



Atradius Payment Practices Barometer 2024

B2B payment practices trends

# Central and Eastern Europe (CEE)

Economic strain shapes customer  
credit risk landscape across the CEE region





## About the Atradius Payment Practices Barometer

The Atradius Payment Practices Barometer is an annual survey of business-to-business (B2B) payment practices in markets across the world.

Our survey provides us with the opportunity to hear directly from companies polled about how they are coping with the impact of the current challenging economic and trading environment on payment behaviour of their B2B customers. This can give valuable insights into how businesses are paid by their B2B customers, and how they tackle the pain points caused by poor payment practices.

The findings about what measures are undertaken to fund a sudden need for cash, and what credit management tools they use to mitigate the risk of long-term cash flow problems, may also be valuable information in helping understand how companies respond to the crucial issue of late or non-payment in the current uncertain times.

However, the survey also has a strong focus on the challenges and risks that companies polled believe they will encounter during the coming months, and their expectations for future business growth.

The results of our survey can supply useful insights into the current dynamics of corporate payment behaviour in B2B trade, and identify emerging trends that may shape its future. This can be extremely useful to companies doing business, or planning to do so, in the markets polled.

In this report, you will find the survey results for Central and Eastern Europe (CEE). Markets surveyed: **Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovakia, Slovenia and Turkey.**

The survey was conducted between the end of Q1 and the beginning of Q2 2024. The findings should therefore be viewed with this in mind.



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# Central and Eastern Europe (CEE)

## B2B payment practices trends

### Economic strain shapes customer credit risk landscape across the CEE region

The ongoing importance of trading on credit in B2B sales among businesses in Central and Eastern Europe (CEE) is evident in our survey. Almost nine-in-ten companies say they are open to trading in credit, and currently an average 47% of all B2B sales are being transacted on credit. Businesses in Slovakia are the most inclined to do so, while consumer durables companies show the greatest propensity among the various industries in our survey. Driving an increase in sales is the main reason cited for trading on credit, along with encouraging repeat business and maintaining a competitive advantage. These strategies are underpinned by a general stability in payment policies of CEE businesses. 55% of companies report no change in their payment terms being offered to B2B customers, and the current average payment term stands at 60 days from invoicing. More lenient terms are most often seen in Romania and Hungary, and in the agri-food and steel-metals sectors. 10% of businesses are extending payment terms beyond 90 days from invoicing.

A striking message from our survey of companies across the region is an increasing level of bad debts written off as uncollectable. These now stand at 8% of all B2B invoiced sales, resulting in financial losses for many businesses, notably in Slovenia and the Czech Republic. Construction, steel-metals and transport-automotive are the hardest by sector among the industries monitored. This is a clear rise in customer credit risk, and some deterioration is also seen in the amount of late payments reported by businesses in the

### Key survey findings

- Almost nine-in-ten of companies in our survey of Central and Eastern Europe say they are open to the idea of trading on credit, but in practice an average 47% of all B2B sales are currently being transacted on credit. Slovakian businesses are the most inclined to do so, and among sectors the consumer durables industry is most enthusiastic.
- The majority of businesses across the region (55%) tell us there is no significant change in the payment terms they are offering to B2B customers. Among the rest most are extending longer payment terms. Overall, the average term is 60 days from invoicing, but this rises to more than 90 days in the agri-food and steel-metals sectors.
- Late payments currently affect an average two-in-three of all B2B invoiced sales among CEE companies, while bad debts are rising to stand at 8% of all B2B sales. This is causing financial loss, with businesses in Slovenia and the Czech Republic hardest hit, along with the construction, steel-metals and transport-automotive sectors.

region. Two-in-three of all invoices issued by companies are currently being paid late, while the average time it takes for CEE businesses to turn overdue B2B invoices into cash is two months past the due date. The challenge this poses to collections and credit management is plain enough.

