EUROPEAN PAYMENT INDEX 2011

intrum justitia

CONTENT

Intrum Justitia, Europe's leading provider of Credit Management Services carries out a written survey in 25 European countries on an annual basis involving several thousand companies. The results of the survey are published in the present 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 – March 2011. All time-based comparisons relate to the survey results that have been obtained during the same period in 2008, 2009 and 2010.

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

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FOREWORD CEO: RECOVERY UNDERWAY, BUT DEBT WORRIES PERSIST

Our latest survey of business sentiment across Europe reveals how the Continent's growth and innovation is being stifled by reduced investment and late payment in the wake of the economic downturn.

Despite recovery in powerhouse Germany and the Nordic nations, Intrum Justitia's research of almost 6,000 businesses reveals business and consumer late payment hangs threateningly like a dark cloud over the Continent's sluggish economic recovery.

Every year Intrum Justitia implements possibly the largest independent pan-European survey to discover the true extent of late- or non-payment of invoices for goods and services and how EU businesses, large and small, are coping. Called the Intrum Justitia European Payment Index 2011, the survey measures business sentiment among 6,000 companies in 25 countries.

Our latest survey reveals the written off debt being suffered growing to 2.7% of total receivables to reach a staggering € 312 billion in the 2011 survey – and over the past five years adds up to a massive €1,300 billion (2007-2011). The potential negative business and social impact such hidden debt implies for the recovery of national and EU regional economy's is inescapable.

There is no doubt our recovery, future growth and ability to compete with Asian and other markets depends on getting our public finances back in shape and the banking system working. But we need also to make our European economy stronger. Part of that strategy must be to tackle the burden of debt that translates into more firms going bust, greater numbers unemployed, reduced taxes and lower investment in innovation.

It is no secret that payment culture varies substantially across Europe with bills generally being paid faster with less hassle in the north and more slowly in the south – in Greece only 50% of invoices are settled within 90 days, for example.

Our EPI 2011 survey clearly shows how businesses in many south European countries would love to see better legislation in place to speed payment for goods and products delivered. The EU has now put in place a late payment directive. But for the directive to work it must gain the active support of national governments across Europe prepared to implement better legislation with less bureaucracy to protect businesses against late payers. And public authorities need to act as benchmark examples setting the agenda for on time settlement of invoices.

A lesson many respondents to the EPI survey said they had learnt from a tough market environment was the need to work harder across the entire credit management spectrum.

Finally, achieving greater financial control was a clearly articulated desire against a background where some 52% of respondents to the Intrum Justitia survey said they were experiencing liquidity problems of their own due to late payment and 45% said late payments were prohibiting growth of their company.

Lars Wollung, President & CEO Intrum Justitia Group

IN BRIEF:
OPTIMISM RISES, YET DEBT WORRIES LINGER

Europe's overall economy is charting a more optimistic course. Germany, Switzerland, Poland and Sweden all report upbeat economic figures and market revival with rising exports and domestic demand.

But dark financial clouds linger with Greece, Ireland and Portugal still in deep financial crisis and countries such as the UK, Spain and Italy struggling with sluggish growth. Even worse, the hidden debt realities of late or non-payment of bills for goods and services delivered has now soared to heady heights within Europe, posing a real long-term threat to a host of national economies.

Millions are being lost every day by creditors around Europe who are not being paid for goods and services delivered, according to the latest research by Intrum Justitia, Europe's leading credit management group. The latest survey of how businesses are dealing with late payment reveals the written off debt increased from 2.6% to 2.7% in the 2011 survey an increase of 4%.

Such losses undoubtedly impact the ability of companies to stay liquid, invest in innovative R&D and sustain employment. Further down the line it leads to less tax income for national economies, stokes unemployment, elevates debt levels and reduces Europe's global long-term competitive ability. In 2010 some 600 companies went into liquidation every day in Europe, amounting to a total 220,000. In the UK alone, last year saw a record number of people declared insolvent - 370 per day - in the turbulent wake of the global recession. Although that trend seems to be heading downward, a new survey by Intrum Justitia of almost 6,000 companies across Europe provides a sharp wake-up call about the perils of late payment by indebted consumers and businesses.

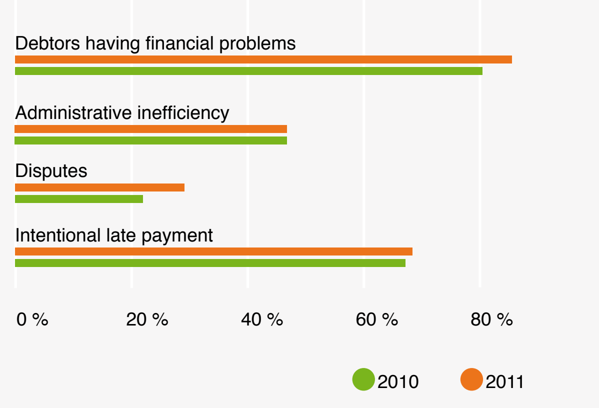
Pan European level	Average payment duration in days			
	2008	2009	2010	2011
Consumers	40	41	39	40
Business	56	57	55	56
Public sector	65	67	63	65

The jittery state of the marketplace is underlined by the latest annual Intrum Justitia European Payment Index (EPI) survey, implemented during the first three months of 2011.

A substantial majority of 57% of the respondents to the EPI survey said the global recession had negatively impacted their sales and 47% said they had experienced reduced liquidity.

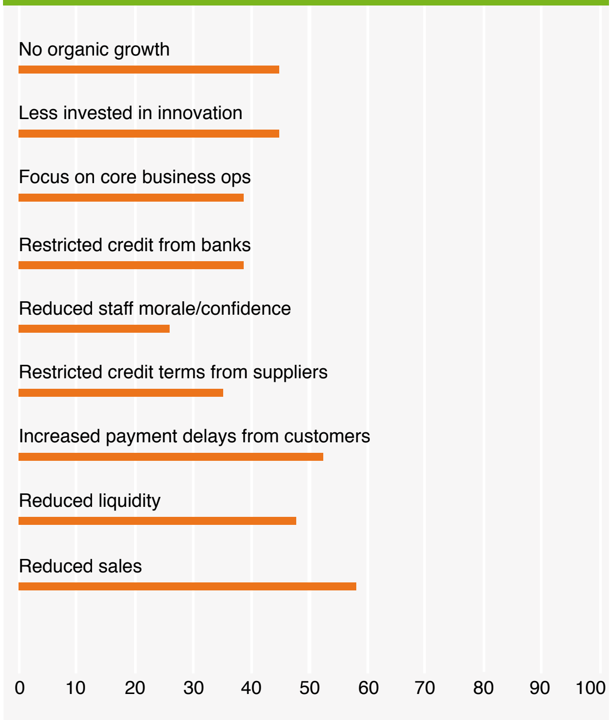
Almost 85% of all the respondents to the EPI survey believed that the principal reason for late payment was due the fact their debtor was facing financial problems. Around 63% believed the late payment was intentional. The 2011 Intrum Justitia survey also confirms the deep south-north divide that exists when it concerns attitudes to paying bills on time. In Sweden 95% of the invoices are being paid within 90 days, in Greece just 50% are settled. The potential long-term danger of the recession to Europe's efforts to be able to compete globally was pinpointed by the 45% of EPI respondents who said their companies have invested less in innovation and research due to the downturn, while 45% said lack of liquidity meant no organic growth had been established.

Reasons for late payments according to respondents

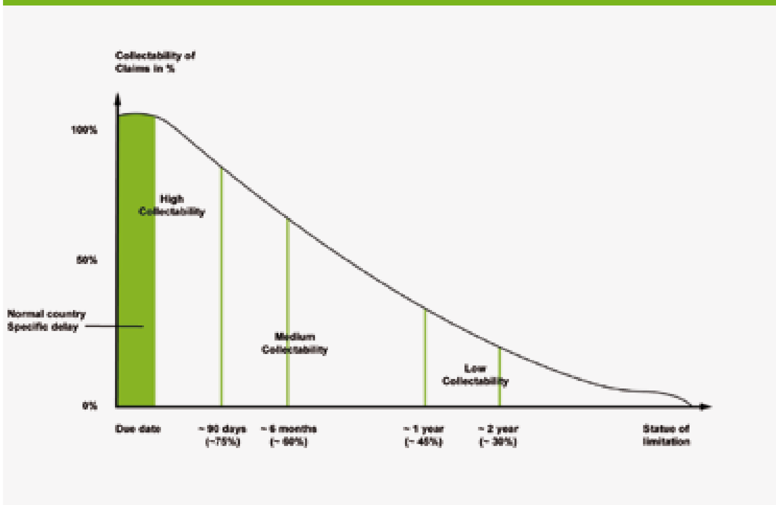


A substantial number of respondents – 54% - said they believed European businesses would benefit from a stronger voice in Europe or on their local market, addressing issues with late payments within the B2C sector. However, just 28% were aware that the European Parliament had finally approved a new directive aimed at reducing late payments.

