



Atradius Payment Practices Barometer

Survey of Payment Behaviour of
European Companies

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Survey profile

Survey background

Initial Position:

- For internationally active companies, it is vital to have good knowledge of **the payment practices of potential customers**, as miscalculations can result in serious cashflow problems.
- This applies to big as well as the small companies:
 - big companies are particularly struck by poor payment behaviour due to the **volume of their international transactions**.
 - Smaller companies often learn the hard way early in their international endeavours that they have **incorrectly estimated** the payment practices of their international business partners.
- Atradius and Financial Times Deutschland are conducting regular reviews of corporate payment practices in Europe through a survey called the **“Atradius Payment Practices Barometer”**.
- For the first time in 2006, **1,200 companies** from six European countries were interviewed on their view of their business partners’ payment practices.
- This report presents the results of the second evaluation of payment practices in Europe.

Survey objectives

The “Atradius Payment Practices Barometer” follows the following objectives:

1. Determination of an **objectively comparable index** for payment practices: How many days does a business partner generally take to pay?
2. Determination of a **psychological index** for payment practices: What are expectations like across Europe and do they match the reality?
3. How frequently do **critical events** occur (e.g. payment delays, non-payment) with business partners across different countries?
4. Comparison of payment practices over specific periods: Overall, how are payment practices developing across **different countries**?

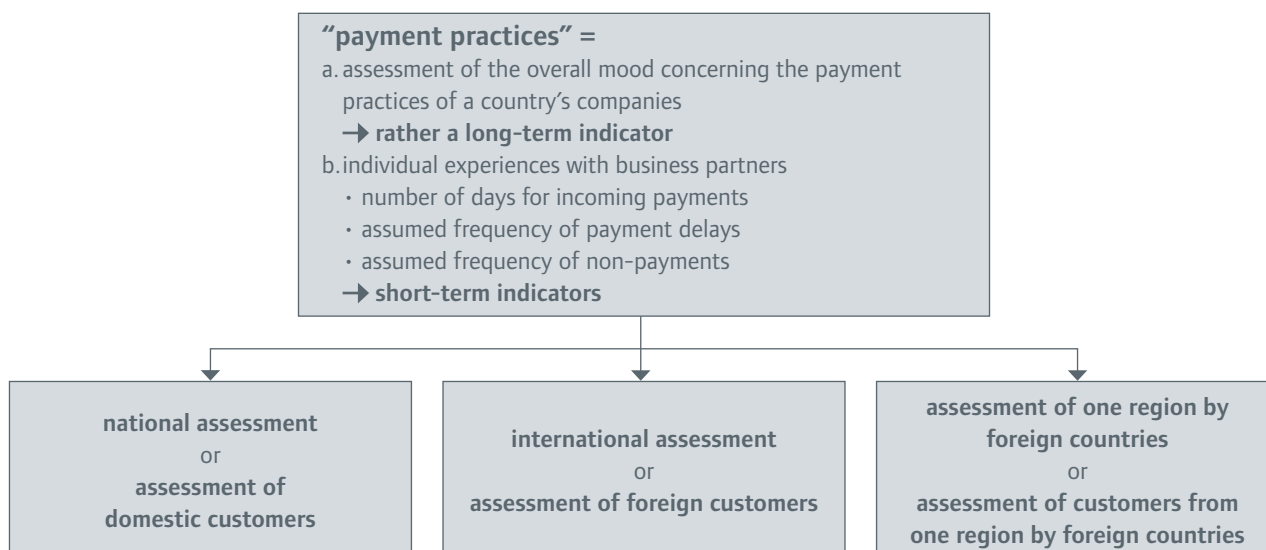
Structure of the survey

1. Screening for the **appropriate company contact** for accounts receivable management
2. Ascertaining the **interviewed company's industry**
3. Ascertaining the industries and **countries** the company **does business** with
4. Assessing the general data on payment practices:
 - **percentage of receivables in total assets**
 - **established payment terms** (days)
5. Evaluation of **domestic payment practices by industry***:
 - **differentiation of payment terms by business partner**
 - global assessment of the **domestic payment practices**
 - time span (days) within which invoices are being paid
 - frequency of critical events in respective industry (payment delays, non-payment)
6. Global evaluation of **foreign business partners' payment practices** (for every country with business connections)
 - snap-shot
7. Evaluation of **payment practices of foreign industries** (for every country with business connections)**:
 - time span (days) within which invoices are being paid
 - frequency of critical events in respective industry (payment delays, non-payment)
8. Closing **socio-demographic** questions

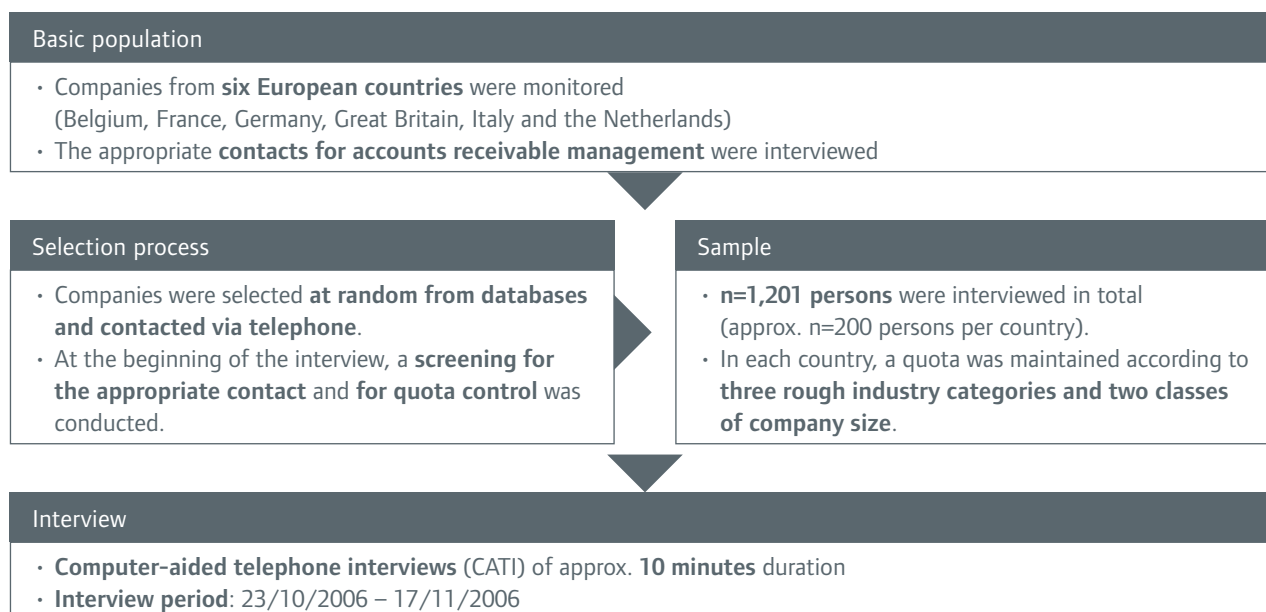
* Across all industries the company co-operates with

** Across both the countries and industries the company does business with

Perspectives evaluating payment practices



Survey scope



Sample overview: socio-demography

Gender (n=1,201)	n	%
Male	651	54.2%
Female	550	45.8%

Age (n=1,158)	n	%
< 25 years	47	3.9%
26 - 35 years	297	23.2%
36 - 45 years	405	33.7%
46 - 55 years	297	24.7%
56 - 65 years	120	10.0%
> 65 years	53	4.4%
<i>mean</i>	42.3	

Position in company (multiple answer, n=1,201)	n	%
Accounting	723	60.2%
Head of department	189	15.7%
CEO, CFO, managing director	182	15.2%
Other	66	5.5%
Owner of company	28	2.3%
Project manager, employee	13	1.1%

Economic sector (n=1,201)	n	%
Manufacturing	398	33.1%
Wholesale/Retail/Distribution	402	33.4%
Services	401	33.4%

Turnover (quoted, n=1,201)	n	%
1 - 10 million Euro	241	20.1%
over 10 million Euro	960	79.9%

Industry (n=1,201)	n	%
Steel/Metal-processing industry	151	12.6%
Plant engineering and construction	124	10.3%
Technology, science, electronics	109	9.1%
Service industry	94	7.8%
Food, beverages, agriculture products	90	7.5%
Cars, automotive	73	6.1%
Chemicals/pharmaceuticals	60	5.0%
General retail	60	5.0%
Textiles, footwear, clothing, materials	55	4.6%
Transport	41	3.4%
Plastics processing, production, etc.	36	3.0%
Paper, cardboard, packaging	28	2.3%
Furniture	23	1.9%
Telecommunication	21	1.7%
Finance	20	1.7%
Media, advertising, PR	20	1.7%
Raw material, mineral oil	20	1.7%
Healthcare	19	1.6%
Print	14	1.2%
Energy	13	1.1%
Other	130	10.8%

In how many European countries does your company have an office? (n=1,201)	n
Median (complete sample)	1
Mean (complete sample)	3.1

Interrelation between the number of international offices and the number of countries supplied

		In how many countries does your company have an office?					
		1 country		2-5 countries		More than 5 countries	
How many foreign countries do you supply with products?		n	%	n	%	n	%
	Domestic only	424	50%	33	16%	37	24%
	1 country	100	12%	22	11%	20	13%
	2-3 countries	256	30%	120	58%	73	48%
	More than 3 countries	63	7%	31	15%	22	14%

- The survey has shown only a **weak correlation** (after Pearson) between the **number of international sites** of a company and the number of countries they **supply with products** ($r=0.144$; $p=0.01$).
- Most companies sell their products in **2-3 countries** but have **offices in only one country** (no foreign offices).

