



Payment Study 2017

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CRIBIS D&B AND THE DUNTRADE® PROGRAM

CRIBIS D&B

CRIBIS D&B is a highly specialized company with advanced business information skills. It was set up with the aim of providing both the Italian market and D&B's global clients with the highest standards of quality in terms of business coverage, the depth and accuracy of information, the technological capacity and flexibility to respond quickly to market demands, as well as in the provision of decisional systems, and scoring models.

DATA SOURCES: D&B PAYDEX AND PAYMENT EXPERIENCES

The data presented in this study come from the information held in DUNTRADE® PROGRAM and are elaborated by CRIBIS D&B.

In particular, payment assessment is based on the analysis of those companies for which a D&B Paydex value is available, where D&B Paydex is a statistical indicator that assesses the historical performance of payments to suppliers, and provides a reliable profile of a company in terms of whether or not it is a good payer.

The D&B Paydex score is only generated if there are at least three trade experiences from three different suppliers.

This is because it is an indicator that enables the average payment practices of clients to be assessed, and requires the identification of a trend and homogeneous observations, guaranteed by the use of a clear and correct definition of payment experiences.

Payment experiences are generated by the combined analysis of all commercial transactions (invoices, payments, overdue payments etc.) between a client company and its supplier over the course of the previous 12 months. The score is a moving weighted average because:

- it comes from the analysis of 12 months of data
- it depends on the credit being analyzed, i.e. on the credit amounts that are on time or late every month
- it is updated every month

THE DUNTRADE® PROGRAM

Payment experiences come from DUNTRADE®, the program used by D&B Partners and participating companies aimed at collecting **data, analyses** and **assessments of the payment practices of companies** in Italy and around the world.

Some data relating to **DUNTRADE®** are presented below:

WORLDWIDE

- Active on a worldwide level since 1972
- Data collected on more than 5 billion transactions
- Payment experiences available for more than 27 million companies in relation to their suppliers.

ITALY

- 50 years of experience in information systems
- Data on over 450 million transactions collected in Italy
- Payment experiences available for 1,5 million companies in relation to their suppliers
- Payment data are available for 81% of requests
- The CRIBIS D&B Paydex indicator is available for 70% of requests
- 4 million € invested in the program in the last 3 years.

INTRODUCTION, METHODOLOGY AND LEGEND

The Payment Study, published with data up to 31 December 2016 for all countries except for Italy, for which data is included up to 31 March 2017, is aimed at outlining the international picture of payment practices, with particular focus on Italy and Europe.

Thanks to CRIBIS D&B being part of the D&B Worldwide Network, it was possible to collect and analyze payment data from China, Taiwan, Hong Kong, Philippines, Thailand, Mexico, the USA, Canada, Singapore, Belgium, the Netherlands, Germany, France, the UK, Ireland, Spain, Portugal, Poland, Slovenia, Hungary, Czech Republic, Finland, Denmark, Turkey, Russia, Greece, Bulgaria, Lithuania, Romania and South Africa. In this edition of the study, there is additional information relating to India and Israel. For each country the patterns of commercial transactions are analyzed in detail, paying attention to any changes compared with previous years.

The main sources of information used in this study were payment data from the D&B Worldwide Network DUNTRADE program.

The following information is given for clarity:

Analysis Legend by type of company

ITALY

Micro (Turnover ≤ 2 million € or ≤ 10 employees)
Small (Turnover ≤ 10 million € or ≤ 50 employees)
Medium (Turnover ≤ 50 million € or ≤ 250 employees)
Large (Turnover > 50 million € or > 250 employees)

OTHER COUNTRIES

Micro (≤ 5 employees)
Small (> 5 and ≤ 50 employees)
Medium (> 50 and ≤ 260 employees)
Large (> 260 employees)

Analysis Legend for geographical regions in Italy

North East (Emilia Romagna, Friuli-Venezia Giulia, Trentino-Alto Adige and Veneto)
North West (Liguria, Lombardy, Piedmont and Aosta Valley)
Center (Lazio, Marche, Tuscany and Umbria)
South and the Islands (Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardinia and Sicily)

Notes

CHINA AND THAILAND

Agriculture, forestry, hunting and fishing and Mining were excluded from the analysis of payment practices by macro-sector in this country, as they are not significant.

TAIWAN, HONG KONG, PHILIPPINES AND BULGARIA

Agriculture, forestry, hunting and fishing and Mining were excluded from the analysis of payment practices by macro-sector in these countries, as they are not significant.

In addition, the classifications of the best and worst micro-sectors in terms of payment were not included.

SINGAPORE

Chapter and data related to this country have been written by Matthias Chen, Marcom & Product Development at Dun & Bradstreet (Singapore) Pte Ltd.

INDIA AND IRELAND

The classifications of the best and worst micro-sectors in terms of payment were not included.

LITHUANIA

The score used for these countries has been estimated using the company's performance in the payment of statutory debt as a major component (this includes payment delays, amount of payment delayed and frequency of delays). The data has been then combined with other proprietary data and company indicators indicative of the payment dynamic and company reliability.

FINLAND, TURKEY, DENMARK AND SOUTH AFRICA

A different classification was used for the definition of sectors for this country in the section on payment habit analysis by macro-sector.

In addition, for the last two countries the classifications of the best and worst micro-sectors in terms of payment were not included.

RUSSIA

Chapter and data related to this country have been written by Igor Volosov, Deputy General Director at Interfax - Corporate News Agency.

GREECE

Agriculture, forestry, hunting and fishing, Mining and Finance services were excluded from the analysis of payment practices by macro-sector in these countries, as they are not significant.

In addition, the classifications of the best and worst micro-sectors in terms of payment were not included.

ISRAEL, SLOVENIA, CZECH REPUBLIC AND HUNGARY

Mining was excluded from the analysis of payment practices by macro-sector in these countries, as it is not significant.

ROMANIA

The analysis of payment practices by macro-sector and the classifications of the best and worst micro-sectors in terms of payment were not included.

1. CHINA

Below is the opinion of **Louie LU, Consultant of Product Development & Solution Team** at **Huaxia Dun & Bradstreet China**, on the economic scenario in China.

"In 2016, the growth of China economy continued slowing down as expected. The Gross Domestic Product increased by 6.5%, 0.4 percent even lower than that in 2015 and setting another lowest record since 1990. Among the key dynamics that drive the economy, the total im/export amount decreased by 0.9% (recovered from down 7.0% in 2015), with the export amount increasing by -1.9% (-1.8% in 2015) and the import 0.6% (-13.2% in 2015), indicating some slight recovery contributed by the boost of domestic demands. The total investment increased by 8.6%, down 3.2 percent year-on-year while total consumption growth reached 9.6%, down 1.0 percent.

Compared with the downturn in 2015, the manufacturing sector showed some signs of recovery with total profit of manufacturers rebounded by 8.5% (-2.3% in 2015) thanks to the policies that encouraging innovation and the steps forward of "Belt and Road" strategy. The total industrial electricity consumption, one of the indicators that reflects the capacity utilization rate, also increased by 2.9% from the -1.4% in the previous year. Among the key industrials that faced over-production during the previous years, the rocketing growth rates of profit of coal-mining industry and steel industry (up 223.6% and 232.3% respectively) have led to a quick bounce-back from the great downturn in 2015 (either went down by nearly 2/3). While the non-ferrous products industry and the non-metallic minerals industry also regained double-digit growth after declining.

In terms of the performance of different type of companies, the growth rate of industrial value-added of private sector reached 7.5% (average 6% countrywide), which was much higher than that of its state-owned (2.0%) and collective-owned counterparts (-1.3%). In spite of its contribution to the economy, how to maintain the innovative ability of the private sector still remained as a key topic. Although the initial attempts including lowering the tax and cutting social expense have been made, whether these could bring positive affects still remain as a question.

Regarding the downturn of GDP growth rate and the overcapacity in many industries, late payment happened more frequently. According to the data collected by Huaxia Dun & Bradstreet China in 2016, the overall prompt ratio of payment records in China was only 54.4%, down 5.5 percent year-on-year. Meanwhile, proportion of cash payment and credit payment with terms no longer than 30 days also increased, reflecting the worries of some companies upon the current market condition."

Payment analysis

In 2016, the Chinese payment system, after the slight increase of 2015, again made a worsening of payments.

The percentage of punctual payers in China was only 26% of the total (-7,2% compared to 2015) and the majority of companies tended to pay commercial transactions on average between 1 and 30 days late (51,2%).

Intermediate late payment classes ("30-60 days" and "60-90 days") account for 15,5% whereas "bad payers" (more than 90 days late on average) account for 7,3% of the sample analyzed.

Compared to previous year, we can observe that payment performances deteriorated. In fact, not only the punctual payments decreased, but there also was a significant growth of payers that fall within the "Up to 90 days" class, increased by 6 percentage points and the share of "bad payers" (over 90 days on average) increased by 1,2%.

Small companies show the most balanced payment behavior with 27,8% of the total for payments within agreed terms (-9,2% compared to 2015). These are followed by Medium companies, for which the percentage in question reaches 26,1%.

For Large companies, on the other hand, there is a more problematic situation, where only 23,8% of companies manage to respect agreed payment terms, with a concentration of 55,4% in the "Up to 30 days late" class.

Average late payments of between 30 and 90 days are highest in the Micro companies (18,2%), but also all others categories exceed 13% of the total.

In terms of serious late payments, the worst performance is once again seen for Micro companies: 9,4% exceed an average of 90 days beyond agreed payment terms.

A somewhat heterogeneous context emerges from sector-based analysis, with rather differing performances between the various sectors considered.

The sector which stands out as having a more balanced behavior is Transport, distribution: in fact in this case, companies pay within agreed terms in 36,3% of the cases analyzed, while, in the others cases, the behavior is not so "virtuous".

In fact Services sector pay on-time only 21,6% of the cases and Manufacturing and Retail trade sectors don't reach 25% of the total. Late payments are concentrated in the "Up to 30 days" class, with the highest percentages for Retail trade (59,1%) and Manufacturing (53,9%).

Finally, the most critical situation for the serious late payment class (over 90 days on average) is seen in the Construction, with a share of more than 13% in this class (+6,6% compared to the Chinese average).

The top position in the classification of best payers is held by General building contractors with 43,9% of companies paying within agreed payment terms. In second and third positions are Water transportation (42,5%) and Insurance carriers (42,3%).

The Health services sector, on the other hand, has the worst payment record in China, with 43,8% of companies paying seriously late (more than 90 days on average). Second and third places in the classification of micro-sectors with more problematic payment behavior are held by Oil and gas extraction (31,1%) and Educational services (19,2%).

TABLE 1.1 SOURCE: HUAXIA D&B CHINA

PERCENTAGE OF COMPANIES IN CHINA WITH ON TIME PAYMENTS, 2011-2016

	2011	2015	2016
China	33,1%	33,2%	26,0%

TABLE 1.2 SOURCE: HUAXIA D&B CHINA

PERCENTAGE OF COMPANIES IN CHINA WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2011-2016

	2011	2015	2016
China	7,9%	6,1%	7,3%

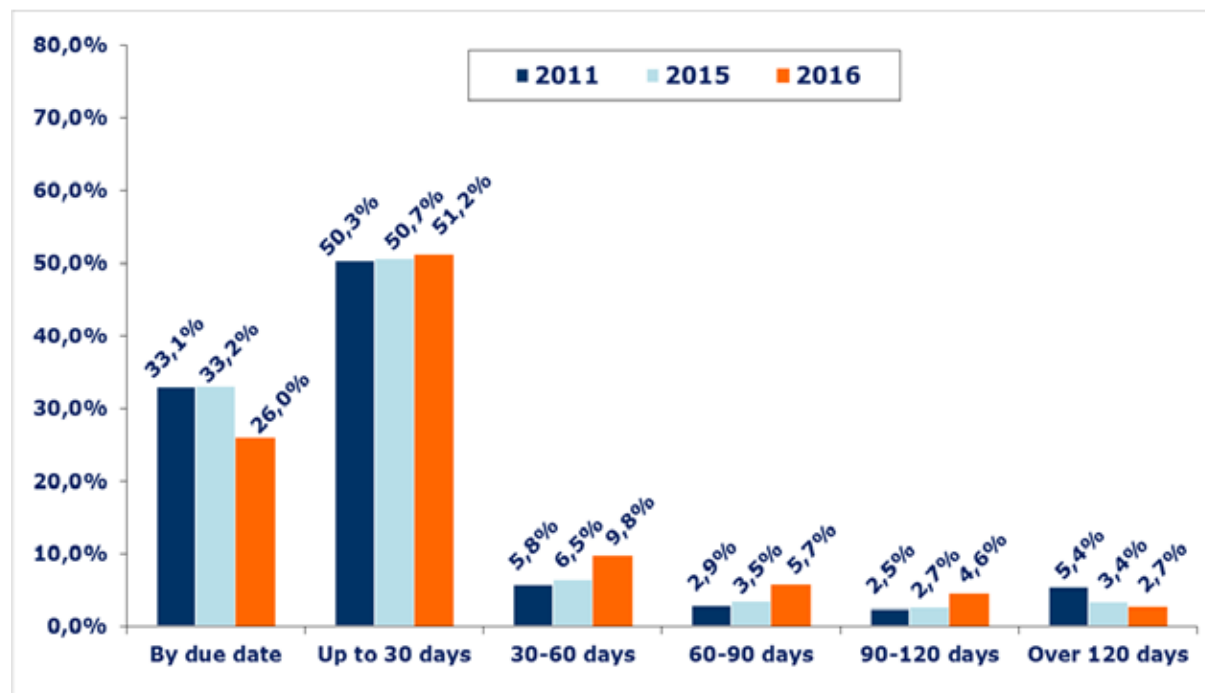
TABLE 1.3 SOURCE: HUAXIA D&B CHINA

VARIATIONS IN PAYMENT PRACTICES IN CHINA, 2011-2016

	Variation 2011/2016	Variation 2015/2016
By due date	-7,1%	-7,2%
Up to 90 days	7,7%	6,0%
Over 90 days	-0,6%	1,2%

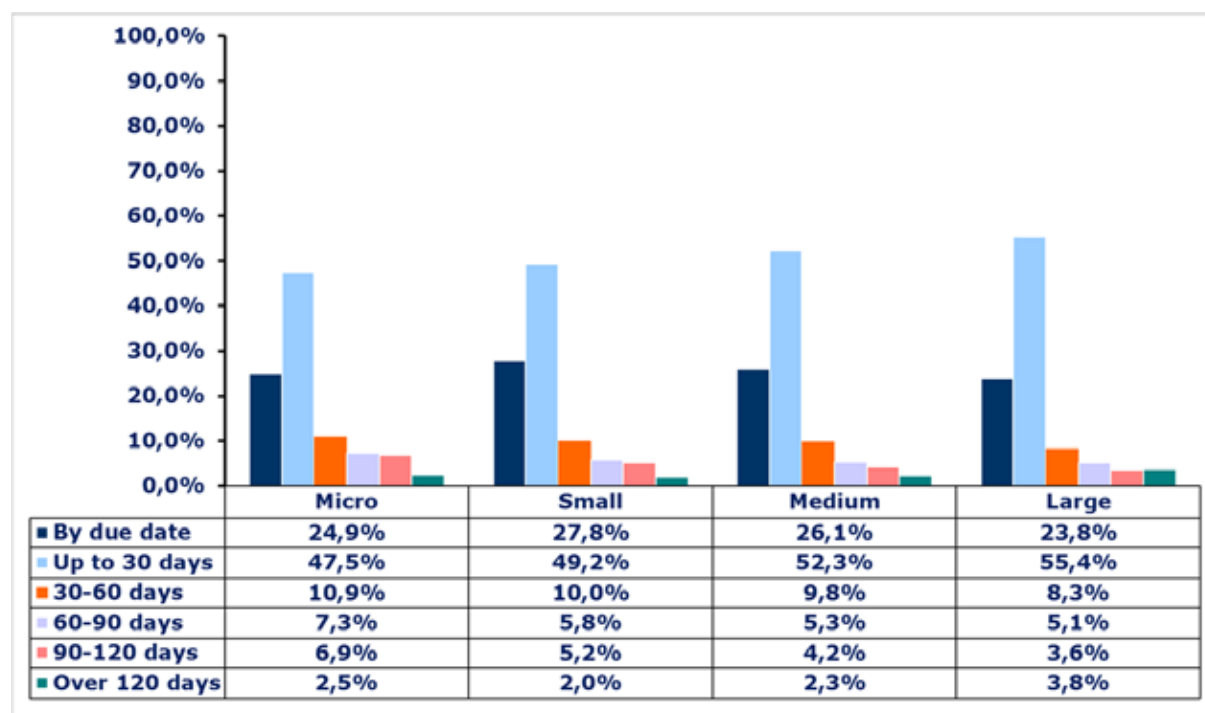
GRAPH 1.4 SOURCE: HUAXIA D&B CHINA

PAYMENT PRACTICES IN CHINA BY PAYMENT CLASS, 2011-2016



GRAPH 1.5 SOURCE: HUAXIA D&B CHINA

PAYMENT PRACTICES IN CHINA BY TYPE OF COMPANY, 2016



GRAPH 1.6 SOURCE: HUAXIA D&B CHINA

PAYMENT PRACTICES IN CHINA BY PRODUCT SECTOR, 2016

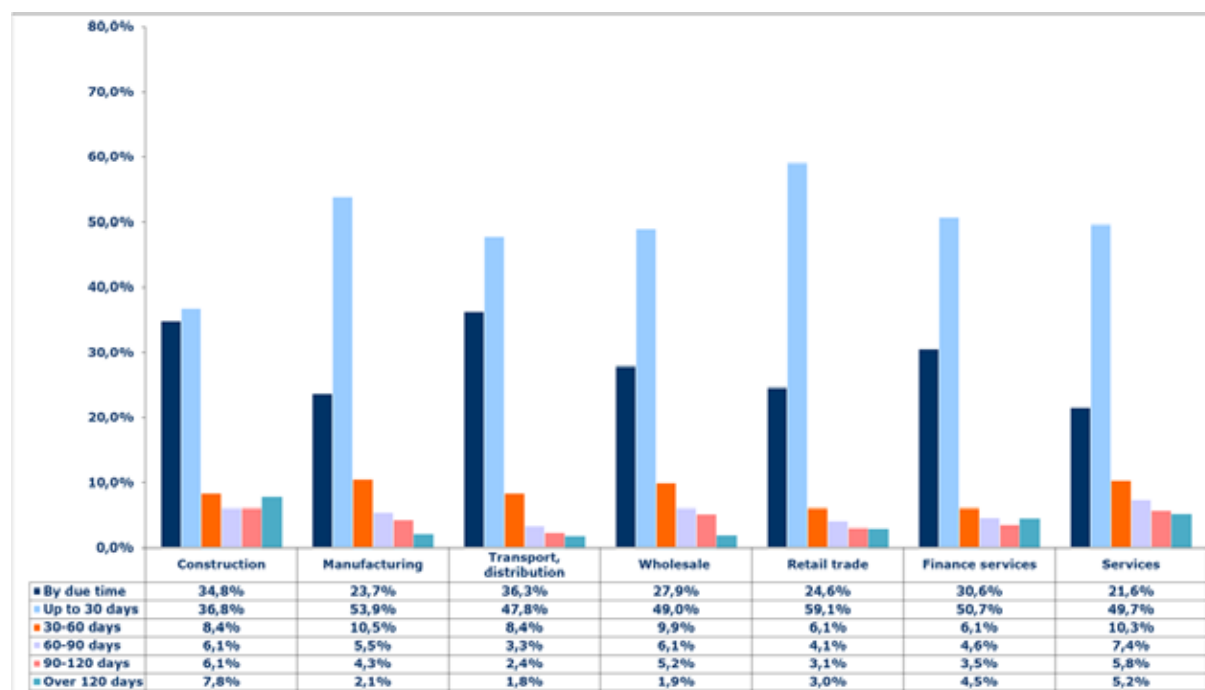


TABLE 1.7 SOURCE: HUAXIA D&B CHINA

SECTORS WITH THE BEST PAYMENT RECORDS IN CHINA, 2016

Sector	Ranking 2016
GENERAL BUILDING CONTRACTORS	1
WATER TRANSPORTATION	2
INSURANCE CARRIERS	3
TRANSPORTATION SERVICES	4
TRUCKING AND WAREHOUSING	5
MISCELLANEOUS REPAIR SERVICES	6
SOCIAL SERVICES	7
BUILDING MATERIALS AND GARDEN SUPPLIES	8
EATING AND DRINKING PLACES	9
TRANSPORTATION BY AIR	10

TABLE 1.8 SOURCE: HUAXIA D&B CHINA

SECTORS WITH THE WORST PAYMENT RECORDS IN CHINA, 2016

Sector	Ranking 2016
HEALTH SERVICES	54
OIL AND GAS EXTRACTION	53
EDUCATIONAL SERVICES	52
COMMUNICATIONS	51
REAL ESTATE	50
HEAVY CONSTRUCTION, EXCEPT BUILDING	49
PETROLEUM AND COAL PRODUCTS	48
SERVICES	47
SPECIAL TRADE CONTRACTORS	46
ELECTRIC, GAS AND SANITARY SERVICES	45

2. TAIWAN

Below is the opinion of **Charles Hsu, D&O Reporting team leader of D&O at Dun & Bradstreet Taiwan**, on the economic scenario and payment situation in Taiwan.

"According to the World Economic Forum, Taiwan is the 15th rank among the 140 countries in Global Competitiveness Report; 16th position among 132 countries in Global Entrepreneurship and Development Index in 2017; 3rd rank in overall investment environment in overall investment environment by Business Environment Risk Intelligence (BERI); 11th worldwide and 5th in the Asia Pacific region in Doing Business 2017. The 2016 Taiwan GDP was US\$ 528 billion and the GDP per capita in 2016 was US\$ 22,435.

Taiwan's exports in 2016 decreased 1.7% YoY. The export amounts in 2016 were US\$ 280.4 billion. Taiwan's imports amounts in 2016 were US\$ 230.9 billion (YoY -2.6%). The excess of exports were 49.5 billion (YoY +2.9%). The 2016 electronics exports increased by 8% YoY. In 2016, the top three exported products were

- *Electronics & ICT,*
- *petrochemicals & chemicals,*
- *machinery with primary exporting territories into*
 - *Mainland China & Hong Kong,*
 - *the ASEAN-6 (Singapore, Malaysia, Philippines, Thailand, Indonesia and Vietnam),*
 - *the United States.*

According to the Dun & Bradstreet's Taiwan Country Risk report, Taiwan's export-led recovery has broadened in scope since Q3 2016 and we expect real GDP growth to accelerate from just over 1% in 2016 to the 1.5-2.0% range in 2017. While consumer confidence and the housing market ended the year in a muted fashion, Taiwan's export performance, led by integrated circuits (IC) shipments, has put Taiwan on course for recovery. Electronic components exports were up by over a quarter y/y in November-December, and IC shipments were projected to break the record for a fourth year running in 2016, more than making up for weakness in the global memory (DRAM) market. Shipments of information, communication and audio-visual products staged their own recovery in Q4. The recovery in export orders also broadened in scope sector-wise in December to include base metals and precision equipment, up 13.4% and 8.8% y/y, after orders 2.3% and 15.9% y/y in 2016 as a whole, respectively."

Payment analysis

Punctual payments interest 72,2% of Taiwanese companies (+7,5% vs. 2007 and +4,9% vs. 2015).

The improvement in punctual payments was followed by a reduction of payments in the class "Up to 30 days" (25,1%: -4,8% compared to 2015).

The share of companies that pay seriously late (over 90 days), on the other hand, is stable and less than 1% of the total.

The general improvement is also seen between the different types of companies: all pay in-time more than 70% of the time.

The most part of late payment is concentrated in the "Up to 30 days" class and they vary between 18,3% of the Micro companies and 27,6% of the Medium companies.

In the intermediate classes ("30-60 days" and "60-90 days") there is a more or less uniform payment behavior, with values of between 1,9% and 3%.

In the serious late payment bracket (over 90 days on average), the most notable are Micro companies with only a share of 1,1%.

The good payment performance of companies in Taiwan is also confirmed in payment habits divided by payment class and macro-sector.

All sectors show the largest percentage in the "By due date" class, with values varying between 70% and 88,1%.

The sector in which there is the greatest punctuality is Finance services; meanwhile Manufacturing has the highest share of companies that pay on average between 1 and 30 days late (27,8%).

The serious late payments range between 0,1% (Transport, distribution) and 1,4% (Construction).

TABLE 2.1 SOURCE: DUN & BRADSTREET TAIWAN

PERCENTAGE OF COMPANIES IN TAIWAN WITH ON TIME PAYMENTS, 2007-2016

	2007	2015	2016
Taiwan	64,7%	67,3%	72,2%

TABLE 2.2 SOURCE: DUN & BRADSTREET TAIWAN

PERCENTAGE OF COMPANIES IN TAIWAN WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2007-2016

	2007	2015	2016
Taiwan	3,3%	0,6%	0,6%

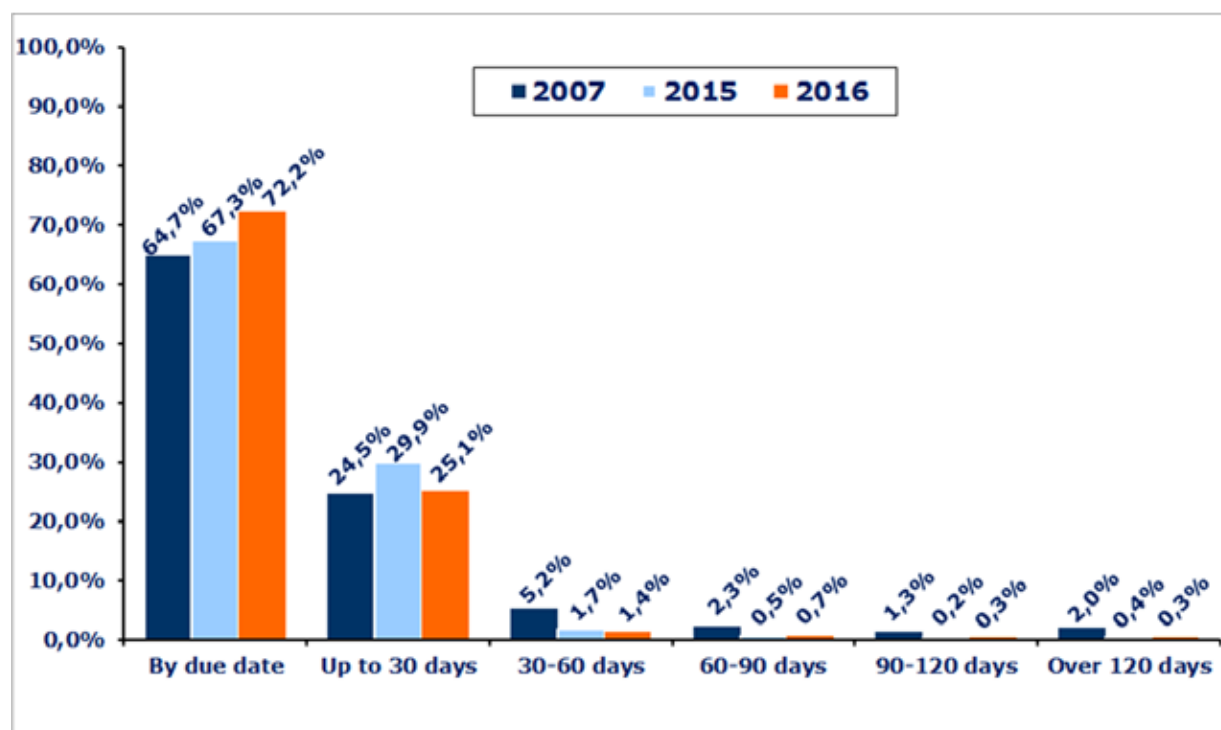
TABLE 2.3 SOURCE: DUN & BRADSTREET TAIWAN

VARIATIONS IN PAYMENT PRACTICES IN TAIWAN, 2007-2016

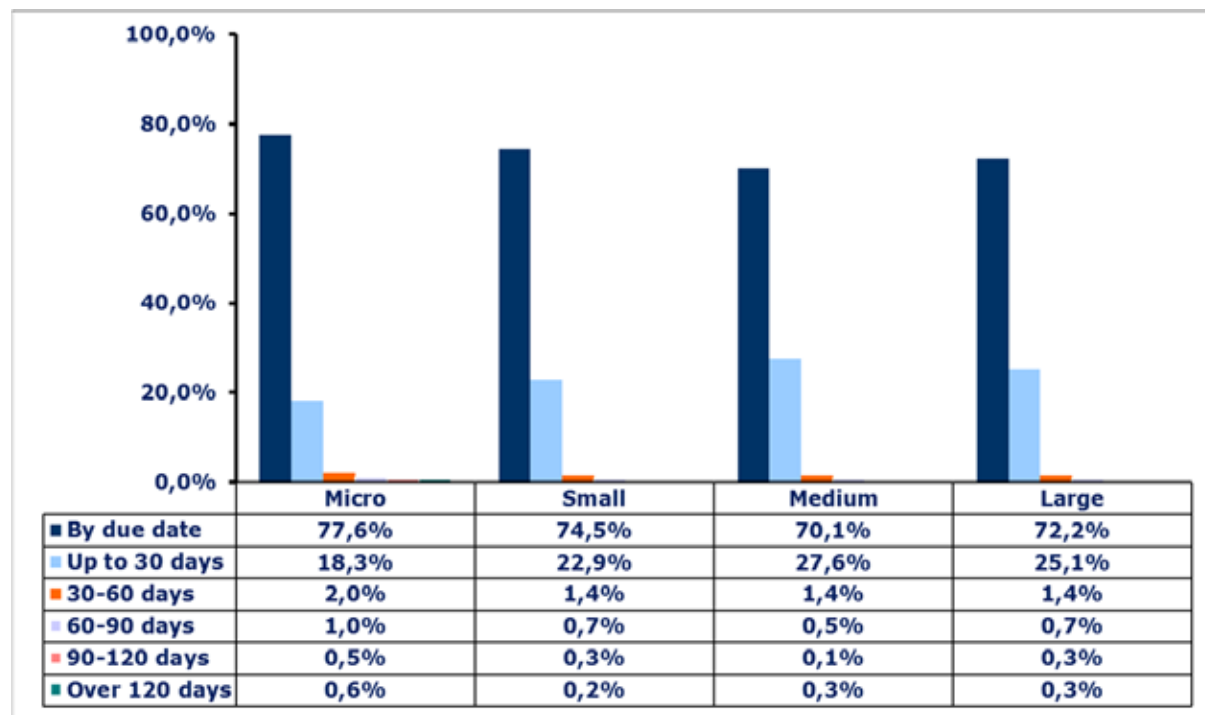
	Variation 2007/2016	Variation 2015/2016
By due date	7,5%	4,9%
Up to 90 days	-4,8%	-4,9%
Over 90 days	-2,7%	0,0%

GRAPH 2.4 SOURCE: DUN & BRADSTREET TAIWAN

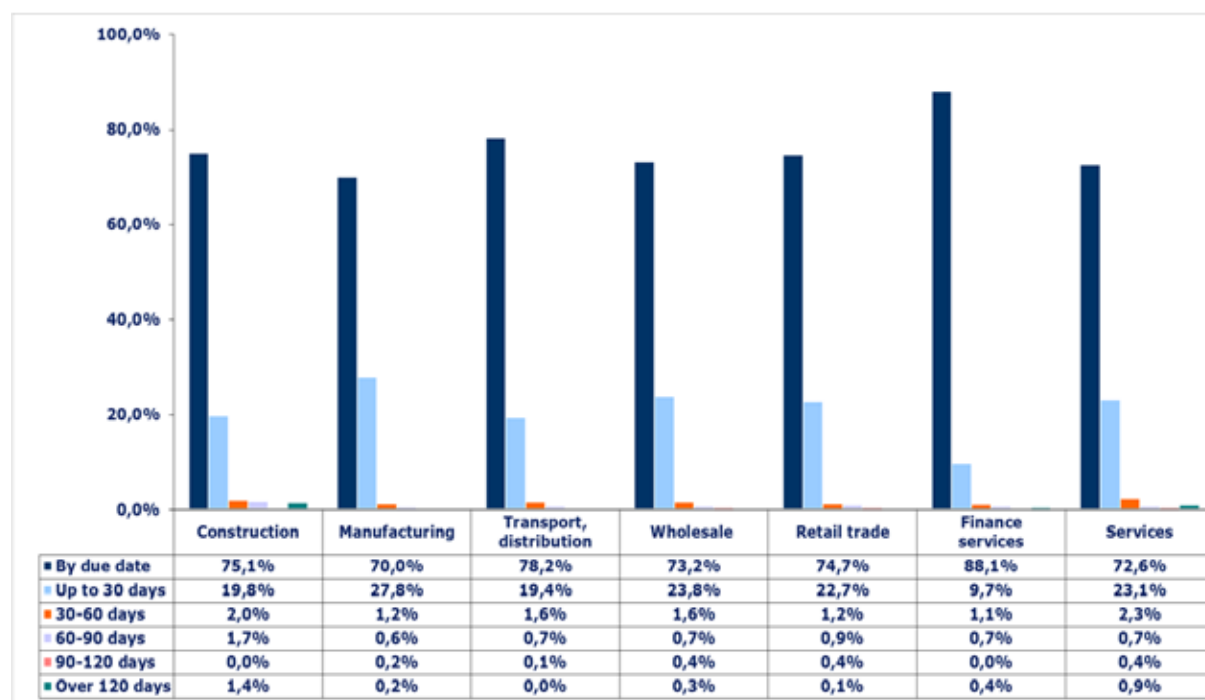
PAYMENT PRACTICES IN TAIWAN BY PAYMENT CLASS, 2007-2016



PAYMENT PRACTICES IN TAIWAN BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN TAIWAN BY PRODUCT SECTOR, 2016



3. HONG KONG

Below is the opinion of **Hugo Ng, Project Director** at **Dun & Bradstreet (HK) Limited**, on the economic scenario and payment situation in Hong Kong.

"According to the figures released on December 20, 2016 by the Census and Statistics Department in Hong Kong, total employment in the private sector surveyed increased by 0.7% or 19,900 persons in September 2016 compared with the preceding year. The total number of vacancies was 69,340, representing a decrease of 7% or 5,330 over the last year.

Among the 69,340 private sector vacancies, 5,420 from financing and insurance, 5,750 from import and export trade, 6,480 from professional and business services (excluding cleaning and similar services), 8,280 from retail trade, and 11,680 were from the industry of food and beverage services.

Boosted by private spending and investment, Hong Kong GDP Annual Growth Rate advanced 1.9 percent year-on-year in 2016 Quarter 3; it was above market expectations of 1.6 percent. It was 1.7 percent and 0.8 percent in the second and first quarter respectively. Although it was advancing, it was lower than 2015 Quarter 3 of 2.3 percent.

Despite the unemployment rate was decreased comparing with last year, the D&B Trade Team in Hong Kong revealed during the period of 2016 that the trade program participants generally held pessimistic views on the economy. Reason begin that many of them believed the Chinese economy would continue to slow and this could adversely affect their future business.

Nevertheless, the trade program participants in general did not tighten their credit terms with their customers when compared to that of 2015. Instead, many of them chose to monitor the payment trends of their customers more carefully and more often to avoid potential late payments and bad debts. Many of them believed tightening their credit terms with their customers would negatively affect their business relationships with their customers.

Some of the trade program participants engaged in freight forwarding and manufacturing industry experienced a norm of delay payment in 2016. Their customers did not proactively request or notify them for the occurrence of delay payments.

The possible causes of delay payments could be concluded into two scenarios. The customers experienced cash flow problem, and thus were unable to repay debt on time. Secondly, it was related to the payment behavior of the customers. They were financially able to make payment on time but chose to not make the payment on time so that they could hold more cash on hand.

Trade program participants had three strategies on credit management. Firstly, they continued to implement tight control for new customers that they would not offer any credit to them. Secondly, credit controllers would involve effort from sales team by closely monitoring their customers through more frequent contact. Lastly, credit controllers would leverage the services of business information providers to monitor the ability and attitude of their customers in terms of making payments.

In the main, trade program participants generally did not choose to tighten their credit terms with their customers. Instead, they chose to closely monitor the ability and attitude of their customers on making their payments to avoid late payments and bad debts."

Payment analysis

The payment situation in Hong Kong in 2016 does not show any significant changes compared to recent editions of the Payment Study.

The share of punctual companies was 30,2%, showing a fall of less than one percentage point compared with December 2015.

On the other hand, companies that pay over 90 days late are 2,3% of the total, which is the same value of the last year.

We can notice some improvements in payment behavior if we consider the comparison with 2007: the percentage of companies that respect agreed payment terms has increased by 1,1%, payers in the "Up to 90 days" have grown by 3,4 percentage point and the share of "bad payers" (payment over 90 days late on average) has decreased by 4,5%.

Looking at company size, there is again a widespread tendency by Hong Kong companies to pay between 1 and 30 days late, with concentrations from 52,3% (Micro) to 62,5% (Large).

Micro and Small companies show more balanced payment behavior with 34,8% and 32,4% of punctual companies, respectively.

For late payments, Large companies stand out as having problems: over 18% of these companies show late payments of between 30 and 90 days on average, and a further 5% exceed 90 days on average.

The sectors with the highest concentration of punctual payments are Construction, with a percentage of 54,4% and Wholesale with 32,9% of the total.

The payment class with the highest percentage is the moderate late payment class, limited to 30 days on average, with percentages varying from 29,4% for Construction to 61,5% for the Manufacturing sector.

In the other more serious late payment classes, the Finance services and Services sectors have negative results: the two sectors register 18,5% and 16% of companies, respectively, that pay between 30 and 90 days late.

In addition, 5,3% of companies of Construction pay more than 90 days late on average.

In conclusion, Hong Kong companies continue to show difficulties in payments compared to other countries in the Payment Study.

TABLE 3.1 SOURCE: DUN & BRADSTREET (HK) LTD

PERCENTAGE OF COMPANIES IN HONG KONG WITH ON TIME PAYMENTS, 2007-2016

	2007	2015	2016
Hong Kong	29,1%	31,0%	30,2%

TABLE 3.2 SOURCE: DUN & BRADSTREET (HK) LTD

PERCENTAGE OF COMPANIES IN HONG KONG WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2007-2016

	2007	2015	2016
Hong Kong	6,8%	2,3%	2,3%

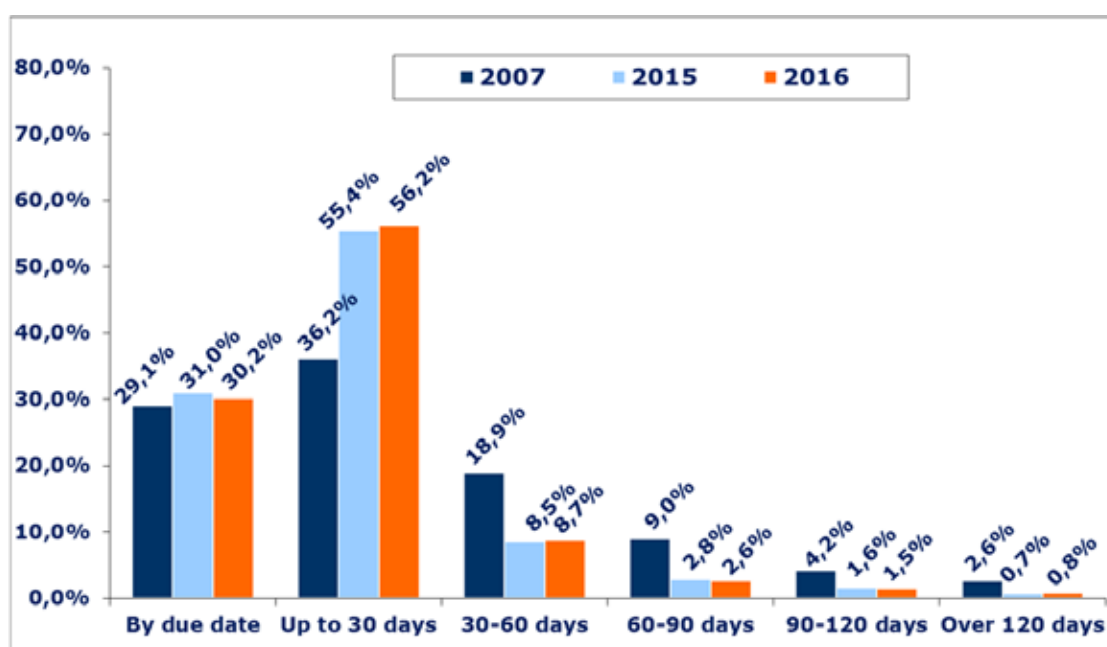
TABLE 3.3 SOURCE: DUN & BRADSTREET (HK) LTD

VARIATIONS IN PAYMENT PRACTICES IN HONG KONG, 2007-2016

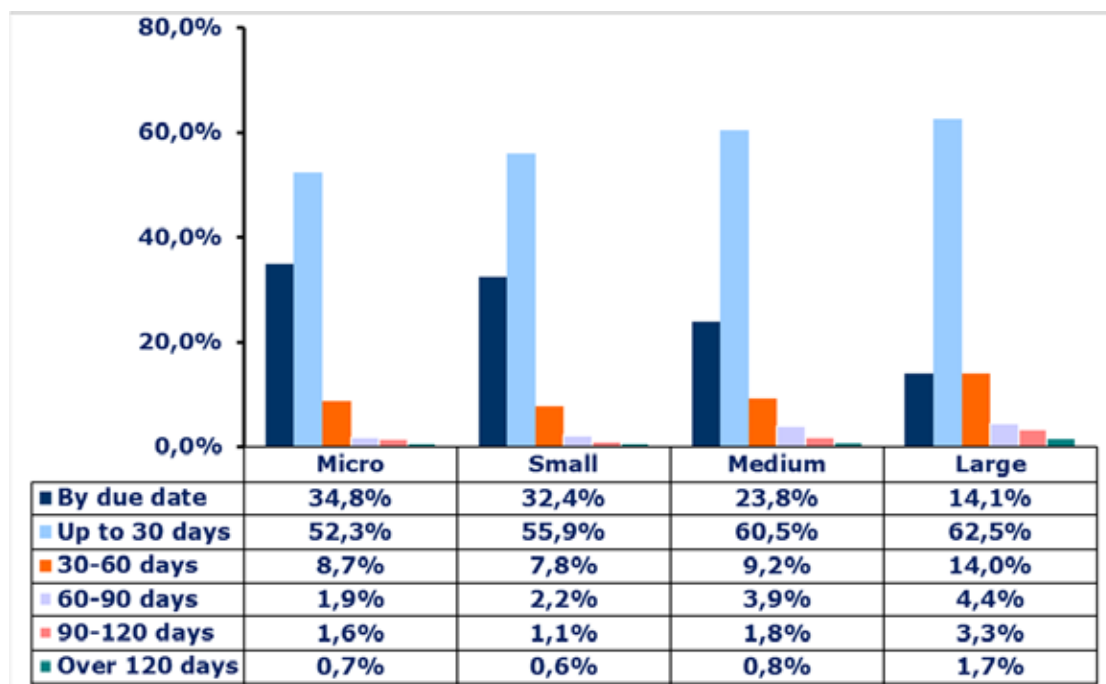
	Variation 2007/2016	Variation 2015/2016
By due date	1,1%	-0,8%
Up to 90 days	3,4%	0,8%
Over 90 days	-4,5%	0,0%

GRAPH 3.4 SOURCE: DUN & BRADSTREET (HK) LTD

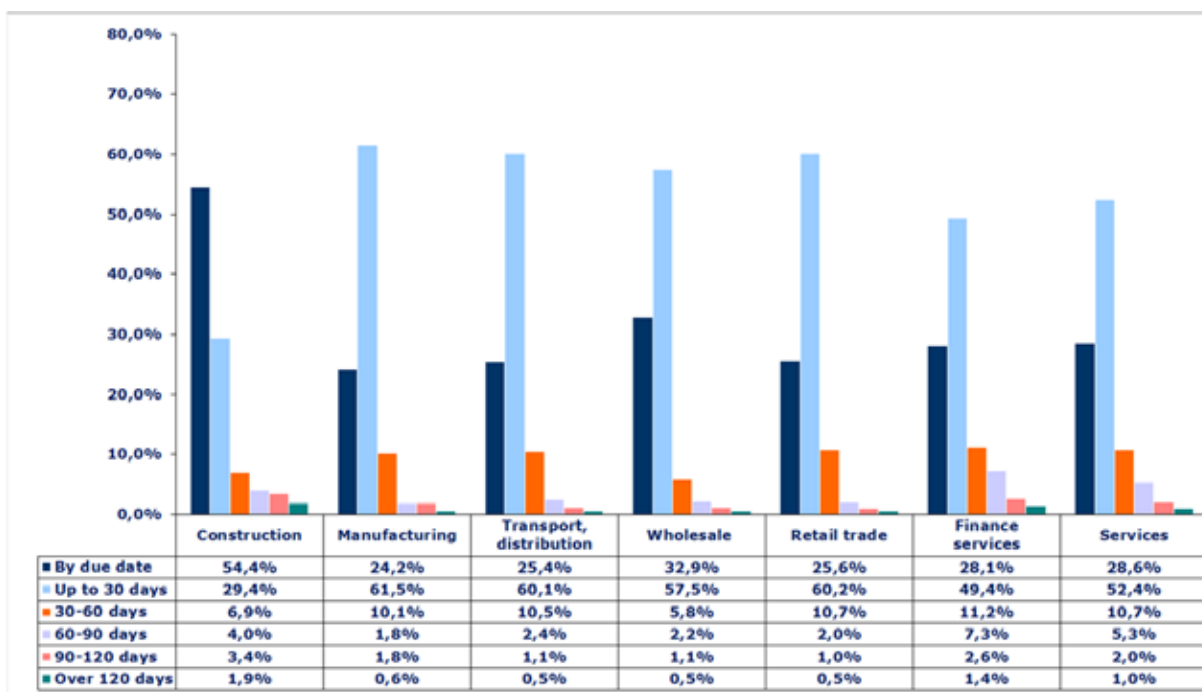
PAYMENT PRACTICES IN HONG KONG BY PAYMENT CLASS, 2007-2016



PAYMENT PRACTICES IN HONG KONG BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN HONG KONG BY PRODUCT SECTOR, 2016



4. PHILIPPINES

Below is the opinion of **Mudzni Rivera Amorin** and **Cris Matunan**, **DUNTrade Leader and Operations Leader** of **Dun & Bradstreet Philippines**, on the economic scenario and payment situation in the Philippines.

"According to the World Bank, the Philippine economy expanded 6.4 percent in 2016. The economy expanded 5.8 percent in 2015, 6.1-percent in 2014 and 7.1 percent in 2013. Among the developing Southeast Asian economies, the Philippines have one of the strongest growth prospects along with Vietnam. The Philippine exports are expected to grow in 2017 at a similar rate as in 2015-2016 with growth momentum shifting away from advanced economies back towards emerging markets and developing economies.

The Philippines ranked as the 33rd largest economy in the world according to 2016 International Monetary Fund Statistics. It is projected that the Philippines will be ranked 16th by 2050. It is currently one of the Asia's fastest growing economies and named as one of the Tiger Cub Economies together with Indonesia, and Thailand. However, a few challenges remain: alleviating the wide income and growth disparities between the country's different regions and socioeconomic classes; reducing corruption; and investing in infrastructure necessary to ensure future growth.

The country's foreign exchange reserves rose sharply in March 2016, hitting their highest level in more than two years amid strong dollar reserve reported by Bangko Sentral ng Pilipinas.

In terms of balance of trade result reported by Philippine Statistics Authority (PSA), the Philippines experienced a trade deficit of \$2.163 billion in October, the widest in six months since the gap expanded to \$2.306 billion in April, as imports continued to outpace exports.

For 2017, growth is seen dipping back slightly to 6.2% but is still above the previous forecast of 6.1%. Robust growth is set to continue in the Philippines in 2016 and 2017 on the back of strong investment, private consumption, and the government's plan to accelerate investment in infrastructure and human capital, says the most recent Asian Development Bank (ADB) study.

Improvements in payment behavior through DUNTrade program recorded by D&B Philippines. We observed marked improvement in "By Due Time" primarily caused by proactive invoicing and collection efforts, proper monitoring of accounts receivables, and establishing credit policies. We likewise observe a large opportunity for improvement in the payment segment of "Over 120 days" which is traditionally influenced by cash flow difficulties, use of credit to fund working capital, and erroneous invoices and billing disputes. The Credit Information Corporation (CIC), a government-owned and controlled corporation that functions as the country's credit bureau was fully operational since end of 2015. Data related to credit will be available to Special Accessing Entities (SAE) by early 2017. We expect a positive change in the credit landscape to be in effect due to this development."

Payment analysis

In 2016, Philippine companies that paid their suppliers on time ("By due date" class) accounted only for 12% of the total, the lowest value recorded among all the countries analyzed in the observatory.

Moderate late payments ("Up to 30 days"), on the other hand, account for 21,8 percentage points, while the intermediate late payment classes ("30-60 days" and "60-90 days") together reach 19,6%.

The negative performance is also seen in the "Over 90 days" class: at the end of 2016 the concentration of companies in this bracket was 46,6% and 36,8% pay more than 120 days late on average.

The four types of company size examined have very similar percentages, which are not very different from average national levels.

Micro and Small companies have the highest share of punctual payers (17,3% and 12,7% of the total, respectively).

In the "Up to 30 days" late payment class there are values of between 22,1% for Large and Medium companies and 23,5% for Micro companies.

In other levels there are similar value to the "By due date" class and in all the other late payment classes and are very consistent for all four of the categories examined.

In particular, payments with more than 120 days of delay exceed 31,1% of the total and reach 34% for Medium companies.

The sector which stands out as having the most balanced payment behavior is Construction: in this case 15,4% of companies manage to pay with a delay not greater than 30 days.

Late payments are concentrated in the "Up to 30 days" class, with the highest percentages for Finance services (23,4%).

In the intermediate payment classes (between 30 and 90 days over payment terms) we observe more than 21% of the total for Wholesale and Services sectors.

Finally, the most serious late payment class (over 90 days on average) is high for all the groups: the highest value is seen in the Transport, distribution sector (57,5%), followed by Retail trade with the 48,1% of the total.

TABLE 4.1 SOURCE: DUN & BRADSTREET PHILIPPINES

PERCENTAGE OF COMPANIES IN PHILIPPINES WITH ON TIME PAYMENTS, 2011-2016

	2011	2015	2016
Philippines	0,9%	2,8%	12,0%

TABLE 4.2 SOURCE: DUN & BRADSTREET PHILIPPINES

PERCENTAGE OF COMPANIES IN PHILIPPINES WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2011-2016

	2011	2015	2016
Philippines	33,2%	51,5%	46,6%

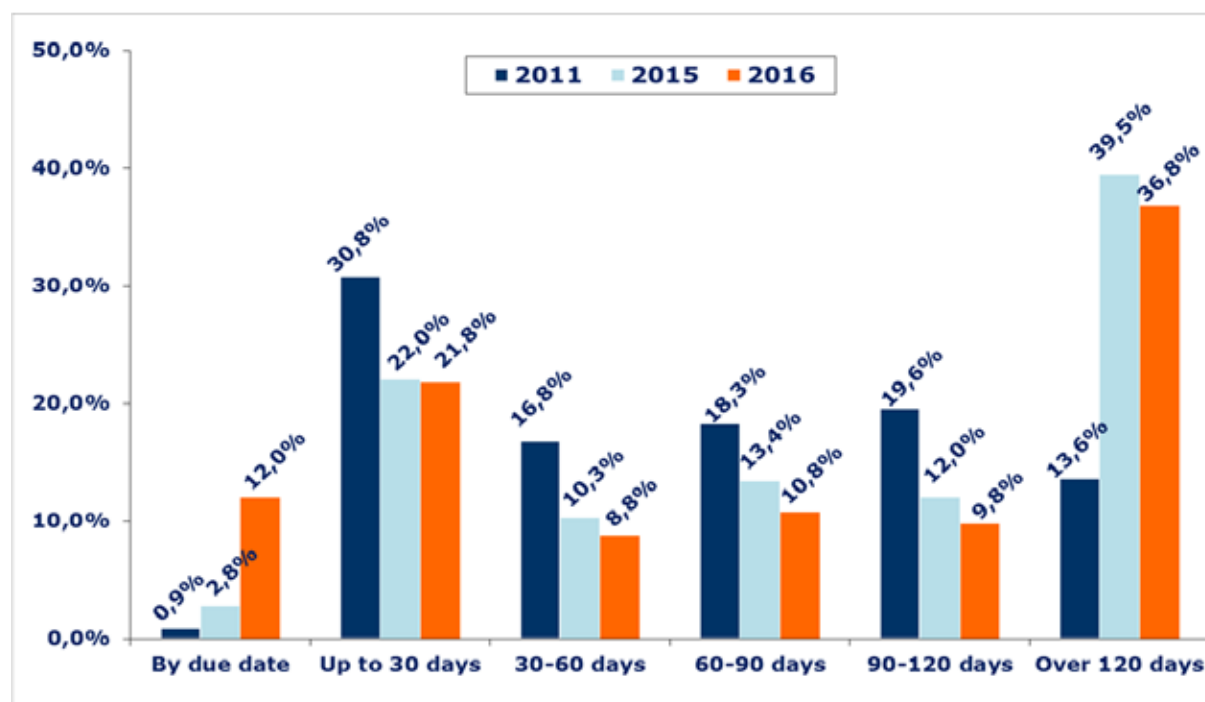
TABLE 4.3 SOURCE: DUN & BRADSTREET PHILIPPINES

VARIATIONS IN PAYMENT PRACTICES IN PHILIPPINES, 2011-2016

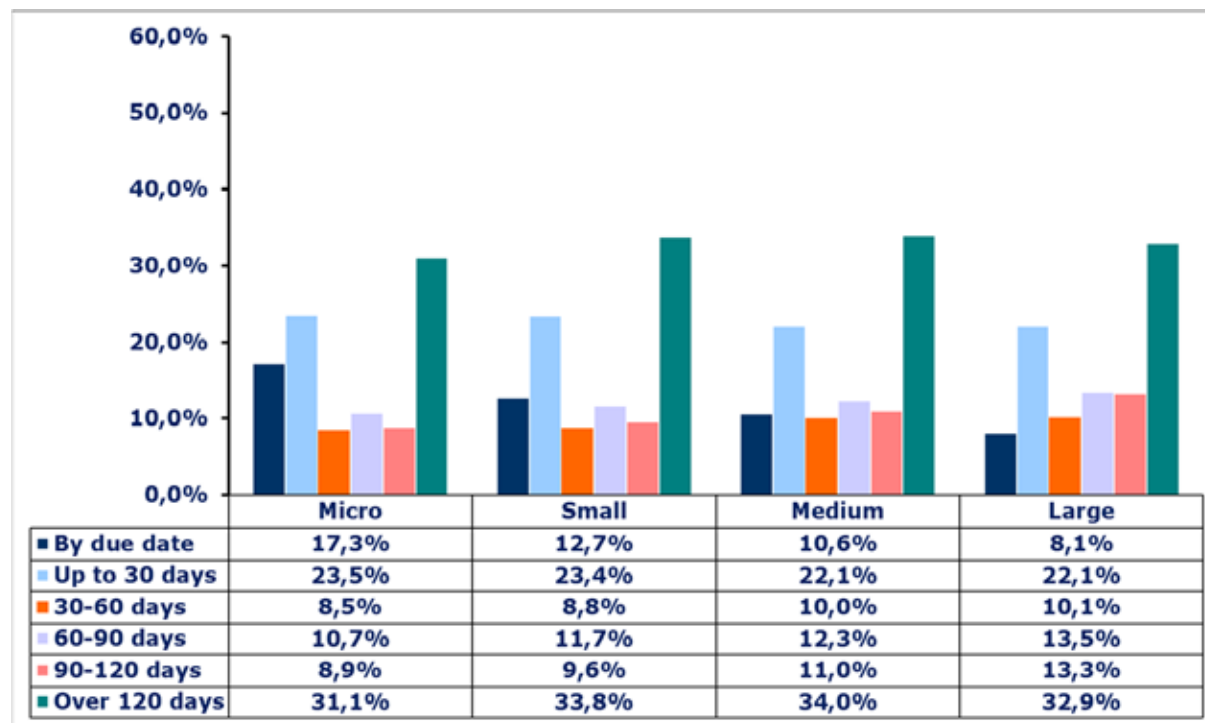
	Variation 2011/2016	Variation 2015/2016
By due date	11,1%	9,2%
Up to 90 days	-24,5%	-4,3%
Over 90 days	13,4%	-4,9%

GRAPH 4.4 SOURCE: DUN & BRADSTREET PHILIPPINES

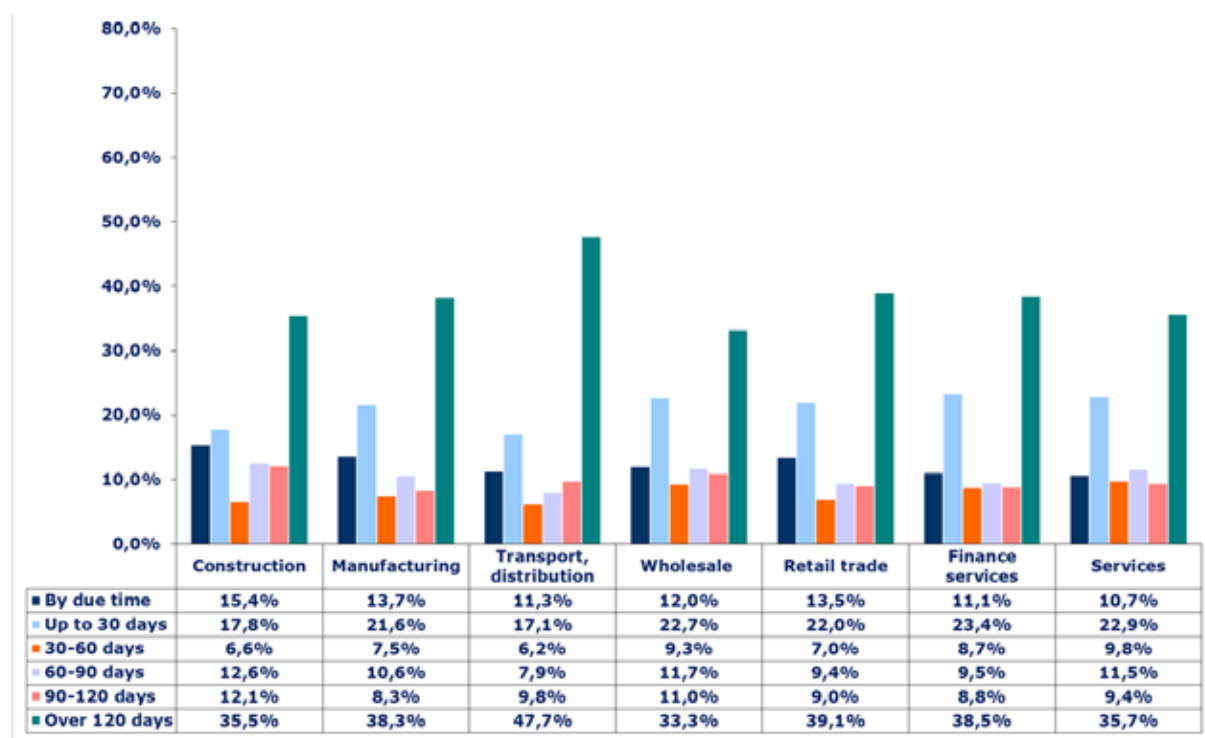
PAYMENT PRACTICES IN PHILIPPINES BY PAYMENT CLASS, 2011-2016



PAYMENT PRACTICES IN PHILIPPINES BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN PHILIPPINES BY PRODUCT SECTOR, 2016

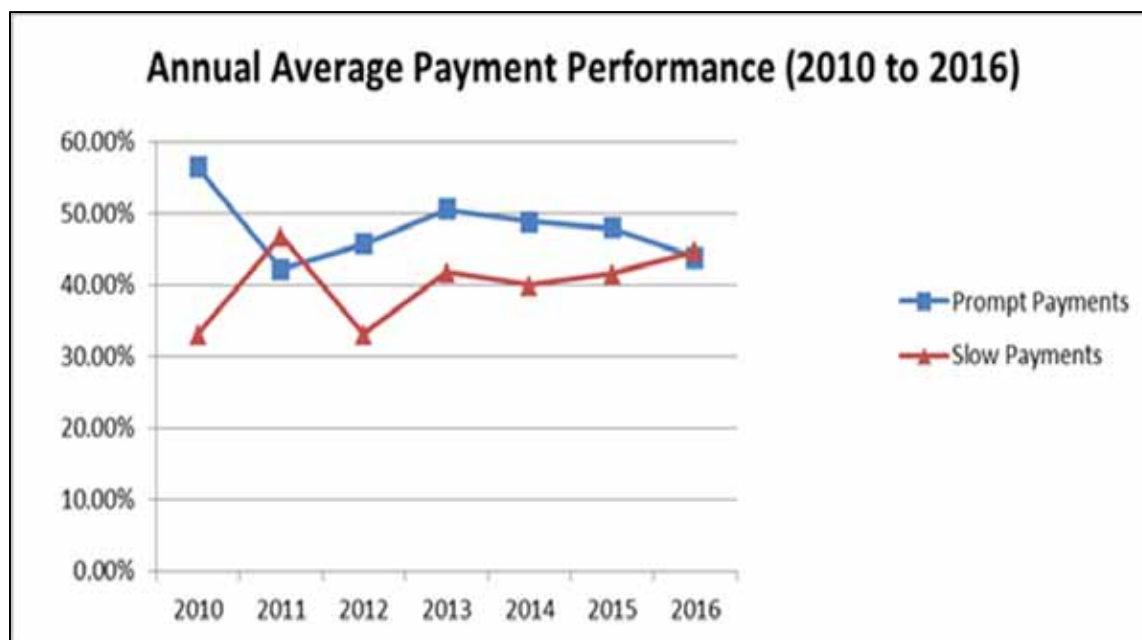


5. SINGAPORE

Payment performance of local firms has hit a new-low in 5 years since 2011. According to Singapore Commercial Credit Bureau (SCCB), the annual average proportion of slow payments have increased since 2014 and hit a new 5-year high in 2016 at 44.71 per cent while the annual average proportion of prompt payments have declined to a new 5-year low at 43.77 per cent in 2016.

GRAPH 5.1 SOURCE: DUN & BRADSTREET SINGAPORE

TRENDS IN PROMPT PAYMENT AND SLOW PAYMENT, 2010-2016

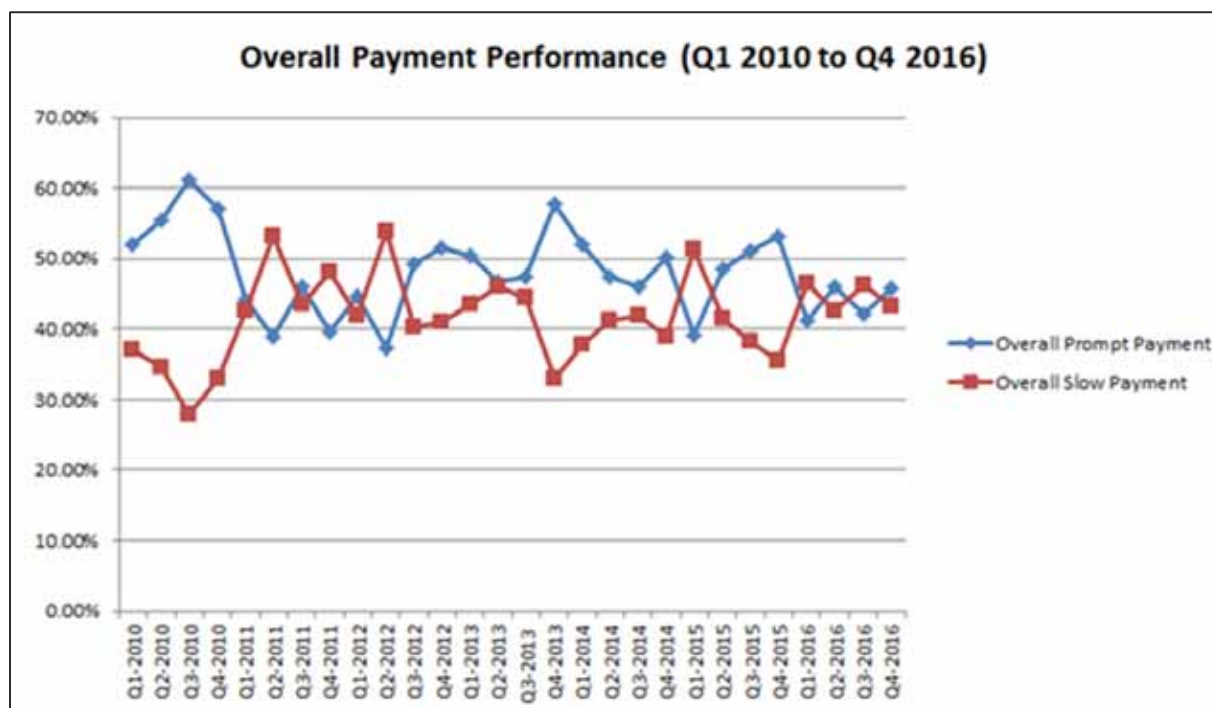


Year-on-year (y-o-y) payment performance has deteriorated despite the marginal quarter-on-quarter (q-o-q) improvements in Q4 2016. For four consecutive quarters in 2016, prompt payments have accounted for less than half of total payment transactions while slow payments have accounted for more than two-fifths of payment transactions. According to SCCB's latest payment statistics, y-o-y prompt payments have continued on a downward trend, falling by 7.23 percentage points from 53.10 per cent in Q4 2015 to 45.87 per cent in Q4 2016. Slow payments have also risen significantly by 7.85 percentage points from 35.43 per cent in Q4 2015 to 43.28 per cent in Q4 2016.

On a q-o-q basis, prompt payments edged slightly upwards by 3.69 percentage points from 42.18 per cent in Q3 2016 to 45.87 per cent in Q4 2016. Slow payments fell by 3.09 percentage points from 46.37 per cent in Q3 2016 to 43.28 per cent in Q4 2016.

Meanwhile, y-o-y partial payments have fallen by 0.62 percentage points from 11.47 per cent in Q4 2015 to 10.85 per cent in Q4 2016. On a q-o-q basis, partial payments have also moved in a similar direction, dipping by 0.60 percentage points from 11.45 per cent in Q3 2016 to 10.85 per cent in Q4 2016.

OVERALL PAYMENT PERFORMANCE, 2010-2016



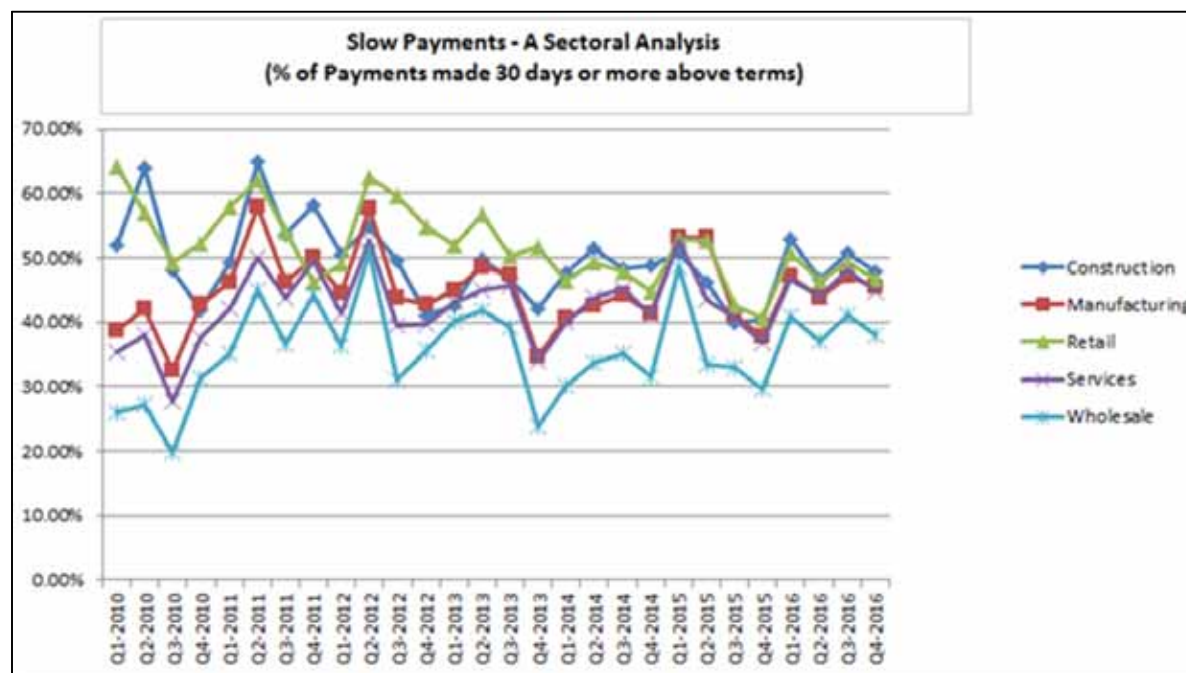
From a sectorial perspective, q-o-q slow payments have improved slightly across all five industries. This stands in contrast to Q3 2016 when slow payments deteriorated across all 5 industries. However, y-o-y payment delays continued to rise significantly for all 5 industries.

TABLE 5.3 SOURCE: DUN & BRADSTREET SINGAPORE

TRENDS IN SLOW PAYMENT BY PRODUCT SECTOR, 2015-2016

	% of Slow Payments			Percentage-Point Change	
	Q4 2016	Q3 2016	Q4 2015	Q-o-q	Y-o-y
Construction	47,97	50,82	40,37	-2,85	+7,60
Manufacturing	45,36	47,13	37,73	-1,77	+7,63
Retail	46,69	49,35	40,64	-2,66	+6,05
Services	44,66	48,01	36,84	-3,35	+7,82
Wholesale	37,96	41,16	29,61	-3,20	+8,35

PERCENTAGE OF PAYMENTS MADE 30 DAYS OR MORE ABOVE TERMS BY PRODUCT SECTOR, 2010-2016



Construction

The construction sector registered the highest proportion of slow payments for the fourth consecutive quarter. According to SCCB, the weak payment performance was largely attributed to bad debts by firms within the heavy construction sub-sector.

