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## **SVAR PÅ HØRING – FORSKRIFT OM SAMORDNING AV FØRESEGNER OM KOMPENSASJON FOR INNDRIVINGSKOSTNADER ETTER INKASSOLOVA OG FORSEINKINGSRENTELOVA**

Vi viser til mottatt høringsbrev om forslag til samordning av bestemmelsene om kompensasjon for inndrivelseskostnader etter inkassoloven og forsinkelsesrenteloven.

Som nevnt i vårt tidligere hørings svar av 30. august 2011 om forslag til endringer i forsinkelsesrenteloven (knyttet til gjennomføring av EUs direktiv om bekjempelse av forsinket betaling i handelstransaksjoner), er Virke positiv til tiltak som fremmer rettidig betaling mellom næringsdrivende. Vi har allerede et godt fungerende system i Norge. Intrum Justitias rapport 'European Payment Index' (se vedlegg) viser at Norge ligger godt an i europeisk sammenheng. Det er viktig at vi ved implementeringen av EUs direktiv om bekjempelse av forsinket betaling i handelstransaksjoner ikke foretar endringer som kan gjøre et i dag velfungerende inkassosystem dårligere. Som en del av dette er det viktig å unngå uklarheter knyttet til hvordan de nye reglene som samordner kompensasjon for inndrivingskostnader etter inkassoloven og forsinkelsesrenteloven skal forstås.

Virke støtter derfor Norske Inkassobyråers Forening (NIF) hva gjelder de presiseringer samt avklaringer av enkeltspørsmål NIF ber om i sitt hørings svar, og ber om at Justis- og beredskapsdepartementet foretar disse avklaringene. Siden de nye reglene kan medføre at inkassobransjen må foreta både systemtekniske tilpasninger og avtalemessige tilpasninger med næringslivet, bør presiseringene komme i god tid før de nye reglene skal iverksettes.

Vennlig hilsen  
**Hovedorganisasjonen Virke**

Anne Johansen  
Fagsjef

Hovedorganisasjonen Virke

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# EUROPEAN PAYMENT INDEX 2012

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Intrum Justitia, Europe's leading provider of Credit Management Services carries out a written survey in 28 European countries on an annual basis involving several thousand companies. The results of the current survey are published in this European Payment Index Report and the country reports, which are drafted in the respective national language.

This yearly interval is intended to capture and compare international trends and provide companies with a reliable basis for decision making and effective benchmarks.

The results in this report are based on a survey which was carried out during January, February and March 2012. All time-based comparisons relate to the survey results that have been obtained during the same period in 2008, 2009, 2010 and 2011.

Intrum Justitia is happy to help if you require any further support or information.

## CEO FOREWORD: LIQUIDITY SQUEEZE THREAT TO EUROPEAN FIRMS AS NON PAYMENT CONTINUES RISING

More of Europe's businesses are at risk of failing due to growing liquidity problems fuelled by the fast growing number of firms and people not paying their invoices. Our latest survey reveals the written-off debt being suffered growing to 2.8% of total receivables to reach the unprecedented level of €340 billion, a figure equalling the total debt of Greece, representing one third of total annual healthcare spending across the EU's 27 countries and amounting to more than double the EU's total 2012 budget of €147 billion.

The harsh reality of doing business in today's austerity-driven environment is reflected in the 2012 European Payment Index (EPI) by Intrum Justitia, which includes three new European countries, Bulgaria, Romania and Slovenia. Compared to last years survey, the latest Intrum Justitia EPI reveals a 4% leap in debt write offs to 2.8% of total receivables. If we include the three new countries added to the 2012 survey, the pan-European write-off percentage increases to a total 3%, an 11% rise over the 2011 figures.

Our annual survey again underlines the substantial divide in late payment behaviour between the financially stronger north and the weaker south. It now takes an average 91 days for business-to-business transactions to be paid in the southern region compared to 33 days on average in northern Europe, which is a core problem seriously hampering the on-going integration of Europe's internal market.

Some 57% of the respondents to the Intrum Justitia EPI survey of business sentiment admit to suffering liquidity problems due to late payment. Representing the entire spectrum of European business activity, a vast majority – 70% – of the 7,800 respondents believe they are not getting the legislative support they need to protect their



businesses from the risk/harm of late payment. The latest Intrum Justitia EPI survey underlines the very real threat posed by late payment. It is not just about the survival of tens of thousands of firms and hundreds of thousands of jobs across Europe, it also touches the social fabric of the European continent. For example, in Greece, where Europe's crisis began, social unrest has erupted as a result of the harsh belt-tightening and massive spending cuts, tax increases and contraction.

Most at risk from liquidity problems are Europe's small and medium sized businesses (SMEs), which are the lifeblood of the European economy. According to the European Commission, SMEs provide two out of three jobs and serve as the driving force for growth, job creation and innovation by providing 85% of net job growth across Europe.

Since the onslaught of the economic downturn some five years ago, the women and men running Europe's 20 million private enterprises, almost 97% of them small or medium in size, have battled with declining markets and higher costs to secure jobs, future growth and increased competitiveness. However, the economic landscape has changed in recent years and traditional routes of funding expansion or investment in new equipment such as approaching a business bank have become less viable.

Despite all the political rhetoric, little has been done to help Europe's SMEs, especially in their struggle to cope with late payment. Few governments show any real interest in bringing in new national legislation and, in fact, as our survey reveals, even fewer businesses today are aware of the EU Late Payment Directive today than a year ago!

How can we shutdown the huge late payment spiral? The



obvious answer is for firms to gain better financial control to avoid liquidity problems. But the reality is that the problem will not go away without governments committing to forceful national legislation to speed payment with statutory interest rates and fees as exists already in the Nordic countries.

The good news is that the Intrum Justitia EPI panel of economic experts, representing north and south Europe, believe Europe is not facing a meltdown, although overall zero growth will be the norm. Their shared opinion of the vital need to maintain a good control on cash flow reflects our own experience at Intrum Justitia that underscores the absolute importance of adhering to strict credit controls. Even in today's tough market there is much enterprises can do to avoid risk of non payment, from closely profiling the identity of your customers at the start of the relationship to implementing swift reminders and remedial action when late payment occurs.

Lars Wollung, President & CEO Intrum Justitia Group

## IN BRIEF

# WITH COFFERS EMPTY, EUROPE'S FIRMS FACE GROWING LIQUIDITY PROBLEMS

Europe's embattled business owners are not having an easy time as most European national economies struggle to find a way out of the prolonged recession.

The latest Intrum Justitia European Payment Index survey (EPI) reveals an overall picture of too many firms running on empty. Almost five years of no growth, declining sales and ever rising write off rates, a clear majority – 55% – of the 7,800 businesses taking part in the EPI 2012 survey admit they are now suffering as liquidity problems rise to unseen levels as a consequence of the recession.

Yet again the south-north divide in Europe is underscored by the latest Intrum Justitia EPI survey. Austria, Germany, the Nordic countries and Switzerland all report improving business scenarios, while their southern neighbours such as Greece, Portugal, Spain and Italy languish in the economic doldrums. The average business-to-business transaction in Greece takes 80 days to be paid on average and 90 days in Portugal compared to 35 days in both Sweden and Germany.

Pan European level	Average payment duration in days				
	2008	2009	2010	2011	2012
Consumers	40	41	39	40	38
Business	56	57	55	56	52
Public sector	65	67	63	65	65

The feedback from the survey paints a stark warning of a threatening sharp increase in business failures looming just around the corner. Overall across Europe, the written-off percentage now amounts to an estimated €340 billion, a jaw-breaking figure. In comparison to last years survey, the latest Intrum Justitia EPI reveals a 4% leap in debt write offs to 2.8% of total receivables. If we include the three new countries added to the 2012 survey that write-off percentage increases to a total 3%, an 11% rise over the 2011 figures.

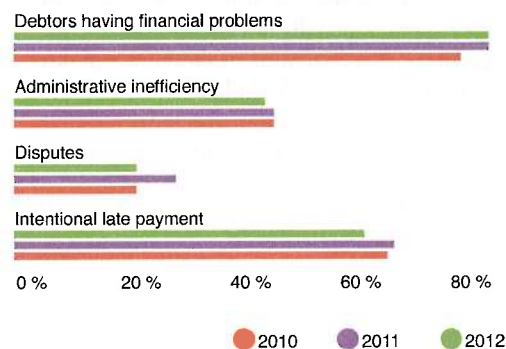
Businesses across Europe are responding to the tough climate by squeezing the amount of days they are prepared to

give credit. Businesses cite lost sales and extra costs stemming from rising taxes and rental rates as driving them to get money in faster and earlier than before. On the upside, the EPI 2012 shows some slight improvement in payment behaviour compared to a year ago with consumers on average across Europe now taking 38 (40) days to pay a bill, businesses 52 (56) days and the public sector 65 (65) days.

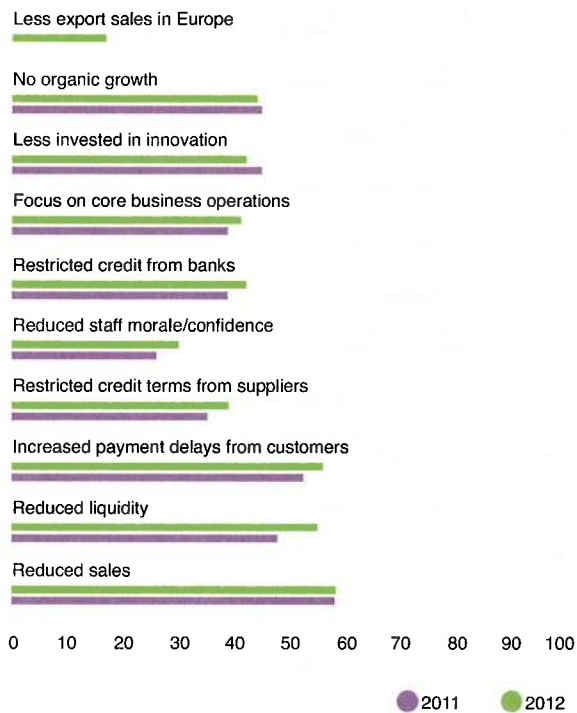
Over 50% of respondents in the majority of countries, with the notable exception of a few countries such as Switzerland, Sweden, Norway, Finland and Germany, said they had lost sales as a result of the global recession and also that their liquidity was squeezed due to the current economic climate. When it came to liquidity problems being suffered as a result of late payments, Greece was in the severest position with over 96% of respondents reporting difficulty, followed by Portugal (81%), Spain (80%), Cyprus (75%), Slovenia (72%) and Italy (70%). Least impacted were countries such as Switzerland (38%), Finland (37%), Norway (41%), Lithuania (41%), Germany (43%) and Austria (44%).

Banks continued to come under attack in the EPI 2012 with 47% (32%) of respondents saying they felt less confident about getting the financial support they need from their bank to help them run or grow their business.

### Reasons for late payments according to respondents



## Global recession, the impact on businesses %



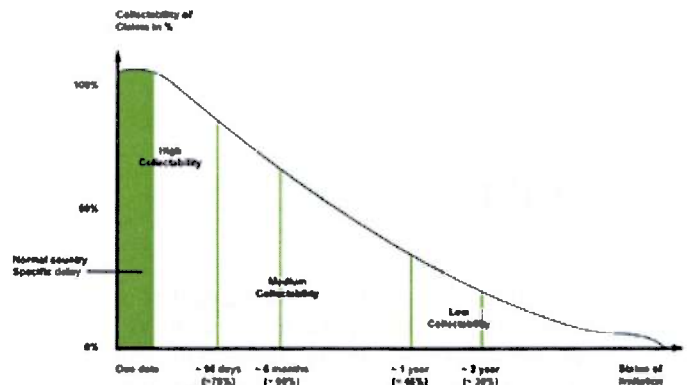
National governments were also slammed by a majority (70% on average) of respondents who did not believe their government was doing all that could be done to help protect businesses from the risks and harm caused by late payment. In countries such as the Czech Republic, Greece, Italy, Spain, Portugal and Slovenia, the percentage of respondents wanting greater support from legislation in getting paid on time was 90% or higher.

The EU's initiatives focusing on late payment such as the Late Payment Directive appears not to have proven a big hit with even fewer respondents in the EPI 2012 being aware of its existence than a year ago. The overall feeling of 64% of respondents was that it has had no impact in

driving change in individual countries so far. A worrying 44% of those answering the EPI 2012 survey believe the risks of their company debtors will increase in the coming year, while 50% believe the situation will remain the same as now. Against the above background, it is also surprising to discover from the EPI 2012 survey that fewer companies are showing the initiative compared to a year ago to resolve late payment issues by using a collections agency. In 2011, some 65% of respondents said they would hand over unpaid invoices to a collections agency after 92 days, but in the latest survey that figure has fallen to just 56% of respondents.

The liquidity situation for many businesses in most countries across Europe is now so severe that the likelihood of a rapid rise in firms battling lower sales, more late payment and high costs going bankrupt has increased dramatically.

