

Share of total payments received by SMEs (%)			
Year	Cash*	Prom. Notes	Trade Credit**
1992	34.0	59.2	6.8
1993	29.4	56.2	14.4
1994	28.2	56.6	15.2
1995	30.3	57.5	12.2
1996	29.4	55.7	14.9
1997	28.2	59.5	12.3
1998	32.0	53.6	14.4
1999	34.4	49.8	15.8
2000	38.9	43.1	18.0

Source: Korea Federation of Small and Medium Business,
Survey of Small and Medium Firms, (1992 - 2000)

* Cash refers to cash and checks received within 30 days of sales of goods.

** Trade credit refers to cash and checks received after 30 days of sales of goods.

Another notable feature is the small proportion of notes that are held to maturity. The survey referred to in the table above also reports that in 1998, only 26 percent of promissory notes were held by the original recipients until its maturity. Promissory notes are discounted primarily by banks, accounting for close to 90% of all notes discounted in 1998. However, other non-bank financial institutions or lenders in the unregulated private curb markets discounted 3.8%, and the private curb market accounted for 5% of face value. Annualized discount rates are high, as shown below with the median being in the range of 18 - 30%. The crisis year of 1997 stands out particularly starkly.