



# The Factoring Industry Worldwide

Erik Timmermans  
Secretary General IFG



International Factoring Congress Warsaw, 16. Sep 2010



# 1. Trends, Facts, Figures

Key elements from IFG's Global Industry Report 2010 (figures 2009)





# Evolution of World Factoring Turnover

- 1980 : +/- 50 billion €
  - 1990 : +/- 200 billion €
  - 2000 : +/- 600 billion €
  - 2010 : +/- 1.250 billion €
- = 3,25% of World GDP





# Key Industry Figures

- Turnover 2009 : 1.233 billion €
- -2.9 % compared to 2008
- Approximately 2.000 factoring companies
- Financed amount at year end : 287 billion €
- Factoring Clients : 460.000
- Employees : 118.000





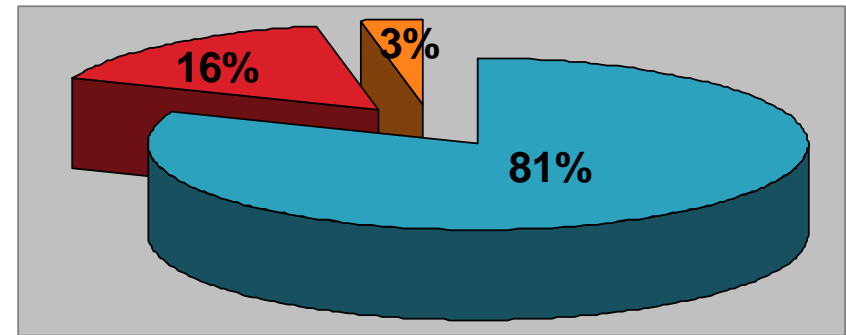
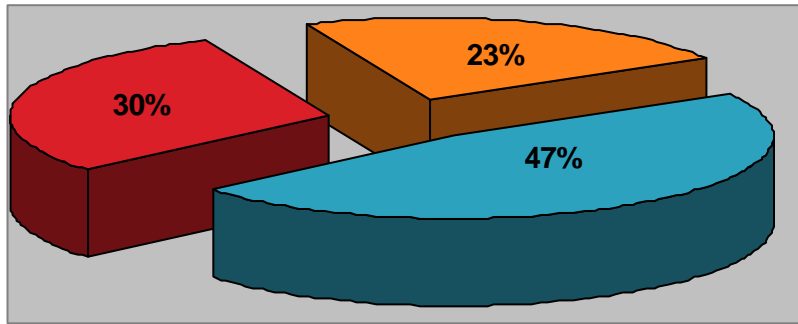
# World Market Shares end 2009

1. UK and Ireland : 17,48 %
2. France : 10,40 %
3. Italy : 10,08 %
4. Germany : 7,80 %
5. USA : 7,18 % (without ABL)
6. Japan : 6,79 %
7. Spain : 8,45 %
8. China : 5,46 %
9. Australia : 3,51 %
10. Netherlands : 2,43 %





# Type of Products



- Disclosed With Recourse
- Disclosed Without Recourse
- Invoice Discounting

- Domestic
- Export
- Import





# Market Structure

- **Concentration :**  
combined market share of three biggest factoring companies in each country : 60%
- **Bank dominated:**  
57 % of market leaders : bank subsidiaries  
24 % : bank divisions  
19 % : independent finance houses





# Factoring is a patchwork!

- Differences in legal requirements to operate
- Differences in legal environments for assignment of receivables
- Differences in products offered
- Differences in market segments served
- Differences in pricing
- Differences – Differences – Differences –
- BUT : The Fundamentals for factoring are the same all over the world.





# Expectations of the Industry for the future (GIAR 2010)

- Negative Outlook:
  - Turnover
  - Profitability
  - Debtor Risk
  - Client Risk
- Neutral Outlook:
  - Funding Possibilities
- Positive Outlook:
  - Level of Demand for Factoring
  - Future Development of the Industry in General





# Positive effects of the Financial Crisis on the Factoring Industry

- Factoring on the radar:
  - Of new potential clients
  - Of Banks
  - Of Policy Makers
- Now is the time for Factoring to become a mainstream financial service





