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Comments on the proposal for a directive combating late payments

European Parliament, 4 Nov. 2009

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What are we talking about?

- ❑ 180 Billion euros to businesses if public authorities paid outstanding bills within a period of 30 days.

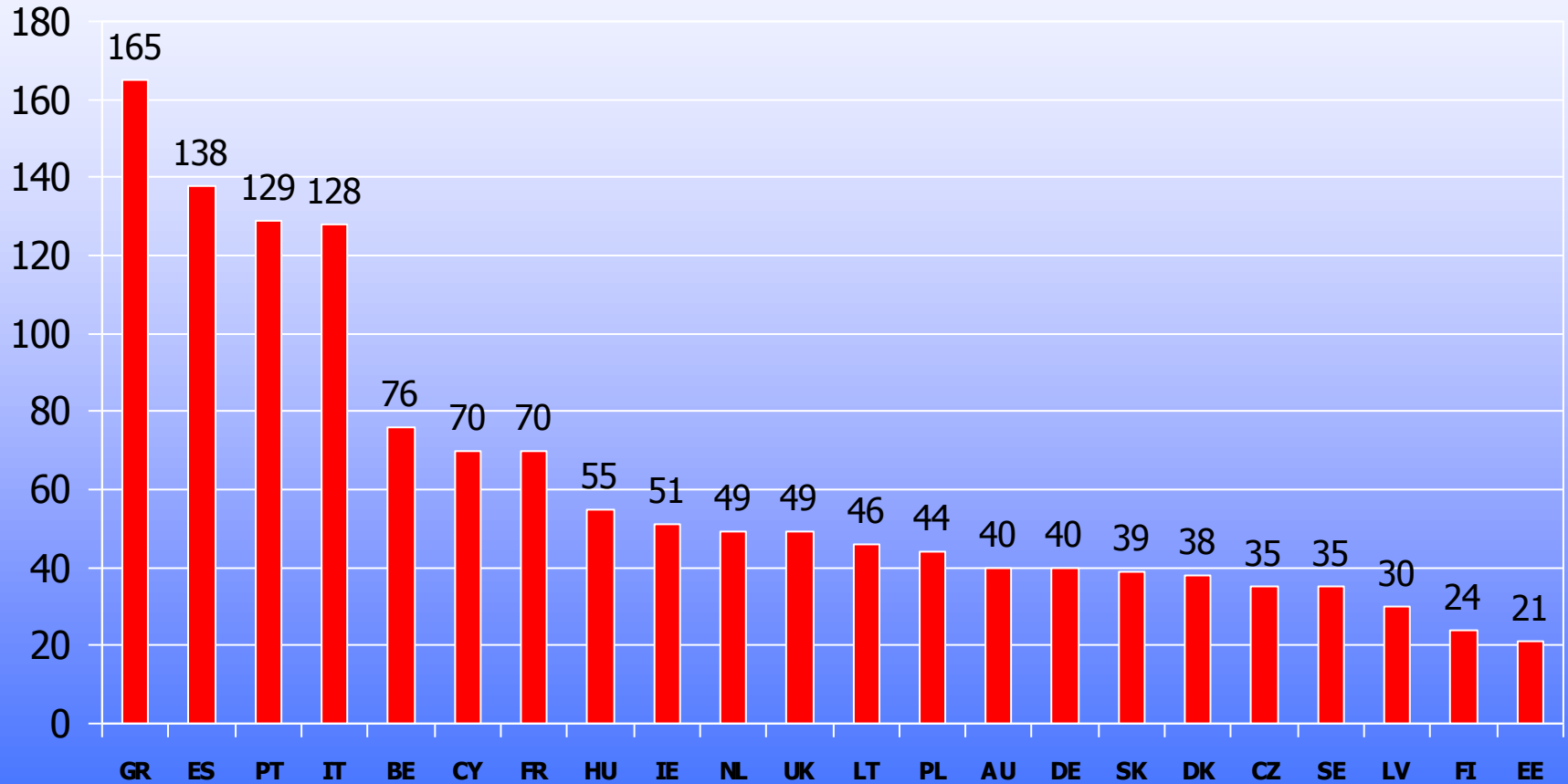
In Italy:

- ❑ 60 billions euros of credits of companies vis-à-vis the PA
- ❑ 5 billions euros is the amount provided by the Italian Government to recover from the crisis



