COFACE ECONOMIC PUBLICATIONS

PAYMENT SURVEY

Nouri CHATILLON
Associate Economist

Bernard AW
Chief Economist
Asia Pacific

Junyu TAN
Economist
North Asia

Asia Payment Survey 2025: Companies expect payment behaviours to worsen amid economic uncertainty

Economic growth in Asia Pacific slowed in 2024 as the momentum from the post-Covid normalisation faded and demand weakened. The recovery in global trade volume from the decline in 2023 was mild. The slowdown in inflation continued, but costs remained much higher compared to pre-Covid level (2019) while sales revenue became harder to earn, prompting many firms to prioritise cost management.

Coface's 2025 Asia Payment survey showed credit conditions remained tighter in 2024 compared to before 2023. Payment terms rose from 64 days in 2023 to 65 but below the five-year average of 69 days in 2018-2022. There was variation across the nine economies surveyed, but Thailand stood out with a significant extension of credit period, as Thai companies tried to accommodate their customers' liquidity woes. Many other markets increased their payment terms; only Australia, Singapore, and Taiwan reduced theirs. Over the next six months, two-thirds of companies say they expect payment terms to get shorter, reflecting caution and higher priority for cash preservation amid heightened uncertainty.

Despite tight credit terms , the share of companies reporting overdues fell from 60% in 2023 to a record low at 49%. Longer payment terms in most markets provided more time for companies to settle payments and avoid overdues. Only Thailand and Taiwan experienced an increase in companies reporting overdues. Meanwhile, despite shorter payment terms in Singapore and Australia, fewer companies reported late payments.

The average payment delay was 65 days, unchanged from 2023, as longer overdues in Thailand and China were offset by decreases in six economies, notably Australia and India. By sectors, six reported an increase and another six a decrease. Automotive and Transport saw the largest increases while Retail and Construction reported significant declines.

But there was a concerning trend - the share of companies reporting Ultra Long Payment Delays (ULPDs, over 180 days) exceeding 2% of annual turnover rose to a new high at 40%, up from 23% in 2023, indicating a sharp deterioration in credit risk. In Coface's experience, 80% of these delays were irrecoverable. India saw the biggest increase in these delays, followed by Thailand and China. All sectors covered saw an increase in ULPDs, with the biggest variations in Wood, Agro-food and Automotive.

Looking ahead, the majority of respondents (57%) anticipated deteriorating payment behaviour as more companies projected a deterioration in business activity compared to last year's survey (33% vs. 14%). Slower demand, excessive competitive pressures, and rising costs were the main risks behind economic uncertainty. Nonetheless, the majority are still hopeful, with 56% expecting an improvement, led by India.

The survey was conducted between December 2024 and March 2025, covering over 2,400 companies from nine markets in the Asia Pacific and across thirteen sectors.

Coface
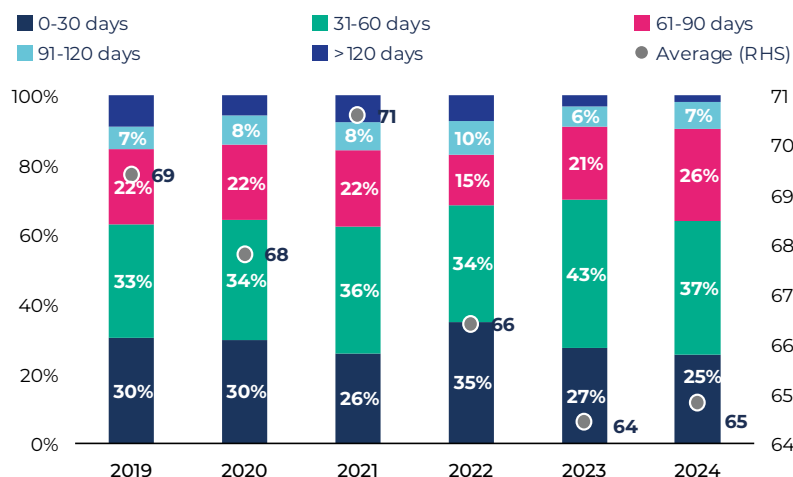FOR TRADE

NOURI CHATILLON
Associate Economist

BERNARD AW
Chief Economist
Asia Pacific

JUNYU TAN
Economist
North Asia

PAYMENT TERMS[1]:
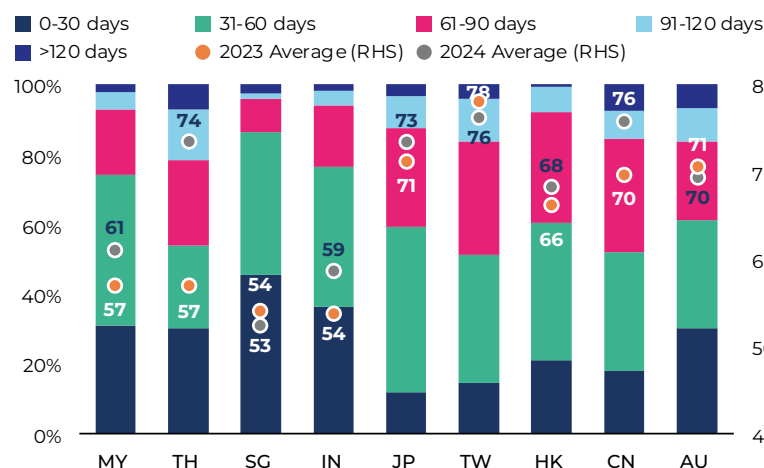## PAYMENT TERMS STILL TIGHT AND MAY TIGHTEN AHEAD

Chart 1:
Payment terms in Asia Pacific

■ 0-30 days   ■ 31-60 days   ■ 61-90 days
■ 91-120 days   ■ >120 days   ● Average (RHS)

Chart 2:
Payment terms by region

■ 0-30 days   ■ 31-60 days   ■ 61-90 days   ■ 91-120 days
■ >120 days   ● 2023 Average (RHS)   ● 2024 Average (RHS)

- In 2024, **nearly four out of five Asian companies (78%) were willing to offer credit sales, consistent with longer-term average** (79%), even if it was lower than the record high of 84% in 2023. The decline was driven by China (-14 percentage points ppt vs 2023), India (-9 ppt) and Thailand (-1 ppt). More companies in Hong Kong (+10%), Australia (+7%), Taiwan (+4%) and Malaysia (+2%) provided credit terms while it was steady in Singapore and Japan.

