

Purchase commitments (suppliers and subcontractors)

The Group has payment commitments to its suppliers in addition to those recognised in trade payables as a result of orders that are still in the drafting or construction phase and cannot be invoiced until the scheduled payment milestones are reached. This is offset by the fact that the Group in turn invoices its customers in accordance with similar milestones to those in place with its suppliers.

Information on weighted average days to pay suppliers, third additional provision of Law 15/2010 of 5 July: «Duty to inform» (According to the new drawing-up given by the new Regulation 13/2014 Mercantile Law).

As stipulated in the law of reference and in the resolution of ICAC dated on 29 January 2016, the following information is provided on the weighted average days to pay suppliers:

			2017	2016
			Days	Days
Average period of accounts payable			74	70
Ratio of paid operations			73	72
Ratio of operations not paid			75	61
			Euro Thousand	
Total paid			1,263,261	1,484,737
Total unpaid			268,182	324,721

The Group is complying with the legally-mandated payment terms, with minor delays on invoices that do not meet the contractual conditions, either due to lack of official approval, missing guarantees or failure on the part of the supplier to meet other obligations under the signed order service agreement. Minor payment delays can be caused by any of these issues.

The information shown on the table above was calculated as stipulated in the resolution of 29 January 2016 of the ICAC. For the purposes of this note, the concept of trade payables includes the miscellaneous suppliers and creditors for amounts owed to the supplier of goods or services including the scope of the regulation governing payment deadlines.

To calculate the information shown in this note, the Group considered the transactions with Group suppliers after eliminating the reciprocal credits and debits of subsidiaries and other Group companies as stipulated in the applicable consolidation standards.

The table above shows the information for Spanish companies included in the consolidation group only.