



PRESS RELEASE

Germany Corporate Payment Survey 2023: On the way back to the bad old times

Paris, September 12, 2023 In contrast to last year, the latest edition of Coface's survey on corporate payment experience in Germany was not affected by special events like the COVID-19 pandemic or the onset of the war in Ukraine and the resulting price pressures of commodities. This led to a normalization effect and the 2023 payment figures moved closer to pre-pandemic levels. Once again, more companies offered payment terms in 2023 (79% of all participants), which is comparable to 2019 (81%). The general preference for short credit terms in Germany remained unchanged: more than half of the surveyed companies requested payments to be made within 30 days in 2023, while ultra-long credit terms (120+ days) remained rare.

The payment delay figures show how much government support measures have helped companies in recent years. Indeed, now that almost all COVID-19 related support measures have ended and the impact of energy subsidies has levelled off, the number of companies reporting payment delays normalized and increased to a share of 76% in 2023 (see Chart 1), markedly above that of the 2020-2022 period, but not as high as 2019 (85%). Yet, it is worth noting that they are above pre-pandemic levels in automotive, transport and ICT. The average duration of payment delays increased to 30.1 days in 2023 (+1.4 days relative to 2022), which is still noticeably below the pre-pandemic average of 39.7 days. Most sectors (excluding wood, construction, and textile-clothing) reported an increase in the duration of payment delays. With an average of 22 days, companies in the paper-packaging sector experienced the shortest waiting time this year, while companies in the finance sector had to be the most patient, with an average delay of 39.2 days.

Pessimistic outlook and de-risking strategies at the rise

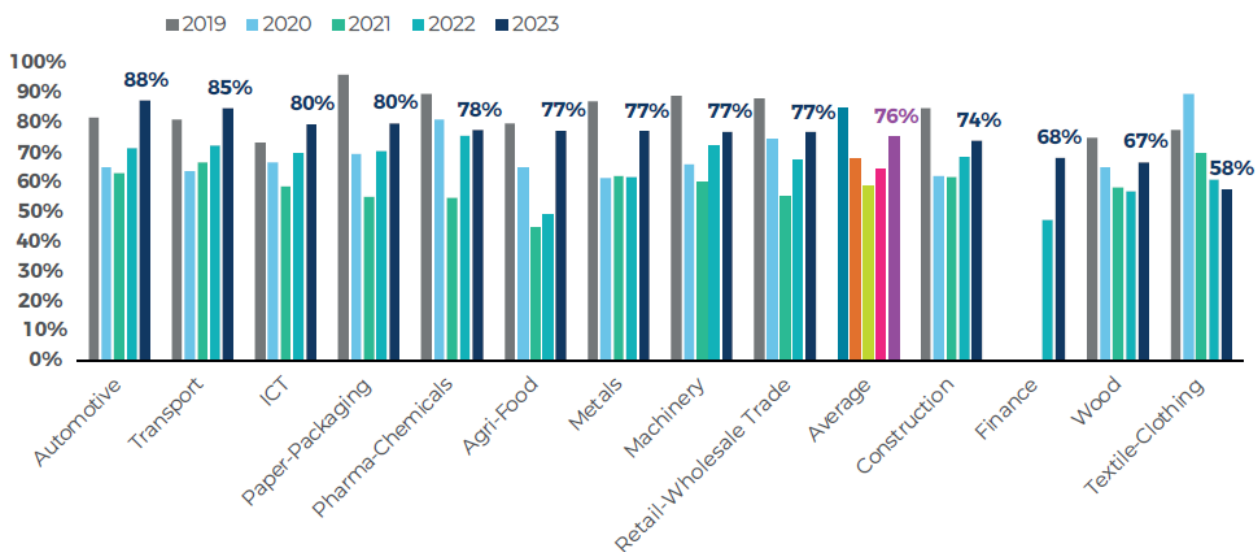
Although payment behaviour remains in a relatively good shape even after this deterioration, companies are very pessimistic about their business outlook. The view on their current business situation is particularly negative this year as only 13% of participants think that their situation is better than in 2022, while the 41% perceive it as worse. The outlook for 2024 is also cloudy. Only 20% of participants expect a recovery for their business, while 28% are preparing for an even worse outlook. Although the impact of single big risks, like disruptions in global supply chains, has decreased, the number of risks that simultaneously affect companies is increasing. In this environment, Germany lost support as a good business location compared with 2022, while the United States and Eastern Europe gained popularity. China became slightly more attractive too, but its support remained on a very low level in historical comparison. This is also the result of the de-risking strategies of German companies that try to reduce their business dependence on single countries, suppliers, or customers. This year, already 12% of participating companies are opting for de-risking, with textile-clothing being the most impacted by it. For the next three years, 25% of all German companies in our survey expect to use a de-risking strategy for their business.

About the survey

The seventh edition of Coface's survey on corporate payment experience in Germany was conducted in July and August 2023, with 1,075 companies from 13 different sectors participating.

Chart 1: Share of companies reporting payment delays by sector and year

Source: Coface Corporate Payment Survey Germany 2023



[Find the full study here](#)

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