JULY 2025

COFACE
ECONOMIC PUBLICATIONS

PAYMENT SURVEY

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Germany Corporate Payment Survey 2025:
It gets worse, before it could get better

Executive summary

847 companies participated in the ninth edition of Coface's corporate payment survey in Germany between May and June[1]. Amid rising political uncertainty and geopolitical risks, the demand for payment terms increased significantly in 2025. A striking 84% of surveyed companies offered payment terms—marking the highest level since 2016. Germany's traditional preference for short credit periods also intensified: 92% of respondents requested payment within 60 days, mirroring the level recorded in 2016. Despite these shifts, the average payment term remained almost unchanged at 32.5 days—still the shortest among all countries covered by Coface's corporate payment surveys.[2]

Payment behaviour worsened in 2025, with a growing number of companies reporting new instances of late payments. The share of businesses affected rose to 81%, edging closer to the 2019 peak of 85%. The average duration of payment delays increased by one day to 31.8 days. While this marks a deterioration of the payment morale, it remains well below the pre-pandemic average of 39.7 days and is still the lowest among all countries covered in Coface's surveys. The financial risk posed by long overdue payments—those outstanding for six months to two years—declined slightly but remains elevated. In 2025, 12% of surveyed companies reported long overdue payments exceeding 2% of their annual turnover. The construction sector was hit hardest, with 24% of firms affected. Based on Coface's experience, 80% of such overdue payments are never recovered.

German companies remain pessimistic in 2025—but the mood has improved compared to the previous year. The balance of sentiment remains negative, with pessimists outnumbering optimists by 17 pp., which is still down from 39 points in 2024. Looking ahead to 2026, optimism makes a cautious comeback, with a positive balance of 16 points. The change of mood is probably driven by the expected German fiscal stimulus measures. The last comparable shift in sentiment occurred in 2020, ahead of the economic rebound in 2021. Political uncertainty, probably regarding geopolitical topics, was cited as the top business risk by survey participants, followed closely by weak domestic demand. A similar share of respondents also pointed to structural challenges within Germany itself (*Standort-Schwierigkeiten*). Despite these concerns, many participants of our survey do not see an alternative to the German market. Indeed, the share of companies preferring Germany increased slightly compared to 2024. The US, however, saw a notable decline in popularity, with the so-called "Trump effect" influencing sentiment. The strategy of "de-risking"—reducing dependency in supply- and production chains—is gaining traction. Already, 23% of companies report actively pursuing this approach, and another 31% plan to implement it within the next three years.

1 The survey was conducted between 12 May and 22 June 2025.
2 Coface is offering annual corporate payment studies for Germany, France, Poland, China, Asia-Pacific (including Australia, Hong Kong, India, Japan, Malaysia, Singapore, Taiwan and Thailand) and Latin-America (including Brazil, Ecuador, Chile, Argentina, Peru, Colombia and Mexico).

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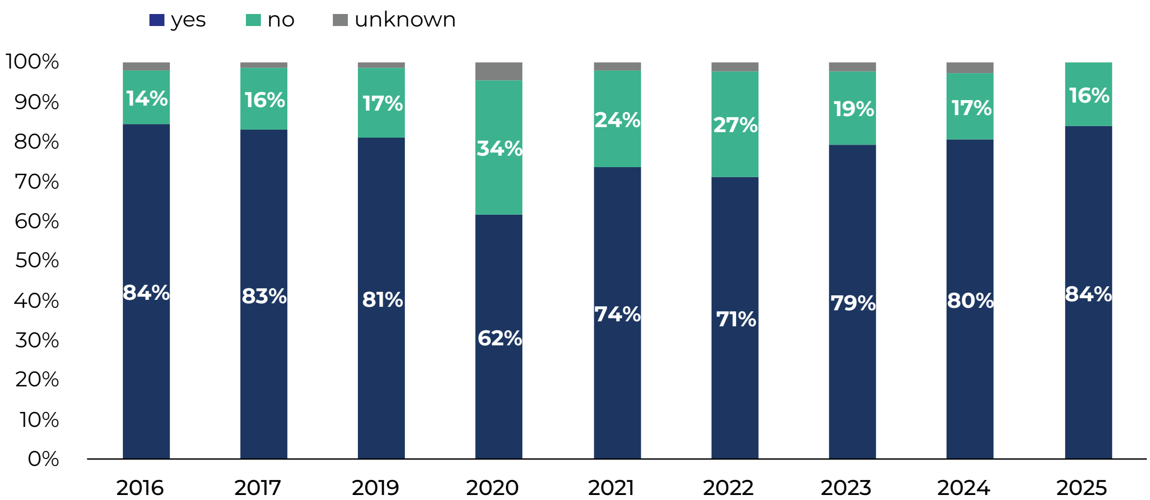
PAYMENT TERMS[3]: DEMAND FOR PAYMENT TERMS IS GETTING UP TO THE 2016-LEVEL

- Demand for payment terms rose significantly in 2025, according to the latest Coface survey. A total of 84% of participating companies offered payment terms—marking the highest level since the survey began in 2016 and a 4-percentage-point increase compared to 2024 **(Chart 1)**. The trend is visible across all market segments, but particularly pronounced among companies engaged in both domestic and export business. In this group, the share of firms offering credit terms jumped from 82% in 2024 to 91% in 2025. Among companies focused solely on the domestic market, the figure rose slightly to 81% (+2 pp), while 93% of export-oriented firms extended payment terms (+3 pp). Sectoral differences remain stark. While 100% of respondents in the paper-packaging sector and 98% in machinery offered payment terms, the figure dropped to just 59% in the finance-consulting sector—highlighting the varying relevance of credit terms across industries.