Payment delays accounted for nearly half of all payment transactions within the sector. Q-o-q payment delays dipped slightly by 2.85 percentage points from 50.82 per cent in Q3 2016 to 47.97 per cent in Q4 2016.

Firms involved in heavy construction works registered the highest proportion of slow payments, accounting for more than half of all payment transactions within the sector. Payment delays within the sub-sector slipped marginally by 1.87 percentage points from 52.68 per cent in Q3 2016 to 50.81 per cent in Q4 2016. Slow payments within the building construction sector fell by 2.84 percentage points from 51.98 per cent in Q3 2016 to 49.14 per cent in Q4 2016. Meanwhile, payment delays by special trade contractors displayed a more visible improvement, dropping by 3.45 percentage points from 48.89 per cent in Q3 2016 to 45.44 per cent in Q4 2016.

On a y-o-y basis, payment delays within the construction sector jumped markedly by 7.60 percentage points from 40.37 per cent in Q4 2015 to 47.97 per cent in Q4 2016.

Retail

Due to subdued growth among retailers in recent months, the sector accounted for the second largest proportion of payment delays in Q4 2016. SCCB notes that this marks the second consecutive y-o-y increase in slow payments within the retail sector.

- According to SCCB, slow payments slipped q-o-q by 2.66 percentage points from 49.35 per cent in Q3 2016 to 46.69 per cent in Q4 2016.
- The food and beverage retail sector registered the highest proportion of slow payments, rising by 2.01 percentage points from 48.04 per cent in Q3 2016 to 50.05 per cent in Q4 2016. This is followed by retailers of building materials and garden supplies, which fell significantly from 61.21 per cent in Q3 2016 to 48.93 per cent in Q4 2016. Retailers of general merchandise accounted for the third highest proportion of slow payments, dipping by 1.93 percentage points from 47.19 per cent in Q3 2016 to 45.26 per cent in Q4 2016.
- On a y-o-y basis, slow payments climbed by 6.05 percentage points from 40.64 per cent in Q4 2015 to 46.69 per cent in Q4 2016.

Wholesale Trade

The wholesale trade sector experienced the highest y-o-y increase in payment delays largely due to prolonged weakness in trading activities particular in oil, petroleum and petroleum products.

- According to SCCB, payment delays soared significantly by 8.35 percentage points from 29.61 per cent in Q4 2015 to 37.96 per cent in Q4 2016, making up nearly two-fifths of payment transactions within the sector.
- On a q-o-q basis, slow payments within the wholesale sector fell by 3.20 percentage points from 41.16 per cent in Q3 2016 to 37.96 per cent in Q4 2016.
- As with Q3 2016, the wholesale trade of durable goods experienced a higher proportion of slow payments compared to non-durable goods. Payment delays by wholesalers of durable goods fell by 3.17 percentage points from 41.38 per cent in Q3 2016 to 38.21 percentage points in Q4 2016. Slow payments by wholesalers of non-durable goods dropped by 3.29 percentage points from 40.41 per cent in Q3 2016 to 37.12 per cent in Q4 2016.

Services

Meanwhile, payment performance within the services sector remained weak as slow payments accounted for the second largest y-o-y increase. The weaker showing is largely attributed to slower payments experienced by the health services, consumer-facing personal services and recreational services sub-sectors.

- On a y-o-y basis, slow payments jumped visibly by 7.82 percentage points from 36.84 per cent in Q4 2015 to 44.66 per cent in Q4 2016.
- Q-o-q payment delays slipped by 3.35 percentage points from 48.01 per cent in Q3 2016 to 44.66 per cent in Q4 2016.
- According to SCCB, the health services sector registered the highest proportion of payment delays, rising markedly by 10.34 percentage points from 52.70 per cent in Q3 2016 to 63.04 per cent in Q4 2016. This is followed by the consumer-facing personal services sector, up 5.06 percentage points from 43.02 per cent in Q3 2016 to 48.08 per cent in Q4 2016.

The amusement and recreational services sector accounted for the third highest proportion of payment delays, down 1.20 percentage points from 46.42 per cent in Q3 2016 to 45.22 per cent in Q4 2016.

Manufacturing

The manufacturing sector accounted for the third highest proportion of slow payments due to a slowdown in the transport engineering and biomedical subsectors.

- According to SCCB, slow payments dipped slightly by 1.77 percentage points from 47.13 per cent in Q3 2016 to 45.36 per cent in Q4 2016.
- Manufacturers of transportation equipment registered the highest proportion of slow payments, slipping by 6.43 percentage points from 61.42 per cent in Q3 2016 to 54.99 per cent in Q4 2016. This is followed by manufacturers of lumber and wood, up by 5.82 percentage points from 47.47 per cent in Q3 2016 to 53.19 per cent in Q4 2016. Manufacturers of furniture and fittings registered the third highest proportion of payment delays at 52.53 per cent in Q4 2016, rising significantly by 7.67 percentage points from 44.86 per cent in Q3 2016.
- On a y-o-y basis, slow payments have increased markedly by 7.63 percentage points from 37.73 per cent in Q4 2015 to 45.36 per cent in Q4 2016.

6. THAILAND

Payment analysis

In 2016, Thailand companies that paid their suppliers on time ("By due date" class) accounted only 21,5% of the total.

On the other hand, the moderate late payments ("Up to 30 days") account for 63,2 percentage points, while the intermediate late payment classes, "30-60 days" and "60-90 days", together reach 12,2% (-5,1% compared to 2015).

The share of "bad payers" ("Over 90 days") at the end of 2016 account 3,1% of the total.

Micro companies were the "best payers": in fact, they paid on-time 25,7% of the total. At the contrary, Large companies that paid on-time were only 12,2% of the total.

Most of the late payments, were concentrated in the "Up to 30 days" class, where the highest values was reached by Large companies with 75,2% of the total.

As regards very late payments, Micro companies reached 5,3% of the total.

Finance services and Retail trade showed the best payment performances, with 25,9% and 24,8%, of punctual payers.

A large part of Thailand companies are in the "Up to 30 days" class, with values varying between 57,5% for Finance services and 68,1% for the Manufacturing sector.

For the intermediate late payment class (between 30 and 90 days on average), the highest value is seen for the Construction sector with 14% of the sample.

Finally, the most serious payments class (over 90 days on the average) is highest in the Construction sector (5,6%), followed by Finance services with the 4,2% of the total.

Security and commodity brokers is the sector with the best payment record in Thailand, with 40,7% of companies paying within agreed payment terms. In second and third places are the Building materials and garden supplies (34,1%) and Automotive dealers and service stations (30,9%) sectors.

Furniture and fixtures and General building contractors are in the top positions in the ranking of the worst sectors with more than 6,5% of late payments of over 90 days on average.

TABLE 6.1 SOURCE: DUN & BRADSTREET THAILAND

PERCENTAGE OF COMPANIES IN THAILAND WITH ON TIME PAYMENTS, 2015-2016

	2015	2016
Thailand	19,5%	21,5%

TABLE 6.2 SOURCE: DUN & BRADSTREET THAILAND

PERCENTAGE OF COMPANIES IN THAILAND WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2015-2016

	2015	2016
Thailand	8,0%	3,1%

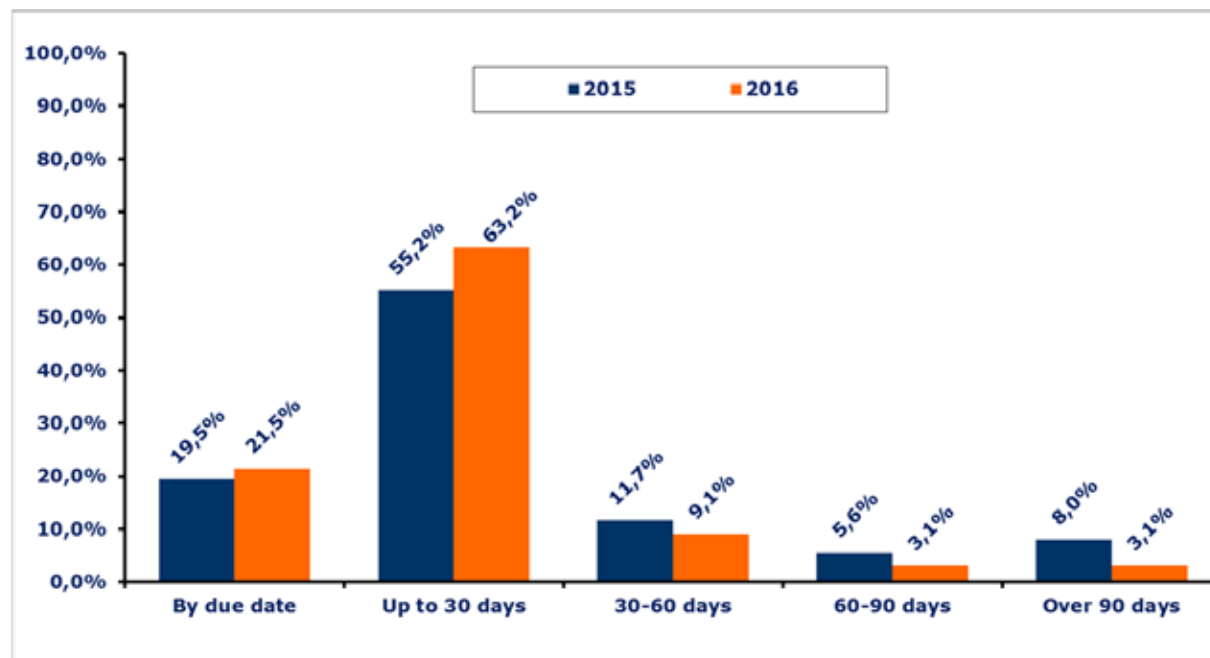
TABLE 6.3 SOURCE: DUN & BRADSTREET THAILAND

VARIATIONS IN PAYMENT PRACTICES IN THAILAND, 2015-2016

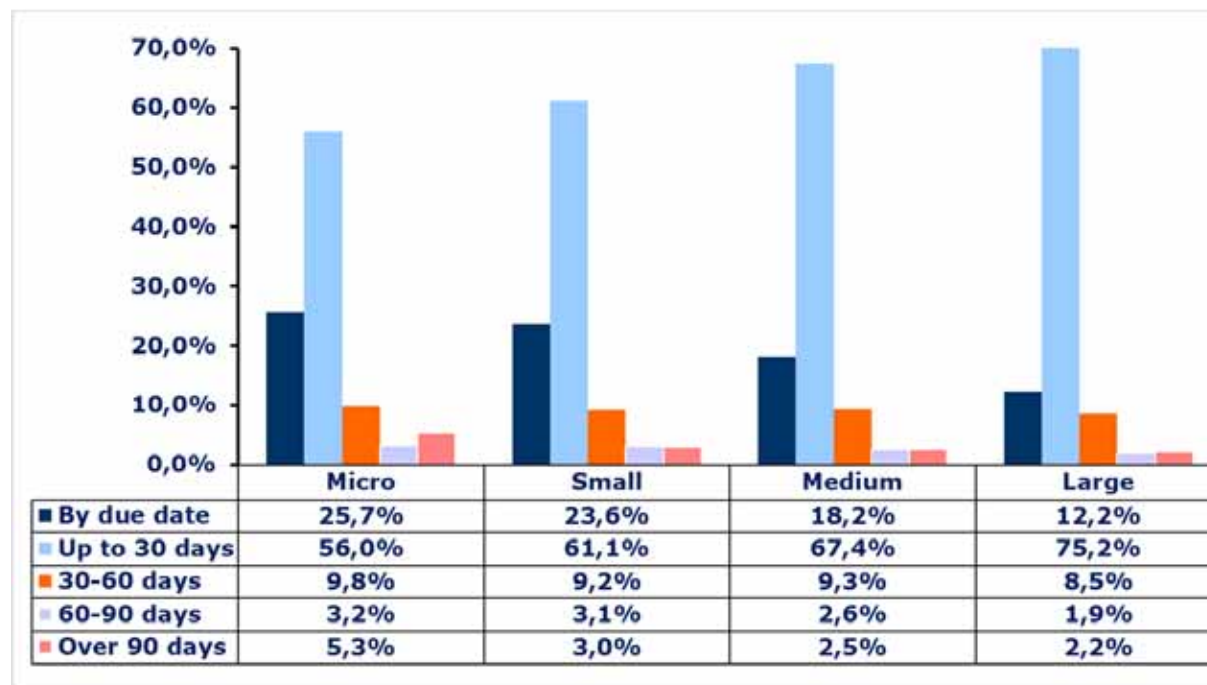
	Variation 2015/2016
By due date	2,0%
Up to 90 days	2,9%
Over 90 days	-4,9%

GRAPH 6.4 SOURCE: DUN & BRADSTREET THAILAND

PAYMENT PRACTICES IN THAILAND BY PAYMENT CLASS, 2015-2016



PAYMENT PRACTICES IN THE THAILAND BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN THAILAND BY PRODUCT SECTOR, 2016

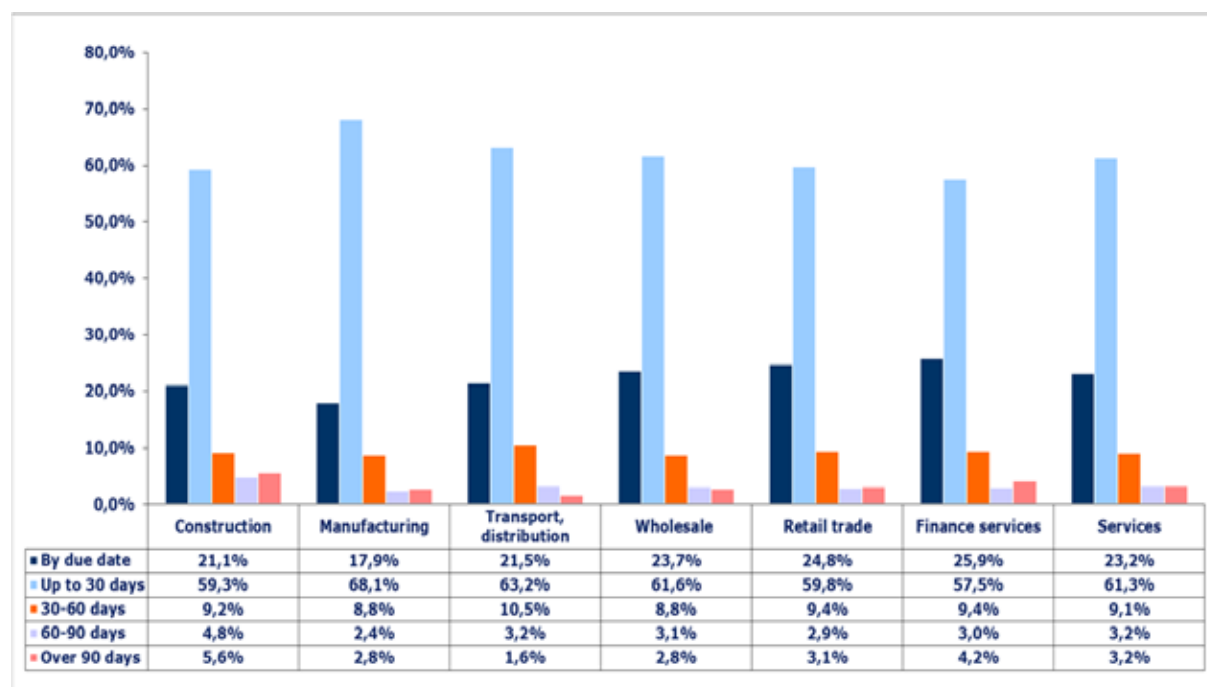


TABLE 6.7 SOURCE: DUN & BRADSTREET THAILAND

SECTORS WITH THE BEST PAYMENT RECORDS IN THAILAND, 2016

Sector	Ranking 2016
SECURITY AND COMMODITY BROKERS	1
BUILDING MATERIALS AND GARDEN SUPPLIES	2
AUTOMOTIVE DEALERS AND SERVICE STATIONS	3
PRINTING AND PUBLISHING	4
EATING AND DRINKING PLACES	5
AUTO REPAIR, SERVICES AND PARKING	6
BUSINESS SERVICES	7
WHOLESALE TRADE - NONDURABLE GOODS	8
STONE, CLAY AND GLASS PRODUCT	9
TRUCKING AND WAREHOUSING	10

TABLE 6.8 SOURCE: DUN & BRADSTREET THAILAND

SECTORS WITH THE WORST PAYMENT RECORDS IN THAILAND, 2016

Sector	Ranking 2016
FURNITURE AND FIXTURES	43
GENERAL BUILDING CONTRACTORS	42
PAPER AND ALLIED PRODUCTS	41
GENERAL MERCHANDISE STORES	40
LUMBER AND WOOD PRODUCTS	39
REAL ESTATE	38
SPECIAL TRADE CONTRACTORS	37
HEAVY CONSTRUCTION, EXCEPT BUILDING	36
APPAREL AND OTHER TEXTILE PRODUCTS	35
FOOD AND KINDRED PRODUCTS	34

7. INDIA

Below is the opinion of **Ashok Birla, Manager-Trade Exchange Program** of **Dun & Bradstreet information Services India Pvt Ltd.**, on the economic scenario and payment situation in India.

"The trade data reflects the general tendency of delayed payments in the Indian Market.

Overall 78% of companies have delayed their payments. A payment index score lesser than 70 has been considered as delayed payment for this purpose. Almost 70% of the large corporates have delayed their payments whereas this scenario is replicated in case of MSME as well.

68% of Micro, Small and Medium enterprises have delayed their customer payments.

The story is no different when we do a sectorial analysis of these companies.

Mining and construction companies have delayed payments in 66% of the instances. Manufacturing companies have delayed in 73% cases.

Both wholesale and retail trade companies have shown delayed payment behavior in almost 77% of the cases.

This score is slightly better in case of companies into Agriculture, Forestry and Fishing where they have made prompt payments in majority of the cases. Their Payment Index score is above 70 in 52% of the scenarios.

Companies into Finance, insurance and Real estate have shown the worst payment behavior. They were not able to pay on time in 84% of the cases."

Payment analysis

In 2016, Indian companies that paid their suppliers on time ("By due date" class) accounted only 22,4% of the total.

On the other hand, the moderate late payments ("Up to 30 days") account for 32,3 percentage points, while the intermediate late payment classes, "30-60 days" and "60-90 days", together reach 20,7%. The share of "bad payers" ("Up to 90 days") at the end of 2016 account 24,6% of the total and 14% pay more the 120 days late on average.

Medium and Small companies have the highest concentration of punctual payers, with more than 24% of the total (24,7% and 24,6%).

Large companies, on the other hand, have the highest concentration in the moderate late payment class "Up to 30 days" (43,7%), while only 20,3% pay by due date.

In term of serious late payments, the worst performance is seen for Micro companies with 10,6% pay more than 120 days late average. The percentages of Medium and Large companies in the more serious late payment class do not exceed 7,3 percentage points.

As regards the "By due date" class, the sectors vary between 15,4% of Finance services and 53,8% of Agriculture, forestry, hunting and fishing sector.

In the "Up to 30 days" class is concentrated the most part of late payments, with the Manufacturing sector with the highest value (38,9%). For the intermediate late payment class

(between 30 and 90 days on average), the highest value is seen for the Retail trade sector with 24,7% of the sample. Finally, the most serious payments class (over 90 days on the average) is highest in the Finance services sector (48,3%), followed by Transport, distribution with the 26,4% of the total.

TABLE 7.1 SOURCE: DUN & BRADSTREET INFORMATION SERVICES INDIA PVT LTD.

PERCENTAGE OF COMPANIES IN INDIA WITH ON TIME PAYMENTS, 2016

	2016
India	22,4%

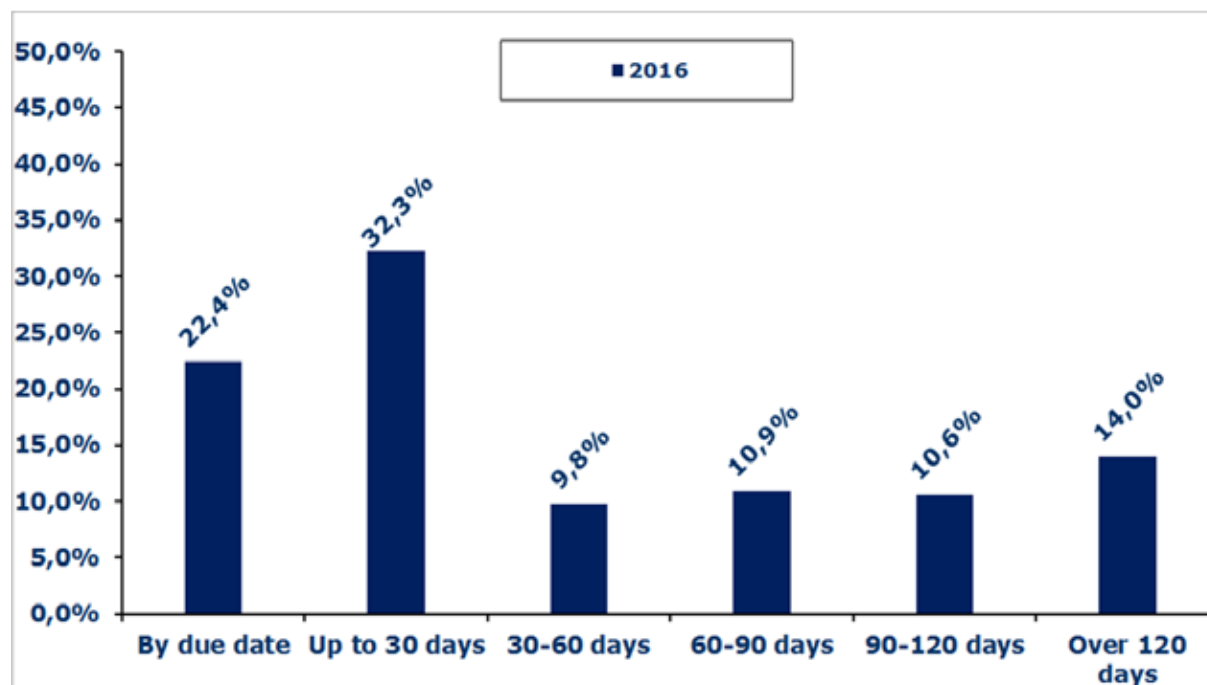
TABLE 7.2 SOURCE: DUN & BRADSTREET INFORMATION SERVICES INDIA PVT LTD.

PERCENTAGE OF COMPANIES IN INDIA WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2016

	2016
India	24,6%

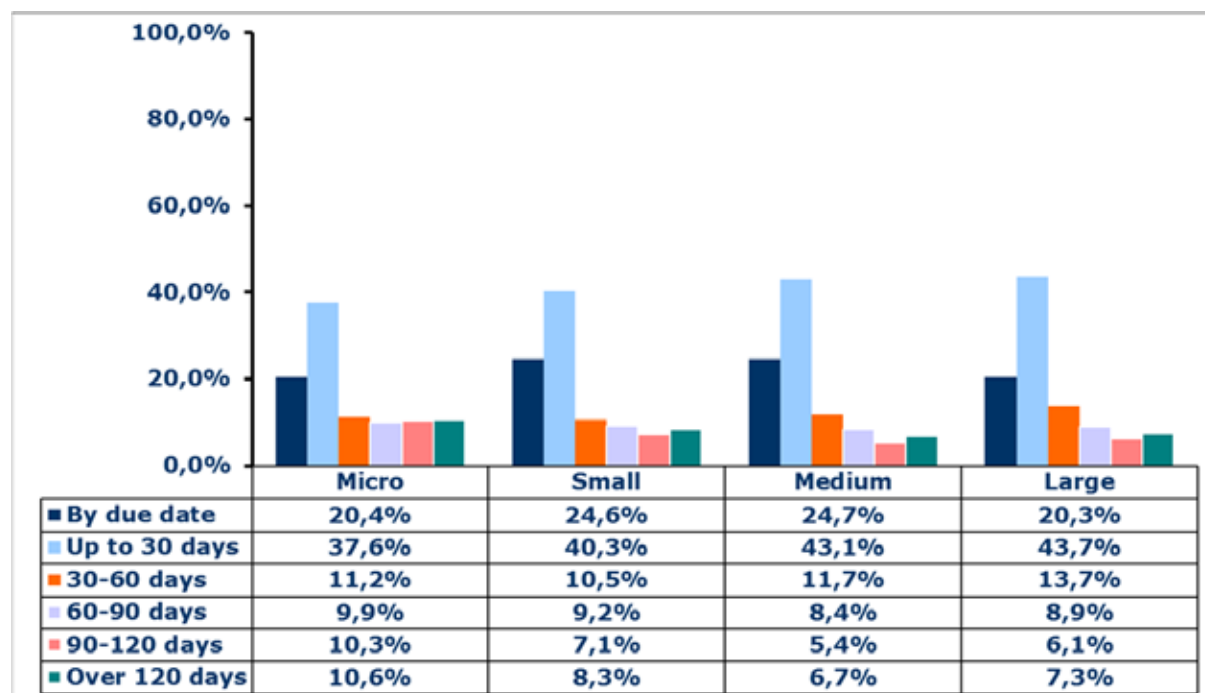
GRAPH 7.3 SOURCE: DUN & BRADSTREET INFORMATION SERVICES INDIA PVT LTD.

PAYMENT PRACTICES IN INDIA BY PAYMENT CLASS, 2016



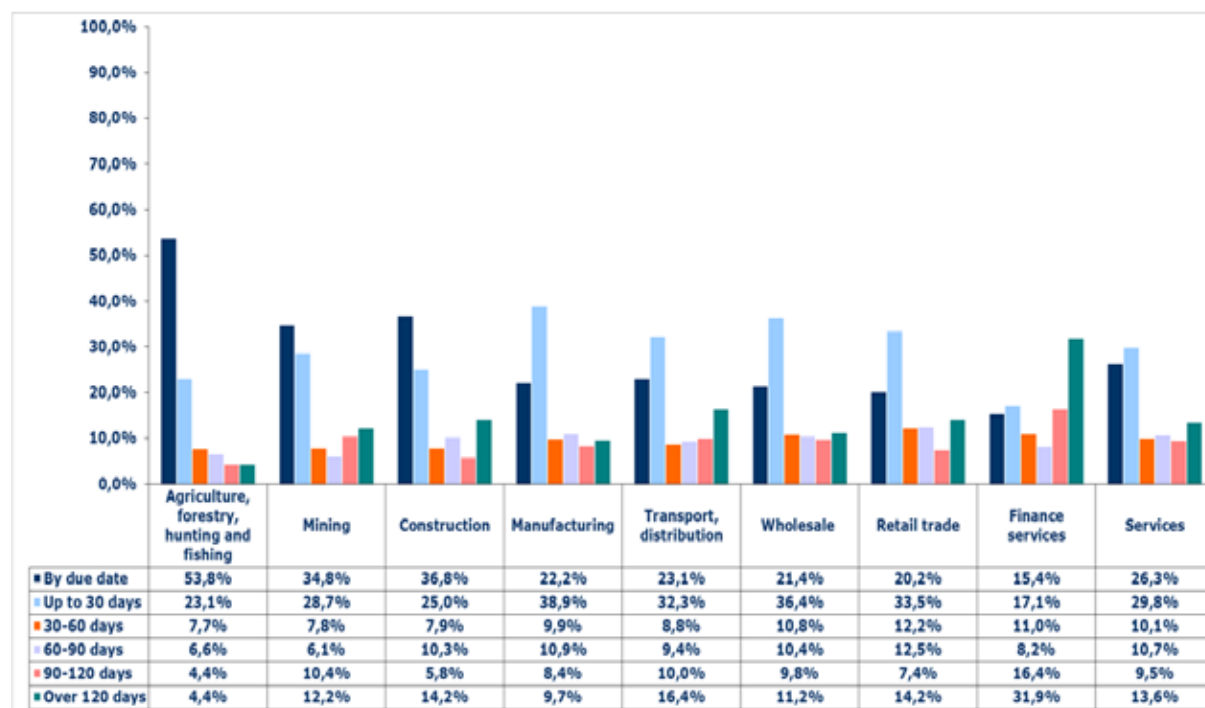
GRAPH 7.4 SOURCE: DUN & BRADSTREET INFORMATION SERVICES INDIA PVT LTD.

PAYMENT PRACTICES IN INDIA BY TYPE OF COMPANY, 2016



GRAPH 7.5 SOURCE: DUN & BRADSTREET INFORMATION SERVICES INDIA PVT LTD.

PAYMENT PRACTICES IN INDIA BY PRODUCT SECTOR, 2016



8. ISRAEL

Below is the opinion of **Tzah Berki, SVP Data and Analytics at D&B Israel**, on the economic scenario and payment situation in Israel.

"For several years now, the Israeli market undergoes structural changes due to zero interest environments, and an economic growth that is based on the development of trade and services rather than investments and exports. Israel has always relied on exports as an engine of growth, but in recent years, private consumption became the main growth engine, while exports did not grow and even began to shrink in 2015 and 2016 (net exports of services). This means that the main reason for the growth is that households consume more - spending more money. Real wages rose only by 10% in the past 10 years, at an annual rate of 1%, which raise the question how do households increase their spending every year? The answer is that they use credit and savings. Another element that grows and contributes to the growth is public consumption, which becomes possible thanks to an increase in state revenues produced by an increase in purchases of vehicles and a tax on real estate industry.

Since 2014, the combined revenues increased impressively, but this did not spur inflation due to the erosion of the profit margins in most sectors of the economy. There is more competition in the trade and services sectors compared to the decline in profitability in the industry. The few major industries that did not suffer from erosion of profits are real estate developers and real estate service providers (engineering firms, architects, appraisers)

Revenue indices for all economic industries (combined revenues) show an increase of about 7% in a period of two years from the last quarter of 2014. The increase in the combined revenue is due to an increase in the level of market demand noted during this period, and reflected in household consumption. However, the most interesting point is that the increase in the level of demand does not produce an increase in price levels - the Consumer Price Index during the same period fell by 0.7%. This phenomenon also occurred in other developed countries during this period and in our opinion, some of it can be explained by the significantly increased access of consumers to prices and their ability to compare. From March 2016, the inflation rate shows a positive trend, but, on the other hand, the combined revenues noted a decline. As such, it is possible to estimate that consumer sensitivity to consumer prices is high, and the right policy will be to continue to elevate slowly and moderately.

As of the end of 2016, the number of active businesses in Israel stood at 560,000. Some 55 300 new businesses were established in 2016, reflecting an increase of 4% over the same period last year. On the other hand, during 2016, 43,500 businesses closed down, reflecting an increase of 2.35% compared to last year, so that the added number businesses stood at 11,800 businesses, about 2% of all active businesses in the economy. In the last 4 years, we see an annual growth trend in the annual addition of new business, mainly noted in the commerce and services sectors. As of the second half of 2016, we recognized a certain expansion of the industrial sector in the volume of exports of goods and investments, but it is unclear if this is a beginning of a long-term trend or whether the investments are only for maintenance and efficiency purposes.

An analysis the additional business by economic sector, we can see an ongoing weakness in the industrial and agriculture sectors, while most of the new businesses are in the services industry. Services providers account for about 65% of all businesses active in the market, but they generate only 30% of the combined market revenues, on the other industries, which only constitute 5% of all active businesses, contribute about 23% of combined revenues. The contribution of the industrial sector to the combined revenues decreased in recent years from

27% to 23% and the addition of factories to the number of active business has been negative in the past 4 years.

The export problem is the high centralization among exporters – some 5,000 exporters are currently active in Israel, but the 10 largest exporters account for more than 50% of total exports. I.e. there is a dependence on a small number of very large exporters, which are affected of course by the slowdown in global trade. On the other hand, remaining exporters are small and medium companies that operate in a market large enough to feel the slowdown in world trade. The government must improve the competitive advantages of small and medium exporters otherwise, the Israeli industry will be eradicated and as soon as the interest rate will begin rising again, Israel will remain without any growth engines.

The trend of prolonging the credit days continued in 2016, when the average credit days rose by 2.5% to 122 days, compared to 119 last year. In our opinion, the shortening of each credit day could save the market an estimated sum of NIS 150 million. Cutting the credit period will allow businesses to focus on development and investment, improve their ability to compete and it is obvious that this move can be viewed as a significant growth engine for the economy. The approval of the payment morality bill in its current form (the bill is heard at the Knesset Economics Committee), is expected to somewhat reduce the credit days in the market, but, in our opinion, the shortening of credit days will not be substantial, since payments to contractors in respect of engineering construction works are excluded from the rest of the payments to be paid based on net + 30."

Payment analysis

In 2016, Israeli companies that paid their suppliers on time ("By due date" class) accounted 18,2% of the total: a positive trend when looking the same value in 2014 and in 2015 because there was an increase of payments on time (+6,8% compared to the first year and +4,7% compared to the second one).

Late payments were more focused in the "Up to 30 days" class with 62,1% of the total, however, the intermediate late payment classes, "30-60 days" and "60-90 days", together reached 16,5%. Finally, the share of "bad payers" ("Over 90 days") at the end of 2016 accounted 3,2% of the total, with a decrease of 3% compared to 2014.

Micro companies have the highest concentration of punctual payers, with 20% of the total.

Large companies, on the other hand, have the highest concentration in the moderate late payment class "Up to 30 days" (81%), while only 11% pay by due date.

In term of serious late payments, the worst performance is seen for Micro companies with 4,5% pay more than 90 days late average.

The percentages of Medium and Large companies in the more serious late payment class do not exceed 2,7 percentage points.

As regards the "By due date" class, the worst performance is seen for Manufacturing sector (only 15,2% of "good payers"), while the most virtuous sector was Agriculture, forestry, hunting and fishing with 25,1% of the total.

In the "Up to 30 days" class is concentrated the most part of late payments, with the Manufacturing sector with the highest value (68,7%).

For the intermediate late payment class (between 30 and 90 days on average), the highest value is seen for the Retail trade sector with 20,9% of the sample.

Finally, the most serious payments class (over 90 days on the average) is highest in the Agriculture, forestry, hunting and fishing, Construction and Transport, distribution sectors (4,2%).

The top position in the classification of best payers was held by Transportation services with 33,5% of companies paying within agreed payment terms. In second and third positions were Agricultural production - Crops (31,7%) and Educational services (24,6%).

The Agricultural services sector, on the other hand, had the worst payment record in Israel, with 8,1% of companies paying seriously late (more than 90 days on average). Second and third places in the classification of micro-sectors with more problematic payment behavior were held by Trucking and warehousing (7,4%) and Food stores (5,6%).

TABLE 8.1 SOURCE: DUN & BRADSTREET ISRAEL

PERCENTAGE OF COMPANIES IN ISRAEL WITH ON TIME PAYMENTS, 2014-2016

	2014	2015	2016
Israel	11,4%	13,5%	18,2%

TABLE 8.2 SOURCE: DUN & BRADSTREET ISRAEL

PERCENTAGE OF COMPANIES IN ISRAEL WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2014-2016

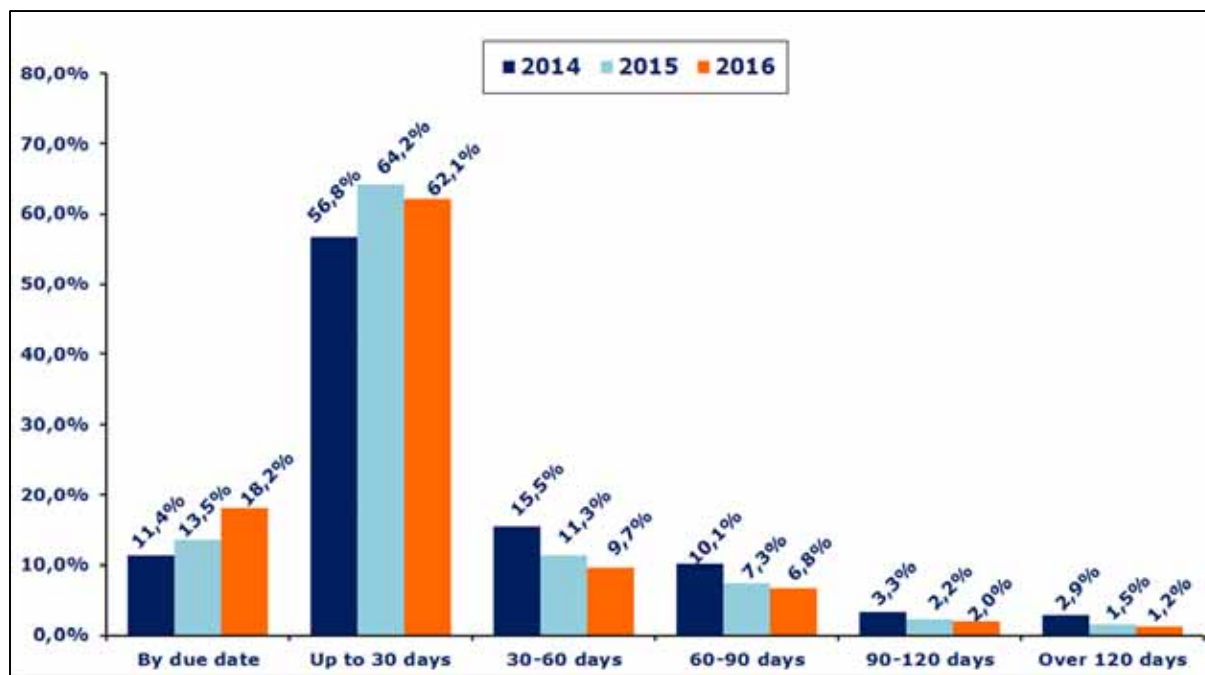
	2014	2015	2016
Israel	6,2%	3,7%	3,2%

TABLE 8.3 SOURCE: DUN & BRADSTREET ISRAEL

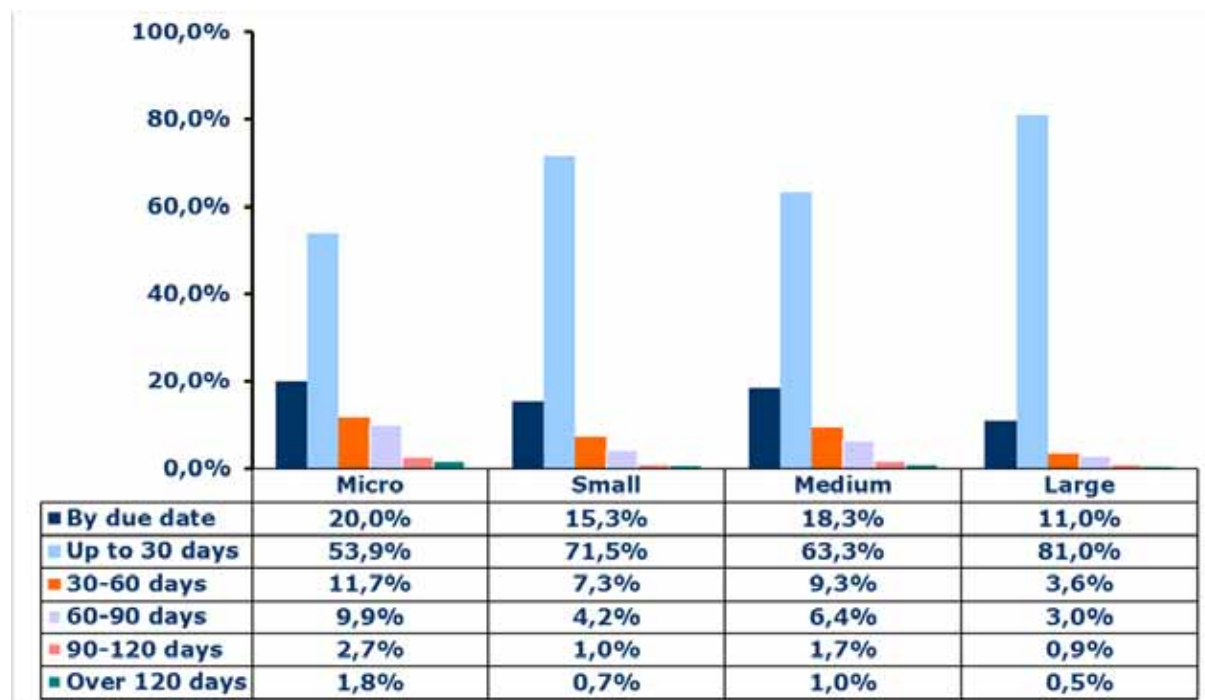
VARIATIONS IN PAYMENT PRACTICES IN ISRAEL, 2014-2016

	Variation 2014/2016	Variation 2015/2016
By due date	6,8%	4,7%
Up to 90 days	-3,8%	-4,2%
Over 90 days	-3,0%	-0,5%

PAYMENT PRACTICES IN INDIA BY PAYMENT CLASS, 2014-2016



PAYMENT PRACTICES IN ISRAEL BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN ISRAEL BY PRODUCT SECTOR, 2016

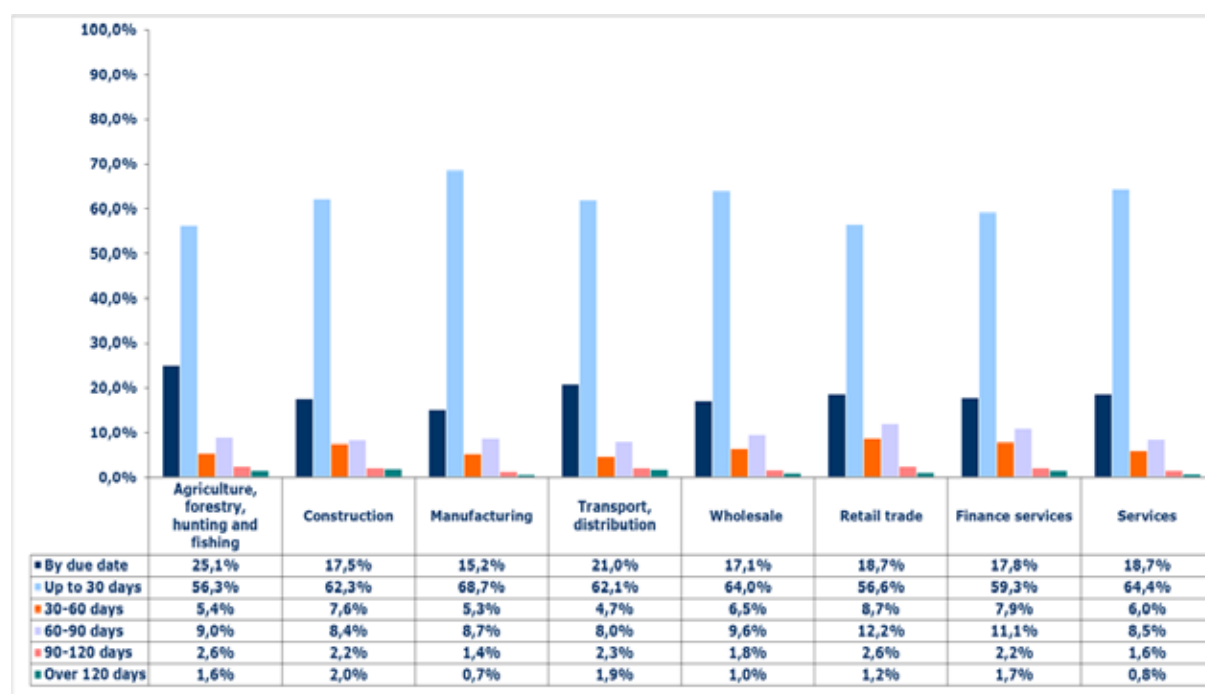


TABLE 8.7 SOURCE: DUN & BRADSTREET ISRAEL

SECTORS WITH THE BEST PAYMENT RECORDS IN ISRAEL, 2016

Sector	Ranking 2016
TRANSPORTATION SERVICES	1
AGRICULTURAL PRODUCTION - CROPS	2
EDUCATIONAL SERVICES	3
LEGAL SERVICES	4
LUMBER AND WOOD PRODUCTS	5
HOLDING AND OTHER INVESTMENT OFFICES	6
COMMUNICATIONS	7
HEALTH SERVICES	8
EATING AND DRINKING PLACES	9
BUSINESS SERVICES	10

TABLE 8.8 SOURCE: DUN & BRADSTREET ISRAEL

SECTORS WITH THE WORST PAYMENT RECORDS IN ISRAEL, 2016

Sector	Ranking 2016
AGRICULTURAL SERVICES	50
TRUCKING AND WAREHOUSING	49
FOOD STORES	48
PERSONAL SERVICES	47
HEAVY CONSTRUCTION, EXCEPT BUILDING	46
LOCAL AND INTERURBAN PASSENGER TRANSIT	45
STONE, CLAY AND GLASS PRODUCTS	44
GENERAL BUILDING CONTRACTORS	43
REAL ESTATE	42
APPAREL AND ACCESSORY STORES	41

9. MEXICO

Below is the opinion of **Arturo Castro, Country Manager** at **CIAL Dun & Bradstreet Mexico**, on the economic scenario and payment situation in Mexico.

"In 2016, Mexican companies have reacted to handle difficulties arising from Crisis taking risk decisions not only by the finance situation but also considering other issues like trade tape, suits, and commercial references. Thanks all of this interventions, the Macro-economic situation in México is strong and healthy but now our exchange rate has received a strong impact. Mexico has done several reforms that will create an excellent business environment. The oil prices has an strong impact in the economy in the exchange rate and in government expenses, but other non-oil industries will growth normally as Automotive, Cement, Beer and manufacturers and will increase their exports even with the new US administration.

As regards payments, Mexican companies usually pay within 30 – 45 days and this trend has not increased a lot during the last years. The causes of these late payments are many: bad and not enough information, wrong credit process, could be some issues in just some sectors like construction and business with government that usually takes more time to pay, but finally pays. With low revenue in government, due the low prices of oil, the payments that come from the government will delay.

To improve their DSO and their Working Capital, Mexican companies focus in the process of credit, following the collection per week and they work with sales departments and with the other ones to solve the problems. Estimations show that the Mexican economy will growth 2.5% during 2017. In addition, inflation will remain practically stable in a quarter averages of 2.5%, if the situation of high exchange rate will not take too much time. If USA begins to growth, México will growth more as well.

Episodes of global volatility are affecting and depreciating the Peso, but, as long as these events are not too far from positive growing perspectives in Mexico and the commitment with the deficit and public debt goals is not in risk, the situation will be acceptable. However, if the exchange rate continues between 18.5 to 20 ppp in average for the following quarters, there will be delay of payments.

If all this perspective will maintain stable and growing in 2017, we estimate Negotiation of NAFTA could affect some exports by 2018."

Payment analysis

At the end of 2016, there haven't been notable variations in the payment classes. Mexican companies that paid their suppliers on time ("By due date" class) accounted for 55,2% of the total with a 0,4 percentage point decrease compared with 2015, meanwhile companies that pay over 90 days late on average accounted for 0,6% (the situation remained unchanged compared to 2015).

Companies in the intermediate late payment class of between 1 and 30 days represent 42,3% of the total.

Compared with 2010, there have been significant changes: punctual payers have suffered a 14,8% decrease, meanwhile serious late payers (over 90 days on average) have decreased by 0,2%.

The most part of Mexican companies pay suppliers within agreed terms; in particular, Small and Medium companies have a more balanced payment behavior with a share of "good payers" of 65,1% and 59,1%, respectively.

In the Large company category, on the other hand, around 51,8% of companies are concentrated in the "Up to 30 days" bracket and a further 3,5% pay between 30 and 90 days late.

In the more serious late payment classes, the pattern is more or less uniform and all categories have moderate percentages, with values varying between 0,4% (Small) and 0,9% (Micro).

It is worth noting that the values recorded for serious late payments are rather contained: Mexican companies manage to contain late payments (up to 30 days) in the cases where they do not respect agreed time limits.

The best payment performances are seen in the Construction and Agriculture, forestry, hunting and fishing sectors, with 73,5% and 64,1% of punctual payers, respectively.

Retail Trade (52,8%) and Finance services (48,8%) have a greater propensity to pay suppliers up to 30 days late.

As regards "bad payers", Agriculture, forestry, hunting and fishing and Retail trade are the worst sectors, with a share of "bad payers" equal to 0,9%.

Narrowing down of study to micro-sectors, in first place in the classification of best payers are Special trade contractors and General building contractors, with 82,6% and 70,8% of companies respecting the payment terms agreed with trading partners.

On the contrary, the worst performance relates to the Hotels and other lodging places, with 1,9% of companies paying seriously late (over 90 days on average) and Apparel and accessory stores with a percentage of 1,7%

Therefore, the good state of health of the payment system for Mexican companies has been confirmed over the last twelve months.

TABLE 9.1 SOURCE: CIAL DUN & BRADSTREET MEXICO

PERCENTAGE OF COMPANIES IN MEXICO WITH ON TIME PAYMENTS, 2010-2016

	2010	2015	2016
Mexico	70,0%	55,6%	55,2%

TABLE 9.2 SOURCE: CIAL DUN & BRADSTREET MEXICO

PERCENTAGE OF COMPANIES IN MEXICO WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2010-2016

	2010	2015	2016
Mexico	0,8%	0,6%	0,6%

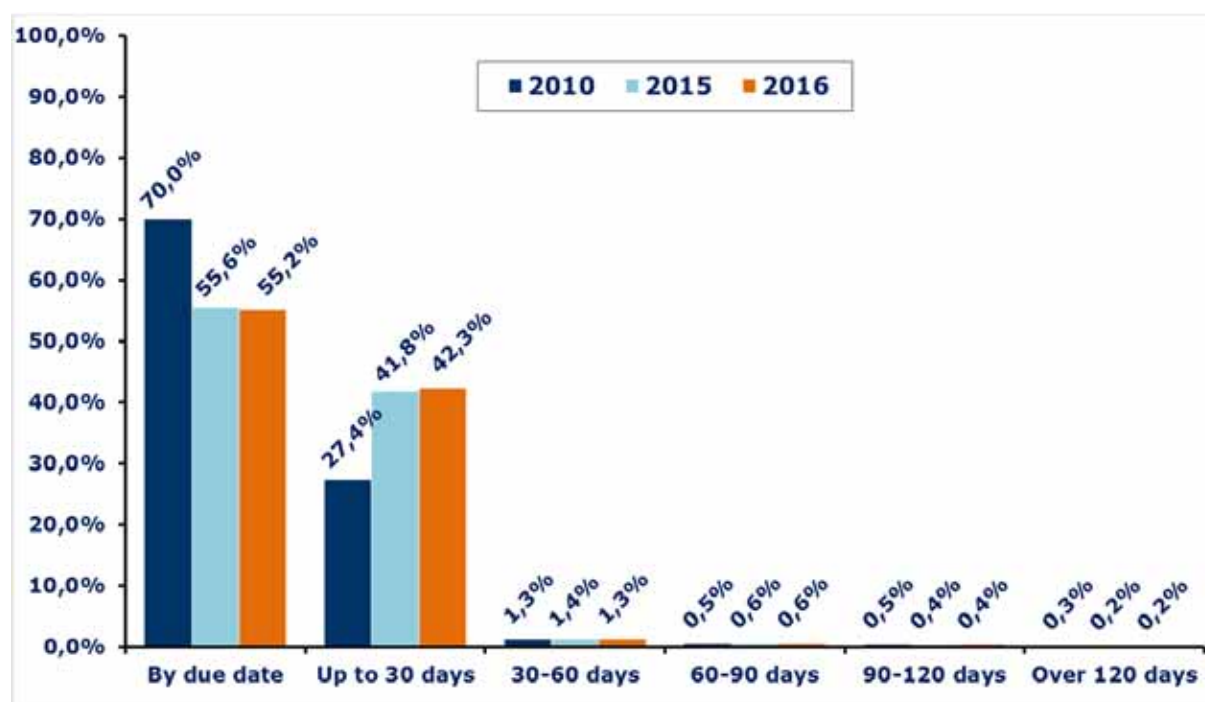
TABLE 9.3 SOURCE: CIAL DUN & BRADSTREET MEXICO

VARIATIONS IN PAYMENT PRACTICES IN MEXICO, 2010-2016

	Variation 2010/2016	Variation 2015/2016
By due date	-14,8%	-0,4%
Up to 90 days	15,0%	0,4%
Over 90 days	-0,2%	0,0%

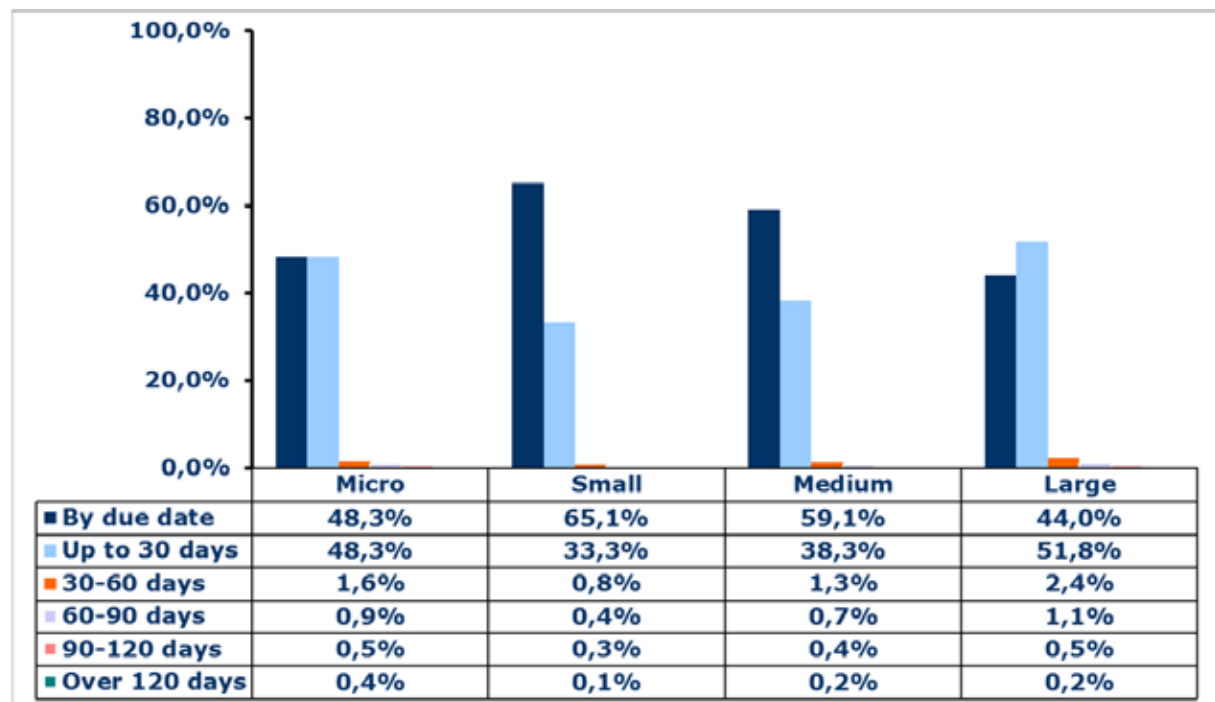
GRAPH 9.4 SOURCE: CIAL DUN & BRADSTREET MEXICO

PAYMENT PRACTICES IN MEXICO BY PAYMENT CLASS, 2010-2016



GRAPH 9.5 SOURCE: CIAL DUN & BRADSTREET MEXICO

PAYMENT PRACTICES IN MEXICO BY TYPE OF COMPANY, 2016



GRAPH 9.6 SOURCE: CIAL DUN & BRADSTREET MEXICO

PAYMENT PRACTICES IN MEXICO BY PRODUCT SECTOR, 2016

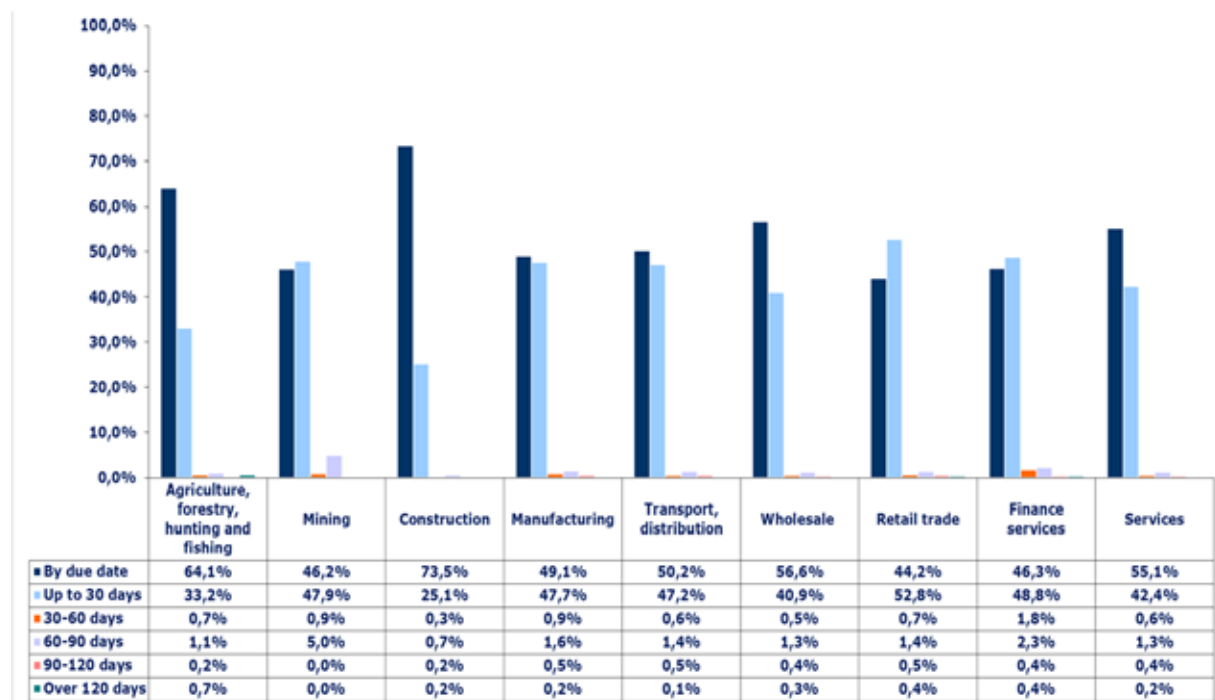


TABLE 9.7 SOURCE: CIAL DUN & BRADSTREET MEXICO

SECTORS WITH THE BEST PAYMENT RECORDS IN MEXICO, 2016

Sector	Ranking 2016
SPECIAL TRADE CONTRACTORS	1
GENERAL BUILDING CONTRACTORS	2
MISCELLANEOUS REPAIR SERVICES	3
AGRICULTURAL PRODUCTION - CROPS	4
HEAVY CONSTRUCTION, EXCEPT BUILDING	5
BUSINESS SERVICES	6
BUILDING MATERIALS AND GARDEN SUPPLIES	7
LEGAL SERVICES	8
FURNITURE AND FIXTURES	9
REAL ESTATE	10

TABLE 9.8 SOURCE: CIAL DUN & BRADSTREET MEXICO

SECTORS WITH THE WORST PAYMENT RECORDS IN MEXICO, 2016

Sector	Ranking 2016
HOTELS AND OTHER LODGING PLACES	56
APPAREL AND ACCESSORY STORES	55
SERVICES	54
AMUSEMENT AND RECREATION SERVICES	53
HEALTH SERVICE	52
FOOD STORES	51
ELECTRIC, GAS AND SANITARY SERVICES	50
EDUCATIONAL SERVICES	49
TEXTILE MILL PRODUCTS	48
TRANSPORTATION EQUIPMENT	47

10. UNITED STATES

Below is the opinion of **Bodhi Ganguli, Lead Economist Country Risk Services** at **Dun & Bradstreet** on the economic scenario and payment situation in USA.

"Dun & Bradstreet has held the United States' country risk rating at DB2a, one of the top 10 ratings in our 132-country universe, thanks to its solid fundamentals, steady growth and modestly upbeat near term outlook. Growth in calendar 2016 came out to 1.6%, exactly in line with the Dun & Bradstreet forecast and the predictions from our proprietary leading indicators. Nevertheless, growth was a full percentage point slower than the 2.6% pace set in 2015 and the second-slowest since the Great Recession of 2008-09. Encouragingly, following four straight quarters of negative or zero growth, fixed investment rebounded strongly in Q4 2016 with 2.9% growth, and added 0.5 percentage points to the headline GDP number. It remains to be seen whether the pickup in business spending is sustained in subsequent quarters; the new government has promised changes in the tax and regulatory regimes; to the extent that expected corporate tax reform and deregulation aid business continuity and make it easier for US businesses to invest domestically, we will see an acceleration in the growth of business spending.

It should be noted that, any fiscal stimulus that the government implements will take some time to feed through the economy before it starts to show up in data on real activity. A delay in implementing the stimulus would thus mean that the boost to growth will materialize in late 2017 or 2018, rather than over the next few months. For the moment, the economy remains solid, and even without immediate support from a sizable stimulus package, we forecast real GDP to grow 2.2% in 2017, up from the disappointing pace of 1.6% in 2016. With the help of a fiscal stimulus, we expect growth to accelerate to 2.6% in 2018. Consumer spending remains the main driver of the economy, which in turn, is being supported by a robust job market. The unemployment rate dropped to 4.5% in March, the lowest it has been since May 2007. the job market suffered a hiccup in March as payroll gains fell to 98,000, well short of expectations (and our own forecasts). Weather and seasonal effects played a role in the slowdown in March. As always, we caution not to attach too much significance to a single, monthly data point. Given the March number and revisions, average job gains in the first 3 months of 2017 still stand at a robust 178,000. Clearly the job market is solid but at the same time, has room to run and absorb more slack.

Despite the steady fundamentals of the economy, at the end of March, Dun & Bradstreet downgraded the United States' Political Environment Outlook (one of the sub-categories of the overall country risk score) from amber to red, indicating that political risk is now a bigger impediment to operating risk. The recent failure of the government's efforts to repeal Obamacare show that there are considerable divisions within the Republican party that need to be addressed by future policy measures to ensure full passage of those. In other words, total Republican control of both the executive and legislative branch can no longer be relied upon to prevent policy gridlock. This has downside risks for near term economic policy, and could weigh on business confidence, at least temporarily. The first couple of months or so of the new administration has been fraught with legal issues, withdrawals by cabinet nominees due to conflicts of interest, public signs of disagreement among key branches of the government, and the firing of the national security adviser. There have also been mixed messages from the government on key policy areas, with cabinet members taking a different position from that of the President on important issues. Businesses, and consumers to some extent, have been optimistic about forthcoming economic policy from the Trump administration since the election. In particular, business sentiment has been soaring in anticipation of corporate tax reform, and

deregulation leading to reduce to cost of operations. But too few actionable details have so far been released on these policy measures. The government needs to provide consistent, unanimous, and more detailed signals to help businesses plan their strategies in anticipation of the new policies. A delay in obtaining such information, or mixed messages could dent the wave of optimism among businesses, and lead them to hold back on hiring and investment, deflating the momentum of the economy.

The external environment also has the potential to generate headwinds for the US economy. British Prime Minister, Teresa May, triggered Article 50 on March 29, officially starting 'Brexit', or the process of UK's departure from the EU. The process itself will take two years, and even longer for the new rules of global trade and finance to fully become clear, there are important long term implications for the US economy, and its relationship with the UK. First, it signals the shift in U.S. trade policy from multilateralism to bilateralism. The President has repeatedly said the U.S. will negotiate one-on-one with its trading partners to get better deals. The Transatlantic Trade and Investment Partnership (T-TIP), a proposed trade deal between the U.S. and the EU, is thus unlikely to pass (some in the EU oppose it too). And it is not just the U.S. that is leaning towards that approach. Brexit, too, is an example of the UK's intent to break away from a set of rules that govern multiple countries, in an effort to obtain more favorable concessions via one-on-one negotiations. Teresa May's recent visit to the White House was demonstratively timed just as both the U.S. and UK make this pivot to bilateralism. Both motions are attempts to reach out to a voter base that in some ways sees globalization and trade as the cause of domestic hardships and unemployment. Nevertheless, global trade policy will most certainly look different in the coming years.

As fully expected, the Federal Reserve hiked the policy rate by 25 basis points at its March 15 meeting. The decision itself surprised no one, but has two important implications for the near term. One, central bank communication was highly effective in guiding markets in the weeks prior to the rate hike, ensuring that the decision did not disrupt financial markets. Secondly, there was no major hawkish shift in the Fed's post-meeting communication. In other words, the central bank signaled that it is not significantly changing its rate normalization plans in view of the recent strength of inflation and the economy, either real or expected. Dun & Bradstreet has thus left unchanged its baseline forecast for a total of three rate hikes in 2017. The adequately dovish Fed assured global investors, preventing a measurable appreciation of the US dollar. Note, however, that upward pressure on the USD will continue in the near term, partly due to the spreading interest rate differential between the US and other major advanced economies, and partly due to fundamentals. Brexit negotiations are likely to reinforce this via pound sterling weakness.

Dun & Bradstreet continues to recommend SD terms for most transactions with US customers, while usual terms are between 30 and 60 days. Local delays and FX/bank delays are one of the shortest among the countries monitored by D&B, standing at 0-2 months. Operating conditions in the US have been sluggish recently, as indicated by our proprietary Small Business Health Index (SBHI). The SBHI gained slightly by 0.1 points to reach 90.6 in February, settling a little over 2 points below its level from one year ago. The index has had a quiet start to the year, and even after abstracting from month-to-month fluctuations, the three-month moving average of the index comes to 90.6, which is more than 1.5 index points below the average for calendar 2016. The SBHI is a leading indicator of macroeconomic performance; an SBHI stuck in the low 90's is consistent with a US economy growing at a modest rate between 1.5% and 2%. Small business activity and overall growth are thus expected to pick up only gradually in the near term."

Payment analysis

The US payment situation in 2016 is stable compared with previous years, showing good performance in terms of punctual payments.

It can be seen that 53,8% of companies are in the "By due date" payment class, whereas a further 39% are in the moderate late payment class for payments up to 30 days late on average.

The other payment classes are more or less stable compared with 2015 levels: 3,8% of US companies pay between 30 and 90 days late on average, whereas 3,4% of the total demonstrates a rather critical management of payments, paying suppliers more than 90 days late on average.

Compared with 2007, there has been a net improvement in punctual payments with an increase of 10,3 percentage points, meanwhile there has been a 1,5% decrease in companies paying seriously late and a reduction of 8,8% in the "Up to 90 days" class.

Micro companies are the best payers in the United States, with 59,3% in the punctual payment class.

As size increases, the percentage of "good payers" gradually decreases down to a minimum of 13,2% for Large companies, for which there is a greater tendency to pay moderately late (83,9% in the "Up to 30 days" class).

In the intermediate late payment class there are around 4,1% of Small companies, whereas in the over 90 days bracket the concentrations don't exceed 3,3 percentage points.

Finally, only 0,7% of Large companies pay their suppliers seriously late, with the best performance for this variable.

Finance services is the sector with the highest concentration of punctual payments (63,5%); this is followed by Agriculture, forestry, hunting and fishing with 60,3% and Services with 58% of the total. Mining is marked by the percentages of intermediate late payments (between 30 and 90 days on average) with 6,1% of the total.

In the serious late payment class (over 90 days late on average), the best performance is in the Finance services sector with a percentage of bad payers of 2,5%, whereas all other sectors have values above 3% (4,8% for the Construction sector).

The top two micro-sectors with the best performances are Holding and other investment offices and Agricultural production - Crops with shares of punctual payers above 70%.

The worst payment performance, on the other hand, is seen for the Local interurban passenger transit sector with 7,3% of "bad payers", followed by Auto repair, services and parking (6,3%) and Miscellaneous repair services (6%).

