Atradius
Managing risk, enabling trade

November 2020

Germany: risk of payment default in domestic business still hugely underestimated

Atradius Payment Practices Barometer

Survey results for Germany

The Atradius Payment Practices Barometer is an annual survey that assesses business payment behaviour throughout the world. The survey explores a range of topics including payment terms, payment delays, credit sales and DSO (Days Sales Outstanding).

The survey provides us with the opportunity to hear directly from businesses and, this year, gives us insight into how businesses are coping with the COVID-19 pandemic and global recession.

In this report, you will find the survey results for Germany.

Dr. Thomas Langen, Senior Regional Director Germany, Central and Eastern Europe of Atradius, commented on the report:

"The risk of bad debts has risen sharply for almost all German companies as a result of the Corona crisis. This year, we were therefore particularly curious about the results of our payment behaviour barometer and how the companies surveyed would react to the increasing financial uncertainties.

The biggest surprise for us was certainly the fact that a considerable number of German companies still underestimate the risk of payment default in domestic business. Nearly half of the companies surveyed intend to grant more frequent business with payment terms in the coming months. More than 70% do not want to have such trade credits covered by insurance.

Such blank credits pose a major threat to the liquidity of one's own company - especially now that insolvent companies in Germany have had to file for insolvency again since October 1. This is because if the customer has to go to the local court, the supplier will be left without insurance cover at his own expense - and under certain circumstances will find himself in subsequent insolvency. Against this background it is all the more important that companies only take responsible risks. This is where our expertise comes in."

Key takeaways

Businesses offer more trade credit than before the pandemic
41% of businesses reported that they most often accepted requests for trade credit from SME B2B customers in order to stay competitive on the domestic market.

Payment terms see more than four-fold increase
Average payment terms in Germany have grown from 22 days prior to the pandemic to 92 days during the pandemic and are significantly longer than the average for Western Europe.

Late payments rise in Germany by 65% year-on-year
On average, 40% of respondents in the country reported they had to wait up to 30 days longer than last year to turn overdue invoices into cash.

Businesses succeed in protecting cash flows from negative effect of recession
In contrast to the trend seen in Western Europe, the majority of survey respondents said they had successfully contained any negative impact on cash flow.

Businesses in Germany more optimistic about the domestic economy than counterparts in region
70% of businesses in Germany told us they expect the domestic economy to improve next year. This is much more positive than the Western European average of average 57%.

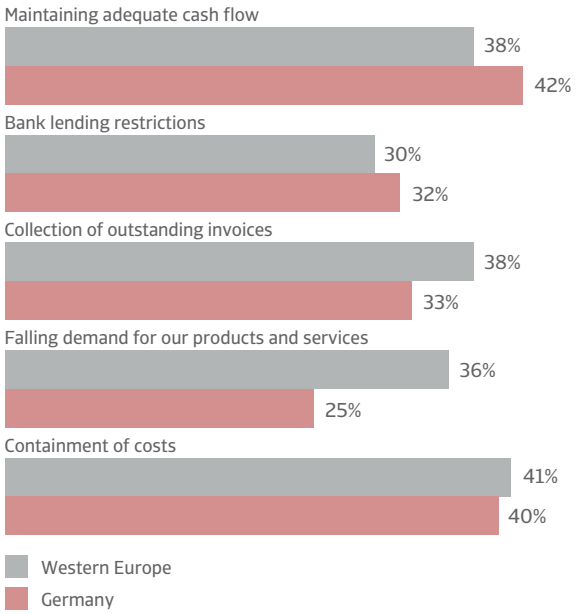
Businesses leverage credit on the domestic market to promote trade amid economic uncertainty

The pandemic downturn that has spread rapidly throughout the world has reached Germany at a relatively good point in its economic cycle. The country has enjoyed ten years of solid economic performance, albeit with a slowing of economic expansion last year. This summer, as lockdown orders took effect pausing production or sales for many companies in Germany, the business community acted fast. This has enabled them to maintain their turnover on a certain level. In some cases even growing sales were possible through attractive credit terms.