Global recession, impact on businesses %

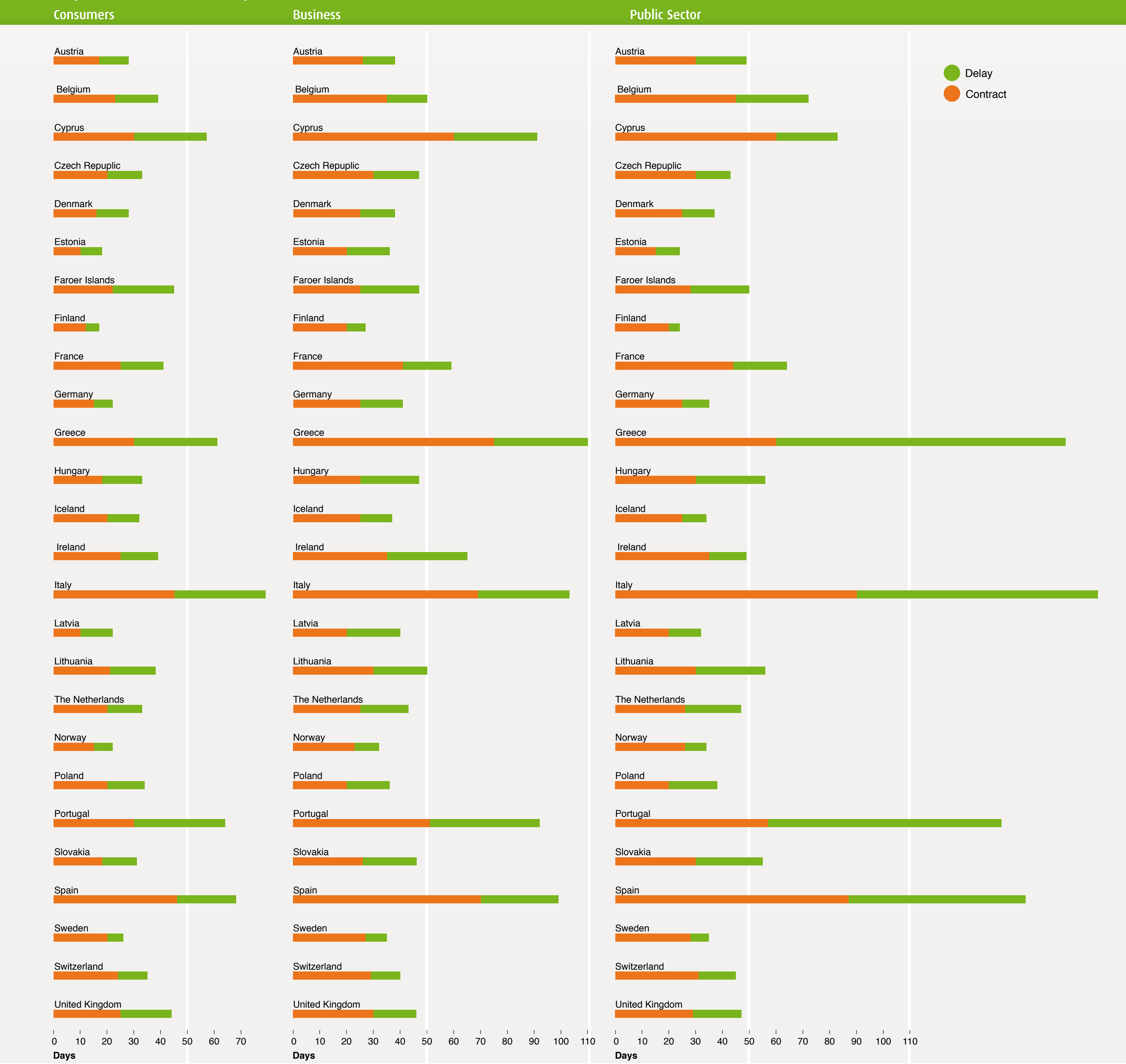


The effect of waiting



An obvious conclusion from the 2011 Intrum Justitia survey is that Europe needs freedom from late payment and debt rather than just years of austerity. Ongoing job losses, wage cuts and savage public services cutbacks will not help make European businesses more competitive in markets far beyond their own borders. Late payment leads to loss of income and reduced liquidity and threatens to suck the life out of the fragile recovery now underway for a growing number of slightly more optimistic companies, as the Intrum Justitia 2011 survey underlines.

Payment duration in days



WHAT THE EXPERTS SAY

The Intrum Justitia 2011 EPI Survey gives a rich insight into the real life business environment of European businesses and helps detail their fears and aspirations. To add an extra dimension to our findings, we have turned this year to some of Europe's leading academic economists and asked them to respond to basic questions around three key issues confronting businesses in Europe today.

Question 1
The economic crisis appears to have spawned a 'Tale of Two Europe's': One group that is still suffering dramatic consequences and a second where recovery is well underway. Is this likely to continue and if so, what will be the long-term consequences for Europe and its business development?

Question 2
What can European SMEs be doing more about to ensure their long-term survival and how can they be helped by the EC and national governments?

Question 3
Is there a single cure that could solve the burden of late- or non-payment being suffered by businesses across Europe?

Dr Thomas M. Cooney, Academic Director, Institute for Minority Entrepreneurship (Dublin Institute of Technology).

Answer 1/Thomas M. Cooney
"The economic crisis has created a 'Tale of Three Europe's' - those in serious financial difficulties (Ireland, Greece, Portugal) who will take a long time to recover, those who are already well-progressed in the process of economic recovery (e.g. Germany), and those who are in some kind of middle ground (e.g. some of the Eastern European states). This situation creates both financial and political challenges as the euro will continue to come under threat from financial speculators and from governments who might be reconsidering the value of staying within the euro zone, while politically it will be very difficult for the EU to get consensus across a wide range of economic and political targets when self-interests will continue to be so disparate.

Answer 2/ Thomas M. Cooney
"The economic crisis is no longer global with many countries enjoying economic recovery. SMEs must look for potential opportunities internationally and so should (a) identify EU funding opportunities for potential collaboration with enterprises from other EU Member States, and (b) seek markets for their product or service offerings outside of the EU. There are a myriad of support mechanisms at national and EU levels already available to SMEs who are seeking to internationalise, and so I would argue that the responsibility initially lies with the owner-manager to identify these supports rather than with national governments to provide new supports.

Answer 3/ Thomas M. Cooney
"There is no single cure. Each country will have its own unique challenges and while some common approaches might be possible across a number of countries, ultimately it will require each national government to seek ways to alleviate this particular difficulty for businesses in their own country."

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

Answer 1/ Luca Iandoli

"I think the current situation will continue for some years. The differences we see are due to choices made by individual governments on reforms as well as economic and industrial policies. The countries suffering are those who have delayed or failed to make the necessary changes in recent years. Even if they started today, the result will only be visible in the long term. The long term consequences for Europe are slow economic growth, performance below its potential and more financial instability like we have already seen in Greece, Ireland and Portugal. If that persists it could possibly undermine the whole monetary union, at least in the way we know it today.

Answer 2/ Luca Iandoli

"EU SMEs must increase their ability to innovate and their international exposure. Okay, we know it's difficult for small companies to invest in innovation and research, but on the other hand technology is becoming less expensive and more user-friendly. Many SMEs could win significant productivity gains if they injected more IT in their operations.

National governments and the EU should do more to create favourable conditions for the start up of new entrepreneurial ventures and the growth of the existing ones. Governments can support innovation and growth in several ways, especially by removing barriers to competition and bureaucracy as well as all the normative and structural constraints that prevents firms from growing.

