



Atradius Payment Practices Barometer

Survey on Payment Behaviour of
European Companies

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Description of the survey

Background of the survey

Starting situation

- Understanding the **payment behaviour of potential customers** in foreign countries is of vital significance to companies. Incorrect assessments of this can lead to major problems in financial planning.
- Poor payment practices can impact both large and small companies; particularly bigger companies that make a large **number of international transactions**.
- Smaller companies, on the other hand, often learn the hard way how significant the damage from **incorrectly assessing payment behaviour** of their international partners can be early in their international growth cycle.
- Atradius and the Financial Times Deutschland have therefore decided to investigate payment practices in Europe within the framework of an ongoing study, the **Atradius Payment Practices Barometer**.
- To this end, **1,200 companies from six European countries** were asked for the first time in 2006 about their assessment of the payment practices of their business partners and about the **protective measures** which they use to ensure payment for goods and services.
- The results of this study are presented within the framework of this report.

Objectives of the survey

The Atradius Payment Practices Barometer pursues the following goals or core questions:

1. Determination of an **objectively comparable index** for payment practice: As a rule, how long does it take business partners/customers to pay? Within how many days is a payment expected?
2. Determination of a **psychological index** for payment practices: How do companies spontaneously judge payment practices in the B2B area in different countries?
3. How frequently do **critical events** occur (e.g. payment delays, payment failures)?
4. Observation of payment practices **over time**: On the whole, how are payment practices developing across **different country borders**?
5. What measures are applied within the framework of debtor management in the various countries as protection against poor payment practices?

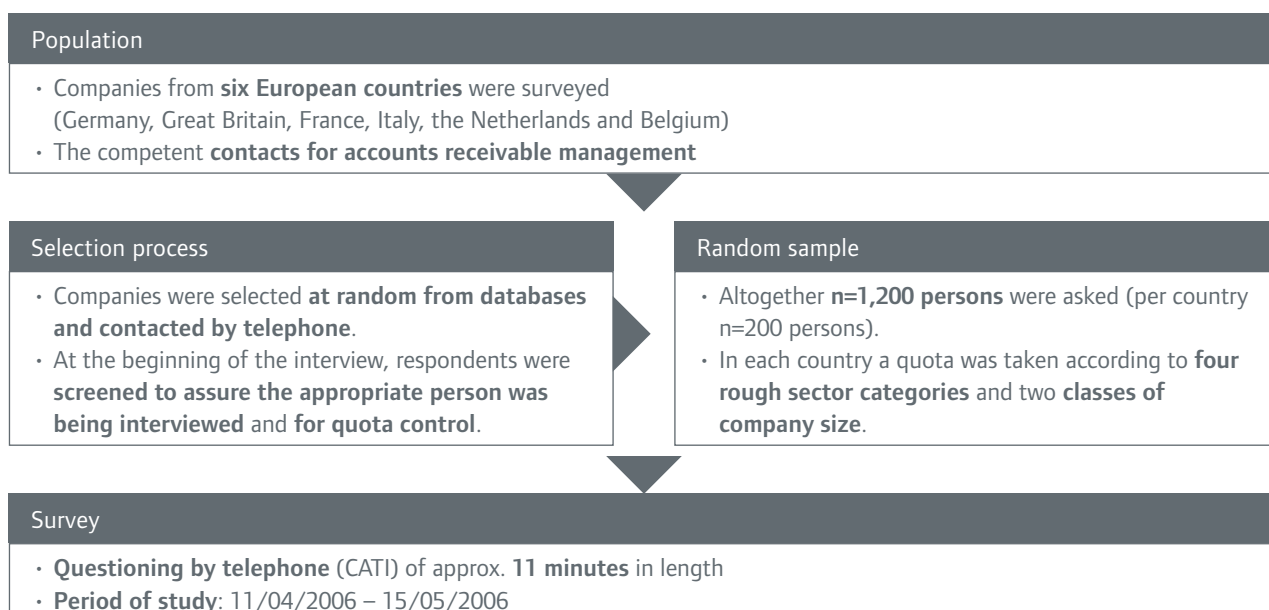
Methodology and structure of the questioning instruments

1. Screening of the **competent contact** for accounts receivable management within the company
2. Determination of the **sector of the company being questioned**
3. Determination of the **sectors and countries** with which the company **co-operates**
4. Global assessment of the **payment practices of business partners at home**:
 - Current situation at study date
 - development of payment practice over the last six months
 - expected payment period
5. Assessment of the **domestic payment practices of sectors** in which business relationships exist^{*}:
 - time required to collect invoices (in days)
 - frequency of occurrence of critical events in the sector concerned (delays, payment failures)
6. Global assessment of the **payment practices of business partners abroad** (for each country with which there are business relationships):
 - Current situation at study date
 - development over the last six months
7. Assessment of the **payment practices of sectors abroad** in which there are business relationships (for each country with which there are business relationships)^{**}:
 - time-scale within which their invoices are paid (in days)
 - frequency of occurrence of critical events in the sector concerned (delays, payment failures)
8. Steps for **protection against payment defaults**
9. **Socio-demographic** questions

* Loops over business sectors the company co-operated with.

** Two combined loops over all countries and business sectors the company co-operated with.

Examination design



General sample description: socio-demography

Gender (n=1,200)	n	%
Male	636	53.0%
Female	564	47.0%

Age (n=1,173)	n	%
< 25 years	52	4.3%
26 - 35 years	294	24.5%
36 - 45 years	392	32.7%
46 - 55 years	309	25.8%
56 - 65 years	113	9.4%
> 65 years	13	1.1%
<i>mean</i>	42.1	

Position in company (multiple answer, n=1,199)	n	%
Accounting	730	58.0%
Head of department	224	17.8%
CEO, CFO, managing director	86	6.8%
Financial manager, control	61	4.8%
Owner of company	52	4.1%
Project manager, employee	47	3.7%
Controller (unspecified)	14	1.1%
Assistant to the manager	7	0.6%
Management (unspecified)	6	0.5%
Other	32	2.5%

Economic sector (n=1,200)	n	%
Manufacturing	300	25.0%
Wholesale / Distribution	411	34.3%
Retail	189	15.8%
Services	300	25.0%

Turnover (quoted, n=1,200)	n	%
1 - 10 million Euro	240	20.0%
über 10 million Euro	960	80.0%

Sector (n=1,199)	n	%
Steel, metal-processing industry	182	15.2%
Plant construction, construction	168	14.0%
Services sector	153	12.8%
Food, beverages, agriculture products	136	11.3%
Technology, science, electronics	130	10.8%
Chemical, pharmaceutical industry	88	7.3%
Textiles, footwear, clothing, materials	58	4.8%
Transport	52	4.3%
Car, automotive	36	3.0%
Trade in general (supermarket or unspecified)	22	1.8%
Furniture, installations	21	1.8%
Paper, cardboard, packaging	18	1.5%
Media, advertising, PR	16	1.3%

Sector (n=1,199)	n	%
Energy	13	1.1%
Plastic processing, manufacturing, etc.	13	1.1%
Telecommunication, IT	13	1.1%
Finances	12	1.0%
Raw materials, mineral oil trade	11	0.9%
Print	9	0.8%
Health Care	4	0.3%
Other	44	3.7%
In how many European countries is your company represented? (n=1,179 and n=350)	n	
Median (whole sample)	1	
Mean (whole sample)	2.7	
Median (only international companies)	4	
Mean (only international companies)	6.9	

Core results in brief

Core results for Germany

- **Over half** (58%) of the German companies asked assessed **domestic payment practices** as “**average**” or even “**poor**”. Only Italian respondents assessed domestic payment practices similarly poor. (See page 10)
- In **42%** of the assessed **domestic sectors**, there were delays “**very often**” or “**rather often**”. This result, was similar to the Netherlands, Great Britain and France and better than Belgium or Italy. (See page 20)
- **65%** of German respondents cited **payment failures** – even if mostly very rarely – from **domestic business partners**. Only respondents from France cited payment failures a bit more frequently. (See page 20)
- **29%** of German respondents believe domestic payment practices have **deteriorated over the last six months**. This is the highest percentage of respondents for any country in the study. (See page 11)
- The payment practices of German companies are assessed much more favourably by **foreign business partners than domestic ones**. (See page 14-15)
- German companies expect invoices to be paid **within 30 days**. **In general**, this time-scale is **adhered to by domestic business partners**. Obligations towards **foreign companies** are paid by German companies, on average, **only after around 40 days**. (See pages 16-18)
- **79%** of the German companies surveyed **protect themselves actively** against receivables failures – only in the Netherlands is the sensitivity for this topic similarly high. (See page 23)

Core results for Great Britain

- **41%** of British companies surveyed assessed the domestic payment practices as “**average**” or “**poor**”. These results, along with those of the Dutch and the Belgians represented the highest assessments of the six countries surveyed. (See page 10)
- In **40%** of the **domestic sectors** assessed, there were delays “**very often**” or “**rather often**”. (See page 20)
- Although they normally occurred rather infrequently, there were **payment failures** in **56%** of the domestic sectors. This result falls in the middle of the six countries in which the survey was carried out with only the Netherlands reporting less frequently. (See page 20)
- With respect to the **development of domestic payment practices over the last six months**, the positive and negative reactions were well balanced. (See page 11)
- Foreign business partners judge payment practices of companies from other countries **better** than those of British companies. Foreigners complain above all about **payment delays** of British business partners – only companies from Italy do worse here. (See page 19)
- **15%** of foreign business partners also found that payment practices of British companies had **deteriorated over the last six months**. (See page 13)
- British companies expect invoices to be paid **within 30 days**. This time-scale is exceeded by domestic business partners in general by **15 days**. Obligations to **foreign companies** are paid by British companies on the average in only **after 60 days**. (See pages 16-18)
- **70%** of the British companies surveyed **protect themselves actively** against bad debts – this lies **in the middle** of the six countries surveyed. (See page 23)

Core results for France

- **50%** of the French companies surveyed assessed the domestic payment practices as “**average**” or “**poor**”. This lies in the middle of the six countries being surveyed. (See page 10)
- In **43%** of the assessed **domestic sectors**, there were **delays “very often”** or “**rather often**”. This was comparable to the Netherlands, Great Britain and Germany but still better than Belgium and Italy. (See page 20)
- **Bad debts** occurred – even if mostly rarely – in **69%** of the domestic sectors assessed. In this regard, France lies **behind the other five countries**. (See page 20)
- **27%** of the French respondents are of the opinion that domestic payment practices had **deteriorated over the last six months**. This is a **more cautious** figure than that of four of the six countries surveyed (exception: Germany). (See page 11)
- Although the payment practices of French companies are assessed a **little more favourably** by **business partners abroad, just under 40%** of respondents **criticised** the payment practices of the French. (See page 14-15)
- French companies expect invoices to be paid **within 30 days**. In general, domestic business partners exceed this time scale by 30 days. Liabilities towards **companies abroad** are also **only paid after an average of 60 days**. (See page 16-18)
- **70%** of French companies **protect themselves actively** against bad debts placing France in the middle of the six countries surveyed. (See page 23)

