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COFACE ECONOMIC PUBLICATIONS

PAYMENT SURVEY

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Latin America Payment Survey 2026: Tightening Credit Conditions Amid Persistent Payment Delays

Coface conducts payment surveys for several different economies and regions. The objective of this survey for Latin America is to better understand the region's corporate payment habits and the health of its economy. The survey was carried out over the April – May 2026 period which saw 272 companies participate in the study across over 6 countries, including Argentina, Brazil, Chile, Colombia, Ecuador, and Peru.

Latin American companies continue to operate in a challenging economic environment. Coface expects regional GDP growth to remain modest over 2026–2027, at 2.0% and 2.3% respectively, following 2.3% in 2025. This subdued performance reflects moderate global growth—including a gradual slowdown in key export markets such as the US and China—alongside structurally low investment levels in the region and limited fiscal space. The U.S.'s more protectionist trade stance since 2025, while still a cause for concern regarding exports and the potential redirection of low-cost Chinese exports from the U.S. to other markets, has become less prominent among the risk factors. Instead, geopolitical tensions— namely in the Middle East, have moved to the forefront of concerns. Although Latin America remains geographically distant from the conflict and has relatively low direct trade exposure, it is not immune to its negative spillover effects. Among these, upward revisions to inflation expectations since the escalation of tensions in late February 2026 stand out. This has also affected the monetary policy outlook across the region. Residual rate cuts previously expected in Chile and Peru now appear unlikely. In Brazil, although the easing cycle began in March 2026, the scope for further monetary loosening has narrowed, leading the central bank to adopt smaller cuts and potentially shorten the cycle, depending largely on the evolution of geopolitical risks and their impact on inflation expectations. In a nutshell, the combination of modest growth, elevated inflationary pressures, and limited room for monetary easing casts a shadow over the outlook for the solvency of companies in the region.

In this economic environment, companies have slightly shortened their payment terms, with the average credit period declining from 59 days in 2025 to 56 days in 2026. This may reflect greater risk aversion and/or increased liquidity pressures, prompting firms to accelerate cash inflows. Payment delays have become more widespread, with 79% of companies reporting overdue payments, up from 77% in 2025. The share exceeded 79% in Brazil, Chile, Ecuador, and Peru, as well as across nine sectors, including automotive, retail, construction, pharmaceuticals, metals, chemicals, wood, textiles, and transport.

However, while delays have become more frequent, they have also become shorter on average. The average duration of delays decreased to 33 days, down from 42 days in 2025, potentially reflecting more efficient debt collection practices.

Looking ahead, expectations for 2026 remain cautiously optimistic: although economic activity is projected to stay broadly stable, nearly 70% of companies anticipate improved business performance. Risks persist, however, with 24% of respondents citing an economic slowdown as the main concern, followed by high competition, geopolitical tensions, exchange rate volatility, and supply chain disruptions.

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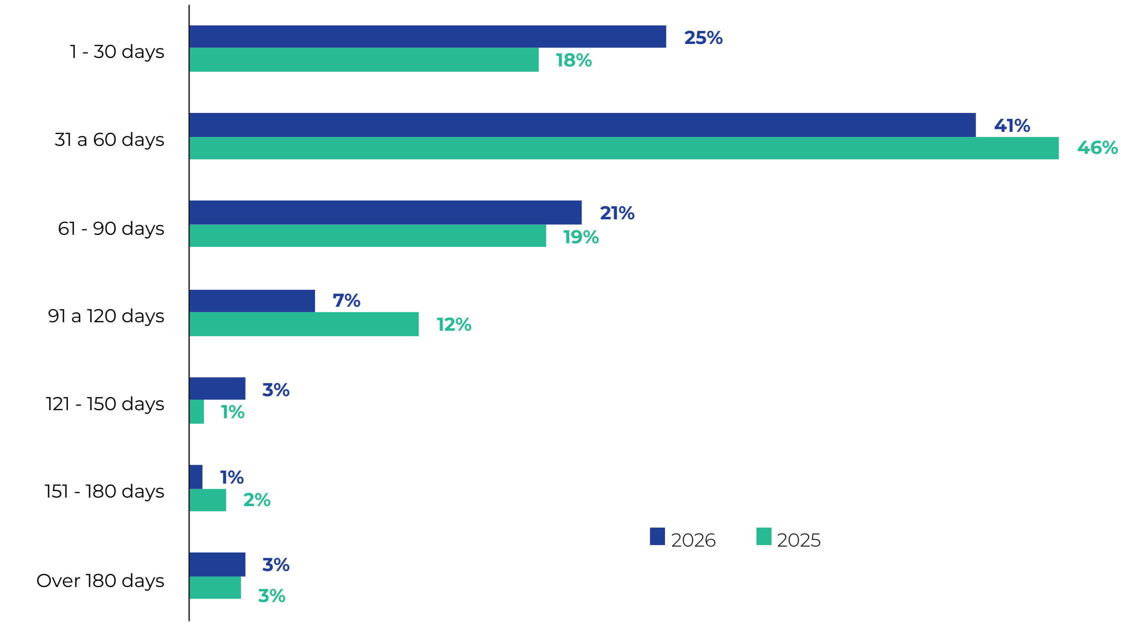
PAYMENT TERMS

Among the Latin American companies surveyed, 95% offered payment terms to their customers in 2026, representing an increase from 88% in 2025 and indicating that it has become even more widespread. Market practice remained the main reason for doing so. The credit period is generally short — with 87% of companies offering terms of up to 90 days (**Chart 1**), this marks a marginal tightening compared to 2025, when 83% fell within that range. Consequently, the average credit term declined from 59 days in 2025 to 56 days in 2026. Most respondents continued to offer payment terms between 31 and 60 days; however, this range became less representative in 2026 (41%) compared to 2025 (46%). The reduction in the average credit term was primarily driven by an increase in the share of companies offering shorter terms of 0–30 days.

