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**FOR IMMEDIATE RELEASE**

**Slow payments rose to a one-year high in Q3 2021**  
*Construction, wholesale and services sectors saw marginal increases in payment delays*  
 - Singapore Commercial Credit Bureau

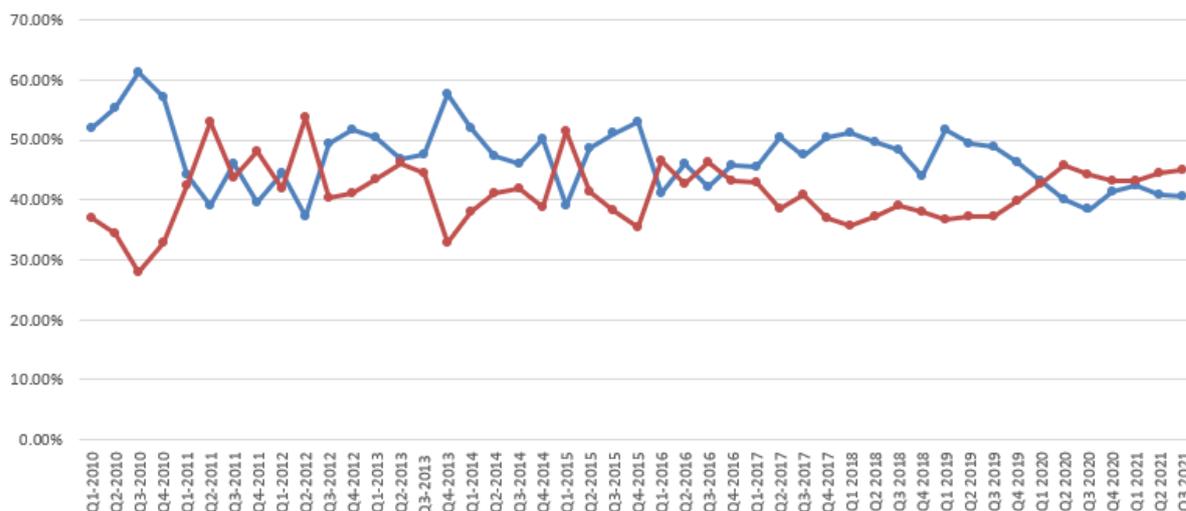
**Singapore, 05 October 2021** – Payment performance of local firms has hit a one-year high in Q3 2021, deteriorating for the second consecutive quarter since Q2 2021. According to Singapore Commercial Credit Bureau - a subsidiary under Credit Bureau Asia (CBA) Limited, a credit and risk information solutions provider in Southeast Asia, slow payments accounted for more than half of total payment transactions while prompt payments accounted for slightly more than two-fifths of total payment transactions.

On a quarter-on-quarter (q-o-q) basis, prompt payments fell slightly by 0.25 percentage points from 40.76 per cent in Q2 2021 to 40.51 per cent in Q3 2021. Year-on-year (y-o-y), prompt payments have fallen by increased by 2.12 percentage points from 38.39 per cent in Q3 2020 to 40.51 per cent in Q3 2021.

Slow payments rose slightly by 0.37 percentage points from 44.56 per cent in Q2 2021 to 44.93 per cent in Q3 2021. Y-o-y, slow payment increased by 0.77 percentage points from 44.16 per cent in Q3 2020 to 44.93 per cent in Q3 2021.

Meanwhile, partial payments dipped by 0.12 percentage points from 14.68 per cent in Q2 2021 to 14.56 per cent in Q3 2021. Y-o-y partial payments dropped by 2.89 percentage points from 17.45 per cent in Q3 2020 to 14.56 per cent in Q3 2021.