Core results in brief

Core results Belgium

- At 27%, **receivables account for a relatively high percentage of the total assets** of Belgian companies.
- The average **term of payment is 40 days** – this is a mean value. In **no other country** is the **term of payment differentiated per business partner more frequently** than in Belgium (60%). (See page 13)
- **41%** of the Belgian companies interviewed evaluate domestic payment practices as “mediocre” or “poor” which places them in the **middle of the six interview countries**. Since the last wave in summer 2006, there has been **no significant change of mood** regarding national payments. (See pages 15-16)
- However, **domestic payments are being made more slowly** than in summer 2006. Appropriately, Belgian entrepreneurs **increasingly reported payment delays from their domestic business partners** now. (See page 19)
- Belgium is the mid-ranking nation with regard to the payment practices of foreign business partners, although there have been **no significant changes since summer 2006**. Delays in payment by foreign business partners have undergone a slight increase since summer 2006. (See pages 21-25)
- **Foreign business partners** evaluate the payment practices of Belgian companies **more favourably** than their domestic partners. Out of the six regions, Belgium gets the **most positive global evaluation** this winter: 36% judged it “**very good**” or “**excellent**”. Belgium is the **only country internationally evaluated more positively** than in summer 2006. (See pages 27-30)
- In spite of the above, actual experiences with Belgian business partners do not yet illustrate this trend. International payments were not made faster, and foreign business partners neither have the perception of less delays or non-payments. (See pages 31-35)

Core results France

- At 25%, French companies' **receivables as a percentage of total assets is average amongst the countries assessed**.
- A comparatively **moderate term of payment** (on average **49 days**) applies here. 47% of the companies interviewed **differentiate their terms of payment per business partner**. (See page 13)
- **46%** of the French companies interviewed assessed domestic payment practices as "**mediocre**" or "**poor**". France takes the middle ground amongst the **six countries interviewed**, on approximately the same level as the Netherlands, Belgium and Germany, but ahead of Italy.
- The payment practices of **foreign business partners** also appeared in the **middle of the six countries evaluated**. (See pages 15-16)
- In France, there have been **hardly any mood changes** since summer 2006 in domestic payment practices.
- Although domestic business partners are paying their invoices more slowly than in summer 2006 – on average after **62 days compared to 56**, this has **not** yet resulted in a negative estimation of **perceived payment delays**. (See pages 17-19)
- French companies still have a **comparatively bad reputation** with their **foreign business partners**. **45%** of them rate the payment behaviour of French companies as "**mediocre**" or even "**poor**". (See page 28)
- Foreign companies have, compared to summer 2006, a **more negative feeling** about **frequent non-payments** by their French business partners. (See pages 34-35)

Core results Germany

- At 13%, German companies clearly have the **lowest percentage of receivables** in their total assets (see page 11).
- There is a **rigorous term of payment** of **27 days** average (see page 12). The term of payment is **rarely differentiated per business partner**.
- **More than half** (55%) of the German companies interviewed assessed **domestic payment practices** as "**mediocre**" or "**poor**". Only Italy ranked its domestic payments practices lower. (See pages 15-16)
- Although there have been **hardly any mood changes**, domestic business partners **tend to be paying faster** (within **29 days**) than in summer 2006 (within **37 days**). (See page 17)
- Among the companies interviewed, this also results in a more **positive estimation** of **perceived payment delays** from their domestic business partners. (See page 19)
- German companies view their **foreign business partners'** payment practices **very critically**. (See page 22) This might be due to the fact that they have to **wait the longest (+21 days) for foreign payments** in relation to their terms of payment. (See page 24) **Non-payments by foreign business partners** were reported slightly **more frequently** than in summer 2006. (See page 26)
- Overall, German companies have a **comparatively good reputation** with their **foreign business partners**. **Nearly 30%** evaluated German payment practices as "**very good**" or even "**excellent**". (See page 27)
- These results contrast directly with the overall perception that **payment delays from German companies would be more frequent than in summer 2006**. (See pages 32-33)
- However, this perceived deterioration is not borne out by the **number of days** foreign business partners have to wait for German payments – there have been **no significant changes since summer 2006**.

Core results Great Britain

- British companies follow just behind the Germans with **receivables accounting for a relatively small percentage of total assets**.
- On average, the **credit period** is **37 days**; Great Britain thus lies in the **middle** of the six countries. About half of the companies interviewed **differentiate their term of payment per business partner**. (See page 13)
- **70%** of the companies interviewed have a **credit and accounting department** – only the Netherlands have more. (See page 14)
- **25%** of the companies interviewed assessed British domestic payment practices as "**very good**" or even "**excellent**". This makes Great Britain the country with the best overall mood concerning domestic payment practices. (See pages 15-16)
- The payment practices of **foreign business partners** are also evaluated as **positive and above-average**. In this regard, there is a **significant improvement in the evaluation** compared to summer 2006. (See pages 21-23)
- **Foreign business partners** are conversely **less enthusiastic** about British payment practices and consider Britain to be rather average.

- Approximately **every third evaluation** is “**mediocre**” or even, in some cases, “**poor**”. (See page 27)
- **Since summer 2006**, there have been **hardly any significant changes** in overall mood.

- Foreign business partners, however, have seen positive progress in the **speed with which companies pay**. In contrast to **63 days in summer 2006**, they are currently paid within **only 50 days**. (See page 31)

Core results Italy

- At 31%, Italian companies have the **highest percentage of receivables** to total assets.
- Compared to the other countries, they have the **most relaxed term of payment** (on average **80 days**). (See page 12)
- 39% of Italian companies interviewed vary their **term of payment per business partner**; this was the **lowest** percentage of all the countries in the study. This behaviour – in connection with their moderate credit periods – could be a **reason for Italy’s poor evaluation internationally**. (See pages 13 and 27)
- 65% of the companies interviewed assessed Italy’s domestic payment

practices as “**mediocre**” or “**poor**”. This represents a **slight fall** since summer 2006, making Italy the **worst of the six countries**. (See pages 15-16)

- **There was a marked improvement in perceived delays in payments from existing domestic business partners**: The companies interviewed state that these occur **less often** now than in summer 2006. (See page 19)
- With 16 days in arrears, domestic payments in Italy represent the **largest gap between the average term of payment and actual incoming payments**. (See page 18)
- The **comparatively positive** evaluation of **foreign business partners’** payment practices is not

a surprise – foreign companies, on average, pay **10 days earlier** than the credit period in Italy **requires**. However, Italian companies now have to **wait slightly longer for foreign payments** than in summer 2006. (See pages 22-24)

- Italian companies still have a **bad reputation** amongst their **foreign business partners**. **55%** of them assess Italian payment practices as “**mediocre**” or even “**poor**”. Again, Italy is the **laggard** here, with **no significant changes** since summer 2006. (see page 27)

Core results the Netherlands

- At 20%, the percentage of receivables to total assets of Dutch companies is the exact **average** of all countries assessed.
- There is a comparatively **rigorous term of payment of 31 days** on average – only Germany has tighter terms of payment. (See page 12)
- About half of the companies interviewed stated they **differentiate their term of payment per business partner**.
- Over **90%** of these companies have a **credit and accounting department** – more than in all other countries. (See page 14)
- **41%** of the companies interviewed assessed the Dutch payment practices

as only “**mediocre**” or even “**poor**”. The Netherlands thus lies in the **middle of the six countries interviewed**, on approximately the same level as Belgium, France and Germany, but ahead of Italy. There have been **no significant changes** since summer 2006. (See pages 15-16)

- Dutch companies assess their **foreign business partners’** payment practices as rather poor. This might be due to the fact that they have **quite a long wait (14 days longer than payment terms) for foreign payments**. **Payment delays from foreign business partners** are reported slightly **more frequently** than in summer 2006. (See pages 21-25)

- **Foreign business partners** rate Dutch payment behaviour as **average**. Approximately **every third evaluation** is “**mediocre**” or even “**poor**” – similarly to Great Britain. (See page 27)
- Foreigners **perceive more frequent payment delays or non-payments** from their Dutch business partners than in summer 2006. (See pages 32-35)
- However, this has **not yet clouded overall opinion of Dutch payment practices**. (See page 30)

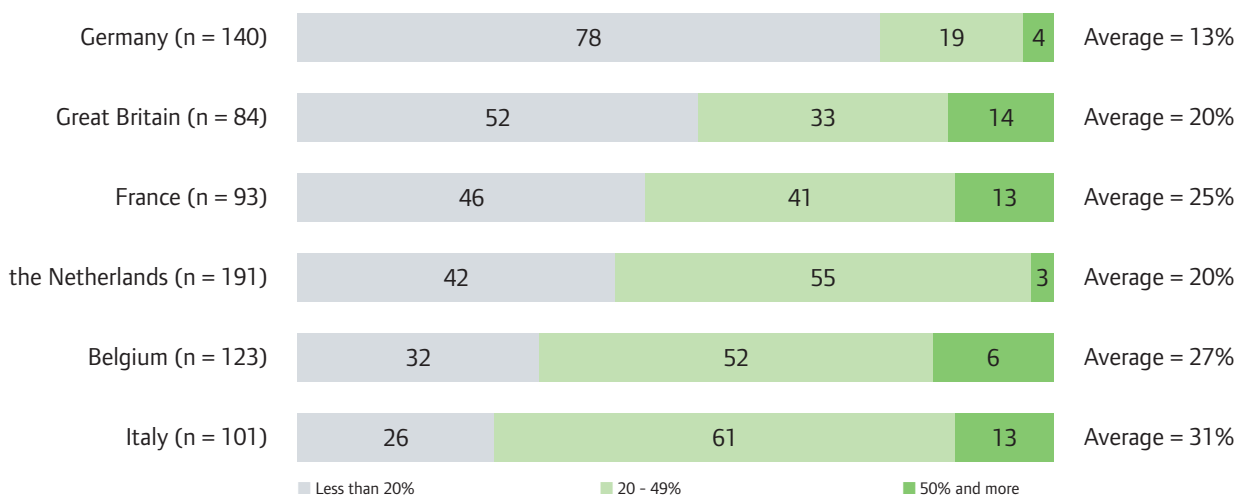
Results in detail

Credit management features

Receivables as part of total assets

Least by far in Germany, highest in Italy and Belgium

As a percentage of your total assets, how big is the share of outstanding receivables?



Basis: interviewed companies from respective countries

Germany holds the lowest proportion of receivables as total assets, followed by Great Britain and France. 78% of

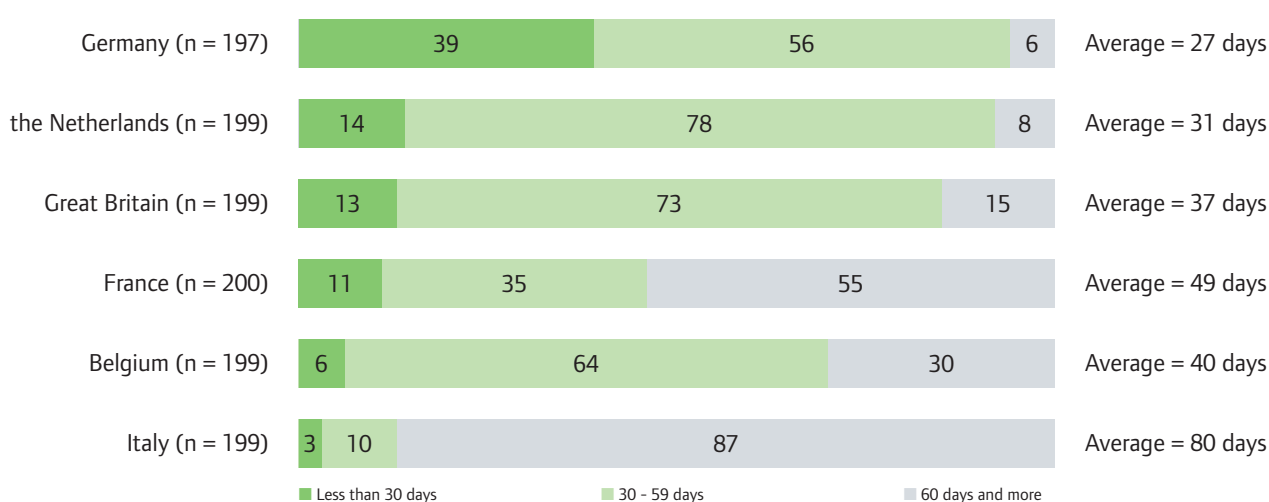
German companies have less than 20% bills receivable. This quota is significantly higher in Italy and

Belgium. In Italy, over 80% of the companies interviewed dispose of more than 20% bills receivable.