Core results for Italy

- **Over half** (57%) of the Italian companies surveyed assessed the **domestic** payment practices as merely “**average**” or even “**poor**”. Only respondents from Germany assessed the domestic payment practices similarly poor. (See page 10)
- In **56%** of the **domestic sectors** studied, there were **delays “very often”** or “**rather often**”. No other country surveyed experienced domestic payment delays more often. (See page 20)
- **Payment failures occurred** – even if mostly rarely – in **59%** of the assessed domestic sectors. This is an **average figure**. (See page 20)
- **24%** of Italian respondents found domestic payment practices had **deteriorated over the last six months**. In this respect, Italy lies in the middle of the six countries being surveyed. (See page 11)
- Other **countries** have a **very negative image** of their Italian business partners with respect to their payment practices: **64%** of the business relationships with Italian companies are assessed as “**average**” or even “**poor**”. **19%** also judged the **development** of the payment practices over the last six months **negatively** – more than in all other six countries surveyed. (See page 14-15)
- Italian companies expect invoices to be paid **within 60 days**. Domestically, this time-scale is **exceeded by 30 days**. Obligations to companies abroad are paid by Italian companies after **60 days** – i.e. significantly **more quickly than at home**. (See page 16-18)
- **62%** of the Italian companies surveyed **protect themselves actively** against bad debts – only in Belgium is this proportion similarly low. (See page 23)

Core results for the Netherlands

- **42%** of respondents from the Netherlands assessed the domestic payment practices as “**average**” or “**poor**”. Along with Great Britain and Belgium, the Dutch are among the **top 3** of the six countries surveyed. (See page 10)
- In **40%** of the assessed domestic sectors, there were **delays “very often”** or “**rather often**”. This places the Netherlands on par with Great Britain, Germany and France but ahead of Belgium and Italy. (See page 20)
- **Payment failures** occurred – even if mostly rarely – in **51%** of the assessed domestic sectors. In **none of the five other countries surveyed** was a **better** figure achieved. (See page 20)
- With respect to the **development of domestic payment practices over the last six months**, positive and negative results are balanced. (See page 11)
- The payment practices of Dutch companies are viewed more **favourably** by **foreign companies** than by domestic companies. Companies neither at home nor abroad see big changes in the payment practices over the last six months. (See page 14-15)
- Dutch companies expect invoices to be paid **within 30 days**. In general, this time scale is exceeded by **domestic business partners** by **4 days**. Obligations to **foreign companies** are paid by Dutch companies, on average, after **32 to 33 days**. (See page 16-18)
- **79%** of Dutch companies surveyed **actively protect themselves** against bad debts – only in Germany is the sensitivity for this topic similarly high. (See page 23)

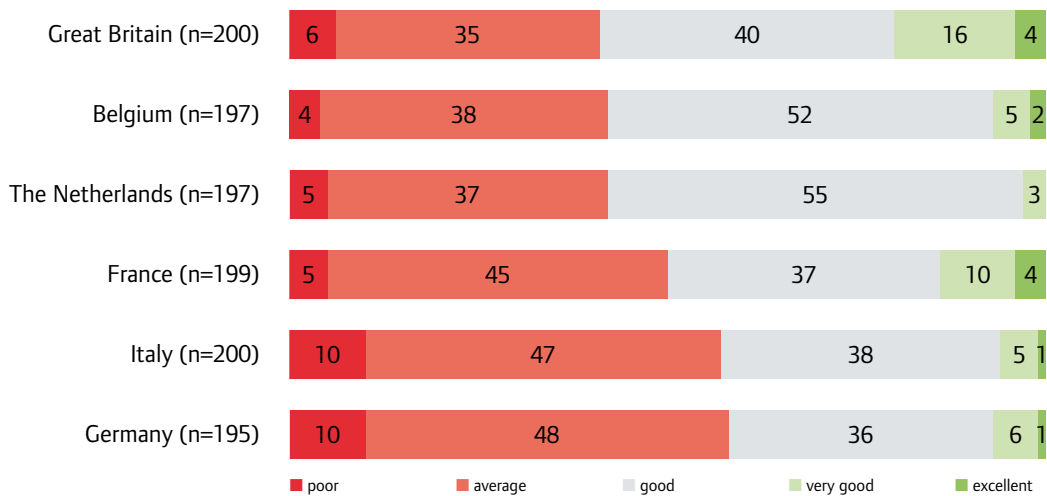
Core results for Belgium

- **42%** of the respondents from Belgium assessed the domestic payment practices as “**average**” or “**poor**”. This was comparable to Great Britain and the Netherlands, placing Belgium among the top 3 of the six countries surveyed. (See page 10)
- In **48%** of the assessed **domestic sectors**, in Belgium there were delays “**very often**” or “**rather often**”. Only in Italy were domestic payment delays more frequent. (See page 20)
- **Payment failures** occurred – even if mostly rarely – in **58%** of the assessed domestic sectors. This is an **average** figure. (See page 20)
- **24%** of Belgian respondents are of the opinion that the domestic payment practices had **deteriorated in the last six months** placing Belgium in the **middle** of the six countries surveyed. (See page 11)
- Belgian companies assessed the payment practices of **foreign business partners** more favourably than domestic companies. (See page 14-15)
- Belgian companies expect invoices to be paid **within 30 days**. This time scale is **exceeded** by **domestic business partners**, on average, **by 15 days**. Obligations to domestic and foreign countries are paid the same way by Belgian companies, after **45 days**. (See page 16-18)
- **60%** of the Belgian companies surveyed **protect themselves actively** against bad debts – only in Italy is this proportion similarly low. (See page 23)

Results in detail

Assessment of payment practices at home: time-related observation perspective

If you think back to the last six months: how would you describe the payment practices of national companies?



On the whole, respondents considered domestic payment practices to be fair to good: in all countries, at least 40% assessed the payment practices as “average” or even “poor”.

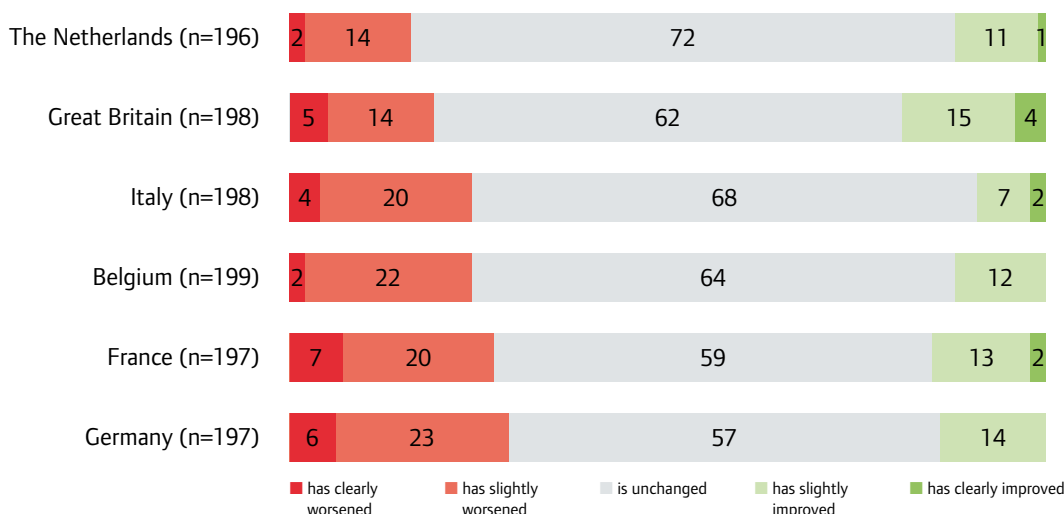
The British assess their business partners at home comparatively **positively**. 20% of respondents in Great Britain assessed domestic payment practices as “**very good**” or “**excellent**”.

Most **critical**, were the assessments of the **Germans and the Italians**: almost **60%** of German and Italian respondents assessed domestic payment practices as “**average**” or “**poor**”.

Basis: Respondents in the countries surveyed.

Assessment of payment practices at home: dynamic observation perspective

Do you think that the payment practices in ... have improved or worsened over the last six months?



Around **two thirds of respondents** see **no change** in domestic payment practices over the last six months.

10-20% of respondents state that there was an **improvement**, **20-30%** saw a **deterioration**.

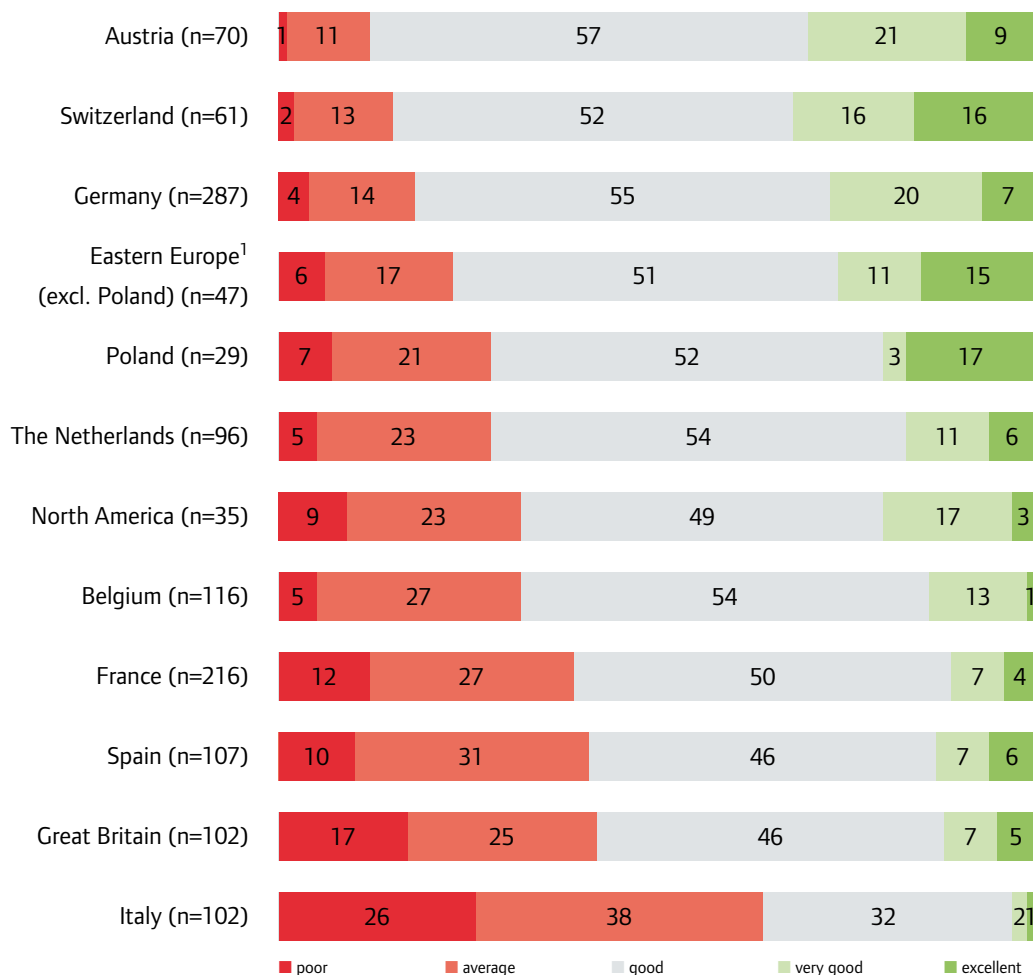
The development of payment practices at home was assessed comparatively **positively** by the **Dutch and the British**.

The assessments made by the **Germans and the French** were the **most critical**.

Basis: Respective respondents in the countries surveyed.

Assessment of payment practices abroad*: time-related observation perspective

If you think about the last six months: how do you generally evaluate the payment practices of companies from ...?



¹ Czech Republic, Hungary, Baltic States, Slovakia, Bulgaria, Croatia, Romania

The payment practices of **business partners** from various European countries are assessed **very heterogeneously**.

Italian companies received the worst assessment by far. But the payment

practices of companies from **Great Britain, Spain and France** were also **assessed critically**.