TABLE 10.1 SOURCE: D&B INC. USA

PERCENTAGE OF COMPANIES IN THE USA WITH ON TIME PAYMENTS, 2007-2016

	2007	2015	2016
United Stated	43,5%	53,8%	53,8%

TABLE 10.2 SOURCE: D&B INC. USA

PERCENTAGE OF COMPANIES IN THE USA WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2007-2016

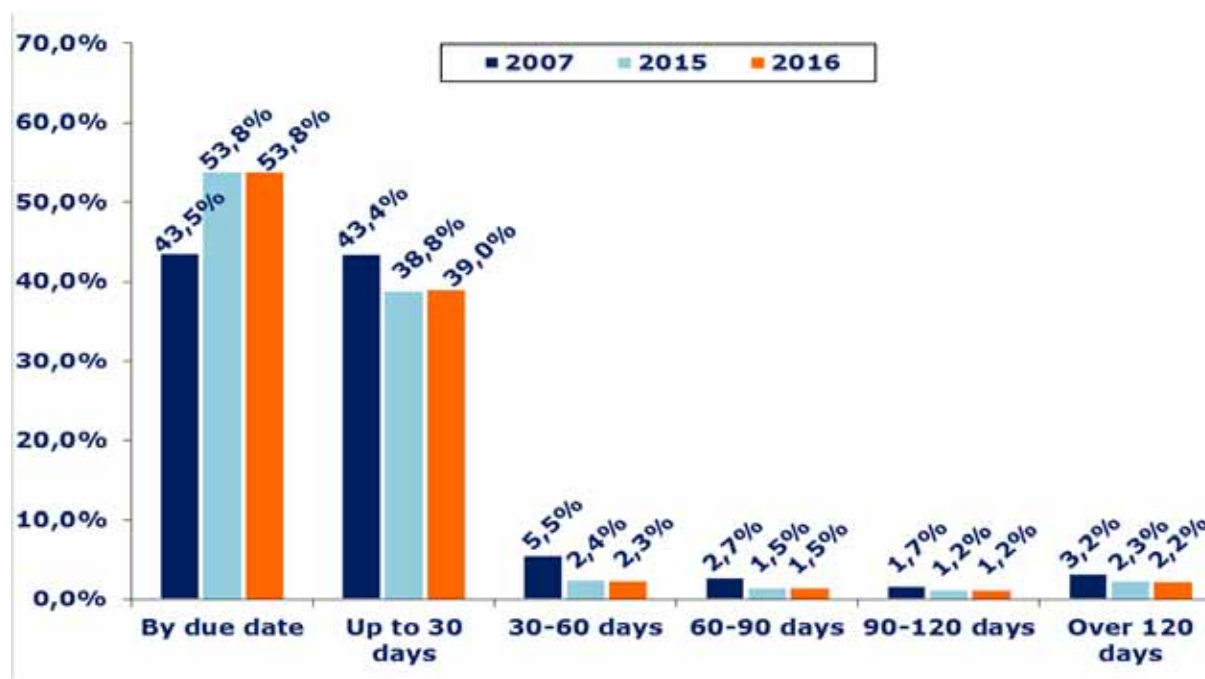
	2007	2015	2016
United Stated	4,9%	3,5%	3,4%

TABLE 10.3 SOURCE: D&B INC. USA

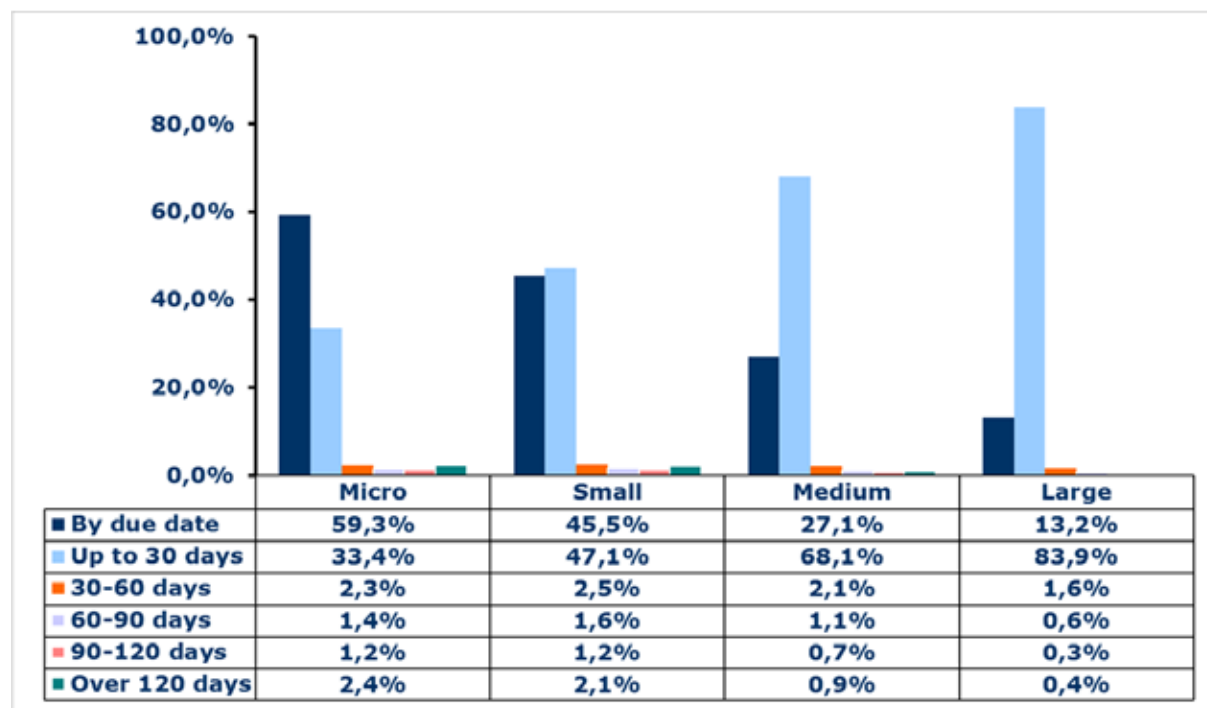
VARIATIONS IN PAYMENT PRACTICES IN THE USA, 2007-2016

	Variation 2007/2016	Variation 2015/2016
By due date	10,3%	0,0%
Up to 90 days	-8,8%	0,1%
Over 90 days	-1,5%	-0,1%

GRAPH 10.4 SOURCE: D&B INC. USA

PAYMENT PRACTICES IN THE USA BY PAYMENT CLASS, 2007-2016

PAYMENT PRACTICES IN THE USA BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN THE USA BY PRODUCT SECTOR, 2016

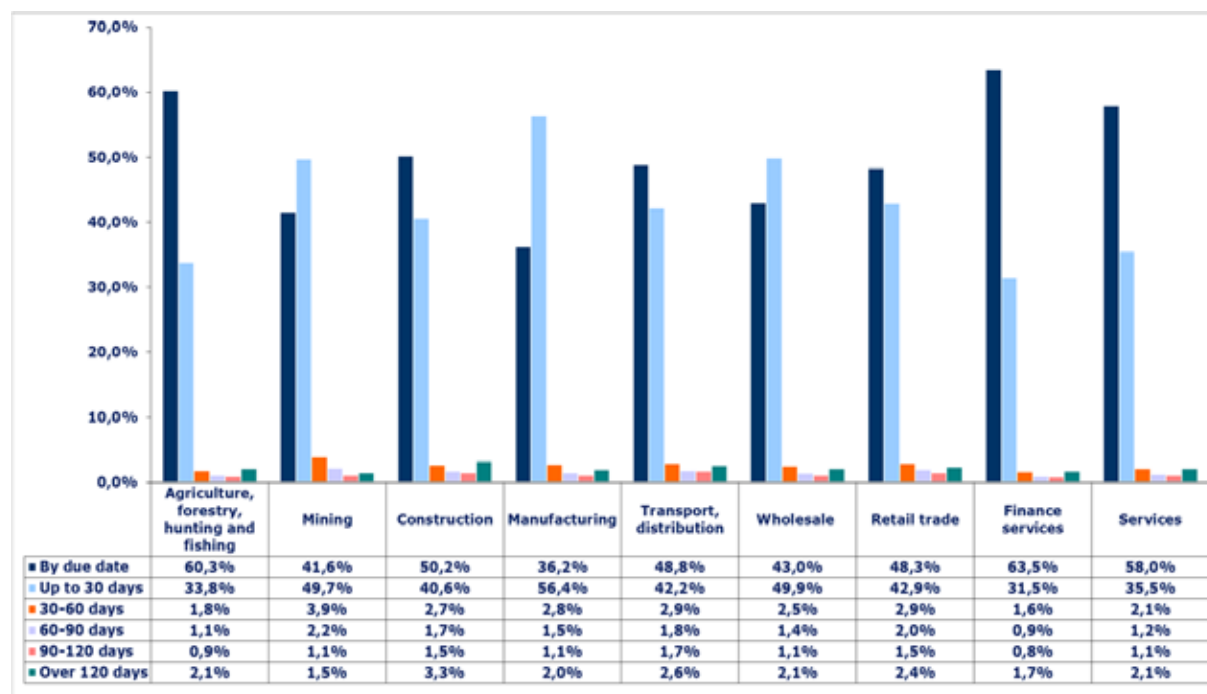


TABLE 10.7 SOURCE: D&B INC. USA

SECTORS WITH THE BEST PAYMENT RECORDS IN THE USA, 2016

Sector	Ranking 2016
HOLDING AND OTHER INVESTMENT OFFICES	1
AGRICULTURAL PRODUCTION - CROPS	2
AGRICULTURAL PRODUCTION - LIVESTOCK	3
INSURANCE AGENTS, BROKERS AND SERVICE	4
SECURITY AND COMMODITY BROKERS	5
BUSINESS SERVICES	6
FORESTRY	7
MOTION PICTURES	8
ENGINEERING AND MANAGEMENT SERVICES	9
SERVICES	10

TABLE 10.8 SOURCE: D&B INC. USA

SECTORS WITH THE WORST PAYMENT RECORDS IN THE USA, 2016

Sector	Ranking 2016
LOCAL AND INTERURBAN PASSENGER TRANSIT	82
AUTO REPAIR, SERVICES AND PARKING	81
MISCELLANEOUS REPAIR SERVICES	80
PERSONAL SERVICES	79
FURNITURE AND HOMEFURNISHINGS STORES	78
TOBACCO PRODUCTS	77
SPECIAL TRADE CONTRACTORS	76
NONDEPOSITORY INSTITUTIONS	75
APPAREL AND ACCESSORY STORES	74
TRANSPORTATION SERVICES	73

11. CANADA

Below is the opinion of **Adam Morehouse, Analyst Consultant Business Insight** at **Dun & Bradstreet** on the economic scenario and payment situation in Canada.

"Canadian real GDP growth is expected to rebound from 1.4% in 2016 to a forecast 2.1% in 2017. Growth in 2017 will continue to be dependent upon important drivers including the pace of recovery in global oil prices, the strength of the job market recovery, the consistency of household consumption and perhaps most importantly, geopolitical influences, that is the makeup of Canada's evolving trade relationship with the United States.

So far since the price low-point was recorded during early 2015, Brent crude, our benchmark for global oil prices has risen about 80% from USD30.80/b to USD55.49/b. The recovery has had significant positive knock-on effects to Canada's export market. As of March 2017, data available through January 2017 shows Canada has recorded a trade balance surplus for three consecutive months (the first such sequence since 2014). In addition, the rebound in global oil prices is helping to further alleviate a terms-of-trade shock that began in 2014. If the recovery among prices in key export markets continue we expect capital spending to improve and private non-residential investment will act supportive of growth instead of a deterrent as has been the case since 2014.

Additionally, some labor market slack remains in Canada as the unemployment rate remains stubbornly elevated at 6.6%. Much of the early 2016 job gains were recorded within the part-time job category but recently a marked shift has occurred and full-time hires are outpacing part-time hires representing an important shift toward improving labor market health. Consumption remained consistent in 2016 and as the labor market continues to heal we expect wages to gradually improve in 2017 from its current stagnant state and support further gains in consumption. However, pockets of highly priced real estate, specifically in the Toronto and Vancouver areas will continue to raise financial stability concerns. Canadian households remain highly leveraged and as of Q4 2016 the ratio of household debt as a percentage of personal income remains near 160%. Canadian households are the third highest levered households in the world behind New Zealand (166%) and Australia (199%) while the U.S. is at a comparable ratio of near 100%. For the time being households are keeping up with debt payments but if wages remain stagnant this could pose a stability risk.

Canada's preferential access to the US market through previously negotiated and agreed upon free trade agreements will remain key determinants of the country's economic potential over the medium and long term. Canada's integration into US supply chains and reliance upon the US in support of its export basket (currently two-thirds of the value of Canada's total export basket) make it particularly vulnerable to ongoing changes in US trade policy. While NAFTA is still functional, the shifting protectionist tone coming out of the US could put stress upon the agreement and any dissolution would severely impact Canada's export and auto markets. Canada is actively seeking stronger trade and investment ties with key markets in Europe, Asia (particularly China, India and Japan) and Latin America, in an effort to diversify its trade and investment relations.

Overall, Canada receives a country risk rating of DB2C meaning there is a low degree of uncertainty associated with expected returns. Canada is currently one of the best in Dun & Bradstreet's 132-country universe, reflecting Canada's relatively good business operating environment compared to other markets."

Payment analysis

Canada continues to be placed in an intermediate position within the international context, with more or less payment performance over time.

At the end of 2016, the percentage of companies that paid on time was 42,3%, up compared to 2015 (35,3%).

The share of "bad payers" reached a level of 2%, with an increase of 0,8 percentage points compared to the previous year.

The situation has changed rather more significantly in the intermediate and serious late payment classes from 2007 to today: there has been an improvement in punctual payments ("By due date" class) of 3,8 percentage points, with a corresponding significant decrease in the intermediate class of "Up to 90 days" (-2,5%) and a lower reduction in the "Over 90 days" class (-1,3%).

All Canadian companies showed a homogeneous payment behavior.

As regards "By due date" class, Canadian companies paid on average 42,3% of the total.

Most payment delays was concentrated in the "Up 30 days" class with on average 49,4 percentage points.

Several late payments (Over 90 days) didn't exceed 2,1% of the total.

Looking at Canadian payment habits by sector, the performances were homogeneous also in this case and the values were in according with those that were showed in the general payments behavior section: an average of 42,3% for punctual payments, an average of 49,2% for payments up to 30 days and an average of 1% for payments over 90 days.

Membership organizations, Social services and Postal services occupied the top position in the classification of micro-sectors with the most punctual payments, with over 44% of the total in this class.

Meanwhile, Museums, botanical, zoological gardens, National security and intl. affairs and Holding and other investment offices were the sectors with the worst payment performances (more than 2,7% of "bad payers").

TABLE 11.1 SOURCE: D&B INC. CANADA

PERCENTAGE OF COMPANIES IN CANADA WITH ON TIME PAYMENTS, 2007-2016

	2007	2015	2016
Canada	38,5%	35,3%	42,3%

TABLE 11.2 SOURCE: D&B INC. CANADA

PERCENTAGE OF COMPANIES IN CANADA WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2007-2016

	2007	2015	2016
Canada	3,3%	1,2%	2,0%

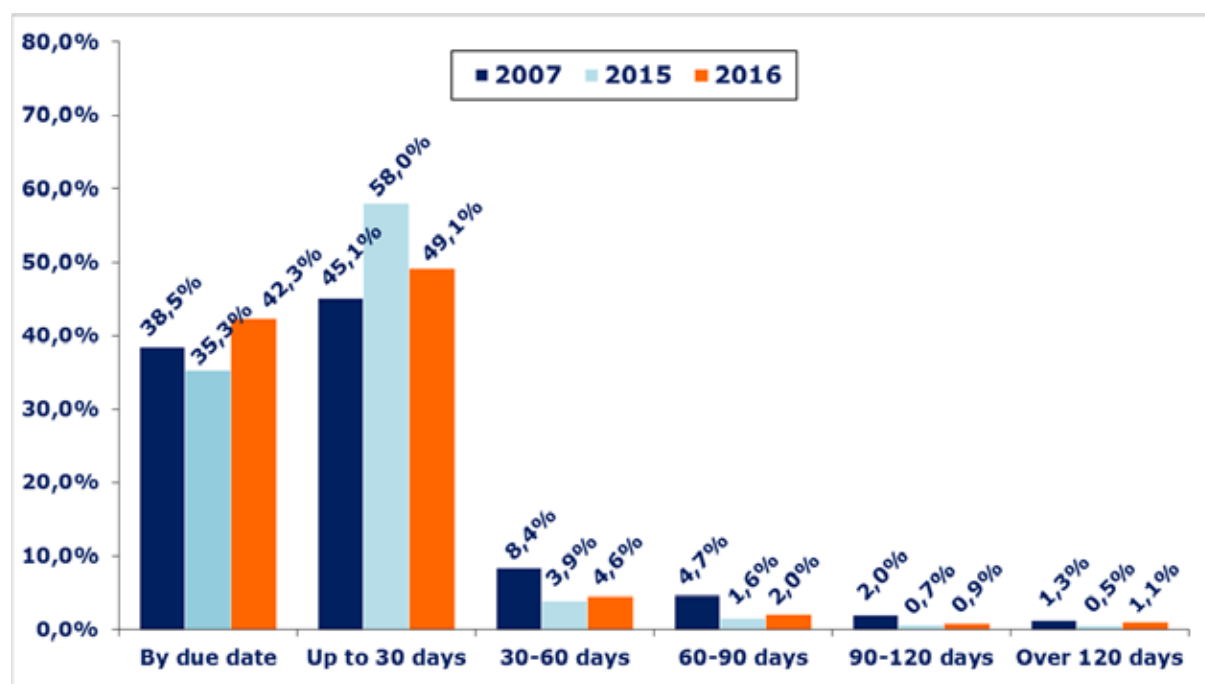
TABLE 11.3 SOURCE: D&B INC. CANADA

VARIATIONS IN PAYMENT PRACTICES IN CANADA, 2007-2016

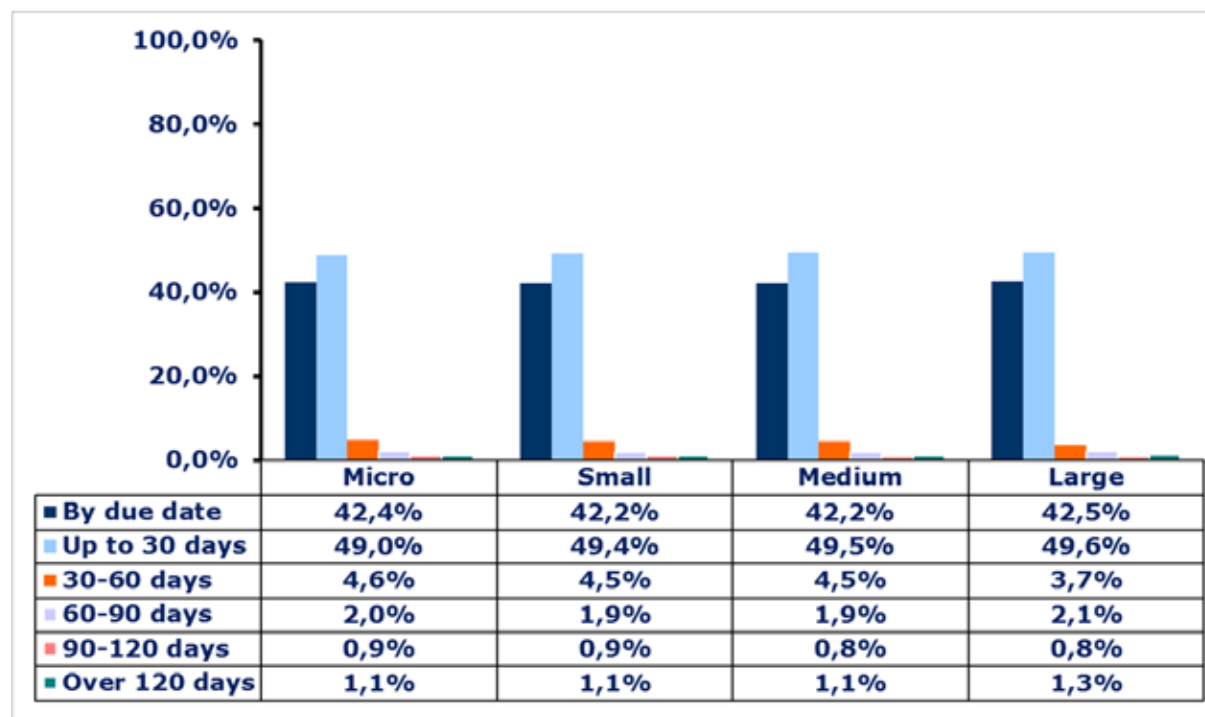
	Variation 2007/2016	Variation 2015/2016
By due date	3,8%	7,0%
Up to 90 days	-2,5%	-7,8%
Over 90 days	-1,3%	0,8%

GRAPH 11.4 SOURCE: D&B INC. CANADA

PAYMENT PRACTICES IN CANADA BY PAYMENT CLASS, 2007-2016



PAYMENT PRACTICES IN CANADA BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN CANADA BY PRODUCT SECTOR, 2016

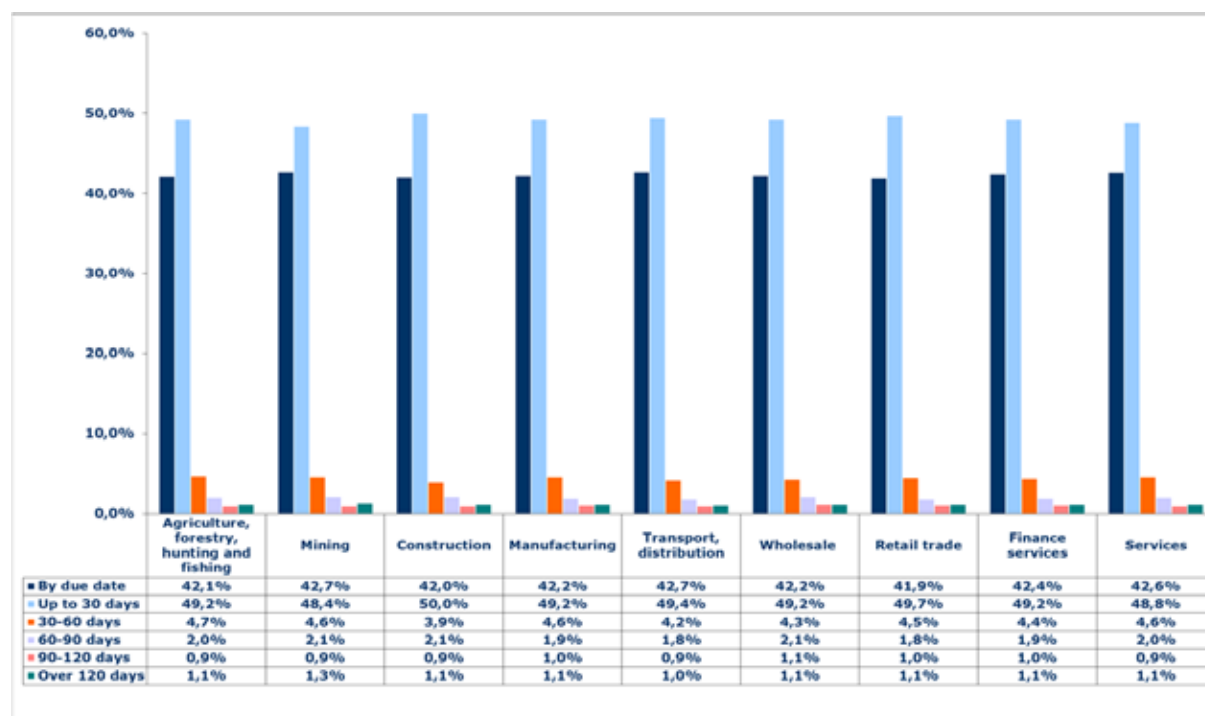


TABLE 11.7 SOURCE: D&B INC. CANADA

SECTORS WITH THE BEST PAYMENT RECORDS IN CANADA, 2016

Sector	Ranking 2016
MEMBERSHIP ORGANIZATIONS	1
SOCIAL SERVICES	2
POSTAL SERVICES	3
PAPER AND ALLIED PRODUCTS	4
MISCELLANEOUS REPAIR SERVICES	5
TRANSPORTATION BY AIR	6
STONE, CLAY AND GLASS PRODUCTS	7
EATING AND DRINKING PLACES	8
COAL MINING	9
SECURITY AND COMMODITY BROKERS	10

TABLE 11.8 SOURCE: D&B INC. CANADA

SECTORS WITH THE WORST PAYMENT RECORDS IN CANADA, 2016

Sector	Ranking 2016
MUSEUMS, BOTANICAL, ZOOLOGICAL GARDENS	75
NATIONAL SECURITY AND INTL. AFFAIRS	74
HOLDING AND OTHER INVESTMENT OFFICES	73
OIL AND GAS EXTRACTION	72
SPECIAL TRADE CONTRACTORS	71
PRINTING AND PUBLISHING	70
BUILDING MATERIALS AND GARDEN SUPPLIES	69
MOTION PICTURES	68
WHOLESALE TRADE - NONDURABLE GOODS	67
PIPELINES, EXCEPT NATURAL GAS	66

12. EUROPE

Payment analysis

In the 2017 edition of the Payment Study nineteen European countries have been compared, analyzing payment trends over recent years, including in relation to company size and the main sectors.

On an aggregate European level, 39,1% of companies respect agreed payment deadlines, meanwhile, the largest concentration can be found in the moderate late payment class ("Up to 30 days") with a value of 50,9%.

The most serious late payments (over 90 days), on the other hand, accounted for 3,7% of companies, with 2,2% exceeding 120 days.

Among the countries with the best performance in terms of punctual payments, in first position is Denmark (best performer also in this edition) with 86,5% of the total.

In second and third places are Germany (81,7%) and Hungary (55,4%).

Romania and Portugal show more problems in the payment system, with percentages of 17,6% and 19,5% in the "By due date" payment class.

Italy is in an intermediate position with 35,6% of punctual payers (-3,5% under European average).

The highest concentrations in the "Up to 30 days" (over 60%) are seen in the United Kingdom, Ireland, Portugal, Bulgaria and Finland.

There is also strong heterogeneity in relation to serious late payments (over 90 days late on average) in Europe: Romania (20,4%), Poland (15%), Portugal (9,6%), Greece (7,7%), Turkey (5,8%), Belgium (5,3%), Ireland (4,6%), Spain (3,8%) have values above the European average (3,5%).

In addition, in Poland and Romania more than 11% of companies tend to pay on average more than 120 days beyond agreed terms.

The analysis of changes in payment habits in Europe over the period of 2008-2016 shows the rather different trends between the countries under consideration.

German companies have reacted the best to these difficult years with a net improvement in punctual payments (+27,3 percentage points compared to 2008); they are followed by The Netherlands with a favorable difference of 14,5% and France with 6,7%.

Negative performance for Poland and Portugal: the number of punctual payers reduced by over 3%.

Lastly, in Italy there has been a decrease of 14% in recent years (from 49,6% in 2008 to 35,6% in 2016).

As regards the 2015-2016 trend in various European countries in the percentage of companies that demonstrate a positive payment performance (payments made by the due date), on an aggregate European level, there has been an increase of 1,6 percentage points in the share of companies that respect payment terms agreed with suppliers.

The best performances were seen in Greece and Germany, with improvements of 9,7% and 9,4%, respectively, compared to the proportion of "good payers" in 2015.

The worst performances were seen in Hungary and Finland: punctual companies in Hungary fell by 4,4%, whereas in the latter, the concentration varied from 29,2% of December 2015 to 26,8% of December 2016 (-2,4%).

Focusing on how the concentrations of companies in the most serious late payment class (over 90 days on average) have changed between 2008 and 2016 in the countries examined, Europe shows a good performance with an improvement of 2,3 percentage points in the share of "bad payers" (3,7%).

More significant changes (reductions greater than 3,5%) are seen in Germany and in the United Kingdom; in an intermediate position with more contained variations are Belgium, Spain and The Netherlands.

Polish companies which pay on average over 90 days late, on the other hand, have increased by 7,8 percentage points since 2008.

Examining the 2015-2016 trend of European companies in relation to late payments of over 90 days on average, the percentage of "bad payers" has remained more or less stable, going from 3,5% in 2015 to 3,7% in 2016.

The European trend is also confirmed by the large part of countries analyzed in this study: in fact, mainly changes of less than 1% are seen.

The exceptions are Greece and Bulgaria with a decrease of 12,2% and 7,2%.

As regarding European payment habits in relation to the different sectors, Agriculture, forestry, hunting and fishing and Construction are, also in 2016, the sectors with the best performances: the companies that respect agreed time limits account for 46,1% and 44,8% (a slight increase compared to 2015).

In addition, in Agriculture, forestry, hunting and fishing sector, there is a concentration of 3,1% in the serious late payment class.

The most problematic situation is seen in the Mining sector with only 30,6% of the total paying on time.

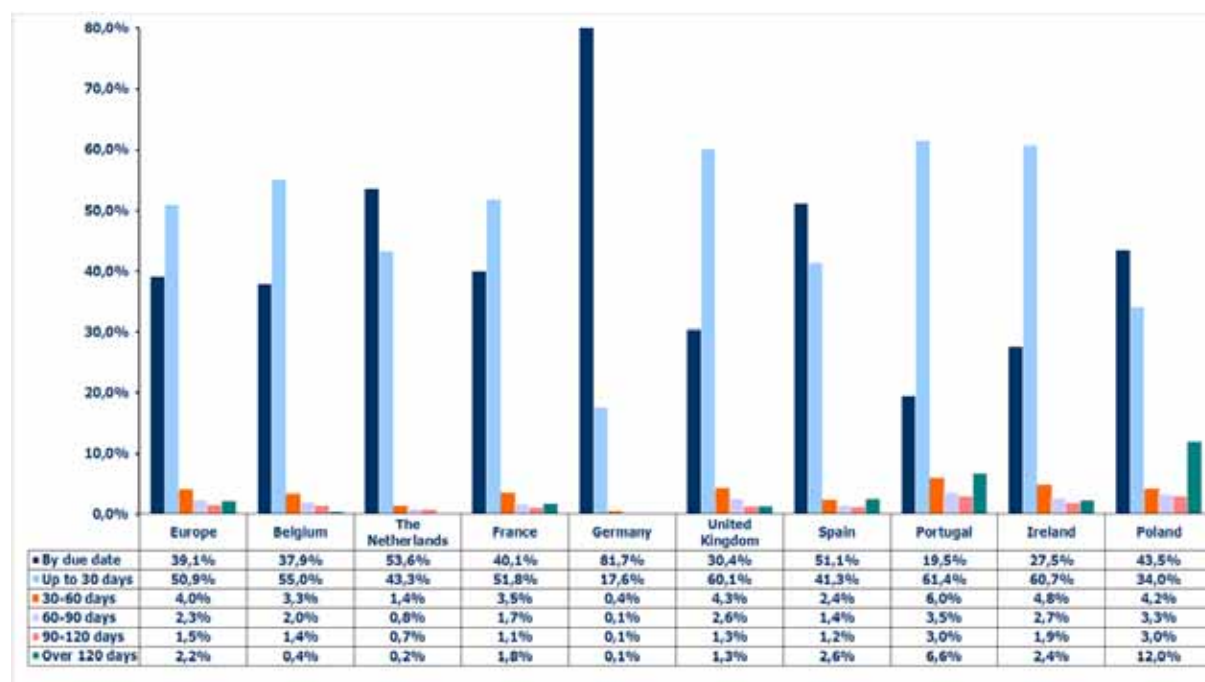
In general, for all sectors there is a widespread tendency for companies to pay on average between 1 and 30 days beyond agreed terms, with the highest values in relation to Mining (59,8%) and Transport, distribution (58,4%).

In the intermediate classes ("30-60 days" and "60-90 days") Retail trade sector stand out with the highest concentration (9,3 percentage points).

Serious late payments (over 90 days on average) at the end of 2016 relate to 5,8% of Retail trade sector (worst performers on an aggregate European level); the other sectors don't reach 4% of the total.

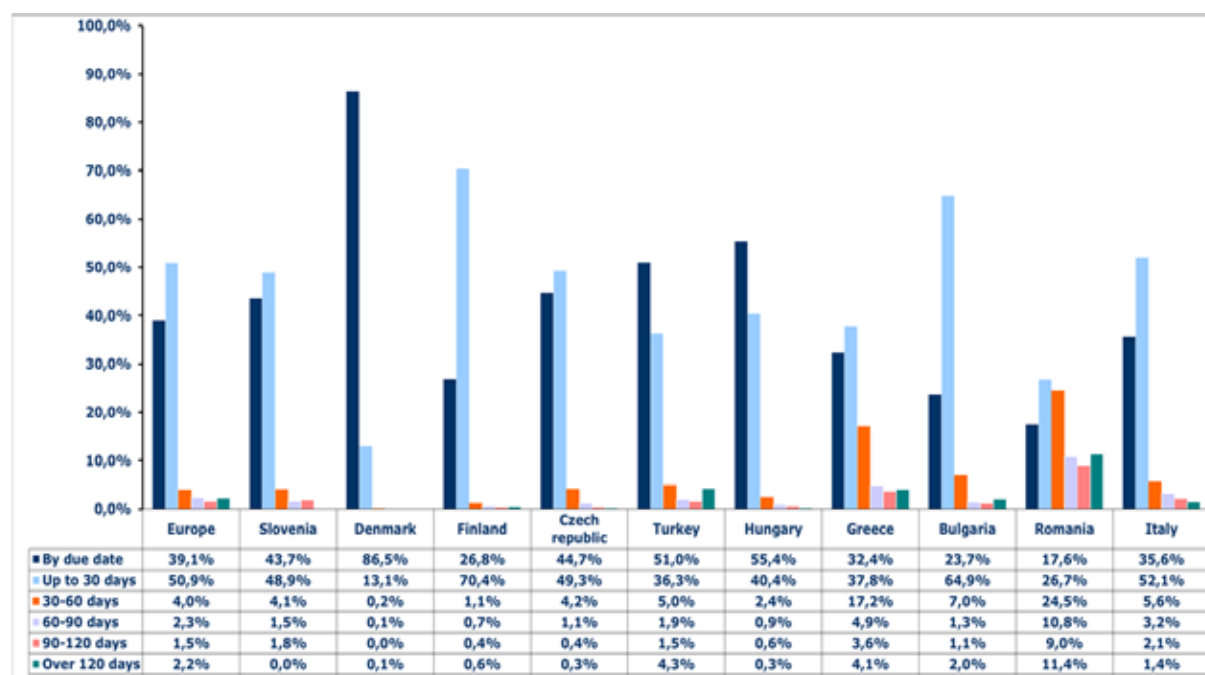
GRAPH 12.1 SOURCE: D&B WORLDWIDE NETWORK

PAYMENT PRACTICES IN EUROPE BY PAYMENT CLASS, 2016



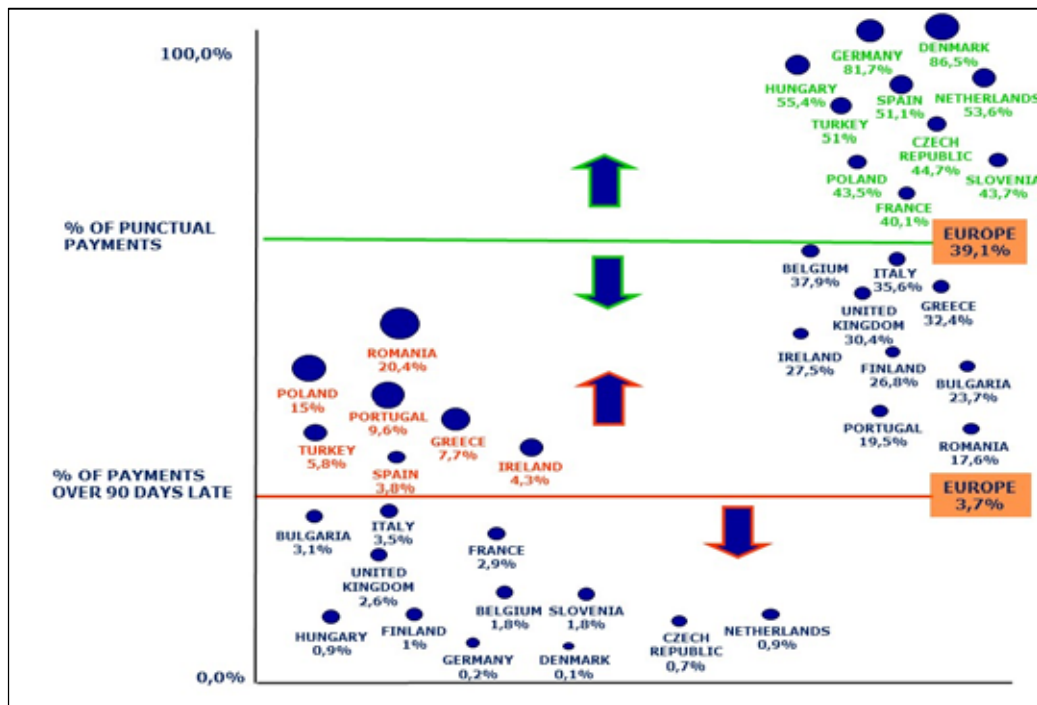
GRAPH 12.2 SOURCE: D&B WORLDWIDE NETWORK

PAYMENT PRACTICES IN EUROPE BY PAYMENT CLASS, 2016



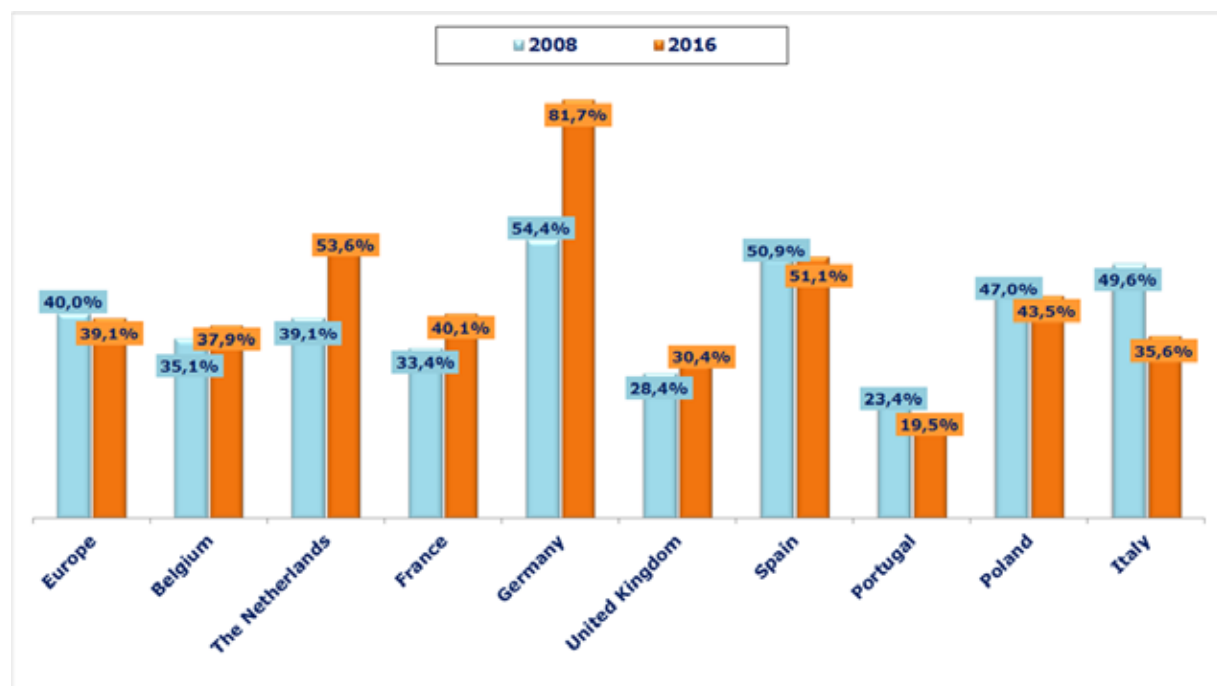
GRAPH 12.3 SOURCE: D&B WORLDWIDE NETWORK

COMPARISON BETWEEN ON TIME PAYMENTS AND PAYMENTS OVER 90 DAYS LATE FOR EUROPEAN COUNTRIES, 2016

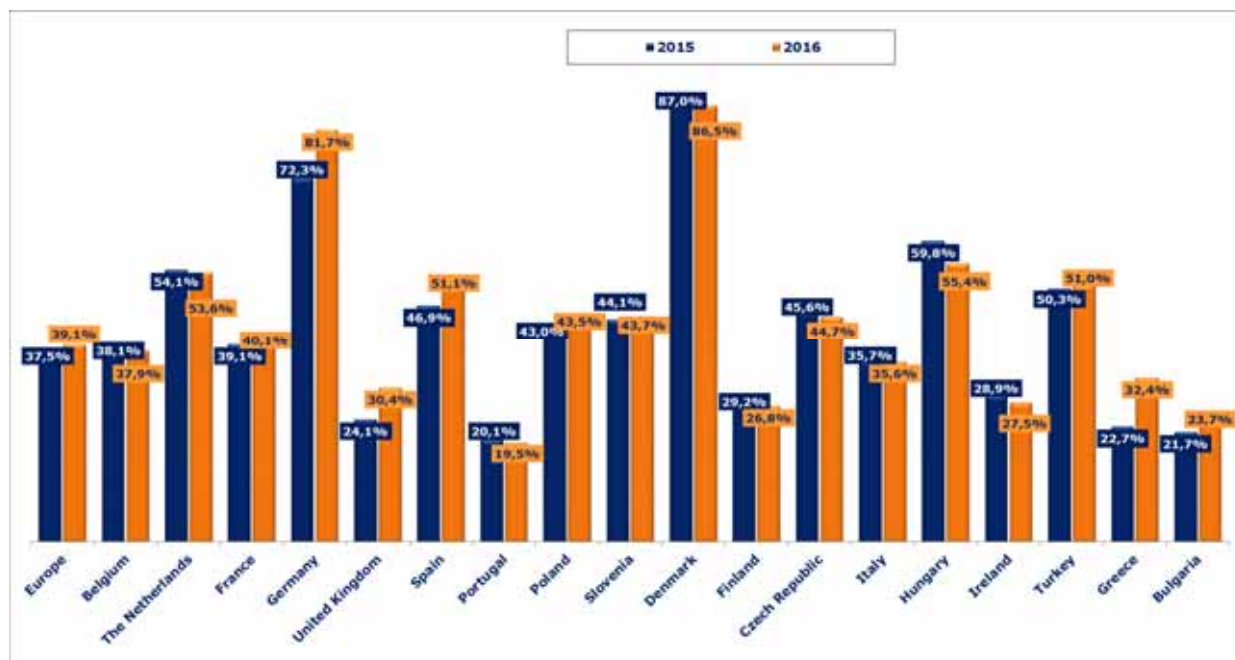


GRAPH 12.4 SOURCE: D&B WORLDWIDE NETWORK

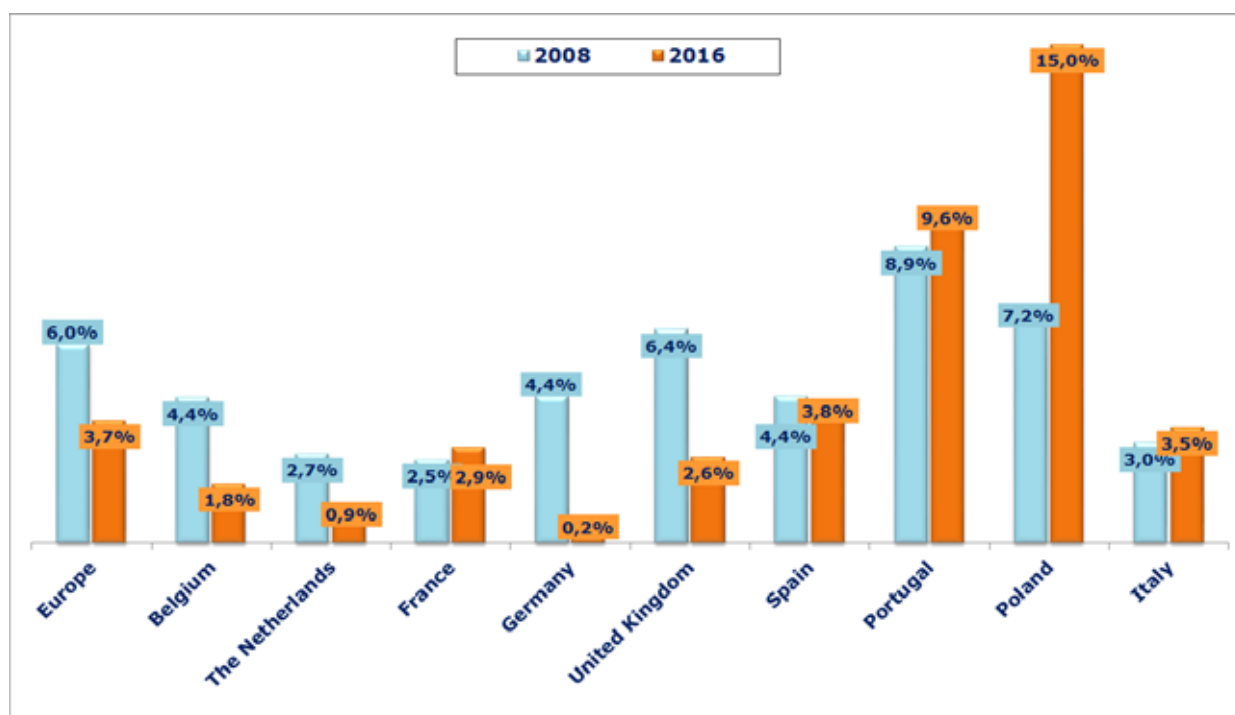
VARIATIONS IN ON TIME PAYMENTS IN EUROPE, 2008-2016



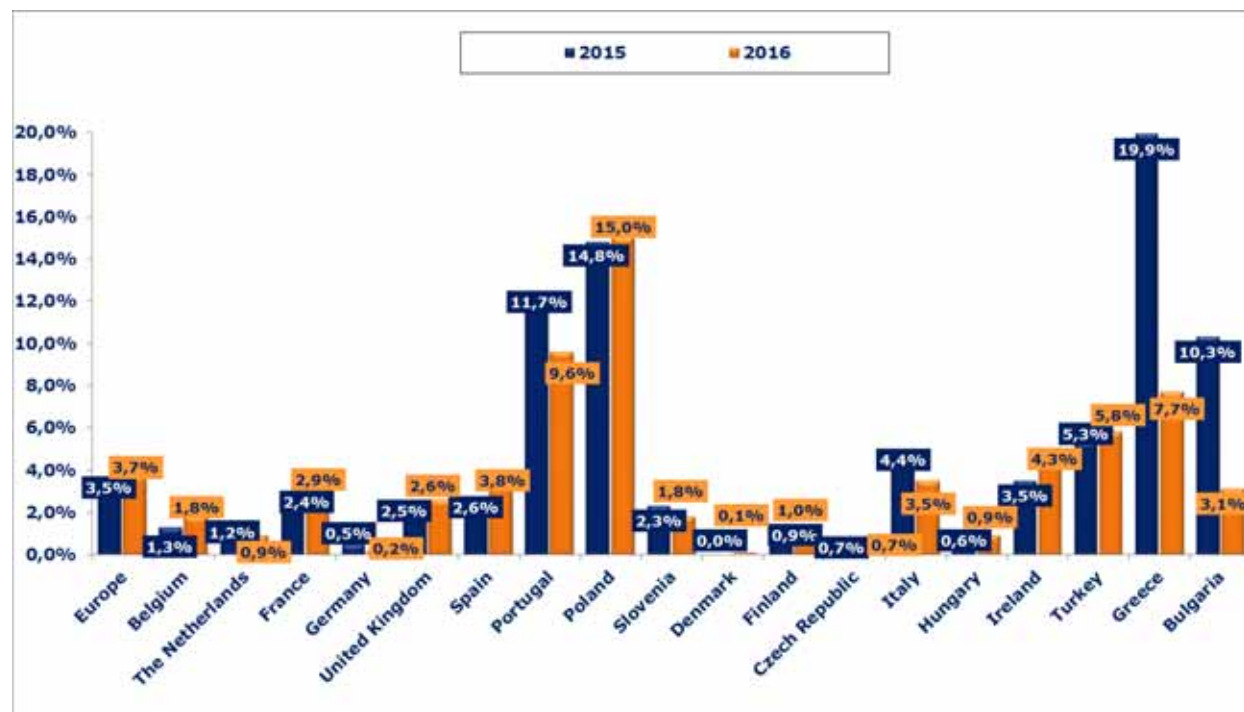
TRENDS IN ON TIME PAYMENTS IN EUROPE, 2015-2016



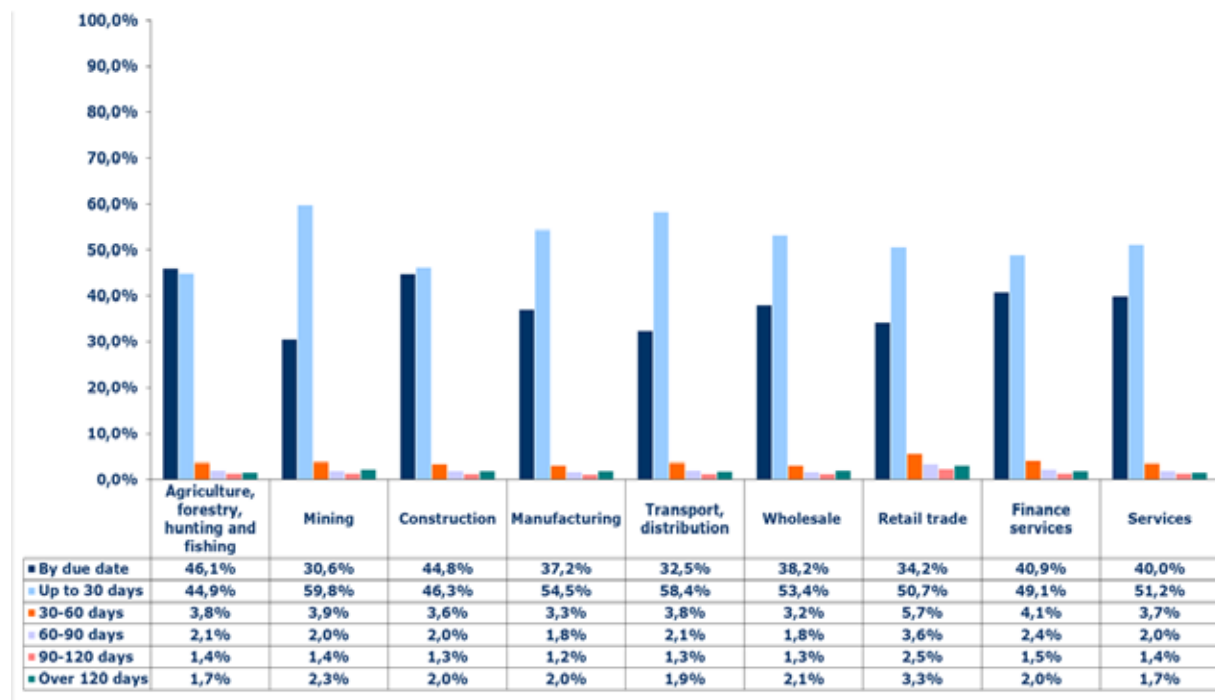
VARIATION OF LATE PAYMENTS OF MORE THAN 90 DAYS IN EUROPE, 2008-2016



TRENDS IN LATE PAYMENTS OF MORE THAN 90 DAYS IN EUROPE, 2015-2016



PAYMENT PRACTICES IN EUROPE BY PRODUCT SECTOR, 2016



13. BELGIUM

Payment analysis

Looking the payments trend of 2016, it can be noticed an important increase of the regular payments compared to 2007, while the "Over 90 days" class remains more or less the same.

The percentage of companies that pay their suppliers on time reached 37,9% in 2016, with a decrease of 0,2% compared with the previous year, but a negative variation of 1,2 percentage points compared to the European average.

Late payments of up to 30 days account for 55% of the total (-0,2% compared to 2015), meanwhile, those of between 30 and 90 days account for 5,3%.

On the other hand, companies that pay more than 90 days late represent only 1,8% of the total compared with the European level of 3,7%.

The proportion of "good payers" ("By due date" class) has increased by 7,4 percentage points and there has been an decrease of 6,3% in the intermediate payment class ("Up to 90 days") compared to 2007. In terms of serious late payments (over 90 days on average), these decreased by 1,1 percentage points.

The highest level of on time payments is seen for Micro companies, with a percentage of 32,5% in 2016, while the worst performance was seen for Large companies with only 4,8% of the total paying punctually.

All the company size categories show a widespread tendency to pay on average between 1 and 30 days late. In particular, the figure for the "Up to 30 days" class is over 89% for Medium and Large companies.

Intermediate late payments (between 30 and 90 days on average) have higher values for Micro companies, with 5,7 percentage points.

In addition, this size of company has the highest proportion of late payments of over 90 days late (1,7%).

Analyzing the product macro-sectors, the best performances in terms of punctual payments relate to the Finance services (46,9%) and Agriculture, forestry, hunting and fishing (44,6%) sectors. Payment conditions, on the other hand, are less virtuous in the Mining sector, in which only 30,3% of companies respect agreed terms.

The share of companies in the "Up to 30 days" category is over 47% in each of the sectors analyzed and reaches the highest value (63,6%) in the case of Manufacturing.

In the intermediate late payment classes ("30-60 days" and "60-90 days") there are concentrations between 4% and 7,7%, meanwhile for the more serious late payments (over 90 days on average) the values don't exceed 2,5%. In particular, Retail trade is the sector with the highest share of "bad payers" (2,5%).

If we consider the classification of the 10 micro-sector with the most punctual payments in Belgium in 2016, we find in the first position Security and commodity brokers (59,7%), followed by Legal services (58,8%).

On the other hand, the sector with the most problems is Communications, followed by Eating and drinking places and Food stores.

TABLE 13.1 SOURCE: DUN & BRADSTREET BELGIE

PERCENTAGE OF COMPANIES IN BELGIUM WITH ON TIME PAYMENTS, 2007-2016

	2007	2015	2016
Belgium	30,5%	38,1%	37,9%
Europe	41,0%	37,5%	39,1%

TABLE 13.2 SOURCE: DUN & BRADSTREET BELGIE

PERCENTAGE OF COMPANIES IN BELGIUM WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2007-2016

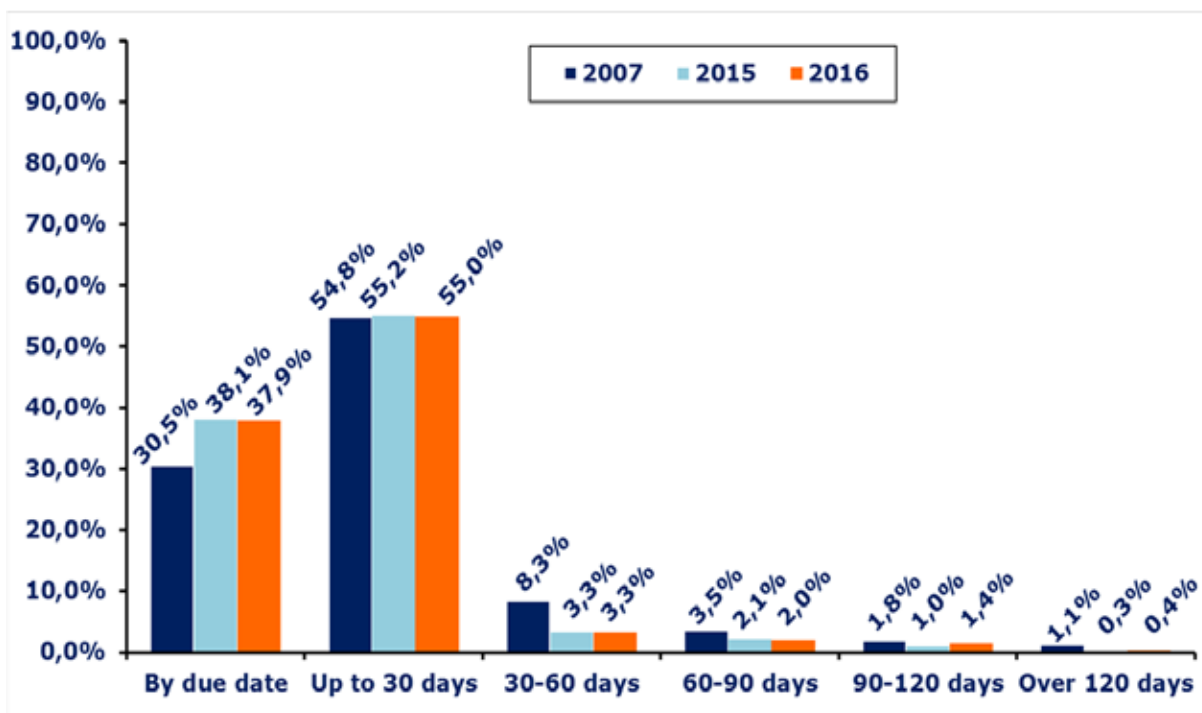
	2007	2015	2016
Belgium	2,9%	1,3%	1,8%
Europe	4,1%	3,5%	3,7%

TABLE 13.3 SOURCE: DUN & BRADSTREET BELGIE

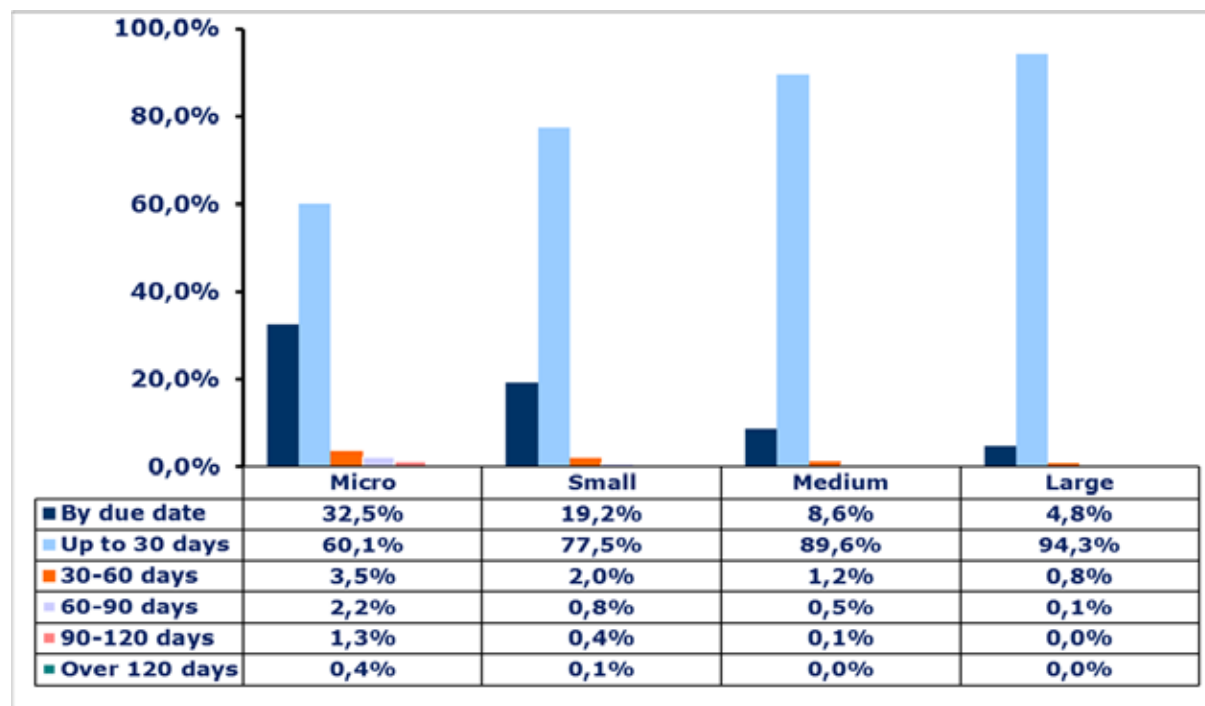
VARIATIONS IN PAYMENT PRACTICES IN BELGIUM, 2007-2016

	Variation 2007/2016	Variation 2015/2016
By due date	7,4%	-0,2%
Up to 90 days	-6,3%	-0,3%
Over 90 days	-1,1%	0,5%

PAYMENT PRACTICES IN BELGIUM BY PAYMENT CLASS, 2007-2016



PAYMENT PRACTICES IN BELGIUM BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN BELGIUM BY PRODUCT SECTOR, 2016

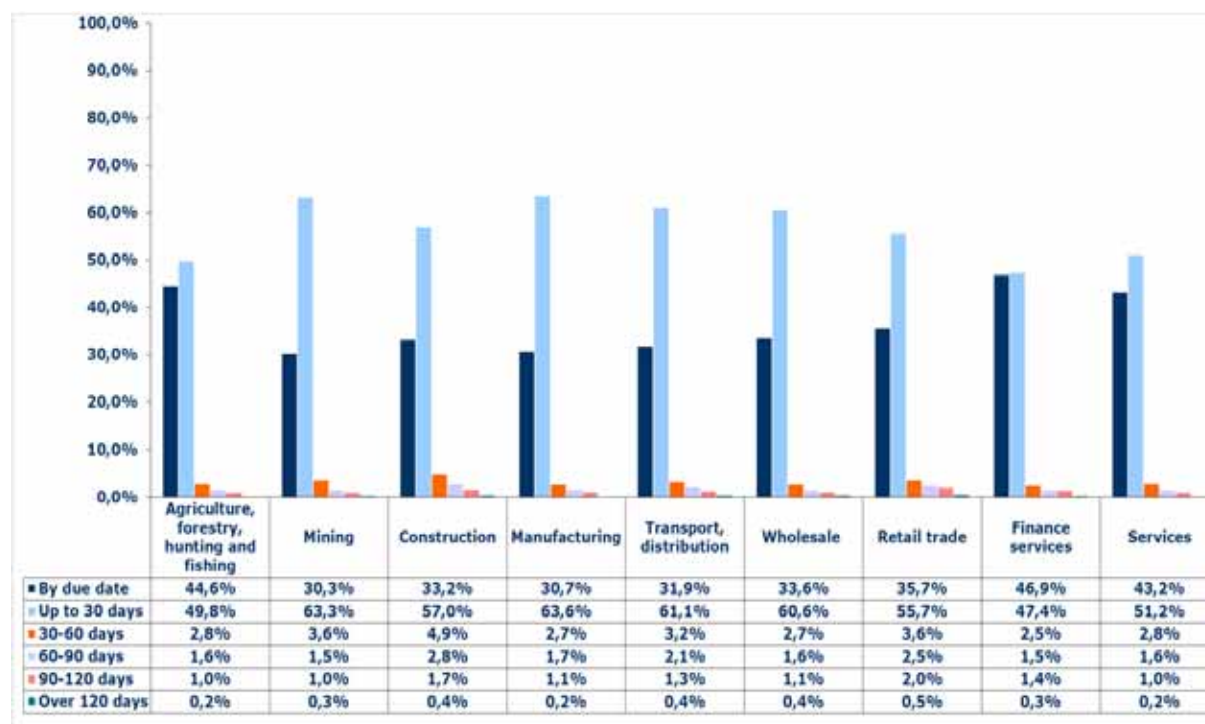


TABLE 13.7 SOURCE: DUN & BRADSTREET BELGIE

SECTORS WITH THE BEST PAYMENT RECORDS IN BELGIUM, 2016

Sector	Ranking 2016
SECURITY AND COMMODITY BROKERS	1
LEGAL SERVICES	2
INSURANCE AGENTS, BROKERS AND SERVICE	3
MEMBERSHIP ORGANIZATIONS	4
HEALTH SERVICES	5
HOLDING AND OTHER INVESTMENT OFFICES	6
NONDEPOSITORY INSTITUTIONS	7
DEPOSITORY INSTITUTIONS	8
INSURANCE CARRIERS	9
SOCIAL SERVICES	10

TABLE 13.8 SOURCE: DUN & BRADSTREET BELGIE

SECTORS WITH THE WORST PAYMENT RECORDS IN BELGIUM, 2016

Sector	Ranking 2016
COMMUNICATIONS	73
EATING AND DRINKING PLACES	72
FOOD STORES	71
FISHING, HUNTING AND TRAPPING	70
REAL ESTATE	69
LOCAL AND INTERURBAN PASSENGER TRANSIT	68
GENERAL BUILDING CONTRACTORS	67
BUILDING MATERIALS AND GARDEN SUPPLIES	66
APPAREL AND ACCESSORY STORES	65
NONMETALLIC MINERALS, EXCEPT FUELS	64

14. THE NETHERLANDS

Payment analysis

After a growth of regular payments in 2015, the trend of increase of this class of payments, started in 2014, it was interrupted in 2016.

The share of punctual payments in the Netherlands is 53,6%, and was 14,5 percentage points above the European average, while the share of Dutch companies that tend to pay over 90 days late on average is only 0,9% of the total (-0,3% vs. previous year).

Compared with 2007, the share of "good payers" has increased by 13,8 percentage points, with a resulting improvement in the other payment classes.

In particular, payments between 1 and 90 days late have decreased by 12,2 percentage points, meanwhile there has been a 1,6% decrease in the serious late payment class of over 90 days on average.

Micro companies are the ones that respect agreed terms the most, with 51% of companies in the "By due date" class, followed by Small companies with 40,2%.

On the other hand, punctual payments in Medium and Large companies are more contained (21,9% for the former and 14,5% for the latter). However, these two types have the highest values in the "Up to 30 days" class (over 76 percentage points).

In the intermediate and serious late payment classes, Micro companies have the worst performance: 2,1% of the total pay between 30 and 90 days late, meanwhile a further 1% fall within the "Over 90 days" class.

Analyzing the performance of the Dutch payment system in relation to sectors, the best performances are seen in the Agriculture, forestry, hunting and fishing sectors with 63,6% of punctual payers.

Late payments, on the other hand, are concentrated in the "Up to 30 days" class, with values varying between 33,5% (Agriculture, forestry, hunting and fishing) and 58,8% (Mining), whereas the values for other the classes are more contained.

The highest share of "bad payers" is seen in the Finance services with 1% of companies paying on average more than 90 days late.

In the ranking of best micro-sectors in terms of payment practices, Agricultural production – Livestock and Agricultural production - Crops are the top performers with 67,4% and 66,8% of punctual payers.

Metal mining, on the other hand, has the worst performance in terms of serious late payments (3% of "bad payers"), followed by Forestry (1,8%).

All the other sectors have concentrations of less than 1,7% in this class.

TABLE 14.1 SOURCE: DUN & BRADSTREET NEDERLAND

PERCENTAGE OF COMPANIES IN THE NETHERLANDS WITH ON TIME PAYMENTS, 2007-2016

	2007	2015	2016
Netherlands	39,8%	54,1%	53,6%
Europe	41,0%	37,5%	39,1%

TABLE 14.2 SOURCE: DUN & BRADSTREET NEDERLAND

PERCENTAGE OF COMPANIES IN THE NETHERLANDS WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2007-2016

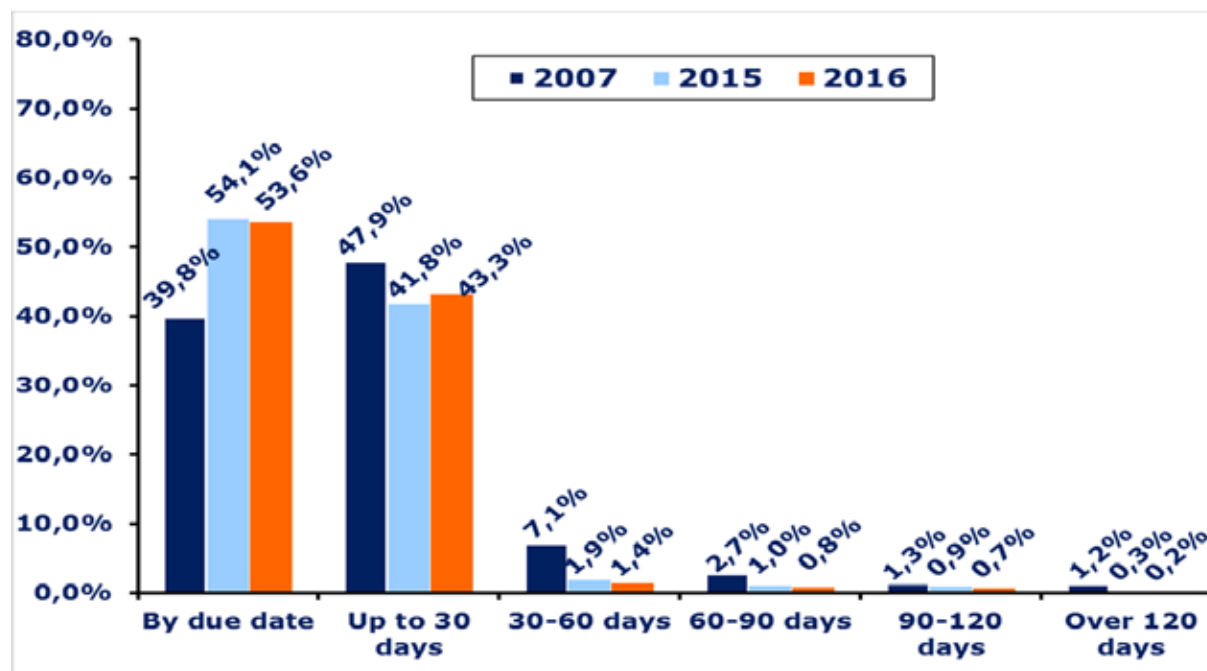
	2007	2015	2016
Netherlands	2,5%	1,2%	0,9%
Europe	4,1%	3,5%	3,7%

TABLE 14.3 SOURCE: DUN & BRADSTREET NEDERLAND

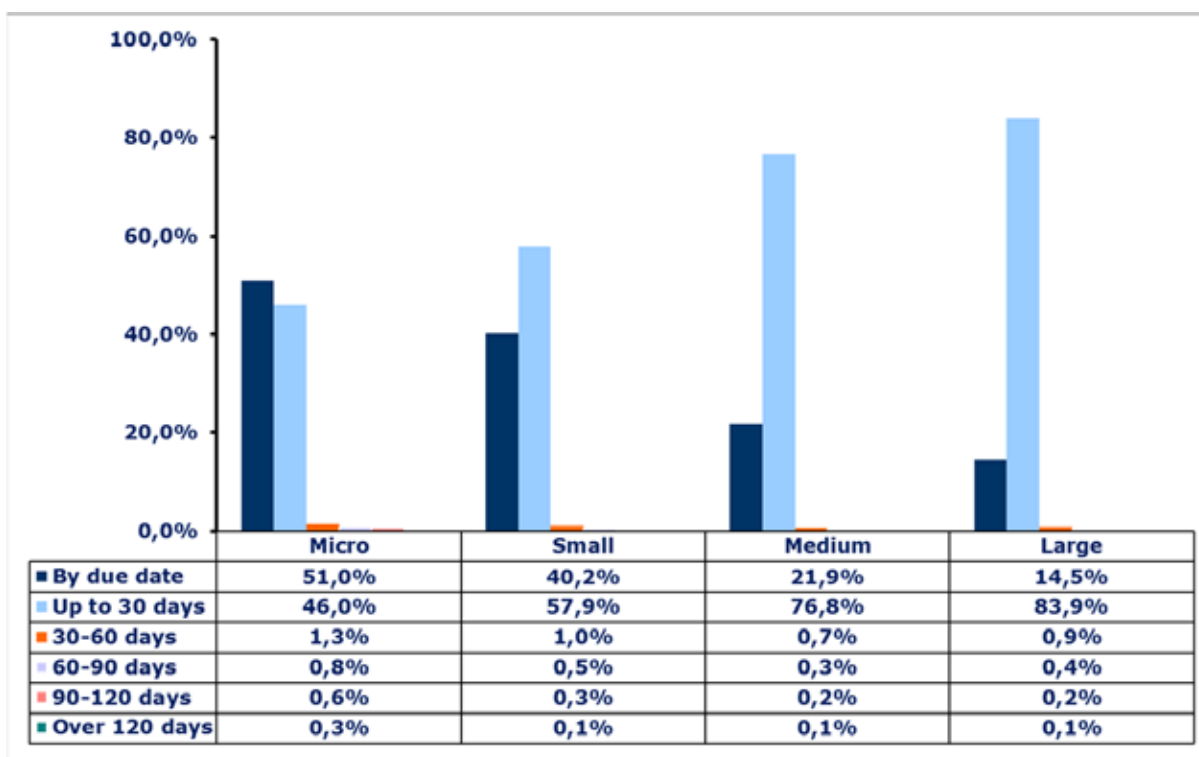
VARIATIONS IN PAYMENT PRACTICES IN THE NETHERLANDS, 2007-2016

	Variation 2007/2016	Variation 2015/2016
By due date	13,8%	-0,5%
Up to 90 days	-12,2%	0,8%
Over 90 days	-1,6%	-0,3%

PAYMENT PRACTICES IN THE NETHERLANDS BY PAYMENT CLASS, 2007-2016



PAYMENT PRACTICES IN THE NETHERLANDS BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN THE NETHERLANDS BY PRODUCT SECTOR, 2016

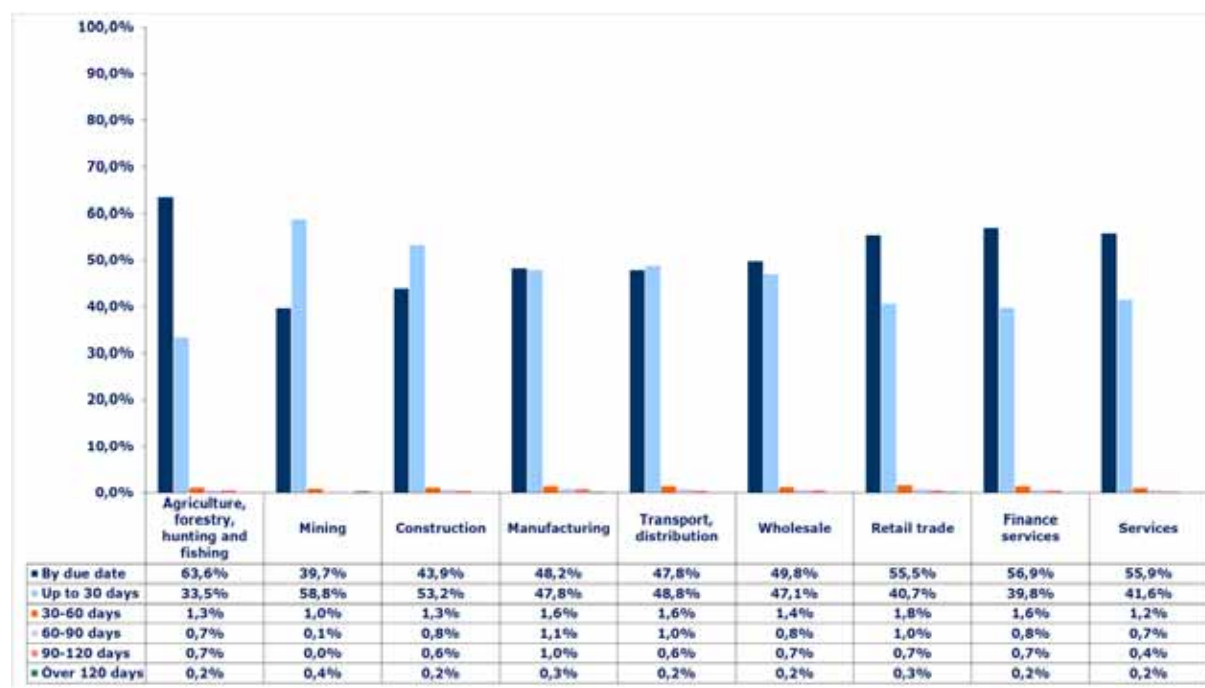


TABLE 14.7 SOURCE: DUN & BRADSTREET NEDERLAND

SECTORS WITH THE BEST PAYMENT RECORDS IN THE NETHERLANDS, 2016

Sector	Ranking 2016
AGRICULTURAL PRODUCTION - LIVESTOCK	1
AGRICULTURAL PRODUCTION-CROPS	2
FISHING, HUNTING AND TRAPPING	3
INSURANCE AGENTS, BROKERS AND SERVICE	4
FOOD STORES	5
AUTOMOTIVE DEALERS AND SERVICE STATIONS	6
GENERAL MERCHANDISE STORES	7
HEALTH SERVICES	8
PERSONAL SERVICES	9
MISCELLANEOUS REPAIR SERVICES	10

TABLE 14.8 SOURCE: DUN & BRADSTREET NEDERLAND

SECTORS WITH THE WORST PAYMENT RECORDS IN THE NETHERLANDS, 2016

Sector	Ranking 2016
METAL MINING	72
FORESTRY	71
NONDEPOSITORY INSTITUTIONS	70
APPAREL AND ACCESSORY STORES	69
APPAREL AND OTHER TEXTILE PRODUCTS	68
SPECIAL TRADE CONTRACTORS	67
AUTOMOTIVE DEALERS AND SERVICE STATIONS	66
SECURITY AND COMMODITY BROKERS	65
LOCAL AND INTERURBAN PASSENGER TRANSIT	64
BUILDING MATERIALS AND GARDEN SUPPLIES	63

15. FRANCE

Below is the opinion of **Thierry Millon, Director of Research** at **Altares**, on the economic scenario and payment situation in France.

