



# Greece: heavily impacted by past due B2B invoices

Atradius Payment Practices Barometer



Key figures

GDP  
(billions euro)

€ 183.43

GDP growth rate  
(2018 est.)

2.0%

Export annual growth rate  
(2018 est.)

5.6%

Imports annual growth rate  
(2018 est.)

0.1%

Sources: Oxford Economics, MIT OEC

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export sectors

Top5

Mineral Products

Metals

Foodstuff

Chemicals

Vegetable

Products

export destinations

Top5

Italy

Germany

Cyprus

Turkey

USA

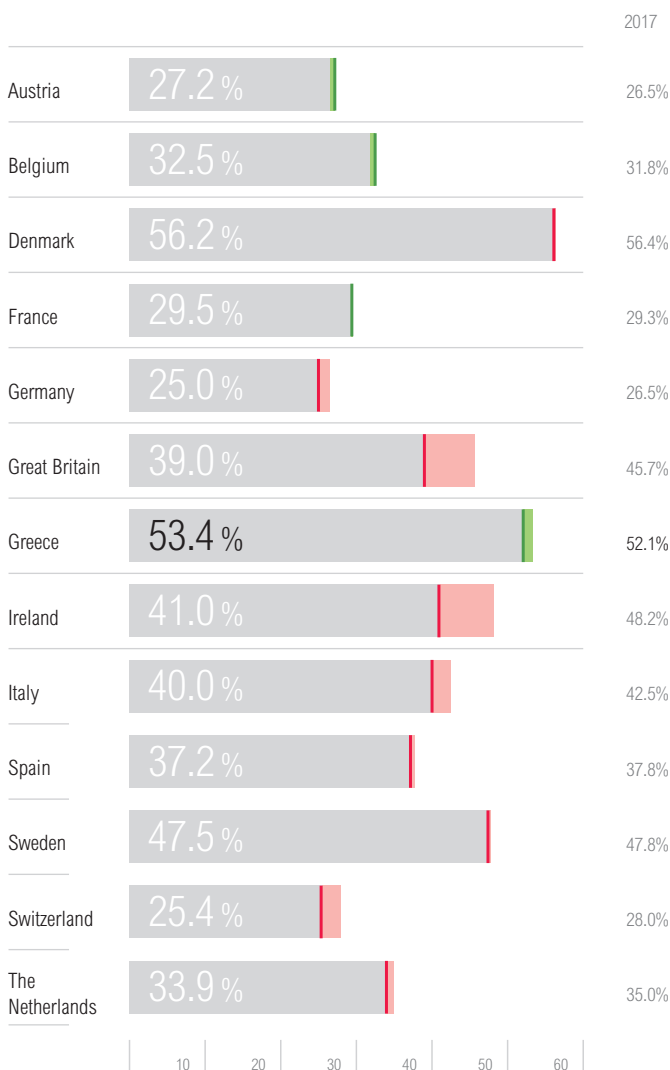
Despite a relatively low percentage of companies reporting late payments by B2B customers, the impact on suppliers in Greece has been more severe than in other countries. A high 30.1% of Greek respondents of the 2018 Atradius Payment Practices Barometer survey said that the main consequence of payment delays was lost revenue. 24.1% said that to manage the impact of overdue, they needed to take specific measures to correct cash flow and 18.1% that they needed to delay investments in property, plant and equipment. Greece had the highest percentages of respondents who pointed to insufficient availability of funds as the main reason for payment delays. After a decrease in the 2017 survey, the proportion of uncollectables increased again in 2018 and remains the highest of the countries surveyed in the region.

## Maintaining their credit-friendly stance

Similarly to what was observed in previous surveys, respondents in Greece are very inclined to trade on credit with their B2B customers. In 2018, the proportion of B2B sales transacted on credit increased slightly to 53.4% from 52.1% in 2017. Domestic B2B transactions are more likely to be on credit: 66.9% of B2B transactions on credit are domestic versus 39.9% that are foreign.

Similarly to what was stated in the region overall, the main reasons for granting trade credit in Greece are solid relationships with trusted B2B customers and the desire to gain more customers domestically and internationally. Credit sales also seem to be considered common practice in the industries with which the survey respondents operate.

