



Atradius Payment Practices Barometer 2024



B2B payment practices trends

The Netherlands

Varied trade credit landscape amid economic headwinds





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 the Netherlands.

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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The Netherlands

B2B payment practices trends

Varied trade credit landscape amid economic headwinds

The responses from companies surveyed in the Netherlands reveal a highly diverse trade credit landscape, influenced by current economic circumstances impacting business operations. Businesses across various sectors are facing economic headwinds stemming from a weak industrial outlook, sluggish external demand, tight financial conditions, and persistently high interest rates, despite declining inflation. The consumer durables sector is feeling the pinch in particular, evident in a staggering 70% increase in late payments, a red flag signalling potential financial distress for companies. Our survey also reveals a 33% decline in the number of businesses in the construction industry offering trade credit to B2B customers as they grapple with the challenges posed by credit risk mitigation. Amid the variety of responses to economic headwinds, there is a clear trend that large businesses are more inclined to extend trade credit to B2B customers, whereas SMEs are more cautious as they seek to minimise the impact of credit risk on the business.

Across the sectors the most flexible approach to trading on credit lies in the Dutch transport industry, where our survey reveals an 18% increase in sales to B2B customers on credit compared to the previous year. A more lenient payment policy, led by large companies to encourage repeat business, means the average payment term stands at nearly 50 days from invoicing. In contrast, SMEs play a key role in the Dutch consumer durables industry, and they take a much stricter approach. Payment terms now average 41 days from invoicing, almost two months shorter than last year. Overall, trade credit supply remains very popular among Dutch