It was at this point that we conducted this year's Payments Practices Barometer survey. In addition to providing us with direct access to business opinion at a critical time, it provides us the opportunity to compare COVID-19 impacted business results with pre-pandemic times. Although this year's survey panel is slightly different to last year, overall the survey results enable us to identify clear trends.

The strongest pattern we can see from the pandemic results is a clear shift in favour of offering credit terms in domestic business. This is a trend that looks set to continue into 2021, supported by business confidence that customer creditworthiness will improve next year. Indeed, despite the challenge that the pandemic undeniably poses, the business community is upbeat in its forecasts and a strong sense of optimism prevails.

Germany: top 5 challenges to business profitability in 2021



Sample: all interviewed companies
Source: Atradius Payment Practices Barometer – November 2020

Main survey results for Germany

■ **One third of businesses offer more credit after onset of pandemic**

Trade credit is involved in 51% of the B2B sales of the businesses surveyed in Germany (compared to 55% in the region overall). 34% of the businesses reported an average 30% increase in the total value of their B2B credit sales after the onset of the pandemic compared to before. For 56% there was no change. Just 10% of the businesses surveyed in Germany reported a decrease in B2B sales on credit.

Interestingly, the focus for trade credit in Germany appears to be on the domestic market. 41% of businesses reported that they most often accepted requests for trade credit from SME B2B customers in order to stay competitive on the domestic market. This is notably higher than the 29% reported in Western Europe overall. 34% of the survey respondents granted trade credit to provide B2B customers liquidity support as they were facing financial distress; again this is much higher than the regional average of 19%.

Most trade credit request refusals were made to SME export customers. The reason for turning down the request was most commonly due to an increased risk of payment default in the customer's county. This was reported by 33% of survey respondents (regional average: 30%). On average, trade credit refusals amounted to nearly 20% of the total B2B sales value.

This pattern of increasing trade credit for the domestic market and decreasing the amount provided for export customers is a trend that emerged after the start of the pandemic. On the domestic market higher value requests for credit were accepted more often, whereas on the export market, more requests were turned down (leading to a lower value overall). This may suggest that following the onset of the global recession, the perception of the risk of payment default arising from domestic sales is different to the perception of risk associated with foreign trade.

Over the coming months, 40% of the businesses surveyed in Germany (higher than the 30% at regional level) told us they would accept more requests for trade credit from their B2B customers to encourage domestic sales and stay competitive on the domestic market. This further indicates the changes we observed in trade credit policies that occurred after the start of the pandemic are part of a new trend, chiefly to sustain the domestic market.

41%

of businesses reported that they most often accepted requests for trade credit from SME B2B customers in order to stay competitive on the domestic market. This is notably higher than the 29% reported in Western Europe overall.

Atradius Payment Practices Barometer – November 2020

■ **Radical changes to payment terms see significant growth in the number of days of credit offered**

Payment terms have undergone a significant upheaval in Germany following the start of the pandemic lockdowns and economic downturn. The country currently has average payment terms of 92 days. This is significantly longer than last year's 22-day average and notably higher than the 46-day average for Western Europe.

This 92-day average is largely a reflection of lenient credit policies applied by small businesses operating in the manufacturing sector; chiefly in the chemicals and steel/metals industries. The majority of businesses told us they offered more lenient credit terms to stay competitive on the domestic market.

Last year, the majority of businesses in Germany (94%) offered payment terms of up to 30 days. This year that figure has plummeted to 44%. Significantly, there has been an unprecedented growth in the number of businesses setting payment terms of 90 days or more. This has grown to 43% from just 10% last year. 13% of businesses report offering terms of 31 to 90 days. Overall, 46% of the survey's respondents told us that B2B payment terms grew longer during the pandemic, and are currently up to one month longer than last year.

For half of the businesses we surveyed in Germany, B2B payment terms remained stable compared to pre-pandemic levels. Only 4% of respondents reported asking B2B customers to pay invoices on average 15 days earlier than last year.

