

Atradius Payment Practices Barometer

B2B payment practices trends China 2025



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About the Atradius Payment Practices Barometer

The Atradius Payment Practices Barometer is an annual survey of business-to-business (B2B) payment practices in markets across the world.

Our survey gives you the opportunity to hear directly from businesses trading on credit with B2B customers about how they are coping with evolving trends in customer payment behaviour. Staying informed about these trends is vital because it helps to identify emerging shifts in customer payment habits, allowing businesses to address potential liquidity pressure and maintain smooth operations.

Businesses operating in – or planning to enter – the markets and industries covered by our survey can gain valuable insights from our reports, which also shed light on the challenges and risks companies anticipate in the coming months, as well as their expectations for future growth.

This report presents the survey results for **China**.

The survey was conducted during the second half of Q2 2025. Findings should therefore be viewed with this in mind.



B2B payment practices trends

Cash flow concerns prompt move towards strategic credit risk approach

The payment behaviour of business-to-business (B2B) customers is largely stable with three out of five companies in our survey of China reporting no significant change in recent months. Overdue invoices currently affect an average 35% of all B2B sales on credit, mainly due to inefficiencies in the payment process. Chinese firms across all industries tell us they are ramping up efforts to prevent long-overdue B2B payments from turning into uncollectable receivables, and currently bad debts affect an average 4% of B2B invoices.

B2B trade credit policies have remained unchanged in recent months for half of all the businesses surveyed in China. Where there is change, more companies are extending credit rather than tightening it, underlining a commitment to maintaining strong customer relationships. 47% of B2B sales are currently made on credit, and there is an average payment term of 51 days. Days Sales Outstanding (DSO) is broadly stable, with many businesses reporting improved collection efficiency and a steady working capital management landscape.

Challenges persist elsewhere, however. While inventory turnover is unchanged for most, a significant number of companies report slow-moving stock that ties up working capital and constrains operational liquidity. Days Payable Outstanding (DPO) is also largely flat, although some businesses are slowing payments to suppliers as a liquidity preservation measure.

Chinese companies say they rely heavily on external funding to bridge gaps in cash flow, looking particularly to invoice financing, bank loans, and supplier credit. Internal reserves are used far less frequently, an indicator of constrained liquidity for many.

To mitigate customer payment risk and maintain financial resilience in a market where surface-level stability often hides underlying financial stress, nearly 60% of Chinese businesses across industries are now combining internal credit controls with outsourced customer payments risk management. This practice reflects growing awareness among companies about the limitations of managing payment risk in-house, especially in an environment where delayed payments and cash flow pressures are common across industries.

Key figures and charts on the next page



Key figures and charts

China

% of the total value of B2B invoices paid on time, overdue and bad debts

(change vs. 2024)



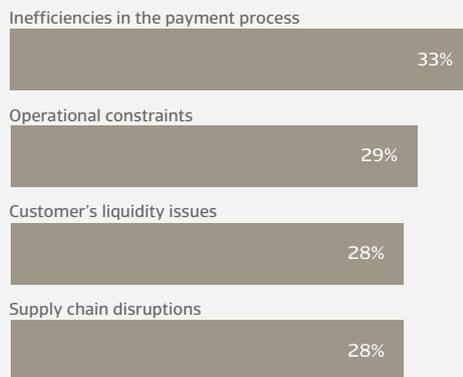
Sample: all survey respondents

Source: Atradius Payment Practices Barometer China – 2025

China

What are the top 4 reasons your B2B customers pay invoices late?

(% of respondents - multiple response)



Sample: all survey respondents

Source: Atradius Payment Practices Barometer China – 2025

China

% of respondents reporting changes in Days Sales Outstanding (DSO)* over the past 12 months

(% of respondents)



*average amount of time to collect payment after a sale

Sample: all survey respondents

Source: Atradius Payment Practices Barometer China – 2025

China

What are the main sources of financing that your company used during the past 12 months?

