

## Corporate Payment Trend and Sectorial Risk in Asia Pacific



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From the hawk's-eye view, Asia's economic growth momentum remained strong in the post-crisis era, with Coface's forecast pointing to a 6.1% YoY growth for Emerging Asia in 2014. Such momentum partly came from the dividend of economic bloom of the 2 biggest emerging markets, China and India, during the past decade. However, with growth outlook of these two countries notably lower than the long-term growth trend, Asian economies are by no means not facing zero headwind, and businesses in these economies may need to form different sets of strategies heading into such waves of change.

For businesses practitioners, one of these challenges is to keep the growth momentum going while not losing their assets on bad debts; but the task would not be easy. Due to the "developing" nature of the Asian economies, insolvency data is very difficult to come by to say the least. As a result, we used the annual payment survey result in this report to chip in as a dimension when we look at the economic situation in these economies.

For Asia as a whole, roughly 68% of the respondents told us that they have faced overdue situation in 2013 (compared to 67% in 2012) and overdue situation has moved slightly toward the long-end. Moreover, while only 30% of the respondents shared that long-term overdue (i.e. at least 180-days) has weighted more than 2% of their annual turnover in 2013, signaling an improvement compared to the 37% respondents in 2012. Such results point to a stabilized corporate payment experience in Asia in 2013.

Specific trends of economic development, corporate payment experience, and industry payment experience review in various economies are discussed in this report.

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