



Key trends for B2B payments and cash flow

# The Netherlands

Sharper focus on working capital management  
amid heightened credit risk





## 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 2023, and findings should therefore be viewed with this in mind.



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# B2B payment trends and cash flow

## Sharper focus on working capital management amid heightened credit risk

Record levels inflation was the crucial factor affecting B2B payment trends for companies polled in the Netherlands during the past 12 months. Rising energy and input costs, as well as the ending of pandemic financial support, caused a deterioration of the credit risk landscape in the country's business environment, particularly across energy-intensive sectors. A longer wait to receive overdue payments meant a risk of cash shortfalls. The response of Dutch suppliers to a gradual decline in payment morale of B2B customers was action to mitigate the impact of payment delays and defaults on cashflow by enhancing credit control and collection procedures.

This strategy was successful in alleviating the pressure on corporate liquidity. Late payments now affect on average almost half of all B2B sales on credit, while the level of bad debt write-offs stands at 7% of B2B invoiced sales. Liquidity shortages among B2B customers was the main reason for payment delays and defaults, while customer disputes also became a more frequent factor during the past months. To minimise the threat of cashflow issues, many Dutch companies polled said they were reluctant to invest, contributing to a slowdown of industrial activity with the potential to affect economic growth.

Around half of companies polled in the Netherlands said they sought external financing to meet their working capital needs. 60% of businesses across various sectors borrowed through trade credit, which eased their short-term financial plans, while the avenue used most often by SME wholesalers in the consumer durables sector was borrowing from banks. Another concern was rising inventories due to a slowdown in the consumer durables and construction sectors, which in turn put pressure on working capital.

Our survey found that many Dutch suppliers moved towards a more lenient B2B payment policy to try to remain competitive in a fiercely price-sensitive market. Longer payment terms, now averaging 40 days from invoicing, were granted in a bid to help companies reduce inventory build-up while freeing up cash for their operating needs. Despite the more relaxed credit facilities offered, B2B sales made on credit did not increase significantly, and now comprise an average 48% of all B2B trade. Some companies polled also reported that using credit insurance made it easier to contain swings of Days-Sales-Outstanding (DSO) and thus help to protect profitability.

## Key survey findings

- Payment delays affect an average of 46%, and bad debts an average of 7%, of all B2B sales invoiced by Dutch businesses. Transport sector hardest hit by payment delays and defaults.
- Liquidity shortages among B2B customers is the main reason for payment delays and defaults. Customer dispute is also a common cause for late or non-payment.
- 48% of companies said they sought external finance to meet their working capital needs. To avoid liquidity bottlenecks, many delayed investment.
- 71% of businesses, fewer than last year, said they opted to retain and manage customer credit risk in-house, while there was a significant rise in companies who outsourced management moving to credit insurance, which they said was a vital tool to contain DSO swings.
- B2B payment terms significantly lengthened as Dutch companies struggle to retain a competitive advantage in a deteriorated credit risk landscape.
- Trend of demand in both domestic and export markets is a crucial factor weighing on Dutch suppliers' B2B trade on credit.



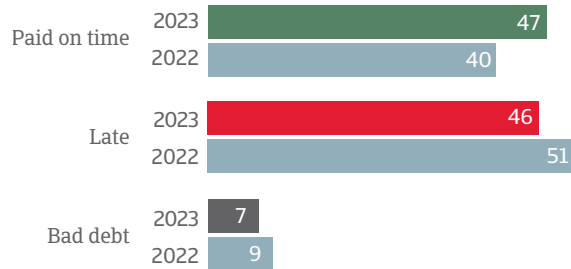
**Key figures and charts on the following pages**



# The Netherlands

## The Netherlands

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



Sample: all survey respondents

Source: Atradius Payment Practices Barometer the Netherlands – 2023

## The Netherlands

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



\*average amount of time to get paid from B2B customers

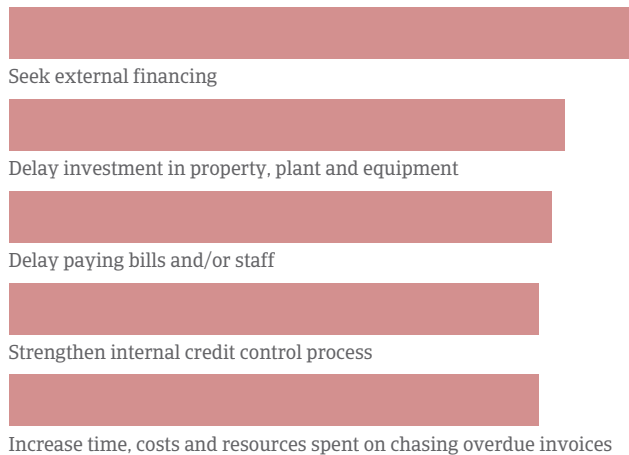
Sample: all survey respondents

Source: Atradius Payment Practices Barometer the Netherlands – 2023

## The Netherlands

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 the Netherlands – 2023

### Survey question

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

- 60% Trade credit
- 46% Equity capital
- 40% Bank loans
- 34% Debt securities issued

\*multiple response question

Sample: all survey respondents (% of respondents)

Source: Atradius Payment Practices Barometer the Netherlands – 2023

# Looking ahead

## Rising optimism about B2B payment behaviour as inflation worry lingers

The potential impact of inflation on business investment, and how it weighs on industrial activity and overall economic growth, is the major concern looking ahead for companies polled in the Netherlands. Although inflation is now falling, especially due to lower energy prices, companies polled in our survey are worried that prices are at a structurally higher level and fear this has, or will have, a large impact on purchasing power. Dutch businesses also expressed anxiety about the availability and costs of finance and commodities, as well as about cash flow issues, liquidity shortfalls and global trade challenging conditions.