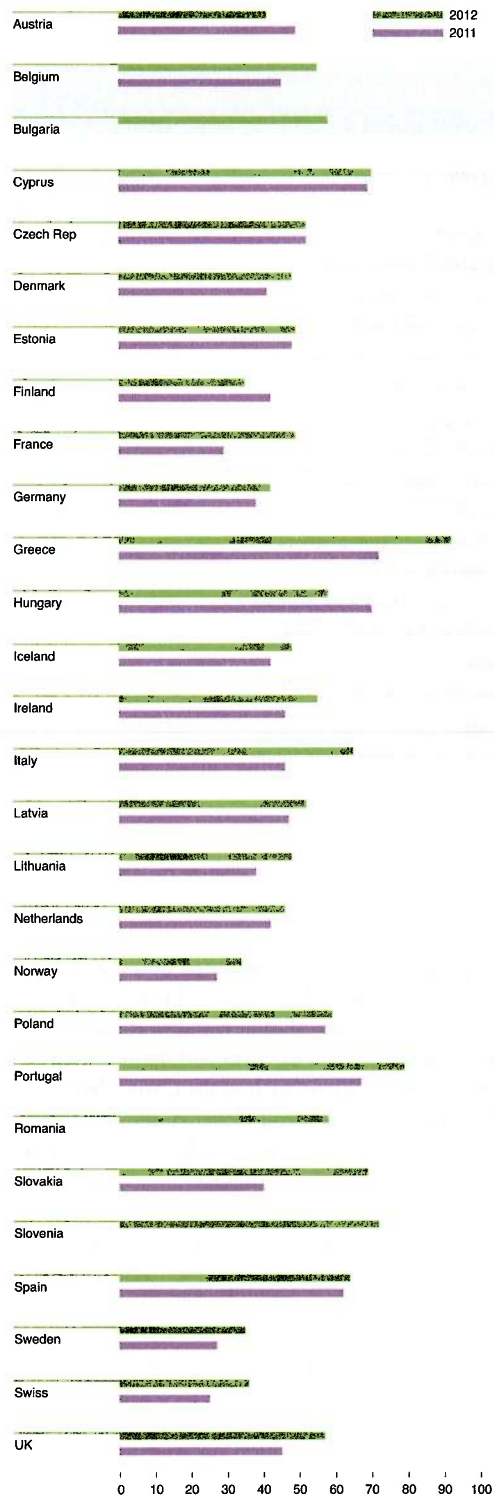
## The effect of waiting



## Liquidity problems due to late payments %



## The felt impact of "reduced liquidity" % (due to the global recession and situation in Europe)

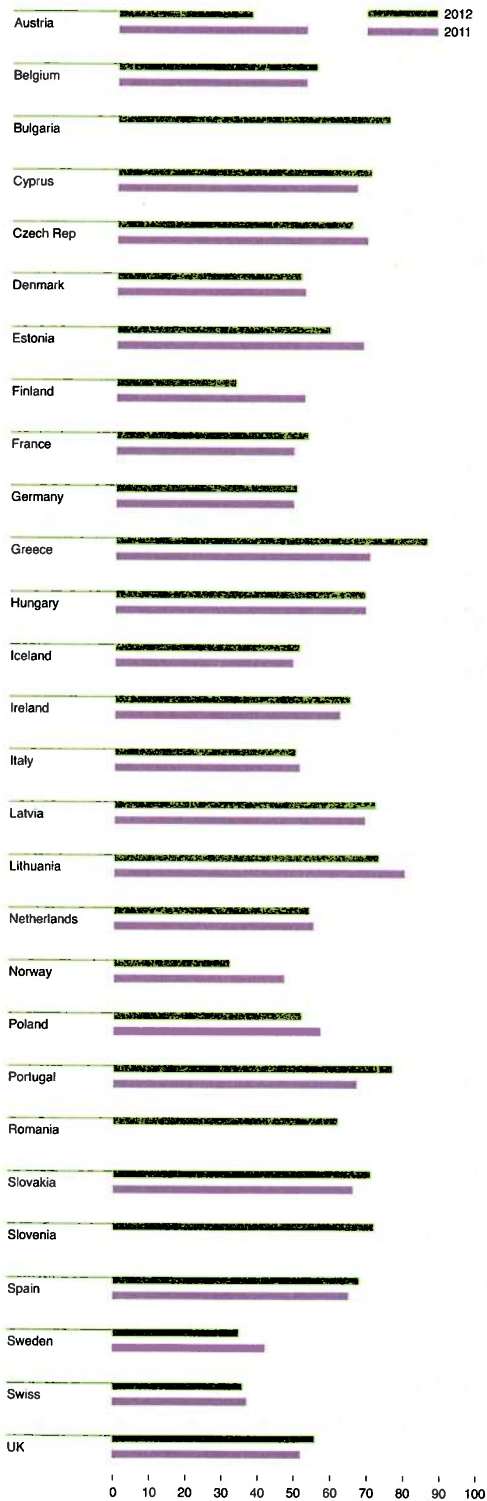


## LIQUIDITY SQUEEZE

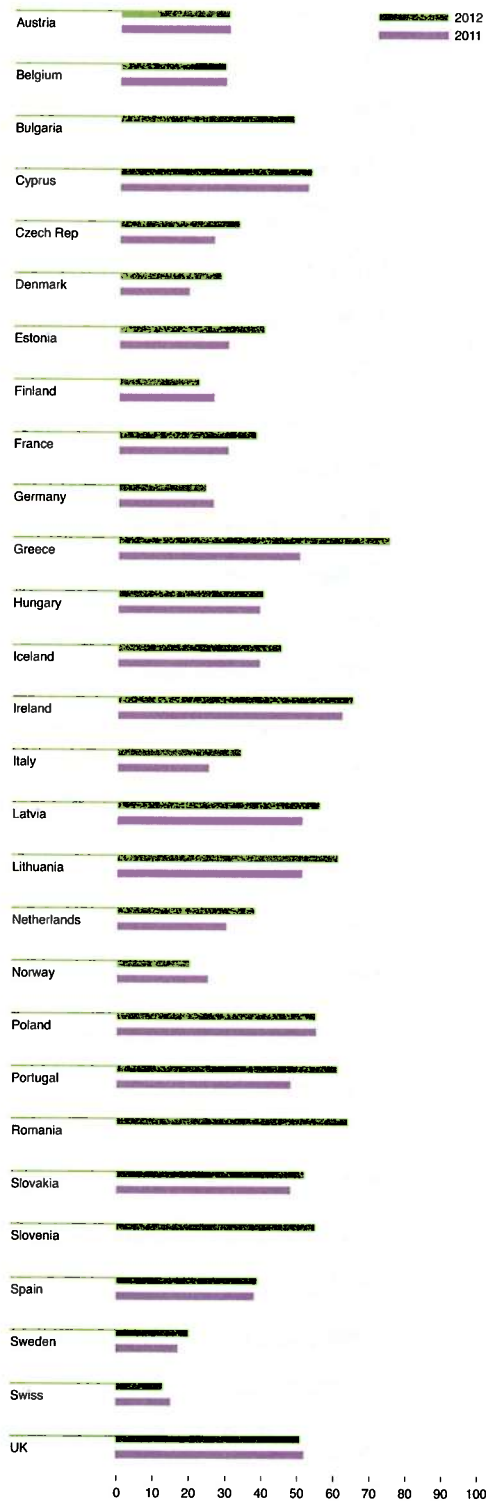
Liquidity problems are clearly emerging after years of high lost income due to late payments and the global recession. The graphs on this page compare liquidity impact due to late payments and liquidity problems due to the global recession.



The felt impact of "reduced sales" %  
(due to the global recession and situation in Europe)



The felt impact of "restricted credit from banks" %  
(due to the global recession and situation in Europe)





## Payment duration in days

Consumers

Business

Public Sector



## WHAT THE EXPERTS SAY

SMEs are experiencing turbulent times in a world significantly more complex than ever before due to the increasing interconnectedness of world markets and the ongoing economic crisis. With a quarter of all consumption and investment taking place in Europe (according to an Ernst & Young report in 2011), what do European smaller and mid-sized enterprises need to be doing to survive the recessionary impacts and find ways to compete and grow? We asked five of Europe's top academic business experts to help find some answers by answering three leading questions...

### Question 1

First, just how real is the threat at the start of 2012 of a serious second 1930s-like recession materializing as warned by the IMF and are Europe's SMEs geared to survive such a threat (ie, is the picture as dire for SMEs as the headlines seem to indicate)?

### Question 2

Europe remains a formidable force, but what must SMEs do more of to find new ways to compete and their own way to lead as they struggle with the challenges of reduced bank lending and a restricting consumer base (ie, are innovation and entrepreneurship still top of the agenda for growth)?

### Question 3

What advice would you give to any micro, small or medium sized business owner in today's marketplace to help them grow their business (ie, increase and sustain focus on credit management processes, implementing even tighter credit controls even if it risks losing customers, reducing employee levels, restricting wage increases etc)?

### Answer - 1 Thomas M. Cooney,

I believe that the threat of a 1930s-like recession is closer than we would like to imagine and that much is dependent upon the resolution of the euro crisis, particularly the restructuring of the financial affairs of Greece and the continued hope that Italy does not join those countries who have already needed to be bailed out. The possibility of the markets going into freefall looms large and Germany alone cannot be expected to anchor the euro during this economic storm. Strong leadership and a willingness to look beyond national interests must occur if the euro is to survive.

### Answer - 2 Thomas M. Cooney,

The EC has made a commitment that in excess of 15% of its funding for FP7 activities should go to SMEs but despite its best efforts, that target is still not being met. There are significant opportunities through EU funded projects to access money to participate in international collaborations which will help expand a firm's knowledge and business opportunities. I wonder how many owner-managers have ever read through European Small Business Portal ([http://ec.europa.eu/small-business/index\\_en.htm](http://ec.europa.eu/small-business/index_en.htm)) to find out what the EU does to boost small businesses in Europe and on the global market. If the market has eroded in one's own country then look elsewhere as not every region of the world is in recession.



*Dr Thomas M. Cooney*  
Director - Institute for Minority  
Entrepreneurship Dublin  
Institute of Technology

**Answer - 3 Thomas M. Cooney,**

An American expression that has never really joined the European lexicon is 'bootstrapping', the notion of making things happen without using much money. The American entrepreneur Guy Kawasaki offers the following advice that SME owner-managers should certainly consider implementing:

1. Focus on cash flow, not profitability.
2. Forecast from the bottom up.
3. Ship, then test.
4. Forget the 'proven' team.
5. Start as a service business.
6. Focus on function, not form.
7. Pick your battles.
8. Understaff.
9. Go direct.
10. Position against the leader.
11. Learn the whole truth.

Being innovative or creative is not about creating new-to-the-world products, it is about constantly seeking to improve your product or service offering so that you can stay ahead of your competitors. There are also significant opportunities for low-cost promotional activity via social media websites that should be utilised fully by SMEs (where appropriate). In every market there are winners and losers - which do you choose to be?



**Luca Iandoli,**  
*Professor of Business and  
Economics, University of  
Naples Federico II*

**Answer - 1 Luca Iandoli**

The threat is unfortunately real. The possible default of some European countries, even the smaller ones, can trigger uncontrolled consequences that eventually will also embrace the major economies and even those countries that are not so exposed in terms of public debts, as the Standard's and Poor downgrade of the ratings of 9 countries in Europe demonstrates. On the other hand, there are signals that things may improve in the short term. The government changes in Italy and Spain and their adoption of rigorous policies to control public expenditures has been well received by the market, despite the rating agencies downgrade. There are good chances that some effective countermeasures will be adopted at the EU level to cover the financial needs of the most exposed countries. Of course, the SMEs will be the first victims of a recession and there is not much they can actively do to favour one scenario or the other. However, I think that entrepreneurs and firms association could do more to make pressure on the decision makers to adopt policies that are in the interest of Europe. Recovering from the crisis, and keeping the euro in good shape, should be a priority for everybody, and it doesn't matter which EU country you are based in. One reason for Germany not to act is based by some on the assumption that voters are against any strong form of support for countries in financial difficulties. If this changes, it will not only mean that we will have more resources to get out of the crisis, but also that European citizens are starting to think of Europe as something more than a monetary union.

**Answer - 2 Luca Iandoli**

Unfortunately "growth" is, in fact, the real missing word on the political agenda. In the public and political debates, I would like to see the same degree of attention being given to austerity measures also applied to growth and innovation. However, it is clear that there are no financial resources at the government level and acting on growth requires more courage, time and creativity than just cutting public spending. So, SMEs have to make on their own. Despite SMES lacking financial resources due to the market and credit crisis, there are alternative, cheaper ways to invest in innovation. First, by intensifying the collaboration with universities and public research centers. Second, by doing more professional training using the public funds that are aimed at supporting this type of initiatives. Third, by collaborating more with other companies to achieve synergies. Fourth, by using the Internet more to access communities of practice and the huge amount of information available online, to support collaboration among employees and as a new way to reach customers and involve them in processes of value co-creation. Finally, innovation is not only about investing in top/trendy and expensive technology,

but also about the search for new markets and new business models. It's clear that shrinking internal demand will not help firms' growth, but there is an enormous potential in new markets. The global middle class has increased by about 1 billion people in the last few years; but the problem is that they live in other countries and have sometimes quite different needs than their western counterparts. But European products and lifestyle are extremely appealing to these people. The problem is that our small companies do not have the right mindset. Let me make an example: there is an increasing touristic flow from China toward Europe, but how many companies in the tourism and travel industry are working to attract and build the systems to serve this new interesting segment?

#### Answer - 3 Luca Iandolo

I think that SMEs should be very careful about their financial situation and adopt any measures that helps to keep their balance sheets in order. These include, of course, savings and budget cuts, but companies should not make the same mistake that EU countries are doing: there is no way to control the debt without growth. Besides, cuts have a depressing effect on people motivation. So cutting and saving policies should be accompanied by the adoption of clever incentives in which company's growth is linked to personal growth and individual rewards. Second, fairness is critical. People are generally well inclined to share things, even losses. Of course, all the management maneuvering on accounts and financials is important, but I believe that the ultimate resource to claw your way out of a huge crisis are the individuals. So my advice to entrepreneurs is: do your best to keep your best people, involve them more and collaborate to find clever ways to get out of the difficulties. In other words, be a true leader, above all a credible one.



**Professor Pasi Malinen,**  
*D.Sc. (Econ. & BA), Vice-Director,  
Business and Innovation  
Development BID,  
University of Turku, Finland*

#### Answer - 1 Pasi Malinen

It depends a lot on the market and product/service combination of the company in question. If an SME is mainly operating in a home market, which is doing relatively okay (Scandinavia, Germany etc.) the problems may not be too serious. However, the crisis might have an effect if SME's customers are struggling. By this, I mean that if an SME is operating as a subcontractor for a larger company, which is affected by the crisis, then it creates problems for the SME in question. In some European countries, this threat is more serious than in others (Greece, Italy, Spain, Portugal). On the other hand there are indications that the number of new ventures are growing. Large companies are laying off people and experts are starting up new companies, which is bringing more dynamics in the market. There is a recent research from the US (Krueger) that indicates how new jobs are not created by the LSEs (large scale enterprise), and not even growth companies as they were in the past, but by new start-ups.

#### Answer - 2 Pasi Malinen

Less than half of the Finnish companies have bank loans. Therefore, lending restrictions by the banks may not play a big role in the situation. However, if customers are having troubles then it reflects on the companies. Innovation is getting more attention. You have to come up with new solutions with less money and personnel. Entrepreneurship is seen more often as a career choice today as there are less jobs available. Entrepreneurship culture is gaining more in popularity - at least in Scandinavia.

#### Answer - 3 Pasi Malinen

SMEs have not been as eager to lay off people as LSEs during this recession. Of course, SMEs should pay very close attention to their credit controls and look for weak signals in their customers' financial situation (if they operate on business to business markets). Today's attitude is against growing personnel, preferring to use other companies as service providers. This has led to a situation where necessity entrepreneurship is rising, especially in construction and similar sectors. This trend may move into other sectors as well. Then we have to re-assess the growth phenomenon. As for an advice, I would suggest existing companies to think of two things. One, trying to address the issue of business model. Is the one used the proper one for the situation? Two, are there any ways of generating additional income from various sources rather than relying on potentially single customers? Many subcontractors and companies in business to business markets are relying on their customer LSEs and that might be dangerous. Therefore, innovative thinking in selecting a business model and additional revenue streams may well be the answer for such companies.





**Professor Ken O'Neill,**  
*Professor Emeritus-  
Entrepreneurship and Small  
Business Development,  
University of Ulster*

#### Answer - 1 Ken O'Neill

The threat of a 1930s style depression (as opposed to RECESSION) is not so real. The likelihood of a recession is real. Estimating how deep the recession will be is like throwing dice - it is about politics not economics (step up Angela Merkel!) . On balance I believe we will avoid the cataclysmic outcomes predicted by some. We will have close to zero growth for the next 2 years and bank liquidity will remain a problem. This will impact on SMEs undoubtedly. However, its worst impact will be felt mainly by the already weak. For well-run SMEs, growth may be constrained but their survival will not be in doubt. It is also important to realise that the SME population is not homogeneous. The German Mittelstand and similar will be OK. Micro-business (and some niche players) relying on too few customers and with poor control of cash flow will suffer. So the impact will be variable across SMEs in terms of size, sector, country and position in the supply chain. Overall, the sector sector it will come through this period without noticeable deterioration - it has proved to be a resilient in the past - more resilient than the large firm sector . There is no reason to doubt its ability to cope with anticipated falls in aggregate demand (see below)

#### Answer - 2 Ken O'Neill

I have no doubt that the words like innovativeness and entrepreneurship will be repeated ad nauseam as we go forward - as they have been in the past. As you know, the words themselves are not synonymous. The former suggests inventiveness or the application /development of new things in new ways while the other is closer to initiative. I've always felt that courage, passion and self-confidence have a lot to do with enterprise. There is no reason to believe that those qualities are any less apparent to-day - indeed they often reveal themselves more strongly in adversity. Entrepreneurship , as a reflection of the rate of business start-ups - won't change dramatically. Unemployment will tend to increase the numbers starting; the economic conditions will deter others.