Answer 3/ Luca Iandoli

"The economic downturn has slowed down the whole financial cycle of global economy. So, at least in part, late payments can be physiological in an economic situation like the one we are leaving. What is not acceptable are late payments by the Public Administration as a result of internal inefficiency rather than external financial stress.
More than a single definitive cure to, we need a concerted action in which all the actors in the system make their own part: a) banks and money lenders should develop more accurate tools for company rating, also including non financial factors rather than just restricting access to credit; b) governments and public administration should reduce internal inefficiencies and adopt more severe measure against late payments, c) small businesses should be more systematic in their financial planning.

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

Answer 1/Pasi Malinen

There may be well more than 'two Europe's' as the crisis spreads. But in the Scandinavian countries as a whole SMEs see the future through more positive eyes…

Answer 2/Pasi Malinen

SMEs need less red tape, both at a national and EU level. SMEs generally are not interested in EU programmes due to the slow financing and red tape. Investing in innovation has been an EU goal, but it has been more about developing technology and than developing 'innovation'.

Answer 3/Pasi Malinen

There is no single cure because the payment culture is different across Europe. In Finland companies tend to have two weeks to pay their bills while in some Mediterranean countries a month is still considered 'fast payment'.

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

Answer 1/Ken O'Neill

If by the 2 Europe's you mean Germany etc on the one hand and Greece, Ireland etc on the other, then I agree - it will continue and hamper business development in the latter countries - especially SMEs. The longer term consequences will depend on how businesses react - the stronger will develop export markets or buck their national trends, especially SMEs for whom bucking a trend is easier as their market share is small and so more easily increased. Overall there will be a less of a two tier Europe than a multi-tiered one - a spread of performance (by both public and private sectors). It is in the nature of things and up to each country to deal with its situation. There is little that the EU as an institution can do about this except in its role a lender of last resort (a la Ireland) or by promoting infrastructure projects in the weaker countries to assist the construction related sectors which have been hit most.

Answer 2/Ken O'Neill

European SMEs should be paying attention to three things - Management, management and management - from which all else flows. With competent and ambitious management export growth through market and product development will follow. I don't believe that the EC can help, it can only hinder. Few, if any, of its business support activities can withstand objective evaluation of their impact despite the PR hype surrounding many of them. Moreover, its incessant flow of regulations amounts to harassment of most SMEs. National governments themselves should stick to creating the conditions for business to flourish - eg ease planning restrictions, fiscal incentives and removal of market imperfections.

Answer 3/Ken O'Neill

Yes - first, better credit control by businesses themselves (the main problem - often caused by fear of pressing for payment lest future business is jeopardised) and second publication of payment periods of public sector and large private sector organisations.

Friederike Welter, Professor and Associate Dean of Research, Jönköping International Business School

Answer 1/ Friederike Welter

In terms of business development, there always has been more than one Europe - a North-South divide, a West-East divide. This is a result of such things as different economic structures, which result in different enterprise sizes (e.g., Southern member states traditionally had stronger agriculture that translates into more micro enterprises in sectors easier to enter, but with large competition and vulnerable in times of economic downturn). All this might have been aggravated by the financial crisis. As to the longer term consequences: I assume that economic and social cohesion within Europe will simply take more time.
What can European SME's be doing more about to ensure their long term survival and how can they be helped by the EC and national government's?

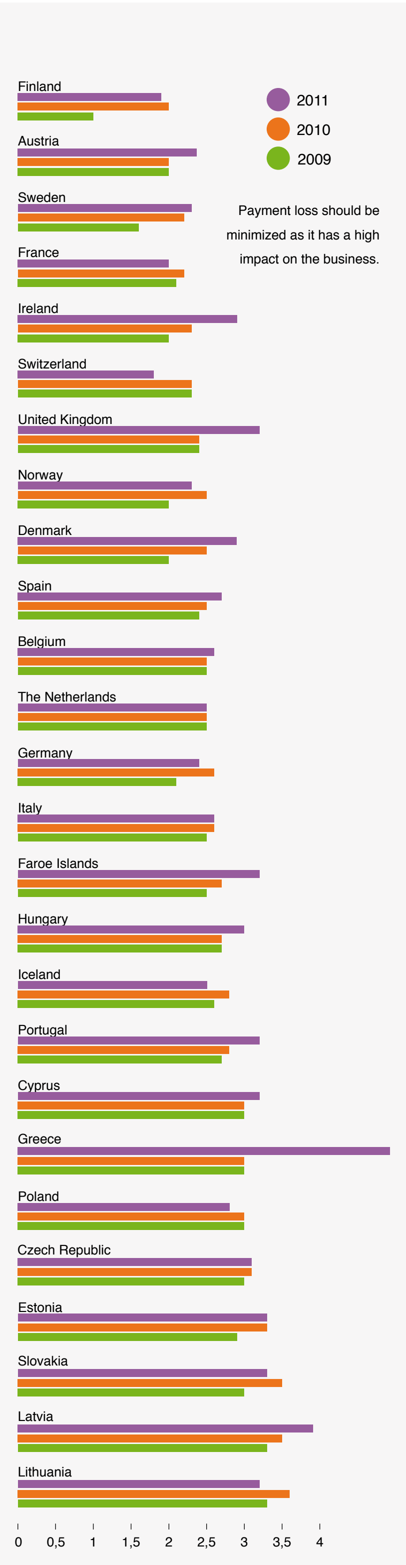
Answer 2/ Friederike Welter

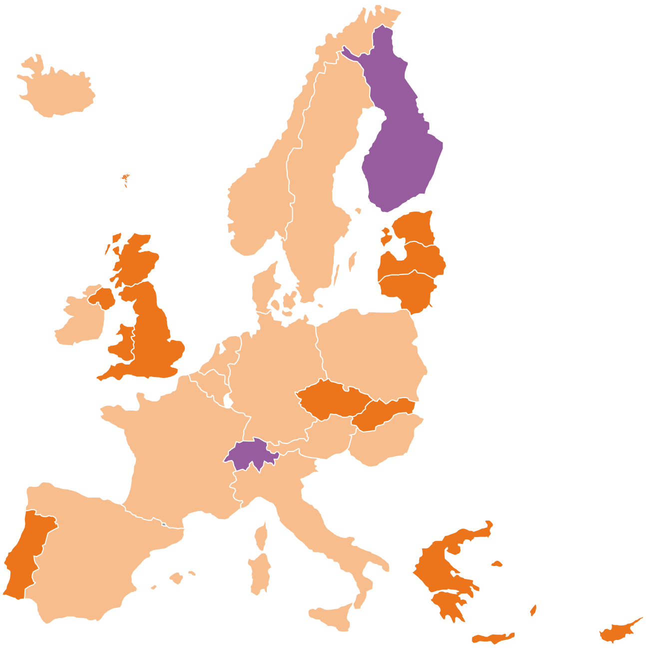
This is a difficult question - SMEs are a heterogeneous group, comprising the one-person venture in trade or business consultancy together with the 200 technical oriented manufacturing company. So, no one recipe for all of them. In general, what I have seen during my research is that many SME are reluctant / have no time to put into strategic development and forecasting related to their venture. Partly because they do not perceive this to be a necessity, partly because they lack the time (owner-manager firms in particular), partly because they do not know adequate management instruments and/or those work well in large companies but not small ones. What to do about this? Foster the awareness among small business owners that strategic thinking is an absolute necessity and requirement for business survival and development in the long run. Also, spread information related to SME management tools.

Answer 3/ Friederike Welter

I doubt that there is a single cure! When SME deal with public agencies / governments, it is the government's role to ensure timely payment. Business owners, in particular new companies, often are wary to take public orders because they frequently need to pre-finance this and then suffer late payments.
When it comes to the private sector and late payments SME need to be made aware that legal regulations exist in most / all countries that they need to follow. However, there is a trade-off as well: if this is a customer they value they might hesitate to resort to legal instruments so as not to destroy the business relationship.
In East Germany, in the 1990s, the then DtA, now KfW established so-called "Round Tables" to help East German businesses to cope with business crisis. Participants were public and private organisations and business owners. Maybe something similar on the general issue of late payments could work also - creating awareness is just one step forward.