- Market practices (31%), market competition (28%) and customers' lack of liquidity (19%) were common reasons cited for offering payment terms. While third-ranked, liquidity crunch was the top factor in Thailand and second in Malaysia and Singapore, suggesting greater cashflow challenges in ASEAN markets.
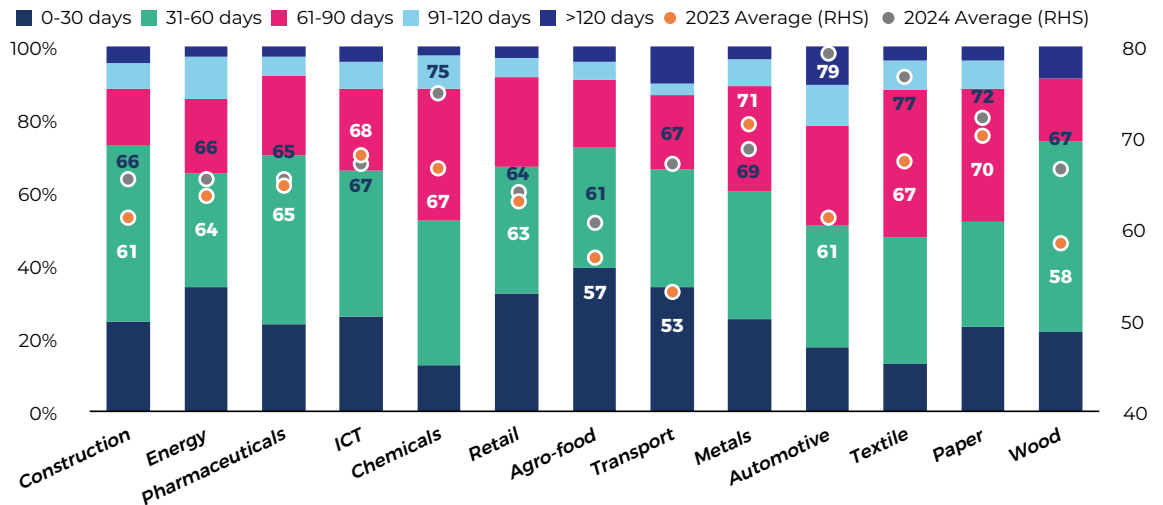
- **The duration of payment terms rose marginally from 64 days in 2023 to 65 days, but remained lower than previous years (Chart 1).** Notably, the proportion of businesses offering longer payment terms (above 90 days) stayed constant at 9% for a second straight year, reflecting companies' emphasis on credit policy prudence amid weaker demand.

- **Most markets relaxed credit conditions (Chart 2), with a substantial 17-day increase in payment terms in Thailand.** Notable increases were also reported in China (+6), India (+5) and Malaysia (+4). Meanwhile, payment terms declined in Taiwan (-2 days), Singapore (-1), and Australia (-1). China joined Taiwan as the market with the longest payment terms (76 days for both), with Thailand in second place (74 days). India and Singapore remain the markets with the shortest payment terms (54 and 59 days respectively).

1 Payment term – the time-frame between when a customer purchase a product or service, and when the payment is due.

Chart 3:
Payment terms by sector

Legend: ■ 0-30 days ■ 31-60 days ■ 61-90 days ■ 91-120 days ■ >120 days ● 2023 Average (RHS) ● 2024 Average (RHS)

· **Ten of the 13 sectors lengthened their payment terms with a notable 18-day increase in Automotive and 14 in Transport (Chart 3).** Credit conditions loosened in Textile (+9 days), Chemicals (+8), Wood (+8). Payment terms declined only in Metals (-3 days) and ICT (-1), and unchanged in pharmaceuticals. The sharp increase in payment terms in the automotive sector placed it at the top of sectors with the most flexible credit terms (79 days), followed by textiles (77) and chemicals (75).

Strong competition in the auto market prompted dealers to be more flexible in granting credit and to use it as a competitive tool.

· **Looking ahead, over two-thirds of companies (69%) expect shorter payment terms. Only in Thailand that more companies expect an increase,** suggesting Thai businesses are preparing for prolonged cashflow challenges.

2 PAYMENT DELAYS²: LONGER OVERDUES IN THAILAND AND CHINA BUT SHORTER ELSEWHERE

Chart 4:
Proportion of companies reporting payment delays by region

Legend: ■ 2023 ■ 2024
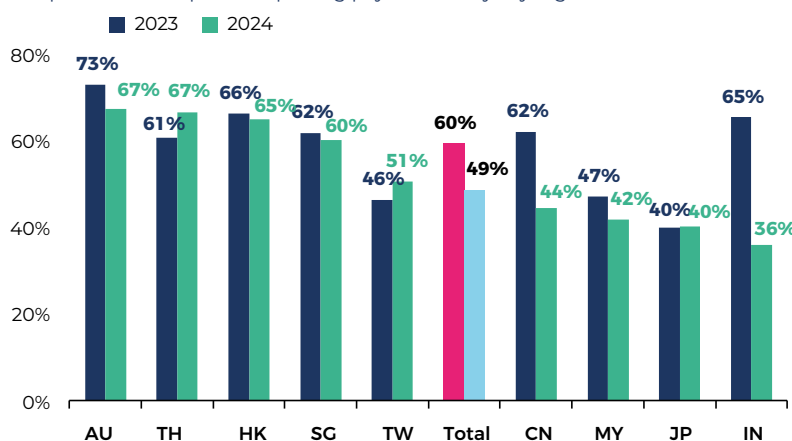
· **Fewer companies reported overdues,** with the share of respondents falling from 60% in 2023 to 49% in 2024 **(Chart 4)**, the lowest level since Coface started the survey in 2016. This was mainly driven by fewer firms in India (-29 ppts vs 2023), China (-18 ppts), Malaysia (-5 ppts) and Australia (-6 ppts) reporting overdues, which could be connected to a lengthening of credit period (except Australia). Slowdown in cashflow, intense competition, slowing demand and customers' payment defaults were common reasons mentioned by respondents for overdue accounts in the region.

· Tighter payment terms in Singapore and Australia did not lead to more overdues, on the contrary, less payment delays were reported (respectively -6 and -2 ppts). **The greatest concern was in**

2 Payment delay – the period between the due date of payment and the date the payment is actually made.

Thailand, where late payments rose sharply (+6 ppts), in spite of a generous lengthening in payment terms. Thai financial conditions remained tightened, with local banks imposing stricter lending criteria amid growing credit risks.

