

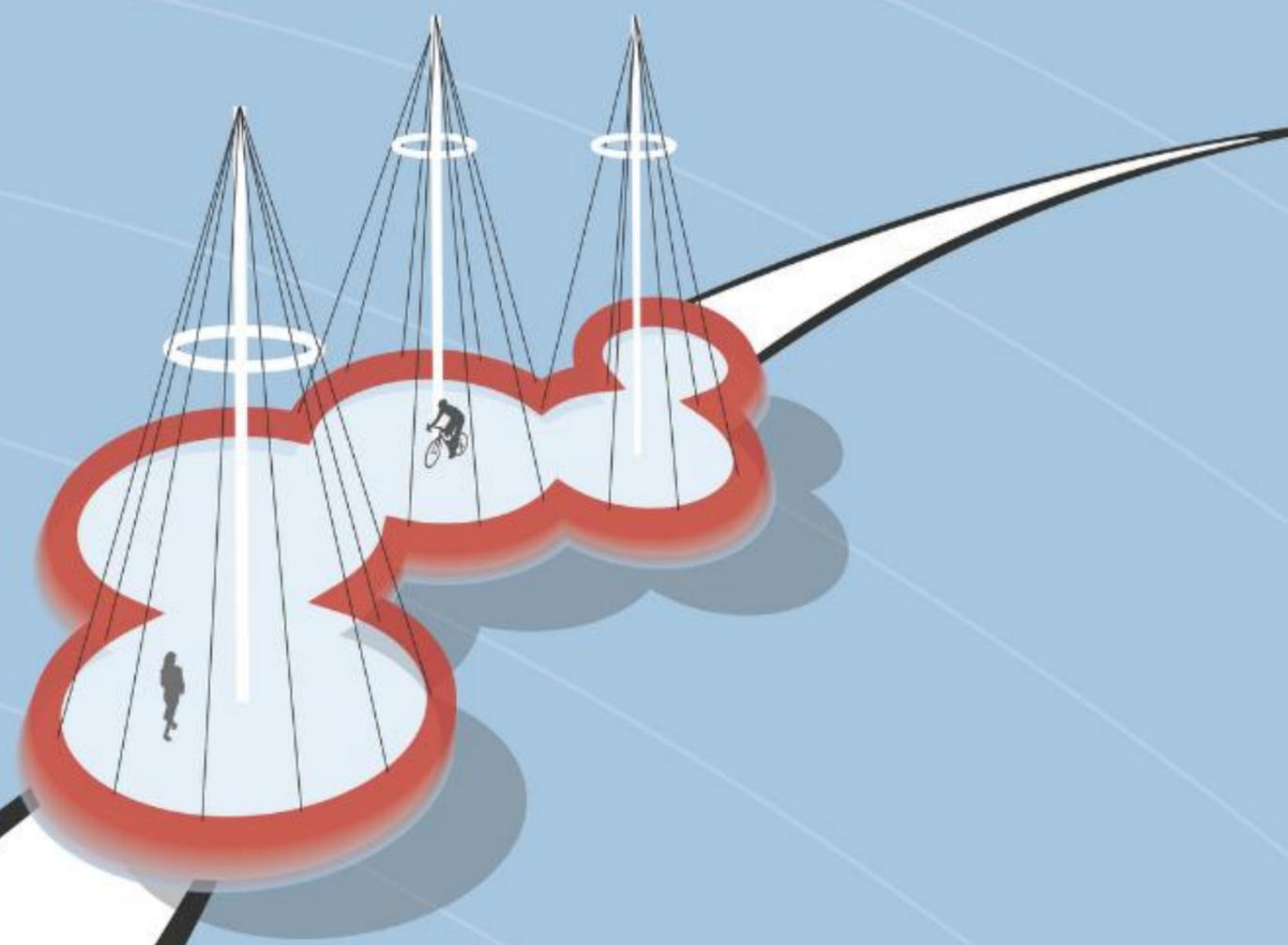
SUCCESSFUL SMEs COMPETITIVE EUROPE

SME

Assembly 2025

Copenhagen, Denmark

10 - 12 November 2025



EU Observatory of Payments in Commercial Transactions (EU Payment Observatory)

