



Atradius Payment Practices Barometer 2024 

B2B payment practices trends

Switzerland

Trade credit delivers financial relief
amid high borrowing costs





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 Switzerland.

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 delivers financial relief amid high borrowing costs

Our survey reveals how a broad consensus of businesses in Switzerland are using trade credit as a way to ease cashflow issues during the current period of tight monetary policy and rising interest rates. Trade credit is now the primary source of finance for 62% of companies across all sectors, providing essential cash relief and enhancing overall business health. The increasing cost of borrowing also means that less than half of Swiss companies are opting for bank credit as their main source of financing. However, this scenario could force a reassessment of B2B customer trade credit policies, particularly for businesses which prioritise keeping liquidity in-house. One option might be to offer less credit, and another to impose stricter terms on B2B customers, so as to effectively manage the heightened financial challenges and potential risks associated with extending credit.

This strategy of offering less credit is clearly seen in the Swiss chemicals sector, where less than half of B2B sales volume was transacted on credit during the past 12 months. The safety-first avenue of generally preferring cash transactions was also prevalent in the agri-food industry, where companies imposed stricter payment terms on their B2B customers on credit. These terms now average only a couple of weeks from invoicing, thus minimising the risk of cashflow imbalances. Businesses in the chemicals industry are more flexible on B2B customer payment terms, where they average more than two months

from invoicing, with the goal of maintaining a global competitive advantage. By contrast, the Swiss steel/metals sector has an entirely different strategy with the aim of building customer loyalty and increasing sales. B2B sales on credit in this industry are rising and now amount to 60% of B2B sales volume.

Key survey findings

- 62% of Swiss companies are currently using trade credit as their main source of finance during a period of tight monetary policy and rising interest rates. Less than half of the businesses in our survey report preferring bank credit. Companies are also reassessing trade credit policies, offering less credit and imposing stricter payment terms.
- Many businesses are adopting this strategy, with less than half of all B2B sales being transacted on credit in the past 12 months in the chemicals sector. Prioritising the safety of cash transactions is also prevalent in the agri-food sector. In contrast, there is a rising trend of B2B sales on credit in the Swiss steel/metals industry, now comprising 60% of B2B sales volume.
- Our survey finds varying policies on payment terms for B2B customers. Swiss agri-food companies are imposing much stricter terms, now averaging a couple of weeks from invoicing, to minimise cashflow risks. The chemicals sector has more flexible payment terms, more than two months from invoicing, to maintain competitive advantage.

(continued on page 5)



In the current business climate, which is posing significant challenges to export-driven economies like Switzerland, our survey highlights the way companies are enhancing their strategic credit management to mitigate the disruptive impact of payment risks. This is evident in 56% of companies reporting a relatively steady trend of B2B customer payment practices during the past year. This is helping to maintain some financial stability, but customer credit risk associated with B2B trade is still having a significant impact overall on the Swiss business environment.

Late payments are currently affecting 57% of all B2B invoices, while the level of bad debts stands at an average 11% of all B2B invoices. The chemicals sector is hardest hit, and is tackling the issue with investment delays, as are companies in the steel/metals industry. Swiss agri-food businesses prefer to slow down payments to suppliers, with the potential risk of a domino effect through the sector.

