



## P R E S S   R E L E A S E

China, October 29, 2019

### **2019 survey on company payments in Germany: turn of the tide**

#### ***85% of companies report payment delays in 2019. This is an increase from 2017 by 7 percentage points***

According to Coface's 2019 Germany payment survey of 442 companies in, the country is in a phase of change. The pressure on companies from international competition is increasing. This is one of the reasons why the pressure on their cash flow continues to increase. On average, German companies saw their payment terms increase from 29.8 days in 2017 to 35.9 days in 2019.

Even if credit risks are insured, companies' confidence in their customers has declined. Short- and medium-term credit periods still dominate the market. 87% of companies request that payments be made within 60 days – a very short time in terms of international comparison. Clients missing payment deadlines now affects 85% of German companies, compared to 78% two years ago.

#### **Disparate situations according to sectors of activity**

The largest increases in the number of companies in arrears were recorded in the textile-clothing sector (from 58% to 78%), wholesale and retail trade (from 75% to 89%) and the automotive sector (from 73% to 81%). The extension of payment terms is also noticeable in the fields of pharmaceuticals and metals.

The transport sector, for its part, has seen payment terms shorten, although they remain high: from 86% to 81%.

The reasons for delays are mainly clients' financial difficulties due to management problems, but also increased competition and lack of funding. Moreover, data shows that German business confidence in the future has deteriorated considerably, with only 20% of companies considering 2019 as a positive year.

The only sector that is particularly optimistic is ICT (information and communication technologies), with almost half of the companies in the sector reporting that their business prospects in 2019 were better than those of in 2018.

#### **Dark clouds on the horizon**

Among the reasons for this deterioration in German companies' optimism, we can highlight the political risks on a global scale: nearly 20% of companies considered Donald Trump's protectionist policies and the US-China trade dispute as the main risk for their export activities. This was followed by Brexit at 15%, compared to 2017, when only 3% of companies had concerns regarding the United Kingdom's exit from the European Union.

-----  
**MEDIA CONTACT**

Chloe CHENG – T. +86 21 6171 8100 [chloe.cheng@coface.com](mailto:chloe.cheng@coface.com)



P R E S S   R E L E A S E

**Coface: for trade - Building business together**

70 years of experience and the most finely meshed network have made Coface a reference in credit insurance, risk management and the global economy. With the ambition to become the most agile global trade credit insurance partner in the industry, Coface's experts work to the beat of the world economy, supporting 50,000 clients in building successful, growing and dynamic businesses. The Group's services and solutions protect and help companies take credit decisions to improve their ability to sell on both their domestic and export markets. In 2018, Coface employed ~4,100 people and registered turnover of €1.4 billion.

[www.coface.com](http://www.coface.com)

COFACE SA. is listed on Compartment A of Euronext Paris

ISIN Code: FR0010667147 / Mnemonic: COFA