



Atradius Payment Practices Barometer

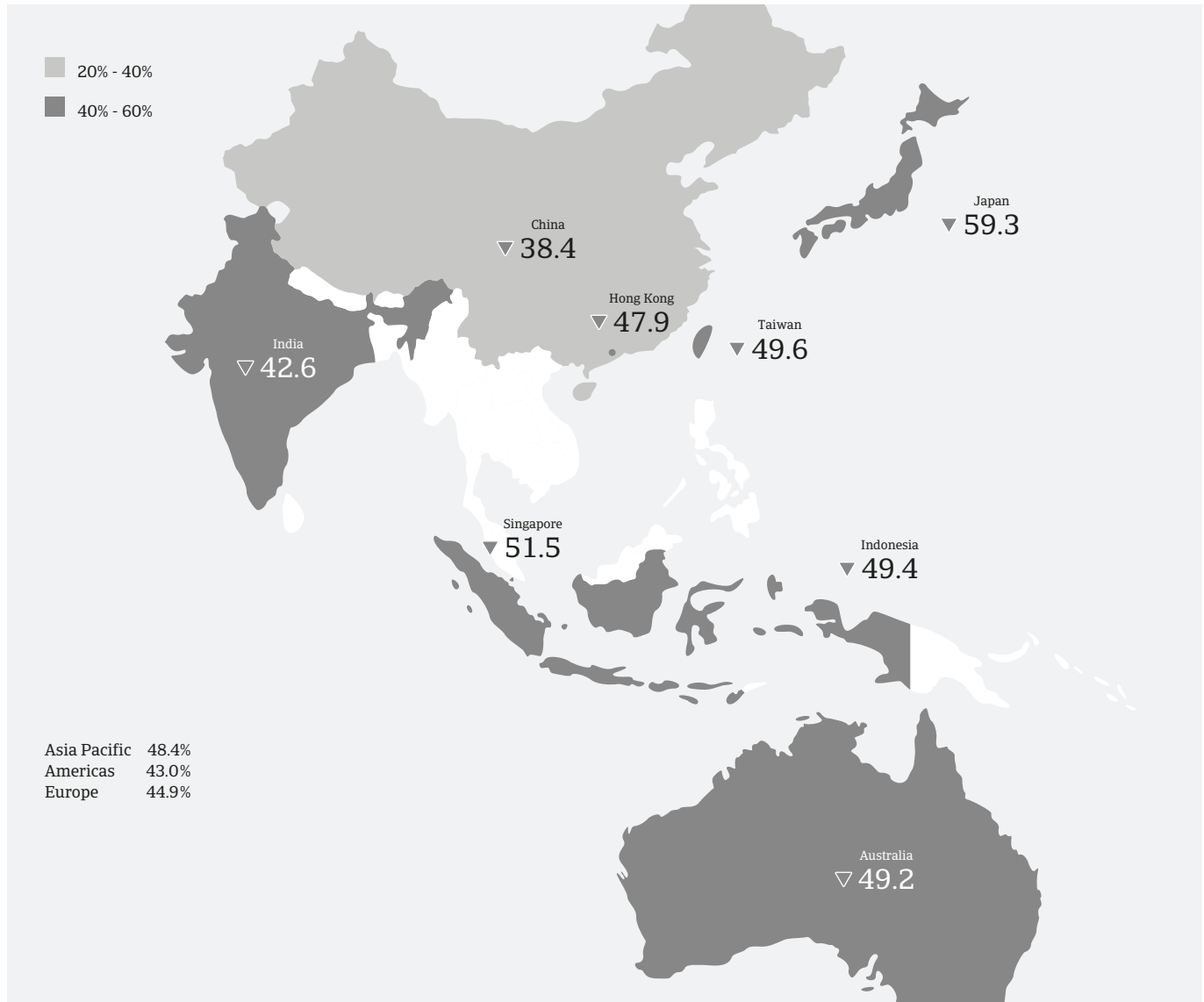
International survey of B2B payment behaviour
Statistical appendix for Asia Pacific