This new trend towards offering longer payment terms presents some interesting possibilities. On the one hand, the increased use of B2B trade credit could help support businesses suffering from liquidity issues brought on by the pandemic recession and could have a positive impact on business relations between two companies. On the other hand, statistics have shown that the longer an invoice remains unpaid, the greater the risk of payment default is. In addition, offering trade credit to a wider customer base has an inherent risk that credit may be extended to customers with poor credit quality – particularly against the background of the governments' aid packages to stabilise the economy. This measures – together with low interest rates – have also keep a number of firms alive which under normal conditions would no longer be able to survive on the market. This allows suppliers to work with companies that are already insolvent without even knowing it, thus increasing the likelihood of default.

■ **Germany experiences significant increase in late payments**

Late payments in Germany have grown to 53%, up from 32% last year and above the 47% average for Western Europe. This corresponds with an average 65% increase year-on-year. It also suggests businesses maybe experiencing a significant increase in costs to pay for the financing and administration associated with carrying trade debts. On average, 40% of respondents in the country reported they had to wait up to 30 days longer than last year to turn overdue invoices into cash.

An average of 7% of the total value of B2B receivables was written off as uncollectable after the onset of the pandemic (in line with the proportion for Western Europe). 8% of the total value of B2B receivables was reported to still be outstanding at 90 days overdue. This indicates that, on average, businesses in Germany have lost around 90% of the value of their B2B receivables that were not paid within 90 days.

The increase in late payments caused by the pandemic-induced economic crisis is also reflected in the lengthening of DSO. 53% of the businesses surveyed in Germany reported DSO increases of up to 10%, with 41% reporting increases of more than 10% compared to before the pandemic. A notably lower percentage of businesses (7%) reported shorter DSO compared to before the pandemic. In particular, 32% of respondents reported average DSO between 1 and 30 days, 25% from 31 days to 90 days and a staggering 43% reported average DSOs of 90 days or more. This results in an average DSO for Germany of 150 days (compared to 98 days for the region). This figure is heavily influenced by the long DSOs reported by medium-sized businesses belonging to the SME segment, operating in the services sector and both the steel/metals and transport industries.

■ **Businesses in Germany spent a lot more on chasing overdue invoices than last year**

Due to the increase in payment defaults, businesses surveyed in Germany told us they took protective measures to avoid suffering liquidity shortages. 56% of businesses most frequently increased the amount of time, costs and resources spent on managing outstanding receivables (regional average: 37%). 45% of respondents told us that they pursued additional financing from external sources (compared to 23% at regional level).

Against this background, we asked businesses in Germany what type of credit information sources they customarily use to assess their B2B customers' creditworthiness. 60% said that prior to the pandemic they normally relied on financial statements, 54% on bank references and 49% on trade references. However, after the onset of the pandemic, they increased their sourcing of credit information directly from the customers (41% of respondents), and they did so more frequently than accessing bank references.

To evaluate a customer's credit quality during the economic crisis, businesses in Germany reported they focused on: profitability, ability to generate cash and financial flexibility. This latter is the area that businesses told us they plan to focus on over the coming months as businesses try to assess a customer's ability to cope with the unpredictable shifts of the economic and business environment.

Within the context of the uncertain business environment caused by the pandemic we asked businesses if and, if so to what extent, they changed their credit management policies following the onset of the pandemic. The most (49%) told us they made more extensive use of credit insurance. 47% of respondents told us that after the onset of the pandemic they started to retain and manage the risk of customer payment default internally through self-insurance. This is significantly higher than the 21% who said they opted for self-insurance last year. 41% of respondents in this year's survey told us that they have begun sending outstanding invoices to collection earlier than before the pandemic. 48% told us they resorted to factoring or to the services of a specialist debt collection agency.

Over the coming months, however, self-insurance appears to be the credit management technique favoured by most of the respondents in Germany (71%). Around 55% of respondents told us they plan to offer discounts for early payment of invoices (compared to last year's 36%). 55% also told use they intend to avoid credit risk concentrations in their credit-based B2B sales ledgers (up from 22% last year).

■ **Businesses in Germany manage to contain any negative impact on cash flow**

43% of respondents in Germany told us that that revenue had been negatively impacted by the economic crisis. 38% of businesses, particularly in the machines industry, said their sales volume had taken a hit. However, interestingly and bucking the trend seen across Western Europe, most survey respondents in Germany told us they had managed to contain any negative impact on cash flow. This was reported by 38% of respondents in Germany, versus an average of in Western Europe 25%. This may be due to the additional measures businesses took to collect outstanding debts and support liquidity.

