

PAYMENT SURVEY



Jonathan Steenberg

Coface
Economist
Based in London

2026 United Kingdom Payment Survey: Companies expect further rises amid higher payment delays

Executive summary

The second edition of our payments survey confirms that offering payment terms remains an integral part of doing business across virtually all sectors in the United Kingdom (UK). Average payment terms have increased to around **57 days**, driven primarily by *large companies* extending the terms they offer. As a result, payment terms in the UK are now longer than those reported in most other European countries covered by Coface surveys.

As in last year's survey, payment delays remain widespread in the UK, with around **90% of companies** having experienced at least one late payment during the past 12 months. Payment delays are also more prevalent in the UK than in comparable countries, including France and Germany. On average, late payments were **34 days overdue**, an increase of two days compared with last year. Once again, this increase was driven primarily by *large companies*. While late payments are more common among *large companies*, their impact is generally more severe for *micro & small companies*. **Customer financial difficulties** remain the most commonly cited cause of late payments. The incidence of late payments was highest in sectors facing significant recent pressures, including **metals; automotive & transport; and chemicals, energy & plastics**.

Around **75% of respondents reported that recent geopolitical developments had affected payment timing** within their business relationships. The effects were distributed relatively evenly between companies reporting impacts on both buyers and suppliers. In operational terms, the

most commonly cited consequences were higher costs, cash-flow pressures, and increases in prices to customers.

Roughly **80% of companies using AI** reported that it had affected their use of external suppliers and service providers. This finding is remarkably consistent across companies of all sizes. Perhaps surprisingly, most respondents indicated that AI had increased, rather than reduced, their reliance on external providers. Consequently, AI adoption may place pressure on profitability in the near term, with these effects potentially extending into the medium term if the expected productivity gains do not fully materialise.

The share of companies expecting the number of late payments to increase over the next 12 months (57%) is substantially higher than the share expecting a decline (15%), **pointing to a net deterioration in payment behaviour**. This outlook is also more pessimistic than last year's.

Companies are generally pessimistic about the economic outlook, both domestically and globally, and more so than a year ago. However, they remain somewhat **more optimistic about their own prospects, particularly with regard to cash flow and profitability**. Most companies continue to see their strongest opportunities in the domestic market, including those considering relocation of activities. Internationally, some markets have become less attractive, particularly the United States and the Middle East, reflecting the effects of trade tensions over the past 18 months and the consequences of the Iran war.



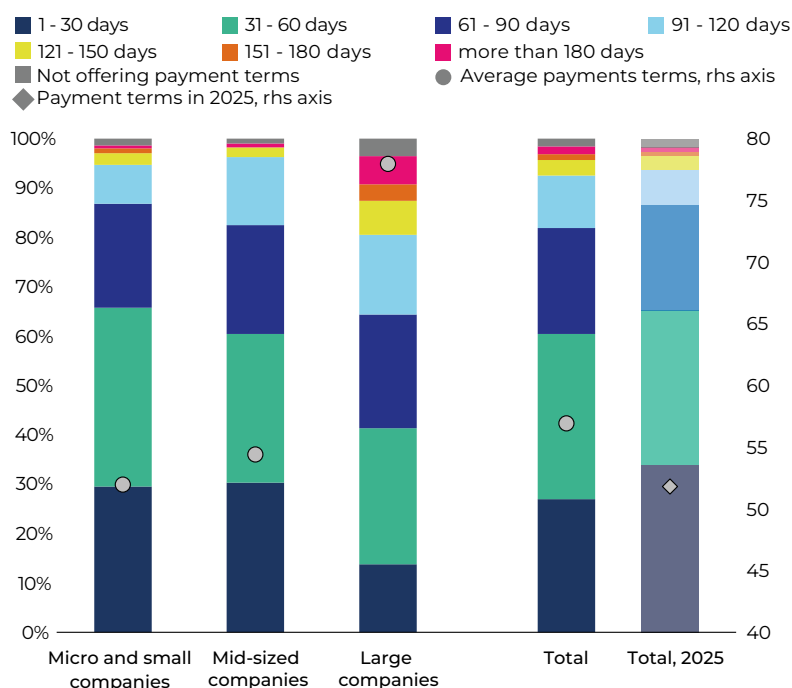
JONATHAN STEENBERG
Coface
Economist
Based in
London

PAYMENT TERMS

Offering payment terms remains common practice in the United Kingdom, with only 1.6% of respondents stating that they do not offer payment terms to customers or buyers. This practice is widespread across most sectors, with limited variation. Only certain service sectors, such as *hospitality & tourism and pharmaceuticals & healthcare*, report a slightly higher share of companies that do not offer payment terms – although it is still the minority.

Unlike last year's survey results, the most commonly offered payment terms (33%) fall within the 31-60 day range, followed by 1-30 days (27%), highlighting a lengthening of payment terms over the past year. Payment terms exceeding 90 days remain relatively uncommon (16%), although their prevalence has increased compared with last year. This shift towards longer payment terms is further reflected in the finding that more companies reported extending their payment terms (53%) than maintaining them (42%), while only a small minority shortened their terms (5%).

Chart 1:
Payment terms by company size (% of responses and payment terms in days)



Source: Coface Payment Survey

Average payment terms were approximately **57 days, an increase of almost six days** from the previous year. As a result, average payment terms in the UK are now longer than those in France (50 days¹) and remain longer than those in Germany and Poland (32 and 54 days respectively^{2,3}). However, they are still shorter than the averages reported in Asia-Pacific (65 days⁴) and Latin America (59 days⁵). UK payment terms are also shorter than those reported in developed economies such as Australia and Chile, where average terms of 70 and 63 days respectively were recorded.

Payment terms also vary by company size⁶. *Micro and small companies* report the shortest average terms, at **52 days** (up six days), followed by *mid-sized companies* at **54 days** (up one day). *Large companies* report substantially longer average terms of **78 days**, with only 14% offering payment terms of less than 30 days. In general, the larger the company, the longer the payment terms it is able to offer. Around one-third of *large companies* offer terms exceeding 90 days, compared with just 12% of *micro and small companies*. Unlike last year, the proportion of companies reporting an increase in payment terms clearly suggests that *large companies* have extended their payment

1 France Payment Survey 2025: 86% of companies face late payments that threaten their cash flow

<https://www.coface.com/news-economy-and-insights/france-payment-survey-2025-86-of-companies-face-late-payments-that-threaten-their-cash-flow>

2 Germany Corporate Payment Survey 2025: It gets worse, before it could get better.

<https://www.coface.com/news-economy-and-insights/germany-corporate-payment-survey-2025-it-gets-worse-before-it-could-get-better>

3 Poland Payment Survey 2026: sustained economic growth yet worsening payment discipline.

<https://www.coface.com/news-economy-and-insights/poland-payment-survey-2026-sustained-economic-growth-yet-worsening-payment-discipline>

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

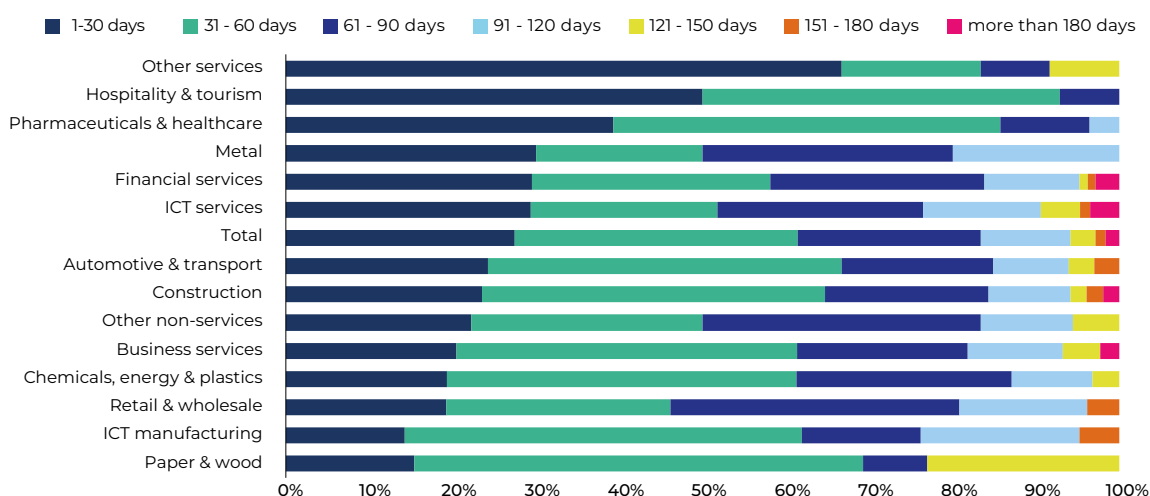
<https://www.coface.com/news-economy-and-insights/asia-payment-survey-2025-companies-expect-payment-behaviors-to-worsen-amid-economic-uncertainty>

5 Latin America Payment Survey 2026: companies are tightening credit in the face of rising late payments.

<https://www.coface.com/news-economy-and-insights/latin-america-companies-are-tightening-credit-in-the-face-of-rising-late-payments>

6 Micro and small companies are here defined as a turnover below £ 8.5 million, mid-sized between £ 8.5-40 million and large companies above £ 40 million.

