respondents differentiated their terms of payment by the country or industry of their buyers (overall European average: 52%). This means that German respondents were less likely to use differentiated payment terms in winter 2010 than in 2009 and in summer 2008 (42% of the respondents in summer 2009 and 51% in both winter 2009 and summer 2008). The companies surveyed were asked to rank in order of importance a few specific criteria which play an important role in the decision to sell products or services on credit terms: German respondents ranked track record first in terms of importance, followed by credit check and familiarity.

Domestic payment behaviour

- Average rating: "fair" to "good"
- Average domestic payment duration: 22 days (European average: 36 days)
- Average domestic payment delay: 3 days
- Frequency of domestic payment delays: fairly consistent over survey periods
- Frequency of domestic payment defaults: fairly consistent over survey periods

74% of the respondents in Germany assessed domestic payment behaviour as ranging from "fair" to "good". The assessment was fairly consistent with the overall European average rating of domestic payment behaviour. German respondents perceived no marked difference in domestic payment behaviour over the four survey periods measured. This perception is consistent with the following data: in winter 2010, it took domestic customers on average 22 days to pay their invoices (compared to 28 days in both summer and winter 2009 and 25 days in summer 2008), which was noticeably below the average domestic payment duration in Europe. This means that German respondents received their domestic payments within 3 days of the average payment term (compared to 6 days in summer 2009, 4 days in winter 2009 and 1 day in summer 2008). "Short payment durations are very important for the liquidity of a company" adds Michael Karrenberg. "For example, if the invoices of a medium-sized company are paid only one day faster on average, the company reduces its financing need by at least one million Euros. The reduction of the payment duration in Germany from 28 days in summer 2009 to now 22 days, thus, represents a substantial liquidity buffer.

"However, it is too early to give the all-clear" concludes Karrenberg. "The need for financing will rise again in line with increasing sales in the course of the economic upswing. At the same time, due to the economic crisis most 2009 balance sheets will look worse compared to 2008. Therefore, it is so important to base credit decisions not only on data of the past but also on realistic forecasts for every single company." According to German respondents, domestic payment delays and defaults have remained consistent over the four survey periods.

The German companies surveyed were asked which industry, in their country, they considered represented the best and worst payers. Companies operating in the Retail sector were considered to be the best payers, followed by companies operating in the Trade / Wholesale sector. The Services sector ranked first as worst payers, followed by the Building and Construction industry.

Foreign payment behaviour

- Average rating: "good"
- Average foreign payment duration: 25 days (European average: 36 days)
- Average foreign payment delay: 6 days
- Frequency of foreign payment delays: as often as in winter 2009, less often than in both summer 2009 and summer 2008
- Frequency of foreign payment defaults: fairly consistent with the previous survey periods.

59% of the respondents in Germany assessed foreign payment behaviour as ranging from "good" to "excellent". This assessment was more favourable than that of domestic payment behaviour and consistent with the overall European average rating of foreign payment behaviour. German respondents perceived no marked difference in foreign payment behaviour in comparison to 2009 and summer 2008. This perception is in line with the data related to winter 2009 and summer 2008, but contrasts the data related to summer 2009. In winter 2010, it took foreign customers on average 25 days to pay their invoices, which was noticeably below the average foreign payment duration in Europe. Payment duration was 36 days in summer 2009, 31 days in winter 2009 and 32 days in summer 2008. This means that in winter 2010 German respondents received their payments within 6 days of the average payment term (compared to 14 days in summer 2009, 7 days in winter 2009 and 8 days in summer 2008). According to German respondents, payment delays from foreign customers occurred as often as in winter 2009 and less often than in both summer 2009 and summer 2008. Foreign payment defaults were reported to occur at approximately the same frequency over the four survey periods. The German companies surveyed had the most satisfying business relationship with Austrian buyers (18% of the respondents), Swiss buyers (15%) and Dutch buyers (21%). Only 5% of the German respondents were most satisfied with their business relationships with buyers in France.

Customers' payment behaviour by country of origin

- Average rating: "good"
- Average payment duration of German customers: 34 days
- Payment delays from German customers: gradually declining since summer 2008
- Payment defaults from German customers: consistent with summer 2009 and 2008

International business partners assessed the payment behaviour of German customers more favourably than did domestic business partners, describing it as "good". Of the countries surveyed, Germany stands out as the country with the largest difference between the evaluation given by international business partners and that of domestic business partners. This assessment was marginally less favourable than in both summer 2009 and summer 2008, and marginally more favourable than that of winter 2009. In winter 2010, it took German customers 34 days to pay their international business partners (compared to 35 days in summer 2009, 43 days in winter 2009 and 36 days in summer 2008). Payment delays by German customers were reported by international business partners as occurring almost as frequently as in 2009, and less often than in summer 2008. Payment defaults occurred at approximately the same frequency as previous survey periods.

Core results Great Britain 3.5

Credit management features

- Average payment term: 26 days (average payment term in Europe: 32 days)
- 69% of the respondents differentiated their payment terms by the country or industry of their buyers

55% of the respondents in Great Britain set payment terms of less than 30 days, resulting in an average payment term of 26 days in winter 2010 (compared 28 days in summer 2009, 32 days in winter 2009 and 31 days in summer 2008). This was noticeably below the average European payment term. 69% of the British respondents differentiated their terms of payment by the country or industry of their buyers (overall European average: 52%). British respondents were more likely to use differentiated payment terms than in summer 2009 (53% of the respondents), in winter 2009 (48%) and in summer 2008 (46%). The companies surveyed were asked to rank in order of importance a few specific criteria which play an important role in the decision to sell products or services on credit terms: British respondents ranked credit check first in terms of importance, followed by reputation and track record.

Domestic payment behaviour

- Average rating: “good”
- Average domestic payment duration: 27 days (European average: 36 days)
- Average domestic payment delay: 1 day
- Frequency of domestic payment delays: about the same frequency as in 2009 and less often than in the summer 2008
- Frequency of domestic payment defaults: noticeably more often than in 2009, at same frequency as in summer 2008.

74% of the respondents in Great Britain assessed domestic payment behaviour as ranging from “good” to “excellent”. Of the European countries surveyed, Great Britain stands out as the country with the most positive evaluation of its domestic payment behaviour. This assessment was considerably better than the average rating of domestic payment behaviour of the European countries surveyed. Compared to winter 2009 a significant improvement in domestic payment behaviour was perceived by British respondents. The improvement in comparison to summer 2009 and summer 2008 however was marginal. This positive perception is consistent with the following data: in winter 2010, it took domestic customers on average 27 days to pay their invoices (compared to 35 days in summer 2009, 41 days in winter 2009 and 38 days in summer 2008), which was noticeably below the average domestic payment duration in Europe. This means that British respondents received their domestic payments within 1 day of the average payment term (compared to 7 days in both summer 2009 and summer 2008, and to 9 days in winter 2009). Despite the drop in the number of days it took customers to pay, according to British respondents, domestic payment delays occurred almost as frequently as in summer 2009 and less often than in the previous survey periods. Payment defaults from domestic customers were reported to occur more often than in 2009, and in line with summer 2008.

The companies surveyed in Great Britain were asked which industry, in their country, they considered represented the best and worst payers. Companies operating in the Financial Services sector were considered to be the best payers, followed by companies operating in the Education sector. The Building and Construction sector ranked first as worst payer, followed by both the Retail and the Services sectors.

Foreign payment behaviour

- Average rating: "good" to "very good"
- Average foreign payment duration: 26 days (European average: 36 days)
- Average foreign payment delay: 0 days
- Frequency of foreign payment delays and foreign payment defaults: noticeably more often than in 2009, slightly more frequently than in summer 2008

85% of the respondents in Great Britain assessed foreign payment behaviour as ranging from "good" to "excellent". The assessment was more favourable than that of domestic payment behaviour and significantly better than the overall European average rating of foreign payment behaviour. Of the European countries surveyed, Great Britain stands out as the country with the most positive evaluation of its foreign customers' payment behaviour. Except for winter 2009, British respondents perceived almost no difference in foreign payment behaviour in comparison to the previous survey periods. This finding is consistent with the following data: in winter 2010, it took foreign customers, on average, 26 days to pay their invoices (compared to 30 days in summer 2009, 43 days in winter 2009 and 33 days in summer 2008), which was noticeably below the average foreign payment duration in Europe in winter 2010. This means that British respondents received their payments from foreign customers at the due date (compared to 2 days late in both summer 2009 and summer 2008, and 11 days late in winter 2009). According to British respondents, foreign payment delays as well as payment defaults occurred more often than in 2009, and at about the same frequency as in summer 2008. The British companies surveyed had the most satisfying business relationships with German buyers (18% of the respondents), North American buyers (17%), Asia-Pacific buyers (14%) and French buyers (14%). Only 2% of the British respondents were most satisfied with their business relationships with the buyers in the Netherlands and in Belgium.

Customers' payment behaviour by country of origin

- Average rating: "fair" to "good"
- Average payment duration of British customers: 39 days
- Frequency of payment delays from British customers: less often than previous survey periods
- Frequency of payment defaults from British customers: fairly consistent with a gradual reduction in frequency

International business partners assessed the payment behaviour of British companies less favourably than did domestic business partners, describing it as "fair" to "good". Of all the countries surveyed, Great Britain stands out as the only country whose payment behaviour was rated more positively at domestic than at international level. This assessment was less positive than in both summer survey periods, and the same as in winter 2009. In winter 2010, it took British customers 39 days to pay their international business partners (compared to 43 days in summer 2009, 50 days in winter 2009 and 46 days in summer 2008). Payment delays by British customers were reported to occur less often than in the previous survey periods. Payment defaults were reported to occur less but almost as often as in the previous survey periods.

Core results Italy 3.6

Credit management features

- Average payment term: 60 days (average payment term in Europe: 32 days)
- 55% of the respondents differentiated their payment terms by the country or industry of their buyers

66% of the respondents in Italy set payment terms of 60 days or more, and correspondingly the average payment term was 60 days in winter 2010 (compared to 67 days in both summer and winter 2009 and 72 days in summer 2008). Of the European countries surveyed, Italy stands out as the country with the most tolerant average payment term, which was significantly above the average European payment term. 55% of the Italian respondents differentiated their payment terms by the country or industry of their buyers (overall European average: 52%). This means that the Italian respondents were almost as likely to use differentiated payment terms in winter 2010 as they were in 2009 (53% of respondents in summer 2009 and 58% in winter 2009), and more likely to use them than they were in summer 2008 (46%). The companies surveyed were asked to rank in order of importance a few specific criteria which play an important role in the decision to sell products or services on credit terms: Italian respondents ranked familiarity first in terms of importance, followed by track record and reputation.

Domestic payment behaviour

- Average rating: “fair”
- Average domestic payment duration: 72 days (European average: 36 days)
- Average domestic payment delay: 12 days
- Frequency of domestic payment delays and domestic payment defaults: almost as often as in 2009 and summer 2008

31% of the respondents in Italy assessed domestic payment behaviour as “fair”. 35% assessed it as poor. This assessment was significantly below the overall European average rating of domestic payment behaviour. Of the European countries surveyed, Italy stands out as the country with the most negative evaluation of its domestic payment behaviour. No marked difference in domestic payment behaviour was perceived by Italian respondents in comparison to 2009 and summer 2008. “The Italian payment performance is reflecting quite well how the crisis has affected the Italian economy” says Luca Colombo, RS Underwriting Manager at Atradius Italy. “Traditionally we are a country with longer average payment terms so it is not surprising that at the beginning of the crisis, during the summer of 2008, we were showing, on average, a significant gap with the European average to settle the debts. Looking at the picture from this perspective it is not strange that our performance was the worst in Europe during the crisis peak (Summer - Winter 2009). We can now say that we are slowly recovering the normal payment flows, and this is quite clear considering the 2010 figures shown in this survey, nevertheless the crisis is not over and to go back to a normal business level would take some more time.”

This perception is consistent with the following data: in winter 2010, it took domestic customers on average 72 days to pay their invoices (compared to 78 days in both summer and winter 2009 and to 84 days in summer 2008), which was significantly above the average domestic payment duration in Europe. This means that Italian respondents received their payments within 12 days of the average payment term (compared to 10 days in summer 2009, 11 days in winter 2009 and 12 days in summer 2008). According to Italian respondents, domestic payment delays as well as domestic payment defaults occurred at approximately the same frequency as in the previous survey periods.

The Italian companies surveyed were asked which industry, in their country, they considered represented the best and worst payers. Companies in the Building and Construction industry topped the ranking of worst payers in Italy, followed by the Retail sector which was second in the ranking of worst payers but also first in the rankings of best payers. The percentage of respondents who considered Retailers to be the best payers was slightly lower than the percentage who perceived them to be the worst payers.

Foreign payment behaviour

- Average rating: "good" (72% of the respondents)
- Average foreign payment duration: 56 days (European average: 36 days)
- Average foreign payment delay: 4 days earlier than the average payment term
- Frequency of foreign payment delays and foreign payment defaults:
  fairly consistent across survey periods

67% of the Italian respondents assessed foreign payment behaviour as "good" to "excellent". This assessment was more favourable than that of domestic payment behaviour and fairly consistent with the overall European average rating of foreign payment behaviour.

Italian respondents perceived no marked difference in foreign payment behaviour in comparison to 2009, and a worsening in comparison to summer 2008. This finding is consistent with the following data: in winter 2010, it took foreign customers on average 56 days to pay their invoices (compared to 66 days in both summer and winter 2009, and 55 days in summer 2008), which was significantly above the average foreign payment duration in Europe. In the winter 2010 period, Italian respondents received their payments from foreign customers on average 4 days earlier than the average payment term (compared to 1 day earlier in 2009 and 17 days earlier in summer 2008). According to Italian respondents, payment delays as well as payment defaults from foreign customers occurred at approximately the same frequency as in the previous survey periods. 21% of the Italian respondents stated that the buyers with whom they had the most satisfying business relationships were the Germans, followed by the French (11% of the respondents in Italy) and the North American buyers (10%). 6% of the Italian respondents were most satisfied with their business relationships with Austrian buyers.

Customers' payment behaviour by country of origin

- Average rating: "fair"
- Average payment duration of Italian customers: 41 days
- Payment delays and payment defaults from Italian customers:
  almost as often as in 2009 and summer 2008.

International business partners assessed the payment behaviour of Italian companies as "fair". The assessment was somewhat consistent with that of both summer surveys, and more favourable than in winter 2009. In winter 2010, it took Italian customers 41 days to pay their foreign business partners (compared to 49 days in summer 2009, 60 days in winter 2009 and 48 days in summer 2008). International business partners reported that payment delays as well as payment defaults by Italian customers occurred almost as often as in the previous survey periods.