The 31 - 60-day timeframe was the most common across nearly all countries (except for Peru[1]), among companies of different turnover sizes (except firms with annual sales of up to USD 2 million[2]), and in most domestic and multinational companies[3]. From a sectoral perspective, it was also the most common payment term in 12[4] out of 13 sectors. The sole exception was the textile sector, where the 61–90 day range predominated.

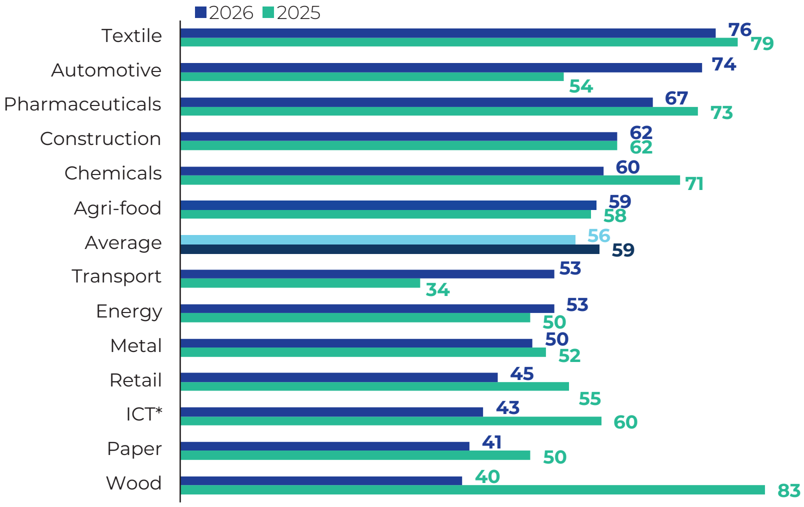
Chart 1:
Payment terms in Latin America



Source: Coface Payment Survey

1 The 1-30 days range was the most common
2 The 1-30 days range was the most common
3 The exception was among the range multinational – micro or small companies, in which 61 – 90 days prevailed
4 In the case of pharmaceuticals, the 61–90-day timeframe was equally frequent
5 Information and Communication Technologies

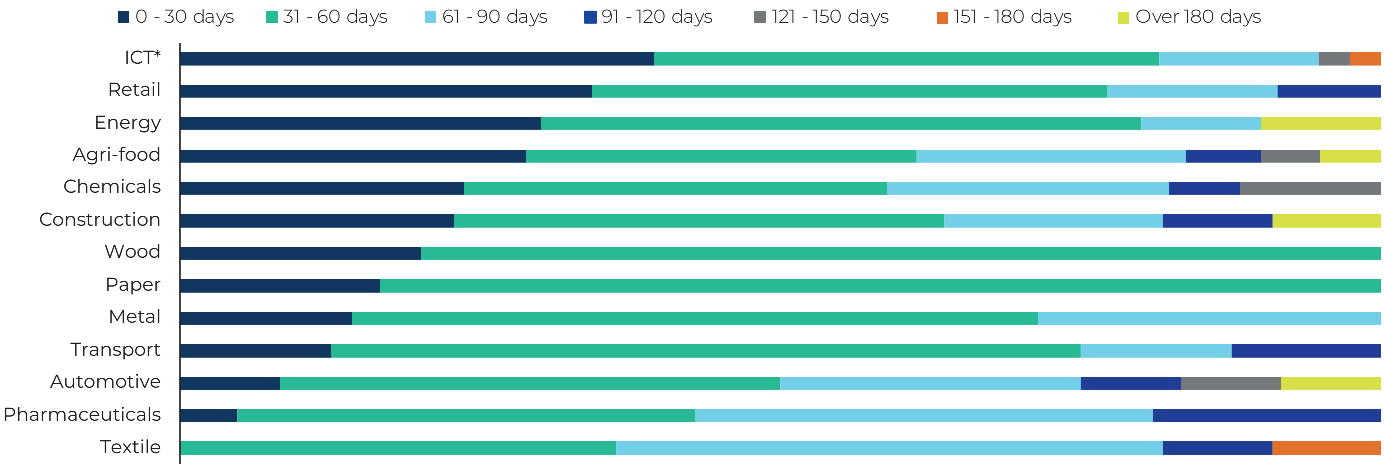
Chart 2:
Average payment terms by sectors (in days)