Annual Report 2025:

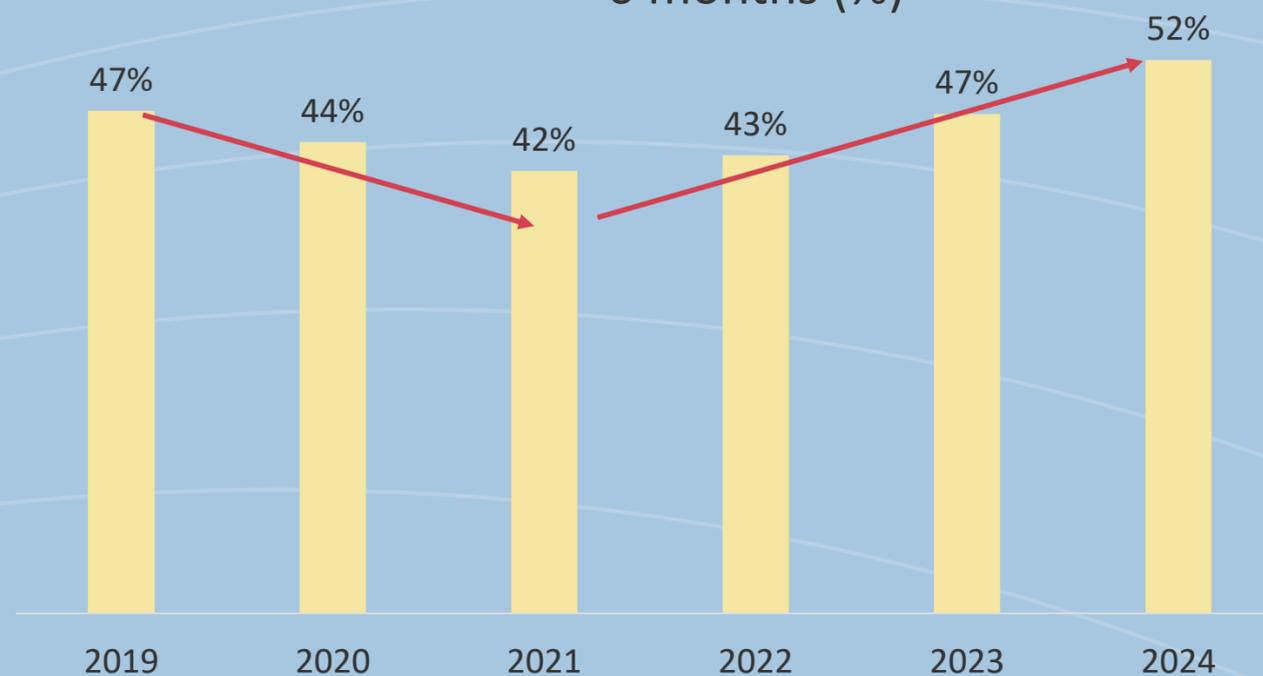
Cinzia Alcidi

Senior Research Fellow and Head of the Economic Policy Unit, CEPS

More than half of European companies indicate that they face issues due to late payments

- The percentage has increased in 19 countries
 - X The worst situations are reported in Poland, the Czech Republic and Luxembourg
 - ✓ Netherlands and Bulgaria record the lowest share of impacted companies.