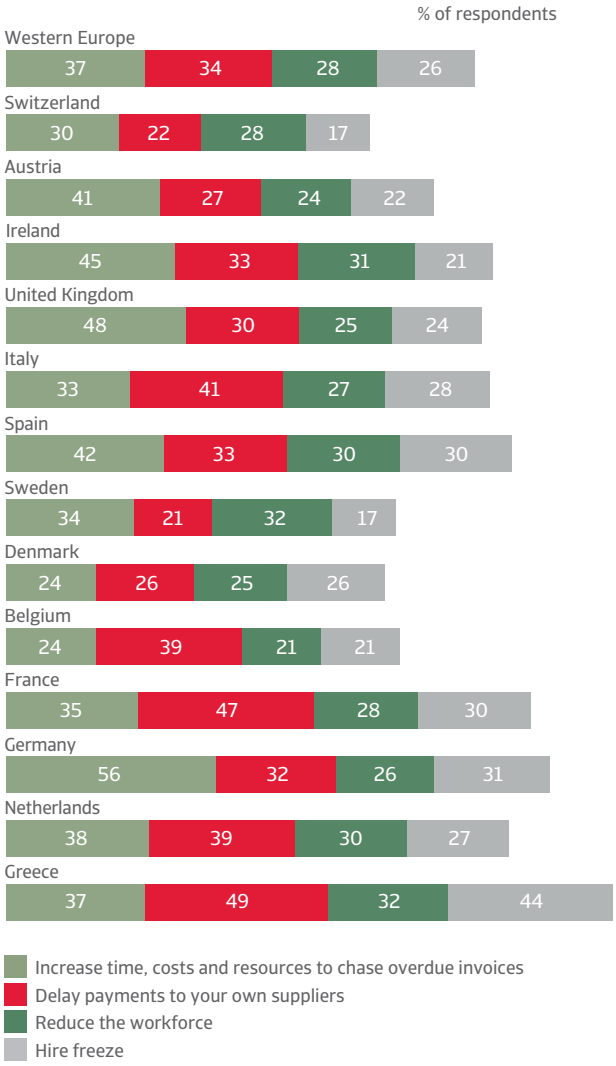
■ **Most businesses believe customer creditworthiness will improve next year**

55% of the businesses surveyed in Germany told us they felt their customers' creditworthiness would improve next year, significantly more than those who felt otherwise (23%). For 22% of respondents, customer creditworthiness will not change.

This sense of optimism can also be seen in attitudes towards the domestic and global economies and international trade. 70% expects the domestic economy to improve (regional average: 57%), with just 19% expecting it to get worse. 60% is optimistic about the global economy (regional average: 45% optimism) and 30% in Germany is pessimistic. In regards to international trade, 54% of businesses expressed optimism (regional average: 49%) and 26% pessimism.

The majority of businesses told us that the greatest threats to business profitability in 2021 include: maintaining adequate cash flow (reported by 42% of respondents in Germany and 38% in Western Europe), cost containment (reported by 40%), collection of outstanding invoices (32%) and potential restrictions to bank finance (32%).

Western Europe: top 4 measures to manage liquidity issues due to the impact of the pandemic



Sample: all interviewed companies
Source: Atradius Payment Practices Barometer – November 2020

Germany: impact of the COVID 19-induced economic crisis on industries

CHEMICALS

Late payments and cash flow

- Late payments in the German chemicals industry affect nearly 60% of the total value of B2B invoices (significantly up from last year's 33%). Due to the economic crisis, nearly 40% of survey respondents reported having to wait longer to cash in overdue invoices, up to 20 days on average. 56% reported no change in the average invoice-to-cash turnaround, while 4% cashed in overdue invoices earlier than before the pandemic.
- Average DSO increases of up to 10% were reported by 44% of respondents in the German chemicals industry, while 49% reported increases of more than 10%. Currently DSO stands at a 109-day average (well above the 83-day average for the industry in Western Europe).
- 44% of businesses in the German chemicals industry (regional average: 21%) told us that their cash flow was positively affected after the outbreak of the pandemic. 19% reported a negative impact (regional average: 39%).
- 56% of businesses in the German chemicals industry (regional average: 39%) spent more time and resources on chasing unpaid invoices. 47% sought additional financing from external sources (regional average: 27%). 47% requested a bank overdraft extension (regional average: 21%).