Average payment duration in days in PA2B contracts

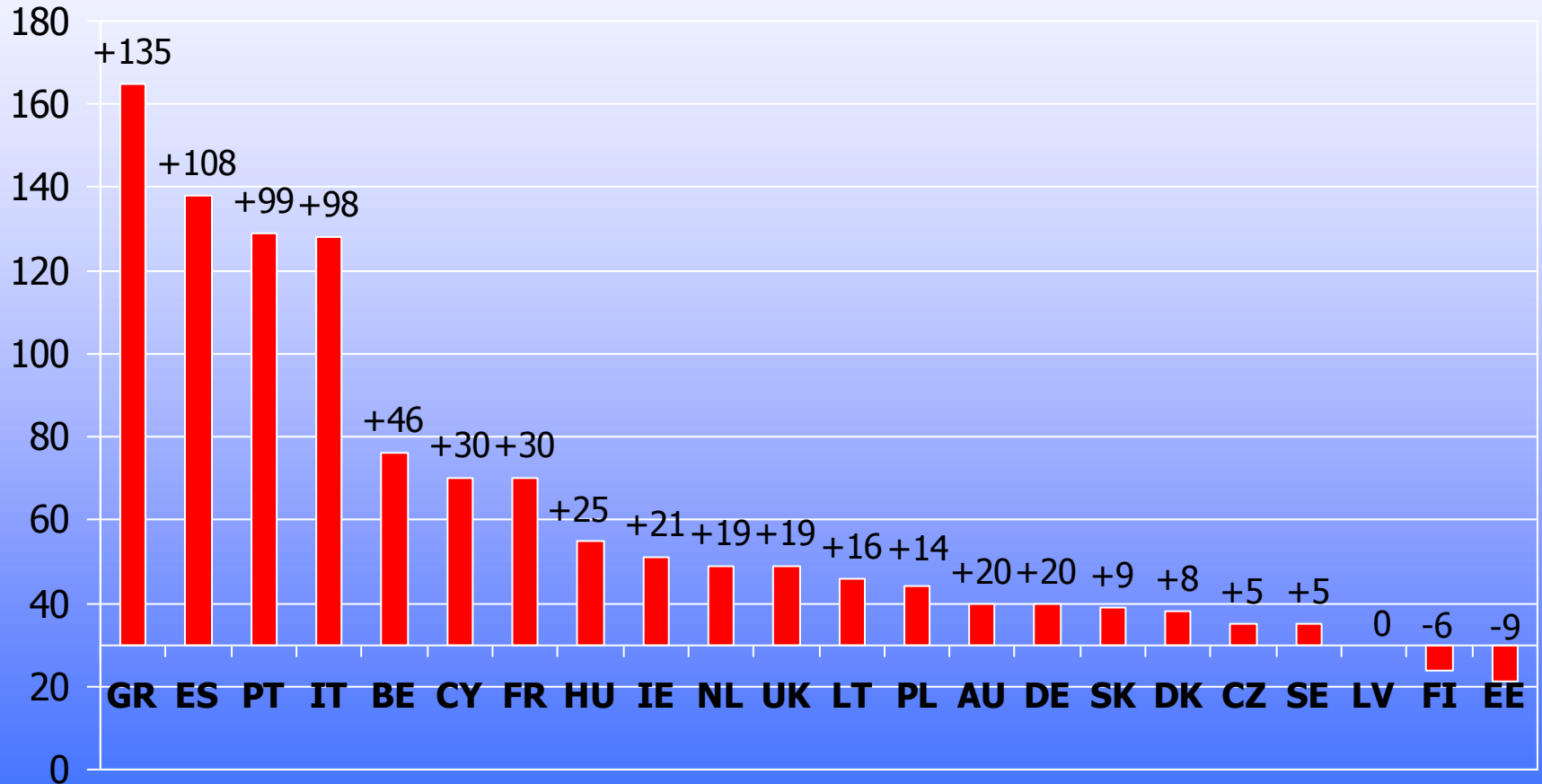
(Source: Intrum Justitia European Payment Index 2009)





Impact of the proposal on Public Authorities' payment

(Source: Intrum Justitia European Payment Index 2009)

