



# Atradius Payment Practices Barometer

International survey of B2B payment behaviour  
Survey results for Switzerland

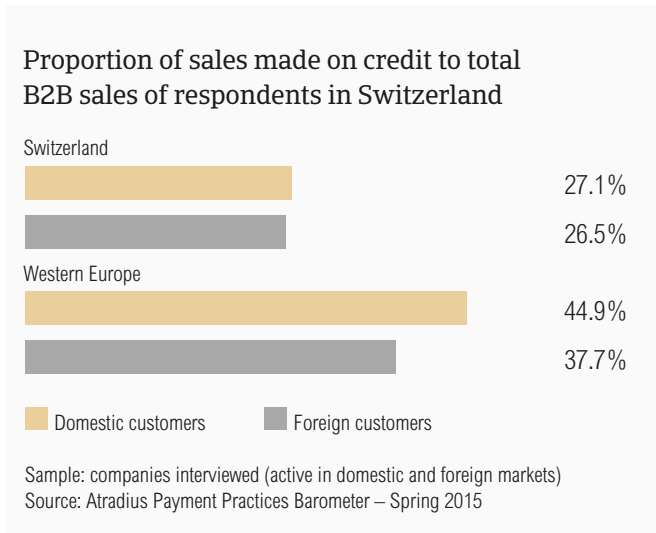


## Survey results for Switzerland

### Sales on credit terms

Around 27% of the Swiss respondents' domestic and foreign B2B sales value is transacted on credit terms. Together with Germany and Austria, Switzerland belongs to the group of surveyed countries which display quite a conservative approach to the use of trade credit in B2B transactions, both domestically and abroad. Similarly to what was observed in those other two countries, respondents in Switzerland appear to have progressively become more risk averse in respect to using trade credit.

Since 2013, the value of domestic and foreign B2B credit-based sales in Switzerland has declined notably (around 8 percentage points) reaching the current levels. Contrary to what was observed in Austria, however, the aversion to selling on credit was more focused on transactions with domestic than with foreign customers. As observed in Germany and Austria this tendency might be explained by a sizeable upswing in the rate of foreign delinquencies.



More information in the [Statistical appendix](#)

### Average payment term

Domestic and foreign B2B customers of respondents in Switzerland are given an average of 27 days from the invoice date to pay invoices. Although this term appears to be slightly longer than those granted by German and Austrian respondents, it underlines the customers' clear focus on swift payment that we also observed in the other two countries. Over the past two years, this term did not change markedly. It is now below the average payment terms in Western Europe of 34 days for domestic customers and 32 days for foreign ones.

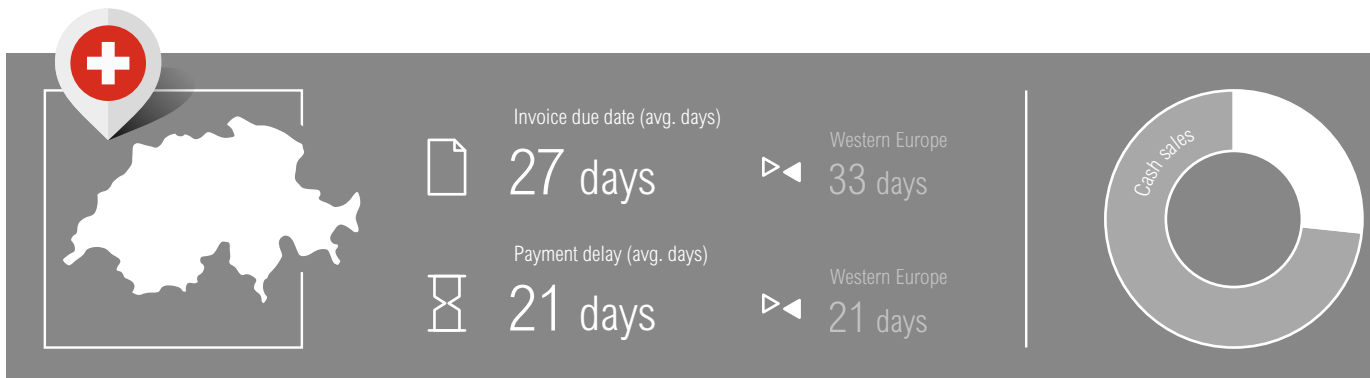
### Overdue B2B invoices

Nearly 40% of the total value of domestic B2B invoices in Switzerland remained unpaid past the due date. This is in line with the average for Western Europe (40.2%), and is as high as the percentages recorded in France and the Netherlands. The proportion of foreign past due invoices (42.8%) is above the survey average (35.4%), and in line with that recorded in Great Britain.

