



Key trends for B2B payments and cash flow

Greece

Cash flow struggle sparks sharp tightening of payment terms



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 Greece.

The survey was conducted between the end of Q1 and the beginning of Q2 2023, and findings should therefore be viewed with this in mind.



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B2B payment trends and cash flow

Cashflow struggle sparks sharp tightening of payment terms

Selling on credit continues to play a significant role in B2B trade for companies polled in Greece, with an average 57% of sales to B2B customers transacted on credit across all sectors. This represented only a slight increase from 56% last year, but this trend was not replicated in the logistic-shipping maritime transport sector, one of most important industries in the Greek economy. Our survey reveals a completely diverse situation in this sector, which had a far more dynamic approach to the use of trade credit in B2B trading during the past 12 months, where an average of 62% of all the sector's B2B sales were made on credit.

This dynamic trade credit policy in the Greek maritime transport sector was complemented by companies polled offering longer payment terms to B2B customers to boost trade. It stood in sharp contrast to the approach of all other industries, however. Overall, there was a significant shortening of payment terms by businesses polled in Greece in a bid to minimise the risk of B2B customer payment defaults. Payment terms were reduced by two weeks to stand at an average of 36 days from invoicing. The most important factor in setting terms was the cost of obtaining new credit required to fill potential liquidity gaps caused by late payments.

The tighter credit standards applied by companies polled in Greece resulted in a clear downward trend in late payments. These now affect an average 35% of all B2B sales on credit, a decrease of 22% on last year. Our survey also found a strong downward trend in bad debts written off as uncollectable, which were halved to now affect 2% of all B2B invoiced sales. Once again, the logistic-shipping maritime transport industry was the outlier, harder hit than 12 months ago due to its more relaxed trade credit policy. 68% of businesses in that sector said the reason for late payments was temporary liquidity shortfalls among B2B customers.

Alongside the more stringent policy on payment terms, Greek businesses also strengthened their credit control process, spending more time and resources on dealing with late payments. 75% of companies polled said they did this within the framework of in-house retention and management of customer credit risk, particularly in the agri-food sector. However, a significant number of businesses in the maritime transport industry told us they outsourced the issue to a credit insurer, using trade credit as a tool to obtain short-term finance. Companies in this sector also said having credit insurance helped them to minimise swings of Days-Sales-Outstanding (DSO) during the past 12 months.

Key figures and charts on the following pages

Key survey findings

- An average 57% of B2B sales across all sectors was transacted on credit during the past year, revealing that selling on credit in B2B trade remains important for companies polled in Greece. The figure was even higher in the logistic-shipping maritime transport industry at 62% of all B2B sales.
- Payment terms granted to B2B customers were reduced significantly, now standing at an average of 36 days from invoicing, two weeks shorter than last year. The maritime transport sector bucked the trend by offering longer terms.
- 42% of businesses polled in Greece said the cost of obtaining external funds to plug liquidity shortages was the main factor when setting payment terms. Industry standard terms were preferred by the agri-food sector.
- There was a decrease in late payments, now standing at an average of 35% of all B2B sales on credit, although the Greek logistic-shipping maritime sector was harder hit. Bad debts halved, to affect 2% of all B2B invoiced sales.
- Companies polled in Greece responded to late payments by strengthening their credit control process, 75% of businesses doing so within the frame of in-house retention and management of customer credit risk. However, many businesses in the maritime transport sector outsourced the issue to a credit insurer.
- More stringent payment terms contributed to minimising swings of Day-Sales-Outstanding (DSO). This was particularly so for the Greek maritime transport sector, who said having credit insurance played a significant role in stabilising DSO.

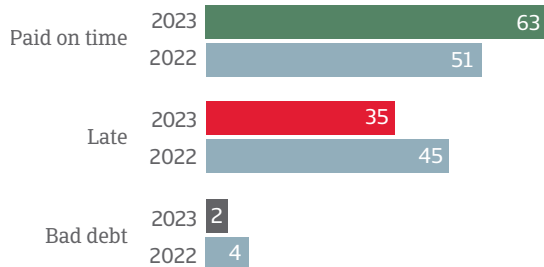




Greece

Greece

% of the total value of B2B invoices paid on time, overdue and bad debt (2023/2022)

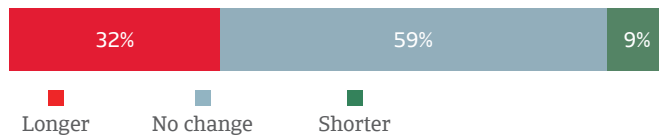


Sample: all survey respondents

Source: Atradius Payment Practices Barometer Greece – 2023

Greece

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



*average amount of time to get paid from B2B customers

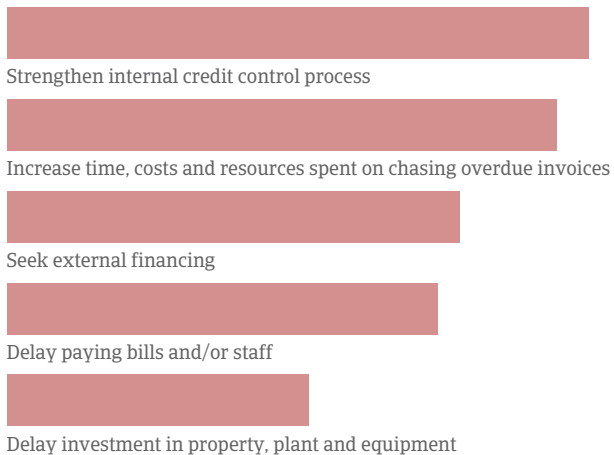
Sample: all survey respondents

Source: Atradius Payment Practices Barometer Greece – 2023

Greece

Measures put in place to minimise cash flow problems due to payment default of B2B customers

