



Atradius Payment Practices Barometer 2024



B2B payment practices trends

# Spain

Customer credit risk landscape affected by persistent economic headwinds





## 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 Spain.

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.



## In this report

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B2B payment practices trends	4
<b>Customer credit risk landscape affected by persistent economic headwinds</b>	
Key figures and charts	6

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Looking ahead	7
<b>Inflation pressures and tight finance access primary concerns of businesses</b>	
Key figures and charts	9

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Survey design	10
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# Spain

## B2B payment practices trends

### Customer credit risk landscape affected by persistent economic headwinds

Trading on credit continues to play a hugely significant role in their sales strategy for B2B customers among companies across all sectors of our survey in Spain. Four out of five businesses tell us they are offering trade credit to customers, leading to an average 67% of B2B sales currently being transacted on credit. A desire to stimulate sales growth and generate revenue is the primary motivation for companies in the Spanish chemicals sector, where a substantial 74% of B2B sales is being made on credit. The main factor for selling on credit in the agri-food industry is to sustain and strengthen a competitive advantage in the market, which is also the case for construction businesses in Spain. In both sectors, an average two-thirds of B2B sales are being transacted on credit.

Alongside the widespread use of trade credit there is also a notable shift in payment policies for B2B customers. Construction companies in Spain are extending significantly long payment terms to their B2B customers, now averaging nearly a couple of months from invoicing. These are often being tailored to individual customer relationships, prioritising partnerships with reliable clients to help mitigate the risks associated with late or non-payment. This indicates a proactive response to evolving market dynamics. Spanish agri-food companies are also relaxing their payment terms for B2B customers, while terms in the chemicals sector are showing no significant change from a year ago. In both industries