Chart 2:
Payment terms by sector (% of responses)



Source: Coface Payment Survey

terms to a greater extent than their smaller counterparts (60% versus 53% among *micro* and *small* companies).

Chart 2 highlights some variation in typical payment terms across sectors. In several service sectors, including *hospitality & tourism*; *pharmaceuticals & healthcare*; and *other services*, the most common payment terms are between **1 and 30 days**. In *pharmaceuticals & healthcare*, the sector includes both healthcare services as well as the presence of large, highly liquid pharmaceuticals companies that may enable suppliers to be paid more quickly. In contrast, most manufacturing sectors, including *paper & wood*; *ICT manufacturing*; *chemicals, energy & plastics*;

and *construction*, most commonly offer payment terms of **31-60 days**.

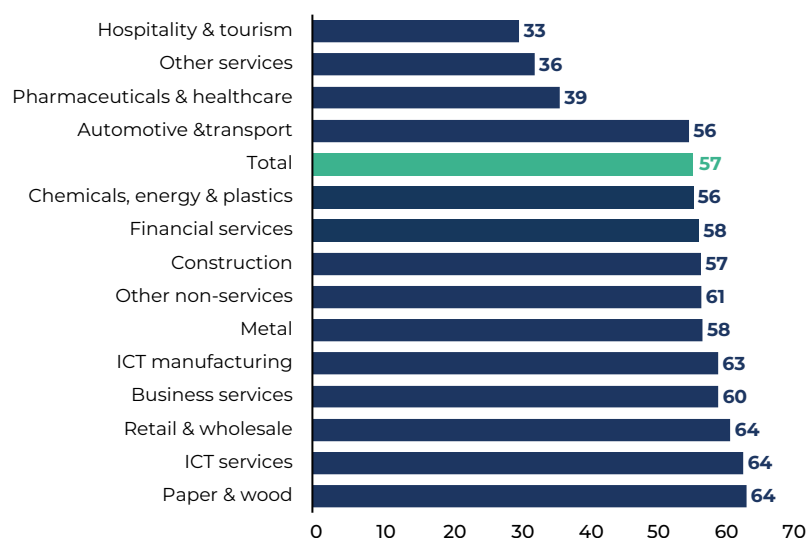
Both *ICT manufacturing* and *ICT services* record the largest share of companies offering payment terms exceeding 90 days, at around 24% in each sector. By contrast, no company in the *hospitality & tourism* sector offers payment terms **exceeding 90 days**, perhaps reflecting the more constrained cash flow conditions faced by businesses in that sector.

Average payment terms are longest in *ICT services* and *paper & wood*, both averaging 64 days. In *ICT services*, this is largely driven by the prevalence of payment terms in the **61-90 day** range, whereas in *paper & wood* it reflects a relatively large share of companies offering terms of **121-150 days**.

At the other end of the spectrum, *hospitality & tourism* (30 days) and *other services* (33 days) report the shortest average payment terms, reflecting a greater tendency to offer terms of less than 30 days.

Several sectors with the longest payment terms also reported increases over the past year, including *automotive & transport*; *chemicals, energy & plastics*; *financial services*; *ICT manufacturing*; and *ICT services*, where more than 50% of companies reported extending their terms. Within *ICT manufacturing*, no respondent reported reducing payment terms, while around three-quarters reported offering longer terms. Other sectors recording particularly strong net increases include *automotive & transport* and *financial services*. No sector reported more companies shortening payment terms than extending them, although *paper & wood* remains the most stable sector despite its relatively long payment terms.

Chart 3:
Average payment terms by sector (in days)



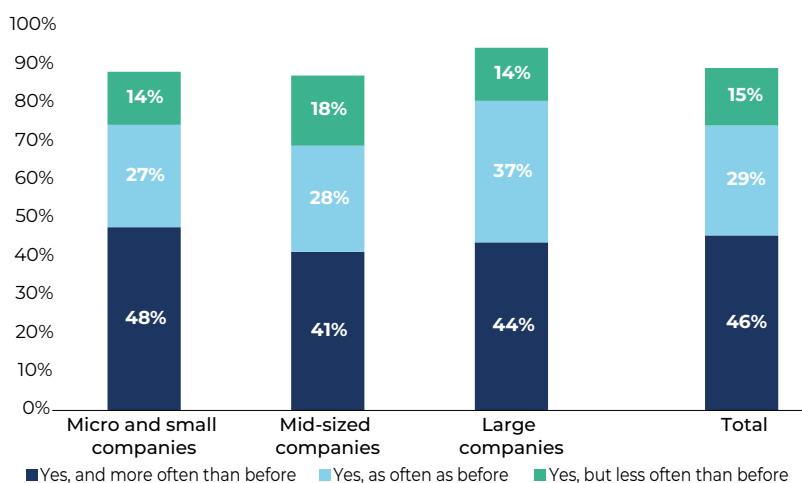
Source: Coface Payment Survey



2 PAYMENT DELAYS

Chart 4:

Proportion of companies that experienced payment delays in past 12 months and change in the frequency compared to last year (% of responses)

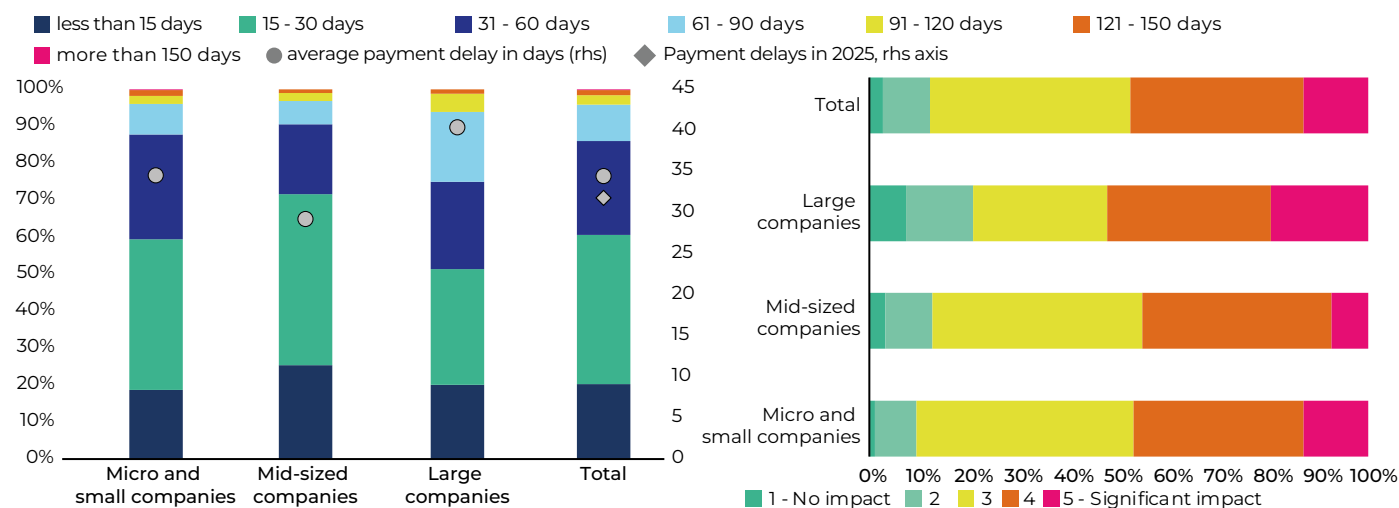


Source: Coface Payment Survey

The past eighteen months have been characterised by both global and domestic economic turbulence, resulting in volatile costs and an uncertain policy outlook. Against this backdrop, payment delays have become increasingly common in the United Kingdom, with 89% of companies reporting at least one late payment over the past year, a level broadly unchanged from last year. Of those experiencing delays, 51% reported that they occurred more frequently than in the previous period, up from 44% last year. The share of late payments is notably high compared with other European countries, including France (86%), Germany (81%), and Poland (65%), as well as other regions, where the incidence is around 49% in Asia and 79% in Latin America.