I don't believe we can change the 'amount' we have of these ( inventiveness etc) in the short or even medium-term. They are largely socially/culturally determined. We must live with the current stock - it will see us through - it has in the past! The better SMEs will re-focus their talents in these fields towards 'getting more from the same or less'. It is important to remember that a small business has a small market share. A declining market shouldn't matter when your share of it is tiny, as with most SMEs - by definition! It's not difficult, through determined effort, to buck the trend. And there are export markets experiencing growth, helped by a weakening Euro - although this can take time.

#### Answer - 3 Ken O'Neill

A first sensible step is to review the cost base. I believe most SMEs can cut 5-10% off their cost base without damage to customer service or their overall performance. Even 5% off costs is not far from an extra 5% on the bottom line . With net margins around 10% typically for manufacturers, that is a 33% increase in net profit! Of course, cash is king in days of tight liquidity. So it's important to remember in any business that a sale is not a sale till you are paid for it! So strict credit control is vital. There is no evidence that late payment legislation has helped SMEs combat the problem to date - so it's up to each business to set its own standars and apply them.

There is a limit to the amount of cost-cutting that can be done, however. Ultimately, it's about improving product offerings and winning more business from existing customers and finding new ones. But that's what business has always been about. ....



**Professor Carin  
Holmquist,**

*PhD Family Stefan Persson  
Chair in Entrepreneurship and  
Business Creation Stockholm  
School of Economics*

**Answer - 1 Carin Holmquist**

The threat is real, but the difference to the 1930s is that there is a global awareness of the risks and also of interconnections between all economies. This means that we can expect decision-makers to be very eager to avoid such a scenario - see, for instance, the process around the Greece situation. On the other hand, the effects of a potential crisis would be far worse than anything seen previously. Firms of all sizes would be affected, only the timing of the effects would be different. SMEs working with basic needs (food for instance) would be hit later, while dispensable needs (media) would be hit quite rapidly.

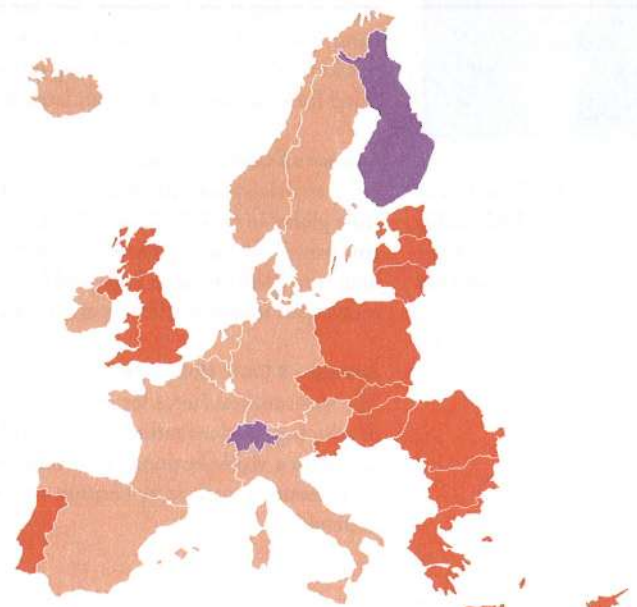
**Answer - 2 Carin Holmquist**

From my viewpoint, the European SMEs biggest challenge is to adopt a global outlook - to become truly global in their business. The economy is global and so are markets. Consumers, individuals and companies, are rapidly becoming aware of this and the SMEs that realize this will be the winners in the long run. SMEs need to look world-wide for materials, competence and capital. We also need to be more open to global alliances and cooperation between companies.

**Answer - 3 Carin Holmquist**

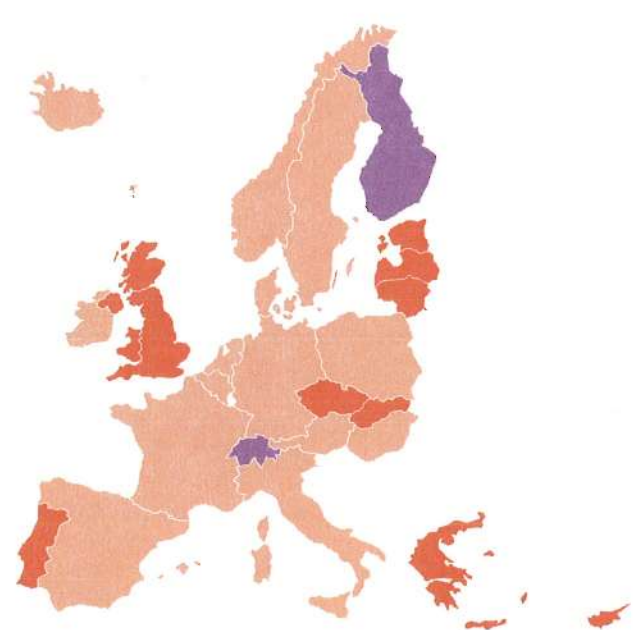
The main success factor for any SME is keeping a constant eye on the market and for any changes developing. Understanding the needs of the customers and adapting to them and any changes. The recipe for a viable business is a combination of such a market opportunity focus AND a sound control over resources, such as by keeping ownership. This also means that a safe and slow growth is quite often preferable.

# PAYMENT LOSS



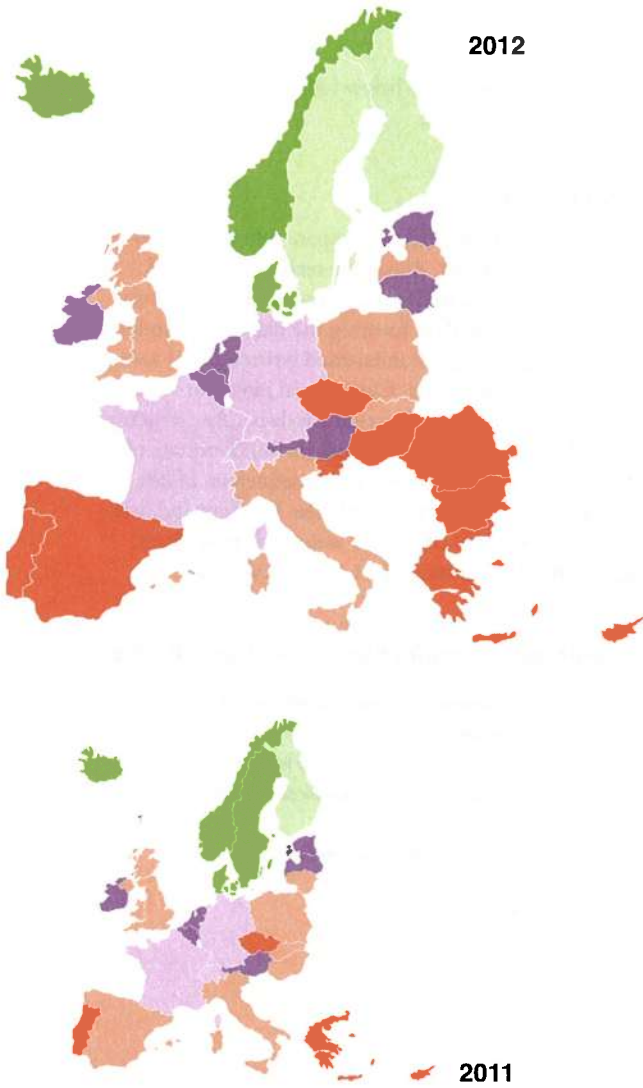
2012

Legend

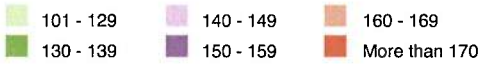


2011

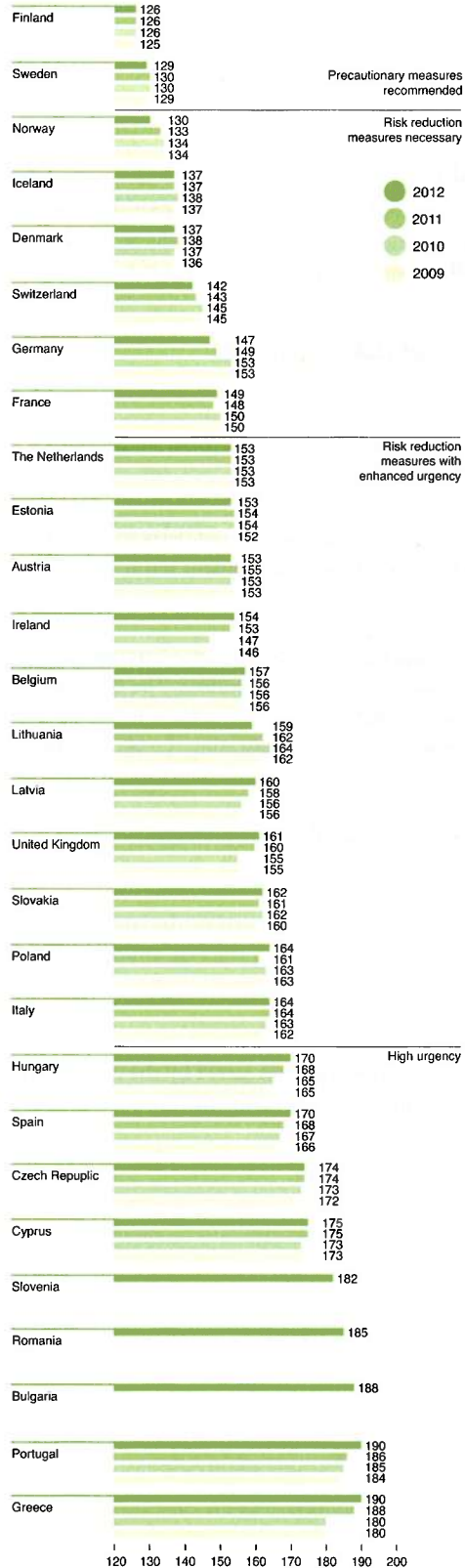
# EUROPEAN PAYMENT INDEX



## Legend



Risk Index	Explanation of the Payment Index values
100	No payment risk, cash on delivery, pre-payment, no credit
101-129	Low risk profile, stay alert to keep this profile
130-149	Medium risk profile, intervention necessary, take action now
150-169	High risk profile, take immediate actions to lower the risk
170-200	Emergency risk profile





## COUNTRY REPORTS

### Risk profile

Each country surveyed has been given an individual risk profile. In an easy to read way, the profile shows the basic criteria for the overall assessment of payment risks (Payment Index).

### Explanation of risk indicators:

#### Duration

Calculation of the effective payment duration in days.

#### Delay

Calculation of the absolute duration of delay in days as well as in relation to the agreed payment term.

#### DSO

Calculation of the individual age groups in relation to the total value of the outstanding receivables. The different lengths of the contractually agreed payment terms are taken into consideration when assessing the age structure.

#### Loss

Calculation of the declared payment losses.

#### Forecast

Calculation of the forecast, prepared by the companies questioned, on how the payment risks are anticipated to develop.

#### Consequences

Calculation of the consequences stated by the companies of the payment risks for their company.

Please note the explanation below for a better understanding of the Payment Index.

### Payment Index

The payment index is used to compare different economies, regions or sectors. Alongside technical financial figures, the index is based on assessments from the companies surveyed. The data forming the basis of the index is generated yearly using a standardised written panel survey. List of basic data elements: Contractual payment term (in days); Effective payment duration (in days); Age structure of receivables (DSO); Payment loss (in %); Estimate of risk trends; Characteristics of the consequences of late payment; Causes of late payment. The Payment Index is calculated from eight differently weighted sub-indices, which are based on a total of 21 individual values.

### Payment Index - Implications for Credit Policy

100	No payment risk, cash on delivery, pre-payment, no credit
101-129	Low risk profile, stay alert to keep this profile
130-149	Medium risk profile, intervention necessary, take action now
150-169	High risk profile, take immediate actions to lower the risk
170-200	Emergency risk profile





## AUSTRIA

### Country review

The Austrian economy showed signs of stabilization at the start of 2012 although subdued domestic demand and weak foreign demand continued to hinder GDP growth.

### How business is coping

Business sentiment among Austrian industrial companies is improving according to Bank Austria Business Indicator, which said confidence is higher than it has been since the summer of 2011. Consumer demand remains weak amid increased pessimism about the future.

### What the experts think may happen

Bank Austria economist Walter Pudschedl says his country's economic development throughout 2012 'will continue to be hindered by persistent restraint on the economic market and rather lacklustre market domestic demand.'

### Payment Index

2008	152
2009	153
2010	153
2011	155
2012	153

### Economic Development

		Average EU 27
GDP per capita in euro	32,782	
GDP percentage growth	0.7	0.6
Inflation	3.6	1.6
Unemployment rate	4.1	9.9

(all: 2012 estimates)

### Payment loss (%)

total turnover

2008	2.1	<div style="width: 2.1%;"></div>
2009	2.0	<div style="width: 2.0%;"></div>
2010	2.0	<div style="width: 2.0%;"></div>
2011	2.3	<div style="width: 2.3%;"></div>
2012	2.1	<div style="width: 2.1%;"></div>

### Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	65	21	14
2009	64	34	2
2010	62	33	5
2011	61	30	9
2012	63	25	12

### Main export

Risk Index

Italy	164
Germany	147
Switzerland	142

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	18	25	30
Average payment duration, in days	29	36	44
Average delay, in days 2012	11	11	14
Average delay, in days 2011	11	12	19
Average delay, in days 2010	6	11	14
Average delay, in days 2009	16	8	11



## BELGIUM

### Country review

Falling back into recession at the tail end of 2011, the Belgium economy – the sixth-largest in the Eurozone – is struggling. Despite saving EUR 11.3 billion in the current budget, the government was told by the European Union that an additional EUR 1.3 billion spending freeze was required.

### How business is coping

Belgium consumer confidence in the overall state of the economy fell at the end of 2011 and declined still further in January 2012 when it plummeted to its lowest point in two-and-a-half years, according to the National Bank of Belgium. Business sentiment rose slightly in January with a survey by the National Bank showing a strengthening of confidence among entrepreneurs due to an improvement in the economic climate in business-related services.

### What the experts think may happen

Luc Coene, head of the Belgian Central Bank, has said Belgium's first-half economic prospects range from "very anaemic growth" at best to a contraction of 0.5% at worst. Coene told the RTBF radio he wanted to see budget cuts and steps to boost the Belgium's "meagre" employment level.

### Payment Index

2008	154
2009	156
2010	156
2011	156
2012	157

### Economic Development

		Average EU 27
GDP per capita in euro	30,299	
GDP percentage growth	-0.1	0.6
Inflation	3.5	1.6
Unemployment rate	7.2	9.9

(all 2012 estimates)

### Payment loss (%)

total turnover

2008	2.4	<div style="width: 24px; height: 10px; background-color: #4CAF50;"></div>
2009	2.5	<div style="width: 25px; height: 10px; background-color: #4CAF50;"></div>
2010	2.5	<div style="width: 25px; height: 10px; background-color: #4CAF50;"></div>
2011	2.6	<div style="width: 26px; height: 10px; background-color: #4CAF50;"></div>
2012	2.7	<div style="width: 27px; height: 10px; background-color: #4CAF50;"></div>

### Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	55	34	11
2009	55	33	12
2010	50	40	10
2011	50	40	10
2012	50	39	11

### Main export

Risk Index

UK	161
Germany	147
Netherlands	153
France	149

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	20	35	45
Average payment duration, in days	36	54	73
Average delay, in days 2012	16	19	28
Average delay, in days 2011	16	15	27
Average delay, in days 2010	12	17	31
Average delay, in days 2009	12	17	31





**BULGARIA**

**Country review**

Bulgaria's short-term economic prospects have deteriorated because of worsening global prospects. The Eurozone crisis is expected to have a negative impact on Bulgaria's economic recovery, which picked up pace in 2011 but - according to the IMF - will only achieve GDP growth of 1.9%, down from 2011's 2.5%.