Core results the Netherlands 3.7

Credit management features

- Average payment term: 30 days (average payment term in Europe: 32 days)
- 47% of the respondents differentiated their payment terms by the country or industry of their buyers

64% of the respondents in the Netherlands set their payment terms in the range of 30 days to 59 days, and correspondingly the average payment term was 30 days in winter 2010 (compared to 28 days in both summer 2009 and summer 2008, and to 33 days in winter 2009). 47% of the Dutch respondents differentiated their terms of payment by the country or industry of their buyers (overall European average: 52%). Dutch respondents were almost as likely to use differentiated payment terms as in summer 2009 (50% of the respondents) and in winter 2009 (52%), but less likely than in summer 2008 (60%). The companies surveyed were asked to rank in order of importance a few specific criteria which play an important role in the decision to sell products or services on credit terms: Dutch respondents ranked credit check first in terms of importance, followed by both track record and familiarity.

Domestic payment behaviour

- Average rating: “fair” to “good”
- Average domestic payment duration: 36 days (European average: 36 days)
- Average domestic payment delay: 6 days
- Frequency of domestic payment delays: gradually less frequently over survey periods
- Frequency of domestic payment defaults: less often than in 2009 and at the same rate as in summer 2008

78% of the respondents in the Netherlands assessed domestic payment behaviour as ranging from “fair” to “good”. The assessment was fairly consistent with the overall European average rating of domestic payment behaviour. No marked difference in domestic payment behaviour was perceived by Dutch respondents in comparison to 2009 and summer 2008. This finding is consistent with the following data: in winter 2010, it took domestic customers 36 days to pay their invoices (compared to 35 days in summer 2009, 37 days in winter 2009 and 38 days in summer 2008), slightly shorter than the average domestic payment duration in Europe. Dutch respondents received their payments within 6 days of the average payment term (compared to 7 days in summer 2009, 4 days in winter 2009 and 10 days in summer 2008). According to Dutch respondents, domestic payment delays occurred less often than in the previous survey periods. “Companies are much more aware of the importance of good credit management nowadays” says Bert Bruning, Atradius Country Coordinator in the Netherlands. “This is also reflected in the increased interest in our product credit insurance. But also banks are more restrictive in their credit granting to companies and have strict parameters about payment terms. The sooner one pays outstanding debts the more likely to get a bank loan. Financial institutions such as information services and credit insurers also look more in depth about how long it takes for a company (buyer) to settle their debts.” Domestic payment defaults occurred a little less often than in 2009, and at the same frequency as summer 2008.

The Dutch companies surveyed were asked which industry, in their country, they considered represented the best and worst payers. A mixed opinion was expressed about the public sector (Government / Local authorities) which topped the ranking of both the best and worst payers in the Netherlands. The percentage of respondents in the Netherlands which considered the public sector to be best and worst were some of the highest of any country. At the same time it is worth noting that a noticeably smaller percentage of respondents in the Netherlands considered the public sector, as being the best payers in the country than did the worst payers.

Foreign payment behaviour

- Average rating: “fair” to “good”
- Average foreign payment duration: 40 days (European average: 36 days)
- Average foreign payment delay: 10 days of the average payment term
- Frequency of foreign payment delays: less often than in 2009 and summer 2008
- Frequency of foreign payment defaults: less frequently than in 2009, at about the same frequency as summer 2008

72% of the Dutch respondents assessed foreign payment behaviour as ranging from “fair” to “good”. This assessment was quite similar to that of domestic payment behaviour and noticeably below the overall European average rating of foreign payment behaviour. Of the European countries surveyed, the Netherlands stands out as one of the two countries with the most negative evaluation of its foreign customers’ payment behaviour.

Foreign payment behaviour was perceived by Dutch respondents as worse than in 2009 and summer 2008. This finding contrasts the following data: in winter 2010, it took foreign customers 40 days to pay their invoices (compared to 38 days in summer 2009, 42 days in winter 2009 and 45 days in summer 2008), which was relatively consistent with the average foreign payment duration in Europe. This means that Dutch respondents received their payments from foreign customers within 10 days of the average payment term, (compared to 10 days in summer 2009, 9 days in winter 2009 and 17 days in summer 2008). According to Dutch respondents, foreign payment delays occurred almost as frequently as in 2009, and less often than in summer 2008. “Foreign companies are also much more aware of the importance of good credit management nowadays” adds Bruning. “Bank restrictions on lending and strict parameters about payment terms are just as, if not tougher when it comes to international business. Adhering to tight credit payment schedules is beneficial to buyers and suppliers are happy to help them maintain good payment practices, particularly during periods of economic uncertainty.” Foreign payment defaults were reported to occur less frequently than in 2009, and at approximately the same rate as in summer 2008. 39% of the Dutch respondents stated that they had the most satisfying business relationships with their buyers from Germany, followed by buyers from Belgium. (20% of the respondents). Only 2% of the Dutch respondents were most satisfied with their business relationships with buyers from France.

Customers’ payment behaviour by country of origin

- Average rating: “good”
- Average payment duration of Dutch customers: 35 days
- Payment delays and payment defaults from Dutch customers: almost as often as in 2009 and summer 2008

International business partners assessed the payment behaviour of Dutch customers more favourably than did domestic business partners, describing it as “good”. This evaluation however was less positive than in the previous survey periods. In winter 2010, it took Dutch customers 35 days to pay their foreign business partners. The Dutch have maintained the most consistent payment duration over the last two years of all the countries reviewed. Payment delays as well as payment defaults by Dutch customers were reported by international business partners to have occurred at approximately the same frequency as in 2009 and in summer 2008.

Core results Sweden 3.8

Credit management features

- Average payment term: 30 days (average payment term in Europe: 32 days)
- 51% of the respondents differentiated their payment terms by the country or industry of their buyers

70% of the respondents in Sweden set their payment terms in the range of 30 days to 59 days, resulting in an average payment term of 30 days in winter 2010 (compared to 31 days in summer 2009 and 30 days in winter 2009 and summer 2008). This was consistently below the average European payment term. 51% of the Swedish respondents differentiated their terms of payment by the country or industry of their buyers (overall European average: 52%). Swedish respondents were more likely to use differentiated payment terms than in summer 2009 (44% of the respondents), in winter 2009 (43%) and almost as likely to use differentiated payment terms as in summer 2008 (48%). “Swedish companies are among the last to change the credit conditions depending on the financial climate or the buyer country.” says Magnus Lindgren, Country Coordinator in Atradius Sweden. The companies surveyed were asked to rank in order of importance a few specific criteria which play an important role in the decision to sell products or services on credit terms: Swedish respondents ranked credit check first in terms of importance, followed by familiarity and reputation.

Domestic payment behaviour

- Average rating: “good”
- Average domestic payment duration: 31 days (overall average in Europe: 36 days)
- Average domestic payment delay: 1 day
- Frequency of domestic payment delays: consistent since 2009, noticeable improvement compared to summer 2008
- Frequency of domestic payment defaults: since improvement in winter 2009, small but gradual decline towards summer 2008 level

62% of the respondents in Sweden assessed domestic payment behaviour as “good” to “excellent”. This evaluation was the second highest of the countries surveyed however it does represent continued marginal slippage over the four survey periods. Despite the small declines in the assessment of payment behaviour, payment duration remained stable. In winter 2010, it took domestic customers 31 days to pay their invoices (compared to 30 days in both summer and winter 2009, and 31 days in summer 2008). This was below the average domestic payment duration in Europe. This means that Swedish respondents received their payments within 1 day of the average payment term (compared to 1 day earlier than the average payment term in summer 2009, on the due date in winter 2009 and within 1 day in summer 2008). According to Swedish respondents, domestic payment delays occurred at about the same frequency as in 2009, and less often than in summer 2008. Payment defaults from domestic customers occurred very infrequently, but slightly more frequently over the last two survey periods.

Companies surveyed in Sweden were asked which industry, in their country, they believed represented the best and worst payers. The public sector (Government / Local authorities) was considered as having the best payers, whereas companies operating in the Automotive industry were considered to be the worst payers. A mixed opinion was expressed about the Building and Construction industry which was considered to have the best and worst payers with a slightly larger percentage of respondents having a good opinion.

Foreign payment behaviour

- Average rating: “good”
- Average foreign payment duration: 36 days (European average: 36 days)
- Average foreign payment delay: 6 days
- Frequency of foreign payment delays and foreign payment defaults: almost as often as in 2009 but improved from summer 2008.

54% of the respondents assessed foreign payment behaviour as “good” to “excellent”. This assessment was relatively consistent with that of domestic payment behaviour and with the overall European average rating of foreign payment behaviour. Swedish respondents perceived a worsening of foreign payment behaviour in comparison to the previous survey periods. This perception reflects the following data relevant to the previous survey periods: in winter 2010 and summer 2009, it took foreign customers 36 days to pay their invoices. This compared to 32 days in summer 2009 and to 38 days in winter 2009. The 2010 average was consistent with the average European foreign payment duration. Swedish respondents received their foreign payments within 6 days of the average payment term in winter 2010 and summer 2008, within 1 day in summer 2009, and within 8 days in winter 2009). According to Swedish respondents, foreign payment delays occurred at about the same rate as in 2009 and foreign payment defaults have slowly declined in frequency since summer 2008. “In general, Swedish companies have a positive view upon the payment behaviour of foreign companies.” summarised Lindgren. The Swedish companies surveyed had the most satisfying business relationship with Norwegian buyers (26% of the respondents), Finnish buyers (20%), Danish buyers (13%) and German buyers (12%). Only 1% of the Swedish respondents were most satisfied with their business relationships with buyers in France.

Customers’ payment behaviour by country of origin

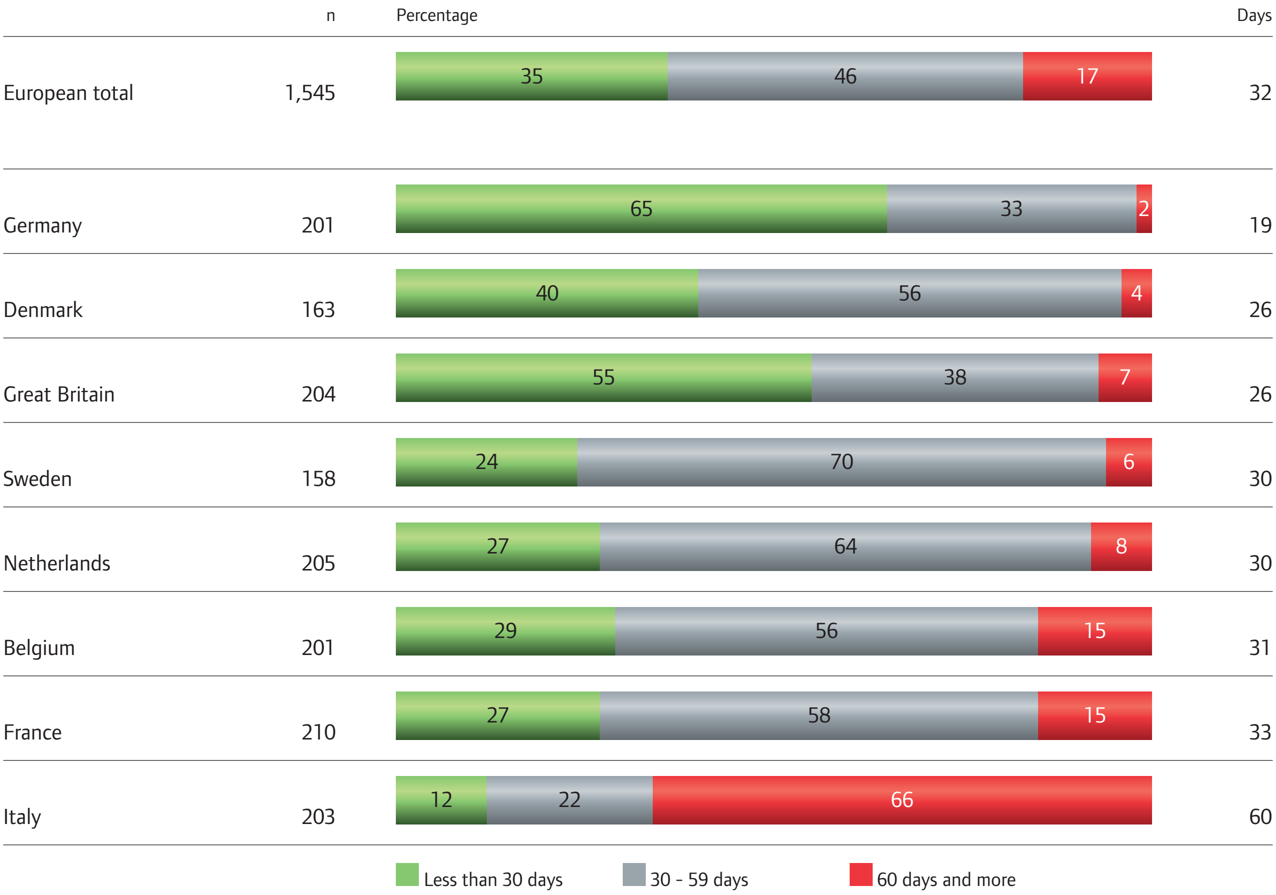
- Average rating: “good”
- Average payment duration of Swedish customers: 26 days
- Payment delays and payment defaults from Swedish customers: somewhat consistent over survey periods

International business partners assessed the payment behaviour of Swedish customers slightly more favourably than did domestic business partners, describing it as “good”. This evaluation however was not as favourable as that of the previous survey periods. In winter 2010, it took Swedish customers 26 days to pay their international business partners (compared to 32 days in summer 2009, 35 days in winter 2009 and 28 days in summer 2008. Payment delays by Swedish customers have continued their trend of small improvements and were reported by international business partners to have occurred slightly less frequently than in 2009 and summer 2008. Payment defaults have maintained the range of frequency established since summer 2008.

Established payment term

4.1

What terms of payment (in days) does your company set for its customers?