Chart 5:

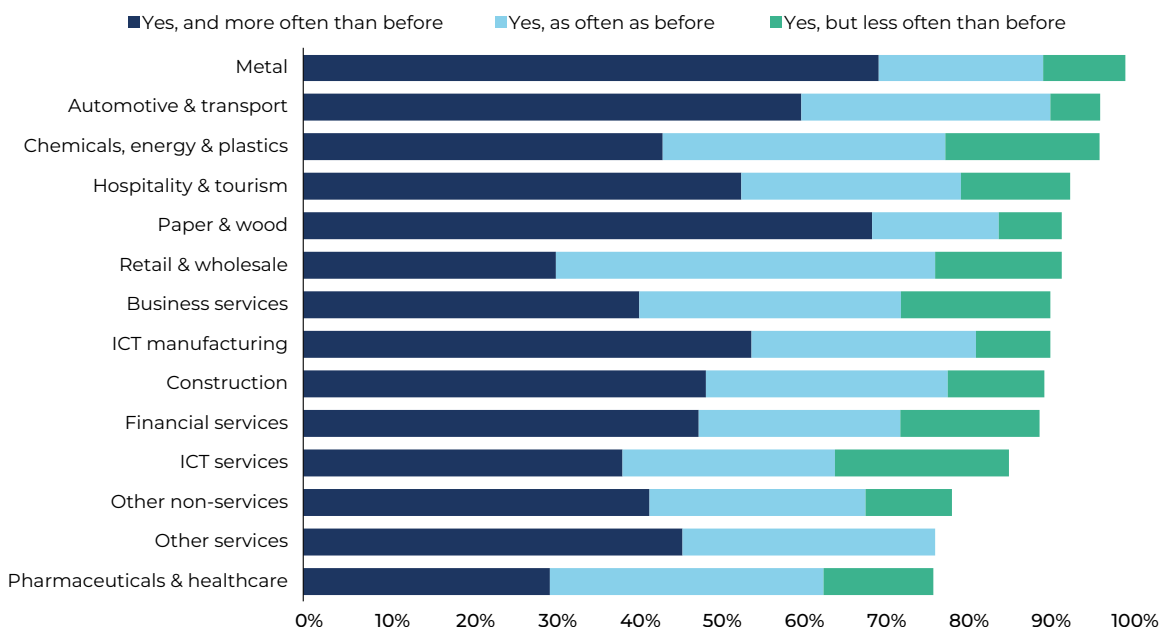
Payment delays size (% of responses), average payment delays (in days) and its impact (scale 1 – 5) by company size (% of responses)



Source: Coface Payment Survey

Chart 6:

Proportion of companies that experienced payment delays in past 12 months and change in the frequency compared to last year by sector (% of responses)



Source: Coface Payment Survey

A similar proportion of companies across all size categories experienced late payments: 88% of *micro and small companies*, 87% of *mid-sized companies*, and 94% of *large companies*. However, *micro and small companies* were more likely to report a deterioration in payment behaviour, with nearly 54% experiencing more frequent delays, compared with around 47% of both *mid-sized* and *large companies*.

On average, late payments were **34 days overdue**, an increase of two days compared with last year. Differences across company sizes were relatively small, with average delays of **35 days** for *micro and small companies*, **29 days** for *mid-sized companies*, and **40 days** for *large companies*. Additionally, the year-on-year increase was most pronounced among *large companies*. The shorter overdue periods and less marked deterioration among *micro and small companies* and *mid-sized companies* may indicate that they are more proactive in pursuing outstanding payments, given the greater impact that payment delays can have on their cash flow, particularly as they tend to offer shorter payment terms on average.

Late payments are particularly important for *micro and small companies*, which typically operate with tighter cash flows and are therefore more vulnerable to liquidity shocks. This is evident in the differing responses regarding the impact of late payments: the share of companies reporting that late payments have **"no or little impact"** is more than twice as high among *large companies* as among *micro and small companies* (21% versus

9%). Nevertheless, the results clearly show that late payments have a significant impact on companies of all sizes.

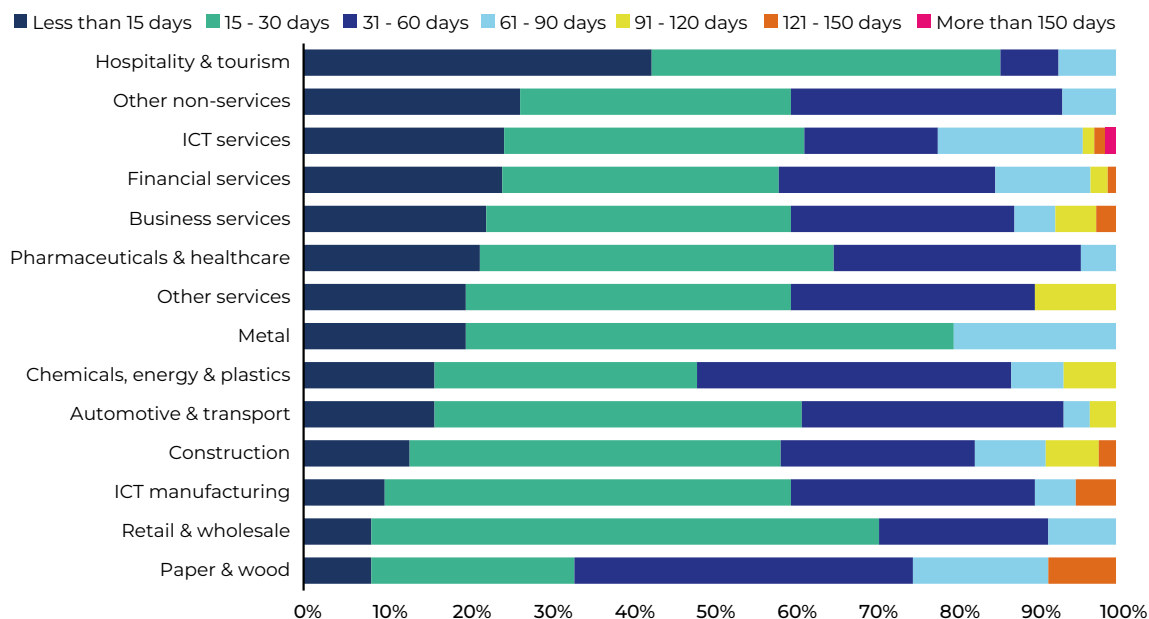
Similar to last year, most companies attribute late payments to their **customers experiencing financial difficulties** (37%), followed by **organisational issues** (26%), **deliberate delays in payment** (15%), **disputes** (13%), and **logistical issues** (9%). This distribution is broadly consistent with last year's findings, with the exception of **logistical issues**, which increased, reportedly reflecting the consequences of the Iran war.

It was the case across almost all sectors that **customer financial difficulties** was the most commonly cited reason for late payments, with the highest shares reported in the *metals*; *financial services*; and *construction* sectors. In two sectors, *chemicals, energy & plastics* and *hospitality & tourism*, **organisational issues** were identified as the most common cause of late payment. In *paper & wood*, **deliberate late payment in the absence of cash flow difficulties** was cited as frequently as customer financial difficulties. **Deliberate late payment** was also commonly identified as a key cause by companies in the *automotive & transport* sector. In *retail & wholesale*, **logistical issues** were cited as the primary cause in approximately 20% of cases.

