



# Atradius Payment Practices Barometer

International survey of B2B payment behaviour  
Survey results for the Netherlands

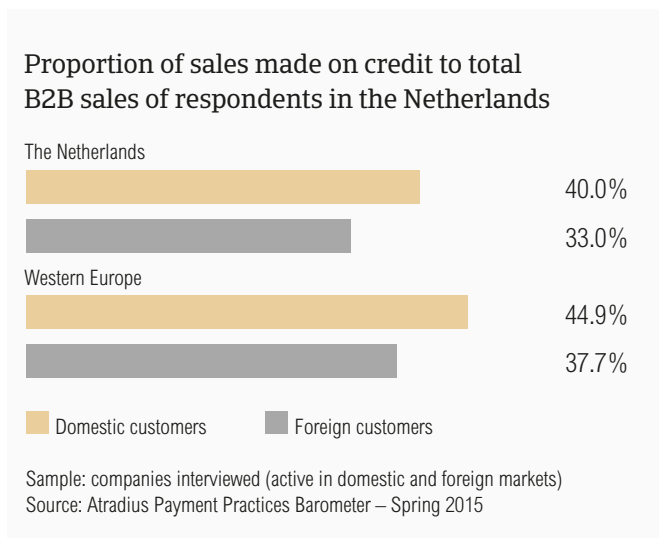


## Survey results for the Netherlands

### Sales on credit terms

The responses in the Netherlands indicate that 33% of the foreign and 40% of the value of domestic B2B sales is made on credit. These proportions, which decreased in each case by around four percentage points over the past two years, highlight an appetite for trade credit which is below the averages for Western Europe (44.9% domestic and 37.7% foreign). Moreover, they point to a higher degree of risk aversion when extending credit terms to foreign than to domestic B2B customers, which is consistent to the survey pattern.

The current economic conditions in the Eurozone are challenging, plagued by persistent high levels of insolvencies and geopolitical turmoil in many markets worldwide. Therefore, a strong focus on protection of exports from the risk of payment default by customers comes as no surprise for the Netherlands, whose GDP growth is heavily dependent on international trade.



More information in the [Statistical appendix](#)

### Average payment term

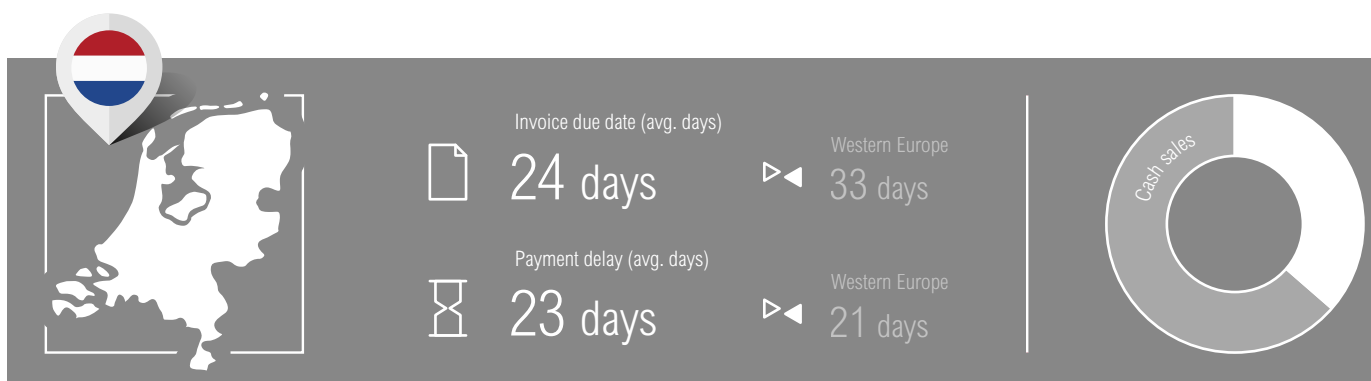
It is customary for respondents in the Netherlands, as in many other countries in Northern Europe, to place a strong emphasis on swift invoice payment from B2B customers. Domestic B2B customers of respondents in the Netherlands are granted an average of 24 days from the invoice date to pay invoices. Over the past two years, this term decreased, on average, by two days (in line with the survey average). This is now the third shortest average domestic payment term recorded in Western Europe, after those in Germany (20 days) and Austria (22 days), and is ten days shorter than the average in Western Europe (34 days).