· **Sector-wise, only Transport and Automobile reported higher payment delays** (respectively +2% and +1% vs 2023). Meanwhile, all other sectors reported less overdue with the most notable declines in ICT (-19% vs 2023), Chemicals (-18%), Wood (-17%), Agro-food (-15%), Retail (-15%), Paper (-14%), Metals (-14%).

· Measured by the number of days, **the average payment delay was unchanged at 65 days** in 2024 **(Chart 5)**. It increased in Thailand (+14 days vs 2023) and China (+5); but decreased in all other markets **(Chart 6)**, with notable shortening in

Australia (-15) and India (-11). **Thailand overtook Australia to have the longest payment delay (78 days) in 2024,** followed by Hong Kong (74). Meanwhile, Japan and Taiwan remain the markets with the shortest payment delays (46 and 49 days respectively).

· Sector-wise, six out of thirteen saw an increase in late payment duration, while another six reported a decrease. Agri-food reported no change in payment delay **(Chart 7)**. Notable increases were in Automotive (+8 days vs 2023), Transport (+5), Textile (+5), Wood (+4). Meanwhile it declined significantly in Retail (-7), Construction (-6) and Energy (-4). Automotive recorded the longest payment delays (65 days), followed by construction (70 days). The chemical and pharmaceutical sectors continue to see the shortest late payment duration (58 days for both).
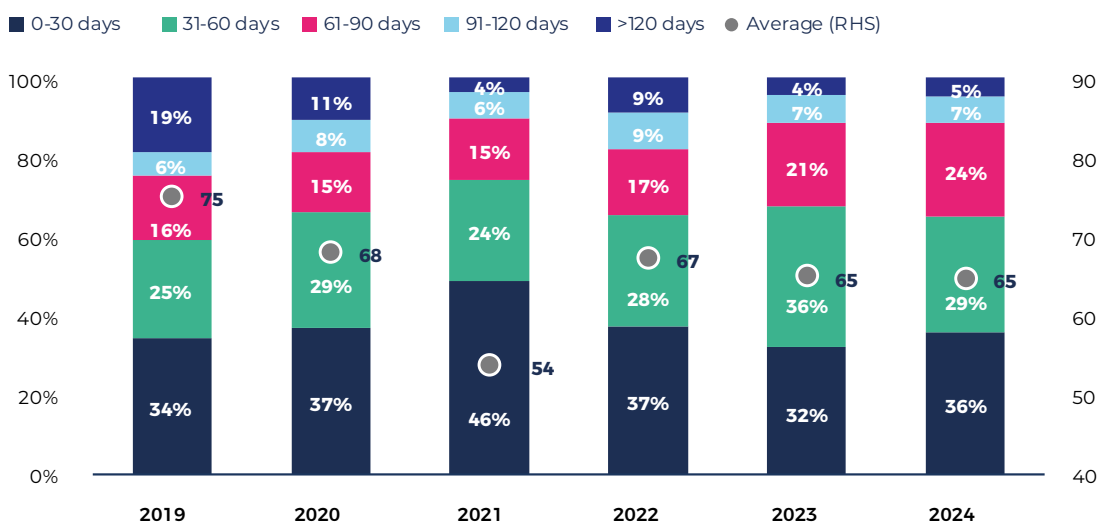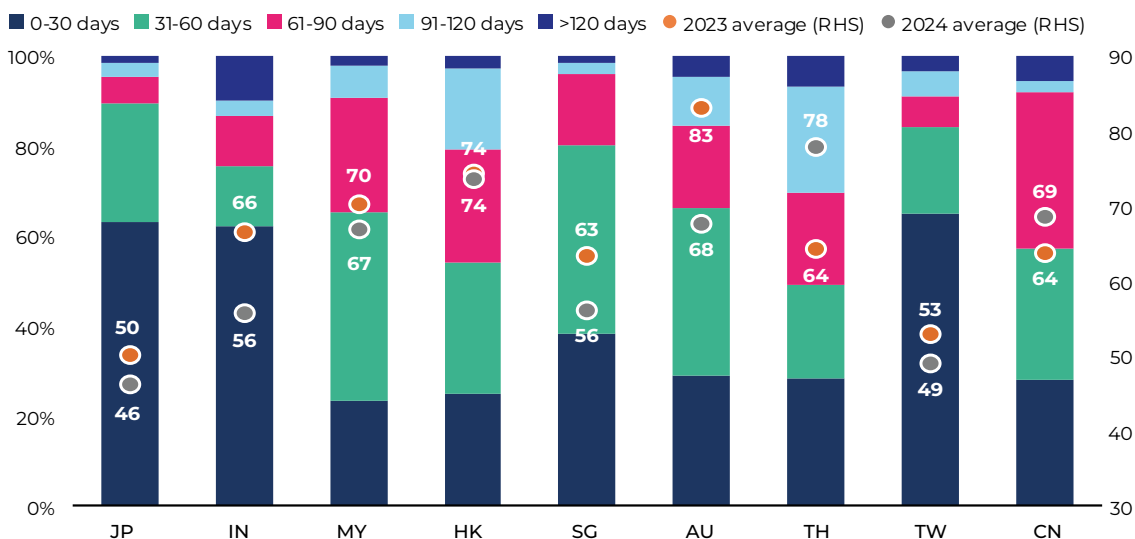
Chart 5:
Payment delays in Asia Pacific

■ 0-30 days   ■ 31-60 days   ■ 61-90 days   ■ 91-120 days   ■ >120 days   ● Average (RHS)

Year	0-30 days	31-60 days	61-90 days	91-120 days	>120 days	Average
2019	34%	25%	16%	6%	19%	75
2020	37%	29%	15%	8%	11%	68
2021	46%	24%	15%	6%	4%	54
2022	37%	28%	17%	9%	9%	67
2023	32%	36%	21%	7%	4%	65
2024	36%	29%	24%	7%	5%	65

Chart 6:
Payment delays by region

■ 0-30 days   ■ 31-60 days   ■ 61-90 days   ■ 91-120 days   ■ >120 days   ● 2023 average (RHS)   ● 2024 average (RHS)

Region	2023 average	2024 average
JP	50	46
IN	66	56
MY	70	67
HK	74	74
SG	63	56
AU	83	68
TH	64	78
TW	53	49
CN	64	69