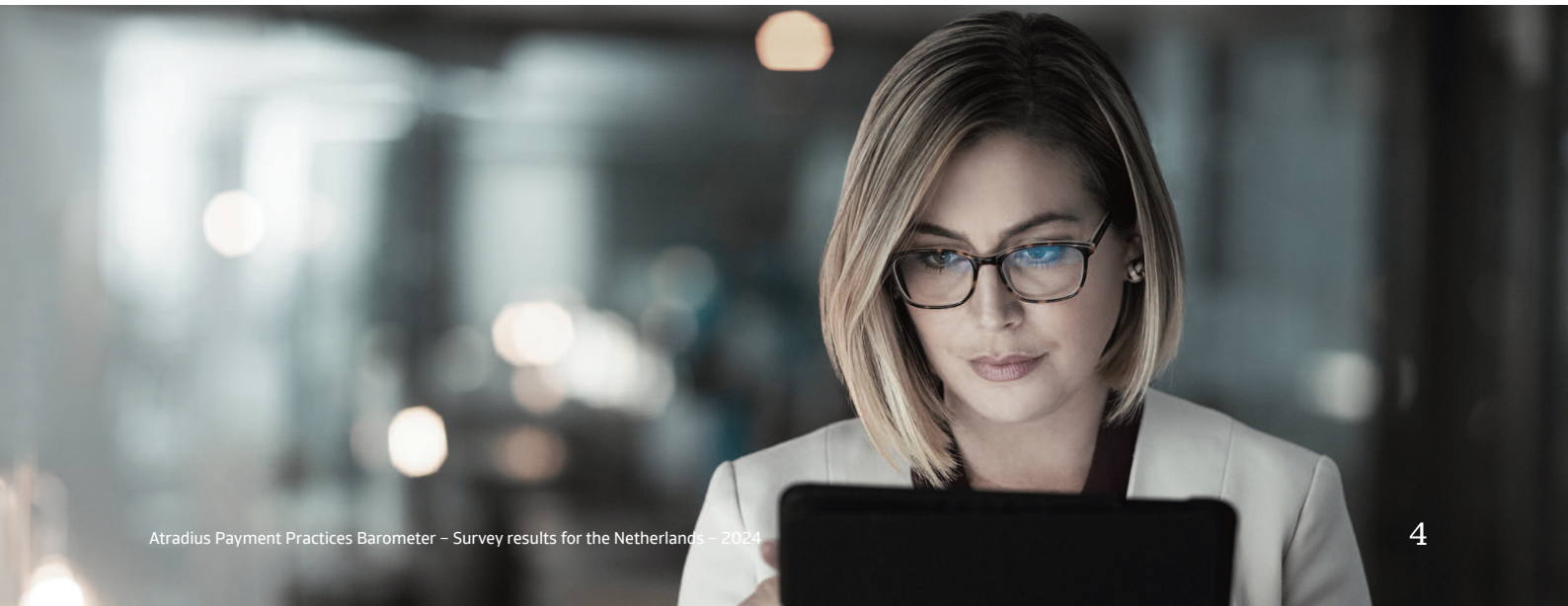
Key survey findings

- There is a widely varying trade credit landscape for Dutch business across all sectors in the current challenging economic climate. A 70% rise in late payments signals financial distress for consumer durables companies. Across sectors, large companies are more flexible in offering trade credit to B2B customers, while SMEs are cautious as they seek to minimise credit risk.
- An 18% increase in B2B sales made on credit features in the Dutch transport industry, while a concern for the construction industry is a 33% decline in the number of companies involved in B2B sales on credit.
- Payment terms are most lenient in the Dutch transport industry, led by the influence of large companies, standing at 50 days from invoicing. They are almost two months shorter than last year in the consumer durables sector, at 41 days from invoicing. In the construction industry payment terms are now 26 days from invoicing.

businesses, currently supported by favorable payment terms that make it an attractive choice for B2B customers seeking trade credit offerings. As already seen, the significant decline in the number of companies selling on credit across the Dutch construction industry, which indicates the impact here of current economic challenges, is accompanied by slightly shorter payment terms compared to the previous year, now standing at an average 26 days from invoicing. In contrast, SMEs play a key role in the Dutch consumer durables industry, and they take a much stricter approach.

Key figures and charts on the following pages

(continued on page 5)



The Netherlands

Payment terms now average 41 days from invoicing. Overall, trade credit supply remains very popular among Dutch businesses but as already seen, the significant decline in the number of companies selling on credit across the construction industry indicates the impact here of current economic challenges.

Payment terms in this sector have shortened slightly compared to the previous year, and now stand at an average 26 days from invoicing.

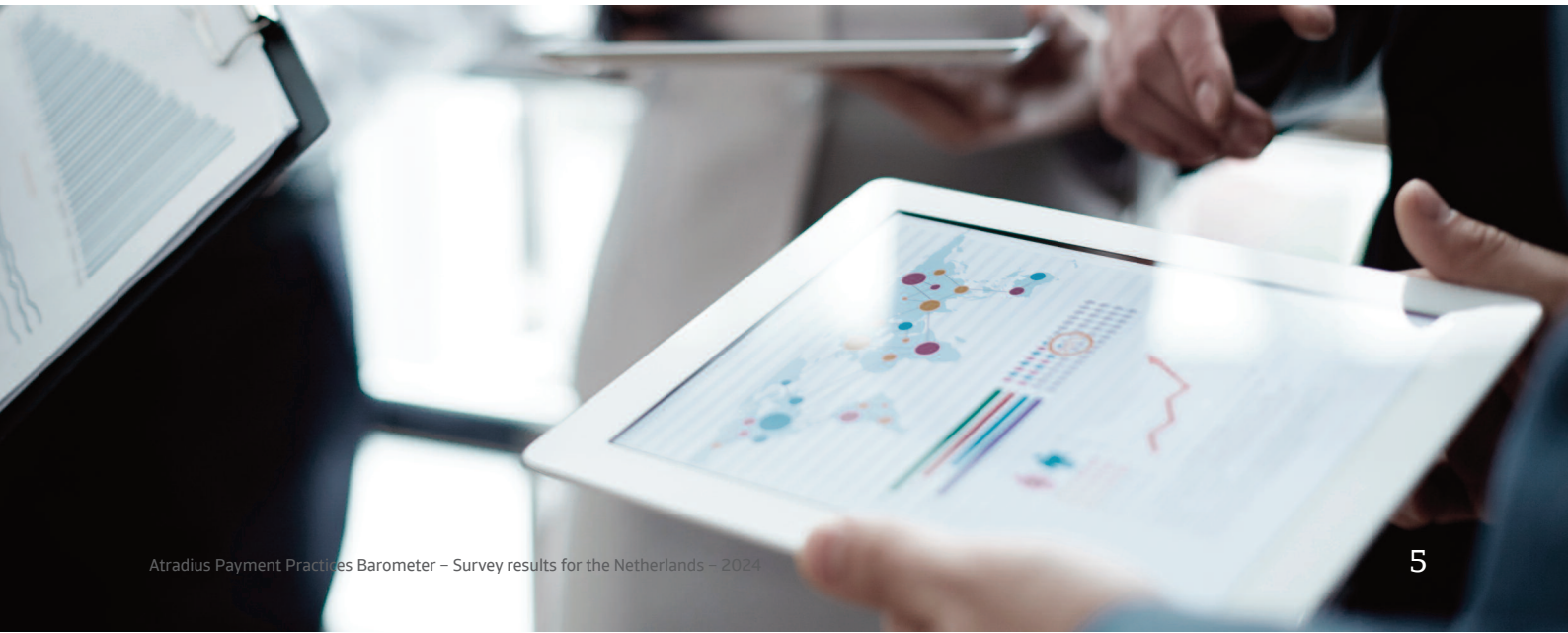
Our survey reveals an average 8% decrease in late payments from B2B customers, while bad debts remain stable at 6% of all B2B trade on credit. A downward trend in Days-Sales-Outstanding (DSO) is another positive indicator thanks to strengthened credit management practices. These also show success in the transport sector, with a significant 36% decline in late payments compared to the previous year and a substantial reduction in bad debts, which now average just 2% of all B2B invoiced sales, down from a staggering 10% last year. These positive outcomes counteract the bleak credit risk landscape of the Dutch consumer durables industry, where DSO has deteriorated to a 130. Overall, across all sectors in the Netherlands, late payments now impact 46% of B2B invoices, while the trend in bad debts is downward, currently averaging 3% of all B2B invoices compared to 7% last year.

