



Contact:  
 Eugene Zachariah, Marcom & Product Development  
 eugene.tan@dnb.com.sg  
 +65 6439 6670/+65 9478 5568

**FOR IMMEDIATE RELEASE**

**Singapore payment performance hits new peak as slow payments plunged to 3-year low in Q4 2013**  
 - *Singapore Commercial Credit Bureau*

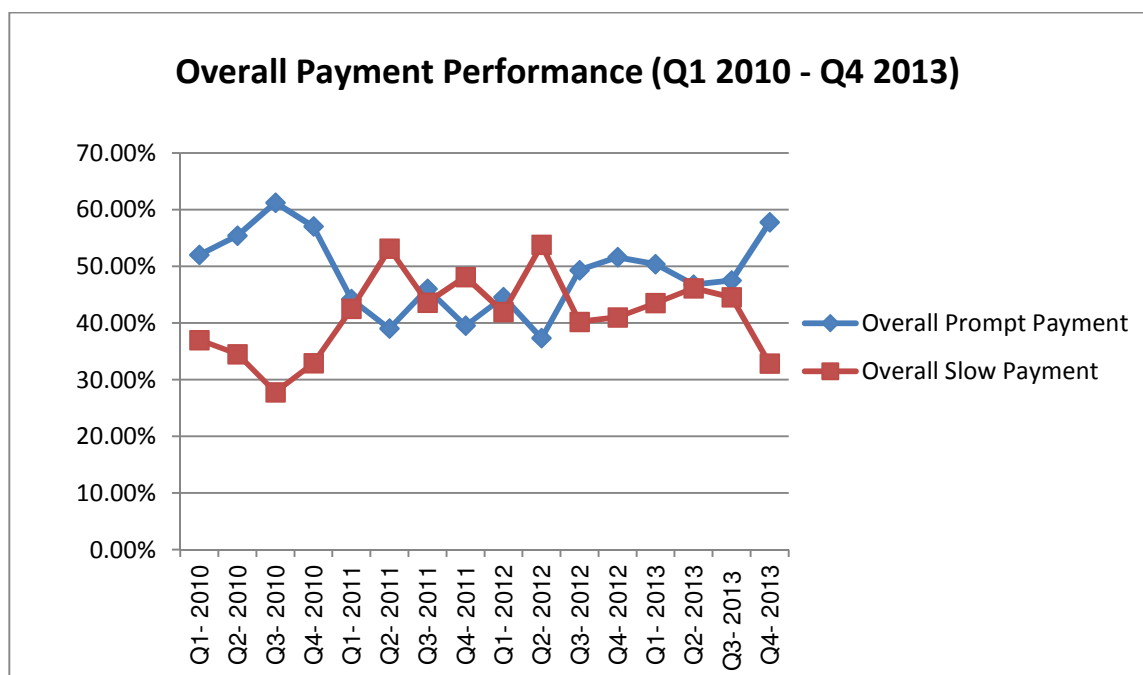
**Singapore, 11 Feb 2014** – After staging a healthy rebound in Q3 2013, local firms rounded off the final quarter of 2013 with stellar payment performance results. Slow payments have taken a dive, setting a 3-year record low since Q3 2010 when payment delays registered an all-time low of 27.8 per cent. Prompt payments have also surged to a 3-year high since hitting an all-time peak of 61.2 per cent in Q3 2010. The strong showing comes amid brighter economic projections ahead.