**Key figures and charts on the following pages**

*(continued on page 5)*



Several reasons for B2B customers making late payments are reported by businesses in Central and Eastern Europe. Around 40% of companies tell us that delays are due to problems in the customer's payment process, while another major issue is temporary cashflow issues among B2B customers. Invoice disputes and supply chain disruptions are also mentioned. To avoid liquidity bottlenecks due to the impact of late payments and bad debts, 34% of CEE companies normally delay payments to their own suppliers, with the risk of a ripple effect through industries. This is especially prevalent in the consumer durables sector. Delaying investment plans is another widespread response, notably in the transport-automotive industry. A slightly more positive signal from our survey is that 55% of businesses in the region tell us their Days-Sales-Outstanding (DSO) is relatively stable. If there is a change it is more likely to be a worsening of DSO, seen most in the consumer durables sector.

Among businesses in the region, the preferred option for dealing with customer credit risk is in-house retention and management of the issue by relying on internal resources. This strategy involves allocating funds to cover potential losses arising from customer defaults. However, 56% of companies that insured B2B accounts receivable said they recognised the limitations of this approach, citing challenges such as having insufficient reserves to address significant unexpected losses, and the drawback of being unable to use these funds for investment. This resulted into 10% more CEE companies than last year taking up credit insurance during the past 12 months, moving away from in-house customer credit risk management retention. 56% of companies which insured B2B accounts receivable said this choice would help them reduce bad debt reserves and free up working capital to be used in operations and investment. Investment tends to be

- Delays in the customer payment process are the main reason for late payments cited by businesses in Central and Eastern Europe, along with B2B customer cashflow issues. To avoid liquidity bottlenecks 34% of companies, especially in the consumer durables industry, delay payments to their own suppliers, risking a domino effect.
- 55% of CEE companies surveyed tell us that Days-Sales-Outstanding (DSO) has been stable during the past year. Otherwise, the prevailing trend is for a deterioration in debt collection efficiency, most frequently reported by the consumer durables sector.
- In-house retention and management of customer credit risk is the preferred approach of four-in-five CEE companies. However, 10% more businesses than last year have opted to transfer credit risk management to an insurance company, choice would help them reduce bad debt reserves and free up working capital to be used in operations and investment.

the area most affected by the impact of customer credit risk on the business, with over one in three CEE companies feeling the strain. This strategic shift towards transfer of credit risk management to insurance companies not only strengthens risk mitigation efforts, but also allows for reallocation of internal resources. Other popular tools being used by CEE companies surveyed for managing credit risk are factoring and letters of credit.

**Key figures and charts on the following pages**

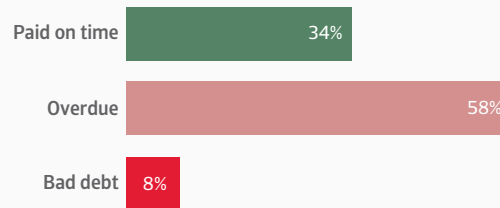




# Central and Eastern Europe (CEE)

## Central and Eastern Europe (CEE)

% of the total value of B2B invoices paid on time, overdue and bad debt

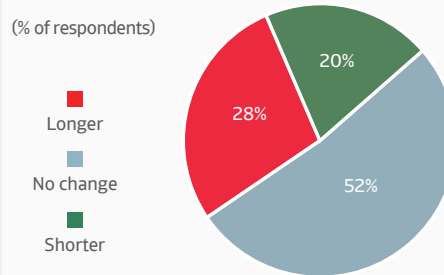


Sample: all survey respondents

Source: Atradius Payment Practices Barometer Central and Eastern Europe (CEE) – 2024

## Central and Eastern Europe (CEE)

% of respondents reporting changes in payment duration\* over the past 12 months



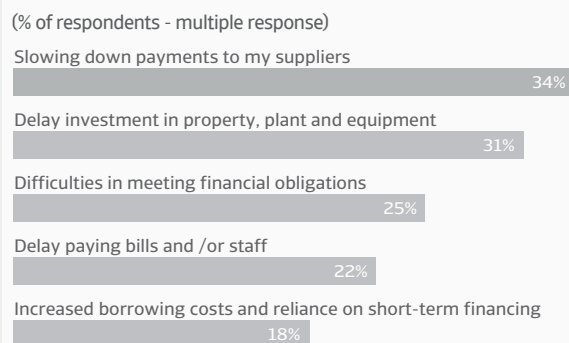
\*average amount of time to get paid from B2B customers

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Central and Eastern Europe (CEE) – 2024

## Central and Eastern Europe (CEE)

Over the past 12 months, have late payments from your B2B customers led your company to experience any of the following situations?