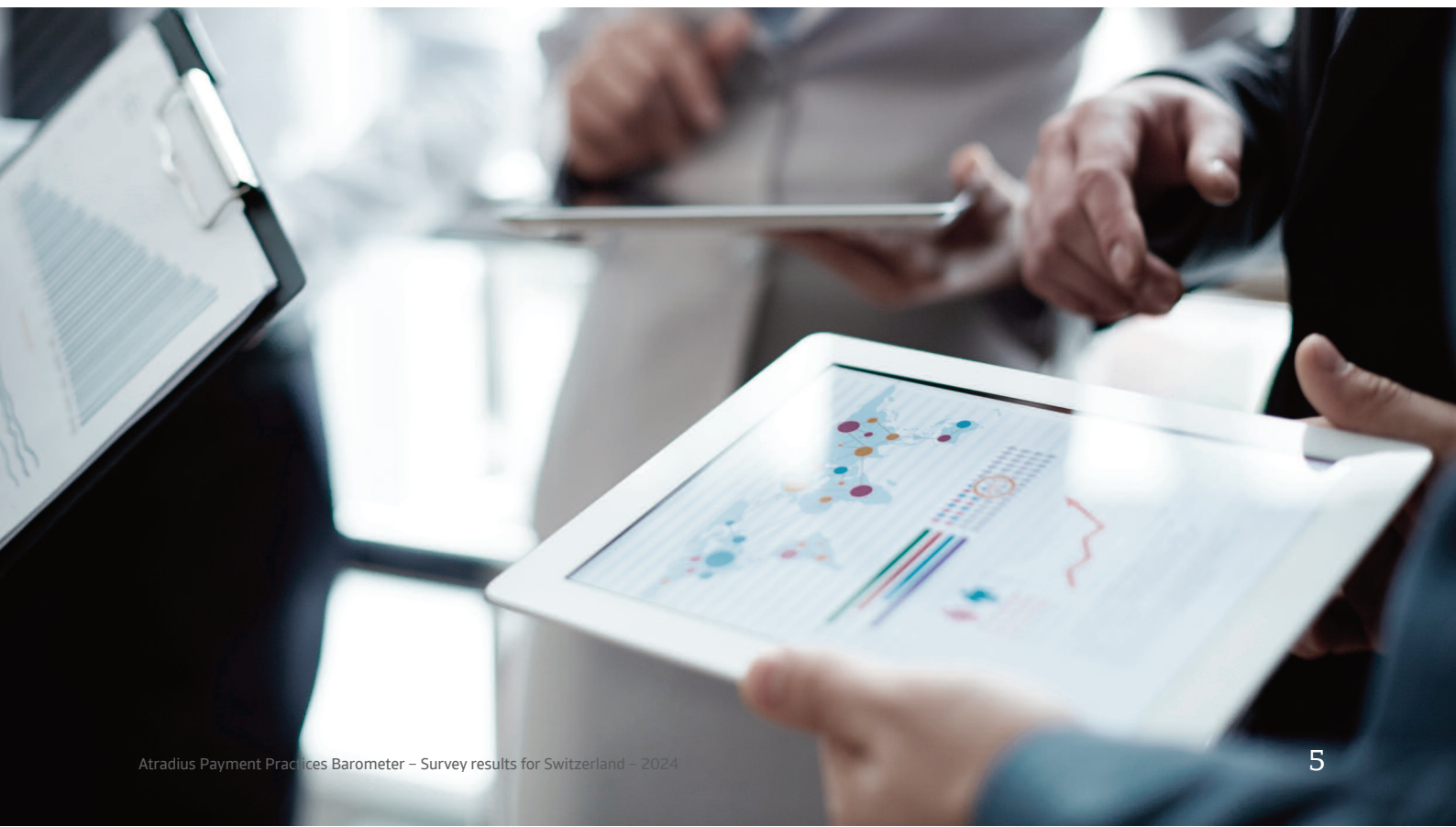
Against this backdrop more than half of the companies in our survey report an improvement in their Days-Sales-Outstanding (DSO) during the last month, especially in the chemicals and steel/metals industries.

This is helping them minimise cashflow issues, and may be due to the capital-intensive nature of these sectors which often operate on long-term contracts with B2B customers that provide for predictable payment schedules.

However, more than one-third of Swiss agri-food companies tell us that payment collection efficiency is worsening, a negative trend that takes the industry average DSO to 41 days from invoicing. This is a red flag signal of potential liquidity problems, and may explain their strong focus on payment policies designed to improve cashflow and mitigate financial challenges.

- Swiss businesses are widely enhancing their strategic credit management to mitigate the disruptive impact of payment risk. This aligns with a relatively steady trend in B2B customer payment behaviour, reported by 56% of companies across all sectors, helping to maintain financial stability.
- Despite this, customer credit risk still has a significant impact on the overall Swiss business environment. Late payments currently affect 57% of all B2B credit sales, while bad debts impact 11% of all B2B sales. The Swiss chemicals sector is the hardest hit and is responding by delaying investments in the business.
- More than half of Swiss companies, especially in the chemicals and steel/metals sectors, report an improvement in their Days-Sales-Outstanding (DSO) during the past year. In contrast, more than one-third of agri-food businesses say payment collection efficiency is worsening, leading to 41-day average DSO. This is a red flag signal, explaining their strong focus on payment policies.