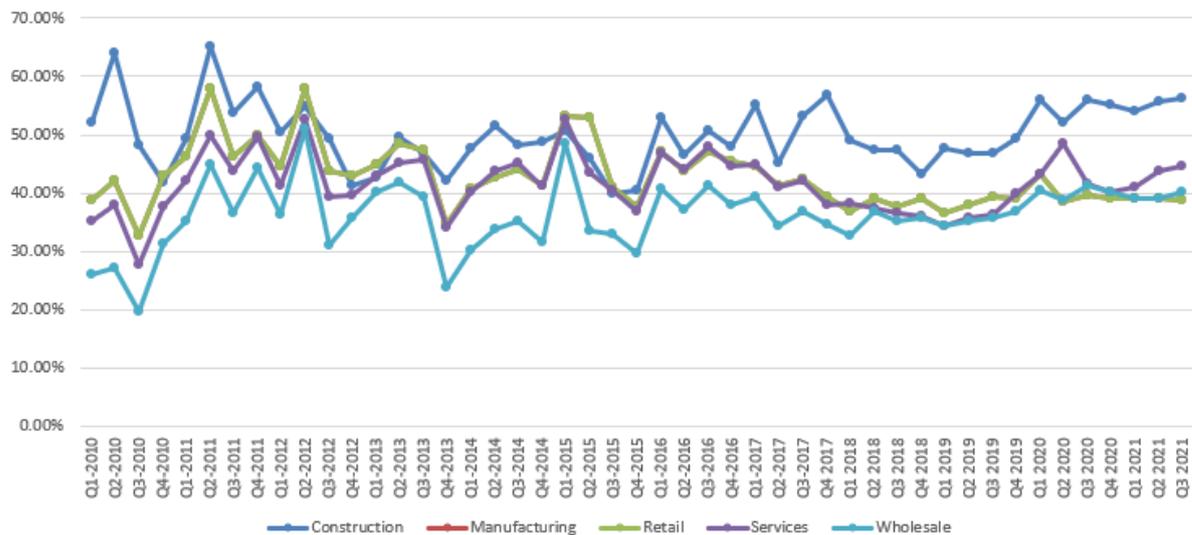
Overall Payment Performance (Q1 2010 to Q3 2021)



From a sectoral perspective, both q-o-q and y-o-y slow payments have deteriorated across 3 of five industries.

Sector	% of Slow Payments			Percentage-Point Change	
	Q3 2021	Q2 2021	Q3 2020	Q-o-q	Y-o-y
Construction	56.14	55.80	56.00	+0.34	+0.14
Manufacturing	38.75	38.98	39.55	-0.23	-0.80
Retail	45.17	45.30	42.30	-0.13	+2.87
Services	44.52	43.72	41.64	+0.80	+2.88
Wholesale	40.09	38.98	41.29	+1.11	-1.20

**Slow Payments - A Sectoral Analysis**  
(% of Payments made 30 days or more above terms)



**Construction**

As with Q2 2021, the construction sector registered the highest proportion of slow payments, accounting for more than half of payment transactions in Q3 2021.

- ❖ Q-o-q slow payments inched by 0.34 percentage points from 55.80 per cent in Q2 2021 to 56.14 per cent in Q3 2021.
- ❖ The building construction sector accounted for the highest proportion of payment delays, up by 0.40 percentage points from 56.15 per cent in Q2 2021 to 56.55 per cent in Q3 2021. Slow payments among special trade contractors rose visibly by 0.49 percentage points, up from 55.59 per cent in Q2 2021 to 56.08 per cent in Q3 2021. The heavy construction sector registered a moderate increase in slow payments, up by 0.15 percentage points, from 55.65 per cent in Q2 2021 to 55.80 per cent in Q3 2021.
- ❖ On a y-o-y basis, slow payments rose by 0.14 percentage points from 56.0 per cent in Q3 2020 to 56.14 per cent in Q3 2021.

**Manufacturing**

Slow payments among manufacturers have deteriorated further in Q3 2021, owing to a fall in payment delays by manufacturers of transportation equipment, electronics and instrument products.

- ❖ Slow payments fell by 0.23 percentage points from 38.98 percentage points in Q2 2021 to 38.75 percentage points in Q3 2021.
- ❖ Payment delays by manufacturers of transportation equipment fell visibly by 5.40 percentage points from 63.75 per cent in Q2 2021 to 58.35 per cent in Q3 2021. Slow payments by manufacturers of instrument products dropped by 2.57 percentage points, from 44.95 per cent in Q2 2021 to 42.38 per cent in Q3 2021. Payment delays by electronic manufacturers dipped by 0.37 percentage points, from 47.32 per cent in Q2 2021 to 46.95 per cent in Q3 2021.
- ❖ On a y-o-y basis, slow payments dropped by 0.80 percentage points from 39.55 per cent in Q2 2020 to 38.75 per cent in Q3 2021.

**Retail**

Payment delays in the retail sector have improved slightly in Q3 2021. This is largely due to a fall in slow payments by retailers of food and beverage, general merchandise, apparels and accessories.