Source: Coface Payment Survey

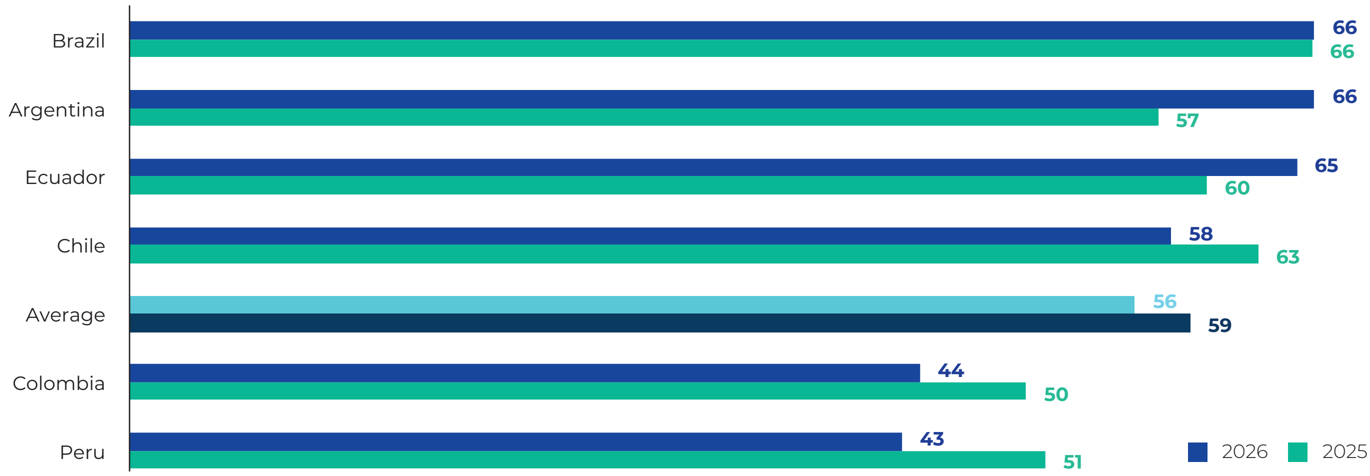
From a sectoral perspective, the wood sector was among the most restrictive, with an average payment term of 40 days and all transactions conducted under short-term conditions of up to 60 days (**Charts 2 and 3**). In addition, the ICT sector[5] recorded the highest share of companies offering payment terms of up to 30 days, at 39%. Conversely, the most generous sectors offering long average payment terms include automotive (25% with credit periods of over 90 days) and pharmaceuticals (19%). Only four of the thirteen sectors — automotive, transport, energy and agri-food —reported an extension in payment terms in 2026 compared to 2025, with increases of 20, 19, 3 and and 1 day, respectively. Across countries, average payment terms shortened in Chile, Colombia, and most notably Peru, where they declined by 8 days (**Chart 4**), reaching the lowest average in 2026 at 43 days. In contrast, Brazil and Argentina recorded the longest payment terms, at 66 days.

Chart 3:
Payment terms by sector



Source: Coface Payment Survey

Chart 4:
Average payment terms by country (in days)



Source: Coface Payment Survey

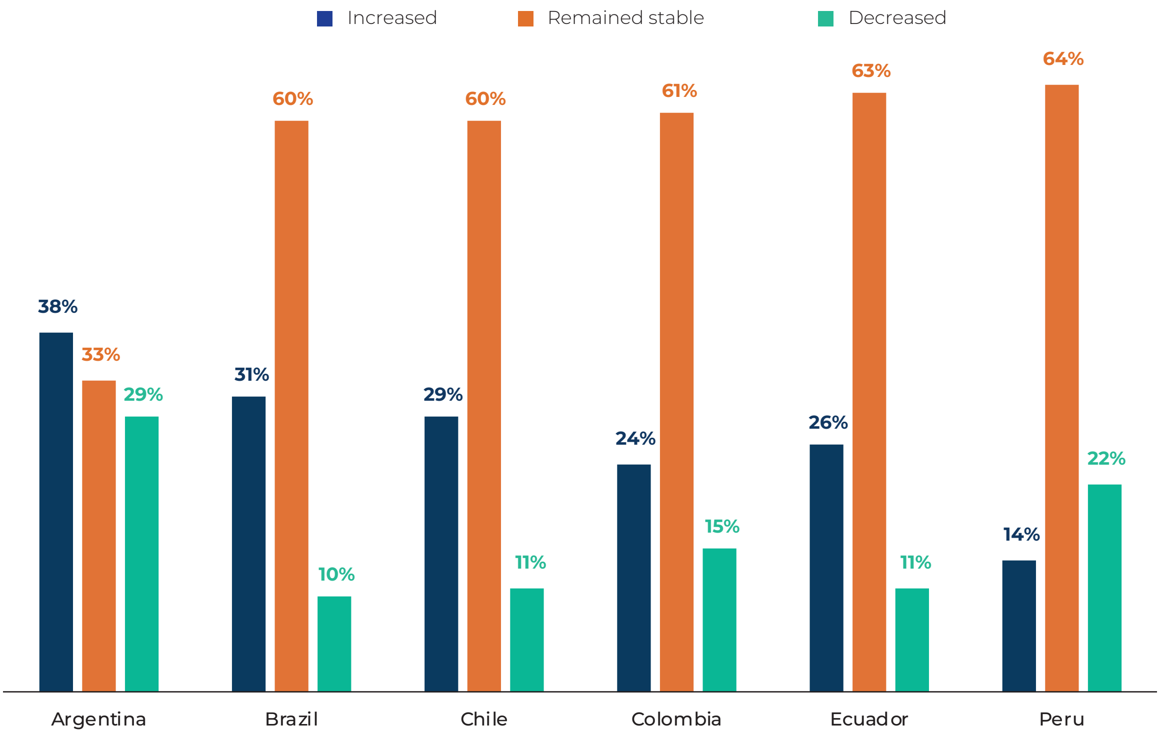
2 PAYMENT DELAYS

Delays in payment appear to be frequent among Latin American businesses. Of the companies surveyed, 79% claimed they have experienced payment overdue. This represents a mild increase compared with 2025, when 77% of our sample were facing delays. The ratio exceeded the 79% threshold in four economies (Brazil, Chile, Ecuador and Peru) and across nine sectors (automotive, retail, construction, pharmaceuticals, metals, chemicals, wood, textile and transport). Nonetheless, when asked if payment delays increased in 2026 compared with 2025, most companies said that the number of payment delays remained stable. This pattern was observed across almost all countries, apart from Argentina, where the largest share of companies (38%) reported an increase in delays (**Chart 5**). Moreover, except for Peru, increase in delays trailed decrease in all other countries. This was particularly true in Brazil.