"Averaging at around 70 days fifteen years ago, payment periods have since levelled off to almost 50 days. Behind this average, there are of course considerable discrepancies between one sector and another: some are over the 50-day mark, but comply with the legal time limit (60 days maximum), because their clients pay late; this is particularly true of the building and business service industries. Other sectors, meanwhile, are under 50 days but their clients pay very promptly, for example in the catering and retail businesses. It is naturally more difficult – if not impossible – to pay bills quickly if the customers don't settle their accounts quickly.

Payment patterns are very much the product of culture and history, forcing companies into a vicious circle they can't get out of: my clients take a long time to pay, so I'll take my time paying my suppliers. This is particularly perilous when the economy is recovering: during a recession, customers are thin on the ground, so production is low, meaning few orders, fewer invoices and thus fewer late payments. Conversely, when the economy picks up again, you need to boost production and buy, but cash is low and invoicing is slack – and payments start coming in late again.

This is what Altares observed in 2015 and 2016. For ten years, payment delays had levelled off at around 12 days, having reached as much as 19 days in 2002. But since the spring of 2015, the situation has radically declined and the 13-day limit has once again been exceeded.

Overdue payments are thus extremely prevalent in France, which poses a considerable risk for suppliers awaiting payment: there is a negative knock-on effect on their accounts, increasing short-term debt first, and possibly medium to long-term debt if the situation continues. Some suppliers, meanwhile, if it's commercially viable, will in turn extend their payment terms for their invoices.

Complying with payment deadlines is therefore one of the keys to survival for companies and employment, and more generally for the competitiveness of the economy. The Banque de France estimated, for the payment period report which Altares contributed to, that if all payment times complied with the 60-day rule, companies would have an additional €11 billion in cash. It is clearly time to encourage good payment behaviour and crack down on sloppy practices, whether in the private or public sector. According to Altares's analyses, payment delays are on average above 14 days for commercial companies and over 15 days for the state.

It is for this very reason that in June 2015, the French Prime Minister expressed his determination to combat the extension of payment times, leading the Minister of Finance and the Economy to make monitoring payment times one of the top priorities of the DGCCRF (General Directorate for Fair Trading, Consumer Affairs and Fraud Prevention). The March 2014 and subsequently the August 2015 and December 2016 laws clarified or reinforced the framework for these measures.

The administrative penalty system with respect to payment times for private companies and public companies subject to public tender rules has raised the maximum fine for late payment from €375,000 to €2 million, and from now on such penalties will be automatically published. In 2016, of more than 2,500 organisations audited by the DGCCRF, 17% revealed anomalies and 228 fines were imposed, around 70 of which were for major groups and their subsidiaries.

Although France has made some progress in this area, it's still a long way from the more exemplary behaviour in Germany and Northern Europe. In light of the current popularity of political movements favouring economic protectionism, a more transparent, commercially homogenous Europe is a long way off!"

Payment analysis

Even for the current year, France continues to have a similar performance in terms of punctual payments than the majority of countries analyzed in the Payment Study.

In 2016 punctual payments accounted for 40,1% of the total, + 1% over the European average, which continues to show a larger quantity of companies with a balanced payment behavior.

51,8% of French payers fell into the "Up to 30 days" class, while the intermediate late payment classes remained more or less unchanged compared to the previous year: the "30-60 days" and "60-90 days" classes comprised 5,2% of the total.

"Bad payers" represent 2,9% of the total, with a positive gap of 0,8 percentage points from the European record.

Considering payment practices by company size, Micro companies exhibit the best payment behavior with 51,3% of the total paying suppliers within agreed terms.

As size increases, the percentage of punctual payers drops, reaching the lowest value of 11,3% for Large companies.

In the main part, late payments are concentrated in the "Up to 30 days" class, with percentages of between 39,8% and 81,4%.

The share of companies that pay between 30 and 90 days late is the highest for Large companies with a value of 5,6% of the total, instead, are the Micro companies those that have a higher value in the class of very serious delays (3,7%).

The Construction sector is the best performer in terms of punctual payments, with a share of punctual payers of 55,4%.

This is followed by Agriculture, forestry, hunting and fishing with 46,8% of companies in this class.

Significantly lower values are found in the Mining (23,5%) and the Transport, distribution (26,6%) sectors.

All sectors examined in the study tend to pay commercial transactions between 1 and 30 days late (values above 38,7 percentage points).

Finally, Finance services have the highest concentrations both in the intermediate late payment classes ("30-60 days" and "60-90 days") and in the serious late payment class above 90 days on average (4%).

In first place in the classification of the 10 micro-sectors with the most punctual payments in France is Special trade contractors group (57% of the total in the "By due date" class).

In second and third places are Furniture and fixtures (53,2%) and Miscellaneous repair services (52,3%).

The worst result is seen in Pipelines, except natural gas sector, with a 5,8% share of serious late payments (over 90 days on average). Second and third places are held by Eating and drinking places (5,4%) and Apparel and accessory stores (5%).

TABLE 15.1 SOURCE: ALTARES

PERCENTAGE OF COMPANIES IN FRANCE WITH ON TIME PAYMENTS, 2007-2016

	2007	2015	2016
France	32,4%	39,1%	40,1%
Europe	41,0%	37,5%	39,1%

TABLE 15.2 SOURCE: ALTARES

PERCENTAGE OF COMPANIES IN FRANCE WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2007-2016

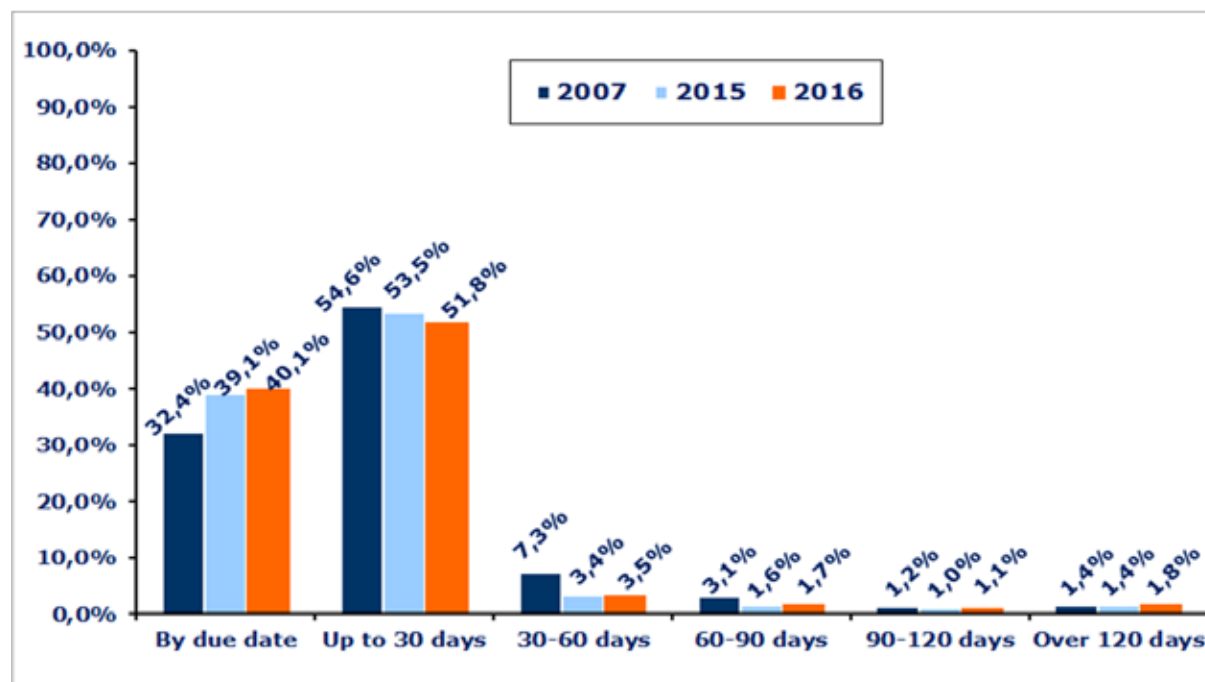
	2007	2015	2016
France	2,6%	2,4%	2,9%
Europe	4,1%	3,5%	3,7%

TABLE 15.3 SOURCE: ALTARES

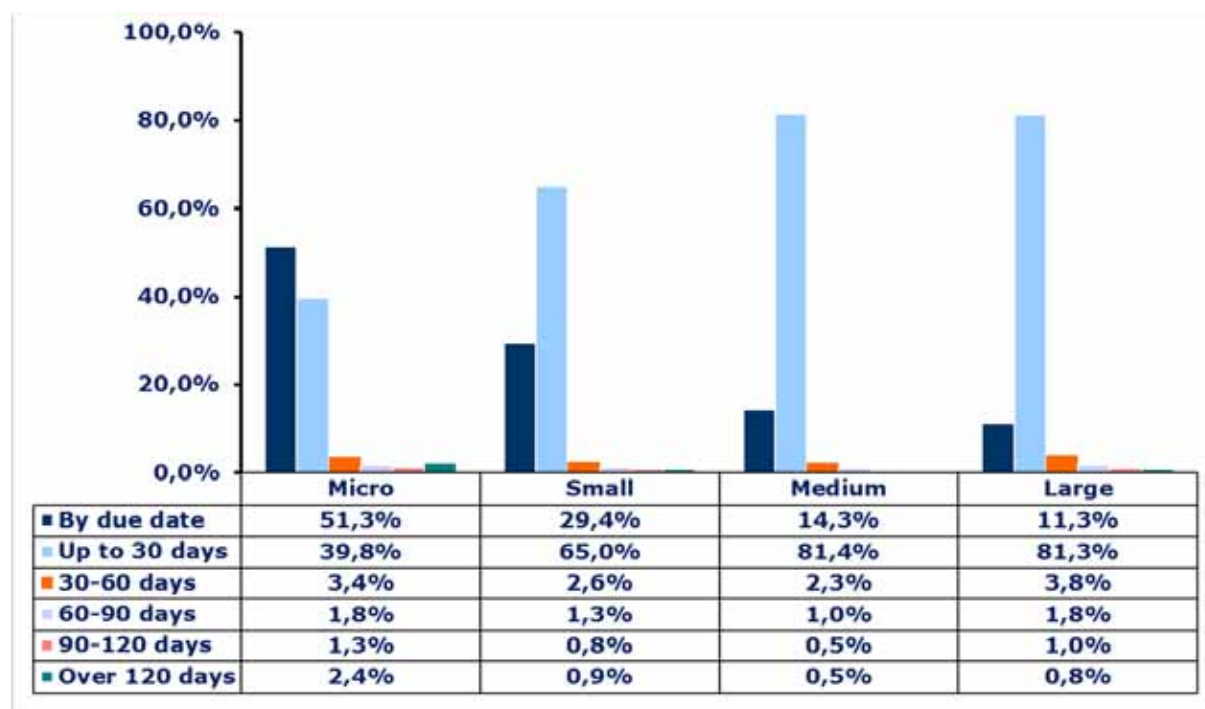
VARIATIONS IN PAYMENT PRACTICES IN FRANCE, 2007-2016

	Variation 2007/2016	Variation 2015/2016
By due date	7,7%	1,0%
Up to 90 days	-8,0%	-1,5%
Over 90 days	0,3%	0,5%

PAYMENT PRACTICES IN FRANCE BY PAYMENT CLASS, 2007-2016



PAYMENT PRACTICES IN FRANCE BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN FRANCE BY PRODUCT SECTOR, 2016

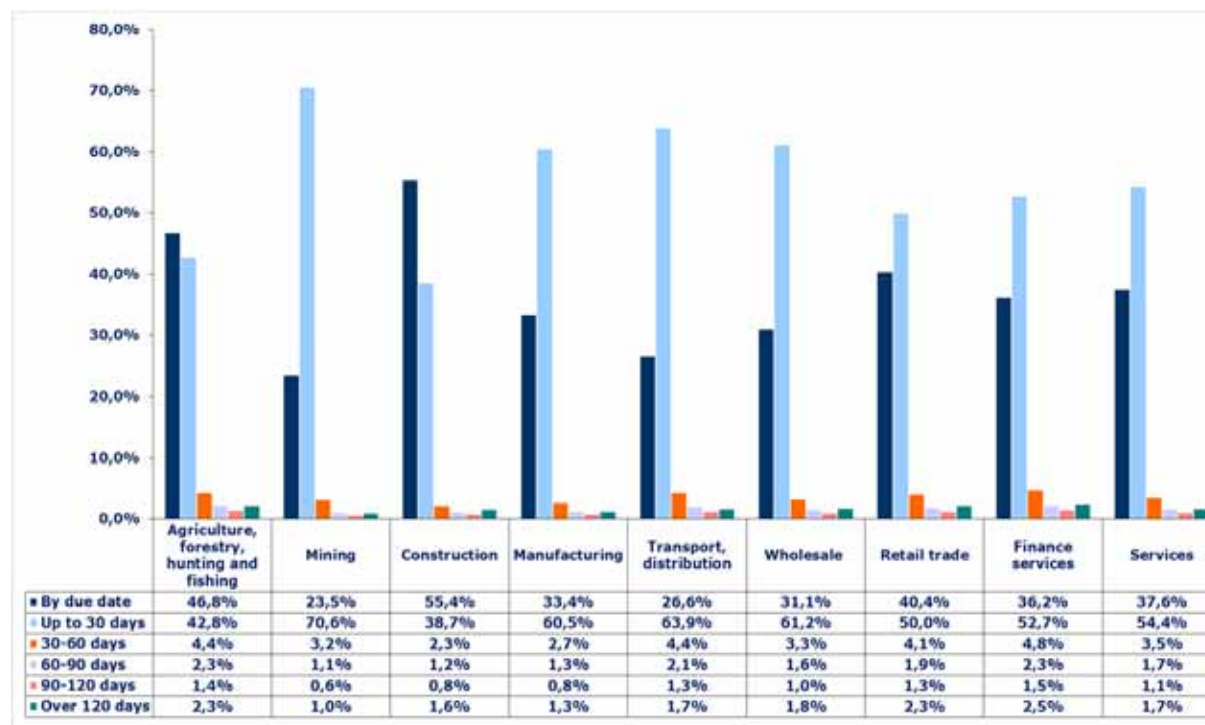


TABLE 15.7 SOURCE: ALTARES

SECTORS WITH THE BEST PAYMENT RECORDS IN FRANCE, 2016

Sector	Ranking 2016
SPECIAL TRADE CONTRACTORS	1
FURNITURE AND FIXTURES	2
MISCELLANEOUS REPAIR SERVICES	3
AGRICULTURAL SERVICES	4
AUTO REPAIR, SERVICES, AND PARKING	5
FISHING, HUNTING AND TRAPPING	6
INSURANCE AGENTS, BROKERS AND SERVICE	7
FORESTRY	8
AGRICULTURAL PRODUCTION - CROPS	9
LUMBER AND WOOD PRODUCTS	10

TABLE 15.8 SOURCE: ALTARES

SECTORS WITH THE WORST PAYMENT RECORDS IN FRANCE, 2016

Sector	Ranking 2016
PIPELINES, EXCEPT NATURAL GAS	76
EATING AND DRINKING PLACES	77
APPAREL AND ACCESSORY STORES	76
REAL ESTATE	75
PERSONAL SERVICES	74
RAILROAD TRANSPORTATION	73
AGRICULTURAL PRODUCTION - LIVESTOCK	72
U.S. POSTAL SERVICE	71
AMUSEMENT AND RECREATION SERVICES	70
SECURITY AND COMMODITY BROKERS	69

16. GERMANY

Below is the opinion of **Markus Gottschlich, Product Manager Trade** at **Bisnode Editorial Deutschland**, on the economic scenario and payment situation in Germany.

"Germany's economy is on a sound upward path. After a moderate start in 2016, indicators show a strong fourth quarter. Overall, the real gross domestic product increased by around 1.8% in 2016. This dynamic is expected to continue into the New Year with growth rates at about the same level.

Economic growth is primarily driven by buoyant domestic demand, which is being propelled by the upbeat situation in the labour market and rising household incomes.

The number of persons in employment will continue to rise from 43.5 million in 2016 to almost 44 million in 2017 and the unemployment rate will likely remain near the record low. Real wages are still on the rise, but losing momentum due to the gradually increasing consumer prices.

Modest interest rate increases on the back of the US elections are also likely to have a slightly negative impact on construction activity. Nonetheless, financing costs are still extremely low in a historic context. Additionally the need for new housing remains high also as a result of immigration.

A series of political uncertainties for 2017 are threatening the solid upward trend of the German economy. After Brexit and the US elections, parliamentary polls are scheduled in the Netherlands and France as well as in Germany. The results may cause new political and economic challenges.

Especially the unclear situation in the US and in the UK as Germany's most important and third important export markets make long-term investment planning significantly more difficult. Therefore, many businesses will probably put their investment plans on the backburner for the time being. Despite the fact, that industrial capacity utilisation rose to the highest level since 2008, only a muted increase in corporate investments is expected.

Trade will likely make neither a positive nor a negative contribution to real growth in 2017. Exports should recover, as important emerging economies such as Russia and Brazil are expected to come out of recession. At the same time, Germany's imports will increase noticeably as a result of domestic demand, which is clearly set for continued growth.

In general the payment terms in Germany are 30 days with some sector-specific deviations, such as in the transportations and logistic sector.

In 2016, the number of business failures continued to fall. Latest data show a further drop of another 3.0% versus 2015, but losing momentum. Looking ahead, we expect the number of insolvencies to remain stable in 2017.

Conversely, the payment behaviour of German businesses has continually deteriorated in 2016. The Bisnode Payment Index, which indicates the number of companies paying their invoices on time, dropped from 83.96 to 82.20 points. This was the third year in succession with a decline. Nevertheless, in an international comparison this is still an excellent value. But this trend should encourage to closely monitoring the receivables portfolio."

Payment analysis

In 2016 Germany confirmed the excellent payment performances of previous years and continues to be one of the best countries in the European context.

However, companies that paid their suppliers on time registered a 10,7 percentage point increase compared with 2015 and accounted for 81,7% of the total (42,6 percentage points above the European average).

The positive performance in Germany is especially seen in the late payment class of over 90 days: at the end of 2016, the concentration of companies in this bracket was 0,2%, compared to 3,7% for Europe.

Late payments of up to 30 days account for 17,6% of the total, meanwhile, those of between 30 and 90 days account for 0,5%.

Compared with 2007, the percentage of "good payers" has increased by 27,8 percentage points ("By due date" class), meanwhile the concentration in the "Up to 90 days" class has reduced by 24,8% and in the "Over 90 days" class by 3% percentage points.

In Germany, companies belonging to the different size categories show excellent payment performance.

Specifically, the most punctual categories are Micro and Small companies, with over 70% of the total. These are followed by Medium sized companies with 56,6% and finally Large companies with 42,6%.

The share of companies that pay between 1 and 30 days late is the highest for Large companies with a value of 56,5% of the total.

Serious late payments are minor, with uniform values between the various company sizes.

In all the macro sectors analyzed, the best performances are seen in Finance services (86,1%), followed by Construction sector (85%) and Agriculture, forestry, hunting and fishing (84%).

At the bottom of the classification of punctual payments is the Transport, distribution sector with a value of 77,9%.

In this case too, late payments tend to be concentrated in the "Up to 30 days" class, with values fluctuating between 13% for Finance services and 21,3% for Transport, distribution.

In all the sectors looked at in the study, the three most serious late payment classes ("60-90 days", "90-120 days" and "Over 120 days") have very contained concentrations.

Private households is the sector with the best payment record in Germany. In second and third places are Leather and leather products and Tobacco products sectors.

National security and intl. affairs and Rubber and miscellaneous plastics products are in the top positions in the ranking of the worst sectors, even if they have a percentage under 1% of late payments of over 90 days on average.

The economic slowdown has not impacted on the solidity of the German payment system and companies continue to show excellent levels of payments, which are improved compared to 2015.

TABLE 16.1 SOURCE: BISNODE EDITORIAL DEUTSCHLAND

PERCENTAGE OF COMPANIES IN GERMANY WITH ON TIME PAYMENTS, 2007-2016

	2007	2015	2016
Germany	53,9%	72,3%	81,7%
Europe	41,0%	37,5%	39,1%

TABLE 16.2 SOURCE: BISNODE EDITORIAL DEUTSCHLAND

PERCENTAGE OF COMPANIES IN GERMANY WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2007-2016

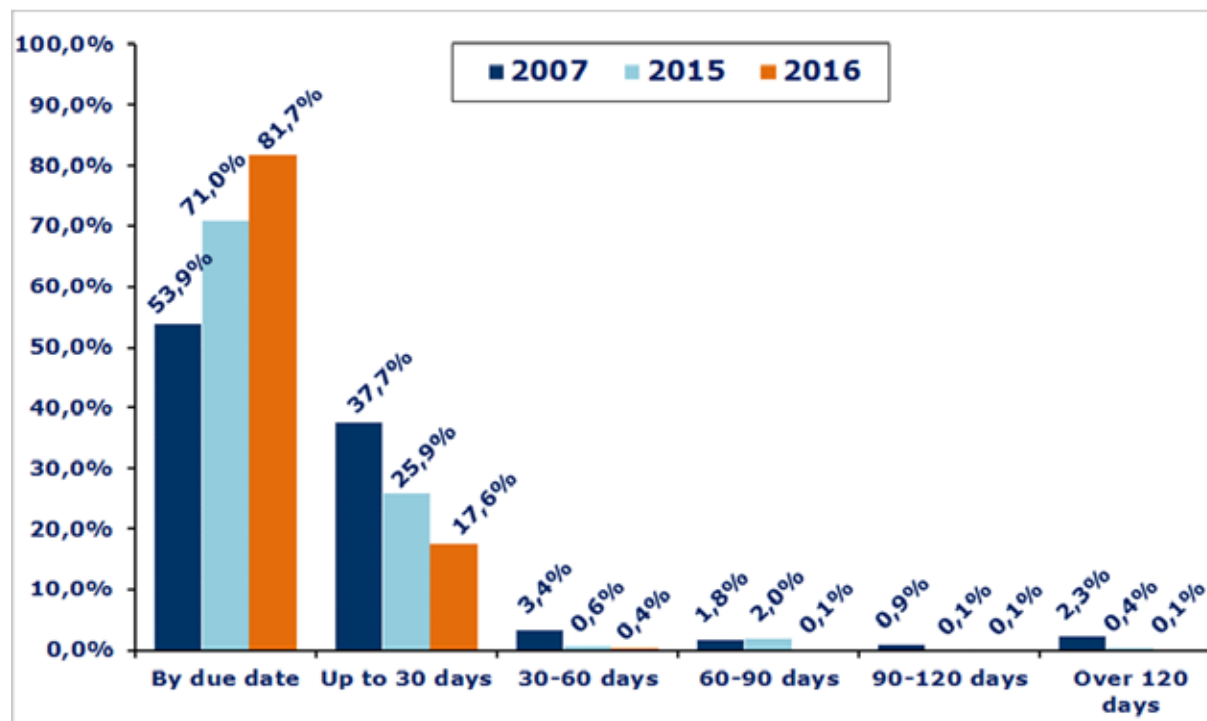
	2007	2015	2016
Germany	3,2%	0,5%	0,2%
Europe	4,1%	3,5%	3,7%

TABLE 16.3 SOURCE: BISNODE EDITORIAL DEUTSCHLAND

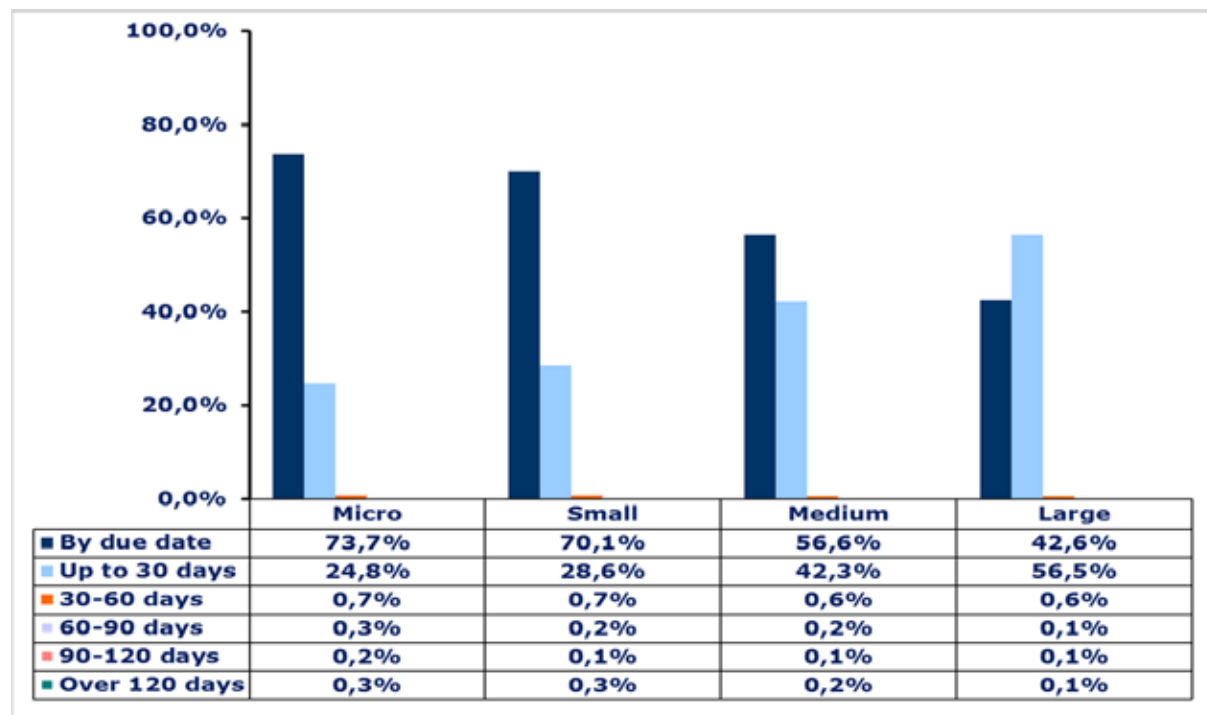
VARIATIONS IN PAYMENT PRACTICES IN GERMANY, 2007-2016

	Variation 2007/2016	Variation 2015/2016
By due date	27,8%	10,7%
Up to 90 days	-24,8%	-10,4%
Over 90 days	-3,0%	-0,3%

PAYMENT PRACTICES IN GERMANY BY PAYMENT CLASS, 2007-2016



PAYMENT PRACTICES IN GERMANY BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN GERMANY BY PRODUCT SECTOR, 2016

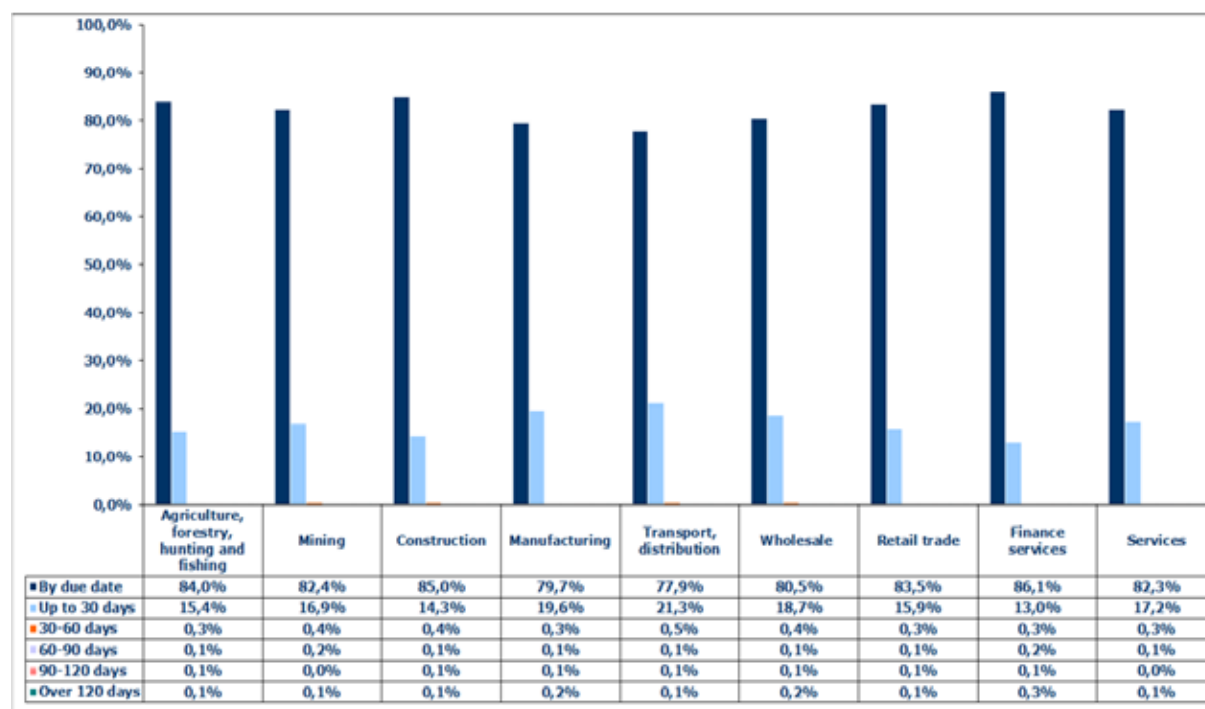


TABLE 16.7 SOURCE: BISNODE EDITORIAL DEUTSCHLAND

SECTORS WITH THE BEST PAYMENT RECORDS IN GERMANY, 2016

Sector	Ranking 2016
PRIVATE HOUSEHOLDS	1
LEATHER AND LEATHER PRODUCTS	2
TOBACCO PRODUCTS	3
HOLDING AND OTHER INVESTMENT OFFICES	4
PETROLEUM AND COAL PRODUCTS	5
RAILROAD TRANSPORTATION	6
SECURITY AND COMMODITY BROKERS	7
MISCELLANEOUS RETAIL	8
ENVIRONMENTAL QUALITY AND HOUSING	9
FISHING, HUNTING AND TRAPPING	10

TABLE 16.8 SOURCE: BISNODE EDITORIAL DEUTSCHLAND

SECTORS WITH THE WORST PAYMENT RECORDS IN GERMANY, 2016

Sector	Ranking 2016
NATIONAL SECURITY AND INTL. AFFAIRS	69
RUBBER AND MISCELLANEOUS PLASTICS PRODUCTS	68
FURNITURE AND FIXTURES	67
REAL ESTATE	66
FORESTRY	65
INSURANCE AGENTS, BROKERS AND SERVICE	64
HEAVY CONSTRUCTION, EXCEPT BUILDING	63
AMUSEMENT AND RECREATION SERVICES	62
MISCELLANEOUS MANUFACTURING INDUSTRIES	61
GENERAL MERCHANDISE STORES	60

17. UNITED KINGDOM

Below is the opinion of **Markus Kuger, Senior Economist** at **Dun & Bradstreet Ltd**, on the economic scenario and payment situation in United Kingdom.

"Despite the 'Leave' camp's unexpected victory in the June 2016 EU membership referendum, the UK economy finished the year reasonably strongly. Real GDP growth came in at 2.0%, only marginally down from the 2.2% recorded a year earlier, and above the growth rates of all other G7 economies. The pound's significantly weaker position – a consequence of the Brexit vote – means that export-oriented sectors such as manufacturing and tourism are doing very well, and that they are likely to continue to flourish for the next two years. Domestically-oriented companies, however, will struggle, with rapidly-rising inflation rates set to weigh on consumers' disposable income; we expect the Bank of England's 2.0% inflation target to be breached in Q2 2017, with rising commodity prices another contributing factor. Alongside more constrained private consumption, investment activity is also likely to take a hit, as uncertainty about the UK's post-Brexit trading relations with the EU will remain elevated throughout 2017. Our baseline scenario anticipates that this will cause real GDP growth to slow to 1.5% in 2017.

Despite the robust macroeconomic backdrop, in microeconomic terms the UK did not perform well in 2016 – at least by comparison with Germany and France. Payments performance in the UK in 2016 was again poorer than the European average (if measured by the share of prompt payments) and, with slower growth predicted and amid increasing uncertainty about Britain's long-term economic outlook, we expect a further deterioration in payment patterns over the final years of this decade. Our proprietary data paints the same picture seen in previous years, showing significant differences in regional and sectorial payment patterns. From a regional perspective, the share of prompt payments in Q4 2016 ranged from 24.0% in the East Midlands to 34.4% in Greater Manchester. At a sectorial level, the differences were even more pronounced: the agricultural sector (52.6% of prompt payments) outperformed all other sectors, whereas bottom of the table were the machinery manufacturing (23.6%) and government (21.3%) categories.

In terms of business failures, the Brexit vote has not yet made an impact. According to our proprietary data, the number of insolvencies fell in Q3 compared with Q2, and remained virtually flat between Q3 and Q4. However, Germany and France recorded sizeable drops in business failures during this period, and many other European economies mirrored this trend. Problematically, higher labor costs (caused by a rising minimum wage and reduced inward migration once Brexit is completed) could have an adverse impact on companies' cash flows over the medium term, with sectors reliant on cheap foreign labor being particularly exposed."

Payment analysis

The analysis of United Kingdom payments shows also for 2016 performances long way from the average European results.

In fact, the share of British companies paying on time had reached 30,4% of the total, a value which is not very reassuring if compared to the European average of 39,1% (-8,7 percentage points), meanwhile, the majority of companies tended to pay on average between 1 and 30 days late (60,1%). Intermediate late payment classes ("30-60 days" and "60-90 days") account for 6,9%, whereas "bad payers" account for 2,6% of the sample analyzed.

The variations between 2007 and 2016 are more significant: the share of "good payers" has decreased by 2,2%, however the number of cases with late payments up to 90 days increase by 4,9%.

If we consider the picture of payments in 2016 by British companies by late payment class and company size, we notice a widespread tendency to pay between 1 and 30 days beyond agreed payment terms.

In particular, the highest concentrations are seen for Large and Medium companies with 85% and 76,5% of the total, respectively.

Micro companies seem to be more balanced with 33,8% of punctual payers, but the share of late payments of more than 90 days is the highest (3 percentage points).

The situation for larger companies is more complex: only 9,4% of the total is in the "By due date" class.

There is a homogeneous distribution of punctual payments in almost all the macro-sectors analyzed, with somewhat contained values.

The only exception is the Agriculture, forestry, hunting and fishing sector: in this case, the percentage of companies that respect payment terms agreed with their suppliers is 39,2%.

At the bottom of the classification, on the other hand, is Mining sector, with only 9,2% of punctual payers.

In relation to intermediate late payments (between 30 and 90 days late), the highest values were in the Mining sector (28,2%) and Agriculture, forestry, hunting and fishing (12,7%).

The worst performance in terms of serious late payments was seen again in the Mining sector, where 7,8% of companies tend to pay more than 90 days late on average.

In first, second and third place the classification of micro sectors with the most punctual payments are Agricultural production – Crops, Agricultural services and Agricultural production - Livestock (punctual payers are between 45,2% and 54%).

First position in the sector ranking of "bad payers" is held by Eating and drinking places with 5,7% of late payments of over 90 days on average, followed by Food stores and Justice, public order and safety with 5,3% and 5,1%, respectively.

In conclusion, the UK continues to be placed low down in the European context and to show difficulties in managing payments on time.

The payments situation is critical yet, but there have been an improvement compared to 2015, despite the negative prevision due to Brexit.

TABLE 17.1 SOURCE: DUN & BRADSTREET LTD

PERCENTAGE OF COMPANIES IN THE UK WITH ON TIME PAYMENTS, 2007-2016

	2007	2015	2016
United Kingdom	32,6%	24,1%	30,4%
Europe	41,0%	37,5%	39,1%

TABLE 17.2 SOURCE: DUN & BRADSTREET LTD

PERCENTAGE OF COMPANIES IN THE UK WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2007-2016

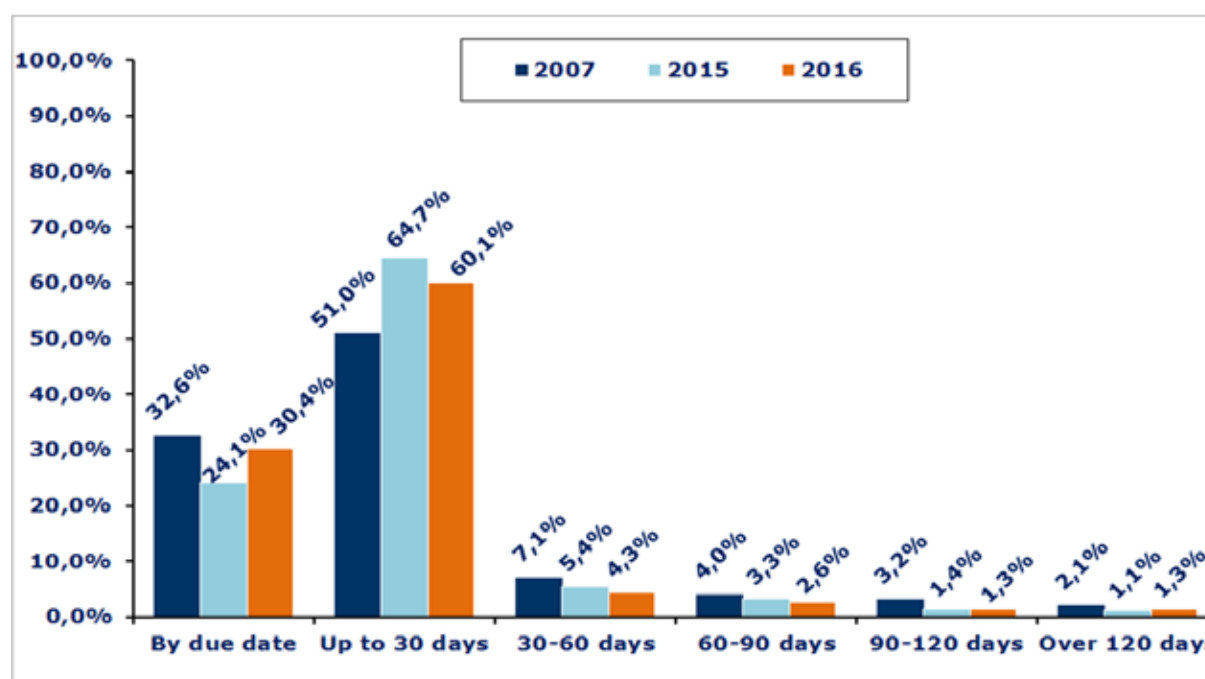
	2007	2015	2016
United Kingdom	5,3%	2,5%	2,6%
Europe	4,1%	3,5%	3,7%

TABLE 17.3 SOURCE: DUN & BRADSTREET LTD

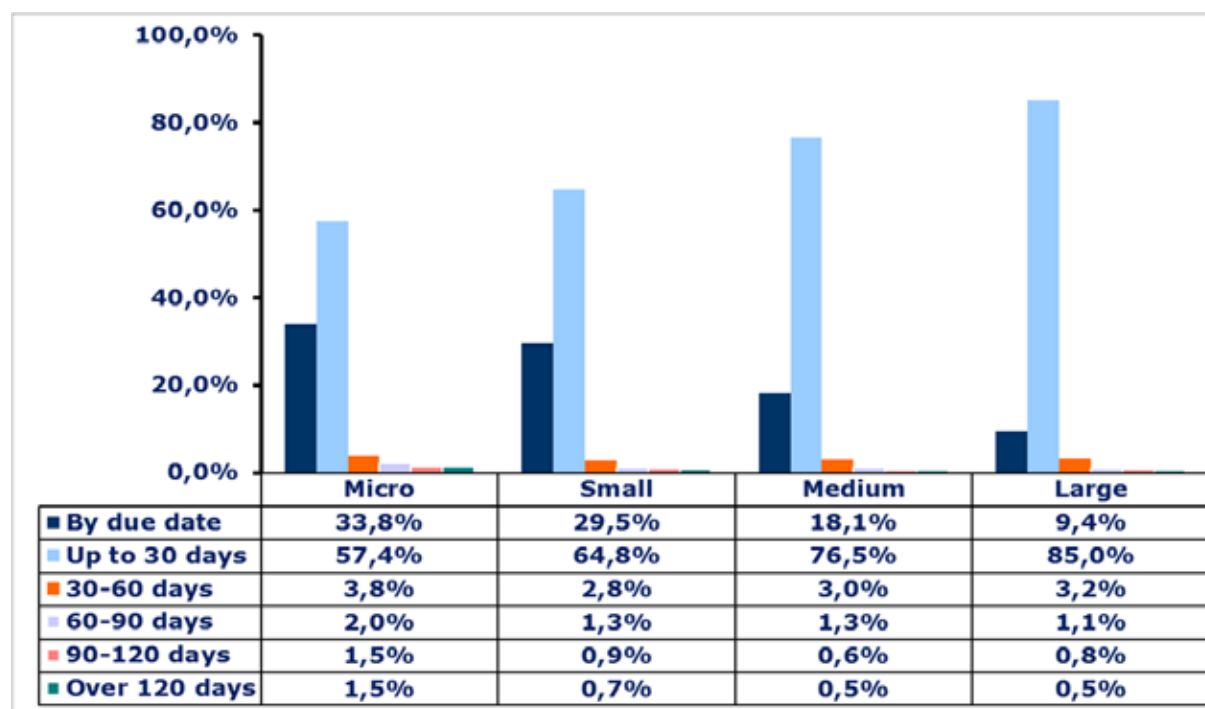
VARIATIONS IN PAYMENT PRACTICES IN THE UK, 2007-2016

	Variation 2007/2016	Variation 2015/2016
By due date	-2,2%	6,3%
Up 90 days	4,9%	-6,4%
Over 90 days	-2,7%	0,1%

GRAPH 17.4 SOURCE: DUN & BRADSTREET LTD

PAYMENT PRACTICES IN THE UK BY PAYMENT CLASS, 2007-2016

PAYMENT PRACTICES IN THE UK BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN THE UK BY PRODUCT SECTOR, 2016

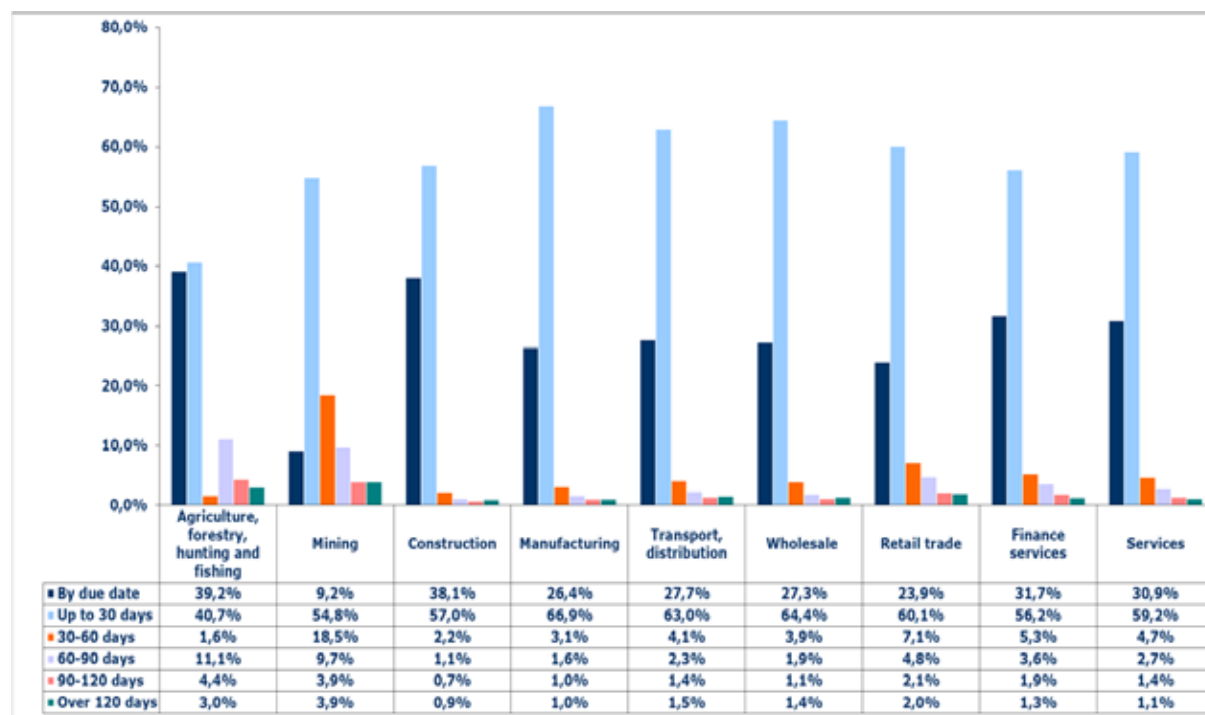


TABLE 17.7 SOURCE: DUN & BRADSTREET LTD

SECTORS WITH THE BEST PAYMENT RECORDS IN THE UK, 2016

Sector	Ranking 2016
AGRICULTURAL PRODUCTION - CROPS	1
AGRICULTURAL SERVICES	2
AGRICULTURAL PRODUCTION - LIVESTOCK	3
FISHING, HUNTING AND TRAPPING	4
FORESTRY	5
SPECIAL TRADE CONTRACTORS	6
GENERAL BUILDING CONTRACTORS	7
INSURANCE AGENTS, BROKERS AND SERVICE	8
INSURANCE CARRIERS	9
PRINTING AND PUBLISHING	10

TABLE 17.8 SOURCE: DUN & BRADSTREET LTD

SECTORS WITH THE WORST PAYMENT RECORDS IN THE UK, 2016

Sector	Ranking 2016
EATING AND DRINKING PLACES	76
FOOD STORES	75
JUSTICE, PUBLIC ORDER AND SAFETY	74
APPAREL AND ACCESSORY STORES	73
GENERAL MERCHANDISE STORES	72
COMMUNICATIONS	71
DEPOSITORY INSTITUTIONS	70
MOTION PICTURES	69
APPAREL AND OTHER TEXTILE PRODUCTS	68
PERSONAL SERVICES	67

18. SPAIN

Below is the opinion of **Nathalie Gianese** and **José Antonio Teijelo, Analysis Director** and **International & Corporate Development Director** at **D&B INFORMA**, on the economic scenario and payment situation in Spain.

"In 2016 the Spanish economy succeeded in keeping up the growth rate momentum started in 2014. At the bottom of this success there were: a strong internal demand, a good exports performance and a recovered investment push.

Political uncertainty didn't affect the economic growth consolidation, but it postponed all the additional structural reforms that the Spanish economy is waiting for.

Additionally, the dynamism of the Spanish economy cannot drive us into complacency. First of all, even if the unemployment rate has dropped notably (from a 27% high to a 20% in 2016) it remains unacceptable at all, yet. Furthermore, this impressive employment growth has not avoided temporality and low wages, which is impacting on welfare state financing, human capital investment, real state recovery, or even better skilled workforce migration among others.

As far as the public accounts is concerned, fiscal deficit has kept on shrinking but not as fast as it should be (and not as fast as the EU commitments requests), maybe due to the political blocking situation. Nevertheless, the structural public deficit is a historical pending reform of the Spanish economy.

On the positive side, we have seen how consumers and industrial confidence have been recovered, which together with improved access to credit has favored increased consumption and investment from both companies and households.

Furthermore, the non-financial companies' benefit has grown by double digit in 2016 and the utilization of productive capacity stood at 79.2% in the third quarter of the year; this is the highest level since 2008, indicating that many sectors of activity will have to undertake investments in the short term in order to accomplish with the higher demand.

Special mention deserves the Tourism industry with a new record in the number of tourists visiting Spain (between 74-75 million visits in 2016) and very good perspectives for the following year. Only the Brexit, with the deterioration of the British citizens purchasing power, brings some clouds in the horizon of the industry.

This positive trend is also confirmed by the leading indicators of the Spanish economy which predict that the Spanish economy could slow slightly next year, but that will remain good growth figures. However, if the ECB's low interest rate policy is maintained and political instability doesn't experiment big changes, construction could be confirmed as an additional engine for 2017 to keep on reducing unemployment and fiscal imbalances.

During all 2016, the Average Payment Delay decreased and raised the lowest figure ever registered.

During the fourth quarter, the Average Payment Delay was 12.35 days, falling below 13 days for the second consecutive time.

This quarter, the decrease of the Average Payment Delay results from the evolution of the Private Companies, which registered a decrease of 0.55 days, while the Average Payment Delay of the Administration increased by 1.20 days.

A similar trend can be observed with respect to the previous year: the private sector's Average Payment Delay decreased by -3.78 days, while the Administration's Average Payment Delay registered an increase.

The detailed analysis of the Spanish companies' Average Payment Delay shows that:

- *This quarter, 51.03% of the companies paid on time.*
- *During the fourth quarter, no autonomous region paid with an average delay exceeding 19 days. However, there are still important differences between regions, of even almost 10 days.*
- *The sectors that registered the most significant delays were: the Administration (with nearly 25 delay days), Hotels and Other services, while the sectors that registered the shorter payment delays were Industry, Communications and Commerce (below 11 days).*
- *The significant decrease of the Average Payment Delay of Micro businesses during last year (-4.52 days) is also worth mentioning.*

This business segment also stood out in terms of prompt payment, as 56.54% of their invoices were paid on time, while Large companies paid promptly in 12.16% of the cases.

Overall, we can see a significant improvement of the Average Payment Delay, although there are still important sectorial, geographical and structural differences."

Payment analysis

In 2016 it have been continued the positive trend of punctual payments' increase started in 2011.

The share of companies paying on time accounts for 51,1%, registering a 4,2 percentage point increase compared with 2015 and 12 percentage points above the European average.

The positive performance is also seen in the late payment class of over 90 days with a concentration of 3,8% of the total.

The large part of Spanish companies fell within the "Up to 30 days" payment class: in fact, 41,3% paid commercial transactions between 1 and 30 days late.

For the first time, the comparison with 2007 shows an improvement in payment performance, with a 1,7 percentage point increase in the share of punctual payers and a corresponding reduction in the "Up to 90 days" class (1,5%) and a slight decrease in the "Over 90 days" class (-0,2%).

Micro and Small companies have high percentages of punctual payments (56,2% for the former and 52,4% for the latter), but also modest values in the other payment classes.

5,2% of Micro companies pay on average more than 90 days late, while for Small companies this percentage is 3,1%.

Payment behavior is different for larger companies: the major part of payers in these two categories pay up to 30 days late on average, meanwhile serious late payments are more contained (don't exceed 2,8 percentage points).

Specifically, 64,6% of Medium companies and 79,5% of Large companies fall within the "Up to 30 days" payment class.

In 2016 the best payment performances are seen in the Retail trade and Agriculture, forestry, hunting and fishing sectors, with 58,5% and 56,2% of punctual payers, meanwhile the worst result was seen for Transport, distribution (only 40,7%).

In almost all Spanish sectors there was a tendency for payments to be late by between 1 and 30 days, with values varying between 33,8% for Retail trade and 50,8% for Transport, distribution.

Furthermore, once again this year the worst performances in terms of the more serious late payments are seen in the Mining and Construction sectors.

In the former case, a percentage of 6,7% of companies tend to pay their commercial transactions on average more than 90 days late, meanwhile in the second one the share is 5,3% of the total.

Among the micro-sectors with the best payment performances, the top positions are held by Miscellaneous retail with 65,5% of good payers and Legal services with 63,8% of companies respecting agreed terms.

In the classification of sectors that pay seriously late, in first place is Heavy construction, except building with 8% of companies paying their obligations more than 90 days late on average. These are followed by the Forestry (6,6% in this class).

TABLE 18.1 SOURCE: INFORMA D&B

PERCENTAGE OF COMPANIES IN SPAIN WITH ON TIME PAYMENTS, 2007-2016

	2007	2015	2016
Spain	49,4%	46,9%	51,1%
Europe	40,4%	37,5%	39,1%

TABLE 18.2 SOURCE: INFORMA D&B

PERCENTAGE OF COMPANIES IN SPAIN WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2007-2016

	2007	2015	2016
Spain	4,0%	2,6%	3,8%
Europe	2,9%	3,5%	3,7%

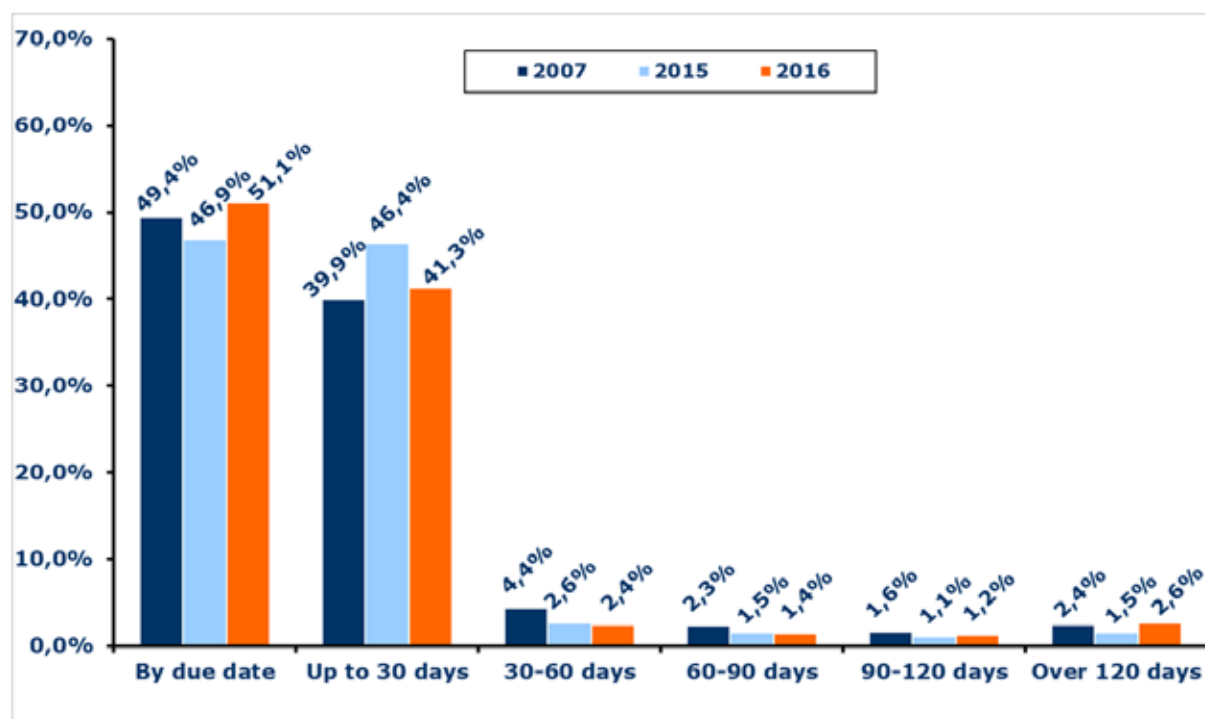
TABLE 18.3 SOURCE: INFORMA D&B

VARIATIONS IN PAYMENT PRACTICES IN SPAIN, 2007-2016

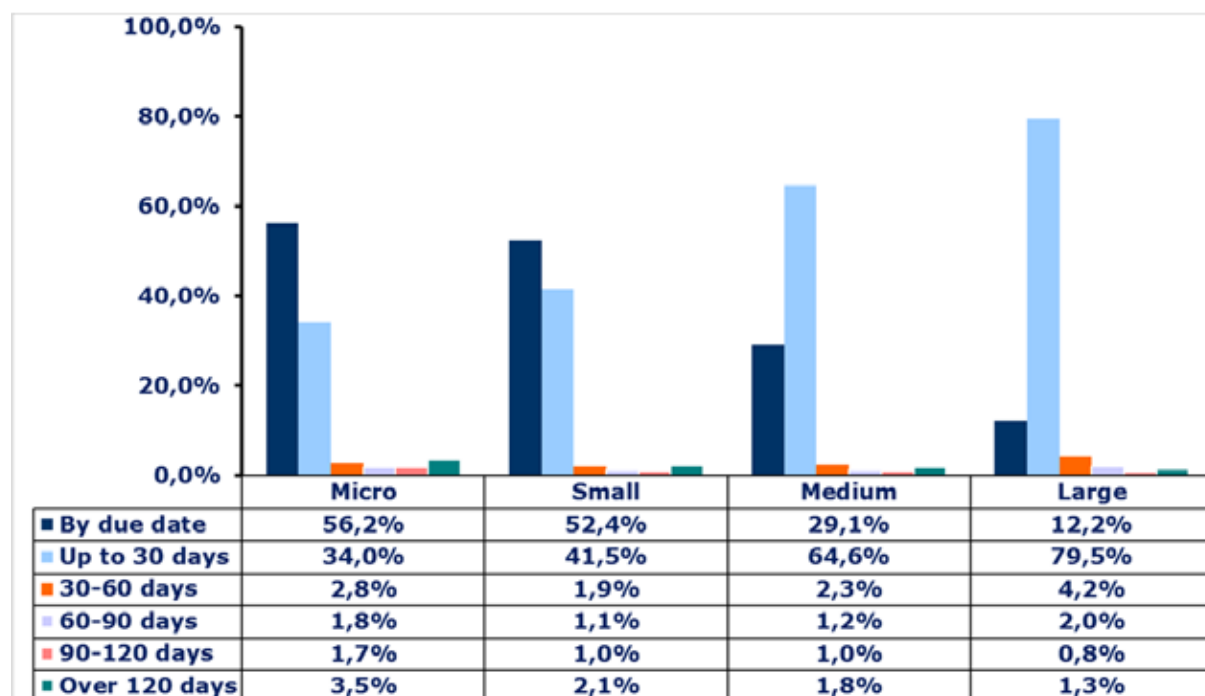
	Variation 2007/2016	Variation 2015/2016
By due date	1,7%	4,2%
Up to 90 days	-1,5%	-5,4%
Over 90 days	-0,2%	1,2%

GRAPH 18.4 SOURCE: INFORMA D&B

PAYMENT PRACTICES IN SPAIN BY PAYMENT CLASS, 2007-2016



PAYMENT PRACTICES IN SPAIN BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN SPAIN BY PRODUCT SECTOR, 2016

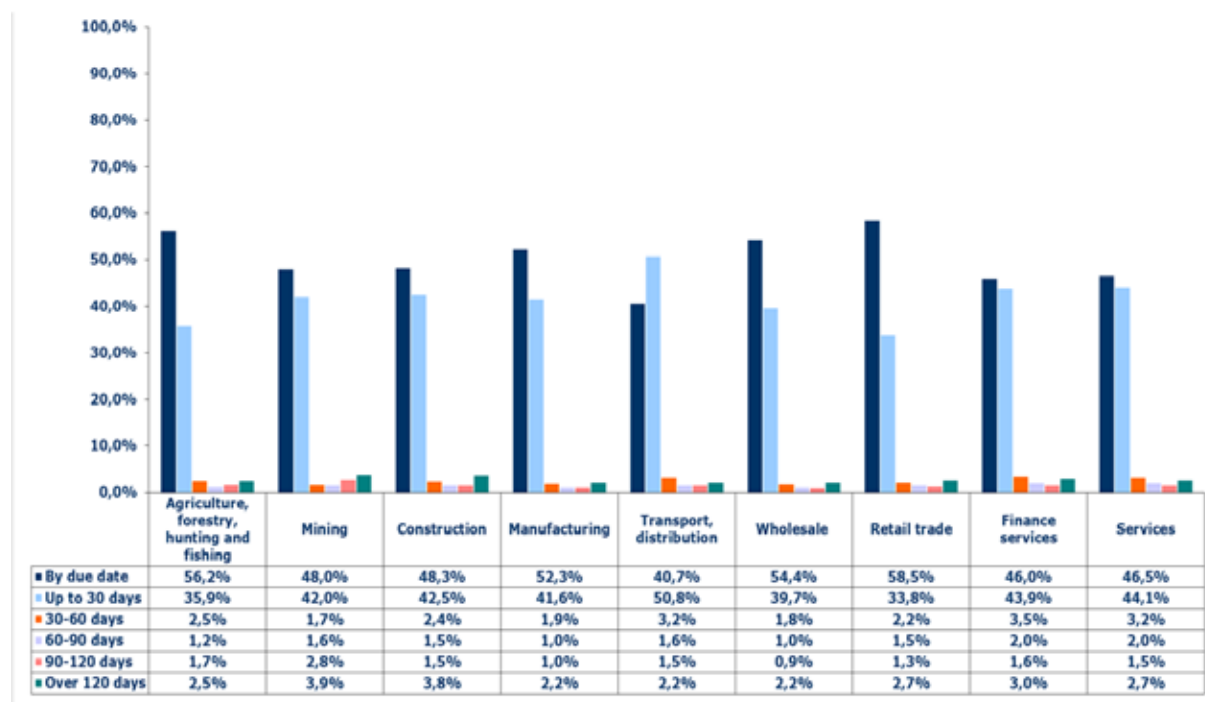


TABLE 18.7 SOURCE: INFORMA D&B

SECTORS WITH THE BEST PAYMENT RECORDS IN SPAIN, 2016

Sector	Ranking 2016
MISCELLANEOUS RETAIL	1
LEGAL SERVICES	2
BUILDING MATERIALS AND GARDEN SUPPLIES	3
FISHING, HUNTING AND TRAPPING	4
MISCELLANEOUS REPAIR SERVICES	5
LUMBER AND WOOD PRODUCTS	6
AGRICULTURAL PRODUCTION - LIVESTOCK	7
PRINTING AND PUBLISHING	8
WHOLESALE TRADE - NONDURABLE GOODS	9
FABRICATED METAL PRODUCTS	10

TABLE 18.8 SOURCE: INFORMA D&B

SECTORS WITH THE WORST PAYMENT RECORDS IN SPAIN, 2016

Sector	Ranking 2016
HEAVY CONSTRUCTION, EXCEPT BUILDING	63
FORESTRY	62
EATING AND DRINKING PLACES	61
AMUSEMENT AND RECREATION SERVICES	60
NONMETALLIC MINERALS, EXCEPT FUELS	59
PERSONAL SERVICES	58
GENERAL BUILDING CONTRACTORS	57
AGRICULTURAL PRODUCTION - CROPS	56
REAL ESTATE	55
HEALTH SERVICES	54

19. PORTUGAL

Below is the opinion of **Teresa Lima, Studies Manager** at **INFORMA D&B PORTUGAL**, on the economic scenario and payment situation in Portugal.

"The 2007–2016 decade was characterized by major changes in the international context, by their reflections in the domestic economy, such as the growth of unemployment, and also by measures to support entrepreneurship, greater ease in the creation and closure of companies, and by fiscal changes. There were significant changes in the Portuguese corporate universe, which are reflected, among other indicators, in greater entrepreneurship, in the size of the new companies and in their regional and industry profiles, with industries gaining dynamism at the expense of others, which is also reflected in the form of payment.

The payment behavior (punctual payment) of the companies has deteriorated in the last decade. The percentage of companies, which pay on time, was 21.7% in 2007, went up to 25.3% in 2009, dropped to 16.5% in 2013 and, after recovering to 20.1% in 2015, returned to 17.4% in 2016. However, the number of companies, which pay with delays greater than 90 days, also decreased (from 11.7% in 2015 to 8.2% in 2016). The average payment and collection periods have evolved positively since 2010, going from, respectively, 82 to 72 days and 80 to 71 days (in 2015).

Another important aspect is the fact that in Portugal the weight of accounts receivable is higher in the operation of micro-businesses (over ¼), which means that delays in payment or payment defaults have greater impact on these companies, which constitute the majority of national companies. This segment is also the one with the highest average collection period.

New insolvencies, a consequence of the payment difficulties presented by the companies, recorded a significant increase starting in 2007. After a peak of nearly six thousand new cases in 2012, insolvency proceedings began falling after 2013, a drop which grew again in 2016 (-23% in new proceedings). Despite the fall, the insolvency numbers are yet to recover to the values of 2007 (just over two thousand).

During this period, Portugal is more enterprising, which introduces a new dynamic in the corporate universe, in its commercial relations and form of payment. Company births over the last two years (2015 and 2016) are clearly above the average annual birth of new companies in the last decade. In 2013, a positive trend started with the establishment of new companies rising until 2015 and with only a slight decrease in 2016.

Services and Retail continue to be the sectors with more companies and also where more are created. There are changes in the industry structure of company births with the industries related to tourism moving up on the creation of new companies, these being industries where many companies receive payments from the end consumer, which may influence the national punctual payment.

One of the main changes in the corporate universe is related to its exporting profile in the last decade. There are more companies exporting and the exports are gaining increasing importance in their turnover. These companies' business transactions with foreign markets predominantly in the EU, which presents greater punctual payment, may lead to an improvement in this indicator by the domestic companies."

Payment analysis

The payment situation in Portugal is one of the most critical among the countries analyzed in the study.

The percentage of Portuguese companies that pay on time in 2016 was 19,5% of the total, 19,6 percentage points below the European average.

Over half of Portuguese companies (61,4%) fall within the "Up to 30 days" payment class (+16,1 percentage points on 2007).