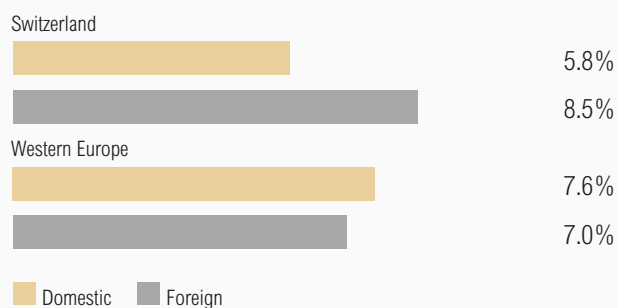
Over the past two years, both domestic and foreign overdue levels in Switzerland registered slight increases, which are below the averages for Western Europe.

Within the context of a generally stable insolvency environment, the delinquency figure recorded in the country (invoices unpaid 90+ days after due date) is relatively sizeable. 8.5% of foreign invoices (above survey average of 7%) and 5.8% of domestic B2B invoices (below the 7.6% survey average) became delinquent and are likely to turn into collections cases.

Late payment of B2B invoices (domestic and foreign) in Switzerland is reflected in the Days Sales Outstanding (DSO) figure posted by respondents which averages 41 days (survey average is 48 days). This is almost two weeks shorter than two years ago, which would suggest a greater effort on collecting high-value long-outstanding B2B invoices, a focus most likely prompted by the sharp increase in the (above mentioned) rate of delinquency, particularly from foreign customers.



### 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 Swiss respondents make their overdue payments, on average, 19 days after the invoice due date (survey average is 22 days). The average time for foreign B2B customers to pay their past due invoices is 23 days (survey average is 20 days). This means that, on average, payment for domestic overdue invoices in Switzerland is received around 46 days after invoicing. For foreign payments, it can take slightly longer, around 50 days.

Over the past two years, there was a significant decrease in both the average domestic and foreign payment duration (around 10 days in each case). Despite this, overdue payment levels in Switzerland, mainly those from customers abroad, remain sizeable. The cost of late payment in particular can have a negative impact on the companies' cash flow and profitability. That is why the highest percentage of the respondents in Switzerland (31% compared to 24% in Western Europe), consider cost containment to be one of the greatest challenges to business profitability in 2015. This is the highest percentage of respondents sharing this opinion of all the countries surveyed.

### Key payment delay factors

44.6% of respondents in Switzerland, compared to 51.4% in Western Europe, said that insufficient availability of funds is the most frequent reason for domestic payment delays. This is also the most frequently cited reason for foreign payment delays according to Swiss respondents (40.5%). The average for Western Europe overall is 37%.

Unexpectedly, significantly more respondents in Switzerland (nearly 24%) than in Western Europe (13.5%) reported that foreign B2B customers delay payments claiming that the goods delivered or the services provided do not correspond to the contractual terms.

### Uncollectable accounts

Swiss respondents reported that 0.8% of the value of their B2B receivables was uncollectable. This is below 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. This may very well depend on the higher proportion of sales made on credit domestically than abroad. It can also underline a natural tendency to pay closer attention to foreign receivables than to domestic ones.

Uncollectable domestic B2B receivables are most often reported on sales to the construction, consumer durables, business services and financial services sectors. Foreign B2B write-offs are most frequently attributable to B2B customers in the construction, consumer durables, chemicals and services sectors. For most of the Swiss respondents (64.3%), compared to 66.4% in Western Europe, B2B receivables were mainly uncollectable because the customer went bankrupt or out of business.

For more insights into the B2B receivables collections practices in Switzerland, please see the Global Collections Review by Atradius Collections (free download after registration), available from April 21st 2015 on [www.atradiuscollections.com](http://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 Switzerland reported granting trade credit terms mainly to B2B customers belonging to the construction, consumer durables, business services, financial services and services sectors.

Domestic and foreign B2B customers in the construction sector enjoy payment terms that are above the average for the country. Nearly 30% of Swiss respondents believe that the payment habits of foreign B2B customers in the construction sector will deteriorate markedly over the next 12 months. The consumer durables sector, however, ranks first in terms of overdue domestic and foreign payments, also showing the longest average payment delays (48 days). This is markedly above the 21 days average for the country.