(% of respondents - multiple response)

- **62% Invoice financing**
- **61% Bank loans**
- **57% Trade credit**
- **43% Internal funds**

Sample: all survey respondents

Source: Atradius Payment Practices Barometer China – 2025





Looking ahead

Rising anxiety about insolvency risk amid mood of uncertainty

A striking mood of uncertainty about the customer payment risk landscape is evident among companies in our survey of China as they look towards the second half of the year and beyond. 33% of businesses tell us they expect an increase in B2B customer insolvencies during the months ahead, although others do not share this concern. What the divergence in outlook highlights is how fragmented expectations have become, underscoring the complex economic and trading conditions businesses now have to navigate.

Nearly 62% of companies in China anticipate no major change in Days Sales Outstanding (DSO), a key indicator of efficiency in cash flow management. However, among those expecting a shift, more foresee a deterioration in collection efficiency than any improvement. A similar sentiment is found regarding inventory management, with nearly three in five companies expecting inventory turnover to remain steady, but those predicting change mostly expect a slowdown rather than speedier stock movement.

While many companies expect no change in Days Payable Outstanding (DPO), twice as many anticipate increased pressure from suppliers to accelerate payments because they are facing their own liquidity strains. Combined with rising input costs, this could place added financial stress on companies already trying to protect their profitability. Sales and profits forecasts remain subdued across industries in China, further reinforcing the uncertain climate in which businesses are operating. In response, many are doubling down on risk mitigation strategies.

Around 60% of Chinese firms adopt a combined approach to managing B2B customer payment risk, mixing internal credit controls with outsourced risk management. However, companies relying solely on internal provisions may face increasing challenges – because with cash reserves often tied up in receivables and inventory, they risk reduced agility and limited ability to respond to rapid market changes. Amid fluctuating borrowing costs and tighter access to trade finance, businesses increasingly need to stay flexible and strategic, balancing risk with opportunity while safeguarding liquidity in an unpredictable economic environment.



Key industry insights

Pharma

49% of pharma industry sales are transacted on credit with business customers. Companies are evenly divided between those who have increased credit offerings and those who have maintained existing terms. Payment terms currently average around 60 days, with overdue invoices affecting 30% of B2B credit transactions. Bad debts remain relatively low at 3%.

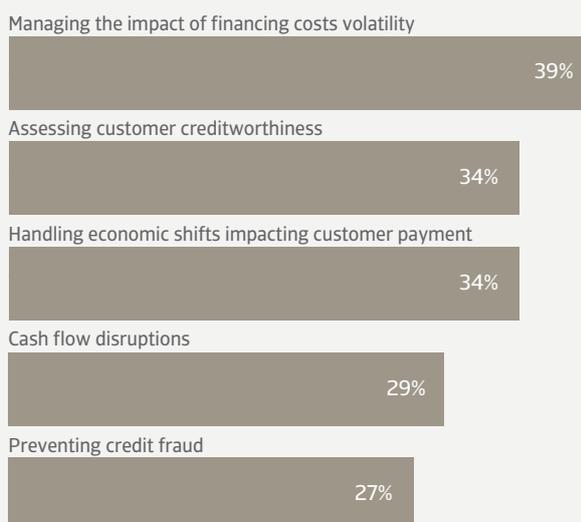
Effective working capital management is emerging as a strategic priority and DSO is largely stable for most firms. Inventory turnover has seen little change and more companies report slower-moving stock, which may tie up working capital limiting financial agility. DPO is also steady.

Liquidity gaps are mainly bridged through invoice financing and bank loans, with supplier credit also playing a strong role. To mitigate customer payment risks most companies use a combined strategy of internal provisioning and outsourced tools, including trade credit insurance. 78% of companies do not foresee a rise in customer insolvencies. Cautious optimism is expressed about sales performance, while the outlook for profitability is more subdued. Volatile production input costs, geopolitical tensions affecting trade and supply chains, and mounting environmental compliance pressures are expected to weigh on margins. These anticipated risks highlight the importance of strong liquidity management to mitigate financial vulnerability.

