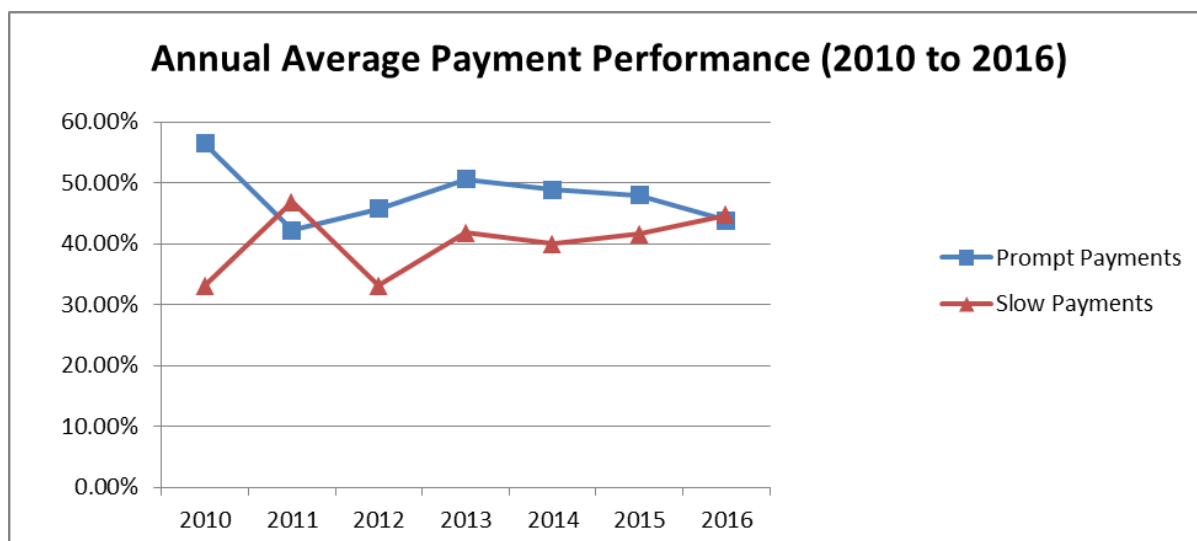


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**FOR IMMEDIATE RELEASE**

**Payment performance for 2016 hits a new-low in 5 years**  
***Y-o-y slow payments rise across all five industries for the second consecutive quarter in Q4 2016***  
***-Singapore Commercial Credit Bureau***

**Singapore, 03 January 2017** – Payment performance of local firms have hit a new-low in 5 years since 2011. According to Singapore Commercial Credit Bureau (SCCB), the annual average proportion of slow payments have increased since 2014 and hit a new 5-year high in 2016 at 44.71 per cent while the annual average proportion of prompt payments have declined to a new 5-year low at 43.77 per cent in 2016.