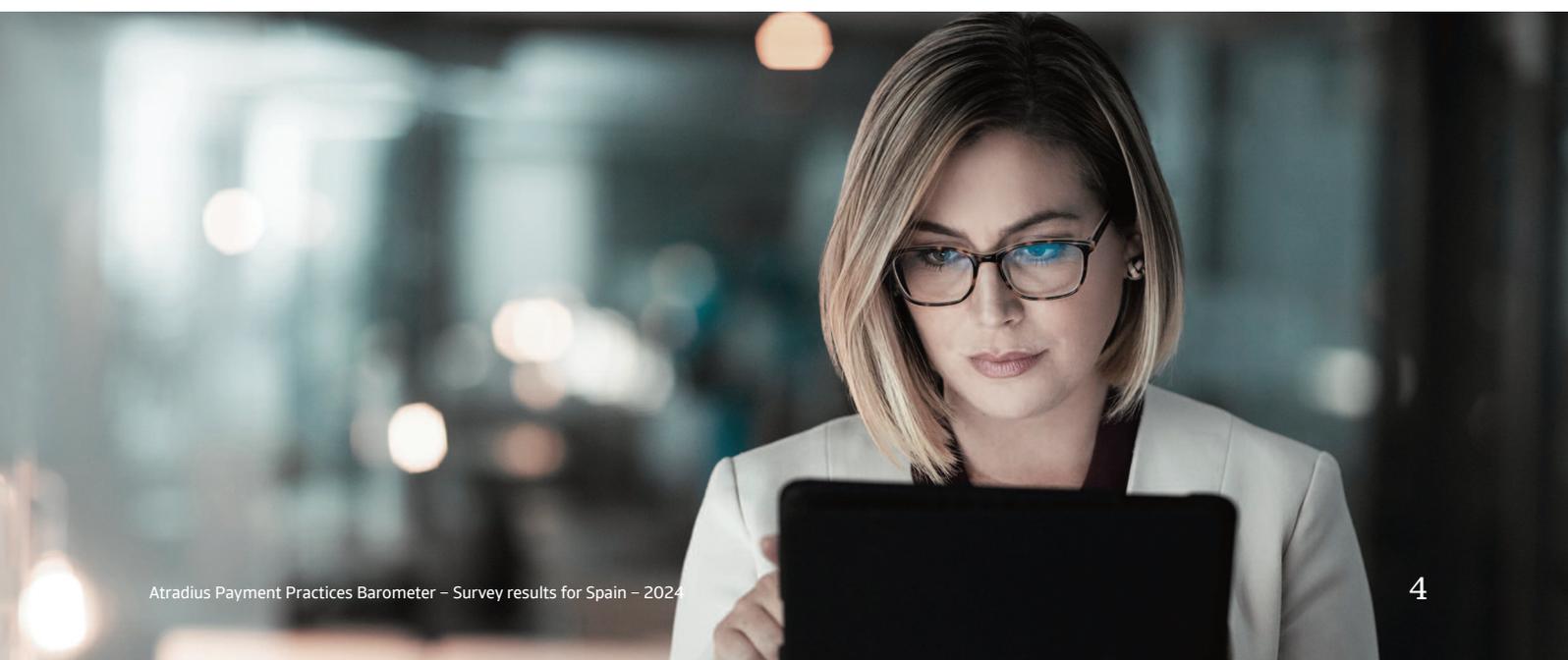
### Key survey findings

- The use of trade credit plays a crucial role in the B2B sales strategy of companies in Spain according to our survey. An average 67% of all B2B sales are currently being transacted on credit, while four out of five businesses tell us they offer trade credit to their B2B customers.
- Companies in the Spanish chemicals industry offer trade credit to the highest degree. 74% of B2B sales are being made on credit, the main reason being to maintain a competitive advantage. There is a similar motivation in the construction sector, while a desire to stimulate sales and generate revenue is the primary factor among agri-food businesses.
- A more mixed picture on payment terms being offered by Spanish companies is evident in our survey. Longer terms are being extended in the construction industry, now averaging two months from invoicing. The agri-food and chemicals sectors both offer terms at an average 35 days from invoicing. A cautious approach among chemicals businesses is due to an emphasis on responding to market conditions.

these terms now average 35 days from invoicing. Prioritising flexibility to accommodate reliable customers is a primary motivation for the policy change among agri-food businesses. In contrast, Spanish chemicals companies are often adopting a more cautious and strategic approach to payment terms, with an emphasis on aligning with prevailing market conditions to mitigate potential customer credit risk.

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

*(continued on page 5)*



# Spain

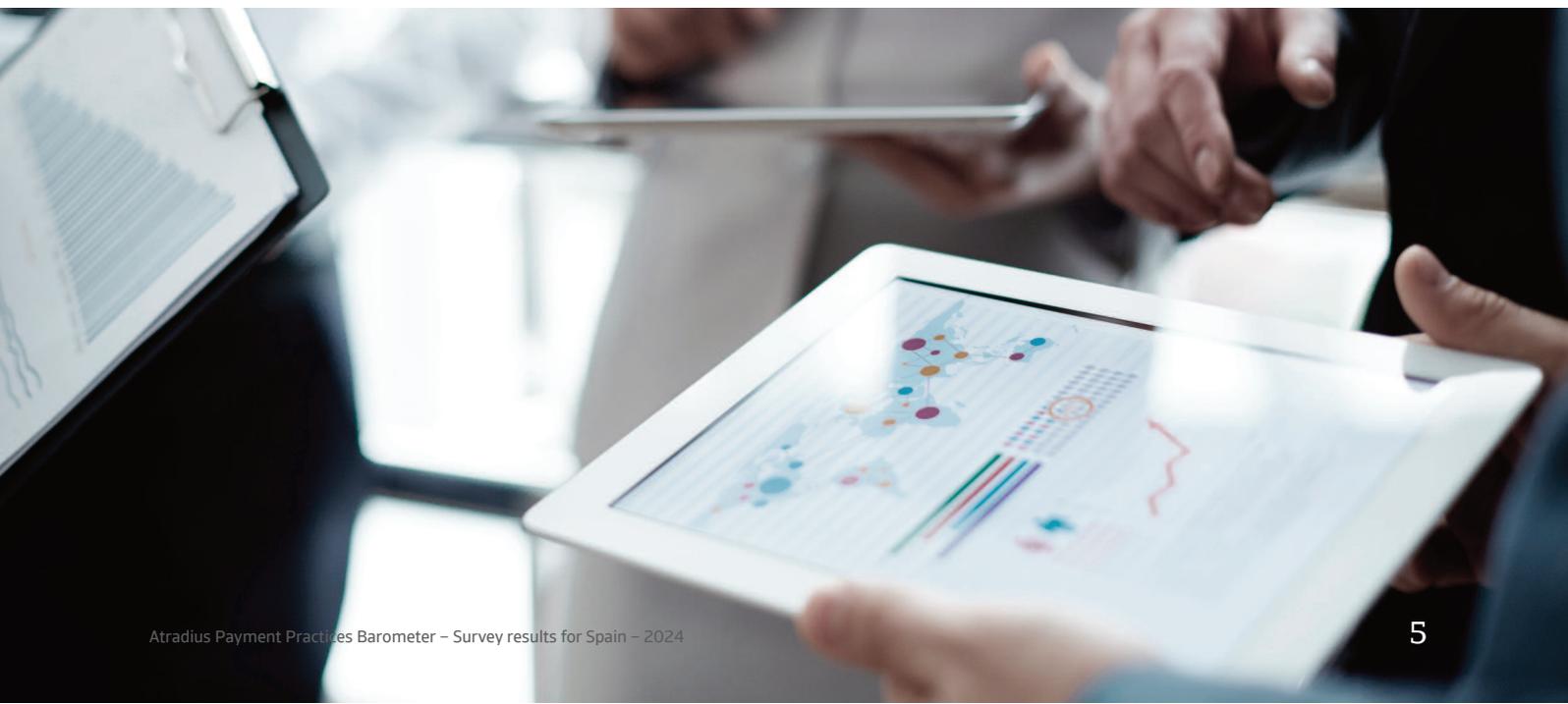
A certain volatility in the impact of customer credit risk on the domestic Spanish business environment is evident in our survey. This is a knock-on effect from the challenging economic climate of the previous year, as Spain concluded 2023 with a significantly higher level of insolvencies than the pre-pandemic. While, overall, late payments affect 42% of all B2B sales, and bad debts stand at 7% of all B2B sales, our survey finds that different sectors in Spain are experiencing varying levels of impact of customer credit risk. 70% of construction companies tell us that overdue invoices are continuing to be settled by B2B customers on average three weeks after the due date, causing cashflow imbalances. There is a similar picture in the Spanish chemicals sectors, leading to liquidity bottlenecks and problems in meeting financial obligations. The situation is slightly better in the agri-food industry, but businesses here are often slowing down payments to suppliers, with the potential for a domino effect through the sector. The majority of companies in the construction and agri-food industries are looking to trade credit as a primary source of short-term finance to ease cashflow problems in preference to costly bank loans. While agri-food companies rely more heavily on bank credit, there is also a move here towards using trade credit for short-term finance.

