

STATE OF INFORMATION

***Excerpts from the
World Bank Survey***

on

Business Credit Information

and

Public Sector Information



OBJECTIVE OF SURVEY

- ***Determine the Effectiveness of Business Credit Information Industry and the Related Public Sector Information***
- ***Demonstrate to Credit Grantors and Policy Makers the Importance of Business Credit Information in the Credit Granting Process***
- ***Strengthen the Legal and Regulatory Framework***
- ***Improve the Accessibility and Quality of Public Information Sector Databases***



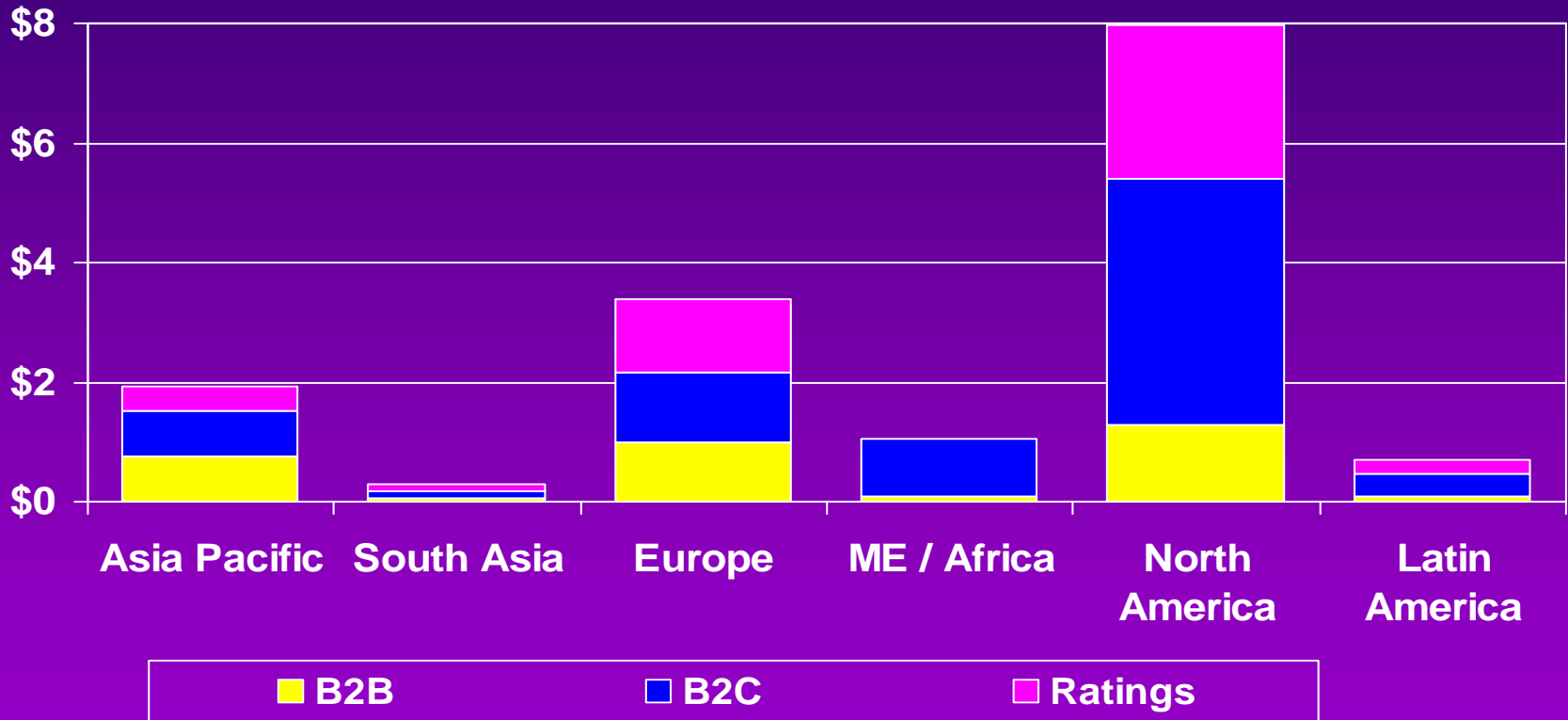
TOPICS COVERED:

- ***INDUSTRY SIZE & ASYMMETRIES IN INFORMATION CONSUMPTION***
- ***SOPHISTICATION OF SERVICES PROVIDED***
- ***SUCCESS FACTORS AND IMPEDIMENTS***
- ***THE PROBLEM WITH PUBLIC SECTOR INFORMATION***
- ***POTENTIAL SOLUTION***