Amid the current economic conditions, and in the face of B2B customer liquidity problems, which triggered invoice payment slowdown according to 29% of surveyed businesses, the importance of strategic credit management is paramount. Businesses across all sectors in the Netherlands are adopting proactive measures to address the challenges, which include an improvement in debt collection efficiency, swifter resolution of invoice disputes, and a shortening of payment terms, as seen in the in the consumer durables and construction industries.

- The Dutch transport sector has a sharp decline in bad debts, down to 2% of all B2B sales from last year's 10%, and late payments declining by 36%. The construction industry remains steady, but consumer durables companies see a 70% increase in late payments and bad debts up to 2% of all B2B sales on credit. Overall, late payments affect 46% of all B2B invoices, while bad debts stand at 3%, down from 7%.
- A significant deterioration sees Days-Sales-Outstanding (DSO) increase to an average of 130 days in the Dutch consumer durables sector. In the transport and construction industries there is a downward trend in DSO.
- Strategic credit management remains crucial, and proactive measures being taken include improved debt collection and swifter resolution of invoices. Dutch transport companies rely mostly on trade credit for finance. Construction businesses prefer invoice financing, while the consumer durables sector mainly opts for bank credit.

Our survey also reveals they take a mixed approach to financing. It is particularly noteworthy that bank and trade credit remain the primary sources of finance for Dutch companies. However, while 59% of companies in the consumer durables sector say they prioritise bank credit in navigating the turbulent economic climate, invoice financing is the main avenue for transport businesses. Dutch construction businesses, in contrast, diversify funding sources using trade credit, bank credit and invoice financing in complementary way.

Key figures and charts on the following pages

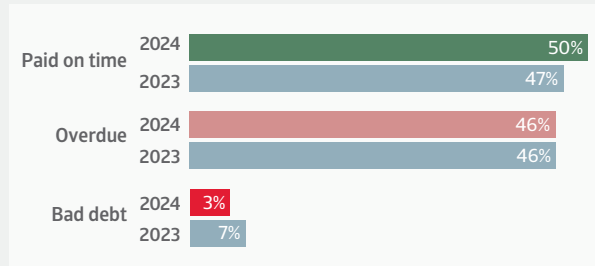




The Netherlands

The Netherlands

% of the total value of B2B invoices paid on time, overdue and bad debt (2024/2023)

