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PAYMENT SURVEY



By Patricia Krause,
Economist
based in Sao
Paulo

Latin America Corporate Payment Survey 2025 Extended payment terms and more frequent delays

Coface conducts payment surveys for several different economies and regions. The objective of this survey for Latin America is to better understand the region's corporate payment habits and the health of its economy. The survey was carried out over the September – October 2025 period which saw 304 companies participate in the study across over 6 countries, including Argentina, Brazil, Chile, Colombia, Ecuador, and Peru.

Latin American companies face an economic environment still marked by challenges. Coface forecasts the region's GDP growth to keep a modest pace in 2025 – 2026 period (expanding by 2.1% and 2.2% in 2025 and 2026, respectively, after 2.2% in 2024). The lackluster economic momentum can be attributed to a gentle growth in global activity (including a gradual deceleration in the main market for exports: the US and China) and its side effect on commodity prices. The more protectionist trade policy of the United States represents a source of uncertainty for the region's exports. While Latin America faces relatively lower tariffs than others, there are exceptions. Brazil, for instance, has faced 50% tariffs on over a third of its exports to the U.S. since early August 2025. So far, the country has managed to offset the decline in U.S. sales by redirecting exports to alternative markets. Furthermore, the US trade policy also increases pressure to redirect cheap Chinese exports to other markets, thus becoming source of concern for Latin American countries, which have already seen a significant increase in Chinese imports at competitive prices in recent years. On the other hand, the weakening of the dollar in the global market brings some relief to most Latin American

currencies, after the depreciation observed in 2024. This could contribute to ease the path (due to lower inflationary pressure on imported goods) for interest rates cuts in the region. While in countries like Chile and Peru there is little room for further cuts (with rates approaching their neutral levels), credit conditions remain particularly restrictive in countries like Brazil and Colombia, where we expect cuts throughout 2026.

Amid this economic environment, companies have extended their payment terms, with the average credit period increasing from 53 in 2024 to 59 days in 2025 — potentially indicating a need to offer longer terms to support sales continuity. As for payment delays, 77% of firms reported that they were facing overdue. This result represents a strong increase compared to 2024, up from 51% in 2024. The ratio exceeded 77% in Argentina, Brazil, and Ecuador and across seven sectors (automotive, retail, construction, pharmaceuticals, wood, paper and chemicals). Nonetheless, while delays increased in terms of frequency, they became, on average, shorter. The average delay duration shrunk to 42 days (from 52 days in 2024). Expectations for 2026 are cautiously optimistic: while economic activity is expected to remain stable, nearly 70% of companies foresee improved business performance. Risks remain, with 46% citing economic slowdown, followed by high competition, geopolitical tensions, high interest rates and exchange rate volatility. Brazil stands out for concerns over monetary policy, while Argentina for exchange rate volatility. In addition, trade policy changes and labor cost pressures (squeezing profitability) are among other major risks mentioned.

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FOR TRADE



PATRICIA KRAUSE
Economist, Latin America

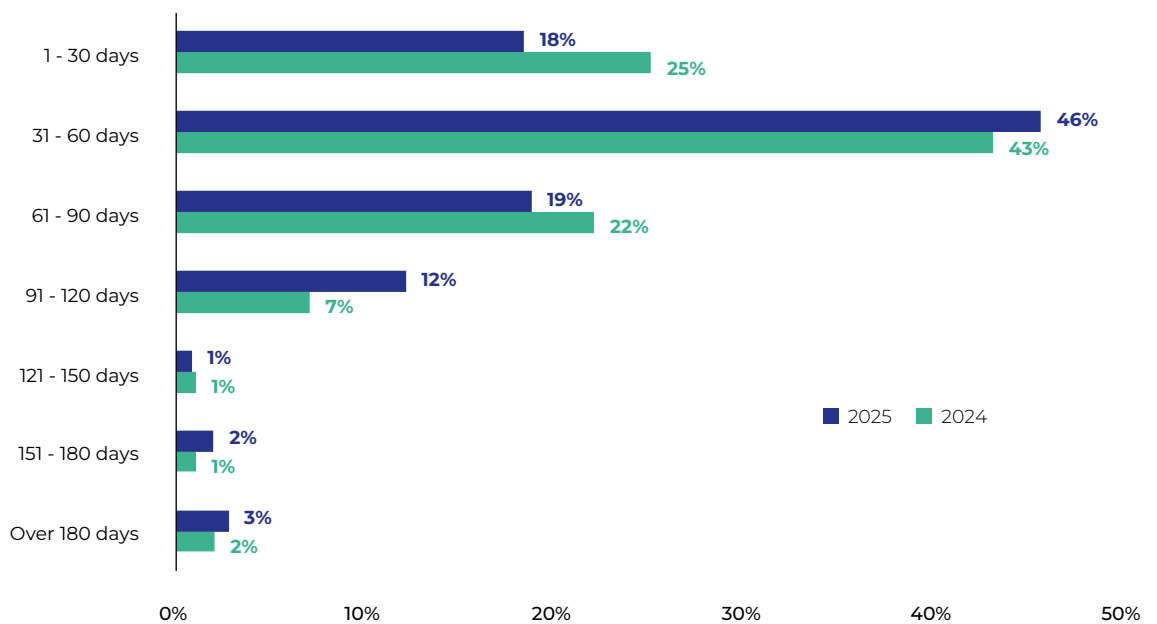
PAYMENT TERMS

Among the Latin American companies we surveyed, 86% offered payment terms to their customers in 2025, slightly down from 88% in 2024. Market practice remained the main reason for doing so. Although the credit period is generally short — with 83% of companies offering terms of up to 90 days (**Chart 1**), this marks a loosening compared to 2024, when 90% fell within that range. This shift was observed across all countries. As a result, the average credit term increased from 53 days in 2024 to 59 days in 2025. Most respondents continued to offer terms between 31 and 60 days, and this range became even more representative