(% of respondents - multiple response question)



Sample: all survey respondents

Source: Atradius Payment Practices Barometer Greece – 2023

Survey question

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

- 56% Trade credit
- 41% Equity capital
- 39% Bank loans
- 31% Debt securities issued

*multiple response question

Sample: all survey respondents (% of respondents)

Source: Atradius Payment Practices Barometer Greece – 2023

Looking ahead

Sharper focus on credit risk management amid payment defaults concerns

The main concern looking ahead expressed by companies polled in Greece is potential problems in global trade caused by geopolitical tensions and a weakening worldwide economy. This is because the shipping sector is one of the largest industries in the country and particularly vulnerable to such disruption. A range of other anxieties were also reported despite expectations of a slightly improved outlook for the domestic economy. Companies polled are wary about potential obstacles to business growth, which include climate change regulations, new tariffs and trade restrictions such as the enforcement of capital controls on exports involving the logistic-shipping maritime transport sector.

A positive mood was found in our survey about the prospects for both demand and profit margins in the year ahead. 66% of businesses polled in Greece said they are confident about increased demand for their products and thus a boost to sales. 34% of companies told us they expect no change or even a decrease demand, particularly reported by the agri-food sector. A rise in profit margins is anticipated by 57% of Greek companies polled, but 43% were more negative, fearing they will have limited possibility to pass through higher production costs to the market.

Considerable concern was expressed about the outlook for payment behaviour of B2B customers during the coming months, particularly in the Greek maritime transport sector. 55% of companies polled said they anticipate no change or even a worsening of payment behaviour, with the potential to put heavy strain on cashflow and liquidity. 45% of businesses said they expect payment behaviour to improve, optimism expressed mostly in the steel-metals sector. No changes are expected in B2B customer payment terms for the year ahead, but a majority of companies polled in Greece believe that Days-Sales-Outstanding (DSO) will improve.

Our survey found a clear switch to a more strategic approach to credit risk management will be made in the months ahead. 47% of businesses polled in Greece said they would turn to using the benefits of credit insurance to mitigate credit risk in a challenging economic climate. This was reported particularly by companies in the steel-metals sector. Many companies polled also told us they would turn more often to factoring as a method of filling gaps in short-term working capital. They said this would be a viable option in a period of tightening credit conditions and less affordable bank borrowing.

Key figures and charts on the following pages

Key survey findings

- Potential disruption to global trade and geopolitical instability are key concerns looking ahead for companies polled in Greece. This is particularly so for the logistic-shipping maritime transport sector, one of the largest and most vulnerable industries in the country.
- A slightly better outlook is forecast for the domestic economy, but a range of possible obstacles to business growth are reported to be worries among Greek companies. These include climate change regulations, new tariffs and trade restrictions.
- Cautious optimism was expressed about the prospects for both demand and profit margins in the year ahead. 66% of businesses polled expect an increase in sales, while 57% anticipate improvement of profit margins.
- Our survey found more pessimism about the outlook for payment behaviour of B2B customers. 58% of companies in Greece believe there will be no change or a worsening of the situation, particularly in the maritime transport sector.
- A majority of Greek businesses anticipate an improvement in Days-Sales-Outstanding (DSO) in the year ahead, although the agri-food sector is pessimistic. No change is expected in trade credit policy across all sectors polled in Greece.
- 47% of companies polled in the Greek steel-metals sector told us they will switch to a more strategic approach to credit management in the months ahead involving the use of credit insurance. A greater use of factoring is also widely anticipated.





Greece

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Looking ahead to the next 12 months, how do you expect your sales and profit margins to change?

(% of respondents)

Sales



Profit margins



■ Improve ■ No change ■ Deteriorate

Sample: all survey respondents
Source: Atradius Payment Practices Barometer Greece - 2023

Greece

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

(% of respondents)



■ Improve ■ No change ■ Deteriorate

Sample: all survey respondents
Source: Atradius Payment Practices Barometer Greece - 2023

Greece

Looking ahead to the next 12 months: top 3 concerns expressed by businesses polled

(% of respondents - multiple response question)



Ongoing global economy downturn*



Geopolitical tensions



Obstacles to business growth

* Due to the interplay among higher energy and commodity prices, persistent inflation and ongoing geopolitical tensions

Sample: all survey respondents
Source: Atradius Payment Practices Barometer Greece - 2023

Survey question

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

(% of respondents)

50% Improve
41% No change
9% Deteriorate

Sample: all survey respondents
Source: Atradius Payment Practices Barometer Greece - 2023

Survey design

Atradius conducts annual reviews of international corporate payment practices through a survey called the Atradius Payment Practices Barometer. Companies polled in Greece are the focus of this report, which forms part of the 2023 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 222 interviews in total. All interviews were conducted exclusively for Atradius.

Survey scope

- **Basic population:** Companies from Greece 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=222 people were interviewed in total. A quota was maintained according to three 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 2023.

Sample overview – Total interviews = 222

Business sector	Interviews	%
Manufacturing	128	58
Wholesale	18	8
Retail trade / Distribution	21	10
Services	55	24
TOTAL	222	100

Business size	Interviews	%
SME: Small enterprise	40	18,0
SME: Medium enterprise	82	36,9
Medium Large enterprise	70	31,5
Large enterprise	30	13,5
TOTAL	222	100

Agri/Food	82	36,9
Steel/metals	64	28,8
Transport (80% from logistic-shipping maritime sector)	76	34,2
TOTAL	222	100

Statistical appendix

Find detailed charts and figures in the Statistical Appendix. This is part of the 2023 Payment Practices Barometer of Atradius, available at www.atradius.com/publications [Download in PDF format](#) (English only).

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

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