- The primary driver behind the rise in payment terms is increased customer demand. In 2025, 55% of surveyed companies stated that offering credit terms had become standard market practice. While this remains a majority, it is below the 2022 peak of 62%. Other key reasons cited include the use of credit insurance coverage for the payments (15%) and customers' tight liquidity (12%)—both figures remaining largely unchanged from 2024. Instead, the pressure from market competition seems to be rising. The share of companies citing this as a reason for offering payment terms rose from 6% to 8%—the highest level since 2019.

Chart 1:
Share of companies offering payment terms in Germany[4]

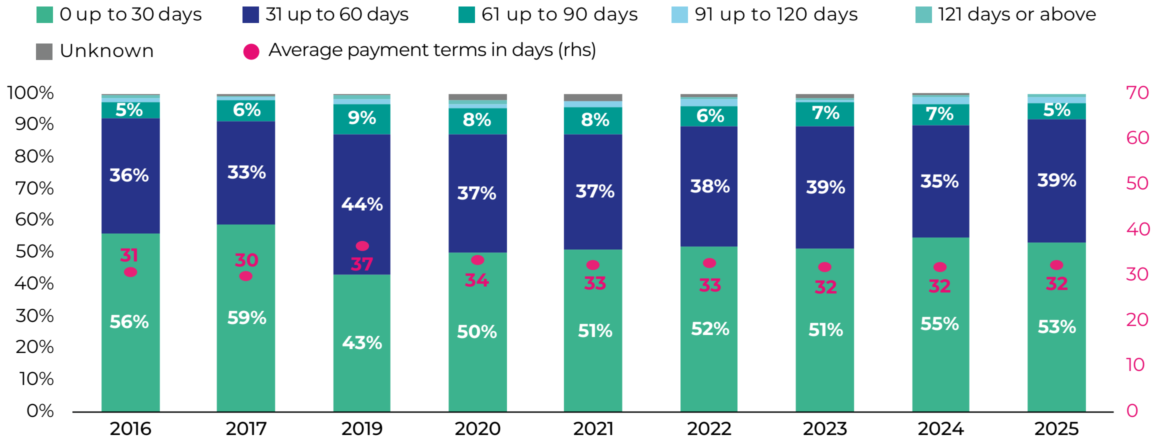


Source: Coface Corporate Payment Survey Germany 2025

In 2025, 84% of our participants offered payment terms. This is the highest level since 2016.

3 Payment term – the timeframe between when a customer purchases a product or service and when payment is due.
4 Due to technical reasons, Coface did not publish a Corporate Payment Survey for Germany in 2018.

Chart 2:
Payment terms in Germany



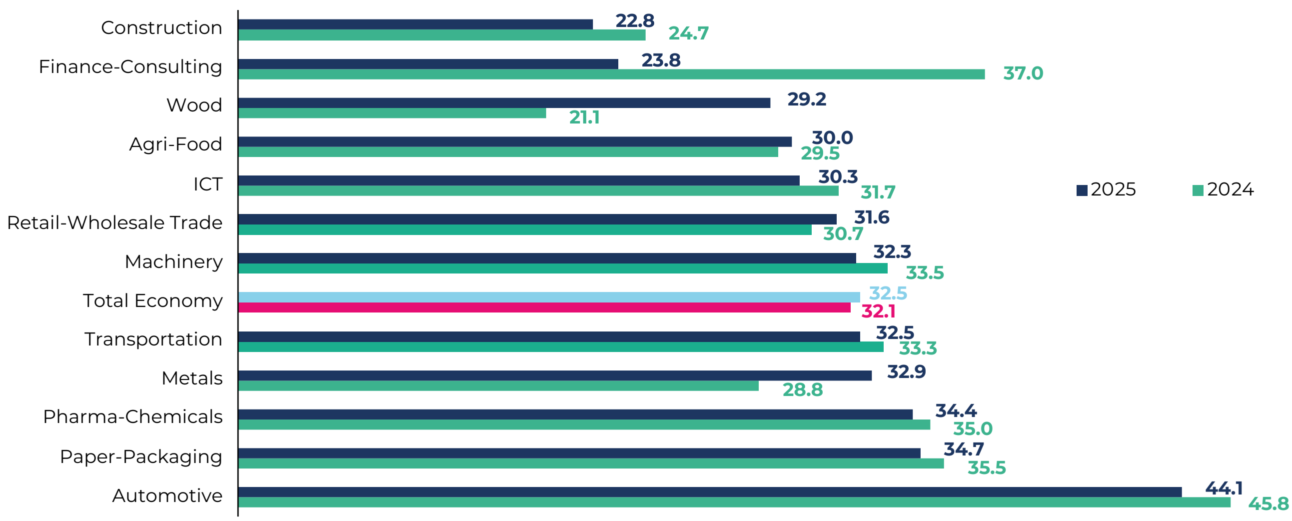
Source: Coface Corporate Payment Survey Germany 2025

- Short-term payment terms—defined here as 1 to 60 days—continue to dominate the German business landscape. In 2025, 92% of companies offering credit terms requested payment within this timeframe, the highest share since 2016 **(Chart 2)**. Historically, payment terms tend to shorten during periods of financial stress, as companies seek to secure liquidity more quickly. While the overall distribution of payment periods changed only slightly, there was a shift away from very short terms toward the 31–60 day range. As a result, the average payment term across all sectors increased slightly by 0.4 to 32.5 days.