Sample: all survey respondents

Source: Atradius Payment Practices Barometer Central and Eastern Europe (CEE) – 2024

## Central and Eastern Europe (CEE)

What are the main sources of financing that your company used during the past 12 months?

- 41% Bank loans
- 41% Trade credit
- 40% Invoice financing
- 21% Internal funds

(% of respondents - multiple response)

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Central and Eastern Europe (CEE) – 2024

# Central and Eastern Europe (CEE)

## Looking ahead

### CEE companies anticipate a rise in insolvencies

A compelling message which emerges from our survey of companies in Central and Eastern Europe is widespread concern about a rising risk of insolvencies during the year ahead. Nearly 60% of businesses across the region tell us they expect an increasing number of insolvencies, with clear implications about potential financial distress ahead. Companies in Romania and the Czech Republic express the most pessimism, along with those in the construction industry. However, there is more optimism about the prospects for both B2B customer payment behaviour and Days-Sales-Outstanding (DSO). 50% of businesses say they anticipate no significant changes in payment practices, and among the rest a positive mood is more prevalent, especially in the agri-food sector. 45% of companies expect no alteration in DSO, and otherwise there is more optimism than pessimism. The steel-metals sector stands out as the industry with the most negative verdict.

There is a significant level of optimism expressed in our survey about the prospects for demand during the coming months among CEE businesses. Around 60% of companies tell us they anticipate a surge in demand for their products and services from B2B customers, and there is particular optimism evident in Turkey and across the transport-automotive industry in the region. 26% of businesses say they

### Key survey findings

- Nearly 60% of companies in Central and Eastern Europe expect an increase in insolvencies during the year ahead, notably in Romania and the Czech Republic, and in the construction industry. 50% of businesses anticipate no change in B2B customer payment behaviour, with the agri-food sector optimistic of an improvement.
- No significant change in Days-Sales-Outstanding (DSO) is expected in the coming months by 45% of companies in Central and Eastern Europe. Otherwise, the mood is mostly positive, with consumer durables businesses particularly optimistic. More negativity is evident in the steel-metals industry.
- 60% of businesses in Central and Eastern Europe anticipate a surge in demand for their products and services from B2B customers during the next 12 months. 26% of companies expect no change. Optimism is especially expressed in Turkey and among businesses in the transport-automotive sector.

foresee no great change in demand, with a minority reporting pessimism or uncertainty. In contrast, there is a far less positive mood about the outlook for profitability in the year ahead.

**Key figures and charts on the following pages**

*(continued on page 8)*



Only 37% of companies expect a rise in profits alongside increasing demand, and most anticipate no change or even a negative trend. The consumer durables industry is most pessimistic.

Where such negativity is found about insolvency risk and profitability, this reflects the major concern expressed by companies across Central and Eastern Europe when looking ahead. This primary worry is about the impact of economic conditions on business operations and investment, which is felt in both the short-term and long-term. One factor is apprehension that economic performance in the region is diverging, with some markets consistently outperforming others. This gap extends beyond growth, affecting areas like inflation and monetary policy. A further widespread anxiety expressed by CEE businesses surrounds the impact of geopolitical risks on financial health due to instability in key markets. This is particularly reported by businesses in Poland.