The remaining 19,1% in the sample are in the intermediate and serious late payment classes: 9,5% tend to pay between 30 and 90 days late on average, while 9,6% exceed 90 days late on average, with 5,9 percentage point difference from the European average (3,7%).

There is a high concentration in the "Over 120 days" late payment class (6,6 percentage points).

Portugal shows increasing difficulty in managing business payments and variations in the distribution by payment class over the last years have been particularly significant; the gap of "good payers" with 2007 has reached 2,2 percentage points, while there are 0,2% more companies in the serious late payment class ("Over 90 days").

Micro companies have the highest concentration of punctual payers, with 19,5% of the total.

Large companies, on the other hand, have the highest concentration in the moderate late payment class of up to 30 days on average (81,9%), while only 4,6% pay by due date.

In terms of serious late payments, the worst performance is once again seen for the Micro companies (10,3% exceed an average of 90 days beyond agreed payment terms), followed by Small companies (7,3%).

Analyzing the performance of the Portuguese payment system in relation to macro-sectors, there is a widespread tendency to pay up to 30 days late on average: Transport, distribution and the Manufacturing (64,7%) sectors have the highest concentrations in this class.

The sector with the best performance in terms of payment punctuality is Wholesale with 22,9% of companies in this class.

On the other hand, the highest share of "bad payers" is seen in the Mining sector, with 16,6% of the total, followed Construction with 15,3 percentage points.

Also for 2016 the best micro-sectors with the most punctual payments is the Legal services sector, where in 35,5% of cases companies pay their trading partners within agreed terms.

This is followed by Instruments and related products with 35% of punctual payers.

The worst sector is Personal services, with 19,5% of companies paying seriously late (over 90 days on average).

This sector is followed by Heavy construction, except building (19,1%) and Nonmetallic minerals, except fuels (17,7%).

TABLE 19.1 SOURCE: INFORMA D&B PORTUGAL

PERCENTAGE OF COMPANIES IN PORTUGAL WITH ON TIME PAYMENTS, 2007-2016

	2007	2015	2016
Portugal	21,7%	20,1%	19,5%
Europe	41,0%	37,5%	39,1%

TABLE 19.2 SOURCE: INFORMA D&B PORTUGAL

PERCENTAGE OF COMPANIES IN PORTUGAL WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2007-2016

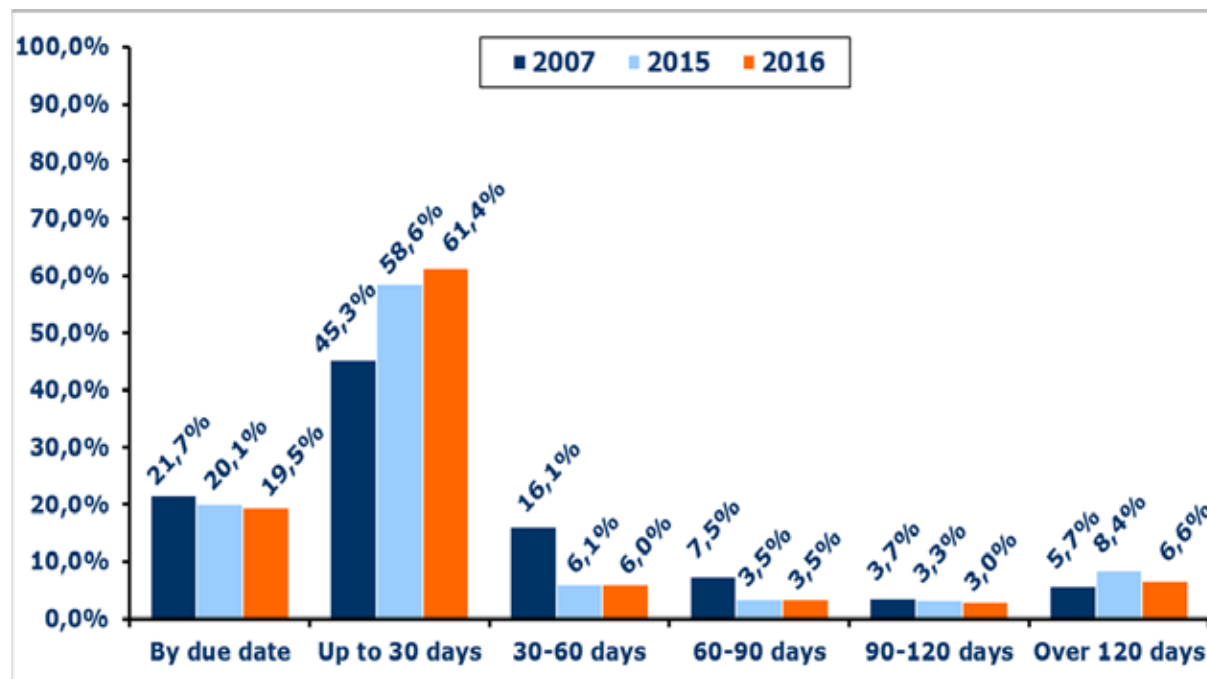
	2007	2015	2016
Portugal	9,4%	11,7%	9,6%
Europe	4,1%	3,5%	3,7%

TABLE 19.3 SOURCE: INFORMA D&B PORTUGAL

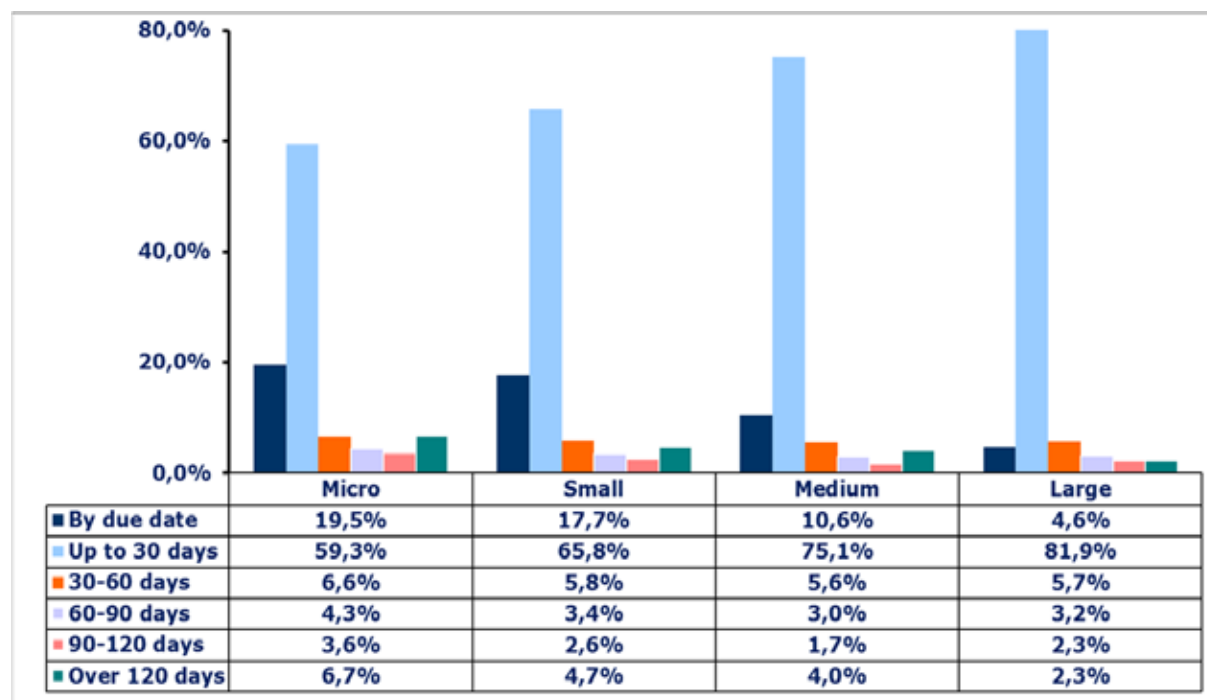
VARIATIONS IN PAYMENT PRACTICES IN PORTUGAL, 2007-2016

	Variation 2007/2016	Variation 2015/2016
By due date	-2,2%	-0,6%
Up to 90 days	2,0%	2,7%
Over 90 days	0,2%	-2,1%

PAYMENT PRACTICES IN PORTUGAL BY PAYMENT CLASS, 2007-2016



PAYMENT PRACTICES IN PORTUGAL BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN PORTUGAL BY PRODUCT SECTOR, 2016



TABLE 19.7 SOURCE: INFORMA D&B PORTUGAL

SECTORS WITH THE BEST PAYMENT RECORDS IN PORTUGAL, 2016

Sector	Ranking 2016
LEGAL SERVICES	1
INSTRUMENTS AND RELATED PRODUCTS	2
INSURANCE AGENTS, BROKERS AND SERVICE	3
SERVICES	4
PRINTING AND PUBLISHING	5
AGRICULTURAL SERVICES	6
SECURITY AND COMMODITY BROKERS	7
MEMBERSHIP ORGANIZATIONS	8
FURNITURE AND HOMEFURNISHINGS	9
MISCELLANEOUS RETAIL	10

TABLE 19.8 SOURCE: INFORMA D&B PORTUGAL

SECTORS WITH THE WORST PAYMENT RECORDS IN PORTUGAL, 2016

Sector	Ranking 2016
PERSONAL SERVICES	67
HEAVY CONSTRUCTION, EXCEPT BUILDING	66
NONMETALLIC MINERALS, EXCEPT FUELS	65
GENERAL BUILDING CONTRACTORS	64
EATING AND DRINKING PLACES	63
TRUCKING AND WAREHOUSING	62
AGRICULTURAL PRODUCTION - CROPS	61
SPECIAL TRADE CONTRACTORS	60
FOOD STAMUSEMENT AND RECREATION SERVICES	59
AGRICULTURAL PRODUCTION - LIVESTOCK	58

20. IRELAND

Below is the opinion of **Daniele Fraietta, Senior Economist** at **Dun & Bradstreet Ltd** on the economic scenario and payment situation in Ireland.

"Ireland's economic outlook is improving significantly after several years of stagnation, and GDP growth is expected to reach an average 4% in the 2017-2018 period, generating new opportunities for making sales to the country. Over the last year, Ireland has benefited from low interest rates in the euro zone; strong growth in the US and in the UK; and a sharp fall in energy prices. More recently, these have started to have positive spill over effects on the domestic economy, with the result that consumption is now the main driver of growth. Looking ahead, the main driver of growth over the forecast period will be private consumption, supported by a raft of factors including falling unemployment, falling household indebtedness, rising house prices, rising real wages (in the context of deflation), cuts in taxation and falling energy costs. All this is reflected in rising retail sales although declining consumer sentiment in the wake of the British referendum could augur a slowdown. Investment will grow modestly, helped by rising public investment and strong inflows of FDI, as well as a rising PMI, backed up with expectations by 90% of firms that they will either increase or maintain spending in 2017.

However, there are risks. As a small, open economy, which relies heavily on trade and foreign investment but with high levels of household, corporate and government indebtedness and the inability to generate its own liquidity, Ireland is highly sensitive to external shocks. In particular, Ireland's short-term economic trajectory (as well as its long-term economic potential) is likely to be negatively affected by Brexit due to the high degree of integration between the Irish and UK economies. Indeed, the two countries may no longer be able to trade goods on the same zero-tariff terms, nor freely transfer labour and capital. Besides being a major importer from the UK (depending on it for 90% of its oil and gas), Ireland sends around 17% of its total exports to the UK each year: the UK is its second-largest export partner. Furthermore, Irish and British companies are also major investors in each other's economies. If the UK leaves the EU, there is a risk of disruption to the countries' economic relationship. Some initial estimates suggest that trade between the two countries could fall by as much as 20% in the years ahead. Already, Brexit is expected to cut GDP growth for much of the rest of this decade; and with the wider external environment looking increasingly hazardous, banking sector stress (and worse) in the euro zone, could severely undermine Ireland's current growth trajectory.

Although the credit environment is still stagnant, there are positive developments. The banking sector has recently been restructured and has now returned to profitability, albeit weakly. Progress is being made in dealing with the resolution of NPLs, helped by strong economic growth, and the sale of NPL portfolios to American private equity funds. The ECB decided in December to extend its policy of quantitative easing for nine months until the end of 2017, reducing the cost of borrowing for those who qualify for loans. For households, the government has decided in its latest budget to allow buyers to obtain a mortgage with a deposit of 10% of the value of property, down from 20% on most properties at present, a move that will boost mortgage lending."

Payment analysis

In 2016, Irish companies that paid their suppliers on time ("By due date" class) accounted only for 27,5% of the total, registering 1,1 percentage points increase compared with 2012, but 11,6 percentage points above the European average.

Moderate late payments ("Up to 30 days"), on the other hand, account for 60,7%, while the intermediate late payment classes ("30-60 days" and "60-90 days") together account for 7,5 percentage points.

It is noticed, however, a slight worsening as regards payments class "Over 90 days" with an increase of 0,8%.

As regards the size of the companies, Micro companies are those that pay more on time (25,7%), while Large companies pay less in time (only 18,8%).

In the class "Up to 30 days" are concentrated most of the payments, with more of 61,5 percentage points for every category.

Finally, also classes "30-90 days" and "Over 90 days" reach high values (more than 7,8% for the first class and more than 3,1% for the second one).

As regards the payment practices in terms of payment class and sector, there is a more or less uniform behavior in relation to punctual payments. The percentage of punctual payers in the Finance services, Services, Agriculture, forestry, hunting and fishing and Retail trade sectors goes from 27,8% to 33,2%, meanwhile the other sectors have between 21,1% (Transport, distribution) and 22,7% (Wholesale) of companies in the "By due date" class.

In almost all Irish sectors there is a tendency for payments to be late by between 1 and 30 days, with values varying between 55,3% for Finance services and 69,3% for Manufacturing.

For the intermediate late payment class (between 30 and 90 days on average), the highest value is seen for the Retail trade sector with 8,8%, followed by Construction sector with 8,1% of the sample.

Finally, the most serious late payment class (over 90 days on average) is highest in the Mining sector, with a share of 8,1% in this class.

TABLE 20.1 SOURCE: DUN & BRADSTREET LTD

PERCENTAGE OF COMPANIES IN IRELAND WITH ON TIME PAYMENTS, 2012-2016

	2012	2015	2016
Ireland	26,4%	28,9%	27,5%
Europe	39,1%	37,5%	39,1%

TABLE 20.2 SOURCE: DUN & BRADSTREET LTD

PERCENTAGE OF COMPANIES IN IRELAND WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2012-2016

	2012	2015	2016
Ireland	3,4%	3,5%	4,3%
Europe	3,3%	3,5%	3,7%

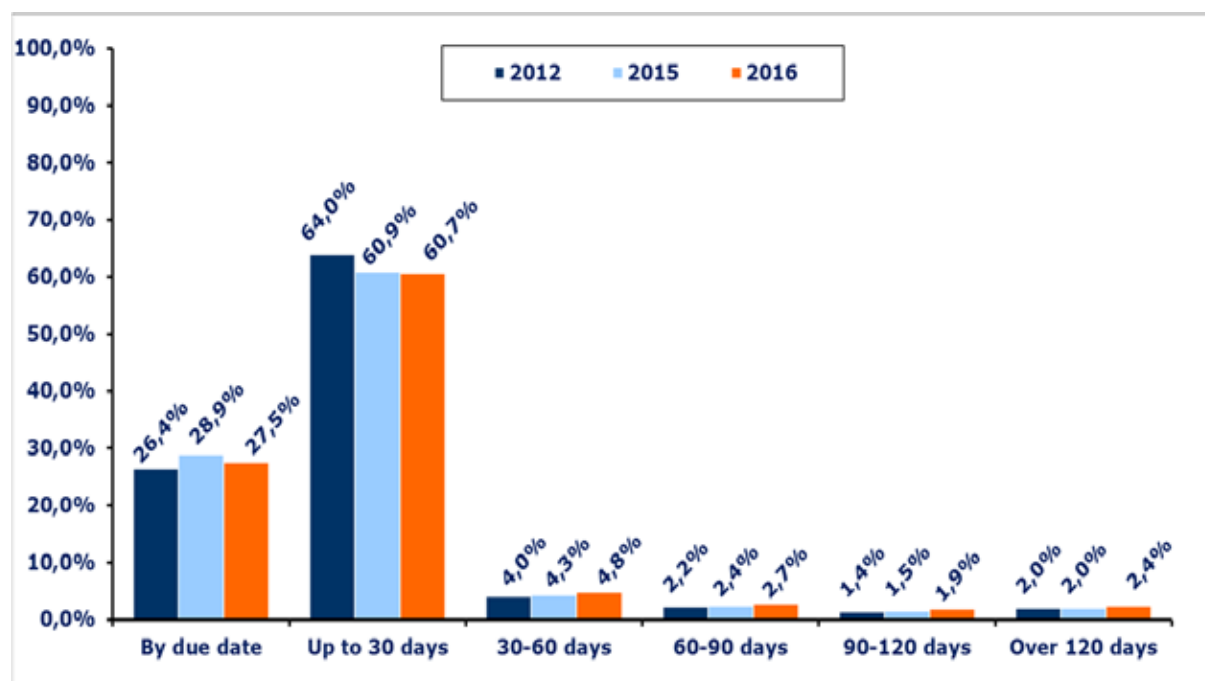
TABLE 20.3 SOURCE: DUN & BRADSTREET LTD

VARIATIONS IN PAYMENT PRACTICES IN IRELAND, 2012-2016

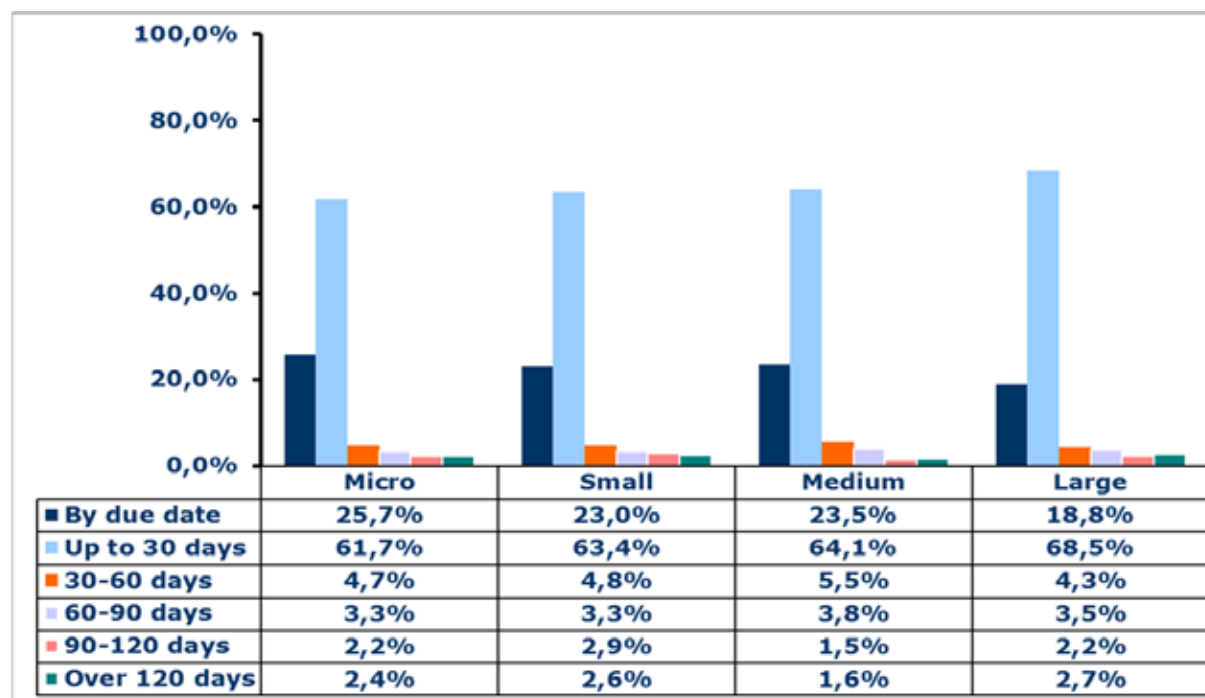
	Variation 2012/2016	Variation 2015/2016
By due date	1,1%	-1,4%
Up to 90 days	-2,0%	0,6%
Over 90 days	0,9%	0,8%

GRAPH 20.4 SOURCE: DUN & BRADSTREET LTD

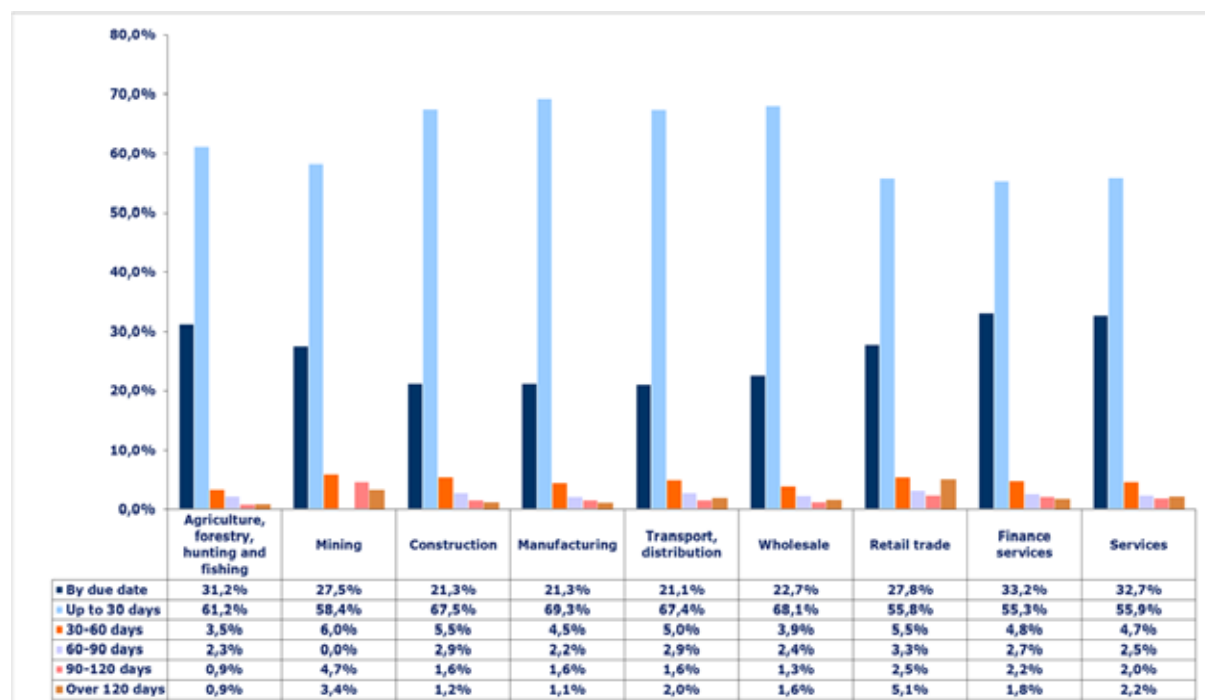
PAYMENT PRACTICES IN IRELAND BY PAYMENT CLASS, 2012-2016



PAYMENT PRACTICES IN IRELAND BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN IRELAND BY PRODUCT SECTOR, 2016



21. SLOVENIA

Below is the opinion of **Damir Simonović, Data administrator** at **Bisnode D&B Southern market d.o.o.**, on the economic scenario and payment situation in Slovenia.

"The relatively favourable developments in the euro area have continued. The increase in private consumption was the main driver of economic growth in the first three quarters of 2016, which mainly reflected the recovery on the labour market. With confidence indicators improving further, the economic outlook for the beginning of 2017 is favourable.

Last year, favourable trends in economic activity also continued in Slovenia; the labour market situation also improved further. Growth in exports and manufacturing production rose again as a result of increased foreign demand and gains in export competitiveness. With higher foreign demand, turnover was also up in some market services. The impact of domestic consumption was also positive. Growth in private consumption contributed significantly to the growth of turnover in the distributive trades; this was particularly the case in the durable and semi-durable goods segments, but also in services related to leisure and tourism, which was also fuelled by the higher number of foreign tourists. Construction activity remained modest last year, which was the result of reduced government investment. Amid a general improvement in economic conditions and a rebound in the real estate market, the construction of residential buildings was the only segment to have strengthened.

In the third quarter of 2016 GDP increased by 2.7% over the third quarter of 2015. In the first three quarters of 2016 it increased by 2.6% over the first three quarters of 2015.

Seasonally adjusted GDP increased by 1.0% over the previous quarter and by 3.0% over the third quarter of 2015.

The higher consumer prices (0.5%) in 2016 reflected supply-side factors and, to an extent, a further rise in demand. The main supply-side factor was an increase in commodity prices. Energy prices, the main factor behind the decline in the total price level in 2015, maintained their year-on-year level at the end of 2016 amid the rising oil price on the global markets. The growth in commodity prices also contributed to further rises in food prices (unprocessed food in particular). The growth in the price of services continued to strengthen amid the further rebound in demand. Higher prices were recorded, in particular, for services related to leisure activities. However, this additional demand has not yet been reflected in the prices of durable and semi-durable goods, which remained lower year on year.

Private consumption continues to have a positive impact on economic activity in Slovenia. In the third quarter of 2016 it increased by 2.6%. Final consumption expenditure increased by 2.5%, while gross capital formation decreased by 0.4%. Gross fixed capital formation decreased by 3.6%. Similarly to the previous quarters of 2016, lower construction investment (down by 12.4%) had a negative impact on the growth of gross fixed capital formation. Investment in machinery and equipment increased by 6.6% and thus mitigated the fall of gross fixed capital formation, even the positive impact of investment in machinery was lower than in the second quarter (14.2%).

In the third quarter of 2016 manufacturing contributed 1.3 percentage points to the economic growth. Value added in manufacturing increased by 6.5%. The highest growth of value added was observed in accommodation and food service activities (by 11%). The total value added of the economy increased by 2.5%.

In the third quarter of 2016 exports increased by 5.4%; exports of goods went up by 5.2% and exports of services by 5.8%. Imports increased by 4.5%; imports of goods went up by 4.9% and imports of services by 2.5%. The external trade surplus contributed 1.1 percentage points to the economic growth.

The pick-up of activity in most private sector activities caused the number of employed persons and their average earnings to rise. Owing to the relaxation of restrictions on recruitment, the number of employed persons was also up in public services, where public servants' earnings increased primarily as a result of promotions and the return of the pay scale.

In the third quarter of 2016 total employment was up by 2.1%, similarly to the second quarter of 2016 when it increased by 2.0%. Employment in manufacturing increased by 3.3%, in accommodation and food service activities by 4.7%, in human health and social work activities by 4.6% and in transportation and storage by 4.3%.

Economic activity is projected to gather pace in 2017 and 2018. Private consumption will accelerate on the back of employment gains and faster real wage growth. Investment will pick up as renewed EU structural funds bolster infrastructure investments, firms react to capacity constraints, and housing construction responds to higher property prices. Inflation is set to increase as economic slack disappears during 2018.

As the labour market tightens, there will be greater need for reforms to get the long-term unemployed back to work and improve labour force mobility to enhance the inclusiveness of economic growth. As economic slack is disappearing, fiscal tightening may be needed to prevent inflationary pressures. The sale of state-owned enterprises would promote competition and help to maintain the gains made in international competitiveness.

On the basis of data from our database with more than 12 million transactions we have established that the average payment term in Slovenia has increased again. The average payment period in 2016 was 24 days, while last year it was 39 days. On the other hand, companies in 2016 in average paid their bills with lesser delay than in previous years. The average payment delay in 2009 was 59 days, in 2014 16 days, in 2015 10 days and in 2016 8 days. Because of the statutory payment terms that have been put in place we have noticed that the payment discipline has been improving over the last years, although it fluctuates greatly due to the companies' instability.

According to the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES) the companies' average daily amounts of outstanding liabilities in 2015 fell more than 30 percent. In January 2016, 4.490 companies were in debt, which amounted to €352 million, while in December 2016, 4.468 companies were in debt, which amounted to €306 million. This is an indicator of better payment of liabilities and debt reduction. Due to the unstable business environment the companies in Slovenia are still struggling to receive payment for their goods or services. The government has adopted the Payment Terms Act in 2013 in order to improve the (lack of) financial discipline for the transactions between the government and companies, but the attempt failed because the government itself does not adhere to the terms.

Another factor that has an effect on improvement of payment discipline is the Law on prevention of late payments (ZPreZP-1) which provides for a maximum permissible payment deadlines. Those between economic operators will not be longer than 60 days, in exceptional cases will be extended to a maximum of 120 days, while the public authorities must settle its obligations within 30 days. At the same time it introduces a compulsory first registration in the multilateral netting of mutual obligations.

The business activity of companies in 2016 was based on the sales stimulation on the domestic market but mostly on income growth in the EU market and on energy cost reduction due to the situation on the energy market. As a consequence, companies have achieved high operating profit growth. Financial result improved significantly due to a decrease in financial expenses (the continuation of the deleveraging process and the lowering of interest rates) and a great increase in financial revenues, especially those from equity interests and other investments (positive financial market trends, privatization and takeover activities). Despite a high net profit growth the return on equity remains relatively low."

Payment analysis

In 2016, the percentage of companies paying their trading partners on time is 43,7% of the total (-0,4% compared to 2015), 4,6 percentage points more than the European average.

Companies in the intermediate late payment class of between 30 and 90 days represent 5,5% of the total.

On the other hand, the percentage of companies that pay more than 90 days late on average in Slovenia is 1,8% (-0,5% vs. 2015) with a gap of -1,9 percentage points from the European average.

Micro companies have a more balanced behavior: 46,4% of companies respect agreed terms and 46,1% pay suppliers within the next 30 days.

Large companies, instead, have the worst performance as concerns payments on time: only 23,6% of "good payers" belongs to this class.

Small, Medium and Large companies focus their payments mainly in the "Up 30 days" class, varying between 56,3% of Small companies to 70,4% of Large companies.

In the intermediate late payments class ("30–90 days") the payment behavior is homogeneous (about 5,5%).

In the more serious late payment classes values are varying between 1,1% (Large and Medium) and 2% (Micro).

As regards the payment practices in terms of payment class and sector, Finance services are the sector that pay most in time (46,3%), while the least virtuous sector is Construction sector with only 38,5 percentage points.

All the sectors considered have a greater propensity to pay suppliers up to 30 days late (more than 46% in most cases).

Transport, distribution is more problematic in relation to the latest payment classes: 2,2% of the companies exceed 90 days beyond agreed terms.

In first place of the classification of the micro-sectors with the most punctual payments, we have Electric, gas and sanitary (51,7% of payments by due date), followed by Eating and drinking places with 50,1% of good payers.

Among those with the greatest difficulty in managing payments, we find Furniture and home furnishings with 5% of payment delays of over 90 days on average.

In second and third position we find Furniture and fixtures and Services with more than 3% of "bad payers".

TABLE 21.1 SOURCE: BISNODE D&B SOUTHERN MARKET d.o.o.

PERCENTAGE OF COMPANIES IN SLOVENIA WITH ON TIME PAYMENTS, 2009-2016

	2009	2015	2016
Slovenia	33,2%	44,1%	43,7%
Europe	40,4%	37,5%	39,1%

TABLE 21.2 SOURCE: BISNODE D&B SOUTHERN MARKET d.o.o.

PERCENTAGE OF COMPANIES IN SLOVENIA WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2009-2016

	2009	2015	2016
Slovenia	3,0%	2,3%	1,8%
Europe	2,9%	3,5%	3,7%

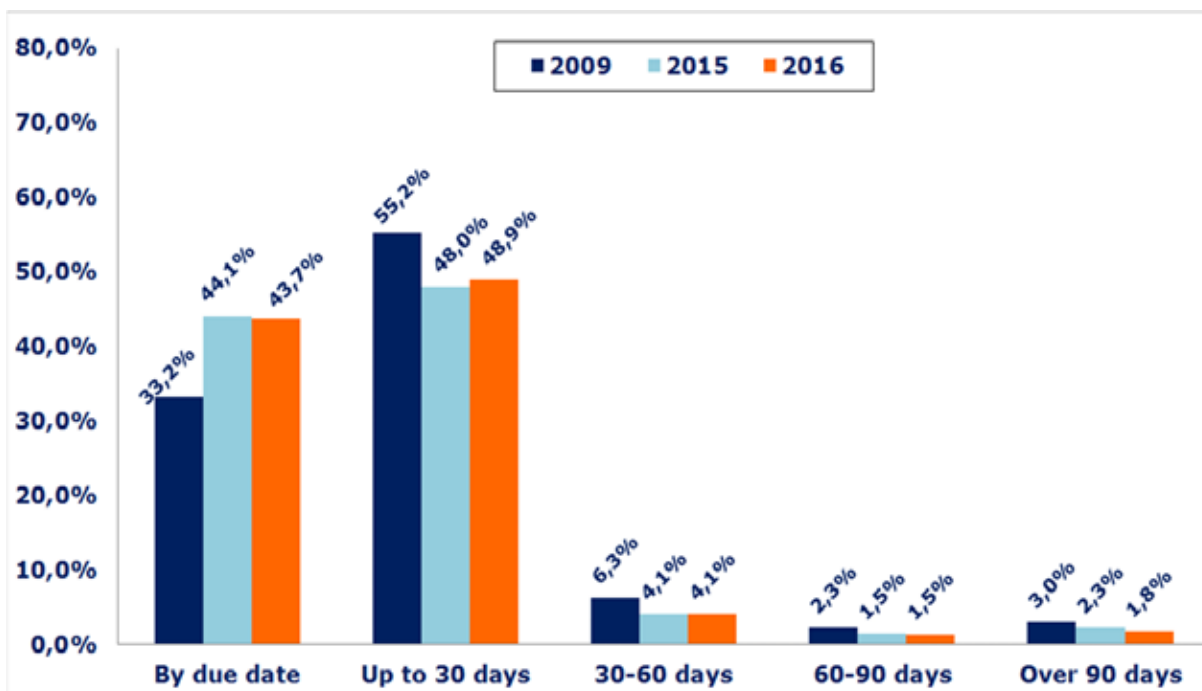
TABLE 21.3 SOURCE: BISNODE D&B SOUTHERN MARKET d.o.o.

VARIATIONS IN PAYMENT PRACTICES IN SLOVENIA, 2009-2016

	Variation 2009/2016	Variation 2015/2016
By due date	10,5%	-0,4%
Up to 90 days	-9,3%	0,9%
Over 90 days	-1,2%	-0,5%

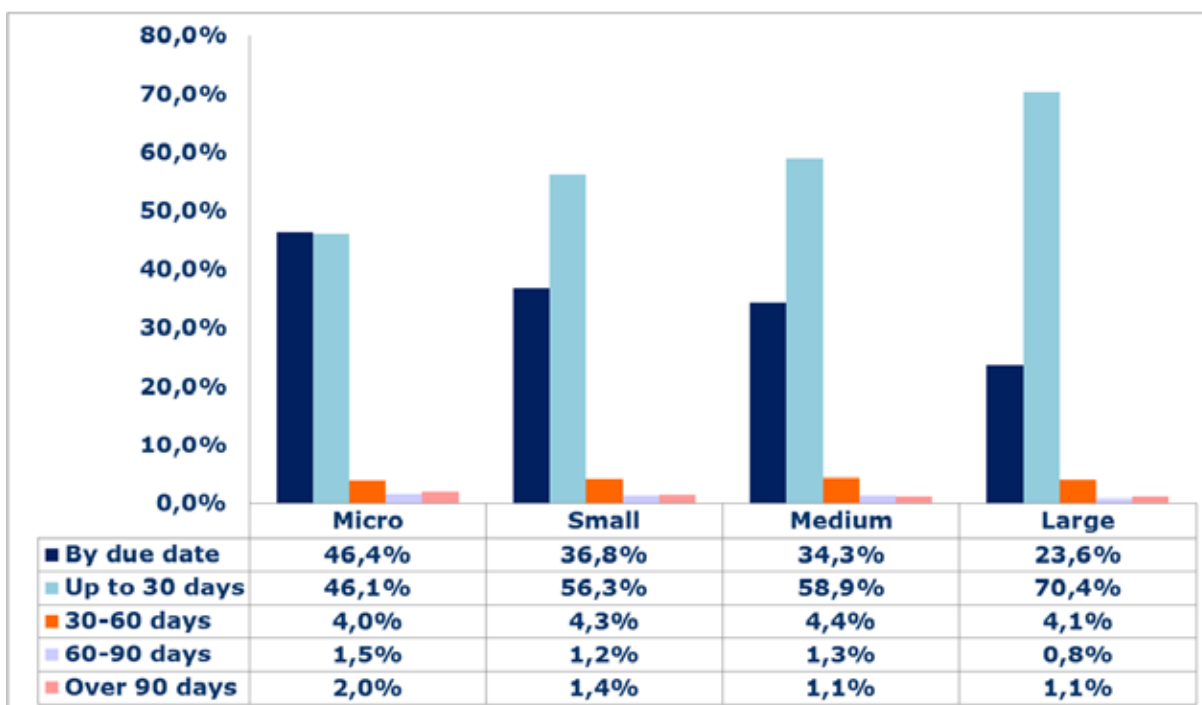
GRAPH 21.4 SOURCE: BISNODE D&B SOUTHERN MARKET d.o.o.

PAYMENT PRACTICES IN SLOVENIA BY PAYMENT CLASS, 2009-2016



GRAPH 21.5 SOURCE: BISNODE D&B SOUTHERN MARKET d.o.o.

PAYMENT PRACTICES IN SLOVENIA BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN SLOVENIA BY PRODUCT SECTOR, 2016

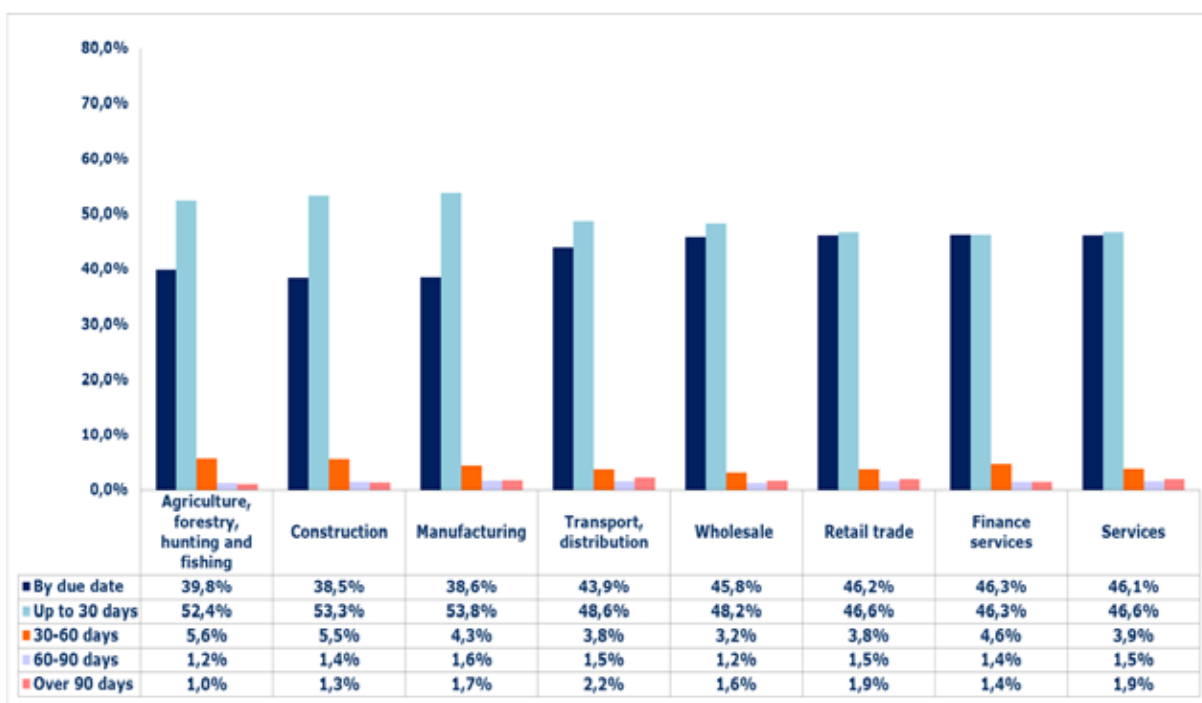


TABLE 21.7 SOURCE: BISNODE D&B SOUTHERN MARKET d.o.o.

SECTORS WITH THE BEST PAYMENT RECORDS IN SLOVENIA, 2016

Sector	Ranking 2016
ELECTRIC, GAS AND SANITARY	1
EATING AND DRINKING PLACES	2
MEMBERSHIP ORGANIZATIONS	3
AMUSEMENT AND RECREATION SERVICES	4
INSURANCE AGENTS, BROKERS AND SERVICES	5
AUTO REPAIR, SERVICES AND PARKING	6
EDUCATIONAL SERVICES	7
FORESTRY	8
BUSINESS SERVICES	9
WHOLESALE TRADE - DURABLE GOODS	10

SECTORS WITH THE WORST PAYMENT RECORDS IN SLOVENIA, 2016

Sector	Ranking 2016
FURNITURE AND HOME FURNISHINGS	57
FURNITURE AND FIXTURES	56
SERVICES	55
TRANSPORTATION SERVICES	54
PRINTING AND PUBLISHING	53
HEAVY CONSTRUCTION, EXCEPT BUILDING	52
MISCELLANEOUS MANUFACTURING	51
APPAREL AND ACCESSORY STORES	50
MISCELLANEOUS RETAIL	49
AUTOMOTIVE DEALERS AND SERVICE	48

22. HUNGARY

Below is the opinion of **Katalin Garami, Product Manager at Bisnode Magyarország**, on the economic scenario and payment situation in Hungary.

"Last year, in this same period, we expected a better payment behavior for the 2016. We had thought that more companies would pay their invoices on time: not only thanks the fact that there would been a regulation for the late payers, but also because the Payment Experience Program would become known and the companies would try to show a good picture about themselves.

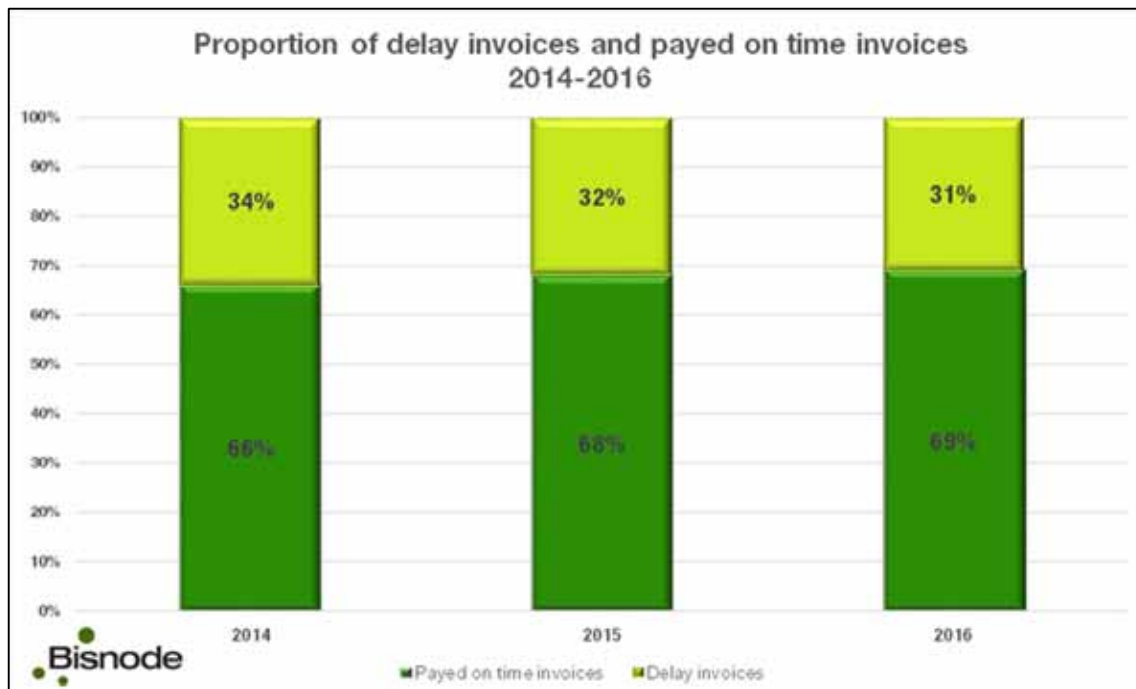
Despite expectation, the payment behavior was worse than the previous year. Although, in reality the 2016 has not been very worst than 2015. The average payment term was 27,4 days, compare to 2015, when it was 25,8 days and 25,7 days. The average payment delay was 16,6 days in 2016, 15 days in 2015 and 15,5 days in 2014. As the figures show, the companies got more time to pay the invoices, but, even so, they paid less accurate.

In 2015, the Hungarian companies had better performance with the 68% of payments on time; in 2016 it was a little bit less: 65,7%.

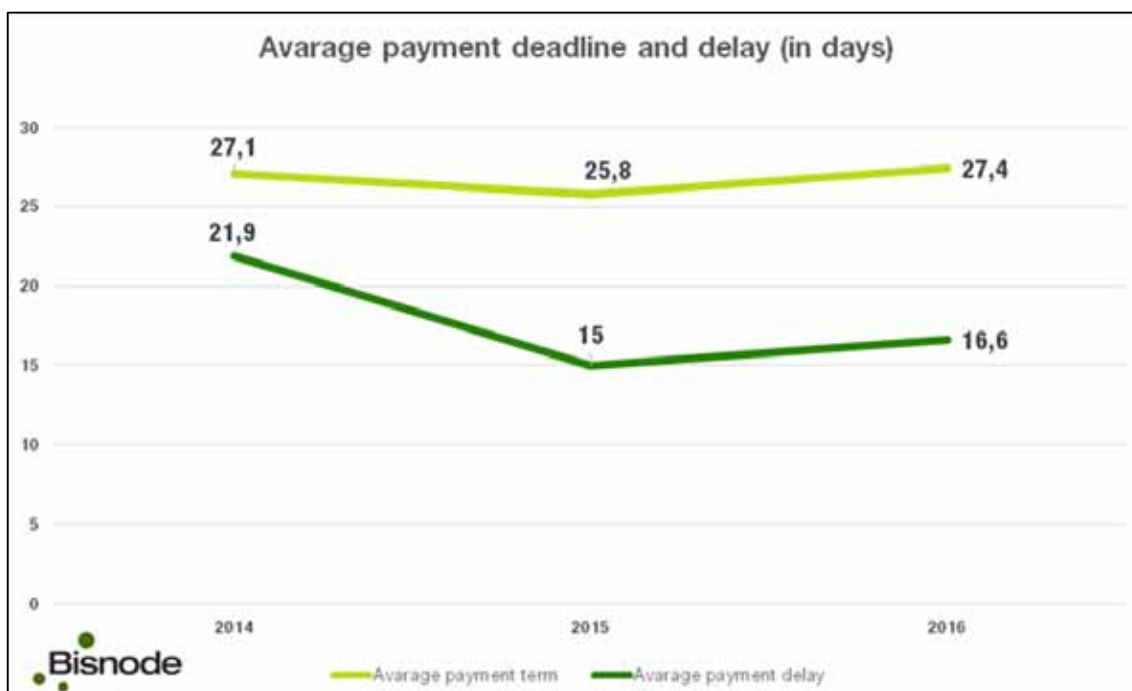
If we check the figures based on the value of the paid invoices, we get a better and more optimistic picture, because more invoices were paid on time compared to the previous year. The 69,8% of the invoices were paid without any delay, which is a quite good proportion, compare to 2015, when it was only 67,7%

Thus, the average paydex was 77,8: almost the same of the 2015 (77,5)."

Proportion of delay invoices and payed on time invoices 2014-2016



Average payment deadline and delay (in days)



Payment analysis

At the end of 2016, 55,4% of Hungarian companies paid suppliers on time, which shows a slight decrease compared to 2015 (+16,3 percentage points compared to the European average).

On the other hand, the share of "bad payers" (over 90 days on average) is 0,9%, with a gap of 2,8 percentage point if we consider the European average.

As regard the variations recorded in recent years, compared with 2009, there has been a clear increase in "good payers" of 19,1 percentage points and at the same time a 17,8% reduction in companies making moderately late payments ("Up to 90 days").

Micro and Small companies have a higher concentration in the punctual payers category (more than 54%), while the situation is more problematic for Large companies for which less than 47% of the total are in this class.

In the intermediate late payment class (between 30 and 90 days on average) there are more contained differences between the four categories analyzed.

Late payments of over 90 days account for 1% of Micro companies.

The percentages of Small, Medium and Large companies in the more serious late payment class do not exceed 0,5 percentage points.

It is possible to see a general uniformity in payment behavior in relation to sectors analyzed. Agriculture, forestry, hunting and fishing and Construction have the best payment performances, with 66% and 57,4%, respectively.

A large part of Hungarian companies are in the "Up to 30 days" class, with values varying between 30,6% for Agriculture, forestry, hunting and fishing and 43,3% for the Manufacturing sector.

For the intermediate late payment class (between 30 and 90 days on average), the highest value is seen for the Manufacturing sector with 4,2% of the sample.

Furthermore, 1,2% of companies included in the Manufacturing sector pay their suppliers seriously late (over 90 days on average), which together with the Finance services and Transport, distribution (1,1%) has the worst payment performance.

Amongst the micro-sectors with the best payment performances, the top positions are held by Agricultural production - Crops with 71% of good payers and Educational services with 64,4% of companies respecting agreed terms.

In the classification of sectors that pay seriously late, in first place are Printing and publishing with 3,4% of companies paying their obligations more than 90 days late on average. These are followed by Furniture and fixtures sector (3,2% in this class).

TABLE 22.1 SOURCE: BISNODE MAGYARORSZÁG

PERCENTAGE OF COMPANIES IN HUNGARY WITH ON TIME PAYMENTS, 2009-2016

	2009	2015	2016
Hungary	36,3%	59,8%	55,4%
Europe	40,4%	37,5%	39,1%

TABLE 22.2 SOURCE: BISNODE MAGYARORSZÁG

PERCENTAGE OF COMPANIES IN HUNGARY WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2009-2016

	2009	2015	2016
Hungary	2,2%	0,6%	0,9%
Europe	2,9%	3,5%	3,7%

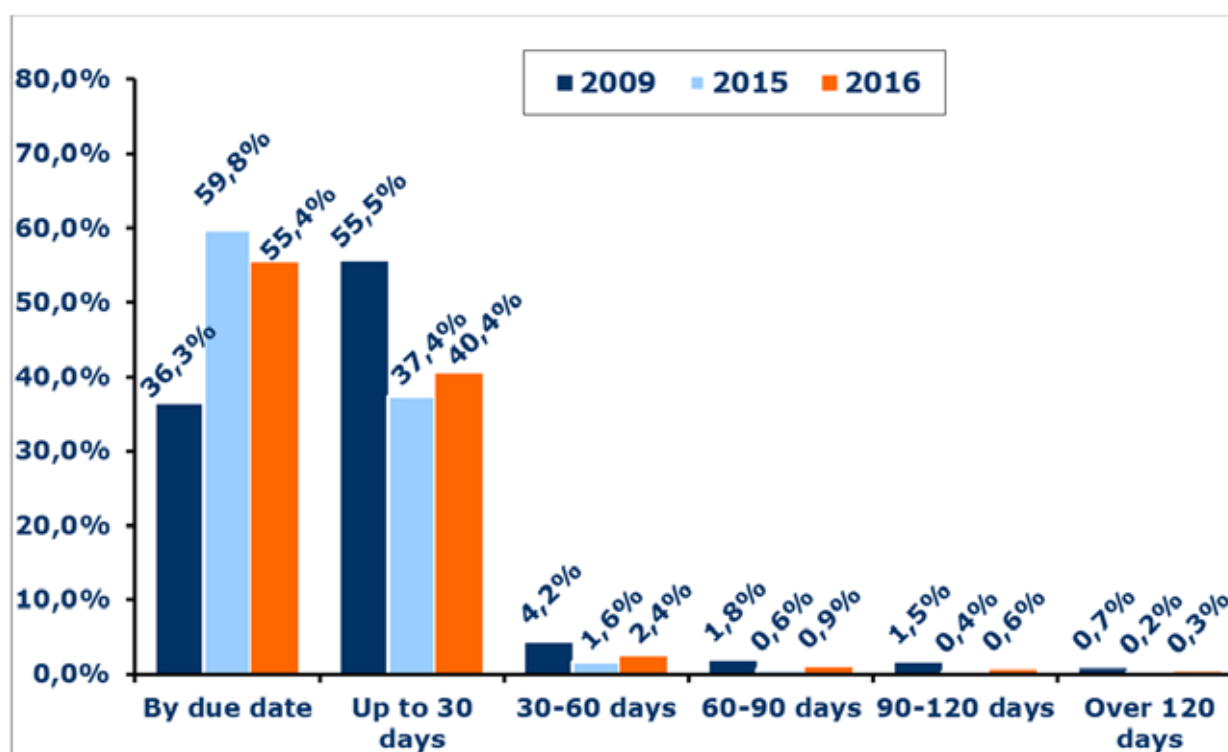
TABLE 22.3 SOURCE: BISNODE MAGYARORSZÁG

VARIATIONS IN PAYMENT PRACTICES IN HUNGARY, 2009-2016

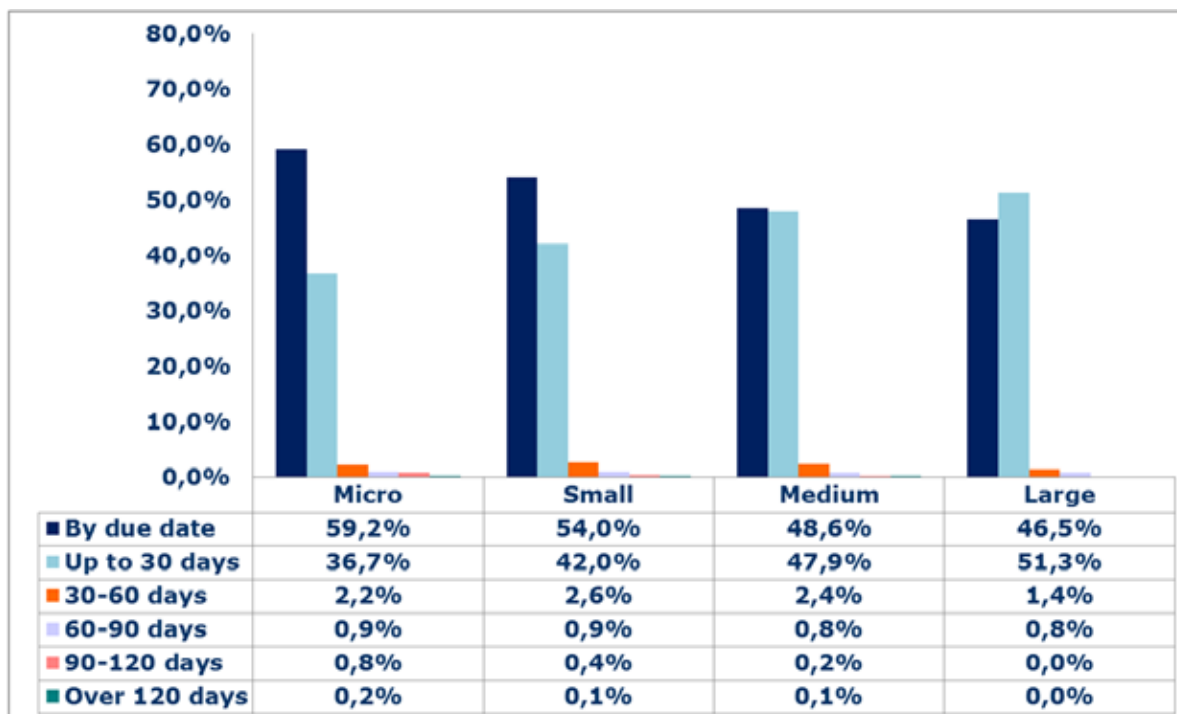
	Variation 2009/2016	Variation 2015/2016
By due date	19,1%	-4,4%
Up to 90 days	-17,8%	4,1%
Over 90 days	-1,3%	0,3%

GRAPH 22.4 SOURCE: BISNODE MAGYARORSZÁG

PAYMENT PRACTICES IN HUNGARY BY PAYMENT CLASS, 2009-2016



PAYMENT PRACTICES IN HUNGARY BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN HUNGARY BY PRODUCT SECTOR, 2016

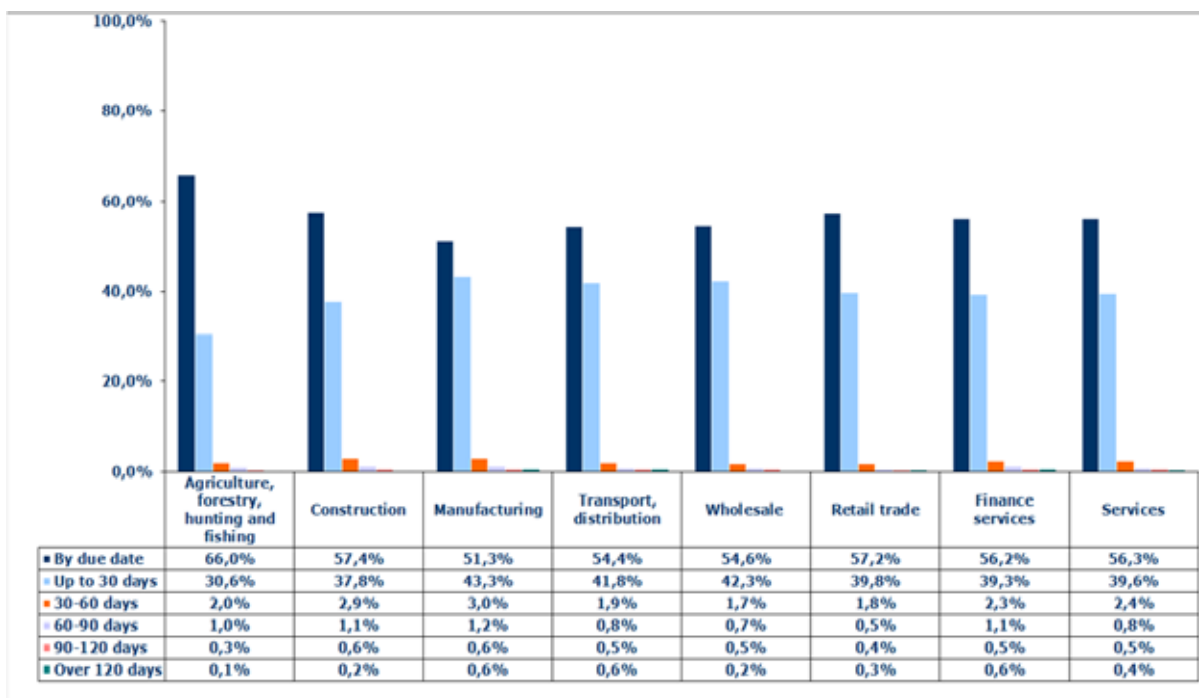


TABLE 22.7 SOURCE: BISNODE MAGYARORSZÁG

SECTORS WITH THE BEST PAYMENT RECORDS IN HUNGARY, 2016

Sector	Ranking 2016
AGRICULTURAL PRODUCTION - CROPS	1
EDUCATIONAL SERVICES	2
MISCELLANEOUS RETAIL	3
AGRICULTURAL SERVICES	4
AGRICULTURAL PRODUCTION - LIVESTOCK	5
INSTRUMENTS AND RELATED PRODUCTS	6
MISCELLANEOUS REPAIR SERVICES	7
FOOD STORES	8
SPECIAL TRADE CONTRACTORS	9
HEALTH SERVICES	10

TABLE 22.8 SOURCE: BISNODE MAGYARORSZÁG

SECTORS WITH THE WORST PAYMENT RECORDS IN HUNGARY, 2016

Sector	Ranking 2016
PRINTING AND PUBLISHING	40
FURNITURE AND FIXTURES	39
AUTO REPAIR, SERVICES AND PARKING	38
STONE, CLAY AND GLASS PRODUCTS	37
TRUCKING AND WAREHOUSING	36
AUTOMOTIVE DEALERS AND SERVICE	35
HEALTH SERVICES	34
LUMBER AND WOOD PRODUCTS	33
AMUSEMENT AND RECREATION SERVICES	32
HEAVY CONSTRUCTION, EXCEPT BUILDING	31

23. POLAND

Below is the opinion of **Tomasz Starzyk, Public Relations Specialist** at **Bisnode D&B Poland**, on the economic scenario and payment situation in Poland.

"Polish companies are doing well, improving their financial standing since last year. In Poland, the most dynamic companies of the crisis came from small and medium sized businesses. Improvement could be seen primarily in company flexibility, a rapid response to change, accurate management decisions and a good macroeconomic environment of the country itself.

All indications are that large Polish companies have coped well with the recession in the market. Financial data show that companies have for several years been systematically putting funds in their savings accounts. Saving tried to wait out tough times. Unfortunately, at the expense of investment and innovation in new technologies and products. Not infrequently, also looking for additional savings in salary for employees.

A striking fact is that Polish businesses have managed to maintain existing employment levels, and unemployment has not grown as dramatically as in other European countries.

It is true that many Polish businesses do not pay invoices on time. In this way the credits to their activities. They are basically getting free loans from their contractors. What's more, this situation of backing up payments can even earn money by placing the money that should be used to pay bills in an interest-bearing account.

Many Polish businesses have begun to use business intelligence, monitoring the financial status of their customers. Closely related to this is the growing awareness of business intelligence services as well as insurance and factoring. Unfortunately, still too many businesses in Poland are not paying their contractors, defending themselves against loss of liquidity caused by the congestion payment of weapons."

Payment analysis

Payment habits in Poland remained constant compared previous years.

Companies that respect agreed terms at the end of 2016 represent 43,5% of the total, with a slight increase of 0,5% compared to 2015.

Very serious late payments (over 90 days on average) had similar value of the last year: the concentration of companies has increased of only 0,2% in this class and the gap with the European level remains significant (+11,3%).

The "Up to 30 days" class has a concentration of 34% in 2016 and the intermediate late payment classes (between 30 and 90 days on average) have an overall percentage of 7,5%.

Compared with 2008, the percentage of companies that pay on time has decreased by 3,5 percentage points, with a resulting decrease in the "Up to 90 days" class and an increase of 7,8% in the share of "bad payers".

If we consider the payment practices of Polish companies in relation to company size, the highest concentration of punctual companies is observed for Small and Medium companies with at least 48,3% of the total.

However, there is a greater tendency to pay moderately late, limited to 30 days on average (values vary between 32,3% for Small companies and 56,9% for Large companies).

Micro companies have greater issues in relation to the intermediate late payment classes ("30-60 days" and "60-90 days") and serious late payment class.

In fact, for companies with less than 6 employees, late payments of between 30 and 90 days on average account for 9,6% of the total, meanwhile late payments of over 90 days account for 16,9% of the total.

The best performance is seen for Large companies with a level of 4,4% of late payments.

The Finance services and Services sectors stand out with the highest concentrations in the "By due date" payment class, with 54,1% and 48,3%, respectively.

In the "Up to 30 days" class values are varying between 23,2% for Agriculture, forestry, hunting and fishing and 39,2% for the Retail trade sector.

On the other hand, in the intermediate late payment class, the sectors Construction (10%) and Agriculture, forestry, hunting and fishing (9,6%) have the highest concentrations.

Finally, the worst performances in the serious late payment classes (over 90 days on average) are seen in the Mining and Agriculture, forestry, hunting and fishing sectors with levels of 25,4% and 23,4%.

Among the best micro-sectors we find Membership organization and Holding and other investment offices with 75,5% and 75,1% of punctual payments.

The highest level of late payments, on the other hand, relate to the General building contractors and Local and interurban passenger transit sectors, with 28,1% and 27,8% of companies paying more than 90 days late.

TABLE 23.1 SOURCE: BISNODE D&B POLAND

PERCENTAGE OF COMPANIES IN POLAND WITH ON TIME PAYMENTS, 2008-2016

	2008	2015	2016
Poland	47,0%	43,0%	43,5%
Europe	40,0%	37,5%	39,1%

TABLE 23.2 SOURCE: BISNODE D&B POLAND

PERCENTAGE OF COMPANIES IN POLAND WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2008-2016

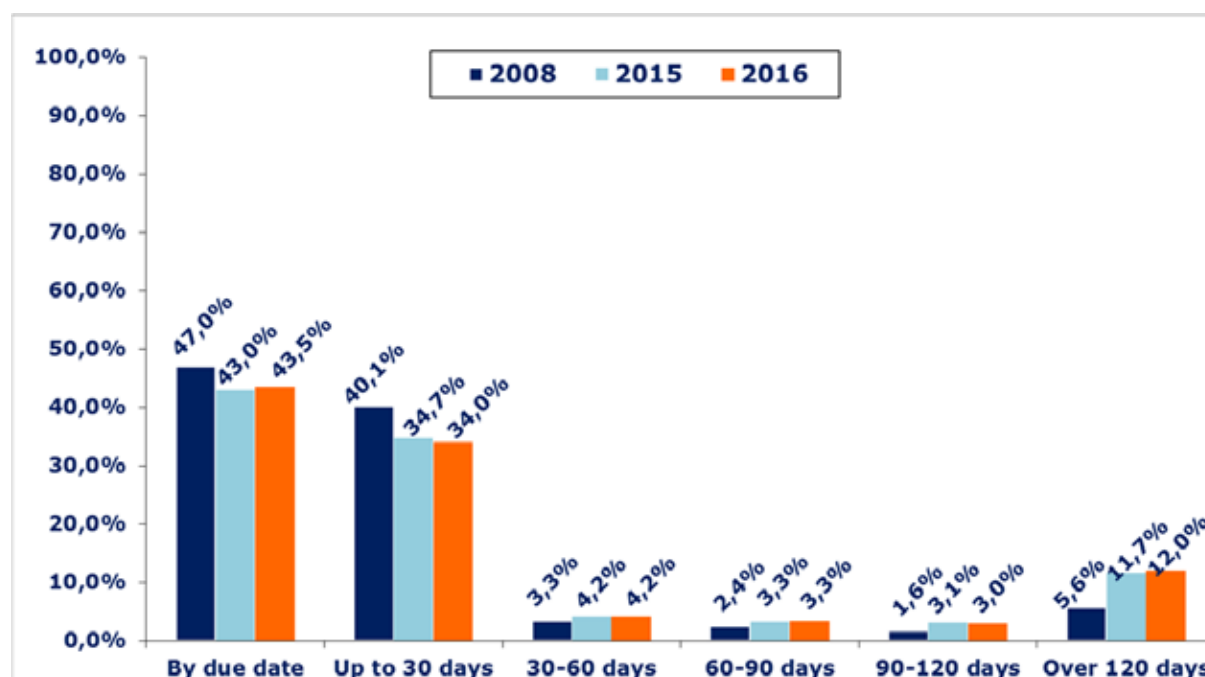
	2008	2015	2016
Poland	7,2%	14,8%	15,0%
Europe	6,0%	3,5%	3,7%

TABLE 23.3 SOURCE: BISNODE D&B POLAND

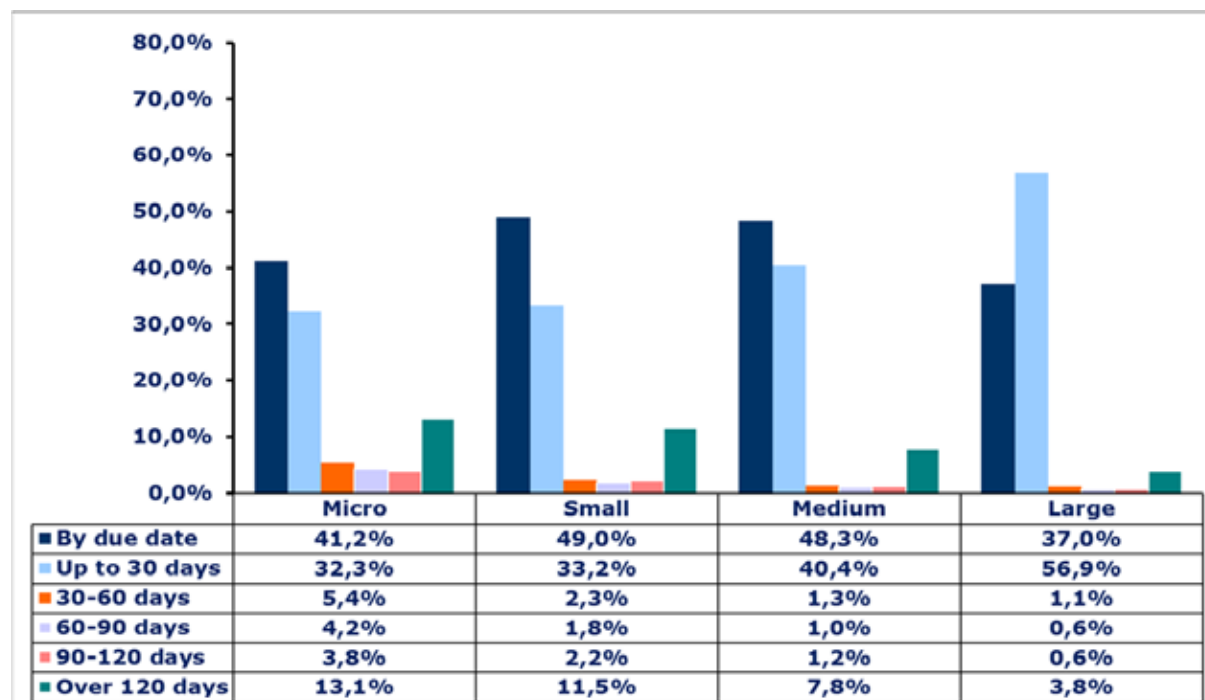
VARIATIONS IN PAYMENT PRACTICES IN POLAND, 2008-2016

	Variation 2008/2016	Variation 2015/2016
By due date	-3,5%	0,5%
Up to 90 days	-4,3%	-0,7%
Over 90 days	7,8%	0,2%

GRAPH 23.4 SOURCE: BISNODE D&B POLAND

PAYMENT PRACTICES IN POLAND BY PAYMENT CLASS, 2008-2016

PAYMENT PRACTICES IN POLAND BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN POLAND BY PRODUCT SECTOR, 2016

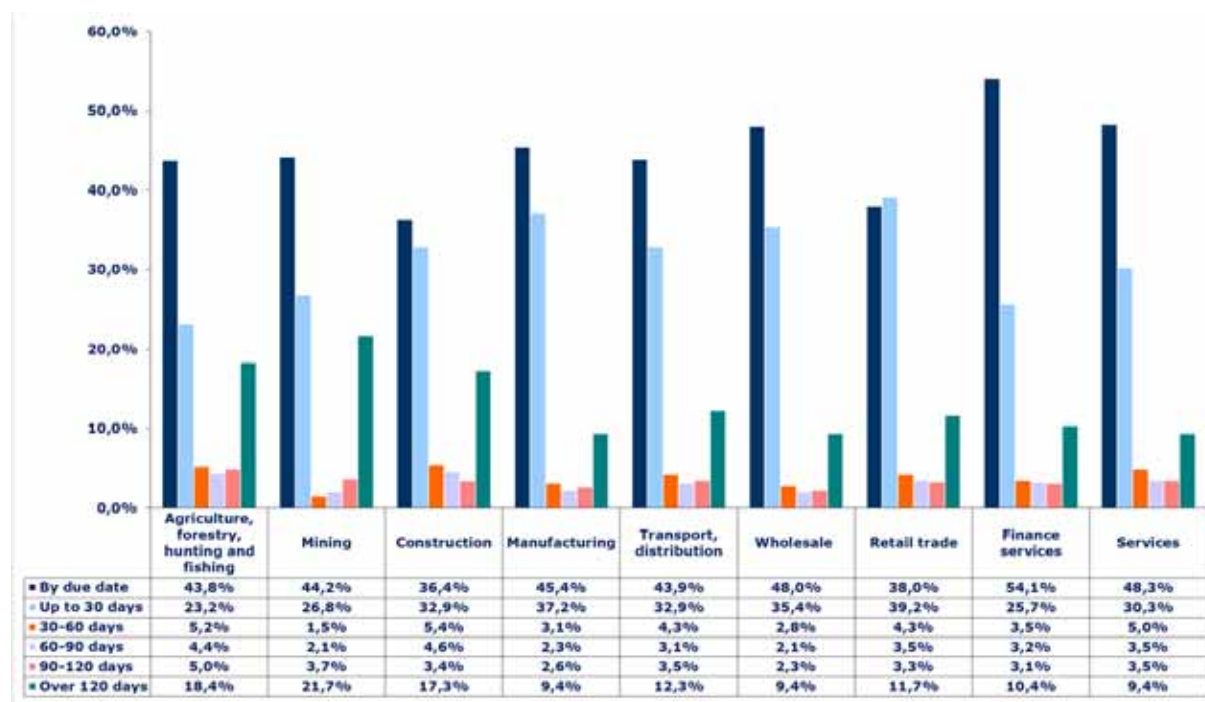


TABLE 23.7 SOURCE: BISNODE D&B POLAND

SECTORS WITH THE BEST PAYMENT RECORDS IN POLAND, 2016

Sector	Ranking 2016
MEMBERSHIP ORGANISATION	1
HOLDING AND OTHER INVESTMENT OFFICES	2
EXECUTIVE, LEGISLATIVE AND GENERAL	3
REAL ESTATE	4
ELECTRIC, GAS AND SANITARY SERVICES	5
INSTRUMENTS AND RELATED PRODUCTS	6
CHEMICALS AND ALLIED PRODUCTS	7
ENGINEERING AND MANAGEMENT SERVICES	8
ELECTRONIC AND OTHER ELECTRIC EQUIPMENT	9
EDUCATIONAL SERVICES	10

TABLE 23.8 SOURCE: BISNODE D&B POLAND

SECTORS WITH THE WORST PAYMENT RECORDS IN POLAND, 2016

Sector	Ranking 2016
GENERAL BUILDING CONTRACTORS	61
LOCAL AND INTERURBAN PASSENGER TRANSIT	60
AGRICULTURAL PRODUCTION - CROPS	59
APPAREL AND OTHER TEXTILE PRODUCTS	58
EATING AND DRINKING PLACES	57
AGRICULTURAL SERVICES	56
APPAREL AND ACCESSORY STORES	55
PERSONAL SERVICES	54
NONMETALLIC MINERALS, EXCEPT FUELS	53
FORESTRY	52

24. CZECH REPUBLIC

Below is the opinion of **Petra Horàková, Trade & Data Hunting Manager** at **Bisnode D&B Czech and Slovak Republic s.r.o.**, on the economic scenario and payment situation in Czech Republic.