Foreign business partners assessed the payment practices of companies from **Austria, Switzerland, Germany,**

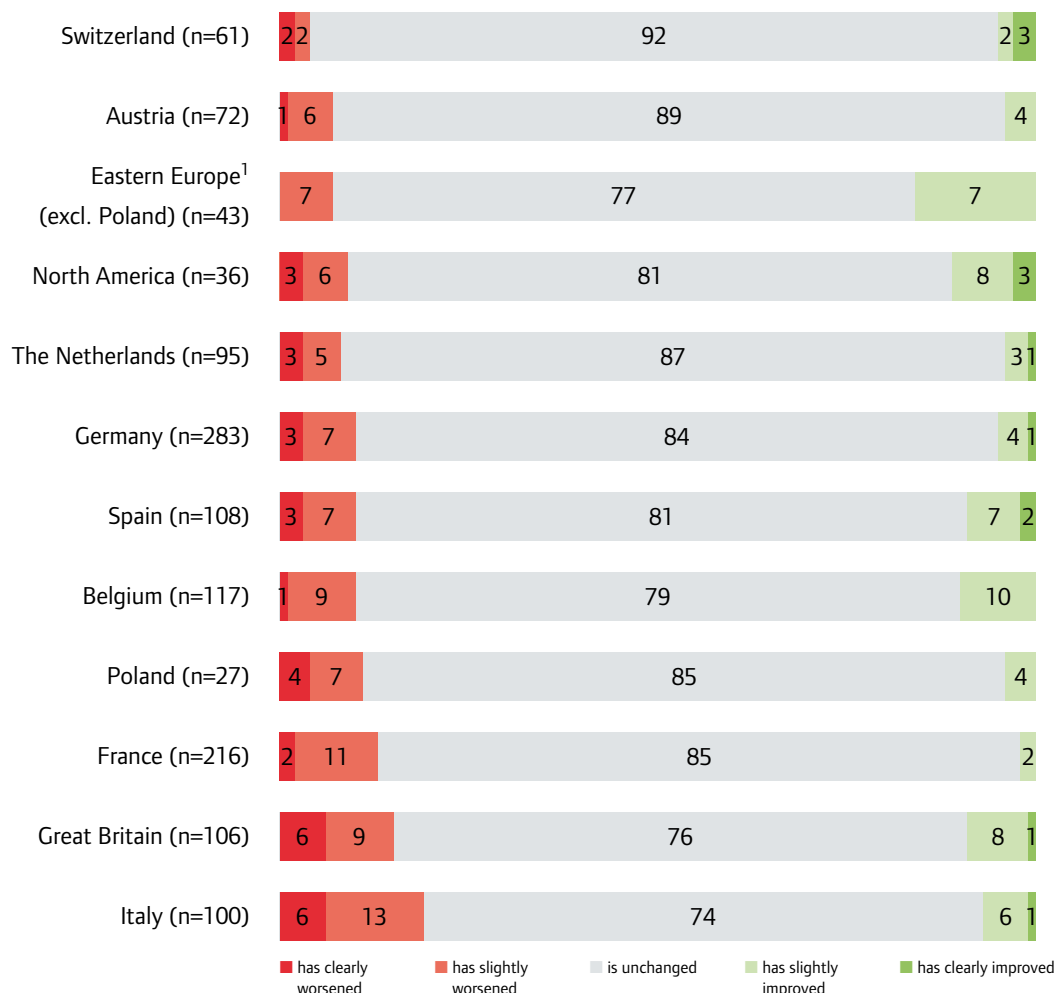
the **Netherlands** and **Eastern Europe** most positively.

Basis: All country assessments from those respondents carrying out business with the countries concerned.

* All countries presented represent countries with which the companies surveyed carry out business most frequently.

Assessment of payment practices abroad*: dynamic observation perspective

Have payment practices in ... in the last six months improved or worsened?



¹ Czech Republic, Hungary, Baltic States, Slovakia, Bulgaria, Croatia, Romania

74-92% of respondents saw **no change in the payment practices** of their foreign business partners.

Business partners from **Italy** (19%), **Great Britain** (15%) and **France** (13%) received the most

unfavourable assessments in the dynamic observation perspective.

Less than 10% of the foreign business partners noted deterioration in the payment practices of companies in **Switzerland, Austria, North America,**

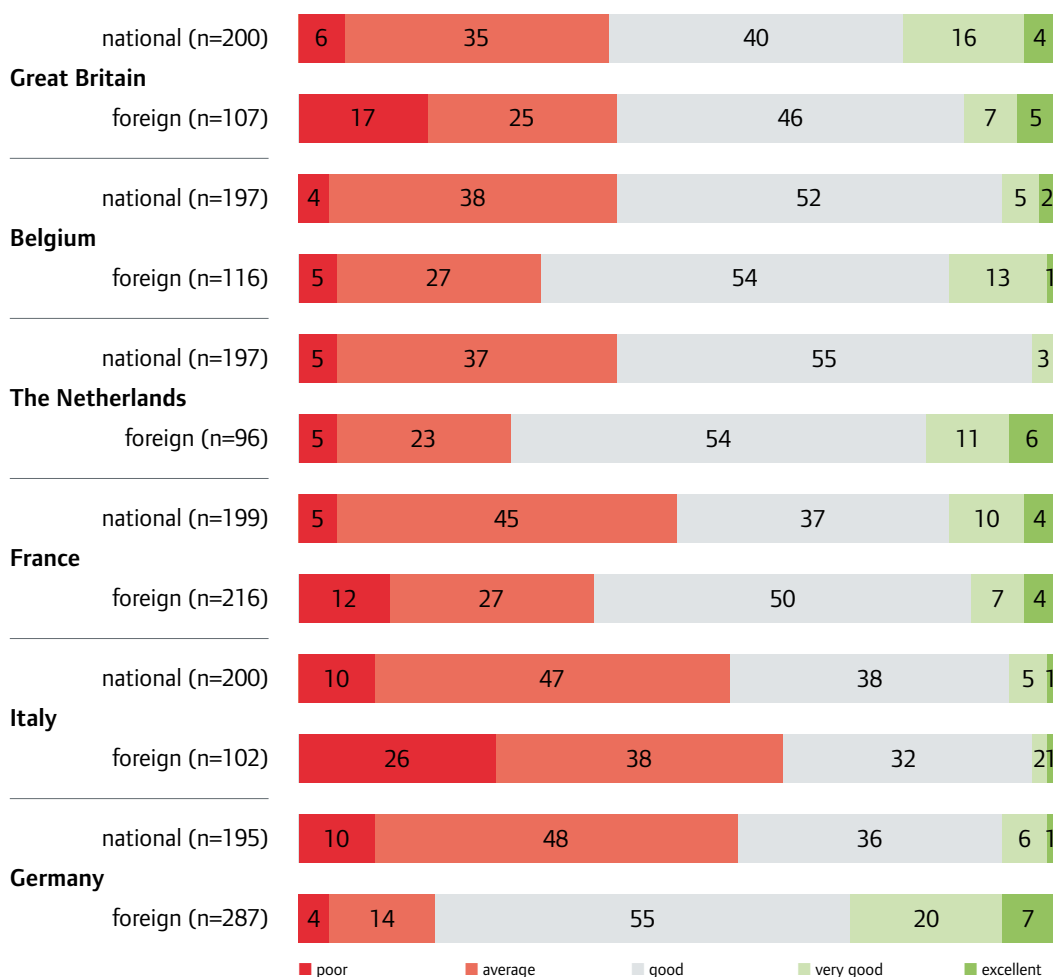
Eastern Europe and the **Netherlands**.

Basis: All country assessments from those respondents who carry out business with the country concerned.

* All countries presented represent countries with which the companies surveyed carry out business most frequently.

Assessment of payment practices in Europe: “self-image” vs. “external image” (I)

If you think of the last six months: how do you generally evaluate the payment practices of companies from ...?



Germany apparently has an **image problem at home**: domestically, their payment practices were rated relatively poorly while foreign business partners found German companies to have the best payment practices.

On average, payment practices in the **Netherlands** and in **Belgium** were among the best of the six countries surveyed.

Italy has image problems both domestically and **abroad**, while to a

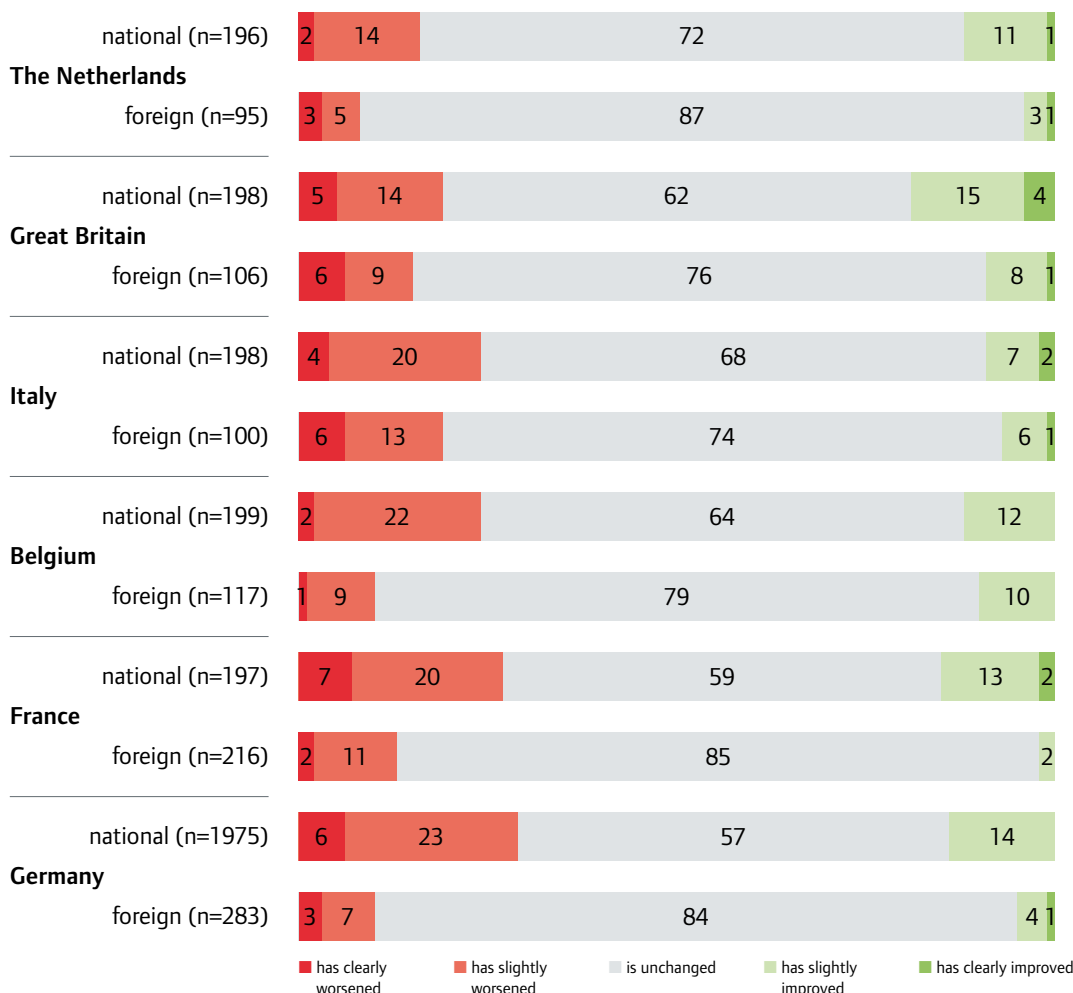
lesser extent, **British** companies suffer mostly from a poor image abroad.