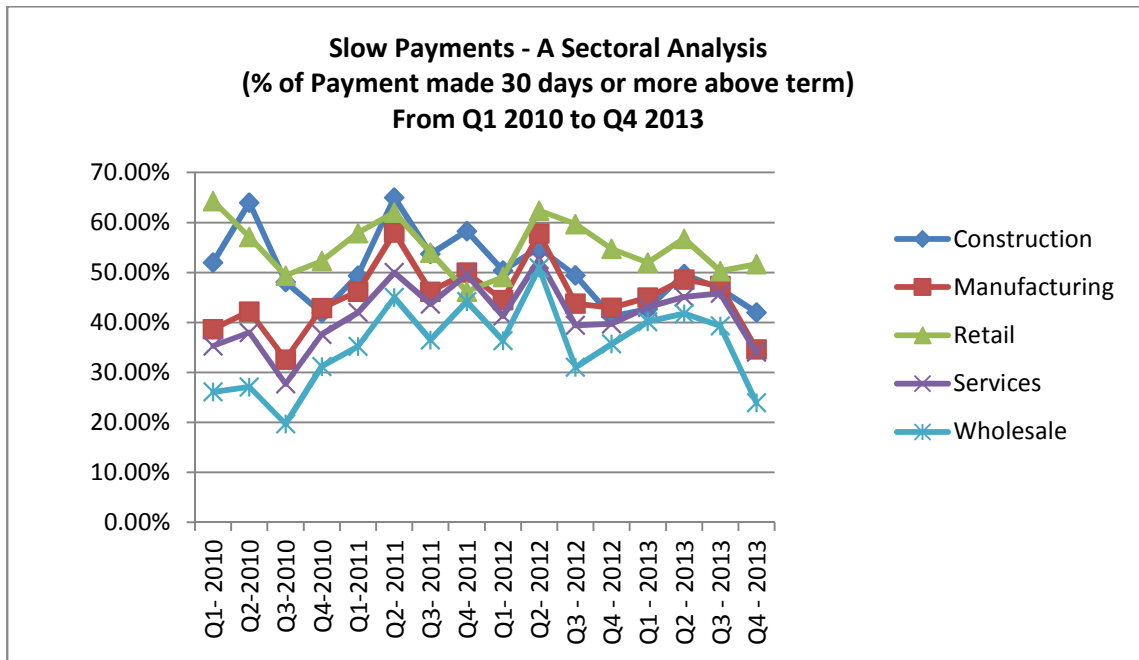
According to Singapore Commercial Credit Bureau (SCCB)'s latest payment trend analysis, slow payments have plunged sharply by 11.68 percentage points quarter-on-quarter (q-o-q) from 44.52 per cent to 32.84 per cent. This marks the second consecutive quarter when slow payments have declined since Q3 last year. On a year-on-year (y-o-y) basis, payment delays have declined by 8.15 percentage points from 40.99 per cent to 32.84 per cent.

More firms are also clearing their debts partially as partial payments inched up by 1.45 percentage points from 7.98 per cent to 9.43 per cent. On a y-o-y basis, partial payments have also experienced a similar magnitude of increase by 1.51 percentage points from 7.92 per cent to 9.43 per cent.

Meanwhile, prompt payments climbed by 10.23 percentage points from 47.5 per cent to 57.73 per cent q-o-q. A similar trend was also observed in the same quarter three years ago in 2010 when prompt payments registered 57 per cent. A y-o-y analysis revealed that prompt payments rose by 6.14 percentage points from 51.59 per cent to 57.73 per cent.

**Singapore Payment Performance**





As with the previous quarter, payment delays have declined across 4 of five industries in Q4 2013. According to SCCB, the decline in payment delays was relatively sharper compared to Q3 last year when an upturn was first observed after a downtrend in the first two quarters of 2013. The marked improvement in payment delays is also evident in a y-o-y analysis with 4 of five industries experiencing declines as compared to Q3 with only 2 of five industries in the analysis.

Maintaining its reputation as the best paymaster in Singapore, the wholesale sector ranks atop with the lowest proportion of slow payments last quarter. According to SCCB, payment delays within the wholesale sector fell by 15.35 percentage points from 39.31 per cent to 23.98 per cent. This also marks the steepest decline in payment delays among the industries being analysed. A y-o-y analysis further revealed that slow payments fell sharply by 11.75 percentage points from 35.71 per cent in Q4 2012. Growth in wholesale trade activity, primarily in re-exports is likely to have contributed to an improved cashflow among wholesalers last quarter. SCCB also further revealed that almost two-thirds of all recorded payment transactions within the sector were prompt, an increase by 13.19 percentage points to 66.37 per cent in Q4 2013.

