Factors Chain International

Annual Review 2012

Factoring – Exploring new horizons

Contents

Factoring – Exploring new horizons




Introduction

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For Factors Chain International (FCI) the year 2012 will be another year with major conferences and events in Sri Lanka, Thailand, Germany, India, Russia, Singapore, China, Turkey, Mexico, USA and further countries to be selected during the course of the year. Numerous new members will join the network, partly from countries where FCI is already represented, and partly from countries where the market for factoring is still entirely new. New forms of cooperation will be examined and new educational courses will be offered to employees of member companies. Since 1968, FCI has been at the forefront of efforts to promote factoring business in new markets and to introduce solutions in facilitating international trade through international factoring and related financial services. Today, the FCI network handles nearly 90% of the world's international factoring volume and links 255 local market leaders in 71 countries.

FCI started as a small network of five young and unrelated factoring companies in different western European countries. Acting as 'correspondent' for each other, the early players were able to offer cross-border factoring facilities for exports and imports between a handful of neighbouring European countries.
The concept of correspondent factoring, nowadays commonly known as the two-factor system, proved to be so successful that at a conference in Stockholm in 1968 the early players were asked to seek an official incorporation of their network initiative, and to build over time an organisation with multiple representation in as many countries as possible. The 'founding fathers' may not have known in 1968 how crucial this strategic decision of multiple representation was, but no doubt it has helped to turn FCI into the world's foremost organisation for international factoring.

The opportunity of choice in selecting correspondents in a particular country, in combination with strict membership admission criteria and (even more important!) very strictly adhered rules for continued membership, has been the basis for FCI's leading position today. The open-ended structure of FCI turned out to be the most effective tool for building international factoring volumes. The perceived exclusivity of competing closed groups, with one member per country, had the great disadvantage that individual member companies felt no competitive pressure to focus on service quality in order to receive the business in 'two-factor' situations. In the FCI network, however, the selection of a correspondent was not based on the fact that the correspondent had the same common shareholder, but was based instead on service quality considerations.

Membership in FCI gives rights, but only after a new member has accepted a series of commitments. Members which violate those commitments, either by failing to generate a minimum yearly volume of business, or by not attending on a regular basis the FCI conferences and seminars which are generally seen as 'the market place', or by not enrolling staff members in the various educational programmes, they all face the risk of membership termination. FCI is adamant in remaining a network of active and well organised 'factors', for dormant members or members which turn out to have very different interests than offering professional factoring services, continued membership is out of the question. It is this strict focus and the unwillingness to compromise on membership criteria and membership rules which have helped the organisation to become the undisputed leader in network factoring, respected, professional and very well-positioned to take full advantage of more than 40 years of international factoring excellence.

The Latest Developments in FCI

While 2009 was for most FCI members a difficult year in terms of risk management and maintaining pre-crises factoring volumes, 2010 offered an entirely different picture. A 20% growth in domestic factoring and a 34% growth in international factoring made 2010 a record year, with matching profitability and risk control. Despite ongoing problems in world economies, 2011 was again a record year for the factoring industry and in particular for the members of FCI: FCI domestic factoring grew with 21% and international factoring even with 37%. While factoring is still most suited for clients from the SME sector, the trend continues that large corporations seek factoring services as well, often unbundled, allowing the client to make a choice from the three basic elements of factoring: working capital finance, customer credit risk protection and professional collection services.

Much of the growth must be attributed to banks and bank-owned factors, as the result of greater awareness that for superior risk management traditional overdraft facilities should be replaced by factor financing, with or without the additional service of credit risk protection.

Geographical Coverage

FCI has steadily extended its physical presence to all the major trading countries of the world, including the four BRIC countries. Not surprisingly, China is ahead of all the others, both in domestic and international factoring, but new members in Brazil, Russia and India will bring a welcome development in international capability. New members in various South East Asian countries, including Indonesia, have entered FCI with special interest to be active in cross-border factoring, while new members will also bring further growth in Africa and Latin America. A further influx of new members has kept "Greater China" in the top position for FCI export factoring, followed by Turkey, Spain, France, Greece and Portugal as the most enthusiastic users of export factoring services.

Not surprisingly, the largest markets for import factoring are still the USA and a series of European Union countries where FCI is represented by all the local market leaders. Newer important markets for FCI import factoring are China, Taiwan, Hong Kong, Japan, Russia, Canada and Australia, illustrating that the international factoring concept has global application, covering more and more transactions in today's trading environment where the Letter of Credit is being replaced by open account trading terms. For the calendar year 2011, FCI's volume of 'international factoring' grew with 37% to EUR 246 billion or 319 billion when expressed in US dollars.

