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FOR IMMEDIATE RELEASE

Slow payment deteriorates in Q3 2022
Q-o-q increase in slow payments across majority of sectors
- Singapore Commercial Credit Bureau

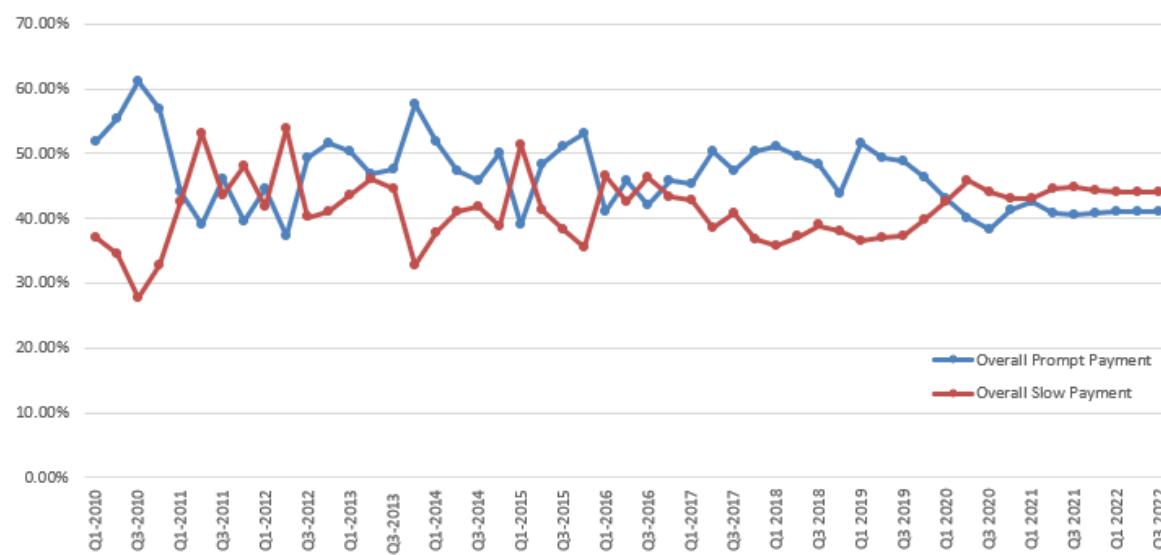
Singapore, 03 October 2022 – Local payment performance has deteriorated slightly in Q3 2022. According to Singapore Commercial Credit Bureau - a subsidiary under Credit Bureau Asia (CBA) Limited, a credit and risk information solutions provider in Southeast Asia, both prompt and slow payments accounted for slightly more than two-fifths of total payment transactions.

On a quarter-on-quarter (q-o-q) basis, prompt payments fell slightly by 0.13 percentage points from 41.15 per cent in Q2 2022 to 41.02 per cent in Q3 2022. Year-on-year (y-o-y), prompt payments have risen by 0.51 percentage points from 40.51 per cent in Q2 2022 to 41.02 per cent in Q3 2022.

Slow payments inched up slightly by 0.08 percentage points from 44.10 per cent in Q2 2022 to 44.18 per cent in Q3 2022. Y-o-y, slow payments fell by 0.75 percentage points from 44.93 per cent in Q2 2022 to 44.18 per cent in Q3 2022.

