

Atradius Payment Practices Barometer

B2B payment practices trends United Arab Emirates 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 the **United Arab Emirates**.

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



B2B payment practices trends

Pressure on cash flow and profits amid surge in bad debts

There is a fragmented B2B payment landscape for companies across the United Arab Emirates (UAE), with steady conditions for some but others face increasing financial pressure. 43% of businesses report no recent change in how B2B customers pay, while the rest are almost evenly split between those seeing quicker payments and those facing delays. Overdue invoices currently affect 58% of B2B sales, with delays largely driven by administrative inefficiencies in customer payment processes, a factor that can create cash flow strain even in the absence of deeper financial distress.

An even more significant concern is a rise in bad debts, which reveals that companies in the United Arab Emirates may need to strengthen debt collection practices to protect cash flow and reduce write-offs. Slightly more than half of firms report bad debts capped at 5% of overdue B2B invoices, while the remaining businesses face write-offs ranging from 6% to 10%. This brings the average rate to 8%, a worrying level that can eat into profit margins and liquidity if not addressed. A recent tightening of liquidity in the market, which has made it more difficult for companies to access working capital, only adds further pressure, and there is a growing risk of further deterioration in B2B payment behaviour and financial health.

B2B trade credit policies vary widely across the market. Some companies are restricting trade credit offerings, some maintain stable terms, and the rest are expanding their offerings to remain competitive. 50% of all B2B sales in the United Arab Emirates are currently transacted on credit, with average payment terms of 47 days. In response to pressures on working capital, nearly half of the businesses are intensifying payment collection efforts. Days Sales Outstanding (DSO) is thus stable or improved for many, pointing to more effective working capital strategies.

Inventory trends are mixed, with some companies levelling off and others seeing stock build-ups, potentially tying up liquidity. Supplier payment trends also reflect pressure on working capital. While some companies maintain their usual payment schedules, other delay payments to suppliers to ease their own liquidity constraints. Supplier credit is the main source of trade finance ahead of bank credit and invoice financing. B2B customer payment risk mitigation strategies are varied, 42% of companies favour a mix of internal provisioning and outsourced credit insurance, while others opt for one approach exclusively.

Key figures and charts on the next page

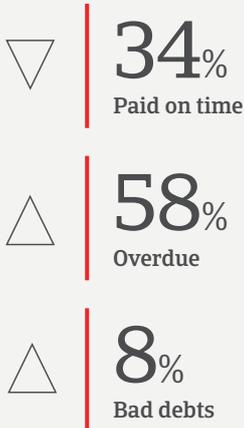


Key figures and charts

United Arab Emirates

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

(change vs. 2024)



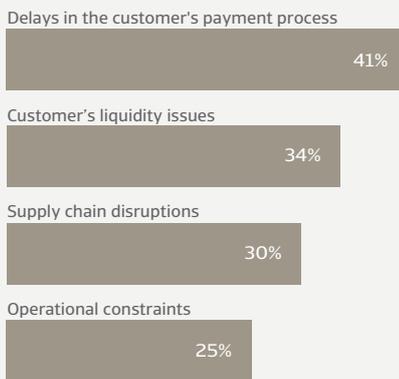
Sample: all survey respondents

Source: Atradius Payment Practices Barometer United Arab Emirates – 2025

United Arab Emirates

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

(% of respondents - multiple response)



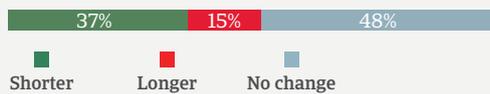
Sample: all survey respondents

Source: Atradius Payment Practices Barometer United Arab Emirates – 2025

United Arab Emirates

% 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 United Arab Emirates – 2025

United Arab Emirates

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

(% of respondents - multiple response)

- **58% Trade credit**
- **52% Bank loans**
- **49% Internal funds**
- **35% Invoice financing**

Sample: all survey respondents

Source: Atradius Payment Practices Barometer United Arab Emirates – 2025





Looking ahead

Sales optimism tempered by concerns over geopolitical instability

Our survey finds that companies across the United Arab Emirates are entering the second half of the year with cautious optimism but also keeping a keen eye on emerging risks. Firms are evenly divided in their expectations about the outlook for B2B customer insolvencies, with 50% foreseeing a rise and the rest anticipating no change during the months ahead. This uncertainty reflects the broader challenges faced by the UAE's trade-dependent economy amid continued global supply chain disruptions and geopolitical headwinds.

