



Atradius Payment Practices Barometer

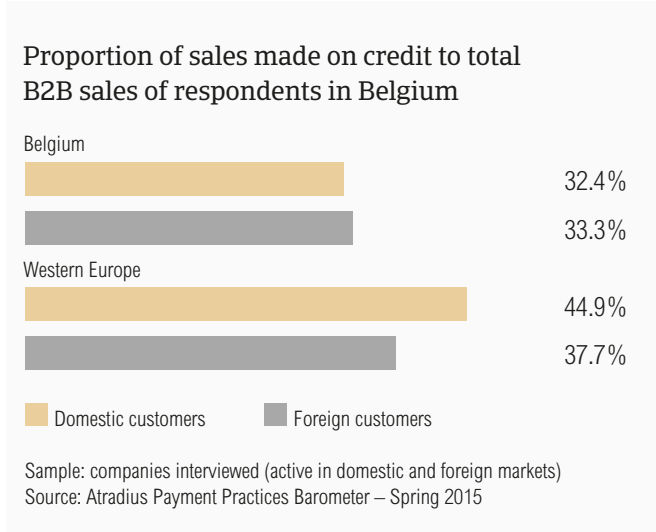
International survey of B2B payment behaviour
Survey results for Belgium

Survey results for Belgium

Sales on credit terms

Respondents in Belgium appear less inclined to sell on credit to B2B customers than their peers in Western Europe. On average, 32.4% of the value of domestic B2B sales is made on credit, which is notably below the survey average of 44.9%. Over the past two years, however, this proportion recorded an average increase of 3%, which is consistent with the increase recorded in Western Europe over the same time frame.

Belgian respondents reported that, on average, sales made on credit account for 33.3% of the value of their foreign B2B sales. Once more, this is below the average recorded in Western Europe (37.7%). In contrast to domestic transactions, the proportion of foreign B2B sales made on credit remained almost unchanged compared to one year ago, after an average decrease of 4% at the beginning of 2013.



More information in the [Statistical appendix](#)

Average payment term

Domestic B2B customers of respondents in Belgium are granted an average of 35 days from the invoice date to pay invoices. Over the past two years, this term increased, on average, by seven days (more than the survey average of two days).

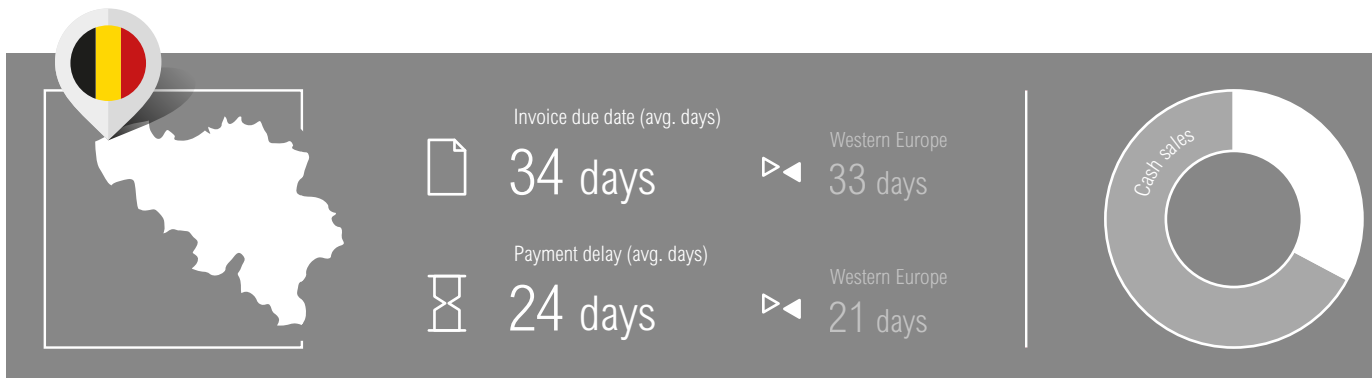
This is now aligned with the average domestic payment term recorded in France, and with the average in Western Europe (34 days).

The payment terms given to foreign customers to settle their trade debts average 33 days. This is consistent with the average for Western Europe (32 days) and with the foreign invoice payment terms observed in France and Ireland. Over the past two years, the average payment terms for foreign customers did not change markedly.