In addition, it is worth noting that, according to national statistics, payment capacity remains strained in Latin America. Brazil recorded a record-high number of companies filing for Chapter 11 protection in 2025, with 2,466 cases—an increase of 13% year-on-year. Moreover, in Chile, corporate liquidations reached 219 cases in the first quarter of 2026, representing a 57.6% year-on-year increase, with a notable concentration among microenterprises (60.3%).

From a sectoral perspective, the automotive sector recorded equal shares of companies reporting increased delays and those indicating no change compared to 2025. Overall, most sectors reported a higher share of companies experiencing delays rather than improvements, including agri-food, retail, construction, energy, ICT, textile, and transport. Pharmaceuticals was the only sector

Chart 5:
Payment delay by country

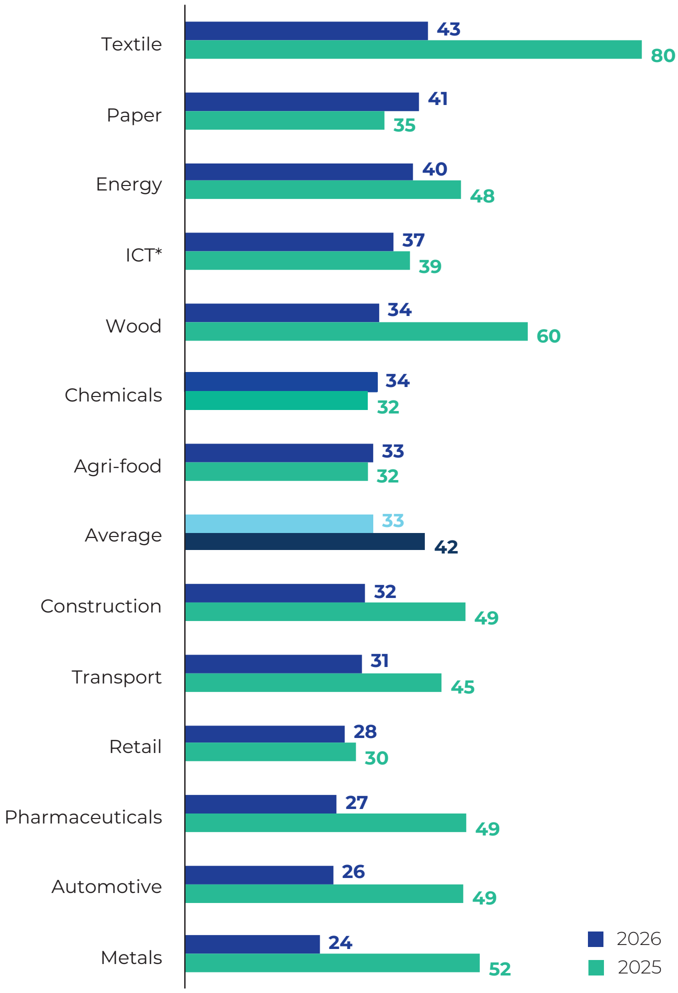


Source: Coface Payment Survey

where the opposite trend was observed. As for wood, metals and chemicals, the three sectors showed a balanced outcome, with equal shares of companies reporting increases and decreases in delays. Finally, paper stood out as the only sector where all three responses—improvement, deterioration, and no change—were equally represented.