ASYMMETRIES IN INFORMATION

Credit Information and Credit Ratings

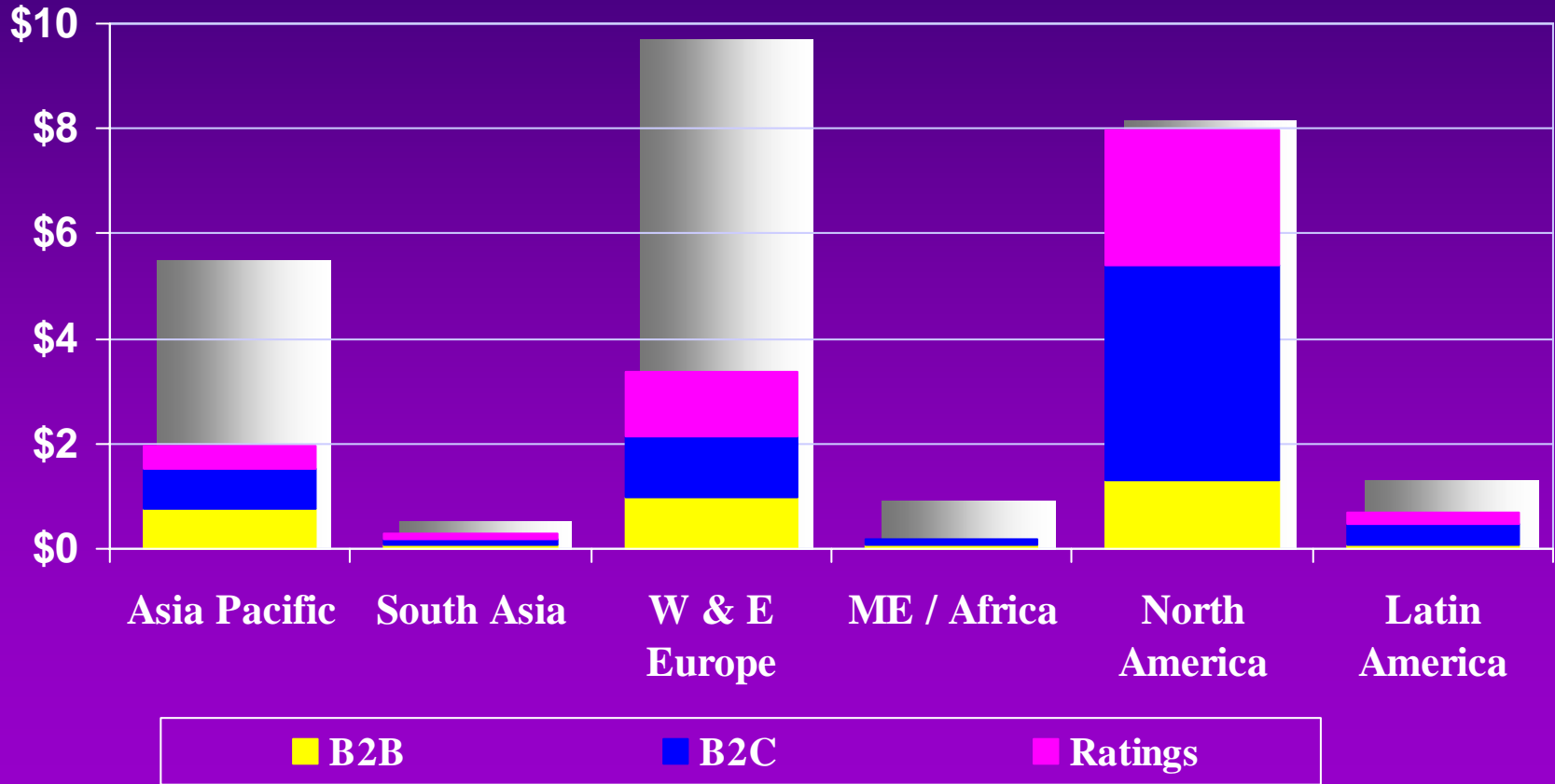


Low Penetration in Developing Countries / Low Intensity of Information Usage

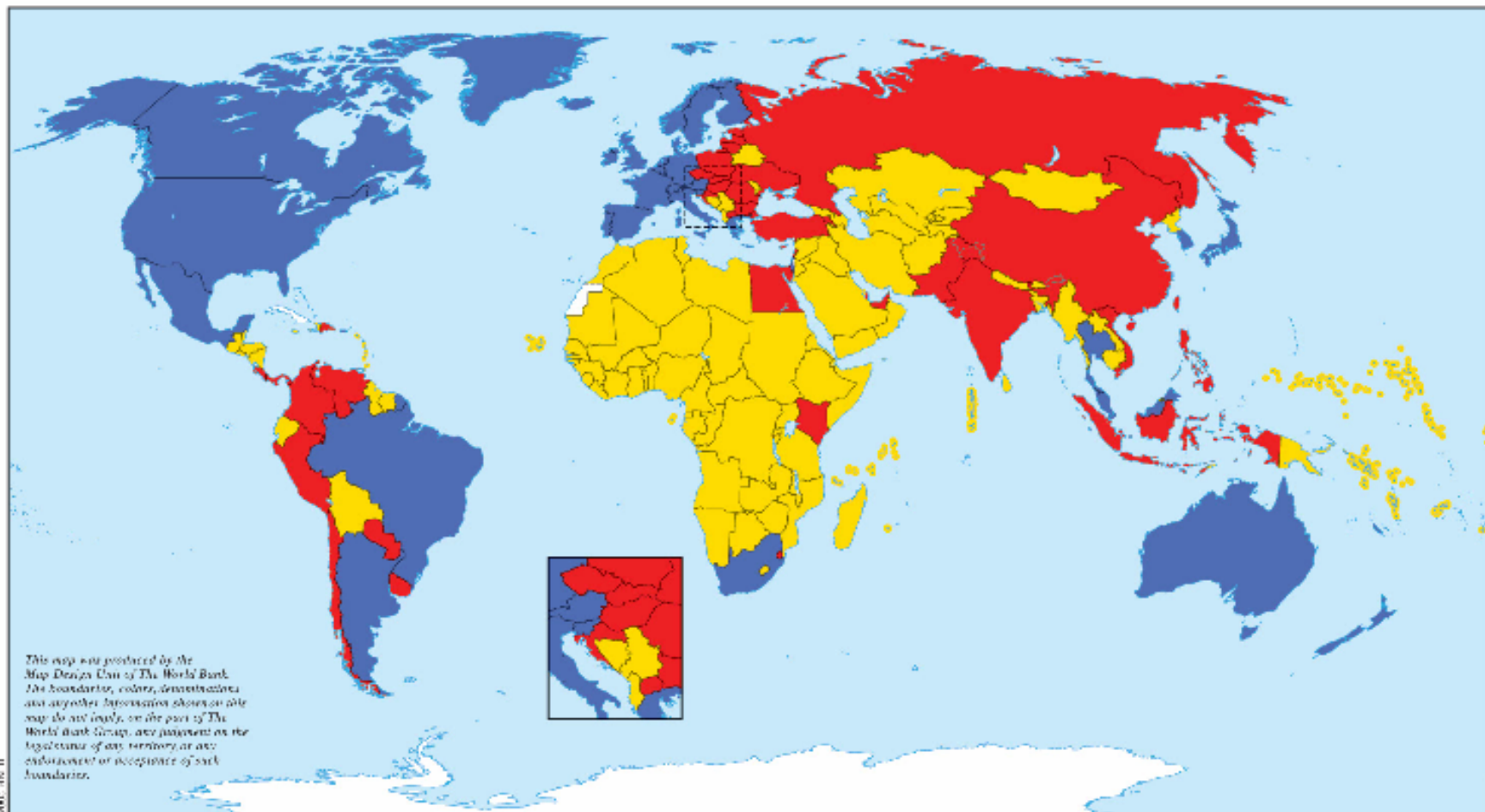


ASYMMETRIES IN INFORMATION

*Information Consumption Based on GDP (Benchmark North America)
Information Consumption Should be US 25 bn+*