Spitzingsee POM Seminar, February 2012.

Business Promotion

The FCI Marketing Committee develops on a continuous basis 'tools' for members in order to assist them in generating larger volumes of business. The Committee also arranges for bench marking exercises, in an effort to stimulate the members to improve their service level and marketing effectiveness.

Educating FCI members is not enough. The market also needs to be informed about the true nature of factoring, its procedures and the commercial application in both domestic and international trade. Conferences to promote factoring are often sponsored jointly by FCI and local members and usually attract considerable interest from the business community and the media. Highly successful 'Export Factoring Promotion Conferences' were recently organised in Indonesia, Bolivia, Panama, Serbia and Peru, attended by more than 600 delegates with an interest in learning more about factoring as a solution for their trade finance requirements. In addition, FCI sponsored the publication of the fifteenth edition of the authoritative BCR World Factoring Yearbook, containing in-depth articles from more than fifty different countries.

FCI 43rd Annual Meeting 2011, San Francisco, USA.

FCI officials accepted many speaking engagements, all in an effort to promote the concept of international factoring.

Last, but not least, with a very attractive and further expanded website, FCI will continue to disseminate information through the worldwide web. Target audiences are potential members, exporters, business advisors, journalists and an ever growing number of students from all around the world. The video presentations, accessible from the home page, are unique in the factoring industry. Five versions are available: English, Spanish, Chinese and Turkish aimed at exporters, plus an English video aimed at importers.

Education

FCI has developed a series of educational programmes which provide for a transfer of know-how from seasoned factoring professionals to less experienced staff members. Regular seminars, covering all aspects of factoring, are organised throughout the world. Just in 2011 and 2012, such seminars took place in Hong Kong, Taiwan, Dubai, Germany, Romania, USA and Singapore.

In addition to its seminar programmes, FCI and its Education Committee continued to offer the member companies the possibility to enrol staff members in a series of different Courses, logically following a career path approach. Now in its twenty-sixth year and currently based on an interactive programme accessible via the internet, the Courses have been followed by more than 5000 staff members from 62 countries. For new member companies, FCI endeavours to arrange various forms of on-the-job training, either by a comprehensive visit by the FCI Education Director or by internships with foreign FCI correspondents.

Legal Framework

The FCI General Rules for International Factoring (GRIF), developed and monitored by the FCI Legal Committee, have become the world's most widely recognised legal framework for international factoring.

The GRIF is the standard for correspondent factoring relationships and probably close to 95% of the world's cross border factoring volume has been governed by those rules, since the GRIF's introduction in July 2002.

The FCI Legal Committee offers on a continuous basis assistance to the FCI members in answering questions of a legal nature, or relating in particular to the FCI GRIF. For problem resolution between Export Factors and Import Factors, a more formal FCI Arbitration process is available, even though most conflicts are settled in an amicable manner, based on the strong ties which exist between most of the FCI members.

Communications

The strength of the FCI network is determined not only by geographical presence, but also by efficient communications between the individual correspondent factors. Today, 'communication' in FCI stands for a state-of-the-art application of EDI technology. The investments in the EDI infrastructure have been substantial over the previous years and the FCI Communication Committee has recently launched

Eurobank EFG, Greece, Import and Export Factor of the Year.

Factoring team of Bancomext, Mexico.

Factoring team of Bank of China, New York.

Ecobank, Nairobi, Kenya.

POM Seminar Bangkok, October 2011.

FCI Secretariat, Amsterdam.

Bangkok Brainstorming Session.

Management team of Brasilfactors, Sao Paulo, Brazil.

Mumbai Brainstorming Session.

the latest edition of an upgraded Internet-based communication system, capable of meeting the requirements of an e-commerce environment. The system was originally introduced in 2002, but with regular upgrades, the system enjoys excellent user-friendliness and superior cost-efficiency.

Much attention was given by the Communication Committee to the development of a new service in FCI: Purchase Order Management (POM). Under the POM structure exporters can already obtain credit risk protection on foreign customers, from the moment the purchase order is confirmed. Import Factors will accept this pre-shipment risk, while Export Factors can enhance the service by adding pre-shipment finance. POM has gone "live" in March 2012 and illustrates how factoring is indeed exploring new 'horizons' (see also page 19).

FCI Secretariat

The permanent Secretariat in Amsterdam continues to play a crucial role in initiating and coordinating the activities which directly or indirectly affect the scope and strength of the FCI network. Numerous projects are acted upon in close cooperation with the FCI Executive Committee and with the technical committees. The POM project is a perfect example, originally spearheaded by an ad-hoc committee for POM development, then subsequently adopted by other committees.