in 2025 (46%) versus 2024 (43%). However, the rise in the average credit term was mainly underpinned by a lower share of companies offering 0–30-day terms and a higher share in the 91–120-days range.

The timeframe 31 to 60 days was the most common throughout Brazil, Colombia, Ecuador and Peru¹ and among national and multinational companies of all sizes. In terms of sectors, it was also the most common payment timeframe in 10 out of 13 sectors. The main exceptions were textiles and wood and in the pharmaceutical sector, where both the 31–60 and 61–90-day ranges were equally common.

Chart 1:
Payment terms in Latin America

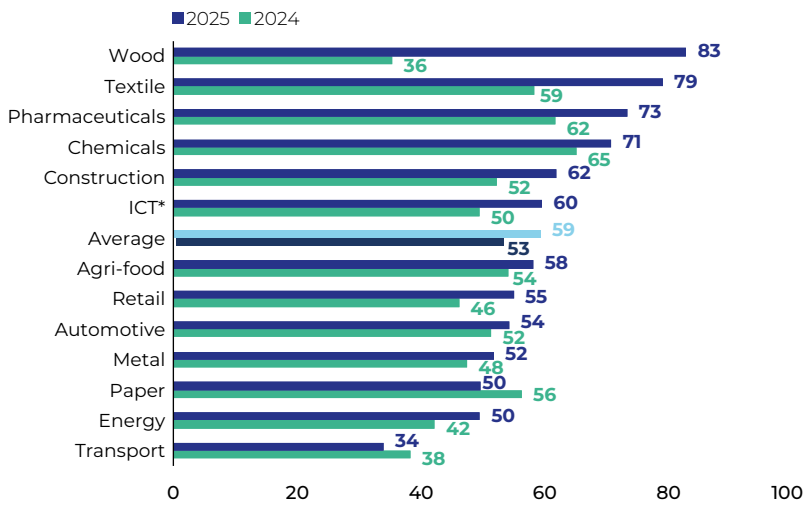


Source: Coface Payment Survey

¹ In Chile and Argentina 1 – 30 days was more recurrent

Chart 2:

Average payment terms by sectors (in days)

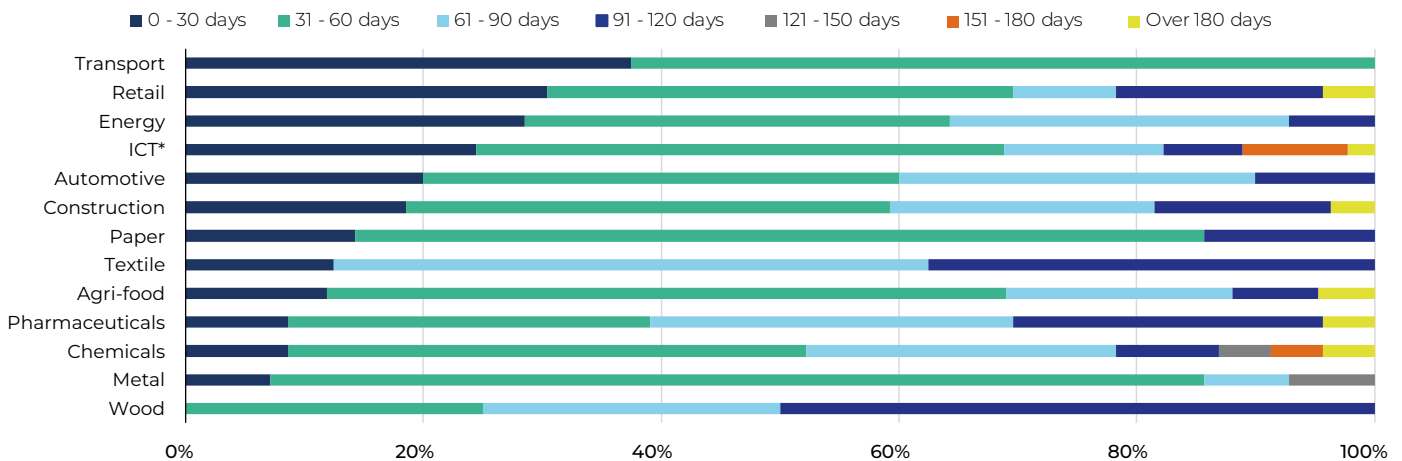


In a sectoral split, the most restrictive sector (with most sales on short payment terms of up to 30 days) was transport (38%), with the average payment term being 34 days (**Charts 2 and 3**). Conversely, the most generous sectors offering long average payment terms include wood (50% with credit periods of over 90 days), textile (38%) and pharmaceuticals (30%). Only two out of thirteen sectors — paper and transport — reported shorter payment terms in 2025 compared to 2024, with reductions of 6 and 4 days, respectively. Across countries, average payment terms increased in all cases, most notably in Chile, where they rose by 8 days (**Chart 4**). Colombia recorded the shortest average term in 2025 at 50 days, while Brazil had the longest, at 66 days.