Approach to credit quality assessments

- After the onset of the economic crisis, the German chemicals industry changed the way they approached credit checks. Now data sourced directly from B2B customers, including financial statements, as well as bank and trade references are the most commonly used sources for assessments of creditworthiness.
- Industry respondents told us they give priority to evaluating their customers' financial flexibility and ability to obtain liquidity in order to avoid payment default. This, along with the customers' payment histories, will be the indicators that businesses will monitor more closely over the coming months.

Approach to credit management

- Following the onset of the economic crisis, German chemicals businesses worked to minimise the risk of payment default by sending outstanding invoice reminders more often than before the pandemic and by opting to self-insure against bad debt. Over the coming months, 70% the industry's survey respondents told us they plan to make wider use of self-insurance than they did before the pandemic.
- Over the coming months, 64% of the German chemicals industry expects their B2B customers' creditworthiness to improve (significantly higher than the regional average of 49%) than the 19% expecting deterioration (regional average: 22%).
- 51% of respondents from the German chemicals industry consider maintaining adequate cash flow to present the greatest challenge to profitability in 2021, (regional average: 41%).

2021 industry outlook

- 76% of the German chemicals industry (regional average: 58%) expects the domestic economy to improve over the next six months. This is significantly more than the 15% expecting it to deteriorate (regional average: 29%). The majority of businesses in the industry expressed optimism about the outlook for the global economy (57% optimistic, 28% pessimistic) and international trade (53% optimistic, 29% pessimistic). In this regard, they are a lot more optimistic than their peers in Western Europe.

Late payments and cash flow

- 55% of the total value of B2B invoices issued by businesses in the German steel/metals industry remained unpaid at the due date (higher than last year's 35%). 25% of respondents in the industry reported having to wait longer to cash in overdue invoices, up to 23 days on average. For 75% of respondents, there was no change in average invoice-to-cash turnaround. None of the businesses surveyed in the industry reported having cashed in overdue invoices earlier than before the pandemic.
- Compared to before the pandemic, 70% of businesses reported DSO increases of up to 10%, while 25% reported increases of more than 10%. DSO currently stands at a 193-day average. This is significantly longer than the 110-day regional average, suggesting businesses in the industry in Germany are less successful in collecting long-term outstanding invoices of high value than their peers in Western Europe.
- 43% of survey respondents in the German steel/metals industry reported a positive impact on their revenue following the onset of pandemic-induced economic crisis. This is significantly more than those reporting negative impact (27%). This contrasts with the regional results (46% reported a negative impact and 26% positive). The same can be seen in cash flow where 43% reported a positive impact and 21% negative. (Regional average: 39% negative and 25% positive impact on cash flow).
- 54% of the German steel/metals industry negatively impacted by post-pandemic late payments told us they needed to increase the amount of time, costs and resources they spent on chasing unpaid invoices (regional average: 36%). To avoid liquidity shortages, 50% said they needed to pursue additional financing from external sources (compared to 25% in Western Europe).

Approach to credit quality assessments

- After the onset of the economic crisis, the German steel/metals industry told us they approached their B2B customers to obtain information for credit checks. They added this to customer financial statements, as well as bank and trade references, which remain the credit information sources that respondents in the German steel/metals industry normally use to assess their customers' creditworthiness.
- The German steel/metals industry gives priority to the evaluation of customers' financial flexibility and their ability to weather unexpected shifts in the economic and business environment. Survey respondents say that, for the coming months, they will continue with this approach and combine it with an assessment of the customer's ability to generate cash, (signalling a strong focus on liquidity levels).