FCI members also frequently seek advice from the Secretariat in a wide variety of situations. The full-time FCI staff has been responding to these needs for more than four decades. As an experienced professional team they enjoy supporting FCI members and look forward to meeting the challenges of the fast-growing factoring industry in the years ahead.

The Mission of Factors Chain International

FCI is a global network of leading companies, whose common aim is to facilitate international trade through factoring and related financial services.

FCI's mission is to become the worldwide standard for international factoring.

FCI helps its members achieve competitive advantage in international trade finance services through:

- A global network of first-class factoring companies
- Modern and effective communication systems, to enable them to conduct their businesses in a cost-efficient way
- A reliable legal framework to protect exporters and importers
- Standard procedures, aimed at maintaining a universal quality
- A package of training programs
- Worldwide promotion aimed at positioning international factoring as the preferred method of trade finance

FCI will always have a flexible and market oriented attitude. It will remain an open chain, encouraging quality factoring companies to join its ranks. As an open chain, FCI will view competition as a stimulus for superior service to exporters.

FCI: The *standard* in international factoring

A Growing Industry

A growing number of companies offer factoring services and many of these work internationally. Most factors are either owned by, or associated with, well-known international banking or other financial institutions as well as insurance companies or industrial organisations.

Factoring is now universally accepted as vital to the financial needs of small and medium-sized businesses. It has the support of government offices and central banks throughout the world.

As international trade continues to increase, so too do the opportunities for the factoring industry. Because international factoring works in a similar way to domestic factoring, exporters have realised that it can help them to become more competitive in complex world markets.

Many businesses that turn to factoring companies are reassured that the industry is closely related to banking. Although factoring companies remain highly specialised institutions, nearly all major banks now have factoring subsidiaries. This has enabled the industry to promote its services with great success and to work for businesses of every size.

Factoring has become well established in developing countries as well as those that are highly industrialised. In various Asian countries, the growth of factoring has been dramatic while in Latin America, financial institutions continue to join the industry. Similar growth has occurred in Central Europe, the Baltics and the Middle East. A new region for factoring is Middle Africa, from West Africa to East Africa.

Today, almost every industry can profit from factoring. Textiles, clothing and (consumer) electronics are the most popular but manufacturers of industrial and farm equipment, office equipment and processed food are increasingly turning to factoring.

FCI members report that more service industries and large corporates have become clients. There is also plenty of evidence to suggest that fast-growing, sales-driven organisations appreciate the improved cash flow, efficiency and profitability that factoring can offer.

A Global Network

Factors Chain International was established in 1968 to represent the interests of independent factoring companies around the world. With member companies offering domestic and international factoring services in countries across all five continents, FCI is by far the world's largest factoring network. Member transactions represent 90% of the world's international factoring volume.

When FCI was founded, domestic factoring services were only available in North America and a few European countries. At the time the idea of international factoring was new, yet FCI members could see its potential.

They realised that they needed to do two things:

- Introduce the concept of factoring into countries where the service was not available.
- Develop a framework for international factoring that would allow factors in the country of both the exporter and importer to work closely together.

This framework has been built around the availability of local expertise and sensitivity to national cultures together with an understanding of the economic and commercial influences affecting each country.

FCI also believes that global alliances require flexibility. Members can maintain their preferred methods of operation as long as they are compatible with FCI's standard methods of communication.

Membership in FCI is popular but an application to join does not automatically mean acceptance. Members must meet strict admission standards which apply to financial strength and an established reputation for quality and service.

The Role of Factoring in International Trade

For many companies, selling in an international market place is the ultimate challenge. While the rewards can be substantial, success can also bring its share of problems. Different customs, currency systems, laws and languages still create barriers to trade in a world where sophisticated computer technology allows orders abroad to be placed within seconds.

One of the greatest problems facing exporters is the increasing insistence by importers that trade be conducted on open account terms. This often means that payment is received many weeks or even months after delivery. Unsurprisingly, many organisations find that giving buyers credit in this way can cause severe cash flow problems. Further problems can arise if the importer delays payment beyond originally agreed terms or makes no payment at all because of financial failure.

International factoring provides a simple solution regardless of whether the exporter is a small organisation or a major corporation.

The role of the factor is to collect money owed from abroad by approaching importers in their own country, in their own language and in the locally accepted manner. As a result, distances and cultural differences cease to be a problem. A factor can also provide exporters with 100% protection against the importer's inability to pay.

The advantages of export factoring have proved to be very attractive to international traders. It is now seen as an excellent alternative to other forms of trade finance and the role of the letter of credit is gradually diminishing as a consequence.

