

PRESS RELEASE

Germany Corporate Payment Survey 2024:

Simmering under the lid

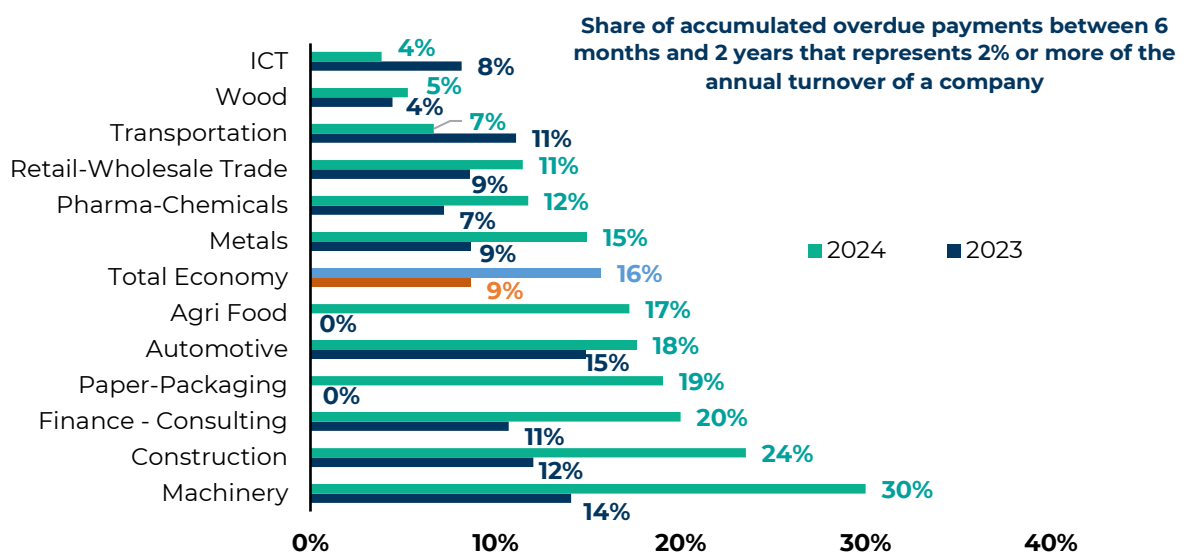
Singapore, September 12, 2024 – The 8th edition of Coface’s¹ survey on corporate payment experience in Germany shows that the payment behaviour of German companies remains stable with **80% of companies offering payment terms**². However, this observation shouldn’t reassure considering the growing credit risks out of accumulated overdue payments. Furthermore, pessimism of German companies about their current situation is striking, especially regarding domestic political uncertainty and the bad business outlooks. As a result, risk reduction strategies are being stepped up.

More companies prefer very short payment terms

Without any new major risk events impacting the German economy, the payment terms or delay figures don’t show significant changes, with **80% of all participating companies offering payment terms in 2024** (+1pt vs 2023), almost in line with the pre-pandemic level (81%). The general preference for short credit terms in Germany remained unchanged with an average payment term of **32.1 days** in 2024, the lowest in all countries where Coface is publishing corporate payment studies³.

Payment delays: financial risks are rising

The number of companies reporting new payment delays⁴ this year normalized further up to a share of 78% in 2024. The average duration of payment delays increased very slightly to **30.8 days** in 2024.



1 The eighth edition of Coface’s survey on corporate payment experience in Germany was conducted in June and August 2024, with 774 companies participating.

2 Payment term – the timeframe between when a customer purchases a product or service and when payment is due.

3 Coface is offering annual corporate payment studies for Germany, France, Poland, China, Latin America and Asia-Pacific (including Australia, Hong Kong, India, Japan, Malaysia, Singapore, Taiwan and Thailand).

4 Payment delays – the period between the due date of payment and the date the payment is made.



However, the credit risks out of accumulated overdue payments between 6 months and 2 years shot up in 2024: **16% of German companies reported ultra-long overdue payments** that have a share of 2% or more of their annual turnover (+7pts vs 2023). Machinery is the sector mostly impacted with 30% reporting overdue payments above 2% of their annual turnover.

“Overdue payments is a significant rising risk for German companies. From our experience at Coface, 80% of these overdue payments are globally never paid back and thus represent a noticeable business risk, that could lead ultimately into insolvency. To avoid such a danger, companies don’t hesitate now to implement de-risking strategies and adapt their mindset to deteriorated outlooks” analyses Christiane von Berg, Economist Benelux, Germany, Austria and Switzerland at Coface.

Economic expectations: political uncertainty becomes the main risk for business

Almost half of German companies (**48%**) indicated that their current business situation has deteriorated between 2023 and 2024, while only 9% of the participants reported an improvement. The companies’ sentiment is now **more pessimistic** than after the beginning of the Covid-pandemic in 2020 or the start of the war in Ukraine in 2022.

Concerning the business outlook, German companies expect **stability** in 2025 compared to the very low level of 2024. The political uncertainty in Germany and worldwide could influence these perspectives, with biggest risk for export business, followed by supply chain issues and Germany specific local difficulties. In this context, Germany lost further support as a good business location, to the benefit of the United States and other EU-countries.

To make their business more resilient, **16% of Germany companies have used de-risking measures in 2024** (+4pts vs 2023) and 29% of the participating companies expect to implement such strategies in the coming three years, especially exporting sectors like machinery, information and communication technology as well as pharma-chemical.

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