Source: Coface Payment Survey

Chart 3:

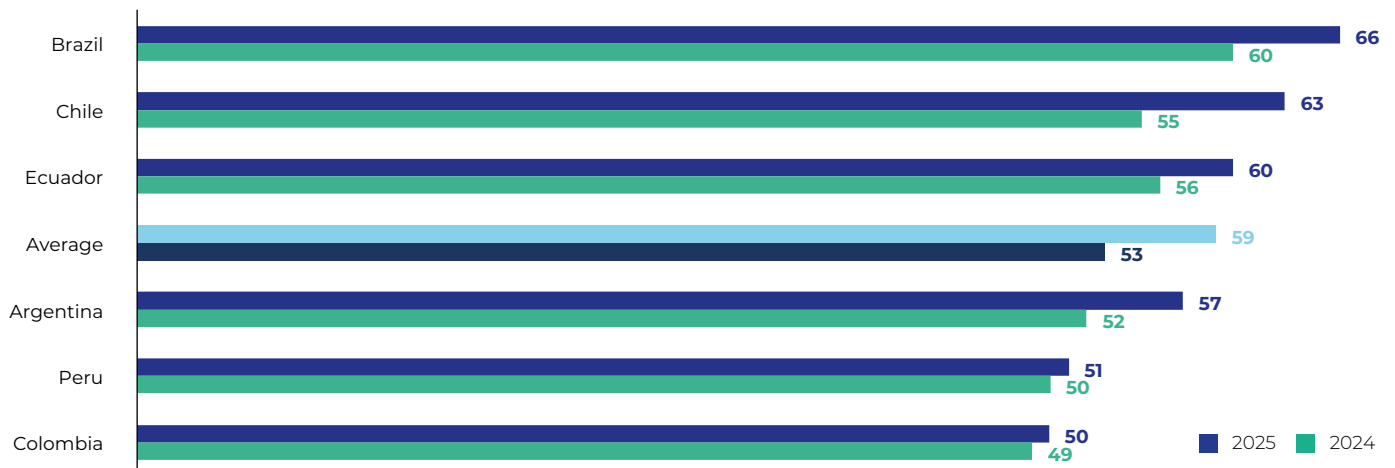
Payment terms by sector



Source: Coface Payment Survey

Chart 4:

Average payment terms by country (in days)