Following a resurgence in the manufacturing sector over the final two quarters of 2013, payment delays of manufacturers slipped by 12.66 percentage points from 47.32 per cent to 34.66 per cent in Q4. On a y-o-y basis, slow payments dropped by 8.28 percentage points from 42.94 per cent. The decline in slow payments was contributed primarily by manufacturers of apparels, textile products, rubber as well as electronics at 16.93 per cent, 22.59 per cent, 27.34 per cent and 30.14 per cent respectively. According to SCCB, the sharpest decline in slow payments was experienced by manufacturers of petroleum and coal products. Payment delays within the sub-sector fell steeply by 17.98 percentage points from 57 per cent to 31.08 per cent.

Meanwhile, payment delays within the services sector fell for the first time after four consecutive quarters of increase. Slow payments declined by 11.78 percentage points from 45.82 per cent to 34.04 per cent. A y-o-y analysis further revealed that slow payments have decreased by 5.69 percentage points from 39.73 per cent in Q4 2012. According to SCCB, legal services experienced the lowest proportion of payment delays at 19.89 per cent. This also marks the sharpest decline among all sub-sectors within the services industry as payment delays declined by 18.16 percentage points from 38.05 per cent in Q3. The analysis further revealed that educational and business services experienced marked declines in payment delays registering 38.77 per cent and 44.46 per cent respectively.

With a healthy pipeline of building projects from both public and private sectors, payment delays within the construction industry fell moderately by 4.72 percentage points from 46.73 per cent to 42.01 per cent q-o-q. According to SCCB, general building contractors were less prompt in making payments compared to heavy building contractors as payment delays registered 46.45 per cent and 42.33 per cent respectively. Payment delays have however increased y-o-y by 0.82 percentage points from 41.19 per cent. The construction sector is the only sector which saw its slow payments increased in Q4 2013.

After experiencing the sharpest decline in slow payments in Q3 2013, payment delays within the retail sector took a moderate downturn inching upwards by 1.4 percentage points from 50.27 per cent to 51.67 per cent in Q4 2013. This is attributed mainly to an increase in slow payments by food and beverage retailers. Last quarter, payment delays by food and beverage retailers rose by 14.89 percentage points from 57.75 per cent in Q3 2013. On the other end of the spectrum, payment delays by apparel and accessory stores have declined by 15.63 percentage points from 37.33 per cent to 21.7 per cent. On a y-o-y basis, payment delays within the retail sector have slid by 3.06 percentage points from 54.73 per cent. Overall, slow payments within the services sector has remained at relatively healthy levels compared to a year-and-a-half ago when slow payments hit a record high of 62.4 per cent in Q2 2012.

Commenting on the stellar payment performance of local firms, Ms. Audrey Chia, D&B Singapore's Chief Executive Officer said, "The strong uptrend in payment performance of local firms last quarter is a rare phenomenon which we have witnessed throughout the 4-year history of SCCB's payment trend analysis. The signs are certainly encouraging as payment performance last quarter has neared the same peak back in 2010. Payment delays formed less than one-third of all payment transactions during the same quarter that year."

"On the macro level, a better performing economy may have accounted for higher business receipts and hence a significant improvement in payment behaviour. However, firms should be mindful that higher sales may improve their cashflow woes only to a certain extent. While better sales contribute to more accounts receivables, these are not immediately converted into actual cash especially when the transactions are made on credit terms. Therefore, effective credit control and due diligence should continue to be at the fore of the credit management practices of firms here." cautioned Ms. Chia.

### **Commentary**

D&B Singapore compiles the figures by monitoring more than 1.5 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.

### **About D&B**

D&B is the world's leading provider of business-to-business credit, marketing and purchasing information and receivables management services. D&B manages the world's most valuable commercial database with information on more than 225 million companies. D&B has a database of 100 million tradelines on a global basis and 26 million within the Asia Pacific region.

Information is gathered in over 220 countries, in 95 languages or dialects, covering 186 monetary currencies. The database is refreshed more than one million times daily as part of D&B's commitment to provide accurate, comprehensive information for its customers around the world.

For more information, please visit [www.dnb.com.sg](http://www.dnb.com.sg).

**Contact Information**

**Eugene Z.**

**Marcom & Product Development**

**DID: +65 6439 6670**

**HP: +65 9478 5568**

**Email: Eugene.tan@dnb.com.sg**