### Proportion of total B2B sales made on credit



» *We grant trade credit when there is trust and long-term cooperation. We also sell on credit to large and reliable businesses that are not part of our customer base.*«

Survey respondent - Construction materials sector

66.7% of Greek respondents don't grant credit terms to their domestic B2B customers if the customer is financially weak. In regards to foreign B2B customers, 33.3% of respondents would refrain from offering credit terms if they lack information on the customer's business or payment performance and 29.2% if there were high economic or political risks in the customer's country.

» *We have long-term customers and granting credit so far has led to successful cooperation.*«

Survey respondent - Services sector

Sample: companies interviewed (active in domestic and foreign markets)  
Source: Atradius Payment Practices Barometer – October 2018



## A higher proportion of overdue invoices and a higher DSO

Despite an increase of almost six percentage points, at 72.0%, Greece has the lowest percentage of respondents who reported late payments by their B2B customers. Payment delays occurred far more often with domestic B2B customers than with B2B customers abroad (89.4% versus 54.6%).

In 2018, the proportion of past due B2B invoices in Greece rose to 42.8% from 38.6% in 2017. This is the fourth consecutive year with an increase. While it largely reflects a significantly higher proportion of foreign past due B2B invoices in 2018, domestic B2B customers still had a higher default rate.

In 2018, the average Days Sales Outstanding (DSO) figure recorded in Greece is 61 days, one day longer than in 2017 and significantly above the regional average. 64.1% of respondents do not foresee any changes in their DSO over the next 12 months, however, 21.8% expect another increase.

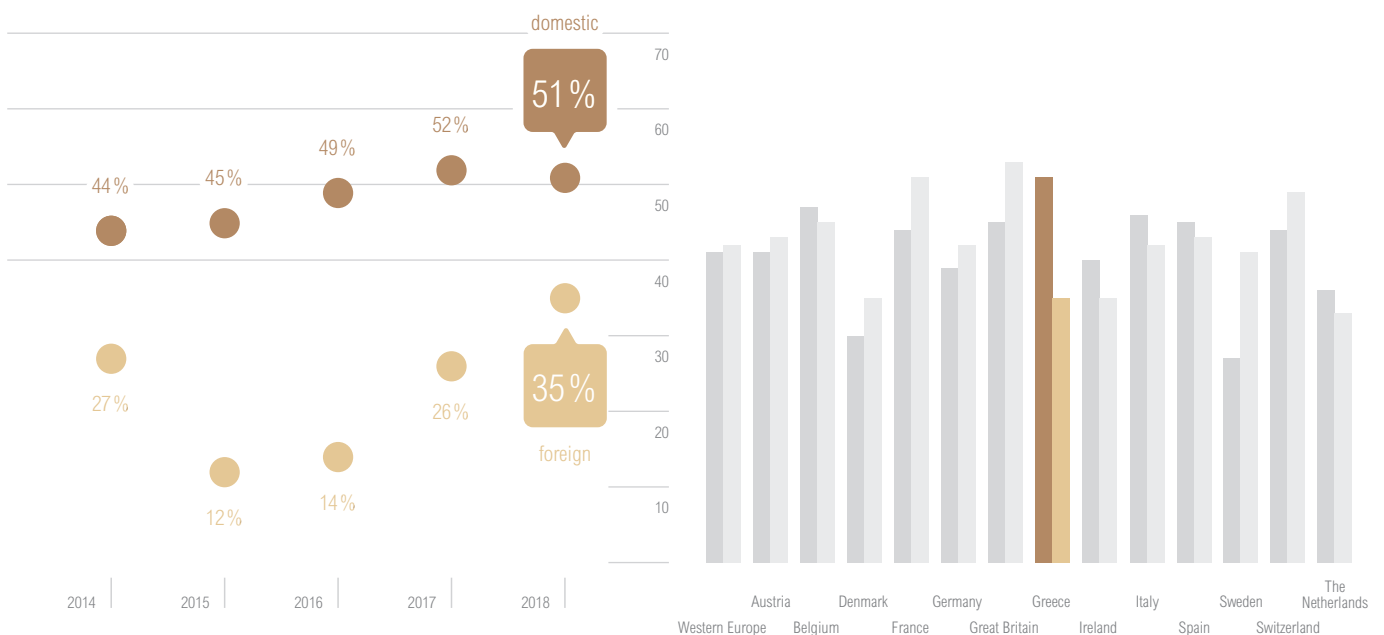
## The longest payment duration in the region