Source: Coface Payment Survey



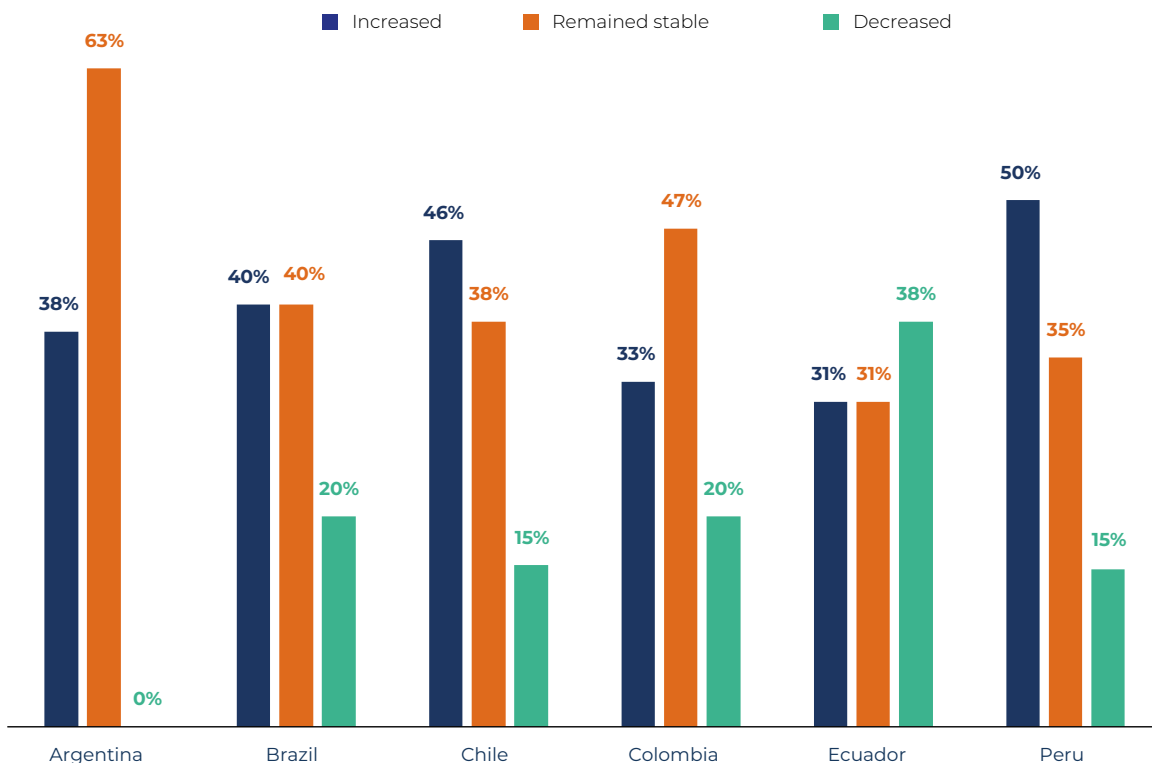
2 PAYMENT DELAYS

Delays in payment appear to be frequent among Latin American businesses. Of the companies surveyed, 77% declared to have experienced payment delays. This represents a strong increase compared with 2024, when 51% of our sample were facing delays. The ratio exceeds the 77% threshold in three economies (Argentina, Brazil and Ecuador) and across seven sectors (automotive, retail, construction, pharmaceuticals, wood, paper and chemicals). Nonetheless, when asked if payment delays increased in 2025 compared with 2024, most companies said that the number of payment delays remained stable. By country, only in Ecuador did the majority of companies (38%) report an improvement during the period (**Chart 5**). This may be associated with the economic rebound seen

year-to-date, following the recession experienced in 2024, on the back of a strong drought that led the country (highly reliant on hydroelectric power) to face long-hours blackouts during part of the second half of 2024. Contrarily, in Chile and Peru most companies reported an increase in payment delays. In addition, in Argentina, Brazil and Colombia, many more companies reported an increase rather than a decrease in payment delays.

Regarding Argentina, in particular, any company reported a decrease in delays. Although this result may seem surprising, given that the economy is projected to grow by 3.8% in 2025 after two years of recession (2023–2024), the rebound that started in Q3 2024 lost steam by Q2 2025, when GDP

Chart 5:
Payment delay by country



Source: Coface Payment Survey

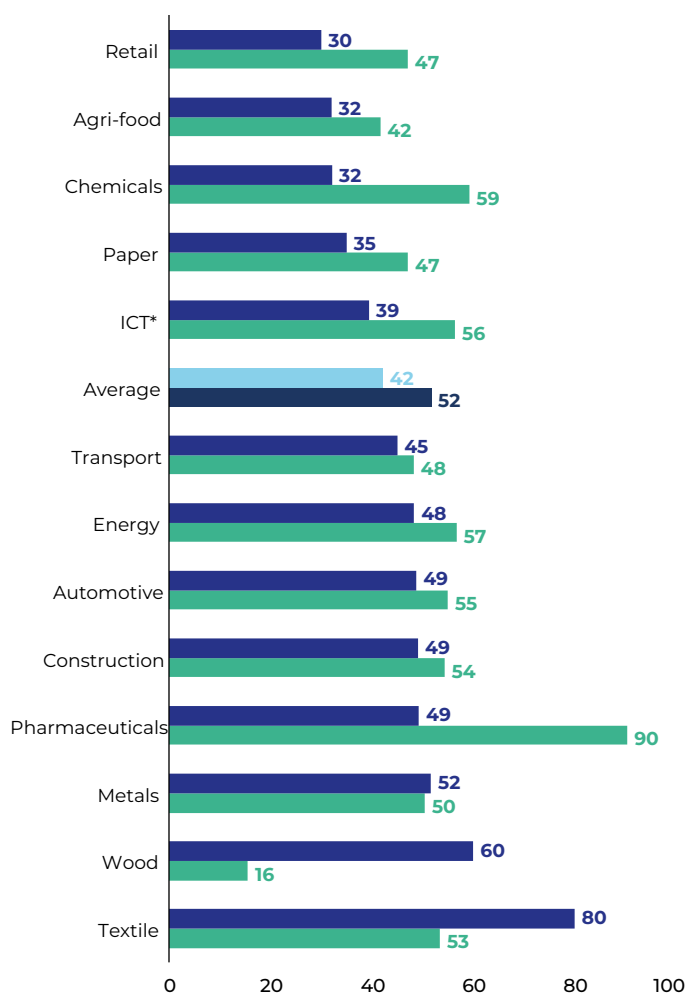
slipped by 0.1% quarter-on-quarter. Preliminary estimates suggest continued decline in Q3 2025, as businesses have faced tighter credit conditions and struggling to compete with foreign firms, due to an overvalued exchange rate and the easing of import restrictions.

In addition, it worth mentioning that, according to national statistics, the number of companies that asked for Chapter XI protection in Latin America increased in 2024 and has remained high in early 2025 (at least for countries where recent data are available, such as Brazil and Colombia). Brazil registered a record – high number of requests in 2024 with 2273 companies requesting restructuring, an increase of 62 % year-on-year. Between January and April 2025, requests were at still very high levels, observing a decrease of only 7% YOY. From a sector-wide perspective, payment delays increased in agri-food, construction, and paper compared to 2024. In fact, most sectors

saw more companies reporting delays than improvements—except for transport, where the opposite trend was observed.