**How business is coping**

Declining exports, as well as the ongoing debt crisis in neighboring Greece, are expected to burden the Balkan country's economic growth throughout 2012. And Bulgarians are mostly pessimistic about the economic situation in the country, according to a survey by global market researcher Synovate. Bulgarians' individual income ceased growing three years ago with monthly net income per capita currently is about 210 euro.

**What the experts think may happen**

The IMF has said Bulgaria's way forward is to maintain prudent fiscal policies, enhance fiscal buffers to help weather any deterioration in conditions, and accelerate structural reforms to lay the foundations for stronger and more sustainable recovery in growth, job creation and incomes.

**Payment Index**

2012 188

**Economic Development**

Average EU 27

GDP per capita in euro	11.622	
GDP percentage growth	1.9	0.6
Inflation	3.4	1.6
Unemployment rate	11.2	9.9

(all 2012 estimates)

**Payment loss (%)**

total turnover

2012 6.5

**Shares of receivables (%)**

Up to 30 days      31 to 90 days      Older than 90 days

2012                      47                      27                      26

**Main export**

Risk Index

Romania	185
Greece	190
Germany	147
Italy	164
France	149

**Payment Development**

Consumer B-2-C      Business B-2-B      Public Authorities

Average payment term, in days	10	20	30
Average payment duration, in days	17	36	52
Average delay, in days 2012	7	16	22



## CYPRUS

### Country review

Once considered a textbook case of a small water-locked economy, Cyprus' current economic situation is very serious with the economy facing strong headwinds and substantial downside risks that are expected to continue. The IMF has projected on-going economic contraction in 2012 with a deficit of 4% of GDP; almost double the government's estimate of 2.5%.

### How business is coping

With rising unemployment and a virtual standstill in the once buoyant Cyprus property market, consumer and business confidence is low. According to the Economic Research Centre (ERC) of the University of Cyprus, the business expectations in the manufacturing and services sectors have fallen compared to a year ago and pessimism widespread about the coming 12 months.

### What the experts think may happen

National newspaper the Famagusta Gazette has said the country and its political leadership 'remain in denial'. It said 'only bold reforms and sacrifices' will help Cyprus out of its economic 'mess'.

### Payment Index

2008	172
2009	173
2010	173
2011	175
2012	175

### Economic Development

		Average EU 27
GDP per capita in euro	24,268	
GDP percentage growth	-0.5	0.6
Inflation	3.5	1.6
Unemployment rate	9.3	9.9

(all 2012 estimates)

### Payment loss (%)

Year	Payment loss (%)	Visual Bar
2008	2.2	█
2009	3.0	█
2010	3.0	█
2011	3.2	█
2012	3.3	█

### Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	25	38	37
2009	30	37	33
2010	29	31	40
2011	21	33	46
2012	21	33	46

### Main export

Country	Risk Index
Spain	170
UK	161
Germany	147
France	149

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	30	60	60
Average payment duration, in days	56	90	83
Average delay, in days 2012	26	30	23
Average delay, in days 2011	27	31	23
Average delay, in days 2010	25	30	20
Average delay, in days 2009	25	27	15





## ● CZECH REPUBLIC

### Country review

No light at the end of the tunnel is showing for the Czech economy, which is expected to stagnate in 2012, according to the Czech National Bank. The finance minister, Miroslav Kalousek, has made it clear that a recession cannot be ruled out.

### How business is coping

Nearly two thirds of Czechs are in a negative mood about the current economic situation, according to a poll by the Public Opinion Research Centre (CVM). Business confidence has also declined with confidence among manufacturers in the Czech Republic slipped for the third month in a row, according to the monthly snapshot of the sector stemming from a survey of purchasing managers by HSBC.

### What the experts think may happen

In its latest economic survey of the Czech Republic, the OECD notes the country's recovery from economic downturn is less dynamic than in other economies in the region and further risks are arising from the international slowdown and sovereign debt crises. It proposes the government should continue a broad based reform programme to enhance economic growth and make it more robust to economic shocks.

### Payment Index

2008	171
2009	172
2010	173
2011	174
<b>2012</b>	<b>174</b>

### Economic Development

		Average EU 27
GDP per capita in euro	21.082	
GDP percentage growth	0.0	0.6
Inflation	2.1	1.6
Unemployment rate	6.8	9.9

(all 2012 estimates)

### Payment loss (%)

total turnover

2008	3.0	
2009	3.0	
2010	3.1	
2011	3.1	
<b>2012</b>	<b>3.0</b>	

### Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	60	24	16
2009	60	30	10
2010	60	22	18
2011	55	28	17
<b>2012</b>	<b>57</b>	<b>24</b>	<b>19</b>

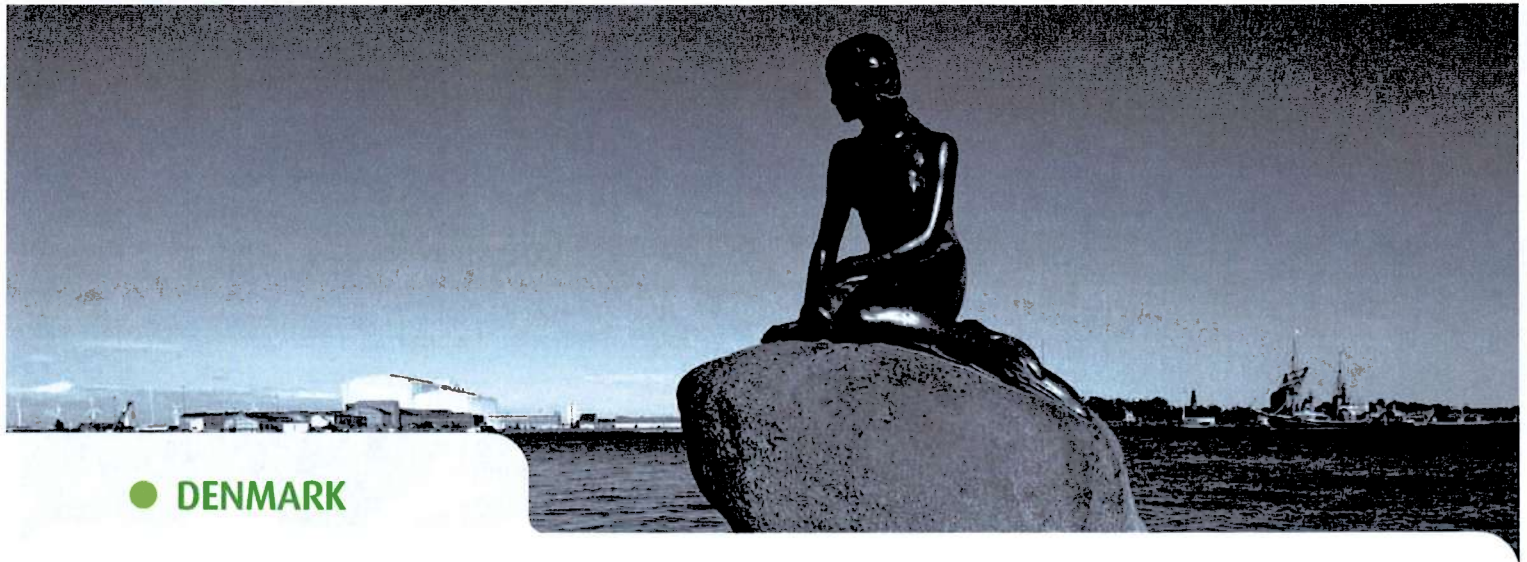
### Main export

Risk Index

Poland	164	UK	161
Italy	164	Germany	147
Slovakia	162	France	149
Austria	153		

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	20	30	30
Average payment duration, in days	31	46	42
Average delay, in days 2012	11	16	12
Average delay, in days 2011	13	17	13
Average delay, in days 2010	12	15	10
Average delay, in days 2009	18	19	10



## ● DENMARK

### Country review

The OECD has warned that Denmark must prepare to meet new shocks from the on-going crisis in Europe, although it says the country is in relatively good shape to meet any new major crisis. That view was supported when the world's top three credit rating agencies all renewed the country's AAA credit rating.

### How business is coping

Denmark is grappling with falling consumer spending that has seen a severe decrease in retail sales since April 2011, falling car sales and house prices at a six-year low. However, Danish business confidence appears to be growing, especially in the industrial, services and construction sectors. Data from Statistics Denmark showed all three witnessed an improvement from minus 7.4 to minus 5.6 at the end of 2011.

### What the experts think may happen

Danske Bank Governor Nils Bernstein believes poor consumer and business confidence are causing Denmark's low economic growth. But the pessimism weighing on the economy was fuelled somewhat in a recent report by the OECD saying, "the current international slowdown entails new risks for the Danish economy".

### Payment Index

2008	132
2009	136
2010	137
2011	138
<b>2012</b>	<b>137</b>

### Economic Development

	Average EU 27	
GDP per capita in euro	31.995	
GDP percentage growth	1.1	0.6
Inflation	2.7	1.6
Unemployment rate	7.8	9.9

(all 2012 estimates)

### Payment loss (%)

total turnover

2008	1.2	
2009	2.0	
2010	2.5	
2011	2.9	
<b>2012</b>	<b>2.6</b>	

### Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	68.6	24.9	6.5
2009	63	27	10
2010	59	28	13
2011	60	26	14
<b>2012</b>	<b>63</b>	<b>26</b>	<b>11</b>

### Main export

Risk Index

UK	161	France	149
Germany	147	Norway	130
Netherlands	153	Sweden	129

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	15	25	25
Average payment duration, in days	25	37	37
Average delay, in days 2012	10	12	12
Average delay, in days 2011	12	13	12
Average delay, in days 2010	10	12	13
Average delay, in days 2009	10	12	13





● ESTONIA

**Country review**

Just three years ago Estonia stood on a precipice with its economy shrinking by 20% in the face of a property bubble burst and the global economic crisis. Today – just a year or so after joining the Euro-zone – Estonia enjoys the lowest public debt in the EU and saw its economy grow nearly 8% according to estimates in 2011 over the previous year.

**How business is coping**

Estonia's businesses and consumers alike are in a comfort zone thanks to low interest rates and mounting business with Finland, its main business partner.

**What the experts think may happen**

The official predictions are that the Estonian economy will grow 1.9% in 2012 and that the difficulties of the euro-area are surmountable. However, the Bank of Estonia warns that the Estonian economic growth will decelerate sharply in 2012 and that if the external situation across Europe deteriorates even more, a recession cannot be ruled out.

**Payment Index**

2008	150
2009	152
2010	154
2011	154
<b>2012</b>	<b>153</b>

**Economic Development** Average EU 27

GDP per capita in euro	17.995	
GDP percentage growth	1.9	0.6
Inflation	5.1	1.6
Unemployment rate	11.3	9.9

(all 2012 estimates)

**Payment loss (%)**  
total turnover

2008	2.9	<div style="width: 2.9%;"></div>
2009	2.9	<div style="width: 2.9%;"></div>
2010	3.3	<div style="width: 3.3%;"></div>
2011	3.3	<div style="width: 3.3%;"></div>
<b>2012</b>	<b>3.0</b>	<div style="width: 3.0%;"></div>

**Shares of receivables (%)**

	Up to 30 days	31 to 90 days	Older than 90 days
--	---------------	---------------	--------------------

2008	68.5	20.7	10.8
2009	66	25	9
2010	63	22	15
2011	65	22	13
<b>2012</b>	<b>65</b>	<b>22</b>	<b>13</b>

**Main export**  
Risk Index

Lithuania	159
Germany	147
Latvia	160
Sweden	129
Finland	126

**Payment Development**

	Consumer B-2-C	Business B-2-B	Public Authorities
--	----------------	----------------	--------------------

Average payment term, in days	10	20	15
Average payment duration, in days	17	35	25
Average delay, in days 2012	7	15	10
Average delay, in days 2011	8	16	9
Average delay, in days 2010	8	16	9
Average delay, in days 2009	8	16	6



## ● FINLAND

### Country review

The Finnish economy is widely expected to grow slightly during 2012 despite the weakening of international growth. However, export driven Finland is acutely aware of the threat of any major slowdown in European growth to its export driven economy that could drive the country into a major slump.

### How business is coping

Statistics Finland reports consumer confidence index rose more than expected at the start of the year, increasing to 3.4 in January from 0.4 in the prior month. The Confederation of Finnish Industries has also reported a rise in business confidence in January although Finland's manufacturing confidence is at a two year low with companies seeing little production growth.

### What the experts think may happen

Finland's Prime Minister Jyrki Katainen told Bloomberg TV in January that 'growth comes when the confidence comes back and the confidence comes back when you do structural reforms even though it takes time.'

### Payment Index

2008	123
2009	125
2010	126
2011	126
2012	126

### Economic Development

		Average EU 27
GDP per capita in euro	30.130	
GDP percentage growth	0.8	0.6
Inflation	3.3	1.6
Unemployment rate	7.5	9.9

(all 2012 estimates)

### Payment loss (%)

total turnover

2008	0.6	<div style="width: 6%;"></div>
2009	1.0	<div style="width: 10%;"></div>
2010	2.0	<div style="width: 20%;"></div>
2011	1.9	<div style="width: 19%;"></div>
2012	1.6	<div style="width: 16%;"></div>

### Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	74	22	4
2009	74	22	4
2010	77	20	3
2011	76	20	4
2012	75	19	6

### Main export

Risk Index

UK	161
Germany	147
Netherlands	153
Sweden	129

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	10	20	20
Average payment duration, in days	15	27	24
Average delay, in days 2012	5	7	4
Average delay, in days 2011	5	7	4
Average delay, in days 2010	5	7	4
Average delay, in days 2009	5	7	4





## FRANCE

### Country review

As the euro-zone crisis enters another year, France is suffering from increasing unemployment, a surge in the national debt and the loss of the nation's AAA credit rating. During 2011 the French trade deficit rocketed to a record EURO 69.6 billion (Euro 59.5bn in 2010).

### How business is coping

The French economy is shrinking with business confidence declining to 91 in January of 2012 from 94 in December of 2011, according to national statistics office INSEE. Little growth in France during Q1 is expected by commentators due to fiscal tightening. However, INSEE says household's appreciation of their past and future financial situation slightly increased.

### What the experts think may happen

Observers like Ernst & Young believe there is a large risk that the French economy will fall back into recession as credit conditions tighten. And Michel Martinez, an economist at Societe Generale SA in Paris, told Bloomberg that he believes France's trade deficit has been deteriorating for a decade, and it's about competitiveness, it's obvious".