This means that the prospects for international factoring can be seen as favourable in all countries. Not only those that are highly industrialised, but also those that are still developing. In the future though, the real challenge for factoring companies will be to maintain their flexibility, so that they can react quickly to changing market circumstances.

How Export Factoring Works with FCI

There is nothing complex about factoring. It is simply a unique package of services designed to ease the traditional problems of selling on open account. Typical services include investigating the creditworthiness of buyers, assuming credit risk and giving 100% protection against write-offs, collection and management of receivables and provision of finance through immediate cash advances against outstanding receivables.

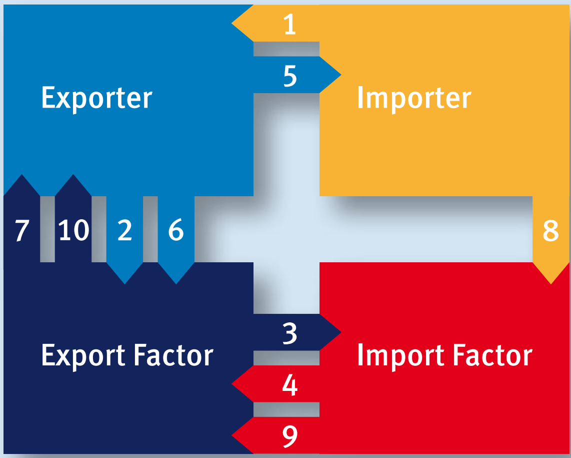
When export factoring is carried out by members of FCI, the service normally involves a six-stage operation.

- The exporter signs a factoring contract assigning all agreed receivables to an Export Factor. The factor then becomes responsible for all aspects of the factoring operation.
- The Export Factor chooses an FCI correspondent to serve as an Import Factor in the country where goods are to be shipped. The receivables are then reassigned to the Import Factor.
- At the same time, the Import Factor investigates the credit standing of the buyer of the exporter's goods and establishes lines of credit. This allows the buyer to place an order on open account terms without opening Letters of Credit.
- Once the goods have been shipped, the Export Factor may advance up to 80% of the invoice value to the exporter.
- Once the sale has taken place, the Import Factor collects the full invoice value at maturity and is responsible for the swift transmission of funds to the Export Factor who then pays the exporter the outstanding balance.
- If after 90 days past due date an approved invoice remains unpaid, the Import Factor will pay 100% of the invoice value under guarantee.

Not only is each stage designed to ensure risk-free export sales, it lets the exporter offer more attractive terms to overseas customers. Both the exporter and the customer also benefit by spending less time and money on administration and documentation.

In all cases, exporters are assured of the best deal in each country. This is because Export Factors never appoint an Import Factor solely because the company is a fellow member of FCI. Import Factors are invited to compete for business and those with superior services are selected.

In some situations, FCI members handle their client's business without involving another factor. This is becoming more common in the European Community where national boundaries are disappearing. However FCI members conduct their business, one thing remains certain. Their aim is to make selling in the complex world of international trade as easy for clients as dealing with local customers.



1 Exporter receives purchase order
2 Exporter sends importer's information for credit approval
3 Export Factor checks the importer's credit worthiness through FCI partner
4 Import Factor evaluates the importer and approves a credit limit
5 Exporter makes shipment to importer
6 Exporter submits invoice details and supporting documents
7 Export Factor makes cash advance up to 80% of factored invoices
8 Collections are carried out by the Import Factor
9 Import Factor remits funds to Export Factor
10 Export Factor remits 20% remaining Balance to Exporter's account less any charges

Reverse Marketing offers Playshoes enhanced growth opportunities

Playshoes GmbH is a wholesaler of products for babies and children, especially shoes, rainwear, swimwear, accessories and toys. The family owned mid-sized company was founded in 1998 in the south-western part of Germany and the brand is well-known for its high quality fashion collections and certified products. The items are designed and developed by clothing and toy engineers in Germany while the production has been outsourced to external manufacturers in China and Hongkong. The buyers are online shops, mail order companies and specialised retailers in Germany and further western European countries.

In 2009 Playshoes concluded a domestic and export factoring contract with Eurofactor AG, one of the leading German factoring companies. Playshoes could constantly expand its customer portfolio and grow its business volume ever since.

In a regular meeting with Eurofactor AG it turned out that Playshoes was interested in getting more flexible payment-terms from its Asian suppliers. Up to that time Playshoes had to pay 50% of the order volume in advance and the remaining balance under O/A terms of 30-60 days. In order to optimise its working capital position, Playshoes was hopeful to negotiate with its suppliers O/A terms of 120 days for the full invoice amount without making any advance-payments.