Global Business Credit Information Industry

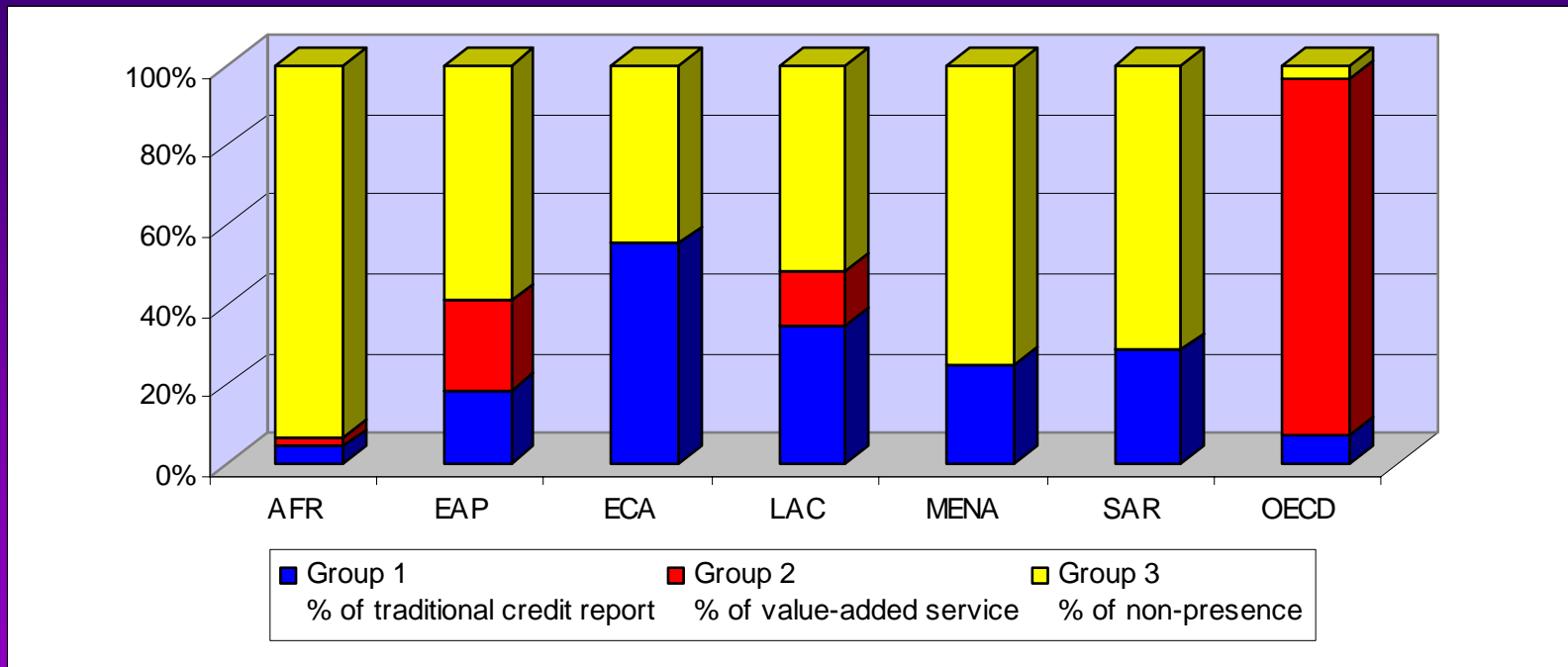


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SERVICE SOPHISTICATION

- REGIONAL COMPARISONS

Source: World Bank Survey 2006



Africa

East Asia
Pacific

E Europe
& Central
Asia

Latin
America

M - East &
North Africa

South
Asia

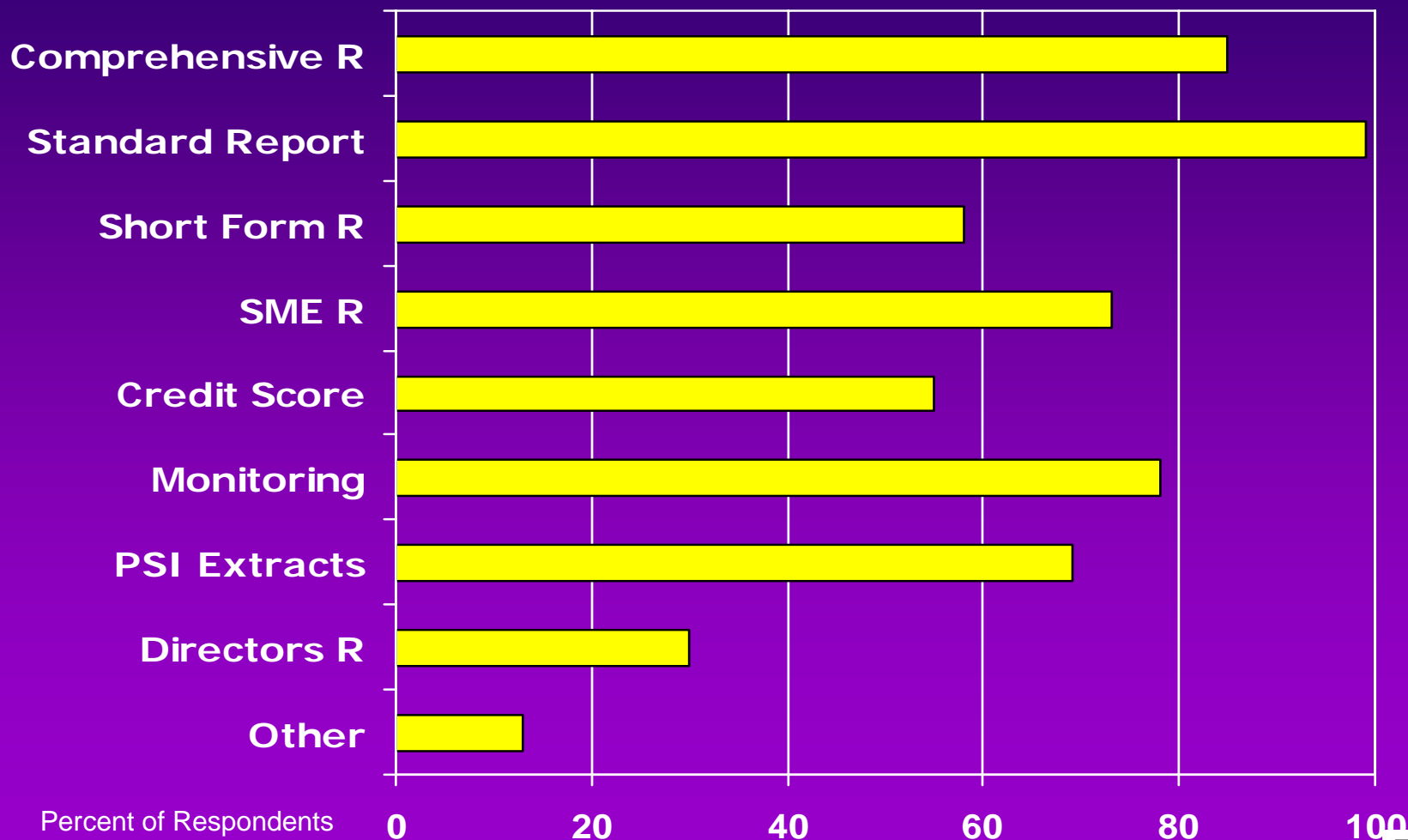
OECD



CREDIT INFORMATION