### Payment Index

2008	146
2009	150
2010	150
2011	148
2012	149

### Economic Development

		Average EU 27
GDP per capita in euro	27.155	
GDP percentage growth	0.4	0.6
Inflation	2.3	1.6
Unemployment rate	9.9	9.9

(all 2012 estimates)

### Payment loss (%)

total turnover

2008	1.9	
2009	2.1	
2010	2.2	
2011	2.0	
2012	2.0	

### Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	39	45	16
2009	42	36	22
2010	44	36	20
2011	45	36	19
2012	47	35	18

### Main export

Risk Index

Spain	170	UK	161
Italy	164	Germany	147
Belgium	157	Netherlands	153

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	25	40	44
Average payment duration, in days	42	57	65
Average delay, in days 2012	17	17	21
Average delay, in days 2011	16	18	20
Average delay, in days 2010	14	18	22
Average delay, in days 2009	19	18	22

## GERMANY

### Country review

Europe's biggest economy, Germany, is confident about the future with surveys showing many analysts optimistic that the country is heading towards moderate expansion in 2012 despite weak global growth. However, the government has cut its estimate for 2012 growth from 1.0% to 0.7% as the Eurozone debt crisis weighs on Germany.

### How business is coping

Private consumption in Germany started on a high note at the start of 2012 as German consumers remained upbeat about the future, but the country's export-driven economy hangs in the balance as euro zone worries weigh heavy. Germany's jobless rate is at its lowest level since German re-unification some two decades ago.

### What the experts think may happen

The Ifo economic institute acknowledged the German economy got off to a good start in the New Year, with business confidence rising for the third month in a row. Ifo president Hans-Werner Sinn was quoted as saying 'business expectations have brightened considerably'.

### Payment Index

2008	150
2009	153
2010	153
2011	149
2012	147

### Payment loss (%)

total turnover

2008	2.0	
2009	2.1	
2010	2.6	
2011	2.4	
2012	2.0	

### Main export

Risk Index

Italy	164	UK	161
Belgium	157	Netherlands	153
Austria	153	France	149

### Economic Development

Average EU 27

GDP per capita in euro	30.708	
GDP percentage growth	0.7	0.6
Inflation	2.5	1.6
Unemployment rate	5.5	9.9

(all 2012 estimates)

### Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	60	29	11
2009	60	24	16
2010	69	23	8
2011	68	24	8
2012	72	20	8

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	15	25	25
Average payment duration, in days	24	35	36
Average delay, in days 2012	9	10	11
Average delay, in days 2011	8	12	10
Average delay, in days 2010	10	10	11
Average delay, in days 2009	15	19	15





● GREECE

**Country review**

Greece's economic future remains bleak despite government efforts to push through economic changes. Eurostat, the European Union's statistical agency, reports the country's debt rose to 159.1% of gross domestic product in the third quarter of 2011, from 138.8% a year earlier. The International Monetary Fund has forecast that Greece's economy will contract by about 3% in 2012.

**How business is coping**

With a shrinking economy and unemployment standing at 19%, business and consumer optimism is in short supply.

**What the experts think may happen**

Katinka Barysch, deputy director of the Centre of European Reform (CER) think-tank, in a recent assessment of Greece, said there "is now broad agreement among Eurozone donors and the IMF that Greece will not be able to squeeze more revenue out of an economy that is in its fourth year of recession."

**Payment Index**

2008	174
2009	180
2010	180
2011	188
2012	190

**Payment loss (%)**  
total turnover

2008	2.2	
2009	3.0	
2010	3.0	
2011	4.9	
2012	5.9	

**Main export**  
Risk Index

Italy	164
UK	161
Germany	147
France	149

**Economic Development** Average EU 27

GDP per capita in euro	20.220	
GDP percentage growth	-4.4	0.6
Inflation	3.1	1.6
Unemployment rate	19.2	9.9

(all 2012 estimates)

**Shares of receivables (%)**

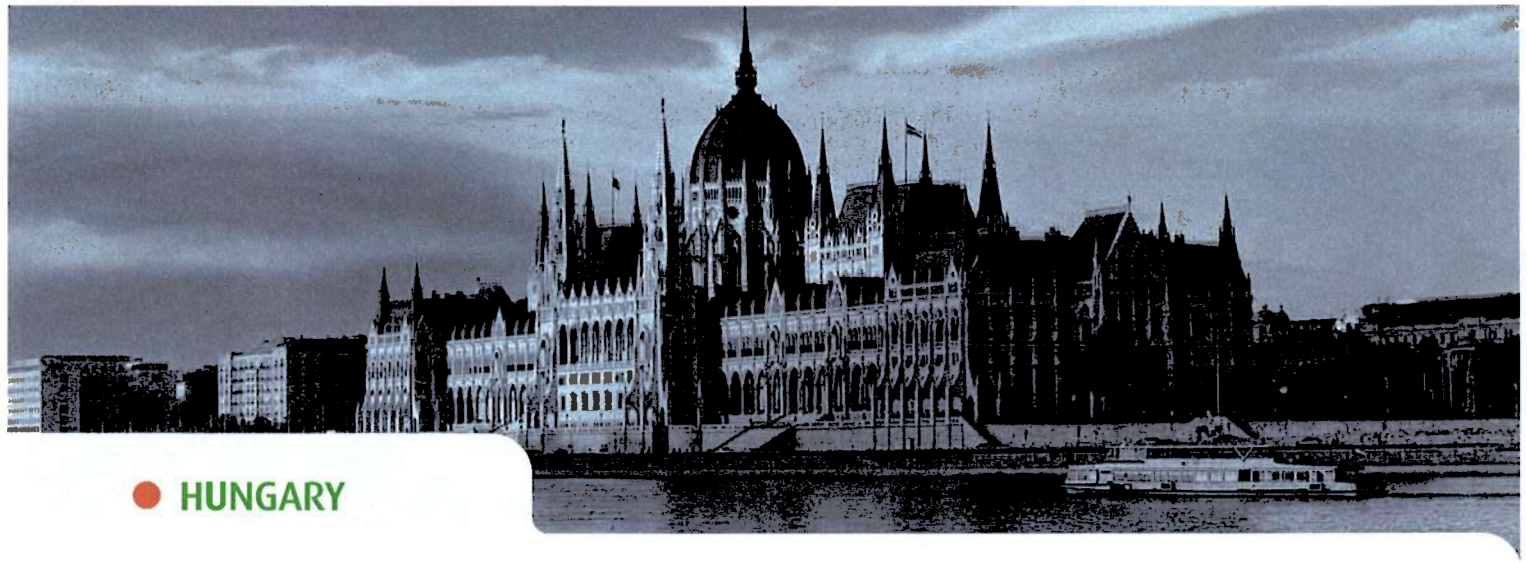
	Up to 30 days	31 to 90 days	Older than 90 days
--	---------------	---------------	--------------------

2008	20	39	41
2009	15	20	65
2010	19	23	58
2011	20	30	50
2012	22	33	45

**Payment Development**

	Consumer B-2-C	Business B-2-B	Public Authorities
--	----------------	----------------	--------------------

Average payment term, in days	20	40	60
Average payment duration, in days	59	80	174
Average delay, in days 2012	39	40	114
Average delay, in days 2011	31	35	108
Average delay, in days 2010	30	30	65
Average delay, in days 2009	30	35	70



**HUNGARY**

**Country review**

The Hungarian economy is staggering with unemployment at 10.9% and its credit rating cut to junk status by all three major rating agencies. The government's fiscal policies have been described as unsustainable by the European Union.

**How business is coping**

Fears of sharp economic slowdown further impacting an already stagnating economy is driving consumer caution and increasing business pessimism. For example, the construction industry has seen orders plunge 40% since the end of 2010.

**What the experts think may happen**

The European Bank for Reconstruction and Development sees Hungary's economy contracting by 1.5% in 2012, while the International Monetary Fund projects Hungary's economy will grow 0.3% in 2012 and 1.5% in 2013. The EBRD said the worsening outlook was in part due to uncertainty over the timing and nature of a financial assistance package from the European Union and the International Monetary Fund.

**Payment Index**

2008	161
2009	165
2010	165
2011	168
2012	170

**Economic Development** Average EU 27

GDP per capita in euro	16.301	
GDP percentage growth	0.3	0.6
Inflation	3.9	1.6
Unemployment rate	10.9	9.9

(all 2012 estimates)

**Payment loss (%)**  
total turnover

2008	2.5	<div style="width: 25%;"></div>
2009	2.7	<div style="width: 27%;"></div>
2010	2.7	<div style="width: 27%;"></div>
2011	3.0	<div style="width: 30%;"></div>
2012	3.5	<div style="width: 35%;"></div>

**Shares of receivables (%)**

	Up to 30 days	31 to 90 days	Older than 90 days
--	---------------	---------------	--------------------

2008	54	34	12
2009	55	27	18
2010	52	35	13
2011	50	31	19
2012	51	27	22

**Main export**  
Risk Index

Poland	164	UK	161
Italy	164	Germany	147
Austria	153	France	149

**Payment Development**

	Consumer B-2-C	Business B-2-B	Public Authorities
--	----------------	----------------	--------------------

Average payment term, in days	16	25	30
Average payment duration, in days	30	45	57
Average delay, in days 2012	14	20	27
Average delay, in days 2011	15	22	26
Average delay, in days 2010	13	15	20
Average delay, in days 2009	10	19	28





## ● ICELAND

### Country review

Iceland appears to be recovering slowly from the total collapse of its financial system in 2008. The Central Bank of Iceland has predicted 2.5% economic growth during 2012, despite international economic turmoil.

### How business is coping

The Icelandic exports market remains lively and continues to beat expectations. However corporate bankruptcies rose 60.7% during 2011 with 1,578 companies declared bankrupt compared to 982 in 2010, says Statistic Iceland. Most of the bankruptcies were in the hard-hit construction industry.

### What the experts think may happen

Iceland's unorthodox decision not to bail out its banks spared the country of the burden of nationalizing private debt, according to Árni Páll Árnason, Minister of the Economy, speaking at an international conference in Reykjavik last November. Noting unemployment is declining and the government has returned to the capital market Árnason added: "What was seen as a disaster for Iceland three years ago is increasingly being seen as good fortune with the passing of time."

### Payment Index

2008	134
2009	137
2010	138
2011	137
<b>2012</b>	<b>137</b>

### Economic Development

		Average EU 27
GDP per capita in euro	28,616	
GDP percentage growth	1.5	0.6
Inflation	4.2	1.6
Unemployment rate	7.2	9.9

(all 2012 estimates)

### Payment loss (%)

total turnover

2008	1.6	
2009	2.6	
2010	2.8	
2011	2.5	
<b>2012</b>	<b>2.6</b>	

### Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	62	27	11
2009	59	24	17
2010	60	23	17
2011	63	24	13
<b>2012</b>	<b>64</b>	<b>24</b>	<b>12</b>

### Main export

Risk Index

Spain	170
UK	161
Germany	147
Netherlands	153

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	20	25	25
Average payment duration, in days	32	37	34
Average delay, in days 2012	12	12	9
Average delay, in days 2011	12	12	9
Average delay, in days 2010	14	9	7
Average delay, in days 2009	9	8	13



## IRELAND

### Country review

Ireland's small, modern, trade-dependent economy will remain in recession throughout 2012, according to the Irish Central Bank. It warned that the duration of current global economic weakness is central to Irish economy prospects.

### How business is coping

Consumer spending and business investment are depressed due to government austerity measures, higher taxation and very high levels of personal debt. The unemployment rate is expected to average 14.5% through 2012, according to the Central Bank.

### What the experts think may happen

The European Commission and the IMF recently cut their 2012 GDP growth rate for Ireland to 0.5% from 1.1%. IBEC, an Irish business lobby group, says Ireland's challenging economic outlook reinforced the urgent need for ambitious new stimulus measures to support jobs and growth.

### Payment Index

2008	142
2009	146
2010	147
2011	153
2012	154

### Economic Development

		Average EU 27
GDP per capita in euro	32,474	
GDP percentage growth	0.5	0.6
Inflation	1.2	1.6
Unemployment rate	14.5	9.9

(all 2012 estimates)

### Payment loss (%)

total turnover

2008	1.4	
2009	2.0	
2010	2.3	
2011	2.8	
2012	2.8	

### Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	45.3	42.7	12
2009	36	44	20
2010	35	41	24
2011	35	44	21
2012	36	42	22

### Main export

Risk Index

Italy	164
Belgium	157
UK	161
Germany	147
France	149

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	25	35	35
Average payment duration, in days	40	66	48
Average delay, in days 2012	15	31	13
Average delay, in days 2011	14	30	14
Average delay, in days 2010	14	25	13
Average delay, in days 2009	16	22	15



● ITALY

**Country review**

Italy's 60-million citizens are facing unprecedented austerity and deregulation programmes tabled by Prime Minister Mario Monti's government to tackle the economic woes of the Eurozone's second most-indebted nation. The plan is designed to tackle what Monti called Italy's three big problems: insufficient competition, inadequate infrastructure and too much red tape.

**How business is coping**

In December 2011, the Italian national statistics office, Istat, reported that Italian consumer confidence had fallen to a 16-year low amid worries that the country may slip into recession in 2012, its fourth since 2001. Italian business confidence also declined at the start of 2012 to its lowest level in two years, Istat reports.

**What the experts think may happen**

The IMF has forecast that Italy's economy will shrink 2.2% during the year. The OECD agrees Italy's economic recovery has lost momentum and predicts output is set to decline well into 2012, and thereafter the recovery is projected to be weak.

**Payment Index**

2008	158
2009	162
2010	163
2011	164
2012	164

**Economic Development** Average EU 27

GDP per capita in euro	25,156	
GDP percentage growth	-1.3	0.6
Inflation	2.9	1.6
Unemployment rate	8.9	9.9

(all 2012 estimates)

**Payment loss (%)**  
total turnover

2008	1.6	<div style="width: 1.6%;"></div>
2009	2.5	<div style="width: 2.5%;"></div>
2010	2.6	<div style="width: 2.6%;"></div>
2011	2.6	<div style="width: 2.6%;"></div>
2012	2.6	<div style="width: 2.6%;"></div>

**Shares of receivables (%)**

	Up to 30 days	31 to 90 days	Older than 90 days
--	---------------	---------------	--------------------

2008	25	40	35
2009	25	40	35
2010	29	39	32
2011	33	35	32
2012	34	34	32

**Main export**  
Risk Index

Spain	170
UK	161
Germany	147
France	149

**Payment Development**

	Consumer B-2-C	Business B-2-B	Public Authorities
--	----------------	----------------	--------------------

Average payment term, in days	45	65	90
Average payment duration, in days	75	96	180
Average delay, in days 2012	30	31	90
Average delay, in days 2011	34	34	90
Average delay, in days 2010	30	30	86
Average delay, in days 2009	30	21	52

## LATVIA

### Country review

Three years ago, Latvia was one of the first countries to seek IMF support during the global financial crisis. Now, the economy is growing again and the program has ended.

### How business is coping

Latvia business growth is driven by exports, which increased 25% during 2011, according to the Latvian State Revenue Service. Consumer confidence remains subdued fuelled by an unemployment rate close to 15% and with poverty rates and measures of inequality among the highest in the European Union.

### What the experts think may happen

The IMF says the Latvian people have made considerable progress in stabilizing the economy and restarting growth. It expects inflation to fall to 2.1% in 2012 and say provided the government delivers on its commitments, the budget deficit should fall to 2.5% of GDP or less, and the Maastricht criteria for adopting the euro will be within reach.