Key figures and charts on the following pages

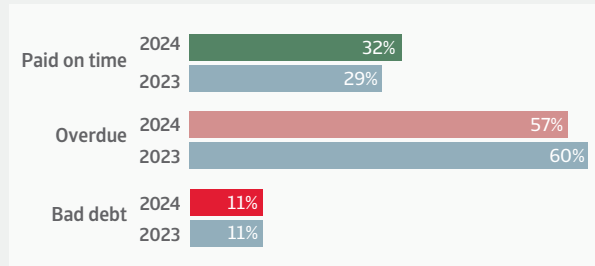




Switzerland

Switzerland

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

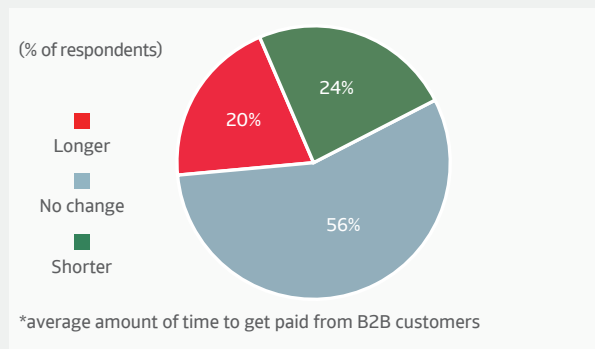


Sample: all survey respondents

Source: Atradius Payment Practices Barometer Switzerland – 2024

Switzerland

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

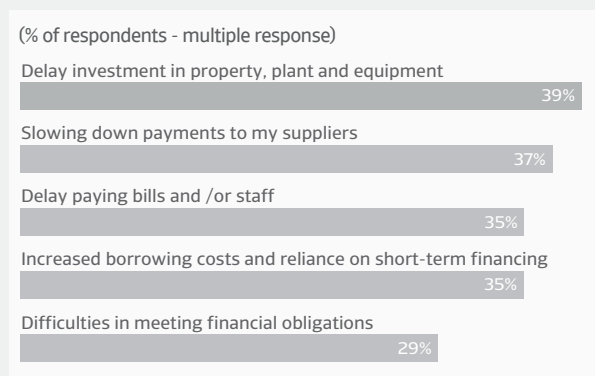


Sample: all survey respondents

Source: Atradius Payment Practices Barometer Switzerland – 2024

Switzerland

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 Switzerland – 2024

Switzerland

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

- 62% Trade credit
- 54% Invoice financing
- 44% Bank loans
- 27% Internal funds

(% of respondents - multiple response)

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Switzerland – 2024

Looking ahead

Export sector outlook and workforce shortage spark concern

Our survey of companies in Switzerland identifies a wide range of concerns across all sectors, both for short-term prospects and also the longer-term outlook. Nearly one-third of businesses say they have anxiety about the impact of weak global demand on the growth outlook for the domestic economy. This is particularly so in the Swiss steel/metals industry. For an economy which depends heavily on foreign trade it is little surprise that many companies express worry about prospects for the export sector, especially given the significant appreciation of the Swiss franc. Agri-food companies also tell us a key concern for them is that strong global competition could limit their export growth potential.

There is unanimous concern among Swiss businesses in our survey about the likelihood of a sustained slowdown in workforce supply which could have a profound long-term impact. This could mean that future growth in Switzerland's economy will have to rely much more on boosting capital investment and enhancing productivity. An uncertain outlook for the domestic economy is another widespread long-term worry for Swiss companies. Around 40% of businesses in the chemicals sector express anxiety about an expected potential increase in regulatory compliance which could impact their operations. Environmental regulations set by the government are a worry for Swiss agri-food companies, along with the increasing emphasis on sustainable business practices.

A generally positive mood about the expected trend in B2B customer payment behaviour is evident in our survey of Swiss companies. 85% of businesses say they anticipate either an improvement or no change in payment practices during the year ahead, with optimism particularly prevalent in the agri-food industry.

Key survey findings

- There is widespread concern among Swiss companies about the impact of weak global demand on the growth outlook of the domestic economy. In a country heavily dependent on foreign trade significant anxiety is evident about prospects for the export sector. The agri-food industry has specific worry about global competition limiting export growth.
- 40% of Swiss chemicals companies express apprehension about potential increases in regulatory compliance, a concern also in the agri-food sector. Long-term worries for businesses across all sectors include a slowing workforce supply and an uncertain outlook for the domestic economy.
- B2B customer payment behaviour is expected to improve or show no change in the coming year by 85% of companies in our survey. Optimism is especially prevalent in the agri-food industry, and the positive mood may reflect implementation of effective credit management strategies.

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This may reflect the implementation of effective credit management strategies. Slightly more pessimism is found in the capital-intensive steel/metals and chemicals sectors, which may help to explain why Swiss companies remain cautious about the broader business landscape and potential risks and challenges ahead. Amid uncertainty about geopolitical tensions, regulatory changes and economic volatility there is widespread anxiety about an elevated risk of insolvency. 76% of businesses, especially in the chemicals industry, anticipate an increase of insolvency risk.