• Across the region, Days Sales Outstanding (DSO) - the total average waiting time between product delivery and payment collection, obtained by summing payment terms and payment delays durations - stayed at 129 days. **DSO fell in 5 out of 9 markets covered (Chart 8),** with Australia (-16 days vs 2023), Singapore (-9) and India (-6) and Taiwan (-5) ahead, indicating improved cash flow conditions. **The other four markets (Thailand, China, Hong Kong and Malaysia) reported longer DSOs. Most concerning is Thailand where its DSO increased substantially** (+31 days) due to longer payment terms and delays. Thailand is now the market with highest DSO in the region (152 days). Meanwhile, Singapore and India have the lowest DSO (respectively 117 and 120 days). Among the 13 sectors covered, 8 saw an increase in DSO **(Chart 9)**, with notable increases in Automotive (+26 days), Transport (+19), Textile (+14) and Wood (+13). Meanwhile, it declined in five sectors, mainly in retail (-7) and Metals (-5). Automotive and Textile sectors have the highest DSO (respectively 154 and 144 days) while Pharmaceutical the lowest at 123 days.
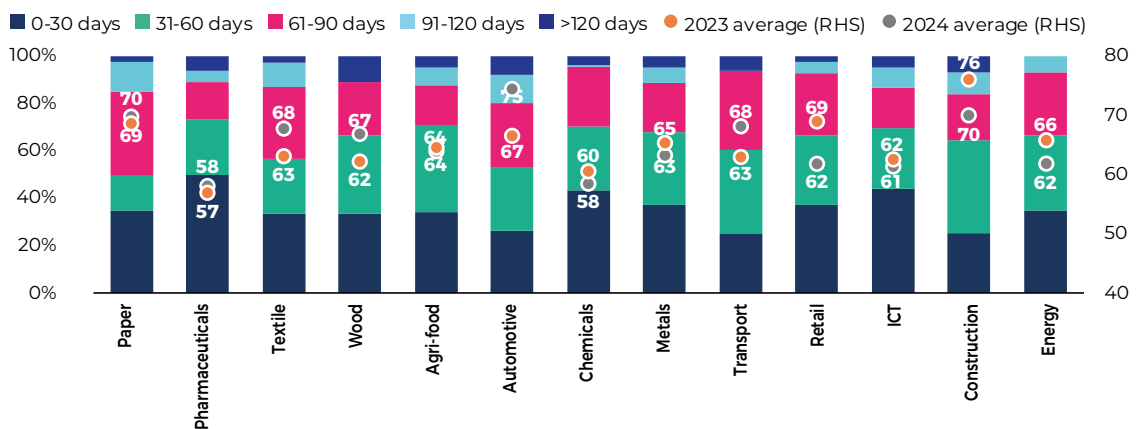
Chart 7:
Days delays by sector

Chart 8:
Days sales outstanding by region

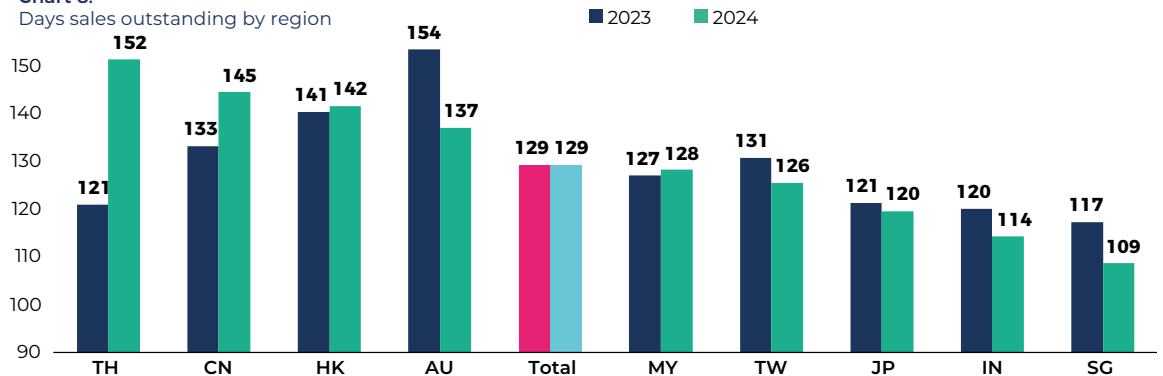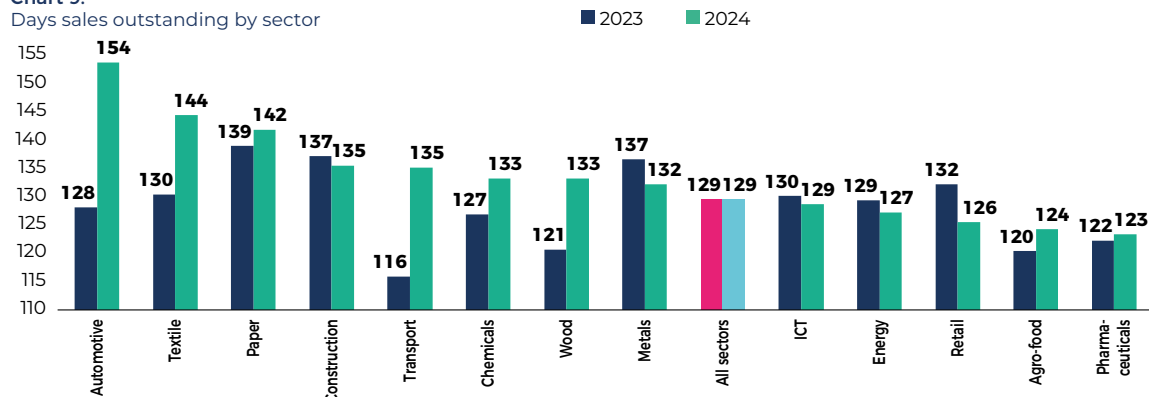**Chart 9:**
Days sales outstanding by sector

· **The share of respondents reporting ULPDs exceeding 2% of their annual turnover rose to 40% in 2024 from 29% in 2023 (Chart 10),** the highest level since Coface started the survey in 2016. This 2% threshold represents a very high risk of non-payment, given that 80% of these delays have never been paid, according to Coface's experience. India (+33% vs 2023), Thailand (+16%), China (+16%) and Malaysia (+14%) are the markets with the highest increase in such delays **(Chart 11)**. Meanwhile, it declined only in Singapore (-5%), Japan (-3%) and Taiwan (-2%). Hong Kong had the highest proportion of respondents with ULPDs (56%) and Japan (8%) the lowest. All 13 sectors saw increased ULPDs **(Chart 12)**, with the most notable increases in Wood (+37%), Agro-food (+20%) and Automotive (+18%).