"Growth of GDP in the Czech Republic peaked in 2006 and 2007, at the level of 7 and 9%. Subsequently, there was a slower increase merely of 4.6% in 2008. Unfortunately, we experienced a drop of -2.2% in 2009. From 2010 to 2011 there was a gradual revival around 1%. In 2012 and 2013, the GDP stayed about the same as in the previous years. From 2014 on we can speak about the Growth of GDP again. It reached 2.7% in 2014 and 4.6% in 2015. The pace slowed down to 2.4% in 2016. The main growth drivers were household consumption and foreign demand. Investment activity, on the contrary, did not contribute. For 2017, the central bank anticipates the growth to be driven by stable household consumption, government consumption affected by parliament elections and also, after drop in 2016, by return of investment activities. Automobile industry might have positive effect on the growth of industry and foreign trade. There may be difficult external conditions such as negative impact of Brexit, political uncertainty associated with the upcoming elections in Western Europe or volatility or potential appreciation of the Czech currency, following the dismissal of the exchange rate interventions.

The Czech economy is highly open and dependent on foreign demand. Foreign trade in 2014 resulted in a surplus of CZK 146 billion (an annual increase of 40 billion), 149 billion in 2015 and 167 billion in 2016. The foreign trade is compensated by steady growth in the economies of the major partners of the Czech Republic with raising both imports', given by accelerated growth of domestic demand, and exports' severity. An unfavorable factor can be the geopolitical risks. Conflicts in the Middle East and North Africa caused a serious migration crisis; the economic impact on individual EU countries cannot be estimated as of yet. If there is no increase in the number of asylum seekers in the Czech Republic, the direct impact on the Czech economy should be negligible.

The Czech Republic is the target of high volume foreign direct investments. We received 2 774.6 billion CZK of investment in 2014 and 2 895.2 billion CZK in 2015. The growth of investment was caused mainly by increasing of equity capital. Equity capital was increased by the revaluation of foreign held listed shares of equity capital from accounting value to mark to market value. Foreign held non-listed shares in equity capital are still reported in accounting value. The impact of the revaluation from accounting to mark to market value of listed shares was 135.9 billion CZK in 2015. Dividends paid out to foreign parent companies amounted to 226.1 billion CZK in 2015. The largest portion of foreign capital from the total direct foreign investments volume in the Czech Republic went into manufacturing (32.9%), followed by Finance and Insurance activities (27.3%) and wholesale, retail trade and repair of motor vehicles (9.9%). From a geographical view the main portion of foreign capital invested domestically comes from The Netherlands (24.1%), Austria (13.4%) and Germany (12.9%). The share of investors coming from the European Union increased to 89.3% and almost 94.1% of all investors are from Europe. Non-European investment accounts for only 5.9% of the total foreign direct investment, the most significant investors being from The United States of America and South Korea.

The external debt of the Czech Republic economy grew from 28.7% of GDP in 2008 to 44.9% in 2013. In 2014, it amounted to 42.2% of GDP and it has been decreasing since then to 37.6% in 2016. The Central bank also predicts the same trend in 2017 (36.3%) and in 2018 (34.5%).

The average exchange rate in 2012 was 25.1 (19.6 CZK / USD) and 26 (19.6 CZK / USD) in 2013. In 2012, the Czech Crown weakened about 2.2% year on year average and in the first half of 2013 further by 2.1%. In the second half of 2013, the Crown started to strengthen. On November 7th, 2013 the Czech National Bank (the CNB) made penetrative intervention by purchasing Euro currency amounting to at least two billion. It led to an immediate depreciation of the Crown (exchange rate increased from 25.8 CZK/EUR to 27 CZK/EUR). The average exchange rate CZK / EUR in 2014 was 27.5 (20.8 CZK / USD), 27.3 (24.6 CZK / USD) in 2015 and 27.0 (24.4 CZK / USD) in 2016. The CNB tried to prevent deflation and start a boost of domestic consumption. The CNB will stop its intervention in the second quarter of 2017. We expect high fluctuations in the following months. Czech Crown is bound to EURO so the relationship CZK with USD or other currencies depends on the development between EURO and others currencies.

Inflation in the Czech Republic has been relatively stable since 2002. The exception was in 2008, when inflation grew up to 6.3% due to the sharp increase in commodity prices on world markets and changes in taxes. From 2009 to 2012, the annual inflation rose from 1% to 3.3%. In 2013, the inflation rate dropped to 1.4%. The slowing growth continued also in 2014 and 2015 at the level of 0.4% and 0.3%. The lowest rate for the last 10 years was caused mainly by the deep slump in global fuel prices and low inflation on a global scale. The growth in 2016 was slightly higher 0.7%. Central bank anticipates growth between 1.9% and 2.5% in 2017 - 2018.

The unemployment rate in the Czech Republic is below the long term average of EU member states. The average unemployment rate in 2014 was at 6.1%, 5.1% in 2015 and 4.1% in 2016. In the years 2017 and 2018 we look forward to a notable 3.7% unemployment rate.

The nominal wage approximately corresponds to the evolution of inflation. The nominal and real wage grew in 2014, about 2.9% and 2.5%. Both indicators behaved similar in 2015 about 2.7% and 2.4%. In 2016 the nominal wage jumped up to 4.4% and 3.7% real wage. The top fields are banking, insurance, information and communication services, manufacturing and distribution of electricity, gas and heat. On the other side there are accommodation, catering, administration, agriculture, forestry and fisheries.

Payment behavior corresponds to the development of the economy. The period involving the years 2008, 2009 and to some extent also 2010 was worst due to the global financial crisis. Significant drop and most fluctuations have occurred in the transport and construction fields. There was a highly competitive environment and invoices with exceptionally long due dates. A large number of small and medium-sized players have disappeared. The last two years the average payment behavior development has coincided with the retail, banking and insurance sector. Above-average values are achieved consistently in public administration, health, education and IT services.

The average companies' payment was overdue for 8 days in 2013, 6 days in 2014, 5 days in 2015 and 4 days in 2016. In 2017 and 2018, we expect even stronger stabilization and values between 3 to 5 days overdue. Companies gradually use more credit risk management tools, screening, monitoring of trade partners and payment behavior.

When we sum up the field comparison in 2015 and 2016, it is evident that most of the payments are settled around the due date. Some industries such as construction, transport and

warehousing, food and beverage service activities are still riskier than others and payment conditions are well behind the average. Even though in 2016 we experienced about 52% of payments made before or within the maturity date, 42% of payments were made within one month and the rest is just about 6%."

Payment analysis

In 2016, the Czech Republic shows a similar payment trend compared to previous year.

The percentage of companies that paid their commitments within agreed terms in 2016 is 44,7%, which is 5,6 percentage points above the European average.

There was a greater concentration of payments between 1 and 30 days late on average with 49,3% of the total, while the "30-60 days" and "60-90 days" classes comprised 5,3% of companies.

If we consider the share of serious late payments (over 90 days on average), the Czech Republic is in a better position than the European average: "bad payers" represent 0,7% of the total, which is 3 percentage points less than the European figure.

Compared with 2010, the companies that pay suppliers within agreed deadlines has increased by 14,9 percentage points, while the intermediate late payment class has decreased by 14%.

There are significant differences in the payment practices of companies by company size: Micro companies exhibit the best payment behavior with almost 45,5% of the total paying suppliers within agreed terms.

The lowest percentage of "good payers" relates to Large-sized companies with 36,3%, while 57% of companies fall within the "Up to 30 days" late payment class.

In relation to moderate and serious late payments, Medium companies show the best performance with the lowest concentration in these classes compared to the other company types: in 0,7% of cases payments are more than 90 days late on average, while 5% of companies pay between 30 and 90 days late on average.

The best performances in terms of punctual payments can be seen in Services (53,5%) and Finance services (50%).

Payment conditions, on the other hand, are problematic in the Construction sector, in which only 40,5% of companies respect agreed terms.

For all product groups there is a widespread tendency to manage commercial transactions with late payments of between 1 and 30 days late: the share of companies in this category is over 41% in each of the sectors analyzed and reaches the highest value (52,1%) in the case of Manufacturing.

In the intermediate late payment classes ("30-60 days" and "60-90 days"), there are contained concentrations in most cases (less than 8%).

Finance services is the sector with the highest share of "bad payers" (1,1% in the "Over 90 days" class).

As regarding the micro-sectors in terms of payment performance, in first places in the classification of best payers we find Justice, public order and safety, Educational services and Executive, legislative and general.

On the contrary, the worst performance relate to Heavy construction, except building and General building contractors.

TABLE 24.1 SOURCE: BISNODE D&B CZECH AND SLOVAK REPUBLIC S.R.O.

PERCENTAGE OF COMPANIES IN THE CZECH REPUBLIC WITH ON TIME PAYMENTS, 2010-2016

	2010	2015	2016
Czech Republic	29,8%	45,6%	44,7%
Europe	40,4%	37,5%	39,1%

TABLE 24.2 SOURCE: BISNODE D&B CZECH AND SLOVAK REPUBLIC S.R.O.

PERCENTAGE OF COMPANIES IN THE CZECH REPUBLIC WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2010-2016

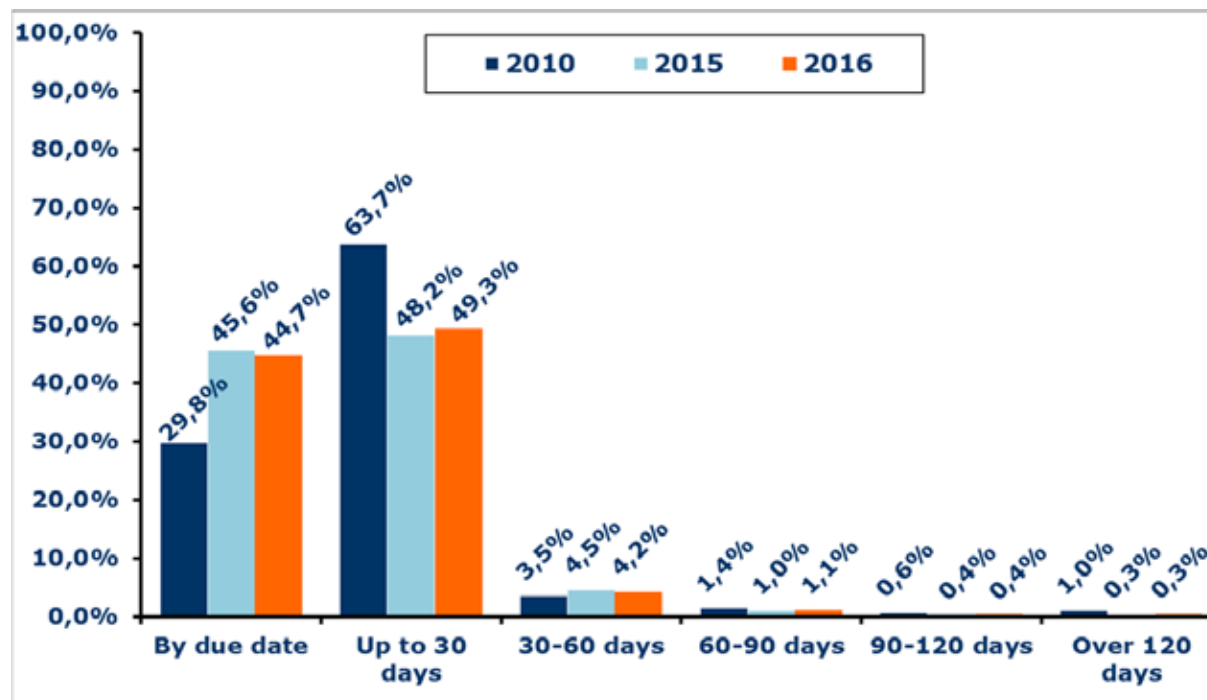
	2010	2015	2016
Czech Republic	1,6%	0,7%	0,7%
Europe	2,9%	3,5%	3,7%

TABLE 24.3 SOURCE: BISNODE D&B CZECH AND SLOVAK REPUBLIC S.R.O.

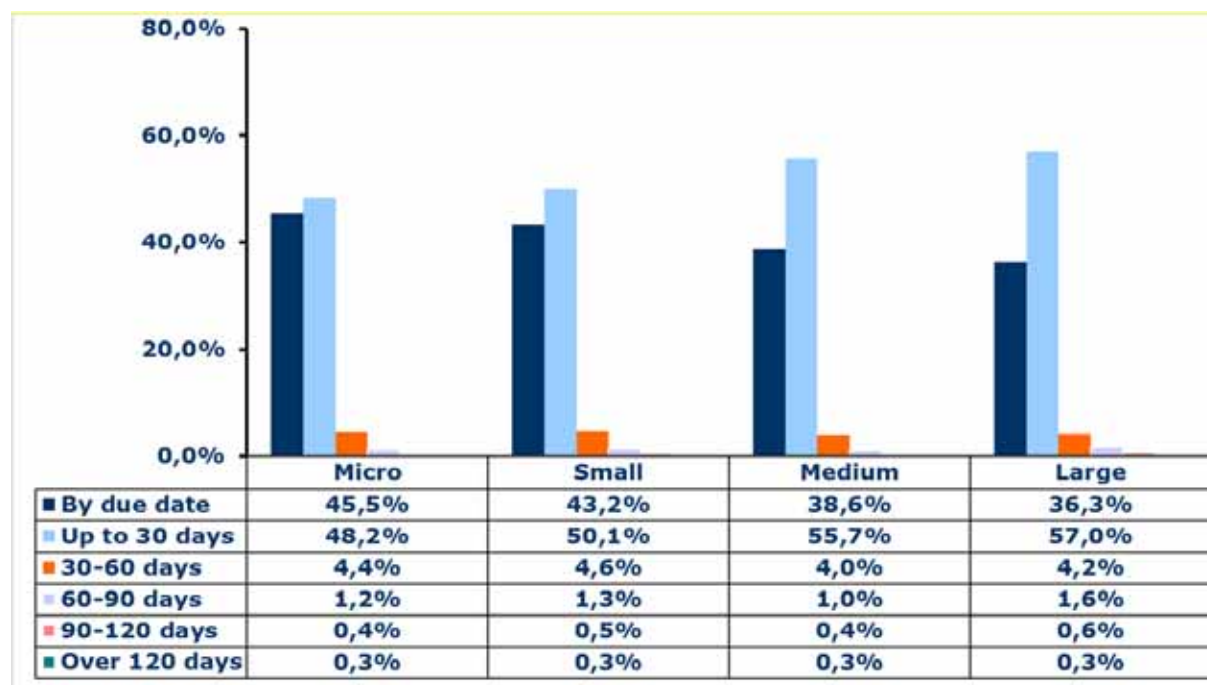
VARIATIONS IN PAYMENT PRACTICES IN THE CZECH REPUBLIC, 2010-2016

	Variation 2010/2016	Variation 2015/2016
By due date	14,9%	-0,9%
Up to 90 days	-14,0%	0,9%
Over 90 days	-0,9%	0,0%

PAYMENT PRACTICES IN THE CZECH REPUBLIC BY PAYMENT CLASS, 2010-2016



PAYMENT PRACTICES IN THE CZECH REPUBLIC BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN THE CZECH REPUBLIC BY PRODUCT SECTOR, 2016



TABLE 24.7 SOURCE: BISNODE D&B CZECH AND SLOVAK REPUBLIC S.R.O.

SECTORS WITH THE BEST PAYMENT RECORDS IN THE CZECH REPUBLIC, 2016

Sector	Ranking 2016
JUSTICE, PUBLIC ORDER AND SAFETY	1
EDUCATIONAL SERVICES	2
EXECUTIVE, LEGISLATIVE AND GENERAL	3
MEMBERSHIP ORGANIZATIONS	4
SOCIAL SERVICES	5
MUSEUMS, BOTANICAL, ZOOLOGICAL GARDENS	6
LEATHER AND LEATHER PRODUCTS	7
FISHING, HUNTING AND TRAPPING	8
DEPOSITORY INSTITUTIONS	9
AUTOMOTIVE DEALERS AND SERVICE STATIONS	10

TABLE 24.8 SOURCE: BISNODE D&B CZECH AND SLOVAK REPUBLIC S.R.O.

SECTORS WITH THE WORST PAYMENT RECORDS THE CZECH REPUBLIC, 2016

Sector	Ranking 2016
HEAVY CONSTRUCTION, EXCEPT BUILDING	63
GENERAL BUILDING CONTRACTORS	62
EATING AND DRINKING PLACES	61
LOCAL AND INTERURBAN PASSENGER TRANSIT	60
APPAREL AND ACCESSORY STORES	59
TRUCKING AND WAREHOUSING	58
INDUSTRIAL MACHINERY AND EQUIPMENT	57
TRANSPORTATION SERVICES	56
SPECIAL TRADE CONTRACTORS	55
FOOD STORES	54

25. FINLAND

Payment analysis

The percentage of punctual payers in Finland was only 26,8% of the total, meanwhile, the majority of companies tended to pay commercial transactions on average between 1 and 30 days late (70,4%).

Intermediate late payment classes ("30-60 days" and "60-90 days") account for 1,8%, whereas bad payers (more than 90 days late on average) represent only 1% of the total compared with the European level of 3,7%.

The analysis of the payment practices by size identifies a somewhat heterogeneous behavior among the four types.

Micro-companies show, also for 2016, the most balanced payment behavior with 29,6% of the total for payments within agreed terms. These are followed by Small companies, for which the percentage in question reaches 19,1%.

The worst performance was seen for Large companies with only 6,6% of the total paying punctually, compared with the national average of 26,8%.

All the company size categories show a widespread tendency to pay on average between 1 and 30 days late. In particular, the figure for the "Up to 30 days" class is over 86% for Medium and Large companies.

Intermediate and more serious delays in payment are similar for all the company sizes analyzed, with values below 2 percentage points.

The best performances in terms of punctual payments can be seen in the following sectors: Agriculture, forestry and fishing (38,3%), Transport and storage (35,5%) and Mining and quarrying activities (31,6%).

Payment conditions, on the other hand, are problematic in the Public administration, in which only 14,7% of companies respect agreed terms.

For all product groups there is a widespread tendency to manage commercial transactions with late payments of between 1 and 30 days late: the share of companies in this category is over 59% in each of the sectors analyzed and reaches the highest value (84,5%) in the case of Public administration.

In the intermediate late payment classes ("30-60 days" and "60-90 days") there are very contained concentrations for the whole sample of below 3 percentage points, as is the case for the more serious late payments (over 90 days on average).

The best performer in Finland is the Forestry and logging sector, in which 42,1% of companies pay their trading partners within agreed terms.

In second place is the Fishing and aquaculture sector with 38% of punctual payments.

The sector with the most problems is Other personal service activities for which 3,5% of companies pay seriously late (over 90 days on average). The top three classification of bad payers is completed by the Other professional, scientific and technical activities and Manufacture of wearing apparel.

TABLE 25.1 SOURCE: BISNODE D&B FINLAND

PERCENTAGE OF COMPANIES IN FINLAND WITH ON TIME PAYMENTS, 2010-2016

	2010	2015	2016
Finland	37,0%	29,2%	26,8%
Europe	40,4%	37,5%	39,1%

TABLE 25.2 SOURCE: BISNODE D&B FINLAND

PERCENTAGE OF COMPANIES IN FINLAND WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2010-2016

	2010	2015	2016
Finland	1,1%	0,9%	1,0%
Europe	2,9%	3,5%	3,7%

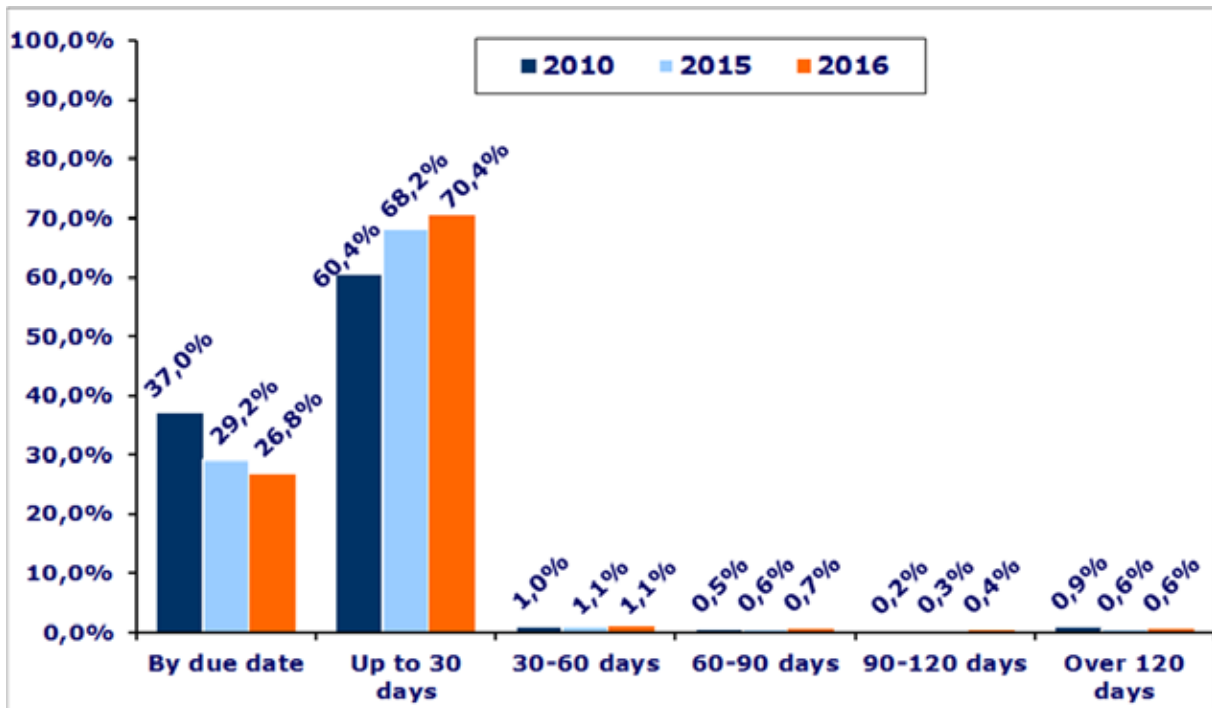
TABLE 25.3 SOURCE: BISNODE D&B FINLAND

VARIATIONS IN PAYMENT PRACTICES IN FINLAND, 2010-2016

	Variation 2010/2016	Variation 2015/2016
By due date	-10,2%	-2,4%
Up to 90 days	10,3%	2,3%
Over 90 days	-0,1%	0,1%

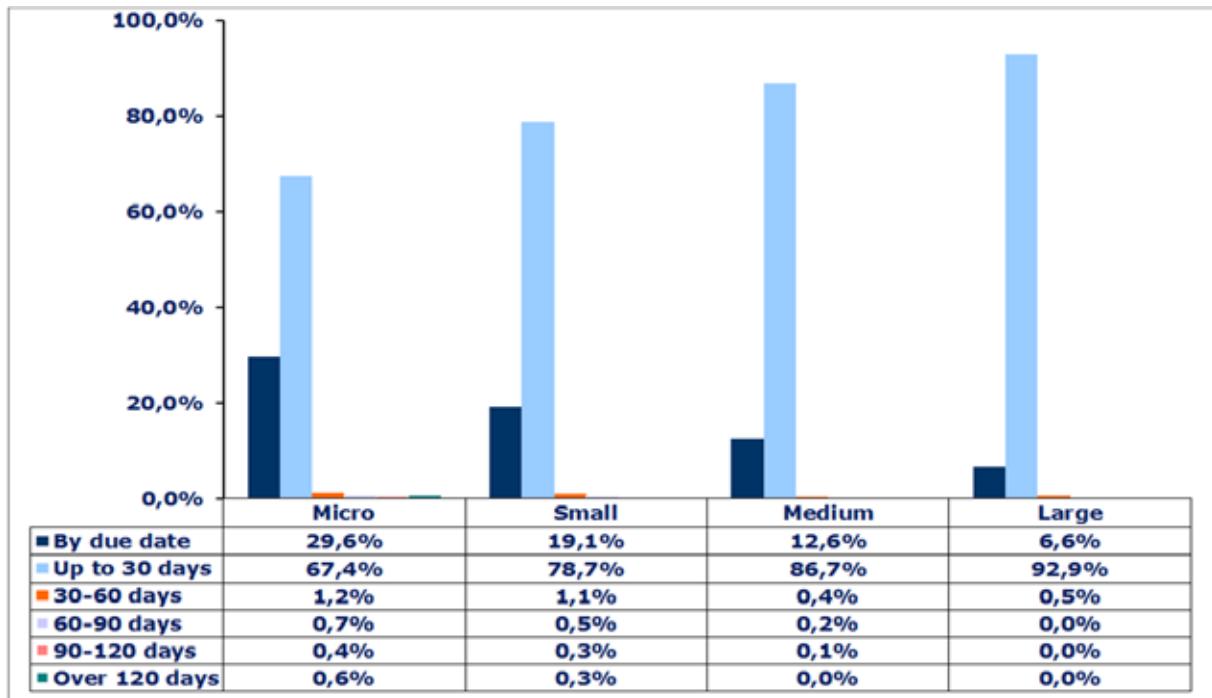
GRAPH 25.4 SOURCE: BISNODE D&B FINLAND

PAYMENT PRACTICES IN FINLAND BY PAYMENT CLASS, 2010-2016



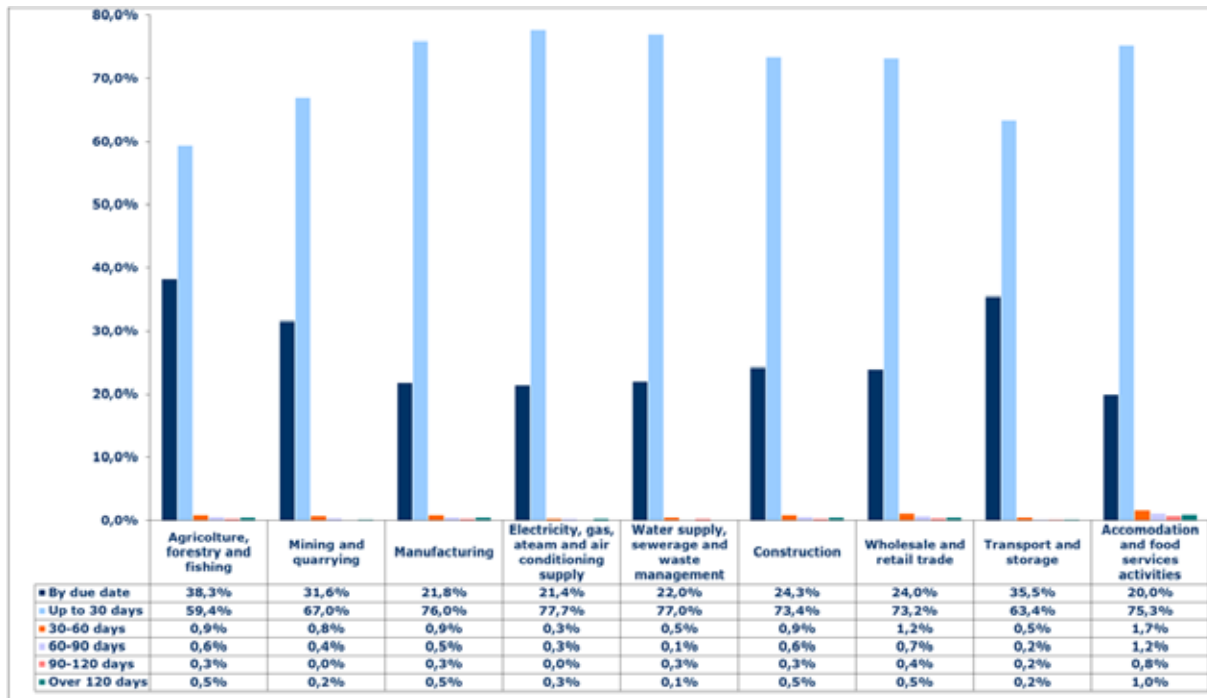
GRAPH 25.5 SOURCE: BISNODE D&B FINLAND

PAYMENT PRACTICES IN FINLAND BY TYPE OF COMPANY, 2016



GRAPH 25.6 SOURCE: BISNODE D&B FINLAND

PAYMENT PRACTICES IN FINLAND BY PRODUCT SECTOR, 2016



GRAPH 25.7 SOURCE: BISNODE D&B FINLAND

PAYMENT PRACTICES IN FINLAND BY PRODUCT SECTOR, 2016

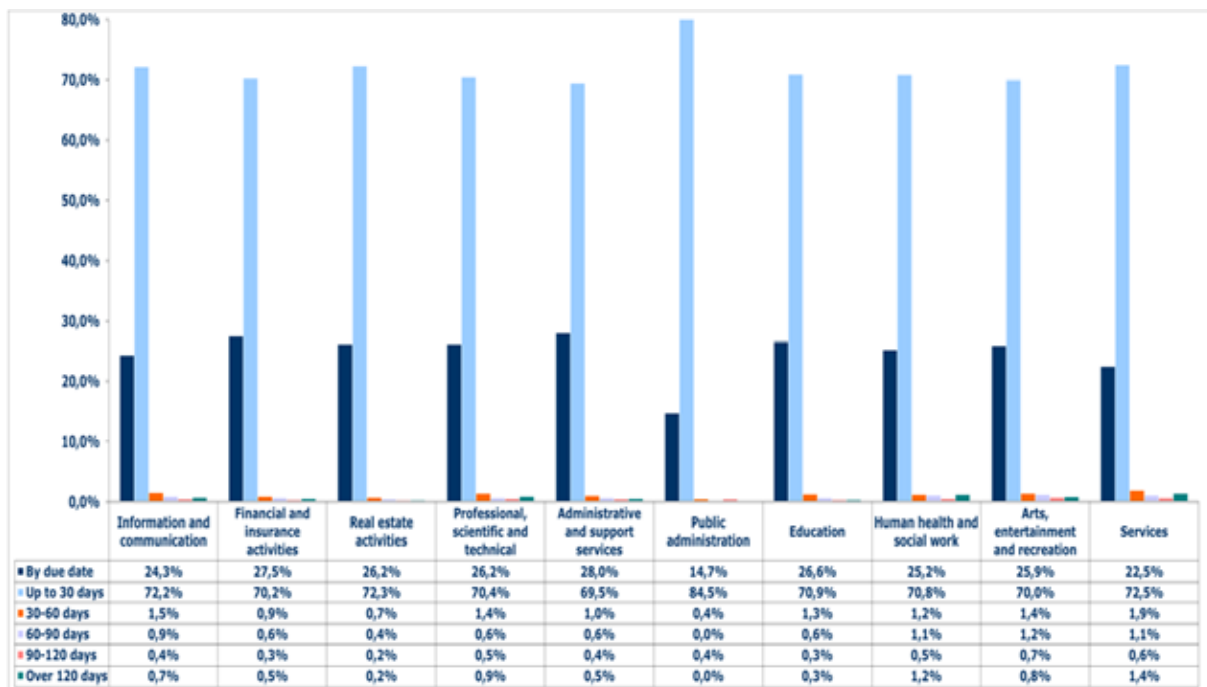


TABLE 25.8 SOURCE: BISNODE D&B FINLAND

SECTORS WITH THE BEST PAYMENT RECORDS IN FINLAND, 2016

Sector	Ranking 2016
FORESTRY AND LOGGING	1
FISHING AND AQUACULTURE	2
CROP AND ANIMAL PRODUCTION, HUNTING AND RELATED SERVICE ACTIVITIES	3
LAND TRANSPORT AND TRANSPORT VIA PIPELINES	4
ACTIVITIES AUXILIARY TO FINANCIAL SERVICES AND INSURANCE ACTIVITIES	5
POSTAL AND COURIER ACTIVITIES	6
OTHER MINING AND QUARRYING	7
MANUFACTURE OF TEXTILES	8
LEGAL AND ACCOUNTING ACTIVITIES	9
SERVICES TO BUILDINGS AND LANDSCAPE ACTIVITIES	10

TABLE 25.9 SOURCE: BISNODE D&B FINLAND

SECTORS WITH THE WORST PAYMENT RECORDS IN FINLAND, 2016

Sector	Ranking 2016
OTHER PERSONAL SERVICE ACTIVITIES	68
OTHER PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	67
MANUFACTURE OF WEARING APPAREL	66
CREATIVE, ARTS AND ENTERTAINMENT ACTIVITIES	65
PRINTING AND REPRODUCTION OF RECORDED MEDIA	64
EMPLOYMENT ACTIVITIES	63
HUMAN HEALTH ACTIVITIES	62
SOCIAL WORKS ACTIVITIES WITHOUT ACCOMODATION	61
FOOD AND BEVERAGE SERVICE ACTIVITIES	60
ADVERTISING AND MARKET RESEARCH	59

26. DENMARK

Below is the opinion of **Martin Stabell, Risk Management Specialist** at **Bisnode D&B Danmark A/S**, on the economic scenario and payment situation in Denmark.

"In third quarter 2016, the Danish GDP increased 0.4% after adjustment of inflation and seasonality. The domestic industrial sector is the primary growth driver. Also increased public spending contributed positively.

Aggregate growth in the first three quarters of 2016 was 0.8% compared to last year and the growth was positive in each of the three quarters.

Employment increased by 1.7% in the first three quarters of 2016, which corresponds to 47,000 jobs created. The unemployment rate thus remains at a low level.

Foreign trade increased in 2016, with growth in both import and export. While export increased 0.7% and the import increased by 1.6% compared to last year.

Public spending increased by 1.4%, while private spending took a small drop by 0.1%. The decline in private spending was primarily caused by less spending on vehicles, while purchase of services had a positive effect.

Interest rates have, along with the rest of EU, remained at a historical low level. This is deemed to have a general positive impact on companies' liquidity and also a positive effect on the demand for goods and services from private households.

We saw a sharp increase in bankruptcies in 2016. The total number of registered bankruptcies rose by 69% to a total of 7,091. The bankruptcy level is at the highest level in five years. Part of the explanation for the increase is due to a back-log in the administrative processing of bankruptcies from previous years that were processed in 2016.

General development in payments

We saw an increase in late payments in 2016. Compared to 2015, the aggregate share of late payments increased from 13% to 14.8%. The extreme late payments remain fairly unchanged though, and a majority of late payments are minor.

There is a number of companies that pay in advance, typically to gain a cash discount. This share increased from 2.6% in 2015 to 3.3% in 2016.

The overall picture is that payments are fairly timely.

General payment terms are typically 30-60 days in most business sectors, and no major changes were seen during 2016 and we do not expect any major changes in general payment terms.

Evaluating the impact of company size

Small companies tend to pay more timely than the larger ones and the situation is unchanged compared to last year. We see a clear trend that the smaller the company size, the timelier payments are made.

One commonly used explanation is that larger companies grant themselves an additional credit by stalling payments thus improving their cash flow.

The segment with the lowest share of late payments are the very smallest companies with 1-5 employees with only 10.8% late payments in 2016. In comparison the segment with +260 employees have had 17.9% late payments.

The timeliness of payments has deteriorated in all four segments compared to 2015.

Sector analysis

The largest positive change in payments were seen amongst Mining of coal and lignite. The share of late payments dropped from 28% in 2015 to 15.6% in 2016.

The sector with the highest deterioration in payment behavior was Security and investigation activities. Here, the share of late payments increased by 14.7% to 21.4%. With the increase in late payments during 2016, Security and investigation activities is also the sector with the latest payments in total.

Overall we have seen some deterioration in payments in 2016. However, the late payments are within a reasonable threshold, and no sectors or company size segments have shown severe payment delays during 2016."

Payment analysis

Despite the financial instability that has hit the Euro Zone, the payment performance of Danish companies is characterized by an enviable performance both in terms of punctual payments and serious late payment classes.

Over the course of 2016, punctual payments accounted for 86,5 percentage points, 47,4 percentage points above the European average, which continues to show that a large proportion of companies in Denmark have a balanced behavior when it comes to payments.

Compared with 2015, the percentage of "good payers" has decreased by 0,5 percentage points ("By due date" class).

The percentage of companies with serious late payments (over 60 days) continues to be among the best on an international level: in fact, there are only 0,2% of "bad payers" in Denmark in 2016, with a difference of 5,8% below the European average.

The most significant changes are seen in relation to 2010: punctual payments have increased by 10%, with a corresponding decrease in Danish companies that tend to pay late by between 1 and 60 days on average (-10%); the percentage of "bad payers" (over 60 days late on average) hasn't changed.

The four types of company size examined have very similar percentages, which are not very different from average national levels.

Micro companies have the most balanced payment behavior with 89,2% of companies paying trading partners within agreed terms. The lowest value, on the other hand, was seen for Large companies, with 82,1% of punctual payers.

In the "Up to 30 days" late payment class there are values of between 10,6% for Micro companies and 17,3% for large companies.

Similar levels are seen in all the other late payment classes, and are quite low for all four of the categories examined (in the "Over 30 days" class, they vary between 0,2% of Micro companies and 0,6% of Large companies).

For all macro-sectors there is a widespread tendency to manage commercial transactions with punctual payments: the best performance is seen in Human health activities (93,6%), Crop and animal production, hunting and related service activities (91,9%), Activities of membership organizations (91,3%) and Construction" (90,7%) sectors.

Payment performance, on the other hand, are less positive in the Manufacturing in which 81,3% of companies respect agreed terms.

The share of companies, in the "Up to 30 days" late payment class reaches the highest value (18,1%) in the case of Manufacturing.

In the serious late payment classes (over 60 days on average) there are very contained percentages for the whole sample, significantly lower than that seen in other countries.

The analyses confirm the solidity of the Danish payment system, which does not seem to have been affected by the global economic situation, unlike what is seen in other European and international contexts.

TABLE 26.1 SOURCE: BISNODE D&B DANMARK A/S

PERCENTAGE OF COMPANIES IN DENMARK WITH ON TIME PAYMENTS, 2010-2016

	2010	2015	2016
Denmark	76,5%	87,0%	86,5%
Europe	40,4%	37,5%	39,1%

TABLE 26.2 SOURCE: BISNODE D&B DANMARK A/S

PERCENTAGE OF COMPANIES IN DENMARK WITH LATE PAYMENTS OF MORE THAN 60 DAYS, 2010-2016

	2010	2015	2016
Denmark	0,2%	0,0%	0,2%
Europe	4,9%	6,0%	6,0%

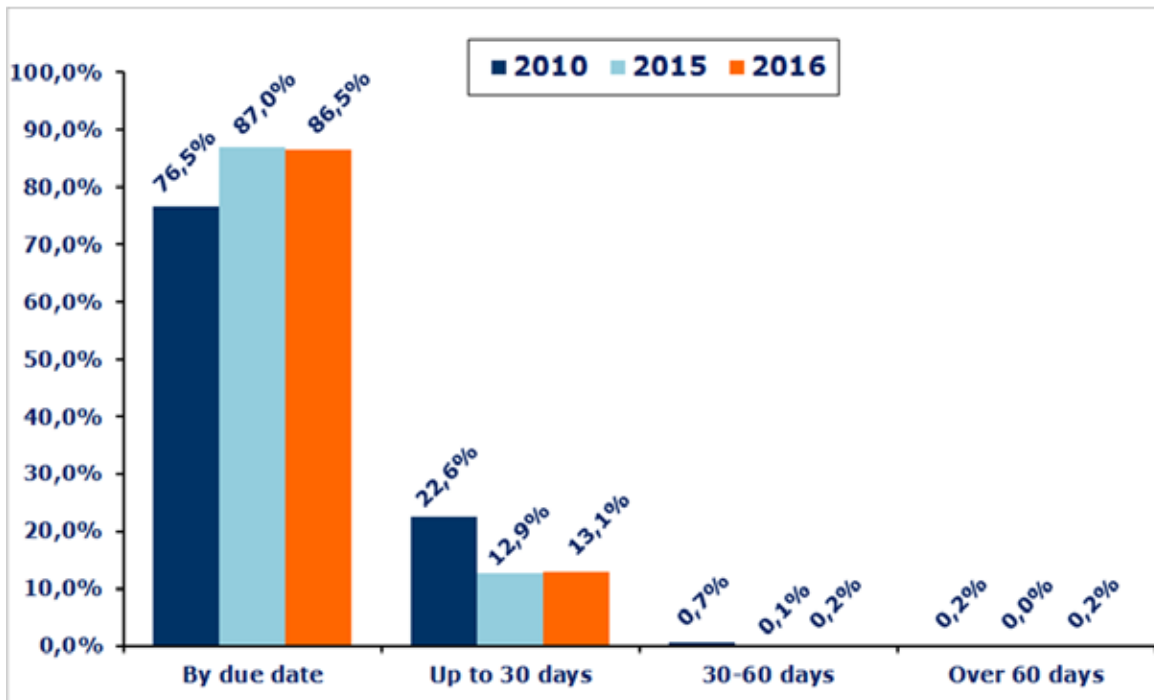
TABLE 26.3 SOURCE: BISNODE D&B DANMARK A/S

VARIATIONS IN PAYMENT PRACTICES IN DENMARK, 2010-2016

	Variation 2010/2016	Variation 2015/2016
By due date	10,0%	-0,5%
Up to 60 days	-10,0%	0,3%
Over 60 days	0,0%	0,2%

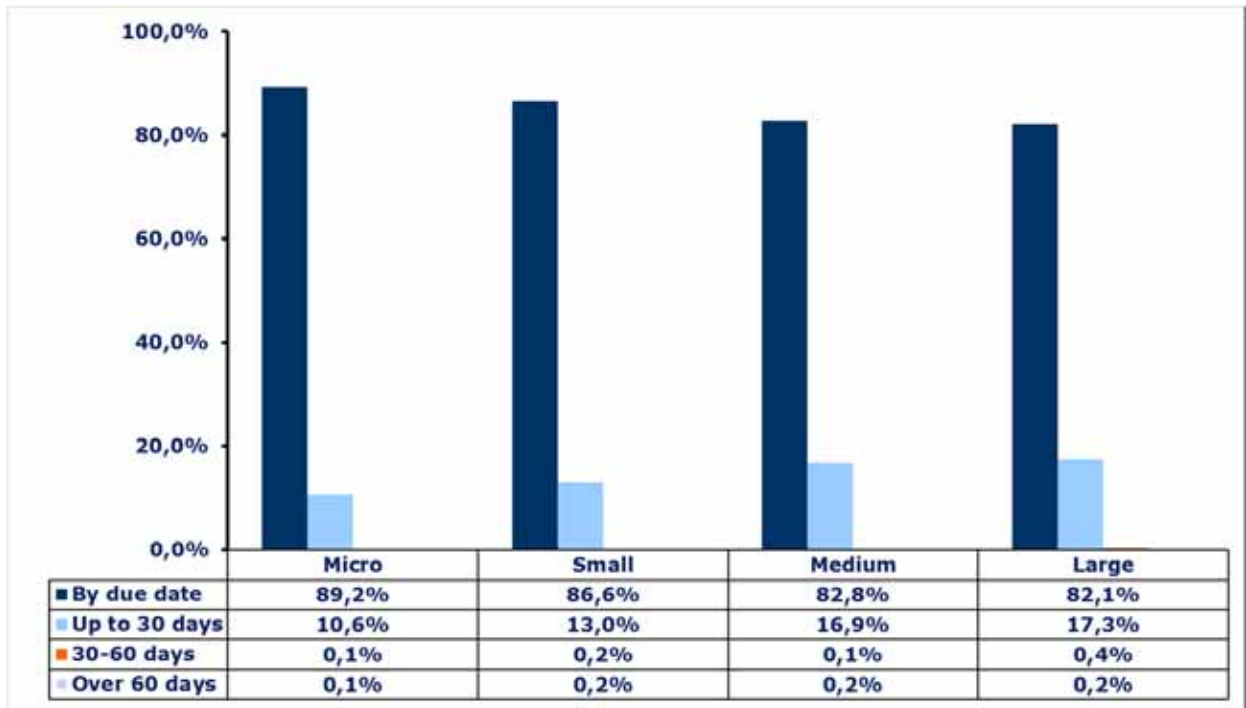
GRAPH 26.4 SOURCE: BISNODE D&B DANMARK A/S

PAYMENT PRACTICES IN DENMARK BY PAYMENT CLASS, 2010-2016



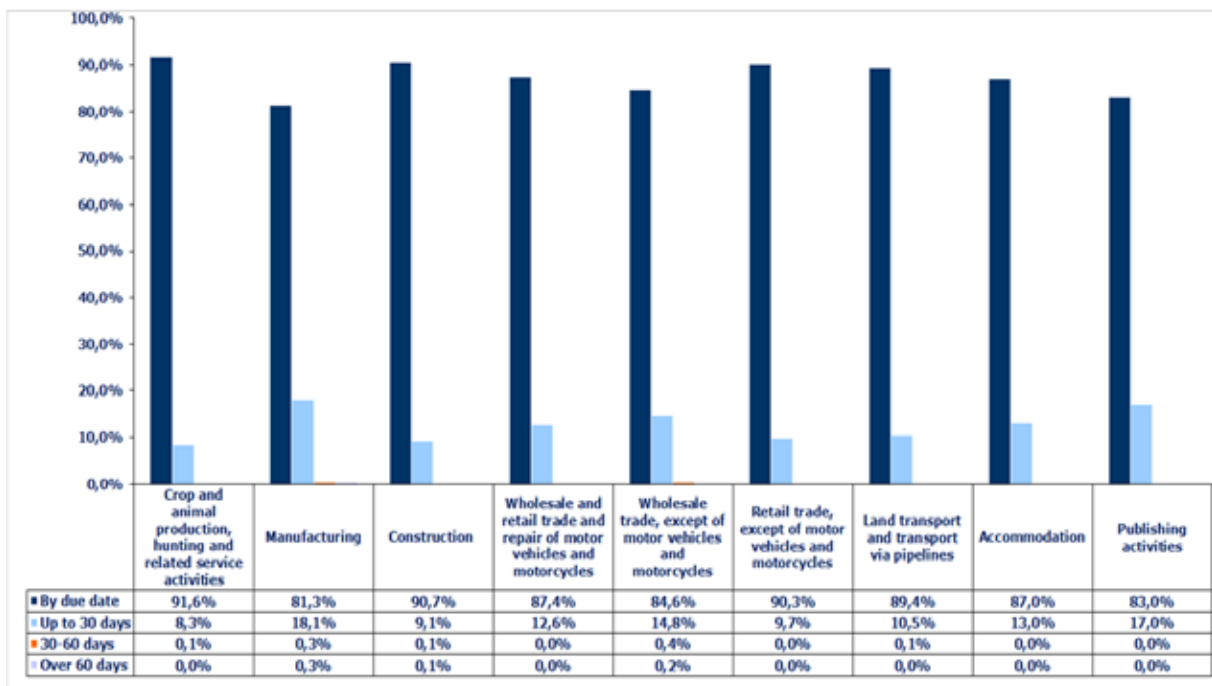
GRAPH 26.5 SOURCE: BISNODE D&B DANMARK A/S

PAYMENT PRACTICES IN DENMARK BY TYPE OF COMPANY, 2016

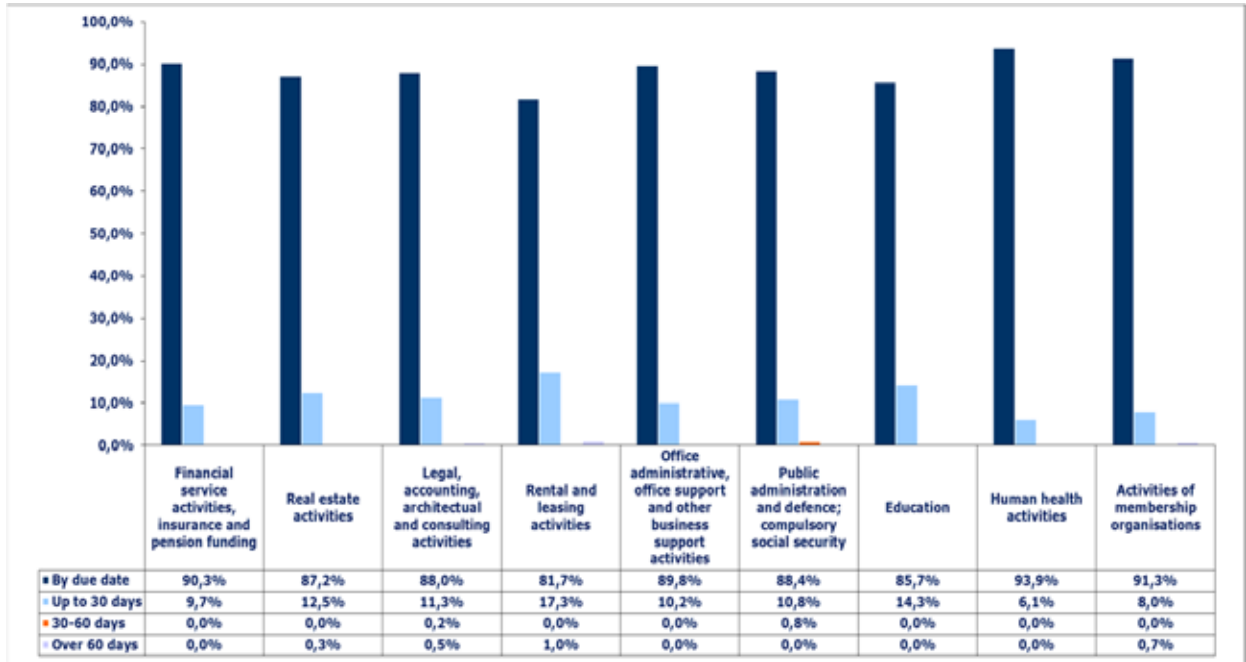


GRAPH 26.6 SOURCE: BISNODE D&B DANMARK A/S

PAYMENT PRACTICES IN DENMARK BY PRODUCT SECTOR, 2016



PAYMENT PRACTICES IN DENMARK BY PRODUCT SECTOR, 2016



27. RUSSIA

Oil price rebound, ruble strengthening, local business restructuring, lower inflation contributed to improvement in Russia's economic environment last year. The negative trends continued only in H1 2016, while in the second half the economy already began to grow. Russian GDP contracted just 0.2% in 2016, according to the initial estimate published by the Federal State Statistics Service.

The Central Bank expects that Russia will have positive GDP growth in 2017, but the pace of growth will be low. The Ministry of Economic Development thinks that Russian GDP could grow around 2% in 2017. Recent businesses surveys said that the level of confidence is the highest since the beginning of 2011.

Russian companies maintained relatively good financial positions last year. Moreover, nominal profits were much higher in comparison with 2015. The total amount of operating profit in Russia exceeded operating losses by RuB 12,380 bn (US\$204.1 bn) in 2016, up by 45.9% against the same period a year ago. The share of profitable companies was 74.0% last year in comparison with 71.9% in 2015.

Emerging positive trends in the economy have helped to maintain favorable payment situation and to cut bankruptcy figures. In 2016, number of bankruptcies in Russia fell by 10% to 839 per month in comparison with 934 companies in 2015 and 866 companies in 2014.

General payment situation

Meanwhile, the payment situation in Russia has not yet changed considerably for the better. The share of accounts payable outstanding in total amount was down to 6.3% in December 2016 in comparison with 6.4% in December 2015. Number of companies with accounts payable outstanding fell by 8.3% to 8,115 while growth in the total amount slowed down to 10.1% in 2016 (up 29.2% in 2015). Amount of bank loans outstanding grew modestly by 4.4%, after a surge of 54.3% in 2015.

The share of companies with accounts payable outstanding in the total number contracted slightly from 0.18% in 2015 to 0.17% in 2016. Meanwhile, there is still a great difference in the payment situation in various sectors. In 2016, Production and Distribution of Electric Energy, Gas and Water had once again the highest share of companies with accounts payable outstanding (6.56%), while the total amount was up by 16.0%.

High shares of companies with accounts payable outstanding were registered in Production of Fuel and Energy Resources (2.81%), Ferrous and Non-Ferrous Metals (2.22%), Production of Vehicles for Transportation and Equipment (2.02%). All the four sectors were in the list of the worst performers in 2014-2015 as well.

GRAPH 27.1 SOURCE: FEDERAL STATISTIC SERVICE

SHARE OF ACCOUNT PAYABLE AND BANK LOANS OUTSTANDING IN RUSSIA'S TOTAL, 2011 – 2016

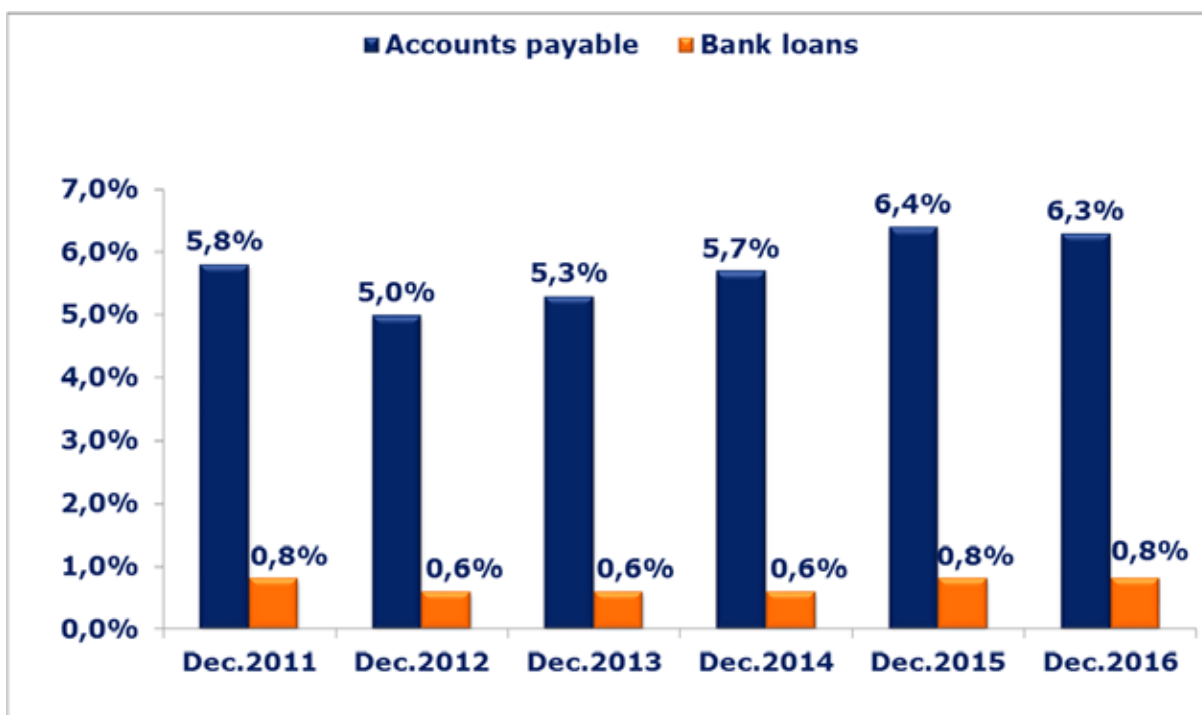


TABLE 27.2 SOURCE: FEDERAL STATISTIC SERVICE

BREAKDOWN OF ACCOUNT RECEIVABLE OUTSTANDING BY SECTORS IN RUSSIA, 2016

	Number of companies	Change	Share in total number	Change in p.p.	Amount, RuB bn	Change
Production and distribution of electric energy, gas and water	1.855	-3.7%	6.3%	-0.4	444.3	17.2%
Production of fuel and energy resources	213	-0.9%	2.8%	0.0	152.4	-6.2%
Ferrous and non-ferrous metals	113	3.7%	2.2%	0.0	69.6	3.9%
Production of vehicles for transportation and equipment	211	-7.0%	2.1%	-0.2	116.8	112.4%
Production of coke, oil products, nuclear materials	39	5.4%	1.5%	0.1	586.6	84.7%

Mining	128	2.4%	1.1%	0.0	14.9	-16.3%
Chemical industry	133	-2.9%	0.9%	-0.1	51.2	34.0%
Production of electric, electronic and optical equipment	267	0.0%	0.8%	0.0	17.5	5.4%
Production of other non-metallic mineral products	251	-8.4%	0.8%	-0.1	33.9	1.2%
Pulp and paper production, publishing and printing	39	-2.5%	0.8%	0.0	17.3	15.3%
Production of leather, leather products, footwear	19	-5.0%	0.6%	0.0	9.9	230.0%
Production of machinery and equipment	251	-8.4%	0.5%	-0.1	35.4	15.7%
Production of food products, including beverages and tobacco	260	-10.7%	0.4%	-0.1	13.9	-29.4%
Agriculture, hunting and forestry	844	-21.7%	0.4%	-0.1	24.7	-3.5%
Production of products from metals	149	-10.2%	0.4%	-0.1	11.2	5.7%
Production of rubber and plastic products	56	1.8%	0.3%	0.0	1.7	-54.1%
Fishery	23	-4.2%	0.3%	0.0	1.2	33.3%
Transport	666	-31.3%	0.2%	-0.1	70.5	-1.3%
Textile and clothing industry	64	-4.5%	0.2%	0.0	4.6	4.5%
Wood-processing and production of wood products	61	-11.6%	0.2%	0.0	3.5	-50.7%
Communications	46	-69.1%	0.2%	-0.4	11	-12.0%
Provision of other communal, social and individual services	481	-2.4%	0.1%	0.0	12.3	21.8%
Construction	689	-13.3%	0.1%	0.0	89.4	14.8%
Real estate operations, leasing and services	1.077	-0.6%	0.1%	0.0	87.3	17.5%

Printing and publishing	52	-11.9%	0.1%	0.0	0.9	125.0%
Health care and social services	64	-4.5%	0.1%	0.0	0.8	-11.1%
Education	118	14.6%	0.1%	0.0	0.5	66.7%
Hotels and restaurants	73	0.0%	0.1%	0.0	1.3	44.4%
Trade in automotive vehicles, maintenance and repairs	77	8.5%	0.1%	0.0	10.4	79.3%
Retail trade, excluding trade in automotive vehicles	120	-16.1%	0.0%	0.0	3.8	-2.6%
Wholesale trade, excluding trade in automotive vehicles	254	-1.6%	0.0%	0.0	484.2	23.7%

**In accordance with Russian Industrial Classification*

The list of the sectors with fast growing amounts of accounts payable outstanding included Production of rubber and plastic products; Retail trade, excluding trade in automotive vehicles; Transport; Real estate operations, leasing and services; Production of electric, electronic and optical equipment.

The situation considerably improved in Production of leather, leather products, footwear; Pulp and paper production; Printing and publishing; Chemical industry; Trade in automotive vehicles, its maintenance and repairs.

Payment analysis

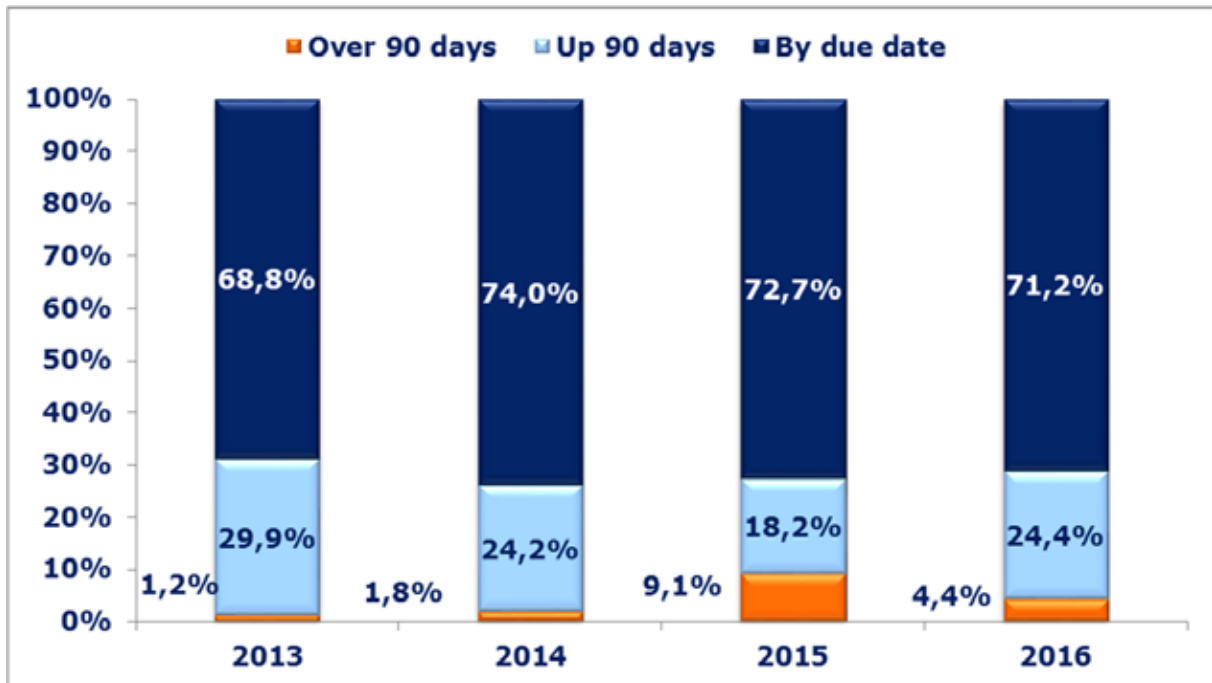
More detailed analysis of current payment practices in Russia, based on Interfax-D&B data, proved that the situation remained relatively stable. In 2016, share of the companies with on time payments was down slightly to 71.2% against 72.7% in 2015.

This deterioration was the result of shifting of a part of on time payments to the neighboring group ("Up to 30 days"): its share surged from 13.6% in 2015 to 17.0% last year.

The share of "bad payers" (Over 90 days) improved dramatically at the same time – from 9.1% to 4.4%. Some "bad payers" moved to the closest group ("60-90 days") which saw the share growth from zero to 4.2% in 2016.

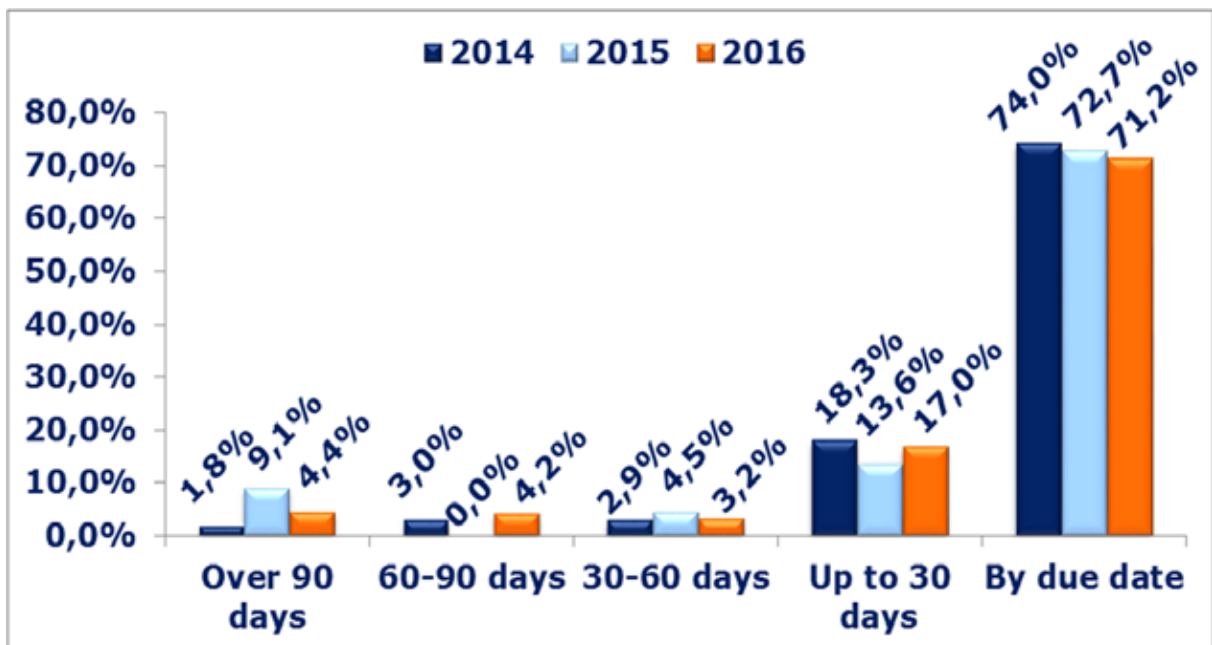
GRAPH 27.3 SOURCE: INTERFAX

BREAKDOWN OF PAYMENT PRACTICES IN RUSSIA, 2013-2016



GRAPH 27.4 SOURCE: INTERFAX

BREAKDOWN OF PAYMENT PRACTICES IN RUSSIA BY PAYMENT CLASS, 2014-2016



Breakdown of payment practices by company size showed that bigger companies had better payment behavior as in the previous years. The situation didn't change last year while the share of medium and large companies paying by due date grew to 74.1% and 73.8% respectively. Meanwhile, in 2016 the share of "good payers" among small companies surged by 18.6 percentage points to 67.3%. Still, the share of "bad payers" among small companies remained the highest (down from 13.8% to 6.9% in 2016).