- ❖ Slow payments dipped by 0.13 percentage points from 45.30 per cent in Q2 2021 to 45.17 per cent in Q3 2021.
- ❖ Slow payments by retailers of apparels and accessories fell by 1.25 percentage points, from 54.80 per cent in Q2 2021 to 53.55 per cent in Q3 2021. Retailers of general merchandise saw the second largest decrease, down by 0.67 percentage points, from 35.92 per cent in Q2 2021 to 35.25 per cent in Q3 2021. Slow payments by retailers of food and beverage dipped by 0.58 percentage points, from 55.78 per cent in Q2 2021 to 55.20 per cent in Q3 2021.
- ❖ On a y-o-y basis, slow payments rose by 2.87 percentage points from 42.30 per cent in Q3 2020 to 45.17 per cent in Q3 2021.

**Services**

Slow payments within the services sector have also risen for the second consecutive quarter due to an increase in payment delays by personal services, hotels and accommodation, and membership services.

- ❖ Q-o-q slow payments rose by 0.80 percentage points from 43.72 percentage points in Q2 2021 to 44.52 percentage points in Q3 2021.
- ❖ Slow payments by membership organizations saw the largest increase, up by 1.41 percentage points from 53.24 per cent in Q2 2021 to 54.65 per cent in Q3 2021. This is followed by the personal services sector, up by 0.65 percentage points from 52.20 per cent in Q2 2021 to 52.85 per cent in Q3 2021. Payment delays by the hotels and accommodation sub-sector saw the third largest increase, up by 0.14 percentage points from 53.76 per cent in Q2 2021 to 53.90 per cent in Q3 2021.
- ❖ On a y-o-y basis, slow payments jumped by 2.88 percentage points from 41.64 per cent in Q3 2020 to 44.52 per cent in Q3 2021.

### **Wholesale Trade**

Payment delays within the wholesale trade increased further due to primarily to a rise in slow payments by wholesalers of both durable and non-durable goods.

- ❖ Q-o-q payment delays climbed by 1.11 percentage points from 38.98 per cent in Q2 2021 to 40.09 per cent in Q3 2021.
- ❖ Slow payments by wholesalers of durable goods increased by 1.81 percentage points from 38.05 per cent in Q2 2021 to 39.86 per cent in Q3 2021 while payment delays by wholesalers of non-durable goods inched up by 0.42 percentage points from 39.90 per cent in Q2 2021 to 40.32 per cent in Q3 2021.
- ❖ On a y-o-y basis, slow payments fell by 1.20 percentage points from 41.29 per cent in Q3 2020 to 40.09 per cent in Q3 2021.

“While slow payments have hit a one-year high in Q3, the deterioration in payment performance over the past two consecutive quarters has been gradual. We are still seeing a relatively healthy trend of partial payments being made. This is a reflection that firms are more prudent in not overextending themselves and minimizing cashflow shortages. Given the uncertainties in the developments of the pandemic, firms will have to continue to exercise more credit vigilance and enhancing their credit policies to keep their businesses afloat in the coming months.” commented Ms. Audrey Chia, SCCB’s Chief Executive Officer.

### **Commentary**

Singapore Commercial Credit Bureau (SCCB) compiles the figures by monitoring more than 2.4 million payment transactions of firms. 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) is a subsidiary of Credit Bureau Asia Limited, a credit and risk information solutions provider in Southeast Asia. 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.

### **About Credit Bureau Asia Limited ([www.creditbureauasia.com](http://www.creditbureauasia.com))**

CBA is a leading player in the credit and risk information solutions market in Southeast Asia, providing credit and risk information solutions to an extensive client base of banks, financial institutions, multinational corporations, telecommunication companies, government bodies and public agencies, local enterprises and individuals across Singapore, Malaysia, Cambodia and Myanmar. CBA’s business has two core segments, the FI Data Business and the Non-FI Data Business, covering both consumer and commercial credit risk information.

The Group, together with its joint ventures, is currently the dominant market leader in Singapore’s FI Data Business and the sole market player in Cambodia’s and Myanmar’s FI Data Business. Depending on the territory involved, these credit bureaus operate to provide their subscribing members, mainly banks and financial institutions, with access to credit information on consumers or business entities, all of which are generated from up-to-date credit information contributed by subscribing members. As at 30 June 2020, the Group has close to 200 financial institution members across Singapore and Cambodia which include banks, microfinance institutions, leasing companies and rural credit operators.

For its Non-FI Data Business, the Group has more than 6,000 customers (including multinational corporations and small and medium-sized enterprises) and access to a database covering more than 330 million business records globally as at 6 November 2020. CBA’s Non-FI Data Business operates in Singapore and Malaysia, where customers can access a wide range of business information and risk management services, sales and marketing solutions, commercial insights and other services, using data sourced from a variety of publicly

accessible registries and Dun & Bradstreet's extensive international network as well as information contributed by businesses which subscribe to CBA's payment bureau services.

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