The payment terms given to foreign customers to settle their trade debts average 25 days. This is below the average for Western Europe (32 days), and in line with the foreign invoice payment terms observed in Austria, Great Britain and Germany. Over the past two years, the average payment terms for foreign customers decreased by an average of four days.

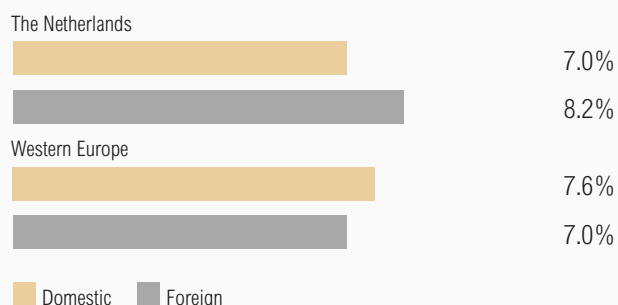
### Overdue B2B invoices

In the Netherlands, an average of two-fifths of the total value (domestic and foreign) of B2B invoices remained outstanding past due date. The foreign percentage (40.6%) is above the average rate for Western Europe (37.7%). Exports generated a relatively higher proportion of over 90 days or longer overdue invoices (averaging 8.2% of the foreign versus 6.3% of the domestic credit sales value).

The foreign delinquency rate appears to be notably higher than the average for Western Europe (7.6%). Invoice late payment is reflected in the Days Sales Outstanding (DSO) figure posted by Dutch respondents, averaging 37 days (four days longer than two years ago), which is below the 48 days average for Western Europe.



### 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

Consistent with the survey average, Dutch respondents receive payment on past due domestic and foreign B2B invoices just over three weeks after the due date. This means that, on average, respondents in the Netherlands receive domestic payments 46 days and foreign payments 48 days from the invoice date. Over the past two years, the domestic and foreign average payment delay recorded in the Netherlands did not fluctuate notably. As a consequence, domestic and foreign payment duration remained substantially steady.

However, payment delays increase the financing and administrative costs associated with carrying trade debts. This may explain why cost containment is considered by most of the Dutch respondents (29%, compared to 24% respondents in Western Europe) as one of the biggest challenges they will be facing in 2015. The response rate in the Netherlands is the same as those observed in France and Italy.

### Key payment delay factors

51% of respondents in the Netherlands (51.4% in Western Europe) said that late payment on domestic B2B invoices is mainly attributable to their customers' insufficient availability of funds. Slightly more respondents in the Netherlands (36.1%) than in Western Europe (34.0%) said that domestic customers use outstanding invoices as a form of financing. This finding would indicate that Dutch respondents believe more strongly, than their peers in Western Europe, that domestic B2B customers hide their use of outstanding invoices as a form of financing behind the claim of liquidity constraints. Insufficient availability of funds was noted for foreign payment delays by a lot more respondents in the Netherlands (48.1%) than in Western Europe overall (37%).

### Uncollectable accounts

The proportion of B2B receivables that Dutch respondents reported as uncollectable (0.8%) is lower than 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. Which may very well be related to the relatively higher proportion of sales made on credit domestically than abroad.

Uncollectable domestic B2B receivables come mostly from the business services and construction sectors. Foreign B2B write-offs are mainly related to the consumer durables sector. For a higher percentage of respondents in the Netherlands (69.1%) than in Western Europe (66.4%), B2B receivables were mainly due to the customer being bankrupt or out of business. This reflects the difficult business climate in which Dutch respondents' trading partners still operate.

For more insights into the B2B receivables collections practices in the Netherlands, 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 the Netherlands reported extending trade credit terms mainly to B2B customers belonging to the services, consumer durables, construction and chemicals sectors.

Above-average invoice payment terms are extended by Dutch respondents to B2B customers in the Construction sector (26 days and 28 days foreign). Foreign B2B customers in this sector generate an above average (for the country) proportion of overdue invoices (three fifths of the sectors' foreign sales value is past due). However, payment delays by domestic customers in the construction sector average 37 days, and foreign 28 days.