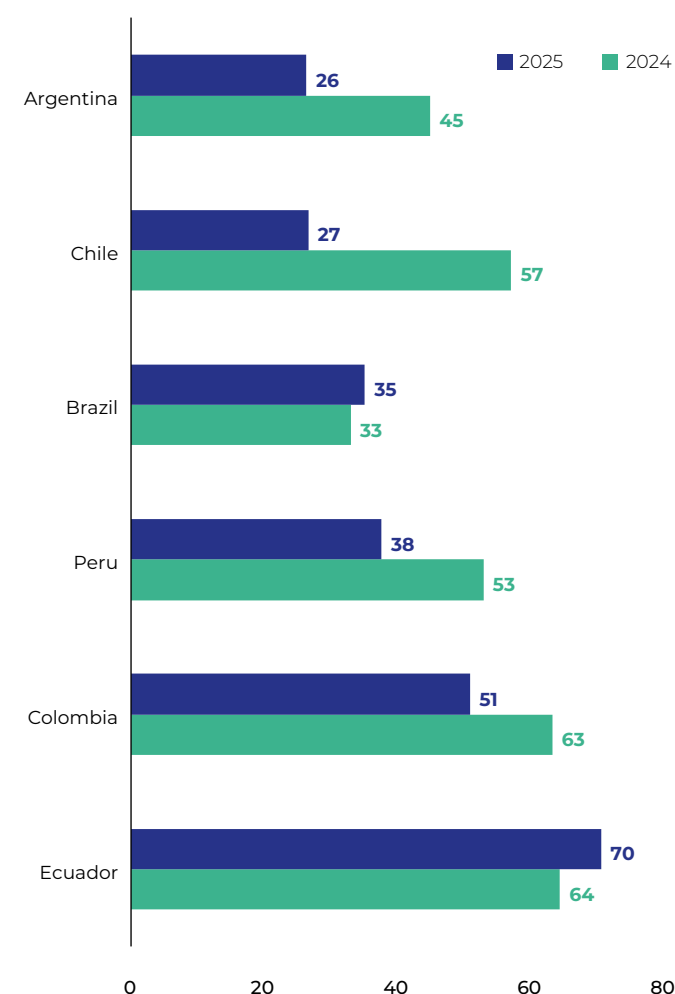
Average payment delays reached 42 days; thus a shortening compared to 2024 (minus 10 days). This year, 75% of companies surveyed reported average payment delays of up to 60 days (from 69% in 2024). On the contrary, delays between 60 and 150 days became relatively less common and were reported by 23% (from 25% in 2024). Similarly, very long delays exceeding 150 days reached only 2% of respondents in 2025 (from 6% in 2024). This movement was widespread at sectoral level, apart from wood, textile and metals which registered a lengthening (**Chart 6**). Delays in payments for pharmaceuticals and chemicals recorded the biggest drop in a year with - 41 and - 27 days, respectively. Moreover, all other countries observed a drop in average length of delays (**Chart 7**), except for Brazil and Ecuador, which observed a climb of

Chart 6:
Average payment delays (days) by sector



Source: Coface Payment Survey

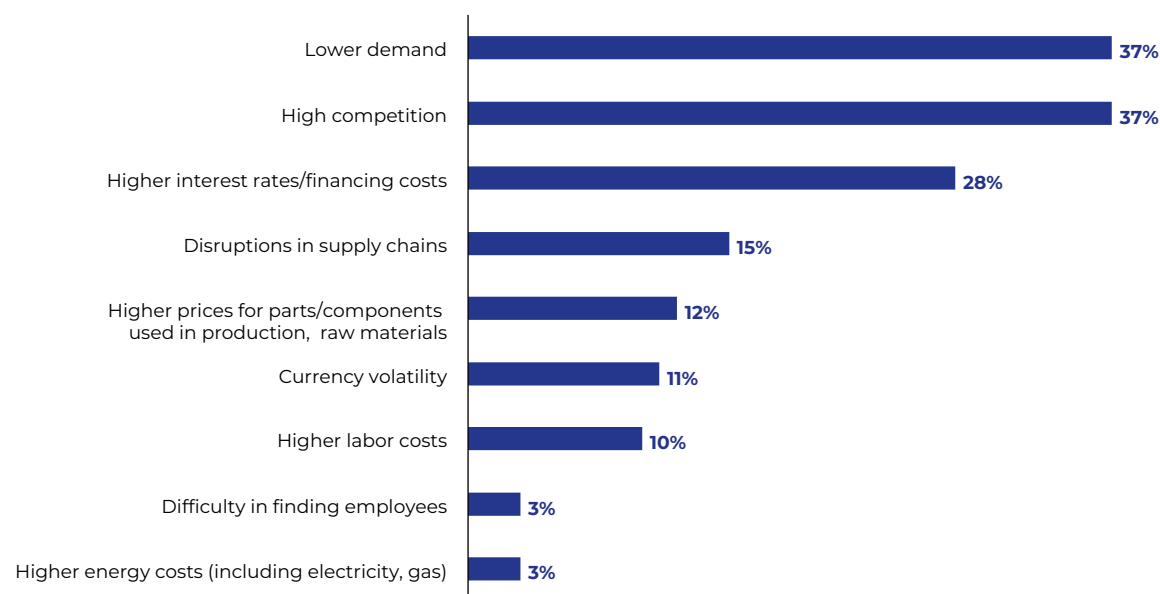
Chart 7:
Average payment delays (days) by country