In the *metals*; *automotive & transport*; and *chemicals, energy & plastics* sectors, **more than 95% of companies experienced late payments** during the past year. At the

**Chart 7:**

Payment delays by sector (% of responses)



Source: Coface Payment Survey

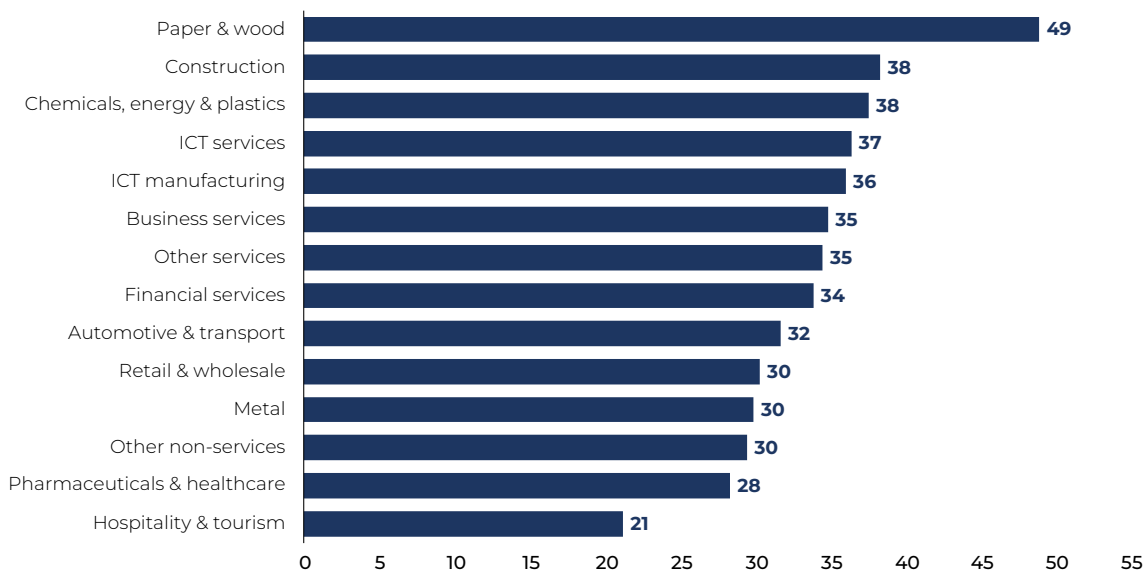
other end of the spectrum, around 80% of companies in *pharmaceuticals & healthcare* reported experiencing late payments. This is particularly noteworthy given that companies in *pharmaceuticals & healthcare* also tend to offer shorter payment terms, making the lower incidence of late payments all the more striking.

Among companies that experienced payment delays, most sectors reported an increase in their frequency over the past year. **No sector recorded a larger share of companies reporting a decline in**

late payments than reporting either unchanged or increasing levels. Only two sectors, *retail & wholesale* and *pharmaceuticals & healthcare*, had a larger proportion of companies reporting no change than an increase. Companies in *paper & wood*; *metals*; and *automotive & transport* reported the largest increases in the frequency of late payments. These sectors have all faced significant pressures over the past year, including increased competition from China, higher tariffs on exports to the United States, and disruptions to global supply chains arising from the Iran war.

Chart 8:

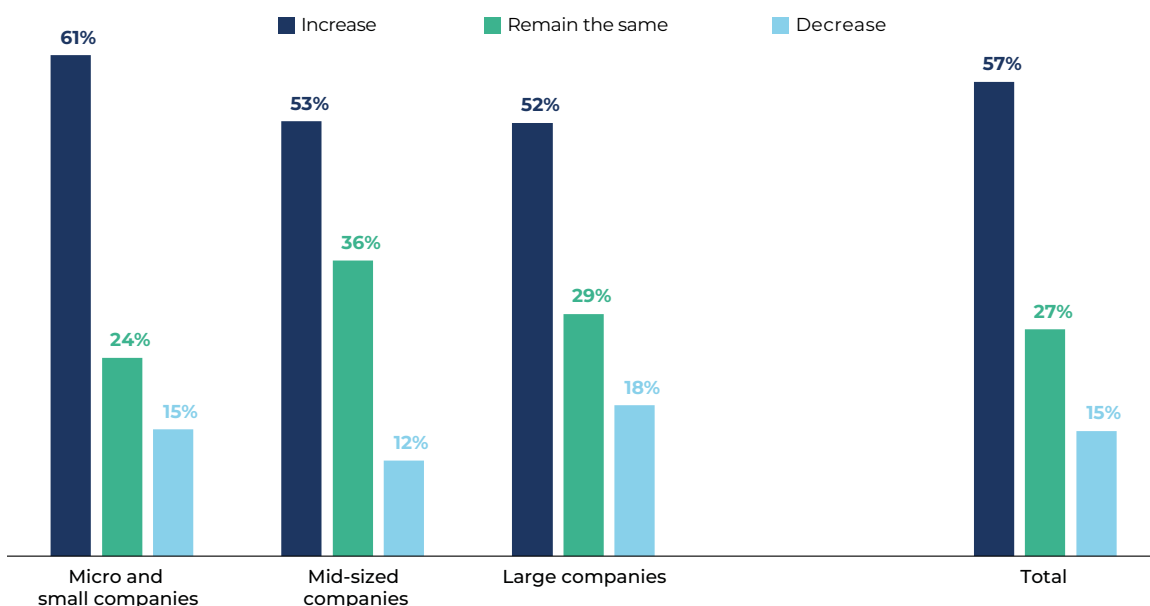
Average payment delay by sector (in days)



Source: Coface Payment Survey

Chart 9:

Anticipated change in the number of payment delays over the next 12 months (% of responses)



Source: Coface Payment Survey

The longest average payment delays were reported in *paper & wood* (49 days); *construction* (38 days); and *chemicals, energy & plastics* (38 days), while the shortest delays were recorded in *hospitality & tourism* (21 days).

Although deteriorating payment performance within a sector does not necessarily result in higher levels of corporate insolvency, there appears to be a degree of alignment between the two trends. The sectors that experienced the largest increases in insolvencies over the past year were *metals; financial services; and pharmaceuticals & healthcare*, with the latter largely driven by insolvencies in healthcare. Conversely, *ICT manufacturing; other non-services; other services; and retail & wholesale* recorded the largest declines in insolvencies. Overall, **these developments broadly mirror the changes in late payment patterns observed during the past 12 months.**

The share of companies expecting the number of late payments to increase over the next 12 months (57%) is substantially higher than the

share expecting a decline (15%), **pointing to a net deterioration in payment behaviour.** This outlook is also more pessimistic than last year's. The deterioration is driven primarily by *micro and small companies* and *mid-sized companies*, of which 61% and 53%, respectively, expect payment delays to become more frequent. These segments also account for most of the year-on-year deterioration in expectations. Among *large companies*, a similar share expects an increase in late payments, but a higher proportion also anticipate an improvement. As a result, the net deterioration among *large companies* is less pronounced and broadly unchanged from last year.

Manufacturing sectors, including *paper & wood; metals; and ICT manufacturing*, expect the sharpest deterioration in payment behaviour. In *paper & wood*, around 80% of respondents anticipate an increase in late payments. **No sector expects a net improvement over the next 12 months.** However, the least pessimistic sectors are *chemicals, energy & plastics; retail & wholesale; and pharmaceuticals & healthcare*.

Box 1:**GEOPOLITICAL TENSIONS AND PAYMENT DELAYS**

The past year has been marked by heightened geopolitical tensions, including deteriorating relations between some of the world's largest economies, rising trade barriers and tariffs, particularly those introduced by the US administration, and conflicts in the Middle East, including the Iran war and the disruption of shipping through the Strait of Hormuz. These developments have affected not only commodity prices but also shipping costs, delivery times, and business relationships across global supply chains.

Around three-quarters of respondents (74%) **reported that recent geopolitical events, such as US tariffs and the Iran war, had affected payment timing** within their business relationships. Impacts were relatively evenly distributed between companies reporting effects on both buyers and suppliers (27% of those impacted), mainly suppliers (36%), or mainly buyers (37%). However, there were notable differences by company size. *Large companies* were more likely to report payment delays or requests for extended payment terms originating from suppliers, whereas *micro and small companies and mid-sized companies* more frequently identified issues on the buyer side.