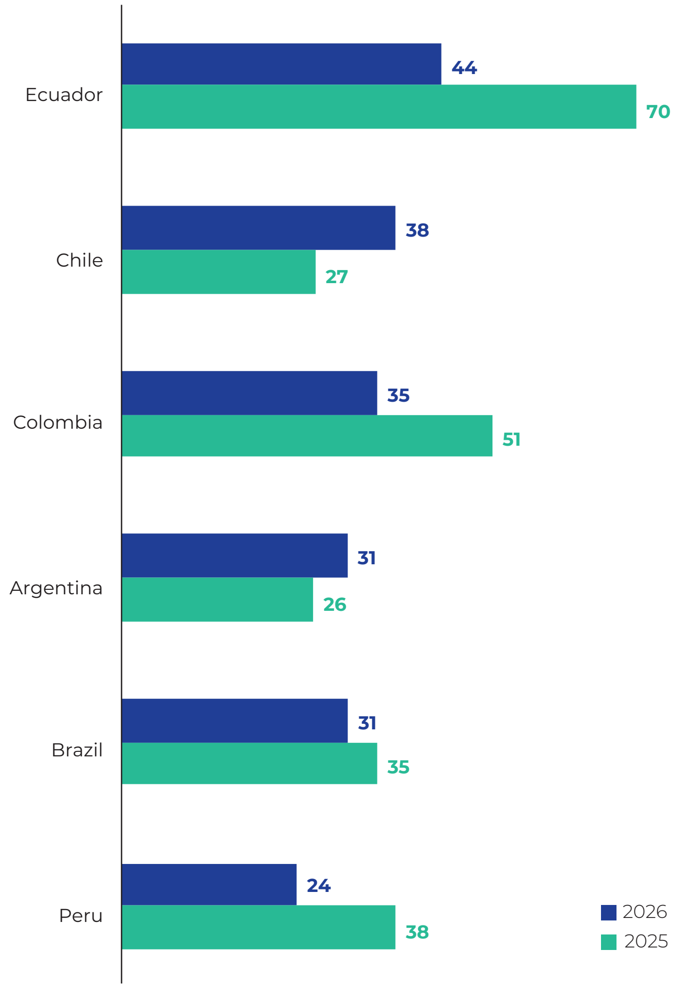
As for average payment delay, it reached 33 days; thus, a shortening compared to 2025 (minus 9 days). This year, 87% of companies surveyed reported average payment delays of up to 60 days (from 75% in 2025). On the contrary, delays between 60 and 150 days became relatively less common and were reported by 13% (from 23% in 2025). Similarly, very long delays exceeding 150 days reached less than 1% of respondents in 2025 (from 2% in 2025). This movement was widespread at sectoral level, apart from agri-food, chemicals and paper which registered a lengthening (**Chart 6**). Delays in payments for textile and metals recorded the biggest drop in a year with - 37 and - 28 days, respectively. From a country perspective, all economies observed a drop in average length of delays (**Chart 7**), except for Argentina and Chile, which observed a climb of 5 days and 11 days, respectively. Peru reported the shortest average payment delays (24 days), while Ecuador observed once again the largest (44 days). Moreover, 49% of companies surveyed said that delays of over six months represented less than 0.5% of their revenue (37% in 2025), whereas they exceeded 20% of revenue for only 2% of respondents (unchanged from 2025).

Chart 6:
Average payment delays (days) by sector



Source: Coface Payment Survey

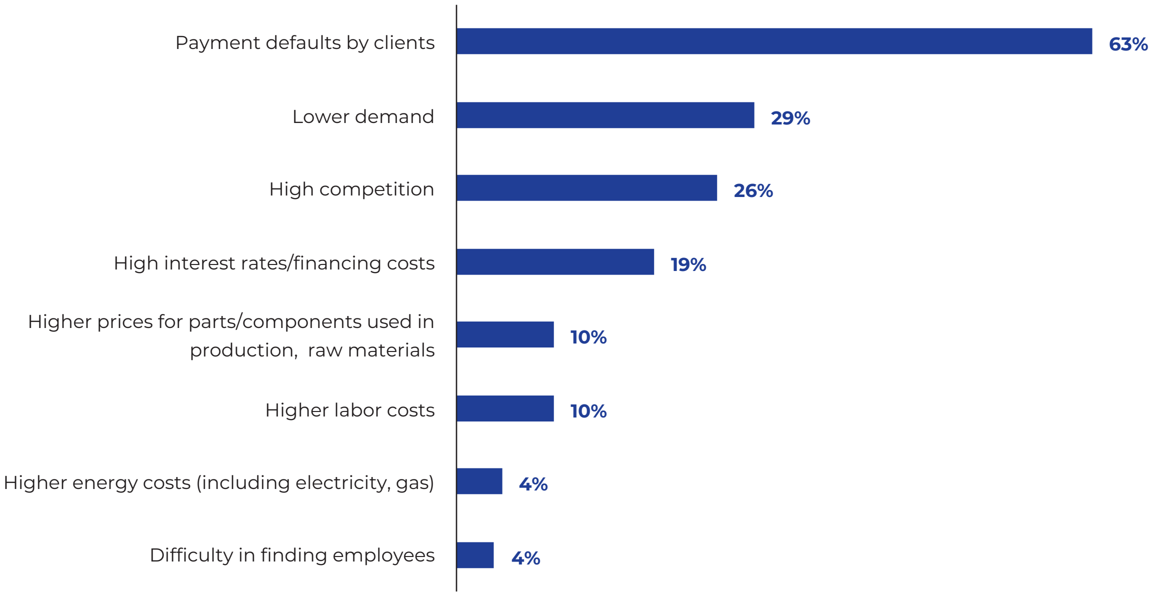
Chart 7:
Average payment delays (days) by country