The cautious outlook is mirrored in the views on working capital management among businesses in the United Arab Emirates. While many companies expect no significant shifts in the timing of payments from customers, inventory turnover, or payments to suppliers, others anticipate improvements that could unlock valuable liquidity. These include faster collections or inventory optimisation, offering businesses a chance to strengthen cash flow and shield themselves from tighter supplier payment terms, which may shorten in response to liquidity pressures.

Despite the broader economic uncertainty, companies across the United Arab Emirates remain upbeat about their own prospects. Expectations for sales performance are high and nearly matched by their confidence in profitability, a signal of commercial resilience in the region's leading trade and business hub. However, to mitigate B2B customer payment risks, companies report sticking to their current risk management strategies, often combining internal controls with external credit insurance.

Looking ahead, most businesses recognise the critical importance of adaptability. There is widespread concern about intensifying geopolitical developments, shifting trade patterns, tightening regulatory demands, and growing environmental expectations. These challenges are prompting a greater focus on long-term sustainability strategies. These worries about an unpredictable economic climate leaves businesses in the United Arab Emirates facing a delicate balance. While strong sales and profitability outlooks suggest resilience, the mixed expectations on customer insolvency and working capital highlight financial vulnerabilities that could intensify if external pressures escalate. Adaptability, risk vigilance and efficient cash flow management will be key to maintaining stability in the months to come.



Key industry insights

Pharma

Around half of B2B sales in the pharma industry are currently conducted on credit, and as many companies have steady trade credit policies as those increasing their credit offerings.

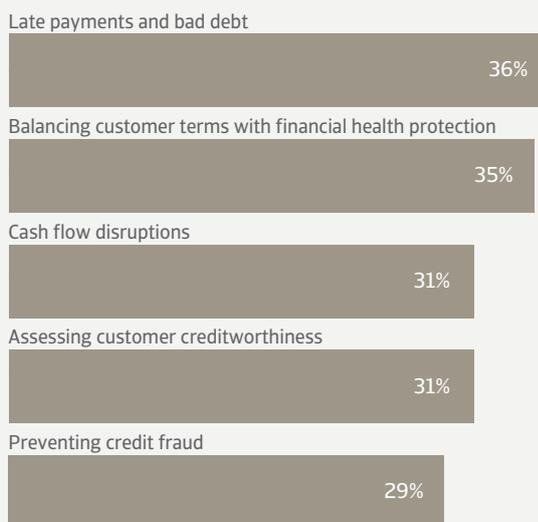
Three in five firms report no change in their payment terms, which currently average nearly 50 days from invoicing. Overdue payments impact about 60% of invoices, signalling persistent cash flow pressures. Delays typically extend beyond an additional month, with administrative holdups in customer payment processes the main cause. While bad debts remain capped at roughly 10%, companies are intensifying efforts to improve collections, helping to manage DSO and maintain cash flow predictability.

Inventory management presents mixed signals. More than 83% of firms report either steady or faster turnover, yet some experience build-ups that tie up working capital. Most businesses maintain consistent payments to suppliers to preserve trade relationships. Supplier credit remains the dominant trade finance tool. In mitigating customer payment risks the majority combine internal provisioning with outsourced credit management and insurance. 61% of companies anticipate a rise in B2B insolvencies, with widespread uncertainty around sales trends. At the same time, optimism about profitability endures. Top concerns ahead include heightened regulatory demands, geopolitical tensions disrupting supply chains, and increasing environmental pressures.

United Arab Emirates - 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 United Arab Emirates – 2025



United Arab Emirates - Pharma

Key industry figures

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

(% of industry respondents)

70%

Trade credit

45%

Invoice financing

43%

Bank loans

34%

Internal funds

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

(% of industry respondents)

61%

Increase

38%

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)