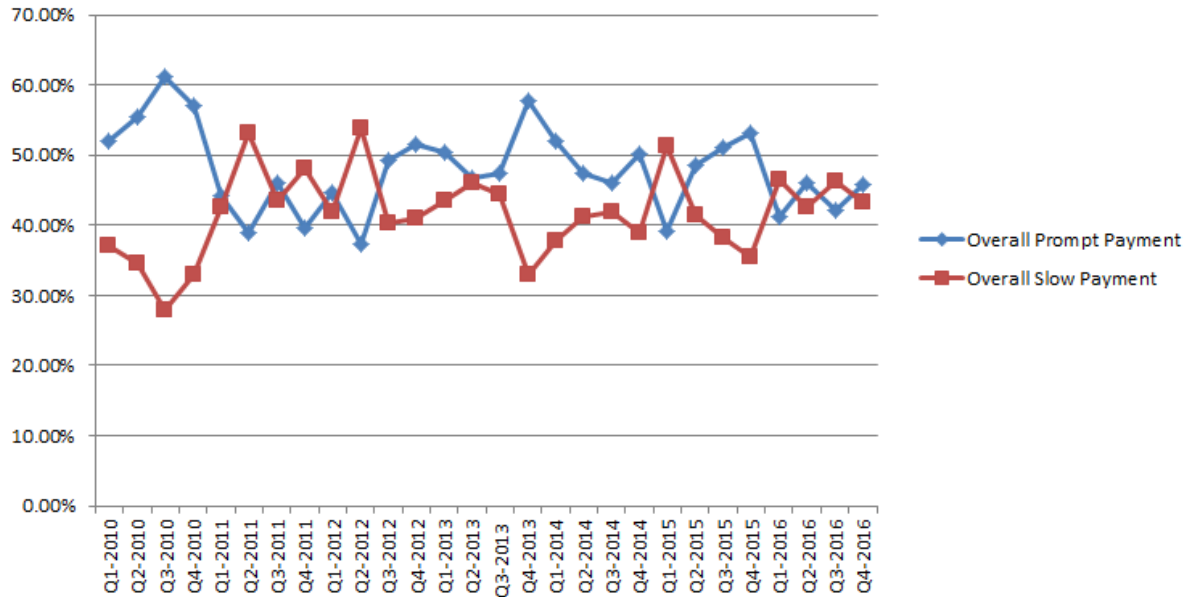


Year-on-year (y-o-y) payment performance has deteriorated despite the marginal quarter-on-quarter (q-o-q) improvements in Q4 2016. For four consecutive quarters in 2016, prompt payments have accounted for less than half of total payment transactions while slow payments have accounted for more than two-fifths of payment transactions. According to SCCB's latest payment statistics, y-o-y prompt payments have continued on a downward trend, falling by 7.23 percentage points from 53.10 per cent in Q4 2015 to 45.87 per cent in Q4 2016. Slow payments have also risen significantly by 7.85 percentage points from 35.43 per cent in Q4 2015 to 43.28 per cent in Q4 2016.

On a q-o-q basis, prompt payments edged slightly upwards by 3.69 percentage points from 42.18 per cent in Q3 2016 to 45.87 per cent in Q4 2016. Slow payments fell by 3.09 percentage points from 46.37 per cent in Q3 2016 to 43.28 per cent in Q4 2016.

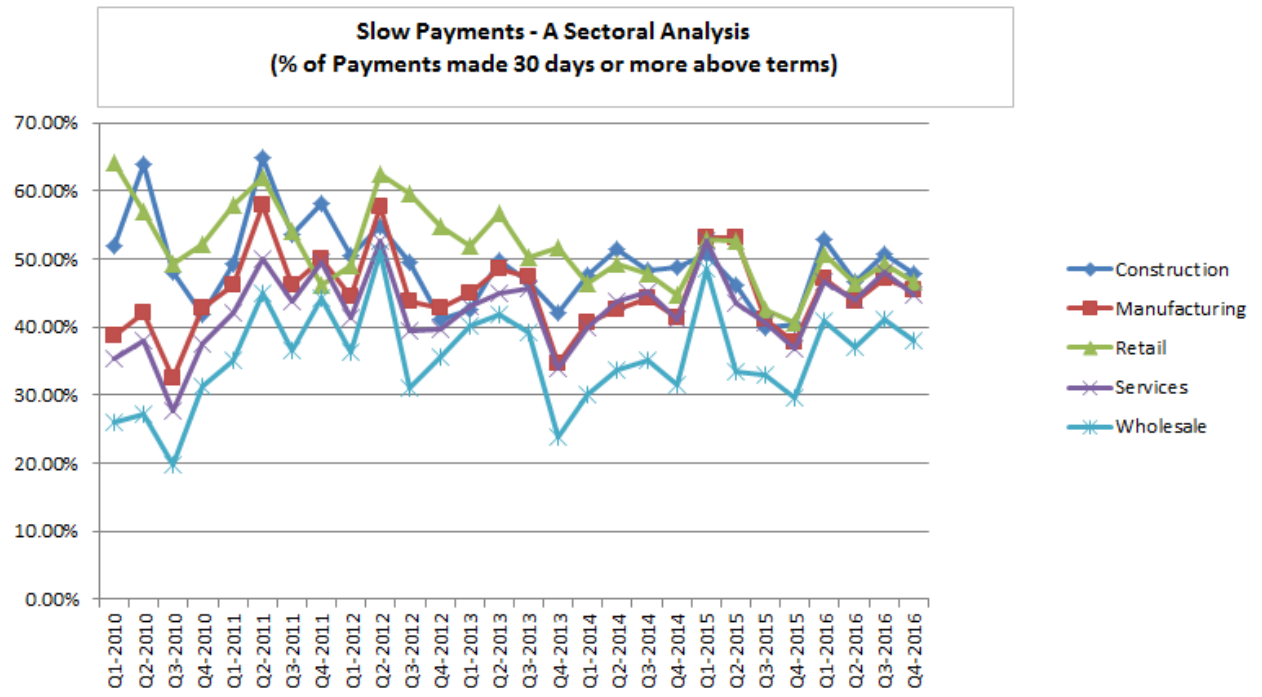
Meanwhile, y-o-y partial payments have fallen by 0.62 percentage points from 11.47 per cent in Q4 2015 to 10.85 per cent in Q4 2016. On a q-o-q basis, partial payments have also moved in a similar direction, dipping by 0.60 percentage points from 11.45 per cent in Q3 2016 to 10.85 per cent in Q4 2016.