### Payment Index

2008	149
2009	156
2010	156
2011	158
<b>2012</b>	<b>160</b>

### Economic Development

		Average EU 27
GDP per capita in euro	14,098	
GDP percentage growth	2.1	0.6
Inflation	2.1	1.6
Unemployment rate	14.4	9.9

(all 2012 estimates)

### Payment loss (%)

total turnover

2008	2.8	
2009	3.3	
2010	3.5	
2011	3.8	
<b>2012</b>	<b>4.0</b>	

### Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	60	30	10
2009	48	34	18
2010	50	40	10
2011	52	36	12
<b>2012</b>	<b>52</b>	<b>29</b>	<b>19</b>

### Main export

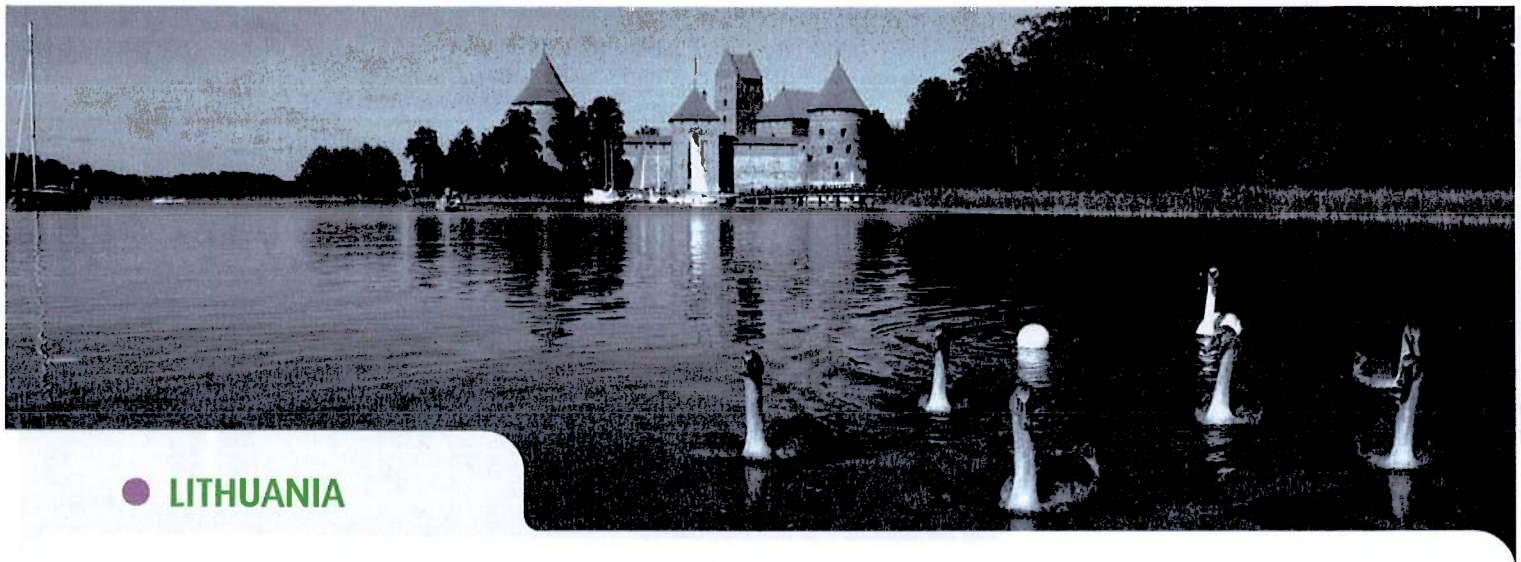
Risk Index

Poland	164	Estonia	153
Lithuania	159	Sweden	129
Germany	147	Finland	126

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	10	20	20
Average payment duration, in days	30	41	38
Average delay, in days 2012	20	21	18
Average delay, in days 2011	12	20	12
Average delay, in days 2010	15	22	13
Average delay, in days 2009	20	23	14





## LITHUANIA

### Country review

Lithuania's small and open export-driven economy is under threat from the negative trends in the Euro region. For the first time in over a year, Lithuanian economic growth slowed in the last quarter of 2011, growing just 4.3% compared to 6.7% in Q3.

### How business is coping

Lithuanian retail trade volume increased 8.8% in 2011 after the heavy falls in 2010 (-7%) and 2009 (-22%). Consumer confidence stabilised at the tail end of 2011 after a short period of weakening due to rising uncertainty about the country's economic situation in 2012, according to the Department of Statistics.

### What the experts think may happen

The IMF has acknowledged a 'great recovery in Lithuania's economy, spurred by the global financial environment and active measures by the government to lift competitiveness and implement fiscal consolidation. Predicting 3.5% economic increase in 2012, the IMF warned however of Lithuania's need to increase employment and improve the business environment.

### Payment Index

2008	157
2009	162
2010	164
2011	162
2012	159

### Economic Development

		Average EU 27
GDP per capita in euro	16.535	
GDP percentage growth	2.3	0.6
Inflation	4.1	1.6
Unemployment rate	15.3	9.9

(all 2012 estimates)

### Payment loss (%)

total turnover

2008	3.0	<div style="width: 30px; height: 10px; background-color: #4CAF50;"></div>
2009	3.3	<div style="width: 33px; height: 10px; background-color: #4CAF50;"></div>
2010	3.6	<div style="width: 36px; height: 10px; background-color: #4CAF50;"></div>
2011	3.2	<div style="width: 32px; height: 10px; background-color: #4CAF50;"></div>
2012	3.0	<div style="width: 30px; height: 10px; background-color: #4CAF50;"></div>

### Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	59.3	29.7	11
2009	51	33	16
2010	45	32	23
2011	46	34	20
2012	50	30	20

### Main export

Risk Index

Poland	164	Netherlands	153
UK	161	France	149
Germany	147	Denmark	137
Estonia	153	Sweden	129
Latvia	160		

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	21	30	30
Average payment duration, in days	38	50	56
Average delay, in days 2012	17	20	26
Average delay, in days 2011	17	20	26
Average delay, in days 2010	17	24	30
Average delay, in days 2009	15	17	15





## ● THE NETHERLANDS

### Country review

The Dutch economy is in recession, according to the CPB Netherlands Bureau for Economic Policy Analysis. GDP is expected to decline by 0.9% in 2012, while unemployment is forecast to increase to 5.0% of the labour force.

### How business is coping

After a couple of years of positive growth following the 2009 recession, the Dutch economy faltered at the end of 2011 sending consumer confidence plunging. Manufacturers are also pessimistic and expect a short-term decline, writes a Rabobank study. Statistics Netherlands reports house sales have also failed to pick up. With prices still declining the construction sector's economic institute EIB says attracting first-time buyers back into the housing market is key to the recovery.

### What the experts think may happen

The Dutch State Treasury Agency projects a highly uncertain economic and budgetary outlook for 2012. It said the deficit is expected to come out at around 3% of GDP and risks are 'clearly on the downside'.

### Payment Index

2008	149
2009	153
2010	153
2011	153
<b>2012</b>	<b>153</b>

### Economic Development Average EU 27

GDP per capita in euro	34.240	
GDP percentage growth	-0.9	0.6
Inflation	2.5	1.6
Unemployment rate	5.0	9.9

(all 2012 estimates)

### Payment loss (%) total turnover

2008	2.4	<div style="width: 24px; height: 10px; background-color: #4CAF50;"></div>
2009	2.5	<div style="width: 25px; height: 10px; background-color: #4CAF50;"></div>
2010	2.5	<div style="width: 25px; height: 10px; background-color: #4CAF50;"></div>
2011	2.5	<div style="width: 25px; height: 10px; background-color: #4CAF50;"></div>
<b>2012</b>	<b>2.5</b>	<div style="width: 25px; height: 10px; background-color: #4CAF50;"></div>

### Shares of receivables (%)

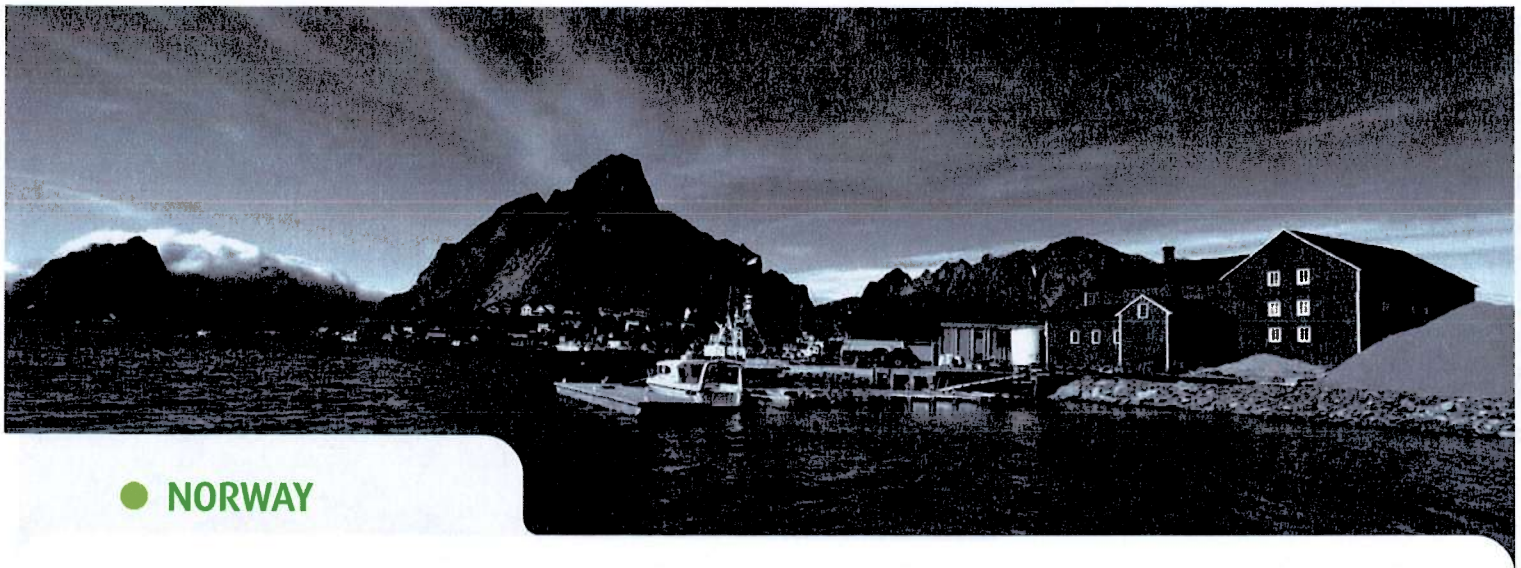
	Up to 30 days	31 to 90 days	Older than 90 days
2008	60.6	30.2	9.2
2009	57	30	13
2010	60	32	8
2011	55	35	10
<b>2012</b>	<b>55</b>	<b>34</b>	<b>11</b>

### Main export Risk Index

Italy	164
Belgium	157
UK	161
Germany	147
France	149

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	20	25	25
Average payment duration in days	32	43	44
Average delay, in days 2012	12	18	19
Average delay, in days 2011	13	18	21
Average delay in days 2010	11	17	23
Average delay in days 2009	11	16	22



## ● NORWAY

### Country review

The Norwegian economy's upward trend of the past two years is expected to continue through 2012 and 2013, says Statistics Norway. Bearing in mind the downturn in the global economy, the indications are that Norwegian exports are unlikely to show much growth. Unemployment is currently 3.3%, is expected to grow slightly.

### How business is coping

The Norwegian economy has remained strong as the rest of Europe falters, yet household consumption remains subdued, although lower interest rates are expected to lead to more optimism and an increase in spending in 2012.

### What the experts think may happen

Norway's DNB Bank predicts Norwegian economic growth of 2.4 per cent, a moderate rise in house prices and a stable household debt burden.

### Payment Index

2008	130
2009	134
2010	134
2011	133
<b>2012</b>	<b>130</b>

### Economic Development

		Average EU 27
GDP per capita in euro	46.180	
GDP percentage growth	2.7	0.6
Inflation	1.2	1.6
Unemployment rate	3.3	9.9

(all 2012 estimates)

### Payment loss (%)

total turnover

2008	1.3	
2009	2.0	
2010	2.5	
2011	2.3	
<b>2012</b>	<b>2.0</b>	

### Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	69.4	21.7	8.9
2009	63	25	12
2010	70	23	7
2011	67	26	7
<b>2012</b>	<b>70</b>	<b>24</b>	<b>6</b>

### Main export

Risk Index

UK	161
Germany	147
Netherlands	153
France	149
Sweden	129

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	15	25	25
Average payment duration, in days	23	34	34
Average delay, in days 2012	8	9	9
Average delay, in days 2011	7	9	8
Average delay, in days 2010	7	8	5
Average delay, in days 2009	9	11	8





**POLAND**

**Country review**

In its latest World Economic Outlook report, the International Monetary Fund (IMF) says it expects Polish economic growth to ease somewhat in 2012, falling from 2011's 3.8% to 3.6%. With approximately 25% of all Polish exports going to Germany, the IMF warned any German loss of steam would negatively impact Poland.

**How business is coping**

The purchasing managers' index (PMI) reading for Poland's manufacturing sector grew at the end of 2011 for the first time since October 2011 on the back of a rebound in new orders and a stronger zloty, according to figures from Bank Zachodni WBK. Polish businesses appear optimistic. A report in the Warsaw Voice said 50% of business owners taking part in the Rzetelna Firma (Reliable Business) program, which promotes high ethical standards and best business practices, said their firms will invest more in 2012 than in 2011, despite the projected economic slowdown.

**What the experts think may happen**

The OECD projects GDP growth in Poland to slow noticeably in 2012 and 2013 due to a sharp fiscal retrenchment and the projected sharp slowdown in the euro area with private consumption and investment decelerating rapidly as a result.

**Payment Index**

2008	159
2009	163
2010	163
2011	161
<b>2012</b>	<b>164</b>

**Economic Development** Average EU 27

GDP per capita in euro	16.731	
GDP percentage growth	2.5	0.6
Inflation	3.9	1.6
Unemployment rate	9.9	9.9

(all 2012 estimates)

**Payment loss (%)**  
total turnover

2008	2.9	
2009	3.0	
2010	3.0	
2011	2.8	
<b>2012</b>	<b>3.2</b>	

**Shares of receivables (%)**

	Up to 30 days	31 to 90 days	Older than 90 days
2008	61	28	11
2009	53	30	17
2010	53	32	15
2011	53	38	9
<b>2012</b>	<b>54</b>	<b>39</b>	<b>7</b>

**Main export**  
Risk Index

Italy	164
Germany	147
Switzerland	142

**Payment Development**

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	20	20	20
Average payment duration, in days	40	41	39
Average delay, in days 2012	20	21	19
Average delay, in days 2011	14	16	18
Average delay, in days 2010	15	15	20
Average delay, in days 2009	18	18	24





## ● PORTUGAL

### Country review

The outlook for the Portuguese economy in 2012 is gloomy. Portugal's economy could contract by 2.5% in 2012, according to State Secretary Carlos Moedas, who said international uncertainty could spark a 'deeper than expected recession'.

### How business is coping

Consumer confidence is at a record low, according to the National Statistics Institute (INE) after an austerity-driven wave of government money-saving reforms and measures including lifting transport prices, increasing taxes on gas and electricity and cutting back the public work force. Business confidence also plunged to -4.7 in January of 2012 from -4.4 in December of 2011, according to INE.

### What the experts think may happen

Portugal's Central Bank says government cuts and falling consumer spending will see GDP fall 3.1% in 2012. The European Commission agrees the Portuguese economy will fall by 3% or more in 2012 and fears are growing Portugal may be forced to restructure its debt along the same lines as Greece.

