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PRESS RELEASE

## More firms pay their bills promptly amidst strong economic performance

Singapore, 24 August 2007 — In the midst of strong business performance and favourable economic outlook, Singapore-based companies have shown significant improvements in their payment patterns over the past one year.

Latest data released by Dun & Bradstreet Singapore (D & B Singapore) show that in June 2007, about 46% of Singapore-based companies paid their suppliers promptly. This is an improvement of 12 percentage points compared to a year ago. At the same time, the proportion of companies that were slow in payment has reduced from 51% to 40% over the same period.

Prompt payment is defined as at least 90% of total bills are paid within the agreed payment terms while slow payment means more than 50% of total bills are paid later than the agreed credit terms.

The latest data also show general improvement in payment practices across all major industries, including the manufacturing, construction, wholesale and services industries.

The most significant improvement is seen in services sector, where 53% of services related companies paid their bills promptly in June 2007, representing an increase of 18 percentage points compared to June 2006.

The proportion of manufacturing companies paying their bills promptly stood at 45% for three consecutive months since April 2007. This has improved from just 29% a year ago.

In line with the booming property market, construction industry players are seemingly able to manage their cash flows better, thus resulting in vast improvement in their payment patterns. In June 2007, the proportion of construction related firms that paid their suppliers promptly is 43%. A year ago, it was merely 28%.

Commenting on the improvement in payment patterns among the Singapore-based companies, Mr Yun Kok Siong, Director of Sales for D&B Singapore and Malaysia said, “We are encouraged that there is a consistent increase in the proportion of companies which pay their bills promptly. This is due to the improved economic conditions that result in better business performance and cash flow. Also there is a greater awareness of the benefits of prompt payments among the local business community.”

“When companies are committed to pay promptly, they demonstrate the ability to manage their cash flow efficiently, thus are likely to achieve better credit ratings which could translate into better credit terms. This is especially important for small and medium sized enterprises (SMEs), which are always faced with difficulties to secure financing. “

D & B Singapore (previously known as Infocredit D & B) is Singapore’s leading provider of business information and risk management solutions. It also operates SME Credit Bureau in Singapore, a database of local enterprises and their credit history.

Since its establishment in 2005, SME Credit Bureau has been actively building up its database. Payment data collected has increased six folds since 2005. Companies that contributed their payment data to the bureau consist of both large and small companies. For example, a major Fortune 500 PC maker has recently committed to provide their Asia Pacific trade data.

Mr Yun said, “The SME Credit Bureau has enjoyed healthy growth over the past two years. We have seen many SMEs come forward wanting to know more about how sharing of payment data can help them manage their risk better. In order to provide more opportunities for SMEs to understand the Bureau, we have been consistently conducting seminars and breakfast talks on the benefits of the SME Bureau to companies in Singapore.”

“SME Credit Bureau has progressed well given the short time of its existence. However, for the Bureau to realise its full potential, it has to garner greater support from the financial institutions” said Mr Lawrence Leow, President of the Association of Small and Medium Enterprises (ASME).

“With more SMEs expanding into the region and requiring funding for their overseas projects, ASME hopes that more financial institutions will recognise the value that SME Credit Bureau can bring in terms of providing comprehensive and independent credit information on SMEs,” he added.

Besides Singapore, the importance of SME Credit Bureau is gaining recognition in the region. D & B Singapore’s affiliate in Malaysia, Dun & Bradstreet Malaysia Sdn Bhd (D & B Malaysia) has recently set up the first SME Credit Bureau in Malaysia, via a strategic alliance with Credit Guarantee Corporation Malaysia Berhad (CGC), a subsidiary of Malaysia’s central bank, Bank Negara.

**Payment Trends**

		<b>Jun-06</b>	<b>Jun-07</b>
	Prompt	34%	46%
Singapore	Prompt/Slow	14%	14%
	Slow	51%	40%

**Prompt Payment Percentages**

	<b>Jun-06</b>	<b>Jun-07</b>
<b>Manufacturing</b>	29%	45%
<b>Wholesale</b>	38%	45%
<b>Retail</b>	34%	33%
<b>Services</b>	35%	53%
<b>Construction</b>	28%	43%
<b>Overall</b>	34%	46%

**Slow Payment Percentages**

	<b>Jun-06</b>	<b>Jun-07</b>
<b>Manufacturing</b>	55%	41%
<b>Wholesale</b>	47%	42%
<b>Retail</b>	49%	43%
<b>Services</b>	52%	36%
<b>Construction</b>	56%	45%
<b>Overall</b>	51%	40%