The clear finding of our survey is that the response of companies in Spain to the previous volatility is a transition to a 'new normal' in credit risk management. This strategic move is particularly evident in enhanced debt collection efficiency with regard to high-value long-overdue B2B invoices. The result is Days-Sales-Outstanding (DSO) remaining consistent for 60% of companies across all sectors in Spain, while 25% of businesses report an improvement of

- Our survey finds that payment practices of B2B customers is stabilising a little, with late payments averaging 42% of all B2B invoices, and bad debts affecting 7%. However, previous volatility of payment behaviour remains in the system, with Spanish companies continuing to face cashflow imbalances. Businesses are often responding by slowing down payments to suppliers, with the potential for a domino effect.
- Construction companies in Spain say they are looking to trade credit rather than costly bank loans for short-term finance to cover cashflow challenges. Agri-food businesses are also reducing reliance on bank credit to bridge liquidity gaps, but the chemicals sectors still relies heavily on bank lending, even with a move towards trade credit.
- Transition towards a 'new normal' in credit risk management after the volatility of the previous year is clear among companies in Spain. A significant improvement in debt collection efficiency means Days-Sales-Outstanding (DSO) is stable for 60% of businesses, while another 25% report a positive trend.

DSO. This ability to efficiently collect long-overdue invoices is a prime reason for the reduction in bad debt write-offs from a year ago. The figures in specific sectors reinforce the message. 70% of companies in both the chemicals and construction sectors report stability in DSO. In the Spanish agri-food sector 31% of businesses are showing an improvement in DSO, while 44% say there is no change in debt collection efficiency.

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

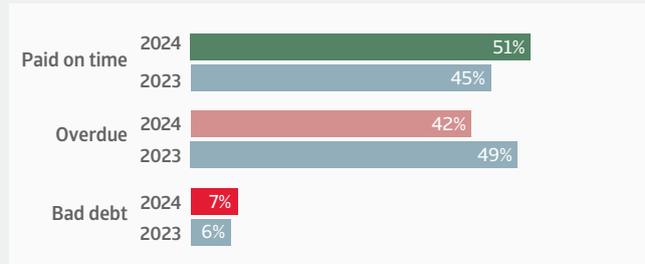




# Spain

## Spain

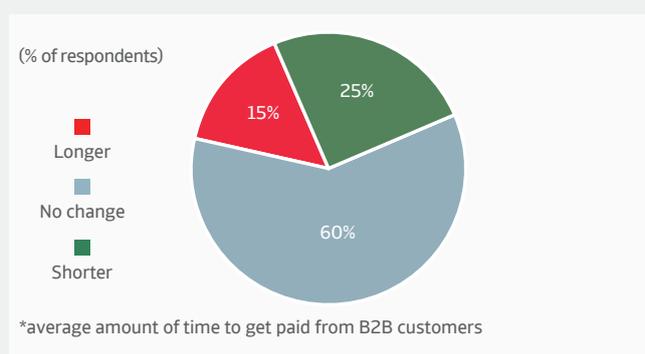
% of the total value of B2B invoices paid on time, overdue and bad debt (2024/2023)