PAYMENT LOSS

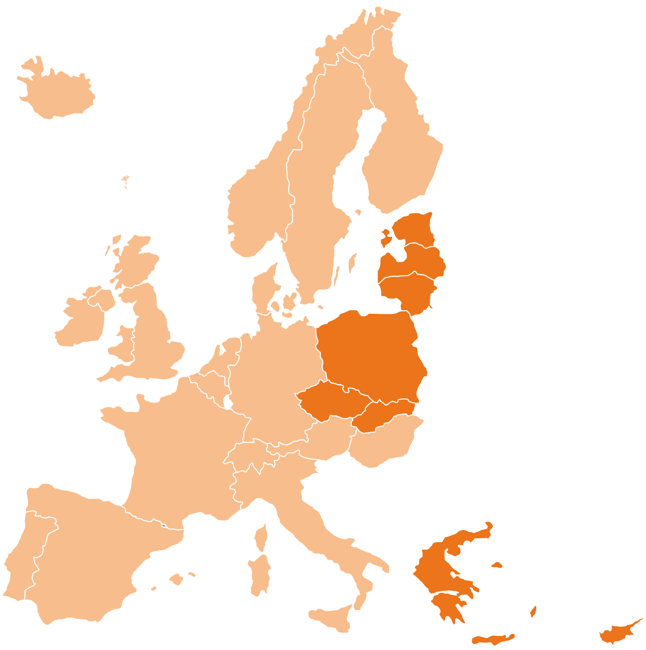




2011

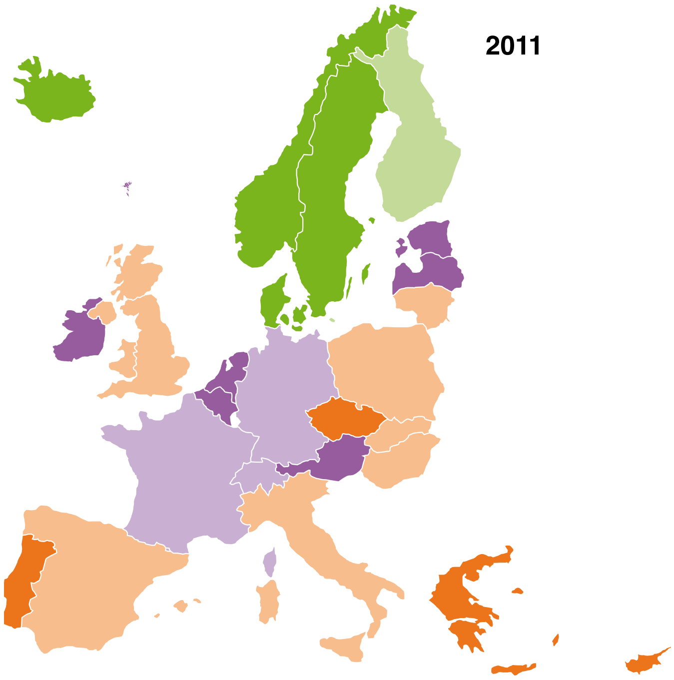
Legend

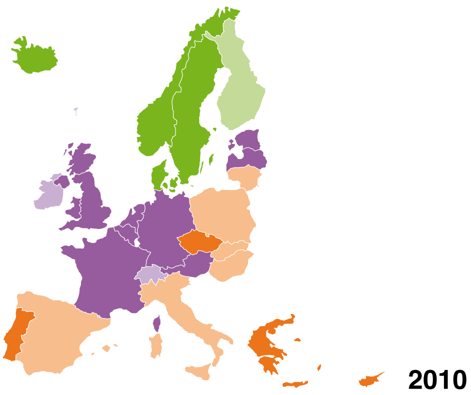
- < 1%
- 1 - 1,9%
- 2 - 2,9%
- > 3%

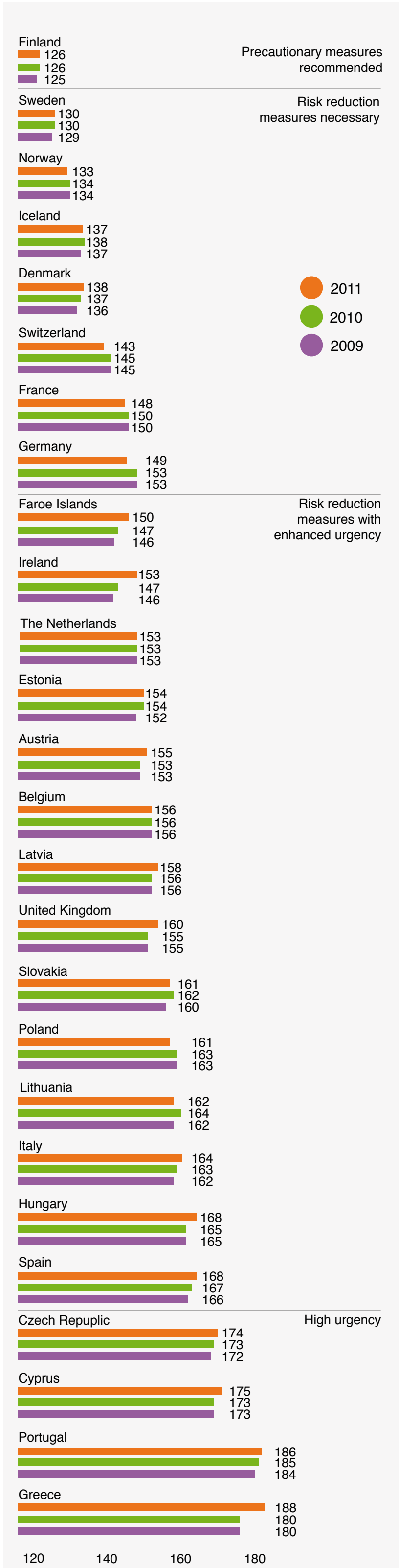


2010

EUROPEAN PAYMENT INDEX







Legend

101 - 129	140 - 149	160 - 169
130 - 139	150 - 159	More than 170

Risk Index	Explanation of the Risk Index values
100	No payment risk, cash payments, payment at delivery or pre-payment, no credit
101-129	Stay alert to keep present situation
130-149	Intervention necessary
150-169	Intervention inevitable, take measures to lower the risk profile
170-200	Intervention emergency, take measures to lower risk profile
> 200	Case of emergency, take measures to lower 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 risks, i.e. payments are made in cash, on time (or in advance) and without any credit
101 - 129	preventive actions - measures to secure the current situation are recommended
130 - 149	need to take action
150 - 169	take measures to lower the risk profile
170 - 200	major need to take action
over 200	organise to immediate lower the risk profile




AUSTRIA

Economy Today

Austria's economy grew in 2010 by around 1.9 % following the 2009 3.5 % contraction with better than expected growth prospects ahead, according to Austrian National Bank, OeNB, forecasts.

Steps to recovery

Robust economic growth in Germany, Austria's main trading partner, is the main driver behind Austrian economic activity, helped by the global recovery that is driving increased exports. Heavily slashed public spending designed to save 3.4 billion euros every year has subdued public demand somewhat, while proposed tax increases is expected to increase inflation temporarily to 2.2%.

How business is coping

Intrum's latest finding reveal that consumers, businesses and public authorities are all taking longer to settle their bills. The average delay for consumers is currently 11 days compared to 6 in 2010, 12 days for businesses against 11 in 2010 and 19 days for public authorities against 14 a year ago. The share of payment loss on receivables has increased to 2.3% compared to 2% in 2010.

What the experts think

The Austrian National Bank expects consumer spending to remain subdued due to the government's fiscal consolidation measures. Unemployment is expected to decrease as economic activity picks up. All in all, the OeNB forecasts the general government budget balance will decline to -2.6% of GDP by 2012 as business activity – especially exports – recover.

Payment Index	
2008	152
2009	153
2010	153
2011	**155**

Economic Development		Average EU 27
GDP per capita in euro	30,869	
GDP percentage growth	2.1	1.4
Inflation	2.2	1.4
Unemployment rate	4	10%

(all 2011 estimates)

Payment loss (%) total turnover	
2008	2.1
2009	2.0
2010	2.0
2011	**2.3**

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**

Main export Risk Index	
Italy	164
Germany	149
Switzerland	143

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	28	38	49
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

Economy Today

Belgium's economy continues to expand out of the downturn, growing 0.3% in the third quarter of 2010 and showing an annual GDP expansion of 2%, says the National Bank of Belgium,

Steps to recovery

The Belgium central bank reports Belgian business confidence improved in January for the seventh month in a row, rising to the highest level since September 2007. And surveyed executives in the manufacturing, retail and service industries said they expected demand in the euro-zone's sixth-largest economy, to rise in coming months.

