I Press Release

Brussels, 12 May 2014

Late Payment Directive: public payments still worryingly slow

More than a year on from the deadline for transposition of the revised Late Payment Directive, new data published today shows that European businesses still wait nearly twice as long as the law's stipulated 30 day maximum for public administrations to pay their bills. Of equal concern to EUROCHAMBRES is the minimal progress in those EU member states with the worst track record for late payments.

Late payment does not cause only cashflow and liquidity problems. It also translates into redundancies, lower job creation, less innovation and even bankruptcy. EUROCHAMBRES believes that public administrations should set a positive example in tackling this problem, but they remain the slowest payers according the new 2014 European Payment Index.

Southern Europe still bottom of the payment league

As their national football teams prepare to compete in next month's World Cup, the public administrations of Italy (165 days average length of payment), Greece (155), Spain (154) and Portugal (129) remain rooted to the bottom of the EU payment league table. These figures suggest that encouraging payment reforms announced for example in Spain and Italy have so far had little or no impact. Throughout the EU, Finland and Estonia remain the only member states that comply with the 30 day limit.

"These new figures are a slap in the face for thousands of businesses and should be a cause of shame to the public sector in many member states. Governments cannot talk about restoring economic confidence while in some cases their own services still take on average almost half a year to pay bills to businesses!", said Arnaldo Abruzzini, Secretary General of EUROCHAMBRES.

Over 50% of businesses blame administrative inefficiency for late payments, an increase compared to last year, while 69% do not feel that their government helps to protect them from the risk of late payment.

What's next?

In the run-up to last year's deadline, EUROCHAMBRES launched a *30max* campaign to highlight the huge burden that late payments place on businesses and the economy and to call for swift improvements. EUROCHAMBRES will now be demanding explanations from the European Commission and pressing for it to extend its self-proclaimed 'zero tolerance' attitude to the implementation of the directive by member states.

"Chambers attached great expectation to the revised Late Payment Directive, but so far it has had almost no impact. This deplorable situation must change fast and we're looking to the Commission to take decisive action", said Mr Abruzzini.

MORE

European Payment Index 2014

According to the 2014 European Payment Index data published today:

- The public sector remains the slowest payer in the EU
- The average length of payment in public sector reduced from 61 to 58 days year on year
- About 69% of businesses do not feel that their government helps to protect them from the risk of late payment
- The highest risk of late payment is expected in Portugal, Greece, Spain, Romania and Italy
- About 51% of businesses blame administrative inefficiency for late payments, an increase compared to last year
- About 55% of businesses expect a loss of income due to late payments
- About 63% businesses expect a liquidity squeeze due to late payments
- About 50% of businesses expect reduced growth perspectives due to late payments

For more information visit www.30max.eu

ENDS

Further information: Ms Iwona Mertin, Tel. +32 2 282 08 88, mertin@eurochambres.eu
Press contact: Ms Susete Sampaio, Tel. +32 2 282 08 66, sampaio@eurochambres.eu
All EUROCHAMBRES' press releases can be downloaded from http://www.eurochambres.eu/Content/default.asp?pagename=Pressreleases