Source: Coface Payment Survey

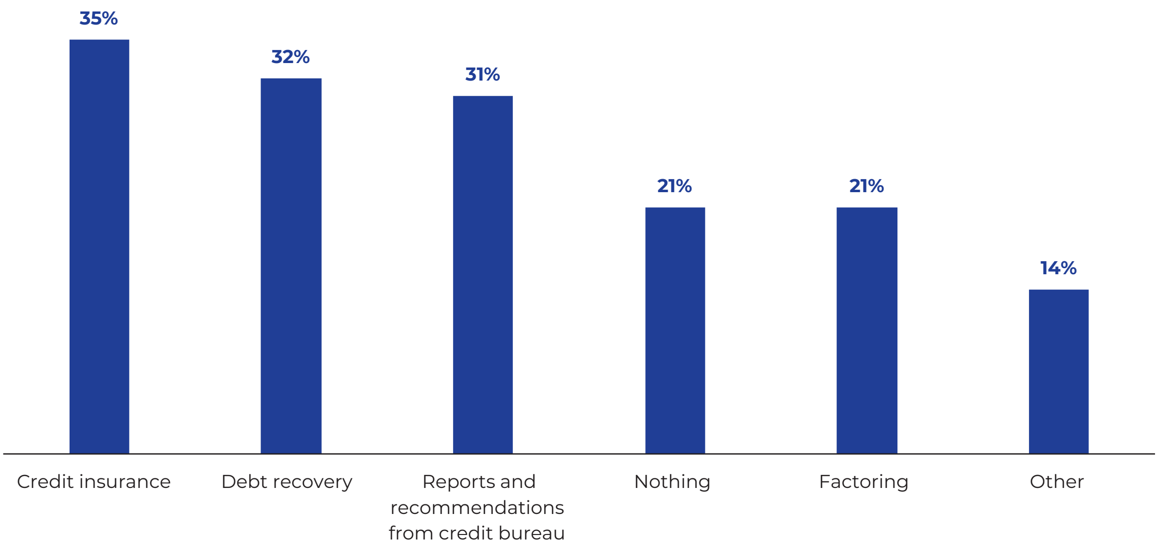
When asked about the main reason for payment delays (**Chart 8**), payment defaults by clients were the most frequently cited factor (63%). This highlights a significant cascading default effect, whereby a company's failure to meet its obligations weakens the payment capacity of its creditors, which may in turn struggle to fulfill their own commitments to suppliers. Additionally, weak demand (29%) was the second most frequently cited driver of non-payments. High financing cost was also commonly mentioned (19%), particularly in Brazil—where 36% of companies identified this as a key factor—amid persistently restrictive monetary conditions, with the Selic policy rate standing at 14.5% as of early June 2026. Regarding the credit management tools that are usually used (**Chart 9**), credit insurance was the most cited by respondents, followed by debt recovery and reports and recommendations from credit bureau. It is worth mentioning that 21% failed to implement any protection tool whatsoever, despite the high incidence of non-payments in the region.

Chart 8:
The main reasons for non-payments in the last 6 months (multiple answers were possible)



Source: Coface Payment Survey

Chart 9:
Credit management tool(s) used (multiple answers were possible)



Source: Coface Payment Survey

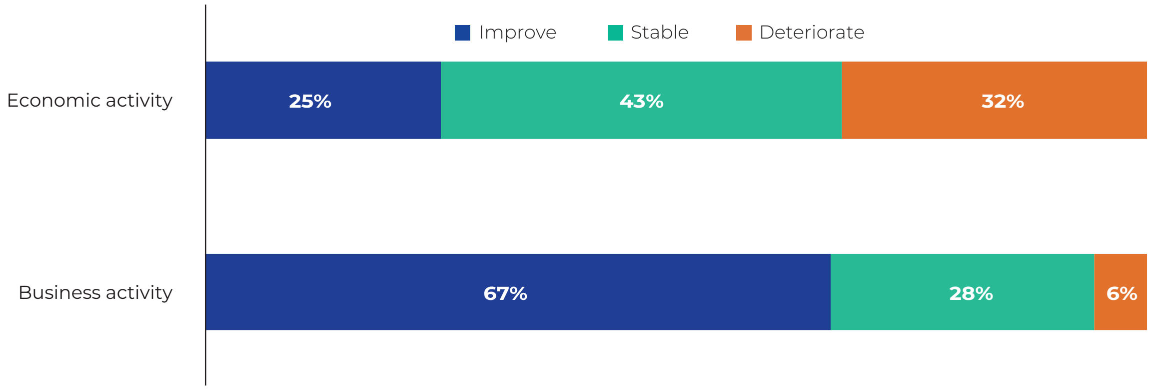
3 EXPECTATIONS

Most companies expect economic activity to remain stable in 2026 compared to 2025, with a smaller share anticipating a deterioration (**Chart 10**). Stability was the dominant expectation most countries, except for Argentina and Chile where deceleration and stronger growth prevailed, respectively. Indeed, Coface estimates GDP growth to decelerate in Argentina, from 4.4% in 2025 to 3% in 2026. Contrarily, we project acitivity to lose steam in 2026 in Chile (from 2.5% growth in 2025, to 1.8% this year), amid external headwinds — including its status as a net energy importer — and rising inflation.

Despite this steady overall economic outlook, with only a minority share (25% of respondents) expecting activity to pick up, nearly 70% of respondents believe their own business activity will improve this year, and only 6% expect it to worsen. Optimism about business performance prevailed across all countries and sectors.

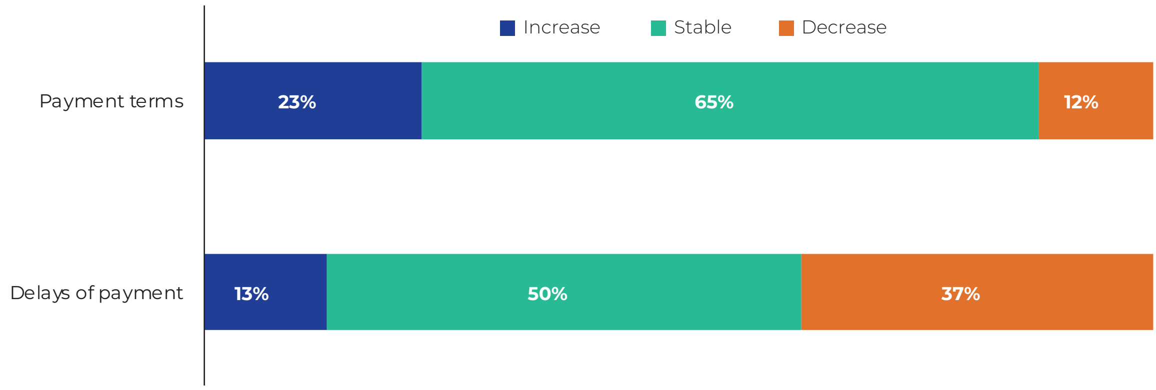
Regarding payment terms (**Chart 11**), most respondents expect them to remain stable over the next six months. This view was widespread across countries and sectors, except in automotive, where expectations of an increase were more frequent. As for payment behavior, stability also prevailed. Ecuador was the only country where a reduction in payment delays was the most common expectation, while in Peru, views were evenly divided between reduction and stability. By sector, most respondents in ICT expect payment delays to improve. In the automotive, construction, paper, chemicals and textile sectors opinions were split between stability and reduction.