Enterprises indicating they have faced issues due to late payments in the past 6 months (%)

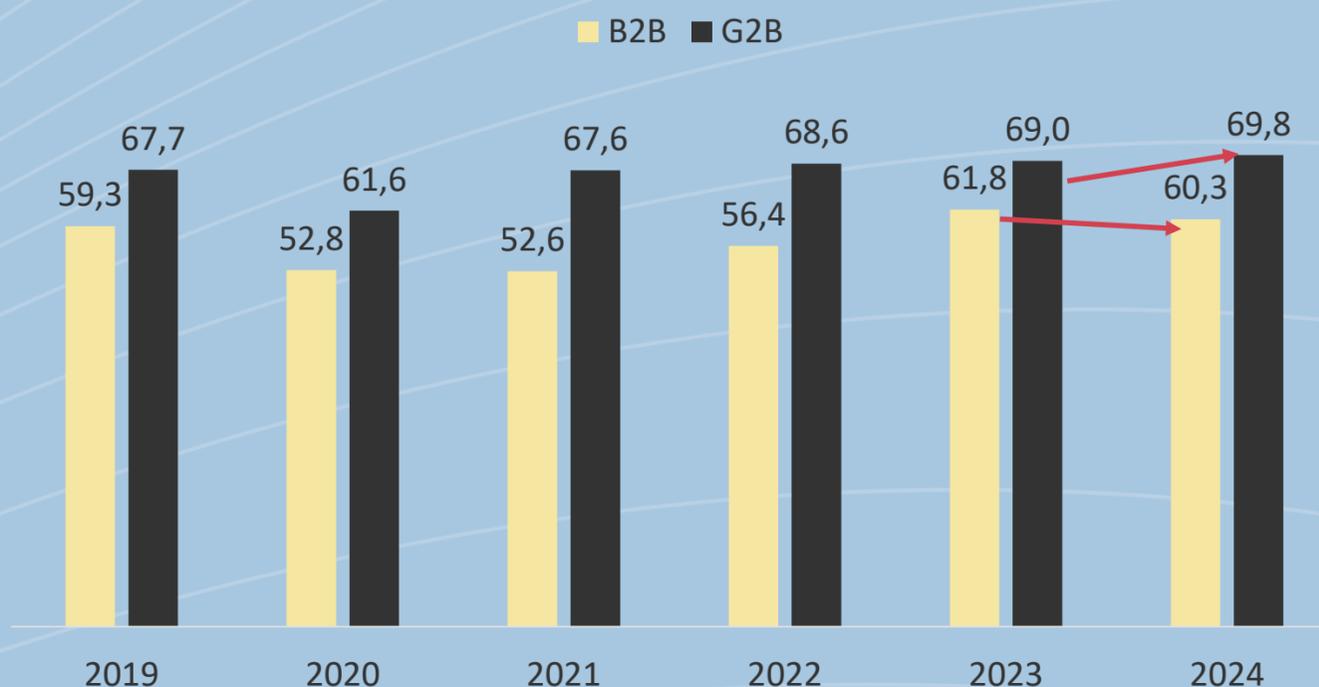


Source: EU Payment Observatory elaboration on ECB/EC SAFE survey

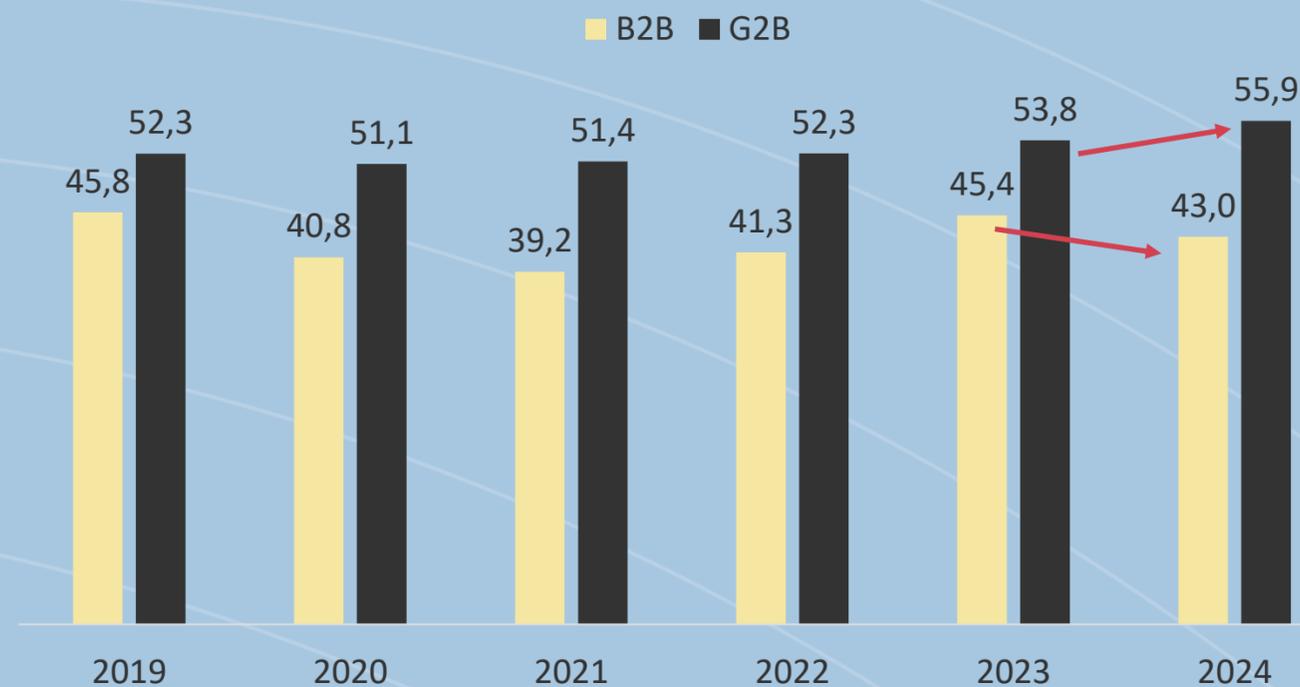
Payment periods and payment terms increased for G2B, but declined for B2B

- They remain very long
- Governments are still paying later than businesses in every Member State
- Extended payment terms correlate with longer payment periods in 87% of the cases