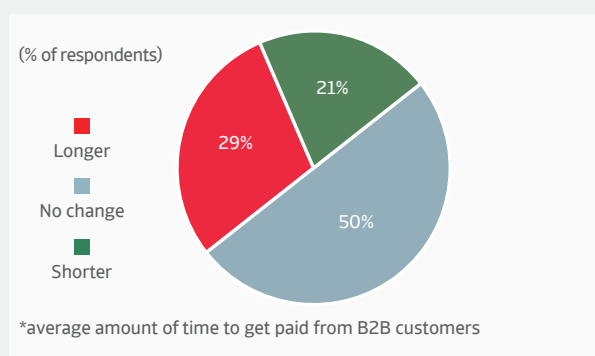


Sample: all survey respondents

Source: Atradius Payment Practices Barometer the Netherlands – 2024

The Netherlands

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

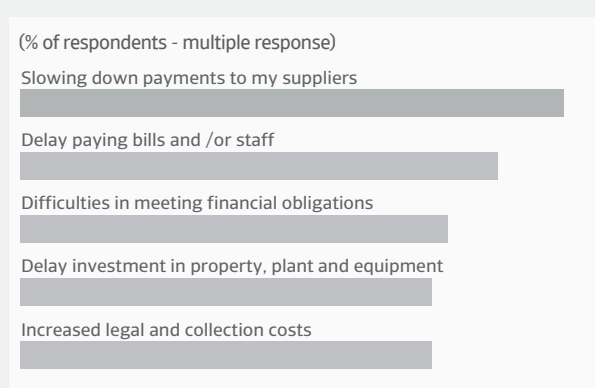


Sample: all survey respondents

Source: Atradius Payment Practices Barometer the Netherlands – 2024

The Netherlands

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 the Netherlands – 2024

The Netherlands

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

- 41% Bank loans
- 40% Trade credit
- 38% Invoice financing
- 23% Internal funds

(% of respondents - multiple response)

Sample: all survey respondents

Source: Atradius Payment Practices Barometer the Netherlands – 2024

The Netherlands

Looking ahead

Recruitment headaches among wide range of concerns

Our survey of businesses in the Netherlands reveals a wide range of concerns about prospects for the future. A paramount worry across all industries is the potential shortage of a skilled workforce, both during the year ahead and in the longer term. 46% of companies in the Dutch construction sector say this is a pressing issue for them in the short term. While there has been a modest uptick in construction activity in recent months following a prolonged decline in industry performance, construction businesses are concerned about the prospects of a substantial recovery in the near future. This concern is amplified by uncertainties surrounding the impact of high interest rates on residential investment in the short term.

Sector-specific concerns looking ahead are also prevalent in our survey of companies in the Netherlands. 38% of businesses across the consumer durables industry express notable apprehension about potential cyber threats that could disrupt their day-to-day operations. This is a persistent anxiety for both the short and long-term. In the Dutch transport sector 45% of companies say they have concerns about economic conditions and their potential repercussions on international trade. The construction industry, meanwhile, is alive with growing concerns about the impact of sustainable business practices as well as of environmental regulations.

A variety of perspectives on the prospects for B2B payment practices and insolvency risk is seen among Dutch companies. 51% of businesses in the transport industry express optimism about an improvement in B2B customer payment behaviour. This aligns with confidence that insolvency risk will remain stable in the year ahead. By contrast, the Dutch construction sector is more pessimistic, anticipating a deterioration in payment practices, with 46% of companies expecting a negative trend in insolvency risk. The consumer durables industry also has negative stance, with 36% of companies anticipating a worsening in B2B customer payment behaviour, compared to just 6% the previous year. However, they foresee little or no change in the trend for insolvency risk during the coming 12 months. The differing views on payment behaviour and insolvency risk show a balance between risk awareness and optimism in the industry. While companies are mindful of the risks linked to late payments, they are also confident in an improvement of their clients' financial stability in the future.

Divergent opinion about the trends for Days-Sales-Outstanding (DSO) during the year ahead is also clear in our survey of businesses in the Netherlands. There is a significant 37% increase in the number of companies in the consumer durables sector who anticipate a deterioration in DSO, indicating heightened concern about prompt collection of B2B customer payments affecting the financial health of the business.

Key figures and charts on the following pages

Key survey findings

- A prime concern for companies across all sectors of our survey in the Netherlands is the shortage of a skilled workforce. This is both an immediate and long-term worry, and is particularly evident in the construction industry where 46% of companies say it is a pressing issue.
- The risk of cyber-threat to business is a particular anxiety in the Dutch consumer durables sector, both in the short-term and looking further ahead, with 36% of companies expressing this view. 45% of businesses in the transport industry say they have concern about the economy and strong competition in international trade.
- Heightened awareness of environmental and sustainability issues are a further worry for companies in the Dutch construction sector, especially dealing in the short-term with the impact of new regulations on day-to-day operations.
- There is mixed range of opinion on the prospects for B2B payment practices. 51% of transport businesses expect an improvement B2B customer payment behaviour. However 36% of consumer durables companies anticipate a negative trend, against only 6% the previous year. The construction sector also expects a deterioration.
- 51% of Dutch transport companies say they anticipate a positive trend on the crucial issue of insolvency risk during the year ahead. Our survey finds a neutral stance in the consumer durables sector, while 46% of construction businesses expect a negative trend of insolvency risk.
- Our survey reveals a range of opinion about the prospects for Days-Sales-Outstanding (DSO). 37% of companies in the consumer durables believe that DSO will deteriorate in the year ahead, while 32% of Dutch transport businesses expect an improvement and there is a neutral stance in the construction industry.