Historically, suppliers in Greece have given their B2B customers some of the longest payment terms in the region. This is also the case in 2018. Additionally, there have been significant changes compared to the year before. Domestic B2B customers in Greece were given, on average, 75 days to settle payments (64 days in 2017). In contrast, foreign B2B customers are asked to pay within 29 days on average (43 days in 2017).

Confirming the above, 62.3% of Greek respondents said that they are more likely to give their domestic B2B customers a longer time to settle invoices. This contrasts with the overall survey pattern but is consistent with the patterns seen in Italy, Spain and Ireland. 34.2% of Greek respondents said that they are not likely to differentiate between domestic and foreign payment terms and only 3.5% that they are inclined to give their domestic B2B customers shorter payment terms. The main reasons for differentiating payment terms in Greece are internal policies, the financial risk related to the export transaction, industry practices and the economic situation in the customer's country.

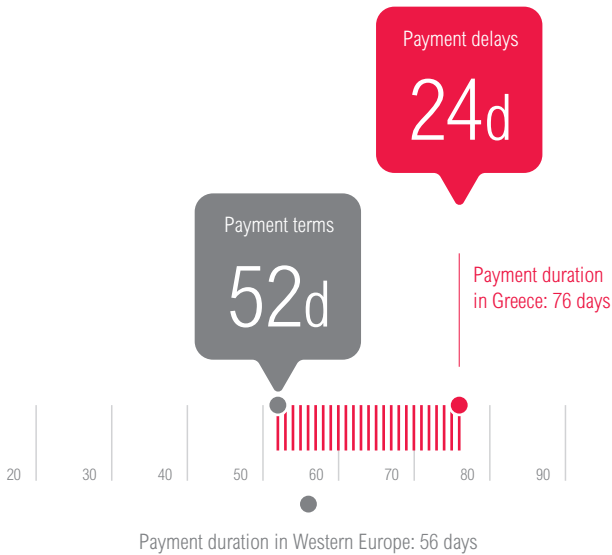
### Past due B2B receivables in Greece

(avg. %)



Sample: companies interviewed (active in domestic and foreign markets)  
Source: Atradius Payment Practices Barometer – October 2018

## Payment duration in Greece



d = average days  
 Sample: companies interviewed (active in domestic and foreign markets)  
 Source: Atradius Payment Practices Barometer – October 2018

In 2018, payment delays in Greece decreased significantly. More specifically, respondents here said that their domestic B2B customers delayed payments by 33 days on average (14 day decrease compared to 2017) while foreign B2B customers 14 days on average (one day longer than in 2017).

The changes in payment terms and payment delays influenced the average payment duration in Greece. This stands at 76 days, eight days shorter than one year ago. Despite the decrease, Greece still has the longest payment duration in the region. Compared to their peers in Western Europe, Greek respondents need about 20 days longer to convert B2B invoices into cash.

Payment delays in Greece occurred mainly because of insufficient availability of funds (noted by 76.1% of respondents regarding domestic payment delays and 47.1% regarding foreign payment delays). The second most cited reason for payment delays is buyers using outstanding invoices as a form of financing, mentioned by 34.0% of respondents in regards to domestic B2B customers and by 23.5% in regards to foreign B2B customers.

30.1% of Greek respondents said that overdue B2B invoices led to revenue loss over the past 12 months. This is the highest percentage of respondents who reported this consequence in Western Europe, much higher than the regional average of 16.8%. Due to overdue B2B invoices, 24.1% of suppliers in the country needed to take specific measures to correct cash flow and 18.1% needed to delay their investments in property, plant and equipment. 45.8% of Greek respondents said that over the past 12 months, overdue invoices did not have a significant impact on their businesses.