Established term of payment

Italian and French companies allow customers the longest to pay

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



Basis: interviewed companies from respective countries

German companies set the shortest terms of payment by far. In Italy, by contrast, customers are allowed 60 or

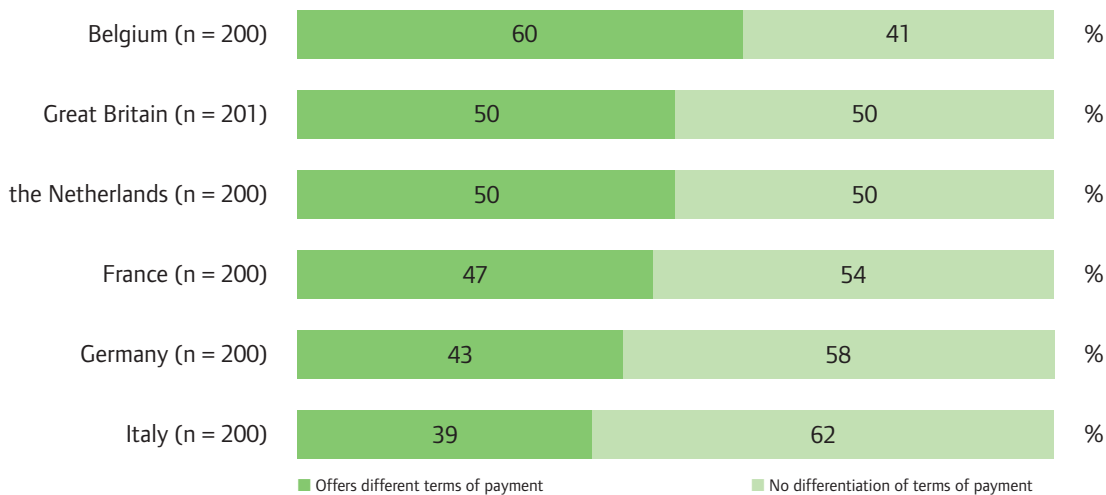
more days to pay their bills as standard. For Belgian, British and Dutch companies, the standard credit

period seems to range between 30 and 59 days.

Differentiation of terms of payment per country or industry of business partner

Most prevalent in Belgium, least frequent in Italy

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



Basis: interviewed companies from respective countries

The Italians are least likely to differentiate their terms of payment according to industry or nationality. There is no differentiation made in

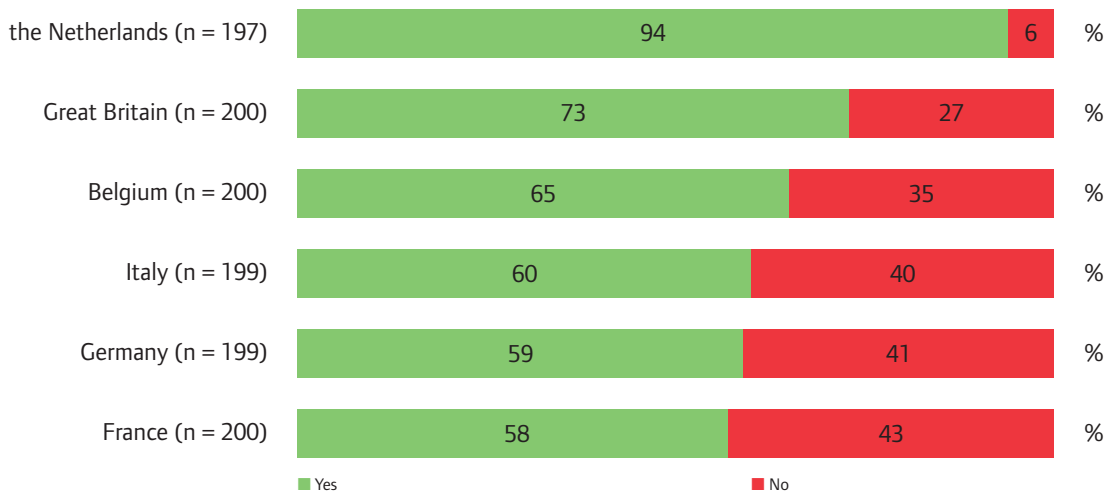
over 60% of the companies. The situation in Belgium is reciprocal: 60% of companies decide which customers are allowed which term of payment.

Other European countries are situated in the middle range.

Internal function / department for credit management

Most prevalent in the Netherlands and in Great Britain

Is there a function, position or department in your company that is responsible for active credit management or management of receivables?



Basis: interviewed companies from respective countries

Credit management departments are commonplace in the Netherlands and in Great Britain: there is one in nearly every Dutch company.

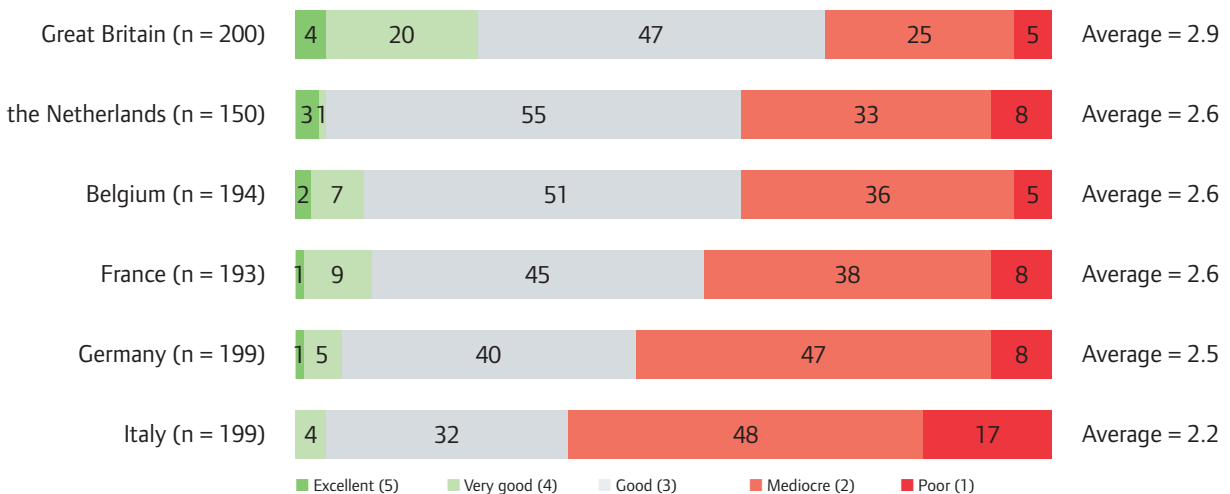
In Italy, Germany and France, established departments or functions for credit management are seen less frequently.

Domestic payment practices

Evaluation of domestic payment practices

Britain with most positive self-perception, Italy as laggard

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



Basis: evaluation of domestic business partners by interviewed companies in respective countries

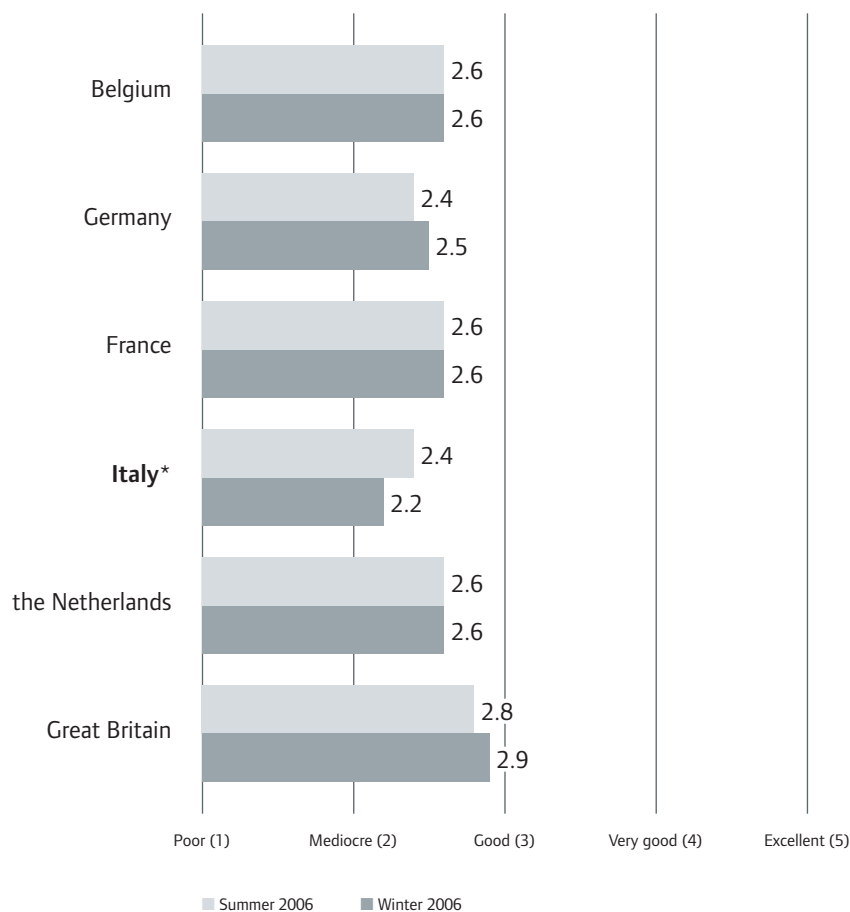
The Italians not only have broad credit periods; they also rate the payment practices of their domestic business partners significantly worse than other

European countries. However, only British companies evaluate this significantly better. Other countries rate their domestic business partners

better than Italy does, but are located on a similar level here.

Evaluation of domestic payment practices - comparison over time

Slight clouding of mood in Italy, Great Britain still on top



Basis: interviewed companies from respective countries

* Statistically significant changes; chi-square test; p=0.05

Great Britain is still on top in the evaluation of domestic payment behaviour. The negative trend in Italy

seems to prove true, though: their negative evaluation has worsened.

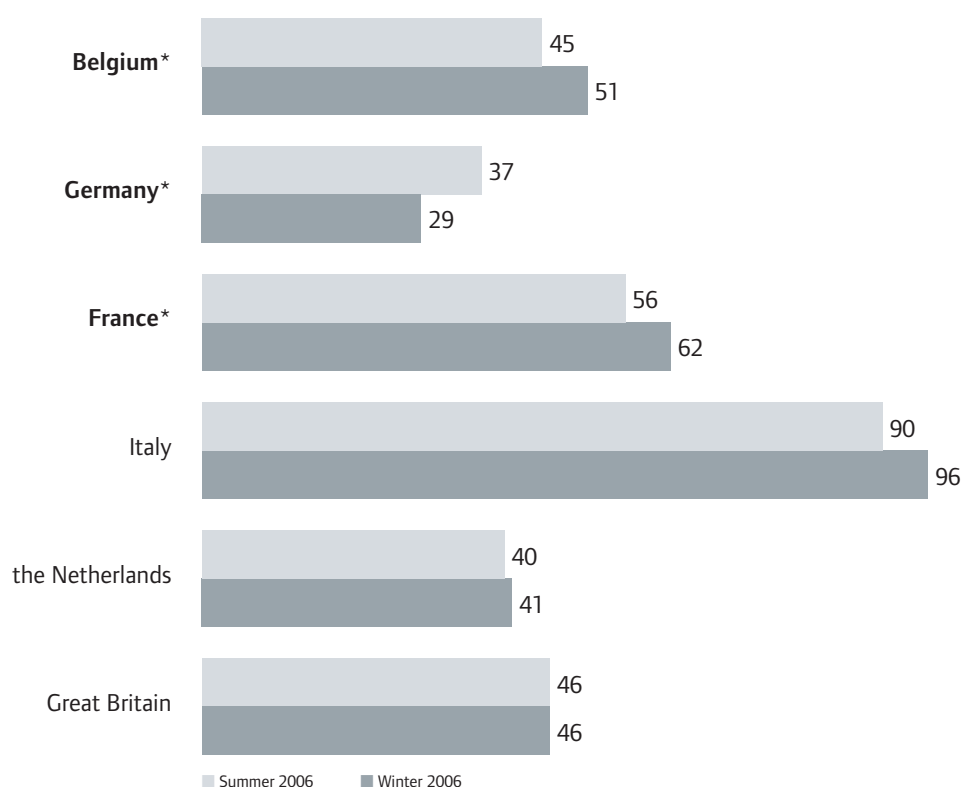
The German payment behaviour seems to have improved, but without any significant changes.