Domestic payment delays due to liquidity constraints of B2B customers are reported, on average, by three in five respondents in relation to the consumer durables and services sectors. In each of these sectors, around 45% of the Swiss respondents expect a slight deterioration in the payment behaviour of customers over the coming 12 months. According to 58% of Swiss respondents, foreign B2B customers in the services sector are expected to worsen their payment habits markedly over the same time frame.

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](http://www.atradius.com/Publications/Payment Practices Barometer). This appendix is available for download in PDF format (English only).

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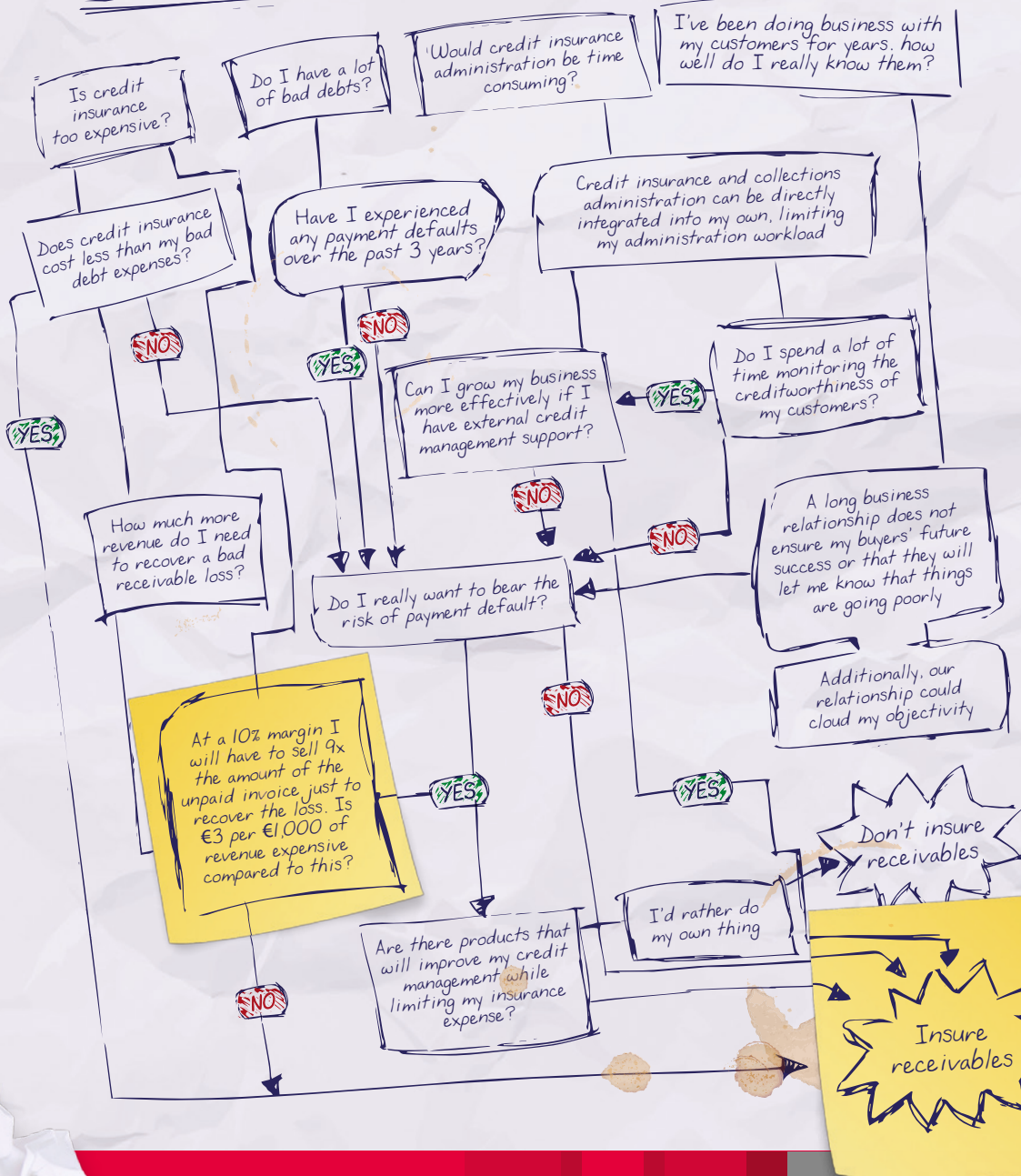
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