Average payment **periods**



Average payment **terms**

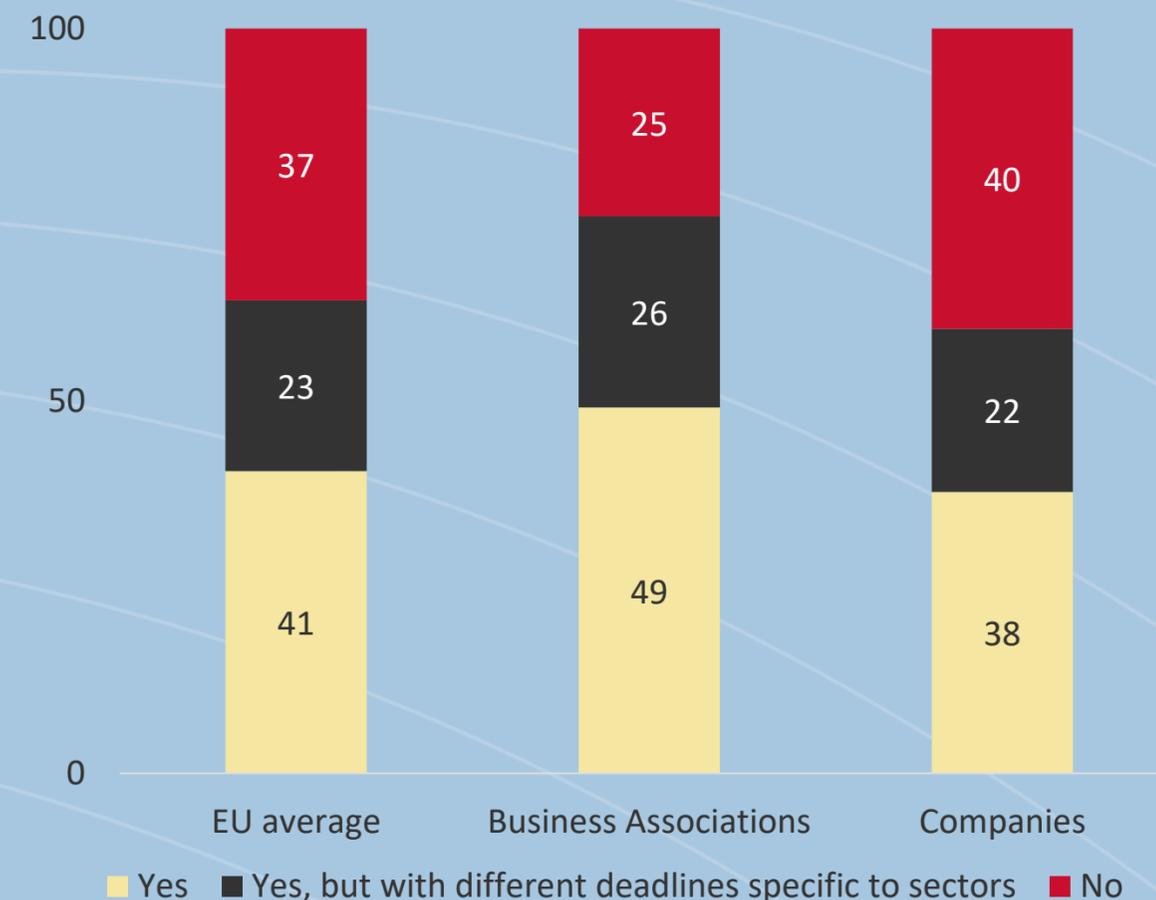


Source: EU Payment Observatory elaboration on Intrum European Payment Report (No data available for CY, LU and MT. Data for EE, LT, LV, and RO only available until 2022).

Most surveyed companies favour limiting payment terms

- 41% of respondents support introducing a mandatory maximum payment deadline in B2B
- An additional 23% agree, provided sector-specific flexibility is allowed.
- The most preferred option is payment terms of 30 days, backed by 31% of respondents favouring a mandatory limit

Percentage of respondents: There should be a law establishing a maximum deadline for payments between businesses (2025)