Basis "Domestic companies": Respective respondents from the six countries surveyed.

Basis "Foreign companies": All sector assessments from respondents who carry out business with the countries concerned.

Assessment of the payment practices in Europe: “self-image” vs. “external image” (II)

Have the payment practices in ... over the last six months improved or worsened?



Over the last six months perceptions of payment practices have more noticeably worsened domestically than internationally. This is particularly evident in **Germany, France and Belgium**.

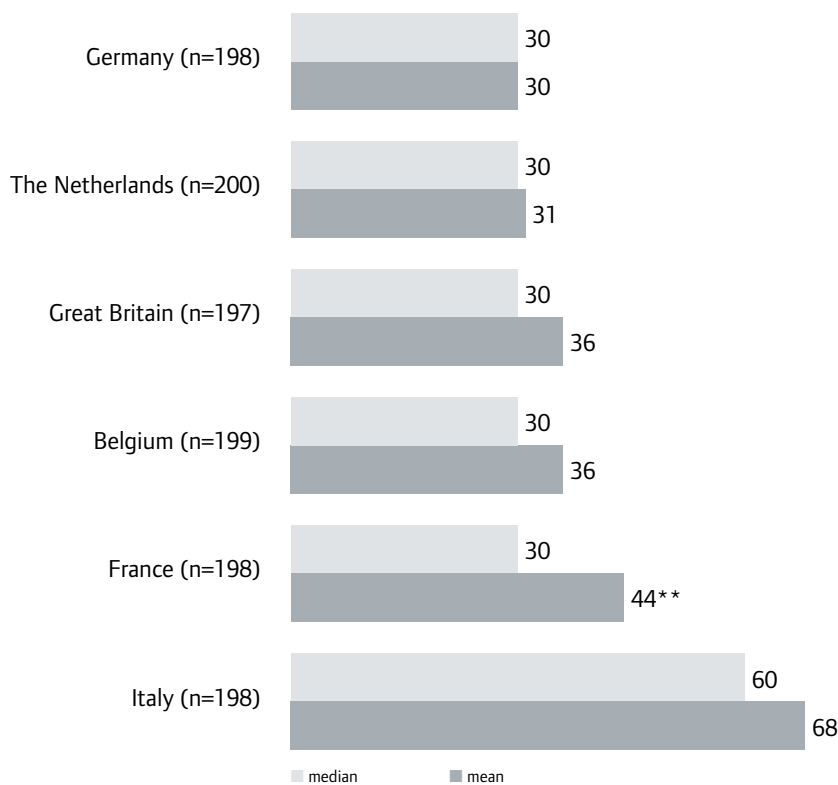
Payment practices in **Great Britain** and in the **Netherlands**, on the other hand, were assessed **more optimistically domestically** than by foreigners.

Basis “Domestic companies”: Respective respondents from the six countries surveyed.

Basis “Foreign companies”: All sector assessments from respondents who carry out business with the countries concerned.

Reasonable term for receipt of payment

Within what period of time should a customer have paid his obligations?



In **five of the six** regions surveyed, the business partners assume obligations will be paid within approximately **30 days**.*

Only in **Italy** is **60 days** regarded as a normal payment term.

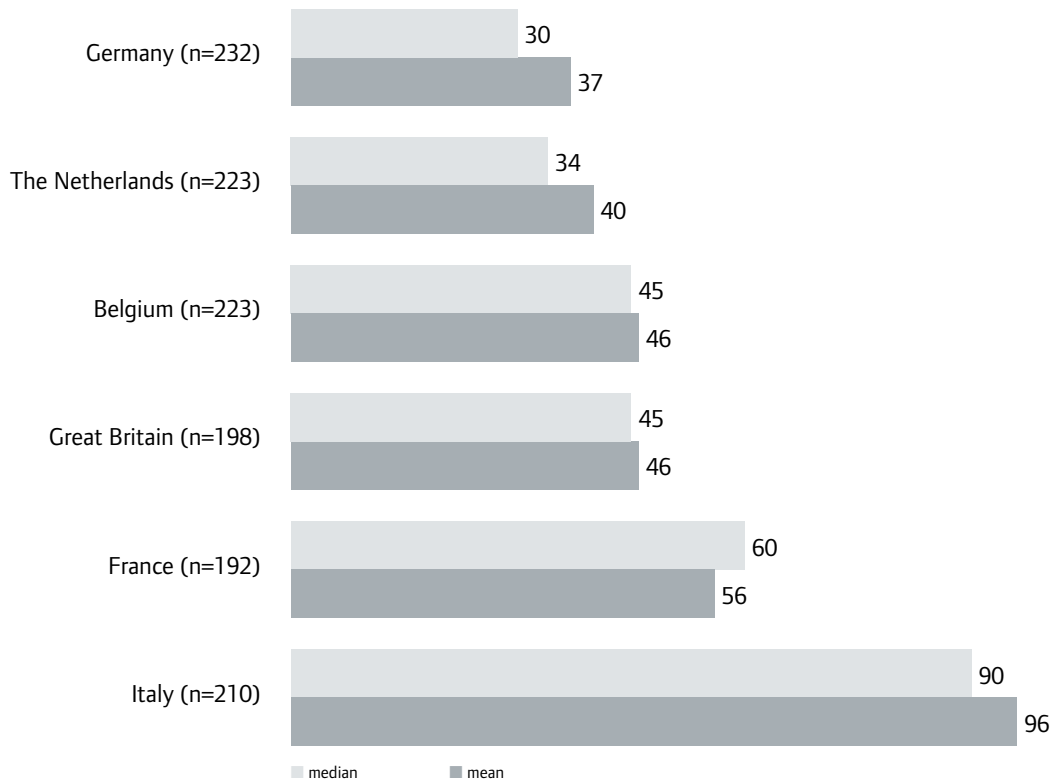
Basis: Respondents from the six countries surveyed.

* The median is the average of all figures stated, i.e. 50% have stated either lower or higher figures. Contrary to the arithmetic mean, the median is more robust against outlier figures.

** Strong deviations between the median and arithmetic mean point to outlier figures upwards or downwards.

Term until receipt of payment (I): assessment of partners at home

How many days does it take, on average, until your business partners from ... settle their debts?



Domestic business partners in **Germany** and **the Netherlands** react **most quickly** to invoices. Normally, it takes **30** or **34** days until payment is received.*

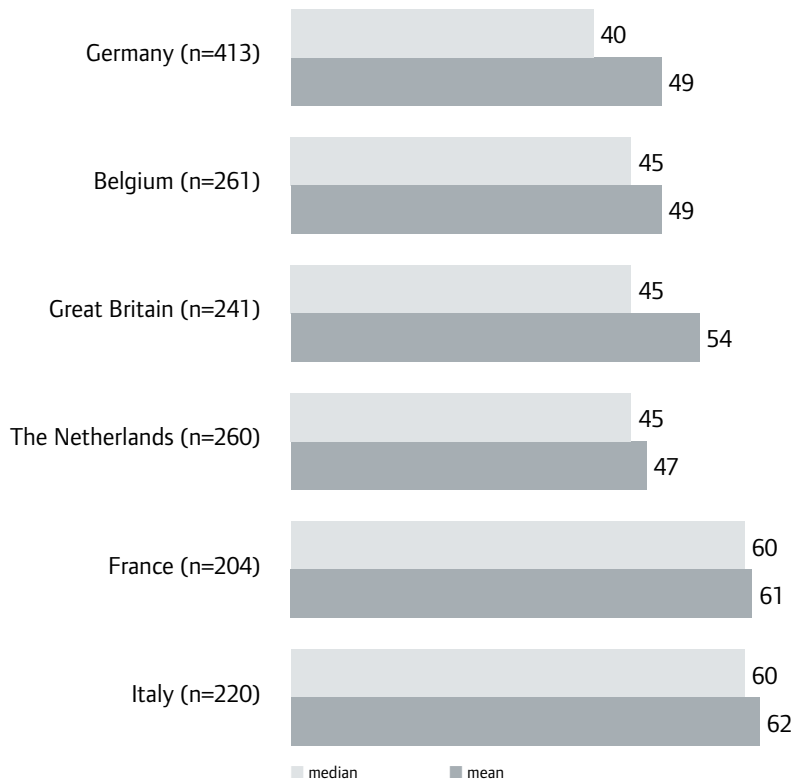
Companies from **Italy** (90 days) and **France** (60 days) have to wait significantly longer for payments from domestic business partners.

Basis: Sector assessments from respondents in the six countries surveyed.

* The median is the average of all figures stated, i.e. 50% have stated either lower or higher figures. Contrary to the arithmetic mean, the median is more robust against outlier figures.

Term until receipt of payment (II): assessment of business partners abroad

How many days does it take, on average, until foreign business partners settle their debts?



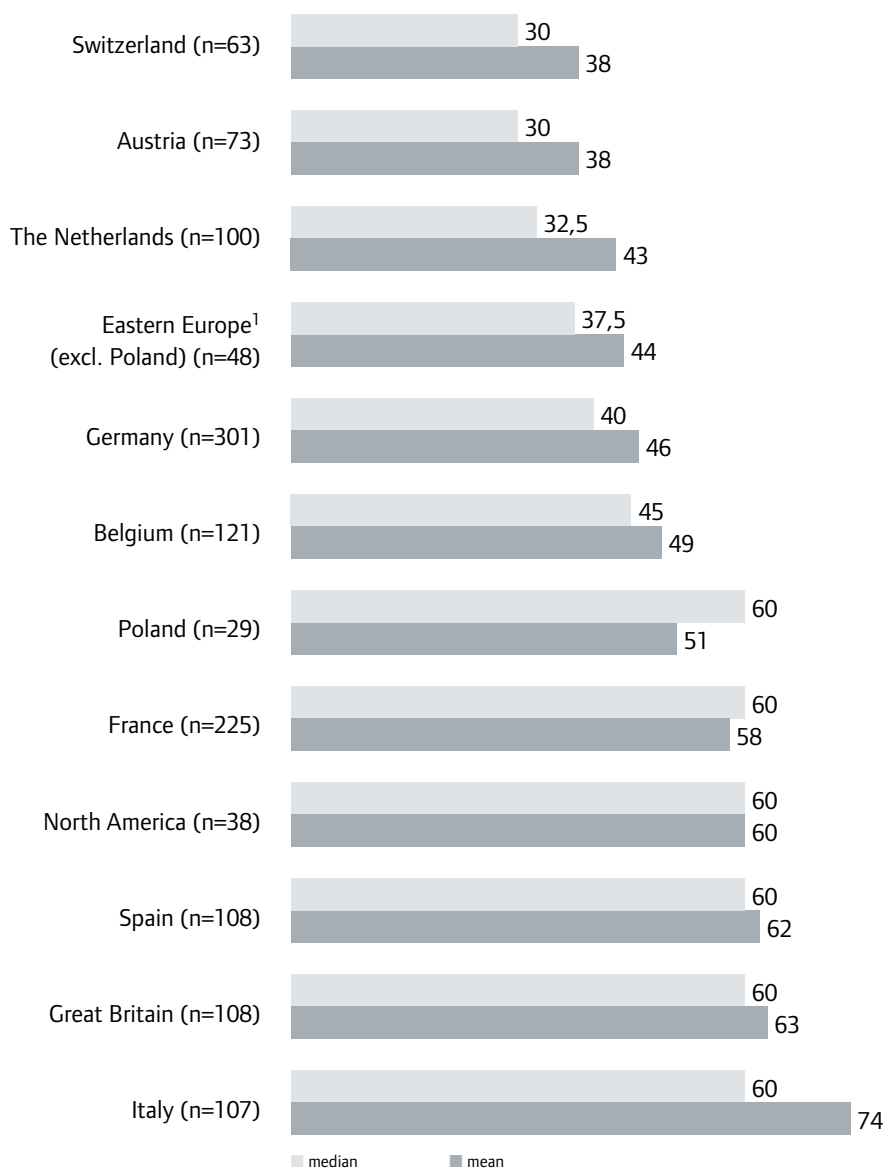
Companies from **France** and **Italy** have to wait longest for payments from abroad. Normally business partners from abroad require **60 days** to fulfil their obligations.*

Basis: All foreign sector assessments are from the countries being surveyed.