- In 2025, the construction sector reclaimed its position as the industry with the shortest payment expectations: 81% of companies in this field required payment within 30 days. Only 7 out of 12 sectors offered terms exceeding 90 days. Long-term payment agreements—those over 120 days—remain rare with less than 1% of the respondents offering them.

- While the overall average payment term remained overall stable, notable shifts occurred at the sector level in 2025 **(Chart 3)**. The finance-consulting sector recorded the sharpest reduction, shortening its average term by 13.3 days. In contrast, the wood industry extended its terms by 8.1 days, and the metal sector also relaxed its conditions, with an increase of 4.1 days. Construction now holds the shortest average payment term at 22.8 days, while the automotive sector—despite a slight reduction—remains the most generous, with an average of 44.1 days.

Chart 3:
Average payment terms by sectors (in days)[5,6,7]

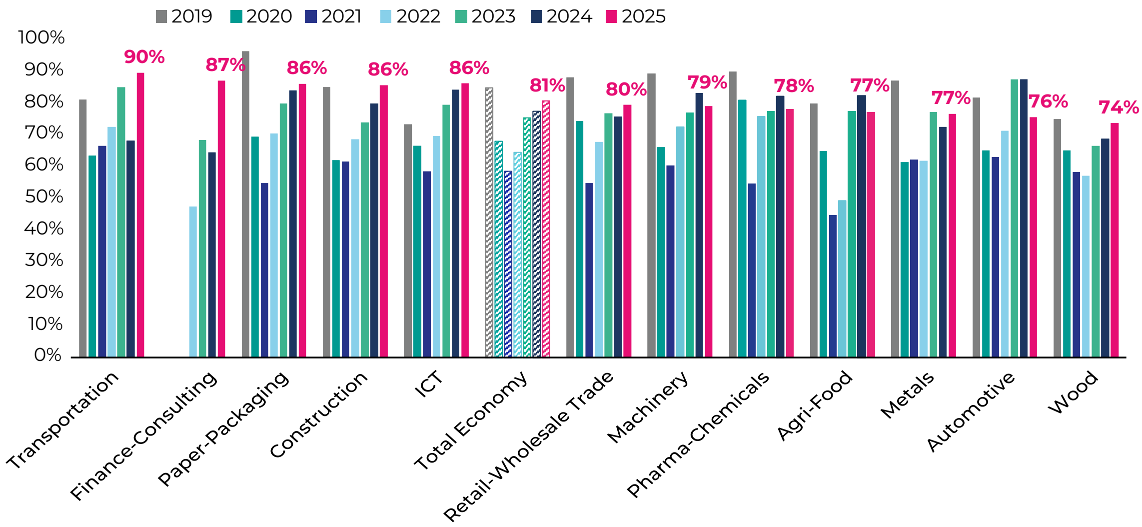


Source: Coface Corporate Payment Survey Germany 2025

5 We ask our participants to give answers in time-ranges. As our lowest category is 1 to 30 days, the minimum average payment term is 15 days in our survey. We keep the category 1 to 30 days, although in Germany the "normal" payment term begins at 14 days, to make the data comparable to the results of our other international corporate payment surveys.
6 ICT = Information and Communication Technology
7 We show the results only for sectors with 15 or more answering companies per question.

2 PAYMENT DELAYS[8] 8 OUT OF 10 COMPANIES ARE AFFECTED

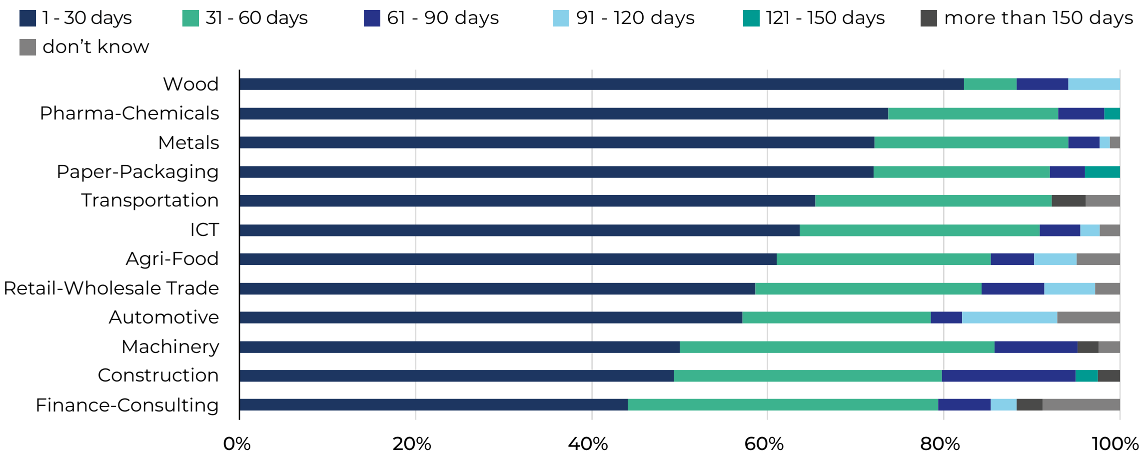
Chart 4:
Share of companies reporting new payment delays by sector and year[9]



