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FOR IMMEDIATE RELEASE

Payment performance deteriorates slightly in Q1 2023
Majority of sectors experienced increase in payment delays
- Singapore Commercial Credit Bureau

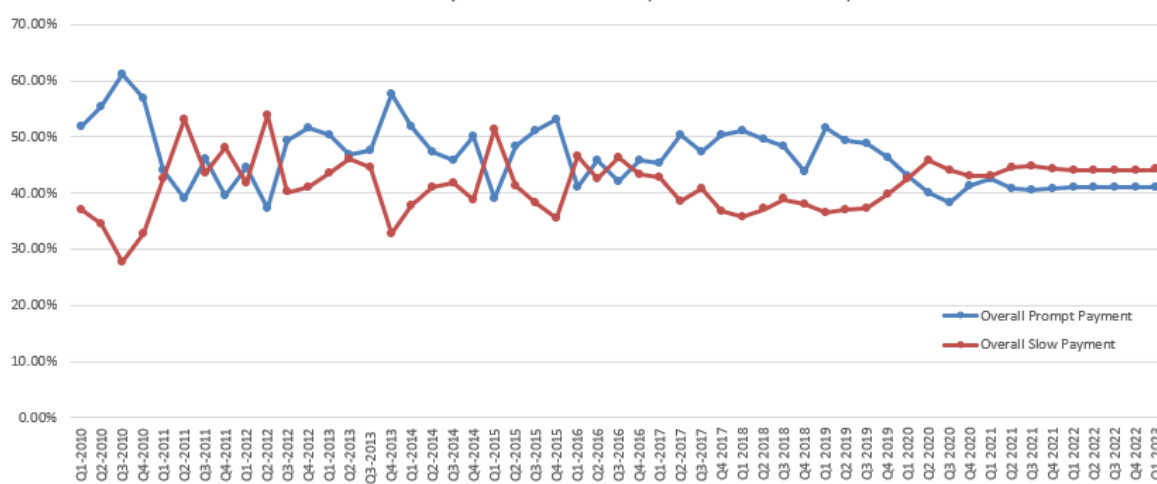
Singapore, 04 April 2023 – Payment performance deteriorated slightly in Q1 2023 after a slight improvement in Q4 2022. According to Singapore Commercial Credit Bureau - a subsidiary under Credit Bureau Asia (CBA) Limited, a credit and risk information solutions provider in Southeast Asia, both prompt 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 worsened slightly, down by 0.05 percentage points from 41.08 per cent in Q4 2022 to 41.03 per cent in Q1 2023. Year-on-year (y-o-y), prompt payments have fallen by 0.02 percentage points from 41.05 per cent in Q1 2022 to 41.03 per cent in Q1 2023.

Slow payments inched up slightly by 0.07 percentage points from 44.15 per cent in Q4 2022 to 44.22 per cent in Q1 2023. Y-o-y, slow payments rose by 0.07percentage points from 44.15 per cent in Q1 2022 to 44.22 per cent in Q1 2023.

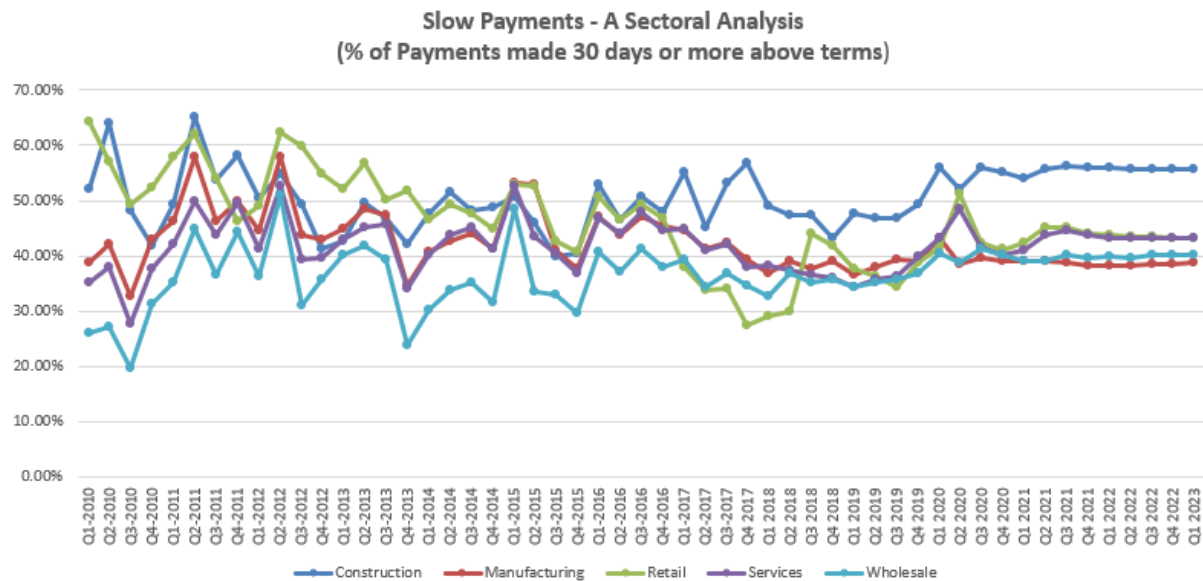
Meanwhile, partial payments inched by 0.05 percentage points from 14.70 per cent in Q4 2022 to 14.75 per cent in Q1 2023. Y-o-y partial payments fell by 0.05 percentage points from 14.80 per cent in Q1 2022 to 14.75 per cent in Q1 2023.