Statistical appendix

Asia Pacific: proportion of total B2B sales made on credit	3
Average payment terms recorded in Asia Pacific (average days)	4
Asia Pacific: proportion of total B2B receivables by payment timing	5
Asia Pacific: main reasons for payment delays by domestic B2B customers	6
Asia Pacific: main reasons for payment delays by foreign B2B customers	7
Credit management policies used by respondents in Asia Pacific	8
Average DSO recorded in Asia Pacific	9
Average DSO becomes a reason for concern for respondents in Asia Pacific	10
The greatest challenge to business profitability in 2014 for respondents in Asia Pacific	11

Asia Pacific: proportion of total B2B sales made on credit



Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – November 2014

By industry / by business size

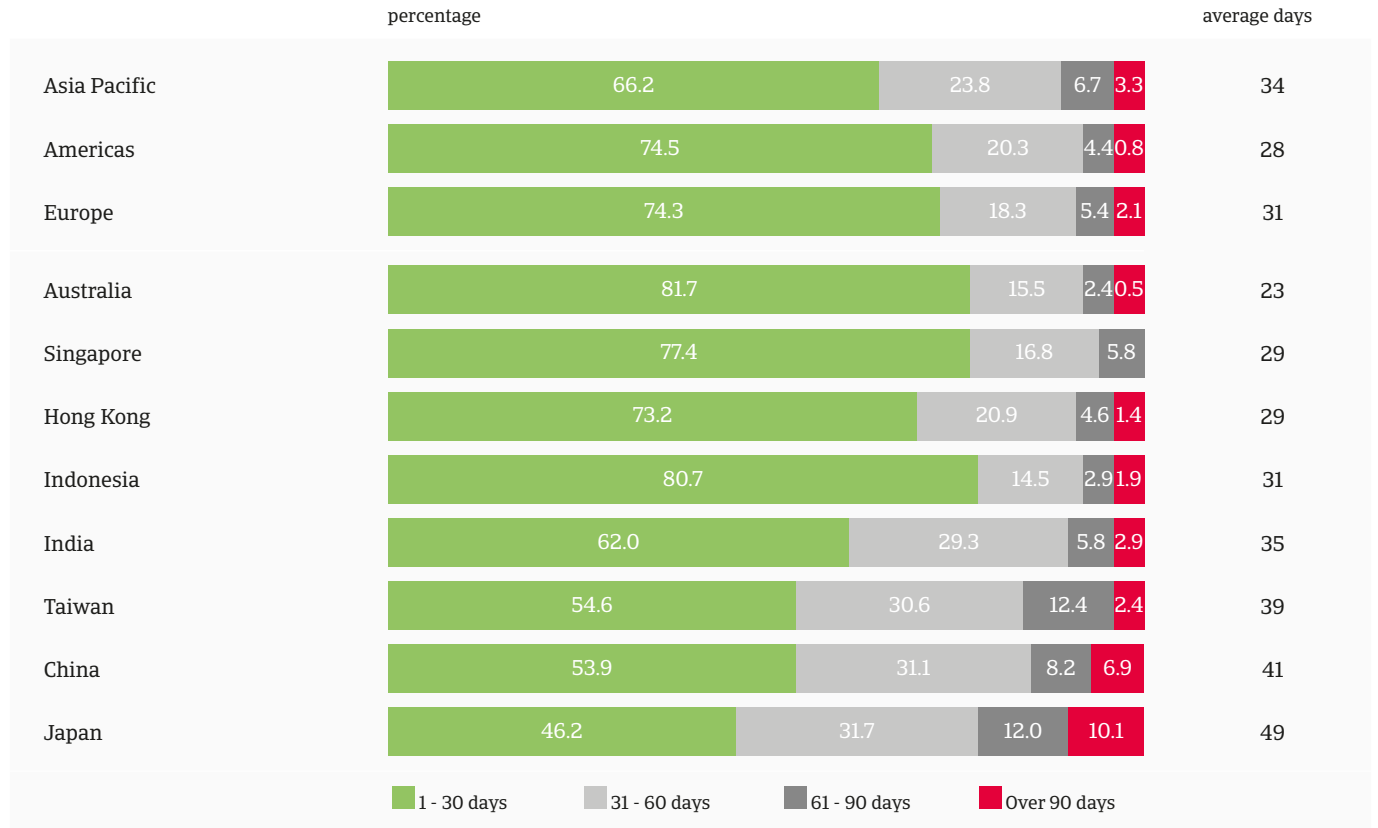
Total	Industry			Business size		
	Manufacturing	Wholesale / Retail / Distribution	Services	Micro-enterprises	SMEs	Large enterprises
Asia Pacific						
48.4%	47.9%	49.4%	48.2%	50.7%	47.3%	47.4%