TABLE 27.5 SOURCE: INTERFAX

BREAKDOWN OF PAYMENT PRACTICES IN RUSSIA BY COMPANY SIZE IN 2014 -2016

2016					
	By due date	Up to 30 days	30-60 days	60-90 days	Over 90 days
Small (~1-50)	67.3%	16.0%	4.0%	5.9%	6.9%
Medium (~51-250)	74.1%	17.2%	2.9%	3.1%	2.7%
Large (>250)	73.8%	19.3%	2.0%	2.9%	2.1%
2015					
	By due date	Up to 30 days	30-60 days	60-90 days	Over 90 days
Small (~1-50)	48.7%	22.5%	4.8%	10.1%	13.8%
Medium (~51-250)	69.0%	18.9%	2.8%	4.7%	4.5%
Large (>250)	70.2%	21.1%	2.5%	3.5%	2.7%
2014					
	By due date	Up to 30 days	30-60 days	60-90 days	Over 90 days
Small (~1-50)	64.6%	22.9%	4.7%	5.2%	2.7%
Medium (~51-250)	78.8%	15.1%	2.2%	2.3%	1.6%
Large (>250)	75.6%	19.2%	2.2%	1.8%	1.2%

Meanwhile, breakdown of payment practices by sectors reveals relatively wide variations. In 2016, "good payers" dominated such sectors as Lumber and Wood Products, Except Furniture; Electronic Computers; Communications; Miscellaneous Manufacturing Industries; Forestry; Chemicals and Allied Products; Rubber and Miscellaneous Plastic Products; Agricultural Production; Miscellaneous Repair Services. The share of companies in these sectors with "By due date" payments exceeded 80% last year.

TABLE 27.6 SOURCE: INTERFAX

SECTORS WITH THE BEST PAYMENT RECORDS IN RUSSIA, 2016

	By due date	Up to 30 days	30-60 days	60 – 90 days	Over 90 days
Primary metals industries	88.5%	4.4%	1.8%	0.9%	4.4%
Glass and Glassware	86.2%	11.1%	0.4%	1.5%	0.9%
Services-Advertising	85.3%	10.9%	0.4%	1.2%	2.3%
Leather and Leather Products	85.0%	9.0%	1.5%	3.0%	1.5%
Lumber and Wood Products (No Furniture)	84.1%	7.0%	1.9%	3.2%	3.8%
Tobacco	83.0%	11.5%	1.5%	2.5%	1.5%
Insurance Agents, Brokers and Service	81.8%	11.9%	1.9%	2.5%	1.9%
Construction	81.4%	13.4%	1.3%	1.8%	2.0%
Furniture	80.7%	10.5%	1.7%	3.4%	3.7%
Real Estate	79.9%	15.2%	1.5%	1.7%	1.8%
Electronic and Other Electrical Equipment (excluding Computers)	79.7%	12.9%	1.7%	1.8%	3.9%
Services-Personal Services	79.5%	14.4%	0.7%	2.1%	3.3%
Agricultural Production - Crops	79.2%	15.2%	1.3%	1.3%	3.1%
Newspapers: Publishing or Publishing and Printing	79.0%	14.4%	1.1%	2.5%	3.0%
Oil Refining	78.7%	16.7%	1.3%	1.7%	1.7%

**In accordance with the Standard Industrial Classification*

The list of the worst payers included Electric, Gas and Sanitary Services; Real Estate; Building Construction - General Contractors & Operative Builders; Primary Metal Industries; Printing, Publishing and Allied Industries; Transportation Equipment. Less than 70% of companies in these sectors made payments by due date while their share of payments over 90 days was as a rule much higher than Russia's average of 4.4%.

TABLE 27.7 SOURCE: INTERFAX

SECTORS WITH THE WORST PAYMENT RECORDS IN RUSSIA, 2016

	By due date	Up to 30 days	30-60 days	60 – 90 days	Over 90 days
Local and Suburban Transit and Interurban Passenger Transportation	56.7%	21.5%	5.9%	8.5%	7.4%
Services-Automotive Repair, Services and Parking	59.4%	18.9%	5.6%	9.0%	7.1%
Railroads, Line-Haul Operating	63.3%	20.2%	3.4%	5.0%	8.0%
Hotels, Rooming Houses, Camps and Other Lodging Places	68.4%	20.9%	3.4%	3.4%	4.0%
Air Transportation	68.5%	12.9%	3.8%	5.4%	9.5%
Services-Health Services	69.6%	18.3%	3.5%	5.5%	3.1%
Retail-Auto Dealers and Gasoline Stations	56.7%	21.5%	5.9%	8.5%	7.4%
Textile Mill Products	59.4%	18.9%	5.6%	9.0%	7.1%
Retail-Building Materials, Hardware, Garden Supply	63.3%	20.2%	3.4%	5.0%	8.0%
Fabricated Metal products	68.4%	20.9%	3.4%	3.4%	4.0%

**In accordance with the Standard Industrial Classification*

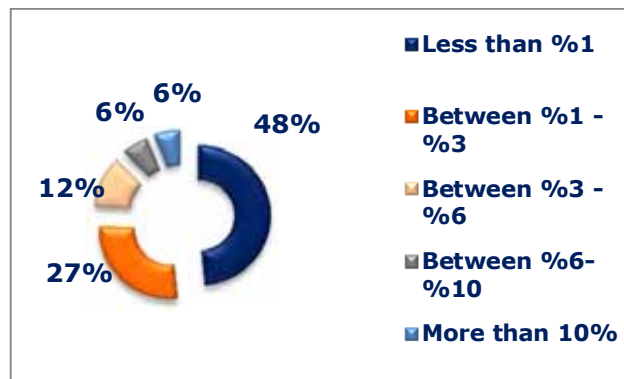
Positive trends emerging in Russia's economy have not yet made further improvements in the payment situation. Currently Russian companies are maintaining mostly good payment practices. Still, some sectors remain vulnerable. Power utilities, retailers, real estate, construction, and catering have to cope with growth in accounts payable outstanding and bad payment practices.

28. TURKEY

Below is the opinion of **Sedef Işıksel Çetin, Head of Economic Analysis Group, Products and CRIF Relations** at **CRIF Turkey**, on the economic scenario and payment situation in Turkey.

"It was depressing to observe negative expectations via D&B Turkey's Business Optimism Index. The Index reached its nadir of 2016 standing at 24 in Q4 2016. According to Credit Risk Map of Turkey in 2016, credit risk climbs due to the increase in geopolitical risk and political uncertainties. Turkey Credit Risk Index reached the lowest point since 2011 when the index calculations started. The highest risk bearing business line was construction, whereas the lowest risk activity was in manufacturing.

Our Trade Receivables Survey which we conducted in early Q4 2016 indicated that 67% of the respondents' customers asked for an extension in term in last 12 months. Collections delays cause mostly cashflow tensions and increase in financial costs. The 48% of the companies, the ratio of uncollectible receivables to total turnover is below 1%, this ratio was 66% last year. Below you may find the graphic shows this distribution.



In Turkey, credit terms are defined according to industry dynamics and the relationship between the suppliers and their customers. Economic players in Turkey, facing with an uncertain outlook tend to step on the brake, postpone investments, reduce expenditure and usually pay late to be more liquid. Normal period of credit associated with transactions with companies in Turkey is 60-90 days. Below you may find average terms of several industries indicated by our customers and trade partners."

Terms (days)	Sector
30-45	Transportation (air)
45-60	Transportation (water & land)
30-60	Machinery parts
0-15	Cables
60-90	Textile
45-60	Cosmetics
60-90	Power equipment
15-45	Business services

30-60	Consumer goods
60-90	Agriculture
30-60	Food
30-90	Chemicals
60 -90	Construction materials
45 -60	Electronics
15-30	Operational leasing
30-60	FMCG
60-90	Healthcare
120-150	Paint
30-60	Tourism

Payment analysis

In 2016, Turkish companies that paid their suppliers on time ("By due date" class) accounted for 51% of the total with a 0,7 percentage points increase compared with 2015 and 11,9 percentage points above the European average.

Moderate late payments ("Up to 30 days"), on the other hand, account for 36,3% of Turkish companies, while the intermediate late payment classes ("30-60 days" and "60-90 days") together account for 6,9 percentage points.

The variations for the late payment class of over 90 days are contained: at the end of 2016 the concentration of companies in this bracket was 5,8%, compared to 5,3% in 2015, and 4,3% pay more than 120 days late on average.

There is general uniformity in terms of payment behavior between Micro and Small companies, whereas Medium and Large companies tend to pay less in time.

Specifically, Small companies have the highest concentration of punctual payers, with 53,5% of the total, followed in second place by Micro companies with 52,6%.

Large companies, on the other hand, have the highest concentration in the moderate late payment class of up to 30 days on average (54,1%).

Late payment of between 30 and 90 days on average is highest in the Large and Micro categories, with 8,5% of the total.

In terms of serious late payments, the worst performance is seen for the Micro companies: 6,5% exceed an average of 90 days beyond agreed payment terms.

The sector which stands out as having the most balanced payment behavior is Finance, insurance and real estate: in this case, 59,4% of companies manage to pay within agreed terms.

On the other hand, for the Mining there is a lower share of on time payments of only 42,9%.

Late payments are concentrated in the "Up to 30 days" class, with the highest percentages for Manufacturing (39,6%), whereas the highest concentration for the intermediate payment classes (between 30 and 90 days over payment terms) was seen for the Transportation, communications, utilities sector with 8,8% of the total.

Mining sector is the one with the highest percentage in the late payment class: 13,6% of its companies pay with more than 90 days of delay.

As regarding the micro-sectors in terms of payment performance, in first place in the classification of best-paying are Food and kindred products and Primary metal industries.

On the contrary, the worst performance relates to Metal mining and Heavy construction, except building sectors.

TABLE 28.1 SOURCE: CRIF TURKEY

PERCENTAGE OF COMPANIES IN TURKEY WITH ON TIME PAYMENTS, 2012-2016

	2012	2015	2016
Turkey	52,1%	50,3%	51,0%
Europe	39,1%	37,5%	39,1%

TABLE 28.2 SOURCE: CRIF TURKEY

PERCENTAGE OF COMPANIES IN TURKEY WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2012-2016

	2012	2015	2016
Turkey	4,9%	5,3%	5,8%
Europe	3,3%	3,5%	3,7%

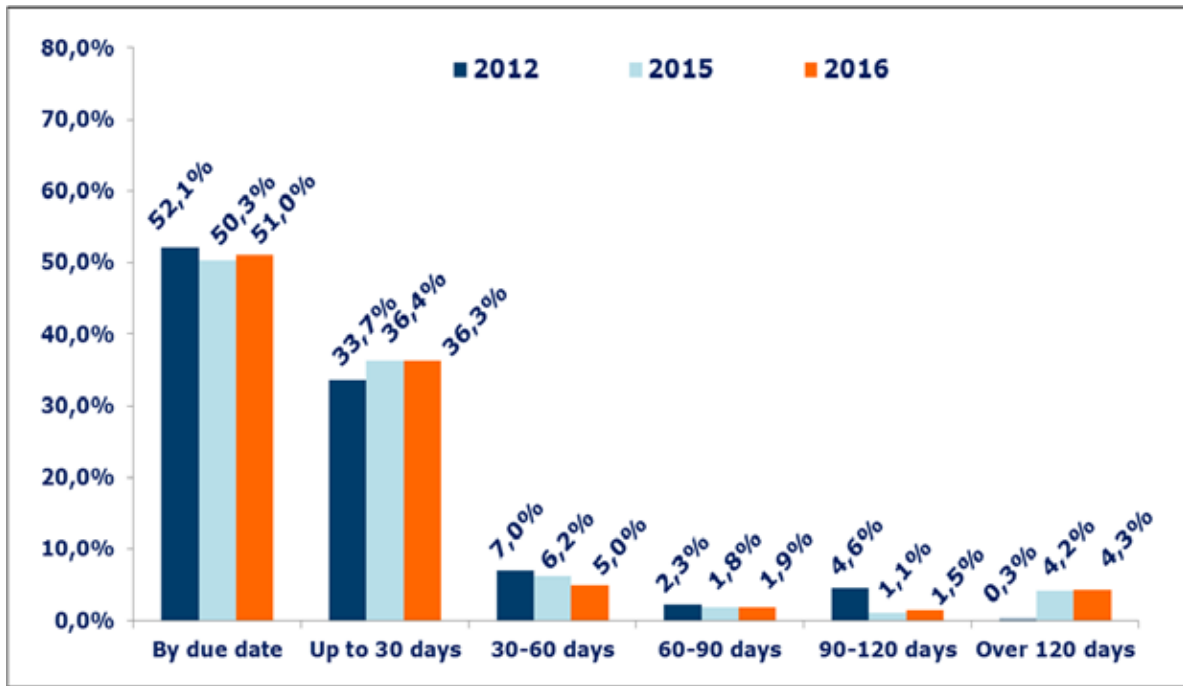
TABLE 28.3 SOURCE: CRIF TURKEY

VARIATIONS IN PAYMENT PRACTICES IN TURKEY, 2012-2016

	Variation 2012/2016	Variation 2015/2016
By due date	-1,1%	0,7%
Up to 90 days	0,2%	-1,2%
Over 90 days	0,9%	0,5%

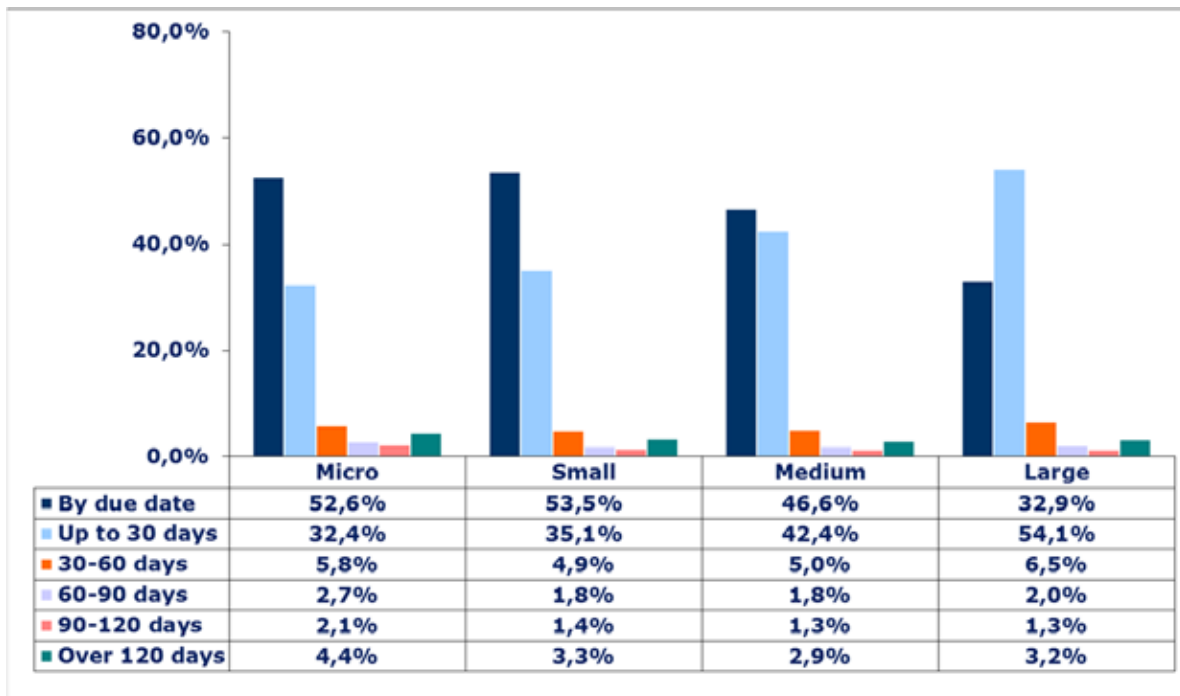
GRAPH 28.4 SOURCE: CRIF TURKEY

PAYMENT PRACTICES IN TURKEY BY PAYMENT CLASS, 2012-2016



GRAPH 28.5 SOURCE: CRIF TURKEY

PAYMENT PRACTICES IN TURKEY BY TYPE OF COMPANY, 2016



GRAPH 28.6 SOURCE: CRIF TURKEY

PAYMENT PRACTICES IN TURKEY BY PRODUCT SECTOR, 2016

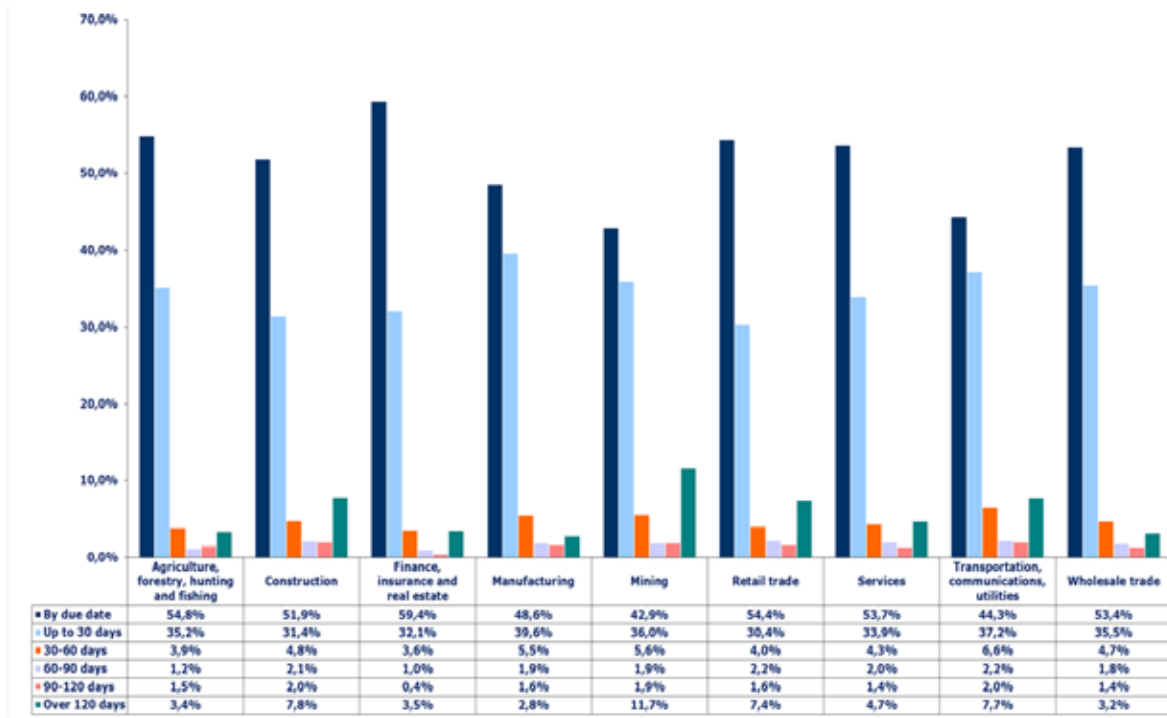


TABLE 28.7 SOURCE: CRIF TURKEY

SECTORS WITH THE BEST PAYMENT RECORDS IN TURKEY, 2016

Sector	Ranking 2016
FOOD AND KINDRED PRODUCTS	1
PRIMARY METAL INDUSTRIES	2
STONE, CLAY AND GLASS PRODUCTS	3
MISCELLANEOUS MANUFACTURING INDUSTRIES	4
ENGINEERING AND MANAGEMENT SERVICES	5
CHEMICALS AND ALLIED PRODUCTS	6
WHOLESALE TRADE - DURABLE GOODS	7
TEXTILE MILL PRODUCTS	8
FURNITURE AND FIXTURES	9
APPAREL AND OTHER TEXTILE PRODUCTS	10

TABLE 28.8 SOURCE: CRIF TURKEY

SECTORS WITH THE WORST PAYMENT RECORDS IN TURKEY, 2016

Sector	Ranking 2016
METAL MINING	65
HEAVY CONSTRUCTION, EXCEPT BUILDING	64
MISCELLANEOUS RETAIL	63
AUTO REPAIR, SERVICES AND PARKING	62
GENERAL BUILDING CONTRACTORS	61
AUTOMOTIVE DEALERS AND SERVICE STATIONS	60
FURNITURE AND HOME FURNISHINGS STORES	59
MISCELLANEOUS REPAIR SERVICES	58
EDUCATIONAL SERVICES	57
WATER TRANSPORTATION	56

29. GREECE

Below is the opinion of **Konstantinos Gondikas, Senior Financial Analyst of Credit Risk Services** at **ICAP Group** on the economic scenario and payment situation in Greece.

"The imposed capital controls (their impact was analysed in detail in Paydex Study 2016) and the prolonged negotiations with the EU lenders generated severe uncertainty dragging the Greek economy in 2015 in one more year of recession.

In 2016 the Greek economy, which is expected to deliver a zero or marginal increase in GDP, was dominated by two opposite financial outlooks.

From one hand, in the 1st half of 2016 the negative carryover of the capital controls accompanied with a further slump in exports (declined by 11.4%), imports (declined by 7.1%) and consumer spending (declined by 1.9%) continued even further the contraction of the economy by 0.7%. At the same interval, the South-Eastern Europe had an average increase of 2.9%, exhibiting the isolation of the Greek economy and the accumulated negative prospects of the imposed capital controls.

On the other hand, in the 2nd half of 2016 crucial milestones like the conclusion of the 1st bailout review, the access finally given to the second instalment of the bailout funds (€10.3bn in total), the gradual easing of the capital controls and the steady implementation of structural reforms under the new ESM programme had a positive impact on the liquidity and on the economic activity resilience restoring partly the business confidence. The positive economic climate was enhanced by the re-launch of the privatisations, the improvement of the banks' financial results, the increase of the investments and another strong tourism season. The economic growth in the second half of 2016 exhibits a less severe recession by the imposed capital controls than initially expected.

The growth initially recorded in the 2nd half of 2016 has the potential to accelerate during the following years. Although the short term debt relief is definitely a positive indication, the recovery and restructuring of the Greek economy that will allow the return to normality presumes the prompt conclusion of the 2nd bailout review, the complete removal of the remaining capital controls, the necessary fiscal adjustments that will make the entrepreneurship more friendly, the gradual decrease of the (highest in Eurozone) unemployment rate and the effective management of the banks' high non-performing loans that they are actually prohibiting their smooth operation. Equally important external risks that may hinder a sustainable future growth are the economic impact from a hard Brexit scenario, a potential fiscal impact from the refugee crisis and the unrest created from the growing terrorism.

Business Confidence

The European Economic Sentiment Indicator (ESI) is based on surveys gathering the assessments of economic operators of the current economic situation and their expectations about future prospects. From the survey-based data the Commission's Directorate General for Economic and Financial Affairs computes the ESI as well as monthly confidence indicators for the main sectors of the economy.

During the years of recession Greece records the lowest ESI in European Union; in 2015 it actually experienced some of the historical lowest values of the index ever recorded (e.g. 76.1 in August). However business confidence recovered relatively quickly, following an upward trend, in 2016 ESI finally reached its highest level at 94.6 in December, presenting a 7.99% rise from December 2015. Although the index exhibits a gradual shift in business confidence, it still remains the lowest in Eurozone and well below the mean value of 100.

The main reasons that seem to have contributed to the gradual increase of the business confidence are:

- *The improved liquidity resulting from the release of the long-awaited first disbursement of the second tranche amounting to €7.5 bn,*
- *The confidence in the banking system resulting from further relaxation of capital controls and the reinstatement of waiver for the Greek government bonds.*

The evidence from the Trade Exchange Program supports the abovementioned increase of business confidence in Greek entrepreneurship:

- *Companies paying on time have increased to 32.36% in 2016 from 22.72% in 2015,*
- *Several companies experiencing delays proceeded with settlements with their customers, extending their payments' maturity date and moderating the delays. Trade Exchange Program data shows this practice, through a shift from higher delay zones to lower ones. For example, the percentage of companies that delay their payments more than 60 days in 2016 decreased to 12.59% from 36.80% in 2015 and respectively the ones that delay their payments up to 30 days increased to 32.36% in 2016 from 22.72% in 2015.*

Despite the positive indicators, the continuing bad state of the Greek economy is reflected one more year from the fact that the percentage of companies paying on time and the ones paying over 90 days should remain among the lowest and highest respectively percentages in European Union countries."

Payment analysis

In 2016, Greek companies that paid their suppliers on time ("By due date" class) accounted for 32,4% of the total (+9,7% compared to 2015), 6,7 percentage points under the European average.

Moderate late payments ("Up to 30 days"), on the other hand, account for 37,8 percentage points, while the intermediate late payment classes ("30-60 days" and "60-90 days") together reach 22,1%.

At the end of 2016 the concentration of companies in the "Over 90 days" class was almost 8% (7,7%) and 4,1% pay more than 120 days late on average; however, the situation improved compared to 2015 (-12,2% of "bad payers").

Micro and Small companies have the highest concentration of punctual payers: Micro with 37,5% and Small with 30,6% of the payments in time.

Medium companies, on the other hand, have the highest concentration in the moderate late payment class of "Up to 30 days" on average (36,5%), while only 23,1% pay by due date.

However, in general it can be seen that there is a similar trend as regards the payments in the "Up to 30 days" class; in fact, all vary around an average of 35% of the total.

In terms of serious late payments, the worst performance is seen for the Large and Small companies, but the percentages improved when compared with those of the last year: 10,8% of the Large companies exceed an average of 90 days beyond agreed payment terms and almost 6% of the Small companies belong to "Over 120 days".

A somewhat heterogeneous context emerges from sector-based analysis, with rather differing performances between the various sectors considered.

The sector which stands out as having the most balanced payment behavior is Wholesale: in this case, 37,5% of companies manage to pay within agreed terms.

For the Services sector, on the other hand, there is a lower share of on time payments of 22,4%.

Late payments are concentrated in the "Up to 30 days" class, with the highest percentages for Retail trade (39%), whereas the highest concentration for the intermediate payment classes (between 30 and 90 days over payment terms) was seen for the Services sector with 33,6% of the total.

Finally, the most serious late payment class (over 90 days on average) is highest in the Services sector (12,5%), followed by Construction with the 11,8% of the total.

TABLE 29.1 SOURCE: ICAP GROUP

PERCENTAGE OF COMPANIES IN GREECE WITH ON TIME PAYMENTS, 2014-2016

	2014	2015	2016
Greece	32,3%	22,7%	32,4%
Europe	37,6%	37,5%	39,1%

TABLE 29.2 SOURCE: ICAP GROUP

PERCENTAGE OF COMPANIES IN GREECE WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2014-2016

	2014	2015	2016
Greece	19,5%	19,9%	7,7%
Europe	3,8%	3,5%	3,7%

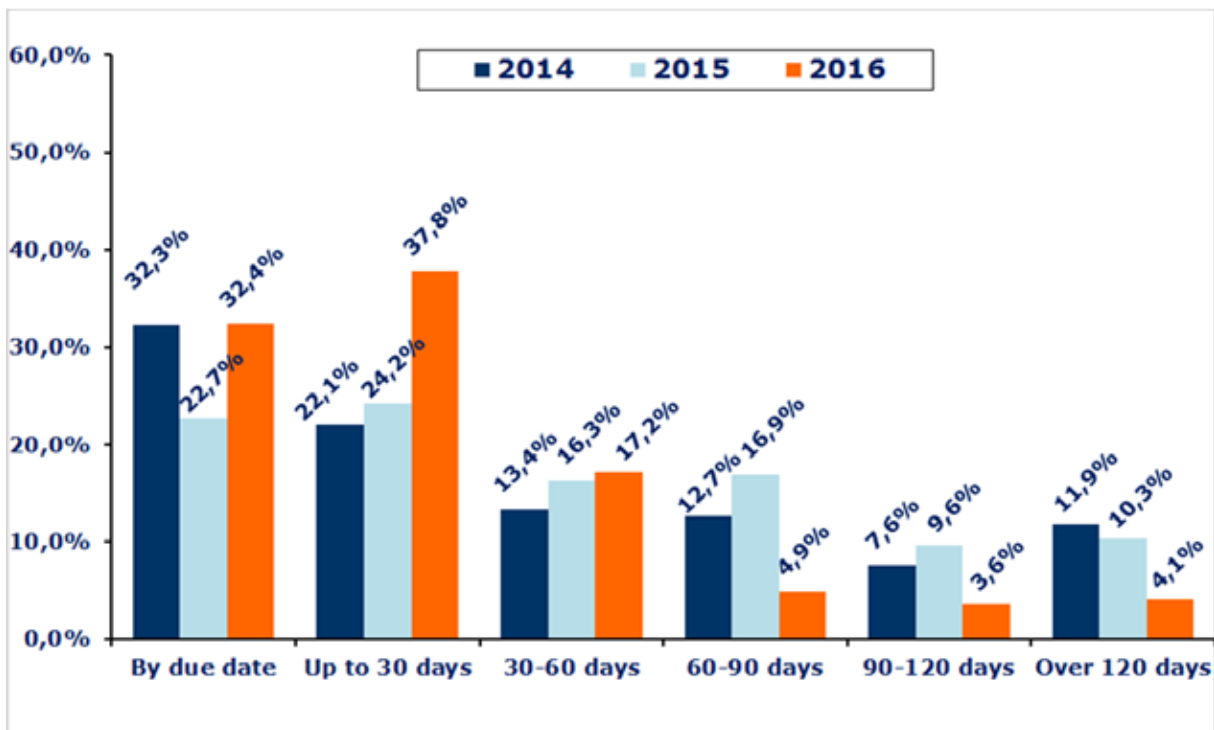
TABLE 29.3 SOURCE: ICAP GROUP

VARIATIONS IN PAYMENT PRACTICES IN GREECE, 2014-2016

	Variation 2014/2016	Variation 2015/2016
By due date	0,1%	9,7%
Up to 90 days	11,7%	2,5%
Over 90 days	-11,8%	-12,2%

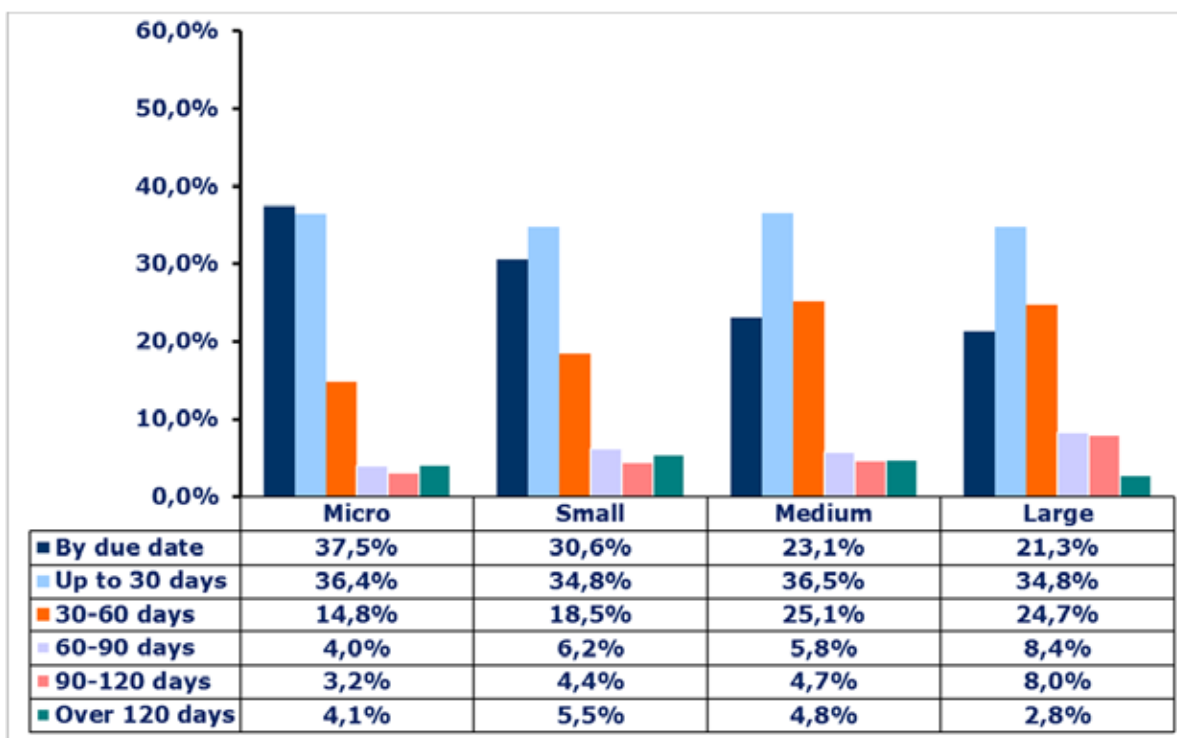
GRAPH 29.4 SOURCE: ICAP GROUP

PAYMENT PRACTICES IN GREECE BY PAYMENT CLASS, 2014-2016



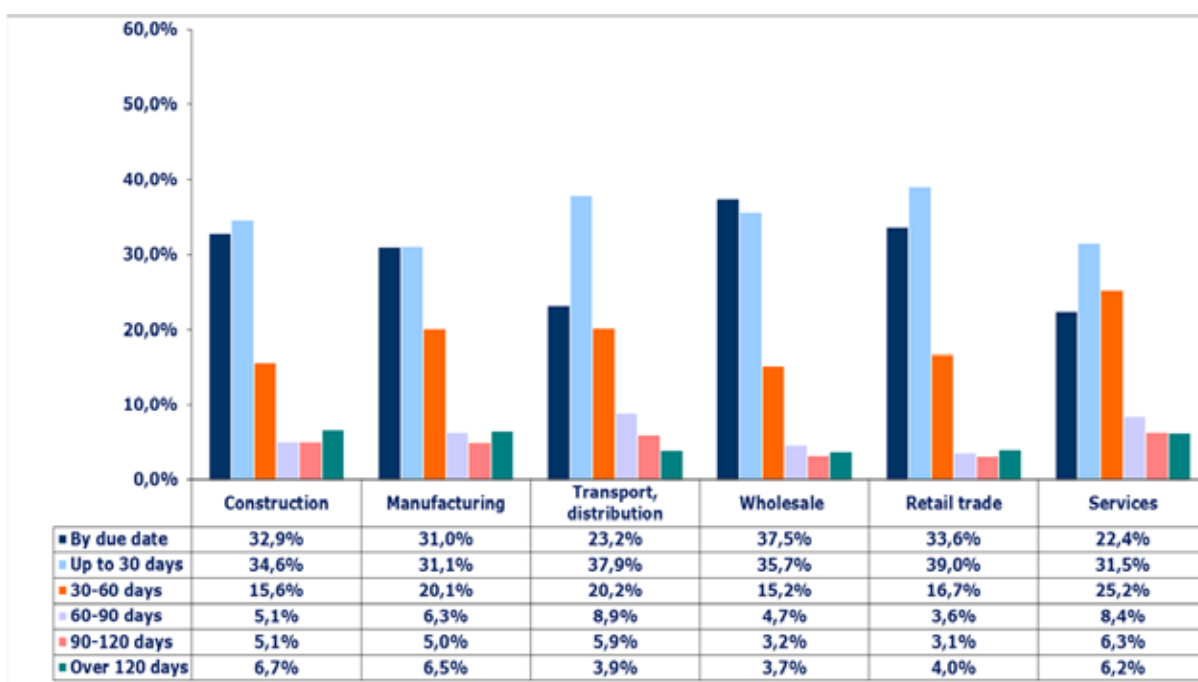
GRAPH 29.5 SOURCE: ICAP GROUP

PAYMENT PRACTICES IN GREECE BY TYPE OF COMPANY, 2016



GRAPH 29.6 SOURCE: ICAP GROUP

PAYMENT PRACTICES IN GREECE BY PRODUCT SECTOR, 2016



30. BULGARIA

Below is the opinion of **Theodoros Polydoros, Executive Director** at **ICAP Group**, on the economic scenario and payment situation in Bulgaria.

"The positive economic development of the country in the last years continued in 2016 and Bulgaria's GDP grew by about 3.5% on an annual basis. The private consumption growth, driven by consumer confidence, posted the highest developments due to the narrowing unemployment, the wages increase and the registered deflation. Other positive economic factors were the support of EU programs for financial assistance, as well as the growth in exports, which is at record high levels in the recent history of the country.

The investments in the country recovered more slowly, as the foreign direct investments flow to Bulgaria in 2016 reached about EUR 2 Bln or about 5% of the GDP of the country (EUR 1.7 Bln in 2015), reaching the highest amounts for the last 5 years.

All the above mentioned factors created a positive liquidity environment in the country and, in general, the indebtedness in the country decreased. This is also evidenced by the decreasing non-performing loans in the banking sector, the slightly increasing corporate and household loans, private consumption and exports.

In 2016 the number of active companies was 845,556: 7.2% more new companies were registered in this last year compared to 2015. While the companies in insolvency procedure decreased by 34% on an annual basis (11% for the previous period).

For the 2016, Trade Exchange statistics in Bulgaria conclude the following:

- *Only 23.74% of companies pays their debts within the agreed period.*
- *The majority of companies delays their payments (66.26%).*
- *For 4.4% of companies the delays are over 60 days from the due date, while for 72% of companies the delays are within 30 days from the due date.*
- *All business activity sectors (industry, commerce and services) still display a similar trend in their payments transactions fulfilment. However, out of the analyzed sectors, the companies in the Services Sector register 60 or more days late more than average.*

The payment behavior is expected to further improve with the positive development of the economy and the increasing financing. Following the European Commission forecast report of the autumn 2016 and the International Monetary Fund analysis, the GDP growth is projected at 2.9% and 2.8% in 2017 and 2018, respectively.

Employment growth is projected to increase from 0.8% in 2017 to 0.7% in 2018. Together with the expected decrease in the labour force due to population ageing and emigration, this is likely to further reduce the unemployment rate to 7.1% in 2017 and 6.3% in 2018."

Payment analysis

In 2016 Bulgarian companies that paid their suppliers on time ("By due date" class) account only 23,7% of the total, 15,4 percentage points under the European average.

On the other hand, the moderate late payments ("Up to 30 days") account for 64,9 percentage points, while the serious delays on payments don't reach remarkable values (3,1% in the "Over 90 days" class).

We can notice some improvements in payment behavior if we consider the comparison with 2015: the percentage of companies that respect agreed payment terms has increased by 2%, payers in the "Up to 90 days" have grown by 5,2 percentage point and the share of "bad payers" (payment over 90 days late on average) has decreased by 7,2%.

Large companies have the highest concentration of punctual payers, with more than 27% of the total. Micro companies, on the other hand, have the highest concentration in the moderate late payment class "Up to 30 days" (70,2%), while only 18,7% pay by due date.

In term of serious late payments, the worst performance is seen for Micro companies, but the percentage always remains under 4% (2,2% of serious late payments in the "Over 120 days" class). In general, percentages don't exceed 2,2% in the serious late payments.

Finance services sectors show the best payment performances, with 30,6% of punctual payers. Others sectors always remain under 30% of the punctual payers.

A large part of Bulgarian companies are in the "Up to 30 days" class, with similar values varying between 56,7% for Finance services and 69,5% for the Manufacturing sector.

For the intermediate late payment class (between 30 and 90 days on average), the highest value is seen for the Construction sector with 12,2% of the sample.

Finally, the most serious payments class (over 90 days on the average) is highest in the Transport, distribution sector (6,7%), followed by Construction with the 4,5% of the total.

TABLE 30.1 SOURCE: ICAP BULGARIA

PERCENTAGE OF COMPANIES IN BULGARIA WITH ON TIME PAYMENTS, 2015-2016

	2015	2016
Bulgaria	21,7%	23,7%
Europe	37,5%	39,1%

TABLE 30.2 SOURCE: ICAP BULGARIA

PERCENTAGE OF COMPANIES IN BULGARIA WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2015-2016

	2015	2016
Bulgaria	10,3%	3,1%
Europe	3,5%	3,7%

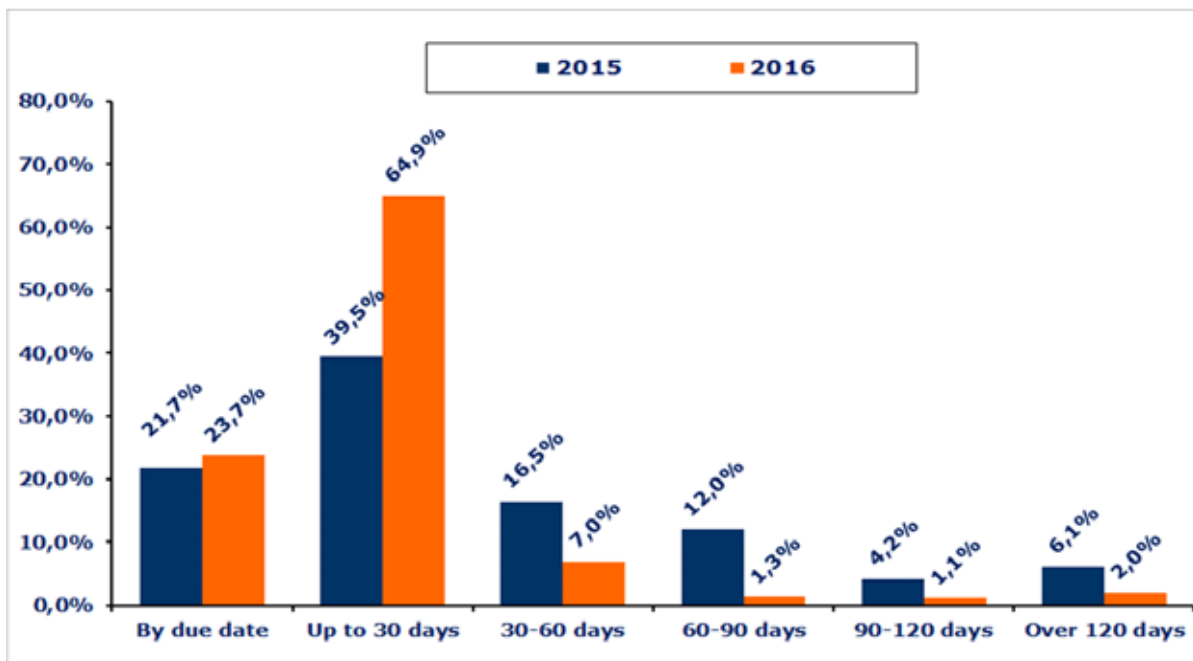
TABLE 30.3 SOURCE: ICAP BULGARIA

VARIATIONS IN PAYMENT PRACTICES IN BULGARIA, 2015-2016

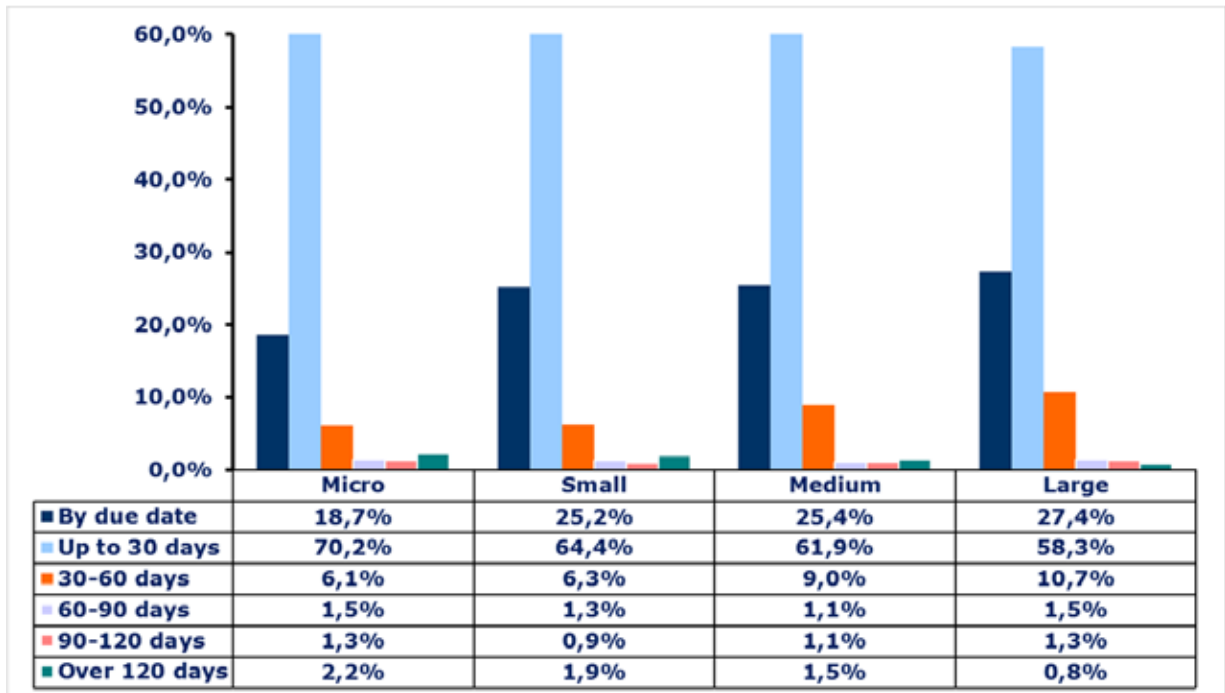
	Variation 2015/2016
By due date	2,0%
Up 90 days	5,2%
Over 90 days	-7,2%

GRAPH 30.3 SOURCE: ICAP BULGARIA

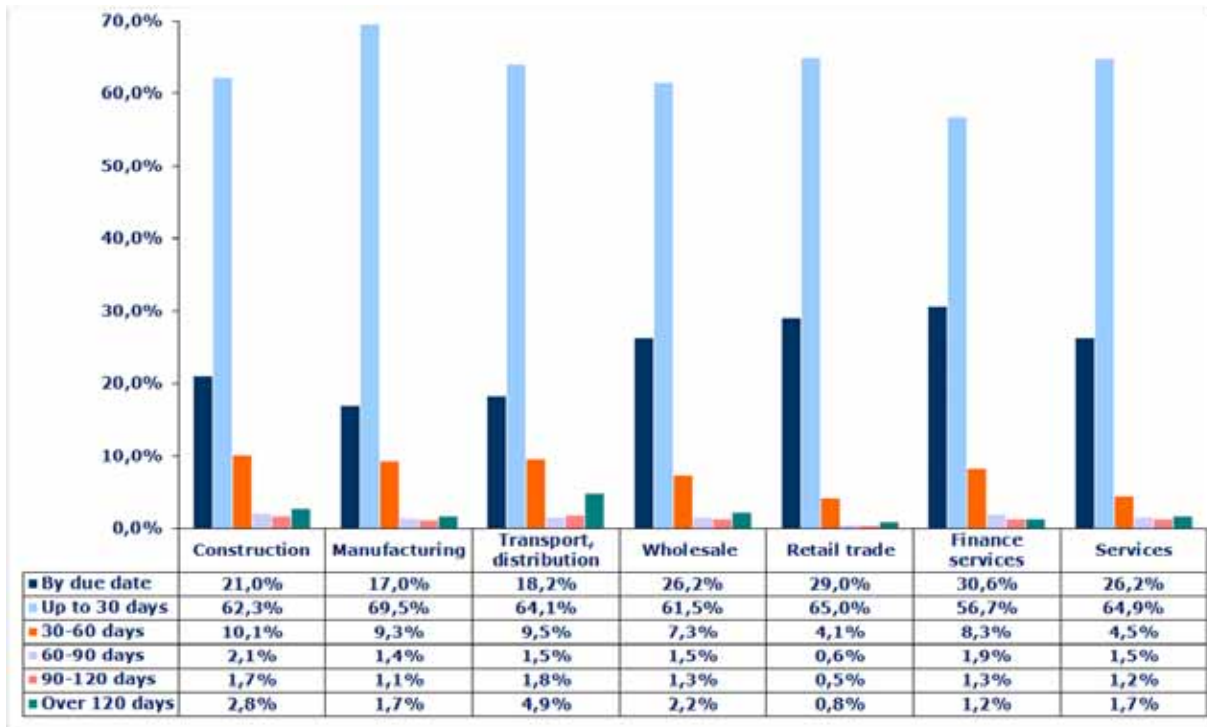
PAYMENT PRACTICES IN BULGARIA BY PAYMENT CLASS, 2015-2016



PAYMENT PRACTICES IN BULGARIA BY TYPE OF COMPANY, 2016



PAYMENT PRACTICES IN BULGARIA BY PRODUCT SECTOR, 2016



31. LITHUANIA

Below is the opinion of **Victor Vaitkevicius, Director** of **BALTFAKTA UAB**, on the economic scenario and payment situation in Lithuania.

"According to preliminary estimates of the Lithuanian Department of Statistics, Lithuanian GDP grew up 2.2 percent in 2016 and equaled 38,6 billion Euros. Annual increase was slowed down by decrease in construction and agricultural sectors. It is stated that GDP increased all quarters: 1Q - 0,6 percent, 2-3 Q - 0,4 percent and Q4 1,3 percent.

The largest impact on growth of Q4 GDP rate was made by better performance results of enterprises engaged in wholesale and retail trade, repair of motor vehicles and motorcycles, transportation and storage, accommodation and food service, and agriculture.

2016 exports of goods equaled 22.5 billion Euros while imports amounted to 25 billion Euros. Compared to 2015, both decreased about 1.6 percent. The structure of export/import markets remains the same. The main exports partners were Russia, Latvia, Poland and Germany. Although Russia remains main foreign trade partner, the volume of sales that direction have a decreasing trend.

According to information of State Register there were about 104 thousand active companies in Lithuania, this makes 47 percent of 223 thousand of legal entities registered in Lithuania as at the end of Q4 2016. About 80% of active companies can be classified as SMS, having up to 10 employees. The majority of legal entities have income of less than 0.3 Mln. EUR.

Over the first nine months of 2016, the pretax profit earned by Lithuanian companies amounted to 3.8 billion Euros, 14% increase. Pretax profit grew in all sectors except for construction activities. It is stated that in 2016 average profit margin grew up about 0.5 percent and reached 6 percent.

Following EU Directive 2011/7/EU, applied in Lithuania in 2013, maximum payment term should not exceed 60 days. Investigation shows that in 2016, as in 2015, most of Lithuanian companies (over 50%) apply 30 days payment terms. This practice varies slightly depending on industry sector. 30-60 days are used more often working with public sector companies.

Investigation of market opinion shows relatively stable situation with payment delays. About 15% of businesses think that payment delays are increasing while about 80% state payment terms are the same as in 2015. Though it is stated that over 50% of companies experienced late customer payments.

This percentage is higher among companies, applying shorter (30 days) terms. Rather high percentage of tolerance of late payments in local to local sector to a certain degree can be explained by growing competition and relatively stable macroeconomic background.

Meantime decrease in tolerance of late payments and increasing value of Statutory information analyzing company data can be seen. In 2016 Social Security (SODRA) fund initiated 48% of bankruptcy processes in first half of 2016 (23% in first half of 2015) and Tax Authorities initiated 18% bankruptcies in 2016 (29% in 2015).

Overview of dynamics of mandatory payments to SODRA displays small increase in number of Joint Stock companies having delayed Social Security payment (from 8.5 percent in Q4 2015 to 8.9 percent in Q4 2016). At the same time frequency of collection cases initiated by SODRA increased from 3.8 percent in Q4 2015 to 4.1 percent in Q4 2016.

Lithuanian authorities consistently follow plans improving business transparency. The second stage of „smart taxes“ program, started by Tax Inspection including automated exchange of V.A.T. invoice data started in October 2016. In February 2017 SODRA started publishing data on average salary of Lithuanian companies on monthly basis.

This is done seeking to improve payment discipline and as a result of the realization of these plans more data, important for effective credit risk management, become available.“

Payment analysis

The Lithuanian payment system in 2016 is characterized by a good performance and by an improvement compared to 2015.

The share of companies in “Very Small” class is 74,3% of the total, with a 2,9 percentage point increase vs. 2015.

“Small” class account for 11,6% of Lithuanian businesses, while intermediate late payment class (“Medium”) interest the 7,2% of cases.

“Bad payers” (“High” class) has decreased by 1,5 percentage points, from 8,4% registered in 2015 to 6,9% of 2016.

Large companies have the highest concentration of good payers, with 90,1% of the total in the “Very Small” class, followed by 7% in the classes “Small”.

Good performances also for the other companies with more than 72% of cases with very small risk of payment with delay.

In terms of serious late payments, the worst performance is seen for the Micro companies: 7,8% of the total belongs to the classes “High”, followed by Small businesses with 5,6%.

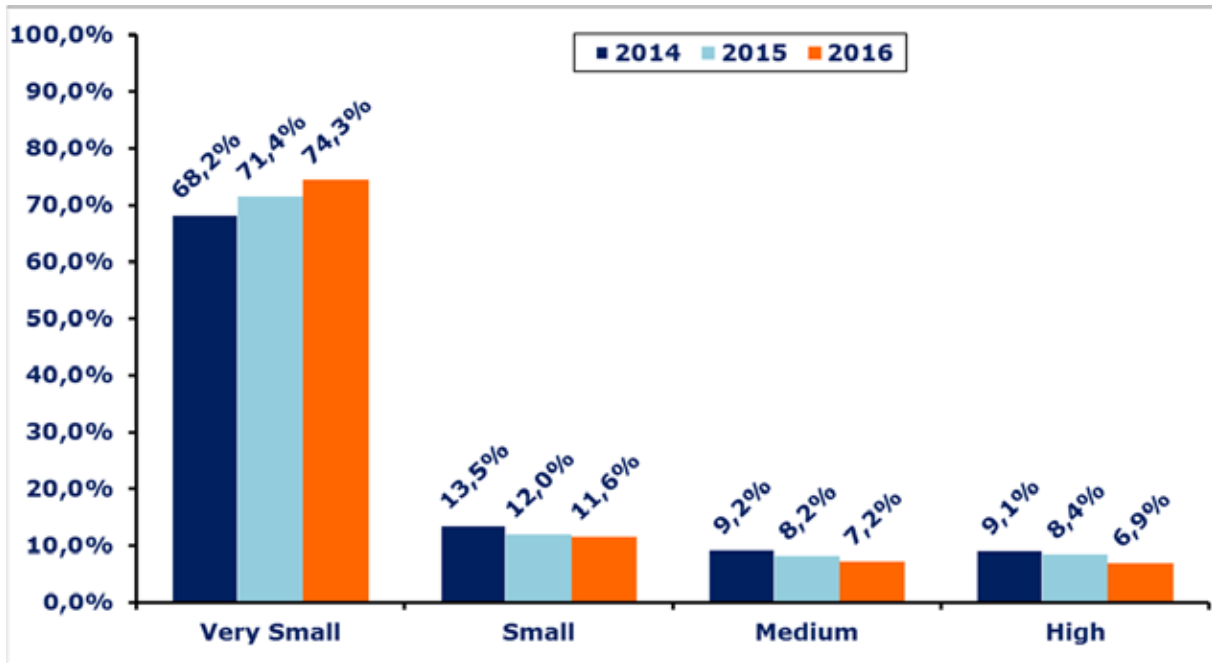
For all macro-sectors there is a widespread tendency to manage commercial transactions with good performance: the best sectors are Public administration and defence (96% in “Very Small” class), Other services activities (89,3%) and Human health and social work activities (86,8%).

Payment performance, on the other hand, are less positive in Accommodation and food service activities in which 66,6% of companies has a very small risk and 6,3% is in the “High” class.

The highest percentages in the “Medium” class are seen for Construction and Accommodation and food service activities (13,2%) and Manufacturing (11%).

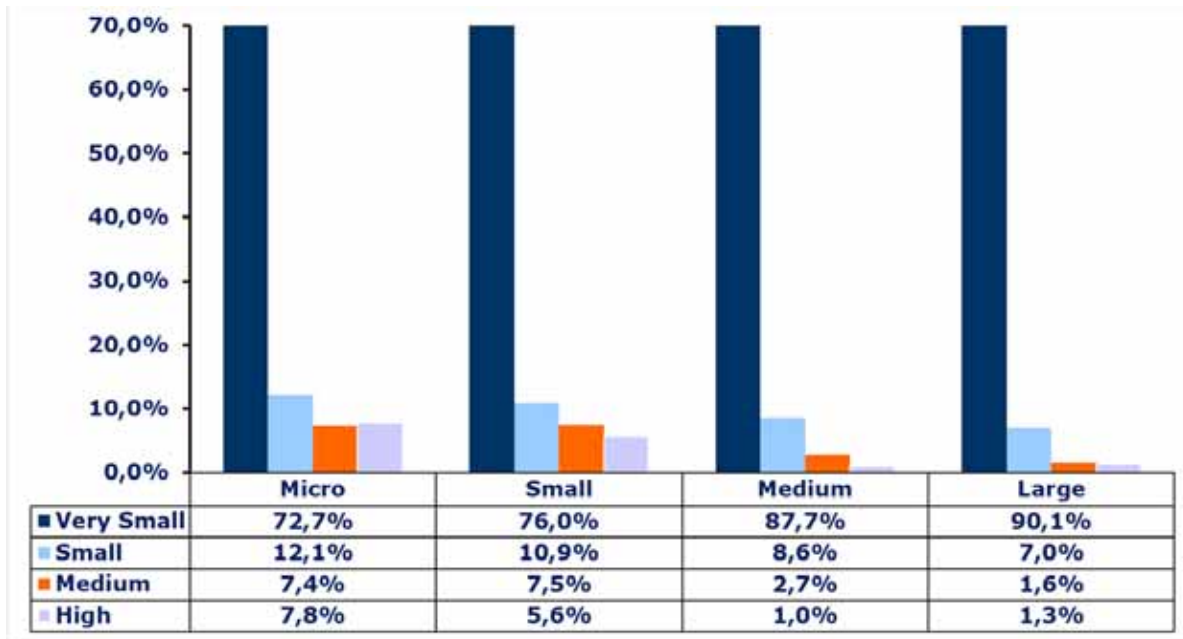
GRAPH 31.1 SOURCE: DUN & BRADSTREET LITHUANIA

PAYMENT PRACTICES IN LITHUANIA BY PAYMENT CLASS, 2014-2016



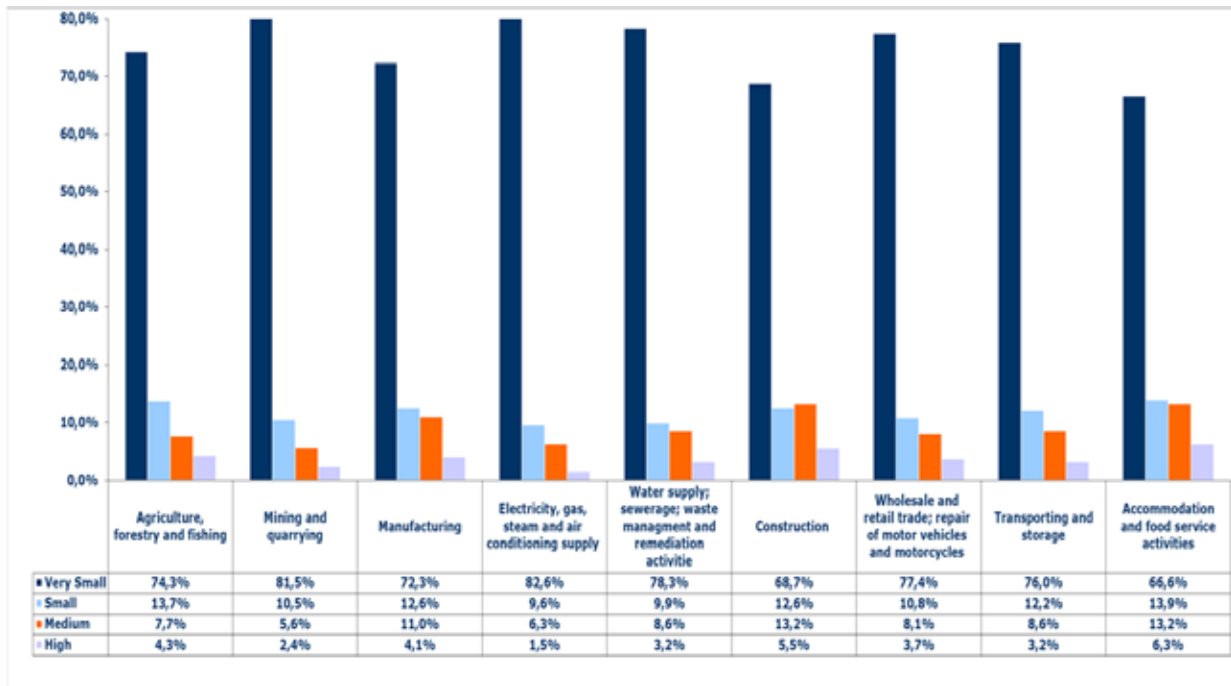
GRAPH 31.2 SOURCE: DUN & BRADSTREET LITHUANIA

PAYMENT PRACTICES IN LITHUANIA BY TYPE OF COMPANY, 2016



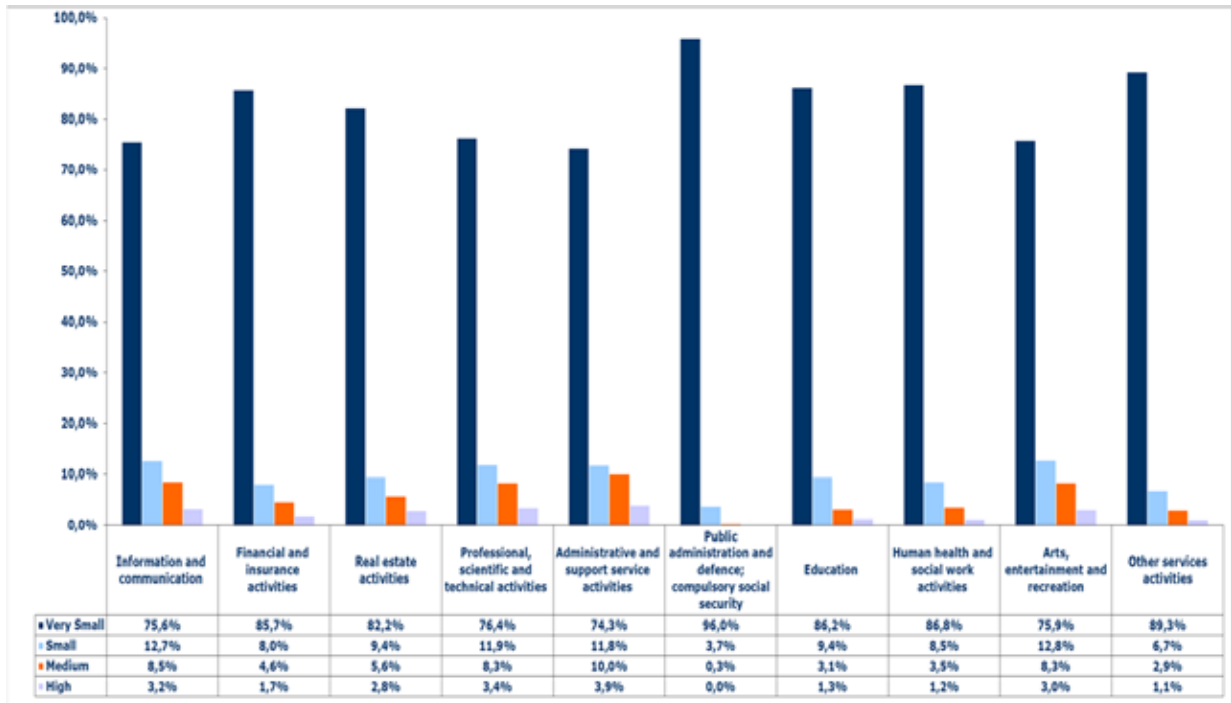
GRAPH 31.3 SOURCE: DUN & BRADSTREET LITHUANIA

PAYMENT PRACTICES IN LITHUANIA BY PRODUCT SECTOR, 2016



GRAPH 31.4 SOURCE: DUN & BRADSTREET LITHUANIA

PAYMENT PRACTICES IN LITHUANIA BY PRODUCT SECTOR, 2016



32. ROMANIA

Below is the opinion of **Elena Mirea, Senior Manager –Trade and Romanian Market Studies** at **ICAP Romania**, on the economic scenario and payment situation in Romania.

“Romania has continued to produce economic growth, despite several governmental and institutional changes made during 2014 and 2015. The country's national priorities are anchored in the EU framework. In 2016, Romania's economy lost some momentum in Q3 according to a revised estimate from the Statistics Institute released on 6 December. The slowdown was felt in private consumption, investment and government spending growth; all of them dropped compared to Q2's very strong set of figures. The new government's platform is expanding fiscally, consisting of tax reductions and increases in the minimum wage, pensions and welfare spending, meaning it may struggle to stick to its pledge to keep the fiscal deficit below the EU's 3% limit.

The Romanian economy increased by 4.3% in 2016 compared to the previous year. The unemployment rate was 5.7%, decreasing 1.2 percentage points compared to 2015. The inflation rate in Romania in 2016 remained negative at -0.54%, similar with the previous year value (-0.59%). Foreign Direct Investments reached to 274.8 million euros in 2016.

*In 2016 the number of **active companies** was **807.849**. 6% fewer **new companies** have been registered up to November 2016 compared to the same period of 2015. This was a significant decrease if we take into consideration that in 2015 were opened 11% more companies compared to 2014. The **radiated companies** also recorded an increase of 28% in November 2016 compared to November 2015. Therefore, in 2016 the number of new companies is smaller than the radiated ones (100,137 vs 100,764 in absolute values for 2016).*

In 2015 the Romanian state started to be involved stronger in the Fiscal Antifraud Program through National Agency for Fiscal Administration controls, which generated an increase in the number of radiated companies. Anti-corruption activities have increased and the National Anticorruption Directorate (DNA) registered a record number of cases in 2016. Its credibility was supported by the indictment of high-profile and active figures economics.

*The **number of companies with overdue debts to the state budget** recorded a 15% increase after 2 years of continuous decrease (-3% in 2014 and -11% in 2015). 17% of the total universe of active companies presents overdue debts to the state at November 2016.*

*The **number of companies with at least one Insolvency procedure** has continued the decrease in 2016 (19% less than 2015).*

The 2016 Trade Exchange statistics should be related to the few years' activity on TEP market and to the above mentioned economic climate in the real economy:

- The companies that pay within terms represent 18% of the universe recorded, decreasing percentage comparing to 26% recorded in 2015;*
- More than half of the companies beyond terms delay their payments up to 60 days (62%). Out of these, 48% delay their payments by 30-60 days;*
- 18% of the companies beyond terms delay their payments by 15 days*

- *The biggest increase was recorded by companies "beyond terms which delay payment over 90 days, especially over 120 days" (+10% more than previous period).*

Regarding the profile of entities recorded:

- *Manufacturing sector is the one with the largest number of companies that pay in time (31%). It is also the only sector that recorded an increase in companies that pay within term;*
- *The highest percentage of companies with delay in their payments, up to 30 days, is recorded by companies from Construction (31%).*

As a conclusion on payment behavior in Romania, less than a fifth of Romanian companies should be expected to pay within terms. The majority of companies are paying with a delay of 30 to 60 days.

Recent fiscal incentives (lower VAT, very low dividends taxation) are expected to boost growth above potential real GDP in the upcoming period 2016-2017. These measures, combined with accelerating wages growth will add further acceleration on domestic demand. The 2016 National Reform Program, including the Country Specific Recommendations issued by the European Commission (EC), reconfirmed the roadmap for achieving the Europe 2020 objectives for smart, sustainable, and inclusive growth".

Payment analysis

In 2016, Romanian companies that paid their suppliers on time ("By due date" class) accounted only 17,6% of the total, 21,5 percentage points under the European average.

The moderate late payments ("Up to 30 days") account for 26,7 percentage points, while the intermediate late payment classes, "30-60 days" and "60-90 days", together reach 35,3%.

The share of "bad payers" ("Over 90 days") at the end of 2016 account 20,4% of the total.

Large and Medium companies have the highest concentration of punctual payers, with 25,2% and 23,2% of the total, respectively.

While the worst performance with regards punctual payments lies with the Micro companies (only 7,8% of the total).

Large companies have also the highest concentration in the moderate late payment class "Up to 30 days" (36,9%).

In term of serious late payments ("Over 90 days"), the worst performance is seen for Micro companies with 34,4% of the total, followed by Small companies with 19%.