# IFG's role in the industry



International Factoring Congress Warsaw, 16. Sep 2010



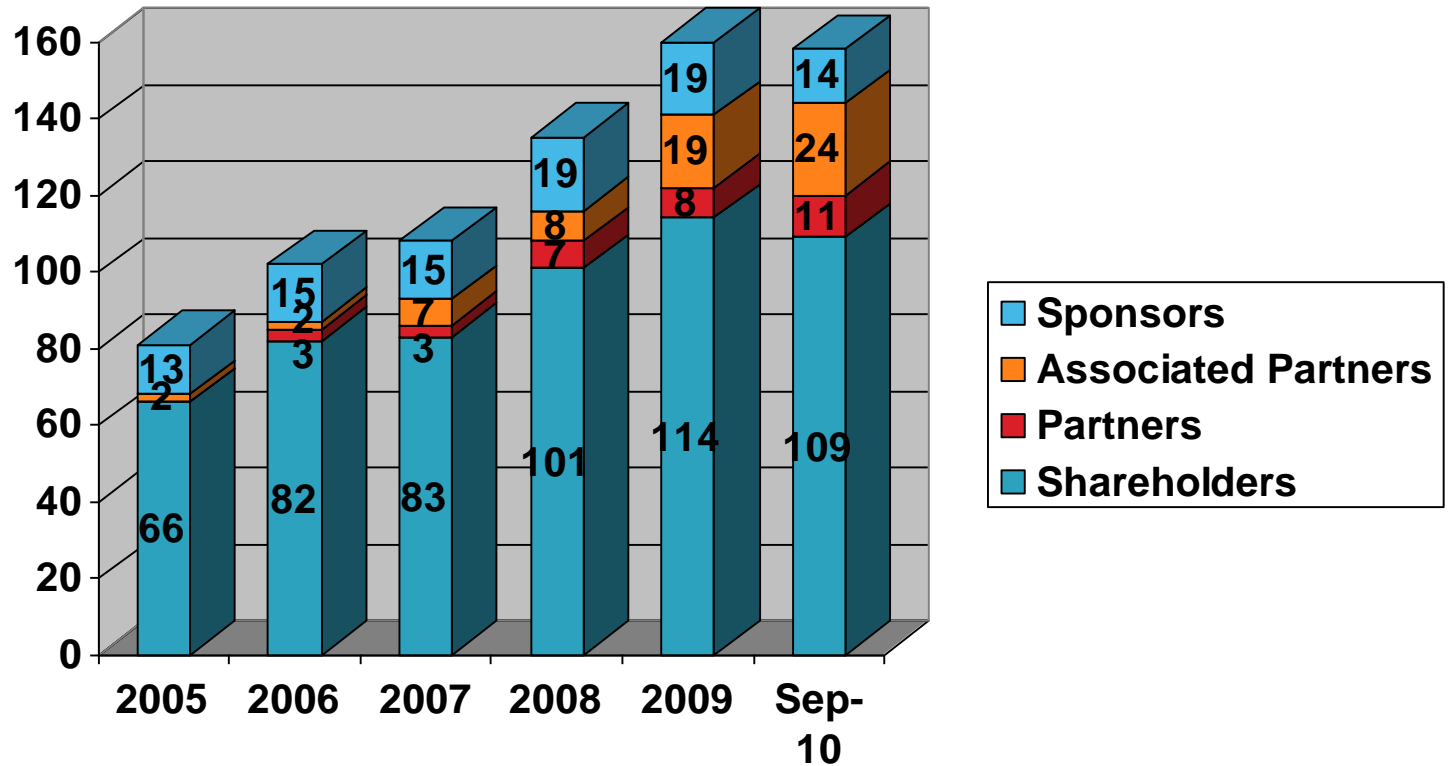
# IFG

- Started in 1963 as the first international 2-Factor platform
- 2-Factor activity between members is still core business
- In 2002 IFG became also Trade Association: “Defend the Factoring Industry’s interests worldwide” (Education, Information, Lobbying, Networking)
- Today 158 members in 57 countries
- 4 Types of membership
- 4 Regional Chapters





# Membership evolution



46 50 50 54 56 57 countries





# Two-Factor Support

- Organising Legal Environment:
  - Legal Committee
  - GRIF, DEX, IFA...
- Organising Transaction Platform:
  - IT Committee
  - IFexchange
- Helping members to get started:
  - E-Learning
  - Operations Seminar
  - Tailor-made trainings
  - Mentorship Programme





## IFG's Trade Association activities

- Training and Education:
  - IFG Academy : “master” in Factoring : 6 modules of 2 days
  - E-learning course in two-factor activities
- Regional Introduction Seminars (Asia, East Europe, Africa-Mid East, Latin America)
- Networking & Learning Events for General Managers, Sales Managers, International Managers, IT Managers, Risk Managers
- Annual Meeting (Madrid 3-6 October 2010)
- Lobby activities in EU (EUF, division of IFG)
- Studies and statistics available for members on website [www.ifgroup.com](http://www.ifgroup.com)





Thank you for the attention

Questions?