As Playshoes is having a solid credit standing, Eurofactor AG could grant a substantial credit limit on the company, backed by a credit insurance policy. After the company had talked to some of its main Asian suppliers, the two biggest manufacturers showed interest in the two-factor export model. As a next step Eurofactor AG approached two experienced FCI factoring correspondents, DBS Bank Ltd. in Hong Kong and China CITIC Bank in Beijing and introduced the suppliers' names and business details to them. After an internal credit investigation and a successful negotiation concerning the conditions, the export factors could close a factoring contract with the suppliers. Based on the 100% credit risk protection and the confirmation by Eurofactor AG to the Export Factors that Playshoes will fully pay the suppliers' invoices on due date without any deductions, the Export Factors are now advancing up to 95% of the invoice amounts to the exporters, available on the date when the invoices are assigned to the factors.

The transactions have started in the beginning of 2012 and have developed very well ever since. It is a multiple win-win solution for all involved parties:

- The importer Playshoes has achieved the required extension of payment-terms which partly have been passed on to its buyers.
- The exporters in China and Hong Kong are receiving immediate funding against their receivables, an entire risk-coverage facility and the perspective to further increase their turnover with Playshoes.
- DBS Bank has already been able to include further foreign debtors in its export factoring contract with the supplier, backed by FCI correspondents in other countries.
- In the meantime Eurofactor AG has received from Playshoes requests for further new suppliers in China and Malaysia to be included in the Reverse Marketing program.

Selling More Competitively Overseas

One of the greatest advantages of international factoring is that it allows both exporters and importers to trade on open account terms without risk.

FCI services to exporters

A member of FCI can offer three types of service to exporters that will give complete security, ensure administration is simpler and make a positive contribution towards cash flow:

- Export factoring establishes the credit-worthiness of existing and prospective customers and provides up to 100% credit protection.
- Sales ledger administration reduces non-productive overheads and frees up valuable management time.
- An agreed level of finance can be advanced once the goods have been shipped. The balance, less the factor's charges, is paid when the invoice is settled in full.

The advantages for exporters are

- They can expand sales abroad by offering competitive terms and conditions.
- They can offer open account terms by invoicing the importer and granting deferred payment terms, usually 30-90 days.
- They are fully covered against credit losses.
- They avoid the delays often encountered when arranging letters of credit.
- Speedy collection and remittance improves cash flow.
- Administration costs are reduced.
- They have access to a flexible source of working capital to help increase export sales.

FCI services to importers

A Letter of Credit is the most internationally accepted method of guaranteeing payment. Yet, while this method does have some merit, it is outdated and cumbersome plus it places financial burdens on both the exporters and the importers.

The alternative is for FCI members to guarantee payment to the exporter through an arrangement with a local factor.

No Letter of Credit is necessary. All that is required is for a revolving credit limit to be established on the importer's business. When invoices are due for payment, the importer pays the Import Factor member who sends the funds on to the corresponding Export Factor.

The advantages for importers are

- They can buy on open account terms.
- They do not need to open Letters of Credit.
- They can expand their purchasing power without using existing lines of credit.
- They can purchase goods without incurring delays.
- They will find it easier to generate new sources of supply.

Purchase Order Management – POM

Purchase Order Management or POM means different things to different people. For factors within FCI, POM means *visibility*... visibility into the entire Open Account transaction from *order* to *collection of payment*.

Historically, FCI has focused on the post-shipment portion of the Open Account transaction.
Exporters, however, have cash flow needs that start with the acceptance of the order and remain through pre-shipment and continue through post-shipment until payment is received.
POM in its simplest form is a method for Export and Import Factors to track transactions as they lead up to traditional factored invoices. However, POM was built to do more than just track a Purchase Order. POM can include the services of credit protection and order verification.

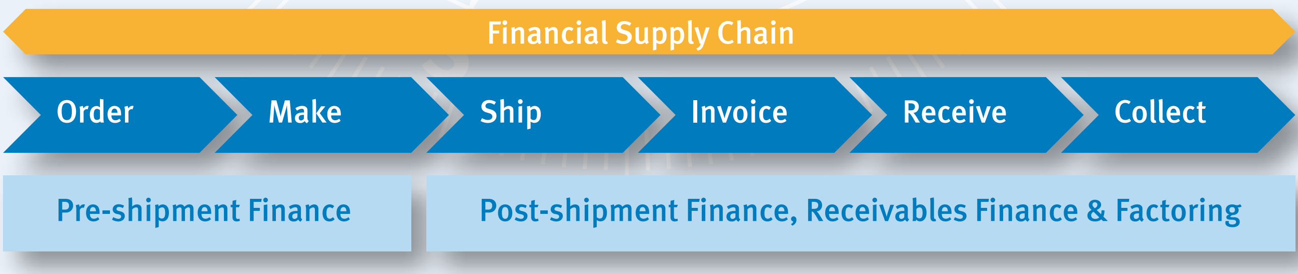
Credit Protection

A risk for any exporter when accepting a Purchase Order is: will the importer be able to pay for the goods once they are received? POM through the Import Factor provides credit protection against the insolvency of importers related to an approved Purchase Order.