Approach to credit management

- Following the onset of the COVID-19 economic crisis, survey respondents in the German steel/metals industry told us they strengthened their credit management practices by sending outstanding payment reminders more frequently and adopting self-insurance practices. Over the coming months 75% told us they plan to rely on self-insurance to protect the business against bad debts.
- The German steel/metals industry is notably more optimistic than their peers in Western Europe about the outlook for their B2B customers' creditworthiness over the coming months. 48% expect it to improve (regional average: 39%) and 23% expect it to get worse (regional average: 20%).
- According to 43% of the German steel/metals industry, the greatest challenges to profitability in 2021 are maintaining adequate cash flow and containing costs. (Regional averages: 34% and 45% at regional level respectively.)

2021 industry outlook

- 68% of respondents in the German steel/metals industry expect the domestic economy to improve over the next six months, significantly more than the 16% that expect it to get worse. The majority of businesses are optimistic about the outlook for the global economy (50% optimistic, 21% pessimistic) and international trade (55% optimistic, 27% pessimistic).

Late payments and cash flow

- Late payments in the German transport industry affect 55% of the total value of B2B invoices (compared to last year's 35%). The pandemic recession led to 42% of respondents reporting having to wait longer to cash in overdue invoices, up to 30 days on average. For 58% of respondents, there was no change in average invoice-to-cash turnaround. None of the businesses said that they cashed in overdue invoices earlier than before the pandemic.

- 46% of businesses surveyed reported DSO increases of up to 10%, while 42% reported increases of more than 10% compared to before the pandemic. Currently DSO in the German transport industry stands at a 200-day average (compared to the 134-day average for the industry in Western Europe).
- 50% of respondents in the German transport industry told us the pandemic-induced economic crisis had a negative impact on their revenue (regional average 56%). 31% in Germany reported a positive. However, more respondents in Germany (42%) than in Western Europe (25%) said that they managed to contain the negative impact of the pandemic's economic crisis on cash flow.
- To contain liquidity shortages, 46% of businesses told us they had to increase the time, costs and resources spent on chasing unpaid invoices (regional average: 34%). 39% said they delayed payments to suppliers (regional average: 30%) and 39% sought financing from external sources (regional average: 17%).

Approach to credit quality assessments

- In response to the pandemic recession, businesses in the German transport industry told us they paid closer attention to the evaluation of bank references and credit information provided directly by the customer than before. They continued to monitor their customers' financial statements and payment histories.
- Priority is given to evaluating the customer's ability to generate cash and its financial flexibility. This approach will remain unchanged over the coming months, but will be complemented by assessments of the customer's borrowing capacity.

Approach to credit management

- Following the onset of the economic crisis, survey respondents in the German transport industry told us they strengthened their credit management practices by: requesting letters of credit and outsourcing debt collection. Over the coming months businesses told us they plan to make wider use of self-insurance in addition to outsourcing debt collection to specialist agencies.
- 46% of respondents from the German transport industry expect their B2B customers' creditworthiness to improve (regional average: 40%). 27% in Germany expect it to deteriorate over the coming months.
- 39% of respondents in the German transport industry (regional average: 31%) believe that the continuation of the pandemic in 2021, along with its economic fallout, is the greatest challenge to profitability next year.

2021 industry outlook

- 62% of respondents in the German transport industry (regional average: 52%) expect the German domestic economy to improve over the coming months. This is three times more than the 19% expecting it to get worse. Opinion on the outlook for the global economy is equally split (42% optimistic, 42% pessimistic). A brighter outlook for international trade is expected (53% optimistic, 31% pessimistic).

MACHINES

Late payments and cash flow

- Following the onset of the economic crisis, 41% of the total value of B2B invoices in the German machines industry were outstanding at the due date (compared to last year's 25%). 46% of respondents reported having to wait longer to turn overdue invoices into cash, up to 26 days on average. 41% reported no change, and 13% told us they cashed in overdue invoices earlier than before the pandemic.
- Average DSO increases of up to 10% were reported by 54% of machines businesses. Increases of more than 10% were reported by 46% of businesses. Currently DSO in the industry stands at a 48-day average (well below the 109-day average for the industry in Western Europe).
- 77% of the German machines industry (regional average: 52%) told us the pandemic-induced downturn had negative effect on revenue, significantly more than those reporting positive impact (9%). The same goes for cash flow: 59% negative, 14% positive. At regional level, 42% of respondents reported negative, and 32% positive impact on cash flow.