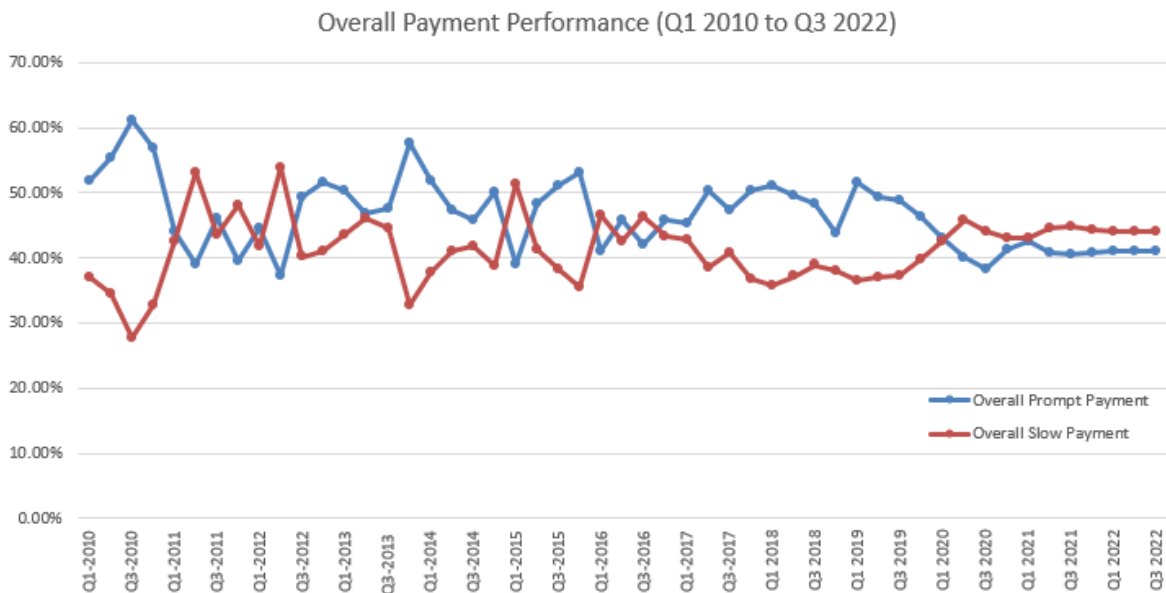
Meanwhile, partial payments rose by 0.05 percentage points from 14.75 per cent in Q2 2022 to 14.80 per cent in Q3 2022. Y-o-y partial payments increased by 0.24 percentage points from 14.56 per cent in Q2 2022 to 14.80 per cent in Q3 2022.

Overall Payment Performance (Q1 2010 to Q3 2022)



From a sectoral perspective, q-o-q slow payments have improved in only 2 of five industries in Q3 2022 as compared to four industries in Q2 2022. On a y-o-y basis, 4 of five industries have also experienced improvements in slow payments.

Sector	% of Slow Payments			Percentage-Point Change	
	Q3 2022	Q2 2022	Q3 2021	Q-o-q	Y-o-y
Construction	55.70	55.75	56.14	-0.05	-0.44
Manufacturing	38.40	38.30	38.75	+0.10	-0.35
Retail	43.50	43.60	45.17	-0.10	-1.67
Services	43.18	43.15	44.52	+0.03	-1.34
Wholesale	40.10	39.70	40.09	+0.40	+0.01



Construction

Slow payments within the construction sector have fallen slightly in Q3 2022 from the previous quarter.

- ❖ Q-o-q slow payments dipped by 0.05 percentage points from 55.75 per cent in Q2 2022 to 55.70 per cent in Q3 2022.
- ❖ The building construction sector accounted for the largest decline in slow payments, down by 0.14 percentage points from 56.28 per cent in Q2 2022 to 56.14 per cent in Q3 2022. Slow payments among special trade contractors also fell marginally by 0.05 percentage points from 55.70 per cent in Q2 2022 to 55.65 per cent in Q3 2022. Payment delays by the heavy construction sector rose slightly by 0.04 percentage points, from 55.26 per cent in Q2 2022 to 55.30 per cent in Q3 2022.
- ❖ On a y-o-y basis, slow payments fell by 0.44 percentage points from 56.14 per cent in Q3 2021 to 55.70 per cent in Q3 2022.

Manufacturing

Slow payments among manufacturers have risen slightly in Q3 2022, owing to an increase in payment delays by manufacturers of chemicals, petroleum and coal products and electronics.