* The median is the average of all figures stated, i.e. 50% have stated either lower or higher figures. Contrary to the arithmetic mean, the median is more robust against outlier figures.

Term until receipt of payment (III): payment practice of individual countries*

How many days does it take, on average, until your business partners from ... settle their debts?



¹ Czech Republic, Hungary, Baltic States, Slovakia, Bulgaria, Croatia, Romania

Many **international business partners take 60 days or more** to settle their debts.

In the view of the respondents, business partners from **Switzerland** and **Austria (30 days)** and from the

Netherlands (32.5 days)** pay quickest.

Eastern Europe (excluding Poland), Germany and **Belgium** are positioned in the middle of the assessed countries.

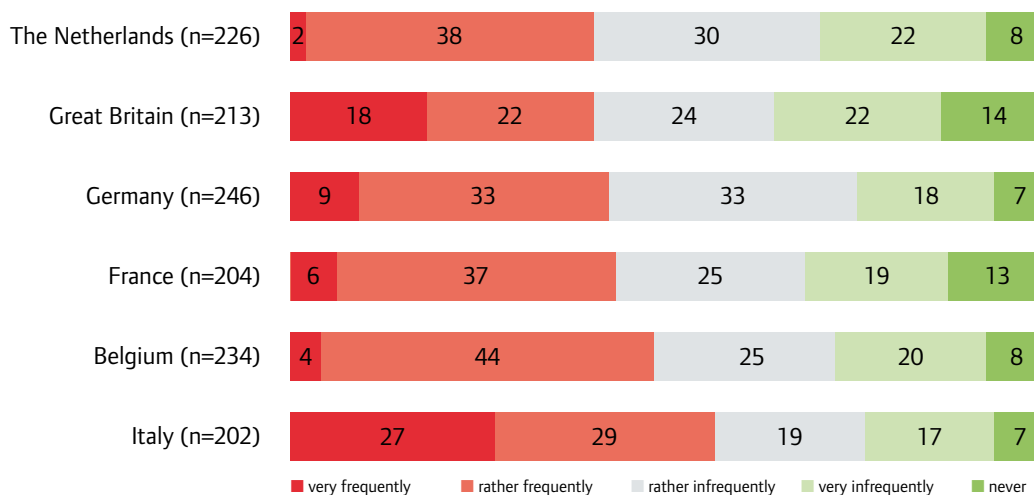
Basis: All sector assessments by those respondents which carry out business with the country concerned.

* All countries presented represent countries with which the companies surveyed carry out business most frequently.

** The median is the average of all figures stated, i.e. 50% have stated either lower or higher figures. Contrary to the arithmetic mean, the median is more robust against outlier figures.

Delay in payments: assessment of domestic business partners

Outstanding debts were only paid after some delay.



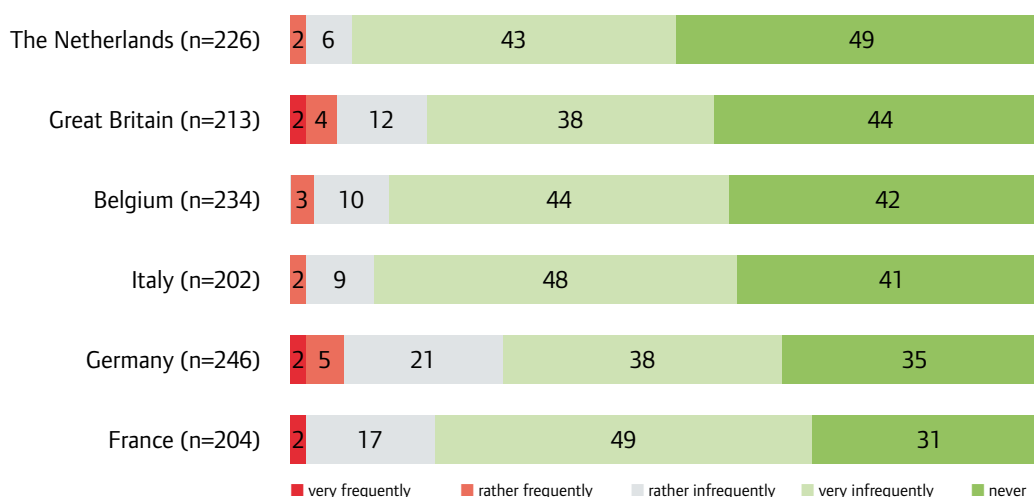
In **40-56%** of the assessed domestic sectors there were “**frequently**” or “**rather frequently**” payment delays in the last six months

The most **frequent** delays are in **Belgium** and, above all, in **Italy**.

Basis: Sector assessments in the countries surveyed.

Payment defaults: assessment of domestic business partners

Outstanding debts were not paid at all.



Only **30-50%** of the assessed domestic sectors had **no payment failures at all** in the last six months.

In comparison, domestic payment failures in **Germany, France** and **Great Britain occur most frequently**.

the **Netherlands**.

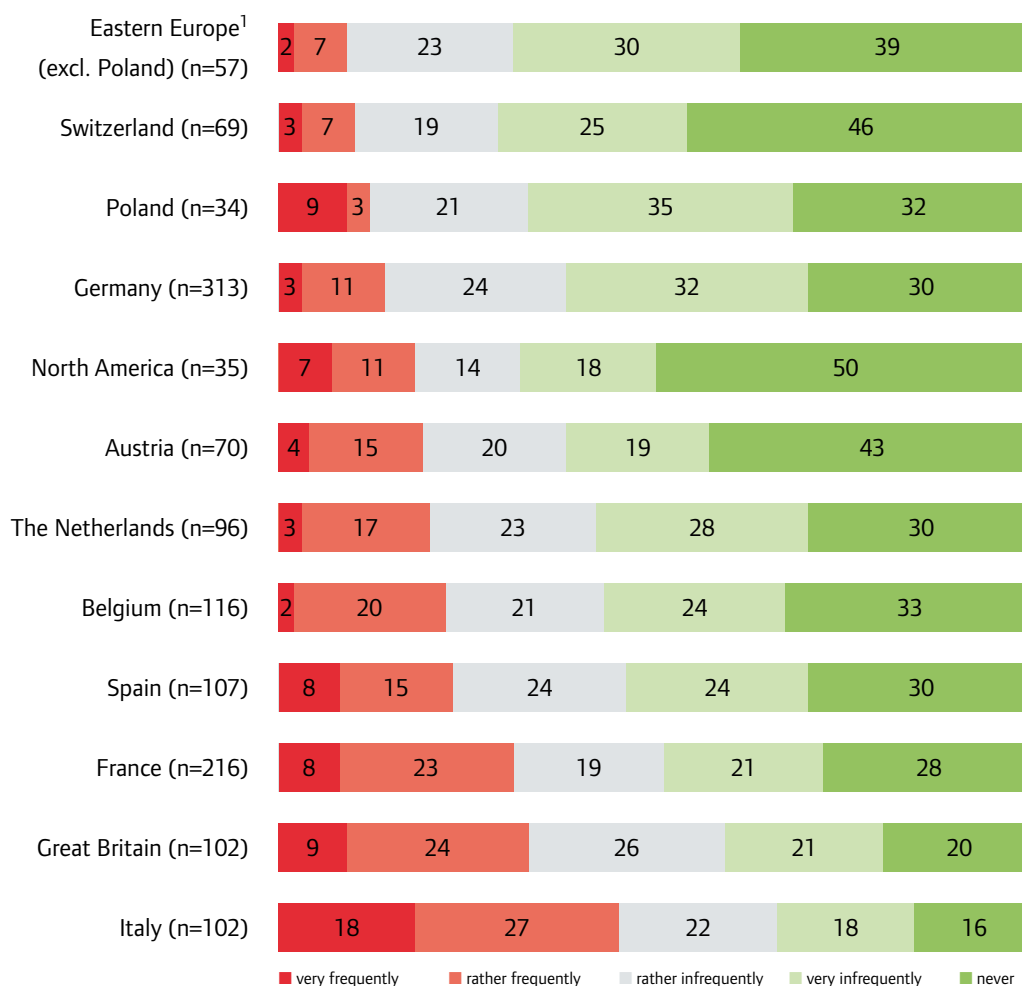
Basis: Sector assessments in the countries surveyed.

On the whole, **payment failures occur rather infrequently**.

Least **frequent** are payment failures in

Delay in payments: assessment of international business partners*

Outstanding debts were only paid after some delay.



¹ Czech Republic, Hungary, Baltic States, Slovakia, Bulgaria, Croatia, Romania

In the view of the respondents, delays in payment occur **most frequently** with business partners from **Italy, Great Britain and France**.

Most **seldom** are delays with business partners from **Eastern Europe**,

Switzerland, Germany, North America and Austria.

Respondents noted delays in **international payments less seldom than with domestic transactions** (not illustrated here).

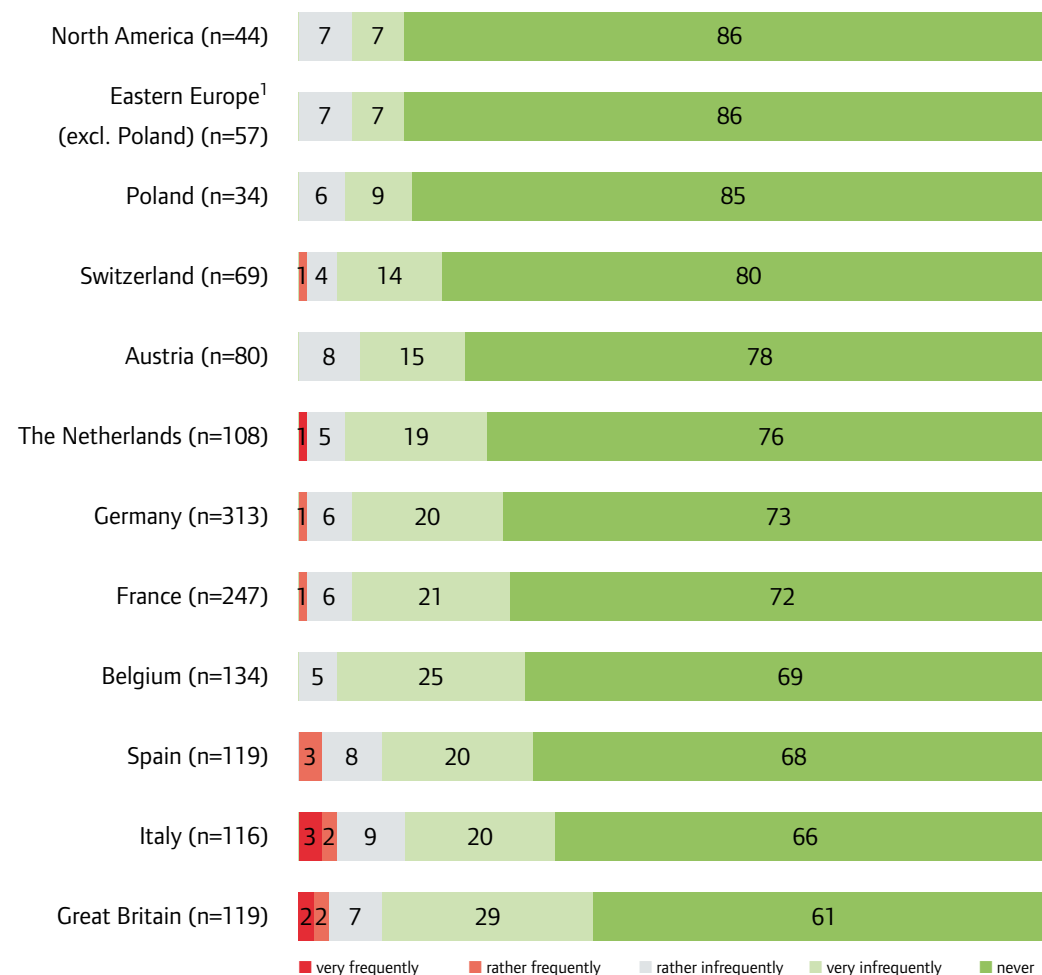
(Note: The cause for this could be that, in absolute numbers, domestic transactions occur more frequently than exports).