Inflationary pressures come particularly from the services sector, which represents 70% of the Dutch economy and continues to feed some price increases into the market. This is the sector where much of the rise in household spending is directed amid persistent weakness of domestic retail sales. However, an easing of inflation is expected towards the end of this year and into 2024. This may explain why 49% of companies polled in the Netherlands anticipate improvement in payment behaviour of B2B customers during the year ahead while only 6% expect a deterioration, mostly in the consumer durables sector.

The brighter outlook of a forecast for falling levels of inflation in the year ahead are also reflected by widespread optimism about the prospects for demand. 58% of companies polled in the Netherlands told us they expect to see an improvement in demand during the next 12 months and a consequent timely boost to sales as consumer spending recovers. The positive mood is also highlighted by the finding that only 6% of businesses polled fear a deterioration in demand, although staying competitive in the highly-price sensitive Dutch market is a concern, particularly for SME wholesalers in the consumer durables sector.

A similar majority of Dutch businesses polled also told us they believe there will be a welcome increase in profitability in the year ahead. This will depend, though, on market sentiment in the Netherlands and in its main export destinations and on the strength of recovery in the global economy during the coming months. Dutch businesses said they expect to keep DSO swings under control, particularly amid an expected switch towards using credit insurance. An exception is the construction sector, which is likely to retain and manage customer credit risk in-house.

**Key figures and charts on the following pages**

## Key survey findings

- Inflation is expected to remain high throughout 2023 with consequent strains on business cashflow. A gradual easing should occur at the end of the year and into 2024.
- The level of inflation is a major concern looking ahead for Dutch companies, closely followed by energy costs and availability and cost of finance. Staff shortage is another focus of anxiety.
- Staying competitive in the price-sensitive environment of the Netherlands economy is a serious worry for the year ahead, particularly for SME wholesalers in the consumer durables sector.
- 49% of companies expect payment practices to improve in 2023, with only 6% fearing the situation will deteriorate.
- DSO swings are likely to be kept under reasonable control during the year ahead, especially as many Dutch companies anticipate they will take up credit insurance.
- Economic demand is expected to increase by 58% of businesses, with only 6% believing there will be a downturn. A similar mood was expressed about the outlook for profit margins.





# The Netherlands

## The Netherlands

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 the Netherlands - 2023

## The Netherlands

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

(% of respondents)



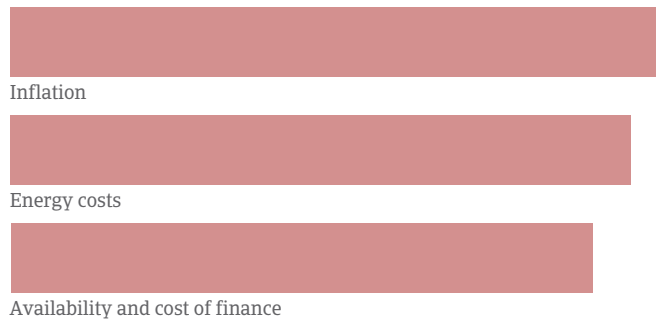
■ Improve   
 ■ No change   
 ■ Deteriorate

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

## The Netherlands

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

(% of respondents - multiple response question)



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

### Survey question

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

(% of respondents)

**42%** Improve  
**42%** No change  
**16%** Deteriorate

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

## 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 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 211 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=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 2023.

### Sample overview – Total interviews = 211

Business sector	Interviews	%
Manufacturing	86	41
Wholesale trade	37	18
Retail trade/Distribution	42	20
Services	46	21
<b>TOTAL</b>	<b>211</b>	<b>100</b>

Business size	Interviews	%
SME: Small enterprises	38	18
SME: Medium enterprises	70	33
Medium Large enterprises	70	33
Large enterprises	33	16
<b>TOTAL</b>	<b>211</b>	<b>100</b>

Construction	66	31
Consumer Durables	70	33
Transport	75	36
<b>TOTAL</b>	<b>211</b>	<b>100</b>

## 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](http://www.atradius.com/publications) [Download in PDF format](#) (English only).

## Interested in finding out more?

Please visit the [Atradius](http://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](http://atradiuscollections.com).

For the Netherlands please visit [atradius.nl](http://atradius.nl)



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AtradiusNL

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

[info@atradius.com](mailto:info@atradius.com)  
[atradius.com](http://atradius.com)