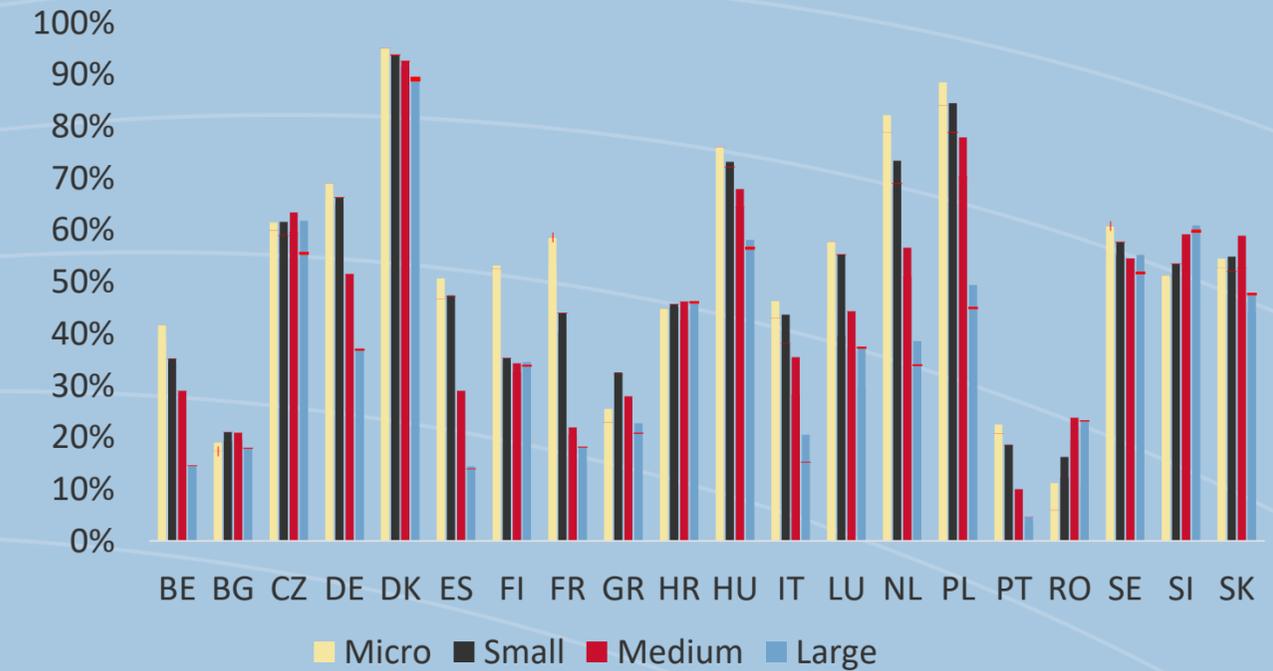


Source: EU Payment Observatory elaboration on the European Commission SME Panel expanded sample

Size and sectors

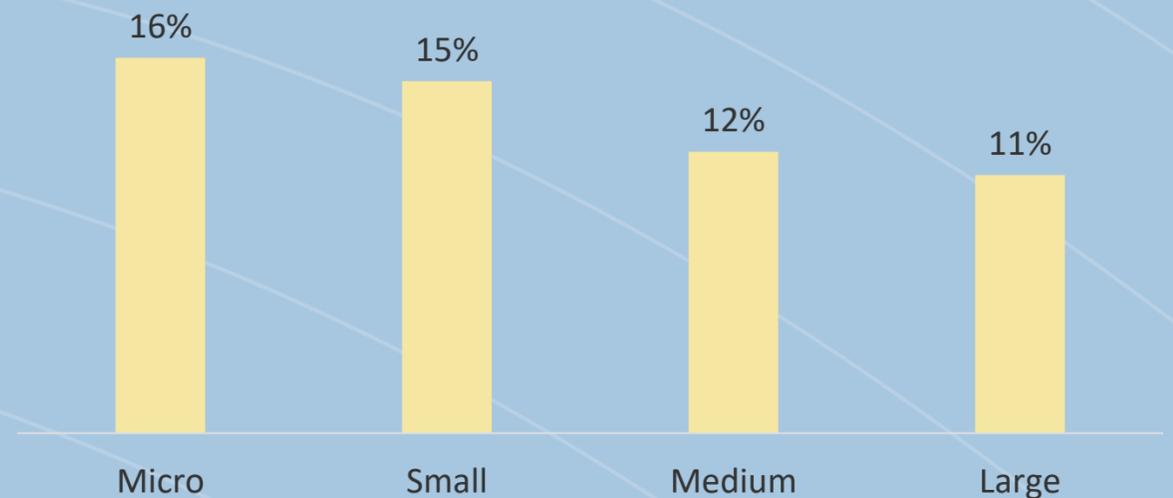
- **Size matters** – same dynamic as in previous years
 - The larger the company, the less likely it is to settle its invoice on time.
 - Late payments are an issue inversely proportional to the size
- **Sector matters**, but a country's payment culture matters more.
 - Payment performance varies more between countries than between sectors within a country.
 - In every sector, there is also significant country variance

Percentage of payments by due date across company sizes and Member States (2023 values as red markings)



Source: Cribis/D&B

Percentage of companies indicating that late payments is their biggest problem by size, 2024, B2B and G2B



