

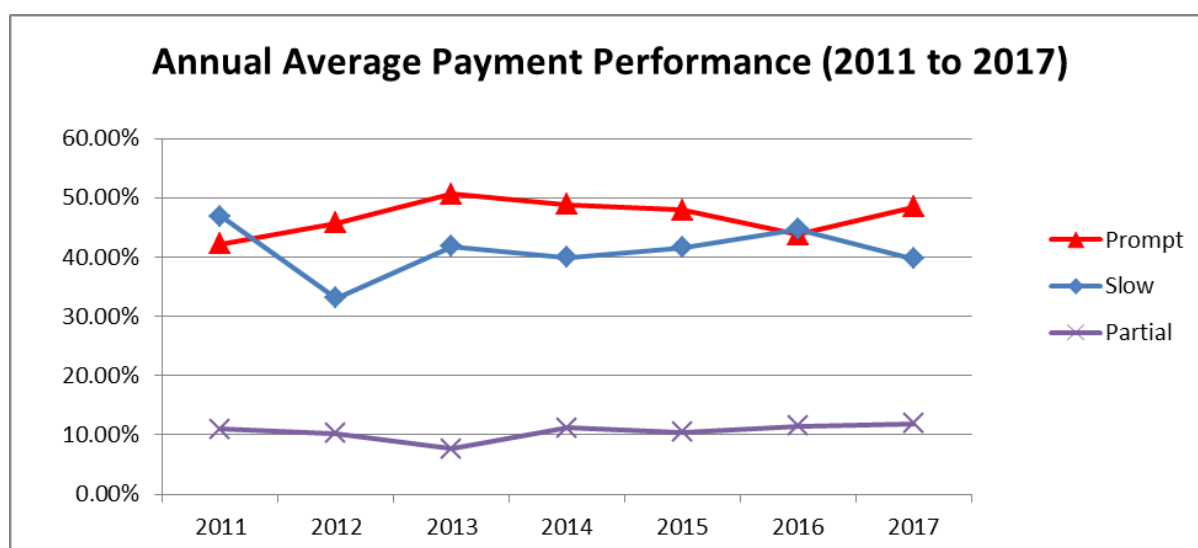
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**FOR IMMEDIATE RELEASE**

**Singapore payment performance rebounded from all-time low  
in 2017**  
*Partial payments rose to a 7-year high  
- Singapore Commercial Credit Bureau*

**Singapore, 16 January 2018** – Payment performance of local firms has rebounded in 2017 from an all-time low in the preceding year. According to Singapore Commercial Credit Bureau (SCCB), the annual average proportion of prompt payments has risen to nearly half of total payment transactions from 43.77 per cent in 2016 to 48.40 per cent in 2017 while the annual average proportion of slow payments has fallen from 44.71 per cent in 2016 to less than two-fifths of total payment transactions, at 39.71 per cent in 2017.

Partial payments has also risen to a 7-year high in 2017, up from 11.52 per cent in 2016 to 11.87 per cent in 2017.



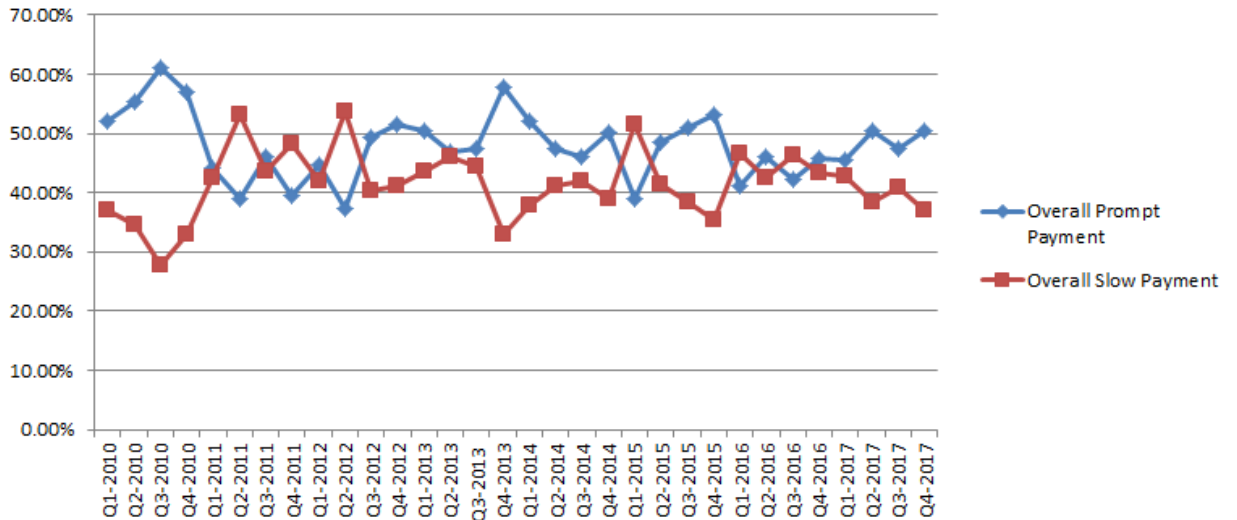
The latest quarterly statistics for Q4 2017 also reflected signs of improvement as prompt payments accounted for approximately 50 per cent of all payment transactions. According to Singapore Commercial Credit Bureau (SCCB), prompt payments have rebounded to slightly more than half of total payment transactions while slow payments fell to nearly one-third of all payment transactions.