· **Over the next six months, more companies expected a deterioration (57%) rather than an improvement (32%) in late payments.** Japan, Taiwan and Singapore were the most pessimistic (with diffusion indexes of respectively -72%, -42%, and -38%). Interestingly, Thailand had the highest proportion of companies forecasting an improvement (63%) despite reporting concerning payment behaviour in 2024. Sector-wise, Textile and Chemicals were the most pessimistic with diffusion indexes of -42%, while paper is the most optimistic at +25%.

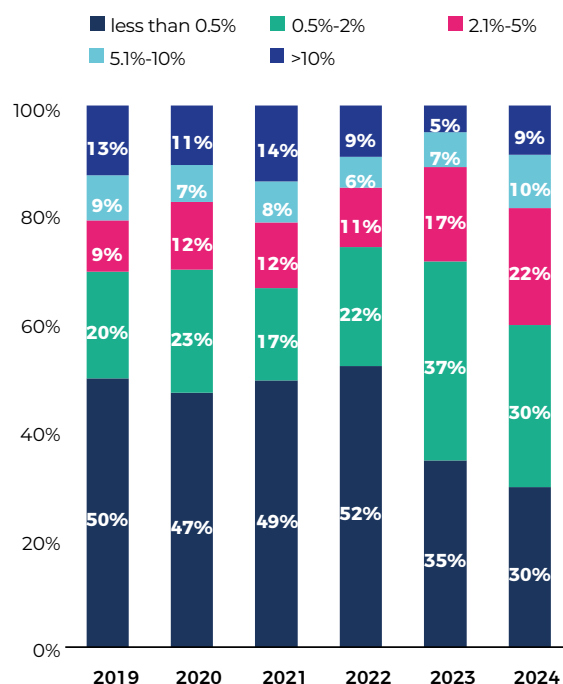**Chart 10:**
ULPDs of annual turnover in APAC

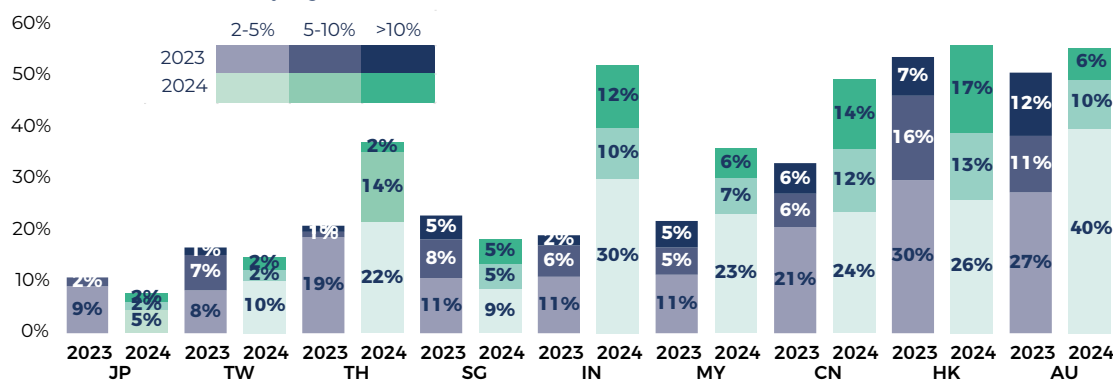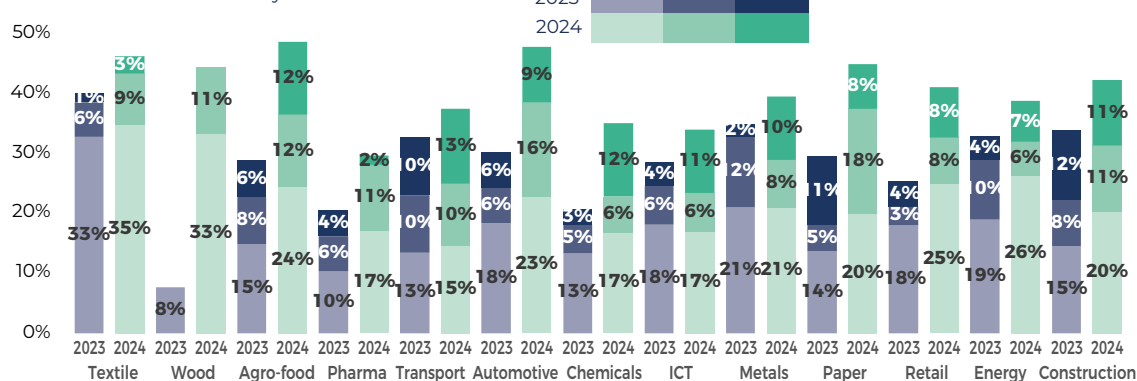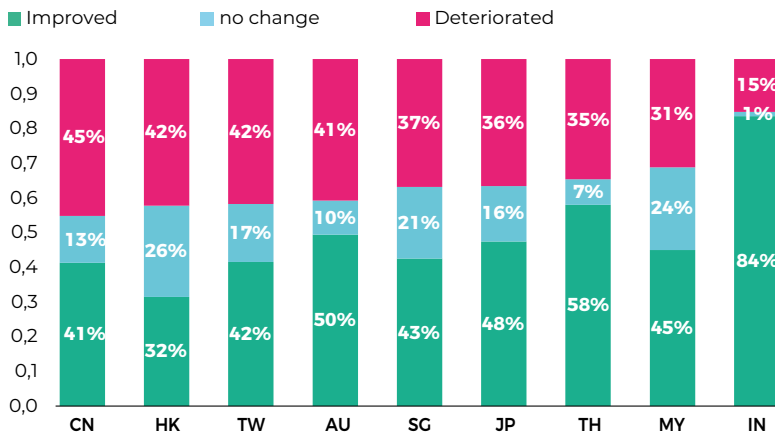**Chart 11:**
ULPDs of annual turnover by region

Chart 12:
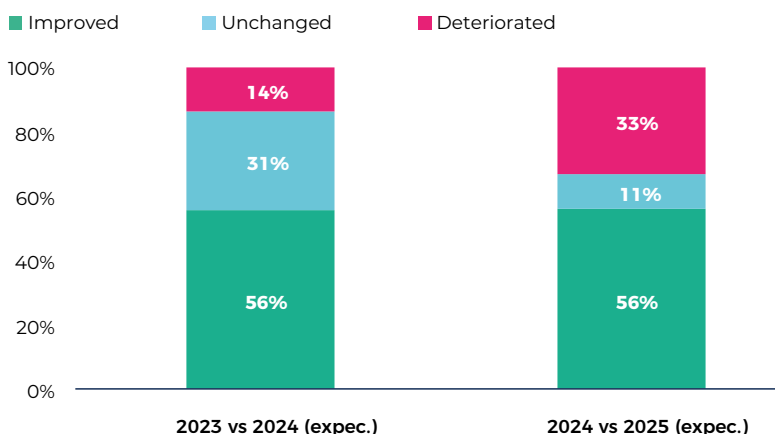ULPDs of annual turnover by sector

