



Atradius Payment Practices Barometer 2024



B2B payment practices trends

Hungary

Trade credit caution amid challenging economic landscape





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 Hungary.

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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B2B payment practices trends

Trade credit caution amid challenging economic landscape

Companies in our survey of Hungary continue to show a cautious approach to B2B trading on credit. Only an average 44% of all sales to B2B customers are currently being transacted on credit, which is steady from the previous year. Agri-food businesses are the most inclined to do so, with 53% of B2B sales on credit, mainly as a strategy to encourage repeat business. There is a significant decline to just 34% of B2B sales on credit in the transport sector, which also offers by far the shortest payment terms to B2B customers at 30 days from invoicing. Overall, payment terms among Hungarian companies are generally stable, at an average three months from invoicing.

The payment practices of B2B customers also remain relatively consistent from last year according to 63% of companies in our survey of Hungary. Where a change is noted the trend is towards improvement in B2B customer payment behaviour. Late payments currently affect an average 51% of all B2B sales on credit, and on average it takes 90 days beyond the due date to convert B2B invoices into cash. Bad debts written off as uncollectable now stand at 7% of all B2B sales. The agri-food sector in Hungary is by far the hardest hit by customer credit risk and cite supply chain disruptions as the main reason for late or non-payment by B2B customers on credit.

To mitigate the risk of liquidity bottlenecks caused by late payments, many Hungarian agri-food and transport companies opt to delay investments in property, plant and equipment. Energy-fuel businesses often resort to delayed payment of bills and staff. Another widespread response is to seek short-term funding to ease cashflow issues. Our survey finds that a majority of companies in Hungary, notably in the transport sector, request supplier credit to ensure uninterrupted business operations. Invoice finance is also a widely used source of funding across all sectors, and a reliance on internal funds is also common. The agri-food sector often looks to bank credit, which may reflect a strategic approach to managing financial risk.

This is evident in our survey finding that the prevailing strategy among Hungarian agri-food companies is to outsource credit risk management to an insurance company instead of managing it in-house. This choice is complemented by factoring, because it allows businesses to leverage their outstanding invoices to gain immediate cashflow. 60% of

Key survey findings

- A relatively cautious approach to B2B trading on credit is evident among Hungarian companies. Only 44% of B2B sales are currently being made on credit across all sectors, while there is a significant decline to just 34% of sales on credit in the transport industry.
- Payment policies are generally stable with 62% of businesses reporting no change during the past year. The average payment term stands at three months from invoicing, but the terms are much stricter in the transport sector at 30 days from invoicing.
- Late payments currently affect an average 51% of all B2B sales on credit among companies in Hungary while bad debts stands at 7% of all B2B sales, both figures consistent from last year. The agri-food industry is hardest hit.
- Most Hungarian businesses respond to late payments by delaying investment plans. They also seek short-term funding, with invoice financing being very popular. The transport sector primarily looks to supplier credit and agri-food companies to bank loans.
- 77% of companies in Hungary prefer in-house retention and management of customer credit risk, especially in the transport sector. However, outsourcing credit risk management to an insurance company is widely used in the agri-food industry, complemented by factoring.
- A significant 64% of businesses report relative stability in Days-Sales-Outstanding (DSO), particularly in the Hungarian transport sector. The prevailing trend point towards improvement in debt collection efficiency, notably in the agri-food industry.

companies in Hungary say they resort to factoring as part of their credit risk management strategy, while more than seven-in-ten primarily opt for in-house retention and management of the issue. The overall stable landscape in Hungary is also shown by 64% of companies telling us that Days-Sales-Outstanding (DSO) is steady from last year, and that there is some improvement in DSO across the agri-food industry.