Source: Coface Payment Survey

**Chart 8:**

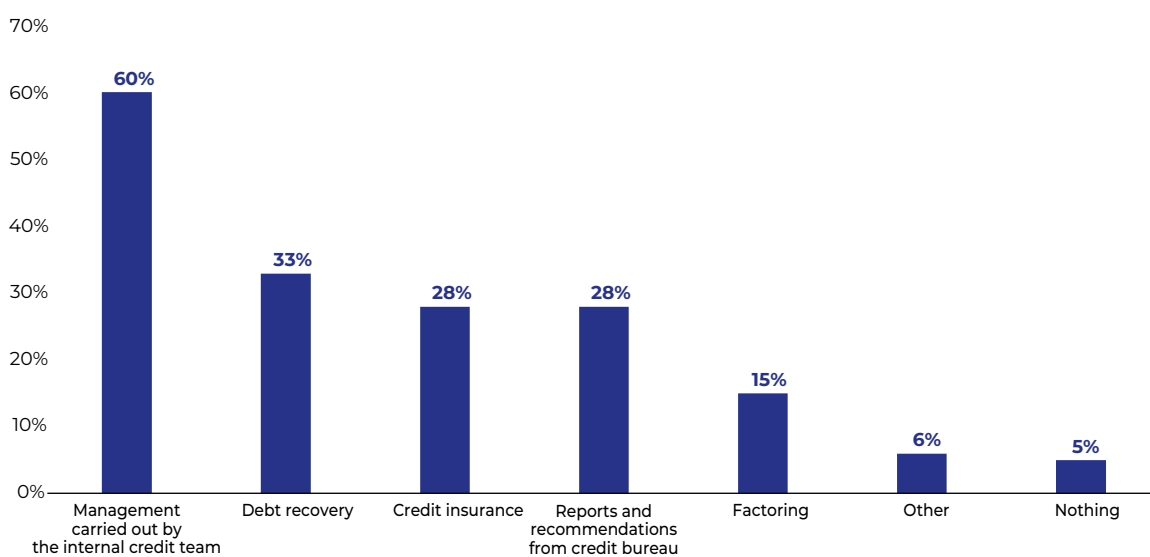
The main reasons for non-payments in the last 6 months (multiple answers were possible)



Source: Coface Payment Survey

Chart 9:

Credit management tool(s) used (multiple answers were possible)



Source: Coface Payment Survey

2 days and 6 days, respectively. Argentina and Chile reported the shortest average payment delays (26 and 27 days), while Ecuador observed once again the largest (70 days). Moreover, 37% of companies surveyed said that delays of over six months represented less than 0.5% of their revenue (43% in 2024), whereas they exceeded 20% of revenue for only 2% of respondents (1% in 2024).

When questioned about the main reason for payment delays (**Chart 8**), lower demand and high competition were equally the most cited

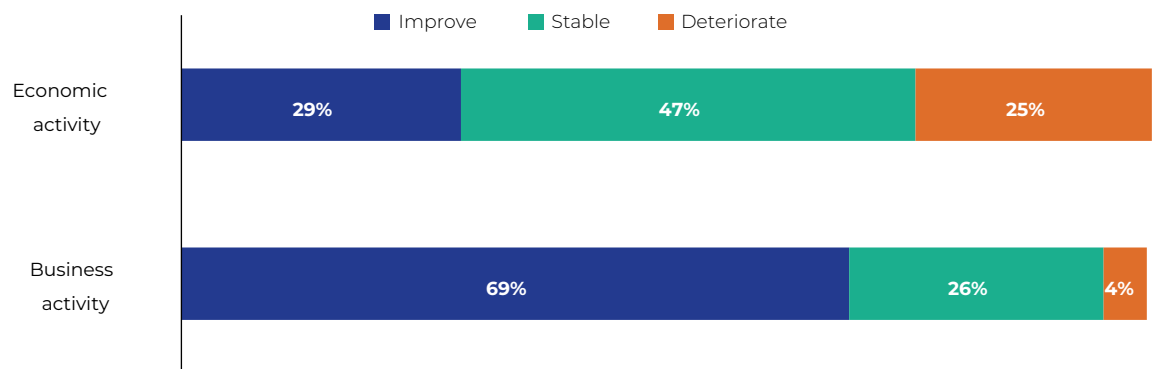
reason (37%), followed by higher financing costs (28%). In fact, growth momentum has remained weak in the region in the 2024-2025 period, while credit conditions remained tight in some countries (like Brazil and Colombia). Regarding the credit management tools that are usually used (**Chart 9**), internal credit team was the most cited by respondents, followed by debt recovery, credit insurance and reports and recommendations from credit bureau. It is worth mentioning that 5% failed to implement any protection tool whatsoever.