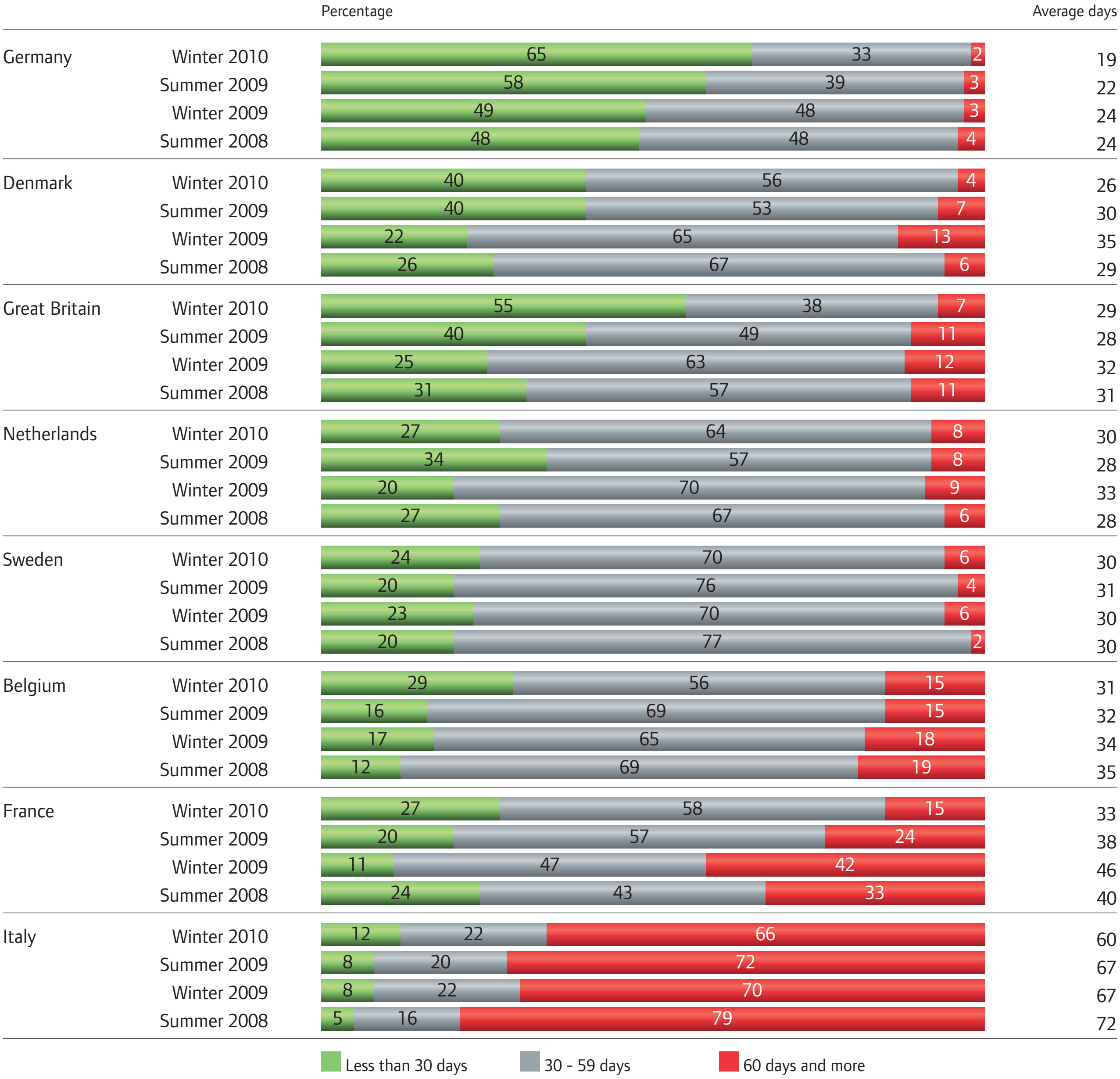
Basis: interviewed companies from respective countries
Source: Atradius Payment Practices Barometer

In the EU countries surveyed, the average payment term ranged from 19 days (respondents in Germany) to 60 days (respondents in Italy). The overall average payment term in Europe was 32 days.

Established payment term – over time comparison

4.2

What terms of payment (in days) does your company set for its customers?



Basis: interviewed companies from respective countries
Source: Atradius Payment Practices Barometer

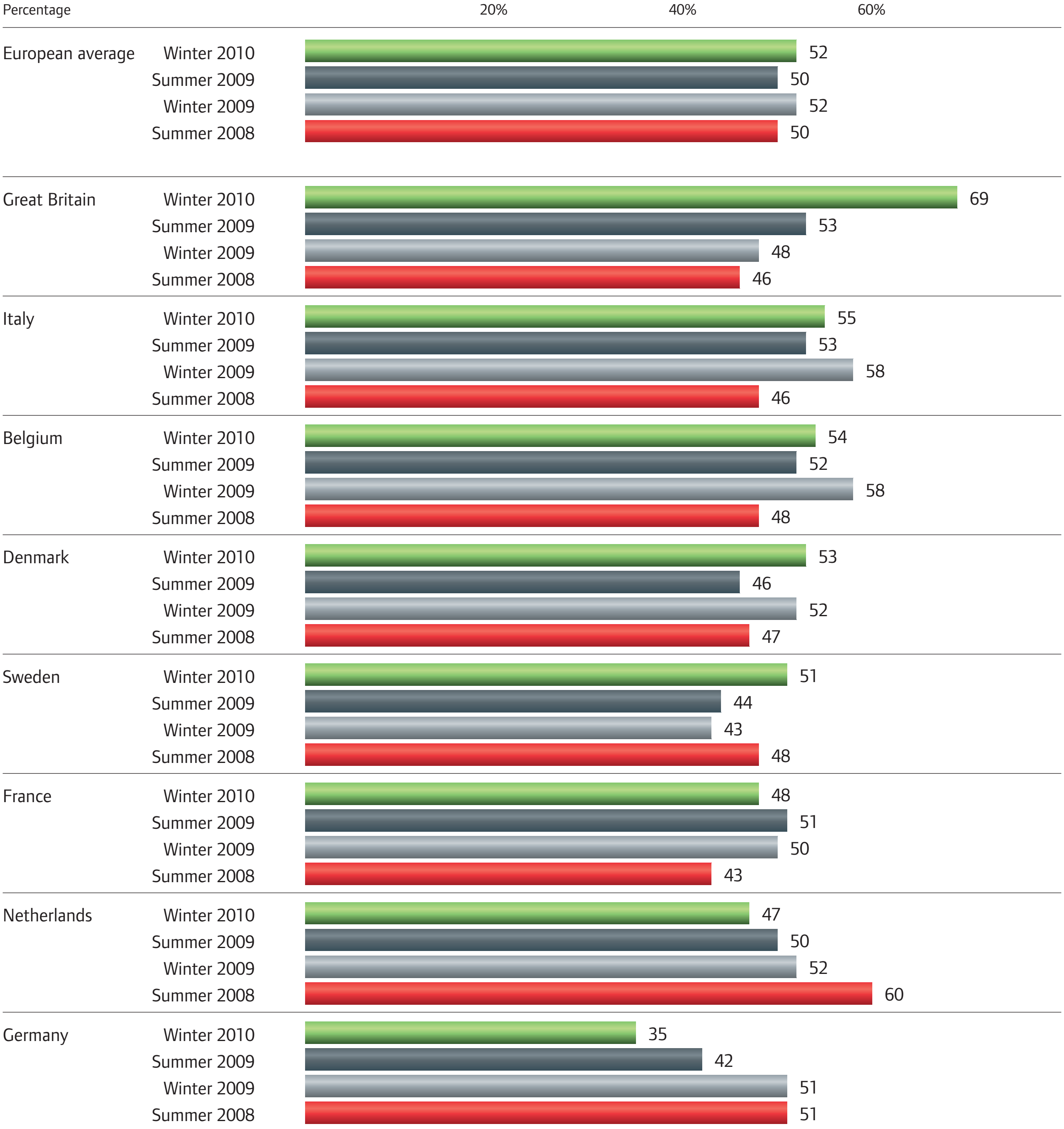
Overall average Europe	
Winter 2010	32 days
Summer 2009	39 days
Winter 2009	42 days
Summer 2008	39 days

Except for the Netherlands, the average payment term in the EU countries surveyed was generally shorter than in summer 2009. The most notable change was in the responses form Italy where a decrease of 7 days was recorded. Payment terms in the Netherlands, on average, increased by 2 days. In comparison to the previous survey periods, the average payment term was generally shorter in most markets, On average, payment terms have been shortening over the past year.

Differentiation of payment terms – over time comparison

4.3

Do terms of payment differ depending on which country and/or industry your buyer belongs to?



Basis: interviewed companies from respective countries
Source: Atradius Payment Practices Barometer

The use of differentiated payment terms according to the country or industry of the customers was most prevalent in Great Britain and least frequent in Germany. Usage in all the other countries was relatively close to the European average. There was quite a notable increase in use by respondents from Great Britain (69% in winter 2010 compared to 53% in summer 2009). Germany had the biggest decline in use of differentiated payment terms (35% in winter 2010 compared to 42% in summer 2009). In comparison to summer 2009, companies in France, the Netherlands and Germany were less likely to use different payment terms. Average responses from all the other countries showed an increase in use of differentiated payment terms. In comparison to the previous survey periods, data suggests there might be some seasonality in the responses from Italy, Belgium and Denmark.

Evaluation of domestic payment behaviour

5.1

If you bear in mind the last six months: how would you describe the payment behaviour of domestic companies?

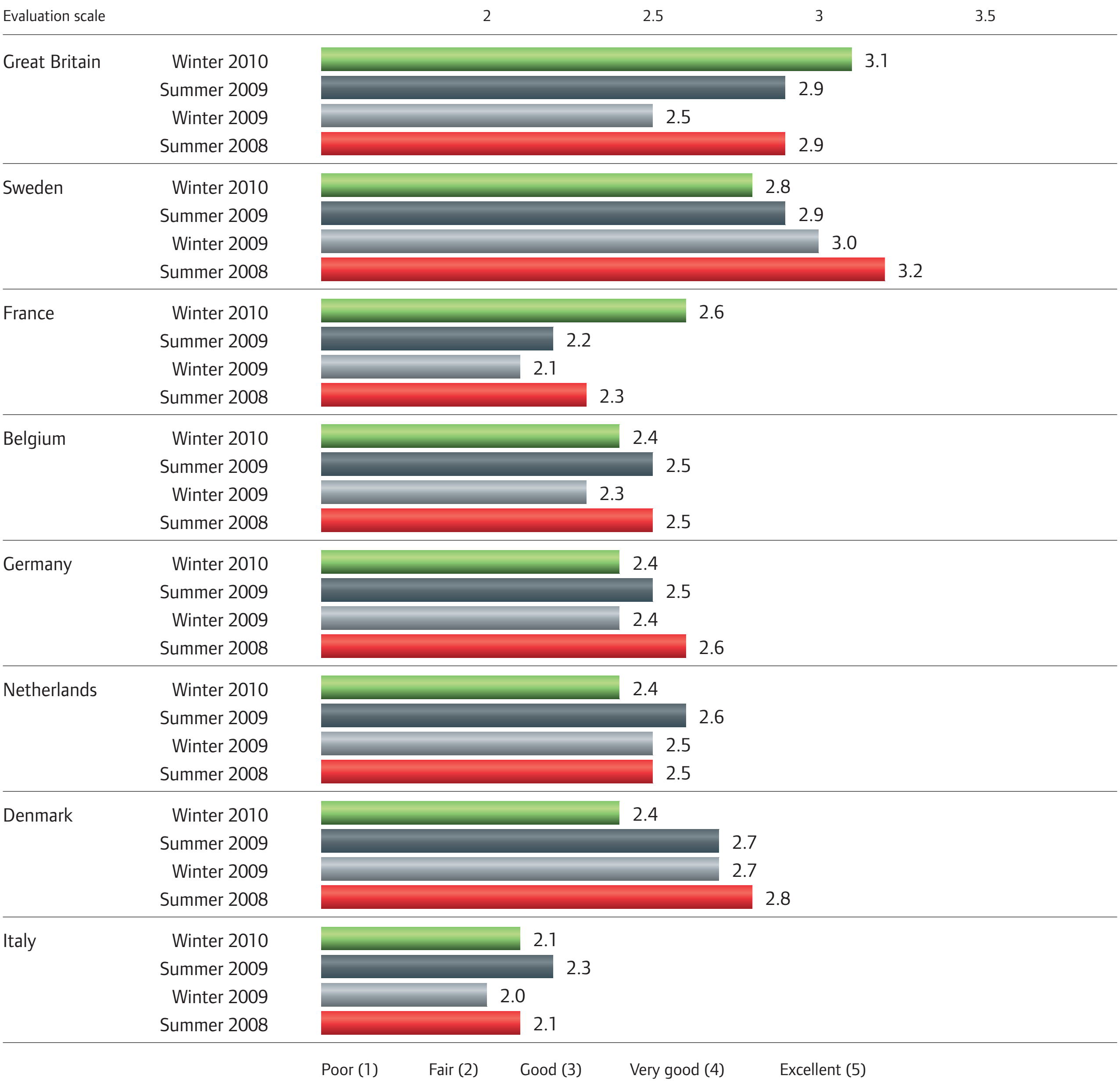
Basis: interviewed companies from respective countries
Note: the interpretation of the scale differs per country
Source: Atradius Payment Practices Barometer

The most positive self-perception of domestic payment behaviour was from companies in Great Britain. Italian companies had the most negative opinion of domestic payment behaviour. The average responses of companies in the majority of the surveyed countries were relatively consistent with the overall European average.

Evaluation of domestic payment behaviour – over time comparison

5.2

If you bear in mind the last six months: how would you describe the payment behaviour of domestic companies?