Payment duration: evaluation of domestic business partners - comparison over time

Germany now pays faster, Belgium and France take longer than in summer 2006

How many days does it take, on average, for your domestic business partners to settle their debts?

Average payment period of domestic business partners in days (mean value)



Basis: evaluation of domestic industries in respective countries

* Statistically significant changes; chi-square test; $p=0.05$

The positive trend in Germany can also be seen in the incoming payments of domestic business partners: receivables are now paid 8 days earlier on average.

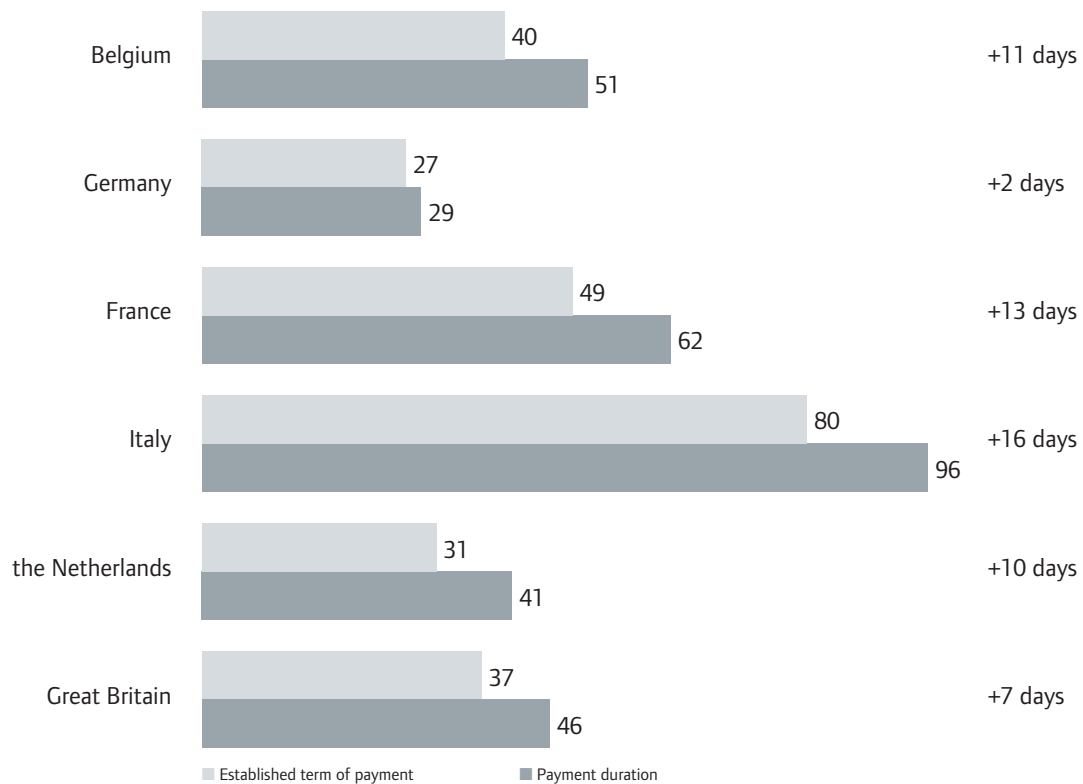
Belgian, Italian and French companies, however, now have to wait 6 days longer for their money.

In the Netherlands and Great Britain, nothing has changed in the meantime.

Payment duration: term of payment vs. domestic payment duration

Close correlation only in Germany

Average in days (mean value)



Basis: Terms of payment of interviewed companies in respective countries; evaluation of domestic industries in respective countries

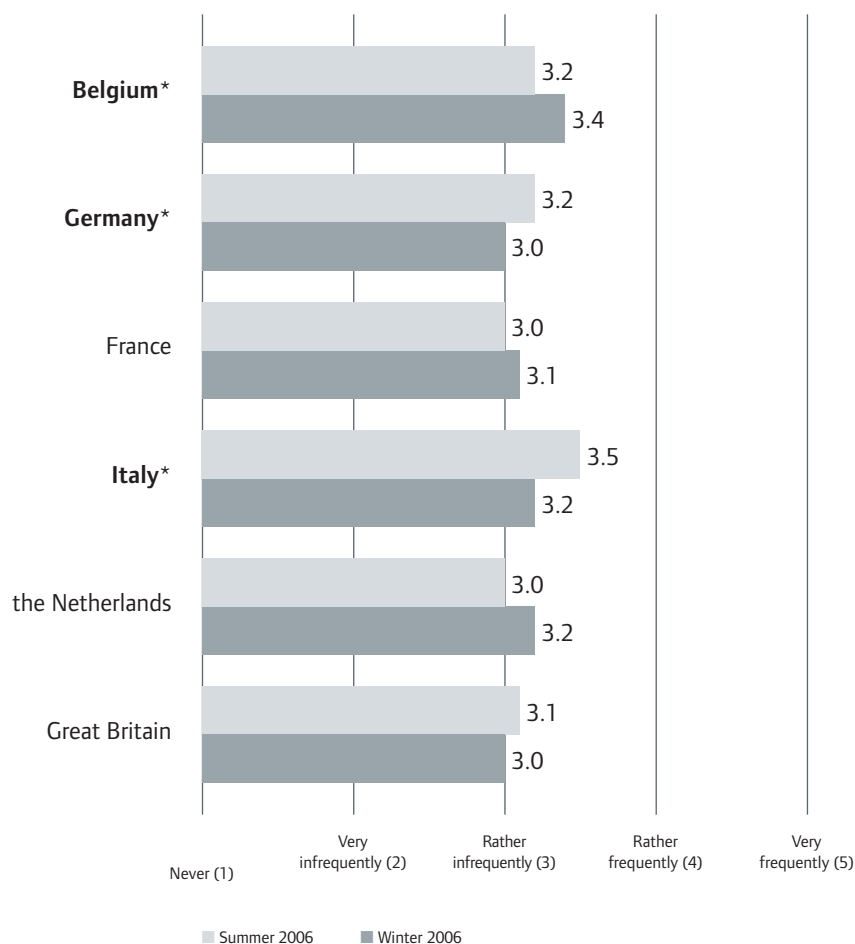
Only in Germany is there a correlation between term of payment and payment duration.

In all the other European countries observed, the supplier has to wait longer for the money than was permitted in the term of payment.

Delays of payment: perception of domestic business partners - comparison over time

Improvement in Italy and Germany, slight deterioration in Belgium

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



Basis: evaluation of domestic industries in respective countries

* Statistically significant changes; chi-square test; $p=0.05$

The good economic mood in Germany seems to be reflected in "perceived" delays of domestic payment: German companies don't feel they have a long

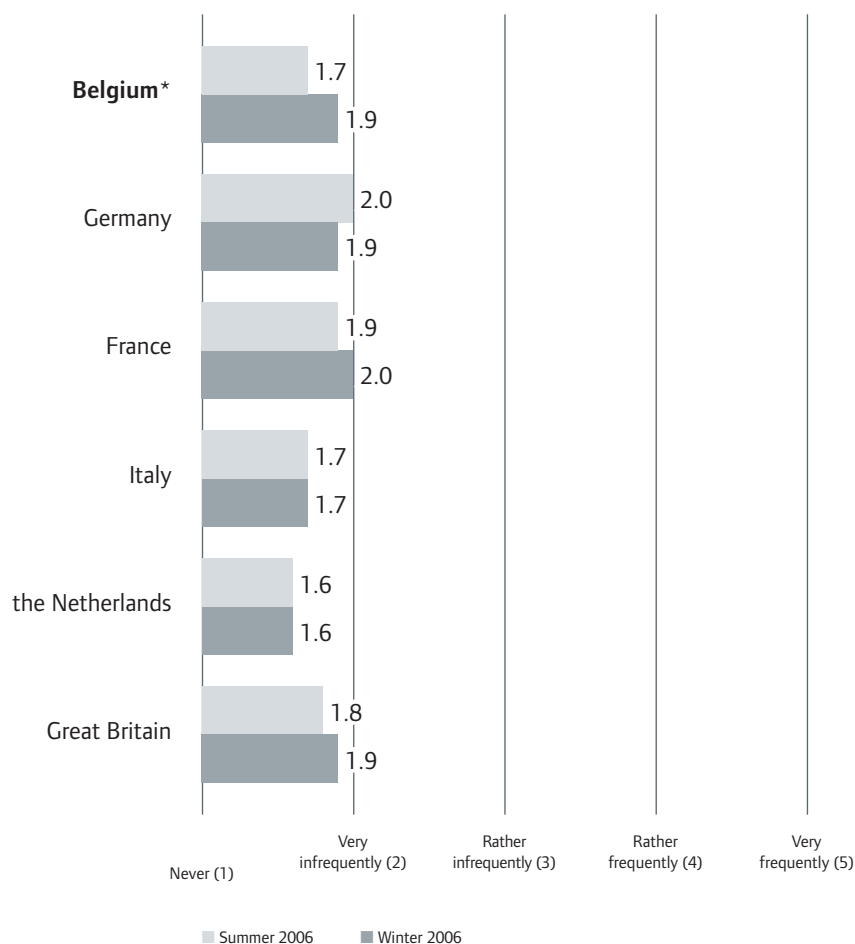
wait for their receivables. The same trend can be observed in Italy although companies actually wait longer for their money than in summer 2006.

The Belgians, in contrast to the above, have become more impatient.

Payment default: Non-payments of domestic receivables - comparison over time

Minor deterioration in Belgium, few changes overall since summer 2006

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



Basis: evaluation of domestic industries in respective countries

* Statistically significant changes; chi-square test; $p=0.05$

The Belgians' perceived impatience might derive from the increase in bad debts.