Basis: All sector assessments by those respondents which carry out business with the countries concerned.

* All countries presented represent countries with which the companies surveyed carry out business most frequently.

Payment defaults: assessment of international business partners*

Outstanding debts were not paid at all.



¹ Czech Republic, Hungary, Baltic States, Slovakia, Bulgaria, Croatia, Romania

In **86%** of the sector assessments with business partners from **North America or Eastern Europe** there were **no payment failures** in the last six months.

In comparison: There were no payment failures in only **61%** of the business relationships with companies in **Great Britain**.

Bad debts with **international business partners** occur **less frequently than with domestic partners** (not illustrated here).

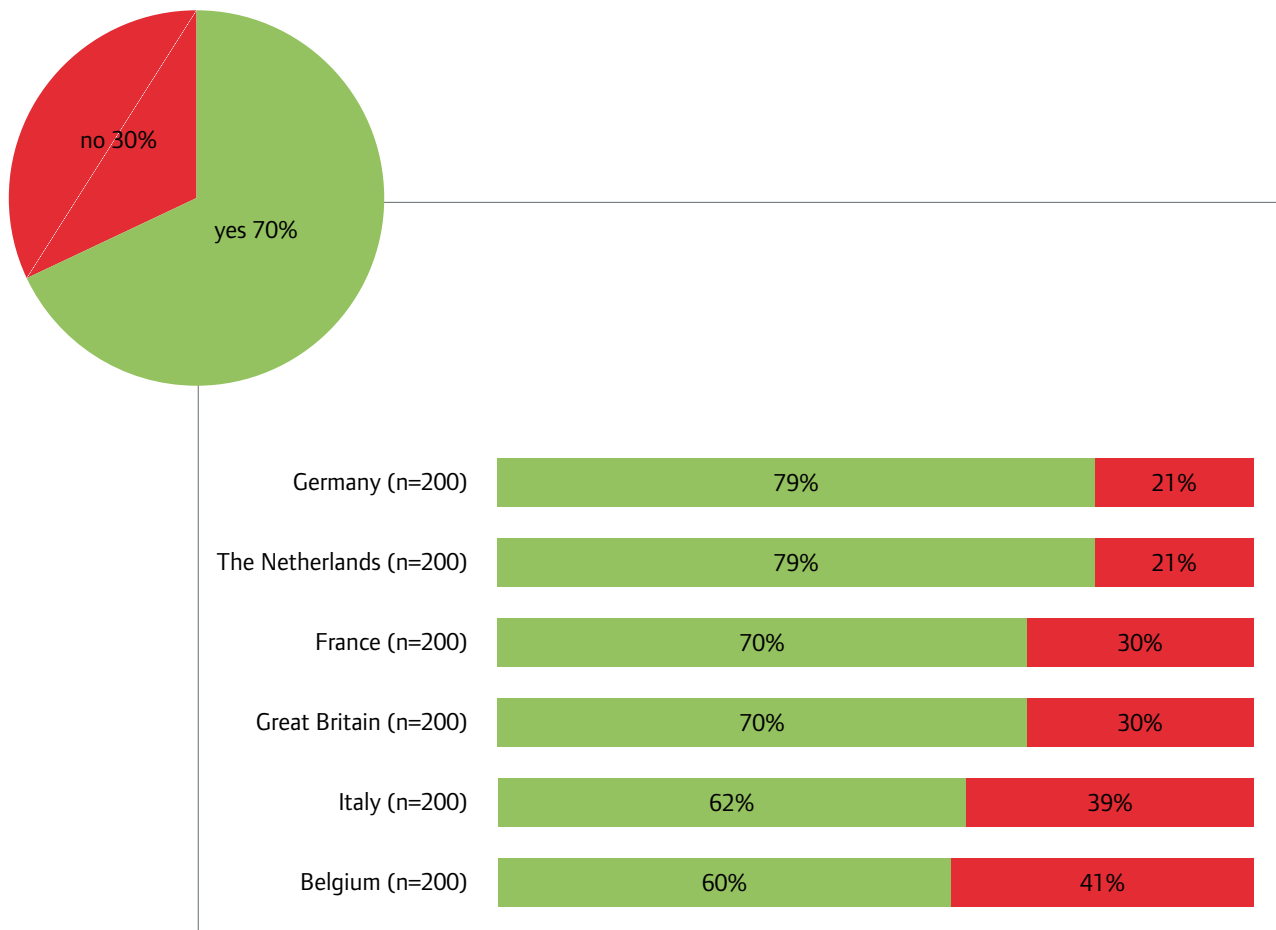
(**Note:** The cause for this could be that, in absolute numbers, domestic transactions occur more frequently than exports).

Basis: All sector assessments by those respondents which carry out business with the countries concerned.

* All countries presented represent countries with which the companies surveyed carry out business most frequently.

Protection against bad debts (I): risk management

Do you or does your company take deliberate steps to protect yourself from payment risks?



Nearly **one third** of the companies surveyed take **no steps** to protect themselves against bad debts.

In this regard, there are **no significant differences** between **smaller and**

bigger companies or between companies from **different sectors** (not illustrated here).

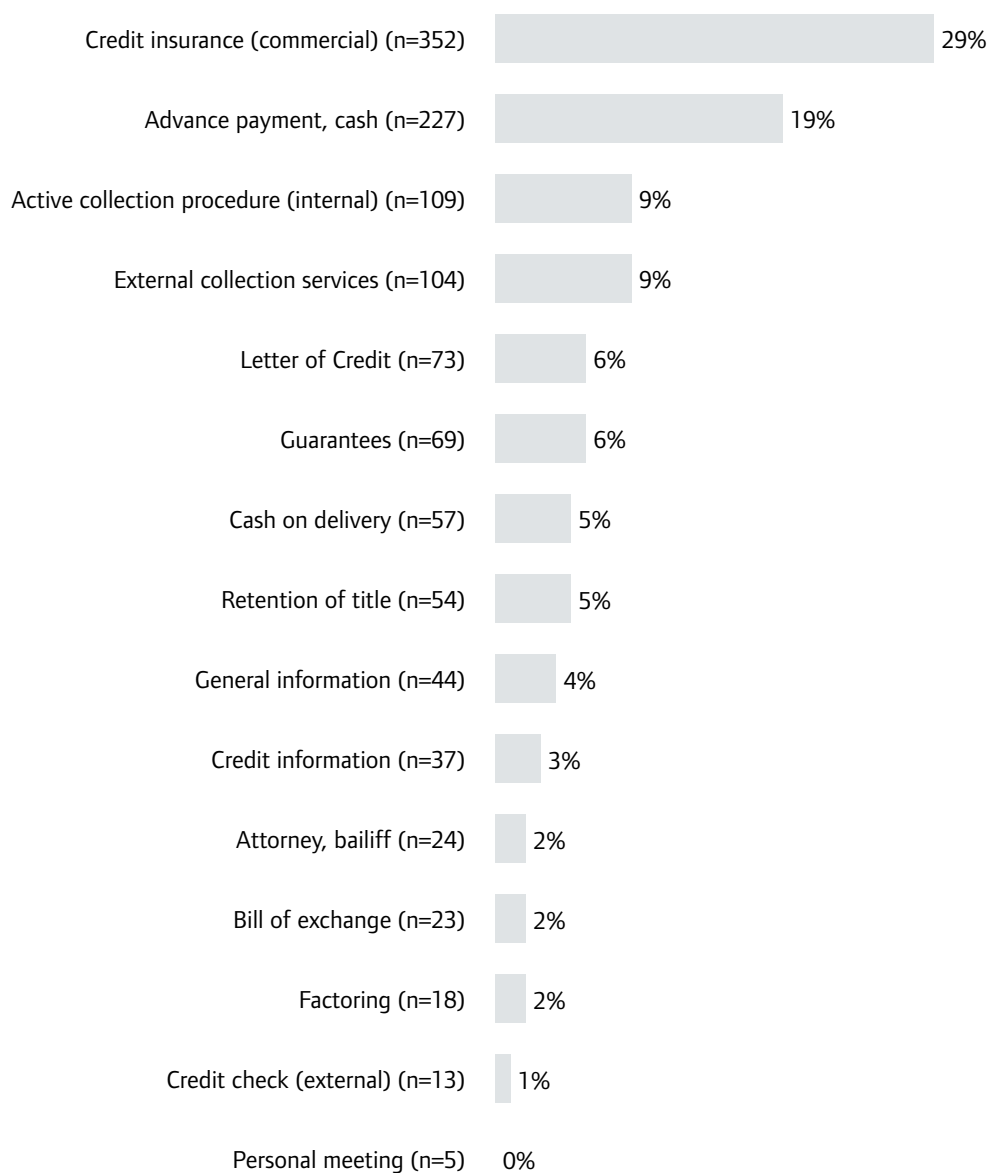
Companies from **Germany** and the **Netherlands** protect themselves most frequently.

Companies from **Belgium** and **Italy** protect themselves most seldom.

Basis: All respondents in the countries surveyed.

Protection against bad debts (II): measures taken

Which measures do you take?



29% of all companies in the survey protect themselves with **credit insurance**.