Sample: all companies interviewed

Source: Atradius Payment Practices Barometer – November 2014



Average payment terms recorded in Asia Pacific (average days)



Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – November 2014

By industry / by business size

	Industry			Business size		
	Manufacturing	Wholesale / Retail / Distribution	Services	Micro-enterprises	SMEs	Large enterprises
1-30 days	61.2%	70.2%	68.0%	76.4%	62.0%	57.8%
31-60 days	26.5%	21.2%	23.3%	15.7%	28.1%	27.4%
61-90 days	8.8%	4.9%	6.2%	5.6%	7.0%	8.4%
Over 90 days	3.6%	3.7%	2.5%	2.3%	2.9%	6.5%
Average days	36	32	34	31	35	40

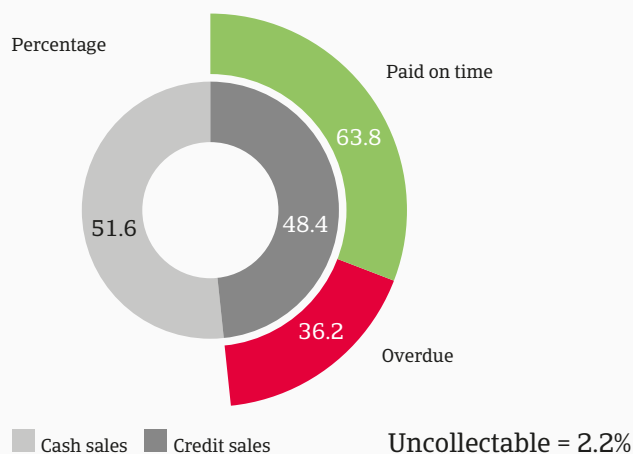
Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – November 2014

Asia Pacific: proportion of total B2B receivables by payment timing

	Overdue (% of total value of credit sales)	Uncollectable (% of total value of receivables)
Asia Pacific	36.2%	2.2%
Americas	38.4%	2.7%
Europe	36.4%	1.6%
Japan	23.3%	0.3%
Taiwan	36.6%	2.2%
Hong Kong	38.8%	2.2%
Singapore	41.5%	2.4%
China	34.3%	2.5%
Australia	37.4%	2.5%
Indonesia	37.1%	2.6%
India	40.4%	2.9%

Average total value of B2B receivables by payment timing in Asia Pacific



Sample: companies interviewed (active in domestic and foreign markets)
Source: Atradius Payment Practices Barometer – November 2014

By industry / by business size

	Industry			Business size		
	Manufacturing	Wholesale / Retail / Distribution	Services	Micro-enterprises	SMEs	Large enterprises
Overdue	37.8%	37.4%	33.5%	32.9%	37.4%	39.0%
Uncollectable	2.5%	2.3%	2.0%	2.1%	2.2%	2.6%

Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – November 2014



Asia Pacific: main reasons for payment delays by domestic B2B customers

	Insufficient availability of funds	Dispute over quality of goods delivered or service provided	Goods delivered or service provided do not correspond to what was agreed in the contract	Complexity of the payment procedure	Inefficiencies of the banking system	Incorrect information on invoice	Buyer using outstanding debts / invoices as a form of financing	Formal insolvency of the buyer (example: liquidation, receivership, bankruptcy)	Invoice was sent to wrong person	Other
Asia Pacific	47.3%	32.0%	24.4%	30.0%	26.2%	25.7%	30.7%	26.9%	19.2%	2.4%
Americas	46.8%	21.4%	22.0%	28.3%	28.9%	26.3%	28.3%	26.1%	21.4%	4.3%
Europe	49.5%	15.4%	12.3%	16.4%	16.0%	15.1%	29.4%	21.6%	11.6%	7.6%
Australia	43.3%	18.5%	16.9%	23.0%	28.1%	21.4%	25.8%	15.2%	21.9%	9.6%
China	67.1%	36.5%	24.7%	36.1%	30.6%	22.4%	38.4%	32.9%	15.1%	0.5%
Hong Kong	49.5%	38.7%	24.0%	31.9%	24.5%	26.0%	22.1%	31.4%	21.6%	1.0%
Taiwan	42.2%	46.7%	28.1%	27.6%	20.1%	32.2%	29.2%	32.2%	18.6%	0.5%
Singapore	41.9%	31.2%	23.1%	30.7%	23.1%	26.3%	29.0%	20.4%	19.4%	0.5%
Indonesia	50.8%	31.2%	25.1%	29.7%	30.7%	23.1%	36.7%	33.7%	23.6%	1.0%
Japan	16.9%	16.2%	18.3%	16.2%	13.4%	21.8%	18.3%	17.6%	7.8%	7.8%
India	54.8%	30.2%	32.7%	39.2%	34.7%	31.2%	41.2%	26.6%	23.1%	1.0%