Swiss companies tell us they expect a relatively positive trend in the prospects for Days-Sales-Outstanding (DSO) during the year ahead. 51% of businesses across all sectors anticipate no significant change in the outlook for debt collection efficiency and cashflow management, while 33% expect an improvement. Optimism is particularly clear in the agri-food industry where 45% of companies believe there will be quicker payment collection in the coming months, leading to improved cashflow and enhanced financial stability. In contrast, twice as many chemicals companies compared to the agri-food sector say they anticipate a deterioration of DSO and thus increased customer credit risk.

Nearly 75% of businesses in the Swiss steel/metals sector expect no significant change in payment collection efficiency, reflecting confidence in their ability to manage credit risks effectively.

- Strong concern is evident about the outlook on insolvency risk during an uncertain period of economic volatility, geopolitical tensions and regulatory changes. 76% of Swiss companies, particularly in the chemicals sector, say they anticipate an elevated risk of insolvency.
- Optimism about the prospects for Days-Sales-Outstanding (DSO) is found in our survey. 51% of Swiss companies expect no change to DSO, while 33% anticipate improvement during the coming year. The agri-food sector is particularly positive, with 45% of businesses expecting quicker payment collection.
- By contrast, twice as many Swiss chemicals companies as in the agri-food sector anticipate a deterioration of DSO in the next 12 months. This reveals a heightened level of concern about efficient B2B customer payment collection. 75% of businesses in the Swiss steel/metals sector expect no change in DSO.

Key figures and charts on the following pages

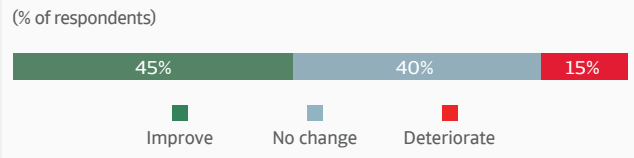




Switzerland

Switzerland

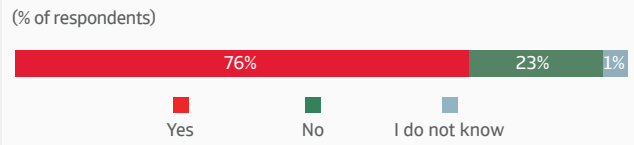
Looking ahead to the next 12 months: how do you expect the payment practices of your B2B customers to change?



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

Switzerland

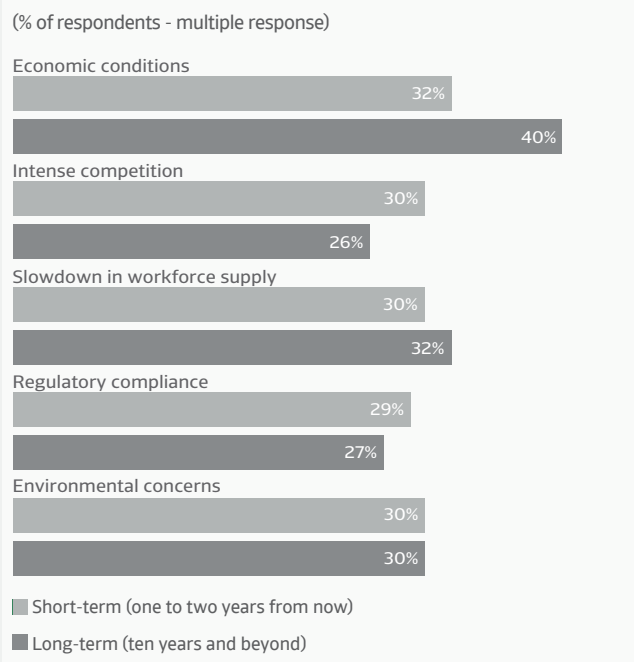
Do you see an increased insolvency risk for your customers in the next 12 months?



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

Switzerland

Looking ahead: top 5 concerns expressed by businesses polled



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

Switzerland

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

- 33% Improve
- 51% No change
- 16% Deteriorate

(% of respondents)

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

Survey design

Atradius conducts annual reviews of international corporate payment practices through a survey called the Atradius Payment Practices Barometer. Companies polled in Switzerland 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 Switzerland 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	63	30
Wholesale trade	73	35
Retail trade/Distribution	16	8
Services	58	27
TOTAL	210	100
Business size	Interviews	%
SME: Small enterprises	30	14
SME: Medium enterprises	70	35
Medium Large enterprises	80	36
Large enterprises	30	15
TOTAL	210	100
Agri/food	70	33
Chemicals	70	34
Steel/metals	70	33
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 **Switzerland and worldwide**, please visit atradiuscollections.com.

For **Switzerland** please visit atradius.ch

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