- To contain costs caused by the management of B2B late payments, 64% of respondents from the German machines industry told us they most often needed to increase the time, costs and resources spent on chasing overdue due payments (regional average: 43%).

Approach to credit quality assessments

- After the onset of the economic crisis, the German machines industry changed the way they approached credit checks, sourcing information directly from B2B customers more often than before the pandemic. Customer information, financial statements, and credit reports from specialist credit agencies are now the most common sources for creditworthiness assessments in the industry.
- Machines businesses in Germany give priority to evaluating customer financial flexibility, ability to generate cash and business profitability. The majority of the industry reports that they will continue to monitor these areas over the coming months.

Approach to credit management

- Following the onset of the COVID-19 economic crisis, survey respondents in the German machines industry told us they strengthened their credit management practices by: (63%) using factoring more frequently than before the pandemic (63% of respondents), and resorting to self-insurance against bad debt (55%). Over the coming months, respondents in the industry said they will continue using the same credit management tools, but they will also send outstanding invoices reminders more often.

- 41% respondents in the German machines industry (lower than the region average of 55%) believe that their B2B customers' creditworthiness will improve over the coming months. 30% believe it will deteriorate (regional average: 19%). The rest anticipate no change.
- According to the German machines industry, the greatest challenge to profitability in 2021 would be the continuation of the economic crisis and subsequent long-term negative impact on demand. This was reported by 41% of businesses.

2021 industry outlook

- 64% of the German machines industry is strongly optimistic about the outlook for the domestic economy over the coming months, whereas 36% expects it to get worse. The same goes for the outlook for the global economy (41% optimistic, 36% pessimistic) and for international trade (50% optimistic, 46% pessimistic).

ICT
ELECTRONICS

Late payments and cash flow

- Late payments in the Germany's ICT/electronics industry affect just over 40% of the total value of B2B invoices (compared to last year's 32%). 48% of businesses told us it took 15 days longer on average to cash in overdue invoices. 43% reported no change, while 9% told us they cashed in overdue invoices earlier than a year ago.
- Average DSO increases of 10% or more were reported by 48% of survey respondents. DSO increases of up to 10% were reported by 43%. Currently DSO in the country's industry stands at a 108-day average (well above the 73-day industry average in Western Europe).
- 57% of survey respondents in the German ICT/electronics industry suffered revenue shortfall following the onset of the economic crisis, lower than industry level in Western Europe. The percentage of respondents reporting a negative impact on cash flow is equal to the regional level.
- To contain costs caused by the increase in late payments, 67% of respondents from the German ICT/electronics industry spent more on time and resources chasing unpaid invoices, (regional average 57%).

Approach to credit quality assessments

- After the onset of the economic crisis, the German ICT/electronics industry changed the way they approached credit checks, sourcing information directly from B2B customers more often than before the pandemic. Customer information, financial statements, bank and trade references are now the most commonly used sources for creditworthiness assessments in the industry.
- ICT/electronics businesses in Germany give priority to evaluating their customers' profitability and ability to generate cash. Industry respondents told us they plan to maintain this approach over the coming months in addition to monitoring the financial flexibility of customers.

Approach to credit management

- Following the onset of the COVID-19 economic crisis, survey respondents in the German ICT/electronics materials industry increased the use of outstanding payment reminders. Businesses told us that, moving forward, they plan to employ trade credit insurance as a strategic tool to protect their business from the risk of customer payment default.
- 67% of the German ICT/electronics industry expects their B2B customers' creditworthiness to improve (regional average: 47%) over the coming months. This is considerably more than the 19% expecting to see a deterioration (regional average: 28%).
- 48% of businesses in the German ICT/electronics industry consider potential restrictions to bank finance presents the greatest challenge to profitability in 2021 (regional average: 30%). 43% of businesses are concerned about future containment of costs (regional average: 39%).

2021 industry outlook

- The majority of respondents in the German ICT/electronics industry are optimistic about the outlook for the domestic economy over the coming months (67% expect it to improve, 24% to get worse). They also believe in a brighter outlook for the global economy (43% optimistic, 38% pessimistic) and for international trade (52% optimistic, 33% pessimistic).