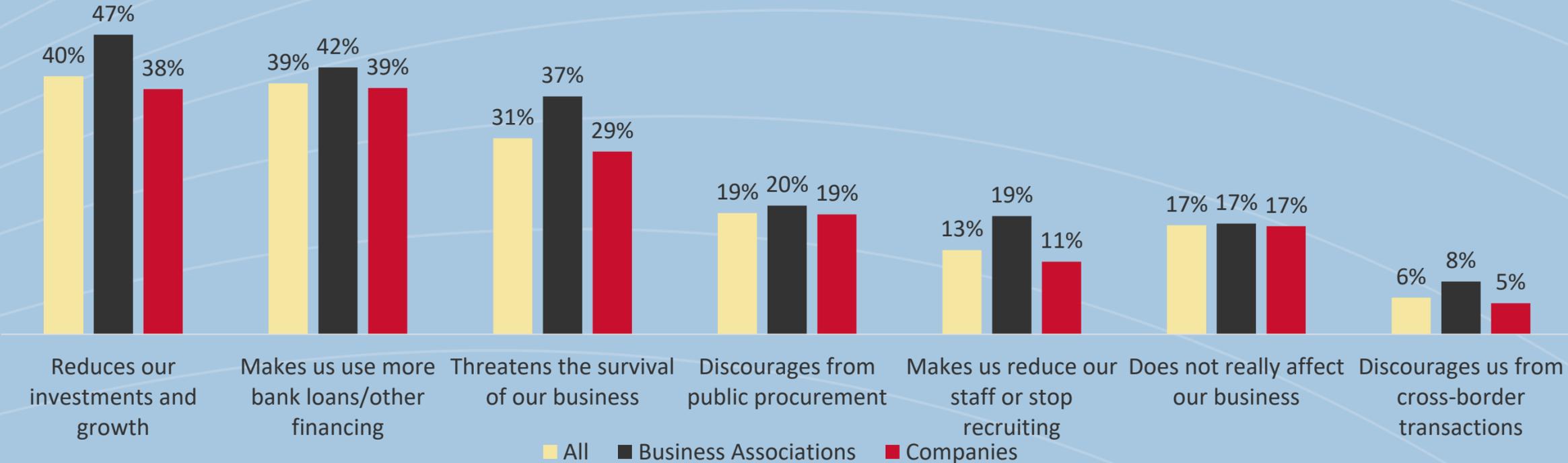
Drivers

- **Cyclical factors:** The economic slowdown is one of the main reasons driving late payments this year.
 - 53% of the companies indicate that they are finding it increasingly difficult to pay their suppliers on time, due to the economic slowdown
 - 54% say that they are more concerned than ever about their clients' ability to pay by the due date
 - 56% of companies report that they have accepted payment terms longer than they are comfortable with.
- Late payments have a **cascading effect:**
 - 31% of companies in 2024 admit to delaying their own payments because they are paid late.
- **Cross-border trade** faces more late payment issues:
 - 49% of non-exporting companies report problems with delayed payments, compared to 56% of exporters.

Impacts

- **Growth and investment:** 40% of respondents indicate that late payments negatively affect investment and growth
 - 31% of respondents cite delayed payments as a threat to their survival

Percentage of business associations and companies indicating the following consequences of late payments



Source: EU Payment Observatory elaboration on the European Commission extended SME Panel Survey

Impacts (cont.)

- **Access to finance:** 65% of companies facing late payment problems struggle to access finance, and 61% of businesses facing severe financing constraints report late payments
- **Administrative burden:** Companies spent on average 9.85 hours a week chasing late payments, which is considerable for SMEs.
- **Cash flow:** Estimates suggest that without late payments, EU micro companies, SMEs and intermediate-sized enterprises could unlock over EUR 100 billion a year

Data limitations remain a major challenge for the Observatory

- **No official statistics:**
 - Data sources are dispersed and heterogeneous.
 - The Observatory mostly rely on data provided by private companies, which collect information based on their business activities (not for statistical purposes)
 - Comparability across countries and years is challenging
- **Data availability is reducing**
 - Partially offset by the 2025 ad hoc EU survey
 - Exploring alternative data sources
- **G2B payments are particularly challenging**
 - While very detailed in a few countries, its very limited/inexistent in most

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