How business is coping

Belgian consumers are taking four days longer on average to pay their bills in the Intrum Justitia 2011 survey compared to 2010, while businesses have reduced their delay by two days to 15 days against 17 last year and public authorities have slashed their payment delay by four days to 27 days.

What the experts think

National Bank Governor Guy Quaden has forecast Belgium may see 'annual growth of 2 percent twice'. The Belgium transitional government has drafted a budget geared to reduce the country's deficit this year to 3.6 percent of the GDP, from 4.1 percent last year. A word of caution has come from the IMF that has warned that the country's 10-month political deadlock could harm the country's economy.

Payment Index	
2008	154
2009	156
2010	156
2011	**156**

Economic Development		Average EU 27
GDP per capita in euro	31,842	
GDP percentage growth	1.7	1.4
Inflation	1.9	1.4
Unemployment rate	8.4	10%

(all 2011 estimates)

Payment loss (%) total turnover	
2008	2.4
2009	2.5
2010	2.5
2011	**2.6**

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**

Main export Risk Index	
UK	160
Germany	149
Netherlands	153
France	148

Payment Development	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	23	35	45
Average payment duration, in days	39	50	72
Average delay, in days 2011	16	15	27
Average delay, in days 2010	12	17	31
Average delay, in days 2009	12	17	31

CYPRUS

Economy Today
Cyprus's economy is enjoying a gradual economic recovery and is likely to grow by up to 2% in 2011, according to the International Monetary Fund, IMF. The organization sees prospects of an ongoing upturn in Cyprus as 'favourable'.

Steps to recovery
Cyprus's budget deficit reached 5.7% of GDP in 2010, which sparked the government to commence implementing measures to cut state payroll cost, curb tax evasion, and explore ways to slash social benefits.

How business is coping
Cypriot consumers, businesses and public authorities are reflecting the country's economic pressures by all taking longer to settle their bills. The average payment delay for consumers has risen by two days to 27 days from 25 a year ago, businesses are taking a day longer on average and the public authorities three days more to settle their bills.

What the experts think
The Cyprus Finance Minister Charilaos Stavrakis was quoted by the country's Financial Mirror newspaper as saying the IMF has given the Cypriot economy a 'vote of confidence' based on a positive outlook for growth rates, a reduction in the budget deficit and the stabilization of public debt at a very low percentage compared to other Eurozone members.

Payment Index	
2008	172
2009	173
2010	173
2011	**175**

Economic Development		Average EU 27
GDP per capita in euro	21,761	
GDP percentage growth	1.8	1.4
Inflation	2.3	1.4
Unemployment rate	6.9	10%

(all 2011 estimates)

Payment loss (%) total turnover	
2008	2.2
2009	3.0
2010	3.0
2011	**3.2**

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**

Main export Risk Index	
Spain	168
UK	160
Germany	149
France	148

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	57	91	83
Average delay, in days 2011	27	31	23
Average delay, in days 2010	25	30	20
Average delay, in days 2009	25	27	15

Economy Today

The Czech Republic was hard hit when Western Europe fell into recession as demand for Czech goods plunged, sending industrial production and exports plunging. However, although demand remains subdued real GDP has slowly recovered since mid 2009 with positive quarter-on-quarter growth.

Steps to recovery

An IMF report noted how the government's fiscal consolidation has yielded credibility gains. It said monetary policy remains supportive, inflations pressures fairly subdued and the banking sector is stable.

How business is coping

Strong exports have led a recovery in the Czech Republic, while domestic demand has become self-sustaining since mid-2010 when the country's GDP grew by 2.3%, according to the IMF. However, average delays in payment by consumers, business and public authorities have worsened over the past year.

What the experts think

A poll in March showed 60% of Czechs were pessimistic about their country's economic situation. While predicting 1.75% economic growth in 2011, the IMF says the Czech economic recovery is expected to slow down in the near term due to fiscal consolidation at home and abroad.

Payment Index

2008	171
2009	172
2010	173
2011	**174**

Economic Development

		Average EU 27
GDP per capita in local currency	292,854.82	
GDP percentage growth	2.2	1.4
Inflation	2.0	1.4
Unemployment rate	8.0	10%

(all 2011 estimates)

Payment loss (%)
total turnover

2008	3.0
2009	3.0
2010	3.1
2011	**3.1**

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**

Main export
Risk Index

Poland	161	UK	160
Italy	164	Germany	149
Slovakia	161	France	148
Austria	155		

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	33	47	43
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

Economy Today
Denmark saw unemployment rocket, exports plunge dramatically and GDP contract by 4.9% in 2009 as a result of the recession. Recovery is slow, although economic growth is underway with strong public consumption and exports rising 10% in 2010.

Steps to recovery
Increased government spending and public finance consolidation are helping Denmark's modest economic recovery. Real GDP is expected to grow 2.3% in 2011.

How business is coping
An IMF report noting how Danish corporates were highly leveraged before the financial crisis said many small and mid-sized companies have folded, especially in the construction, trade and transport sectors. The average delay in paying invoices has increased among consumers and businesses, but public authorities are on average paying their bills one day faster than a year ago.

What the experts think
Despite 11 financial institutions failing since the onset of the financial crisis, the Governor of Denmark's National Bank, Danmarks Nationalbank, Nils Bernstein insists that the Danish financial sector as a whole is assessed to have sufficient capital and liquidity to meet the outlook for the Danish economy.

Payment Index	
2008	132
2009	136
2010	137
2011	**138**

Economic Development		Average EU 27
GDP per capita in local currency	257,804.04	
GDP percentage growth	2.3	1.4
Inflation	2.0	1.4
Unemployment rate	4.7	10%

(all 2011 estimates)

Payment loss (%) total turnover	
2008	1.2
2009	2.0
2010	2.5
2011	**2.9**

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**

Main export Risk Index			
UK	160	France	148
Germany	149	Norway	133
Netherlands	153	Sweden	130

Payment Development	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	16	25	25
Average payment duration, in days	28	38	37
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

Economy Today
Estonia saw economic growth return in mid-2010 after several years of dire performance that witnessed GDP growth decline a whopping 13.5% in 2009 and unemployment rise to almost 17% of the workforce in 2010.

Steps to recovery
A conservative fiscal policy is expected to help the Estonian economy grow 3.6% in 2011 on the back of stronger exports, according to the Estonian Ministry of Finance. Domestic demand is expected to see positive growth by 2012.

How business is coping
Getting paid on time is generally the norm in Estonia and the average delay has remained constant despite the recession.

What the experts think
The IMF believes Estonia's export led recovery will strengthen, but warns that to remain on a sustainable growth path Estonia must safeguard fiscal consolidation and finance recovery while maintaining resilience, for example.

Payment Index	
2008	150
2009	152
2010	154
2011	**154**

Economic Development		Average EU 27
GDP per capita in euro	14,200	
GDP percentage growth	3.5	1.4
Inflation	1.9	1.4
Unemployment rate	16	10%

(all 2011 estimates)

Payment loss (%) total turnover	
2008	2.9
2009	2.9
2010	3.3
2011	**3.3**

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**

Main export Risk Index	
Lithuania	162
Germany	149
Latvia	158
Sweden	130
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	18	36	24
Average delay, in days 2011	8	16	9
Average delay, in days 2010	8	16	9
Average delay, in days 2009	8	16	6

FAROE ISLANDS

Economy Today
The Faroe Island economy is hugely dependent on fishing and aquaculture, which account for over 95% of Faero exports. The Faroe Islands has suffered increasing unemployment, falling demand for goods and services, and reduced spending power among consumers and businesses.

How business is coping
All sectors paid later and the written-off percentage increased. 85% of respondents reported liquidity issues.

Steps to recovery
In mid-2010 the government launched a major stimulus package to kick start an ailing economy, including projects to generate growth and secure jobs and attract new investment.

Payment Index

2008	140
2009	146
2010	147
2011	**150**

Economic Development

		Average EU 27
GDP per capita in local currency	251,000.00	
GDP percentage growth	0.7	1.4
Inflation	0.4	1.4
Unemployment rate	5.7	10%

(all 2011 estimates)

Payment loss (%)
total turnover

2008	1.1
2009	2.5
2010	2.7
2011	**3.2**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	48.3	36.5	15.2
2009	33	50	17
2010	32	43	25
2011	**42**	**33**	**25**

Main export
Risk Index

UK	160
Netherlands	153
Denmark	138
Norway	133

Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	22	25	28
Average payment duration, in days	45	47	50
Average delay, in days 2011	23	22	22
Average delay, in days 2010	17	18	14
Average delay, in days 2009	19	21	17

FINLAND

Economy Today
Finland's export- and commodity-driven economy is expected to continue seeing sluggish growth in 2011 with the support of fiscal stimulus.