**Singapore Payment Performance**  
**Overall Payment Performance (Q1 2010 to Q4 2016)**



From a sectoral perspective, q-o-q slow payments have improved slightly across all five industries. This stands in contrast to Q3 2016 when slow payments deteriorated across all 5 industries. However, y-o-y payment delays continued to rise significantly for all 5 industries.

Sector	% of Slow Payments			Percentage-Point Change	
	Q4 2016	Q3 2016	Q4 2015	Q-o-q	Y-o-y
Construction	47.97	50.82	40.37	-2.85	+7.60
Manufacturing	45.36	47.13	37.73	-1.77	+7.63
Retail	46.69	49.35	40.64	-2.66	+6.05
Services	44.66	48.01	36.84	-3.35	+7.82
Wholesale	37.96	41.16	29.61	-3.20	+8.35



**Construction**

The construction sector registered the highest proportion of slow payments for the fourth consecutive quarter. According to SCCB, the weak payment performance was largely attributed to bad debts by firms within the heavy construction sub-sector.

- Payment delays accounted for nearly half of all payment transactions within the sector. Q-o-q payment delays dipped slightly by 2.85 percentage points from 50.82 per cent in Q3 2016 to 47.97 per cent in Q4 2016.
- Firms involved in heavy construction works registered the highest proportion of slow payments, accounting for more than half of all payment transactions within the sector. Payment delays within the sub-sector slipped marginally by 1.87 percentage points from 52.68 per cent in Q3 2016 to 50.81 per cent in Q4 2016. Slow payments within the building construction sector fell by 2.84 percentage points from 51.98 per cent in Q3 2016 to 49.14 per cent in Q4 2016. Meanwhile, payment delays by special trade contractors displayed a more visible improvement, dropping by 3.45 percentage points from 48.89 per cent in Q3 2016 to 45.44 per cent in Q4 2016.
- On a y-o-y basis, payment delays within the construction sector jumped markedly by 7.60 percentage points from 40.37 per cent in Q4 2015 to 47.97 per cent in Q4 2016.

**Retail**

Due to subdued growth among retailers in recent months, the sector accounted for the second largest proportion of payment delays in Q4 2016. SCCB notes that this marks the second consecutive y-o-y increase in slow payments within the retail sector.

- According to SCCB, slow payments slipped q-o-q by 2.66 percentage points from 49.35 per cent in Q3 2016 to 46.69 per cent in Q4 2016.
- The food and beverage retail sector registered the highest proportion of slow payments, rising by 2.01 percentage points from 48.04 per cent in Q3 2016 to 50.05 per cent in Q4 2016. This is followed by

retailers of building materials and garden supplies, which fell significantly from 61.21 per cent in Q3 2016 to 48.93 per cent in Q4 2016. Retailers of general merchandise accounted for the third highest proportion of slow payments, dipping by 1.93 percentage points from 47.19 per cent in Q3 2016 to 45.26 per cent in Q4 2016.

- On a y-o-y basis, slow payments climbed by 6.05 percentage points from 40.64 per cent in Q4 2015 to 46.69 per cent in Q4 2016.

### **Wholesale Trade**

The wholesale trade sector experienced the highest y-o-y increase in payment delays largely due to prolonged weakness in trading activities particular in oil, petroleum and petroleum products.