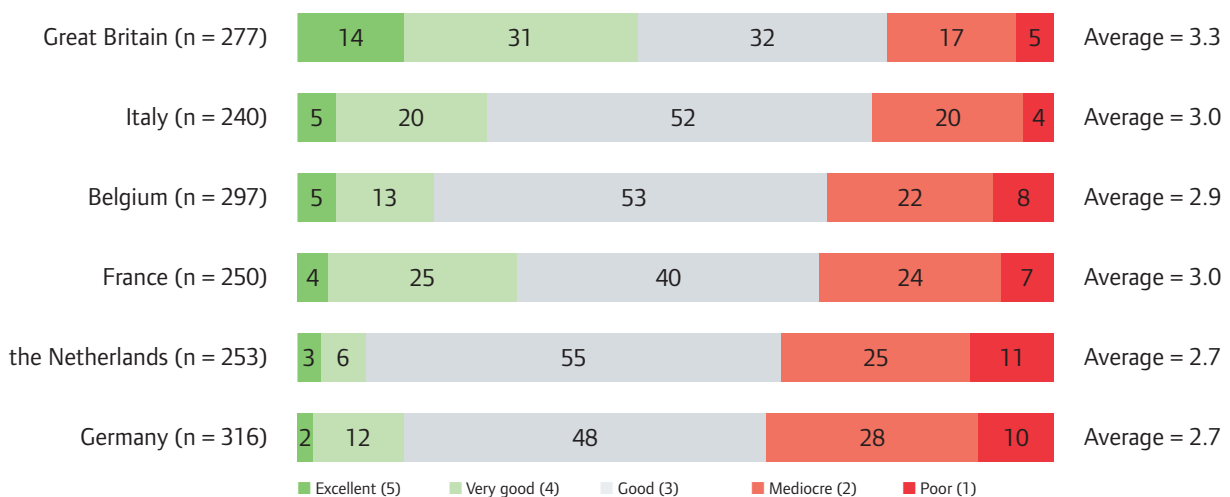
Only marginal differences can be observed in other countries, when compared with the summer 2006 results.

Foreign payment practices

Evaluation of foreign payment practices

British evaluation most positive, Germans and Dutch rather critically

If you think back over the last six months: how would you describe the payment practices of companies from...?



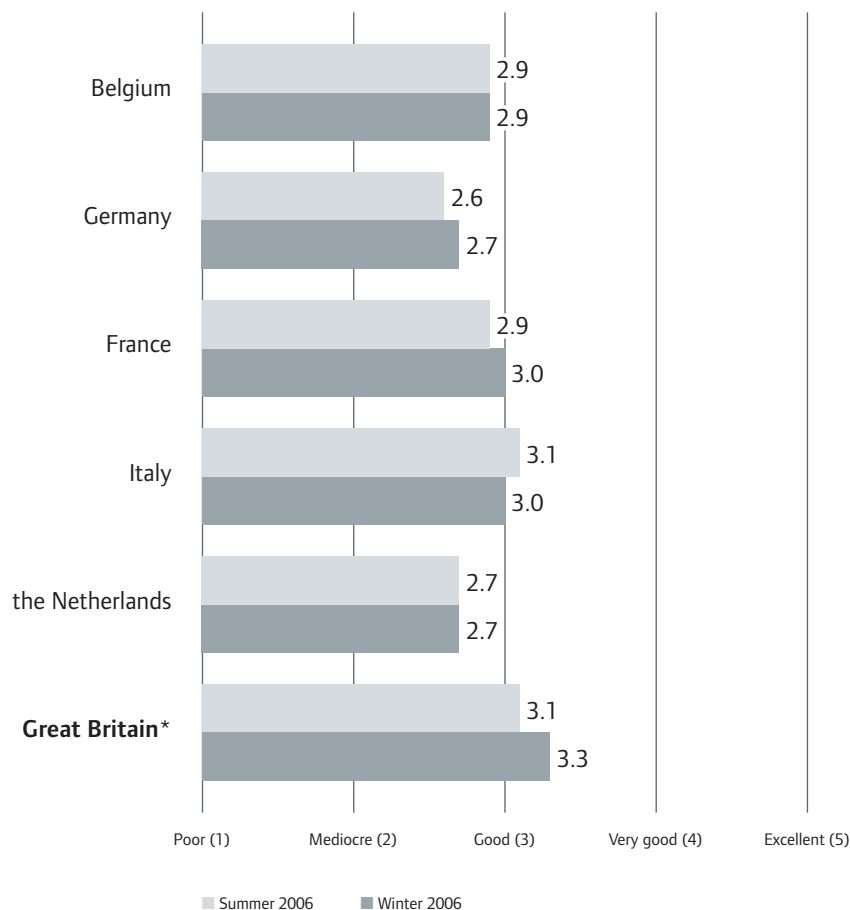
Basis: evaluation of foreign business partners by interviewed companies in respective countries

British companies also evaluate their foreign business partners' payment behaviour most positively.

In comparison, German and Dutch evaluations of their international customers are significantly worse.

Foreign payment practices - comparison over time

British rate foreign business partners' payment practices better than in summer 2006



Basis: evaluation of foreign business partners by interviewed companies in respective countries

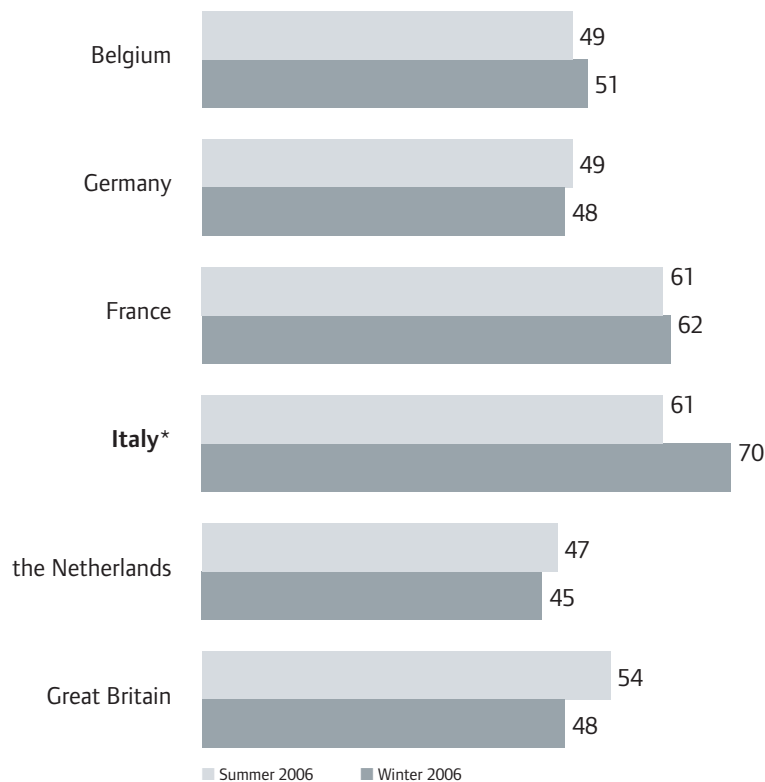
* Statistically significant changes; chi-square test; $p=0.05$

With the exception of Great Britain, no significant differences in evaluation of payment behaviour of international business partners has been noted.

Payment duration: evaluation of foreign business partners - comparison over time

Italians have to wait longest for foreign payments

Average payment period of domestic business partners in days (mean value)



Basis: evaluation of foreign industries by interviewed companies from respective countries

* Statistically significant changes; chi-square test; $p=0.05$

On average, Italian companies have to wait 9 days longer for their foreign business partners to pay than in

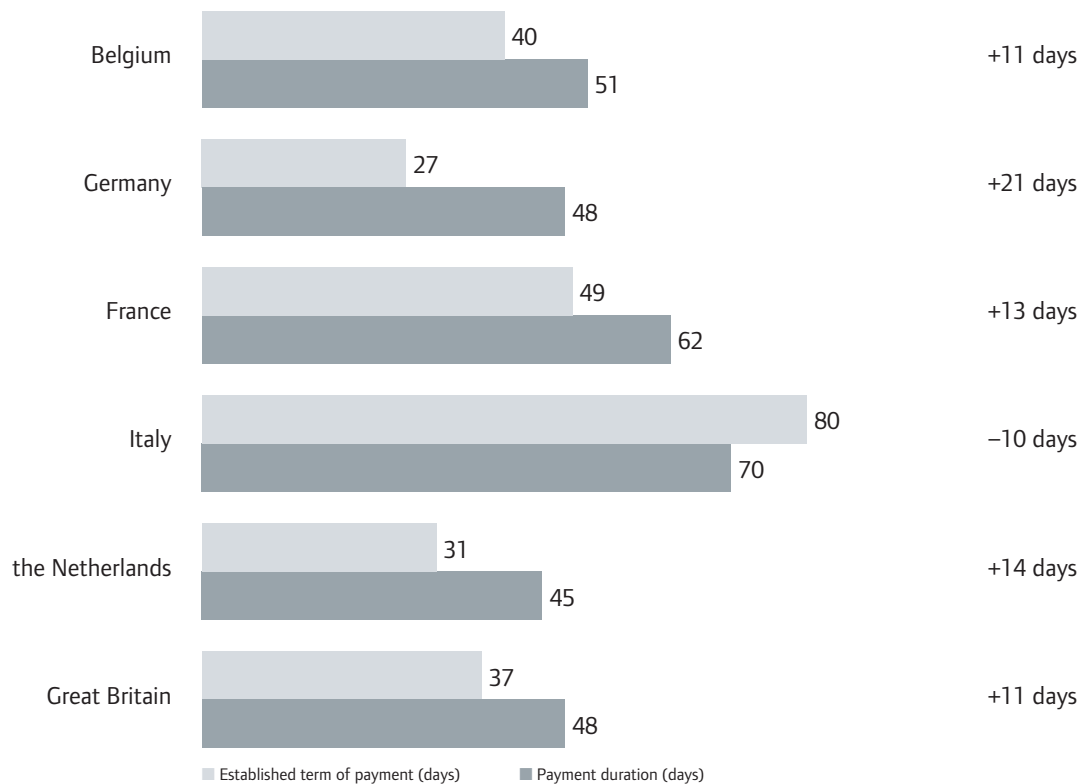
summer 2006. British companies now have to wait 6 days less.

There are no real differences across other countries.

Payment duration: terms of payment vs. foreign payment duration

Measured against terms of payment, German companies have to wait the longest

Average in days (mean value)



Basis: terms of payment of interviewed companies in respective countries; evaluation of foreign industries by companies interviewed from participating countries

The difference between the due date of payment and the actual receipt date has the greatest discrepancy in Germany.