### Payment Index

2008	183
2009	184
2010	185
2011	186
<b>2012</b>	<b>190</b>

### Economic Development

		Average EU 27
GDP per capita in euro	19.378	
GDP percentage growth	-3.3	0.6
Inflation	3.6	1.6
Unemployment rate	13.6	9.9

(all 2012 estimates)

### Payment loss (%)

total turnover

2008	2.7	
2009	2.7	
2010	2.8	
2011	3.2	
<b>2012</b>	<b>3.6</b>	

### Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	25.1	50.3	24.6
2009	32	39	29
2010	32	47	21
2011	28	41	31
<b>2012</b>	<b>32</b>	<b>37</b>	<b>31</b>

### Main export

Risk Index

Spain	170	Netherlands	153
Italy	164	France	149
UK	161		
Germany	147		

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	30	50	60
Average payment duration in days	60	90	139
Average delay, in days 2012	30	40	79
Average delay, in days 2011	34	41	82
Average delay in days 2010	32	37	84
Average delay in days 2009	30	35	72



● ROMANIA

**Country review**

The good news is that Romania's emerged from a two-year recession in 2011 with gross domestic product growing 2.5% as a result of a bumper harvest and improved domestic consumption. The not so good news is that is seen to face very strong challenges in coming months due Eurozone fragility.

**How business is coping**

Austerity measures embracing wage cuts and tax increases to help rebalance the national economy sparked violent public tension in January. However, the PwC 14th Annual Global CEO Survey reveals business optimism growing with Romanian CEOs moderately confident about the short-term growth perspectives of their companies, 43% stating that they are very confident about their company's prospects for revenue growth in the next 12 months.

**What the experts think may happen**

According to IMF forecasts, Romania's economic growth in 2012 may slow to as low as 1.5%, after output grew an estimated 2.5% in 2011, due to declining exports to western Europe and weak domestic demand.

**Payment Index**

2012 185

**Economic Development** Average EU 27

GDP per capita in euro	11.825	
GDP percentage growth	1.6	0.6
Inflation	5.8	1.6
Unemployment rate	7.0	9.9

(all 2012 estimates)

**Payment loss (%)**  
total turnover

2012 5.5

**Shares of receivables (%)**

	Up to 30 days	31 to 90 days	Older than 90 days
2012	48	31	21

**Main export**  
Risk Index

Germany	147
Italy	164
France	149
Hungary	170

**Payment Development**

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	10	20	25
Average payment duration in days	25	34	45
Average delay, in days 2012	15	14	20





## ● SLOVAKIA

### Country review

The OECD has forecast that after a strong rebound following the economic crisis, activity in the Slovak republic is expected to slow in line with weak growth in export markets and a decline in confidence. This view is supported by the Slovakian Finance Ministry that believes the economy will grow by just 1.7% in 2012 as a result of a slowdown in business from Germany and other EU countries.

### How business is coping

As local demand dampens as a result of the current European debt crisis, the Slovak Trade and Industrial Chamber (SOPK) in January said it expects economic stagnation in 2012. It based its prediction on a survey conducted among its member companies at the end of 2011, with 29% of the respondents foreseeing an unfavorable business environment in 2012. Respondents said the business environment could be improved with better law enforcement, quality legislation, and more transparency in public procurements.

### What the experts think may happen

A study by Ernst&Young says although Slovakia's competitive position and sound balance sheet mean it will remain one of the strongest performers in the Eurozone, its economy is expected to slow significantly in 2012 as business confidence across Europe wanes and export markets decline.

### Payment Index

2008	157
2009	160
2010	162
2011	161
<b>2012</b>	<b>162</b>

### Economic Development

		Average EU 27
GDP per capita in euro	19.334	
GDP percentage growth	1.7	0.6
Inflation	4.1	1.6
Unemployment rate	13.4	9.9

(all 2012 estimates)

### Payment loss (%)

total turnover

2008	2.8	
2009	3.0	
2010	3.5	
2011	3.3	
<b>2012</b>	<b>3.6</b>	

### Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	52	30	18
2009	52	33	15
2010	50	29	21
2011	52	31	17
<b>2012</b>	<b>52</b>	<b>31</b>	<b>17</b>

### Main export

Risk Index

Czech Rep.	174
Italy	164
Poland	164
Germany	147

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	17	26	30
Average payment duration in days	30	47	62
Average delay, in days 2012	13	21	32
Average delay, in days 2011	13	20	25
Average delay in days 2010	15	17	21
Average delay in days 2009	10	13	14





● SLOVENIA

**Country review**

Slovenia's small, open economy was hard hit by the worldwide crisis, and is still striving to rebalance its economy and restore competitiveness. In 2011 Slovenia saw its budget deficit rocket to 5.5% of GDP.

**How business is coping**

While manufacturing confidence is high, according to Slovenia's Statistical Office, retail trade confidence in January shrank. The government forecasting institute has said Slovenia's export-led economy will expand by 0.2%, while the European Bank for Reconstruction and Development sees the economy shrinking 1.1% in 2012. All major credit agencies have cut Slovenia's rating since September 2011 due to domestic political uncertainty, lack of reforms and the looming threat posed by the deepening euro zone debt crisis.

**What the experts think may happen**

The OECD says it expects deleveraging of the corporate sector and a weak external environment to weaken Slovenian growth throughout the first half of 2012, with both consumption and investment flat.

**Payment Index**

2012	182
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**Economic Development** Average EU 27

GDP per capita in euro	21,885	
GDP percentage growth	-0.1	0.6
Inflation	2.1	1.6
Unemployment rate	8.2	9.9

(all 2012 estimates)

**Payment loss (%)**  
total turnover

2012	5.1
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**Shares of receivables (%)**

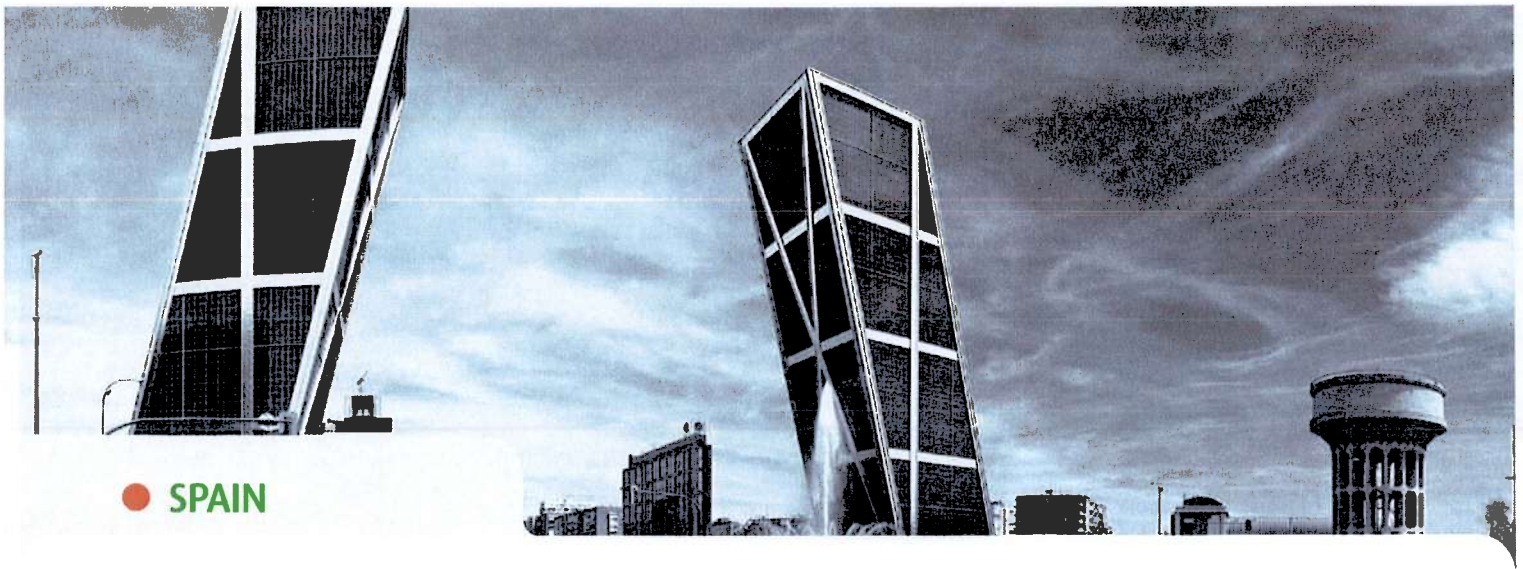
	Up to 30 days	31 to 90 days	Older than 90 days
2012	66	27	7

**Main export**  
Risk Index

Germany	147
Italy	164
Austria	153
France	149
Hungary	170

**Payment Development**

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	20	30	30
Average payment duration in days	45	62	45
Average delay, in days 2012	25	32	15



● SPAIN

**Country review**

Economic recovery in Spain has sagged with almost 5.5 million people, or 22.9% of the workforce – out of work, the Eurozone’s highest rate of joblessness. The government has warned there is more pain ahead before the economy picks up again with economy minister Luis de Guindos expecting an economic contraction in the first quarter of 2012, which could the country back into official recession.

**How business is coping**

Despite the parlous state of the economy, Spanish business confidence improved to -14.2 in January of 2012 from -19 in October of 2011, according to the Business Confidence Indicator (ICE - Indicador de Confianza Empresarial) that measures the level of optimism business leaders have about the performance of the economy and how they feel about their organizations’ prospects.

**What the experts think may happen**

The Bank of Spain has forecast that Spain’s economy will shrink by 1.5% in 2012. And the former prime minister Jose Luis Rodriguez Zapatero said in early February that Spain’s economy would take five years to fix the economic damage caused by Europe’s debt crisis and the huge real estate bubble.

**Payment Index**

2008	159
2009	166
2010	167
2011	168
<b>2012</b>	<b>170</b>

**Economic Development** Average EU 27

GDP per capita in euro	25.486	
GDP percentage growth	-1.0	0.6
Inflation	3.1	1.6
Unemployment rate	22.9	9.9

(all 2012 estimates)

**Payment loss (%)**  
total turnover

2008	2.2	<div style="width: 2.2%;"></div>
2009	2.4	<div style="width: 2.4%;"></div>
2010	2.5	<div style="width: 2.5%;"></div>
2011	2.7	<div style="width: 2.7%;"></div>
<b>2012</b>	<b>2.7</b>	<div style="width: 2.7%;"></div>

**Shares of receivables (%)**

	Up to 30 days	31 to 90 days	Older than 90 days
--	---------------	---------------	--------------------

2008	29	47	24
2009	19	48	33
2010	25	46	29
2011	26	47	27
<b>2012</b>	<b>26</b>	<b>47</b>	<b>27</b>

**Main export**  
Risk Index

Italy	164
UK	161
Germany	147
France	149

**Payment Development**

	Consumer B-2-C	Business B-2-B	Public Authorities
--	----------------	----------------	--------------------

Average payment term, in days	40	70	80
Average payment duration, in days	60	97	160
Average delay, in days 2012	20	27	80
Average delay, in days 2011	22	29	66
Average delay, in days 2010	19	28	65
Average delay, in days 2009	17	26	51





## ● SWEDEN

### Country review

Sweden entered 2012 geared up to counter a financial crisis expected to trigger a significant economic slowdown. Towards the end of 2011 the Swedish government sharply downgraded its growth outlook for 2012 to 1.3%, down from a forecast of 3.8% growth.

### How business is coping

Both households and companies are increasingly pessimistic about the 2012 outlook with exports shrinking industrial production nearing stagnation and little signs of any considerable improvements in the labour market where unemployment will rise to around 8%.

### What the experts think may happen

The Swedish National Institute of Economic Research, NIER, predicts 2012 will see lackluster growth in Sweden. But a report by Swedbank says growing pessimism about the state of the economy has moderated. It noted that Sweden, with strong public finances, has considerable room to utilize policy measures to stabilize its economy, in contrast with most other European nations.

### Payment Index

2008	126
2009	129
2010	130
2011	130
<b>2012</b>	<b>129</b>

### Economic Development

		Average EU 27
GDP per capita in euro	32,209	
GDP percentage growth	0.7	0.6
Inflation	1.4	1.6
Unemployment rate	7.6	9.9

(all 2012 estimates)

### Payment loss (%)

total turnover

2008	1.1	
2009	1.6	
2010	2.1	
2011	2.3	
<b>2012</b>	<b>2.1</b>	

### Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	75	19	6
2009	67	24	9
2010	70	21	9
2011	70	25	5
<b>2012</b>	<b>72</b>	<b>23</b>	<b>5</b>

### Main export

Risk Index

UK	161
Germany	147
Denmark	137
Norway	130
Finland	126

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	20	28	28
Average payment duration in days	26	35	35
Average delay, in days 2012	6	7	7
Average delay, in days 2011	6	8	7
Average delay in days 2010	6	8	7
Average delay in days 2009	6	8	7





## ● SWITZERLAND

### Country review

The Swiss economy is in better shape than many others in Europe. Nonetheless, the country's economy is expected to slow in 2012 with only weak growth in the next few quarters.

### How business is coping

A Swiss Economic Institute survey of 7,000 Swiss companies revealed the strong franc is hurting the nation's export business competitiveness and increasing unemployment as they cut jobs. January saw a surprising improvement in consumer confidence with the consumer index moving to -19 points in January from -24 in the previous figures for October.

### What the experts think may happen

The OECD says Switzerland is likely to suffer from decelerating activity in its trading partners, notably across Europe, as well as from the pressures for appreciation of the Swiss franc. The organization said vigilance is necessary to see the economy through today's difficult times.

### Payment Index

2008	143
2009	145
2010	145
2011	143
<b>2012</b>	<b>142</b>

### Economic Development

		Average EU 27
GDP per capita in euro	37.662	
GDP percentage growth	1.9	0.6
Inflation	0.1	1.6
Unemployment rate	3.4	9.9

(all 2012 estimates)

### Payment loss (%)

total turnover

2008	1.8	
2009	2.3	
2010	2.3	
2011	1.8	
<b>2012</b>	<b>1.8</b>	

### Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	60	30	10
2009	60	29	11
2010	63	29	8
2011	66	27	7
<b>2012</b>	<b>64</b>	<b>28</b>	<b>8</b>

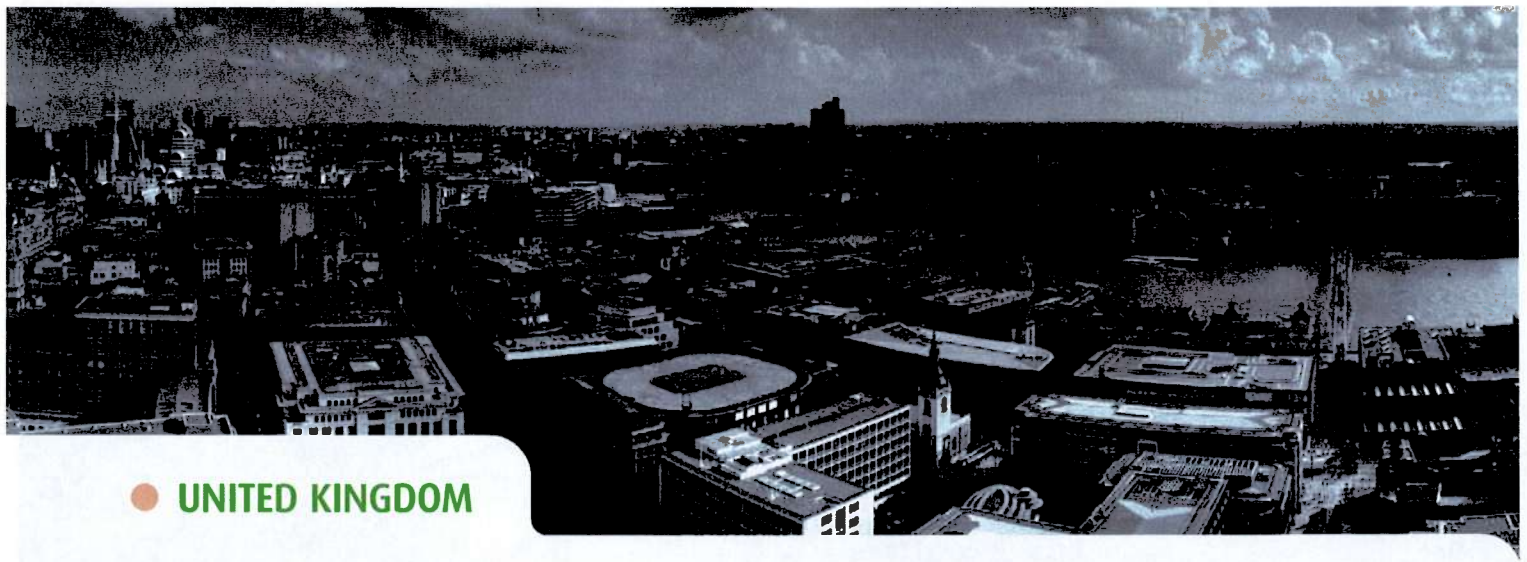
### Main export

Risk Index

Spain	170
Italy	164
UK	161
Germany	147
France	149

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	25	30	30
Average payment duration in days	37	40	42
Average delay, in days 2012	12	10	12
Average delay, in days 2011	11	11	14
Average delay in days 2010	12	13	15
Average delay in days 2009	11	13	16



## ● UNITED KINGDOM

### Country review

The UK economy continues to face major obstacles as it struggles to find ways to develop sustainable, decent growth. In early February, The Bank of England agreed to extend its quantitative easing (QE) programme by £50bn to further help the UK economy.