Steps to recovery
Export-dependent Finland saw its economy grow 3.1% in 2010 following the 8.2% shrinkage in 2009 as demand fell for its paper, ships and mobile phones.

How business is coping
Despite the turbulent economic situation, Finnish consumers, businesses and public authorities maintained their approach to generally paying their bills on time.

What the experts think
The Bank of Finland says it expects the Finnish economy to grow by 3.9 percent and reach pre-recession levels this year.

Payment Index

2008	123
2009	125
2010	126
2011	**126**

Economic Development

		Average EU 27
GDP per capita in euro	33,880	
GDP percentage growth	1.9	1.4
Inflation	1.8	1.4
Unemployment rate	8.7	10%

(all 2011 estimates)

Payment loss (%)
total turnover

2008	0.6
2009	1.0
2010	2.0
2011	**1.9**

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**

Main export
Risk Index

UK	160
Germany	149
Netherlands	153
Sweden	130

Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	12	20	20
Average payment duration, in days	17	27	24
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

Economy Today
France is predicting 2% economic growth for 2011, but the government is warning 2012 growth may slow due in part to rising global commodity prices, especially in energy.

Steps to recovery
The French government has said it will cut 45 billion Euros over the next three years by closing tax loopholes, raising retirement age, increasing taxes for highest earners and shutting down temporary measures to stimulate the economy.

How business is coping
French consumers have slowed payment of bills by an average two extra days compared to a year ago, while public authorities have speeded payment.

What the experts think
The latest Organisation for Economic Development (OECD) economic survey of France concluded that a moderate recovery is underway, though the recession is going to leave lasting traces on public finances and employment. The OECD said France's highest priorities are fiscal consolidation, raising employment rates and spurring productive supply.

Payment Index

2008	146
2009	150
2010	150
2011	**148**

Economic Development

		Average EU 27
GDP per capita in euro	31,909	
GDP percentage growth	1.6	1.4
Inflation	1.6	1.4
Unemployment rate	9.7	10%

(all 2011 estimates)

Payment loss (%)
total turnover

2008	1.9
2009	2.1
2010	2.2
2011	**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**

Main export
Risk Index

Spain	168	UK	160
Italy	164	Germany	149
Belgium	156	Netherlands	153

Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	25	41	44
Average payment duration, in days	41	59	64
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

Economy Today

Germany is enjoying surging economic growth with GDP rising by 3.6% in 2010. Unemployment has already fallen lower than before the 2008 financial crisis.

Steps to recovery

The German government wants to slash the budget by 80 billion euros by 2014 by cutting government jobs and social benefits.

How business is coping

Consumers and public authorities are paying their bills faster on average compared to last year, but businesses have slowed payment further by taking an additional 2 days to settle.

What the experts think

Germany's economic growth should gain strength throughout 2011 despite a slowing of the export surge according to the German Finance Ministry.

Payment Index

2008	150
2009	153
2010	153
2011	**149**

Economic Development

		Average EU 27
GDP per capita in euro	30,190	
GDP percentage growth	2.3	1.4
Inflation	2.4	1.4
Unemployment rate	7.0	10%

(all 2011 estimates)

Payment loss (%)

total turnover

2008	2.0
2009	2.1
2010	2.6
2011	**2.4**

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**

Main export

Risk Index

Italy	164	UK	160
Belgium	156	Netherlands	153
Austria	155	France	148

Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	16	25	25
Average payment duration, in days	24	37	35
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

Economy Today
The deeply troubled Greek economy remains a huge source of concern with a budget deficit of 13.6% of GDP.

Steps to recovery
A massive austerity programme is underway to curb early retirement, root out tax evasion and corruption and slash public sector spending. There have been significant increases in taxes on fuel, alcohol and tobacco.

How business is coping
It is getting tougher to get paid in Greece, especially by the public authorities where the average payment delay has rocketed to an amazing 108 days compared to 65 a year ago!

What the experts think
International Monetary Fund head Dominique Strauss-Kahn has said he is confident that Greece is on the right course to economic recovery, provided it has the continued help of the rest of Europe and the IMF.

Payment Index	
2008	174
2009	180
2010	180
2011	**188**

Economic Development		Average EU 27
GDP per capita in euro	20,804	
GDP percentage growth	-2.6	1.4
Inflation	1.2	1.4
Unemployment rate	14.6	10%

(all 2011 estimates)

Payment loss (%) total turnover	
2008	2.2
2009	3.0
2010	3.0
2011	**4.9**

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

Main export Risk Index	
Italy	164
UK	160
Germany	149
France	148

Payment Development	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	30	75	60
Average payment duration, in days	61	110	168
Average delay, in days 2011	31	35	108
Average delay, in days 2010	30	30	65
Average delay, in days 2009	30	35	70

Economy Today

Hungary's economy is seeing a slow return to growth after the deep recession that saw GDP plunge by 6.3% in 2009. According to the central statistics office, the country's economic output grew by 1.2% in 2010 compared to 2009.

Steps to recovery

The Hungarian central bank, NBH, says the country's economic recovery may take longer than expected due to low credit supply and risk aversion by banks when it comes to corporate lending.

How business is coping

The average payment delay in getting paid in Hungary has worsened across the board with consumers, businesses and public authorities delaying payment. Worst hit are business-to-business transactions that are now taking seven extra days compared to a year ago.

What the experts think

The IMF believes the Hungarian economy is rebounding but believes recovery is fragile and large vulnerabilities persist.

Payment Index

2008	161
2009	165
2010	165
2011	**168**

Economic Development

		Average EU 27
GDP per capita in local currency	2,824,856.52	
GDP percentage growth	2	1.4
Inflation	3.3	1.4
Unemployment rate	10	10%

(all 2011 estimates)

Payment loss (%)

total turnover

2008	2.5
2009	2.7
2010	2.7
2011	**3.0**

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

Main export

Risk Index

Poland	161	UK	160
Italy	164	Germany	149
Austria	155	France	148

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	33	47	56
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

Economy Today
Iceland is slowly recovering from its economic meltdown in 2008 with predicted GDP growth of 3% to 4% over the next couple of years despite uncertainty around prospects for investment and private consumption.

Steps to recovery
The central bank has targeted inflation and financial sector restructuring is moving forward. The government is also tackling debts of households and small enterprises with a variety of reforms designed to create a more secure financial footing.

How business is coping
Consumers paid 2 days faster, businesses and public sector delayed 3 and 2 days. The written-off percentage of 2.8% decreased to 2.5% a positive development.

What the experts think
The IMF says it is positive about Iceland's economic recovery.

Payment Index

2008	134
2009	137
2010	138
2011	**137**

Economic Development

		Average EU 27
GDP per capita in local currency	2,611,983.32	
GDP percentage growth	3.0	1.4
Inflation	3.5	1.4
Unemployment rate	8.3	10%

(all 2011 estimates)

Payment loss (%)
total turnover

2008	1.6
2009	2.6
2010	2.8
2011	**2.5**

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

Main export
Risk Index

Spain	168
UK	160
Germany	149
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 2011	12	12	9
Average delay, in days 2010	14	9	7
Average delay, in days 2009	9	8	13

IRELAND

Economy Today
The Irish Republic's has been stricken by the cost of bailing out its banking sector with well over 50 billion euro. In December 2010 it was forced to accept an EU/IMF bail-out of 85 bn euro.

Steps to recovery
The Irish government launched the toughest budget in the republic's history, slashing government spending with public servant pay cuts and reductions in social welfare. A radical overhaul of Ireland's banks has also been announced.

How business is coping
Businesses and public authorities are delaying payments by more days than last year. Businesses are delaying payment by an average 30 days, up five days compared to a year ago, while consumer late payment remains unchanged with an average 14 day delay.

What the experts think
The IMF is upbeat on Ireland's medium-term growth, although has warned challenges lie ahead, especially when it comes to encouraging jobs growth.