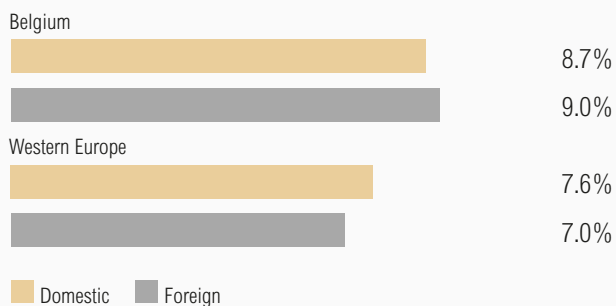
Overdue B2B invoices

In Belgium, an average of 41.7% of the total value of domestic B2B invoices was not paid by the due date. This percentage, which is similar to those in Germany and Austria, is slightly higher than the average for Western Europe (40.2%). In terms of B2B credit sales abroad, late payments amounted to 40.1% of the total value of foreign invoices. This is above the survey average of 35.4%, and in line with the foreign late payment rates recorded in the Netherlands and Spain. The delinquency figure, (invoices unpaid 90+ days after due date) is relatively sizeable. 8.5% of domestic, and 9% of foreign B2B invoices became delinquent, and are likely to turn into collections cases. This is above the survey average delinquency rates of 7.6% domestic and 7% foreign.

Over the past two years, the increase in the domestic overdue level in Belgium outweighed the foreign one by 14.2 and 11 percentage points respectively. It is worth noting that the increase in the domestic late payment rate is the second highest of the countries surveyed, after that of Germany. A possible explanation for this strong upswing may be that two years ago, the domestic late payment rate in Belgium was relatively low, and now it is almost in line with the survey average. The rise in the foreign late payment levels is notably above the survey average increase of 6.4 percentage points. Late payment on B2B invoices (domestic and foreign) in Belgium is reflected in the Days Sales Outstanding (DSO) figure posted by Belgian respondents, and averages 42 days (15 days shorter than two years ago, and stable compared to 2014). However, this is below the 48 days average in Western Europe.



Average proportion of B2B invoices unpaid 90+ days after due date



Sample: companies interviewed (active in domestic and foreign markets)
Source: Atradius Payment Practices Barometer – Spring 2015

More information in the [Statistical appendix](#)

Average payment delay

Domestic B2B customers of Belgian respondents, settle their past due trade debts, on average, 24 days after the invoice due date (survey average is 22 days). The average time it takes foreign B2B customers to make their late payments is 23 days (survey average is 20 days). This means that, on average, Belgian respondents receive domestic payments 59 days and foreign payments 56 days from the invoice date. Over the past two years, the domestic average payment delay has fluctuated markedly. This started with a decrease two years ago, followed by an increase of two days in 2015 (in contrast to an average decrease of nearly seven days for the survey overall).

The average payment delay recorded in Belgium on foreign invoices increased four days (contrary to an average decrease of nine days for the survey overall). The average domestic payment duration is now 9 days longer than one year ago, and is back at the level seen in 2013. Foreign payment duration has remained substantially steady. Late payment on B2B invoices increases the administrative and financial costs of carrying trade debts, which can negatively impact a company's cash flow levels and its ability to generate profits.

In line with the overall survey pattern, one in four of the respondents in Belgium consider cost containment to be one of the biggest challenges to business profitability they will be facing in 2015 (compared to 24% in Western Europe).

Key payment delay factors

Half of the respondents in Belgium (compared to 51.4% in Western Europe) cited insufficient availability of funds as the most frequent reason for payment delay from domestic customers. At the same time, 37.3% of respondents (in line with the 37.0% in Western Europe) have chosen this as the primary reason for foreign payment delay. Over the past two years, the percentage of Belgian respondents reporting domestic late payment due to the customers' financial difficulties fell sharply, increasing again in 2015.

Conversely, there was a steady decrease in the frequency of foreign payment delay due to this reason over the same time frame. In line with the survey pattern, the second most often cited reason for domestic invoice payment delay is the perception that B2B customers hide their use of outstanding invoices as a form of financing behind the claim of liquidity constraints.

According to 34.5% of respondents in Belgium, this is in line with the survey average of 34%. In contrast to the survey pattern, the second most frequent reason for foreign payment delay is the formal insolvency of the customer (30.5% of respondents in Belgium, compared to 17.4% in Western Europe).

