

PRESS RELEASE

Survey on the payment behavior of companies in Morocco in 2021: shortened delays but still widespread late payments

Hong Kong S.A.R., January 18, 2022 – According to the study conducted by Coface in 2021 on the payment behaviour of companies in Morocco¹, contractual payment terms in the country remain long, reaching an average of 79 days. However, they have improved significantly, with a shorter duration of about 14 days compared to the previous survey conducted in 2019.

According to the survey, late payments remain widespread in Morocco, with almost half of companies reporting payment delays of more than three months in the last six months. While GDP has contracted in 2020 (estimated -6.3% after a 2.5% growth in 2019), more companies have perceived a deterioration. In 2021, while Coface forecasts a 4.5% growth for the Moroccan economy, nearly half of companies seem to expect payment delays to remain stable, and more than a third expect them to increase.

Late payments and non-payments are a major constraint for businesses. 2020 saw a 22% reduction in the number of insolvencies compared with 2019, but there will be a sharp increase in the number of insolvencies in 2021 due to a catch-up effect: +94% in the first half of 2021 according to Inforisk.

Payment terms²: still long, but room for improvement

Inter-company credit in Morocco has improved significantly over 2019:

- **Slightly less than a third of the companies surveyed believe that the legal maximum payment term of 60 days is not respected.**
- Nearly one third of companies reported maximum payment periods of more than 180 days.
- Compared to the last survey conducted in 2019, **the estimated average delay has decreased by 14 days**, from 93 to 79 days.
- **The chemical sector stands out** for having much longer than average payment periods, reaching 134 days.

Nearly half of surveyed companies experience payment delays of more than three months³

- In line with previous surveys, **payment delays are still widespread**: 44.8% of the companies surveyed report significant delays of over three months. While this is a slight improvement, the number of delays of more than 6 months increased by 2.7%.
- **However, delays appear to be shorter**: the share of delays of 90-120 days has decreased by 5 points in favor of those indicating short delays (less than 30 days).
- However, there is a perception of a **deterioration which is mainly the result of the major impact of the Covid-19 pandemic crisis**. This was accompanied by drastic government

¹ Survey of 380 companies conducted in the second quarter of 2021.

² Payment terms: the time-frame between when a customer purchases a product or service and when payment is due.

³ Payment delays: the period between the due date of payment and the date the payment is made.



measures that hampered economic activity (lockdowns, curfews, closure of borders to foreign tourists, closure of schools, workplaces, and travel ban).

Cautious stance towards the future, but some signs of improvement after the crisis

- **The companies are cautious:** almost **half of them expect the business climate and the economic situation to deteriorate.** Only one fifth expect an improvement in the future.
- 21% of companies say they expect their turnover to fall in the next six months. 39% expect turnover to increase and 41% expect it to remain stable.
- While almost half of the companies surveyed stated that their cash flow had decreased over the last six months, only 22% of them expect it to decrease over the next six months.
- **The surveyed companies believe that this improvement in the economic situation will result in a reduction in payment delays,** due to the evolution of the pandemic, as well as the end of the state of emergency.

The full study is [available here](#)

MEDIA CONTACT

Karen YIK – T. +852 2585 9121 karen.yik@coface.com
Leo CHAK – T. +852 2585 9132 leo.chak@coface.com

COFACE: FOR TRADE

With 75 years of experience and the most extensive international network, Coface is a leader in trade credit insurance and adjacent specialty services, including Factoring, Debt Collection, Single Risk insurance, Bonding and Information services. Coface's experts work to the beat of the global economy, helping ~50,000 clients in 100 countries build successful, growing, and dynamic businesses across the world. Coface helps companies in their credit decisions. The Group's services and solutions strengthen their ability to sell by protecting them against the risks of non-payment in their domestic and export markets. In 2020, Coface employed ~4,450 people and registered a turnover of €1.45 billion.

Visit coface.com.hk