Source: Coface Corporate Payment Survey Germany 2025

- Since the publication of Coface's payment survey in 2021, the share of companies reporting new payment delays has steadily increased—from 59% in 2021 over 65% in 2022, 76% in 2023 and 78% in 2024 up to 81% in 2025. This brings the figure close to the pre-pandemic average of 82%, and just below the 2019 peak of 85% **(Chart 4)**. Some sectors have already surpassed their 2019 levels, including transportation, ICT, construction, agri-food, and automotive.
- In 2025, the wood sector stood out as the only sector where over 80% of companies received payments within 30 days after the due-date **(Chart 5)**. Meanwhile, more sectors are experiencing extreme-long delays of over 150 days. In 2023, only the finance-consulting sector was affected. By 2024, three sectors were impacted, and in 2025, transportation joined the group with 4% of companies reporting such delays. The share of extreme delays also rose in finance-consulting (3%), construction (3%), and machinery (2%).

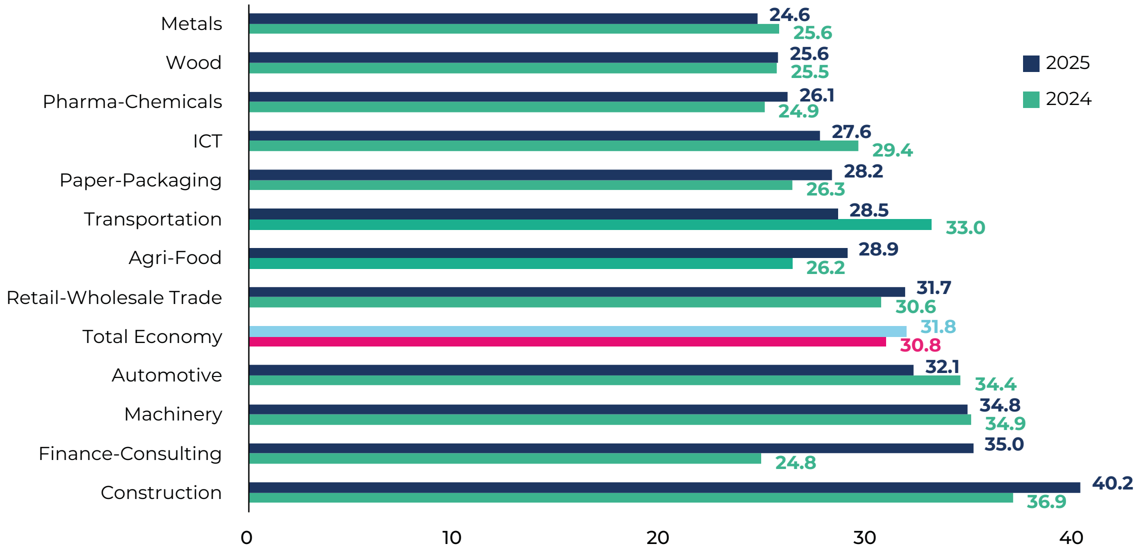
Chart 5:
Payment delays in 2025 by sector



Source: Coface Corporate Payment Survey Germany 2025

8 Payment delays – the period between the due date of payment and the date the payment is made.
9 The sector finance-consulting was only introduced in the Coface survey in 2022.

Chart 6:
Average payment delays by sectors (in days)



Source: Coface Corporate Payment Survey Germany 2025

- The average duration of new payment delays rose for the fourth year in a row, increasing by one day to 31.8 days in 2025 **(Chart 6)**. Despite this upward trend, the figure remains well below the pre-pandemic average of 39.7 days. Sector-specific developments varied: delay times increased in six sectors, remained stable in two, and decreased in four. The transportation sector saw the sharpest decline (–4.5 days), while finance-consulting recorded the largest increase (+10.3 days). Metal companies now enjoy the shortest average delay at 24.6 days, whereas construction firms face the longest wait, averaging 40.2 days.

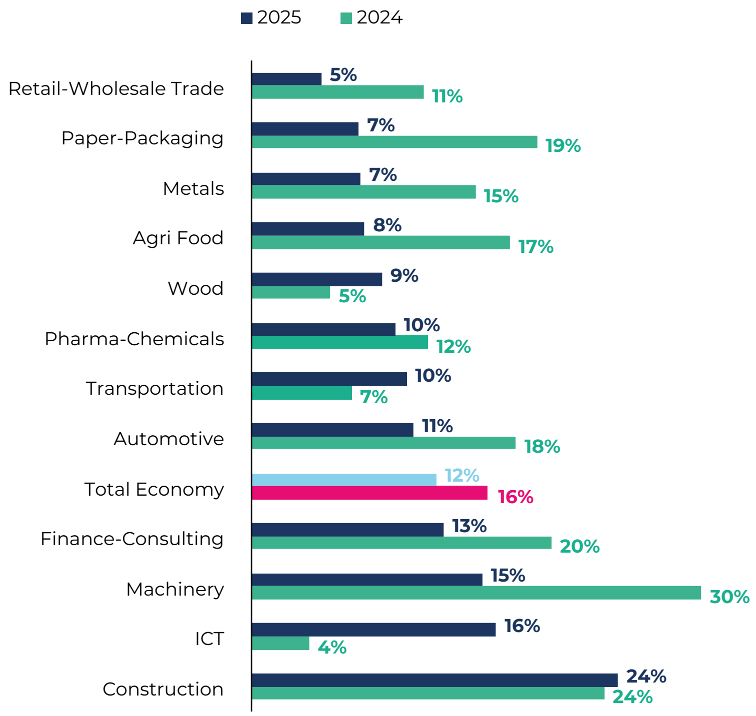
- When payment terms are combined with payment delays, they form the total waiting period between the delivery of goods or services and the receipt of payment— the Days Sales Outstanding (DSO). In 2025, the average DSO rose for the fourth consecutive year, climbing from 55.7 days in 2024 to 59.0 days. This brings the indicator closer to its pre-pandemic level of 65.8 days, recorded in 2019. Sectoral differences remain pronounced. The finance-consulting sector recorded the shortest DSO at 48.9 days, while the automotive industry continues to report the longest waiting times, with an average DSO of 71.6 days—though this marks an improvement from 74.8 days in 2024.