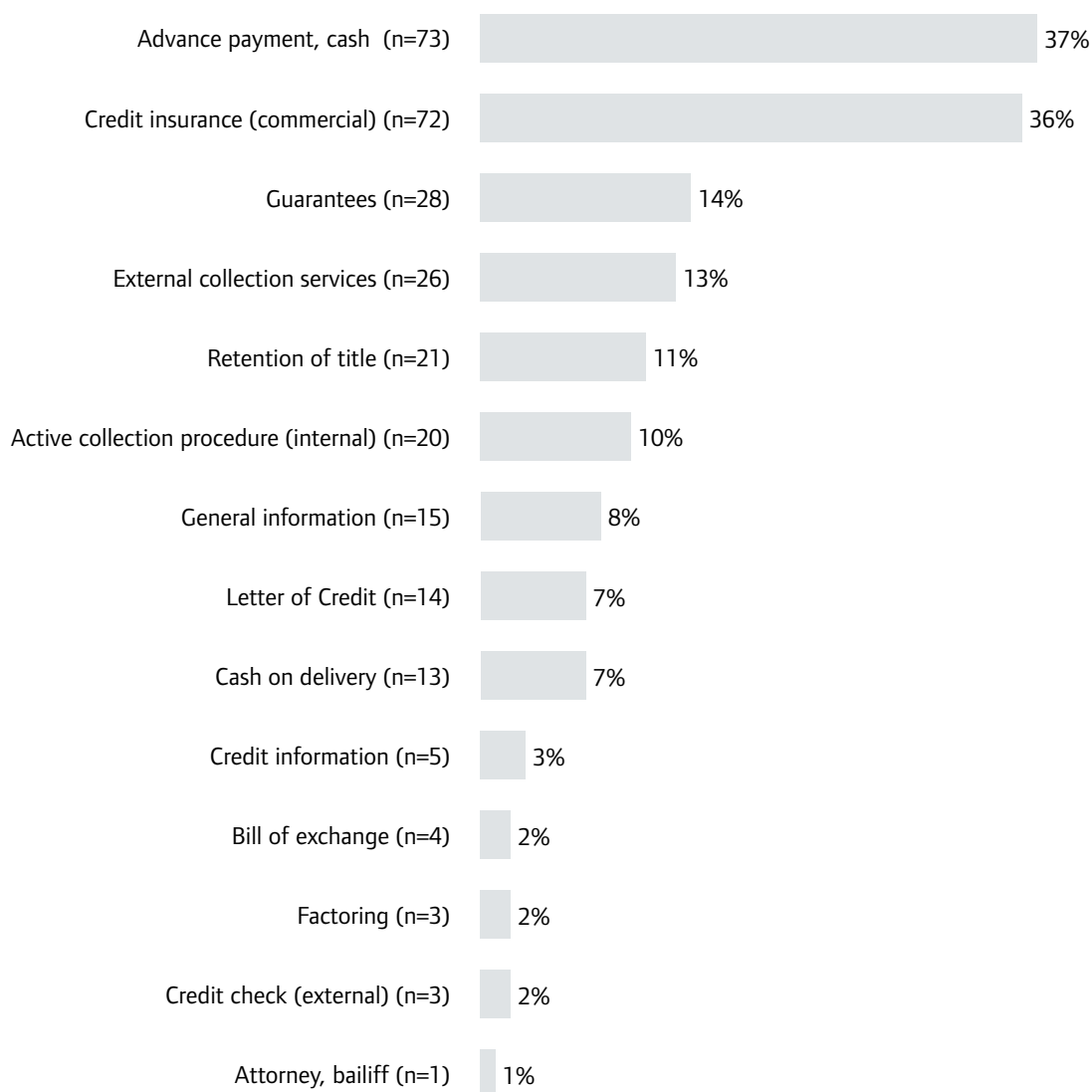
19% of the companies use **advance payment** or **cash payment**.

Given a usage rate of **9%** each, protection using **internal or external collection companies** is also a frequently used measure.

Basis: All respondents; multiple answers were possible.

Protection against bad debts: measures taken in Germany

Which measures do you take?



Companies from Germany use **advance payment** or **cash payment** more frequently than companies from other countries.

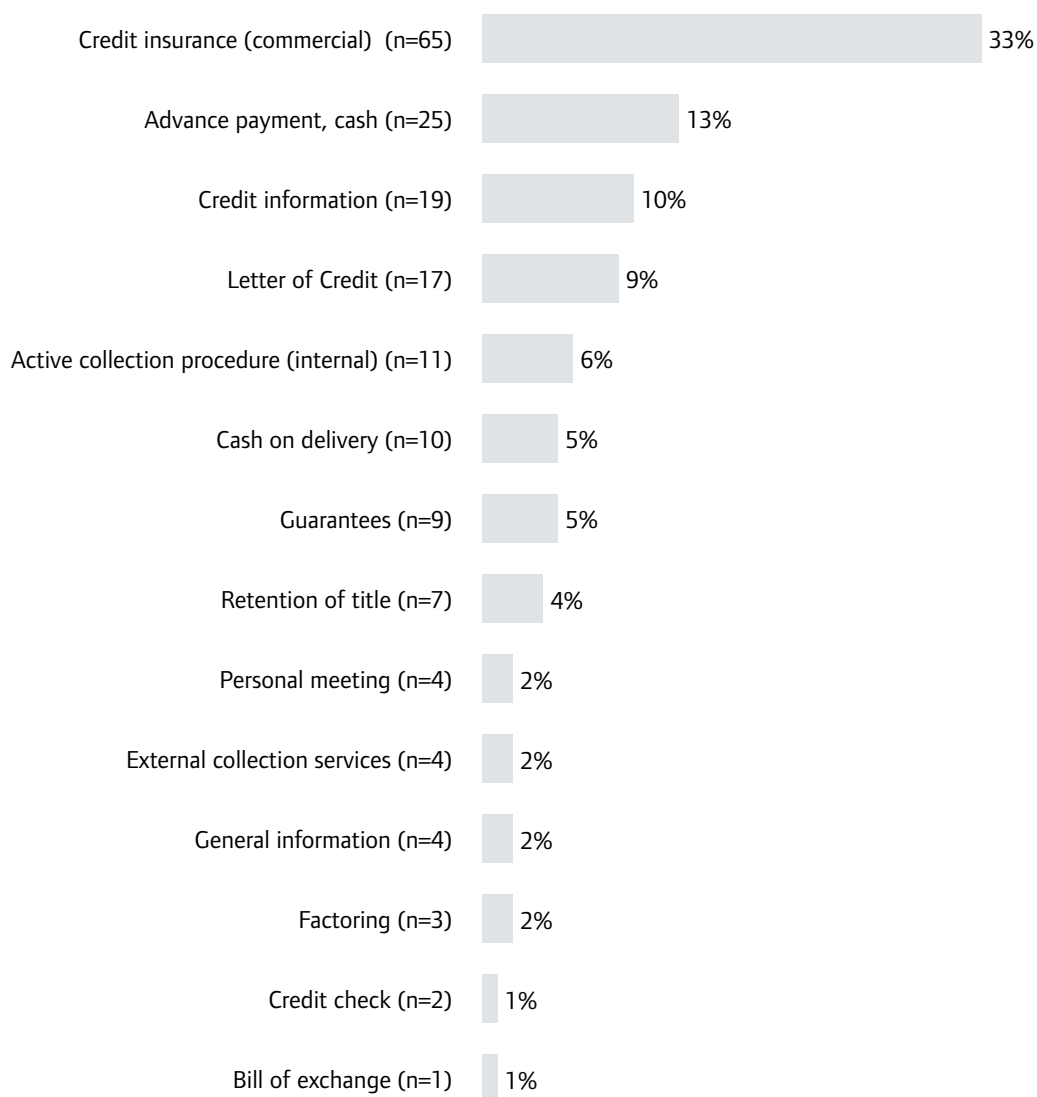
It is striking that in Germany the total sum of protection measures is particularly high. In other words: **German companies employ more**

measures to protect themselves than companies from other countries.

Basis: All respondents from Germany; multiple answers were possible.

Protection against bad debts: measures taken in Great Britain

Which measures do you take?



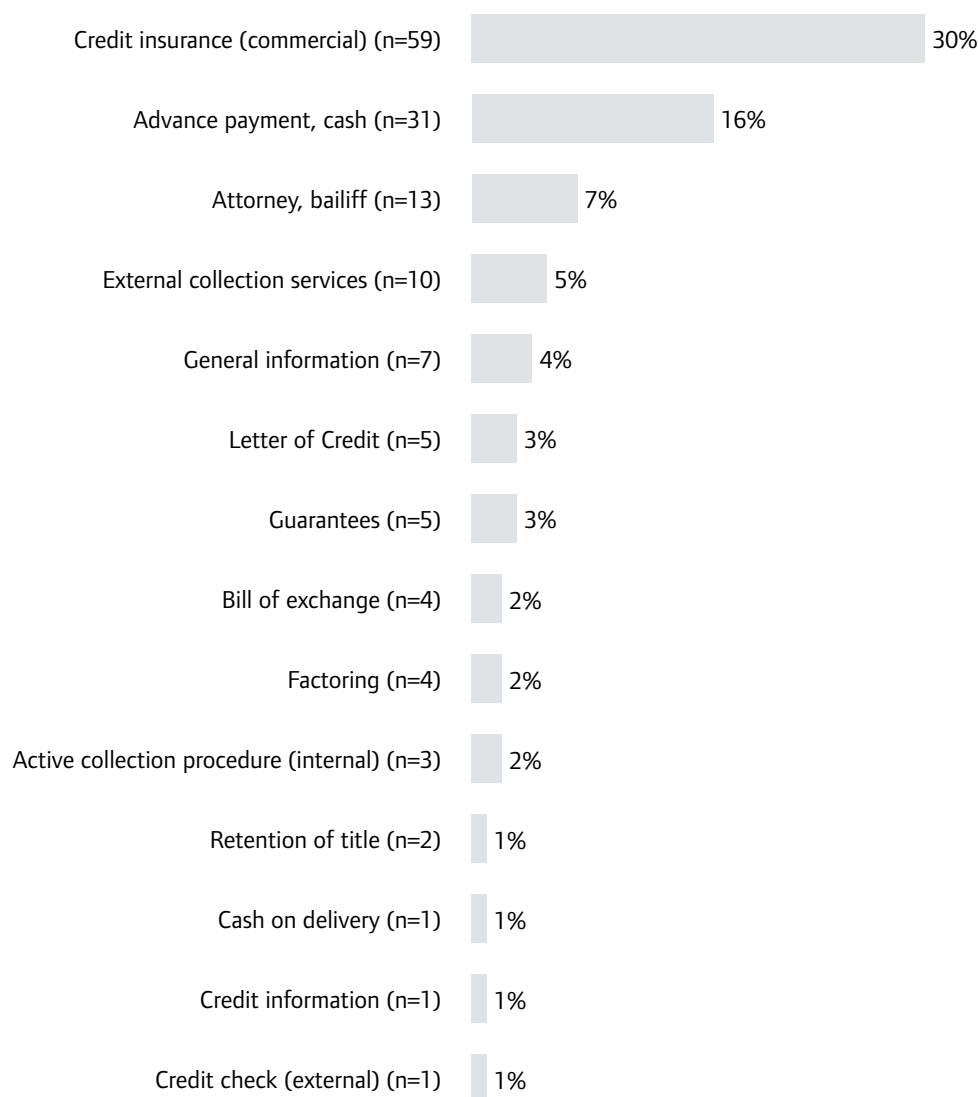
In Great Britain, the instrument **credit insurance** is of **outstanding importance**.

The **gap between credit insurance and other possible measures** is bigger than in all other countries in the survey.

Basis: All respondents from Great Britain; multiple answers were possible.

Protection against bad debts: measures taken in France

Which measures do you take?



