Global Factoring Volume reaches all time high

Amsterdam, May 27, 2016

Factoring achieves all-time high in 2015: € 2,373 billion euros, up 1.4% from 2014

- Highest regional growth seen in Europe (+6%)
- Romania, Hungary and Egypt demonstrate particularly strong country growth
- Asian, American and African regional factoring markets fall 8%, 6% and 13% respectively

The global factoring market of €2,373 billion turnover in 2015 - up 1,4% on 2014 - was the highest figure ever recorded.

However, the growth recorded in 2015 is well below the seven-year trend annual growth rate (CAGR) of 9%. This is mainly due to sharp drop of the factoring volume in Asia, the second largest factoring market.

Domestic factoring accounted for €1,843 billion (78% of the total market) and international factoring €530 billion (22%). Despite the continuous challenges in the global economy international cross-border factoring increased by 8% and it remains a driver of future factoring growth.

These figures were today released by Factors Chain International (FCI), a leading network of global factoring companies.

Europe, the largest factoring market worldwide, was the strongest region with a 6% volume increase to €1,557 billion (2014: €1,463 billion). The growth has mainly been driven by the strategic emphasis towards factoring by the commercial banking sector which controls approximately 90% of Europe's factoring volume. The top four European markets, UK, France, Germany and Italy, all grew last year and accounted for 66% of the region's total. Within Europe, the fastest growing markets were: Serbia (+45% to €445 million), Romania (+35% to €3,651 million) and Hungary (+34% to €3,779 million). As a region, Europe accounts for 66% of the world's factoring market.

Asia, the second largest global factoring market decreased by 8% to €562.99 billion with China remaining the largest market in the region. With a volume of €352.88 billion (-13%), its share of the regional factoring market is now 63%. The Asian region share of the global cross-border factoring volume in 2015 also dropped to just over 40%. However, in positive contrast, Japan (+6% to €54.18 billion) and Hong Kong (+9% to €33.42 billion) both experienced increased volumes. As a region, Asia accounts for 24% of the world's factoring market.

The **Americas** also suffered a decline, down 6% to €194.17 billion. The US factoring market fell 3% from last year to €95 billion. Brazil remained the second largest market in the Americas with a volume of €28.97 billion (-9%). The third and fourth regional markets, Chile (-10% to €22.30 billion) and Mexico (-24% to €19.29 billion), both saw a decline in factoring volume. Uruguay, Argentina, Costa Rica and Colombia on the other hand grew by a very promising average of 20%. As a region, the Americas accounts for 8% of the world's factoring market.

In **Africa**, factoring fell by 13% to €17.09 billion. South Africa experienced a 10% decline in volume, from €14.53 billion in 2014 to €13.04 billion last year, accounting for 76% of the total African region, a decline from 90% only five years ago. Egypt was the strongest performer in the region as the local factoring market there grew by 23% to €537 million. Africa accounts for less than 1% of the world's factoring market.

Australia was practically stable and accounted for the remaining 1% of the world's factoring market.

Peter Mulroy, Secretary General of Factors Chain International (FCI), commented on the developments:

"On an overall global basis the industry grew in 2015, with strong performances again witnessed in Europe, especially in parts of Eastern Europe. Elsewhere unfortunately, the picture was much more challenging. In particular, t*he Asia region declined, with many affected by the disruptions felt in China due to its slowdown, and the effects of this continue to be felt going into 2016. Companies in the region are more reluctant to purchase in larger quantities due to the decline in retail sales in the greater China region and the uncertainty that brings to the market. The decline in commodity prices has also impacted volume, resulting in reduced valuation of invoices.*

The slowing economy has also resulted in a contraction in financing, especially affecting SMEs as more financial institutions struggle with deteriorating financial performance of their client base.. However, some expect the slack to be taken up by new players and new entrants in the markets, from the numerous independent commercial factors that have evolved in China, Fintechs, and the smaller city and regional banks, which are growing in influence.

Other global markets have also shown mixed performances and again these reflect the varying underlying economic environments. We expect 2016 to be another year of mixed fortunes."

The FCI Global Factoring Statistics present on an annual basis the key factoring data around the world. They cover domestic and cross-border factoring volume collected from almost 290 members in over 70 countries.
The full statistics are also available at the FCI website: www.fci.nl/about-fci/statistics

About FCI
FCI was set up in 1968 as an umbrella organisation for independent factoring companies around the world. Today we have grown into the world's representative factoring network and association with more than 400 members in 90 countries with member transactions representing nearly 90% of the world's international correspondent factoring volume.
In 2016 the activities of IFG (International Factors Group) were integrated into FCI. Today, FCI is truly the global representative body for the Factoring & Receivables Finance Industry.

FCI offers three major areas of activities:

> **CONNECT**: the Business network supports cross-border factoring activities through which its members cooperate as export and import factors
> **EDUCATE**: FCI promotes and develops best practices in both domestic and international factoring and related Open Account Finance products
> **INFLUENCE**: FCI promotes and defends the Industry with stakeholders and policy makers worldwide