12% of all participants report that the accumulated ultra-long payment delays have a share of 2% or more of their annual turnover

- According to the 2025 survey results, financial difficulties remain the most common reason for payment delays—though their share declined slightly from 35% in 2024 to 34%. This is significantly below the pre-pandemic average, when nearly half of all respondents (49%) cited financial hardship as the main cause. A notable shift in 2025 is the growing perception that late payments are simply part of customer behavior. One in four companies now sees this as the primary reason for delays. Other key factors include internal inefficiencies such as flawed invoicing systems (17%) and deliberate payment postponements by customers to manage their own cash flow (16%). Among those citing financial difficulties, the most frequently mentioned root cause was weak domestic demand, named by 26% of respondents—up from 22% in 2024. Another 23% pointed to a domino effect: their customers' clients are paying late, triggering delays down the supply chain. Rising production costs (excluding labour) were cited by 14%, while only 12% mentioned limited access to financing—down sharply from the pre-pandemic average of 22%. Interestingly, supply chain disruptions, which ranked among the top four reasons for financial stress in 2021 and 2022, were not mentioned at all in 2025. This suggests a clear shift in perceived risk—from supply to demand issues.

- In 2025, the financial risks associated with late payments declined slightly but remained at a high level. According to the survey, 12% of participating companies reported that overdue payments lasting between six months and two years accounted for at least 2% of their annual turnover. While this marks a decrease of 4 percentage points compared to 2024, it still exceeds the pre-pandemic average of 10.5%. Alarmingly, 2% of all respondents indicated that these overdue receivables represented more than 10% of their annual turnover. The good news: financial risk levels declined in 8 out of 12 sectors **(Chart 7)**. Among the remaining four, the ICT sector saw the sharpest increase—up 12 percentage points to 16%—followed by transportation, wood, and construction. Overall, the highest risk levels were reported in construction, ICT, and machinery. Additionally, the number of sectors in which companies reported overdue payments exceeding 10% of turnover fell from seven in 2024 to four in 2025. Construction and ICT led this group (both at 4%), followed by agri-food and retail-wholesale trade (each at 2%).
- Indeed, adding up all the different indicators, the construction sector, which is in a recession since early 2021 is the sector with the worst payment morale. The sector belongs to the group with the highest share of payment delays, the delay is the longest and the financial risk stemming from the delays is the highest. Notably, this appears to be a structural issue within the sector: even during boom years such as 2019, payment delays were both especially frequent and prolonged in construction compared to other sectors.

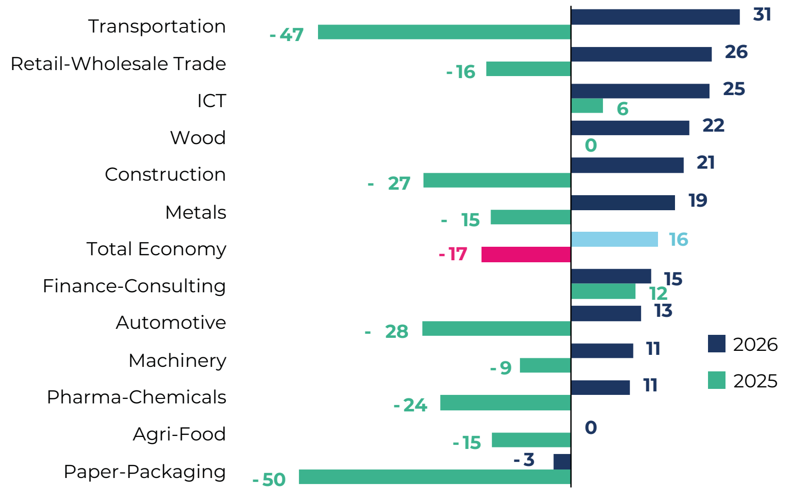
Chart 7:
Share of accumulated overdue payments between 6 months and 2 years that represents 2% or more of the annual turnover of a company