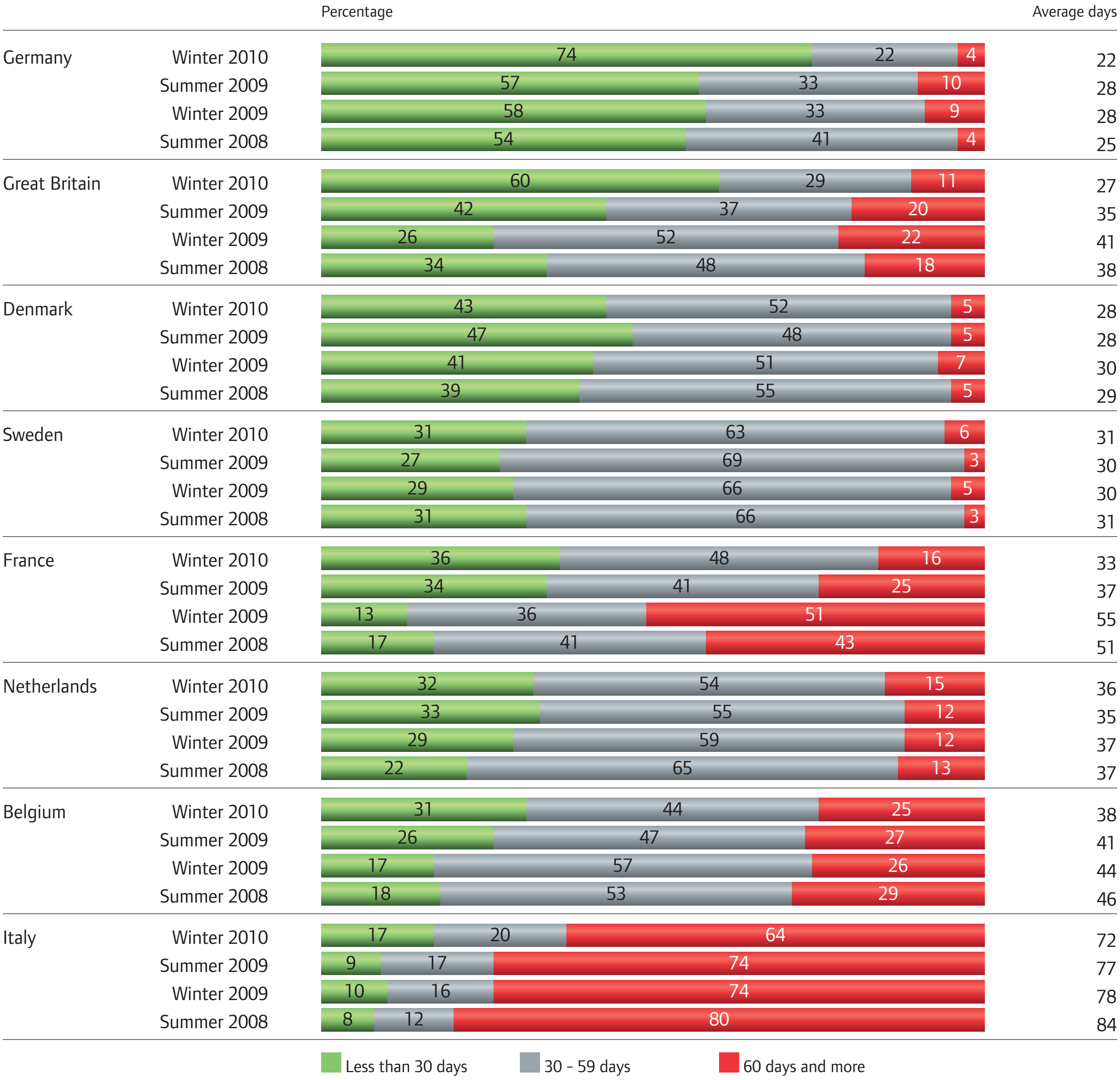
Basis: interviewed companies from respective countries
Source: Atradius Payment Practices Barometer

Overall average Europe	
Winter 2010	2.5
Summer 2009	2.5
Winter 2009	2.4
Summer 2008	2.6

In comparison to summer 2009, the most significant improvement in domestic payment behaviour was perceived in France followed by Great Britain. These two countries have also seen the most improvement, year-over-year. Except for Denmark, all the other countries perceived a slight deterioration or no significant change in domestic payment behaviour. In comparison to the previous survey periods, the most significant deterioration in domestic payment behaviour was perceived by companies in Sweden and Denmark.

Payment duration from domestic customers - over time comparison 5.3

How many days does it take, on average, for your domestic customers to pay their invoices?



Basis: interviewed companies from respective countries
Source: Atradius Payment Practices Barometer

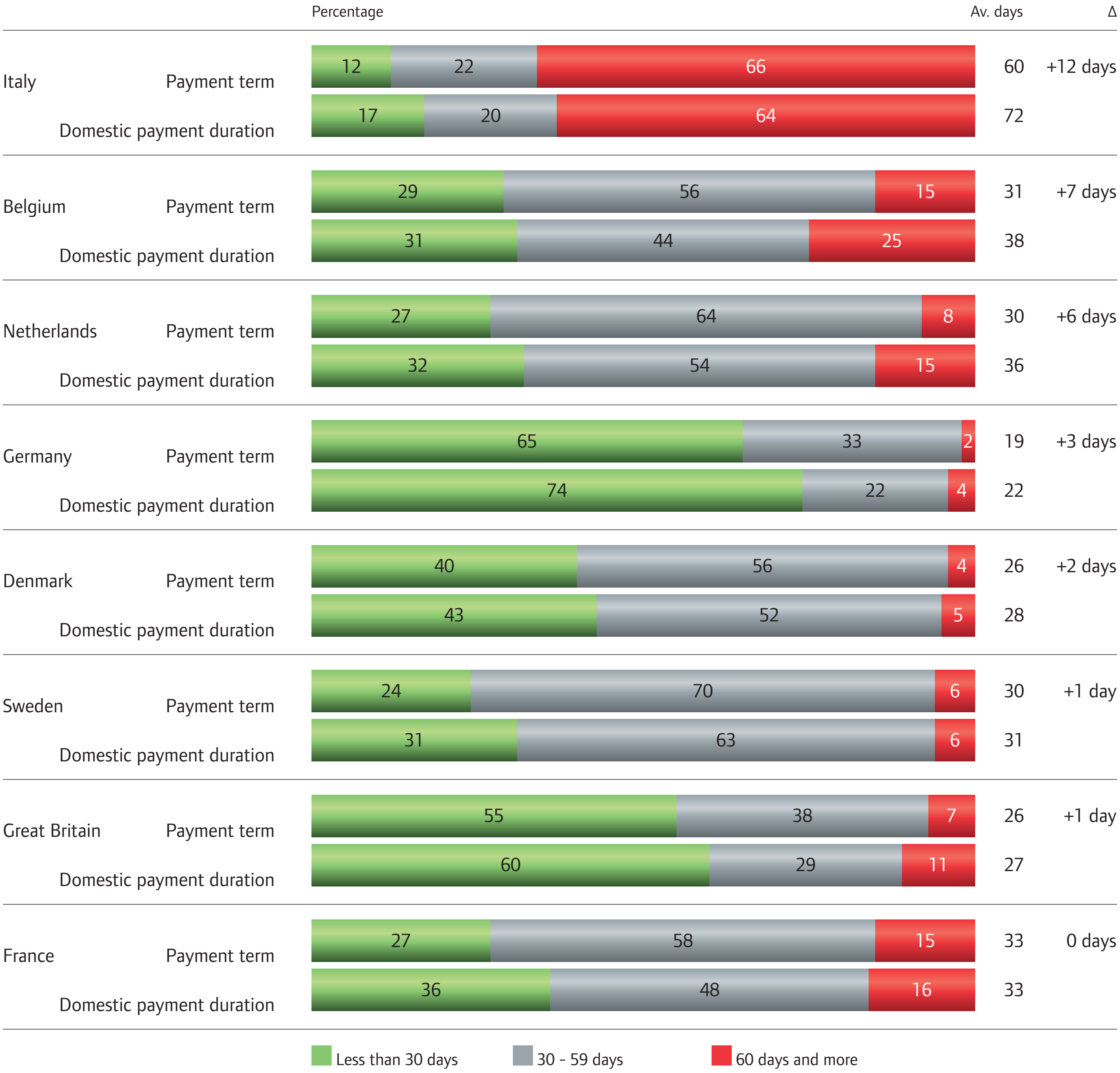
Overall average Europe (days)	
Winter 2010	36
Summer 2009	45
Winter 2009	48
Summer 2008	46

The average domestic payment duration ranged from 22 days in Germany to 72 days in Italy. Italy stood out as having a substantially above average payment duration. Italy's payment duration was 34 days longer than the next longest payment duration. German responses in particular show a big increase in the percentage of companies experiencing faster payment than in previous survey periods. In France this shift occurred in the summer 2009 survey period. Except for in the Netherlands, Sweden and Denmark where there was little change, domestic payment durations were generally shorter than in summer 2009. Responses in Great Britain showed the steepest decrease (approximately 8 days). Over the four survey periods, the trend has been a decline (most notably in France) in about half of the countries and no meaningful change in the others.

Domestic payment delays: payment term vs. domestic payment duration

5.4

Payment term vs. domestic payment duration



Basis: interviewed companies from respective countries
Source: Atradius Payment Practices Barometer

The gap between the average payment term and the average domestic payment duration ranged from 12 days in Italy to 0 days in France. In general, a higher percentage of buyers were paying earlier. Within payment term bands, a higher percentage of buyers were paying within 30 days the percentage of companies that were setting 30 day terms. However, buyers who paid late have been well outside of the invoice terms resulting in higher average payment durations. This is most evident in the responses for Italy.

Domestic payment delays – over time comparison

5.5

Payment delays (average days) from domestic customers - over time comparison

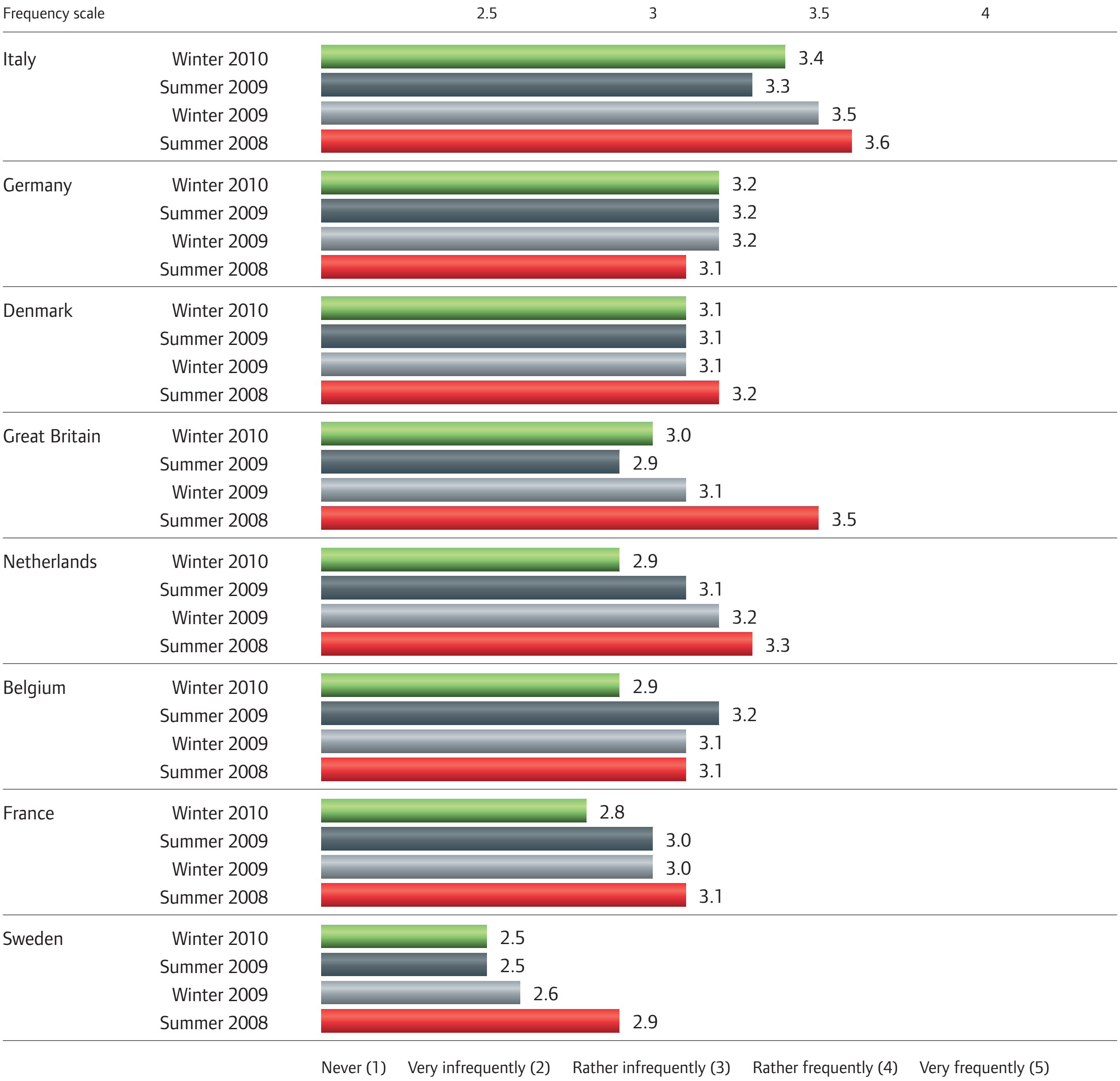
Basis: interviewed companies from respective countries
Source: Atradius Payment Practices Barometer

In comparison to summer 2009, the average payment delay in the countries surveyed was generally shorter. The biggest decline was in Great Britain. On the contrary, the average payment delay increased in Denmark, which registered the most significant increase. Over the last two years there has been a mix in respect to improvement in payment delays. In Sweden for instance there has been practically no change in payment terms, payment duration and consequently payment delays. In France payment terms have come down some, but not as significantly as payment duration resulting in a substantial reduction in delays. Denmark on the other hand has seen a general increase in payment delays following a modest shortening of payment terms and a relatively consistent payment duration.

Frequency of domestic payment delays – over time comparison

5.6

How often, in the past six months, were outstanding debts paid only after some delay?



Basis: interviewed companies from respective countries
Source: Atradius Payment Practices Barometer

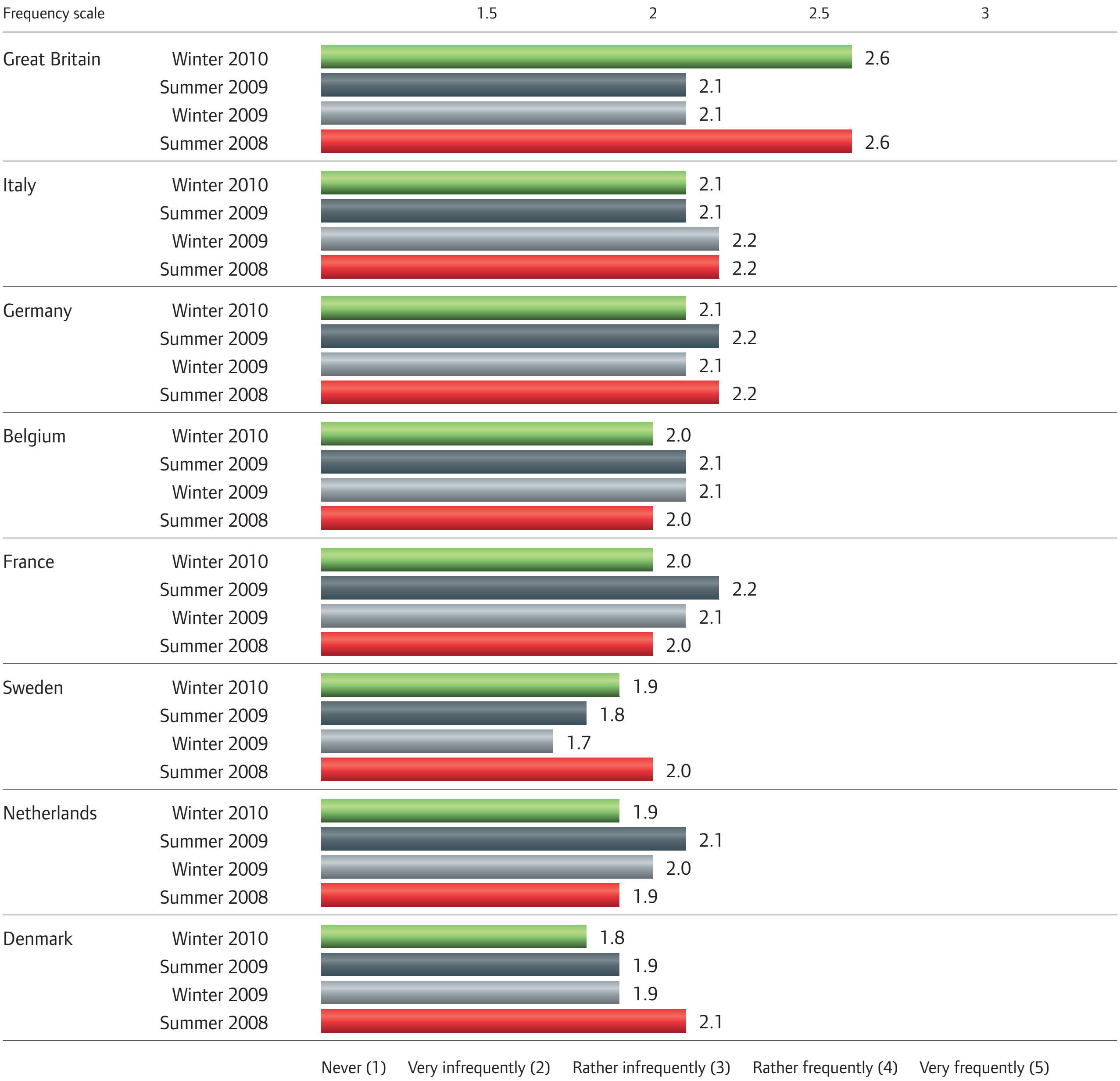
Overall average Europe	
Winter 2010	3.0
Summer 2009	3.1
Winter 2009	3.0
Summer 2008	3.2

Domestic payment delays were reported to occur in general between "very infrequently" and "rather infrequently" (most often in Italy and least often in Sweden). In comparison to summer 2009, there was not much change in the frequency of payment delays. The most significant change was seen in the responses from Belgium (a decrease in frequency). Over the four survey periods, only Great Britain, Sweden and the Netherlands have shown a meaningful change in the frequency of domestic payment delays.