59%

Increasing regulations

46%

Geopolitics impacting trade

43%

Sustainability practices

Sample: all survey respondents

Source: Atradius Payment Practices Barometer United Arab Emirates – 2025





Key industry insights

Steel and metals

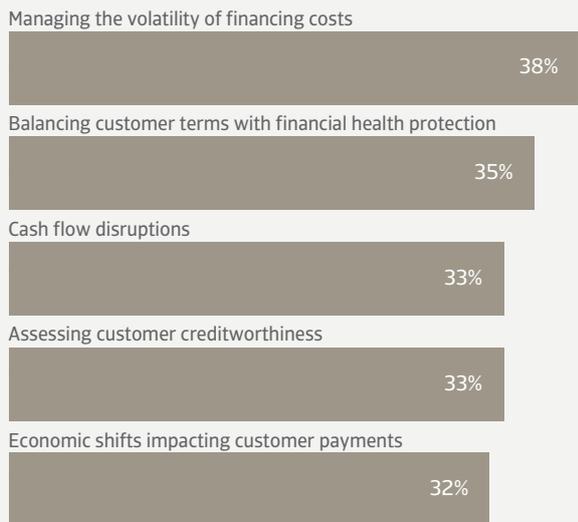
60% of B2B sales in the steel and metals sector are transacted on credit, reflecting generally more lenient trade credit policies. While most companies have tightened payment terms, others report unchanged or slightly eased policies. Average terms stand at around 50 days from invoicing. Overdue invoices affect 55% of B2B transactions, underlining persistent liquidity pressures. B2B customer payment behaviour is fragmented, with many taking nearly two extra months to clear overdue bills. The most common cause is administrative inefficiencies. Bad debts are capped at around 5%. An intensified collection focus is helping many businesses to manage DSO volatility.

On the issue of inventory turnover 84% of firms report either stable movement or build-ups that tie up working capital. Most companies continue paying suppliers on time to preserve trade relationships. Both supplier credit and invoice financing are widely used. To mitigate payment risk companies typically use internal provisioning combined with outsourced credit management, often supported by insurance. 69% of firms do not foresee a rise in B2B insolvencies, and despite uncertainty around sales performance there is optimism about profitability. The main concerns looking ahead are regulatory compliance, market unpredictability, and geopolitical developments, which could all weigh heavily on liquidity.

United Arab Emirates - Steel and metals

Top 5 challenges companies face when offering credit to B2B customers

(% of respondents - multiple response)



Sample: all survey respondents

Source: Atradius Payment Practices Barometer United Arab Emirates – 2025



United Arab Emirates - Steel and metals

Key industry figures

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

(% of industry respondents)

59%

Trade credit

59%

Invoice financing

40%

Bank loans

34%

Internal funds

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

(% of industry respondents)

30%

Increase

69%

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%

Being responsive to market shifts

49%

Geopolitics impacting trade

44%

Increasing regulations

Sample: all survey respondents

Source: Atradius Payment Practices Barometer United Arab Emirates – 2025





Key industry insights

FMCG

Companies in the fast-moving consumer goods (FMCG) industry are adopting a more cautious stance on offering trade credit, with just over 50% of B2B sales now transacted on credit. While some firms continue with steady or more flexible terms, the broader trend leans toward greater credit discipline. Payment terms currently stand at around 40 days from invoicing. Late payments remain a significant concern, affecting 56% of B2B invoices. Most businesses report fragmented payment behaviour, with customers often taking up to an extra month to settle overdue accounts. Bad debts, ranging between 6% and 10%, continue to put pressure on working capital.

In response firms are intensifying collection efforts to manage DSO and accelerate cash inflows. Inventory trends are mixed, with 80% of firms reporting either steady turnover or stock build-ups tying up working capital. Most businesses maintain regular payments to suppliers to preserve trade relationships. Bank credit is the most widely used trade finance option. Receivables insurance is increasingly preferred, often used alongside internal reserves and outsourced credit risk management. 56% of firms anticipate a rise in customer insolvencies, but sales and profitability forecasts are fairly optimistic. Major future concerns include economic uncertainty, shifting regulations, sustainable practices and supply chain disruptions.

United Arab Emirates - FMCG

Top 5 challenges companies face when offering credit to B2B customers

(% of respondents - multiple response)



Sample: all survey respondents

Source: Atradius Payment Practices Barometer United Arab Emirates – 2025



United Arab Emirates - FMCG

Key industry figures

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

(% of industry respondents)

73%

Bank loans

44%

Invoice financing

44%

Trade credit

39%

Internal funds

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

(% of industry respondents)

56%

Increase

36%

Remains as current

8%

Do not know

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

(% of industry respondents - multiple response)

61%

Being responsive to market shifts

49%

Sustainability practices

48%

Geopolitics impacting trade

Sample: all survey respondents

Source: Atradius Payment Practices Barometer United Arab Emirates - 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 = 240

Business sector	Interviews	%
Manufacturing	101	42
Wholesale trade	70	29
Retail trade/Distribution	59	25
Services	10	4
TOTAL	240	100
Business size	Interviews	%
SME: Small enterprises	39	16
SME: Medium enterprises	88	37
Medium Large enterprises	81	34
Large enterprises	32	13
TOTAL	240	100
Pharma	80	33.3
Steel and metals	80	33.3
FMCG	80	33.3
TOTAL	240	100

Survey scope

- Basic population: Companies from the United Arab Emirates 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=240 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 the United Arab Emirates and worldwide, please visit atradiuscollections.com.

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