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FOR IMMEDIATE RELEASE

Payment performance off to a strong start in Q1 2018
Partial payments hit a near 6-year high
 - Singapore Commercial Credit Bureau

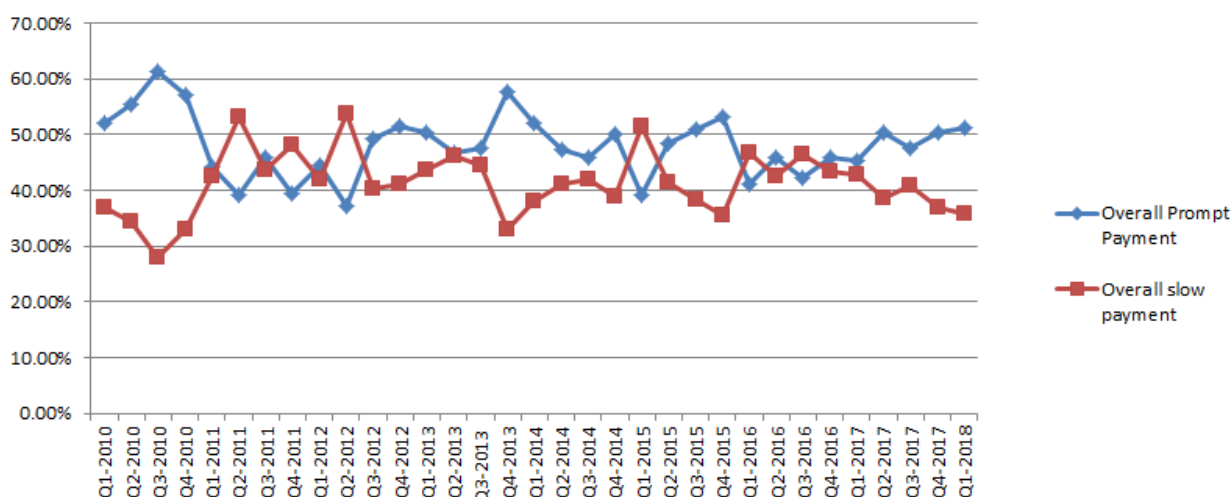
Singapore, 03 April 2018 – Payment performance of local firms has climbed for the second consecutive quarter in Q1 2018. According to Singapore Commercial Credit Bureau (SCCB), prompt payment inched up slightly to more than half of total-payment transactions while slow payments fell to nearly one-third of total payment transactions.

On a quarter-on-quarter (q-o-q) basis, prompt payments rose by 0.8 percentage points from 50.40 per cent in Q4 2017 to 51.20 per cent in Q1 2018. Year-on-year (Y-o-y), prompt payments climbed visibly from 45.44 per cent in Q1 2017 to 51.20 per cent in Q1 2018.

Slow payments dropped moderately by 1.18 percentage points from 36.92 per cent in Q4 2017 to 35.74 per cent in Q1 2018 on a q-o-q basis. Y-o-y, slow payments slipped from 42.81 per cent in Q1 2017 to 35.74 per cent in Q1 2018.