Industry

Manufacturing	48.9%	32.4%	26.9%	31.1%	27.1%	26.7%	30.4%	27.8%	20.0%	1.8%
Wholesale / Retail / Distribution	48.6%	33.6%	21.5%	28.2%	24.2%	21.9%	32.4%	26.6%	18.3%	1.3%
Services	44.4%	30.3%	24.4%	30.3%	26.8%	27.8%	29.5%	26.1%	19.1%	4.0%

Business size

Micro-enterprises	46.5%	27.1%	21.7%	24.4%	22.5%	18.7%	25.8%	23.2%	14.1%	4.5%
SMEs	49.1%	33.9%	26.2%	33.0%	28.7%	27.6%	32.0%	26.9%	20.6%	1.5%
Large enterprises	42.9%	35.6%	24.3%	31.2%	25.1%	33.6%	36.0%	34.0%	24.7%	1.2%

Sample: all interviewed companies (active in domestic markets)

Source: Atradius Payment Practices Barometer – November 2014

Asia Pacific: main reasons for payment delays by foreign B2B customers

	Insufficient availability of funds	Dispute over quality of goods delivered or service provided	Goods delivered or service provided do not correspond to what was agreed in the contract	Complexity of the payment procedure	Inefficiencies of the banking system	Incorrect information on invoice	Buyer using outstanding debts / invoices as a form of financing	Formal insolvency of the buyer (example: liquidation, receivership, bankruptcy)	Invoice was sent to wrong person	Other
Asia Pacific	34.5%	34.1%	28.6%	40.0%	33.1%	27.6%	29.8%	25.7%	22.2%	1.8%
Americas	37.3%	23.4%	20.7%	33.5%	33.0%	25.5%	22.6%	28.2%	25.5%	3.0%
Europe	35.7%	19.0%	16.1%	23.9%	23.8%	17.6%	23.6%	18.3%	14.4%	8.5%
Australia	31.5%	25.9%	25.9%	28.7%	25.9%	21.3%	29.6%	25.9%	28.7%	6.5%
China	35.9%	46.7%	29.2%	55.9%	36.9%	28.7%	32.3%	20.5%	20.0%	1.0%
Hong Kong	38.6%	31.3%	24.4%	34.1%	27.8%	29.0%	27.8%	23.3%	22.2%	1.1%
Taiwan	33.3%	41.7%	32.1%	41.1%	29.8%	22.0%	29.2%	32.1%	19.1%	1.2%
Singapore	36.4%	29.1%	25.2%	31.1%	34.4%	33.8%	29.8%	21.9%	18.5%	1.3%
Indonesia	32.9%	27.0%	27.7%	41.6%	39.4%	25.6%	25.6%	33.6%	22.6%	1.5%
Japan	12.8%	19.2%	23.4%	23.4%	23.4%	19.2%	27.7%	12.8%	8.5%	4.3%
India	37.4%	34.5%	35.1%	44.8%	38.5%	32.8%	33.9%	28.2%	29.9%	1.2%

Industry

Manufacturing	33.1%	37.8%	27.4%	42.0%	28.9%	27.2%	31.6%	25.6%	21.4%	1.9%
Wholesale / Retail / Distribution	35.0%	32.1%	33.2%	37.9%	32.7%	25.0%	29.1%	26.5%	22.1%	1.5%
Services	36.1%	30.8%	25.4%	39.1%	39.7%	30.8%	28.1%	25.1%	23.3%	2.1%