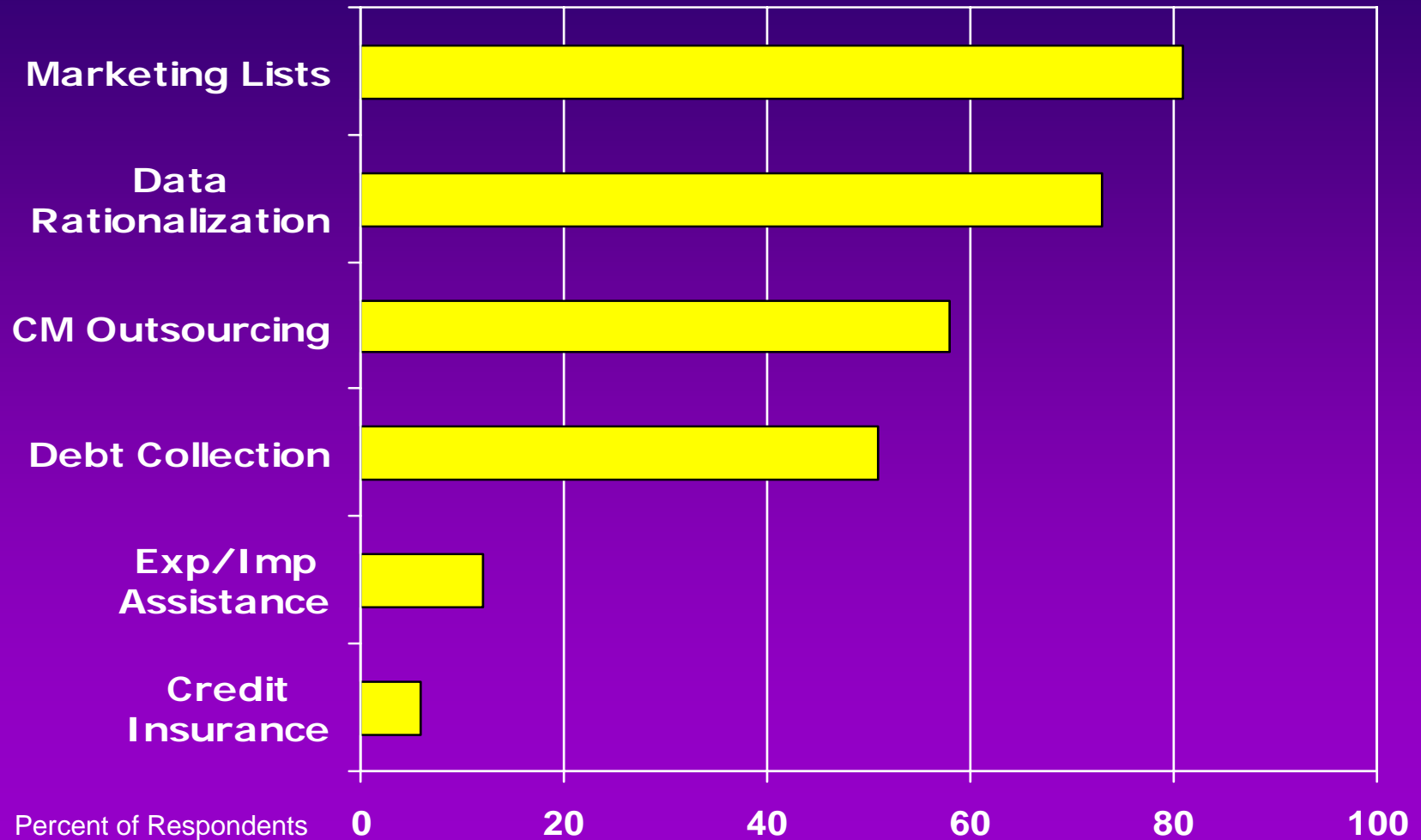
SERVICES PROVIDED

Source: World Bank Survey 2006

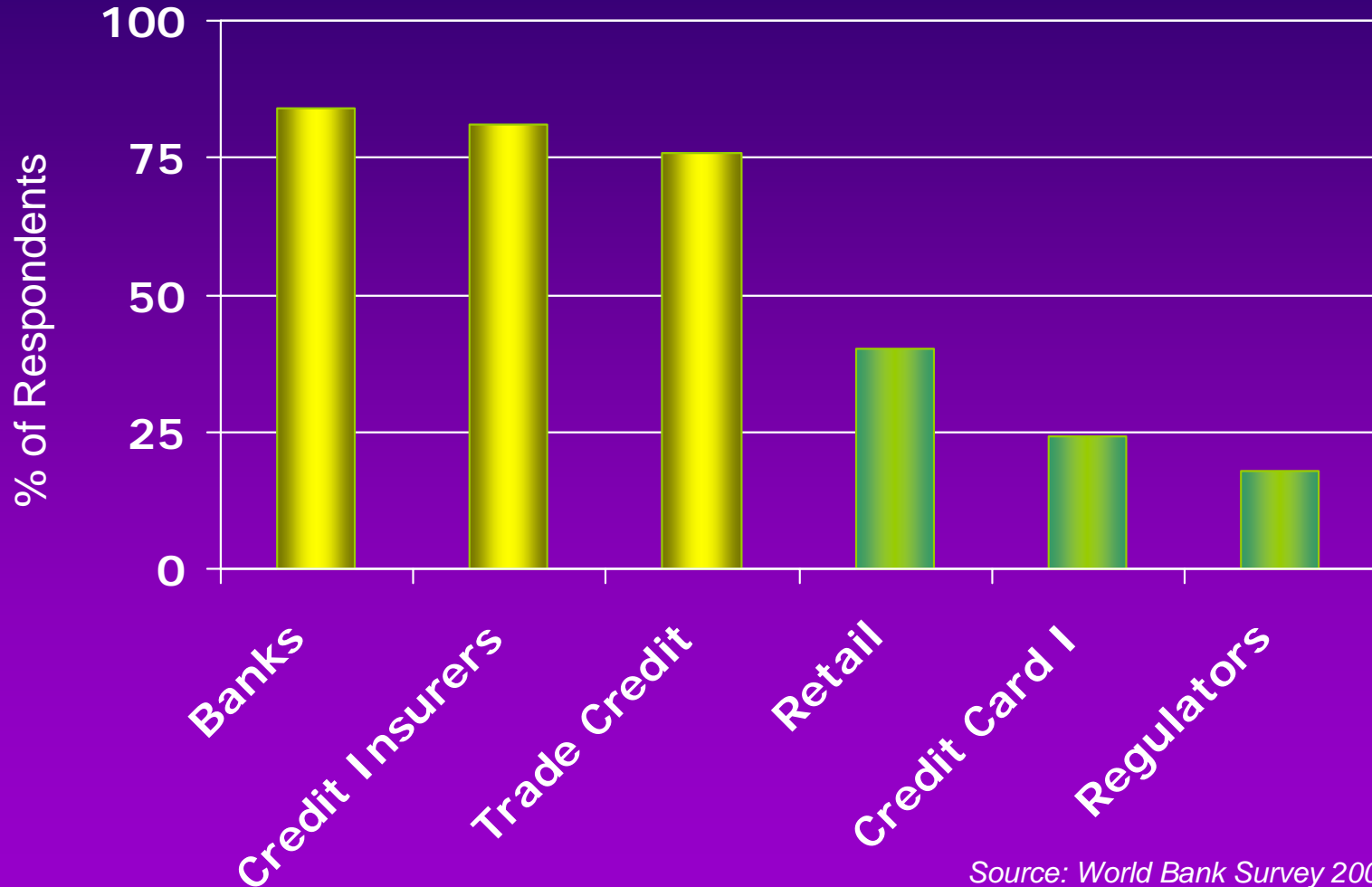


DATA SERVICES

Source: World Bank Survey 2006



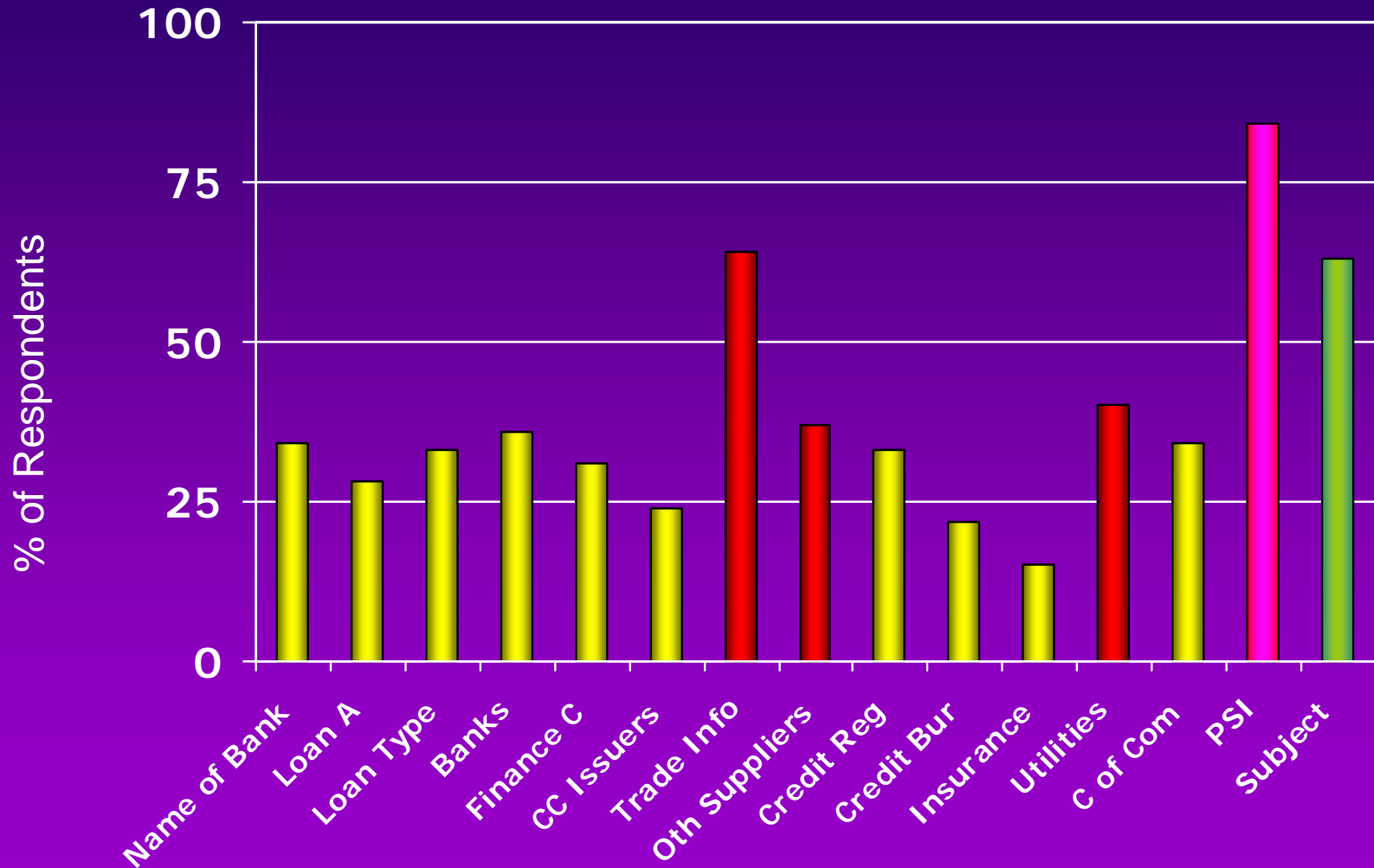
PRIMARY USERS



Source: World Bank Survey 2006



MOST FREQUENTLY USED DATA SOURCES

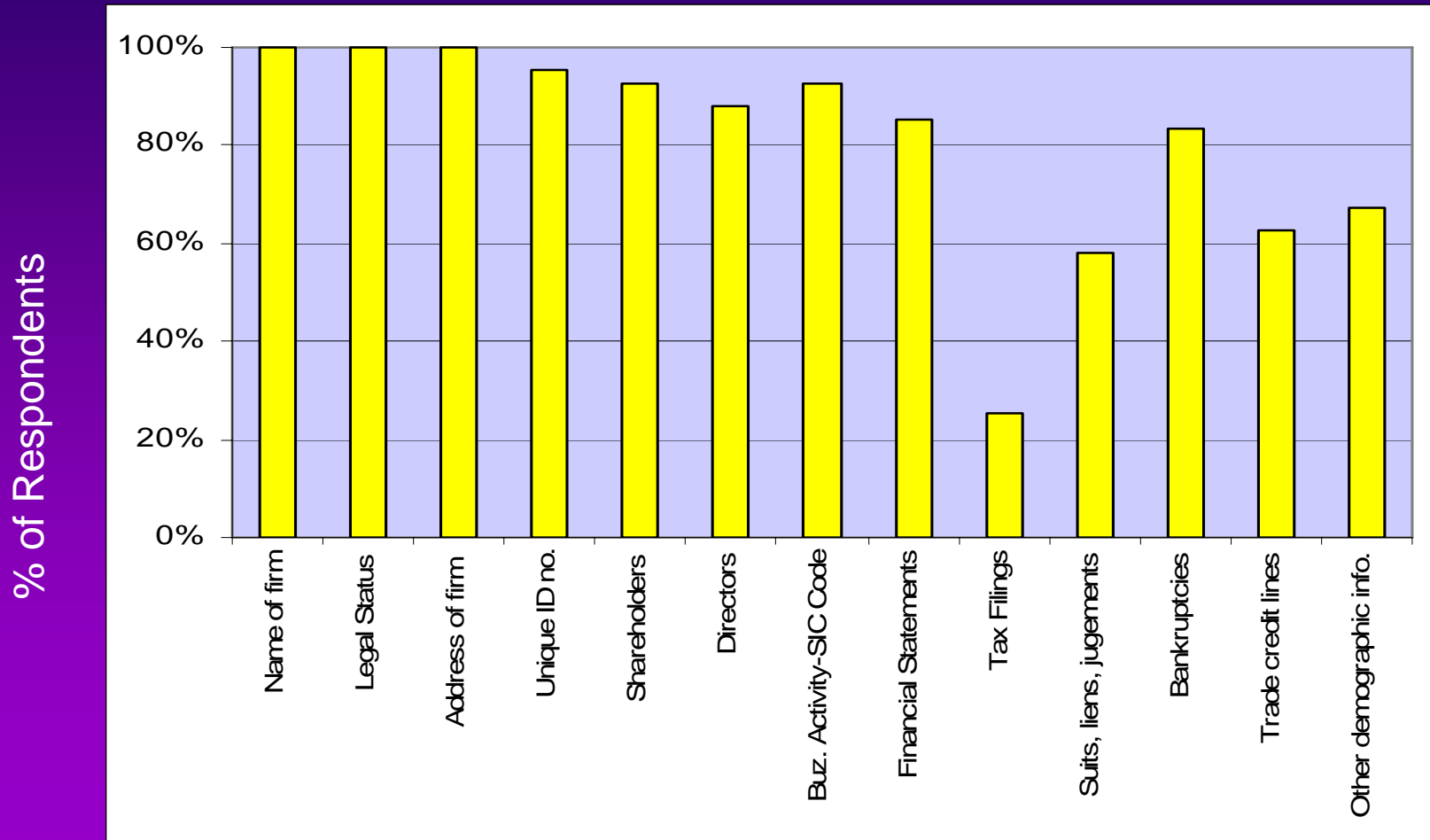


Source: World Bank Survey 2006

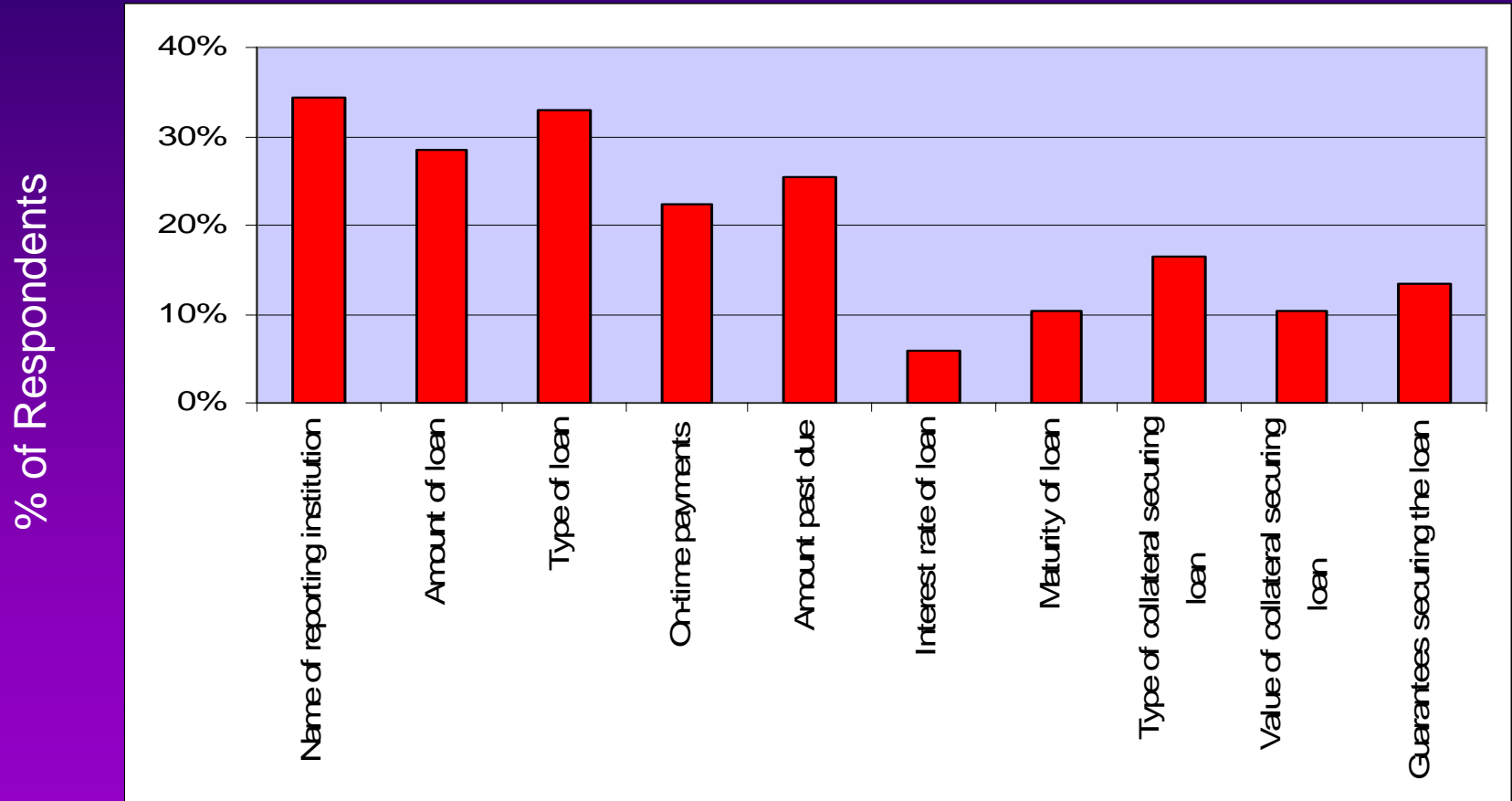