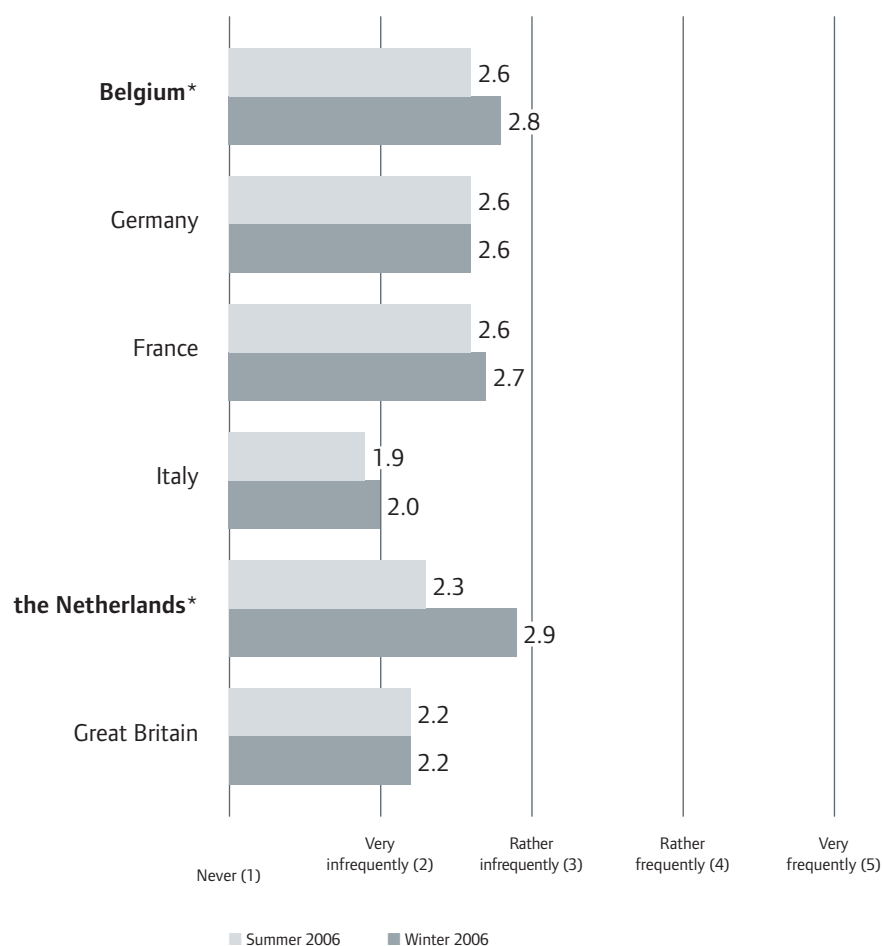
Italy, however, benefits from foreign business partners' good practices and get international payments 26 days

earlier than payments from their domestic business partners (cp. page 18).

Payment delays: perception of foreign business partners - comparison over time

Belgians and Dutch see their business partners less favourably than in summer 2006

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



Basis: evaluation of foreign industries by interviewed companies from respective countries

* Statistically significant changes; chi-square test; $p=0.05$

As with domestic payments, there is a discrepancy in the “perceived” delays of foreign payments in Belgium.

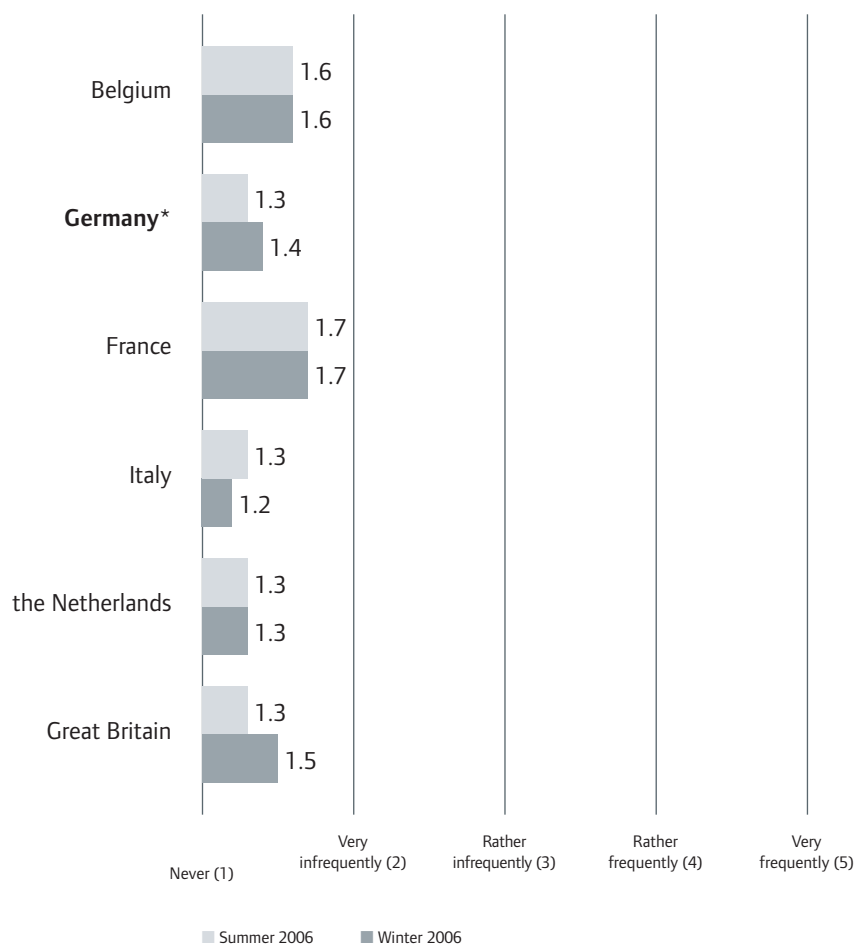
Dutch companies also have to wait significantly longer for payments.

There are no real differences in other countries.

Payment default: Non-payments of foreign business partners - comparison over time

Germany reports more frequent non-payments

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



Basis: evaluation of foreign industries by interviewed companies from respective countries

* Statistically significant changes; chi-square test; $p=0.05$

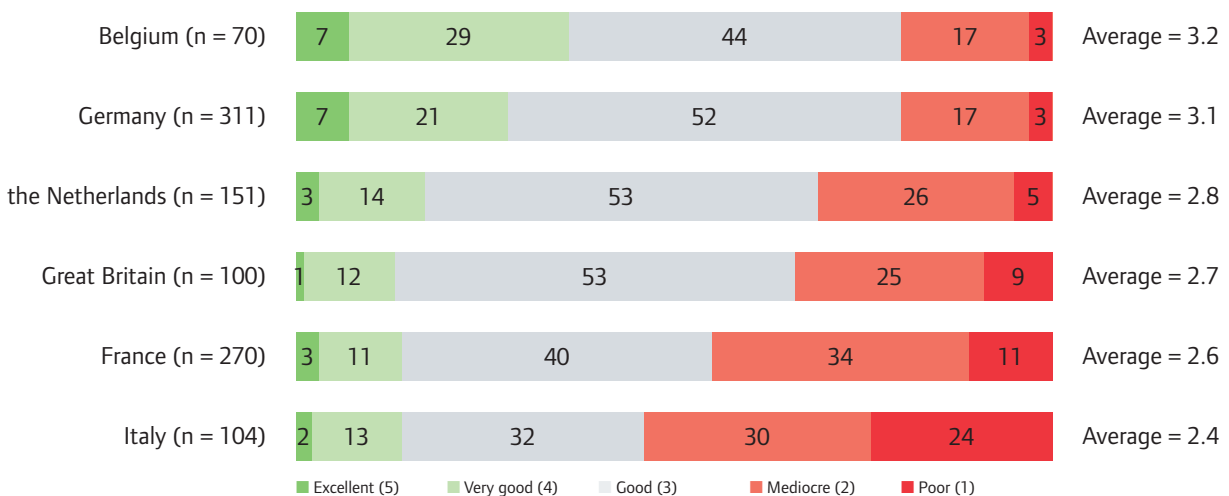
Only German companies report more frequent non-payments by foreign business partners now.

In the other countries, this frequency has remained the same.

Payment practices as evaluated by international business partners

Payment practices evaluated by international business partners

Belgium and Germany now leading, Italians still trailing



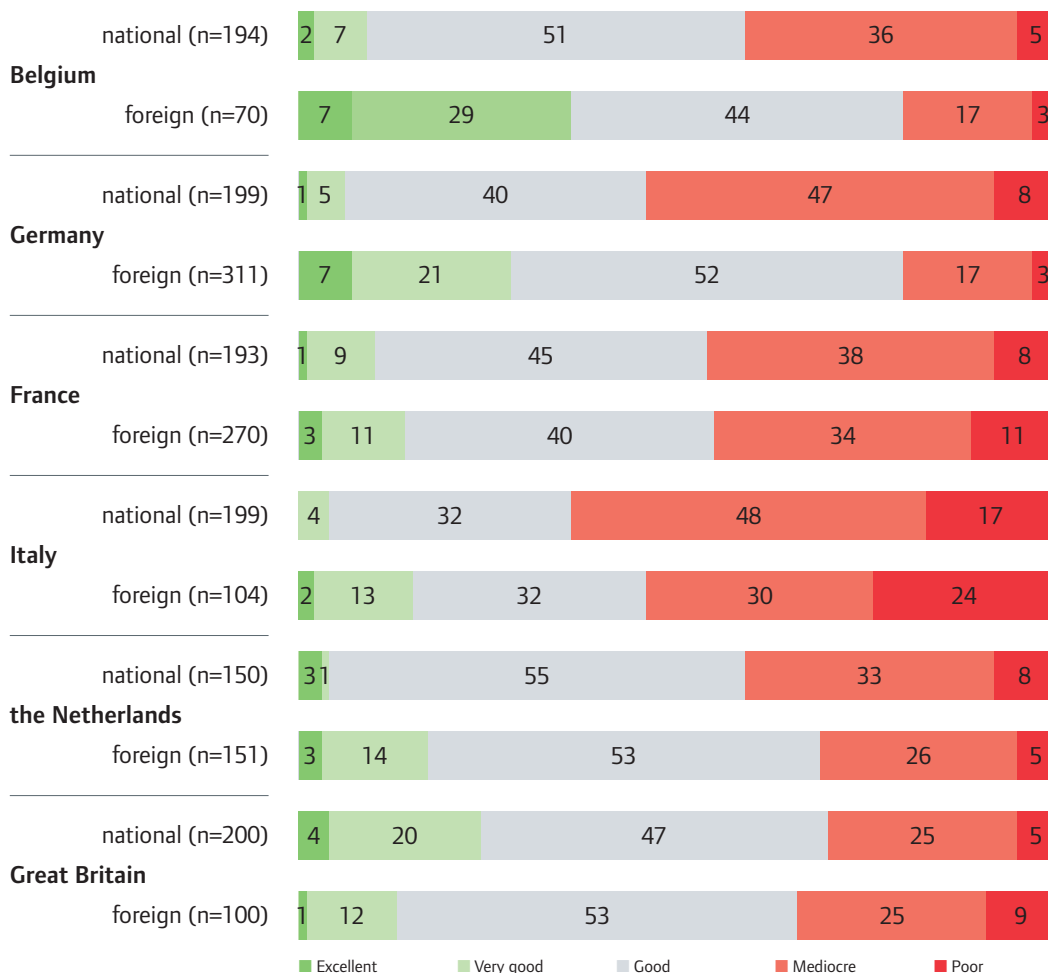
Basis: evaluation of foreigners that are doing business with the respective country

From the viewpoint of foreign companies, payment practices are rated best in Belgium and Germany.

Foreign companies also cite Italian businesses the poorest payers.