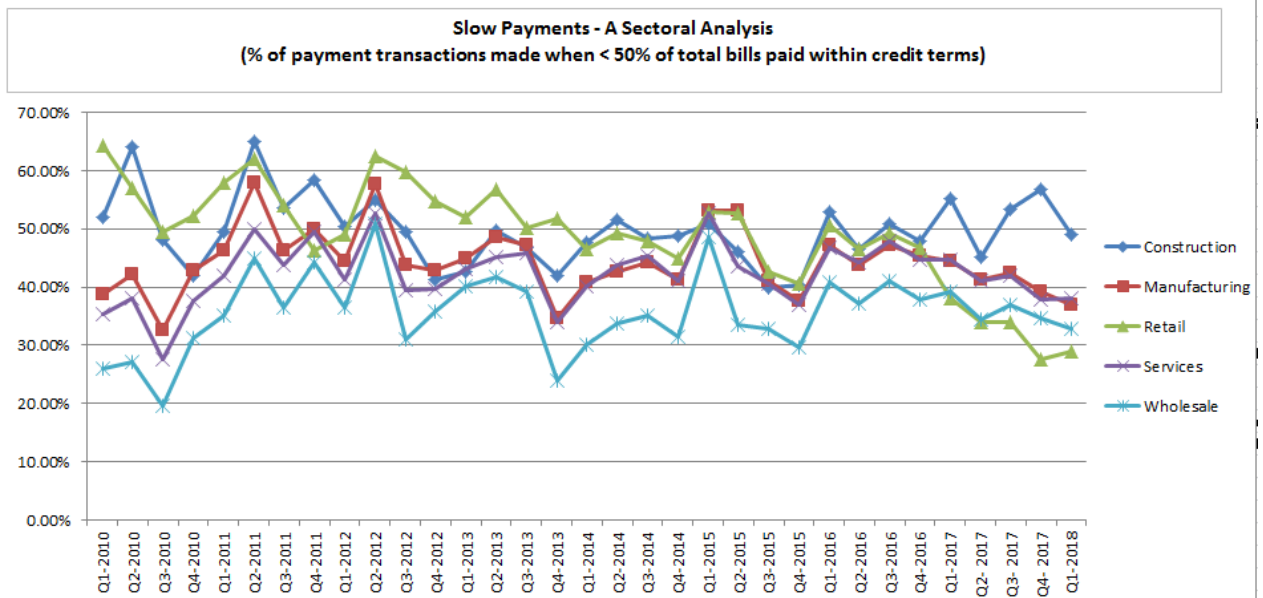
Meanwhile, partial payments inched upwards by 0.38 percentage points from 12.68 per cent in Q4 2017 to 13.06 per cent in Q1 2018. Y-o-y, partial payments rose slightly from 11.75 per cent in Q1 2017 to 13.06 per cent in Q1 2018 on a y-o-y basis.

Overall Payment Performance (Q1 2010 to Q1 2018)



From a sectoral perspective, q-o-q slow payments have improved across 3 industries. However, slow payments deteriorated across two industries in Q1 2018, as compared to one industry in Q4 2017.

Sector	% of Slow Payments			Percentage-Point Change	
	Q1 2018	Q4 2017	Q1 2017	Q-o-q	Y-o-y
Construction	49.14	56.83	55.22	-7.69	-6.08
Manufacturing	36.88	39.30	44.50	-2.42	-7.62
Retail	28.98	27.56	38.08	+1.42	-9.10
Services	38.19	37.84	44.81	+0.35	-6.62
Wholesale	32.78	34.72	39.22	-1.94	-6.44



Construction

The construction sector registered the highest proportion of payment delays for the ninth consecutive quarter since Q1 2016. However, slow payments improved moderately, falling to below half of the total payment transactions within the sector.

- ❖ Q-o-q slow payments dropped visibly by 7.69 percentage points from 56.83 per cent in Q4 2017 to 49.14 per cent in Q1 2018.
- ❖ Special trade contractors saw the largest fall in slow payments, down by 4.72 percentage points from 54.13 per cent in Q4 2017 to 49.41 per cent in Q1 2018. The building construction sector registered the highest proportion of slow payments, down by 2.01 percentage points from 60.05 per cent in Q4 2017 to 58.04 per cent in Q1 2018. Meanwhile, payment delays within the heavy construction sub-sector dropped significantly by 8.81 per cent from 56.03 per cent in Q4 2017 to 47.22 per cent in Q1 2018.
- ❖ On a y-o-y basis, slow payments fell by 6.08 percentage points from 55.22 per cent in Q1 2017 to 49.14 per cent in Q1 2018.

Manufacturing

Slow payments within the manufacturing sector saw further improvements owing mainly to a fall in slow payments by manufacturers of furniture and fittings, lumber and wood products and apparels.