TABLE 32.1 SOURCE: ICAP ROMANIA

PERCENTAGE OF COMPANIES IN ROMANIA WITH ON TIME PAYMENTS, 2016

	2016
Romania	17,6%
Europe	39,1%

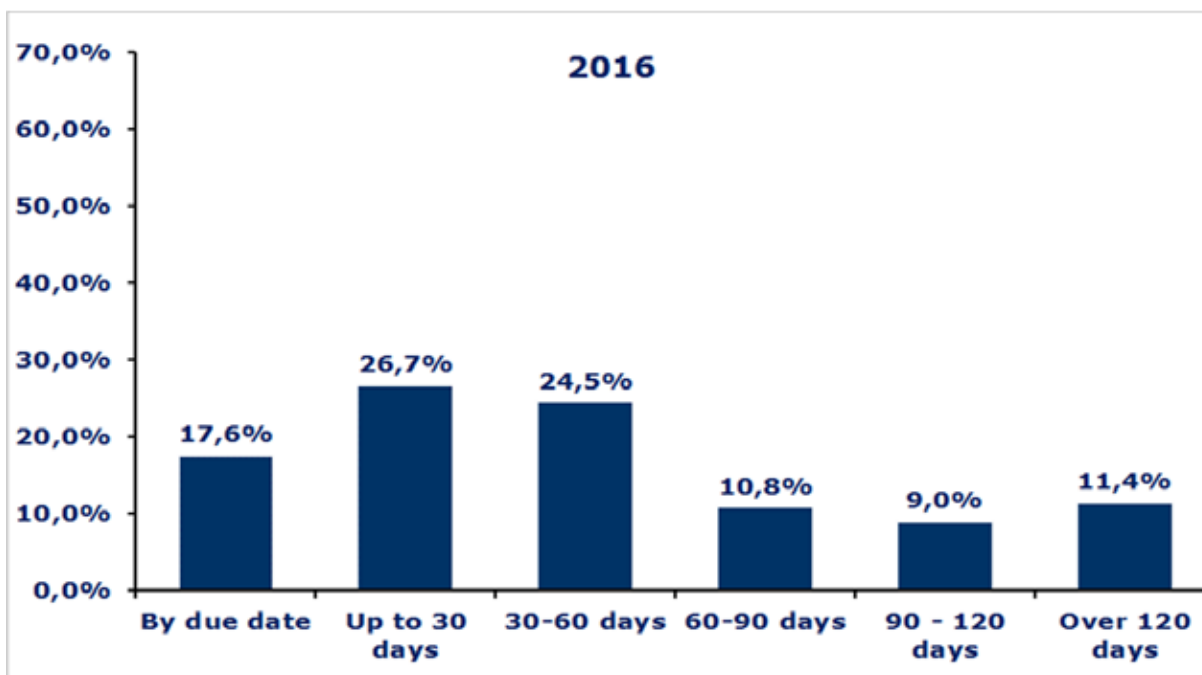
TABLE 32.2 SOURCE: ICAP ROMANIA

PERCENTAGE OF COMPANIES IN ROMANIA WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2016

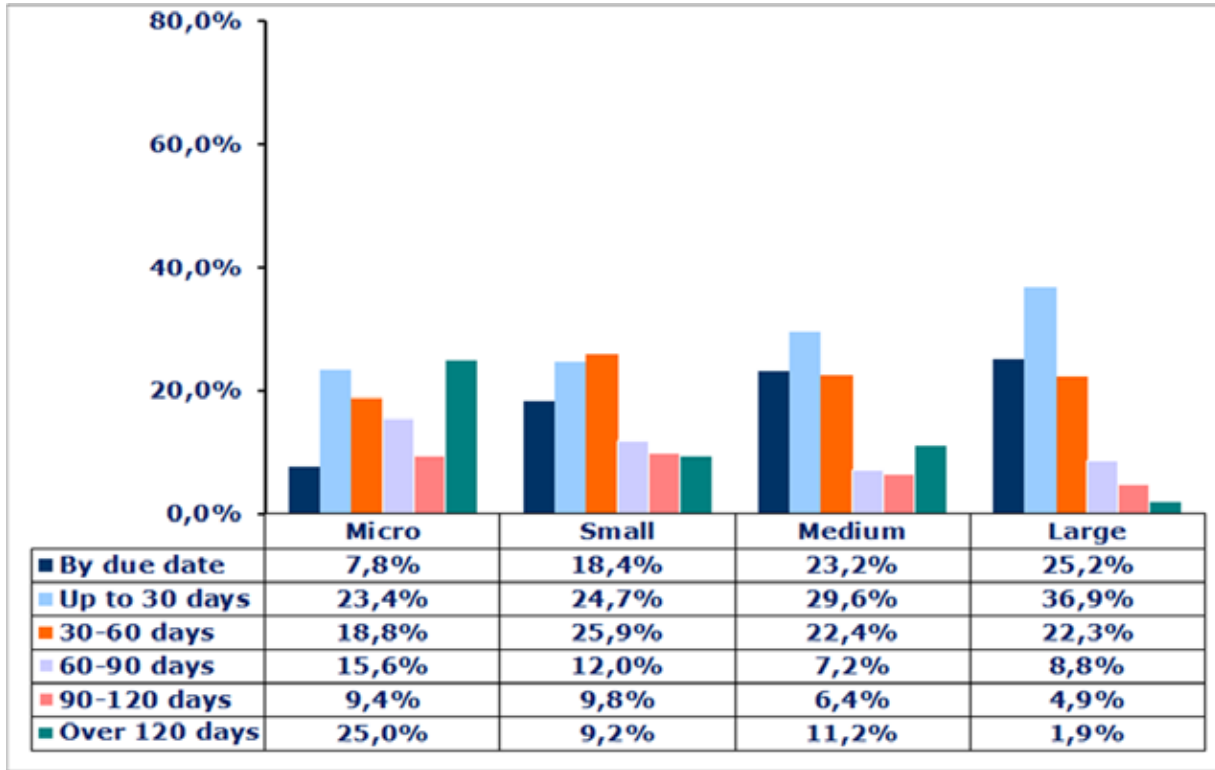
	2016
Romania	20,4%
Europe	3,7%

GRAPH 32.3 SOURCE: ICAP ROMANIA

PAYMENT PRACTICES IN ROMANIA BY PAYMENT CLASS, 2016



PAYMENT PRACTICES IN ROMANIA BY TYPE OF COMPANY, 2016



33. ITALY

Below is the opinion of **Marco Preti, CEO of CRIBIS D&B**, on the economic scenario and payment situation in Italy.

"There are weak but sustained signs of improvement in the late payments of Italian companies.

The fall in serious late payments can certainly be interpreted as an indicator of the improvement in the health of Italian businesses. Bankruptcies, another important indicator, have in fact been falling constantly over the past couple of years. Moreover, our annual survey of those invited to the Payment Study Conference showed cautious optimism on the part of companies: according to 54%, the condition of their companies will improve over the next 12 months, while only 10% foresee a worsening.

These same companies, however, highlighted that over recent years they have had to deal with a very difficult situation, characterized by a reduction in business and a growth in late and non-payments.

All this therefore demonstrates how the management of trade receivables has become a central factor in the life of a company, together with product quality and business strategies. As CRIBIS we are a privileged observer, being the partner of leading companies from different sectors and of over 15,000 Italian SMEs. We can therefore say that those companies which obtained the best performance are those which used credit management as one of the parameters for customer segmentation, together with business needs and objectives. Payment punctuality has therefore become one of the key elements for optimizing cash flow and identifying which customers to retain and which to invest in.

And the data confirm this approach: analyzing our clients who have chosen advanced trade receivables management, it has emerged that in this group of clients serious late payments have dropped by around 80%, reaching 2.7%. This means that those who manage trade receivables well not only collect more, have better working capital management and reduced short-term borrowing, but also in turn become more virtuous in relation to their own suppliers, thus distributing liquid resources within their own chain. We can therefore confirm that in the near future credit management will become a strategic element not just for the individual company, but a more general objective that the whole economic system should pursue."

33.1 Payment terms

In 2016 the vast majority of Italian companies have to observe payment terms of between 31 and 90 days: in particular, 25% of the total belongs to "31-60 days" class and 23,7% to "61-90 days" class.

Terms more restricted and within 30 days have been imposed on 29,2% of the sample (no day extension has been accorded to the 6,2%).

We can notice, however, lower percentages for payment terms more extended: 11% have to respect payment terms of between 91 and 120 days, while 11,1% of companies are in the "Over 120 days" class.

Compared to 2015, it is possible to see a slight increase in the share of companies in the "1-30 days" class of 3,1 percentage points, while the concentration in the "31-60 days" class has decreased by 4,5%. The other classes don't show any significant changes.

If we consider the geographical area detail, the results are similar to the one of the overall national picture: Italian companies have to observe contractual payment terms of between 31 and 90 days (48,7%).

South and Islands is the area with the higher percentage of companies to which have been accorded conditions of over 90 days (24,8% of the total).

In relation to payment terms of less than 30 days, there is a higher concentration in the Northeast with 36% of companies.

Finally, in the Northwest only the 5,1% of the total has been asked to pay in advance (vs. 7,9% of South and Islands).

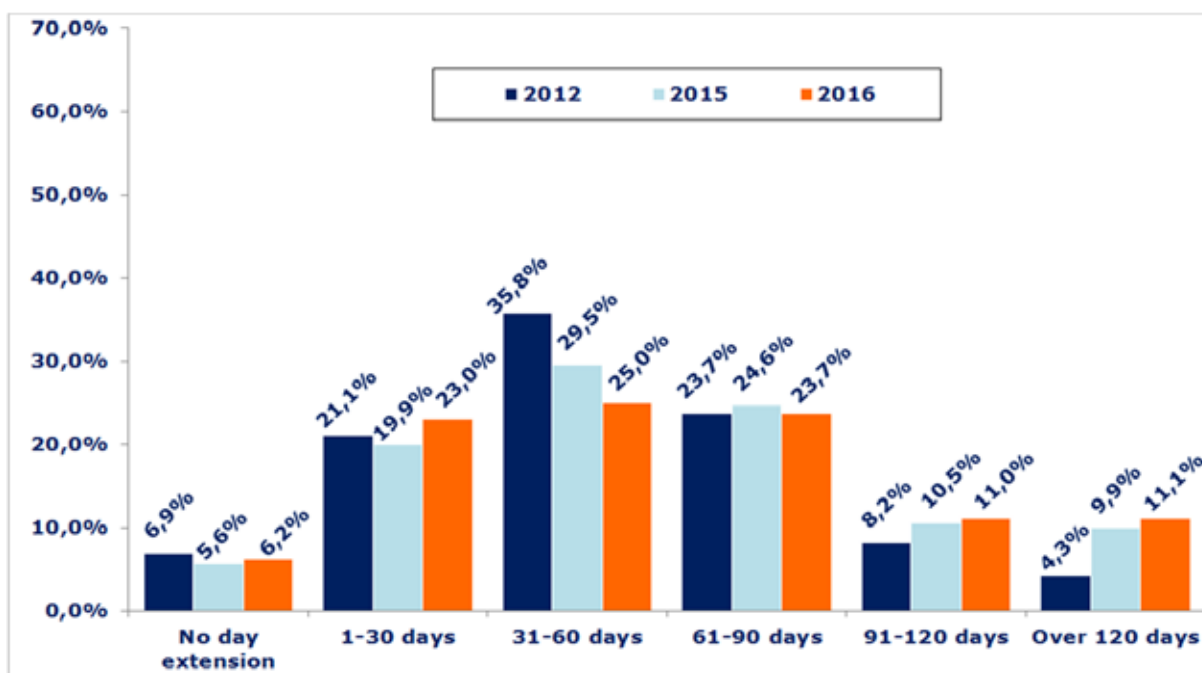
Among the different Italian sectors, there is a tendency to manage commercial transactions with payments terms of on average between 1 and 60 days.

All sectors have at least 18% of companies in the "31-60 days" class, with values of 29,2% for Retail trade. Construction and Manufacturing are the groups that show the highest value in relation to payment terms of over 90 days (respectively 39,6% and 30,8%).

Transport, distribution on the other hand, has a significant concentration in the "No day extension" and "1-31 days" classes with the 16,4% and 30,9% of companies, respectively.

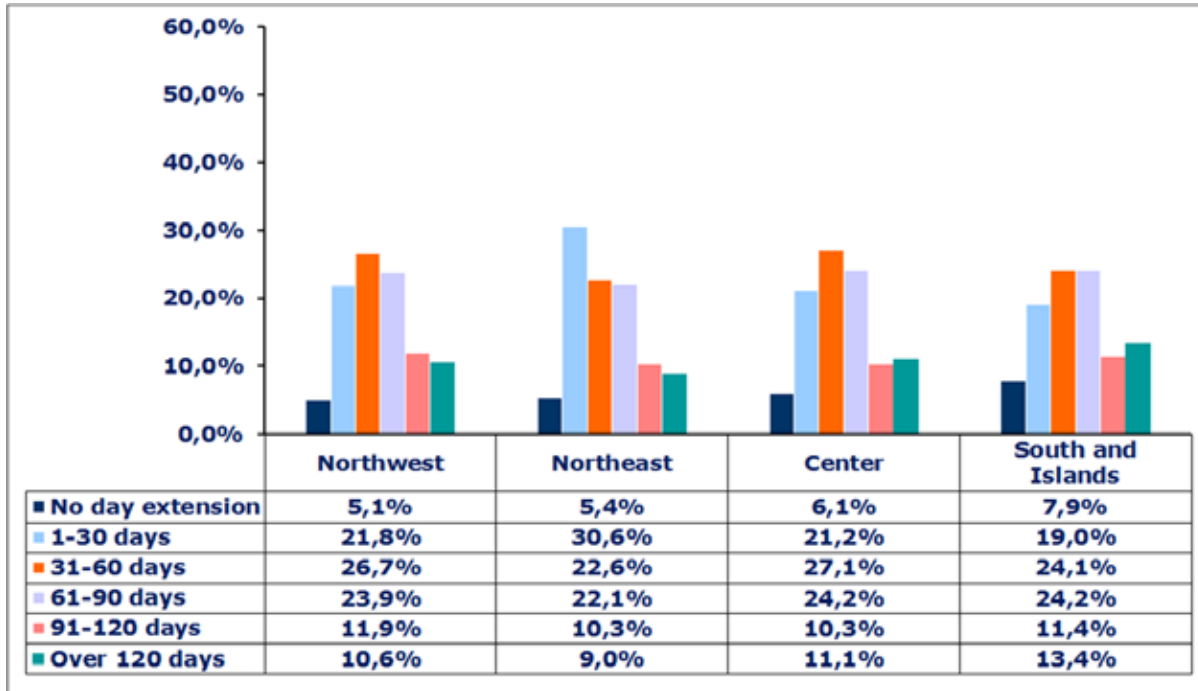
GRAPH 33.1.1 SOURCE: CRIBIS D&B

PAYMENT TERMS IN ITALY, 2012-2016



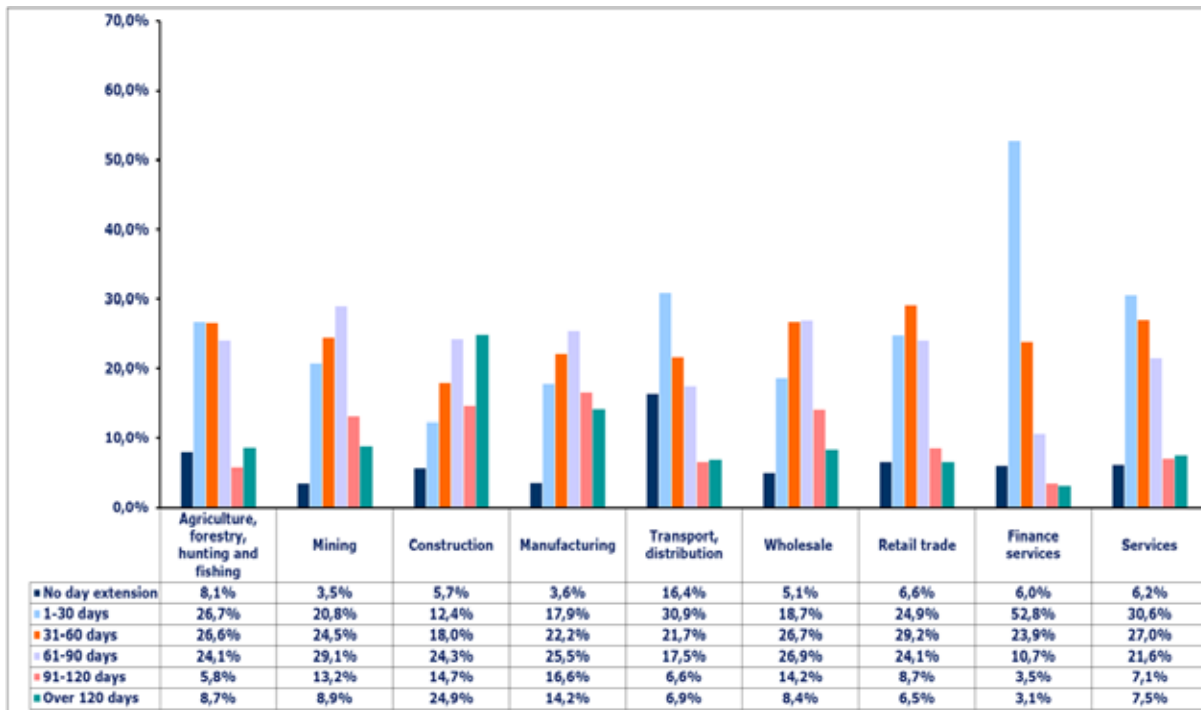
GRAPH 33.1.2 SOURCE: CRIBIS D&B

PAYMENT TERMS IN ITALY BY GEOGRAPHICAL AREA, 2016



GRAPH 33.1.3 SOURCE: CRIBIS D&B

PAYMENT TERMS IN ITALY BY PRODUCT SECTOR, 2016



33.2 Payment analysis

Following analysis confirms a similar situation compared to 2015 in the ability of Italian companies to respect agreed payment terms for their business transactions in 2016.

The negative trend in punctual payments which started in the last few years continues, but, compared to 2015, remains almost the same: in fact, the share of "good payers" has suffered a decrease of only 0,1%, with 35,6% of the total.

Furthermore, the percentage of punctual payers is still less than the values seen before the economic and financial crisis (50,8% in 2007 and 49,6% in 2008).

In 2016 the gap with the European average of punctual payment was 3,5%, whereas in 2007 the gap with the rest of Europe was 9,8 above the European average.

The figure in relation to serious late payments (over 90 days on average) is also negative: these have increased by 1,2% compared to 2007 and account for 3,5% of Italian companies.

Compared with 2015, the average behavior deteriorated for 23,8% of companies, while the situation for 57,4% of companies remained unchanged, and for 18,8% of it improved.

If we consider 2007, on the other hand, we can see a high proportion of companies that have a worse payment performance (42,5% of the total) compared to 37,3% of cases in which the average payment behavior has not changed.

Micro companies (a large part of the Italian market) continue to stand out as having a more balanced behavior in the management of commercial transactions within agreed payment terms.

The percentage of companies in this category was 36,8%, which is 1,2 percentage points above the national average, whereas late payments were concentrated in the "Up to 30 days" class (49,8%) and the "30-60 days" class (6,0%).

Small companies tend to pay on average between 1 and 30 days beyond agreed terms (58,1%), to the detriment of punctual payments with a percentage of 34,6%.

Medium and Large companies, meanwhile, have a very different payment habits compared to the two smaller classes of companies.

On time payments reduce significantly (25,3% for Medium companies and 14% for Large companies), compared to a percentage of late payments of less than 30 days of more than 68%.

In addition, only 2,6% of Large companies pay more than 90 days late on average, compared with the national average of 3,5%.

If we consider how the average payment practices of Italian companies have changed from 2007 and 2016 in relation to their size, Large companies had a greater percentage of cases in which practices remained unchanged (38,9%), meanwhile Micro companies had a higher percentage of worsening in payment practices with 43,5% of cases.

For Small and Medium sized companies, on the other hand, there was a similar share of companies for which payment practices have worsened compared to 2007, whereas unvaried payment practices accounted for around a third of the sample.

As seen in previous years, the management of commercial transactions in southern and northern Italy is rather different.

In fact, while companies in northern Italy show a greater tendency to respect agreed payment terms and to contain late payments, where these exist, to within 30 days on average, payments in southern Italy are less punctual and late payments tend to be delayed more.

The percentage of punctual payments in the south and islands is 22,8%, around 12,8 percentage points below the national average, whereas 56,6% of the total are concentrated in the "Up to 30 days" class and 9,3% in the "30-60 days" class. The most serious late payments (over 60 days), on the other hand, accounted for 11,3% of companies in the south and islands (5,7% exceeding 90 days). In the north, good payment performance is seen in the higher percentages of punctual payments (44,1% for the Northeast and 40,8% for the Northwest) and the more contained number of cases in which late payment exceeds 90 days (not more than 2,3%).

Finally, the center is in an intermediate position with 31,3% of companies paying within agreed payment terms and 4,3% paying seriously late (over 90 days).

If we look at the development of payment habits of the last year compared to 2007, we see two distinct situations.

The Northeast and Northwest have a higher percentage of cases in which practices remain unchanged (41,2% and 39,8%), meanwhile there has been a worsening in payment practices in between 37,0% and 41,7% of cases.

For the South and the Islands, on the other hand, there is a higher concentration in the "Worsening" category with 49% of the total.

The best payment performances relate to Finance services, with concentrations of punctual payers of 46,2%. Retail trade, on the other hand, has the lowest values in relation to punctual payments (only 25,7% with a gap of 9,9 percentage points from the national figure).

There is a tendency to manage commercial transactions with late payments of on average between 1 and 30 days beyond agreed terms. All sectors have at least 44,3% of companies in the "Up to 30 days" class, with values of above 57,9% for Transport, distribution.

In relation to more seriously late payments, the worst performance was reported for the Retail trade sector with 5,6% of companies paying more than 90 days late.

Considering the changes in payment practices in the Italian macro-sectors between 2007 and 2016, there has been a general worsening, with variations of more than three points of D&B Paydex indicator for many sectors. In particular, the indicator has decreased by over eight points for Retail trade and by over five points for Construction and Manufacturing.

Finally, the worst performance overall relates to the Retail Trade sector, with a score of 64,9 while the best performance was seen in the Manufacturing.

Insurance agents, brokers and service and Rubber and miscellaneous plastic products show excellent payment performance in 2016, standing out due to a lesser delay in payment in relation to agreed terms.

The worst payment performance, on the other hand, was seen for Executive, legislative and general, followed by Eating and drinking places. The negative trend seen for these sectors indicates that they do not seem able to reduce the average delay in payment and to improve conditions.

TABLE 33.2.1 SOURCE: CRIBIS D&B

PERCENTAGE OF COMPANIES IN ITALY WITH ON TIME PAYMENTS, 2007-2016

	2007	2015	2016
Italy	50,8%	35,7%	35,6%
Europe	41,0%	37,5%	39,1%

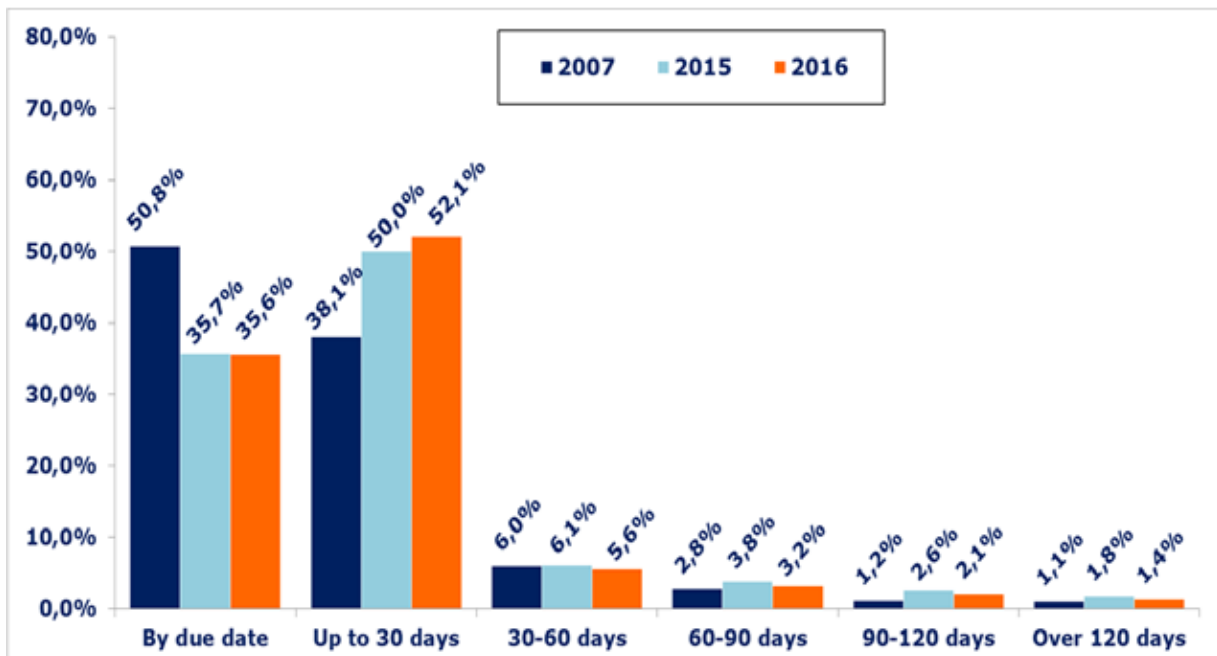
TABLE 33.2.2 SOURCE: CRIBIS D&B

PERCENTAGE OF COMPANIES IN ITALY WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2007-2016

	2007	2015	2016
Italy	2,3%	4,4%	3,5%
Europe	4,1%	3,5%	3,7%

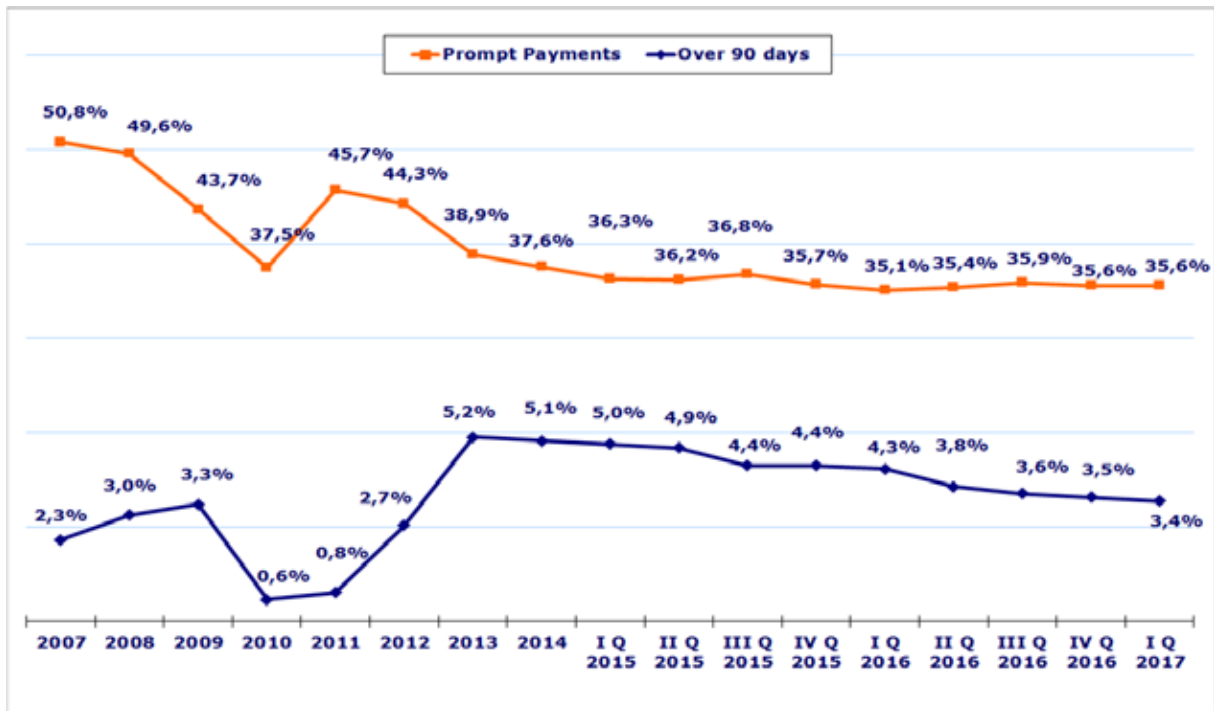
GRAPH 33.2.3 SOURCE: CRIBIS D&B

PAYMENT PRACTICES IN ITALY BY PAYMENT CLASS, 2007-2016



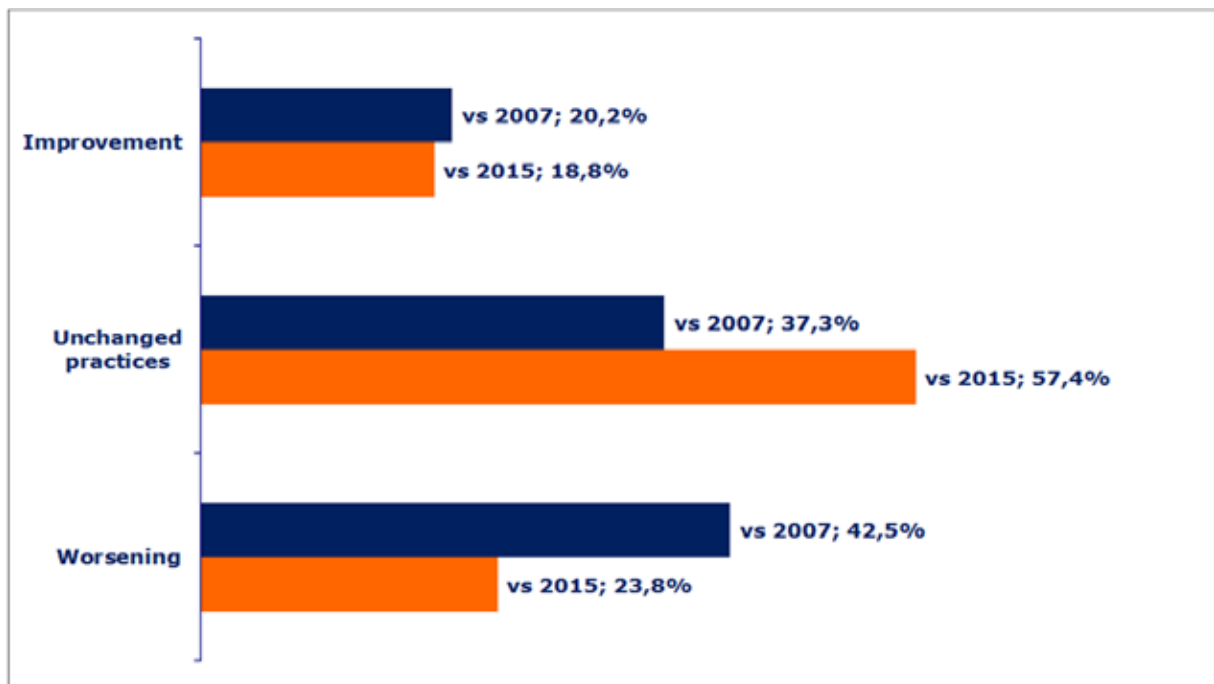
GRAPH 33.2.4 SOURCE: CRIBIS D&B

TRENDS IN PUNCTUAL PAYMENTS AND PAYMENTS OVER 90 DAYS LATE, 2007-2017



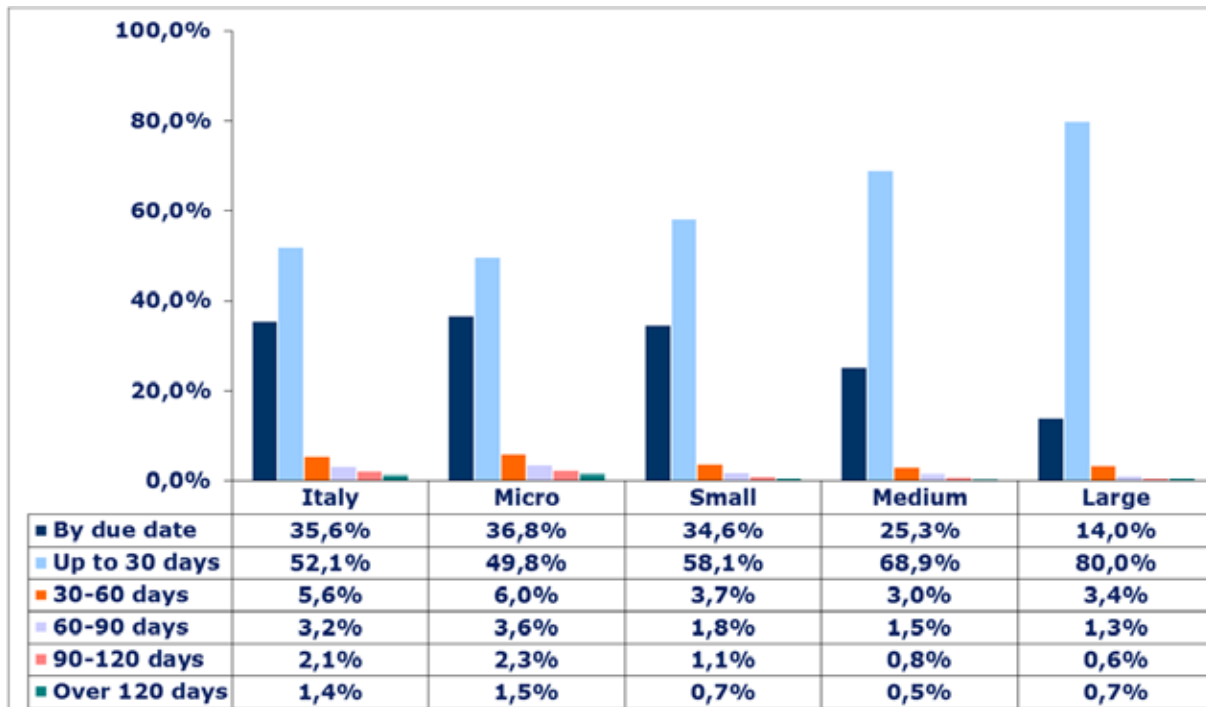
GRAPH 33.2.5 SOURCE: CRIBIS D&B

VARIATIONS IN PAYMENT PRACTICES IN ITALY, 2007-2016



GRAPH 33.2.6 SOURCE: CRIBIS D&B

PAYMENT PRACTICES IN ITALY BY TYPE OF COMPANY, 2016



GRAPH 33.2.7 SOURCE: CRIBIS D&B

VARIATIONS IN PAYMENT PRACTICES IN ITALY BY TYPE OF COMPANY, 2016 vs. 2007

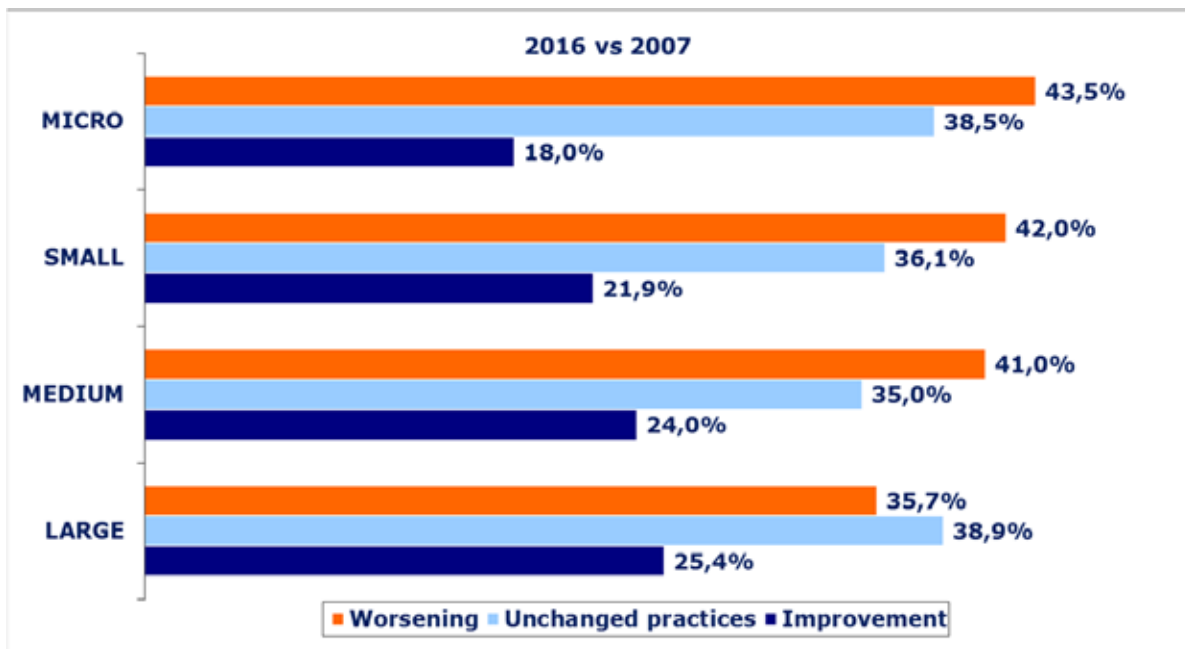


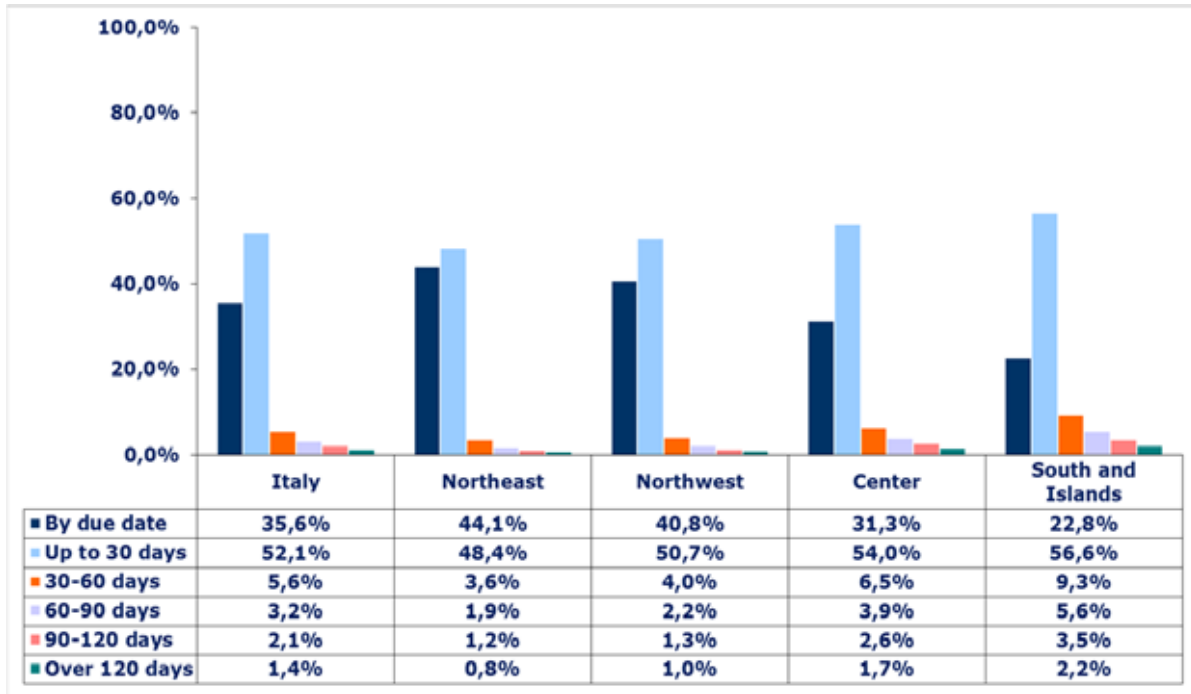
TABLE 33.2.8 SOURCE: CRIBIS D&B

PAYMENT SITUATION IN ITALIAN REGIONS, 2016

Payments in Italian Regions	2016	
AREA	Punctual payments	Payments made 90 days over terms
Northeast	44,1%	2,0%
EMILIA ROMAGNA	44,9%	2,2%
FRIULI	44,0%	2,1%
TRENTINO	40,4%	1,5%
VENETO	44,7%	2,1%
Northwest	40,8%	2,3%
LIGURIA	32,2%	2,2%
LOMBARDY	44,8%	2,1%
PIEDMONT	35,0%	2,6%
AOSTA VALLEY	37,0%	2,2%
Center	31,3%	4,3%
LAZIO	25,1%	5,3%
MARCHE	40,7%	3,4%
TUSCANY	33,6%	3,6%
UMBRIA	30,1%	4,9%
South and Islands	22,8%	5,7%
ABRUZZO	29,3%	5,4%
BASILICATA	28,0%	4,4%
CALABRIA	21,5%	5,8%
CAMPANIA	21,1%	6,9%
MOLISE	26,3%	4,9%
PUGLIA	25,8%	5,2%
SARDINIA	23,3%	4,2%
SICILY	18,9%	6,0%
ITALY	35,6%	3,5%

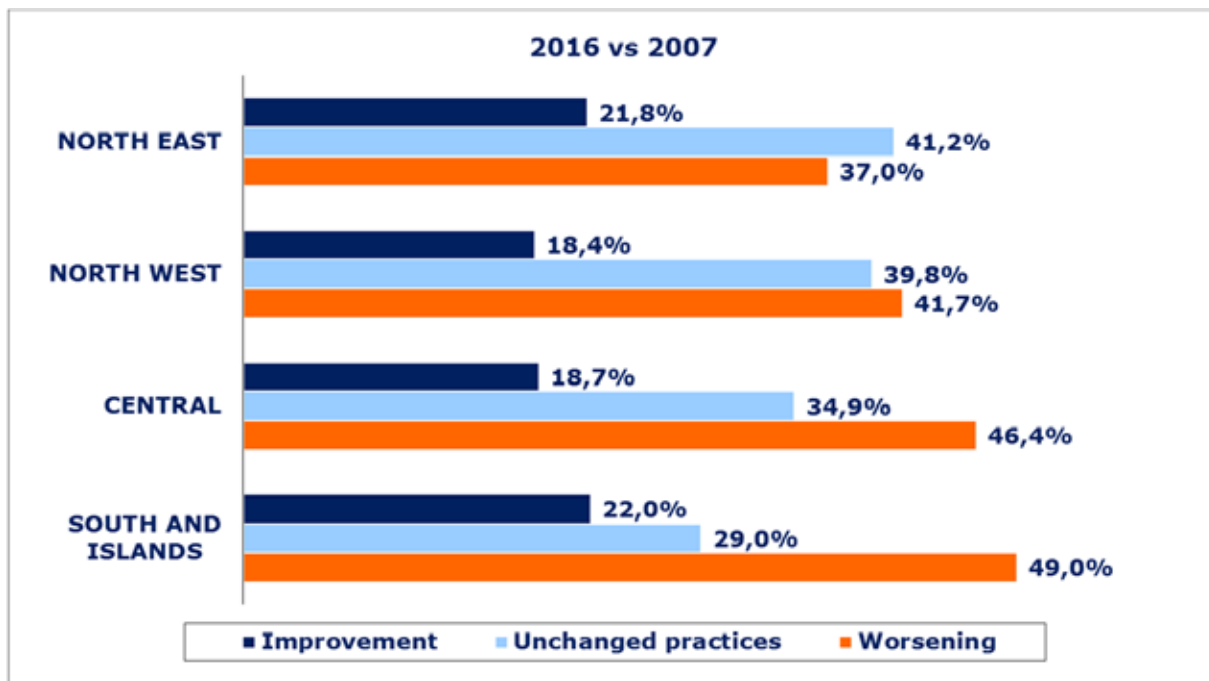
GRAPH 33.2.9 SOURCE: CRIBIS D&B

PAYMENT PRACTICES IN ITALY BY GEOGRAPHICAL AREA, 2016



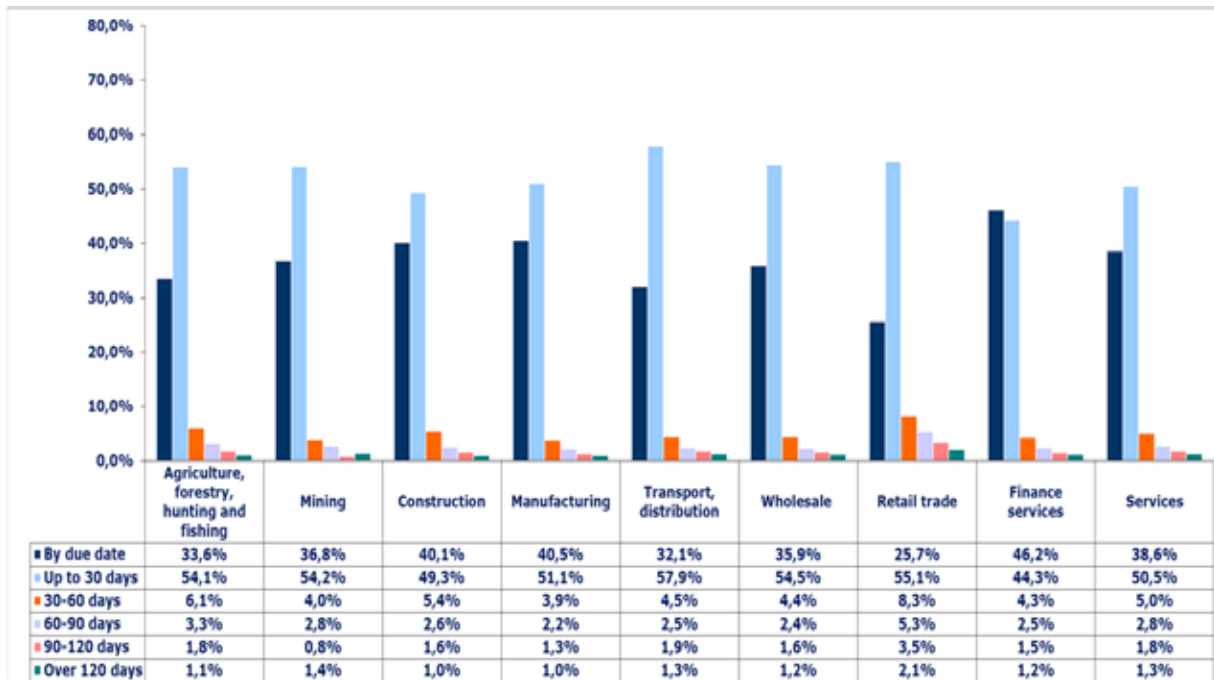
GRAPH 33.2.10 SOURCE: CRIBIS D&B

VARIATIONS IN PAYMENT PRACTICES IN ITALY BY GEOGRAPHICAL AREA, 2016 vs. 2007



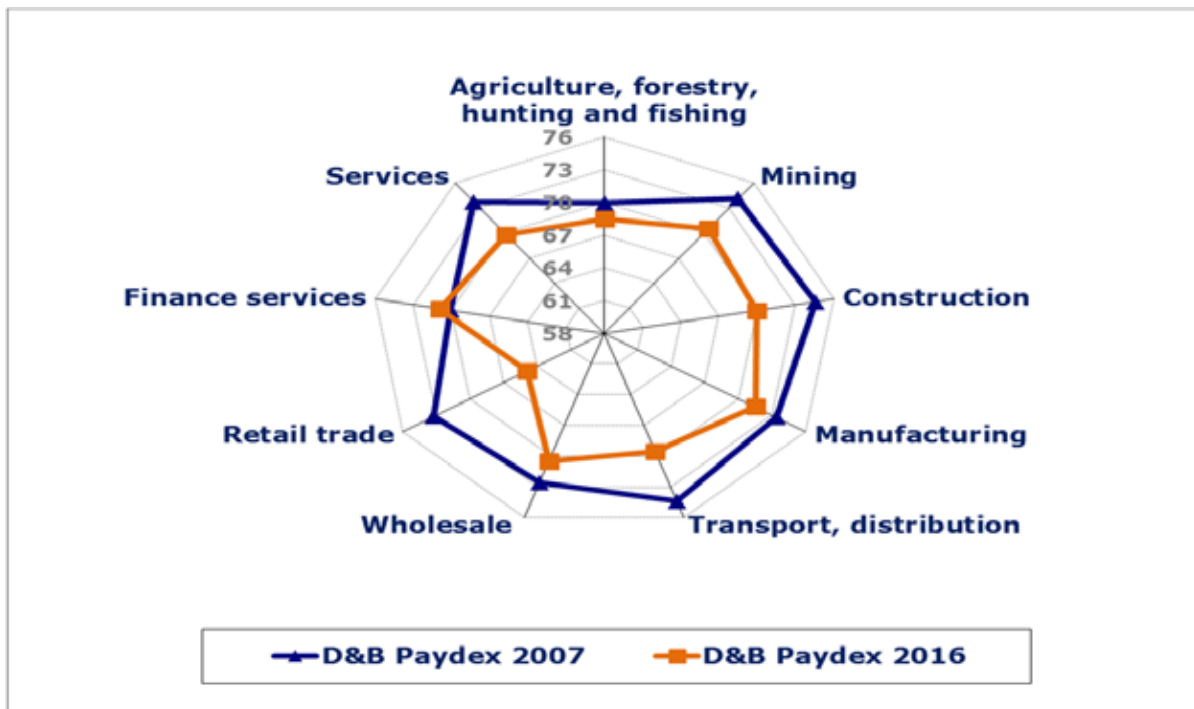
GRAPH 33.2.11 SOURCE: CRIBIS D&B

PAYMENT PRACTICES IN ITALY BY PRODUCT SECTOR, 2016



GRAPH 33.2.12 SOURCE: CRIBIS D&B

VARIATIONS IN PAYMENT PRACTICES IN ITALY BY PRODUCT SECTOR, 2007-2016



GRAPH 33.2.13 SOURCE: CRIBIS D&B

PAYMENT PRACTICES IN ITALY BY PRODUCT SECTOR AND TYPE OF COMPANY, 2016

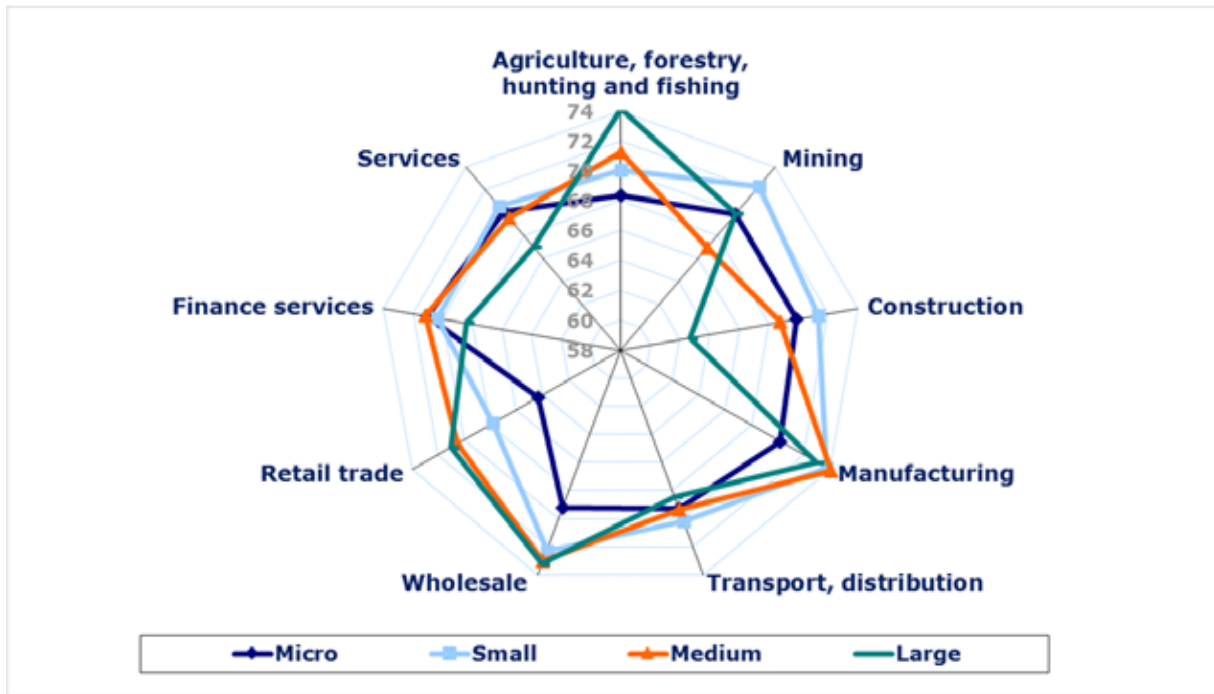


TABLE 33.2.14 SOURCE: CRIBIS D&B

SECTORS WITH THE BEST PAYMENT RECORDS IN ITALY, 2016

Sector	Ranking 2016
INSURANCE AGENTS, BROKERS AND SERVICE	1
RUBBER AND MISCELLANEOUS PLASTIC PRODUCTS	2
CHEMICALS AND ALLIED PRODUCTS	3
INDUSTRIAL MACHINERY AND EQUIPMENT	4
PAPER AND ALLIED PRODUCTS	5
PRINTING AND PUBLISHING	6
PRIMARY METAL INDUSTRIES	7
SECURITY AND COMMODITY BROKERS	8
LEGAL SERVICES	9
ELECTRONIC AND OTHER ELECTRIC EQUIPMENT	10

SECTORS WITH THE WORST PAYMENT RECORDS IN ITALY, 2016

Sector	Ranking 2016
EXECUTIVE, LEGISLATIVE AND GENERAL	68
EATING AND DRINKING PLACES	67
FOOD STORES	66
GENERAL MERCHANDISE STORES	65
POSTAL SERVICES	64
AMUSEMENT AND RECREATION SERVICES	63
TRANSPORTATION BY AIR	62
APPAREL AND ACCESSORY STORES	61
WATER TRANSPORTATION	60
FOOD AND KINDRED PRODUCTS	59

1ST QUARTER 2017

At the start of 2017, the proportion of companies paying more than 90 days late on average is 3,3% of the total.

Punctual payments, on the other hand, account for 35,6% of Italian companies, remaining stable compared to the last quarter of 2016.

Late payments continue to be concentrated in the moderate late payment class of Up to 30 days (52,4%), followed by late payments of between 30 and 60 days on average (8,7%).

The large part of the sample being examined did not show any changes to payment habits in the time period under consideration (4th quarter 2016 - 1st quarter 2017). In fact, 60% of companies did not register any changes in relation to their management of commercial transactions.

The remaining companies improved their payment performance in 17,6% of the cases analyzed, meanwhile 22,4% showed worse habits compared with the last quarter of 2016.

On the basis of results for the 1st quarter of 2017, it is possible to predict that the concentration in the punctual payment class will continue to account for a smaller number of companies, and in part this is due to the growing problems that Italian companies have to face in managing commercial transactions.

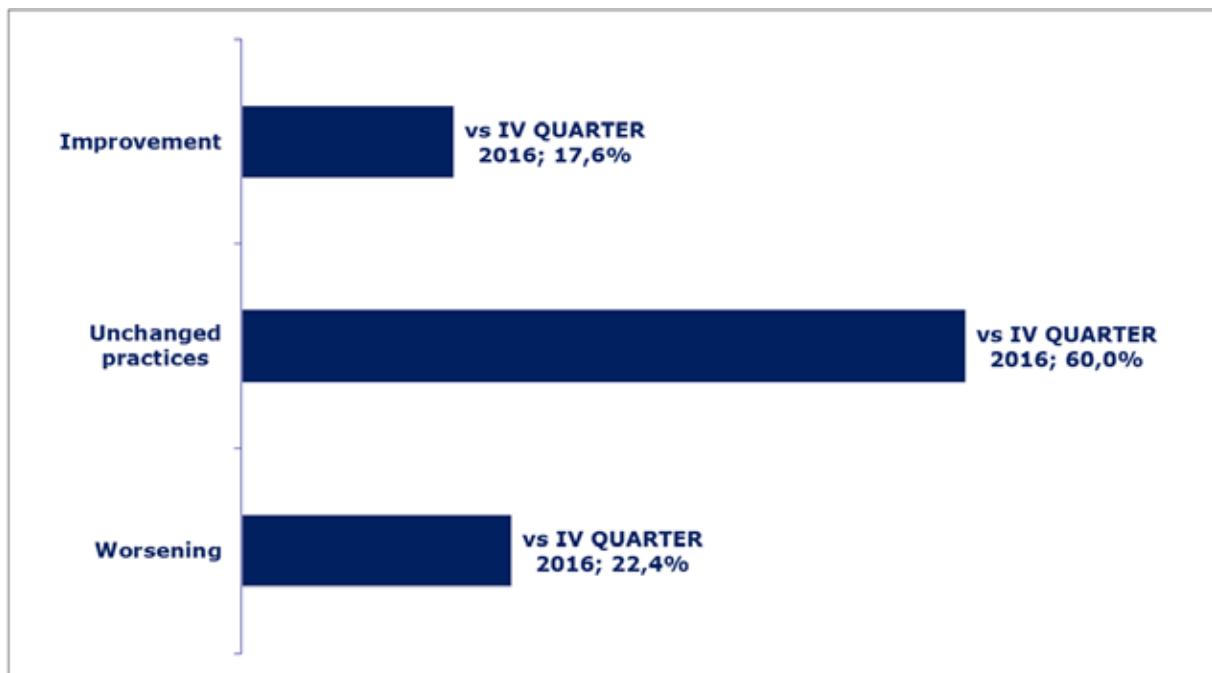
GRAPH 33.2.16 SOURCE: CRIBIS D&B

PAYMENT PRACTICES IN ITALY BY PAYMENT CLASS, 1ST QUARTER 2017



GRAPH 33.2.17 SOURCE: CRIBIS D&B

VARIATIONS IN PAYMENT PRACTICES IN ITALY, 4TH QUARTER 2016-1ST QUARTER 2017



34. SOUTH AFRICA

Below is the opinion of **Priven Moodley, Senior Advisor – Consulting** at **TransUnion Africa**, on the economic scenario and payment situation in South Africa.

“South Africa’s GDP growth forecast for the 2017 is expected to be 1.0% on the back of 0.5% experienced for 2016. The slow growth experienced in 2016 was due to stress in South Africa’s primary trade sector, where severe drought adversely impacted agriculture and reduced output from the mining sector continued to hurt the economy in terms of production and eventual trade. Mining and manufacturing production fell in the final quarter of 2016 and pulled South African economic growth into negative territory. GDP figures for the period released by Stats SA shows South Africa’s economy contracted by 0.3% quarter-on-quarter (seasonally adjusted and annualised) for the same time period.

The mining industry’s 11.5% drop in production was the main contributor to the economy’s slowdown, brought about by a fall in production of coal, gold and ‘other’ metal ores, such as platinum and iron ore. The contagion of this into the manufacturing sector saw a 3.1% contraction within food and beverage, petroleum refining and transport manufacturing pulling back the entire secondary trade market.

The tertiary sector showed growth primarily driven by transport and communication providing a 2.6% YoY increase.

There exist political risks to South Africa’s growth outlook for the year with the ruling party (ANC) moving into their leadership election conference at the end of 2017. Policies stemming from this conference will lead and decide the growth trajectory for the country in the medium term. The country is bordering on “junk” status from all three rating agencies and should there be any negative movement by one of the agencies this will result in local businesses finding offshore funding difficult to obtain.

Businesses are implementing cost cutting initiatives across business activities to build up cash reserves in anticipation of funding gaps that may appear out of any political or rating risk. In doing so, we are seeing pressure being applied on term arrangements for extensions in the effort to fund activities through working capital management rather than long-term debt.

As regards the payment situation, average terms granted in South Africa still remain at around 30 days. This is the industry norm and has been for many years. However, there has been an increase in requests for term extensions, which is a consequence of the current economic environment. Average terms requested are currently residing at 45 days due to pressures on working capital and the declining ability of companies to fund this from the banking sector, due to reduced credit appetite from financial institutions. Many suppliers who are finding it difficult to fund DSO (Days Sales Outstanding) increases are strategically moving “smaller” clients onto cash terms.

The causes of payment delays are due to the fact that South Africa, as economy, is still heavily entrenched in the primary production market. Given weak commodities trading globally and a volatile labour market this has placed a massive financial strain on the primary sectors, particularly mining. With financial strain in this primary sector there is a slow but noticeable trend of payment delays down the line into secondary and tertiary markets.

The country is coming out of an interest rate hiking cycle with many economists predicting rate reductions in the latter part of the year. If this is the case, we may see a reversal of businesses using working capital mechanisms and rather moving back into the traditional lending market to capitalise on reduced interest rates to fund activities.

Working capital finance is not broadly used in South Africa as businesses generally engage in traditional fixed asset-backed and unsecured credit facilities. There is a slow emergence towards the medium enterprise sector on the use of Debtor's book funding. With DSO periods slowly increasing across the industries on accounts not granted on cash terms, companies are slowly adopting a willingness of accepting factoring costs involved with debtor financing as opposed to having to conform to higher DSO norms. This is particularly advantageous when single invoice discounting can be adopted where the counterparty is a large enterprise or publicly traded company. The default risk on these entities are lower than other trade debtors on company's books and generally dictate longer payment terms with large invoices. "Selling" these debts off to a financial institution is advantageous in that it brings forward large ticket items on a debtor's book thus reducing DSO in the process."

Payment analysis

The percentage of punctual payers in South Africa in 2016 was 49,3% of the total, meanwhile, 38,2% of the total tended to pay commercial transactions on average between 1 and 30 days late.

Intermediate late payment classes ("30-60 days" and "60-90 days") account for 9,4%, whereas bad payers (more than 90 days late on average) represent 3,1% of the total.

The South African payment situation had a significant improvement: the share of good payers ("By due date" class) decreased by 7,6 percentage points compared with 2013 but increased by 13,4% compared to 2015. In terms of serious late payment (over 90 day on average), 2016 was the first year where the situation changed for the better: in fact, there was a decrease of 4,5% compared to 2013 and a decrease of 4,6% compared to 2015.

The best performances in terms of punctual payments can be seen in the following sectors: Social and personal services (50,7%), Financial services (49,2%) and Forestry and fishing (48,9%).

Payment conditions, on the other hand, are more problematic in the Mining and quarrying, in which only 43,9% of companies respect agreed terms.

For all product groups there is a widespread tendency to manage commercial transactions with late payments of between 1 and 30 days late: the share of companies in this category is over 33% in each of the sectors analyzed.

In the serious late payment class (over 90 days late on average), the best performance is in the Electricity, gas and water with a percentage of bad payers of 2,4%, whereas the concentration in this class for Mining and quarrying and Transport, storage and communication reach 5,8%.

TABLE 34.1 SOURCE: TRANSUNION AFRICA

PERCENTAGE OF COMPANIES IN SOUTH AFRICA WITH ON TIME PAYMENTS, 2013-2016

	2013	2015	2016
South Africa	56,9%	35,9%	49,3%

TABLE 34.2 SOURCE: TRANSUNION AFRICA

PERCENTAGE OF COMPANIES IN SOUTH AFRICA WITH LATE PAYMENTS OF MORE THAN 90 DAYS, 2013-2016

	2013	2015	2016
South Africa	7,6%	7,7%	3,1%

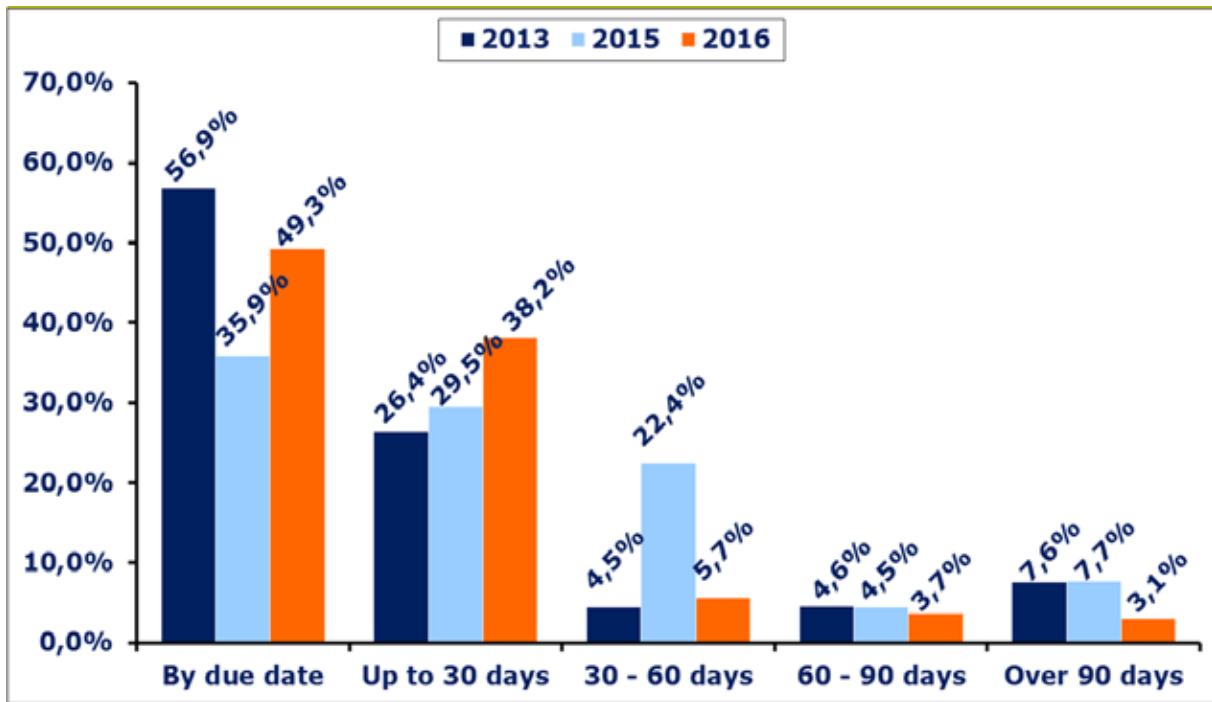
TABLE 34.3 SOURCE: TRANSUNION AFRICA

VARIATIONS IN PAYMENT PRACTICES IN SOUTH AFRICA, 2013-2016

	Variation 2013/2016	Variation 2015/2016
By due date	-7,6%	13,4%
Up to 90 days	12,1%	-8,8%
Over 90 days	-4,5%	-4,6%

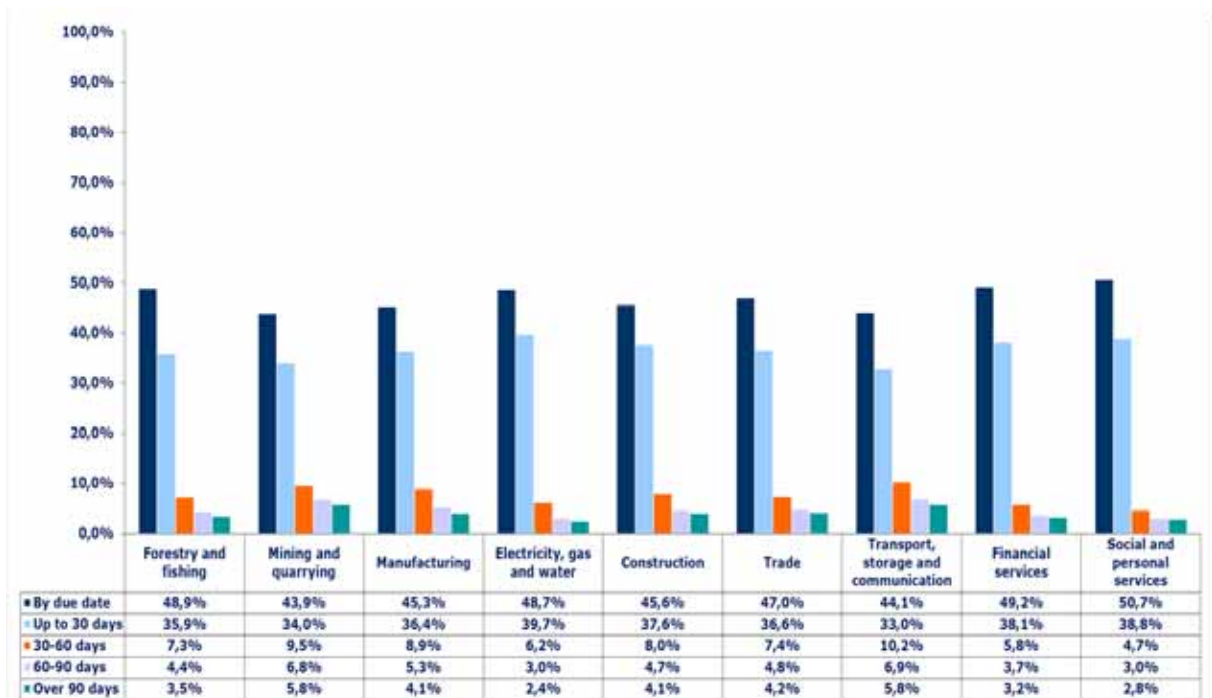
GRAPH 34.4 SOURCE: TRANSUNION AFRICA

PAYMENT PRACTICES IN SOUTH AFRICA BY PAYMENT CLASS, 2013-2016



GRAPH 34.5 SOURCE: TRANSUNION AFRICA

PAYMENT PRACTICES IN SOUTH AFRICA BY PRODUCT SECTOR, 2016



CONCLUSIONS

As seen in previous editions, the 2017 Payment Study show a certain heterogeneity in payment practices and rather different trends between the countries examined, characterized by individual reactions to growing macroeconomic difficulties and the increasingly extensive credit crisis, which has hit economic systems around the world.

In particular, payment performance in 19 European countries in 2016 was analyzed, and once again, the trends between one country and another are very different.

The European average in the punctual payment class increased, with 39,1% of the total (+1,6% compared to previous year). However, the percentage of companies paying on average more than 90 days beyond agreed terms has increased, with a European average of 3,7% (+0,2% compared to 2015).

The best performance was seen for Denmark, which reached a percentage of 86,5% of punctual payers, followed by Germany (81,7%) and Hungary (55,4%).

The Netherlands, Spain, Turkey, Poland, Czech Republic, Slovenia and France have percentages of punctual payments above the European average. In this case, however, the concentrations are lower and vary between 40,1% (France) and 53,6% (The Netherlands).

Companies in Finland, Bulgaria, Portugal and Romania on the other hand, have greater difficulty in respecting agreed commercial agreements, with less than 26,8% in this payment class. The worst data comes from Romanian companies, which manage to pay within due dates in only 17,6% of the cases analyzed.

An analysis of performance in the more serious late payment classes (over 90 days on average) also shows differing situation between the European countries analyzed. Companies in Romania and Poland present the most problematic situation, with percentages greater than 15%, giving a difference from the European average of more than 10 percentage points. Spain (3,8%), Italy (3,5%) and Ireland (4,3%) are in an intermediate position. The proportions for the remaining countries are stable and contained (less than 1% for The Netherlands, Hungary, Czech Republic, Germany and Denmark).

Twelve non-European countries were considered in the 2017 edition of the study: the United States, Canada, Mexico, China, Hong Kong, Taiwan, Singapore, Philippines, India, Israel, Thailand and South Africa.

The situation for Taiwan and Mexico is positive, with 72,2% and 55,2% of punctual payers.

The situation in the United States has not changed significantly in the last year (53,8% of good payers), while in Canada we see an increase of 7%.

In Singapore, the percentage of companies that pay punctually reaches 45,9%.

The worst result regarding punctual payments is seen for Thailand and Philippines, with only 21,5% and 12% in this class.

High percentages in the serious late payment classes are seen for Philippines (46,6%), Singapore (43,3%) and India (24,6%).

In China companies that pay on average more than 90 days later than agreed terms are 7,3% of the total, in the United States the concentration in this bracket reaches 3,4 percentage points, meanwhile in Hong Kong the percentage is 2,3%.

The payment situation in Italy in 2016 remained stable compared to 2015, in fact, the share of "good payers" was 35,6% of the total. Furthermore, the percentage of punctual payers is still less than the values seen before the economic and financial crisis (50,8% in 2007 and 49,6% in 2008).

However, there has been a little decrease of 0,9 percentage points over 12 months in serious late payments, reaching 3,5% of the total.

On the basis of results for the first quarter of 2017, it is possible to see a stable situation as regards payments behavior.

In conclusion, what emerges for 2016 is a diverse picture, with very different payment scenarios between the countries under examination.

International events, specific domestic patterns, industrial characteristics and business culture in each country, mean that the scenarios and trends in the different countries vary very much, and in some cases patterns have changed course compared with previous years.

Macroeconomic forecasts maintain a certain negativity even for this year and still expected a period marked by critical for the different countries examined. This means that for 2017 businesses will have to carry out careful research and evaluation of commercial information on trading partners in order to sufficiently safeguard their cash flow and quickly manage breaches in contract and late payments by customers and suppliers.