Frequency of domestic payment defaults – over time comparison

5.7

How often, in the past six months, were outstanding debts not paid at all?



Basis: interviewed companies from respective countries
Source: Atradius Payment Practices Barometer

Overall average Europe	
Winter 2010	2.1
Summer 2009	2.1
Winter 2009	2.0
Summer 2008	2.1

Domestic payment defaults were reported to occur in general "very infrequently" (most often in Great Britain and least often in Denmark). In comparison to summer 2009, companies in most countries perceived no noticeable change in the frequency of domestic payment defaults, with the exception of Great Britain which perceived an increased frequency. Over the four survey periods, there has not been much change in the frequency of domestic payment defaults. Again Great Britain is the outlier having seen a noticeable increase in frequency during the heart of the economic crisis and in noticeably higher frequencies in winter 2010 and summer 2008. In most other markets if there was a difference, the frequency of domestic payment defaults was higher during the heart of the economic crisis.

Evaluation of foreign payment behaviour

6.1

How companies from … rate the payment practices of their foreign customers

If you think back over the past six months: how do you evaluate the payment practices of your foreign customers?

	n	Poor (1)	Fair (2)	Good (3)	Very good (4)	Excellent (5)	Average
European total	3,207	11	28	36	17	8	2.8
Great Britain	523	4	11	41	26	18	3.4
Italy	397	7	27	43	18	6	2.9
France	406	10	33	26	21	10	2.9
Sweden	320	13	33	37	10	7	2.7
Germany	480	12	29	38	15	6	2.7
Denmark	346	14	32	35	16	3	2.6
Belgium	402	18	32	33	12	4	2.5
Netherlands	333	13	39	33	11	4	2.5

Percentage

Basis: companies from respective countries with business partners in one or more foreign countries
Source: Atradius Payment Practices Barometer

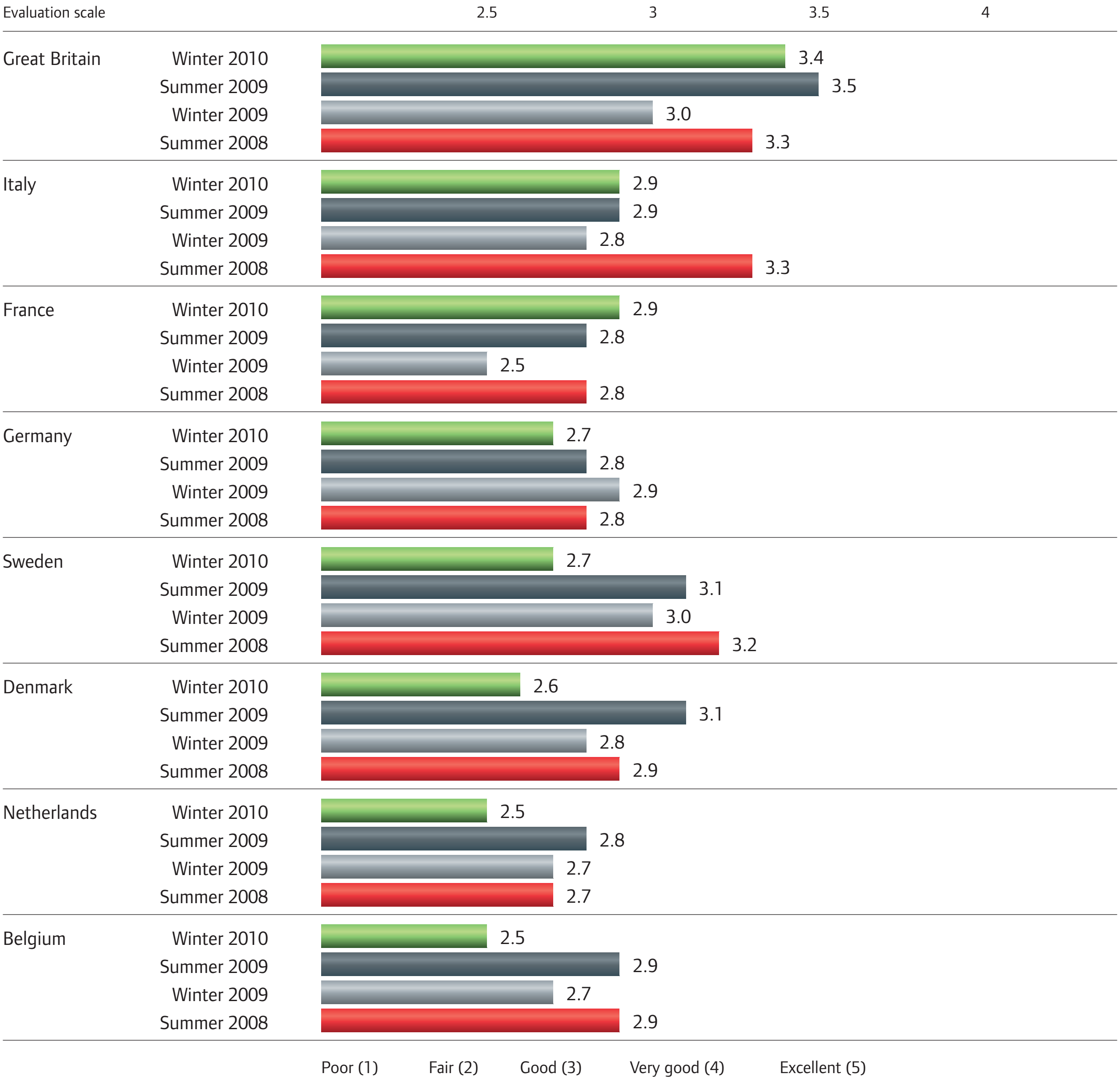
British companies had the most positive opinion of the payment behaviour of their business partners, whereas companies in Belgium and the Netherlands had the most negative opinions. On average, companies in the majority of the countries surveyed rated foreign payment behaviour as “good”.

Evaluation of foreign payment behaviour – over time comparison

6.2

How companies from … rate the payment practices of their foreign customers

If you think back over the past six months: how do you evaluate the payment practices of your foreign customers?



Basis: interviewed companies from respective countries
Source: Atradius Payment Practices Barometer

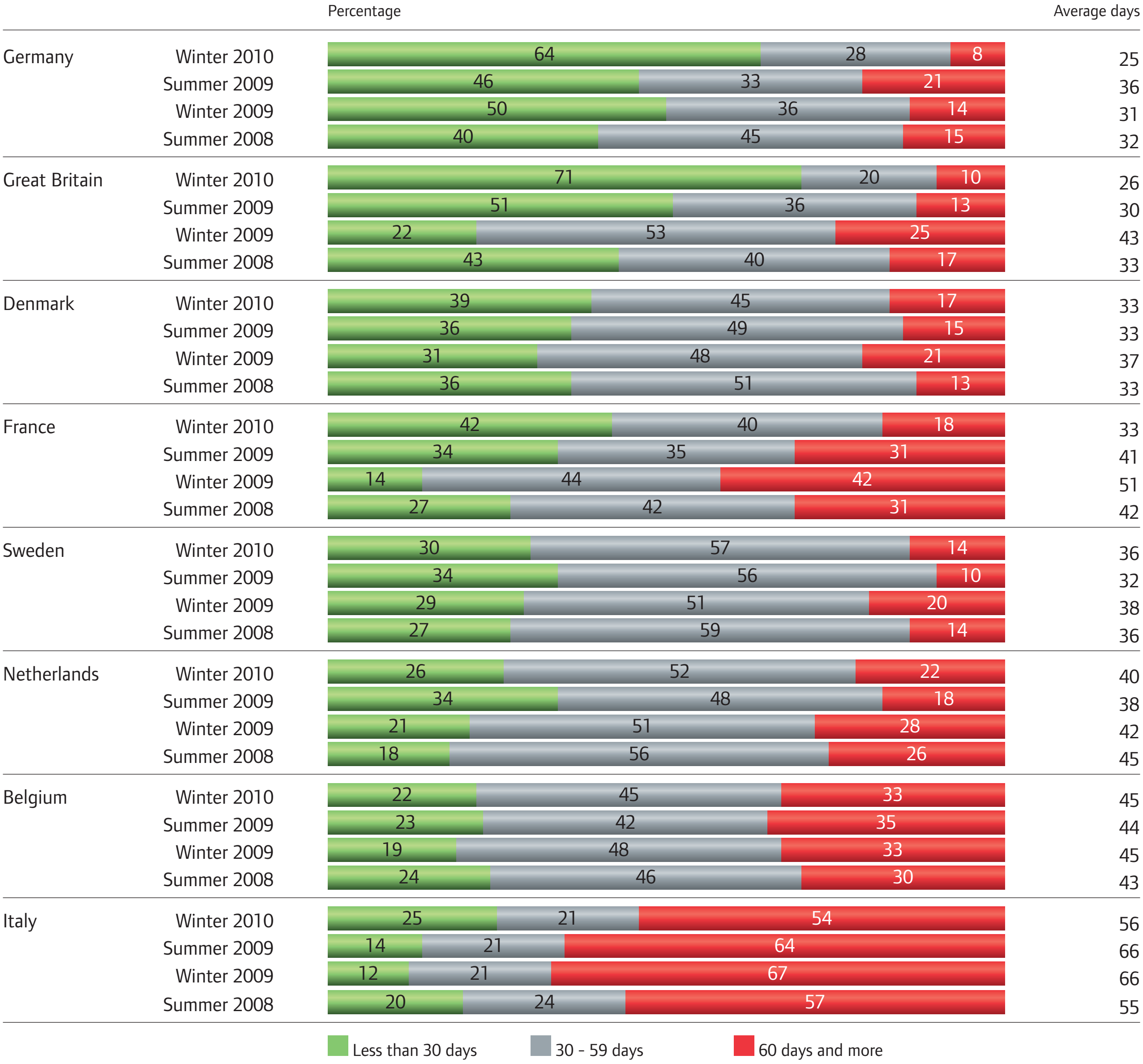
Overall average Europe	
Winter 2010	2.8
Summer 2009	3.0
Winter 2009	2.8
Summer 2008	3.0

In comparison to summer 2009, companies in the majority of the countries surveyed perceived an overall worsening of foreign payment behaviour. France was the only country in which the average response was of improvement, but this was only a marginal improvement in the average response. The most significant deterioration was in the responses from Denmark, Sweden and Belgium. When comparing winter 2010 with the previous survey periods, we see a dip in the evaluations of the southern European countries and Great Britain in winter 2009. The more northern situated countries appear to have experienced their worst evaluations in winter 2010.

Payment duration from foreign customers – over time comparison

6.3

How many days does it take, on average, for your foreign customers to pay their invoices?