3 ECONOMIC EXPECTATIONS:
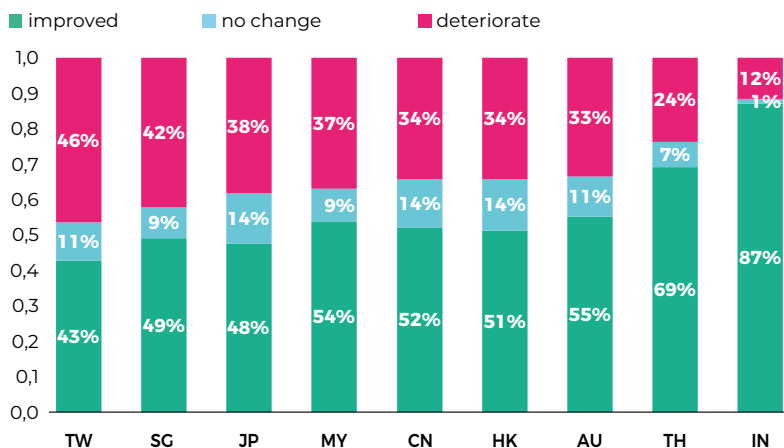ASIAN COMPANIES MORE PESSIMISTIC AMID TRADE POLICY UNCERTAINTY

Chart 13:
Business activity assessment per region (2024 vs 2023)

- Improved no change Deteriorated

Chart 14:
Business activity expectation

- Improved Unchanged Deteriorated

Chart 14:
Business activity expectations per region (2024 vs 2023)

- improved no change deteriorate

- Asia-Pacific growth slowed in 2024 as demand soften. The rebound in trade last year only marginally offset the decline in 2023. Policy interest rates remained high in advanced Asia economies, and returned to pre-Covid levels in emerging Asian markets. The economic outlook for 2025 continues to weaken on mounting trade risks amid high uncertainty over global economic policy.

- Reflecting the weaker demand in 2024, the proportion of respondents indicating a deterioration in business activity rose to 38% from 20% in the previous year. China (45% of respondents), Hong Kong (42%) and Taiwan (42%) indicated the highest deterioration in business activity in 2024 compared to 2023 **(Chart 13)**. In China, sentiments deteriorated the most in Chemicals, Agro-food and Automotive. In Hong Kong, deterioration was most pronounced in Agro-food and Wood. In Taiwan, it was Paper, Energy and Agro-food.

- Indian companies were the most optimistic, with 84% reporting an improvement in business activity in 2024 compared to 2023. This was borne by India's robust economic performance in 2024. However, the proportion indicating an improvement in Thailand fell from 64% in 2023 (vs 2022) to 58%, while those assessing a deterioration rose from 32% to 35%.
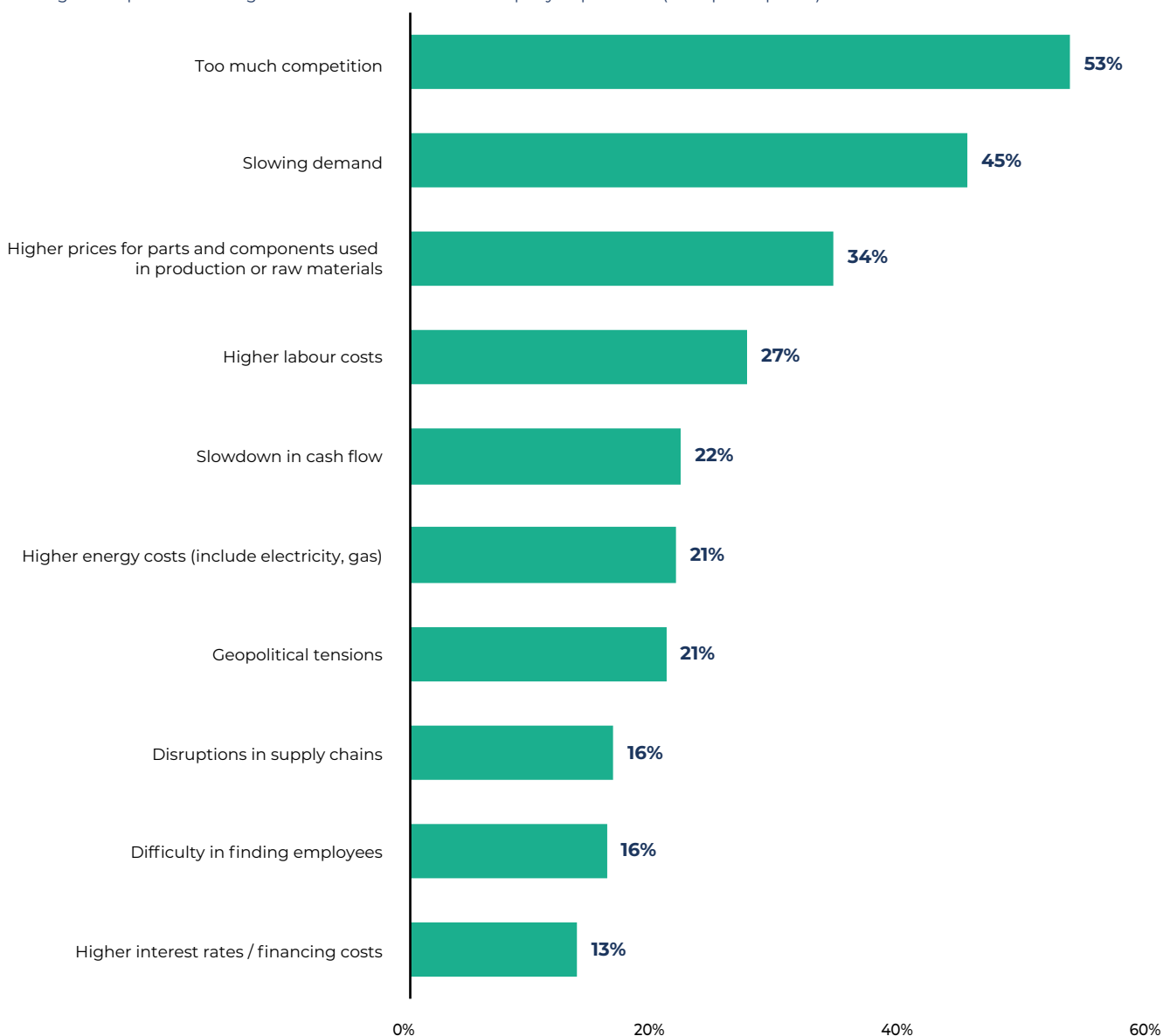
- Coface expects economic growth in Asia Pacific to slow further in 2025 as policy uncertainty related to tariffs and trade delayed business spending and consumer confidence. Respondents shared our view, with the share expecting business activity to deteriorate in 2025 (vs 2024) more than doubled to 33% from 14% (expectations 2024 vs 2023) in last year's survey **(Chart 14)**. Businesses in Taiwan and Singapore were the most pessimistic where over 4 out of 10 respondents expect deteriorating business activity. India was again the most optimistic, with 87% of respondents anticipating better business activity **(Chart 15)**.