Insufficient availability of funds is consistently underlined by Dutch respondents as the primary reason for B2B payment delays in the sector. Payment practices of the B2B customers of respondents across all of the sectors are not expected to change substantially over the coming 12 months.

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.

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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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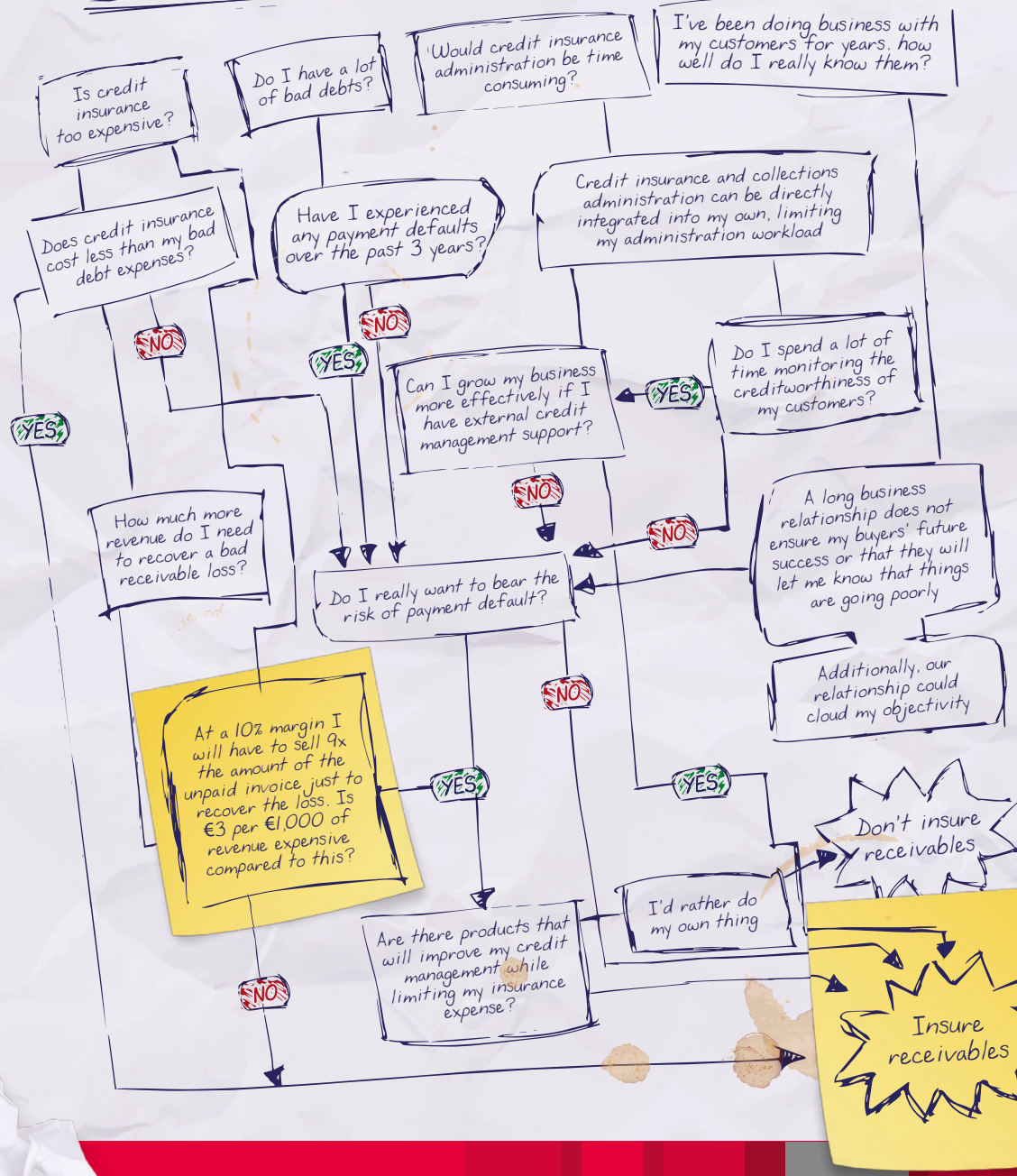
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