Source: Coface Corporate Payment Survey Germany 2025

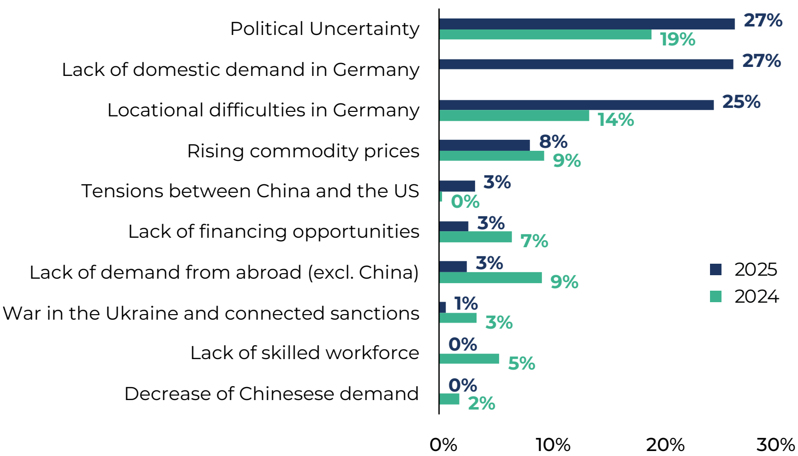
3 ECONOMIC EXPECTATIONS
FRAGILE OPTIMISM AMID LINGERING UNCERTAINTY

Chart 8:
What is the current business situation for the year 2025 and what is the business outlook for your company for 2026 compared to the year before? (figures in balance points[10])



Source: Coface Corporate Payment Survey Germany 2025

Chart 9:
What is the main risk for your business in the future?



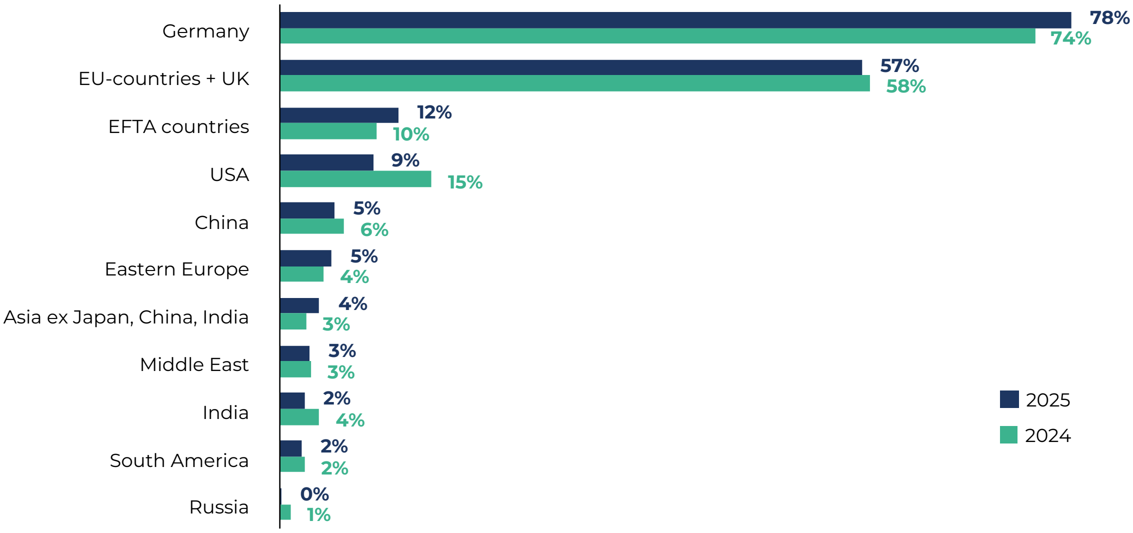
Source: Coface Corporate Payment Survey Germany 2025

- There is reason for cautious optimism. In 2024, German companies reached a new low in sentiment, with a balance of –39 points: 48% of respondents expected their business situation to worsen, while only 9% anticipated improvement. In 2025, this pessimism has eased significantly, and expectations for 2026 have even turned moderately optimistic **(Chart 8)**. The last comparable shift in sentiment occurred in 2020, following the first COVID-19 lockdown. At the time, despite a sharp recession, many companies hoped for a recovery in 2021—unaware that a vaccine would soon be available. In detail: for the current year 2025, 33% of companies reported a deterioration in their business situation compared to 2024, while 16% saw improvement—resulting in a net balance of – 17 points. Looking ahead to 2026, optimism slowly emerges: 32% expect better business conditions, 16% anticipate further decline. This shift in sentiment is largely driven by the expected German fiscal stimulus measures, including increased spending on defence, infrastructure, and climate protection, as well as planned tax incentives for corporate investment. Yet, it is worth noting that 52% of respondents foresee stability in 2026 after already three years of stagnation. This underlines the fragility of the optimism, which is by the way also mirrored by German leading indicators, where the expectation component is improving, but the indicator for the current business situation remains unchanged in the negative territory. The most dramatic turnaround in our survey is seen in the transportation sector, which is among the most pessimistic for 2025 (–47 points) but now leads in optimism for 2026. Even sectors facing external pressures—such as metals, which are at the time of writing affected by 50% U.S. tariffs on steel and aluminium—express optimism, buoyed by expected domestic military orders. Only the paper-packaging sector remains predominantly pessimistic, with more companies expecting deterioration than improvement for 2026.