China - Pharma

Top 5 challenges companies face when offering credit to B2B customers

(% of respondents - multiple response)



Sample: all survey respondents

Source: Atradius Payment Practices Barometer China – 2025



China - Pharma

Key industry figures

Main sources of financing used by the industry over the past 12 months

(% of industry respondents)

69%

Invoice financing

67%

Bank loans

61%

Trade credit

52%

Internal funds

Expected change in insolvency risk of B2B customers over the next 12 months

(% of industry respondents)

21%

Increase

78%

Remains as current

1%

Do not know

Top 3 challenges businesses in the industry expect to face over the next 12 months

(% of industry respondents - multiple response)

50%

Rising production input costs

42%

Ongoing geopolitical developments

40%

Environmental concerns

Sample: all survey respondents

Source: Atradius Payment Practices Barometer China - 2025





Key industry insights

Transport

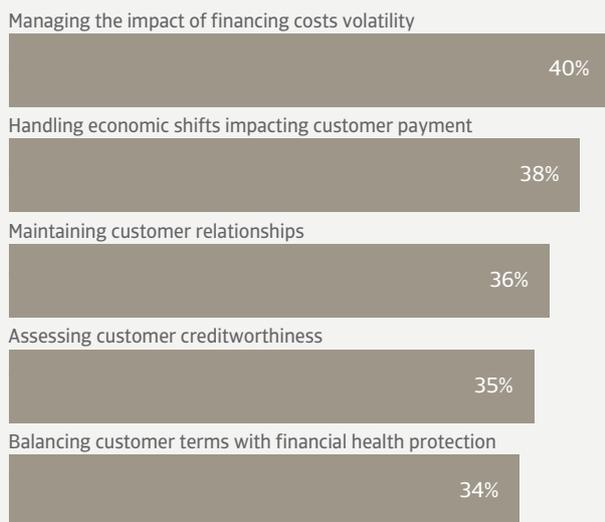
Almost half of B2B sales in the transport industry are currently transacted on credit, while nearly 60% of companies have expanded credit offerings in recent months. Despite this flexibility, average payment terms remain relatively stable at 47 days from invoicing, with a notable number of businesses extending terms. Payment discipline presents a challenge, however. Overdue payments affect 48% of B2B invoices, an equal share to those paid on time. Delays are mainly attributed to supply chain disruptions and inefficiencies in payment processes on both buyer and supplier sides. Bad debts account for 4% of invoices.

Companies are evenly split between those seeing no change in DSO and others experiencing faster collections. Inventory turnover is largely unchanged, with more businesses reporting stock build-ups that lock up liquidity. DPO is steady, although a significant portion of businesses delay payments to suppliers. To bridge gaps in liquidity firms rely heavily on invoice financing, bank credit and supplier credit. Risk mitigation involves a mix of internal provisioning and insurance-backed outsourced tools. Businesses are divided on the insolvency outlook, there is optimism about sales but profitability remains a worry. Rising input costs and regulatory pressures are major concerns looking towards the second half of the year and beyond.

China - Transport

Top 5 challenges companies face when offering credit to B2B customers

(% of respondents - multiple response)



Sample: all survey respondents

Source: Atradius Payment Practices Barometer China – 2025



China - Transport

Key industry figures

Main sources of financing used by the industry over the past 12 months

(% of industry respondents)

58%

Invoice financing

54%

Bank loans

50%

Trade credit

43%

Internal funds

Expected change in insolvency risk of B2B customers over the next 12 months

(% of industry respondents)

48%

Increase

51%

Remains as current

1%

Do not know

Top 3 challenges businesses in the industry expect to face over the next 12 months

(% of industry respondents - multiple response)