Chart 10:
Expected economic and business activities in 2026 compared with 2025



Source: Coface Payment Survey

Chart 11:
Expected evolution of payment terms and delays in the next six months



Source: Coface Payment Survey

Despite a moderately optimistic outlook for business activity in 2026 compared to 2025, concerns remain. When asked about the main risks over the next 12 months (**Chart 12**), respondents identified a potential slowdown in economic activity as the primary threat. Coface expects Latin America's GDP growth to moderate to 2.0% in 2026, from 2.3% in 2025. This softer momentum reflects weaker global conditions—particularly amid geopolitical tensions in the Middle East—alongside tight credit conditions, notably in Brazil and Colombia, although some easing is anticipated in Brazil over the course of 2026[6], and limited fiscal space for stimulus.

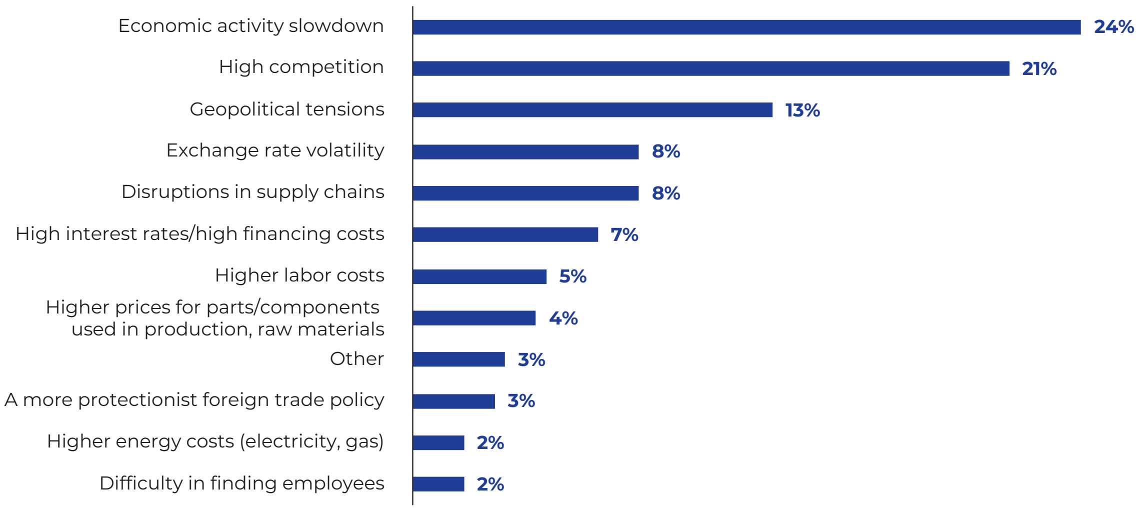
High competition emerged as the second most frequently cited risk, followed by global geopolitical tensions. Exchange rate volatility and supply chain disruptions were also highlighted, each to a similar extent. While the region is relatively less exposed to geopolitical tensions than others, it is not immune. Net energy importers, such as Chile and Peru, are among the most vulnerable. However, even net exporters—including Argentina, Brazil, Colombia, and Ecuador—face rising inflationary pressures, particularly through higher fuel prices, which constrain the scope for monetary easing. Additionally, higher fertilizer prices driven by the conflict pose a key concern for Latin American economies, given their reliance on imports. This is reflected at the sectoral level, where 18% of agri-food companies identified geopolitical tensions as a major risk.

As for exchange rate volatility, it stands among the most frequently cited risks, given the still-uncertain external environment and, likely, a degree of caution among companies given the significant electoral cycle in the region in 2026, with presidential elections in countries such as Peru, Colombia, and Brazil[7]. However, it is worth notting that so far this year, Latin American currencies have held up better than expected. In fact, some currencies have appreciated as of early June 2026, including the Brazilian real, the Mexican peso, and the Colombian peso. This resilience is supported by high interest rates in the region—which sustain carry trade[8] inflows—as well as Latin America's position as a major commodity exporter at a time of generally elevated prices, and by a USD that lacks a clear directional trend.

As for higher labor costs, while this factor was cited by only 5% of surveyed companies, it is worth noting that 85% of these respondents are based in Colombia. This very high concentration is not surprising, given that the country's minimum wage increased by around 23% in nominal terms in 2026 (approximately 17–18% in real terms after adjusting for inflation).

Finally, it is important to note that, although rising trade protectionism in the US has been a concern for the global economic environment since 2025, its impact on surveyed companies has so far been limited, being cited by only 3% of respondents. Importantly, after the survey's data collection period, the US administration proposed tariffs of up to 12.5% on imports from 60 countries[9], citing forced labor concerns — an accusation rejected by its partners. For Brazil, these would add to the 25% tariffs on certain imports announced on June 1, 2026, based on alleged unfair practices (such as digital trade, intellectual property and ethanol market access). The latter measure could take effect as early as July 15, pending a final decision by the US government after public consultations and hearings.