Basis: interviewed companies from respective countries
Source: Atradius Payment Practices Barometer

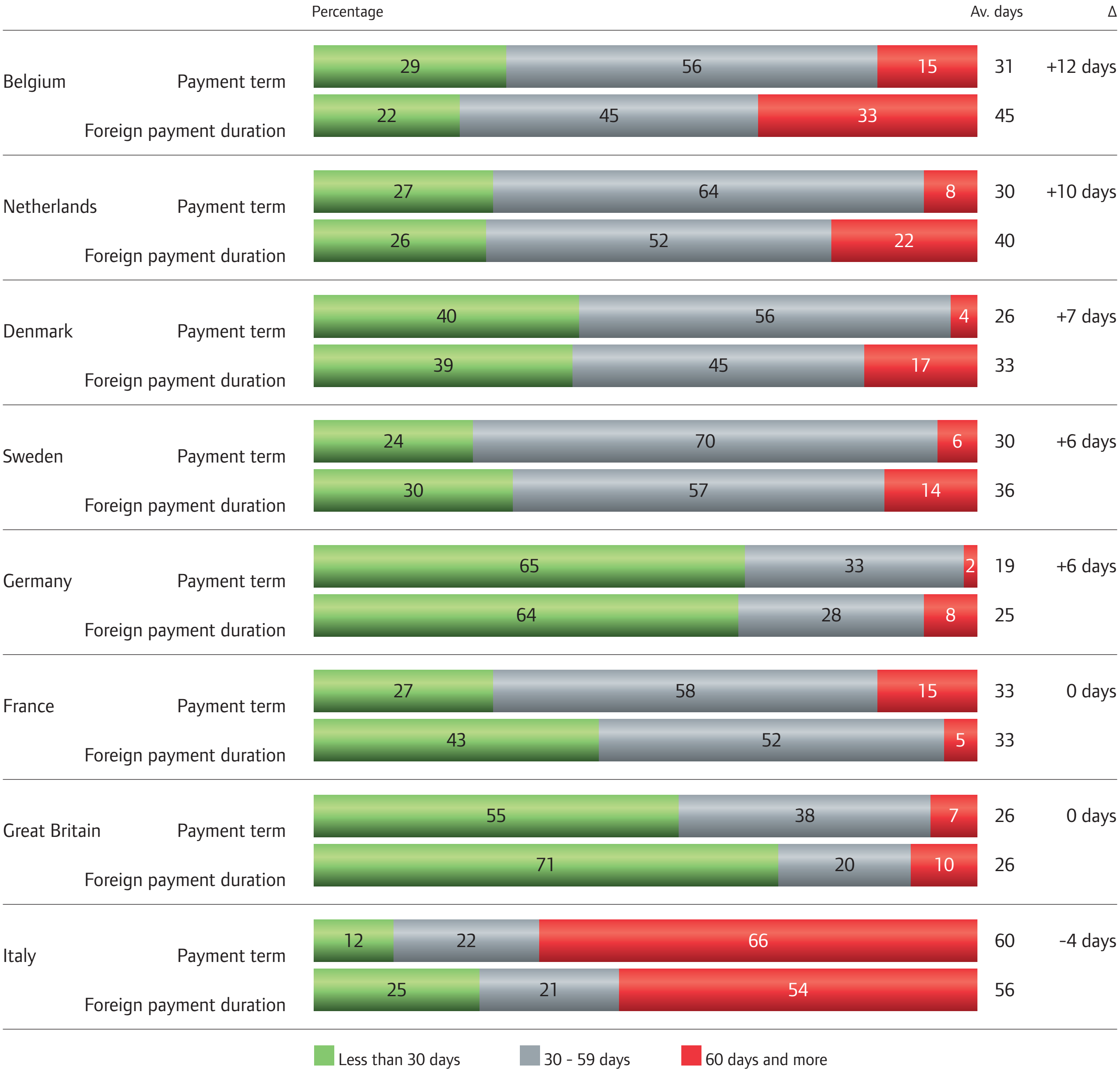
Overall average Europe (days)	
Winter 2010	36
Summer 2009	42
Winter 2009	46
Summer 2008	41

The average foreign payment duration ranged from 56 days to 25 days. Italian companies had to wait the longest for their foreign payments, whereas companies in Germany were paid the quickest by their foreign customers. There was also quite a significant difference in the number of days that it took for domestic versus foreign payments. Foreign customers paid Italian suppliers, on average 16 days sooner than did domestic buyers. At the other end of the scale, foreign customers paid German suppliers, on average 3 days slower than domestic buyers. Except for Sweden and the Netherlands, foreign payment duration was generally shorter in winter 2010, than in summer 2009. German responses showed the largest decrease, followed by Italy and France. In comparison to winter 2009, the most significant decrease was observed in France and in Great Britain. Great Britain and Germany had the highest percentage of respondents with foreign payment durations of less than 30 days and had the biggest increases in fast payers compared to summer 2009. Since winter 2009 the percentage of fast payers in Great Britain has more than tripled. The Netherlands and Sweden are the only two countries who have shown a noticeable decrease in the percentage of buyers paying within 30 days. Italy experienced a meaningful increase in the percentage of fast payers, but still easily had the highest percentage of slow payers. Germany and France experienced the biggest decline in slow payers compared to summer 2009 and France the biggest decline compared to winter 2009.

Foreign payment delays: payment term vs. foreign payment duration

6.4

Payment term vs. foreign payment duration



Basis: interviewed companies from respective countries
Source: Atradius Payment Practices Barometer

The gap between the average payment term and the average foreign payment duration was in the range of 14 days late in Belgium to 4 days early in Italy. Belgium was the one country in which a lower percentage of buyers paid earlier than the 30 day payment terms. Coupled with a substantially higher percentage of buyers who paid after 60 days the result was the large gap between payment duration and payment term. France and Great Britain stood out as the countries which received their foreign payments on average at the due date.

Foreign payment delays - over time comparison

6.5

Payment delays (average days) from foreign customers - over time comparison

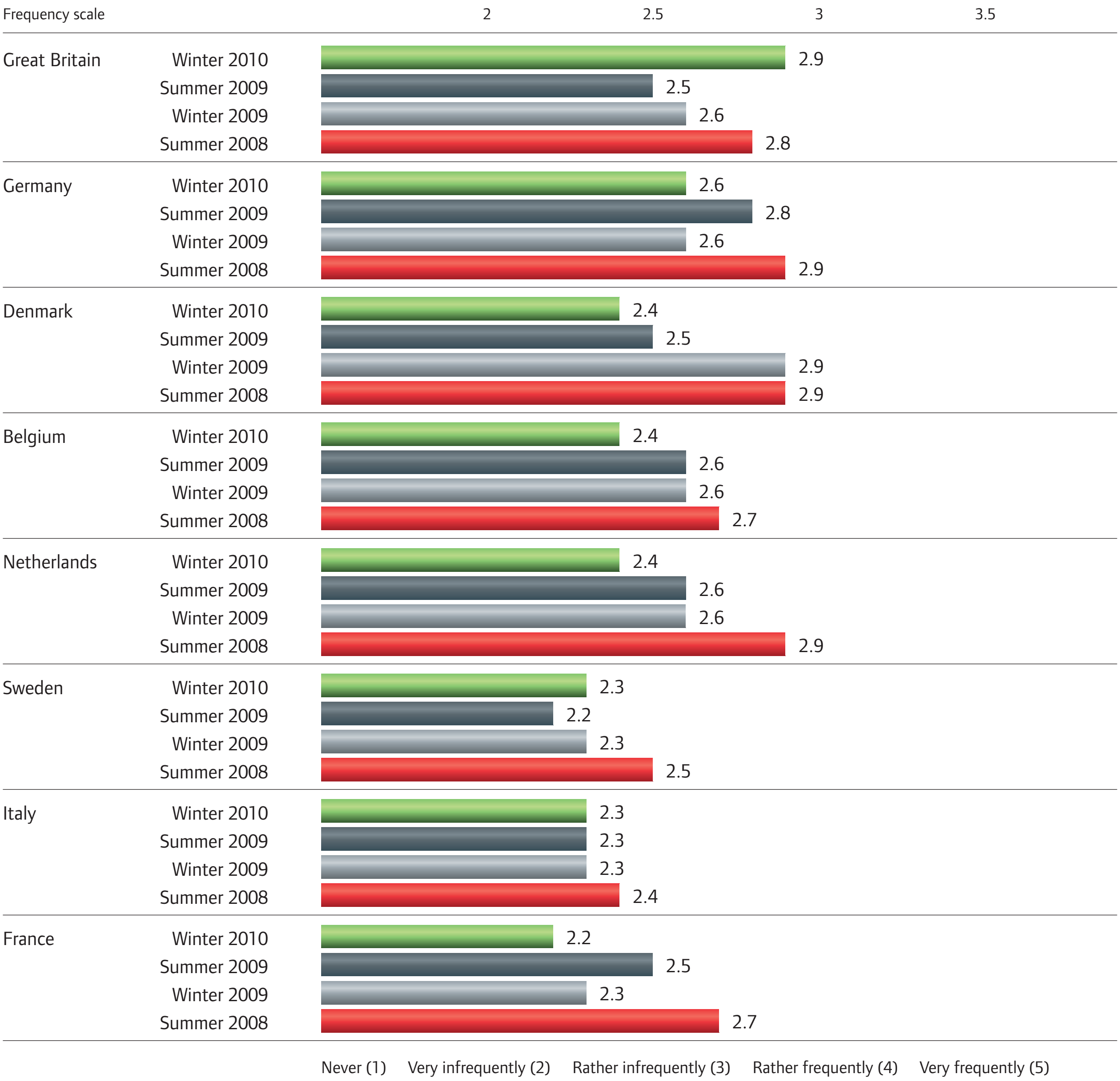
Basis: interviewed companies from respective countries
Source: Atradius Payment Practices Barometer

Companies in Italy, France, Great Britain and Germany received their foreign payments sooner than in summer 2009. The gap between the average payment term and the average foreign payment duration decreased the most in Germany. In Belgium, Denmark and Sweden, payment delays increased. In comparison to earlier survey periods, in almost every country there appears to be a bubble that stands out from the other survey periods. In Italy and the Netherlands that period was summer 2008. For Italy summer 2008 responses were of faster payments and for the Netherlands slower payments. In Sweden and Germany it was summer 2009 with similar results of faster payment in Sweden and slower payment in Germany. British responses suggest significantly slower payments in winter 2009. France, Denmark and Belgium don't appear to have a standout period. Belgium and to a lesser extent Denmark however show a trend towards more payment delays.

Frequency of foreign payment delays – over time comparison

6.6

How often, in the past six months, were outstanding debts paid only after some delay by foreign customers?



Basis: evaluation of foreign business partners by companies from the respective countries
Source: Atradius Payment Practices Barometer

Overall average Europe	
Winter 2010	2.5
Summer 2009	2.5
Winter 2009	2.5
Summer 2008	2.7

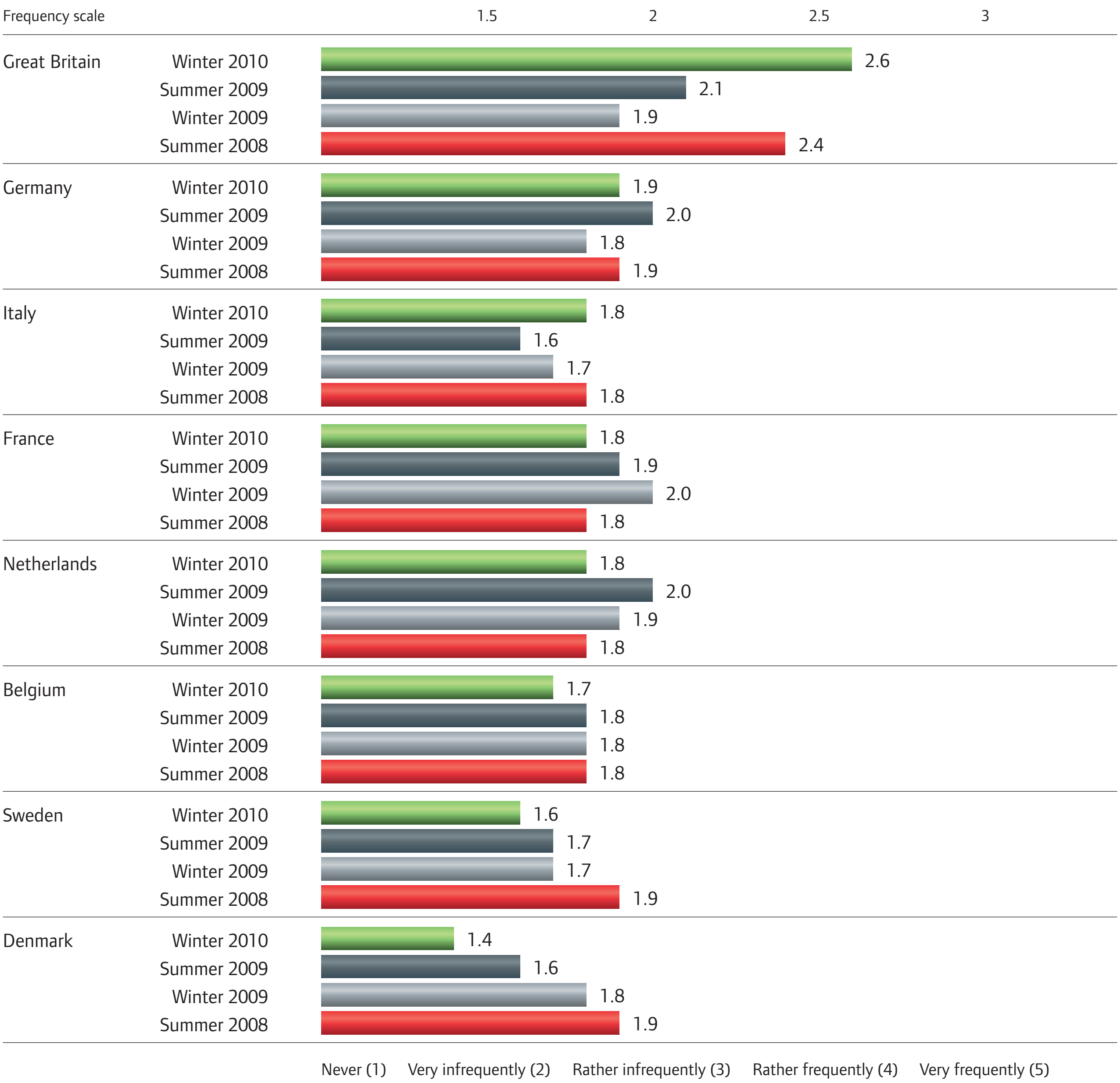
Foreign payment delays were reported to occur in general between "very infrequently" and "rather infrequently" (most often in Great Britain and least often in France). In comparison to summer 2009, companies in most of the countries perceived a decrease or no significant change in the frequency of foreign payment delays. The most significant increase was perceived in Great Britain.

In comparison to the previous survey periods, the frequency of foreign payment delays was perceived as generally lower or almost unchanged, except for in Great Britain and France.

Frequency of foreign payment defaults – over time comparison

6.7

How often, in the past six months, were outstanding debts not paid at all by foreign customers?