On a quarter-on-quarter (q-o-q) basis, prompt payments rose by 2.97 percentage points from 47.43 per cent in Q3 2017 to 50.40 per cent in Q4 2017. Year-on-year (Y-o-y), prompt payments have increased by 4.53 percentage points from 45.87 per cent in Q4 2016 to 50.40 per cent in Q4 2017.

Slow payments fell by 3.83 percentage points from 40.75 per cent in Q3 2017 to 36.92 per cent in Q4 2017. Y-o-y, slow payments dropped by 6.36 percentage points from 43.28 per cent in Q4 2016 to 36.92 per cent in Q4 2017.

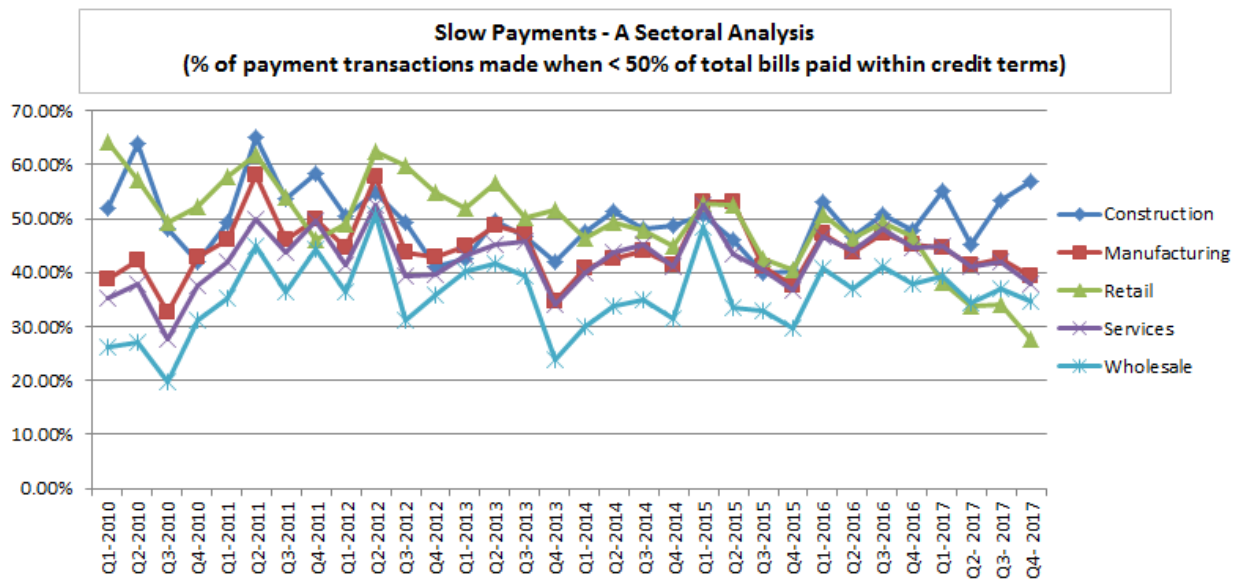
Meanwhile, partial payments inched upwards by 0.86 percentage points from 11.82 per cent in Q3 2017 to 12.68 per cent, reaching a new peak in Q4 2017. Y-o-y partial payments climbed by 1.83 percentage points from 10.85 per cent in Q4 2016 to 12.68 per cent in Q4 2017. The previous peak in partial payments was in Q1 2012 at 13.50 per cent.

**Overall Payment Performance (Q1 2010 to Q4 2017)**



From a sectoral perspective, q-o-q slow payments have improved across majority of the industries. Compared to Q3 2017, only 1 industry experienced a deterioration in slow payments in Q4 2017.

Sector	% of Slow Payments			Percentage-Point Change	
	Q4 2017	Q3 2017	Q4 2016	Q-o-q	Y-o-y
Construction	56.83	53.30	47.97	+3.53	+8.86
Manufacturing	39.30	42.49	45.36	-3.19	-6.06
Retail	27.56	33.96	46.69	-6.40	-19.13
Services	37.84	42.06	44.66	-4.22	-6.82
Wholesale	34.72	36.95	37.96	-2.23	-3.24



**Construction**

The construction sector continues to experience the highest proportion of payment delays for the eighth consecutive quarter since two years ago in Q1 2016. Slow payments within the sector hit a new record in six years since Q4 2011 when payment delays accounted for nearly three-fifths of total payment transactions.