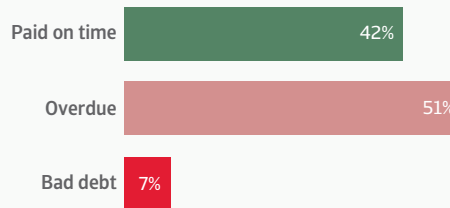
Key figures and charts on the following pages



Hungary

Hungary

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

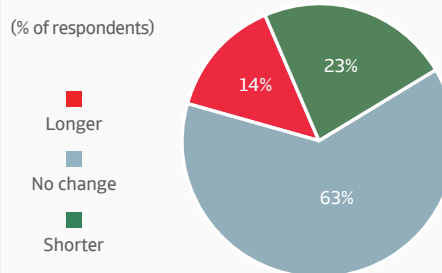


Sample: all survey respondents

Source: Atradius Payment Practices Barometer Hungary – 2024

Hungary

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



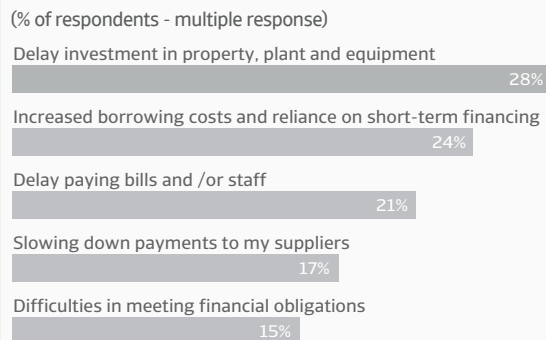
*average amount of time to get paid from B2B customers

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Hungary – 2024

Hungary

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 Hungary – 2024

Hungary

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

- 45% Trade credit
- 41% Invoice financing
- 32% Internal funds
- 26% Bank loans

(% of respondents - multiple response)

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Hungary – 2024

Looking ahead

Widespread worry about profitability and competitive jobs market

Among a wide range of challenges that Hungarian businesses are facing, our survey finds that the primary is surrounds the increasing emphasis on adopting sustainable business practices and complying with environmental regulations. These worries are felt in short-term and long-term because they can affect day-to-day operations as well as strategic planning. They can also make it difficult for companies to maintain competitiveness in their markets. These concerns about sustainability and environmental matters are most acutely felt by businesses in the Hungarian agri-food and transport industries, thus navigating the complexities requires a focused and strategic approach.

The other major concern for companies in our survey is about the particular challenges of operating in a market in which there are significant long-term recruitment problems. Many businesses shared they face difficulties in attracting and retaining high-class talent, which is especially experienced by companies in the energy-fuel sector. Finding qualified candidates for specialised roles is the first problem, increased by skills gaps in a competitive job market which also makes retaining employees a serious anxiety. Companies say this poses a substantial barrier to their potential growth and efficiency, which highlights the importance of strategic human resources planning and investment.

There is a striking optimism among businesses in Hungary about the prospects for demand in the year ahead. 64% of companies in our survey anticipate an increasing demand for their products and services from B2B customers, with particular optimism expressed across the agri-food and transport industries. 32% of businesses tell us they expect no significant change in demand, while the only negativity is reported in the energy-fuels sector. Despite this positive mood about demand, most businesses in Hungary do not expect an equivalent rise in profitability. Only 31% of companies foresee any increase in profits, mainly in the agri-food sector. Both the energy-fuel and transport industries expect no change or a negative trend.

A mixed mood about the outlook for insolvency risk during the year ahead is evident in our survey. Half of the companies in Hungary say they are optimistic about this, especially in the agri-food industry. However, the other half

Key survey findings

- The most pressing worry for companies in our survey of Hungary is the increasing emphasis on adopting sustainable business practices and adhering to environmental regulations. This is most acutely felt in the agri-food and transport sectors.
- Another notable concern reported by Hungarian businesses is the difficulty in attracting and retaining skilled talent for their workforce. The skills gap is escalated by a competitive job market, and poses significant barriers to growth and efficiency.
- 64% of companies in Hungary tell us they anticipate a rise in demand for their products and services, notably in the agri-food and transport industries. 32% of businesses expect no change and the only negativity is found in the energy-fuel sector.
- In clear contrast, only 31% of Hungarian businesses foresee a positive trend in profitability during the coming 12 months, mainly in the agri-food sector. The energy-fuel and transport industries expect no change or a decline in profits.
- A stable landscape in B2B customer payment behaviour is expected by 62% of companies in Hungary, while the agri-food sector anticipates some improvement. However, our survey finds a 50-50 split about the prospects for insolvency risk.
- Days-Sales-Outstanding (DSO) is expected to show no significant change by 62% of Hungarian businesses, particularly in the energy-fuels and transport industries. Optimism is again most prevalent among agri-food companies.