Self-perception vs. external perception (I)

Belgium and Germany are seen more positively by foreigners than by fellow nationals



Basis "Self-perception": interviewed companies in respective regions

Basis "External perception": evaluation by foreigners doing business with the respective country

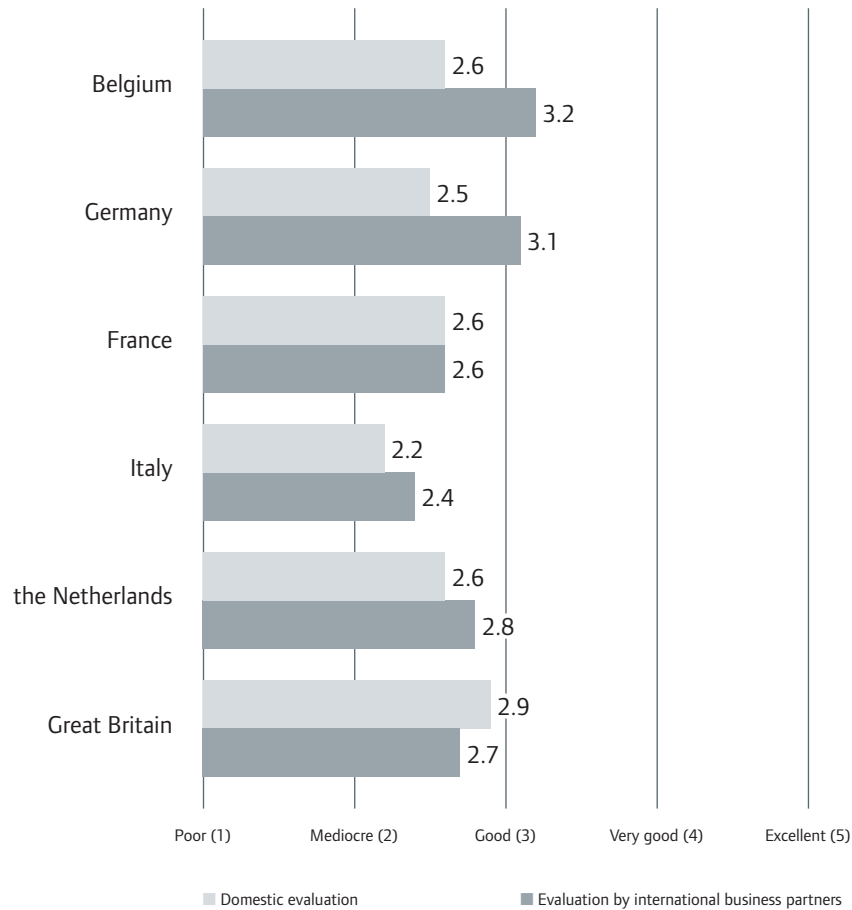
The payment behaviour of Belgian and German companies is rated significantly better internationally than domestically.

The French assess their payment behaviour similarly to the international evaluation. Great Britain is the only

country with a better self-perception than the foreign evaluation.

Self-perception vs. external perception (II)

Great Britain is the only country with a better self-perception than the foreign evaluation

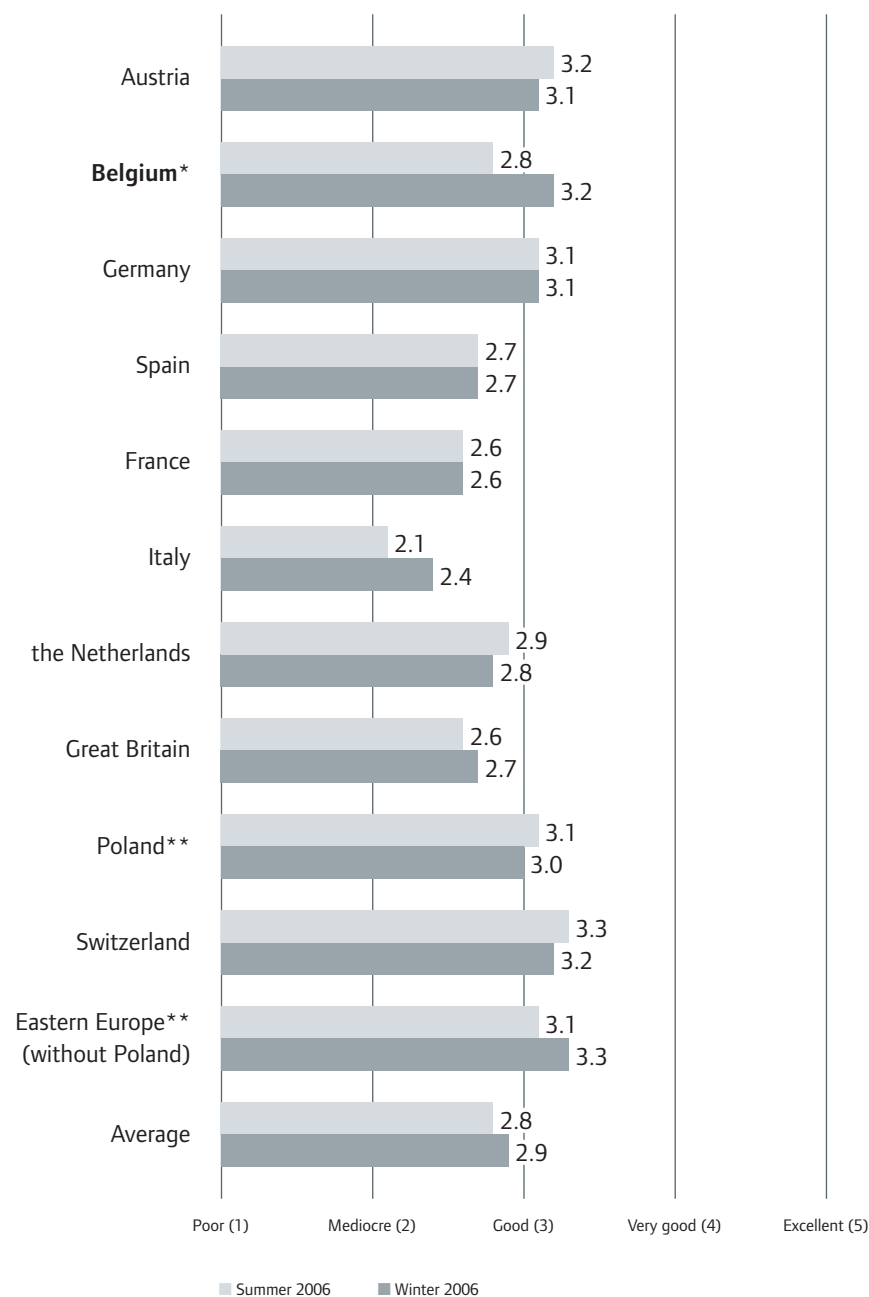


Basis "fellows": companies interviewed in respective regions

Basis "foreigners": evaluation by foreigners doing business with the respective country

Payment practices evaluated by international business partners - comparison over time

Significant improvements only in Belgium



Basis: evaluation of companies with business partners in respective regions (starting from n=35 evaluations)

* Statistically significant changes; chi-square test; p=0.05

** Sample sizes < 50; these results are susceptible to outliers

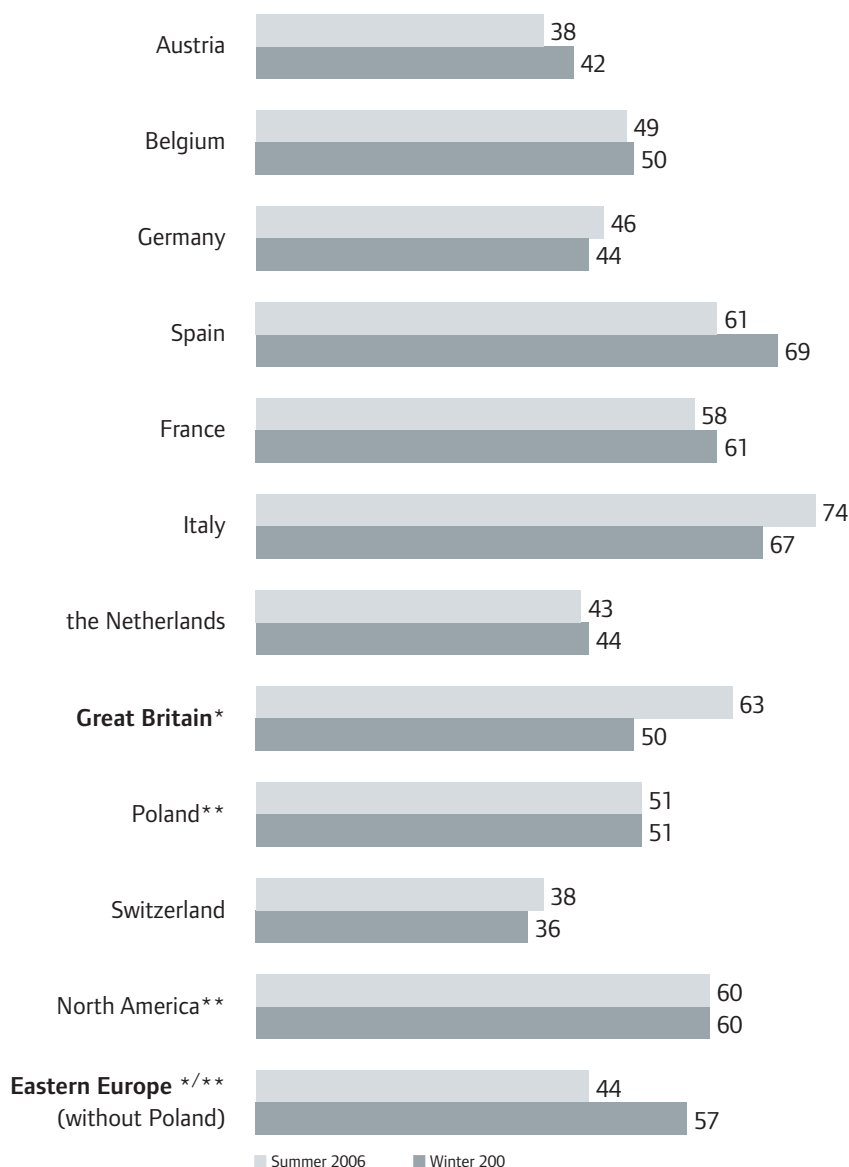
Belgian companies are rated significantly more positively by their foreign business partners than in summer 2006. Hence, it is the only country that clearly improved in this respect.

Overall, the assessments of the different countries over the course of time are, due to the comparatively low sample sizes, susceptible to random deviations; only significant alterations should be subject to interpretation.