- ❖ Q-o-q slow payments jumped moderately by 3.53 percentage points from 53.30 per cent in Q3 2017 to 56.83 per cent in Q4 2017.
- ❖ The building construction sub-sector registered the highest increase in slow payments, up by 6.24 percentage points from 53.81 per cent in Q3 2017 to 60.05 per cent in Q4 2017. This was followed by special trade contractors which experienced a further increase by 2.17 percentage points from 51.96 per cent in the previous quarter to 54.13 per cent in Q4 2017. Meanwhile, payment delays within the heavy construction sub-sector fell marginally by 1.18 percentage points from 57.21 per cent in Q3 2017 to 56.03 per cent in Q4 2017.
- ❖ On a y-o-y basis, slow payments rose visibly by 8.86 percentage points from 47.97 per cent in Q4 2016 to 56.83 per cent in Q4 2017.

**Manufacturing**

Slow payments within the manufacturing sector improved due mainly to improvements in the electronics and biomedical manufacturing sectors.

- ❖ Slow payments dipped marginally by 3.19 percentage points from 42.49 per cent in Q3 2017 to 39.30 per cent in Q4 2017.
- ❖ Manufacturers of food and kindred products experienced the steepest fall in payment delays, down by 10.80 percentage points from 40.25 per cent in Q3 2017 to 29.45 per cent in Q4 2017. This is followed by manufacturers of petroleum and coal products, down by 9.23 percentage points from 44.27 per cent in Q3 2017 to 35.04 per cent in Q4 2017. Slow payments by manufacturers of rubber fell by 8.22 percentage points from 37.97 per cent in Q3 2017 to 29.75 per cent in Q4 2017.
- ❖ On a y-o-y basis, slow payments dropped by 6.06 percentage points from 45.36 per cent in Q4 2016 to 39.30 per cent in Q4 2017.

### **Retail**

The retail sector continued to register the lowest proportion due largely to the steep fall in slow payments by retailers of food and beverage and fashion apparels.

- ❖ Slow payments dropped markedly by 6.40 percentage points from 33.96 per cent in Q3 2017 to 27.56 per cent in Q4 2017 on a q-o-q basis.
- ❖ Retailers of food and beverage registered the steepest fall in slow payments, down by 8.50 percentage points from 33.23 per cent in Q3 2017 to 24.73 per cent in Q4 2017. This is followed by retailers of fashion apparels and accessories, down by 8.20 percentage points from 45.06 per cent in Q3 2017 to 36.86 per cent in Q4 2017. Slow payments by retailers of building materials and garden supplies dropped by 4.59 percentage points from 54.10 per cent in Q3 2017 to 49.51 per cent in Q4 2017.
- ❖ On a y-o-y basis, slow payments fell significantly by 19.13 percentage points from 46.69 per cent in Q4 2016 to 27.56 per cent in Q4 2017.

### **Services**

The services sector registered the second largest fall in payment delays for Q4 2017.

- ❖ Q-o-q slow payments fell by 4.22 percentage points from 42.06 per cent in Q3 2017 to 37.84 per cent in Q4 2017.
- ❖ The consumer services sector recorded the steepest fall in payment delays, down by 12.51 percentage points from 53.0 per cent in Q3 2017 to 40.49 per cent in Q4 2017. This is followed by hotels and accommodation, down by 12.35 percentage points from 39.38 per cent in Q3 2017 to 27.03 per cent in Q4 2017. Payment delays within the legal services sector tumbled by 8.82 percentage points from 31.31 per cent in Q3 2017 to 22.49 per cent in Q4 2017.
- ❖ On a y-o-y basis, slow payments dropped by 6.82 percentage points from 44.66 per cent in Q4 2016 to 37.84 per cent in Q4 2017.

### **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 2.23 percentage points from 36.95 per cent in Q3 2017 to 34.72 per cent in Q4 2017.
- ❖ Slow payments by wholesalers of durable goods dipped slightly by 1.16 percentage points from 36.86 per cent in Q3 2017 to 35.70 percentage points in Q4 2017. Payment delays by wholesalers of non-durable goods dropped visibly by 5.16 percentage points from 37.19 per cent in Q3 2017 to 32.03 per cent in Q4 2017.
- ❖ On a y-o-y basis, slow payments within the wholesale trade sector dropped by 3.24 percentage points from 37.96 per cent in Q3 2017 to 34.72 per cent in Q4 2017.

“Despite the cashflow woes experienced by local firms, we are seeing more firms fulfilling their debt obligations partially if not fully. Partial payments are always better than non-payments. This reflects a healthy sign that firms are exercising better credit vigilance and putting stringent controls in place to ensure they remain creditworthy in the eyes of their creditors and not to default completely on their debts.” said Ms. Audrey Chia, D&B Singapore’s Chief Executive Officer.

**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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