## The majority of Greek suppliers do not use electronic invoices

The majority of respondents in Greece (53.0%) said that they are not using online invoicing with their domestic and foreign B2B customers. A lower 43.0% said that they have moved towards the online environment and another 4.0% expressed their intention to do so in 2018. Of the Western European countries surveyed, Greece had the highest percentage of respondents (65.9%) who said that e-invoicing did not have a noteworthy effect on payment duration. 32.9% of respondents said that after they invoiced their B2B customers online, they noticed an improvement and faster invoice payments. In contrast, a low 1.2% noticed a slowdown in payments.



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*Asked if they feel that Greece could be an investment destination in 2019, most Greek survey respondents said no and argued that this is because of high taxes, the current economic situation and frequent changes in the legal framework.*

import sectors

Top5

- Mineral Products
- Machinery/Electrical
- Chemicals
- Transportation
- Metals

import destinations

Top5

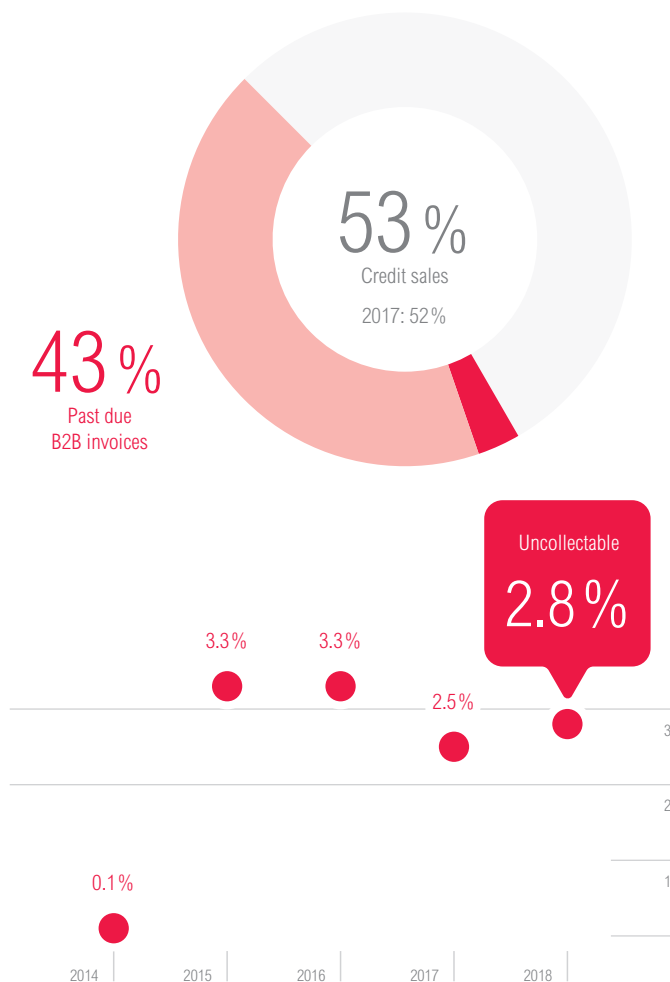
- Germany
- Italy
- China
- Russia
- The Netherlands

### Most concerned about the impact of geopolitical risk on global growth

Greek respondents were asked to rank these risks from the most significant to the least significant: US protectionism turning into a trade war, Fed policy becoming misguided, a 'hard landing' by China and geopolitical risk. In most of the countries surveyed, US protectionism turning into a trade war is considered the most significant risk to global growth over the coming six months. In Greece, geopolitical risk is considered the risk that would most significantly affect global growth. 38.9% stated this, a much higher percentage than the 19.6% at regional level. Misguided Fed policy was seen as the second most significant risk (26.6% of Greek respondents opted for this).

## Uncollectable B2B receivables in Greece

(% of total value of B2B receivables)



Sample: companies interviewed (active in domestic and foreign markets)  
Source: Atradius Payment Practices Barometer – October 2018

## The highest proportion of uncollectable receivables in Western Europe

Despite already posting the highest proportion of uncollectable receivables in the region, the average rose to 2.8% in 2018 from 2.5% in 2017. 2.7% of domestic B2B receivables and only 0.1% of receivables from foreign B2B customers were written off as uncollectable.

