

PAYMENT SURVEY

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Poland Corporate Payment Survey 2021: amid support programmes, corporate payment delays have shortened during the pandemic

The fifth edition of Coface's survey on corporate payment experience in Poland was carried out in November 2020, with 330 companies participating in the study. At that time, Poland was being hit by a second wave of the COVID-19 pandemic, with a significantly higher number of infections than during the first wave in spring. Nevertheless, lockdown measures were slightly less restrictive in autumn 2020 in order to limit the economic contraction. According to preliminary data, GDP growth in Poland dropped by 2.8% and should then recover in 2021, reaching 4.0% according to Coface's forecast.

Despite the deepest recession recorded since the collapse of communism, the Polish economy and companies were supported by various government measures aimed at softening the impact of pandemic on business activity. These measures also affected payment delays, which paradoxically decreased despite the significant economic contraction triggered by the pandemic. Indeed, our study shows that Polish companies experienced average payment delays of 48 days in 2020, i.e. 9 days less than in our previous 2019 survey. The agri-food sector fared best, with payment delays of "only" 33 days. Another paradox is that the biggest improvement in shortening delays

was reported by transport (44 days shorter than a year earlier), while being the sector at the heart of the mobility crisis, then followed by the construction sector (25 days shorter). However, despite these improvements, transport and construction companies again experienced some of the longest payment delays, at nearly 78 and 79 days, respectively. This time around, the energy sector is the one with the longest payment delays, at 80.5 days.

In spite of improvements in payment liquidity, a bulk of companies declared that the impact of the pandemic on the Polish economy is a crucial obstacle for them. Supportive government measures are expected to expire once the economy recovers. Therefore, the surveyed companies anticipate that this is going to affect business liquidity, especially since half of them have used liquidity measures such as exemptions and deferrals. According to our survey, 7 out of the 12 sectors anticipate that the amount of outstanding receivables will increase over the following months. This also affects companies' view on their business activity in 2021. Despite an expected economic recovery, challenges are likely to hurt companies, as nearly two-thirds anticipate a worsening of business activity.