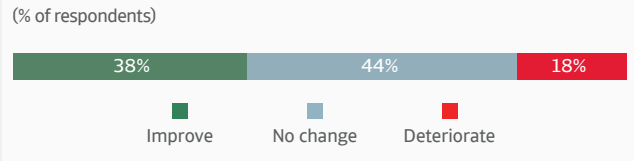
The construction sector takes a more neutral stance, with almost half of businesses expecting no change to DSO, reflecting enhanced credit risk management efforts going forward. There is a 32% increase in the number of Dutch transport companies who anticipate enhanced efficiency in payment collection and an improvement in DSO during the year ahead.



The Netherlands

The Netherlands

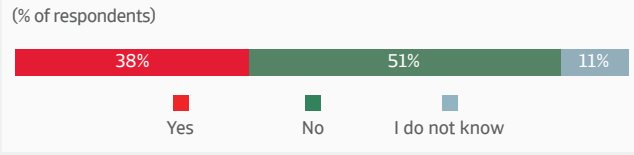
Looking ahead to the next 12 months: how do you expect the payment practices of your B2B customers to change?



Sample: all survey respondents
Source: Atradius Payment Practices Barometer the Netherlands – 2024

The Netherlands

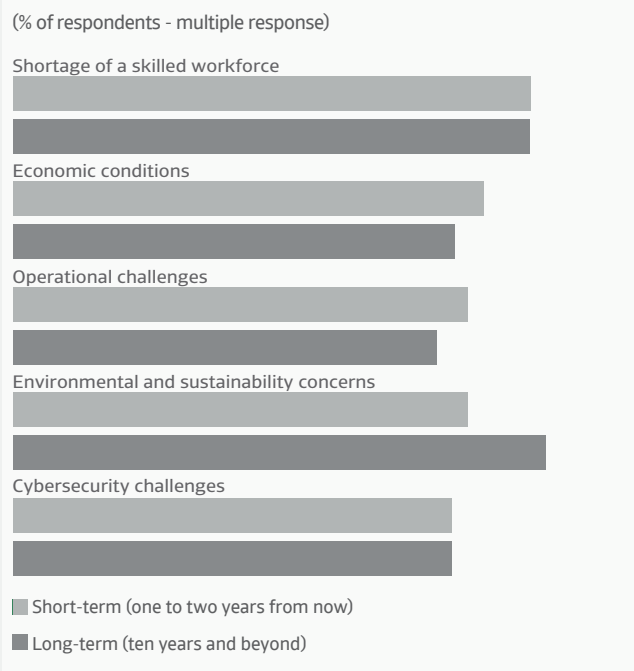
Do you see an increased insolvency risk for your customers in the next 12 months?



Sample: all survey respondents
Source: Atradius Payment Practices Barometer the Netherlands – 2024

The Netherlands

Looking ahead: top 5 concerns expressed by businesses polled



Sample: all survey respondents
Source: Atradius Payment Practices Barometer the Netherlands – 2024

The Netherlands

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

- 29% Improve
- 51% No change
- 20% Deteriorate

(% of respondents)

Sample: all survey respondents
Source: Atradius Payment Practices Barometer the Netherlands – 2024

Survey design

Atradius conducts annual reviews of international corporate payment practices through a survey called the Atradius Payment Practices Barometer. Companies polled in the Netherlands 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 210 interviews in total. All interviews were conducted exclusively for Atradius.

Survey scope

- **Basic population:** Companies from the Netherlands 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=210 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 = 210

Business sector	Interviews	%
Manufacturing	43	20
Wholesale trade	38	18
Retail trade/Distribution	77	37
Services	52	25
TOTAL	210	100
Business size	Interviews	%
SME: Small enterprises	50	24
SME: Medium enterprises	75	36
Medium Large enterprises	62	29
Large enterprises	23	11
TOTAL	210	100
Construction	70	33
Consumer Durables	73	35
Transport	67	32
TOTAL	210	100

Statistical appendix

Find detailed charts and figures in the Statistical Appendix. This is part of the 2024 Payment Practices Barometer of Atradius, available at www.atradius.com/publications [Download in PDF format](#) (English only).

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.

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To find out more about B2B receivables collection practices in the Netherlands and worldwide, please visit atradiuscollections.com.

For the Netherlands please visit atradius.nl

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