The increasing emphasis on sustainable business practices and the need to adhere to environmental regulations is also a widely-felt concern among companies in our survey of Central and Eastern Europe economies. These can pose significant challenges to businesses and are most acutely felt in Hungary and among companies in the transport-automotive industry. Concerns about regulatory compliance and potential changes in government policies that affect business operations are particularly reported in the

- A more mixed mood is found in our survey about prospects for profitability. Only 37% of companies in Central and Eastern Europe foresee a rise in profits during the year ahead, with Turkey again the most positive country along with the agri-food sector. The consumer durables industry has the most negative verdict on future profitability.
- The main concern for companies in Central and Eastern Europe looking ahead is the impact of economic conditions on business operations and investment. This is felt in both the short-term and long-term. Another clear anxiety is the potential impact of geopolitical tensions.
- Widespread worry is expressed about the issue of environmental and sustainability concerns and how they will affect companies across the region. This is acutely felt in Hungary and in the transport-automotive industry. Human resources are also a major anxiety, particularly the size of the working-age population.

construction sector. Human resources limitations also emerge from our survey as a key worry across sectors in the region, reflecting anxiety about the size of the working-age population and its repercussions on the outlook for business growth.

### Key figures and charts on the following pages



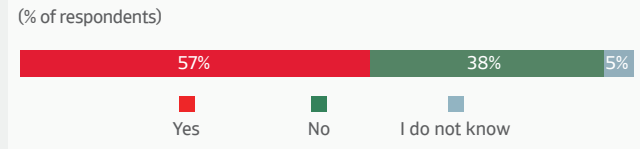




# Central and Eastern Europe (CEE)

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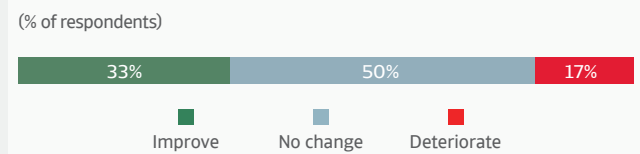
Do you see an increased insolvency risk for your customers in the next 12 months?



Sample: all survey respondents  
Source: Atradius Payment Practices Barometer Central and Eastern Europe (CEE) – 2024

## Central and Eastern Europe (CEE)

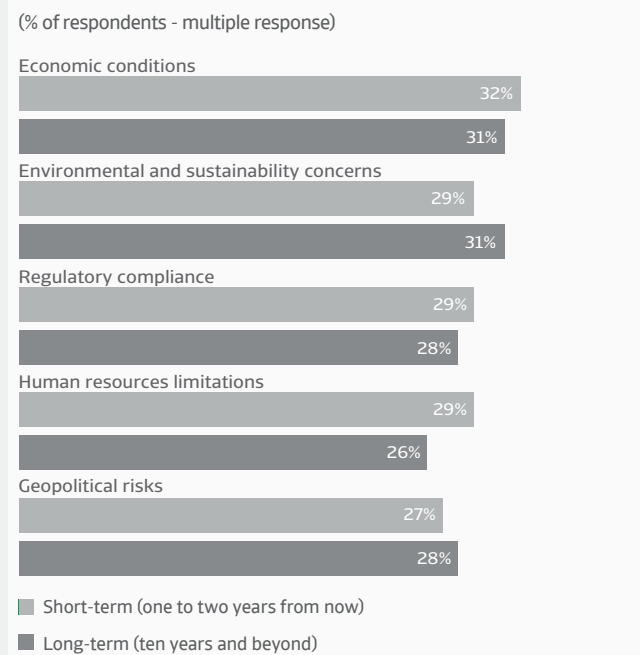
Looking ahead to the next 12 months: how do you expect the payment practices of your B2B customers to change?



Sample: all survey respondents  
Source: Atradius Payment Practices Barometer Central and Eastern Europe (CEE) – 2024

## Central and Eastern Europe (CEE)

Looking ahead: top 5 concerns expressed by businesses surveyed



Sample: all survey respondents  
Source: Atradius Payment Practices Barometer Central and Eastern Europe (CEE) – 2024

## Central and Eastern Europe (CEE)

How do you expect your average DSO to change over the next 12 months?