50%

Increasing regulations

48%

Environmental concerns

44%

Rising production input costs

Sample: all survey respondents

Source: Atradius Payment Practices Barometer China – 2025





Key industry insights

Automotive

The automotive sector manages a steady credit environment, with 44% of B2B transactions currently made on credit. 70% of companies report unchanged trade credit offerings, signalling a prudent approach in an unpredictable market. Payment terms are also largely stable, averaging 50 days from invoicing. Overdue payments affect 27% of B2B invoices, primarily due to ongoing supply chain disruptions and delays in payment processes on both buyer and seller sides. While bad debts remain relatively low at 4%, the lack of change in DSO indicates consistent but stagnant collection performance, limiting opportunities to unlock cash tied up in receivables.

Inventory turnover is stable, with more businesses reporting slow-moving than fast stock, further tying up working capital. DPO is steady, although some companies delay supplier payments to safeguard liquidity. Firms rely predominantly on bank loans and supplier credit to satisfy funding needs. To manage customer payment risk most companies employ a combination of internal provisioning and outsourced risk tools, involving insurance. 70% of companies do not foresee a rise in B2B insolvencies, and while sales expectations remain stable there is more caution about the outlook for profitability. Volatile input costs, tightening regulations, geopolitical instability, and environmental compliance pressures are widespread concerns.

China - Automotive

Top 5 challenges companies face when offering credit to B2B customers

(% of respondents - multiple response)



Sample: all survey respondents

Source: Atradius Payment Practices Barometer China – 2025



China - Automotive

Key industry figures

Main sources of financing used by the industry over the past 12 months

(% of industry respondents)

63%

Bank loans

61%

Trade credit

59%

Invoice financing

34%

Internal funds

Expected change in insolvency risk of B2B customers over the next 12 months

(% of industry respondents)

30%

Increase

70%

Remains as current

0%

Do not know

Top 3 challenges businesses in the industry expect to face over the next 12 months

(% of industry respondents - multiple response)

55%

Increasing regulations

51%

Ongoing geopolitical developments

46%

Rising production input costs

Sample: all survey respondents

Source: Atradius Payment Practices Barometer China – 2025





Survey design

Atradius conducts annual reviews of international corporate payment practices through a survey called the Atradius Payment Practices Barometer.

Sample overview – Total interviews = 300

Business sector	Interviews	%
Manufacturing	126	42
Wholesale trade	39	13
Retail trade/Distribution	92	31
Services	43	14
TOTAL	300	100
Business size	Interviews	%
SME: Small enterprises	34	11
SME: Medium enterprises	100	33
Medium Large enterprises	107	36
Large enterprises	59	20
TOTAL	300	100
Pharma	100	33.3
Transport	100	33.3
Automotive	100	33.3
TOTAL	300	100

Survey scope

- Basic population: Companies from China were surveyed and the appropriate contacts for accounts receivable management were interviewed.
- Sample design: The Strategic Sampling Plan enabled us to perform an analysis of country data crossed by sector and company size.
- Selection process: Companies were selected and contacted by use of an international Internet panel. A screening for the appropriate contact, and for quota control, was conducted at the beginning of the interview.
- Sample: N=300 people were interviewed in total. A quota was maintained according to four classes of company size.
- Interview: Computer Assisted Web Interviews (CAWI) of approximately 15 minutes duration.
- The survey was conducted during the second half of Q2 2025. Findings should therefore be viewed with this in mind.

This is part of the 2025 edition of the Atradius Payment Practices Barometer available at

<https://group.atradius.com/knowledge-and-research>



Interested in finding out more?

Please visit the [Atradius](#) website where you can find a wide range of up-to-date publications. [Click here](#) to access our analysis of individual industry performance, detailed focus on country-specific and global economic concerns, insights into credit management issues, and information about protecting your receivables against payment default by customers.

To find out more about B2B receivables collection practices in China and worldwide, please visit atradiuscollections.com.

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