

## PAYMENT SURVEY

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## Turkey Payment Survey 2018: Payment terms expand amid positive economic expectations

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**T**his is the first corporate payment survey in Turkey aiming at indicating how payment terms stand in different sectors, how companies manage credit management practices and evaluate future payment experiences. The data collection was conducted in January and February 2018 through phone calls with 2615 companies in 81 cities. While 73% of respondents said they sold with credit terms to their clients, 35.3% of them mentioned they do not have a department responsible for credit management. Only 0.1% said they have a department in charge of trade receivables management.

The average payment term for companies stood at 121 days. Large companies (having a total employee number of more than 250 people) are able to offer their clients longer payment terms, mainly due to their wider financial means. The maximum payment term offered by companies to their clients stood at 147 days. 46.1% of companies said their clients who paid them by check asked to extend the payment

periods by a new check at the end of the payment term. The average payment delay after the initial payment term stood at 133 days.

Another important issue seems to be related to the cash flow management of companies. Despite strong growth dynamics of the country, 50% of respondents said their cash flow management deteriorated in 2017 from a year earlier and 71% expressed it became more difficult to make collections from the market. On the positive side, more than one third of respondents expressed their positive expectations about their sales volume in 2018. More than half of exporting companies said they expect their exports volume to increase in 2018 which is in line with Turkey's good export performance.