Chart 12:
Which of the factors below do you consider the major risk for your business in the next 12 months



Source: Coface Payment Survey

6 As of early June 2026, the Selic policy rate is expected to close the year at 13.50%, up from the 12% projection prior to the onset of the Middle East conflict in late February 2026.

7 Presidential runoff elections in Peru (7th) and Colombia (21st), while Brazil will hold the first round of its presidential election on October 4th.

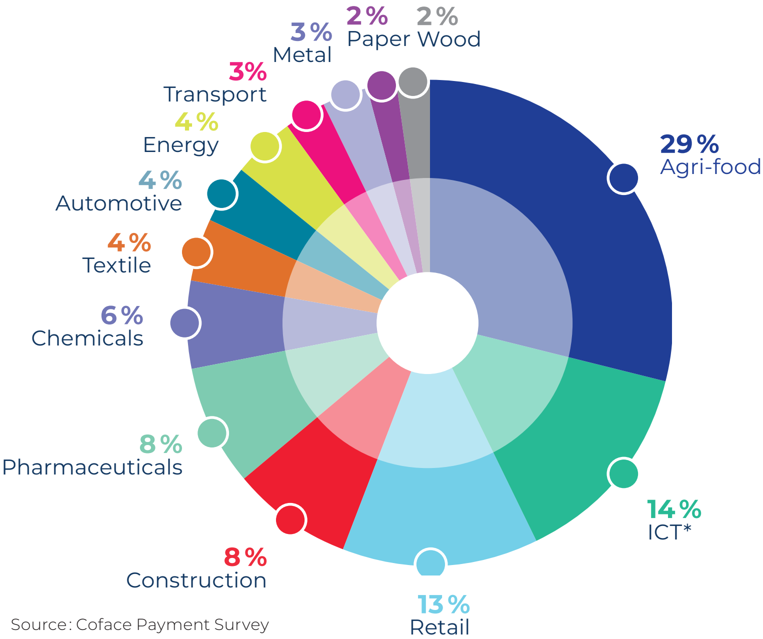
8 A carry trade is an investment strategy in which an investor borrows funds in a low-interest-rate environment and invests them in higher-yielding assets to profit from the interest rate differential.

9 A 12.5% tariff would be applied to Brazil, Chile, Colombia, and Peru; in the case of Argentina and Ecuador, the rate would be 10%.

APPENDIX

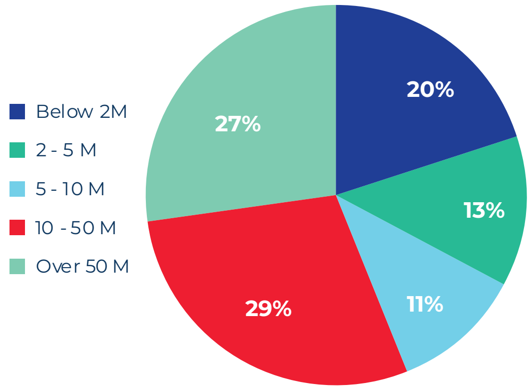
A TOTAL OF
272
COMPANIES PARTICIPATED IN THE PAYMENT SURVEY

SECTORS OF COMPANIES SURVEYED



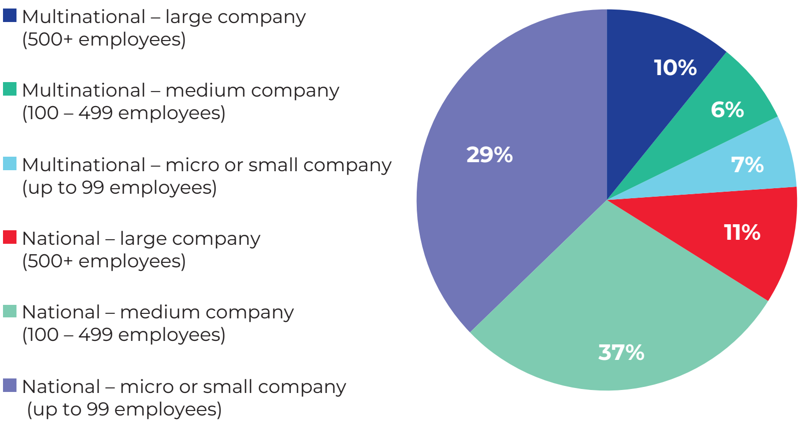
Source: Coface Payment Survey

SIZE OF COMPANIES BY TURNOVER (in M USD)



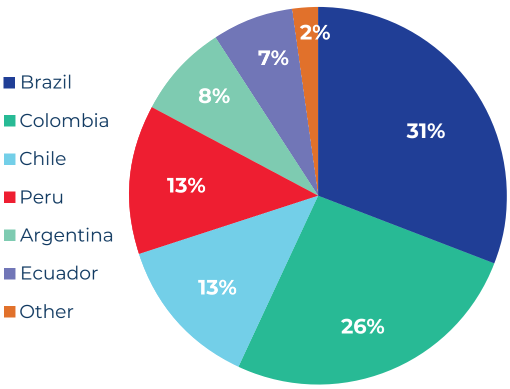
Source: Coface Payment Survey

SIZE OF COMPANIES BY NUMBER OF EMPLOYEES



Source: Coface Payment Survey

COUNTRY OF ORIGIN



Source: Coface Payment Survey

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