DATA ELEMENTS

Source: World Bank Survey 2006



DISCLOSURE OF LOAN INFORMATION

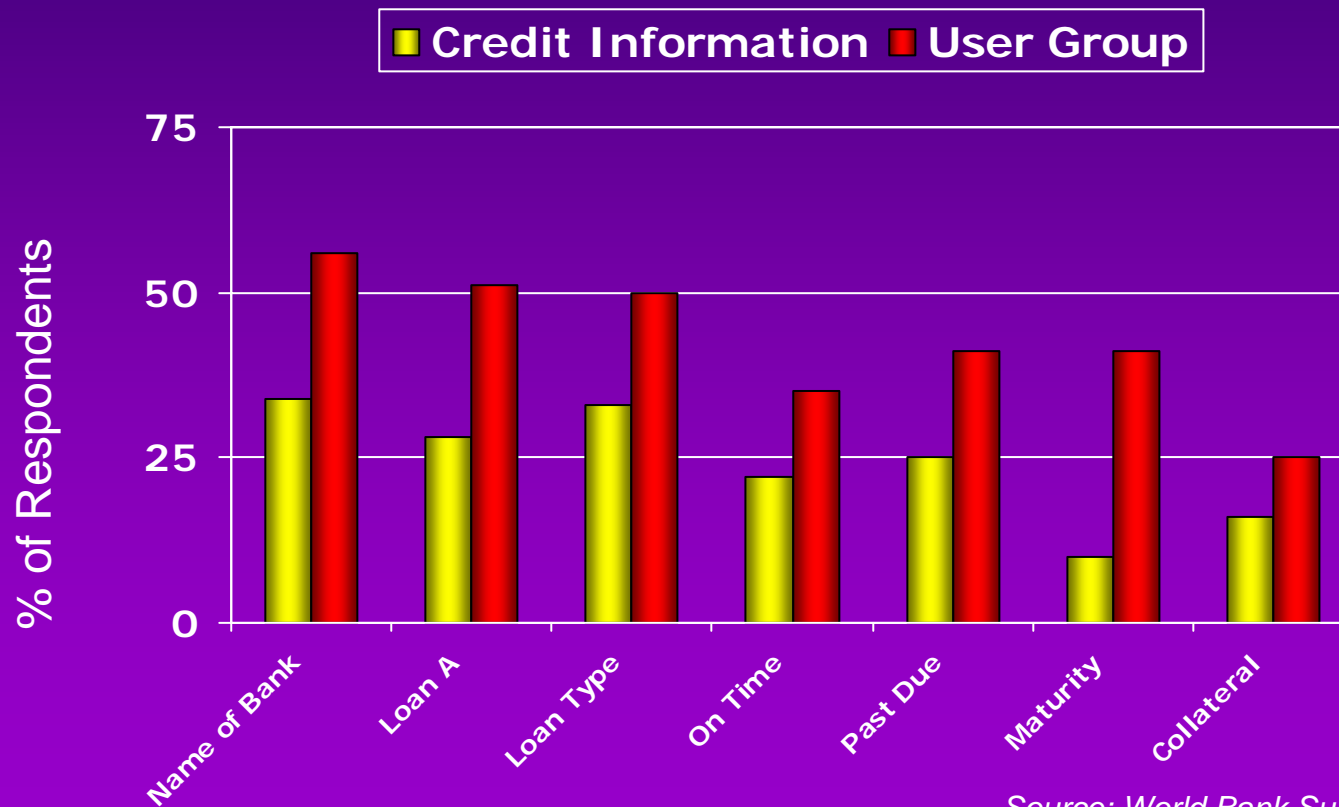


Source: World Bank Survey 2006



Disclosure of Loan Information

- **Closed User Groups vs. Credit Information**



Source: World Bank Survey 2006

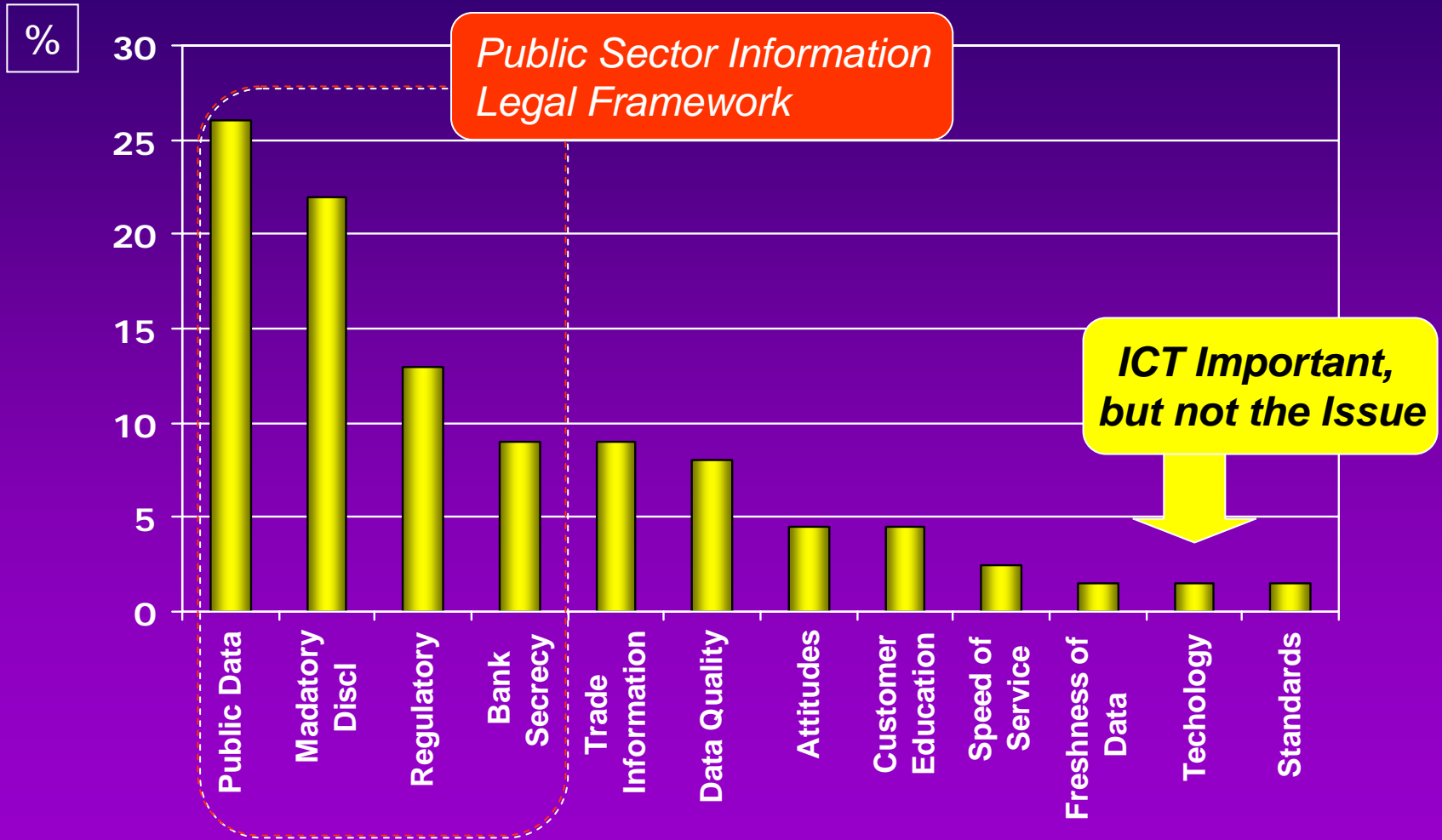


TOPICS COVERED:

- *INDUSTRY SIZE & ASYMMETRIES IN INFORMATION CONSUMPTION*