### How business is coping

The CBI, the British business body, says 2012 will be a difficult year for UK manufacturing, as the crisis in the Eurozone – the country's biggest export market - has yet to be resolved. A survey by The Federation of Small Business's showed that small business confidence plummeted in Q4, recording a score of -24.5, a fall of some 15 points from Q3. Weak consumer confidence, rising unemployment and growing online sales has badly hit UK High Streets, where 14% of shops stood empty at the end of 2011.

### What the experts think may happen

The UK economy could enter recession in the first half of the year as households continue to cut back, says the National Institute of Economic and Social research (Niesr). It expects the economy to shrink 0.1% in 2012. The Institute of Chartered Accountants in England and Wales (ICAEW) wants the government to temporarily ease its spending cuts to promote growth. It said firms are reigning in capital spending and cutting back on job creation.

### Payment Index

2008	151
2009	155
2010	155
2011	160
2012	161

### Economic Development

	Average EU 27	
GDP per capita in euro	28.663	
GDP percentage growth	0.6	0.6
Inflation	4.5	1.6
Unemployment rate	8.4	9.9

(all 2012 estimates)

### Payment loss (%)

total turnover

2008	1.9	
2009	2.4	
2010	2.4	
2011	3.2	
2012	3.5	

### Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	43.5	45.2	11.3
2009	50	30	20
2010	45	39	16
2011	40	33	27
2012	44	38	18

### Main export

Risk Index

France	149
Germany	147
Ireland	154
Netherlands	153

### Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	20	25	25
Average payment duration in days	37	44	43
Average delay, in days 2012	17	19	18
Average delay in days 2011	19	16	18
Average delay in days 2010	16	18	19
Average delay in days 2009	18	20	20







## RECOMMENDATIONS




Intrum Justitia believes that there are many measures at all business levels (local, national and international) that business owners and managers can include in their arsenal to battle late payment. The recommended tools are listed below.

### How can you boost your company?

1. Create and implement a solid credit policy to manage your risks and increase revenue
2. Follow up on every step in your credit management process
3. Make sure you identified the customer you are doing business with
4. Make a clear agreement with your customer stating all conditions for your business
5. Integrate sales, marketing and financial department in avoiding defaults
6. Implement customer address checks regularly
7. Monitor economic & industry information, and the solvency of key customers
8. Implement swift reminders and possibly charge default interest
9. Always extend and balance your customer structure
10. Never, ever wait, always take immediate action to get paid

For more in depth info go to [Intrum.com](http://Intrum.com)

Our Credit Management Services offering:

<b>Growth and risk</b>	<b>Payments and cash flow</b>	<b>Collection and recovery</b>
<p>Are you optimising your turnover with profitable customers?</p>  <p><b>Credit Optimization Services</b> The foundation for any successful transaction is set before the first invoice is sent out. Our integrated value added services help you to prevent late or non payment.</p> <ul style="list-style-type: none"> <li>▶ Credit decision</li> <li>▶ Credit monitoring</li> <li>▶ Credit information</li> <li>▶ Consultancy and advice</li> </ul> <p><b>Financial services</b></p> <ul style="list-style-type: none"> <li>▶ Factoring</li> </ul>	<p>Is your cash flow already optimised?</p>  <p><b>Payment Services</b> Shorten payment times and avoid collections from the very first invoice by using our precise, fast follow-up services.</p> <ul style="list-style-type: none"> <li>▶ Sales ledger services</li> <li>▶ Reminder services</li> <li>▶ E-commerce services</li> <li>▶ VAT Refund</li> </ul> <p><b>Financial services</b></p> <ul style="list-style-type: none"> <li>▶ Payment guarantee</li> </ul>	<p>Are you minimising your credit losses?</p>  <p><b>Collection Services</b> A collection process starts once the agreed due date has expired without payment being received and despite several follow up actions.</p> <ul style="list-style-type: none"> <li>▶ Debt collection</li> <li>▶ Debt surveillance</li> <li>▶ Worldwide debt collection</li> </ul> <p><b>Financial services</b></p> <ul style="list-style-type: none"> <li>▶ Debt Purchase</li> </ul>

## EXPLANATION OF ECONOMIC INDICATORS USED IN THE REPORT

### Gross domestic product (GDP)

Gross domestic product (GDP) is a measure for economic activity. It is defined as the value of all goods and services produced less the value of any goods or services used in their creation.

### GDP growth rate

All information given represents the real GDP growth rate (Growth rate of GDP volume - percentage change on previous year). The calculation of the annual growth rate of GDP volume allows comparisons of economic development both over time and between economies of different sizes, irrespective of changes in prices. Growth of GDP volume is calculated using data at previous year's prices.

### Per capita GDP performance

All information given represents the GDP per capita in PPS (GDP per capita in Purchasing Power Standards [PPS] - EU27 = 100). The volume index of GDP per capita in Purchasing Power Standards (PPS) is expressed in relation to the European Union (EU27) average set to equal 100. If the index of a country is higher than 100, this country's level of GDP per head is higher than the EU average and vice versa. Basic figures are expressed in PPS, i.e. a common currency that eliminates the differences in price levels between countries allowing meaningful volume comparisons of GDP between countries.

### Level of capacity utilization

All information given represents the current level of capacity utilization in the manufacturing industry.

### Consumer confidence indicator

All information given represents the seasonally adjusted balance of the consumer confidence indicator. The calculation of the indicator is based on four questions:

- A Financial situation over the next 12 months
- B General economic situation over the next 12 months
- C Unemployment expectations over the next 12 months (with inverted sign)
- D Savings over the next 12 months

### **Unemployment rate**

All information given represents the total unemployment rate (men and women). Unemployment rates represent unemployed persons as a percentage of the labour force. The labour force is the total number of people employed and unemployed. Unemployed persons comprise persons aged 15 to 74 who were:

- A without work during the reference week
- B currently available for work, i.e. were available for paid employment or self-employment before the end of the two weeks following the reference week
- C actively seeking work, i.e. had taken specific steps in the four weeks period ending with the reference week to seek paid employment or self-employment or who found a job to start later, i.e. within a period of, at most, three months.

### **General government debt**

All information given represents the General government consolidated gross debt as a percentage of GDP. EU definition: the general government sector comprises the subsectors of central government, state government, local government and social security funds. GDP used as a denominator is the gross domestic product at current market prices. Debt is valued at nominal (face) value, and foreign currency debt is converted into national currency using year-end market exchange rates (though special rules apply to contracts). The national data for the general government sector is consolidated between the sub-sectors. Basic data is expressed in national currency, converted into euro using year-end exchange rates for the euro provided by the European Central Bank.

### **Inflation rate**

All information given represents the annual average rate of change in Harmonized Indices of Consumer Prices (HICPs). The inflation rate is the rate of increase of the average price level.

Sources used: Eurostat, IMF, World Bank, national figures



## INFORMATION ON THE SURVEY

The survey was conducted simultaneously in 28 countries between January and March 2012. The survey was conducted in written form. The questionnaire was translated into the respective national languages. Dispatch and return of the questionnaires was carried out on a decentralised basis by the countries concerned, whereas the analysis was carried out centrally in accordance with pre-determined guidelines. All information has been verified and uncertainties were not included in the evaluation. Furthermore, all anonymously sent questionnaires were not taken into account for the evaluation. Companies in UK, Ireland, Greece, Cyprus and Latvia were questioned on-line by a specialised company (BING Research). Bulgaria, Slovenia and Romania were researched by the countries and double checked against a separate on-line survey by a specialised company (BING Research).

### Structure of the sample according to

Company size	up to 19 employees	34%
	20 to 49 employees	25%
	50 to 249 employees	24%
	250 to 499 employees	10%
	500 to 2,499 employees	5%
	more than 2,500 employees	2%
Business sector	manufacturing	25%
	wholesale	15%
	retail	15%
	services	41%
	public administration	4%
Customer groups (share of turnover: more than 50%)	consumers (B2C)	33%
	corporates (B2B)	57%
	public authorities	10%

## ABOUT INTRUM JUSTITIA

Intrum Justitia is Europe's leading Credit Management Services (CMS) company. In each local market, Intrum Justitia offers efficient services and high quality in relations with both clients and debtors, thereby helping clients to improve their cash flow and long-term profitability.

Intrum Justitia's services cover the entire credit management chain, from credit information via invoicing, reminders and collection, to debt surveillance and recovery of written-off receivables. Intrum Justitia also offers sales ledger services, purchased debt services and a number of specialized services related to credit management.

The Group was founded in 1923 and has around 3,300 employees in 20 countries and collaborates with agent companies in a further 180 countries. The head office is located in Stockholm, Sweden. The Intrum Justitia share has been listed on Stockholmsbörsen since June 2002.

### **Intrum Justitia values**

#### **We understand people**

Behind every transaction, every company, every invoice, every debt and every ambition is a person. By understanding people, Intrum Justitia can contribute to profitable business relationships, unhindered trade and sound, long-term business practices for everyone involved.

#### **We are committed to challenge**

Intrum Justitia deals with situations that can impact the future of a business or an individual. Likewise, our work can influence the economy as a whole by contributing to fair trade and sound business practices.

#### **Seeking insight to feed innovation**

By understanding people, being a market leader, and having the necessary expertise, Intrum Justitia is creating new solutions that benefit clients, their customers and other stakeholders. The key to this work is the use of the unique information, knowledge and experience the group has gained from various aspects of sales, credit and payment processes.

#### **We make a difference**

Many companies and individuals need help managing their finances. Intrum Justitia's role is to develop solutions that contribute to a sound, stable economy and ultimately benefit our clients and their customers alike. In our work, we show respect for individuals and businesses, which, for whatever reason, face payment difficulties. Negotiation, realistic solutions and settlements increase the chances of obtaining payment.

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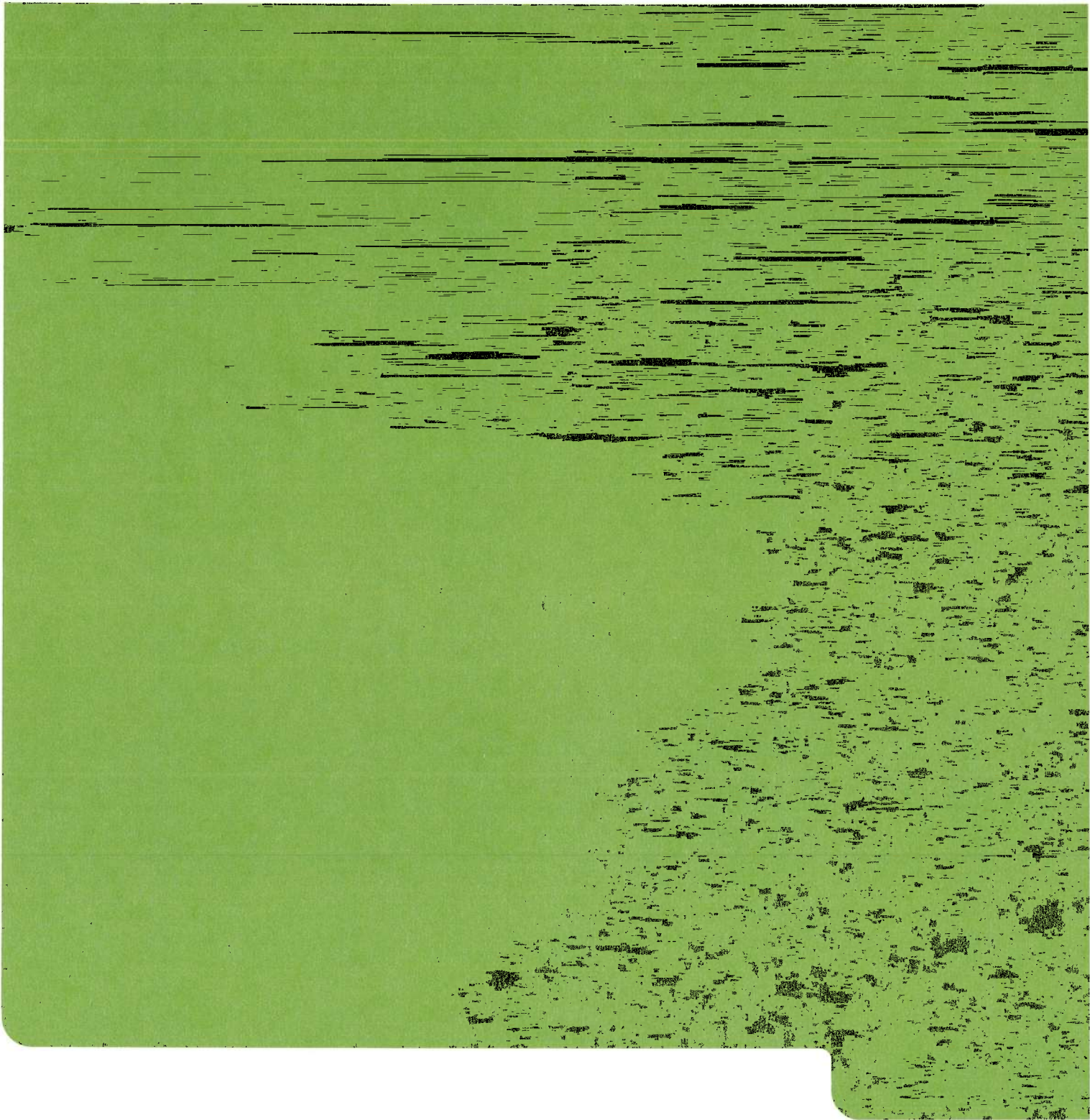
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