

Russian Businesses Delay Payments as Cash Squeeze Deepens

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Anastasia Barashkova / Reuters

Russian businesses are increasingly delaying payments to suppliers as slowing economic growth, higher taxes, falling profits and expensive borrowing strain their finances, raising the risk of a chain reaction of unpaid bills.

The growing payment delays highlight strains in Russia's economy as the full-scale war in Ukraine approaches its five-year mark, raising questions about its ability to sustain military spending while keeping civilian businesses afloat.

Companies' outstanding payables rose by 32 trillion rubles (\$396.8 billion) over the year to June, reaching 155 trillion rubles (\$1.92 trillion), according to a [report](#) by rating agency Expert RA, citing Rosstat data.

The increase was the largest over any 12-month period since 2004. The total covers outstanding payment obligations, including bills that are not yet overdue.

Expert RA said businesses were increasingly postponing payments because they lacked the cash to cover day-to-day operations and faced difficulties securing affordable financing.

By delaying payments to suppliers, companies effectively obtain interest-free credit. Their outstanding payables are growing roughly twice as fast as bank borrowing, which increased by 12%, and bond debt, which rose by 13%.

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Payment delays have become more common among businesses of all sizes.

Among large companies, 23.8% were paying late, up from 20.8% a year earlier. The share delaying payments by more than 60 days rose to 6.5% from 4.1% at the start of 2025.

Among medium-sized businesses, 20.6% were paying late, compared with 17.4% a year earlier, including 6.2% that were more than 60 days behind.

Expert RA warned that high interest rates and shortages of working capital risked triggering a “domino effect,” with suppliers left waiting for payment becoming unable to meet their own obligations.

Falling profits are adding to the pressure. Aggregate corporate profits, after accounting for losses, fell 13.3% in the first half of 2026 compared with a year earlier and were nearly a quarter below their level in the same period of 2024.

The share of loss-making companies rose to 34% from 28% over those two years.

With less cash available and borrowing still expensive, businesses are increasingly spreading out payments. Delaying settlement with suppliers has become cheaper than borrowing money to pay them on time, the agency said.

Expert RA expects credit risks to increase in 2027, when the government forecasts economic growth of just 1.4% and investment growth of 0.2%.

The Central Bank held its benchmark interest rate at 14% on Friday and raised its forecast for the average rate next year to 12.5%–13.5%, from 10.5%–12.5%, signaling that borrowing costs would remain elevated.

Despite the mounting pressure, Expert RA said it did not expect bond defaults to trigger a systemic economic crisis. It forecast that defaults would account for no more than 1% of the bond market by value, with risks concentrated among weaker borrowers.

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