Basis: evaluation of foreign business partners by companies from the respective countries
Source: Atradius Payment Practices Barometer

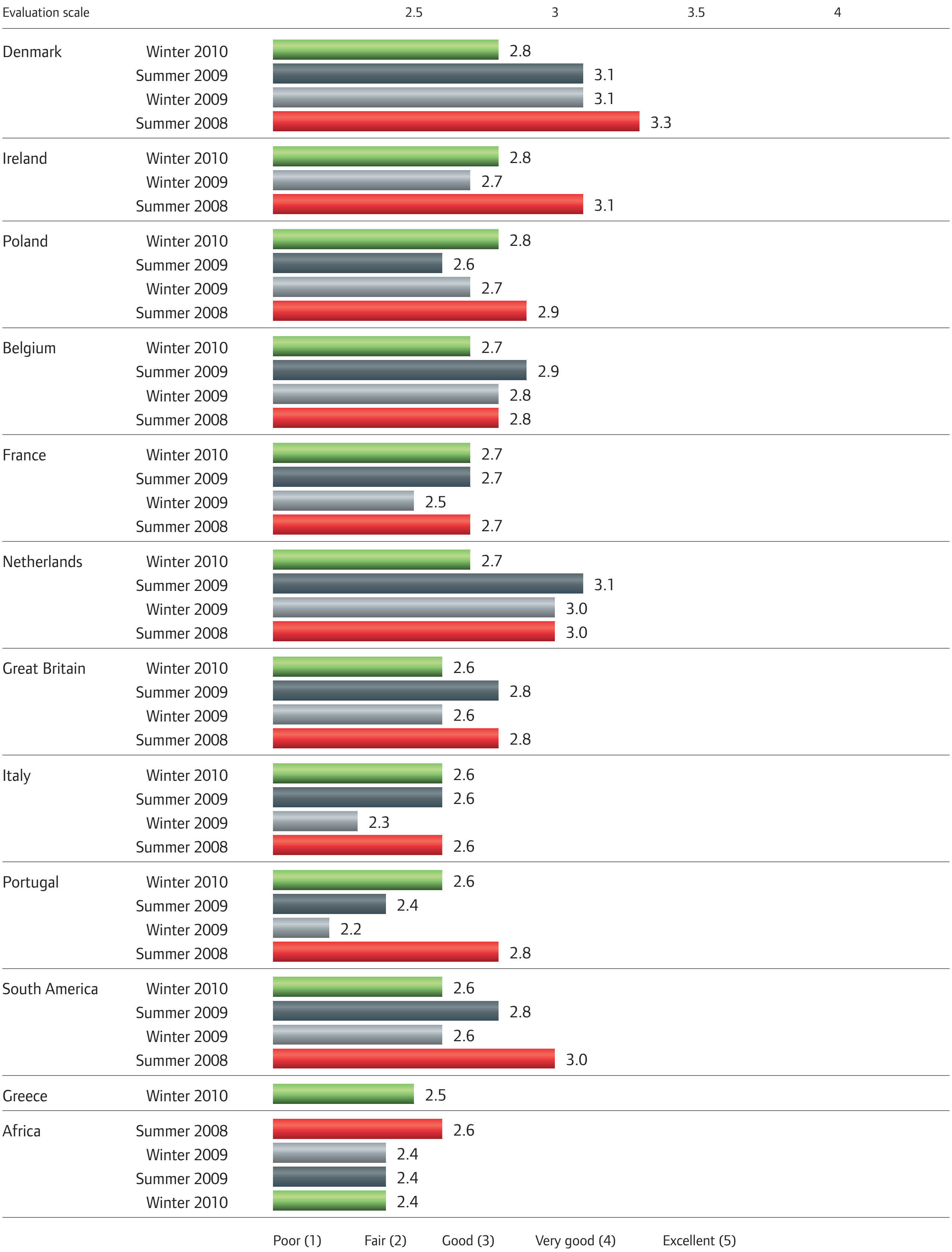
Overall average Europe	
Winter 2010	1.9
Summer 2009	1.9
Winter 2009	1.8
Summer 2008	1.9

Foreign payment defaults were reported to occur in general “very infrequently” (most often in Great Britain and least often in Denmark). In comparison to summer 2009, companies in most of the countries surveyed perceived a lower frequency of foreign payment defaults, but in most instances this decrease was marginal. Respondents in Great Britain perceived the most noticeable increase in payment defaults. In comparison to the previous survey periods, the biggest decrease was perceived by companies in Denmark. They were joined by Sweden as the two countries that have consistently in each survey period responded with the perception of a lower frequency of foreign payment defaults in each of the periods.

Evaluation of customers' payment behaviour by country of origin - overtime comparison

7.1

If you think back over the past six months: how do you evaluate the payment practices of customers from...?

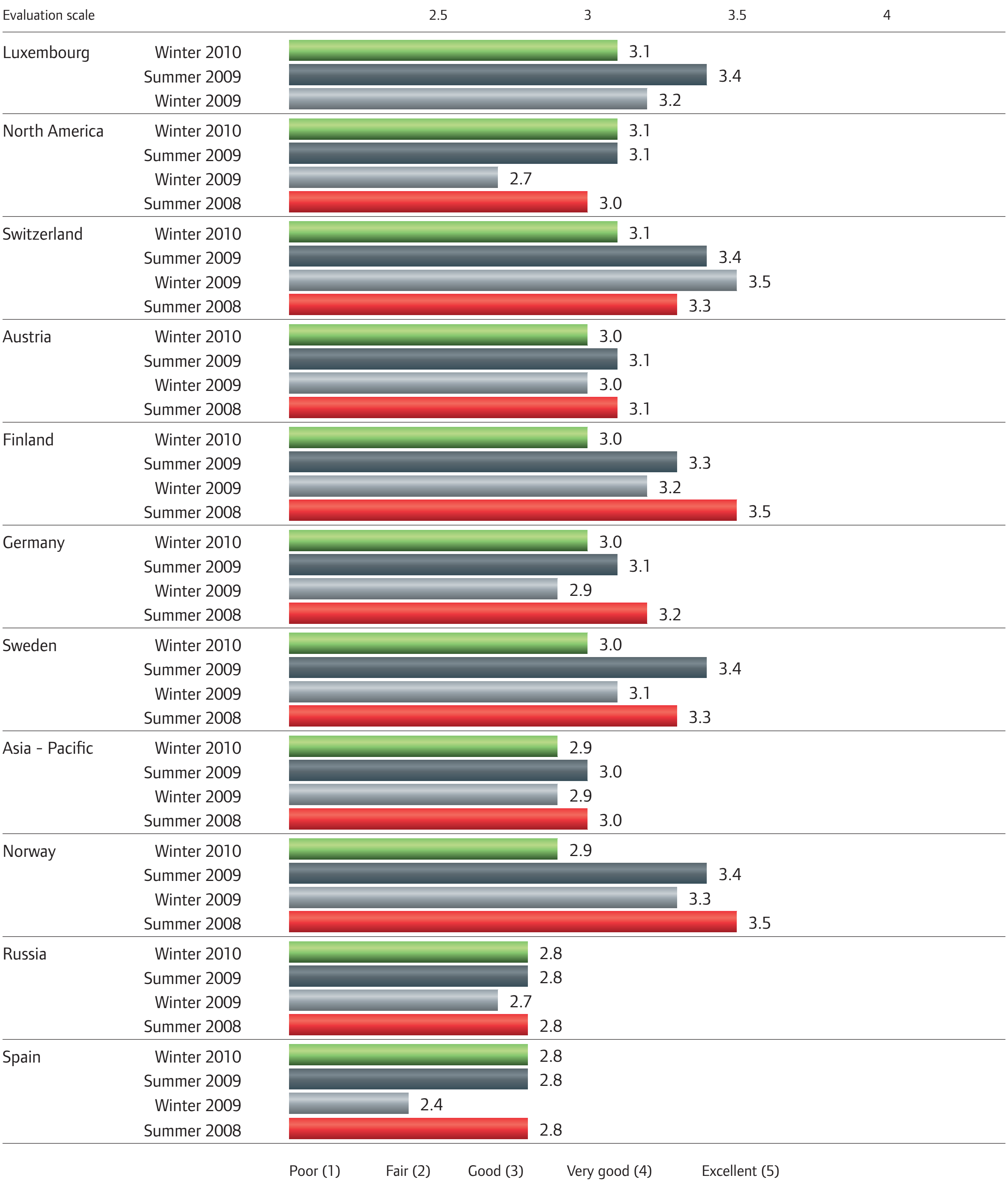


Basis: foreign companies that sell products and services to companies in respective continents (n>=50 for all results above)
Source: Atradius Payment Practices Barometer

Evaluation of customers' payment behaviour by country of origin - overtime comparison

7.1

If you think back over the past six months: how do you evaluate the payment practices of customers from...?



Basis: foreign companies that sell products and services to companies in respective countries (n>=50 for all results above)
Source: Atradius Payment Practices Barometer

In general, there is little difference in the perception of the payment practices of customers throughout most of Europe. Customers from Africa received the lowest ratings, but this rating was not much lower than those of customers from Greece, Italy, Portugal and Great Britain. In earlier survey periods Northern European customers tended to stand out a bit more as good payers. This has levelled out a bit more as a result of lower ratings of these countries in winter 2010 than in previous survey periods. Ultimately, businesses are having relatively comparable payment experiences with customers in a range of countries.

Self-perception vs. external perception

7.2

Comparison between the evaluation of payment behaviour at international and domestic level

Evaluation scale

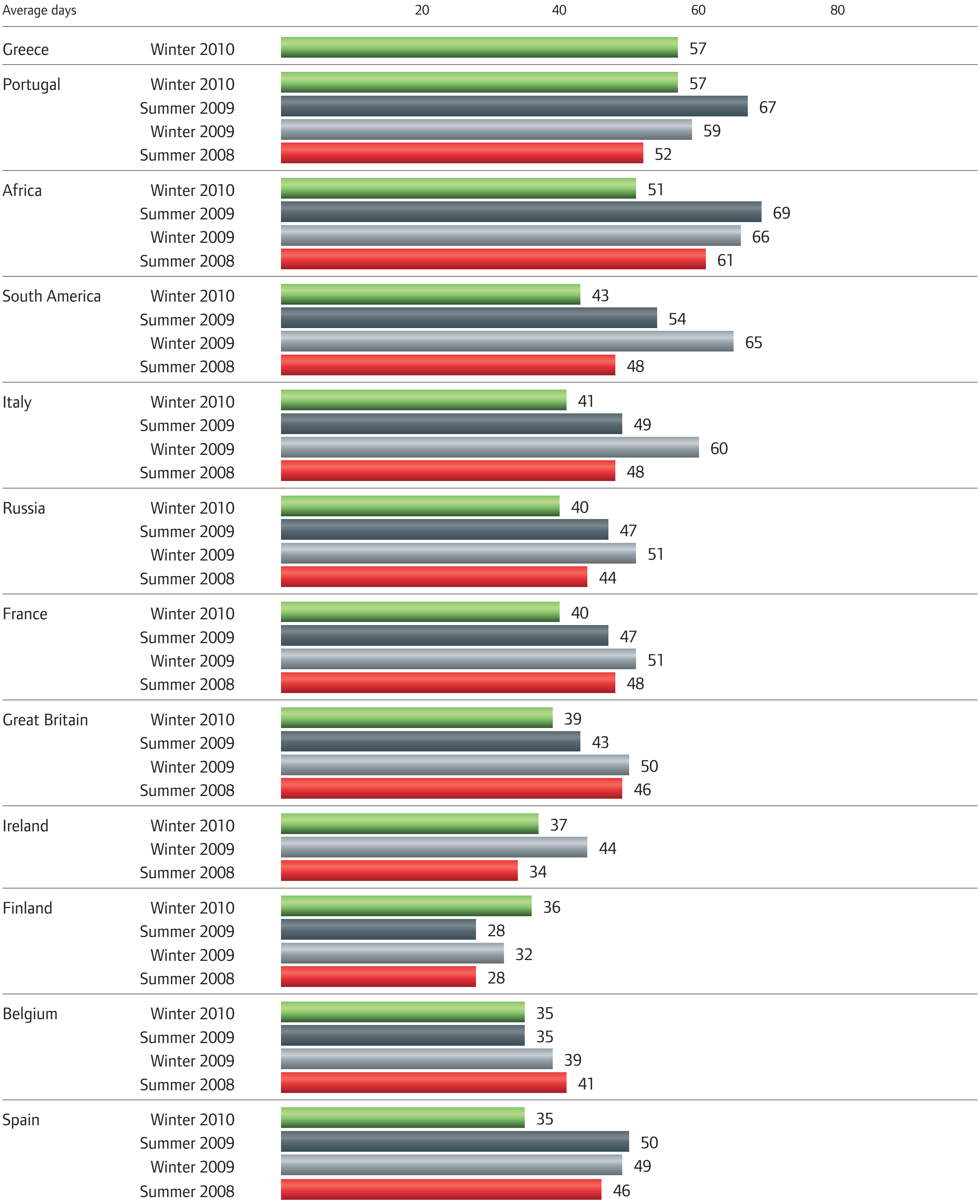
Basis domestic: companies that sell product / services to companies in respective countries
Basis foreign: foreign companies that sell products / services to companies in respective countries
Source: Atradius Payment Practices Barometer

Except for the British, foreign suppliers had a better perception of the payment behaviour of companies from each of the countries surveyed than suppliers from within the country itself. This may suggest lower expectations of foreign buyers to pay in a timely manner. It may also suggest that foreign buyers are more inclined to pay sooner than domestic buyers.

Payment duration by country of origin - over time comparison

7.3

Average payment period (in days) of customers in…
How many days does it take, on average, for customers from … to settle their debts?



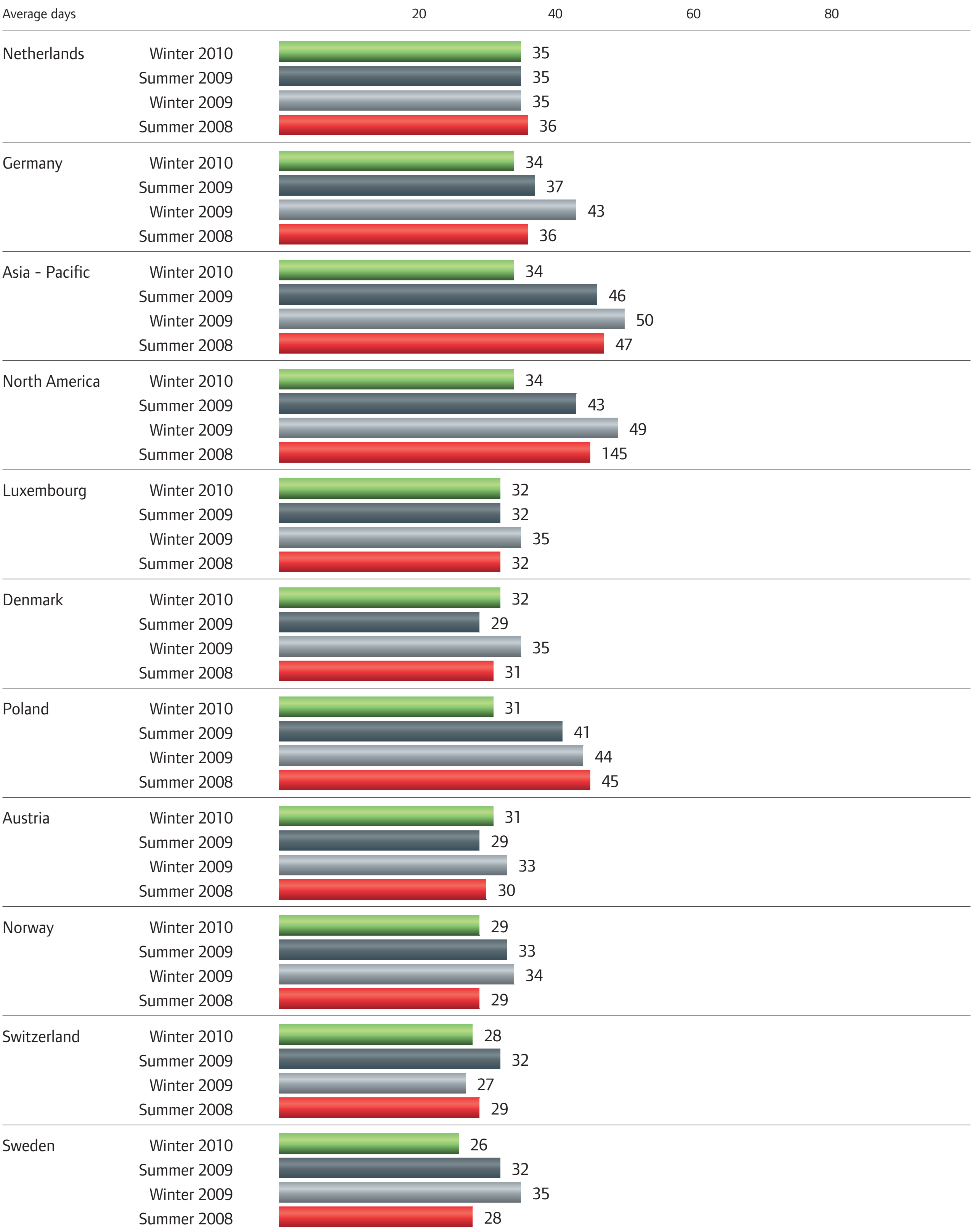
Basis: evaluations of foreign business partners by companies from the respective countries (n>=50 for all results above)
Source: Atradius Payment Practices Barometer

Except for Finnish buyers, the general trend since the last survey period has been of shorter payment durations. In almost every other country payment duration peaked in 2009 (either the summer or winter survey period). Payment durations of Polish, Belgian and Dutch buyers peaked in summer 2008, with payment durations of Belgian buyers falling in summer 2009 and of Polish buyers in winter 2010. Payment durations of Dutch buyers have been unchanged over the past two years.