report concern about an increasing risk of insolvencies during the coming months, with the potential for financial distress or worse. This 50-50 split indicates a degree of uncertainty about the economic landscape, but some stability is anticipated by the majority of Hungarian businesses in both B2B customer payment behaviour and Days-Sales-Outstanding (DSO). 62% of companies expect no changes in payment practices in the year ahead, while an identical number express a neutral stance about future debt collection efficiency of companies.

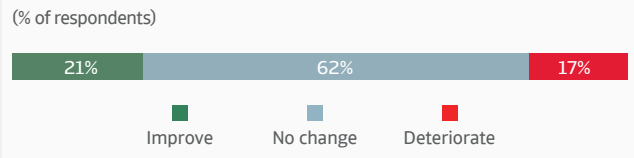
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Hungary

Hungary

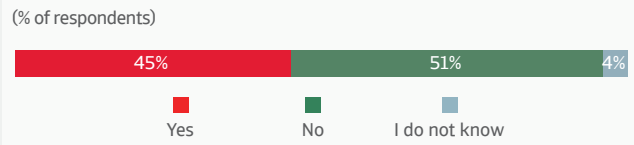
Looking ahead to the next 12 months: how do you expect the payment practices of your B2B customers to change?



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

Hungary

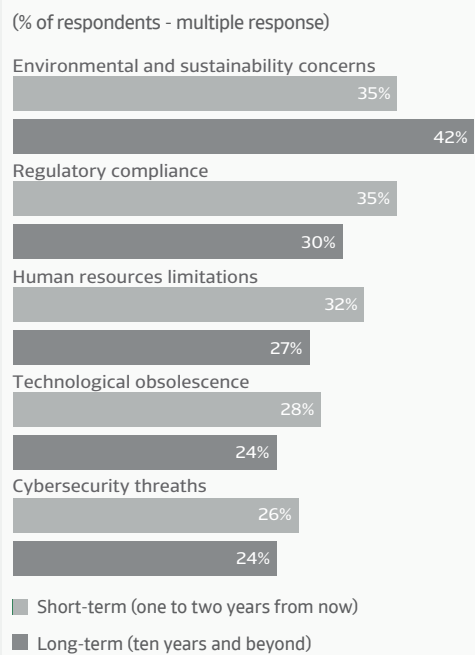
Do you see an increased insolvency risk for your customers in the next 12 months?



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

Hungary

Looking ahead: top 5 concerns expressed by businesses polled



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

Hungary

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

- 19% Improve
- 63% No change
- 19% Deteriorate

(% of respondents)

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

Survey design

Atradius conducts annual reviews of international corporate payment practices through a survey called the Atradius Payment Practices Barometer. Companies polled in Hungary 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 211 interviews in total. All interviews were conducted exclusively for Atradius.

Survey scope

- **Basic population:** Companies from Hungary 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=211 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 = 211

Business sector	Interviews	%
Manufacturing	83	40
Wholesale trade	99	46
Retail trade/Distribution	18	9
Services	11	5
TOTAL	211	100
Business size	Interviews	%
SME: Small enterprises	41	21
SME: Medium enterprises	70	31
Medium Large enterprises	69	34
Large enterprises	31	14
TOTAL	211	100
Agri-Food	70	33
Energy Fuel	62	29
Transport	79	38
TOTAL	211	100

Methodological note

Last year different sectors were included in the survey for Hungary. This makes year-on-year comparisons unfeasible for certain topics for the current year. For a detailed overview of last year's survey results for Hungary, 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 **Hungary and worldwide**, please visit atradiuscollections.com.

For Hungary please visit atradius.hu

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