Business size

Micro-enterprises	32.8%	32.4%	29.3%	35.5%	34.1%	23.5%	26.6%	23.8%	16.9%	3.5%
SMEs	35.8%	33.8%	29.4%	41.0%	33.4%	27.3%	30.5%	25.0%	23.4%	1.4%
Large enterprises	32.9%	37.1%	24.9%	42.7%	31.0%	34.3%	32.4%	30.5%	25.4%	0.9%

Sample: all interviewed companies (active in domestic markets)

Source: Atradius Payment Practices Barometer – November 2014



Credit management policies used by respondents in Asia Pacific

	Reserve against bad debts	Self insure	Send payment reminders (dunning)	Retain a collections agency	Sell on cash terms	Check buyer's credit-worthiness	Monitor buyer's credit risk	Request secured forms of payment	Diversify customer base
Asia Pacific	39.1%	35.2%	26.1%	29.6%	35.8%	51.9%	48.9%	51.0%	31.1%
Americas	37.7%	37.3%	21.7%	30.4%	33.9%	50.2%	47.5%	50.2%	33.3%
Europe	30.2%	20.7%	52.0%	28.5%	31.8%	43.1%	35.9%	34.9%	22.8%
Australia	39.6%	34.5%	19.4%	33.8%	33.1%	43.2%	41.7%	44.6%	25.9%
China	40.5%	47.8%	34.8%	33.2%	36.0%	58.4%	59.6%	65.2%	29.2%
Hong Kong	39.0%	38.2%	26.5%	24.3%	31.6%	42.7%	41.2%	37.5%	36.0%
Taiwan	35.9%	46.5%	38.7%	34.5%	36.6%	52.8%	51.4%	54.2%	26.8%
Singapore	41.7%	32.3%	14.2%	28.4%	34.7%	56.7%	54.3%	48.0%	33.9%
Indonesia	31.8%	5.7%	27.2%	24.5%	36.4%	56.3%	49.0%	60.9%	28.5%
Japan	40.0%	25.0%	31.3%	13.8%	36.3%	53.8%	37.5%	25.0%	31.3%
India	44.4%	43.8%	16.7%	35.8%	40.7%	50.6%	48.8%	55.6%	37.7%

Industry

Manufacturing	38.2%	37.7%	28.6%	30.4%	40.5%	52.9%	48.7%	50.8%	33.0%
Wholesale / Retail / Distribution	29.8%	20.2%	15.5%	21.4%	29.8%	46.4%	41.7%	51.2%	19.1%
Services	37.8%	37.2%	28.2%	30.9%	35.1%	47.9%	52.1%	51.6%	34.0%