- 30% Improve
- 45% No change
- 25% Deteriorate

(% of respondents)

Sample: all survey respondents  
Source: Atradius Payment Practices Barometer Central and Eastern Europe (CEE) – 2024

## Survey design

Atradius conducts annual reviews of international corporate payment practices through a survey called the Atradius Payment Practices Barometer. Companies polled in Central and Eastern Europe (CEE) are the focus of this report, which forms part of the 2024 edition of the Atradius Payment Practices Barometer. A change in research methodology means year-on-year comparisons are not feasible for some of these survey results. Using a questionnaire, CSA Research conducted 1,719 interviews in total.

All interviews were conducted exclusively for Atradius.

### Survey scope

- Basic population:** Companies from Central and Eastern Europe (CEE) were surveyed, and the appropriate contacts for accounts receivable management were interviewed
- Sample design:** The Strategic Sampling Plan enables us to perform an analysis of country data crossed by sector and company size. It also allows us 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=1,719 people were interviewed in total. A quota was maintained according to four classes of company size.
- Interview:** Computer Assisted Web Interviews (CAWI) of approximately 15 minutes duration. Interview period: The survey was conducted between the end of Q1 and the beginning of Q2 2024. The findings should therefore be viewed with this in mind.

### Sample overview – Total interviews = 1,719

Country		
Bulgaria	Poland	Slovenia
Czech Republic	Romania	Turkey
Hungary	Slovakia	

Sector		
Agri-Food	Consumer Durables	Steel-Metals
Chemicals	Electronics/ICT	Transport
Construction	Machines	

Business sector	Interviews	%
Manufacturing	699	41
Wholesale	513	30
Retail / Distribution	413	24
Services	94	5
<b>TOTAL</b>	<b>1,719</b>	<b>100</b>

Business size	Interviews	%
SME: Small enterprises	347	20
SME: Medium enterprises	567	33
Medium Large enterprises	587	34
Large enterprise	218	13
<b>TOTAL</b>	<b>1,719</b>	<b>100</b>

### Methodological note

Year-on-year comparisons are unfeasible for certain topics for the current year.

For a detailed overview of last year's survey results for the region, please refer to the specific report available on the [Atradius website](#).

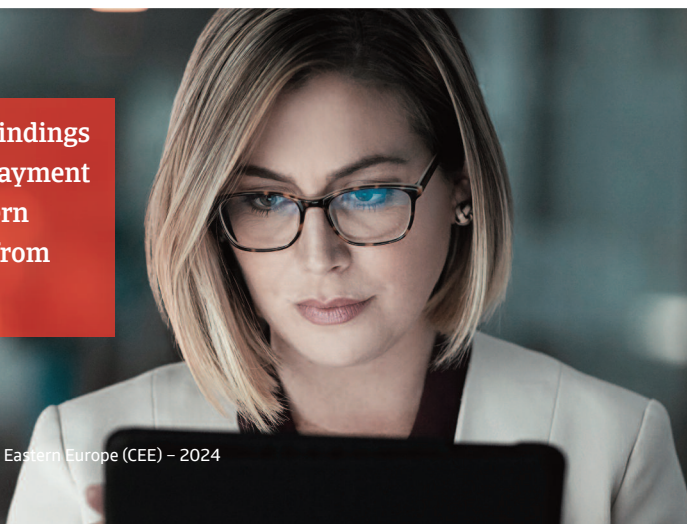
## Interested in finding out more?

Please visit the [Atradius](#) website where you can find a wide range of up-to-date publications. [Click here](#) to access our analysis of individual industry performance, detailed focus on country-specific and global economic concerns, insights into credit management issues, and information about protecting your receivables against payment default by your customers.

Follow us to stay up to date with our latest releases by [subscribing](#) to notifications of our Publications, and receive weekly emails with alerts to when new reports are published.

To find out more about B2B receivables collection practices in Central and Eastern Europe (CEE) and worldwide, please visit [atradiuscollections.com](https://atradiuscollections.com).

All reports highlighting country-specific findings of the June 2024 edition of the Atradius Payment Practices Barometer for Central and Eastern Europe (CEE) are available for download from the [Atradius website](#).



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