Uncollectable accounts

Belgian respondents reported that 0.9% of the value of their B2B receivables was uncollectable. This is lower than the 1.2% average for Western Europe. In line with the survey pattern, the proportion of domestic write-offs is larger than that of foreign ones. Domestic uncollectable B2B receivables are most often reported on sales to the construction, consumer durables, business and financial services sectors. Foreign B2B write-offs are most frequently attributable to B2B customers in the construction, food, machines, metals and transport/logistics sectors.





For a notably higher percentage of respondents in Belgium (74.4%) than in Western Europe (66.4%), B2B receivables were mainly uncollectable because the customer went bankrupt or out of business. This is the highest response rate across the countries surveyed. One in four Belgian respondents (25%) reported that B2B receivables were uncollectable due to the fact that the customer could not be located (21% of respondents in Western Europe). For more insights into the B2B receivables collections practices in Belgium, please see the Global Collections Review by Atradius Collections (free download after registration), available from April 21st 2015 on www.atradiuscollections.com.

Top challenge to business profitability in 2015: cost containment



Sample: companies interviewed (active in domestic and foreign markets)
Source: Atradius Payment Practices Barometer – Spring 2015

More information in the [Statistical appendix](#)

Payment practices by industry

Survey respondents in Belgium reported granting trade credit terms mainly to B2B customers belonging to the following sectors: business services, financial services, services, construction and consumer durables. Foreign B2B customers in the services sector receive invoice payment terms averaging 39 days from the invoice date. This is notably higher than the 35 day average for the country. All other sectors are granted payment terms around or below the country average. Domestic and foreign B2B customers in the construction sector generate the highest proportion of overdue invoices (around 41% of the value of the sectors' credit sales is past due).

The foreign payment delay in this sector averages 40 days, markedly above the 24 day average for the country. Payment delays due to liquidity constraints of B2B customers are reported more often in relation to the business and financial services sectors (on average three in five respondents each). Over the coming 12 months, around one quarter of the respondents in Belgium expect a slight deterioration in the domestic customers' payment behaviour in all of the above mentioned sectors. This is particularly the case for the financial services sector (42% of respondents). In regards to foreign B2B customers, nearly two in five respondents expect a slight deterioration in their customers' payment behaviour in the business services sector.

To learn more about the Survey design of the Atradius Payment Practices Barometer, please see the [report for the region](#).

If after reading this report you would like **more information about protecting your receivables against payment default** by your customers you can visit the [Atradius website](#) or if you have more specific questions, please [leave a message](#) and a product specialist will call you back.

Statistical appendix

Western Europe: proportion of total B2B sales made on credit	3
Average payment terms recorded in Western Europe (average days)	4
Western Europe: proportion of domestic and foreign past due B2B invoices	5
Western Europe: main reasons for payment delays by domestic B2B customers	6
Western Europe: main reasons for payment delays by foreign B2B customers	7
Average DSO recorded in Western Europe	8
The greatest challenge to business profitability in 2015 for respondents in Western Europe	9

The [Statistical appendix](#) to this report is part of the Spring 2015 Payment Practices Barometer of Atradius (survey results for Western Europe) available at www.atradius.com/Publications/Payment Practices Barometer. This appendix is available for download in PDF format (English only).

Connect with Atradius
on Social Media



Disclaimer

This report is provided for information purposes only and is not intended as a recommendation as to particular transactions, investments or strategies in any way to any reader. Readers must make their own independent decisions, commercial or otherwise, regarding the information provided. While we have made every attempt to ensure that the information contained in this report has been obtained from reliable sources, Atradius is not responsible for any errors or omissions, or for the results obtained from the use of this information. All information in this report is provided 'as is', with no guarantee of completeness, accuracy, timeliness or of the results obtained from its use, and without warranty of any kind, express or implied. In no event will Atradius, its related partnerships or corporations, or the partners, agents or employees thereof, be liable to you or anyone else for any decision made or action taken in reliance on the information in this report or for any consequential, special or similar damages, even if advised of the possibility of such damages.

