

PAYMENT SURVEY

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Poland Payment Survey 2018: Payment delays mounting amid robust economic growth

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The second edition of Coface's survey on payment experiences in Poland was carried out in December 2017. The year saw a peak period of economic recovery, with GDP growth accelerating to 4.6% in 2017 – the highest level of economic expansion since 2011. This has created favourable conditions for businesses. The payment survey investigated businesses' payment behaviour, which mirrors both the short-term economic situation and the more structural business environment. Businesses in Poland will likely continue to enjoy a favourable macroeconomic environment. Coface forecasts that the Polish economy will stabilise this year, with GDP growth reaching 3.8% – a slower pace than 2017, but still solid and even broader based. According to our survey, 9 of the 12 sectors consulted anticipate that the amount of outstanding receivables will decrease over the following months. 51% companies expect that their profitability is going to rise in the short-term, whereas 39% anticipate its decrease. The automotive, energy, and textile-clothing sectors in particular expect an improvement in sales. Conversely, the pharmaceuticals, construction, and metals sectors forecast lower sales in the coming months.

According to our analysis, covering a wide range of company sizes and sectors, sales on credit are made extensively, with all surveyed companies having written terms and conditions to this end, and that 99% of corporates continue to face payment delays, some of which are long and unlikely to be fulfilled. Despite the momentum enjoyed by the economy, outstanding receivables rose in 2017. Our study shows that Polish companies experience average payment delays of 62.5 days, i.e. 11 days longer than encountered in our previous survey in 2016. The retail sector fares the best, with payment delays of "only" 15 days. The longest payment delays were experienced by transport and construction companies, at nearly 146 and 116 days, respectively. Both sectors reported longer payment delays than experienced in the 2016 Coface payment survey. This weak payments scenario corresponds with Coface's sector credit risk assessments for Poland's construction and transport sectors, which are assessed at "high risk".