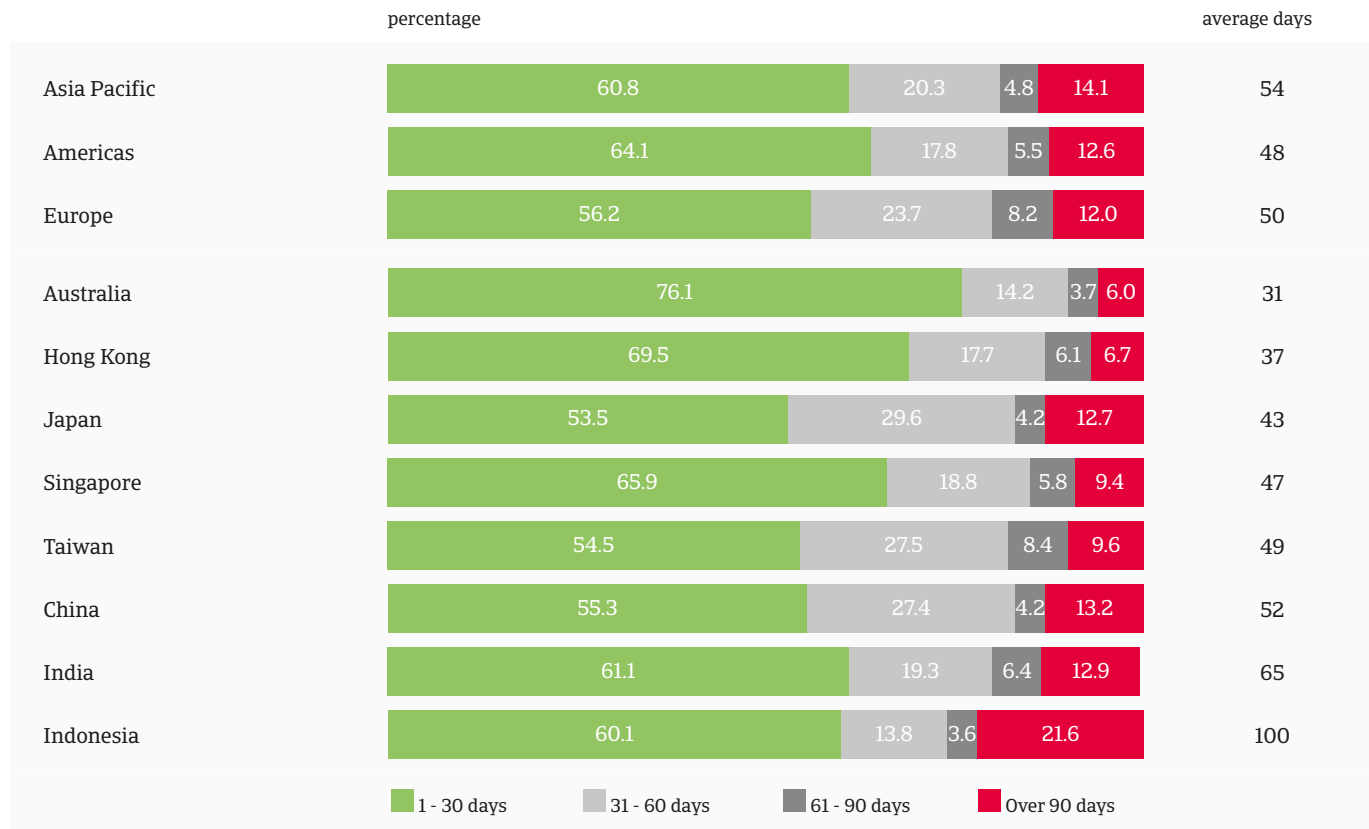
Business size

Micro-enterprises	31.0%	28.9%	17.8%	21.3%	32.8%	44.3%	40.8%	49.8%	22.0%
SMEs	40.7%	36.6%	27.3%	32.0%	35.6%	53.3%	49.9%	49.8%	32.6%
Large enterprises	45.7%	39.7%	34.2%	34.2%	40.7%	58.8%	57.3%	56.8%	39.7%

Sample: all interviewed companies (active in domestic and foreign markets)