- *SOPHISTICATION OF SERVICES PROVIDED*
- ***SUCCESS FACTORS AND MAJOR IMPEDIMENTS***

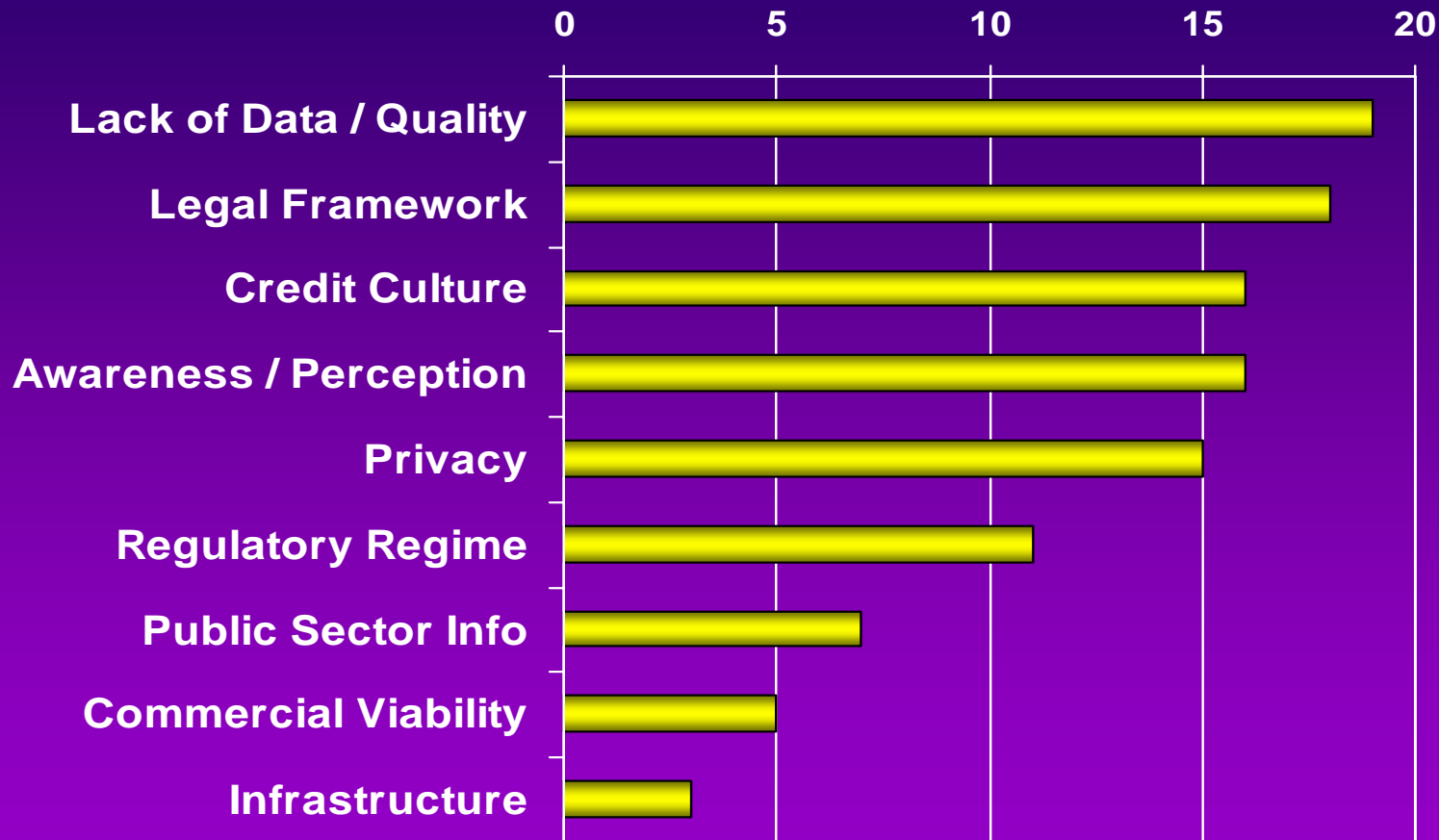


SUCCESS FACTORS - INFORMATION



KEY IMPEDIMENTS

World Bank Conference on Credit Reporting Systems in Africa Cape Town, South Africa October 2006



Frequency of Issues Raised in Cape Town Conference

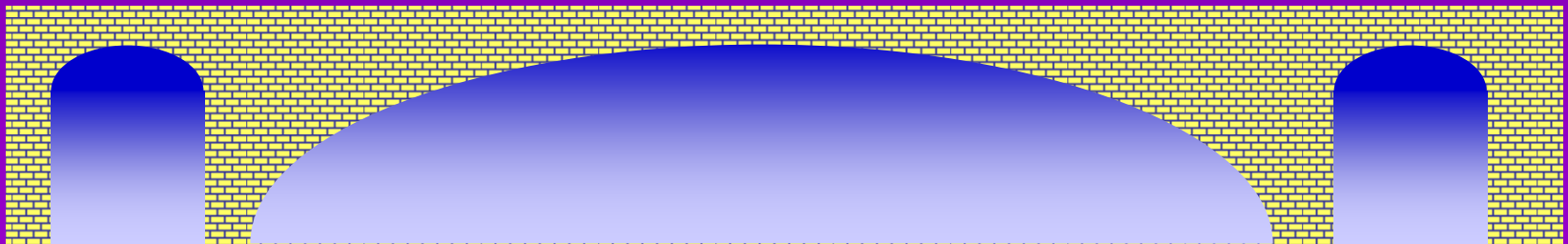
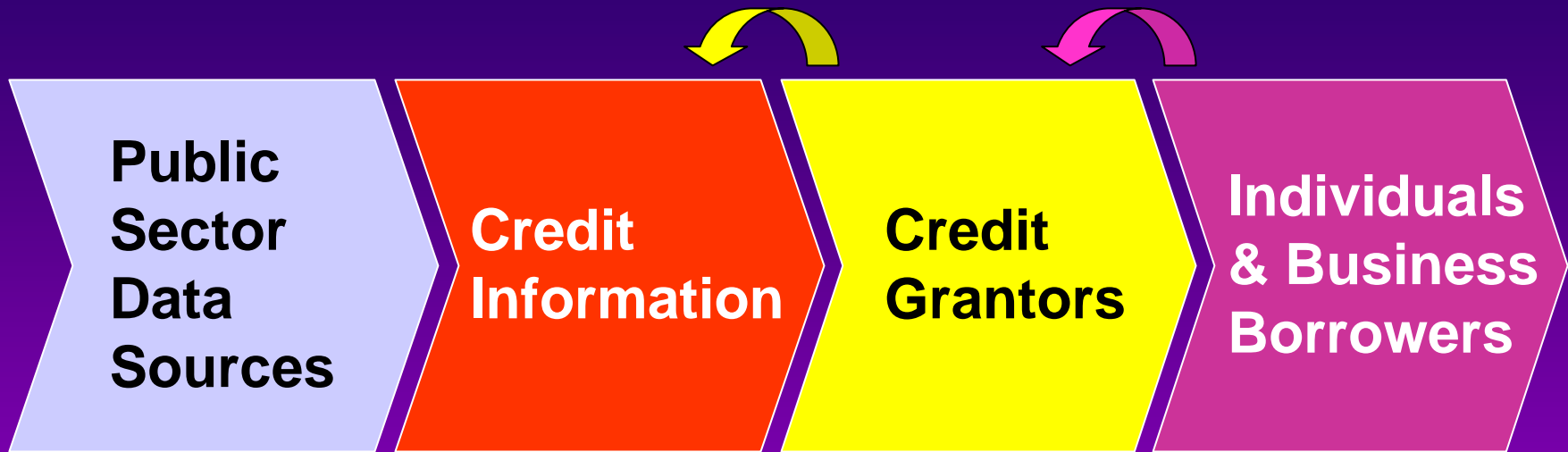