- ❖ Slow payments inched by 0.10 percentage points from 38.30 percentage points in Q2 2022 to 38.40 percentage points in Q3 2022.
- ❖ Payment delays by chemical manufacturers saw the largest increase, up by 0.35 percentage points from 44.20 per cent in Q2 2022 to 44.55 per cent in Q3 2022. Slow payments by manufacturers of petroleum and coal products increased by 0.16 percentage points from 43.66 per cent in Q2 2022 to 43.82 per cent in Q3 2022. Manufacturers of electronics saw the third largest increase, up by 0.11 percentage points from 43.14 per cent in Q2 2022 to 43.25 per cent in Q3 2022.
- ❖ On a y-o-y basis, slow payments dropped by 0.35 percentage points from 38.75 per cent in Q3 2021 to 38.40 per cent in Q3 2022.

Retail

Payment delays in the retail sector have fallen slightly for the second consecutive quarter in Q3 2022. This is largely due to a decrease in slow payments by retailers of apparels and accessories, furniture and home furnishing and general merchandise.

- ❖ Slow payments dipped by 0.10 percentage points from 43.60 per cent in Q2 2022 to 43.50 per cent in Q3 2022.
- ❖ Slow payments by retailers of apparel and accessories saw the largest decrease in slow payments, down by 0.48 percentage points from 50.68 per cent in Q2 2022 to 50.20 per cent in Q3 2022. Payment delays by retailers of furniture and home furnishing decreased slightly, down by 0.25 percentage points from 44.10 per cent in Q2 2022 to 43.85 per cent in Q3 2022. Retailers of general merchandise stores saw the third largest decrease, down by 0.11 percentage points from 34.06 per cent in Q2 2022 to 33.95 per cent in Q3 2022.
- ❖ On a y-o-y basis, slow payments fell by 1.67 percentage points from 45.17 per cent in Q3 2021 to 43.50 per cent in Q3 2022.

Services

Slow payments within the services sector deteriorated slightly in Q3 2022 due to an increase in payment delays by consumer services, social services and business services.

- ❖ Q-o-q slow payments inched by 0.03 percentage points from 43.15 percentage points in Q2 2022 to 43.18 percentage points in Q3 2022.
- ❖ Payment delays by consumer services saw the highest increase, up by 0.10 percentage points from 51.08 per cent in Q2 2022 to 51.19 per cent in Q3 2022. Slow payments by the social services sectors rose by 0.70 percentage points, up from 49.05 per cent in Q2 2022 to 49.12 per cent in Q3 2022. The business services sector saw the third largest increase, up by 0.03 percentage points from 52.13 per cent in Q2 2022 to 52.16 per cent in Q3 2022.
- ❖ On a y-o-y basis, slow payments fell by 1.34 percentage points from 44.52 per cent in Q3 2021 to 43.18 per cent in Q4 2022.

Wholesale Trade

Payment delays within the wholesale trade deteriorated due to an increase in both slow payments by wholesalers of both durable and non-durable goods.

- ❖ Q-o-q payment delays jumped by 0.40 percentage points from 39.70 per cent in Q3 2022 to 40.10 per cent in Q4 2022.
- ❖ Slow payments by wholesalers of durable goods rose by 0.55 percentage points, up from 39.30 per cent in Q2 2022 to 39.85 per cent in Q3 2022. Payment delays by wholesalers of non-durable goods inched by 0.25 percentage points, up from 40.10 per cent in Q2 2022 to 40.35 per cent in Q3 2022.
- ❖ On a y-o-y basis, slow payments rose by 0.01 percentage points from 40.09 per cent in Q3 2021 to 40.10 per cent in Q3 2022.

“On the overall, the slight deterioration in payment performance should come as no surprise as we have seen an uptick in slow payments across majority of the sectors. The wholesale sector has particularly experienced a visible increase in payment delays on the back of a weakened outlook for external demand and ongoing globally supply chain risks. As with the previous quarter, we foresee any further improvements in payment performance to be gradual in the coming months.” commented Ms. Audrey Chia, Singapore Commercial Credit Bureau’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)

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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