Uncollectable receivables in Greece originated most often from B2B customers in the chemicals, construction, consumer durables, food, business services and services sectors. The main reason why B2B receivables were uncollectable was bankruptcy. 64.6% of respondents stated this reason, an increased percent-

age compared to 61.0% in 2017. Other frequently cited reasons for write-offs are the old age of the debt (47.2%) and the failure of collection attempts (38.6%).

## Delays despite already long payment terms

As mentioned before, in 2018, the average payment terms given by Greek respondents stand at 52 days and are the longest in the region. Despite this, B2B customers in the textiles and machines sectors enjoyed even longer average payment terms (91 days and 89 days respectively). In contrast, B2B customers in the business services sector are being asked to pay much faster (on average, within 45 days).

Despite being granted average payment terms of 84 and 71 days respectively, B2B customers in the consumer durables and the chemicals industries were some of the slowest to settle their payments, 25 days and 33 days late, respectively. Greek respondents said that the main reason for payment delays in both these sectors was insufficient availability of funds (86.0% of respondents mentioned this in the consumer durables sector and 74.0% in the chemicals sector).

Most respondents in the Greek consumer durables and chemicals sectors do not expect any changes in the payment behaviour of their B2B customers over the coming 12 months. However, 27.0% of respondents in the consumer durables sector expect deterioration and 16.0% improvement. In the chemicals industry, should a change occur, 16.0% of respondents expect it to be for the worse while 13.0% for the better.



*B2B customers in the consumer durables sector were some of the slowest payers and the main reason for this was insufficient availability of funds.*

## Survey design for Western Europe

### Survey objectives

Atradius conducts annual reviews of international corporate payment practices through a survey called the "Atradius Payment Practices Barometer". In this report focusing on Western Europe, which is part of the 2018 edition of the Atradius Payment Practices Barometer, companies from 13 countries (Austria, Belgium, Denmark, France, Germany, Great Britain, Greece, Ireland, Italy, Spain, Sweden, Switzerland and the Netherlands) have been surveyed.

Using a questionnaire, Ilisia Research conducted a net of 2,770 interviews. All interviews were conducted exclusively for Atradius, without any combination of topics.

### Survey scope

- Basic population: companies from 13 countries (Austria, Belgium, Denmark, France, Germany, Great Britain, Greece, Ireland, Italy, Spain, Sweden, Switzerland and the Netherlands) were monitored. The appropriate contacts for accounts receivable management were interviewed.
- Selection process – Internet survey: 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=2,770 people were interviewed in total (approximately n=200 people per country). In each country a quota was maintained according to four classes of company size.
- Interview: Web-assisted personal interviews (WAPI) of approximately 15 minutes duration. Interview period: Q2 of 2018.

### Sample overview – Total interviews = 2,770

Country	n	%
Austria	218	7.9%
Belgium	208	7.5%
Denmark	213	7.7%
France	215	7.8%
Germany	213	7.7%
Great Britain	215	7.8%
Greece	200	7.2%
Ireland	229	8.3%
Italy	214	7.7%
Spain	212	7.7%
Sweden	214	7.7%
Switzerland	213	7.7%
The Netherlands	206	7.4%
Business size	n	%
Micro-enterprises	915	33.0%
SMEs (Small/Medium enterprises)	1,533	55.3%
Large enterprises	322	11.6%
Industry	n	%
Manufacturing	797	28.8%
Wholesale / Retail / Distribution	855	30.9%
Services	1,118	40.4%

It may occur that the results are a percent more or less than 100%. This is the consequence of rounding off the results. Rather than adjusting the outcome so that it totalled 100%, we have chosen to leave the individual results as they were to allow for the most accurate representation possible.



## Statistical appendix

Find detailed charts and figures in the Statistical Appendix for Western Europe. This is part of the October 2018 Payment Practices Barometer of Atradius, available at

[www.atradius.com/publications](http://www.atradius.com/publications)

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