Overall Payment Performance (Q1 2010 to Q1 2023)



From a sectoral perspective, q-o-q slow payments have deteriorated in 4 of five industries in Q1 2023. On a y-o-y basis, 2 of five industries have also experienced deteriorations in slow payments.

Sector	% of Slow Payments			Percentage-Point Change	
	Q1 2023	Q4 2022	Q1 2022	Q-o-q	Y-o-y
Construction	55.65	55.60	55.95	+0.05	-0.30
Manufacturing	38.72	38.48	38.12	+0.24	+0.60
Retail	43.30	43.32	43.75	-0.02	-0.45
Services	43.15	43.12	43.33	+0.03	-0.18
Wholesale	40.30	40.25	39.77	+0.05	+0.53



Construction

Slow payments within the construction sector have increased for the first time in four consecutive quarters in Q1 2023.

- ❖ Q-o-q slow payments inched by 0.05 percentage points from 55.60 per cent in Q4 2022 to 55.65 per cent in Q1 2023.
- ❖ Special trade contractors accounted for the largest increase in slow payments, up by 0.10 percentage points from 55.45 per cent in Q4 2022 to 55.55 per cent in Q1 2023. Slow payments by the heavy construction sector recorded 55.25 per cent in Q1 2023. The building construction sector accounted for the highest proportion in payment delays, up by 0.05 percentage points from 56.10 per cent in Q4 2022 to 56.15 per cent in Q1 2023.
- ❖ On a y-o-y basis, slow payments fell by 0.30 percentage points from 55.95 per cent in Q1 2022 to 55.65 per cent in Q1 2023.

Manufacturing

Slow payments among manufacturers have increased in Q1 2023, owing to an increase in payment delays by manufacturers of electronics, chemicals and instruments.

- ❖ Slow payments rose by 0.24 percentage points from 38.48 percentage points in Q4 2022 to 38.72 percentage points in Q1 2023.
- ❖ Payment delays by electronics saw the largest increase, up by 0.20 percentage points from 44.76 per cent in Q4 2022 to 44.96 per cent in Q1 2023. This is followed by manufacturers of chemicals, up by 0.13 percentage points, from 45.82 per cent in Q4 2022 to 45.95 per cent in Q1 2023. Manufacturers of instruments saw the third largest increase, up by 0.05 percentage points from 43.55 per cent in Q4 2022 to 43.60 per cent in Q1 2023.
- ❖ On a y-o-y basis, slow payments jumped by 0.60 percentage points from 38.12 per cent in Q1 2022 to 38.72 per cent in Q1 2023.

Retail

Payment delays in the retail sector have fallen further for the fourth consecutive quarter in Q1 2023. This is largely due to a decrease in slow payments by retailers of building materials and garden supplies, furniture and home furnishing and apparels and accessories.

- ❖ Slow payments slid by 0.02 percentage points from 43.32 per cent in Q4 2022 to 43.30 per cent in Q1 2023.
- ❖ Slow payments by retailers of building materials and garden supplies saw a further decrease in slow payments, down by 0.15 percentage points from 40.25 per cent in Q4 2022 to 40.10 per cent in Q1 2023. Payment delays by retailers of furniture and home furnishing decreased by 0.13 percentage points, down from 41.93 per cent in Q4 2022 to 41.80 per cent in Q1 2023. Retailers of apparels and accessories saw the third largest decrease in slow payments, down from 49.16 per cent in Q4 2022 to 49.10 per cent in Q1 2023.
- ❖ On a y-o-y basis, slow payments fell by 0.45 percentage points from 43.75 per cent in Q1 2022 to 43.30 per cent in Q1 2023.

Services

Slow payments within the services sector deteriorated slightly in Q1 2023 due to an increase in payment delays by consumer services, business services and educational services.

- ❖ Q-o-q slow payments inched up by 0.03 percentage points from 43.12 percentage points in Q4 2022 to 43.15 percentage points in Q1 2023.
- ❖ Payment delays by business services saw the highest increase, up by 0.10 percentage points from 51.18 per cent in Q4 2022 to 51.28 per cent in Q1 2023. Slow payments by consumer services increased by 0.07 percentage points, from 50.05 per cent in Q4 2022 to 50.12 per cent in Q1 2023. The educational services sector saw the third largest increase, up by 0.05 percentage points, from 41.05 per cent in Q4 2022 to 41.10 per cent in Q1 2023.
- ❖ On a y-o-y basis, slow payments fell by 0.18 percentage points from 43.33 per cent in Q1 2022 to 43.15 per cent in Q1 2023.

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 rose by 0.05 percentage points from 40.25 per cent in Q4 2022 to 40.30 per cent in Q1 2023.
- ❖ Slow payments by wholesalers of durable goods rose by 0.05 percentage points, up from 40.05 per cent in Q4 2022 to 40.10 per cent in Q1 2023. Payment delays by wholesalers of non-durable goods increased by 0.05 percentage points, up from 40.45 per cent in Q4 2022 to 40.50 per cent in Q1 2023.
- ❖ On a y-o-y basis, slow payments jumped by 0.53 percentage points from 39.77 per cent in Q1 2022 to 40.30 per cent in Q1 2023.

“On the overall, local payment performance has remained lacklustre for the first quarter of 2023. The slight deterioration in payment performance is a sign that firms have been experiencing tighter cashflows in the past months. Firms should continue to exercise greater credit vigilance in the face of market volatility and uncertainties in the months ahead.” 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)

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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