- According to SCCB, payment delays soared significantly by 8.35 percentage points from 29.61 per cent in Q4 2015 to 37.96 per cent in Q4 2016, making up nearly two-fifths of payment transactions within the sector.
- On a q-o-q basis, slow payments within the wholesale sector fell by 3.20 percentage points from 41.16 per cent in Q3 2016 to 37.96 per cent in Q4 2016.
- As with Q3 2016, the wholesale trade of durable goods experienced a higher proportion of slow payments compared to non-durable goods. Payment delays by wholesalers of durable goods fell by 3.17 percentage points from 41.38 per cent in Q3 2016 to 38.21 percentage points in Q4 2016. Slow payments by wholesalers of non-durable goods dropped by 3.29 percentage points from 40.41 per cent in Q3 2016 to 37.12 per cent in Q4 2016.

### **Services**

Meanwhile, payment performance within the services sector remained weak as slow payments accounted for the second largest y-o-y increase. The weaker showing is largely attributed to slower payments experienced by the health services, consumer-facing personal services and recreational services sub-sectors.

- On a y-o-y basis, slow payments jumped visibly by 7.82 percentage points from 36.84 per cent in Q4 2015 to 44.66 per cent in Q4 2016.
- Q-o-q payment delays slipped by 3.35 percentage points from 48.01 per cent in Q3 2016 to 44.66 per cent in Q4 2016.
- According to SCCB, the health services sector registered the highest proportion of payment delays, rising markedly by 10.34 percentage points from 52.70 per cent in Q3 2016 to 63.04 per cent in Q4 2016. This is followed by the consumer-facing personal services sector, up 5.06 percentage points from 43.02 per cent in Q3 2016 to 48.08 per cent in Q4 2016. The amusement and recreational services sector accounted for the third highest proportion of payment delays, down 1.20 percentage points from 46.42 per cent in Q3 2016 to 45.22 per cent in Q4 2016.

### **Manufacturing**

The manufacturing sector accounted for the third highest proportion of slow payments due to a slowdown in the transport engineering and biomedical subsectors.

- According to SCCB, slow payments dipped slightly by 1.77 percentage points from 47.13 per cent in Q3 2016 to 45.36 per cent in Q4 2016.
- Manufacturers of transportation equipment registered the highest proportion of slow payments, slipping by 6.43 percentage points from 61.42 per cent in Q3 2016 to 54.99 per cent in Q4 2016. This is followed by manufacturers of lumber and wood, up by 5.82 percentage points from 47.47 per cent in Q3

2016 to 53.19 per cent in Q4 2016. Manufacturers of furniture and fittings registered the third highest proportion of payment delays at 52.53 per cent in Q4 2016, rising significantly by 7.67 percentage points from 44.86 per cent in Q3 2016.

- On a y-o-y basis, slow payments have increased markedly by 7.63 percentage points from 37.73 per cent in Q4 2015 to 45.36 per cent in Q4 2016.

“The latest payment figures for the final quarter of 2016 were to some degree unprecedented based on the trend which we have observed over the recent years. Typically in Q4, the payment performance of firms would have improved visibly due largely from sales which have been raked in during the festive season. Based on our statistics, slow payments have accounted for less than two-fifths of all payment transactions in the final quarter of 2013, 2014 and 2015. Q4 2016 marks the first time in 3 years when the proportion of payment delays has exceeded two-fifths.” commented Ms. Audrey Chia, D&B Singapore’s Chief Executive Officer.

“However, not all is doom and gloom as there have been some slight improvements on a quarter-on-quarter basis. This could be due to firms taking a more proactive stance in enforcing of payment terms and exercising greater control over cashflow planning.” added Ms. Chia.

#### **Commentary**

D&B Singapore compiles the figures by monitoring more than 1.6 million payment transactions of firms operating through its Singapore Commercial Credit Bureau (SCCB). Payment data is contributed to the Bureau by local firms. Prompt payment is classified as when at least 90% of total bills are paid within the agreed payment terms while slow payment is classified as when more than 50% of total bills are paid later than the agreed credit terms.

#### **About Singapore Commercial Credit Bureau**

Established in 2005, Singapore Commercial Credit Bureau (SCCB) operates a database of local enterprises and their credit history to provide clients with the insight needed to build trust and improve the quality of business relationships with their customers, suppliers and business partners. SCCB operates under D&B Singapore.

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