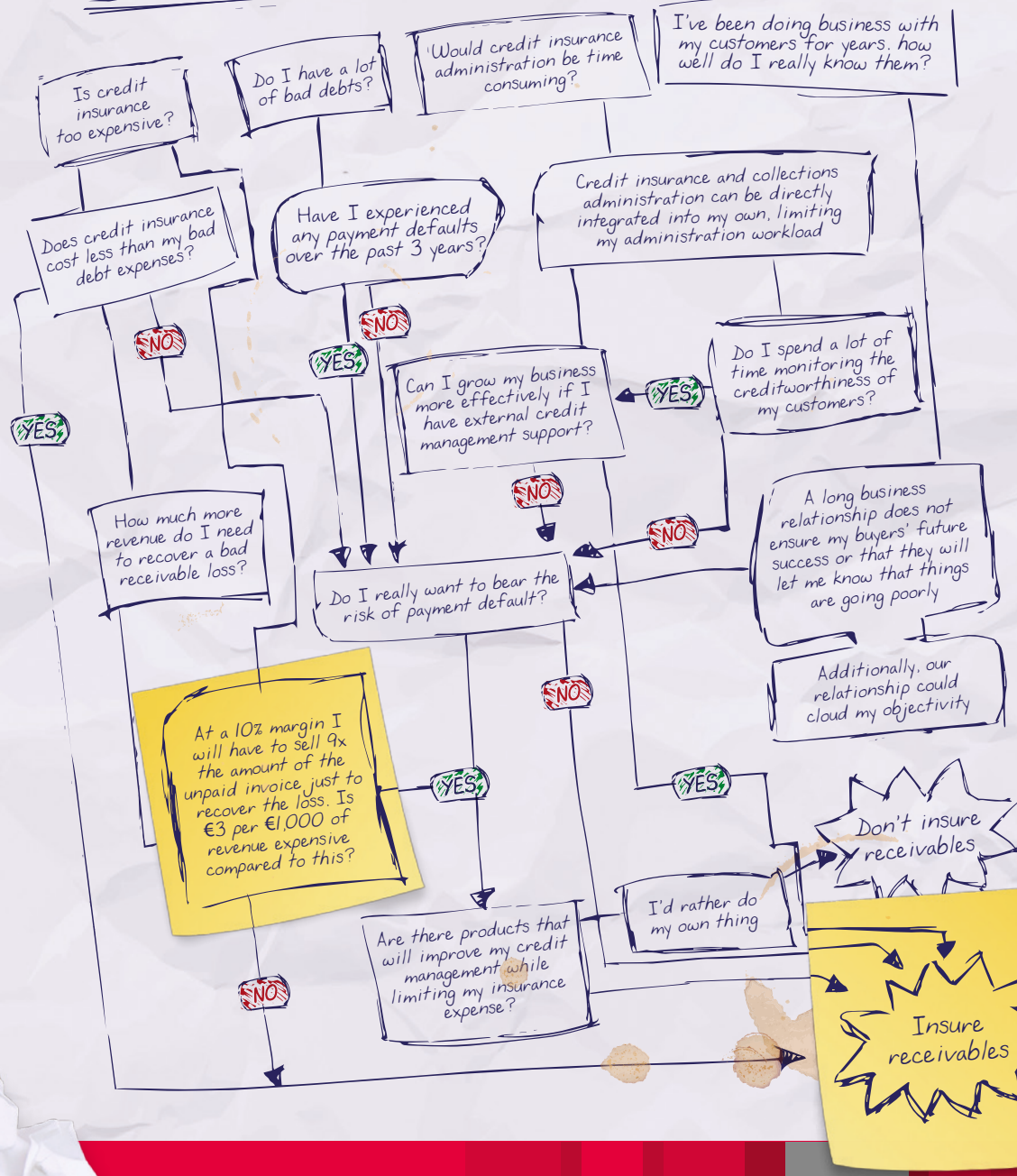
Copyright **Atradius N.V.** 2015

If you've found this report useful, why not visit our website www.atradius.com, where you'll find many more Atradius publications focusing on the global economy, including country reports, industry analysis, advice on credit management and essays on current business issues.

On Twitter? Follow @Atradius or search #atradiusppb to stay up to date with the latest edition.

Don't overcomplicate your decision about whether to use credit insurance

SHOULD I INSURE MY RECEIVABLES?



Managing risk, enabling trade

credit insurance | debt collection | business information

Atradius N.V.
 David Ricardostraat 1 · 1066 JS Amsterdam
 Postbus 8982 · 1006 JD Amsterdam
 The Netherlands
 Phone: +31 20 553 9111

info@atradius.com
 www.atradius.com