- Already in last year's survey, German companies showed a growing concern for domestic issues over international ones. Reflecting this shift, the 2025 survey adjusted its focus: instead of asking about export risks, participants were asked to name their main business risk—a change that better reflects the reality for the 69% of respondents of the survey who primarily operate in the German market and are (almost) not exporting. Despite the change in wording, the results largely confirm previous trends. Political uncertainty remains the top concern, cited by 27% of participants **(Chart 9)**. While last year this risk was probably

10 Balance points = share of people expecting a better economic situation than the year before – share of people expecting a worse economic situation than the year before

Chart 10:
What are the markets with the biggest business opportunities for you in the coming year? (max. three answers possible[11])



Source: Coface Corporate Payment Survey Germany 2025

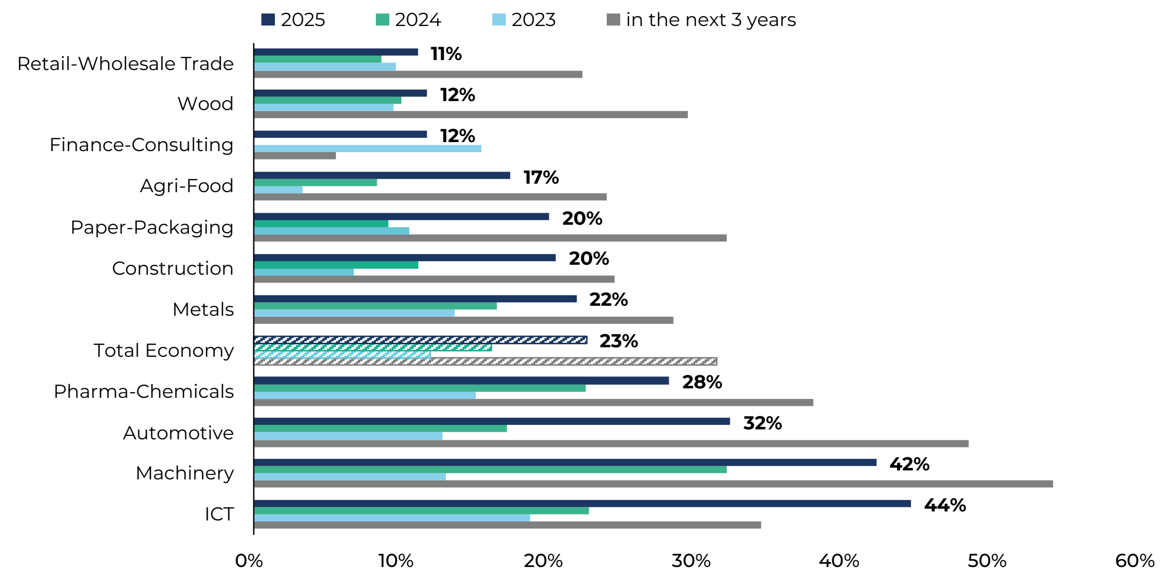
attributed to the erratic communication of the former German government, it seems that the perspective has shifted, as the domestic political landscape has calmed down. Instead, this year's political concerns appear to stem more from unpredictable U.S. trade policy, marked by sudden shifts and exemptions. The risk remains the same, but the source has changed. Closely behind is the lack of domestic demand, now newly included in the survey due to its relevance beyond export-focused businesses. Also high on the list are locational challenges within Germany (*Standort-Schwierigkeiten*)—such as high production costs, bureaucracy, and tax burdens. Although the environment around these issues hasn't changed significantly, the sharp rise in mentions is likely a result of the revised question. Meanwhile, risks that once dominated the agenda have faded. German companies appear to have fully adapted to the war in Ukraine and related sanctions. A shortage of skilled labour, once a top concern, has become less pressing amid rising unemployment. Even weaker demand from China no longer causes alarm: while China was Germany's second-largest export partner in 2020, it had dropped to fifth place by 2024.

- In 2025, Germany once again ranks as the most attractive market for surveyed companies, which is not surprising given that 69% of our respondents are almost only active on the German market. With 78% of participants naming it as the country offering the "greatest business opportunities", this share returns to its 2023 popularity level **(Chart 10)**, despite many respondents simultaneously identifying domestic demand weakness and locational challenges as key business risks. At first glance, this may seem contradictory. However, in light of rising global political uncertainty—particularly outside the EU—Germany may be benefiting from a moderate safe-haven effect[12]. This trend also appears to extend to EFTA countries such as Switzerland, Iceland, and Norway, which are increasingly seen as stable alternatives. The biggest loser in this year's popularity ranking is the United States, named by only 9% of participants as the most promising market. This decline is very likely linked to Donald Trump's trade policy. A similar drop in sentiment was observed during the early phase of his first term, when the U.S. share fell from 13% in 2016 to 9% in 2017. On average, just 8.7% of respondents favored the U.S. during Trump's first term (including the pandemic year 2020), compared to 12.6% during Joe Biden's presidency (including the pandemic year 2021).

11 As there are several answers possible, the numbers add not up to 100% in this chart.
12 During a major crisis, companies tend to do more business on their home market than abroad, because they have a better overview of the situation.