Payment Index	
2008	142
2009	146
2010	147
2011	**153**

Economic Development		Average EU 27
GDP per capita in euro	37,573.34	
GDP percentage growth	2.2	1.4
Inflation	0.5	1.4
Unemployment rate	13	10%

(all 2011 estimates)

Payment loss (%) total turnover	
2008	1.4
2009	2.0
2010	2.3
2011	**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

Main export Risk Index	
Italy	164
Belgium	156
UK	160
Germany	149
France	148

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	39	65	49
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

Economy Today
Italy's diversified industrial economy grew by 1% in 2010 on the back of increased exports and investment after a 5% contraction a year earlier.

Steps to recovery
The government has launched austerity measures including cutting public sector pay designed to save 24 billion euros.

How business is coping
Delays in getting paid have increased across the board, especially in the business and public sector. The average delay in getting paid by a business grew to 34 days compared to 30 a year ago, while the public authority delay average increased from 86 days in 2009 to 90 days.

What the experts think
The Italian business association Confindustria believes Italian economic growth will be 1.3% in 2011, lower than its previous forecast of 1.6% due to slower global growth.

Payment Index	
2008	158
2009	162
2010	163
2011	**164**

Economic Development		Average EU 27
GDP per capita in euro	24,400	
GDP percentage growth	1	1.4
Inflation	2.4	1.4
Unemployment rate	8.7	10%

(all 2011 estimates)

Payment loss (%) total turnover	
2008	1.6
2009	2.5
2010	2.6
2011	**2.6**

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

Main export Risk Index	
Spain	168
UK	160
Germany	149
France	148

Payment Development	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	45	69	90
Average payment duration, in days	79	103	180
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

Economy Today
Expanding exports and industrial production helped fuel growth in Latvia's economy at the tail end of 2010 following a cumulative 25% drop since 2008, which the IMF described as the deepest contraction in the world.

Steps to recovery
The Baltic nation has been given a 7.5 billion euro loan by the European Commission and IMF.

How business is coping
The economic expansion is reflected by an across the board decline in payment delays on bills by all sectors. The written-off percentage increased substantially however.

What the experts think
Several international banks have expressed optimism about growth with some economists believing the Latvian economy will grow 4% during 2011.

Payment Index

2008	149
2009	156
2010	156
2011	**158**

Economic Development

		Average EU 27
GDP per capita in local currency	5,818.38	
GDP percentage growth	3.3	1.4
Inflation	0.9	1.4
Unemployment rate	17	10%

(all 2011 estimates)

Payment loss (%)
total turnover

2008	2.8
2009	3.3
2010	3.5
2011	**3.8**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	61	30	10
2009	48	34	18
2010	50	40	10
2011	52	36	12

Main export
Risk Index

Poland	161	Estonia	154
Lithuania	162	Sweden	130
Germany	149	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	22	40	32
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

Economy Today
Rising demand across Europe has helped fuel economic growth in Lithuania, which saw GDP rise 4.8 percent in the fourth quarter of 2010, according to the country's statistics office.

Steps to recovery
Painful fiscal tightening has been the medicine applied by the government to reduce budget deficits. Recovery is also helped by the proximity to top performing European nations such as Germany, Sweden and Poland.

How business is coping
Late payment behaviour is showing clear signs of improvement especially in the business-to-business and public authority sectors.

What the experts think
The IMF regards Lithuania as one of the fastest growing economies in the European region, predicting 4.6% growth during 2011.

Payment Index

2008	157
2009	162
2010	164
2011	**162**

Economic Development

		Average EU 27
GDP per capita in local currency	29,943.27	
GDP percentage growth	3.1	1.4
Inflation	1.2	1.4
Unemployment rate	16	10%

(all 2011 estimates)

Payment loss (%)
total turnover

2008	3.0
2009	3.3
2010	3.6
2011	**3.2**

Shares of receivables (%)

	Up to 30 days	31 to 90 days	Older than 90 days
2008	59.3	29.7	9.7
2009	51	33	16
2010	45	32	23
2011	46	34	20

Main export
Risk Index

Poland	161	Netherlands	153
UK	160	France	148
Germany	149	Denmark	138
Estonia	154	Sweden	130
Latvia	158		

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 2011	17	20	26
Average delay, in days 2010	17	24	30
Average delay, in days 2009	15	17	15

THE NETHERLANDS

Economy Today
The Dutch central bank believes economic recovery in The Netherlands will continue as growth stabilises, predicting an expansion of around 1.6% during 2011 based on stronger exports and private consumption increases.

Steps to recovery
The Dutch government is planning massive austerity measures, saying it wants to cut 18 billion euro from the budget by 2015.

How business is coping
Both consumers and businesses are taking longer to pay their bills, but the public authorities have speeded payments. The balance of receivables changed unfavourable.

What the experts think
The Dutch Rabobank says economic recovery will slow in 2011 due to the global recovery losing steam and uncertainties surrounding consumer confidence and subsequently spending.

Payment Index

2008	149
2009	153
2010	153
2011	**153**

Economic Development

		Average EU 27
GDP per capita in euro	36,330.20	
GDP percentage growth	1.6	1.4
Inflation	1	1.4
Unemployment rate	4.4	10%

(all 2011 estimates)

Payment loss (%)
total turnover

2008	2.4
2009	2.5
2010	2.5
2011	**2.5**

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

Main export
Risk Index

Italy	164
Belgium	156
UK	160
Germany	149
France	148

Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	20	25	26
Average payment duration in days	33	43	47
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

Economy Today
Norway's economy saw modest positive growth in 2010 despite sluggish global recovery negatively impacting exports.

Steps to recovery
Norway's substantial oil and gas wealth has helped cushion the economy during the recession.

How business is coping
Both public sector and businesses are taking longer to pay their bills. The written off percentage decreased to 2.3%.

What the experts think
The OECD predicts ongoing economic improvement in Norway with private investment and consumption rather than public spending being the main drivers of demand growth.

Payment Index	
2008	130
2009	134
2010	134
2011	**133**

Economic Development		Average EU 27
GDP per capita in local currency	472,587.59	
GDP percentage growth	1.7	1.4
Inflation	2.5	1.4
Unemployment rate	3.6	10%

(all 2011 estimates)

Payment loss (%) total turnover	
2008	1.3
2009	2.0
2010	2.5
2011	**2.3**

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

Main export Risk Index	
UK	160
Germany	149
Netherlands	153
France	148
Sweden	130

Payment Development	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	15	23	26
Average payment duration, in days	22	32	34
Average delay, in days 2011	7	9	8
Average delay, in days 2010	7	8	5
Average delay, in days 2009	9	11	8

Economy Today
The Polish economy grew almost 4% in 2010 according to figures from the central statistics office helped by growing private consumption.

Steps to recovery
Efforts are underway to repair the economy after the downturn aimed at lowering public debt and reducing the deficit.

How business is coping
Consumers are settling their bills one day faster on average than a year ago, while public authorities are paying two days faster. Businesses are on average taking a day longer to pay invoices.

What the experts think
The Polish government forecasts 4% GDP growth in 2011, but the International Monetary Fund (IMF) says it expects economic growth to ease somewhat in 2012 with GDP expanding by 3.6 percent.

Payment Index	
2008	159
2009	163
2010	163
2011	**161**

Economic Development		Average EU 27
GDP per capita in local currency	39,096.18	
GDP percentage growth	3.6	1.4
Inflation	2.6	1.4
Unemployment rate	9.1	10%

(all 2011 estimates)

Payment loss (%) total turnover	
2008	2.9
2009	3.0
2010	3.0
2011	**2.8**

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

Main export Risk Index	
Italy	164
Germany	149
Switzerland	143

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	34	36	38
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

Economy Today
Portugal has required a EU bailout for a battered economy struggling with low economic growth.

Steps to recovery
A variety of austerity measures are being implemented, including public sector wage cuts, VAT increases and income tax rises for high earners.

How business is coping
One fallout of the economic gloom in Portugal is a rise in the numbers of days consumers and businesses are taking to pay outstanding invoices. Public authorities are paying somewhat faster than last year, but still delaying payment by an average 82 days.

What the experts think
The IMF has projected that Portugal will be the only developed country to suffer a recession in 2012 with output falling 1.5% in 2011 and 0.5% in 2012.

