PRESS RELEASE

Coface APAC Payment Survey 2026: Strong economic growth does not make Taiwanese firms immune to payment delays.

- **95% of Taiwanese firms experienced late payments in the past 12 months, compared with 91% across Asia Pacific.**
- **Average payment terms reached 77.1 days**, nearly seven days longer than the APAC average of 70.2 days.
- **Average payment delays stood at 69.3 days**, broadly in line with the regional average of 68.1 days.
- **36% experienced at least one customer default**, and notably higher for automotive, agrifood, and construction sectors.
- **Agrifood and construction offered the longest payment terms**, at approximately 99 days, but were also among the sectors facing the longest delays.
- **39% expect payment conditions to deteriorate** over the next 12 months, with chemical firms being the most cautious.

Japan, September 15, 2026 – Despite Taiwan's strong AI-driven economic growth, late payments remain a widespread challenge for Taiwanese businesses. 95% of surveyed firms experienced at least one late payment during the past 12 months, according to Coface's APAC Payment Survey 2026, exceeding the Asia Pacific average of 91%.

Among firms affected by late payments, those in agrifood, automotive, transport, and metals reported average overdue periods of more than 80 days, well above the overall average. This suggests that old economy sectors with weaker links to the AI boom continue to face significant working capital pressures despite the broader economic recovery.

"*Payment behavior in Taiwan is far from uniform across sectors. While firms in the ICT sector have generally demonstrated greater resilience, industries less tied to the AI boom, such as automotive, agrifood, and construction, report significantly higher rates of payment delays and customer defaults. Even within the ICT sector, nearly half of surveyed firms have experienced customer defaults,*" said **Junyu Tan, Regional Economist for North Asia at Coface.** "*Businesses should avoid interpreting Taiwan's AI-driven economic strength as a broad-*

based improvement in credit conditions. Instead, credit risks should be assessed at both the sector and individual customer level."

Longer payment terms increase working-capital exposure

Taiwanese businesses offered customers an average of 77.1 days to pay, nearly seven days longer than the APAC average. Only 16% of Taiwanese respondents typically provided terms of up to 30 days, compared with 32% across APAC. At the other end of the spectrum, 16% offered terms exceeding 90 days.

The average payment delay in Taiwan was 69.3 days beyond the agreed due date. A supplier experiencing both the market-average payment term and the average delay could therefore wait close to five months from invoice to payment.

The impact is not uniform across the economy. Companies with stronger cash positions may be able to absorb longer payment cycles, while businesses with limited liquidity or high customer concentration can be more vulnerable to a significant delay.

Uneven credit conditions amid the AI boom

Payment terms vary significantly by sector. The AI-led economic boom has not been evenly distributed, with some traditional manufacturing industries continuing to face weaker demand, price competition and transition pressures.

Agrifood and construction firms offered the longest average terms, at approximately 99 days. This was around three weeks longer than Taiwan's overall average of 77.1 days. The two sectors also recorded some of the longest delays when payments became overdue. Agrifood firms waited an average of approximately 93 days beyond the agreed deadline, the longest delay among the sectors covered. Construction firms recorded an average delay of around 75 days.

Automotive and transportation companies also reported lengthy payment delays, at approximately 84 and 83 days respectively. In contrast, ICT firms offered the shortest average payment terms, at approximately 57 days. While overdue payments in ICT can still be significant, shorter initial terms help limit the overall settlement cycle.

The survey results reflect this divergence. Customer financial health or creditworthiness and customer's industry sector were jointly identified as the leading factors influencing variations in late payment behaviour, each cited by 20.3% of Taiwanese respondents. Customer size followed at 18.9%, while macroeconomic conditions were cited by 13.5%.

One in three surveyed firms experienced customer defaults

Some 36% of Taiwanese respondents experienced at least one instance in which a customer failed to pay entirely during the past 12 months. While lower than the Asia-Pacific average of 45%, this does not mean risks are absent. Automotive,

agriculture, and construction are among the most affected. Even within the ICT sector, more than 40% of surveyed firms experienced customer defaults during the past year.

"*AI-driven economic growth is creating significant opportunities for Taiwanese businesses, but it does not eliminate underlying credit risks. The survey highlights that payment delay and buyer defaults continue to pose real challenges for companies across industries. As businesses pursue growth, maintaining healthy cash flow and strengthening credit risk management should remain a strategic priority. Through trade credit insurance and comprehensive credit management practices, the enterprises can better safeguard the accounts receivable and enhance resilience against uncertainty*," said **Sarah Chu, General Manager of Coface Taiwan**. "*Sustainable growth depends not only on expanding sales but also on effectively managing risk under current environment*."

Chemical firms are the most cautious about the outlook

Taiwanese businesses remain cautious about future payment conditions, although they are less pessimistic than respondents across APAC. Some 39% expect customer payment conditions to deteriorate over the next 12 months, compared with 48% across APAC. A further 37% expect conditions to remain broadly unchanged, while 24% anticipate an improvement.

The outlook differs significantly by sector. Chemical firms are the most cautious, with approximately two-thirds expecting payment conditions to worsen. This is notable because the sector currently has a shorter-than-average settlement cycle, suggesting that its concerns relate more to the future direction of payment behaviour than to its present position alone.

Wood and energy companies are also relatively cautious. In contrast, transportation and textiles firms report more positive expectations, although results for sectors with smaller respondent bases should be interpreted carefully.

Earlier action can prevent delays from becoming losses

With 95% of Taiwanese firms surveyed affected by late payments and 39% expecting conditions to deteriorate over the next year, disciplined customer-risk management remains essential. Combining internal payment history with current financial information, sector analysis and external risk indicators can help companies detect weakening counterparties earlier and protect cash flow.

ABOUT COFACE APAC PAYMENT SURVEY 2026

The 16th edition of the Coface APAC Payment Survey, conducted in March and April 2026, gathered insights from 2,800 finance professionals across multiple sectors and 10 APAC markets, including 159 respondents in Taiwan. The survey examines evolving payment behaviours, liquidity pressures, customer defaults and early

warning indicators, while evaluating the governance, analytics, escalation frameworks and customer-engagement practices that strengthen organisational resilience to payment risk.

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