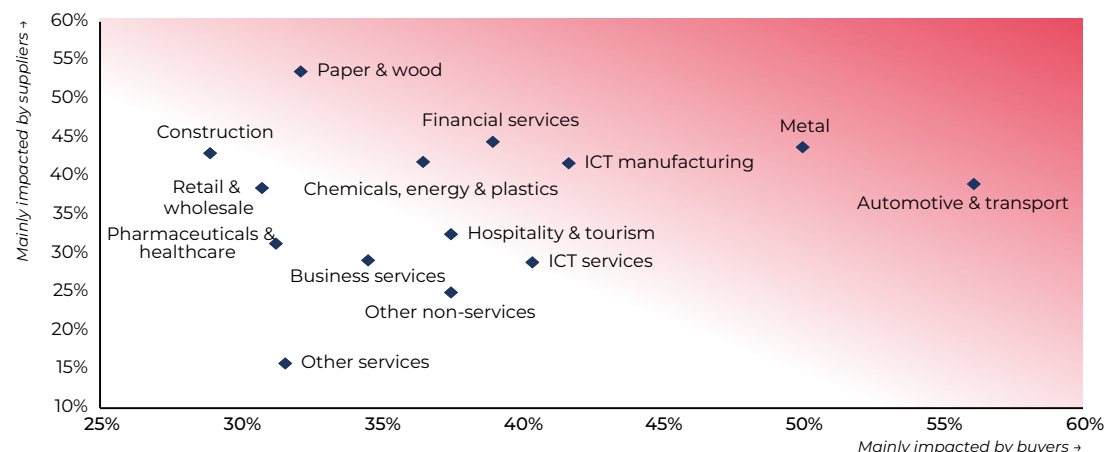
In terms of operational impacts, the most commonly cited consequences were **higher input or operating costs (52%)**, **cash-flow pressures (48%)**, and **increases in your own prices charged to customers (44%)**. Here too, the experience varied by company size. **Cash flow pressures** were more acute among *micro and small companies and mid-sized companies*, while *large companies* reported these challenges less frequently. Smaller companies were also more likely to highlight **delivery delays**. By contrast, *large companies* more frequently reported **supply shortages** and **rising operating costs** and were more likely to **pass these costs on through higher prices**. These differences largely reflect whether businesses are primarily exposed to disruptions on the buyer or supplier side. Companies affected mainly through buyers were more likely to report **cash flow pressures** and **reduced orders**, whereas those affected through suppliers were more likely to experience **delivery delays** and **shortages**.

From a sector perspective, the most affected sectors are unsurprisingly those with extensive international supply-chain exposure, including *automotive & transport*, *metals*, and *paper & wood* (95%, 94% and 86% respectively). Conversely, the least affected sectors tend to be more domestically focused, particularly several service industries. The distinction between buyer-side and supplier-side impacts is again evident. Companies in *automotive & transport* were affected primarily through disruptions originating from customers and buyers, whereas businesses in *metals* and especially *paper & wood* were more heavily affected through supplier-related challenges. Respondents in *paper & wood* were the most likely to report **changing suppliers** and **experiencing delivery delays**, while companies in *automotive & transport* most frequently highlighted **cash flow pressures**, alongside some **changes to suppliers**.

The nature of the impact also varied across domestically oriented sectors. Within *construction*, **cash flow pressures** were the most significant concern. *Retail & wholesale* reported the greatest disruption from **delivery delays**, while companies in *hospitality & tourism* were more likely to cite the need to **increase prices in response to rising costs**.

Chart Box:

Payment delays or delay requests on buyers and/or suppliers by sector (% of responses)



Source: Coface Payment Survey

3 AI AND ITS IMPACT ON SUPPLIER USAGE: DISRUPTIVE RATHER THAN DESTRUCTIVE, FOR NOW?

Much of the discussion surrounding artificial intelligence (AI) has focused on its impact on the workforce and the extent to which specific tasks can be automated or replaced. Indeed, around 70% of respondents in this survey report using AI in some form. However, beyond its effects on employment, AI also has the potential to reshape companies' relationships with suppliers and service providers. As AI enhances employee productivity and capabilities, some services that were previously outsourced may increasingly be brought in-house. This could leave certain suppliers vulnerable, not only to competitors adopting AI more rapidly, but also to clients choosing to perform these activities internally.

Around 80% of companies using AI report that it has affected their use of external suppliers and service providers. This finding is remarkably consistent across companies of all sizes. Perhaps surprisingly, however, most respondents indicate that **AI has increased rather than reduced their use of external providers.** Among *micro and small companies*, AI adoption appears to have encouraged greater use of suppliers and service providers, suggesting that either the cost of outsourcing remains attractive or that external providers are able to deliver greater value than in-house alternatives. Among *large companies*, the picture is more balanced, although a greater

share still reports increasing rather than reducing their reliance on external providers as a result of AI.

With regard to the types of services most affected, **IT services** unsurprisingly rank first, reflecting the ability of companies both to outsource and internalise a wide range of technology-related activities. **Finance & accounting** services rank second, followed by **customer support**.

Among companies that primarily brought activities in-house, 63% reported internalising at least some **IT services**, 54% brought **customer support** activities in-house, and 51% internalised **finance & accounting** services. Conversely, among companies that increased their use of external providers, **IT services** again featured most prominently (59%), followed by **finance & accounting** (54%) and **customer support** (50%).

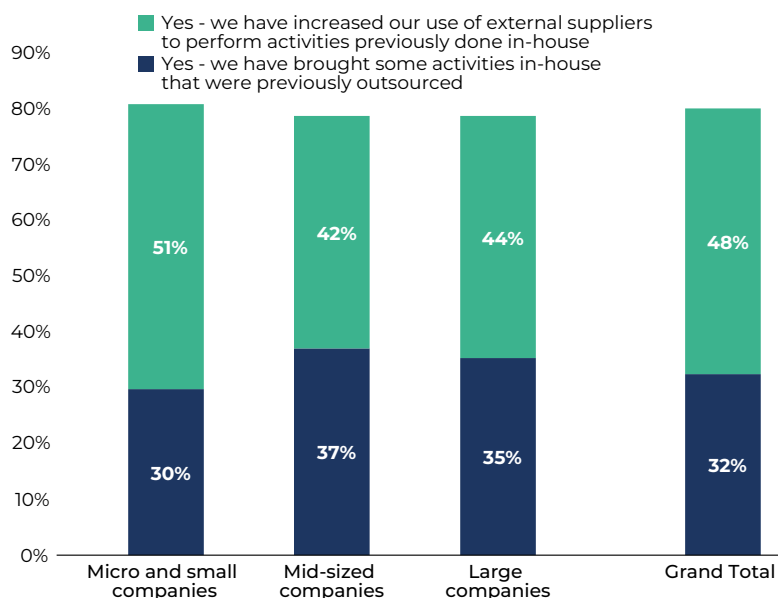
As shown in the chart below, the **net effect of AI adoption is seemingly currently an increase in the use of external suppliers and service providers rather than a reduction.** This pattern is evident across companies of all sizes, with one notable exception: among *large companies*, **customer support** is the only area where more respondents report bringing activities in-house rather than outsourcing them.

When asked about the implications of AI adoption for hiring, redundancies, and wages, respondents generally reported only limited labour market effects. On balance, companies indicated a modest **increase in hiring** (+4%), alongside a **slight increase in redundancies** (+2%) and **higher average wages** (+4%). It is noteworthy that around 40% of respondents believed AI had no impact on either redundancies or wages.

Although responses varied considerably, the most common combination of answers was that companies expected both hiring and redundancies to increase, often alongside higher wages. **This may suggest that firms are replacing existing roles with new positions requiring AI-related skills and capabilities.** By contrast, fewer than 10% of respondents expected both lower hiring and higher redundancies, implying that relatively few companies currently view AI primarily as a direct substitute for labour.