Payment duration by country of origin - over time comparison

7.3

Average payment period (in days) of customers in…
How many days does it take, on average, for customers from … to settle their debts?

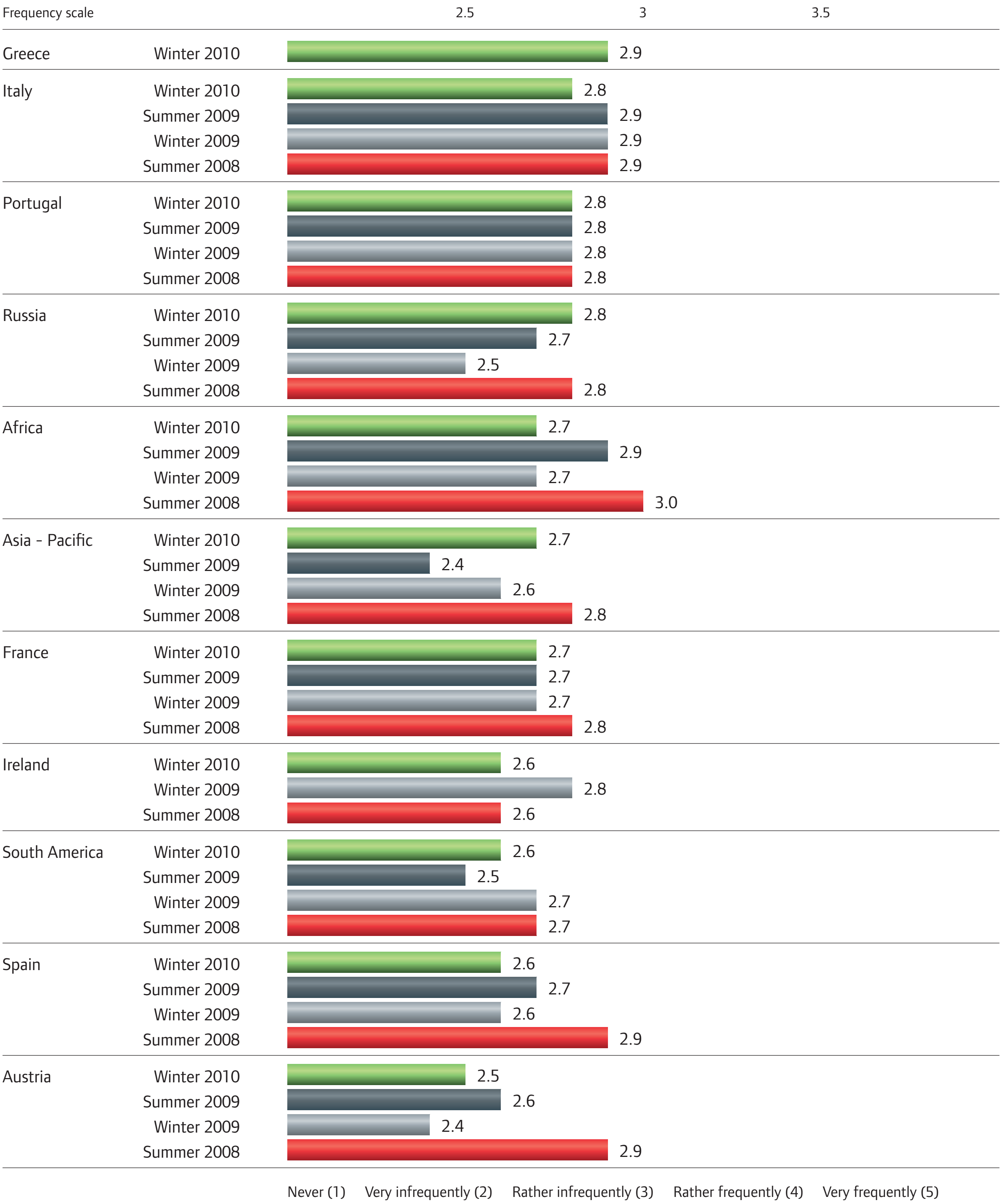


Basis: evaluations of foreign business partners by companies from the respective countries (n>=50 for all results above)
Source: Atradius Payment Practices Barometer

Frequency of payment delays by country of origin - over time comparison

7.4

How often, in the past six months, were outstanding debts paid only after some delay by customers from…?



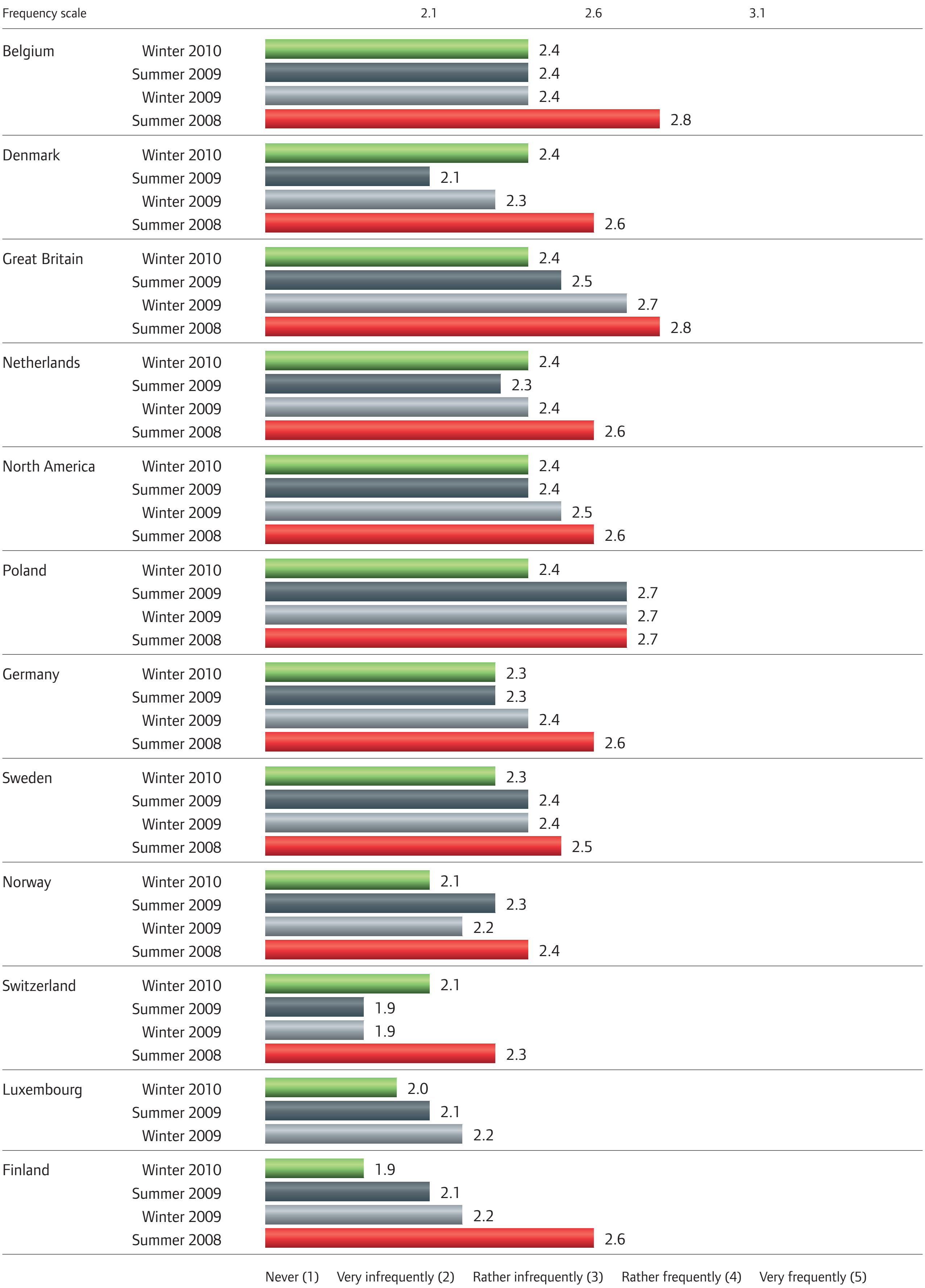
Basis: evaluations of foreign business partners by companies from the respective countries (n>=50 for all results above)
Source: Atradius Payment Practices Barometer

Overall the frequency of payment delays has been on the decline according to respondents. In general, the frequency of payment delays peaked in summer 2008. While there have been some cases of delays climbing from lows in 2009 (Russia and Asia Pacific), according to our respondents, the frequency of payment delays in most countries has either declined or stayed relatively consistent over the past two years. This likely reflects more prudent credit management since the financial crisis began in 2008.

Frequency of payment delays by country of origin - over time comparison

7.4

How often, in the past six months, were outstanding debts paid only after some delay by customers from…?



Basis: evaluations of foreign business partners by companies from the respective countries (n>=50 for all results above)
Source: Atradius Payment Practices Barometer

Frequency of payment defaults by country of origin - over time comparison

7.5

How often, in the past six months, were outstanding debts not paid at all by customers from ...?

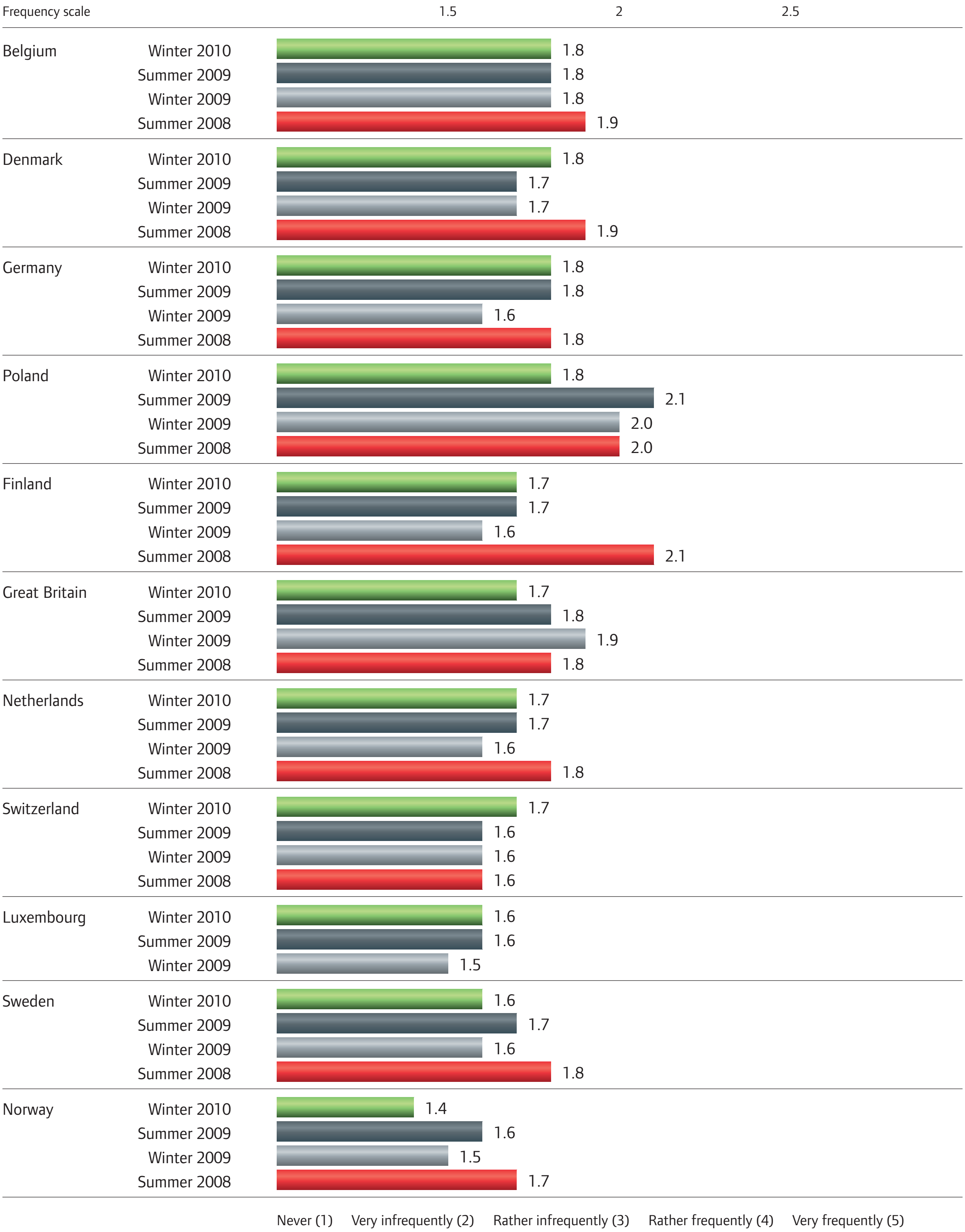
Basis: evaluations of foreign business partners by companies from the respective countries (n>=50 for all results above)
Source: Atradius Payment Practices Barometer

In most cases there has not been much fluctuation in the frequency of payment defaults over time. Ireland, Greece and Africa had the highest reported frequency of payment defaults in winter 2010. For the most part, however, payment defaults are considered to occur very infrequently. Norwegian buyers are said to default the least frequently or close to never.

Frequency of payment defaults by country of origin - over time comparison

7.5

How often, in the past six months, were outstanding debts not paid at all by customers from …?



Basis: evaluations of foreign business partners by companies from the respective countries (n>=50 for all results above)
Source: Atradius Payment Practices Barometer

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