- ❖ Slow payments dropped by 2.42 percentage points from 39.30 per cent in Q4 2017 to 36.88 per cent in Q1 2018.
- ❖ Manufacturers of furniture and fittings experienced the largest fall in payment delays, down by 32.50 percentage points from 67.33 per cent in Q4 2017 to 34.83 per cent in Q1 2018. This is followed by manufacturers of lumber and wood products, down by 26.45 percentage points from 62.60 per cent in Q4 2017 to 36.15 per cent in Q1 2018. Slow payments by manufacturers of apparel and other textile products fell by 13.69 percentage points from 45.83 per cent in Q4 2017 to 32.14 per cent in Q1 2018.
- ❖ On a y-o-y basis, slow payments fell significantly by 7.62 percentage points from 44.50 per cent in Q1 2017 to 36.88 per cent in Q1 2018.

Retail

Despite accounting for the lowest proportion of slow payments, the retail sector saw a slight increase in payment delays owing to a rise in slow payments by automobile retailers as well as retailers of food and beverage.

- ❖ Slow payments inched slightly upwards by 1.42 percentage points from 27.56 per cent in Q4 2017 to 28.98 per cent in Q1 2018.
- ❖ Retailers of automobile registered the highest increase in slow payments, up by 4.84 percentage points from 43.75 per cent in Q4 2017 to 48.59 per cent in Q1 2018. This is followed by retailers of food and beverage which saw slow payments increased by 2.12 percentage points from 24.73 per cent in Q4 2017 to 26.85 per cent in Q1 2018. Slow payments by retailers of general merchandise inched up slightly, up by 1.21 percentage points from 29.63 per cent in Q4 2017 to 30.84 per cent in Q1 2018.
- ❖ On a y-o-y basis, slow payments dropped by 9.10 percentage points from 38.08 per cent in Q1 2017 to 28.98 per cent in Q1 2018.

Services

Payment delays within the services sector also worsened slightly in Q1 2018.

- ❖ Q-o-q slow payments inched up by 0.35 percentage points from 37.84 per cent in Q4 2017 to 38.19 per cent in Q1 2018.
- ❖ The social services sub-sector registered the highest proportion of slow payments, up by 12.54 percentage points from 28.43 per cent in Q4 2017 to 40.97 per cent in Q1 2018. This is followed by legal services, up by 6.29 percentage points from 22.49 per cent in Q4 2017 to 28.78 per cent in Q1 2018. Membership organisations accounted for the third largest increase in payment delays, up by 3.50 percentage points from 22.57 per cent in Q4 2017 to 26.07 per cent in Q1 2018.
- ❖ On a y-o-y basis, slow payments dropped by 6.62 percentage points from 44.81 per cent in Q1 2017 to 38.19 per cent in Q1 2018.

Wholesale Trade

The wholesale trade sector registered the second lowest proportion of payment delays due largely to improvements seen within the wholesale trade of durable goods.

- ❖ Q-o-q payment delays slipped by 1.94 percentage points from 34.72 per cent in Q4 2017 to 32.78 per cent in Q1 2018.
- ❖ Slow payments by wholesalers of durable goods fell moderately by 2.44 percentage points from 35.70 per cent in Q4 2017 to 33.26 per cent in Q1 2018. Payment delays by wholesalers of non-durable goods slipped slightly by 0.50 percentage points from 32.03 per cent in Q4 2017 to 31.53 per cent in Q1 2018.
- ❖ On a y-o-y basis, slow payments within the wholesale trade sector dropped by 6.44 percentage points from 39.22 per cent in Q1 2017 to 32.78 per cent in Q1 2018.

“The first quarter of 2018 saw a strong start for the overall payment performance of local firms as evident from the improvements seen across majority of the sectors. Partial payments have in particular hit a near 6-year high since Q1 2012, which further reflects the greater emphasis which firms have placed in fulfilling their debts partially if not completely.” said Ms. Audrey Chia, D&B Singapore’s Chief Executive Officer.

“Despite the anaemic outlook of the construction sector, slow payments among firms in the sector saw the largest improvements, declining to below half of total payment transactions for the first time in nearly three quarters.” 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 refers to when 90% or more of total bills are paid within the agreed payment terms. Slow payment refers to when less than 50% of total bills are paid within the agreed terms. Partial payment refers to when between 50% and 90% of total bills are paid within the agreed payment 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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