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

## Spain

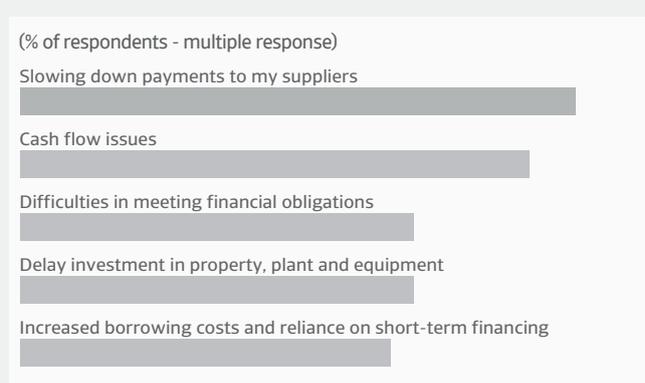
% of respondents reporting changes in payment duration\* over the past 12 months



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

## Spain

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 Spain – 2024

## Spain

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

- 60% Trade credit
- 53% Internal funds
- 51% Invoice financing
- 41% Bank loans

(% of respondents - multiple response)

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

# Spain

## Looking ahead

### Inflation pressures and tight finance access primary concerns of businesses

The primary concern of companies in Spain, both in the short-term and long-term, is the state of the domestic economy. This is the clear finding of our survey as businesses face challenges of ongoing inflation and low consumer confidence. High food inflation will remain a significant factor in the short-term, while an earlier than expected introduction of a VAT increase on electricity will also have an impact. Tighter financial conditions will continue to affect sectors sensitive to interest rates such as residential investment and durable goods consumption. Spanish companies also report short-term worries about potential supply chain disruptions, insufficient production capacity and inefficient or outdated processes that could mean operational challenges. This anxiety is particularly evident in the chemicals sector, compounded by concern about ineffective sales efforts due to intense competition.

Several anxieties about the long-term outlook are the focus of attention for Spanish businesses. A major worry surrounds the issue of higher pressures from regulatory compliance, with the agri-food sector particularly expressing concern about industry regulations. The chemicals industry in Spain, meanwhile, has clear apprehension about the potential for ongoing geopolitical tensions to impact on the global trade environment.

### Key survey findings

- The state of the domestic economy is prompting both short-term and long-term concern for Spanish companies in our survey. They report that food inflation and tight financial conditions pose challenges, along with persistently low consumer confidence.
- Other short-term worries across all sectors include ongoing supply chain disruptions, insufficient production capacity and inefficient or outdated processes. The chemicals industry in Spain is particularly anxious about weak sales efforts due to intense competition.
- Higher pressures surrounding regulatory compliance are a long-term concern for many Spanish businesses, with the agri-food sector especially worried about industry regulations. Geopolitical tensions that risk impacting on global trade are a long-term concern in the chemicals industry, while the lack of a skilled workforce is an anxiety for construction companies.

Construction companies have a specific concern about the long-term effect of tighter credit conditions, especially on areas like residential investment and real estate which are sensitive to interest fluctuations. This worry is being compounded by the risk that that the severe shortage of a skilled workforce could dent growth rates in the industry.