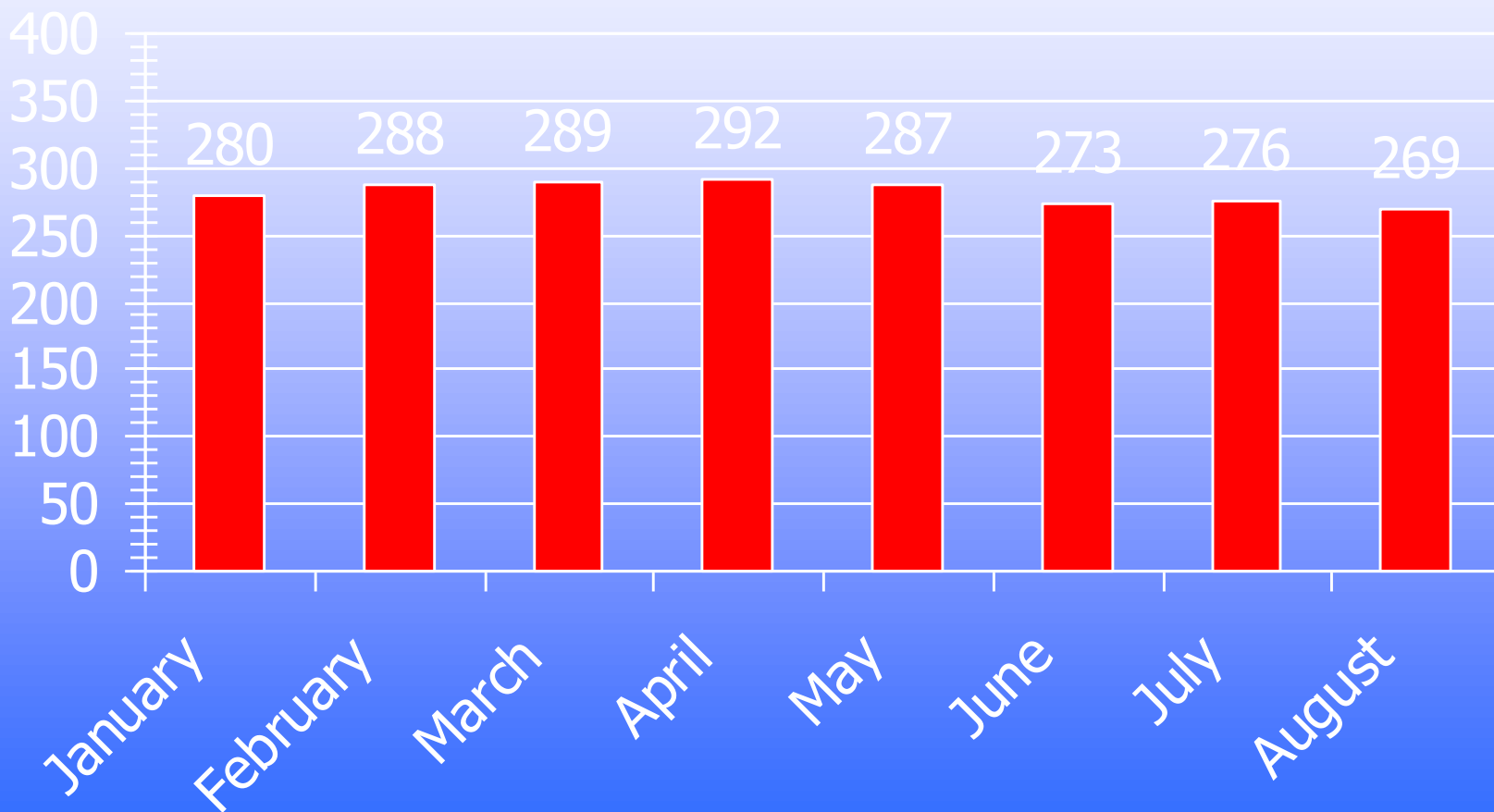




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Average payment in days in the health sector in Italy - 2009

(Source: Assobiomedica)





I Comment

- ❑ General support to the proposal
- ❑ Distinction between B2B and B2PA:
 - ✓ PA cannot commit to a contract without having budgeted the amount ex-ante
 - ✓ PA have a secure flow of income
 - ✓ Payment delays are substantially longer



II Comment

- No distinction between SMEs and large companies:
 - ✓ Distortion of competition;
 - ✓ SMEs are essential suppliers of large companies in integrated supply chains;
 - ✓ Big contracts (or procurement) are unachievable for SMEs, which associate with larger companies to take part in calls;



III Comment

1. No exemptions for specific sectors
2. Improvements of wording and structure of the article are needed (article 5.4 to be moved at the place of 5.2 for a stronger identification of the 30 days' binding limit)
3. Longer terms could be allowed, but must be duly justified under the principle of necessity, and never exceed a fixed terms (e.g. 45 days)



IV Comment

Some clarifications are needed:

1. 30... *Calendar* days or *working* days?
2. Definition of PA: referring to article 1.9 Directive 2004/18/EC and art.2.1 Directive 2004/17/EC
3. Improving the structure of the articles (specify that articles 3 and 4 refer only to contracts between undertakings)



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Thank you for your kind attention

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