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PANORAMA

What we see in the Asia Pacific region

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By Coface Asia Pacific Economist based in Hong Kong



Coface conducts an annual survey to examine corporate payment trends and experiences in the Asia-Pacific region. In 2014, the survey was conducted in 8 economies - Australia, China, Hong Kong, India, Japan, Singapore and Taiwan, as well as, for the first time, Thailand. The study revealed some key indicators that showed signs of a slight deterioration. Overdues have become a more common occurrence for more respondents and a slightly higher percentage reported that the average length of overdue periods was longer than 90 days. In addition, more respondents indicated that overdue

amounts have increased over the last year.

On the other hand, with improvements in issues concerning ultra-long overdues, we can see that the more prudent attitude taken towards credit management seems to have shown its usefulness. To prove the validity of this opinion, we investigated insolvency trends in these economies and concluded that risks are improving in Japan, Singapore, and Taiwan. For this report, several risk underwriters also shared their on-the-ground views on sector development in their respective economies.

From *Occupy Central* in 4Q2014, to

the segregated protests against “parallel traders” in 1Q2015, Hong Kong grabbed the world’s attention. While economic data has not yet fully reflected the impact from these events, Coface expects stronger headwinds in 2015, despite the expectations of a moderate pickup in growth resulting from the sustained recovery in the west. Already hit by the economic slowdown in China, Hong Kong’s economy is showing *flu-like* symptoms - illustrated by the feverish property sector and the fatigue experienced by the retail sector.

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