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VALUE CHAIN IN LENDING



THE DIGITAL DIVIDE

**Public
Sector Data
Sources**

**Private
Sector
Credit
Information**

**Private
Sector
Credit
Grantors**

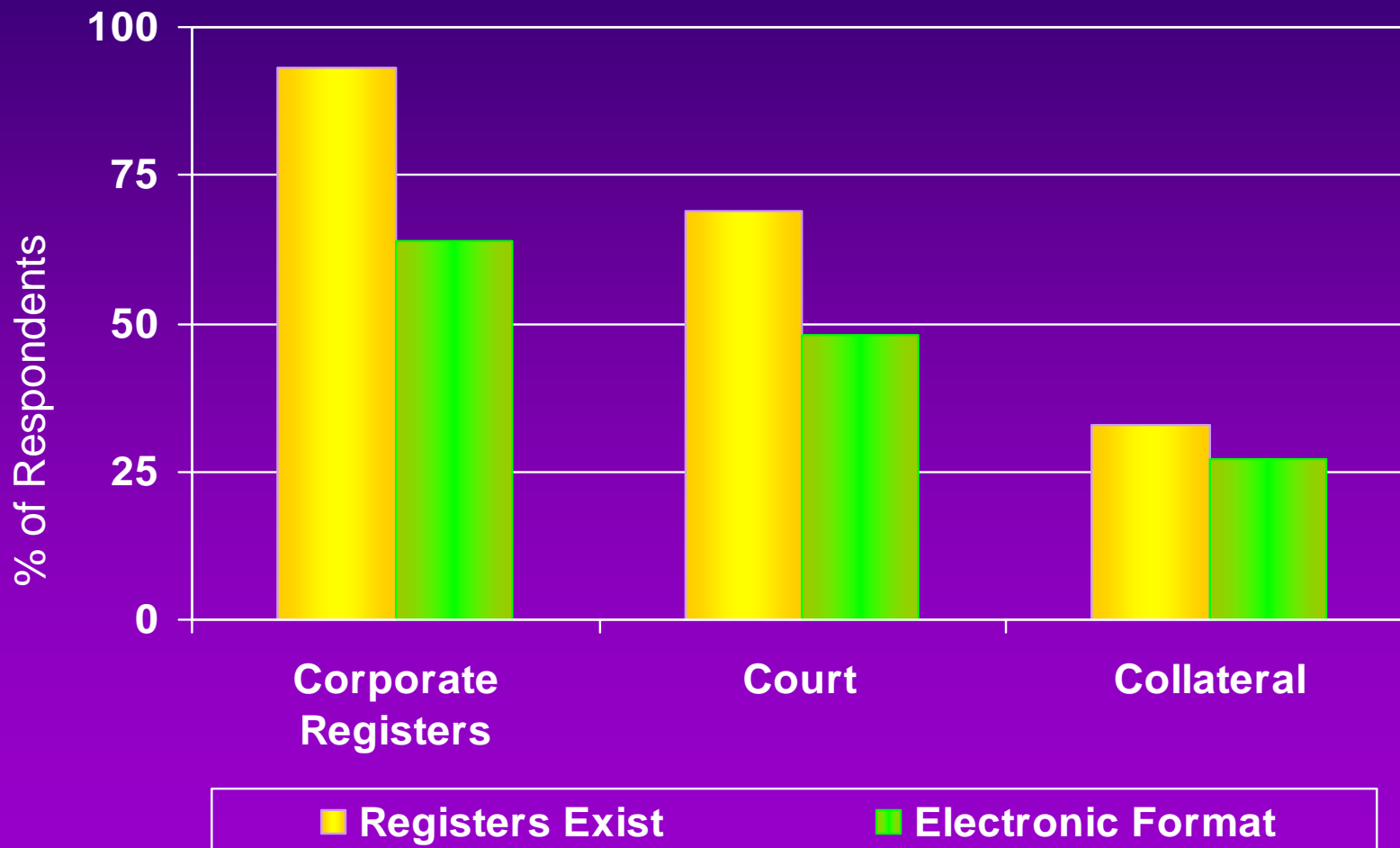
**Private
Sector
Borrowers**

***IMPERFECT
INFORMATION =
IMPERFECT DECISIONS***

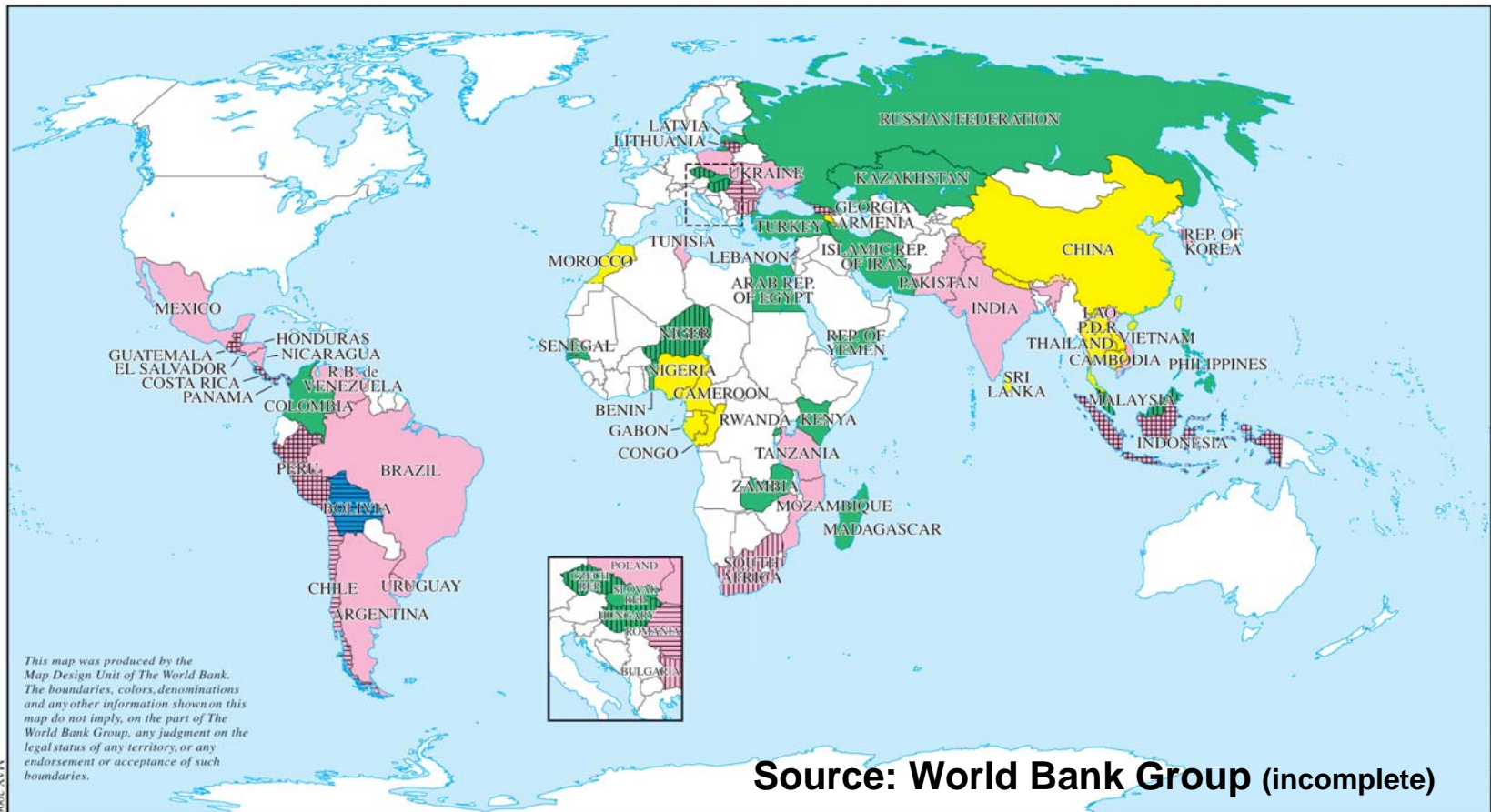
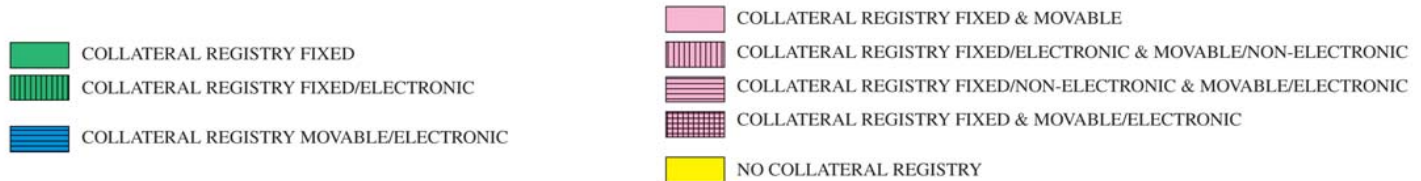