Source: Atradius Payment Practices Barometer – November 2014

Average DSO recorded in Asia Pacific



Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – November 2014

By industry / by business size

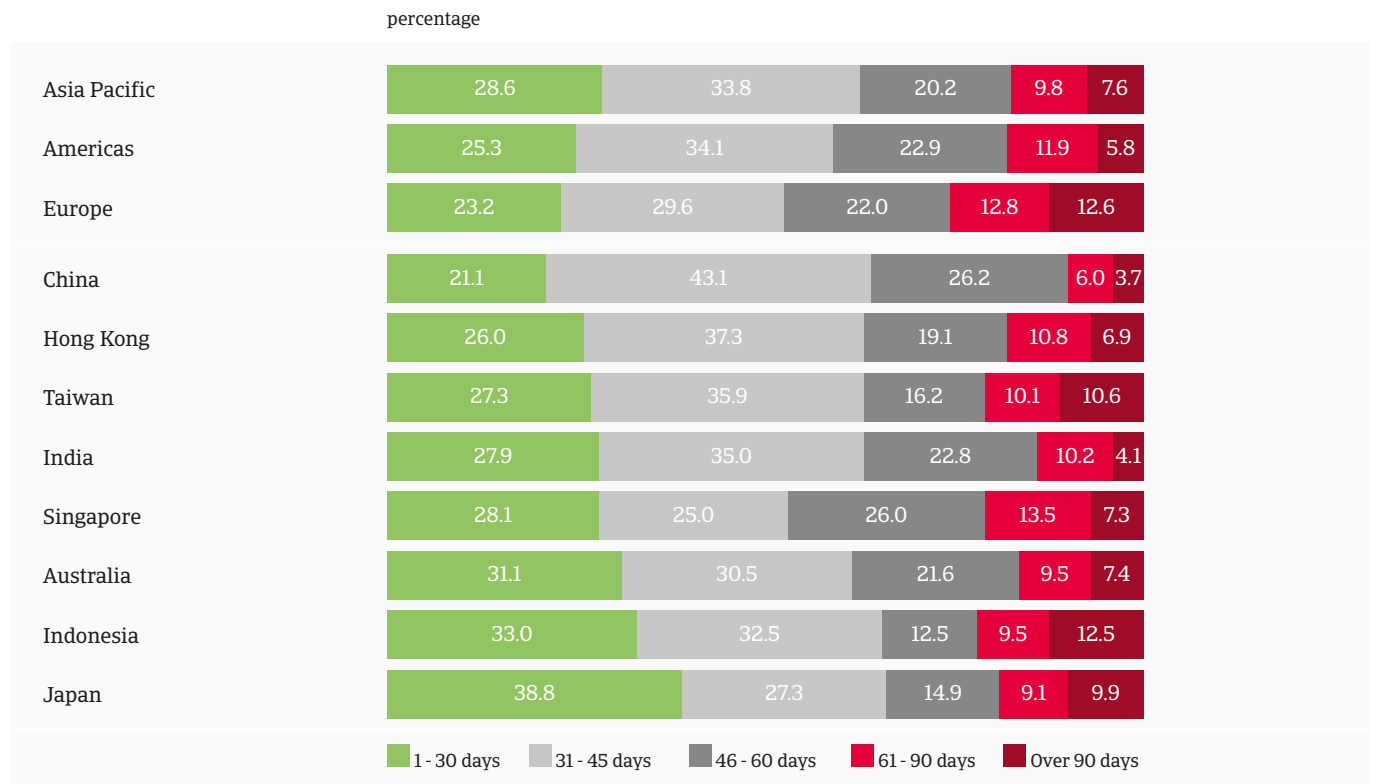


Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – November 2014



Average DSO becomes a reason for concern for respondents in Asia Pacific, when it is ... days longer than the payment term



Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – November 2014

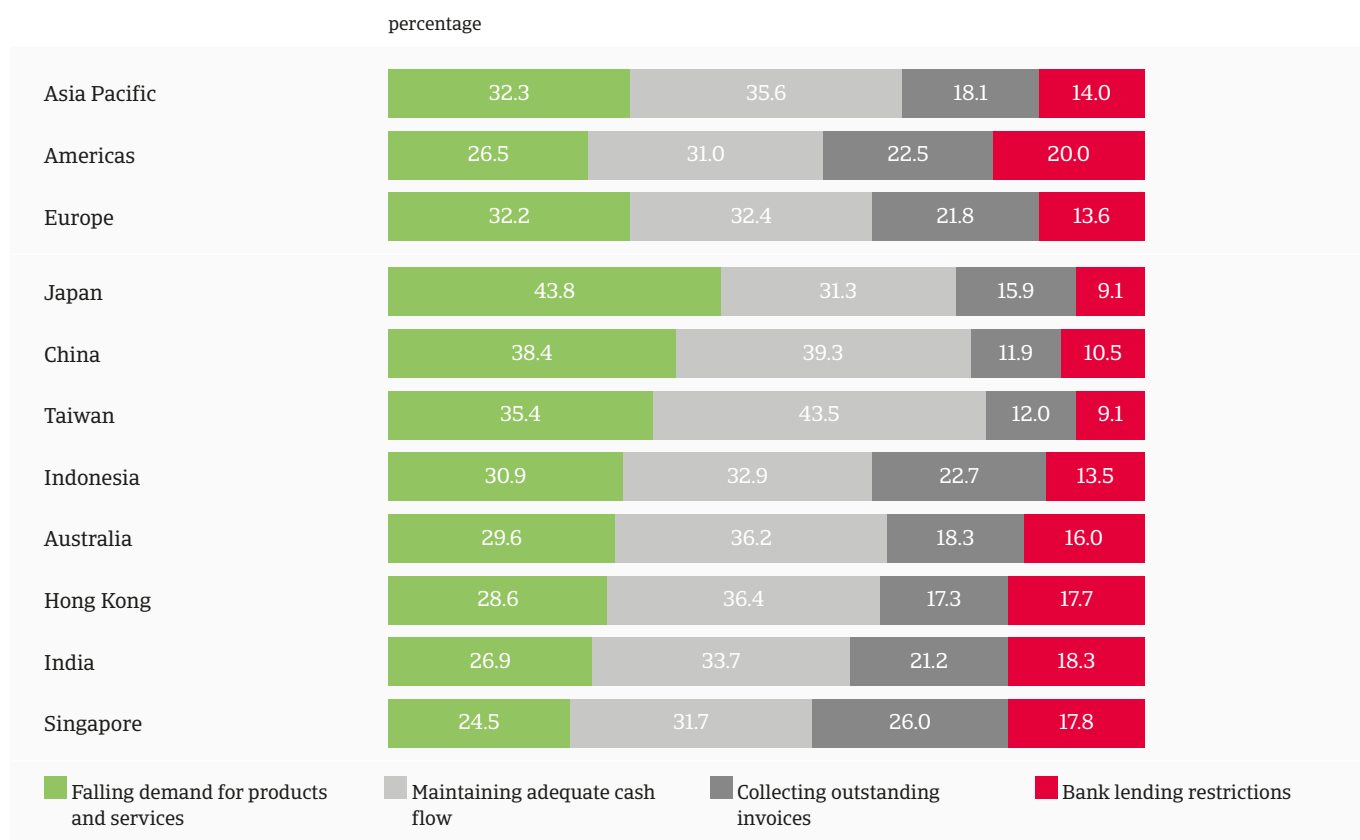
By industry / by business size

	Industry			Business size		
	Manufacturing	Wholesale / Retail / Distribution	Services	Micro-enterprises	SMEs	Large enterprises
1-30 days	26.4%	28.0%	31.3%	37.0%	24.3%	25.5%
31-45 days	32.8%	35.3%	33.6%	32.6%	35.2%	31.5%
46-60 days	23.4%	18.4%	18.3%	15.9%	22.6%	20.9%
61-90 days	10.1%	10.7%	8.8%	7.4%	11.1%	10.2%
Over 90 days	7.3%	7.6%	8.0%	7.0%	6.7%	11.9%

Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – November 2014

The greatest challenge to business profitability in 2014 for respondents in Asia Pacific



Sample: all interviewed companies (active in domestic and foreign markets)

Source: Atradius Payment Practices Barometer – November 2014

By industry / by business size

	Industry			Business size		
	Manufacturing	Wholesale / Retail / Distribution	Services	Micro-enterprises	SMEs	Large enterprises
Falling demand	30.7%	31.6%	34.3%	33.0%	32.7%	29.3%
Adequate cash flow	36.4%	34.5%	35.9%	37.4%	34.0%	37.3%
Outstanding invoices collection	16.2%	20.6%	17.9%	17.8%	18.1%	18.6%
Bank lending restrictions	16.7%	13.3%	11.9%	11.7%	15.3%	14.8%

Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – November 2014

Disclaimer

This report is provided for information purposes only and is not intended as a recommendation as to particular transactions, investments or strategies in any way to any reader. Readers must make their own independent decisions, commercial or otherwise, regarding the information provided. While we have made every attempt to ensure that the information contained in this report has been obtained from reliable sources, Atradius is not responsible for any errors or omissions, or for the results obtained from the use of this information. All information in this report is provided 'as is', with no guarantee of completeness, accuracy, timeliness or of the results obtained from its use, and without warranty of any kind, express or implied. In no event will Atradius, its related partnerships or corporations, or the partners, agents or employees thereof, be liable to you or anyone else for any decision made or action taken in reliance on the information in this report or for any consequential, special or similar damages, even if advised of the possibility of such damages.

Copyright **Atradius N.V.** 2014

If you've found this report useful, why not visit our website www.atradius.com, where you'll find many more Atradius publications focusing on the global economy, including country reports, industry analysis, advice on credit management and essays on current business issues.

On Twitter? Follow @Atradius or search #atradiusppb to stay up to date with the latest edition.

Connect with Atradius
on Social Media



Atradius N.V.
David Ricardostraat 1 · 1066 JS Amsterdam
Postbus 8982 · 1006 JD Amsterdam
The Netherlands
Phone: +31 20 553 9111

info@atradius.com
www.atradius.com