- Confidence in the year's business activity was the greatest in Pharmaceuticals (76%), followed by Paper (63%), Metals (62%) and Energy (58%). By contrast, companies in the Wood sector (47%) were the least optimistic. In fact, Wood (44%) and ICT (42%) had the highest share of respondents anticipating a worsening of business activity in 2024, which was consistent with their expectations of deteriorating payment delay trends.

· The main risks to their company's operations in 2025 cited by respondents **(Chart 16)** were: Over-competitive pressures (53%) and slowing demand (45%). But there are nuances in the top risks across the region. For example, Japanese firms noted higher input costs (51%) and slowing demand (46%) as main risks. In Singapore, over-competitive pressures (57%) and Higher labor costs (42%) are the most cited risks. In Australia (42%) and Malaysia (40%), higher labour cost is a commonly cited risk factor.

Chart 16:
Percentage of respondents citing the factor as a risk to their company's operations (multiple response)

Factor	Percentage
Too much competition	53%
Slowing demand	45%
Higher prices for parts and components used in production or raw materials	34%
Higher labour costs	27%
Slowdown in cash flow	22%
Higher energy costs (include electricity, gas)	21%
Geopolitical tensions	21%
Disruptions in supply chains	16%
Difficulty in finding employees	16%
Higher interest rates / financing costs	13%

Payment Survey Results
By Economy

Australia

		2020	2021	2022	2023	2024	2024 vs. 2023	vs. APAC
COFACE ASSESSMENT: A2								
Payment terms								
% of respondents offering payment terms		74.8%	77.0%	80.5%	77.0%	84.0%	↗	Above
Average payment terms (days)		81	82	69	71	70	↘	Above
Payment delays								
Experienced payment delays		90.7%	93.4%	94.8%	73.0%	67.0%	↘	Above
Average payment delays of more than 90 days		20.4%	19.9%	24.7%	30.1%	15.7%	↘	Above
Ultra long payment delays > 2% of turnover		53.3%	56.1%	63.0%	51.0%	55.4%	↗	Above
Overall							↗	**Above**

China

		2020	2021	2022	2023	2024	2024 vs. 2023	vs. APAC
COFACE ASSESSMENT: B								
Payment terms								
% of respondents offering payment terms		67.4%	66.6%	50.3%	79.0%	65.0%	↘	Below
Average payment terms (days)		77	77	81	70	76	↗	Above
Payment delays								
Experienced payment delays		56.8%	52.5%	40.4%	62.2%	44.0%	↘	Below
Average payment delays of more than 90 days		29.5%	35.2%	31.4%	10.1%	8.2%	↘	Below
Ultra long payment delays > 2% of turnover		47.6%	63.8%	36.4%	33.1%	49%	↗	Above
Overall							↘	**Below**

Hong Kong

		2020	2021	2022	2023	2024	2024 vs. 2023	vs. APAC
COFACE ASSESSMENT: A3								
Payment terms								
% of respondents offering payment terms		88.6%	87.4%	90.6%	81.2%	91.4%	↗	Above
Average payment terms (days)		81	75	72	66	68	↗	Above
Payment delays								
Experienced payment delays		95.5%	93.9%	88.5%	66.3%	65.0%	↘	Above
Average payment delays of more than 90 days		32.3%	17.7%	16.5%	22.4%	21.0%	↘	Above
Ultra long payment delays > 2% of turnover		66.1%	65.6%	44.7%	53.7%	56%	↗	Above
Overall							↗	**Above**

India

		2020	2021	2022	2023	2024	2024 vs. 2023	vs. APAC
COFACE ASSESSMENT: B								
Payment terms								
% of respondents offering payment terms		96%	97%	96%	97%	88%	↘	Above
Average payment terms (days)		60	59	53	54	59	↗	Below
Payment delays								
Experienced payment delays		83%	70%	69%	65%	36%	↘	Below
Average payment delays of more than 90 days		7%	7%	7%	11%	13.3%	↗	Above
Ultra long payment delays > 2% of turnover		9%	18%	16%	19%	52%	↗	Above
Overall							↗	**Above**

BUSINESS
DEFAULT
RISK

A1 Very Low

A2 Low

A3 Satisfactory

A4 Reasonable

B Fairly High

C High

D Very High

E Extreme

Japan

	COFACE ASSESSMENT: A2					
	2020	2021	2022	2023	2024	2024 vs. 2023 vs. APAC
Payment terms						
% of respondents offering payment terms	88%	90%	88%	90%	90%	↘ Above
Average payment terms (days)	80	82	76	71	73	↗ Above
Payment delays						
Experienced payment delays	42%	40%	34%	40%	40%	↗ Below
Average payment delays of more than 90 days	5%	3%	4%	6%	5%	↘ Below
Ultra long overdue amounts > 2% of turnover	6%	8%	9%	11%	8%	↘ Below
Overall						↘ **Below**

Malaysia

	COFACE ASSESSMENT: A4					
	2020	2021	2022	2023	2024	2024 vs. 2023 vs. APAC
Payment terms						
% of respondents offering payment terms	92%	71%	89%	86%	88.0%	↗ Above
Average payment terms (days)	51	59	59	57	61	↗ Below
Payment delays						
Experienced payment delays	69%	99%	68%	47%	42%	↘ Below
Average payment delays of more than 90 days	10%	2%	20%	13%	9.3%	↘ Below
Ultra long overdue amounts > 2% of turnover	12%	0%	26%	22%	36%	↗ Below
Overall						↘ **Below**