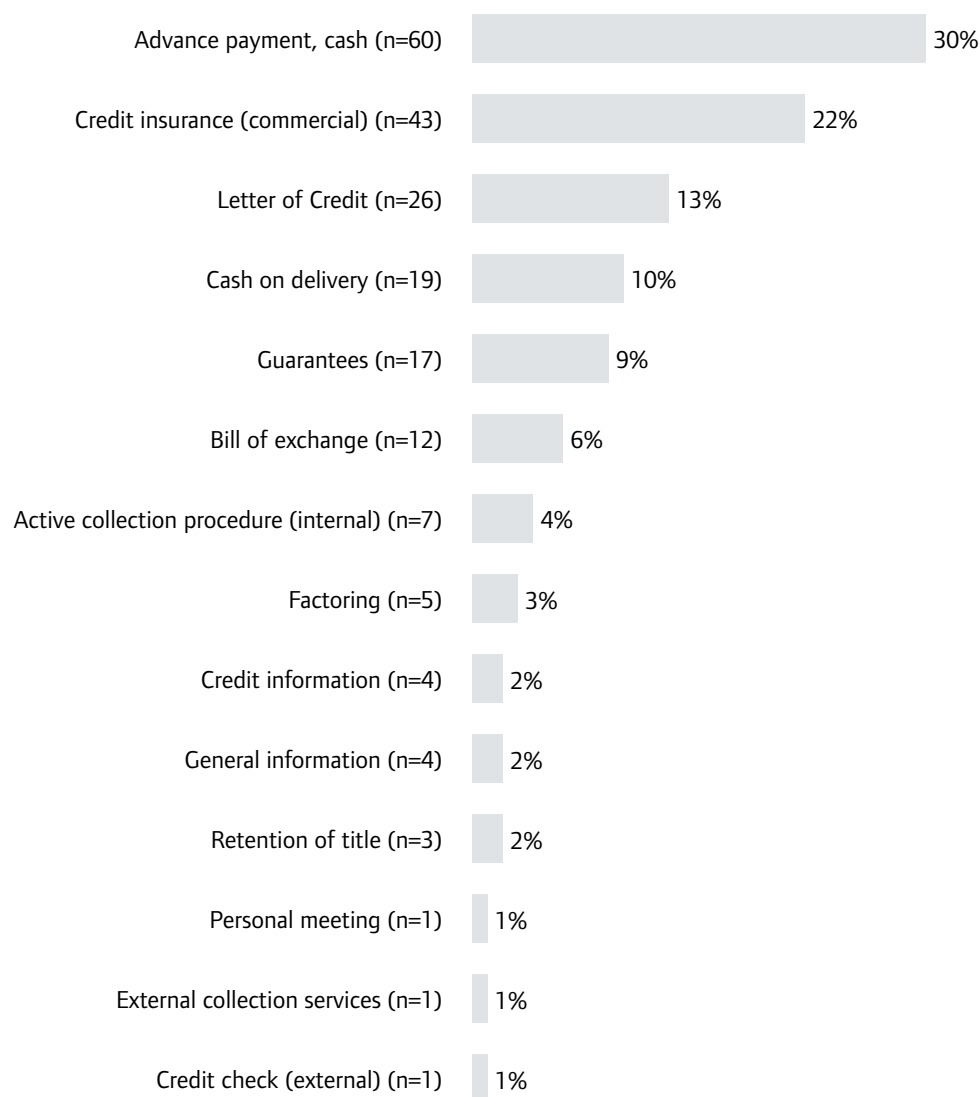
In France, **credit insurance** is the most commonly used measure of protection against bad debts.

The high proportion of companies that protect themselves by **legal measures** is quite remarkable.

Basis: All respondents from France; multiple answers were possible.

Protection against bad debts: measures taken in Italy

Which measures do you take?



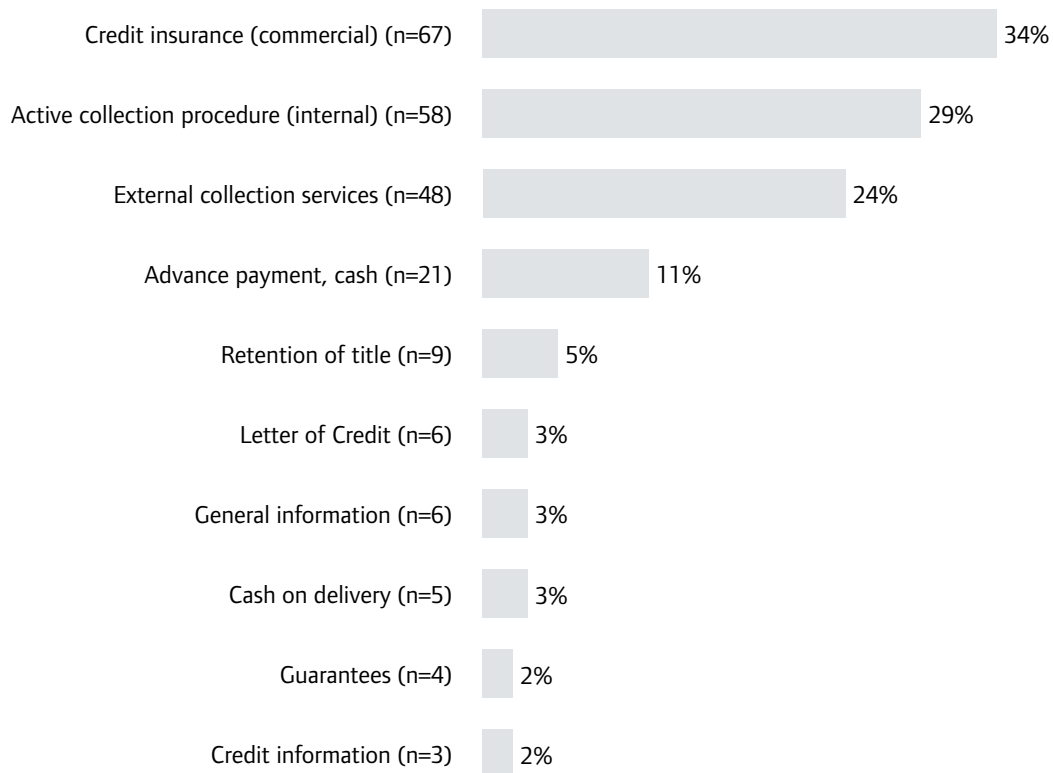
In Italy, **credit insurance** is used by **fewer companies** than in other countries as a measure of protection against bad debts.

Advance payments and **cash payments** are of a **higher importance**.

Basis: All respondents from Italy; multiple answers were possible.

Protection against bad debts: measures taken in the Netherlands

Which measures do you take?



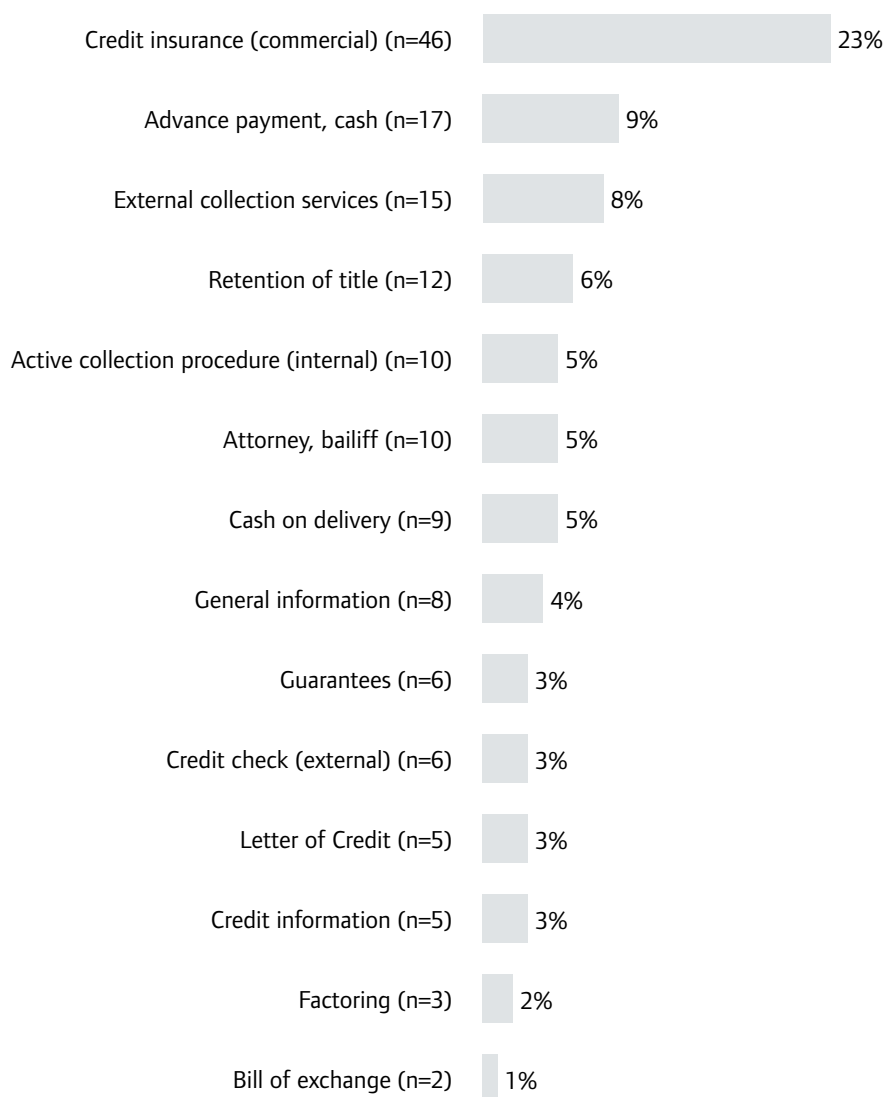
In the Netherlands, **credit insurance** is the most commonly used measure of protection.

Furthermore in comparison to other countries the proportion of companies who protect themselves through the use of **collection services** (internal or external) is remarkably high.

Basis: All respondents from the Netherlands; multiple answers were possible.

Protection against bad debts: measures taken in Belgium

Which measures do you take?



23% of the Belgian companies in the survey use **credit insurance** to protect themselves against bad debts.

Other measures are of minor importance.

Basis: All respondents from Belgium; multiple answers were possible.

Conclusions

This is what the survey results say:

Domestic payment practices

- Around **40%** of the companies assessed domestic payment practices only as “**average**” or even “**poor**”.
- **Delays in domestic payments** are **anything but rare**: in **around half** of the assessed domestic business relationships there were “**frequent**” or “**rather frequent**” delays over the last six months.
- Complete **payment** failures tend to be **rare**. But it should be noted: **only in 50%** of the assessed business relationships were there **no payment failures** over the last six months.
- The **British** assessed their domestic business partners comparatively **positively**. Respondents from the Netherlands saw at least **positive tendencies** over the course of time.
- **Domestic payment practices** are seen more critically in **Germany** and **Italy**. **Alongside the Germans**, in particular **the French** observed a deterioration in payment practices.

Payment practices of international business partners

- Payment practices of international business partners leave **plenty of room for improvement**.
- The payment practices of **Italian companies** are assessed, by far, **most critically** (64% “average” or “poor”).
- Austrian, Swiss and German companies have a **good image** **abroad** (12%, 15% or 18% “average” or “poor”).
- **30-40%** of respondents assessed the payment practices of the other countries as “average” or “poor”.
- The **big majority** of respondents saw **no significant change in payment practices** over the course of time (slightly negative tendencies in Italy, Great Britain and France).
- **Payment delays** occur **most frequently** with business partners from **Italy, Great Britain and France**.
- Complete failure to pay tends to be rare in international transactions.

Payment intervals: expectation vs. experience

- **In five of the six countries surveyed** a time-scale of **30 days** was regarded as a normal term of payment. Only in **Italy** was the expected payment term higher at **60 days**.
- **Only in Germany** do domestic business partners normally comply with the expected payment terms. In the **Netherlands** payments are made normally after **34 days**.
- Companies in **France** (60 days) and **Italy** (90 days) have to wait **significantly** longer for payment from domestic business partners.
- International payments take **significantly longer** (60 days and more). **Positive exceptions** are **Switzerland, Austria** and the **Netherlands**.

Protection against bad debts

- A total of **30%** of companies surveyed stated that they have taken **no measures to protect** against bad debts.
- Companies from **Belgium** and **Italy** **protect themselves least frequently** against bad debts.
- Companies from **Germany** and the **Netherlands** are **most aware** of **protective measures**.
- **Credit insurance** is the most frequently used measure for protecting against bad debts.
- Other important measures are the use of **advance payment or cash payment** and internal or external **collection agencies**.

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