3 EXPECTATIONS

Most companies expect economic activity to remain stable in 2026 compared to 2025, with a smaller share anticipating a strengthening (**Chart 10**). Stability was the dominant expectation across all countries. Despite this steady overall economic outlook, nearly 70% of respondents believe their own business activity will improve next year, and only 4% expect it to worsen. Optimism about business performance prevailed across all countries. By sector, metals stood out as the only one in which most respondents expect

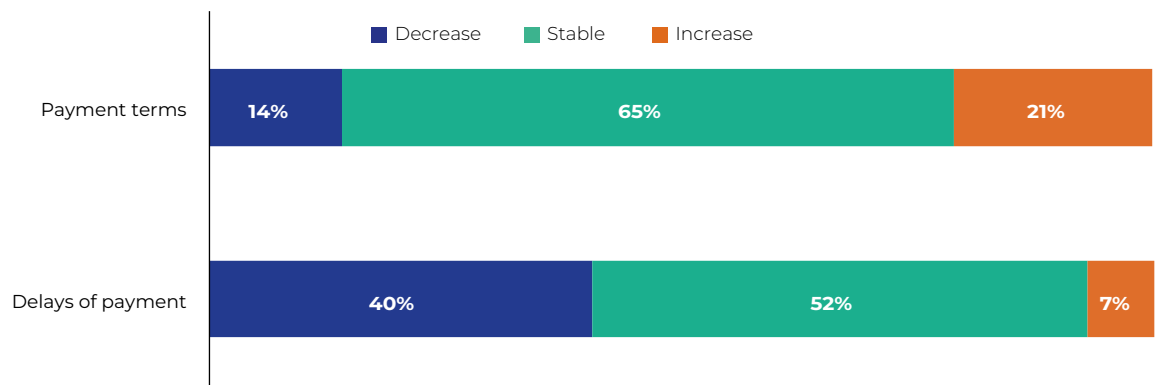
stability. Regarding payment terms (**Chart 11**), most respondents expect them to remain stable over the next six months. This view was widespread across countries, except in Ecuador, where expectations of an increase were more frequent, and in the transport sector, where respondents were evenly split between stability and increase. As for payment behavior, stability also prevailed. Ecuador was the only country where a reduction in payment delays was the most common expectation, while in Colombia, views were evenly

Chart 10:
Expected economic and business activities in 2026 compared with 2025



Source: Coface Payment Survey

Chart 11:
Expected evolution of payment terms and delays in the next six months



Source: Coface Payment Survey



divided between reduction and stability. By sector, most respondents in construction, chemicals, and transport expect payment delays to improve. In the steel sector, opinions were split between stability and reduction.

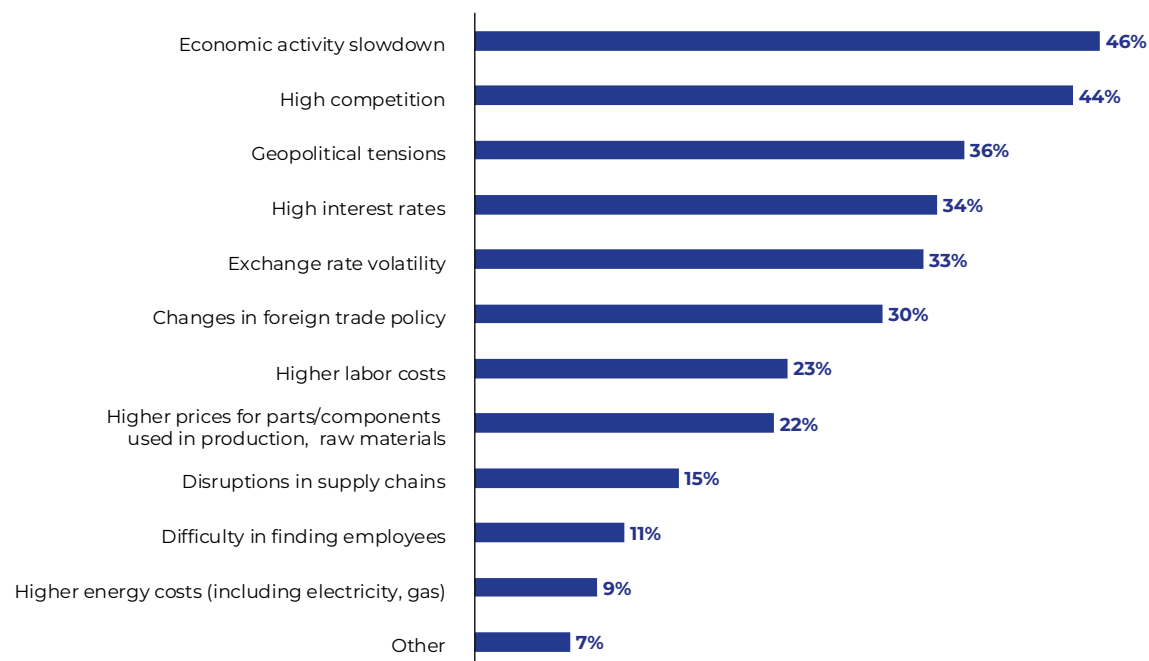
Despite a moderately optimistic outlook for their business activity in 2026 compared to 2025, concerns remain. When asked about major risks over the next 12 months (**Chart 12**), 46% of respondents identified a potential slowdown in economic activity as the top threat. Coface projects Latin America's GDP growth to edge up slightly to 2.2% in 2026, from 2.1% in 2025. Regional growth is constrained by weaker global momentum, tight credit conditions—particularly in Brazil and Colombia, though expected to ease gradually in 2026—and limited fiscal space for stimulus measures. High competition was the second most cited risk (44%), followed by global geopolitical tensions (36%) and high interest rates (34%). Although monetary authorities are expected to continue cutting rates throughout 2026, interest rates remain a concern—especially in Brazil, where 53% of respondents flagged it as a key risk. Indeed, Brazil is a main exception, as its Central Bank raised the Selic rate by 450 basis points between September 2024 and June 2025, reaching 15% annually. With inflation expectations beginning

to moderate—driven by slower economic activity and a 13% appreciation of the Brazilian Real against the US dollar by October 20—Coface anticipates a gradual reduction in the Selic rate starting in Q1 2026. Still, in real terms, the reference rate stood at a high 9.8% in September 2025, posing challenges for businesses.