While these findings are encouraging from an employment perspective, they raise questions about the sustainability of current business models, particularly for companies operating with already thin margins. **Maintaining headcount while simultaneously investing in AI may place**

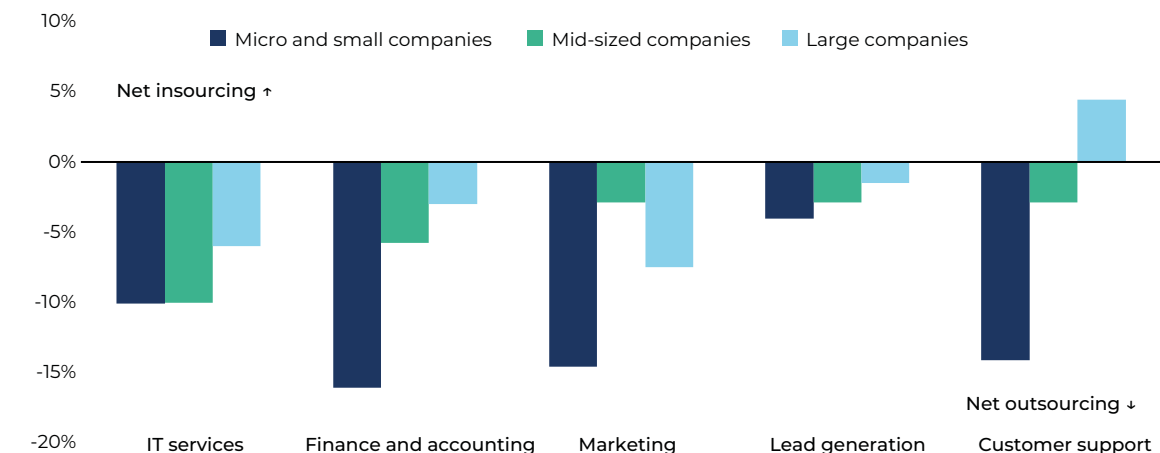
Chart 10:
Impact of AI usage on companies' use of suppliers or service providers
(% of responses)



Source: Coface Payment Survey

Chart 11:

Net outsourcing change of AI usage by type of service providers (% of responses)



Source: Coface Payment Survey

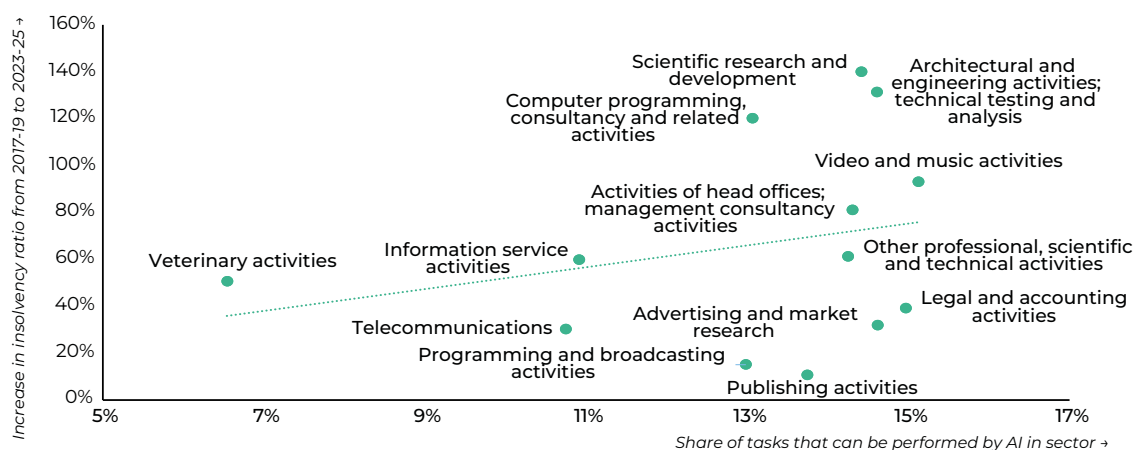
pressure on profitability in the short term. Such pressures could persist into the medium term if the anticipated productivity gains from AI adoption fail to materialise at the scale expected.

It is within **ICT** and **professional services** that the greatest share of tasks can potentially be automated under a “copilot” assumption⁷. The chart below compares an estimate of AI-exposed tasks within a sector with the change in insolvency ratios between the average in 2017-19 (a pre-pandemic period before widespread AI adoption) and 2023-25. While insolvency outcomes are influenced by many factors, there appears to be a positive relationship between AI exposure and the increase in insolvency ratios across sectors. Notable exceptions include **legal and accounting services**, where regulatory and certification requirements may provide some protection, and **advertising and market research**, where client relationships, databases, sector expertise and established networks remain important competitive advantages.

Sectors frequently identified as highly exposed to AI, including **computer programming and consultancy, head office activities**, and parts of **scientific and technical services**, have experienced some of the largest increases in insolvency ratios. This is particularly noteworthy when viewed alongside the survey findings. At present, AI adoption appears to be **complementing rather than displacing** external suppliers, with most firms reporting increased use of outsourced services. However, the insolvency data suggests that this positive effect may not be shared evenly across providers. While demand for AI-related services may be expanding overall, competitive pressures are likely intensifying within sectors where AI lowers barriers to entry, increases productivity differences between firms, or enables clients to internalise activities that were previously outsourced. In this sense, AI may currently be **disruptive rather than destructive**: increasing demand for external expertise in aggregate while simultaneously accelerating the market exit of suppliers that fail to adapt to the new technological environment.

Chart 12:

Change in insolvency ratio relative to tasks able to be replaced by AI (Change in %, Share in %)



Source: Insolvency Service, Office for National Statistics, Coface

⁷ See Coface's Focus on AI and labour market: The Next Automation Frontier A Scenario Map of AI Labour Exposure

4 ECONOMIC OUTLOOK

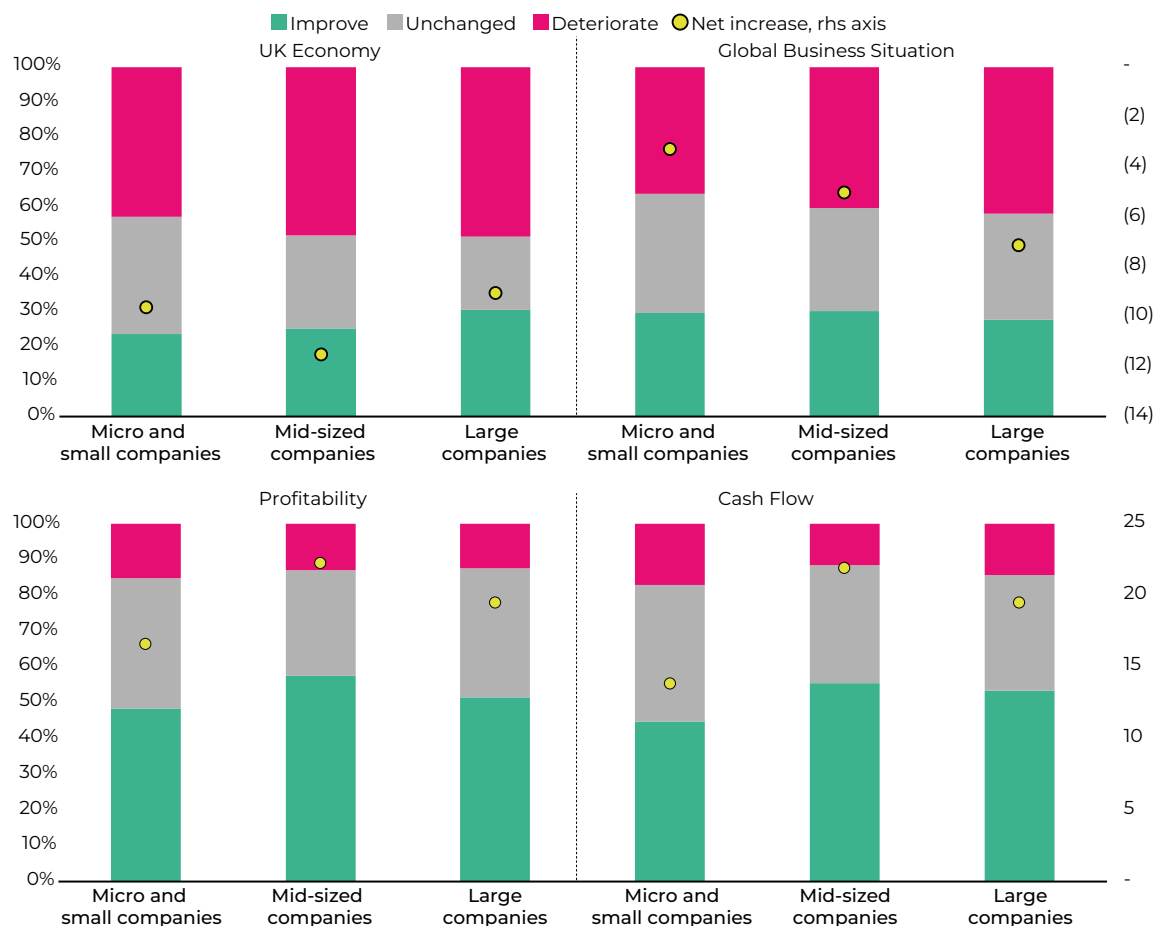
Companies' expectations of further payment delays are unsurprising given the current economic outlook. A greater share of respondents expects the **UK economy to be in a worse state over the next 12 months (45%) than expect it to improve (25%), resulting in a net negative outlook**. This pessimism is most pronounced among *mid-sized companies*, although it is evident across all company sizes. A smaller proportion of respondents (38%) expect the global business environment to deteriorate in **the next 12 months**. Here, sentiment differs somewhat by company size, with *micro and small companies* remaining relatively more optimistic, while *large companies* are more pessimistic. However, these differences are less pronounced than for expectations regarding the UK economy. **Compared with last year, expectations have deteriorated for both the UK and global economy**, with the shift in sentiment being particularly marked for the domestic outlook.