Verification

Visibility into a pre-shipment transaction is more than a Purchase Order number and an amount. It is about recognising the validity of the Purchase Order. Through the strength of FCI's two-factor network, the Export Factor is provided with the knowledge that a Purchase Order is valid and supports the Export Factor in funding the seller during the pre-shipment period.

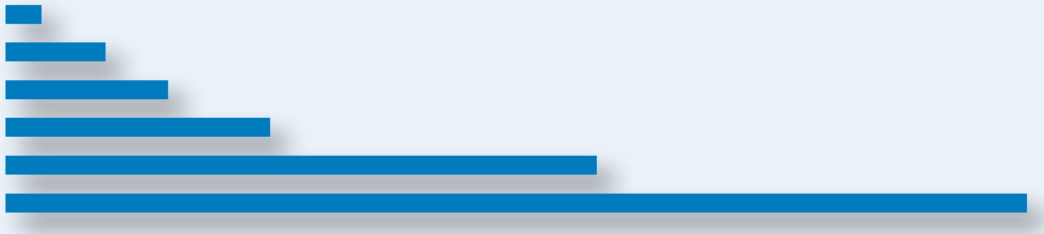
The POM is not only a financial service addressing the needs of sellers and buyers. The POM is a product providing ***visibility*** to factors thereby reducing risk inherent to pre-shipment finance.
FCI's commitment to ***exploring new horizons*** is evident with the development of the POM product to meet its clients' needs.



FCI Expressed in Figures

Twenty-five years of total factored volume for all FCI members (in millions of euros)

1986	40,043
1991	112,405
1996	183,049
2001	297,981
2006	666,476
2011	1,151,049



… and the FCI market share (in comparison to worldwide factored volume)

1986	36%
1991	39%
1996	43%
2001	44%
2006	59%
2011	57%

Twenty-five years of cumulative export and import factored volume for all FCI members (in millions of euros)

1986	1,189
1991	2,609
1996	7,461
2001	14,405
2006	74,247
2011	246,000

… and the FCI market share of international factoring (in comparison to worldwide figures)

1986	40%
1991	44%
1996	48%
2001	52%
2006	72%
2011	90%

FCI's impact on trade finance worldwide

218,878
sellers

4,270,127
buyers

227,465,547
invoices

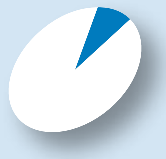
Domestic and International Factoring by Country in 2011

in millions of Euros

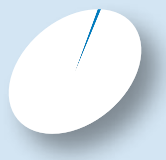
Nr. of Companies		Domestic	International	Total
	Europe			
4	Austria	7,009	1,977	8,986
6	Belgium	28,704	9,500	38,204
1	Bosnia & Herzegovina	30	15	45
7	Bulgaria	800	210	1,010
20	Croatia	2,153	116	2,269
3	Cyprus	3,700	58	3,758
8	Czech Republic	3,865	1,250	5,115
6	Denmark	5,510	3,650	9,160
4	Estonia	972	192	1,164
5	Finland	11,050	1,950	13,000
12	France	141,410	33,170	174,580
100	Germany	119,120	38,140	157,260
12	Greece	12,685	2,046	14,731
22	Hungary	2,455	362	2,817
8	Ireland	17,047	1,283	18,330
45	Italy	142,686	32,496	175,182
9	Latvia	200	171	371
8	Lithuania	795	1,339	2,134
1	Luxembourg	177	3	180
2	Malta	150	50	200
4	Netherlands	30,000	16,000	46,000
7	Norway	14,334	2,061	16,395
18	Poland	14,200	3,700	17,900
15	Portugal	24,812	3,067	27,879
13	Romania	1,922	660	2,582
33	Russia	20,944	230	21,174
13	Serbia	726	200	926
7	Slovakia	810	361	1,171
4	Slovenia	410	140	550
24	Spain	109,083	13,042	122,125
40	Sweden	28,259	1,000	29,259
8	Switzerland	3,352	98	3,450
74	Turkey	25,591	5,278	30,869
25	Ukraine	933	22	955
42	United Kingdom	249,664	18,416	268,080
610	**Total Europe**	**1,025,558**	**192,253**	**1,217,811**
	Americas			
5	Argentina	455	20	475
1	Bolivia	32	3	35
1,112	Brazil	45,580	43	45,623
51	Canada	4,981	303	5,284
148	Chile	20,000	1,500	21,500
30	Colombia	4,790	200	4,990
1	Honduras	0	30	30
11	Mexico	21,058	16	21,074
17	Panama	700	0	700
9	Peru	2,267	194	2,461
300	United States	90,000	15,000	105,000
1,685	**Total Americas**	**189,863**	**17,309**	**207,172**
	Africa			
4	Egypt	100	100	200
1	Mauritius	127	0	127
4	Morocco	1,226	180	1,406
5	South Africa	21,238	140	21,378
4	Tunisia	297	43	340
18	**Total Africa**	**22,988**	**463**	**23,451**
	Asia			
4	Armenia	10	4	14
30	China	229,952	44,918	274,870
12	Hong Kong	15,044	2,344	17,388
12	India	2,650	150	2,800
1	Indonesia	0	3	3
6	Israel	1,300	350	1,650
4	Japan	110,195	1,050	111,245
1	Jordan	0	12	12
10	Korea	0	8,087	8,087
1	Lebanon	310	17	327
30	Malaysia	840	210	1,050
1	Qatar	45	30	75
8	Singapore	4,370	2,300	6,670
20	Taiwan	76,000	3,800	79,800
13	Thailand	3,070	10	3,080
4	United Arab Emirates	1,000	750	1,750
7	Vietnam	42	25	67
164	**Total Asia**	**444,828**	**64,060**	**508,888**
	Australasia			
19	Australia	57,300	191	57,491
7	New Zealand	600	0	600
26	**Total Australasia**	**57,900**	**191**	**58,091**
2,503	**Total world**	**1,741,137**	**274,276**	**2,015,413**