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

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# Spain

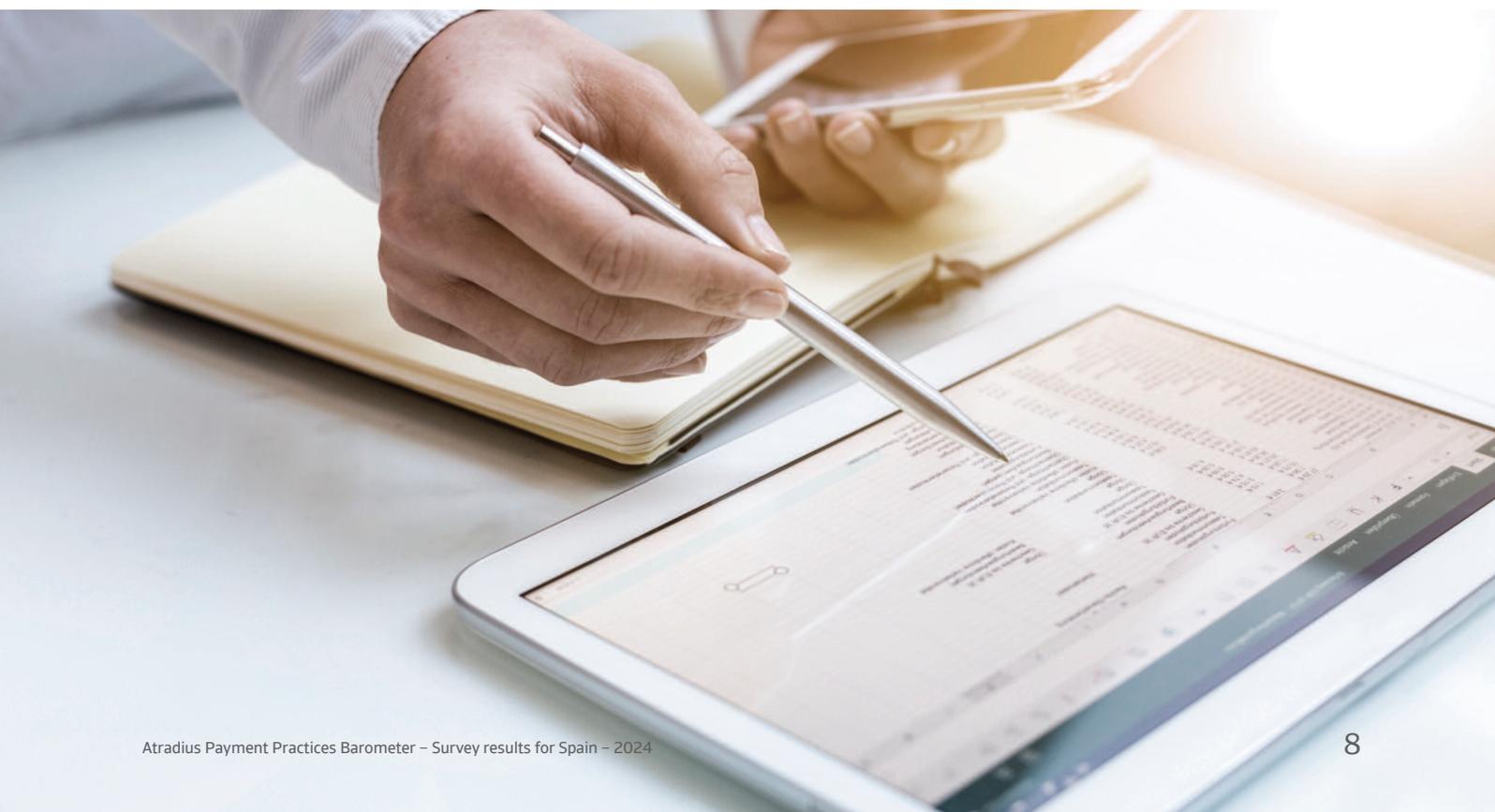
A range of opinion is evident in our survey of businesses in Spain about prospects for B2B customer payment behaviour during the year ahead. Almost 50% of companies say they anticipate an improvement in B2B payment practices, with particular optimism being shown in the Spanish chemical sector. By contrast, there is widespread pessimism among businesses in the agri-food industry about the future trend of B2B customer payment behaviour. The construction sector generally expects no significant change during the coming 12 months, and if anything a slight improvement. The same mixed verdict is found about insolvency risk. Spanish agri-food companies anticipate an increased risk of insolvency impacting the business, reflecting anxiety about the impact of ongoing elevated food inflation. The construction and chemicals industries, however, expect little or no change to current insolvency risk levels.