Payment duration as evaluated by international business partners - comparison over time

British customers pay faster, customers from Eastern Europe slower than in summer 2006

Average payment period of foreign business partners in days



Basis: evaluation of companies with business partners in respective regions (starting from n=35 evaluations)

* Statistically significant changes; chi-square test; p=0.05

** Sample sizes < 50; these results are susceptible to outliers

In Great Britain, payments to international business partners are now made after 50 days on average – compared with 63 days in summer

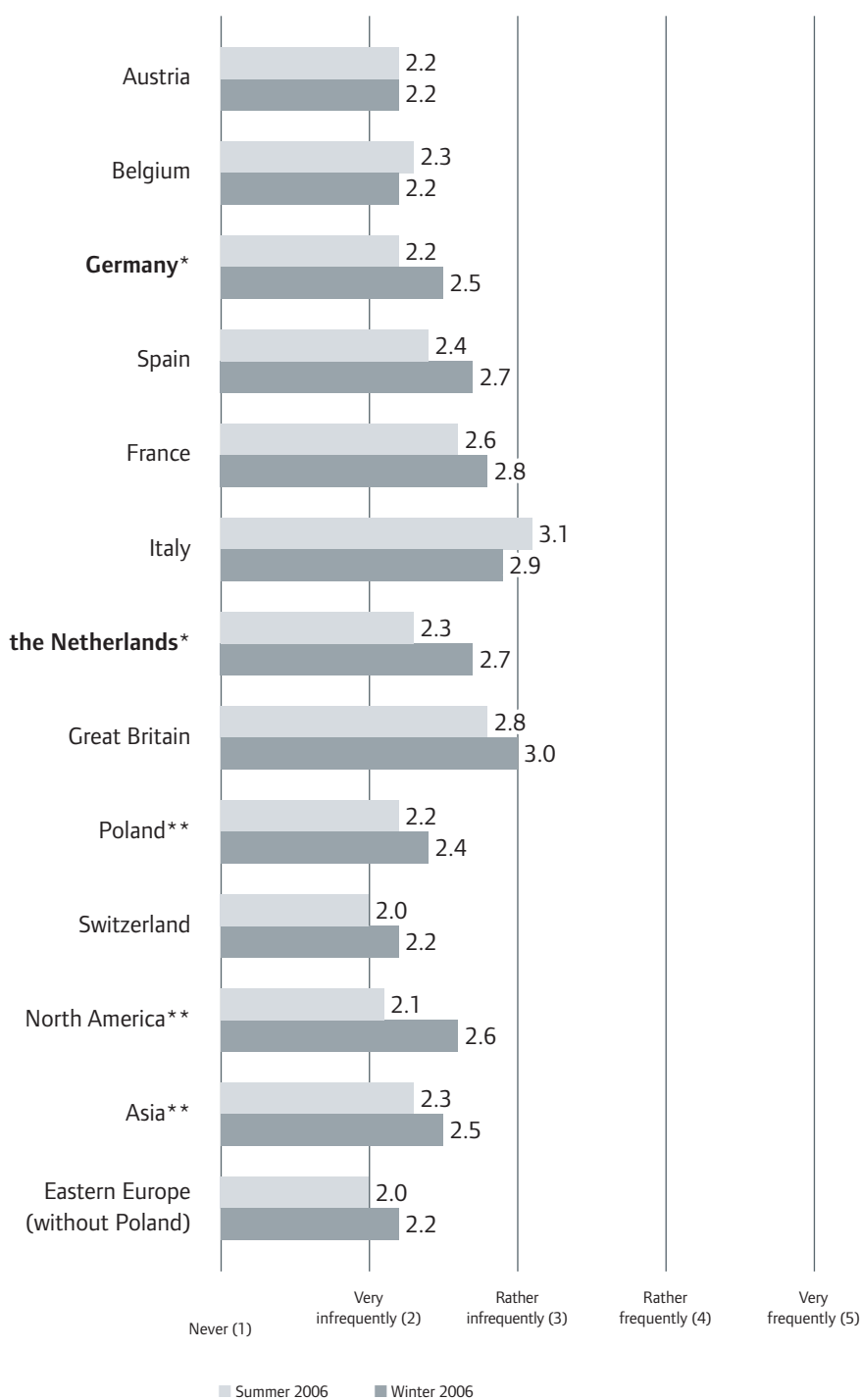
2006. In contrast to this, companies from Eastern Europe now take 57 days (average) versus 44 days in summer 2006.

Overall, the assessments of the different countries over the course of time are, due to the comparatively low sample sizes, susceptible to random deviations; only significant alterations should be subject to interpretation.

Delays in payment as perceived by international business partners - comparison over time

Companies from Germany and the Netherlands viewed less favourably

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



Basis: evaluation of companies with business partners in respective regions (starting from n=35 evaluations)

* Statistically significant changes; chi-square test; p=0.05

** Sample sizes < 50; these results are susceptible to outliers

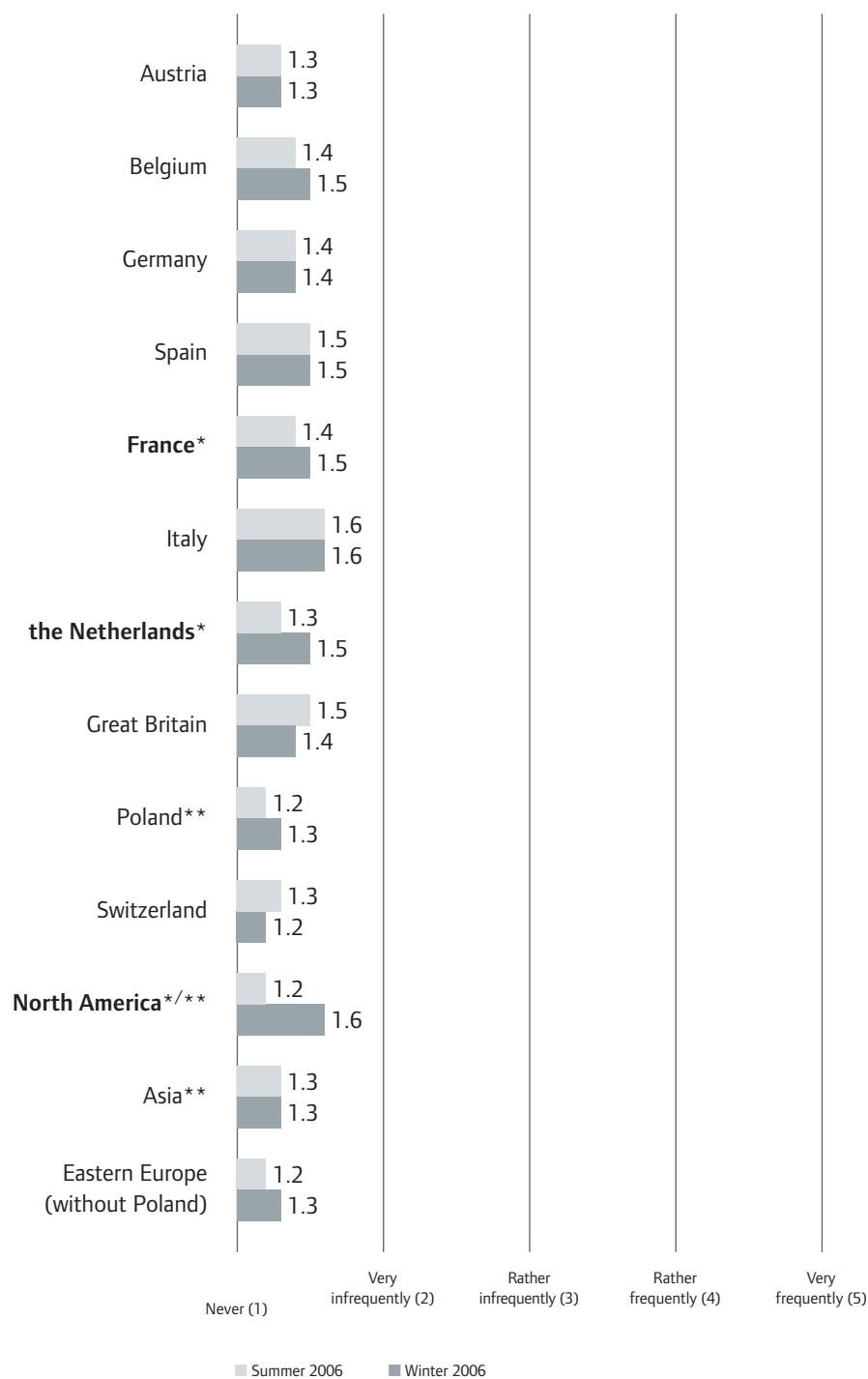
International business partners reported payment delays by German and Dutch companies slightly more frequently now. But, delays still remain infrequent overall.

Overall, the assessments of the different countries over the course of time are, due to the comparatively low sample sizes, susceptible to random deviations; only significant alterations should be subject to interpretation.

Payment default: non-payment of international receivables - comparison over time

Higher non-payments recorded by French, Dutch and North American companies

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



Basis: evaluation of companies with business partners in respective regions (starting from n=35 evaluations)

* Statistically significant changes; chi-square test; $p=0.05$

** Sample sizes < 50; these results are susceptible to outliers

From the viewpoint of international business partners, actual non-payments occurred very infrequently within the last six months.

However, the frequency of non-payments significantly increased with business partners from France, the Netherlands and the USA.

Overall, the assessments of the different countries over the course of time are, due to the comparatively low sample sizes, susceptible to random deviations; only significant alterations should be subject to interpretation.

Conclusions

This is what the survey results say:

Credit management features

- The percentage of receivables to total assets is lowest in **Germany** (13%). **Belgium** (27%) and **Italy** (31%) have the highest ratios.
- With an average of **27 days**, **German companies** have established the most rigorous **credit period**, followed by **the Netherlands** with **31 days**. With an average of **80 days**, **Italian companies**, by far, set the **broadest term of payment**.
- **Different credit periods** per individual country or industry are **most common in Belgium** (60% of the companies interviewed). **German** and **Italian** companies differentiate their credit periods **least often**.
- More than **90%** of **Dutch** companies interviewed have their **own department for credit and accounting management**. Only in **Great Britain** is this number **similarly high (73%)**.

Domestic payment practices

- Depending on the individual region, **30-65%** of the interviewed companies assessed domestic payment behaviour to be only **“mediocre”** or even **“poor”**.
- Domestic **payment delays** still occur quite often: In **nearly 40%** of all national business relations, delays have occurred **“very frequently”** or **“rather frequently”** in the last six months.
- **Non-payments** are rather rare, but it should be noted that only **36%** of all domestic business partnerships did **not** report **any non-payments** at all.
- **British** companies rated their national business partners comparatively **positively**.
- The **Germans** rated their domestic business partners’ payment practices better than they did in summer 2006.
- Domestic payment behaviour is still seen **poorly in Italy**. Compared with summer 2006, the perception had further worsened.

Foreign payment practices

- Depending on the country, **20-40%** of all companies assessed other countries' payment behaviour as "**mediocre**" or "**poor**".
- **British companies** rate their foreign business partners very **positively**. This assessment has also improved **over time**.
- **German** and **Dutch** companies evaluated their foreign business partners rather **critically**. For Germany in particular, one of the main reasons could be the **high discrepancy** between their established **credit period** and the **actual time it takes** foreign companies **to pay**.
- In **Italy**, foreign business partners, on average, pay **faster** than their credit period **requires**. This also manifests itself in a **positive evaluation** of international business partners by Italian companies.

Payment practices as evaluated by international business partners

- **Belgium** and **Germany** have a comparatively **positive image** amongst their international business partners. About **every third evaluation** rates them "**very good**" or even "**excellent**".
- **Austrian, Swiss** and also **Eastern European companies** continue to have a good image (although Eastern European companies, on average, took **more days** now to **pay invoices** than in summer 2006).
- The payment behaviour of **Italian companies** gets most highly criticised (over 50% "**mediocre**" or "**poor**").
- Belgium aside, there are **no significant changes** in the general evaluation of payment behaviour between summer 2006 and now.
- Since summer 2006, the frequency of **non-payments** from **North America** has significantly increased.

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