Survey design for Western Europe

Survey objectives

Atradius conducts annual reviews of international corporate payment practices through a survey called the 'Atradius Payment Practices Barometer'. In this report focusing on Western Europe, which is part of the 2020 edition of the Atradius Payment Practices Barometer, companies from thirteen countries (Austria, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Spain, Sweden, Switzerland, The Netherlands and the United Kingdom) have been surveyed. Due to a change in research methodology for this survey, year-on-year comparisons are not feasible for some of the results, although last year's values are used as a benchmark where possible throughout the survey.

Using a questionnaire, CSA Research conducted 2,603 interviews. All interviews were conducted exclusively for Atradius.

Survey scope

- **Basic population:** companies from thirteen countries (Austria, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Spain, Sweden, Switzerland, The Netherlands and the United Kingdom) were surveyed. The appropriate contacts for accounts receivable management were interviewed.
- **Sample design:** the Strategic Sampling Plan enables to perform an analysis of country data crossed by sector and company size. It also allows to compare data referring to a specific sector crossed by each of the economies surveyed.
- **Selection process:** companies were selected and contacted by use of an international internet panel. A screening for the appropriate contact and for quota control was conducted at the beginning of the interview.
- **Sample:** N=2,603 people were interviewed in total (approximately n=200 people per country). In each country a quota was maintained according to four classes of company size.
- **Interview:** Computer Assisted Web Interviews (CAWI) of approximately 15 minutes duration. Interview period: Q3 2020.

Sample overview – Total interviews = 2,603

Country	Interviews	%
Austria	200	8%
Belgium	200	8%
Denmark	200	8%
France	200	8%
Germany	200	8%
Greece	200	8%
Ireland	201	8%
Italy	200	8%
Spain	201	8%
Sweden	200	8%
Switzerland	200	8%
The Netherlands	200	8%
United Kingdom	201	8%

Business sector (total Western Europe)	Interviews	%
Manufacturing	851	32.7
Wholesale trade	661	25.4
Retail trade/Distribution	569	21.9
Services	522	20.1

Business size (total Western Europe)	Interviews	%
Micro enterprises	599	23.0
SME – Small enterprises	775	29.8
SME – Medium enterprises	615	23.6
Large enterprises	614	23.6

Disclaimer

This report is provided for information purposes only and is not intended as investment advice, legal advice or as a recommendation as to particular transactions, investments or strategies to any reader. Readers must make their own independent decisions, commercial or otherwise, regarding the information provided. While we have made every attempt to ensure that the information contained in this report has been obtained from reliable sources, Atradius is not responsible for any errors or omissions, or for the results obtained from the use of this information. All information in this report is provided 'as is', with no guarantee of completeness, accuracy, timeliness or of the results obtained from its use, and without warranty of any kind, express or implied. In no event will Atradius, its related partnerships or corporations, or the partners, agents or employees thereof, be liable to you or anyone else for any decision made or action taken in reliance on the information in this report or for any consequential, special or similar damages, even if advised of the possibility of such damages. Copyright Atradius N.V. 2020.

Statistical appendix

Find detailed charts and figures in the Statistical Appendix for Western Europe. This is part of the November 2020 Payment Practices Barometer of Atradius, available at

www.atradius.com/publications/

Download in PDF format (English only).

Copyright Atradius N.V. 2020

If after reading this report you would like more information **about protecting your receivables against payment default** by your customers you can visit the Atradius website or if you have more specific questions, please leave a message and a product specialist will call you back. In the Publications section you'll find many more Atradius publications focusing on the global economy, including country reports, industry analyses, advice on credit management and essays on current business issues.

Subscribe to notifications of our Publications and receive weekly emails to alert you when a new report is published.

For more **insights into the B2B receivables collection practices in Germany** and worldwide, please go to https://atradiuscollections.com/global/

For Germany https://atradius.de/

Connect with Atradius
on Social Media

Atradius N.V.
David Ricardostraat 1 · 1066 JS Amsterdam
Postbus 8982 · 1006 JD Amsterdam
Nizozemí
Telefon: +31 20 553 9111

info@atradius.com
www.atradius.com