Our survey of companies in Spain finds widespread optimism about the prospects for Days-Sales-Outstanding (DSO). 47% of businesses across all sectors tell us they anticipate an improvement in debt collection efficiency and cashflow management during the coming 12 months. The majority of companies in both the Spanish agri-food and chemicals sectors express a heightened confidence about DSO, which would alleviate pressures on the financial health of businesses. Improved efficiency in collection of high-value long-overdue invoiced would be particularly beneficial to the agri-food industry. A more neutral stance is

- Mixed opinions about prospects for B2B customer payment behaviour in the year ahead are evident in our survey. The chemicals sector is very optimistic there will be an improvement in payment practices, but there is widespread pessimism in the agri-food industry. Construction companies generally anticipate no change.
- The outlook for insolvency risk also prompts a variety of views. There is a notably negative verdict in the Spanish agri-food sector, which expects a worsening of insolvency risk, reflecting worries about elevated food inflation. In contrast, the chemicals and construction industries anticipate little or no change in insolvency risk.
- Companies in Spain report a more positive outlook for Days-Sales-Outstanding (DSO) in the year ahead. 47% of businesses across all sectors expect an improvement in debt collection efficiency, with the agri-food and chemicals sectors particularly optimistic. Construction companies generally anticipate no change in DSO.

evident in the construction sector, which anticipates no significant change to DSO during the year ahead. This probably reflects uncertainty about the ongoing impact of tighter credit conditions on the industry.

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

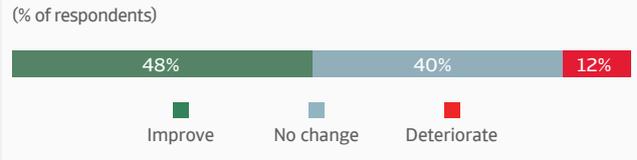




# Spain

## Spain

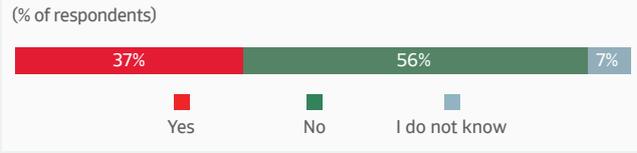
Looking ahead to the next 12 months: how do you expect the payment practices of your B2B customers to change?



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

## Spain

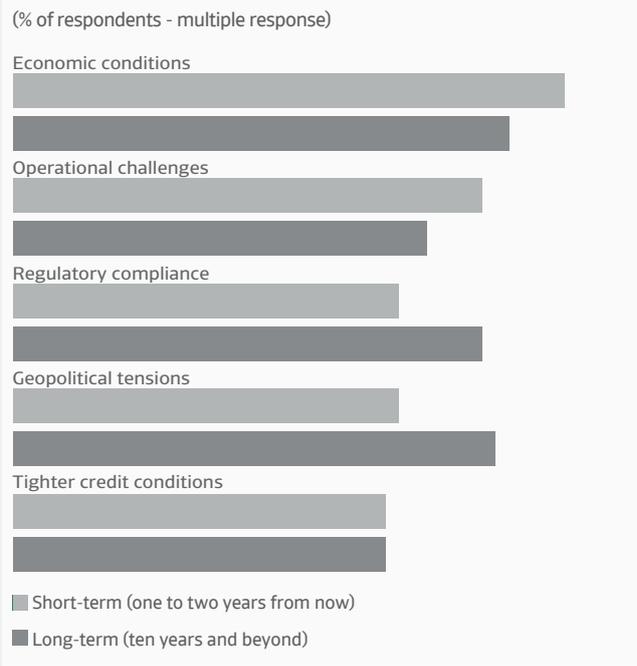
Do you see an increased insolvency risk for your customers in the next 12 months?



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

## Spain

Looking ahead: top 5 concerns expressed by businesses polled



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

## Spain

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

- 48% Improve
- 45% No change
- 7% Deteriorate

(% of respondents)

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

## Survey design

Atradius conducts annual reviews of international corporate payment practices through a survey called the Atradius Payment Practices Barometer. Companies polled in Spain 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 Spain 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	105	50
Wholesale trade	58	27
Retail trade/Distribution	21	10
Services	27	13
<b>TOTAL</b>	<b>211</b>	<b>100</b>
Business size	Interviews	%
SME: Small enterprises	44	21
SME: Medium enterprises	71	33
Medium Large enterprises	65	31
Large enterprises	31	15
<b>TOTAL</b>	<b>211</b>	<b>100</b>
Construction	70	33
Machines	70	33
Steel/metals	71	34
<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 2024 Payment Practices Barometer of Atradius, available at [www.atradius.com/publications](http://www.atradius.com/publications) [Download in PDF format](#) (English only).

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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.

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 **Spain and worldwide**, please visit [atradiuscollections.com](http://atradiuscollections.com).

For Spain please visit [creditoycaucion.es/es](http://creditoycaucion.es/es)

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