Despite the negative macroeconomic outlook, companies remain relatively optimistic about their own performance – this is a common observation in surveys. More than half of respondents (51%) **expect profitability to improve over the next 12 months**, while 48% anticipate stronger cash flow. Part of this optimism may reflect base effects, as many businesses are recovering from a relatively weak starting point.

Expectations vary considerably across sectors, particularly with regard to profitability and cash flow. The most optimistic sectors include several service industries, namely *business services; financial services; hospitality & tourism; and ICT services*. Among goods-producing sectors, *chemicals, energy & plastics; and ICT manufacturing* also report relatively positive expectations. At the other end of the spectrum, *other non-services; automotive & transport; paper & wood; construction; and metals* are notably more

Chart 13:

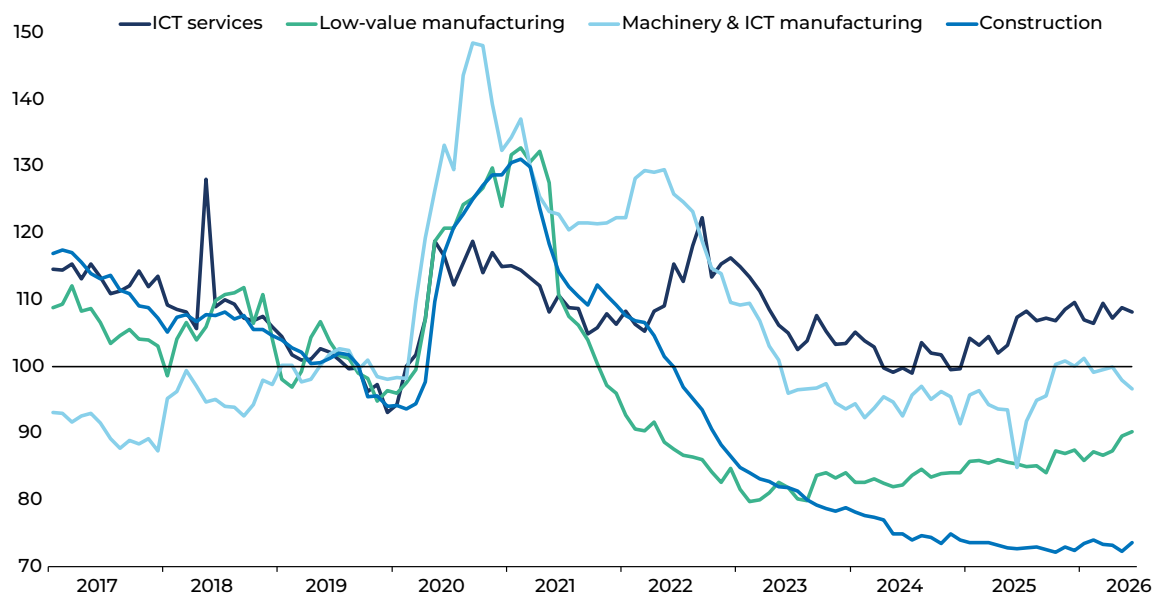
Anticipated change in the UK, global economy, profitability and cash flow over the next 12 months (% of responses, net diffusion index)



Source: Coface Payment Survey

**Chart 14:**

Deposits as a share of turnover in selected sectors (Index, 2019 = 100)



Source: Bank of England, Office for National Statistics, Macrobond, Coface

pessimistic. *Retail & wholesale* sits between these two groups. As illustrated in the chart above – where deposits as a share of turnover is used as a proxy for liquidity – this reinforces a trend observed over recent years: higher-value service industries and advanced manufacturing sectors continue to outperform, while **lower-value, energy-intensive manufacturing industries and construction face more challenging conditions.**

Most exporting companies continue to see their strongest **business opportunities within the United Kingdom** (74%), followed by the **European Union** (51%) and the **United States** (37%). Despite the deterioration in UK-US trade relations and the introduction of higher tariffs, the United States remains the third most attractive export market, with the share of respondents identifying it as a key opportunity roughly unchanged from last year. Around 10% of respondents identified **China** as a promising market, representing a modest increase from last year, although it remains well below the levels reported for the UK, EU, and US. Other markets frequently mentioned include non-EU European countries, such as **EFTA members** and **Eastern Europe**, as well as the **Middle East**. However, interest in the latter has declined compared with last year, likely reflecting the ongoing conflict and uncertainty in the region.

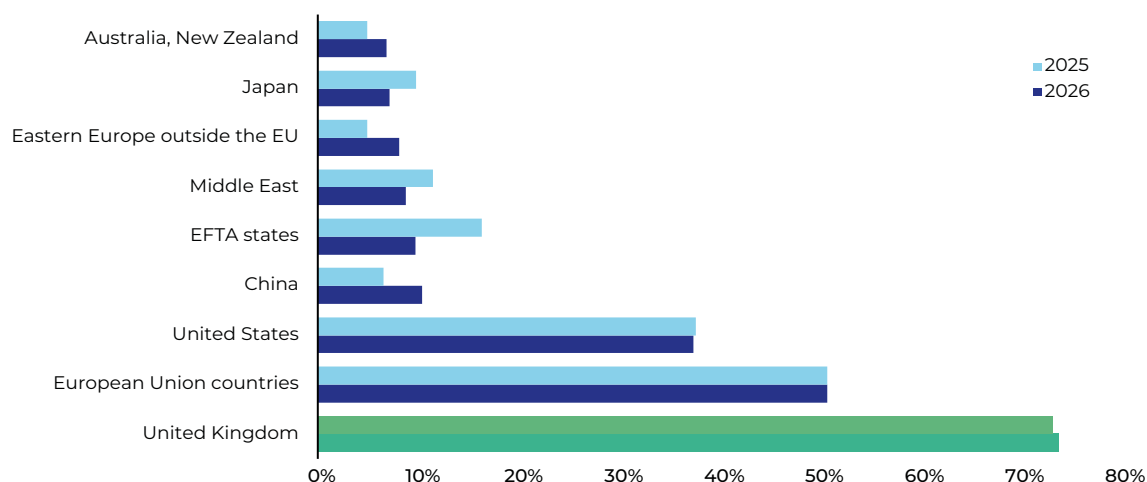
The current business environment appears to be influencing corporate location decisions. Almost three-quarters of respondents (73%) stated that they have **either relocated, or are in the process of relocating, all or part of their operations.** Only 27% reported that no relocation is currently planned. Most relocations, whether completed or underway, have been within the **United Kingdom or Ireland** (72%), particularly in cases involving the relocation of entire operations. Nevertheless, a significant share of companies has looked further afield, with 29% considering destinations within the **EU, EEA, or wider Single Market**, and 18% considering the **United States**.

Interest in relocating to the **United States** has declined since last year. This is evident both in the lower overall share considering the US and in the gap between companies that have already relocated and those currently planning to do so. The share planning a relocation to the US is around six percentage points lower than the share that has already implemented such a move, suggesting that the attractiveness of the United States as a relocation destination has weakened.