• Exporting has become increasingly complex for German companies, with rising geopolitical tensions and rapid policy shifts adding layers of uncertainty. From unpredictable U.S. trade policy and the ongoing war in Ukraine to the conflict in Middle East —where Houthi rebel attacks continue to disrupt shipping through the Suez Canal—global instability is weighing heavily on international trade. The Israel-Iran conflict has underlined the possible volatility to oil prices and rattled financial markets, while climate-related disruptions threaten supply chains and transport routes. In response, more companies are turning to "de-risking" strategies to make their business more resilient. In 2025, 23% of surveyed firms reported implementing such measures **(Chart 11)**. This marks a continued increase since Coface began tracking the trend in 2023. An additional 31% of companies plan to adopt "de-risking" strategies within the next three years. Almost all sectors reported progress in reducing trade-related risks, with export-heavy industries leading the way. The ICT sector saw the most dramatic shift: the share of companies implementing "de-risking" strategies nearly doubled from 23% to 44% in just one year. Significant increases were also recorded in automotive (+15 pp. to 32%) and machinery (+10 pp. to 42%). In contrast, the retail and wholesale trade sector showed only modest progress, with 11% currently applying "de-risking" strategies—though this figure is expected to double by 2028. Three main "de-risking" approaches are emerging: Diversification of suppliers, customers, or banking relationships (used by 59% of de-risking firms, up from 41% in 2024), secured payment methods, such as prepayment or credit insurance (18%, doubling from last year) and near-shoring—relocating production or supply chains to the EU or Germany (11%, down from 24% in 2024). Additionally, 8% of respondents reported actively excluding China from their supply chains where possible. Notably, no company indicated a similar exclusion of the United States for the moment.

Chart 11:
Are you already experiencing "de-risking" in your company (answers 2023, 2024[13] and 2025) or do you expect to experience it in the next three years? (share of positive answers per sector in percent)



Source: Coface Corporate Payment Survey Germany 2025

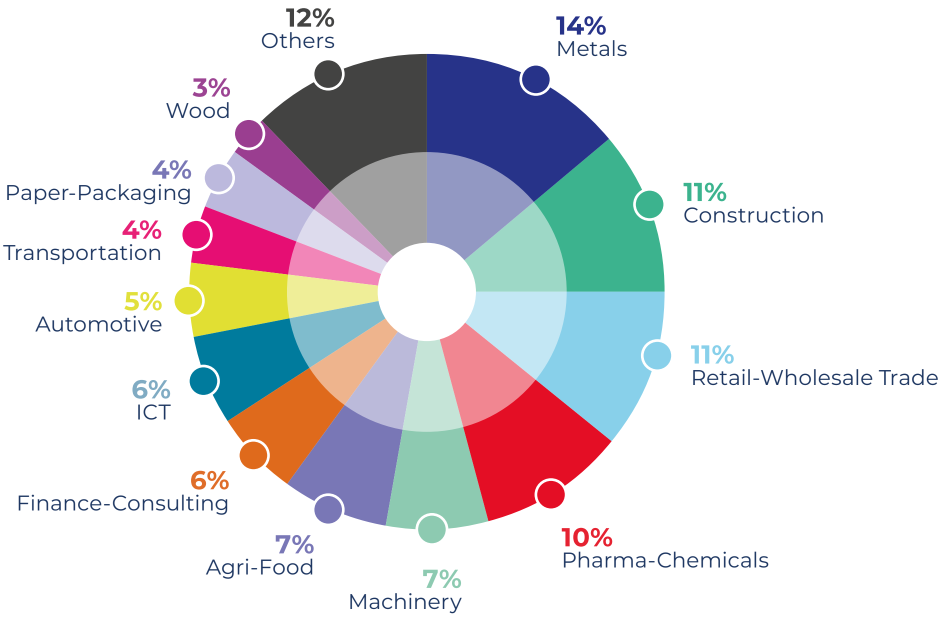
13 In 2024, the number of participants answering this question in the finance-consulting sector was too low for a significant answer. In 2025, the number was again high enough to make the answer reliable.

APPENDIX

A TOTAL OF
847
COMPANIES PARTICIPATED IN THE PAYMENT SURVEY

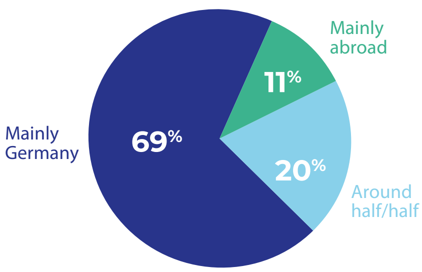
Who were the respondents?

SECTORS OF SURVEYED COMPANIES



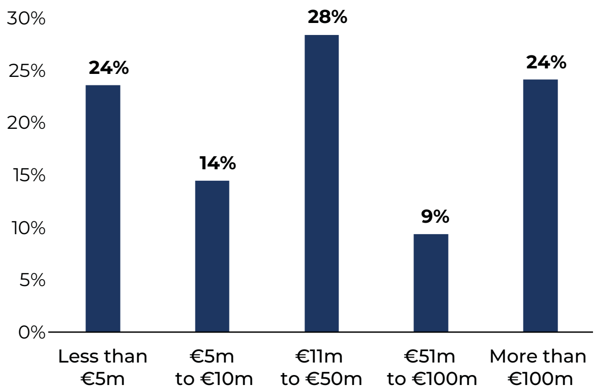
Source: Coface Corporate Payment Survey Germany 2025

RELEVANT MARKET



Source: Coface Corporate Payment Survey Germany 2025

SIZE BY TURNOVER



Source: Coface Corporate Payment Survey Germany 2025

GLOSSARY

PAYMENT TERM
The time frame between when a customer purchases a product or service and when the payment is due.

PAYMENT DELAY
The period between the payment due date and the date the payment is made.

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