Total factoring volume

Europe 60%



Americas 10%



Africa 1%

Asia-Pacific 29%

Total Factoring Volume by Country in the Last 7 Years

in millions of Euros

	2005	2006	2007	2008	2009	2010	2011
Europe							
Austria	4,273	4,733	5,219	6,350	6,630	8,307	8,986
Belgium	14,000	16,700	19,200	22,500	23,921	32,203	38,204
Bosnia & Herzegovina					35	45	45
Bulgaria	0	35	300	450	340	550	1,010
Croatia	175	340	1,100	2,100	2,450	2,793	2,269
Cyprus	2,425	2,546	2,985	3,255	3,350	3,450	3,758
Czech Republic	2,885	4,025	4,780	5,000	3,760	4,410	5,115
Denmark	7,775	7,685	8,474	5,500	7,100	8,000	9,160
Estonia	2,400	2,900	1,300	1,427	1,000	1,227	1,164
Finland	10,470	11,100	12,650	12,650	10,752	12,400	13,000
France	89,020	100,009	121,660	135,000	128,182	153,252	174,580
Germany	55,110	72,000	89,000	106,000	96,200	129,536	157,260
Greece	4,510	5,230	7,420	10,200	12,300	14,715	14,731
Hungary	1,820	2,880	3,100	3,200	2,520	3,339	2,817
Ireland	23,180	29,693	22,919	24,000	19,364	20,197	18,330
Italy	111,175	120,435	122,800	128,200	124,250	143,745	175,182
Latvia	20	276	1,160	1,520	900	328	371
Lithuania	1,640	1,896	2,690	3,350	1,755	1,540	2,134
Luxembourg	280	306	490	600	349	321	180
Malta	0	1	25	52	105	136	200
Netherlands	23,300	25,500	31,820	30,000	30,000	35,000	46,000
Norway	9,615	11,465	17,000	15,000	15,100	15,075	16,395
Poland	3,700	4,425	7,900	7,800	12,000	16,210	17,900
Portugal	16,965	16,886	16,888	18,000	17,711	20,756	27,879
Romania	550	750	1,300	1,650	1,400	1,800	2,582
Russia	2,540	8,555	13,100	16,150	8,580	12,163	21,174
Serbia	0	150	226	370	410	500	926
Slovakia	830	1,311	1,380	1,600	1,130	981	1,171
Slovenia	230	340	455	650	650	650	550
Spain	55,515	66,772	83,699	100,000	104,222	112,909	122,125
Sweden	19,800	21,700	21,700	16,000	18,760	18,760	29,259
Switzerland	1,900	2,000	2,513	2,590	5,000	4,000	3,450
Turkey	11,830	14,925	19,625	18,050	20,280	38,988	30,869
Ukraine	333	620	890	1,314	530	540	955
United Kingdom	237,205	248,769	286,496	188,000	195,613	226,243	268,080
Total Europe	**715,471**	**806,958**	**932,264**	**888,528**	**876,649**	**1,045,069**	**1,217,811**
Americas							
Argentina	275	333	362	355	335	350	475
Bolivia					18	18	35
Brazil	20,050	20,054	21,060	22,055	29,640	49,050	45,623
Canada	3,820	3,386	4,270	3,000	3,250	3,723	5,284
Chile	9,500	11,300	14,620	15,800	14,500	16,422	21,500
Colombia	0	100	2,030	2,100	2,392	2,784	4,990
Honduras						160	30
Mexico	7,100	8,150	9,200	9,550	2,120	14,538	21,074
Panama	240	607	483	460	500	600	700
Peru	95	563	648	875	758	2,712	2,461
United States	94,160	96,000	97,000	100,000	88,500	95,000	105,000
Total Americas	**135,240**	**140,493**	**149,673**	**154,195**	**142,013**	**185,357**	**207,172**
Africa							
Egypt	1	3	20	50	110	200	200
Mauritius					121	125	127
Morocco	430	440	660	850	910	1,071	1,406