Payment Index

2008	183
2009	184
2010	185
2011	**186**

Economic Development

		Average EU 27
GDP per capita in euro	15,155.77	
GDP percentage growth	-0.05	1.4
Inflation	1.2	1.4
Unemployment rate	10.8	10%

(all 2011 estimates)

Payment loss (%)
total turnover

2008	2.7
2009	2.7
2010	2.8
2011	**3.2**

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

Main export
Risk Index

Spain	168	Netherlands	153
Italy	164	France	148
UK	160		
Germany	149		

Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	30	51	57
Average payment duration in days	64	92	139
Average delay, in days 2011	34	41	82
Average delay in days 2010	32	37	84
Average delay in days 2009	30	35	72

SLOVAKIA

Economy Today
Slovakia's economy is enjoying growth momentum, which is widely expected to be sustained.

Steps to recovery
The government has targeted fiscal consolidation aimed at bringing down the deficit to under 5% of GDP in 2011 from 7.75% in 2010.

How business is coping
Consumers are paying their bills faster than a year ago, while both businesses and the public authorities are delaying payment longer.

What the experts think
The IMF believes that as spare capacity diminishes and confidence firms, employment and private consumption will start to gradually improve'.

Payment Index

2008	157
2009	160
2010	162
2011	**161**

Economic Development

		Average EU 27
GDP per capita in euro	13,111.43	
GDP percentage growth	4.3	1.4
Inflation	1.8	1.4
Unemployment rate	12.6	10%

(all 2011 estimates)

Payment loss (%)
total turnover

2008	2.8
2009	3.0
2010	3.5
2011	**3.3**

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

Main export
Risk Index

Czech Rep.	174
Italy	164
Poland	161
Germany	149

Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
AAverage payment term in days	18	26	30
Average payment duration in days	31	46	55
Average delay, in days 2011	13	20	25
Average delay in days 2010	15	17	21
Average delay in days 2009	10	13	14

SPAIN

Economy Today
Spain is travelling a long and hard road as it seeks economic recovery. Unemployment is the highest in the EU at 20% and the IMF predicts GDP growth of 0.8% in 2011 and 1.8% in 2012.

Steps to recovery
The government has implemented a tough austerity programme that will result in 8% cuts in government spending, higher income taxes, raising the retirement age to 67, slashing public sector salaries and selling off government holdings.

How business is coping
Payment discipline has worsened in the tough economic climate with consumers, businesses and public authorities all taking longer to settle their outstanding bills.

What the experts think
Although less optimistic about the future of the economy than the Spanish government, the IMF has raised its expectations for Spanish growth to 0.8% for 2011 believing that Spain is doing the correct things to stabilize the economy.

Payment Index	
2008	159
2009	166
2010	167
2011	**168**

Economic Development		Average EU 27
GDP per capita in euro	23,060.33	
GDP percentage growth	0.8	1.4
Inflation	2.6	1.4
Unemployment rate	19.3	10%

(all 2011 estimates)

Payment loss (%) total turnover	
2008	2.2
2009	2.4
2010	2.5
2011	**2.7**

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

Main export Risk Index	
Italy	164
UK	160
Germany	149
France	148

Payment Development	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term, in days	46	70	87
Average payment duration, in days	68	99	153
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

Economy Today
Sweden entered 2011 as Europe's fastest growing economy, expecting to grow 4.6% in 2011.

Steps to recovery
The Swedish government plans to reduce taxes and implement growth-friendly reforms as the country's economy sidesteps the austerity of many of its European neighbours.

How business is coping
With unemployment falling and strong exports, the strength of the Swedish economy is mirrored by the low delay in paying bills among consumers, businesses and public authorities.

What the experts think
In its World Economic Outlook report in April, the IMF cited Sweden as a country in which economic conditions and underlying price pressures are stronger than in other advanced countries.

Payment Index

2008	126
2009	129
2010	130
2011	**130**

Economic Development

		Average EU 27
GDP per capita in local currency	365,837.33	
GDP percentage growth	2.5	1.4
Inflation	1.8	1.4
Unemployment rate	8.2	10%

(all 2011 estimates)

Payment loss (%)
total turnover

2008	1.1
2009	1.6
2010	2.1
2011	**2.3**

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

Main export
Risk Index

UK	160
Germany	149
Denmark	138
Norway	133
Finland	126

Payment Development

	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	20	27	28
Average payment duration in days	26	35	35
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

Economy Today
Switzerland is in a relatively good economic position despite the patchy global recovery, with unemployment at just 3.4%

Steps to recovery
With strong exports boosting business, Swiss domestic demand is benefiting from low interest rates, increased employment and continuing immigration, according to a broad spectrum of analysts

How business is coping
The stability of the Swiss economy is reflected in the improved payment behaviour of consumers, businesses and public authorities who are all settling their bills more speedily than a year ago.

What the experts think
The IMF is upbeat about the resilience of the Swiss economy, predicting growth of 2.4% in 2011.

Payment Index	
2008	143
2009	145
2010	145
2011	**143**

Economic Development		Average EU 27
GDP per capita in euro	35,907	
GDP percentage growth	2.1	1.4
Inflation	1	1.4
Unemployment rate	3.2	10%

(all 2011 estimates)

Payment loss (%) total turnover	
2008	1.8
2009	2.3
2010	2.3
2011	**1.8**

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

Main export Risk Index	
Spain	168
Italy	164
UK	160
Germany	149
France	148

Payment Development	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	24	29	31
Average payment duration in days	35	40	45
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

Economy Today
The UK economy is in a fragile state and in April became the only European economy included in the IMF's World Economic Report to have its growth projections cut – from 2% growth to 1.7% in 2011.

Steps to recovery
In a bid to make savings of about £83 billion in the next four years, the coalition government is implementing the biggest cuts in state spending in 60 years with an aggressive austerity programme. Public sector jobs are to be slashed, public budgets cut and the retirement age lifted to 66 by 2020.

How business is coping
Businesses and public authorities improved their late payment behaviour compared to a year ago, but consumers are taking even more days on average to settle their bills than in 2010.

What the experts think
The IMF said domestic demand in the UK would be dampened by the country's 'necessary front-loaded fiscal consolidation'.

Payment Index	
2008	151
2009	155
2010	155
2011	**160**

Economic Development		Average EU 27
GDP per capita in local currency	24,435.361	
GDP percentage growth	2.0	1.4
Inflation	2.5	1.4
Unemployment rate	7.3	10%

(all 2011 estimates)

Payment loss (%) total turnover	
2008	1.9
2009	2.4
2010	2.4
2011	**3.2**

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

Main export Risk Index	
France	148
Germany	149
Ireland	153
Netherlands	153

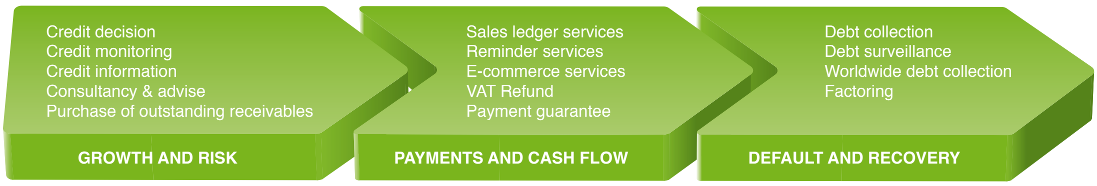
Payment Development	Consumer B-2-C	Business B-2-B	Public Authorities
Average payment term in days	25	30	29
Average payment duration in days	44	46	47
Average delay in days 2011	19	16	18
Average delay in days 2010	16	18	19
Average delay in days 2009	18	20	20

RECOMMENDATIONS

Intrum Justitia recommends various measures at all business levels (local, national and international).

Create and implement a credit policy per customer
Set relevant credit limits per customer
Integrate sales + marketing + financial departments to avoid defaults from the start
Always do address checks several times a year
Follow economic information
Track industry information
Do continuous solvency checks on key clients
Remember the swift reminder (2-2-2-plus Formula)
Charge default interest and billing of operating costs
Always extend the client structure
Never wait with seeking professional help
Consider credit management outsourcing

For more in depth info go to Intrum.com



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 defi nition: 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 25 countries between January and March 2011. 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 England, Wales, Scotland and Ireland were questioned on-line by a specialised company (BING Research).

Structure of the sample according to

Company size	up to 19 employees	35%
	20 to 49 employees	25%
	50 to 249 employees	24%
	250 to 499 employees	10%
	500 to 2,499 employees	4%
	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 has more than 90,000 clients and around 3,100 employees in 22 countries. The head office is located in Stockholm, Sweden. The Intrum Justitia share has been listed on Stockholmsbörsen (Stockholm Exchange) 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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Impressum

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