As for exchange rate volatility, it was mentioned by 33% of respondents, and by 60% in Argentina. The high prevalence in the country reflects the uncertainty regarding the sustainability of the exchange rate band established in April 2025, which has seen increased volatility since late June due to factors such as difficulties in accumulating foreign reserves, the October 2025 midterm elections, and political scandals involving President Milei's inner circle. Changes in foreign trade policy were also a concern, cited by 39% of Brazilian respondents. This is likely due to the United States' decision to raise import tariffs from 10% to 50% on products that represent approximately 36% of Brazil's export basket, effective from August 6, 2025. Finally, higher labor costs were mentioned by 23% of respondents. Governments in countries like Brazil, Colombia, and Mexico have increased minimum wages above inflation in recent years—a trend expected to continue into 2026, adding pressure to corporate cost structures.

Chart 12:

Which of the factors below do you consider a major risk for your business in the next 12 months



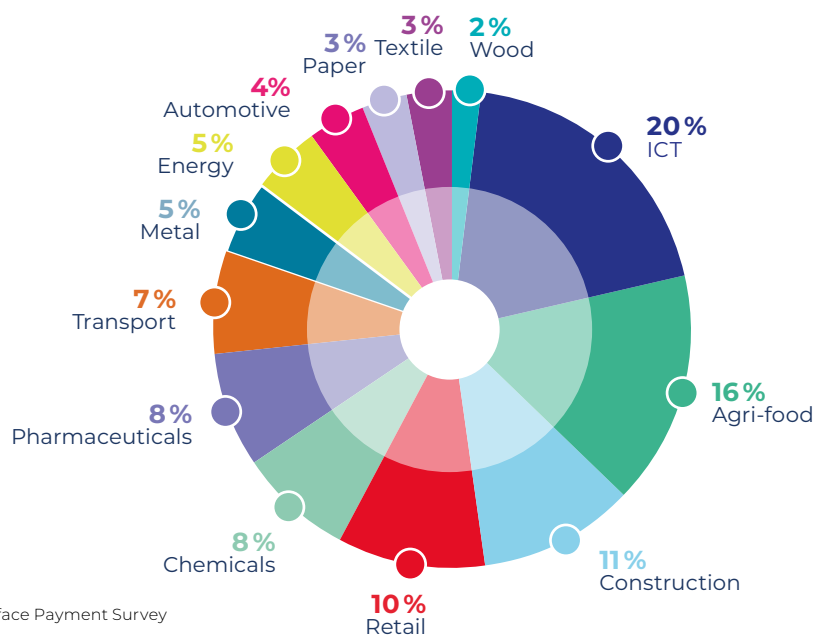
Source: Coface Payment Survey

APPENDIX



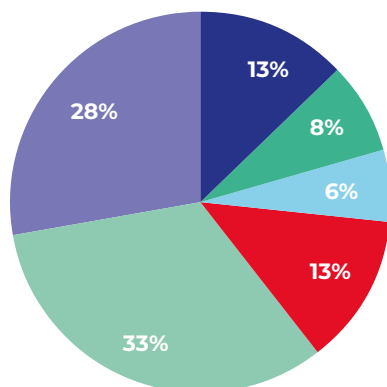
A TOTAL OF
304
COMPANIES PARTICIPATED
IN THE PAYMENT SURVEY

SECTORS OF COMPANIES SURVEYED



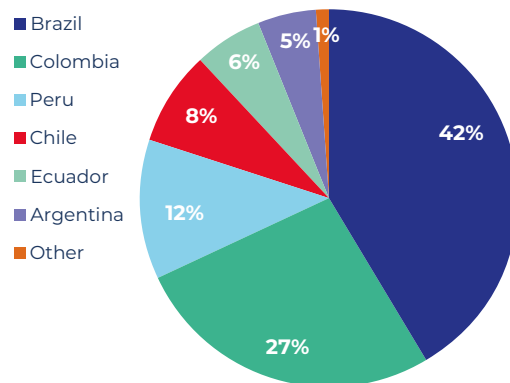
SIZE OF COMPANIES BY TURNOVER (in M USD)

- Multinational – large company (500+ employees)
- Multinational – medium company (100 – 499 employees)
- Multinational – micro or small company (up to 99 employees)
- National – large company (500+ employees)
- National – medium company (100 – 499 employees)
- National – micro or small company (up to 99 employees)



Source: Coface Payment Survey

COUNTRY OF ORIGIN



Source: Coface Payment Survey

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COFACE SA

1, place Costes et Bellonte
92270 Bois-Colombes
France

www.coface.com

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