The range of risks currently facing businesses appears almost endless, with domestic political developments and global geopolitical tensions

Chart 15:

Markets offer the best business opportunities going forward (% of responses)



Note: EFTA states are Switzerland, Iceland, Norway and Liechtenstein. Source: Coface Payment Survey

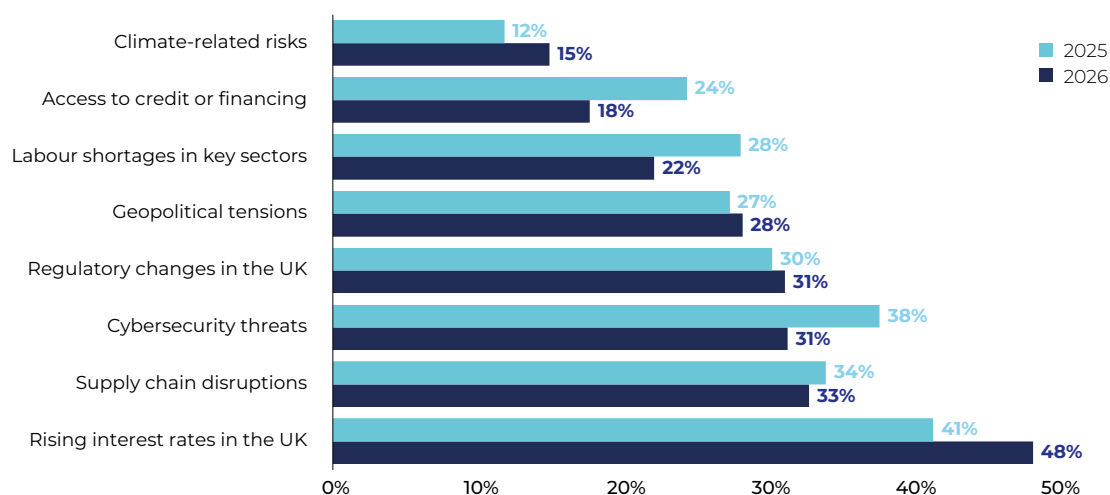
frequently dominating headlines. However, respondents most commonly highlighted more traditional business concerns. **Higher interest rates** were the most frequently cited risk, mentioned by almost half of all companies. This was followed by **supply-chain disruptions** (around one-third of respondents), **cybersecurity threats**, and **regulatory changes** (both approximately 31%). Despite its prominence in the media, **geopolitics** was cited by “only” 28% of respondents. **Labour shortages** (22%) also remain a significant concern, followed by **access to finance** (18%) and **climate-related risks** (15%).

There is considerable variation across sectors in the risks they perceive as most important. While the **interest-rate environment** is identified as the primary risk in most sectors, there are notable

exceptions. Companies in *automotive & transport* and *ICT manufacturing*, both of which are heavily integrated into global supply chains, are more likely to cite **supply-chain disruptions** as their principal concern. By contrast, *business services* place greater emphasis on **domestic regulatory changes**. **Cybersecurity risks** are particularly prominent in *business services*, *financial services*, and *ICT services*, while **labour shortages** are most frequently cited in *construction* and *pharmaceuticals & healthcare*. Compared with last year, **cybersecurity** risks appear to have become less prominent in respondents’ assessments, although they remain a significant concern across several sectors. Its high prominence during last year’s survey was impacted by the cyberattacks on Jaguar Land Rover and larger retailers (such as Marks & Spencer and Co-op).

Chart 16:

Risks currently having the greatest impact (% of responses)



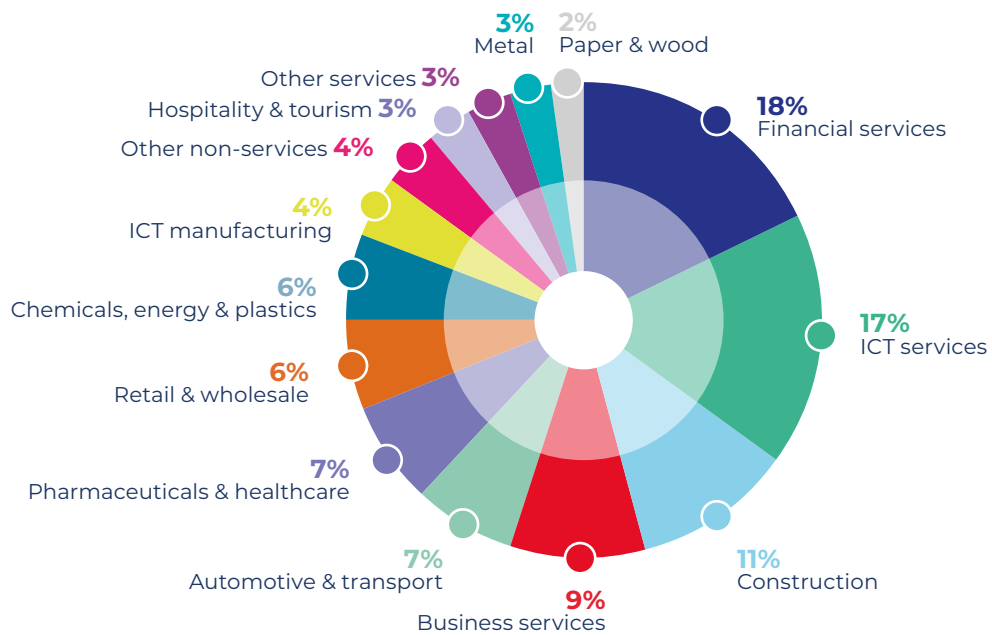
Source: Coface Payment Survey

APPENDIX

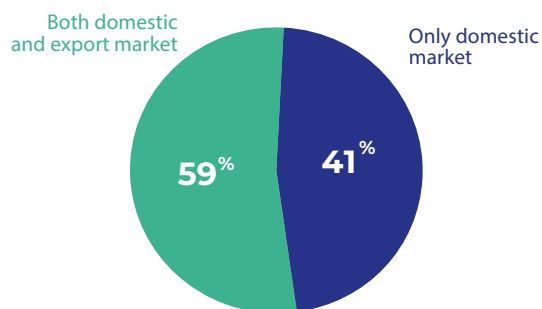


A TOTAL OF
608
COMPANIES PARTICIPATED
IN THE PAYMENT SURVEY

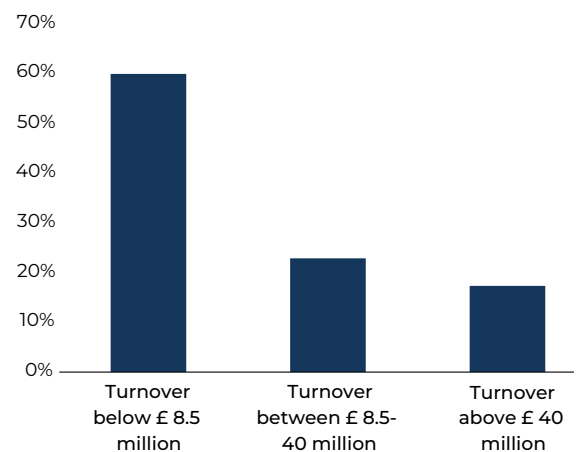
Which of the following best describes your company's industry?



Where is your major destination of sales?



For this year, the total estimated sales revenue of your company will be (GBP)



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.

DISCLAIMER

This document reflects the opinion of Coface's Economic Research Department, as of the date of its preparation and based on the information available; it may be modified at any time. The information, analyses and opinions contained herein have been prepared on the basis of multiple sources considered reliable and serious; however, Coface does not guarantee the accuracy, completeness or reality of the data contained in this document. The information, analyses and opinions are provided for information purposes only and are intended to supplement the information otherwise available to the reader. Coface publishes this document in good faith and on the basis of an obligation of means (understood to be reasonable commercial means) as to the accuracy, completeness and reality of the data. Coface shall not be liable for any damage (direct or indirect) or loss of any kind suffered by the reader as a result of the reader's use of the information, analyses and opinions. The reader is therefore solely responsible for the decisions and consequences of the decisions he or she makes on the basis of this document. This document and the analyses and opinions expressed herein are the exclusive property of Coface; the reader is authorised to consult or reproduce them for internal use only, provided that they are clearly marked with the name "Coface", that this paragraph is reproduced and that the data is not altered or modified. Any use, extraction, reproduction for public or commercial use is prohibited without Coface's prior consent. The reader is invited to refer to the legal notices on Coface's website: <https://www.coface.com/Home/General-informations/Legal-Notice>.

COFACE SA

1, place Costes et Bellonte
92270 Bois-Colombes
France

www.coface.com