South Africa	5,580	7,800	9,780	12,110	13,500	15,120	21,378
Tunisia	226	270	245	253	276	295	340
Total Africa	**6,237**	**8,513**	**10,705**	**13,263**	**14,917**	**16,686**	**23,451**
Asia							
Armenia	1	50	50	7	7	14	14
China	5,830	14,300	32,976	55,000	67,300	154,550	274,870
Hong Kong	7,700	9,710	7,700	8,500	8,079	14,400	17,388
India	1,990	3,560	5,055	5,200	2,650	2,750	2,800
Indonesia							
Israel	325	375	800	1,400	1,400	1,650	1,650
Japan	77,220	74,530	77,721	106,500	83,700	98,500	111,245
Jordan					43	43	12
Korea	850	850	955	900	2,937	5,079	8,087
Lebanon	61	95	176	306	420	450	327
Malaysia	532	480	468	550	700	1,058	1,050
Qatar					23	23	75
Singapore	2,880	2,955	3,270	4,000	4,700	5,800	6,670
Taiwan	36,000	40,000	42,500	48,750	33,800	67,000	79,800
Thailand	1,640	1,925	2,240	2,367	2,107	2,095	3,080
United Arab Emirates	440	810	340	1,860	1,910	2,000	1,750
Vietnam	2	16	43	85	95	65	67
Total Asia	**135,470**	**149,606**	**174,244**	**235,418**	**209,991**	**355,602**	**508,888**
Australasia							
Australia	23,130	27,573	33,080	32,546	39,410	44,915	57,491
New Zealand	600	0	700	700	700	600	600
Total Australasia	**23,730**	**27,573**	**33,780**	**33,246**	**40,110**	**45,515**	**58,091**
Total world	**1,016,148**	**1,133,143**	**1,300,666**	**1,324,650**	**1,283,559**	**1,648,229**	**2,015,413**

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cover/page 9:

– France, Le Palais Môle du Nord/Le Palais Môle du Sud, Belle-Île-en-Mer

page 2:

– Egypt, Lighthouse at Montazah Palace, Alexandria
– South Africa, Bird Island Lighthouse, Algoa Bay, Port Elizabeth
– South Africa, Kalk Bay Breakwater, Cape Town
– Sultanate of Oman, Sur Light, Sur, Ash Sharqiyah Region

page 4:

– India, Fort Aguada Light, Goa
– China, Dagangqu East Entrance South Side, Dalian
– Japan, Kobe Breakwater Two
– Thailand, Ban Bang Bao, Koh Chang Island, Trat Province

page 10:

– Australia, Cape Otway Lighthouse, Victoria
– Australia, Tacking Point Light, New South Wales
– Australia, Fingal Head, New South Wales
– French Polynesia, Point Venus Lighthouse, Tahiti

page 12:

– Portugal, Felgueiras Lighthouse, Rio Douro North Breakwater
– Germany, Warnemünde Westmole
– Italy, Murano Lighthouse
– United Kingdom, Port St. Mary Inner Pierhead, Isle of Man

page 14:

– United Kingdom, Perch Lighthouse, Port Glasgow, Firth of Clyde

page 18:

– USA, Michigan City East Pierhead, Indiana
– Canada, Cape Spear Light (new), Newfoundland
– USA, Dutch Island Light, Rhode Island
– USA, Newport Harbor (Goat Island), Rhode Island

page 20:

– Brazil, Calcanhar Lighthouse, Touros
– Argentina, Les Eclaireurs Lighthouse, Beagle Channel
– Mexico, Puerto Morelos Lighthouse
– Brazil, Itapuã Lighthouse, Salvador, Bahia

Global View

page 13:

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