Singapore

	COFACE ASSESSMENT: A3					
	2020	2021	2022	2023	2024	2024 vs. 2023 vs. APAC
Payment terms						
% of respondents offering payment terms	89%	85%	94%	92%	92%	↘ Above
Average payment terms (days)	50	53	48	54	53	↘ Below
Payment delays						
Experienced payment delays	60%	71%	77%	62%	60%	↘ Above
Average overdue times of more than 90 days	15%	5%	8%	12%	4.0%	↘ Above
Ultra long overdue amounts > 2% of turnover	22%	15%	12%	23%	18%	↘ Below
Overall						↘ **Below**

Taiwan

	COFACE ASSESSMENT: A2					
	2020	2021	2022	2023	2024	2024 vs. 2023 vs. APAC
Payment terms						
% of respondents offering payment terms	84.7%	69.9%	86.7%	87.1%	91%	↗ Above
Average payment terms (days)	75	78	79	78	76	↘ Above
Payment delays						
Experienced payment delays	50.5%	49.0%	73.4%	46.5%	51.0%	↗ Above
Average payment delays of more than 90 days	17.3%	10.1%	17.0%	9.7%	9.1%	↘ Below
Ultra long payment delays > 2% of turnover	10.5%	7.7%	9.6%	16.7%	14.8%	↘ Below
Overall						↗ **Above**

Thailand

	COFACE ASSESSMENT: B					
	2020	2021	2022	2023	2024	2024 vs. 2023 vs. APAC
Payment terms						
% of respondents offering payment terms	89.3%	82.9%	84.0%	72.7%	72%	↘ Below
Average payment terms (days)	53	56	50	57	74	↗ Above
Payment delays						
Experienced payment delays	58.7%	65.1%	67.3%	60.7%	67.0%	↗ Above
Average payment delays of more than 90 days	14.4%	5.9%	4.8%	3.3%	30.4%	↗ Above
Ultra long overdue amounts > 2% of turnover	16.9%	13.9%	11.4%	20.9%	37.3%	↗ Below
Overall						↗ **Above**

BUSINESS
DEFAULT
RISK

A1
Very Low

A2
Low

A3
Satisfactory

A4
Reasonable

B
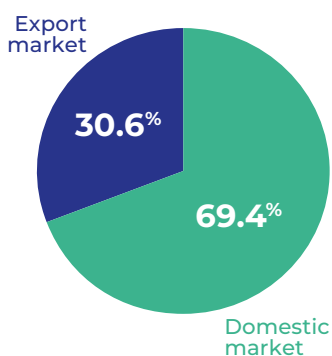Fairly High

C
High

D
Very High

E
Extreme

APPENDIX

A TOTAL OF

2,439

COMPANIES PARTICIPATED
IN THE PAYMENT SURVEY

Which of the following best describes your company's industry?

3.0% Transport
4.9% Textile
12.6% Retail
10.9% Automotive
8.5% Agro-food
11.4% Chemicals
7.7% Construction
13.7% ICT
5.3% Energy
11.6% Metals
3.2% Paper
1.3% Wood
5.8% Pharmaceuticals
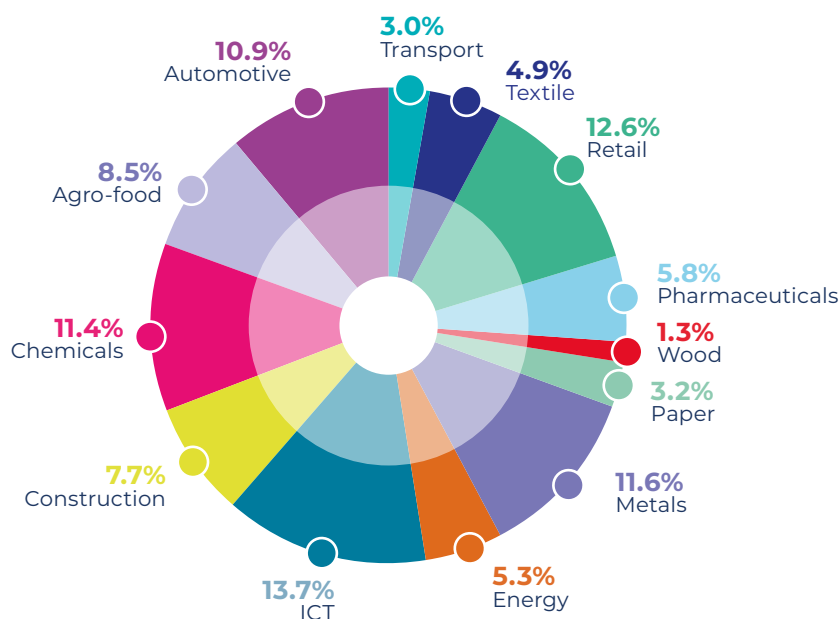
Where is your major destination of sales?

Export market **30.6%**
Domestic market **69.4%**

For 2024, the total estimated sales revenue of your company will be (EUR)

Less than 5 M	21.9%
5 to 10 M	27.2%
10 to 100 M	35.3%
More than 100 M	15.5%
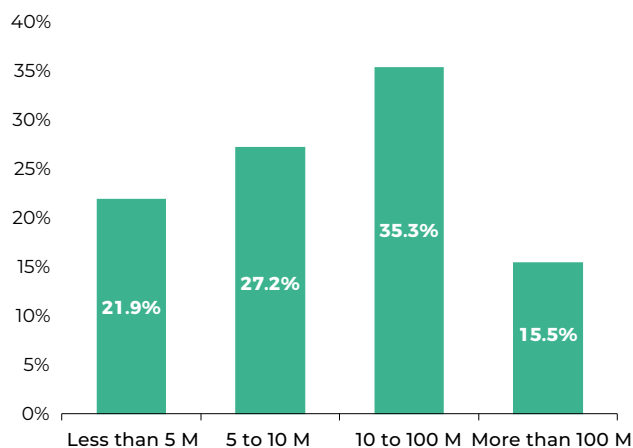
GLOSSARY

PAYMENT TERM
The time frame between when a customer purchases a product or service and when the payment is due.

PAYMENT DELAY
The period between the payment due date and the date the payment is made.

COFACE SA
1, place Costes et Bellonte
92270 Bois-Colombes
France

www.coface.com

coface
FOR TRADE