DEFICIENCIES IN PUBLIC SECTOR INFORMATION (PSI)

Source: World Bank Survey on Business Credit Information and PSI



Collateral Registries in the World



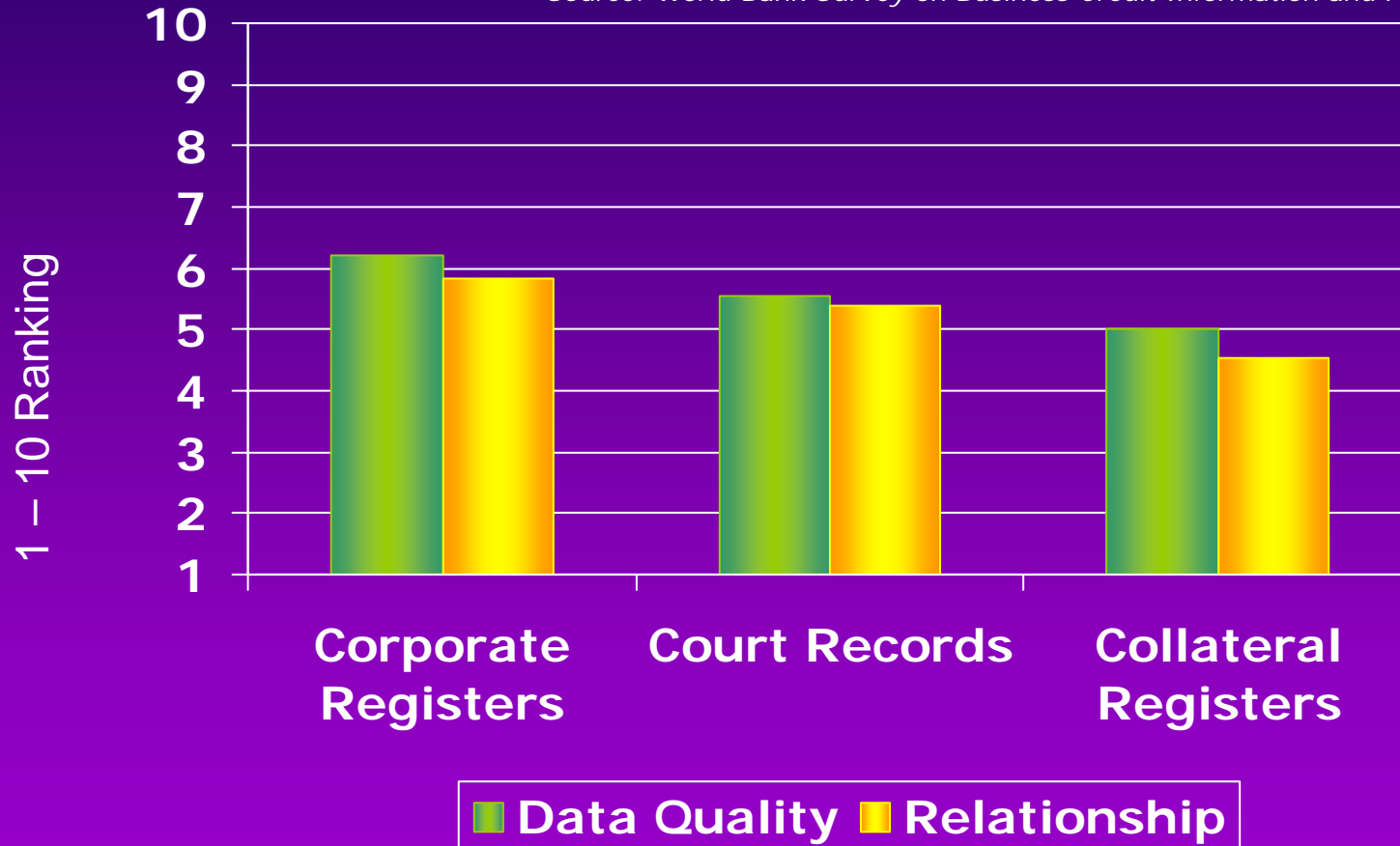
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Source: World Bank Group (incomplete)



PSI – QUALITY AND RELATIONSHIP

Source: World Bank Survey on Business Credit Information and PSI



THE IMPERFECT WORLD OF INFORMATION

• Underdeveloped Infrastructures

- Difficult to Access
- Paper Based
- Poor Quality – Out of Date
- Lax Compliance
- Lack of Legal Framework

• Attitudes of Businesses

- Information is Secret!
- Lack of Voluntary and Legal Disclosure
- No Enforced Compliance
- Lack of Transparency



CREDIT AND INFORMATION

- *Short term bank and trade credit are the largest sources for short term capital*
- *The existence of bank & trade **credit** depends on accurate, reliable and timely **information** and **credit management** skills with a direct linkage to **economic development** (WORLD BANK)*
- *In many countries trade credit has not reached its full potential because of the lack of accurate, reliable and timely information caused by underdeveloped and dysfunctional public records infrastructures*

The Digital Divide

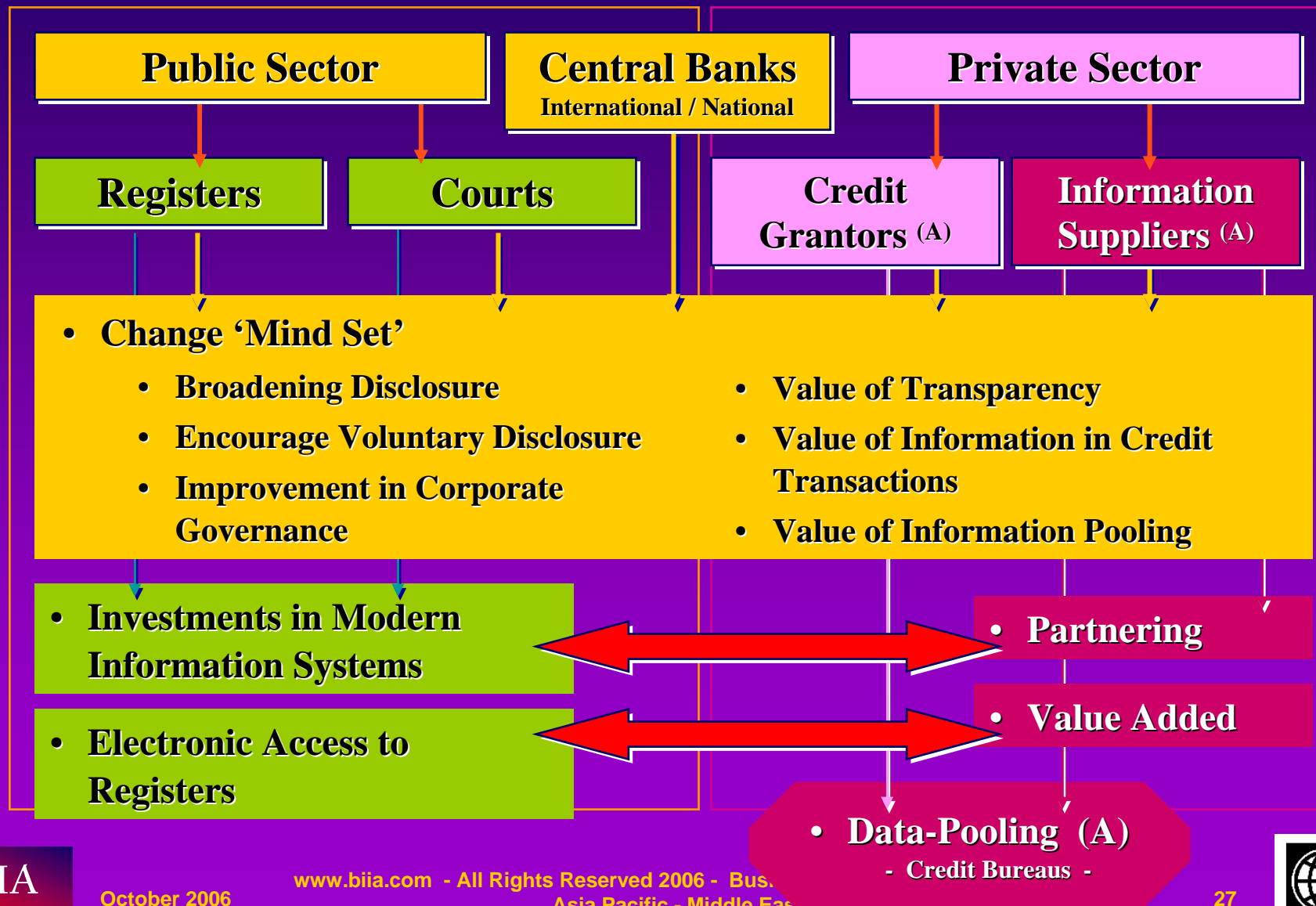


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Bridging the Digital Divide



Thank You

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